

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
BOARD OF COMMISSIONERS

AGENDA
AUGUST 2, 2023
4:30 PM

The public is invited to attend in person or via Zoom.

Join the meeting via Zoom: <https://skagitpud.zoom.us/j/87189171574?pwd=WjlCWU5UbC9lUEFhRXBza3RiclRjdz09>

Meeting ID: 871 8917 1574

Passcode: 490612

Or dial: 1-253-215-8782

Please turn your audio and video off during the meeting. Use the "Raise Hand" feature if you would like to speak during Audience Comments.

If you have a question or comment for the Board, please submit it by 5 p.m. the Monday prior to the meeting by calling (360) 848-4460 or send an email to pud@skagitpud.org

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approval of Agenda 8/2/23
2. Approval of Minutes 7/25/23 Regular Meeting
3. Voucher Approval 7/31/23

AUDIENCE COMMENTS

OLD BUSINESS

4. General Manager's Report
5. [Review and Discuss Water Policy Manual Updates](#)

NEW BUSINESS

6. [Surplus of Vehicles at End of Economic Life - Action](#)
7. [PN 3675 Campus Replacement Administration Building - Construction Administration Modification 5 - Action](#)

INFORMATION

8. Judy Reservoir Data Report
9. Recent News Articles

COMMISSIONER COMMENTS

ADJOURNMENT

MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

July 25, 2023

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington.

The meeting was called to order at 4:30 p.m. Commissioners in attendance were Joe Lindquist, president; Andrew Miller, vice president; and Corrin Hamburg, secretary.

Also in attendance were: Kevin Tate, Shannon Patiño, George Sidhu, Nick Semrau, Pete Gilbert, Brian Henshaw, Mark Handzlik, Mike Fox, Mark Semrau, Bill Trueman, Kathy White, Jay Sedivy, Sam Shipp, Alistair Boudreaux, Mike Demers, and, Darlene Hamburg, and two others not identified.

Participating remotely were: Chris Shaff, Brandon Stone, Jim Garrison, Charles Ivory, Kasey Cykler, Peggy Gazin

Commissioner Lindquist led the Pledge of Allegiance.

CONSENT AGENDA

Commissioner Hamburg moved to approve the Consent Agenda for July 25, 2023, as presented.

1. Approval of Agenda 7/25/23
2. Approval of Minutes: 7/11/23 Regular Meeting
3. Approval of Minutes: 7/18/23 Regular Meeting
4. Ratification of Voucher 7/18/23 No. 3092 (\$994,840.44)
Accounts Payable Voucher No. 26812 – 26854 (\$569,808.91)
Electronic Funds Transfer (\$199,631.67)
Payroll Electronic Funds Transfers No. 041317 – 041404 (\$225,399.86)
5. Voucher Approval 7/25/23 No. 3093 (\$381,489.26)
Accounts Payable Voucher No. 26855 – 26903 (\$181,638.74)
Electronic Funds Transfer (\$199,850.52)
6. Skagit Hyundai Water Improvements Project Acceptance

The motion passed unanimously.

AUDIENCE COMMENTS

None.

OLD BUSINESS

7. General Manager's Report: General Manager Sidhu provided an update on the following:
 - The Employee Association is hosting the employee picnic on Sunday, August 20.
 - Registration for the WPUDA Water Workshop from September 27-29 at the 7 Cedars Casino Hotel in Sequim, WA, will be opening in late July.
 - Tours of the Water Treatment Plant and Judy Reservoir for elected officials are tentatively scheduled for August 10 and August 17.
 - PUD staff has been working on installing the waterline that will lead back to the new administration building.
 - There will be a contract at the next meeting for architectural services during construction of the new administration building.
8. Safety Department Update: Safety and Risk Coordinator Sedivy presented the Safety Department update on the following:
 - 2023 training, 2023/24 Safety Data Sheets (SDS) application, policies and procedures, L&I rulemaking activity, retrospective workers compensation premium refunds, Fidalgo PRV, Judy dam maintenance, and work that has been done in the field.
9. Establishing an Administration Fee and Water Rate for 2023 Temporary Water Rights Transfers: General Manager Sidhu began with an overview of the discussions and events that have occurred since the special meeting on July 18, including the change authorization

applications which were approved on Monday, July 24, 2023. Manager Sidhu informed the board that Engineering Manager Handzlik and Skagit Drainage and Irrigation District Executive Director Jenna Friebel met to discuss the methodology and rate proposed by the Skagit Drainage and Irrigation Consortium during the July 18 special meeting. After their review of the methodology and calculations, the proposed water rate was calculated at \$12.89 per acre foot. Manager Sidhu clarified that the values would only be valid for 2023. The proposed interlocal agreements are worded such that they will take effect once a drought emergency has been declared by the state and after signatures are in place. The drought emergency was declared on July 24, so the only remaining item was to approve the terms of the interlocal and sign the agreements.

All three commissioners expressed appreciation for the work and collaboration that went into determining a methodology and water rate.

Commissioner Miller moved to authorize the general manager to enter into an interlocal agreement with Drainage and Irrigation Improvement District #15 and Consolidated Diking Improvement District #22 to provide a temporary water rights transfer if a drought is declared for Water Resources Inventory Area 3, including an administration fee of \$1,500 and a consumptive rate of \$12.89 per acre-foot of water for each district.

The motion passed unanimously.

10. Water Policy Manual Revisions: Before beginning the review of water policy manual revisions, Manager Sidhu discussed scheduling a special meeting or rescheduling the August 8 meeting to finish the review and discussion of water policy manual revisions. The commissioners agreed to reschedule the meeting to Wednesday, August 2 at 4:30 p.m. The commissioners also moved the August 22 meeting to August 15 at 4:30 p.m.

Finance Manager Henshaw continued the review of Water Policy Manual revisions to Chapters 3 and 4, including:

- 3.4.3 Late fee change to \$10 or one percent per month as agreed upon by board.
- 3.4.5 Standardizing the disconnection fee application and delinquent charges.
- 3.4.6 Shut off protection for customers with medical emergencies.
- 3.4.7 Clarifying process for heat advisory shut-off protection.
- 3.4.8 Establishing authority for granting extensions of partial payments due to hardship or extenuating circumstances.
- 3.4.9 Canceling balances on closed accounts with a balance of less than \$5 instead of \$1
- 3.5 Assigning limited authority to finance manager to fix billing errors resulting from water loss.
- 3.5.2 Authorizing finance manager to waive or dismiss a billing charge or fee for first time instances or assessed in error by the District.
- 3.5.3 Defining retroactive adjustments and misidentification or mix-up.
- 3.6 Explaining the new threshold and additional changes to the leak adjustment policy.

Commissioners provided comments and feedback and their questions were addressed throughout the review and discussion. The remaining revisions in chapters three and four will be reviewed at the next regular board meeting on August 2.

NEW BUSINESS

None.

SECOND QUARTER FINANCIALS

Finance Manager Henshaw presented the second quarter financials reporting on consumption comparison, revenue comparison, revenues of \$14.9 million, operating expenses of \$8.1 million, capital contributions of \$1.25 million, cash flow summary, district funds of \$43.3 million, Local Government Investment Pool (LGIP) & 2-year treasury rates, meters total of 27,515, and comparison of the 2019 rate study CIP forecast, the actuals, and what is budgeted.

INFORMATION

- 11. Credit Cards Administrative Practice & Procedure #2036
- 12. Monthly Budget Status – June 2023
- 13. Judy Reservoir Data Report
- 14. Recent News Article

COMMISSIONER COMMENTS

Commissioner Miller thanked Commissioner Lindquist for remoting into the special meeting on July 25.

ADJOURNMENT

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed, and the July 25, 2023, meeting was adjourned at 5:41 p.m.

ATTEST

Joe Lindquist, President

Corrin Hamburg, Secretary

Andrew Miller, Vice President

DRAFT



1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

August 2, 2023

MEMORANDUM

TO: Board of Commissioners
FROM: Brian Henshaw
SUBJECT: Review and Discuss Water Policy Manual Updates

Requested Action:

Continue discussion of recommended revisions to the Water Policy Manual Section 4.

Background:

Section 4. Water Rates, Fees, and Deposits

- 4.1.7 Agriculture Rate - Updates criteria used to determine eligibility for agriculture rate.
- 4.2. System Development fees - update verbiage and eliminate 2019 rate table reference Appendix.
- 4.2.8 Abandoned from service - eliminated by changes to 2.4.6.
- 4.5 Service Deposits - Discuss current credit methods and propose eliminating credit checks.
- 4.5.4 Refund of deposits - Change to customers request with good history.
- 4.5.5 Refunds - Add 14 days to process refund requests to prevent fraud.

Fiscal Impact:

None.

Enclosures: 1. [2022 Water Policy Manual Sections 2 & 3 & 4 Revised-Commission.docx](#)

Section 2

General Terms, Conditions, and Policies

2.1 General Provision

2.1.1 Scope

Section 2 of this Water Code provides the General Terms, Conditions, and Policies for furnishing and receiving water service. These terms, conditions, and policies are a part of all oral or written proposals, offers, agreements, and contracts for furnishing and receiving water service relating to the District.

2.2 Water Service Policies

2.2.1 General

Consistent with sound business judgment, the District shall undertake to the fullest extent to furnish water to County inhabitants who need a potable water supply.

The District will provide water service to undeveloped lots/parcels only after receipt of written notice or building permit from the local government with land use jurisdiction that the undeveloped lot/parcel is consistent with the jurisdiction's land use plan. (1350)

Water service requests for livestock watering and/or agricultural purposes may be allowed per Section 2.3.4. Such service shall not be converted to residential, commercial and/or industrial use without the prior approval of the District, which shall require the lot/parcel owner(s) to submit to the District a copy of the approved building permit for the proposed new use, issued by the local government having land use jurisdiction. Such building permit shall be considered warranty that the conversion is in compliance with the jurisdiction's approved land use plan. (1350)

The District shall execute an Agriculture Irrigation water service Agreement or Water Service Contract with an Applicant for each one inch (1") or larger irrigation service. The contract will outline the duties of the District to provide water and the duties of the Applicant in the use of the water, including a clause stating that if problems arise relating to District water source capacity or hydraulics, that water for irrigation or other non-domestic demands may be limited or discontinued, as required by the District. Water use for irrigation is recommended during, and may be limited to, "off-peak" hours of 10:00 p.m. to 5:00 a.m. each day or such hours as the District may prescribe. (1714, 1937)

2.2.2 Wholesale Water Service (383)

The District will, upon request, assist and aid local water districts and municipalities when practical.

The District will provide water supply at cost to a local municipality desiring additional or supplemental supply.

District cost for providing water supply consists of:

- Production costs and expenses at the source.
- Costs and expenses of treating, storing, and delivering the water from the source of supply to the point of delivery or meter of the utilizing system.
- Expenses incident to operating and maintaining the facilities dedicated to such services, including an equitable allocation of indirect, supervisory, and administrative, and general expense.
- Taxes or payments in lieu of taxes.
- Interest and principal payments on the indebtedness of the District properly assignable to the facilities dedicated to such service. (383)
- Allocation for renewal and replacement of the facilities when required and to pay for facility improvements. (383)

2.2.3 Special Contracts for Services (545)

The Manager shall have the right, with the approval of the Commission, to fix special rates and enter into special contracts where service conditions are extraordinary and the existing rates cannot equitably be applied, provided that all such special contracts or rates shall be consistent with principles set forth in Sections 2.2.1 and 2.2.2, and that service provided by special contract shall be made available only if excess capacity in the District's distribution and source of supply facilities is available.

The District shall not sell or furnish water for the purposes of resale, except by special contract as directed and approved by the Commission.

2.2.4 Owner/Agent Agreement (aka Application and Agreement for Services: Landlords and Tenants)

The District will allow tenants to assume sole financial responsibility for water service provided they have completed the necessary District requirements for initiation of service as stated in 2.4. If the tenant has not initiated service and there is evidence that the service is in use, the Landlord shall be responsible, and the service is subject to immediate shut off unless such landlord has signed an agreement as indicated in this subsection.

If a tenant has not terminated service and is recognized as the responsible party for the service, the District will only terminate service for the following reasons:

- The tenant is not meeting the requirements and conditions of the District to continue service. In this case, the District will initiate termination.
- The tenant requests termination of service.

- The landlord signs an order to terminate because the tenant has not requested termination of service and no longer is a tenant of the premises, or the landlord needs the service off to protect the premises and to repair or maintain the premises. The District will not terminate service for non-payment of rent to the landlord as RCW 59.18.300 does not allow landlords to terminate utilities for non-payment of rents.
- A new tenant has indicated they are now the responsible party and meet the District's requirements for service initiation. In this case, the District will terminate service in the previous tenant's name and immediately activate service with the new tenant.

