

**Minutes
Seattle Water Supply System Operating Board
January 6, 2011
2:30– 4:30 p.m.**

**Mercer Island Council Chambers
9611 SE 36th 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>
Matt Everett Steve Moye Walt Canter Ray Hoffman Dave Hilmoe Nancy Ahern Ron Little	Terry Smith John Thompson	Roger Eberhart Kathleen Keene Margaret Wiggins Stu Turner Charlotte Haines Ron Ricker Dick Swaab Mark Parsons Ron Sheadel Jim Rick Jerry Thornton Gary Cline	Dan Swenson Terri Gregg Rick Scott Eugene Mantchev Regina Carpenter	Mike Harris Tom Hoffman Byron Murgatroyd Steve Deem Mike O'Brien

1. Welcome and Introductions

Ron Little was introduced as the new independent Operating Board member. Ron recently retired as General Manager of the Sammamish Plateau Water and Sewer District.

John Bjork, the previous independent Operating Board member, was unable to make the meeting but sent a message that was read by Matt Everett. Dan Swenson read a thank you letter for John and noted that a small engraved diamond cube will be sent to John in appreciation of his service to the Operating Board.

2. Minutes/Agenda

The December 2, 2010 minutes were approved by consent of the Operating Board. The agenda for the January 6, 2011 meeting was approved.

3. New Business

- Election of Chair and Vice-Chair for 2011

The Operating Board approved Nancy Ahern as Chair and Steve Moyer as Vice-Chair for 2011.

- Seattle City Councilmember Mike O'Brien

Councilmember O'Brien provided a few brief comments on his background and interests. Operating Board members were appreciative of his attendance and encouraged him to attend future meetings. They, also, commented on how much better the working relationship is between Seattle and its wholesale since the inception of the Operating Board in 2002.

- Wholesale Customer/Transmission Strategic Focus for 2011

Eugene Mantchev and Dave Hilmo provided an update on eight key projects for SPU: Tolt Slide, Brightwater Tunneling, Cathodic Protection Program, Cedar River Pipeline #4 and Sound Transit, 2010 Tolt System Improvements, Wholesale Meters, Lake Youngs Algae Management, the Cedar Treatment Facility – UV valves upgrades. SPU is preparing a Transmission Strategic Plan will return to the Operating Board later in the year with the plan. Also, probably in March, SPU will return to the Operating Board with a new approach for the Chester Morse Pump Plant project.

Agenda Materials

- PowerPoint Presentation : Regional Transmission Projects and Issues for 2011

- 2012 Wholesale Rate Setting Process

Regina Carpenter, SPU, went over the timeframe for the 2012-2014 Wholesale Rate Study. The proposed schedule has the rate study being transmitted to the Seattle City Council in June 2011. The wholesale contract states that a final consultant report shall be made available to water utilities not less than 30 days before Seattle formally transmits any resulting rate adjustment proposal to the Operating Board. Regina asked for comment on potential rate consultants.

Agenda Materials

- Handout : 2012-2014 Wholesale Rate Study

- Operating Board Business for 2011

Dan Swenson reviewed the highlights of the 2011 Operating Board work plan. The work plan is a flexible document that will be modified throughout the year. Key work items for the year include the update of the Seattle Water System Plan, wholesale water rates, and

updates to the Bylaws and Contract Authority Matrix. Operating Board members are encouraged to provide additional work plan items.

The Operating Board approved the proposed 2011 Budget. It was suggested that one of the Operating Board members should seek a position on the Board of Directors for the Partnership for Water Conservation, since Saving Water Partnership is a large dues payer (\$10,000).

Agenda Materials

- Handouts: 2011 Work Plan and 2011 Operating Board Budget

4. Executive Summaries and Other Business

- **Facilities Charges for 2011** – See Regina Carpenter 12/13/10 letter
- **Incident Coordination Annex Template** – Updates due to SPU_1/15/11
- **Rick Scott, Division Director, SPU Water Distribution and Transmission** – Rick was introduced to the Operating Board; he is filling the position previously held by Joe Mickelson.

Agenda Materials

- Handout: Facilities Charge Letter, Regina Carpenter to Full and Partial Contract Holders, Dated December 13, 2010

▪ **Future Meetings**

February 3rd
March 3rd

5. For the Good of the Order

- Dave Hilmoe alerted the Operating Board that we are anticipating an announcement from the U.S. Department of Housing and Human Services and the U.S. Environmental Protection Agency that will lower the recommended concentration of fluoride in drinking water. The anticipated recommendation is 0.7 milligrams of fluoride per liter of water. The current Federal recommendation is 0.7 to 1.2 milligrams. The current State guideline is 0.8 to 1.3 milligrams per liter. Operating Board asked for information about the history of fluoride in the Seattle water system. SPU will send out information on fluoride history and Seattle's response to the likely recommendation.
- Ron Ricker asked about the status of the Lake Forest Park emergency intertie. Eugene Mantchev indicated that the project has completed at King County's expense and can be used should there be any problems to the Lake Forest Park water supply from the Brightwater tunneling project.

6. Public Comment Period

No comments provided.

7. Meeting Adjourned

Approved by:

Chair, Nancy Ahern

Seattle Water Supply System Operating Board

Date