

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

AGENDA
OCTOBER 10, 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=WjlcWU5UbC9lUEFxRXBza3RiclRjdz09>

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 10/10/23
2. Approval of Minutes 9/26/23 Regular Meeting
3. Ratification of Voucher 10/3/23
4. Voucher Approval 10/10/23
5. [Lot 72 Waterline Relocation Port of Skagit Project Acceptance](#)

AUDIENCE COMMENTS

2024 BUDGET HEARING

OLD BUSINESS

6. General Manager's Report
7. [Transfer of the Fidalgo Island Water System to City of Anacortes - Discussion](#)

NEW BUSINESS

INFORMATION

8. Recent News Articles
9. Judy Reservoir Data Report

COMMISSIONER COMMENTS

EXECUTIVE SESSION

- *Discuss potential litigation - Per RCW 42.30.110(1)(i): Approx. 15 minute duration*
- *Review performance of a public employee - Per RCW 42.30.110(1)(g): Approx.. 20 minute duration*

ADJOURNMENT

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

September 26, 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: George Sidhu, Shannon Patiño, Nick Semrau, Pete Gilbert, Alistair Boudreaux, Brian Henshaw, Mark Handzlik, Sharon Mataya, Jay Sedivy, Kevin Tate, Sam Shipp, Mark Semrau, Mike Fox

Participating remotely were: Courtney Shilling

Commissioner Lindquist led the Pledge of Allegiance.

CONSENT AGENDA

Commissioner Hamburg moved to approve the Consent Agenda for September 26, 2023, as presented.

1. Approval of Agenda 9/26/23
2. Approval of Minutes 9/12/23 Special Meeting
3. Approval of Minutes 9/12/23 Regular Meeting
4. Ratification of Voucher 9/19/23 No. 3101 (\$1,790,133.66)
Accounts Payable Voucher No. 27297 – 27363 (\$348,789.32)
Electronic Funds Transfer (\$1,441,344.34)
5. Voucher Approval 9/26/23 No. 3102 (\$1,016,870.57)
Accounts Payable Voucher No. 27364 – 27417 (\$694,713.20)
Electronic Funds Transfer (\$102,839.38)
Payroll Electronic Funds Transfers No. 041761 - 041849 (\$219,317.99)

The motion passed unanimously.

AUDIENCE COMMENTS

None.

OLD BUSINESS

6. General Manager's Report: General Manager Sidhu provided an update on the following:
 - Several PUD staff members will be attending the WPUDA Water Workshop in Sequim, WA, from September 27-29. Staff will also be presenting during workshop sessions.
 - The board will receive a draft of the 2024 budget the week of October 2. The budget hearing will take place during the regular board meeting on October 10, and the budget work sessions will be held on October 17 at 4:30 p.m. and October 24 at 2:30 p.m.
 - PUD and Port of Skagit had their first workgroup meeting on September 22 to discuss broadband initiatives related to SkagitNet. Commissioner Miller, Manager Sidhu, and IT Manager Boudreaux attended as the PUD representatives. Port of Skagit Staff and Skagit County Commissioner Janicki were also in attendance. Commissioner Miller gave a brief report of the meeting.
 - New PUD Administration Building updates provided in an internal email by Engineering Manager Handzlik highlighting the construction progress.
 - Updates on the SRD power transformer that are included in the information section of the meeting agenda packet. Manager Sidhu also notified the board that the power transformer was delivered and installed on September 22, and it will be up and running starting October 3. The total cost to date is \$631,000.

7. Community Relations Department Update: Community Relations Manager Tate provided an update on the following:
- Outreach efforts, including tours with Burlington and City of Mount Vernon Councilmembers, school group tours, Thirstbuster at the Skagit County Fair and Bike MS, and the upcoming Skagit Farm to Pint Fest on September 30, earned media in the local Skagit Valley Herald, PUD website forms project, and the Customer Satisfaction Survey.

NEW BUSINESS

8. Policy #1017: Safety and Security at WTP-Controlled Facilities

Since this is the first policy presented to the board since Commissioner Hamburg's election Manager Sidhu gave a brief overview of the PUD's practices for adopting new policies. Safety & Risk Coordinator Sedivy then proceeded to explain that Policy #1017: *Safety and Security at WTP-Controlled Facilities* will provide employee, contractor, and visitor accountability when working or visiting the Judy Reservoir Water Treatment Plant (WTP). The policy will also replace the existing Policy #1017: *Ice and Liquids During the Summer*.

