

Exhibit No. ___ (RS-4)
Docket No. UW-060343
Witness: Richard Sarver

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

ILIAD WATER SERVICE, INC.,

Respondent.

DOCKET NO. UW-060343

**EXHIBIT TO
RESPONSE TESTIMONY OF**

RICHARD SARVER, DEPARTMENT OF HEALTH

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

DOH "Water Tap" newsletter, January 2002

October 4, 2006



the WATER TAP

WASHINGTON'S DRINKING WATER NEWSLETTER

DWSRF Program 2002: \$25 million to help water systems improve infrastructure

Six workshops in March - Agenda and Registration Form Inside

Does your system need drinking
water infrastructure improvements?

Do you need low-interest funding?

If you answered yes, the Drinking
Water State Revolving Fund (DWSRF)
loan program may be the solution
you've been looking for. The program
is now gearing up for the 2002 loan
cycle. Over \$25 million is available to
fund drinking water capital
construction projects. The goal is to
increase public health protection and
drinking water system compliance.

Washington is a national leader in
getting these funds out to public water
systems. Over \$106 million dollars
have been committed to drinking
water infrastructure improvements in
Washington since the state DWSRF
program was introduced in 1997.

Public water system capital
improvements are critical to the long-
term health and economic vitality of
Washington's communities. There are
a wide variety of such improvements
that can be funded through the
DWSRF program. Examples of
projects that have already been funded
are on page 2.

A new focus on security

Since the tragic events of September
11, EPA, states, and water utilities
have been working hard to ensure
safe water supplies. Utilities can take
many straightforward, common sense
actions to increase security and reduce
threats from terrorism. Areas in
which to focus attention include
guarding against unplanned physical
intrusion, making security a priority
for employees, coordinating actions
for effective emergency response, and
investing in security and
infrastructure improvements.

In addition to the various types of
infrastructure projects funded in the
past, DWSRF may also be able to
provide assistance to projects that
contain certain security components.

If the security measures are directly
related to the primary project, they
may be included as a part of the
project, in which case the project
would score according to the primary
project's risk category. If the security
measures are not directly related to
the primary project, they can also be
submitted as a stand-alone DWSRF
project, in which case the project
would score lower than water
treatment projects or other projects
addressing more direct public health
threats.

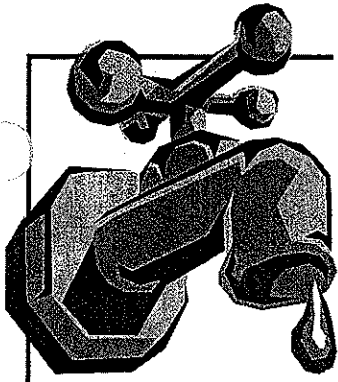
- Public application workshops in
March 2002
- Applications due May 13, 2002
- Funds should be available by
spring of 2003

Examples of security measures that
DWSRF can fund include:

- Enhanced filtration/ disinfection
for biological agents
- Enhanced treatment for
chemical agents
- Covering finished water reservoirs
- Fencing (facility area)
- Security cameras, lighting,
motion detectors
- Redundancy of control systems
and power
- Secure chemical and fuel storage
- Lab equipment
- Backflow prevention devices in
distribution systems
- Installing security hatches on
reservoir tank access panels
and vents
- Protective measures identified as
necessary through a cross-
connection control program.

*It is important to note that the loan
repayment period is 20 years or the
life expectancy of the project,
whichever is less.*





Project Examples

The DWSRF program guidelines, application, and small water system management program guide will be available after March 1 at www.doh.wa.gov/ehp.dw/Our_Main_Pages/public.htm

For more information, contact Chris Gagnon at 360/236-3095, or email, chris.gagnon@doh.wa.gov

Lewis County Water & Sewer District No. 6

The Lake Mayfield community has been on both water and sewer moratoriums for several years due to failing septic systems and poor water supply. The water system has had numerous problems over the years, including high iron and manganese concentrations, bacterial contamination, inadequate pressure, lack of water, lack of a certified operator, large amounts of water loss, and an overall failure to provide reliable water.

This DWSRF project will provide safe drinking water facilities to the Lake Mayfield Village area. Since Lewis County is considered economically distressed, the district received a 1.5 percent 20 year loan.

This project will address all of the current problems and end the water connection moratorium while ensuring safe and reliable drinking water.

County:	Lewis
Project Funding:	DWSRF Loan: \$428,400
	Other Sources: \$5,080,448
	<u>Total Project Cost: \$5,508,848</u>

Sunny Acres Mobile Home Park

Sunny Acres Mobile Home Park had a red operating permit and was out of compliance with state drinking water regulations. The mobile home park community is considered disadvantaged and therefore received a 1.5 percent, 20 year loan.

The funded project will replace an inadequate well and distribution system by installing all the necessary lines and meters to connect to a

municipal source of supply, thereby ensuring a safe and reliable source of drinking water.

County:	Thurston
Project Funding:	DWSRF Loan: \$33,313
	<u>Total Project Cost: \$33,313</u>

City of Tenino

A bilateral compliance agreement with DOH required the city to install corrosion control treatment. The city's water releases copper from the homeowners piping which, at high levels, can cause adverse health effects.

This project included a pilot study to determine the most cost-effective treatment, design and engineering for developing a corrosion control facility, installation, and start up.

