

Final Minutes
Seattle Water Supply System Operating Board
April 2, 2020
1 PM to 3:00 PM
Teleconference

<u>Board Members</u>	<u>Board Alternates</u>	<u>Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Alex Chen, Chair	Ron Speer	Abdoul Gafour	Regina Carpenter	Patty Hale
Diane Pottinger, Vice Chair	Shane Young	Steve Leniszewski	Terri Gregg	Lauren Imhoff
Mami Hara		Byron Murgatroyd	Celia Kennedy	Theresa Harrington
Paula Laschober, Alt		Al Nelson	Eugene Mantchev	Pamela Maloney
Matt Everett		Patrick Sorenson	Martha Neuman	Kathleen Quong-Vermeire
Lynne Danielson		Mike Martin	Kelly O'Rourke	Ron Ricker
Ron Little, 7 th Member			Arlinda Garcia	Shawn Koorn
				Katie Nolan
				Pam Maloney
				Roxanne Heller
				Darcey Peterson
				Ron Ricker

1. Welcome and Introductions

2. Minutes/Agenda

- The **March 5, 2020 minutes** were **approved 6-0**.
- The **April 2, 2020 agenda** was **approved 6-0**.

3. New Business

a. 2021-2026 Capital Facility Plan

Alex Chen, SPU's Water Policy and Planning Director, led the discussion on SPU's response to Operating Board questions on the current 6-year Capital Facility Plan (CFP). As part of his presentation, Alex highlighted some of the key dates for the CFP, including that SPU submits it to Seattle City Council and the Mayor's office in June. He also provided details on the regional facilities and noted the difference in regional facilities versus sub-regional. He asked that the Operating Board provide any comments on the CFP in writing to Terri Gregg, Interim Wholesale Contracts Manager, by close of business Friday, April 10th.

- *Diane Pottinger commented that a number of people provided comments on the CFP so they will plan to meet together to discuss SPU's responses to their questions. Alex asked her work with the caucuses and get back to us. Alex added that if they need a bit more time that was fine.*

b. 2021-2023 Wholesale Rate Study: O&M and Revisit Demand

Regina Carpenter, SPU Principal Economist, provided information on operations and maintenance costs and their impact on 2021-2023 rates, revisited the demand forecast and facilities charge (FC) transfer assumption, and introduced options for application of the true up balance across 2021-2023. One of the primary goals of the presentation was to get input from the Operating Board on the demand forecast and FC transfer assumption. She noted that Seattle asked for feedback by April 8th, however that timeframe may be extended upon request. The application of the true up balance will be one of the topics at the May Operating Board meeting.

- Alex added that SPU would like input from the Operating Board regarding: 1) which demand scenario they prefer, and 2) which facility charge approach they prefer.
- A Utility Representative asked if we can meet as a smaller group and then get back to Regina with our input. Alex said that was fine.
- A Utility Representative said that on slide 13 he would like a demand forecast, that produces rate increases of 2 percent in 2021, 2 percent in 2022, and 2 percent in 2023 in order to make a more consistent rate path. He asked if that would be acceptable. Alex, said that was possible, but recommended meeting in a small group to come up with recommended assumptions to use in the rate study. Alex added that we might want to stay with the 2019 recession scenario.
- A Board member noted that he recommended a conservative approach to the demand projection, using the “recession” scenario or “slow growth by 20 percent” scenario.
- Several Utility Representatives raised the issue of COVID-19’s impact on demand.
- Alex noted that after the meeting today we will send out an invitation to a smaller group of members and find a date that works to discuss this topic.

c. Wholesale Rate Study, Initial Review

Shawn Koorn, Associate Vice President with HDR, provided an overview of HDR’s planned 2021-2023 Rate Study Review.

- A Utility Representative asked Shawn to identify the underlying rate without swings from unusual items or the true up balance. Shawn said he could talk to Regina about options for presenting rates and FCs information to highlight this. The Utility Representative was pleased with that plan.

d. Water Conservation Program Update

This presentation was postponed to the next meeting because of time considerations.