If the Landlord wishes to remain the sole financial responsible party and not allow tenants to assume financial responsibility, the District may accommodate such requests on a case-by-case basis.

As allowed in this subsection, a contract may be entered into by any owner of rental property for the provision of uninterrupted service to such property between tenancies. The owner agrees to pay for water service charges during this period and until a tenant assumes responsibility for water service under these policies.

2.2.5 Movement and Relocation of Water Services (1668-95)

A Customer may have a water service relocated at their expense, subject to standard District installation requirements. The relocated water service shall be restricted to relocation on the same lot or parcel it originally served. The Customer shall be required to pay additional system development fees if the water service with meter is increased in size. Refer to **Section 4.2 for** the system development fee formula. The water service taken out of service due to relocation, if left in place, shall require a system development fee at the current applicable level if reactivated.

The District may permit the movement and relocation of water services under the following conditions: (867)

- When the continuation of a service at its present location appears unlikely to serve any useful purpose in the future or presents a hardship to the Customer, and
- When the proposed future location is on the District's water system where adequate water mains exist to serve the Customer requirements at that location properly, and (867)
- When an amount equal to the estimated cost of removal and relocation is paid before relocation work, and a signed job order authorizes the work: the estimated cost shall be equivalent to a Type One or Type Two connection charge or a higher estimated amount, whichever is deemed sufficient by the District, and
- If the proposed future location is on a pipeline on which a Latecomer's Agreement is in force, an amount equal to the refund will be paid in addition

to the conditions listed above.

After all work has been completed, all conditions satisfied, and all accounting completed, the Customer shall be billed for additional costs incurred over the payment(s) or refunded any unused balance. Once removed under these conditions, a service shall be considered nonexistent at the place from which it was removed. (867)

2.2.6 Illegal Use of Water (1876-99)

Withdrawal of District water from a fill station non-metered connection, standpipe, or fire hydrant without a written water use contract with the District is prohibited. Illegal use will be assessed, at minimum, a basic charge equivalent to a monthly 4-inch meter charge for each month of use. Extended illegal use and consumption charges will be based on the District's estimate of use at the current consumption charge. The District may refer the information to local law enforcement and prosecutor's office.

2.3 Installation of Water Service (1350)

2.3.1 Water Service Availability (1350)

Water service will only be provided if water lines with sufficient supply are available and the site's location where service is to be installed is contiguous to a water main unless otherwise allowed within this Water Code per line extension requirements (see Section 6). For accuracy and record-keeping purposes, the Applicant must provide building plans for cross-connection review, site plans, and onsite sewer system disposal plans. The site of the service installation must have an address assigned by the county or municipality.

2.3.2 Meter Box Installation (1350)

It is necessary to install the meter box at proper grade in order to make it level with existing or future sidewalks, driveways, or lawns. The property owner must have the correct grade established, located, and marked for the benefit of the District service installation crew.

2.3.3 Installation in Unimproved Areas (1350)

It is not desirable from a security position to install water services in unimproved areas, and in the event such a request is made, it will be necessary for the applicant to present all applicable permits and/or approvals issued by the appropriate government agency or agencies. See Sections 6.2.6, 6.5.6 and 6.6.7 for a listing of possible approvals to obtain.

2.3.4 Other Uses (1350)

Service for watering livestock or other animals or irrigation purposes may be allowed if the applicant provides an address from the local authorizing authority and meets other District criteria.

2.3.5 Installation Timing (1350)

The application for water service and payment of fees thereof, implies the applicant is requesting the service be installed as soon as possible. The District will turn on or install the service(s) or meter(s) as soon as the District's schedule allows after the Applicant has completed the service application and paid all applicable fees and charges.

2.4 Activating, Disconnecting, Reactivating and Terminating Service

2.4.1 Service Order or Contract

Each Applicant desiring water service shall submit a written application and sign an application form or water service contract prior to service connection.

At the time of application, each Applicant shall be informed of the estimated fees and charges for obtaining service(s) per the most recent Appendix A, Rates, Fees, Charges and Deposits. Any claimed or actual failure by the District to inform the Applicant shall not, however, relieve the Applicant of any such fees or charges. Fees are adjusted annually, and the actual fee will be those in effect at the time of payment.

Large industrial or commercial contracts shall contain such provisions and stipulations as may be necessary or desirable to protect the interests of both the District and Applicant.

2.4.2 Agreement

By acceptance of service, each Applicant agrees to be subject to all current and subsequently revised District policies, rates, charges, service requirements and regulations, with or without a written application or contract.

The Applicant agrees that the District shall have the right to shut off the water service, with or without notice, for (1) repairs, extensions of the water line, (2) (3) any operating condition requiring suspension of service, and that the District shall not be responsible for any damage due to stoppage or interruption of the water supply.

2.4.3 Initiation of Service

Service will be initiated when the Applicant has met all District requirements and submitted:

- Completed application and a demonstration of credit sufficient for reasonable assurance that service bills and fees will be paid.
- Valid service and mailing address(es).
- Payments as required on delinquent accounts.
- Payment of applicable deposits and other fees.

The District will turn on or install the service(s) or meter(s) as soon as the District's schedule allows after the Applicant has completed the service application and paid all

applicable fees and charges.

2.4.4 Separate Service for Each Lot, Property, or Dwelling or Establishment

Each lot, property, dwelling, or establishment is required to have a separate water service, **EXCEPT** as provided for in this subsection and Section 2.7, Temporary Water Service.

- Each multi-family residential structure may be served by either a common meter or individual meters for each unit at the property owner's option and the District's approval .
- Multi-family structures, commercial, industrial, institutional, or governmental Customers with facilities occupying multiple lots or structures under a single ownership may be served by either a common meter or individual meter for each structure, at the property owner's option and the District's approval
- Multi-tenant commercial, industrial, institutional, or governmental properties or structures may be served by either a common meter or an individual meter for each tenant, at the owner's option and with the District's approval .
- A common meter may provide water service to the main residence and an accessory dwelling unit if it conforms to applicable zoning and Skagit County and/or city regulations.
- One meter may provide water service to separate, non-rented, and primarily non-commercial structures on the same property if it conforms to applicable zoning and Skagit County and/or city regulations.

The Applicant shall be responsible for the entire billing if common metering is used .

Customers shall only provide water to additional dwelling(s) with the prior written approval of the General Manager.

2.4.5 Multiple Meters

When a Customer's service requires application of more than one rate schedule, one meter will be installed for each applied schedule. Each meter will be billed separately unless otherwise specified in a special contract.

2.4.6 Meter Removal for Inactive Connections

Water service(s) may be reactivated under two circumstances, provided that current District standards are met. If a customer requests renewal of an inactive service within five-years of its last use, the District will restore service through a turn on/reconnection charge (Appendix A, Rates, Fees, Charges and Deposits).

If a customer requests renewal of an inactive service after five-years, the District will restore

service through a “Type One” Connection Charge and System Development Fee (Appendix A, Rates, Fees, Charges and Deposits). Customers with evidence of prior use (including PUD records) will receive SDF credit for the previous service size.

2.4.7 Disconnection of Service

Service may be disconnected for good cause, including (but not limited to):

- Violation of service requirements or regulations, rate schedules, contracts, or plumbing codes.
- Failure to pay fees or deposits.
- Theft or illegal diversion of water.
- Leaks and other unintentional water losses in a customer-owned system that are not addressed in a timely manner, and that may cause water loss or property damage.
- No one assumes responsibility for service.
- Failure to pay water charges when due.
- Failure to meet cross-connection control, installation, and maintenance requirements.
- Use of water in a manner that is detrimental to the service being rendered to other Customers as further described in Section 2.5.3.
- Indiscriminate use of water that has or may have a detrimental effect on wetlands of significance, as determined by Skagit County, and/or the failure to neutralize discharged water to protect aquatic life in the receiving water.

Service will not be disconnected for non-payment of the bill without written **NOTICE**. The nature of the notice required and the period before disconnection for other than non-payment shall be reasonable under the circumstances with special consideration for the potential dangers to life and property.

After disconnection occurs (for other than non-payment), information concerning such action and the process for reconnection of service will be mailed to the billing address provided by the Customer.

The disconnection of service for any cause shall not release the Customer from the obligation to pay for water received, fees owed, and charges specified in this Manual or in any existing contract.

Disconnection During Appeal: (Ref.Sect.2.8)

At the District’s discretion, disconnection of service may be by locking meter, isolation valves, or physical disconnection as the District may choose.

2.4.8 Turn On/Reconnection of Disconnected Service

When service is disconnected for noncompliance with service requirements or regulations, nonpayment or fraudulent use, the service will not be reactivated until the situation is

corrected to the District's satisfaction.

Before turn on/reconnection, the Customer will be advised of current service fees for all accounts and services if unpaid after the "Shut Off" deadline. Only authorized District personnel may initiate and turn on or reconnect service to a water service connection. Appropriate charges, as specified in (Appendix A, Rates, Fees, Charges and Deposits), for turning on or reconnecting service will be assessed as applicable.

2.4.9 Termination of Service by a Customer

Except as may be otherwise provided for by a special contract or agreement with the District, when a change of occupancy or of legal responsibility takes place for water service to any premise being served by the District, the Customer may terminate service by notifying the District and paying in full all amounts owed to the District to the date of discontinuance of billing. A final bill will be mailed to the forwarding address that has been provided by the customer when termination of service is completed.

The outgoing Customer is responsible for all service supplied to the date notification is received by the District. The District reserves the right to read the meter(s) for a final bill and such reading(s) may be adjusted for consumption, if any, used by subsequent Customer(s). The final reading may be estimated by mutual consent of the Customer and the District. Under some circumstances the District may, at its option, require written authorization from the Customer paying for water service before terminating such water service.

2.5 Service and Equipment Requirements

2.5.1 Customer Facilities

Plumbing and Equipment: The Customer shall install, own, and maintain all plumbing and equipment beyond the point of delivery, except meters and special facilities installed or furnished by the District. The Customer's plumbing is to conform to:

- District's service requirements and regulations.
- Municipal, county, and state requirements.
- Accepted modern standards as set forth in the Uniform Plumbing Code.

2.5.2 Responsibility for Maintenance

The District is responsible for maintaining its facilities and equipment to the point of delivery. The Customer owns and maintains equipment beyond the point of delivery. (See Section 2.5.1)

The District may install specialized distribution equipment, such as pressure reduction valves beyond the point of delivery in Type 6 high pressure service connections that have ownership relinquished to the property owner after installation. The Customer is responsible for maintenance of such equipment after initial installation.

2.5.3 Safeguard of District Facilities

The Customer shall provide space for, and exercise proper care to protect any of the District's facilities on the Customer's premises. This shall include meters and other facilities installed by and remaining the property of the District. Any person knowingly and maliciously damaging or tampering with District meters and other equipment, reconnecting a previously disconnected meter to restore utility service, or tamper with any District equipment with the intent of defrauding or illegally diverting utility service shall be subject to prosecution by the District in accordance with Chapter 9A.56 RCW (Theft and Robbery)

In addition, in the event of unauthorized connection, and loss or damage to the District's property, the District may collect from the Customer the charge for estimated unmetered water, the cost of facility repairs and replacement, including the time and expense of District personnel, administrative costs, attorneys' fees, and other costs authorized or awarded. This charge will be in addition to the charge for estimated unmetered water.

The District may refuse or disconnect service to Customers when the District knows conditions to be defective or out of compliance with codes, regulations, or requirements. The District is not liable for loss or damage to persons or property resulting from defects or negligence of others:

- By the Customer beyond the point of delivery, or
- In the Customer's installation, facilities, or equipment.

When an individual's action might endanger District property or interrupt water service, prearrangements can be made for crew or service personnel to stand by. The cost for this service may be charged to the responsible party.

Should loss or damage occur to District property, the responsible party may be charged for repair or replacement cost, administrative time and expense, and estimated loss of unmetered water. However, if a District employee is at the site and approves the method and work, the charge to the Customer may be modified or waived.

2.5.4 Access to Premises

The Customer is to provide District representatives with safe, clear access and entry to Customer premises for service-related work. The District's facilities must remain unobstructed and accessible at all reasonable times so the District may:

- Install, inspect, maintain, or remove District equipment or plumbing.
- Read, connect, disconnect, or inspect metering devices.
- Inspect Customer owned cross-connection control devices.
- Inspect all water facilities on the premises for cross-connections. At any time, a cross-connection is discovered, and the Customer does not immediately remedy it, the District reserves the right to immediately terminate water service to the

Customer until such cross-connection is removed or protected by an approved Backflow Prevention Assembly as required by the District. Such inspection shall not make the District responsible for guaranteeing the absence of cross-connections.

