

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

**AGENDA**  
OCTOBER 8, 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 10/8/24
2. Approval of Minutes 9/10/24 Special Meeting
3. Approval of Minutes 9/10/24 Regular Meeting
4. Approval of Minutes 9/18/24 Special Meeting
5. Ratification of Vouchers 9/17/24, 9/24/24 and 10/1/24
6. Voucher Approval 10/8/24

AUDIENCE COMMENTS

2025 BUDGET HEARING

OLD BUSINESS

7. General Manager's Report

NEW BUSINESS

INFORMATION

8. Judy Reservoir Data Report
9. Recent News Article
10. July Monthly Budget to Actual Report
11. August Monthly Budget to Actual Report

COMMISSIONER COMMENTS

CLOSED SESSION

- *Discussion of collective bargaining matters - Per RCW 42.30.140(4)(a): Approx. 15 minute duration*

ADJOURNMENT

MINUTES OF THE SPECIAL MEETING OF THE COMMISSION  
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY AND PORT OF SKAGIT

September 10, 2024

The meeting was held via Zoom.

Skagit PUD Commissioners in attendance were Joe Lindquist, president; Andrew Miller, vice president; and Corrin Hamburg, secretary.

Port of Skagit Commissioners in attendance were Steve Omdal, Kevin Ware, and Mahlon Hull.

In attendance were also George Sidhu, Shannon Patiño, Nick Semrau, Jay Sedivy, Brian Henshaw, Mark Handzlik, Sara Young, Heather Rogerson, Brady Rowe, Travis Binschus, Sara Hastings, Ann Grimm, and Seth Woolson.

**CALL TO ORDER**

On behalf of the Port of Skagit, Commissioner Hull called to order the September 10, 2024, Port of Skagit special meeting to order at 4 p.m.

Commissioner Lindquist called to order the September 10, 2024, Skagit Public Utility District special meeting at 4:01 p.m.

**SKAGITNET IRU AGREEMENT**

Port of Skagit Executive Director Sara Young gave an overview of the proposed Indefeasible Right of Use agreement with Astound Broadband, LLC. The IRU will grant Astound a portion of the fiber optic strands within the backbone system from Skagit Airport Hut to Concrete, WA, to operate and maintain for a length of 20 years and then assume ownership. The IRU will also reserve 48 strands of fiber for the PUD and Port to use for operational communications in perpetuity.

A brief discussion ensued.

Port of Skagit Commissioner Ware moved to approve the SkagitNet LLC Astound Broadband Indefeasible Right of Use (IRU) for the East County Backbone System. The motion passed unanimously.

PUD Commissioner Miller moved to approve the SkagitNet LLC Astound Broadband Indefeasible Right of Use (IRU) for the East County Backbone System. The motion passed unanimously.

**ADJOURNMENT**

Having no further business to come before the board, Port Commissioner Ware adjourned the September 10, 2024, Port of Skagit special meeting at 4:09 p.m. and PUD Commissioner Lindquist adjourned the September 10, 2024, Skagit Public Utility District special meeting at 4:10 p.m.

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

ATTEST:

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

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

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

September 10, 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.

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

In attendance were George Sidhu, Shannon Patiño, Nick Semrau, Mike Fox, Jay Sedivy, Kathy White, Pete Gilbert, Brian Henshaw, Kevin Tate, Mark Handzlik, Alistair Boudreaux, Mark Semrau

Participating remotely: Chris Shaff

Commissioner Lindquist led the Pledge of Allegiance.

**CONSENT AGENDA**

Commissioner Miller moved to approve the Consent Agenda for September 10, 2024, as presented.

1. Approval of Agenda 9/10/24
2. Approval of Minutes 8/27/24 Regular Meeting
3. Ratification of Voucher 9/3/24 No. 3150 (\$243,855.96)  
Accounts Payable Voucher No. 29947-30008 (\$243,241.43)  
Electronic Funds Transfer (\$614.53)
4. Voucher Approval 9/10/24 No. 3151 (\$912,764.62)  
Accounts Payable Voucher No. 30009-30078 (\$538,833.59)  
Electronic Funds Transfer (\$142,395.41)  
Payroll Electronic Funds Transfer No. 045068-045152 (\$231,535.62)
5. The Lofts Project Acceptance
6. Northwest Farm Foods Fireline Project Acceptance
7. Utility Payment Processing Services Agreement

The motion passed unanimously.

**AUDIENCE COMMENTS**

None.

**OLD BUSINESS**

8. Manager's Report: General Manager Sidhu provided an update on the following:
  - The water rights transfers are winding down and agreements expire on October 1, 2024.
  - Many PUD staff will be attending and involved with the WPUA Water Workshop scheduled for September 25-27 in Spokane.
  - After touring the new PUD administration building, WPUA staff have requested to host their July 2025 Association meetings at our new building.
  - Progress to the new building continues. Carpeting is nearly complete, and furniture has started to arrive. A schedule for the move to the new building has been established. Staff will begin moving in mid-October.
  - An update on the emergency declaration related to repeated pipe failures on East Blackburn Road.
  - Upcoming schedule of commission meetings and budget workshops:
    - September 24 – Canceled
    - October 8 – Budget hearing and regular meeting at 4:30 p.m.
    - October 10 – Budget work session #1 at 4 p.m.
    - October 22 – Regular meeting at 4:30 p.m.
    - October 29 – Budget work session #2 at 4:30 p.m.
    - November 12 – Regular meeting and proposed budget adoption at 4:30 p.m.