4. Executive Summaries and Other Business

Alex Chen provided summaries on the following topics:

- Water Consumption – Alex said we don’t know how COVID-19 will impact consumption yet, but we are watching it very closely. There was a small dip in the last few days, but that is not that unusual for this time of the year.
- Water Supply Conditions – Alex gave an update noting that water levels in the reservoirs were at about normal and snowpack was close to the long-term median for this time of year.
- Reclaimed Water Update – Alex noted that the Operating Board Task Force met recently, and that there were no significant updates since the last Operating Board meeting.
- Contract Review Update – No update today.
- COVID-19 – Alex provided an update and asked for information about what Operating Board members were doing during this time.
 - Alex explained that SPU is not shutting off anyone’s water and is offering extended payment plans for those individuals who may experience difficulties paying their utility bills.
 - He added that we are generally not doing water service connections for developers because with the Governor’s order most development projects are shut down.
 - We are looking at our CIPs and seeing if any may be postponed due to COVID related delays. The Tolt slide project is continuing but the Tolt Valve project may be postponed until next year due to a supplier issue.

- For field crews we are having them work in ways to have as much distance between them as possible, such as separating them into individual vehicles, and where they need to work closely together, like in a trench, analyzing what PPE they need.
- We are making sure we have enough supplies for water treatment processes.
- Financially, we will be tracking any financial issues related to delayed payments.
- Mami added: We want to know how we can support our wholesale customers at this time. For SPU, she added, we need to be aligned with all the city-wide guidance. Communications with staff is challenging with everyone so spread out.
- A Utility Representative said thanks for the hard work and keeping the water flowing. He asked how long can SPU operate with COVID-19, such as getting supplies like chemicals? Alex responded that we have adequate staffing to operate the treatment plants. He noted that we have a lot of redundancy built into the treatment plants so that if some equipment does happen to fail, we have backup equipment. He added that we were talking to our chemical suppliers and our backup chemical suppliers to make sure we have enough. We heard from our carbon dioxide supplier for the Tolt that they may be slower than normal at providing it, which is why we are talking to our back up suppliers. Chlorine gas is one of the most important chemicals for treatment and we have a stock of a chemical, liquid sodium hypochlorite, that can be used as an emergency backup for that.
- A Utility Representative noted that they are doing almost the exact same thing related to field crews. He is interested in the low-income discount program and other options for customers that may have trouble paying. Alex said we are trying to be flexible, such as extending deadlines and if they can only pay say 50% now, we work with them. Previously you had to be certified to get into the Utility Discount Program, but now you can self-certify.
- Alex added that we are reaching out to our large customers to find out if they expect payment issues and if they foresee changes in water use.
- Alex noted that SPU recently went through an exercise to determine our “essential functions” and who staffs them and who their backups are. A Utility Representative added that the use of SOPs was essential for that effort. Alex said that was a good idea and explained that some staff are now reviewing SOPs and writing SOPs.
- **Reminders –**
 - 1) April 8th Water Quality Lab Tour - to be rescheduled,
 - 2) EPA Risk & Resilience Assessment Workshop on Wednesday, **April 22** from 1 to 3 pm at the Mercer Island Community & Event Center - to be rescheduled
 - 3) May 13th Operations and Control Center Tour - to be rescheduled

5. **Future Meetings**

Alex noted that the next two Operating Board meetings will be held on May 7th and June 4th. One or both could be via teleconference and noted that we will give you plenty of advance notice for how to join.

6. **Good of the Order**

- None
 - Incorporate comments in the minutes: I want it stated that due to technical difficulties members of the OB board were not able to attend the meeting and the only resolve was to connect by phone listening over a third party.
 - This only served for the last 20 minutes of the meeting. I believe that this should also be a matter of record. In the future I would hope that all members that wish to be part of the meeting shall be accounted for or the meeting will be postponed until these arrangements can be made.

- Thank you again Terri for your efforts in getting me into the last 20 minutes of the meeting.

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

Date