Pursuant to Governor Jay Inslee’s Proclamation 20-28.15, Public Utility District No. 1 of Skagit County Board of Commissioner meetings will be held virtually through ZOOM Cloud Meetings.

Join our meeting: https://skagitpud.zoom.us/j/84500606805?pwd=cno3RFdQMm1QK3ZSaXVRZFhaQUJnQT09
Meeting ID: 845 0060 6805
Passcode: 161503
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 3/23/21
2. Approval of Minutes: 3/9/21 Regular Meeting
3. Ratification of Voucher 3/16/21
4. Voucher Approval 3/23/21

AUDIENCE COMMENTS

SKAGITNET UPDATE

OLD BUSINESS
5. Manager’s Report

NEW BUSINESS
6. 2021 Potential Seasonal Water Rights Transfer – Discussion
7. Payment Processing Services Agreement with Retail Lockbox, Inc. - Action

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

COMMISSIONER COMMENTS

EXECUTIVE SESSION: Approximate 15-30 Minute Duration

Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity – Per RCW 42.30.110(1)(i)(ii)

ADJOURNMENT
MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON
March 9, 2021

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

Commissioners Appearing Remotely: Joe Lindquist, President; Germaine Kornegay, Vice President; and Andrew Miller, Secretary.

Staff Appearing Remotely: George Sidhu, Luis Gonzalez, Kathy White, Mark Handzlik, Alistair Boudreaux, Brian Henshaw, Mike Fox, Ryan Anderson, Sam Shipp, Doug Streeter, Mike Benton, Kevin Tate, Bill Trueman, Chris Shaff, Mark Semrau, Mike Demers, Skagit PUD Attorney Peter Gilbert, and Deana Dean. Others may have appeared but were not identified.

Other Parties Appearing Remotely: Karen Pitt. 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 March 9, 2021 which was seconded by Commissioner Miller and unanimously approved.

1. Approval of Agenda 3/9/21
2. Approval of Minutes: 2/23/21 Regular Meeting
3. Ratification of Voucher 3/2/21
4. Voucher Approval 3/9/21 – No. 2970
   Accounts Payable voucher No. 20409 – 20472 ($79,246.40) Electronic Funds Transfer ($25,196.92), and Payroll Electronic Funds Transfers and checks No. ($0.00).

AUDIENCE COMMENTS
None.

OLD BUSINESS
5. Manager’s Report: General Manager George Sidhu provided an update on the following:
   - Upcoming Board Meetings: The format will revert back to having each Department Head providing updates to the work within the departments. This will continue the education process and allow each department to focus on the important work they are doing. Quarterly financial reports and SkagitNet reports will also be included.
   - Finance: Penalties and late fees waived since March 2020 are at $103,000 with a per week average consistent at $2,200. Accounts receivable has improved with total outstanding over 90 days at $153,000 and all amounts over 30 days at $280,000. This amount continues to climb but, in terms of percentage of accounts over 90 days, is slowly decreasing since the first of the year. Customers are making payment arrangements and the Customer Service Department has done a good job reaching out to the customers.
   - The District hired a new Maintenance Worker, Tristen Delarm who is taking Jose Ponce’s position. Jose has moved from Maintenance to Distribution and will eventually take over as lead SCADA Technician.
   - Letters were sent to customers regarding the AFTS ransomware attack. A letter has also been sent to the State Attorney General’s Office as required by RCW. Many customers have had concerns about how their information is being impacted but the number of calls has been slowly decreasing. Brian and the Customer Service Department is doing a good job responding to customers. Staff is investigating an alternate vendor for check processing. A recommendation for a new vendor will be brought to the Board within a month or so.
   - Legislative Update: The moratorium for service disconnections is set to expire on April 30th. However, recently the UTC has extended the moratorium until July 31st for private for-profit utilities. The Governor is expected to follow suit with municipal utilities. A new bill, SB 5472, has been introduced to provide support for utility customers impacted by COVID-19, specifically for water and electric utilities. This bill allows PUD’s and other utilizes to offer an option to customers who have outstanding balances to enter into
a payment plan. The plan would allow the customers to repay within a 24-month period. The utility would agree to forgive 50% of the outstanding balance if the customer can demonstrate they have been impacted by COVID-19. The absorbed amount would be a credit to the utility in the public utility tax. Staff will continue to monitor and update the Board, as necessary.