Commissioner questions were addressed by Coordinator Sedivy.

Commissioner Miller moved to authorize the General Manager to sign and adopt new Policy #1017: *Safety and Security at WTP-Controlled Facilities*; and to supersede and cancel existing Policy #1017: *Ice and Liquids During the Summer*

The motion passed unanimously.

INFORMATION

9. SRD Power Transformer Replacement Update
10. Monthly Budget Status – August 2023
11. Judy Reservoir Data Report

COMMISSIONER COMMENTS

None.

EXECUTIVE SESSION

At 4:53 p.m. Commissioner Lindquist recessed the regular meeting to review performance of a public employee pursuant to RCW 42.30.110(1)(g) for a duration of 20 minutes, reconvening at 5:15 p.m.

The executive session ended at 5:15 p.m.

ADJOURNMENT

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed, and the September 26, 2023, meeting was adjourned at 5:15 p.m.

ATTEST

Joe Lindquist, President

Corrin Hamburg, Secretary

Andrew Miller, Vice President

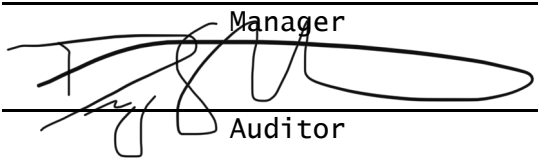
We, the undersigned Board of Commissioners of Public Utility District No. 1 of Skagit County, Washington, do hereby certify that the merchandise and /or services hereinafter specified have been received and are hereby approved for payment in the amount of \$864,464.61 this 3rd day of October, 2023.

The total is comprised of the following:

Accounts Payable voucher No. from 27418 through 27463 in the amount of \$187,167.58, Electronic Funds Transfer in the amount of \$677,297.03. Payroll Electronic Funds Transfers and checks No. through in the amount of \$0.00.

Attest:

Kevin Tate

 Manager


 Auditor

 President

 Vice - President

 Secretary

Date: 10/02/2023

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Voucher	Claimant	Amount
27418	JO ABSOLUTE PLUMBING, INC	630.97
27419	ALL PHASE ELECTRIC SUPPLY	120.09
27420	BADGER METER INC	925.12
27421	BERG VAULT CO OF WA INC	591.87
27422	BNSF RAILWAY COMPANY	2,768.53
27423	CINTAS	297.16
27424	CONSOR NORTH AMERICA, INC.	68,377.53
27425	WA STATE DEPT OF ECOLOGY	780.00
27426	WA ST DEPT OF TRANSPORTATION	910.16
27427	DOUGLAS A STREETER	2,600.00
27428	E&E LUMBER INC	143.01
27429	ENDURIS WASHINGTON	485.00
27430	EUROFINS EATON ANALYTICAL LLC	2,278.00
27431	EVERETT OFFICE FURNITURE	1,534.08
27432	FIRSTLINE COMMUNICATIONS INC	2,097.46
27433	ICONIX WATERWORKS (US) INC	11,796.52
27434	KAPTEIN'S ACE HARDWARE	10.87
27435	KARMART USA SUPERSTORES	418.11
27436	KGS NORTHWEST LLC	1,446.13
27437	ANYTIME LABOR SEATTLE LLC	2,357.20
27438	LINKEDIN CORPORATION	6,580.22
27439	NATIONAL SAFETY INC	323.90
27440	NORTHSTAR CHEMICAL INC	17,724.80
27441 - EDI	NORTHWEST ADMINISTRATORS	649.80
27442	AUTO VALUE	985.57
27443	ODP BUSINESS SOLUTIONS, LLC	243.84

