

CAPITAL IMPROVEMENTS PLANNING MANUAL:

**A Strategic Tool
For Planning and Financing
Public Infrastructure**

June 2011

PREFACE

This publication, *“Capital Improvements Planning - A Strategic Tool For Planning and Financing Public Infrastructure,”* is one of the many efforts of the Montana Department of Commerce (MDOC) through the Community Technical Assistance Program (CTAP) to assist Montana's local governments to finance, build and maintain their public facilities. This publication provides a step-by-step procedure for creating a capital improvements planning program. Through this process local needs are evaluated, priorities are objectively identified, and costs and funding sources are identified. The end product of the process, the “Capital Improvements Plan,” provides a plan and schedule for the repair and construction of public facilities.

Primarily written for local officials in rural counties, small towns, and county water and wastewater districts, this publication is intended to provide a straightforward description of the capital improvements planning and budgeting process. Written for the layperson, this publication is intended as a guide for governing bodies, clerks and financial staff, public works directors and maintenance supervisors, planning directors, consulting engineers, and other consultants, such as accountants or grant writers.

This latest publication was created by the staff of the Community Development Division. A special thanks is given to Erling Tufte, with Morrison-Maierle, Inc., who generously gave us his time to review this new publication and provide valuable comments.

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In addition, Appendix E of this publication provides a list of several organizations that offer technical assistance, training, and access to a variety of publications and other information.

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TABLE OF CONTENTS

Preface.....	i
Chapter 1 Introduction to Capital Improvements Planning.....	1
✓ What is Capital Improvements Planning?	
✓ What are the benefits to having a CIP?	
✓ Does capital improvements planning always work?	
✓ What are the steps in the Capital Improvements Planning Process?	
✓ How does all this get done?	
✓ Who is typically responsible for getting all of this done?	
✓ Is it essential that we hire an engineer?	
✓ What is the relationship of the CIP to comprehensive plans and growth policies, and to land use regulations?	
✓ Is it necessary to adopt any policies in conjunction with creating a CIP?	
Chapter 2 Assessing Needs.....	13
A. Introduction	
B. Define Your Objectives	
C. Public Participation	
D. Identifying Needs	
Chapter 3 Prioritizing Needs.....	19
A. Introduction	
B. Initial Prioritization of Needs	
C. Evaluating Needs, Developing Projects, and Fine-tuning Priorities	
D. Documenting the Priority Setting Process	
Chapter 4 Evaluating Funding Options.....	28
A. Introduction	
B. Determine Your Local Government's Financial Condition	
C. Evaluate Funding Options	
D. Additional Financing Methods	
E. Financial Depreciation	
F. Special Concerns Related to Financing Water and Wastewater Improvements	
G. Develop a Comprehensive Funding Strategy	
Chapter 5 Adopting and Implementing the Capital Improvements Plan.....	41
A. Introduction	
B. Putting Together the CIP Document	
C. Adopting the Plan	

D. Implementing the Plan

APPENDICES

Appendix A Policies to Consider for Capital Facilities Planning.....A-1

Appendix B Public Education and Involvement.....B-1

Appendix C “Example Capital Improvements Plans.....C-1

CHAPTER 1. INTRODUCTION TO CAPITAL IMPROVEMENTS PLANNING

What is Capital Improvements Planning?

"Capital improvements planning" is a process used to identify capital (public facility) needs, establish priorities, and schedule and fund projects to improve existing, or construct, new facilities. The end result of this process is called the "Capital Improvements Plan" (CIP). The plan is a budgeting and financial tool used by a local governing body, whether a municipality, county, county water and sewer district, or a tribe, for maintaining, improving, or building new, public facilities. The CIP looks at the "big picture" of community needs. A CIP should cover all public facilities owned or maintained by the local government including: water systems, wastewater systems, storm drain systems, solid waste systems, streets/roads, bridges, parks, and all public buildings, such as courthouses, jails, fire stations, etc. The plan identifies specific projects, costs, priorities, timetables, and funding sources.

What are the benefits to having a CIP?

One of the most important reasons is that a CIP saves money by improving the cost-effectiveness of how local governments expend their limited resources and dollars:

- ❑ It helps local governments create a long-term financial plan to meet public works needs, thus ensuring financial stability.
- ❑ It identifies where improvements will be needed over time, rather than waiting for each crisis to occur before taking action. It is usually more expensive to make emergency repairs than it is to maintain a system in working order by anticipating problems and making corrections incrementally before there is a total breakdown in the system.
- ❑ The process involves a thorough analysis of all financial options. This analysis may help the local government learn about financing alternatives that can provide grants or low interest loans for improvements.
- ❑ A CIP demonstrates to bond underwriters that the local government is a better financial risk because it has methodically thought through its public facilities needs.
- ❑ It may also improve your chances for obtaining grants, which can reduce the amount of local dollars required. For example, grant applications submitted to the Treasure State Endowment Program, Community Development Block Grant Program, and the U.S. Economic Development Administration are typically more competitive if the applicant has a CIP and the proposed project is included in the CIP.

The capital improvement planning process helps local governments to understand and be more responsive to citizens' needs and desires:

- ❑ It removes "unreasonable" pressure from the governing body to fund a project that a small group thinks is important, and helps to prevent the funding of "pet projects."
- ❑ Citizen participation helps to ensure greater understanding of the community's needs by

its citizens, and helps to build support for critical projects.

- ❑ It helps local officials to remember that specific capital improvements are only part of the total number of capital facilities that citizens are paying for through their taxes. For example, municipalities are responsible for providing water and wastewater service and maintaining a street system, counties provide solid waste disposal and maintain the county's road and bridge system, while school districts are responsible for providing adequate learning facilities. If taxpayers are already supporting a bond debt for a new high school, they may be resistant to financing a general obligation bond to fund a new county jail, unless they have a complete picture of the infrastructure responsibilities of the local government.
- ❑ Having a CIP illustrates to the citizens that the local government is trying to fulfill its obligations to its customers in a long-term, financially efficient, "least cost" and common sense manner. Most citizens are not informed about public works issues and consequences. Developing a CIP can be an effective way to educate the public about the hard choices that must be made by a community's elected leaders.

A capital improvements planning program can help local governments operate more effectively:

- ❑ It helps to prevent public works crises. With a capital improvements planning process, government officials are made aware of what needs to be done, how much it costs, and when it needs to be done. Since there is never enough money to meet all needs, the process helps to establish priorities for funding different types of facilities. The process provides the local government with information about which projects are most critical, and whether there are sources of funds to make the improvements.
- ❑ It encourages consensus among local officials and their staff, which reduces administrative delays and conflicts because there is agreement on the scope of work, timing, and responsibilities. As a result, it helps the governing body provide direction to its own staff and consultants.
- ❑ The capital improvements planning process requires the local government staff to thoroughly justify each project request.

A capital improvements planning program helps to encourage economic development:

- ❑ A capital improvements planning program helps to ensure adequate facilities are available for new businesses or the expansion of existing businesses.

A capital improvements planning program can help a local government meet statutory requirements.

- ❑ A well thought out and detailed capital improvements planning program can help ensure that the requirements have been met in order to collect subdivision impact fees.
- ❑ Local growth policies require "a strategy for the development, maintenance, and replacement of public infrastructure, including drinking water systems, wastewater treatment facilities, sewer systems, solid waste facilities, fire protection facilities, roads,

and bridges.” A CIP can either be used to fulfill that requirement or can implement a public infrastructure strategy contained in a local Growth Policy. CIP’s have long been considered a basic tool for implementing local growth policies.

Does capital improvements planning always work?

Capital improvements planning programs do not always work and can fail for a variety of reasons. The most common reasons are:

- ❑ **Lack of objectives or focus.** If the only reason for going through the capital improvements planning process is to satisfy a requirement to obtain a grant, the program is likely to fail in the long run. Successful use of a CIP requires the recognition by local government leaders that routine use and updating of the CIP, in conjunction with their annual budgeting process, is in the community’s self interest. The focus of the process needs to be the creation of a CIP that will be actively used as a planning and financing tool, which is updated routinely as part of the annual budgeting process.
- ❑ **Weak information or data.** Any potential project must be adequately evaluated and justified using sound data. Projects cannot be adequately justified and prioritized if the data, upon which those decisions are made, is lacking or flawed. Inadequate information can lead to the wrong conclusions about infrastructure priorities and inappropriate solutions.
- ❑ **Poor decision-making process.** It is important to remember that this process is a team approach. In the end, the process must have broad-based support from local officials and the public. Without adequate buy-in from a decision-making team and citizens there is a greater potential for the outcome to be altered or protested.
- ❑ **Uncompromising, biased views.** Have projects been built in your community because they were the “pet” project of someone? While it is great that some individuals are motivated and driven to seeing a project through from the concept stage to completion, it is also important that these “pet” projects go through the same evaluation process as all other projects. These “pet” projects must be given unbiased analysis and must be prioritized along with all other potential projects.
- ❑ **Inadequate technical support.** It is important to provide adequate technical resources in order to get the job done. If qualified staff members are not available to submit or evaluate projects, a consultant may need to be hired. Outside resources such as other communities or government agencies may also be able to provide technical assistance.
- ❑ **Limited public involvement.** Public involvement is critical in identifying needs, prioritizing projects and gaining support for them. Failure to adequately include the public in this process and building support for the CIP can result in the project being objected to about the time it is ready to go to construction. These objections, sometimes from only a few “vocal” people, can cause lengthy delays and even result in the project dying.

- ❑ **Lack of adequate funding.** Lack of funding is an important reason for needed projects not getting completed. Be thorough and honest regarding cost estimates that are included in the CIP, as well as the proposed sources for funding. Looking several years in advance of when the project is to be completed greatly increases your ability to obtain funding for the project.
- ❑ **Search for “perfect” solutions.** There is almost never a “perfect” solution, because of constantly changing variables such as rising construction costs. While it is appropriate to ensure that adequate time and resources are spent to seek a proper solution, don’t let the pursuit of a “perfect” solution result in the potential project stalling out.
- ❑ **Takes too long.** Many a project has failed to be completed because it takes too long and people lose interest. Be sure that someone is in charge and has developed a reasonable timetable to get it all done. Use realistic timetables in the CIP.
- ❑ **Gathers dust on the shelf.** Regardless of how good of a job you did creating the CIP, if it is not utilized, a lot of time, money and effort will have been wasted. The CIP is a tool that should be used on a regular basis to guide decisions, and should be updated as part of the annual budgeting process.

What are the steps in the Capital Improvements Planning Process?

A CIP is typically created through the following series of steps:

- ❑ **Assessing Needs.** "Needs" can be evaluated using a number of different methodologies, including site inventories and surveys, preliminary engineering studies of infrastructure condition, census data analyses, and observations of population and demographic trends. People within the community frequently have ideas about what is needed.
- ❑ **Setting Priorities / Evaluating Alternative Solutions / Identifying Projects.** Once the community's needs have been identified, residents and local government staff must work together to identify those needs that should receive the attention first. The setting of priorities usually occurs a number of times during the CIP planning process. Priorities are initially set during the needs assessment. However, a further evaluation of the community's prioritized projects will be needed, including: long- and short-term costs, maintenance requirements, public acceptance, associated impacts, available funding, and regulatory and other issues.

Potential solutions also need to be defined. Frequently, there may be several potential approaches that could be pursued. This step generally requires preliminary engineering studies to accurately estimate project costs to aid in the evaluation of higher ranked priorities. Once sources of funding are identified (in the next step), it may be necessary to re-evaluate priorities once again in order to fit available resources, application cycles of funding programs, and other regulatory concerns. As this process continues, priorities may be changed to reflect these various issues.

- ❑ **Evaluating Funding Options.** This step requires a comprehensive analysis of the ability of the local government to pay for the desired improvements as well as identifying outside grant or loan funding that might be secured for specific projects. This involves identifying the specific legal and administrative requirements that must be fulfilled, funding cycles and understanding grant and loan program criteria. This step also enables a local government to accurately portray its financial condition to potential funding sources and to the public.
- ❑ **Adopting and Implementing a Capital Improvement Plan (CIP).** The CIP documents created through the planning process provide a schedule for implementing projects. The CIP summarizes the needs assessment, the project prioritization, the evaluation of funding options, and provides a schedule for implementing projects. Limited community and grant funding, lengthy grant review periods, and the necessity for preliminary planning and engineering work typically require that CIP projects be carefully scheduled. Sometimes projects are designed in phases to match funding capacity and availability. Once a particular project has been identified, it may take months or years before it can be completed. Accurate scheduling enables local governments to anticipate projects over a period of years and to measure their progress. With the

completion of the project schedule, the local governing body typically adopts the CIP by resolution or ordinance after a public hearings.

The formal adoption of the CIP permits local officials and their staff to begin implementing the scheduled projects. It can also provide very accessible and concise information to elected officials who change over time. The information collected in the preparation of the CIP can assist with completing funding applications required by state and federal agencies that provide grants and loans for public facilities. This is particularly true for the information related to a community's identified needs, to its financial capacity, and to the evaluation of alternative solutions.

A CIP, which reflects thoughtful analysis and extensive public participation will serve a local government well over time. However, you must recognize that financing capital improvements is a continual, never ending process. Public facilities have varying life spans, new state or federal regulations require specific improvements to be made, and finally, communities grow and new businesses need infrastructure. The governing body should provide for a regular periodic review and update of the CIP. Preferably, this should be done annually and in conjunction with the local government's budgeting process. Once a CIP is in place, updates can be made easily within an existing format.

How does all this get done?

The capital improvements planning process takes substantial time and resources to complete. In addition, it can be accomplished in a variety of ways. The local government may choose to undertake the effort themselves, with outside assistance, or some combination of both. For example, in those local governments that have larger staffs, many of the CIP planning tasks are frequently accomplished, or at least, supervised by a particular position (planner, engineer, administrator, etc.). However, smaller local governments with limited staff might need to hire a consultant. In addition, technical issues are often addressed by a professional that is knowledgeable in a specific area of expertise. For example, civil engineering services may be needed to accurately determine both the condition of a facility and the nature and costs of any required improvement, especially for priorities ranked high. An engineer on staff might accomplish this or a consultant could do it. Before you get started, consider the following:

- ❑ **Initiating the Process.** The local government may initiate the capital improvements planning process at any time. If a local government establishes a capital improvements planning process, it should be done as part of its annual budget process. Sometimes, the need for a CIP is triggered by a program requirement, e.g. eligibility for funding from a state or federal agency. Once created, the plan should include a process for regular, annual updates. After the decision has been made to complete a CIP, the local government should identify the various tasks and the appropriate person or persons responsible for getting the job done. A specific person should be assigned the responsibility for coordinating the preparation and eventually the update of the plan.

- ❑ **Allocation of Resources.** The capital improvements planning process will require the commitment of both human and financial resources. A substantial amount of time will be required to complete a CIP, especially if one has never been completed for a community before. Some of the information needed is generally available at the community level and can be assembled using existing staff or part-time help. A summer intern could be employed to collect and tabulate some of data, such as demographic information from the Census. If in-house staff is used, then arrangements should be made with respect to scheduling sufficient personnel. If a consultant is required, then funding sources will need to be identified. Funding will also be needed to cover the cost of public hearings, meeting notices, mailings, producing maps, and printing. The local government should explore funding opportunities from outside sources to assist with the process. The MDOC Community Development Block Grant (CDBG) Program has an annual funding competition for planning grants, which could be used to prepare a CIP. The CDBG Program has also allowed grant recipients to prepare CIP's in conjunction with CDBG-funded public facility projects. The Department of Natural Resources and Conservation also has a program that provides planning grants that can be used to prepare a CIP.
- ❑ **Hiring Consultants.** In those cases where a local government requires the services of planning and technical consultants, the local officials should work with their staff to carefully define the scope of work that the consultant will complete. Local officials should anticipate the kind of information they may need to complete and implement the capital improvements plan. The solicitation for professional services should clearly state the type of services required (public facilitator, financial consulting, engineering, etc.).
- ❑ **Public Meetings.** Local officials should provide ample opportunity for public participation in the capital improvements planning process. Remember that public support of the CIP is essential. A variety of methods must be used to educate the public about the need for capital improvements. The local government may choose to hire an outside planner/facilitator to assist in making the process as meaningful and useful as possible. Ultimately, a draft CIP document should be distributed to the media and the public.
- ❑ **Progress Reports.** The public and local officials should be provided with regular updates on the planning process. Reports should include copies of needs assessments, community surveys, minutes of public meetings, engineering studies and cost estimates.
- ❑ **Preparing Funding Proposals.** The responsibility for completing funding applications must also be assigned. Once again, this task may be undertaken by the in-house staff, an outside consultant, or some combination of the two.

Resist the Urge to Give Up. Delays are common for many reasons. Projects such as

CIP's may generate controversy within the community and the pressure on local officials and their staff may be intense. It is important not to get emotionally "burned out". Try to take a longer-term view, be positive, and be persistent.

Who is typically responsible for getting all of this done?

The following is a summary of the role that each of participants typically plays in the capital improvements planning process:

- ❑ **Governing Body** – The governing body represents the voters, makes policy, financial, and management decisions and is ultimately responsible for the planning process related to the CIP. For small municipalities, the mayor is a key figure because he/she directly supervises the staff, manages town issues, and formally represents the town with regards to public facility improvement matters. The city/town council (the policy makers) will ultimately make the final decisions. For a county water and sewer district, the board of directors makes the final decisions; however, a bond issue for the district may require the direct vote of all of the people in the district.
- ❑ **City or County Manager/Administrator** - In larger cities (and counties), a manager designates a CIP coordinator. In smaller communities, a manager may actually serve as the CIP coordinator. The manager is similar to a city mayor in that he/she supervises staff, prepares budgets and financial proposals and generally represents the City or County commissions with regards to public facilities issues.
- ❑ **Financial Analyst** - Someone should assume the role of lead person for researching and analyzing financial options. The analyst, working under the guidance of the governing body or manager, should identify financing alternatives and the advantages and disadvantages of each option. The individual who is most acquainted with your local finances is probably most suited to undertake your financial forecast. This could be your administrator, manager, budget officer, finance director, clerk, or treasurer. In small communities, this person may serve as the overall coordinator for preparing and carrying out the CIP. In smaller, incorporated cities and towns, this person is usually the city clerk. For county water and sewer districts, this person may be a member of county staff or a member of the district board.
- ❑ **Consultants** – Some consultants also have experience directing and preparing CIP's. Engineering firms provide engineering and facility management expertise and many also offer additional services to their clients -- such as grant writing, rate studies, and financial option analysis. There are also numerous grant writing/administration consultants that provide this type of service. These consultants prepare complex grant and loan application packages, and frequently administer projects when grants are awarded. Some jurisdictions do grant writing with local staff, while many contract out this function to a consultant.
- ❑ **Public Works Director or Maintenance Superintendent** – The person that operates

and maintains the community's public facilities probably has the experience needed to conduct an analysis of local infrastructure. Typically, this person will work closely with a consultant when one is used.

- ❑ **Local Government Attorney** - Many financing proposals involve legal questions and interpretations. The local government's attorney should be involved early in the process to address legal questions. Some types of financing require public notice and public hearings. An attorney should make sure that all procedures used by the local government comply with applicable laws. County water and sewer districts are not legally required to have an attorney; however, they should retain one on an "as needed" basis.
- ❑ **Planning Board and Planning Director** – The planning board advises the governing body and the CIP coordinator regarding the relationship of proposed public facilities improvements to the local government's Growth Policy (previously known as the Comprehensive Plan). The Growth Policy is the overall plan for long-term development for the community. A CIP and individual improvement projects may be used to implement the development goals of the Growth Policy (see 76-1-601(3), MCA). If the town or county has a professional planning director, that person may serve as the CIP coordinator.
- ❑ **Bond Counsel** - If bonds are proposed as a financing alternative for public facilities improvements, a private bond counsel should be added early in the process. By getting a bond counsel involved early, you can avoid many pitfalls, avoid procedural errors, and save time and money. The counsel will help you to determine the proper amount of the bond issue, help with establishing repayment schedules and provide guidance on related matters.
- ❑ **The Public** – Public involvement is one of the most important aspects in the development of the CIP. The public's participation and input is essential to achieving their "buy in" of the completed CIP. The members of the public are the users of the local government's infrastructure and ultimately pay for it.

The role of the CIP Coordinator is critically important. Someone has to be in charge of pulling the information together from everyone involved in the process. The coordinator also serves as a troubleshooter and makes sure the necessary work gets done in a timely and efficient manner.

There is no simple answer as to who should be the coordinator. The governing body should formally designate the coordinator after careful consideration of who has the appropriate management, planning and financial skills to handle the job. If a consultant is chosen as the coordinator, the governing body must still supervise the consultant and make the final policy decisions.

Most local governments find that a team approach to preparing and carrying out the CIP is

most effective. In this case, typically, a committee of the key officials, staff, and consultants compose the team. The CIP coordinator should make sure everyone knows what their tasks are and that the work gets done correctly and on time. Regular meetings of the committee should be scheduled.

Is it essential that we hire an engineer?

There are some limitations to preparing a CIP without adequate preliminary engineering studies. Engineering studies can provide a more accurate estimate of what the improvements will cost. Communities typically hire a qualified professional engineer to address needs or problems that local staff may not be prepared to undertake.

Consulting engineers can offer objectivity and expertise based on a wider range of experience. A consulting engineer may be needed if:

- ☐ the community lacks the staff or technical expertise in-house;
- ☐ a neutral party is needed to ensure an unbiased opinion;
- ☐ there are legal or political constraints that make doing it in-house impractical;
- ☐ the in-house staff do not have the time to take on an additional project;
- ☐ there are computerized models for systems analysis that a consultant can provide; or
- ☐ the project is large and complex, and beyond the technical resources of the community.

There are several reasons for using in-house staff to prepare an engineering study rather than a consultant. In-house staff:

- ☐ are familiar with the system, know what their needs and desires are related to the system, and ultimately, must live with the results;
- ☐ may have the time and ability to take on the additional work; and
- ☐ have a direct relationship with the people that operate and maintain the facilities.

Unfortunately, due to the cost of preliminary engineering studies, many local governments cannot complete studies for each public facility that may have a need. As a result, a preliminary engineering study is typically only completed for facilities with known problems and that are a high priority. However, the local public works director, engineer, or system operator generally has some knowledge of the deficiencies of a system and can frequently provide a “rough” estimate of what it would cost to complete the improvements.

Keep in mind that many funding programs will require a preliminary engineering report (PER) prepared by a professional engineer to be submitted with the application. The important thing to remember is that a PER is not essential for determining needs and estimating costs for a CIP, but a PER will provide more detailed and accurate information and will likely be required when the community applies for funding.

If your community determined it must hire an engineer, the following organizations can help:

- ❑ The Midwest Assistance Program (MAP) publishes a booklet titled "How to Hire an Engineer". To view or order this publication, visit the MAP's web site at <http://www.map-inc.org/Publications/publications.htm>.
- ❑ The Community Development Block Grant Program and the Treasure State Endowment Program have both developed grant administration manuals, which provide guidance on hiring consultants. To obtain copies of this information, call the CCD at 841-2770, or visit the programs' web sites at <http://comdev.mt.gov> to obtain it on-line.

What is the relationship of the CIP to growth policies and to land use regulations?

Local officials need to understand how a CIP relates to existing local policies such as Growth Policies (previously known as Comprehensive Plans), and subdivision and zoning regulations. Cities, towns, and counties benefit from having a Growth Policy, because they are a written statement or "blueprint" of how the citizens think the local government should develop in the future. Knowing the desired and projected development pattern for the community is very important before local officials undertake planning for major water, wastewater, or street and road improvements, or other community services such as parks or police and fire protection. In fact, Montana's growth policy statute requires that local growth policies include "a strategy for the development, maintenance, and replacement of public infrastructure, including drinking water systems, wastewater treatment facilities, sewer systems, solid waste facilities, fire protection facilities, roads, and bridges."

The CIP can be an important tool for implementing a local Growth Policy. For example, if new development is desired in a particular area, infrastructure improvements can encourage and serve that new development. In addition, many small communities do not have central water or wastewater systems, and as a result, new residential or commercial development can be difficult to achieve due to constraints for permitting on-site wastewater treatment systems and on-site wells. There are many existing situations where private property owners cannot expand existing home or businesses or develop vacant land without central water and wastewater systems.

Public facilities can markedly affect future growth patterns and the location of business and industry and other private development. Likewise, the location, design and type of development will affect the public costs of providing services. Local officials can direct growth by deciding where it is most efficient and economical to provide public services, rather than merely responding to private development. Thus, local decisions on capital facilities can not only assure adequate services, but can also be an effective tool for influencing land use patterns and reducing costs of public services. So, it is critical that local policies for the extension of public facilities be developed within the context of a community's planning program and Growth Policy.

If a public facility has been well planned and designed to efficiently serve an area, the

community may take the added step of protecting the adequacy of the design capacity. This can be achieved by adopting land use regulations to assure densities within the service area do not exceed the capacity of the system. Haphazard or high-density growth can particularly strain capacities of water and wastewater systems, but can also affect roads and recreation facilities. Conversely, low-density growth can make it more expensive to extend water and sewer lines to serve new development. The land use patterns encouraged in the community's Growth Policy and zoning regulations can have a direct impact on the long-term costs of providing public services.

Your community's subdivision regulations also have a relationship to the CIP. Housing in new subdivisions will need water and wastewater facilities. Does your community want these new neighborhoods on central water and wastewater facilities? Is there enough treatment capacity to handle more subdivision activity? Are the design standards in your subdivision regulations adequate to assure quality development that would avoid unnecessary costs for future upgrades or high maintenance costs?

It is also important to consider how your CIP relates to your zoning regulations. For example, if you were improving sewer lines through a residential neighborhood that is zoned "single family residential use," you would not want to oversize the lines. Oversized lines are an invitation for future demands to rezone a neighborhood to allow apartments or commercial development that may disrupt the quiet nature of the existing neighborhood. This usually leads to intense disputes between the developers and the existing neighborhood residents, with the local government officials caught in the middle.

Local officials have found to their dismay that zoning sometimes cannot control the pressure for further development that oversized sewers unleash. Another related issue that needs to be considered is the ultimate population density that would be authorized by the community's zoning ordinance. This is called the "build-out density." The build-out density is simply the total number of buildings that could be built if all vacant lots and lands were developed at the maximum density allowed by the zoning ordinance. It is important to look at the build-out density to estimate the number of new water and wastewater hookups needed, as well as the new capacity needed for the planned water and wastewater lines and treatment plants.

Many local government officials in the State are being faced with issues relating to both the timing and location of future growth. Numerous municipal governments, especially in the western and central part of the state, are facing requests by developers for annexation of new residential developments, including accompanying requests to extend community water, wastewater, and street systems to these new subdivisions. The CIP can play a key role in encouraging development in those areas where future growth should be encouraged and, conversely, in discouraging growth in those areas where development should be avoided, such as in flood-prone areas or wetlands.

Local governments that want to build the basic framework for sound future community development must influence the timing and location of future development. This involves a coordinated effort to link their Growth Policy, subdivision and zoning regulations, and

capital improvements plan, to a developed policy for the extension of public facilities. Without such planning and coordination, local governments will find themselves merely reacting to future development proposals and being placed in a defensive position regarding proposed developments. Unless they take action in advance of development, municipalities run the risk of finding themselves surrounded by low-density residential development, served by individual domestic wells and septic tanks, without the ability to direct or influence the overall growth and character of the community.

As an example, the City of Helena and Lewis and Clark County are jointly exploring the feasibility of extending Helena's municipal services to several outlying residential areas located north of the city where previously constructed independent, residential wastewater treatment lagoons are beginning to fail. As part of this process, the city and county have developed a future urban growth area map that identifies those areas where extension of city services may be feasible in the future. (See Figure 1 on page 15, which was originally published in the Helena Independent Record)

Is it necessary to adopt any policies in conjunction with creating a CIP?

Policies are very useful because they provide long-term guidance on how day-to-day decisions should be made, so that those decisions conform to the long-term community needs or desires. Local officials may wish to adopt a number of policies relating to public facilities, some of which may impact the decisions made when creating and adopting a CIP.

Some policies related to land use were discussed above. Policies can also help when determining priorities, scheduling projects, and deciding which financing methods should be used to fund a project. Appendix A lists numerous sample policies dealing with basic fiscal and debt management, allocation of costs, project financing, extension policies, and planning, construction and management.

As a general rule, fees and assessments are set high enough to pay for all the costs of providing that particular service. There are a variety of methods of funding capital projects, and each has very real implications on who will bear the costs. As a rule of thumb, if a facility serves the community as a whole, all citizens, or all taxpayers, should pay the costs. This can be achieved through revenue bonds or general obligation bonds, user fees or general property taxes.

If a facility benefits people in a specific area, the people in that area should bear the costs. Special districts are formed to provide a means of assessing people within a specific area for the expense of providing public services that only serve that area. Special assessments also help to ensure that new growth pays its way for public services.

Caution should be exercised when planning public improvements in areas consisting of elderly or low-income families, or where neighborhoods are beginning to deteriorate, since in general the residents in these areas may have limited financial capacity to pay for new improvements. Local officials may wish to adopt a policy that allows them to deviate from a policy that requires special districts to pay all of the actual costs. The policy should be very

explicit about the circumstances under which they would deviate from the more general policy. Local officials may want to identify areas or neighborhoods with concentrations of lower income families and pursue state or federal funding to help finance improvements in these areas.

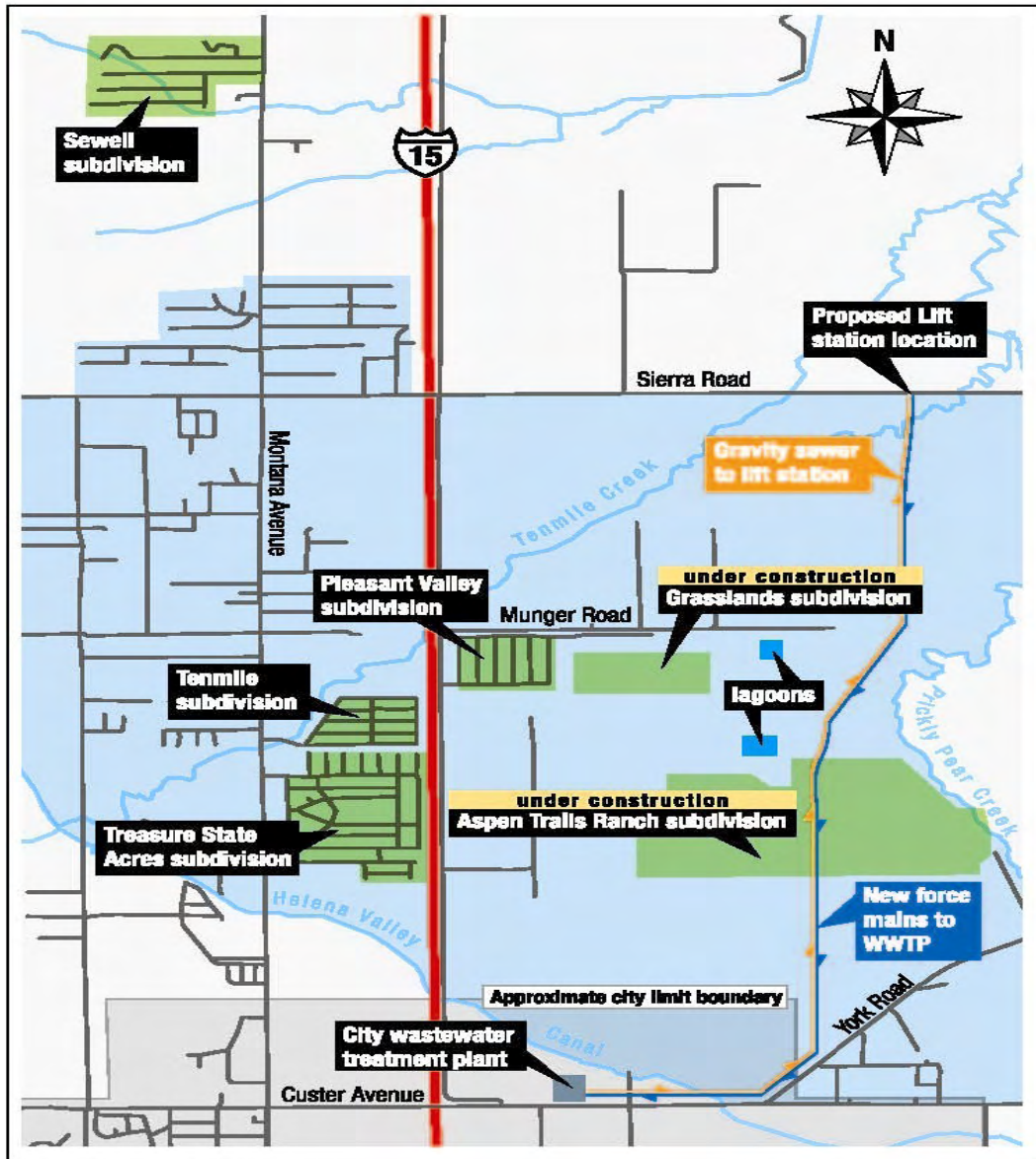
Policies on bonding should limit the use of general obligation bonds to those facilities that do not have the capacity to generate revenues, such as parks, streets, administration buildings or fire stations. Revenue bonds should be used for revenue producing facilities, such as water, wastewater, solid waste or parking facilities. Use of revenue bonds saves bonding capacity for non-revenue producing facilities. Special assessment bonds are issued for facilities that benefit only a specific area.

Policies on the extension of public facilities typically place the burden of paying for roads or utilities on those receiving the benefits of the services. However, local governments may want to spread the cost of some capital improvements to all users in order to control development and land use patterns. Such a policy can still require developers to pay for improvements within their developments.

Figure 1

Central Helena Valley sewer service

A proposed extension of city sewer services could serve the area (shaded blue), plus the Sewell subdivision. This nine square mile area is home to two major treatment systems, 1,500 individual septic systems and 5,400 people. The area is expected to grow by 9,000 over 20 years.

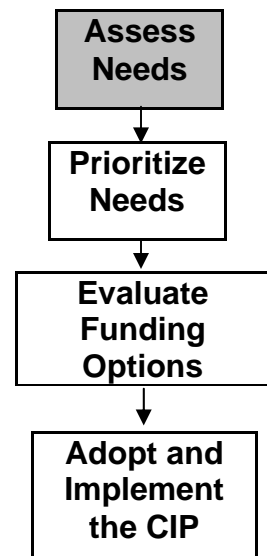


Source: Lewis & Clark County

Illustration: Matthew Wolfe - IR

CHAPTER 2. ASSESSING NEEDS

Defining your community's current and long-term needs is the first step in the capital improvements planning process. It provides local governing bodies with a defensible basis upon which to make decisions regarding the allocation of human and financial resources. Needs can be determined using a variety of methodologies depending on the scope of the needs assessment process.



A. Introduction

The "needs assessment" provides the foundation for any capital improvements planning process. Needs assessments can be limited in scope, dealing only with public infrastructure, or they can be comprehensive and be used to identify all of the needs of a community. We recommend that you comprehensively look at all of your community's needs so that you only go through the process once, rather than multiple times in order to deal with specific issues, such as infrastructure, housing, senior citizens or medical facilities, etc. Ideally, the community's capital improvements planning process should follow and be coordinated with the preparation or periodic updating of its Growth Policy.

Local governments should take full advantage of their local planning programs and not unnecessarily duplicate their planning efforts solely for the purpose of preparing a "needs assessment" for a capital improvements plan (CIP). In many cases, a local government may have already identified their infrastructure needs by preparing a community "Growth Policy." (Senate Bill 97, passed by the 1999 Montana Legislature, substituted the term "Growth Policy" for what was previously referred to as a "Comprehensive Plan" or "master plan" in state law.) The growth policy statute requires that local growth policies include "a strategy for the development, maintenance, and replacement of public infrastructure." Where a community has an existing, adopted Growth Policy, MDOC strongly encourages local officials to use it as a basis for preparing a CIP. A useful reference for more information on the preparation of a local Growth Policy is the Department of Commerce publication, "Montana's Growth Policy Resource Book," which can be ordered from our website: <http://comdev.mt.gov/>.

It is important to remember that a community's needs change over time for a variety of reasons:

- ❑ All communities are in a continual state of change, and as a consequence, what once may have been an appropriate policy or program may eventually become inappropriate.
- ❑ The character and needs of a community can shift as a result of demographic and economic changes. The needs of a community are frequently related to its population characteristics and rate of growth. Fast growing communities are often faced with greater needs for schools and recreation areas to serve children and younger families. In communities experiencing declining populations and out-migration, the greatest needs may relate to serving senior citizens through facilities such as senior centers, medical clinics, or assisted living facilities.
- ❑ Sometimes people are not inclined to express their attitudes and feelings openly; it may take a crisis, such as the threatened or actual loss of a major employer, to motivate citizens to share their opinions about community needs and priorities.

It is important to remember that there is a tendency for people to resist rapid change. Many people don't like change and they are even more resistant to major changes when they don't have adequate information, or when they have not been involved in making decisions. A community needs assessment process is an excellent means of informing and involving the public in problem solving and developing local goals and priorities. By including the people in your community in the process of identifying critical needs, people will feel that they have had a voice in the process and will be more likely to support the end result, which in some cases is a major public facilities project. For example, a major water or wastewater project that is being mandated by state or federal regulations may be resisted by many community members. The needs assessment process can educate citizens about a problem, explain why the issue is important to the community, and involve them in identifying alternatives to deal with it.

A needs assessment process can help local leaders in various ways. The process can:

- ❑ Increase citizen awareness of the value and importance of community planning,
- ❑ Increase citizen understanding of community problems and their effects on the community,
- ❑ Assess public opinion about community goals and priorities,
- ❑ Systematically evaluate existing programs and services to identify whether improvements are needed,
- ❑ Identify needs related to public facilities or services,
- ❑ Educate the public about why the needs are important to them,
- ❑ Build citizen support for local government decisions or projects, and develop a greater "sense of ownership" through public involvement, and
- ❑ Meet funding agency requirements for grants and loans.

Ultimately, it is the extent and critical nature of community needs that should convince members of the public and potential funding programs that financial and human resources must be committed to a particular need, in this case, infrastructure improvements.

B. Define Your Objectives

At the outset of the needs assessment process, local officials should define their objectives. Is this assessment to be limited in scope, dealing only with public infrastructure, or will it be comprehensive and identify all of the needs of a community? In order to define your objectives, answer the following questions:

- ☐ What do we want or need to know?
- ☐ Why do we want to know it?
- ☐ How will the information be used?
- ☐ Where can we find the information needed to answer our questions?
- ☐ How can we obtain this information?
- ☐ What sources of information already exist at local, regional, state, or federal levels?
- ☐ How can the data we obtain be organized, analyzed, and presented?
- ☐ What people and organizations should be involved in gathering the information? Why? How?

Once you have defined what it is that you want to accomplish, determine how much it will cost in time, dollars, and other resources to obtain the required information. Consider what funding is available, or where financial help could be obtained. Also, estimate the availability of human resources for planning, compiling, analyzing, and presenting information. If citizen volunteers are the primary means of carrying out the study, they may need to be reimbursed for their expenses, their time may be limited, and they may need guidance and support. On the other hand, highly skilled researchers can often be found in the volunteer community. Do not overlook agencies, organizations, and businesses that may be interested in community problems. The entire community is a potential resource.

Even though the assessment process may have a capable steering committee and the support of local officials, it needs leadership. Determine who is available to assume the leadership responsibility for the needs assessment and what their capabilities are to get the job done. One individual should be responsible for all the tasks associated with planning, defining the problem, monitoring the expenditure of funds, organizing a plan of operation, guiding the data collection, and serving as liaison. Someone will also need to oversee data analysis, its presentation, and its use.

The leader does not need to have all the answers or do all of the work. However, he/she should be able to organize, know how to maximize the involvement of all community resources, and understand the research methods used in conducting a needs assessment. At no time is a leader a substitute for community participation. With the right kind of leadership, occasional help from local government staff or a consultant, and willing citizens, a community can produce a useful needs assessment for very little money.

C. Public Participation

Public participation is essential for completing a successful needs assessment. While public opinion alone cannot demonstrate need, it does provide a critical perspective. The members of the public are the users of local government's public facilities and ultimately pay for it. Their participation and "buy in" regarding any major improvements is critical to having an effective capital improvements planning process and accomplishing the project. Public comment can be solicited through public meetings, personal contacts, information booths at public events and public places, questionnaires in local newspapers, or enclosed with utility bills or tax statements. Various ways to involve the public will be discussed in the following section. Appendix B provides additional information on how to encourage public participation. Also, another Department of Commerce publication, "The Community Needs Assessment Process" discusses a number of approaches for encouraging public involvement in identifying community needs. To view this publication, visit the CDD web site at <http://comdev.mt.gov/>.

D. Identifying Needs

"Community Needs" can be identified in a variety of ways. The assessment process should identify whether, and how well, needs are currently being met. In addition, the process should identify whether, and how well, needs would be met in the future given changing conditions. "Community Needs" can also be described as the gap between what is currently provided and what is desired in both the immediate future and the long term. While this handbook is primarily concerned with public infrastructure, the needs assessment process should look at all needs. As a result, a variety of techniques are discussed in this chapter that may be more applicable to a broad needs assessment or overall community planning process. A limited needs assessment, concerned with just public infrastructure or a specific portion of the public infrastructure (i.e. water system), may not use as many of the techniques for obtaining input from the general public.

A combination of methods are often used to determine and assess the nature and extent of a community's needs. The quality of information about a community is only as good as the techniques used to gather the information. A single technique may be too narrow in the information it provides; while using too many may be costly in terms of time and dollars. Different information-gathering techniques are appropriate for different needs. It is important that the needs assessment process be designed as efficiently as possible, with respect to available resources.

When deciding which assessment technique is best, it is critical to take into account the people who will be involved. People are unique in the way they respond to an interviewer, a group discussion, or a questionnaire. This consideration alone may justify the use of more than one needs assessment technique. Particular techniques such as a citizens' advisory group, a steering committee, a community forum, or a questionnaire can provide a sharper perspective on local concerns, depending upon the audience.

The techniques used to assess needs can generally be grouped into one of two categories. The first category relies upon direct input by the public and includes advisory groups and task forces, community forums, small group discussions (nominal group process), key community members, and surveys. Direct input by the public means obtaining opinions from a community's citizens about what is needed in the community, and is an excellent way to involve the public in the capital improvements planning process. Utilize at least a couple of these techniques when going through a needs assessment. Always remember that getting public input is essential, because what the general public views as a need may be entirely different than what local officials and staff have identified.

The second category relies upon data and information gathering, typically performed by the local government's staff or consultant. This technique does not rely upon public opinion, but rather upon gathering information already available or generating new information from inventories and studies. In every community there is a wide variety of information available, if you know where to find it. Before new data is collected, a thorough check should be made of what is already available. Such information may not only provide valuable background information, but it could save time and money later. Existing studies or plans often provide insights into the community that most citizens are not aware of. In addition, community needs, goals and policies may have already been identified in these earlier studies and plans and would be worthwhile to revisit.

Baseline information, such as U.S. Census data is important to acquire. The U.S. Bureau of the Census conducts a population census every 10 years. Census data can provide insights into a community's population and settlement trends. It can also assist a community in projecting growth and decline and the associated impacts on public facilities. Economic and market data regarding industry trends can help identify potential areas for growth and associated infrastructure needs. Surveys of existing businesses might reveal expansion plans, anticipated changes in technology and the associated infrastructure requirements. While individual industries would likely come forward to request improvements to infrastructure to accommodate their specific needs, it is far better for a local government to anticipate growth over a period of years. This enables the orderly planning for infrastructure improvements based on the availability of financial resources and scheduling requirements.

There are two data gathering techniques especially suited to assessing community needs related to public infrastructure: system inventories and preliminary engineering studies. A system inventory documents what actually exists. The inventory gathers information on each portion of infrastructure: what it is, where it is located, quantity (i.e. number of feet of eight-inch water main), general condition, age, and dollar value.

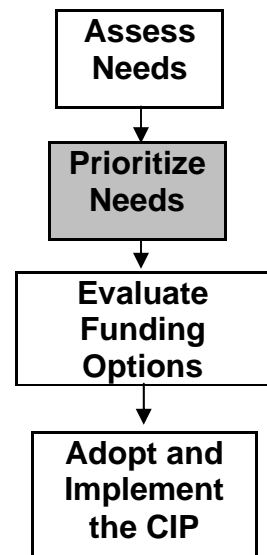
Preliminary engineering studies provide even more detailed information about the condition of the infrastructure and alternative improvement strategies. Professional engineers, working with local government staff can help identify a variety of infrastructure deficiencies that might go otherwise unnoticed. Preliminary engineering studies are often required by public funding agencies prior to consideration of grant and loan funding applications. These studies can provide information in a standard format that can be easily reviewed by

funding agency staff and can provide a good basis for the additional engineering work that must be done as the project progresses.

More detailed information about techniques for identifying needs can be found in the Community Development Block Grant program (CDBG) publication *The Community Needs Assessment Process*. To view this publication, visit the CDD web site at <http://comdev.mt.gov/>.

CHAPTER 3. PRIORITIZING NEEDS

Once needs have been identified, the next step in the process is to prioritize them. Priorities are initially determined through the needs assessment, however, needs should then be evaluated with respect to a variety of considerations. In addition, potential solutions need to be identified. Typically, only the highest prioritized needs are given a detailed analysis for alternative solutions. The further evaluation of priorities brings many specific issues to light, which may affect their ranking and consideration by the governing body and members of the public.



A. Introduction

In this chapter we look at prioritizing needs. Once a community's needs have been identified, residents and local government staff work together to select those needs that should receive the greatest attention first. The setting of priorities typically occurs a number of times during the capital improvements planning process. Priorities can initially be determined through the needs assessment, however further evaluation of priorities is needed, including: cost in the long- and short-term, maintenance requirements, public acceptance, associated impacts, available funding, and regulatory permitting and other issues. Potential solutions also need to be defined, and frequently there may be a series of alternatives that can be pursued. Sometimes you will only have one solution per problem, while other times you might have multiple choices. Often this step requires preliminary engineering studies be completed in order to more accurately estimate project costs and to aid in the evaluation of the higher ranked alternatives.

Evaluating alternative solutions to identify proposed projects can be an exhaustive process, and therefore, it is most typically used to evaluate only the highest ranked priorities. Lower ranked priorities generally receive less attention. However, as the capital improvement plan is periodically updated, identified needs may "move up the ladder" and be given greater attention and focus. Once sources of funding are identified for proposed projects (in the next step), it may be necessary to once again re-evaluate priorities in order to fit available resources, funding cycles and other regulatory concerns. As this process continues, priorities may be changed to reflect these various issues.

B. Initial Prioritization of Needs

The needs assessment process will probably result in an initial prioritization of needs, since some needs will be clearly of greater interest to those participating in the process. However, virtually every community will find it has more needs than it can reasonably

finance. In order to assist communities in narrowing down this list of needs to a manageable level, it may be useful to develop criteria for determining which needs should be concentrated on for further evaluation. These criteria should be established before actually prioritizing any needs, thereby creating a policy for guiding the prioritization process. Sometimes a community may have two or more needs that could be considered for a possible project. The use of ranking criteria can provide an objective means to help the community establish priorities for dealing with needs, and decide on whether to apply to a particular state or federal program for help.

Some ranking criteria may readily determine how high a need should be prioritized. Projects that would eliminate a hazard to public health or safety, and/or are necessary to meet state or federal regulations are typically considered to be a high priority. Projects for which the funding and timing is inflexible - the project cannot be postponed without losing the opportunity for specific funds may possibly be considered a high priority.

Other criteria may simply offer guidance related to preference. For instance, projects that conform to the community's Growth Policy, or other adopted plans or policies, might be given preference. Projects that would extend the life of existing facilities might be given preference over projects that would require new facilities. Criteria based on the community's goals and policies, a project's urgency and immediacy, and the availability and flexibility of funding, are all important when considering how to prioritize a need.

Examples of the types of criteria that have been used by other communities include:

- ☐ the need involves the community's compliance with a law or regulation which has been mandated by a governmental agency;
- ☐ the community faces an existing or potential threat to public health or safety;
- ☐ the need is one that relates to the mission of a particular state or federal program;
- ☐ the need affects the entire community as opposed to one neighborhood;
- ☐ the need is one on which a strong community consensus exists;
- ☐ the need is a long-term problem which has been identified in past plans or studies, or solution of the problem would have a long-term positive impact on the viability of the whole community;
- ☐ the need is one for which state or federal financial assistance is more likely to be available; and
- ☐ the need is more likely to be competitive under particular state or federal grant programs.

As evidenced by the above suggestions, setting priorities is not always purely objective or

scientific. Considerable value judgment is involved. The aim should be to use a system that provides as much consistency in the rating of projects as possible. For small communities with only a few projects to consider, a simple priority rating system likely will suffice. Larger jurisdictions with many projects may want to establish a point-value rating system to help assure consistency in the decision making process. Whatever criteria are used to set priorities, common sense should be a key ingredient.

The following is an example of a priority rating system that might serve a community:

PRIORITY 1:

- ☐ Projects already underway, or to which the local government is already committed (funding and all approvals are in hand).
- ☐ Projects that eliminate a hazard to public health or safety, and/or are necessary to meet state or federal regulations or other legal requirements.

PRIORITY 2:

- ☐ Projects needed to assure orderly residential, commercial or industrial development (e.g., a larger sewer trunk line to serve a growing commercial area).
- ☐ Projects that correct deficient or deteriorating existing facilities.
- ☐ Projects needed now, but funding and timing is flexible.

PRIORITY 3:

- ☐ Projects that are highly desirable, and funding is flexible.
- ☐ Projects that would assist orderly development, but not absolutely needed at this time.

PRIORITY 4:

- ☐ Projects that are not needed now, but maybe in the future.
- ☐ Projects that can be postponed without harming existing programs.

PRIORITY 5:

- ☐ Projects that are desirable, but of questionable need.
- ☐ Projects that may require more study before further consideration.

Determining how high to prioritize a need is not always simple. Sometimes it is not easy to simply answer "yes" and "no". As a result, it is important to focus on what the priority for resolving the need is and not on how to resolve the need, since that can be focused on later when evaluating needs in the next step.

With these criteria in hand, local officials and their staff, along with public input, should initially prioritize needs. Appendix C is a newspaper article from the *Billings Gazette* that describes how the largest city in Montana successfully involved the public in developing a

capital improvements plan for Billings.

The needs that are identified as a higher priority should then be evaluated further in order to answer specific questions. As more information is collected regarding needs, the alternative solutions, funding availability, and scheduling limitations, some or all of these considerations will likely change the priority of each need.

As a final step, the needs assessment committee should summarize the recommendations made relative to the major needs that were identified and how they were finally ranked in order of priority. This documentation can consist of references to community plans or studies, written comments, charts, or maps.

C. Evaluating Needs, Developing Projects, and Fine-tuning Priorities for Public Facility Projects

Highly ranked needs should now be evaluated in order to answer specific questions, and through this process, actual projects should be developed. Just like a preliminary engineering study can provide more detailed information about the need for an infrastructure improvement and its costs, higher priority needs should be studied in order to answer a specific set of questions. An analysis should be done only for the higher ranked needs, although some consideration should be given to lower ranked needs that may become more critical over time. In addition, some needs may require a very detailed analysis such as a preliminary engineering study. This additional analysis will bring to light many other issues, which could affect how the needs are ultimately prioritized. Listed below are suggested questions that can be used to evaluate needs.

1. Financial Considerations

What are the capital costs?

When computing the cost of a capital project it is essential to include all expenses reasonably related to that project. Cost estimates should include all anticipated elements of the project:

- ☐ preliminary engineering (if not already completed),
- ☐ preparation of inventories of cultural/environmental resources (if necessary),
- ☐ selection of consultant,
- ☐ final design,
- ☐ preparation of bid documents,
- ☐ solicitation of bids and contractor selection,
- ☐ labor and materials,
- ☐ construction oversight,
- ☐ land purchases or right of way concerns,
- ☐ utility requirements,
- ☐ environmental mitigation,
- ☐ preparation of applications for grants and loans, and

- ❑ expenses related to obtaining a loan such as the issuance of a bond, holding an election, or forming a special district.

