PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 05/28/19
2. Approval of Minutes 05/14/19 Commission Meeting
3. Approval of Minutes 05/21/14 Work Session
4. Ratification of Vouchers 05/21/19
5. Approval of Vouchers 05/28/19
6. Project Approval – Walton Beverage Fireline (Burlington)

TREASURER’S REPORT April 2019

AUDIENCE COMMENTS

OLD BUSINESS
7. SkagitNet Update
8. Manager’s Report
10. PUD Campus Location Assessment – Discussion
11. Draft Fire Hydrant Agreement – Potential Action

NEW BUSINESS
12. Risk, Resiliency and Emergency Response - Discussion

EXECUTIVE SESSION – Approximate 30 Minute Duration
Protected Critical Infrastructure
Per RCW 42.30.110(1)(a)(i) and Protected Critical Infrastructure Information (PCII) in accordance with the provisions of Department of Homeland Security 6 CFR Part 29

MISCELLANEOUS

COMMISSIONER COMMENTS

ADJOURNMENT

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

May 14, 2019

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, on May 14, 2019.

The meeting was called to order at 4:30 PM. Those Commissioners in attendance were: Eron Berg, President via conference call; Al Littlefield, Vice President and Joe Lindquist, Secretary. Also in attendance were: George Sidhu, General Manager; Peter Gilbert, Attorney, Mark Handzlik, Engineering Manager, and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Dale Ragan, Fire Chief Bryan Brice and Fire Marshal Steve Riggs, City of Mount Vernon; District Employees: Mike Fox, Kathy White, Gary Chrysler, Kevin Tate, Ben Hansen Luis Gonzalez, Mark Semrau, Brian Henshaw, and Dean Myers.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Lindquist moved to approve the Consent Agenda for May 14, 2019

1. Approval of Agenda 05/14/19
2. Approval of Minutes 04/23/19 Commission Meeting
3. Approval of Minutes 05/07/14 Work Session
4. Ratification of Vouchers 04/30/19
   No. 2857-Voucher Nos. 15341-15395, Payroll Check Nos. 26401-26783 ($351,401.75)
5. Ratification of Vouchers 05/07/19
   No. 2858-Voucher Nos. 15396-15445 ($73,020.56)
6. Approval of Vouchers 05/14/19
   No. 2859-Voucher Nos. 15446-15510, Payroll Check Nos. 26484-26566
7. Project Acceptance – McLean Road, Wall Street to Best Road, Phase I (Mount Vernon)

The motion passed unanimously.

Commissioner Littlefield stated that Item 11 (Draft Fire Hydrant Transfer Agreement) under New Business would be moved up on the Agenda to accommodate City of Mount Vernon Fire Chief Bryan Brice and Fire Marshal Steve Riggs who are in the audience.

11. Draft Fire Hydrant Transfer Agreement – Discussion
Manager Sidhu stated that there is a shared interest regarding the maintenance of fire hydrants and the District and City have been working on an agreement for quite some time. The District prefers having control over all public fire hydrants to ensure system integrity and that maintenance is completed to District standards, as all hydrants are connected to the District water distribution system.

Discussion ensued regarding conversations with the cities of Burlington and Sedro-Woolley, positive feedback from other fire districts, hydrants behind backflow devices.
Commissioner Berg stated he would like to bring the agreement back at the next meeting for potential action as he would like additional information regarding insurance requirements.

Chief Brice stated that treatment of private hydrants is part of their inspection process and owners are issued maintenance requirements.

Manager Sidhu stated that the item will be placed on the upcoming 5/28 agenda.

At this time, Finance Manager Henshaw presented the Status of Budget for the first quarter of 2019.

There were no audience comments.

Under Old Business:

8. Manager’s Report - Manager Sidhu reported on the following items:
   - Recognized the District teams that competed at the AWWA Pacific NW Section Conference; Matt Walker-Meter Madness-first time competing placed 5th; Brad Washington, Eddie Johnson and Scott Kahns-Hydrant Hysteria-placed 5th; Emilia Blake, Gary Tollefson and Riley Smith-Top Ops-placed 1st and will compete in Denver at the national conference in June.
   - AWWA Drinking Water Week – Emilia Blake was presented with a Commitment to Excellence Award at the May 7 work session which was well attended by District employees.
   - Little Mountain Road Pipeline – Haven’t received an update from the State; assume we will hear once the Governor signs the capital budget. Receiving calls from property owners both in favor and not in favor of the project.

   Community Relations Manager Tate presented the quarterly report for Customer Service and Community Relations, including updates regarding online bill payment statistics and minutes access, requested data for foot traffic regarding bill payment, Customer Service Supervisor, WTP tours and fieldtrips 2019 and 2020, mobile water unit progress, and deletion of paper billing.

10. PUD Campus Location Assessment – Discussion
    Manager Sidhu stated he sent the Commission information to review prior to the Work Session on 5/21 at which time they will have a detailed discussion in executive session regarding property value and potential properties for purchase.

Under New Business:

11. College Way Improvements-Change Order No. 1 (City of Mount Vernon) – Action
    Manager Sidhu stated that due to the challenges of working within a limited access right-of-way along College Way, the District would like to add cathodic and hydrocarbon protection to extend the useful life of the new watermain.
Commissioner Lindquist moved to authorize the General Manager to execute Change Order No. 1 with the City of Mount Vernon for cathodic and hydrocarbon protection for College Way waterline improvements in the amount of $57,471.86. The motion passed unanimously.

12. Harris Computer Systems - Northstar –Change Order (Badger-Beacon Interface) – Action
Manager Sidhu stated that this project is to upgrade the Badger meter reading software from Orion which is at the end of life to the new Beacon software version. Upon review of the new interface requirements, it was determined that a change order would be required to complete the work. Commissioner Lindquist moved to authorize the General Manager to execute the change order with Harris Computer Systems in the amount of $32,000 for the Badger-Beacon software project. The motion passed unanimously.

Under Miscellaneous, Manager Sidhu stated that the Commission has copies of the Seattle Times article regarding moving the Town of Hamilton. Skagit Herald articles regarding the District and Port working on an open access fiber network and backbone and drinking water week highlights. Discussion ensued regarding the water and wastewater issues associated with moving the Town of Hamilton and scheduling time to meet with the Mayor.

Under Commissioner Comments, Commissioner Lindquist thanked CR Manager Tate for the WTP tour and indicated he had received good feedback regarding the community tours. He will attend Skagit Council of Governments (SCOG) meeting tomorrow.

Commissioner Littlefield also thanked CR Manager Tate. He stated he will be out of town next week and will not be able to attend the work session.

