Exhibit No. (RS-5) 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

DOH "Water Tap" newsletter, January 2003

October 4, 2006

### Special Edition: DWSRF Program - January 2003



## DWSRF Program 2003:

### \$20 million to fund water system repairs and upgrades - 1.5% basic loan interest rate

Have you heard? Your water system may be eligible for a low-interest loan to fund projects such as a water main replacement, a new reservoir, or a treatment facility. Want to find out how to make this possible for your community? Read on and plan to attend one of seven free workshops in March.

The Drinking Water State Revolving Fund enters its seventh loan cycle in 2003. Every year the Department of Health (DOH) makes it a priority to allocate all available funds to as many eligible drinking water improvement projects as possible. With the streamlined application process and low basic interest rate of 1.5%, this year's DWSRF program continues to be an attractive funding option for water systems.



- Seven free application workshops in March 2003 (four with information on arsenic)
- Applications due May 12, 2003
- Funds available spring of 2004

#### Should You Apply?

Here are some general suggestions. For complete details refer to the guidelines and attend one of the workshops

#### Eligible systems/projects include

- Most Group A community systems, including mobile -
- Most Group A nonprofit noncommunity systems
- Group B systems converting to Group A
- Retroactive financing for specific high-priority municipals projects.
- · Projects that address a public health risk.
- Projects to upgrade outdated, deteriorated facilities

#### Ineligible systems/projects include:

- For-profit noncommunity systems
- State or federally owned systems.
- Projects already receiving assistance from the DWSRF. tribal set-aside
- Projects mainly for future growth, fire flow, or dams
- Projects for studies, assessments, operations and maintenance.

#### Arsenic treatment workshops will be held at four DWSRF workshop locations.

The maximum contaminant level for arsenic in drinking water has been reduced from 50 to 10 parts per billion. While the new federal standard is not effective until 2004 for new sources and 2006 for existing sources, water systems should be testing their sources now to see if they have a problem and making plans for meeting the standard—which could include costly new treatment.

Arsenic treatment projects are considered high-priority for DWSRF consideration. Many water systems exceeding the arsenic standard, especially small systems, will need to decide on the most appropriate treatment. To help meet this need, arsenic treatment workshops will be presented at four of the DWSRF application workshop locations (Spokane, Wenatchee, Kelso, Mount Vernon) from 1.15 to 4.30 p.m. If you wish to attend one of these sessions, please be sure to mark the appropriate box on the registration form.

# Successful Project Examples

#### Skookum Chuck Water Assoc. – Whatcom County

This project was undertaken to upgrade the water system source and storage facilities to meet current standards. They accomplished this with a 3.5% 20-year DWSRF loan, which was used to construct a new well, a concrete storage reservoir, and a building to house a new booster pump station, stand-by-generator, chlorination, and a corrosion

control treatment system.

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#### Coulee Dam ~ Okanogan County

The town was operating under an agreed order from DOH requiring it to upgrade its infiltered surface water supply system. The town provides drinking water and irrigation to about 1,100 people and a tew-commercial businesses. The supply of water is subject to the requirements of the federal Surface Water Treatment Rule. The town is using a 1.5% 20-year DWSRF loan to construct a slow sand filtration plant, including furnishing and installing all pipelines, valves, pumps, concrete and other equipment and materials. Upon completion, the residents will have a reliable and sate source of drinking water.

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## Lamplighter Mobile Home Court ~ Whatcom County

The system was originally constructed in the 1960s and now serves 51 residential connections. In 1999 DOH filed a departmental order that required them to completely upgrade their source and water system and to include treatment for iron and manganese removal. In lieu of upgrading the system, the purveyor determined that it was more economical to connect to the City of Ferndale. The system received a 0% 30-year DWSRF loan to install 2:600-feet of 6/8, and 12-inch water main for the connection, to replace the existing distribution system, and to decommission its two existing wells

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## Paradise Community Club, Inc. ~ Lewis County

The system serves about 700 people on a combination of 380 residential and recreational lots. It was constructed in the 1960s and no longer has adequate storage capacity, distribution pressure, and water quality: A 2.5% DWSRF loan will be used to construct a 50,000 gallon storage tank, a 300-gpm booster pumping station, standby power, hypochlorination equipment, piping, and other appurtenances. Additional USDA grant/loan funding will allow extensive distribution system upgrades:

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#### Royal City ~ Grant County

The city provides drinking water to a service area of more than 1,500 people and 60 businesses and small industries. The overall system is inadequate and in need or upgrades. The wells have high nitrate levels, and capacity is insufficient to meet the maximum day demand. This project received a 2.5% DWSRF loan to drill a third well, construct a well house, install pumping, electrical, and telemetry equipment, and improve two booster stations, including redundant pumping equipment and emergency power.

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## Snohomish County PUD #1 = Snohomish County

The Kla-Ha-Ya system serves 78 customers and is in red operating status due to storage capacity deficiencies. The customers are not able to finance and manage the necessary improvements on their own. The PUD received a 2.5%, 20 year DWSRF loan to integrate Kla-Ha-Ya into the larger. PUD system. The project consists of installation of approximately 4.400 feet of 8" duettle fron pipe. PUD connections, meters, and other distribution-related appurtenances. Upon completion, the red operating permit status will be lifted, the community will have a reliable source of drinking water, and PUD staff, will operate and maintain the system.

