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April 14, 2026

MEMORANDUM

**TO:** Board of Commissioners

**FROM:** Mark Handzlik PE, Engineering Manager

**SUBJECT:** Approval of Interlocal for Temporary Seasonal Water Rights Transfer to Washington Department of Fish and Wildlife

**Requested Action:**

Authorize the general manager to enter into an interlocal agreement with Washington State Department of Fish and Wildlife for the temporary transfer of surplus water rights during the 2026, 2027, and 2028 irrigation seasons.

**Background:**

Washington State Department of Fish and Wildlife (WDFW) is moving forward with the Island Unit Restoration Project to restore critical estuary habitat for struggling salmon populations. The Island Unit is located between Steamboat and Freshwater Sloughs in the South Fork of the Skagit River, southwest of the Conway area. The remote project site is only accessible by boat and does not have water service, and WDFW has requested a temporary seasonal water rights transfer from PUD to provide water supply for construction activities and irrigation for establishment of restoration plantings.

The requested withdrawal rate is relatively small (22 gallons per minute) and the proposed water rights transfer is not expected to negatively affect PUD's operations over the requested three-year timeline.

The following is a summary of the agreement terms:

- The annual transfer periods will be April 1 to October 1 in 2026, 2027, and 2028.
- WDFW's diversion pumps will use flow meters and registers provided by PUD.
- WDFW will compensate the PUD an annual water transfer fee of \$5,510 for access to the water rights for up to 300 acre-feet per year, with an additional \$1,100 for each additional diversion location. Fees will be increased by 5% each year.

When WDFW determines how it will proceed with the project, the proposed interlocal agreement may be executed by WDFW and a temporary seasonal change authorization will be submitted to the Department of Ecology. The exact locations for the pumping site or sites are unknown at this time. It will be the responsibility of WDFW to provide the necessary information related to proposed pumping sites and obtain approval from Ecology for each proposed location.

PUD staff consulted with the Swinomish Tribe, and the tribe has provided email confirmation of their agreement with this proposed water rights transfer. This transfer is separate and in addition to other existing temporary seasonal water right transfers; and the PUD has adequate available water rights to facilitate all of these transfers while operating one pump at the Skagit River Diversion facility during the transfer periods.

**Fiscal Impact:**

For the 2026 season, WDFW will pay a \$5,510.00 administrative fee which includes 300 acre-ft of water. This annual fee will be increased by 5% each of the following two seasons. The water transfer fee will reimburse the PUD for administrative costs, metering equipment, and costs related to the water being pumped.

Enclosures: 

1. [Island Unit Project vicinity map](#)
2. [2026 DRAFT Interlocal WDFW](#)