

Bob

Olympic View Water & Sewer District's Concerns Regarding the Department of Ecology's Financial Capability Assessment Guidance

Olympic View Water & Sewer District has significant concerns regarding the Department of Ecology's Draft Financial Capability Assessment (FCA) Guidance. As a sewer utility, we believe that the guidance, as it currently stands, does not fully capture the complexity of financial challenges faced by utilities like ours. The narrow focus on present conditions, without a broader consideration of ongoing operational costs and future capital needs, could lead to decisions that do not adequately account for the long-term financial sustainability of our operations.

We are particularly concerned about the reliance on income level as a primary indicator of a community's ability to shoulder additional financial burdens. While income is undoubtedly an important factor, it alone does not provide a complete picture of a community's financial capacity. In today's economic environment, even middle-income households are finding it increasingly difficult to manage basic living expenses. Therefore, using income level as the main criterion for determining financial capability risks overlooking the real financial pressures faced by many of our ratepayers, leading to decisions that could impose unsustainable cost burdens on our community.

As a utility that relies on treatment facilities managed by external entities, we are also concerned about the potential disconnect between those making financial decisions and the realities faced by our ratepayers. Our community could be subjected to significant cost increases determined by an agency that lacks a deep understanding of our specific system and future needs. This separation could result in financial assessments that do not accurately reflect the unique circumstances of our service area, potentially leading to unjust and disproportionate financial burdens.

To better serve our community, we believe it is crucial that the financial assessment process takes into account a wider range of factors beyond income level. This includes considering the overall economic pressures on households, the specific financial challenges faced by different segments of the population, the unique challenges of individual utilities, and the long-term sustainability of proposed financial burdens. Such a comprehensive approach would provide a more accurate reflection of our community's ability to absorb additional costs and would help ensure that decisions are made with a full understanding of their potential impact.

Furthermore, the stringent nutrient removal requirements, such as the mandate to achieve a Total Inorganic Nitrogen (TIN) limit of 3 mg/L under the Puget Sound Nutrient General Permit, present additional challenges. These requirements do not consider the varying capabilities of different treatment facilities, or the potential environmental trade-offs involved in achieving such aggressive standards. The significant capital and operational costs associated with meeting these requirements could place an undue financial burden on our community, especially considering that a substantial portion of our wastewater treatment is managed by a facility over which we have limited control.

In conclusion, we strongly urge the Department of Ecology to adopt a more flexible and comprehensive approach to the financial capability assessment process. This approach should consider a broader range of economic factors and should be tailored to reflect the specific

circumstances and needs of different communities. By doing so, we can ensure that the Nutrient Permit requirements are both environmentally effective and financially manageable for all communities, including those served by Olympic View Water & Sewer District.

Best Regards,

Bob Danson, General Manager