Voucher	Claimant	Amount
27444	OLIVER HAMMER INC	250.00
27445	ORKIN LLC	95.73
27446	PUGET SOUND ENERGY	16,035.73
27447	QUALYS INC	10,070.18
27448	ROBERT HALF MANAGEMENT	3,280.00
27449	SECURITAS TECHNOLOGY CORP	111.30
27450	SECURITY SOLUTIONS NORTHWEST	424.32
27451	SKAGIT COUNTY FIRE MARSHALL	144.00
27452	SKAGIT VALLEY PUBLISHING	166.78
27453	SUPERHAWK TRUCK ACCS INC	4,465.63
27454	TIMMONS GROUP INC	10,462.50
27455	UNITED PARCEL SERVICE	54.96
27456	LEXLY LLC	2,703.14
27457	VAN NESS FELDMAN, LLP	2,071.50
27458	VERIZON WIRELESS	5,537.50
27459 - EDI	WA STATE DEPT OF HEALTH	672,372.12
27460	WASHINGTON PUD ASSOCIATION	2,925.00
27461	ASTOUND BUSINESS SOLUTIONS LLC	145.42
27462	WASTE MANAGEMENT OF SKAGIT	1,797.75
27463 - EDI	ZIPLY FIBER	4,275.11
		864,464.61



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

October 10, 2023

MEMORANDUM

TO: Board of Commissioners
FROM: Mark Handzlik, PE, Engineering Manager
SUBJECT: Lot 72 Waterline Relocation Port of Skagit Project Acceptance

Requested Action:
Project acceptance of the Lot 72 Waterline Relocation Port of Skagit Project.

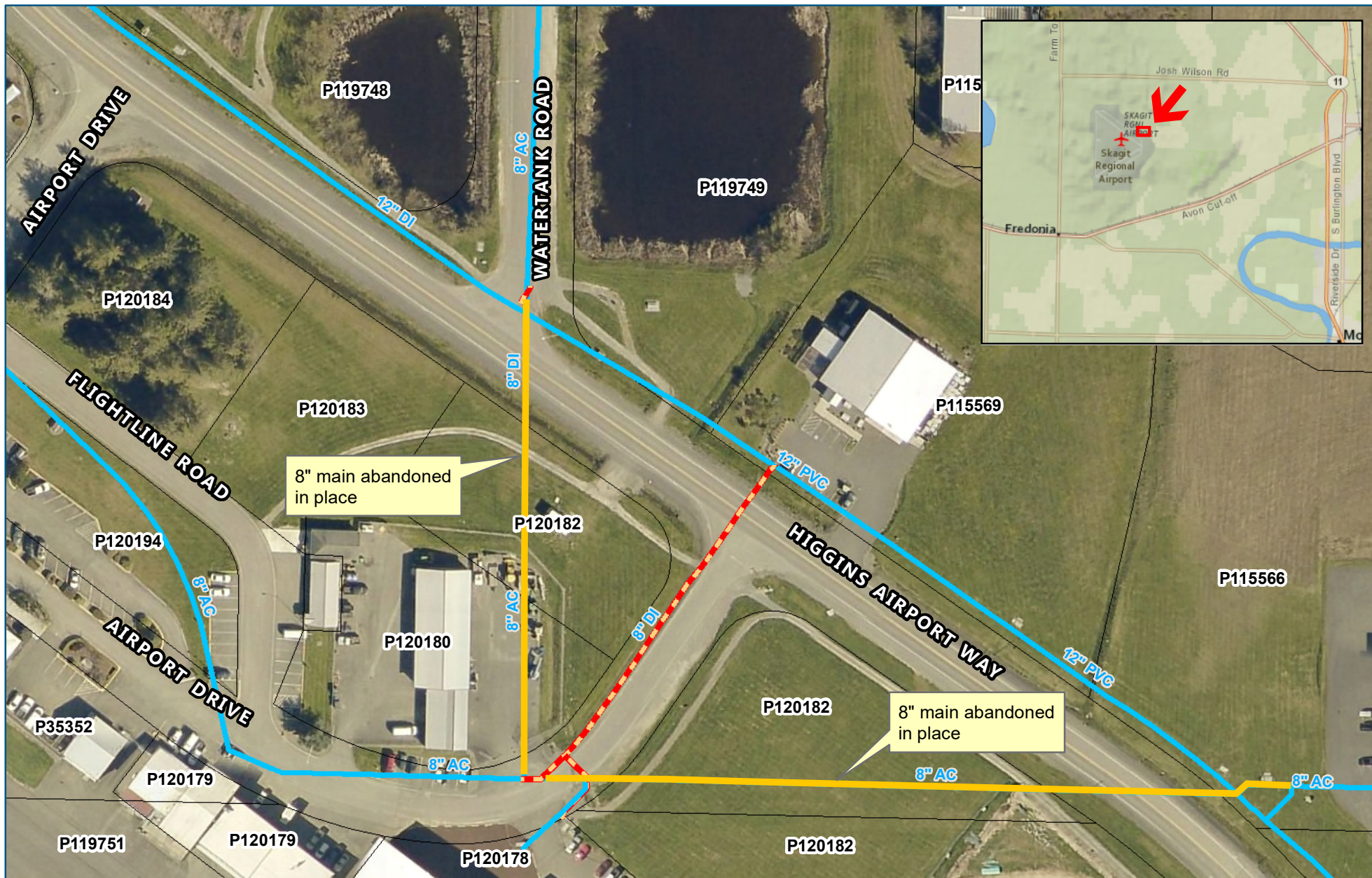
Background:
Name of Project: LOT 72 Waterline Relocation Port of Skagit
Reference: Job ID: CP7378
Location: Burlington
Developer: Port of Skagit County
Contractor: TRICO Companies LLC

