



**AGENDA
CITY OF LAUREL
CITY COUNCIL MEETING
TUESDAY, APRIL 08, 2025
6:30 PM
COUNCIL CHAMBERS**

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, the City Council has specified times for citizen comments on its agenda -- once following the Consent Agenda, at which time citizens may address the Council concerning any brief community announcement not to exceed one minute in duration for any speaker; and again following Items Removed from the Consent Agenda, at which time citizens may address the Council on any matter of City business that is not on tonight's agenda. Each speaker will be limited to three minutes, unless the time limit is extended by the Mayor with the consent of the Council. Citizens may also comment on any item removed from the consent agenda prior to council action, with each speaker limited to three minutes, unless the time limit is extended by the Mayor with the consent of the Council. If a citizen would like to comment on an agenda item, we ask that you wait until the agenda item is presented to the Council by the Mayor and the public is asked to comment by the Mayor.

Any person who has any question concerning any agenda item may call the City Clerk-Treasurer's office to make an inquiry concerning the nature of the item described on the agenda. Your City government welcomes your interest and hopes you will attend the Laurel City Council meetings often.

Pledge of Allegiance

Roll Call of the Council

Approval of Minutes

1. Approval of Minutes of March 25, 2025.

Correspondence

2. Resignation Letter from Shane Linse
3. Police Monthly Report - March 2025.
4. Fire Monthly Report - March 2025.

Council Disclosure of Ex Parte Communications

Public Hearing

Consent Items

NOTICE TO THE PUBLIC

*The Consent Calendar adopting the printed Recommended Council Action will be enacted with one vote. **The Mayor will first ask the Council members if any Council member wishes to remove any item from the Consent Calendar for discussion and consideration.** The matters removed from the Consent Calendar will be considered individually at the end of this Agenda under "Items Removed from the Consent Calendar." (See Section 12.) The entire Consent Calendar, with the exception of items removed to be discussed under "Items Removed from the Consent Calendar," is then voted upon by roll call under one motion.*

5. Claims entered through April 4, 2025.
6. Approval of Payroll Register for PPE 3/30/2025 totaling \$267,566.04.
7. Council Workshop Minutes of March 4, 2025.
8. Council Workshop Minutes of March 18, 2025.
9. Council Workshop Minutes of April 1, 2025.

Ceremonial Calendar

Reports of Boards and Commissions

10. Budget/Finance Committee Minutes of March 25, 2025.

Audience Participation (Three-Minute Limit)

Citizens may address the Council regarding any item of City business that is not on tonight's agenda. Comments regarding tonight's agenda items will be accepted under Scheduled Matters. The duration for an individual speaking under Audience Participation is limited to three minutes. While all comments are welcome, the Council will not take action on any item not on the agenda.

Scheduled Matters

- [11.](#) Appointment of Gary Blaine to the Laurel Airport Authority for the remainder of a five-year term ending June 30, 2025.
- [12.](#) Resolution No. R25-24: A Resolution To Submit Regularly Elected Officers To The Electorate And Notifying The Yellowstone County Election Administrator Of The City Of Laurel's Desire To Conduct The Primary (If Held) And The General Elections By Mail-In Ballot In Accordance With Mont. Code Ann. § 13-19-202.
- [13.](#) Resolution R25-25: A Resolution Of The City Council To Accept Studies Of The City's Existing Water And Wastewater Rate Structures And Recommendations For Any Necessary Modifications To The Existing Rate Structures Prepared By Raftelis Financial Consultants, Inc.
- [14.](#) Resolution No. R25-26: A Resolution Of The City Council Approving The Sublease Agreement By And Between Laurel High School District No. 7 And American Legion Baseball Post #123 Laurel Dodgers.

Items Removed From the Consent Agenda

Community Announcements (One-Minute Limit)

This portion of the meeting is to provide an opportunity for citizens to address the Council regarding community announcements. The duration for an individual speaking under Community Announcements is limited to one minute. While all comments are welcome, the Council will not take action on any item not on the agenda.

Council Discussion

Council members may give the City Council a brief report regarding committees or groups in which they are involved.

Mayor Updates

Unscheduled Matters

Adjournment

The City makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing accommodation must notify the City Clerk's Office to make needed arrangements. To make your request known, please call 406-628-7431, Ext. 2, or write to City Clerk, PO Box 10, Laurel, MT 59044, or present your request at City Hall, 115 West First Street, Laurel, Montana.

File Attachments for Item:

1. Approval of Minutes of March 25, 2025.

DRAFT

MINUTES OF THE CITY COUNCIL OF LAUREL

March 25, 2025

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Council President Heidi Sparks at 6:30 p.m. on March 25, 2025.

COUNCIL MEMBERS PRESENT: Thomas Canape Heidi Sparks
Michelle Mize Jessica Banks
Casey Wheeler Irv Wilke
Richard Klose Jodi Mackay

COUNCIL MEMBERS ABSENT: None

OTHER STAFF PRESENT: Kurt, Markegard, CAO
Forrest Sanderson, Contract Planner
Brittney Harakal, Administrative Assistant

Council President Waggoner led the Pledge of Allegiance to the American flag.

MINUTES:

Motion by Council Member Wilke to approve the minutes of the regular meeting of March 11, 2025, as presented, seconded by Council Member Mize. There was no public comment or council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

CORRESPONDENCE:

- Beartooth RC&D March Correspondence
- Fire Department Monthly Report - February 2025.

Council President Sparks stated the City has received a letter of resignation from Shane Linse from the Laurel Airport Authority. The vacancy has been declared.

COUNCIL DISCLOSURE OF EX-PARTE COMMUNICATIONS: None.

PUBLIC HEARING: None.

CONSENT ITEMS:

- **Claims entered through March 21, 2025.**
A complete listing of the claims and their amounts is on file in the Clerk/Treasurer's Office.
- **Clerk/Treasurer Financial Statements for the month of February 2025.**
- **Approval of Payroll Register for PPE 3/16/2025 totaling \$256,822.77.**

The Council President asked if there was any separation of consent items. There was none.

Motion by Council Member Klose to approve the consent items as presented, seconded by Council Member Wilke. There was no public comment or council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS:

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AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):

- Budget/Finance Committee Minutes of March 11, 2025.

- Laurel Urban Renewal Agency Minutes of February 24, 2025.
- Laurel Urban Renewal Agency Minutes of March 10, 2025.
- Emergency Services Committee Minutes of February 24, 2025.
- Public Works Committee Minutes of February 18, 2025.
- Public Works Committee Minutes of March 17, 2025.
- Park Board Minutes of March 6, 2025.
- Laurel Airport Authority Minutes of January 23, 2024.
- Laurel Airport Authority Minutes of February 27, 2024.
- Laurel Airport Authority Minutes of April 23, 2024.
- Laurel Airport Authority Minutes of May 28, 2024.
- Laurel Airport Authority Minutes of October 22, 2024.

SCHEDULED MATTERS:

- **Resolution No. R25-21: Resolution Of City Council Approving Final Annexation, Right-Of-Way Dedications, And Zoning For Approximately One Acre Of Property Adjacent To The City Of Laurel, As An Addition To The City Of Laurel, Yellowstone County, Montana.**

Motion by Council Member Canape to approve Resolution No. R25-21, seconded by Council Member Wilke. There was no public comment or council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

- **Resolution No. R25-22: A Resolution Of The City Council Approving The Expedited Subdivision Application For The McLelland Subdivision.**

Motion by Council Member Mackay to approve Resolution No. R25-22, seconded by Council Member Wilke. There was no public comment or council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

- **Resolution No. R25-23: A Resolution Of The City Council Authorizing The Mayor To Reschedule City Council Meeting Set On Veterans Day.**

Motion by Council Member Banks to approve Resolution No. R25-23, seconded by Council Member Wilke. There was no public comment or council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT):

Hunter's Education registration is on April 7th. Classes begin April 21-25. Field Day is April 26.

Former Mayor Mace's internment is this Thursday at 10:00 a.m.

COUNCIL DISCUSSION: None.

MAYOR UPDATES: None.

UNSCHEDULED MATTERS:

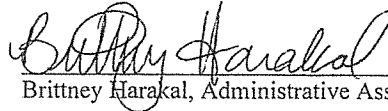
Forrest Sanderson, LURA Coordinator, gave a brief update on the phase 1 project.

ADJOURNMENT:

Motion by Council Member Mize to adjourn the council meeting, seconded by Council Member Wilke. There was no public comment or council discussion. A vote was taken on the motion. All eight Council Members present voted aye. Motion carried 8-0.

There being no further business to come before the council at this time, the meeting was adjourned at 6:41 p.m.

DRAFT


Brittney Harakal, Administrative Assistant

Approved by the Council President and passed by the City Council of the City of Laurel, Montana,
this 8th day of April 2025.

Dave Waggoner, Council President

Attest:

Kelly Strecker, Clerk/Treasurer

File Attachments for Item:

2. Resignation Letter from Shane Linse

Shane Linse
P.O. Box 80193
Billings, MT 59108
Shanemt40@gmail.com

March 23, 2025

Mayor Dave Waggoner
115 West 1st Street
Laurel, MT 59044
citymayor@laurel.mt.gov

Re: Resignation from Laurel Airport Authority Board

Mayor Waggoner,

Please accept this letter as my formal resignation from my position as Chairman and board member of the Laurel Airport Authority effective immediately.

I would like to express my gratitude for the opportunity to work for the citizens of Laurel to improve the airport. I have served on the board since my appointment on September 20, 2016 by the previous Mayor Mace and the Laurel City Council.

I wish we could have meet when I took over as Chairman to go over the issues that I inherited from the 2 previous chairmen.

Since we could not meet, here are the accomplishments that I was able to complete as Chairman for the past 2+ years:

1. Completed a FAA Audit compliance issue adherence and corrective actions from a mandatory Federal audit that was 6 years past due putting our past and future loans and grants in jeopardy. I worked with Mr. Metz on this.
2. Negotiated a \$20K reduction in audit expenses with Mr. Metz's assistance for the Federal audit above.
3. Worked on resolving airport lease issues, renegotiations, and expired leases with Mr. Metz.
4. Had over a year legal battle with Brett McKinney and Tom Boyce over not paying rent on their non-aviation lease on 2020 Fox Road lease for 3 years. They eventually paid and foreclosure proceedings dropped.
5. Airport lease payments had not been billed for over 1 year and many leases had not been paid for several years.
6. Collected over \$150,000.00+ of unpaid hangar lease, farm leases, mill payments, and grant payments that where not done by previous Chairmen.
7. Completed \$100,000.00+ of unfinished grant and reimbursement requests to pay the airport back.
8. Paid off the \$207,000.00+ of debt incurred on the 2017 Crosswind runway project.
9. **I will be leaving the airport debt free with all receivables to the airport paid in full.**
10. Installed a new \$50,000.00 automatic main entrance gate; utilizing state grant funds for 95% of the project.
11. Installed a new \$40,000.00 AWOS3, aviation weather station upgrade for airport; utilizing state grant funds for 100% of the project.

12. Upgraded the infrastructure for the AWOS3 system to integrate with online aviation flight planning programs, this will help bring more general aviation traffic into the Laurel Airport
13. Received grant funding for 4 new FAA Weather cameras and had them installed.
14. Cut contracts that saved the airport over \$7,500 per year for work that the volunteer staff already where doing.
15. Created a courtesy car agreement for legal protection for the Laurel airport.
16. Set up a preventive maintenance program for the automatic entrance gate and airport's owned equipment.
17. Established Board training for all the Board members and anyone else interested in how to work/volunteer in a legal Montana State Board.
18. Completed an \$250,000.00 airport master plan project required every 10 years by FAA completion to continue federal airport funding; utilizing federal grant funds for 90% of the project.
19. Completed an \$394,000.00 pavement maintenance project 2024 for all active runways and taxiways; utilizing federal grant funds for 95% of the project.
20. Completed a new 50-year lease option for aviation leases; to bring in more hangar development and aviation related activity.
21. Started a \$1,000,000.00 project for 2025-rebuild of entrance road into airport, utilizing federal grant funds for 95% of the project.
22. Compliance with workers comp for airport volunteer workforce, no such coverage was in place which created liability for the airport.
23. Property insurance audit on existing airport property and expanded coverage to protect airports property investment.
24. Updated FAA required Aircraft registration database for FAA funding requirements, this is required annually for FAA funding requests.
25. Worked with the FAA Airports Compliance Division to resolve an informal Grant Assurances complaint regarding economic discrimination, unequal application of the established airport Minimum standards, rules and regulations and leases. Developed a FAA Compliance plan, with unanimous board approval; regarding the same, which if not resolved puts future and past federal funding at risk for the airport.

Mayor Waggoner, I cannot stress enough that the FAA informal compliance plan which was developed must be followed by the current Board as well as the Laurel Airport established rules, regulations, minimum standards, and lease requirements. Otherwise, the Board exposes the airport to unnecessary legal fees, potential liability and can jeopardize the FAA Federal funding that the airport desperately needs. I cannot say with any certainty that the current appointed board has the same intentions and is in part, reasoning for my resignation.

The airports tenant's, user's, leaseholders and public are better served when we as a community and an airport, abide by the same rules and regulations.

Sincerely,

A handwritten signature in black ink, reading "Shane Linse". The signature is written in a cursive, flowing style.

Shane Linse

File Attachments for Item:

3. Police Monthly Report - March 2025.



Laurel Police Department

215 W. 1st Street Laurel, Mt. 59044 ▪ Phone 406-628-8737 ▪ Fax 406-628-4641

Total Calls

Printed on April 1, 2025

[CFS Date/Time] is between '2025-02-26 00:00' and '2025-03-24 11:54' and

[Primary Incident Code->Code : Description] All

Code : Description

Totals

10-15 : With Prisoner	0	0
: Abandoned Vehicle	17	17
: Agency Assist	47	47
: Alarm - Burglary	8	8
: Alarm - Fire	3	3
AMB : Ambulance	69	69
: Animal Complaint	8	8
: Area Check	1	1
: Assault	2	2
: Bad Checks	0	0
: Barking Dog	4	4
: Bomb Threat	0	0
: Burglary	2	2
: Child Abuse/Neglect	4	4
: Civil Complaint	9	9
: Code Enforcement Violation	6	6
: Community Integrated Health	3	3

Code : Description	Totals	
: Counterfeiting	1	1
: Criminal Mischief	4	4
: Criminal Trespass	6	6
: Cruelty to Animals	1	1
: Curfew Violation	4	4
: Discharge Firearm	1	1
: Disorderly Conduct	10	10
: Dog at Large	22	22
: Dog Bite	0	0
DUI : DUI Driver	3	3
: Duplicate Call	1	1
: Escape	0	0
: Family Disturbance	12	12
: Fight	2	2
FIRE : Fire or Smoke	7	7
: Fireworks	0	0
: Forgery	0	0
: Found Property	7	7
: Fraud	5	5
: Harassment	6	6
: Hit & Run	2	2

Code : Description	Totals	
: ICAC	0	0
: Identity Theft	1	1
: Indecent Exposure	0	0
: Insecure Premises	1	1
: Intoxicated Pedestrian	0	0
: Kidnapping	0	0
: Littering	2	2
: Loitering	2	2
: Lost or Stray Animal	7	7
: Lost Property	3	3
: Mental Health	2	2
: Missing Person	4	4
: Noise Complaint	1	1
: Open Container	0	0
: Order of Protection Violation	0	0
: Parking Complaint	13	13
: Possession of Alcohol	0	0
: Possession of Drugs	1	1
: Possession of Tobacco	1	1
: Privacy in Communications	1	1
: Prowler	0	0

Code : Description	Totals	
: Public Assist	32	32
: Public Safety Complaint	8	8
: Public Works Call	15	15
: Report Not Needed	4	4
: Robbery	0	0
: Runaway Juvenile	1	1
: Sexual Assault	2	2
: Suicide	0	0
: Suicide - Attempt	0	0
: Suicide - Threat	3	3
: Suspicious Activity	43	43
: Suspicious Person	5	5
: Theft	25	25
: Threats	2	2
: Tow Call	10	10
: Traffic Accident	14	14
: Traffic Hazard	9	9
: Traffic Incident	13	13
: TRO Violation	0	0
: Truancy	1	1
T/S : Traffic Stop	155	155

Code : Description	Totals	
: Unattended Death	1	1
: Unknown - Converted	0	0
: Unlawful Transactions w/Minors	0	0
: Unlawful Use of Motor Vehicle	0	0
: Vicious Dog	4	4
: Warrant	9	9
: Welfare Check	14	14
Totals	686	686

File Attachments for Item:

4. Fire Monthly Report - March 2025.



Laurel Fire Department

For the Month of:

March

Call Type
Structure Fire
Wildland Fire
Extrication
Other Rescue
Alarm
Public Assist
Medical Assist.
Other Calls/PD Assist
Severity Staffing

Number of Calls
0
7
12
1
7
7
8
14
0

Number of Hours

Total

56

600

Other Activities

Training Hours

437

Total Hours for the Month

1037

Announcements:

**Rookie school is going well. Preparing for up coming wildland season.
One firefighter currently in Texas with DNRC. Attending DNRC classes for training.**

DEFINITIONS

Structure Firefighting

A structure fire is a fire involving the structural components of various types of residential, commercial or industrial buildings. We carry out all levels of Structure Firefighting, including entry and attack, ventilation, salvage, overhaul, and investigations.

Wildland Firefighting

Wildfire, brush fire, bush fire, desert fire, forest fire, grass fire, hill fire, peat fire, vegetation fire, etc..

Extrications

Rescue victims entrapped in automobiles, machinery, farm equipment, buildings, and trenches, etc..

Other Rescues

Rope Rescue, Water Rescue, Ice Rescue.

Alarms

Respond to any false alarms or malfunctions.

Other Calls

EMS assist, industrial or aircraft firefighting, vehicle fires, hazmat, spills, public safety, investigations, gas leaks, carbon monoxide problems, etc..

Severity Staffing- Montana DNRC pays up to 8 firefighters to staff the station each day and respond as a Task Force to wildland fires within Yellowstone, Stillwater and Carbon Counties, as and when needed. They can also be called up to respond to fires anywhere in the Southern Zone areas. The 2 State-owned type 5 wildland engines assigned to Laurel are the ones primarily used for these calls. This has proven to be beneficial to Laurel as a means for a quick response to all incidents.

File Attachments for Item:

7. Council Workshop Minutes of March 4, 2025.

**MINUTES
CITY OF LAUREL
CITY COUNCIL WORKSHOP
TUESDAY, MARCH 04, 2025**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:31 p.m. on March 4, 2025.

COUNCIL MEMBERS PRESENT:

<input checked="" type="checkbox"/> Tom Canape	<input checked="" type="checkbox"/> Heidi Sparks
<input checked="" type="checkbox"/> Michelle Mize	<input checked="" type="checkbox"/> Jessica Banks
<input checked="" type="checkbox"/> Casey Wheeler	<input checked="" type="checkbox"/> Irv Wilke
<input checked="" type="checkbox"/> Richard Klose	<input checked="" type="checkbox"/> Jodi Mackay

OTHERS PRESENT:

Brittney Harakal, Administrative Assistant
Michele Braukmann, Civil City Attorney (via Phone)
Kelly Strecker, Clerk/Treasurer

Public Input:

Gaurav Thakur, 603 Hazel Avenue, stated he was supposed to be in attendance at last week's meeting, but he had written the date down incorrectly. He thanked the Council for the appointment to the Laurel Urban Renewal Agency in an advisory capacity.

A Council Member noted that Mr. Thakur is also very involved in the small business community as well.

General Items

1. Appointment of Dean Rankin to the Laurel Urban Renewal Agency for the remainder of a four-year term ending December 31, 2027.

There was no discussion on the item.

Executive Review

2. **Mayor:** Resolution - A Resolution Of The City Council To Adopt An Official Schedule Of Fees And Charges For The City Of Laurel And Repealing All Previous Resolutions That Set Fees Or Charges That Conflict With The Schedule Attached Hereto Upon Its Effective Date.

There was no discussion on the item.

3. **Public Works:** Resolution - A Resolution Of The City Council Authorizing The Adoption Of The 2024 Eastern Montana Region Hazard Mitigation Plan And Annex K For Yellowstone County.

The City needs to adopt this plan in order to apply for a grant through FEMA for the water tank. The CAO has reviewed the plan and spoken to the County who is also approving this plan.

It was questioned if the City has adopted something like this in the past. It was clarified that present Staff were not sure of the interval between review of the plan but have adopted plans similar in the past.

4. **Clerk/Treasurer:** Resolution - A Resolution Of The City Council Authorizing The Mayor To Execute An Independent Contractor Service Contract With Fisher's Technology.

The current copy machines were purchased in 2011. They have over a million copies on them and need to be replaced. This is a lease program with a 5-year lease. At the end of the five years the City would get a new machine. It is a savings of over \$300 a month. That does include all toner, parts, and labor. The old machines can be sold as surplus.

It was questioned if the machines would be coming into the building; it was further questioned about stapling. It was clarified that the machines will be in the building in the exact locations as our current machines. For Stapling, the City will need to purchase the staples for the machine.

It was questioned if monthly maintenance was included in the lease. It was clarified all maintenance is included in the lease.

It was questioned if the City has used this vendor previously. It was clarified that they are our current vendor.

Council Issues

5. Discussion - Tabled Minutes

Council President Sparks asked that the following changes be made to the minutes.

The minutes from January 28 are incorrect. On page 5, under the discussion for the CAO position, it states that a Motion was made by Irv to table the resolution. The minutes state the motion was not seconded, and therefore the motion died. This is not accurate- Council Member Mize seconded this motion, and the Council voted in a 5-3 vote to table this resolution.

Additionally, the minutes from February 11 are also incorrect. Under unscheduled matters, Council Member McKay made a motion to revise the minutes of the January 21 workshop, in which she stated she was not asking about the judge's salary in regard to the CAO discussion. The February 11 minutes reflect there was no Unscheduled Matters, but this agenda packet includes the revised minutes from January 21.

Other Items

Attendance at Upcoming Council Meeting

All Council Members present will be in attendance at next week's meeting.

Announcements

The next Park Board meeting is Thursday at 5:30 p.m. in Council Chambers.

The American Legion has 75 tickets left for the fundraiser they are running. The prize is a gun safe. Each ticket is \$2.00 or 3 for \$5.00

The council workshop adjourned at 6:50 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brittney Harakal". The signature is fluid and cursive, with the first name "Brittney" written in a larger, more prominent script than the last name "Harakal".

Brittney Harakal
Administrative Assistant

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.

File Attachments for Item:

8. Council Workshop Minutes of March 18, 2025.

**MINUTES
CITY OF LAUREL
CITY COUNCIL WORKSHOP
TUESDAY, MARCH 18, 2025**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:31 p.m. on March 18, 2025.

COUNCIL MEMBERS PRESENT:

<input checked="" type="checkbox"/> Tom Canape	<input type="checkbox"/> Heidi Sparks
<input checked="" type="checkbox"/> Michelle Mize	<input checked="" type="checkbox"/> Jessica Banks
<input checked="" type="checkbox"/> Casey Wheeler	<input checked="" type="checkbox"/> Irv Wilke
<input checked="" type="checkbox"/> Richard Klose	<input checked="" type="checkbox"/> Jodi Mackay

OTHERS PRESENT:

Brittney Harakal, Administrative Assistant
Kurt Markegard, CAO
Forrest Sanderson, LURA Coordinator
Cami Story, LURA Chair
Cheryl Hill, LURA Member

CAO Markegard announced the recent passing of former City Council Member, Mayor, and public servant Mark Mace. Mr. Mace served on the Council from 2000 to 2013. He was Mayor from 2013 to 2017. He also worked for the Billings Public Works Department for over 30 years. His service will be next Thursday, March 27th at 10:00 a.m. at the Yellowstone National Cemetery. He was a Vietnam Vet, a member of the American Legion, and served in the Color Guard. He will be buried with military honors.

Public Input:

There were none.

General Items

Executive Review

- 1. Planning:** Resolution - Resolution Of City Council Approving Final Annexation, Right-Of-Way Dedications, And Zoning For Approximately One Acre Of Property Adjacent To The City Of Laurel, As An Addition To The City Of Laurel, Yellowstone County, Montana.

This process started four years ago. The Contracted Planner started this process, this is the final step of this project.

Forrest Sanderson, Contract Planner, reviewed the items listed in the resolution, see attached.

There were no questions by the Council.

2. **Planning:** Resolution - A Resolution Of The City Council Approving The Expedited Subdivision Application For The McLelland Subdivision.

Kurt Markegard, CAO, reviewed his staff report for the McLelland subdivision. Forrest Sanderson, Contract Planner, also reviewed this report and approved that it is consistent with regulations and MCA.

Doug Pizoldt, Sanbell, was the professional surveyor who oversaw this project.

It was questioned if this property was located next to the church. It was clarified this property is located just to the east of the church. Services are already in the area and will not need to be extended.

3. **Mayor:** Resolution - A Resolution Of The City Council Authorizing The Mayor To Reschedule City Council Meeting Set On Election Day.

This resolution was pulled from the agenda.

Council Issues

4. LURA Update

Forrest Sanderson, LURA Coordinator, reviewed the attached report from Triple Tree.

The initial plan was to go to bid on phase 1 for this spring; however, some items have brought a hold on this project. First the project is at 10% design completion; in hurrying to finish the project, there may be errors. Second there are major events that take place in Downtown. And lastly there may be a delay in getting DOT permitting. So LURA has recommended shifting gears and holding this project over and including phase 2 for next year. This gives event coordinators a year to make alternative plans, time to get permits, get a more competitive bid, and a better design.

Phase 2 of the project is E. Railroad Street, Bernhart Road, and S. Washington Avenue. There are no events located in this area of town. We can do our best to coordinate construction with events. Construction can also begin earlier in the year and potentially be done in the areas that affect various events.

It was questioned what the estimated cost increase would be by waiting a year. It was clarified that right now, the estimate is 2.8%, however, going out for bid earlier may bring a more competitive bid. We should have the engineer's estimate soon.

Choosing to hold the project for an additional year also allows the City to apply for a grant for this project.

It was questioned if phase 2 could be completed this year. It was clarified that phase 2 would not be designed and ready to go to bid until August, so it would not be a possibility.

It was questioned if there would be congestion issues if all streets were closed at the same time. It was clarified that street closures will be planned to accommodate as many events and keep congestion to a minimum.

Council was updated that the State has pushed the W. Railroad project out to 2028.


Other Items

Attendance at Upcoming Council Meeting

Announcements

The council workshop adjourned at 7:36 p.m.

Respectfully submitted,



Brittney Harakal
Administrative Assistant

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.

RESOLUTION NO. R25-_____

RESOLUTION OF CITY COUNCIL APPROVING FINAL ANNEXATION, RIGHT-OF-WAY DEDICATIONS, AND ZONING FOR APPROXIMATELY ONE ACRE OF PROPERTY ADJACENT TO THE CITY OF LAUREL, AS AN ADDITION TO THE CITY OF LAUREL, YELLOWSTONE COUNTY, MONTANA.

WHEREAS, a Petition for Annexation and Concurrent Zoning Designation was submitted to the City of Laurel by Lance Hull, who is the property owner (hereinafter "Petitioner") of certain real property situated in Yellowstone County, Montana;

WHEREAS, the real property is generally described as that portion of Section 8, Township 2 South, Range 24 East, P.M.M., Yellowstone County, Montana, on Certificate of Survey No. 1642 amended Parcel A1 Less Herman Addition., Yellowstone County, Montana. The real property is generally reflected on the Exhibits to the Petition for Annexation, included as part of previously-approved Resolution No. R22-40, which is incorporated by reference herein, and it includes all contiguous roadways and rights-of-way;

WHEREAS, the Petitioner sought annexation of the property and zoning as Residential Multiple Family (hereinafter "RMF");

WHEREAS, Petitioner sought annexation of the property into the City of Laurel in order to access and utilize City of Laurel services, including, but not limited to, water, sewer, police, and fire;

WHEREAS, the Laurel City-County Planning Board held a duly advertised public hearing on Petitioner's Petition for Annexation and Concurrent Approval of Initial Zoning Designation on June 15, 2022;

WHEREAS, at the the conclusion of the hearing, the Planning Board voted to recommend approval to the City Council of both the annexation and zoning request;

WHEREAS, the City Council held a duly advertised public hearing regarding Petitioner's Petition for Annexation on August 9, 2022;

WHEREAS, at the conclusion of the hearing, the City Council determined that approval of the Petition for Annexation and Concurrent Approval of Initial Zoning Designation was in the best interests of the City at this time;

WHEREAS, the annexation of the property and zoning is subject to an Annexation Agreement by and between the City of Laurel and the Petitioner, which was executed by and between the Petitioner and the City of Laurel and was attached to Resolution No. R22-40 and thereto incorporated as part of the Resolution;

WHEREAS, the Property Owner has complied with all of the terms and conditions of annexation imposed by the Laurel City Council;

WHEREAS, all public water, sewer, streetways, and storm drainages have been extended by the Property Owner and approved by the Laurel Public Works Department;

WHEREAS, all rights-of-way have been dedicated to the City of Laurel;

WHEREAS, a Waiver of Right of Protest has been finalized, and the Development Agreement has been executed and all appropriate and necessary work completed; and

WHEREAS, the City is prepared to accept the right-of-way dedications as demonstrated on the Plat Exhibit, approve the Final Annexation of the property and all rights-of-way as demonstrated on the Plat Exhibit; and assign the zoning on the property as RMF.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Laurel, Montana, as follows:

1. The owner of record of the territory annexed to the City of Laurel has executed a Petition of Annexation.
2. Pursuant to Mont. Code Ann. § 7-2-46, the incorporated boundaries of the City of Laurel shall be and the same hereby is extended and/or expanded to include the territory described in Petitioner's Petition for Annexation and all attached Exhibits.
3. The following described territory is hereby annexed to the City of Laurel: that portion of Section 8, Township 2 South, Range 24 East, P.M.M., Yellowstone County, Montana, on Certificate of Survey No. 1642 amended Parcel A1 Less Herman Addition., Yellowstone County, Montana. The real property is generally reflected on the Exhibits to the Petition for Annexation, which is incorporated by reference herein, and it includes all contiguous roadways and rights-of-way.
4. The owner of record of the territory annexed to the City of Laurel and the City of Laurel have executed an Annexation Agreement, which terms and conditions have been met by the property owner and which are made a part of this Resolution and the Petition for Annexation.
5. That the conditions of the annexation and zoning, as conditioned as follows, have been met:
 - A. On all terms, conditions, and requirements of the Annexation Agreement between the City of Laurel and Petitioner.

- B. The property shall be zoned as RMF, which is consistent with the zoning of adjacent and nearby properties.
 - C. The Waiver of Right to Protest, a copy of which is attached to Resolution No. 22-40 and incorporated by reference herein, and this Resolution, shall be recorded with the County Clerk and Recorder within ninety (90) days after the adoption of this Resolution.
 - D. Connections to the City of Laurel Water and Sewer Systems have been approved by the City of Laurel's Public Works Department.
 - E. All improvements and infrastructure connections have been completed.
6. This Resolution shall be incorporated into the official minutes of the City Council, and upon said incorporation, the City Clerk-Treasurer shall file a true and correct certified copy of this Resolution and Meeting Minutes with the Yellowstone County Clerk and Recorder.
 7. From and after the date that the City Clerk-Treasurer files such certified copy of this Resolution and of the City Council Meeting Minutes with the Yellowstone County Clerk and Recorder, this Annexation of the above-described territory to the City of Laurel shall be deemed complete and final.
 8. Annexation and the City's responsibility for providing service to the property shall become null and void upon Petitioner's failure to satisfy the conditions imposed by the City Council by and through this Resolution, the Petition for Annexation, and the Annexation Agreement by and between the City of Laurel and the Petitioner.

Introduced at a regular meeting of the City Council on the ____ day of March, 2025, by Council Member _____.

PASSED and APPROVED by the City Council of the City of Laurel the ____ day of March, 2025.

APPROVED by the Mayor the ____ day of March, 2025.

CITY OF LAUREL

Dave Waggoner, Mayor

ATTEST:

Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

Michele L. Braukmann, Civil City Attorney



LAUREL CITY-COUNTY PLANNING DEPARTMENT

Staff Review and Recommendation for approval McLelland Subdivision

TO: Laurel City Council
FROM: Kurt Markegard *K.M.*
Forrest Sanderson *F.S.*
RE: Expedited 2-Lot subdivision
DATE: March 13, 2025

DESCRIPTION OF REQUEST

An expedited 2-lot minor subdivision application and a document packet was submitted by Sanbell on behalf of Leonard McLelland. The proposed 2 lot subdivision is located on East Maryland Lane and Alder Avenue with an address for the existing house of 708 East Maryland Lane. The legal description is Tract B1-A1 of Amended Tract B1-A of COS 2385 and consists of 2.094 acres. The subdivision is located within the Laurel-Yellowstone City-County Planning Jurisdiction and the City of Laurel City Limits. The subdivision qualifies for expedited review under the Laurel subdivision regulations and is constant with the Laurel Growth Policy.

The applicant has provided all the supporting subdivision elements as per Appendix H of the Laurel-Yellowstone County Subdivision Regulations. The documents provided by the applicant were deemed sufficient by the planning office and reviewed by the City's contracted planner.

