**DRAFT Minutes**

**Seattle Water Supply System Operating Board**

**November 6, 2016**

**2:00 to 4:00**

**Mercer Island Community and Event Center**

**8236 SE 24th Street**

**Mercer Island, WA 98040
206.275.7609**

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| **Board Members** | **Board Alternates** | **Utility Representatives** | **SPU Attendees** | **Other Attendees** |
| Alex Chen Mami HaraByron MurgatroydDiane PottingerRon SpeerRon Little | Lynne DanielsonJoan Kersnar | Jason KintnerKen HowePam MartinTerry OlsonShane YoungDick SwaabMike Harris | Rich Gustav | Charlotte HainesDarcey PetersonJim RickRon RickerSteve PfaffKaren SteebJohn ThompsonJerry ThorntonLarry WestDebbie RannfeldtJessica Guthrie |

* **Welcome and Introductions**
* Rick Scott, OB Chair was out ill, Ron Speer, Vice Chair ran the meeting.
* **Minutes/Agenda**

The October 6, 2016 minutes were **approved 5-0.**

 The November 3, 2016 agenda was **approved 5-0**.

* **New Business**
* **2019 Water System Plan**

Joan Kersnar, Drinking Water Planning Manager walked the Board through the schedule of topics to be presented on the 2019 Water System Plan (WSP). This WSP will most likely be a 10 year plan but SPU is awaiting confirmation from DOH. Joan highlighted that Firm Yield and the Demand Forecast will be presented at the December 1, 2016, Operating Board meeting. The Water Use Efficiency Goal discussion will occur in the 2nd and 3rd quarter of 2017, along with climate change. Multiple meetings will be scheduled for WUE goal topic. Public review is scheduled to be in March – May 2018. A few questions followed:

* + *Diane Pottinger, Medium Category OB member – What if big changes occur during the 10-year period. Joan Kersnar – We would amend the Plan accordingly.*
	+ *Byron Murgatroyd, Small Category OB member – Resiliency options included? Joan Kersnar – Yes–, resiliency (or what we would call adaptation strategies) will be included in the discussion on climate change analysis.*
	+ *Byron Murgatroyd, What is the Wholesale input on the WSP? The Operating Board has a mixture of both formal and informal input.*
* **Saving Water Partnership Conservation Program Update**

Debbie Rannfeldt, CTF Chair and Jessica Guthrie, Vice Chair, gave a power point presentation on the 4th year of the 2013-2018 water conservation program accomplishments and its future plans. Highlights included: Language line – free to everyone in the SWP and Mialee Jose will come out and give training upon request. New program, replace old irrigation timers with smart timers (new technology). Co-branding is being worked on and education outreach through Nature Vision has increased to include all districts and cities in the region. A few questions followed:

* *Diane Pottinger, increase in Nature Vision outreach is this with the same teachers or new teachers. Answer: New teachers*
* *Ken Howe, Woodinville Water District – What percentage of money is spent on Nature Vision by the Saving Water Partnership versus the percentage done by each individual Utility?*

* **2018-2020 Rate Study**

Regina Carpenter, SPU Sr. Economist walked the Board through the 2018-2020 Rate Study schedule of topics for review and discussion. After reviewing the schedule a few questions/comments were asked:

* *Byron Murgatroyd, OB member – had the following questions and/or comments during the presentation:*
	+ *Regarding the potential rate consultant, Byron mentioned he liked Richard Cuthbert and his assistant.*
	+ *Include in the study a request to know what the rates would be with and without the $12M payment from CWA.*
	+ *Request to see Independent assessment of inflation rate and its impact.*
	+ *Request to revisit the ratio of the peak rate vs off-peak rate.*
* *Ken Howe, Woodinville – had the following comments during this presentation:*
	+ *Consider a rate consultant who’s not so familiar with the contract/SPU. Possibly the FCS Group.*
	+ *Would prefer to see the rates smooth out over the three years versus a big bump up in the percentages in the first year.*
* *Ron Speer, OB vice Chair – reminded folks that Ray Hoffman did a great job in renegotiating the contract with CWA which ended up being a benefit to all of us.*
* *Diane Pottinger, OB member – what is the SPU Strategic Business Plan 6- year rate path? Regina response: An on average of 4.6% over all 4 lines of business.*

* **Executive Summaries and Other Business**
* *Follow up questions on Cedar Falls Facilities:*
	+ *Cedar Falls Facilities Project Phase I:  Increase in Administration/Crew Quarters square footage from existing office space totals approximately 5,000 square ft.*
	+ *Cedar Falls Facilities Project Phase II:  Increase in enclosed Shop Building square footage from existing shop space totals approximately 21,000 square ft.*
* *Follow up response on Low Band Radio equipment information request. Per Ned Worcester, it would be a more helpful to discuss all the aspects of emergency communication and equipment at a future Emergency Coordination Technical Forum. Members concurred and a meeting prior to an OB meeting will be scheduled in the first quarter of 2017.*
	+ *Byron Murgatroyd, OB member commented that their customers had inquired about the District assisting in getting emergency messages out to their constituents during an event.*
	+ *Ken Howe, Woodinville asked about the ability to be a part of the larger emergency call out system.*
* *Diane Pottinger, OB member asked if there was a chance the OB could go back to Mercer Island Council Chambers for the monthly OB meeting. Jason Kintner said they just hired their new City Manager and he would make an inquiry about the possibility of moving back to City Hall.*
* **Future Meetings**
* **December 1, 2016**
* **January 5, 2017**
* **For the Good of the Order**
	+ *Inquiry was made regarding the utility tax King County is discussing. Much conversation ensued and Terri Gregg mentioned that SPU will share any correspondence from Seattle to KC with members on this matter.*
* **Public Comment Period**

No comments provided

* **Material Presented at Meeting**
	+ **2019 Water System Plan Overview**
	+ **OB Rate Study Schedule**
	+ **2016 Year 4 Saving Water Partnership Conservation Program Updates**

**Board Meeting Adjourned @ 3:30 PM**

**Approved by:**

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