- 180 out of 340 service line investigations as part of the Service Line Inventory project has been completed. The remaining 260 service line investigations are anticipated to be completed by the end of the month.
  - The first bargaining meeting is scheduled for this Friday, September 13.
  - An elected officials tour is scheduled for Thursday, September 19. Representative Shaver from the 10<sup>th</sup> District and Senator Wagoner from the 39<sup>th</sup> District will be attending.
  - The SR-20 Culvert Replacement experienced some challenges in Marblemount with the directional drilling and has resulted in a waterline break.
9. Safety Department Update: Safety and Risk Coordinator Sedivy gave an update on safety policies and practices adopted in the last 12 months and those that are upcoming, and training and screening that has been completed in the last 6 months and upcoming.

**NEW BUSINESS**

**INFORMATION**

10. Judy Reservoir Data Report

**COMMISSIONER COMMENTS**

None.

**EXECUTIVE SESSION**

At 4:48 p.m., Commissioner Lindquist recessed the regular meeting to consider the minimum price at which real estate will be offered pursuant to RCW 42.30.110(1)(c) for approximately 10 minutes and to review the performance of a public employee pursuant to RCW 42.30.110(1)(g) for approximately 30 minutes, reconvening at 5:28 p.m.

At 5:28 p.m., Commissioner Lindquist extended the executive session for 15 minutes.

The executive session ended at 5:43 p.m.

**ADJOURNMENT**

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed, and the September 10, 2024, meeting adjourned at 5:43 p.m.

**ATTEST**

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Joe Lindquist, President

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Corrin Hamburg, Secretary

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Andrew Miller, Vice President

MINUTES OF THE SPECIAL MEETING OF THE COMMISSION  
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY AND PORT OF SKAGIT

September 18, 2024

The meeting was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington.

Commissioners in attendance were Joe Lindquist, president; Andrew Miller, vice president; and Corrin Hamburg, secretary.

George Sidhu and Shannon Patiño also attended.

**CALL TO ORDER**

Commissioner Lindquist called the Skagit Public Utility District special meeting to order at 3 p.m.

**EXECUTIVE SESSION**

At 3 p.m., Commissioner Lindquist recessed the special meeting for an executive session to review the performance of a public employee per RCW 42.30.110(1)(g) for approximately 20 minutes, reconvening at 3:20 p.m., and stated that action would be taken after the session.

At 3:20 p.m., Commissioner Lindquist extended the executive session for an additional 20 minutes, reconvening at 3:40 p.m.

At 3:40 p.m., Commissioner Lindquist adjourned the executive session and reconvened the special meeting. Commissioner Lindquist then announced that the board reviewed the performance of General Manager Sidhu, which was above average/exceptional, and showed that he achieved his goals for the year. The board is pleased with his performance and looks forward to continuing to support the PUD's mission, vision, and values with the general manager's continuing efforts. As part of the evaluation, a salary survey was conducted, and the board has opted to set the general manager's salary for 2025 at \$275,000 and \$287,500 for 2026. The salary will be reviewed every two years as stated in the general manager employment contract.

Commissioner Lindquist sought a motion to approve the general manager's salary for 2025 and 2026 and amend the general manager employment contract to reflect the salary changes set by the board.

Commissioner Miller moved to approve the general manager salaries for 2025 and 2026 and amend the general manager employment contract to reflect the salary changes set by the board.

The motion passed unanimously.

**ADJOURNMENT**

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed, and the September 18, 2024, special meeting was adjourned at 3:42 p.m.

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

ATTEST:

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

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

As of September 17, 2024

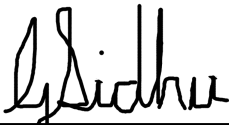

No. 3152

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 \$1,405,838.81 this 17th day of September, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 30079 through 30111 in the amount of \$648,962.02, Electronic Funds Transfer in the amount of \$756,876.79. Payroll Electronic Funds Transfers and checks No. through in the amount of \$0.00.

Attest:

  
\_\_\_\_\_  
Manager  
  
\_\_\_\_\_  
Auditor

\_\_\_\_\_  
President

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

\_\_\_\_\_  
Secretary

Date: 09/16/2024

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Voucher	Claimant	Amount
30079	AQUATIC INFORMATICS INC	328.00
30080	BADGER METER INC	191,542.40
30081 - EDI	BANNER BANK	374.81
30082	CDW GOVERNMENT INC	4,594.72
30083 - EDI	COMER GC, INC.	756,501.98
30084	COMMUNITY ACTION OF SKAGIT COUNTY	479.68
30085	CRYSTAL SPRINGS	125.75
30086	WA STATE DEPT OF ECOLOGY	3,700.00
30087	WA ST DEPT OF TRANSPORTATION	530.94
30088	E&E LUMBER INC	48.95
30089	EARTHWORK SOLUTIONS LLC	93,807.50
30090	EXPRESS EMPLOYMNT PROFESSIONALS	2,069.30
30091	FRONT DESK	550.00
30092	GENERAL PACIFIC, INC.	3,833.02
30093	HACH COMPANY	3,601.56
30094	ICONIX WATERWORKS (US) INC	4,865.36
30095	KAYE- SMITH ENTERPRISES INC	11,253.28
30096	MISTER T'S AWARDS & EMBROIDERY	27.15
30097	HARRIS COMPUTER SYSTEMS	20,965.76
30098	NELSON-REISNER	11,817.78
30099	POMP'S TIRE SERVICE INC	1,823.67
30100	QUALYS INC	10,573.68
30101	SANTANA TRUCKING & EXCAVATING	265,955.93
30102	SEDRO WOOLLEY AUTO PARTS INC	115.27
30103	SKAGIT FARMERS SUPPLY	442.28
30104	SKAGIT VALLEY PUBLISHING	91.46

