

Administration:**Rachel Cardone, Chair**

- Members Present: Laura Firth Markley, Frank Metheny, Valerie Cholvin, Alice Lanczos, Tom Grant, Rachel Cardone
- Guests Present: Dave Magorty
- SPU Staff Present: Sherri Crawford, Regina Carpenter Cornell Amaya, Jason Argo, Julie Burman, Dave Hilmoe, Sue Morrison
- Review of February meeting notes. Include changes submitted by Rachel Cardone.

AGENDA TOPICS:**SPU & Water Fund Update****Sherri Crawford,
Regina Carpenter**

Last year was the first year of the rate study. The economy has had a big affect on the rate fund. Tap revenue was down substantially, but water revenue was good due to hot weather. SPU dealt with economic downturn by making cutbacks, holding vacancies, eliminating vacant positions, and containment of the O&M fund. The eastside reservoir sale did not take place which would have sold for about 15 million. Cascade Water Alliance has approached Seattle & Tacoma regarding extending their agreement – negotiations may take a couple of years. The plan would be for Cascade to decline use of SPU water. Pipeline corridor sale to PSE completed at 4.5 million dollars. SPU is expecting that 2010 consumption and tap sales will be down. 2009 concluded with SPU meeting all targets except on rate debt. SPU retained AA bond rating. The two year surcharge on hydrants will go off at the end of this year. SPU eliminated 40 positions, as well as O.T, and also spent less on CIP. Ray is working hard at reducing CIP. He also wants to take advantage of bidding. Variable bonds have been refunded into fixed because rates are low. Solid Waste & DWW funds will go in with rate studies in 2010 to be effective in 2011. Water is fortunate to go after these two with a rate study in 2011 to be effective in 2012. Sherri suggested that it would be good to come back to WSAC later in the year after it is known if there will be a draught situation. Questions for Sherri and Regina can be sent through Julie Burman.

Drinking Water Quality Report Update**Jason Argo,
Cornell Amaya**

Jason Argo reported that the Mayor's Office is concerned about keeping report costs down, but would like to stay with the same format and style. Thus, only one concept (last years) will need to be reviewed by committee. Unavoidable costs are mailing and paper. Everyone who drinks water (has a connection) will receive the report.

Topics and suggestions for report:

- Conservation and how water conservation will help in other areas such as drainage.
- Use of social media such as facebook to promote the report.
- Addition to website that includes a video of the watershed.
- Make use of the UW translation program – through internship.
- Photos of SPU's transmission system efficiencies, leak elimination, SCADA, etc...

- Provide information such as “Managing our water supply in times of uncertainty with unusual weather and climate adaptation”, as well as “With this economic climate, SPU is trying to keep rates as low as possible”.
- The report is an opportunity to promote the quality of our water. Use report to say Seattle’s water is the best.

Cornell suggested sending a draft of the next iteration through Julie and Sue for the committee to review. Rachel suggested that Cornell and/or Jason bring a “final draft” to the committee next. Mailing schedule is the first week of June.

SPU Water Supply Update

Dave Hilmoe

Dave explained that this has been a classic El Nino year which is warmer and dryer - where California gets the precipitation that we would normally receive. The system is being managed by keeping the reservoirs fuller right now because the snowpack is low. We have not been in a flood management mode all year - which is nothing like last year. There is another month to six weeks of a higher likelihood of precipitation. Dave is now briefing Ray twice a month on the current situation. It is a balancing act. SPU does not want to send the wrong message. Previously, the message was to reduce water usage. Now the revenue stabilization fund is in place and the utility is willing to assume a little risk rather than notify the public too soon. One more reservoir was taken out of service which also has reduced usage. Seattle, Tacoma, and Everett are working together to make sure one utility doesn’t go to low.

Water Conservation Program Planning

Julie Burman

In 1975, consumption projections for this period were 270 MGD, but current use is 120 MGD. The City’s investment in water conservation is looked at and esteemed worldwide. A new water source will not be needed until 2060. SPU started asking what should be done with the water conservation program at the end of 2010. The first question is “do the three policy reasons for water conservation make sense?”

The committee suggested that use of “protecting our water resources” would be a better replacement for “prudent method to manage our water resources”, and that conservation of water would reduce impact on the ecosystem. It was also suggested to add “assistance to customers in managing their water bills” - i.e., help customers invest in water saving toilets and efficient washing machines. An alternate suggestion was made to use a strict cost benefit ratio instead. This was followed by the opinion that cost benefit is a good tool, but it would be interesting to talk to industries located on the Duwamish. There may be opportunities to leverage the Federal Government. SPU’s reputation should also be leveraged, not just MGD savings. Industries are long term thinkers - e.g. “it will cost this much to implement, but the savings will be this much”. Property managers such as apartment house managers could be leveraged as well as restaurant associations. Julie has until September to put the proposal together. Further comments/suggestions can be emailed to her.

Wrap Up

Rachel Cardone

- Next meeting will be Wednesday, April 21st.