

DRAFT Minutes
Seattle Water Supply System Operating Board
July 5, 2018
2:00 to 4:00 PM

Mercer Island Community and Event Center
8236 SE 24th Street
Mercer Island, WA 98040
206.275.7609

Board Members

Alex Chen - Chair
Lynne Danielson
Matt Everett - Alt
Mami Hara
Ron Little
Diane Pottinger
Rick Scott

Board Alternates

Cameron Findlay
Joan Kersnar
Bryan Koehmstedt
Shane Young

**Utility
Representatives**

Jason Kintner
Mike Martin
Pam Martin
Byron Murgatroyd
Terry Olson
Patrick Sorenson

SPU Attendees

Terri Gregg
Kathy Curry
Regina Carpenter
Martha Neuman
Bill Wells

Other Attendees

Alan Eades
Charlotte Haines
Steve Pfaff
Tyler Reparuk
Ron Ricker
John Thompson
Jerry Thornton
Laurie Tish

Welcome and Introductions

Minutes/Agenda

- The **June 7, 2018** minutes with a minor change to the list of attendees were **approved 6-0**.
- The **July 5, 2018** agenda was **approved 6-0**.

New Business

▪ **2017 Annual True-up Results**

Regina Carpenter, SPU Principal Economist, reviewed the first portion of a PowerPoint presentation that included an overview of the mechanics and timeline of the true up.

Laurie Tish from Moss Adams went over the *Wholesale Statements and Report of Independent Accountants on Applying Agreed-Upon Procedures for City of Seattle, Seattle Public Utilities – Water Fund* report. Laurie explained the structure of the report (procedures performed listed through page 10, then statements start on page 11), and explained the reasons for the report exceptions, which are indicated as bulleted items in the report. Laurie wrapped up her summary by relaying that all 70 procedures were correctly implemented. Some questions and discussion ensued.

Regina Carpenter continued with the remainder of her PowerPoint presentation summarizing the 2017 results as compared to the rate study, and the drivers of the differences. The presentation was followed by questions and discussion.

- *Byron Murgatroyd, Medium Category Utility Representative, mentioned that transfers from Facilities Charges appear to have been reducing rates by about 4% and is wondering how*

this might shift with future economic changes and wanted to know how we can plan for this to reduce any future impacts.

- *Mami Hara, SPU General Manager and Seattle OB member, said that SPU can look at growth projections and bring back more information to a future OB meeting.*

After further discussion, it was decided that the Board could provide comments on the report by **July 12, 2018**. The Board then tentatively approved the **procedures as performed**, pending any changes needed due to comments received - **approved 6-0**.

▪ **Lake Forest Park Reservoir Covering Project**

Bill Wells, Transmission and Distribution Area Manager gave a PowerPoint presentation to update the Board on the Lake Forest Park Reservoir Covering project. Bill reminded the group of the project background and previous May 3, 2018 presentation and described the results of subsequent analysis comparing aluminum and floating cover options. Questions and discussion followed including discussion of useful life expectancy, intergenerational equity, stormwater requirements, and affordability. SPU is proceeding with the less expensive capital cost option of replacing the existing floating cover with a new floating cover and will evaluate potential improvements over previous cover design for potential reductions in maintenance. Replacement of the reservoir liner is also included in the project. Construction is currently targeted to begin in 2020.

▪ **Reclaimed Water**

Joan Kersnar, SPU Drinking Water Planning Manager, gave an update saying that there was a King County Reclaimed Water meeting on June 15 with the next meeting to occur on July 16. Alternatives are under discussion. A meeting with the OB Task Force is scheduled for July 11. Joan said she didn't have anything to relay but understands that KC is still hoping to wrap up discussions within 6 months (by September/October).

Executive Summaries and Other Business

- **Water Conservation Program Planning Status Update:** Terri Gregg, Seattle Wholesale Contracts Manager, provided a status update on Water Conservation Program Planning efforts. Terri reminded Operating Board (OB) members to touch base with their Conservation Technical Forum (CTF) representatives to discuss conservation program modification ideas in the coming months. Feedback is needed on which program modifications should move forward and how implementation should be prioritized. – *Handout provided.*
- **Water Consumption vs. Rate Study – Monthly handout**
- **Water Supply Update:** Alex Chen, Seattle OB Chair, discussed the water supply update relaying that overall the water supply is in pretty good shape. He mentioned that, following the dry May, the State is thinking about announcing an Advisory condition, but that it does not appear that water use reductions are merited at this point. Alex said that conditions are significantly better than in 2015, but that Seattle will continue to monitor conditions and will keep the OB apprised. – *Monthly handout*

Future Meetings

- **August 2, 2018 meeting canceled - approved 6-0.**

- September 6, 2018 meeting moved to **September 13, 2018 - approved 6-0.** Meeting to include full day (approx. 9 am to 2:30 pm) Tour of the Tolt Watershed. Terri Gregg, Seattle Wholesale Contracts Manager relayed that more meeting details, including specific times, will be provided as soon as they are available.

For the Good of the Order

- *Ron Ricker, Commissioner North City Utility District, suggested that future meeting timing consider the traffic challenges that may come with the upcoming closing of the viaduct.*

 - *Terri Gregg, Seattle Wholesale Contracts Manager, announced her retirement planned for mid-September, 2018. She further relayed that Kathy Curry with SPU would be stepping into her role following her departure until a permanent replacement is found. Board members congratulated Terri and thanked her for her many years of terrific work on behalf of the Operating Board.*
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- **Public Comment Period**
None

 - **Material presented at Meeting**
 - **2017 True Up Results** - PowerPoint presentation
 - **Lake Forest Park Cover Replacement Project Update** – PowerPoint presentation

 - **Board meeting was adjourned @ 3:17 PM**

Approved by:

Chair, Alex Chen
Seattle Water Supply System Operating Board

Date