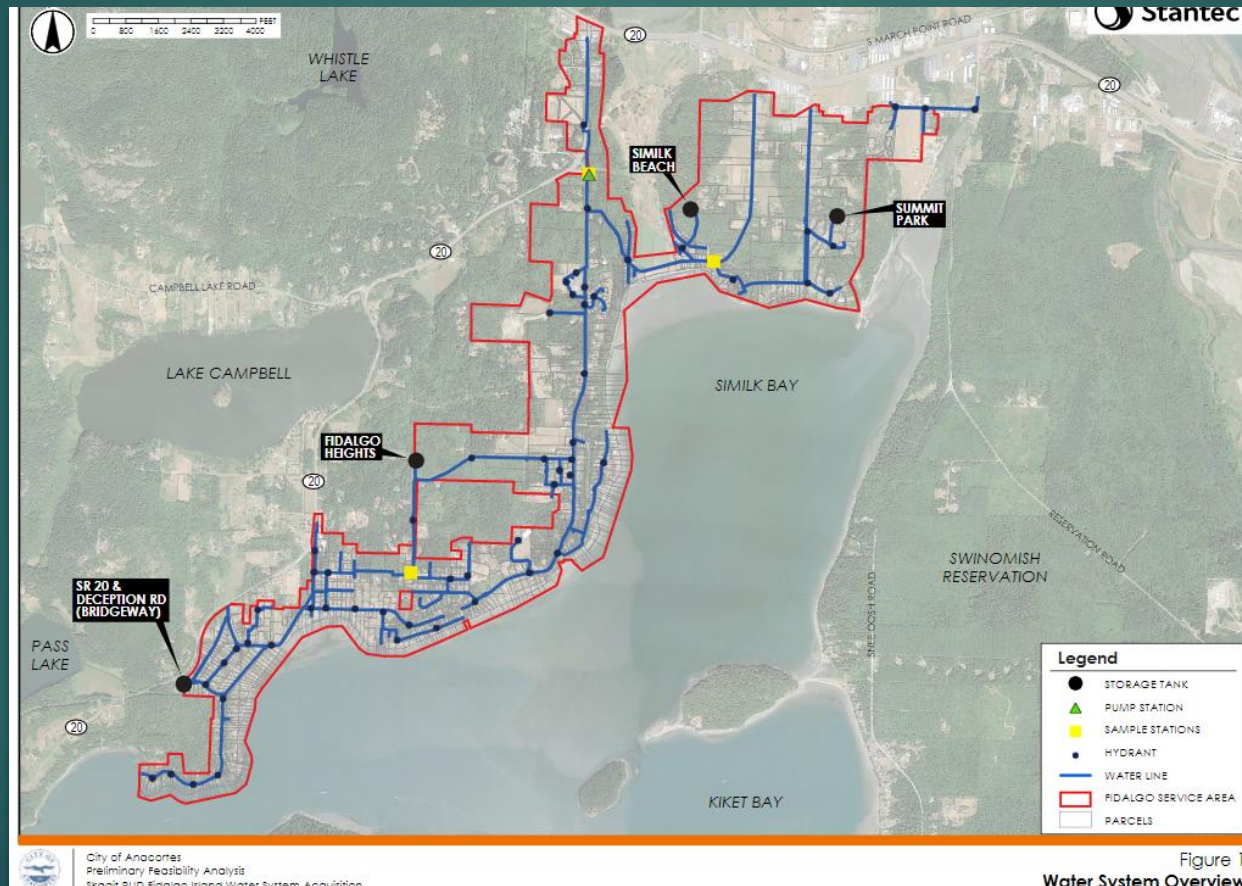