Commissioner Berg thanked the group for allowing him to participate via telephone.

Having no further business to come before the Board, Commissioner Lindquist moved to adjourn the meeting of May 14, 2019 at 5:17 PM. The motion passed unanimously.

Respectfully submitted:

______________________________
Kim Carpenter
Clerk of the Board
MINUTES OF THE WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

May 21, 2019

The work session 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, on May 21, 2019.

Commissioner Berg called the work session to order at 4:00 PM. Those Commissioners in attendance were: Eron Berg, President; Al Littlefield, Vice President via telephone; and Joe Lindquist, Secretary. Also in attendance were: George Sidhu, General Manager, Peter Gilbert, Attorney, and Lee Driftmier; District Employees: Mike Fox, Bill Trueman, Wendy LaRocque.

1. PUD Campus Location Assessment – Executive Session
   Potential Property Sale and Acquisition per RCW 42.30.110(b)(c)

Commissioner Berg adjourned the work session of May 21, 2019 at 5:29 PM.

Respectfully submitted:

George Sidhu
General Manager
May 28, 2019

Board of Commissioners
Public Utility District No. 1 of Skagit County
Post Office Box 1436
1415 Freeway Drive
Mount Vernon, WA 98273-1436

RE: Project Acceptance

Name of Project: Walton Beverage Fire Line
Reference: C.O. # 5044, Project # 3770
Location: Burlington
Developer: Jerry H. Walton Revocable Living Trust
Contractor: ICI

Gentlemen:

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

I recommend that the Commission of the District accept this project.

Respectfully submitted,

Mark C. Handzlik, P.E.
Engineering Manager

cmp

Attachment

cc: George Sidhu, P.E., General Manager
    Michael E. Demers, Engineering Technician
### Balance of District Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue Fund</td>
<td>$8,157,391</td>
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<tr>
<td>Capital Project Construction Fund</td>
<td>3,150,272</td>
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<tr>
<td>System Development Fund</td>
<td>4,083,554</td>
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<tr>
<td>Debt Service Fund</td>
<td>2,146,871</td>
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<tr>
<td>Bond Funds</td>
<td>1,506,394</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$19,044,482</strong></td>
</tr>
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### Investment of District Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Investment</th>
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<tbody>
<tr>
<td>Local Govt Investment Pool</td>
<td>$15,812,239</td>
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<tr>
<td>Cash</td>
<td>641,021</td>
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<tr>
<td>Govt Agencies/ Securities</td>
<td>2,491,201</td>
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<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$19,044,482</strong></td>
</tr>
</tbody>
</table>

### Rates of Investment Interest Received

- **FNMA**
- **LGIP**
- **RFC**
- **FNMA**

### Market Value vs. Face Value of Government Securities

- Fed Natl Mtg Assn (mat 8/19)
- Resolut, Funding Corp (mat 7/20)

### Pie Charts

- **District Funds**
  - General Revenue Fund, 43%
  - Capital Project Construction Fund, 17%
  - System Development Fund, 21%
  - Debt Service Fund, 11%
  - Bond Funds, 8%

- **Investment of District Funds**
  - Cash, 3%
  - Govt Agencies/ Securities, 13%
  - Local Govt Investment Pool, 84%
## Resources:

<table>
<thead>
<tr>
<th>Resources</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>COMBINED</th>
<th>COMBINED</th>
<th>COMBINED</th>
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<tbody>
<tr>
<td><strong>External Revenue:</strong></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Water Customer Receipts</td>
<td>2,005,316</td>
<td>2,005,316</td>
<td>1,691,969</td>
<td>1,498,806</td>
<td>1,224,059</td>
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<td>121,625</td>
<td>67,725</td>
<td>92,850</td>
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<tr>
<td>LUD Assessments, Interest, Penalties</td>
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<td>18,604</td>
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<td>7,013</td>
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<td>Investment Income</td>
<td>15,920</td>
<td>39,150</td>
<td>27,492</td>
<td>6,667</td>
<td>1,499</td>
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<tr>
<td>Non-Operating Revenues</td>
<td>1,208</td>
<td>1,208</td>
<td>4,764</td>
<td>12,267</td>
<td>263,449</td>
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<tr>
<td><strong>Total External Revenue</strong></td>
<td>2,136,759</td>
<td>2,423,970</td>
<td>2,149,313</td>
<td>1,679,864</td>
<td>1,448,637</td>
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<td><strong>Debt Proceeds:</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Debt Proceeds - DWSRF Loan Draws</td>
<td>0</td>
<td>0</td>
<td>672,411</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Debt Proceeds - Dept. of Ecology Loan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
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<tr>
<td>Debt Proceeds - Bonds</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td><strong>Total Debt Proceeds</strong></td>
<td>0</td>
<td>0</td>
<td>672,411</td>
<td>0</td>
<td>0</td>
<td></td>
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<tr>
<td><strong>Transfers from Other Funds</strong></td>
<td>0</td>
<td>0</td>
<td>265,725</td>
<td>265,725</td>
<td>263,449</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>2,136,759</td>
<td>2,149,313</td>
<td>2,145,009</td>
<td>1,712,079</td>
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<tr>
<td><strong>Operating Expenditures:</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Operations and Maintenance</td>
<td>1,118,260</td>
<td>844,734</td>
<td>748,049</td>
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<td>Utility Taxes</td>
<td>98,350</td>
<td>73,282</td>
<td>71,121</td>
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<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>1,216,610</td>
<td>918,017</td>
<td>819,170</td>
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<td><strong>Capital Expenditures:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>167,262</td>
<td>771,828</td>
<td>666,448</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Capital Expenditures</strong></td>
<td>167,262</td>
<td>771,828</td>
<td>666,448</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Debt Service Payments:</strong></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
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<tr>
<td>Federal Tax Credit for 2009B Bonds</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td><strong>Total Debt Service Payments</strong></td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Transfers to Other Funds</strong></td>
<td>265,725</td>
<td>265,725</td>
<td>265,695</td>
<td>595,904</td>
<td>263,449</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>1,649,597</td>
<td>2,014,034</td>
<td>1,955,539</td>
<td>1,749,067</td>
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<td></td>
</tr>
</tbody>
</table>

## Increase (Decrease) in Fund Balance

| Increase (Decrease) in Fund Balance | 487,162.22 | (357,105) | 265,554 | 265,725 | 675,661 | 459,469 | (112,868) | (36,988) |

## Services sold:

<table>
<thead>
<tr>
<th>Services</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERU's</td>
<td>53</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>Services</td>
<td>22</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>Re-Activations (under 10 years)</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Re-Activations (over 10 years)</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>
### PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