Because the city is considered an extremely disadvantaged community, they received a 0 percent, 30 year DWSRF loan to finance the project. The end result will be a safe drinking water supply.

County:	Thurston
Project Funding:	DWSRF Loan: \$199,410
	Other Sources: \$5,300
	<u>Total Project Cost: \$204,710</u>

City of Port Angeles

The city was under a bilateral compliance agreement with DOH and applied for loans in the first two loan cycles to address corrosion control problems. The first project involves covering distribution reservoirs to mitigate corrosive conditions. The second replaced water main and reconstructed sidewalks, providing improved water service and aesthetic benefits.

The city received a 1 percent reduction on their interest rate due to Clallam County's designation as an economically distressed county. Completing these projects is expected to bring the city into compliance with state drinking water regulations.

County:	Clallam
Project Funding:	DWSRF Loans: \$1,493,500
	Other Sources: \$1,325,300
	<u>Total Projects Cost: \$2,818,800</u>

DWSRF Workshops

2002 Drinking Water State Revolving Fund (DWSRF) Application Workshops

Please indicate which session you wish to attend on the registration form at each location.

March 12 - Spokane

Hampton Inn Spokane, 2000 South Assembly Road, Spokane, WA 99224
509/747-4400

March 13 - Richland

Hampton Inn Richland, 4800 Bradley Boulevard, Richland, WA 99352
509/943-4400

March 14 - Wenatchee

Dept. of Transportation, 2330 E. Rich Road, Wenatchee, WA 98801
509/667-2800

March 19 - Kelso/Longview

Red Lion Hotel, 510 Kelso Drive, Kelso, WA 98626
360/636-4400

March 20 - Fife

Best Western Executive Inn, 5700 Pacific Highway East, Fife, WA 98424
253/922-0080

March 21 - Everett

Best Western Casandra Inn, 2800 Pacific Ave., Everett, WA 98201
425/258-4141

Workshop Agenda and Registration Form

Public Works Trust Fund & Drinking Water State Revolving Fund
8:30 A.M. - 1:30 P.M.

- 8:30 - 10:30 Public Works Trust Fund Loan Programs
- 10:45 - Noon Drinking Water State Revolving Fund Loan Program
- 12:15 - 1:30 How To Develop Financial Capacity for Infrastructure Projects

Six different dates and locations

All workshops are free

cut along line, follow instructions below

Please fill out and mail or fax to:

Public Works Board, PO Box 48319,
Olympia, Washington, 98504-8319
Attention: Cecilia Gardener
Fax (360) 664-3029 • Phone (360) 725-5006

- Workshop Sign-up
- Request for 2002 DWSRF Loan Application & Guidelines

Name _____ Phone _____

Water System _____

Address _____

Workshop Location _____ # Persons Attending _____

Guidelines/Applications Requested _____

Note: Guidelines and application available after March 1 on the Internet at www.doh.wa.gov/ehp.dwl/Our_Main_Pages/public.htm

Highlights and New Features for 2002

- New!** 1.5% basic interest rate on 20 year loans
- New!** 1% interest for systems in distressed counties
- Reduced interest rates for systems in disadvantaged communities
- New!** Loan limit \$4 million per system
- New!** Loan limit \$8 million for projects involving multiple systems
- New!** Expanded retroactive assistance for municipal systems
- New!** Added funding security measures to eligibility
- New!** Revised project scoring
 - No local match required
 - 2% loan fee
 - Most Group A community and nonprofit, noncommunity water systems are eligible
 - Financing available to both public and privately owned water systems
 - Over \$25 million available for project loans

Water System Plan Requirement

To be eligible for a loan and remain on the funding list, DWSRF applicants must have a DOH-approved water system plan or small water system management program that includes the proposed project by December 31, 2002.

Potential applicants are strongly encouraged to contact their DOH regional office immediately to find out their planning requirements.

The Public Works Board programs include a planning loan program for municipal water systems. Information is available at www.pwb.wa.gov or by calling 360/725-5000.

DWSRF Survey

We would like to hear your thoughts and comments on how we can improve the DWSRF program. Please take a minute to complete and return this survey to help us project demand for DWSRF loans and help shape the program's future. There is over \$25 million to loan out in 2002.

1. Do you plan on applying for a DWSRF loan in 2002? If "yes", please check all that apply.


<input type="checkbox"/> New increased loan limits	<input type="checkbox"/> New reduced interest rates
<input type="checkbox"/> No local match	<input type="checkbox"/> Retroactive assistance for municipal systems
<input type="checkbox"/> Funding for security measures	<input type="checkbox"/> Project ready to proceed
<input type="checkbox"/> Regulatory compliance element	<input type="checkbox"/> Financing available for privately-owned systems
<input type="checkbox"/> Other (please specify) _____	

2. How many loans will your jurisdiction apply for? _____
3. What is the total approximate dollar amount you will apply for? _____
4. Have you secured a DWSRF loan in the past? _____
5. If "no", what prevented you from applying for or accepting the loan? _____

6. What would you like to see improved about the DWSRF program? _____

7. Other comments: _____

Please mail or fax your completed survey to:
Chris Gagnon
1717 Cleanwater Lane
Building #3
PO Box 47822
Olympia, WA 98504-7822
fax (360) 236-2252

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