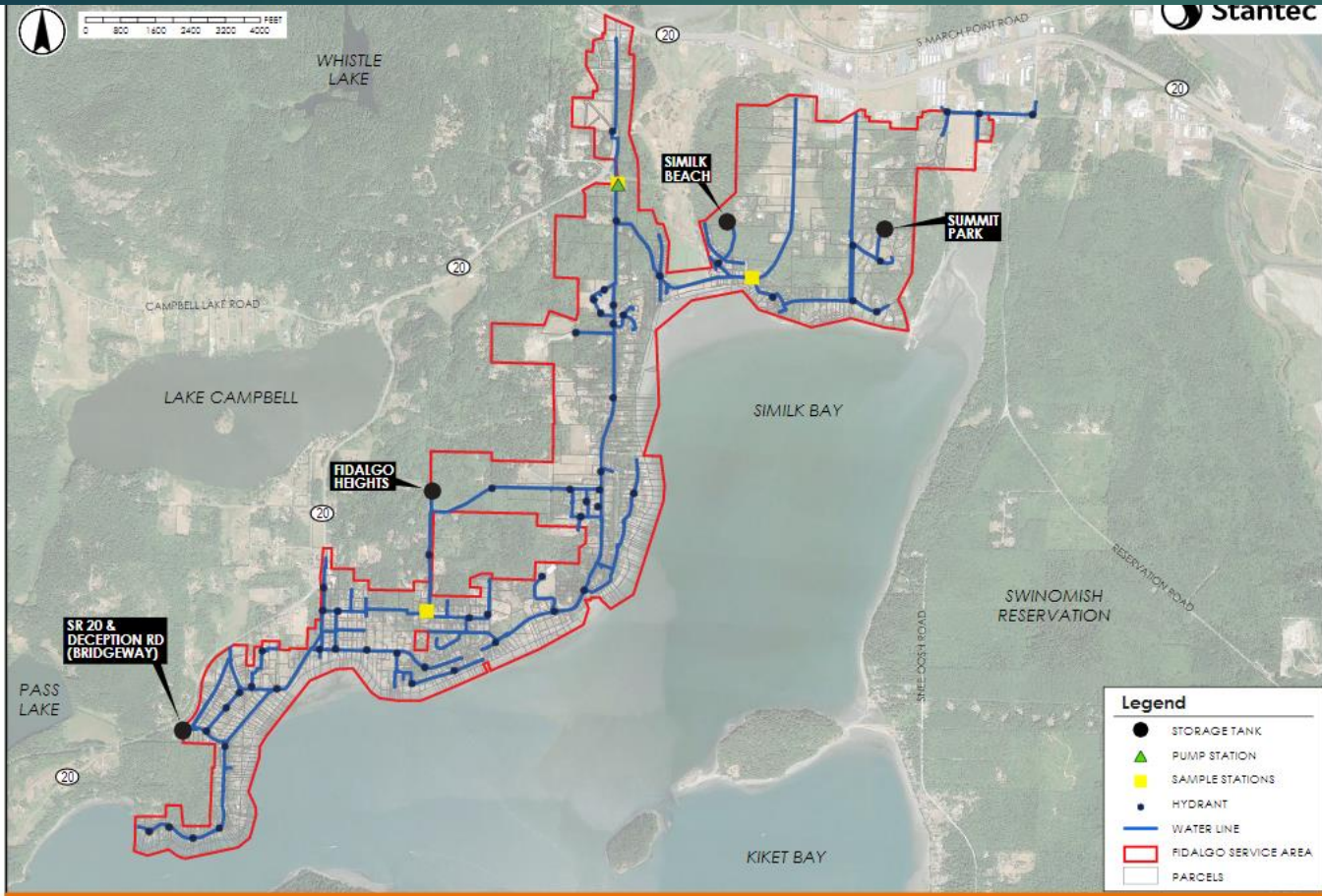