6. Safety Department Update: Safety and Risk Coordinator Jay Sedivy provided, by PowerPoint presentation, an update on activities within the Safety Department. Topics included: departmental goals, injury loss prevention, emergency resilience, and training. Jay answered Commissioner questions throughout the presentation.

NEW BUSINESS
7. Water Treatment Plant Ammonia Tank Rebuild – Recommendation to Award
Operations Manager Mike Fox summarized the request to structural rebuild – both inside and out – the ammonia tank at the water treatment plant. He indicated the tank has not had much maintenance and the repairs are more involved. Brief explanation followed.

Commissioner Miller moved to authorize the General Manager to execute and enter into a contract with Advanced Composite Services in the amount of $63,635.25 for rebuild of the ammonia tank at the WTP which was seconded by Commissioner Kornegay and unanimously approved.

8. Fir Street Construction Change Order
Engineering Manager Mark Handzlik spoke to the proposed change order with Trico Companies LLC for paving and reconciliation of other bid items on the Fir Street project.

Commissioner Kornegay moved to authorize the General Manager to execute Change Order #1 to the N. 18th Street, E. Division to Highland, Fir Street, N. Laventure to N. 30th project in the amount of $111,455.63 which was seconded by Commissioner Miller and unanimously approved.

NEW BUSINESS CONTINUED
Engineering Manager Mark Handzlik spoke to agenda items 9, 10, and 11. Explanation was provided for the mid-year revisions to the Capital Improvement Plan with reallocations to fund the Judy Reservoir to Mount Vernon Transmission Line Phase 2 project and pipe relocations for fish passage projects. He also spoke to the proposed amendment to the Skagit County Interlocal Agreement related to the pedestrian trail, Centennial Trail Easement, and a full easement along the trail corridor for the PUD’s placement of the transmission line. This agreement updates the costs. And finally, he spoke to the request to award the project to the lowest responsive bidder, Scarsella Bros. Inc. and summarized funding sources for the project. Commissioner questions, comments, and voting followed.

9. 2021-2030 Capital Improvement Plan Revisions
Commissioner Kornegay moved to approve the March 9, 2021 revised Capital Program which was seconded by Commissioner Miller and unanimously approved.

10. Skagit County Interlocal Agreement Amendment
Commissioner Kornegay moved to authorize the General Manager to execute an amendment to the interlocal agreement with Skagit County for the construction of pedestrian related improvements associated with the East Fork Nookachamps Bridge and Centennial Trail Easement which was seconded by Commissioner Miller and unanimously approved.

11. Judy Reservoir to Mount Vernon Transmission Line Phase 2 – Recommendation to Award
Commissioner Miller moved to authorize the General Manager to execute a contract with Scarsella Bros. Inc. for the Judy Reservoir to Mount Vernon Transmission Line Phase 2 Project for Bid Schedule “A” in the amount of $35,097,560.68 and Bid Schedule “B” in the amount of $564,167.76, subject to Skagit County Board of Commissioners approval of the amended interlocal agreement, and authorize the use of System Development Funds for use toward funding the project which was seconded by Commissioner Kornegay and unanimously approved.

INFORMATION
13. Judy Reservoir Data Report
14. Recent News Articles

COMMISSIONER COMMENTS
Commissioner Kornegay inquired about the hydroelectric project which was answered and explained by Engineering Manager Mark Handzlik. Commissioners Miller and Lindquist had nothing to report at this time.

ADJOURNMENT
With no further business to come before the Board, the meeting was adjourned at 5:28 p.m.