The District has approved the plans and specifications and has inspected the installation of the new water plant within the above project. The Engineering Department has received satisfactory pressure and bacteriological test results. All documentation for this project has been completed.

I recommend that the Commission accept this project.

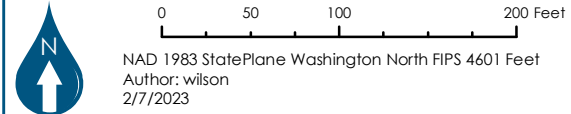
Fiscal Impact:
None.

Enclosures: 1. [CP7378 acceptance map.pdf](#)



Lot 72 Waterline Relocation Project Port of Skagit

Project Acceptance



- Abandoned Main
- Existing Main
- Parcels
- Awaiting Acceptance

Job Identity: CP7378

This map was created from available public records and existing map sources, not from field surveys. While great care was taken in this process, maps from different sources rarely agree as to the precise location of geographic features. The relative positioning of map features to one another results from combining different map sources without field verification.

The PUD #1 of Skagit County disclaims any warranty of merchantability or warranty of fitness of this map for any particular purpose, either expressed or implied. No representation or warranty is made concerning the accuracy, currency, completeness or quality of data depicted on this map. Any user of this map assumes all responsibility for use thereof, and further agrees to hold the PUD #1 of Skagit County harmless from any damage, loss, or liability arising from the use of this map.





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October 10, 2023

MEMORANDUM

TO: Board of Commissioners

FROM: George Sidhu, PE, General Manager

SUBJECT: Transfer of the Fidalgo Island Water System to City of Anacortes - *Discussion*

Requested Action:

None.

Background:

The PUD and the city of Anacortes (Anacortes or City) have been working for nearly four years to transfer ownership of the Fidalgo Island Water System (FIWS) to the city. The proximity of the FIWS to other retail service areas of the Anacortes water system will improve maintenance and emergency response times while resulting in economic and water service-related efficiencies in the continued operation, maintenance, and improvement of the FIWS.

On March 5, 2020, an informational open house was hosted by the PUD and Anacortes to discuss the potential transfer of the FIWS ownership to the city. The intent of the open house was to provide information to customers and then address the potential transfer during open public meetings to solicit further conversation. Due to COVID-19, the comment process was interrupted for several months. However, at the PUD’s board meeting on September 8, 2020, there was a public comment period for customers and the public. In addition, customers were encouraged by a public notice to provide their comments via email. Seven emails were received, which resulted in a mixed response of support and opposition for the potential transfer. With over 700 customers on the FIWS, the few comments received did not change the path of working with the city on developing a transfer agreement.