**TREASURER REPORT**

**For the three months ending April 30, 2019**

<table>
<thead>
<tr>
<th>Resources:</th>
<th><strong>YTD 2018</strong></th>
<th><strong>YTD 2017</strong></th>
<th><strong>YTD 2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Customer Receipts</td>
<td>7,350,799</td>
<td>7,350,799</td>
<td>24,833,720</td>
</tr>
<tr>
<td>System Development Fees</td>
<td>549,020</td>
<td>1,595,500</td>
<td>34.42%</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>409,049</td>
<td>1,599,500</td>
<td>25.57%</td>
</tr>
<tr>
<td>Grants</td>
<td>54,862</td>
<td>238,000</td>
<td>23.05%</td>
</tr>
<tr>
<td>Non-Operating Revenues</td>
<td>45,139</td>
<td>269,774</td>
<td>16.73%</td>
</tr>
<tr>
<td><strong>Total External Revenue</strong></td>
<td>7,861,368</td>
<td>7,806,194</td>
<td>29.78%</td>
</tr>
</tbody>
</table>

| Debt Proceeds: | | | |
| Debt Proceeds - DWSRF Loan Draws | 1,112,100 | 1,112,100 | 398,711 |
| Debt Proceeds - Dept. of Ecology Loan | 0 | 0 | 0 |
| Debt Proceeds - Bonds | 4,000,000 | 4,000,000 | 398,711 |
| **Total Debt Proceeds** | 0 | 0 | 398,711 |

| Transfers from Other Funds | 132,367 | 0 | 0 |
| **Total Revenue** | 7,993,735 | 33,902 | 578,610 |

<table>
<thead>
<tr>
<th>Uses:</th>
<th><strong>YTD 2018</strong></th>
<th><strong>YTD 2017</strong></th>
<th><strong>YTD 2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>4,109,131</td>
<td>4,109,131</td>
<td>12,674,367</td>
</tr>
<tr>
<td>Utility Taxes</td>
<td>361,498</td>
<td>361,498</td>
<td>1,190,000</td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>4,470,628</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| Capital Expenditures: | | | |
| Capital Projects | 623,808 | 1,503,747 | 2,127,556 |
| **Total Capital Expenditures** | 623,808 | 1,503,747 | 0 |

| Debt Service Payments: | | | |
| Interest Expense | 132,367 | 132,367 | 630,930 |
| Federal Tax Credit for 2009B Bonds | 0 | 0 | 64,948 |
| **Total Debt Service Payments** | 132,367 | 0 | 64,948 |

| Transfers to Other Funds | 1,043,762 | 0 | 0 |
| **Total Expenditures** | 6,270,565 | 0 | 0 |

| Increase (Decrease) in Fund Balance | 1,723,169 | (1,469,845) | 578,610 |

<table>
<thead>
<tr>
<th>Services sold:</th>
<th><strong>YTD 2018</strong></th>
<th><strong>YTD 2017</strong></th>
<th><strong>YTD 2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>ERU's</td>
<td>113</td>
<td>113</td>
<td>87</td>
</tr>
<tr>
<td>Services</td>
<td>68</td>
<td>95</td>
<td>78</td>
</tr>
<tr>
<td>Re-Activations (under 10 years)</td>
<td>58</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>Re-Activations (over 10 years)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**ANNUAL BUDGET**

- **Combined**
- **Combined**
- **Combined**

**PERCENT OF BUDGET REALIZED**

- **Combined**
- **Combined**
- **Combined**

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

**TREASURER REPORT**

**For the three months ending April 30, 2019**

<table>
<thead>
<tr>
<th>REVENUE FUND</th>
<th>CAPITAL PROJECT FUND</th>
<th>SYSTEM DEVELOPMENT FUND</th>
<th>DEBT SERVICE FUND</th>
<th>COMBINED</th>
<th>ANNUAL BUDGET</th>
<th>PERCENT OF BUDGET REALIZED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connections:</td>
<td>25,964</td>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Resources:</th>
<th><strong>YTD 2018</strong></th>
<th><strong>YTD 2017</strong></th>
<th><strong>YTD 2016</strong></th>
</tr>
</thead>
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<td>7,806,194</td>
<td>29.78%</td>
</tr>
</tbody>
</table>

| Debt Proceeds: | | | |
| Debt Proceeds - DWSRF Loan Draws | 1,112,100 | 1,112,100 | 398,711 |
| Debt Proceeds - Dept. of Ecology Loan | 0 | 0 | 0 |
| Debt Proceeds - Bonds | 4,000,000 | 4,000,000 | 398,711 |
| **Total Debt Proceeds** | 0 | 0 | 398,711 |

| Transfers from Other Funds | 132,367 | 0 | 0 |
| **Total Revenue** | 7,993,735 | 33,902 | 578,610 |

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<tr>
<th>Uses:</th>
<th><strong>YTD 2018</strong></th>
<th><strong>YTD 2017</strong></th>
<th><strong>YTD 2016</strong></th>
</tr>
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<tr>
<td><strong>Operating Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Operations and Maintenance</td>
<td>4,109,131</td>
<td>4,109,131</td>
<td>12,674,367</td>
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<tr>
<td>Utility Taxes</td>
<td>361,498</td>
<td>361,498</td>
<td>1,190,000</td>
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<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>4,470,628</td>
<td>0</td>
<td>0</td>
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| Capital Expenditures: | | | |
| Capital Projects | 623,808 | 1,503,747 | 2,127,556 |
| **Total Capital Expenditures** | 623,808 | 1,503,747 | 0 |

| Debt Service Payments: | | | |
| Interest Expense | 132,367 | 132,367 | 630,930 |
| Federal Tax Credit for 2009B Bonds | 0 | 0 | 64,948 |
| **Total Debt Service Payments** | 132,367 | 0 | 64,948 |

| Transfers to Other Funds | 1,043,762 | 0 | 0 |
| **Total Expenditures** | 6,270,565 | 0 | 0 |

| Increase (Decrease) in Fund Balance | 1,723,169 | (1,469,845) | 578,610 |

<table>
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<tr>
<th>Services sold:</th>
<th><strong>YTD 2018</strong></th>
<th><strong>YTD 2017</strong></th>
<th><strong>YTD 2016</strong></th>
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<tr>
<td>ERU's</td>
<td>113</td>
<td>113</td>
<td>87</td>
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<tr>
<td>Services</td>
<td>68</td>
<td>95</td>
<td>78</td>
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<tr>
<td>Re-Activations (under 10 years)</td>
<td>58</td>
<td>30</td>
<td>10</td>
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<tr>
<td>Re-Activations (over 10 years)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
May 23, 2019

TO: Commission

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

SUBJECT: Updated Fire Hydrant Transfer Agreement with City of Mount Vernon

Requested Action:
Authorize the General Manager to execute the Public Fire Hydrant Transfer Agreement with the City of Mount Vernon.

