

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

AGENDA
NOVEMBER 12, 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

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approval of Agenda 11/12/24
2. Approval of Minutes 10/22/24 Regular Meeting
3. Approval of Minutes 10/29/24 Work Session
4. Approval of Minutes 11/5/24 Work Session
5. Ratification of Voucher 10/29/24
6. Voucher Approval 11/12/24

AUDIENCE COMMENTS

OLD BUSINESS

7. General Manager's Report

NEW BUSINESS

8. [Adopting the Final Budget for the Calendar Year 2025 – *Action*](#)
9. [Purchase of New Service Truck – *Action*](#)
10. [InPipe Energy Contract Change Order No. 1 – *Action*](#)

INFORMATION

11. [Safety Practice and Procedure \(SP&P\) 3015, Underground Utility & Excavation Safety](#)
12. [Judy Reservoir Data Report](#)

COMMISSIONER COMMENTS

EXECUTIVE SESSION

- *Discuss with legal counsel matters relating to agency enforcement actions - Per RCW 42.30.110(1)(i): Approx. 30-Minute Duration*

ADJOURNMENT

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

October 22, 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 Corrin Hamburg, secretary, were in attendance.

Andrew Miller, vice president, was absent.

In attendance were George Sidhu, Shannon Patiño, Luis Gonzalez, Nick Semrau, Mike Fox, Catherine Cain, Pete Gilbert, Brian Henshaw, Mark Handzlik, Alistair Boudreaux, Mark Semrau

Participating remotely: Courtney Shilling

Commissioner Lindquist led the Pledge of Allegiance.

CONSENT AGENDA

Commissioner Hamburg moved to approve the Consent Agenda for October 22, 2024, as presented.

1. Approval of Agenda 10/22/24
2. Approval of Minutes 10/8/24 Regular Meeting
3. Approval of Minutes 10/10/24 Work Session
4. Ratification of Voucher 10/15/24 No. 3156 (\$485,561.86)
Accounts Payable Voucher No. 30309-30373 (\$479,087.50)
Electronic Funds Transfer (\$6,474.36)
5. Voucher Approval 10/22/24 No. 3157 (\$1,096,064.31)
Accounts Payable Voucher No. 30374-30425 (\$198,003.21)
Electronic Funds Transfer (\$662,674.98)
Payroll Electronic Funds Transfer No. 045323-045407 (\$235,386.12)
6. Walnut Trail Apartments Project Acceptance

The motion passed unanimously.

AUDIENCE COMMENTS

None.

OLD BUSINESS

7. Manager's Report: General Manager Sidhu provided an update on the following:
 - A meeting with Jenna Friebel and the irrigation districts in the next couple of weeks to debrief on the water rights transfers from this year and discuss possible transfers for next year.
 - The PUD Campus Replacement Project is nearing completion, but there are a few things left to be completed, including making sure first responders have communication signal within the building, which has pushed back the move date indefinitely.
 - Article from Department of Health (DOH) that recognizes Skagit PUD for receiving a TOP award for the 23 consecutive years.
 - The PUD has a job advertisement posted for two customer service representatives and closes on October 28.
 - Upcoming 2025 Budget Work Sessions
 - Tuesday, October 29 at 4:30 p.m.
 - Tuesday, November 5 at 4 p.m.
8. Resolution 2308-23, Canceling Resolution 2306-24 which declared an emergency related to the repeated pipe failure on East Blackburn Road in Mount Vernon, WA: Manager Sidhu explained that the emergency was declared on August 27, 2024, and the work has since been completed, so the PUD can cancel the emergency declaration. The developer working on a nearby project was responsible for the cost of the installation of 340 feet of 8-inch pipe. PUD's costs included mobilizing the developer to complete the work early,

upsizing the 8-inch pipe to 12-inch pipe and adding 120 feet of pipe. The total costs are approximately \$85,000. The project will be presented to the Board for acceptance after everything has been finalized. The homeowners that were impacted the most by the repeated pipe failure thanked the PUD for assisting with getting the work completed.

Commissioner Hamburg moved to approve Resolution 2608-24 to cancel Resolution 2306-24, declaring an emergency related to the repeated pipe failures on East Blackburn Road in Mount Vernon, WA.

Motion passed unanimously.

NEW BUSINESS

9. Revised Resolution 2307-24, Providing for Recognition of Experience and Years of Service by Employee, and updated AP&P 2020, Above and Beyond Awards Program: Manager Sidhu informed the board of the ways employees are recognized for performance and years of service, and explained that the amounts of the awards have not been increased since 2017. A brief discussion ensued.

Commissioner Hamburg moved to approve Resolution 2307-24, Providing for Recognition of Experience and Years of Service by Employees.

Motion passed unanimously.

INFORMATION

10. Judy Reservoir Data Report
11. September Monthly Budget to Actual Report
12. Recent News Article

COMMISSIONER COMMENTS

Commissioner Lindquist mentioned that him and Manager Sidhu had lunches last week with Senator Keith Wagoner and Representative Sam Low to discuss upcoming funding requests.

ADJOURNMENT

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed, and the October 22, 2024, meeting adjourned at 4:46 p.m.

ATTEST

Joe Lindquist, President

Corrin Hamburg, Secretary

Andrew Miller, Vice President

MINUTES OF THE SPECIAL MEETING/WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

October 29, 2024

The meeting was held in person and virtually via Zoom.

Commissioners Appearing: Joe Lindquist, president; Andrew Miller, vice president, appearing remotely; and Corrin Hamburg, secretary

Appearing In-Person: George Sidhu, Mark Handzlik, Mike Fox, Brian Henshaw, Jay Sedivy, Alistair Boudreaux, Luis Gonzalez, Bill Trueman, Kurt Van Burkleo and Shannon Patiño

Appearing Remotely: Kevin Tate

CALL TO ORDER

Commissioner Lindquist called the work session to order at 4:30 p.m.

2025 BUDGET REVIEW

- Administration
- Safety & Risk
- IT
- Community Relations
- Finance

The next budget work session is on November 5, 2024, at 4 p.m.

ADJOURNMENT

With no further business to come before the Board, the work session was adjourned at 6:14 p.m.

ATTEST

Joe Lindquist, President

Corrin Hamburg, Secretary

Andrew Miller, Vice President

MINUTES OF THE SPECIAL MEETING/WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

November 5, 2024

The meeting was held in person and virtually via Zoom.

Commissioners Appearing: Joe Lindquist, president; Andrew Miller, vice president; and Corrin Hamburg, secretary

Appearing In-Person: George Sidhu, Mark Handzlik, Mike Fox, Brian Henshaw, Jay Sedivy, Alistair Boudreaux, Nick Semrau, Bill Trueman, Ryan Anderson, Catherine Cain, and Mark Semrau

Appearing Remotely: Kevin Tate

CALL TO ORDER

Commissioner Lindquist called the work session to order at 4:05 p.m.

2025 BUDGET REVIEW

- Capital Projects Discussion

The 2025 proposed budget will be presented to the board for adoption during the regular board meeting on Tuesday, November 12, 2024, at 4:30 p.m.

ADJOURNMENT

With no further business to come before the Board, the work session was adjourned at 6:18 p.m.

Joe Lindquist, President

ATTEST

Corrin Hamburg, Secretary

Andrew Miller, Vice President

As of October 29, 2024

No. 3158

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 \$544,311.64 this 29th day of October, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 30426 through 30476 in the amount of \$447,546.49, Electronic Funds Transfer in the amount of \$96,765.15. Payroll Electronic Funds Transfers and checks No. through in the amount of \$0.00.

Attest:



Manager


Auditor

President

Vice - President

Secretary

Date: 10/28/2024

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Voucher	Claimant	Amount
30426	A-1 MOBILE LOCK & KEY	3,338.36
30427 - EDI	AFLAC	975.56
30428	ANTHONY EDWARDS	154.73
30429	ASSOCIATED EARTH SCIENCES, INC.	5,315.00
30430	BERG VAULT CO OF WA INC	186.05
30431	BUILDERS EXCHANGE OF	125.00
30432	CHRISTINA COAD	53.32
30433	CORE & MAIN LP	5,857.14
30434	DEAN SMILEY/JOHN RICKETT/DANE ARMSTRONG	8,340.32
30435	E&E LUMBER INC	102.13
30436 - EDI	ELECTRONIC FEDERAL TAX PAYMENT	84,051.23
30437 - EDI	EMPLOYEES WELFARE & RECREATION	318.00
30438 - EDI	EMPOWER RETIREMENT	815.00
30439	EUROFINS EATON ANALYTICAL LLC	331.00
30440	GD & GD LLC	3,683.93
30441	GRAINGER	386.74
30442	GUARDIAN NORTHWEST TITLE CO	380.80
30443	HOME DEPOT	40.58
30444	HYDROLOGY NORTHWEST INC	757.56
30445	ICONIX WATERWORKS (US) INC	35,456.12
30446	KTH PROPERTIES LLC	47.35
30447	LACEY & SHANE REEVES	14.09
30448	LAUTENBACH INDUSTRIES INC	33.75
30449	LAKESIDE INDUSTRIES INC	417.48
30450	LINDE GAS & EQUIPMENT INC	61.21
30451	MICHAEL & JANINE OBRIEN	54.06

Voucher	Claimant	Amount
30452	MICHELLE MARTINEZ	293.66
30453	MILES SAND & GRAVEL	698.16
30454 - EDI	Mutual of Omaha	3,612.90
30455	NORTH HILL RESOURCES	94.45
30456	ODP BUSINESS SOLUTIONS, LLC	281.25
30457	ORCAS SENIOR CENTER	500.00
30458	POMP'S TIRE SERVICE INC	4,962.38
30459	PUGET SOUND ENERGY	19,673.72
30460	RH2 ENGINEERING INC	2,131.48
30461	SAGE - BURLINGTON 4 LLC	128.90
30462	SANTANA TRUCKING & EXCAVATING INC	282,521.61
30463	SKAGIT AGGREGATES LLC	546.98
30464 - EDI	SKAGIT COUNTY PLANNING &	2.00
30465	SKAGIT COUNTY PUBLIC WORKS	1,138.70
30466	SKAGIT REGIONAL HEALTH	595.00
30467	SOUTHWESTERN FURNITURE OF WI L	62,606.00
30468	TACOMA SCREW PRODUCTS INC	130.57
30469	THE SHERWIN WILLIAMS CO	212.03
30470	UNITED WAY OF SKAGIT COUNTY	100.00
30471	WA STATE DEPT OF EMPLOYMENT	4,864.00
30472 - EDI	WA STATE SUPPORT REGISTRY	571.40
30473 - EDI	WA STATE TREASURER	6,419.06
30474	ASTOUND BUSINESS SOLUTIONS LLC	244.29
30475	WESTSIDE CONCRETE ACCESSORIES	198.47
30476	WESTVIEW ACRES LLC	488.12
		544,311.64



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

November 12, 2024

MEMORANDUM

TO: George Sidhu, P.E., General Manager
FROM: Brian Henshaw
SUBJECT: Adopting the Final Budget for the Calendar Year 2025

Requested Action:

Approve 2025 Budget for Public Utility District No. 1 of Skagit County.

Background:

The 2025 Budget focuses on maintaining existing water system infrastructure as well as replacing critical infrastructure that is nearing the end of its useful life. The 2025 Budget was presented at a public hearing on October 8, 2024. Department Managers presented their operation and capital budget requests during three work sessions since the public hearing. Based on these discussions and updated financial information, changes outlined below have been incorporated into the 2025 Budget presented to you tonight for adoption.

The 2025 operating budget is \$21,335,337, which is a 6.7% increase over last year’s budget. Overall, operating expenses increased \$1,335,784 with the largest increase in the salaries & benefits category of \$1,127,582 for a new position at the WTP and a temporary position in the meter department. Employees receive a COLA based on the 3-year rolling average of Consumer Price Index (CPI) as well as increases for higher benefit rates. Other highlighted changes in the operating budget includes *Electrical Power for Pumping* \$125,000 to pay for pumping water to Judy reservoir and treatment at the WTP, *Tools & Equipment* \$82,300, *Computer Hardware & Communications* \$82,000, *Computer Software, Licenses & Support* of \$124,058, and *Insurance Property & Liability* \$129,420.

The six modifications between the proposed budget of October 8th and tonight’s budget are outlined in the first attachment. Two of the changes pertain to the timing of capital projects, three changes to operations, and the final change is to payroll & benefits expenses due to an increase in paid family and medical leave rates.

Fiscal Impact:

The 2025 Budget incorporates a five-percent increase in base water rates, blocks one and two water rates, System Development Fees, and installation charges. It should be noted that block 3 water rate is being raised at 8.5% to incentivize conservation. The attached charts compare the changes to the rate structure.

The 2025 Budget incorporates these higher rates into the revenue forecast. The rate increases will take effect January 1, 2025 and are projected to increase revenue by \$1.6 million. The additional funds will be used to finance the Capital Improvements Plan projects outlined in the budget.

- Enclosures:
- 1. [Track Changes](#)
 - 2. [Rate Tables for Resolution REVISED](#)
 - 3. [Rate Tables for Resolution](#)
 - 4. [2025 Adopted Budget](#)

			Revenue or Expense Add or (Subtract)	
CIP	College Way, Urban to LaVenture (4,500 LF)	carry forward 2024	Expense	350,000.00
CIP	Fiber WTP to PUD Campus	carry forward 2024	Expense	800,000.00
OP	Community Relations		Expense	(20,000.00)
OP	Distribution PRV parts duplication		Expense	(50,000.00)
OP	Construction Maintenance		Expense	(50,000.00)
OP	Increase Paid Family Leave Rates		Expense	3,951.00

Total 2025 Changes 1,033,951

2025 Proposed Budget

Operating	21,451,386
Capital	<u>13,953,000</u>
Total	35,404,386

2025 Adopted Budget

Operating	21,335,337	(116,049) Decrease
Capital	<u>15,103,000</u>	1,150,000 Increase
Total	36,438,337	1,033,951

Table A-1 Monthly Basic Fixed Charges

Description	Fixed Rates					
	2020	2021	2022	2023	2024	2025
	Proposed					
Meter Size (all classes):						
5/8"	\$ 32.38	\$ 34.00	\$ 35.70	\$ 37.49	\$ 39.36	\$ 41.32
	3.9%	5.0%	5.0%	5.0%	5.0%	5.0%
3/4"	\$ 32.38	\$ 34.00	\$ 35.70	\$ 37.49	\$ 39.36	\$ 41.32
	3.9%	5.0%	5.0%	5.0%	5.0%	5.0%
1"	\$ 53.93	\$ 56.62	\$ 59.45	\$ 62.42	\$ 65.54	\$ 68.82
	6.7%	5.0%	5.0%	5.0%	5.0%	5.0%
1 1/2"	\$ 107.52	\$ 112.90	\$ 118.55	\$ 124.48	\$ 130.70	\$ 137.24
	8.8%	5.0%	5.0%	5.0%	5.0%	5.0%
2"	\$ 171.72	\$ 180.31	\$ 189.33	\$ 198.80	\$ 208.74	\$ 219.18
	9.7%	5.0%	5.0%	5.0%	5.0%	5.0%
3"	\$ 321.96	\$ 338.05	\$ 354.95	\$ 372.70	\$ 391.34	\$ 410.91
	10.3%	5.0%	5.0%	5.0%	5.0%	5.0%
4"	\$ 536.11	\$ 562.92	\$ 591.07	\$ 620.62	\$ 651.65	\$ 684.23
	10.6%	5.0%	5.0%	5.0%	5.0%	5.0%
6"	\$ 1,072.28	\$ 1,125.89	\$ 1,182.18	\$ 1,241.29	\$ 1,303.35	\$ 1,368.52
	10.8%	5.0%	5.0%	5.0%	5.0%	5.0%
8"	\$ 1,715.36	\$ 1,801.13	\$ 1,891.19	\$ 1,985.75	\$ 2,085.04	\$ 2,189.29
	10.9%	5.0%	5.0%	5.0%	5.0%	5.0%

Table A-2 Consumption Charges

Description	Variable Rates (per ccf)					
Single Family & Duplex w/ Individual Meters						
Block 1 (0-3 ccf)	\$ 3.37	\$ 3.54	\$ 3.72	\$ 3.91	\$ 4.11	\$ 4.32
	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Block 2 (4-100 ccf)	\$ 5.31	\$ 5.58	\$ 5.86	\$ 6.15	\$ 6.46	\$ 6.78
	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Block 3 (101+ ccf)	\$ 3.20	\$ 3.47	\$ 3.77	\$ 4.09	\$ 4.44	\$ 4.81
	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
All Others (except Ag)						
Block 1 (0-3 ccf)	\$ 5.31	\$ 5.58	\$ 5.86	\$ 6.15	\$ 6.46	\$ 6.78
	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Block 2 (4-100 ccf)	\$ 5.31	\$ 5.58	\$ 5.86	\$ 6.15	\$ 6.46	\$ 6.78
	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Block 3 (101+ ccf)	\$ 3.20	\$ 3.47	\$ 3.77	\$ 4.09	\$ 4.44	\$ 4.81
	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Agriculture	\$ 3.20	\$ 3.36	\$ 3.53	\$ 3.71	\$ 3.90	\$ 4.10
		5%	5%	5%	5%	5%

Table A-6 System Development Fee Summary

Meter Size		System Development Fee					
		2020	2021	2022	2023	2024	2025
5/8"	1	\$5,020	\$5,130	\$5,245	\$5,355	\$5,470	\$5,745
3/4"	1.5	\$7,530	\$7,695	\$7,868	\$8,033	\$8,205	\$8,618
1"	2.5	\$12,550	\$12,825	\$13,113	\$13,388	\$13,675	\$14,363
1 1/2"	5	\$25,100	\$25,650	\$26,225	\$26,775	\$27,350	\$28,725
2"	8	\$40,160	\$41,040	\$41,960	\$42,840	\$43,760	\$45,960
3"	16	\$80,320	\$82,080	\$83,920	\$85,680	\$87,520	\$91,920
4"	25	\$125,500	\$128,250	\$131,125	\$133,875	\$136,750	\$143,625
6"	50	\$251,000	\$256,500	\$262,250	\$267,750	\$273,500	\$287,250
8"	80	\$401,600	\$410,400	\$419,600	\$428,400	\$437,600	\$459,600
10"	115	\$577,300	\$589,950	\$603,175	\$615,825	\$629,050	\$660,675

Table A-8 Installation Charges

Connection Charge Type	Meter Size	Effective 01/01/2025
Type One	5/8-inch	\$5,530
Type One	3/4-inch	\$5,555
Type One	1-inch	\$5,730
Type Two	5/8-inch	\$2,190
Type Two	3/4-inch	\$2,275
Type Two	1-inch	\$2,435
Type Three	5/8-inch	\$495
Type Three	3/4-inch	\$535
Type Three	1-inch	\$690
Type Six	5/8-inch	\$12,820
Type Six	3/4-inch	\$13,160
Type Six	1-inch	\$13,330

2025 BUDGET

PUBLIC UTILITY DISTRICT
NO. 1 OF SKAGIT COUNTY

November 2024

Skagit
PUD
PUBLIC UTILITY DISTRICT

In accordance with Resolution No. 2262-19, we are pleased to present the Public Utility District No. 1 of Skagit County 2025 budget.