Fidalgo Island Water System (FIWS) Transfer Agreement



FIWS Inventory



Storage Tanks	Storage Volume (Gallons)	Material
Similk Reservoir	100,000	Wood Stave
Summit Park Reservoir	100,000	Concrete
Fidalgo Heights Reservoir	550,000	Welded Steel
Bridgeway Reservoir 1 (abandoned?)	50,000	Concrete
Bridgeway Reservoir 2 (abandoned?)	50,000	Concrete
Pump Stations	Flow (gpm)	Discharge Pressure (psi)
Gibraltar	500	120
Pipelines	Total Length (ft)	Total Non-DI Length (ft)
< 4-inch	11,151	10,775
4-inch	16,816	16,408
6-inch	17,487	15,813
8-inch	36,609	2,560
12-inch	12,710	0
TOTAL	94,774	45,555

1. Source: Skagit PUD No. 1.

Figure 1
 Water System Overview

Details of Agreement

- ▶ Due to the proximity of the FIWS to other retail service areas of the Water System and the City's continued provision of water supply to the FIWS under the Supply Agreement, the Parties have determined that transferring the FIWS to the City will improve maintenance and emergency response times and result in economic and water service-related efficiencies in the continued operation, maintenance and improvement of the FIWS. Corresponding service area adjustments necessary for the FIWS transfer are identified in applicable water system comprehensive plans approved by the Washington State Department of Health and accordingly are incorporated by reference in the Skagit County coordinated water system plan. It is therefore in the best interests of the City, the District and the FIWS ratepayers for the District to transfer ownership of the FIWS to the City.

A Time Line

- **December 31, 2019** - MOU between Skagit PUD and City executed to start drafting transfer agreement. COA #19-204-WTR-001
- **March 5, 2020** - Skagit PUD and City held joint open house session held with current and future customers
- **Tuesday, July 27, 2021** - The Skagit PUD Commissioners authorized the General Manager to sign the Transfer agreement
- **Monday, August 2, 2021** - An overview of the details of the transfer agreement will be presented to the Public Works Committee.
- **Monday, August 3, 2021** - A Civic Alert will be posted on our website notifying the public of the proposed City Resolution to authorize the Mayor to sign the Transfer Agreement.
- **Monday, August 9, 2021** -The Resolution will be presented to City Council for comment and approval to execute the agreement.

Key Elements of Agreement

► PUD will complete 3 key projects Prior to Transfer. Projects estimated of 1.15 M

1. Similk Reservoir Abandonment and Pressure Reducing Valve (PRV) Relocation.
2. Bridgeway Reservoirs Abandonment, Connection to Anacortes Transmission Main and PRV Placement.
3. Satterlee Road/Gibraltar Road to Mashie Street Pipe Replacement.

Project #	Street	Length	Project Estimate	Cost per LF
3	Satterlee, Gibraltar Rd to Mashie Street Pipeline Replacement	1,450 LF	\$ 446,000	\$308/LF

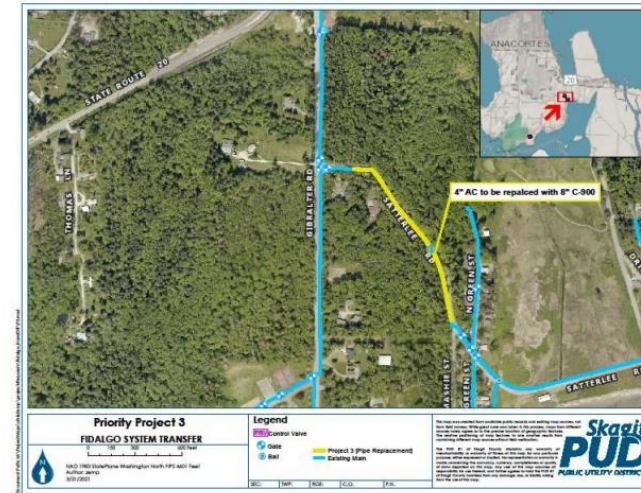


Figure 5: Satterlee, Gibraltar Rd to Mashie Street Pipeline Replacement

Project #	Street	Length	Project Estimate	Cost per LF
2	Bridgeway Reservoirs Abandonment, Connection to Anacortes Transmission Main and PRV Placement	350 LF	\$396,000	\$1,131/LF

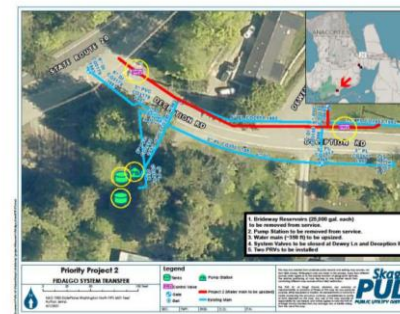


Figure 4: Bridgeway Reservoirs Abandonment, Connection to Anacortes Transmission Main and PRV Placement



