

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

**AGENDA**  
MARCH 26, 2024  
4:30 PM

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

Join the meeting via Zoom: <https://skagitpud.zoom.us/j/82082590753?pwd=ZkUrVGE4T2xXK3NUV1ZRK2pxUDlxdz09>

Meeting ID: 820 8259 0753  
Passcode: 009457  
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](mailto:pud@skagitpud.org)

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approval of Agenda 3/26/24
2. Approval of Minutes 3/12/24 Regular Meeting
3. Ratification of Voucher 3/19/24
4. Voucher Approval 3/26/24
5. [MV-28 RV Resort Project Acceptance](#)

AUDIENCE COMMENTS

OLD BUSINESS

6. General Manager's Report
7. [Resolution No. 2304-24: Cancelling Resolution 2299-23: Declaring an Emergency Related to the Failure of the Power Transformer at the Skagit River Diversion - \*Action\*](#)

NEW BUSINESS

8. [Gilligan Intake Valve Remote Operation - \*Action\*](#)

INFORMATION

9. Recent News Article
10. Judy Reservoir Data Report

COMMISSIONER COMMENTS

ADJOURNMENT

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

March 12, 2024

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, with masks and social distancing.

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

Also, in attendance were: George Sidhu, Shannon Patiño, Alistair Boudreaux, Nick Semrau, Bill Trueman, Brian Henshaw, Mark Handzlik, Pete Gilbert, Jenna Friebel, Kasey Cykler, Pete Gilbert, Mike Fox, Mark Semrau, Kevin Tate, Sam Shipp, Dave Hughes, Emma Fletcher-Fraizer, Dale Raegan, Tony Wisdom, and Don McMoran

Participating remotely were: Anna Basye

Commissioner Lindquist led the Pledge of Allegiance.

### CONSENT AGENDA

Commissioner Hamburg moved to approve the Consent Agenda for March 12, 2024, as presented.

1. Approval of Agenda 3/12/24
2. Approval of Minutes: 2/12/24 Special Meeting
3. Approval of Minutes: 2/13/24 Regular Meeting
4. Ratification of Voucher 2/20/2024 No. 3123 (\$510,682.43)  
Accounts Payable Voucher No. 28564-28597 (\$507,225.76)  
Electronic Funds Transfer (\$338.65)  
Payroll Electronic Funds Transfers and Checks No. M00828-M00829 (\$3,118.02)  
Ratification of Voucher 2/27/24 No. 3124 (\$597,495.77)  
Accounts Payable Voucher No. 28598-28653 (\$1119,495.81)  
Electronic Funds Transfer (\$244,151.87)  
Payroll Electronic Funds Transfers and Checks No. 043231-43315 (\$233,848.09)  
Ratification of Voucher 3/5/24 No. 3125 (\$1,505,182.09)  
Accounts Payable Voucher No. 28654-28712 (\$130,310.27)  
Electronic Funds Transfer (\$1,374,871.82)
5. Voucher Approval 3/12/24 No. 3126 (\$641,105.14)  
Accounts Payable Voucher No. 28713-28765 (\$303,163.19)  
Electronic Funds Transfer (\$93,275.46)  
Payroll Electronic Funds Transfers and Checks No. 043401-043485 (\$238,666.49)
6. 820 Trail Road Mixed Use Project Acceptance
7. Trail Road Hotel Project Acceptance

The motion passed unanimously.

### AUDIENCE COMMENTS

None

### OLD BUSINESS

8. Manager's Report: General Manager Sidhu provided an update on the following:
  - Manager Sidhu, along with a group of staff and commissioners from the Washington Public Utility Districts Association (WPUDA), met with legislators in Washington D.C. and discussed issues regarding water and power. Manager Sidhu and WPUDA representatives lobbied for continued funding through the Low Income Household Water Assistance Program. This temporary program is set to expire in 2024 and has provided assistance to many PUD customers. Additional lobbying efforts were made in support of a bill exempting water and wastewater utilities from being classified as a polluter for disposing of PFAS and be exposed for potential litigation.
  - The recently announced State capital budget includes \$300,000 for Skagit PUD for the pipeline relocation on SR-20 at Olsen Creek for fish passage

improvements.

- An agreement with the Big Lake Fire District for fire hydrant maintenance is underway.
- The PUD commissioners went on a tour of the PUD Campus Replacement building prior to this meeting to view the progress being made.
- The status of projects, including the HWY 20 and Alger I-5 relocation projects, West Mount Vernon and the Skagit Country Club pipeline replacement projects, the Skagit River Diversion (SRD) Substation Transformer Replacement project, and the SRD Pump Replacement project.