For locked Customer premises where District equipment is located, the Customer will allow District access with its own lock and key.

The Customer shall provide space and protection for District facilities on the Customer's premises, including meters, touch pads on outside walls and other equipment installed by and belonging to the District.

Although the Customer is responsible at all times for maintaining Customer-owned equipment, the District may inspect Customer equipment before or after service connection.

However, such inspection, or lack of inspection, shall not be construed as placing upon the District any responsibility for the condition or maintenance of the Customer's plumbing, nor does it guarantee the absence of cross-connections in the Customer's service.

2.5.5 Cross-Connection Control

Washington Administrative Code (WAC) 246-290-490 establishes the minimum requirements for public water systems to be protected from contamination via cross-connections. The District's Cross-Connection Control Program Manual prescribes required cross-connection control measures and documents the District's policies that meet or exceed the minimum requirements for cross-connection control. The District's Cross-Connection Control Program Manual is described in Appendix F.

2.5.6 System Disturbances

Water service shall not be utilized in such a manner as to cause severe disturbances or pressure fluctuations to other Customers of the District. If any Customer uses equipment that is detrimental to the service of other Customers of the District, the District may require the Customer to install, at their own expense, equipment to control such disturbances or fluctuations.

2.5.7 Interruption of Service

It is the District's intent to provide adequate and continuous service with minimum interruption. However, the District:

- does not guarantee against occasional curtailment or failure of water service; and
- shall not be liable for resulting injury, loss, or damage; and
- shall not be considered in breach of contract for temporary service interruption.

Repairs or improvements to facilities requiring temporary service interruption will be expedited and timed to minimize Customer inconvenience. When possible, a prior notice will be mailed to the Customer or left at the service address in a visible location in advance of the service interruption.

If the Customer's water service fails, the Customer shall endeavor to determine if the cause is on the District's side or the Customer's side of the meter.

When the District responds to a Customer call after service hours, and the problem is found to be with Customer equipment, the Customer will be notified and will be responsible for repairs and fees.

2.5.8 District Representation by Employees

No inspector, agent, or employee of the District may ask, demand, receive or accept any personal compensation for any service rendered to water consumers or other persons in connection with supplying or furnishing water by the District. No promise, agreement, or representation of any employee or agent of the District with reference to the furnishing of water shall be binding on the District unless the same shall be in writing and signed by the General Manager or authorized agents.

2.

2.7 Temporary Water Service

2.7.1 Short-term Water Service

At the District's discretion, temporary water service may be provided to accommodate special needs for water at a fixed site on a short-term basis (e.g., on-site needs for construction activities or summer irrigation). Temporary water service may be provided from a fire hydrant or flushing assembly at a location specifically designated for this purpose by the District. Short-term water service may be authorized for a period not exceeding **30 days**. Upon expiration of the initial 30-day period, a Customer may request an extension of temporary service for one additional 30-day period. No more than one extension will be granted, unless authorized by the General Manager.

Procedures for authorizing short-term use shall be as follows:

When an Applicant desires to use a fire hydrant for short-term water service at a fixed site, the following procedures apply:

- The Applicant shall obtain a Hydrant Use Permit from the District and retain a copy at the site accessing the hydrant or flushing assembly.
- Metering is required for this type of use. The Applicant shall obtain a fire hydrant meter from the District for use at that location. The Applicant will be charged for using the meter and actual water used based on the District Rate Schedule(s) in (Appendix A, Rates, Fees, Charges and Deposits).
- The Applicant shall utilize only the hydrant or flushing assembly specifically designated by the Hydrant Use Permit.
- The Applicant shall obtain a placard from the District that indicates a Hydrant Use Permit has been obtained. At any time a hydrant is being used, the Applicant shall display this placard in a prominent position clearly visible from the street. The Applicant shall not provide this placard to any

other person.

2.7.2 Seasonal Water Service

A mobile water tank may provide seasonal water service for intermittent use to accommodate special needs . The seasonal water service may be provided from multiple fire hydrants or flushing assemblies at locations directed by the District, but additional backflow protection and routine testing will be required. Seasonal water service may be authorized for a period not exceeding 180 days unless authorized in writing by the General Manager

When an Applicant desires to apply for seasonal water service, the following procedures apply:

- The Applicant shall obtain a Hydrant Use Permit from the District and retain a copy in the mobile water tank.
- Metering and a higher degree of backflow protection are required for this type of use. The Applicant shall obtain a fire hydrant meter from the District, but the Applicant must provide their own Reduced Pressure Backflow Assembly (RPBA) for use with the hydrant meter. The Applicant will be charged for use of the meter and for actual water used, based on the appropriate District Rate Schedule(s) in Appendix A, Rates, Fees, Charges and Deposits.
- Prior to the District issuing the Hydrant Use Permit, the Applicant will be responsible for having the RPBA tested by a certified Backflow Assembly Tester (BAT) and bringing the test result and the RPBA to the District for verification prior to the first use of the hydrant meter, and every month after that. District staff will then assemble the fire hydrant meter and the RPBA and instruct the Applicant on using the meter and operating the fire hydrants.
- The Applicant is responsible for keeping a list of the locations where the fire hydrant meter was used (closest address or street intersection) and the amounts of water used when submitting a payment to the District. The District will provide the Seasonal Water Service Usage Log Sheet, and the Applicant is required to keep it current.
- If the RPBA is damaged and/or unable to obtain a passing test, the Applicant is responsible for providing a new RPBA which has received a passing test from a BAT. If the Applicant fails to submit the test results in a timely manner, the Hydrant Use Permit will be revoked. Multiple violations of the Hydrant Use Permit conditions will result in the denial of future seasonal water service applications.
- The Applicant is required to contact the District Billing Department every 30 days to notify the District of the water used to create a bill. The Hydrant Use Permit will be revoked if the Applicant fails to call in the water usage. Multiple violations of the Hydrant Use Permit conditions will result in the denial of future seasonal water service applications.

2.7.3 Temporary Water Service for Relatives of District Customers Occupying Temporary Housing on the Same Lot or Property (1511-90)

Section 2.4.4 indicates that a separate metered service connection is required for each dwelling. There are cases wherein the need for domestic water to a second dwelling on the same lot and/or property may be necessary temporarily, e.g., temporary housing for parents or in-laws, dependent relatives, etc.

The District will consider variances to the separate meter requirement and allow a single meter for two residences on a single lot in conjunction with written approval or Special Use Permits for the temporary dwelling approved by the appropriate County or City planning department.

If the appropriate agency approves the application for placement of a temporary mobile home for relatives, the District will permit two dwellings to be served from one metered service. When the Applicant's relative or the Applicant is no longer living in the temporary dwelling, the variance allowing two dwellings on one metered service will no longer be allowed, and service to the temporary dwelling must be disconnected.

Applications for a variance to allow two dwellings to be served by one metered service will require a copy of the written authorization from the agency that issued said permit.

Any variance issued under the authority of this subsection will require the approval of the General Manager, and the Applicant will be required to enter into a written agreement acknowledging that this District variance is temporary.

2.7.4 Fire Hydrant Use

No person shall operate or tamper with a fire hydrant connected to the District's water system, without the express written approval of the District or, in the case of an emergency threatening life or property, the approval of an authorized representative of the appropriate fire department. In addition to the penalty established in Section 2.2.6, any person violating this provision shall pay for a basic charge equivalent to a 4-inch monthly charge for each month of use and the amount of water used, as estimated by the District, and based on the applicable rate schedule.

Water Services for Fire Protection (179)

- A water service for fire protection must be fitted with such fixtures only as are needed for fire protection and entirely disconnected from those used for other purposes. In no case shall any tap be made upon any pipe used for fire service purposes or any tank connected therewith, nor shall the use of any water be permitted through any fire service nor through any pipe, tanks, or other fixtures therewith connected, for any purpose except for extinguishing fire on the premises.
- The Customer must bear the full cost of installing fire protection lines, including service from the mains .
- Rates for fire protection services are provided in Appendix A, Rates, Fees,

Charges and Deposits.

- No charge will be made for water used by fire protection service in extinguishing fire on the premises if the owner or occupant of premises where such fire occurs gives written notice to the office of the General Manager within 10 days from the time of such fire and is attested to by a representative of the government having fire jurisdiction.
- In the event the General Manager determines that a Customer having a fire protection service may be using water from same in violation of paragraph (a) of this Section, a double check detector meter shall be installed on the fire-service line, without prior notice being given to the Customer.
- Should experience after such installation show that no water was being used in violation of paragraph (a) of this section, (either through no use being registered on the double check detector meter after installation or no increased use being registered on the regular meter after the fire line was metered) then the District shall make no charge for such installation and charges for fire protection service shall continue on the basis of paragraph (c) above as long as no use is registered.
- Should experience safter the installation of the double check detector meter indicate that water was being used in violation of paragraph (a) of this section, then the District shall charge the Customer for the cost of such installation and a meter charge for at least two-meter reading cycles for each month of use.
- If the procedure outlined in the third paragraph of subsection (e) above takes place, the Customer will become liable for appropriate water charges to compensate the District for the estimated quantity of water used during the period when paragraph (a) of this section was being violated.

No Guarantee for Fire Protection

Notwithstanding all other provisions for fire protection, or for other metered service, including water furnished to any fire hydrant or other equipment used or which may be used for fire protection purposes, it is understood that the District cannot guarantee any minimum quantities of water or pressure of the water to be furnished for fire protection or water service. The District shall not be liable in any manner for any loss or claim because of the quantity of water or pressure of the same furnished for fire protection.

2.8 Dispute Resolution

2.8.1 Appearance before Commission

Customers and other affected people have a right to appear before the District's Board of Commissioners if they believe that a decision by the District was incorrect regarding:

- Termination of the delivery of water service or disconnection of the Customer;
or
- Refusal to deliver water service (i.e., not connect the Customer); or

- Require the Customer to pay for water service previously delivered (i.e., transfer an outstanding balance to a new water account); or
- Require the Customer to make periodic payments in specific amounts to pay for water service previously delivered as a condition of receiving water service (i.e., require a payment plan); or
- Require the Customer to provide security as a condition of receiving water (i.e., require a security deposit); or
- Require the Customer to pay a fee or penalty; (e.g., reconnection fee, account service fee, etc.); or
- Leak or billing adjustments; or

other issues as may be presented may have that decision reviewed by the District's Board of Commissioners.

Binding Decision

The decision of the Commissioners shall be a final decision of the District.

Appearance Request

A request for an appearance before the Commission should include a description of both the decision to be reviewed and the relief requested. If the description and relief warrant, the District may require that the request be in writing. The Customer's request must be directed to the Board of Commissioners, General Manager or Executive Assistant at the District's office located at 1415 Freeway Drive, Mount Vernon.

Appearance Date

The General Manager will set the date for the appearance within ten (10) business days after the hearing request is received by General Manager. Unless otherwise indicated, the hearing will be held at the District's Mount Vernon office.

District's Action Stayed Pending Receipt of Request for Appearance

If a Customer:

- Informs the District that he/she intends to request an appearance before the Commission to review that decision; the District will stay the action which would have been taken unless to do so would cause substantial disproportionate harm to the District or its customers. The stay will remain in effect for six (6) business days or until receipt of a formal request for an appearance, whichever is earlier. Upon receipt of a formal request for an appearance the District will stay the action through the appearance absent substantial disproportionate harm.

Performance Pending Hearing

All obligations which are not the subject of the dispute to be decided by the Commission

shall be performed by the District and/or the Customer. This shall include, in the case of a dispute over amounts to be paid, the payment of all non-disputed amounts.

Failure to Appear

If a Customer fails to appear before the Commission within thirty (30) minutes after the time set for the appearance, the Customer will be in default, and the Commission shall decide the disputed matter in favor of the District. If the Customer fails to appear, the Customer's request for another appearance will not be granted unless the failure to appear was caused by an emergency or because of the occurrence of an unforeseeable circumstance or event, which shall be determined by the General Manager. In such case, the subsequent appearance must be held within ten (10) business days of the original hearing.

Continuances

Any request for a continuance shall be made to the General Manager, which shall grant such a continuance only in the case of an emergency or because of the occurrence of an unforeseeable circumstance or event.

Representation

A Customer may represent himself/herself or may be represented by an attorney, relative, friend, or any person other than a District employee. If the Customer is to be represented by an attorney, the Customer must inform the District of that fact at the time the request for an appearance is delivered to the District, or if the services of an attorney are procured later, then as soon as such representation is arranged.

