Pursuant to Governor Jay Inslee’s Proclamation 20-28.9, Public Utility District No. 1 of Skagit County Board of Commissioner meetings will be held virtually through ZOOM Cloud Meetings.

Join our online meeting by following this link: https://us02web.zoom.us/j/87031610954
Meeting ID: 870 3161 0954
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

CONSENT AGENDA
1. Approval of Agenda 9/8/20
2. Approval of Minutes: 8/25/20 Regular Meeting
3. Approval of Minutes: 1/15/19, 1/29/19, 3/19/19, and 5/7/19 Work Sessions, and amended 5/14/19 Regular Meeting.
4. Ratification of Vouchers 9/1/20
5. Voucher Approval 9/8/20
6. Surplus Capital Asset #115

PUBLIC COMMENT – Fidalgo Island Water System Transfer

AUDIENCE COMMENTS

OLD BUSINESS
7. Manager’s Report & Staffing

NEW BUSINESS
8. Small Works Contract Award - Water Treatment Plant Filter Backwash Lagoon Pumping – Action

INFORMATION
9. Judy Reservoir Data Report
10. Recent News Articles

COMMISSIONER COMMENTS

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

August 25, 2020

The meeting was held virtually due to the COVID-19 pandemic.

Commissioners Appearing Remotely: Joe Lindquist, President; Al Littlefield, Vice President; and Germaine Kornegay, Secretary.

Staff Appearing Remotely: George Sidhu, Brian Henschaw, Alistair Boudreaux, Mark Handzik, Kathy White, Mark Semrau, Kevin Tate, Jay Sedivy, Sam Shipp, Kirk Juneau, Chris Shaft, Sally Saxton, and Skagit PUD Attorney Peter Gilbert. Others may have appeared but were not identified.

Staff Appearing In Person: Luis Gonzalez and Deana Dean.

Other Parties Appearing Remotely: Andrew Entrikin, Sara Young, Andrew Miller, J. Billing, Ray McCord, and Madelyn Case. Others may have appeared but were not identified.

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

CONSENT AGENDA
Commissioner Kornegay moved to approve the Consent Agenda for August 25, 2020 which was unanimously approved.

1. Approval of Agenda 8/25/20
2. Approval of Minutes: 8/11/20 Regular Meeting
3. Ratification of Vouchers 8/18/20
4. Voucher Approval 8/25/20 – No. 2942

Accounts Payable voucher No. 19055 – 19085 ($72,395.79), Electronic Funds Transfer ($675,629.46), and Payroll Electronic Funds Transfers and checks No. ($0.00).

SKAGITNET UPDATE
Andrew Entrikin from SkagitNet and Sara Young from the Port of Skagit provided, by PowerPoint presentation, an overview of SkagitNet. Topics included SkagitNet formation, recap and current status of the seven segments, share franchise agreements, private sector developments, 2020 budget update, and process for the 2021 budget. Commissioner questions and comments followed.

AUDIENCE COMMENTS
None.

OLD BUSINESS
5. Manager’s Report
General Manager George Sidhu provided an update on the following:

Departments: HR: Staff are completing year-end performance evaluations for non-represented staff and the new IT Manager, Alistair Boudreaux, started August 24, 2020.
Customer Service: More than 600 customers have signed up for paperless billing. Finance is starting to put together the draft 2021 budget which will be presented to the Board in early October. The Budget Hearing is scheduled for October 13, 2020. Waiver of penalties and fees is at $43,000 which is an average of approximately $2,000 per week. The Proclamation for waivers and fees has been extended to October 15, 2020. Of the three District fill stations, the new Sedro-Woolley fill station is receiving the most use. Engineering: As of August 24, 2020 there have been twenty new services sold, two new development projects – one in Burlington and one at the Port, a direct mailing was sent to local developers and engineers looking for comments regarding our line extension policies and getting the local development community involved, and postcards were mailed to residents of Fidalgo Island to re-start discussions of the potential transfer of that system to the City of Anacortes. A few emails have been received from Fidalgo Island customers. This item will be on our agenda at the September 8, 2020 meeting and it will also be on one of the September City of Anacortes meetings. Commissioner questions followed.
Staffing: The recommendation is to continue operations as is with the emergency declaration,
staggered schedule for staff, and Zoom Commission meetings. No objections were noted by the Board.

