

Final Minutes
Seattle Water Supply System Operating Board
November 7, 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</u> <u>Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Lynne Danielson - Chair	Bryan Koehmstedt	Mike Amburgey	Regina Carpenter	Patty Hale
Alex Chen – Vice Chair	Paula Laschober	Steve Brown	Kathy Curry	Steve Hirschey
Mami Hara	Ron Speer	Abdoul Gafour	Celia Kennedy	Steve Pfaff
Rick Scott	Shane Young	Mike Martin	Martha Neuman	Ron Ricker
Matt Everett		Pam Martin		John Thompson
Diane Pottinger		Byron Murgatroyd		
		Al Nelson		
		Terry Olson		

1. Welcome and Introductions

2. Minutes/Agenda

- The **October 3, 2019 minutes** were **approved 6-0**.
- The **November 7, 2019 agenda** was **approved 6-0**.

3. New Business

a. 2020 Operating Board Workplan

Kathy Curry, Wholesale Contract Manager, went over the draft 2020 Operating Board (OB) work plan and asked if there were any proposed changes to it. She also offered the option to cancel the January 2nd and August 6th meetings in 2020.

- *The group agreed to cancel the January 2nd meeting and discussed holding time in August for any needed drought coordination and for contract review discussions. It was suggested that the August meeting be moved from the 6th to August 13th to avoid potential traffic issues related to the Blue Angels around the August 6th timeframe.*
- *With the January 2nd meeting canceled and with August 13th held for a potential OB meeting on that date, the 2020 OB Work Plan was approved with a 6-0 vote.*

Kathy followed the 2020 work plan discussion by reminding the group that there would be a vote at the upcoming December 5 OB meeting on whether to approve Ron Little serving another term as the Board's 7th (independent) Member, and on the 2020 Chair and Vice-Chair positions.

b. 2021-2023 Wholesale Rate Study Introduction

Regina Carpenter, SPU Principal Economist, gave a presentation on the upcoming 2021-2023 Wholesale Rate Study, provided a timeline, gave an overview of the rate setting process, and described the consultant options for the Rate Study review. Regina pointed out that the group had been provided copies of the PowerPoint slides from the 2016 Wholesale Finance and Rate Setting Workshop and that a link to the video of this workshop could also be provided.

A Board member asked Regina to explain how “mixed use” facilities were cost allocated. She explained that they were not allocated directly, but that there was 1.5% included in the rates to account for facilities that benefit wholesale customers in part but are not allocated directly as a regional cost.

There was some discussion on the demand forecast and importance to the rate study, and the pros and cons of using a conservative demand forecast. It was suggested that time be dedicated to discussing this subject again. There was also a request to revisit the ratio of the peak ratio to off-peak rate.

The discussion moved on to the status of Cascade Water Alliance (CWA) lump sum payments and options for handling this going forward. One Board member noted that he wanted SPU to plan for saving future water for other wholesale customers that have heavy growth in their areas.

Feedback was requested on Seattle’s proposal to use Shawn Koorn of HDR for the rate study review, and none was provided. Seattle will proceed with HDR.

c. Timely and Reasonable Water Availability Certificates

Steve Hirschey, King County Water Policy Analyst, provided an overview of timely and reasonable water availability certificates and changes being considered at King County. Steve noted that King County will work with utilities to help define “timely and reasonable” service.

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 (Attachment 4.c.): Alex said the Reclaimed Water Task Force met and discussed more details of the short-term agreement with King County. He noted that King County is reviewing the document now, and that they want to come to the Operating Board some time in 2020 to discuss Reclaimed Water impacts to utilities.
 - Alex mentioned that Ray Hoffman will be the new Chief Executive Officer of the Cascade Water Alliance at the beginning of 2020, after Chuck Clarke’s retirement.
 - Alex also noted for the group’s attention that Martha Neuman is leading the effort for utilities in the three-county area to have a united legislative strategy for funding requests for seismic improvements. Utilities with technical and/or governmental relations expertise are welcome to participate.
- Water Contract Review and Update: Martha Neuman, SPU Senior Policy Advisor, shared that SPU will be coming to the Operating Board tentatively in April 2020 to introduce proposed contract changes for consideration and discussion. Martha noted that it is anticipated that workshops will be provided on key contract topics, with individual discussions with utilities as needed.
- Kathy Curry, SPU Wholesale Contracts Manager, mentioned that the group would be getting an email from her in the next week with information about an April 2020 workshop on how to prepare the EPA required Risk and Resiliency Assessment Emergency Response Plan.
- Kathy added that SPU’s Chad Buechler is offering an Incident Command System training in the first quarter of 2020 for North City, Olympic View, SPU and other wholesale customers are welcome.

5. Future Meetings

Kathy reminded the group of the upcoming December 5 OB meeting starting at 1 p.m. at the Mercer Island Community and Event Center. Kathy reminded the group that, consistent with the earlier vote, there will be no January 2, 2020 meeting and so the first 2020 OB meeting will be on February 6, 2020.

6. Good of the Order

- None

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, Lynne Danielson
Seattle Water Supply System Operating Board

12-5-19
Date