Evidence

The Commission may consider evidence that will assist the Commission in reaching a decision and may give effect to the rules of privileged communications (e.g., attorney/client privilege, husband/wife privilege, etc.) under the law. Information that is irrelevant and unduly repetitious may be excluded. Documentary evidence may be received in the form of copies or excerpts. Each party shall have the right to ask questions of persons who make statements at the appearance.

Legal Authority

The Commission shall apply as the first source of law District Resolutions, Code, and Regulations. If District authority fails to address the situation adequately, the Commission shall resolve the issue(s) based upon the legal authority and reasoning available, including that found in the state and federal constitutions, statutes, and court decisions.

Review of District Action

If the dispute involves a question of whether the Customer is indebted to the District, the District must establish the Customer's obligation by a preponderance of the evidence. If the dispute involves a question of whether a District decision is inconsistent with the regulations of the District, the Customer must establish by clear cogent and convincing evidence that the District action is unreasonable and in disregard of facts and circumstances.

2.9 Bulk Water Fill Stations

2.9.1 Conditions of Service

- Use of fill station water may be provided at the District’s discretion to retail service area customers subject to availability, impact to system operations, and other relevant factors as determined by the District.
- Pursuant to the District’s discretion as stated above, the District may establish an allocation program for fill station water that seeks to achieve the equitable distribution and use of such water among all customers/potential user categories.
- Customers seeking fill station water shall be required to complete and secure approval of an application for such water prepared by the District.
- Access/approval to receive fill station water may involve pre-paid debit cards issued by the District, which assist in the tracking quantity of water distributed on an annual basis or it may include the use of credit cards.
- The District does not warrant water provided by fill stations after passing the meter as suitable for domestic/potable use. This condition/limitation is required by the Washington State Department of Health.
- Water provided by fill stations must be beneficially used within the District’s approved WSP/CWSP service area. This Place of Use requirement/limitation is established in the District’s existing water rights.
- Non-compliance with the terms/conditions of a fill station permit may result in revocation of fill station approval and/or denial of future access.
- The District shall establish a cost/rate for fill station water. The District may adjust this cost/rate as circumstances/conditions require.
- The District may suspend or terminate access to fill station facilities if their operation is determined to compromise and/or adversely impact District water system sources, operations, facilities, and/or direct water service obligations.
- The District shall not make fill station water available for more than temporary and/or interruptible use until a fill station facility has been field tested by District staff and determined to meet District system design and operational reliability standards.
- The provision of fill station water may be provided subject to PUD Policy 2.5.7 – Interruption of Service, other applicable PUD policies, and applicable state and local laws, regulations, and ordinances.

Section 3 Metering and Billing Procedures

3.1 Metering

3.1.1 Methods of Installation for New Metered Water Service Connections

All new meter installations shall incorporate remote read meters. Six (6) installation procedures are described below. Their respective water service fees are addressed in Section 4 and Appendix A, Rates, Fees, Charges and Deposits.

Type One (1929-01)

Under a Type One installation, District will tap the water main, provide and install the service piping, meter with remote read device, and meter box and associated appurtenances.

Type Two (1929-01)

Under a Type Two installation, the water service line has been installed to the meter box location at the Applicant's property line as part of a water main extension by the developer/contractor and included in the water main extension cost. The District will provide and install the meter with remote read device, meter box and associated appurtenances.

Type Three (1929-01)

Under a Type Three installation, the water service line, meter box, and associated appurtenances, less the meter, have been installed to the Applicant's property line by the developer / contractor as part of a water main extension and included in the main extension cost. The District provides and installs the meter with remote read device.

Type Four (1929-01)

Under a Type Four installation, the water service line, meter with remote read device, meter box, and associated appurtenances have been installed to the Applicant's property line as part of a water main extension by the customer / developer and included in the main extension cost.

Type Five

Under a Type Five installation, a deduct service, consisting of water service line, meter with remote read device, meter box and associated appurtenances, will be installed downstream from and in series with the domestic service to a dwelling or structure. A deduct service is intended and available for irrigation of minor landscaping and other incidental uses that will not enter the local sanitary sewer system and shall not be larger than the adjoining meter. The deduct service may be installed concurrently with or after a Type One through Type Four domestic service and may be used for the purpose of metering water use that may not be discharged into the public sewer system (reducing the sewer bill

accordingly).

Type Six

Under a Type Six installation, District will tap a water main larger than 12 inches and less than or equal to 18 inches, other than concrete cylinder pipelines, provide and install the service piping, meter with remote read device, and meter box and associated appurtenances.

Other General Requirements relating to Type One through Type Six metered water services

- “Appurtenances”, relating to Type One through Type Six water services above, do not include pressure regulating or cross-connection control assemblies on the customer side (downstream) of the meter assembly.
- For services other than a single-family residence, applicants will be required to provide to the District a complete list of fixtures with their respective equivalent fixture unit values and a meter size determined by the applicant’s licensed plumber, architect, or engineer, as outlined by following the current adopted Uniform Plumbing Code. (1929-01)
- The District requires the installed water meter to meet the peak water demand. The District may approve an alternative means to meet the peak water demand. The required water meter size to be installed will depend on the peak flow requirement and the water pressure of the water main that will supply the metered water service. (1929-01)
- Because hydraulic limitations can restrict the District’s ability to provide water for a service connection, the District reserves the right to limit the size of the water service to be installed. This determination will be based on hydraulic considerations of the water main that will supply the metered water service. (1929-01)
- The District shall execute a water service contract for each new non-deduct irrigation service(s), outlining the duties of the District to provide water and the duties of the applicant in the use of the water, including a clause such that if problems arise related to water system source capacity or hydraulics, water for irrigation or other non- domestic demands can be limited or discontinued. Water for irrigation is recommended during, and may be limited to, “off peak” hours of 10:00 p.m. to 5:00 a.m. each day, or such hours as the District may prescribe.
- All charges, fees and expenses charged by local, State, or federal agencies to the District to fulfill an Applicant’s service application shall be added to the cost of the Type One service installation.
- All service connections to the District system shall be billed according to the appropriate rate schedule in Appendix A, Rates, Fees, Charges and Deposits.
- Special meters may be installed on any account when the nature of the Applicant’s equipment and operation so indicates for correct rate schedule application and/or Applicant service improvement.

The District shall adjust Installation Charges on January 1 of each year, based on increases in the Engineering News Record Construction Cost Index for the Seattle area from November of the preceding year. The actual fee paid will be those in effect at the time of payment.

Metered Services for Irrigation (1929-01)

Either of two types of irrigation services may be utilized: deduct (Type Five) or non-deduct (Types One through Four). These meter Types are described above.

3.1.2 Standpipe, Flushing Assembly or Fire Hydrant Use

Water use from fire hydrants, flushing assemblies or standpipes requires use of a fire hydrant meter. Additional details are provided in Sections 2.6, 2.7.3 and 4.1.5.

3.1.3 Fill Station Use

Use of fill station water may be provided to DISTRICT retail service area customers subject to the completion and approval of an application prepared by the DISTRICT. Additional details are provided in Sections 2.2.6, 2.9, and 4.1.6

3.2 Billing

3.2.1 Responsible Party

The responsible party is the person(s) for whom service is being rendered and the person(s) whose name appears as a customer according to the records of the District. It is the customer's responsibility to provide the District with current and correct contact information, including customer name(s), mailing address, phone number(s) and, if available, email(s) contact information (hereinafter referred to collectively as "billing address").

3.2.2 Meter Reading

Meters will be read on monthly or bimonthly cycles at the District's option.

- Double check or reduced pressure detector meters will be read monthly.
- The District may alter or reroute its meter reading and billing cycle dates when such alteration or rerouting is in the best interest of the District.

Opening or closing readings may be prorated.

3.2.3 Mailing and Notification

The District will send bills and notices by first class mail. Bills will be sent to the mailing address furnished by the Applicant or, at the option of the customer, an email notification that the bill is available electronically. An applicant/customer who does not provide a proper mailing address or a means of receiving mail, may be subject to disconnection.

Failure to receive or open a bill or notice will not release the customer from their obligation to pay for services provided.

3.2.4 Issuance of Bills

Bills will be issued monthly or bimonthly, depending on the reading cycle and assigned payment plan, and generally will be based on exact meter readings. Bills may be estimated when:

- Meter is not accessible to meter reader; or,
- Meter is under snow or water; or,
- Meter malfunctions; or,
- Other circumstances beyond District control that interfere with meter reading.

In the event that bills are estimated, an adjustment will be made at the time of the next regular billing that is based on an actual meter reading if available.

3.3 Payment

3.3.1 Application of Payments Received

Payments received shall be applied in the following priority to outstanding account balances: past due water service charges, past due penalties and fees, current water service charges.

3.3.2 Automatic Withdrawals

The Finance Manager of the District or his/her designee is authorized to enter into agreements with customers and their respective banking institutions to establish automatic payment of District water bills by cash withdrawals directly from customer bank accounts and to apply such withdrawals to payment of customer water bills according to District procedures.

To establish automatic withdrawals for payment of water bills the customer shall:

- Sign a form acceptable to the District and the customer's bank an authorization for a ~~cash~~ withdrawal from the customer's account for the purpose of paying the customer's water bill; and
- Provide a check on the customer's account with the bank, along with a routing number and account number whenever withdrawals are to come from such an account; and

Whenever an automatic withdrawal is rejected, the customer will be charged the penalty imposed for returned checks.

3.3.3 Credit and Debit Cards

The District will provide customers access to an independent contractor that provides credit or debit card services by telephone and online.

If credit card payments are revoked twice in a one-year period, the customer's right to utilize credit card payments may be rescinded.

3.3.4 Extended Payment Program

In order to be eligible for the extended payment program, a District customer must:

- Contact the District to arrange a payment plan before being placed on the disconnect list; and
- Have a satisfactory payment history with the District. "Satisfactory Payment History" means that the customer has complied with all terms of prior extended payment agreements with the District and during the previous eighteen (18) months the customer has not had a non-sufficient funds (NSF) check to the District, or a similar returned credit item, or been disconnected for non-payment; and
- Be named as the responsible party on the utility account or the legal owner of the property.

Under documented extraordinary circumstances, the Finance Manager may approve a payment arrangement for a customer who does not meet the eligibility criteria as set forth in subsection (1) of this section.

An executed payment agreement will be considered failed and revoked if:

- A customer fails to make timely payment pursuant to the terms of the executed agreement. "Timely payment" is defined as having been received in the District's offices by the close of business on the day specified; or
- If any portion of the charges for water billed to the customer after signing an extended payment agreement becomes delinquent; or
- If the bank returns any customer's payment and the payment amount is reversed during the terms of the extended payment agreement. This includes payments returned for non-sufficient funds (NSF) and/or other errors or omissions.

If an executed payment agreement fails or is revoked, the customer's water service is subject to immediate termination without further notification to the customer.

3.3.5 Returned Payments.

A service fee shall be added to the customer account for each returned item when notified by the District's bank of nonpayment by the customer's bank or payment vendor. The

service fee amount shall be set according to a fee schedule adopted by the District.

The amount of the returned item payment that was applied to the customer's account will be reversed, and the status of the account for collection and enforcement will be determined as if the District never received the returned item. The customer's account shall be immediately subject to all applicable fees and enforcement actions, including termination of water service, if applicable.

If the District receives two or more returned items within any 18-month period, the District may refuse to accept checks **or other electronic payments on that account.**

3.4 Procedures for Collecting Past-Due Accounts

In addition to the steps authorized by RCW 57.08, the following provisions set forth procedures to be utilized by the District if a bill for services rendered to a customer of the District becomes delinquent.

3.4.1 Water Bills

Each water bill shall include a billing date. The date will be the date the bill is mailed to the responsible party. Each bill will have a past due date. The past due date shall be eighteen (18) calendar days beyond the bill date.

3.4.2 Delinquent Notices

Delinquent notices shall be mailed to any responsible party that does not pay in full their water bill on or before the past due date shown on their water bill. Delinquent notices shall be mailed to the responsible party fourteen (14) calendar days after the past due date. The delinquent notice will allow the delinquent responsible party seven (7) calendar days to make payment. The total amount must be paid in cash, check or by credit card and received at the District office by the required payment date to avoid additional collections procedures and fees.