Voucher	Claimant	Amount
30105	STATE AUDITOR'S OFFICE	69.50
30106	USABLUBOOK	158.22
30107	UTILITIES UNDERGROUND LOCATION	654.72
30108	VALLEY FENCE	1,324.64
30109	WASHINGTON PUD ASSOCIATION	5,495.00
30110	ASTOUND BUSINESS SOLUTIONS LLC	2,155.50
30111	Wilson Engineering, LLC	5,961.00
		1,405,838.81

As of September 24, 2024

No. 3153

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 \$2,729,328.34 this 24th day of September, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 30112 through 30204 in the amount of \$226,492.20, Electronic Funds Transfer in the amount of \$2,267,709.22. Payroll Electronic Funds Transfers and checks No. 045153 through 045238 in the amount of \$235,126.92.

Attest:

  
\_\_\_\_\_  
Manager  
  
\_\_\_\_\_  
Auditor

\_\_\_\_\_  
President

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

\_\_\_\_\_  
Secretary

Date: 09/20/2024

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Voucher	Claimant	Amount
30112	ALFRED HAGUE	191.76
30113	ALISHA SMITH	2.01
30114	ALLMAX SOFTWARE LLC	5,891.00
30115	ANHKHOA LAM	20.77
30116	ANTHONY M URIE	166.21
30117 - EDI	BANNER BANK	125.00
30118	BERG VAULT CO OF WA INC	216.51
30119	BRIAN SHEPHERD	156.87
30120	BUILDERS EXCHANGE OF	193.65
30121	CAROL STEIN	1.58
30122	CAROLLO ENGINEERS INC	16,975.00
30123	CINTAS CORPORATION #460	2,861.39
30124	CITY OF ANACORTES	18,694.00
30125	COLTON PRICE-NESS	225.00
30126	CONCENTRIC, LLC	125.79
30127	CORE & MAIN LP	5,021.59
30128	CUSTOM EMBROIDERY	1,747.33
30129	DALE NEWBERRY	140.51
30130	E WATSON/STONEBRIDGE	170.50
30131	E&E LUMBER INC	47.41
30132	EDWARD DOHERTY	153.10
30133 - EDI	ELECTRONIC FEDERAL TAX PAYMENT	85,364.93
30134 - EDI	EMPOWER RETIREMENT	815.00
30135	EUROFINS EATON ANALYTICAL LLC	50.00
30136	EXPRESS EMPLOYMNT PROFESSIONALS	2,976.94
30137	FRANCES PITT	1.20



Voucher	Claimant	Amount
30138	FRONTLINE CLEANING SERVICES	3,871.00
30139	GARRETT OATEY	149.87
30140	GARY NASH	161.94
30141	GEO ENGINEERS INC	3,143.50
30142	GEOSYNTEC CONSULTANTS INC	20,174.50
30143	GRAINGER	37.40
30144	HACH COMPANY	165.84
30145	HAROLD FROHREIGH	6.95
30146	HAZEN AND SAWYER	4,716.96
30147	HERITAGE PLACE ASSN	758.82
30148	HERITAGE PLACE ASSN	849.26
30149	HERITAGE PLACE ASSN	1,036.60
30150	HERITAGE PLACE ASSN	1,088.28
30151	HERITAGE PLACE ASSN	926.78
30152	HERITAGE PLACE ASSN	1,185.18
30153	HERITAGE PLACE ASSN	1,495.26
30154	HERITAGE PLACE ASSN	1,346.68
30155	HERITAGE PLACE ASSN	1,788.19
30156	HERITAGE PLACE ASSN	978.46
30157	HERITAGE PLACE ASSN	829.88
30158	HERITAGE PLACE ASSN	1,230.40
30159	HERITAGE PLACE ASSN	1,204.56
30160	HERITAGE PLACE ASSN	1,088.28
30161	HERITAGE PLACE ASSN	409.97
30162	HERITAGE PLACE ASSN	1,043.06
30163	ICONIX WATERWORKS (US) INC	8,760.65
30164	IDEAL RENT-ALL	24.36
30165	JOSH BALLENGER	4.26
30166	JP AUTOMOTIVE	60.13
30167	KERRY DEAN	270.84
30168	KVA ELECTRIC, INC.	5,202.07
30169	SMILEY'S PRO SERVICES	11.31
30170	LEFEBER TURF FARM	6,027.30
30171	MATERIALS TESTING & CONSULTING	4,808.00
30172	MILES SAND & GRAVEL	503.47
30173	NORTH COAST ELECTRIC COMPANY	244.69
30174	NORTH HILL RESOURCES	320.37
30175	NORTHSTAR CHEMICAL INC	15,891.96
30176	AUTO VALUE	147.21
30177	Nakesha Colleen Edwards	5,548.80
30178	OLDCASTLE INFRASTRUCTURE INC	2,671.05
30179	PACIFIC POWER BATTERIES	22.98
30180	PAULA MILLER	4.20
30181 - EDI	PAYMENTUS CORPORATION	14,270.08
30182	PLATT ELECTRIC SUPPLY	505.06
30183	PUGET SOUND ENERGY	38,237.30
30184	PURMS JOINT SELF INS FUND	1,329.39
30185	RH2 ENGINEERING INC	970.94
30186	RICK MAJOR	3.96