SECTION 1: BUDGET OVERVIEW

The budget serves as a financial plan that guides and governs the spending commitments of the organization. It is designed to balance *resources* and *requirements* of the District, where “resources” consist of beginning fund balances plus projected revenues, and “requirements” consist of authorized expenditures plus planned end-of-year reserve balances. The budget balances resources with requirements to ensure sufficient funds are available to meet all the District’s financial commitments. By adopting the budget, the Board also creates *appropriations*, which is the upper limit of spending authority delegated to managers.

The Proposed Budget is published in October on the District’s website as well as presented at a public hearing. Public comment is accepted during the public hearing and at subsequent work sessions until the budget is adopted in November. Board members may incorporate public comments and make changes to the budget before its adoption. The adopted budget takes effect on January 1, 2025.

During the year, circumstances may arise that affect the budget. Any modifications to the budget that may be needed will be approved by the Board and tracked as the revised budget.

SECTION 2: FUND OVERVIEW

A. GENERAL REVENUE FUND

This account receives all income, revenue, and receipts for the District plus any proceeds from the sale, lease, or disposal of District assets. The funds in this account are used for the District’s general operation and maintenance, including repairs, replacements, extensions, and improvements.

B. CAPITAL PROJECT FUND

Construction funds for large capital projects are commonly obtained from the issuance of bonds with the proceeds restricted by bond covenants. Federal or state loans and restricted grant funds would also be accounted for in this fund.

C. SYSTEM DEVELOPMENT FUND

This account is comprised of funds imposed as a condition of service on customers connecting to the system. Fees are based on a blend of historical and planned future capital investments in the system infrastructure – its underlying premise is that future customers should pay an equitable share of capital costs that the utility has or will incur to provide system capacity. The funds are restricted by the Commission and used for growth or capacity-related projects.

D. DEBT SERVICE & BOND RESERVE FUND

Funds are set aside in this account from the Revenue Fund and are used to pay principal and interest on all District debt and meet reserve requirements of the bond covenants.

SECTION 3: DISCUSSION OF BUDGET

A. REVENUES

A1. UTILITY RATE REVENUE

In 2019, the District engaged the services of FCS Group to complete a Cost-of-Service Analysis and Water Utility Rate Study. The study provided the District with a sustainable, multi-year financial plan that meets the projected total financial needs of the District. Financial needs include expenses to operate and manage the water system, capital project funding, funds for new and existing debt obligations, and meeting the fiscal policy goals established by the Board.

The cost-of-service analysis established a basis for assigning costs and establishing “equity” between water system customers. This was accomplished by developing a series of allocations based on customer data and engineering/planning criteria to assign utility cost recovery to customers in proportion to their estimated demands.

A2. SYSTEM DEVELOPMENT FEES

System Development Fees (SDF) are one-time fees imposed as a condition of service on new development or on expanded connections to the system. The cost-of-service study included a review and update of the SDF calculation. SDF revenue is accounted for in a separate fund and used only for the water system’s growth and capacity-related capital expenditures.

A3. REVENUE PROJECTIONS

The budget was developed continuing to utilize the rate study recommendations of a five percent increase in base water rates. To promote conservation, the tiered water rates are phasing in larger increases for high consumption customers.

The proposed rate increase of five (5%) percent will take effect on January 1, 2025, and is projected to increase water revenue by nearly \$1,600,000. These funds will finance the Capital Improvement Plan and related debt service. It is anticipated that capital contributions and non-operating revenue will be lower next year as the economy continues to struggle with inflation, supply chain issues, high interest rates, and economic uncertainty.

Exhibit 1: Projected Revenues

	2023 Actual	2024 Forecast	2025 Budget	2024-2025 % Change
Operating Revenues				
Residential/Multi-family	22,665,546	22,000,000	23,100,000	5.0%
Commercial & Government	8,049,154	7,568,324	7,947,000	5.0%
Agriculture	766,071	750,000	788,000	5.1%
Irrigation	846,057	660,660	694,000	5.0%
Resale	206,365	180,000	189,000	5.0%
Total Rate Revenue	32,533,193	31,158,984	32,718,000	5.0%
Misc Operating Revenues	236,770	238,579	251,000	5.2%
Total Operating Revenue	32,769,963	31,397,563	32,969,000	5.0%
Capital Contributions				
Work Orders for others	227,680	195,844	200,000	2.1%
Services	264,297	316,189	320,000	1.2%
System Development Fees	1,023,642	897,631	900,000	0.3%
Total Capital Contributions	1,515,619	1,409,665	1,420,000	0.7%
Non-Operating Revenues				
Investment Income	2,034,697	1,600,000	800,000	-50.0%
Misc Non-Operating Income	86,728	11,222	20,000	78.2%
LUD Assessments	84,936	67,904	65,000	-4.3%
Total Non-Operating Revenue	2,227,390	1,679,126	885,000	-47.3%
Total Revenue and Capital Contributions	36,512,972	34,486,353	35,274,000	2.3%

**Forecast based on September year-to-date numbers*

B. OPERATING EXPENSES

B1. SUMMARY OF OPERATING EXPENSES CHANGES

The financial forecast model includes a projection of operating expenses for the next five (5) years based on the historical average of the Consumer Price Index (CPI) and the Construction Cost Index (CCI). For salaries, benefits, and the cost of water purchased from Anacortes, the forecast assumes an annual aggregated cost increase of approximately 4.5%. In each budget cycle, line-item expenses are reviewed, adjusted according to current market conditions, and incorporated as part of the budget.

Exhibit 2: Operations Budget by Line Item

Skagit PUD - 2025 Budget		2023	2024	2025	\$ Change	% Change
Summary by Line Item		Actual	Budget	Budget	2024-2025	
6010	Salary, Wages and Benefits	\$ 10,507,301	\$ 12,449,064	\$ 13,576,646	\$ 1,127,582	9%
6100	Water Purchased from Others	224,120	200,000	200,000	\$ -	0%
6150	Power Purchased for Pumping	758,318	530,000	655,000	\$ 125,000	24%
6180	Chemicals	493,777	719,060	756,500	\$ 37,440	5%
6200	Materials & Supplies	571,426	1,023,100	943,100	\$ (80,000)	-8%
6204	Broadband Sales Costs	4,544	-	-	\$ -	
6205	Broadband Supplies and Materials	23,661	-	-	\$ -	
6215	Rain Barrels	5,238	5,500	5,500	\$ -	0%
6221	Community Relations	41,276	20,500	21,500	\$ 1,000	5%
6222	Insurance Claims and Reimbursements	(16,914)	20,000	-	\$ (20,000)	-100%
6225	Maintenance Contracts	12,143	8,800	8,800	\$ -	0%
6226	Memberships, Licenses, Certifications	79,507	98,743	101,329	\$ 2,586	3%
6228	General Supplies & Non-Professional Services	463,384	406,564	414,200	\$ 7,636	2%
6229	Postage and Shipping	82,032	70,100	70,100	\$ -	0%
6230	Professional Services	315,964	1,020,143	662,919	\$ (357,224)	-35%
6231	Security	135,582	134,040	141,800	\$ 7,760	6%
6232	Tools and Small Equipment	73,907	117,930	200,230	\$ 82,300	70%
6234	Utilities	294,236	369,030	344,710	\$ (24,320)	-7%
6235	Permits	35,658	35,365	35,365	\$ -	0%
6251	Computer Hardware, Communications, SCADA	117,144	148,500	230,500	\$ 82,000	55%
6252	Computer Software, Licenses and Support	897,497	606,980	731,038	\$ 124,058	20%
6255	Education and Professional Development	116,751	173,093	171,464	\$ (1,629)	-1%
6260	Building, Furniture, Grounds and Roads	367,813	368,014	473,015	\$ 105,001	29%
6261	Safety	64,378	55,280	50,280	\$ (5,000)	-9%
6266	Advertising	21,972	28,900	29,900	\$ 1,000	3%
6267	Bad Debts	32,973	40,000	30,000	\$ (10,000)	-25%
6500	Transportation-Fuel	164,508	100,000	100,000	\$ -	0%
6501	Transportation-Parts	54,187	60,000	60,000	\$ -	0%
6502	Transportation-Outside Services	60,689	30,000	30,000	\$ -	0%
6505	Transportation-Enterprise Fleet Mgmt Fee	10,641	4,178	4,178	\$ -	0%
6560	Insurance-Property	413,979	445,576	534,247	\$ 88,671	20%
6570	Insurance-Liability	428,287	417,972	458,721	\$ 40,749	10%
6590	Insurance-Other	3,716	2,000	2,360	\$ 360	18%
<i>Expenditure Offsets:</i>					\$ -	
6550	Transportation Overhead Charge	(267,547)	(455,000)	(455,000)	\$ -	0%
6750	Inventory Administrative Overhead	(222,192)	(250,000)	(250,000)	\$ -	0%
6751	Administrative Expense Transferred	(616,746)	(725,000)	(725,000)	\$ -	0%
<i>State Taxes:</i>					\$ -	
4080	Utility Taxes	1,612,874	1,616,000	1,614,814	\$ (1,186)	0%
<i>Other Expenditures:</i>					\$ -	
4082	State Excise Taxes	33,389	88,000	90,000	\$ 2,000	2%
4084	Fire and Dike District Taxes	13,513	16,520	16,520	\$ -	0%
4087	Miscellaneous Taxes	813	600	600	\$ -	0%
Total Operating Expenditures		\$ 17,413,799	\$ 19,999,553	\$ 21,335,337	\$ 1,335,784	6.7%

The 2025 budget increases operating expenses by \$1,335,784, or 6.7% over the current year's budget. The largest dollar increase is in the *Salary, Wages & Benefits* line item of \$1,127,582 for one new position at the Water Treatment Plant, a temporary position in the meter department for an upcoming retirement, cost-of-living adjustments and increases to medical, vision, dental, and life insurance benefits. Other line items with significant dollar increases include *Electrical Power for Pumping* \$125,000, to pay for pumping water to the Judy reservoir, *Tools & Equipment* \$82,300, *Computer Hardware & Communications* \$82,000, *Computer Software, Licenses and Support* of \$124,058, and *Property & Liability Insurance* \$129,420.

The following section provides insight into District operations by comparing expenses across functions, departments, and years.

Exhibit 3: Summary of Operations Budget by Function

2025 O&M Budget	Supply	Treatment	Transmission Distribution	Customer Service	Administration	Expenditure Offsets	Taxes	Total
Commissioner					262,569			262,569
Executive					1,796,024			1,796,024
Human Resources					529,116			529,116
Safety					246,147			246,147
Information Technology			78,000		2,096,490			2,174,490
Finance					711,076			711,076
Stores					408,817	(250,000)		158,817
Meters				845,654				845,654
Customer Service				854,546				854,546
Billing				268,607				268,607
Community Relations				340,534				340,534
Engineering	138,000		113,200		2,417,438			2,668,638
Construction & Maintenance	20,000	50,000	2,002,930		427,121			2,500,052
Operations Support		-	76,000		1,180,208	(455,000)		801,208
Water Treatment Plant	396,500	3,084,606						3,481,106
Water Quality and Lab	18,000	26,600	161,492		231,354			437,446
Distribution	366,000	5,000	142,865		1,346,504			1,860,369
Facilities		-	71,000	-	278,985			349,985
Non-Departmental					52,017	(725,000)	1,721,934	1,048,951
Total Cash Operating Expenses	\$ 938,500	\$ 3,166,206	\$ 2,645,488	\$ 2,309,341	\$ 11,983,867	\$ (1,430,000)	\$ 1,721,934	\$ 21,335,337

District Functions:

1 - Supply: pipes or mains used to convey water from the source to the water treatment plant. Judy Reservoir, watershed intakes, and wells are all examples of supply function assets.

3 - Treatment: the water treatment plant located at the Judy Reservoir and at the Guemes Island osmosis water treatment plant are the assets associated with this function

5 - Transmissions & Distribution: the daily operations and maintenance of the transmission, distribution, and service lines to District customers throughout Skagit County are the expenses associated with this function.

7 - Customer Service: expenses related to customer service, billing, and meter reading departments.

8 - Administration & General Expenses: costs incurred for the general operations of the District not related to a specific water system.

9 - Taxes & Other Non-Operations Expenses: taxes including property, excise, utility, fire, and dike assessments are included in this budget section.

Expenditure Offsets: allocations for services provided by staff to other departments and projects. These allocations reduce District operating expenses by charging them to outside entities and capital projects.

Exhibit 4: Summary of Operating Budget by Function

Summary by Function	2023 Budget	2024 Budget	2025 Budget	Budget Comparison	
				2024-2025 \$ Change	% Change
Supply (01)	876,500	1,003,500	938,500	(65,000)	-6.5%
Treatment (03)	2,737,847	2,804,103	3,166,206	362,103	12.9%
Transmission & Dist. (05)	2,155,715	2,681,775	2,645,488	(36,287)	-1.4%
Customer Service (07)	2,115,043	2,107,412	2,309,341	201,929	9.6%
Administration (08)	9,362,590	9,682,828	10,553,867	871,039	9.0%
Taxes and Other (09)	1,567,120	1,719,934	1,721,934	2,000	0.1%
Total	\$ 18,814,816	\$ 19,999,553	\$ 21,335,337	\$ 1,335,784	6.7%

The increase in the *Treatment* (03) budget from the prior year is associated with a new position at the water treatment plant, cost-of-living and benefit adjustments, and increased costs for chemicals, utilities, and other materials and supplies to operate the Water Treatment Plant.

The *Customer Service* (07) budget increase is associated with temporary position in the meter department to cover the transition of an upcoming retirement and to pay for a customer engagement identified in the District’s strategic plan, inflationary increases in postage, supplies, and customer processing fees.

The increase in the *Administration* (08) budget is primarily due to increased property and liability insurance premiums as the reinsurance and excess insurance markets continue to respond to unfavorable global underwriting events. In addition, there are several planned expenditures for computer hardware, software, professional services, and security services to enhance our cyber security infrastructure.

Department budgets are prepared by each manager based on their goals and objectives for the coming year. Variations between years are usually due to changes in personnel or new projects being undertaken.

Exhibit 5: Changes in Department Budgets

Department	2024 YTD	2024	2025	2024 -2025	Description
	September	Budget	Budget	Change	
Human Resources	347,013	501,510	528,979	5.5%	No election Property and Liability Insurance
Commissioners	174,471	281,092	262,569	-6.6%	
Administration	1,002,565	1,651,494	1,795,878	8.7%	
Safety Program	182,721	254,214	246,087	-3.2%	New position
Construction Maintenance	1,344,887	2,412,185	2,549,531	5.7%	
Water Treatment Plant	2,175,678	3,128,794	3,480,546	11.2%	
Distribution	1,135,021	1,785,341	1,910,004	7.0%	
Lab & Water Quality	260,083	422,217	437,339	3.6%	Tank inspections, cathodic protection, well replacement
Operations Support	634,306	679,625	800,928	17.8%	
PUD Main Campus	247,532	299,224	349,985	17.0%	New building janitorial & landscaping transition
Information Technology	1,527,932	1,986,385	2,174,201	9.5%	Cyber security & software
Finance	411,578	698,705	710,909	1.7%	Temporary Position for Retirement Transition
Stores	106,247	151,782	158,722	4.6%	
Meter Crew	567,408	675,259	845,429	25.2%	
Customer Service	601,338	840,476	854,369	1.7%	
Billing	169,077	256,672	268,569	4.6%	Customer engagement
Community Relations	195,843	335,004	360,446	7.6%	
Engineering	1,806,008	2,596,093	2,667,944	2.8%	
Non-departmental	1,066,080	1,043,479	1,048,951	0.5%	
Total	\$ 13,955,788	\$ 19,999,553	\$ 21,451,386	7.3%	

The budget is prepared using an estimate for the number of developer and capital projects that will be undertaken during the coming year. Capitalized projects offset the District’s operations budget for salaries and benefits, inventory, and equipment expenses. The budget anticipates roughly the same number of capital and maintenance projects as the current year.

The following chart compares the estimated capitalized labor expense between the current year and the 2025 budget. There is no change to the percentage of construction & maintenance salaries budgeted for capital projects next year, but there is a small decrease in the percentage of engineering staff time dedicated to projects and an increase in dollars. It is anticipated that 28% of salaries and benefits, or \$1,618,751, will be charged to capital projects.

Exhibit 6: Salary & Benefits Capitalization Comparison

Salary & Benefits Cost				
2025 Budget	Total	To Capital	% Capital	To O&M
Engineering	3,522,328	1,276,790	36%	2,245,538
Construction & Maint.	2,189,663	341,962	16%	1,847,702
Total	5,711,991	1,618,751	28%	4,093,240

Salary & Benefits Cost				
2024 Budget	Total	To Capital	% Capital	To O&M
Engineering	3,290,750	1,231,527	37%	2,059,223
Construction & Maint.	2,049,035	336,200	16%	1,712,835
Total	5,339,785	1,567,727	29%	3,772,058

B2. AGENCY MEMBERSHIPS

The District is a member and participates in several local and regional organizations and events where a District business interest has been identified. The following list of these organizations and groups is included in the District’s operational budget.