What are the operating and maintenance costs?

All of the costs associated with ongoing operations and maintenance (O & M) should be identified. One of the primary reasons for capital improvement projects is often to reduce O & M costs. It is important not to underestimate the degree to which O & M costs affect your operating budget. Several studies have shown that for typical public facilities, such as street lighting or water main improvements, O & M costs over the useful life of the facilities are likely to exceed their initial cost of installation. Therefore, any capital improvements that can reduce operating costs should be seriously considered. For example, a water main replacement project may offer considerable savings over the continuing O & M costs related to making spot repairs on an antiquated system. On the other hand, the construction of a new municipal parking lot will almost certainly increase O & M costs for your community. Once construction is completed, your local government will be called upon to provide a whole range of services including mechanical sweeping, snow plowing, landscaping, pavement resurfacing, daily checking of parking meters, etc. You also need to consider whether you have the capacity to perform this maintenance or whether it will need to be contracted out.

By clearly calculating the added long-term O & M costs that would occur from an expansion of capital facilities, local officials can accurately anticipate future increases in their annual operating budget. Those capital facility alternatives that would offer lower O & M costs over time may be more attractive, even if they are more expensive initially. You should also consider how long the improvement will likely last (what is its expected life)? Would an alternative that costs more to build, but lasts longer, result in a decrease in costs over time considering the longer life of the facility?

What are the impacts on local government financing?

What are the impacts to the local government's financial position? Does the local government have sufficient legal debt capacity to issue bonds, and how would the project affect your local government's capacity to fund other projects? Infrastructure improvements will either positively or negatively affect your jurisdiction's tax revenues or service charges. For example, a roadway extension constructed to serve a proposed manufacturing plant will help generate more local property tax income. Similarly, a sanitary sewer extension project will generate additional hook-on fees and monthly user charges. These revenue changes should all be considered when selecting alternative projects.

How will the improvements be financed?

One of the most important factors to consider is whether or not funding options exist for a particular project. If funding is available "right now" for a project, you probably would want to assign this project a higher priority ranking. Projects that are difficult to finance, or that do not have funding available at this time would normally be assigned a lower priority. It is

also important to consider whether a project can be phased. This will defer some costs until a later time, and may result in the local government having access to additional grant funds. You should also look to see if there are opportunities for cooperative efforts. Can engineering services, construction or maintenance be shared by other local governments, or by state or federal agencies? Can other organizations such as a property owners association help finance the project over the long run?

2. Other Impacts That May Result From The Improvement

It is important to look at the various impacts that the project would have, including both negative and positive impacts:

What are the impacts on health and safety?

Many public works projects will have an important beneficial impact on the community. These impacts may be “indirect” (as when a water treatment plant project improves the appearance, smell or taste of drinking water), or “direct” (as when a water treatment plant project removes chemical or biological contaminants that threaten the public’s health)). While it is difficult to assign a dollar value, they represent perhaps the most valuable public service that any government can provide. The value of the project in lives saved or illness prevented should be clearly stated in your CIP. Make sure you communicate these benefits of the project to the governing body, media, and citizens. Projects that protect public health and safety should have a very high priority.

Will the project result in compliance with state or federal regulations?

A high priority should be assigned to projects that are required by state or federal regulations. Failure to comply with regulations could result in threats to public health or safety, damage to the environment, or fines levied against your local government.

Are there environmental concerns?

Environmental considerations can play a significant role in the selection of a preferred alternative. Whenever federal funds are used for projects, the potential environmental impacts must be assessed under the provisions of the National Environmental Policy Act (NEPA). Projects that are funded by state dollars only are subject to the environmental assessment process established under the Montana Environmental Policy Act (MEPA). Are there wetlands or floodplain associated with a potential project area? These and other types of environmental issues can influence a project.

Often, funding applications will require that an environmental assessment be prepared in conjunction with the application. Project planning should include adequate time to conduct environmental assessments where appropriate to determine the nature of any anticipated impacts and how they might be mitigated. Each agency may have somewhat different environmental requirements, so it is important to contact each funding agency that might be

involved in the project.

What are the impacts on cultural issues?

Will the project result in your community being more livable? These questions generally look at the aesthetic or social condition of your community. Examples include: the reduction of traffic congestion, air pollution, and noise in a downtown shopping area or neighborhoods where you live; and greater opportunities for recreation or to socialize. You should also evaluate whether the project would impact historic, prehistoric, or other natural resources or scenic values. An important question should be whether the project relates to your local governments' Growth Policy. Is the project consistent with other community plans? Does the project assist in economic and community development efforts? Does it address changing growth patterns and community development needs?

What are the impacts on local economic development?

Economic development refers to business expansion and creation of new jobs. Since economic development is a major objective of many capital projects, it is important that local elected officials, business leaders and civic groups understand the close correlation between capital improvements and economic development. For example, the economic benefits of a project should be documented in the following areas:

- ☐ Expansion of the local property tax base,
- ☐ Increased property values,
- ☐ Increased employment or retention of existing businesses
- ☐ Increased investment in local economy, and
- ☐ Stabilization or rehabilitation of declining neighborhoods.

Once you have looked at all of the positive and negative impacts, you should ask - Are the monetary and other costs of the project appropriate and reasonable when measured against the benefits derived?

3. Public Acceptance

Is the proposed project acceptable to and supported by the public?

An important consideration should be whether the public supports the proposed project. Funding scenarios that call for increasing taxes or assessing new fees will likely be met with some resistance. If monthly charges become too high, the system's users may consider them unreasonable, which may result in the public opposing a proposed project. This is an important consideration if you are looking for state and federal grant and loan dollars, since lack of public support could affect the likelihood of being awarded funds. It is also important if the public will have to vote on a bond issue for the project.

If the project is delayed, will the public respond negatively? Various funding strategies

may result in the postponement or phasing of improvements over time. The public may feel that the project should be undertaken immediately.

It is usually desirable to place a higher priority on projects that have generated a good deal of public support. If you have undertaken a citizen survey (by telephone, mail, or in person) or held a public hearing concerning your capital improvement program, it will be easier for you to gauge public support.

Without a sufficient degree of public support, some public projects (such as those funded by general obligation bonds or special assessments) simply cannot go forward due to statutory requirements for minimum levels of public support. Therefore, your local government should consider the level of public support, not only as a desirable justification for a project, but also as a critical prerequisite for most major public works projects.

D. Documenting the Priority Setting Process

The needs assessment process should have been documented in order to show all of the needs that were identified. Likewise, the initial prioritization of needs should have been documented. For each of the higher priority needs that were evaluated, you will want to document what was learned. A summary sheet that contains specific information should be used to document this information so as to have a record for each proposed project. This summary sheet should be attached to the overall priority list. This information is very helpful in dealing with the governing body, the press, and the public. The following format could be followed to create a summary sheet:

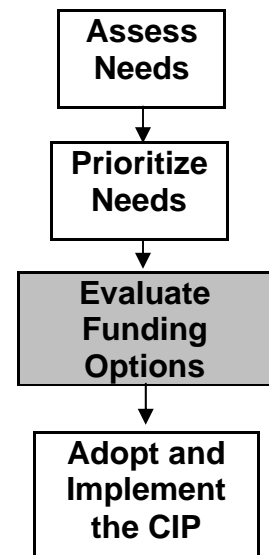
- ☐ Name of Project:
- ☐ Anticipated Construction Date:
- ☐ Location of Project:
- ☐ Description of Project:
- ☐ Condition of Existing System:
- ☐ Land Acquisition/Easements Required:
- ☐ Adherence to Growth Policy:
- ☐ Anticipated Benefits (Why Needed):
- ☐ Anticipated Construction Cost:
- ☐ Annual Operation and Maintenance Costs:
- ☐ Potential Funding Sources:
- ☐ Anticipated Tax and Economic Effects of the Project:
- ☐ Public Support for the Project:
- ☐ Estimated Life Expectancy of the Project:
- ☐ Date of Project Summary Update:

After each of the priorities, or at least the higher ranked priorities, have been further evaluated and documented, local officials, staff and members of the public should work together to re-prioritize needs if necessary and to select preferred alternative solutions. However, priorities may once again be modified based on availability of funding, which is

discussed in detail in the next chapter.

CHAPTER 4. EVALUATING FUNDING OPTIONS

Once needs have been identified and prioritized, the local government should take a comprehensive look at its capacity to pay for the desired improvements. Funding may have to come from local sources, but there may also be outside funding that could be sought for specific projects. If outside funding is contemplated, identify the specific program criteria, funding cycles, and legal and administrative requirements that must be fulfilled. Finally, funding strategies should be developed with respect to the local government's financial status and the availability and appropriateness of outside funding sources.



A. Introduction

Once needs have been prioritized and projects identified, the next step is to develop a corresponding funding strategy for implementing projects. First, study your government's existing financial condition and capacity to pay for the needs by preparing a simple financial forecast. Next, research and analyze alternative ways to pay for the projects. Funding options need to be evaluated in order to identify the various sources of funds that can be used to finance a project. Finally, determine the preferred method of financing for each project.

B. Determine Your Local Government's Financial Condition

Good fiscal planning can enhance a local government's ability to adequately address overall community needs, and a thorough analysis of local funding options is the first step. The following types of questions should be included in this analysis:

- ☐ Is the local government levying the maximum number of mills allowed under local and state statutes?
- ☐ Can the local government borrow funds or issue bonds to pay for projects?
- ☐ What economic and community development trends will affect the overall tax base?
- ☐ What are the general economic and demographic conditions in the local government's jurisdiction that might affect the ability of property tax payers to carry the burden of additional levies or assessments?

The financial evaluation begins with an analysis of the local government's current fiscal status, by looking at existing budgetary requirements and commitments for all sources of revenue. The analysis should also include a financial forecast of the public funds that are likely to be available for financing improvements over the coming five to ten years

depending on the time period that the CIP will cover. Without such a forecast, it will be impossible to estimate how many projects to schedule in each budget year of the plan. It will also be impossible to project how much money may be necessary from outside funding sources. Generally, a water or wastewater rate study is required to estimate financial impacts for large-scale water or wastewater projects. Where possible, the local government should analyze trends that might affect revenue sources. For instance, revenue fluctuations can occur as a result of population growth and decline, shifts in industrial production, and as a consequence of statutory or administrative changes at the state and federal levels (e.g. changes in the methods that the state employs in assessing property values). Once local financial capacity has been evaluated, the local government can consider outside sources to fill gaps where necessary. Proposals for outside funding must present a strong case regarding insufficient local financial capacity. In most cases, outside dollars will be awarded by a funding agency only to compliment local dollars rather than a convenient substitute.

The number of capital improvement projects that a local government can finance will depend on two factors. The first of these involves the capacity of the local government to bear general obligation bond indebtedness to fund future projects. Bonding capacity, in turn, will depend on the amount of general obligation debt that has been previously issued, as well as on the statutory limits on public indebtedness that apply to that local government. If your community has not reached its statutory debt ceiling and if you feel that the residents in the community will likely support additional debt issues, your revenue forecast should reflect additional bond issuance as a potential revenue source.

The second factor in forecasting revenues is the availability of funds from sources other than debt issuance. These sources may include the utilization of current cash balances, property taxes, user fees, motor fuel taxes, impact fees, etc. Ideally, a portion of such revenues should be placed in special accounts that are earmarked for the financing of capital improvements. In the case of impact fees, they must be reserved for public facilities projects. Several Montana communities have allocated revenues derived from local option tourism taxes to support major infrastructure projects.

Remember that while a local government may have various local funding options to address different needs, those resources may already be tapped to their limit for other uses. In order to obtain the financial resources to fund a major capital improvements project, the local government may be required to submit financing proposals to the voters for approval. For example, the local government may seek voter approval of a mill levy increase, a general obligation or revenue bond issue, or to create a special improvement district or rural improvement district. Voters may reject the notion of paying additional taxes or fees. However, voters may respond more favorably when it can be demonstrated that they are not carrying the entire burden, and that for each dollar they pay, they would be leveraging one or more federal or state grant dollars.

Once the revenue forecast has been completed, an expenditure forecast needs to be put together. In developing your expenditure forecast, it is desirable to obtain information concerning historical trends for three types of expenditures: normal operating expenses,

capital improvement expenses, and debt service expenses. It is possible to estimate future expenditures by calculating the average expenditure increase experienced in past several years. This estimating procedure must take into account, however, unusual fluctuations that are anticipated in the rate of inflation, or in the level of operating, capital improvement or debt service expenditures.

Upon completing the forecasts of revenues and expenditures, the community is in a position to compute the amount of funding likely to be available to finance new capital projects over the next five or ten years. The formula for making this simple computation may be stated as follows:

$$\begin{array}{rcl} & & \text{Projected Revenues} \\ (\text{Minus}) & & \text{Projected Operating Expenses} \\ (\text{Minus}) & & \text{Projected Debt Service} \\ (\text{Equals}) & & \text{Funding Available for Capital Projects} \end{array}$$

Thus, with your financial forecast in hand you are now ready to research other sources of funds.

C. Evaluate Funding Options

Figuring out how to finance a project is often the hardest part of getting a public facility project completed. Increasing taxes or user charges to pay for public facility projects is typically not the preferred method by most people in the community, but federal and state grant dollars are limited. In addition, different funding methods are appropriate for different facilities or under different circumstances. Most often, local officials will find that using several financing methods and sources is required. As a result, it is important to evaluate all available sources of financing.

Typically, local governments finance public facility projects by incurring debt through bonding. The different types of bonds authorized under state law have particular applications and requirements. It is important to realize that the nature of the proposed facility and type of local jurisdiction tend to dictate the appropriate type of bond, and little choice is really available to local officials. Other funding options may also be available and it is important to consider any that may be appropriate. Given the complexities of each of the options described below, you should do the following:

- ☐ Review each option and select those options that seem most applicable to your proposed improvements.
- ☐ If necessary, call the contact person for each outside funding program for up-to-date details. Keep notes and set up a file for each option under consideration.
- ☐ If the option is a grant or loan program ask about: local matching fund requirements, application procedures, what makes for a sound "fundable" project, sample applications from good previously-funded projects, special program requirements ("strings"), etc. Some of the available funding sources, especially grant programs, have lengthy

application review periods and funding may not be provided for months or years. For many programs, local governments should anticipate a lead-time of at least two to four years in advance of project implementation.

- ❑ Analyze each funding option - What are its advantages and disadvantages? How much money will the option raise? Are the limitations attached to the funding acceptable to the local leaders? What tasks will have to be carried out by the local government in order to use the option? How long will it take to complete each step to secure the funding?

As you review various sources of funding, you might want to develop a matrix or chart of information that can be useful when analyzing your financing options. A matrix can be a useful tool in making presentations at public meetings and as an aid in decision-making.

There are a variety of funding options including:

- ❑ **Revenue Bonds:** Revenue bonds are issued for facilities that generate revenues through user fees. Water, wastewater and solid waste systems are the typical types of facilities that obtain revenues through service charges, which can then be used to pay the principal and interest of the bonds (see discussion of fees below). Because revenue bonds are paid from user fees rather than from property taxes they do not affect a jurisdiction's bonded indebtedness. Thus, revenue bonds should be used to finance revenue-producing utilities in order to save the jurisdiction's general bonding capacity for those facilities that do not produce revenues. For these reasons, revenue bonds are the principal financing tool used by Montana communities for funding the construction of drinking water and wastewater system improvements.

When utilizing a revenue bond to secure a loan, municipalities are not required under Montana law to have a bond election; however, bond buyers view revenue bond issues more favorably if an election has been held that demonstrates community support. County water and sewer districts on the other hand may be required to have a bond election, which can sometimes be a formidable obstacle to getting the project built.

- ❑ **General Obligation Bonds:** General obligation bonds are repaid from revenues generated by a property tax levy. They affect the local government's indebtedness and contribute to the jurisdiction's statutory debt limit. The "full faith and credit" of the jurisdiction is obligated in the issuance of general obligation bonds. Thus, the interest rates are lower than for revenue bonds because the commitment of tax revenues provides greater security. However, a bond election is necessary to approve a "G.O." bond issue.

General obligation bonds should be used only for facilities that do not generate revenue and that will benefit all the people in the jurisdiction (e.g. fire stations, jail facilities, arterial or collector streets). Where a facility will serve only a particular geographic area (such as a neighborhood) local officials may find that a special district with a special assessment on only those people benefiting is more appropriate than a community-wide general obligation bond.

❑ **Special Improvement District or Rural Improvement District Bonds:** Improvement districts may be formed to provide facilities for specific areas within a jurisdiction. Within municipal limits, “Special Improvement Districts” (SID) may be created; within unincorporated areas “Rural Improvement Districts” (RID) may be formed. These districts are formed to provide assessments to pay for improvements such as streets, curbs and gutters, sidewalks, and water and wastewater lines. Improvement districts are created as subordinate agencies of either municipalities or counties. The assessments are levied against properties within a district either on a linear front foot basis, or on the proportional area of each property. SID or RID bonds are issued to finance facilities within a district. The bonds do not affect the overall indebtedness of a municipality or county, but if a revolving fund is established as allowed by state statute, the revolving fund is financed from jurisdiction-wide tax levies.

❑ **County Water and/or Sewer District Bonds:** A county water and/or sewer district may be formed by petition to construct and operate water and wastewater systems in unincorporated areas. The district is governed by a board of directors and the board may assess user fees to pay the principal and interest on bonds and cover operation, maintenance, repairs and depreciation of the system(s). If the fees are insufficient to pay the principal and interest on bonds, the electors may vote to levy a tax on property within the district to generate revenues for debt retirement (7-13-2321, MCA).

❑ **Capital Improvement Fund:** Counties, municipalities, and special districts may establish a capital improvement fund for the replacement, improvement, and acquisition of property, facilities, or equipment that costs in excess of \$5,000 and that has a life expectancy of five years or more (7-6-616, MCA). The fund must be formally adopted by the governing body.

❑ **Grants and Loans:** A variety of state and federal programs provide both grants and loans. See the chart at the end of this chapter, which provides brief information about most of the grants and loans available to fund infrastructure projects.

❑ **Fees:** Fees, of several types, may be assessed to cover a variety of costs. The most common is the user fee; or charge for services. Local officials should set user fees, also known as a user rate, to cover all of the costs of operation including: maintenance, repair, replacement, and debt retirement. Utility systems should be self-supporting and not be subsidized by general fund moneys, nor be expected to subsidize other local government fund accounts.

A “Hook-up” or “Tap” fee should be charged to hook-up new customers. The fee should be high enough to cover the actual costs of physically connecting into a utility line. Those costs usually include the costs of excavating, connecting a service line into a main line, backfilling and replacing any disturbed public road pavement, curbs and gutters and sidewalks.

An “Impact” fee may also be charged to help amortize the debt incurred by constructing the

facility. As with a hook-up fee, an impact fee is a one-time fee, most often associated with new subdivision development. Usually, impact fees, when assessed are added to and included as part of the hook-up fee. (See 7-6-16, MCA)

❑ **Current Revenues:** Local governments may finance the construction of facilities on a cash, or "pay as you go" basis. The revenues can include fees, taxes, cash reserves and service charges. This method allows a community to save interest costs on borrowed money, protects the bonding capacity and saves the costs and effort of bond issues. However, paying for facilities from current revenues can prevent purchasing facilities when they are needed, can place a strain on the current year's tax rates or fees, and inflation will reduce the buying power of accrued funds. It also encourages "piecemeal" projects that may not be cost-effective.

D. Additional Financing Methods

If the previously listed methods of financing a project are unacceptable or more funds are still required, it may be possible to utilize some alternative arrangements to fund a project. There are a number of different options that could be pursued. This section is by no means intended to be comprehensive.

❑ Interlocal Agreements

Often two or more units of local government can realize greater flexibility or economies of scale by jointly financing common facilities. Montana law provides for units of local government to enter into interlocal agreements for sharing costs and facilities.

❑ Lease and Lease-Purchase Arrangements

Units of local government may enter into lease arrangements with private companies to provide facilities. Leasing a public works project relieves the government of incurring debt or providing initial capital and other financing. An alternative approach is lease-purchasing, where a project is leased from a private firm and after a specified term the government acquires title to the facility. If the purchase of the facility is required by the lease agreement the cost must be included in the government's indebtedness. Leasing has been used successfully for solid waste collection, and for obtaining heavy equipment.

❑ Privatization

"Privatization" is an agreement where a private investor or company will obtain an interest in a public sector facility by being the financier, lessor, lessee, operator, owner, or any combination thereof. Privatization can include one of the following forms:

1. The public sector owns the facility and it is operated by the private sector.
2. The public sector designs the facility, but it is built with private sector funds and then operated by the public sector.

3. The public sector designs the facility, but it is built with private sector funds and operated by a private sector operator.
4. The private sector designs the facility, arranges financing, gets public sector acceptance and approval, and the private sector operates it.
5. The private sector designs the facility, arranges financing, gets public sector acceptance and approval, and the public sector operates the facility.

"Privatization" has typically been used most often for financing solid waste systems, and a few water and wastewater systems. In Montana, the more common trend in recent years has been for communities to purchase privately owned water systems and convert them to publicly owned and maintained systems. For further information on privatization, interested local officials should contact an attorney or a financial brokerage firm with experience in public works privatization.

❑ Fund Raising And Other Innovative Ideas

A local government can use other financing mechanisms to pay a small portion of the improvement costs. To help pay for pothole repair, a few municipalities have created "adopt a pothole" programs. Since there is never enough tax money to fix all the potholes, property owners can purchase the repair of a pothole in the street adjacent to their property. Under this approach the property owner pays \$5, \$10, or \$15 per pothole (depending on the size.) In return, the municipality guarantees patching of the pothole within 48 hours (as opposed to a waiting period of several years if tax money is used).

Other ideas such as "adopt a fire hydrant", "adopt a park", or "work a free day with the local government" are also possible. However, these programs may provide limited amounts of new money to pay for public works repairs.

E. Financial Depreciation

Capital facilities, such as buildings, equipment, and water and wastewater systems deteriorate over time, and eventually must be replaced. To deal with normal ongoing long-term deterioration of infrastructure, local governments should plan for their future replacement. It is possible to roughly gauge when various system components may fail in the future. Knowing this, it is possible for the local government to reserve money and plan ahead so that when infrastructure begins to wear out in the future, money is available to repair or replace it. This procedure is called "financial depreciation".

Financial depreciation is an excellent means of ensuring that funds are available for replacement of the facility. Under this accounting and budgeting technique, local governments structure their user fees (or taxes) to reflect both day-to-day operation and maintenance of the facility, and the cost of repairing or replacing the facility, spread over its expected useful life. A portion of the user fee, or taxes, is set-aside in a special fund for

repairing or replacing the facility.

In the private business context, financial depreciation is an accounting tool used to estimate the extent to which a capital facility ("fixed asset") wears out annually. Federal income tax breaks are provided to businesses that use depreciation schedules. The resulting savings in taxes can be used or invested by private businesses to help offset the costs of replacing fixed assets such as factories, buildings, equipment and machinery.

In the local government context, the financial depreciation process works somewhat differently. Local governments do not pay federal income taxes nor do they receive income tax breaks. However, the fundamental principle involved -- accounting for annual deterioration of a capital facility and setting up an on-going means to help finance replacement of the facility -- is similar to the private business context. For local governments the depreciation schedule for a specific facility, such as a water system, can be established. Then the user fee or taxes used to finance on-going operation of the facility are adjusted or increased to incorporate earmarked funds to pay for the replacement of the facility. The replacement funds are set aside in a reserve fund or the capital improvement program fund authorized by Montana law. Municipal governments are authorized to incorporate replacement and depreciation into water and wastewater user fees under 7-13-4307, MCA. Districts are authorized to incorporate depreciation into their water and wastewater user fees in 7-13-2301(2), MCA. Counties may create road and bridge depreciation reserve funds under 7-14-2506, MCA. The reserve funds build up in direct proportion to the gradual deterioration of the facility. When facility replacement is necessary, funds are available. One of the benefits of setting aside replacement funds is that it reduces the financial "pain" of large user fee increases. Through this process replacement funds are gradually reserved over a period of years. In contrast, if user fees do not account for replacement, major infrastructure improvements often cause huge user fee increases at one time.

F. Special Concerns Related to Financing Water and Wastewater Improvements

The Department of Commerce publishes a comprehensive book about financing wastewater and water systems titled: *Planning and Financing Community Water and Wastewater Systems in Montana*. The manual is written primarily for local government officials and staff, and is available for free. To view this publication, visit the CDD web site at <http://comdev.mt.gov/>.

□ State Utility Laws for Municipalities

Section 69-7-101 through 69-7-201 of Montana Code Annotated (MCA) governs municipal utility rates in Montana. Municipal officials and staff should thoroughly review this law with the help of their attorney. The law gives a municipality the power to regulate, as it considers proper and prudent, all rates, charges, and service classifications. Rates, charges, and classifications must be "reasonable and just". Municipalities are required to publish public notice and to hold public hearings when rate increases are proposed. To

view the MCA online, visit http://data.opi.state.mt.us/bills/mca_toc/index.htm.

❑ **Setting Water and Wastewater Rates**

Revenue bonds, which are often combined with state or federal grants, are the single most common method used to fund major water and wastewater improvements. Debt repayment comes through user fees, which are set after the completion of a rate study. Several methods are used to set fees. A person or a firm with rate design experience should be consulted with for this very important function. There are two non-profit technical assistance providers that can provide support:

- ❑ Montana Rural Water Systems, Inc. at (406) 454-1151 (<http://www.mrws.org/>), and
- ❑ Midwest Assistance Program at (406) 863-4900 (<http://www.map-inc.org/>).

One of the challenges in rate design is responding to public reaction to the need for rate increases. Although the governing body, their technical advisors and state or federal agencies may be aware of the need for system improvements (from a consumer service, environmental protection, or public health standpoint), the average citizen often is not adequately informed. The negative consequences of not making improvements or raising rates are often not apparent to the layperson.

Representatives of local government need to present the reasons for the proposed rate increase in terms that are understandable to laypersons. For example, citizens may need to know the answers to the following questions: Will people get sick if we don't do something? How is my family affected? Will we run out of water? Should we continue to pollute the river with our sewage or should we stop? How old is the system and what is its condition?

Another issue in designing new rates is that public perception of the need to increase rates is often based on each individual's "personal financial health". It is common in small towns and districts for a high proportion of the population to be of low or fixed incomes. Thus, even when the need for improvements is supported, many people may feel that they do not have the financial ability to pay for a rate increase.

Another problem in persuading citizens of the need for a rate increase is that rate payers do not have "benchmarks" available to compare the rate proposed for their town with an existing rate for another utility serving a similar population size. They may think that going from \$10 to \$20 per month for water is unfair and outrageous, but do not realize that the average rate for towns in Montana in their population range is \$25 to 35 per month for a system that provides good drinking water and is in compliance with all state and federal regulations.

There are no magic answers for these issues. However a fair, open, public discussion of the issues coupled with a well thought-out and extensive public information program can help to reduce some of these problems. For example, some towns have used an "open

house" to explain the importance and complexity of water/wastewater treatment facilities to the public.

❑ Water Meters

For community water supply systems, it is highly recommended that water meters be installed and rate schedules set up to promote water conservation through favorable meter rates. Water meters are beneficial for the following reasons:

- ❑ Meters reduce costs for the local government and the ratepayer. Because water is a "refined" product, significant costs are added for each gallon of water that is treated, pumped, and distributed. Metering reduces consumption, which significantly reduces costs for chemicals and pumping.
- ❑ Meters are the only fair way to distribute costs. With meters, customers pay only for what they use. Without meters, some customers pay more than their share while other users receive unfair subsidies.
- ❑ Meters promote water conservation. Treated and potable water supplies are limited and sometimes expensive. It is environmentally unsound to waste water. Per capita water consumption is generally three times greater in homes without meters, compared to those with meters.

In order to promote customer confidence in metered billing methods, a preliminary educational effort should be made to explain why water costs money. Also, a meter testing and replacement program should be part of the annual budget in order to maintain a high level of customer confidence in meters and to assure fair billing.

G. Develop a Comprehensive Funding Strategy

Once funding sources have been identified and evaluated as to their applicability to various projects, the next step is to match projects to funding sources. After determining the most appropriate funding scenario, you will need to enter that information on the summary form. Many times, projects will be financed through a combination of funds. Each project identified in the CIP should have a corresponding funding scenario in keeping with the following:

- ❑ specific program criteria (e.g., does this project address job creation, or the needs of low and moderate income persons?),
- ❑ the availability of funds over time,
- ❑ grant or loan matching requirements,
- ❑ grant or loan ceilings,
- ❑ local administrative requirements (resolutions, ordinances, elections, preparation of bond sale documents, creation of special districts, etc.), and
- ❑ resources available for the preparation of applications including the assembly of the

necessary documentation.

Funding strategies that make use of a variety of funding sources are likely to be more successful. Most funding entities prefer to see other funding sources as part of the financial package, where their investment can leverage funds from other entities (local and outside). Also, funding strategies that are not necessarily dependent on one specific source are less vulnerable to changes in funding availability.

Before proceeding with any particular project, develop a strategy for funding the proposed project. Financing mechanisms most often used for this purpose include:

- ☐ utilizing a community reserve fund that has been accumulated with existing user fees or taxes,
- ☐ selling bonds (revenue or general obligation)
- ☐ obtaining grants and/or loans from state and federal agencies, or typically
- ☐ a combination of the three previous options.

A funding strategy is simply a detailed plan for obtaining funds for a proposed project. By looking at the various sources of funding available, communities can determine whether it is feasible to fund a project.

When evaluating grant and loan sources it will be important to look at the characteristics of each program, such as their goals and eligibility requirements, funding levels, limitations on the use of funds, when you can apply, and when funds would become available. It is important to discuss your options and your proposed plan with any of the funding programs you are considering applying to before submitting any applications to ensure that your plan is feasible. Finally, you want to have alternatives if you are unsuccessful in obtaining a grant, since delays are almost always going to result in increased project costs.

In order to help you develop a funding strategy for a proposed project there are several questions that you should be able to answer. These questions are taken from the Uniform Application for Montana Public Facility Projects and are required to be addressed when applying to most grant and loan programs in Montana.

☐ **What are the conditions on the use of each source of funds?**

For each source of funds discuss the following: total amount, whether a grant or loan, the type of instrument used to obtain a loan (for example, revenue bond), rate and terms of the loan, specific conditions or other program requirements that would affect when funds would be obtained and used, ineligible expenses, etc.

☐ **When will each source of funds listed be available?**

For each proposed source of funds discuss any key dates that would affect when funds would be available, for example: when an application would be submitted, when funding would likely be approved, when the funds would likely be available to the applicant, whether

interim funds are likely to be used, etc. An important question at this point is “What is the likelihood that the funds will be obtained?” This is especially important if a community is attempting to get grant funds, particularly State and Tribal Assistance Grants (STAG), which are direct appropriations from Congress. It is also an important question if the system users or taxpayers have to vote to pass a bond election, which is required for county water and sewer districts.

❑ Is there any additional information on the level of commitment for each source of funds listed?

For each source of funds provide more detail regarding the level of commitment of funds, for example: application has been submitted but not approved, a letter is available from the funding agency indicating all paperwork is complete, a contract has been signed, or the local government is authorized to spend funds.

❑ How will funding sources be coordinated with each other?

Explain how the funds from each of the funding sources listed will be coordinated, for example: timing of receipt of funds, use of funds for specific eligible activities, etc.

❑ Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?

Discuss whether interim financing will be required and how it will be coordinated with other funding for the project.

❑ What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.

Discuss why any program that may appear to be a reasonable source of funding is not being considered. For each funding source, explain the reason it is not being pursued or used, for example: not eligible through the program, applied for funding but denied, not appropriate for the type of project, etc.

❑ If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if particular funding is not received.

Discuss backup funding alternatives in the event a preferred funding source is not available. Many grant funding programs are competitive and not all applicants are funded. Discuss how the loss of a funding source would impact the continuance of the project. For instance, would the applicant wait and re-apply to the funding source, would the applicant be willing to increase the amount of debt it will incur, would the applicant apply to an alternative funding source, or would the project not move forward?

❑ What is the level of local financial participation in the project and is that level the

maximum that the applicant can reasonably provide?

Describe the use of cash reserves, and the community's projected monthly user fees given your proposed level of local financial participation. Include supporting information such as financial statements and target rate analysis.

Conclusion

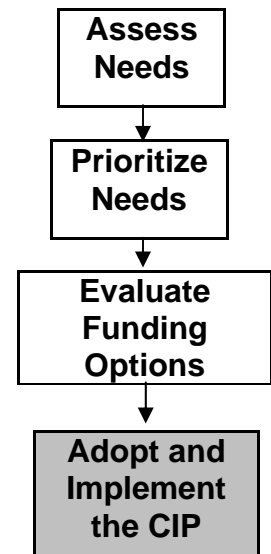
After answering the questions above, the community may determine that the initial funding plan is not feasible for various reasons. First, it may be necessary to phase the proposed improvements for a couple of reasons:

- 1) The cost is simply too high and the cost of the proposed project must be reduced to a more affordable level by funding the project in separate stages;
- 2) A particular funding program needs to fund the project in phases due to a limited amount of funds being available in any one year. In addition, you may discover that a particular funding source is not a good fit for the proposed project because of timing of the funding cycle or the special requirements that are associated with that particular program; or
- 3) The community can maximize its opportunity for grant assistance by submitting applications for multiple phases of a project over time.

At this point the community should have a realistic strategy for funding a project. With this plan of action the funding for the project is more likely to come together and the project constructed. In addition, you will be ready to provide information to the various funding programs concerning how you plan to fund the project and whether you appear to have a viable financial package.

CHAPTER 5. ADOPTING AND IMPLEMENTING THE CAPITAL IMPROVEMENTS PLAN

Once the local government has defined and prioritized needs, and identified funding strategies, all the elements are present to adopt and implement a CIP. The formal adoption of the CIP provides the mechanism for local officials to implement the projects identified. The CIP is typically prepared for at least a 5- to 10-year period and should be reviewed annually in conjunction with the regular budgeting process. The adoption and implementation of the CIP should also be incorporated into the overall process of community planning.



A. Introduction

The elements of a CIP have been described in the previous three chapters, i.e., the needs assessment, the prioritization of projects, and an evaluation of financing options. For each of the highest priority needs, the local government should have identified alternative project solutions, costs, and suggested funding scenarios. The next steps in the planning process include the preparation, adoption and implementation of the CIP.

B. Putting Together the CIP Document

Once the CIP has been assembled, it should contain information summarizing the work that went into producing it. The process should be briefly described, and the results summarized. The CIP should list all of the needs identified during the needs assessment. It should also discuss how those needs were prioritized and what criteria were used to determine the priority list. Information about the financial condition of the local government should be shown, since this establishes some of the parameters for local funding of projects. The various funding options should also be described, since this is how many of the projects are likely to be funded. A descriptive list of projects, along with information about when and how they will be funded is the heart of the document. The document should discuss how the projects are to be implemented including the tasks necessary for implementation from the time the document is adopted. The plan should specifically identify who (the department or individual) is responsible for ensuring that each project is implemented. Without this component, projects may never get done. Finally, the CIP should include a section about when and how it will be updated.

Capital improvements plans funded by the Community Development Block Grant Program must cover at least a five-year period and include the following minimum information:

- ❑ An inventory of existing facilities and their general condition. This information should be general and will typically be obtained from the persons responsible for managing and operating the system. It is not expected that a detailed engineering analysis be performed to obtain this information;
- ❑ Population projections and their impact on existing facilities;
- ❑ Identification and prioritization of needs or projects;
- ❑ Estimated year that each project is scheduled to be accomplished;
- ❑ Estimated cost for each of the projects;
- ❑ Identification of the amount and potential sources of funding for each of the projects; and
- ❑ Summarization of any specific requirements and timing associated with obtaining funding for the projects.

Appendix D contains examples of two adopted capital improvements plans. The first example, from the City of Eureka, is relatively simple and straightforward. It is a model that smaller towns could follow, with or without the assistance of a consultant. The second example, for the City of Conrad, is an example of a more extensive and detailed CIP that is more likely to be used by larger cities and towns. It is also more likely that a consultant will be needed to help put together a more detailed CIP, unless your community has adequate staff. While these examples are for municipalities, counties could also utilize the same formats. The Community Development Division has copies of capital improvements plans for some Montana's cities, towns and counties that can be borrowed.

C. Adopting the Plan

The governing body should adopt the CIP by resolution or by ordinance after conducting preliminary public meetings and holding at least one formal public hearing. In addition, the governing body should adopt year one of the CIP as part of the annual budget. Each following year the governing body should adopt the next year of the CIP as part of the annual budget.

For the CIP to work over the long run, newly elected officials and new staff need to understand the capital improvements planning process and the adopted CIP. The chief elected official and the CIP coordinator need to brief new staff or elected officials on the process, the status of pending projects, and the costs and benefits of making improvements.

As stated above, the plan should include a mechanism for regular updates that will occur during the five to ten years to which it applies. For example, the CIP may call for yearly updates, in conjunction with the overall annual budget preparation. When updated, another

year is added to the plan in order to maintain its five- to ten-year coverage. In addition, the CIP may have to be revised periodically to reflect unexpected changes in the local government's revenue stream (e.g., changes in its industrial base, new residential developments). If the CIP is not updated on an annual basis, the existing plan would need to be substantially amended or replaced by a new plan at the end of the time period that the plan covers.

It is important that the CIP be reviewed on an annual basis. Several factors necessitate such periodic updates, among them:

- ☐ Inflationary trends will increase the cost of projects, thus requiring that financial data be modified.
- ☐ The need for new projects may come to your attention, requiring that they be added to the list. For example, new state or federal regulations may require your local government to make new improvements.
- ☐ Projects that have been completed should be removed from the list.
- ☐ The unanticipated receipt of a grant or an increase in local revenues may cause you to change the timing of a particular project. Conversely, the failure to obtain a grant may also change the timing of a particular project.
- ☐ The interest of a business in locating in your community may cause you to add a previously unanticipated project to the list.
- ☐ Planned projects may be delayed due to circumstances beyond your control.

D. Implementing the Plan

The formal adoption of the CIP enables the local government's staff to begin implementing the projects identified. The CIP provides a useful guide for individual project development and often contains the information required to prepare funding applications to various agencies. The plan also provides informative and accessible information about the previously adopted plan to successive elected officials who change over time.

During the implementation of the CIP, obstacles are likely to arise. Grants may be denied, rate increases may be rejected, or improvement districts may be voted down. Any of these situations will result either in a project stalling for lack of funding or a search for new sources.

APPENDIX A

POLICIES TO CONSIDER ADOPTING FOR CAPITAL FACILITIES PLANNING

❖ Basic Fiscal And Debt Management

- ☐ Total incurred debt will not exceed 75% of that allowed by statute.
- ☐ A minimum reserve of bonding capacity will be maintained at a level of 30% of the statutory limit.
- ☐ State grants may be used for capital expenditures where authorized.
- ☐ Payment-In-Lieu-Taxes will be used toward purchase of equipment and capital facilities, rather than to augment annual operating accounts.
- ☐ A capital improvements fund account will be established and maintained to help fund capital expenditures.
- ☐ Capital facilities will be planned and scheduled to assure that a sound cash flow can be maintained.

❖ Allocation Of Costs

- ☐ Where a capital facility serves the general public as a whole, all users or taxpayers will bear the costs.
- ☐ Where a facility serves a specific area or segment of the community, that area or segment will bear the costs. Exceptions may be made where a high percentage of elderly, retired or low-income persons are affected.
- ☐ Where a facility will serve an area of new development, the residents or firms within that area will bear the costs.
- ☐ A special district must be formed to recover the costs of facilities serving only a specific geographic area.
- ☐ Rate structures will be designed to be fair and equitable to all users.
- ☐ Revenue generating facilities will be self-supporting. Users of the facilities will bear the costs. Fees and charges will be set high enough to retire bonds and recover the costs of proper operation, maintenance, repair and replacement. However, utility rates will not be set higher than needed to fund the systems.

❖ **Project Financing**

- ❑ Available grants will be used for urgent and high priority projects to reduce the jurisdiction's share of the cost.
- ❑ For lower priority or non-essential facilities the required matching local share and future maintenance and operating costs will be closely examined to fully understand the local financial commitment that a grant program may impose.
- ❑ Revenue bonds will be used to fund revenue-generating facilities.
- ❑ General obligation bonds will be used for non-revenue generating facilities.
- ❑ Special assessment bonds will be used to fund facilities that serve a specific area.
- ❑ The term of any bond will not exceed the expected service life of the facility.
- ❑ Where a facility is planned to meet rapid population growth, bond terms will be no longer than the expected duration of the high population levels.
- ❑ Conservative projections of population and number of users will be used in determining revenues from fees, charges and taxes in order to minimize the financial risk if growth is less than expected.
- ❑ Replacement funds will be maintained and allowed to accumulate to a level of 10% of the cost of the facility, unless statute, grant regulations or acceptable experience indicates a different level.

❖ **Extension Policies**

- ❑ Those benefiting from the service will finance the extension of the facilities to serve the new areas.
- ❑ If extensions must pass by undeveloped properties a reimbursement agreement should be provided to allow an appropriate share of the developer's costs to be recovered as the intervening properties are developed. The reimbursement agreement will be valid for up to seven years.
- ❑ Extensions will meet engineering and construction standards and specifications approved by the governing body.
- ❑ The governing body will finance main and trunk lines and arterial and major collector roads if they meet the goals and objectives of the growth policy. Developers will finance improvements within a subdivision or development.
- ❑ If a developer is required to construct facilities larger than needed for his development; the governing body will provide a means of reimbursement for the oversized portion. Reimbursement methods may include cash, a term refunding contract or credit against

other fees.

❖ **Planning, Construction And Management**

- ❑ Where possible, facilities will be designed for ready incremental expansion. Extensions will be phased in accordance with incremental demands of growth.
- ❑ New connection fees and user rates will be implemented before new growth occurs.
- ❑ Facilities will be maintained and operated by properly trained personnel. Personnel will be certified where appropriate.
- ❑ Facilities will be designed and constructed to standards and specifications approved by the governing body.
- ❑ All construction and installation will be properly inspected.
- ❑ Facilities will be properly maintained and operated according to approved procedures to assure minimum deterioration and need for repair.
- ❑ New or expanded utility systems must have a plan identifying the:
 - ✓ Service area;
 - ✓ Expected number of users;
 - ✓ Expected timing of growth or development;
 - ✓ Proposed locations of various land use types; and
 - ✓ Expected level of demand for service.
- ❑ The level of service desired from a proposed facility will be determined and articulated. The costs of the facility will relate to the level of service.
- ❑ Where possible, facilities will be designed and constructed to minimize maintenance and operation costs.
- ❑ Before a capital facility is approved, the governing body will assure that funding for all associated future costs will be available.
- ❑ Public facilities will be approved only in locations that will minimize the public costs of providing services to future development resulting from the public facilities.

APPENDIX B

PUBLIC EDUCATION AND INVOLVEMENT

Public support of the CIP is one of the most essential elements of the entire planning and financing process. Ultimately, citizens will pay for the improvements and they must be convinced that such improvements are necessary. The best, most logical CIP may be rejected by the public due to lack of public education and awareness about a community's infrastructure problems.

Most citizens are probably unaware of the many fundamental public works issues that exist including: scope of the problems, health and legal consequences (health risks, fines levied by the State or Federal government), short-term costs versus long-term savings, "fair" rates for services, how facility repairs can be made affordable, etc. Local leaders have to work extra hard to inform and educate citizens on these issues. This appendix outlines the process for involving the public.

The CIP Coordinator or whoever is assigned the role of being the "spokesperson" for the capital improvements planning process needs to keep the following points in mind in order to encourage meaningful public participation:

- ❑ One of the biggest mistakes that you can make is to fail to adequately inform the public about the public works needs from the very beginning of the project. The time to begin the education process is as soon as the public works director and the governing body are aware that there is a need for major repairs or improvements. At the onset, the local officials and their staff should set forth what the planning process will entail, including a proposed schedule. Information might include how many public meetings will be held, which staff and/or consultants will be involved in the process, what areas of infrastructure will be addressed and *how* public input will be incorporated into the plan. Sometimes, at the outset, information about the needs and costs may be sketchy. Nevertheless, it is important that the public be provided with what information is available. Start early in the process to inform and educate the public. Do not "hit the citizens" with a final plan just before a governing body vote on the issue. People support projects in which they are partners and in which they see personal benefits. Public education is a continual process.
- ❑ Attention should be given to the role of the public as decision makers. This is their plan, and ultimately, the responsibility for its implementation is through their elected representatives. Members of the public should be involved in every step of the process, from setting priorities, selecting alternatives and voting on specific financing mechanisms (if required). Often members of the public can be asked to serve on special committees to select consultants, to review interim proposals and to evaluate financing alternatives.
- ❑ Public participation can be sought in a number of ways. Busy schedules often make it difficult to attend frequent meetings. Where possible, information can be distributed through existing organizations (chamber of commerce, conservation district,

professional trade organizations, etc).

- ❑ The use of an outside facilitator can help make public meetings productive. Facilitators use methods of soliciting input that provides opportunities for everyone to participate while preventing a few from dominating the meeting. Assistance can be obtained from county extension agents, regional economic development agencies and RC&Ds (Resource, Conservation and Development Organizations). RC&Ds are regional technical assistance providers, which are funded in part by the Natural Resources Conservation Service of the U. S. Department of Agriculture. Trained facilitators, whether from one of the groups mentioned or a consultant, can provide impartial leadership in this process.
- ❑ Have sound technical information. No one can argue with the facts. Don't let your message get too complicated with complex technical details or terminology. Historical maintenance cost records and engineering studies are very valuable at this point. Provide the citizens with concise written summaries of the needs, proposals, benefits and consequences. Keep your public education "message" simple and focus on the "big picture." Your message should concentrate on basic issues such as: the need for the improvements, the consequences of not making the improvements (such as health risk, higher operating costs, state or federal lawsuits), benefits of the project to the public, and costs of the project.
- ❑ Have relevant data available for the public. Project summary sheets as described in Chapter 3 are extremely helpful in explaining project needs. Type up a preliminary summary sheet for each individual project before going "public" with your information.
- ❑ Approach the governing body with your preliminary information. Stress the need for the project, the benefits, and the economic payback. Explain the consequences of not doing the project. For example, it is often far more expensive to make temporary repairs ("patches") to water mains than to replace the mains.
- ❑ After receiving the governing body's support, carry out a comprehensive public education program. The public education program should be a team effort. The governing body, public works director, lead financial researcher, finance officer, and planning board should be involved.
- ❑ Individual citizens find out about a community need or proposed project in a variety of ways. Many people don't get "the word" at first. They may be busy at work or out of town. Some persons don't read newspapers. Others may not watch TV. Therefore, you must use a variety of education methods and continually repeat your message. Repeat, repeat, and repeat your message.

Resource materials are available through the American Water Works Association (AWWA), the Water Pollution Control Federation (WPCF), the American Public Works Association (APWA), and the Montana Rural Water Association (MRWA). Use these materials to help you set up a public education program. You can use the following techniques to help educate the public:

- ❑ Insert "bill stuffers" to go out with utility bills that explain the functions of the Public Works Department (or County Water and Sewer District). The AWWA has particularly helpful "bill stuffers."
- ❑ Initiate a school education program with the help of the school principal, environmental education coordinator, or biology teacher. Arrange for school tours of community treatment facilities. Both AWWA and WPCF have excellent school education packages available at very nominal rates. These include "picture" books, teachers' guides, and posters written in understandable terms for various age groups of children. Remember, the children are the ratepayers of the future!
- ❑ Consider setting up periodic "open houses" to educate the public on the importance and complexities of water and wastewater treatment. A public open house can also include a tour of a troublesome street intersection or other problems with the streets.
- ❑ Develop a visual aid program, usually a slide show that you can show to civic groups. The slides should include pictures of typical problems that the public does not see, such as corroded bolts, old tapping saddles, corroded water mains, infiltrating manholes or sewer pipe segments (from television records of the sewer), and street potholes.
- ❑ Develop a collection of water system and wastewater system components showing what new components look like as opposed to old deteriorated ones. An example is a new mechanical joint bolt versus a corroded one.
- ❑ After rehearsing it, take the presentation to the governing body. Seek their input. Seek their approval.
- ❑ After receiving governing body approval, take the presentation to civic groups, such as the Elks or Rotary clubs, the League of Women Voters, Chamber of Commerce, a church group, or a neighborhood council, that might be interested in the cause of infrastructure improvements. Members of the governing body and the key participants that produced the CIP should be involved with making presentations to these civic groups.
- ❑ Consider, with your elected officials, developing a Capital Improvements Planning Advisory Committee to achieve full citizen participation. The planning board can fulfill this function [76-1-601(3) and 76-1-106(2), MCA].
- ❑ Call the local TV station and or newspaper that serve your town. Invite a reporter over to see the various infrastructure needs. Explain to the reporter the problems, and the consequences to the community, if nothing is done. Explain the savings to the taxpayers if a rational CIP is adopted. Make sure you have your facts straight before you call the reporter.
- ❑ In consultation with your elected officials, consider the possibility of conducting informal public information meetings regarding the CIP. This provides the opportunity to see where political problems lie before proceeding with the labor-intensive pursuit of funding. This process may also allow you to "count your chickens before they hatch",

and help you modify your education program and, if necessary, to increase public support for your projects.

- ❑ Publish a draft copy of the CIP and Summary Sheets in the local newspaper. Make sure you explain why the projects are needed and the consequences to the community if the projects are not completed. Include pictures of problems with existing facilities.
- ❑ Send a special letter to the citizens explaining the town's infrastructure repair needs and the benefits of making the necessary repairs. Include pictures or photographs. People respond well to pictures.
- ❑ Set up a "photo board" display. A photo board is a series of photographs arranged on a corkboard or similar display board with captions for each photo. The photos and captions can illustrate and explain the problems and repair needs of your water system, wastewater system, or streets.

APPENDIX C

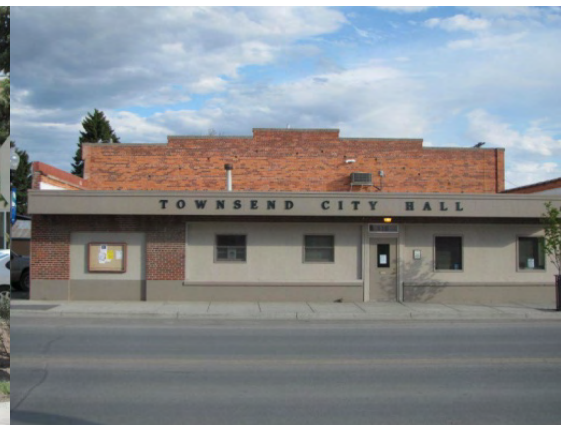
Example Capital Improvements Plans

On the following pages are copies of three adopted capital improvements plans. The first example, from, Broadwater County/City of Townsend, the second is from the City of Eureka and the third is from the City of Conrad. The Community Development Division has copies of capital improvements plans for some of Montana's cities, towns and counties that you are welcome to borrow.

