

FINAL Minutes
Seattle Water Supply System Operating Board
July 1, 2021
1:00 PM to 3:00 PM
WEBEX Teleconference

<u>Board Members</u>	<u>Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Ron Speer, Alt/Matt Everett (joined late)	Boyd Benson Dave Barnes	James Amspacher Jennifer Arthur	Kelly Boswell Jamie Crookston
Diane Pottinger, Chair Shane Young	Abdoul Gafour Pete Eberle	Regina Carpenter Kathy Curry	Lynne Danielson Patty Hale
Ron Little, 7 th Member Mami Hara	Jason Kintner Michael Martin	Paul Faulds Michele Koehler	Tammy Haas Pam Maloney
Alex Chen, V. Chair Paul Faulds, Alt	Patrick Sorenson Terry Olson	Martha Neuman Maura Patterson Carol Volk	Darcey Peterson Steve Pfaff Kathleen Quong- Vermeire (joined late) Ron Ricker Ron Straka Laurie Tish, Moss Adams

1. Welcome, Introductions & Announcements:

Diane Pottinger, Operating Board (OB) Chair, welcomed everyone to the meeting.

Kathy Curry, Wholesale Water Contracts Manager, confirmed Board Member attendance, noting that Ron Speer, Large Utility Category Board Alternate, would be acting as Board Member in Matt Everett's absence (Matt Everett joined meeting later).

2. Agenda/Minutes

- a) The **June 3, 2021** minutes were **approved 6-0**.
- b) The **July 1, 2021** agenda was **approved 6-0**.

3. New Business

a) **2019 True Up Results**

Regina Carpenter, Seattle Public Utilities (SPU) Principal Economist, provided an overview of the True Up process and timeline. Laurie Tish, from Moss Adams, then went over their role in the process and highlighted portions of their report, specifically noting that the exceptions for block revenues were expected and reflected past overpayments.

Regina then presented the reasons for the increased True-up balances as compared to Rate Study projections, reminded the Board of the implications of the large balances, and discussed the recommended rate study timing to best avoid rate swings in the near-term.

Two motions were put forth for the Operating Board to vote on: 1) to approve the True-Up procedures as performed; and 2) to support Seattle's proposal to postpone the wholesale rate study for one more year. Both motions were **approved 6-0**.

b) Habitat Conservation Plan (HCP) Update

Michele Koehler, SPU Aquatic Resources and HCP Program Manager, provided background information on the HCP and its role in allowing Seattle to divert drinking water and manage reservoir and flow in the Cedar River. Michele also gave an overview of 2020 HCP activities and finances, and shared information on future projects.

There was a discussion about the remaining \$15M budget in the HCP, the agreement's expiration in 2050, and what that means for the OB and wholesale water rates. Seattle explained that some projects will sunset and many of the projects will fall off the Capital Improvement Project (CIP) budget, such as downstream habitat projects. Seattle added that there will continue to be a trickle of some spending for long-term, low-cost monitoring and maintenance.

c) Hatchery Program Updates

Carol Volk, SPU Interim Water Resources Manager, provided a presentation on SPU's Hatchery Program, sharing an overview of the program, projects, and the role the Hatchery plays in SPU providing regional drinking water.

5. Executive Summaries & Other Business

- **Contract Review Updates** – Mami Hara thanked everyone for their participation in the three financial workshops and welcomed their feedback on the process. Mami reminded the group that Workshop 6 is scheduled for Thursday, July 29 from 2 to 4 pm and will be focused on discussing meters, the annual CIP review, OB roles, and end of contract terms.
- **Water Consumption from Watersheds vs. Rate Studies** – Alex Chen went over Att. 4a.
- **Water Supply Update** – Paul Faulds presented information shown on Att. 4b.
- **Other Updates:**
 - Alex Chen provided an update on SPU's chlorine supply and shared an update related to the previous request for seismic projects for inclusion in a Water Supply Forum regional resiliency upgrade effort.

6. Future Meetings

Kathy Curry shared the outcome of the OB meeting preference survey letting everyone know that, for now, monthly Operating Board meetings will continue to be held remotely using the Webex online meeting platform and that there will be no annual in-person field trip/meeting held in the fall of 2021. Kathy relayed that she will revisit the group's meeting preferences again in the future and that she will be planning an in-person meeting/field trip for September 2022 and will look for another in-person meeting opportunity sometime in the spring of 2022. Kathy also provided reminders for the following upcoming meetings:

- July 2021
 - Contract Workshop #6: July 29, 2 to 4 pm
- August 2021
 - Monthly Operating Board (OB) Meeting: August 5
- September 2021
 - Monthly OB Meeting: September 2
- October 2021
 - Monthly OB Meeting: October 7
- November 2021
 - Monthly OB Meeting: November 4

7. Board meeting was adjourned at approximately 3:00 p.m.

Approved by:



Chair, Diane Pottinger
Seattle Water Supply System Operating Board



Date