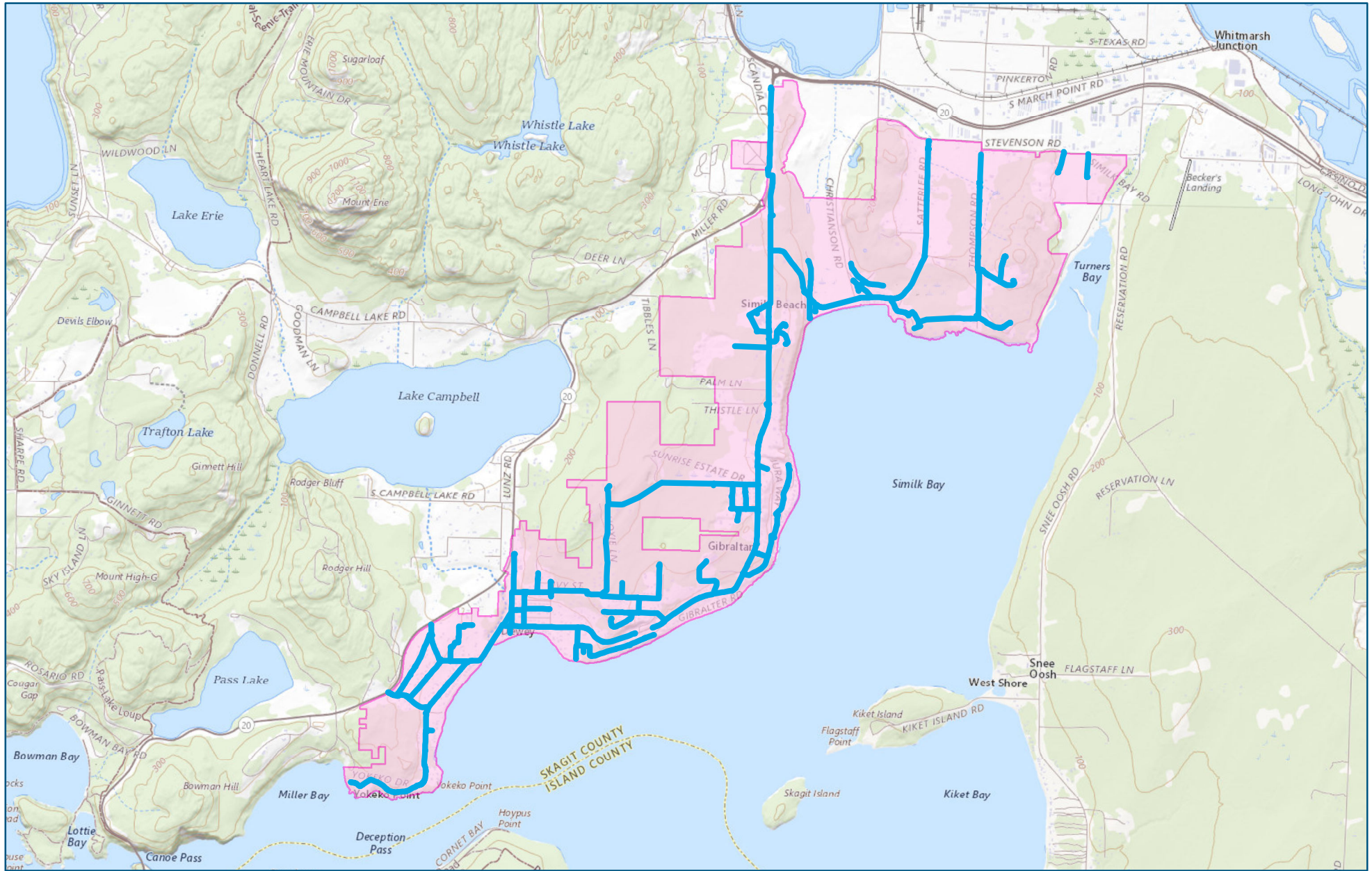
On September 22, 2020, the PUD board authorized the general manager to work with Anacortes to develop an agreement to transfer the FIWS from the District to the city. At its regular meeting on July 27, 2021, the PUD board approved a transfer agreement. At a regular council meeting on August 9, 2021, the Anacortes City Council approved the same transfer agreement. The transfer agreement was fully executed on September 1, 2021.

Over the last two years, the PUD and the city have been working together to prepare for the water system transfer. The PUD has completed the required capital improvement projects, the city has been inspecting the water system to satisfy the contingency provisions of the transfer agreement, and the closing documents will be ready for signature by October 20th. The attached draft resolution authorizing the General Manager to complete the transfer of ownership will be presented to the Commission at the next scheduled meeting on October 24, 2023. Upon approval of this resolution, the General Manager will coordinate with the city to sign the closing documents and finalize the transfer.