______________________________
Joe Lindquist, President

ATTEST

______________________________
Andrew Miller, Secretary

______________________________
Germaine Kornegay, Vice President
As of MARCH 16, 2021

We, the undersigned Board of Commissioners of Public Utility District No. 1 of Skagit County, Washington, do hereby certify that the merchandise and/or services hereinafter specified have been received and are hereby approved for payment in the amount of $748,548.04 this 16th day of March, 2021.

The total is comprised of the following:

Accounts Payable voucher No. from 20473 through 20530 in the amount of $367,195.66, Electronic Funds Transfer in the amount of $193,072.68. Payroll Electronic Funds Transfers and checks No. 033328 through 033410 in the amount of $188,279.70.

Attest:

President
Vice - President
Secretary

Date: 03/16/2021

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560,268.34
March 23, 2021

TO: Board of Commissioners

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

SUBJECT: Potential Seasonal Water Rights Transfer to Irrigators

Requested Action:
No action is request, for discussion purposes only.

Background:
In 2015 and 2019, after droughts were declared by the Governor, the District worked with Department of Ecology and our local partners to provide water for irrigation of local farm fields as part of an agreement for an emergency water rights transfer. The District temporarily transferred water rights from the Skagit River Diversion downstream to Drainage and Irrigation District #15 (DID 15) and Consolidated Diking Improvement District #22 (CDID 22) for use at their existing pumping locations on the Skagit River.

In Fall 2019, conversations were initiated with Jenna Friebel, Executive Director of the Skagit Drainage and Irrigation District Consortium, regarding the possibility of an agreement for a seasonal water rights transfer for DID 15 and CDID 22 help them with their irrigation needs in non-drought years. We were unable to come to an agreement in advance of the 2020 irrigation season, but agreed to continue working on the issue for the 2021 season. I met with Jenna recently to discuss the possibility of a seasonal water rights transfer in 2021, and there are still two main points that need resolution before a seasonal transfer can be agreed to:

1. It is very important to the District to evaluate the possibility of providing piped water to help facilitate irrigation. I have asked Jenna to utilize the mapping of their ditch systems and combine that with the mapping of our distribution piping network to determine where piped water can be used for irrigation. I feel that piped water needs to be one of the solutions that is used for irrigation, and a plan needs to be developed for an analysis of that option. In order to consider a seasonal transfer for 2021, progress on this item needs to be made by May 1.

2. The installation of metering and telemetry on the diversion pumps for both DID 15 and CDID 22 is very important because of our need to report accurate information to Department of Ecology on the amount of water being used during the transfer. To complete a seasonal water rights transfer during non-drought years, we need real time information that can be accessed remotely, and for that equipment to be in place prior to the transfer. We would like to see the purchase
and installation of the technology needed from DID 15 and CDID 22 prior to May 1. A signed commitment from all parties to do this would also be acceptable, but the transfer could not be executed until the equipment was installed.

I will continue to monitor progress of both of these items and report back to the Board when they have been completed. There is about a 60 day duration to complete the transfer, which includes a 30 day public notice period. If the above issues are not resolved prior to May 1, it is very likely that the seasonal transfer could not be completed within the irrigation season for 2021.

**Fiscal Impact:**
There will be no immediate fiscal impact resulting from the seasonal transfer. The volume of water pumped using our water rights will be charged to the appropriate irrigation district using our agricultural water rate.
March 23, 2021

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

FROM: Brian Henshaw, Finance Manager

SUBJECT: Payment Processing Services Agreement with Retail Lockbox, Inc.

Requested Action:
Authorize the General Manager to terminate our contract with Automatic Funds Transfer Service for payment processing services and enter into an agreement with Retail Lockbox, Inc. for the same.

Background:
Early last year, the District issued a Request for Proposals to provide payment processing or “Lockbox” services for check payments of water bills. After reviewing the three responsive proposals, the District entered into a contract with Automatic Funds Transfer Services (AFTs) on April 1, 2020. AFTs was selected based on their experience with our billing software NorthStar and for providing this service for other similar utilities.