Background:
The District and the City of Mount Vernon have been working together on the maintenance and repair of fire hydrants in the city for quite some time. However, the District would prefer to have control over all public fire hydrants to ensure system integrity and to make sure that hydrant maintenance is completed to our standards.

The attached agreement explains the transfer of ownership of 1,331 public fire hydrants currently owned by the City of Mount Vernon. The transfer will take place at one time, but the maintenance costs are shared for a period of five years to reduce the potential spike of any immediate maintenance concerns. The attached agreement incorporates some changes that were made to the draft agreement presented at our last meeting on May 14. The changes include:

Section 3.A – Instead of performing inspections to 20% of the fire hydrants each year, the District agrees to perform an inspection on each hydrant at least once every five years.

Section 7 – The District will no longer be adding the City of Mount Vernon as an additional insured to our liability policy

Fiscal Impact:
The District would assume the cost of the maintenance and repair of the fire hydrants, including labor, equipment and materials. For the 1,331 public fire hydrants included in this agreement, we would anticipate inspecting 266 per year, which would result in approximately $25,000 - $30,000 per year for staff costs. This would be an ongoing annual cost, but it would not add additional cost to our budget as the cost of the fire hydrant program will be offset by the savings from in-house construction work through the transition of our field staff from a construction focus to a maintenance focus.

kac
This Public Fire Hydrant Transfer Agreement (the “Agreement”) is made and entered into effective the ____ day of _______________, 2019, between the City of Mount Vernon, a Washington municipal corporation (the “City”) and the Public Utility District No. 1 of Skagit County, a Washington municipal corporation (the “District”) known collectively as “the Parties”.

RECITALS

A. The City and the District each separately own and maintain public fire hydrants and associated piping within the municipal limits;

B. The District owns, operates and maintains the potable water system that serves the City, other municipalities and unincorporated areas within Skagit County, and all public fire hydrants connect to this system;

C. The District requires access to and control over all public fire hydrants for system flushing, and repairs to protect public health and maintain system integrity;

D. The City desires to improve service, increase safety and reduce costs associated with maintenance, repair, and replacement of public hydrants;

E. The District has the expertise and resources to properly and efficiently maintain, repair, and replace public hydrants in the City as needed; and

F. The City and the District have a common customer base and it is in the best interest of safety and economics for customers to transfer ownership of all public fire hydrants to the District. The transfer will improve fire hydrant maintenance, operation, and replacement, and ensure all rules and regulations governed by the District are met.

Now, therefore, in consideration of the foregoing, the Parties do hereby agree as follows:
AGREEMENT

Section 1. Definitions.

The following definitions shall apply:

A. “Public Fire Suppression Water Facilities” shall mean fire hydrants and any related appurtenances attached thereto located: i) typically, within the City right of way, ii) owned by the City, and iii) designed for the delivery of fire suppression for the general public. Facilities include those set forth in Exhibit “A” attached hereto and incorporated herein by this reference.

B. “Public hydrants” shall mean all fire hydrants serving the general public located within the City limits (now or hereafter modified) either owned or controlled by the City typically located in the public right of way and that are not Private Fire Service Facilities.

C. “Private Fire Suppression Facilities” shall mean fire hydrants, pipes, vaults, pumping stations, reservoirs, valves, controls, telemetry systems, other underground and above grade infrastructure, and other necessary or reasonably convenient appurtenances thereto located within, and on the customer side of, a backflow protection assembly, or located on private property. Private Fire Suppression Facilities are not included within the definition of Public Fire Suppression Water Facilities and are not a part of this Agreement.

D. “Maintenance Costs” shall mean actual costs directly associated with maintenance, repair, and replacement of Public Fire Suppression Water Facilities located within the City consisting of all labor, materials, and pro rata share of administrative costs including specific District tasks set forth in the Agreement such as inspection, pressure check, flow test, valve maintenance testing, and painting.
Section 2. Transfer of Ownership.

Sixty days after the effective date of this Agreement, ownership of the City’s Public Fire Suppression Water Facilities is hereby transferred and conveyed to the District. Upon transfer and conveyance, the District assumes ownership and responsibility for the City’s Public Fire Suppression Water Facilities subject to and upon the terms and conditions set forth in this Agreement. Transfer and conveyance of the City’s Public Fire Suppression Water Facilities shall occur by operation of this Agreement regardless whether or not such facilities are identified in Exhibit “A” so long as the improvements satisfy the definition set forth herein.

A separate agreement between the City and property owners of Private Fire Service may be instituted at a later date.

Section 3. Consideration.

A. Testing and inspections. The District shall be responsible for an annual program to inspect and test Public Fire Suppression Water Facilities. The District’s inspection program shall consist of inspecting a minimum of approximately twenty percent (20%) of the Public Fire Suppression Water Facilities within the City each year. The District shall conduct a pressure check, flow test and valve maintenance at a minimum of once every five years for each public hydrant. The District shall keep records regarding testing, inspections, and maintenance and agree to share such records among the Parties and the Washington Surveying & Rating Bureau at the City’s or Bureau’s request.

B. Public Hydrant Maintenance and Repairs. The District is obligated to maintain all Public Fire Suppression Water Facilities in an operable condition; provided however, the District may temporarily lock out a Public Hydrant for reasonable cause and shall provide written notice as soon as reasonably foreseeable to the City as directed. In the event a Public Hydrant is observed to be inoperable, the City shall contact the District to make repairs. After
giving advanced notice of the repair requirement or in the event of a lockout, if the City
determines, in its sole discretion, an emergency exists that cannot wait for District repair
service or lockout to continue, the City may enter upon the property and take such actions as
are necessary to place the Public Hydrant back in service The District shall reimburse the City
for costs for such emergency repairs that the City reasonably incurs.

C. Adaptors/Specialty Items. The City may request that the District install after-
market components, adaptors, and specialty items on Public Hydrants at the City’s own
expense. The District shall not unreasonably withhold approval for after-market component,
adaptor, and specialty item installation.