9. IT Department Update: IT Manager Boudreaux gave an IT department update on:

- Project updates, including cybersecurity penetration testing and vulnerability management, in-progress policies and standards, the installation and results of the Starlink-based internet connection, and SkagitNet progress.
- Manager Sidhu mentioned that Port of Skagit Executive Director Sara Young will provide a broadband update during the regular board meeting on April 23, 2024.

## **NEW BUSINESS**

7. Temporary Water Rights Transfer: Manager Sidhu provided some background information regarding drought-related water rights transfers the PUD conducted in 2015, 2019, 2021, and 2023, and explained that there have been discussions with internal staff, the Washington State Department of Ecology, and representatives of the Drainage and Irrigation Improvement District (DIID) #15 and Consolidated Diking Improvement District (CDID) #22 about processing temporary water rights transfer in the absence of drought declarations. From those discussions, it was determined that it would be best to establish a multi-year agreement to address:

- a. Change authorizations
- b. The allowable pumping period.
- c. Removing tidal condition restrictions
- d. Fees associated with the transfer fee.
- e. Metering equipment

A lengthy discussion ensued.

Jenna Friebel, Skagit Drainage and Irrigation District Consortium Executive Director; Kasey Cykler, WA Department of Ecology Northwest Region Manager for the Water Resources Program; and Skagit PUD General Manager Sidhu, Engineering Manager Mark Handzlik, Engineering Supervisor Bill Trueman, Attorney Pete Gilbert, and Commissioners were present for the discussion.

The discussion centered around the draft multi-year agreement, applying for a drought and non-drought seasonal water rights transfer to mitigate interruptions to the drought transfer if the drought status was lifted early, collaborating to determine the metering equipment that will be used, and mitigating risks on the PUD's water rights.

During the discussion, questions from CDID #2 Commissioner Dave Hughes and local farmer Tony Wisdom were fielded.

Commissioner Miller requested that PUD staff summarize the steps the PUD will take to obtain the drought and non-drought seasonal water rights transfers in a one-page paper.

Manager Sidhu agreed to make edits to the draft interlocal agreement based on the discussion and place it on the agenda for the next meeting. Concurrently, PUD staff will work on completing change authorization applications for submission to Ecology, that can be processed once the interlocal agreements are executed.

## **INFORMATION**

8. Judy Reservoir Data Report
9. Recent News Articles

## **COMMISSIONER COMMENTS**

Commissioner Hamburg thanked everyone for being at the meeting.

**ADJOURNMENT**

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed and the March 12, 2024, meeting adjourned at 5:39 p.m.

ATTEST

\_\_\_\_\_  
Joe Lindquist, President

\_\_\_\_\_  
Corrin Hamburg, Secretary

\_\_\_\_\_  
Andrew Miller, Vice President

DRAFT



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 \$957,142.50 this 19th day of March, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 28766 through 28803 in the amount of \$705,872.92, Electronic Funds Transfer in the amount of \$251,269.58. Payroll Electronic Funds Transfers and checks No. through in the amount of \$0.00.

Attest:

  
 \_\_\_\_\_  
 Manager

  
 \_\_\_\_\_  
 Auditor

\_\_\_\_\_  
 President

\_\_\_\_\_  
 Vice - President

\_\_\_\_\_  
 Secretary

Date: 03/18/2024

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Voucher	Claimant	Amount
28766	2030 RENTALS LLC	182.00
28767	AMAZON.COM SALES, INC.	3,367.19
28768 - EDI	BANNER BANK	274.94
28769	BANNER BANK	12,814.85
28770	BUILDERS EXCHANGE OF	100.00
28771	CAROLLO ENGINEERS INC	42,520.60
28772	CITY OF ANACORTES	18,694.00
28773	COMCAST BUSINESS	121.82
28774	EUROFINS EATON ANALYTICAL LLC	1,599.00
28775	FEDERAL EXPRESS CORPORATION	44.16
28776	FOOD SERVICES INC	870.96
28777	KAYE- SMITH ENTERPRISES INC	10,780.49
28778	KRISTIN JONES	147.45
28779	LINDE GAS & EQUIPMENT INC	1,381.20
28780	MARIANO HERRERA	10.82
28781	MATERIALS TESTING & CONSULTING	561.75
28782	N C MACHINERY CO	840.56
28783	NORTH HILL RESOURCES	64.07
28784	PACIFIC POWER BATTERIES	237.78
28785	PAULA ROSA	114.79
28786	PURMS JOINT SELF INS FUND	209,311.78
28787	QCC QUALITY CONTROLS CORP	3,132.00
28788	RAY DEBOER	206.74
28789	RH2 ENGINEERING INC	15,288.18
28790	RIGHT! SYSTEMS, INC.	10,493.43
28791	SALAZAR'S NURSERY &	184.85

