

# Memorandum

March 23, 2018

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**TO:** Infrastructure Finance Authority Board  
**FROM:** Chris Cummings, Assistant Director  
**SUBJ:** Funding Opportunity of \$7,229,000—Safe Drinking Water Revolving Loan Fund Program for City of Hines, Water System Improvements, No. 180-13191, SD 17-174

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## Requested Action

Informational Only       For Board Input       For Board Action (see Recommended Motion)

## Request

The city of Hines, located in northern Harney County, has submitted a Safe Drinking Water Revolving Loan Fund (SDWRLF) application for \$7,229,000 for a water system improvements project.

The city owns and operates a municipal water system that serves 1,700 both inside and outside the city limits. A 2017 Water System Master Plan (WSMP) evaluated the system and recommended improvements for water supply, storage, and distribution to meet fire flow requirements, increase storage capacity, and update aging distribution elements.

Both of the city's existing water storage reservoirs are in poor condition. The distribution system is largely made up of two-inch steel lines installed with the original system in the early 1930s. The project includes preliminary and final engineering as well as construction of selected improvements described in the WSMP.

## Proposed Project

The city of Hines will contract for design and construction services to upgrade their water system. The proposed project includes supply line improvements, storage improvements, and water distribution improvements.

Supply line improvements include a well pump station with new motors and station building; electrical updates with a backup generator and remote control systems; and security systems. Storage improvements include improvements to the bolted steel reservoir and replacing the current elevated 250,000-gallon reservoir with a new 800,000-gallon reservoir. Water distribution improvements entail replacement of the original 1930's two-inch steel lines, as well as installation of new lines to provide adequate flow and circulation throughout the system.

## Funding Summary

The city of Hines qualifies as a Disadvantaged Community due to their projected user rate of \$56.50 by completion date, their below state average MHI of \$38,587 and their affordability rate of \$40.19.

**Recommended Motion**

Move to approve an award of \$7,229,000 in Safe Drinking Water Revolving Loan fund program funding to the city of Hines, comprised of a \$6,199,000 loan at 1.00% for 30 years and a \$1,030,000 forgivable loan, to design and construct above mentioned improvements to the city's water system.