D. Replacement. The District agrees to replace or repair inoperable Public
Hydrants and Public Hydrants that reach their useful life due to age according to the District’s
schedules. The District shall create, approve, and periodically update a replacement and
maintenance schedule to: i) replace or repair any inoperable Public Hydrants and ii) replace
Public Hydrants that reach or are soon to reach their useful life due to age. The District’s
replacement schedule shall set forth reasonably foreseeable timelines in achieving
replacements or repairs based on budget factors, demonstrable revenue projections,
maintenance schedules, and pipeline replacement projects. The City may request that the
District accelerate replacement of Public Hydrants earlier than the District’s replacement
schedule or upgrade the replacement of Public Hydrants upon the condition that the City
provides the District with the replacement hydrants at the City’s own expense. The District
shall not unreasonably withhold approval for the replacement of hydrants at the City’s
expense.

E. Upgrades/Improvements. This Agreement shall not create a duty on the District
for the costs of any upgrades or improvements to existing Public Fire Suppression Water
Facilities as may be requested by the City or private parties unless specifically provided for herein. Further, the District shall not be responsible for any incidental costs or consequential damages, such as increased insurance premiums, permitting or development costs, or lost tax revenue, arising out of the District’s decision to maintain the existing system rather than implement requested improvements or upgrades at the District’s own expense. This provision shall not reduce, infringe, nor prevent the City’s lawful use of its police powers on behalf of the public safety, health and welfare of its citizens if the City finds it necessary to adopt law, regulations, or to grant or request franchises with lawful conditions.

F. Fire Department Use. The District agrees to provide water for fire department use (training and actual firefighting) at no charge to the City or other emergency providers of fire suppression water services operating lawfully in the City. A reasonable attempt shall be made to schedule and coordinate with the District to ensure system operations can support the demand. All usage needs to be recorded and reported to the District through a fire hydrant meter. The City shall reimburse the District for all costs related to damages or service interruptions caused by the City’s use of the Public Fire Suppression Water Facilities, including main breaks due to water hammering.

G. Permits. The District shall be required to obtain all permits from the City necessary for work within City rights-of-way associated with Public Fire Suppression Water Facilities and other District construction activities and comply with all the regulations and design standards adopted by the City now or hereafter for work in the City rights-of-way. Given that the City and District have a shared customer base, and in further consideration of this Agreement, the District shall not be subject to permit fees for the District’s activities within the City rights-of-way to operate and maintain the District’s potable water system that serves the City or for the District’s pipe replacement projects.
H. Cost Sharing. The City shall reimburse the District for Maintenance Costs associated with the transferred Public Fire Suppression Water Facilities as follows:

1. The City’s cost sharing shall be limited to a maximum of twenty percent (20%) of the total number of Public Fire Water Facilities transferred and conveyed to the District in each of the first five years after the effective date of this Agreement. If the District chooses to perform maintenance on more than twenty percent (20%) of the Public Fire Water Facilities in any of the first five years, the Maintenance Costs for any amount over twenty percent (20%) of the Public Fire Water Facilities shall be borne solely by the District.

2. The City shall reimburse one hundred percent (100%) of the Maintenance Costs in the first year,

3. The City shall reimburse eighty percent (80%) of the Maintenance Costs in the second year,

4. The City shall reimburse sixty percent (60%) of the Maintenance Costs in the third year,

5. The City shall reimburse forty percent (40%) of the Maintenance Costs in the fourth year

6. The City shall reimburse twenty percent (20%) of the Maintenance Costs in the fifth year.

After the fifth year, the District shall be solely responsible for all Maintenance Costs. The City shall have no further financial responsibility to the District related to the Public Fire Water Facilities and Maintenance Costs unless specifically provided for herein.

Section 4. Closing. In order to close this transaction, the District shall approve of the Agreement by resolution and the City shall approve the Agreement by ordinance, resolution or motion as may be required. The Parties shall also execute and deliver any Bill of Sale and
Assignment, and any other documents that shall be reasonably necessary to complete the transaction to the satisfaction of both Parties within sixty (60) days after the effective date of this Agreement.

Section 5. Mutual Representations. Both Parties represent that they have the authority to enter into this Agreement, that all approvals necessary for this Agreement to be binding have been obtained, and that each person signing on behalf of a Party was authorized to do so. The Parties also represent that they have complied with all public notice and hearing requirements, and any other legal requirements, for the transfer of the public fire hydrants.

Section 6. Indemnification. The District hereby releases, covenants not to bring suit and agrees to indemnify, defend and hold harmless the City, its officers, employees, agents and representatives from any and all claims, costs, judgments, awards or liability to any person, including claims by the District’s own employees to which the District might otherwise be immune under Title 51 RCW, arising from injury or death of any person or damage to property, monetary losses, including refunds of charges or fees paid by customers, of which it is alleged or proven that the acts or omissions of the District, its agents, servants, officers or employees in performing testing, maintenance, repair, or replacement of the Public Fire Suppression Water Facilities caused or contributed thereto.

The City hereby releases, covenants not to bring suit and agrees to indemnify, defend and hold harmless the District, its officers, employees, agents and representatives from any and all claims, costs, judgments, awards or liability to any person, including claims by the City’s own employees to which the City might otherwise be immune under Title 51 RCW, arising from injury or death of any person or damage to property, monetary losses, of which it is alleged or proven that the acts or omissions of the City, its agents, servants, officers or
employees caused or contributed thereto, including claims arising against the District in part by virtue of the City’s control of City’s Public Hydrants prior to entering into this Agreement.

In the event that the indemnitor refuses the tender of defense in any suit or any claim, said tender having been made pursuant to the indemnification clauses contained herein, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the Parties shall agree to decide the matter), to have been a wrongful refusal on the part of the indemnitor, then the indemnitor shall pay all of the indemnitee’s costs for defense of the action, including all reasonable expert witness fees and reasonable attorneys’ fees and the reasonable costs of the indemnitee, including reasonable attorneys' fees of recovering under this indemnification clause.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the District and the City, its officers, employees and agents, the indemnitor's liability hereunder shall be only to the extent of the indemnitor's own negligence unless otherwise provided by law. It is further specifically and expressly understood that the indemnification provided herein constitutes the Parties’ waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the Parties.

The provisions of this Section shall survive the expiration or termination of this Agreement.

**Section 7. Insurance.** The District shall maintain insurance provide either through its self-insurance fund and/or insurance policies adequate protection to the City in amounts equivalent to the levels set forth herein below. The District’s general comprehensive liability policy which includes automobile liability coverage (if such a policy continues to be
obtained), shall have an endorsement naming City and its officers and employees as additional insureds for their actions pursuant to this Agreement.

The amounts of insurance coverage that the District shall maintain, whether by self-insurance or insurance policies shall be either the equivalent of those stated in the most recent edition of the Washington Standard Specifications for Road and Bridge Construction, Section 1-07.8 (currently) Public Liability and Property Damage Insurance or greater.