Capital Improvements Plan Broadwater County/City of Townsend

BROADWATER COUNTY
MONTANA

TOWNSEND
MONTANA



Prepared by:
WWCENGINEERING

June 2011

Capital Improvements Plan for Broadwater County/City of Townsend

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TABLE OF CONTENTS

1.0 INTRODUCTION.....	1
Plan Organization	1
2.0 CAPITAL IMPROVEMENT PLANNING	2
EXHIBIT A	3
BROADWATER COUNTY, CAPITAL IMPROVEMENT PLAN 2011 – 2020	3
EXHIBIT B	6
CITY OF TOWNSEND, CAPITAL IMPROVEMENT PLAN 2011 – 2020	6
Population Served	7
3.0 PLANNING PROCESS	8
CIP Development and Prioritization	10
Development of the CIP	10
Prioritizing Capital Improvements.....	11
Improvements vs. Maintenance	12
4.0 CAPITAL IMPROVEMENT INVENTORIES AND NEEDS.....	13
Public Facilities Capital Improvements	13
Public Buildings.....	13
School Facilities	14
Community Centers, Parks, and Recreation	15
Utilities (Water & Wastewater)	17
Solid Waste.....	17
Public Safety Capital Improvements.....	19
Fire Protection.....	19
Law Enforcement	20
Disaster & Emergency Services (DES)	21
Healthcare Capital Improvements.....	22
Transportation Capital Improvements.....	24
Sidewalks and Curbs	24
Roads.....	24
Bridges.....	25

Airport	26
Economic Development Capital Improvements	27
Non-prioritized Projects	28
5.0 Funding Sources	29

List of Tables

Table 1. Rural Fire District Equipment.....	19
Table B-1. Townsend Public Building Inventory	B-2
Table B-2. Broadwater County Public Building Inventory	B-3
Table B-3. Non-Prioritized Projects	B-4

List of Figures

Broadwater County – County Owned Buildings
 City of Townsend – City Owned Buildings
 City of Townsend – Sanitary Sewer Map
 City of Townsend – Water Map
 Broadwater County – Maintained Roads Map
 Broadwater County – Maintained Bridges Map

List of Appendices

Appendix A Resolutions
 Appendix B Tables
 Appendix C CWG Report and Conceptual Drawing
 Appendix D County Road and Bridge Inventories

Comprehensive Capital Improvements Plan Broadwater County and the City of Townsend

1.0 INTRODUCTION

A Capital Improvements Plan (CIP) is a budgetary and financial tool that allows communities to plan beyond immediate needs and evaluate the long-term needs for maintaining, improving, or building new public facilities. There is always a need to look at improving and replacing public facilities and systems to provide adequate service, beyond ordinary operation and maintenance. Needed is a good look at the upcoming needs, an understanding of the costs associated with these needs, and the formulation of a plan to provide for and meet these needs – in short, a Capital Improvements Plan.

This document presents the Capital Improvement Plans for Broadwater County and the City of Townsend, including the School District and the Broadwater Health Center. The CIP covers the 10-year planning period of 2011 - 2020. The CIP is intended to be a living document and will be updated periodically to reflect new priority concerns resulting from changing growth patterns or other circumstances. The goal will be to complete an update prior to adoption of the next annual budget in order to incorporate the capital improvements from the updated CIP.

This CIP was developed under the guidance of a CIP Team made up of community leaders selected by the Broadwater County Commission and the Townsend City Council, with assistance from County and City planners. The CIP Team determined the project scope and planning time frame, developed preliminary lists of need and projects, prioritized projects, and reviewed the draft and final versions of this document.

Plan Organization

Broadwater County and the City of Townsend decided to pool resources and eliminate duplicated effort by contracting for the preparation of a single, comprehensive capital improvements plan. This document is organized to present the Capital Improvements Plans in Section 2, where each project is assigned to the entity in need of the project, or in the case of cooperative projects, the entity most likely to administer and/or provide funding support to complete the improvement. Section 3 discusses the capital improvements planning process. Section 4 contains an overall assessment of needs and identified projects by general project category. Section 5 covers funding in general terms that apply to all capital projects. Regardless of this initial assignment, planners must recognize that the plan is a flexible document, changing according to needs, priorities, and funding.

2.0 CAPITAL IMPROVEMENT PLANNING

The capital improvement projects described in Section 4 were selected in accordance with the criteria given in Section 3, and represent the most pressing projects to be implemented to maintain and improve community services. Exhibits A and B present the Capital Improvement Plans of Broadwater County and Townsend, respectively. Projects are listed in priority order, along with the forecasted date of implementation and the estimated cost.

It is now incumbent on the County Commission and City Council to utilize this information in annual and long-range planning and budgeting so these improvements can be realized. It is also critical to update and renew this plan regularly (at least every five years) to keep it current and practical, and also to keep proper focus and attention of the local governments on these needs.

EXHIBIT A

BROADWATER COUNTY, CAPITAL IMPROVEMENT PLAN 2011 – 2020

Priority	Project & CIP Page Number*	Total Cost	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Public Services Communications Improvements (21)	1,500,000			1,500,000							
2	Community Center - PAR (15)	35,000		35,000								
3	Public Buildings - Renewable Energy Project (27)	400,000			400,000							
4	Healthcare – Economic Feasibility Study (23)	30,000	30,000									
5	Healthcare - PAR for Ambulance/County Bldg. (23)	35,000		35,000								
6	Healthcare - PAR for Professional Building (22)	35,000			35,000							
7	Healthcare - PAR for Existing Facilities(23)	35,000				35,000						
8	Solid Waste - Cedar St. Site Improvements (18)	138,000	138,000									
9	Fire Station/Sheriff Substation - Spokane Hills (19-20)	725,000				725,000						
10	Agricultural Research Lab (13)	191,000					191,000					
11	Fire Department - Radio Equipment (19-20)	27,000	13,500	13,500								
12	Recycling Facility - Baler and Mill Building (18 & 28)	50,000		50,000								
13	Public Safety – EOC /Dispatch/911 Assessment (20-21)	8,000		8,000								
14	RV Dumpsite (27-28)	7,000						7,000				
15	School - Bus Barn	57,290		57,290								

Priority	Project & CIP Page Number*	Total Cost	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(15)											
16	School - Storage Facility (15)	95,000			95,000							
17	County Road Department - Storage Building (13-14)	37,000							37,000			
18	Pedestrian Trail Network (16)	238,880	30,000	59,880	59,900	82,500	6,600					
19	Recreational Facilities - Ball Fields (15)	120,000								120,000		
20	Indoor Arena at Fairgrounds (13)	650,000										650,000
21	Airport Improvements (26)	254,000		124,000			130,000					
22	Solid Waste - New Toston/Radersburg Site (18)	171,000			171,000							
23	Fire Station - Silos Area (19)	723,000							723,000			
24	County Courthouse - Metal Detector (13)	5,000					5,000					
Deferred Maintenance Projects												
	County Road Improvements (24-25)	1,039,172		32,322	92,180	112,640	128,480	106,350	400,000	167,200		
	County Bridge Improvements (25)	208,400				25,000	25,000	26,400	39,600	39,600	39,600	13,200
	Totals	6,814,742	211,500	414,992	2,353,080	980,140	486,080	139,750	1,199,600	326,800	39,600	663,200

* Page Number of CIP Section where Need is discussed.

Justification: Broadwater County has prioritized capital improvement projects based on the following considerations:

- High Priority
 - The project is underway, and funding has been committed and/or secured. Improvements to public services communications are underway, and the majority of the funding has been secured through grants written by the County DES Coordinator.
 - A need exists now, but additional planning needs to be done, and timing is flexible. Projects such as expanding health care facilities or building a community center require further definition before becoming a reality.
 - Public health and safety are affected. This applies to fire and police protection in developing areas, as well as repairing the main solid waste canister site in Townsend.
- Medium Priority
 - The project supports economic development, but is not absolutely needed at this time. Examples – a recycling facility or RV dumpsite.
 - A need exists now, but timing is flexible. Examples – school storage and bus barn projects.
- Low Priority
 - The project is desirable, but of questionable need. Examples – additional ball fields, indoor arena at fairgrounds.
 - The project is not needed now, but maybe in the future, or if funding becomes available. Example – the Silos area fire station or the Toston/Radersburg solid waste site.
- Road and Bridge projects have been prioritized by the County Road Superintendent based traffic volumes, structural condition, and experience.

EXHIBIT B

CITY OF TOWNSEND, CAPITAL IMPROVEMENT PLAN 2011 – 2020

Priority	Project & CIP Page Number*	Total Cost	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Wastewater Improvements (17)	5,654,807				5,654,807						
2	Water Meters (17)	1,350,957				1,350,957						
4	Public Works - Storage Building (13)	35,500			35,500							
Deferred Maintenance Projects												
3	Sidewalks & Curbs - Repair & Replace (24)	781,855	78,186	78,186	78,186	78,186	78,186	78,186	78,186	78,186	78,186	78,186
Totals		7,823,119	78,186	78,186	113,686	7,083,950	78,186	78,186	78,186	78,186	78,186	78,186

* Page Number of CIP Section where Need is discussed.

Justification: The City of Townsend has prioritized capital improvement projects based on the following considerations:

- The need involves compliance with regulations mandated by a government agency. The DEQ has indicated that the City's wastewater discharge permit will impose stricter water quality limits, requiring improvements to the wastewater treatment and disposal system.
- The need qualifies for financial assistance, is more likely to be competitive for grant funding. Installation of water meters may improve the chances of receiving funds for wastewater improvements, as well as result in fairer water rates and more conservation.
- The need affects the entire community. This is obvious for water and sewer systems, but is also true for sidewalks and curbs. Townsend residents have repeatedly expressed the desire to improve the general visual appeal of the city by targeting substandard sidewalks and improving pedestrian access.

Population Served

Population data provided by the Census Bureau from the 2010 census show that Townsend's population grew by 11 from 2000 to 2010, an increase of just 0.6% to 1,878 people. The growth rate between 1990 and 2000 was 14%, or an average of 1.4% per year. Broadwater County's population grew to 5,612 in 2010, an increase of 28%, and is projected to increase to 6,300 by 2030, or 29.8% over the 20-year period.

Growth in the County will have the greatest impact on road infrastructure and public services such as fire and law protection and health services. As in most rural counties, Broadwater County has miles of roads in need of surface improvements and widening to handle increased traffic and a number of bridges should be widened and made safer with guardrail improvements. Increased development in rural areas will also increase the need for satellite fire and sheriff's stations, along with the personnel and equipment needed to for each.

As the county seat, business hub, and location of critical facilities for medical care and assisted living, Townsend can expect to grow at a rate higher than that shown over the last decade, reflecting growth in the county. Infill of the vacant, buildable lots within the City limits has reduced the number of available lots to less than a handful. Future growth for the City would likely occur to the south or east of the current city limits. Engineering studies indicate that the City's water and wastewater systems are physically capable of servicing a population of over 2,500. Ideally, the capacities of the water distribution and wastewater collection systems will be modeled and impacts mitigated before either system is expanded for new development. As discussed in the "Public Facilities" section, improvements to public infrastructure may be driven by regulatory needs, rather than growth impacts.

The City and County can also expect to see the median age of residents continue to climb, driven by both the aging of the indigenous population and an influx of older people moving to the area to take advantage of city services and/or relatively low housing costs in a rural setting. At this time, the population in Montana, notably in the western region of the state, is also seeing an increase.

3.0 PLANNING PROCESS

Process: Properly conducted capital improvement programming and planning follows a logical and sequential process as outlined below:

- Assess existing facilities;
- Identify needs for replacement, improvement, or acquisition;
- Estimate costs of meeting the needs;
- Identify potential sources of funding and implementation requirements;
- Evaluate the needs with respect to accepted criteria and establish priority for implementation;
- Draft a capital improvement plan and present it to the governing bodies and general public for review, input, and improvement through a public hearing process;
- Finalize the plan, adopt it by formal resolution, and make the plan an essential tool in future planning and budgeting efforts; and
- Revise and update the plan on a regular basis to reflect current needs and financial capabilities.

Categories: To inventory the capital improvement needs, it is often convenient to place facilities into categories. These categories are not mutually exclusive: for example, improvements to communications equipment for disaster and emergency services would benefit the fire and sheriff departments, as well as provide improved dispatching capabilities to the school, the county road department, and the city public works department. Future revisions to this plan will allow planners to re-categorize projects as needed, based on reassessed needs, available funding sources, and the desire of a particular agency or department to complete the project. Capital improvement categories considered for this plan include:

- Public Facilities
 - Public Buildings
 - School Facilities
 - Community Center, Parks and Recreation
 - Utilities (Water, Wastewater)
 - Solid Waste
- Public Safety
 - Fire Protection
 - Law Enforcement
 - Disaster & Emergency Services
 - Animal Control
- Healthcare
- Transportation
 - Sidewalks
 - Roads
 - Bridges
 - Airport
- Economic Development

Evaluation Criteria: The CIP team considered each of the needs identified with respect to certain criteria to identify more critical needs and/or projects that will provide the greatest benefits or improvement for the cost, considering that there will always be more identified needs than available funding. The CIP team was asked to consider if a project:

- Addresses an urgent health or safety concern, legal mandate, or code compliance;
- Advances existing economic development and the attraction of new growth to the area;
- Improves access to or the quality of services for all citizens, or a particular segment of the population based on location or need;
- Compliments other projects, public or private, to gain the economy of scale; and
- Generally supports the revitalization and continuing economic health of the community.

Goals: Broadwater County and the City of Townsend have developed this CIP to achieve the following goals:

- Forecast public facilities and improvements that will be needed in the near future;
- Focus attention on and assist in the implementation of established goals and objectives as outlined in the respective growth policies;
- Anticipate and identify financing needs in order to maximize available federal, state, and private funding;
- Promote sound financial planning and serve as a guide for budgetary decisions;
- Demonstrate the need for facilities and the need for revenues to pay for them;
- Insure the timely provision of adequate facilities to maintain services that are important to the quality of life in the area;
- Maintain satisfactory operating efficiency and safety of existing capital facilities;
- Provide facilities needed to accommodate new growth;
- Provide evidence to bond rating agencies that the City and County are planning and managing debt for capital improvements, thus minimizing interest rates and the cost of borrowing money;
- Provide evidence to agencies that award grants and loans that the City and County are planning for capital improvements, including the need for local matching funds and/or repayment of loans; and
- Implement recommendations of plans and studies for capital improvements, such as projects and improvements identified in preliminary engineering reports or preliminary architectural reports.

Benefits: There are numerous benefits that result from proper capital improvement programming. Following is a list of those that will be of great significance to Broadwater County and Townsend:

- Providing for a systematic evaluation of all potential projects at the same time, assuring the most important needs are addressed first and obtain needed funding;
- Avoiding negative impacts associated with catastrophic failure or degradation of public facilities by focusing on preserving infrastructure while ensuring efficient use of public funds;
- Focusing attention and keeping the public informed on critical needs, community objectives, and fiscal capacity (limitations);
- Identifying the most economic means of financing capital projects and maximizing opportunities for obtaining federal and state aid with proper advance planning;
- Providing opportunities to stabilize debt, consolidate projects to reduce financing costs, and improve the community's credit rating;
- Coordinating activities to reduce duplication, avoid costly mistakes, and keep financial burdens in line with capabilities; and
- Enhancing opportunities for economic growth and stability by providing facilities and improvements necessary to maintain a healthy balance of residential, commercial, and industrial growth.

CIP Development and Prioritization

This CIP was developed using a traditional needs-driven approach. Because this is the first CIP developed for both governments, the CIP team elected to take this straight-forward approach and follow the basic steps outlined in the draft Montana Department of Commerce document entitled “CAPITAL IMPROVEMENTS PLANNING: A Strategic Tool For Planning and Financing Public Infrastructure” published June, 2008.

Development of the CIP

The CIP was developed using the following steps:

1. A CIP Team of community leaders determined the scope of work for developing the CIP, as well as the planning period for the plan.
2. During subsequent Team meetings, participants discussed the merits of various projects and the methods of prioritizing the identified needs.
3. The Team prepared “needs lists” of proposed capital improvement projects from existing plans, resource assessments, and other data sources, including contacts with department heads as well as city and county officials.
4. The Team prioritized the initial master list of CIP projects to reduce the number of projects and remove projects rated as low priority by the Team.
5. Complete descriptions and cost estimates were developed for each project.
6. As specific project details were developed and additional department heads, planners, and contractors were consulted, the needs list was revised as needed to add, remove, or amend particular projects
7. Funding sources were identified that may be used to pay for the individual projects listed within the CIP.
8. All information was compiled into the Capital Improvement Plan for 2011 – 2021.

Prioritizing Capital Improvements

The CIP Team elected to use a simple approach to ranking projects for inclusion in the CIP. After the draft master list was compiled, team members were asked to rank each project as a “high”, “medium”, or “low” priority. After counting the number of high, medium, and low votes each project received, the results were then weighted and converted to numerical scores by multiplying the votes by a factor: “high” = 3, “medium” = 2, “low” = 1. The CIP Team examined the ranked list and established an arbitrary cutoff point to limit the number of projects to be explored further.

Final prioritization occurred after considering cost estimates, proposed schedules for critical projects, and public input. Using this information, the County and City re-ranked each project to produce the City of Townsend and Broadwater County Capital Improvements Plan.

Public Participation: Public comment sessions were listed on the agendas for County Commission meetings (April 11 and 18, 2011), a City Planning Board meeting (April 14, 2011) and a City Council meeting (April 19, 2011).

A draft of this Capital Improvement Plan was posted on the Townsend/Broadwater Country website maintained by Broadwater County Development Corporation and the Townsend Chamber of Commerce (www.townsendmt.com). The draft CIP was also posted on the WWC Engineering website (www.wwcengineering.com).

Adoption: Resolutions formally adopting the Comprehensive Capital Improvements Plan for Broadwater County and the City of Townsend as now contained in this document are included in Appendix A.

Improvements vs. Maintenance

The terms “capital improvements” and “capital maintenance” (sometimes referred to as “deferred maintenance”) are often interchanged. However, there is a clear distinction between a new capital improvement and the maintenance of an existing asset. *Capital Improvements* are projects such as street reconstruction, a new community center, or a new bridge project. These projects are typically too large or costly to finance solely through existing funds. *Capital Maintenance* projects are for the most part funded through general or specific account funds. Maintenance projects are items such as street resurfacing, bridge repair, building repairs, filling in a pothole, etc. An easy way to delineate between the two is that if the City or County is building a new asset, it is a capital improvement. If it is maintaining an existing asset, it is capital maintenance. *Deferred Maintenance* is simply capital maintenance that is deferred to a future budget cycle or postponed until funding becomes available. The process of addressing a deferred maintenance backlog is essentially the same as developing the overall capital improvements plan, in that the deferred maintenance projects must be identified, evaluated and prioritized, and a strategy for funding the projects must be developed. Deferred maintenance projects also require recognition and understanding of the scale of the problem, including the financial impact of postponing the maintenance.

For the purposes of this plan, the initial approach was to identify all needs as potential capital improvements. Deferred maintenance projects were then summarized to produce the capital backlog and suggested funding levels presented in Exhibits A and B.

4.0 CAPITAL IMPROVEMENT INVENTORIES AND NEEDS

Public Facilities Capital Improvements

Public Buildings

Inventory: The City of Townsend owns or jointly owns 15 buildings and structures, ranging from City Hall to the gazebo at 4H - Blue Ribbon Gardens Park. Most structures are in fair or good condition, with newer or remodeled structures such as the blower house at the wastewater treatment lagoons and the city offices being in excellent condition. Please refer to Table B-1 in Appendix B for a list of public buildings and other structures owned by the City of Townsend.

Broadwater County owns facilities ranging from buildings housing county government to facilities such as airport facilities and the solid waste transfer station. Most structures are in fair or better condition, with newer or remodeled structures such as the detention center and search & rescue additions being in excellent condition. Please refer to Table B-2 in Appendix B for a list of public buildings and other structures owned by Broadwater County.

Needs: The Townsend Public Works Department and the County Road Department currently store some equipment outdoors, exposing it to the effects of weather and increasing maintenance costs. Providing covered or enclosed storage space increases the equipment's service life and protects the public's investment. The City needs storage space for a dump truck, a loader, a rear-load garbage truck, and attachments for a skid-steer loader. If available, indoor storage space could also be used to store spare garbage cans. The County needs to store road graders and other maintenance equipment.

Indoor arena space is needed at the county fairgrounds for activities and events such as rodeos, team roping, horse shows, etc. The facility would be a multi-use enclosed space with a dirt floor, allowing the area to be divided and configured as needed using portable panels and bleachers. Preliminary designs have included a steel-span building with a fabric cover, or an all-steel building.

The county extension service is in need of a basic research and testing laboratory to support agriculture in the county. The laboratory could be used for testing in all areas of agronomy, ranging from seed counts to soil analyses to testing new methods of pest control. By adding a second office space, the Weed District Coordinator could share laboratory and storage space without significantly increasing project costs.

The County Sheriff has proposed installation of a metal detector at the Broadwater County courthouse. The Montana Department of Justice recommends detectors, but does not currently require installation of metal detectors for courtroom security. The Clerk of the Court has indicated that the current volume of people to be scanned is low, and hand-held units would be sufficient. Eventually, the sheriff would like to see a walk-through unit installed.

Following are capital improvement projects associated with Public Buildings.

Project: Public Works – Storage Building

Construct a 30' x 100' pole-barn on city-owned land near the wastewater lift station for storage of city equipment. The proposed structure would include an electrical service and wiring, but would not include doors on the storage bays **(\$35,500)**.

Funding: City General Funds

Project: Indoor Arena at Fairgrounds

Construct a 120' x 300' indoor arena at the county fairgrounds. The proposed structure would be a clear-span building with a dirt floor and a fabric or metal roof with translucent panels for natural lighting **(\$650,000)**.

Funding: County General Funds, Fair Funds

Project: Agricultural Research Lab

Construct an agricultural extension laboratory, offices, and storage space **(\$191,000)**. Additional planning and investigation is needed to identify feasible alternatives for constructing this facility as part of another project, such as a medical building expansion, or a community center. Including this facility as part of a larger project would reduce overall costs and increase funding opportunities.

Funding: USDA grants; County General, Extension, and Weed Board Funds

Project: County Courthouse – Metal Detector

Purchase a walk-through metal detector for the county courthouse **(\$5,000)**,

Funding: County General and Public Safety Funds; DHS Grant

Project: County Road Department – Storage Building

Construct a 40' x 80' pole-barn on county property near the Cedar Street solid waste site for storage of county equipment. The proposed structure would include an electrical service and wiring for outlets, but would not include doors on the storage bays **(\$37,000)**.

Funding: County General and Road/Bridge Funds

A project described in the “Economic Development Capital Improvements” involves the Broadwater Community Development Corporation (BCDC) and/or the County constructing a building at the Cedar Street solid waste canister site to house a recycling operation. If this project were to move forward, the City and/or County may be able to use some of the new building space for equipment storage, reducing the space and costs described above.

School Facilities

Inventory: The school has completed a long list of improvements, both minor and major, including the major project of building a new high school in 2000. Other improvements include: paved parking (2000); sprinkler system for 75% of the grounds (2002); remodeled community and art rooms (1998 & 2000); new lunchroom freezers and dishwasher (2007 & 2009); and window, door and roof replacements (2007). In

addition to the sprinkler systems, the school has completed various landscaping projects, planted trees, and improved paving for parking and playground areas.

Needs: The 2010 Townsend K-12 School District #1 Facilities Master Plan lists long-term (ongoing) improvements that are scheduled for completion within the next five to ten years. The school has identified the need for covered parking space for school busses, as well as general storage space for school use. Exposing the busses to the effects of weather increases deterioration and maintenance costs, while providing covered or enclosed storage space increases the busses' service life and protects the public's investment.

Following are capital improvement projects associated with School Facilities.

Project: School – Bus Barn

Construct a 50' x 80' pole-barn on school property currently used for bus parking. The proposed structure would include electrical service with outlets, lighting, and a concrete floor, but would not include doors on the storage bays **(\$57,290)**.

Funding: School Transportation Funds

Project: School – Storage Facility

Construct a 50' x 70' over-sized garage on school property currently used as a rental property **(\$95,000)**.

Funding: School Funds, plus a loan repaid by rental income

Community Centers, Parks, and Recreation

Inventory: Recreational facilities at the Townsend schools are being used almost every available hour for school sports and general community uses such as adult education classes. McCarthy Park, which contains baseball, softball, and T-ball fields, tennis courts, and a basketball court, also operates at near capacity levels in the summer. Soccer fields were recently added to Holloway Park. The existing senior center, while listed as in "good" condition, is an aging, modular building in constant need of maintenance and repair.

Needs: Residents have repeatedly noted the lack of a center for community and recreational uses where civic groups could meet, community entertainment and recreation could be provided, and rental space made available for public uses such as wedding receptions and small conventions. With an aging population and the likelihood of attracting retirees to the area, the community center could double as a new senior center. The addition of a community kitchen would enhance all types of civic uses, enabling users to provide food for meetings and receptions, and allow civic groups to provide low-cost meals to seniors and families in need.

The community has also expressed the need for additional recreational facilities in the form of soccer and baseball/softball fields, tennis and basketball courts, etc. Preliminary planning shows that ball fields could be constructed on public land near Conner's Fields, located west of Old Baldy Golf Course, adjacent to Canton Lane. Space is available for these improvements, as well as for the possible construction of nine new holes (back nine) for the golf course. Alternatively, the Broadwater Trust Board has

suggested that it could assist with the purchase of a 10-acre parcel of Bureau of Reclamation land as a location for the ball fields

The community needs to continue efforts to develop and maintain a community bicycle - pedestrian trail network that connects Townsend and its business sector to the Silos, Fairgrounds, and recreational areas, as well as provide for safe routes to the school. A 2009 BCDC survey offered many suggestions for trail improvements ranging from construction of new trails to resurfacing existing routes.

Following are capital improvement projects associated with Community Centers, Parks, and Recreation.

Project: Community Recreational Center – PAR

Conduct additional planning to explore design and construction options for a multi-use community and/or recreational center. The proposed uses to be included in the facility will help determine if it should be located on public property near the fairgrounds, or at a more central location in Townsend. Additional planning, in the form of a Preliminary Architectural Report (PAR), would examine the potential uses to be included in the center (e.g. kitchen facilities, open recreation areas, meeting rooms, offices). The PAR may also examine the feasibility of including the law enforcement dispatch/emergency operations center (see Public Safety projects) and/or the agricultural research lab for the county extension service (see Public Buildings projects). **(\$35,000)** A preliminary concept for a community center has been developed by CWG Architects, and is included in the report in Appendix C. It should be noted that a complimentary effort is underway to examine the feasibility of a recreational/event center. At this stage, it is reasonable to explore all options to help determine what will work best for the community.

Funding: Planning grants from CDBG, USDA, FEMA, Broadwater Foundation

Project: Recreational Facilities – Ball Fields

Construct two softball/baseball fields **(\$120,000)**. The fields would be designed to fit 50' x 80' youth soccer fields in the outfields. Costs for land acquisition are not included in this estimate.

Funding: County General Funds, FWP Grants, Broadwater Trust Board, Broadwater Community Foundation, CTEP

Projects: Pedestrian Trail Network

Continue improvements to pedestrian/bicycle trail network **(\$238,880)**. Potential projects include both construction projects and additional planning and studies for facilities:

- Missouri River to Silos Bike-Pedestrian Trail - Chip Seal 1.2 miles of bike trail built in 2010 along U.S. Highway 287
- Missouri River to Silos Bike-Pedestrian Trail - Construct trail prism from Lakeview Manor to Silos Road along U.S. Highway 287
- Missouri River bridge bike-pedestrian add-on feasibility study
- Bike-Pedestrian Trail Plan for City-County
- Canyon Ferry Lake West Shoreline Trail - a non-motorized trail from Silos to Kims' Marina

- Townsend to Fairgrounds bike-pedestrian Trail earthwork to construct prism.
- Townsend to Fairgrounds bike-pedestrian Trail surfacing

Funding: County General Funds, FWP Grants, Broadwater Trust Board, Broadwater Community Foundation, CTEP

Utilities (Water & Wastewater)

Inventory: The sanitary sewer collection system in Townsend consists of gravity mains, manholes, and a single lift station and force main. The gravity mains range in size from 8 inches to 15 inches. The majority of these mains are vitrified clay pipe (VCP). All of the gravity mains discharge to a single lift station which pumps all of the City's sewage to the wastewater treatment facility. The wastewater treatment system consists of a 3-stage aerated lagoon followed by a polishing pond. Currently the City of Townsend is unmetered and charges a flat rate for its water and sewer services.

Needs: DEQ is in the process of renewing the City's permit for discharges from the treatment system to the Missouri River. The renewed permit will impose more stringent water quality limits for compliance with non-degradation rules. To achieve compliance with the upcoming discharge permit, the City Engineer has recommended a number of improvements to the wastewater collection and treatment systems, as well as the installation of water meters to promote water conservation, reduce sewage flows, and improve the probability of acquiring funding from certain sources.

Following are the recommended capital improvement projects associated with Utilities.

Projects: Wastewater Improvements, Water Meters

- Replace approximately 159 problem sewer service lines; Construct a new wastewater treatment system; Conduct a study to determine if it is feasible to keep the current wastewater discharge point location **(\$5,654,807)**.
- Install water meters to promote water conservation and open up additional funding options. If sufficient grant funding is not obtained to justify the high cost of the meters this alternative may be postponed **(\$1,350,957)**.

Funding: Grants and loans from TSEP, SRF, RD

Solid Waste

Inventory: The City operates a garbage collection system, charging residential and commercial customers a flat monthly fee for once per week pick up service. Residents outside the City haul their garbage to container sites operated by the County. Solid waste is hauled to the Broadwater County Transfer Station, where it is sorted and consolidated for loading into transfer trailers. The waste is then transported to a landfill in Lewis & Clark County, which charges tipping fees for final disposal of the waste. The Transfer Station has an area to set aside appliances for recycling and refrigerant removal, as well as a waste disposal pit for Class 3 construction and demolition materials. Containers are also available for recycling of some materials such as cardboard and plastics. Recycling represents an opportunity for both the city and county

to lower solid waste disposal costs by reducing the volume of waste transported to the landfill. Broadwater County constructed a new solid waste transfer station in 1995.

Needs: The west retaining wall/canister bay of the Cedar Street canister site is failing, and plans have been developed for a replacement wall. Additional canisters would be added to accommodate growth in the long term and provide room for recycling of more materials in the short term.

Broadwater County has proposed creating a consolidated Toston/Radersburg canister site near Toston at the site of an existing gravel pit. This solid waste site would also use a six-bay retaining wall, and would require purchasing additional canisters. The status of this project may depend upon the final right-of-way determined for the MDT Toston Bridge Replacement Project.

Following are the recommended capital improvement projects associated with solid waste facilities:

Project: Solid Waste – Cedar Street Site Improvements

Construct a new west retaining wall/canister bay for six canisters at the Cedar Street site, plus two new canisters **(\$138,000)**.

Funding: County Solid Waste funds

Project: Solid Waste – New Toston/Radersburg Site

Construct a new consolidated Toston/Radersburg canister site for six canisters **(\$171,000)**. The estimated cost includes four new canisters and 12' perimeter fencing and access gate.

Funding: County Solid Waste funds

The Broadwater County Development Corporation has also been working to turn solid waste into economic development by promoting and financing a recycling business operated as a private enterprise. To date, BCDC has acquired a baler for processing recycled materials such as cardboard, plastics, and aluminum cans. A project described in the "Economic Development Capital Improvements" involves BCDC and/or the County constructing a building at the Cedar Street canister site to house the baler and the recycling operation. If this project moves forward, the Solid Waste projects listed above may be revised to account for the added building space.

Public Safety Capital Improvements

Fire Protection

Inventory: The Townsend Fire Department shares space with the County at the Joint Volunteer Fire Station on South Cedar Street. City equipment includes two Class A pumpers and a command vehicle. The fire station was built in 1985, and includes an office, conference/training room, locker room, and laundry area. The city department is staffed by 18 volunteers, and is certified in basic HAZMAT. Many city volunteers also serve on the county department. Fire engines and vehicles owned by the County Rural Fire District are shown in Table 1.

Table 1. Rural Fire District Equipment

Station	Type of Fire Engine or Vehicle			
	Structural	Tender	Wildland	Rescue
Townsend	1	2	2	1 (truck)
Toston	1	2	2	
Radersburg		1	1	
Winston		1	2	
Duck Creek	1	1	1	

Needs: Since 2005, most new development in Broadwater County has been residential, and has occurred to the south near Three Forks/I-90, to the northwest near Helena, and along the east side of Canyon Ferry Reservoir. Such rural development on the fringes of agricultural lands raises concerns for wildfire, both in timber and grasslands. Private land adjacent to federal and state lands is dispersed throughout the County, creating a wildland urban interface where human development meets with undeveloped wildland and/or vegetative fuel. County fire protection resources are stretched thin, and the prospect of further development in the future means it is critical to plan for additional equipment, manpower, and facilities to provide the level of protection and coverage expected by residents.

Approximately one-half of the county fire department's mobile radios must be replaced to meet a 2013 deadline requiring narrow-band capabilities.

Following are the recommended capital improvement projects associated with Fire Protection:

Project: Fire Station/Sheriff Substation - Spokane Hills

Identified as the top priority by the county fire chief. Construct a 40' x 50' fire station building, patterned after the Duck Creek Station **(\$400,000)**. This estimate includes upgrading an office space to house a law enforcement substation.

Funding: FEMA Grants, County Funds

Project: Fire Station - Silos Area

Currently the second priority for the fire department behind the Spokane Hills Station. Construct a 40' x 50' fire station building, also like the Duck Creek Station **(\$398,000)**.

Funding: FEMA Grants, County Funds

Project: Equipment Acquisition – **For each new station**, the following equipment will be required:

- Structure engine with 1,000 gallon tank and 1,000 gallon per minute pump (\$150,000.00);
- Tender truck with at least a 2000 gallon tank (\$85,000.00);
- If possible, a Type 6 wildland engine (\$65,000.00).
- Communications Equipment: radios and pagers (approx. \$6,000 per station, plus \$3,000 per fire fighter and vehicle).
- Total Equipment Costs (3 vehicles, 6 fire fighters) = **\$333,000**

Funding: FEMA Grants, County Funds

Project: Fire Department – Radio Equipment

Purchase nine (9) mobile data units to replace broadband units in existing fire department vehicles **(\$27,000)**.

Funding: FEMA Grants, County General Funds

Law Enforcement

Inventory: Law enforcement in Townsend is provided by the Broadwater County Sheriff's office under a consolidated police protection agreement. In addition to the Sheriff, the City/County employs one undersheriff, seven deputies, seven dispatchers, and seven detention officers. In 2005, the jail was replaced with a new 36-bed facility and the current dispatch center. The dispatch/911 call center is located within the detention center, and personnel split time between management of both facilities.

Needs: The current law enforcement dispatch/911 center is located within the county detention center, and personnel split time between management of both facilities, causing conflicts during busy times, such as during an emergency. Dispatch needs to be physically separated from the detention center. The dispatch center could be part of a new Emergency Operations Center (EOC) for the entire county, allowing for more efficient use of space, or part of another project such as an ambulance garage/county office building. The number of site options and possible use combinations suggest that additional planning is required to present to public with viable options.

The Sheriff has also expressed the need for law enforcement substations to service the areas of new development. Where feasible, a substation would simply be a space within the fire station that could be quickly brought to normal room temperature to operate computers and accommodate occupants.

Following are the recommended capital improvement projects associated with Law Enforcement:

Project: Dispatch/911 Assessment

Two projects described elsewhere in this document will include an assessment of dispatch/911 needs and an architectural evaluation for including a dispatch/911 center in a future medical/county building. The EOC/Dispatch/911 Assessment (\$8,000) is

described in the following section. The ambulance garage/county office building PAR (\$35,000) is described in the Healthcare Capital Improvements section.

Project: Law Enforcement Substation – Contribute additional funding to upgrade an office space for occasional use by the sheriff’s office **(\$2,000, included in fire station costs).**

Funding: FEMA Grants, County Public Safety Funds

Disaster & Emergency Services (DES)

Inventory: Recent improvements to the communications system used by the public services community (law enforcement, fire protection, school, ambulance service, public works, and road department) have included relocating the tower on Limestone Hill and adding a new shelter, HVAC system, generator, and propane tank. Currently, the communications equipment is being transferred from the old site to the new shelter. These improvements are part of the overall project of upgrading the Limestone station to add redundancy to the state DES communication system in case of failure of the master controller located in Helena.

Needs: Remaining improvements to the Limestone Hill communications site include the addition of trunking and microwave equipment. Also, certain field equipment, such as radios (Land Mobile Radios or LMRs) and mobile data units (Subscriber Units or SUs) must be replaced in order to be compatible with the new narrow-band transceivers.

Responding to a disaster such as a flood, earthquake, or transportation incident (e.g. chemical spill on the highway or railroad) requires a coordinated effort between multiple entities, include local, state, and federal personnel, depending on the scope of the emergency. Coordination is facilitated when all parties can convene at a central location served by multiple communication channels (land lines and cell phones, radios, high-speed internet, etc.). The Broadwater County DES Coordinator has proposed constructing an emergency operations center (EOC) that could also serve as the sheriff’s dispatch/911 center. This facility could also be incorporated into another project, such as a multi-use community center, provided that the facility design includes security measures to prevent general public access to the EOC.

Following are the recommended capital improvement projects associated with Disaster and Emergency Services:

Projects: Public Services Communications Improvements

- Installation of microwave and trunking equipment at the Limestone communications site **(\$700,000).**
- Installation of a 150-foot tower in Lewis & Clark County to connect the Limestone station to the state network **(\$150,000).**
- Purchasing hand-held and mobile radios (LMRs, SUs) compatible with the new system to replace outdated equipment **(\$650,000).**

Funding: FEMA Grants

Project: EOC/Dispatch/911 Assessment

Conduct a preliminary space needs study to examine existing public safety facilities, staffing, and population data to help identify deficiencies, understand current and long term needs, and identify development or improvement options. The goal will be to determine the feasibility of constructing an EOC, incorporating functions such as 911 service, dispatch, and community space such as meeting rooms within the facility (\$8,000).

Funding: County Public Safety Funds

Healthcare Capital Improvements

Inventory: Healthcare facilities and providers for the entire county are located in Townsend. The Broadwater Health Center (BHC) provides hospital and nursing home facilities, and both inpatient and outpatient services. Inpatient services include both acute hospitalization and longer-term recuperative stays. Outpatient services include Laboratory, Radiology (X-ray), and Physical Therapy. Primary medical care at the Health Center is provided by two family-practice physicians that see patients at the hospital and at the Family Medical Clinic located next door. Two additional practitioners assist with staffing the emergency room. Visiting specialists provide services for ophthalmology, audiology, orthopedics, and podiatry. The BHC includes a nine-bed hospital and a 35-bed Skilled Nursing home.

Broadwater County Health Services is a recognized County Health Department staffed by an RN (County Health Nurse and Director of Health Services), an LPN (Immunization Nurse), a WIC (Women, Infants, and Children) Supervisor, and a Homemaker. BC Health Services provides immunizations, testing services (pregnancy, blood glucose, vital measurements, etc.), and referral services.

Needs: BHC needs options for new medical facilities that can become profitable components of the hospital's business model. In addition, BHC needs to evaluate existing facilities to determine the most efficient and cost-effective use of space and properties. BHC and the County may also be able to leverage available funds and realize efficiency in planning and construction by considering additional uses, such as a senior center, in any proposed building. The need to acquire additional land or combine hospital and county properties may also be an option for expanding health care and/or county facilities.

The CIP Team recognized early on that certain projects would require the services of a professional architect for exploring the land uses and building spaces to accommodate specific needs, and to estimate the costs of preparing evaluation reports needed to advance planning on complex projects. WWC contracted with CWG Architects of Helena for assistance with the CIP in taking certain projects, such as healthcare improvements, from the "project idea" stage to basic conceptual designs to assist the public and planners in visualizing the potential finished products. The following presents architectural suggestions for the use of various properties near the hospital, including land owned by the hospital and the county, plus private land that could be purchased by the hospital or county. **Note that these are preliminary concepts, and in all cases,**

additional planning is required in the form of the described economic feasibility and preliminary architectural reports. Also note that the suggestions to combine and/or purchase properties are presented to encourage discussions regarding the best use of limited space and available lots in the center of Townsend. Please refer to the report prepared by CWG in Appendix C for more details.

Following are the recommended capital improvement projects associated with Healthcare facilities:

Project: Healthcare – Economic Feasibility Study

As the first step toward determining the scope and direction for healthcare projects, and economic feasibility study would be completed **(\$30,000)**. This study would examine the current BHC business model, evaluate changes to the business model that could help control the “leakage” caused by people using health care services in Helena and Bozeman, and present options for changes in space, personnel, and services to implement the new model. The results of this study would help define the scope of subsequent preliminary architectural reports as described below.

Funding: CDBG, Big Sky Trust Fund, General Hospital Funds, County General Funds

Project: Healthcare – PAR for Ambulance Garage & Offices

This Preliminary Architectural Report (PAR) would examine the potential uses for the lot occupied by the ambulance building on Broadway **(\$35,000)**. Options for this site include replacing the existing ambulance building with a two story structure for an ambulance garage and medical clinic. A half-basement under the clinic space would be used for storage, and the clinic/office space in the second story for alternative or specialty medicine. Hospital property across the alley would be used for parking. An alternative, preliminary concept includes using the ambulance building site and the adjacent county parking lot to create a one or two story structure that could include county offices, a senior center, and possibly a new sheriff dispatch center. As noted above, this all subsequent studies would be contingent upon completing an economic feasibility study.

Funding: CDBG, Big Sky Trust Fund, General Hospital Funds, County General Funds

Project: Healthcare – PAR for Existing Facilities

Conduct additional planning in the form of a Preliminary Architectural Report (PAR), to examine the existing hospital facilities. The PAR will examine alternatives for using the existing space and facilities to increase efficiency and profitability, potentially incorporating conclusions from the preferred alternatives from other PARs **(\$40,000)**.

Funding: CDBG, General Hospital Funds

Project: Healthcare – PAR for Professional Medical Center

This Preliminary Architectural Report (PAR) would examine the potential uses for the hospital property behind the ambulance building, west of BHC **(\$35,000)**. This project could be done in addition to, or instead of, the ambulance building PAR, or it could be dropped altogether. Regardless, it is important to keep options open to encourage additional discussion, and to realize that both reports cannot be completed for the same cost. A preliminary concept described in the CWG report would use hospital property

combined with the Grover property west of the BHC for a health center that could incorporate leased or condominium space for such uses as a clinic, therapeutic pool, dialysis center, and dental, vision, or chiropractic offices. The County and/or BHC could also evaluate this property and building to include a new senior center.

Funding: CDBG, General Hospital Funds, County General Funds

Transportation Capital Improvements

Sidewalks and Curbs

Inventory: The condition of Townsend's sidewalks, as well as streets and curbing, has been a point of concern for residents for many years. Sidewalks were listed as a challenge under multiple categories in the 2004 Resource Team Assessment Report. The physical appearance of the community, especially streets, sidewalks, and buildings, affects whether people consider stopping in town as they pass through, relocating to the area, or starting a new business in the City. In 2006, all streets were paved or chip sealed except for South Harrison Avenue and Railroad Avenue. The City Engineer estimates that 51% of the city's 24,780 lineal feet of sidewalk should be replaced or repaired to conform to the design standards of the City sidewalk ordinance.

Need: Approximately 12,600 lineal feet of sidewalk must be repaired or replaced. In areas where the adjacent curb is also in poor condition, the sidewalk and curb would be replaced or repaired at the same time to reduce costs. Construction of new sidewalk in critical areas, such as near the school, is also needed for connectivity with existing sidewalks and pedestrian routes.

Following are the capital improvement projects identified for Sidewalk and Curb improvements:

Project: Sidewalks and Curbs – Repair and Replace

Rebuild approximately 10% of the substandard Townsend sidewalks and curbing each year, starting with those in the worst condition. The current total estimated cost of sidewalk and curb reconstruction is **\$781,855**, suggesting a budget of **\$78,000-100,000** per year for sidewalk improvement work.

Funding: MDT CTEP and SRTS Grants, City General Funds, SID

Roads

The County Road Department is responsible for maintaining over 500 miles of road, most of which are gravel roads used the entire year. Most County roads are rated in "Good" or "Fair" condition by the Road Superintendent and the County Planner, with approximately 40 miles needing improvement within the next ten years. As part of the CIP project, the Road Superintendent and County Planner prepared a County Road Inventory that classifies each road segment according to use (seasonal or year-round), traffic volume (high, medium, low) and general condition. The Road Inventory is included in Appendix D.

Needs: Approximately 40 road miles need surface improvements such as the addition of gravel or paving with recycled asphalt millings. All road improvements have been

classified as deferred maintenance, scheduled according to the Road Superintendent's assessment of traffic volumes and road surface conditions.

Following are the capital improvement projects identified for Road Improvements:

- Beaver Creek Road – Gravel 2.5 miles (\$44,000)
- Canton Lane – Repave 0.5 miles with asphalt millings (\$750)
- Cottonwood Road – Gravel 9.5 miles (\$167,200)
- Dry Creek Road – Gravel 4.5 miles and install five (5) culverts (\$91,700)
- Dry Gulch Road – Gravel 6.4 miles (\$112,640)
- Highway 287 Bypass – Repave 0.32 mile with asphalt millings (\$480)
- KOA Road – Widen 0.9 miles and repave with asphalt millings (\$26,772)
- Old Town Road - Repave 3.7 miles with asphalt millings (\$5,550)
- Rolling Glen Ranch Road –
- Sandhill Lane – Gravel 3.5 miles (\$61,600)
- South Fork Ray Creek Road – Gravel 7.3 miles (\$128,480)
- **Total Road Improvements Cost = \$1,039,172**

Funding: County Road Fund

Bridges

The majority of the County's bridges are in good condition, needing relatively minor improvements such as widening to match current road standards. Several bridges may need of repair or replacement due to age or damage from past flood events. In some cases, water may be traveling around the structure and under the road bed, causing further damage that could lead to catastrophic failure. Bridge or culvert failure on a major transportation route would create economic and social upsets throughout the affected areas. Increased development and traffic have also exposed problems with bridge widths and alignments, creating safety issues. As part of the CIP project, the Road Superintendent and County Planner prepared a County Bridge Inventory included in Appendix D.

Needs: Four bridges have been identified by the County Road Superintendant and the County Planner as needing improvements that may be eligible for PDM funding through Broadwater County DES. Another eight bridges require improvements, mostly widening, within the next ten years. All bridge improvements have been classified as deferred maintenance, scheduled according to the Road Superintendent's assessment of traffic volumes and bridge conditions.

Following are the capital improvement projects identified for Bridge Improvements:

Project: County Bridge Improvements

- Cottonwood Road over Broadwater Missouri Canal – widen 6 feet (\$25,000)

- Sandhill Lane over Broadwater Missouri Canal – widen 6 feet (\$25,000)
- Dry Hollow Road over Broadwater Missouri Canal – widen 3 feet (\$13,200)
- Greaves Road over Broadwater Missouri Canal – widen 3 feet (\$13,200)
- Six Mile Road over Lower Deep Creek Canal – widen 6 feet (\$26,400)
- Shelley Road over Lower Deep Creek Canal – widen 3 feet (\$13,200)
- Filson Road over Beaver Creek – widen 6 feet (\$26,400)
- Lower Deep Creek Road over Broadwater Missouri Canal – widen 3 feet (\$13,200)
- Lower Deep Creek Road bridge at Plymels – widen 3 feet (\$13,200)
- Lower Deep Creek bridge at Wickens – widen 3 feet (\$13,200)
- North Fork bridge over Deep Creek – widen 3 feet (\$13,200)

Funding: INTERCAP, TSEP, County Bridge Fund, FEMA loans and grants. The County DES Coordinator anticipates that federal PDM grants could be used for up to 75% of the costs for certain improvements, with the remaining 25% to be matched by county funds, with assistance through partnerships with entities such as MDT. Matching funds and partnerships must be decided before applying for grant funding.

Airport

The Townsend Airport, located on City/County-owned land, serves as the base for approximately 12 general aviation single-engine aircraft, and is used for general aviation, air taxi services, and military use by the National Guard. The airport uses a 4,000' long by 60' asphalt runway and includes a pilot's lounge, private hangers, and a camping area for overnight stays. The airport stages an annual fly-in on July 4, bringing in 50-60 aircraft along with pilots and passengers. Recent improvements at the airport include the installation of precision approach lights and the addition of five hangers since 2000. Two new businesses have also been established – an aircraft repair service and an aircraft sales business. The Townsend Airport and its contract engineer maintain a CIP datasheet that shows proposed improvements and funding sources. The datasheet for the fiscal year beginning 2011 is available upon request from the airport board.

Needs: Current needs focus on maintaining and rehabilitating existing facilities, in particular paved areas such as the runway, taxiway, and the asphalt apron connecting the airport facilities to the runway/taxiway. Planning activities and land acquisition to complete a proposed expansion are also included in the airport CIP.

Following are a summary of the capital improvement projects identified for the Airport:

Projects: Airport Improvements

- Rehabilitate runway **(\$87,000)**
- Rehabilitate apron **(\$12,000)**
- Rehabilitate taxiway **(\$25,000)**

- Planning – conduct or update an environmental assessment or impact statement **(\$100,000)**
- Purchase land for expansion **(\$30,000)**
- **Total Costs through 2015 = \$254,000**

Funding: Currently, the Federal Aviation Administration provides funding at 95% of total project costs, with the sponsor (city and county) providing the remaining 5% from airport funds.

Economic Development Capital Improvements

This category is intended to include those projects with the primary purpose of stimulating economic development within the area. As such, they include projects that impact other facilities, such as alternative energy for public buildings. These projects may not be vital to support physical growth (population, annexation, land development, etc.), but supporting economic growth helps finance, through income and taxes, the infrastructure and facilities needed to accommodate all other growth.

The economic health of Broadwater County has historically been tied to the area's resources, including agricultural land, timber, and minerals. The timber resource is at a critical juncture, where decades of fire suppression and drought have combined to create extensive stands of beetle-killed trees, but market forces have forced sawmills and pulp plants to close. Opportunities exist for economic development based on the use of woody biomass material removed from forest restoration activities, such as wildfire hazardous fuel treatments, insect and disease mitigation, forest management due to catastrophic weather events, and/or thinning overstocked stands.

As noted in the 2004 Broadwater County Resource Team Assessment Report, while the natural resources-based economy must be resurrected, the tourism-based sector of the area's economy should also be nurtured to draw people to the area, give them a reason to stop and/or stay for a time, and most importantly, give them an opportunity to spend money at local businesses. MDT traffic counts for 2009 show that over 3,000 vehicles traverse the county each day on Highway 287, with even higher counts occurring between Townsend and Helena.

Broadwater County Development Corporation (BCDC) has acquired a baler for recycled material such as cardboard and plastics. Currently, these materials are collected at city and county collections sites, and then transported to the baler location for processing by a private operator, who then sells the materials to a broker. The county saves money by hauling fewer tons and paying less in tipping fees charged by the Lewis & Clark county landfill. BCDC has also acquired a small pellet mill, providing an opportunity to convert wood, cardboard, and small amounts of plastics into a profitable fuel product.

Needs: A renewable energy pilot project would explore the feasibility of using a local resource such as woody biomass to provide an alternative energy source. Using this energy source to heat and cool public buildings would expand funding opportunities for the project while lowering utility costs that are ultimately paid for by taxpayers.

BCDC has proposed constructing a recreational vehicle dump station to encourage tourists and travelers to stop and spend time (and money) in the area, rather than simply passing through on the way to Helena or Bozeman. Ideally, the facility would be located within walking distance of Townsend's Central Business District, which includes most of the businesses on Front Street and Broadway.

The recycling baler and pellet mill acquired by BCDC should be relocated closer to the source material to reduce material handling costs. A logical location would be county land adjacent to the Cedar Street solid waste collection site. Locating the pellet mill next to a source of cardboard and plastic would allow an entrepreneur to experiment with mixing these materials with wood waste to create a viable fuel for pellet stoves.

Following are a summary of the capital improvement projects identified for Economic Development:

Project: Renewable Energy Pilot Project for Public Buildings – a modular biomass boiler has been proposed as an alternative energy source for public buildings in Townsend. Initially, the project will provide heat for the hospital and the proposed medical center. The system could possibly be expanded to provide auxiliary heat for the court house. The existing propane boilers in the hospital would be retained as backup units **(\$400,000)**.

Funding: The hospital and the equipment supplier could enter into a performance contract, where the supplier designs and installs the facility in exchange for a fixed-rate, fixed term contract to operate the system and supply fuel. Other alternatives include grants and loans through DEQ, DNRC, NRCS, etc.

