Q. HOW WOULD THE REMOVAL OF THESE EXPENSES IMPACT THE FINANCIAL INTEGRITY OF WOWSC?

A. The proposed rates, refunds and disallowance would be disastrous to the Corporation's financial integrity. Several impacts come to mind, most notably, if these expenses are removed and rates are reduced to Staff's recommendations, the Corporation would be required to notify CoBank of the drastic decrease in the Corporation's rates. This would likely compromise both the current loan (of $350,000 approved in 2020), as well as the $300,000 promise of pre-approved funds for Corporation purchase of the clarifier. This would severely negatively impact its members because the Corporation would not be able to financially function without these loans, and may be at risk for defaulting on the current loan. Again, this compromises the financial integrity of the Corporation and is thus detrimental to every member of WOWSC. The latter offer, if withdrawn, would cause WOWSC to seek another commercial lender with much higher rates, which would again be passed on to WOWSC's members and customers through a rate increase. Additionally, WOWSC would not be able to pay for its legal bills incurred in 2020 and 2021 to protect the Corporation from the ongoing litigation matters which plaintiffs continue to pursue.