Town of La Conner

Six-Year

Capital Facilities Plan

2012-2017

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Introduction

The Town of La Conner is located on the shores of the Swinomish Channel adjacent to the Skagit River delta and the Swinomish Tribal Community. The Town provides utility functions for sewer, water and stormwater. In addition, public services for fire protection, parks, and recreation are provided by the Town. Police and public safety services are provided under contract with the Skagit County Sheriff's office. Library services are provided through the La Conner Regional Library. Capital outlays in La Conner have varied from year to year, depending on need and the ability of the Town to secure grants to fund particular projects. In the past, La Conner has not typically allocated General Fund revenues for large capital projects. Instead, these projects have been funded through bond issues, state and federal grants, and revenues from enterprise funds such as water and sewer revenues. For example, when the Town built the sewer system in the early 1970's, it used 90% grants from the federal and state governments, and issued unlimited general obligation bonds for the balance.

The first La Conner Comprehensive Plan compliant with GMA was adopted in 1996. It included a Capital Facilities Element and a 6-year Capital Facilities component. The first Capital Facilities Plan, separate from the Comprehensive Plan, was adopted by the Town Council in 2006 and is updated annually. The annual updating process includes Departmental reviews, Council review, Town commissions (Parks and Planning), public workshops, SEPA review and a Town Council public hearing.

Purpose and Definitions

This Capital Facilities Plan (CFP) is an update of the Capital Facilities Element in the Town's Comprehensive Plan. The objectives of the CFP are to:

- Complete a physical inventory and catalogue of existing capital facilities and equipment;
- Provide goals and policies to support appropriate public investment in these facilities;
- Provide and coordinate the list of current and future projects to be undertaken in utilities, infrastructure and facilities over the next twenty years, to be reviewed annually by Town staff and the Mayor and the Town Council, as part of the budget process;
- Tabulate the costs and optimum financing methods to ensure that those improvements that are most important to public health and safety are achieved, considering the Town's limited ability to pay; and
- Provide a projection of financing for a six-year plan cycle and identify funding sources. Coordinate funding requests with other plans (i.e. Comprehensive Water System Plan, Comprehensive Sewer and Facility Plan, Stormwater Management Plan, 6-Year Transportation Improvement Plan, Natural Hazard Mitigation Plan, Parks and Recreation Plan). Look for grant combinations for matching local funds, grants and loans.

This plan is intended to outline the improvements necessary to keep the Town's facilities in full compliance with county, state, and federal laws and regulations, maintain and improve public services to citizens, and accommodate orderly growth. Major investments to be completed within

the next six years include water, street and stormwater projects. In 1996, the Town completed more than two million dollars worth of work on their wastewater collection and treatment system. In 2003, as part of a Skagit County project, storm water utility and street improvements on Morris Street were completed and the project reflected sensitivity to maintaining the small town appearance of the town's streets. The project included a stormwater treatment facility adjacent to the Public Works buildings in the Urban Growth Area east of Town.

DEFINITION OF CAPITAL PROJECT

The Capital Facilities Plan covers needed improvements that are of relatively large scale, are generally non-recurring, and which may require multi-year financing. For the purposes of this plan, a capital item or project is defined as one requiring expenditures greater than $10,000 with a life span of at least ten years.

Abbreviations for funding sources and agencies are as follows:

CCWF	Centennial Clean Water Fund
CDBG	Community Development Block Grant
CERB	Community Economic Revitalization Board
CTED	Washington Department of Community, Trade and Economic Development
DOC	Department of Commerce
DOE	Washington Department of Ecology
DOH	Washington Department of Health
DOT	Washington Department of Transportation
EPA	U.S. Environmental Protection Agency
IAC	Interagency Committee for Outdoor Recreation
LCGF	Town of La Conner General (Current Expense) Fund
LCSF	Town of La Conner Sewer Funds
LCDF	Town of La Conner Drainage Funds
LCStF	Town of La Conner Street Funds
LCPPF	Town of La Conner Park & Port Funds
LCWF	Town of La Conner Water Funds
PWTF	Public Works Trust Fund
RCO	Recreation and Conservation Office
SRF	State Revolving Funds (Water and Wastewater)
TIB	Transportation Improvement Board
TIA	Transportation Improvement Account, Department of Transportation
USDA/FS	U. S. Department of Agriculture/Forest Service
USDA/RD	U. S. Department of Agriculture/Rural Development

Section 1. Goals, Policies and Statutory Regulation

The Goals and Policies of the La Conner Capital Facilities Plan per the Capital Facilities Element of the La Conner Comprehensive Plan are as follows:

Goals:

1. La Conner shall endeavor to provide needed public facilities to all residents within its jurisdiction in a manner that protects investments in and maximizes the use of existing facilities.

2. Capital improvements shall be provided to correct existing deficiencies, to replace worn out or obsolete facilities and to accommodate future growth, as indicated in the Six-Year Schedule of Improvements of this element.

3. Future development shall bear a fair share of facility improvement costs necessitated by development in order to achieve and maintain adopted level of service standards and measurable objectives.

4. The Town shall manage its fiscal resources to support the provision of needed capital improvements for all development.

5. The Town shall coordinate land use decisions and financial resources with a schedule of capital improvements to meet adopted level of service standards, measurable objectives, and provide existing and future facility needs.

6. The Town shall implement a Shoreline Master Plan for the provision or extension of capital facilities in shoreline areas in accordance with existing and future shoreline uses, and the carrying capacity of the shoreline ecosystem.

Policies:

1. Capital improvement projects costing more than $10,000 identified for implementation shall be included in the Six-Year Schedule of Improvement of this element. Capital improvements costing less than $10,000 should be reviewed for inclusion in the Six-Year Capital Improvement Program and the annual capital budget.

2. Proposed capital improvement projects shall be evaluated and prioritized using the following guidelines as to whether the proposed action would:

a. Be needed to correct existing deficiencies, replace needed facilities, or to provide facilities needed for future growth

b. Mitigate a condition that contributes to a public hazard

c. Negatively contributes to any existing condition of public facility capacity deficits

d. Be financially feasible

e. Conform to future land uses and needs based on projected growth patterns

f. Generate public facility demands that exceed capacity increases planned in the Six-Year Schedule of Improvements

g. If left unaddressed, would have a detrimental impact on the local budget

3. Town sewer and water connection fee revenues shall be allocated primarily for capital improvements related to expansion of those facilities.

4. Appropriate funding mechanisms and development's contribution of a fair share of other public facility improvements for (such as recreation and drainage) will be considered for implementation as they are developed by the Town.

5. Prior to the issuance of Certificates of Occupancy, the Town and/or developers shall provide for public facilities at the level of service standards needed to serve development for which development permits were previously issued.

6. The Town shall continue to adopt an annual capital budget and a six-year capital improvement program as part of its budgeting process.

7. Efforts shall be made to secure grants or private funds whenever available to finance the provision of capital improvements.

8. Fiscal policies to direct expenditures for capital improvements will be consistent with other Comprehensive Plan elements.

9. The Town and/or developers shall provide for the availability of public facilities and services needed to support development concurrent with the impacts of such development subsequent to the adoption of the Comprehensive Plan. These facilities shall meet adopted Level of Service Standards.

10. The Town will support and encourage the joint development and use of cultural and community facilities with other governmental or community organizations in areas of mutual concern and benefit.

11. The Town will emphasize capital improvement projects, which promote the conservation, preservation or revitalization of commercial, industrial, and residential areas in La Conner.

12. The Town shall ensure the Capital Facilities Plan meets the goals, objectives and policies of the Comprehensive Plan and the Shoreline Master Program.

13. The Town government or Town Council will not incur any indebtedness that would endanger any level of services in the town.

Statutory Requirements

This Capital Facilities Plan (CFP) is consistent with the provisions of the current La Conner Comprehensive Plan. Capital Facilities planning is cited in RCW 36.70A Growth Management Act (GMA). The CFP is consistent with the requirements of the GMA, as outlined in the CTED publication, Making Your Comprehensive Plan a Reality, subtitled "A Capital Facilities Plan Preparation Guide." The La Conner CFP will also meet the requirements of those state and federal agencies that mandate a thoughtful process for prioritizing projects as a prerequisite to offering loans and grants to solve infrastructure problems. Consistent with the requirements of the GMA, the planning period for this CFP is 2012 - 2017.