In February 2021, AFTs was the target of a ransomware security breach that encrypted thousands of their files and held them for ransom. This resulted in AFTs shutting down their website as they searched for and isolated computers/systems that were infected with the virus. AFTs switched some operations to their California facility and continued to provide utility payment processing for the District.

Our initial concerns with the AFTs security breach were to prevent the virus from infecting our own systems and informing our customers of the data breach. Additional virus scanning and other security protocols of files from AFTs has allowed us to continue to process check payments since the breach. We mailed letters to all 24,000 water customers informing them that their account and banking information may have been compromised and to monitor their bank accounts.

Unfortunately, AFTs response to the security breach has made it clear that they were ill prepared for this type of emergency that necessitated disaster recovery. We are still waiting on AFTs to provide detailed information on the security breach as well as our specific customer information that was exposed.

Based on the lack of response from AFTs to the security breach, we are recommending that we terminate their contract and that we switch to Retail Lockbox, Inc. (RLB) to provide payment processing services for the District. We have met with the President and IT staff of RLB and are more comfortable with their ability to provide these services and protect our customers data.
Fiscal Impact:
The pricing of the new contract with Retail Lockbox, Inc. is based on their proposal submitted during the RFP process last year. The contract with Retail Lockbox is estimated to be $800 per month or $9,600 per year higher than our contract with AFTs. The increase in cost is based on an estimated number of transactions processed per month.
Retail Lockbox, Inc.

105 14th Ave, Suite 300
Seattle, WA 98122

In Partnership with:

Banner Bank

Payment Processing Proposal for:

Skagit PUD
PUBLIC UTILITY DISTRICT

1415 Freeway Drive • PO Box 1436 • Mount Vernon, WA 98273

March 9th, 2021

Presented By

Craig Dawson
President
Retail Lockbox, Inc.
206-624-9424
Craig@Retaillockbox.com
AGREEMENT TO PROVIDE "LOCKBOX" PAYMENT PROCESSING SERVICES

THIS AGREEMENT effective between Retail Lockbox, Inc., a Washington Corporation ("Retail Lockbox, Inc."), and Skagit PUD ("Client"), is related to the processing of certain payments to the Client by its customers as identified in Schedule A and commonly referred to as "lockbox processing."

Definitions:

a) Transaction
   a. A Transaction is defined as the posting of an amount to an account and/or the processing of a check.

b) Regular Transactions
   a. Regular Transactions will be defined as a coupon transaction that includes an OCR scanline and standardized envelope for remittance. These will include those transactions, mutually agreed upon between Retail Lockbox, Inc. and Client, including 1) the dollar amount on the check and coupon match, 2) the check and stub do not match.

c) Wholesale/Manual Transactions
   a. Wholesale/Manual Transactions will be defined as those transactions agreed upon between Retail Lockbox, Inc. and Client, where there is no usable OCR scanline. Examples of this could include but are not limited to 1) a check with a damaged coupon 2) a check with or without an account number 3) a check with no coupon 4) illegible coupon information 5) there are multiple checks or coupons associated with a single transaction.

d) Exceptions and/or Unprocessable Transactions
   a. This category includes remittance materials considered to be unprocessable based on Client business rules or defective condition of the materials received. Examples include but are not limited to: damaged check; incomplete or inaccurate MICR; or no check enclosed.
Client shall:

1. Provide its customers with a statement document or other form of credit document to be returned with payments, together with directions to mail such returns to the specified post office box (“lockbox”).

2. Provide a P.O. Box in a mutually agreeable Post Office facility for receipts of payments. Retail Lockbox, Inc. shall facilitate the acquisition and logistics on behalf of Client.

3. Pay to Retail Lockbox, Inc., the charges provided for in Schedule B, as updated from time to time in accordance with Retail Lockbox, Inc. policies.

Retail Lockbox, Inc. shall:

1. Create and document specific processing instructions for internal use and based on Client’s business rules.

2. Present the total of all payments received for the Client from the lockbox into a corporate bank account, to be identified by Client.