Owner: Leornard McLelland
Legal Description: Tract B1-A1 of amended Tract B1-A of COS 2385
Subdivision size: 2.09 Acres
Existing Land Use: Residential Limited Multi- Family
Proposed Land Use: Residential Limited Multi-Family

BACKGROUND AND PROCEDURAL HISTORY

- Subdivision Pre-application meeting on December 12, 2024
- Subdivision Application completed on January 28, 2025
- All submitted information was forwarded to County Departments on February 7, 2025
- Comments received back from County Departments on March 11, 2025
- City Council Workshop on 17, 2025
- City Council Meeting Consideration on March 25, 2025

STATE FINDINGS

1. The Owner's representatives have submitted an Expedited Subdivision Application and supporting documents.
2. The Application was found to contain all the necessary elements.
3. The Application and its supporting documentation were routed to all city and county departments
4. The expedited subdivision application contains
 - a. The plat of McLelland Subdivision with two lots
 - b. Subdivision Improvement Agreement
 - c. Subdivision Guarantee
 - d. DEQ Municipal Facilities Exclusion
 - e. Declaration of Reciprocal Private Access
 - f. Waiver of Right to Protest
 - g. Vacation of Easement for water line
 - h. Existing COS.
5. Agriculture Impacts.
 - a. There are no agriculture impacts as this subdivision is within the City of Laurel and zoned as a residential use.
6. Agricultural water user facilities Impacts.
 - a. No water rights have been conferred to the subdivider or future owners of the lots within the subdivision.
 - b. Existing irrigation and other related water user facilities shall not be changed or modified from their current use.
7. Local Services Impacts.
 - a. Fire Service will be provided by the Laurel Volunteer Fire Department (Laurel Fire District).
 - b. Law Enforcement shall be provided by the Laurel Police Department.
 - c. The property is within the Laurel School District.
 - d. The proposed roadways and improvements for existing roadways within and adjacent to the proposed Subdivision will not create a burden for roadway maintenance.
8. Natural Environment Impacts
 - a. The area of the proposed subdivision exists for residential use already.
 - b. The applicant has prepared the subdivision design to adequately protect water quality and will not be installing septic systems but will connect to city water and sewer services.
9. Wildlife and Wildlife Habitat Impacts
 - a. The proposed Subdivision contains no known protected species or those with special status.
 - b. The subdivision is located within the Laurel City Limits.

10. Public health & Safety Impacts

- a. The water and wastewater system connections will have to be approved by the Public Works Director
- b. The subdivision has been designed to ensure no impact arises for the subdivision or surrounding property regarding water and/or wastewater.

GOVERNING BODY REVIEW CRITERIA

LMC 16.03.110 Part F states:

Governing Body Action. At a regularly scheduled meeting, the AGB shall consider the following information in deciding whether to approve or deny a final plat:

1. The effect on agriculture, agricultural water user facilities, local services, the natural environment, wildlife and wildlife habitat, and public health and safety (MCA § 76-3-608 (3)(a));
2. Consistency with the adopted Growth Policy and Bike/Ped Plan; and
3. These subdivision regulations.
4. The governing body shall give due weight and consideration to the subdivider's expressed preferences (MCA § 76-3-608(5)(b)). The governing body may not deny approval of a subdivision based solely on the subdivision's impacts on educational services (MCA § 76-3-608(1)), or based solely on compliance with the Growth Policy (MCA § 76-3-605(2)(b)).
5. In the event the governing body denies the final plat, it shall send a letter to the subdivider stating the reasons for the denial along with written findings of fact (MCA § 76-3-608(4)).
6. After all required signatures have been obtained; the plat shall be recorded with the county clerk and recorder within twelve (12) months of the date of approval.

RECOMMENDATIONS

Staff recommends that the Laurel City Council approves the expedited subdivision to be known as McLelland Subdivision.

1. The applicant has 12 months to receive all signatures required for the subdivision plat, SIA, and supporting documents to be recorded with the County Clerk and Recorder.

ATTACHMENTS

1. Application Form for expedited review.
2. Redline Copy of Subdivision Plat
3. Comments from City and County departments
4. Subdivision Improvements Agreement
5. DEQ sanitation exclusion
6. Subdivision Guarantee
7. Copy of Amended tract of B1-A COS 2385
8. Vacation of Easement Document
9. Reciprocal Easement Document
10. Concept of Subdivision
11. Pre-application Form



Meeting Minutes

Project: LURA Sidewalks Project

Objective: 10% Review Meeting

Date: 3/10/2025

Time: 11:00 AM

Discussion Items (Items below in Red were added to the agenda to develop these Minutes)

1. Task Order #2

a. LURA SURVEYS:

- i. Review draft survey for project 1.
 - 1. **Exhibit 1** includes the Draft Survey for Project 1.
- ii. **Submittal 2** will include a similar document for entire TIF District – **October 1, 2025**
 - 1. No work is currently being performed on this item. All current work is focused on project 1.

b. PROJECT 1 DESIGN

- i. The draft project survey has been completed.
- ii. **Exhibit 2** includes the draft layout, showing the proposed improvements.
 - a. Areas in green are in good condition, and not proposed for replacement at this time.
 - i. Some sidewalk in the green areas will require removal/replacement to accommodate pull boxes for pedestrian lighting.
 - b. Areas in red are proposed for replacement.
 - i. Deteriorating sidewalk
 - ii. Drainage issues
 - iii. Non-ADA compliance
 - iv. Areas where conditions vary. (Some good, some bad)
 - 1. Based on discussions with the pedestrian lighting engineer, it is more economical to replace some additional sidewalk and trench than to bore multiple short sections. Therefore in areas where condition varies, it is proposed to replace the whole sidewalk to accommodate the pedestrian lighting project.
 - v. **Following a walkthrough of the project with Kurt Markegard, it was decided to widen the sidewalk on the east side of 2nd Avenue, north of the alley to a width of 10 feet. It was also decided to add a portion of the sidewalk along the south side of 1st Street to the project. There are some drainage issues in the alley on the east side of 2nd Avenue. Based on follow up conversations with Forrest Sanderson, there may be a future project to address these issues. Where possible the current sidewalk design will be completed with the goal of allowing alley drainage issues to be addressed in the future while minimizing re-work as much as possible. Additions are shown in **Exhibit 2**.**



iii. Design Discussion Items:

a. Accessibility to buildings

i. At the February 3, 2025 meeting, there was discussion regarding providing ADA access to the businesses. **Exhibit 3** includes photos of examples on other projects for consideration. Following are some options for consideration by the board.

ii. Options:

1. Construct sidewalk up to buildings, generally matching the existing grade at the face of the building.

a. Pros:

- i. Less expensive
- ii. Less disruption to businesses

b. Cons:

- i. Non ADA compliance to businesses
- ii. If businesses decide to make ADA accessible later on, some of the sidewalk installed as part of this project will need to be removed and replaced.

c. It was decided by the board to proceed with Option 1.

2. Construct ADA accessible routes to every building including buildings with insets.

a. Pros:

- i. Provides ADA accessible routes to all businesses

b. Cons:

- i. Considerably more expensive to construct ramps, railings, curbs, walls, etc.
- ii. Where building insets are present, work will be occurring within the envelope of the building.
- iii. Concurrence from each business owner.
 - 1. Will likely delay the project.
- iv. If businesses decide to make ADA accessible later on, some of the sidewalk installed as part of this project will need to be removed and replaced.

3. Construct ADA accessible routes only to buildings without insets.

a. Pros:

- i. Provides ADA accessible routes on City sidewalks, while not performing work in private building envelopes.
- ii. Limits additional project expenses.

b. Cons:

- i. Concurrence and coordination with some building owners will be required.
- ii. If businesses with insets decide to make ADA accessible later on, some of the sidewalk installed as part of this project will need to be removed and replaced.



- b. Street bulb outs
 - i. Provide better ADA Ramp accessibility
 - ii. Provide traffic calming for pedestrians
 - iii. Protection to parked vehicles
 - iv. Restrict turning movements for larger vehicles.
 - v. It was decided not to install bulb outs in 1st Avenue because it is a truck route, and bulb outs may affect truck turning movements. Bulb outs are acceptable on the other streets.
- c. Area south of East Main Street
 - i. At the last meeting, it was decided to replace the sidewalk in this area and shift south ~ 10 feet and include a boulevard.
 - 1. The reason for the shift is to get the sidewalk farther away from the road to avoid snow piling up on the sidewalk.
 - 2. We did not have this included in phase 1, and therefore didn't complete topographic survey before the snow arrived.
 - a. We will pick up survey soon when snow piles allow, and incorporate into the design.
 - b. There is a lot of landscaping, flowers, etc. that will need to be considered.
 - i. Does board have input on the sidewalk alignment in this area?
 - c. BNSF permitting and coordination
 - ii. It was decided not to include this portion of the project in Phase 1 because it will delay the project. This work will be completed in Phase 2.
- d. Relocation of stormwater inlets required in some areas.
 - i. Multiple areas where existing curb and gutter is very flat (0.2 %). Industry standard is 0.5% min.
 - ii. May need to add stormwater infrastructure to provide proper drainage.
 - 1. Request City stormwater asbuilts.
 - a. The City does not have stormwater asbuilts or drawings.
- e. Problem areas not shown on the maps that the board knows about.
 - i. There is an existing vault under the sidewalk on the east side of 1st Avenue. The site was visited by Kurt Markegard, Doug Tamcke, and Brad Koon after the meeting and it was decided not to perform any sidewalk work above the vault.
 - ii. During the walkthrough with Kurt Markegard, an outdated hydrant was observed at the intersection of Main Street and Pennsylvania Street. It was decided to include a note on the plans for the Contractor to coordinate with the City when the work in this area will be performed. The City will remove and replace the hydrant at that time.
 - iii. During the walkthrough along Main Street, laydown curbs were observed that were likely wider than they needed to be. One location is in front of the veterinary clinic, and the other is in front of Molly and Friends. Kurt will coordinate with the property owners to determine the desired widths and communicate back to TTE.



iv. Pedestrian Lighting

a. Discuss layout.

- i. **Exhibit 4** includes the preliminary lighting layout.
- ii. It was noted that the lighting engineer is working with different fixtures to lessen the number of poles.
 1. The board agreed that they would like to decrease the number of poles as much as possible while meeting pedestrian lighting requirements. Would like to cut down to 4-5 per block.
- iii. The banners on the lights need to be high enough that the bottom of the snowflakes are at a height of 14 feet. The Snowflakes are 3 feet high.
- iv. Include electrical receptacles on lights at corners and mid-block up high on pole.
- v. Receptacles need to be live all the time, and not turn off with the lights.
- vi. During the walkthrough with Kurt Markegard, black steel poles supporting wires were observed intermittently along Main Street.
 1. Based on a follow up conversation with Forrest, these poles are owned by the Chamber and will either be removed by them prior to the project or removed by the Contractor as part of the project. Forrest will let TTE know what is decided by the Chamber so TTE can address plans accordingly.

v. Trees

- a. At the February 3, 2025 meeting, there was discussion about not planting any new trees, and only keeping mature trees in good health. Trees don't get taken care of.
 - i. Is this still the direction from the board?
- b. This was discussed with the arborist, and he encouraged keeping as many trees as possible, and planting new trees.
 - i. He can recommend trees that require less maintenance, but no matter the tree species, some care and maintenance will be required.
 - ii. He asked if something could be organized to ensure care for trees.
- c. The board decided to keep existing trees that are healthy and not damaging the sidewalks, curb and gutter, or road. Unhealthy trees or trees causing damage will be removed. If trees are removed, new trees will be planted in or near that location. New trees will also be planted in locations where trees previously existed and are not in place anymore "Empty Tree Grates". Trees that require minimal watering and maintenance will be planted.



- vi. Project 1 Design Schedule:
 - a. Topographic Survey and Base Map – Auto Cad Base Map Complete
 - b. 10% Design – Today
 - c. **50% Design Review – March 24, 2025**
 - d. 95% Design ~ April 1, 2025
 - e. 100% Design ~ April 15, 2025

c. BIDDING

- i. During the meeting it was discussed that MDT permitting will likely delay the project. It was discussed during the meeting to bid the MDT portion of the project as a separate schedule to allow the non-MDT portion of the project to be awarded while permitting is being finalized on the MDT portions.

In follow up conversations with MDT, with the presence of stormwater infrastructure, this review will likely go to “MDT Systems Impacts” for review. The process will likely take ~2 months to review, and they need to review complete plans. Also, MDT will likely require changes to the plans that could result in change orders. Based on this information, we recommend bidding the work that is not on MDT Right-of-Way separately from the work that is on MDT Right-of-Way. The design schedule will remain the same, but bidding of the MDT portion of the project will occur after approval from MDT. **Exhibit 2** shows the areas proposed for each bid (“Bidding Phase 1A” and “Bidding Phase 1B”).

- ii. Following is the revised proposed/estimated bidding/construction schedule:
 - 1. Bidding Phase 1A Advertise for Bids ~ April 15, 2025
 - 2. Begin Construction Phase 1A ~ May 30, 2025
 - 3. Bidding Phase 1B Advertise for Bids ~ June 15, 2025
 - 4. Begin Construction Phase 1B ~ July 30, 2025



EXHIBIT 1 Draft Project 1 Survey



DRAFT

EXISTING INFRASTRUCTURE CONDITION REPORT

Laurel Urban Renewal Agency

Laurel, MT

March 2025

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Appendix A – 2nd Avenue West, West Right-of-Way, Main St to 1st St

Appendix B – 2nd Avenue West, East Right-of-Way, Main St to 1st St

Appendix C – 1st Avenue West, West Right-of-Way, Main St to 1st St

Appendix D – 1st Avenue West, East Right-of-Way, Main St to 1st St

Appendix E – 1st Avenue West, West Right-of-Way, 1st St to 3rd St

Appendix F – West Main St, North Right-of-Way, 2nd Avenue to 1st Avenue

Appendix G – West Main St, North Right-of-Way, 1st Avenue to Montana Avenue

Appendix H – West Main St, North Right-of-Way, Montana Avenue to Colorado Avenue

Appendix I – West Main St, North Right-of-Way, Colorado Avenue to Pennsylvania Avenue

Appendix J – West Main St, North Right-of-Way, Pennsylvania Avenue to Wyoming Avenue

Appendix K – West 1st St, North Right-of-Way, 2nd Avenue to 1st Avenue

1 REPORT SUMMARY

1.1 Project Background

The City of Laurel is a small tight-knit community made up of just over 7,000 residences with another 5,000 living in the surrounding area. Laurel is located approximately 18 miles west of Billings, Montana along Interstate 90. The city boundary encompasses over 1,300 acres and contains portions of Interstate 90, BNSF Mainline and Railyards, and portions of the Yellowstone River. The city is industrial with most employment coming from a large refinery and is also home to the state's largest railyard.

In 2013, the City of Laurel established the Laurel Urban Renewal Agency (LURA) to administer funding and projects within the Laurel Downtown Tax Increment Finance (TIF) District. The agency has an appointed board of commissioners who administer grant funding opportunities and future projects within the district.

In December 2024 LURA hired Triple Tree Engineering to complete the following "Sidewalk Survey". The surveys intentions were to outline sidewalk and curb & gutter conditions throughout the entire TIF District and provide recommendations for replacement or repair. The following Figure shows the extents of the TIF District in reference to the Laurel City Limits.

Save this portion for Figure of District Boundary

1.2 Report Structure

The report will be broken down by street blocks. A “block” consists of one side of a city street from intersection to intersection. To avoid duplicate assessments, corners of sidewalk where ADA ramps are present will be included in North/South running avenues. A mid-block alley is usually present and is often used to help distinguish locations of existing infrastructure. For example, a section of sidewalk may be described as in the “Northern Portion” of the block. Indicating that it is north of the mid-block alley.

Each block will have it’s own individual report including sections describing existing sidewalk, dimensions and areas, condition categories, general comments, and recommendations. At the end of each report, Exhibit A, showcases the extents and categories of existing infrastructure. Exhibit B includes photos.

1.2.1 *Description of Existing Sidewalk*

This section of the reports provides a general description of existing sidewalk and related infrastructure within the block. It identifies whether sidewalks and curb & gutter are present and assess their overall condition. Additionally, other relevant infrastructure elements, such as stormwater infrastructure, trees, and ADA ramps, will be noted and evaluated.

1.2.2 *Dimensions & Area*

This portion of each report gives the general guidelines (if any) that were followed when the existing sidewalk was installed. Specific information about sidewalk widths, curb & gutter dimension, consistency of such, and gutter shape are all examples of data included in this section. A table breaking down the areas of sidewalk and the length of curb & gutter (at top back of curb (TBC)) will be provided. The areas and length of the infrastructure will be separated by Condition Category.

1.2.3 *Condition Category*

Individual blocks will have existing infrastructure categorized based as one of four categories. Blocks can have multiple of these categories and in most cases, all four are present. The categories are simply numbered from 1 to 4, with 1 being in the best condition and 4 being the worst. The following table and figures explain and show examples of each category.

•	•	•	•	•
•	•	•	•	•
•	•	•	•	•

Table 1. Category Table

Existing Infrastructure Classification Breakdown			
Condition Category	Color Code	Condition/Definition	Usable Life/General Recommendations
I		New/Like New	15+ Year Life - Leave in Place
II		Light Wear/Good Operational Use	5-15 Life Expectancy - Leave in Place/Very Light Maintenance Needed
III		Deterioration, Cracking, Spalling, Small Vegetation Present	1-5 Year Life Expectancy- Recommend Replacement within 5 years.
IV		Crumbling, Vegetation Growing Through, Doesn't Meet ADA and PROWAG Requirements	0-1 Year Life Expectancy - Replace Immediately

Both sidewalk and C&G will be categorized separately although there are many cases where the conditions coincide with one another.

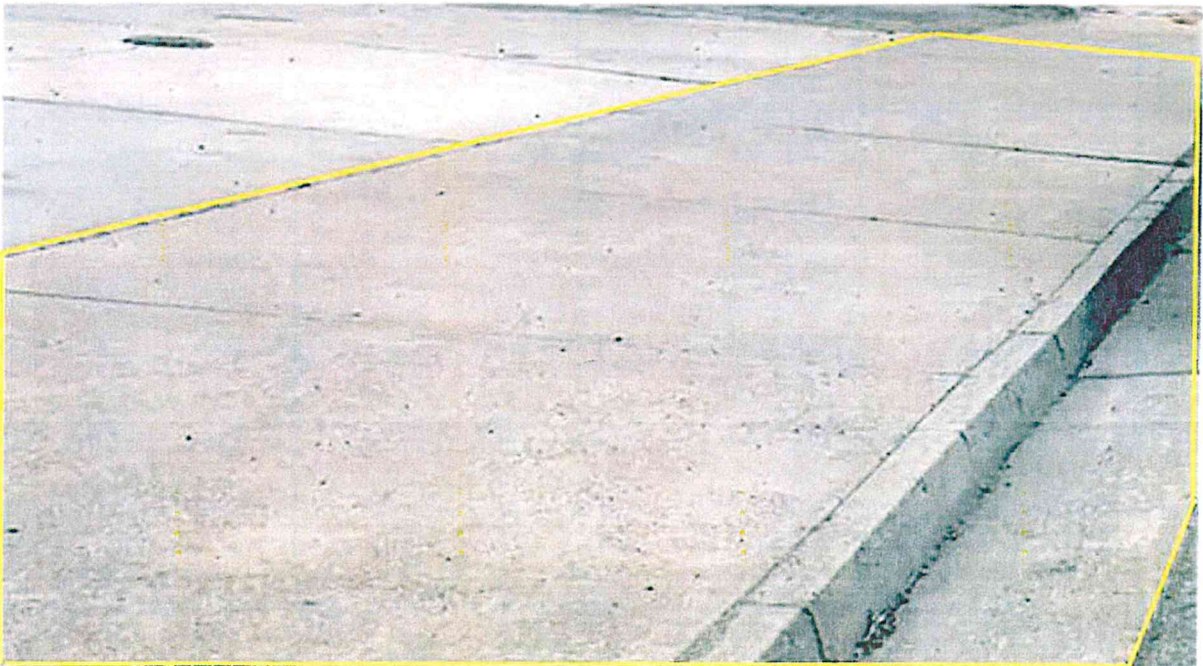
Category I – Like New

Likely replaced within the last few years. Up to current standards and no deterioration shown.



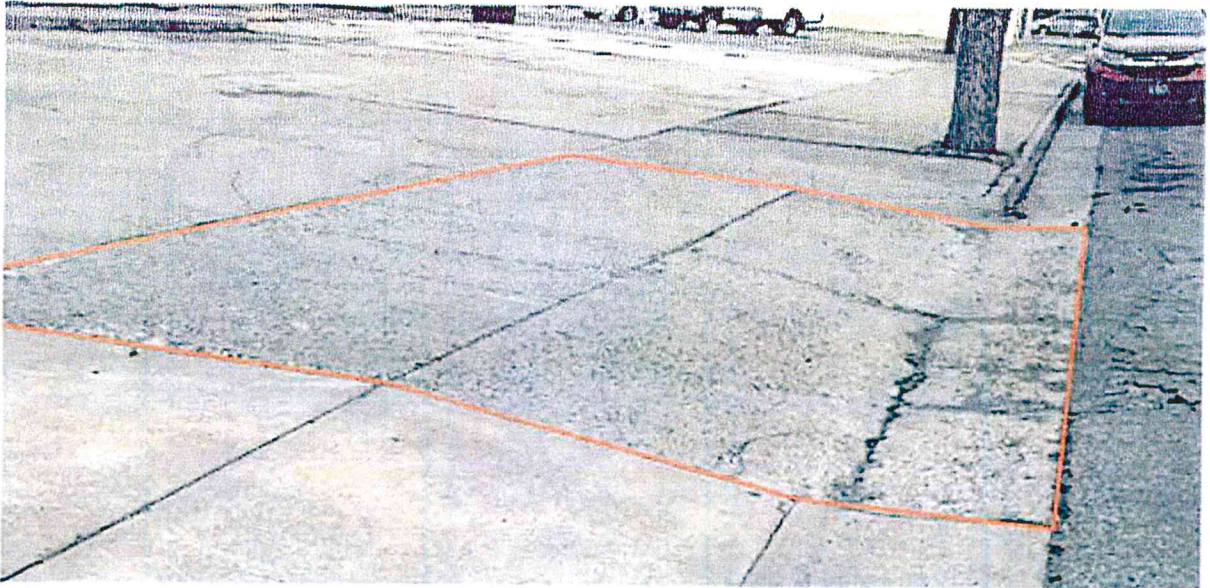
Category II – Good Condition

Generally good operating condition. Very little deterioration is present.



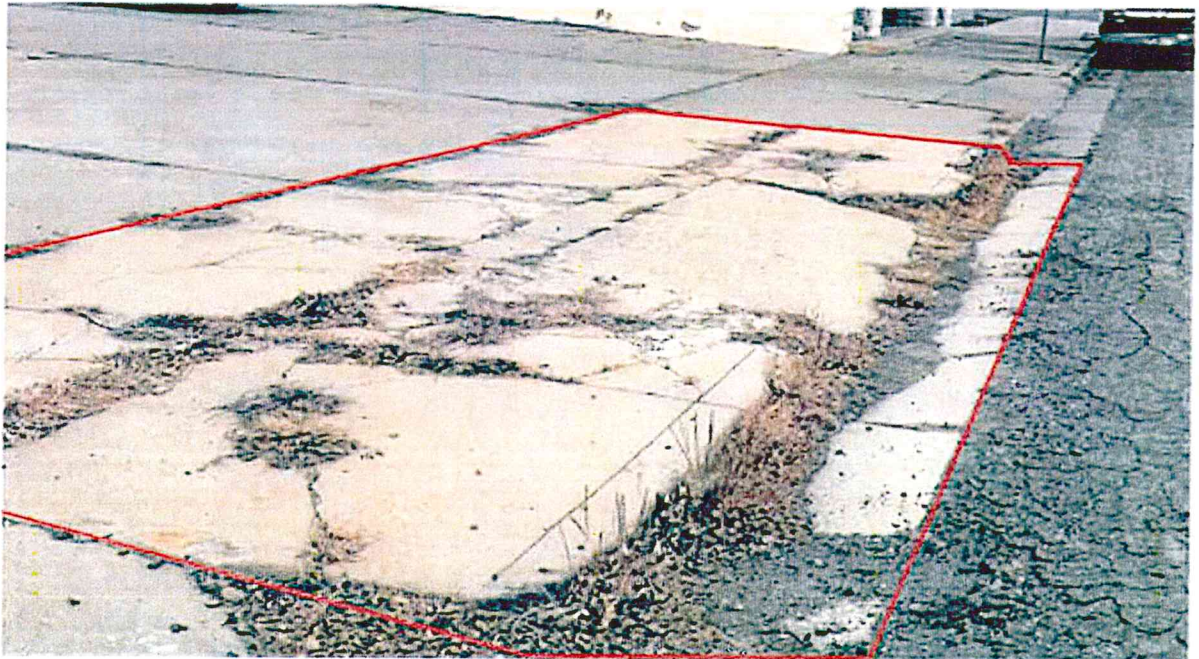
Category III – Poor Condition

Showing signs of deterioration (Cracking, spalling, slight heaving, crumbling, vegetation, etc.).



Category IV – Needs Replaced

Completely deteriorated and no longer functions as intended. Concrete is either missing, completely crumbled, or major heaving is present. Portions are also considered Category IV if the location doesn't meet current standards and requires replacement.



1.2.4 *Comments*

This section provides a general assessment of both the sidewalk and curb & gutter conditions throughout the block, including an evaluation of common issues and any trends observed.

Additionally, any accessibility concerns, including compliance with ADA (Americans with Disabilities Act) and PROWAG (Public Right-of-Way Access Guidelines) standard, will be highlighted to ensure pedestrian safety and mobility.

1.2.5 *Recommendations*

The final section outlines recommendations for sidewalk/curb & gutter repair, replacement, or removal based on the observed conditions. Recommendations will generally align with the assigned condition categories. Where applicable, prioritization of replacement may be included.

2ND AVENUE WEST

Extents // West Main
Street to West 1st Street

Part //
West Right-of-Way



Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block in varying conditions. Stormwater inlets are present at the south and north ends. Back of sidewalk ties to buildings, parking areas, and landscaping areas. ADA ramps are present at both ends of the block. Trees and tree wells are present.

Dimensions & Area: The existing sidewalk is approximately 10' in width throughout the block. Curb & gutter generally follows a standard 2' in width but varies in depth and shape. Northern and southern portions of curb have rounded gutters while portions near the center have a sharp gutter shape.

Table 1. Concrete Breakdown

2nd Ave - From Main St to W 1st St - Westside - Block 2		
Sidewalk		
Condition	Area (sf)	Notes
Category I	520	South ADA Ramp
Category II	1,545	Throughout
Category III	1,255	Throughout
Category IV	550	Located in Northern Half
Total	3,870	
Curb & Gutter		
Condition	Length Feet (@ TBC)	Notes
Category I	19	South ADA Ramp
Category II	172	Throughout
Category III	112	Throughout
Category IV	74	Located in Northern Half
Total	377	

* All areas and dimensions are approximate.

Condition Category(s): I, II, III, IV. All categories are present with majority being II and III.

Comments: C&G conditions vary greatly throughout the block and condition tends to improve working from north to south. The northern ADA ramp is out of spec in both grade and dimensions. Curb along W 1st St is failing and falling away from the sidewalk. The sidewalk in front of the entrance to 16 2nd Ave West is in rather poor condition and is experiencing significant heaving resulting in ADA concerns. Working south, sidewalk and C&G conditions remain in Categories III and IV until reaching the mid-block alley.

The southern half of the block's sidewalk and C&G is mainly categorized as I and II with exception to the approach to the parking lot at 201 W Main Street. The approach is experiencing deterioration and cracking. The ADA Ramp located at the intersection with Main Street is in like new condition.

Recommendations: Most of the northern half of the block needs replacement with exception of a small portion of sidewalk and C&G. Recommend replacement of all Category III and IV portions of sidewalk and curb and C&G including northern ADA ramp.

The southern half of the block is in better condition, and for the most part is not in need of replacement. Recommend replacing the concrete approach to 201 W Main Street.

It should be noted that the northern portion replacements take precedence to replacements in the southern half of the block.