Project: Construct an RV dump station **(\$7,000)**. A preliminary investigation shows that space is available on railroad right-of way along Highway 12, within approximately 1.5 blocks of the intersection of Front and Broadway, with existing sewer and water services. This estimate is for a basic station with a concrete parking pad, dump connection, and sewer connection. Adding pavement to the lot and installing bathroom facilities increase the costs to over \$100,000.

Funding: BCDC, EDA funds, possibly a private-public partnership.

Project: Construction of a 40' x 80' pole-barn on county property near the Cedar Street solid waste site for the BCDC baler and pellet mill. The proposed structure would include an electrical service, wiring for outlets, and access doors **(\$50,000)**. Costs could be reduced by sharing space within a new county storage building at the same location.

Funding: BCDC, EDA funds possibly a private-public partnership.

Non-prioritized Projects

As noted in Section 2, the initial "needs list" was reduced by removing projects that the CIP Team, department heads, and other stakeholders deemed as low priority for this plan. However, it was decided during the project scoping meeting that these "needs" be included in the CIP as a "wish list" for the community to consider and plan for in the

future. The list of Non-Prioritized Projects, shown in Table B-3 in Appendix B, includes ongoing projects such as Townsend streetscape and landscaping improvements, as well as projects that may be outside of the current 10-year planning window, such as improvements to the Old Baldy Golf Course.

5.0 FUNDING SOURCES

Capital improvement plan projects can be funded from a variety of sources. Following is a general discussion of the more common sources available.

General Funds: The most commonly used method of financing capital improvement projects is the use of general funds. These funds include the money raised by local property taxes for a given year together with other State taxes such as on fuel, liquor, and gambling. When a project is funded out of the general fund revenues, it is usually paid off in the budget of a given year (or perhaps two) and essentially becomes a "pay-as-you-go" funding concept based on revenues available.

Historically, the general fund is a practical source for funding small capital improvement projects but there are generally not enough excess funds available to take on the larger capital improvement projects.

Water and Sewer Revenues: Townsend has enterprise funds based on the receipt of monthly user fees for city water and sewer systems. Ideally, the monthly rates will be set sufficiently high to include either a depreciation amount or capital improvement line item which provides the means for accumulating funds necessary to address desired capital improvements.

Again, revenue funds seem to work well for smaller projects and sometimes can be budgeted and planned to provide capital over several years duration for certain improvement projects, but cannot be relied upon as a significant source of capital for large projects. Sometimes reasonable and affordable amounts of available revenue capital are used as matching funds for obtaining grant funding (discussed below).

Federal and State Grant Programs: Depending on economic and political conditions, there are federal and state grant programs available to meet the critical capital improvement needs of communities. Programs are funded out of federal or state tax receipts, with budgeted allocations available to address the most critical or high-ranking needs.

Generally, a community must submit a grant application that is ranked and processed on a competitive basis against requests received from other communities in the State. The needs and proposed projects are reviewed and ranked in priority, with the money available being allocated to those projects most pressing or maximizing the benefits received for the grant money allocated. Usually most of the financial assistance goes for those projects needing capital improvement to meet regulatory agency requirements related to protecting and preserving the health and welfare of the residents.

Other grant funds are available for the purpose of stimulating economic development. Often public works infrastructure is needed to stimulate such development and projects are sometimes developed in such a fashion as to help meet community needs in addition to providing for the economic development. Generally a commitment of creating and/or retaining a certain number of jobs is a requirement or stipulation for receiving economic development grants.

Following is a listing of the most commonly used sources of grant funds in Montana:

- Community Development Block Grant Program (CDBG) – CDBG funds projects designed to principally benefit low and moderate-income families. Application are accepted annually, and funding can be applied to activities in five categories:
 - Planning Grants of up to \$20,000 for the preparation of capital improvements plans, preliminary engineering reports for water/wastewater projects, preliminary architectural reports to address deficiencies of an existing building or the need for a new facility, and other planning activities;
 - Public Facilities Grants of up to \$450,000 for public infrastructure improvements, and public facilities such as nursing homes and senior centers.
 - Housing and Neighborhood Renewal Grants of up to \$450,000 to rehabilitate or demolish substandard housing, facilitate new construction, and perform neighborhood renewal projects such as improving or constructing sidewalks or parks.
 - Neighborhood Stabilization Program that provides emergency assistance to units of general local government to acquire foreclosed or abandoned structures to rehabilitate, resell, or redevelop these units in order to stabilize neighborhoods and provide affordable housing for income eligible households.
 - Economic Development Program that assists businesses by making fixed-rate financing available to them at reasonable interest rates and by providing public improvements in support of economic development activities. These funds are intended to fill funding gaps left by other public and private financing options.
- Treasure State Endowment Program (TSEP) – grants of up to \$750,000 for public works infrastructure, including water and wastewater systems, storm sewers, solid waste disposal and separation systems, and bridges. Planning grants for preliminary engineering up to \$15,000 are also available. TSEP grants require various levels of matching funds. Applications are accepted biannually and legislative approval is required.
- Department of Natural Resources and Conservation (DNRC) – grants of up to \$100,000 for projects protecting, preserving, or enhancing natural and renewable resources. Numerous public facility projects including drinking water, wastewater and solid waste development and improvement projects have received funding through this program. Planning grants for preliminary engineering up to \$8,000

also available. Applications accepted biannually and legislative approval is required.

- Rural Development – grants of up to 75% of the eligible project costs for public works infrastructure and public facilities in rural communities, including solid waste disposal and storm drainage. Applications accepted based on eligibility and available funding.

Each grant program has very specific and rigid requirements to be met, such as providing a local match, demonstrating a majority of residents affected as being in the low to moderate income categories, documenting solid commitments for job creation/retention, demonstrating a public health concern or threat, etc. Whenever any such programs are considered for funding capital improvements, it will be critical to coordinate thoroughly and early-on with funding agency representatives to ensure that the project is eligible for the program and all the specific requirements can be met.

Loans and Bonding: Many of the same agencies listed above have loan money available for capital improvement projects. Many of the same requirements apply to the loan programs. A listing of the more common loan sources is as follows:

- Rural Development (RD) – loans of up to an amount commensurate with the community's ability to repay for public facilities and public works infrastructure. Emphasis is on assisting small, rural communities, with interest rates based on median household income and user rates. The maximum loan term is 40 years or the useful life of the facility. Applications accepted based on eligibility and available funding.
- Montana State Revolving Fund (SRF) – low-interest loans of up to 100% of eligible project cost with no local match required. Project must be on the SRF project priority list and have documentation of health/pollution problems or concerns. Administered through the Department of Environmental Quality. Applications are accepted based on eligibility and available funding.
- Department of Natural Resources and Conservation (DNRC) – unlimited loans to protect, preserve, or properly utilize natural resources such as groundwater. Loan limits are based on the applicant's debt capacity. Applications are accepted based on available funding.
- Intermediate Term Capital Program (INTERCAP) – loans of up to 100% of the project cost with no local match required. Loan term limited to 15 years, the useful life of the project, or any borrower term limit set by statute. Loans can be used for infrastructure projects, vehicles and equipment, and energy retrofit projects, and are based on the community's ability to repay. Applications accepted based on eligibility and available funding.

Nearly all loan programs require authorization of the community to pay back the loans, including the issuance of bonds, and several have other security requirements. Loan authorization is most often obtained through the issuance of bonds. Bonds are usually tied to general tax obligation or utility revenues. General obligation bonds are secured by the raising of property taxes with an amortization of the financing over several years

to allow taxpayers to pay a smaller amount of the project's cost at a time. However they do commit the borrower's resources over a long period of time and thus decrease the flexibility of how yearly revenues can be utilized.

A special form of general obligation is an Improvement District such as a Special Improvement District (SID) in a municipality or a Rural Improvement District (RID) in a county. Whatever the specific form, a special district is formed in the area of the improvements and the affected property owners are obligated to repay the project costs or a portion thereof. These generally work well for street and road improvements, sidewalk installation, lighting, bridges, etc.

Revenue bonds are issued on the promise and commitment of repayment through the monthly user fees associated with water or sewer systems. User rates are adjusted to provide the capability of bond repayment and required security. Since it is desired to keep monthly user rates within a reasonable limit, the amount of loans secured by revenue bonds becomes limited to the amounts obtainable with the monthly user fee.

Government Agencies: There are a few government agencies that have their own financial resources available to help with necessary capital improvements. These are always based on need, proper planning, and a determination by the agency that the project and its associated improvements are a worthy investment to serve the general public. Examples of such agencies include:

- Montana Fish, Wildlife and Parks – The MFWP Land and Water Conservation Fund has approved projects such as ball fields, public parks, golf courses, outdoor pools, and trails. The fund requires applicants to be prepared to pay for the entire project before being reimbursed for up to 50% of allowable costs. The FWP Recreational Trails Program funds development of trails and trailside facilities.
- Montana Department of Environmental Quality (DEQ) – similar to EPA in programs to clean up the environment such as chemical spills, hazardous contamination, environmental remediation, etc.
- Montana Department of Transportation – The Community Transportation Enhancement Program (CTEP) is a Montana program that funds transportation related projects designed to strengthen the cultural, aesthetic, and environmental aspects of Montana's intermodal transportation system. The CTEP allows for the implementation of a variety of non-traditional projects including construction of new or replacement of old sidewalks on publicly owned property or easements. They may be bicycle or pedestrian use alone or combined bicycle/pedestrian use. The Safe Routes to School (SRTS) Program is a federally funded, competitively awarded, reimbursement program. Funding will be made available to Montana communities to encourage elementary and middle school children to walk or bicycle to and create more enjoyable routes to school. .
- Environmental Protection Agency (EPA) – The State and Tribal Assistance Grants (STAG) program provide grants for public water and wastewater projects. A local match of 45% is required, and grant awards are tied to the federal

appropriations process. EPA also provides special funding for projects to address serious environmental concerns such as hazardous waste sites, chemical contamination of a water supply (e.g., arsenic, copper, etc.), or other environmental threats to the health and welfare of the general public.

- US Department of Agriculture (USDA) – The Forest Service is offering Woody Biomass Utilization (WBU) Grants of up to \$250,000 for wood energy projects that require engineering services. The funds from the (WBU) program must be used to further the planning of such facilities by funding the engineering services necessary for final design and cost analysis.
- USDA also administers the Community Facilities Grant Program, which can be used to assist with the development of essential community facilities in rural areas and towns of up to 20,000 in population. Applicants must have the legal authority to construct, operate, and maintain the proposed facility, and also be unable to secure needed funds from commercial sources at reasonable rates and terms.
- Montana Department of Commerce - The Tourism Infrastructure Investment Program (TIIP) invests a portion of the Montana Commerce Department's "bed tax" funding into new tourism-related infrastructure products, the enhancement of existing tourism facilities, and the preservation of Montana's heritage and cultural treasures. Non-profit sponsors or communities are eligible to apply for TIIP funds. The funds are awarded on an annual basis through a competitive application process. Sponsors are required to invest \$1 for every \$2 in TIIP Grant funds received for their project. The minimum TIIP grant is \$20,000.
- Economic Development Administration (EDA) -- grants of up to \$500,000 (or greater for specific and unique circumstances) available for economically depressed areas (high jobless rate) or specific economic development projects based on job creation/retention. Applications accepted at any time, based on available funding.
- Federal Emergency Management Agency (FEMA) and Department of Homeland Security (DHS) - grants are awarded to fire departments to enhance their ability to protect the public and fire service personnel from fire and related hazards. Four types of grants are available: Assistance to Firefighters Grants (AFG), Staffing for Adequate Fire and Emergency Response Grants (SAFER), Fire Prevention and Safety Grants (FP&S), and the Assistance to Firefighting Fire Station Construction Grants (SCG). The Pre-Disaster Mitigation (PDM) program provides funds to states, territories, Indian tribal governments, communities, and universities for hazard mitigation planning and the implementation of mitigation projects prior to a disaster event. Funding these plans and projects reduces overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. PDM grants are to be awarded on a competitive basis and without reference to state allocations, quotas, or other formula-based allocation of funds. FEMA/DHS also provide grants for necessary planning and improvements to enhance safety and security of the area and its infrastructure. Programs include the Emergency Operations Center (EOC) Grant Program and the Interoperable Emergency Communications Grant Program (IECGP). Applications accepted based on available funding.

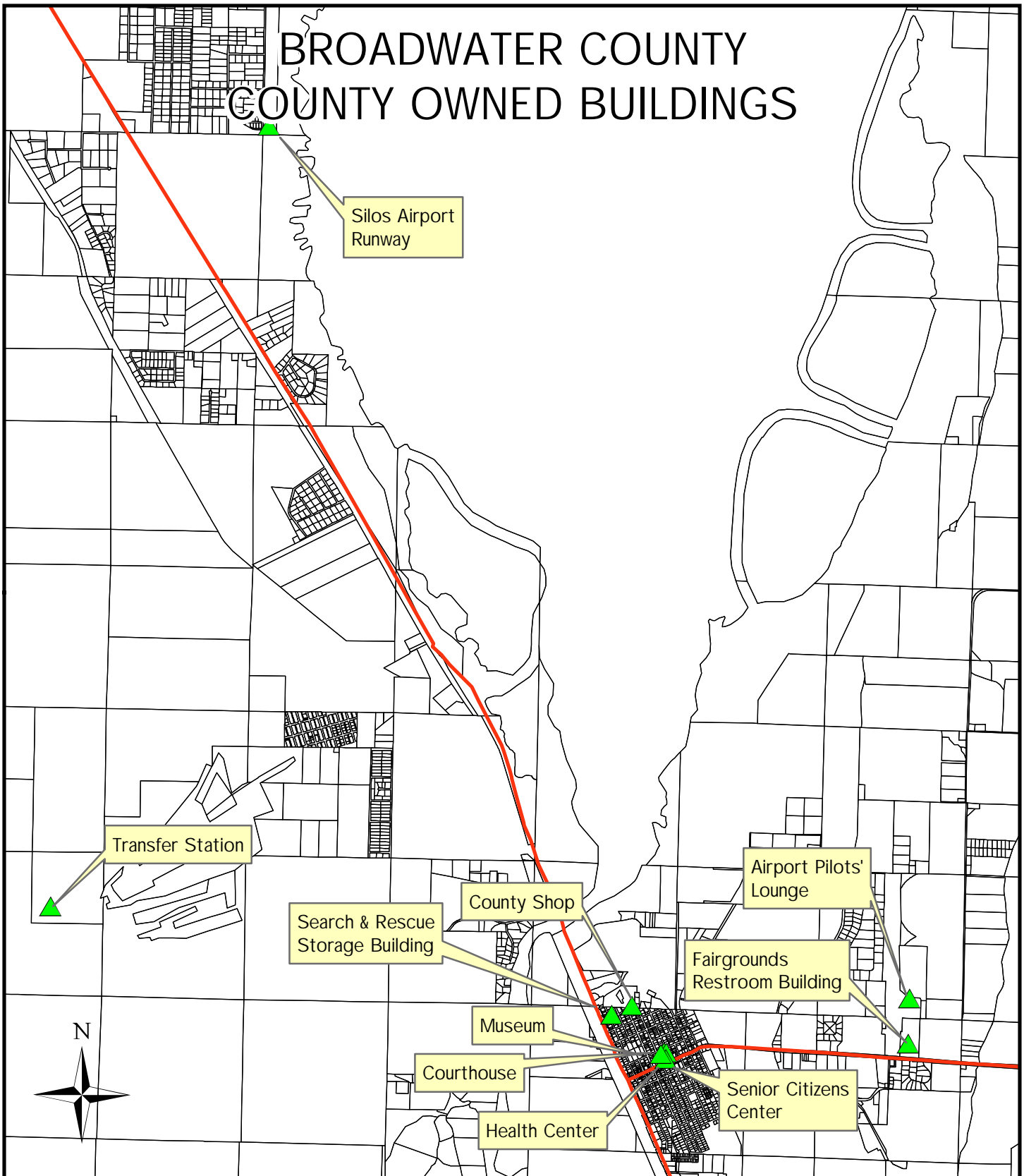
- U.S. Army Corp of Engineers – Water Resources Development Act (WRDA) grant funds are available to public entities for water and wastewater projects, as well as environmental restoration and surface water resource protection and development. An application is made through the Congressional delegation, and a local match of 25% is required.

Private Foundations: There are numerous foundations and private sources of both grant and loan money available that can sometimes be used on capital improvements. Generally, these are based on extreme need and the inability of finding funding elsewhere. Such programs are often competitive and entirely discretionary on the part of the grantor and thus may not be as reliable a source of funding as some others listed above. Private funding is also usually limited to fairly small amounts and targeted at specific needs (e.g., landscaping and enhancement, library expansion, purchase of life safety equipment, etc.).

Broadwater Community Foundation - Applications for educational and community improvement projects are available from the Broadwater Community Foundation. Grant applications are accepted year-round. The BCF board of directors disperses grant money in December and June of each year.

Figures

BROADWATER COUNTY COUNTY OWNED BUILDINGS



Legend

 County Buildings

REVISIONS

Date	By



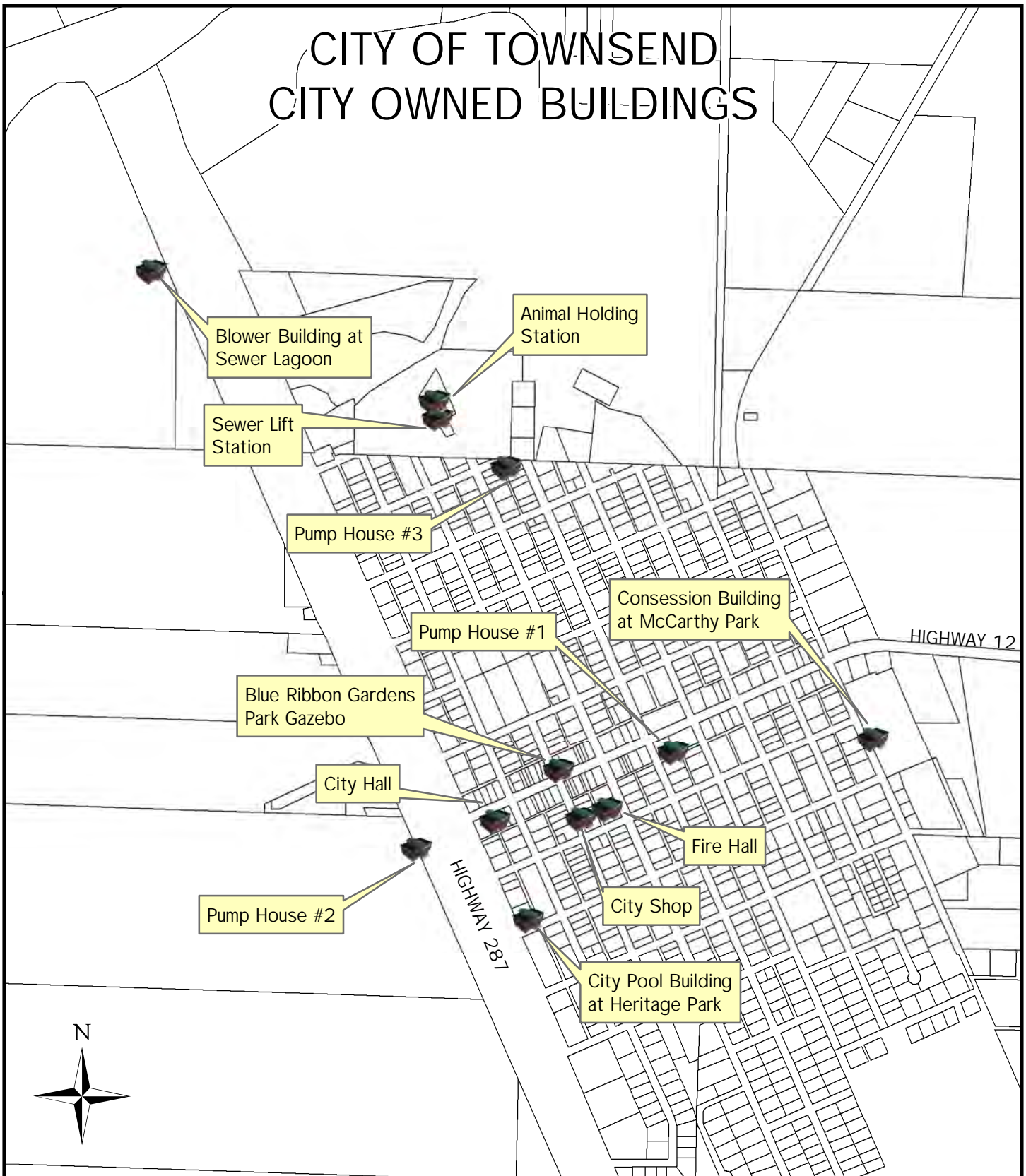
WWCENGINEERING

1275 MAPLE STREET, SUITE F
HELENA, MT 59601
(406) 443-3962

File:	Drawn By: RDN	Checked By: KF	Date: 5/11	Scale: 1" = 5,000'
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CITY OF TOWNSEND

CITY OWNED BUILDINGS



Legend



City Buildings

REVISIONS

Date	By

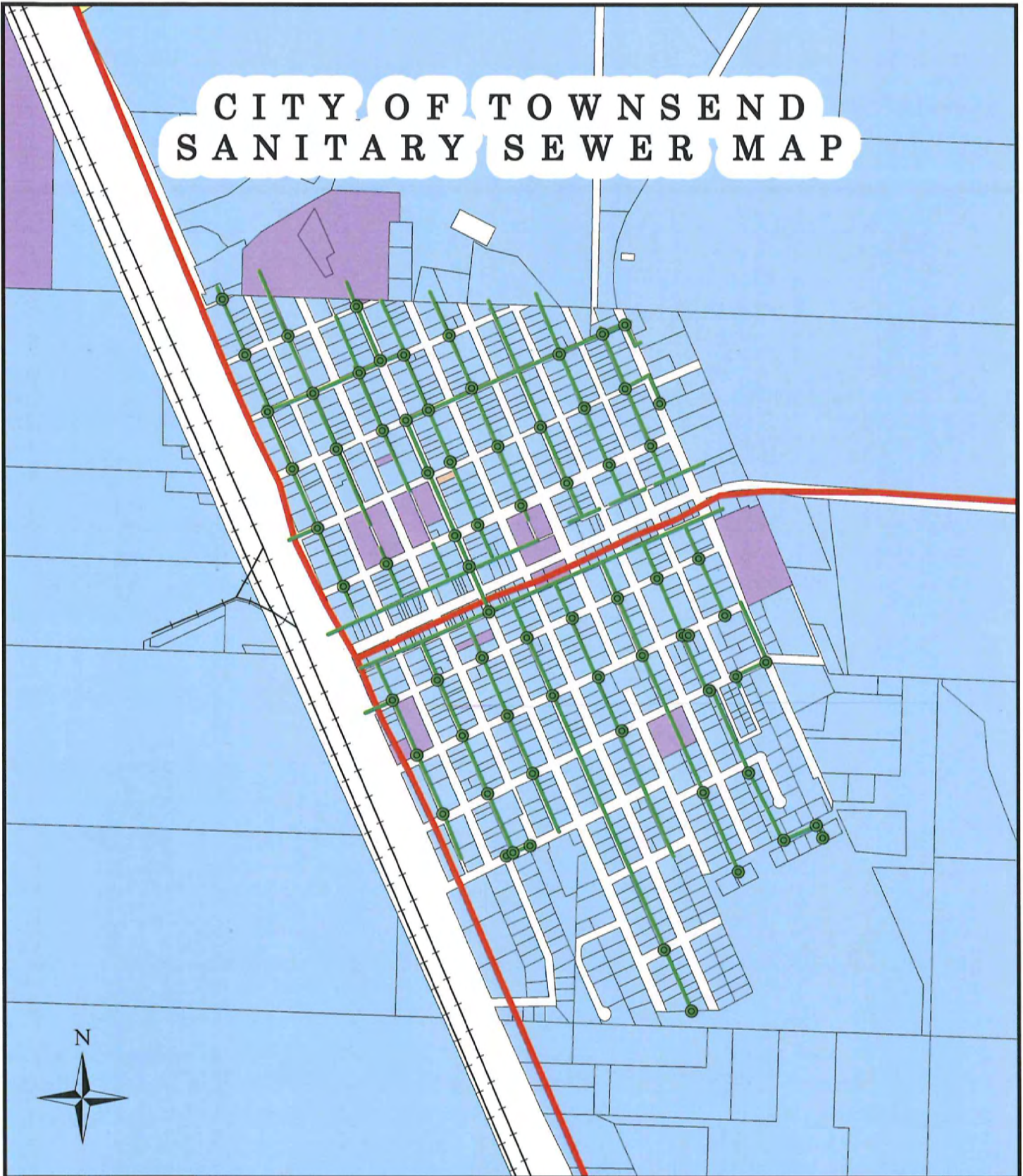


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HELENA, MT 59601
(406) 443-3962

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CITY OF TOWNSEND SANITARY SEWER MAP



Legend

- Sewer Line
- Sewer Manhole

REVISIONS

Date	By

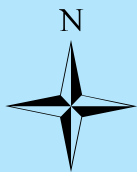
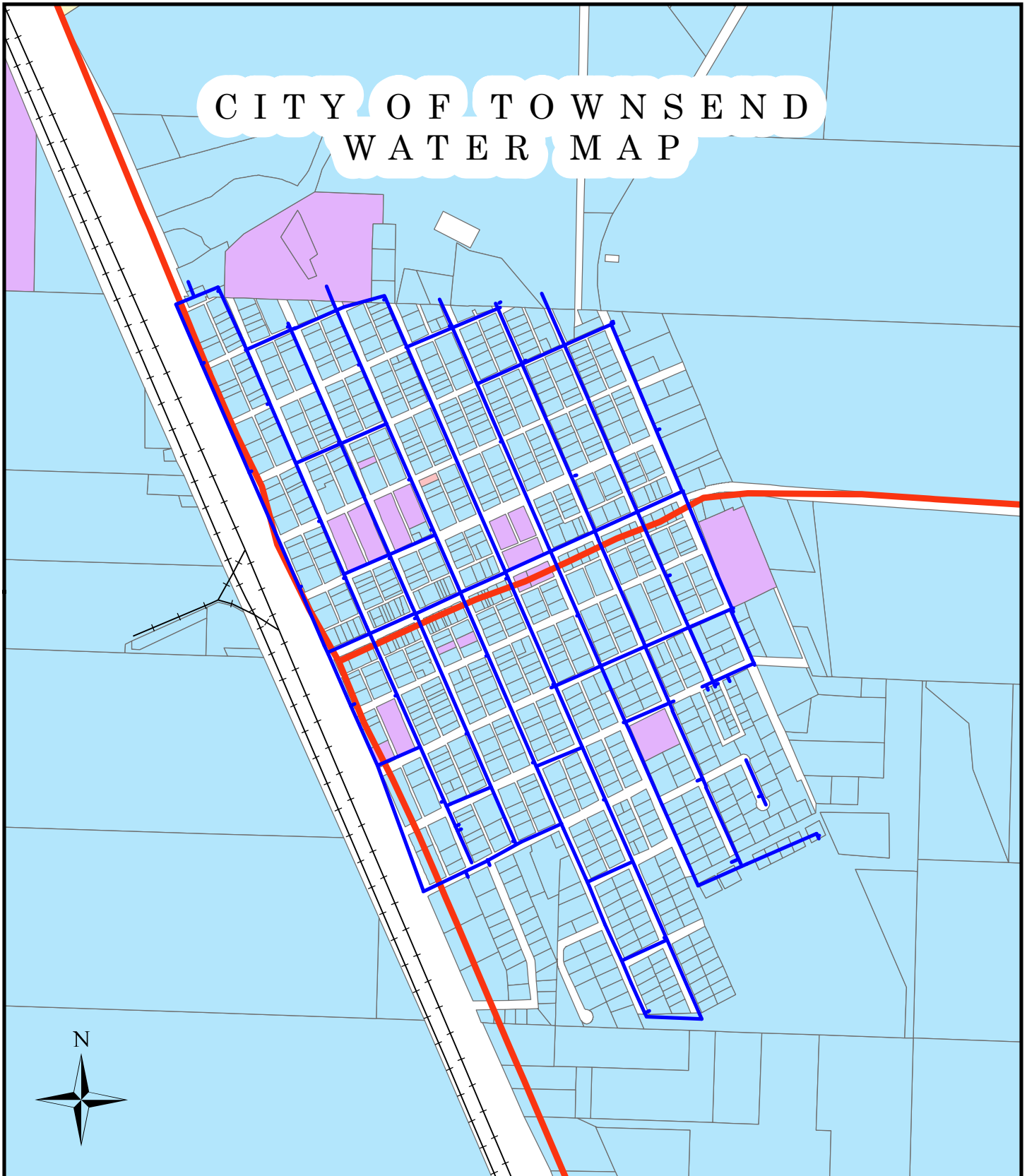


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CITY OF TOWNSEND WATER MAP



Legend

— Water Line

REVISIONS

Date	By

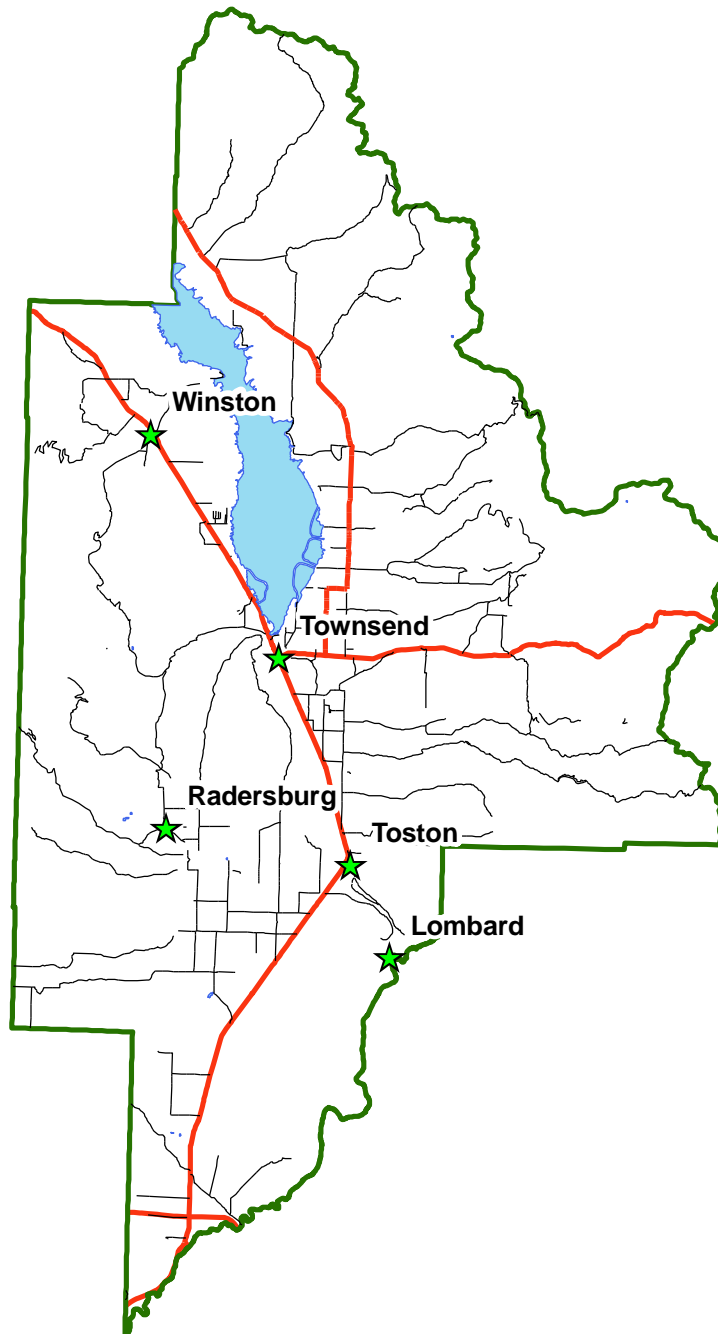


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BROADWATER COUNTY MAINTAINED ROADS



Legend

- ★ Cities
- County Roads
- Highways (State Maintained)

REVISIONS

Date	By

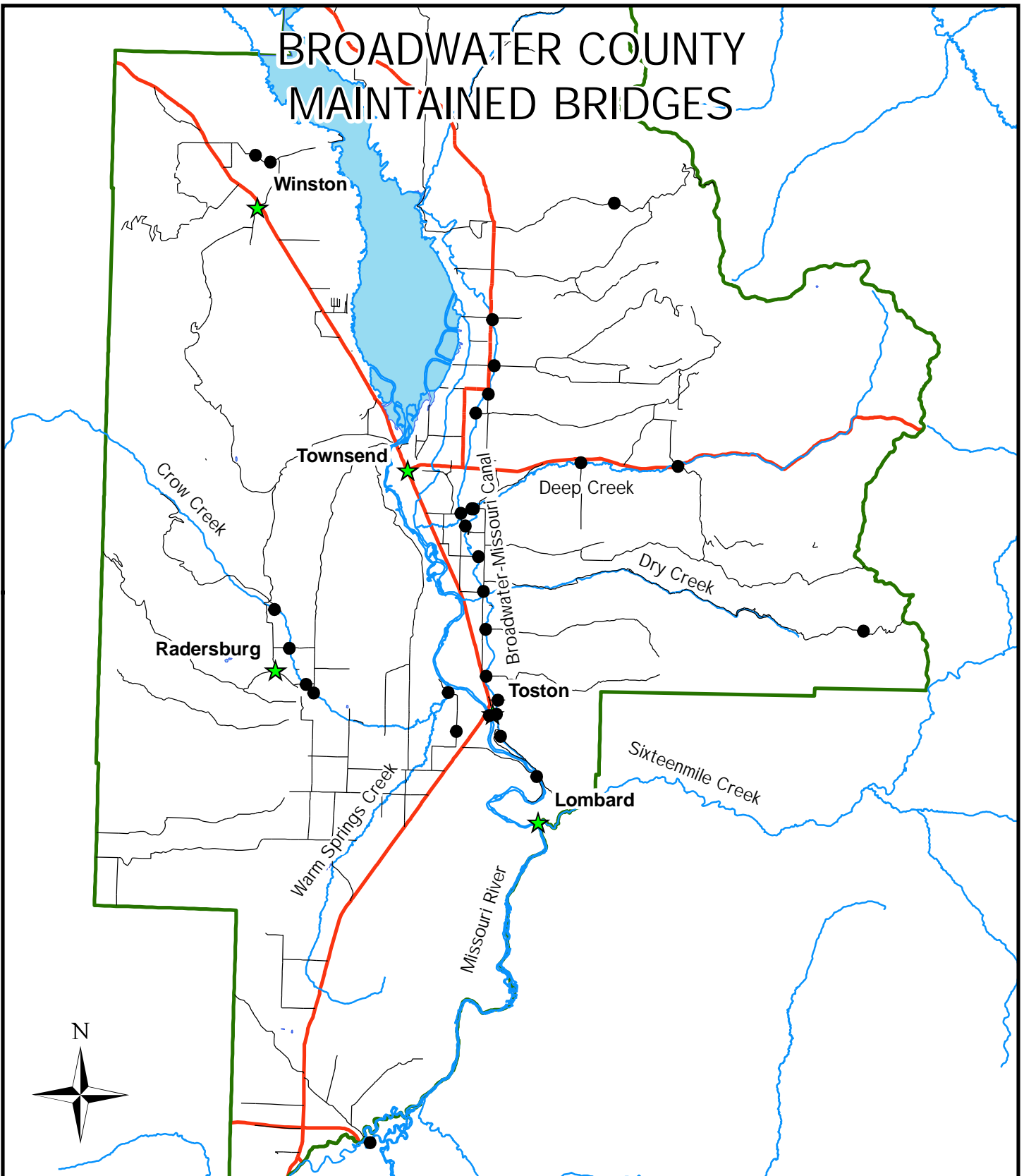


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BROADWATER COUNTY MAINTAINED BRIDGES



Legend

- ★ Cities
- Bridges
- County Roads
- Streams
- Highways

REVISIONS

Date	By



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HELENA, MT 59601
(406) 443-3962

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Appendix A

Resolutions

Capital Improvement Plan

Resolution No. _____

A RESOLUTION ADOPTING THE CAPITAL IMPROVEMENTS PLAN FOR BROADWATER COUNTY AND THE CITY OF TOWNSEND, MONTANA.

WHEREAS, Broadwater County has participated in capital improvements planning meetings, published notice, held a public hearing, and provided the citizens of the County with opportunities to comment on the problems and issues of the County's public facilities and services, and

WHEREAS, the process of assessing the facilities and services has produced a list of priorities of needed improvements to public facilities and services,

NOW THEREFORE BE IT RESOLVED, that Broadwater County hereby adopts the attached Capital Improvements Plan as a guide for future scheduling and financing of capital improvements to public facilities and services.

DATED this _____ day of _____, 2011.

Laura Obert, Chairperson

Elaine Graveley, Member

Gail Vennes, Member

Attest:

Rhonda Nelson, Clerk & Recorder

Resolution No._____

A RESOLUTION ADOPTING THE CAPITAL IMPROVEMENTS PLAN FOR BROADWATER COUNTY AND THE CITY OF TOWNSEND, MONTANA.

WHEREAS, the City of Townsend has participated in capital improvements planning meetings, published notice, held a public hearing, and provided the citizens of the City with opportunities to comment on the problems and issues of the City's municipal facilities and services, and

WHEREAS, the process of assessing the facilities and services has produced a list of priorities of needed improvements to municipal facilities and services,

NOW THEREFORE BE IT RESOLVED, that the City of Townsend hereby adopts the attached Capital Improvements Plan as a guide for future scheduling and financing of capital improvements to municipal facilities and services.

DATED this _____ day of _____, 2011.

By: _____,
Mayor

By: _____,
Council Member

By: _____,
Council Member

By: _____,
Council Member

By: _____,
Council Member

By: _____,
Council Member

By: _____,
Council Member

Attest: _____,
Clerk/Treasurer

Appendix B:

Tables

Table B-1. Townsend Public Building Inventory

Description	Location	Year Built/Construction	Condition
City Shop	129 S. Spruce	Brick Building Built in 1950	Fair Condition
Addition to City Shop Garage Portion	129 S. Spruce	1967	Fair Condition, Needs Insulation
City Pool Building at Heritage Park	200 S. Pine	Brick Building Built in 1966	Fair Condition
Concession Building at McCarthy Park	201 S. Harrison	Wood Frame Built in 1979	Good Condition
City Hall located	110 Broadway	Brick & Wood Frame originally Built in 1930's	Very Good Condition, Building Interior Completely Remodeled in 2005
Parking Garage behind City Hall	110 Broadway	Built in 1930's Brick and Wood Frame Building	Fair Condition, Needs Electrical Work
Fire Hall located	130 S. Cedar	Built in 1985	Very Good Condition
Blue Ribbon Gardens Park Gazebo	301 Broadway	Built in the early 1990's	Very Poor Condition, Base is Rotting
Pumphouse#1 at Memorial Park	508 Broadway	Wood Framed Construction	Fair Condition
Pump house #2	100 Rail Road Avenue	Wood Framed Construction	Fair Condition
Pump house #3	515 N. Oak	Wood Framed Construction	Fair Condition
Blower Building at Sewer Lagoon	1 Lagoon Road	Brick Building Built 1997	Excellent Condition
Sewer Lift Station	711 N. Cedar	Brick Building Built 1981	Excellent Condition
Animal Holding Station	717 N. Cedar	Cement Floor Kennels with roof	Fair Condition
Shed at Animal Holding Area	713 N. Cedar	Wood Construction	Excellent Condition

Table B-2. Broadwater County Public Building Inventory

Description	Location	Year Built	Condition
Steel Bldg 50 x 60-County Shop	702 N. Cedar	1975	good - no problems
Steel Bldg 30 x 80-County Shop	702 N. Cedar	1972	good - no problems
County Shop Building (Road Dept)	702 N. Cedar	1971	good
Senior Citizens Center	516 2nd Street	1977	good - new paint & shingles
Museum-Original Masonry Bldg.	133 N. Walnut	1970	good - could use paint
Museum Addition 100 x 40	133 N. Walnut	2000	good
Courthouse Building - Original	515 Broadway	1935	good - new roof in 10 years
Detention Center Addition	519 Broadway	2005	new
Detention Center Addition	519 Broadway	2007	new
Health Center	124 N. Cedar	1970	good - new paint, carpet & insulation
Sheriff Dept Generator Bldg.	515 Broadway	1986	good
Search & Rescue Storage Bldg.	602 N. Pine Street	1950	fair
Search & Rescue Building Addition	602 N. Pine Street	2008	good
Search & Rescue Building Addition Floor	602 N. Pine Street	2009	good
Airport Pilots Lounge	55 Airport Dr.	1993	good
Airport runway, lighting & beacons	Airport	1993	good
Fairgrounds Restroom Bldg.	189 Hwy 12 East	1972	good - new fixtures
Fairgrounds 4-H Bldg.-4200 sq ft	189 Hwy 12 East	1972	roof leaks
Fairgrounds 4-H Bldg.-16x48 section	189 Hwy 12 East	2001	good
Fairgrounds Comm. Bldg. 3200 sf	189 Hwy 12 East	1994	good
Fairgrounds Roping Barn	189 Hwy 12 East	1980	good
Fairgrounds Horse Barn	189 Hwy 12 East	1986	needs work
Fairgrounds Outhouse	189 Hwy 12 East	1990	good
Silos Airport runway	Silos Airport; Townsend	2003	good
Transfer Station	346 Indian Creek Rd.	1997	good - new windows

Table B-3. Non-Prioritized Projects

Project
City Streetscape/Landscaping Improvements
Building Restoration - Radersburg
Cold/Dry Storage on MRL Property for RY Timber
MRL rail spur improvements - loading pad/dock
Toston Industrial/Business Park
Broadband to Townsend: Wi-Fi Network
Museum Expansion
Mental Health Facilities
Senior Housing/Assisted Living
Centralized Rural Water Supplies - Rural Fire
County/City Animal Control Shelter
City Park Improvements
Signage for Trails & Recreation Areas
Full Use, Covered Pool
Golf Course Improvements
Silos Marina Improvements
Information Kiosk at Wi-Fi Park (BCDC)

Appendix C

CWG Architects Report and Conceptual Drawings



WWC Engineering
Keith Fox, Project Manager
CWG Architects, P.C.
William R. Butler, President

CWG Architects was invited to assist WWC Engineering in the development of the CIP Document where questions concerning buildings, land use and design of various spaces would aid in setting a starting point for discussion, future planning and eventual construction.

Keith and I attended a Broadwater Health Center board meeting which identified a range of needs, desires and problems associated with solidifying and reestablishing a strong, locally supported, and profitable medical center in this community. Additional discussions and information have led to the thoughts introduced below are offered as a starting point for future planning and development.

Several parcels of land and existing buildings adjacent to the hospital were reviewed during the board meeting. This includes an existing building used as the ambulance garage, owned by the hospital, and the adjacent county parking area on the corner of Broadway and North Oak Streets. Just to the north is a lot owned by the hospital which is adjacent to a lot with a building, currently for sale along North Oak Street (Grover Property). The suggestions below and illustrations provided are based on an assumption that an arrangement can be made with the county and the hospital board on the corner property and that the hospital or county can acquire ownership of the Grover property so that existing buildings can be removed and the lots, cleared for new construction.

The first suggestion in this report is to combine both the ambulance building and county parking lot (LOTS B & C, see Attachment B) which are approximately 14,740 gross square feet in size. Initial evaluation of the property in this location suggests that this area could be utilized for a combination ambulance garage and maintenance area, dispatch center as well as incorporate some county offices. If a two story structure is planned, than the upper level could provide additional office space for the county.

Preliminary design suggestion at 6,522 g.s.f. would include:

- Ground Level: (see Attachment C)
 - Ambulance Garage, Maintenance, Storage
 - 4,365 g.s.f. that would include up to three bays for vehicle parking, storage, restrooms, etc.
 - Dispatch Center
 - 2,207 g.s.f. that would include office space, storage, restrooms, etc.
 - There would need to be a lobby area for access to upper level that would include an exit stairway and an elevator or lift. There would need to be two exit stairways to meet exiting requirements from the upper level per building code requirements.
- Upper level: (see Attachment D)
 - County Offices
 - 6,572 g.s.f. of area to include two exit stairways, access corridors, offices, storage and restrooms.

The total, proposed building area is 13,144 g.s.f. The remainder of the site will accommodate at least 18 vehicle parking spaces with a one directional drive path and space for some landscaping.

The second suggestion in this report is to combine both the hospital owned and Grover property (LOTS D & E, see Attachment B) which are approximately 19,170 gross square feet in size. This location would serve ideally as a Professional Building Site. Initial evaluation of the property in this location suggests that this area could be utilized for a health center that may be structured as a

commercial condo or a medical co-op that would incorporate leased space for a medical clinic, therapeutic pool, dialysis center, personal health care options, i.e. hair, nails, massage, and a variety of other options such as acupuncture, dental, vision services, chiropractic services and a small fitness center. A public meeting room or rooms was also included in the discussion.

Preliminary design suggestion at 8,904 g.s.f. would include:

- Ground Level: (see Attachment C)
 - Community Health Pool
 - The ground level is identified as 84' x 106'. This would include a 20' x 30' therapeutic pool that will need restrooms, changing area, equipment and storage area. The health pool would require approximately 3,210 g.s.f. of floor area.
 - Medical Clinic, Dialysis Center
 - Remaining ground floor area would provide 5,694 g.s.f. to accommodate these uses. A lobby area for access to upper level would include an exit stairway and an elevator or lift. There would need to be two exit stairways to meet exiting requirements from the upper level per building code requirements.
- Upper level: (see Attachment D)
 - Deducting out the raised roof portion of the Health Pool (approx. 2,000 g.s.f.) would leave 6,904 g.s.f. of building area to include any of the additional listed medical functions. Two exit stairways, access corridors, storage space and restrooms would be included in this floor area.

The total, proposed building area is 17,808 g.s.f. The remainder of the site would accommodate 24 or more vehicle parking spaces with a one directional drive path along the existing alleys. This parcel of land would also provide for some additional building growth and landscaping.

Note: on the site illustrations, an 8'-0" front street setback has been included to reflect current zoning requirements for building placement in this area of town.

The hospital board has requested an alternative suggestion on the use of their property on Lot B as well as the smaller property on Lot D.

A sketch has been provided to identify proposed uses including a three bay area for the ambulance, hospital van and maintenance, a medical clinic accessible from Broadway Street, a partial basement for storage, and clinic / office space on the second level.

- Ground Level: (see Attachment E)
 - Ambulance, Hospital Van, Maintenance
 - 3,520 g.s.f. that would include three bays, storage, restrooms, etc.
 - Medical Clinic
 - 4,344 g.s.f. for clinic, lobby and circulation space for an elevator or lift to upper area.
- Lower level:
 - Storage Area
 - 4,344 g.s.f. (may require two exits)
- Upper Level:
 - Clinic / offices:
 - 7,864 g.s.f. of area to include two exit stairways, access corridors, offices, storage and restrooms.

The total, proposed building area is 20,072 g.s.f. The adjacent Lot D would be used for vehicle parking.

Another area of discussion in this community was to review the possibilities for a Community Recreational Center which would accommodate a variety of seasonal activities and produce a source of revenue as well. In developing a concept for a structure of this type, the goal was to identify a space that is flexible, adaptable, durable and economical.

A 100'-0" x 100'-0", pyramid shaped metal building would provide the greatest volume of space with the most economical structure. A 10,000 square foot structure would need space for mechanical, storage, a small commercial kitchen, (no range hood) and restrooms. 1,400 square feet of area for these functions is shown. A 600 square foot portable stage is shown as an additional feature in the overall design of the Recreation Center. (see Attachment F).

The remaining 8,000 square feet of open area could handle the following:

- 2009 IBC, Assembly type of use without fixed seats
- Concentrated (chairs only) @ 7 net square feet - 1,142 occupants
- Standing space @ 5 net square feet - 1,600 occupants
- Unconcentrated (tables and chairs) @ 15 net square feet – 533 occupants.

An idea shown, on the floor plan sketch, shows where overhead doors could be opened onto an exterior, covered patio that would easily expand the use of the facility. There is 4,400 square feet of covered patio shown.

The portable stage could be set up on the corner of the exterior patio and would be centrally located to provide the community with an opportunity to have an outside concert / theater venue. A grassed viewing area around the Community Recreational Center could be designed as an outside auditorium that could provide for a couple thousand individuals for anything from an auction to a musical performance.

The Community Recreation Center could support a variety of activities including but not limited to:

- Indoor archery
- Indoor pellet gun tournament
- Scouting activities
- Exhibitions
- Musical entertainment of various types
- Quilt and sewing shows
- RV, boat and recreational vehicle shows
- Agricultural products review and exhibition
- Farm implement sale or auction

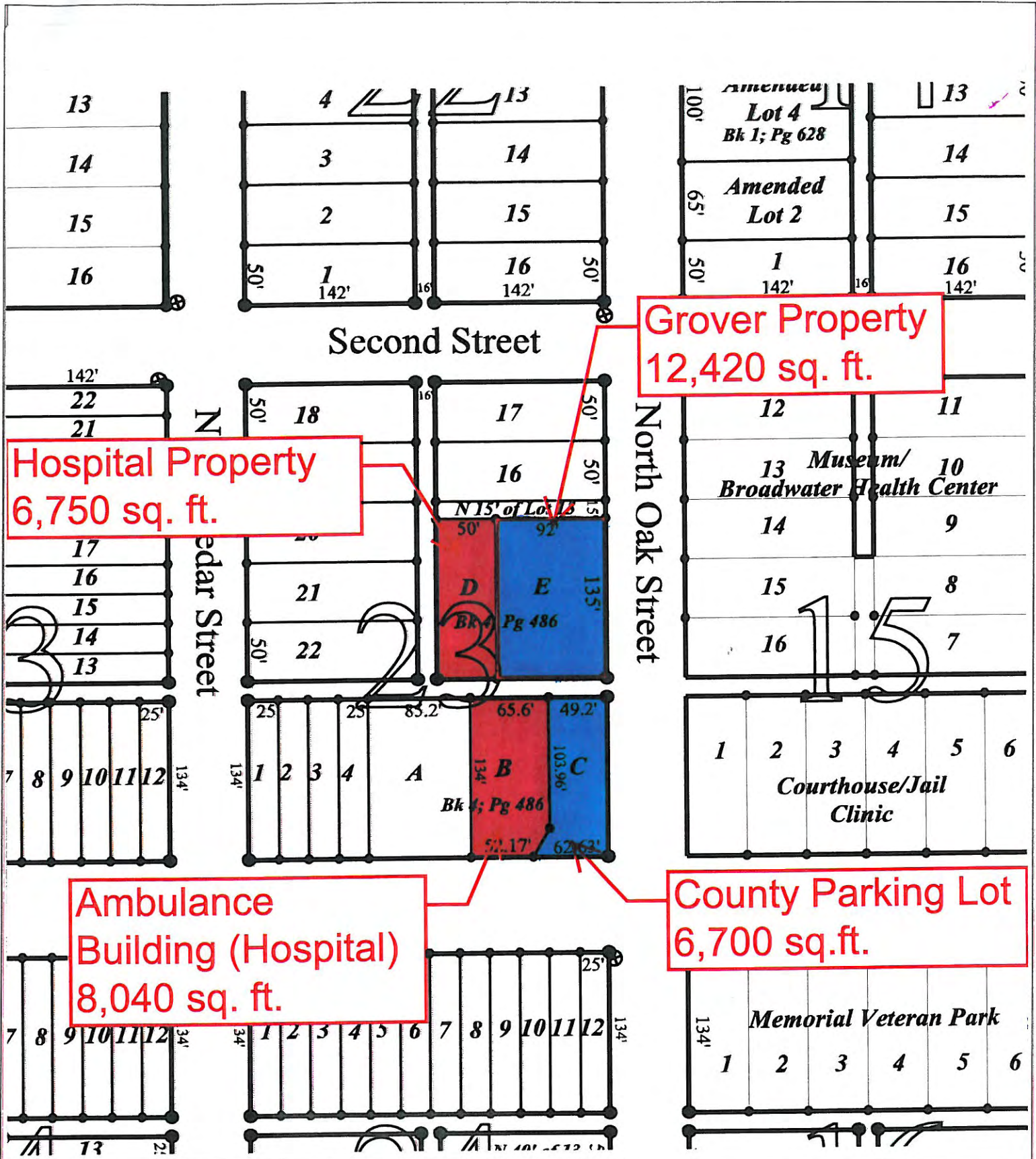
Providing vehicle parking for the Community Recreational Center would address, initially, a vehicle for every four individuals. Where occupant load would be at it's maximum of 1600 individuals, space for 400 vehicles would be a design minimum. If the exterior patio were to be included and even further, if an outside area is included to accommodate an outside concert, additional parking for vehicles would be required. A minimum parking space of 10'-0 wide and 20'-0" long is recommended.