NEW BUSINESS
6. N. 18th Street, E. Division Street to Highland Avenue; and East Fir Street, N. LaVenture Road to N. 30th Pipe Installation Award:
   George introduced this item which is a pipeline replacement project. Bids were received last week and were well below the engineer’s estimate. The recommendation is to award Trico as the low bidder. Commissioner questions and comments followed.

   Commissioner Littlefield moved to authorize the General Manager to enter into a contract with Trico Companies, LLC in the amount of $1,275,611.31 to replace the 8” and 6” AC water main with 8” C909 on North 18th Street from East Division to East Highland and on East Fir Street from North LaVenture Road to Apache Drive, which was seconded by Commissioner Kornegay. The motion was unanimously approved.

INFORMATION
7. Monthly Budget Status – July 2020
8. Judy Reservoir Data Report
9. Recent News Articles

COMMISSIONER COMMENTS
Commissioner Kornegay and Littlefield had nothing to report at this time. Commissioner Lindquist attended the Skagit Council of Governments (SCOG) meeting last week.

ADJOURNMENT
With no further business to come before the Board, the meeting was adjourned at 5:21 p.m.

________________________
Joe Lindquist, President

________________________
Germaine Kornegay, Secretary  Al Littlefield, Vice President
September 8, 2020

TO: Commissioners

FROM: Deana Dean, Clerk of the Board

SUBJECT: Approval of 2019 Minutes


Background: In preparation of the State Auditor’s visit, an audit of 2019 Board meetings was performed. The audit found minutes were not prepared for the January and March Commissioner Orientation Work Sessions.

In addition, although minutes were prepared and approved for the May 7, 2019 Work Session, they were not signed by the Board.

And lastly, the minutes for the May 14, 2019 Regular Meeting are being corrected due to a scrivener’s error – approving May 7, 2014 minutes instead of May 7, 2019.

The action requested is pursuant to the Open Public Meetings Act and RCW 42.30.035 which requires minutes of all regular and special meetings to be recorded and open to public inspection. Commission approval will bring us into compliance with the Act and with the State Auditor. Beginning in 2020, an annual review will be performed at the end of each year to ensure all minutes have been presented to the Commission for approval.

Attachments:
- Draft Minutes of the 1/15/19 Work Session
- Draft Minutes of the 1/29/19 Work Session
- Draft Minutes of the 3/19/19 Work Session
- Draft Minutes of the 5/7/19 Work Session
- Amended Minutes of the 5/14/19 Regular Meeting
MINUTES OF THE WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

January 15, 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.

Commissioner Berg called the work session to order at 4:00 PM. Those Commissioners in attendance were: Eron Berg, President; Al Littlefield, Vice President; and Joe Lindquist, Secretary. Also in attendance were: George Sidhu, Gary Chrysler, Kevin Tate, Kathy White, Mark Handzlik, Mike Fox, Brian Henshaw, Sally Saxton, and Judy Littlefield. Others may have attended but were not identified.

Commissioner Orientation: Managers of Administration, Information Technology, Community Relations, Customer Service, and Meters provided an overview, by PowerPoint presentation, of their Departments, staff, and staff duties. Commissioner questions and comments followed.

Commissioner Berg adjourned the work session at 5:19 PM.

______________________________
Eron Berg, President

ATTEST

______________________________  ______________________________
Joe Lindquist, Secretary        Al Littlefield, Vice President
MINUTES OF THE WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

January 29, 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.

Commissioner Berg called the work session to order at 4:30 PM. Those Commissioners in attendance were: Eron Berg, President; Al Littlefield, Vice President; and Joe Lindquist, Secretary. Also in attendance were: George Sidhu, Jay Sedivy, Mike Fox, Kathy White, Gary Chrysler, Kevin Tate, Mark Handzlik, Brian Henshaw, Sally Saxton, Skagit PUD Attorney Peter Gilbert, and Judy Littlefield. Others may have attended but were not identified.

Commissioner Orientation: Managers of Safety, Operations, and Human Resources provided an overview, by PowerPoint presentation, of their Departments, staff, and staff duties. Commissioner questions and comments followed.

General Manager George Sidhu provided an overview, by PowerPoint presentation, of District staff and their duties including Safety, Operations, and Human Resources. Commissioner questions and comments followed.

