

**Draft Minutes  
Seattle Water Supply System Operating Board  
April 1, 2010  
2:30– 4:30 p.m.**

**Mercer Island Council Chambers  
9611 SE 36<sup>th</sup> Street  
Mercer Island, WA 98040**

<u>Board Members</u>	<u>Board Alternates</u>	<u>Wholesale Utility Representatives</u>	<u>SPU Attendees</u>	<u>Other Attendees</u>
Walt Canter John Bjork Matt Everett Dave Hilmoe Nancy Ahern	Terry Smith John Thompson Judi Gladstone Ron Speer	Mark Parsons Roger Eberhart Stu Turner Margaret Wiggins Ron Ricker Charlotte Haines Ron Sheadel Jerry Thornton Fanny Yee Ken Howe	Dan Swenson Terri Gregg Tom Fox	Steve Deem (DOH)

1. Welcome and Introductions

2. Minutes/Agenda

The January 7, 2010 minutes were approved by consent of the Operating Board.

3. New Business

▪ Water Supply Outlook

Tom Fox, SPU Water Resources Manager, gave an update on water supply conditions and reservoir refill outlook. As of the date of the presentation, overall water supply situation and outlook is good. Reservoir storage conditions are good and snowpack and reservoir inflow are fair. Chester Morse reservoir refill is likely to reach full refill but Tolt reservoir refill is more problematic. To facilitate water supply operations, SPU will conduct maintenance dredging this summer in the channel between Cedar Lake and the Masonry Pool. The original elevation of the channel was 1528' and the current elevation is 1536'. The dredging work will lower the current channel to between 1532 & 1533'. A US Army Corps of Engineers permit will not be needed for the work, since there will not be any sediment spill.

A copy of the presentation is available on the Operating Board website ([www.operatingboard.org](http://www.operatingboard.org)).

- **Contract Negotiations Update – CWA, 1982 Contracts, City of Shoreline**

Judi Gladstone, SPU Water Policy Advisor, provided an update on the ongoing contract negotiations with the remaining 1982 wholesale contract holders, the negotiations with the Cascade Water Alliance and the pending negotiations with the City of Shoreline.

The goal from this round of wholesale contract negotiations is keep the contracts as similar as possible to the 2001 contracts. It is anticipated that draft agreements will be prepared by this summer. Several members, provided comment on the pricing structure of water under the new contracts, the sunk costs from the previous 2001 negotiations, and the possible inequities for the wholesale customers that signed in 2001 and customers signing new contracts in 2011/2012.

The negotiations with City of Shoreline are just beginning for the sale of the Seattle retail water distribution system located in the City of Shoreline and west of I-5. Preliminary conversations are around the value of the water system assets and foregone revenues to Seattle. If the assets are sold, then Shoreline would become a wholesale customer. Several members identified a number of issues for Seattle to consider during the negotiations including previously signed interlocal agreements and the wheeling of water to other wholesale customers. It was also noted that a lawsuit might be filed to challenge the City of Shoreline’s authorities related to utility matters.

Related to negotiations with the Cascade Water Alliance for the sale of additional water, comments were made about possible peaking impacts on the Seattle system and the financial conditions/payments that should be built into an amended contract should Cascade not leave the Seattle system.

#### 4. **Executive Summaries and Other Business s**

- **Lake Youngs Algae Summary**

Dave Hilmoe provided an update on the algae situation in Lake Youngs. As conditions dictate, SPU will bypass Lake Youngs and take water from the Cedar River directly to the Cedar River Treatment Plant. Weekly reports on algae conditions will be provided until the current bloom ends.

- **Chester Morse Pump Plant – Value Engineering Process**

The VE process is still underway. The review process includes an evaluation of the projects underlying objectives and risk. It is likely that the result of the process will be a different project design.

- **Conservation Funding Sub-Committee**

This issue will be reviewed in more detail at the May 6<sup>th</sup> meeting.

- **Future Meetings**

May 6<sup>th</sup>  
June 1st

5. For the Good of the Order

No comments provided.

6. Public Comment Period

No comments provided.

7. Meeting Adjourned

Approved by:

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Chair, Matt Everett

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Date

Seattle Water Supply System Operating Board