

FINAL Minutes
Seattle Water Supply System Operating Board
May 7, 2020
1 PM to 3:00 PM
Teleconference

<u>Board Members</u>	<u>Board Alternates</u>	<u>Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Alex Chen, Chair	Bryan Koehmstedt	Boyd Benson	Regina Carpenter	Charlotte Haines
Diane Pottinger, V. Chair	Ron Speer	Steve Leniszewski	Kathy Curry	Patty Hale
Mami Hara	Shane Young	Mike Martin	Paul Faulds	Roxanne Heller
Paula Laschober, Alt		Byron Murgatroyd	Arlinda Garcia	Shawn Koorn
Matt Everett		Al Nelson	Elizabeth Garcia	Darcey Peterson
Lynne Danielson		Patrick Sorenson	Terri Gregg	Steve Pfaff
Ron Little, 7 th Member			Thomas Hackett	Kathleen Quong-Vermeire
			Celia Kennedy	Ron Ricker
			Lynn Kirby	
			Andre Morris	
			Martha Neuman	
			Kelly O'Rourke	

1. Welcome and Introductions

2. Minutes/Agenda

- The **April 2, 2020 minutes** were **approved 6-0**.
- The **May 7, 2020 agenda** was **approved 6-0**.

3. New Business

a. 2021-2026 Capital Facilities Plan

Alex Chen, SPU Acting Water Line of Business Director, led the discussion on SPU's second round of responses to Operating Board questions on the 6-year Capital Facilities Plan (CFP). As part of his presentation, Alex highlighted some key questions the Op Brd had and how SPU responded, including a clarification of how projects were labeled as "Place Holder budgets" (we know a project is coming, but the cost is not very certain yet), Options Analysis (determining which is the best option to propose using triple-bottom line analysis), Design/Construction (in design or construction phase) and changing Yearly Updates to Programs (annual programs which spend capital dollars) He explained that today he wanted the Op Brd to decide if it wanted to write a letter to Seattle City Council commenting on the proposed CFP.

- *An Op Brd member thanked SPU staff for responding to their questions. She added that utility representatives feel like they were not yet being understood regarding their questions. She explained that now we are bumping up against a time crunch. She said they wanted to work more with SPU to better understand the CIP process. She recommended sending a letter to City Council that said we don't disapprove of the CFP, but we want more time to work with SPU to understand the process.*
- *Alex asked the other non-SPU Op Brd members if they agreed or not that they wanted to send a letter as described above. The other two wholesale customer Op Brd members said they agreed with the idea of sending the letter as described above.*
- *Mami Hara, SPU General Manager, said that given COVID-19 and related response the budget was not going to be due until the beginning of next year. We can see if we can answer all of your questions and then check in at a later meeting this year to see if you still want to write the letter.*

- *Alex asked the non-SPU Op Brd members if Mami's proposal sounded good to them, and the Board members agreed with the plan 3-0 with Seattle Board members abstaining.*

b. 2021-2023 Wholesale Rate Study, Continued

Regina Carpenter, SPU Principal Economist, provided background on the rate study to date, including that Seattle has heard consistent feedback from wholesale customers that they do not want large swings in rates. She presented projections for continuing with the rate studies for the Full & Partial customers and SW subregion versus if we postponed them, she then noted Seattle would continue the process for the Block customers due to the differences in their contracts. Seattle will also work with Mercer Island directly on adjustments to the East subregional rates.

Alex then summarized the feedback provided by Operating Board members who met with SPU staff after the April Board meeting, (all of them wanted to delay the rate study), and noted that we had three items on the agenda that we wanted the Operating Board to comment on today:

1. Suspend the Regional and Southwest rate study in 2020
2. Seattle to revisit Regional True-up surplus annually with the Operating Board
3. The timing of the next rate study will be in consultation with the Operating Board

- *An Operating Board member said that Alex summarized the smaller group meeting accurately and that some utility representatives just looked up King County economic data and it said that it could take up to 4 years until the economy is in the shape it was this January.*
- *The Operating Board representatives for the Large, Medium, and Small categories each agreed that their group would prefer to postpone the rate study and agreed with the proposal as outlined by Seattle.*

c. Water Supply Update

Elizabeth Garcia, SPU Hydrologist, gave an overview of the elements that make up the water supply system, explained how water is managed for people and fish, and provided an update on current supply conditions. She noted that we had a very good snow year after a slow start, and that our watershed reservoirs are in very good shape despite a dry April.

d. Lake Youngs Algae Update

Lynn Kirby, SPU Water Quality Engineer, gave an overview of the current status of algae impacts on Lake Youngs and the Cedar River Supply System, and discussed past impacts. SPU by-passes the lake to reduce the amount of seasonal algae that is in the water delivered by SPU. She explained that during times when the Cedar River is turbid, we cannot by-pass the lake because the Cedar Treatment Plant has no filtration system. The primary algae impact that has occurred in recent years is clogging of screens and other equipment. To reduce algae impacts SPU has: 1) increased the use of the Lake Youngs by-pass, 2) increased frequency of algae sampling, 3) installed a Lake Youngs floating monitoring station, 4) worked to improve our communication with wholesale customers about algae conditions.

4. Executive Summaries and Other Business

Alex Chen provided summaries on the following topics:

- Water Consumption – Alex said demands are mostly in line with historical use. We are watching demand levels very closely.
- Water Supply Conditions – Alex explained Elizabeth covered this earlier in the meeting.
- Reclaimed Water Update – Alex said there was no update this week, but he would stay in close contact with the committee members to get their input on reclaimed water when issues do come up.

- COVID-19 – Alex noted there were no significant changes from last month. He explained that most of SPU’s office workers continue to work from home. For the Field Crews, he said that we continue to keep them socially distanced as much as possible, and using PPE as needed. He mentioned that some operations staff were at reduced staffing levels, and that SPU is trying to find good work for them to do at home, such as reviewing and writing SOPs. With residential and commercial construction recently allowed to re-start by the Governor, he noted that we will be working to support that work on the water side, including putting in new taps.

5. Future Meetings

Terri Gregg, Acting Wholesale Contract Manager, noted that the next two Operating Board meetings will be held on June 4th and July 2nd. One or both could be via teleconference.

6. Good of the Order

- None

7. Public Comment Period

- None

8. Material presented at Meeting: Electronic copies of the information described on the agenda were provided in advance of the meeting.

9. Board meeting was adjourned at approximately 3 p.m.

Approved by:

Chair, Alex Chen
Seattle Water Supply System Operating Board

Date