Exhibit 7: Memberships and Sponsorships

Memberships & Sponsorships	
Washington PUD Association (WPUDA)	\$ 63,000
American Water Works Association (AWWA)	6,700
Chlorine Institute	5,000
Washington Water Utilities Council (WWUC)	2,600
Economic Development Association of Skagit County (EDASC)	2,600
Skagit Council of Governments (SCOG)	1,479
Mount Vernon Chamber	850
Washington Association of Sewer & Water Districts	600
Burlington Chamber	600
Total	\$ 83,429

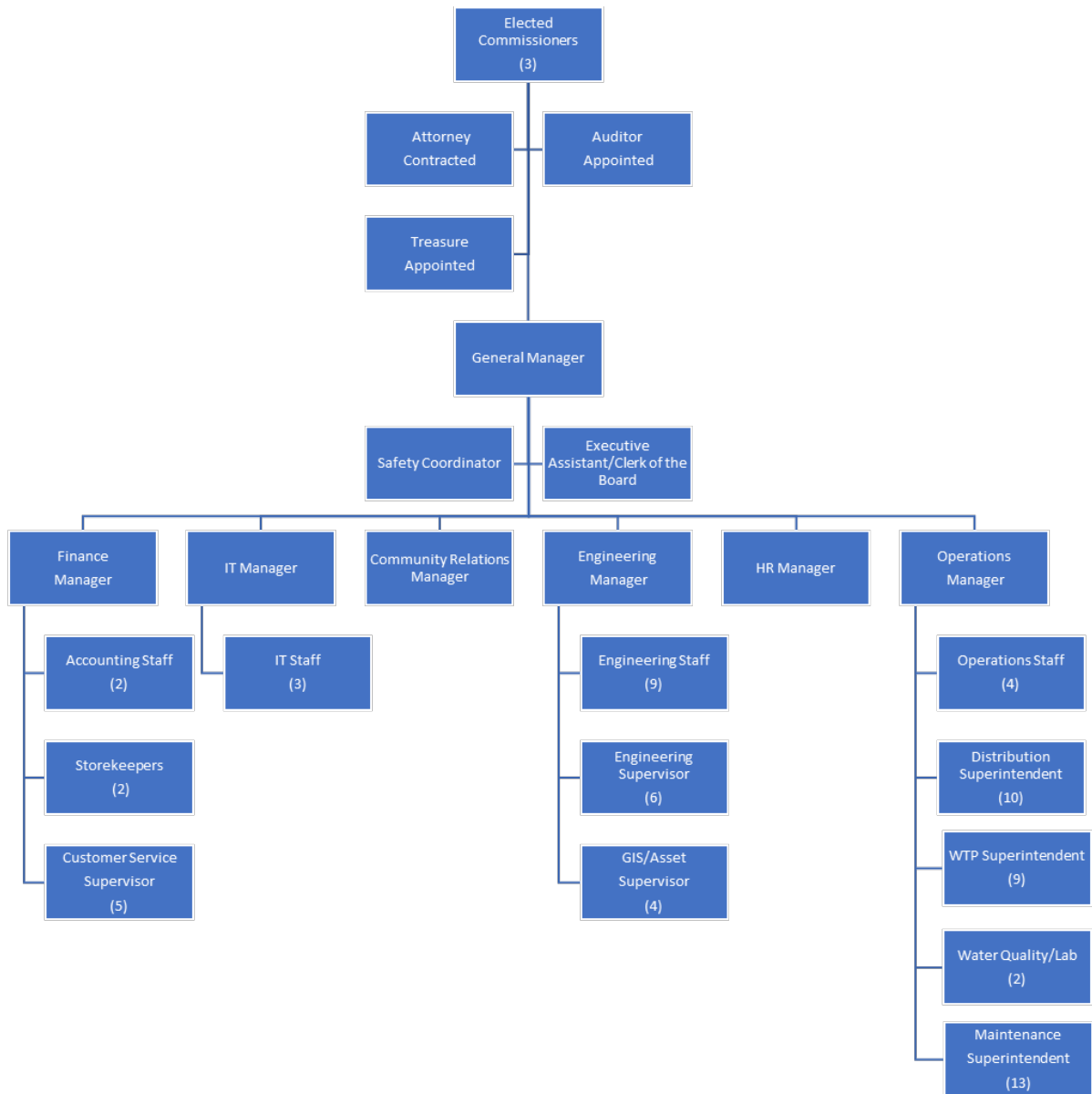
B3. STAFFING

The District continues to assess its core functions and level of service and adjusts operations and staffing levels accordingly. The budget shows an increase in the overall number of full-time equivalent employees. There is one added position at the Water Treatment Plant and a temporary increase in the meter department to prepare for an upcoming retirement. The District promotes professional development and looks to fill positions internally whenever there is an interest and a qualified applicant. Recent positions filled with internal promotions include the Customer Service Supervisor, distribution, engineering, and meters.

Exhibit 8: Summary of Full-Time Equivalent (FTEs) Positions

2025 Budget FTEs by Department	2023	2024	Budget 2025	2024-2025 Change	Description
Commissioner	-	-	-	-	
Executive	2.00	2.25	2.25	-	
Human Resources	2.00	2.25	2.25	-	
Safety	1.00	1.00	1.00	-	
Information Technology	5.00	5.00	5.00	-	
Finance	3.00	3.00	3.00	-	
Stores	2.00	2.00	2.00	-	
Meters	4.00	4.00	5.00	1.00	Retirement Transition
Customer Service	5.00	5.00	5.00	-	
Billing	1.00	1.00	1.00	-	
Community Relations	1.00	1.00	1.00	-	
Engineering	21.80	19.80	19.80	-	
Construction & Maintenance	13.00	14.00	14.00	-	
Operations Support	5.00	5.00	5.00	-	
Water Treatment Plant	9.00	9.00	10.00	1.00	New Operator Position
Water Quality and Lab	2.00	2.00	2.00	-	
Distribution	7.00	7.00	7.00	-	
Total	83.80	83.30	85.30	2.00	

Exhibit 9: Organization Chart



Like most organizations the District’s expenses are influenced by and will fluctuate with the economy as a whole. Some of these expenses are one-time impacts, while others create ongoing costs that need to be included in future budgets. The capital improvement and financial plans are adjusted for these events as needed. Material changes in the budget are summarized below.

Exhibit 10: Additional Expenses 2025

Department Projects Summary	
Recurring Costs	
Remote Site Security Upgrades	\$180,000
Out of Region Disaster Recovery	\$115,000
Detection & Response Management Systems	\$50,000
PRV Valve Repair Program	\$50,000
One-time Costs	
Badger Meter Transmitter Replacement	\$400,000
Equipment Replacement	\$350,000
Dump Truck	\$250,000
Design Data Center at WTP	\$200,000
Turbidimeters & Piezometers at WTP	\$110,000
Chlorine Alarm Integration	\$50,000
Total	\$1,755,000

C. CAPITAL IMPROVEMENT PLAN

Exhibit 11 is a summary of the ten-year rolling Capital Improvement Plan (CIP). It contains estimates for projects planned through 2034. The new CIP table reflects updates in the schedule for timing and expenses based on current market conditions. Other projects were updated as needed for market conditions and to balance the overall workload of staff and expenditures. The CIP anticipates \$119.6 million of projects over the next ten-years.

Capital Improvement needs were identified through:

- Comprehensive system planning process
- Internally developed capital improvement plan

Capital Improvement Plan Phases:

- Phase 1 - Needs/Condition Assessment
- Phase 2 - Cost analysis, feasibility, and prioritization
- Phase 3 - Design
- Phase 4 – Construction

The capital funding plan identifies the following funding sources:

- Cash reserves, rate funding, System Development Fees, developer contributions, loans, grants, and debt

Rate-funded capital replacement is a prudent fiscal target with the following purposes:

- Ongoing system reliability/sustainability
- Equity, charge customers commensurate with the consumption of facility useful life
- Rate stability

Exhibit 11: Capital Improvements Projects 2025-2034

System Water Plan #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Department Capital:										
	Computer Software/ IT	\$ 450,000	\$ 800,000	\$ 700,000	\$ 300,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
	Equipment/Ops	730,000	400,000	400,000	400,000	1,000,000	500,000	500,000	500,000	500,000	500,000
	Water Treatment Plant	200,000	200,000	200,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
	Safety - Safe Access to District Infrastructure	52,000	58,000								
	Department Capital & O&M Total:	\$ 1,432,000	\$ 1,458,000	\$ 1,300,000	\$ 950,000	\$ 1,550,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
	Pipe Replacement:										
MP20-4	College Way, Urban to LaVenture (4,500 LF)	2,000,000									
MP20-7	MV Belmont / Clarmont Pipeline Replacement (3,050 LF)	-		150,000	1,600,000						
MP20-9	Peterson, Pulver - Avon Allen (4,300 LF)			-	400,000	1,400,000					
MP20-10	MV Hillcrest District Pipeline Replacement (6,400 LF)		250,000	2,500,000							
MP20-11	Bayview Community Pipe Replacement (4,700 LF)				150,000	1,500,000					
MP24-1	Conway Pipeline (3,100 LF)	250,000	2,500,000								
MP24-2	Alta Vista (4,070 LF)(crew)	1,300,000									
MP24-3	East division (1,000 LF)(crew)	500,000									
MP24-5	South MV Pressure Zone Realignment		100,000	1,000,000							
MP24-5	Blackburn Pipeline (710 LF)		284,000								
	Sedro-Woolley Central Area Pipeline Replacement (5,060 LF)			250,000	2,000,000						
	East Victoria Pipeline Replacement (550 LF) (crew)	200,000									
	Pipeline Replacement Program						3,000,000	3,200,000	3,400,000	3,700,000	4,000,000
	Pipeline Replacements Total:	\$ 4,250,000	\$ 3,134,000	\$ 3,900,000	\$ 4,150,000	\$ 2,900,000	\$ 3,000,000	\$ 3,200,000	\$ 3,400,000	\$ 3,700,000	\$ 4,000,000
Coordinated Pipeline Replacement	Francis Road Pipe replacement 1		450,000								
	Francis Road Pipe replacement 3	-		450,000							
	John Liner to Jones Road Extension (1,075 LF)	40,000	400,000								
	Township Pipeline Replacement (1,700 LF) (crew)	750,000									
	Coordinated Pipeline Replacement & Infill	200,000	400,000	400,000	400,000	400,000	500,000	500,000	500,000	500,000	500,000
	Coordinated Pipeline Replacements Total:	\$ 990,000	\$ 1,250,000	\$ 850,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Agency Pipeline Relocations	Pipeline Relocation at Alger Interchange	1,650,000									
	Grant - Commerce	(150,000)									
	Grant - EPA Community Grant	(1,500,000)									
	Pipeline Relocation at Henson Road (District 10)	450,000									
	Pipeline Relocation at Cedardale Road (District 10)	180,500									
	Infrastructure Assistance Program (District 10)	(630,500)									
	Pipeline Relocation at SR 9 N of Kalloch Road (District 39)	350,000									
	Pipeline Relocation on SR 20 E of Ranger Station Road (Olson Creek) (District 39)	600,000									
	Dist. 39 Infrastructure Assistance Program	(582,000)									
	Dist. 39 Infrastructure Assistance Program 2024 Funding	(300,000)									
	Garden of Eden Pipeline Relocation	75,000									
	Old 99 at Thomas Creek Pipeline Relocation	100,000	400,000								
	Bulson Creek Pipeline Relocation		125,000	400,000							
	Agency Pipeline Relocation Total:	\$ 243,000	\$ 525,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingent on Grant Funding	Little Mountain		3,000,000	5,000,000							
	TBD Grant Funding		(3,000,000)	(5,000,000)							
	North Fork Skagit River Crossing										
	Conway to Lake McMurray Extension					50,000					
	South Conway Extension					50,000					
	Bow Hill to Alger					50,000					
	TBD Grant Funding					(150,000)					
	Pipe Replacement Total:	\$ 5,483,000	\$ 4,909,000	\$ 5,150,000	\$ 4,550,000	\$ 3,300,000	\$ 3,500,000	\$ 3,700,000	\$ 3,900,000	\$ 4,200,000	\$ 4,500,000

System Water Plan #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Major Capital:										
	Operations & Maintenance:										
MO20-2	WTP Generator	2,400,000									
MO20-7	WTP Filtration Conversion & Optimization	-	-								140,000
MO20-13	Finished Water Flow Meter	-	450,000								
	Dam A Pipe Refurbishment (600 LF)		300,000								
MO20-16	Disinfection System Replacement	500,000	1,000,000	3,000,000							
MO20-15	WTP Electrical Upgrades										1,000,000
	WTP Ozone Treatment										1,100,000
MO24-2	WTP W-1 Pump System Replacement	800,000									
MO24-5	WTP Data Center	200,000	750,000								
MO24-5	WTP Data Center backup power	75,000									
MO20-12	WTP Building Seismic Improvements						-				100,000
MO24-3	WTP Backwash pump upgrade	200,000	1,000,000								
MO20-18	Clearwell Seismic Expansion Joints								250,000		
MO13-8	Badger ORION 5/8 Meter Transmitter Replace	400,000	300,000	300,000							
	9Th Street Pump Monitor & Assessment		-		100,000						
	Operations & Maintenance Total:	\$ 4,575,000	\$ 3,800,000	\$ 3,300,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 2,340,000
	Transmission Pipelines:										
MT20-1	Judy SW Transmission Phase 2 top of hill	-	-	300,000	1,000,000	1,000,000					
	Transmission Pipelines Total:	\$ -	\$ -	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
	Reservoirs:										
MR20-1	Panorama - 2 MG storage tank & replace pump in RWPS				1,000,000	6,000,000	5,000,000				
MR13-5	N. Sedro Woolley Storage & Pump Station (430/350 HGL)	1,000,000	8,000,000	8,000,000							
MR24-1	Montborne Storage Tank (1.0 MG, 450 HGL)										1,000,000
MR24-2	Remove Little Mountain Storage Tank									100,000	100,000
	Bayview standpipe, Water Tank Rd reservoir	100,000								100,000	100,000
	Sky Ridge Pump Station			700,000	1,000,000						
	Tinas Coma Pressure Zone Modifications (506 HGL)						200,000	1,000,000			
	Clearwell Painting				1,000,000						
	Storage Tank Recoating 9th & Highland		1,000,000								
	Storage Tank Recoating Duke Hill & Eaglemont				1,000,000		1,000,000		500,000		250,000
	Seismic Resilience of District Critical Infrastructure						400,000		400,000		400,000
	Reservoirs Cathodic Protection - Ongoing	33,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Reservoirs Total:	\$ 1,133,000	\$ 9,050,000	\$ 9,750,000	\$ 3,050,000	\$ 6,050,000	\$ 6,650,000	\$ 1,050,000	\$ 950,000	\$ 250,000	\$ 1,900,000
	Facilities:										
MO20-3	WTP Dam Pipe Replacement				300,000						
	Potlatch RO Replacement	300,000									
	PUD Remodel of Operations	500,000	500,000	500,000							
	SRD Recondition Pumps & Set Motors Rebuild 1,2, & 4	300,000	300,000	300,000							
	SRD Recondition Pumps & Set Motors Rotation					500,000					
	Alger Well Capacity (Pump & Pumphouse)			500,000	800,000				500,000		
	Facilities Total:	\$ 1,100,000	\$ 800,000	\$ 1,300,000	\$ 1,100,000	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -
	Fiber & Other:										
	SkagitNet Backbone (2 sites)	150,000									
	Remote Site Security	180,000									
	SCADA Alger, Lake 16, Skagit View, Cedar Grove		200,000		200,000		200,000		200,000		200,000
	WTP to PUD Campus	800,000									
	Division Street Bridge Painting (DOT)	250,000									
	Major Capital Total:	\$ 8,188,000	\$ 13,850,000	\$ 14,650,000	\$ 5,450,000	\$ 7,550,000	\$ 6,850,000	\$ 1,050,000	\$ 1,900,000	\$ 250,000	\$ 4,440,000
	Total Capital Projects	\$ 15,103,000	\$ 20,217,000	\$ 21,100,000	\$ 10,950,000	\$ 12,400,000	\$ 11,450,000	\$ 5,850,000	\$ 6,900,000	\$ 5,550,000	\$ 10,040,000

Total from 2024 Budget	19,208,000	20,271,600	7,186,600	4,196,600	4,346,200	5,095,800	4,515,400	4,850,400	4,065,401	31,007,436
Increase/(Decrease) from 2023	(4,105,000)	(54,600)	13,913,400	6,753,400	8,053,800	6,354,200	1,334,600	2,049,600	1,484,599	(20,967,436)
	Average Annual Capital - First Five Years CIP (2025-2029)					Average Annual Capital - Ten Year CIP (2025-2034)				
	2025 Budget \$ 15,954,000					2025 Budget \$ 11,956,000				
	2024 Budget \$ 11,041,800					2024 Budget \$ 10,474,344				
	Increase/(Decrease) \$ 4,912,200					Increase/(Decrease) \$ 1,481,656				
Department Capital	1,432,000	1,458,000	1,300,000	950,000	1,550,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Pipeline Replacement	5,483,000	4,909,000	5,150,000	4,550,000	3,300,000	3,500,000	3,700,000	3,900,000	4,200,000	4,500,000
Major Capital	8,188,000	13,850,000	14,650,000	5,450,000	7,550,000	6,850,000	1,050,000	1,900,000	250,000	4,440,000
Total Capital Improvement Projects	\$ 15,103,000	\$ 20,217,000	\$ 21,100,000	\$ 10,950,000	\$ 12,400,000	\$ 11,450,000	\$ 5,850,000	\$ 6,900,000	\$ 5,550,000	\$ 10,040,000

C1. CATEGORIES OF CAPITAL PROJECTS:

Department Capital – Capital expenses required to maintain the operation of District facilities and functions. Examples include vehicles, construction equipment, facility equipment, pump replacements, and replacement of equipment at the Water Treatment Plant.

Pipe Replacement – The District’s pipe replacement program includes surveying, designing, and constructing pipe replacement projects to replace old, undersized, defective, and pipes at the end of their useful life.

Major Capital – All other capital projects typically associated with a Capital Improvement Program. Projects vary from year-to-year and include pipeline replacement, reservoir construction, facility repairs, and fiber optic construction.

C2. CAPITAL PROGRAM SUMMARY

Based on the updated capital plan for the 2025 budget, the total value of capital projects planned for the next ten-years is \$119.6 million. Next year’s significant capital projects include the WTP generator, pipeline replacement projects on College Way, and Alta Vista, and Township and beginning design of a new storage tank and pump station in North Sedro Woolley.

a) Department Capital

The 2025 budget includes \$1.4 million of department capital projects from Operations, Engineering, Water Treatment Plant, Meters, and the IT Departments. Next year’s projects include vehicle and equipment replacements, software upgrades, security enhancements, improvements at the Water Treatment Plant, SCADA system replacements, and Department of Health (DOH) mandates.

b) Pipe Replacement

The 2025 budget includes \$5.5 million for pipe replacement projects. The two most significant projects are the \$1.6 million pipeline relocation project at the Alger Interchange and the \$2 million College Way, Urban to LaVenture pipeline projects. The other \$2 million of pipe replacement projects are split over several projects including Alt Vista, Conway, East Division, East Victoria and others depending upon permitting and coordination with other entities.

c) Major Capital

A review of the projects in this category was performed to update construction costs based on recent projects and market conditions. Major projects scheduled for 2025 include \$2.4 WTP generator, \$800,000 WTP pump system replacement, \$1 million for the design of North Sedro Woolley storage and pump station, and \$500,000 for the remodel of the District’s operation/warehouse.

D. CAPITAL BUDGET AND DEBT SERVICE

Capital Funding Strategy for the PUD’s capital improvement program includes an analysis of available resources from rate revenues, debt financing, and other resources that may be available (e.g., grants, outside contributions, etc.).

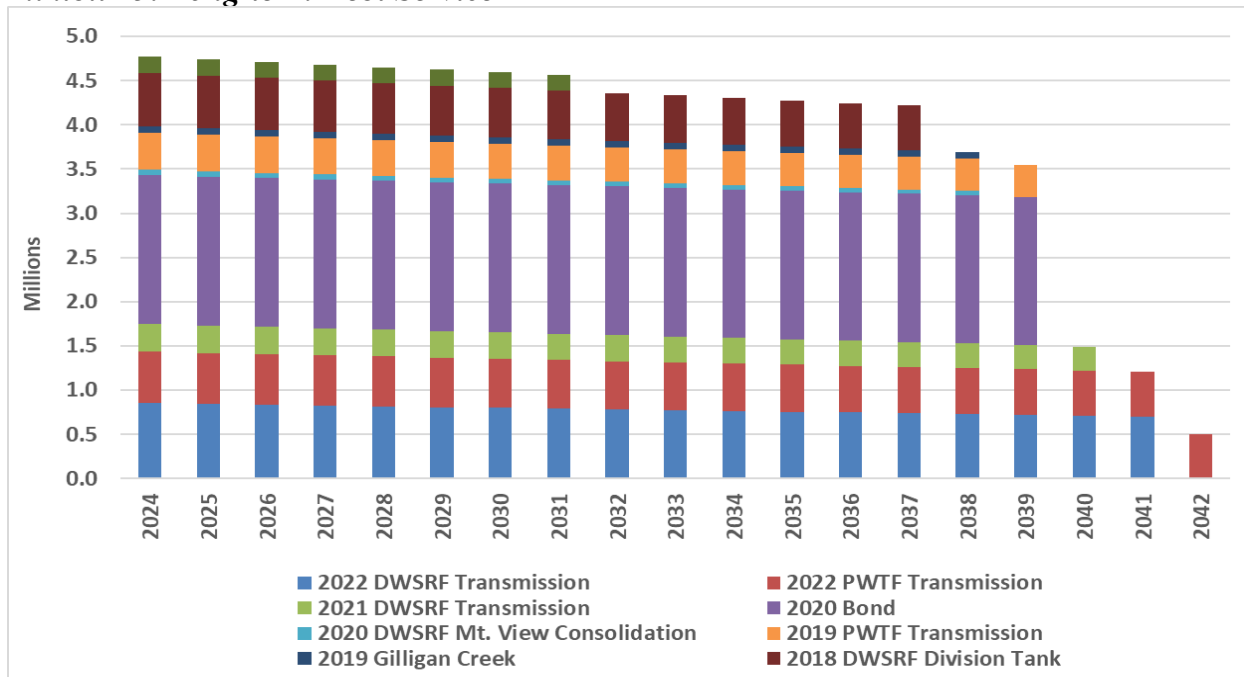
Exhibit 12 compares the first year of the 2025 Capital Improvement Plan budget to the end of the year capital expenditure forecast. The budget anticipates a \$15 million decrease in capital projects from the current year, primarily due to the completion of the Transmission Line - Judy Reservoir to Mount Vernon project and the District campus building.