3. Capture payment information as agreed upon with Client and based on the materials received for Client.

4. Provide detail and summary reports of each day’s transactions.

5. Mail or courier all go-back/return work and unprocessable materials based on the Client’s processing instructions.

All parties agree:

1. Payments and coupons received by Retail Lockbox, Inc. will be processed within 24 hours from the time received each business day. If, because of mechanical or power failure or events beyond the control of Retail Lockbox, Inc., it cannot process, then Retail Lockbox, Inc. will process the information the next business day.

2. Retail Lockbox, Inc. will follow the holiday schedule of the Seattle Branch of the Federal Reserve Bank of San Francisco and / or the United States Postal Service. Payments and information received on any such holiday will be processed with items received on the next business day.
3. All items will be processed by Retail Lockbox, Inc. except those mutually determined to be "unprocessable" as specified above under “Definitions.”

4. The coupon must conform to document specifications as published by Retail Lockbox, Inc. In the event of document reject rate greater than 2%, Retail Lockbox, Inc. will notify the Client and jointly work out a remedy within 15 days.

5. The price of the service is subject to an annual increase equal to the Seattle – Tacoma – Bellevue consumer Price Index (CPI) for all items.

6. Retail Lockbox, Inc. will add Skagit PUD as an additional insured on our General Liability Insurance. Retail Lockbox, Inc. shall maintain the coverage shown on “Attachment A: Certificate of Liability Insurance” or similar amounts agreeable to both parties. Retail Lockbox, Inc. will provide Skagit PUD with a copy of our Certificate of Liability Insurance annually, prior to the certificate’s annual renewal date.

7. The term of this agreement is for 3 years beginning on Client’s Go-Live date. The Agreement will automatically renew for subsequent one year periods unless written notice of intent not to renew the Agreement is provided by one party to the other not less than forty five (45) days prior to the end of the initial term and any renewal term of the Agreement.

8. This agreement shall be governed by and construed in accordance with the laws of the State of Washington and the United States. Both parties agree to submit any dispute arising out of or relating to this Agreement to binding arbitration. The parties will cooperate in good faith and use reasonable efforts to informally resolve any such dispute. If the parties are unable to resolve a dispute informally, then either party may submit the Dispute to binding arbitration in Seattle, Washington.

9. Retail Lockbox, Inc. represents and warrants that it will provide the services in a professional manner consistent with commercially reasonable standards of the lockbox processing industry. EXCEPT FOR THE LIMITED WARRANTY IN THIS SECTION 8, THE SERVICES ARE PROVIDED ON AN AS-IS BASIS. RETAIL LOCKBOX, INC. EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION FITNESS FOR A PARTICULAR PURPOSE AND AGAINST NONINFRINGEMENT. EXCEPT AS PROVIDED HEREIN, RETAIL LOCKBOX INC. SHALL NOT BE LIABLE TO CLIENT FOR CONSEQUENTIAL, EXEMPLARY, INDIRECT, SPECIAL OR INCIDENTAL DAMAGES OR BE LIABLE TO ANY THIRD PARTY FOR ANY DAMAGES WHATSOEVER. Retail Lockbox, Inc.’s entire liability under this Agreement for any damages for any cause whatsoever shall in
no event exceed an amount equal to the price paid for the services by Client in the preceding six month period.

10. Retail Lockbox, Inc. is not a licensed or chartered bank and the lockbox services provided by Retail Lockbox, Inc. are not those of a presenting, intermediary or payee bank. The parties expressly disclaim application of Article 4 of the Uniform Commercial Code (as the same is enacted in the State of Washington) to the services provided under this Agreement.

11. Client represents and warrants that it has all requisite power, authority and approvals to provide Retail Lockbox, Inc. all information, including payment and coupons including personally identifiable information, provided pursuant to this agreement. Retail Lockbox, Inc. will use commercially reasonable efforts to maintain the privacy and security of personally identifiable information provided by Client to Retail Lockbox, Inc.