State mandated programs, such as the State Transportation Improvement Program (STIP), are not under direct local control, but require annual updating. The Town undertakes an annual update of the Capital Improvement Program (CIP) to identify capital projects for the Town's infrastructure.

Capital Facilities Plan Amendments and Updating

The Capital Facilities Plan is updated annually as a component of the annual budgeting process. The process begins with the Capital Improvement Program (CIP) for the Town's utility infrastructure and departmental budget reviews. Completed projects are removed from the plan and new projects are identified for maintenance of the Town's infrastructure and responding to changing conditions.

Once the draft plan is complete, a SEPA review notice is issued with a Threshold Determination. Following a comment period, the Town Council conducts a public hearing. Following the SEPA comment period and public hearing, the Town Council determines the final content of the Capital Facilities Plan and adopts the annual CFP by resolution.

Section 2 - Population Impact

2.1 Population History

Although the Town currently has an official population of 886 people, its infrastructure serves residents outside the Town limits from Skagit Beach to the Swinomish Tribal Community (approximately 5,000–7,000 people within 30 square miles). The Town has a potential growth of 1,019 people by 2025[1] and a total residential capacity of 1,226. In addition, La Conner is a popular tourist destination with an average daily visitation of 1,400 people (500,000 annually). La Conner town limits covers 255 acres, of which 51 acres is within a National Historic Preservation District. The La Conner Comprehensive Plan provides for increased population densities by encouraging in-fill, and no expansion of the Town limits is planned.

YEAR	POPULATION	CHANGE
1890	398	
1900	564	+166
1920	516	- 48
1940	624	+108
1960	638	+14
1980	660	+22
1990	690	+30
1993	713	+23
1994	720	+7
1995	737	+17
1996	780	+43
1997	780	0
1998	775	-5
1999	800	+25
2000	761	-39
2001	765	+4
2002	775	+10
2003	760	-15
2004	785	+25
2005	795	+10
2006	839	+44
2007	901	+62
2008	886	-15
2009	870	-16
2010	870	0
2011	885	+15

[1] Population and Land Use Analysis 2002, John Doyle

2.2 Population Projections

The April 2006 official census established the population for the Town of La Conner at 839 which established a new official count for the Town. The OFM adjustment for 2009 sets the Town's population at 870. A detailed analysis of population trends and projections was undertaken as part of the revision of the Town's Comprehensive Plan. An analysis, in May of 2002, examined three methods of projecting future population. The Town has adopted a growth rate for planning purposes of 1% annually. That growth rate predicted a population figure of 927 by 2010. The actual OFM population estimate from OFM for 2010 is 870, which is 6% less that estimated. The following table is a corrected table using the one percent annual rate adjusted to the recent OFM estimates:

Year	Estimate
2010	870
2015	905
2020	952
2025	1000

The rezoning of industrial properties has increased the residential capacity of the Town. However, while we have revised our growth projections, the Town has not revised the GMA compliance goals with regard to the County-Wide Planning Policies.

Infill strategies are used by the Town of La Conner for accommodating growth within the Town limits at densities consistent with current zoning. New development in the small area outside the existing Town limits will only be served in a manner consistent with the Comprehensive Plan, the Water System Plan, the Sewer Comprehensive Plan and Capital Facilities Plan.

Section 3 - Level of Service Standards and Forecast Demands

La Conner Municipal Code (LCMC) 15.135.030 - Concurrency Management Systems And LOS Standards.

Level of service standards (LOS) are established in the LCMC in the Administration and Enforcement section of Chapter 15 (LCMC 15.135). The current LOS standards are:

> Adopted Levels of Service Standards (LOS). The town shall use the following LOS standards in reviewing the impacts of new development and redevelopment upon public facility provision:
>
> (a) Community parks – Six acres per 1,000 residents (now have minimum of 12 acres for Pioneer Park).
>
> (b) Open space – 25 percent of total town area.
>
> (c) Drainage – Storm water management system to retain the runoff from a 25-year, 24-hour storm event at peak discharge rates. Development will be regulated to ensure that the post-development runoff to the town system does not exceed the pre-developed discharge volume and/or rate to ensure the level of service of the existing storm water system is not compromised.
>
> (d) Traffic circulation – Roadway link specific for all streets in the town. The LOS of C (occasional backups may develop, but delay to vehicles is short-term and still tolerable) is desirable for major access streets during peak traffic times. LOS designations are listed in the transportation element of the comprehensive plan.
>
> (e) Sanitary sewer – 151 gallons per capita per day; 300 milligrams per liter strength.
>
> (f) Potable water – 157 gallons per capita per day at 65 psi; 157 gallons per day for three days reserve.
>
> (g) Fireflow – Minimum of 1,000 gallons per minute.

Currently, La Conner meets all the LOS standards with the exception of (d) Traffic Circulation at the intersection of Morris Street and Maple Avenue. That intersection is operating at Level D and F. The non-standard intersection control was chosen to ensure the roundabout would not be blocked by left-turn traffic on Morris Street.

Section 4 – Capital Facilities

4.1 Water System[2]

Overview

The City of Anacortes is the historic and current source of water for the Town. The Town of La Conner provides retail water service to five areas:

- Within the Town of La Conner Limits
- Skagit County Platted Residential (Skagit Beach)
- Swinomish Tribal Reservation (Shelter Bay)
- Skagit County Commercial/Industrial (Port of Skagit County and La Conner properties within the La Conner UGA)
- Skagit County Agricultural (Surrounding Farmlands)

Skagit Beach

The Town provides water for the Skagit Beach (Channel Drive) area outside the Town limits. Skagit Beach is a small community of residential lots on the eastern bank of the Swinomish Channel. Skagit Beach Development deeded its water system to the Town in 1996. Under the terms of their agreement, the Town operates and maintains the system, including routine repairs. The property owners are responsible for paying for major improvements to the system and for system expansion.

Port of Skagit County & La Conner UGA

The Town of La Conner has established a 14 acre UGA east of the Town which contains the Fire Department, Sewer Treatment Plant, Composting Facility and a 3-acre Stormwater Detention Facility. The stormwater utility currently has approximately 2000 linear feet of 24 inch force main, 3000 linear feet of 12 inch collector pipe, installation of a construction infiltration pond and settling basin begun in 2002 and completed in 2003.

In addition to the UGA facilities, the Port owns approximately 35 acres of industrial and commercial properties within the Town limits. The Port has a separate stormwater system. The Town provides water to the Port through a meter at North Third Street, just south of the new marina, which measures the Port's water use.

Agricultural Lands

The Comprehensive Water System Plan assumes that all the agricultural use will remain so. This plan assumes that only fourteen more people will live in this area in 2020 than lived there in 1997.

Shelter Bay

The Town is a wholesale purveyor of water to the Shelter Bay Community. The Town and Shelter Bay Community have signed a new agreement for 2011. The service area shall be the roughly 942 platted lots and the marina/clubhouse complex of Shelter Bay, plus the plat of Eagles Nest and a portion of the Dr. Joe Division #2 lots. The Customer agrees not to

[2] The Town of La Conner completed an update to its Comprehensive Water Plan in 2010.

expand its service area in a manner that would increase its water requirements by more than 10 percent without prior approval by the Town. It is agreed that, if the Customer develops needs for water over and above the ability of the Town to supply, then the Customer shall have the right to seek other sources of water The service is provided through a six-inch master meter located on the east side of the Swinomish Channel. In the 2011 Water Supply Agreement with Shelter Bay, the Town agreed to supply a peak load of 75 million gallons per year. This agreement excludes the Town from providing fire flow prevention requirements to Shelter Bay and any liability associated with fire flow requirements. Shelter Bay Community, Inc. serves their individual customers. Shelter Bay owns, operates, and maintains the entire water system on their side of this master meter.

SOURCE

The Town's water supply source has been from the City of Anacortes since the 1930's. In the 1960's, Anacortes constructed a water filtration plant and since then has been providing treated water to the Town, the Swinomish Tribe and its other major customers such as the City of Oak Harbor.

Over time, the supply line from Anacortes has been increased in diameter and included booster pumps to increase its capacity. In 1969, a 14-inch line was constructed from the Anacortes transmission line to the La Conner system, paralleling an 8-inch supply line that had been built in 1951, making booster pumps unnecessary. Between the two transmission lines, they provide additional reliability for the Town's customers and transmission capacity of approximately 3,000 gallons per minute.

