



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
SOUTHWEST DRINKING WATER REGIONAL OPERATIONS  
111 Israel Road Southeast • PO Box 47823 • Olympia, Washington 98504-7823  
Tel: (360) 236-3030 • Fax: (360) 236-3029 • TDD/TTY 711

August 14, 2024

Daniel Kay  
General Manager  
Wahkiakum County Public Utility District #1  
Post Office Box 248  
Cathlamet, Washington 98612

Subject: Wahkiakum County PUD #1 Water System Consolidation Study Report  
Comment Letter; DWSRF 2023-4168/GVL28826

Dear Daniel Kay:

Thank you for the opportunity to review this draft report prior to submittal to the Office of Drinking Water's Drinking Water State Revolving Fund (ODW's DWSRF) program. We have several comments regarding the drinking water elements of the study. (We cannot address the sewer and wastewater treatment plant sections.)

This study consists primarily of information obtained from the Town of Cathlamet's Water System Plan, which is currently in the review process, and provides a great overview of their system. The feasibility study could be further enhanced by evaluating other alternatives to address the needs of both Cathlamet and the PUD's Puget Island water systems.

For this study to fully inform decision makers and affected rate payers of the potential feasibility, costs, and benefits of consolidating the Town of Cathlamet and Puget Island water systems please address the following. See page three of the [Consolidation Feasibility Study Grant Guidelines](#) for more information on requirements.

1. The feasibility study must evaluate the financial impact for both systems with and without consolidation. Include a long-term qualitative and quantitative assessment of financial and managerial viability for each system under both scenarios. The assessment should include the following:
  - a. The costs of completing improvement projects identified in the study for both systems.
  - b. Potential grant and loan opportunities for both options.
  - c. The costs associated with consolidation for the combined system(s).

- d. Operations and maintenance costs.
  - e. Any other relevant costs.
2. A discussion of the following points of consideration:
- a. Whether the consolidation would benefit the customers of the PUD and the Town in terms of the financial, managerial, and technical capacity necessary for a successful water system.
  - b. Changes in governance and financial management that would be required to consolidate these two systems into one regulated water system, including an estimated time frame.
  - c. How the needs identified in the Town's draft Water System Plan and the 2023 Sanitary Survey Report would be addressed with and without consolidation. For example:
    - i. Needed water intake improvements to accommodate growth.
    - ii. Approach to retain certified operators.
    - iii. The Town's distribution system leakage.
    - iv. Telemetry improvements.
    - v. Distribution system operation and maintenance needs.
  - d. Operation and maintenance considerations for the Crista Vista community under both options.
  - e. The intended use for the proposed new well on Puget Island if the two systems remain separate and if they consolidate. The costs associated with implementing the well's intended use should be included in the financial assessment.
  - f. Potential climate impacts in the coming decades that might impact the resiliency of both systems.
3. An evaluation of alternatives to consolidation, so there is a clear understanding whether taking this action would achieve the desired goals of both the PUD and Cathlamet. For example:
- a. The possibility of sharing staff and/or asset procurement resources to obtain economies of scale or operational efficiencies if the systems remain separate entities.
  - b. The possibility of implementing additional utility tax or other revenue replacement fee alternatives for the Town as a separate system, as well as part of the consolidated system.

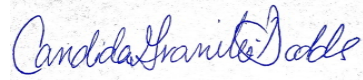
Please work with the Washington State Department of Ecology regarding any water right changes that may be required as part of this potential consolidation.

Daniel Kay, General Manager  
August 13, 2024  
Page 3

Sincerely,



Meredith Jones, RS  
Regional Planner, Office of Drinking Water



Candida Granillo-Dodds, PE  
Regional Engineer, Office of Drinking Water

cc: Mayor David Olson, Town of Cathlamet  
McKenna Todd, Wahkiakum County Health & Human Services  
Chris Pettit, DWSRF Program Manager  
Jocelyne Gray, DWSRF Environmental Engineer  
Andy Anderson, SWRO Regional Manager  
Regina Grimm, SWRO Assistant Regional Manager