12. Each party shall indemnify and hold the other harmless for any losses, claims, damages, awards, penalties, or injuries incurred by any third party, including reasonable attorney's fees, which arise from an actual breach of such indemnifying party's representations and warranties made under this Agreement, provided that the indemnifying party is promptly notified of any such claims. The indemnifying party shall have the sole right to defend such claims at its own expense. The other party shall provide, at the indemnifying party's expense, such assistance in investigating and defending such claims as the indemnifying party may reasonably request. If Retail Lockbox, Inc. is the indemnifying party, its maximum liability pursuant to this indemnify shall not exceed the liability limitation in Section 8 of this Agreement. This indemnity shall survive the termination of this Agreement.

13. CONFIDENTIALITY. Client and Retail Lockbox, Inc. each agrees that information regarding the other party's operations, strategies, organization, finances, business, trade secrets, pricing, and Customer Information obtained from the other party, whether marked confidential or not, and any information obtained from the other party that is marked confidential or about which notice of confidentiality is given within 30 days of the receiving party's receipt of such information ("Confidential Information") shall be held in strict confidence and shall be used only for purposes of this Agreement. In no event shall either party use Confidential Information to compete with the other party in its business.
Skagit PUD:
Sign: _______________________
Print: _______________________
Date: _______________________
Title: _______________________ 
Address: 

Retail Lockbox, Inc.
Sign: _______________________
Print: _______________________
Date: _______________________
Title: _______________________
Address: 105 14th Avenue
Seattle, Washington 98122
SCHEDULE A

Processing provided relates to payments by customers for:

Skagit PUD
P.O. Box To Be Provided

Definition of electronic file data transmission and exception handling specifications:

To be finalized during implementation with Skagit PUD

Bank Account Number:

Bank Routing and Transit Number: XXXXXXXX
Bank Account Number: XXXXXXXX

Assumptions:
1. Skagit PUD has 10,000 payments per month
2. Skagit PUD currently processes their payments internally
3. Skagit PUD printer is Kate-Smith and they have weekly bill print runs on Wednesday
4. Skagit PUD utilizes an OCR A scannable coupon
5. Retail Lockbox, Inc. will offer our RetailWEB™ as our image repository and customer service look up tool as an optional service
6. Retail Lockbox, Inc. will offer our RetailWEB™ Suspense tool for items that do not have enough information to post as an optional service
7. Skagit PUD utilizes Banner Bank for their daily deposits
8. Retail Lockbox, Inc. will provide a Check 21 Image Cash Letter for deposit to Skagit PUD bank account at Banner Bank
9. Skagit PUD utilizes Northstar Accounting System for their accounts receivable posting
10. Retail Lockbox, Inc. will provide a daily accounts receivable posting file to Skagit PUD based on mutually agreeable file specifications

Preliminary Statement of Work

1. Retail Lockbox, Inc. recommends the use of OCR A scannable payment coupons with Skagit PUD’s customers. These coupons will allow for accurate and automated receivable function.

2. Retail Lockbox, Inc. will assist Skagit PUD in the design and implementation of the coupon processing as well as the electronic file transfer process to update Skagit PUD’s accounts receivable system.

3. Skagit PUD customers will remit payments to a PO Box located in Seattle, WA.

4. The current day’s mail will be picked up in Seattle and couriered to Retail Lockbox, Inc.’s processing location.
5. The mail will be opened and sorted as follows:
   a. Full Pays & Partial Pays
   b. Multiples
   c. Checks Only
   d. Correspondence

* Other sorts are available upon Skagit PUD’s request.

6. ‘Checks Only’ can be deposited and an image copy made to allow Skagit PUD to research and post the payment to the correct account.

7. Retail Lockbox, Inc. will scan all items processed. Skagit PUD has the option of researching images on the internet with RetailWEB™ the day after the items are processed.

8. Retail Lockbox, Inc. will provide a daily deposit into a corporate account at Banner Bank by the bank’s cutoff time each business day. Check 21 Image-based Cash Letter is the preferred method of deposit.