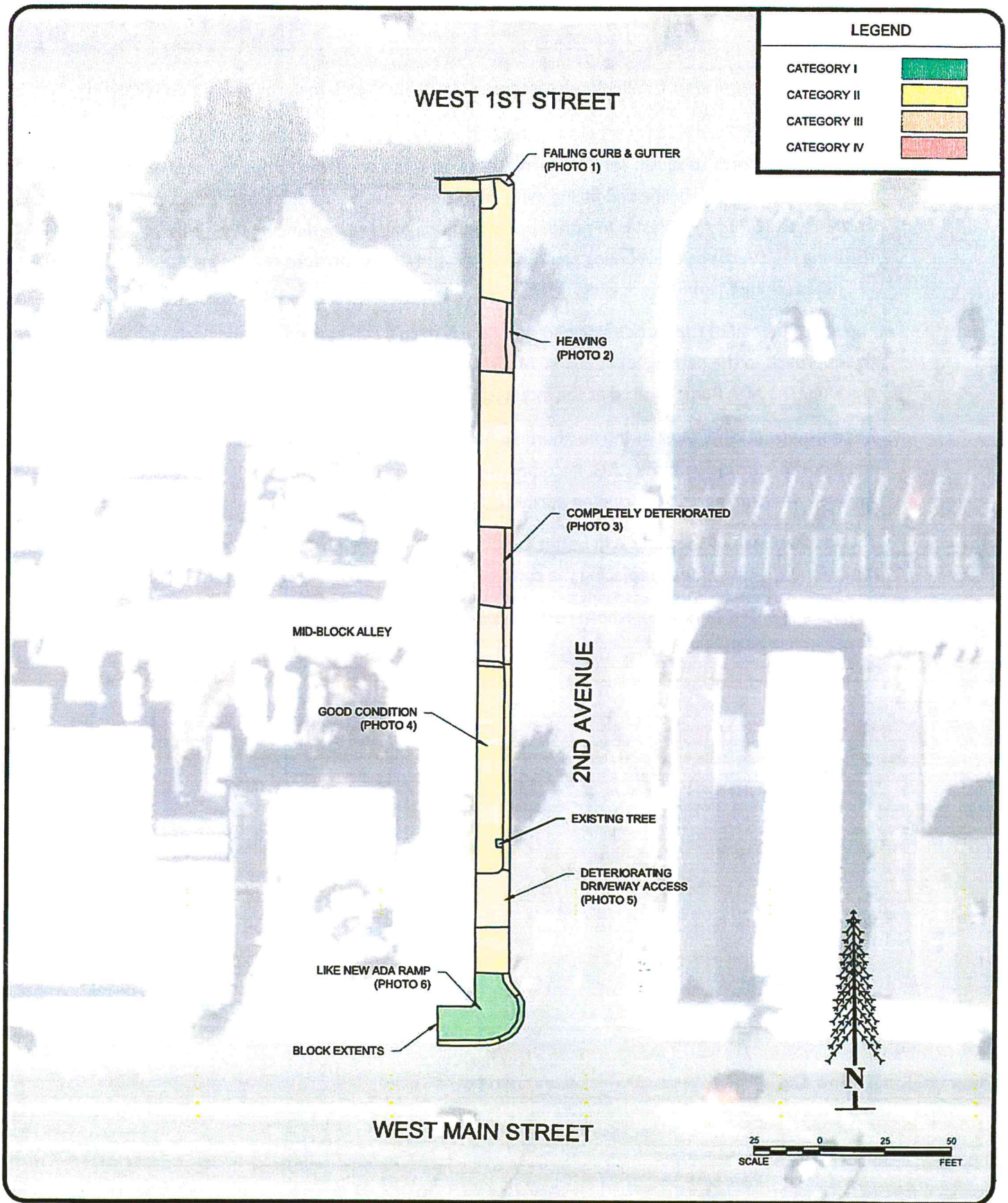


EXHIBIT B

PHOTOS

Photo 1



Photo 2



Photo 3

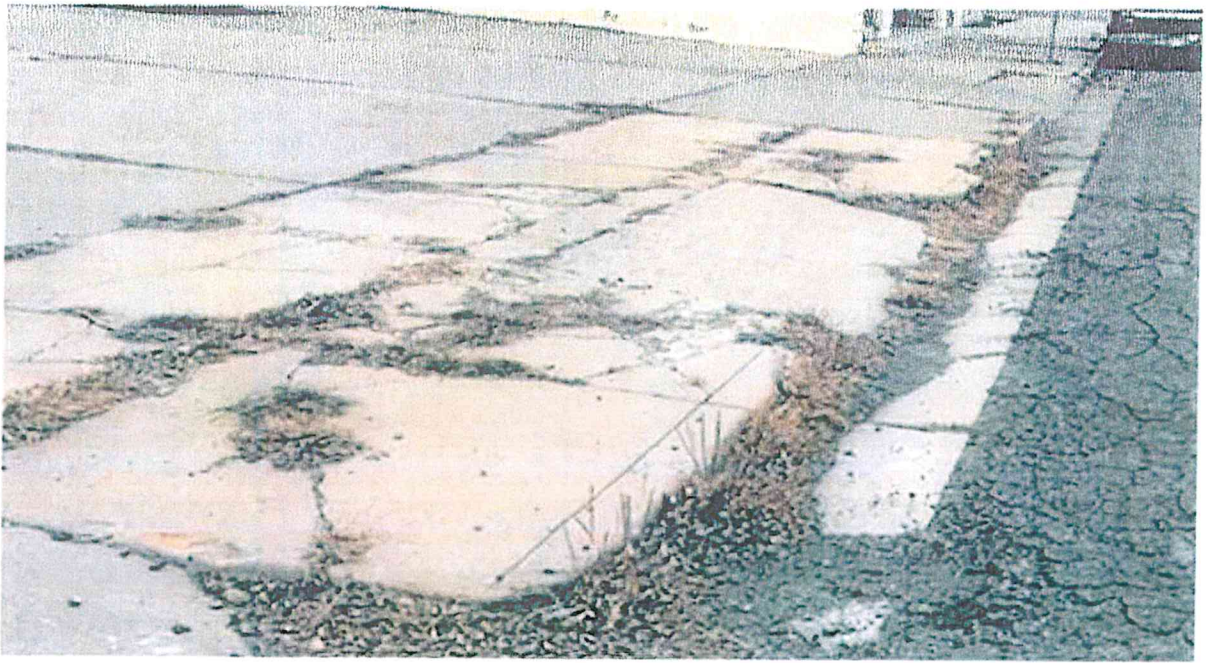


Photo 4

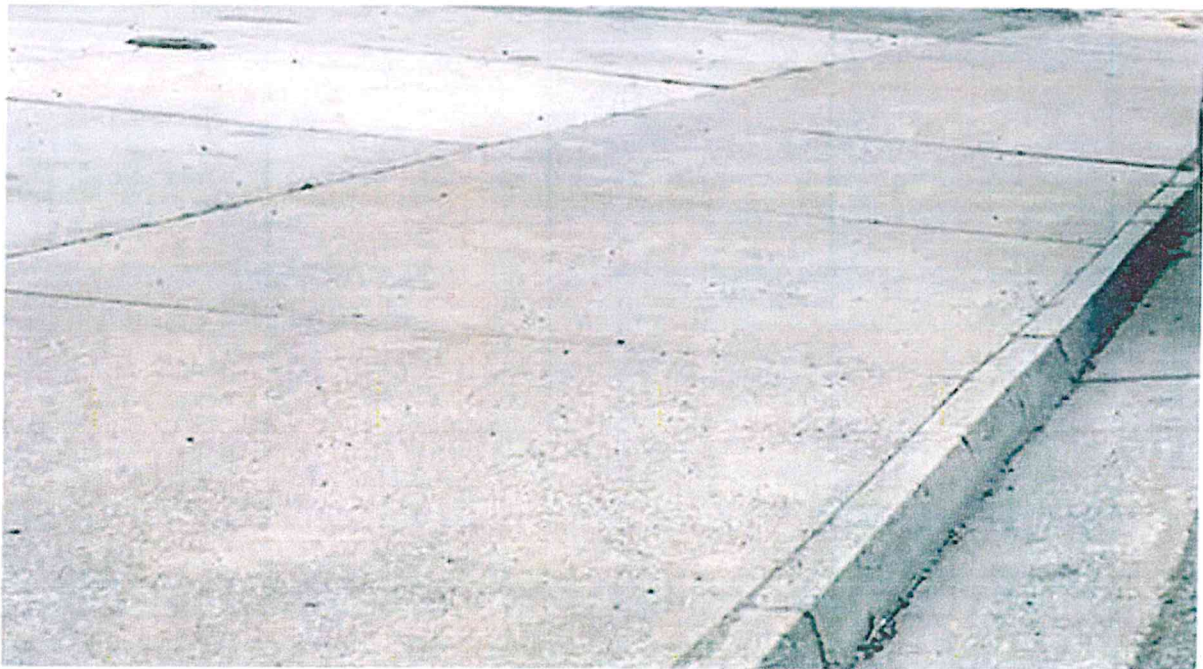


Photo 5

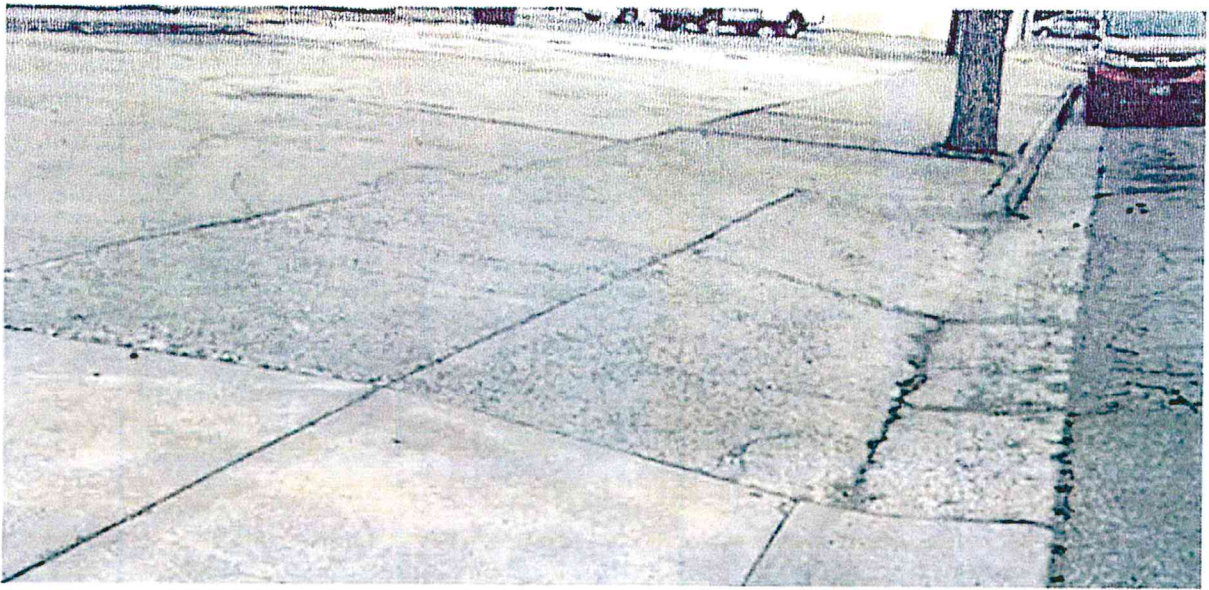


Photo 6



2ND AVENUE WEST

Extents // West Main
Street to West 1st Street

Part //
West Right-of-Way



Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block in varying conditions. Stormwater inlets are present at the south and north ends. Back of sidewalk ties to buildings, parking areas, and landscaping areas. ADA ramps are present at both ends of the block. Trees and tree wells are present.

Dimensions & Area: The existing sidewalk is approximately 10' in width throughout the block. Curb & gutter generally follows a standard 2' in width but varies in depth and shape. Northern and southern portions of curb have rounded gutters while portions near the center have a sharp gutter shape.

Table 1. Concrete Breakdown

2nd Ave - From Main St to W 1st St - Westside - Block 2		
Sidewalk		
Condition	Area (sf)	Notes
Category I	520	South ADA Ramp
Category II	1,545	Throughout
Category III	1,255	Throughout
Category IV	550	Located in Northern Half
Total	3,870	
Curb & Gutter		
Condition	Length Feet (@ TBC)	Notes
Category I	19	South ADA Ramp
Category II	172	Throughout
Category III	112	Throughout
Category IV	74	Located in Northern Half
Total	377	

* All areas and dimensions are approximate.

Condition Category(s): I, II, III, IV. All categories are present with majority being II and III.

Comments: C&G conditions vary greatly throughout the block and condition tends to improve working from north to south. The northern ADA ramp is out of spec in both grade and dimensions. Curb along W 1st St is failing and falling away from the sidewalk. The sidewalk in front of the entrance to 16 2nd Ave West is in rather poor condition and is experiencing significant heaving resulting in ADA concerns. Working south, sidewalk and C&G conditions remain in Categories III and IV until reaching the mid-block alley.

The southern half of the block's sidewalk and C&G is mainly categorized as I and II with exception to the approach to the parking lot at 201 W Main Street. The approach is experiencing deterioration and cracking. The ADA Ramp located at the intersection with Main Street is in like new condition.

Recommendations: Most of the northern half of the block needs replacement with exception of a small portion of sidewalk and C&G. Recommend replacement of all Category III and IV portions of sidewalk and curb and C&G including northern ADA ramp.

The southern half of the block is in better condition, and for the most part is not in need of replacement. Recommend replacing the concrete approach to 201 W Main Street.

It should be noted that the northern portion replacements take precedence to replacements in the southern half of the block.

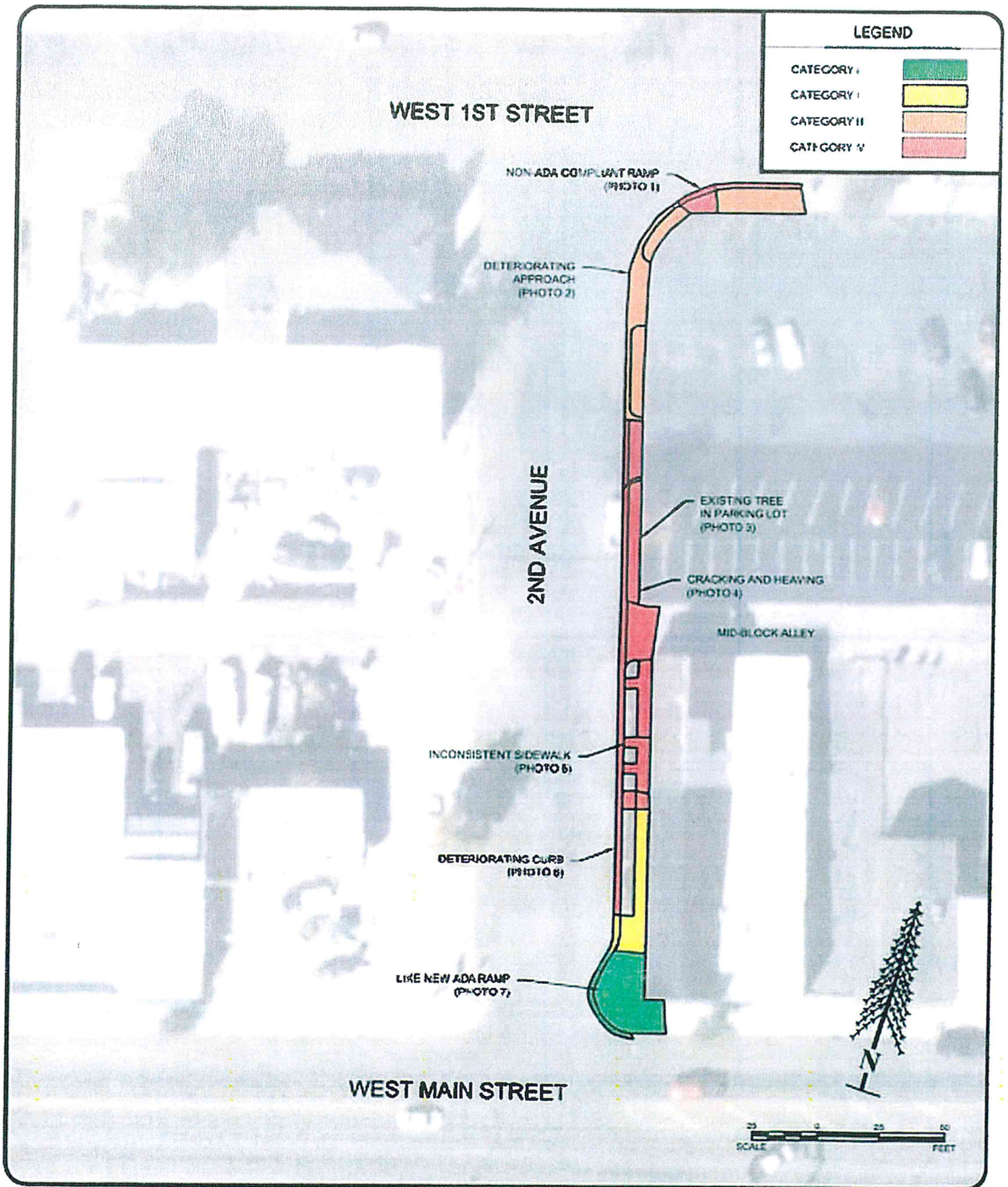


EXHIBIT B

PHOTOS

Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7



1ST AVENUE WEST

Extents // West Main
Street to West 1st Street

Part //
West Right-of-Way



Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block in varying conditions. Stormwater inlets are present at the south and north ends. Back of sidewalk ties to buildings, parking areas, and landscaping areas. Pedestrian ramps are present at the north and south ends of the block, but not ADA compliant. Tree wells are present, with two existing trees near the north end.

Dimensions & Area: The existing sidewalk is approximately 10' in width throughout the block. Curb & gutter is generally 2.5' in width but varies in depth and shape. Organic growth was observed between the curb and sidewalk between the two trees, where curb and gutter shape varied.

Table 1. Concrete Breakdown

1st Ave - From Main St to W 1st St - Westside - Block 1		
Sidewalk		
Condition	Area (sf)	Notes
Category I	0	
Category II	2,652	Throughout
Category III	206	Alley
Category IV	503	Located in Northern Half
Total	3,361	
Curb & Gutter		
Condition	Length Feet (@ TBC)	Notes
Category I	0	
Category II	266	Throughout
Category III	20	Alley
Category IV	63	Located in Northern Half
Total	349	

* All areas and dimensions are approximate.

Condition Category(s): II, III, IV. Majority is category III and IV.

Comments: The northern ADA ramp is out of spec in both grade and dimensions. The southern ramp is out of spec in grade. Sidewalk panels near the trees have experienced uplift and cracking. Beyond the ADA ramps and trees, the overall sidewalk appears to be in good condition. A few large cracks were observed in the mid-block alley that could warrant replacement if a priority, but do not appear to have any functionality issues at this time.

The existing curb and gutter appeared to be in good condition as well, with exception of sections around the two existing trees. The trees have visibly pushed curb and gutter segments out, interrupting the flow path. Transition between curb and gutter shapes was observed near the most southern tree. This area appears to have additionally experienced settlement in varying areas causing a “wave” like profile within the gutter.

Recommendations: With 1st Avenue seeing a high volume of foot traffic, the ADA ramp replacement at both ends should be prioritized. The north ramp will abut other recommended replacements within sidewalk panels and curb and gutter, making a logical sequence to address all problems within that area.

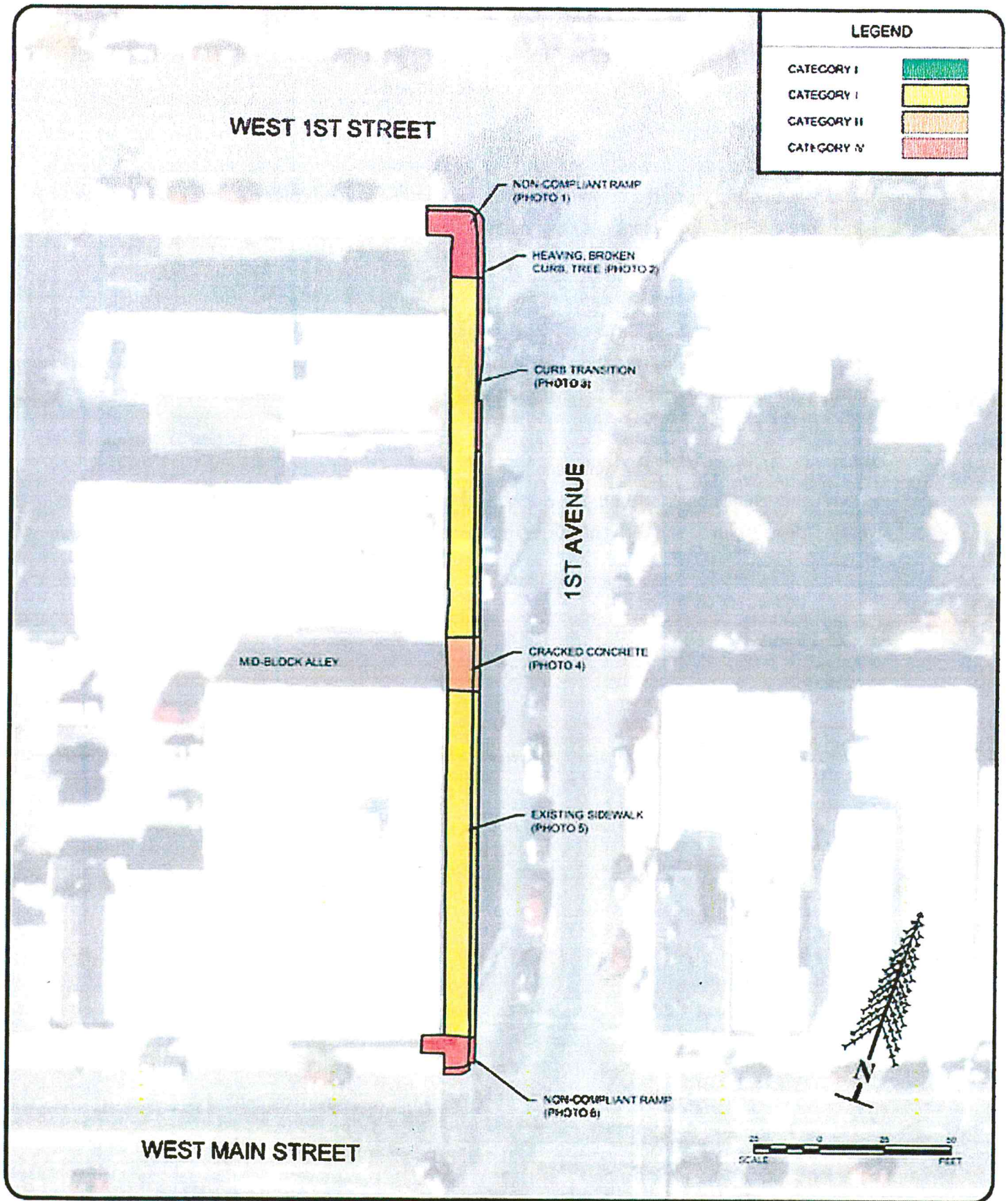


EXHIBIT B

PHOTOS

Photo 1



Photo 2



Photo 3

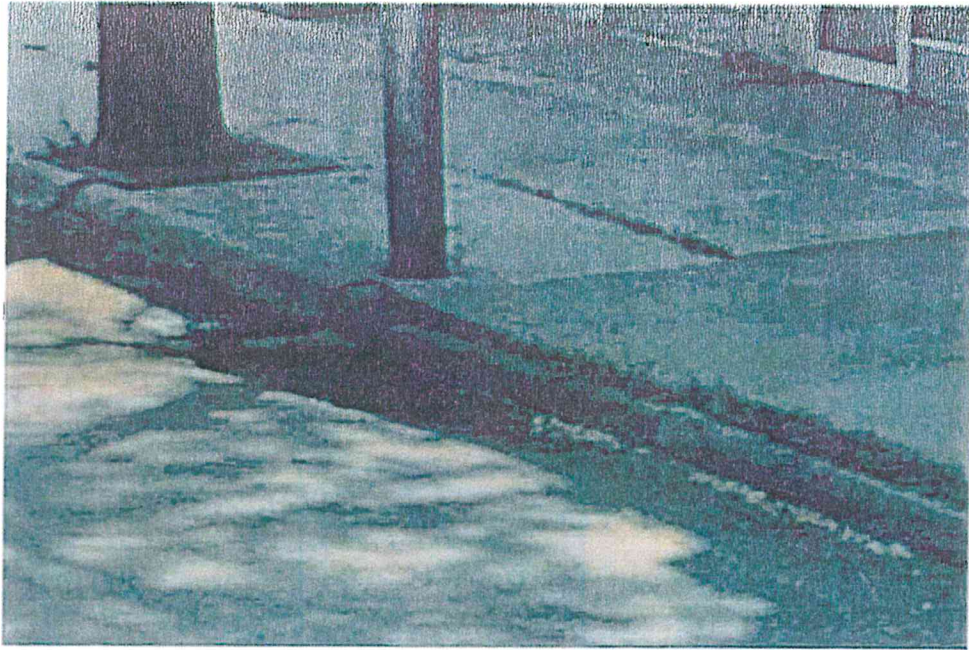


Photo 4



Photo 5



Photo 6



1ST AVENUE EAST

Extents // West Main
Street to West 1st Street

Part //
East Right-of-Way



Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block in varying conditions. Stormwater inlets are present at the south and north ends. Back of sidewalk ties to buildings, landscaping areas, decorative brick, and retaining walls. Decorative brickwork is included in the sidewalk near the open space area, just north of the alley. Concrete in this area appears to be more recent. There are ramps on both ends of the block, however the south ramp is not ADA compliant. The north ramp appears to be ADA compliant but is oriented diagonally, when only a perpendicular crossing to the West exists. Tree wells are present, with multiple trees.

Dimensions & Area: The existing sidewalk is approximately 10' in width throughout the block. Curb & gutter generally follows a standard 2' in width on the north half, and a 2.5' width on the south half. The sidewalk transitions between 2.5' and 2' just south of the mid-block alley.

Table 1. Concrete Breakdown

1st Ave - From Main St to W 1st St - Eastside - Block 1		
Sidewalk		
Condition	Area (sf)	Notes
Category I	192	South End
Category II	2,394	Throughout
Category III	489	Throughout
Category IV	685	Throughout
Total	3,760	
Curb & Gutter		
Condition	Length Feet (@ TBC)	Notes
Category I	23	South End
Category II	180	Throughout
Category III	92	Throughout
Category IV	87	Throughout
Total	382	

* All areas and dimensions are approximate.

Condition Category(s): I, II, III, IV. All categories are present with majority being II and IV.

Comments: The northern ADA ramp appears to be within spec for grade and dimensions. The ramp is oriented diagonally, even though the only crossing is perpendicular, towards the west across 1st avenue. The crossing to the north is located around the block corner. Given the spread dynamic and lengthy sight distance of this intersection, consideration should be given to better organizing pedestrian traffic across the intersection. The southern ramp does not meet ADA specs and shows significant cracking within ramps and around poles.

Segments of curb and gutter appear older and show signs of use, settlement has been observed near the south end. Trees have pushed out curb segments towards the north and are beginning to show effects on sidewalk panels.

Concrete sidewalk on the south end has miscellaneous holes from posts and showed signs of use, but appeared to be more cosmetic rather than functional or structural. Given the right situation, they could present a tripping hazard. Actions should be taken to address any holes or impressions posing risk or hazard, but may not require a full replacement

Recommendations: With 1st Avenue seeing a high volume of foot traffic, the ADA ramp replacement at the south end should be prioritized. The north ramp could stay in place; however, it would be logical to orient the ramp correctly to clearly demonstrate the direction of pedestrian traffic. Due to the jogged geometry of 1st Ave, the north crossing across 1st street should remain separate from the west crossing across 1st avenue.

Curb sections need replaced where trees have pushed them out, and in areas where older curbs show signs of deterioration. Some areas along the curbs show signs of settlement and should be addressed for drainage purposes. Near the open space, a newer strip of concrete behind the back of curb sits lower than the top of the curb. This is likely due to settlement and is not considered a critical part of the project but should be noted.

Trees have begun to break and uplift sidewalks on the north end; those panels should be replaced.

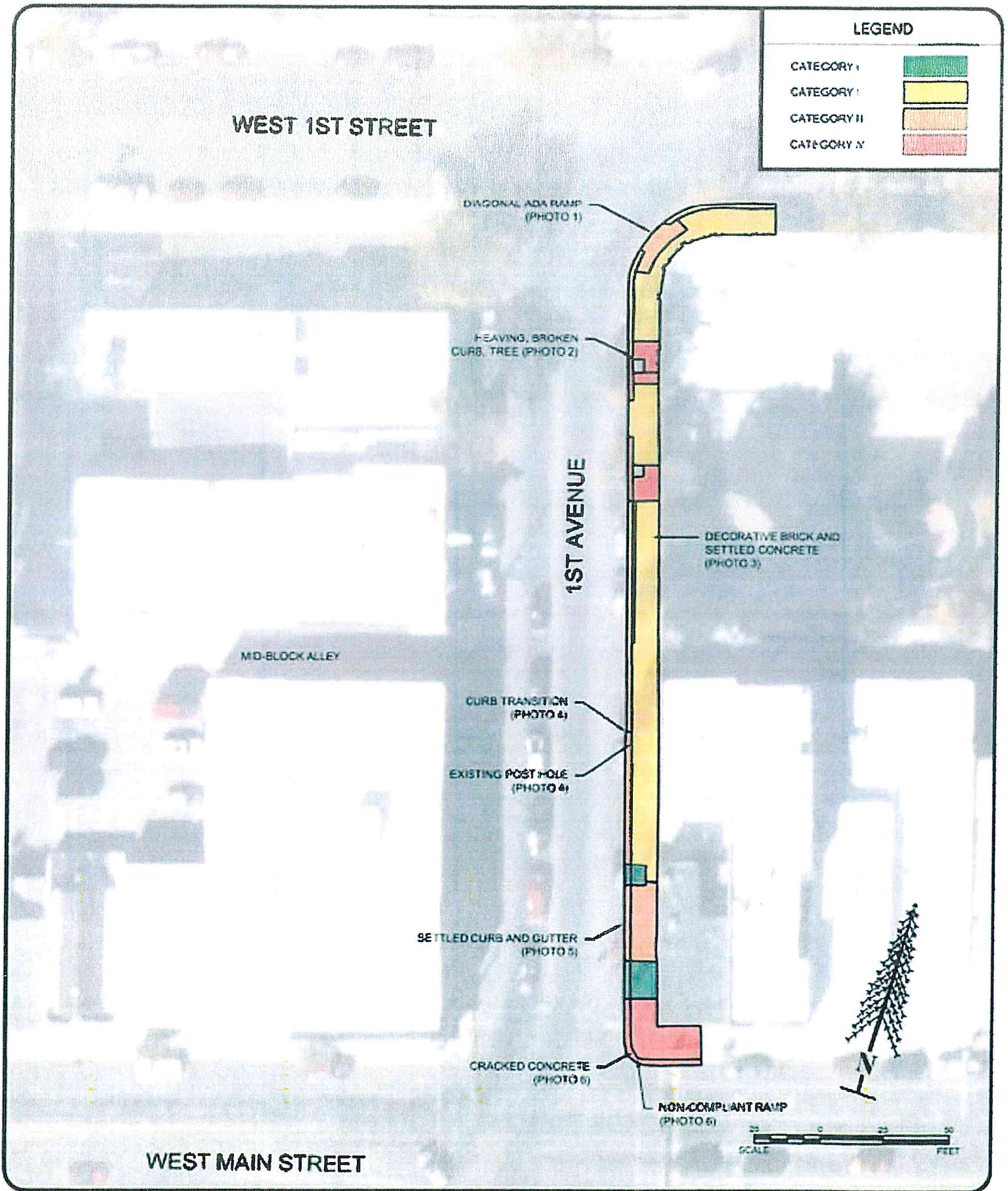


EXHIBIT B

PHOTOS

Photo 1



Photo 2



Photo 3

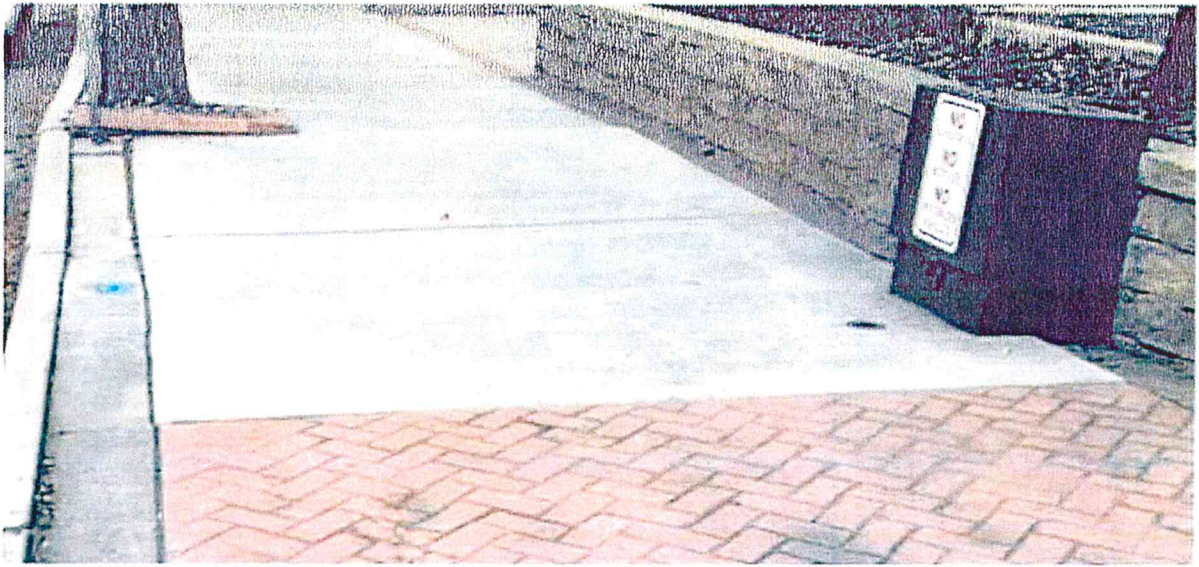


Photo 4



Photo 5

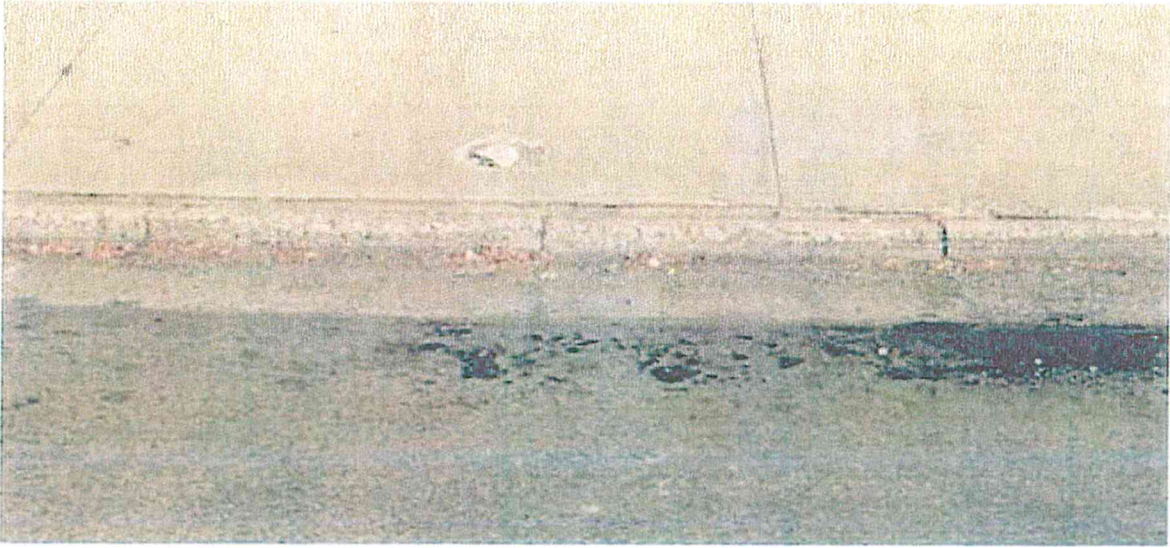


Photo 6

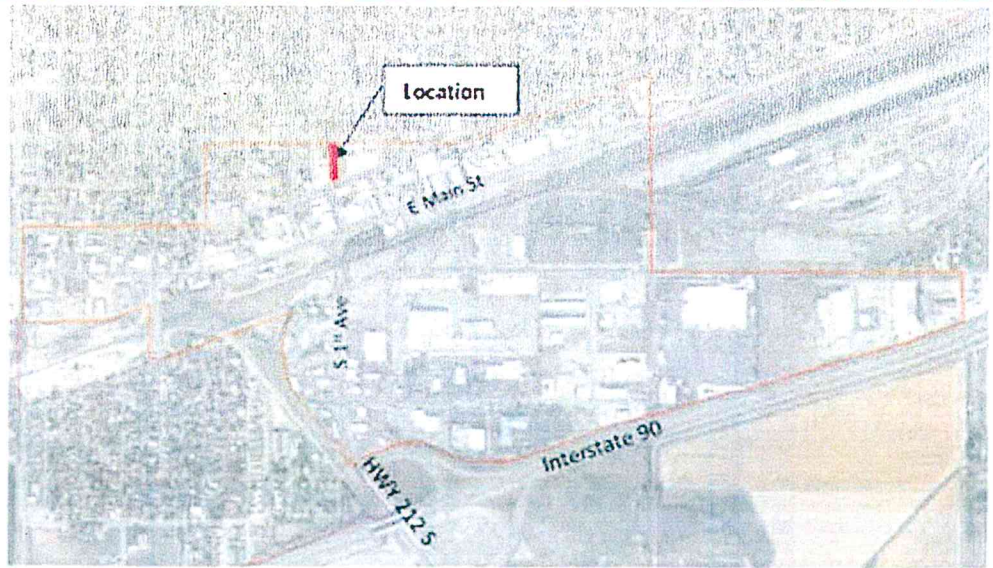


1ST AVENUE WEST

Extents // West 1st Street
to West 3rd Street

Part //

West Right-of-Way



Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block in varying conditions. No stormwater inlets are present along 1st Avenue west in this segment. The back of sidewalk primarily ties to buildings, entrances, landscaping areas, and fence. No mid-block alley is present, however there is an approach for the existing drive-thru at the Altana credit union. Concrete in this area appears to be more recent. There are pedestrian ramps on both ends of the block, however neither ramp is ADA compliant. Additionally, an ADA ramp approach has been built on the sidewalk to access a business near the south end.