Real Estate Services: This matter was carried over from the January 22, 2019 regular meeting. Continued discussion regarding the request for proposals for real estate services. Commissioner Lindquist moved to authorize the General Manager to negotiate a contract with New Ventures Group and bring to the Board for approval. The motion carried 2-1 with Commissioner Berg voting against.

Commissioner Berg adjourned the work session at 5:49 PM.

______________________________
Eron Berg, President

ATTEST

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Joe Lindquist, Secretary

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Al Littlefield, Vice President
MINUTES OF THE WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

March 19, 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.

Commissioner Berg called the work session to order at 4:30 PM. Those Commissioners in attendance were: Eron Berg, President; Al Littlefield, Vice President; and Joe Lindquist, Secretary. Also in attendance were: George Sidhu, Brian Henshaw, Sally Saxton, Mike Fox, Kathy White, Gary Chrysler, Kevin Tate, Mark Handzlik, Skagit PUD Attorney Peter Gilbert, and Judy Littlefield. Others may have attended but were not identified.

Commissioner Orientation: Finance Manager Brian Henshaw provided an overview, by PowerPoint presentation, of the Finance Department including the personnel and duties of staff for Stores, Finance, and Auditor. He also reviewed current projects, rate study, types of funds, debt, investing, and other post employment benefits (OPEB). Commissioner questions and comments followed.

Commissioner Berg adjourned the work session at 5:59 PM.

________________________________________
Eron Berg, President

ATTEST

________________________________________
Joe Lindquist, Secretary

________________________________________
Al Littlefield, Vice President
MINUTES OF THE WORK SESSION OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

May 7, 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.

Commissioner Berg called the work session to order at 4:00 PM. Those Commissioners in attendance were: Eron Berg, President; Al Littlefield, Vice President; and Joe Lindquist, Secretary. Also in attendance were: vGeorge Sidhu, General Manager; Audience: Les Walker, Judy Littlefield, Johnathon Blake, Gabriella Blake and Joe Cantu; District Employees: Mark Handzik, Kevin Tate, Kathy White, Mike Fox, Brian Henshaw, Gary Chrysler, Sally Saxton, Emilia Blake, Chris Zemp, Wendy LaRoque, Krista Lewis, Ed Heidt, Cathy Langlow, Mark Semrau, Gary Tollefson, Luis Gonzalez and Doug McConnell; FCS Group: Gordon Wilson and Brooke Tacia; and Washington State Department of Health: Bob James, Carol Stuckey and Steve Hulsman.

1. Washington State Health Department Drinking Water Week Commitment to Excellence Award – Emilia Blake
Bob James, Department of Health, presented the award to Emilia.

2. 2019 Rate Study Introduction
FCS Group presented an introduction for the 2019 Rate Study, including basic background of a rate study, revenue requirements and rate design. The Board requested additional scenarios to be presented for comparison that included consistent 8.5% rate increases, consistent 5% rate increases and a scenario that shows no new debt. The Board also requested further investigation into low income, elderly and disabled rate designs.

3. PUD Campus Location Assessment
Discussion of the progress made to date and the market assessment that will be provided to the Board next week.

Commissioner Berg adjourned the work session of May 7, 2019 at 5:43 PM.

Eron Berg, President

ATTEST

Joe Lindquist, Secretary
Al Littlefield, Vice President
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 05/07/19 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 field trips 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.

ATTEST

Eron Berg, President

Joe Lindquist, Secretary                 Al Littlefield, Vice President
September 8, 2020

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

FROM: Brian Henshaw, Finance Manager

SUBJECT: Recommendation for Removal of Capital Asset from the Fixed Asset Ledger Surplus to the District’s needs

Requested Action:
Retire asset number 115 from the fixed asset ledger.

Background:
Per our Fixed and Theft Sensitive Assets Policy #1022, capital assets that are surplus to the District’s needs may be removed from the fixed asset ledger by motion and approval of the Commission.

<table>
<thead>
<tr>
<th>Fixed Asset Number</th>
<th>Description</th>
<th>Purchase Year</th>
<th>Amount</th>
<th>Reason for Removal</th>
<th>Method of Disposal</th>
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</thead>
<tbody>
<tr>
<td>115</td>
<td>SAVIN MLP 150DN - Billing Printer</td>
<td>2012</td>
<td>$6,739.78</td>
<td>End of Economic Life</td>
<td>Sale/Auction</td>
</tr>
</tbody>
</table>
Hello PUD-
My concern is I'm allergic to fluoride and we moved to the county so I would have fluoride free water.
1. When/if city of ANA takes over our water - will our water here in the county be FLUORIDE free?
2. Will our cost of water be increased?

