

Exhibit No. ___ (RS-10)
Docket No. UW-060343
Witness: Richard Sarver

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

DOCKET NO. UW-060343

Complainant,

v.

ILIAD WATER SERVICE, INC.,

Respondent.

EXHIBIT TO
RESPONSE TESTIMONY OF

RICHARD SARVER, DEPARTMENT OF HEALTH

ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

*Washington State Drinking Water State Revolving Fund Loan Pre-Application Form
submitted for Y Bar S Water System, Application Number 1997-014*

October 4, 2006

1997-014

APPENDIX B

WASHINGTON STATE DRINKING WATER STATE REVOLVING FUND
LOAN PRE-APPLICATION FORM

A separate application form must be submitted for each project. If you submit applications for more than one project, make sure you use different project titles for each. Please submit an Original plus 4 Copies for each application. Applications must be submitted on or before October 1, 1997. The pre-application will be considered submitted if it is hand-delivered by 5:00 PM on October 1, 1997, or postmarked by October 1, 1997, and mailed, at a minimum, first class. FAXED applications will not be accepted. Pre-Applications postmarked or hand-delivered after this deadline will not be eligible.

Washington State Department of Health
Drinking Water Division
DWSRF Program
PO Box 47822
Olympia, Washington 98504-7822

Phone: (360) 584-8597

SECTION 1: APPLICANT/SYSTEM BACKGROUND INFORMATION

Bliss Industries Inc dba

Applicant: Y BARS WATER Contact Person: J.C. McDONNELL PE

Address: 3311 Bethel Rd SE #4A-194 PF ORCHARD WA 98366 Address: 2812 Colby Ave EVERETT WA 98201

Phone Number: 1800 373 1740 Phone Number: 206-258 2059

Fax Number: 253 853 6207 Fax Number: 425-258-5046

eMail Address: _____ eMail Address: _____

Project Title: LEAD + COPPER - Y BARS

Water System Name: Y BARS

Public Water System Identification Number: 988 757

Water System is Located in:

County (Name): KING
Federal Congressional District (Number): 8TH
State Legislative District (Number): 31ST

Type of System: Community Transient Noncommunity
 Nontransient Noncommunity

Received
9-25-97

Type of Ownership: Public Private For Profit Private Nonprofit

Population Served by System: 320

Number of Service Connections on System: 99 (1 customer going to own source)

Percent of Services which are Metered: 100% 50% to 99% 1% to 49% 0%

Do all of your sources have a source of meter? Yes No

SECTION 2: PROJECT INFORMATION

Estimated date when construction will begin: Feb / MAR 1998

Project Purpose and Proposed Solution(s) (Check All That Apply/See Project Ranking Score Sheet for Details):

Proposed project will eliminate Microbial Risk by:

- New Source
- Source Reconstruction
- Disinfection Improvements
- Filtration
- Reservoir Covering

Proposed project will eliminate Acute Primary Chemical Risk by:

- New Source
- Source Reconstruction
- Treatment

Proposed project will eliminate Chronic Primary Chemical Risk by:

- New Source AND ALSO SOURCE RECONSTRUCTION #3
- Treatment

Proposed project will eliminate Risk associated with Low Pressure by:

- Replacement Source
- Other Distribution Project

Proposed project will eliminate Secondary Chemical/Sea Water Intrusion Risk by:

- New Source
- Treatment

Proposed project will provide Infrastructure Replacement or Conservation by:

- Installation of Meters 15 NEW METERS
- Replacement of Infrastructure
- Installation of Pressure Reduction Device(s)

Other Project Benefits Information (Check All That Apply):

- YES Project will bring system into compliance with all DOH compliance orders
- Project will bring system into compliance with some but not all DOH compliance orders.
- Project involves restructuring or has regional benefit
- Project involves merging of systems (Specify number of systems) _____
- Project involves metering of all unmetered services 15
- Project involves metering of all unmetered sources.

Affordability:

- Applicant chooses to not supply Affordability information and, therefore chooses to not apply for bonus points associated with Affordability.
- Applicant is supplying Affordability information for consideration of receiving Affordability bonus points, as follows:

Average annual residential water rate = \$ 414⁰⁰ per year per ERU*

*See Appendix D for information on calculating this rate.

