

Final Minutes
Seattle Water Supply System Operating Board
May 9, 2019
2:00 pm to 4:00 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>
Alex Chen – Vice Chair	Wylie Harper	Boyd Benson	Regina Carpenter	Charlotte Haines
Mami Hara	Ron Speer	Abdoul Gafour	Kathy Curry	Patricia Hale
Rick Scott	Bryan Koehmstedt	Jason Kintner	Joan Kersnar	Darcey Peterson
Matt Everett	Shane Young	Steve Leniszewski	Paula Laschober	Steve Pfaff
Diane Pottinger		Pam Martin	Martha Neuman	Ron Ricker
Lynne Danielson - Chair		Byron Murgatroyd		John Thompson
Ron Little		Terry Olson		Jerry Thornton
		Patrick Sorenson		

1. Welcome and Introductions

2. Minutes/Agenda

- The **April 4, 2019 minutes** were **approved 6-0** with amendment to add Jerry Thornton to listed Attendees.
- The **May 9, 2019 agenda** was **approved 6-0**.

3. New Business

a. Monthly Meeting Facility

Kathy Curry, Wholesale Water Contract Manager (WCM), provided information about monthly meeting facility options and costs for the Operating Board's consideration and discussion.

- Authorization for up to one time per year for the WCM to pay a \$650 reservation cost when needed to secure the Operating Board meeting room at the Mercer Island Community and Event Center within a given 48-hour response period was **approved 6-0**.

b. 2020-2025 Capital Facility Plan

Lynne Danielson, Operating Board Chair and Olympic View Water and Sewer District General Manager, described the intent behind her April 12, 2019 letter to the Operating Board and asked the Operating Board to formally vote on whether they want to submit a comment letter to the Seattle City Council on the 2020-2025 Capital Facility Plan (CFP).

- *A Board Member requested that SPU let the Operating Board know when the CFP will be provided to the Seattle City Council so that Operating Board Members and Utility Representatives that are interested in attending these Council meetings can do so.*
 - *Alex Chen, Board member and SPU Water Planning and Program Management Division Director, agreed to let the Operating Board know when the CFP would be going to the Seattle City Council.*
- *A Utility Representative mentioned that they do not feel they have enough information on proposed Hatchery work to comment on it.*
 - *Alex Chen relayed that a Habitat Conservation Plan update would be provided at the June 6, 2019 Operating Board meeting.*

- A Board Member relayed that they still have financial questions that they are going to want to ask.

▪ It was **approved 6-0** that no comment letter would be provided to the Seattle City Council on the CFP.

c. Water Contract Review – Principles and SPU Topics

Martha Neuman and Joan Kersnar presented a recap of the reasons for the contract review, proposed principles and the SPU's package of issues. In response to comments about SPU's interests and who would gain from the update, Mami Hara affirmed the review is a collaborative process that needs to work for everyone, and everyone's bottom line is important. The proposed principles were drafted to address this commitment.

Members were asked to provide reactions to SPU's list of topics and provide input on their own topics to be included in the contract review and update. Initial feedback included:

- Add/make sure definitions are clear, e.g., hatchery responsibilities (Terry Olsen)
- Review block sale process language. Want to retain/more Operating Board say on overall supply and sale to others such as Cascade Water Alliance (Ron Speer)
- Role for Operating Board when SPU goes out for bonds for capital projects (Diane Pottinger)
- Staffing issues in O&M costs (Diane Pottinger)
- Desire to hear project cost recaps (Diane Pottinger)
- Request to see the changes from the 2000 to 2011 contracts (Byron Murgatroyd). *Note SPU is preparing this as part of the contract review and will share when it's ready.*

Members were encouraged to add these to their list of issues to be reviewed and updated.

Members were also asked about the best way for getting feedback and input in an efficient way. Feedback included:

- Use a facilitator/moderator for the harder issues
- SPU should bring draft language for the "easier" items
- Start with easier issues to make positive progress
- One member wanted help from others to understand operational issues

There was general agreement that the caucuses will meet ahead of the June meeting, starting at 1:30.

Members are interested to know what issues are most important to Seattle, as well as what topics are more "housekeeping". SPU is still identifying priorities and the scope of issues and will provide this information at an upcoming meeting.

d. Lake Youngs Algae Update

Wylie Harper, SPU Drinking Water Quality Director, provided an update on algae conditions in Lake Youngs and relayed that SPU is continuing to bypass Lake Youngs for the time being.

e. Cedar Falls Penstocks

Alex Chen provided information on a recent landslide and impacts to the Cedar Falls Penstocks.

4. Executive Summaries and Other Business

- Kathy Curry pointed out that the provided Water Consumption from Watersheds vs. Rate Studies document (Att. 4a) reflects that, for 2019, actual consumption to date has averaged 0.9% higher than the 2018-2020 Rate Study projection.
- Alex Chen addressed the supplied Water Supply Update handout (Att. 4b), mentioning that while Ecology may declare a drought for much of the State, Seattle is still feeling confident that required instream flows

and customer demands will be met this coming summer. Seattle is working with Ecology to accurately reflect this status within Ecology's potential forthcoming drought declaration and will share this messaging with Operating Board participants when available.

- Kathy Curry called the group's attention to recently provided reclaimed water information and confirmed that it is SPU's intent to continue to provide this information when available.

5. Future Meetings

Kathy Curry reminded the group of upcoming meetings:

- June 6, 2019
- July 11, 2019 – occurring one week later than normal and to be held at the Mercer Island City Council Chambers rather than the Mercer Island Community and Event Center

6. For the Good of the Order

- One of the Utility Representatives asked about the status of a bill that they had heard could affect B&O tax rates. SPU staff relayed that they would look into it. *Following the meeting, SPU investigated this and determined that the Utility Representative was likely asking about HB 2158 related to creating a workforce education investment to train Washington students for Washington jobs. The Fiscal Note for this bill states that it would increase the service and other activities B&O tax rate from 1.5 % to 1.8% for businesses that generate more than 50% of its taxable income from any combination of the 43 business activities categories on which the additional B&O tax is imposed. The current version, called E2SHB 2158, excludes water and wastewater utilities. E2SHB 2158 has been delivered to the Governor for signature.*

7. Public Comment Period

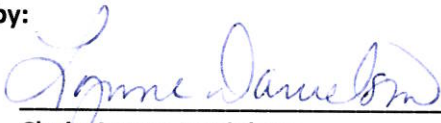
- None

8. Material presented at Meeting

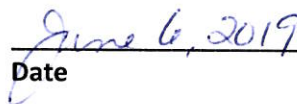
- Copies of information described on the agenda were either provided in advance or at the meeting.

9. Board meeting was adjourned at 3:55 pm

Approved by:



Chair, Lynne Danielson
Seattle Water Supply System Operating Board


Date