Projects

- ▶ Skagit PUD projects 2-years to complete
- ▶ Transfer finalized upon completion and acceptance of projects
- ▶ Meter reading by Skagit PUD during transition, for a fee
- ▶ City will install meter reading infrastructure prior to transfer
- ▶ Water system plan will update capital projects in Capital Facilities Plan

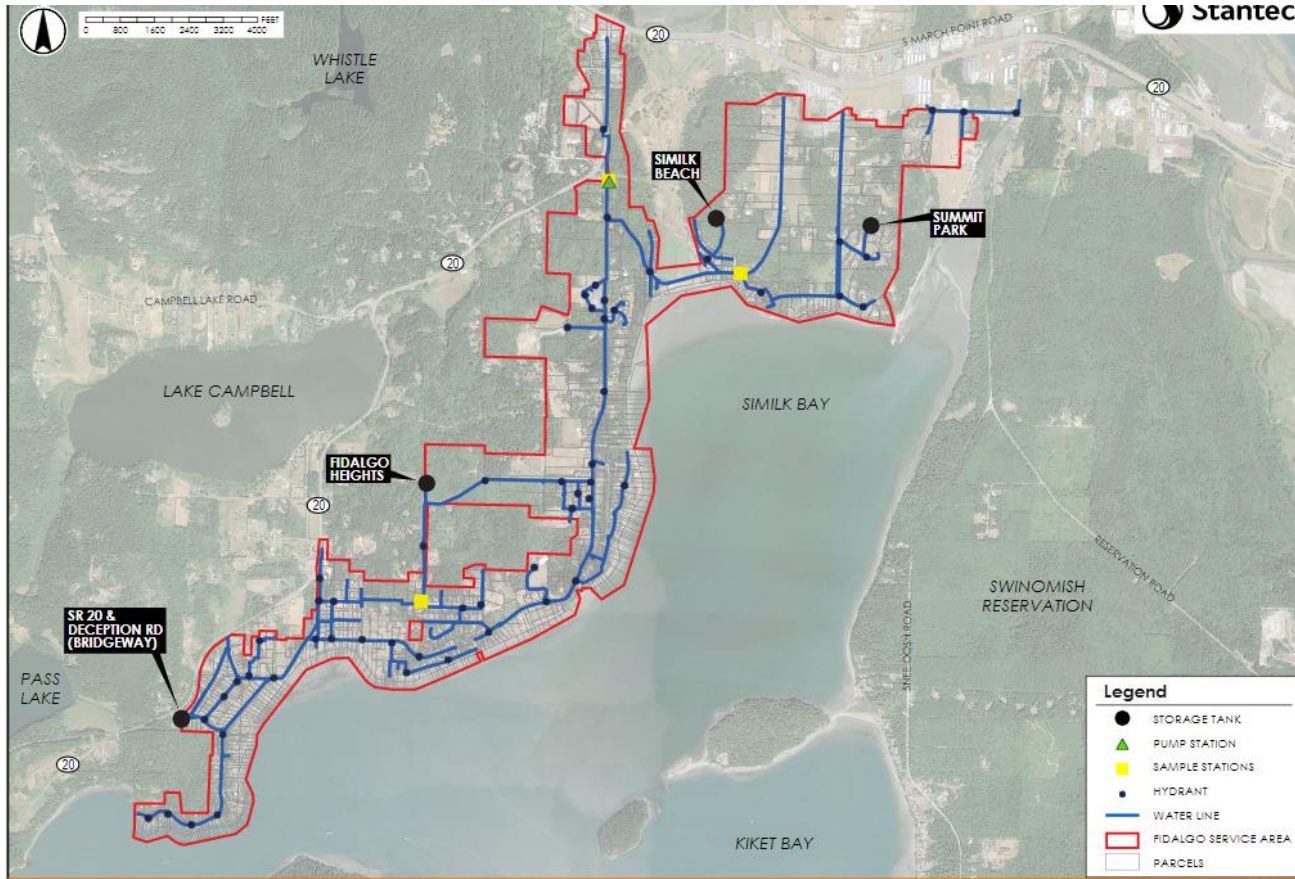


Figure 1
Water System Overview

City of Anacortes
Preliminary Feasibility Analysis
Skanit PUD Fidalgo Island Water System Acquisition

Questions?