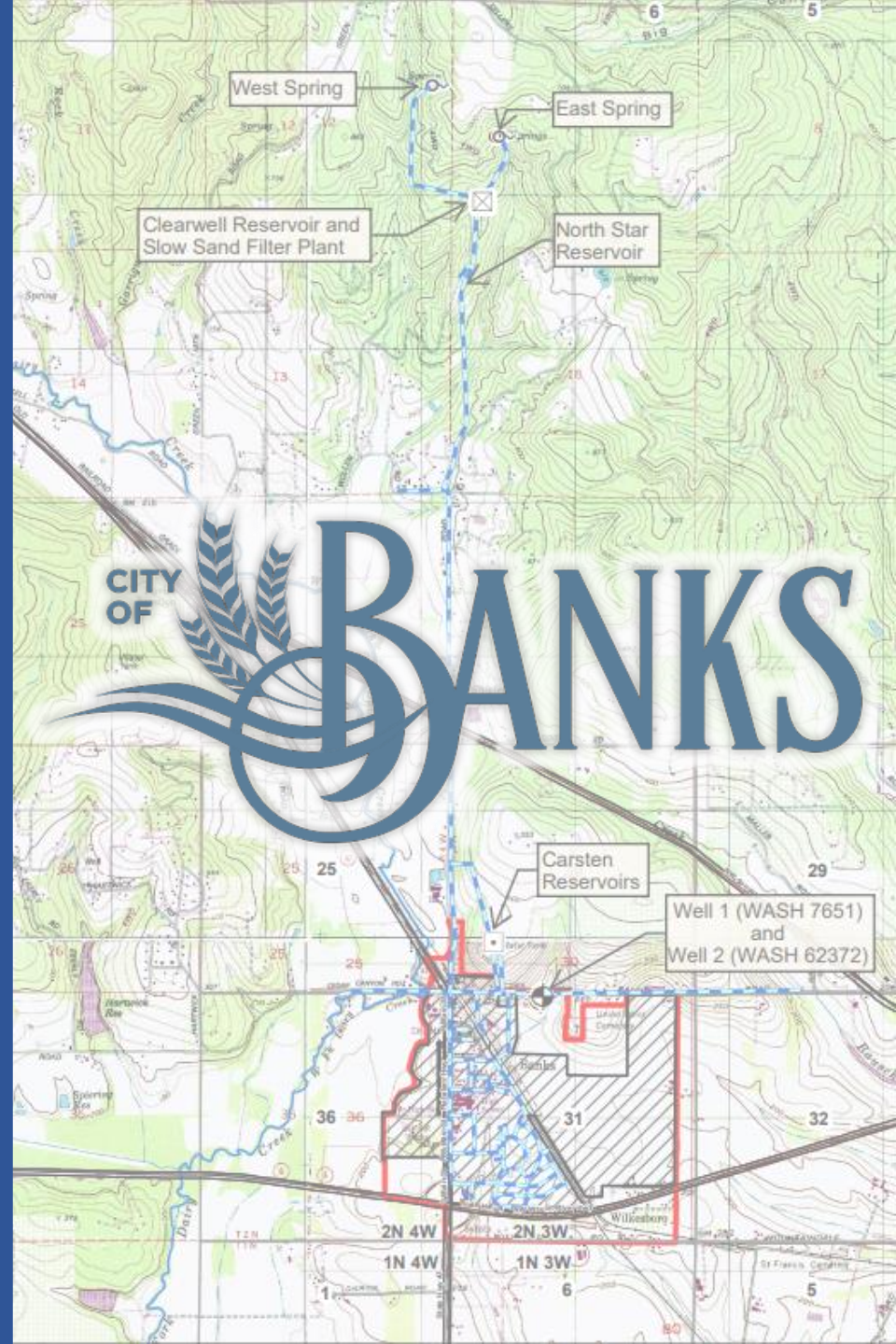


The City of Banks Water Infrastructure: Challenges and Plans *Talking Points*

The City of Banks

May 5th, 2021



City of Banks Water Infrastructure: Challenges

- **Purpose of meeting:** This meeting is an opportunity for small rural towns to highlight gaps and challenges in water infrastructure.
 - Obstacles to obtaining financing
 - Brief summary of water infrastructure needs in the community
 - Cost estimate for needed infrastructure
 - Why is this project important to the community?

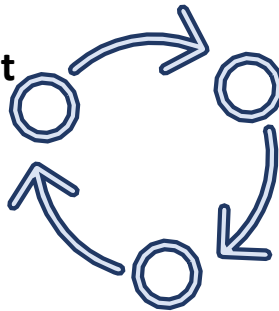
City of Banks Water Infrastructure: Breaking the Cycle

Brief summary of water infrastructure needs in the community

Small cities need a way to break out of the project fund-raising limitations of small population (less than) 5000 Pop.

The population of Banks is under 2000 and the water system dates from 1940 to 1970s

**Small population
and fee-based limit
debt load**



**Stagnant water system
development due to
lack of funds**

**Inability to attract
or support growth**

City of Banks Water Infrastructure: Cost of Development

- Cost estimate for needed infrastructure
 - 2019 CIP: Banks Road Pipeline Replacement: **\$0.65 million**
 - 2019 CIP: Cedar Canyon Road Pipeline Replacement: **\$0.50 million**
 - 2019 CIP: Carsten Reservoirs Rehabilitation: **\$1.75 million**
 - 2019 CIP: New 1.0 MG Main Zone Reservoir: **\$2.52 million**
 - 2019 CIP: Automatic Meter-reading System: **\$0.48 million**
 - 2019 CIP: West Dairy Creek Water Treatment Plant: **\$4.44 million**
 - 2019 CIP: Phase II-III ASR Program: **\$3.21 million**
 - 2019 CIP: Security System Upgrades: **\$0.12 million**
 - Two new groundwater supply wells and conveyance: **\$2.50 million**
 - Pipeline to Regional Water Supplier: **\$12 – 16 million**

System Improvements

System Expansion

System Modernization

City of Banks Water Infrastructure: Obstacles

Obstacles to obtaining financing

- Most infrastructure funding comes from fees collected from service population
 - Prior to 2010, Banks had not implemented a rate increase for a long time.
 - In 2010, Banks implemented a yearly water rate increase of 3.5-12% for 5 years.
 - In 2017, Banks implemented a yearly water rate increase of 8-10% for 5 years. Over that time the base rate went from \$35 to \$54 in July 2021.
- Funding for recent water projects came from Safe Drinking Water Loans and CDBG
- Small towns dependent on money raised from Water Fees to pay loans, which limits the amount of debt that can be managed.
- Constant management of debt also costs cities professional management time or staff time that is difficult to afford.
- Loan and grant applications also take time to complete and require significant staff time and professional support.
- The time needed for loan and grant applications is often not reimbursed by the loan or grant.

City of Banks Water Infrastructure: Obstacles

- Building moratorium implemented in December 2018, due to lack of water. This stopped development projects in Banks.
- Infrastructure improvements could support ~1,000 additional water services.
- Growing water services and reduced operations-maintenance costs for modernized system could reduce rates for customers over time