Fiscal Impact:

A capital budget of \$1,650,000 was established in 2022 to complete the capital improvement obligations of the transfer. To date the PUD's cost related to these projects is \$884,598.88. Remaining obligations require the PUD to settle easement acquisitions for the properties listed in Addendum A. Costs for these acquisitions will come from operational budgets with those exceeding the General Manager's spending authority brought before the commission for approval.

Enclosures: 1. [Fidalgo Vicinity Map](#)
 2. [Resolution 2300-23 Fidalgo Transfer DRAFT](#)



Fidalgo Water System Vicinity Map



0 0.25 0.5 1 Miles

NAD 1983 StatePlane Washington North FIPS 4601 Feet
Author: wilson
10/5/2023

- Water Main Lines
- Fidalgo Retail Service Area

This map was created from available public records and existing map sources, not from field surveys. While great care was taken in this process, maps from different sources rarely agree as to the precise location of geographic features. The relative positioning of map features to one another results from combining different map sources without field verification.

The PUD #1 of Skagit County disclaims any warranty of merchantability or warranty of fitness of this map for any particular purpose, either expressed or implied. No representation or warranty is made concerning the accuracy, currency, completeness or quality of data depicted on this map. Any use of this map assumes all responsibility for use thereof, and further agrees to hold the PUD #1 of Skagit County harmless from any damage, loss, or liability arising from the use of this map.



RESOLUTION NO. 2300-23

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, APPROVING THE TRANSFER OF OWNERSHIP OF THE FIDALGO ISLAND WATER SYSTEM TO THE CITY OF ANACORTES

WHEREAS, the District is a municipal corporation formed in 1936 as part of Washington Public Utility District law to own and operate water systems in Skagit County, including the cities of Mount Vernon, Burlington, and Sedro Woolley, and

WHEREAS, the District is the largest water purveyor in Skagit County, serving potable water to more than 26,000 customers and 80,000 people using a network of over 650 miles of pipeline, reservoirs, and pump stations, and

WHEREAS, the District owns a water distribution system that serves approximately 720 customers located in an unincorporated area of Skagit County on Fidalgo Island, named the "Fidalgo Island Water System" or "FIWS," and

WHEREAS, the District has a water supply agreement to purchase water from the city of Anacortes to provide to the FIWS customers, and

WHEREAS, due to the proximity of the FIWS to the retail service areas of the Anacortes water system and the city's continued provision of water supply to the FIWS under the supply agreement, the parties have determined that transferring the ownership of the FIWS to Anacortes will improve maintenance and emergency response times while resulting in economic and water service-related efficiencies in the continued operation, maintenance, and improvement of the FIWS, and

WHEREAS, the District approved the form of the Fidalgo Island Water System Asset Transfer and Improvement Agreement between the city of Anacortes and the District through Resolution 2287-21 on August 24, 2021, and the District and the city of Anacortes executed this agreement on September 1, 2021, and

WHEREAS, a mutually agreeable closing date for the transfer has been established to be on or around October 17, 2023, the city of Anacortes has completed to the city's satisfaction all inspections and reviews of the FIWS, and all agreements and conditions required by the agreement prior to closing have been performed or complied with by the District, and

WHEREAS, the best interests of the District, the ratepayers in the FIWS service area, and of the public health, safety, and welfare are served by the District completing the transfer of the FIWS to the city of Anacortes.

NOW, THEREFORE, BE IT RESOLVED, that this resolution authorizes the General Manager and all appropriate officers, agents, and representatives of the District to take any further action necessary or advisable to implement this resolution and complete the transfer of ownership of the FIWS to the city of Anacortes. All actions taken consistent with the terms of this resolution and in furtherance of the Agreement are ratified and confirmed in all respects.

ADOPTED by the Commission of Public Utility District No. 1 of Skagit County, Washington,

at a regular meeting held this 10th day of October 2023.

DRAFT

https://www.goskagit.com/news/environment/skagit-pud-receives-grant-for-clean-energy-project/article_6010c43a-5e3d-11ee-8317-93dced7e17ee.html

Skagit PUD receives grant for clean energy project

EMMA BURRELL @goskagit

Oct 2, 2023



MOUNT VERNON — The Skagit Public Utility District has received a \$588,800 grant from the state Department of Commerce to go toward its latest clean energy project.