The parallel transmission mains continue from SR 20 to the town along La Conner-Whitney Road. The 10-inch Skagit Beach line runs along Downey Road about 2000 feet and serves Channel Drive via 4 inch asbestos cement line.

For the past twenty years, the estimated amounts of water and costs to provide it have been incorporated in annual amendments to the basic contract between the Town and the City of Anacortes. Water charges are based on a three-year moving average of capital costs and a combination of fixed costs and costs that vary depending on prospective water usage. In the agreement signed in May 1999, the parties agreed that the Town purchased 143,696,420 gallons of water in 1998. In 2006, the agreement was revised and Anacortes agreed to commit to provide 162,000,000 gallons. The meter equivalency for the Town is 933 in 2007.

Anacortes will remain as the long-term supplier of water for the Town. However, Skagit County PUD has water supply lines within reach of the Town if it becomes necessary to seek an alternate supplier.

STORAGE AND QUALITY

A 1,500,000-gallon steel, above-grade reservoir constructed in 1979 and renovated in 2001[3] in Pioneer Park provides the Town's water storage. According to CHS Engineers, "steel reservoirs are typically not subject to rupture. Steel tanks such as La Conner's are

[3] The new service life is estimated to 2020.

designed to flex and possibly even deform, but seldom fail during severe earthquakes." This tank has been valued at $946,766.[4] Its full volume is available for the water system because the bottom elevation of the tank is above the highest point in the service area. It is an auxiliary water supply and pressure balancing in the Town's system and is filled directly from the Town's 8-inch transmission main.

The reservoir was evaluated in 1993. Several suggestions were made for structural and coating improvements to the tank. During the summer of 1999, additional inspection and testing was performed. Repairs were completed in 2001 with roof support beam replacement and interior and exterior coatings replaced.

CHS Engineers analyzed all of the storage requirements established in law and regulation by health and fire officials. After reviewing operational, equalizing, standby, and fire suppression requirements, CHS has concluded that the Town's storage facility has sufficient capacity and years of life to serve at least until 2020.

Distribution System Inventory

The mains, distribution piping and service lines within the water system are of varying ages and varying types of pipe. The distribution system includes approximately 20 miles of 3/4" to 14" diameter water mains and a variety of appurtenances described on the next two pages. Lines extending to Skagit Beach are inadequate for fire flow.

Water System Inventory Summary (by CHS Engineers)

[4] Provided by the Washington Cities Insurance Authority.

Piping

		Lineal Feet				
Diameter	**Material**	**Town**	**Service Area**	**Total**	**Unit Cost**	**Replacement Value ($)**
3/4 in. 1 in. 1 1/2 in.	Iron and PVC Iron and PVC	190 330 690		1,210		Will be replaced by 4 in. or larger pipe
2 in.	Iron and PVC	4,500 100	2,600	7,200		"
3 in.	Steel and PVC	120		120		"
4 in.	Iron and PVC AC	1,520 800	11,300	13,620	18	$ 290,392
6 in.	AC & DI	10,025 580		12,605	24	$ 358,335
8 in.	AC, DI, PVC	16,270 465 1,670	19,800	38,205	26	$ 1,176,598
10 in.	DI	4,645 120	1,960	4,525	30	$ 160,795
12 in.	AC	2,590		2,590	34	$ 104,307
14 in.	AC	4,520	19,200	23,720	38	$ 1,067,660
Total water system piping			**103,795 lineal feet (19.6 miles)**			

Appurtenances

Part	Size	Town #	Service Area #	Total #	2006 unit cost ($)	Replacement Value ($)
Regular (Isolation) Valves	2 in.	9		9		Will be replaced by 4 in. or larger valves
	4 in.	8	5	13	$375	$ 5,022
	6 in.	27		27	$625	$ 17,382
	8 in.	41	4	45	$875	$ 40,556
	10 in.	10		11	$1,125	$ 12,746
	12 in.	4		4	$1,375	$ 5,665
	14 in.	5	6	11	$1,625	$ 18,411
Pressure Reduction Valves		6	1	7	$6,250	$ 45,062
Air Release Valves		2		2	$1,875	$ 3,863
Fire Hydrants		69	4	87	$2,500	$ 217,500

All fire hydrants have a single “pumper” port and two 2.5 inch ports. All valves are checked by Town staff and kept functional. Hydrants are exercised every six months and valves annually in conformance with national (American Water Works Association) and state (Department of Health) guidelines.

Water Meters

The Town has approximately 600 connections (meters), sized as follows:

Diameter (inches)	Number	2006 Unit Cost ($)	Replacement Value ($)
3/4	599	250	$ 149,750
1	67	300	$ 20,100
1 1/2	9	350	$3,150
2	19	450	$8,550
3	6	$1,500	$9,000
4	0	$1,600	$0
6	1	$2,800	$2,800

The Town has specialized water system equipment valued at $20,000 and material stock valued at $10,000.

Because it is impossible to predict how or when undeveloped property will be improved, new mains will need to be designed and constructed at the time the actual property layout is determined. All new water mains should be designed in accordance with the Town design criteria as described in the Water System Plan and good engineering practices. All improvements must be designed by a professional engineer and constructed in accordance with the current policies and procedures of the Town.

The Town continues to plan to maintain and improve fire flow. Interior service within the Town should be constructed with a minimum sizing of eight-inch mains that are looped so that the flow patterns are relatively short within a given area.

In 2004, the Town purchased and began the installation of an automated meter reading system. That system is an ORION/ Badger Meter Automated Reading System purchased for $30,000. The system includes:

- Hardened laptop with touch screen
- GPS system for locating the reading vehicle and meters
- GIS data base for meter reading
- Map base user interface
- Unread meter list interface
- Monitors meters for potential leak and tampering
- ORS –ORION reading software
- RADIX hand held data collector
- 625 meter transmitters

From 2005 to 2007, the Town purchased and installed annually "Badger" meters with transmitters. The installations are complete. The Public Works staff will still have to manually read the larger meters (1.5" and greater) with the handheld. There are a total of 47 larger meters.

Projected Demand

When CHS Engineers prepared the 2001 Water Comprehensive Plan, they collected data about the amount of water bought from Anacortes and the amount sold to customers through master and residential meters. After correction, the loss of water through maintenance and unaccounted for water losses annually is below 10%. This amount is acceptable to analysts of municipal water systems.

The system loss also indicated to CHS that the "overall system is in acceptable condition with isolated locations requiring repair. The majority of system repairs have been made on the Town's oldest pipes and service lines."

In 1998, CHS performed a hydraulic capacity analysis on the La Conner water system. They used data describing the system and placed hypothetical demand on it by using actual customer water use records. By modeling the system and using special software, they were able to identify areas in need of upgrades.

For planning purposes the demand forecast for residential water service connections is 800 gallons per connection per day. Based upon historical water usage and conservation efforts, future water usage by residential connections should be less than 600 gallons per connection per day.

Future water usage by non-residential customers will also be impacted by conservation efforts (e.g., special summer rates and a conservation education program as recommended in the Water Comprehensive Plan). For planning purposes, the forecasts for non-residential water usage is based upon published demand formulas provided by the Washington State Department of Ecology.

Future demand forecasts are expressed as:

- Maximum Instantaneous Demand - Fire flows, designs of booster pumps, and line sizing
- Average Daily Demand - General planning purposes and obtaining water rights
- Maximum Daily Demand - Design of source and storage

Water System Improvement Program Summary

Project Name	Description	Cost Estimate	Year
S. 4th Street Fire Loop	Hilltop 8" Fire Loop	$213,000	2012
N. 3rd Street Replacement	12" upsize line from Basin Street to Dunlap Street	$224,000	2013
S. 1st Street Replacement	Commercial Street to Morris Street Replace AC and Size	$135,000	2014
12" Transmission Main	Replace AC Main along La Conner-Whitney Road	$2,300,000	2015
Rainier Street Replacement	Replace undersized line	$88,000	2016
N. 4th Street Replacement	Replace 2" line from Center St. to State St. for Fire Flow	$120,000	2016
Sherman Street Rebuild	10" upsize in conjunction with commercial redevelopment	$92,000	2017
Conner Way Rebuild	10" upsize in conjunction with commercial redevelopment	$126,000	2017
(*sub) denotes projects that are a subcomponent of a larger multi-utility project and may not contain all costs associated with single utility construction.			
Total cost of six year water system improvement plan:			**$3,298,000**

Local funding for water system improvements are provided by water system user and development fees.