Median household income for calculation to be based on (check one):

- HUD Information (DOH will use Income Limits Tables)
- Census Tract information as follows:

Census Tract Number _____

Median household income = \$ 43,500 per year 80%

Survey or other information source as follows:

Source of Information** : DOH

Median household income = \$ 43,500 per year

**Include copy of data from survey or other information source.

SECTION 3: PLANNING INFORMATION

System has a current DOH-approved water system plan or small water system management program? Yes No *NEW PROJECT REPORT*

If system has a current DOH-approved water system management plan or small water system management program, is the proposed project identified in the capital facilities element of that document and is the financing for that project covered in the financial element of that document? Yes No

Project will include development of a new or amendment of an existing water system plan or small water system management program: Yes No *NEW PROJECT REPORT*

SECTION 4: PROJECT COSTS AND PROPOSED FUNDING SOURCES

Estimated Project Costs:

Construction	\$	<u>95,500</u>	
Engineering	\$	<u>5,200</u>	
WSP/SWSMP #5000	\$	<u>5,000</u>	
Other (Contingency)	+	<u>11,000</u>	<i>IF REQUIRED PROJECT REPORT IN PROGRESS</i>
Subtotal	=	<u>116,500</u>	
Loan Fee (3% of Subtotal)	+	<u>3,300</u>	
Total Project Cost	=	<u>113,800</u>	<i>PLUS \$2000 DOH REVIEW FEE IF ALLOWABLE</i>

Source of Information Used to Estimate Project Costs:

- Capital Improvement Plan
- Final Engineer's Estimate
- Previous Comparable Construction *CURRENT CONTRACTOR ESTIMATE*
- Facilities Plan
- Financial Assistance Form
- Other
- No Documentation Available

Proposed Project Funding:

State Revolving Fund	\$	<u>113,800</u>	
Applicant Matching Funds	\$	<u> </u>	
Other Funds (List Sources)	\$	<u>8,000</u>	<i>CUSTOMER CASH PAYMENTS</i>
	+	<u> </u>	
Total Project Funding	=	<u>\$ 95,800</u>	

SECTION 5: NARRATIVE DESCRIPTIONS

Provide a brief narrative description of funding strategy:

SPECIAL ASSESSMENT —

OPTION: Cash-Pro Rata Cost GR
\$20/MONTH SPECIAL ASSESSMENT

Provide a brief narrative description of the system's problems, the problem and how the project will resolve the system's problems:

SEE ATTACHED DESCRIPTION ON FOLLOWING PAGE.

SECTION 5 : NARRATIVE DESCRIPTIONS

Provide a brief description of the system's problems, the project and how the project will resolve the problem.

Current supply wells of record (i.e. wells #1 and #2) are 30 feet deep. Recent Water Quality tests in the supply wells and at various taps within the system have indicated potential chemical problems with these two shallow wells. Cu/Pb heavy metal concentrations have been measured exceeding the respective MCL's at several taps. The measured pH (i.e. between 5.2 and 5.6) in the source water has resulted in Copper levels exceeding the MCL at several individual homes within the development, a potential violation of the Cu/Pb rule. Also, Nitrate was detected in increasing concentrations in some samples from the shallow source wells. These could be related to area drainfields and could develop into a future health hazard.

To eliminate the potential risk of violating MCL's for nitrate and copper, a fourth supply well(#4) is provided in the approved existing well site of wells #1 and #2. This new source along with older "Highview" well #3 will now replace the shallow wells. These new wells tap into different aquifers at a depth range from 160 to 200 feet. They will be unaffected by potential surface contamination, drainfield seepage and potential future SWI regulations. The replacement wells will eliminate the low pH(i.e. acidic) condition that causes copper to leach from water pipes. The pH of the deeper wells ranges from 7.0 to 8.5 so the corrosion of metal pipes will cease.

However, the deeper wells have Manganese concentrations exceeding the MCL levels required by DOH. Therefore, they will be treated with a modern ozonation/filtration process. This system will remove the offending Mn/Fe metals, while oxygenating the water. The result will be a high quality, safe water without the corrosive acidity of the current shallow wells. Expensive high maintenance treatments with hazardous caustic chemicals will be avoided. The pH of the treated water will remain over 7.0 so eliminating corrosion and the deeper well supply will be protected from surface contamination.

SECTION 6: PRE-APPLICATION CERTIFICATION

I hereby certify that the information provided in this application is true and correct, to the best of my belief and knowledge, and it is understood that the state may verify information, and that untruthful or misleading information may be cause for rejection of this application or termination of any subsequent loan agreement. I further certify that I have the authority to submit this loan pre-application on behalf of the owner(s) of this water system.

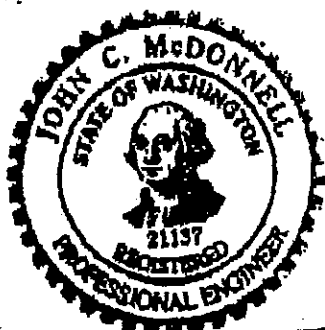
Signed *J. C. McDonnell*

Title Project Engineer

Name J. C. McDonnell

Date 9/18/97

(printed)



EXPIRES 10/13/97