

Final Minutes
Seattle Water Supply System Operating Board
December 5, 2019
1 PM to 3:00 PM

Mercer Island Community and Event Center
8236 SE 24th Street
Mercer Island, WA 98040
206.275.7609

<u>Board Members</u>	<u>Board Alternates</u>	<u>Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Lynne Danielson - Chair	Wylie Harper	Boyd Benson	Regina Carpenter	Brietta Carter
Alex Chen – Vice Chair	Bryan Koehmstedt	Abdoul Gafour	Kathy Curry	Charlotte Haines
Mami Hara	Paula Laschober	Mike Martin	Meghan Gattuso	Tammy Haas
Rick Scott	Ron Speer	Pam Martin	Paul Hanna	Jason Mulvill-Kuntz
Matt Everett	Shane Young	Byron Murgatroyd	Celia Kennedy	Steve Pfaff
Diane Pottinger		Al Nelson	Lynn Kirby	Ron Ricker
Ron Little, 7 th Member		Terry Olson	Martha Neuman	John Thompson
		Patrick Sorenson	Kelly O'Rourke	Jerry Thornton

1. Welcome and Introductions

2. Minutes/Agenda

- The **November 7, 2019** minutes were approved 6-0.
- The **December 5, 2019** agenda was approved 6-0.

3. New Business

a. Operating Board Business

- A motion was provided and seconded, and the Board voted 6-0 to keep the Operating Board meeting start time at 1 p.m.
- There was some discussion on the 2020 Chair of the Board, and a motion was made and seconded for Alex Chen, Seattle Public Utilities (SPU) Water Policy and Planning Division Director, to be the Chair next year. The **vote** was **approved 6-0**.
- Next there was a motion and it was seconded that Diane Pottinger, North City Water District's General Manager and the Medium Utility Category Board Member, be the Vice-Chair next year. The **vote** was **approved 6-0** in favor.
- There was a discussion about continuing to have Ron Little as the Board's 7th Independent Board Member, and the Board determined it was in favor of him continuing in this role. The **vote** was **approved 6-0**.

b. 2019 Annual Survey Results

Kelly O'Rourke, SPU Water Conservation Manager, provided a presentation on the results of the 2019 Annual Survey of Wholesale Customers. Paul Hanna, SPU Principal Economist, joined Kelly to help answer questions. The presentation went over some of the highlights of the report and summarized "big picture" results and trends derived from the survey.

- A Utility Representative asked if the report shows Coal Creek's water sold to Bellevue. Kelly responded that it did. The Representative also asked Kelly to explain the chart that shows the different prices of blocks of water sold.
- A Board Member asked how the percentage of SPU versus wholesale customer water purchases has changed over time. Kelly noted that she did not know off hand but explained that on Seattle's web site there are years of past reports available for review. The link to the webpage referenced by Kelly is: <http://www.seattle.gov/utilities/businesses-and-key-accounts/water/wholesale-customers/customer-survey>.

c. Wholesale Rate Study, Continued

Regina Carpenter, SPU Principal Economist, presented background information on how Revenue Offsets can affect rates and, more specifically, how offsets may affect 2021-2023 regional rates.

- A Utility Representative asked if we could keep the offsets out of the rates for the new contracts, and instead hold the offsets in a rate stabilization fund. Regina responded that we can discuss this and said there are other options for handling offsets in the contract review process. The Representative also asked to discuss peak and non-peak water rates as part of the rate study.
- Another Utility Representative asked if there was a way to keep the rate path smoother, perhaps involving how Facility Charges are used. Mami Hara, SPU's General Manager, responded that we will look at that in the contract review process.

d. Salmon Conservation and Restoration in WRIA 8

Jason Mulvihill-Kuntz, Water Resource Inventory Area (WRIA) 8 Salmon Recovery Manager, provided an overview of the community-based salmon recovery work occurring in the Lake Washington/Cedar/Sammamish Watershed (WRIA 8) and the variety of stakeholders involved. Jason discussed the timeline, goals, and strategies for Chinook salmon recovery, as well as some of the challenges. Some project examples were also discussed, as well as the lessons learned from work completed to date.

Alex Chen followed Jason's presentation by describing how the Cedar River Watershed Habitat Conservation Plan (HCP) and the money spent to implement HCP commitments fits within the larger WRIA 8 salmon recovery efforts.

e. Lead and Copper Rule Update

Lynn Kirby, SPU Water Quality Engineer, provided an update on proposed changes to the Lead and Copper Rule. Lynn described the revisions that are not expected to have significant impact on Seattle-area regional water purveyors, and then focused on the proposed changes that local purveyors are most concerned about, including a proposed requirement for lead testing in schools and licensed childcare facilities, and the resulting increased resource needs. Lynn shared an estimated timeline for the proposed rule changes and the timing for purveyors to provide comments to the Environmental Protection Agency (EPA) (by January 13, 2020) if they would like to do so.

The group discussed testing requirements and logistics, corrosion control, and the public health issues that the Lead and Copper Rule is intended to address.

Wylie Harper, SPU Drinking Water Quality Division Director, followed Lynn's presentation by offering to share SPU's comments on the proposed rule. Many in the group responded saying that they would appreciate an opportunity to see SPU's comments on the proposed EPA rule.

4. Executive Summaries and Other Business

- Alex Chen provided summaries on the following topics:
 - Water Consumption from the Watersheds vs. Rate studies (Attachment 4a.)

- Water Supply Conditions (Attachment 4.b.)
- Reclaimed Water Update: Alex said the short-term agreement with King County is being finalized and that he will share it as soon as it is ready with the Reclaimed Water Task Force. Alex also shared information about a City of Bothell customer that approached King County about purchasing reclaimed water. Boyd Benson said he did not yet know the name of the customer but shared that Bothell will be talking with King County.

5. **Future Meetings**

Kathy Curry, Wholesale Contract Manager, reminded the group that there was no January 2020 OB meeting, and that the first 2020 OB meeting would be on February 6, 2020.

6. **Good of the Order**

A Utility Representative shared an update on the King County Right of Way rent issue and encouraged Operating Board participants to review the legal decision that had been released. The State Supreme Court unanimously reversed the lower court and ruled in King County's favor by affirming the County's general authority to require "franchise compensation." The Court's decision does not address and is silent as to cities, public utility districts, or other entities not a party to the case.

7. **Public Comment Period**

- None

8. **Material presented at Meeting:** Copies of information described on the agenda were either provided in advance or at the meeting.

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

Approved by:



 Chair, Alex Chen
 Seattle Water Supply System Operating Board

2/4/20
 Date