A 10,000 square foot, metal building with a 6" concrete slab could run between \$135.00 to \$195.00 per square foot for project costs depending on the dynamics of site conditions and building amenities.

Sincerely,
CROSSMAN-WHITNEY-GRIFFIN, P.C.



William R. Butler, AIA NCARB



City / County Capital Improvements Plan

LOTS

LOTS

Project number	47250101
Date	MAY 26, 2011
Drawn by	RDL
Checked by	WRB

B

Scale

Second Street



ONE WAY



ONE WAY

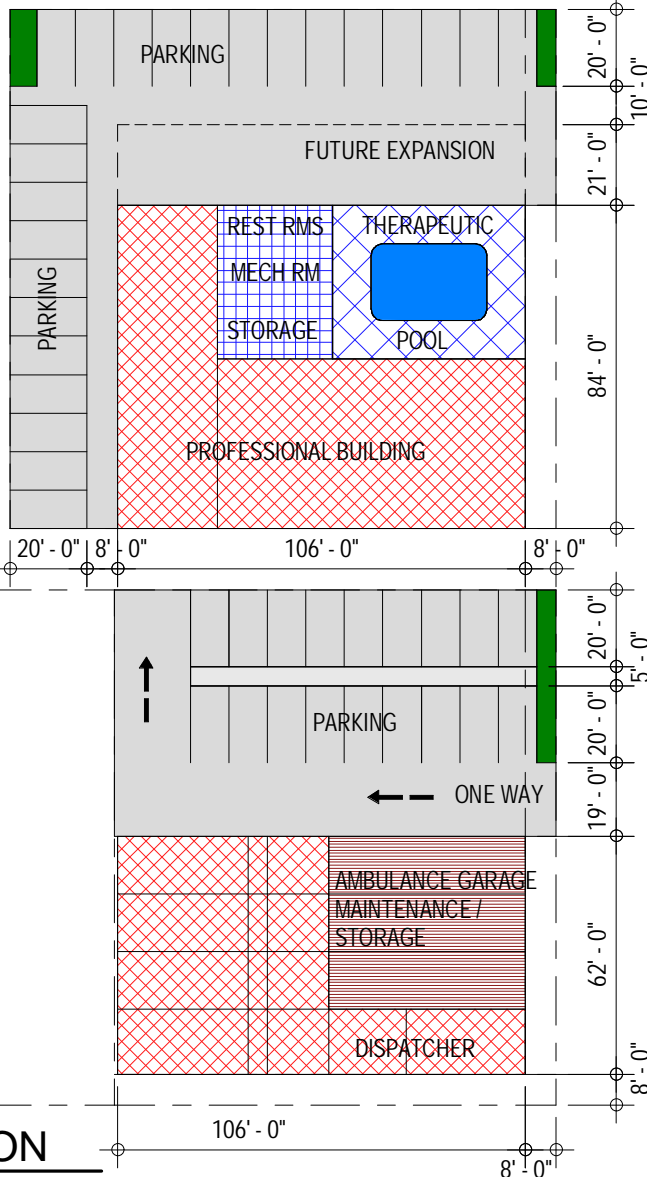


ONE WAY



North Oak Street

Broadway Street



① SITE CIRCULATION
1" = 50'-0"



City / County Capital
Improvements Plan

PROFESSIONAL BUILDING
AMBULANCE / DISPATCH BUILDING.

GROUND LEVEL

Project number 47250101

Date MAY 26, 2011

Drawn by RDL

Checked by WRB

C

Scale 1" = 50'-0"

Second Street



North Oak Street

FUTURE EXPANSION

POOL
BELOW

PROFESSIONAL BUILDING

COUNTY OFFICES

Broadway Street

1

UPPER LEVEL

1" = 50'-0"



City / County Capital Improvements Plan

PROFESSIONAL BUILDING
AMBULANCE / DISPATCH BUILDING.

UPPER LEVEL

Project number 47250101

Date MAY 26, 2011

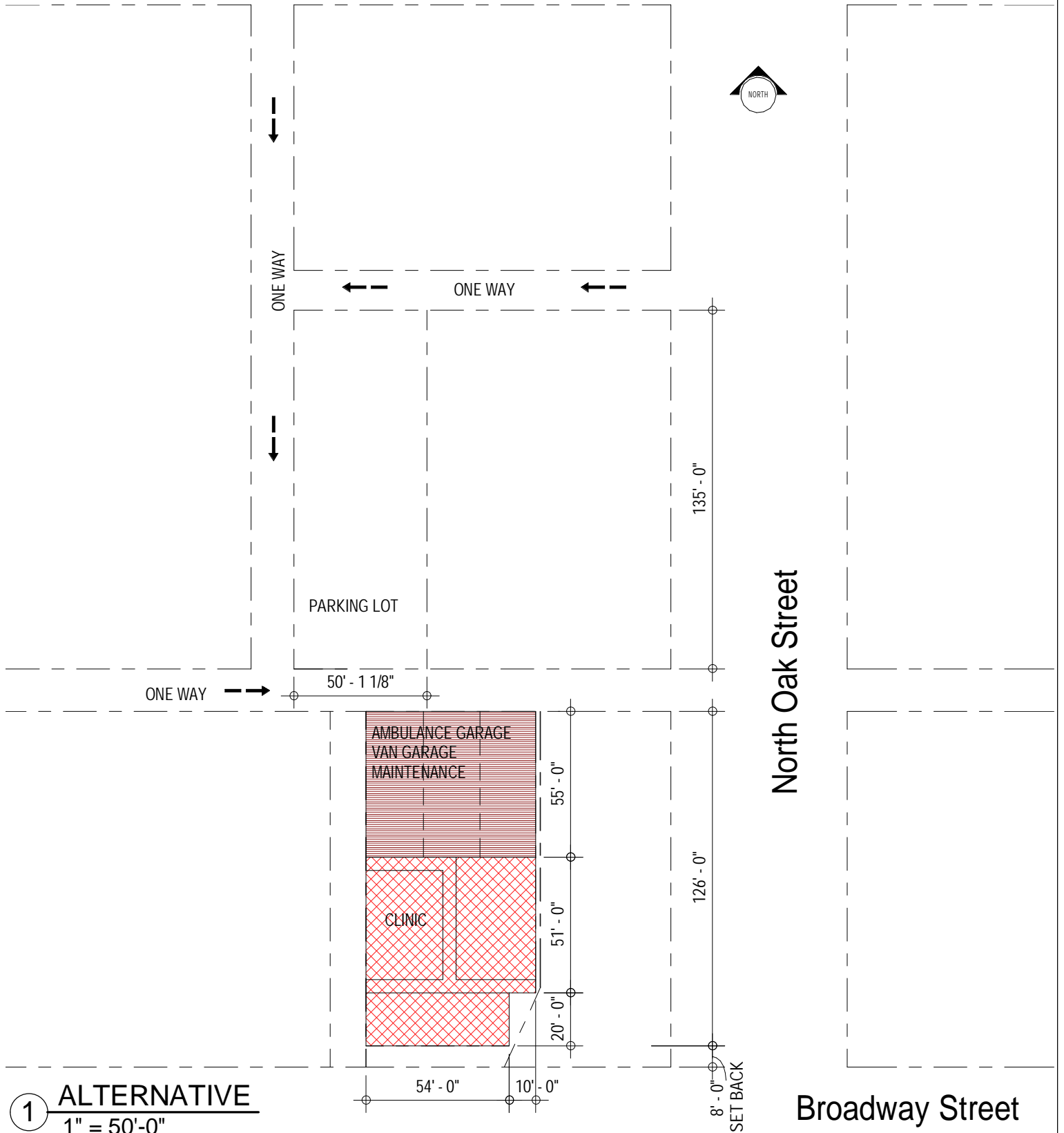
Drawn by RDL

Checked by WRB

D

Scale 1" = 50'-0"

Second Street



City / County Capital Improvements Plan

ALTERNATIVE

Project number 47250101

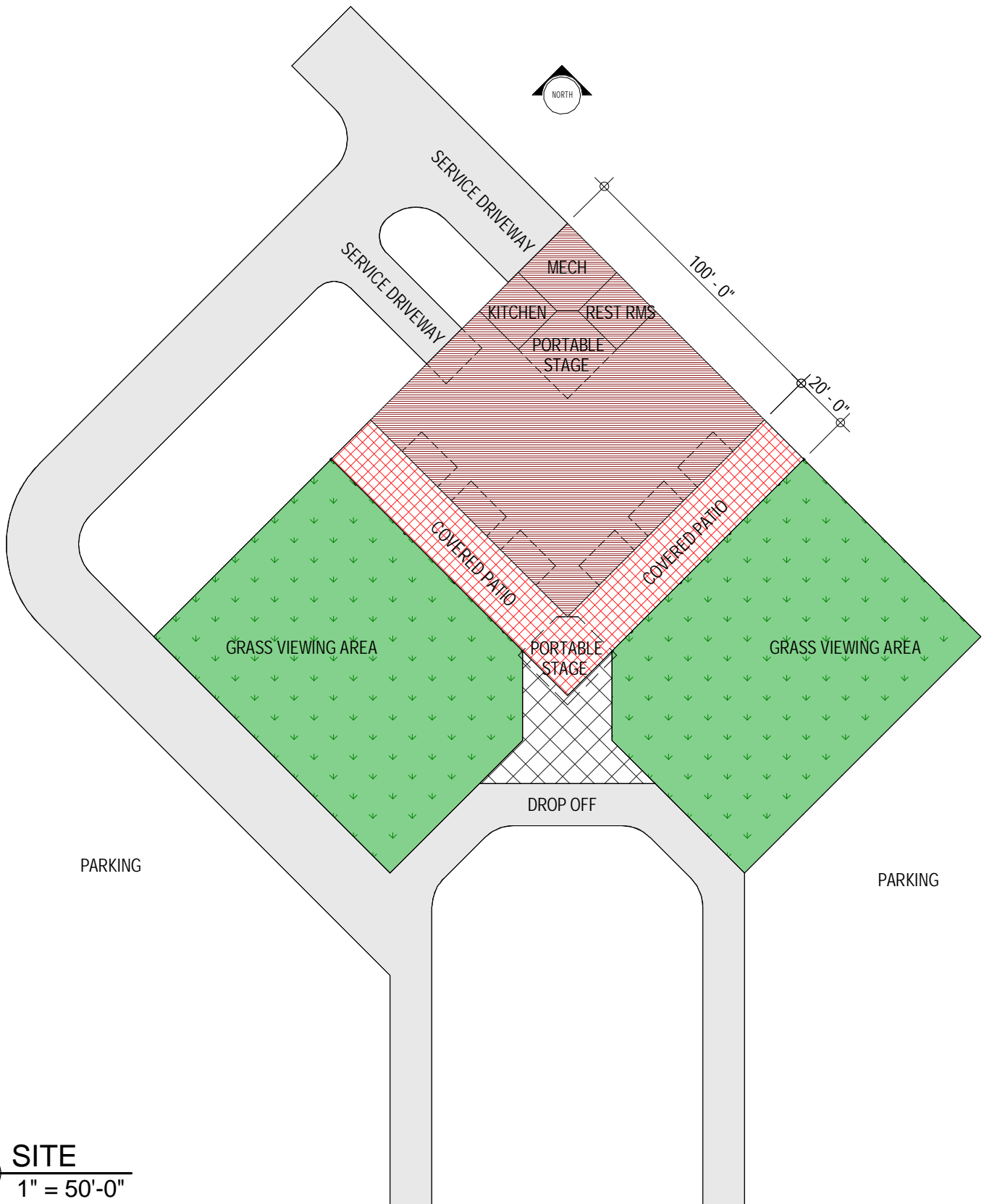
Date MAY 26, 2011

Drawn by RDL

Checked by WRB

E

Scale 1" = 50'-0"



City / County Capital Improvements Plan COMMUNITY RECREATIONAL CENTER

SITE CONCEPT

Project number 47250101

Date MAY 26, 2011

Drawn by RDL

Checked by WRB

F

Scale 1" = 50'-0"

Appendix D
County Road Inventory
County Bridge Inventory

Broadwater County Road Inventory

Road Name	Location	Road Location	Maintenance Schedule	Total Length (mi)	Length Maintained (mi)	Access (Seasonal or Year-round)	Traffic (High/Medium/Low)	Type	Condition	Notes
101 Road	County	Sections 9,10,15,16 T3N R1E	Annual	4.954	All	Seasonal	Low	Gravel	Poor	
Airport Drive	County	Sections 28&33 T7N R2E	Quarterly	0.364	All	Year-round	Medium	Gravel	Good	
Antelope Road	County	Section 33 T8N R1E - Antelope Acres	Bi-Annual	2.054	All	Year-round	High	Gravel	Good	MR/HP
Avalanche Gulch Road	County	Section 21 T10N R1E	Annual	15.215	3	Year-round	Medium	Gravel	Good	LP Need Gravel
Beaver Creek Road	County	Section 6 T8N R1E - Winston	Quarterly	5.555	All	Year-round	Medium	Gravel	Fair	MP Needs Gravel, 2.5 mi on East end
Big Spring Road	County	Toston Dam	Annual	1.500	1	Seasonal	Low	Gravel	Fair	
Bradley Road	County	Sections 7&18 T5N R2E and Sections 10-15 T5N R1E	Annual	3.975	0.5	Year-round	Low	Gravel	Good	
Cactus Lane	County	Section 27 T8N R1E - Silos Acres Subdivision	Bi-Annual	1.007	All	Year-round	Medium	Gravel	Good	
Canton Lane	County	Sections 17 & 20 T7N R2E	Bi-Annual	1.698	All	Year-round	High	Gravel	Poor	MR/HP Asphalt Millings need replaced
Carson Lane	County	Sections 9 & 16 T6N R2E	Quarterly	1.252	All	Year-round	Medium	Paved (Milled Asphalt)	Good	MR/BR/HP
Cemetery Lane	County	Section 33 T7N R2E	Bi-Annual	0.519	All	Year-round	Medium	Gravel	Good	
Cemetery Road	County	Section 36 T9N R1W	Bi-Annual	0.493	All	Year-round	Medium	Gravel	Good	
Centerville Road	County	287 to Canton Lane	Quarterly	1.172	All	Year-round	High	Gravel	Good	Heavy Truck Traffic
Clopton Lane	County	Sections 13&14 T6N R2E and Sections 17&18 T6N R3E/HWY12 to Greyson Creek Road	Bi-Annual	4.053	All	Year-round	Low	Gravel	Good	
Copper City Road	County	Section 22 T3N R1E / East of Hilltop raod	Every 2 years	0.602	All	Seasonal	Low	Gravel	Good	
Cottonwood Road	County	Begins in Section 15 T7N R2E & continues on east-northeast 10 miles	Bi-Annual	9.532	All	Year-round	Low	Gravel	Fair	Needs Gravel
Cox Lane	County	Section 26 T9N R1W	Bi-Annual	1.360	All	Year-round	Low	Gravel	Good	
Cut Off Road	County	Section 20 T8N R3E	N/A	0.201	All			Gravel		
Deep Creek Cemetery Road	County	Section 10 T6N R2E/ Flynn lane to Litening Barn Lane	Bi-Annual	1.396	All	Year-round	Medium	Gravel	Good	
Delger Road	County	Sections 20&21 T7N R2E	Quarterly	1.986	All	Year-round	High	Paved (Milled Asphalt)	Good	
Diamond Gulch Road	County	Section 35 T7N R2E and Section 2 T6N R2E	Quarterly	0.899	All	Year-round	Medium	Gravel	Good	
Dox Way	County		Bi-Annual	0.285	All	Year-round	Low	Gravel	Good	
Dry Creek Cut Off Road	County	T6N R2E	Bi-Annual	0.440	All	Year-round	Low	Gravel	Fair	
Dry Creek Road	County	Begins in Section 23 T6N R2E & continues E 20 miles	Bi-Annual	21.112	4.5	Year-round	Low	Gravel	Poor	Gravel and Culverts (18" X5)
			Bi-Annual		16.6	Seasonal	Low	Gravel	Fair	
Dry Gulch Road	County	Begins in Section 35 T8N R2E & continues N-NE 8.5 miles	Bi-Annual	6.937	0.500	Year-round	High	Gravel	Good	
			Annual		6.437	Year-round	Low	Gravel	Poor	Needs Gravel
Dry Hollow Road	County	Begins in Section 2 T5N R2E & continues E 7miles	Quarterly	6.272	1.500	Year-round	Low	Gravel	Fair	
			Annual		4.800	Year-round	Low	Gravel	Fair	
Eustis Road	County	Begins in Section 14 T2N R1E & continues N-NE 8.75 miles	Every other year	7.198	6.200	Year-round	Low	Gravel	Poor	
			Bi-Annual		1.000	Year-round	Low	Gravel	Fair	
East Fork Eustis Road	County	Section 27, 28 & 33 T3N R2E	Every other year	1.100	All	Seasonal	Low	Gravel	Poor	
Ferrat Lane	County	Sections 19, 30 & 31 T5N R2E	Annual	2.500	All	Year-round	Low	Gravel	Fair	
Ferry Street	County	Toston	Every 3 years	0.194	All	Year-round	Low	Gravel	Fair	
Filson Road	County	Begins in Section 27 T9N R1W & continues E-SE 3.5 miles	Bi-Annual	3.555	All	Year-round	Medium	Gravel	Fair	
Flynn Lane	County	Begins in Sedtion 10 T6N R2E & continues S 7 miles	Bi-Annual	7.162	All	Year-round	High	Gravel	Good	
Galen Gulch Road	County	Sections 11&12 T4N R1E	Every 5 years	3.024	All	Year-round	Low	Gravel	Poor	
Galzagorry Road	County	Sections 8, 9 & 10 T8N R1E	Bi-Annual	1.929	All	Year-round	Low	Gravel	Good	
Goose Bay Lane	County	Sections 3, 11, & 14 T9N R1E - Stage Line Flats	Bi-Annual	3.061	All	Year-round	High	Gravel	Good	
Graveley Lane	County	Section 7 T9N R2E & continues N 3 miles	Annual	4.453	All	Year-round	Low	Gravel	Fair	
Greaves Road	County	Sections 13 & 14 T5N R2E	Bi-Annual	0.665	All	Year-round	Low	Gravel	Good	
Greyson Creek Road	County	Begins in Section 14 T6N R2E & continues E 4 miles	Bi-Annual	3.975	All	Year-round	Low	Gravel	Good	
Gurnett Creek Road	County	Begins in Section 14 T8N R2E & continues E-NE 8 miles	Quarterly	17.084	3.500	Year-round	Low	Gravel	Good	
			Bi-Annual		4.500	Year-round	Low	Gravel	Good	
Hahn Road	County	Sections 21&22 T8N R1E	Bi-Annual	1.628	All	Year-round	Medium	Gravel	Good	
Highway 287 Bypass	County	Sections 14&23 T5N R2E - Toston	Bi-Annual	0.318	All	Year-round	Medium	Paved (Millings)	Poor	Millings
Hilltop Road	County	Sections 21&22 T3N R1E	Bi-Annual	1.827	All	Year-round	Low	Gravel	Good	
Hossfeld Lane	County	Begins in Section 5 T4N R2E & continues S 2.5 miles	Bi-Annual	4.914	2.5	Year-round	Low	Gravel	Good	
Indian Creek Road	County	Begins in Section 30 T7N R2E & continues W-SW 10.5 miles	Bi-annual	16.583	3.500	Year-round	High	Gravel	Good	
			Annual		3.500	Seasonal	Medium	Gravel	Fair	
Jack Farm Road	County	Sections 32&33 T7N R2E & continues S 1.3 miles	Bi-Annual	2.820	1.300	Year-round	Medium	Paved	Good	
			Bi-Annual		1.500	Year-round	Medium	Gravel	Good	
Johnny Gulch Road	County	Section 21 T5N R1E	Bi-Annual	12.901	1.500	Year-round	Low	Gravel	Good	
			Every other year		11.400	Seasonal	Low	Gravel	Good	
Johnson Loop Road	County	Sections 33&34 T5N R2E	Bi-Annual	2.277	All	Year-round	Low	Gravel	Good	
Keating Gulch Road	County	Begins in Section 21 T5N R1E & continues W -NW 8.25 miles	Annual	8.436	All	Seasonal	Low	Gravel	Fair	
Kimpton Road	County	Sections 34&35 T5N R1E	Annual	2.507	All	Year-round	Low	Gravel	Good	
Kimpton Upper Lane	County	Begins in Section 3 T4N R1E & continues N 3 miles and W 0.5 miles	Annual	3.501	All	Year-round	Low	Gravel	Good	
KOA Road	County		Annual	0.867	All	Year-round	Low	Paved (Millings)	Poor	Widen and Millings
L F Baum Road	County	Sections 8,16,17,21&22 T9N R1W - Spruce Grove Subdivision	Bi-Annual	2.968	All	Year-round	Low	Gravel	Good	
Lakeview Manor	County	Section 2 T7N R1E	Annual	0.900	All	Year-round	Low	Paved (Millings)	Good	

Broadwater County Road Inventory

Road Name	Location	Road Location	Maintenance Schedule	Total Length (mi)	Length Maintained (mi)	Access (Seasonal or Year-round)	Traffic (High/Medium/Low)	Type	Condition	Notes
North Lewis Kitto Lane	County	Sections 19&30 T5N R2E	Bi-Annual	2.217	1.5	Year-round	Low	Gravel	Poor	
Lewis Kitto Lane	County	Sections 19&30 T5N R2E	N/A	0.700	NA	Year-round	Low	Gravel	Poor	
Lippert Gulch Road	County	Begins in Section 27 T7N R3E & continues N-NE 3.2 miles	Bi-Annual	2.443	All	Year-round	Low	Gravel	Fair	
Litening Barn Road	County	Begins in Section 9 T6n R2E & continues S 3.2 miles	Bi-Annual	3.223	All	Year-round	Medium	Gravel	Good	
Little Cottonwood Road	County	Sections 13&14 T7N R3E	Annual	3.000	All	Seasonal	Low	Gravel	Poor	
Lombard Road	County	Begins in Section 23 T5N R2E & continues S-SE 5.9 miles	Annual NA	9.119	5.9 3.2	Year-round Seasonal	Low Low	Gravel Gravel	Fair Poor	
Lone Mountain Road	County	Begins in Section 5 T4N R2E & continues W-SW 15.4 miles	Bi-Annual Annual	15.950	5.000 10.950	Year-round Seasonal	Medium Low	Gravel Gravel	Good Fair	
Lower Confederate Road	County	Begins in Section 7 T9N R2E & continues S 6.35 miles	Bi-Annual	6.220	All	Year-round	Medium	Gravel	Good	
Lower Deep Creek Road	County	Begins in Section 8 T6N R2E & continues E-NE 5.8 miles	Bi-Annual	5.819	All	Year-round	High	Gravel	Good	
Lower Dry Gulch Road	County	Sections 27&28 T8N R2E	Annual	1.184	All	Year-round	Low	Gravel	Good	
Lower Duck Creek Road	County	Sections 8, 9 & 10 T8N R2E	Annual	3.287	All	Year-round	Medium	Gravel	Fair	
Lower Gurnett Creek Road	County	Sections 15, 16 & 21 T8N R2E	Annual	1.513	All	Year-round	Low	Gravel	Fair	
Lower North Fork Road	County	Sections 6, 7 & 18 T7N R4E	Annual	0.817	All	Year-round	Low	Gravel	Good	
Lower Ray Creek Road	County	Sections 3 & 4 T7N R2E	Annual	1.555	All	Year-round	Low	Gravel	Good	
Lucifer Street	County	Toston	Every 3 years	0.045	All	Year-round	Low	Gravel	Fair	
Main Street	County	Radersburg	Bi-Annual Bi-Annual	1.000	0.500 0.500	Year-round Year-round	Medium Medium	Paved Gravel	Good Fair	
Main Street	County	Winston	Bi-Annual	0.500	All	Year-round	Medium	Gravel	Good	
Meridian Road	County	T1N, R1E	Bi-Annual	1.250	All	Year-round	Low	Gravel	Good	
Meyer Road	County	Section 3 T7N R2E & Section 34 T8N R2E	Annual	0.930	All	Year-round	Low	Gravel	Good	
Mill Road	County	Townsend to Sawmill	Annual	1.000	All	Year-round	High	Paved (Millings)	Fair	
Mill Street	County	Radersburg	Annual	0.070	All	Seasonal	Medium	Gravel	Good	
Milligan Canyon Road	County	Sections 6 & 7 T1N R1E		0.470	All	Year-round	Low	Gravel	Good	
Montana Avenue	County	Radersburg	Every 5 years	0.210	All	Year-round	Low	Gravel	Fair	
Mud Springs Road	County	Begins in Section 32 T6N R1E & continues N 5.214 miles	Every other year	5.214	All	Seasonal	Low	Gravel	Poor	
Muddy Lane	County	Begins in Section 33 T5N R2E & continues W 4.111 miles	Bi-Annual	4.111	All	Year-round	Low	Gravel	Good	
Muffley Lane	County	Sections 12 & 13 T8N R1W	Bi-Annual	1.714	All	Year-round	Low	Gravel	Good	
Nelson Road	County	T6N, R2E SEC 27	Bi-Annual	1.001	All	Year-round	Medium	Gravel	Poor	Rebuild Following 287 Construction
North Fork Road	County	T7N, R3E-R4E	Annual	16.719	4	Year-round	Medium	Gravel	Good	
North Fork Ray Creek Road	County	T7N, R3E, T8N, R3E	Annual	2.267	All	Year-round	Low	Gravel	Fair	
Old Boulder Road	County	Connects Lane Mtn Rd to Price Rd	N/A	5.000	All	Seasonal	Low	Gravel	Poor	
Old Town Road	County	Begins in Section 3 T2N R1E & continues SE 3.733 miles	Bi-Annual	3.733	All	Year-round	High	Paved (Millings)	Fair	Milling
Old Womans Grave Road	County	Begins in Section 25 T7N R1E & continues S-SW 12.452 miles	Every 5 years	12.452	All	Year-round	Low	Gravel	Fair	
Pole Creek Road	County	Winston	Bi-Annual N/A	3.000	2.0 1.0	Year-round Seasonal	Low Low	Gravel Gravel	Good Good	
Price Road	County	Begins in Section 4 T2N R1E & continues NW 4.751 miles	Bi-Annual Bi-Annual	4.751	1.000 3.750	Year-round Year-round	High High	Paved Gravel	Good Good	
Quarter Circle Road	County	Begins in Section 27 T9N R1W & continues N-NW 5.049 miles	Annual	4.000	All	Year-round	Medium	Gravel	Good	
Quartz Road	County		N/A							
Rauser Lane	County	Sections 22 & 27 T5N R2E	Annual	1.514	All	Year-round	Low	Gravel	Good	
Ray Creek Road	County	Begins in Section 2 T7N R2E & continues E 8.706 miles	Annual	8.706	All	Year-round	Low	Gravel	Fair	
Ridge Road	County	Begins in Section 16 T6N R3E & continues E 14.082 miles	Annual	14.082	10.5	Year-round	Low	Gravel	Fair	
Riley Road	County	Section 9 T7N R2E	Annual	0.867	All	Year-round	Low	Gravel	Good	
River Road	County	Begins in Section 25 T7N R1E & continues S-SE 12.734 miles	Bi-Annual Annual	12.734	3.000 9.700	Year-round Year-round	Low Low	Gravel Gravel	Fair Poor	
Rolling Glen Ranch Road	County	Sections 31&32 T3N R1E - Rolling Glen Ranch Subdivision Phases 1&2	Bi-Annual	3.524	2.0	Year-round	Low	Gravel	Fair	Improve
Ross Gulch Road	County	Begins in Section 30 T7N R4E & continues S-SE 4.805 miles	Annual	4.805	All	Year-round	Low	Gravel	Fair	
Salt Gulch Road	County	Begins in Section 14 T4N R1E & continues W 9.965 miles	N/A	9.965	All	Seasonal	Low	Gravel	Poor	
Sandhill Lane	County	Begins in Section 35 T7N R2E & continues N 3.484 miles	Quarterly	3.484	All	Year-round	Medium	Gravel	Fair	Needs Gravel
Shaffer Lane	County	Section 7 T4N R2E	Bi-Annual	1.005	All	Year-round	Low	Gravel	Fair	
Shelley Road	County	Sections 15 & 16 T6N R2E	Bi-Annual	2.411	All	Year-round	High	Gravel	Good	
Silos Road	County	Sections 26 & 27 T8N R1E	Bi-Annual	1.420	All	Year-round	High	Paved (Millings)	Good	
Six-Mile Road	County	Begins in Section 11 T5N R2E & continues E 9.826 miles	Bi-Annual Annual	9.826	1.0 8.8	Year-round Year-round	Low Low	Gravel Gravel	Good Fair	
Smith Lane	County	Begins in Section 22 T5N R2E & continues NW 1.337 miles	Annual	1.337	All	Year-round	Low	Gravel	Fair	
South Fork Ray Creek Road	County	Begins in Section 1 T7N R2E & continues E 7.311 miles	Bi-Annual	7.311	5.0	Year-round	Medium	Gravel	Poor	
Spikes Lane	County	Begins in Section 16 T4N R1E & continues N 2.012 miles	Every 3 years	2.012	All	Year-round	Low	Gravel	Poor	
Springville Lane	County	Section 23 T7N R1E - Springville	Bi-Annual	1.036	All	Year-round	Medium	Gravel	Good	
Toma Road	County	Sections 4 & 5 T5N R1E	Every 3 years	1.761	All	Year-round	Low	Gravel	Poor	

Broadwater County Road Inventory

Road Name	Location	Road Location	Maintenance Schedule	Total Length (mi)	Length Maintained (mi)	Access (Seasonal or Year-round)	Traffic (High/Medium/Low)	Type	Condition	Notes
Toston Dam Road	County	Begins in Section 27 T5N R2E & continues SE 5.169 miles	Bi-Annual	5.169	All	Year-round	Medium	Gravel	Fair	
Upper Greyson Creek Road	County	Begins in Section 8 T6N R4E & continues E 1.169 miles	N/A	1.169						
Upper Kimpton Lane	County	T4-5N, R1E	Annual	3.500	All	Year-round	Low	Gravel	Good	
Upper Ross Gulch Road	County	Section 17 T6N R4E	N/A							
Webb Lane	County	Sections 9 & 16 T5N R1E	Annual	1.009	All	Year-round	Low	Gravel	Good	
West Farm Road	County	Begins in Section 21 T2N R1E & continues W 1.921 miles	Annual	1.921	All	Year-round	Low	Paved	Good	
Wheatland Road	County	T2N, R1E	Bi-Annual	3.000	2.0	Year-round	High	Paved	Good	
			Bi-Annual		1.0	Year-round	Low	Gravel	Good	
East West Fraction	County/ BLM/Private	Begins in Section 9 T4N R1W & continues N 2.75 miles	N/A	2.159						
Crow Creek Road	County/ Forest	Begins in Section 8 T5N R1E & continues N-NW 13 miles	Bi-Annual	18.522	2.5	Year-round	Medium	Gravel	Poor	
Weasel Creek Road	County/ Forest	Begins in Section 6 T8N R1E & continues S-SW 9.782 miles	Bi-Annual	9.782	2.5	Year-round	Medium	Gravel	Good	
Whites Gulch Road	County/ Forest	Begins in Section 27 T10N R1E & continues NE 8.598 miles	Annual	8.598	3.5	Year-round	Low	Gravel	Fair	
Confederate Gulch Road	County/FS	Begins in Section 21 T9N R2E & continues on north-northeast 9 miles	Annual	11.626	All	Year-round	Low	Gravel	Fair	
Duck Creek Road	County/FS	Begins in Section 11 T8N R2E & continues E-NE 8 miles	Annual	8.000	All	Year-round	Low	Gravel	Fair	
Hellgate Gulch North	County/FS	Sections 3, 9 & 17 T10N R1E	Annual	2.500	All	Year-round	Low	Gravel	Fair	
Hellgate Gulch South	County/FS	Section 17 T10N R1E	Annual	0.500	All	Year-round	Medium	Gravel	Good	
Highway 437	County	Begins in Section 23 T5N R1E & continues S 9 miles	Annual	9.000	5.500	Year-round	Medium	Gravel	Good	
	MDT		N/A (MDT)		3.500	Year-round	Medium	Paved	Good	
Bar None Ranch Road	County/Private	County Road off Lombard Road by Toston Dam	Annual	2.000	All	Year-round	Low	Gravel	Poor	
A B Cook Road	County/Subdivision	Section 27 T8N R1E - Silos Subdivision	Bi-Annual	0.444	All	Year-round	Medium	Gravel	Good	
Beaver Drive	County/Subdivision	Section 27 T8N R1E - Silos Subdivision	Bi-Annual	0.568	All	Year-round	Medium	Gravel	Fair	
Broadwater Road	County/Subdivision	Section 35 T7N R2E - Sandhill Heights Subdivision MP	Annual	0.720	All	Year-round	Low	Gravel	Fair	
Desert Drive	County/Subdivision	Section 23 T7N R1E	Bi-Annual	1.044	All	Year-round	Medium	Gravel	Good	
Homestead Lane	County/Subdivision	Section 27 T8N R1E - Silos #2 2nd Addition	Bi-Annual	0.513	All	Year-round	Medium	Gravel	Fair	
Pay Dirt Lane	County/Subdivision	Section 27 T8N R1E	Bi-Annual	1.014	All	Year-round	Medium	Gravel	Fair	
Rodgers Court	County/Subdivision	Section 2 T7N R1E	Bi-Annual	0.113	All	Year-round	Low	Gravel/Millings mix	Fair	
Sheps Road	County/Subdivision	Section 27 T8N R1E	Bi-Annual	0.064	All	Year-round	Medium	Gravel	Fair	
Stagecoach Lane	County/Subdivision	Section 27 T8N R1E	Bi-Annual	0.752	All	Year-round	Medium	Gravel	Fair	
Stampmill Lane	County/Subdivision	Section 27 T8N R1E	Bi-Annual	0.748	All	Year-round	Medium	Gravel	Fair	
Teakettle Road	County/Subdivision	Section 27 T8N R1E	Bi-Annual	0.258	All	Year-round	Medium	Gravel	Fair	

Broadwater County Bridge Inventory

<u>Road/Bridge</u>	<u>Length (ft)</u>	<u>Width (ft)</u>	<u>Latitude</u>	<u>Longitude</u>	<u>Stream/Canal Crossing</u>	<u>Work Done</u>	<u>Year</u>	<u>Traffic Volume</u>	<u>Condition</u>	<u>Bridge Type</u>
Cottonwood Road	18.50	18.08	46°21'18.90"N	111°27'44.25"W	Canal (Broadwater Missouri)			High	Good	Concrete
Ray Creek	15.67	27.58	46°23'03.22"N	111°26'48.45"W	Canal (Broadwater Missouri)	Widened 9'6"	2010	High	Good	Concrete
Sandhill Lane	18.08	18.08	46°22'01.25"N	111°27'05.86"W	Canal (Broadwater Missouri)			High	Good	Concrete
Flynn Lane	22.67	27.50	46°14'49.76"N	111°27'05.87"W	Canal (Broadwater Missouri)	Markers/RetroR	2011	High	Good	Concrete
Dry Hollow Road	23.50	21.33	46°13'26.79"N	111°26'56.01"W	Canal (Broadwater Missouri)	Markers/RetroR	2011	Low	Good	Concrete
Greaves Road	24.00	21.00	46°10'51.75"N	111°26'11.83"W	Canal (Broadwater Missouri)	Markers/RetroR	2011	Low	Good	Concrete
Deep Creek Cemetery Road	20.50	21.17	46°17'11.17"N	111°28'08.02"W	Canal (Broadwater Missouri)	Markers/RetroR	2011	Medium	Good	Concrete
Six Mile Road	22.67	18.00	46°11'43.86"N	111°26'49.77"W	Canal (Lower Deep Creek)	Markers/RetroR	2011	Medium	Good	Concrete
Lombard Road	24.08	21.33	46°09'33.80"N	111°26'00.90"W	Canal (Lower Deep Creek)	Guardrail/Markers/RetroR	2011	Medium	Good	Concrete
Shelley Road	20.08	20.42	46°16'04.97"N	111°27'23.86"W	Canal (Lower Deep Creek)	Markers/RetroR	2011	High	Good	Concrete
Toston Dam Road	30.75	18.50	46°08'07.62"N	111°24'03.65"W	Canal (Toston Irrigation District)	Markers/RetroR		Medium	Good	Concrete
Old Town Road	50.75	15.00	45°54'37.91"N	111°32'18.00"W	Jefferson River	Guard Rail	2010	High	Fair	Steel Girder
Toston 287 Bypass	475.00	15.58	46°10'18.51"N	111°26'37.21"W	Missouri River			Medium	Fair	Steel Girder
Old Woman's Grave Road	17.00	17.75	46°10'57.40"N	111°35'52.44"W	Crow Creek	Markers/RetroR	2011	Low		Concrete
Webb Lane	21.00	14.50	46°11'15.93"N	111°36'17.69"W	Crow Creek	Markers/RetroR	2011	Low		Concrete
Toma Road	29.00	24.00	46°12'34.37"N	111°37'13.35"W	Crow Creek			Low	Good	Concrete
Crow Creek Road	40.00	24.00	46°13'57.60"N	111°38'03.13"W	Crow Creek			High	Good	Wood Timber
Toston (Church)	22.00	14.50	46°10'21.82"N	111°26'14.79"W	Canal (Broadwater Missouri)			Low	Good	Concrete
Filson Road	22.00	18.33	46°30'30.06"N	111°39'42.30"W	Beaver Creek			High	Good	Concrete
Filson Road	20.00	25.00	46°30'15.72"N	111°38'54.76"W	Beaver Creek			High	Good	
Rauser Road	13.58	24.08	46°09'41.79"N	111°28'19.30"W	Canal (Toston Irrigation District)	Widened 9'6"	2010	Low	Good	Concrete
Smith Lane	10.00	15.33	46°11'06.43"N	111°28'49.00"W	Warm Springs Creek			Low	Poor	Concrete/Wood
Dry Creek Road	21.00	16.00	46°13'41.26"N	111°07'05.02"W	Spring Creek			Medium	Good	
Lower Deep Creek Road	22.67	21.33	46°17'38.64"N	111°28'23.44"W	Canal (Broadwater Missouri)			High	Good	Concrete
Lower Deep Creek Road (Plymels)	21.17	20.50	46°17'49.88"N	111°27'48.95"W	Lower Deep Creek	Adjusted Skew	2011	High	Good	Concrete
Lower Deep Creek (Wickens)	26.00	21.00	46°17'49.80"N	111°27'43.64"W	Lower Deep Creek			High	Good	Concrete
Deep Creek (North Fork)	37.67	21.08	46°19'33.51"N	111°17'01.30"W	Deep Creek			Medium	Fair	Wood Timber
Clopton Lane	26.00	21.08	46°19'36.05"N	111°22'07.45"W	Deep Creek	Riprap Protection Abutment	2010-2011	Medium	Good	Concrete
Duck Creek	8.00	14.75	46°29'05.11"N	111°20'42.05"W	Upper Duck Creek			Low	Good	Wood Timber
Dry Gulch	15.00	21.17	46°24'44.45"N	111°26'58.00"W	Canal (Broadwater Missouri)			Low	Good	Concrete



City of Conrad

Capital Improvements Plan

February, 2002

Prepared by:



**MORRISON
MAIERLE, INC.**
An Employee-Owned Company

**CITY OF CONRAD, MONTANA
CAPITAL IMPROVEMENTS PLAN**

Prepared For:

City of Conrad, Montana

Prepared By:

MORRISON-MAIERLE, INC.
910 Helena Avenue
Helena, Montana 59601

February 2002

TABLE OF CONTENTS
CITY OF CONRAD CAPITAL IMPROVEMENTS PLAN

CHAPTER 1 - EXECUTIVE SUMMARY

CHAPTER 2 - INTRODUCTION

OBJECTIVES OF THE CAPITAL IMPROVEMENTS PLAN.....	2-1
BACKGROUND AND SCOPE	2-1
PLANNING AREA DESCRIPTION.....	2-3
REPORT ORGANIZATION	2-3
ACKNOWLEDGEMENTS	2-3

CHAPTER 3 - PLANNING AREA CONDITIONS

HISTORICAL POPULATION.....	3-1
POPULATION PROJECTION.....	3-1
Low Growth Projection	3-2
Economic Factors Affecting Growth.....	3-3
Moderate Growth Projection.....	3-3
High Growth Projection	3-4

CHAPTER 4 - WATER SYSTEM FUND

DESCRIPTION OF EXISTING FACILITIES	4-1
Water Supply and Treatment	4-1
Water Distribution System	4-2
Storage Reservoirs	4-2
SUMMARY OF NEEDED IMPROVEMENTS	4-2
Raw Water Intake and Pump Stations	4-3
Water Treatment Plant	4-4
Water Distribution and Storage	4-5

CHAPTER 5 - SEWER SYSTEM FUND

WASTEWATER FACILITIES	5-1
Description of Existing Facilities	5-1
Wastewater Collection System and Lift Stations	5-1
Interceptor (Conrad to Sewage Lagoons)	5-3
Wastewater Treatment Facility.....	5-3
Summary of Needed Improvements	5-4
Wastewater Collection System and Lift Stations	5-4
Wastewater Treatment Facilities	5-4
STORM WATER FACILITIES	5-5
Description of Existing Facilities	5-5
Summary of Needed Improvements	5-6

CHAPTER 6 - SOLID WASTE FUND

SOLID WASTE FACILITIES.....	6-1
Description of Existing Facilities	6-1
Summary of Needed Improvements	6-1

CHAPTER 7 - GENERAL FUND

STREET SYSTEM	7-1
Description of Existing Facilities	7-1
Summary of Needed Improvements	7-1
Benefits of Condition Analysis.....	7-4
PARK SYSTEM	7-4
Description of Existing Facilities	7-4
Parks	7-4
Summary of Needed Improvements	7-5
PUBLIC BUILDINGS AND EQUIPMENT	7-5
Description of Existing Facilities	7-5
Library	7-6
Public Works Building and City Shop.....	7-6
City Offices	7-6
Summary of Needed Improvements	7-6
Library	7-7
Public Works Building and City Shop.....	7-7
City Offices	7-7
EMERGENCY SERVICES	7-7
Description of Existing Facilities	7-7
Fire Station	7-8
Police Station	7-8
Summary of Needed Improvements	7-8
Fire Station	7-8
Police Station	7-9

CHAPTER 8 - CAPITAL IMPROVEMENTS PLAN

WATER AND SEWER FUND.....	8-2
FACILITIES ADMINISTRATION SET ASIDE	8-2
GENERAL FUND	8-2

CHAPTER 9 - FINANCIAL REQUIREMENTS AND FUNDING

REVENUES	9-1
EXPENDITURES	9-1
POTENTIAL FUNDING SOURCES	9-2
Service Charges	9-2
Grant and Loan Funding	9-2
Revenue Bonds	9-5
System Development Fees.....	9-5
Other Sources.....	9-5
PUBLIC INVOLVEMENT	9-6

APPENDICIES

- Appendix A Street Inventory
- Appendix B Public Involvement

LIST OF TABLES

Table 3-1	Historical Population Summary.....	3-1
Table 3-2	Low Growth Population Projection	3-3
Table 3-3	Moderate Growth Population Projection.....	3-4
Table 3-4	High Growth Population Projection	3-5
Table 4-1	Existing Water Distribution System	4-2
Table 5-1	Gravity Sanitary Sewer Collection System	5-2
Table 5-2	Storm Sewer Collection System	5-5
Table 6-1	Solid Waste Equipment Summary.....	6-1
Table 7-1	Summary of Parks.....	7-4
Table 7-2	Fire Station Equipment Summary.....	7-8
Table 8-1	Capital Improvements Plan.....	8-3
Table 9-1	Conrad Revenues	9-1
Table 9-2	Conrad Expenditures	9-2

LIST OF FIGURES

		Following Page
Figure 2-1	Vicinity Map	2-1
Figure 3-1	Pondera County 1990-2000 Population	3-1
Figure 3-2	Pondera County Projected Population.....	3-2
Figure 3-3	City of Conrad - Projected Low and Moderate Growth Scenarios	3-4
Figure 3-4	City of Conrad - Projected Low, Moderate and High Growth Scenarios ..	3-5
Figure 7-1	Public Works Buildings	7-6

CHAPTER 1 EXECUTIVE SUMMARY

A Capital Improvements Program (CIP) is a municipal facility/equipment budgeting and financial tool. A CIP looks at the “big picture” of community needs and identifies specific projects, costs, priorities, timetables, and funding sources. These range from new facilities or equipment to rehabilitation of existing ones.

The City of Conrad, realizing the strong potential for growth in the area and subsequent impact on public facilities, has initiated the capital improvements planning process in order to inventory and adequately budget for future improvements. This Capital Improvements Plan has established a list of needs within the City of Conrad, budget estimates, and a schedule for implementing the needed improvements over the next 10 years.

The reasons for completing this report are as follows:

1. To improve the effectiveness of government expenditures.
2. To understand and respond to citizen needs and to obtain community understanding and support for critical projects.
3. To encourage economic development and to avoid public works crises when development occurs.
4. To assist a governing body set up a stable financial plan to meet public works needs and demonstrate sound planning to bond underwriters and funding programs.
5. To dedicate a “Capital Improvements Plan Fund” for the purpose of paying for needed capital improvements.
6. To help the governing body provide direction to its own staff and consultants.

The 10-year Capital Improvements Plan for the City of Conrad is presented in Chapter 8 of this report. The CIP is meant to be utilized as a tool for the City to plan and budget for future needed capital improvements. The proposed CIP has been reviewed by City staff and the City Council and is presented in Table 8-1. It should be noted that the CIP is something that will always be changing as City priorities and budgets change. Table 8-1 is current as of January 2002 and may change dramatically before the end of this fiscal year. Changes to the CIP are encouraged and indicate that the tool is being used effectively by the City of Conrad.

CHAPTER 2 INTRODUCTION

This chapter introduces the City of Conrad Capital Improvements Plan in terms of the objectives of the plan, the scope of work, the planning area under consideration, and the report organization.

OBJECTIVES OF THE CAPITAL IMPROVEMENTS PLAN

A Capital Improvements Plan (CIP) is a budgeting and financial tool used by a local governing body to establish public works rehabilitation and maintenance priorities and to establish funding for repairs and improvements. The City of Conrad, realizing the strong potential for growth in the area and subsequent impact on public facilities, has initiated the capital improvements planning process in order to inventory and adequately budget for future improvements. This Capital Improvements Plan has established a list of needs within the City of Conrad, budget estimates, and a schedule for implementing the needed improvements over the next 10 years.

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1. To improve the effectiveness of government expenditures.
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5. To dedicate a “Capital Improvements Plan Fund” for the purpose of paying for needed capital improvements.
6. To help the governing body provide direction to its own staff and consultants.

BACKGROUND AND SCOPE

The general goal of the CIP process is to facilitate planning, prioritization, effective public works management, financial management, and community decision making. The major elements of this Capital Improvement Plan are defined as follows:

1. Assess Current and Future Population: Obtain information on existing and future conditions within the study area. Among the areas requiring assessment are the following:
 - ◆ Existing planning area and demographic data, which includes a description of the planning area boundaries and population.
 - ◆ Demographic projections, which includes projections of population and economic growth.
 - ◆ The impact of potential major growth in and around the City of Conrad.
2. Inventory and Evaluate Existing Facilities: Review existing public works facilities to determine the existing condition and needed improvements. The facilities to be inventoried and evaluated include:
 - ◆ Water System
 - ◆ Wastewater and Storm Water/Drainage Facilities
 - ◆ Solid Waste
 - ◆ Street System
 - ◆ Public Buildings
 - ◆ Parks and Recreation
 - ◆ Emergency Services
3. Cost Estimates: Develop cost estimates for the needed improvements in each of the facilities listed above.
4. Prioritize Needs: Incorporate input from the Conrad City Council, Public Works staff and from the public to develop a priority of needed improvements.
5. Funding Sources and Mechanisms: Identify potential funding sources and funding mechanisms to pay for the needed capital improvements.

PLANNING AREA DESCRIPTION

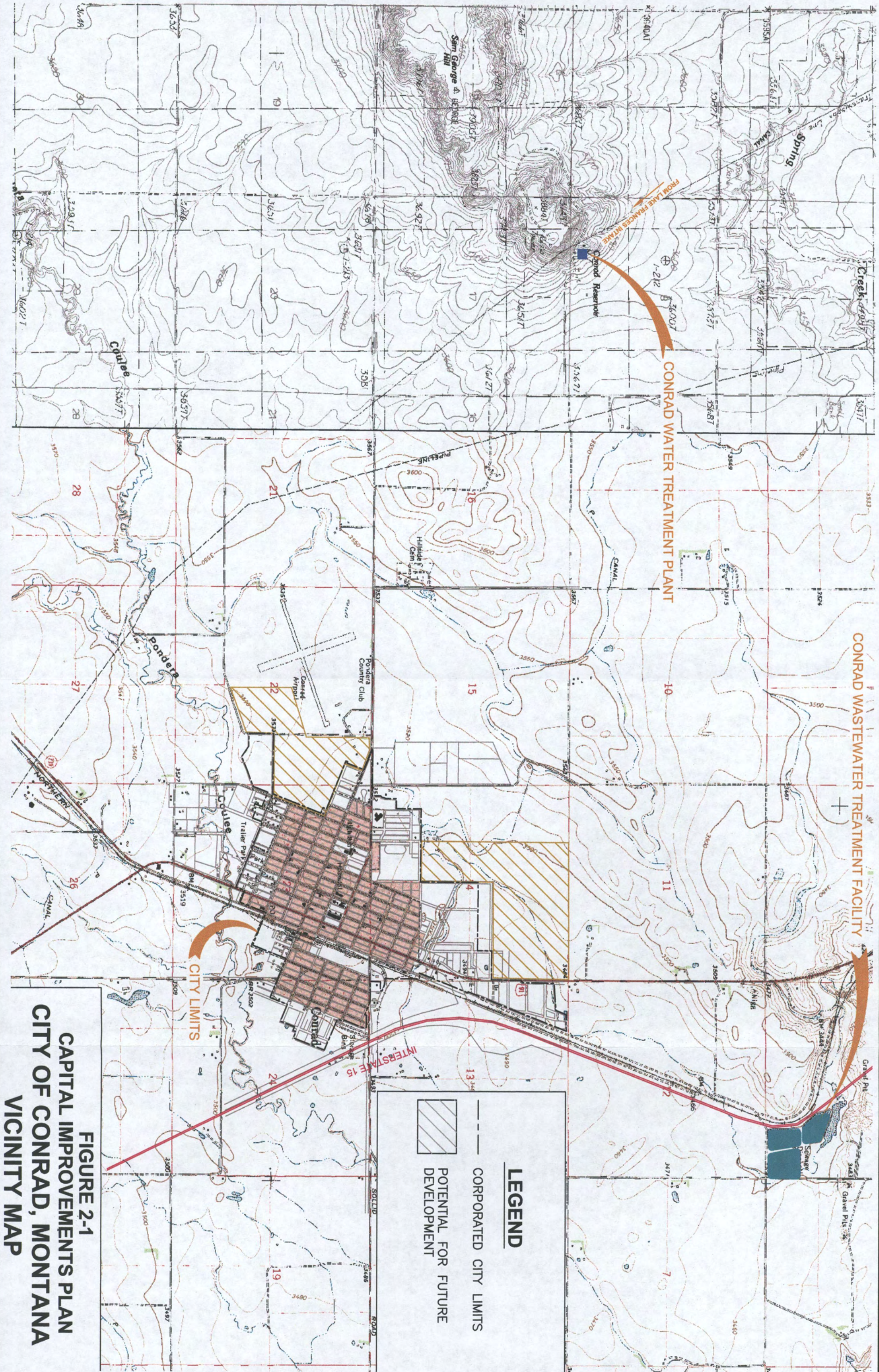
The planning area proposed for this study includes the incorporated boundary of the City of Conrad, Montana and selected areas immediately adjacent to the City boundary. The attached vicinity map (Figure 2-1) shows the city limits and adjacent areas north to the wastewater treatment plant and west to the water treatment plant. The planning area encompasses approximately 1.7 square miles centering on Section 23, Township 28 North Range 03 West located within Pondera County, Montana.

