

**Minutes
Seattle Water Supply System Operating Board
October 7, 2010
2:30– 4:30 p.m.**

**Mercer Island Council Chambers
9611 SE 36th Street
Mercer Island, WA 98040**

<u>Board Members</u>	<u>Board Alternates</u>	<u>Wholesale Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Matt Everett Steve Moye John Bjork Ray Hoffman Nancy Ahern Dave Hilmoe	Terry Smith John Thompson Judi Gladstone Ron Speer	Roger Eberhart Margaret Wiggins Charlotte Haines Mark Parsons Ron Sheadel Kathleen Quong-Vermeire	Dan Swenson Terri Gregg Regina Carpenter Julie Burman	

1. Welcome and Introductions

2. Minutes/Agenda

The September 2, 2010 minutes were approved by consent of the Operating Board.

3. New Business

▪ 2011-2013 Regional Conservation Business Case

Ray Hoffman and Julie Burman reviewed the work that had been done since the last meeting on development of the business case. Based on input received from the Operating Board and direction from Ray Hoffman, SPU will request the Seattle City Council to adopt a Facility Charge of \$783 for 2011-2013. This equates to an annual CIP of \$1,850,000 in 2010 dollars. The regional conservation program will be less intense than 2010 with likely reductions in the WashWise program and elimination of the single family irrigation retrofit program. Several Operating Board members noted that this is good compromise on the size of the program. Additional discussions about the regional conservation program will occur next year during the development of SPU's next water system plan update.

Agenda Materials

- Handout – Business Case – 2011-2013 Regional Water Conservation Program

- **Reclaimed Water Economic Analysis**

Judi Gladstone gave a presentation on the results of SPU's review of the King County proposed North Seattle Reclaimed Water Project. The conclusions from the review are: It is critical to have a refined estimate of potential demand for reclaimed water; reclaimed water is made costly by the distribution costs; and, additional treatment at Renton would produce much greater benefit for Puget Sound at significantly less cost. Members were appreciative of the work that Seattle has done on this issue and it was noted the study has clearly influenced King County's thinking about its reclaimed water program.

Agenda Materials

- PowerPoint presentation – Reclaimed Water – North Seattle Project;
- Handout -Reclaimed Water Economic Analysis Overview, North Seattle Project – Seattle Public Utilities.

- **Landsburg Fluoride Business Case**

Dave Hilmoe reported that SPU is not going to move fluoridation from Landsburg to Lake Youngs. It would cost about three million dollars to design and construct a new fluoride system at Lake Youngs, and would also require up to \$100,000 in additional annual costs. At this point in time it is not possible to quantify enough financial benefit associated with moving the fluoride addition point to Lake Youngs to offset the additional costs. Also, recent success at bypassing Lake Youngs during algae blooms (thus avoiding 100 percent of the algae bloom during bypass periods) will continue to decrease the impact of these algae blooms on the water distribution system. SPU will bypass Lake Youngs as soon as cyclotella is present provided that water quality conditions in the Cedar River are within certain parameters (Tubidity<2.5NTU and UVT>91%). Several wholesale customers have experienced a wide range of operational impacts. Ray Hoffman stated that SPU takes this issue very seriously, that we have limited operational constraints, that we will have a tired response to future algae blooms, that we are seeking the right set of operational tools, and we are asking for wholesale customer patience and participation.

- **Mayor McGinn Budget Proposal** – Some positives and negatives: Rate increases for drainage, wastewater, and solid waste; elimination of 37 positions in 2011 (23 filled and 14 vacant); belt tightening across all lines of business.
- **All Hazards Response Plan exercise** – Look for initial training on completing Incident Coordination Annex in early December.
- **7th Member Recruitment** – Members were encouraged to share the position announcement with possible candidates; application period closes October 29th.

4. Executive Summaries and Other Business

- **Water Supply and Consumption Status** – Good
- **Water Revenue - Down**
- **Contract Negotiations Update** – Negotiations continue with both CWA and 1982 contract holders, nothing major to report at this time.

- **SPU Staffing:** Rick Scott from Glendale, Arizona has been appointed as the new SPU Division Director for Water Distribution and Transmission.

- **Future Meetings**

November 4th
December 2nd

5. **For the Good of the Order**

No comments provided.

6. **Public Comment Period**

No comments provided.

7. **Meeting Adjourned**

Approved by:

Chair, Matt Everett

Date

Seattle Water Supply System Operating Board