Exhibit 12: Capital Budget

Summary of Capital Budgets	2024 Forecast	2025 Budget	Change
Capital Budget			
Department Capital	\$ 1,686,000	\$ 1,432,000	\$ (254,000)
Major Capital	\$ 18,640,180	\$ 8,188,000	\$ (10,452,180)
Annual Pipe Replacement	\$ 6,985,000	\$ 5,483,000	\$ (1,502,000)
Total Capital Budget	\$ 27,311,180	\$ 15,103,000	\$ (12,208,180)

This capital improvement plan budget assumes that no additional financing will be needed to fund the ten-year Capital Improvement Plan. District reserves and rate revenue are sufficient to fund the capital projects identified in the CIP.

Exhibit 13: Long-term Debt Service



The chart above shows the most recent loans that the District obtained to pay for the transmission line replacement as well as other capital project. The loans are through Drinking Water State Revolving Fund or the Public Works Trust Fund and have varying rates ranging from .94% to 1.75%. The Bond is for twenty-years and a rate of 2.65%. The current year’s debt service totals \$4,736,895 dollars.

Exhibit 14: 2025 Debt Service

Existing Debt Service	Interest	Principal	Total
Total Bonds	\$ 551,454	\$ 1,132,140	\$ 1,683,594
Total Public Works Trust Fund Loans	\$ 136,749	\$ 1,034,209	\$ 1,170,958
Total Drinking Water State Revolving Loans	\$ 298,315	\$ 1,512,026	\$ 1,810,341
Total Other State Loans	\$ 17,298	\$ 54,703	\$ 72,001
Total Debt Service	\$ 1,003,817	\$ 3,733,078	\$ 4,736,895

E. FISCAL MANAGEMENT TARGETS

The budget adequacy is tested by looking at it in the context of long-term financial policies and whether the budget achieves the District’s fiscal management targets. The 2025 budget anticipates spending reserves and utilizing debt to pay for the capital improvements identified in this year’s CIP.

a) Revenue Fund Ending Balance

Target: 2.5 months O&M + Depreciation = \$6,250,000.

Projected: 2025 ending balance = \$8,667,000, which exceeds the target.

b) Net Liquidity

Target: 180 days of O&M expenses, including fund balances for Revenue, Major Capital, SDF, and Debt Service funds.

Projected: 334 days, which exceeds the target.

c) Debt Service Coverage

Target: Minimum 1.25 for bonded debt; Planning target for bonded debt is 2.0

Projected: 3.1 Total Debt service coverage, which exceeds the target.

d) Rate Funded Capital

Target: Capital Expenditures target = \$9.1 million = Depreciation expense

Projected: Capital paid by rates = \$14,473,000, which exceeds the target.

F. RATE FORECAST SUMMARY

This budget was developed continuing the rate study recommendations of annual five percent increases in base water rates and additional increases in the tiered rates to promote conservation. The rate increase is scheduled to take effect on January 1, 2025 and is projected to increase rate revenues by approximately \$1.6 million. This additional revenue will be used to fund the projects identified in the Capital Improvement Plan and to pay existing debt service.

For 2025, this budget's average residential rate impact is approximately \$7.12 per two-month billing cycle, assuming 6 CCF of water use.

G. FUND SUMMARIES

The following two pages compare District fund summaries between this year's forecast and next year's budget.

Exhibit 15: Comparison by Fund

All Funds Summary forecast for 2024 Cash Resources and Requirements					
	Revenue Fund	Major Capital Fund	System Development Fund	Debt Service	Combined
Resources:					
Beginning Fund Balance	30,022,135		5,669,779	2,524,924	38,216,838
External Revenue:					
Rate Revenue	31,566,365				31,566,365
System Development Fees			897,631		897,631
Capital Contributions	512,033				512,033
Grants - Little Mountain		200,000			200,000
LUD Assessments, Interest, Penalties				67,904	67,904
Investment Income	1,846,766				1,846,766
Non-Operating Revenues	11,222				11,222
Total External Revenue	33,936,387	200,000	897,631	67,904	35,101,922
Debt Proceeds:					
Debt Proceeds -					
PWTF Loan - MV Transmission Line					
Debt Proceeds - Bonds					
Total Debt Proceeds					
Transfers from Other Funds:					
System Development Fund					
Major Capital Fund	200,000				200,000
Revenue Fund				4,633,740	4,633,740
Total Transfers from Other Funds	200,000			4,633,740	4,833,740
Total Revenue	34,136,387	200,000	897,631	4,701,644	39,935,662
Total Resources	64,158,522	200,000	6,567,410	7,226,568	78,152,500
Uses:					
Operating Expenditures:					
Operations and Maintenance	16,270,220				16,270,220
Utility and Excise Taxes	1,244,890				1,244,890
Total Operating Expenditures	17,515,110				17,515,110
Capital Expenditures:					
Service/Meters/Developer Projects	512,033				512,033
Department Projects	1,686,000				1,686,000
Pipeline Replacement	7,585,000				7,585,000
Major Capital Projects	19,440,180				19,440,180
Total Capital Expenditures	29,223,213				29,223,213
Debt Service Payments:					
Interest Payments				1,146,470	1,146,470
Principal Payments				3,487,269	3,487,269
Total Debt Service Payments				4,633,740	4,633,740
Transfers to Other Funds:					
Revenue		200,000			200,000
Debt Service	4,633,740				4,633,740
Total Transfers to Other Funds	4,633,740	200,000			4,833,740
Total Expenditures	51,372,063	200,000		4,633,740	56,205,803
Ending Fund Balance	12,786,458		6,567,410	2,592,828	21,946,697
Total Uses	64,158,522	200,000	6,567,410	7,226,568	78,152,500

All Funds Summary forecast for 2025					
Cash Resources and Requirements					
	Revenue Fund	Major Capital Fund	System Development Fund	Debt Service	Combined
Resources:					
Beginning Fund Balance	12,838,794		6,567,410	2,592,828	21,999,032
External Revenue:					
Rate Revenue	32,969,000				32,969,000
System Development Fees			900,000		900,000
Capital Contributions	520,000				520,000
Grants - State Fish Passage		2,000,000			2,000,000
LUD Assessments, Interest, Penalties				65,000	65,000
Investment Income	800,000				800,000
Non-Operating Revenues	20,000				20,000
Total External Revenue	34,309,000	2,000,000	900,000	65,000	37,274,000
Debt Proceeds:					
Debt Proceeds - PWTF Loan - MV Transmission Line					
Debt Proceeds - Bonds					
Total Debt Proceeds					
Transfers from Other Funds:					
System Development Fund					
Major Capital Fund	2,000,000				2,000,000
Revenue Fund				4,736,894	4,736,894
Total Transfers from Other Funds	2,000,000			4,736,894	6,736,894
Total Revenue	36,309,000	2,000,000	900,000	4,801,894	44,010,894
Total Resources	49,147,794	2,000,000	7,467,410	7,394,722	66,009,926
Uses:					
Operating Expenditures:					
Operations and Maintenance	19,720,523				19,720,523
Utility and Excise Taxes	1,614,814				1,614,814
Total Operating Expenditures	21,335,337				21,335,337
Capital Expenditures:					
Service/Meters/Developer Projects	520,000				520,000
Department Projects	1,432,000				1,432,000
Pipeline Replacement	5,133,000				5,133,000
Major Capital Projects	7,388,000				7,388,000
Total Capital Expenditures	14,473,000				14,473,000
Debt Service Payments:					
Interest Payments				1,003,816	1,003,816
Principal Payments				3,733,078	3,733,078
Total Debt Service Payments				4,736,894	4,736,894
Transfers to Other Funds:					
Revenue		2,000,000			2,000,000
Debt Service	4,671,894				4,671,894
Debt Reserve - New Debt					
Total Transfers to Other Funds	4,671,894	2,000,000			6,671,894
Total Expenditures	40,480,231	2,000,000		4,736,894	47,217,126
Ending Fund Balance	8,667,563		7,467,410	2,657,828	18,792,801
Total Uses	49,147,794	2,000,000	7,467,410	7,394,722	66,009,926



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

November 12, 2024

MEMORANDUM

TO: Board of Commissioners

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

SUBJECT: Purchase of New Service Truck

Requested Action:

Authorize the General Manager to purchase a new service truck from Blade Chevrolet in the amount of \$92,364.90.

Background:

The 2025 Budget includes a request for a new service truck. We obtained a quote from Blade Chevrolet in April and used that quote for estimating the total cost. In recent discussions with Blade, we learned that there is a slightly different model that is available for approximately \$13,000 less, but they need a commitment from us as soon as possible. The truck has a slightly different body style, but it fits our operational needs and we can delivery of it sooner than the was that was originally quoted.

If the 2025 Budget is passed at the November 12 meeting, the funding for the new service truck is included in the budget and no action is necessary from the Board. However, if the 2025 Budget is not passed on November 12, I am asking for specific approval of budget for the new service truck so that we can order it from Blade Chevrolet. There is a supply chain issue with vehicles such as service trucks, and being able to take advantage of this opportunity would save money and a significant amount of time in getting delivery.

Fiscal Impact:

Funding for this new service truck would come from the 2025 Budget vehicle replacement program.

- Enclosures:
1. [WSAD Vehicle Buyers Order - Skagit PUD - Stock 16035 JULY](#)
 2. [WSAD Vehicle Buyers Order - Skagit PUD - Stock 16048 NOV](#)

VEHICLE BUYER'S ORDER **STOCK# 16035**
00080 **DEAL# 28798**
BLADE CHEVROLET & RVS
1100 FREEWAY DRIVE
MOUNT VERNON, WA 98273

DATE 04/09/2024

BUYER SKAGIT C OUNTY PUD RES. PHONE _____ BUS. PHONE NULL
ADDRESS N/A CITY MOUNT VERNON COUNTY _____ STATE WA ZIP 98273

STOCK NO.	YEAR	NEW	USED	COLOR	MAKE	MODEL	VIN NUMBER
16035	2023	XX		SUMMIT WHITE	CHEVROLET	SILVERADO 4500 HD, 5500 HD, 6500 HD	1HTKJPMVXP475194

Title Brands/Comments (if applicable): _____ REBUILT _____ JUNK _____ SALVAGE/REBUILT _____ DESTROYED _____ OTHER _____

LICENSE NO. WA:	TAB: <u>N/A</u>	EXP: <u>N/A</u>
ODOMETER READING <u>7</u>		

The owner of a vehicle may be required to spend up to \$150 for repairs if the vehicle does not meet the vehicle emission standards under chapter 70.120 RCW. Unless expressly warranted by the motor vehicle dealer, the dealer is not warranting that this vehicle will pass any emission tests required by federal or state law.

X _____
SIGNATURE (DO NOT INITIAL)

NOTICE TO BUYER REGARDING THE AIRBAGS ON THIS VEHICLE:
____ an "on/off switch" has been installed on the airbag(s)
____ the airbag(s) have been deactivated

A. USED VEHICLE TRADE-IN		
YEAR	MAKE	MODEL
MILEAGE	VIN#	
BALANCE OWED TO:		
LIENHOLDER'S ADDRESS		
<u>N/A</u>		

B. SECOND VEHICLE TRADE-IN		
YEAR	MAKE	MODEL
MILEAGE	VIN#	
BALANCE OWED TO:		
LIENHOLDER'S ADDRESS		

Gross trade-in allowance for (A)	\$ _____
Less estimated balance owed on (A)	\$ _____
Gross trade-in allowance for (B)	\$ _____
Less estimated balance owed on (B)	\$ _____
*ESTIMATED NET ALLOWANCE ON TRADE-IN(S):	\$ <u>0.00</u>
	(carry over to line 6)

*Buyer acknowledges that the payoff and/or lien balance on the trade-in vehicle as described above is only an estimated figure, subject to verification and confirmation from the lienholder as to the exact dollar amount. In the event the payoff/lien balance exceeds the above-stated amount, such additional amount shall, at the option of the Dealer, be added to the total cash price of the vehicle and shall be paid to the dealer on request or added to the amount being financed.

X _____
SIGNATURE (DO NOT INITIAL)

1. BASE PRICE OF VEHICLE	66,385.00
2. DEALER ADDED OPTIONS:	
SCELTZI 14' COMBO BODY	30,300.00
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
3. BASE PRICE OF VEHICLE AND OPTIONS (1 PLUS 2)	96,685.00
4. ESTIMATED Vehicle Excise Tax, License, Title and Registration Fees, Bank Title Lien Release Fee \$ <u>102.50</u> (including \$3.00 Arbitration Fee on New Cars) (\$2.50 Dealer Administrative Fee)	102.50
5. DOWN PAYMENT (Not receipt for cash received.)	
(A) CASH	0.00
(B) REBATE	N/A
6. ESTIMATED Net Trade-In Allowance	N/A
7. TOTAL CREDITS (5 + 6)	0.00
8. SALES TAX [Calculated on the difference between Cash Price of Vehicle and Options (Line 3 above) and Gross Trade-in Allowance]	8,508.28
9. DOCUMENTARY SERVICES FEE	N/A
10. SERVICE CONTRACT	N/A
11. MAINTENANCE CONTRACT	N/A
12. SALES TAX [For Service Contract and/or Maintenance Contract]	0.00
13. INSURANCE (Life, Disability, etc.)	N/A
14. OTHER N/A	N/A
N/A	N/A
N/A	N/A
15. TOTAL CASH PRICE OF VEHICLE (3 + 4 + 8 + 9 + 10 + 11 + 12 + 13 + 14)	105,295.78
16. UNPAID BALANCE OF CASH PRICE DUE ON DELIVERY (15 - 7)	105,295.78
17. UNPAID BALANCE - AMOUNT FINANCED (15 - 7)	105,295.78

FINANCING CONDITION IF A RETAIL INSTALLMENT CONTRACT OR NOTE AND SECURITY AGREEMENT IS SIGNED IN CONJUNCTION WITH THIS BUYER'S ORDER (COLLECTIVELY, THE "AGREEMENT"), THE AGREEMENT IS BINDING UPON EXECUTION, PROVIDED HOWEVER, THAT THE DEALER WILL HEREAFTER ASSESS THE BUYER'S CREDIT WORTHINESS AND IF THE DEALER DOES NOT HEREAFTER APPROVE FINANCING ON ACCOUNT OF THE BUYER'S CREDIT WORTHINESS AND SUBSEQUENTLY NOTIFIES BUYER OF SUCH DISAPPROVAL, THIS AGREEMENT IS VOID, EXCEPT AS PROVIDED IN PARAGRAPH 6 ON THE REVERSE SIDE HEREOF.

ARBITRATION PROVISION THIS ARBITRATION PROVISION GREATLY AFFECTS YOUR LEGAL RIGHTS IN ANY DISPUTE WITH US. PLEASE READ IT CAREFULLY BEFORE SIGNING. YOU OR WE SHALL, SUBJECT TO THE TERMS HEREOF, HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT OR BY A JURY TRIAL.
• IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
• DISCOVERY AND RIGHTS TO APPEAL IN ARBITRATION ARE GENERALLY MORE LIMITED THAN IN A LAWSUIT, AND OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION. THE INFORMATION THAT YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.

All disputes between the Parties and/or their designees ("Parties"), whether in contract, tort or otherwise - including the interpretation and scope of this provision, and the arbitrability of the claim or dispute, between you and us or our employees, agents, successors or assigns, that arise out of or relate to this Agreement or any resulting transactions shall, at your or our election, be resolved by neutral, binding arbitration, and not by a court action, in accordance with the laws of the State of Washington. Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action. You expressly waive any right you may have to arbitrate a class action. If the Parties do not agree on a single arbitrator within ten (10) days following demand therefore, then the arbitrator shall be appointed by Washington Arbitration & Mediations Service. The Parties recognize, acknowledge and agree that the designated arbitrator will be an independent individual, not affiliated or related to either, and that any dispute between the Parties will not be heard and decided by a judge or jury.

You are responsible for the cost of the arbitration filing fee up to the amount of the filing fee for Superior Court. We will pay any balance of the arbitration filing fee in excess of that amount, and are also responsible for paying any arbitration costs you would not otherwise be responsible for had you filed your claim in Superior Court. We are not required to pay any costs or fees you would otherwise be required to pay had you filed your claim in Superior Court, including but not limited to: deposition fees, expert and fact witness fees, attorney's fees (not otherwise recoverable as specifically provided for but limited by statute), reproduction costs, and costs related to electronic discovery. The arbitrator's decision and/or award shall be final and binding on all parties, and may be sued upon or enforced in any court of competent jurisdiction.

You and we retain the right to self-help remedies, such as repossession, and the right to seek remedies in either bankruptcy court or small claims court for disputes within those courts' jurisdiction, unless such action is transferred, removed, or appealed to a different court. This clause shall survive any termination, payoff, or transfer of this Agreement. If any part of this Arbitration Provision, other than waivers of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable.

Notwithstanding this provision, buyers covered by the Military Lending Act are not obligated to engage in arbitration.

By setting forth his or her initials, Buyer acknowledges that this Buyer's Order contains the above arbitration provision, and agrees that he or she has read and agrees to the same: BUYER _____ CO-BUYER N/A

BUYER AGREES THAT THIS AGREEMENT INCLUDES ALL OF THE TERMS AND CONDITIONS ON THE FRONT AND BACK SIDE HEREOF, THAT THIS AGREEMENT CANCELS AND SUPERSEDES ANY PRIOR AGREEMENT INCLUDING ORAL AGREEMENTS AND, AS OF THE DATE BELOW, COMPRISES, WITH ANY RETAIL INSTALLMENT CONTRACT, SERVICE CONTRACT, INSURANCE CONTRACT, AND OTHER AGREEMENTS AND ACKNOWLEDGMENTS SIGNED CONTEMPORANEOUS HEREWITH, THE COMPLETE AND EXCLUSIVE STATEMENT OF THE TERMS OF THE AGREEMENT RELATING TO THE SUBJECT MATTERS COVERED BY THIS AGREEMENT. BY SIGNING THIS AGREEMENT, BUYER ACKNOWLEDGES THAT BUYER HAS READ ITS TERMS AND HAS RECEIVED A TRUE COPY OF THIS AGREEMENT. IF THIS ORDER IS FOR A USED VEHICLE, THE INFORMATION ON THE WINDOW FORM OF THE VEHICLE IS ALSO A PART OF THIS ORDER AND OVERRIDES ANY CONTRARY PROVISIONS OF THIS ORDER.