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### **DWSRF Workshops**

#### 2003 Drinking Water State Revolving Fund (DWSRF) Application Workshops

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

#### March 18 - Spökane (Includes Arsenic Workshop) - Hampion Irin Spokane - Sunset A Room i

2010 South Assembly Road Spokane WA 99224 509-747-1100

> March 19 - Richland Hampton Inn Richland Cölumbia Böint 486 Bradley Boülepard Ribland, WA 99352 509494544400

March 20 - Wengtchee Michides Arsenie Workshop)
West Coast Wenetchee Gowantion
Center Hole! - Gala 1-2-3, 1-1-2
201 N. Wengtchee Avenue
Wengtchee WA. 98801509-662-1234

March 25 - Kelso/Longview (Includes Assenic Workshop) Reils Joir Hotel - Gedur-Room 510 Kelso Drive -Kelso WA 98626 360-636-44003

> March 26 - Tacoma Lai Quirta line facama Pine/Fit Room 1425 East 27 In Street Tricoma, WA 98421 255-383-0146

March 27 - Mount Vernon, (Includes Assenic Workshop) The Granberry Free Restaurant a The Bix Robm 2030 Freeway Drive

2030 Freeway Drive Mount Vernor, WA 98273 360-424-7755

March 28 - Port Angeles Best Western Olympic Lodge The Crescent 140 Del Cuzzi Drive Port Angeles, WA 98362 260-2522 1993

#### Workshop Agenda and Registration Form

Public Works Trust Fund & Drinking Water State Revolving Fund 8:30 A.M. ~ 4:30 P.M.

8:30 - 10:00 Public Works Trust Fund Application Workshop

10:15 - 11:45 Drinking Water State Revolving Fund Application Workshop

11:45 - 1:15 Lunch (on your own)

1:15 - 2:45 Financial Capacity Workshop

1:15 - 4:30 Arsenic Treatment Workshop\* (Spokane, Wenatchee, Kelso, Mt. Vernon)

Seven different dates and locations • All workshops are free • register in advance \*Note: Arsenic treatment workshops are at four locations only.

For more information: Chris Gagnon 360-236-3095 or chris.gagnon@doh.wa.gov

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: Julie Moultine Fax 360-664-3029 • Phone 360-725-5015	Check the workshaps you wish to attend:    S:50.: 10:00. Public Works Trust Funds  10:15- 11:45 DWSRB;  1:15- 2:45 - Financial Capacity  1:15- 4:30 Assenic Treatment
Name	Phone
Water System	
Address	
Workshop Location	# Persons Attending
# Guidelines/Applications Requested: PW	TF DWSRF
Note: Guidelines and application <u>Drinking Water State Revolving Fund:</u> www.doh.u <u>Public Works Trust Fund:</u> www.j	oa.gov/ehp/dw/Our_Main_Pages/dwsrf.htm

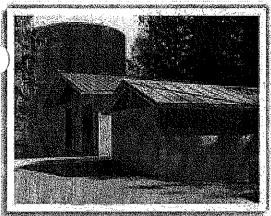
#### Water System Plan Requirement

The project must be included in a current DoPrapproved Water System Plan or Small Water System Management Program. The deadline for submitting a Water System Plan to DOH is September 30, 2003. The deadline for submitting a Water System Plan Amendment or Small Water System Management Program to DOH is November 30, 2003. Systems that fall to meet these deadlines will become ineligible for funding a Submittal by the deadline does not guarantee DOH approval. The required plan must be approved by January 31, 2004.

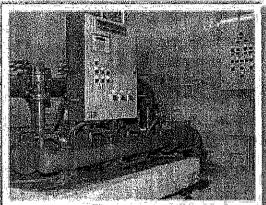
During the 2002 DWSRF cycle 15% of the eligible projects came off the funding list because they did not meet this requirement. Potential applicants are strongly encouraged to contact their DOH regional office immediately to find out their planning requirements.

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

The state's <u>online infrastructure database</u> at www.infrafunding.wa.gov has information on sources of funding and technical lassistance for projects.



Photos above and below - Skookum Chuck Water Association improvements funded through DWSRF.



### **DWSRF Highlights for 2003**

- 1.5% basic interest rate on 20 year loans
- 1% interest for systems in distressed counties
- Reduced interest rates for systems in disadvantaged communities
- No local match required
  - Loan fee decrease to 1%
  - Loan limit \$4 million per system
  - Loan limit \$8 million for projects involving multiple systems
  - Retroactive assistance for specific high-priority municipal projects
  - Most Group A community and nonprofit, noncommunity water systems are eligible
  - Financing available to both public and privately owned water systems
  - Over \$20 million available for project loans
    - Water system plan approval deadline extended to January 31, 2004

DOH bUB, #331-200

The Department of Health is an equal-opportunity agency. If you need this document in an alternative format, call 1-800-525-0127 (voice) or 1-800-833-6388 (TDD). This and other publications are available on the Internet at www.doh.wa.gov/ehp/dw



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Docket No. UW-060343 Exhibit No. \_\_\_\_\_ Page 4 Department of Health — Plvision of Drinking Water Olympia, WA 98504-7822 Olympia, WA 98504-7822