Voucher	Claimant	Amount
30187	SALAZAR'S NURSERY &	73.94
30188	SECURITY SOLUTIONS NORTHWEST	5,962.14
30189	SEDRO WOOLLEY YOUTH FOOTBALL	435.00
30190	SKAGIT AGGREGATES LLC	420.49
30191	SKAGIT FARMERS SUPPLY	119.62
30192	SKAGIT REGIONAL HEALTH	460.00
30193	STAN VOTH	156.86
30194	STOWE'S SHOES & CLOTHING	203.04
30195	STRIDER CONSTRUCTION	210.46
30196	TRUCK TOYS INC	49.49
30197 - EDI	WA STATE DEPT OF HEALTH	1,829,939.71
30198 - EDI	WA STATE DEPT OF RETIREMENT	157,832.71
30199 - EDI	WA STATE DEPT OF REVENUE	172,413.32
30200 - EDI	WA STATE SUPPORT REGISTRY	571.40
30201 - EDI	WA STATE TREASURER	6,257.66
30202	Wilson Engineering, LLC	20,973.50
30203	YULIIA KASIANCHYK	139.62
30204 - EDI	ZIPLY FIBER	119.41
		2,494,201.42

As of October 01, 2024


No. 3154

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 \$107,819.03 this 1st day of October, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 30206 through 30238 in the amount of \$100,834.17, Electronic Funds Transfer in the amount of \$6,984.86. Payroll Electronic Funds Transfers and checks No. through in the amount of \$0.00.

Attest:

*Kevin Tate*  
\_\_\_\_\_  
Manager  
  
\_\_\_\_\_  
Auditor

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

Date: 09/30/2024

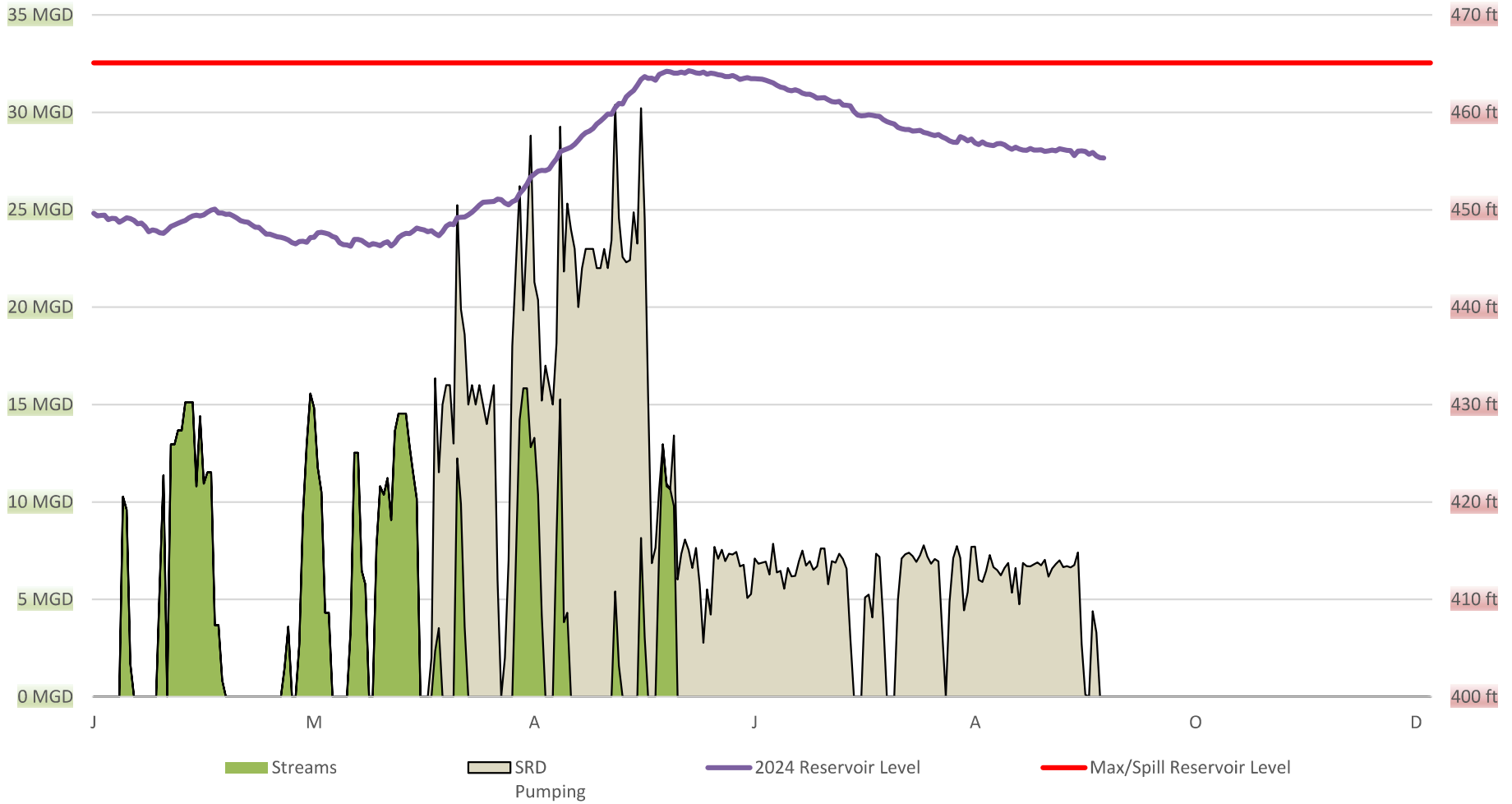
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Voucher	Claimant	Amount
30206 - EDI	BANNER BANK	6,871.83
30207	BNSF RAILWAY COMPANY	2,851.59
30208	CHARLOTTE M. PAUR TRUST	146.11
30209	CINTAS	274.60
30210	DELL MARKETING L.P.	5,617.70
30211	DUCKY'S OFFICE FURNITURE	7,558.14
30212	E&E LUMBER INC	40.37
30213	EJ USA INC	245.73
30214	EUROFINS EATON ANALYTICAL LLC	978.00
30215	EXPRESS EMPLOYMNT PROFESSIONALS	2,670.38
30216	GRANITE CONSTRUCTION CO	703.71
30217	HD FOWLER COMPANY INC	6,023.34
30218	HOME DEPOT	314.61
30219	ICONIX WATERWORKS (US) INC	2,356.80
30220	LINDE GAS & EQUIPMENT INC	61.21
30221	MARTIN MARIETTA MATERIALS	550.98
30222	AUTO VALUE	59.19
30223	ODP BUSINESS SOLUTIONS, LLC	171.56
30224	OLIVER HAMMER INC	104.23
30225	PAPE MACHINERY INC	504.65
30226	POMP'S TIRE SERVICE INC	714.37
30227	PUGET SOUND ENERGY	13,987.46
30228	RH2 ENGINEERING INC	23,152.66
30229	RICOH USA INC	706.92
30230	SARAH & KELLY JEWETT-LL	147.45
30231	SHANNON & TOM BOWEN	3.90