Commerce announced in a Sept. 26 news release that it has awarded about \$5 million to enhance dairy digesters and to enhance clean energy in rural communities throughout the state.

Out of the 16 applicants for the grant funds, seven were selected.



The Skagit PUD will use its funding on the Mount Vernon High School Energy Recovery Demonstration project.

PUD Community Relations Manager Kevin Tate said that a mini-hydroelectric system will be used to produce energy from water coming from Judy Reservoir.

"As a result of (water) going downhill, we treat a lot of pressure within our system and that pressure needs to be managed because high pressure can cause leaks within our system and can also cause our infrastructure to prematurely age," he said.

The mini-hydroelectric system takes the pressure and converts it into clean energy. Tate said the energy harnessed from the mini-hydroelectric system will benefit Mount Vernon High School.

"This will help offset some of their operational costs and also part of the grant is going to allow them to have, I believe, five electric vehicle charging units," Tate said.

The project will cost \$1 million. Now with the Commerce grant, the PUD is seeking additional funds to get the project rolling.

According to the PUD, the additional funds will come from either an IRS tax rebate or a grant from the TransAlta Coal Transition program.



"We're excited about the project, because it allows us to recapture energy that's already in our system and use that energy to offset operational costs at the high school," Tate said.

Emma Burrell can be reached at eburrell@skagitpublishing.com, 360-416-2141, Twitter: @goskagit

Emma Burrell



https://www.goskagit.com/news/local_news/skagit-public-utility-district-shuts-down-old-pipeline/article_7ac87460-639e-11ee-ab42-6721ada06527.html

Skagit Public Utility District shuts down old pipeline

VINCE RICHARDSON @goskagit
Oct 5, 2023



In this June 2019 photo, repairs are made to a 24-inch concrete water transmission pipeline near Morford Road east of Clear Lake.

Skagit PUD photo

MOUNT VERNON — An era came to an end Wednesday when the Skagit Public Utility District shut down an old water transmission line.

The line's replacement, a 36-inch welded steel pipe, went into service a few weeks ago and is expected to serve the community for the next century.

"We've been operating the new 36-inch line for a couple weeks now, (but) we didn't want to turn the other one off until we were sure the new line was completely operational," PUD Community Relations Manager Kevin Tate said. "We've also had a few other things to do, like crossovers."

The old 24-inch concrete pipeline — installed in the 1960s — was responsible for carrying water from Judy Reservoir, located above Clear Lake, to Mount Vernon.

"It was confirmed that pipe was at the end of its useful lifespan," Tate said. "This was a big project and we are extremely pleased with it."

Large sections of the old line were inaccessible most of the year due to high surface and groundwater levels. Several significant line breaks in recent years let the PUD know the pipe's usefulness was coming to a close.

This phase of construction began in July 2021 at a budgeted cost of \$40 million.

"There are actually two pipelines that come out of Judy Reservoir," Tate said. "One down to Mount Vernon and the other crosses the Skagit River over to Sedro-Woolley."

Crews will work for the next several months to sever all interconnections between the two pipes, and to decommission valves and other such items.

Some of the old pipeline will continue to be used by the PUD as a conduit for fiber-optic cable.

Tate described this project as being "once in a lifetime".

"This new pipe is going to last for 100 years," he said. "We are excited. It's a big deal to finally put the project to rest. The old pipeline served us well, but we are excited to have this new pipeline in place. It provides us with larger capacity and resiliency."



And there are other benefits as well, such as being able to easier locate issues that may arise.

"We were able to put in a lot of different valves, so we are able to isolate more parts of the line in case of a break," Tate said. "We built that into the system.

"The other system, it required us to put more people out of water. This way, with the different valving, we will be able to isolate certain sections to work on them and keep more people with water."