Any insurance policy(ies) obtained by the District to comply herewith shall name the City (its officers, employees and volunteers,) as an additional insured with regard to activities performed by or on behalf of the District. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The District's insurance shall be primary insurance with respect to the City, its officers, officials, employees and volunteers. Any insurance policy or policies obtained by the District to comply with this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

Any failure to comply with the insurance reporting provisions of the policies required herein shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Section 8. Annexation and Development. Whenever any Skagit County roads and/or rights-of-way shall fall within the city limits as a consequence of annexation, the City conveys and transfers all ownership and rights it may have associated with Public Fire Suppression
Water Facilities located within the annexed areas, if not already owned by the District, which shall immediately become the property of the District and shall be subject to the terms of this agreement. Whenever new Public Fire Suppression Water Facilities within the City are installed as a consequence of development or redevelopment, the District shall accept the conveyance and transfer of the new Public Water Facilities hydrants which shall be owned by and be property of the District subject to the terms of this Agreement. It is expressly agreed to and stipulated by the Parties, that this scope Agreement excludes conveyance to the District: i) of any Private Fire Suppression Facilities located within the City as a result of annexation, ii) of any other public fire suppression facilities located within the City as a result of annexation unless owned by the District or the City. Any conveyance of such fire suppression facilities shall require separate agreement between the Parties.

Section 9. Modification. The City and the District hereby reserve the right to alter, amend or modify the terms and conditions of this agreement upon written agreement of both parties to such alteration, amendment, or modification.

Section 10. Compliance with Laws and Regulations. At all times during the term of this Agreement, both the City and the District shall fully comply with all applicable federal, state, and local laws and regulations currently in effect or subsequently amended as related to the transferred fire hydrants.

Section 11. Dispute Resolution.

A. If there is any dispute or alleged default with respect to performance under this Agreement, the party raising the dispute ("Disputing Party") shall provide notice to the other party in writing ("Receiving Party"), stating with reasonable specificity the nature of the dispute or alleged default. Within ten (10) business days of its receipt of such notice, the Receiving Party shall provide written response to the Disputing Party that shall acknowledge receipt of
such notice and state the Receiving Party’s intentions with respect to how it shall respond to such notice. The Receiving Party shall further have thirty (30) days (the “Cure Period”) from its receipt of such notice to:

1. Respond to the Disputing Party, contesting the assertion(s) as to the dispute or any alleged default and requesting a meeting, or;
2. Resolve the dispute or cure the default, or;
3. Notify the Disputing Party that the Receiving Party cannot resolve the dispute or cure the default within thirty (30) days, due to the nature of the dispute or alleged default. Notwithstanding such notice, the Receiving Party shall promptly take all reasonable steps to begin to resolve the dispute or cure the default and notify the Disputing Party in writing and in detail as to the actions that will be taken and the projected completion date. In such case, the Disputing Party may set a meeting in accordance with Section 10(B).

B. If any dispute is not resolved or any alleged default is not cured or a meeting is not requested or set in accordance with Section 10(A), then the Parties shall promptly schedule a meeting to discuss the dispute or any alleged default. The Disputing Party shall notify the Receiving Party of the meeting in writing and such meeting shall take place not less than ten (10) business days after the Receiving Party’s receipt of notice of the meeting. Each party shall appoint a representative who shall attend the meeting and be responsible for representing the party’s interests. The representatives shall exercise good faith efforts to resolve the dispute or reach agreement on any alleged default and/or any corrective action to be taken. Any dispute (including any dispute concerning the existence of or any corrective action to be taken to cure any alleged default) that is not resolved within ten (10) business days following the conclusion of the meeting shall be referred by the Parties to the senior
management of the parties for resolution. In the event senior management is unable to resolve the dispute within twenty (20) business days of such referral (or such other period as the parties may agree upon), each party may pursue resolution of the dispute or any alleged default through other legal means consistent with this agreement. All negotiations pursuant to these procedures for the resolution of disputes shall be confidential and shall be treated as compromise and settlement negotiations for purposes of the state and federal rules of evidence unless otherwise prohibited by law.

C. If, at the conclusion of the steps provided for in subsection (A) and (B) above, the City and the District are unable to settle the dispute or agree upon the existence of a default or the corrective action to be taken to cure any alleged default, the City or the District may:

1. Take any enforcement or corrective action provided for in City code or District policy, as from time to time amended; provided such action is not otherwise in conflict with the provisions of this Agreement, and State and/or Federal law, and/or;

2. Take such other action to which it is entitled under this Agreement or any applicable law.

D. In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this agreement, the venue of such action or litigation shall be in the Skagit County Superior Court. This Agreement shall be governed by the laws of the State of Washington.

E. Unless otherwise agreed by the City and the District in writing, the City and the District shall, as may be reasonably practicable, continue to perform their respective obligations under this agreement during the pendency of any dispute.
F. This Section 10 (or any other provision of this Agreement) shall not be deemed to bar the right of the City or the District to seek or obtain judicial relief from a violation of any term or provision of this agreement.

Section 12. Survival. All of the provisions, conditions and requirements of this agreement shall be in addition to any and all other obligations and liabilities the Parties may have to each other at common law, by statute, or by contract, and shall survive the Agreement. All of the provisions, conditions, regulations and requirements contained in this Agreement shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of the City and the District and all privileges, as well as all obligations and liabilities of the City and the District shall inure to its heirs, successors and assigns equally as if they were specifically mentioned herein.

Section 13. Interpretation, Severability, Changes in Law. This Agreement is intended to be interpreted to the full extent authorized by law as an exercise of each party’s authority to enter into agreements. If any provisions of this Agreement are declared unenforceable or invalid by a court of law, then the Parties shall diligently seek to modify this Agreement (or seek the court’s determination of whether and how the agreement is to be modified if the Parties cannot reach agreement) consistent with the Parties’ intent to the maximum extent allowable under law and consistent with the court decision. If there are changes in applicable law, court decisions, or federal regulations or interpretations that make either party’s performance of this Agreement impossible then the Parties shall diligently seek to modify this Agreement consistent with the Parties’ intent.

Section 14. Assignment. This Agreement may not be assigned or transferred without the written approval of the City and the District.
Section 15. **Relationship of the Parties.** Nothing in this Agreement shall be construed to create or confer any right or remedy upon any person(s) other than the City and the District. No action may be commenced or prosecuted against any Party by any Third Party claiming as a Third Party beneficiary of this Agreement. This Agreement shall not release or discharge any obligation or liability of any Third Party to either Party.

Section 16. **Attorneys’ Fees and Costs.** In the event of any litigation initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to an award for its reasonable attorneys’ fees and expenses and the fees and costs of any experts or consultants engaged in connection with such litigation.

