

Minutes
Seattle Water Supply System Operating Board
March 6, 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 Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Nancy Ahern Byron Murgatroyd Dave Hilmoe Ray Hoffman Ron Little Matt Everett Ron Sheadel	Steve Moye Ron Speer	Mike Harris Terry Olson Mark Parsons Diane Pottinger Terry Smith Dick Swaab Ken Howe Abdoul Gafour Margaret Wiggins	Terri Gregg Regina Carpenter Joan Kersnar	Walt Canter Tom Hoffman Pam Martin Kathleen Quong-Vermeire Jerry Thornton Steve Pfaff Larry West Steve OlenKamp Karen Steeb Ron Ricker Charlotte Haines Jim Rick Jerry Thornton Denny Clouse

- **Welcome and Introductions**
- **Minutes/Agenda**
 - The February 6, 2014 minutes was approved as written.
 - The agenda for the March 6, 2014 meeting was approved as written.

New Business

- **Wholesale Rate Study 101** (Attachment 2)
Regina Carpenter, Sr. Economist's power point presentation looked at the following aspects of a Rate Study:

- Rate setting basics
- Retail rate setting vs. Wholesale rate setting
 - O&M costs
 - Asset costs
- Demand
- True up
- Effect of Rate Structure
- Block Contracts
- Questions and further discussion occurred during the presentation

During the review the following topics were tabled for future discussion:

- O & M:
 - Details behind the Regional Existing Transmission costs and the likelihood of those trends continuing
- Regional Assets:
 - Donated Assets – more information
 - Debt Refinance – how it impacts rates
 - Asset Life – more information on the life of an assets
 - MLPP project – when will the project close and hit rates
 - Sub-Regional Assets – set up a separate meeting with Wholesale customers who pay for sub-regional assets
 - Conservation – have a conservation refresher meeting to review the timing of the conservation discussion
 - Water Use Efficiency (WUE) goal – timing of the WUE goal as it relates to rates

Executive Summaries and Other Business

- SBP Update – nothing new to report
- Water Supply Update – Snow pack is good and we are now in flood stage activity
- **Future Meetings**
 - April 3, 2014
 - May 1, 2014
- **For the Good of the Order**
 - Regina Carpenter just discovered an error on the Facility Charge reporting form. A corrected form will be emailed out next week.
 - Matt Everett recommended that Districts notify their Senators to support HB2682
 - Diane Pottinger requested to know if there was any new activity to report on regarding the City of Shoreline purchase of Seattle's assets. Ray Hoffman said the Mayor and his office were wrestling with the idea of the sale of these assets.
 - Dave Hilmoie announced he will be retiring in roughly 3 months
 - Pam Martin commented that after 20 years as a Commissioner and working with Seattle she's is really appreciative of Regina's power point presentation on this topic and wanted it known she felt it was well done.

- **Public Comment Period**
No comments provided
- **Material Presented**
 - Wholesale Rates 101

Board Meeting Adjourned @ 3:50PM

Approved by:

**Chair, Dave Hilmoe
Seattle Water Supply System Operating Board**

Date