9. Skagit PUD will provide a list of acceptable payees with all others to be returned.

10. Retail Lockbox, Inc. will shred all materials received with an ICL deposit. Other materials will be returned to Skagit PUD as needed via USPS or courier.

11. Retail Lockbox, Inc. will provide Skagit PUD with Detail and Summary Reports electronically on each day work is processed. On days with no incoming remittances to process, Retail Lockbox, Inc. will provide Skagit PUD with a courtesy “No Work” notification email.

12. Retail Lockbox, Inc. will image all correspondence received in the PO Box. All correspondence can be returned if needed on a mutually agreeable courier schedule.

13. Account data will be communicated daily to Skagit PUD via electronic transfer. SFTP is the preferred method of transmission.
   a. Retail Lockbox, Inc. will provide Skagit PUD with a daily accounts receivable posting file for use with its Northstar accounting system.

**Epay (Consolidated Bank Bill Pay) Statement of Work**

1. Retail Lockbox, Inc. will provide Epay (electronic) processing of online bill payments from FIS, Fiserv, and iPay Technologies providers. We will contract with each provider directly on behalf of Skagit PUD.

2. Payment Initiation - Consumers initiate online bill payments to Skagit PUD through their bank’s website.

3. Payment Deposit - An ACH electronic deposit is made into Skagit PUD’s bank account by each provider.

4. Skagit PUD Epay bill payments information is electronically sent from providers to Retail Lockbox, Inc. for processing.

5. Retail Lockbox, Inc. will take the payment information and provide an Accounts Receivable posting file in Skagit PUD’s preferred format for upload.

6. Retail Lockbox, Inc. will provide reporting based on the provider, Skagit PUD, and the customer detail information by transaction.
## SCHEDULE B

### Lockbox Processing Services

**Monthly Base Fee**
- $445.00 per month

*Includes:*
- ✓ Daily Detail & Summary Reports
- ✓ ICL File Transfer
- ✓ Daily A/R Posting File (Northstar)
- ✓ Secure Storage and Shredding

**OCR-A Transactions**
- $0.12 per transaction

**Manual, Exception & Unprocessable Transactions**
- $0.18 per transaction

**Lockbox Implementation & Programming**
- $1,560.00 one-time

**Epay Processing**
- $0.12 per transaction

**Epay Implementation & Programming**
- $780.00 one-time

### Optional Services

- **RetailWEB™ Suspense Processing**
  - $0.65 per transaction
- **Suspense Transaction Pull**
  - $8.00 per pulled transaction
- **Suspense Implementation & Programming**
  - $780.00 one-time
  - *(50% reduction if setup during initial Lockbox implementation)*
  - ($390.00 one-time)

**RetailWEB™ Image Hosting**
- $27.00 per user, per month

*Includes:*
- • Upload and viewing checks and stubs
- • Notes field
- • Correspondence on stub lookup
- • Edit field capability

**Image Storage for RetailWEB™**
- $0.0027 per image, per month

**Correspondence Scanning (double-side page = 2 images)**
- $0.16 per image

### Other Fees

- **Overnight/Certified Mailed Items**
  - $4.60 per transaction
- **Cash Handling**
  - $5.75 per transaction
- **P.O. Box Fees**
  - $As Billed
- **Combined Courier Fees**
  - $As Billed
- **Annual Compliance Fee** (billed annually in December)
  - 3.15% of Annual Billings
- **Change Request or Maintenance Charges**
  - $195.00 per hour

**Terms:** All fees for the prior month will be billed by the 3rd day of the next month. The fees will be due on the 10th of the month and collected via an ACH electronic transfer from Bank *(To Be Provided)* account number *(To Be Provided)* on that date. Late fees will be added to any and every month's bill that is late.
There is a 5 day grace period beyond the Due Date printed on your invoice. The fee will be $50.00 and 12% per year on the outstanding balance.

