

Exhibit No. T-____ (RS-1T)
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

RESPONSE TESTIMONY OF

RICHARD SARVER

**Manager, Water System Support Section, Office of Drinking Water
Washington State Department of Health**

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

October 4, 2006

1 **I. INTRODUCTION**

2

3 **Q. Please State Your Name And Business Address.**

4 A. My name is Richard Sarver. My business address is 243 Israel Road SE; Tumwater,
5 Washington 98501.

6

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed with the Washington State Department of Health (DOH). I am
9 manager of the Water System Support Section within the Office of Drinking Water
10 Headquarters Office.

11 This section includes two financial assistance programs, the Drinking Water
12 State Revolving Fund loan program and the Water System Acquisition and
13 Rehabilitation Program. This section also includes the Operator Certification, the
14 Operating Permit, Consumer Confidence Report, and Public Notification programs
15 and also is lead for Headquarters compliance activities.

16

17 **Q. How long have you been employed by this Agency?**

18 A. I have been employed with the Department of Health Drinking Water Program for 16
19 years, including six years managing the Water System Support Section.

20

21

22

23

1 **Q. What are your educational and professional qualifications?**

2 A. I have a Bachelor of Science degree from Washington State University in
3 Bacteriology and Public Health. I am a Registered Sanitarian in state of Washington
4 (registration number 11).

5 Prior to joining the Department of Health, I was employed for 13 years as an
6 Environmental Health Specialist with Snohomish Health District, including 9 years
7 as lead for their drinking water program. I also was employed for 15 months as a
8 Senior Planner with Snohomish County, including being project manager to develop
9 the North Snohomish County Coordinated Water System Plan.

10 The past 16 years I have been employed with the Department of Health
11 Drinking Water Program, as a planner, health services consultant, and manager.

12 I have administered the Drinking Water State Revolving Fund loan program
13 since its inception 9 years ago. I represented the state, for 3 years, on the national
14 State/EPA State Revolving Fund Work Group that advised the U.S. Environmental
15 Protection Agency on policy and implementation of the state revolving fund
16 programs. I also represent the agency on the Association of State Drinking Water
17 Administrators' State Revolving Fund Committee.

18

19 **Q. What is the purpose of your testimony?**

20 A. I will describe the Drinking Water State Revolving Fund loan, the availability of
21 information about the loan, and the process for obtaining it. I will analyze the
22 eligibility of Iliad Water Service, Inc.'s Alder Lake water system for this loan. I will

1 describe the probability that this company would have received funding had it
2 applied.

3

4 **Q. Have you reviewed DOH's records pertaining to the Alder Lake water system**
5 **owned by Iliad Water Service, Inc. (Iliad Water)?**

6 A. Yes. I have reviewed documents contained in our Office of Drinking Water (ODW)
7 headquarters files. I have reviewed a number of ODW Northwest Regional Office
8 records. I have discussed this case with Derek Pell, Assistant Manager for the ODW
9 Northwest Regional Office.

10

11 **Q. Have you reviewed the UTC tariff filing in docket UW-060343, and the direct**
12 **testimony and exhibits filed by Derek Dorland before the Washington Utilities**
13 **and Transportation Commission (UTC) in Docket No. UW-060343?**

14 A. Yes, I have reviewed the testimony and exhibits filed by Mr. Dorland along with
15 UTC documents publicly available in this docket.

16

17 **Q. Are you sponsoring any exhibits in this proceeding?**

18 A. Yes, I am submitting the following documents:

19 Exhibit No. ____ (RS-2), DOH *Water Tap* newsletter dated February 2006;

20 Exhibit No. ____ (RS-3), DOH *Water Tap* newsletter dated February, 2001;

21 Exhibit No. ____ (RS-4), DOH *Water Tap* newsletter dated January, 2002;

22 Exhibit No. ____ (RS-5), DOH *Water Tap* newsletter dated January, 2003;

23 Exhibit No. ____ (RS-6), DOH *Water Tap* newsletter dated February 2004;

1 Exhibit No. ____ (RS-7), DOH *Water Tap* newsletter dated February 2005;
2 Exhibit No. ____ (RS-8), *Drinking Water State Revolving Fund 2006 Funding Cycle*
3 *Application Guidelines*.
4 Exhibit No. ____ (RS-9), *Small Water System Management Program Guide*.
5 Exhibit No. ____ (RS-10), Washington State Drinking Water State Revolving Fund
6 Loan Pre-Application Form submitted for Y Bar S Water System, Application
7 Number 1997-014.

