

February 25, 2013

Mayor Gary Cronce  
Commissioner Tracy Moore  
Commissioner Mike Olsen  
City of Shelton  
525 W. Cota  
Shelton, WA 98584

Dear Mayor Cronce, Commissioner Moore and Commissioner Olsen:

As you consider future options for water system infrastructure, the Shelton-Mason County Chamber of Commerce would like to register concern regarding two of the three options currently under your consideration for water system infrastructure improvement.

First, Option 1 is not acceptable to the business community in Mason County. We strongly believe that “doing nothing” is a strategy that has resulted in many of the current monetary problems our community faces today. We are encouraged that this option does not seem to be acceptable to the Commission and we applaud you and your staff for looking toward the future by actively seeking out opportunities for low interest loans and grants.

Option 3 is the most aggressive and includes the city taking out a \$6.9 million loan. We do not believe that the benefit of this low-interest loan outweighs the risk that you would be taking by saddling the taxpayers with this debt. Also, we are more specifically concerned with some of the numbers you have been given to use to make your decision. The inflation rate seems high, and the assumption that water rates will go up just 4% in 2017 – although the debt load that year goes up over 100% – does not seem realistic. We are concerned that ratepayers will be stuck filling in the gap created by the sudden increase in debt payments.

The good news, from the Chamber’s perspective, is that you have on the table a middle ground solution – one that takes sufficient action, takes advantage of low interest loans available, and also does not create unnecessary risk and uncertainty for the city’s taxpayers. Option 2 makes significant progress toward the goals for 2028 and represents a responsible path forward for infrastructure maintenance and improvements.

As you know, the economy in Mason County is still struggling to limp back to life from the 2008 recession. Every decision you make as policy makers affects the potential economic progress in Shelton.

We respectfully request that you choose Option 2 in moving forward with a city plan for water infrastructure.

Sincerely,

Heidi McCutcheon  
Executive Director