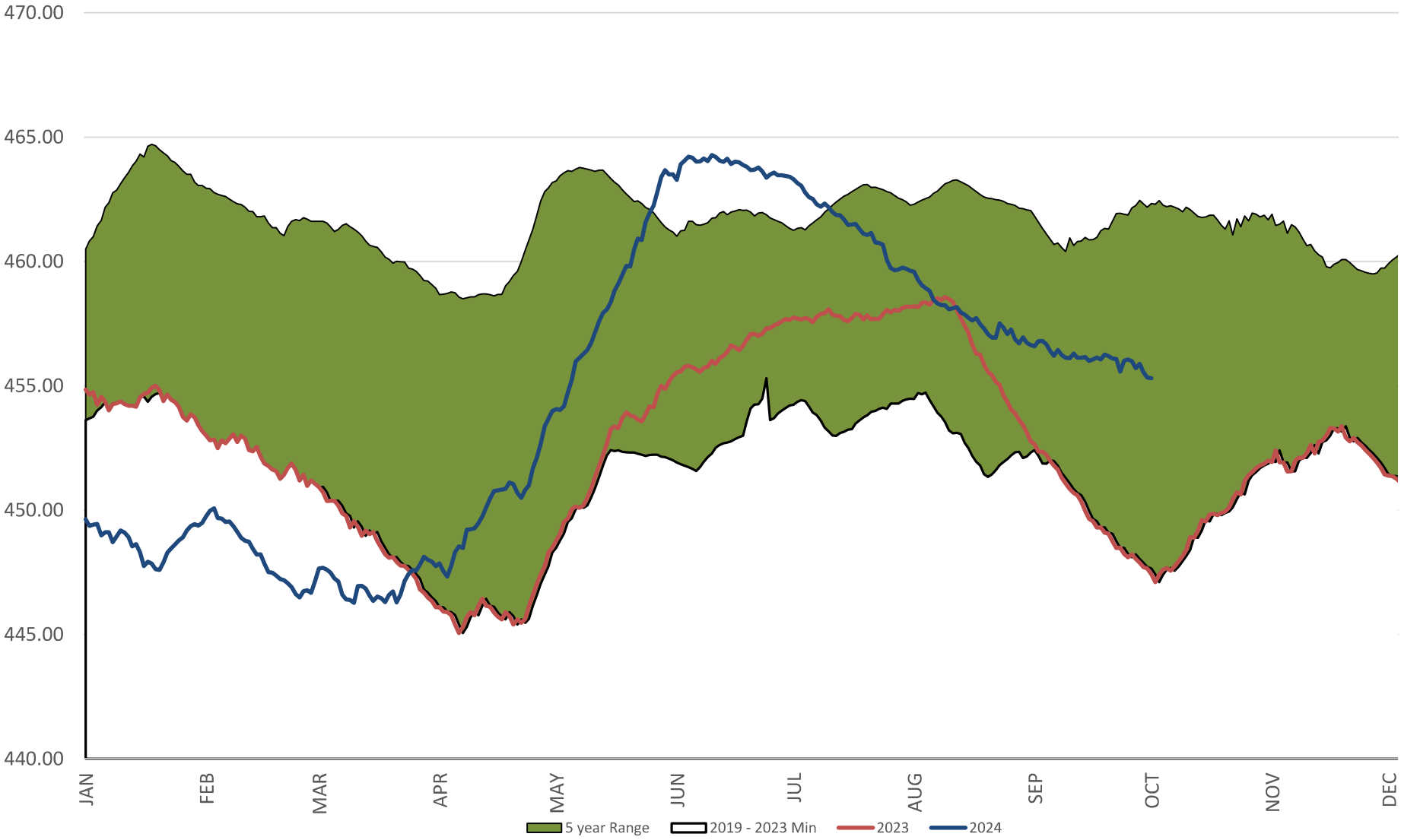
Voucher	Claimant	Amount
30232	TERENCE BURGER	225.00
30233	ULINE INC	20,344.18
30234	USABLUEBOOK	281.08
30235	VERIZON WIRELESS	8,898.72
30236	WASHINGTON PUD ASSOCIATION	600.00
30237	ASTOUND BUSINESS SOLUTIONS LLC	539.53
30238 - EDI	ZIPLY FIBER	113.03
		107,819.03