X _____ 04/09/2024 _____
Buyer's Signature Date Dealer or Dealer's Authorized Representative
X N/A N/A N/A
Co-Buyer's Signature Date Salesperson's Name

VEHICLE BUYER'S ORDER STOCK# 16048
 00080 DEAL# 30268
BLADE CHEVROLET & RV
 1100 FREEWAY DRIVE
 MOUNT VERNON, WA 98273

DATE 08/30/2023

MOBILE PHONE:(360) 661-4032

BUYER PUBLIC UTILITY DISTRICT #1 OF SKAGIT COUNTY RES. PHONE _____ BUS. PHONE (360) 424-7104
 ADDRESS 1415 FREEWAY DRIVE CITY MOUNT VERNON COUNTY SKAGIT STATE WA ZIP 98273

STOCK NO.	YEAR	NEW	USED	COLOR	MAKE	MODEL	VIN NUMBER
16048	2023	XX		SUMMIT WHITE	CHEVROLET	SILVERADO 4500 HD, 5500 HD, 6500 HD	1HTKJPVK4PH477196

Title Brands/Comments (if applicable): _____ REBUILT _____ JUNK _____ SALVAGE/REBUILT _____ DESTROYED _____ OTHER _____

LICENSE NO. WA:	TAB: N/A	EXP: N/A
ODOMETER READING 284		

The owner of a vehicle may be required to spend up to \$150 for repairs if the vehicle does not meet the vehicle emission standards under chapter 70.120 RCW. Unless expressly warranted by the motor vehicle dealer, the dealer is not warranting that this vehicle will pass any emission tests required by federal or state law.

X _____
 SIGNATURE (DO NOT INITIAL)

NOTICE TO BUYER REGARDING THE AIRBAGS ON THIS VEHICLE:

_____ an "on/off switch" has been installed on the airbag(s)
 _____ the airbag(s) have been deactivated

A. USED VEHICLE TRADE-IN		
YEAR	MAKE	MODEL
MILEAGE	VIN#	
BALANCE OWED TO:		
LIENHOLDER'S ADDRESS		

B. SECOND VEHICLE TRADE-IN		
YEAR	MAKE	MODEL
MILEAGE	VIN#	
BALANCE OWED TO:		
LIENHOLDER'S ADDRESS		

Gross trade-in allowance for (A)	\$ _____
Less estimated balance owed on (A)	\$ _____
Gross trade-in allowance for (B)	\$ _____
Less estimated balance owed on (B)	\$ _____
*ESTIMATED NET ALLOWANCE ON TRADE-IN(S):	\$ 0.00
	(carry over to line 6)

*Buyer acknowledges that the payoff and/or lien balance on the trade-in vehicle as described above is only an estimated figure, subject to verification and confirmation from the lienholder as to the exact dollar amount. In the event the payoff/lien balance exceeds the above-stated amount, such additional amount shall, at the option of the Dealer, be added to the total cash price of the vehicle and shall be paid to the dealer on request or added to the amount being financed.

X _____
 SIGNATURE (DO NOT INITIAL)

1. BASE PRICE OF VEHICLE	68,500.00
2. DEALER ADDED OPTIONS:	
SCELTZI CONTRACTOR BODY	16,300.00
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
3. BASE PRICE OF VEHICLE AND OPTIONS (1 PLUS 2)	84,800.00
4. ESTIMATED Vehicle Excise Tax, License, Title and Registration Fees, Bank Title Lien Release Fee \$ 102.50 (including \$3.00 Arbitration Fee on New Cars) (\$2.50 Dealer Administrative Fee)	102.50
5. DOWN PAYMENT (Not receipt for cash received.)	
(A) CASH	0.00
(B) REBATE	5,500.00
6. ESTIMATED Net Trade-In Allowance	N/A
7. TOTAL CREDITS (5 + 6)	5,500.00
8. SALES TAX [Calculated on the difference between Cash Price of Vehicle and Options (Line 3 above) and Gross Trade-in Allowance]	7,462.40
9. DOCUMENTARY SERVICES FEE	N/A
10. SERVICE CONTRACT	N/A
11. MAINTENANCE CONTRACT	N/A
12. SALES TAX [For Service Contract and/or Maintenance Contract]	0.00
13. INSURANCE (Life, Disability, etc.)	N/A
14. OTHER	N/A
N/A	N/A
N/A	N/A
15. TOTAL CASH PRICE OF VEHICLE (3 + 4 + 8 + 9 + 10 + 11 + 12 + 13 + 14)	92,364.90
16. UNPAID BALANCE OF CASH PRICE DUE ON DELIVERY (15 - 7)	86,864.90
17. UNPAID BALANCE - AMOUNT FINANCED (15 - 7)	86,864.90

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ARBITRATION PROVISION THIS ARBITRATION PROVISION GREATLY AFFECTS YOUR LEGAL RIGHTS IN ANY DISPUTE WITH US. PLEASE READ IT CAREFULLY BEFORE SIGNING. YOU OR WE SHALL, SUBJECT TO THE TERMS HEREOF, HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT OR BY A JURY TRIAL.

- IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
- DISCOVERY AND RIGHTS TO APPEAL IN ARBITRATION ARE GENERALLY MORE LIMITED THAN IN A LAWSUIT, AND OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION. THE INFORMATION THAT YOU AND WE MAY OBTAIN IN DISCOVERY FROM EACH OTHER IN ARBITRATION IS GENERALLY MORE LIMITED THAN IN A LAWSUIT.

All disputes between the Parties and/or their designees ("Parties"), whether in contract, tort or otherwise - including the interpretation and scope of this provision, and the arbitrability of the claim or dispute, between you and us or our employees, agents, successors or assigns, that arise out of or relate to this Agreement or any resulting transactions shall, at your or our election, be resolved by neutral, binding arbitration, and not by a court action, in accordance with the laws of the State of Washington. Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action. You expressly waive any right you may have to arbitrate a class action. If the Parties do not agree on a single arbitrator within ten (10) days following demand therefore, then the arbitrator shall be appointed by Washington Arbitration & Mediations Service. The Parties recognize, acknowledge and agree that the designated arbitrator will be an independent individual, not affiliated or related to either, and that any dispute between the Parties will not be heard and decided by a judge or jury.

You are responsible for the cost of the arbitration filing fee up to the amount of the filing fee for Superior Court. We will pay any balance of the arbitration filing fee in excess of that amount, and are also responsible for paying any arbitration costs you would not otherwise be responsible for had you filed your claim in Superior Court. We are not required to pay any costs or fees you would otherwise be required to pay had you filed your claim in Superior Court, including but not limited to: deposition fees, expert and fact witness fees, attorney's fees (not otherwise recoverable as specifically provided for but limited by statute), reproduction costs, and costs related to electronic discovery. The arbitrator's decision and/or award shall be final and binding on all parties, and may be sued upon or enforced in any court of competent jurisdiction.

You and we retain the right to self-help remedies, such as repossession, and the right to seek remedies in either bankruptcy court or small claims court for disputes within those courts' jurisdiction, unless such action is transferred, removed, or appealed to a different court. This clause shall survive any termination, payoff, or transfer of this Agreement. If any part of this Arbitration Provision, other than waivers of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable.

Notwithstanding this provision, buyers covered by the Military Lending Act are not obligated to engage in arbitration.

By setting forth his or her initials, Buyer acknowledges that this Buyer's Order contains the above arbitration provision, and agrees that he or she has read and agrees to the same: BUYER _____ CO-BUYER **N/A**

BUYER AGREES THAT THIS AGREEMENT INCLUDES ALL OF THE TERMS AND CONDITIONS ON THE FRONT AND BACK SIDE HEREOF, THAT THIS AGREEMENT CANCELS AND SUPERSEDES ANY PRIOR AGREEMENT INCLUDING ORAL AGREEMENTS AND, AS OF THE DATE BELOW, COMPRISES, WITH ANY RETAIL INSTALLMENT CONTRACT, SERVICE CONTRACT, INSURANCE CONTRACT, AND OTHER AGREEMENTS AND ACKNOWLEDGMENTS SIGNED CONTEMPORANEOUS HERewith, THE COMPLETE AND EXCLUSIVE STATEMENT OF THE TERMS OF THE AGREEMENT RELATING TO THE SUBJECT MATTERS COVERED BY THIS AGREEMENT. BY SIGNING THIS AGREEMENT, BUYER ACKNOWLEDGES THAT BUYER HAS READ ITS TERMS AND HAS RECEIVED A TRUE COPY OF THIS AGREEMENT. IF THIS ORDER IS FOR A USED VEHICLE, THE INFORMATION ON THE WINDOW FORM OF THE VEHICLE IS ALSO A PART OF THIS ORDER AND OVERRIDES ANY CONTRARY PROVISIONS OF THIS ORDER.

X 08/30/2023
 Buyer's Signature _____ Date _____ Dealer or Dealer's Authorized Representative _____
 X **N/A** _____ **N/A** _____ **FREDERICK MORRISON** _____
 Co-Buyer's Signature _____ Date _____ Salesperson's Name _____

ADDITIONAL TERMS, CONDITIONS AND DISCLOSURES

It is further understood and agreed that the order on the reverse side hereof is subject to the following terms and conditions which have been mutually agreed upon:

1. **BUYER'S WARRANTIES.** BUYER MAKES THE FOLLOWING WARRANTIES CONCERNING THE TRADE-IN VEHICLE(S) LISTED ON THE FRONT SIDE OF THIS DOCUMENT:
 - A. That the vehicle has not been involved in any collision resulting in any body or chassis damage and does not contain any hidden mechanical defects or hidden defects in the body or chassis;
 - B. That other than the creditor lien for the stated payoff balance, the title to the trade-in vehicle is free and clear of any other liens or encumbrances, and that Buyer is the registered owner of said vehicle and agrees to deliver to Dealer satisfactory evidence of title to said vehicle;
 - C. That the certificate of title for said vehicle does not contain any brand or comment, including but not limited to "REBUILT," "SALVAGE," "JUNK," "DESTROYED," "NON-CONFORMING," "LEMON," or "FLOOD;"
 - D. That the airbag(s) is/are intact and have not been deployed, deactivated, tampered with, repaired, or otherwise altered in any way, and that no airbag "on/off switch" has been installed;
 - E. That the trade-in vehicle has not been determined to have an uncorrected non-conformity or serious safety defect as the result of any final determination, adjudication or settlement in Washington or any other state;
 - F. That the vehicle's emission control equipment is intact, standard to the vehicle, and that no part of the system has been removed or altered;
 - G. That the vehicle has never sustained flood or water damage;
 - H. That the odometer on the vehicle has not been rolled back or otherwise tampered with, and that the mileage reflected on the odometer is the actual mileage on the vehicle

Buyer acknowledges that Dealer is relying on the foregoing warranties and that without such warranties, Dealer would not be purchasing the trade-in vehicle(s). Buyer further acknowledges that a breach of any of the foregoing warranties entitles Dealer to rescind this Buyer's Order and/or to recover from Buyer any damages sustained by Dealer resulting from said breach, including attorney's fees and costs.

The dollar amount specified as the trade-in allowance may be renegotiated and adjusted in the event that: (1) The Buyer fails to disclose that the certificate of ownership or certificate of title for the trade-in vehicle has been branded for any reason, including but not limited to: its status as a "Rebuilt," "Salvage," or "Lemon Law Repurchase" vehicle; or (2) The trade-in vehicle has substantial physical damage or a latent mechanical defect which occurred before the dealer took possession of the vehicle and which could not have been reasonably discoverable at the time the order, offer or contract was made; or (3) There are excessive additional miles on the trade-in vehicle(s) or there is a discrepancy in the mileage as defined in RCW 46.70.180(4)(b); provided, however, that such does not preclude either party from asserting any other claims or defenses available to them.

2. **PRICE CHANGES.** The manufacturer has reserved the right to change the price of new motor vehicles, including the price of factory-installed options, without notice. In the event that the price of the new car ordered hereunder is so changed, the cash delivered price, which is based on the list price effective on the day of delivery, will govern in this transaction. If the cash delivered price is increased as a result of the manufacturer's change in the price, Buyer may, if dissatisfied with such increased price, cancel this order. The Dealer shall retain the option to void this order if Buyer does not agree to the adjusted price.
3. **CHANGE OF DESIGN.** The manufacturer has the right to make any changes in the model or design of any accessories and/or parts of any new motor vehicle at any time without notice. In the event of any such changes, neither Dealer nor manufacturer shall be obligated to make corresponding changes in the vehicle covered by this order, either before or subsequent to the delivery of such vehicle to Buyer.
4. **DELAYS IN DELIVERY.** Dealer shall not be liable for failure to deliver or delay in delivering the vehicle covered by this order where such failure or delay is due to or caused, in whole or in part, by the manufacturer, accidents, strikes, fires or other causes beyond the control of the Dealer.
5. **FACTORY WARRANTY.** If any new or used vehicle is subject to an existing manufacturer's warranty, that warranty is made by the manufacturer only and runs directly from the manufacturer to Buyer.
6. **DENIAL OF FINANCING APPROVAL.** If for any reason financing approval is not given, or this Agreement is declared void, this section applies. You will return the vehicle to us. You will pay us on demand all reasonable charges and expenses for any damage to the Vehicle. If you fail to return the Vehicle within 24 hours of our request, you acknowledge that we may retake immediate possession of the Vehicle and you agree to pay us (i) all reasonable expenses we incur in connection with retaking the Vehicle, (ii) the greater of \$30 per mile or \$30 per day for your use of the Vehicle from the date of your possession of it, and (iii) property damage claims, attorney fees, and other sums to the extent permitted by applicable law.
7. **LIMITATION ON WARRANTIES.** On used motor vehicles, Dealer makes no express warranties except as may be set forth in any written limited warranty granted to Buyer. As to the implied warranties of merchantability and fitness, the same shall be modified, disclaimed or excluded as provided in a separate writing furnished to Buyer by Dealer in the form of a Limited Warranty or a Disclaimer of Warranties. The terms of such Limited Warranty or Disclaimer of Warranties shall control and thereby affect any implied warranties, and such terms and conditions are hereby made a part of this order and are incorporated herein by reference. Further, the applicability of any existing manufacturer's warranty on the used motor vehicle, if any, shall be determined solely by the terms of such warranty.
8. **BUYER'S OBLIGATIONS.** Buyer shall execute an odometer disclosure statement pertaining to Buyer's trade-in vehicle(s) as required by law. Buyer agrees and acknowledges that any misrepresentation on said odometer statement will constitute a breach of this agreement by Buyer and entitles Dealer to pursue all remedies allowed by law or, at Dealer's option, to cancel this agreement. Further, in the event the vehicle purchase referred to in this order is to be financed, Buyer herein, before or at the time of delivery of the vehicle ordered, and in accordance with the terms and conditions of payment indicated on the front side of this order, agrees to execute a retail installment contract or security agreement for the purchase of such vehicle. Buyer agrees that any misrepresentation on any credit application provided by Buyer with respect hereto shall constitute a breach of this Agreement.
9. **SECURITY INTEREST.** Buyer hereby grants to Dealer a security interest in the subject vehicle and in all additions, accessories, and all proceeds of insurance covering its loss, damage, or destruction, and in all service contracts and mechanical breakdown policies pertaining thereto. The security interest created hereby secures the payment of all debt Buyer owes to Dealer pursuant to and/or arising under this order, including but not limited to the purchase price of the subject vehicle. Seller retains this security interest provided for in this Buyer's Order notwithstanding assignment of any retail installment contract or other financing agreement (including the separate security interest provided for, and in addition to, that therein) to a third party.
10. **ATTORNEY'S FEES.** In the event either Buyer or Dealer shall seek the services of an attorney as a result of the breach of this agreement by the other party, the prevailing party in any legal action or arbitration shall be entitled to reimbursement of attorney's fees and costs incurred as a result of the other party's breach. Further, in the event Buyer files for bankruptcy, Dealer shall be entitled to collect any and all attorney's fees incurred by Dealer with respect to such bankruptcy proceeding, including but not limited to seeking relief from stay or seeking reaffirmation of the debt.
11. **CONTROLLING LAW/VENUE.** This agreement shall be construed in accordance with the laws of the State of Washington. In any suit, action, or other proceeding arising out of this agreement, the parties agree that the venue for any such suit, action or proceeding shall be the county in which the Dealer's principal place of business is located.
12. **DOCUMENTARY SERVICE FEE.** The Documentary Service Fee is a negotiable fee.



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

November 12, 2024

MEMORANDUM

TO: Board of Commissioners
FROM: Mark Handzlik, P.E., Engineering Manager
SUBJECT: InPipe Energy Contract Change Order No. 1

Requested Action:

Authorize the General Manager to execute Change Order No. 1 with InPipe Energy.

Background:

On May 30, 2024, following Board approval, the general manager entered into a contract with InPipe Energy for design and construction of an energy recovery system at the PUD's 9th and Highland reservoir. The project will replace the existing mechanical pressure reducing equipment with equipment that will recover the usable energy. Since the PUD does not have a large enough electrical demand on site, the neighboring high school will assume ownership of the meter and enjoy the net benefit of the power unconsumed by the PUD.

The original design was to re-route the piping within the existing underground vault. After reviewing the valuable changes/additions to the piping network within the vault, it was recently determined that an entire new vault would be beneficial for PUD operations.

The existing vault has limited ceiling height, is deep underground, and does not have a clear retrieval path of workers within the vault. The new vault, for which this change is being requested, will be installed at higher elevation and provide better access and reduce risk to staff. It will also provide space to add SCADA controls to the replaced and updated altitude valve, include installation of a new flow meter that does not currently exist, and upgrade SCADA locations.

The cost of the design and construction of the new concrete vault with better access, new SCADA controls, new flow meter, and replaced altitude valve is estimated at \$350,000 not including sales tax. In the event this work is not reimbursable through the IRS credits, it remains a valuable endeavor to improve safety, SCADA control and metering, and replace and update equipment.

Fiscal Impact:

The original project scope is paid for through private and public grants, along with IRS credits for the remaining amounts. It is intended to have this additional work be considered part of the control work necessary for the installation of the energy recovery unit and be paid through existing funding sources. In the event tax law or current credits are not available for this work, funding is requested through allocation of capital funds from the 2024 Budget.