Voucher	Claimant	Amount
28792	SANTANA TRUCKING & EXCAVATING	328,227.73
28793	SCF PROPERTIES I, LLC	35,380.00
28794	SEDRO WOOLLEY AUTO PARTS INC	197.19
28795	SHAWN RITCHEY L.I.V.E.	695.00
28796	STOWE'S SHOES & CLOTHING	179.96
28797	UTILITIES UNDERGROUND LOCATION	402.60
28798 - EDI	WA STATE DEPT OF RETIREMENT	109,531.29
28799 - EDI	WA STATE DEPT OF REVENUE	141,344.61
28800	WASHINGTON PUD ASSOCIATION	5,495.00
28801	ASTOUND BUSINESS SOLUTIONS LLC	2,151.36
28802	WOODS ACQUISITION CORP DBA	73.61
28803 - EDI	ZIPLY FIBER	118.74
		957,142.50



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

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March 26, 2024

**MEMORANDUM**

**TO:** Board of Commissioners  
**FROM:** Mark Handzlik, P.E., Engineering Manager  
**SUBJECT:** MV-28 RV Resort Project Acceptance

**Requested Action:**  
Accept the MV-28 RV Resort Project.

**Background:**  
Name of Project: MV-28 RV Resort  
Job ID: CP13011  
Location: Mount Vernon  
Developer: MV-28 LLC  
Contractor: Faber Construction

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.

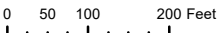
Enclosures: 1. [MV-28 RV Resort Acceptance Map](#)





- Fire Service  
- 3" Domestic Meter

### MV-28 RV Resort Project Acceptance



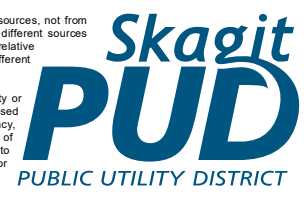
NAD 1983 StatePlane Washington North FIPS 4601 Feet  
Author: Wilson  
3/13/2024

Existing Main      Parcels  
 Awaiting Acceptance

Job Identity: CP13011

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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March 26, 2024

**MEMORANDUM**

**TO:** Board of Commissioners  
**FROM:** George Sidhu, P.E., General Manager  
**SUBJECT:** Resolution No. 2304-24: Cancelling Resolution 2299-23: Declaring an Emergency Related to the Failure of the Power Transformer at the Skagit River Diversion - *Action*

**Requested Action:**  
Approve Resolution No. 2304-24: Cancelling Resolution 2299-23: Declaring an emergency related to the failure of the power transformer at the Skagit River Diversion.

**Background:**  
On August 15, 2023, Skagit PUD declared an emergency due to the failure of the power transformer at the Skagit River Diversion pump station. Without power, the SRD was unable to pump water from the Skagit River into Judy Reservoir during a period of high consumption in the summer and in the middle of a drought that was declared by the Governor. The emergency resolution was necessary to allow the general manager to waive typical bidding requirements and exercise emergency powers as needed to locate, procure and install a replacement transformer so the SRD was able to function again.

A replacement transformer was found, procured and installed and the SRD was put back into service in October, 2023. Additional work has been performed since January to protect the transformer from PSE power surges and make other improvements to the electrical system at the SRD.

Now that the SRD is fully functional again, this resolution is needed to terminate the original emergency Resolution 2299-23.

**Fiscal Impact:**  
The total cost of the new transformer and associated improvements was \$897,777.94. The funds needed to complete this project were taken from the PUD's operating budget.

Enclosures: 1. [Resolution 2304-24 cancelling res no 2299-23](#)

RESOLUTION NO. 2304-24

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY (DISTRICT), WASHINGTON, CANCELLING RESOLUTION 2299-23, DECLARING AN EMERGENCY RELATED TO THE FAILURE OF THE POWER TRANSFORMER AT THE SKAGIT RIVER DIVERSION

WHEREAS, the Skagit River Diversion (SRD) is an essential piece of infrastructure used to pump raw water from the Skagit River into the Judy Reservoir during periods when low flows in the four mountain streams do not allow for diversion; and

WHEREAS, Washington State made an Emergency Drought Declaration for 12 counties, including Skagit, on July 24, 2023; and

WHEREAS, the operation of the SRD is critical during this period of peak water demands when the drought is in effect for most of the PUD's service area; and

WHEREAS, the power transformer at the SRD had to be removed from service on August 10 after an oil sample indicated that electricity was arcing inside the transformer; and

WHEREAS, the District declared an emergency on August 15, 2023, in order to combat the emergency; and

WHEREAS, a replacement transformer was located, procured and installed, according to the emergency authorities granted to the General Manager, to place the SRD back in service.

