

October 16, 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 Jennifer Lorenzo.

Also in attendance was Mayor Pro-Tem Kermit Chamberlin, Town Councilperson Jeanne Hendrickson, Town Councilperson Joe Baker, Town Councilperson Robert Stowe, Town Clerk/Treasurer Sarah Clark, Wahkiakum County Eagle Newspaper representative Julie O'Neil, County Commissioner Lee Tischer, and county residents Bill Wainwright, Crystal Baker, Mariane Brightbill, Mark Vik, Gilbert Vik, Bill Peterson, Jacqueline Gribble, Vicki Bucklin and Jim Bucklin, Jason Will, and other members of the county.

Town Councilperson Laurel Waller, Steve Carson, and the general public attended by Zoom teleconference.

The special meeting convened at 10:01 a.m., Commissioner Healy opened the PUD meeting.

Mayor Pro-Tem Kermit Chamberlain opened the Town of Cathlamet meeting.

Commissioner Reid moved to approve the agenda as submitted and Commissioner Jungers seconded. The motion passed 3-0.

Financial Overview Presentation:

Auditor Wilson stated that the numbers being presented are based on the 2024 Town published budget year excluding labor costs. Town Clerk/Treasurer Sarah Clark was able to produce some projected numbers. Auditor Wilson presented the revenue and expenses for operating the Town of Cathlamet and excluded the water and sewer side of the operations. Discussion ensued.

Auditor Wilson reiterated that this is a very stripped-down version of the Town's budget for 2024. Town Clerk/Treasurer Sarah Clark stated that these are not actual figures. Once they are ready to use the actual figures, it will paint a better picture. Discussion ensued.

Questions to Presenters from Commissioners/GM and Councilmembers/Mayor:

Manager Kay asked if the \$34,000 was the cost per town employee for healthcare. Discussion ensued.

Commissioner Reid asked where is the line item for debt service, and Town Clerk/Treasurer Sarah Clark stated that they do not have debt service for anything but water and sewer.

Commissioner Jungers noticed that on staffing there was an amount allocated for a Project Manager; he asked if that position was filled. Town Clerk/Treasurer Sarah Clark stated yes, the position has been filled. Discussion ensued.

Town Councilperson Jeanne Hendrickson asked if the income collected from the building permits was passed onto the County. Town Clerk/Treasurer Sarah Clark answered no, the Town keeps the building permit revenue, however they do collect inspections fees and those are passed onto the County. Discussion ensued.

Manager Kay reported that he gave the Town Council a memo showing all the projects from the Town's water system plan and the consolidation study and updated information from Town Clerk/Treasurer Sarah Clark at the last special meeting. This is a fairly extensive list and he asked the Town Council what their plan is to address it. Discussion ensued.

Town Councilperson Jeanne Hendrickson stated that this is all very preliminary and many achievements will come in the future, but she would like to simply define what our intent and our goal is here. Second, there is a cloud over this town and people are seriously concerned of increases in rates for the utilities. Town Councilperson Hendrickson finds it important to keep the staff and the integrity of the town whole. Discussion ensued.

Town Councilperson Joe Baker suggested that the consolidation go up for a public vote before a decision is made by the board.

Town Councilperson Laurel Waller asked Town Clerk/Treasurer Sarah Clark if the Town Council could have a workshop to discuss the projected numbers and remove some line items to get a better picture. Discussion ensued.

Commissioner Jungers asked what the cumulative reserve expense was. Town Clerk/Treasurer Sarah Clark stated that is where the Town keeps their timber revenue. Timber revenue is not used to fund operations, it is for reserves and capital projects. Discussion ensued.

Town Clerk/Treasurer Sarah Clark asked that if this merger did not go through on the project memo provided by Manager Kay, could the Town get an inter-local agreement for help from the PUD. Commissioner Jungers responded that it would depend on whether or not the Department of Health would be willing to give the grants necessary to do the projects to the PUD through an inter-local agreement. Discussion ensued.

Manager Kay mentioned that the grants are available to those larger, better equipped utilities to consolidate and take over the smaller struggling utilities. We don't know if those grants will expire at the end of 2026 or beginning of 2027. Discussion ensued.