Enclosures: 1. [INPIPE1066-CO1004 for Skagit Mt Vernon](#)
2. [INPIPE1066-G1001-GA Skagit 9th and Highland Rev A](#)

CHANGE ORDER

Change Order # : 1004
 CO Date : October 31, 2024

To	Skagit PUD 14515 Freeway Drive Mount Vernon, WA 98273 Attn : Mark Handzlik Phone : 360.853.6305 Email : handzlik@skagitPUD.org	From	InPipe Energy 830 NE Holladay St. Portland, OR 97232 Attn : Gregg Semler Phone : 503.341.0004 Email : gregg@inpipeenergy.com
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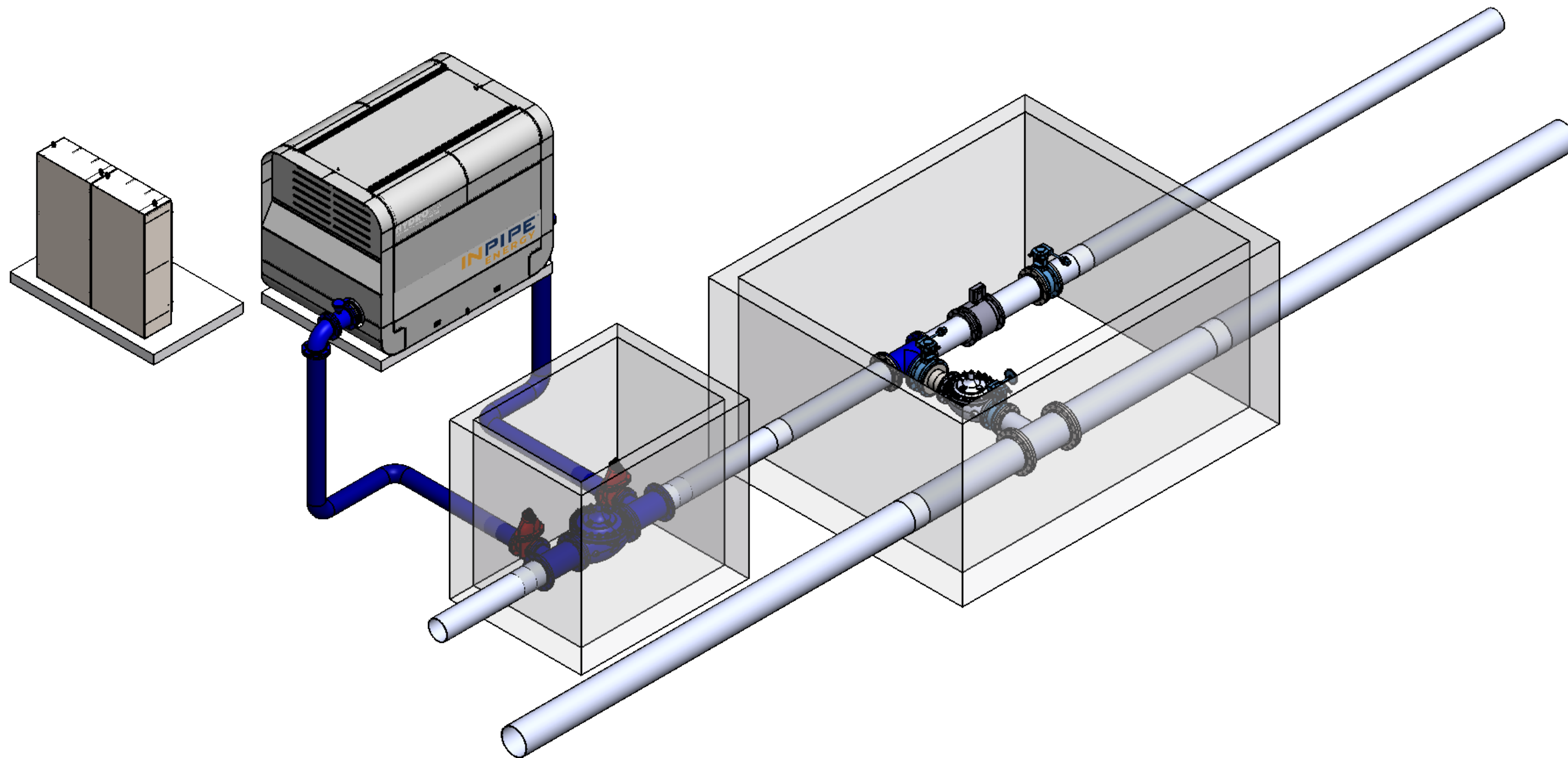
Tasks	Description	Payment Terms	Price
Task 1	No Change - Task 1: Design	100% on completion	\$75,000
Task 2	No Change - Task 2: Regulatory support	100% on completion	\$5,000
Task 3	<p>Previous Description: Task 3: Supply of HydroXS Energy System and related equipment including a minimum of one EV charging station (previous price: \$530,000)</p> <p>New Description: Task 3: Design and supply of new vault upstream of existing vault and all associated civil work, new altitude valve for new vault, Outdoor duty panels, New flowmeter for existing vault, design and supply two EV charging stations and associated civil work, design and supply Electrical/SCADA connections to/from existing vault to existing SCADA and new vault (per approved general arrangement drawing: INPIPE1066-G1001-GA rev A)</p>	<p>75% at contract execution</p> <p>25% on shipment</p>	\$690,000
Task 4	<p>Previous Description: Task 4: Mechanical & Electrical Installation. (previous price: \$340,000)</p> <p>New Description: Task 4: Mechanical & Electrical install of new vault upstream of existing vault and all associated civil work, install new altitude valve for new vault, install Outdoor duty panels and concrete pads, assist with installation of new flowmeter for existing vault, installation of two EV charging stations and associated civil work, install and rework Electrical/SCADA connections to/from existing vault to existing SCADA and new vault (per approved general arrangement drawing: INPIPE1066-G1001-GA rev A)</p>	<p>90% Completion of installation</p> <p>10% Upon notification to operate</p>	\$530,000
CO for Contract Number: 24-92201-032		Previous Subtotal	\$950,000
		New Subtotal	\$1,300,000
		Sales Tax @ 8.8%	\$114,400
		Total w/ Tax	\$1,414,400

D

C

B

A



NOT FOR CONSTRUCTION

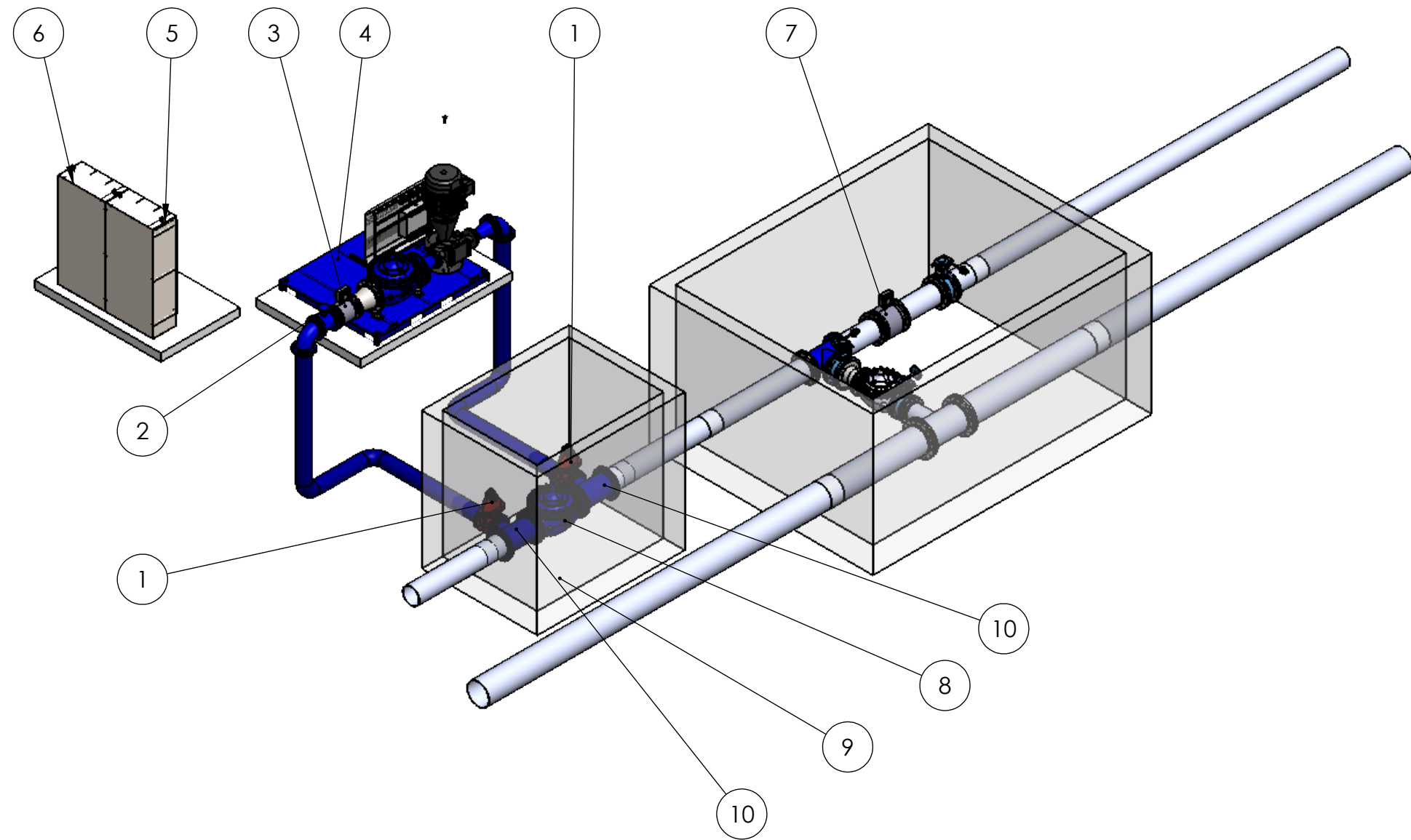
NOTES:

REV	DATE	DESCRIPTION	APPROVED BY
A	8/22/24	ISSUE FOR INFORMATION	M. CONNOR

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DRAWN BY: T. BEALES	DATE: 8/22/24	DESCRIPTION: GENERAL ARRANGEMENT
CHECKED BY: M. CONNOR	DATE: 8/22/24	CLIENT/PROJECT: SKAGIT PUD 9TH & HIGHLAND
APPROVED BY: M. CONNOR	DATE: 8/22/24	
SCALE: 1:50	PROJECT NO: INPIPE1066	DRAWING NO: GA1001
		920 SW 6TH AVENUE 12TH FLOOR PORTLAND, OR 97204
		SHEET: 1 of 3
		REV: A

ITEM #	DESCRIPTION	QTY
1	8" MUELLER A-2362 RESILIENT WEDGE GATE VALVE MJ X FL	2
2	VALMATIC COMBINATION VALVE	1
3	8" M2000 BADGER METER W/REMOTE AMPLIFIER	1
4	HYDROXS M8-56KW-V (ENCLOSURE HIDDEN)	1
5	HYDROXS POWER PANEL	1
6	HYDROXS CONTROL PANEL	1
7	12" M2000 BADGER METER W/REMOTE AMPLIFIER	1
8	CLA-VAL 631-EA ALTITUDE VALVE	1
9	EXTERNAL VAULT	1
10	12"X12"X8" TEE	2



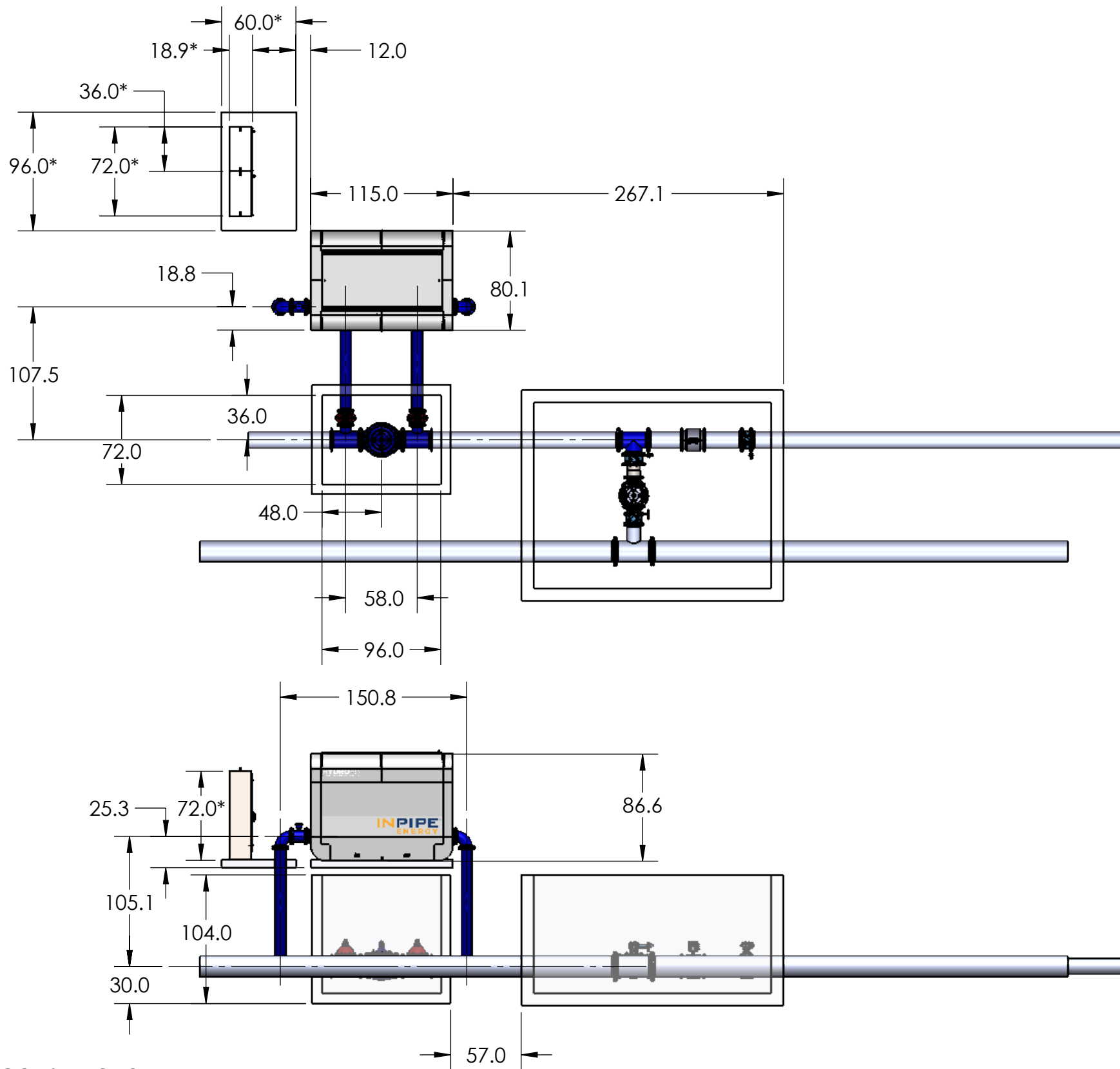
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A	8/22/24	ISSUE FOR INFORMATION	M. CONNOR

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DRAWN BY: T. BEALES	DATE: 8/22/24	DESCRIPTION: GENERAL ARRANGEMENT
CHECKED BY: M. CONNOR	DATE: 8/22/24	CLIENT/PROJECT: SKAGIT PUD 9TH & HIGHLAND
APPROVED BY: M. CONNOR	DATE: 8/22/24	INPIPE ENERGY
SCALE: 1:75	PROJECT NO: INPIPE1066	DRAWING NO: GA1001
		920 SW 6TH AVENUE 12TH FLOOR PORTLAND, OR 97204
		SHEET: 2 OF 3
		REV: A



*DIMENSIONS TO BE VERIFIED AFTER PANEL CONSTRUCTION

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NOTES:

REV	DATE	DESCRIPTION	APPROVED BY
A	8/22/24	ISSUE FOR INFORMATION	M. CONNOR

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DRAWN BY: T. BEALES	DATE: 8/22/24	DESCRIPTION: GENERAL ARRANGEMENT
CHECKED BY: M. CONNOR	DATE: 8/22/24	CLIENT/PROJECT: SKAGIT PUD 9TH & HIGHLAND
APPROVED BY: M. CONNOR	DATE: 8/22/24	INPIPE ENERGY 920 SW 6TH AVENUE 12TH FLOOR PORTLAND, OR 97204
SCALE: 1:100	PROJECT NO: INPIPE1066	DRAWING NO: GA1001
		SHEET: 3 OF 3
		REV: A



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November 12, 2024

MEMORANDUM

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

FROM: Jay Sedivy, C.S.P., Safety and Risk Coordinator

SUBJECT: Safety Practice and Procedure (SP&P) 3015, Underground Utility & Excavation Safety

Requested Action:

For information only, no action required.

Background:

SP&P 3015 was created to ensure compliance with Washington Administrative Code (WAC) 296-155, Part N and RCW 19.122. There is currently no written PUD policy or practice document regarding making excavations or protecting underground utilities. The goal of this SP&P is to clearly define how the PUD will safely make and manage excavations, and safely address the presence of underground utilities in the rights-of-way. In addition, this SP&P will ensure the PUD complies with WAC 296-800 core rules requiring written safety programs to maximize the effectiveness of our program and safeguard the health and safety of employees who are exposed to excavation and underground utility hazards.

Fiscal Impact:

There is no anticipated fiscal impact associated with this SP&P.

Enclosures: 1. [SPP 3015](#)



Underground Utility & Excavation Safety Safety Practice & Procedure #3015

Discussion

Excavations are a common and necessary part of the PUD's work. The hazards associated with excavations include the potential for utility strikes, excavation collapse, and an unsafe atmosphere.

Purpose

This Safety Practice and Procedure (SP&P) establishes safe excavation procedures for the PUD. This SP&P also ensures compliance with WAC 296-155: Part N, WAC 296-800-30005, RCW 19.122, WAC 296-305-05113 (6), Washington Utilities Coordinating Council's *Guide to Safe Digging*, the Common Ground Alliance's *Best Practices*, the Washington Department of Ecology inadvertent discovery plan, and several other applicable regulations and guidelines.

Written excavation work plan

This SP&P serves as the PUD's written excavation work plan. This plan complies with WAC 296-155: Part N by:

- Identifying the excavations that require a protective system; and
- Identifying the classification of soil for a proposed excavation; and
- Identifying underground utility installations at the site of a proposed excavation; and
- Describing the methods to protect underground utility installations once exposed; and
- Describing the methods to protect an excavation from encumbrances; and
- Describing the method of stabilizing structures adjacent to an excavation; and
- Considering and identifying potentially hazardous atmospheres in an excavation; and
- Describing the methods used to protect an excavation from collapse; and
- Describing the procedures used to install and remove excavation protection systems; and
- Describing the frequency of excavation inspections for evidence of an impending cave-in, failure of the protective systems, development of a hazardous atmosphere, or other hazardous condition; and
- Describing the method of protection for employees from excavation cave-in when they are entering or exiting excavations protected by a shield system; and
- Describing the method of protecting employees in an excavation from loose soil, rock, equipment, and other objects from rolling or falling into an excavation; and
- Describing the safe means of access and egress for employees in an excavation; and
- Describing the actions to be taken to provide the prompt and safe removal of employees from an excavation that has caved-in, to include:
 - ✓ Contacting rescue and emergency medical services
 - ✓ Removing or rescuing employees from an excavation
 - ✓ Providing needed emergency medical services to rescued employees

- ✓ Preventing unauthorized people from entering an excavation to attempt a rescue
- Being available on-site at appropriate excavation sites for inspection by PUD managers and supervisors, responding emergency agencies, and L&I.

Scope

This SP&P applies to all PUD personnel and contractors performing work in PUD-controlled excavations and work sites. This SP&P also applies to PUD personnel performing work in excavations made by others by defining the acceptable conditions for PUD employees to enter or interact with, and contractors under PUD control to enter or interact with, those excavations.

The guidance provided in this SP&P does not address all possible scenarios. If the requirements in this SP&P cannot be implemented, then the PUD employees responsible for working in and around an excavation must confer with their supervisors and the safety coordinator before proceeding.