Please reply email to confirm receipt.

Margaret Lee
Dear Skagit PUD Commissioners - We live on south Fidalgo Island and recently received a postcard regarding City of Anacortes acquisition of water service currently serviced by Skagit PUD. We would like to encourage the Skagit PUD to support this transfer of service. Below are the reasons for our support

We have an Anacortes address and are already serviced by the City in other areas. It makes sense to deal directly with the City since it owns the water. Assumably, this transfer would be cost-neutral or benefit us financially through reduced water bills.

We urge you to approve this transfer.

Sincerely,

Michael & Rita James
I have been a PUD customer for 48 years and have always had good service. I live in the Summit Park area and have seen the results of the City of Anacortes annexing this area. Lots of promises and few results. I don't trust the City of Anacortes. We will have no representation and if they assess a large payment for capital improvements we will be stuck.

Please don't throw us under the bus. Thanks for the service you provide.

John Pinquoch
Greetings,
My husband & I are relatively new to the Dewey Beach community although my husband grew up here and is a native son.
We’re wondering if the City of Anacortes takes over our water system:
   1) How will our water rates be affected?
   2) How will the quality of our water be impacted?
   3) What are the advantages of a transfer to PUD? The advantages of transfer to Anacortes?
   4) What if any are the advantages to we, the customers of this very important resource?
   5) If we are transferred to the City of Anacortes for our water, will we also be allowed to access the City Library without charge???
Thank you for your help with the above,
Mary Cross
Dewey Beach
In response to the proposed change of our Skagit PUD water system to become part of the Anacortes water system, I feel there is nothing to be gained therefore I am against a change of ownership.
From my observation of comparison of lack of maintenance of public entities such roads, I again feel there is nothing to be gained. Therefore I am against the transfer of ownership.

Sincerely,

Lyle Mooney
Date: September 3, 2020
Joe George Siddhu
General Manager
Skagit PUD.

Subject: Fidalgo Island Water Transfer

At the meeting of March 5, 2020, no resolution took place because the City of Anacortes was not open to dialogue.

However, the few people from Gibraltar, Fidalgo Heights and Summit Park expressed a lot of opposition to being transferred to the City of Anacortes because of the internal problems they have, including the raising of farmers water rates to 200% in 2018.

The meeting of August 25 was shuffled to the end of two hours as being of no importance.

For all the above reasons, this process needs to go to the approval by vote by all the subscribers at a future date and postponed.

Art Fournier
CC: Gibraltar Rd Neighborhood.
Hello,

I live on Gibraltar Rd and am serviced by the Fidalgo Island Water System. I understand that the proposed transfer to the city of Anacortes would provide me with the same water, a possibly enhanced level of service, and at essentially the same cost. Under these circumstances, I have no objection to the proposed transfer.

Sincerely,

Charles R. Wilson
September 8, 2020

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

FROM: Mark Handzlik, P.E., Engineering Manager

SUBJECT: Recommendation to Award 2020 Water Treatment Plant Filter Backwash Lagoon Pumping

Requested Action:
Authorize the General Manager to enter into a contract with Fire Mountain Farms, Inc. in the amount of $295,529.76, to furnish pumping, hauling, and disposal services for the removal of dredge material from the Judy Water Treatment Plant filter backwash lagoons.

Background:
One of the principle processes at the water treatment plant is filtration of the water. During this step water passes through the media filters and fine particles are filtered from the water. After a period of time the particles removed from the water begin to accumulate in the filter media.

When the accumulation of material reduces the capacity of the filters, they are backwashed and the backwash water, carrying all the fine particles, is sent to the Filter Backwash Lagoons. In the lagoons, the water has time for some of the fine matter to settle out and the top clean layer of water can be returned to Judy Reservoir and put back into the production cycle.

Over the last five or six years that sediment has been accumulating in the lagoons. This work will dredge one of the lagoons and return it to its original condition and function. Without this work, the lagoons will not function properly, and the backwash water will essentially short circuit the lagoons, resulting additional sediment loads returning to Judy Reservoir.