3.4.3 Late Fee

To recoup a portion of the cost associated with collecting delinquent bills, a late fee of \$10.00 or two (1%) percent per month, whichever is greater, will be applied to all customer's bill for all unpaid balances fourteen (14) calendar days beyond the bill due date. At their discretion, the Finance Manager or Customer Service Department employees are authorized to reverse a late fee on an account, provided that the account has had no late payment, reversals, or fees within the previous twelve (12) months and/or agrees to sign up for autopay.

3.4.4 Final Notice

Final notices shall be mailed to the responsible party notifying the Customer that their water service will be disconnected if payment in full is not received. The final notice shall be mailed one (1) working day after the pay-by-date specified on the delinquent notice. The final notice will allow the responsible party of record ten (10) calendar days to make

payment. The District reserves the right to deviate from this schedule; however, the sequence of events shall remain the same.

3.4.5 Disconnection Service Fee

Water accounts and services that are unpaid after the “Shut Off” deadline will be levied a disconnection service fee. The disconnection service fee shall be as indicated in Appendix A, Rates, Fees, Charges and Deposits.

Whenever an account becomes delinquent, all other charges, whether delinquent or not, become due and payable together with the delinquent amount. A customer with any delinquent amount not paid by the required payment date is subject to enforcement and collection procedures, including termination of water service, and fees and charges, as set forth in the District’s current fee schedule.

Water services placed on the disconnect list must pay the entire past-due account balance and the disconnection service fee in full before the service will be restored.

3.4.6 - Medical Emergency Shut-Off Protection

Any Customer with a medical emergency may request either to have their service not shut off or have it restored.

The following steps must be taken by the Customer once a medical emergency has occurred.

1. Once the Customer has been notified of and has acknowledged a planned shut off (either by phone, letter, actual shutoff, or by PUD employee dispatched to disconnect services) the Customer will have ten (10) days to:

1. a. Provide an explanation of how the current medical condition will be aggravated by disconnection of service signed by a medical provider that includes:

- i. Residence location

- ii. Estimate of how long the condition is expected to last.

- iii. Title, signature, and phone number of the person certifying the condition.

2. If services are disconnected before the Customer claims a medical emergency, their services will be restored the following day for a reconnect charge as set forth in the schedule of appropriate District Rate Schedule(s) in Appendix A, Rates, Fees, Charges and Deposits. If the call to reconnect is after normal District work hours, the Customer may choose to have their water reconnected and pay the after-hours connect fee as set forth in the applicable Rate Schedule.

3. If the Customer fails to meet these conditions of reconnection, they will be sent a

disconnection notice and will be terminated at the next regularly scheduled disconnection cycle.

3.4.7 Heat Advisory Shut-Off Protection

The following steps will be taken when the national weather service has issued or has announced that it intends to issue a heat advisory for the area in which the residential user's address is located (RCW 54.16):

1. A residential user whose service has been disconnected for lack of payment, in the thirty (30) days prior to the national weather service heat advisory announcement, may request the district reconnect service.
2. The District shall make a reasonable attempt to reconnect service the next business day. The District may require the residential user to enter into a payment plan prior to reconnecting service in compliance with RCW.
3. At the District's sole discretion, disconnection of service(s) may be postponed until such time as the national weather service heat advisory is no longer in effect.

3.4.8 Hardship or Extenuating Circumstances

The General Manager or Finance Manager are authorized to grant extensions or accept partial payments for water services for extenuating circumstances or hardship cases. Extensions may be granted on a case-by-case basis. Extensions or partial payments will not be automatic and may only be granted if requested as outlined in the past due notice. Extensions or partial payments shall generally not exceed thirty (30) days in duration. Complete payment for extensions allowed under this clause shall generally be made in full no later than thirty (30) days after the pay by date as specified in **Section 3.3.4**. A Customer's failure to make payment within the extension period may result in disconnection of the Customer's water service without further notification.

3.4.9 Closed Account Minimum Balances

If the amount of any closing balance due is less than five (\$5) dollars, the District may cancel the charge and the service will be adjusted to a \$0.00 balance.

3.4.10 Transfer of Previous Unpaid Accounts

The District may transfer to any existing or new water service any unpaid charges for service previously rendered to the same Customer at any other location within the District's service area. Such transferred balance shall be considered part of the Customer's current obligation to the District as though the previous unpaid balance had been incurred at the present service address. The District may permit arrangement for payment of such transferred balance under the guidelines of Section 3.3.7.

If it is determined that a Customer has an outstanding balance from a previous account with the District and is receiving Benefit of Service through a different account with the District,

but not in the Customer's name, the outstanding balance may be transferred to the active account.

If it is determined that a Customer has an outstanding balance from a previous account with the District is eligible to receive a refund through a different account with the District, whether or not in the Customer's name, the outstanding balance may be deducted from the pending refund.

3.5 Billing Adjustments

3.5.1 Requests to Adjust Water Service Charges.

Ratepayer requests for a billing adjustment shall be referred to the Finance Manager.

- The Finance Manager shall review the request and have the authority to adjust a bill resulting from an error, mistake, or resulting from water loss due to damages caused by the District.
- If an adjustment to the water service charge is warranted for other than error or mistake, the Finance Manager shall provide the General Manager with a report and a recommendation for action. The General Manager is authorized to make the adjustments justified by the circumstances.

3.5.2 Request to Adjust Miscellaneous Utility Billing Charges or Other Fees, Fines, or Penalties.

Customer requests for waiver or adjustment of a utility billing charge or other fee or fine shall be referred to the Finance Manager.

- The Finance Manager shall be authorized to waive or dismiss a utility billing charge or administrative fee so long as the customer has not been charged the fee at any prior time and has not previously had any other utility billing collection charge or administrative fee waived.
- The Finance Manager is also authorized to dismiss or adjust a utility billing collection charge or administrative fee if they determine that the fee was assessed in error or District staff failed to follow District procedures.

3.5.3 Adjustments

Retroactive adjustment.

Retroactive adjustment of commercial, industrial, and residential bills arising from an incorrect application of rates, stuck meters, or clerical errors will typically be made only for those billing periods within the six months immediately preceding discovering the circumstances for which the adjustment is made. At the discretion of the General Manager,

adjustments over six months may be made.

Misidentification or mix-up.

Should one customer be billed for service furnished to another because of misidentification of the meter(s) through which each customer has received service, each account typically will be corrected for the last six months of service so billed and paid. Each account will then be charged for all service furnished but limited to those billing periods which occurred within the six-month period immediately preceding discovery of the meter mix-up. At the discretion of the General Manager, the six-month period may be extended or shortened based on the particular circumstances.

3.6 Leak Adjustments

3.6.1 Conditions

Customers may be eligible for an adjustment to their water bill subject to the following criteria:

- No adjustment will be made for any leaks or breaks beyond the external entrance to the primary structure. This includes leaks within or under the structure, internal or exterior fixtures, or irrigation lines.
- No adjustment will be made for any branches coming off the main service line.
- The water bill must be at least two (2) times the average usage for the same billing period over the past three (3) years.
- The leak or break must be repaired within 30 days of notification by the District that a leak may exist or of the customer's actual discovery of the leak.
- A property is eligible to receive only one (1) leak adjustment every five years, regardless of changes in tenants or occupants.
- Adjustments are only available for residential customers including multi-family dwellings with two units or less.
- The adjustment will only apply to the leak period and shall not exceed four (4) consecutive months or two billing cycles.
- The break or service line leak and its repair must be documented in an acceptable manner to the District. Documentation may include a licensed plumber's itemized invoice, repair order, photos, receipts, or other documentation as necessary to support the adjustment request and document any repairs. A request for an adjustment shall be on an official form provided by the District.

3.6.2 Adjustment Procedure

Should all these conditions be met, then staff will enter an adjustment on the customer's water bill as follows:

- The adjustment amount will equal half the difference between the high-water consumption and normal average consumption.
- In the absence of three (3) years of billing history, the District's Finance Manager may determine an alternative method to establish "average" consumption for a similar-sized dwelling on which to base an adjustment.
- All adjustments will be applied as a credit to the account balance. Leak adjustments will only be refunded to closed accounts with a credit balance.
- Adjustments are limited to \$1,000 maximum amount.

3.7 Adjusting Customer's Water Bills Due a Declared Disaster

It is recognized there may be cases that are dependent upon nature and beyond the Customer's control: e.g., floods that inundate an area for durations longer than two days. When the federal or State government declares an area as a disaster area, the District's policy will be:

- When a Customer's meter(s) cannot be accessed on a normal reading day cycle, the Customer will be invoiced for the meter charge only (no consumption charges); further, the Customer's bill will reflect any consumption charge for that period on his subsequent bill when the District's meter reader can gain normal access to the meter.
- Should a Customer incur damage to his water piping system on the Customer's side of the meter, due to or during the event, the District will adjust the Customer's water loss as follows:
- Where the cost of the excess water is not equal to more than the Customer's average consumption charge over the previous two (2) meter readings, the Customer will be charged the average of the previous two (2) billings for each billing period missed and no further adjustment will be made.
- When the excess water amounts to more than the average of the previous two (2) meter readings, the District will adjust the consumption charge to the average of the previous two (2) billings.
- If bills are estimated, an adjustment will be made at the time of the next regular billing that is based on an actual reading.
- Once the Customer learns of the water loss, the Customer must take immediate steps to correct the faulty plumbing, equipment or pipe causing the loss. This requirement is predicated on the event subsiding sufficiently to access the problem area.
-

The Customer must inform the District that the problem has been corrected so that investigation, meter readings and records can be made reflecting the problem, action taken to correct the problem and the dates of such action.

Section 4

Water Rates, Fees, and Deposits

4.1 Rates (1876-99)

4.1.1 General Provision

The District has rate schedules for particular types of services provided. A summary of these charges is provided in Appendix “A”. In case of conflict between the provisions of any rate schedule or special contract and this Water Code, the provisions of the rate schedule or special contract shall apply. Rates shall be charged from the date the meter is installed and activated.

Tables A-1 and A-2 in Appendix “A” indicate the standard meter and consumption rates for the majority of District water service Customers.

Meter charges and consumption charges are covered through the upstream domestic service meter charges and do not apply to a deduct meter, as defined in Section 3.1.1. Deduct meters are to be charged a deduct meter reading fee, per Table A-9, Appendix “A”.

4.1.2 Wholesale/Special Contract Customers (1876-99)

The rates and charges for Wholesale/Special Contract Customers described in Section 2.2.2 and 2.2.3 shall be as specified in their contracts with the District. The District shall compute their billings utilizing the monthly meter charge as specified in Appendix “A”, Table A-1 and consumption charges as specified in Appendix “A”, Table A-2 for All Others, unless otherwise specifically provided for in a written contract with the District.

The District shall give the Wholesale/Special Contract Customers written notice of a rate increase. The billings utilizing this rate increase for this class of Customer shall conform to the notification requirements of each contract.

4.1.3 Private Fire System (1876-99)

Automatic Sprinkler Equipment/Privately Owned Fire Protection Facilities

A monthly charge for standby service for automatic sprinkler equipment/privately owned fire protection facilities connected to the water system shall be calculated per inch of nominal pipe diameter of the Customer’s pipe at the point that such pipe connects to the District-owned facilities. Such charges shall be billed in advance. Automatic Sprinkler Equipment/Privately Owned Fire Protection Facilities rates are provided in Appendix “A”, Table A-3.

If a detector check meter registers water for non-emergency use, the Customer will be assessed a 5/8-inch meter Monthly Basic Fixed Charge per Appendix “A”, Rates, Fees and Charges and Deposits Table A-1, for at least two-meter reading cycles for each month of non-

emergency use. Any water for non-emergency use shall be billed per Appendix “A”, Rates, Fees and Charges and Deposits, Table A-2, Consumption Charges “All Others”. (1876-99)

4.1.4 Potlatch System Water Rates (1862-99)

The District has determined that the water rates established for Potlatch should include those amounts necessary to cover the additional costs and expenses associated with the unique nature of the Potlatch System. (1862-99)

Water rates have been developed specifically for the Potlatch System (1862-99) and are provided in Appendix “A”, Table A-5.

4.1.5 Fire Hydrant Meter Water Rates

Water consumed through fire hydrant meters shall be charged a monthly fire hydrant meter use charge and a consumption charge based on water consumed. Rates are indicated in Appendix “A”, Table A-4.

4.1.6 Bulk Water Fill Station Water Rate

The District has determined that the water rate established for a Fill Station should include those amounts necessary to cover the additional costs and expenses associated with the unique nature of a Fill Station.

The water rate has been developed specifically for a Bulk Water Fill Station and is provided in Appendix “A”, Table A-7.

4.1.7 Agriculture Rate

The District has determined that a separate classification for agricultural uses will help maintain, preserve, conserve, and otherwise continue in existence adequate open space lands for agriculture purposes.

