

August 15, 2024

The special meeting of the Board of Commissioners of PUD No. One of Wahkiakum County, Washington, was held on the above date with Board President Eugene Healy presiding. Also in attendance were Board Vice President Robert Jungers, Board Secretary Dennis Reid, Manager Dan Kay, Auditor Erin Wilson, Attorney Tim Hanigan, Secretary Katie Thomas, Gray & Osborne President Mike Johnson, and the following Department of Health Representatives: Chris Pettit, Meredith Jones, and Candida Granillo Dodds.

Also in attendance were Mayor David Olson, Town Councilperson Laurel Waller, Town Councilperson Jeanne Hendrickson, Town Councilperson Joe Baker, Town Councilperson Robert Stowe, Town Clerk/Treasurer Sarah Clark, and county residents Mike Backman, Andrew Weiler, Jason Will, and other members of the county.

Town Councilperson Kermit Chamberlin, Town Attorney Fred Johnson, Kathy Briggs, and the general public attended by Zoom teleconference.

The special meeting convened at 10:02 a.m.

Mayor Olson opened the Town of Cathlamet meeting.

GRAY & OSBORNE: Consolidation Study Overview Presentation

Mike Johnson, President of Gray & Osborne, provided an overview of their findings and recommendations. He commented the PUD and the Town each own and operate Group A water systems, and reviewed where they are located. The PUD's Puget Island water system purchases all its water from the Town. Mr. Johnson commented a consolidation study was conducted in 2016 and many of these same issues and challenges were faced at that time. Mr. Johnson reviewed what improvements might be necessary now, current financial status, expected revenues and expenditures, and offered recommendations based on the current consolidation study.

WA STATE DEPARTMENT OF HEALTH: Presentation

Chris Pettit, Department of Health Drinking Water State Revolving Fund Manager, commented he works primarily on the funding side and the purpose of the feasibility study is to lay out the realities of the systems and identify available opportunities. There are challenges to address to achieve the greatest outcome by providing safe and reliable drinking water.

Q & A

Discussion ensued regarding the consolidation study, including:

The Department of Health's stance on the consolidation in general is to seize opportunities to be efficient and take care of infrastructure in a responsible manner with limited tax payer dollars.

Town Councilperson Robert Stowe confirmed state revolving funds receive federal funds and questioned if federal rules or state rules apply and who offers the most flexibility. Funding discussed at length.

Town Councilperson Laurel Waller questioned the Department of Health letter, specifically the "financial impact of both systems with and without consolidation". Discussion ensued.

Town Councilperson Jeanne Hendrickson commented she was concerned about the quality of the water, future stability of the system, rates, budget, liabilities, asked what would be required to rehabilitate the Town system versus consolidating. Discussion ensued.

Commissioner Healy commented he would like to see plans made for another meeting if new information from the financial experts could be presented.

Commissioner Reid commented he was interested in consolidation only because of the perceived notion that the Town won't be able to keep up their system to provide water to Puget Island and pointed out the aging and unhealthy infrastructure. Discussion ensued.

Mayor David Olson commented the new Public Works Superintendent will start next week. He asked Mike Johnson if he was asked to consider any alternatives besides consolidation. Discussion ensued.

Manager Kay commented he is not interested in commingling utilities. There is funding left in the study grant for a valuation study and gave Gray & Osborne authorization to move forward with that study. This is the time for Auditor Wilson and Town Clerk/Treasurer Sarah Clark to get together to discuss finances and budget.

PUBLIC COMMENT:

Several members of the public made comments, including:

David Vik commented he worked for the Town from 1974-1985 and 2000-2012, and one of the big issues he has is not paying the Town for water, but there's no control over the supply.

Bill Wainwright commented he owns several pieces of property and is nervous about the rates.

Commissioner Healy commented the only thing changing, if the consolidation were to happen, is who would be managing the utility. Rates would only go up to fix the problems.

Auditor Wilson commented she will contact Town Clerk/Treasurer Sarah Clark over the next few weeks to discuss potential next meeting dates.

FINAL COMMENTS:

Town Councilperson Jeanne Hendrickson asked the mayor to help the council and provide input for and against the consolidation.

Commissioner Jungers commented the ultimate outcome is decided by three commissioners and five council members.

Town Councilperson Robert Stowe reminded everyone they represent the ratepayers and to do what's best for the town.

NEXT STEP / MEETING DATE:

Auditor Wilson and Town Clerk/Treasurer Sarah Clark will discuss.

ADJOURNMENT:

The special meeting was adjourned at 12:06 p.m.

Approval of the minutes of the special meeting of August 15, 2024.

Eugene Healy, President

Robert Jungers, Vice President

Dennis Reid, Secretary