Dimensions & Area: The existing sidewalk is approximately 14.5' in width throughout the block. Curb & gutter is 2.5' in width around the south corner and then transitions into a standard 2' width.

Table 1. Concrete Breakdown

1st Ave - From Main St to W 1st St - Westside		
Sidewalk		
Condition	Area (sf)	Notes
Category I	0	
Category II	4,105	Central-North
Category III	0	
Category IV	1,440	South End
Total	5,545	
Curb & Gutter		
Condition	Length Feet (@ TBC)	Notes
Category I	0	
Category II	251	Central-North
Category III	44	South End
Category IV	48	South End
Total	343	

* All areas and dimensions are approximate.

Condition Category(s): II, III, IV. Majority of existing conditions are class III throughout the central to north half of the block. Conditions near the south corner are classified as class IV.

Comments: The southern pedestrian ramp does not meet ADA requirements and adjacent curb and gutter shows signs of deterioration. All stormwater from the north flows into this gutter and is channeled around the corner to the drain on 1st Street, meaning this section of curb and gutter is critical for drainage purposes.

The trees in this area have also presented problems such as uplift and cracking. The trees do not have grates around the trunks. A few portions of sidewalk have been replaced within recent years and an additional ramp entrance into a business. Sidewalk in this vicinity shows signs of cracking.

The remaining sidewalk appears to be in good condition generally. A few cracks were observed within the drive-thru approach at the bank, but do not appear to compromise any functionality of the approach. The curb and gutter in front of the bank approach shows signs of wear and deterioration, this area could be replaced if considered a priority but is outside of the original project limits. The northern ADA ramp does not meet specifications, despite the concrete appearing to be in good condition and could be replaced if considered a priority but is outside of the original project limits.

Recommendations: With 1st Avenue seeing a high volume of foot traffic, the ADA ramp replacement at the south should be prioritized. Curb, gutter, and sidewalk panels in the adjacent areas also need to be replaced. The existing sidewalk in the central and northern part of the block do not present signs warranting full replacement, but should be monitored in the future where existing cracks are located. Sealing existing cracks in the concrete could be considered as an alternative to help prevent weathering and deterioration. Consideration should be given to removing the trees on the north end to prevent foreseeable uplift and cracking on the sidewalk that appears to be in good condition currently.

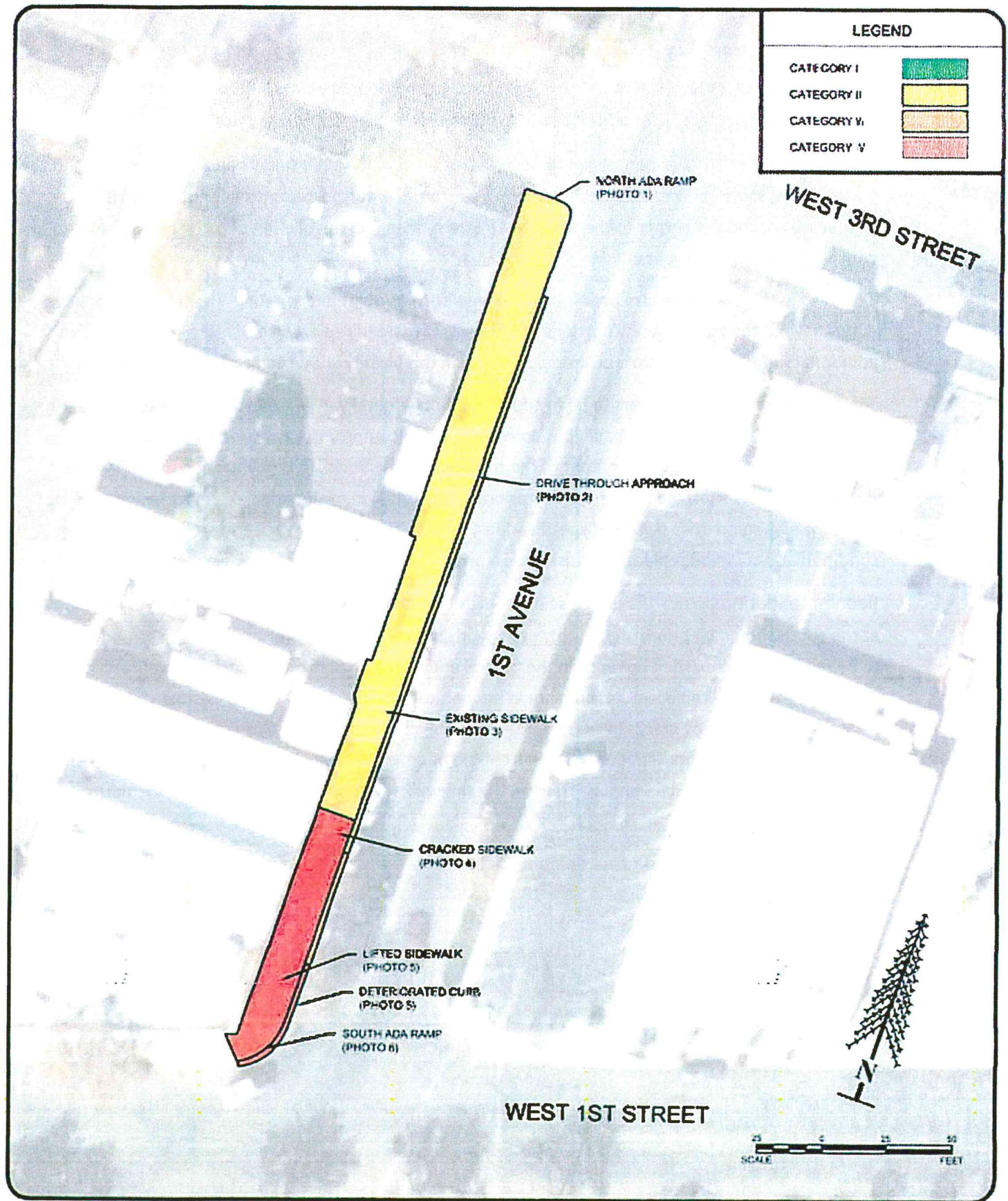


EXHIBIT B

PHOTOS

Photo 1

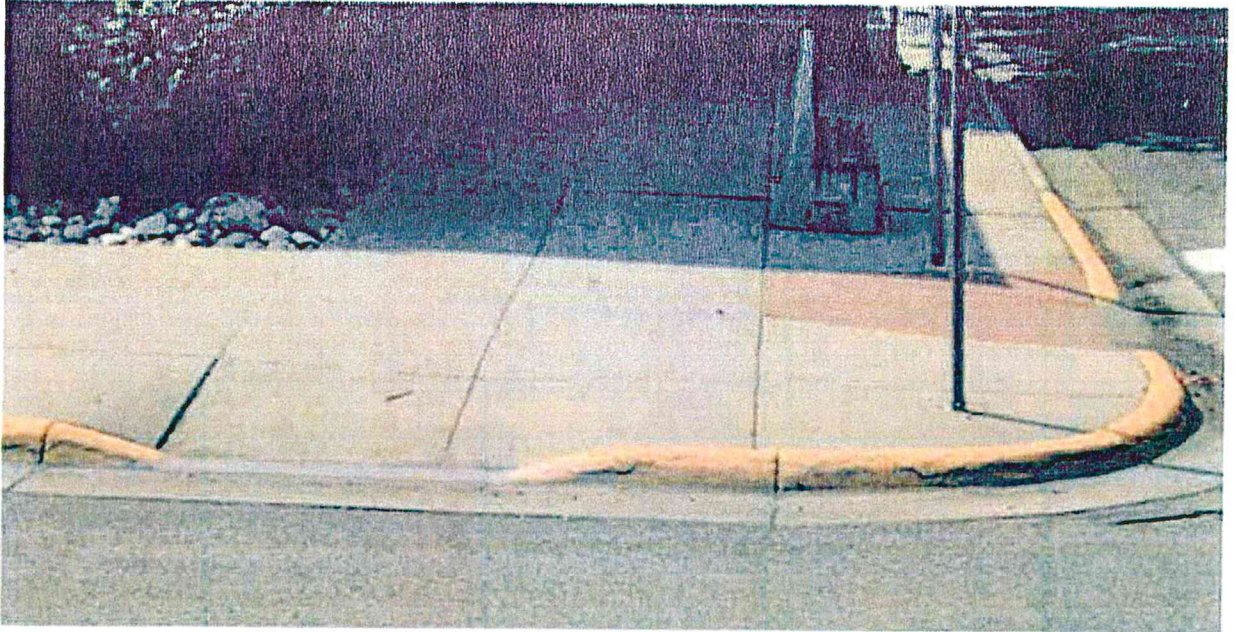


Photo 2



Photo 3



Photo 4



Photo 5



Photo 6

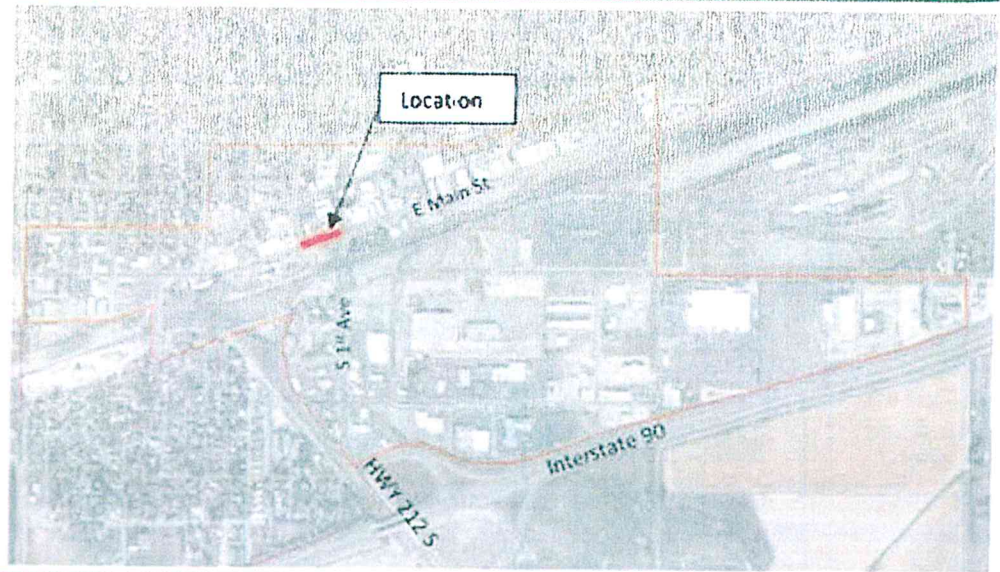


MAIN STREET

Extends // 2nd Ave West
to 1st Ave West

Part //

North Right-of-Way



Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block, primarily in Class II condition. Stormwater inlets are present at the East and West ends, with an additional inlet near the center of the block. Back of sidewalk ties to buildings and entrances. One lot near the west end contains a drive approach through the sidewalk. Concrete throughout the block (between ramps) appears to be more recent. Tree wells are present, with multiple trees throughout the block.

Dimensions & Area: The existing sidewalk is approximately 12.5' in width throughout the block. Curb & gutter generally follows a standard 2' width.

Table 1. Concrete Breakdown

Main Street - From 2nd Ave to 1st Ave - Northside		
Sidewalk		
Condition	Area (sf)	Notes
Category I	0	
Category II	3,454	Throughout
Category III	110	-
Category IV	0	-
Total	3,564	
Curb & Gutter		
Condition	Length Feet (@ TBC)	Notes
Category I	0	
Category II	305	Throughout
Category III	0	-
Category IV	0	-
Total	305	

* All areas and dimensions are approximate.

Condition Category(s): II, III. All concrete is class II with exception to small area of class III sidewalk adjoining the east pedestrian ramp which needs replaced.

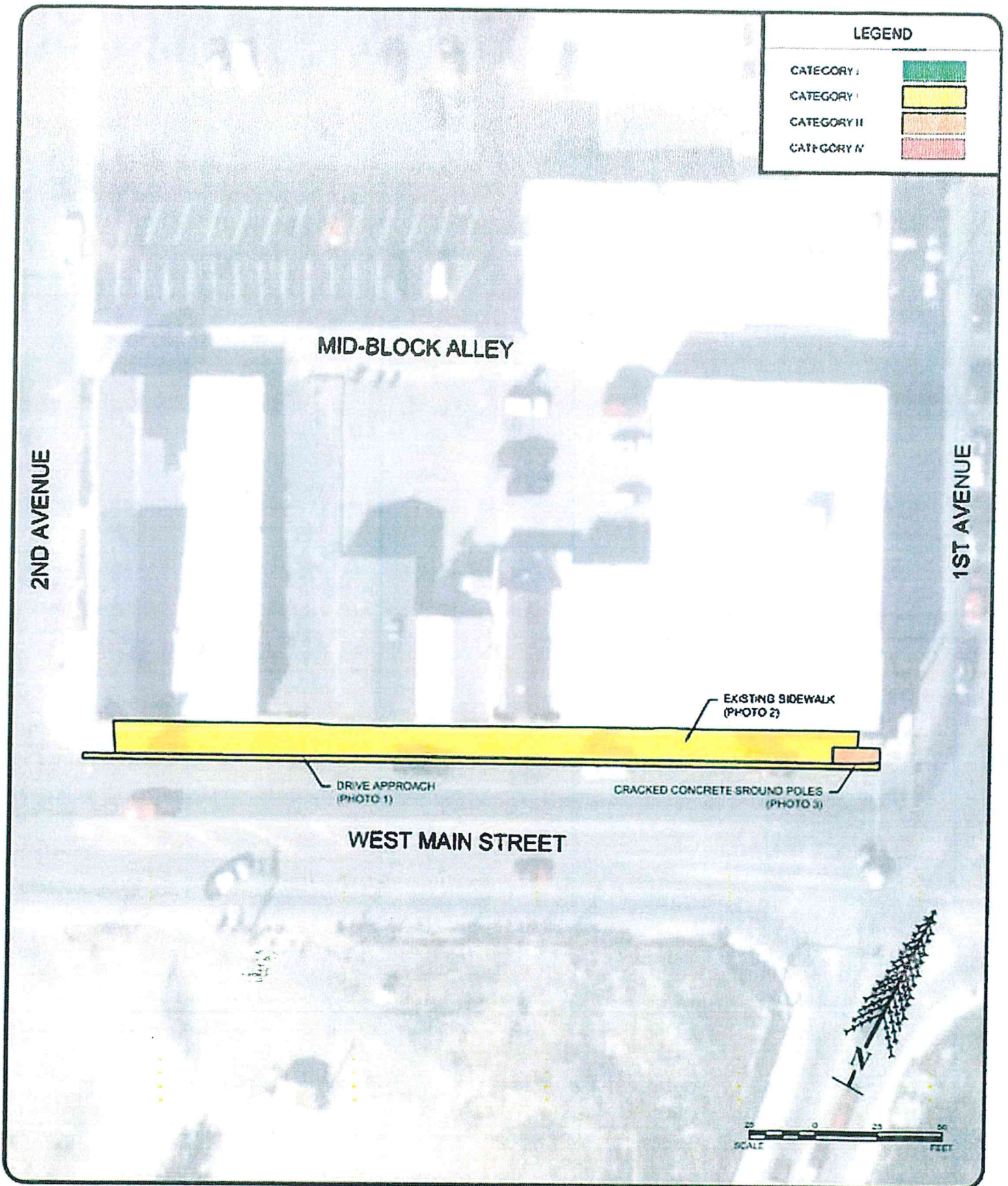
Comments: Generally, all sidewalk and curb and gutter appear to be in good condition and displayed minimal signs of deterioration or wear. Cracking and fragmentation were observed on the far east end surrounding traffic signs and signal poles.

One crack was observed from a tree well, but the crack was limited to the singular concrete panel around the tree. The panel did not display vertical separation between the cracks.

The sidewalk along the drive approach appears to be in satisfactory condition compared to other sidewalk approaches observed in the survey.

Recommendations: Because the adjacent ADA ramp will be replaced at the east end, the cracked panels bordering the ramp should additionally be replaced.

Consideration should be given to removing existing trees throughout the block prior to them damaging sidewalk via cracking or uplift as displayed in other areas of the survey.



TRIPLE TREE
ENGINEERING

MAIN ST - 2ND AVE TO 1ST AVE INFRASTRUCTURE ASSESSMENT

LAUREL URBAN RENEWAL DISTRICT

EXHIBIT

A

EXHIBIT B

PHOTOS

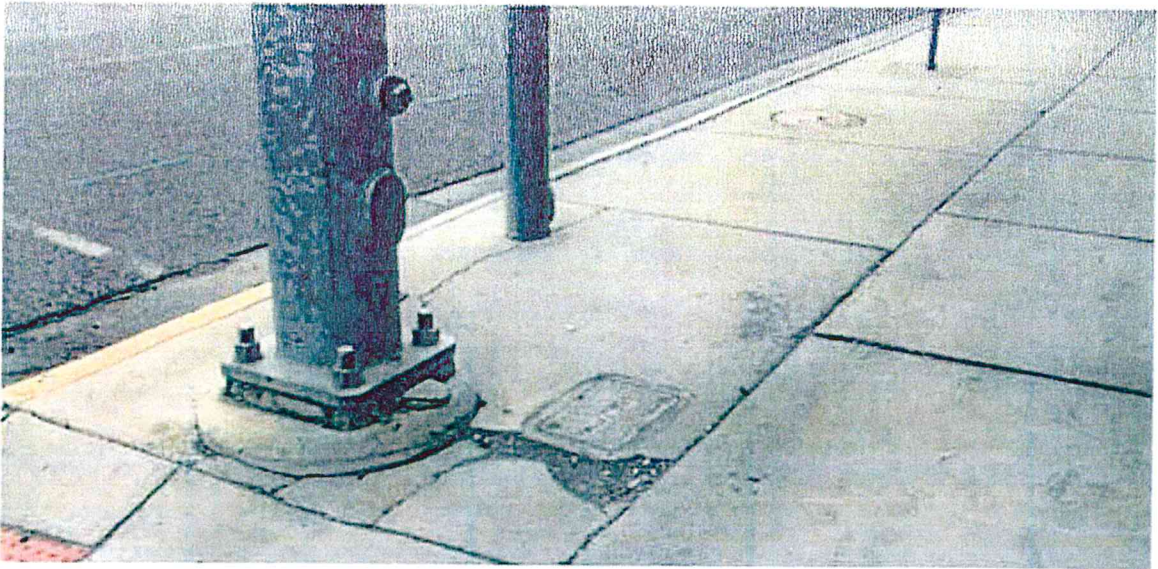
Photo 1



Photo 2



Photo 3



MAIN STREET

Extents // 1st Ave to
Montana Ave

Part //

North Right-of-Way

Description of Existing Sidewalk: Existing sidewalk and curb & gutter are present throughout the block in varying conditions. Stormwater inlets are present at the east and West ends. The east inlet was filled with debris. Back of sidewalk ties to buildings and entrances. There are pedestrian ramps on both ends of the block, however neither are ADA compliant. Tree wells are present, without any trees in place.

Dimensions & Area: The existing sidewalk is approximately 12' in width throughout the block. Curb & gutter follows a 2' width on the east end and transitions to a 2.5' width closer towards the west.

Table 1. Concrete Breakdown

Main Street - From 1st Ave to MT Ave - Northside		
Sidewalk		
Condition	Area (sf)	Notes
Category I	0	
Category II	2,611	Throughout
Category III	104	1 section, east side
Category IV	735	Sp



EXHIBIT 2 Draft Proposed Project Map





EXHIBIT 3 Private Building ADA Accessibility Photos











EXHIBIT 4 10% Lighting Plans/Preliminary Lighting Layout



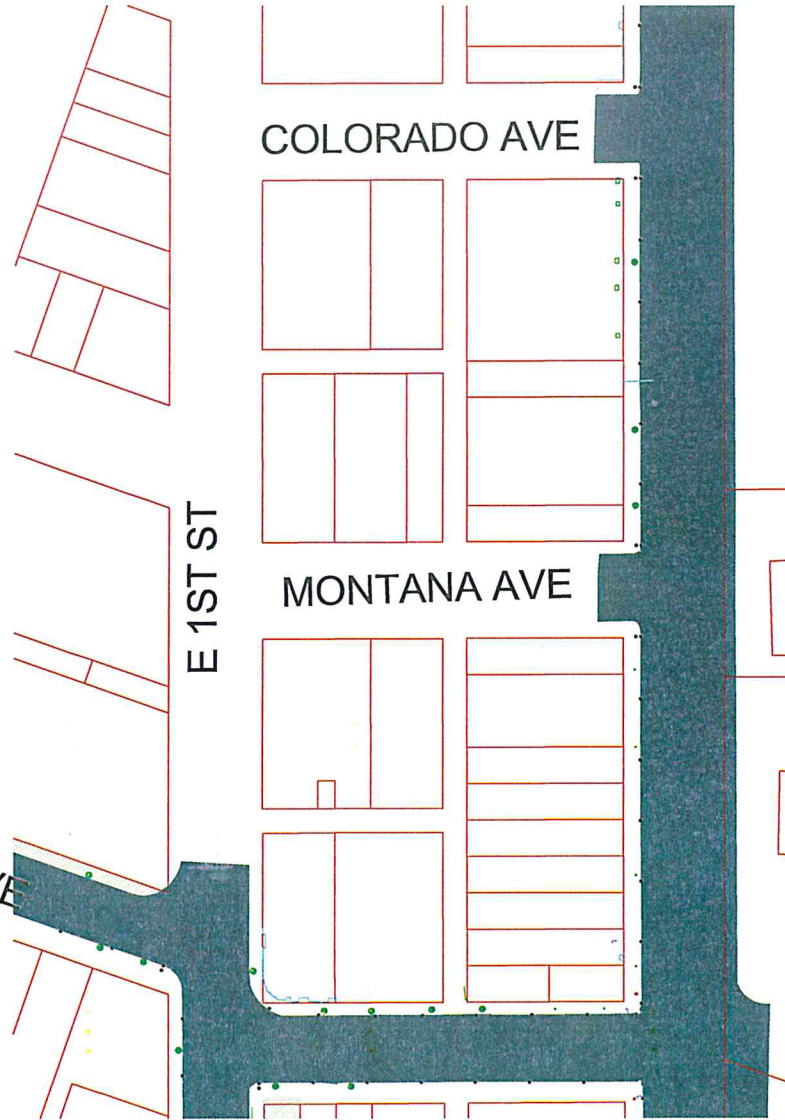
ELECTRICAL KEYNOTES

ELECTRICAL GENERAL NOTES

- A. CONTRACTOR SHALL FIELD VERIFY ALL EXISTING CONDITIONS PRIOR TO BIDDING.
- B. PROVIDE LIGHT POLE ASSEMBLIES WITH ALL ASSOCIATED COMPONENTS NECESSARY FOR A COMPLETE SYSTEM INCLUDING ANCHOR BOLTS.
- C. COORDINATE SAW CUTTING AND REMOVAL REQUIREMENT WITH THE CIVIL CONTRACTOR.
- D. ALL CONDUIT AND WIRE SHALL BE INSTALLED BELOW GRADE. SAWCUT, TRENCH BACKFILL AND PATCH SIDEWALK OR DIRECTIONAL BORING METHODS ARE ACCEPTABLE.



ACE INC.
2040 HARRIS BLVD.
BILLINGS, MT 59102
406-245-0136
ACE JOB 25816113



1
E5.2
ELECTRICAL PEDESTRIAN LIGHTING PLAN - PHASE I - NORTH ENLARGED PLAN
1" = 100'-0"

10%
PRELIMINARY
NOT FOR
CONSTRUCTION



LURA NORTH SIDEWALKS AND LIGHTING
LAUREL URBAN RENEWAL DISTRICT
LAUREL, MONTANA
PROJECT EXTENTS

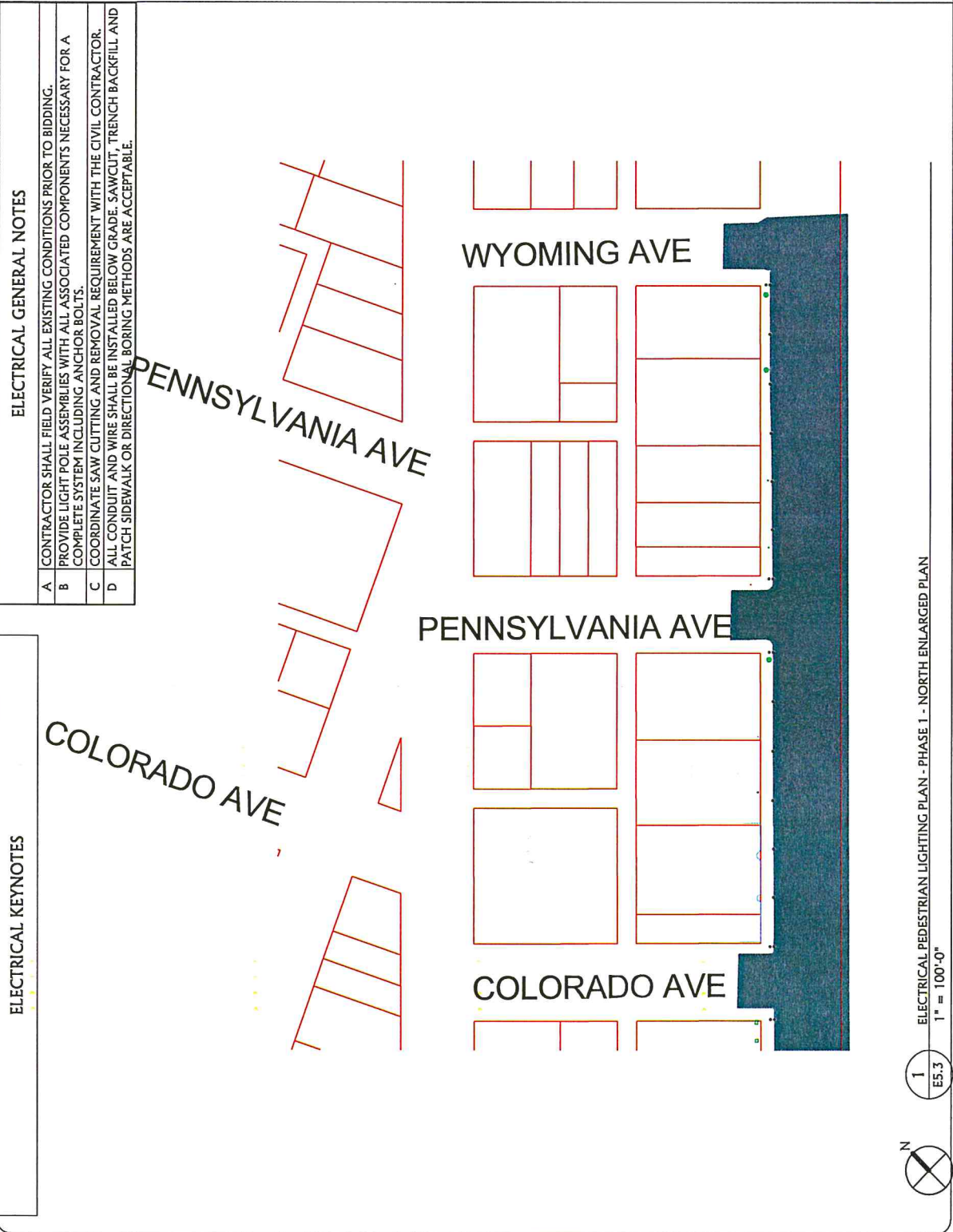
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DRAWN BY	XXX
CHECKED BY	XXX
PROJECT #	24-105

E5.2



ACE INC.
 2040 HANSH RD.
 BILLINGS, MT 59102
 406-245-0139
 ACE JOB 25816.113

10%
 PRELIMINARY
 NOT FOR
 CONSTRUCTION



ELECTRICAL GENERAL NOTES	
A	CONTRACTOR SHALL FIELD VERIFY ALL EXISTING CONDITIONS PRIOR TO BIDDING.
B	PROVIDE LIGHT POLE ASSEMBLIES WITH ALL ASSOCIATED COMPONENTS NECESSARY FOR A COMPLETE SYSTEM INCLUDING ANCHOR BOLTS.
C	COORDINATE SAW CUTTING AND REMOVAL REQUIREMENT WITH THE CIVIL CONTRACTOR.
D	ALL CONDUIT AND WIRE SHALL BE INSTALLED BELOW GRADE. SAWCUT, TRENCH BACKFILL AND PATCH SIDEWALK OR DIRECTIONAL BORING METHODS ARE ACCEPTABLE.

ELECTRICAL KEYNOTES

ELECTRICAL KEYNOTES

ELECTRICAL GENERAL NOTES

- A CONTRACTOR SHALL FIELD VERIFY ALL EXISTING CONDITIONS PRIOR TO BIDDING.
- B PROVIDE LIGHT POLE ASSEMBLIES WITH ALL ASSOCIATED COMPONENTS NECESSARY FOR A COMPLETE SYSTEM INCLUDING ANCHOR BOLTS.
- C COORDINATE SAW CUTTING AND REMOVAL REQUIREMENT WITH THE CIVIL CONTRACTOR.
- D ALL CONDUIT AND WIRE SHALL BE INSTALLED BELOW GRADE. SAWCUT, TRENCH BACKFILL AND PATCH SIDEWALK OR DIRECTIONAL BORING METHODS ARE ACCEPTABLE.



ACE
INC.
2040 HANSHAW BLVD
BILINGS, MT 59102
406-245-0136
ACE JOB# 25164113



1
E5.4
ELECTRICAL PEDESTRIAN LIGHTING PLAN - PHASE 1 - NORTH ENLARGED PLAN
1" = 100'-0"



LURA NORTH SIDEWALKS AND LIGHTING
LAUREL URBAN RENEWAL DISTRICT
LAUREL, MONTANA
PROJECT EXTENTS

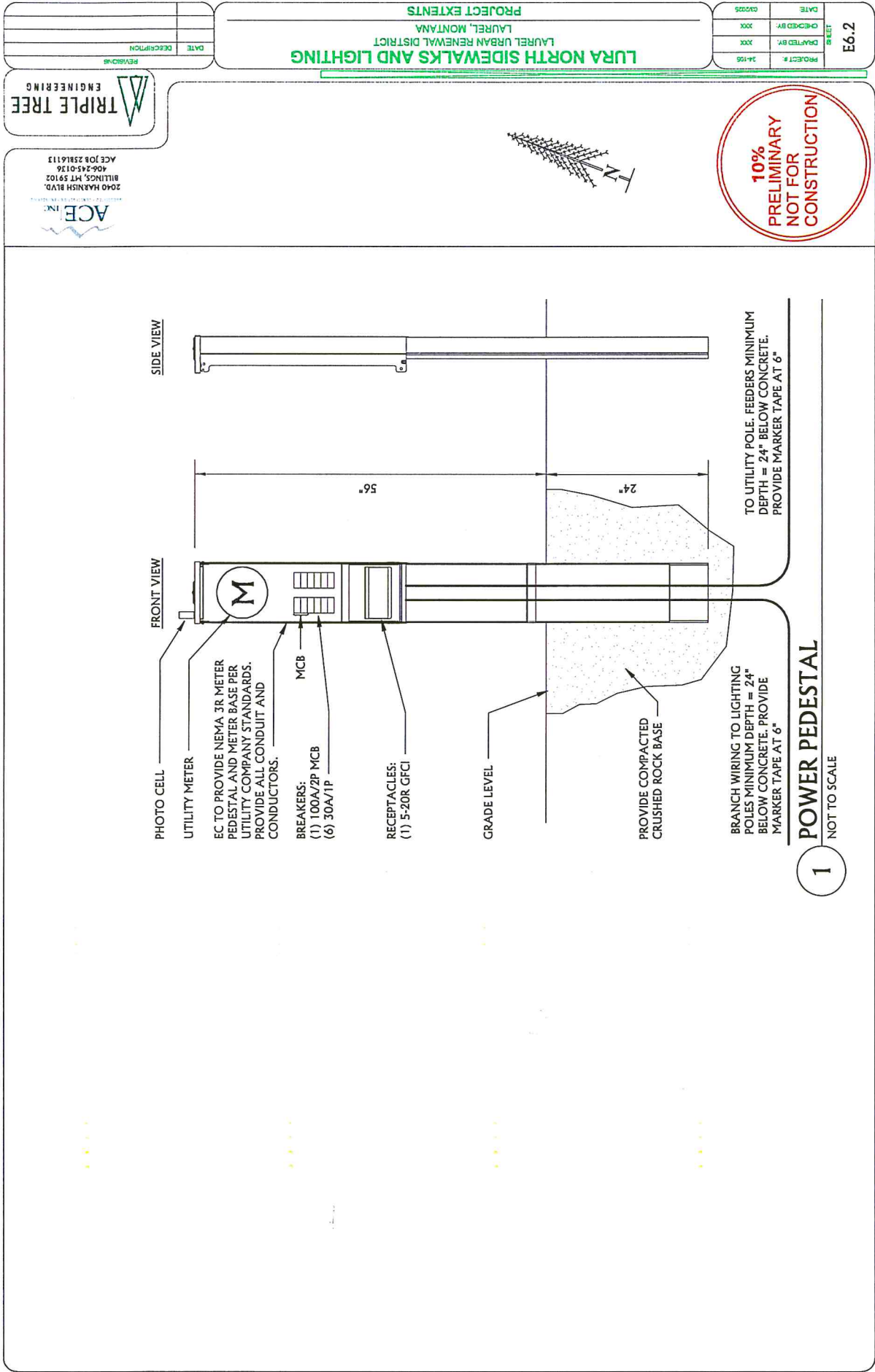
DATE DESCRIPTION

REVISIONS

PROJECT # 24-105
DRAWN BY XXX
CHECKED BY XXX
DATE 03/02/25
SHEET E5.4

(1)





File Attachments for Item:

9. Council Workshop Minutes of April 1, 2025.

**MINUTES
CITY OF LAUREL
CITY COUNCIL WORKSHOP
TUESDAY, APRIL 01, 2025**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:31 p.m. on April 1, 2025.