Section 17. **Notice.** Any notice or information required or permitted to be given to the Parties under this agreement may be sent to the following addresses unless otherwise specified:

City of Mount Vernon  
Attention: Finance Director  
910 Cleveland Avenue  
Mount Vernon, WA 98273  
And  

City of Mount Vernon  
Attention: Fire Chief  
1901 N. LaVenture  
Mount Vernon, WA 98273  

Public Utility District No. 1 of Skagit County  
PO Box 1436  
1415 Freeway Drive  
Mount Vernon, WA 98273  
Attention: General Manager

Section 18. **Term.** This Agreement shall be effective for ten years and shall automatically renew for additional ten years terms absent termination. Either party may
terminate this Agreement five years after the effective date by giving the other party one hundred eighty days written notice. Termination shall not result in the District’s reconveyance of the Public Fire Suppression Water Facilities to the City.

**Section 19. Effective Date.** This Agreement shall be effective January 1, 2020 (after executed by signature below.

SIGNED this ____ day of ________, 2019.

City of Mount Vernon, a Washington municipal corporation.

______________________________
Mayor

Approved as to Form:

______________________________
Kevin Rogerson, City Attorney

Public Utility District No. 1 of Skagit County, a Washington municipal corporation

______________________________
General Manager

Approved as to Form:

______________________________
Peter Gilbert, District Counsel
May 23, 2019

TO: Commission

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

SUBJECT: Risk, Resiliency and Emergency Response

Requested Action:
No action is requested at this time.

Background:
As a public water system, the District is responsible for ensuring that our infrastructure meets certain standards for security and resiliency, and that we have prepared an emergency response plan in the event of an unanticipated emergency. There are many regulations and laws that govern the operation of the public water system, such as the following:

- **State Government – Washington State Department of Health (DOH)**
  Washington Administrative Code (WAC) 246-290-415(2)(d) requires that a public water system has an Emergency Response Plan, which is typically reviewed as part of the Water System Planning Process.

- **State Government – Labor and Industries (L&I)**
  There are a number of WAC requirements that govern the District’s emergency response as they relate to L&I, and most of them relate to the operation of the Water Treatment Plant.

- **Federal Government – Department of Homeland Security (DHS)**
  The District is expected to manage risks and achieve security and resilience measures as part of the National Infrastructure Protection Plan (NIIP) developed in 2013.

- **Federal Government – Environmental Protection Agency (EPA)**
  The District is required to perform risk and resilience assessments and develop an emergency response plan as part of America’s Water Infrastructure Act (AWIA) of 2018. The assessment is due by December 31, 2020 and the emergency response plan is due on June 30, 2021.

Some of the required planning documents and assessments have been completed as part of other projects and initiatives, but the AWIA requirement that was rolled out in March 2019 will require us to take a fresh look at our system resiliency and emergency response planning.
District staff are interested in approaching the updates and the development of new documents with an efficient approach, whereby we can create a single document that meets the requirement of multiple regulatory agencies.

However, prior to embarking on an in-depth process of planning our response to different emergencies, some strategic planning decisions need to be considered and agreed upon so that our efforts can be focused appropriately. Specifically, there needs to be agreement on the level of service that the District’s water systems will provide in the event of an emergency. In some cases, the type of emergency will dictate the level of service that we can provide, but there needs to be a baseline response from our water systems and from our staff that will allow us to achieve our primary mission as a public water system, which is to protect the public health.

There are some broader questions that need to be considered during an emergency. The answer to some of these will depend on what the emergency is (chemical spill at the WTP, earthquake, flood, watershed wildfire, etc.), but they are things that need to be discussed at a policy level:

- Should the WTP continue to be staffed during a chemical spill or earthquake?
- Should the WTP produce non-potable water for fire fighting if the treatment system is inoperable?
- Should all of our reservoirs be closed after an emergency so that we can preserve the potable water for public consumption instead of firefighting?
- Should parts of our system be valved off and isolated to maintain service to certain areas (public health facilities) but shut off service to other areas to limit the loss of water from leaks and breaks?

The answers to these questions will prompt other questions and will ultimately lead to projects and programs that need to be developed. These projects and programs are things that can be discussed and budgeted for during budget planning, but the broader questions need to be discussed with the Board and staff ahead of some of the critical decisions that we are currently involved with.

Fiscal Impact:
No fiscal impact at this time.

kac
RISK AND RESILIENCE ASSESSMENTS AND EMERGENCY RESPONSE PLANS:

NEW REQUIREMENTS FOR DRINKING WATER UTILITIES

Section 2013 of America’s Water Infrastructure Act of 2018 (AWIA) requires community water systems that serve more than 3,300 people to complete a risk and resilience assessment and develop an emergency response plan.

RISK AND RESILIENCE ASSESSMENT

Your utility must conduct a risk and resilience assessment and submit certification of its completion to the U.S. EPA by the following dates:

- March 31, 2020 if serving ≥100,000 people.
- December 31, 2020 if serving 50,000 to 99,999 people.
- June 30, 2021 if serving 3,301 to 49,999 people.

Every five years, your utility must review the risk and resilience assessment and submit a recertification to the U.S. EPA that the assessment has been reviewed and, if necessary, revised.

Visit the U.S. EPA website to find more information on guidance for developing a risk and resilience assessment at https://www.epa.gov/waterriskassessment/conduct-drinking-water-or-wastewater-utility-risk-assessment.

EMERGENCY RESPONSE PLAN

Your utility must develop or update an emergency response plan and certify completion to the U.S. EPA no later than six months after risk and resilience assessment certification. Each utility deadline is unique; however, the dates below are the due dates for utilities who submit a risk and resilience assessment certification by the final due date according to the population served.

- September 30, 2020 if serving ≥100,000 people.
- June 30, 2021 if serving 50,000 to 99,999 people.
- December 30, 2021 if serving 3,301 to 49,999 people.

Within six months of submitting the recertification for the risk and resilience assessment, your utility must certify it has reviewed and, if necessary, revised, its emergency response plan.


TOOLS OR METHODS

AWIA does not require the use of any standards, methods or tools for the risk and resilience assessment or emergency response plan. Your utility is responsible for ensuring that the risk and resilience assessment and emergency response plan address all the criteria in AWIA Section 2013 (a) and (b), respectively. The U.S. EPA recommends the use of standards, including AWWA J100-10 Risk and Resilience Management of Water and Wastewater Systems, along with tools from the U.S. EPA and other organizations, to facilitate sound risk and resilience assessments and emergency response plans.

