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December 9, 2025

MEMORANDUM

TO: Board of Commissioners

FROM: Brian Henshaw

SUBJECT: Approval of Resolution Establishing Water Rates, Fees, Charges, and Deposits for Public Utility District No.1 of Skagit County for 2026

Requested Action:

Approve Resolution No. 2317-25, providing for the establishment of water rates, fees, charges, and deposits.

Background:

Resolution 2317-25 establishes water rates and fees for 2026. The resolution increases all water rates 5% except the Tier 3 consumption charge, which increases 8.5% to promote conservation. This funding strategy balances future revenue requirements, rate increases, and debt service to fund maintaining existing water system infrastructure and replacing critical infrastructure that is nearing the end of its useful life.

Fiscal Impact:

The increase in water rates is projected to provide an additional \$1.6 million of rate revenue, which will be used to maintain existing water system infrastructure as well as replace critical infrastructure that is nearing the end of its useful life.

Enclosures: 1. [RES 2317-25 Rate Increase 2026](#)