

DRIFTWOOD HEIGHTS ASSOCIATION, INC.
370 N. EAST CAMANO DRIVE, STE. 5, PMB 219
CAMANO ISLAND, WA 98282-7279



INCORPORATED 1970

Special Membership Meeting Minutes
July 27, 2023

Members present: 33; members represented by Proxy: 1

Board Attendance:

President – Randy Barry
Vice President – Maria Othman
Treasurer – Sherri Hall
Secretary – Vacant
Operations – Mike Cona
Grounds and Buildings – Leonard Visser
Water Quality Control - Genelly Carranza

Special meeting called at the Camano Library to allow Garrison Engineering to present results and recommendations of recently completed water system assessment to the Membership.

1. Meeting at the Camano Library called to order at 6:05pm.
2. Welcome to members in attendance. Introduction of current Board Members and new Vice President Maria Othman.

Meeting Agenda:

Old Business

1. The ByLaws, approved July 8,2023, are notarized and filed in Island County.
2. Approved Nelson Geotechnical proposal signed and funded. Inspection scheduled to start Aug 18,2023.
3. The Board is still looking for nominees for vacant Secretary position.

New Business

1. Carl Garrison was introduced to the membership. Mr. Garrison provided his qualifications and experience on Capital Projects of this scope on Camano and Whidbey Islands. He also discussed previous work he has completed for Driftwood heights Association.

DRIFTWOOD HEIGHTS ASSOCIATION, INC.
370 N. EAST CAMANO DRIVE, STE. 5, PMB 219
CAMANO ISLAND, WA 98282-7279



INCORPORATED 1970

2. Mr. Garrison presented his Driftwood Heights Water System Engineering Assessment. Brief description of topics covered listed below.
 - a. System improvements over the years.
 - b. Importance of replacing aging infrastructure.
 - c. Scope of proposed project.
 - d. DWSRF and USDA Loan Programs, possible mix of loans.
 - e. Budget.
 - f. Project timing.
3. The floor was opened to allow Membership to ask questions. A separate document will be created and posted on the website that will list all member questions and Garrison Engineering/ Board responses no later than Aug 27, 2023.
4. Slides are attached to these minutes for information purposes.
5. A vote was conducted to determine the Membership's position on following:
 - a. Best Capital Plan (20yr or 40yr) to pursue.
 - b. Recommended maximum annual/monthly Capital Project assessment.
 - c. Spreadsheet of results attached to these minutes for information purposes.

No additional discussion from membership, requested motion to adjourn.
motion made and seconded, and unanimously approved. Meeting ended at 8:15pm.

DRIFTWOOD HEIGHTS ASSOCIATION, INC.
370 N. EAST CAMANO DRIVE, STE. 5, PMB 219
CAMANO ISLAND, WA 98282-7279



INCORPORATED 1970

Submitted by Driftwood Heights Board members in lieu of Secretary

Approved by:

President:

Randy Barry

Vice President:

Maria Othman

Treasurer:

Sherri Hall

Secretary:

Vacant

Operations:

Mike Cona

Buildings and Grounds:

Leonard Visser

Water Quality Control:

Genelly Carranza

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



**Driftwood Heights
Water System**

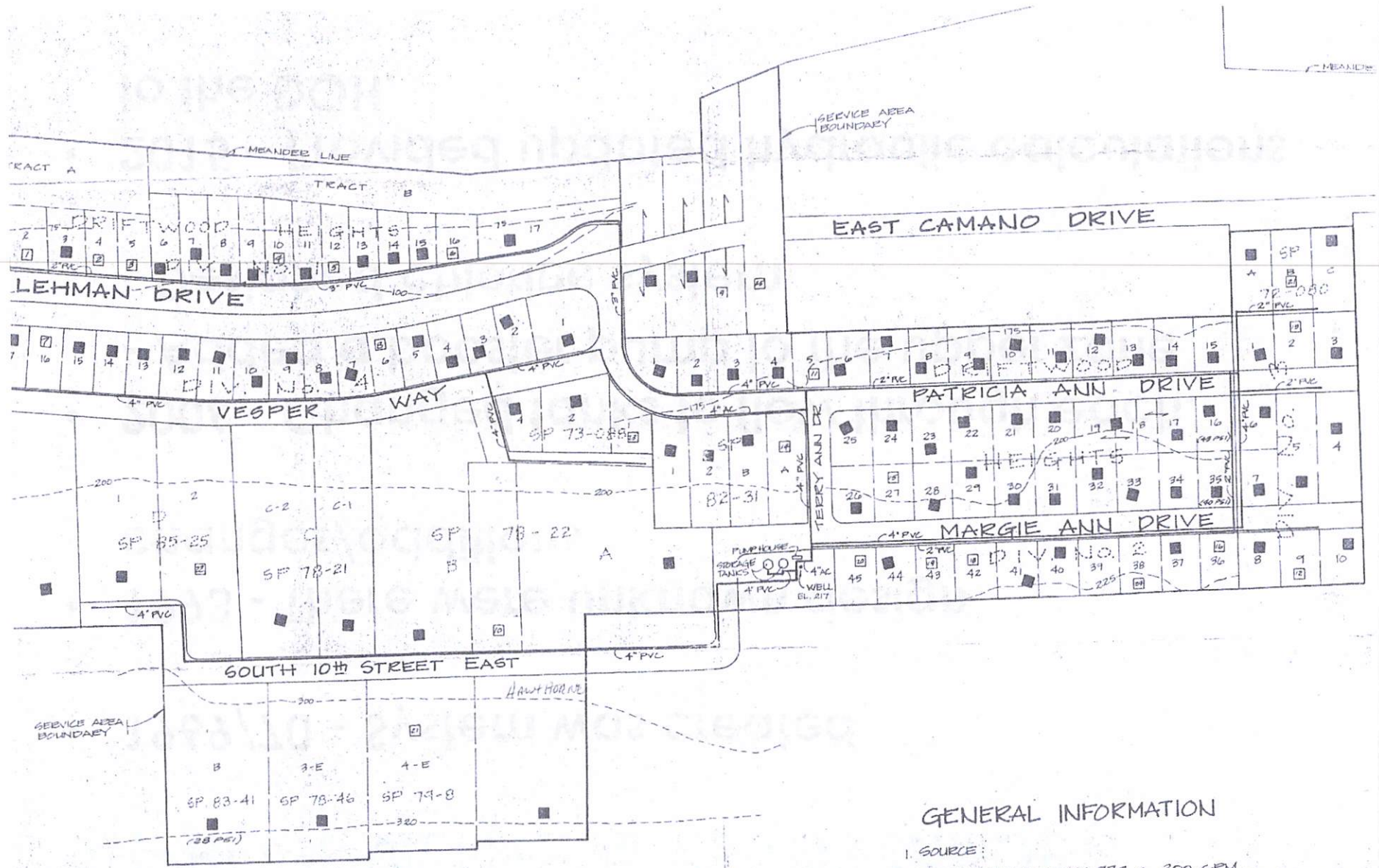
Presentation AGENDA

1. Improvements over the years	5. USDA Loan Program
2. Need to replace aging infrastructure	6. Mix of Loans
3. Scope of proposed project 1.What is being replaced 2.What is not being replaced	6. Budget
4. DWSRF Loan Program	5. Timing
	6. Open Discussion

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

- SOURCE:
 WATER RIGHT G100677C = 200 GPM
 CURRENT WELL PRODUCTION = 160 GPM = 230,400 G

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

Approve 20 Yr DWSRF Capital Plan

Yea Nay

Approve 40 Yr USDA Plan

Yea Nay

What is your recommended maximum Capital assessment
for water system Capital Project

/Year
 /month

Yea Nay

Yea Nay

Jul27,2023

Ballot #		20Yr DWSRF		40Yr USDA		Measure 3		Measure 4		Measure 5		Max year	Max month
		Measure 1	Measure 1	Measure 2	Measure 2	Measure 3	Measure 3	Measure 4	Measure 4	Measure 5	Measure 5		
		Y	N	Y	N	Y	N	Y	N	Y	N		
1	1	1			1							500	
2	1	1			1								
3	1	1										1200	100
4	1	1											
5	1		1		1							120	10
6	1	1										1200	100
7	1	1										1440	120
8	1	1										1500	
9	1	1										1000	
10	1	1										1200	
11	1	1											
12	1	1										600	
13	1	1										2000	
14	1	1											
15	1		1									100	
16	1	1										1800	150
17	1	1											
18	1	1										1440	120
19	1	1										1320	110
20	1	1											
21	1	1										1512	126
22	1	1										1200	150
23	1	1											
24	1	1											
25	1	1										1512	126
26	1	1											
27	1	1											
28	1	1			1							2400	200
29	1	1			1								
30	1	1										2000	165
31	1		1		1							600	50
32	1	1										1200	100
33	1	1			1							2500	
34	1	1											
35													
36													
37													
38													
39													
40													
41													
Sub Total	34	31	3	3	13	0	0	0	0	0	0	1288.36	116.21