

Minutes July 11, 2024 - FINAL

Seattle Water Supply System Operating Board

1. Welcome, Roll Call & Announcements

- Attendance as follows:

First Name	Last Name	Utility	Official Operating Board Role	Attendance Type
Hilary	Allison	SPU		In person
Julie	Belt	Woodinville		In person
Boyd	Benson	Bothell	Utility Rep	In person
Regina	Carpenter	SPU		In person
Alex	Chen	SPU	Utility Rep + Board Member + Chair	In person
Jamie	Crookston	Coal Creek		Virtual
Kathy	Curry	Woodinville	Utility Rep	In person
Bob	Danson	Olympic View	Utility Rep + Alt Board Member	In person
Jeremy	DelMar	Highline	Utility Rep + Board Member	In person
Pete	Eberle	WD 90	Utility Rep	In person
Eric	Frimodt	Consultant - For Contracts		In person
Kevin	Fuhrer	Soos Creek		In person
Abdoul	Gafour	Renton	Utility Rep	In person
Melissa	Golan	Seattle Attorney's Office - For Contracts		In person
Terri	Gregg	SPU		In person
Patricia	Hale	North City		Virtual
Paula	Laschober	SPU	Utility Rep + Board Member	In person
Ron	Little	n/a	Independent Member	In person
Eugene	Mantchev	SPU		Virtual
Michael	Martin	WD 20	Utility Rep	In person
Kelly	O'Rourke	SPU		In person
Maura	Patterson	SPU		Virtual
Jorgan	Peadon	WD 49	Utility Rep + Alt Board Member	In person
Darcey	Peterson	WD 90		In person
Matthew	Porter	SPU		Virtual
Diane	Pottinger	North City	Utility Rep + Board Member	In person
Kathleen	Quong-Vermeire	Highline		In person
Ron	Ricker	North City		In person
Robert	Russell	Coal Creek		Virtual
Nicole	Siekmeier Janes	Consultant - Moss Adams		In person
Carla	Snyder	Coal Creek		Virtual
Laurie	Tish	Consultant - Moss Adams		In person
Jane	Vandenberg	Soos Creek	Utility Rep	In person
Logan	Wallace	Soos Creek		Virtual
Ingrid	Wertz	SPU		Virtual
Max	Woody	North City		Virtual
Shane	Young	WD 125	Utility Rep + Board Member +Vice Chair	In person

2. Agenda/Minutes

- 2a. June 6, 2024 minutes were approved 5-0 with motion to amend the minutes to reflect that the medium group abstained from voting. (Note: SPU only had 2 voting members in attendance)
- 2b. July 11, 2024 agenda was approved 5-0. (Note: SPU only had 2 voting members in attendance)

3. Old Business – none

4. New Business

4a. 2023 Annual True Up Results: Regina Carpenter, SPU Principal Economist, and Laurie Tish and Nicole Siekmeier Janes with Moss Adams, provided a briefing to share the results of the 2023 annual true-up and to request approval of the procedures as performed. Moss Adams identified the items that are noted every year (expected reconciling items due to reporting year used by the financial statements versus rate setting) and reported that there were no unusual findings or deviations. Questions were asked regarding changes in Government Accounting Rules, how the True-Up would change under a new contract regime with signers/non-signers, rate transfers, and F&P versus Seattle contributions to the True-Up components.

A discussion then ensued about the benefit of the current and future True-Up balance management options. It was clarified that the current contract manages surpluses by returning them to the F&P customers through lower future rates. Future contract alternatives were then discussed and included: maintaining some surplus to smooth future rates; applying the balance or portion of the balance to pay off an asset and remove it from the rate base; or returning prorated amounts to F&P customers via billing credits. The discussion included clarifications regarding the current rate study and why Seattle is over-collecting rates, and Seattle's rationale for postponing a rate study until the future approach is mutually agreed upon by Seattle and the F&Ps.

Decision: Motion to accept the procedures as performed and accept the report. All were in favor and the motion carried. (Note the vote as 4-0 because SPU only had 2 voting members in attendance and the Small Category voting member had to leave the meeting prior to this vote)

4b. PFAS Sampling Update: Alex Chen provided an update on the most recent PFAS sampling and a discussion of next steps. SPU's website will be updated once SPU and DOH conclude their discussions on this topic, which is likely to take until September. In the meantime, wholesale customers can use the "Reactive" PFAS speaking points emailed to wholesale customers on May 2 and refer their customers to SPU's website. The speaking points will be updated when SPU's website is updated.

4c. SPU's Strategic Business Plan: Alex Chen provided an overview of SPU's draft 2025-2030 Strategic Business Plan, which provides strategic guidance for SPU's work including four regional water "Initiatives & Investments". Those are In House Water Quality Treatment, Water Supply Planning for Next 50 Yrs, Cedar & Tolt Watershed Resilience, and Water Asset Mgmt & Seismic Program. Alex explained when the OB has, or will have, presentations on them.

5. Executive Summaries & Other Business

- **Water Consumption from Watersheds vs. Rate Studies:** Alex Chen briefly discussed this document. Consumption is currently about 3% above the rate study estimate.
- **Water Supply Update.** Alex Chen shared that water supply is looking good. Both reservoirs are full (and above typical largely due to approval from Ecology to fill the Cedar Reservoir with an extra two feet of water due to low snow pack this year).
- **Other Updates.** Alex Chen gave a brief update on the Mercer Island pipeline leak. The repair is close to being completed and the pipeline will likely be back online by the end of July. For now, SPU water is still being routed via a small diameter Mercer Island pipe and Mercer Island is currently asking their customers to voluntary curtail water usage due to the increased summer demand.
- **Next Meeting:** August 1 – Virtual only on Teams; 1-3PM.

6. Good of the Order – none.

Board meeting was adjourned at 2:45 PM.

Approved by:


Alex Chen (Sep 6, 2024 11:47 PDT)

Chair, Alex Chen
Seattle Water Supply System Operating Board

09/06/2024

Date