# 2024 Judy Reservoir Inflows & Elevation

September 25 Elevation:	456.02 (ft)
October 02 Elevation:	455.31 (ft)
Change in Elevation:	<u>-0.71 (- 8.5 Inches)</u>
Spillway Elevation:	465.10
Stream Inflow YTD:	704.90 MG
Skagit River YTD:	<u>1669.35 MG</u>



5-YEAR  
JUDY RESERVOIR ELEVATIONS



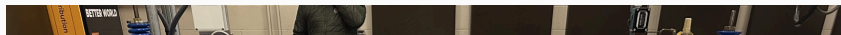
# Micro-hydroelectric power may be the next big climate solution

KNKX Public Radio | By **Bellamy Pailthorp**

Published September 12, 2024 at 5:00 AM PDT



▶ LISTEN • 4:34



NEWSLETTERS

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*Bellamy Pailthorp / KNKX*

Skagit PUD's InPipe turbine is inside this blue pipe. It generates enough electricity for 14 homes in Mt Vernon.

Inside a pump house in rural Mount Vernon, in Washington state's Skagit Valley, a group of Advanced Placement environmental science students from the local high school filed in, carrying notepads and clipboards.

Project engineer Sam Shipp, who now works for the nearby Port of Everett, led the group to a room full of big pumps and water pipes.

“This is one of our pump stations,” he said. “We're running about 600 miles of pipe, which is a lot of pipe. And we're servicing right around 88,000 people.”

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He explained how heavy all that water is. Pressure builds up as it flows downhill from a 6 million-gallon tank outside — and has to go somewhere.

Until recently, the excess pressure went to a valve and was released as heat. But in 2021, Skagit Public Utility District [partnered with a company called InPipe Energy](#) and purchased [a special unit that spins the excess power into electricity](#).

“So right now what we do is we run the water through the blue pipe. And it goes in there and we have a special — it's a singer valve — and that goes into the turbine.”

## New tech based on old ideas

Shipp later demonstrates how it gradually ramps up after ignition, starting smoothly and increasing to a speed and frequency that matches the pressure needed in the turbine. We hear a pop as it starts.

“Now it's running,” Shipp said. “We're generating power.”

He said it generates enough electricity to power 14 homes, which Skagit PUD sells back to the power utility for about \$12,000 dollars a year.



The students are full of questions. They want to know: is this risky? Was it controversial? How much did it cost and how soon will it pay for itself?

Their curiosity is driven, in part, by the fact that the utility is about to install a second micro-hydro unit, that will generate twice as much power, right next to their school. Some of the power will offset Mount Vernon High's electricity bill; the rest will power new chargers for electric vehicles on site.

Their teacher asks how it will fit in with intermittent sources of renewable power, like wind and solar.

"That's probably one of the best things about this," Shipp responded. "As long as the people in Mount Vernon are using their water, we're generating power. So this runs all the time. It's also very predictable," he said.

He said the concept is no different from an old-fashioned water wheel...and the technology is so simple that it took only about three days to install. The permitting was the hard part, it took several months.

Still, Shipp told the class, he doesn't see a downside.

He said the costs of the project were mostly covered by government grants for clean energy projects. And the utility expects to earn back the remaining \$100,000 they invested in less than a decade.

The project has been highlighted by Washington Governor Jay Inslee as a successful clean energy investment, made possible by the [Climate Commitment Act](#).

## Governor Jay Inslee tours Skagit PUD's InPipe Energy Recovery Project



After the tour, even the most skeptical students seemed to agree.

Samuel Solano, a member of the high school debate team, said he went in concerned this might be risky because it's so new.

"Now that I know a little more, I feel like, there is no risk," he said. "The cost is very...it's there. But it's more beneficial. So, its benefits outweigh its risk."

His teacher, Rebecca Krueger, said she's excited about the possibility of plugging her car into the new EV chargers at school. But even more than that, she said with all [the controversy](#) that tends to surround [big hydropower projects](#), it's good to see an application that appears to do no harm.

"It's fantastic that it's energy that's just being wasted for heat to be put to use, without all other costs," she said. "It's great that we can use hydro in a way that's not harmful to salmon and our communities."

## Just starting to take off

So why has it taken so long to get more small hydro projects like this one up and running?

