



Date: January 22nd, 2026

To: City Council

From: Carl R. Ray, Water and Wastewater Director

Re: Discussion and Approval to Submit a DOLA EIAF Grant Application for the “A” Sewer Line Replacement

The Wastewater Department budget includes a project to replace a large section of sewer line with a budget of \$1,670,000. The budget request assumed a grant would be obtained from the Department of Local Affairs (DOLA) Energy Impact and Mineral Assistance Fund (EIAF) for 50% of the project. DOLA notified the city on January 13th, 2026 that a grant cycle has opened. The available funding is expected to be very competitive with only has \$15M available for both Tier I and Tier II projects. The city has requested approval from DOLA to submit a Tier II project for the sewer line replacement from our regional manager and it was accepted.

With the approval of council, staff would like to submit the application. The latest Engineer’s Opinion of Probable Construction Cost (EOPCC) is \$1,678,500 which is \$8,500 over the budgeted amount, however we intend to use this estimate as the basis of our application. Depending on whether we receive a full award for 50% of the project cost for the city’s application and where the bids for construction come in, it may be necessary to request an additional appropriation to be able to complete the project. We will also be searching for alternative grants or funding sources should DOLA not award any or only a portion of the funding request.

The primary objective of the project is to eliminate sewer main that is above both city and industry standards for flow depth/capacity. Primary cause is improper slope for pipe diameter. Cleaning and video inspection work in summer 2025 also detected construction defects in some

segments consisting of pipe sags, and variable slopes between pipe segments. Post construction defects such as cracked pipe sections were also identified. The project will eliminate the construction and post construction defects identified. Secondly, the project will restore a large section of sewer main to full capacity allowing for additional, future development, on the west end of Craig.