This project was solicited through the District’s small works roster. Every registrant on the small works roster was sent an email solicitation for a quote. The maximum allowable contract amount permitted under this type of solicitation is $300,000.

The solicitation was emailed to prospective contractors on Monday, August 31, 2020. Quotes were received until Friday, September 4, 2020. One quote was received, that being from Fire Mountain Farms, Inc. No other quotes were received.
### SMALL WORKS ROSTER PROJECT
#### REQUEST FOR QUOTES
##### 2020 Lagoon Pumping
Small Works Project #CW 5550

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Company</th>
<th>Bid Amount including Sales Tax</th>
<th>Corrected Bid</th>
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<tbody>
<tr>
<td>1</td>
<td>Fire Mountain Farms, Inc</td>
<td>$295,529.76</td>
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### Fiscal Impact
Funding for this project will come from 2020 Budget Line Item 8, Water Treatment Plant Cleanout and Mechanical System Replacement with a total allocation of $750,000. The use of these funds is consistent with their intended purpose.

Attachments:  Project Overview Map
2020 Judy Reservoir Inflows & Outflows

- Streams
- SRD
- 2020 Reservoir Level
- Max/Spill Reservoir Level

September 02 Elevation: 461.59
August 26 Elevation: 462.3
Change in Elevation: -0.71
Spillway elevation: 465.10'
Stream Inflow YTD: 810.71 MG
Pumped from river YTD: 1212.62 MG
5-YEAR
JUDY RESERVOIR ELEVATIONS

Reservoir Elevation (ft)

2015-2019 Reservoir Level Range
2019 Reservoir Level
2020 Reservoir Level


9/3/2020
Public can comment on proposed transfer of Fidalgo Island Water System to City of Anacortes

By Richard Walker rwalker@goanacortes.com
Sep 2, 2020

The City of Anacortes is considering acquiring from the Skagit Public Utility District its water system serving Similk and Dewey Beach, Gibralter, Fidalgo Heights and Summit Park.

The public can comment on the proposed acquisition of the Fidalgo Island Water System during the Skagit PUD Board of Commissioners meeting 4:30 p.m. Sept. 8 via Zoom Cloud Meetings. Visit SkagitPUD.org to join the online meeting; comments can also be made via email to PUD@skagitpud.org.

Comments can be submitted to the Anacortes City Council at CityofAnacortes.org. The council meets at 6 p.m. the first four Mondays of each month.

The proposal, as it now stands, is for a no-cost transfer of ownership from Skagit PUD to the city, Skagit PUD spokesman Kevin Tate said. The acquisition must be approved by the Skagit PUD Board of Commissioners and the Anacortes City Council.

The benefit of the acquisition is it will be easier and less expensive for the city to provide the service because of the service area's proximity to Anacortes, city and PUD officials say. The city is already the wholesale provider of water to the Skagit PUD, and by extension, the Fidalgo Island Water System.

A community meeting took place March 5 at the Dewey Beach Community Center. Residents of the water system's service area — Dewey Beach, Gibralter, Fidalgo Heights, Summit Park and Highway 20/Deception Road — learned they could end up paying slightly less each month for water service. The district's charges a base rate of $32.38 and a per-gallon rate of 2 cents per gallon; the city charges a base rate of $30.99 and a per-gallon rate of about 1.1 cents per gallon.

Acquisition of the water system doesn't mean those communities would someday be annexed by Anacortes or that more development would result. Those communities are outside the city's urban growth area, and City Councilman Ryan Walters said last fall that the city taking over operation of the water system doesn't increase “the likelihood of further development in that area. Development is controlled by zoning.”

The council approved an agreement with Skagit PUD on Dec. 9 to work out the details of the city's proposed acquisition of the 63-year-old water system.

The city has the right to 54 million gallons a day from the Skagit River, but typically draws 20 million gallons a day, Finance Director Steve Hoglund said previously. In addition to the Skagit PUD, the city supplies water wholesale to the Swinomish Indian Tribal Community, the Town of La Conner, and the City of Oak Harbor.

Acquisition of the Fidalgo Island Water System would increase the size of Anacortes' water system by 9% and would generate about $424,000 in annual revenue and cost $51,000 a year to operate, city Public Works Director Fred Buckenmeyer has said. The revenue balance would go toward capital improvements on the system, he said.

What must be finalized is which improvements will be completed by which agency, Skagit PUD general manager George Sidhu said in an earlier interview.