4.2 Wastewater System

Overview

La Conner owns, operates, and maintains a domestic wastewater collection and treatment system. Much of the system was constructed in the mid 1970's to replace the on-site septic systems and old sewer lines that drained directly to the Swinomish Channel, without treatment. The Town joined many other communities at that time in obtaining 90% grants directly from the federal government to build wastewater systems. Almost the entire Town has sanitary sewer service.

The collection system has two main interceptors. One extends west of the Wastewater Treatment Plant to the intersection of Maple and Morris Streets. A 21" line continues south southwesterly along Maple Avenue while a 12" line continues west along Morris Street. This 12" line transports most of the downtown flows and the pumped wastewater from the Tribal connection and the marina area. Other sewer lines (typically 8") branch off these two interceptors to form the rest of the collection system. Individual residences are connected to the collection system by gravity side sewers. Side sewer connections are tied into the main with 6-inch risers. The length of side sewers is not shown in the Town's collection system inventory below since they are on private property and are privately owned and maintained.

COLLECTION INVENTORY

CHS Engineers inventoried the collection system as follows:

Piping	Diameter in inches	Length in feet
Gravity Pipe	8	20,049
" "	10	0
" "	12	2,974
" "	15	1,696
" "	18	256
" "	21	7,143
Pressure Pipe		30
Total Length		**32,148**

The system has 136 utility access holes.

There is one lift station, located near N. 3rd Street and Dunlap Street, with a pumping capacity for each of two pumps of 225 gpm/16' head. The station is wet well mounted, with a vacuum prime.

Sewer Plant Facilities Inventory

Facility	Value
Influent Well	$200,000
Office / Lab	$200,000
Aeration Basin	$720,000
Screening Area	$100,000
Secondary Clarifier	$450,000
Aerobic Digester	$130,000
UV System	$96,000
Belt Filter Press and Building	$300,000
R.A.S Building	$70,000
Compost Site	$50,000
Front-End Loader	$170,000
Lift Station	$30,000
Total Value	**$2,516,000**

As part of their preparation of the Town's Sewer Comprehensive Plan and Facility Plan in 1996, CHS Engineers performed a computerized analysis of the hydraulic capacity of the wastewater collection system. The results indicated that most of the system is using less than half of its capacity "with most lines having 70% or more available capacity." The Sewer Plant Manager estimates that the system is still operating at half its capacity.

The analysis indicated that the 12-inch interceptor line in Morris Street should be replaced between the lift station and Maple Avenue. CHS has analyzed this system subsequently and concluded that the Tribal flow could be redirected as an alternative to replacing this pipeline. The hydraulic model indicated that the Town's lift station was operating well below design capacity. A telemetry system has been installed at the lift station so that staff at the Treatment Plant could be notified there of any problems at the lift station. This has saved frequent trips to the lift station for personal examination of its operational status.

Although CHS did not perform detailed television or smoke testing investigations of the inflow and infiltration situation of the wastewater system, they did some analyses of wastewater flows during wet weather. CHS recommended that the Town undertake a program for sealing utility access hole covers in low-lying areas, which is underway. CHS concluded "there is reasonable data to suggest that the collection system is maintaining its integrity and is not normally subject to excessive inflow and infiltration problems."

Current Treatment

The Wastewater Treatment Plant is located east of La Conner, on the south side of Chilberg Road. The Town's National Pollutant Discharge Elimination System (NPDES) permit from the Environmental Protection Agency through the Department of Ecology describes the wastewater treatment process prior to the significant plant improvements referred to under "Treatment" (below).

A new permit has been issued to the Town incorporating the changes and increasing the allowed capacity of the plant. The new NDPES permit allows for a maximum monthly flow of 520,000 gallons per day and loading of (BOD_5) of 1,300 pounds a day.

Potential Collection System Improvements

As mentioned elsewhere in this plan, Morris Street is a new collector. A recent analysis has determined that if flows from the Tribe or multi-family housing or commercial/industrial uses in the south end of Town require it, a by-pass to Caledonia Street may be required and the new development with pay for the by-pass costs.

As noted elsewhere, there are a number of utility access holes in the low-lying areas of the town, which get direct storm flow. By sealing the frames and covers of the access holes, Town officials will prevent this flow and minimize inflow into the wastewater collection system. This will reduce treatment costs at the Wastewater Treatment Plant. The Town's contracted wastewater operator is performing this sealing and although it could be characterized as capital cost, it is being managed as an operational expense.

The Town will evaluate the wastewater system to determine if Inflow and Infiltration improvements will qualify as capital projects and seek appropriate funding for system improvements.

Treatment

In the 1996 Sewer Comprehensive Plan, improvements to the Wastewater Treatment Plant were identified and completed in 2001. The Town has installed a system for composting and therefore recycling the solids generated by the new wastewater treatment process.

If federal or state standards mandate that the treatment standards be increased to a significantly higher standard than at present, the next stage of improvements to the plant would be a third clarifier. Without the benefit of design, the rough cost estimate for such a facility would be $400,000 in 2000 dollars.

Wastewater System and Compost Improvement Program Summary

Project Name	Description	Cost est.	Finance Source	Year
Sewer Utility				
Enunciator Panel	Terminal Control Panel	$24,000	Sewer Revenues	2011
Compost Utility				
New Compost Pad	Add composting pad to east section	$70,000	Septage Receivables	2011
Cover for Compost Pad	Add a cover to and existing compost pad	$75,000	Septage Receivables	2011
Belt Press Pump	Pump for belt press operation	$25,000	Septage Receivables	2011
Compost Cover	Cover for pads 1 and 2	$115,000	Septage Receivables	2012
2 Septage receiving areas	Add 2nd septage receiving dump station with screen	$50,000	Septage Receivables	2012
New Compost Pad	New cement slab for composting septage sludge	$100,000	Septage Receivables	2012

4.3 Stormwater System

The most significant climactic impact on the Town's capital facilities are problems associated with ponding from excessive stormwater. In summer, rainfall is typically light, but rain is frequent throughout the rest of the year. The mean annual precipitation at the nearest weather station (the Washington State University Research Station west of Mount Vernon) is 34.20 inches, with a maximum rainfall of 44.20 inches (1990) and a minimum of 20.71 inches (1987.) Temperatures are moderate ranging from an average of 60 F in summer and 37 F in winter, but extremes of hot and cold are rare. The average frost-free season is from 160 to 210 days per year.

In 1992, the Town engaged Sturdy Engineering to complete a storm water management plan. The Stormwater section of the Capital Facilities Plan relies heavily on the Sturdy plan but uses cost estimates that were revised by CHS Engineers. The Town has adopted the most recent edition of the Stormwater Management Manual for Western Washington, a publication of the DOE for standards to be applied to all stormwater mitigation and development.

La Conner's geography creates three natural drainage systems:

- Maple and Caledonia Streets area that drains the south and east portions of the town,
- Morris Street area that drains Morris, portions of the hill and areas north to the Drainage District 15 Slough. The School District is within this basin and maintains a separate storm drainage system.
- Port area north of Drainage District 15.

The Port and the School District systems were not included in the Sturdy study and are not therefore included in this Capital Facilities Plan.

As discussed in the beginning of the Capital Facilities Plan, the Town is, for the most part, at sea level and has for many years experienced localized flooding during modest storm events. The flooding is due to the town's geography, its proximity to the Swinomish Channel, its high water table and what Sturdy Engineering called "an inadequate storm drainage system."

Current System

In the Maple Avenue area, the Town built a storm water collection system in 1986. This system provides street storm connections. New development is required to connect to the existing street structures. This piping is crucial since much of the land in this area is below the elevations of the adjacent roadway. As a result, water ponds in low-lying areas until it can percolate into the ground water. In many instances, the Town's system does not collect stormwater from these low-lying areas. For Maple Avenue, Sturdy Engineering determined that the piping systems and pump stations that have been installed in La Conner would be unable to handle a 25-year storm event of 2.7 inches in a 24-hour period.

A new system has been installed in the Morris Street area. The main trunk line follows Center Street from First Street to Sixth Street, then south to a pump station on Sixth Street between Morris and Road Streets. This station is designed so that it will handle all storm water from the east, west, north and a portion of the south parts of the Town. (The storm water to a treatment facility located southeast of the wastewater treatment plant on Chilberg Road.) The treatment facility consists of a settling pond and an infiltration pond.