The agriculture rate is available for water services that meet the following criteria:

- Water service(s) on property classified as farm and agricultural land with the Skagit County Assessor under Chapter 84.34 of the Revised Code of Washington; and
- Water service(s) certified in compliance with the District’s Cross Connection Control Program.

The new rate will increase cooperation in the District’s Cross Connection Control Program, thus increasing the overall safety of the water system to the benefit of all our customers.

The water rate has been developed specifically for agricultural uses and is provided in Appendix “A”, Table A-7.

4.2 System Development Fees

4.2.1 Basis for System Development Fee

The District has limited capacity to serve additional Customers without increased infrastructure. The system development funds are utilized to help offset additional

infrastructure costs needed to meet the additional load created by increased demand on the system, and replacement costs. System development funds are intended to be used for improvements that benefit major portions of the service area of a District water system, and their use requires approval of the District’s Board of Commissioners.

System development fees are calculated based on the benefit of existing capacity and projected future capacity improvements to the District’s water systems over a given period . The current system development fee schedule is based on the factors and costs indicated.

System development fees are covered through primary services and do not apply to auxiliary metering systems such as deduct services and detector check meters.

4.2.2 Weighting Factors for Meters

The District has determined that the American Water Works Association (AWWA) has established in Standards C-700 and C-702 the safe maximum operating capacity for displacement and compound water meters, and that the safe maximum operating capacity of such water meters of various sizes is related to the following proportional weighting factors:

<u>Meter Size</u>	<u>Weighting Factor</u>
5/8-inch	1
3/4-inch	1.5
1-inch	2.5
1 1/2-inch	5
2-inch	8
3-inch	16
4-inch	25
6-inch	50
8-inch	80

4.2.3 Policies for Calculating System Development Fees

The System Development Fee for a 5/8-inch meter shall be the unit basis of System Development Fees for all meters.

The System Development Fees for positive displacement meters ranging from 5/8-inch to and including 1-1/2-inch and compound meters ranging from 2-inch to and including 8-inch shall be based on the System Development Fee for a 5/8-inch meter multiplied by the weighting factor for that meter, charge on Exhibit “A” at the time of payment.

The System Development Fees for types and sizes of meters other than the positive displacement and compound meters listed above shall be based on the System Development Fee for a 5/8-inch meter multiplied by a weighting factor for that meter. The weighting factor shall be based on the safe maximum operating capacity established in the most current AWWA Standards for that meter.

Each meter serving other than a single family residence shall be selected: (1) based on the sizing requirements of the most recently adopted International Association of Plumbing and Mechanical Officials (IAPMO) Uniform Plumbing Code, (2) to flow not more than the safe maximum operating capacity of the meter per AWWA Standards, and (3), if the proposed use generally has a pattern of continuous flow (a relatively consistent flow for 6 hours or more), to flow not more than 50% of the safe maximum operating capacity of the meter during such periods of continuous flow.

The District does not guarantee that the safe maximum operating capacity or continuous flow capacity of a meter, or any rate of flow will be available from the District's water system. System capacities, water rights, hydraulics, environmental factors, or other issues may limit the amount of flow available through any meter at any given time. It is a core value of the District to maintain an adequate level of service to existing customers. The District reserves the right to limit any customer's use when that use has or will have an adverse impact to the District's obligations and responsibilities.

Additional System Development Fees in excess of those listed above may be incurred by the Customer when the Customer's use exceeds the flow rates and/or usage listed in a Water Contract (see Section 4.2.4 Water Contracts).

The System Development Fees per meter size are also indicated in Appendix "A" Table A-6.

4.2.4 Water Contracts

The District shall execute a Water Contract for each new meter with a weighting factor of 8 or more (2-inch and larger), or each group of meters (regardless of size) whose weighting factors sum 8 or more, each meter hereinafter termed "contract meter". The Customer's projected flow rates and usage for each contract meter shall be listed in the Water Contract. If a Customer's use through any contract meter exceeds the listed flow rates and/or usage, the District reserves the right to require the Customer to modify the use to those listed in the Water Contract. If the Customer has not modified the use through that meter(s) to those listed in the Water Contract within 120 days of the notice requesting the modification of use, the Contract will be amended in writing and the Customer will be responsible for any mitigation deemed necessary. Mitigation shall be determined by the District, and may include, but is not limited to, additional charges and/or water system improvements including all associated costs.

Any existing non- "contract meter" purchased on or after November 1, 1999, will become a contract meter, subject to all Water Contract requirements, if additional meters are purchased to serve the same property or lot and the summed weighting factors of all meters is 8 or more, a Water Contract will be required.

These provisions apply only to meters purchased on or after November 1, 1999. Water services in existence on October 31, 1999, will not be subject to these provisions, unless said meter(s) is upsized or removed and its System Development Fee value applied to a new meter(s).

The District does not guarantee that the safe maximum operating capacity or continuous flow capacity of a meter, or any rate of flow will be available from the District's water system. System capacities, water rights, hydraulics, environmental factors, or other issues may limit the amount of flow available through any meter at any given time. It is a core value of the District to maintain an adequate level of service to existing customers. The District reserves the right to limit any customer's use when that use has or will have an adverse impact to the District's obligations and responsibilities.

The District may provide water service to two separate types of real estate: first, a tract of real estate, comprised of one or more parcels in the records of the Skagit County Assessor, but certifiable to be one "property" of record according to the deed and, second, a portion of such a legal "property" of record, having its own describable boundaries and requiring its own source of water separate from the balance of the "property", often affected by a lease from the property owner. Based on this:

- if multiple contract meters serve a single "property" (a single tract of land not affected by a lease), the System Development Fee shall be charged as indicated in the Water Contract; and
- if multiple contract meters serve a single "lot" (a single tract of land affected by a lease, perhaps within a larger "property"), the System Development Fee shall be charged in the same manner as for a "property" but shall only account for the meters serving the specific "lot" on the "property".

The District retains the final decision of what constitutes a "property" or "lot". In both cases, the Water Contract shall define the Customer's allowable flow rates and usage through the contract meter(s).

4.2.5 System Development Fees for Satellite Systems (1937-01)

System Development Fees developed specifically for future LUDs or satellite systems that are not anticipated to connect to the Judy Reservoir System or be conveyed water via the District's Water Supply Agreement with the city of Anacortes, shall be subject to only the "General Plant" portion of the System Development Fee structures, providing required criteria has been met for obtaining water service. The General Plant portion charged shall account for annual construction cost index increases and shall be multiplied by the appropriate weighting factor for the meter selected; Appendix "A", Table A-6.

4.2.6 Annual Adjustments to System Development Fee Schedule (1877-99)

The District shall adjust the System Development Fees on January 1 each year, subject to review by the Commission, based on increases in the Engineering News Record Construction Cost Index for the Seattle area from November of the preceding year. The fee adjustment in the 5/8-inch meter size will be based on the change in the construction cost index for the preceding 12 months, using the previous November as a baseline. The fee shall be rounded to the nearest \$5.00 increment. Fees for other meter sizes are incrementally determined using a multiplier upon the 5/8-inch rounded meter fee.

4.2.7 Adjustments for Upsizing, Downsizing, or Combining Water Services

If the meter of a water service is increased in size, the Customer shall pay a System Development Fee equal to the difference between the original meter and the new larger meter, both fees being based on the System Development Fee schedule in effect at the time of the upsizing.

Should a Customer request that a smaller meter be installed to serve their dwelling or establishment, System Development Funds shall not be refunded. In turn, the same water service Customer can have the meter size increased up to and equivalent to pre-existing water meter size for ten (10) years after the date of downsizing the water meter without being required to pay additional System Development Fees.

If a Customer has one or more water services serving the same parcel or lot and requests the removal of one or more of the water meters and the installation of one or more new meters, the System Development Fee of the removed meter(s) shall be applied towards the System Development Fee of the new meter(s), all fees being based on the System Development Fee schedule in effect at the time of request. If the System Development Fee(s) of the new meter(s) exceeds the System Development Fees of the removed meter(s), the Customer shall pay the difference. If the System Development Fee(s) of the removed meter(s) exceeds the System Development Fees of the new meter(s), no refund will be made.

4.2.8 Miscellaneous

4.3 Connection Charges for New Metered Water Services

All new meter installations shall be levied a connection charge (meter installation charge) per the fee schedule in Appendix "A", Table A-8, for the same water service installation types described in Section 3.1.1.

Installation fees for water service installations involving tapping a water distribution pipeline larger than 18 inches or any concrete cylinder water pipeline will be on a time and material basis and not less than a Type Six installation fee.

The deduct service may be installed concurrently with or after the domestic service and shall be charged according to the fee schedule for a Type Two, Type Three, or Type Four water service, depending on the extent of installation.

4.4 Other Fees

A fee will be charged for any financial instrument that does not clear the financial institution (e.g., NSF checks, ACH returns, closed accounts). See Appendix "A", Table A-9.

4.5 Service Deposits

District staff will determine the credit risk for each customer at the point of application.

4.5.1 – Residential

A deposit is required from all residential Customers unless the Customer has established a satisfactory credit record with the District or provides a letter of credit from another utility. Letters of credit must include a minimum of twelve (12) months history with no late fees or disconnection charges. The deposit shall be as set forth in Appendix “A”. **Credit Report Authorization Form with a credit score of 670 or higher.**

4.5.2 – Commercial

A deposit is required from all commercial Customers unless the Customer has established a satisfactory credit record with the District or provides a letter of credit from another utility. Letters of credit must include a minimum of twelve (12) months history with no late fees or disconnection charges. The deposit shall be as set forth in Appendix “A”.

4.5.3 Existing Customers

Existing Customers with an unsatisfactory payment history with the District may be required to provide a service deposit as a condition of continuing to receive water service.

Customers applying for the installation of a new water service that includes the payment of a system development fee and/or meter installation charge shall be waived from the requirements of a service deposit and activation fee or payment history as the Customer has demonstrated financial capacity to the District. This waiver is conditioned on the provision that the Customer does not have a previous unsatisfactory payment history with the District.

4.5.4 - Refund of Deposits

At the discretion of the District, deposits may be refunded or credited to an account when requested by a Customer who has exhibited a satisfactory credit rating with the District over the prior eighteen (18) months. Satisfactory credit means no late fees, NSF fees, or late payments. Deposits will be credited to an account upon termination of service.

4.5.5 - Transfer of Deposit

Should a Customer transfer service to a new service location, thereby closing one account and opening a new account, the deposit shall be transferred to the new account.

If the closing of the old account and the opening of a new account are done simultaneously.

4.6 Basis for Deposit

The service deposit amount for a residential 5/8-inch metered service shall be based on two times the two-month average billing, rounded up to the nearest \$5.00 increment as determined from time to time when water rates are adjusted. Larger meter service deposits will be incrementally adjusted based on multipliers or final fee indicated in Appendix “A”, Table A-10.

4.5.4 Unusual or Exceptional Cases

Service deposits may be required and/or increased in unusual or exceptional cases where management deems it necessary to protect the District adequately.

In extremely rare instances, the District may waive service deposit and credit reference requirements if, in the judgment of the District, there is a substantial indication of minimal District exposure to loss. An example of this modification would be to serve a governmental entity such as a city or county.

Service deposits or sufficient proof of a satisfactory credit history shall be received at the time of application. Non-compliance with the arrangements is cause for disconnection from service. A reconnection charge in the amount established per District rates, fees, charges, and deposits will be assessed in the event of a disconnection. See Appendix "A", Table A-9.

4.5.5 Refund

When a Customer with a service deposit leaves service, the District will refund the service deposit less the amount of unpaid bills. Refund checks will be distributed once all necessary internal processing is completed.

To prevent fraud or loss of District funds, refund checks for overpayments will not be distributed until all necessary internal and external processing is complete. This may take up to fourteen (14) days to process refund requests.

4.5.6 Unpaid Bills

Any unpaid bills may be assigned to any other active accounts of the Customer per Section 3.3.9.

A request for service by the Customer may require payment of any unpaid bills before service activation.

The District may submit to an attorney or collection agency a request to collect any unpaid bills after District collection attempts have failed, including unpaid bills remaining after the service deposit has been applied. Upon assignment of an account by the District for collection, all collection fees will be added to the balance owed.



1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

August 2, 2023

MEMORANDUM

TO: Board of Commissioners

FROM: Brian Henshaw, Finance Manager

SUBJECT: Surplus of Vehicles at End of Economic Life - **Action**

Requested Action:

Authorize General Manager to surplus fixed assets number 209, 210, 220, 221, 226, and 239, and sell at auction.

