

DRIFTWOOD HEIGHTS  
ANNUAL MEMBERSHIP MEETING  
WATER SYSTEM IMPROVEMENTS  
DATE: 7/27/23, 6 PM, Camano Library



**Driftwood Heights  
Water System**

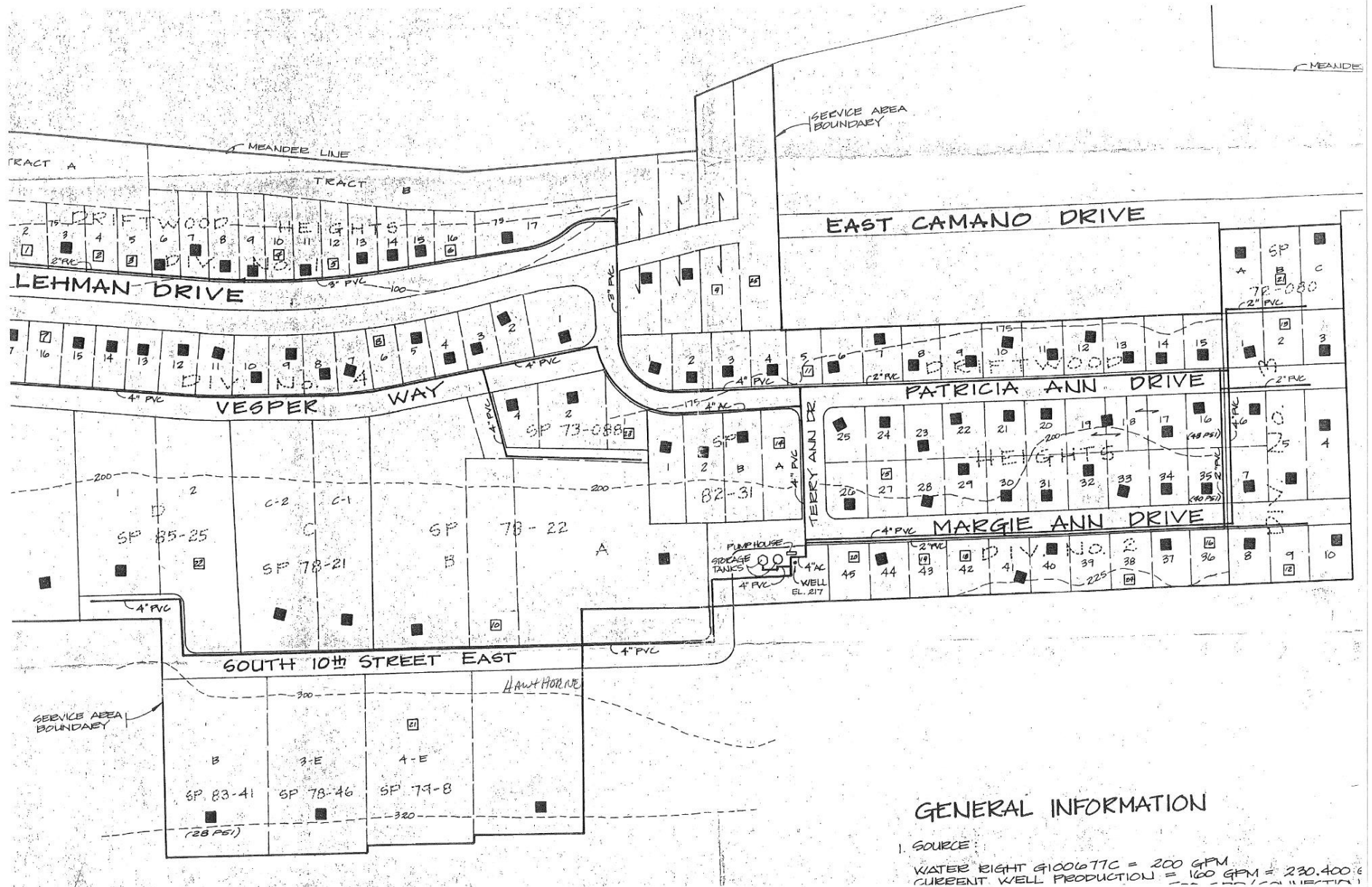
# Presentation AGENDA

<ul style="list-style-type: none"><li><b>1. Improvements over the years</b></li><li><b>2. Need to replace aging infrastructure</b></li><li><b>3. Scope of proposed project</b><ul style="list-style-type: none"><li><b>1. What is being replaced</b></li><li><b>2. What is not being replaced</b></li></ul></li><li><b>4. DWSRF Loan Program</b></li></ul>	<ul style="list-style-type: none"><li><b>5. USDA Loan Program</b></li><li><b>6. Mix of Loans</b></li><li><b>6. Budget</b></li><li><b>5. Timing</b></li><li><b>6. Open Discussion</b></li></ul>
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# IMPROVEMENTS ALREADY MADE

- **1969/70 - System was created**
- **1993 - There were unknown design changes/additions**
- **2006 - Changed tanks to flow through each.**
  - **Added a booster pump to the upper zone**
  - **Designed chlorine system**
- **2015 – Provided updated hydraulic calculations to the DOH.**
- **2020/2023 – Started pipe replacements/loan**

# Driftwood Hts - System map



## GENERAL INFORMATION

### 1. SOURCE:

WATER RIGHT #100677C = 200 GPM  
 CURRENT WELL PRODUCTION = 160 GPM = 230,400 gal

# AGING INFRASTRUCTURE

- **Facts:**
  - **1 High producing well for all of you. Emergency Intertie with DWH#2.**
  - **Hydro-pneumatic tank is old. Recommend converting to VFD's so we can replace tank and make room for diesel fire pump.**
  - **The distribution system has some AC/PVC pipe that is 50+/- years old.**
  - **The pressure in the distribution system ranges from 34 psi to 119 psi.**
  - **Leaks have occurred and more can be expected as time goes on.**
  - **None of the distribution system can support fire protection. But your storage tank can.**

# DWSRF LOAN PROGRAM

- **Drinking Water State Revolving Fund (DWSRF) loan Program. Apply for loans in October of each year for funding by April of the following year.**
- **Point system for loan program**