REPORT ORGANIZATION

This report is organized into separate sections and sub-sections as summarized in the Table of Contents. Figures and tables are numbered consecutively within each section. Figures and tables are included within each section after the page in which they are first referenced. A complete list of figures and tables appears after the Table of Contents.

ACKNOWLEDGMENTS

The assistance of the individuals who contributed information and support throughout this study was most helpful and greatly appreciated. Appreciation is especially expressed to Mr. Steve Ruhd, Conrad Director of Public Works. Morrison-Maierle also gratefully acknowledges the assistance provided by the Mayor and City Council and Mrs. Agnes Fowler, Finance Officer.



CONRAD WASTEWATER TREATMENT FACILITY

CONRAD WATER TREATMENT PLANT

LEGEND

- CORPORATED CITY LIMITS
- POTENTIAL FOR FUTURE DEVELOPMENT

CITY LIMITS

FIGURE 2-1
CAPITAL IMPROVEMENTS PLAN
CITY OF CONRAD, MONTANA
VICINITY MAP

CHAPTER 3 PLANNING AREA CONDITIONS

This chapter summarizes the historical population and future projections for the City of Conrad.

HISTORICAL POPULATION

Historical population trends, both in the City of Conrad and Pondera County, have fluctuated widely over the past ten years. Pondera County's general trend, as seen in Figure 3-1, has been increasing since the last Census. Though the population has fluctuated over 250 people over the last decade, the trend line shows a steady moderate growth for Pondera County. The information used to develop this figure is based on actual Census data and Census estimates. As Conrad makes up approximately 45 percent of the population of the county, and is the county seat, it is reasonable to assume that Conrad's population follows this general trend.

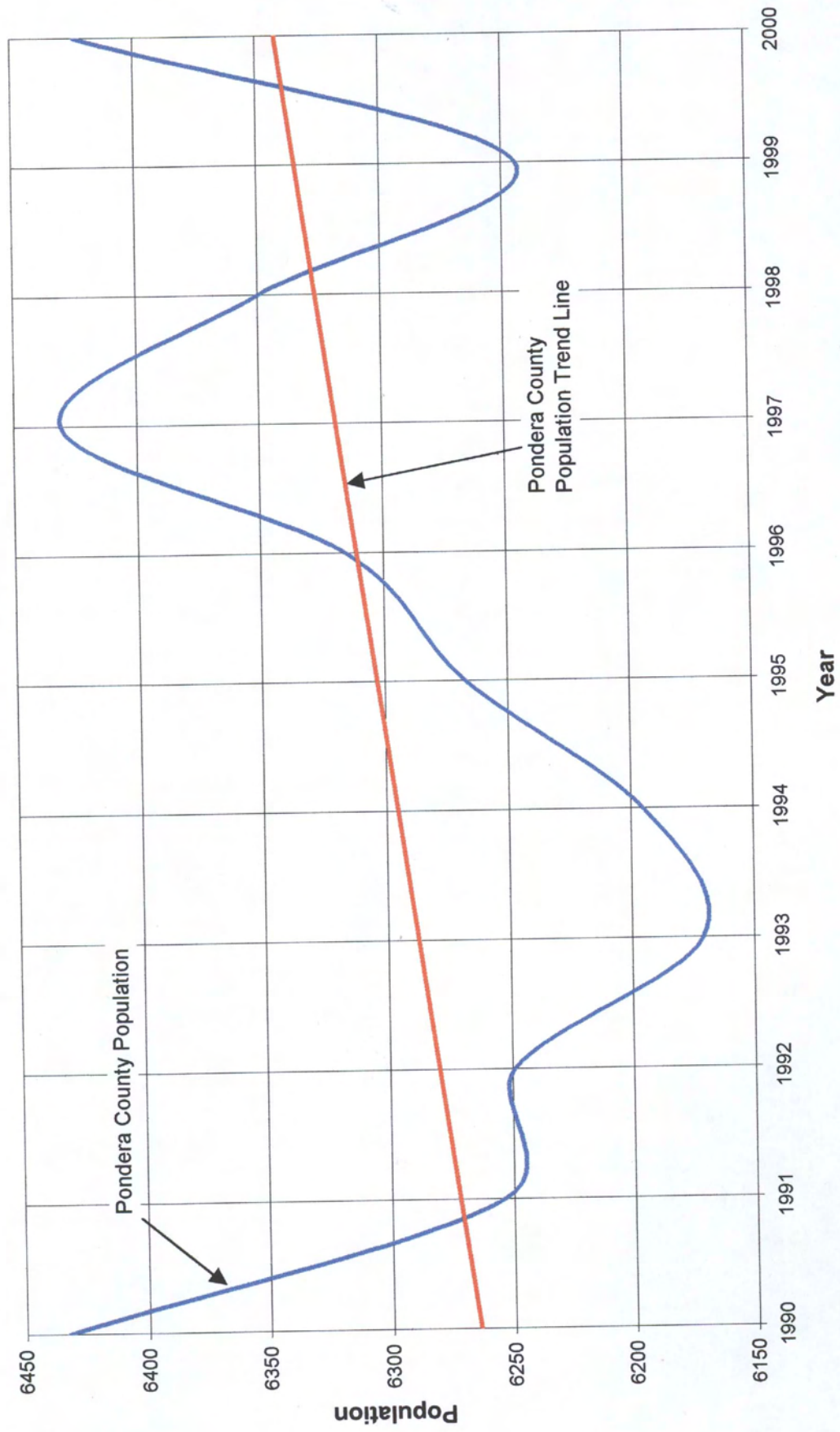
Table 3-1 below presents a summary of historical Census populations in Pondera County and the City of Conrad from 1960 to 2000. Both the County and City have experienced wide fluctuations over this time period. The City's rapid population growth between 1960 and 1970 may be attributed to families moving into the city limits from the outlying areas and development of local military infrastructure. The decline in population since 1980 may be attributed in part to the cancellation of a major local military infrastructure program.

TABLE 3-1 HISTORICAL POPULATION SUMMARY					
Population Center and Data	1960	1970	1980	1990	2000
Pondera County					
Population	7,653	6,611	6,731	6,433	6,424
Percent Change	--	-13.6	1.8	-4.4	-0.1
City of Conrad					
Population	1,665	2,770	3,074	2,897	2,753
Percent of County	21.8	41.9	45.7	45.0	42.9
Percent Change	--	66.5	11.0	-5.8	-4.8

POPULATION PROJECTION

Projections of future populations serve as a basis for planning for public works improvements and for financial planning purposes. There are several methods that may be used to project population growth. No method is exact and all have limited reliability and must be tempered by knowledge of the area, its industry, employment potential, economic conditions, trade area, and state of

Figure 3-1
Pondera County 1990-2000 Population



development. Extraordinary events cannot be foreseen and, should they occur, will necessitate revision of plans.

Three separate projections have been developed in this report. Each projection is influenced by the possibility of economic development in the area. The low, moderate, and high growth projections are summarized below.

Low Growth Projection

Population growth projections are created by the Census Bureau for each county across the United States. Projections based on Census 2000 data is still being compiled; therefore projections based on 1990 Census data must be used.

The City of Conrad's population has increased since 1960 and there are indications that the population will continue to grow, albeit slowly. The current major industry, agriculture, should be a stable contributor to the local economy. Some growth may be seen as some people migrate out of the rural areas into Conrad.

In reviewing projection data developed for the 1990 Census, Pondera County's population is anticipated to decrease over the next 25 years. As can be seen in Figure 3-2, there is a significant difference for the year 2000 in what was projected by the 1990 Census and what actually occurred in the 2000 Census. Therefore, a different approach was used for projecting the county growth.

While the population of the County has been fluctuating over the previous decade, a trend line shows a slight increase of approximately 0.12 percent per year. For the purpose of this Capital Improvements Plan, it was assumed that Pondera County will continue to grow at this rate, barring no major economic development occurs.

Table 3-2 presents "low growth" population projections for Pondera County and the City of Conrad. Recent projections from the Montana Department of Commerce Census and Economic Information Center were used for Pondera County. The City population projections were estimated assuming Conrad's population would comprise 44 percent of the total County population, as it currently does.

Figure 3-2
Pondera County Projected Populations
Census Estimate vs. Projected Estimate

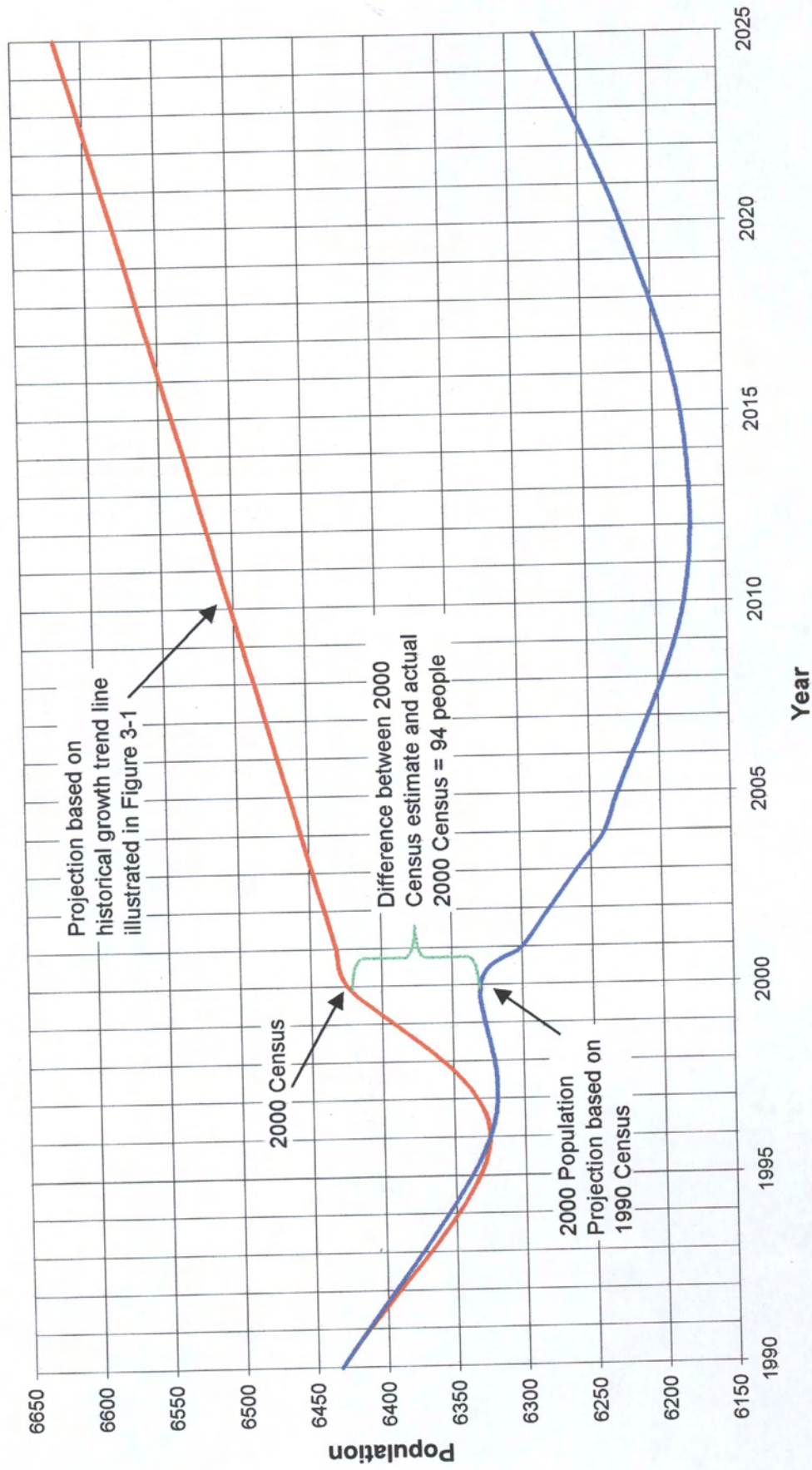


TABLE 3-2 LOW GROWTH POPULATION PROJECTION							
Population Center and Data	1990	2000	2005	2010	2015	2020	2025
Pondera County Projected Population ¹	6,433	6,424	6,463	6,502	6,541	6,580	6,620
Conrad Percent of Population ²	45	43	44	44	44	44	44
City of Conrad Projected Population	2,902	2,753	2,844	2,861	2,878	2,895	2,913
1. Projection based on "best fit" trendline from plotting population during 1990-2000. 2. Assumes Conrad comprises 44 percent of the population of Pondera County based on historical trends (see Table 3-1).							

Economic Factors Affecting Growth

There are several proposed developments on the horizon that will occur in Toole and Pondera County, including a new phase to the prison facility in Shelby, and a malting plant, a meat packaging plant, ethanol processing plant, and a plasma arc incinerator outside the City of Conrad. These developments have the potential to significantly impact Conrad's population.

For each facility added, there is an associated number of employees expected to relocate to the City of Conrad. In some cases, such as the prison, a majority of the employees are anticipated to come from the surrounding communities, and may not relocate. The other facilities could bring in several hundred out of state employees, and thus represent a large potential increase to the City of Conrad's population.

The impact on population not only comes from the employee hired, but each new hire may bring family. Also, a large enough facility could spur development of other business to support growth in the area. Based on information provided by HTM Group, the development of the potential meat packaging plant, ethanol, and plasma arc incinerator facilities, it is anticipated that the population will grow by 6 people for every employee relocated to Conrad from out of the area.

Moderate Growth Projection

When developing the moderate growth projection for the City, it was assumed that only the prison facility would be constructed. Based on information presented in the 1999 draft Wastewater Facility Plan, it is anticipated that approximately 33 percent of the prison facility employees will live in Conrad. Assuming a federal multiplier of 6 to account for family members and subsequent growth in the service industries (restaurants, etc.), this represents 34 new residents are anticipated by 2005, expanding to 198 people by 2010.

An assumption was made that the prison facility would begin to impact the population of Conrad in 2005, with the full impact reached in 2010. A moderate growth trend, adding approximately 33 people a year, was used to project how the population would grow during this time period.

Table 3-3 presents the moderate growth population projection for the City of Conrad. Figure 3-3 shows the projected population for both the moderate growth and low growth of Conrad.

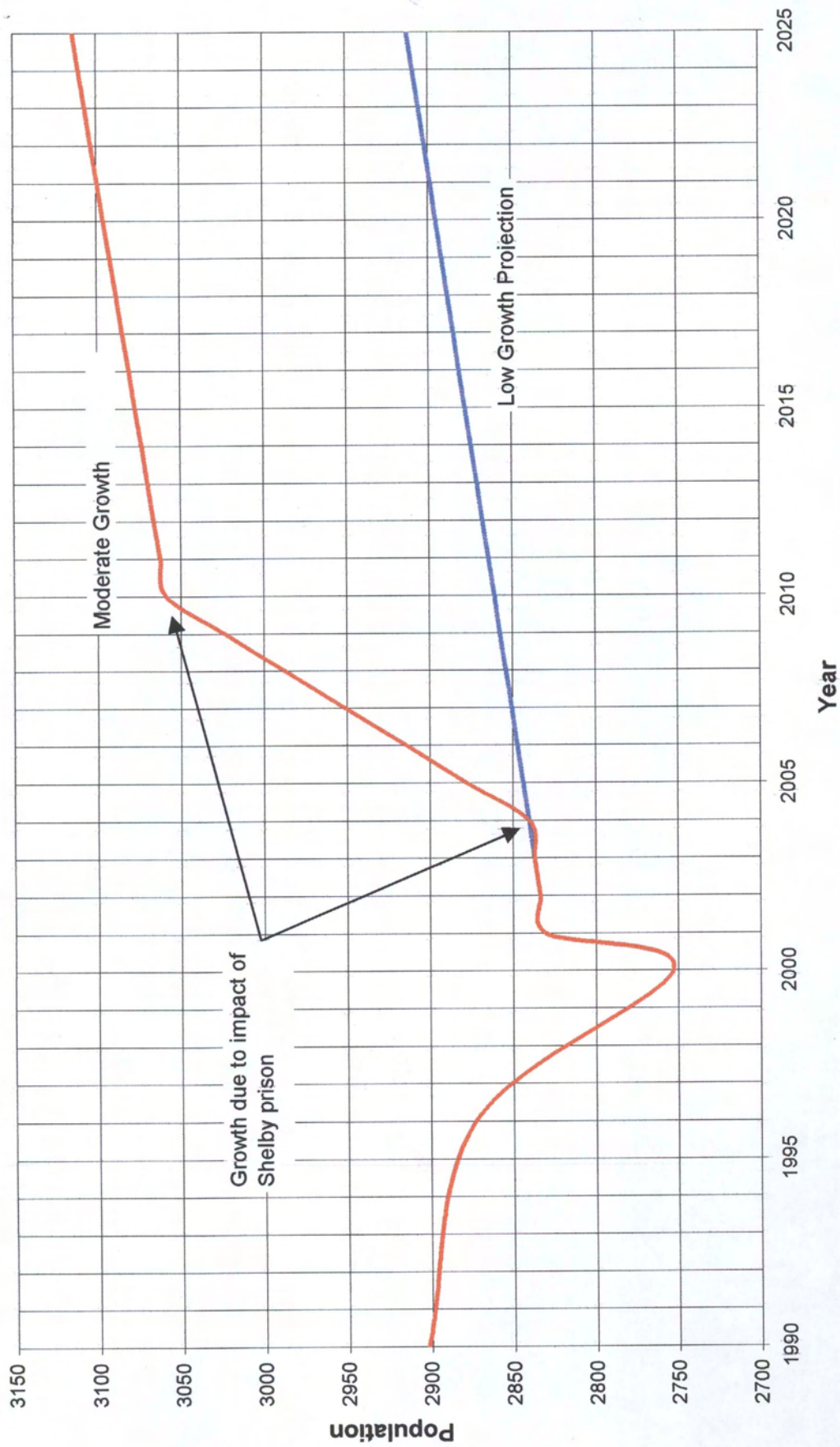
TABLE 3-3 MODERATE GROWTH POPULATION PROJECTION							
Population Center and Data	1990	2000	2005	2010	2015	2020	2025
Pondera County Projected Population ¹	6,433	6,424	6,463	6,502	6,541	6,580	6,620
Conrad Percent of Population ²	45	43	44	44	44	44	44
City of Conrad Projected Population ³	2,902	2,753	2,844	2,861	2,878	2,895	2,913
Estimated Increase due to Shelby Prison ⁴	0	0	34	198	198	198	198
Total Projected Population	2,902	2,753	2,878	3,059	3,077	3,096	3,114
1. Projection based on "best fit" trendline from plotting population during 1990-2000. 2. Assumes Conrad comprises 44 percent of the population of Pondera County based on historical trends (see Table 3-1). 3. Assumes growth that will occur regardless of local economic development. 4. Projections based on potential impacts of prison facility in Shelby, Montana. Information provided by Mayor Larry Bonderud, Shelby, Montana.							

High Growth Projection

Recent information on the potential for major economic development near Conrad supports the need for a high growth population projection. This projection assumes that the prison in Shelby will be constructed, as well as a meat packaging plant, ethanol processing plant, and a plasma arc incinerator facility. The total number of employees anticipated for all three facilities is about 500. Nearly all of these are expected to come from out of state, or at least outside the Conrad area. Assuming a multiplier of 6 to account for family members and subsequent growth in the service industries (restaurants, etc.), Conrad's population could increase by 3,000 people, more than doubling the population by 2020.

The assumptions that were made to project how growth would occur in Conrad is documented as follows. Based on information provided by the HTM Group, construction may begin as early as 2002. It was assumed that 300 people (10%

Figure 3-3
City of Conrad - Projected Low and Moderate Growth Scenarios

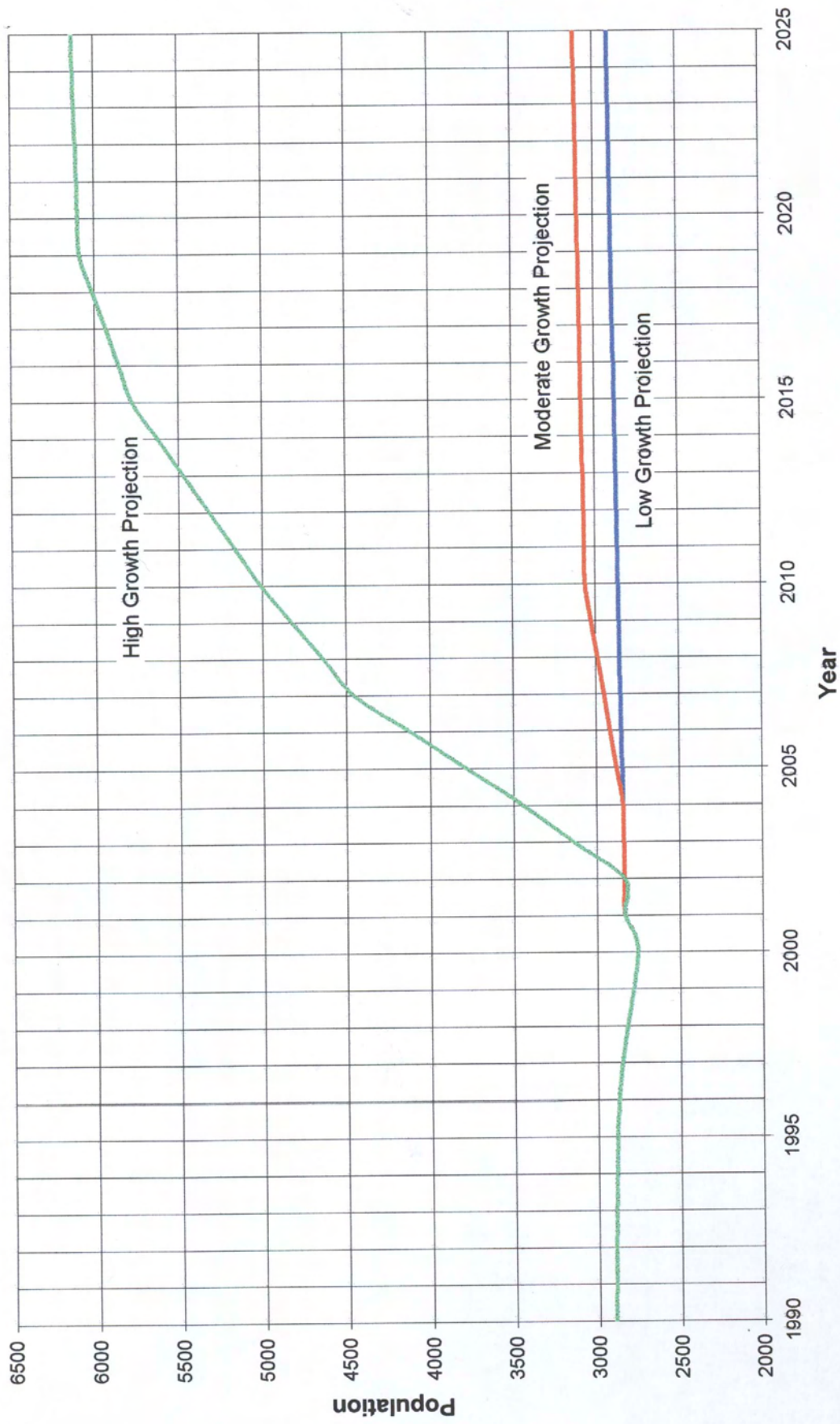


of the expected total) would arrive in 2003. This growth (10%) would continue for 5 years. Assuming each employee has a family of 3, this number represents the 500 new employees and their families arriving in Conrad. Over the next eight years, a 5 percent growth (150 people) is anticipated. This represents new business growth in support of these new employees. A 2.5 percent growth rate (75 people) was assumed for the next four years. This represents the last of the new business growth expected to arrive in Conrad due to the construction of the HTM Group facilities. This trend assumes that over a 17 year period, growth will be fairly constant in the City due to these new facilities.

Table 3-4 presents the high growth population projection for the City of Conrad. Figure 3-4 shows low growth, moderate growth (prison facility), and high growth (prison and HTM Group facilities).

TABLE 3-4 HIGH GROWTH POPULATION PROJECTION							
Population Center and Data	1990	2000	2005	2010	2015	2020	2025
Pondera County Projected Population ¹	6,433	6,424	6,463	6,502	6,541	6,580	6,620
Conrad Percent of Population ²	45	43	44	44	44	44	44
City of Conrad Projected Population ³	2,902	2,753	2,844	2,861	2,878	2,895	2,913
Estimated Increase due to Shelby Prison ⁴	0	0	34	198	198	198	198
Estimated Increase due to HTM Group Facilities ⁵	0	0	900	1,950	2,700	3,000	3,000
Total Projected Population	2,902	2,753	3,778	5,009	2,776	6,097	6,134
<ol style="list-style-type: none"> 1. Projection based on "best fit" trendline from plotting population during 1990-2000. 2. Assumes Conrad comprises 44 percent of the population of Pondera County based on historical trends (see Table 3-1). 3. Assumes growth that will occur regardless of local economic development. 4. Projections based on potential impacts of prison facility in Shelby, Montana. Information provided by Mayor Larry Bonderud, Shelby, Montana. 5. Projections based on potential impacts of HTM Group facilities in Pondera County, Montana. Information provided by HTM Group in meeting in Conrad, July 17, 2001. 							

Figure 3-4
City of Conrad - Projected Low, Moderate, and High Growth Scenarios



CHAPTER 4 WATER SYSTEM FUND

This chapter reviews the City of Conrad water system and identifies needed improvements to the system.

DESCRIPTION OF EXISTING FACILITIES

Water Supply and Treatment

The water supply source for the City of Conrad is Lake Frances, which lies approximately 14 miles northwest of the City. Water from Lake Frances is pumped to the City water treatment plant through two 12-inch parallel lines. Lake Frances water is utilized not only for a municipal water supply for the City of Conrad, but also for irrigation purposes and is controlled by the Pondera County Canal and Reservoir Company (PCCRC). Rights to use the water in Lake Frances are controlled by ownership of water shares.

The pump station, located southeast of Valier, was constructed in 1995. The pump station is situated approximately 100 feet west of the intake and consists of three vertical turbine pumps, two with a capacity of 2,000 gallons per minute (gpm) and the third with an 1,100 gpm capacity. The two 2,000 gpm pumps were originally installed in the City's former pump station in 1979. They were rebuilt in 1995 and installed in the new pump station.

The intake for the existing pump station is located immediately downstream from the East Dam in the canal operated by the PCCRC. It consists of two intake screens situated in the canal with two 16-inch intake pipes connected to the pump station wet well.

The water treatment plant utilizes a direct filtration treatment process. When entering the plant, the raw water is injected with alum and then passes through a reaction tank where floc particles are allowed to form. After the reaction tank, the water passes through four dual-media filter units, is chlorinated, and flows by gravity to the two storage reservoirs located on the treatment plant site. Two backwash pumps are used to backwash the filter media. Backwash waste is discharged to waste ponds also located on the plant site. The maximum flow through the plant is 1,500 gpm.

Water flows to the Conrad distribution system by gravity through two pipes - a 16-inch AC pipe and a 12-inch AC pipe - from the plant to the Hillside Cemetery, and through two 12-inch AC pipes from the cemetery into town. The water pressure is approximately 80 to 90 psi in the City.

Water Distribution System

The City of Conrad water distribution system consists of approximately 237,000 lineal feet (45 miles) of water main 16-inches in diameter and smaller. Water main materials consist primarily of Asbestos Cement (AC) pipe with a small percentage of PVC pipe. As repairs and maintenance work is performed, and as replacements are necessary, the City of Conrad is installing, AWWA C900 Class 200 PVC pipe. Table 4-1 summarizes the size and quantity for each type of water distribution main material.

TABLE 4-1 EXISTING WATER DISTRIBUTION SYSTEM		
Size (Inches)	Pipe Type¹	Quantity (Lineal Feet)
16	AC	10,767
12	AC	131,451
10	AC	22,519
8	AC	7,682
6	AC	51,275
6	PVC	5,766
4	AC	7,560
Total		237,020 (45 Miles)
1. AC - Asbestos Cement; PVC - Polyvinyl Chloride		

Storage Reservoirs

The City of Conrad water storage facilities consists of two 1,000,000 gallon reservoirs constructed on-grade. The two Conrad reservoirs are both radial beam with one center post. The north reservoir was constructed in 1984 and the south reservoir in 1979. Both are located at the water treatment plant site.

SUMMARY OF NEEDED IMPROVEMENTS

In May 2000 the City of Conrad completed a Water Facilities Plan that evaluated in detail the existing water system including the water treatment plant, storage reservoirs and distribution system. The water intake and pump station were not evaluated in detail in this report.

After severe drought in the summer of 2000, the City initiated a detail evaluation of the raw water intake and pump station facilities. This evaluation was completed in May 2001 and serves as an amendment to the 2000 Water System Facilities Plan. These two reports identified needed improvements to the City of Conrad water system. These improvements are summarized below.

Raw Water Intake and Pump Station

The existing intake has presented a myriad of problems since its installation, making operation and maintenance expensive and often difficult. The existing intake was installed with an air backwash system, which does not adequately clean the screens. The existing screens routinely clog with silt, especially during years when the Lake levels are low and prevailing winds increase the raw water turbidity. The intake screen has at one time become clogged, completely blocking the intake. This prompted the City Public Works staff to drain the canal and clean the screens. The City also improved air backwash to the intake in 2000, but it has not been in service long enough to know if the system will adequately clean the screens.

During the summer of 2000, the depth of water in the shallow channel decreased to six inches in one reach, seriously jeopardizing the City's only water supply. If the lake level had dropped any lower, the City would have been completely without a source of drinking water since a backup supply does not exist. Two significant issues stem from this situation: water quantity and water quality.

When the Lake is low, this impacts the City's ability to pump water to the water treatment plant. Due to extreme drought conditions in the summer of 2000, the City was forced to dredge a channel in the lakebed over 3,000 feet long to enable water to flow from the deep pool to the East Dam diversion. The potential for this channel to silt in is also very high.

Continued siltation of the channel makes it likely that the City will have to bear the expense of dredging the channel again. Because the channel is shallow, there is also the potential for the water in the channel to freeze during the winter months, further jeopardizing the City's water supply.

There is also a problem with high raw water turbidity. When the lake levels are low, winds stir up lakebed sediments causing the water at the City's intake to have turbidity in excess of 200 NTU. This taxes the City's direct filtration water treatment plant so that, at times, the existing plant barely meets the 0.5 NTU turbidity standard. The City is currently in the construction phase of a project to add ballasted sedimentation in front of the filters, which will dramatically improve the treatment capability of the water treatment plant.

The 2001 Raw Water Intake and Pump Station Evaluation recommended that a new intake and pump station be constructed in a location that would allow the City of Conrad to access water from the deep pool in Lake Frances. The estimated project cost for this improvement is \$3.9 million. The City is currently pursuing funding in the form of grants and low interest loans for this project.

Water Treatment Plant

The 2000 Water System Facility Plan also recommended improvements to the City of Conrad Water Treatment Plant including:

- ◆ Raise height of filter tank walls.
- ◆ Install “gravel free” filter underdrains.
- ◆ Replace backwash pond liner.
- ◆ Gate house valve repair.
- ◆ Modify storage tank piping to improve chlorine contact time.
- ◆ Add ballasted sedimentation treatment process.

In 1999 the gate house was repaired by City staff at a cost of approximately \$22,000. These repairs were funded by reserves in the City of Conrad Water Enterprise Fund.

In the Winter of 2000-2001 the City of Conrad completed a project that consisted of raising the filter tank walls and installing “gravel free” filter underdrains and other miscellaneous improvements. The total cost of these improvements was approximately \$300,000. It was funded by a loan from the Montana Department of Environmental Quality State Revolving Fund Program.

In July, 2001 the City of Conrad began construction of Phase 2 of the water treatment plant improvements. These improvements consisted of the addition of the ballasted sedimentation treatment process, modification of storage tank piping, and replacement of the backwash pond liner. This project was funded by a loan from the Montana Department of Environmental Quality State Revolving Fund Program. The Phase 2 project represents the last of the water treatment plant improvements recommended in the 2000 Water System Facilities Plan.

Water Distribution and Storage

The 2000 Water System Facilities Plan also recommended numerous improvements to the City of Conrad water distribution system and storage reservoirs. Recommended improvements to these facilities include:

- ◆ Eliminate dead end mains.
- ◆ Replacement of 25 hydrants and 10 gate valves.
- ◆ Installation of water meters.
- ◆ Clean and inspect south tank.
- ◆ Paint south tank exterior.
- ◆ Rehabilitate transducers in reservoirs.

Water meters were installed in early 2000 at a cost of approximately \$300,000. This project was paid for by the City's water system reserve account. As part of the 2001 Water Treatment Plant Improvements Project described above, the City also intends to clean, inspect and recoat the floors, replace the transducers, and make piping changes around the reservoirs. Painting the exterior of the south tank is not a part of the 2001 project.

CHAPTER 5 SEWER SYSTEM FUND

This chapter summarizes the existing City of Conrad wastewater facilities and storm water collection system, and identifies needed improvements to both systems.

WASTEWATER FACILITIES

Description of Existing Facilities

The City's existing wastewater facilities include a sanitary sewer collection system, consisting of gravity collector mains and two lift stations, and a three-cell aerated/facultative lagoon treatment system located northeast of town.

Wastewater Collection System and Lift Stations

The City of Conrad's original collection system was built in 1913 with construction generally occurring in the south half of the existing City limits. In the late 1960's, the collection system was expanded to serve residents and businesses east of the Great Northern Railway. Expansion occurred again in the early 1970's generally northeast of the original 1913 construction and included what the City refers to as the Northeast Interceptor. Most recently, sanitary sewer mains were constructed to serve the area just north of Avenue C.

Conrad's collection system consists of approximately 22,830 lineal feet (4.3 miles) of sewer main 12-inches in diameter and larger and 65,830 lineal feet (12.5 miles) of sewer main under 12-inches in diameter. Sewer main materials include vitrified clay pipe (VCP), asbestos cement pipe (AC) and Polyvinyl Chloride (PVC) pipe. Table 5-1 summarizes the size and quantity of each type of gravity sanitary sewer main pipe.

Most manholes in the collection system constructed prior to 1950 are brick. New manholes are generally precast concrete.

The City of Conrad operates and maintains two sewage lift stations. The Central Avenue sewage lift station and wet well was constructed in 1976. The East Side Sewage Lift Station was originally constructed in the late 1960's; however, both the lift station and wet well were replaced in 1991 with new facilities.

The Central Avenue Lift Station is located in Central Avenue between the cross streets of Maryland and Delaware. The lift station provides service to approximately 45 homes between Maryland and Wisconsin streets and between Central Avenue and Second Avenue North.

TABLE 5-1 GRAVITY SANITARY SEWER COLLECTION SYSTEM		
Size (Inches)	Pipe Type¹	Quantity (Lineal Feet)
21	VCP	900
18	VCP	4,070
15	VCP	1,020
12	VCP	4,840
9	VCP	4,740
8	VCP	19,480
6	VCP	15,400
16	AC	8,110
12	AC	2,990
8	AC	13,780
12	PVC	900
10	PVC	2,810
8	PVC	9,160
6	PVC	460
Total 88,700 (16.8 Miles)		
1. VCP – Vitrified Clay Pipe; AC - Asbestos Cement; PVC - Polyvinyl Chloride		

This lift station is an AeroFlo package duplex system manufactured by Clow Corporation. The capacity of each centrifugal pump is approximately 50 gallons per minute (gpm) at a total dynamic head of 15 feet. The pumps are controlled using a bubbler system. The lift station is also equipped with a sump pump to remove any water that enters the dry well.

The package lift station is equipped with a permanent ladder for access into the dry well portion of the system, and with a ventilation system that activates upon opening the access hatch. The exterior shell of the lift station is steel with sacrificial anodes attached for corrosion protection. The lift station is connected to a telemetry system that signals alarms, including power outages, to City personnel through their radio network. The electrical system is equipped with a quick connect coupling for connection to a portable power generator used during power outages.

The wet well, located just west of the lift station, is a 6 foot diameter reinforced concrete manhole. The active volume in the wet well, or the volume between the on and off levels, is approximately 1,060 gallons. The wet well is not equipped with a ventilation system.

The East Side Lift Station is located on Second Avenue South between Montana Street and Washington Street and serves approximately 173 homes. The current lift station was constructed to replace the original pneumatic ejector-type station constructed in the late 1960's.

This lift station includes two dry well centrifugal pumps, Cornell model 4NNT-VC16 with an 8.75 inch impeller each designed to pump 230 gpm against a total dynamic head of 29 feet. The pumps are controlled using four floats in the wet well with settings for all pumps off, first pump on, second pump on, and alarm. Like the Central Avenue Lift Station, this station's dry well is equipped with a sump which discharges back into the wet well. The lift station is connected to a telemetry system that signals alarms, including power outages, to City personnel through their radio network. The electrical system is equipped with a quick connect coupling for connection to a portable power generator used during power outages.

The pumps and piping are accessed by a ladder permanently attached to the 3 foot diameter precast concrete entrance tube. Dry well construction consists of an 8 foot diameter precast concrete manhole set over a 9-inch thick reinforced concrete base. A ventilation system and lights automatically turn on when the hatch to the dry well is opened. The dry well is also equipped with a heater and dehumidifier. The wet well is a 6 foot diameter precast manhole with cast iron manhole steps and an aluminum grating platform located approximately 12 feet from the surface. The distance between the pumps off float and the alarm level is four feet. The working volume of the wet well is 845 gallons. The wet well is equipped with a ventilation system that must be manually operated (start/stop) before entering the wet well.

Interceptor (Conrad to Sewage Lagoons)

Wastewater from the City collection system is conveyed through a 21-inch VCP interceptor to the City's Wastewater Treatment Facility approximately 1.5 miles north of Conrad. When Interstate 15 was constructed, a new section of interceptor was installed in a casing under the Interstate because of concerns over the existing portion collapsing due to construction. However, the original pipe remains in service. The newer pipe was not connected to the system.

Wastewater Treatment Facility

The wastewater treatment facility for the City of Conrad was constructed in 1958 as a two-cell facultative stabilization system. The system, located approximately 2.5 miles northeast of the City, was upgraded in 1972 with the addition of a primary aerated treatment cell. Effluent flow monitoring facilities were added in 1991. Effluent from the treatment facility flows to a small adjacent wetland, which forms an unnamed tributary of the Dry Fork of the Marias River. The unnamed tributary flows approximately 1.25 miles to the Dry Fork.

Summary of Needed Improvements

In 1999, the City of Conrad began the preparation of a Wastewater Facility Plan that evaluated the existing wastewater facilities including the collection system, lift stations, and treatment facility. Because of the uncertainty of the limitations that might be placed in a future MPDES discharge permit by the Montana Department of Environmental Quality and the subsequent impact on future treatment requirements, the Facility Plan has not been finalized. Once the City of Conrad MPDES discharge permit has been renewed, the Facility Plan will be completed.

The Facility Plan identified needed improvements to the collection system, lift stations and the treatment facility. These needed improvements are summarized below.

Wastewater Collection System and Lift Stations

The draft Wastewater Facilities Plan recommended the following collection system and lift station improvements:

- ◆ Replace 7,250 Lineal Feet of “Class 2” Sewer Mains
- ◆ Replace or Rehabilitate 11 Manholes
- ◆ Replace Central Avenue Lift Station Pumps and Valves

During the summer of 2000, the City began construction that included the replacement of all Class 2 sewer mains and the 11 manholes summarized above. The total project cost, including engineering and construction observation, was \$710,510 and was funded by a loan from the Montana Department of Environmental Quality State Revolving Fund Program.

The pumps in the Central Avenue Lift Station were inspected by City staff and it was determined that the pumps could remain in operation for several more years. The valves in the lift station were replaced by City staff.

Wastewater Treatment Facilities

The draft Wastewater Facilities Plan also presented a preliminary recommendation for upgrades to the City of Conrad wastewater treatment facility. The recommendations will be finalized once the City receives a new MPDES discharge permit. The preliminary recommendations include:

- ◆ Construct Reed Bed Facilities for Sludge Dewatering
- ◆ Wastewater Treatment Facility Upgrade and Miscellaneous Improvements

STORM WATER FACILITIES

Description of Existing Facilities

The City's existing storm sewer system consists of 32,450 lineal feet (6.2 miles) of storm sewer main ranging in size from 42-inches to 3-inches in diameter. Storm sewer main materials include reinforced concrete pipe (RCP), polyvinyl chloride (PVC) pipe, vitrified clay pipe (VCP), asbestos cement (AC) pipe, high-density polyethylene (HDPE) pipe, and open drainage ditches. Table 5-2 summarizes the size and quantity of each type of storm sewer main. The storm water is transported via the collection system and discharged to irrigation canals and drains throughout the City.

TABLE 5-2 STORM SEWER COLLECTION SYSTEM		
Size (Inches)	Pipe Type¹	Quantity (Lineal Feet)
42	RCP	1,900
36	RCP	3,900
28	RCP	500
27	RCP	2,050
24	RCP	1,750
21	RCP	1,000
20	RCP	850
18	RCP	4,700
16	RCP	600
15	RCP	1,000
12	RCP	5,550
14	PVC	250
12	PVC	1,550
8	PVC	500
3	PVC	200
8	AC	1,000
36	HDPE	1,500
18	VCP	2,550
12	VCP	500
Open Drainage Ditch		600
Total	32,450 (6.2 Miles)	
1. VCP – Vitrified Clay Pipe; AC – Asbestos Cement; PVC – Polyvinyl Chloride; RCP – Reinforced Concrete Pipe; HDPE – High-Density Polyethylene		

Summary of Needed Improvements

One area of the City continually backs up during rainfall events. That is at the corner of Sixth Avenue South and Iowa Street. Currently the City has no plans to improve this area.

CHAPTER 6 SOLID WASTE FUND

This chapter reviews the existing City of Conrad solid waste collection facilities and identifies needed improvements.

SOLID WASTE FACILITIES

Description of Existing Facilities

Conrad utilizes a regional trash collection facility located approximately ten miles north of the City. The regional facility is used by Pondera County, Glacier County, the City of Choteau, and various other industries. Conrad disposes of garbage approximately five miles north of Conrad at a roll off facility. Trips to the facility are made when the City conducts alley pickups.

There are two full time employees included in the solid waste fund. However, one of the employees works part time on garbage collection, and does various other tasks.

Table 6-1 summarizes the solid waste equipment owned by Conrad. The City currently owns three garbage trucks. Two of those trucks are used on an ongoing basis (S3 and S5), while S2 is a spare truck. S2 also is equipped with a trailer hitch, which is used to pull the brush chipper.

TABLE 6-1 SOLID WASTE EQUIPMENT SUMMARY			
Truck	Year	Type	Owner
S2	1992	GMC 3500 Series gas truck	City of Conrad
S3	1994	F450 gas truck	City of Conrad
S5	1999	F450 diesel truck	City of Conrad

Summary of Needed Improvements

The City uses a seven to eight year cycle for replacing solid waste equipment. Plans call for replacing the 1994 truck in 2003, the 1999 truck in 2007 or 2008, and the 2003 truck in 2010 or 2011. The City will retain the 1992 truck, as it has the least miles on it, and is used to pull brush chipper. The City should budget approximately \$16,000 per year during the CIP cycle to replace these trucks.

CHAPTER 7 GENERAL FUND

This chapter summarizes the facilities that are budgeted for in the general fund for the City and their needed improvements. This includes streets, parks, swimming pools, public recreation areas, public buildings and equipment, and emergency services.

STREET SYSTEM

Description of Existing Facilities

The majority of the streets in Conrad were constructed and paved through the creation of Special Improvement Districts (SID's). In the late 1970's, SIDs 63 and 64 were created to construct approximately 10.5 miles of streets, including asphalt pavement, storm drainage, concrete curb and gutter, and sidewalks. These streets were designed with a life expectancy of approximately 20 years, and were chip sealed in the late 1980's as a preventative maintenance measure.

In 1998, SIDs 68, 69 and 70 were created and are summarized as follows:

SID 68 was created to cold mill, overlay and chip seal the original 10.5 miles of streets constructed with SIDs 63 and 64. Curb and gutter repairs, and new concrete valley gutters were also included with SID 68.

SID 69 was created to recycle and place the asphalt millings from SID 68, utilizing city crews, on approximately 2.9 miles of existing gravel streets.

SID 70 was created to reconstruct one block of First Avenue North between Main Street and Front Street, including asphalt pavement, storm drainage, and concrete curb and gutter.

An inventory of the paved and gravel streets within the City of Conrad are summarized in Appendix A of this CIP, including dimensions and surfacing areas. The total area of SID 68, 69 and 70 streets is 286,000 square yards, approximately 179 blocks.

Summary of Needed Improvements

The City of Conrad has an ongoing maintenance program for the hard surfaced streets that consists of pothole repairs, crack sealing, and chip sealing as needed. The City has done an excellent job of performing this maintenance, as is reflected by the overall good condition of the majority of streets within the City. This ongoing maintenance is funded through the City's General Fund.

Hole repairs and crack sealing are relatively low cost maintenance items. The City is currently spending approximately \$25,000 annually on chip sealing. Over the past couple of years, it has been necessary for the City to re-chip seal portions of SID 68 that were chip sealed in 1998. This has been necessary due to some of the chips coming off sooner than anticipated. The City should continue to monitor the streets in SID 68 and re-chip seal as necessary to preserve the asphalt surfaces. Additionally, the City has been chip sealing over the asphalt millings placed on the streets in SID 69, which appears to be adding durability and reducing maintenance on these streets. Since the average life of a chip seal is approximately six to eight years, the City should continue re-chip sealing the City's hard surfaced streets on a seven year cycle.

In recent years, the cost of chip sealing by contractors has ranged from \$0.90 to \$1.00 per square yard. The cost to chip seal all of the streets within SID's 68, 69 and 70 would be approximately \$286,000 every seven years at today's contractor prices.

If the City were to budget approximately \$30,000 annually for chip sealing, and plan to chip seal one seventh of SD's 68, 69 and 70 each year, all of these streets would be re-chip sealed within the seven year cycle. Assuming City labor forces and equipment are used to complete the work, the unit price would be approximately \$0.73 per square yard. An annual survey should be completed to prioritize the streets to be chip sealed each year under this scenario.

The higher cost maintenance items that are not included in the City's maintenance program include asphalt overlays, and complete reconstruction of failed streets. The estimated cost on a per block basis for these items is as follows:

Asphalt Overlay	\$15,000 /block
Complete Reconstruction	\$85,000 /block

These costs are based on the recent construction completed with SID 68 and 70, including unit price adjustments and inflation.

There are a few streets and alleys within the City of Conrad that have not been included in the previous SID's. These are in relatively poor condition compared to the other streets constructed and maintained through the SID process and ongoing City street maintenance program. These streets and alleys are summarized as follows:

Front Street is located one block north of, and parallel to, Main Street and is approximately 11 blocks in length. Front Street is a paved street that is in very poor condition with severe surface distress. Storm drainage

improvements should also be addressed with any future resurfacing or reconstruction improvements on Front Street.

The east-west streets between Front Street and Main Street are listed below from north to south:

Second Avenue North
Central Avenue
First Avenue North
Second Avenue South
Third Avenue South
Fourth Avenue South
Fifth Avenue South
Sixth Avenue South
Seventh Avenue South

Any resurfacing or reconstruction improvements of Front Street should also address these one block segments. The needed improvements could be phased with multiple smaller projects that would address one or more blocks of Front Street along with the adjacent one-block segments between Front Street and Main Street.

All of these streets should be prioritized as to whether an overlay is sufficient, or whether complete reconstruction is necessary. However, Front Street between 4th and 7th Avenue should be prioritized as a complete reconstruction.

The Montana Department of Commerce's Mini Capital Improvements Plan For Small Towns, Third Edition, March 1996 states the following:

The competition for limited grant funds, coupled with limited local funding options, makes capital improvements planning a necessity. All improvements must be well justified and prioritized in order to be funded through grants or local financing methods. The following analysis can help your local government stretch whatever money can be raised for street repair and replacement. Often street maintenance needs are determined by answering complaints in the order they are received or by driving streets and making a list. While these methods work, they lack an objective base of standards for comparing relative needs. The condition analysis allows the local staff to judge the relative condition of streets and to set priorities for performing improvements based upon consideration of the entire street system. Also, using the condition analysis method allows a local government to identify which streets to repair before irreversible crown or base damage occurs. Delaying repairs to a street which needs an overlay will cost the taxpayers up to 10 times as much money (because of the higher cost of reconstruction compared to an overlay).

Benefits of Condition Analysis

The City of Conrad would benefit from a street condition analysis as outlined in The Mini Capital Improvements Plan For Small Towns. A street condition analysis will allow the relative condition of the streets to be judged objectively, and priorities to be set based upon consideration of the entire street system. Once a street inventory is complete, an objective rating system can be utilized to record the surface condition of each street or street segment based on surface distress. Eight types of flexible pavement distress are: “rutting”, “raveling and weathering”, “flushing”, “washboarding”, “alligator cracking”, “transverse cracking”, “longitudinal cracking”, and “patching”. Seven types of unsurfaced street distress are: improper cross section, inadequate roadside drainage, washboarding, dust, potholes, ruts, and loose aggregate gravel.

Due to the recent improvements constructed with SID 68, the street condition analysis should initially focus on Front Street and the east-west streets between Front Street and Main Street. Once the initial street condition analysis is complete, a condition survey of all of the paved streets should be conducted annually. Some streets can be eliminated from the annual survey if they have been substantially improved during the year.

PARK SYSTEM

Description of Existing Facilities

The City of Conrad owns and maintains four public parks, one swimming pool, and one softball complex with eight fields. These facilities are described below.

Parks

Table 7-1 summarizes each park, including acreage and general location.

TABLE 7-1 SUMMARY OF PARKS		
Park	Size (acres)	Location
Swimming Pool Park	1.62	7 th Avenue South and Virginia
Legion Park	3.10	7 th Avenue South and Delaware
Keil Park	0.71	First Avenue North and Kansas
Jaycee Park	0.67	Third Avenue South and Washington

Swimming Pool Park is located next to the swimming pool on Seventh Avenue South and Virginia. It is approximately 320-feet by 220-feet. This park does not have playground facilities. The swimming pool was built in 1987. The pool is open during the summer from early June to mid August and is operated and maintained by 12 part-time staff.

Keil Park is east of the High School on Kansas Street. Keil Park is roughly 220-feet by 140-feet. This park includes playground equipment. Jaycee Park is on the west side of Conrad on Washington Street. It is 210-feet by 140-feet. Playground equipment has been installed at the park, however the local community is donating new equipment.

The sports complex is in the southwest area of the city. There are eight ball fields, a restroom, and a snack bar at this site. The entrance is at Eighth Avenue South and Iowa Street. Volunteers are currently remodeling the fields, and constructing new restroom facilities.