Responsibility

The PUD shall, for excavations that it makes and is in control of:

- Be responsible for developing, implementing, and maintaining a safe work practice for excavation and underground utility locating; and
- Provide competency-building training for all employees who will direct, work in, or supervise excavations; and
- Provide safety and health coordination for non-routine excavation operations that require expertise beyond the competency available; and
- Review all documentation of excavations and utility location operations; and
- Conduct design review of all excavation operations to determine if excavation hazards will be created, innovatively eliminate those hazards during the design phase, and work to mitigate hazards that cannot be eliminated.

Managers and supervisors who supervise employees who work in and around excavations shall:

- Ensure their employees follow the provisions of applicable regulations and this SP&P; and
- Engage the safety coordinator when the activities of their employees appear to challenge the ability of their employees and/or equipment; and
- Ensure their employees are trained and competent in safe excavation operations and utility location operations before conducting related work; and
- Make sure no unauthorized excavations or unqualified entry into excavations occur; and
- Shall ensure that a simple job hazard analysis is used to document the hazards and hazard mitigations used for excavation operations.

Employees who work in and around excavations:

- Shall follow the excavation and underground utility location practices and procedures in this SP&P; and
- Have documented training on file that demonstrates competence in excavation work and applicable excavation regulations and practices; and

- Shall ensure that unqualified people are not allowed in any excavations, and take measures such as using barriers and cordoning off their work site to keep unqualified people away from excavations and other hazards; and
- Must seek the guidance of the safety coordinator and supervisors if unsure how to safely proceed with excavation work.

The competent person responsible for directing work in an excavation shall:

- Be on-site, responsible for the excavation; and
- Have documented training on file that demonstrates competence in excavation work and applicable excavation regulations and practices; and
- Ensure a copy of this SP&P (written excavation work plan) is on-site at excavations that are 4 feet or more deep, or that require cave-in protection such as shoring or shielding; and
- Shall use a job hazard analysis (JHA) to document the hazards and hazard mitigations used for excavation operations; and
- Shall inspect the excavation daily, and after any major changes to conditions impacting the safety of the excavation occur, such as:
 - ✓ Before and after a protective system is installed; or
 - ✓ During and after a rain or other event that introduces water to the excavation; or
 - ✓ When the protective system or characteristics of the excavation change, or when new hazards become apparent.
- Evacuate the excavation when:
 - ✓ Rain or other sources of water that threaten the safety of the excavation; and
 - ✓ The integrity of the excavation appears to be insufficient – even with protective systems in place; and
 - ✓ Protective systems and other safety systems in the excavation are failing or no longer appear to be effective for any reason; and
 - ✓ A dangerous atmosphere in the excavation is detected.
- Act as the PUD subject matter expert for and provide support to the emergency personnel who arrive on-scene to enact the safe rescue plan.
- Be vested with the authority to depart from the assumption that all soils are assumed to be Type C, so long as the soil type and testing method are documented in work documents for the purposes of:
 - ✓ Choosing benching as a protective system in Type A and B soils; and

Key definitions and concepts

Access and egress

A way for employees working in an excavation to reliably and safely get in and out of the excavation, and to quickly exit an excavation in an emergent situation. All excavations 4 feet or more deep must have a safe means of access and egress for employees. Means of access and egress must be no more than 25 feet from any employee working in the excavation.

The most common form of a means of access and egress is the use of a portable extension ladder. Ladders must be set up according to manufacturer's instructions, prevented from being displaced when used, and have at least 3 feet of the end of the ladder above the ladder's landing at the top of the excavation.

Other means of access and egress, such as an earthen ramp can be used but must be designed and built by a competent person. Employees and supervisors needing to use a means of access and egress other than a proper portable extension ladder or earthen ramp must consult the safety coordinator.

Employees must not be allowed to access or egress an excavation by stepping on piping and other structures in the excavation; by stepping onto the walls of the excavation; or by climbing on the structural members of the excavation's protective system.

Backfilling

Ensure underground utilities are supported when backfilling an excavation. Backfill material shall not contain garbage, glass, decomposable organic material, washed gravels, materials that will not compact, large rocks or stones (greater than 10" diameter), construction debris, chunks of asphalt or pavement, or anything that may damage underground utilities or cause added subsidence to the filling of the excavation. Backfill shall not be unloaded directly on top of underground utilities.

Barriers

Barriers are an effective means of cordoning off an excavation site to prevent unqualified people from entering the site and being injured. The most common barrier is the use of delineators and caution tape.

Barriers must be much more robust if the excavation is exposed to motor vehicle traffic. All excavations made in roadways must be protected either by a lane closure and accompanying traffic safety setup that puts adequate space between moving roadway vehicles and the excavation, or by using hard barriers such as concrete Jersey barriers or similar barrier types. Refer to the PUD road and right-of-way safety practice for details regarding excavations and work zone setup.

Any barriers used during hours of darkness must be accompanied by proper illumination devices.

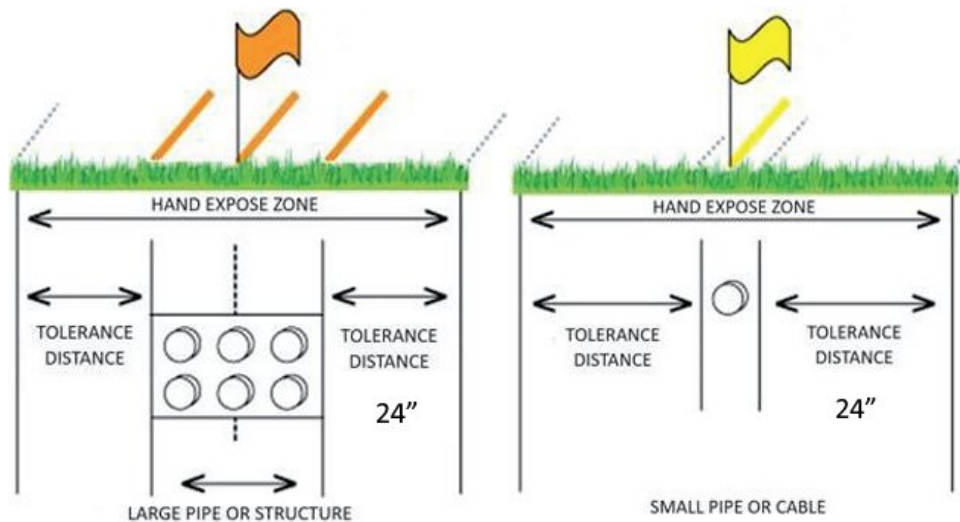
Benching

A protective method that involves shaping the sides of an excavation into benches with a series of alternating 90- and 180-degree stepped cuts to form benches. This technique is only allowed in Type A and B soils.

The PUD assumes all excavations will occur in Type C soil; therefore, benching is generally not allowed to be used by itself as a protective method for excavations. The PUD also recognizes that benching sometimes must be used to grant employee and equipment access in and out of excavations. Such benching is allowed if another protective system (such as a trench shield or shoring) is also used to protect employees. If benching is to be used as the sole protective system the competent person on-site must authorize its use and document the soil type and method used to test the soil.

Buffer (tolerance) zone

The area extending horizontally 2 feet on either side of a utility location mark; or within 2 feet of any direction to an exposed underground utility installation. Examples of two common scenarios are below.



Competent person

For excavation work, a person who can identify existing or predictable conditions that are hazardous or dangerous to employees. This person must be knowledgeable in excavation work and the regulations impacting excavation safety. This person must have the authority to take prompt corrective measures to eliminate hazards.

Contaminated soil

Soil that has known or suspected contamination with substances such as diesel and other types of fuels, heavy metals (such as arsenic or lead), friable asbestos, and other known hazardous substances must be handled with care and in compliance with all applicable laws.

If a PUD excavation reveals possible hazardous substances, work must stop, and supervisors and the safety coordinator must be consulted before continuing work. The safety coordinator and supervisors will:

- Identify the presence and quantity of the suspected substances in the soil and atmosphere either by conducting industrial hygiene testing on-site, or by hiring the services of a vendor who conducts such testing; and
- Offer post-exposure medical screenings at a contracted urgent care/occupational health clinic at no cost to the employee; and
- Ensure all exposed or potentially exposed employees are notified of the results of environmental exposure hazards caused by the possible hazardous substance; and
- Ensure proper administrative, engineering, and PPE controls are selected prior to work resuming on the site.

Contaminated soil sites must be considered prior to any PUD excavation project, regardless of whether the excavation is made by PUD employees or by a contractor. Washington Department of Ecology (DOE) mapping websites detailing known and suspected contaminated soil and leaking underground storage tank sites should be consulted prior to commencing an excavation. Those responsible for planning excavations should consult the safety coordinator for cross-referencing DOE mapping resources.

Engineered excavation

An excavation that is 20 feet or more deep; or an excavation of a scope or complexity that is beyond the routine capability of existing equipment and employees to make and work in safely.

PUD employees must not make excavations over 20 feet deep without an excavation and protective system designed by a registered professional engineer (RPE). PUD employees must engage an RPE for excavations that existing PUD equipment and employees cannot safely make due to complexity or the size of the proposed excavation.

Encumbrances

Objects underground or on the ground that may get in the way or create a hazard for those working in the excavation. Examples of encumbrances include, but are not limited to:

- Underground water tables; or
- Underground utilities; or
- Street signs, guardrails, and other roadway appurtenances; or
- Sidewalks, fences, and trees.

Encumbrances must either be removed or supported properly before employees may enter the excavation to perform work.

Encumbrances such as sidewalks or panels of pavement must be supported by cribbing using either wooden timbers, purpose-built metal screw jacks, or some other supportive device intended to hold the weight of such structures.

Excavations shall not be made under any portion of a building to prevent undermining the structure.

Excavation

Any operation in which earth, rock, or other material on or below the ground is moved or displaced by any means. This definition includes small surface disturbances such as sign placement, meter box replacement, planting vegetation, and similar small-scale excavations.

Excavation equipment

Excavation equipment includes but is not limited to:

- Shovels and bars
- Mechanized excavators and backhoe equipment
- Jackhammers, concrete/asphalt saws, and tools used to open the ground
- Vacuum excavation equipment

All employees expected to use excavation equipment must be trained prior to use. All equipment must be used in accordance with manufacturer's instructions. Departments are responsible for the maintenance and care of all excavation equipment under their control.

Excavation work plan

A written plan that fulfills the purpose of this SP&P. This SP&P serves as the core PUD written excavation work plan.

A site-specific written excavation work plan is not required to be on-site at excavations less than 4 feet deep; or in excavations 4 feet or more deep where the only protection needed is 1 and ½ to 1 sloping in assumed Class C soils.

Fall protection

Protection from falls includes preventing:

- People from walking or traveling to and falling into an excavation; and
- Equipment and tools from falling into an excavation; and
- People who don't have a need to be on an excavation site away from the excavation.

Fall protection for employees is not required to work in or near an excavation if they are directly involved in the excavation process in positions including:

- Foreman/lead; or
- Signal person; or
- Employees engaged in moving materials (riggers, equipment operators, and spotters); or
- Employees performing grading work; or
- Municipal inspectors inspecting the excavation; or
- Engineers and other professionals inspecting for quality control or safety in and near the excavation.

PUD excavations will not typically have employees who are not involved in the roles previously listed on-site. However, employees who are not involved in the excavation, are on-site, and exposed to a fall hazard of 10 feet or more must be protected from falling into the excavation by some form of protection. Such protective systems can be simple, such as caution tape and delineators (candlestick cones). More complex situations must be referred to a supervisor and the safety coordinator.

All non-essential employees and members of the public must be kept away from the excavation. PUD employees are required to stop work in and around an excavation if a person with no need to be on-site is detected. If a member of the public without a need to be on the excavation site refuses to leave, the employees must either call 911 to ask for police assistance. If the person refusing to leave is a PUD employee or a contractor the PUD is working with, contacting supervisors and the safety coordinator is appropriate.

Tools, equipment, and materials (pipe, etc.) should be stored at least 2 feet away from the edge of an excavation – especially if they are not in immediate use. Tools and other materials must never be thrown.

Heavy equipment and vehicles must never straddle an excavation with employees in the excavation. Heavy equipment and vehicles must have their undercarriages kept at least 2 feet away from the edge of an excavation unless curbing is used to prevent the equipment from rolling into the excavation.

Employees must never be underneath an excavator or backhoe bucket with a load in it, or underneath a slung load while in an excavation.

Hazardous atmosphere

Consistent with the PUD confined space safety program, a hazardous atmosphere may expose employees to the risk of death, incapacitation, impair their ability to self-rescue, injury, or acute illness caused by one or more of the following:

- Flammable gas, vapor, or mist more than 10% of its lower explosive limit (LEL); or
- Atmospheric oxygen (O₂) concentrations below 19.5% or above 23.5%; or
- Atmospheric concentration of any substance which exceeds the permissible exposure limit (PEL), such as hydrogen sulfide (H₂S) at or above 10 PPM or carbon monoxide (CO) at or above 50 PPM; or
- Any atmospheric condition that is immediately dangerous to life or health (IDLH).

If there is a possibility that the excavation could contain a hazardous atmosphere, PUD confined space entry procedures and permitting shall be used in any excavation 4 feet or more deep.

Examples of excavations that may contain a hazardous atmosphere include those made near old landfill sites, near decommissioned underground fuel tank sites, excavations with natural gas utility lines in or near the excavation, or where gas-powered tools are used to work in the excavation.

Location confirmation

Confirming the presence and course of an underground utility installation through the site of a proposed excavation. Positive confirmation can only be achieved using soft digging techniques approved by this SP&P.

Potholing

A method of excavation typically used to create a small-diameter hole in the ground using soft methods of digging (typically a vacuum excavator) to confirm the presence or absence of underground objects.

Employees may enter pothole excavations if it is less than 4 feet deep; or if the pothole excavation has all the safety features and protective systems required of any other type of excavation.

PUD-controlled excavation

An excavation is under the control of the PUD if it is created by PUD employees and equipment; or if it is made by others under contract to the PUD for projects the PUD has accepted as being substantially complete or that have been placed in full service. The PUD does not have control over excavations made by others, such as those made by developers or their contractors for the purposes of tying their project's system into the PUD's public system.

While PUD employees are prohibited from entering excavations made by others if they do not meet the minimum protection requirements in WAC 296-155: Part N, PUD employees must not exert control over the excavation. Instead, PUD project managers, inspectors, or others must work collaboratively with the developer or contractor responsible for the excavation to ensure compliance with safety standards exist prior to the entry of PUD employees.

Protective system

A system used to protect an excavation from collapsing with the intent of preventing employees working in the excavation from being injured.

All excavations 4 feet or more deep must be protected by one or more types of protective methods. The PUD will primarily use sloping, purpose-made shoring systems, and shielding to protect excavations.

Protective systems must be used in accordance with their designed purpose and manufacturer's instructions. Installation and removal of protective systems must be done in accordance with manufacturer's instructions.

Retrieval equipment

As of 2024, no fire department in Skagit County can send its rescue and medical personnel into a collapsed excavation that has not been made safe, or one where the atmosphere is unsafe or unknown. PUD employees must use retrieval equipment in an excavation that is required to be tested for a hazardous atmosphere. All practices and procedures regarding the use of retrieval gear in the PUD confined space safety program must be followed in these situations.

Shoring

A system used to prevent excavation failure (cave-in), composed of purpose-built engineered components such as sheeting and cross braces (shores). These systems apply safe amounts of pressure on the vertical uprights and sheeting to hold soil walls of excavations in place.

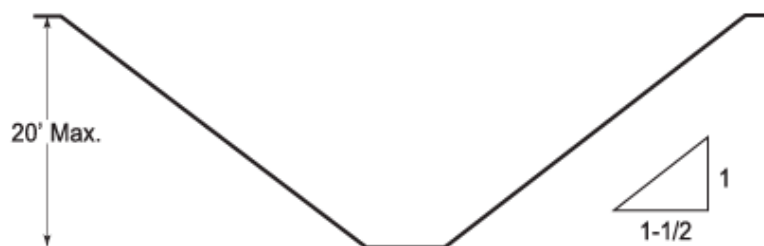
Shoring must be purpose made by a manufacturer with the accompanying design of the system made by a registered professional engineer (RPE).

Shoring must not be more than 18 inches from the top of a protected excavation, or more than 2 feet from the bottom, unless otherwise specified by the manufacturer.

Sloping

A form of protection involving the shaping the edges and walls of an excavation so that the walls of an excavation are laid back at an angle of repose that minimizes the risk of the walls of the excavation collapsing under its own weight.

The PUD generally assumes all excavations will occur in Type C soil, which – if sloping is chosen as the method of protecting the excavation – requires a layback of 1.5 units of run and 1 unit of rise (1.5:1) as shown below.



Soil types

Soils are categorized as detailed in the following table:

Soil Type	Characteristics
Type A	Most stable, clay-heavy, very cohesive
Type B	Cohesive, but typically loamy or somewhat granular
Type C	Least stable, granular soils, sand, gravel, broken rocks, and any soil that is submerged or intruded by water
Stable rock	This soil type is exceedingly rare in Skagit County, and PUD will not excavate in this soil type

For the purposes of excavation, the PUD shall consider all soils to be Type C, except as authorized by the competent person on-site.

Soft methods of excavation

The use of a hand shovel or a high-pressure water and vacuum excavator are the approved soft digging methods. These methods must be used when:

- Attempting to confirm the presence of an underground utility installation through the course of a proposed excavation; or
- An underground utility is exposed, and excavation must continue within 2 feet of the installation's confirmed position; or
- Removing soil from employees trapped in a collapsed excavation as part of the safe rescue plan.

Spoils

Spoils are excavated soils and other materials stored temporarily on the site of an excavation.

Excavated spoils must be stored more than 2 feet from the edge of an excavation, even if the excavation is less than 4 feet deep. Spoils must never become a superimposed load that can collapse the edge of an excavation, even if the excavation has a protective system.

If spoils cannot be safely stored on-site, they must be moved using proper equipment off-site until the excavation is ready to be filled.

Tabulated data

Tables and charts approved by a registered professional engineer (RPE) and used to design and construct an excavation's protective system. Most tabulated data is for ready-made systems such as trench shields, shoring kits, or for overnight excavation covers. Tabulated data for all protective systems must be kept on site while the system is in use.

Trench

A type of excavation that is narrow in relation to its length. Generally, a trench is deeper than its width across. Trenches are not greater than 15 feet wide across the excavation on average along the entire length of the excavation.

Trench plates

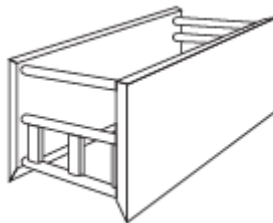
If a trench must be kept open without backfilling in a roadway, sidewalk, or other hardscape area, a trench plate will often be the most appropriate form of protection. Tabulated data for the trench plate must be maintained in the same manner as any excavation protection system.

Trench plates used in roads, driveways, or parking lots must be tapered in place with cold asphalt (or other temporary paving) to reduce the abruptness of the edge to vehicle tires and to prevent the plate from being moved. The use of a #4 pin at each corner of each plate must be used on any trench plates used on state highways.

Trench plates used on roadways must be accompanied by advanced warning signage from all possible directions of travel over the plate that states, “motorcycles use extreme caution”.