NOW, THEREFORE, BE IT RESOLVED that Resolution 2299-23 is hereby canceled, and the emergency authority granted to the General Manager is no longer effective.

PASSED AND APPROVED by the Commission of Public Utility District No. 1 of Skagit County, Washington, at a regular open meeting held this 26<sup>th</sup> day of March 2024.

\_\_\_\_\_  
Joe Lindquist, President

\_\_\_\_\_  
Andrew Miller, Vice President

ATTEST

\_\_\_\_\_  
Corrin Hamburg, Secretary



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March 26, 2024

**MEMORANDUM**

**TO:** Board of Commissioners  
**FROM:** George Sidhu, P.E., General Manager  
**SUBJECT:** Gilligan Intake Valve Remote Operation - *Action*

**Requested Action:**

Approve the labor and material expenses to install a remote valve and telemetry to maximize water collection from Gilligan Creek.

**Background:**

Water Treatment Plant operators currently have to drive to the Gilligan Creek intake to open or close a valve to divert water from Gilligan Creek to Judy Reservoir, depending on the minimum instream flow of the creek. If the creek levels are fluctuating, the task of opening and closing the valve can sometimes occur multiple times in one week. By installing a valve that can be remotely operated near Old Day Creek Road, where power is available, the opening and closing process can be automated so that operators would not have to leave the treatment plant. This automated valve will also allow the operators to adjust flows during the night and weekends, which is currently not possible because of limited staffing schedules or other conditions. The longer-term goal of this valve would be to automate it to the point where a programmable logic controller (PLC) can monitor the creek levels continuously and make adjustments to the valve automatically, thereby optimizing the amount of water that we can divert from Gilligan Creek.

We estimate that when water is not diverted from Gilligan Creek when instream flow rules allow, we lose out on collecting 14 million gallons for each 24-hour period. The equivalent amount of water pumped from the Skagit River Diversion would cost approximately \$2,800. Optimizing the flow diversions from Gilligan Creek would allow us to divert more water than we currently do, thereby saving money on electrical costs from pumping.

**Fiscal Impact:**

The total project cost is estimated at around \$70,000, which would likely be recouped in 3-5 years. Many of the materials that we need are already in inventory. The remaining costs would be funded from the operations budget.

Enclosures: 1. [Gilligan flows](#)

Last changed by SNAgriOps on 03/15/2024 10:03:37

[View history](#)

## FLOW - LAST 7 DAYS



Gilligan flow, not captured over the weekend. Good photo for the board meeting and justification for an actuator.



[https://www.goskagit.com/news/local\\_news/skagit-public-utility-district-making-headway-on-new-administration-building/article\\_c0ea70c4-e17a-11ee-843c-0b949c5db902.html](https://www.goskagit.com/news/local_news/skagit-public-utility-district-making-headway-on-new-administration-building/article_c0ea70c4-e17a-11ee-843c-0b949c5db902.html)

# Skagit Public Utility District making headway on new administration building

EMMA FLETCHER-FRAZER @Emma\_SVH  
Mar 13, 2024

1 of 2



The new Skagit Public Utility District administration building on Tuesday in Mount Vernon.  
Oliver Hamlin / Skagit Valley Herald

MOUNT VERNON — The Skagit Public Utility District is making progress on its new administration building.



Located just behind the old building on Freeway Drive in Mount Vernon, the new building will feature additional offices for the PUD's burgeoning staff.

The old building would have needed substantial changes and repairs to bring it up to code to fit the number of staff PUD now employs, said Engineering Manager Mark Handzlik.

The PUD now plans to lease out the old building.

Some PUD commissioners gathered Tuesday to tour the new building, viewing areas where the computer servers, public restrooms, customer service counter, roller files and new Aqua Room will be located.

Engineering offices will be located on the second floor. A rooftop generator will act as backup power for the servers.

Like the old Aqua Room, the new room will be available to be reserved for public meetings.

Handzlik said the contractors have done the rough framing and have begun electrical work. Workers will continue the electrical work and begin rough plumbing, HVAC and drywall work.

Construction is on schedule. Staff are expected to move in by January.