COUNCIL MEMBERS PRESENT:

<input checked="" type="checkbox"/> Tom Canape	<input checked="" type="checkbox"/> Heidi Sparks
<input checked="" type="checkbox"/> Michelle Mize	<input type="checkbox"/> Jessica Banks
<input checked="" type="checkbox"/> Casey Wheeler	<input checked="" type="checkbox"/> Irv Wilke
<input checked="" type="checkbox"/> Richard Klose	<input type="checkbox"/> Jodi Mackay

OTHERS PRESENT:

Brittney Harakal, Administrative Assistant
Kelly Strecker, Clerk/Treasurer
Matt Wheeler, Public Works Director

Mayor Waggoner apologized for missing Mark Mace's funeral. He had a family emergency he was attending to.

Public Input:

Ray Southworth spoke regarding a bill that went before the legislature called Defend the Guard and other military-related issues.

General Items

Executive Review

1. **Finance:** Resolution - A Resolution To Submit Regularly Elected Officers To The Electorate And Notifying The Yellowstone County Election Administrator Of The City Of Laurel's Desire To Conduct The Primary (If Held) And The General Elections By Mail-In Ballot In Accordance With Mont. Code Ann. § 13-19-202.

This resolution is to allow for any election to be done by mail-in ballot if the City needs a primary due to the number of candidates that are running for a particular position.

2. **Public Works:** Resolution - A Resolution Of The City Council To Accept Studies Of The City's Existing Water And Wastewater Rate Structures And Recommendations For Any Necessary Modifications To The Existing Rate Structures Prepared By Raftelis Financial Consultants, Inc.

This resolution is to accept the water and wastewater rate studies and close out the contract with Raftelis.

Council Issues

Other Items

Attendance at Upcoming Council Meeting

All Council Members present will be in attendance at next week's meeting.

Announcements

The next Park Board meeting is scheduled for this Thursday at 5:30 p.m. in Council Chambers.

Tomorrow at noon, there will be a service for the unattended—those who have been buried but did not receive their military honors.

Mayor Waggoner stated he would need a letter from the Council President asking for the Tree Board and Park Board to be merged.

There was an article in the Outlook recognizing Council Vice President Wilke for his 25 years of service teaching Hunter's Education. Hunter's Education registration is Monday at 6:30 p.m. in the Math wing of the High School. Classes begin April 21st to 25th. The Field Course will be on April 26th.

The council workshop adjourned at 6:47 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Brittney Harakal".

Brittney Harakal
Administrative Assistant

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.

File Attachments for Item:

10. Budget/Finance Committee Minutes of March 25, 2025.

**Minutes of City of Laurel
Budget/Finance Committee
Tuesday, March 25, 2025**

Members' Present: Richard Klose, Heidi Sparks, Michelle Mize, Casey Wheeler

Others Present: Kurt Markegard, Kelly Strecker

The meeting was called to order by the Committee Chair at 5:30 pm.

Public Input: There was no public comment.

General Items –

1. Review and approve March 11, 2025, Budget and Finance Committee meeting minutes. Heidi Sparks moved to approve the minutes of March 11, 2025. Casey Wheeler seconded the motion. With no objection, the minutes of March 11, 2025, were approved. There was no public comment or committee discussion.
2. Review and approve purchase requisitions. There were none.
3. Review and recommend approval to Council; claims entered through March 21, 2025. Heidi Sparks moved to approve the claims and check the register for claims entered through March 21, 2025. Michelle Mize seconded the motion. With no objection, the claims and check register of March 21, 2025, were approved. There was no public comment.
4. Review and approve Payroll Register for the pay period ending March 16, 2025, totaling \$256,822.77. Heidi Sparks motioned to approve the payroll register for the pay period ending March 16, 2025, totaling \$256,822.77. Michelle Mize seconded the motion. With no objection, the payroll register for March 16, 2025, was approved. There was no public comment.
5. Review and approve February 2025 monthly financial statement. Heidi Sparks moved to approve the February 2025 monthly financial statement. Casey Wheeler seconded the motion. With no objection, February 2025 monthly financial statement was approved. There was no public comment or Committee discussion.

New Business –None

Old Business –

Other Items –

1. Review Comp/OT reports for the pay period ending March 16, 2025.
2. Mayor Update – The mayor was absent from the meeting and Kurt was asked to sit in for the mayor. Kurt stated that he and Kelly were going to start reviewing the spending for FY 24-25. He stated that they will be checking to see where each department is sitting. At this point in the year, they are looking to make sure that each fund is around or under 75% of their total budget, to ensure that no overspending will occur.
3. Clerk/Treasurer Financial Update-Kelly stated that the City received \$850.00 for the Arbor Day grant that Michelle Mize applied for. Kelly said that she has been working on cleaning up all the outstanding checks from prior years and getting them off the books. Other than the daily routine in the finance office, everything seems to be going smoothly.

Announcements –

1. The next Budget and Finance Committee meeting will be held on April 8, 2025, at 5:30 pm.
2. Casey Wheeler is scheduled to review the claims for the next meeting.

Meeting Adjourned at 6:08p.m.

Respectfully submitted,



Kelly Strecker

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.

File Attachments for Item:

11. Appointment of Gary Blaine to the Laurel Airport Authority for the remainder of a five-year term ending June 30, 2025.

Gary Blain

6309 Jellison Road
Billings, MT 59101
cchuey@hotmail.com
406-671-2789
April 3rd, 2025

Laurel Airport Board
c/o Laurel City Council
115 W 1st Street
Laurel, MT 59044

Dear Members of the Laurel Airport Board,

I am writing to express my interest in serving on the board of the Laurel Airport for the open four-month term. As a lifelong aviator and longtime member of the Montana aviation community, I would be honored to contribute my experience and insight to support and guide the airport's continued success.

I have been a pilot for nearly 50 years and, until recently, was the owner of Billings Flying Service, a company I helped grow and operate with a strong focus on aviation excellence. My aviation journey began right here at the Laurel Airport, where I first learned to fly. That personal connection gives me a deep appreciation for the airport's importance to our local aviation community and economy.

I would welcome the opportunity to give back to the airport that helped shape my career and to help ensure its future as a valuable resource for the region.

Thank you for your consideration.

Sincerely,
Gary Blain

File Attachments for Item:

12. Resolution No. R25-24: A Resolution To Submit Regularly Elected Officers To The Electorate And Notifying The Yellowstone County Election Administrator Of The City Of Laurel's Desire To Conduct The Primary (If Held) And The General Elections By Mail-In Ballot In Accordance With Mont. Code Ann. § 13-19-202.

RESOLUTION NO. R25-24

A RESOLUTION TO SUBMIT REGULARLY ELECTED OFFICERS TO THE ELECTORATE AND NOTIFYING THE YELLOWSTONE COUNTY ELECTION ADMINISTRATOR OF THE CITY OF LAUREL'S DESIRE TO CONDUCT THE PRIMARY (IF HELD) AND THE GENERAL ELECTIONS BY MAIL-IN BALLOT IN ACCORDANCE WITH MONT. CODE ANN. § 13-19-202.

WHEREAS, voter turnout in City of Laurel municipal elections has historically been low;

WHEREAS, Montana law provides a method for conducting mail-in ballot elections for local elections;

WHEREAS, mail-in ballot elections statistically increase voter turnout in elections;

WHEREAS, the Yellowstone County Election Administrator, K. V. "Ginger" Aldrich, informed the City that the costs of conducting a mail-in ballot are less than the costs of conducting a polling place election;

WHEREAS, mail-in ballot elections remove barriers that keep people from getting to the polls, give people more time to study candidates and issues, and have built-in safeguards that increase the integrity of the election process;

WHEREAS, the City may hold a Primary Election on September 9, 2025, as required by Mont. Code Ann. § 13-1-104(2);

WHEREAS, Mont. Code Ann. § 13-14-115(3) states a governing body may require that a primary election be held if it passes a resolution not more than 10 days after the close of filing by candidates for election stating that a primary election must be held;

WHEREAS, the City of Laurel will hold a General Election on November 4, 2025, as required by Mont. Code Ann. § 13-1-104(3);

WHEREAS, the City of Laurel General Election will include the election of several City Council Members;

WHEREAS, pursuant to Mont. Code Ann. § 13-19-104, such elections can be conducted by a mail-in ballot election and the Yellowstone County Election Administrator has determined that a mail-in ballot election conducted in accordance with the provisions of Title 13, Chapter 19, Parts 1-3, MCA, is in the best interests of the City and the electors thereof, and pursuant to Mont. Code Ann. § 13-19-202, the City of Laurel may notify the Yellowstone County Election Administrator of its intent to conduct a mail-in ballot election;

WHEREAS, the Election Administrator shall prepare a written plan, including a timetable, for the conduct of the elections and shall submit it to the Secretary of State at least 60 days prior to the date set for the election in accordance with Mont. Code Ann. § 13-19-205;

WHEREAS, pursuant to Mont. Code Ann. § 13-1-302, all costs of the regularly scheduled primary and general elections shall be paid by the counties and other political subdivisions for which the elections are held, and each political subdivision shall bear its proportionate share of the costs as determined by the County governing body;

WHEREAS, the Office of the County Election Administrator will serve as the place of deposit for ballots, and electors who wish to mark their ballot in-person may do so at the Office of the County Election Administrator and deposit their ballot with the election officials at that location;

WHEREAS, the Election Administrator will have an ADA accessible voter interface device available for disabled electors to mark their ballot independently, privately, and securely at the Office of the County Election Administrator; and

WHEREAS, for any election conducted by mail, ballots must be mailed no sooner than the 20th day and no later than the 15th day before Election Day and all ballots must be mailed the same day in accordance with Mont. Code Ann. § 13-19-207.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Laurel, Montana, as follows:

1. Calling of the Election. The City Council hereby calls and directs an election for the purpose of electing the following regularly elected officers:
 - 4 (four) City Council Members of the City Council (4-year term)
 - 1 Mayor (4-year term)
 - 1 City Judge (4-year term)
2. Authorization of Election and Ballot. The City Council hereby requests the Election Administrator to place the election of the aforementioned officers to the electors of the City of Laurel.

BE IT FURTHER RESOLVED THAT by the City Council of the City of Laurel, that the City of Laurel hereby notifies the Yellowstone County Election Administrator of the City's desire to conduct the 2025 City Primary (if held) and the 2025 General Election (including election of City Council Members, the Mayor, and the City Judge) by mail-in ballot in accordance with Mont. Code Ann. § 13-19-202;

BE IT FURTHER RESOLVED THAT, except as provided in Mont. Code Ann. § 13-19-204, the decision to conduct an election under the provisions of Mont. Code Ann. § 13-19-202 is within the sole discretion of the Election Administrator;

BE IT FURTHER RESOLVED THAT, the City of Laurel Clerk-Treasurer is hereby directed to forward a certified copy of this Resolution to the Yellowstone County Election Administrator in accordance with the provisions of Mont. Code Ann. § 13-19-202; and

BE IT FURTHER RESOLVED THAT, within five (5) days of receiving this request, the Election Administrator shall respond to the Clerk-Treasurer in writing stating that this request is either granted or denied for reasons specified, and if granted, the Election Administrator shall prepare a plan as provided in Mont. Code Ann. § 13-19-205.

Introduced at a regular meeting of the City Council on the 8th day of April 2025, by Council Member _____.

PASSED and APPROVED by the City Council of the City of Laurel the 8th day of April 2025.

APPROVED by the Mayor the 8th day of April 2025.

CITY OF LAUREL

Dave Waggoner, Mayor

ATTEST:

Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

Michele L. Braukmann, Civil City Attorney

File Attachments for Item:

13. Resolution R25-25: A Resolution Of The City Council To Accept Studies Of The City's Existing Water And Wastewater Rate Structures And Recommendations For Any Necessary Modifications To The Existing Rate Structures Prepared By Raftelis Financial Consultants, Inc.

RESOLUTION NO. R25-25

A RESOLUTION OF THE CITY COUNCIL TO ACCEPT STUDIES OF THE CITY'S EXISTING WATER AND WASTEWATER RATE STRUCTURES AND RECOMMENDATIONS FOR ANY NECESSARY MODIFICATIONS TO THE EXISTING RATE STRUCTURES PREPARED BY RAFTELIS FINANCIAL CONSULTANTS, INC.

WHEREAS, on March 26, 2024, the City of Laurel executed a Professional Services Agreement between the City of Laurel and Raftelis Financial Consultants, Inc. (hereinafter "Raftelis") for a Water Study and a Wastewater Study, via Resolutions No. R24-16 and R24-17;

WHEREAS, Raftelis has now conducted the Water Study and the Wastewater Study and submitted them to the City of Laurel with recommended rate structure changes; and

WHEREAS, City Staff has reviewed the studies and recommends City Council acceptance of the same.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Laurel, Montana, that the Water and Wastewater Rate Studies prepared by Raftelis, copies of which are attached, are hereby accepted.

Introduced at a regular meeting of the City Council on the 8th day of April 2025, by Council Member _____.

PASSED and APPROVED by the City Council of the City of Laurel the 8th day of April 2025.

APPROVED by the Mayor the 8th day of April 2025.

CITY OF LAUREL

Dave Waggoner, Mayor

ATTEST:

Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

Michele L. Braukmann, Civil City Attorney

City of Laurel

Water Rate Study Report

Final Report / March 5, 2025

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March 5, 2025

Ms. Kelly Strecker
City Clerk/Treasurer
City of Laurel
115 West 1st Street
Laurel, MT 59044

Subject: Water Rate Study Report

Dear Kelly:

Raftelis is pleased to provide this water rate study report prepared for the City of Laurel (City). The primary purpose of this study was to ensure the financial sustainability of the water utility and ensure that rates and fees recovered costs proportionately across all customer classes. This study includes the following:

- 10-year financial plan cash analysis to determine the level of rate revenues to meet annual expenditures, target reserves and debt service coverage.
- Cost-of-service analysis to allocate costs proportionately to customer classes for the water utility.
- Design rates based on the preferred alternative for water.

It has been a pleasure working with you, and we thank you and the City staff for the support provided during this study.

Sincerely,



Todd Cristiano
Vice President

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Appendix A: Water Utility Financial Plan, Cost of Service, and Rate Design Analysis

1. Executive Summary

Introduction

The City of Laurel (City) provides water service to approximately 2,900 customers. The City is financially self-sufficient with funding from capital and operating requirements derived primarily from rate revenues and other operating income. The City authorized this study to ensure that an adequate level of income from rates is maintained to finance daily operations, fund capital projects, maintain reserves and meet debt service coverage requirements along with rates that are fair and aligned with the City's goals and community values.

Raftelis worked closely with the engineering firm, Morrison-Maierle in reviewing capital projects, timing, and costs. Raftelis met weekly over this period to discuss project status and present interim results. These meetings included staff as well as the City's executive management team. The results presented in this report are a culmination of these efforts between the City and Raftelis. The primary objectives of this study included:

- A 5-year financial plan identifying the annual revenue adjustments needed to fund operation and maintenance expenses, debt service, and capital projects while satisfying reserve requirements and debt service coverage;
- A detailed water cost-of-service analysis to determine the cost to provide service to customer classes. The principal concept of this analysis is to assign costs in a proportionate manner to each customer class based on their demand and customer characteristics;
- A rate structure that meets the pricing objectives of the City and equitably recovers the cost to provide service to the City's customer classes; residential, commercial, irrigation, and industrial customers.

This report includes water and wastewater financial plan results for the 5-year study period 2025 through 2029, water cost-of-service analysis, and rate design. Raftelis used industry standard methodologies supported by the American Water Works Association (AWWA) *Principles of Water Rates, Fees, and Charges* M1 manual.

Appendix A contains the tables that detail the financial plan, cost of service, and rate design analysis for the water utility.

Assumptions

This study is based on numerous assumptions. Changes in these assumptions could materially affect the study findings. Raftelis incorporated the following key assumptions into the study:

- The test year, or the year new rates will be in effect, is FY25.
- The study period is for FY25 – FY29.¹
- Growth in the number of accounts is projected at 0.1% per year.
- Usage per account is based on historical data. Residential water usage per account is approximately 5,200 gallons per month
- Costs will change as follows:
 - Capital costs are projected to experience an annual increase of 4.5% due to inflation.
 - The expected inflation rates for operation and maintenance (O&M) expenses are:

¹ The cash flow tables include FY24 as the base year, or the year in which the model was developed, and is based on a combination of budgetary information and estimated values. The study forecast is for FY25 through FY29.

- Personnel services (FY25 – FY26; FY27 – FY29): 4.5%; 4.0%
- Professional and Contractual Services, Repairs and Maintenance, Operating Supplies and Equipment, Professional Development (FY25 – FY26; FY27 – FY29): 4.0%, 3.5%
- Water supply (FY25 – FY29): 5.0%
- General (FY24 – DY29): 3.0%
- Coverage requirement is 1.20 x debt service based on the revenue bond issuance requirements
- Proposed state loan terms: 2.5% interest rate, 20-year term

Table 1: Additional Assumptions

Description	Units
FY25 Beginning Balance	\$4,566,901
Proposed Grants	
FY26	\$207,500
FY27	1,867,5000
Water SRF Loans	
FY27	\$18,556,701
FY28	3,608,247
Target Operating Reserves (FY25 values shown)	
90 Days of O&M (FY25 values shown)	\$739,110
Meter Deposits	<u>250,709</u>
Total	\$989,819
Target Capital Reserves (FY25 values shown)	
Capital Replacement Reserve (~1-Year Depreciation @ Replacement Cost New)	\$1,500,000
Cash - Meter replacement	137
Cash - Restricted - Water Line	276,439
Cash - Refinanced Bonds	736,505
Cash - Bond Reserve SFR SED	169,546
Cash - Bond Reserve DNRC IV	95,903
Cash - Bond Reserve DNRC IV	<u>133,828</u>
Total	\$2,912,357

Findings and Conclusions

CASH FLOW ANALYSIS

Revenue from rates should be sufficient to cover operating expenses, the capital improvement program, payments on existing and proposed debt service, and as well as meeting debt service coverage requirements and reserve targets. Raftelis proposes equal annual revenue adjustments of 16% in FY25 through FY27, followed by a 4% in FY28 and FY29. These increases represent the increase in total rate revenue that is required to meet annual expenditures.

COST OF SERVICE

The cost-of-service analysis determines the cost of providing water service to each customer class and provides guidance for design of the proposed rates. Cost of service is based on the principles of proportionality. Annual costs are assigned to each customer class considering the amount of water used, the rate of water use, and the number of customers and number of meters. Raftelis completed a comprehensive cost-of-service analysis for FY25 using standard methods supported by the American Water Works Association (AWWA) in its M1 manual, *Principles of Water Rates, Fees, and Charges*. Appendix A includes tables showing the development of water cost of service for 2024. Cost-of-service rates were developed for the residential, commercial, and industrial classes. The irrigation class is included with the commercial class.

RATE DESIGN

In the development of water rate schedules, a basic consideration is to establish equitable charges to customers commensurate with the cost of providing service. Raftelis developed rates for each customer class based on the cost of service analysis. Table 2 compares the existing and proposed rates for the 5-year study period FY25 – FY29.

Existing structure

- Monthly minimum charge that varies by meter size
 - 1,000 gallons volume allowance
 - Capital charge that varies by meter size (per EDU)
- Uniform volume rate same for all customer classes
- *The City may elect not to adopt the proposed cost-of-service rates. In that circumstance, the annual rate increase would apply uniformly to the base charge, volume allowance charge, the capital surcharge, and volume rate.*

Proposed Cost of Service Rates

- Monthly base charge that varies by meter size
 - No volume allowance
 - Capital charge that varies by meter size
- Residential volume rate: 4-tiered rate structure
- Commercial and industrial volume rate: uniform rate
- *Future year rate increases identified in the financial plan will apply uniformly to the base charge, capital surcharge, and volume rates.*

Table 2: Comparison of Existing and Proposed FY25 – FY29 Cost of Service Rates

Base Charge, \$ per bill

Meter Size	Existing [1,3]	FY25 [2,3]	FY26 [2,3]	FY27 [2,3]	FY28 [2,3]	FY29 [2,3]
3/4"	\$32.61	\$37.83	\$43.88	\$50.90	\$52.94	\$55.06
1"	56.11	65.09	75.51	87.59	91.09	94.73
1.25"	85.57	99.26	115.14	133.56	138.90	144.45
1.5"	121.86	141.36	163.98	190.22	197.83	205.75
2"	215.28	249.73	289.69	336.04	349.49	363.47
3"	478.86	555.48	644.36	747.46	777.36	808.45
4"	852.82	989.27	1,147.55	1,331.16	1,384.41	1,439.79
6"	1,915.49	2,221.97	2,577.49	2,989.89	3,109.48	3,233.86
10"	5,291.82	6,138.51	7,120.67	8,259.97	8,590.37	8,933.98

Volume Rate, \$ per 1,000 gallons

Threshold	Existing	FY25	FY26	FY27	FY28	FY29
<u>Residential</u>						
First 1,000	\$0.00	\$2.17	\$2.52	\$2.92	\$3.04	\$3.16
Next 4,000	2.86	2.17	2.52	2.92	3.04	3.16
Next 5,000	2.86	2.71	3.14	3.64	3.79	3.94
Next 10,000	2.86	3.26	3.78	4.38	4.56	4.74
Over 20,000	2.86	4.34	5.03	5.83	6.06	6.30
<u>Commercial</u>						
First 1,000	\$0.00	\$3.27	\$3.79	\$4.40	\$4.58	\$4.76
Over 1,000	2.86	3.27	3.79	4.40	4.58	4.76
<u>Industrial</u>						
First 1,000	\$0.00	\$4.02	\$4.66	\$5.41	\$5.63	\$5.86
Over 1,000	2.86	4.02	4.66	5.41	5.63	5.86

[1] Includes 1,000 gallons volume allowance

[2] No volume allowance in proposed base charges

[3] Includes capital surcharge which varies by meter size

RELIANCE ON CITY-PROVIDED DATA

During this project, the City (and/or its representatives) provided Raftelis with a variety of technical information, including cost and revenue data. Raftelis did not independently assess or test the accuracy of such data – historic or projected. Raftelis has relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. Raftelis also relied on cost allocation data provided by the City needed to complete the cost-of-service analysis.

There are often differences between actual and projected data. Some of the assumptions used for projections in this report will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the data or results projected in this report and actual results achieved, and those differences may be material. As a result, Raftelis takes no responsibility for the accuracy of data or projections provided by or prepared on behalf of the City, nor do we have any responsibility for updating this report for events occurring after the date of this report.

The results presented herein are drafted and under consideration by the City. Drawing conclusions from information in this report is premature and may lead to erroneous assessments as the document may be subject to revisions and refinement.

2. Financial Plan

Cash Flow Analysis

The water utility financial plan is separated into two subfunds- the operating subfund and the capital subfund. The capital subfund tracks activities associated with capital projects and funding sources for the capital projects. The operating subfund tracks activities associated with the daily operations of the utility. The combined FY25 beginning fund balance is \$4.6 million. Water revenues consist primarily of rate revenues and nominal miscellaneous revenues. Rate revenues at current rates average \$3.3 million annually. Other rate revenue sources include water sales to CHS refinery. This includes potable water, raw water, and settled water. Rates for CHS are contractual. CHS rate revenue averages approximately \$199,000 annually.

Other non-rate revenue includes water line insurance, which averages \$33,000 annually, and the 5/8" bypass revenue, which averages \$28,600 annually. Other non-rate revenue includes sales of water supplies, fire line revenue, and other miscellaneous sources averaging in total approximately \$10,000 annually. The City anticipates receiving a grant of \$2,075,000 and a loan of \$18.6 million to fund the new water tank and booster station in FY26 and FY27. A proposed loan of \$3.6 million is also projected in FY28 to fund water treatment filter replacement.

O&M expenses include costs to treat and deliver water to customers. O&M is projected to increase from \$3.0 million to \$3.5 million by FY29. Other expenditures include payments on existing and proposed debt service. Existing debt service averages \$429,000 annually. Proposed debt service is projected at \$1.2 million beginning in FY27. Transfers to the capital fund are \$1.2 million to assist in funding the annual capital program. Capital projects total \$31.2 million for the study period. Highlights of the capital program include:

- A state revolving fund (SRF) loan of \$18.6 million is anticipated in FY27 to fund the majority of the new water tank and booster station project. This is in conjunction with anticipated grants totaling \$2.075 million. The total cost of the new water tank and booster station is \$20.6 million, including an inflation allowance.
- Another SRF loan of \$3,608,247 is planned for FY28 to significantly fund the new filters project with an estimated cost of \$5.7 million, which includes an inflation allowance.

The City has a total reserve target of \$3.9 million for FY25 and a debt service coverage requirement² of 1.20x as part of the loan covenants.

Reserves

The City currently has a number of reserve requirements as identified in Table 1. Raftelis recommends the City include an annual operating reserve of 90 days of O&M and a capital reserve equal to 1-years depreciation expense. The O&M reserve acts as a buffer for unbudgeted emergency expenses, fluctuations in customer payments or reductions in water sales due to drought or wet weather. In addition, lenders and bond agencies view operating reserves as a sign of financial health, which can lead to more favorable credit ratings.

² Debt service coverage = [Revenues less expenses (excluding depreciation)] / annual debt service

A capital reserve equal to 1-year depreciation expense recognizes the loss in asset value due to wear and tear and obsolescence. A capital reserve can help smooth out the unevenness of annual capital expenditures. As a result, customers can benefit from more steady and predictable rate increases.

Indicated Financial Plan Increases

Rate revenues should be sufficient to meet annual requirements, which includes O&M, debt, transfers to the capital fund, target reserves and debt service coverage. Revenues at current rates are insufficient to meet these requirements. The City needs annual adjustments of 16% in FY25 through FY27 followed by 4% in FY28 and FY29. The initial 16% rate increase is required to meet the target debt service coverage. Future increases are required to the debt service coverage and the reserve targets. *It is recommended the financial plan be reviewed annually to ensure that rate revenue is sufficient to meet projected revenue requirements.*

Figure 1 illustrates revenue and expenditures for the operating fund, as well as ending fund balances and target reserves. Figure 2 shows the projected FY25 increase of 16% effective from FY25-FY27, followed by a 4% increase in FY28 and FY29. The FY25 increase is assumed to effective for January water use. Rate increases for future years are assumed to be effective July 1 of each year. Figure 3 illustrates the target and calculated debt service coverage between FY25-FY29.

Figure 1: Water Revenue and Expenditures

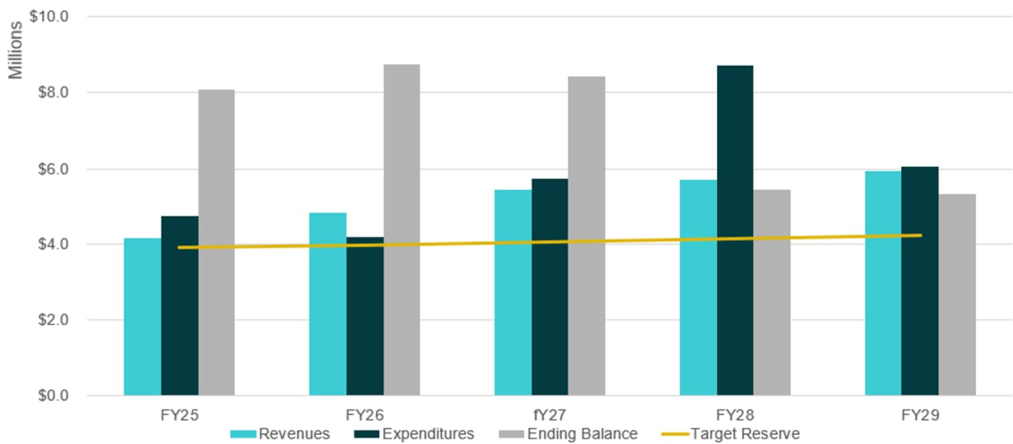


Figure 2: Proposed Annual Water Rate Increases

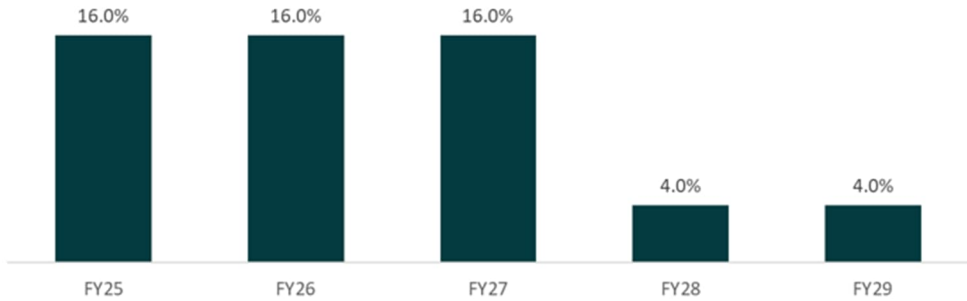
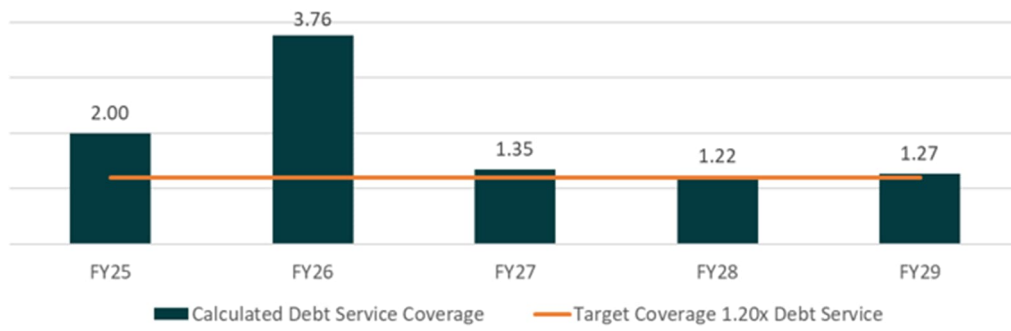


Figure 3: Debt Service Coverage



3. Cost of Service and Rate Design

Cost-of-Service Analysis

Raftelis completed this comprehensive cost-of-service analysis by standard methods supported by the American Water Works Association (AWWA) in its M1 manual, *Principles of Water Rates, Fees, and Charges*. This analysis determines the cost of providing water service to each customer class and guides the design of the proposed rates. The general steps of the cost-of-service analysis are:

1. *Revenue requirement.* Determine the level of revenue required from rates. The revenue requirement includes expenditures in the operating fund: O&M, debt service, capital projects, reserves, and changes in fund balance. The proposed 16% revenue adjustment in FY25 is in effect for 6 months and generates \$265,033 of additional revenue for a total of \$3,577,948. This equates to an annualized increase of 8.0%. However, to ensure that rates recover the 6 months of revenue at a 16% revenue adjustment, the revenue requirement must be stated in annualized terms³.
2. *Cost functionalization.* Assigns the costs detailed in the revenue requirements (i.e., O&M, capital, revenue offsets) to functional areas in the system. Functional areas include water treatment, transmission and distribution, storage, source of supply, meters, and services, and billing and administrative costs. Costs are functionalized based on the facility that has the most influence on that expense. For example, chemical costs are most influenced by treatment processes so those costs would be allocated to the water treatment category.
3. *Allocation of Functionalized Costs to System Demand Parameters.* Functional costs can be allocated to demand parameters and customer characteristics. Demand parameters include average day demands and peak demands. Customer characteristics include the number of accounts by meter size and bills. Each facility is designed to meet specific design requirements in the system. For example, water treatment facilities are designed and operated to meet maximum day demands. As a result, a portion of water treatment costs would be allocated to the average day demand category and a portion to the peak demand category. These assignments are completed for all the revenue requirement line items.
4. *Units of service.* The units of service capture the demand and customer characteristics for each customer class. These characteristics include average day demand, peak demand, number of accounts by meter size, and the number of bills.
5. *Distribution of costs to customer classes.* Because customer classes are defined by their demand parameters (average day and peak demands) and the account makeup (meters by meter sizes), the allocated costs can be proportionately distributed to each class based on their specific demand and customer characteristics.

³ The annualized revenue requirement is \$3,842,982. This value is used to calculate rates. Six months of rate revenue calculated on the annualized amount plus six months of revenue under existing rates will generate \$3,577,948.

For example, if the residential customer class represents 50% of total peak day demands, they would be allocated 50% of the allocated peak day demand costs.

Figure 4 illustrates the cost allocation process for a typical water utility. Figure 5 shows the change in the distribution of costs between the customer classes under existing rates and the cost-of-service analysis.