Proposed Projects

Sturdy Engineering used computer-based hydrologic modeling to determine the impact of a 25-year storm event on the Town's limited storm water management facilities. The plan proposed by Sturdy and incorporated into this Capital Facilities Plan includes upgrading the drainage management system in the Maple-Caledonia area.

The Town updated the Stormwater Management Plan in 2007. The plan specifies the detention/retention basin to filter the storm water through specially designed grass swales that will remove oil, grease, chemicals and sediments before discharging the storm water into Sullivan Slough. This system eliminates the storm water discharge that currently flows from the First and Morris Street pump station directly into Swinomish Channel.

The Town plans to use the updated study as the basis for improvements within budgetary constraints. Projects of smaller scope will be performed by Public Works personnel where appropriate, coordinating with the Town's engineering firm to replace and repair aging structures, and extend drainage into prioritized areas.

The Town's numerous pump stations require that a depreciation schedule be implemented to fund replacement of pumps and control equipment over a finite amount of time. Under the Town's UDC, new development is responsible for installing new and upgrading existing systems serving those areas.

Stormwater System Improvement Program Summary

Project Name	Description	Estimated Project Cost	Year
Caledonia Pump Station	Retrofit existing wet well with 70 hp submersible pumps	$711,000	2012
S. 4th Street Extension	Hill top extension	$93,600	2012
N. 3rd Street Extension (*sub)	12" storm main from State to Jordan (sub to transportation)	$51,750	2013
Whatcom/Laurel Drainage	18", 12", and 8" along Whatcom from Washington south to Laurel, east to Maple Avenue.	$186,480	2014
S. 3rd Street Replacement	Calhoun to Douglas – replace undersized and damaged pipe	$26,450	2014
S. 3rd Street Extension	Caledonia to 250 lf east, connect culverts previously placed	$28,750	2015
N. 4th Street Extension	12" storm main from Center St. to State St. with limited asphalt repair	$57,525	2016
N. 5th Street Extension	12" storm main from Center to State with limited asphalt repair	$44,000	2017
(*sub) denotes projects that are a subcomponent of a larger multi-utility project and may not contain all costs associated with single utility construction.	**(*rel)** denotes that there is a related project intended for joint construction		**$1,199,555**

Funding Sources for Stormwater Utility Improvements:

1. The Town created a stormwater utility in 2002. The current system rate for funding stormwater projects is $11.55/residential water meter per month. Commercial customers are charged an Equivalent Residential Unit (ERU) based on 2,100 square feet of impervious surface. These accounts raise $135,955 annually

2. Real Estate Excise Tax

4.4 Streets and Sidewalks

Current System

Streets and sidewalks

The La Conner street system consists of arterial streets, collector streets and local access streets. The majority of the streets are asphalt with some concrete streets and a handful of gravel alleys. As part of the development of this Capital Facilities Plan, an inventory of the town's streets was completed. CHS Engineers prepared a map that reflects the inventory, indicating the condition of all of the streets. It also shows the location of stop signs, street lights, and sidewalks. The projects listed in the Town's Six Year Street Plan, as required by the Department of Transportation are also shown on the map. The map is the basis for ongoing plans for improving the streets and sidewalks. [See TIP Program.]

Proposed Projects and Funding

TIP Priorities Submitted in June 2010

Priority	Project Title	Cost Estimate	Financing Source		Year
			Town	Other[5]	
1	Road Street Improvements	79,000	12,000	67,000	2012
2	State Street	99,000	15,000	84,000	2012
3	North 3rd Street Improvements	575,000	78,000	497,000	2013
4	Maple Ave Sidewalk (east)	294,000	44,000	250,000	2013
5	South 1st Street Improvements	272,000	42,000	230,000	2014
6	East Washington Avenue Overlay	96,000	16,000	80,000	2014
7	N. 2nd St Resurface and Pedestrian Improvements	84,000	14,000	70,000	2015
8	S. 4th Street Improvements	97,000	17,000	80,000	2015
9	N. 4th St Improvements	202,000	32,000	170,000	2016
10	Sherman Avenue Rebuild	182,000	31,000	151,000	2017
11	Conner Way Rebuild	613,000	176,000	437,000	2017
Total cost of six year TIP: $ 2,593,000					

Project Descriptions

1. Road Street: Maple Avenue to Whatcom Street, 440 LF, 16’ wide; Repair and resurface one-way residential road with 25% repair, add 250 LF Sidewalk with curb and gutter on north side from Maple Avenue to 6th Street.

[5] Other funds are available from State and Federal sources. The Transportation Improvement Board (TIB) funds many of La Conner’s projects.

2. State Street; mill, repair and overlay; add sidewalk one side from North First Street to North Third Street.
3. North 3rd Street; widen, resurface with 1" overlay , sidewalk on one side from Morris Street to Drainage Ditch.
4. Maple Avenue; add pedestrian and bike path to east side of street from Morris Street to Talbott Street.
5. South First Street; sidewalk replacement on east side from Commercial Street to Washington Avenue.
6. East Washington Avenue; resurface with 2" overlay, improve drainage and sidewalk on one side from Maple Avenue to Whatcom Street.
7. North Second Street; widening, resurface with 3" overlay and sidewalk on one side from Morris Street to Center Street.
8. South Fourth Street; repair, mill and overlay; drainage improvements from Caledonia Street to Sherman Avenue.
9. North Fourth Street; reconstruction, sidewalks one side, and storm drainage installation from Morris Street to State Street.
10. Sherman Avenue; reconstruction, utility improvements, drainage, overlay and sidewalk one side on Conner Way from South Third Street to South Town Limit.
11. Conner Way: Rebuild Conner way to shift alignment, C&G, storm collection and treatment, power undergrounding, sewer extension and paved turn around loop at the park entrance

Financing Street Improvements

The local funding portion of the projects listed in the TIP is approximately 15% to project total.

4.5 Parks

The Town of La Conner, La Conner School District, Skagit County, and other public and private agencies have assembled land devoted exclusively to park, recreation and open space uses within or adjacent to La Conner.

These lands provide a variety of park, recreation and open space activities including picnic facilities, athletic fields and playgrounds, community centers, and related park supporting administrative and maintenance facilities.

Approximately 24 acres (Pioneer Park and waterfront sites) or 60% of the park total, recreation and open space inventory are regionally significant sites. City and County residents, regardless of where they reside within La Conner or the surrounding region, use these sites. Out-of-area visitors and tourists also use a significant portion of these regional sites and facilities.

The remaining 16 acres, or 40% of the total park, recreation and open space inventory, are locally significant sites and properties used by residents who reside within the immediate area.

PARK INVENTORY

Park	Features
South Pioneer Park	Large parcel of property with a picnic shelter, amphitheater and walking trails.
North Pioneer Park	Undeveloped parkland with rough campsites.
Sherman Street End	Public Boat Launch. Very Steep slope. Trailer Parking.
Maple Avenue Ball Fields	These play fields offer dual purpose for baseball and soccer. The space offers two fields for each sport in opposite season rotations. These ball fields are leased from the Hedlin Family.
Caledonia Street End	Undeveloped street end with accompanying DNR waterfront lease.
Commercial Street End	Undeveloped street end adjacent to channel. Excellent Rainbow Bridge view.
John Hammer Park	Small neighborhood toddler park with play equipment.
Magnus Anderson Cabin and Totem Pole	Historic Site located just below Town Hall.
Old Fire Hall Park	Located across from Catholic Church. Grass and trees.
Upper Calhoun Street End	Adjacent to Civic Garden Club. Excellent views of the Channel, Bridge and Downtown.
Calhoun Street End	Public Moorage
Calhoun Street End at Whatcom	Currently not used. Steep slope. Could be a potential site for pocket park with climbing wall.
Civic Garden Club	Older historic structure utilized for town meetings and other civic events.
Maple Center/Hall	Community facility for theater, conferences, other social events. Includes a barbeque and courtyard.
Dirty Biter Waterfront Park (Calhoun Street end)	Semi-developed street end on waterfront side of First Street. Features benches and picnic tables.
First Street Restroom/Old Log	Restroom provided for tourism use. Old growth cross-section log in need of restoration.
Benton Street End	Public Moorage and waterfront viewing. Land mostly undeveloped. Dock owned by Town.
Benton Street Stairs	Nice rock stairs with excellent view of Downtown. Connect downtown with hilltop.