8

9 **II. DRINKING WATER STATE REVOLVING FUND LOAN (DWSRF)**

10

11 **Q. Please describe the purpose of the Drinking Water State Revolving Fund**
12 **(DWSRF) loan program.**

13 A. The purpose of the Drinking Water State Revolving Fund Program is to provide
14 loans to community and nonprofit non-community water systems for capital
15 improvements that increase public health protection and ability to comply with
16 drinking water regulations.

17

18 **Q. Does the Office of Drinking Water take affirmative steps to inform and educate**
19 **water companies of the availability of the DWSRF?**

20 A. Yes. The Office of Drinking Water (ODW) takes a variety of affirmative steps to
21 inform and educate water companies of the availability of DWSRF.

22 For example, DWSRF information can be accessed on the Internet at the
23 Office of Drinking Water's DWSRF website, the Public Works Board website, and

1 the Infrastructure Assistance Coordinating Council (IACC) website. In addition,
2 DWSRF rules, guidelines, *Water Tap* newsletters, fact sheets, and staff contact
3 information can all be found, and downloaded, on the ODW website.

4 Each February, the Office of Drinking Water publishes a special DWSRF
5 edition of our *Water Tap* newsletter. This newsletter is sent to all certified water
6 works operators and the owners of all eligible public water systems. It is also mailed
7 to many consulting firms and other interested parties. This publication is also
8 available on our Office of Drinking Water website. This newsletter provides
9 information on what types of projects are funded, dates and locations of our public
10 workshops, and where to get additional information. I have provided a copy of the
11 February 2006 edition of the *Water Tap* that describes the 2006 DWSRF program as
12 Exhibit No. ____ (RS-2). I have also provided copies of the DWSRF editions of
13 *Water Tap* newsletters for 2001 2002, 2003, 2004, and 2005. [See Exhibit No. ____
14 (RS-3); Exhibit No. ____ (RS-4); Exhibit No. ____ (RS-5); Exhibit No. ____ (RS-6);
15 Exhibit No. ____ (RS-7)].

16

17 **Q. Does the Office of Drinking Water provide any conferences or workshops that**
18 **provide information on the DWSRF program?**

19 A. Yes. Each Fall, the Infrastructure Assistance Coordinating Council conducts an
20 infrastructure funding conference, in Wenatchee, to provide information to interested
21 parties on most of the state and federal grant and loan programs that fund
22 construction of water, sewer, and other basic infrastructure projects. The DOH is a

1 member of the IACC and the Office of Drinking Water actively participates in these
2 annual conferences. Information on the IACC conferences is widely advertised.

3 Each spring, Office of Drinking Water and Public Works Board staff jointly
4 conduct about 5 public workshops, statewide, to provide information to interested
5 parties about the DWSRF and Public Works Trust Fund loan programs.

6 In addition, the Office of Drinking Water's three regional offices and
7 headquarters have staff with training in the DWSRF program and can, if necessary,
8 direct interested parties where to obtain additional information.

9

10 **Q. Does DOH notify small water systems of the availability of the DWSRF in the**
11 **same way as other systems?**

12 A. Yes. DOH notifies and educates small water systems using the very same
13 approaches as I just testified to. The program is for all eligible water systems
14 regardless of its size.

15

16 **Q. Did DOH send copies of the DWSRF editions of the Water Tap newsletter for**
17 **2002 – 2006 to Iliad Water?**

18 A. The Office of Drinking Water does not maintain historical records of who was sent
19 copies of the *Water Tap*. However, our mailings go to all individuals listed as
20 primary contact for eligible public water systems and all certified water works
21 operators. Dave Dorland, Sr. is listed by DOH as the primary contact for the
22 Alder Lake water system, with a PO Box address. Our information technology staff
23 also identified Dave Dorland, Sr. on its June 2005 mailing list. Based on this

1 information, I believe Iliad Water would have been sent copies of all of the special
2 editions of this newsletter in 2002 through 2006.

3

4 **Q. Does the Office of Drinking Water provide additional technical assistance to**
5 **water companies seeking a DWSRF loan?**

6 A. Yes. The Office of Drinking Water, and our administrative partners, provide
7 technical assistance to water companies that may or have applied for DWSRF loans.

