

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 759 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 25, 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

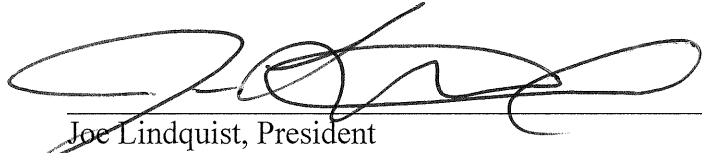
WHEREAS, an amendment to the Fidalgo Island Water System Asset Transfer and Improvement Agreement has been proposed to establish procedures for the resolution of outstanding easements after the closing date, and

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.

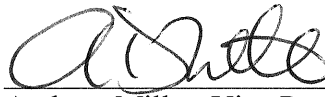
NOW, THEREFORE, BE IT RESOLVED, that the District approves the form of the First Amendment to the Fidalgo Island Water System Asset Transfer and Improvement Agreement between the city of Anacortes and the District, attached as Exhibit A ("Amendment"). The Recitals in Section 3 of the Amendment are true and correct.

BE IT FURTHER 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 as amended 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 24th day of October 2023.



Joe Lindquist, President



Andrew Miller, Vice President

ATTEST

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Corrin Hamburg, Secretary