Old Library Courtyard	Public picnic seating. Divided by brick wall.
Washington Avenue	Planted area on South side of Washington Avenue between 2nd and 1st Streets
Park	**Features**
Washington Avenue and 3rd St Corner Triangle	Bench and planted area donated to the Town by the property developer.
Washington Avenue End	Public Moorage, information kiosk and views of the Channel
Gilkey Square	This square is the right-of-way of the Morris Street end on the Swinomish Channel. It provides excellent Channel views and focal point from Morris Street as visitors enter town.
Morris St Restrooms	Small restroom on Morris Street at bottom of 3rd Street stairs.
3rd Street Stairs	Stairway connects Morris Street w/ hilltop.
Kirsch Building	An over water platform adjacent to the Jordan Street end.
Jordan Street	Undeveloped waterfront lot.
Pioneer Monument	Not in Town limits, maintained in co-operation with the Pioneer Association. It is owned by Skagit County.
Maple Avenue Triangle	Triangle piece of property, mostly grass located between Hill and Park Streets at their intersection with Maple Avenue.
High Street End	Excellent views from undeveloped right-of-way
Garden Street End	Undeveloped right-of-way in South residential area fronting South Fourth Street.
Orchard Street Right-of Way	Undeveloped street between Park Street and Maple Avenue south of Caledonia Street.
4th Street Right-of-Way, South Hill and North Hill	Green Space. This is the hill area west of Whatcom Street and north of Washington Avenue.
1st Street Right of Way between Commercial and Caledonia	Current half of the property is being used for public parking and the majority of this street portion is undeveloped.
Conner Way	Dramatic open space waterfront beneath the Rainbow Bridge.

Proposed Improvements

Priority	Project Title	Project Description	Cost Estimate	Financing Source		Year
				Town	Other	
1	Waterfront Boardwalk	Engineering and planning for connecting the street-end parks and Pioneer Park with a waterfront boardwalk	$600,000	$65,000	$535,000	2012
2	Jordan Street End	Develop a usage plan for the site as a recreation facility, picnic, parking and water access.	$50,000	$50,000		2013
3	Benton Street Stairs	Renovate stairway to increase safety and improve aesthetic appeal. Stairway is used heavily by tourists and La Conner school teams	$100,000	$50,000	$50,000	2013
4	Kirsch Public Picnic And Observation Area	Develop a facility and use plan for the Kirsch building for waterfront boardwalk connection and boating	$550,000	$50,000	$500,000	2014
5	Pioneer Park and Street-End Parks	i. Develop new trails and lighting in the park ii. Develop and redevelop camping facilities for kayak and small boat camping for the Washington Water Trails program iii. Redevelop and improve picnic shelter and seating for the bandstand iv. Children play area and facilities v. Landscape and refurnish the street-end parks	$ 88,500[6]	$10,000	$78,500	2012-2014
6	Pea-Patch Park	Acquire unusable lots and provide community garden area for Town residents.	$160,000	$160,000		2012-2016
		Totals	$1,548,500	$385,000	$1,163,500	

[6] Park Signage and Maps $2,000; Benton Street-end and Dirty Biter Parks $4,500; Camp preparation $2,000; Bandstand seating $80,000

4.6 Town Facilities

INVENTORY AND PROPOSED PROJECTS

Town Hall

Town Hall, located at Second and Douglas, is a historic building. The building was built in 1883 as a bank. It is valued at $350,000. The Town has performed major remodeling to the east portion of the building. It is presently used to house the La Conner Sheriffs Detachment. Although there is no handicapped access to the upper two floors of the building, none could be constructed without major damage to the architectural integrity of this handsome historic structure.

Maple Hall / Maple Center

Located next to Town Hall on property donated by the Louisa A. Conner family, Maple Hall has served as a community center for nearly three-quarters of a century. In recent years, the Town obtained grants and invested local funds to rebuild and remodel the building to make it extremely attractive for community social and cultural activities.

Within Maple Hall is a substantial auditorium. It can accommodate three hundred and fifty people who are standing and somewhat fewer people in theater and table seating arrangements. There is a full service kitchen and an attractive fireside room, including a gas-fired fireplace. Maple Hall has full conference facilities.

Adjoining the Maple Hall complex is the Maple Center. It includes seating for twenty-five people, with tables, with direct street and courtyard access in the Lower Maple Center. Upstairs has elevator access and has additional seating area for forty people. The Maple Hall / Maple Center facilities are valued at $500,000.

Fire Station

The Fire Station is located east of Town on 12154 Chilberg Road. The building houses the fire fighting equipment owned by the Town of La Conner and Skagit Fire Protection District #13 (hereafter District #13).

The Town owns a 19’ Northwind fire boat valued at $140,000, and houses at the station a 1996 Freightliner pumper with a 1,000-gallon storage tank and a 1,500 gallon per minute pump. Also owned by the Town and housed at the station are nine self-contained breathing apparatuses (SCBA), each valued at $1,800, fifteen sets of turnout gear (boots, helmet, pants, coat, hood, gloves), each valued at $1,100 and a considerable amount of hose of various lengths and miscellaneous.

An Interlocal Agreement, executed in December 1996 guides the cost sharing responsibilities for the acquisition of facilities and equipment by the Town and the District #13. The general guideline is a 50/50 balanced sharing of cost.

The building is valued at $750,000. They valued the contents at only $25,000. This value does not include the individual fire apparatus.

Public Works Building

This building located at 604 North Third Street serves as the office for the Public Works Department, as a facility to perform vehicle maintenance and for the storage of public works equipment. The site is leased from the Port of Skagit County and includes a shop facility. The Town owns a one story 510 square foot mobile commercial office . It is valued at $36,000.

Pioneer Park Kitchen

The Town owns and maintains a small kitchen facility for public use in Pioneer Park. It was constructed in the 1930's, re-roofed with a metal roof in 2000, and will need major repairs/replacement within 20 years. It was valued at $27,689.

Public Restrooms

The Town maintains three public restrooms:

- South First – 613 South First Street valued at $50,000
- Morris – 304 Morris Street valued at $50,000
- Pioneer Park valued at $50,000

They are wood frame buildings.

Civic Garden Club Building

The Town acquired the Civic Garden Club, a key structure from La Conner's early history, as a gift in 2000. The building dates from 1875, when it was built as a grange hall. It served as the first federal courthouse north of Seattle, the District Court for Whatcom County and as the first Courthouse for Skagit County. Later it became a schoolhouse, a church, a lodge building and a community center. Major foundation work and restoration was done in 2002, with the building being moved away from a rock fault and a new concrete foundation added. The Garden Club building is valued at $125,000.

Proposed Facility Improvements from 2012 to 2017

Building Facilities	Value	Funding Source
Town Hall	$53,000	Property and Sales Taxes
Maple Hall/Center	$125,000	Rental Fees and Sales Tax
Civic Garden Club	$25,000	Rental Fees and Sales Tax
Fire Station	$45,000	Property and Sales Tax
Public Works Building	$30,000	Utility Rates
Public Restrooms	$120,000	Donations and Sales Tax
Totals	**$398,000**	

TOWN EQUIPMENT

INVENTORY

Public Works: The Public Works shop building was built in 1997. It is a 36' by 70' pole building, which cost $70,000 at the time of construction. The inventory of capital equipment used by Public Works is as follows:

Year	Vehicle	Condition	Price
1988	310-C John Deere back hoe	Fair	$18,000.
1999	F-550 Ford Service Truck	Excellent	$20,000
1994	Ford New Holland 445 D tractor	Good	$25,000.
1994	Chevrolet C2500 Pickup Truck	Good	$1,000.
1995	International 4900 Dump Truck	Good	$30,000
1988	Ford Tymco Sweeper 7000	Good	#25,000
1991	Chevrolet C2500 P/U	Good	$3,000
1992	GMC C2500 P/U	Poor	$2,500
1994	Chevrolet C3500 Pickup Truck	Good	$16,000.
2004	Kubota KX161-3 Excavator	Excellent	$45,000
2007	Spoilvac System	New	$38,000
2007	Chevrolet C-1500 Pick-up	New	$17,000
2009	Dodge Ram 2500 Snowplow	New	$37,000

Fire Department:

Year	Apparatus	Condition	Value
1995	Freightliner Pumper Truck with 1,000 gallon storage and a 1,500 per minute pump.	Fair	$ 195,000
2009	Northwind Fire Boat	Excellent	$ 140,000
2009	Floating Moorage	Excellent	$ 14,000
1985	Aid Van	Fair	$ 1
1982	Support Aid Van	Fair	$ 1,900

PROPOSED EQUIPMENT AND SOURCES OF FUNDING

Long-term equipment needs can be anticipated and planned for, with appropriate levels of reserve funds being appropriated to replace equipment. Water and stormwater are enterprise funds fully capable of meeting these demands with proper management. Equipment service life needs to be ascertained and prorated to determine replacement schedules.