Town Clerk/Treasurer Sarah Clark stated that the project memo is for years of projects that would need to be done; these projects do not have to be done now. The Town will have

time to figure out funding options. The Town recently hired a project manager that can help look for grant funding. Discussion ensued.

Town Councilperson Robert Stowe asked about the water quality of the Puget Island well site and why the PUD wants this consolidation. Commissioner Jungers stated that the Puget Island well site was not the topic of discussion today and is an entirely different issue. Discussion ensued.

Town councilperson Jeanne Hendrickson stated that her number one concern is that the Town has longevity and reliance on our utilities. Discussion ensued.

Mayor Pro-Tem Kermit Chamberlain stated that there are considerably broader tasks mandated for the Town than there is for the PUD. Discussion ensued.

PUBLIC COMMENT:

Puget Island resident and current President of PCA, Bill Peterson, reported that the current mood of the citizens seems to be that there is a cloud hanging over us. That if we allow the PUD to take ownership of the Town's utilities and make available funds from the Department of Health, that the world will end as we know it. Many people pointed out that for the PUD, this what they do for a living and it would be kind of crazy to not allow them to take over the utilities. The Town could put more effort and time into the library and pool. Mr. Peterson commented that we need to move forward without fear.

Cathlamet resident Crystal Baker commented that the PUD does an amazing job and has great customer service. She has seen lots of disfunction in the Town. She finds it very shocking from a citizen's view how she can understand the budget better than the council members.

Cathlamet resident Bill Wainwright commented that he has been a large proponent for a Town Manager and he would like to see a report from Gray & Osborne for the Town of Cathlamet's projects anticipated for five, ten, and twenty years out, and how the Town can fund those projects in the coming years. He commented that he has not seen anything yet.

Puget Island resident Mark Vik asked if the sewer and water utilities are the killing point of the Town, how would the PUD not have the same problem with it. He does not see the logic behind this.

Town Councilperson Joe Baker read out loud a letter the Town received from Puget Island resident Lynn Attabury. Please see attached letter.

Mayor Pro-Tem Kermit Chamberlain read out loud an email from Cathlamet resident Sierra Walker.

Puget Island resident Jason Will commented that he understands there is money involved and the grant program, and that the Department of Health gets brought up a lot. Mr. Will

doesn't remember seeing the Department of Ecology at the last consolidation meeting. Mr. Will commented that the Department of Health is in the regulation business and grant business and he believes that standards are always changing progressively whether they be Town, County or State. Mr. Will commented he is not in favor of the Puget Island well site. Discussion ensued.

FINAL COMMENTS:

Town Councilperson Jeanne Hendrickson wanted it to be confirmed that there is no commingling of funds from the water and sewer utilities being used to operate the Town and that the Puget Island well site is exclusive from this consolidation discussion topic.

Commissioner Reid commented that the figures showing in the memo came from Gray & Osborne and this is all very preliminary. If any side wants to stop pursuing the consolidation, then we stop. Discussion ensued.

Commissioner Healy stated that as we will be the decision makers, they really need and support all public input on this.

Town Clerk/Treasurer Sarah Clark commented that it would be helpful if Manager Kay and her were to work together on any publications of information in the future. Discussion ensued.

The Eagle Newspaper Reported Julie O'Neil wanted to make it clear that if there is any interpretation of the newspaper being biased; they are not. She only reports, she has no opinion on the matter, and she does not live in town. She is just doing her best to get information out there.

NEXT STEP / MEETING DATE:

Discussion ensued regarding the next meeting date and time. Town Councilperson Joe Baker mentioned having the meetings in the late afternoon so more people that work during the day can attend or watch by Zoom.

Auditor Wilson stated that there is a need for time to gather more information and with the holidays approaching, suggested January of next year.

ADJOURNMENT:

The special meeting was adjourned at 12:19 p.m.

Approval of the minutes of the special meeting of October 16, 2024.

Eugene Healy, President

Robert Jungers, Vice President

Dennis Reid, Secretary