

Minutes
Seattle Water Supply System Operating Board
July 10, 2014
2:00 – 4:00 p.m.

Mercer Island Council Chambers
9611 SE 36th Street
Mercer Island, WA 98040
Phone: (206) 236-5300

| <u>Board Members</u> | <u>Board Alternates</u> | <u>Wholesale Utility Represent atives</u> | <u>SPU Attendees</u> | <u>Other Attendees</u> |
|---|-------------------------------|---|---|--|
| Nancy Ahern Byron Murgatroyd Ron Little Ray Hoffman Matt Everett Ron Sheadel | Lynne Danielson Steve Moye | Abdoul Gafour Terry Olson Mark Parsons Diane Pottinger Trudy Rolla Terry Smith Dick Swaab | Terri Gregg Regina Carpenter Joan Kersnar Julie Burman Kelly O'Rourke Tom Fox | Walt Canter Charlotte Haines Tom Hoffman Steve Pfaff Ron Ricker Margaret Wiggins Francie Lake Richard Cuthbert Melanie Hobart Steve Deem |

- **Welcome and Introductions**

- **Minutes/Agenda**

- The June 5, 2014 minutes were approved as written.
- The agenda for the July 10, 2014 meeting was accepted with a change in order of presentation. OPS is moved to first on the agenda under new business.

- **Old Business**

- **Conservation Timeline** **(Attachment 2)**

Terri Gregg, Wholesale Contracts Manager walked through the timeline on of when the OB will revisit the conversation on conservation.

- Byron Murgatroyd, Small Category OB member requested that the conversation begin earlier in 2016.
- Joan Kersnar, SPU Water Planning Manager expressed the conversation needs to include as much data from the current programs to ensure a robust conversation. Ms. Kersnar also stated the OB would have all of 2017 to spend discussing the topic when the technical work and writing of

SPU's next water system plan will occur. The WUE goal will need to be determined by the time of the release of the draft plan for public review in early 2018.

- **New Business**
- **Operations Planning and Scheduling**
 - Ray Hoffman, SPU OB member and Director of SPU thanked Tom Fox for his 10 years of service to SPU and that he's done a great job managing the water supply for the region.
 - Tom Fox, Water Resource Manager shared that refill was successful for this year, along with by-passing of Lake Youngs during the cyclotella algae bloom and that we are now in the normal process of waiting for the fall rains return. SPU has completed the Landsburg Forebay cleaning, is in the process of repairing leaks at the Eastside reservoir and is currently planning for the operation of the Seattle Wells in August and September 2014. Currently, NOAA's 3-month prediction shows a warmer than normal fall and equal chances of precipitation.
 - Ron Sheadel Medium Category OB member thanked Tom for doing a wonderful job over these last 10 years managing our regional water system.
- **Wholesale Rate Study** **(Attachment 3a & 3b)**
Regina Carpenter, Sr. Economist commented on attachment 3a being the final summary of the 2015-2017 Rate Study. Richard Cuthbert of Cuthbert Consulting gave a power point presentation which began with a review of the responsibility of the Rate consultant to ensure the ratemaking requirements of the Wholesale Contracts are followed. Mr. Cuthbert went through the presentation and at the conclusion a question and answer period followed. Mr. Cuthbert stated the final report will be mailed out to all Wholesale customers within the next two to 3 weeks.
- **2013 Wholesale Financial True-up Report** **(Attachment 4a & 4b)**
SPU's Regina Carpenter and Moss Adams Alan Hartman and Amy Sutherland presented on the finding of the 2013 True up Report. No major findings were reported and only minor changes were found. After a brief discussion the Board voted to approve the procedures and the final draft report by a vote of 5-0; with an option to comment or send in corrections within the next two weeks.
- **Executive Summaries and Other Business**
 - **Strategic Business Plan update** – Ray Hoffman shared that with the conclusion of the SBP (which still needs to go before City Council for approval) SPU will be making some internal organizational changes. SPU's Utility Systems Management Division will merge with its Field and Operations Division to better align and give internal transparency between these two groups and within the organization.

- **Nancy Ahern Retirement** – Nancy stated she’s not technically “retiring” just moving onto other adventures in her life. She’s enjoyed these last thirteen years working with SPU but feels it’s time for her to move on. She will remain with the Utility until key positions are filled, such as; Dave Hilmoe’s position, Tom Fox’s position and hers, along with working with Ray to align her division, the Field Operations Division and the other lines of business. She plans on staying on with SPU and the OB until the first of next year.

- **Water Consumption vs. 2012-2014 Rate Study (Attachment 5)**
No discussion. Attached document was for informational purposes only

- **Future Meetings**
 - **August 7, 2014** - meeting has been canceled
 - **September 4, 2014** - meeting will be held at the Tolt Treatment Plant with a tour of the Tolt slide area

- **For the Good of the Order**
No comments provided

- **Public Comment Period**
No comments provided

- **Material Presented**
 - Conservation Timeline Matrix and spreadsheet
 - OPS, Water Quality and Water Supply Conditions Update power point presentation
 - 2015-2017 Rate Study Summary
 - Results of the Independent Consultant Review of the 2015-2017 Wholesale Rate Study power point presentation
 - Moss Adams Draft True-up report
 - Summary of 2013 True Up Results

Board Meeting Adjourned @ 3:50PM

Approved by:

Chair, Nancy Ahern
Seattle Water Supply System Operating Board

Date