Section 5 Overall Financial Capacity

5.1 Debt Capacity

There are two major methods of municipal borrowing; these are general obligation (GO) bonds and revenue bonds. General obligation bonds are backed by the value of the property within the jurisdiction. Voter approved GO bonds increase property tax rate and use the increased revenue to repay bondholders. Councilmanic bonds do not increase taxes and are repaid with general revenues, usually property tax revenues. State statue and the state constitution limit the amounts which can be raised through these bonds to 1.5% of the total assessed value for Councilmanic bonds, and an additional 1% for voter-approved bonds. However, since these bonds do not raise taxes, the Town must consider its capacity to make payments from existing revenue. It is also considered prudent to keep some Councilmanic bond capacity in reserve for emergencies, though this is not required by statute.

In La Conner's case, there is approximately three million dollars of GO bond capacity available.

Revenue bonds are financed directly from the income of the utility which benefits by them. Interest rates tend to be higher than for general obligation bonds, and issuance of the bonds may be approved by the Council without a voter referendum. There is no statutory limit on the amounts of revenue which may be raised in this way; however, utility rates must be raised sufficiently to cover the cost of bond repayment.

5.2 Current Expense Fund

The Current Expense Fund is the revenue source for the Fire Department, Police Department, and general government operations of the Town Hall. The primary sources of Current Expense Fund revenue are general property taxes and retail sales taxes. There are also many smaller revenue sources; some of these are under the Town's control but many are not.

The following table shows Current Expense revenue trends for 2006 to 2011

Current Expense Fund Revenue History – Table 1

Revenues/Year	2006	2007	2008	2009	2010	2011
Taxes	$725,828	$684,133	$710,553	$695,090	$739,250	782.567
License, Fees and Permits	$66,378	$77,706	$93,921	$87,605	$66,113	99,975
Miscellaneous	$15,539	$19,886	$14,932	$7,388	$53,701	37330
Total Revenue	$807,745	$781,725	$819,406	$790,083	$859,064	919,872
Change per year	2.1%	-3%	4.6%	-3.6%	8%	7%

This table shows that Current Expense Fund revenue fell between 2006 and 2007, primarily as a result of smaller amounts of intergovernmental revenue transferred from the State to the Town, i.e. taxes. The increase in 2006 was due mostly to a rise in property tax revenue due to the regular property tax revaluation by Skagit County.

In order to budget for capital purchases for the departments which use the current Expense Fund, it is first necessary to determine how much must be budgeted for the ongoing operations of each department. The following table shows trends in maintenance and operations costs of each of the Current Expense Fund departments, not including capital improvement costs.

Current Expense Fund 001: Expenditures History – Table 2

Year	2006	2007	2008	2009	2010	2011
Total Expense	$732,037	$809,696	$819,745	$915,976	$912,685	785,135
Mayor/Admin	$236,878	$285,609	$293,999	$358,923	$336,819	374,675
Fire Department	$69,094	$65,929	$56,544	$64,820	$101,531	61,700
Total Law Enforcement Exp.	$402,155	$403,981	$435,565	$453,278	$450,442	328,350
Miscellaneous	$23,910	$54,177	$33,637	$38,955	$23,894	20,410

Section 6 - Selection of Projects

Decision Criteria

As with all jurisdictions, La Conner has to prioritize projects and funding sources to ensure infrastructure and services are maintained. Priorities are first established by the Department Heads. Departmental budgets were presented in August 2010. This year department heads were requested to budget expenditures and capital expensed at a minimum viable to maintain service.

The Town undertook a utility rate study to determine current and future rate revenue coverage of operating and capital expenses. The Town Council will make a determination based on the rate study whether or not to ramp utility rates to meet budget demands.

The following capital projects are listed for action in the 6-Year Capital Facilities Plan. Priorities are set within the Department.

Department	Priority	Project	Cost ($)
Water			
	1	S. 4th Street Fire Loop	$213,000
	2	N. 3rd Street Replacement	$224,000
	3	1st Street Replacement	$135,000
	4	12” Transmission Main	$2,300,000
	5	Rainier Street Replacement	$88,000
	6	N. 4th Street Replacement	$120,000
	7	Sherman Avenue Rebuild	$92,000
	8	Conner Way Rebuild	$126,000
Stormwater			
	1	Caledonia Pump Station	$711,000
	2	S. 4th Street Extension	$93,600
	3	N. 3rd Street Extension	$51,750
	4	Whatcom/Laurel Drainage	$186,480
	5	S. 3rd Street Replacement	$26,450
	6	S. 3rd Street Extension	$28,750
	7	N. 4th Street Extension	$57,525
	8	N. 5th Street Extension	$44,000

Department	Priority	Project	Cost ($)
Wastewater			
	1	Enunciator Panel	$24,000
	2	New Compost Pad	$70,000
	3	Cover for Compost Pad	$75,000
	4	Belt Press Pump	$25,000
	5	Compost Cover	$115,000
	6	2 Septage receiving areas	$50,000
	7	New Compost Pad	$100,000
Streets			
	1	Road Street Improvements	$79,000
	2	State Street	$99,000
	3	North 3rd Street Improvements	$575,000
	4	Maple Ave Sidewalk (east)	$294,000
	5	South 1st Street Improvements	$272,000
	6	East Washington Avenue Overlay	$96,000
	7	N. 2nd St Resurface and Pedestrian Improvements	$84,000
	8	S. 4th Street Improvements	$97,000
	9	N. 4th St Improvements	$202,000
	10	Sherman Avenue Rebuild	$182,000
	11	Conner Way Rebuild	$613,000
Parks			
	1	Waterfront Boardwalk (Phase 1)	$600,000
	2	Jordan Street End	$50,000
	3	Benton Street Stairs	$100,000
	4	Kirsch Property Development	$550,000
	5	Pioneer Park and Street-End Parks	$88,500
	6	Pea-Patch Park	$160,000

Appendix A – Funding Sources

This appendix identifies the historic and potential funding sources for the Town of La Conner. They include federal, state and local sources. Most projects include multiple funding sources (i.e. grants requiring a local match).

Local Funding Sources

Local funding for projects will generally come from either taxes or reserve funds generated from utility revenues. The Town periodically considers the need for bonds and levies to meet long term financial obligations. The following sources are typically used:

- Debt Financing
- Local Multipurpose Levies
- Local Single-purpose Levies
- State Grants and Loans
- Federal Grants and Loans

Debt Financing

Short Term Borrowing: Borrowing from local banks is sometimes necessary if short-term financing is needed to complete a project or bridge to receipt of long-term funding. La Conner does not use this mechanism historically.

Revenue Bonds: Bonds financed directly by those benefiting from the capital improvement. Revenue from these bonds typically finance public owned facilities, such as parking areas, port facilities etc.

General Obligation Bonds: These bonds are backed by the value of property within the jurisdiction and are voter approved. They increase property taxes and are dedicated to the repayment of the bonds.

Local Multi-Purpose Levies

Ad Valorem Property Taxes: The tax rate in mills (1/10 cent per taxable dollar value) for La Conner is 1.7969 per $1,000 of assessed valuation. The Town is prohibited from raising its levy more than 1 % of the highest amount levied in the last three years before adjustments for new construction and annexation. A temporary or permanent excess levy may be assessed with voter approval. The revenue may be used for new capital facilities or maintenance and operations of existing facilities.

Local Option Sales Tax: Retail sales and use tax of up to 1 %. Local governments that levy the second 0.5% may participate in a sales tax equalization fund. Assessment of this option tax requires voter approval. The revenue may be used for new capital facilities or operational expenses of existing facilities.

Utility Tax: Taxes may be assessed on gross receipts of utilities such as electric, gas, telephone, cable TV, water, sewer and stormwater. La Conner collects for electric, gas, telephone and cable. However, we do not assess a utility tax on Town delivered utilities (water, sewer and stormwater). The Town can assess as much as a 6% tax on the receipts of each utility. Voter approval is required to increase the rate above 6%. Revenues from this tax may be used for either capital or operational expenses.

