

DRAFT Minutes
Seattle Water Supply System Operating Board
July 2, 2020
1 PM to 3:00 PM
SKYPE Teleconference

<u>Board Members</u>	<u>Board Alternates</u>	<u>Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Alex Chen, Chair	Shane Young	Byron Murgatroyd	Regina Carpenter	Charlotte Haines
Diane Pottinger, V. Chair		Al Nelson	Alan Chinn	Patty Hale
Mami Hara		Terry Olsen	Paul Faulds	Pamela Maloney
Paula Laschober, Alt		Patrick Sorenson	Arlinda Garcia	Kathleen Quong-Vermeire
Lynne Danielson		Jason Kintner	Meghan Gattuso	Ron Straka
Ron Little, 7 th Member		Abdoul Gafour	Terri Gregg	John Thompson
		Larissa Polanco	Karl Stickel	Laurie Tish
		Mike Martin	Martha Neuman	Nicole Siekmeier-James
			Kelly O'Rourke	Ron Ricker
			Brent Lackey	
			Eugene Mantchev	

1. Welcome and Introductions

- Alex Chen shared that he is still acting Deputy Director, Water LOB & Shared Services, for Rick Scott who is out on sick leave. Paul Faulds is acting for Alex as Division Director, Water Policy and Planning. Kathy Curry remains on medical leave and Terri Gregg is still filling in for Kathy as Acting Wholesale Contracts Manager and Celia Kennedy has left SPU for other future endeavors, for which SPU wishes her well.

2. Minutes/Agenda

- The **June 4, 2020 minutes** were **approved 5-0**.
- The **July 2, 2020 agenda** was **approved 5-0**.

3. New Business

a. 2019 Annual True Up Results

Regina Carpenter, SPU Principal Economist began the PowerPoint presentation by giving an overview of the True up process, how the results are calculated, and how Moss Adams audits the calculations based up a specific list of Agreed Upon Procedures. The results for 2019 began with a significantly higher beginning balance (\$11.2 million) than projected. Rate revenues were slightly higher than forecast and the facility charge transfer was also higher than expected due to the increase in facility charge revenues and lower conservation CIP spending. Asset and O&M costs were lower than projected. The overall combination of a higher year beginning balance, a large facility charge transfer and an overall decrease in costs resulted in a surplus balance of \$23.3M. Next, Regina went over the Block contracts for Northshore and the sub-regions of east and southwest along with the City of Renton's block.

Moss Adam's Laurie Tish began her portion of the presentation by stating not much has changed from prior years. She highlighted some of the procedures performed and out of the 70 procedures Moss Adams found no surprises, exceptions, or errors. A few questions ensued.

- *A Utility Representative asked did any of the procedures change? Laurie Tish responded no.*

- *A Board Member asked if we do not spend the surplus quickly will it affect rates? Regina Carpenter responded the surplus will be used to offset rates going into the future.*
- *Another Utility Representative pointed out that the lower annual cost of the Morse Lake Pump Plant asset would continue each year into the future.*

Alex Chen, chair asked the Board for a vote on the procedures as performed.

Lynne Danielson moved to approve the procedures as performed, Diane Pottinger seconded the motion, the motion was approved 5-0.

b. Water Supply – Operational Changes

Alan Chinn, PE, Water Resources Planning Supervisor began his PowerPoint presentation on “Managing our Water Supply Reservoirs in step with changing conditions” by stating that the goal of this presentation was to show how we operated our reservoirs in the past with a fixed rule curve and other constraints in comparison to how we operate our reservoirs now with dynamic rule curves and system improvements. The presentation began with a historical look at the Chester Morse Lake from 1902 to 2020. Alan highlighted the changes made through the decades including how between the years 1987 and 2020 Seattle increased the operating range, both higher and lower, of Chester Morse Lake and Masonry Pool reservoirs by building the Emergency Spillways on Masonry Dam, replacing the original Timber Crib Dam with the Overflow Dike and building the floating Morse Lake Pump Plants. Snow monitoring improvements and other improvements were also made over the years. Alan then drew the Boards attention to the reservoir operation levels and fixed rule curves of the 70’s and 80’s, to the more generalized rule curve post 2010, then onto describing the concept of the dynamic rule curve which began in the early 2000’s. The actual dynamic rule curve used during the 2015 drought season was shown as an example. Alan proceeded to give examples of actual previous drought years that used the old fixed rule curve and then compared them with computer modeled simulations of those same drought years using the dynamic rule curve to see how the water supply situation would had played out. Under the dynamic rule curve, more water is able to be stored during drought years and therefore provide for an improved reliable water supply system. At the conclusion of his presentation, Alan shared some future ideas the Reservoir Management staff is considering for continual improvements in managing our water supply going beyond 2020. One question ensued.