Background:

These vehicles range in age from 2004 to 2010 and are fully depreciated. There is currently a strong demand for used vehicles, especially pick-up trucks, and it is a good time to surplus and sell these assets. The replacement vehicles had been on backorder due to supply chain issues, but we have now received 5 of the 6 replacement vehicles as part of the Enterprise Fleet Management program.

Per our Fixed and Theft Sensitive Asset Policy #1022, capital assets that are surplus to the District's needs may be removed from the fixed asset ledger by motion and approval of the Commission.

Fiscal Impact:

Any funds recovered from the sale of vehicles will help reduce the cost of new replacement vehicles.

.

Enclosures: 1. [Surplus Vehicles 8-1-23.docx](#)



1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

August 1, 2023

Surplus Vehicle List

Fixed Asset Number	Description	Purchase Year	Amount	Reason for Removal	Method of Disposal
EQ-VM-209	2004 CHEVROLET SILVERADO 2500 4X4 PICKUP	2004	\$22,593.44	End of Economic Life	Sale/Auction
EQ-VM-210	2004 CHEVROLET SILVERADO 1500 4X2 PICKUP	2004	\$20,506.64	End of Economic Life	Sale/Auction
EQ-VM-220	2007 CHEVROLET COLORADO 4X4 EXTENDED CAB PICKUP	2007	\$20,479.08	End of Economic Life	Sale/Auction
EQ-VM-221	2007 CHEVROLET COLORADO 4X4 EXTENDED CAB PICKUP	2007	\$20,499.12	End of Economic Life	Sale/Auction
EQ-VM-226	2008 CHEVROLET COLORADO 4X4 EXTENDED CAB PICKUP	2008	\$22,506.25	End of Economic Life	Sale/Auction
EQ-VM-239	2011 CHEVROLET COLORADO 4X4 PICKUP	2010	\$22,035.04	End of Economic Life	Sale/Auction



1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

August 2, 2023

MEMORANDUM

TO: George Sidhu, P.E., General Manager

FROM: Mark Handzlik, P.E., Engineering Manager

SUBJECT: PN 3675 Campus Replacement Administration Building - Construction Administration Modification 5 - **Action**

Requested Action:

Authorize the General Manager to execute Task Order Modification No. 005 with Driftmier Architects, in the amount of \$497,880 for construction administration services related to the PUD Campus Replacement Administration Building.

Background:

The PUD’s administration building needs significant repairs and does not comply with current building codes. In September 2017, the PUD contracted with Driftmier to help determine the PUD's need for a future headquarters facility. Alternative sites have been evaluated and it was determined to re-develop the current site at 1415 Freeway Drive. In August 2019, the PUD authorized Driftmier to complete schematic design of the new building.

The Campus Replacement Administration Building design and permitting has been completed. The project was publicly advertised for construction on May 26, 2023, and the PUD received and opened bids on June 27, 2023.

The Commission authorized the General Manager to enter into a contract with Comer GC Inc. in the amount of \$14,975,000.00 plus tax for the construction of the new Campus Replacement Administration Building at 1415 Freeway Drive during the July 11, 2023, regular meeting.

Driftmier’s proposed scope of services includes assistance in the review of schedules, requests for information (RFI), shop drawings and submittals, subconsultant coordination, and change orders, and assistance with project close-out and as-builts.

This contract is for \$497,880 which brings the total amount spent on architectural services to \$2,269,230.

Fiscal Impact:

Funding for this contract will come from the 2023 Budget. The specific line item in the 2023 Budget is MX20-2 PUD Campus Design & Construction. The construction budget allocation is \$15,000,000 in 2023 and \$5,000,000 in 2024. The use of these funds is consistent with their intended purpose.

- Enclosures:
1. [Modification 5 - Exhibit A - Scope](#)
 2. [Modification 5 -Exhibit C - Fee & Billing Schedule](#)
 3. [Modification 5 - Exhibit B - Skagit Fee Estimate](#)
 4. [Admin Bldg Budget Snapshot 23-08-02](#)

TASK ORDER #1
MODIFICATION #5
EXHIBIT A – ARCHITECTURAL SCOPE OF WORK
TO THE AGREEMENT BETWEEN
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
AND DRIFTMIER ARCHITECTS, PS

July 13, 2023

This scope of work is for architectural services related to Construction Administration for the PUD's new Administration Building.

The scope of work to be undertaken includes:

TASK I - CONSTRUCTION ADMINISTRATION

1. Document Review:
Review Contractor's schedule of values, insurance, construction schedule, and other administrative submittals.
2. Submittal Review:
Review RFIs, shop drawings and submittals.
3. Pay Applications:
Review pay applications in relation to project schedule and site observations.
4. Testing:
Review test results from the materials testing agency contracted with the District.
5. Subconsultant Coordination
Coordinate with the following subconsultants: MEP, structural, civil, commissioning, landscape, envelope, geotechnical, communications, cultural resources.
6. Owner Consultants
Coordinate with the following Owner provided consultants: Security, Furniture
7. Construction Changes:
Process Construction Change Proposals (COPs), COP Requests and Change Orders related to corrections to the plans. Change Orders for changes in project scope will be addressed as an additional service. Issue Architectural Supplemental Instructions (ASIs).
8. Site Meetings & Conference Calls:
Schedule and attend site meetings, including general contractor, subcontractors and suppliers, and owner representatives. Review construction in relation to the construction schedule, pay requests, contract documents, and general progress. On weeks where site meetings are not held, schedule and participate in conference calls. Site meetings are anticipated to be every two weeks.
9. Substantial Completion:
At the point of substantial completion, walk through building with Owner and Contractor and review items left to be completed. Prepare a Certificate of Substantial Completion and Punchlist.

Scope includes up to (2) Substantial Completion walk throughs, one for partial Sub Comp on areas to be occupied and a typical Sub Comp at the end of the project.

10. Physical Completion:

Upon completion of all punchlist items, walk through site with Owner and Contractor, observing the condition and noting any items that would prevent final acceptance. If all physical work is complete, issue a Certificate of Physical Completion.

11. Project Closeout:

Obtain from Contractor release of liens, warranties and guarantees, samples, procedures manuals, and the Contractor's record set of documents marked-up with any changes that were performed.

12. As-Built Drawings

Prepare as-built drawings based on changes to the design during construction and redlines from the contractor.

ASSUMPTIONS

- The scope does not limit the number of phone conferences. The scope anticipates the following number of meetings to take place in Mount Vernon:
 - 39 Construction Meetings (1 Pre-Construction, 35 Site Visits, 2 Substantial Completion, 1 Physical Completion)
- The PUD will pay for all permits and fees, and for City's consulting arborist's services, Urban Forestry Services/Bartlett Consulting.
- The PUD will contract directly with the materials testing company during construction.
- Substantial Completion will be completed within 16 months of the start of construction.
- Owner will coordinate the PSE easement.

ADDITIONAL SERVICES

- Processing change orders that result from construction scope changes requested by the PUD (altering or enlarging building, additional equipment or paving, etc)

EXHIBIT C - PROFESSIONAL FEE & BILLING SCHEDULE

A. Professional Fees

<u>Job Title</u>	
Principal Architect	\$ 175/hour
Project Architect	\$ 160/hour
Senior Project Manager	\$ 150/hour
Project Manager 2	\$ 140/hour
Project Manager 1	\$ 130/hour
Senior Designer	\$ 120/hour
Designer 2	\$ 110/hour
Designer 1	\$ 100/hour
Administrative Coordinator	\$ 100/hour

B. Job Incurred Expenses

The following expenses will be direct reimbursable items x 1.10:

1. Expenses incurred in reproduction of documents, necessary travel, subsistence and courier services.
2. Consultant fees such as civil, structural, mechanical, electrical, soils and solar engineers, surveyors, cost estimators, and specification writers, when not specifically included in the agreement.
3. Travel by private automobile at current IRS standard mileage rate.
4. Building permits and other fees paid to the local jurisdiction.

C. Our billing periods extend from the 26th of the month through the 25th of the following month. You may expect to receive your monthly statement on or about the first of each month. Interim special statement formats are available on request.

D. All statement amounts shall be paid within 60 days of receipt.

E. Billing rates set forth above are fixed for 12 months from execution of agreement. After 18 months the rates shall be adjusted in accordance with the normal salary review practices of Driftmier Architects, P.S.

EXHIBIT B - TIME AND FEE ESTIMATE

Skagit PUD
 Modification 5
 Headquarters Construction Administration

Date: 07/26/23
 By: LRD
 Proj. No.: 21726

Task	Description	Est. Hours	Staff	Staff Hours	Rate \$/hr.	Fee
I	CONSTRUCTION ADMINISTRATION	700	Principal	700	\$175	\$122,500
			Proj. Mgr 1	450	\$130	\$58,500
			Designer 1	450	\$100	\$45,000
			Subtotals	1600		\$226,000
	SUBTOTAL ARCH. LABOR	700				\$226,000
	REIMB. EXPENSE ESTIMATE	3%				\$6,529
	SUBCONSULTANTS	\$241,228	Plus 10% Markup		\$24,123	\$265,351

Structural (AUE)	\$22,800
Mechanical, Electrical, Plumbing (Rensch)	\$67,000
Commissioning (Rensch)	\$28,000
Landscaping (Vander Vanter Group)	\$18,583
Civil Engineering (Erlandsen)	\$29,800
Envelope (Dimensional)	\$18,500
Envelope Window & Door Testing (Dimensional)	\$3,500
Geotech (AESI)	\$38,345
Fiber (MW)	\$14,700
Cultural Resources (Equinox)	N/A

	GRAND TOTAL DESIGN FEES					\$497,880
--	--------------------------------	--	--	--	--	------------------

NOTE: All hours and expenses are estimated, and may be increased or decreased within the total budget limit at the discretion of Driftmier's project manager. The Driftmier project manager may transfer budget from estimated expenses to labor and vice versa, as the project manager may determine as appropriate. Work will be billed on a time and expense basis, subject to the limit of the not-to-exceed Grand Total Design Fees.

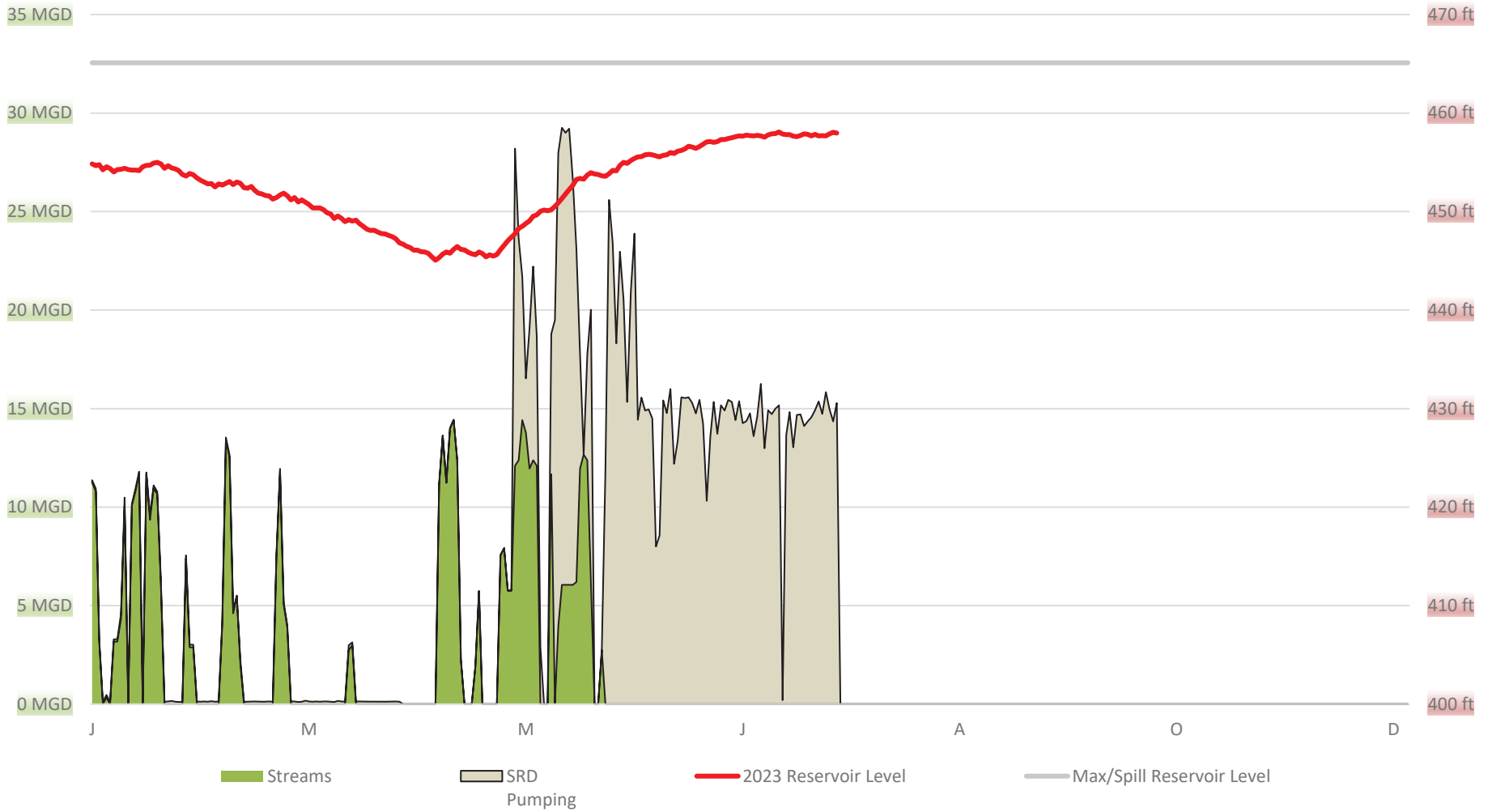
Administration Building Budget and Spending Summary August 1, 2023

