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January 13, 2026

MEMORANDUM

TO: Board of Commissioners
FROM: George Sidhu, P.E., General Manager
SUBJECT: Approval of 2026 Seasonal Water Rights Transfers to Irrigators

Requested Action:

Authorize the general manager to enter into interlocal agreements with Drainage and Irrigation Improvement District 15 and Consolidated Diking Improvement District 22, and a water service agreement with Skagit Valley Farm for the transfer of surplus water rights during the 2026 irrigation season.

Background:

Due to the success of the 2024 and 2025 seasonal water rights transfer to Drainage and Irrigation Improvement District (DIID) 15, Consolidated Diking Improvement District (CDID) 22, and Skagit Valley Farm, a renewal of the agreement for the 2026 irrigation season was requested by the irrigators. The original 2024 agreement allowed for extensions of this pilot program through the 2026 irrigation season.

It is recommended to use the same terms as the 2024 agreements and 2025 amendments, including an annual 5% rate increase similar to other PUD rates. The original agreements and proposed amendments are attached for reference. The following is a summary of the agreement terms:

- The transfer period will be May 15 through October 1, 2026, and the PUD has the ability to delay the start of the transfers until June 1 depending on water supply needs at Judy Reservoir.
- Pumping can occur up to the maximum flow rates at any time of the day regardless of tidal conditions.
- All irrigation pumps will use flow meters and registers provided by the PUD when using the PUD water right.
- Each party will compensate the PUD a water transfer fee of \$5,510 for access to the water rights, with an additional \$1,100 for each additional diversion location within the same agreement.
- The water transfer fee will include 300 acre-feet of withdrawals during the transfer period, and any withdrawals over that amount will be billed at a rate of \$14.89 per acre-foot.
- Withdrawal limits will remain unchanged from 2024 and 2025.

If approved, the 2026 amendments to the agreements will be executed, and seasonal change applications will be submitted to the Department of Ecology in early 2026.

The 2026 irrigation season will close the pilot program that provided exclusive temporary irrigation water to DIID 15, CDID 22, and Skagit Valley Farm. A new program will be considered for future years.

Fiscal Impact:

Beneficiaries of this agreement will pay a \$5,510.00 administrative fee which includes 300 acre-ft of water. After this initial volume is consumed a rate of \$14.89 per acre-ft will be charged for each acre-ft exceeding the original 300 acre-ft. The water transfer fee will reimburse the PUD for administrative costs, metering equipment, and costs related to the water being pumped. The transfer agreements should not have a financial impact on the PUD.

- Enclosures:
1. [DIID 15 Interlocal with amendment 1](#)
 2. [DIID 15 Interlocal amendment 2](#)
 3. [CDID22 Interlocal with amendment 1](#)
 4. [CDID 22 Interlocal amendment 2](#)
 5. [SVF Water Service Agreement with amendment 1](#)
 6. [SVF agreement amendment 2](#)