Figure 4: The Standard Cost Allocation Process

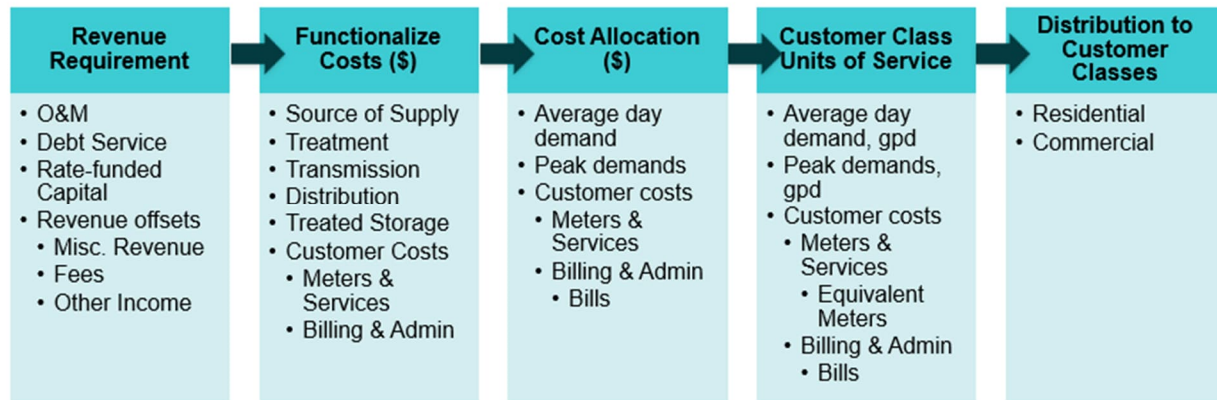


Figure 5: Allocation of Water Utility Costs Under Current Rates Compared to the Allocated Cost of Service



Rate Design

Rate Design

In the development of water rate schedules, a basic consideration is to establish equitable charges to customers commensurate with the cost of providing service. Raftelis developed rates for each customer class based on the cost of service analysis. Table 2 compares the existing and proposed rates for the 5-year study period FY25 – FY29.

Existing structure

- Monthly minimum charge that varies by meter size
 - 1,000 gallons volume allowance

- Capital charge that varies by meter size (per EDU)
- Uniform volume rate same for all customer classes
- *The City may elect not to adopted the proposed cost-of-service rates. In that circumstance, the annual rate increase would apply uniformly to the base charge, volume allowance charge, the capital surcharge, and volume rate.*

Proposed Cost of Service Rates

- Monthly base charge that varies by meter size
 - No volume allowance
 - Capital charge that varies by meter size
- Residential volume rate: 4-tiered rate structure
- Commercial and industrial volume rate: uniform rate
- *Future year rate increases identified in the financial plan will apply uniformly to the base charge, capital surcharge, and volume rates.*

Table 3: Comparison of Existing and Proposed FY25- FY29 Cost of Service Rates

Base Charge, \$ per bill

Meter Size	Existing [1,3]	FY25 [2,3]	FY26 [2,3]	FY27 [2,3]	FY28 [2,3]	FY29 [2,3]
3/4"	\$32.61	\$37.83	\$43.88	\$50.90	\$52.94	\$55.06
1"	56.11	65.09	75.51	87.59	91.09	94.73
1.25"	85.57	99.26	115.14	133.56	138.90	144.45
1.5"	121.86	141.36	163.98	190.22	197.83	205.75
2"	215.28	249.73	289.69	336.04	349.49	363.47
3"	478.86	555.48	644.36	747.46	777.36	808.45
4"	852.82	989.27	1,147.55	1,331.16	1,384.41	1,439.79
6"	1,915.49	2,221.97	2,577.49	2,989.89	3,109.48	3,233.86
10"	5,291.82	6,138.51	7,120.67	8,259.97	8,590.37	8,933.98

Volume Rate, \$ per 1,000 gallons

Threshold	Existing	FY25	FY26	FY27	FY28	FY29
<u>Residential</u>						
First 1,000	\$0.00	\$2.17	\$2.52	\$2.92	\$3.04	\$3.16
Next 4,000	2.86	2.17	2.52	2.92	3.04	3.16
Next 5,000	2.86	2.71	3.14	3.64	3.79	3.94
Next 10,000	2.86	3.26	3.78	4.38	4.56	4.74
Over 20,000	2.86	4.34	5.03	5.83	6.06	6.30
<u>Commercial</u>						
First 1,000	\$0.00	\$3.27	\$3.79	\$4.40	\$4.58	\$4.76
Over 1,000	2.86	3.27	3.79	4.40	4.58	4.76
<u>Industrial</u>						
First 1,000	\$0.00	\$4.02	\$4.66	\$5.41	\$5.63	\$5.86
Over 1,000	2.86	4.02	4.66	5.41	5.63	5.86

- [1] Includes 1,000 gallons volume allowance
 [2] No volume allowance in proposed base charges
 [3] Includes capital surcharge which varies by meter size

APPENDIX A

Water Utility Financial Plan, Cost of Service, and Rate Design Analysis

Line No.	Description	For the Fiscal Year Ending June 30				
		Budget	Projected			
		2025	2026	2027	2028	2029
		\$	\$	\$	\$	\$
	Sources of Funds					
	Water Sales Revenue					
1	Total Revenue from Existing Water Rates RateRev_Projected	3,312,915	3,313,322	3,313,322	3,313,322	3,313,322
2	Additional Water Sales Revenue from Rate Increases	265,033	1,145,084	1,858,429	2,065,299	2,280,444
3	Total Water Rate Revenue	3,577,948	4,458,406	5,171,751	5,378,621	5,593,765
	Other Operating Revenue					
4	Water Line Insurance (\$1/month)	33,000	33,000	33,000	33,000	33,000
5	Sales of Water Supplies	2,000	2,000	2,000	2,000	2,000
6	Fire Line	6,300	6,300	6,300	6,300	6,300
7	5/8" Bypass	28,600	28,600	28,600	28,600	28,600
8	System Development Fees	0	0	0	0	0
9	Miscellaneous Water	2,000	2,000	2,000	2,000	2,000
	CHS Revenue					
10	Raw Water-CHS	172,400	172,400	172,400	172,400	172,400
11	Settled Water-CHS	26,300	26,300	26,300	26,300	26,300
12	Rate Increase (2027 and 2032 per Contract)	0	0	0	0	0
13	Total CHS Non-Potable Revenues	198,700	198,700	198,700	198,700	198,700
14	Total Sources	3,848,548	4,729,006	5,442,351	5,649,221	5,864,365
	Uses of Funds					
15	Operation and Maintenance Expense	2,997,500	3,127,420	3,262,541	3,387,503	3,517,285
	Debt Service					
	Existing Debt Service					
16	WRF-19431	305,285	305,290	306,171	306,918	307,529
17	WRF-17371	121,125	121,021	120,973	121,668	121,406
18	Proposed State Loans	0	0	1,190,359	1,421,818	1,421,818
19	Proposed Revenue Bonds	0	0	0	0	0
20	Total Debt Service	426,410	426,311	1,617,503	1,850,403	1,850,753
21	Transfer to Capital Fund	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
22	Total Uses	4,623,910	4,753,731	6,080,043	6,437,906	6,568,038
23	Annual Surplus (Deficiency)	(775,362)	(24,725)	(637,693)	(788,686)	(703,673)
24	Beginning Balance	4,566,901	3,791,539	3,766,814	3,129,121	2,340,436
25	Ending Balance	3,791,539	3,766,814	3,129,121	2,340,436	1,636,763
	Target Reserves					
26	90 Days O&M	739,110	771,145	804,462	835,275	867,276
27	Meter Deposits	250,709	250,709	250,709	250,709	250,709
28	Total Target Reserves	989,819	1,021,854	1,055,171	1,085,984	1,117,985
29	Unrestricted Funds	2,801,721	2,744,961	2,073,950	1,254,452	518,778
30	Debt Service Coverage	2.00	3.76	1.35	1.22	1.27
31	Target	1.20	1.20	1.20	1.20	1.20
30	Annual Water Service Revenue Increase	16.0%	16.0%	16.0%	4.0%	4.0%
32	Cumulative Revenue Increase	16.0%	34.6%	56.1%	62.3%	68.8%
33	CHS Settled Water/Non-Potable Revenue Increase	0	0	56.1%		

Line No	Description	For the Fiscal Year Ending June 30				
		Budget	Projected			
		2025	2026	2027	2028	2029
1	Transfer from OP	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
2	Proposed Revenue Bonds	0	0	0	0	0
3	Proposed State Loans (30-Year, 2.5% Int)	0	0	18,556,701	3,608,247	0
4	Grants	0	207,500	1,867,500	0	0
5	Connection Fees	0	0	0	0	0
6	Interest Income	316,040	117,887	0	54,012	83,875
7	Total Sources	1,516,040	1,525,387	21,624,201	4,862,260	1,283,875
Uses of Funds						
8	PAYGO Capital Projects	1,341,000	831,820	21,295,580	7,070,665	692,853
9	Total Uses	1,341,000	831,820	21,295,580	7,070,665	692,853
10	Annual Surplus/(Deficiency)	175,040	693,567	328,622	(2,208,406)	591,022
11	Beg Balance (Restricted)	4,111,503	4,286,543	4,980,111	5,308,732	3,100,326
12	Ending Balance	4,286,543	4,980,111	5,308,732	3,100,326	3,691,348
Target Reserves						
13	Target Reserve (1-Year RC Depreciation Expense)	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263
14	Cash - Meter replacement	137	137	137	137	137
15	Cash - Restricted - Water Line	276,439	276,439	276,439	276,439	276,439
16	Cash - Refinanced Bonds	736,505	736,505	736,505	736,505	736,505
17	Cash - Bond Reserve SFR SED	169,546	169,546	169,546	169,546	169,546
18	Cash - Bond Reserve DNRC IV	95,903	95,903	95,903	95,903	95,903
19	Cash - Bond Reserve DNRC IV	133,828	133,828	133,828	133,828	133,828
20	Total Target Reserves	2,912,357	2,957,357	3,003,707	3,051,448	3,100,621
21	Unrestricted Cash	1,374,186	2,022,753	2,305,025	48,879	590,728

City of Laurel
Water Utility
Annual Operation and Maintenance Expense

Table A-3

Line No.	Fund	Fund Description	Account Description	For the Fiscal Year Ending June 30				
				Budget	Projected			
				2025	2026	2027	2028	2029
				\$	\$	\$	\$	\$
5210-430500 WATER - PURIFICATION AND TREATMENT								
1			392 ADMINISTRATIVE SERVICES	121,000	126,445	132,135	137,420	142,917
5210-430540 WATER - PURIFICATION AND TREATMENT								
2	500	Water Plant	110 SALARIES AND WAGES	570,000	595,650	622,454	647,352	673,247
3	500	Water Plant	111 OVERTIME	15,800	16,511	17,254	17,944	18,662
4	500	Water Plant	138 VISION INSURANCE	600	627	655	681	709
5	500	Water Plant	139 DENTAL INSURANCE	4,500	4,703	4,914	5,111	5,315
6	500	Water Plant	141 UNEMPLOYMENT INSURANCE	1,800	1,881	1,966	2,044	2,126
7	500	Water Plant	142 WORKERS' COMPENSATION	18,000	18,810	19,656	20,443	21,260
8	500	Water Plant	143 HEALTH INSURANCE	97,000	101,365	105,926	110,163	114,570
9	500	Water Plant	144 LIFE INSURANCE	1,200	1,254	1,310	1,363	1,417
10	500	Water Plant	145 FICA	42,000	43,890	45,865	47,700	49,608
11	500	Water Plant	146 PERS	47,000	49,115	51,325	53,378	55,513
12	500	Water Plant	149 ST/LT DISABILITY	4,500	4,703	4,914	5,111	5,315
13	500	Water Plant	194 FLEX MEDICAL	6,500	6,793	7,098	7,382	7,677
14	500	Water Plant	220 OPERATING SUPPLIES	25,000	26,000	27,040	27,986	28,966
15	500	Water Plant	221 CHEMICALS	165,000	171,600	178,464	184,710	191,175
16	500	Water Plant	222 LABORATORY & MEDICAL SUPP	8,000	8,320	8,653	8,956	9,269
17	500	Water Plant	226 CLOTHING AND UNIFORMS	1,200	1,254	1,310	1,363	1,417
18	500	Water Plant	231 GAS, OIL, DIESEL FUEL, GR	7,000	7,315	7,644	7,950	8,268
19	500	Water Plant	232 MOTOR VEHICLE PARTS	2,000	2,080	2,163	2,239	2,317
20	500	Water Plant	233 MACHINERY & EQUIPMENT PAR	16,000	16,640	17,306	17,911	18,538
21	500	Water Plant	241 CONSUMABLE TOOLS	1,000	1,040	1,082	1,119	1,159
22	500	Water Plant	263 SAFETY SUPPLIES	2,000	2,080	2,163	2,239	2,317
23	500	Water Plant	312 NETWORKING FEES	5,000	5,200	5,408	5,597	5,793
24	500	Water Plant	335 MEMBERSHIPS & DUES	1,500	1,560	1,622	1,679	1,738
25	500	Water Plant	337 ADVERTISING	2,500	2,600	2,704	2,799	2,897
26	500	Water Plant	339 CERTIFICATION RENEWAL	2,000	2,080	2,163	2,239	2,317
27	500	Water Plant	341 ELECTRIC UTILITY SERVICES	200,000	208,000	216,320	223,891	231,727
28	500	Water Plant	343 CELLULAR TELEPHONE	1,200	1,254	1,310	1,363	1,417
29	500	Water Plant	344 GAS UTILITY SERVICE	35,000	36,400	37,856	39,181	40,552
30	500	Water Plant	345 TELEPHONE	1,100	1,150	1,201	1,249	1,299
31	500	Water Plant	349 QUALITY TESTING	10,000	10,400	10,816	11,195	11,586
32	500	Water Plant	350 PROFESSIONAL SERVICES	15,000	15,600	16,224	16,792	17,380
33	500	Water Plant	351 MEDICAL, DENTAL, VETERINARY	1,000	1,045	1,092	1,136	1,181
34	500	Water Plant	355 DATA PROCESSING SERVICES	-	-	-	-	-
35	500	Water Plant	360 REPAIR & MAINTENANCE SERVICES	3,000	3,120	3,245	3,358	3,476
36	500	Water Plant	364 WATER / SEWER STRUCTURE & EQUIP	250,000	260,000	270,400	279,864	289,659
37	500	Water Plant	366 BUILDING MAINTENANCE	50,000	52,000	54,080	55,973	57,932
38	500	Water Plant	370 TRAVEL	4,000	4,160	4,326	4,478	4,635
39	500	Water Plant	380 TRAINING SERVICES	3,000	3,120	3,245	3,358	3,476
40	500	Water Plant	397 CONTRACTED SERVICES	16,000	16,640	17,306	17,911	18,538
41	500	Water Plant	511 INSURANCE ON BLDGS/IMPRVM	9,500	9,880	10,275	10,635	11,007
42	500	Water Plant	513 LIABILITY	22,155	23,041	23,963	24,802	25,670
43	500	Water Plant	514 VEHICLE / EQUIPMENT INSURANCE	-	-	-	-	-
44	500	Water Plant	519 POLLUTION INSURANCE	-	-	-	-	-
45	500	Water Plant	533 MACHINERY & EQUIPMENT RENTAL	20,000	20,800	21,632	22,389	23,173
46	500	Water Plant	544 DISCHARGE PERMIT FEE	3,000	3,120	3,245	3,358	3,476
47	900	Water Plant	900 CAPITAL OUTLAY	-	-	-	-	-
48	900	Water Plant	920 BUILDINGS	-	-	-	-	-
49	900	Water Plant	930 IMPROVEMENTS OTHER THAN B	-	-	-	-	-
50	900	Water Plant	940 MACHINERY & EQUIPMENT	-	-	-	-	-
51		Water Plant	943 NEW VEHICLE	-	-	-	-	-
52	900	Water Plant	946 COMPUTER EQ/SOFTWARE	-	-	-	-	-
5210-430550 WATER - TRANSMISSION AND DISTRIBUTION								
53	540	Water System	110.00 SALARIES AND WAGES	335,000	350,075	365,828	380,462	395,680
54	540	Water System	111.00 OVERTIME	3,500	3,658	3,822	3,975	4,134
55	540	Water System	138.00 VISION INSURANCE	325	340	355	369	384
56	540	Water System	139.00 DENTAL INSURANCE	2,100	2,195	2,293	2,385	2,480
57	540	Water System	141.00 UNEMPLOYMENT INSURANCE	1,000	1,045	1,092	1,136	1,181
58	540	Water System	142.00 WORKERS' COMPENSATION	9,200	9,614	10,047	10,448	10,866
59	540	Water System	143.00 HEALTH INSURANCE	42,500	44,413	46,411	48,268	50,198
60	540	Water System	144.00 LIFE INSURANCE	500	523	546	568	591
61	540	Water System	145.00 FICA	18,000	18,810	19,656	20,443	21,260
62	540	Water System	146.00 PERS	21,000	21,945	22,933	23,850	24,804

City of Laurel
Water Utility
Annual Operation and Maintenance Expense

Table A-3

Line No.	Fund	Fund Description	Account Description	For the Fiscal Year Ending June 30				
				Budget	Projected			
				2025	2026	2027	2028	2029
				\$	\$	\$	\$	\$
63	540	Water System	149.00 ST/LT DISABILITY	2,500	2,613	2,730	2,839	2,953
64	540	Water System	194.00 FLEX MEDICAL	2,800	2,926	3,058	3,180	3,307
65	540	Water System	220.00 OPERATING SUPPLIES	26,000	27,170	28,393	29,528	30,709
66	540	Water System	221.00 CLOTHING AND UNIFORMS	1,800	1,881	1,966	2,044	2,126
67	540	Water System	226.00 REPAIR & MAINTENANCE SUPP	15,000	15,600	16,224	16,792	17,380
68	540	Water System	231.00 GAS, OIL, DIESEL FUEL, GR	16,000	16,640	17,306	17,911	18,538
69	540	Water System	232.00 MOTOR VEHICLE PARTS	5,000	5,200	5,408	5,597	5,793
70	540	Water System	233.00 MACHINERY & EQUIPMENT PAR	30,000	31,200	32,448	33,584	34,759
71	540	Water System	239.00 TIRES/TUBES/CHAINS	3,000	3,120	3,245	3,358	3,476
72	540	Water System	241.00 CONSUMABLE TOOLS	-	-	-	-	-
73	540	Water System	263.00 SAFETY SUPPLIES	1,500	1,560	1,622	1,679	1,738
74	540	Water System	311.00 POSTAGE	6,400	6,656	6,922	7,165	7,415
75	540	Water System	312.00 NETWORKING FEES	1,000	1,040	1,082	1,119	1,159
76	540	Water System	337.00 ADVERTISING	1,000	1,045	1,092	1,136	1,181
77	540	Water System	339.00 CERTIFICATION RENEWAL	1,200	1,254	1,310	1,363	1,417
78	540	Water System	341.00 ELECTRIC UTILITY SERVICES	15,600	16,302	17,036	17,717	18,426
79	540	Water System	343.00 CELLULAR TELEPHONE	3,000	3,135	3,276	3,407	3,543
80	540	Water System	350.00 PROFESSIONAL SERVICES	50,000	52,250	54,601	56,785	59,057
81	540	Water System	351.00 MEDICAL, DENTAL, VETERINARY	1,000	1,045	1,092	1,136	1,181
82	540	Water System	355.00 DATA PROCESSING SERVICES	2,500	2,613	2,730	2,839	2,953
83	540	Water System	360.00 REPAIR & MAINTENANCE SERV	20,000	20,900	21,841	22,714	23,623
84	540	Water System	362.00 OFFICE MACHINERY & EQUIP	25,000	26,125	27,301	28,393	29,528
85	540	Water System	367.00 WATER/SEWER LINES REPAIR	200,000	209,000	218,405	227,141	236,227
86	540	Water System	368.00 CURB BOX REPAIR/REPLACE	25,000	26,125	27,301	28,393	29,528
87	540	Water System	370.00 TRAVEL	3,000	3,135	3,276	3,407	3,543
88	540	Water System	380.00 TRAINING SERVICES	5,000	5,225	5,460	5,679	5,906
89	540	Water System	397.00 CONTRACTED SERVICES	16,000	16,720	17,472	18,171	18,898
90	540	Water System	452.00 GRAVEL AND SAND	-	-	-	-	-
91	540	Water System	511.00 INSURANCE ON BLDGS/IMPRVM	8,365	8,741	9,135	9,500	9,880
92	540	Water System	513.00 LIABILITY	8,989	9,394	9,816	10,209	10,617
93	540	Water System	514.00 VEHICLE/EQUIPMENT INSURAN	3,566	3,726	3,894	4,050	4,212
94	540	Water System	530.00 RENT	182,000	190,190	198,749	206,698	214,966
95	540	Water System	532.00 LAND RANTAL/EASEMENTS	11,800	12,331	12,886	13,401	13,937
96	540	Water System	533.00 MACHINERY & EQUIPMENT RENT	-	-	-	-	-
97	540	Water System	540.00 SPECIAL ASSESSMENTS	-	-	-	-	-
98	540	Water System	543.00 SERVICE CONNECTION FEE	6,100	6,375	6,661	6,928	7,205
99	540	Water System	811.00 LIABILITY DEDUCTIBLES	-	-	-	-	-
100	900	Water System	901 MISC CAPITAL PROJECTS	-	-	-	-	-
101	900	Water System	938 REPLACE WATER/SEWER LINE	-	-	-	-	-
102	900	Water System	949 VEHICLE(S)	-	-	-	-	-
103	901	Water System	950 MINI EXCAVATOR	-	-	-	-	-
5210-430551 MURRAY HEIGHTS SUBDIVISION - BOOSTER STATION								
104	540.00	Water System	220.00 Operating Supplies	500	523	543	565	588
105	540.00	Water System	231.00 Gas, Oil, Diesel Fuel, Gr	-	-	-	-	-
106	540.00	Water System	241.00 Consumable Tools	-	-	-	-	-
107	540.00	Water System	341.00 Electric Utility Services	15,000	15,675	16,302	16,954	17,632
108	540.00	Water System	344.00 Gas Utility Services	800	836	869	904	940
109	540.00	Water System	360.00 Repair & Maintenance Serv	5,000	5,225	5,434	5,651	5,877
110	540.00	Water System	366.00 Building Maintenance	5,000	5,225	5,225	5,225	5,225
5210-430552 WATER RESERVOIR								
111	540	Water System	220.00 Operating Supplies	300	314	326	339	353
112	540	Water System	341.00 Electric Utility Services	1,500	1,568	1,630	1,695	1,763
113	540	Water System	350.00 Professional Services	7,500	7,838	8,151	8,477	8,816
114	540	Water System	364.00 Water/Sewer Struct. & Equ	-	-	-	-	-
115	540	Water System	452.00 Gravel and Sand	-	-	-	-	-
116	900	Water System	920.00 Buildings	-	-	-	-	-
5210-430553 ELENA BOOSTER STATION								
117	540	Water System	220 Operating Supplies	100	105	109	113	118
118	540	Water System	231 Gas, Oil, Diesel Fuel, Gr	500	523	543	565	588
119	540	Water System	233 Machinery & Equipment Par	1,500	1,568	1,630	1,695	1,763
120	540	Water System	341 Electric Utility Services	7,500	7,838	8,151	8,477	8,816
121	540	Water System	350 Professional Services	500	523	543	565	588
122	540	Water System	360 Repair & Maintenance Serv	1,000	1,045	1,087	1,130	1,175
123	540	Water System	366 Building Maintenance	500	523	543	565	588

Line No.	Fund	Fund Description	Account Description	For the Fiscal Year Ending June 30				
				Budget	Projected			
				2025	2026	2027	2028	2029
				\$	\$	\$	\$	\$
			5210-521000 INTERFUND OPERATING TRANSFERS OUT					
124	540	Water	820 Transfers to Other Funds	5,000	5,000	5,000	5,000	5,000
125	Total Operating Budget		Total Operation and Maintenance Expense	2,997,500	3,127,420	3,262,541	3,387,503	3,517,285
900.00	Total Operation and Maintenance Expenses			2,997,500	3,127,420	3,262,541	3,387,503	3,517,285
	Capital Expenditures			0	0	0	0	0
	Total Operating Budget			2,997,500	3,127,420	3,262,541	3,387,503	3,517,285

City of Laurel
Water Utility
Water Capital Improvement Plan Excluding Inflation

Table A-4

		For the Fiscal Year Ending June 30					
Line		Budget	Projected				2025-2034
No.	Title	2025	2026	2027	2028	2029	Total
		\$	\$	\$	\$	\$	\$
1	Bulk Water Sales Station - On Hold			400,000			400,000
2	West 7th St Wtr Replacement - Combined w/1st Ave	650,000					650,000
3	Riverside Park Water + Irrigation System	0	360,000				360,000
4	Water Treatment Plant Stormwater Improvements	125,000					125,000
5	New Wtr Tank, Booster Station & Piping Redun		210,000	18,675,000			18,885,000
6	1st Ave. Water Valve Installation w/ W 7th	170,000			170,000		340,000
7	City Wide Valve & Hydrant Replacement Project	145,000	145,000	145,000	145,000		580,000
8	Replacement of Water Lines (\$900 ft @ 450 lf)	81,000	81,000	81,000	81,000	81,000	405,000
9	Water Tank Painting			200,000	800,000		1,000,000
10	Filters				5,000,000		5,000,000
11	949-Mini Excavator	150,000					150,000
12	920-Buildings-Reserve	20,000					20,000
13	Miscellaneous Undesignated Projects					500,000	500,000
14	Total Capital Improvement Ex. Inflation	4,601,000	796,000	19,501,000	6,196,000	581,000	31,675,000

City of Laurel
Water Utility
Water Capital Improvement Plan (Inflated)

Table A-5

<i>Annual Inflation</i>	<i>0.0%</i>	<i>4.5%</i>	<i>4.5%</i>	<i>4.5%</i>	<i>4.5%</i>
<i>Cumulative Inflation</i>	<i>0.0%</i>	<i>4.5%</i>	<i>9.2%</i>	<i>14.1%</i>	<i>19.3%</i>

Line No.	Title	For the Fiscal Year Ending June 30					2025-2034 Total
		Budget 2025	Projected				
		\$	\$	\$	\$	\$	
1	Bulk Water Sales Station - On Hold	-	-	436,810	-	-	436,810
2	West 7th St Wtr Replacement - Combined w/1st Ave	650,000	-	-	-	-	650,000
3	Riverside Park Water + Irrigation System	-	376,200	-	-	-	376,200
4	Water Treatment Plant Stormwater Improvements	125,000	-	-	-	-	125,000
5	New Wtr Tank, Booster Station & Piping Redun	-	219,450	20,393,567	-	-	20,613,017
6	1st Ave. Water Valve Installation w/ W 7th	170,000	-	-	193,998	-	363,998
7	City Wide Valve & Hydrant Replacement Project	145,000	151,525	158,344	165,469	-	620,338
8	Replacement of Water Lines (\$900 ft @ 450 lf)	81,000	84,645	88,454	92,434	96,594	443,127
9	Water Tank Painting	-	-	218,405	912,933	-	1,131,338
10	Filters	-	-	-	5,705,831	-	5,705,831
11	Settling Pond (2011 Great Westen MP)	-	-	-	-	-	-
12	920-Buildings-Reserve	20,000	-	-	-	-	20,000
13	Miscellaneous Undesignated Projects	-	-	-	-	596,259	596,259
14	Total Capital Improvement Program Including Inflation	1,341,000	831,820	21,295,580	7,070,665	692,853	31,231,918

City of Laurel
Water Utility
Test Year 2025 Revenue Requirement

Table A-6

Line No.	Description	Operating Expense	Capital Expense	Total
Revenue Requirement				
1	Operation and Maintenance Expense	2,997,500		2,997,500
2	Repair and Replacement Capital		1,200,000	1,200,000
3	Debt Service		426,410	426,410
4	Total Revenue Requirements	2,997,500	1,626,410	4,623,910
Less Revenue Offsets				
5	Water Line Insurance (\$1/month)	(33,000)		(33,000)
6	Sales of Water Supplies	(2,000)		(2,000)
7	Fire Line	(6,300)		(6,300)
8	5/8" Bypass	(28,600)		(28,600)
9	System Development Fees	0		0
10	Miscellaneous Water	(2,000)		(2,000)
	CHS Revenue			0
11	Raw Water-CHS	(172,400)		(172,400)
12	Settled Water-CHS	(26,300)		(26,300)
13	Rate Increase (2027 and 2032 per Contract)	0		0
14	Change in Fund Balance	(330,826)	(179,502)	(510,328)
15	Subtotal Revenue Offsets	(601,426)	(179,502)	(780,928)
16	Net Revenue Requirement	2,396,074	1,446,908	3,842,982

Line No.	Description	O&M Costs	Volume			Customer Related				Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing	Indirect	General & Admin	
Water System Assets										
1	Source of Supply		100.0%							100.0%
2	Treatment		55.6%	44.4%						100.0%
3	Transmission & Distribution		16.7%	13.3%	20.0%	50.0%				100.0%
4	Customer/Billing						100.0%			100.0%
5	Meters & Services					100.0%				100.0%
6	Public Fire					100.0%				100.0%
7	Not Used							100.0%		100.0%
8	Not Used							100.0%		100.0%
9	General & Admin								100.0%	100.0%
10	Pump Station		55.6%	44.4%						100.0%
11	Treated Storage		33.3%	26.7%	40.0%					100.0%
12	Land		100.0%							100.0%
									100.0%	100.0%
13	Total									

Line No.	Description	Replacement Cost	Volume		Customer Related		Indirect	General & Admin	Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services			
		\$	\$	\$	\$	\$	\$	\$	\$
	Water System Assets								
1	Source of Supply	2,841,754	2,841,754	0	0	0	0	0	2,841,754
2	Treatment	39,991,420	22,217,456	17,773,965	0	0	0	0	39,991,420
3	Transmission & Distribution	33,042,881	5,507,147	4,405,717	6,608,576	16,521,440	0	0	33,042,881
4	Customer/Billing	0	0	0	0	0	0	0	0
5	Meters & Services	2,544,987	0	0	0	2,544,987	0	0	2,544,987
6	Public Fire	184,685	0	0	0	184,685	0	0	184,685
7	Not Used	0	0	0	0	0	0	0	0
8	Not Used	0	0	0	0	0	0	0	0
9	General & Admin	18,474	0	0	0	0	0	18,474	18,474
10	Pump Station	53,810	29,895	23,916	0	0	0	0	53,810
11	Treated Storage	969,401	323,134	258,507	387,761	0	0	0	969,401
12	Land	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0
14	Total Water System Assets	79,647,413	30,919,385	22,462,105	6,996,337	19,251,113	0	18,474	79,647,413
		TRUE							
15	General & Admin, %		38.8%	28.2%	8.8%	24.2%			
16	General & Admin Allocation, \$	18,474	7,173	5,211	1,623	4,466			
17	Total Reallocated Assets		30,926,558	22,467,316	6,997,960	19,255,579			
18	Percent of Total		38.8%	28.2%	8.8%	24.2%			
19	Annual Capital Costs (with Rev Req Adjustments)	1,446,908	561,825	408,150	127,128	349,805			

