

Wahkiakum PUD Consideration of the Acquisition of Town's Water and Wastewater Systems

Joint Town of Cathlamet/Wahkiakum PUD Meeting

August 5, 2024

WAHKIAKUM PUD

Abbreviations

- DOH – Washington State Department of Health
- WSP – DOH Water System Plan
- WSRC – Washington State Rehabilitation and Consolidation funding
- SWDA – Safe Water Drinking Act

Why?

- Why does the Town want to be in the water and wastewater business?
- Why does the PUD want to consolidate/acquire the Town's water and wastewater utilities?

Why is this all being studied at all?

- Very simply –
 - Will an acquisition be good for all the customers?
 - Does it make sense for the PUD?
 - How do we ensure the Town remains whole?

Town Demographic

- From Town's report of 6/27/24:
- 56% of the Town's water customer base live *outside* Town Limits
- 44% live *within* Town limits
- Wahkiakum PUD – Puget Island – make up only 1 customer count, but make up 25% of the County's residents
- ***That is, the vast majority of the customers receiving Town utility services have no representation or voting ability!***

IMPORTANT

Avoid maintaining low rates at the expense of your utility's financial health.

It will either lead to a sudden, massive rate increase in the future or to failing systems that endanger public health.

- From the Environmental Finance Center at UNC-Chapel Hill regarding Setting Rate to Fund Operations and Capital Improvements

Financial

- The PUD is in a strong financial position
- The PUD has no debt
- The PUD has been successful in obtaining grant (not re-payment loan) funding for several infrastructure projects including (not all inclusive):
 - \$2.2 of the \$2.5 million for the Puget Island Water System
 - 100% grant funded for the Puget Island Mainline Looping Project
 - \$118,500 of the \$237,000 for water line extension along SR 4 in Skamokawa
- The Town currently is carrying millions of dollars in long-term debt
- One example, how will the Town address topics like *Item 35 of the DOH Comment Letter*:
 - *Page 8-13, Analysis and Page 9-8, Conclusions and Recommendations. These sections indicate that current rates are insufficient to fund operations and planned capital improvements throughout the 10-year planning period while maintaining a positive ending cash balance. Please indicate if the town intends to incorporate any of the options noted to increase revenue.*

Opportunities

- From past documents, the Town is facing millions of dollars in needed repairs, replacements, and capital improvements
- With recent influx of administration funding, The Department of Health through the WSRC has funding
 - This funding is not awarded to current struggling and troubled owners because they have not adequately funded the needed capital improvements/operations and maintenance, but to “larger, well-run systems to acquire and upgrade struggling or failing water systems.”
- This is an opportunity for the *Town’s customers – both inside town limits and out-of-town limits* - to get a real gift with State funding to rehabilitate and bring the systems up to compliance with SWDA
- DOH staff will be at a future public meeting to further discuss

For more information

- We encourage everyone to learn more and form their own opinions
- Visit the Wahkiakum PUD website:
<https://www.wahkiakumpud.org/consolidation-study>
- All the water system plans, consolidation studies, DOH comment letters, and FAQs are on this page
- It is updated regularly

Next Steps

- Set a date to hold a public meeting to specifically address Consolidation/Acquisition
- Let's make that happen