

**Minutes
Seattle Water Supply System Operating Board
January 5, 2012
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>
Nancy Ahern	Ron Speer	Tom Hoffman	Regina Carpenter	Denny Clouse
Ray Hoffman	Steve Moye	Mark Parsons	Sherry Crawford	Tom Gould
Matt Everett	Lynne Danielson	Jerry Thornton	Terri Gregg	
Ron Sheadel	Judi Gladstone	Charlotte Haines		
Byron Murgatroyd		Ken Howe		
Dave Hilmoe		Mike Harris		
Ron Little		Terry Olson		
		Jim Rick		
		Dick Swaab		
		Jerry Thornton		
		Diane Pottinger		
		Margaret Wiggins		

1. Welcome and Introductions

2. Minutes/Agenda

October 28, 2011 minutes were approved as written. October 28, 2011 retreat minutes were approved as written.

The agenda for the January 5, 2012 meeting was approved as written.

3. New Business

- **Operating Board Business** (Attachment 2 & 2a)
Terri Gregg, SPU presented on the Operating Board re-evaluation of Utility Categories. A recommendation to expire all current OB members was requested. The motion was moved and approved 6-0. New categories were presented to members and a 15 minute caucus was given for categories to pick their OB member and alternate for 2012. The results were as followed:
 - Large category – Matt Everett OB member – Ron Speer – Alternate
 - Medium category – Ron Sheadel OB member – Steve Moye – Alternate

- Small category – Byron Murgatroyd OB member – Lynne Danielson – Alternate
- Seattle category – Ray Hoffman, Nancy Ahern, Dave Hilmoe

By-Laws require that OB member terms must be staggered. A drawing was conducted and the results were as followed:

- Medium category term expires – December 31st, 2012
- Small category term expires – December 31st, 2013
- Large category term expires – December 31st, 2014

The next recommendation made was to extend the current Chair's term until the February 2nd, 2012 meeting. The motion was moved and approved 6-0. The final Operating Board business to occur was the recommendation to extend the 7th OB Independent members term. The motion to extend the 7th members term for 4 more years was moved and approved 6-0.

- **Board Training**

Tom Gould, Vice President HDR Engineering Inc. did a follow up to the Board Training conducted at the OB retreat. Tom briefly reviewed the discussion and “take a ways” from the workshop and the key principals of policy governance. A few items for the Board to decide upon came out of the presentation and discussion e.g., seating arrangements, communication process within categories, caucusing, participation at meetings, and the consideration for adopting some “agreed upon principals” of policy governance.

- **Financial Reporting**

Regina Carpenter, Sr. Economist SPU and Sherry Crawford, Finance Division Director gave a presentation on SPU financial reports. A number of graphs and spreadsheets were shared with the OB members. Tom Gould facilitated the discussion. OB members found the information “helpful” and “useful”. An OB member requested time to look through documents.

Executive Summaries and Other Business

- City of Shoreline request to purchase SPU assets. Ray Hoffman spoke of the City of Shoreline's agreement to pursue the purchase of SPU assets.
- ERU review – further discussion on this topic will occur at either the February or March OB meeting
- Stu Turner of Shoreline Water District – has retired and a retirement party will be held on Friday, January 13th, 2012.
- Ray Hoffman announced that Judi Gladstone was recently promoted to Manager of the SPU's Corporate Policy and Performance Division.

Material presented:

- January 2012 – Operating Board Utility Categories, Terms & Board Re-Evaluations
- January 5, 2012 – Power point presentation – “Follow-up to the Operating Board Workshop Session”
- Expected Regional Balance varies by Quarter
- Combined effect of revenues and prior year regional balances
- Example of Full and Partial Contract Regional Balance 2010 1Q YTD

- 1st quarter 2009 – 3rd quarter 2011 spreadsheet on Rate Study projections, Actual and Effect on True-Up Balance
4. **Future Meetings**
 - February 2, 2012
 - March 1, 2012
 5. **For the Good of the Order**
 - Good to go passes for I-520. Question was asked how Seattle is paying for its staff to cross 520. Seattle has good to go passes for its staff that need to cross 520 for work.
 - Honorable mention – this is the 10th anniversary of the conception of the Operating Board. Celebration to occur at the February OB meeting.
 6. **Public Comment Period**

No comments provided.
 7. **Meeting Adjourned @ 4:35 PM**

Approved by:

Chair, Nancy Ahern
Seattle Water Supply System Operating Board

Date