Line No.	Description	Test Year 2025 \$	1 Source of Supply	2 Treatment	3 Trans / Dist	4 Customer / Billing	5 Meters & Services	Total
1	5210-430500 WATER - PURIFICATION AND TREATMENT							
500	392 ADMINISTRATIVE SERVICES	121,000				50%	50%	100%
	5210-430540 WATER - PURIFICATION AND TREATMENT							
2	500 110 SALARIES AND WAGES	570,000		100%				100%
3	500 111 OVERTIME	15,800		100%				100%
4	500 138 VISION INSURANCE	600		100%				100%
5	500 139 DENTAL INSURANCE	4,500		100%				100%
6	500 141 UNEMPLOYMENT INSURANCE	1,800		100%				100%
7	500 142 WORKERS' COMPENSATION	18,000		100%				100%
8	500 143 HEALTH INSURANCE	97,000		100%				100%
9	500 144 LIFE INSURANCE	1,200		100%				100%
10	500 145 FICA	42,000		100%				100%
11	500 146 PERS	47,000		100%				100%
12	500 149 ST/LT DISABILITY	4,500		100%				100%
13	500 194 FLEX MEDICAL	6,500		100%				100%
14	500 220 OPERATING SUPPLIES	25,000		100%				100%
15	500 221 CHEMICALS	165,000		100%				100%
16	500 222 LABORATORY & MEDICAL SUPP	8,000		100%				100%
17	500 226 CLOTHING AND UNIFORMS	1,200		100%				100%
18	500 231 GAS, OIL, DIESEL FUEL, GR	7,000		100%				100%
19	500 232 MOTOR VEHICLE PARTS	2,000		100%				100%
20	500 233 MACHINERY & EQUIPMENT PAR	16,000		100%				100%
21	500 241 CONSUMABLE TOOLS	1,000		100%				100%
22	500 263 SAFETY SUPPLIES	2,000		100%				100%
23	500 312 NETWORKING FEES	5,000		100%				100%
24	500 335 MEMBERSHIPS & DUES	1,500		100%				100%
25	500 337 ADVERTISING	2,500		100%				100%
26	500 339 CERTIFICATION RENEWAL	2,000		100%				100%
27	500 341 ELECTRIC UTILITY SERVICES	200,000		100%				100%
28	500 343 CELLULAR TELEPHONE	1,200		100%				100%
29	500 344 GAS UTILITY SERVICE	35,000		100%				100%
30	500 345 TELEPHONE	1,100		100%				100%
31	500 349 QUALITY TESTING	10,000		100%				100%
32	500 350 PROFESSIONAL SERVICES	15,000		100%				100%
33	500 351 MEDICAL, DENTAL, VETERINARY	1,000		100%				100%
34	500 355 DATA PROCESSING SERVICES	-		100%				100%
35	500 360 REPAIR & MAINTENANCE SERVICES	3,000		100%				100%
36	500 364 WATER / SEWER STRUCTURE & EQUIP	250,000		100%				100%
37	500 366 BUILDING MAINTENANCE	50,000		100%				100%
38	500 370 TRAVEL	4,000		100%				100%
39	500 380 TRAINING SERVICES	3,000		100%				100%
40	500 397 CONTRACTED SERVICES	16,000		100%				100%
41	500 511 INSURANCE ON BLDGS/IMPRVM	9,500		100%				100%
42	500 513 LIABILITY	22,155		100%				100%
43	500 514 VEHICLE / EQUIPMENT INSURANCE	-		100%				100%
44	500 519 POLLUTION INSURANCE	-		100%				100%
45	500 533 MACHINERY & EQUIPMENT RENTAL	20,000		100%				100%
46	500 544 DISCHARGE PERMIT FEE	3,000		100%				100%
47	500 900 CAPITAL OUTLAY	-						0%
48	500 920 BUILDINGS	-						0%
49	500 930 IMPROVEMENTS OTHER THAN B	-						0%
50	500 940 MACHINERY & EQUIPMENT	-						0%
51	501 943 NEW VEHICLE	-						0%
52	500 946 COMPUTER EQ/SOFTWARE	-						0%
	5210-430550 WATER - TRANSMISSION AND DISTRIBUTION							
53	540 110 SALARIES AND WAGES	335,000			100%			100%
54	540 111 OVERTIME	3,500			100%			100%
55	540 138 VISION INSURANCE	325			100%			100%
56	540 139 DENTAL INSURANCE	2,100			100%			100%
57	540 141 UNEMPLOYMENT INSURANCE	1,000			100%			100%
58	540 142 WORKERS' COMPENSATION	9,200			100%			100%
59	540 143 HEALTH INSURANCE	42,500			100%			100%
60	540 144 LIFE INSURANCE	500			100%			100%
61	540 145 FICA	18,000			100%			100%
62	540 146 PERS	21,000			100%			100%
63	540 149 ST/LT DISABILITY	2,500			100%			100%
64	540 194 FLEX MEDICAL	2,800			100%			100%
65	540 220 OPERATING SUPPLIES	26,000			100%			100%
66	540 221 CLOTHING AND UNIFORMS	1,800			100%			100%
67	540 226 REPAIR & MAINTENANCE SUPP	15,000			100%			100%
68	540 231 GAS, OIL, DIESEL FUEL, GR	16,000			100%			100%
69	540 232 MOTOR VEHICLE PARTS	5,000			100%			100%
70	540 233 MACHINERY & EQUIPMENT PAR	30,000			100%			100%
71	540 239 TIRES/TUBES/CHAINS	3,000			100%			100%
72	540 241 CONSUMABLE TOOLS	-			100%			100%
73	540 263 SAFETY SUPPLIES	1,500			100%			100%
74	540 311 POSTAGE	6,400			100%			100%
75	540 312 NETWORKING FEES	1,000			100%			100%
76	540 337 ADVERTISING	1,000			100%			100%
77	540 339 CERTIFICATION RENEWAL	1,200			100%			100%
78	540 341 ELECTRIC UTILITY SERVICES	15,600			100%			100%

Line No.	Description	Test Year 2025	1 Source of Supply	2 Treatment	3 Trans / Dist	4 Customer / Billing	5 Meters & Services	Total
79	540 343 CELLULAR TELEPHONE	3,000			100%			100%
80	540 350 PROFESSIONAL SERVICES	50,000			100%			100%
81	540 351 MEDICAL, DENTAL, VETERINARY	1,000			100%			100%
82	540 355 DATA PROCESSING SERVICES	2,500				100%		100%
83	540 360 REPAIR & MAINTENANCE SERV	20,000			100%			100%
84	540 362 OFFICE MACHINERY & EQUIP	25,000			100%			100%
85	540 367 WATER/SEWER LINES REPAIR	200,000			100%			100%
86	540 368 CURB BOX REPAIR/REPLACE	25,000			100%			100%
87	540 370 TRAVEL	3,000			100%			100%
88	540 380 TRAINING SERVICES	5,000			100%			100%
89	540 397 CONTRACTED SERVICES	16,000			100%			100%
90	540 452 GRAVEL AND SAND	-			100%			100%
91	540 511 INSURANCE ON BLDGS/IMPRVM	8,365			100%			100%
92	540 513 LIABILITY	8,989			100%			100%
93	540 514 VEHICLE/EQUIPMENT INSURAN	3,566			100%			100%
94	540 530 RENT	182,000			100%			100%
95	540 532 LAND RANTAL/EASEMENTS	11,800			100%			100%
96	540 533 MACHINERY & EQUIPMENT RENT	-			100%			100%
97	540 540 SPECIAL ASSESSMENTS	-			100%			100%
98	540 543 SERVICE CONNECTION FEE	6,100			100%			100%
99	540 811 LIABILITY DEDUCTIBLES	-			100%			100%
100	540 901 MISC CAPITAL PROJECTS				100%			100%
101	540 938 REPLACE WATER/SEWER LINE				100%			100%
102	540 943 VEHICLE(S)				100%			100%
103	540 949 MINI EXCAVATOR				100%			100%
104	540 5210-430551 MURRAY HEIGHTS SUBDIVISION - BOOSTER STATION	500			100%			100%
105	540 220 Operating Supplies	-			100%			100%
106	540 231 Gas, Oil, Diesel Fuel, Gr	-			100%			100%
107	540 241 Consumable Tools	15,000			100%			100%
108	540 341 Electric Utility Services	800			100%			100%
109	540 344 Gas Utility Services	5,000			100%			100%
110	540 360 Repair & Maintenance Serv	5,000			100%			100%
111	540 5210-430552 WATER RESERVOIR	300	100%					100%
112	540 220 Operating Supplies	1,500	100%					100%
113	540 231 Electric Utility Services	7,500	100%					100%
114	540 241 Professional Services	-	100%					100%
115	540 341 Water/Sewer Struct. & Equ	-	100%					100%
116	540 344 Gravel and Sand	-	100%					100%
117	540 360 Buildings	-	100%					100%
117	540 5210-430553 ELENA BOOSTER STATION	100			100%			100%
118	540 220 Operating Supplies	500			100%			100%
119	540 231 Gas, Oil, Diesel Fuel, Gr	1,500			100%			100%
120	540 233 Machinery & Equipment Par	7,500			100%			100%
121	540 341 Electric Utility Services	500			100%			100%
122	540 350 Professional Services	1,000			100%			100%
123	540 360 Repair & Maintenance Serv	500			100%			100%
124	540 5210-521000 INTERFUND OPERATING TRANSFERS OUT	5,000				100%		100%
124	540 820 Transfers to Other Funds							
125	Total	2,997,500	9,300	1,691,055	1,168,645	68,000	60,500	2,997,500

Source: City of Laurel - Expenditure Budget by Org Report - MultiYear Actuals

0	0.3%	56.4%	39.0%	2.3%	2.0%	100.0%
9,300	0	0	0	0	0	
1,691,055	1,691,055	1,168,645	68,000	60,500		

Town of Laurel
Water Utility
Summary Operation and Maintenance Expense Functional Category Allocations
Test Year 2025

Line No.	Description	Lookup Column->	1 Source of Supply	2 Treatment	3 Trans / Dist	4 Customer / Billing	5 Meters & Services	Total
1	Total Allocation		9,300	1,691,055	1,168,645	68,000	60,500	2,997,500
126	All Other Infrastructure Reallocation		0.3%	56.4%	39.0%	2.3%	2.0%	
127	Total All Other Infrastructure		-	-	-	-	-	0
128	All Other General Reallocation		0.3%	56.4%	39.0%	2.3%	2.0%	
129	Total Reallocated All Other General		-	-	-	-	-	0
130	Total After Reallocation		9,300	1,691,055	1,168,645	68,000	60,500	2,997,500
131	%		0.3%	56.4%	39.0%	2.3%	2.0%	100.0%

Line No.	Description	Total	Volume		Customer Related		Indirect	General & Admin	Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing		
	Functions								
1	Source of Supply	9,300	100.0%						100.0%
2	Treatment	1,691,055	55.6%	44.4%					100.0%
3	Transmission & Distribution	1,168,645	16.7%	13.3%	20.0%	50.0%			100.0%
4	Customer/Billing	68,000					100.0%		100.0%
5	Meters & Services	60,500				100.0%			100.0%
6	Public Fire	0				100.0%			100.0%
7	Common to Irrigation	0						100.0%	100.0%
8	All Other Infrastructure	0						100.0%	100.0%
9	General & Admin	0					50.0%	50.0%	100.0%
10	Pump Station	0		40.0%	60.0%				100.0%
11	Treated Storage	0		40.0%	60.0%				100.0%
12								100.0%	100.0%
13								100.0%	100.0%
14	Total	2,997,500							

Line No.	Description	Total	Volume		Customer Related		Indirect	General & Admin	Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing		
		\$	\$	\$	\$	\$	\$	\$	\$
Functions									
1	Source of Supply	9,300	9,300	0	0	0	0	0	9,300
2	Treatment	1,691,055	939,475	751,580	0	0	0	0	1,691,055
3	Transmission & Distribution	1,168,645	194,774	155,819	233,729	584,323	0	0	1,168,645
4	Customer Billing	68,000	0	0	0	0	68,000	0	68,000
5	Meters & Services	60,500	0	0	0	60,500	0	0	60,500
6	Public Fire	0	0	0	0	0	0	0	0
7	Common to Irrigation	0	0	0	0	0	0	0	0
8	All Other Infrastructure	0	0	0	0	0	0	0	0
9	Indirect	0	0	0	0	0	0	0	0
10	Pump Station	0	0	0	0	0	0	0	0
11	Treated Storage	0	0	0	0	0	0	0	0
12	Total Allocated O&M	2,997,500	1,143,549	907,399	233,729	644,823	68,000	0	2,997,500
13	Percent of Total		38.2%	30.3%	7.8%	21.5%	2.3%	0.0%	0.0%
14	Indirect & G&A Allocation, %		38.2%	30.3%	7.8%	21.5%	2.3%		
	Settling Water and Raw Water Allocation		55.6%	44.4%					
15	Indirect Allocation, \$	0	0	0	0	0	0		
16	General & Admin Allocation, \$	0	0	0	0	0	0		
17	Subtotal Reallocated O&M - %	2,997,500	1,143,549	907,399	233,729	644,823	68,000		
18	Subtotal Reallocated O&M - %		38.2%	30.3%	7.8%	21.5%	2.3%		
19	Miscellaneous Revenue Offsets	(71,900)	(27,430)	(21,765)	(5,606)	(15,467)	(1,631)		
20	Allocation of Change in Fund Balance	(330,826)	(126,210)	(100,147)	(25,796)	(71,167)	(7,505)		
21	Settling and Raw Water Revenue	(198,700)	(110,389)	(88,311)	0	0	0		
22	Total Revenue Offsets	(601,426)	(264,029)	(210,224)	(31,402)	(86,634)	(9,136)		
19	Annual O&M Expenses with Reallocations (with Rev Req Adjustme	2,396,074	879,520	697,176	202,327	558,188	58,864		

No.	Customer Class	Water Use		Maximum Day Demand			Maximum Hour Demand			Bills	3/4" Equivalent Meter Capacity Ratio
		Annual	Average Day	Demand Factor	Total Demand	Extra Capacity	Demand Factor	Total Demand	Extra Capacity		
		1,000 gal	1,000 gal								
1	Residential	162,482	445	3.81	1,694	1,249	6.34	2,823	1,129	31,114	31,234
2	Commercial	88,935	244	2.35	573	330	3.92	955	382	2,802	9,115
3	Irrigation	10,391	28	7.65	218	189	12.75	363	145	185	438
4	Industrial	434,162	1,189	2.51	2,984	1,795	4.18	4,974	1,990	72	3,326
5	Total	695,969	1,907		5,470	3,563		9,116	3,646	34,173	44,112

Line No.	Description	Total	Volume		Customer Related	
			Annual	Maximum Day Demand	Maximum Hour Demand	Meters & Services Billing
	Cost of Service					
1	Operation and Maintenance Expense	\$2,997,500	\$1,143,549	\$907,399	\$233,729	\$644,823
2	Capital Cost	1,446,908	561,825	408,150	127,128	349,805
3	Total Cost of Service	\$4,444,408	\$1,705,374	\$1,315,550	\$360,857	\$994,627
4	Miscellaneous Revenue Offsets	(\$71,900)	(\$27,430)	(\$21,765)	(\$5,606)	(\$15,467)
5	Allocation of Change in Fund Balance	(330,826)	(126,210)	(100,147)	(25,796)	(71,167)
6	Settling and Raw Water Revenue	(198,700)	(110,389)	(88,311)	0	0
7	Net Allocated Revenue Requirement	\$3,842,982	\$1,441,344	\$1,105,326	\$329,454	\$907,993
8	Percent of Total	100%	38%	30%	8%	22%
	Units of Service					
	<u>Units of Service</u>		<u>1,000 gal</u>	<u>gpd</u>	<u>gpd</u>	<u>Equivalent Meter Capacity</u> <u># Bills</u>
9	Common to All Customers (Table A-14, Line 5)		695,969	3,563	3,646	44,112
10	Common to Retail Customers (Table A-14, Lines 1-4)		261,808	1,768	1,657	40,786
	<u>Units of Service</u>					
11	Common to All Customers (Lines 3 + 4 + 5 / Line 9)		\$2.23	\$335.03	\$90.35	\$20.58
12	Common to Retail Customers (Line 6 / Line 10)		(\$0.42)	(\$49.96)	\$0.00	\$0.00

City of Laurel
Water Utility
Distribution of Costs to Customer Classes

Table A-14

Line No.	Description	Total	Volume		Customer Related	
			Average Day	Maximum Day Demand	Maximum Hour Demand	Meters & Services Billing
1	Unit Costs of Service - \$/unit					
	Common to All Customers (Lines 3 - 6 / Line 9)		\$2.23	\$335.03	\$90.35	\$20.58
	Common to Retail Customers (Line 6 / Line 10)		\$1.81	\$285.07	\$90.35	\$20.58
	Customer Class					
	Residential					
2	Units		162,482	1,249	1,129	31,234
3	Cost of Service - \$	\$1,448,292	\$293,761	\$355,995	\$102,033	\$642,907
	Commercial					
4	Units		88,935	330	382	9,115
5	Cost of Service - \$	\$481,741	\$160,790	\$93,971	\$34,532	\$187,622
	Irrigation					
6	Units		10,391	189	145	438
7	Cost of Service - \$	\$95,209	\$18,786	\$53,975	\$13,119	\$9,010
	Industrial					
8	Units		434,162	1,795	1,990	3,326
9	Cost of Service - \$	\$1,817,739	\$968,007	\$601,385	\$179,770	\$68,454
10	Total Cost of Service	3,842,982	1,441,344	1,105,326	329,454	907,993

City of Laurel
Water Utility
Comparison of Cost of Service With Revenues Under Existing Rates

Table A-15

Line No	Customer Class	2025 Cost of Service	Revenue at Existing Rates	Change - \$	Change - %
		COS	Rev		
1	Residential	\$1,448,292	\$1,405,545	\$42,747	3.0%
2	Commercial	481,741	523,700	(41,959)	-8.0%
3	Irrigation	95,209	42,824	52,385	122.3%
4	Industrial	\$1,817,739	1,340,846	476,893	35.6%
5	Total System	\$3,842,982	3,312,915	530,066	16.0%

City of Laurel
Water Utility
Adjusted Cost of Service

Table A-16

Line No	Customer Class	2025 Cost of Service	Revenue at Existing Rates	Change - \$	Adjustment	Adjusted COS	Change - %
1	Residential	\$1,448,292	\$1,405,545	\$0	\$0	\$1,448,292	3.0%
2	Commercial	481,741	523,700	41,959	\$0	523,700	0.0%
3	Irrigation	95,209	42,824	-	(2,088)	93,121	117.5%
4	Industrial	1,817,739	1,340,846	-	(39,871)	1,777,869	32.6%
5	Total	\$3,842,982	\$3,312,915	\$41,959	(\$41,959)	\$3,842,982	16.0%

Residential Cost of Service				\$1,448,292	Combined Commercial and Irrigation COS				\$616,821	Industrial	\$1,777,869							
Meter Size	Bills	S.C.	Revenue		Meter Size	Bills	S.C.	Revenue		Meter Size	Bills	S.C.	Revenue					
Inches					Inches					Inches								
3/4"	31,030	\$32.61	\$1,011,886		3/4"	1,324	\$32.61	\$43,186		3/4"	12	\$32.61	\$392					
1"	60	\$56.11	\$3,372		1"	931	\$56.11	\$52,234		1"	12	\$56.11	\$674					
1.25"	0	\$85.57	\$0		1.25"	12	\$85.57	\$1,028		1.25"	0	\$85.57	\$0					
1.5"	24	\$121.86	\$2,929		1.5"	322	\$121.86	\$39,278		1.5"	0	\$121.86	\$0					
2"	0	\$215.28	\$0		2"	274	\$215.28	\$59,046		2"	0	\$215.28	\$0					
3"	0	\$478.86	\$0		3"	87	\$478.86	\$41,702		3"	24	\$478.86	\$11,504					
4"	0	\$852.82	\$0		4"	12	\$852.82	\$10,244		4"	0	\$852.82	\$0					
6"	0	\$1,915.49	\$0		6"	24	\$1,915.49	\$46,018		6"	12	\$1,915.49	\$23,009					
10"	0	\$5,291.82	\$0		10"	0	\$5,291.82	\$0		10"	12	\$5,291.82	\$63,565					
Total Service Charge Revenue				\$1,018,187	Total Service Charge Revenue				\$292,737	Total Service Charge Revenue				\$35,579				
Volume Rate Revenue Required				\$430,104	Volume Rate Revenue Required				\$324,085	Volume Rate Revenue Required				\$1,742,290				
Threshold	% Vol	Ratio	Volume	Rate	Revenue	Threshold	% Vol	Ratio	Volume	Rate	Revenue	Threshold	% Vol	Ratio	Volume	Rate	Revenue	
5000	57.3%	1.00	93,125	2.17	202,133	All Usage	100.0%	1.00	99,325	\$3.26	324,085	All Usage	100.0%	1.00	434,162	4.01	1,742,290	
10000	17.6%	1.25	28,667	2.71	77,780		0.0%	1.00	0	3.26	-		0.0%	1.00	0	4.01	-	
20000	15.0%	1.50	24,371	3.26	79,350		0.0%	1.00	0	3.26	-		0.0%	1.00	0	4.01	-	
99999	10.0%	2.00	16,319	4.34	70,841		0.0%	1.00	0	3.26	-		0.0%	1.00	0	4.01	-	
Total			162,482	2.65	430,104	Total	100.0%	1.00	99,325	3.26	324,085	Total	100.0%	1.00	434,162	4.01	1,742,290	

Service Charge, \$ per bill

Existing				
Meter Size	Base Charge	Volume Allowance	Capital Surcharge	Monthly Base Rate
<i>Inches</i>				
3/4"	\$21.75	\$2.86	\$8.00	\$32.61
1"	38.93	2.86	14.32	56.11
1.25"	60.47	2.86	22.24	85.57
1.5"	87.00	2.86	32.00	121.86
2"	155.30	2.86	57.12	215.28
3"	348.00	2.86	128.00	478.86
4"	621.40	2.86	228.56	852.82
6"	1,398.31	2.86	514.32	1,915.49
10"	3,866.72	2.86	1,422.24	5,291.82

FY27				
Meter Size	Base Charge	Volume Allowance	Capital Surcharge	Monthly Base Rate
<i>Inches</i>				
3/4"	\$38.42	\$0.00	\$12.48	\$50.90
1"	65.24	0.00	\$22.35	87.59
1.25"	98.84	0.00	\$34.72	133.56
1.5"	140.27	0.00	\$49.95	190.22
2"	246.88	0.00	\$89.16	336.04
3"	547.66	0.00	\$199.80	747.46
4"	974.40	0.00	\$356.76	1,331.16
6"	2,187.09	0.00	\$802.80	2,989.89
10"	6,040.00	0.00	\$2,219.97	8,259.97

FY25				
Meter Size	Base Charge	Volume Allowance	Capital Surcharge	Monthly Base Rate
<i>Inches</i>				
3/4"	\$28.55	\$0.00	\$9.28	\$37.83
1"	48.48	\$0.00	\$16.61	65.09
1.25"	73.46	\$0.00	\$25.80	99.26
1.5"	104.24	\$0.00	\$37.12	141.36
2"	183.47	\$0.00	\$66.26	249.73
3"	407.00	\$0.00	\$148.48	555.48
4"	724.14	\$0.00	\$265.13	989.27
6"	1,625.36	\$0.00	\$596.61	2,221.97
10"	4,488.71	\$0.00	\$1,649.80	6,138.51

FY28				
Meter Size	Base Charge	Volume Allowance	Capital Surcharge	Monthly Base Rate
<i>Inches</i>				
3/4"	\$39.96	\$0.00	\$12.98	\$52.94
1"	67.85	0.00	\$23.24	91.09
1.25"	102.79	0.00	\$36.11	138.90
1.5"	145.88	0.00	\$51.95	197.83
2"	256.76	0.00	\$92.73	349.49
3"	569.57	0.00	\$207.79	777.36
4"	1,013.38	0.00	\$371.03	1,384.41
6"	2,274.57	0.00	\$834.91	3,109.48
10"	6,281.60	0.00	\$2,308.77	8,590.37

FY26				
Meter Size	Base Charge	Volume Allowance	Capital Surcharge	Monthly Base Rate
<i>Inches</i>				
3/4"	\$33.12	\$0.00	\$10.76	\$43.88
1"	56.24	0.00	\$19.27	75.51
1.25"	85.21	0.00	\$29.93	115.14
1.5"	120.92	0.00	\$43.06	163.98
2"	212.83	0.00	\$76.86	289.69
3"	472.12	0.00	\$172.24	644.36
4"	840.00	0.00	\$307.55	1,147.55
6"	1,885.42	0.00	\$692.07	2,577.49
10"	5,206.90	0.00	\$1,913.77	7,120.67

FY30				
Meter Size	Base Charge	Volume Allowance	Capital Surcharge	Monthly Base Rate
<i>Inches</i>				
3/4"	\$41.56	\$0.00	\$13.50	\$55.06
1"	70.56	\$0.00	\$24.17	94.73
1.25"	106.90	\$0.00	\$37.55	144.45
1.5"	151.72	\$0.00	\$54.03	205.75
2"	267.03	\$0.00	\$96.44	363.47
3"	592.35	\$0.00	\$216.10	808.45
4"	1,053.92	\$0.00	\$385.87	1,439.79
6"	2,365.55	\$0.00	\$868.31	3,233.86
10"	6,532.86	\$0.00	\$2,401.12	8,933.98

Volume Rate, \$ per 1,000 gallons

Threshold	Existing	FY25	FY26	FY27	FY28	FY29
<u>Residential</u>						
First 1,000	\$0.00	\$2.17	\$2.52	\$2.92	\$3.04	\$3.16
Next 4,000	2.86	2.17	2.52	2.92	3.04	3.16
Next 5,000	2.86	2.71	3.14	3.64	3.79	3.94
Next 10,000	2.86	3.26	3.78	4.38	4.56	4.74
Over 20,000	2.86	4.34	5.03	5.83	6.06	6.30
<u>Commercial</u>						
First 1,000	\$0.00	\$3.27	\$3.79	\$4.40	\$4.58	\$4.76
Over 1,000	2.86	3.27	3.79	4.40	4.58	4.76
<u>Industrial</u>						
First 1,000	\$0.00	\$4.02	\$4.66	\$5.41	\$5.63	\$5.86
Over 1,000	2.86	4.02	4.66	5.41	5.63	5.86

[1] Includes 1,000 gallons volume allowance

[2] No volume allowance in proposed base charges

[3] Includes capital surcharge which varies by meter size

City of Laurel

Wastewater Rate Study Report

Final Report / March 7, 2025

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March 7, 2025

Ms. Kelly Strecker
City Clerk/Treasurer
City of Laurel
115 West 1st Street
Laurel, MT 59044

Subject: Wastewater Rate Study Report

Dear Kelly:

Raftelis is pleased to provide this wastewater rate study report prepared for the City of Laurel (City). The primary purpose of this study was to ensure the financial sustainability of the wastewater utility and ensure that rates and fees recovered costs proportionately across all customer classes. It has been a pleasure working with you, and we thank you and the City staff for the support provided during this study.

Sincerely,



Todd Cristiano
Vice President

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1. Wastewater Utility

Introduction

The City of Laurel (City) provides wastewater service to approximately 2,900 customers. The City is financially self-sufficient with funding from capital and operating requirements derived primarily from rate revenues and other operating income. The City authorized this study to ensure that an adequate level of income from rates is maintained to finance daily operations, fund capital projects, maintain reserves and meet debt service coverage requirements along with rates that are fair and aligned with the City's goals and community values.

Raftelis worked closely with the engineering firm, Morrison-Maierle in reviewing capital projects, timing, and costs. Raftelis met weekly over this period to discuss project status and present interim results. These meetings included staff as well as the City's executive management team. The results presented in this report are a culmination of these efforts between the City and Raftelis. The primary objectives of this study included:

- A 5-year financial plan identifying the annual revenue adjustments needed to fund operation and maintenance expenses, debt service, and capital projects while satisfying reserve requirements and debt service coverage;
- A rate structure which meets the pricing objectives of the City and equitably recovers the cost to provide service to the City's customer classes; residential and commercial customers.

This report includes wastewater financial plan results for the 5-year study period 2025 through 2029, wastewater cost of service analysis, and rate design. Raftelis used industry standard methodologies supported by the American Water Works Association (AWWA) *Principles of Water Rates, Fees, and Charges* M1 manual.

Appendix A contains the tables that detail the financial plan, cost of service, and rate design analysis for the wastewater utility.

Assumptions

This study is based on numerous assumptions. Changes in these assumptions could materially affect the study findings. Raftelis incorporated the following key assumptions into the study:

- The test year, or the year new rates will be in effect, is FY25.
- The study period is for FY25 – FY29.¹
- Growth in the number of accounts is projected at 0.1% per year.
- Usage per account is based on historical data. Residential wastewater usage per account is approximately 8,200 thousand gallons (kgal) per month and commercial wastewater usage per account is approximately 4,500 kgal per month.
- Costs will change as follows:
 - Capital costs are projected to experience an annual increase of 4.5% due to inflation.
 - The expected inflation rates for operation and maintenance (O&M) expenses are:
 - Personnel services (FY25 – FY26; FY27 – FY29): 4.5%; 4.0%

¹ The cash flow tables include 2024 as the base year, or the year in which the model was developed, and is based on a combination of budgetary information and estimated values. The study forecast is for 2025 through 2029.

- Professional and Contractual Services, Repairs and Maintenance, Operating Supplies and Equipment, Professional Development (2025 – 2026; 2027 – 2029): 4.0%, 3.5%
- Water supply (FY25 – FY29): 5.0%
- General (FY24 – FY29): 3.0%
- Coverage requirement is 1.20 x debt service based on the revenue bond issuance requirements
- Proposed state loan terms: 2.5% interest rate, 20-year term

Table 1: Additional Assumptions

Description	Units
FY25 Beginning Balance	\$2,503,370
Target Reserves (FY25 values shown)	
60 Days of O&M (FY25 values shown)	\$275,595
System Development Fees (cash)	603,518
Revenue Bond Sinking (cash)	323,560
Bond Reserve DNRC (cash)	435,209
Bond Reserve DNRC II (cash)	55,399
Replacement	<u>969,728</u>
Total	\$2,663,009

Financial Plan

The wastewater utility financial plan is run out of one fund for both operating and capital spending. The capital subfund tracks activities associated with capital projects and funding sources for the capital projects. The operating subfund tracks activities associated with the daily operations of the utility. The FY25 beginning fund balance is \$2.5 million. Wastewater revenues consist primarily of rate revenues and nominal miscellaneous revenues. Rate revenues at current rates average \$1.95 million annually.

O&M expenses include costs to treat and transfer wastewater. O&M is projected to increase from \$1.68 million to \$1.95 million by FY29. Other expenditures include payments on existing and proposed debt service. Existing debt in FY25 is approximately \$512,000 annually. One loan will be paid off in FY25. Proposed debt service is projected to average \$503,000 annually in FY26 through FY29. Capital projects total \$2.8 million for the study period. Highlights of the capital program include:

- A manhole lining project for 563 manholes throughout the city. This project is expected to cost \$1.97 million during the study period.
- Recoating the primary clarifier for \$200k in FY26.
- Update of wastewater plant boilers for \$600k in FY25.

The City has a total reserve target of \$2.7 million for FY25 and a debt service coverage requirement² of 1.20x as part of the loan covenants.

Reserves

The City currently has a number of reserve requirements as identified in Table 1. Raftelis recommends the City include an annual operating reserve of 60 days of O&M and a capital reserve equal to 1-years depreciation expense. The O&M reserve acts as a buffer for unbudgeted emergency expenses, fluctuations in customer payments or

² Debt service coverage = [Revenues less expenses (excluding depreciation)] / annual debt service

reductions in wastewater sales due to drought or wet weather. In addition, lenders and bond agencies view operating reserves as a sign of financial health which can lead to more favorable credit ratings.

A capital reserve equal to 1-year depreciation expense recognizes the loss in asset value due to wear and tear and obsolescence. A capital reserve can help smooth out the unevenness of annual capital expenditures. As a result, customers can benefit from more steady and predictable rate increases.

Indicated Financial Plan Increases

Rate revenues should be sufficient to meet annual requirements, which includes O&M, debt, target reserves and debt service coverage. Revenues at current rates are insufficient to meet these requirements. Annual adjustments of 25% in FY25, followed by 9% in FY26 through FY28 and 5% of FY29 are needed. The initial 25% rate increase is required to meet the target debt service coverage. Future increases are required to meet the debt service coverage and the reserve targets. *It is recommended the financial plan be reviewed annually to ensure that rate revenue is sufficient to meet projected revenue requirements.*

Figure 1 illustrates revenue and expenditures for the operating fund, as well as ending fund balances, and target reserves. Figure 2 shows the projected FY25 increase of 25%, followed by a 9% increase effective from FY26-FY28, followed by a 5% increase in FY29. Figure 3 illustrates the target and calculated debt service coverage between FY25-FY29.