Legion Park (Figure 7-6) is on Seventh Avenue South and Delaware, kitty-corner from Swimming Pool Park. This park is approximately 320-feet by 420-feet. Legion Park has new playground equipment that was donated by the citizens of Conrad. Volunteers are currently replacing the restrooms. The City would also like to install a fence around the entire sports complex to protect the fields when they are not in use.

Summary of Needed Improvements

To date, most of the major improvements to the parks in Conrad have been made through donations and volunteer labor. The City has identified the need for automatic sprinklers at each of the four parks. Water for the sprinklers may be supplied by either the water distribution system or from nearby irrigation ditches utilizing a portable pump and generator. Water supply from irrigation ditches may be preferred, especially during periods of drought as experienced over the last several years.

PUBLIC BUILDINGS AND EQUIPMENT

Description of Existing Facilities

This section summarizes the public buildings, including the library, Public Works building, city shop, and city office in the City of Conrad and identifies those areas needing improvements.

Library

The Conrad Public Library is located on Fourth Avenue one block west of Main Street. The building was built in 1902 and was used as the City offices until it was fully converted to the library in 1983. No major renovations or upgrades have been made to the Library building between 1983 and 2000. In 1996, the Library received a new roof due to leakage. A new furnace was also installed in the winter of 2000.

Two current projects at the Library include the removal of asbestos from the basement, and stripping and repainting the front windows. The window refinishing will be done as part of a Community Transportation Enhancement Program (CTEP) grant. City staff report that an architect may be involved due to the possibility of the existence of lead paint.

Public Works Building and City Shop

The public works office building and shop are located on Old Highway 91, north of the City. There are six buildings utilized by the Public Works Department, including an administrative office and shop, equipment storage, sand storage, and sign storage. Figure 7-1 presents a plan view of the Public Works buildings.

The City is currently planning an addition to the administration office and shop (Building A) that will be constructed in 2002. The addition will consist of a 12 foot by 40 foot building for a new office, meter room, and brass storage. It is anticipated that the addition will be constructed by City staff.

Plans for other future building modifications have also been made. Another 12 foot by 12 foot addition will be made to the city shop within the next four years. This addition will serve as a “tight” room to house computers and other sensitive electronic devices to prevent damage as the result of exposure to dust and dirt particles.

City Office

The City Office is located on Main Street and 4th Avenue South. Located within this building are the Mayor, City Courthouse, City Finance Officer, Police Station, and other City staff. This building was built in the 1930's and has been re-roofed.

Summary of Needed Improvements

The following is a summary of the needed improvements to the City Library and Public Works building, city shop and storage buildings.

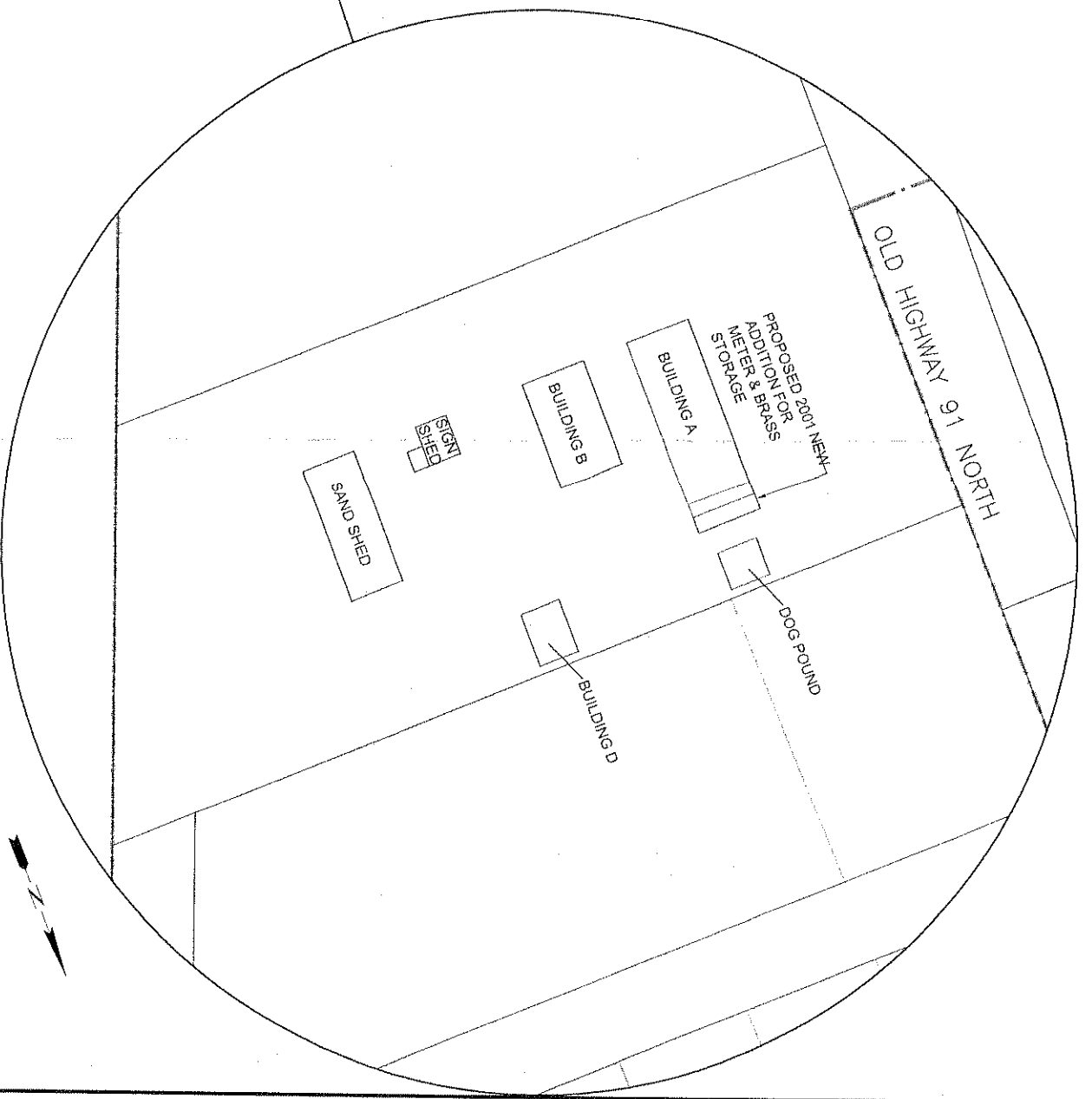


FIGURE 7-1
PUBLIC WORKS BUILDINGS

Library

City staff report that there are three major improvements needed at the library. The first and highest priority is the installation of an air conditioning unit. The second priority for the library is new carpeting. The existing carpet is 20 years old, and is warped and taped down. Costs for this capital improvement were based on an estimated floor size of 12,000 square feet. Finally, the library has not been painted in over 20 years. Costs for painting the library were developed based on an estimated building size of 100-feet by 40-feet, with 10 foot ceilings on the first floor and 14 foot ceilings on the second floor.

Public Works Building and City Shop

As part of the Interlocal Agreement between Conrad, Shelby and Cut Bank, the City of Conrad stores the jet truck part of the year. A heated building is needed to do this. The two options the City is considering, include an addition of a heater and insulation to Building B, or to construct a new 40 foot by 30 foot building. If the new building is built, it would house two garbage trucks when the jet truck was not in Conrad.

There are several major pieces of equipment that the City would like to replace. These include a sweeper, front-end loader, air compressor, and a grader. The City also should continue their plan of replacing one pickup truck every 4-5 years.

The City also plans to continue its support of the Interlocal Agreement.

City Offices

There are not any planned improvements for the City Office at this time

EMERGENCY SERVICES

Description of Existing Facilities

This section summarizes the current emergency services in the City of Conrad and identifies those services needing improvements.

The existing emergency services provided to the public within the City of Conrad include a volunteer fire department and law enforcement. These services are described in greater detail in the following sections.

Fire Station

The Conrad Fire Station is located on the corner of Fifth Avenue South and Virginia Street. Volunteers operate the fire station and respond to emergencies. A building addition was completed in 1996 to house the fire engines and provide more equipment storage room for the fire fighters. A new fire engine was also purchased in June of 1996.

The fire station houses both City and County fire and rescue equipment. Table 7-2 is a summary of the equipment kept at the firehouse.

TABLE 7-2 FIRE STATION EQUIPMENT SUMMARY			
Truck	Year	Type	Owner
F11	1975	Water Tender – 5000 gallons	Pondera County
F12	1982	Rescue Truck	Pondera County
F13	1996	Pumper Truck	City of Conrad
F14	1984	Wild Land/Grass Fighter	Conrad Firemen (leased to Pondera County)
F15	1990	Rural fire fighting with “pump and roll” equipment for grass fires	Pondera County
F16	1956	Ladder truck	City of Conrad
F17	1975	Pumper Truck	City of Conrad
Lulu	1954	Pumper Truck	Pondera County
A1	1994	Ambulance	Pondera County
A3	1999	Ambulance	Pondera County

Police Station

The Conrad Police Station is located on Main Street and 4th Avenue South, in the City office. The police force includes five full time police officers, not volunteers. A new roof has recently been installed on the City office.

County Sheriffs also operate within the City limits. Their offices are located in the County Courthouse. The County Sheriffs Department will not be considered in this Capital Improvements Plan, as they fall outside the City’s jurisdiction.

Summary of Needed Improvements

Fire Station

Several of the fire trucks in Conrad are out dated. Even though a fire truck was recently purchased, the fire department staff report the need to purchase another new fire truck within the next 10-15 years. This truck will be purchased through the issuance of bonds and not through this CIP.

It is also reported that the City would like to add fire sprinklers in the new fire hall addition. The City also intends to purchase a new air compressor for filling the air tanks at the station.

Police Station

The Police Department currently purchases a new police vehicle every two years. It is anticipated that the City will continue this practice into the foreseeable future. No other capital improvements were identified for the police department.

CHAPTER 8

CAPITAL IMPROVEMENTS PLAN

This chapter identifies the 10-year Capital Improvements Plan (CIP) for the City of Conrad. The CIP is a tool for the City to plan and budget for future capital improvements. The proposed CIP is presented in Table 8-1 and has been reviewed by City staff and the City Council. The CIP is something that will always be changing as City priorities and budgets change. Table 8-1 is current as of January 2002 and could change dramatically before the end of this fiscal year.

The CIP is presented in a somewhat unique manner in that each fund is broken into two parts. The first part summarizes the needed improvements and costs in 2001 dollars. The first section also shows how much money needs to be set aside for the next ten years, including inflation, to fund each of the capital improvements. Since the improvements identified in the Capital Improvements Plan cannot all be completed in the near-term, inflation must be considered for those improvements that are planned beyond 2001. Based on historical construction cost factor data published in the Engineering News and Record (ENR), inflation factors were developed for projecting the capital costs for each of the improvements.

At the bottom of this first section is the total amount of money that should be budgeted for that year for improvements. For example, if Fiscal Year 2002-2003 the City of Conrad should budget \$141,405 for water system improvements or purchases (Table 8-1).

The first section of each fund provides a methodology for setting budgets for each fund. The second section, however, summarizes when the City would like to actually make the capital improvements or purchases. For example, the City plans to set aside from \$10,280 to \$12,340 per year for the next ten years for a new chlorine room, however, the City plans to make this capital improvement in fiscal year 2003-2004.

At the bottom of the second section for each fund are four rows. The first row titled "Expenditures for CIP" is the sum of the actual planned expenditures for that year. The second row titled "Annual Running Balance" is the amount budgeted in the first section less the amount planned to be spent plus or minus the money left over from the previous year. The third row titled "Annual Money Available" is the estimated money available from the Fund for capital improvements or purchases. Finally, the last row titled "Annual Shortfall/Surplus" is the amount of money available less the amount that needs to be budgeted from the first section.

The capital improvements have been discussed in previous chapters. Further explanation of some improvements is required, however, as presented below:

Water and Sewer Fund

1. The estimated cost for fire hydrant and gate valve replacement assumes that the City will budget for replacement of 5 hydrants and valves per year.
2. The Interlocal contribution amount is split between the water, sewer, solid waste and general fund. In 2001 the total contribution was \$20,000.
3. The cost of vehicle replacement in 2001 dollars is \$24,000 and was split evenly between the water and sewer fund. The city purchases a new vehicle every 4 years and the cost of the vehicle is budgeted over a four year period.

Facilities Administration Set Asides

1. Some equipment is utilized by City staff for repair of the water system, sewer system, streets, etc. Examples of equipment include a front end loader, air compressor, etc. To pay for this equipment, money is set aside from all of the funds to purchase this equipment. Approximately 10 percent of the money comes from the Solid Waste Fund, 25 percent each from the Water and Sewer Funds, and 40 percent from the General Fund.

General Fund

1. The Conrad Police department purchases a new police car every two years, and the cost of the vehicle is budgeted over a two year period.
2. The Public Works - Miscellaneous budget item under the General Fund is used to purchase a new piece of equipment when adequate money has been saved. The typical annual budget for this item is \$60,000 per year.

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS	
WATER FUND	New Chlorine Room	\$100,000	\$10,280	\$10,500	\$10,740	\$10,970	\$11,190	\$11,420	\$11,500	\$11,880	\$12,110	\$12,340	\$112,930	
	Streaming Current Monitor	\$20,000	\$2,060	\$2,100	\$2,150	\$2,190	\$2,240	\$2,280	\$2,300	\$2,380	\$2,420	\$2,470	\$22,590	
	Standby Generator @ WTP (175 KW)	\$70,000	\$7,200	\$7,350	\$7,520	\$7,679	\$7,833	\$7,994	\$8,050	\$8,316	\$8,477	\$8,638	\$79,057	
	Standby Generator @ Raw Water Pump Station (150 kw)	\$60,000	\$6,170	\$6,300	\$6,440	\$6,582	\$6,714	\$6,852	\$6,900	\$7,128	\$7,266	\$7,404	\$67,756	
	Raw Water Intake and Pump Station Improvements (\$3,000,000)	\$579,000	\$59,550	\$60,830	\$62,220	\$63,650	\$64,820	\$66,160	\$66,620	\$68,820	\$70,150	\$71,490	\$654,210	City currently pursuing multiple grant and loan
	Water Reservoir (South) Paint Exterior	\$95,000	\$9,770	\$9,980	\$10,200	\$10,422	\$10,631	\$10,849	\$10,925	\$11,286	\$11,505	\$11,723	\$107,290	
	Eliminate Dead End Mains													
	Montana/4th Avenue (\$37000) Washington/1st Avenue (\$139000)	\$37,000 \$139,000	\$3,800 \$14,290	\$3,890 \$14,600	\$3,970 \$14,930	\$4,060 \$15,250	\$4,140 \$15,550	\$4,230 \$15,870	\$4,260 \$15,990	\$4,400 \$16,510	\$4,480 \$16,830	\$4,570 \$17,150	\$41,800 \$156,970	
	8th Avenue/Main (\$113000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8th Avenue/Illinois (\$52000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9th Avenue/Illinois (\$77000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3rd Avenue/Illinois (\$39000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
5th Avenue (\$86000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Avenue C (\$46000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3rd Avenue/Maryland (\$34000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Replace Hydrants and Gate Valves	\$16,000	\$16,450	\$16,800	\$17,190	\$17,550	\$17,900	\$18,270	\$18,400	\$19,000	\$19,380	\$19,750	\$180,690	Replace 5 per year	
Interlocal Contribution	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$40,000		
Facilities Administration	\$46,250	\$4,755	\$4,858	\$4,965	\$5,075	\$5,175	\$5,280	\$5,320	\$5,495	\$5,603	\$5,705	\$52,230		
Vehicle Replacement (Every 4 Years)	\$12,000	\$3,080	\$3,150	\$3,220	\$3,290	\$3,360	\$3,430	\$3,450	\$3,560	\$3,630	\$3,700	\$33,870		
Water Set Asides	\$1,178,550	\$141,405	\$144,358	\$147,545	\$150,618	\$153,553	\$156,635	\$157,715	\$162,775	\$165,850	\$168,940	\$1,549,393		

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS
WATER FUND													
New Chlorine Room	\$100,000		\$105,000									\$105,000	
Streaming Current Monitor	\$20,000		\$21,000									\$75,180	
Standby Generator @ WTP (175 KW)	\$70,000			\$75,180									
Standby Generator @ Raw Water Pump Station (150 kw)	\$60,000			\$64,440								\$64,440	
Raw Water Inlet and Pump Station Improvements (\$9,500,000)	\$579,500		\$57,060	\$57,060	\$57,060	\$57,060	\$57,060	\$57,060	\$57,060	\$57,060	\$57,060	\$519,540	\$5,594,040
Water Reservoir (South) Paint Exterior	\$95,000								\$112,860			\$112,860	
Eliminate Dead End Mains													
Montana/4th Avenue (\$37000)	\$37,000							\$42,550				\$42,550	
Washington/1st Avenue (\$139000)	\$139,000							\$159,850				\$159,850	
8th Avenue/Main (\$113000)	\$0							\$0			\$0	\$0	
8th Avenue/Illinois (\$52000)	\$0							\$0			\$0	\$0	
9th Avenue/Illinois (\$77000)	\$0							\$0			\$0	\$0	
3rd Avenue/Illinois (\$39000)	\$0							\$0			\$0	\$0	
5th Avenue (\$86000)	\$0							\$0			\$0	\$0	
Avenue C (\$46000)	\$0							\$0			\$0	\$0	
3rd Avenue/Maryland (\$34000)	\$0							\$0			\$0	\$0	
Replace Hydrants and Gate Valves	\$16,000					\$85,890					\$94,800	\$180,690	
Interlocal Contribution	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$40,000	
Facilities Administration	\$46,250	\$4,755	\$4,858	\$4,965	\$5,075	\$5,175	\$5,280	\$5,320	\$5,495	\$5,603	\$5,705	\$52,230	
Vehicle Replacement (Every 4 Years)	\$12,000				\$12,740				\$13,800			\$26,540	
Water Expenditures for CIP	\$1,178,550	\$8,755	\$191,918	\$205,645	\$78,875	\$152,125	\$66,340	\$268,780	\$193,215	\$66,663	\$161,565	\$1,372,880	
Annual Running Balance		\$132,650	\$85,090	\$26,990	\$98,733	\$100,160	\$190,455	\$79,390	\$48,950	\$148,138	\$156,513		
Annual Money Available	\$133,110	\$136,837	\$139,766	\$142,960	\$146,022	\$148,950	\$152,012	\$153,077	\$158,135	\$161,196	\$164,258	\$1,503,211	
Annual Shortfall / Surplus		-\$4,568	-\$4,592	-\$4,585	-\$4,596	-\$4,602	-\$4,623	-\$4,639	-\$4,640	-\$4,654	-\$4,682	-\$46,181	

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS
SEWER FUND	Wastewater Treatment Facility Upgrade	\$770,000	\$39,600	\$40,425	\$41,350	\$42,235	\$43,000	\$43,965	\$44,275	\$45,740	\$46,625	\$47,910	\$404,785 2004-2012 Sewer Fund
	SEWERLINE REPLACEMENT (\$880,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 2004-2012 Sewer Fund
	Interlocal Contribution	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000	\$90,000
	Vehicle Replacement (Every 4 Years)	\$12,000	\$3,080	\$3,150	\$3,220	\$3,290	\$3,360	\$3,430	\$3,450	\$3,560	\$3,630	\$3,700	\$33,870
	Facilities Administration	\$46,250	\$4,755	\$4,858	\$4,965	\$5,075	\$5,175	\$5,280	\$5,320	\$5,495	\$5,603	\$5,705	\$52,230
SEWER FUND	Sewer Set Asides	\$837,250	\$56,415	\$57,433	\$58,535	\$59,600	\$60,615	\$61,675	\$62,045	\$63,795	\$64,858	\$65,915	\$610,885
	Wastewater Treatment Facility Upgrade	\$770,000			\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$220,000 2004-2012 Sewer Fund
	SEWERLINE REPLACEMENT (\$880,000)	\$0			\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000
	Interlocal Contribution	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000
	Vehicle Replacement (Every 4 Years)	\$12,000	\$4,755	\$4,858	\$4,965	\$5,075	\$5,175	\$5,280	\$5,320	\$5,495	\$5,603	\$5,705	\$26,540
SEWER FUND	Facilities Administration	\$46,250	\$4,755	\$4,858	\$4,965	\$5,075	\$5,175	\$5,280	\$5,320	\$5,495	\$5,603	\$5,705	\$52,230
	Sewer Fund Expenditures	\$837,250	\$13,755	\$13,858	\$13,965	\$14,075	\$14,175	\$14,280	\$14,320	\$14,495	\$14,603	\$14,705	\$488,770
	Annual Running Balance		\$42,660	\$86,235	\$90,805	\$83,590	\$90,030	\$97,425	\$105,150	\$100,650	\$110,905	\$122,115	\$929,565
	Annual Money Available	\$75,000	\$77,100	\$78,750	\$80,550	\$82,275	\$83,925	\$85,650	\$86,250	\$89,100	\$90,825	\$92,550	\$846,975
	Annual Shortfall / Surplus		\$20,685	\$21,318	\$22,015	\$22,675	\$23,310	\$23,975	\$24,205	\$25,305	\$25,968	\$26,635	\$236,090

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS
SOLID WASTE FUND													
Vehicle Replacement (every 4 years)	\$48,000	\$12,340	\$12,600	\$12,890	\$13,160	\$13,430	\$13,700	\$13,800	\$14,260	\$14,530	\$14,810	\$135,520	
Inter-local contribution	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	
Facilities Administration	\$18,500	\$1,902	\$1,943	\$1,986	\$2,030	\$2,070	\$2,112	\$2,128	\$2,198	\$2,241	\$2,282	\$20,892	
Solid Waste Set Asides	\$67,500	\$15,242	\$15,543	\$15,876	\$16,190	\$16,500	\$16,812	\$16,928	\$17,458	\$17,771	\$18,092	\$166,412	
Vehicle Replacement (every 4 years) <i>Already Set Aside</i>	\$48,000 <i>\$48,000</i>		\$50,400				\$54,816					\$164,448	
Inter-local contribution	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	
Facilities Administration	\$18,500	\$1,902	\$1,943	\$1,986	\$2,030	\$2,070	\$2,112	\$2,128	\$2,198	\$2,241	\$2,282	\$20,892	
Solid Waste Expenditures	\$67,500	\$2,902	\$53,343	\$2,986	\$3,030	\$3,070	\$57,928	\$3,128	\$3,198	\$3,241	\$62,514	\$195,340	
Annual Running Balance		\$44,340	\$6,540	\$19,430	\$32,590	\$46,020	\$4,904	\$18,704	\$32,964	\$47,494	\$3,072	\$256,058	
Annual Money Available		\$16,448	\$16,800	\$17,184	\$17,552	\$17,904	\$18,272	\$18,400	\$19,008	\$19,376	\$19,744	\$180,688	
Annual Shortfall / Surplus		\$1,206	\$1,257	\$1,308	\$1,362	\$1,404	\$1,460	\$1,472	\$1,550	\$1,605	\$1,652	\$14,276	

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS
FACILITIES ADMIN SET ASIDES													
Front End Loader	\$100,000	\$10,280	\$10,500	\$10,740	\$10,970	\$11,190	\$11,420	\$11,500	\$11,880	\$12,110	\$12,340	\$112,930	
Shop Addition	\$10,000	\$1,030	\$1,050	\$1,070	\$1,100	\$1,120	\$1,140	\$1,150	\$1,190	\$1,210	\$1,230	\$11,290	
Air Compressor	\$15,000	\$1,540	\$1,580	\$1,610	\$1,650	\$1,680	\$1,710	\$1,730	\$1,780	\$1,820	\$1,850	\$16,950	
Office Cap. Outlay	\$60,000	\$6,170	\$6,300	\$6,440	\$6,580	\$6,710	\$6,850	\$6,900	\$7,130	\$7,270	\$7,400	\$67,750	
Facilities Admin Set Asides	\$185,000	\$19,020	\$19,430	\$19,860	\$20,300	\$20,700	\$21,120	\$21,280	\$21,980	\$22,410	\$22,820	\$208,920	
Facilities Administration													
Front End Loader	\$100,000											\$112,930	
Shop Addition	\$10,000		\$10,500									\$10,500	
Air Compressor	\$15,000											\$16,455	
Office Cap. Outlay	\$60,000	\$6,168	\$6,300	\$6,444	\$6,582	\$6,714	\$6,852	\$6,900	\$7,128	\$7,266	\$7,404	\$67,758	
Facilities Administration Expenditures	\$185,000	\$6,168	\$16,800	\$6,444	\$23,037	\$6,714	\$6,852	\$6,900	\$7,128	\$7,266	\$120,334	\$207,643	
Annual Running Balance		\$12,852	\$15,482	\$28,898	\$26,161	\$40,147	\$54,416	\$68,796	\$83,647	\$98,791	\$1,277	\$430,465	

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS
GENERAL FUND													
Law Enforcement													
Police Car Replacement (Every 2 Years)	\$26,300	\$13,520	\$13,810	\$14,120	\$14,430	\$14,710	\$15,020	\$15,120	\$15,620	\$15,920	\$16,230	\$148,500	
Law Enforcement Set Aside	\$26,300	\$13,520	\$13,810	\$14,120	\$14,430	\$14,710	\$15,020	\$15,120	\$15,620	\$15,920	\$16,230	\$148,500	
Fire Protection													
Air Compressor	\$5,000	\$510	\$530	\$540	\$550	\$560	\$570	\$580	\$590	\$610	\$620	\$5,660	
Fire Truck (\$130000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fire Station Sprinklers	\$15,000	\$1,540	\$1,580	\$1,610	\$1,650	\$1,680	\$1,710	\$1,730	\$1,780	\$1,820	\$1,850	\$16,950	
Fire Protection Set Aside	\$20,000	\$2,050	\$2,110	\$2,150	\$2,200	\$2,240	\$2,280	\$2,310	\$2,370	\$2,430	\$2,470	\$22,610	
Roads and Streets													
Grader (\$150,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,810	\$14,810	
Sweeper	\$120,000	\$12,340	\$12,600	\$12,890	\$13,160	\$13,430	\$13,700	\$13,800	\$14,260	\$14,530	\$14,810	\$135,520	
Chips & Oil	\$300,000	\$30,840	\$31,500	\$32,220	\$32,910	\$33,570	\$34,260	\$34,500	\$35,640	\$36,330	\$37,020	\$338,790	chipseal 117 st. per yr
Overlay Dakota (\$75,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reconstruct Front (\$1,020,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Inter-Local Contribution	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$60,000	
Roads and Streets Set Aside	\$420,000	\$49,180	\$50,100	\$51,110	\$52,070	\$53,070	\$53,990	\$54,390	\$55,900	\$56,860	\$57,640	\$549,120	
Library Services													
Air Conditioner	\$5,000	\$510	\$530	\$540	\$550	\$560	\$570	\$580	\$590	\$610	\$620	\$5,660	
Carpet Library	\$27,000	\$2,780	\$2,840	\$2,900	\$2,960	\$3,020	\$3,080	\$3,110	\$3,210	\$3,270	\$3,330	\$30,500	
Paint Library	\$10,000	\$1,030	\$1,050	\$1,070	\$1,100	\$1,120	\$1,140	\$1,150	\$1,190	\$1,210	\$1,230	\$11,290	
Library Services Set Aside	\$42,000	\$4,320	\$4,420	\$4,510	\$4,610	\$4,700	\$4,790	\$4,840	\$4,960	\$5,060	\$5,160	\$47,450	
Parks													
Jaycee Park Sprinklers	\$16,000	\$1,640	\$1,680	\$1,720	\$1,760	\$1,790	\$1,830	\$1,840	\$1,900	\$1,940	\$1,970	\$18,070	
Kell Park Sprinklers	\$17,000	\$1,750	\$1,790	\$1,830	\$1,860	\$1,900	\$1,940	\$1,960	\$2,020	\$2,060	\$2,100	\$19,210	
Legion Park Sprinklers	\$74,000	\$7,610	\$7,770	\$7,950	\$8,120	\$8,280	\$8,450	\$8,510	\$8,790	\$8,960	\$9,130	\$83,570	
Pool Park Sprinklers	\$39,000	\$4,010	\$4,100	\$4,190	\$4,280	\$4,360	\$4,450	\$4,490	\$4,630	\$4,720	\$4,810	\$44,040	
Park Set Aside	\$146,000	\$15,010	\$15,340	\$15,660	\$16,020	\$16,330	\$16,670	\$16,890	\$17,340	\$17,690	\$18,010	\$154,690	
Facilities Administration Set Aside	\$74,000	\$7,600	\$7,772	\$7,944	\$8,120	\$8,280	\$8,448	\$8,512	\$8,792	\$8,964	\$9,130	\$83,608	
General Fund Set Aside Totals	\$734,300	\$91,688	\$93,552	\$95,524	\$97,450	\$99,260	\$101,168	\$101,882	\$105,012	\$106,944	\$123,658	\$1,016,138	

TABLE 8-1
City of Conrad Capital Improvements Plan

DESCRIPTION	ESTIMATED COST	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	TOTAL	COMMENTS
GENERAL FUND	Law Enforcement Police Car Replacement (Every 2 Years)	\$26,300		\$27,330	\$28,550		\$29,730		\$30,740		\$32,150	\$174,800	
	Law Enforcement Expenditures	\$26,300	\$0	\$27,330	\$0	\$0	\$29,730	\$0	\$30,740	\$0	\$32,150	\$174,800	
	Fire Protection												
	Air Compressor	\$5,000		\$5,250								\$5,250	
	Fire Truck	\$0					\$0					\$0	
	Fire Station Sprinklers	\$15,000										\$16,455	
	Fire Protection Expenditures	\$20,000	\$0	\$5,250	\$0	\$16,455	\$0	\$0	\$0	\$0	\$0	\$21,705	
	Roads and Streets												
	Grader (\$150,000)	\$0										\$0	
	Sweeper (\$120,000)	\$120,000			\$128,880							\$0	
	Chips and Oil	\$300,000	\$30,840	\$31,500	\$32,220	\$32,910	\$33,570	\$34,260	\$34,500	\$35,640	\$36,330	\$37,020	\$128,880
	Overlay Dakota (\$75,000)	\$0										\$338,790	
GENERAL FUND	Reconstruct Front (\$1,020,000)	\$0											
	Inter-Local Contribution	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$60,000	
	Roads and Streets Expenditures	\$420,000	\$36,840	\$37,500	\$137,100	\$38,910	\$39,570	\$40,260	\$40,500	\$41,640	\$42,330	\$527,670	
	Library Services												
	Air Conditioner	\$5,000	\$5,000									\$5,000	
	Carpet Library	\$27,000			\$28,998							\$28,998	
	Paint Library	\$10,000				\$11,190						\$11,190	
	Library Services Expenditures	\$42,000	\$5,000	\$0	\$28,998	\$11,190	\$0	\$0	\$0	\$0	\$0	\$45,186	
	Parks												
	Jaycee Park Sprinklers	\$16,000					\$18,272					\$18,272	
	Keil Park Sprinklers	\$17,000						\$19,550				\$19,550	
GENERAL FUND	Legion Park Sprinklers	\$74,000										\$87,912	
	Pool Park Sprinklers	\$39,000										\$47,229	
	Parks Expenditures	\$146,000	\$0	\$0	\$0	\$0	\$18,272	\$19,550	\$0	\$0	\$0	\$172,963	
	Facilities Administration Expenditures	\$74,000	\$7,808	\$7,772	\$7,944	\$8,120	\$8,280	\$8,448	\$8,512	\$8,684	\$8,848	\$83,508	
	General Fund Total Expenditures	\$734,300	\$115,840	\$77,688	\$203,870	\$91,859	\$96,542	\$68,498	\$168,804	\$98,351	\$84,134	\$1,025,894	
	Annual Running Balance		\$35,848	\$51,712	-\$56,834	-\$51,048	-\$10,568	-\$6,037	\$27,347	-\$27,852	\$11,672	-\$62,095	
	Annual Money Available	\$120,750	\$124,131	\$126,788	\$129,686	\$132,463	\$135,119	\$137,897	\$138,863	\$143,451	\$149,006	\$1,363,630	
	Annual Shortfall / Surplus		\$32,443	\$33,236	\$34,162	\$35,013	\$35,856	\$36,729	\$36,981	\$38,439	\$25,348	\$347,492	
	Total CIP Set Asides	\$2,817,600	\$304,750	\$310,885	\$317,480	\$323,858	\$329,928	\$336,290	\$349,040	\$355,423	\$376,605	\$3,342,828	
	Total CIP Expenditures	\$2,817,600	\$141,252	\$336,806	\$466,466	\$240,579	\$268,250	\$275,090	\$433,512	\$222,857	\$362,918	\$3,142,456	
	Total CIP Running Balances	\$0	\$163,498	\$137,577	-\$11,409	\$71,870	\$133,547	\$194,747	\$138,591	\$54,119	\$200,372		

CHAPTER 9 FINANCIAL REQUIREMENTS AND FUNDING

This chapter summarizes the revenues and expenditures of the City of Conrad, and provides information on possible funding sources for future projects identified in this Conrad Capital Improvements Plan.

REVENUES

The City of Conrad receives income from several different sources, including taxes, service charges, water, wastewater, and solid waste user fees, etc.

Revenue for the City is broken down into four funds: Water, Sewer, Solid Waste, and General. The Water Fund consists of the money collected by the City for treating and distributing water to the residents and businesses in Conrad. The Sewer Fund consists of the money received for collecting and treating wastewater from each of the residents and businesses in Conrad. The Solid Waste Funds consist of money from collection of garbage throughout the City. The General Fund encompasses all other City revenue not from the three above-mentioned sources. This includes taxes, insurance, service fees, fines, loans, licensing, swimming pool, investments, etc. Table 9-1 below presents the overall total revenue by category for the past 4 years (fiscal year is July thru June).

TABLE 9-1 CONRAD REVENUES				
Revenue Source	1998	1999	2000	2001
Water Fund	\$538,583	\$543,954	\$505,770	\$519,105
Sewer Fund	\$147,720	\$165,710	\$211,817	\$222,927
Solid Waste Fund	\$109,459	\$120,042	\$115,543	\$116,080
General Fund ^{a, b}	\$3,072,774	\$1,481,481	\$1,283,738	\$1,324,887
Total	\$3,868,536	\$2,311,187	\$2,116,868	\$2,182,999
<p>a. General Fund includes all city income not part of water, sewer, or solid waste. This includes taxes, insurance, service fees, pool use, fines, etc.</p> <p>b. The difference between revenues to the General Fund between 1998 and 1999 is due to the revenue from a SID.</p>				

EXPENDITURES

Expenditures for the City are broken down into the same four funds as revenue: Water, Sewer, Solid Waste, and General. Expenditures from the Water and Sewer Fund consist of money spent by the City for operating and maintaining the water and wastewater facilities. Expenditures from the Solid Waste Fund consist of money to provide solid waste collection system throughout the City. The General Fund encompasses all other City expenses not from the above-mentioned three sources. This includes the cost to maintain parks, streets, library, etc. Table 9-2 below presents the overall total expenditures by category for the past 4 years (fiscal year is July thru June).

TABLE 9-2 CONRAD EXPENDITURES				
Expenditures Source	1998	1999	2000	2001
Water Fund	\$276,863	\$305,940	\$584,509	\$747,657
Sewer Fund	\$87,549	\$114,307	\$185,971	\$828,402
Solid Waste Fund	\$97,964	\$110,016	\$152,084	\$125,076
General Fund ^a	\$947,457	\$2,896,928	\$1,421,324	\$1,028,619
Total	\$1,409,833	\$3,427,191	\$2,343,888	\$2,729,754
a. General Fund includes all city expenditures not part of water, sewer, or solid waste.				

POTENTIAL FUNDING SOURCES

A Capital Improvements Plan must not only look at revenue and expenditures, but also at other potential funding sources. These sources must provide adequate revenue to meet both on-going operation and maintenance procedures, as well as provide a new source for the capital improvements program needs.

Service Charges

The most common source of revenue to meet operating and debt service costs of utility systems is by monthly service charges to all users. The service rates should be established to reflect charges to various customer classes or users according to the benefits received.

Grant and Loan Funding

Grants and loans are the primary source of funding for large capital projects on public works systems. Grants provide direct allocation of funds. Loans must be repaid, but usually at low interest rates. These programs typically require a local matching share. Some programs have strict requirements (i.e. administrative, design standards, pay scales) that can significantly increase project costs.

Some programs that are currently available for improvements include:

- Community Development Block Grant (CDBG)
- Rural Development / Rural Utilities Service (RD)
- State Revolving Fund (SRF)
- Treasure State Endowment Program (TSEP)
- Department of Natural Resources (DNRC)
- Intercap Loan Program

Community Development Block Grant (CDBG). The CDBG program is a federally funded grant program designed to help communities with their community development needs. All projects must be designed to principally benefit low and moderate-income families. The program was established by the Federal Housing and Community Development Act of 1974 (42 USC 5301) and is administered nationally by the U.S. Department of Housing and Urban Development (HUD). There are four funding categories for CDBG: housing and community revitalization, public facilities, planning grants, and economic development.

CDBG is broken into two levels of funding, based on city size. Conrad would be in the second category, which is for cities less than 50,000 people. There is a \$500,000 maximum cap on this funding, and it must be matched by 25% local funds. Applications are accepted in the spring of each year.

Rural Development / Rural Utilities Service (RD). The United States Department of Agriculture (USDA) provides RD loans and grants. Eligible projects include water, wastewater, and solid waste systems in need of construction, repair, or expansion. A priority is given to communities with populations under 5,500 people, sites that contain a health risk, and facility expansion. Applications are accepted at any time on a continuous cycle. A special requirement, which would apply to Conrad, is that communities with populations less than 10,000 persons must be unable to finance the project by other means.

There is no maximum amount for loans, however, a 75% maximum is imposed on grants. Typical repayment length for a loan is 40 years, or the maximum life of the facility.

State Revolving Fund (SRF). The Montana Legislature established two SRF Loan Programs – one for water pollution control projects (wastewater and non-point source projects) and the other for drinking water projects. Both programs provide at or below market interest rate loans to eligible Montana entities. These programs are funded with grants from the EPA and are matched by 20% with State issued bonds. These two sources of funds create the SRF from which loans are made and borrower repayments revolve to provide loans for future infrastructure projects.

There is no cap on SRF money received, however the city must demonstrate an ability to repay the loan. Typically the loans have a 20 year repayment cycle, but the loan repayment period cannot exceed the design life of the facility. The interest rate is currently 4%. There is no local match requirement.

Treasure State Endowment Program (TSEP). The Treasure State Endowment Program (TSEP) is a State-funded program designed to assist local governments in financing public facilities projects, preliminary engineering reports, and emergency needs with grants and loans. It was authorized by Montana voters with the passage of Legislative Referendum 110 and is mandated primarily in Title 90, Chapter 6, part 7, MCA.

TSEP has a maximum grant of \$500,000, and generally has a 50% match, which can include other grants. Preliminary engineering reports have a maximum grant amount of \$15,000 and require a dollar for dollar match. The typical repayment period for TSEP loans is 20 years for construction services, and 5 years for preliminary engineering reports. Applications are accepted biennially, in the spring of the year preceding a legislative session.

Department of Natural Resources (DNRC). The DNRC provides several different grant and loan funding programs, including the Renewable Resource Grant and Loan Program (RRGL), project planning grants, and emergency grants. The RRGL Program funds the conservation, management, development and preservation of Montana's renewable resources. It is administered by the Montana Department of Natural Resources and Conservation and provides both grant and loan funding for public facility and other renewable resource projects. Public facility projects including drinking water, wastewater and solid waste development and improvement projects have received funding through this program.

RRGL provides grants up to \$100,000, with no local match required. There are five ranking criteria: financial feasibility, adverse environmental impact, project management and implementation, technical merit, and public benefits. Applications are due on May 15 of each even numbered year. The same rules apply to the loan program, however there is no maximum amount allowed.

Project planning grants are also available from the DNRC. These have a maximum dollar figure of \$10,000, and must have a dollar for dollar match from the community.

DNRC has an emergency grant program as well. There is no match required, and the maximum amount is \$30,000. These are available for emergency resource projects that would result in property damage or legal liability to the community if delayed until legislative approval.

InterCap Loan Program. The Montana Board of Investments administers the InterCap loan program. The Board sells bonds and lends the proceeds to eligible governments for a variety of projects. Loan terms range from one to ten years, and short-term loans to finance cash flow deficits or bridge financing is also available.

Projects that are eligible for Intecap loans include: new and used equipment of all kinds; interim financing for construction or cash flow loans; new and used vehicles of all kinds; preliminary engineering costs and grant writing; and real property improvements (e.g., boilers, roofs, elevators). Projects are able to receive 100% financing, with no equity or matching money required.

Applications are accepted on a continuous cycle throughout the year. For requests over \$200,000, the full board must review the application. There are no specific ranking criteria. The board, or member, will review the application based on the financial profile and repayment ability of the community. There are no limits on the amount of money that can be requested. Typically the loans have a term of 10 years.

Revenue Bonds

Government grants and loans are typically insufficient to meet all costs of facilities. Revenue bonds are a means to generate capital by incurring debt to be paid solely from revenue derived from the utility funds.

Revenue bonds provide a good option for financing capital improvements. There is generally a high demand for municipal bonds due to the low risk nature of the investment. The bonds also offer a tax-deductible investment opportunity for investors in a high income tax state like Montana. The current bond market offers relatively low interest shares.

System Development Fees

System development fees are assessed to any new development to help defray the cost of excess system capacity. The charge represents the proportionate share of the “general benefit” of facilities that are required by new development. Revenues collected from impact fees are used to retire debt encountered in construction of the facilities.

Other Sources

A mix of funding sources is often required to meet a City’s operational, capital, and debt reductions needs. The above-mentioned sections identify sources commonly directly associated with a public utility. Other sources of funding are used to support capital improvements. Not all of the options below are immediately available or useable by the City of Conrad, but may become so in the future.

General Fund. Use of this source has progressively decreased for two primary reasons. One, it is inadequate to fund all programs, and two, it does not fit a user-charge concept.

Miscellaneous Charges. Communities have become more aggressive in recovering the “cost of service.” For example, charging \$50-\$100 for water shut off or turn on. Other examples include late charge assessments, connection fees, street opening fees, permit fees, and special use charges.

Local Option Tax. West Yellowstone, Big Sky Resort, Red Lodge, and Whitefish are among communities that have “resort taxes.” They have proven to be a significant source of revenue.

Regionalization. This is viewed as a way to spread capital and other fixed costs to a broader customer base. This option represents as increasing trend toward improving efficiency. Examples of this in Conrad include the Interlocal Agreement between Conrad, Cut Bank, and Shelby. Equipment is purchased and shared between the three communities, thus reducing the overall equipment cost to each city.

Special Assessments (SID's). These are typically reserved for extensions of public works systems. The use of SID's has decreased as developers have been pressured to install extensions.

Privatization. This option is growing as local governments face increasing budget, regulatory, personnel, training, and other challenges. Private investors have shown an increasing interest in owning, operating, or funding public systems or facilities.

Each of the above are non-traditional approaches to gain financing or improve the revenue stream. Creating other fee systems (i.e. storm drain, street) or selling assets have also been used to generate capital funds. If any of these are desired alternatives by public agencies, they are typically the subject of a separate study. Their consideration is impacted by social, political, economic, and other factors not directly associated with the utility.

PUBLIC INVOLVEMENT

A public hearing on the City of Conrad Capital Improvement Plan was held on January 24, 2002 to gather input from citizens. The meeting was held at 7:00 p.m. in Norley Hall. Documentation of this meeting is contained in Appendix B. The CIP was also discussed at a public meeting held October 24, 2001.

APPENDIX A

STREET NAME	LENGTH FEET	WIDTH FEET	SQUARE FOOTAGE	SQUARE YARDAGE	ST TOTAL SQ. YDS	SID
IDAHO ST.	660.0	33.00	21,780.00	2,420.00	2,420.00	68
KANSAS ST.	950.0	33.00	31,350.00	3,483.33	3,483.33	68
IOWA ST.	1,240.0	39.00	48,360.00	5,373.33	5,373.33	68
FIRST AVE. S.	800.0	33.00	26,400.00	2,933.33	2,933.33	68
FIRST AVE. N.	820.0	33.00	27,060.00	3,006.67	3,006.67	68
OHIO ST.	450.0	18.50	8,325.00	925.00	925.00	68
INDIANA ST.	450.0	37.00	16,650.00	1,850.00	1,850.00	68
COLORADO ST.	950.0	41.00	38,950.00	4,327.78	4,327.78	68
KANSAS ST.	440.0	41.00	18,040.00	2,004.44	2,004.44	68
KANSAS ST.	625.0	37.00	23,125.00	2,569.44	2,569.44	68
MT. VIEW	134.0		14,102.64	1,566.96		68
MT. VIEW	475.0	41.00	19,475.00	2,163.89	3,730.85	68
IOWA ST.	1,160.0	41.00	47,560.00	5,284.44		68
IOWA ST.	1,430.0	41.00	58,630.00	6,514.44		68
IOWA ST.	330.0	41.00	13,530.00	1,503.33	13,302.22	68
MICHIGAN ST.	1,280.0	37.00	47,360.00	5,262.22		68
MICHIGAN ST.	920.0	40.30	37,076.00	4,119.56		68
MICHIGAN ST.	350.0	37.00	12,950.00	1,438.89		68
MICHIGAN ST.	480.0	40.00	19,200.00	2,133.33	12,954.00	68
ILLINOIS ST.	250.0	15.00	3,750.00	416.67		68
ILLINOIS ST.	500.0	35.50	17,750.00	1,972.22		68
ILLINOIS ST.	500.0	30.00	15,000.00	1,666.67		68
ILLINOIS ST.	960.0	30.00	28,800.00	3,200.00		68
ILLINOIS ST.	320.0	49.00	15,680.00	1,742.22		68
ILLINOIS ST.	160.0	30.00	4,800.00	533.33	9,531.11	68
WISCONSIN ST.	1,500.0	30.00	45,000.00	5,000.00		68
WISCONSIN ST.	500.0	40.00	20,000.00	2,222.22		68
WISCONSIN ST.	960.0	30.00	28,800.00	3,200.00		68
WISCONSIN ST.	1,250.0	37.00	46,250.00	5,138.89		68
WISCONSIN ST.	415.0	39.00	16,185.00	1,798.33	17,359.44	68
DELAWARE ST.	1,450.0	30.00	43,500.00	4,833.33		68
DELAWARE ST.	1,445.0	30.00	43,350.00	4,816.67		68
DELAWARE ST.	995.0	41.00	40,795.00	4,532.78		68
DELAWARE ST.	500.0	30.00	15,000.00	1,666.67		68
DELAWARE ST.	430.0	37.00	15,910.00	1,767.78	17,617.22	68

MARYLAND ST.	1,450.0	30.00	43,500.00	4,833.33		68
MARYLAND ST.	1,450.0	30.00	43,500.00	4,833.33		68
MARYLAND ST.	500.0	41.00	20,500.00	2,277.78		68
MARYLAND ST.	1,000.0	30.00	30,000.00	3,333.33		68
MARYLAND ST.	580.0	37.00	21,460.00	2,384.44	17,662.22	68
VIRGINIA ST.	895.0	41.00	36,695.00	4,077.22		68
VIRGINIA ST.	440.0	33.00	14,520.00	1,613.33		68
VIRGINIA ST.	960.0	41.00	39,360.00	4,373.33	4,480.00	68
VIRGINIA ST.	1,275.0	30.00	38,250.00	4,250.00		68
VIRGINIA ST.	160.0	37.00	5,920.00	657.78		68
VIRGINIA ST.	500.0	39.00	19,500.00	2,166.67		68
VIRGINIA ST.	250.0	30.00	7,500.00	833.33	17,971.67	68
8TH AVE. S.	680.0	18.50	12,580.00	1,397.78		68
8TH AVE. S.	600.0	33.00	19,800.00	2,200.00	3,597.78	68
7TH AVE. S.	1,200.0	41.00	49,200.00	5,466.67		68
7TH AVE. S.	900.0	39.00	35,100.00	3,900.00	9,366.67	68
6TH AVE. S.	300.0	43.70	13,110.00	1,456.67		68
6TH AVE. S.	600.0	39.70	23,820.00	2,646.67		68
6TH AVE. S.	300.0	57.00	17,100.00	1,900.00		68
6TH AVE. S.	300.0	39.00	11,700.00	1,300.00		68
6TH AVE. S.	600.0	35.00	21,000.00	2,333.33	9,636.67	68
5TH AVE. S.	300.0	37.00	11,100.00	1,233.33		68
5TH AVE. S.	300.0	57.00	17,100.00	1,900.00		68
5TH AVE. S.	160.0	32.00	5,120.00	568.89		68
5TH AVE. S.	1,040.0	37.00	38,480.00	4,275.56		68
5TH AVE. S.	900.0	32.00	28,800.00	3,200.00		68
5TH AVE. S.	600.0	39.00	23,400.00	2,600.00	13,777.78	68
3RD AVE. S.	900.0	36.00	32,400.00	3,600.00		68
3RD AVE. S.	300.0	57.00	17,100.00	1,900.00		68
3RD AVE. S.	600.0	37.00	22,200.00	2,466.67	7,966.67	68
2ND AVE. S.	600.0	33.00	19,800.00	2,200.00		68
2ND AVE. S.	300.0	37.00	11,100.00	1,233.33		68
2ND AVE. S.	300.0	51.00	15,300.00	1,700.00		68
2ND AVE. S.	680.0	41.00	27,880.00	3,097.78	8,231.11	68
1ST AVE. S.	900.0	33.00	29,700.00	3,300.00		68
1ST AVE. S.	300.0	37.00	11,100.00	1,233.33	4,533.33	68
CENTRAL AVE.	300.0	49.00	14,700.00	1,633.33		68

CENTRAL AVE.	900.0	41.00	36,900.00	4,100.00	5,733.33	68
1ST AVE. N.	300.0	45.50	13,650.00	1,516.67		68
1ST AVE. N.	300.0	37.00	11,100.00	1,233.33		68
1ST AVE. N.	600.0	33.00	19,800.00	2,200.00	4,950.00	68
2ND AVE. N.	750.0	41.00	30,750.00	3,416.67		68
2ND AVE. N.	570.0	41.00	23,370.00	2,596.67	6,013.33	68
SUNSET BLVD.	1,330.0	41.00	54,530.00	6,058.89		68
SUNSET BLVD.	1,200.0	20.50	24,600.00	2,733.33		68
SUNSET BLVD.	2,350.0	41.00	96,350.00	10,705.56	19,497.78	68
5TH AVE. S	400.0	15.00	6,000.00	666.67		68
8TH AVE S.	600.0	15.00	9,000.00	1,000.00	1,666.67	68
FRONT STREET	2,100.0	40.00	84,000.00	9,333.33	9,333.33	
FRONT TO MAIN	10 ST @ 420'	32.00	134,400.00	14,933.33	14,933.33	
EAST SIDE						
WASHINGTON ST	2,400.0	28.00	67,200.00	7,466.67		69
MINNESOTA ST	2,350.0	28.00	65,800.00	7,311.11		69
3RD AVE E.	110.0	28.00	3,080.00	342.22		69
1ST AVE SE	1,300.0	28.00	36,400.00	4,044.44		69
CENTRAL	1,300.0	28.00	36,400.00	4,044.44		69
1ST AVE NE	500.0	28.00	14,000.00	1,555.56		69
ALASKA ST	1,000.0	28.00	28,000.00	3,111.11		69
CALIFORNIA	750.0	28.00	21,000.00	2,333.33		69
DAKOTA	500.0	28.00	14,000.00	1,555.56		66
DAKOTA	3,000.0	40.00	120,000.00	13,333.33		66
4TH AVE	550.0	40.00	22,000.00	2,444.44		69
INDUST PK						
8TH AVE N.	900.0	40.00	36,000.00	4,000.00	4,000.00	
BLUE SKY VILLIAS						
AVE C	1,224.0	34.00	41,616.00	4,624.00		
WIN. N CANAL	590.0	39.00	23,010.00	2,556.67		
WIS S. CANAL	590.0	39.00	23,010.00	2,556.67		
2ND STREET	958.0	34.00	32,572.00	3,619.11		
5TH AVE	237.0	39.00	9,243.00	1,027.00		

BISMARK	718.0	33.00	23,694.00	2,632.67		
FT DRUM	634.0	32.00	20,288.00	2,254.22		
HAWTHORNE	566.0	33.00	18,678.00	2,075.33		
VIRGINIA	1,720.0	40.00	68,800.00	7,644.44		
5TH N	800.0	40.00	32,000.00	3,555.56	32,545.67	
TOTALS	83,596.0					
MILES	15.833					
SECONDARY - URBAN MDOT						
MAIN ST.	3,500.0	55.00	192,500.00	21,388.89		
MAIN ST.	3,000.0	45.00	135,000.00	15,000.00		
4TH AVE	4,250.0	50.00	212,500.00	23,611.11		
OLD 91	1,600.0	40.00	64,000.00	7,111.11		
SOLID RD	1,500.0	40.00	60,000.00	6,666.67	73,777.78	
TOTALS	13,850.0					
MILES	2.623					
GRAVEL STREETS						
FRONT	2,975.0	40.00	119,000.00	13,222.22		
AVE B	575.0	40.00	23,000.00	2,555.56		
FIRST AVE S	575.0	40.00	23,000.00	2,555.56		
AVE C	575.0	40.00	23,000.00	2,555.56		
2ND AVE S	700.0	40.00	28,000.00	3,111.11		
CALIFORNIA	800.0	40.00	32,000.00	3,555.56		
7TH AVE. N.	50.0	40.00	2,000.00	222.22		
9TH AVE N	500.0	32.00	16,000.00	1,777.78		
2ND AVE N	200.0	41.00	8,200.00	911.11		
3RD AVE N.	400.0	40.00	16,000.00	1,777.78	32,244.44	
TOTAL	6,950.0				32,244.44	
MILES	1.316					
INDUSTRIAL ST	440.0	32.00	14,080.00	1,564.44	ON-EXISTENT	
ALLEYS	42,880.0	14.00	600,320.00	66,702.22		
	8.121					

APPENDIX B

NOTICE FOR PUBLIC INFORMATION MEETING
CITY OF CONRAD

The Conrad City Council will hold a public meeting on January 24, 2002, at 7:00 p.m., in the Norley Hall, 300 North Virginia in Conrad for the purpose of presenting information about on-going Capital Improvements planning efforts. This public meeting will also cover an update on the Cities Community Transportation Enhancement Project (CTEP), the proposed HTM plant, Malt Montana project, relocation of the Conrad Water Pump Station and other projects in and around the City. Morrison-Maierle, Inc., the City's engineering consultant, will be there to help answer any questions.