Real Estate Excise Tax: The original tax authorized for general purpose is .25 %. Additional increments of .25 % have been authorized for capital facilities. Revenue use is restricted to finance new capital facilities or maintenance and operations of existing facilities, as specified in the Capital Facilities Plan.

Local Single-Purpose Levies

Motor Vehicle Fuel Tax: Tax paid by gasoline distributors. The town receives 11.53% of total tax receipts. State shared revenue is distributed by the Department of Licensing. Revenues must be spent for highway (town streets, county roads, and state highways) construction, maintenance, or operation; policing of local roads; or related activities.

Local Option Fuel Tax: A county-wide voter approved tax equivalent to 10% of statewide Motor Vehicle Fuel Tax and a special fuel tax of 2.3 cents per gallon. Revenue is distributed to the town on a weighed per capita basis. Revenues must be spent for highway (town streets, county roads, and state highways) construction, maintenance, or operation; policing of local roads; or highway related activities.

Local Non-Levy Financing Mechanisms

Reserve Funds: Revenue that is accumulated in advance and earmarked for capital improvements. Sources of funds can be surplus revenues, funds in depreciation reserves, or funds resulting from the sale of capital assets.

Fines, Forfeitures and Charges for Services: This includes various administrative fees and user charges for services and facilities operated by the jurisdiction. Examples are franchise fees, sales of public documents, fines, forfeitures, licenses, permits, income received as interest from various funds, sale of public property, rental income, and all private contributions to the jurisdiction. Revenue from these sources may be restricted in use.

User Fees and Program Fees: Fees or charges for using park and recreational facilities, solid waste disposal facilities, sewer services, water services, and surface water drainage facilities. Fee may be based on measure of usage, a flat rate, or design features. Revenues may be used for new capital facilities or maintenance and operations at existing facilities.

Special Assessment District: District created to service entities completely or partially outside of the jurisdiction. Special assessments are levied against those who directly benefit from the new service or facility. The districts include Local Improvement Districts, Road Improvement Districts, Utility Improvement Districts, and the collection of development fees. Funds must be used solely to finance the purpose for which the special assessment district was created.

Lease Agreements: Agreement allowing the procurement of a capital facility through lease payments to the owner of the facility. Several lease packaging methods can be used. Under the lease-purchase method the capital facility is built by the private sector and leased back to the local government. At the end of the lease, the facility may be turned over to the municipality without any future payment. At that point, the lease payments will have paid the construction cost plus interest.

Privatization: Privatization is generally defined as the provision of a public service by the private sector. Many arrangements are possible under this method ranging from a totally private venture to systems of public/private arrangements, including industrial revenue bonds.

Impact Fees: Fees paid by new development based upon its impact to the delivery of services. Impact fees must be used for capital facilities needed by growth, not for current deficiencies in levels of service, and cannot be used for operation expenses. These fees must be equitably allocated to the specific entities which will directly benefit from the capital improvement, and the assessment levied must fairly reflect the true costs of these improvements. Impact fees may be imposed for public streets and roads, publicly-owned parks, open space, recreational facilities, school facilities, and fire protection facilities (in jurisdictions that are not part of a fire district).

State Grants and Loans

Community Development Block Grant: Grant funds available for public facilities, economic development, housing, and infrastructure projects which benefit low and moderate income households. Grants are distributed by the Department of Commerce to applicants who indicate prior commitment to project. Revenue is restricted in type of project and may not be used for maintenance and operations.

Community Economic Revitalization Board: Low interest loans (rate fluctuates with state bond rate) and occasional grants to finance infrastructure projects for a specific private sector development. Funding is available only for projects which will result in specific private developments or expansions in manufacturing and businesses that support the trading of goods and services outside of the state's borders. Projects must create or retain jobs. Funds are distributed by the Department of Commerce primarily to applicants who indicate prior commitment to a project. Revenue restricted in type of project and may not be used for maintenance and operations.

Historic Preservation Grants: On an annual basis, the state Department of Archaeology and Historic Preservation (DAHP) makes available grants to local historic preservation programs for four purposes: (1) historic preservation planning; (2) cultural resource survey and inventory; (3) nomination of properties to the National Register of Historic Places; and (4) public education and awareness efforts. To be eligible for grants, communities must be a Certified Local Government (CLG) as approved by OAHP. In addition, when funds are available, OAHP awards grants for acquisition or rehabilitation of National Register listed or

eligible properties. Grant awards are predicated on the availability of funds and require a match.

Public Works Trust Fund: Low interest loans to finance capital facility construction, public works emergency planning, and capital improvement planning. To apply for the loans the town must have a capital facilities plan in place and must be levying the original ¼% real estate excise tax. Funds are distributed by the Department of Commerce. Loans for construction projects require matching funds generated only from local revenues or state shared entitlement revenues. Public works emergency planning loans are at 5% interest rate, and capital improvement planning loans are no interest loans, with a 25% match. Revenue may be used to finance new capital facilities, or maintenance and operations at existing facilities.

State Parks and Recreation Commission Grants: Grants for parks capital facilities acquisition and construction. They are distributed by the Parks and Recreation Commission to applicant with a 50% match requirement.

Urban Arterial Trust Account (UATA): Revenue available for projects to alleviate and prevent traffic congestion. Entitlement funds are distributed by the State Transportation Improvement Board subject to UATA guidelines and with a 20% local matching requirement. Revenue may be used for capital facility projects to alleviate roads that are structurally deficient, congested with traffic, or have accident problems.

Intermodal Surface Transportation Efficiency Act (ISTEA): ISTEA provides grants to public agencies for historic preservation, recreation, beautification, and environmental protection projects related to transportation facilities. These enhancement grants are administered by the state Department of Transportation and regional transportation planning organizations (RTPO's).

Transportation Improvement Account: Revenue available for projects to alleviate and prevent traffic congestion caused by economic development or growth. Entitlement funds are distributed by the State Transportation Improvement Board with a 20% local match requirement. For cities with a population of less than 500 the entitlement requires only a 5% local match. Revenue may be used for capital facility projects that are multi-modal and involve more than one agency.

Centennial Clean Water Fund: Grants and loans for the design, acquisition, construction, and improvement of Water Pollution Control Facilities, and related activities to meet state and federal water pollution control requirements. Grants and loans distributed by the Department of Ecology with a 50%-25% matching share. Use of funds is limited to planning, design, and construction of Water Pollution Control Facilities, stormwater management, ground water protection, and related projects.

Water Pollution Control State Revolving Fund: Low interest loans and loan guarantees for water pollution control projects. Loans are distributed by the Department of Ecology. The applicant must show water quality need, have a facility plan for treatment works, and show a dedicated source of funding for repayment.

Federal Grants and Loans

Federal Aid Urban System: Revenue available for construction and reconstruction improvements to arterial and collector roads that are planned for by and MPO and the Federal Highway Administration. Funds may also be used for non-highway public mass transit projects. Funds are distributed by Washington State Department of Transportation with a 16.87% local match requirement.

Federal Aid Safety Programs: Revenue available for improvements at specific locations which constitute a danger to vehicles or pedestrians as shown by frequency of accidents. Funds are distributed by Washington State Department of Transportation from a statewide priority formulae and with a 10% local match requirement.

Federal Aid Emergency Relief: Revenue available for restoration of roads and bridges on the federal aid system which are damaged by extraordinary natural disasters or catastrophic failures. Local agency declares an emergency and notifies the Washington State Department of Transportation, upon approval entitlement funds are available with a 16.87% local matching requirement.

Farmers Home Administration Water Project Support: Funding through grants, loans, and loan guarantees for water projects serving rural residents. Funds must be used for capital facilities construction and related costs or projects which serve rural residents in cities of less than 10,000 people. Funds are distributed by the Federal Farmers Home Administration with a 45% to 25% local matching requirement.

Department of Health Water Systems Support: Grants for upgrading existing water systems, ensuring effective management, and achieving maximum conservation of safe drinking water. Grants are distributed by the state Department of Health through intergovernmental review and with a 60% local match requirement.

Appendix B – Street Inventory

Street Name	**Length in feet**
Maple Ave.	2595
Morris	1898
Center	1898
State	1898
Whatcom	1774
Sixth	1680
N. Third	1870
Washington Ave.	1337
2nd,State-Douglas	1360
Caledonia	920
Sherman Ave.	912
Douglas	700
Moore&3rd-Caledonia	626
Hill	497
4th, Douglas-Caledonia	482
N. First	458
Total	20905