

FINAL Minutes
Seattle Water Supply System Operating Board
March 7, 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	Bryan Koehmstedt	Mike Amburgey	Fred Aigbe	Charlotte Haines
Mami Hara		Abdoul Gafour	Regina Carpenter	Patricia Hale
Rick Scott		Jason Kintner	Kathy Curry	Pamela Maloney
Ron Speer - Alt		Steve Leniszewski	Jon Ford	Darcey Peterson
Diane Pottinger		Mike Martin	Elizabeth Garcia	Steve Pfaff
Shane Young - Alt		Pam Martin	Wylie Harper	Kathleen Quong-
Ron Little		Byron Murgatroyd	Joan Kersnar	Vermeire
		Terry Olson	Martha Neuman	Ron Ricker
			Fernando Platin	John Thompson

1. Welcome and Introductions

Alex Chen, Operating Board Vice Chair and Seattle Public Utility's (SPU) Water Planning and Program Management Division Director, kicked off the meeting and attendees introduced themselves.

2. Minutes/Agenda

- The **February 7, 2019** minutes were discussed.
 - Pam Martin, Coal Creek Utility District Commissioner and Utility Representative, pointed out that the meeting minutes were in error because she did not attend the February 7, 2019 meeting as was reflected on the Utility Representative attendee list in the notes.
 - With Pam Martin's name removed from the February 7, 2019 meeting attendee list, the February 7, 2019 meeting minutes were **approved 6-0**.
- The **March 7, 2019** agenda was **approved 6-0**.

3. New Business

a. 2020-2025 Capital Facility Plan

Joan Kersnar, SPU's Drinking Water Planning Manager, provided a presentation to introduce SPU's Draft Proposed 2020-2025 6-year Capital Facility Plan (CFP). As part of her presentation, Joan provided an overview of two tables (3a.1 and 3a.2) that were provided with advance meeting materials, along with a copy of Joan's presentation.

Joan explained how the CFP affects rates going forward, layered on top of existing assets. Joan also went over a schedule of recent and planned project briefings that will be scheduled when a key milestone is reached on a project. New projects that were introduced and described included Dam Safety Projects (Tolt Valve 15 and Log Boom), Transmission System Seismic Improvements, BNSF Switch Yard Acquisition/Remediation, and Cedar Falls Learning Center Improvements.

Utility representatives were requested to send preliminary written comments or questions to their Operating Board Member to provide to Kathy Curry by March 22, 2019 so that SPU can come to the next

April 4, 2019 Operating Board meeting prepared to discuss them. At the May 2, 2019 Operating Board meeting, the Operating Board will need to decide on whether they want to provide a comment letter on the CFP to the Seattle City Council.

b. Water Supply Update

Elizabeth Garcia, SPU Water Resources Hydrologist, reviewed information on how SPU manages and provides water to meet multiple objectives. Elizabeth provided an overview of the water supply system, including describing infrastructure in the two supply watersheds. Reservoir Management Seasons were also explained along with some of the strategies, data and tools used to manage the supply to meet multiple seasonal objectives over multiple planning horizons. In response to the presentation information, the group discussed the relationship of hydroelectric power to SPU's water supply management and discussed how SPU coordinates the maximum elevation of water storage at the Masonry Dam.

c. Water Contract Review and Update Introduction

SPU's General Manager, Mami Hara, introduced the Water Contract Review and Update topic and introduced Martha Neuman, SPU Senior Policy Advisor. Martha Neuman provided a presentation to share SPU's initial thoughts on how to begin work together and then led a discussion.

Main points about the process from the Operating Board members include:

- The process should be efficient.
- The 2001 and later contract signers have had different experiences. There is Operating Board interest in hearing more lessons learned that could apply to the update process.
- One member suggested the effort start with "must do" contract updates and then look at the "nice to have" updates and decide if there is interest in tackling them.
- Before giving input on whether to use a facilitator, members would first like to know more about the issues and complexity.
- The Board discussed their interest and ability to meet separately from the monthly Operating Board meetings and from SPU to discuss and identify issues to bring for discussion. SPU encourages Board Members to meet separately on the contract review and update.

Other general points include:

- One Board Member relayed the importance of SPU ensuring a clear distinction between wholesale and retail.
- For Operating Board authorities, it was suggested that knowing the legal boundaries of Operating Board authority might be helpful as it was helpful in the 2001 contract negotiation process. Some asked that they be provided with a list of changed rules or circumstances SPU thinks are no longer working or need adjustment.
- One member noted Slide 10 in the presentation describes the things that SPU cannot "unilaterally" amend in the contracts and that this list was an important wholesale partner accomplishment from the 2001 contract negotiation process. *A copy of this presentation, including slide 10, was provided to all meeting attendees.*

Board meeting was adjourned @ 3:58 PM

4. Executive Summaries and Other Business

Due to the meeting ending before Executive Summaries and Other Business could be discussed, on the next day, Friday March 8, Kathy Curry emailed Operating Board participants with the following documents that were referenced under this part of the agenda and provided date reminders related to this information.

- Water Consumption from Watersheds vs. Rate studies (Att. 4a)
- Water Supply update (Att. 4b)
- Draft Annual Accounting of Retail Service Connections – provided for your review before the final version is provided later in March (Att. 4c)
- Proposed Moss Adams Procedures for True up – provided for your review in advance of April meeting (Att. 4d)
- No Reclaimed Water update was provided.

5. Future Meetings

The provided meeting agenda included the following information about upcoming meetings:

- April 4, 2019
- *May 9, 2019 **note meeting is occurring one week later than normal*

6. For the Good of the Order

- Ron Little, Independent Board Member, shared information about solar projects during the meeting.

7. Public Comment Period

- None

8. Material presented at Meeting

- Copies of presentations described on the agenda were either provided in advance or at the meeting.
- Other handouts supplied are as described above under *Executive Summaries and Other Business*

Approved by:



Chair, Lynne Danielson
Seattle Water Supply System Operating Board

4-4-2019

Date