Administration Building Budget and Total Spending by Year										
Year	2017	2018	2019	2020	2021	2022	2023 YTD	2024	Total YTD	
Actual Payments	\$6,121.11	\$0.00	\$141,145.08	\$304,875.55	\$958,064.74	\$749,399.59	\$404,834.57		\$2,564,440.64	
Existing Remaining Contract Liabilities									\$78,349.84	
Total Actual Payments and Existing Remaining Contract Liabilities									\$2,642,790.48	
Budget History	2017	\$0.00								
	2018		\$0.00							
	2019			\$100,000.00	\$ 600,000.00	\$ 3,900,000.00	\$ 5,900,000.00		\$10,500,000.00	
	2020				\$ 1,000,000.00	\$ 5,000,000.00	\$ 10,000,000.00	\$ 4,000,000.00	\$20,000,000.00	
	2021					\$ 3,500,000.00	\$ 10,000,000.00	\$ 6,000,000.00	\$19,500,000.00	
	2022						\$ 4,000,000.00	\$ 9,000,000.00	\$ 5,750,000.00	\$ 18,750,000.00
	2023							\$ 15,000,000.00	\$ 5,000,000.00	\$ 20,000,000.00
Total To Date Spending Plus Remaining Budget Authorizations									\$22,159,606.07	

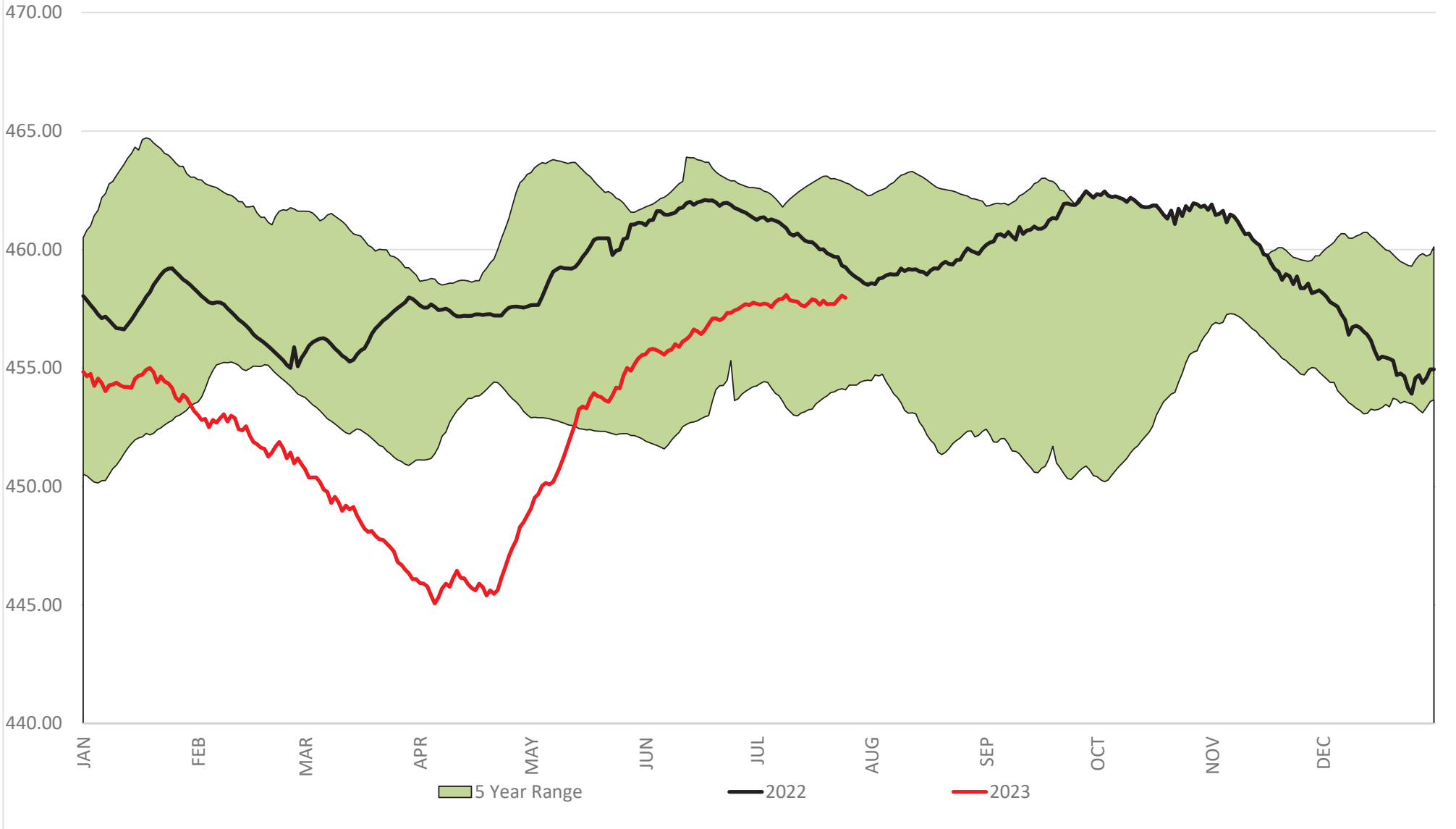
Project Phase	Work Order No.	Description of Work	Total Phase Cost
Initiation	WAT 2556	Total Phase Expenditure (Alternate Site Analysis, Appraisal, Marketing, project management, misc.)	\$263,376.38
Design	WAT 2557	Total Phase Expenditure (Needs Assessment, Schematic Design, Final Design, permitting fees, project management, misc.)	\$2,300,602.51
Construction	WAT 2558	Construction Expenses To Date (7/28/23)	\$78,811.59
Actual Payments and Existing Remaining Contract Liabilities			\$2,642,790.48
Anticipated Construction Phase Costs			
Construction	WAT2558	Driftmier (construction services)	\$497,880.00
		Special Inspection Contractor (est)	\$81,460.00
		Ducky's Furniture (current quote subject to escalation)	\$400,000.00
		Owner Supply and Install Generator (est)	\$500,000.00
		Security Solutions NW (device installation)	\$138,047.00
		City of Mount Vernon Lease Termination	\$200,000.00
		Congressionally Directed State Funding	(\$206,000.00)
		Utility Services (water, gas, electric, communications provider)	\$100,000.00
		Payroll - Construction administration and pipe installation	\$400,000.00
		City of Mount Vernon Permitting Fees	\$84,474.27
		Construction contract \$14,975,000 plus 8.8% sales tax	\$16,292,800.00
		5% Project Contingency	\$900,209.35
		Balance to Future Remodel of Existing Building	\$127,944.97
		Total Construction Phase Expenditure	
Project Estimated Total			\$22,159,606.07

2023 Judy Reservoir Inflows & Elevation

July 19 Elevation:	457.67 (ft)
July 26 Elevation:	457.96 (ft)
Change in Elevation:	0.29 (+ 3.5 Inches)
Spillway Elevation:	465.10
Stream Inflow YTD:	511.34 MG
Skagit River YTD:	1234.25 MG



5-YEAR JUDY RESERVOIR ELEVATIONS



https://www.goskagit.com/news/local_news/pud-finalizes-agreement-to-support-farmers-during-drought-conditions/article_fef5e4a0-2b1a-11ee-b345-c707c73d28bc.html

PUD finalizes agreement to support farmers during drought conditions

BRANDON STONE @Brandon_SVH

Jul 26, 2023



MOUNT VERNON — The Skagit Public Utility District Board of Commissioners set a price Tuesday for water it will sell to farmers dealing with drought conditions.

Drainage and Irrigation Improvement District No. 15 and Consolidated Diking Improvement District No. 22 will now be able to buy unused water rights from the PUD.

The districts will pay \$12.89 per acre-foot of water plus a \$1,500 administrative fee. The price is based on rates charged by water providers for farmers in Eastern Washington.

Farmers in those districts will draw directly from the Skagit River to irrigate their fields.

Skagit County Drainage and Irrigation Districts Consortium Executive Director Jenna Friebel, who represented the farmers in securing the ability to buy the water rights, said only districts 15 and 22, which are west of Mount Vernon and Conway, have the infrastructure to draw water from the river.

George Sidhu, PUD general manager, said the state Department of Ecology approved the necessary paperwork, meaning irrigation can start immediately.

The two districts contain about 12,800 acres of farmland, said Friebel.

Sidhu and PUD staff originally put together a proposal that would have charged \$25 per acre-foot of water.

But Friebel put forward an alternative methodology to setting the rate that would have set the price at about \$10.

The PUD had let farmers use its water rights for free during three prior drought years, but Sidhu and his board were concerned that this could be seen as a gift of public funds, which is illegal.

Brandon Stone can be reached at bstone@skagitpublishing.com.

Brandon Stone

Skagit County irrigation districts resume pumping

DON JENKINS Capital Press

Two irrigation districts in northwest Washington have water again after being cut-off from the Skagit River for about two weeks while waiting for the [Department of Ecology](#) to declare a drought emergency.

Once the declaration came July 24, [Skagit Public Utility District](#) commissioners moved quickly to transfer an unused water-right to the irrigators for \$12.89 an acre foot. Pumps went back on late July 25.

The water, unneeded by the PUD, was previously flowing into Puget Sound, just downriver from irrigation pumps. PUD officials said they couldn't let irrigators have the water until Ecology declared an emergency.

Skagit County farmer Jason Vander Kooy said Friday he was happy the pumps were on, but frustrated by the delay.

"There's no new water. That's the frustrating part. We had to shut down for two weeks for nothing," he said. "It's disappointing. There will be a yield hit."

Ecology, with Gov. Jay Inslee's approval, declared an emergency in the Skagit Valley and 11 other watersheds the day after a new law went into effect funding drought-relief projects.

The declaration's timing was influenced by the law's effective date, but Ecology also was collecting information on conditions and hardships around the state, Ecology spokesman Jimmy Norris said.

Ecology had offered to facilitate a seasonal water-right transfer between the PUD and irrigation districts that didn't require a drought declaration, he said.

The PUD and the irrigation districts, which collectively supply water for about 14,000 acres, do not have an agreement to transfer water-rights outside a state-declared emergency.

The PUD has not charged for emergency water in the past. But with drought emergencies becoming more frequent — four times in the past nine summers — the PUD decided it was no longer prudent to give it away.

PUD commissioners said in public meetings they wanted to help farmers, but were concerned about inviting a lawsuit or an unfavorable state audit if they didn't charge for the water for a defensible amount.

The PUD surveyed irrigation district rates in Eastern Washington and discounted the average rate by 60% because it won't incur operational costs. The PUD also will charge each district a \$1,500 administrative fee.

Irrigation district 15 will draw up to 390 acre feet. Irrigation district 22 will draw up to 384 acre feet.

The PUD and irrigation districts likely will have talks to fine-tune the fee and also to plan for seasonal water-right transfers that won't depend on the state declaring a drought emergency.

"I'm glad the irrigators have water to continue their business. We're all happy about that here," PUD General Manager George Sidhu said.

The irrigation districts are prone to curtailments because of Ecology's in-stream flow rule. The rule requires irrigators to stop pumping from the river when the flow drops below 10,000 cubic feet per second in July.

The river dropped under the level early in the month. Growers argue their pumping does not impact fish because tides determine the level of the river.