8 Our headquarters program staff is available to assist potential applicants in
9 understanding program eligibility and requirements, and can advise the applicant on
10 the likelihood of obtaining funding. Each regional office has an individual who is
11 the primary contact for DWSRF loans.

12 The Office of Drinking Water jointly administers the DWSRF program with
13 the Public Works Board. The Public Works Board staff provides technical assistance
14 on the financial and contractual requirements of the program. They also provide
15 technical assistance to help small systems comply with the environmental review
16 process.

17

18 **Q. Are privately-owned community water systems eligible for DWSRF funding?**

19 A. Yes. Owners of publicly and privately owned community systems are eligible.
20 Community systems are systems that primarily serve residences. The DWSRF funds
21 drinking water projects for public water systems that are regulated under the federal
22 Safe Drinking Water Act (SDWA). Existing water systems that are too small to
23 meet the SDWA regulatory threshold may also be funded, provided that they are part

1 of a federally regulated system upon project completion. Further information
2 regarding eligibility is contained in our program guidelines, which are updated each
3 year, and available at the DOH's web site. I am providing a copy of the *Drinking*
4 *Water State Revolving Fund 2006 Funding Cycle Application Guidelines* as Exhibit
5 No. ____ (RS-8).

6
7 **Q. Please describe the approval process for an applicant seeking approval for a**
8 **DWSRF loan.**

9 A. The application process and schedule is similar each year. Applications are
10 submitted in late spring, typically early May. Applications are reviewed by the
11 Office of Drinking Water staff for eligibility. This process goes through July.
12 Applicants are notified if projects pass or fail eligibility review.

13 Applications are scored by Office of Drinking Water staff in August.

14 Eligible applications are placed onto a draft prioritized project funding list, based on
15 their score. The draft prioritized project funding list is forwarded to Public Works
16 Board in August or September.

17 The Office of Drinking Water publishes a draft Intended Use Plan (IUP) in
18 August or September. This document includes the draft prioritized project funding
19 list. The draft IUP subject to 30-day public comment period. All eligible applicants
20 and their consultants receive copies. Copies are also placed in the state library and
21 are posted on the Office of Drinking Water DWSRF web site. Project scoring rarely
22 changes.

1 **Q. Do applicants receive notice during this approval process of their place on the**
2 **funding list?**

3 A. Yes. Applicants receive notice of where their projects lie on the draft funding list in
4 early September. Those likely to receive funding also receive notice of any project-
5 specific eligibility requirements. Examples include the need to submit a small water
6 system management program, project report or construction documents.

7
8 **Q. Does Public Works Board conduct a separate financial review as part of the**
9 **DWSRF approval process?**

10 A. Yes. Public Works Board staff conducts a financial review for projects likely to
11 make the funding list. This review starts in September and goes through early
12 January.

13 The Public Works Board approves the final prioritized project funding list.
14 Projects without an approved planning document or failing the financial review are
15 removed from the list. This action usually occurs at the February board meeting.

16
17 **Q. When and how are loan contracts executed with companies that make the**
18 **funding list?**

19 A. The DOH receives the annual grant from the Federal Government to fund projects
20 between January and March.

21 Public Works Board staff begins executing loan contracts for funded projects
22 shortly after we receive the grant. Applicants are expected to sign the loan offer
23 within 3 months of the date they receive the loan offer. For privately owned systems,

1 contracts cover costs incurred after the contract is executed. The state may choose to
2 fund eligible project costs incurred after the state receives verification, from the
3 Environmental Protection Agency, that the grant award has been approved. If the
4 state chooses this option, costs incurred a few days or weeks prior to loan execution
5 may be eligible for reimbursement.

6

7 **Q. Is a small water company required to complete a small water system**
8 **management program before funding is approved?**

9 A. Yes. DWSRF funding is not provided for projects unless the projects are
10 contained in a DOH-approved water system plan, plan amendment, or, as stated in
11 the question, a small water system management program. If a project is not
12 contained in a DOH-approved water system plan or small water system management
13 program, applicants must submit and obtain DOH approval of a water system plan,
14 plan amendment, or small water system management program that contains the
15 proposed project by specified deadlines. Failure to submit or obtain final DOH
16 approval by the specified deadlines automatically eliminates a project from the
17 funding list. Applicants that need a small water system management program
18 usually meet the submittal and approval deadlines.