Trench shield

Can also be called a *trench box*. A protective system that is inserted into an excavation to protect employees who are working between the shield’s two sides from the collapse of the excavation. These systems differ from shoring systems that place pressure upon the walls of an excavation to prevent collapse. Instead, these systems put a robust shield between the spalling side of an excavation and the employees working in the excavation. An example is shown below.



Shields may ride 2 feet above the bottom of the excavation if there is no caving under or behind the shield. The top of the shield must be at least 18 inches above the top of the excavation if there is ground or excavation sloped toward the shield. Employees must not remain in the shield while it is being moved.

Unregulated ground disturbance

Any excavation operation that is 12 inches or less in depth; made only by employees of the property owner (not contractors) on land owned by the operator directing the excavation.

Unregulated ground disturbances are narrowly interpreted to cover only excavations made by PUD employees that are 12 inches or less on PUD-owned property. Such excavations are exempt from having full utility location services completed prior to excavating.

Water accumulation

Water accumulation in an excavation can occur after a rainfall because a portion of a water system is leaking, or because the excavation crosses into an underground water table. Any amount of water is a serious threat to the stability of an excavation.

PUD employees must not enter an excavation with water accumulated or accumulating in it, unless precautions have been taken to protect employees from the hazards posed by water accumulation. Precautions may include the use of dewatering equipment or the use of a properly installed shield system. The competent person responsible for the excavation may decide to halt work in an excavation due to inclement weather, including rain. Dewatering equipment and additional protective systems installed due to water accumulation must be regularly monitored for effectiveness by a competent person on-site. Where applicable, surface water must be diverted away from excavations.

Underground utility safety during normal operations

Before any excavation can be made, location of all possible underground utility locations must be made. Generally, the following practices must be followed.

1. Before excavating, PUD supervisors or employees must generate either an electronic locate ticket through the online Washington 811 service or call 811 at least 48 hours prior to beginning excavation.

If excavating could involve complex or highly unusual scenarios (described in 4 below), add a meeting request to the location request with the 811 service.

The locate ticket number needs to be recorded in PUD work records.

2. PUD employees and supervisors must delineate the proposed excavation area using industry-standard white lining.
3. PUD employees and supervisors must wait at least 48 hours to give all responding utilities a chance to mark the location of their underground utilities or provide a positive response.

If a positive response is not received by all underground utility owners on the request ticket, the PUD employees, or supervisors responsible for the excavation must contact the 811 service. Excavation can commence, but all due care in excavation must be taken and best practices must be followed during excavation.

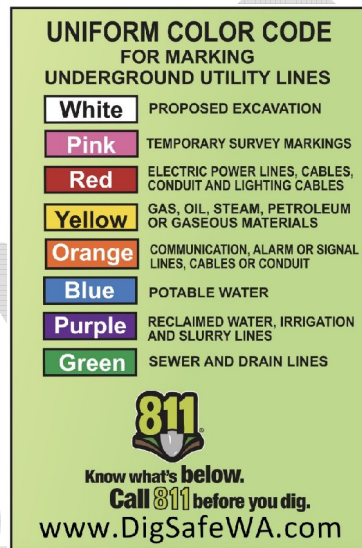
4. Prior to excavating, PUD employees and supervisors responsible for making the excavation should meet with underground utility owners on-site to facilitate communication and coordination in complex or highly unusual excavation scenarios. Examples of those scenarios include, but are not limited to excavations:
 - a. That cross or are near high pressure gas lines; or
 - b. That cross or are near electrical lines; or
 - c. Requiring multiple crossings with another utility owner's installation; or
 - d. Having unconfirmed location information.

The presence of an underground utility installation owner's employee or agent on-site does not relieve PUD employees of their responsibility to follow this SP&P or any industry-accepted best practice to avoid damaging such installations. If instructions between an underground utility installation owner's employee conflict with this SP&P, all work must stop, and supervisors and the safety coordinator must be contacted prior to proceeding.

5. If the underground utility installation poses a risk to the PUD employees and other who are in the vicinity of the proposed excavation, PUD employees or supervisors responsible for making the excavation must request that the utility installation be shut down, bypassed, or protected in a manner that eliminates the hazard. Examples of such hazards include but are not limited to the scenarios described in 4 above.

6. Prior to excavation, all locate marks must be verified by PUD employees and supervisors responsible for the excavation. This includes checking for unmarked underground facilities (regardless of the locate ticket status) by using soft digging methods along the course of the excavation where crossing utilities are marked or suspected to exist. PUD excavation personnel should check for visual clues that may hint at the presence of an unmarked or mismarked underground utility. Such clues include:
 - a. Nearby utility service laterals; or
 - b. Pedestals, risers, or meters; or
 - c. Signs of recent excavations.

Location marks must follow the color code as illustrated in the following figure.



7. Prior to excavation, all locate marks must be photographed and added to the work record. Care should be made to include photos that give relation to a fixed object such as a road sign, power pole, or other object. The use of an in-photo tape measure to note distances is encouraged.
8. Prior to excavation, PUD employees or supervisors responsible for the excavation must review the locate ticket information, all utility location markings, and plans for verifying locations with other PUD employees involved in the excavation.

The locate ticket and any related documentation must be kept on site for the entire duration of the excavation. Once the excavation is closed, the locate ticket and related documentation must be added to the work record.

All information, including contact information, for each underground utility owner must be made available and kept by the PUD employee who is leading the excavation operation on-site.

Location marks must be maintained as much as possible throughout the excavation and work process.

9. Using a spotter to help equipment operators to avoid unmarked underground utility installations and other hazards is encouraged.

The use of a spotter is not an approved alternative to soft digging techniques required elsewhere in this procedure.

The basic process for PUD employees to follow for a safe excavation includes:

1. Ensuring that a PUD employee who is competent in excavation operations is assigned to lead PUD excavation work; and
2. That all employees who will work in and around the excavation site are trained to recognize excavation hazards; and
3. Ensuring appropriately sized and capable excavation equipment is obtained and used; and
4. The competent person and other members of the work crew must pre-plan the proposed excavation to identify the status of the site and primary hazards, including:
 - a. The presence of all utility location marks, or applicable location information
 - b. Securing the energy for underground utilities, as applicable
 - c. At-grade hazards such as vehicle, bicycle, and pedestrian traffic
 - d. Underground utility installations and other underground obstacles
 - e. A safe means of access and egress
 - f. Contaminated soil, as applicable
 - g. Hazardous atmospheres, as applicable
 - h. Sources of water accumulation
5. Determining how members of the entry team will communicate with each other and how to communicate in emergency situations with outside emergency and rescue services; and
6. The competent person inspecting the excavation; and
7. Choosing and deploying a system to control access and prevent unauthorized entry to the excavation, and prevent pedestrians, bicyclists, and motorists from becoming injured; and
8. Determining if there are any other hazards to consider and what controls will be used to eliminate or reduce those hazards; and
9. Completing the work in the excavation in as safe a manner as possible; and
10. Backfilling the excavation once the work is completed, or placing a trench plate to protect the excavation; and
11. Recording all pertinent data on the job hazard analysis (JHA) and other safety forms, as appropriate.

Excavations made for emergency work

An emergency is a condition presenting a clear and present danger to life and property; or a customer service utility outage such as a water line leak. If an excavation must be made for emergency purposes, the only routine actions that are waived are:

- Marking the proposed excavation site by white lining; and

- Contacting the Washington 811 service at least two days prior to excavation.

All other actions for normal and routine excavation operations must be taken.

For emergency excavations, PUD employees and supervisors responsible for making an excavation must contact the Washington 811 service as soon as practical to provide notification of an emergency excavation.

Classifying excavations as an emergency to circumvent the normal 48-hour waiting period for positive responses to a location request is prohibited.

Inspections

The competent person shall inspect the excavation and the adjacent area:

- Daily – either immediately after the excavation is made, or upon removing covering at the beginning of work for the day; and
- After rain or other source of water has entered the excavation; and
- As needed throughout the duration of work in and around the excavation; and
- Anytime a condition has changed that can increase hazards to employees.

Conditions the competent person should be evaluating include:

- If the protective system chosen for the excavation is the best method of protecting employees working in or near the excavation; and
- Determining if there are any encumbrances that need to be removed or supported; and
- What means of access and egress will be used; and
- The intrusion of water into the excavation, and the means used to reduce the possibility of excavation collapse because of water intrusion; and
- The potential for a hazardous atmosphere; and
- The number of unqualified people who are getting too close to the excavation, and the methods used to delineate or cordon off the excavation site; and
- Determining if the location marks for underground utilities are accurate and being maintained that prevents equipment and employees from contacting or damaging those installations; and
- Ensuring all employees are using appropriate personal protective equipment (PPE); and
- Any other reasonably understood and anticipated hazardous conditions.

Safe rescue plan

As of 2024, Skagit County emergency response agencies have agreed that the following safe rescue plan will be effective in providing prompt and safe rescue and care to injured employees in an excavation.

This plan that allows emergency rescue crews to enter an excavation to rescue employees who are trapped by a collapsed excavation. If conditions allow, this plan allows PUD employees to enter excavations to rescue employees who are incapacitated or who need to be retrieved from the excavation.

This safe rescue plan considers the safety of emergency rescue personnel according to WAC 296-305-05113 (6) and at a minimum must ensure that emergency personnel do not enter an excavation unless it is:

- Protected from collapse or further cave-in by an adequate protection system; or
- Made entirely in stable rock; or
- Less than 4 feet in depth with no indication of potential or further collapse or cave-in as determined by a competent person.

Employee incapacitated in an intact excavation

If an employee becomes incapacitated in an excavation **that has not collapsed**, the following general steps must be taken:

1. Call 911 to request emergency services; and
2. Evacuate all other personnel from the excavation and adjacent area; and
3. Move all unnecessary people and equipment as far from the excavation as possible; and
4. Eliminate as many sources of weight and vibration as possible within 50 feet of the excavation; and
5. If attached to retrieval equipment, begin retrieving the employee if doing so will not injure the employee further; and
6. If not attached to retrieval equipment, perform the following:
 - a. Perform air monitoring to ensure excavation atmosphere is safe; and
 - b. Assess the protective system to ensure it will protect rescuers; and
 - c. Ensure there are portable extension ladders properly set up to allow rescued and rescuing employees a safe means of access and egress; and
 - d. Attach employee who will enter excavation to retrieval system; and
 - e. Rescuing employee will put harness on the incapacitated employee and attach them to the retrieval system; and
 - f. Another employee shall retrieve the incapacitated employee using the retrieval system from outside of the excavation; and
 - g. Assist the rescuing employee with self-evacuating from the excavation.
7. Perform or ensure that first aid and CPR measures are taken while awaiting emergency responders; and
8. Notify supervisors, managers, and the safety coordinator of the situation; and
9. Follow instructions of arriving emergency responders.

Employee trapped or incapacitated in a collapsed excavation

If an employee becomes incapacitated or trapped in an excavation **that has collapsed**, the following general steps must be taken:

1. Call 911 to request emergency services; and
2. Evacuate all other personnel from the excavation and adjacent area; and
3. Notify supervisors, managers, and the safety coordinator of the situation; and
4. Move all unnecessary people and equipment as far from the excavation as possible; and
5. Stop nearby traffic, if needed; and
6. Eliminate as many sources of weight and vibration as possible within 50 feet of the excavation; and
7. If not already present, ensure the following are brought on-site:
 - a. As many vacuum excavation vehicles as possible
 - b. Extra shoring equipment and trench shields
 - c. Air monitoring equipment

- d. Axial air blowers
 - e. Additional dewatering equipment, if water is present in the excavation
 - f. Additional extension ladders
8. If incapacitated/trapped employee is attached to retrieval equipment, begin retrieving the employee if doing so will not injure the employee further; and
 9. Immediately make all efforts to shore and shield the excavation to once again make it safe to enter; and
 10. Ensure there are portable extension ladders properly set up to allow rescued and rescuing employees a safe means of access and egress; and
 11. Use an object such as a road cone dropped or thrown into the excavation to try and mark the location of trapped employees; and
 12. If the excavation is made safe, use vacuum excavator or hand tools to try and remove soil from around the trapped employee to free them; and
 13. If the employee can be communicated with, encourage them to self-rescue; and
 14. Follow instructions of arriving emergency responders.

Documentation

All work involving excavations, regardless of depth, shall be analyzed using the PUD simple job hazard analysis (JHA) form. The form, once completed and discussed with the on-site work crew, shall be attached to the work record, or given to the supervisor or safety coordinator for proper review and filing.

All excavations requiring air monitoring, or the use of retrieval equipment shall have a PUD confined space entry permit filled out. The form, once completed, shall be given to the supervisor or safety coordinator for proper review and filing.

Training

All employees who will make or enter an excavation must receive training before performing, leading, or supervising excavation-related work. This training does not need to be repeated. However, training regarding shoring and shield systems, non-entry rescue materials and techniques, air monitoring devices, and other technical issues regarding excavation safety must be refreshed whenever the equipment or techniques in usage change. Excavation safety training shall be given by an experienced, competent, and qualified person. At a minimum, training for safe excavation work shall consist of all the required portions of the written excavation work plan.

Inadvertent discovery plan

All excavations may possibly uncover archeologically important materials, or human remains. Culturally important resources may include shell middens, burned rocks, bones, and stone tools such as arrowheads or spear points.

If possible cultural resources have been found:

1. Stop all work in the vicinity; and
2. Protect the discovery by placing a barrier around the site (up to 30') and keep vehicles, equipment, and people away; and
3. Notify a supervisor or manager; and
4. Notify the Washington Department of Ecology at (206) 594-0000.

If possible human remains have been found:

1. Stop all work in the vicinity; and
2. Call 911 to report possible human remains and request police assistance; and
3. Protect the discovery by placing a barrier around the site (up to 30') and keep vehicles, equipment, and people away; and
4. Notify a supervisor or manager.

Contractors

The PUD must inform contractors when the contractor's work will require them to enter an excavation prior to entry. The PUD is responsible for ensuring that excavations it makes are safe and accessible for contractors who will work in the excavation.

Contractors and other entities are required to provide all the materials, competent employees, training, and equipment needed to conduct their own excavation work. Contractors and others who are making excavations shall not be given the use of PUD personnel and resources to perform excavation work. Any deviation to this practice must be approved by the safety coordinator and appropriate manager in advance.

Contractors are required to comply with applicable WAC rules regarding excavation safety.

PUD employees entering excavations made by others

At no time will employees enter or be compelled to enter excavations made by others that do not comply with the minimum WAC rules; or where unsafe practices are reasonably believed to pose a threat of injury or illness.

If unsafe conditions are encountered at an excavation made by others, PUD employees must not enter the excavation. The PUD employee with the most on-site control (supervisor, manager, inspector, project manager) must contact the entity responsible for the excavation to coordinate making the excavation safe for entry.

Recordkeeping

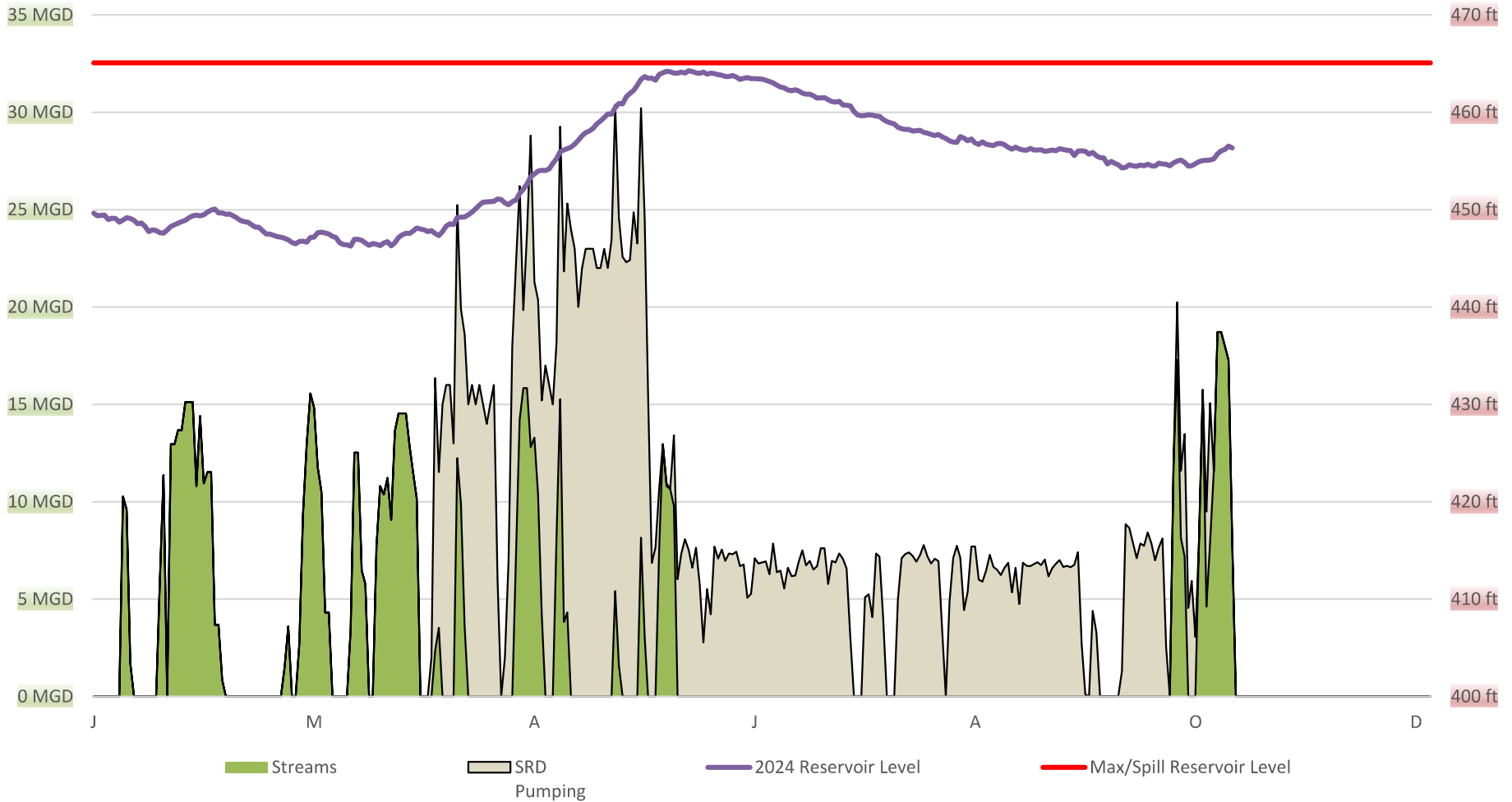
Training records shall be maintained for all PUD employees for the duration of their employment, or for at least three years – whichever period is longer. Training records shall be kept in paper format in the employee record, or in electronic format in an electronic filing system.

Confined space entry permits used to conduct excavation-related work where atmospheric hazards may exist shall be maintained in accordance with the PUD confined space safety program.

Former Title/Policy #:	N/A
Effective Date:	N/A
Revision Date:	N/A
General Manager Signature:	Date:

2024 Judy Reservoir Inflows & Elevation

October 30 Elevation:	455.09 (ft)
November 06 Elevation:	456.34 (ft)
Change in Elevation:	1.25 (+ 15.0 Inches)
Spillway Elevation:	465.10
Stream Inflow YTD:	878.06 MG
Skagit River YTD:	1798.57 MG



5-YEAR
JUDY RESERVOIR ELEVATIONS

