

2013 Capital Plan and Budget for Lakes Region Water Company

1. Purpose of this Capital Plan and Budget

This Capital Plan and Budget is intended for Lakes Region Water Company's planning purposes. The first step is to identify high priority capital improvements required or important to maintain safe, reliable and adequate supply of water and their estimated cost in nominal (2013) dollars.

The second step presents a capital budget for future years. Completion of all high priority capital requirements is not reasonably possible due to limited customers and customer revenues within reasonable rate parameters. This is because the capital costs for supply and treatment remain fixed, even though the number of customers is limited. Determination of a capital budget therefore requires careful balance of operational needs and rate impacts.

The final step is to prioritize and schedule capital improvements for the coming year. The priority or schedule assigned to each improvement must be flexible to reflect the nature of the Company's aging drinking water infrastructure and unanticipated failures.

2. High Priority Capital Improvements and Estimated Costs.

Paradise Shores (\$30,000)

- Completion of Mt Roberts pump house and installation of electrical, telemetry, meters and controls.

\$30,000

Far Echo (\$20,200)

- Re-plumb the station to update existing plumbing
\$10,000
- Install telemetry to monitor station \$6,500
- Replace 5 old wedge valves in the distribution system with new curb stop ball valves \$3,700

West Point (\$16,500)

- Backfill the existing storage tank and add appropriate telemetry to the tank \$6500
- Hydro fracture well to improve production \$10,000

Deer Run (\$19,700+).

- Repair existing (off-line) well \$10,000 +
- Remove/re-plumb old pressure pit \$5,000
- Explore hidden PRV and potentially replace \$4,700 +

WVG (\$10,800).

- install a new tank structure \$7,800
- Reside pump house to match surrounding buildings per request of homeowners association \$3,000

Hidden Valley (\$50,000)

- Engineering and reconfiguration of controls \$40,000
- Replace 500 feet of water main on Hidden Valley Drive \$10,000

Indian Mound (\$106,000).

- Replace 3000 feet of water main in various spots in the system \$100,000
- Install valves throughout the system to assist in leak detection \$6,000

Deer Cove (\$17,000)

- Re-plumb pump station to accommodate meters \$6,000
- Install 2 pressure zones to assist with water pressure on Patriot Way \$5,000
- New booster pumps \$6,000

Brake Hill (\$5,000)

- Add telemetry \$5,000

Gunstock Glenn (\$4,000)

- Add telemetry \$4,000

LOV (\$62,000)

- Add control valves \$7,000
- Replace 1000 feet of main \$55,000

175 Estates (\$18,000)

- Well cleaning \$15,000
- Slight re-plumb \$3,000

Tamworth (\$50,000)

- New well source \$44,000
- New outgoing meter \$6,000

Echo Lake Woods (\$15,000)

- 500 feet of water main replacement \$15,000

Woodland Grove

- To be completed in 2011

Wentworth Cove (\$18,000)

- New Entry Cover and building \$8,000
- Replace electrical controls \$10,000

Pendelton Cove (\$6,000).

- Re-plumb pump house \$6,000

EST. TOTAL CAPITAL IMPROVEMENTS: \$442,200

3. Budget for 2013 Capital Improvements.

TBD.

4. Anticipated Schedule for Completion of Capital Projects.