

**Minutes
Seattle Water Supply System Operating Board
July 7, 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 Dave Hilmo Nancy Ahern Ray Hoffman Steve Moyer Walt Canter Ron Little	Terry Smith Ron Speer John Thompson	Margaret Wiggins Charlotte Haines Mark Parsons Terry Olson Mike Harris Glenn Boettcher Francie Lake Byron Murgatroyd Ron Ricker Stu Turner Jerry Thornton Jim Rick Lynn Danielson Tom Hoffman Pam Martin	Terri Gregg Joan Kernsar Julie Burman Regina Carpenter	Laurie Tish Alan Hartmann Francie Lake Tom Gould

1. Welcome and Introductions

2. Minutes/Agenda

June 7, 2011 minutes were approved as written.

The agenda for the July 7, 2011 meeting was approved.

3. New Business

King County Water System Plan Approval Process

Bob Burns, King County Deputy Director of the Department of Natural Resources and Parks went through the new Water System Plan approval process which has been modified to be more transparent and to include a faster review process.

Operating Board By-Laws Review and Organizational Chart (Attachment 2, 2a)

Terri Gregg, Wholesale Contracts Manager gave a quick review of the Operating Board By-Laws and review the OB Organizational Chart with a focus on the rules when and by whom a caucus can be called.

2010 Wholesale Financial True-up – Report and Approval (Attachment 3)

Regina Carpenter (SPU) and Laurie Tish (Moss Adams) presented the draft results from the 2010 Wholesale Statements and Independent Accountant's Report on Applying the Agreed upon Procedures (True-up). Ms. Tish reported that Moss Adams did not find anything unusual in the review process. Request was made for any OB member to respond within one week of the presentation for any question to the report. Final report will be completed by July 29th, 2011. The Operating Board voted to approve the draft report by a vote of 6-0.

2012-2014 Rate Proposal Update

Regina Carpenter, SPU Sr. Economist gave a presentation on the June 2nd OB resolution which recommended SPU reconsider the rates and the demand forecast. The presentation included using a less pessimistic demand forecast in employment growth, how the consumption could be impacted by the weather if there were a series of cool/wet summers, and the impacts that the rate study which had to be completed before the final 2010 expenditures were known. Julie Burman, presented on the regional conservation programs (O&M and CIP) and the impacts on rates. More discussion will occur on conservation at the September/October OB meetings. Based on the outcome of the review Seattle's recommendation is to maintain the wholesale rates at the proposed levels.

Executive Summaries and Other Business

- Cedar Water Treatment Facilities: Project Completion Report
- Wholesale Rates and Response to June 2nd Individual Questions
- Update on by-passing Lake Youngs - By-pass has been suspended
- 2010 Annual Survey
- Landsburg Sockeye Hatchery Grand Opening Ceremony – September 20th (Sept 15th)
- Operating Board Retreat – October 2011
- August OB meeting cancel – Vote approved 6-0
- 2011 Work Plan - Review of the remainder of this year's work plan

Material presented:

- King County Utilities Technical Review Committee – Bob Burns
- Guidance Document for King County Review of Water Systems Plans – Bob Burns
- Operating Board By-Laws – Terri Gregg
- Operating Board Organizational Chart – Terri Gregg
- Summary of 2010 True-up Results – Regina Carpenter
- 2012-2014 Wholesale Water Rates Response to Operating Board Request

4. **Executive Summaries and Other Business**
No executive summaries or other business was performed

5. **Future Meetings**
 - August 4th, 2011 meeting canceled by vote 6 – 0
 - September 1st, 2011

6. **For the Good of the Order**

6. **Public Comment Period**
No comments provided.

7. **Meeting Adjourned @ 4:00 PM**

Approved by:

Chair, Nancy Ahern
Seattle Water Supply System Operating Board

Date