If Customer reasonably and in good faith disputes all or any portion of a bill, Customer will notify RLI in writing within ten (10) days from the date of Customer’s receipt of the bill, provide the reasons for the objection, and pay any portion of the bill which is not in dispute. If Customer’s account is ten (10) days or more overdue (except with respect to charges under reasonable and good faith dispute), RLI reserves the right to immediately suspend services, without liability to the Customer, until Customer pays all overdue amounts in full. Suspension of services will not relieve Customer of its obligation to pay the service fees as outlined in Schedule B.

The above pricing proposal is valid for 60 days and predicated on the above Statement of Work. Changes to the Statement of Work may require additional charges. Retail Lockbox, Inc. is allocating eight (8) hours of labor for the implementation of these services. If additional labor is required, charges may be billed at the rate of $195.00 per hour.
Washington Trust Bank
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENT

Name__________________ Tax ID Number__________

I (we) hereby authorize Retail Lockbox, Inc., hereinafter called COMPANY, to initiate debit entries to my (our)

☐ Checking Account ☐ Savings Account (select one)

indicated below at the depository financial institution named below, herein after called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository
Name__________________ Branch__________________

City__________________ State__________ Zip_______

Routing Account
Number__________________ Number__________________

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s)__________________ ID Number____________

Date__________________ Signature__________________

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNERS SPECIFIED IN THE AUTHORIZATION.
2021 Judy Reservoir Inflows & Elevation

- March 17 Elevation: 461.19 ft
- March 10 Elevation: 460.18 ft
- Change in Elevation: 1.01 ft
- Spillway Elevation: 465.10 ft
- Stream Inflow YTD: 426.74 MG
- Skagit River YTD: 0.00 MG

Graph showing 2021 Reservoir Level, Max/Spill Reservoir Level, Streams, and SRD Pumping.
The Skagit Public Utility District has its offices on Freeway Drive in Mount Vernon.

Brandon Stone / Skagit Valley Herald

The Skagit Public Utility District Board of Commissioners approved a $35.6 million contract Tuesday to replace an aging 5.3-mile water line.

Commissioner Joe Lindquist said the project will provide redundancy and reliability to a crucial segment of the district's water system.

“It’s (among) our most critical assets,” he said.

The existing line running south from Judy Reservoir — the PUD's treatment facility and primary water source — to downtown Mount Vernon is more than 50 years old, and has seen three breaks in the past two years.

“It’s pretty clear we need to do something, and we need to do it now,” Lindquist said.

Construction can start after the completion of custom-made pipe, which is expected to be mid-summer. Installation will take about two years, said PUD spokesperson Kevin Tate.

— Reporter Brandon Stone: bstone@skagitpublishing.com, 360-416-2112, Twitter: @Brandon_SVH
One of the Skagit Public Utility District's payment vendors suffered a data breach, potentially exposing customers’ information to hackers.

Automatic Funds Transfer Services, Inc. (AFTS) was victimized with a ransomware attack, meaning its data was accessed by malicious software and held for ransom by hackers.

A letter from the PUD — which is the water provider for many in the county — to its customers said AFTS did not have access to customers’ credit card information, social security numbers or state ID numbers.

Potentially compromised information may include names, addresses and PUD account numbers. Bank account and routing information for customers who pay by paper checks may have also been exposed.

Spokesperson Kevin Tate said the PUD sent about 24,000 letters to customers. It encourages those who pay by paper checks to carefully monitor their bank account activity and report unusual activity to their bank.

The letter also encourages customers to place fraud alerts on their account through one of the three major credit-reporting bureaus.

Tate said AFTS has hired a cybersecurity firm to investigate the attack.

“We feel bad for customers,” he said. “We take security and personal information seriously.”

Customers with questions are encouraged to contact the PUD’s customer service department at 360-424-7104 or customerservice@skagitpud.org.

— Reporter Trevor Pyle: 360-416-2156, tpyle@skagitpublishing.com, Twitter: @goskagit, Facebook.com/bytrevorpyle