



MAYOR'S STATEMENT RE UTILITY CONSOLIDATION

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Contact: Mayor David Olson (360) 218-9956 or david.olson@townofcathlamet.com

On May 5, 2025, without any adequate prior document review, nor any rate or valuation study (previously recognized as critical to justify the action taken), the Town Council voted (following a confused and confusing series of motions) to transfer Town utility assets (estimated value more than \$10 million) to the Wahkiakum Public Utility District without any compensation to the Town for the assets. At this writing, the Council is attempting to move forward rapidly to effectuate an Operating Agreement (written by the PUD) to transfer not only Town assets but also Town utility revenues (approximately \$1.6 million per year) to the PUD. The PUD has provided little in the way of adequate documentation or assurances to the Town regarding use of these funds, future PUD investments (which depend on uncertain state grants) or rate benefits (which depend on future PUD actions yet to be known). Despite numerous missing terms and lack of any adequate prior review of the initial documents by the Town Attorney, and despite lack of proper legal notice to the union representing Town employees, the Council has nevertheless expressed determination to have most elements of this consolidation in place as soon as possible.

The Council's irresponsible action will have a dramatic and immediate negative impact on current and future Town services and budgets as well as permanent adverse impacts on Town programs (and stakeholders) dependent on our budget, including public works, the Fire Department, public safety, the Library, the Julia Butler Hansen Pool, Town Parks maintenance and valued outside partners such as the Pioneer Community Association, whose Pioneer Church (ironically) adorns the seal of the Town.

Although the Council has purported to approve an operating agreement with the PUD, the agreement is opposed and remains unsigned by the Mayor. Nor will this Mayor sign any agreement that hands over Town assets without adequate compensation to the citizens of the Town. Whether the Town Council (a body with no executive authority under Washington law) can legally move forward with such an agreement, absent approval by the Mayor and Town administration, remains an open question. I have referred this matter to the Washington State Attorney General's office, including the question of whether the

entire transaction may be void or voidable as an illegal gift of public funds and assets by the Town to the PUD, prohibited by Washington law.

In the meantime, the Council appears to place reliance on a false premise (asserted by the PUD) that the assets have already been paid for by ratepayers and need not be paid twice. This assumption is as absurd as if the PUD demanded a transfer of County or Port property or assets to itself without paying any compensation on the grounds that the assets have already been paid for by taxpayers. Of course, this is NOT true and has never been true: all government assets (including the Town's) are paid for by the public, be they taxpayers or ratepayers. Like any government, the Town, on behalf of the citizens we serve, is legally entitled to seek fair compensation. To assert that the Town must nevertheless hand over public assets for nothing is a betrayal of the interests of Cathlamet citizens, and in essence a denial that the Town or any government can legally hold onto any property or assets it already owns.

Subsequent to the purported action, the Council is presently engaged in a relentless assault against Town services and staff. This fiscal bloodletting continues at a series of Council special meetings already begun (June 5th) and continuing (June 12th and 18th) to cut back the current adopted budget, potentially leaving Town administration (before year end) with ONE full time clerical employee (overseen by SIX elected officials), ONE public works employee (responsible for all Town facilities including streets, parks, library and pool) and NO physical Town Hall or offices. Is this what the citizens of Cathlamet voted for in seating the current Council majority? I think not, yet this absurd and unfathomable outcome appears to be the direction in which the Council majority is currently headed.

I continue to believe the action taken by the Council in connection with utility consolidation is contrary to the public interest, Washington law, and in particular contrary to the oath each Town elected official has solemnly taken to faithfully serve the needs and interests of the citizens of Cathlamet (NOT the PUD). Yet (tragically) it is the interests of the PUD, not the interests of the citizens of the Town, that continue to dominate Council deliberations.

Council actions (beginning May 5th) and the budget and program cutbacks currently underway by the Council, collectively represent the single most irresponsible, unjustified set of municipal decisions I have witnessed in 40+ years of serving local governments. It is not clear how, or if, the Town can move forward to provide services to the citizens of Cathlamet and the broader Wahkiakum County community with the minimal resources remaining after the utility assets are stripped away.

Despite the unjustified and damaging actions of the Council, I will continue as Mayor to work with what remains of Town staff to carry out lawful Council policy, spend budgeted funds wisely, and provide effective and transparent ongoing oversight of Town administration in all principal areas of Town responsibility.