Vince Richardson can be reached at 360-416-2181, vrichardson@skagitpublishing.com, Twitter: @goskagit, Facebook.com/VinceRichardson/

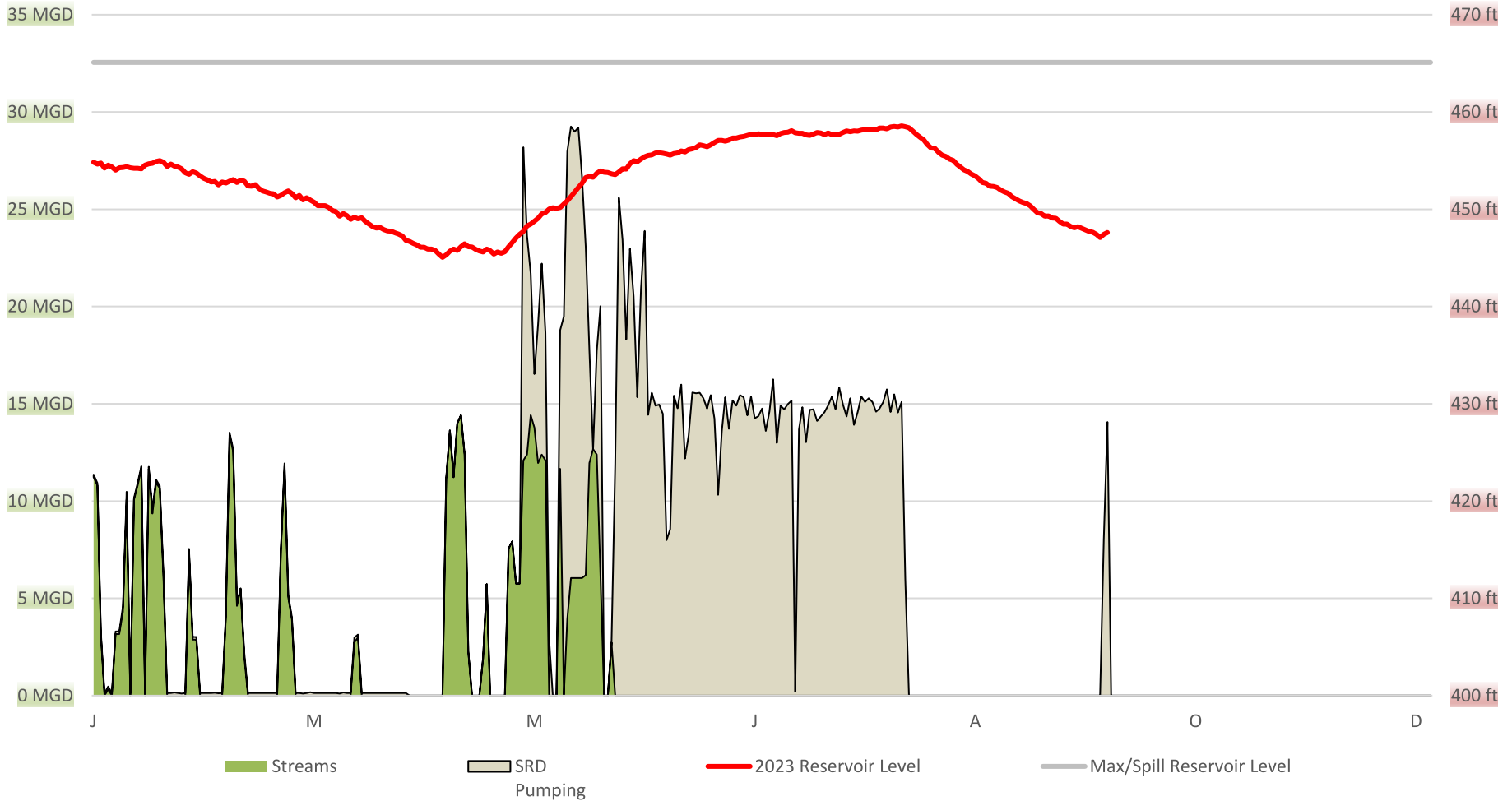
Vince Richardson

Newsroom



2023 Judy Reservoir Inflows & Elevation

September 27 Elevation:	448.04 (ft)
October 04 Elevation:	447.61 (ft)
Change in Elevation:	<u>-0.43</u> (- 5.2 Inches)
Spillway Elevation:	465.10
Stream Inflow YTD:	511.34 MG
Skagit River YTD:	<u>1471.57 MG</u>



5-YEAR JUDY RESERVOIR ELEVATIONS