19 The jurisdictional Office of Drinking Water regional office decides what type
20 of planning document is required for each project. Our regional offices generally
21 place priority on review of these planning documents.

22

23

1 **Q. Can you describe what a small water system management program entails?**

2 A. The small water system management program is intended to help small
3 nonexpanding system owners comprehensively think about what it takes to provide
4 safe and reliable drinking water to their customers. These systems frequently are not
5 operated by professionals. The Office of Drinking Water developed a fill-in-the-
6 blanks guidebook that covers all the basic things that need to be done to remain in
7 compliance, such as establishing a water quality monitoring program, routinely
8 submitting required reports, plan for emergencies, controlling water use, and
9 identifying facilities that will need to be expanded or replaced. After thinking
10 through what needs to be done, the guidebook helps the utility develop a budget to
11 cover the anticipated costs. I have provided a copy of our *Small Water System*
12 *Management Program Guide* as Exhibit No. ____ (RS-9).

13
14 **Q. Is the Alder Lake water system required to have a small water system
15 management program or a water system plan?**

16 A. The Office of Drinking Water Northwest Regional Office would determine what
17 type of planning document would be required for the Alder Lake project. My
18 understanding is they would require a small water system management program for
19 this project.

20
21 **Q. Do small water system management programs need to be prepared by a
22 licensed professional engineer?**

1 A. No. Small water system management programs do not have to be prepared by a
2 licensed professional engineer. It is the water system plans, that are required for
3 certain systems, such as new, expanding, larger, and problem systems, that must be
4 prepared by a licensed professional engineer. "Larger systems" are those having
5 1,000 or more service connections.

6

7 **Q. Has the 2006 application deadline for DWSRF funding expired?**

8 A. Yes, the 2006 DWSRF application deadline has expired. Applications had to be
9 hand delivered to our office or postmarked by May 8, 2006.

10

11 **Q. Did DOH receive an application for DWSRF funding for the Alder Lake water
12 system from Iliad Water in 2006?**

13 A. No, the Office of Drinking Water did not receive a DWSRF application from Iliad
14 Water for the 2006 loan cycle. To the best of my knowledge, we have never
15 received a DWSRF application from this company.

16

17 **Q. Did DOH receive communications from Iliad Water prior to the 2006 deadline
18 regarding the DWSRF application process or the availability of DWSRF?**

19 A. To the best of my knowledge, Iliad Water has not had communications with our
20 office regarding the DWSRF application process prior to the application submittal
21 deadline.

22 I do not recall talking with anyone from Iliad Water regarding DWSRF
23 funding.

1 Chris Gagnon worked in the DWSRF program for about 9 years and was the
2 program manager for the past few years. Ms. Gagnon left the Office of Drinking
3 Water in August 2006. I contacted Ms. Gagnon on September 20, 2006 to find if she
4 had been contacted by Iliad Water. She responded that she did not recall being
5 contacted by Iliad Water regarding the DWSRF loan program. I do not know if any
6 of our regional office staff was ever contacted by Iliad Water.

7

8 **Q. If Iliad Water had filed by the 2006 deadline, when would funds have become**
9 **available for disbursement?**

10 A. If Iliad Water had filed by the 2006 DWSRF application deadline, it probably could
11 have executed the loan contract in March or April 2007. Funds are available to be
12 disbursed as soon as the loan contract is executed.

13

14 **Q. When is the next application deadline for DWSRF funding?**

15 A. The next application deadline has not been set. It will probably be on or about May
16 7, 2007.

17

18 **Q. For applications that are approved for DWSRF funding in 2007, when would**
19 **funds become available for disbursement?**

20 A. Funds would become available for disbursement upon loan contract execution. This
21 would probably occur in March or April 2008.

22

1 **Q. Based on your knowledge of the history of the Alder Lake water system’s**
2 **approved chlorination project, was it eligible for prior DWSRF funding cycles?**

3 A. My understanding is that the Office of Drinking Water Northwest Regional Office
4 has required Iliad Water to install a permanent disinfection system for Alder Lake
5 since December 2000. My understanding is that J.C. McDonnell, P.E., submitted the
6 engineering design for Iliad Water’s Alder Lake project in May 2001. This was a
7 preliminary submittal. However, estimated costs are sufficient for DWSRF loan
8 applications. In my opinion, Iliad Water may have had sufficient information and
9 time to submit a DWSRF application by the June 4, 2001 deadline for the 2001 loan
10 cycle.

