

Administration:

- Members Present: Frank Metheny, Eric Anderson, Tom Grant, Alice Lanczos, Laura Markley, Valerie Cholvin
- SPU Staff Present: Dave Hilmoie, Julie Burman, Sue Morrison
- Visitors Present: Chris Thompson, Tye Simpson

Meeting called meeting to order at 4:15. Guests were welcomed and introduced.

Alice announced that Rachel Cardone is retiring from the committee and that the committee should begin to think about a new chair and vice-chair for 2011.

November 17, 2010 meeting notes accepted as written.

AGENDA TOPICS:**Water Update – System Operational Highlights; Fluoride****Dave Hilmoie,
Drinking Water
Director**

SPU was surprised two weeks ago when Health and Human Services, along with the EPA announced a change in treatment dose of fluoride. SPU has added 1 part per million since the 1970's, but the recommendation is now .7 part per million. This is out for public comment. So far, SPU has taken no calls regarding change in fluoride dose. Information regarding the change is on SPU's website.

The water supply is high due to rain and snow melt. SPU will work over the next week to bring down to normal levels.

Financial situation: 2010 was the 2nd year of the rate period. SPU was down in revenue, but also down in O&M costs. SPU also drove the CIP program down from 90 million to 62 million. Layoffs (about 20 throughout the utility) were done at the end of the year.

Presentation – “The Combined Benefits of Over a Quarter Billion Dollars in Seattle Water Quality and Treatment Projects**Dave Hilmoie,
Drinking Water
Director**

Julie Burman opened by asking the committee to keep in mind the rates and the water system plan during Dave's presentation, and to be thinking about investments that have been made to the water system.

This presentation was given to people in the industry. Dave asked the committee to be thinking about what the residential customers (180,000 accounts) will pay over 30 years to retire the quarter billion dollar mortgage.

In 1990, SPU had two large unfiltered supplies, ten open distribution reservoirs comprising 85% of total storage, chlorine gas located at 11 sites, a large open reservoir (11 million gallons at Lake Youngs), and a very old lab and control center.

Regulatory requirements and the Washington State Department of Health reservoir covering plan requirement were all drivers. As a result of these drivers the following projects were completed: Tolt and Cedar water treatment plants, reservoir covering, and new water quality lab and control center.

Benefits to customers include: Treatment and quality on the Tolt, taste and odor improvement on the Cedar, elimination of Lake Youngs as a distribution reservoir, distribution reservoirs covered which clearly provided a water quality improvement, improved public health, consistency between the Tolt and Cedar, and overall risk reduction.

Dave summarized by saying that SPU has met or exceeded all drinking water regulations and customers are receiving multiple benefits from the investments. Costs were controlled, and SPU has maintained a good relationship with the Washington State Department of Health. Projects remaining include two open distribution reservoirs, limnological management on the Cedar supply, additional security investments, possible Cedar Filtration, 700 miles of unlined CIP, and dealing with future regulations.

Dave asked the committee to use the equation of \$460 million dollars spent over 30 years and shared by 180,000 customers. The cost comes out to \$430.00 per residential customer over 30 years. Dave posed the question, "Do you think it's worth it?" Members commented that using visible improvements such as parks on top of covered reservoirs is positive. Members also felt that providing a comparison of bottled water helps the perspective. Also, the cost of a disease that hospitalizes far outweighs a \$4.00/month rate increase.

2011 Strategic Focus for Drinking Water Line of Business

**Dave Hilmoie,
Drinking Water
Director**

Dave overviewed strategic focus and emphasized core service delivery including water quality source and supply, completion of the north operation center, 2012-2014 water rate development, 2013 water system plan, better control and property acquisition near north end of Cedar, fish hatchery at Landsburg, support of transportation projects, elevated storage tank at Richmond Highlands, seismic backbone evaluation on Capitol Hill (Volunteer Park), third avenue tunnel between Queen Anne and Ballard, Maple Leaf, and SCADA.

WSAC Business – Orientation for new members when confirmed

**Julie Burman,
WSAC Policy
Liaison**

Julie reported that new members will hopefully be confirmed in February. Orientation for new members will occur in March. Existing member terms will last until February, 2012. New member terms will run for two years. She suggested that an existing member chair the committee for 2011, and that a new member be chosen as the vice-chair. Committee should make decisions about a chair in February, and vice-chair in June. Alice said she is willing to be chair for 2011, but an existing WSAC member will need to chair the March meeting due to a planned vacation. Laura volunteered to chair the March meeting. A decision will be made regarding the selection of chair.

Julie also suggested that more work outside the full committee could be done. Laura indicated she would like to become involved earlier in the Drinking Water Quality Report. Alice is also interested in the Drinking Water Quality Report. Eric indicated his interest in water quality. Tom is interested in water rate design. The workplan draft hasn't changed since November. The third and fourth quarters are more open right now. Depending on interest and SPU needs, the committee may cancel some meetings in the fall.

Committee Closing Business

**Alice Lanczos,
Acting Chair**

- Next meeting – February 16, 2011
- Meeting adjourned at 5:50PM.