
Water CIP 2025

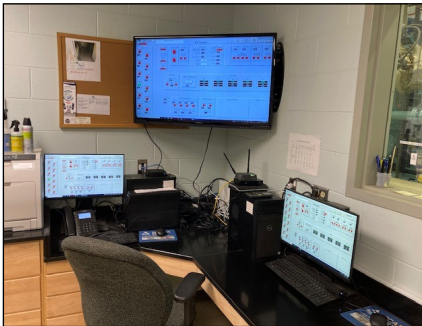
Departmental Review CIP 2025

BOS September 23, 2024



Introduction

The main CIP book has been delivered. This departmental CIP overview will concentrate on 2025 and assist in preparation of the warrant. Water and sewer is now fully enterprise in terms of accounting. The 2025 requests will build on what was presented to the voters in 2024 with unsuccessful results for two major bond issues. The 2025 warrant will have enormous impact on the water and sewer budgets for 2025 and beyond as there are major capital expenses dead ahead.



The Water CIP

The 2025-2031 Water CIP has been provided through the main CIP book. The focus here is on 2025. The water search bond request has increased significantly, coming in at \$9,800,000. This has occurred for two reasons. The capital plan shows us a project for Lead Service Identification/Replacement at \$1,200,000. That CIP item is shown as being for 2025, and with a federal mandate it is recommended that we proceed. Since we are looking at bond finance we have inserted the \$1.2 million into the water search number, which had moved up from \$8.2 to \$8.6 million. That is how we arrived at the \$9.8 million number. That number is for two separate CIP projects.

The standard water well maintenance article is requested at the same financial level as last year. The water tank inspection and cleaning article is a state mandate, and the amount differs from what was listed in the CIP book as the estimate has changed.

Water	2025	Source	Method	Article Requested
Water Search & Lead Pipe	\$9,800,000	Water Sewer Enterprise	Bond Finance	Yes
Water Well Maintenance	\$65,000	Water Sewer Enterprise	Pay-Go	Yes
Water Tank Inspection	\$40,000	Water Sewer Enterprise	Pay-Go	Yes
Total	\$9,905,000			

We see that the departmental requests for 2025 total \$9,905,000. The Department requests warrant articles for all three.

The bond finance would add, in year 1 of the repayment schedule (likely 2026), (assuming a twenty year amortization) about \$525,000 to the water budget. (Interest rate assumption of 3%)

The other two articles would add \$105,000 on a one year basis to the FY 2025 budget. The 2025 budget will reflect the \$105,000 if approved by the Board. Bond counsel will advise on when the first obligation will occur for the bonding if approved. The 2025 budget may reflect some bond expense depending on that advice.