Brian Polagye, a mechanical engineering professor at the University of Washington who specializes in water power, said micro-hydro is still a niche idea. And as with any new technology, there's a bit of a chicken and egg problem to get it to take off. That perception of risk is diminished as costs come down

“As you start to demonstrate that it's not creating risk, then you see the technology become more mainstream,” Polagye said.

He said these new forms of energy generally start small, and grow from there. Think about the first time you saw a solar panel – it was probably tiny and localized, he said – maybe it was on a solar-powered pocket calculator?

“That was an early application. Now, we see solar everywhere, at larger scale, and the move from that to residential to utility scale, and so there's always this progression with technologies,” Polagye said.

Gregg Semler, the CEO of InPipe Energy, told KNKX his company has done a lot to make this technology more attractive, especially to water utilities, which are inherently conservative.



*Bellamy Pailthorp / KNKX*

Skagit PUD's 6 million-gallon water tank is similar to those used by municipal water systems around the country. InPipe Energy's micro-hydro units are designed to be installed into existing water utility systems, where pressure valves release otherwise unused energy.

“We weren’t the first ones to have the idea. We were the first ones to create a solution,” Semler said. He said all their turbines are installed in a bypass unit, with integrated software and sensors that make it safe and reliable.

“We’ve tried to make it as easy as purchasing a valve. And so we’ve really simplified the technology, so that water people can really understand the solution, they can see that other people are doing the exact same thing. It’s not a one-off, it’s a standardized approach.”

One of the company’s current goals is to get at least one InPipe unit up and running in every state. They now have projects running in Washington, Oregon and California, and the first unit in Colorado is coming online this month.

Semler said he sees endless potential for this kind of renewable energy: not just with public water utilities, but anywhere there’s a water pipe with a pressure valve. Think power-hungry industries, like data server farms, that use water for cooling. Or developing countries or war zones, where new water infrastructure is just being built or re-built.

All that aside, Polyagye said the next InPipe unit that Skagit PUD is putting in at Mt. Vernon High School, is a great use case. It will bring renewable energy infrastructure to a rural area that otherwise probably wouldn’t get it for a long time. He said the more people see it working or hear about it, the more momentum for this kind of solution will grow.

The utility said the new unit will be installed this fall and should be on line, generating electricity, by January.



**PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY**  
**JULY 2024**

	<u>Current Month</u>	<u>YTD 2023</u>	<u>YTD 2024</u>	<u>Percent Change</u>	<u>Budget 2024</u>	<u>Budget to Actual %</u>
<b>Beginning Reserves</b>		\$ 43,275,560	\$ 31,893,603	-26%		
<b>Revenues</b>						
Residential & Multi-family	\$ 1,876,409	\$ 12,687,854	\$ 12,649,429	0%	\$ 12,981,555	97%
Comm. Gov't & Agriculture	647,898	4,450,887	4,612,221	4%	4,398,703	105%
<b>Water Sales</b>	<u>\$ 2,590,497</u>	<u>\$ 17,609,296</u>	<u>\$ 17,582,195</u>	0%	<u>\$ 17,704,659</u>	99%
Other Water Sales	\$ 50,902	342,211	357,335	4%	331,309	108%
Non-operating Revenue	13,049	1,162,085 (a)	1,083,991	-7%	595,545	182%
Work & Service Orders	8,076	237,951 (b)	267,561	12%	303,318	88%
System Development Fees	38,730	516,479 (c)	564,468	9%	524,970	108%
<b>Total Revenues</b>	<u>\$ 2,701,255</u>	<u>\$ 19,868,022</u>	<u>\$ 19,855,551</u>	0%	<u>\$ 19,459,801</u>	102%
<b>Operating Expenses</b>						
Salary/Wages/Benefits	\$ 880,217	5,924,952	6,523,156	10%	7,261,548	90%
WTP - Water, Power, Chem.	199,437	857,102 (d)	904,963	6%	880,597	103%
Repairs & Maint, and Fleet	87,948	664,172	706,846	6%	973,690	73%
Tech./SCADA/Support	296,453	466,850 (e)	813,491	74%	440,407	185%
Professional Services	18,961	133,980 (f)	169,230	26%	449,217	38%
Goods & Services	71,874	1,195,686	1,020,489	-15%	1,347,701	76%
Utility & Other Taxes	22,505	901,462	779,359	-14%	963,303	81%
Construction in Progress	(54,201)	(532,054) (g)	(697,695)	31%	(834,124)	84%
<b>Total Operating Expenses</b>	<u>\$ 1,882,451</u>	<u>\$ 9,612,150</u>	<u>\$ 10,219,839</u>	6%	<u>\$ 11,482,339</u>	89%
<b>Capital Expenses</b>						
Labor	\$ 68,033	746,090	523,547	-30%	914,507	57%
Other Expenses (Equip, Inv, G&S)	2,224,788	7,660,655	15,409,628	101%	16,394,743	94%
<b>Capital Expenses</b>	<u>\$ 2,292,821</u>	<u>\$ 8,406,745</u>	<u>\$ 15,933,175</u>	90%	<u>\$ 17,309,250</u>	92%
<b>Debt (Principal &amp; Interest)</b>	394,444	2,238,250	2,761,111	23%	2,761,111	100%
<b>Total Capital &amp; Debt Service</b>	<u>\$ 2,687,265</u>	<u>\$ 10,644,995</u>	<u>\$ 18,694,286</u>	76%	<u>\$ 20,070,361</u>	93%
<b>Total Expenses</b>	<u>\$ 4,210,458</u>	<u>\$ 20,257,145</u>	<u>\$ 28,914,125</u>	43%	<u>\$ 31,552,700</u>	92%
<b>Income / Loss</b>	<u>\$ (1,509,203)</u>	<u>\$ (389,123)</u>	<u>\$ (9,058,574)</u>	2228%		
Revenue Fund		\$ 33,330,638	\$ 19,665,000	-41%		
System Development Fees		4,979,051	6,373,000	28%		
Bond & Debt Reserve		3,079,021	2,729,000	-11%		
<b>Ending Estimated Reserves</b>		<u>\$ 41,388,710</u>	<u>\$ 28,767,000</u>	-30%		