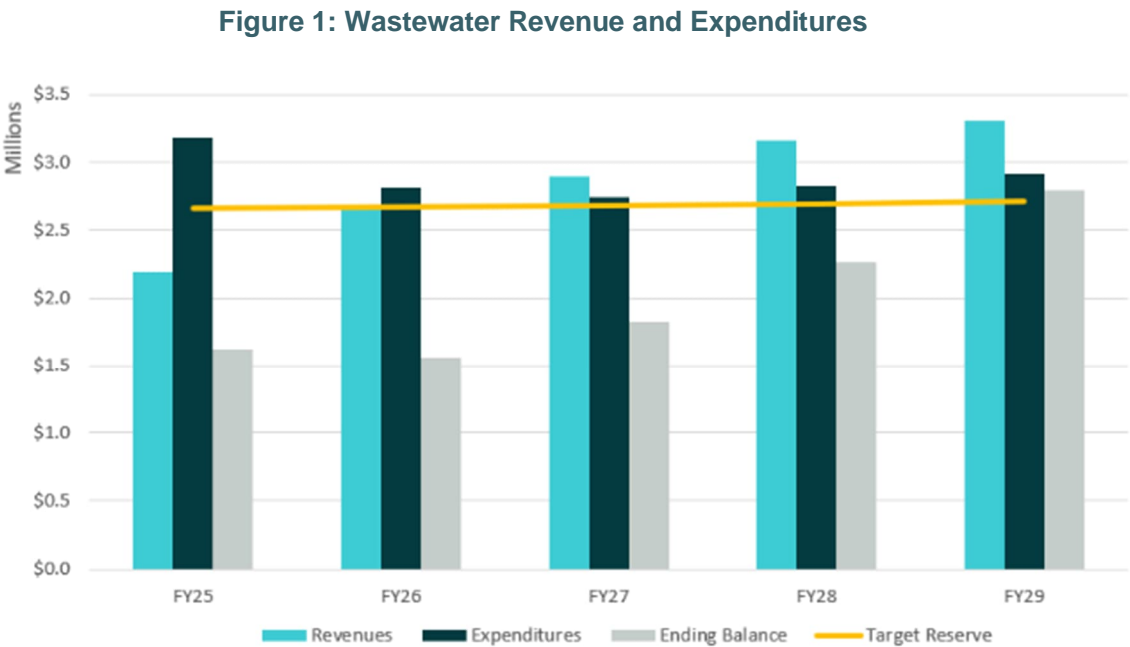


Figure 2: Proposed Annual Wastewater Rate Increases

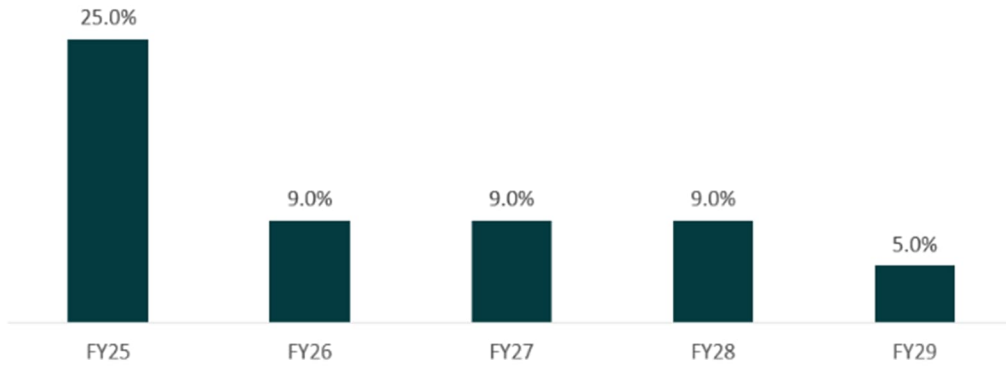
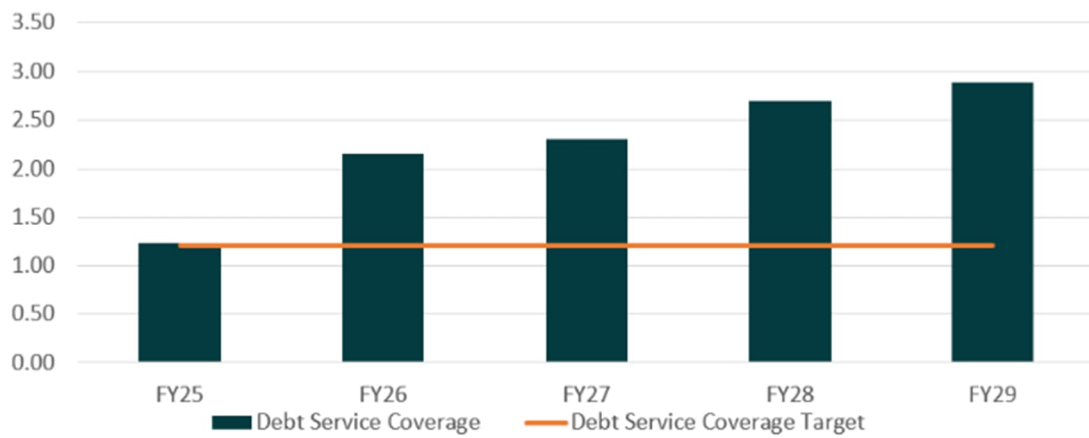


Figure 3: Debt Service Coverage



Cost of Service

Raftelis completed a modified cost-of-service analysis based on standard methods supported by the *Water Environment Federation Manual of Practice 27 (MOP27)*. This analysis determines the cost of providing wastewater service to each customer class and guides the design of the proposed rates. The rate structures developed for this study are based on normal strength contributions of biochemical oxygen demand (BOD) and total suspended solids (TSS). As a result, Raftelis did not complete a cost allocation analysis to determine high strength surcharges. The cost of service analysis focused on customer related costs and volume related costs only. Customer costs recover the cost of billing, general administrative costs, and a portion of capital related costs. The volume rate recovers the cost to collect and convey wastewater to the wastewater treatment plant. Figure 10 illustrates the minor shift in wastewater utility costs across customer classes with current rates compared to cost of service rates.

Figure 10: Allocation of Wastewater Utility Costs Under Current Rates Compared to the Allocated Cost of Service



Rate Design

Rate Design

In the development of schedules of wastewater rates, a basic consideration is to establish equitable charges to customers commensurate with the cost of providing service. The proposed rate structure retains the monthly base charge and volume rate structure. The base charge is the same for both the residential and commercial classes. The base charge recovers a portion of costs related to customer-specific activities such as billing and general administrative functions. The volume rate recovers the cost to collect, treat, and return treated wastewater to bodies of water. Table 2 compares the existing and proposed rates for FY25 through FY29.

Table 2: Comparison of Existing and Proposed FY25 - FY29 Rates

Monthly Base Rate, \$ per Bill		Proposed				
Meter Size	Existing	FY25	FY26	FY27	FY28	FY29
<i>Inches</i>						
3/4"	\$29.24	\$29.24	\$31.87	\$34.74	\$37.87	\$39.76
1"	52.34	52.34	57.05	62.18	67.78	71.17
1.25"	81.29	81.29	88.60	96.57	105.26	110.52
1.5"	116.96	116.96	127.49	138.96	151.47	159.04
2"	208.77	208.77	227.56	248.04	270.36	283.88
3"	467.84	467.84	509.95	555.85	605.88	636.17
4"	835.39	835.39	910.57	992.52	1,081.85	1,135.94
6"	1,879.84	1,879.84	2,049.03	2,233.44	2,434.45	2,556.17
10"	5,198.29	5,198.29	5,666.14	6,176.09	6,731.94	7,068.54

Volume Rate, \$ per 1,000 Gallons

<u>Billable Water Volume [1]</u>	\$5.27	\$8.45	\$9.21	\$10.04	\$10.94	\$11.49
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[1] Based on water use average from October through April.

Reliance on City-Provided Data

During this project, the City (and/or its representatives) provided Raftelis with a variety of technical information, including cost and revenue data. Raftelis did not independently assess or test the accuracy of such data – historic or projected. Raftelis has relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. Raftelis also relied on cost allocation data provided by the City needed to complete the cost-of-service analysis.

There are often differences between actual and projected data. Some of the assumptions used for projections in this report will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the data or results projected in this report and actual results achieved, and those differences may be material. As a result, Raftelis takes no responsibility for the accuracy of data or projections provided by or prepared on behalf of the City, nor do we have any responsibility for updating this report for events occurring after the date of this report.

The results presented herein are drafted and under consideration by the City. Drawing conclusions from information in this report is premature and may lead to erroneous assessments as the document may be subject to revisions and refinement.

APPENDIX

Wastewater Utility Financial Plan and Rate Design Analysis

Line No.	Description	For the Fiscal Year Ending June 30				
		Budget	Projected			
		2025	2026	2027	2028	2029
		\$	\$	\$	\$	\$
	Sources of Funds					
	Service Charge Revenue					
1	Revenue at Existing Rates	1,948,093	1,948,512	1,948,512	1,948,512	1,948,512
2	Additional Sewer Service Revenue Required	243,512	706,335	945,272	1,205,712	1,363,423
3	Total Sewer Rate Revenue	2,191,605	2,654,847	2,893,783	3,154,224	3,311,935
	Other Operating Revenue					
4	Interest Income	61,149	47,115	50,123	60,602	75,090
5	Non-Rate Revenue	51,000	51,000	51,000	51,000	51,000
6	Total Sources	2,303,754	2,752,962	2,994,906	3,265,826	3,438,025
	Uses of Funds					
7	Operations and Maintenance Expense	1,676,539	1,747,235	1,812,221	1,879,642	1,949,588
	Debt Service					
	Existing Debt					
8	SRF-15360	121,096	167,951	212,459	211,949	212,329
9	SRF-14330	250,405	249,946	250,364	250,606	250,676
10	SRF-11265	51,425	50,215	50,991	51,713	51,393
11	SRF-06143	89,320	-	-	-	-
12	Proposed State Loans	0	0	0	0	0
13	Total Debt Service	512,246	468,113	513,814	514,267	514,398
14	PAYGO Capital Projects	994,100	594,100	411,835	430,367	449,734
15	Total Uses	3,182,885	2,809,448	2,737,869	2,824,275	2,913,720
16	Annual Surplus (Deficiency)	(879,131)	(56,486)	257,037	441,550	524,305
17	Beginning Balance (Restricted)	2,503,370	1,624,238	1,567,752	1,824,789	2,266,340
18	Ending Balance	1,624,238	1,567,752	1,824,789	2,266,340	2,790,645
	Target Reserves					
19	Operating (60 Days O&M)	275,595	287,217	297,899	308,982	320,480
20	Cash - System Development Fees	603,518	603,518	603,518	603,518	603,518
21	Cash - Revenue Bond Sinking	323,560	323,560	323,560	323,560	323,560
22	Cash - Bond Reserve DNRC	435,209	435,209	435,209	435,209	435,209
23	Cash - Bond Reserve DNRC II	55,399	55,399	55,399	55,399	55,399
24	Cash - Replacement	969,728	969,728	969,728	969,728	969,728
25	Total Target Reserves	2,663,009	2,674,630	2,685,313	2,696,396	2,707,894
26	Unrestricted Funds	(1,038,771)	(1,106,878)	(860,524)	(430,056)	82,751
	Months Rate Increase Effective	6	12	12	12	12
27	Annual Sewer Service Revenue Increase	25.0%	9.0%	9.0%	9.0%	5.0%
28	Cumulative Revenue Increase	25.0%	36.3%	48.5%	61.9%	70.0%
29	Debt Service Coverage	1.22	2.15	2.30	2.70	2.89
30	Target Debt Service Coverage (1.2)	1.20	1.20	1.20	1.20	1.20
<hr/>						
	Minimum Reserves					
31	Operating (60 Days O&M)	275,595	287,217	297,899	308,982	320,480
32	Cash - Revenue Bond Sinking	323,560	323,560	323,560	323,560	323,560
33	Cash - Bond Reserve DNRC	435,209	435,209	435,209	435,209	435,209
34	Cash - Bond Reserve DNRC II	55,399	55,399	55,399	55,399	55,399
35	Total Minimum Reserves	1,089,763	1,101,385	1,112,067	1,123,150	1,134,648
36	Unrestricted Funds with Minimum Reserves	534,475	466,368	712,722	1,143,190	1,655,997
37	Debt Service Coverage	1.22	2.15	2.30	2.70	2.89
		969,728	969,728	969,728	969,728	969,728

City of Laurel
Wastewater Utility
Historical & Projected Operation and Maintenance Expense

Table A-2

			For the Fiscal Year Ending June 30					
Line No.	Fund	Account Description	Budget	Projected				
			2025	2026	2027	2028	2029	
			\$	\$	\$	\$	\$	
	600	5310-430600	Sewer Utilities					
1	600	392	ADMINISTRATIVE SERVICES	76,494	79,936	83,134	86,459	89,917
	630	5310-430630	Collection and Transmission					
2	630	110	SALARIES AND WAGES	120,000	125,400	130,416	135,633	141,058
3	630	111	OVERTIME	2,500	2,613	2,717	2,826	2,939
4	630	138	VISION INSURANCE	120	125	130	136	141
5	630	139	DENTAL INSURANCE	890	930	967	1,006	1,046
6	630	141	UNEMPLOYMENT INSURANCE	435	455	473	492	511
7	630	142	WORKERS' COMPENSATION	4,800	5,016	5,217	5,425	5,642
8	630	143	HEALTH INSURANCE	20,000	20,900	21,736	22,605	23,510
9	630	144	LIFE INSURANCE	200	209	217	226	235
10	630	145	FICA	9,500	9,928	10,325	10,738	11,167
11	630	146	PERS	11,020	11,516	11,977	12,456	12,954
12	630	149	ST/LT DISABILITY	1,235	1,291	1,342	1,396	1,452
13	630	194	FLEX MEDICAL	1,330	1,390	1,445	1,503	1,563
14	630	220	OPERATING SUPPLIES	5,000	5,200	5,382	5,570	5,765
15	630	221	CHEMICALS	-				
16	630	226	CLOTHING AND UNIFORMS	250	261	272	283	294
17	630	230	REPAIR & MAINTENATNCE SUPP.	-				
18	630	231	GAS, OIL, DIESEL FUEL, GR	7,000	7,280	7,535	7,799	8,071
19	630	232	MOTOR VEHICLE PARTS	-				
20	630	233	MACHINERY & EQUIPMENT PAR	7,000	7,280	7,535	7,799	8,071
21	630	239	TIRES/TUBES/CHAINS	-	-	-	-	-
22	630	241	CONSUMABLE TOOLS	-	-	-	-	-
23	630	263	SAFETY SUPPLIES	-	-	-	-	-
24	630	311	POSTAGE	5,700	5,957	6,195	6,443	6,700
25	630	337	ADVERTISING	1,000	1,040	1,076	1,114	1,153
26	630	339	CERTIFICATION RENEWAL	1,200	1,248	1,292	1,337	1,384
27	630	343	CELLULAR TELEPHONE	1,000	1,045	1,087	1,130	1,175
28	630	350	PROFESSIONAL SERVICES	50,000	52,000	53,820	55,704	57,653
29	630	351	MEDICAL, DENTAL, VETERINA	200	209	217	226	235
30	630	355	DATA PROCESSING SERVICES	-	-	-	-	-
31	630	364	WATER/SEWER STRUCT. & EQU	75,000	78,000	80,730	83,556	86,480
32	630	367	WATER/SEWER LINES REPAIR	100,000	104,000	107,640	111,407	115,307
33	630	370	TRAVEL	3,000	3,120	3,229	3,342	3,459
34	630	380	TRAINING SERVICES	500	520	538	557	577
35	630	397	CONTRACTED SERVICES	1,800	1,872	1,938	2,005	2,076
36	630	511	INSURANCE ON BLDGS/IMPRVM	-	-	-	-	-
37	630	513	LIABILITY	3,866	4,021	4,161	4,307	4,458
38	630	514	VEHICLE/EQUIPMENT INSURAN	2,456	2,554	2,644	2,736	2,832
39	630	530	RENT	180,000	187,200	193,752	200,533	207,552
40	630	532	LAND RENTAL/EASEMENTS	700	728	753	780	807
41	630	533	MACHINERY & EQUIPMENT RENT	500	520	538	557	577
42	630	811	LIABILITY DEDUCTIBLES	-	-	-	-	-
43	630	938	REPLACE WATER/SEWER LINE	350,000				
	631	5310-430631	Elm Lift Station					
44	631	220	OPERATING SUPPLIES	100	104	108	111	115
45	631	221	CHEMICALS	500	520	538	557	577
46	631	231	GAS, OIL, DIESEL FUEL, FR	1,000	1,040	1,076	1,114	1,153
47	631	233	MACHINERY & EQUIPMENT PAR	1,000	1,040	1,076	1,114	1,153
48	631	341	ELECTRIC UTILITY SERVICES	5,500	5,720	5,920	6,127	6,342

City of Laurel
Wastewater Utility
Historical & Projected Operation and Maintenance Expense

Table A-2

Line No.	Fund	Account Description	For the Fiscal Year Ending June 30					
			Budget	Projected				
			2025	2026	2027	2028	2029	
			\$	\$	\$	\$	\$	
49	631	345	TELEPHONE	825	862	897	932	970
50	631	350	PROFESSIONAL SERVICES	-	-	-	-	-
51	631	360	REPAIR & MAINTENANCE SERV	1,500	1,560	1,615	1,671	1,730
52	631	364	WATER/SEWER STRUCT. & EQU	5,000	5,200	5,382	5,570	5,765
	632	5310-430632	Village Lift Station					
53	632	220	OPERATING SUPPLIES	-	-	-	-	-
54	632	221	CHEMICALS	-	-	-	-	-
55	632	231	GAS, OIL, DIESEL FUEL, FR	700	728	753	780	807
56	632	233	MACHINERY & EQUIPMENT PAR	2,500	2,600	2,691	2,785	2,883
57	632	341	ELECTRIC UTILITY SERVICES	5,500	5,720	5,920	6,127	6,342
58	632	344	GAS UTILITY SERVICE	-	-	-	-	-
59	632	345	TELEPHONE	850	888	924	961	999
60	632	360	REPAIR & MAINTENANCE SERV	1,000	1,040	1,076	1,114	1,153
61	632	364	WATER/SEWER STRUCT. & EQU	-	-	-	-	-
62	632	930	IMPROVEMENTS OTHER THAN B	15,000				
	633	5310-430633	Walmart Lift Station					
63	633	220	OPERATING SUPPLIES	-	-	-	-	-
64	633	221	CHEMICALS	-	-	-	-	-
65	633	231	GAS, OIL, DIESEL FUEL, FR	-	-	-	-	-
66	633	233	MACHINERY & EQUIPMENT PAR	1,000	1,040	1,076	1,114	1,153
67	633	341	ELECTRIC UTILITY SERVICES	1,700	1,768	1,830	1,894	1,960
68	633	360	REPAIR & MAINTENANCE SERV	6,000	6,240	6,458	6,684	6,918
69	633	364	WATER/SEWER STRUCT. & EQU	500	520	538	557	577
	640	5310-430640	Treatment and Disposal					
70	640	110	SALARIES AND WAGES	350,000	365,750	380,380	395,595	411,419
71	640	111	OVERTIME	10,000	10,450	10,868	11,303	11,755
72	640	138	VISION INSURANCE	275	287	299	311	323
73	640	139	DENTAL INSURANCE	2,500	2,613	2,717	2,826	2,939
74	640	141	UNEMPLOYMENT INSURANCE	1,300	1,359	1,413	1,469	1,528
75	640	142	WORKERS' COMPENSATION	11,000	11,495	11,955	12,433	12,930
76	640	143	HEALTH INSURANCE	64,000	66,880	69,555	72,337	75,231
77	640	144	LIFE INSURANCE	650	679	706	735	764
78	640	145	FICA	28,000	29,260	30,430	31,648	32,914
79	640	146	PERS	31,000	32,395	33,691	35,038	36,440
80	640	149	ST/LT DISABILITY	2,800	2,926	3,043	3,165	3,291
81	640	194	FLEX MEDICAL	3,600	3,762	3,912	4,069	4,232
82	640	220	OPERATING SUPPLIES	15,000	15,600	16,146	16,711	17,296
83	640	221	CHEMICALS	47,000	48,880	50,591	52,361	54,194
84	640	222	LABORATORY & MEDICAL SUPP	15,000	15,600	16,146	16,711	17,296
85	640	226	CLOTHING AND UNIFORMS	200	209	217	226	235
86	640	231	GAS, OIL, DIESEL FUEL, GR	9,000	9,360	9,688	10,027	10,378
87	640	232	MOTOR VEHICLE PARTS	500	520	538	557	577
88	640	233	MACHINERY & EQUIPMENT PAR	45,000	46,800	48,438	50,133	51,888
89	640	241	CONSUMABLE TOOLS	-	-	-	-	-
90	640	263	SAFETY SUPPLIES	-	-	-	-	-
91	640	300	PURCHASED SERVICES	-	-	-	-	-
92	640	312	NETWORKING FEES	5,000	5,200	5,382	5,570	5,765
93	640	337	ADVERTISING	-	-	-	-	-
94	640	339	CERTIFICATION RENEWAL	1,500	1,560	1,615	1,671	1,730
95	640	341	ELECTRIC UTILITY SERVICES	100,000	104,000	107,640	111,407	115,307

City of Laurel
Wastewater Utility
Historical & Projected Operation and Maintenance Expense

Table A-2

Line No.	Fund	Account Description	For the Fiscal Year Ending June 30					
			Budget	Projected				
			2025	2026	2027	2028	2029	
			\$	\$	\$	\$	\$	
96	640	343	CELLULAR TELEPHONE	300	314	326	339	353
97	640	344	GAS UTILITY SERVICE	30,000	31,200	32,292	33,422	34,592
98	640	345	TELEPHONE	3,500	3,658	3,804	3,956	4,114
99	640	349	QUALITY TESTING	20,000	20,800	21,528	22,281	23,061
100	640	350	PROFESSIONAL SERVICES	12,000	12,480	12,917	13,369	13,837
101	640	351	MEDICAL, DENTAL, VETERINARY	500	523	543	565	588
102	640	355	DATA PROCESSING SERVICES	-	-	-	-	-
103	640	360	REPAIR & MAINTENANCE SERVICES	5,000	5,200	5,382	5,570	5,765
104	640	364	WATER / SEWER STRUCTURE & EQUIP	-	-	-	-	-
105	640	366	BUILDING MAINTENANCE	40,000	41,600	43,056	44,563	46,123
106	640	370	TRAVEL	2,500	2,600	2,691	2,785	2,883
107	640	380	TRAINING SERVICES	2,500	2,600	2,691	2,785	2,883
108	640	391	DUMPING FEES	30,000	31,200	32,292	33,422	34,592
109	640	397	CONTRACTED SERVICES	5,000	5,200	5,382	5,570	5,765
110	640	511	INSURANCE ON BLDGS/IMPRVM	25,626	26,651	27,584	28,549	29,548
111	640	513	LIABILITY	13,417	13,954	14,442	14,948	15,471
112	640	514	VEHICLE / EQUIPMENT INSURANCE	-	-	-	-	-
113	640	544	DISCHARGE PERMIT FEE	8,000	8,320	8,611	8,913	9,225
114	640	901	MISC CAPITAL PROJECTS	250,000	261,250	271,700	282,568	293,871
115	640	946	COMPUTER EQ/SOFTWARE	350,000	364,000	376,740	389,926	403,573
	600	5210-521000						
118	820	820	Transfers to Other Funds	5,000	5,000	5,000	5,000	5,000
119	Total Operation and Maintenance Expense			2,641,539	2,372,485	2,460,661	2,552,135	2,647,033
120	Less: Budgeted Capital Projects			965,000	625,250	648,440	672,494	697,444
121	Net O&M Expense			1,676,539	1,747,235	1,812,221	1,879,642	1,949,588

Table A-5
City of Laurel
Wastewater Utility
Sewer Capital Improvement Plan Excluding Inflation

Table A-3

Line No.	Title	For the Fiscal Year Ending June 30					2025 - 2029 Total
		Budget 2025	Projected 2026 2027 2028 2029				
		\$	\$	\$	\$	\$	\$
1	Primary Clarifier Recoating		200,000				200,000
2	Sewer Line Replacement b/n Main St/1st and 5th/7th - Partial Grant Funding						-
3	Wastewater Plant Boilers	600,000					600,000
4	Manhole Lining Project \$3,500/MH * 563 MH	394,100	394,100	394,100	394,100	394,100	1,970,500
5	Undesignated Collection System Repair and Replacement						-
6	Total Capital Improvement Program Excluding Inflation	994,100	594,100	394,100	394,100	394,100	2,770,500

Source: CIP for Eaton Review with Faith's edits.xlsx

City of Laurel
Water Utility
Sewer Capital Improvement Plan Including Inflation

Table A-4

Annual Inflation	0.0%	0.0%	4.5%	4.5%	4.5%
Cumulative Inflation	0.0%	0.0%	4.5%	9.2%	14.1%

Line No.	Title	For the Fiscal Year Ending June 30					2025 - 2029
		Budget	Projected				
		2025	2026	2027	2028	2029	Total
		\$	\$	\$	\$	\$	
1	Primary Clarifier Recoating	-	200,000	-	-	-	200,000
2	Sewer Line Replacement b/n Main St/1st and 5th/7th - Partial Grant Funding	-	-	-	-	-	-
3	Wastewater Plant Boilers	600,000	-	-	-	-	600,000
4	Manhole Lining Project \$3,500/MH * 563 MH	394,100	394,100	411,835	430,367	449,734	2,080,135
5	Undesignated Collection System Repair and Replacement	-	-	-	-	-	-
6	Total Capital Improvement Program Including Inflation	994,100	594,100	411,835	430,367	449,734	2,880,135

City of Laurel
Wastewater Utility
Development of Proposed FY25 Rates

Table A-5

Total Cost of Service			\$ 2,435,116	
<u>Meter Size</u>	<u>Residential</u>	<u>Commercial</u>		
3/4"	30,598	0	\$29.24	\$894,699
1"	84	854	52.34	49,094
1.25"	12	0	81.29	977
1.5"	24	286	116.96	36,296
2"	12	192	208.77	42,634
3"	0	108	467.84	50,577
4"	0	12	835.39	10,035
6"	0	12	1,879.84	22,581
Multi	0	1,141	29.24	33,367
Total	30,731	2,606		1,140,259
Volume Rate F			\$ 1,294,857	
Usage			153,289	
\$ per 1,000 gal			\$ 8.45	

City of Laurel
Wastewater Utility
Development of Proposed FY25 Rates

Table A-6

Monthly Base Rate, \$ per Bill

Meter Size <i>Inches</i>	Existing	Proposed				
		FY25	FY26	FY27	FY28	FY29
3/4"	\$29.24	\$29.24	\$31.87	\$34.74	\$37.87	\$39.76
1"	52.34	52.34	57.05	62.18	67.78	71.17
1.25"	81.29	81.29	88.60	96.57	105.26	110.52
1.5"	116.96	116.96	127.49	138.96	151.47	159.04
2"	208.77	208.77	227.56	248.04	270.36	283.88
3"	467.84	467.84	509.95	555.85	605.88	636.17
4"	835.39	835.39	910.57	992.52	1,081.85	1,135.94
6"	1,879.84	1,879.84	2,049.03	2,233.44	2,434.45	2,556.17
10"	5,198.29	5,198.29	5,666.14	6,176.09	6,731.94	7,068.54

Volume Rate, \$ per 1,000 Gallons

<u>Billable Water Volume [1]</u>	\$5.27	\$8.45	\$9.21	\$10.04	\$10.94	\$11.49
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[1] Based on water use average from October through April.

File Attachments for Item:

14. Resolution No. R25-26: A Resolution Of The City Council Approving The Sublease Agreement By And Between Laurel High School District No. 7 And American Legion Baseball Post #123 Laurel Dodgers.

RESOLUTION NO. R25-26

A RESOLUTION OF THE CITY COUNCIL APPROVING THE SUBLEASE AGREEMENT BY AND BETWEEN LAUREL HIGH SCHOOL DISTRICT NO. 7 AND AMERICAN LEGION BASEBALL POST #123 LAUREL DODGERS.

BE IT RESOLVED by the City Council of the City of Laurel, Montana,

Section 1: Approval. The Sublease Agreement by and between Laurel High School District No. 7 and American Legion Baseball Post #123 Laurel Dodgers, a copy attached hereto and incorporated herein (“the Sublease Agreement”), is hereby approved.

Section 2: Execution. The Mayor is hereby given authority to approve the Sublease Agreement on behalf of the City.

Introduced at a regular meeting of the City Council on the 8th day of April 2025, by Council Member _____.

PASSED and APPROVED by the City Council of the City of Laurel on the 8th day of April 2025.

APPROVED by the Mayor on the 8th day of April 2025.

CITY OF LAUREL

Dave Waggoner, Mayor

ATTEST:

Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:

Michele L. Braukmann, Civil City Attorney

SUBLEASE AGREEMENT

This Sublease Agreement is entered into on this 28 day of February, 2025, by and between Laurel High School District No. 7, Yellowstone County with a principal address of 410 Colorado Ave. Laurel, MT 59044 (hereafter "School District") and the American Legion Baseball Post #123 Laurel Dodgers, whose business address is 1208 4th Ave. Laurel Montana 59044 (hereafter "Laurel Dodgers"). This Sublease shall be construed as a Sublease of the Lease Agreement entered into between the Laurel Dodgers and the City of Laurel Montana for the American Legion baseball field located at Thomson Park, the concession stand for the field, and the applicable parking lot (herein after jointly referred to as "Premises") as contemplated in the City of Laurel's Resolution Nos. R19-97 and R23-23.

Section 1: Approval. As approval from the City of Laurel is needed for any sublease agreement for the Premises, this Agreement is null and void to the extent that approval of this Sublease Agreement is not granted by the City of Laurel. Upon granting the ability to sublease the Premises to the Laurel Dodgers, this Agreement shall be in full force and effect.

Section 2: Sublease Term. This Sublease shall have a term of 15 years beginning on the date this contract is entered into. It shall remain a sublease to any valid Lease Agreement which is entered into or renewed as between the Laurel Dodgers and the City of Laurel for the Premises. At the expiration of the 15 year term and subsequent Sublease will need to be agreed upon and executed.

Section 3: School District Rights and Obligations

- A. The School District shall have a superior right to use the Premises from March 1st through the entirety of the MHSAA high school baseball season, which right shall continue year to year. The purpose of this use will encompass all aspects of operating a high school baseball program on the Premises, which may include but is not limited to hosting practices, trainings, meetings, and playing/hosting baseball games and/or tournaments. The Laurel Dodger's right to use the Premises during this time period is extinguished and may only use the Premises to the extent that the School District's Superintendent accepts any such use. School District activities, practices, and any use of the Premises during this time period supersedes any right of the Laurel Dodgers to use the Premises. The School District and the Laurel Little League will maintain communication and a good working relationship. The School District will strive to give the Laurel Little League field access by 6:30 pm. on nights when there are no scheduled high school games.
- B. During the period of March 1st through the State Baseball Tournament of each year, the School District will assume certain duties related to the Premises, including mowing the grass and keeping the Premises in a clean and orderly condition which will include performing janitorial services. The School District will pay a yearly fee of \$2000 (for 7 years – 2025-26 to 2031-32), payable to the Laurel Dodgers, for field maintenance (excluding mowing) and the lining of the field. The fee will be increased to \$2200 per season starting school year 2032-33. The School District shall have no general maintenance or upkeep duties as to any structures or physical conditions of the Premise other than those expressly stated herein and shall not be responsible for

maintaining the grounds or structures contained on the Premises unless expressly stated herein.

- C. The School District shall have the right to use all equipment and utilities located on the Premises, such as tools used in maintaining or preparing the Premises, score keeping equipment, and the appliances used in operating the concession stand, during its term of use from March 1st through the entirety of the MHSA high school baseball season of each year. The School District is responsible to pay water and electricity for the school's use of the field during this time frame. The School District will also be responsible for the replacement of all disposable goods such as gasoline, paint, Turface used on the field during the School District's time of use.
- D. The School District shall remove all School District property from the Premises by June 5th of each year and may otherwise store School District property on the Premises during its term of exclusive use.
- E. The School District will store the Laurel Dodger's bus on school grounds for the length of this lease.
- F. The School District will allow the use of the Laurel School Gymnasiums for fundraising basketball tournaments at no cost (excluding custodial clean-up costs if necessary). Limit 3 per school year.
- G. Major upgrades to the field and grounds must be agreed upon by the Laurel Dodgers Board, the Laurel Public Schools Board of Trustees, and the Laurel Little League Board. Should all boards agree to an upgrade, the cost to each entity will be determined by the individual boards and the entity's ability to afford the upgrade(s).
- H. The School District recognizes the rights maintained by the City of Laurel within the Lease Agreement between the Laurel Dodgers and the City of Laurel.

Section 4: Laurel Dodgers Rights and Obligations.

- A. The Laurel Dodgers shall maintain the duty of conducting necessary maintenance and to keep the Premises in a good state of repair and acceptable condition, including identifying and taking immediate action to correct any hazardous conditions, which shall include the right to inspect the property and to perform any necessary maintenance, to the extent that such inspection or maintenance does not interfere with the School District's use of the Premises.
- B. The Laurel Dodgers agree to maintain all obligations as noted in the Lease Agreement it maintains with the City of Laurel for the Premises, unless and only to the extent that the

School District temporarily oversees such obligations as noted within this Sublease Agreement.

Section 5: Consideration. In consideration for the use of the Premises as described within this Sublease Agreement, the School District will allow the Laurel Dodgers use of the School District's gymnasium(s), from time to time, for practices when requested and to the extent that the that use of School District property by the Laurel Dodgers would not interfere with School District activities or operations. Any use of the School District's property at any time much be sought through prior approval by the School District's Superintendent. Nothing within this Agreement waives the duty of the Laurel Dodgers, including players, parents, and coaches, from following School District policy or procedure. The Laurel Dodgers agree that denial or prohibition from utilizing School District property shall not constitute a breach of this Sublease Agreement.

Section 6: Assignment and Termination.

- a. Neither the School District nor the Laurel Dodgers may assign, transfer, or sublet the rights under this Sublease Agreement to any party without the prior written consent of the other party.
- b. The School District may terminate this Sublease Agreement for any and all reason upon 6 months written notice to the Laurel Dodgers. The Laurel Dodgers may terminate this Sublease Agreement pursuant to 2 year prior written notice to the School District's Superintendent.

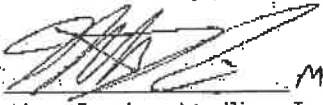
Section 7: Insurance. Both parties to this Sublease Agreement shall obtain and maintain at all times comprehensive general liability insurance in an amount which is commercially reasonable.


Section 8: Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party (the "Indemnified Party"), its affiliates, officers, employees, directors, administration, and agents, from and against any and all claims, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or in relation to: (a) any breach by the Indemnifying Party or its representatives of the obligations of this Agreement; and (b) any act or omission of the Indemnifying Party which may be found to be negligent or willful in violation of State of Federal Law, criminal or civil, the performance of this Agreement, except to the extent caused by the negligence or misconduct of the indemnified Party.

Section 9. Entire Agreement. This Sublease Agreement and shall be deemed to include the entire agreement between the parties hereto and no waiver of any right; agreement or condition herein and no modification of any term or condition herein shall be binding upon either party unless in writing and signed by the parties.

Section 10: Partial Invalidity. In the event any provision of this Sublease Agreement or part thereof shall be determined by any court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions hereunder, or parts thereof, shall reaming in full force and effect and shall in no way be affected, impaired, or altered.

Section 11: Notices: Notices or demands required herein shall be in writing and sent by certified mail to the addresses noted above. The address of either party above may be changed from time to time through written notice in that regard.

By:  M. Ozkron
American Legion Auxiliary Laurel Unit 123
Position: President
Dated: 4/2/2025

By: 
Laurel High School District No. 7
Position: Superintendent
Dated: 4/2/25