11 Applications for the 2002 DWSRF loan cycle were due May 13, 2002. My
12 understanding is that the Office of Drinking Water had approved the project report
13 for the Alder Lake project earlier that year. In my opinion, the approved project
14 report would have provided sufficient information for Iliad Water to apply for, and
15 be eligible for a DWSRF loan in the 2002, 2003, 2004, 2005 or 2006 loan cycles.

16

17 **Q. Did Iliad Water apply for DWSRF funding in any of those prior funding cycles?**

18 A. No, based on my review of DWSRF application records, Iliad Water has never
19 applied for a DWSRF loan.

20

21 **Q. In his testimony, Derek Dorland stated that “the company investigated the**
22 **availability of SRF funding by asking its engineer to review and evaluate the**

1 **SRF process.” [See Exhibit No. ___ (DD-1T), page 8, line 15]. Did the**
2 **company’s engineer contact DOH to inquire about DWSRF funding?**

3 A. I was not contacted by Mr. McDonnell regarding DWSRF funding for this project. I
4 do not know if Mr. McDonnell contacted other Office of Drinking Water staff
5 regarding DWSRF funding for this project.

6

7 **Q. Has the DOH received DWSRF applications involving J. C. McDonnell, P.E. for**
8 **similar projects?**

9 A. My further review of DWSRF records shows that J. C. McDonnell was involved
10 with at least one application for a DWSRF project involving an investor owned water
11 system. In 1997, our office received an application from Bliss Industries, Inc. doing
12 business as Y Bar S Water Company, a WUTC regulated company. J. C.
13 McDonnell, P.E. is listed as the contact person for this application. I am providing a
14 copy of the application as Exhibit No. ___ (RS-10)

15

16 **Q. Please describe how priority is assigned to DWSRF funding requests.**

17 A. Proposed DWSRF projects are generally prioritized based on the types of public
18 health risk that will be addressed by the proposed project. The five risk categories
19 are as follows and are listed in priority order: Risk Category 1 is microbial; Risk
20 Category 2 is primary inorganic chemical; Risk Category 3 is other primary
21 chemical; Risk Category 4 is secondary chemical contaminant or sea water intrusion;
22 and Risk Category 5 is infrastructure replacement or other distribution

1 improvements. The Office of Drinking Water further prioritizes projects based on a
2 score, which I describe below.

3

4 **Q. Please describe Risk Category 1.**

5 A. Existing or potential microbial contamination is considered the highest public health
6 risk. Therefore, these are considered Risk Category 1 under our DWSRF priority
7 ranking system.

8

9 **Q. Please describe how projects are scored.**

10 A. Within each of these categories above, scoring is based on the type of project
11 proposed. The Office of Drinking Water scores projects using a table contained in
12 the *Drinking Water State Revolving Fund 2006 Funding Cycle Application*
13 *Guidelines*. Exhibit No. ____ (RS-8), pages 16-20. The table may be amended each
14 year. However, the changes, if any, are generally very minor. The priority of a
15 given project relative to other projects remains pretty consistent from year to year

16

17 **Q. In your opinion, based on the information available to you about Iliad Water's
18 Alder Lake disinfection treatment project, what Risk Category does the Alder
19 Lake water system fall under?**

20 A. Based on information I have reviewed regarding Iliad Water's Alder Lake project, I
21 believe this project would be Risk Category 1, existing or potential microbial
22 contamination. [Exhibit No. ____ (RS-8), page 16]. My opinion is based on
23 information contained in Office of Drinking Water files and the fact that the Office

1 of Drinking Water has ordered installation of treatment based on a determination that
2 the sources are in hydraulic connection to Alder Lake. A designation of hydraulic
3 connection indicates that the ground water sources have a clear relation with the
4 nearby surface water source of Alder Lake and are susceptible to contamination by
5 microbial pathogens, such as bacteria and viruses.