The city is considering submitting applications to the Montana Department of Commerce for a Community Development Block Grant (CDBG), the Treasure State Endowment Program, the Water Development Program, and the State Revolving Funds (Water and Sewer) and other grant and loan programs to pay for needed improvements. At the public meeting everyone will be given the opportunity to express their opinions regarding the city's needs and the type of projects which should be considered. Comments may be given orally at the meeting or submitted in writing before 5:00 p.m. on February 4, 2002.

Anyone who would like more information or who wants to submit suggestions should contact Steve Ruhd, Director of Public Works, 271-5821.

Publication Date: January 17, 2002
 January 24, 2002

Public Meeting Jan. 24, 2002

Signor, Richard	4114 S. V. Hwy.
James Fowler	- Conrad
Bruce Smith	CITY -
Bill Borton	Mollison-Marene, IN.
Ralph Dunnington	CITY OF CONRAD
Garry Hall	PCC&C
Jon McClain	CONRAD
Bill Bucher	Conrad
Ken Simpson	Conrad
Andy Spurgeon	Conrad
Keith Gladstiel	Conrad - Library
Ralph T. MacCallum	EDC - PCP
Arant Johnson	3 S. Idaho, CONRAD
Raeel Petersman	2 So. Main Conrad
Herd Petersman	" " "
Sam Harris	Conrad
Ken Keif	Conrad
Darryl Buddin	Conrad
Dick Topiel	CONRAD
Keith Gladstiel	Conrad
Maurice Gladstiel	Conrad
PG Wilson	Conrad
Garret Parks	Conrad
Marcel L. Olsen	Conrad EDC-
TEP KRONEBUSCH	CONRAD PCP
Clara N. Zupel	PCP

BYRON GRUBB
Mayor

AGNES FOWLER
Finance Officer

SHANNEN ROSSMILLER
City Judge

GARY DENT
Police Chief

CITY OF CONRAD

411 1/2 SOUTH MAIN
CONRAD, MONTANA 59425

PETE HAUER

CANDY SYVERTSON

LLEW JONES

RALPH DUNAHOO

Alderman

Public Hearing Agenda

January 24, 2002

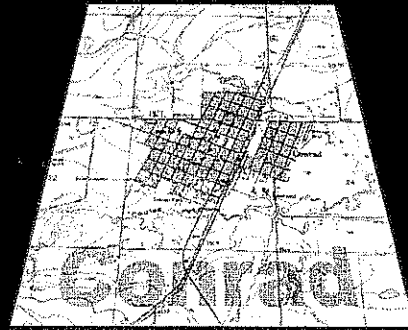
7:00	Introductions	Mayor Grubb
7:05	Capital Improvement Plan	Bill Buxton, Morrison & Maierle
7:30	Pumpstation update	Steve Ruhd
7:40	Baseball Complex	Mark Gage
7:45	Malt Montana update	Elaina Zemple
7:55	HTM Group update	Elaina Zemple
8:05	Library update	Ruth Fladstal
8:10	Museum update	Harold Olson
8:20	CTEP update	Steve Ruhd
8:25	Rest Area update	Ted Kronebusch
8:30	Pondera Arts Council	Harold Olson
8:40	Other topics	
8:50	Questions	

January 24, 2002

City of Conrad

Public Hearing

for
Capital
Improvements
Plan



Presented by
Monson-Melard, Inc.



What is a CIP?

- **A CIP is a budgeting and financial tool!**
- **A CIP looks at the "Big Picture" of community needs**
 - Realizing the strong potential growth in the area and subsequent impact on public facilities, the City of Conrad initiated the capital improvements planning process
 - CIP has been partially funded by a \$7,610 CDBG planning grant





The reasons for completing a CIP are...

- 1. To improve the effectiveness of government expenditures**
- 2. To understand and respond to citizen needs and obtain community understanding and support**
- 3. To encourage economic development and avoid public works crisis when development occurs**
- 4. To help set up a stable financial plan to:**
 - a. Meet public works needs
 - b. Demonstrate sound planning (important for funding programs)
- 5. To dedicate a "Capital Improvements Plan Fund" for paying for needed capital improvements**
- 6. To help the governing body provide direction to its own staff and consultants**



Scope of the CIP included:

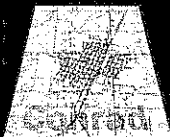
- 1. Assess current and future population**
- 2. Inventory and evaluate existing public facilities**
 - a. Water
 - b. Wastewater/Storm Water
 - c. Solid Waste
 - d. Streets
 - e. Parks
 - f. Public Buildings and Equipment
 - g. Emergency Services
- 3. Develop cost estimates**
- 4. Prioritize needs**
- 5. Identify funding sources and mechanisms**



Planning Areas Conditions - Historical

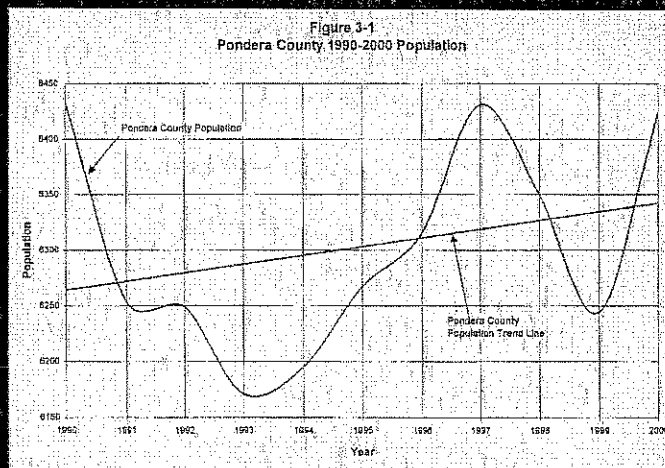
Historical Populations:

	1960	1970	1980	1990	2000
Pondera County Population	7,653	6,611	6,731	6,433	6,424
City of Conrad Population	1,665	2,770	3,074	2,897	2,753
Percent of county	21.8	41.9	45.7	45.0	42.9



Planning Areas Conditions - Historical

Figure 3-1
Pondera County 1990-2000 Population



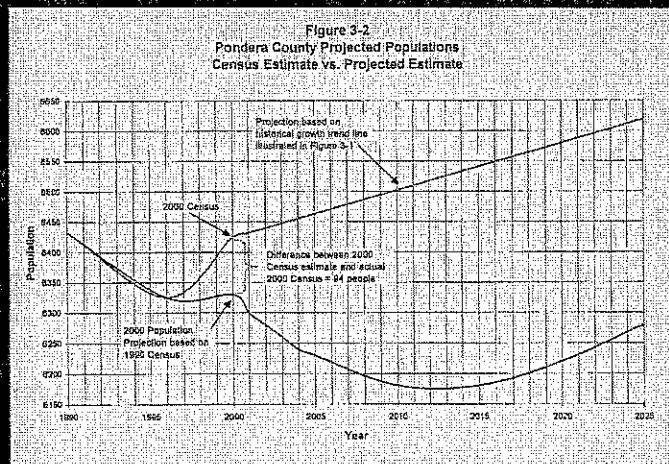


Planning Area Conditions - Future

- **Projections of future populations serve as a basis for planning, public works improvements and financial planning purposes**
- **Population projections - Low Growth Scenario**
 - a. Assumes Pondera County will continue to grow at ~0.12 percent per year
 - b. Assumes the Conrad population will comprise 44 percent of the total county population
 - c. Projections from Department of Commerce based on 1990 Census data could not be used. Projections based on 2000 Census data not available
- **Conrad low growth 2020 population projection = 2,900 people**



Planning Areas Conditions - Future





Planning Area Conditions - Future

Economic Factors Affecting Growth:

- 1. Prison facility in Shelby - Future Phases**
- 2. Malt Montana development**
- 3. HTM group development projects**
 - Hog Facility
 - Ethanol Plant
 - Plasma Arc Incinerator



Planning Area Conditions - Future

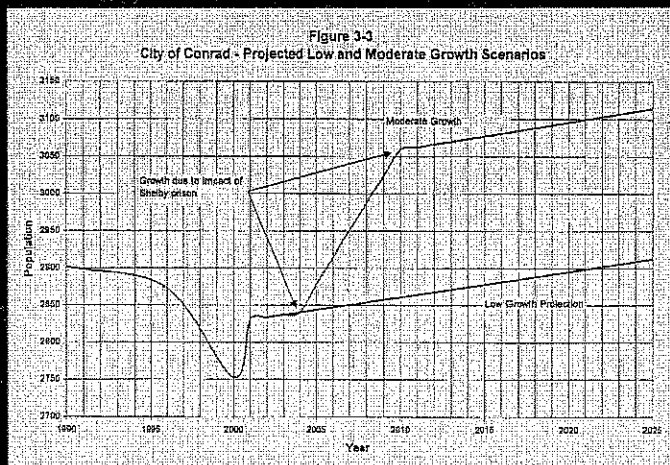
Population Projection - Moderate Growth Scenario

- Assumes construction of new prison facility in Shelby
- Assumes that 33 percent of prison facility employees and families will live in Conrad
- Assumes that for every prison employee who relocates in Conrad, the population will grow by 6 people to account for families, growth in service industries, etc.
- Assumes 34 new residents by 2005 and expanding to 198 by 2010

Conrad moderate growth 2020 population = 3,100 people



Planning Areas Conditions - Future



Planning Area Conditions - Future

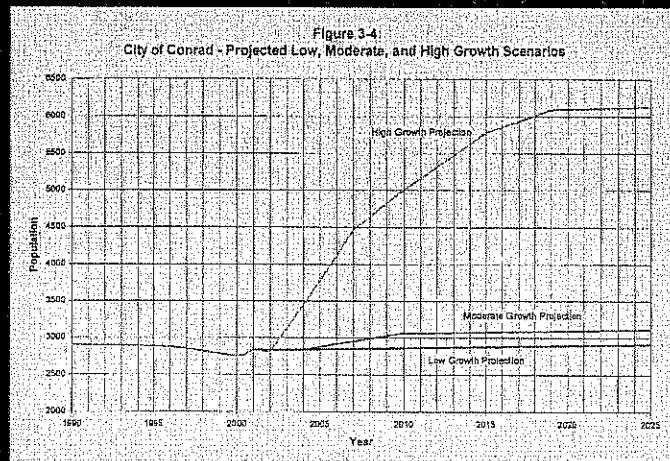
Population Projection - High Growth Scenario

- Assumes construction of HTM Group developments and Shelby prison
- HTM Group estimates that, at buildout, these developments will result in nearly 500 new jobs
- Assuming a multiplier of 6, population could increase by 3,000
 - 300 people by 2003
 - 300 people (10%) every year between 2003 and 2007
 - 150 people (5%) every year between 2008 and 2015
 - 75 people (2 1/2%) every year between 2016 and 2020

Conrad high growth 2020 population = 6,130 people



Planning Areas Conditions - Future



Needed Public Works Improvements

Water System

1. New Chlorine Room
2. Streaming Current Monitor
3. Standby generator @ WTP (175kw)
4. Standby generator @ Raw Water Pump Station (150kw)
5. Paint south reservoir
6. Eliminate dead ends
7. Replace hydrants and valves
8. Vehicle replacement



Needed Public Works Improvements

Wastewater/Storm Water Facilities

1. Sewer line replacement
2. Vehicle replacement

Solid Waste

1. Vehicle replacement



Needed Public Works Improvements

Facilities Administration set asides

1. Front End Loader
2. Shop Addition
3. Air Compressor
4. Office Capital Outlay





Needed Public Works Improvements

Law Enforcement

1. Police Car Replacement

Fire Protection

1. Air Compressor
2. Fire Truck
3. Fire Station Sprinklers



Needed Public Works Improvements

Roads and Streets

1. Grader
2. Sweeper
3. Chips and Oil
4. Overlay Dakota
5. Reconstruct Front





Needed Public Works Improvements

Library

1. Air Conditioner
2. Carpet
3. Paint

Parks

1. Sprinklers



Current Sources of Revenue for Capital Improvements

Water Fund

1. User Fees
2. Grants

Sewer Fund

1. User Fees
2. Grants

Solid Waste Fund

1. User Fees

General Fund

1. Taxes
2. Service Fees
3. Fines
4. Loans
5. Licensing
6. Swimming Pool





Potential Funding Sources

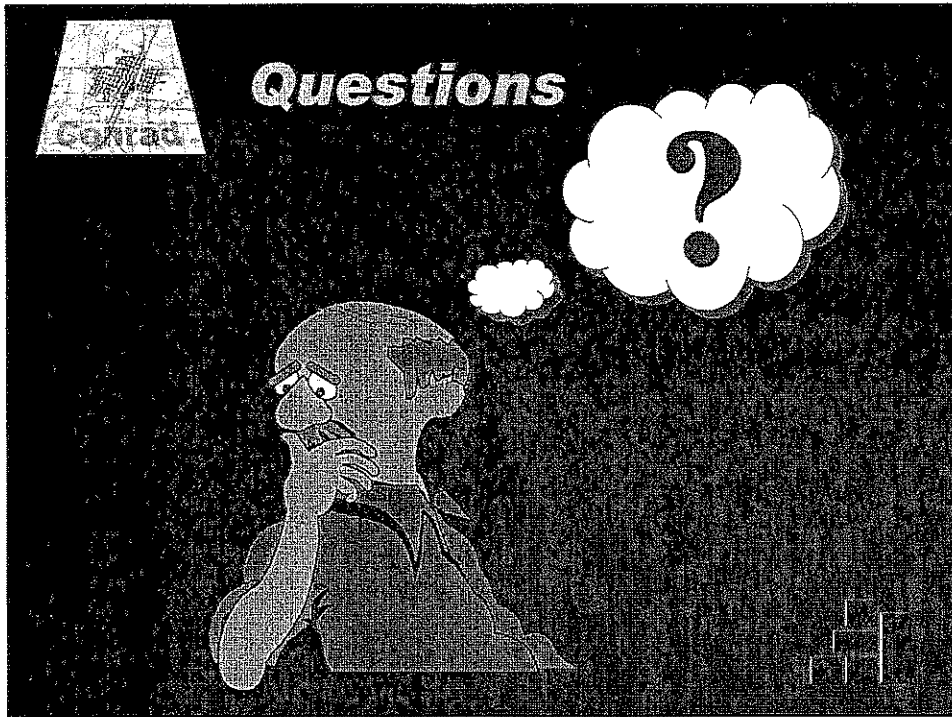
- 1. Service Charges**
- 2. Grant and Loan Funding**
- 3. Revenue Bonds**
- 4. System Development Fees**
- 5. Other**

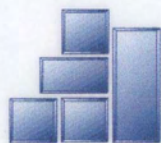


Where do we go from here?

- 1. Keep an eye on the future**
- 2. Continue to solicit public input**
- 3. Update CIP annually as part of budget process**







MORRISON
MAIERLE, INC.

TOWN OF EUREKA, MONTANA

CAPITAL IMPROVEMENT PLAN

Adopted

January 2006



ENGINEERING • PLANNING • MANAGEMENT

TABLE OF CONTENTS

1.0 Introduction

Introduction	1
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2.0 Capital Improvement Planning

Capital Improvement Planning.....	1
Categories	2
Evaluation Criteria.....	2
Goals	2
Benefits	3
Process	3

3.0 Funding Sources

Funding Sources	4
General Fund	4
Water and Sewer Revenues	4
Federal and State Grant Programs.....	4
Loans and Bonding	6
Government Agencies	7
Private Foundations	7

4.0 Capital Improvement Inventory and Needs

Capital Improvement Inventory and Needs.....	8
A. Sewer.....	8
Inventory	8
Needs	8
Projects	9
B. Water	10
Inventory	10
Needs	11
Projects	11
C. Streets, Pathways, and Storm Drainage	12
Inventory	12
Needs	13
Projects	14
D. Public Buildings and Facilities	14
Inventory	14
Needs	15
Projects	15

E. Equipment Acquisition	15
Inventory	15
Needs	16
Projects	16

5.0 Eureka Capital Improvement Plan

Eureka Capital Improvement Plan	16
Public Participation.....	17
Adoption	17

Exhibit A – Eureka Capital Improvement Plan

Exhibit B – Adopting Resolution

Eureka, Montana

Capital Improvement Plan

1.0 INTRODUCTION

The Town of Eureka, Montana is a small rural community that serves as a business center for the eastern portion of Lincoln County in northwest Montana. The Town's current population is approximately 1,100 people, which is expected to increase to about 1,300 people over the next 20 years as the area is now experiencing moderate growth. The Town covers just less than 1 mi.² of rolling terrain in glacial country, which always presents a challenge for effectively constructing and maintaining public infrastructure systems.

Like most, if not all older cities, the Town of Eureka faces continuing challenges because of its aging and difficult to maintain infrastructure. Meager revenues from the limited tax base are usually just barely sufficient to keep up with the operation and maintenance of public infrastructure. Similarly, monthly water and sewer revenues seem to cover only the basic needs if they are to remain at an affordable level.

Beyond ordinary operation and maintenance, there is always the need to look at improving and replacing public facilities and systems in order to provide adequate service. What is needed is a good look at the upcoming needs, an understanding of the costs that will be required, and the formulation of a plan of action to provide for and meet these needs – in short, a capital improvement plan.

A capital improvement plan is an ever-changing and dynamic document that provides for this critical look and future vision. The remainder of this report will present Eureka's Capital Improvement Plan for the next few years.

2.0 CAPITAL IMPROVEMENT PLANNING

A capital improvement plan is a tool to help the Town Council look beyond year-to-year budgeting to determine what, when, where, and how future improvements to public facilities are to take place. In resolutions 2003 - 577 and 578 passed in September 2003, the Town of Eureka established a capital improvement fund for "the replacement, improvement, and acquisition of properties, facilities, or equipment" and defined capital improvements as those items "having a value of \$5,000 or more and an expected estimated useful life expectancy of five years or greater".

Example capital improvements in Eureka meeting these requirements would include the water and sewer systems, streets, construction and maintenance equipment, public buildings, and other similar facilities or equipment.

A capital improvement plan then identifies the community needs with respect to capital improvements, estimates costs of the needs, identifies potential sources of funding to meet those needs, prioritizes the needs based on certain criteria, and establishes a schedule or timeframe for implementing a project or projects for addressing the most critical needs.

Categories: To inventory the capital improvement needs, it is often convenient to place facilities in convenient categories. Capital improvement categories to be considered for Eureka's plan include:

- Sewer Facilities
- Water Facilities
- Streets, Pathways, and Storm Drainage
- Public Buildings and Facilities

- Equipment Acquisition

Evaluation Criteria: As the needs nearly always outweigh the financial resources for meeting the needs, it is necessary to inventory each of the needs identified with respect to certain criteria in order to identify those more critical and/or those that will provide the greatest benefits or most improvement for the cost and effort invested in trying to address them. For the Town of Eureka, the following criteria have been established for this purpose.

- Addresses an urgent health or safety concern, legal mandate, or code compliance
- Advances existing economic development and the attraction of new growth to the Town
- Improves access to or the quality of municipal services for all citizens
- Compliments other projects, public or private, to gain the economy of scale, and
- Generally supports the revitalization and continuing economic health of the community

Goals: The goals of capital improvement planning for Eureka include the following considerations.

- Forecast public facilities and improvements that will be needed in the near future
- Focus attention on and assist in the implementation of established community goals as outlined in the Comprehensive Plan
- Anticipate and identify financing needs in order to maximize available federal, state, and private funding
- Promote sound financial planning and serve as a guide for budgetary decisions

Benefits: There are numerous benefits that result from proper capital improvement programming. Following is a list of those that will be of great significance to Eureka.

- Providing for a systematic evaluation of all potential projects at the same time, assuring the most important needs are addressed first and obtain needed funding
- Avoiding negative impacts associated with catastrophic failure or degradation of public facilities by focusing on preserving the Town's infrastructure while ensuring efficient use of public funds
- Focusing attention and keeping the public informed on critical needs, community objectives, and fiscal capacity (limitations)
- Identifying the most economic means of financing capital projects and maximizing opportunities for obtaining federal and state aid with proper advance planning
- Providing opportunities to stabilize debt, consolidate projects to reduce financing costs, and improve the community's credit rating
- Coordinating activities to reduce duplication, avoid costly mistakes, and keep financial burdens in line with capabilities
- Enhancing opportunities for economic growth and stability by providing facilities and improvements necessary to maintain a healthy balance of residential, commercial, and industrial growth

Process: Properly conducted capital improvement programming and planning follows a logical and sequential process as outlined below.

- Inventory the facilities and equipment in each of the identified public facility capital improvement categories
- Identify needs for replacement, improvement, or acquisition
- Estimate costs of meeting the needs
- Identify potential sources of funding and implementation requirements
- Evaluate the needs with respect to accepted criteria and establish priority for implementation
- Draft a capital improvement plan and present it to the City Council and general public for review, input, and improvement through a public hearing process
- Finalize the plan, adopt it by formal resolution of the Town Council, and make the plan an essential tool in future planning and budgeting efforts
- Revise and update the plan on a regular basis to reflect current needs and financial capabilities

3.0 FUNDING SOURCES

Capital improvement plan projects can be funded from a variety of sources. Following is a general discussion of several of the more common sources available.

General Fund: The most commonly used method of financing capital improvement projects is the use of the general fund. This fund includes the money raised by local property taxes for a given year together with other State taxes such as on fuel, liquor, and gambling. When a project is funded out of the general fund revenues, it is usually paid off in the budget of a given year (or perhaps two) and essentially becomes a "pay-as-you-go" funding concept based on revenues available.

Historically, the general fund is a practical source for funding small capital improvement projects but there are generally not enough excess funds available to take on the larger capital improvement projects.

Water and Sewer Revenues: The Town has enterprise funds based on the receipt of the monthly user fees for the water and sewer systems. Hopefully, the monthly rates have been set up sufficiently high to include either a depreciation amount or capital improvement line item which provides the means for accumulating funds necessary to address desired capital improvements.

Again, the revenue funds seem to work well for smaller projects and sometimes can be budgeted and planned to provide capital over several years duration for certain improvement projects, but have not proven to be a significant source of capital for large projects. Sometimes reasonable and affordable amounts of available revenue capital are used as matching funds for obtaining grant funding (discussed below).

Federal and State Grant Programs: Fortunately, there are still some federal and state grant programs available to meet the critical capital improvement needs of communities. These programs are funded out of federal tax receipts at the national level with budgeted allocations being given to programs in each State to address the most critical needs.

Generally, a community must submit an application for the grants which is ranked and processed on a competitive basis against requests received from other communities in the State. The needs and proposed projects are reviewed and ranked in priority with the money available being allocated to those projects most pressing or maximizing the benefits received for the grant money allocated. Usually most of the financial

assistance goes for those projects needing capital improvement to meet regulatory agency requirements related to protecting and preserving the health and welfare of the residents.

Other grant funds are available for the purpose of stimulating economic development. Often public works infrastructure is needed to stimulate such development and projects are sometimes developed in such a fashion as to help meet community needs in addition to providing for the economic development. Generally a commitment of creating and/or retaining a certain number of jobs is a requirement or stipulation for receiving economic development grants.

Following is a listing of the most commonly used sources of grant funds in Montana:

- Economic Development Administration -- grants of up to \$500,000 (or greater for specific and unique circumstances) available for economically depressed areas (high jobless rate) or specific economic development projects based on job creation/retention. Applications accepted at any time, based on funding available.
- Community Development Block Grant Program -- grants of up to \$450,000 for public works systems, public facilities associated with safety, public housing, downtown revitalization, and economic development. Planning grants of up to \$15,000 also available. Applications accepted annually.
- Treasure State Endowment Program -- grants of up to \$750,000 for public works infrastructure. Planning grants for preliminary engineering up to \$15,000 also available. Applications accepted biannually and legislative approval is required.
- Department of Natural Resources and Conservation -- grants of up to \$100,000 for projects protecting, preserving, or enhancing natural and renewable resources. Planning grants for preliminary engineering up to \$10,000 also available. Applications accepted biannually and legislative approval is required.
- Rural Development -- grants of 25% to 75% of the value of loans secured through the same agency for public works infrastructure and public facilities in rural communities. Applications accepted based on eligibility and available funding.
- Parks and Recreation -- grants of up to \$100,000 for the creation of recreational opportunities, parks, and open spaces. Applications accepted annually.
- Homeland Security -- grants for necessary planning and improvements to enhance safety and security of the area and its infrastructure. Applications accepted based on available funding.

Each grant program has very specific and rigid requirements to be met among which may be providing a local match, demonstrating a majority of residents affected as being in the low to moderate income categories, documenting solid commitments for job creation/retention, demonstrating a public health concern or threat, etc. Whenever any such programs are considered for funding capital improvements, it will be critical to coordinate thoroughly and early-on with representatives of the agencies to ensure that the project is eligible for the program and all the specific requirements can be met.

Loans and Bonding: Many of the same agencies listed above have loan money available for capital improvement projects. Many of the same requirements apply to the loan programs. A listing of the more common loan sources is as follows:

- Rural Development -- loans of up to an amount commensurate with the community's ability to repay for public facilities and public works infrastructure. Emphasis is on assisting small, rural communities (such as Eureka). Applications accepted based on eligibility and available funding.
- Montana State Revolving Fund -- low-interest loans of up to 100% of eligible project cost with no local match required. Project must be on priority list and have documentation of health/pollution problems

or concerns. Administered through the Department of Environmental Quality. Applications accepted based on eligibility and available funding.

- Department of Natural Resources and Conservation -- unlimited loans to protect, preserve, or properly utilize natural resources such as groundwater. Applications accepted based on available funding.
- Intermediate Term Capital Program (InterCap) -- loans of up to \$500,000 per project with no local match required. 10-year maximum length of term of loan. Loans can be used for just about anything associated with the conduct of government and are based on the community's ability to repay. Applications accepted based on eligibility and available funding.

Nearly all loan programs require authorization of the community to pay back the loans, including the issuance of bonds, and several have other security requirements. Loan authorization is most often obtained through the issuance of bonds. Bonds are usually tied to general tax obligation or utility revenues. General obligation bonds are secured by the raising of property taxes with an amortization of the financing over several years to allow taxpayers to pay a smaller amount of the project's cost at a time. However they do commit the city's resources over a long period of time and thus decrease the flexibility of how yearly revenues can be utilized.

A special form of general obligation is a Special Improvement District (SID) wherein a special district is formed in the area of the improvements and the property owners are obligated to repay the project costs or a portion. These generally work well for street improvements, sidewalk installation, lighting, etc.

Revenue bonds are issued on the promise and commitment of repayment through the monthly user fees associated with water or sewer systems. User rates are adjusted to provide the capability of bond repayment and required security. Since it is desired to keep monthly user rates within a reasonable limit, the amount of loans secured by revenue bonds becomes limited to the amounts obtainable with the monthly user fee.

Government Agencies: There are a few government agencies that have their own financial resources available to come into a community and help with necessary capital improvements. These are always based on need, proper planning, and a determination by the agency that the project and its associated improvements are a worthy investment to serve the general public. Examples of such agencies include:

- Environmental Protection Agency -- special funding for projects to address serious environmental concerns such as hazardous waste sites, chemical contamination the water supply (e.g., arsenic, copper, etc.), or other environmental threats to the health and welfare of the general public.
- Montana Department of Environmental Quality -- similar to EPA in programs to clean up the environment such as chemical spills, hazardous contamination, environmental remediation, etc.
- Montana Department of Transportation -- programs for improving and enhancing transportation facilities on federal aid routes (such as US 93 through Eureka) and eligible secondary routes (usually administered by the County).
- Lincoln County -- funds occasionally available for cooperative efforts at capital improvement based on need and approval of the County Commission (e.g., 9th Street sewer improvement for Eureka and corresponding road improvement for the County).

Private Foundations: There are numerous foundations and private sources of both grant and loan money available that can sometimes be used on capital improvements. Generally, these are based on extreme need and the inability of finding funding elsewhere. Such programs are often competitive and entirely discretionary on the part of the grantor and thus may not be as reliable a source of funding as some others listed above. Private funding is also usually limited to fairly small amounts and targeted at specific needs (e.g., landscaping and enhancement, library expansion, purchase of life safety equipment, etc.).

4.0 CAPITAL IMPROVEMENT INVENTORY AND NEEDS

A. Sewer

Inventory: The existing wastewater collection system is made up of approximately 27,000 feet of pipeline consisting of mostly 8 inch clay tile pipe dating from 1920 to 1950 construction. More recently developed areas are served by concrete or PVC piping. A 12 inch interceptor line connects several of the smaller 8 inch collectors, which in turn increases to a 15 inch line before entering the main lift station just downstream from the Park along the Tobacco River.

A smaller collection system lies across the Tobacco River in the West Avenue area which collects wastewater to a pumping station that feeds back across the river to the main pumping station. All piping in this area is 8 inch PVC installed in 2002.

A new 8 inch PVC collection line and pump station were recently installed in the area of 8th and 9th Streets and 1st Ave East to serve the new Lincoln County High School and adjacent residents. This system was installed in 2004 and was designed in accordance with a master plan to provide eventual wastewater service to the entire adjacent area of Midvale, just north of Eureka.

The main pump station pumps the collected wastewater to an aerated lagoons treatment facility on the hillside across the river from the Town. Submerged aerators provide for the biologic treatment of the wastewater which is then pumped further up the hill to a two-cell lagoon storage system where some further treatment is achieved through aeration.

Disposal of treated wastewater effluent is provided by seasonal discharge through a pipeline from the end of the treatment facility to the Tobacco River. Discharge is monitored and regulated in accordance with a permit from EPA.

Needs: Fortunately, the West Avenue area and 9th Street areas were just recently constructed and are in good condition. Similarly, a recent \$1.3 million improvement project was undertaken to upgrade the wastewater treatment and effluent discharge facilities. Also included was a small pressure sewer system in the Riverside Drive area of Town that had no wastewater collection capability prior to that time. Accordingly, the major needs of the wastewater facilities appear to have been addressed for the near-term with only one or two items now requiring attention.

As mentioned, there is a desire to extend wastewater collection capability into the Midvale area north of Eureka. The existing density in that area together with increasing growth pressure is creating concern for potential contamination of the groundwater supply. An earlier facility planning study for Eureka briefly addressed the feasibility of providing wastewater service to the area and funding has recently been obtained to produce an amendment to the FPS to now take a detailed look at the alternatives and identify the best way to provide wastewater service to the Midvale area. It will be important to move forward with the study now that it is funded in order to identify the specific needs, costs, and required implementation to realize this capital improvement.

An extension of the recently installed sewer line on 9th Street is needed to carry the sewer line eastward along the area where Lincoln County has plans to improve the roadway by new construction. It will be necessary to install the sewer first so the new street will not be disturbed afterward by sewer construction.

The main pumping station for the Town has a standby power generator to operate it in case of power failure, but the switchover mechanism has to be manually operated. A capital improvement need would be to provide an automatic transfer switch for this facility. Also, there is no security fencing around the High School lift station. With the number of people passing by this facility each day and the attractive nuisance it presents to young people, a security fence around the installation is needed.

There is one block of sewer line in the 1st Ave West area that requires constant maintenance and a couple of other blocks there show signs of serious pipeline deterioration. There is a need to replace this piping prior to complete failure and associated sewer backup. Also needing to be replaced are one block on 6th Street from 5th Avenue East to 6th Avenue East; a little less than a block on 4th Avenue East from 3rd Street to the end of the line; and a half a block on 1st Avenue East south of the manhole on 6th Street East and 1st Avenue East.

Projects: Following are the recommended capital improvement projects associated with the sewer system.

- Midvale Sewer Study -- the Study is estimated to cost \$30,000 and will be a necessary first step to providing environmental improvement in that area. Grant funding and a financial commitment from the Town will allow the study to proceed immediately and be completed within the next year or so.
- 9th Street Sewer Extension -- this extension will be in cooperation with Lincoln County for their street improvement project in the area they plan to construct next year. These improvements are estimated to cost about \$36,000.
- Lift Station Improvements -- installation of the automatic transfer switch at the main pump station is estimated to cost \$15,000. Although the facility has operated for several years without the benefit of automatic transfer, the ability to assure proper operation of the main pumping station in the event of power failure is important to avoiding sewer backup into homes and businesses upstream from the pump station location, or worse, spillage and overflow of sewage into the Tobacco River. Therefore, this project will be considered for implementation in the next year or two to address this health and environmental threat.

Security fencing around the High School lift station will cost about \$6,000 and should be done fairly soon to avoid problems.

- 1st Avenue West Sewer Replacement -- this project is estimated to cost \$60,000 and should be scheduled for sometime in the next 3-5 years.
- Miscellaneous Sewer Replacements – these projects are estimated to cost about \$60,000 and should be scheduled for sometime in the next 3-5 years.

B. Water

Inventory: Water supply for the Town of Eureka is provided by three wells, two associated with a subsurface infiltration gallery system and one conventional well. The park well is a 14 inch diameter conventional well constructed in 1963 extending to 88 feet below the ground surface. The 40 hp submersible pump in the well delivers 380 gallons per minute. The well was recently improved through a major Town water improvement project; however, the deep well house needs to be expanded to include the ability to be connected to the generator and to improve the chlorination system.

The infiltration gallery system consists of two each 7 foot diameter wells 21 feet into the ground, each of which is fed by three perforated laterals located in horizontal gravel beds collecting groundwater through a washed gravel system. A 100 hp duplex line shaft pumping system has the capability of delivering 940 gpm from each well or 1,380 gpm total when operating both together. The infiltration gallery system has ultraviolet disinfection capability together with a chlorination system for producing chlorine residual. The facility was just recently upgraded as part of the major Town water improvement project.

Water storage is provided by a 500,000 gallon welded steel reservoir (58' diameter x 27' high) located in the Eureka Heights area on a hillside overlooking town. It is a constant challenge to keep the steel properly painted and preserved, and there is currently a need for complete cleaning and painting outside to protect the structure from deterioration. Additionally, there is no protective fencing around the reservoir site and thus security of the water supply is at risk.

The water distribution system comprises approximately 26,000 feet of piping ranging from 1 inch to 10 inches in diameter and consisting of galvanized steel pipe, cast iron pipe, asbestos cement pipe, and PVC pipe. The backbone of the system is an 8 inch diameter pipeline running from 5th Avenue to Dewey Avenue down to 3rd Street, along Cliff Avenue, and over to the infiltration galleries mentioned above. Other piping is looped off of this main backbone to provide adequate distribution and pressure, although there are two areas higher in elevation where pressure is a concern – one on Purdy Drive east of the nursing home and the other on Othorp Lake Road.

A recent Town water improvement project replaced some pipeline in critical areas, increased fire protection for the community, and installed meters at each connection to encourage conservation, reduce the demand on the facilities, and provide the means for equitable distribution of user costs. Financial limitations did not allow the construction of all recommended improvements and thus there are some that remain to be done.

Needs: The water storage tank is in need of thorough cleaning and painting outside to arrest deterioration and preserve its service life. Also, a fence is needed around the perimeter of the water tank area to provide security and protect the water supply. The tank needs a contamination proof vent and a security locking device to prevent unauthorized entry through the hatch.

Booster pumping stations are needed in the water distribution system for the Othorp Lake Road and Purdy Drive areas. These would boost pressure and improve delivery to properties in those areas located at higher elevations which have marginal water pressure at present.

The recent water study indicated there is some leakage in the system and even though the recently installed water meters have reduced the amount of demand on the water supply, it would be appropriate to conduct a leak detection survey to try and find areas where water is being lost through compromised piping or leaking joints.

The water study identified the recommendation to increase the water pipe in the 4th Ave East area between 3rd and 6th Streets from 4 inch to 6-inch diameter pipeline. Similarly, the pipeline in the 3rd Avenue East and Julian Drive area between 3rd and 4th Avenues East is recommended to be increased from 4 inch to 6 inch diameter.

Lastly, the Town recently took over responsibility for operation and maintenance of the Midvale water supply and distribution system in the Midvale area immediately north of Eureka. It would be beneficial to tie that system to Eureka's for the mutual sharing of resources and improvement of operation. A project is needed to provide the physical connection between the two systems and appropriately account for water flow through it.

Projects: Following are the recommended capital improvement projects associated with the water system.

- Water Tank Improvements -- clean and paint the exterior of the water storage tank and fence the perimeter for security at an estimated cost of \$65,000. The deteriorating condition of the tank suggests this improvement project needs to be done in the near future.
- Othorp Lake Road and Purdy Drive Pumping Stations -- in-line booster pumping stations estimated to cost \$35,000 each are needed to improve pressure, delivery, and fire protection for those areas of Town. While this is not a critical health threat, it is something that should be looked at in the next five years.
- Midvale Connection -- the connection between the Midvale and Eureka water systems is estimated to cost \$36,000. While this project will provide significant benefits to both systems, it is not associated with any type of health threat and will therefore likely wait until the appropriate administrative arrangements (or perhaps annexation of the Midvale area by Eureka) have occurred to prepare the way.
- Distribution Piping Improvements -- the pipeline replacements and increased sizing noted above are estimated to cost \$30,000 and \$78,000, respectively. While these improvement projects will improve

pressure, flow delivery, and fire protection to the areas, there is no imminent health threat and thus these projects can be held over to perhaps combine with a larger water improvement project serving other needs of the Town's water system in the future.

- Leak Detection Survey -- a leak detection survey of the existing collection system is estimated to cost \$15,000. Where the demand on the system has been reduced through the implementation of individual meters at service connections, the benefit of a leak detection survey has been diminished from previous conditions and perhaps this project can also wait to combine with a larger water improvement project serving other needs of the Town's water system in the future.

C. Streets, Pathways, and Storm Drainage

Inventory: There are approximately 5 miles of paved streets in Town. Most consist of 24 foot wide paved roadways with gravel shoulders and no curb and gutter. Construction of the roadways was minimal (double seal coat over gravel in some cases) and the presence of silt and clay glacial soils in the area with their propensity to lose strength when wet has resulted in poor structure of the roadways and rapid deterioration. A constant war is being waged to repair potholes and cracked pavement. Recent storm drainage improvements have arrested some of the deterioration, but there is a staggering amount of street improvement work that remains to be done.

The principal highway through town, US 93 on Riverside Drive and Dewey Avenue, was reconstructed in a major MDT project in 1996 and is in good condition.

The Town has also started development of a significant pathway system. The Riverwalk is a pathway in the river bottoms between Sinclair Creek and the Tobacco River that allows patrons to experience wildlife and undisturbed native vegetation in the natural environment. This pathway has been connected to the main Town Park and may have future extensions as circumstances allow. One proposal in the planning stages is a bridge over Sinclair Creek providing access to the pathway from the Riverside Drive area of Town.

Plans have also been made and implementation is slowly moving forward for creation of a rails-to-trails pedestrian and bike path running north of Eureka on the abandoned railroad grade. A separate foundation has been formed to develop and shepherd this project and the foundation is seeking grant funds from appropriate agencies and other private foundations to move it forward. Accordingly, this particular pathway is not currently in the ownership or control of the Town although the Town does try to facilitate implementation of the project whenever and however possible.

There are two major storm drainage systems in Eureka. The first outfalls at Sinclair Creek and provides appropriate collection and drainage of the upper Dewey Avenue area to the north, over to Second Ave East, eastward on 6th Street, and terminates in the area of Spring Street. This has addressed most of the major runoff concerns, including seepage from the ground in the area of Spring Street (appropriately named). The system was master-planned and designed to allow extensions off of the main trunk to other areas needing storm water drainage service, and such may be considered in conjunction with future street improvement projects.

The other major storm drainage system is located along 11th Street in Midvale and provides storm drainage capability for a large portion of the Midvale area. The system was installed in the early 1990's and seems to be functioning adequately. Again, the system was master-planned and designed that necessary extensions off of the main system could be made as circumstances dictate. There has been discussion of long-range plans to improve the roads in the Midvale area and if curb and gutter is used then connection to the existing storm drainage system will likely occur. Street improvement plans in the area are way off in the future, pending the possibility of installing area wide wastewater collection system first so improved streets will not be disturbed.

Needs: There is a substantial need to rehabilitate all streets in Town and to begin a program of targeted reconstruction to provide facilities with sufficient engineering design and constructed strength to achieve low maintenance, long-term service. Obviously the costs of such an undertaking all at once would be next to

impossible and thus it is recommended to establish a program of rebuilding a few blocks of street each year to begin addressing the overwhelming needs.

Reconstruction would consist of excavating the existing streets to an approximate 18 inch depth, placing a geotextile separator fabric, 12 inches of pit run gravel, 4 inches of crushed gravel, and 2 1/2 inches of hot asphalt plant mix pavement. Curb and gutter with surface water drainage systems would be provided to keep runoff from destroying the new street. Sidewalks could be added as appropriate, perhaps with the participation of individual property owners due to cost considerations.

Storm drainage needs will be addressed at the same time as street improvements and will likely consist of subsurface infiltration facilities (set up to remove floating oils and settleable solids prior to infiltration), as opposed to installing major piping and collection facilities. However, when possible, collection and connection will be made to the existing storm drainage piping systems described above.

There is also a need to improve street lighting in many locations and add street lighting altogether in some areas where it is not present. This would likely be accomplished by providing standard street lighting luminaries on existing power poles at or near street intersections and in other areas where lighting is deemed advisable for safety or security reasons.

Rehabilitation of existing streets needs to continue through a program of crack sealing and the application of chip seals to prolong asphalt life, increase surface friction, and prevent water from entering the subgrade and causing further deterioration.

There is a need for a four-wheeler type all-terrain vehicle (ATV) to be used to plow the River Walk and other trail systems. The mayor has done it on off-duty time in the past; but a more permanent solution is needed.

Projects: Following are the capital improvement projects identified from the foregoing street needs.

- Crack Sealing and Seal Coat -- continue the cooperative program with Lincoln County to crack seal and chip seal coat areas of the existing Town street system showing the greatest need. About \$15,000 per year will be needed to provide for the materials, with the County providing the necessary equipment and labor.
- Street Replacement Program -- rebuild 2-3 blocks of Town streets at a time starting with those in the worst condition. This project will include total reconstruction of the street as described above with curb and gutter and sidewalk. Estimated cost of street reconstruction is approximately \$35,000 per block, suggesting a budget of \$75,000-100,000 per year for street improvement work.
- Street Lighting -- work with the local power company to install street lighting at selected locations. At an estimated cost of \$250 per light and a \$2,000 per year budget, approximately 8 lights per year can be installed.

D. Public Buildings and Facilities

Inventory: The Town of Eureka has two buildings; the Town Offices on Dewey Avenue and the Town Shop on West 1st Street. The Town Offices are located in a "row" of commercial buildings fronting on the main street of Eureka and centrally located in the downtown area. The single-story building is of older construction (circa 1920) and shares a common wall on one side with an adjacent structure. The facilities house the administrative functions of the Town, the emergency services dispatch operation, a sheriff's office, a single jail cell, and a meeting room that combines to serve the Town Council and also the local Magistrate Judge. The building is in fair condition and has an estimated remaining service life of 20 years.

The Town Shop is located in a cinder block building with a quonset style roof, likely constructed around 1940. There is a large main room providing for equipment storage and vehicle parking sufficient to handle 4 large vehicles and some smaller ones. An attached projection off the main building houses the public works office with sufficient room for a couple of desks and storage of files and documents. The facility is in reasonably

good condition for its utility and has an expected remaining service life of 25-30 years.

Needs: The Town has outgrown the space provided by the current Town Office. Two employees occupy the administration area which also doubles as a place to receive the public for payment of bills, record storage, etc. There's hardly enough room for the office furniture supporting the two personnel and very limited storage. The meeting room is also small and is often insufficient to house the number of interested individuals attending Council meetings and wanting to participate. The emergency services portion is similarly cramped. While the existing location is conveniently and centrally located, parking is limited and access is therefore difficult. A better solution would be to construct a new facility specifically for the purpose of conducting town government and housing emergency services so that the right facilities can be included and appropriate security provided.

The Town Shop appears to be adequate for the near term.

Projects: Following are capital improvement projects associated with public buildings and facilities.

- New Town Hall/Law Enforcement/Dispatch Center -- it is proposed to construct a new building with associated facilities and equipment to support the operation of the Town Office, the Law Enforcement Center, and the dispatch operation. Although there are some existing buildings available for consideration, preliminary investigation into the cost of rehabilitation suggests the better approach for not much more money will be to build an entirely new facility with a specific improvements and features needed to support these operations.

Ground is available in a few locations along the main roadway. With land acquisition and facility construction, the project will likely cost about \$500,000 and will require most of a year's time to construct before it can be occupied.

E. Equipment Acquisition

Inventory: The Town of Eureka has several pieces of equipment used for operation and maintenance. The vehicle fleet consists of two 6-wheel dump trucks, a panel type service truck, and a pickup. One dump truck (1986) carries 10 yd.³ and is used for heavy hauling and snowplowing. The other (1971) is an 8 yd.³ size used for light-duty hauling and sanding. The service truck carries tools and repair parts to locations where maintenance or service are required. The pickup is used to transport personnel to work areas.

Typical of most small communities, the vehicles were bought from government surplus and have been well used since then. Those vehicles used for light-duty service have some remaining service life in them; however, the Town will need to replace the Chevy S-10 pickup with a small transport vehicle soon and the plowing and sanding trucks are in need of replacement as their service life has essentially been consumed.

The Town does have a street sweeper which was purchased in 2002. Public works personnel are careful in the operation and dedicated in the maintenance so as to maximize what remaining life there may be in that street sweeper.

Miscellaneous equipment includes trailers, riding mowers, and attachments for the other vehicles such as snowplowing apparatus. For the most part, this equipment is still functional and in acceptable condition.

Needs: The plowing dump truck, sanding dump truck and Chevy S-10 are all in need of replacement. There is also a need to purchase a sewer suction truck for cleaning sewer manholes and storm sewer manholes.

The remaining equipment appears to be adequate for the near term.

Projects: Following are capital improvement projects associated with equipment acquisition.

- Truck Replacement -- it is proposed to replace the plowing dump truck and the sanding dump truck by seeking to locate and purchase similar vehicles being surplus by another entity (likely from MDT)

or the County). This is estimated to cost \$25,000 total (\$15,000 for the plow truck and \$10,000 for the sanding truck). A used, small economical vehicle to be used for personnel transportation, meter readings, etc. is also proposed to be purchased (\$5,000).

- Sewer Cleaning truck -- purchase a new sewer suction truck (\$50,000).

5.0 EUREKA CAPITAL IMPROVEMENT PLAN

The capital improvement projects enumerated in each of the foregoing sections were selected in accordance with the criteria given earlier in this plan and represent the most pressing projects needing to be implemented to maintain and improve community services. Exhibit A presents Eureka's Capital Improvement Plan, listing the projects in priority order, forecasting the date of implementation, listing the anticipated cost, and identifying likely funding sources.

It is now incumbent on the Town Council to utilize this information in annual and long-range planning and budgeting so these improvements can be realized. It is also critical to update and renew this plan regularly (at least annually) to keep it current and practical, and also to keep proper focus and attention of the local government on these needs.

Public Participation: There have been a number of occasions where capital improvement needs have been the topic of discussion in Town Council meetings. Most recently, a portion of the December 12, 2005 Town Council meeting was dedicated to a discussion between the Council, public works staff, and those of the public present as to what the capital improvement needs in the community were and what the prioritization of those projects should be.

A draft of this Capital Improvement Plan was presented to the public in an advertised public hearing held January 9, 2006. A summary of the draft plan was presented and a handout of Exhibit A – Eureka Capital Improvement Plan was distributed to those present for informational purposes and discussion. Questions about the plan by those present were answered and opportunity was then given for public input on the proposed improvement projects and prioritization. A few suggestions and recommendations were given by those present in the hearing.

After public input, the Council and public works staff further discussed the plan, giving careful consideration to the input received. The draft improvement plan was then modified in response to input and consensus developed among the decision-makers during the deliberation process on the plan and its contents.

Adoption: Immediately after the public hearing and Council deliberation on modifications to the plan, the Town Council then moved and passed the Resolution attached as Exhibit B, formally adopting the Eureka Capital Improvement Plan as now contained in this document.

EXHIBIT A
EUREKA CAPITAL IMPROVEMENT PLAN 2006 - 2011
January 2006

Priority	Date	Description	Cost	Funding
1	2007	Town Hall/Law Enforcement/Dispatch Center	\$500,000	TSEP, RD
2	2006	Midvale Sewer Study	\$30,000	EDA, DNRC, Town Water
3	2006	9th Street Sewer Extension	\$36,000	County Loan, Town Sewer
4	2007	Water Tank Improvements	\$85,000	InterCap, Town Water
5	2008	Lift Station Improvements	\$21,000	Town Sewer
6	2006-2011	Street Replacement Program	\$90,000/yr	GF, SID (InterCap)
7	2006-2011	Crack Sealing and Seal Coat	\$15,000/yr	GF
8	2009	1st Ave West/Misc. Sewer Replacements	\$120,000	Town Sewer
9	2008	Truck Replacements	\$80,000	InterCap
10	2006-2011	Street Lighting	\$2,000/yr	GF
11	2011	Midvale Water Connection	\$36,000	TSEP, Town Water
12	2011	Othorp/Purdy Pumping Stations	\$70,000	TSEP, Town Water

13	2011	Water Distribution Piping Improvements	\$108,000	TSEP, Town Water
14	2011	Leak Detection Survey	\$15,000	TSEP, Town Water