



Engineering Memorandum

August 13, 2026

RE: August 18th Commission Meeting

2027 WATERMAIN REPLACEMENT PROJECT SID CREATION – 202703-1

For your consideration is a Preliminary Engineering Report (PER) for the 2027 Watermain Replacement project (City Project Number 202703) Special Improvement District (SID) number 202703-1. The SID and paving portion of the project will be paid for with multiple funding sources which are included in the 2027 capital improvement project budget. The interest rate is proposed to be 4.1% which was the average daily 10-year Treasury Yield interest rate for the month of September 2025.

The 2027 Watermain Replacement Project is planned to be constructed to replace concrete curb and gutter, sidewalk and accessibility ramp construction, asphalt patching in areas of need, and an asphalt mill and overlay. The proposed SID will also replace deteriorating driveway approaches and sidewalks as well as correct deficiencies on pedestrian facilities where practical within the right-of-way.

The project benefits are listed below:

- The streets, curb and gutter, and sidewalks need repairs. Several of the sidewalks are not ADA compliant. These improvements will ensure safe pedestrian walkability and access throughout the neighborhood. The street improvements will extend the life expectancy of the roadways and will reduce maintenance costs for the City of Dickinson. Further explanation of the benefits of the project are noted in the PER.
- Approximately 3 blocks of watermain are 6-inch cast iron watermain. These mains are the most frequent material to break. The mains are often corroded, filled with mineral deposits, cause water color issues, and lack sufficient flow to meet fire flow requirements.
- There are multiple lead services lines that will be replaced from the watermain all the way to the meter in the building and will be paid for 100% by the City of Dickinson. The lead service lines replacements will ensure safe drinking water.

Construction for this project is scheduled for the summer of 2027, with the bidding anticipated for late fall or early winter of 2026. The preliminary opinion of construction cost for the street improvement portion of the project that will be included in the Special Improvement District is \$85,061.50 as specified in the PER vs. the total project cost estimate (including construction engineering services) for this project being \$2,624,400.00. The assessment amount for each property will be included in property taxes and paid back over 10 years at an interest rate of 4.1%. Those who pay their assessments in full by October 1, 2028, will not be charged interest or penalties.

The City Engineering staff recommends approval.