- (a) Decrease Interest on Investments
- (b) Increase in Work for others
- (c) Increase in Development
- (d) Power to pump & chemical cost increase
- (e) Timing of Projects, Repairs & Purchases
- (f) Timing of Projects
- (g) Increase in Capital Construction

**PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY**  
**AUGUST 2024**

	<u>Current Month</u>	<u>YTD 2023</u>	<u>YTD 2024</u>	<u>Percent Change</u>	<u>Budget 2024</u>	<u>Budget to Actual %</u>
<b>Beginning Reserves</b>		<b>\$ 41,388,710</b>	<b>\$ 28,767,000</b>	-30%		
<b>Revenues</b>						
Residential & Multi-family	\$ 2,367,738	\$ 15,065,796	\$ 15,017,167	0%	\$ 15,557,791	97%
Comm. Gov't & Agriculture	924,867	5,280,857	5,537,089	5%	5,324,218	104%
Resale	35,956	130,807	133,794	2%	114,787	117%
Irrigation	204,551	556,380	427,258	-23%	416,400	103%
<b>Water Sales</b>	<b>\$ 3,533,112</b>	<b>\$ 21,033,840</b>	<b>\$ 21,115,308</b>	0%	<b>\$ 21,413,196</b>	99%
Other Water Sales	94,695	496,541	452,030	-9%	404,649	112%
Non-operating Revenue	238,022	1,411,518 (a)	1,322,013	-6%	680,695	194%
Work & Service Orders	154,543	287,454 (b)	422,104	47%	346,687	122%
System Development Fees	100,101	580,739 (c)	664,569	14%	600,030	111%
<b>Total Revenues</b>	<b>\$ 4,120,473</b>	<b>\$ 23,810,092</b>	<b>\$ 23,976,023</b>	1%	<b>\$ 23,445,257</b>	102%
<b>Operating Expenses</b>						
Salary/Wages/Benefits	\$ 1,310,927	6,725,824 (d)	7,834,083	16%	8,299,798	94%
WTP - Water, Power, Chem.	122,141	1,028,432	1,027,104	0%	1,001,448	103%
Repairs & Maint, and Fleet	114,392	789,154	821,238	4%	1,112,899	74%
Tech./SCADA/Support	25,460	591,286 (e)	838,951	42%	503,374	167%
Professional Services	57,918	184,550 (f)	227,148	23%	513,443	44%
Goods & Services	217,653	1,366,142	1,238,142	-9%	1,540,394	80%
Utility & Other Taxes	303,536	1,072,020	1,082,895	1%	1,149,744	94%
Construction in Progress	(269,026)	(613,066) (g)	(966,721)	58%	(953,386)	101%
<b>Total Operating Expenses</b>	<b>\$ 2,337,187</b>	<b>\$ 11,144,342</b>	<b>\$ 12,102,840</b>	9%	<b>\$ 13,167,714</b>	92%
<b>Capital Expenses</b>						
Labor	\$ 110,574	822,756	634,121	-23%	1,045,151	61%
Other Expenses (Equip, Inv, G&S)	3,090,011	9,681,698	18,499,639	91%	18,736,849	99%
<b>Capital Expenses</b>	<b>\$ 3,200,585</b>	<b>\$ 10,504,454</b>	<b>\$ 19,133,760</b>	82%	<b>\$ 19,782,000</b>	97%
<b>Debt (Principal &amp; Interest)</b>	394,444	2,558,000	3,155,555	23%	3,155,555	100%
<b>Total Capital &amp; Debt Service</b>	<b>\$ 3,595,029</b>	<b>\$ 13,062,454</b>	<b>\$ 22,289,315</b>	71%	<b>\$ 22,937,555</b>	97%
<b>Total Expenses</b>	<b>\$ 5,478,031</b>	<b>\$ 24,206,796</b>	<b>\$ 34,392,156</b>	42%	<b>\$ 36,105,269</b>	95%
<b>Income / Loss</b>	<b>\$ (1,357,558)</b>	<b>\$ (396,704)</b>	<b>\$ (10,416,132)</b>	2526%		
Revenue Fund		\$ 33,330,638	\$ 17,047,234	-49%		
System Development Fees		4,979,051	6,482,821	30%		
Bond & Debt Reserve		3,079,021	3,102,662	1%		
<b>Ending Estimated Reserves</b>		<b>\$ 41,388,710</b>	<b>\$ 26,632,717</b>	-36%		

- (a) Decrease Interest on Investments
- (b) Increase in Work for others
- (c) Increase in New Development
- (d) One additional pay period
- (e) Timing of Projects, Repairs & Purchases
- (f) Timing of Projects
- (g) Increase in Capital Construction