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March 10, 2026

MEMORANDUM

TO: Board of Commissioners

FROM: Mark Handzlik P.E., Engineering Manager

SUBJECT: Adoption of Resolution No. 2319-26, Approving the Waiver of Water Connection Fees Paid by Family Promise

Requested Action:

Adopt Resolution No. 2319-26 approving the waiver of water connection fees paid by Family Promise.

Background:

Family Promise of Skagit Valley (Family Promise), an affiliate of the national Family Promise non-profit organization, is proposing a project to construct 14 transitional low-income housing units in the city of Sedro-Woolley. The water utility portions of the project will include the relocation of an existing 1 1/2-inch water service and installation of a new 5/8-inch water service. The 5/8-inch water service will provide continued water supply to the existing church building on the site. The relocated 1 1/2-inch service will be used as a common meter to provide water supply to the new housing units, as the multifamily project will be under a single ownership.

Family Promise is responsible for all costs associated with this project, which include System Development Fees (SDF) and project fees due to the PUD for the new water system improvements. Prior to the start of construction, Family Promise is required to execute a project authorization with the PUD and pay a deposit equal to the estimated project costs. SDF payments and any additional project costs will be due after PUD acceptance of the project and prior to activation of water service.

Family Promise has requested assistance from the PUD in their pursuit of funding from Washington State’s Connecting Housing to Infrastructure Program (CHIP). This funding would reimburse Family Promise for water connection fees paid to the PUD. Skagit County Health has been awarded CHIP funding, and Family Promise can receive reimbursement from Skagit County Health and CHIP for water connection fees paid to the PUD if the funding requirements are satisfied. One of the funding requirements is for the utility or municipality to approve a “waiver” of water connection fees on the condition of reimbursement from CHIP. The attached resolution satisfies funding requirements for a “waiver”, clarifies that the PUD will receive all applicable fees and payments directly from Family Promise, and clarifies that potential reimbursements from CHIP finding will occur directly from Skagit County Health to Family Promise.

Fiscal Impact:

None. All project costs are the responsibility of the developer. PUD will not refund or directly waive project fees due from the developer.

Estimated PUD project costs to be reimbursed by Developer to PUD: \$11,000

Anticipated SDF fees related to project to be paid by Developer: \$8,620

Enclosures:

1. [Resolution 2319-26 Family Promise](#)
2. [Family Promise Cottage Village Vicinity Map](#)