- *Utility Representative asked what would occur if SPU increased the level of Chester Morse Lake? Alex Chen replied we are looking into that possibility however; we have to keep in mind with higher lake levels increases the leakage of the moraine, dam safety analysis would need to be completed and multiple other areas of consideration must be thought through before SPU would have any analysis to share with the Operating Board.*

c. Tolt Slide Improvements

Brent Lackey, SPU Strategic Advisor began his presentation on the Tolt Slide Improvements by reminding members of the historical aspect of the slide area, the improvements that have been done in the past (i.e., ball joint installation and reset, the buttress work and the installation of the engineered log jams in the river) to include the ongoing monitoring data of the slope area. Brent then went on to explain the current capital project with the installation of the horizontal drains. Currently, the project is projected to install 80 finger drains, 700-1000 feet deep into the hillside, with a goal to remove 10-20% of the groundwater in an effort to decrease the movement of the slide area by 50-80%. Currently, the project is scheduled to be completed in October 2020.

The next project for the Tolt slide improvements will be the rehabilitation of Tolt Pipeline 1 (TP1) with the relining of 2550' of TP1. Construction for this project is expected to begin in 2021.

A couple of questions ensued:

- *A Utility Representative asked how much TPL1 is currently being used? Brent responded that TPL1 has not been in use since 2008. The goal of the slip lining of the pipeline is to restore the pipeline to full operations to reestablish the historic redundancy of raw water supply.*
- *Another Utility Representative asked how long the drains would last? Brent responded a long time (theoretically many decades) with the need for ongoing O&M to be extremely low after the first 2-year drain cleaning maintenance. After which jetting of drains is expected to be needed only once every 5-10 years.*

4. **Executive Summaries and Other Business**

Alex Chen provided summaries on the following topics:

- **Water Consumption** – Alex Chen shared that in the water utility business we often refer to June as January due to its cooler weather and low water demand, and this June has shaped up to be just that. The good news is we are starting to see demands pick up and we look forward to this trend continuing throughout the summer.
- **Water Supply Conditions** – Alex Chen shared we are currently in good shape for water supply this summer.
- **Reclaimed Water Update** – Alex Chen shared there is nothing new to report from King County as they are busy much like other agencies with COVID-19 and other issues. He mentioned however, he is keeping in touch with the OB Reclaim Water Task Force on topics as they arise.
- **COVID-19 and Recent Protests** – Alex Chen stated that regarding the managing COVID-19 nothing has changed. SPU staff are still conducting daily temperature checks on all field staff. Regarding the protests, Alex shared that SPU GM/CEO Mami Hara was one of the lead City representatives at the CHOP protests and that she assisted with negotiations. He highlighted that SPU was also asked to help with boarding up businesses on Capitol Hill, help with clean up and secure the City of Seattle Broadway Pump Station due to vandalism. He also mentioned that SPU is also working on ensuring the workplace culture is reflective of those we serve.
- **CIP Updates** – None.

5. **Future Meetings**

- August 13th, 2020 – The OB will meet in August.
- September 3rd, 2020

6. **Good of the Order**

- None

7. **Public Comment Period**

- None

8. **Material presented at Meeting:** Electronic copies of the information described on the agenda were provided in advance of the meeting.

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

Approved by:

Chair, Alex Chen
Seattle Water Supply System Operating Board

Date