6

7 **Q. Based on your assessment that it is Risk Category 1, what is the likelihood that**
8 **the Alder Lake project would have been offered DWSRF funding in prior and**
9 **current funding cycles, and why?**

10 A. Based on our program's history and current funding projections, it is my opinion that
11 all eligible applications scored under Risk Category 1 (microbial) would have been
12 funded in prior and current funding cycles and in the 2007 funding cycle.

13 Through the first ten years of the DWSRF program, we have funded all
14 eligible Risk Category 1, 2 and 3 projects. Risk Categories 1, 2, and 3 generally
15 pose a direct public health threat to consumers. Additionally, the DOH over-
16 committed funds in 2005 to make sure all of these types of projects could receive
17 funding and move forward.

18 Since the Alder Lake project is a Risk Category 1, it most likely would have
19 been funded.

20

21 **Q. Can a microbial risk project's DWSRF score be affected by its compliance**
22 **status?**

1 A. Yes. A project that will eliminate a compliance problem will score more points than
2 a similar project without a compliance problem. Highest value is awarded to
3 projects where the system is subject to an active DOH action, such as departmental
4 orders, penalties, or bilateral compliance agreements. The next highest number of
5 points is awarded to projects intended to eliminate an existing or potential problem
6 which would place the system out of compliance or would address a red, yellow or
7 blue operating permit related to infrastructure.

8

9 **Q. What is the DOH compliance status of Iliad Water’s Alder Lake project?**

10 A. Iliad Water’s Alder Lake project is out of compliance with DOH regulations,
11 because the project is not completed. As I stated previously, DOH directed Iliad
12 Water to install a permanent disinfection system for Alder Lake in December 2000 to
13 comply with Drinking Water regulations. In April 2006, DOH changed the Alder
14 Lake water system operating permit from “green” to “blue.” On September 22,
15 2006, DOH issued a departmental order to Iliad water requiring the company to
16 install disinfection treatment. See Exhibit No. ____ (DMP-30).]

17

18 **Q. Has a DWSRF application for a project that has Alder Lake’s equivalent**
19 **compliance status and Risk Category ever fallen below the funding cutoff for a**
20 **DWSRF loan?**

21 A. Equivalent projects would be Risk Category 1 projects that address a DOH
22 noncompliance. No Risk Category 1 project, including projects that failed to receive
23 points for non-compliance, has ever fallen below the funding cutoff.

1

2 **Q. Even if a project is above the funding cutoff, are there circumstances where it**
3 **would still be denied a DWSRF loan?**

4 A. Yes. Projects that make the funding cut may still be denied funding. Projects may
5 be removed from the list because the project may not be contained in a DOH-
6 approved water system plan or small water system management program by the
7 specified submittal and approval deadlines. The applicant also could fail the
8 financial review. The financial review is conducted by the Public Works Board
9 staff. It assures the project can be completed within 3 years of loan execution and
10 the applicant is capable of and has secured loan repayment.

11

12 **Q. What is the smallest water project, in dollars, that has been funded by DWSRF?**

13 A. To my knowledge, the smallest DWSRF project loan was a little over \$15 thousand.

14

15

III. CONCLUSION

16

17 **Q. In Derek Dorland’s testimony, he states that Iliad Water “investigated the**
18 **availability of SRF funding by asking its engineer to review and evaluate the**
19 **SRF process, and “the engineer’s opinion was that SRF funding was not**
20 **available” to this company for this project. [See Exhibit No. ____ (DD-1T). Do**
21 **you agree with the engineer’s opinion?**

22 A. No, I do not agree. In my opinion, this is an eligible type of project and Iliad Water
23 is an eligible entity to apply for a DWSRF loan. This project would have made the

1 funding cut in any of our past funding cycles, if the company had applied for
2 DWSRF. DWSRF funding was, therefore, available. It is also highly likely it
3 would make the funding cut if Iliad Water applied next year.

4 Once it made the funding cut, the project would have been required to meet
5 the planning requirement described above, and Iliad Water required to pass the
6 financial review by Public Works Board, in order to have received the funds. If Iliad
7 Water had applied in a given year, it would have had plenty of time to meet the
8 planning requirement, especially if it started developing its planning document early.
9 I cannot make a judgment regarding how the financial review would come out,
10 because this review is conducted by the Public Works Board staff after an
11 application for DWSRF is accepted.

12
13 **Q. Does this conclude your testimony?**

14 **A.** Yes, this ends my testimony.