  - **Small Water System Management Plan (SWSMP) must be done and approved prior to complete application**
  - **Project must be shovel ready**
  - **No guarantee of loan approval**
  - **1 Point loan fee**
  - **1-1/2% interest (currently, may go up)**
  - **20-year term**
  - **Loan Forgiveness (grant) money may be available. The more you borrow, the more likely you will get a portion forgiven.**

# DWSRF - Project budget and process

- **Construction Cost Projection ~ \$2.64 Million**
- **Includes 20% contingency (\$410K)**
- **DWSRF loan term = 20 years**
- **Total loan payment for each lot ~ \$23,143**
- **Monthly loan payment for each lot ~ \$126**
- **Total monthly payment will be ~ \$168/mo. for water for 20 years with adjustments for inflation**

# USDA LOAN PROGRAM

- **USDA Loan program can be applied for at any time**
- **We typically assume project will be funded**
  - **No SWSMP required, but a PER and a project report are required.**
  - **No guarantee of approval, but more likely than the DWSRF program.**
  - **Interim financing by bank is required through construction. Typically 1-2 Points and 6.5%+/- interest for about one year.**
  - **USDA assumes loan when complete**
  - **40 year term**
  - **No point loan fee for USDA**
  - **Interest projected to be 4%+/-**



# USDA - Project budget and process

- **Construction Cost Projection ~ \$2.9 Million**
- **Includes 20% contingency (\$423K)**
- **USDA Loan term = 40 years**
- **Total loan payment for each lot ~ \$25,395**
- **Monthly loan payment for each lot ~ \$107**
- **Total monthly payment will be ~ \$149/mo. for water for 40 years with adjustments for inflation**

# Mix of Loans

- **If you elect to go with a DWSRF loan, it is possible that they will fund pumphouse improvements and the fire pump, but not the pipeline replacements.**
- **In that case, you may need to have a second loan with the USDA for the pipeline replacement portion.**
- **Unfortunately, we won't know until you apply, which is after you have paid for the plans, surveying and archeology**

# QUESTIONS