Emma Fletcher-Frazer can be reached at [efletcher-frazer@skagitpublishing.com](mailto:efletcher-frazer@skagitpublishing.com), 360-416-2199, Twitter: @Emma\_SVH

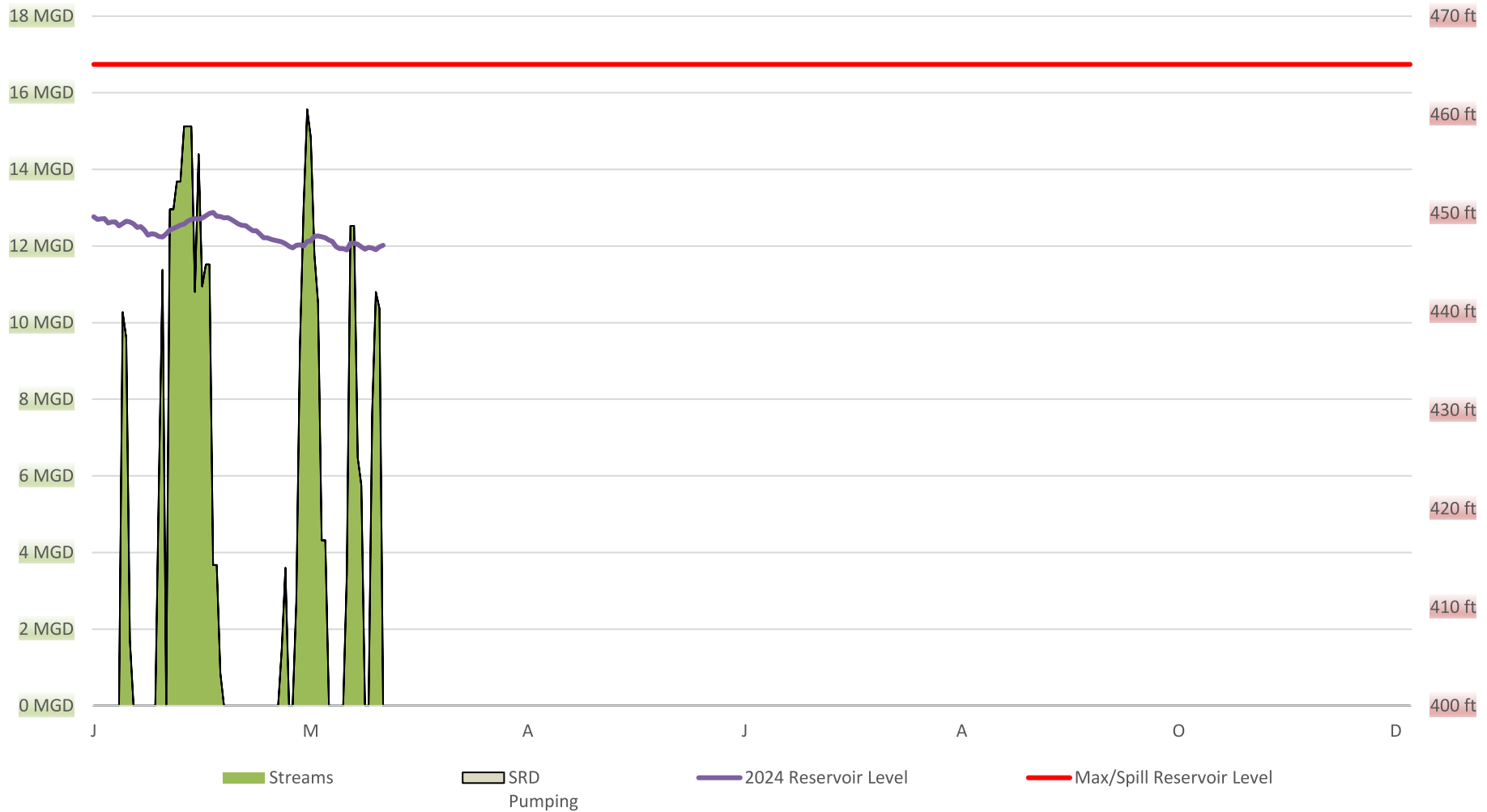
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Emma Fletcher-Frazer



## 2024 Judy Reservoir Inflows & Elevation

March 14 Elevation:	446.85 (ft)
March 21 Elevation:	446.73 (ft)
Change in Elevation:	-0.12 (- 1.4 Inches)
Spillway Elevation:	465.10
Stream Inflow YTD:	365.86 MG
Skagit River YTD:	0.00 MG



# 5-YEAR JUDY RESERVOIR ELEVATIONS