Still have questions about the new AWIA requirements?
Contact the U.S. Environmental Protection Agency (U.S. EPA) at dwresilience@epa.gov.
FREQUENTLY ASKED QUESTIONS

I need more information about risk and resilience assessments and emergency response plans:

Risk and resilience assessments evaluate the vulnerabilities, threats and consequences from potential hazards.

What does a risk and resilience assessment include?
- Natural hazards and malevolent acts (i.e., all hazards).
- Resilience of water facility infrastructure (including pipes, physical barriers, water sources and collection, treatment, storage and distribution, and electronic, computer and other automated systems).
- Monitoring practices.
- Financial systems (e.g., billing systems).
- Chemical storage and handling.
- Operation and maintenance.


What does an emergency response plan include?
- Strategies and resources to improve resilience, including physical security and cybersecurity.
- Plans and procedures for responding to a natural hazard or malevolent act that threatens safe drinking water.
- Actions and equipment to lessen the impact of a malevolent act or natural hazard, including alternative water sources, relocating intakes and flood protection barriers.
- Strategies to detect malevolent acts or natural hazards that threaten the system.

Who should I work with when creating my emergency response plan?
- Utilities must coordinate the risk and resilience assessments, as well as the emergency response plans with local emergency planning committees.

RESOURCES & TOOLS

Conducting a Risk and Resilience Assessment
- The U.S. EPA's Vulnerability Self-Assessment.

Developing an Emergency Response Plan
- Emergency Response Plan Guidance.
- The U.S. EPA's Emergency Response Webpage.
- Local Emergency Planning Committees.

The U.S. EPA Website

Still have questions about the new AWIA requirements?
Contact the U.S. Environmental Protection Agency (U.S. EPA) at dwresilience@epa.gov.
NIPP 2013: Partnering for Critical Infrastructure Security and Resilience

Our Nation’s well-being relies upon secure and resilient critical infrastructure—the assets, systems, and networks that underpin American society. The National Infrastructure Protection Plan (NIPP) – NIPP 2013: Partnering for Critical Infrastructure Security and Resilience – outlines how government and private sector participants in the critical infrastructure community work together to manage risks and achieve security and resilience outcomes.

NIPP 2013 represents an evolution from concepts introduced in the initial version of the NIPP released in 2006. The updated National Plan is streamlined and adaptable to the current risk, policy, and strategic environments. It provides the foundation for an integrated and collaborative approach to achieve a vision of: A Nation in which physical and cyber critical infrastructure remain secure and resilient, with vulnerabilities reduced, consequences minimized, threats identified and disrupted, and response and recovery hastened.

NIPP 2013 is being issued in response to Presidential Policy Directive-21 on Critical Infrastructure Security and Resilience and was developed through a collaborative process involving stakeholders from all 16 critical infrastructure sectors, all 50 states, and from all levels of government and industry. It provides a clear call to action to leverage partnerships, innovate for risk management, and focus on outcomes.

NIPP 2013 Key Concepts

- Provides an updated approach to critical infrastructure security and resilience
- Greater focus on integration of cyber and physical security efforts
- Closer alignment to national preparedness efforts
- Increased focus on cross sector and cross jurisdictional coordination to achieve results
- Integration of information-sharing as an essential component of the risk management framework
- Recognizes the key role and knowledge of critical infrastructure owners and operators
- Integrates efforts by all levels of government, private, and nonprofit sectors by providing an inclusive partnership framework and recognizing unique expertise and capabilities each participant brings to the national effort
- Reflects today’s integrated all-hazards environment
- Grounded in business principles and existing policy
- Drives action toward long-term improvement

For more information, visit www.dhs.gov/nipp

December 2013
WAC 246-290-415

Operations and maintenance.

(1) The purveyor shall ensure that the system is operated in accordance with the operations and maintenance program as established in the approved water system plan required under WAC 246-290-100 or the small water system management program under WAC 246-290-105.

(2) The operations and maintenance program shall include the following elements as applicable:
   (a) Water system management and personnel;
   (b) Operator certification;
   (c) Comprehensive monitoring plan for all contaminants under WAC 246-290-300;
   (d) Emergency response program;
   (e) Cross-connection control program; and
   (f) Maintenance of service reliability in accordance with WAC 246-290-420.

(3) Seasonal system startup.
   (a) Seasonal systems shall submit a start-up procedure to the department for review and approval.
   (b) Seasonal systems shall certify in accordance with WAC 246-290-480 (2)(f)(ii) that a department-approved start-up procedure, which may include a requirement for start-up sampling, was completed prior to serving water to the public.
   (c) A treatment technique violation occurs when a seasonal system fails to complete a department-approved start-up procedure prior to serving water to the public.

(4) The purveyor shall ensure that the system is operated in accordance with good operations procedures such as those available in texts, handbooks, and manuals available from the following sources:
   (a) American Water Works Association (AWWA);
   (b) American Society of Civil Engineers (ASCE);
   (c) Ontario Ministry of the Environment;
   (d) The Chlorine Institute;
   (e) California State University;
   (f) Health Research Inc.; and
   (g) Any other standards acceptable to the department.

(5) The purveyor shall not establish or maintain a bypass to divert water around any feature of a treatment process, except by written approval from the department.

(6) The purveyor shall take preventive or corrective action as directed by the department when results of an inspection conducted by the department indicate conditions which are currently or may become a detriment to system operation.

(7) The purveyor of a system using surface water or GWI shall meet operational requirements specified in Part 6 of this chapter.

(8) The purveyor shall have a certified operator if required under chapter 70.119 RCW and chapter 246-292 WAC.

(9) The purveyor shall at all times employ reasonable security measures to assure the raw water intake facilities, water treatment processes, water storage facilities, and the distribution system are protected from possible damage or compromise by unauthorized persons, animals, vegetation, or similar intruding agents. Such measures include elements such as locks on hatches, fencing of facilities, screening of reservoir vents or openings, and other recommendations as may be found in the current edition of the Recommended Standards for Water Works, A Committee Report of the Great Lakes - Upper Mississippi River Board of State Public Health and Environmental Managers.

(10) All purveyors utilizing groundwater wells shall monitor well levels from ground level to the...
static water level on a seasonal basis, including low demand and high demand periods, to document
the continuing availability of the source to meet projected, long-term demands. Purveyors shall
maintain this data and provide it to the department upon request.
(11) All operation and maintenance practices shall conform to Part 5 of this chapter.

[Statutory Authority: RCW 43.20.050 and 70.119A.080. WSR 17-01-062, § 246-290-415, filed
12/14/16, effective 1/14/17; WSR 10-20-068, § 246-290-415, filed 9/29/10, effective 11/1/10. Statutory