

**Members, Alternates
& Guests Present:**

Mark Cassell
Dave Christensen
Gary Cline
Don Davidson
Bob Elwell
Vicki Henderson
Don Henry
Ken Howe
Wes Jorgenson
Andrew Lee
Pam Martin
Joyce Nichols
Ron Nowicki
Steve Ohlenkamp
Bill Pelozza
Randy Reese
Trish Rbaj
Paul Sentena
Mary Shustov
Ron Speer
Laura Szentos
Scott Thomasson
Bill Tracy
Fanny Yee

King County Staff:

Tim Aratani
Mark Buscher
Jamie Foulk
Sharman Herrin
Tom Linesch
Steve Tolzman
Christie True
Dave White

Facilitator:

Tamie Kellogg

NOVEMBER'S MEETING NOTES

I. Chair's Report – Scott Thomasson, MWPAAC Chair

A. Introductions: were made.

B. Approval of Meeting Summary for October: motion passed.

C. Three offices up for election at the first meeting in 2009: Vice-Chair of MWPAAC, Chair of Engineering and Planning Subcommittee, and the Chair of Advisory Committee on Sewage Disposal Agreements Temporary nominating committee was created for upcoming elections. Dave Christensen, City of Renton, and Joyce Nichols, City of Bellevue, volunteered to staff the committee. Please send them your nominations.

II. Housekeeping – Tamie Kellogg, Facilitator

- Tamie informed the committee that documentation regarding appointments to MWPAAC is trickling in.

III. WTD Director's Report – Christie True, Director

A. The County Budget

The County Budget was adopted by the County Council on November 24. There were significant shortfalls for 2010 and 2011 that have been addressed; the Council decided that more money from the reserves was needed to address the budget shortfalls for next year. The budget crisis was not restricted to the general fund. Transit was impacted by diesel gas prices and the increase in bus ridership. Solid waste has been impacted by a reduction in tipping fees.

B. Wastewater Budget Impacts

- Wastewater is seeing impacts from bond financing and the restructuring of debt service. The process for setting the sewer rates begins again next year. The total variable rate debt is \$300M – the bank (KBC) that is responsible for the liquidity for \$100 million of the total was placed on a negative credit watch (which may lead to a credit downgrade). Negotiating a new agreement with them became risky. WTD was looking at options for long-term fixed rates or a new bank. Instead, WTD elected to borrow \$100 million from King County funds held in the King County Investment Pool to pay off some of the variable rate debt. The amount borrowed will be paid off in no longer than five years.

B2. Questions on Wastewater Budget Impacts

- What is the borrowing rate (from the County's Investment Pool)? It is approxi-

mately 3%.

- What is the rate for the variable rate debt? The series reached a maximum of 9.5% and is currently approximately 4%.
- How much money does King County have invested in the Investment Pool? Although it varies over the course of the year, on average the size of the Investment Pool is just over \$4 billion, and the County's share averages approx. 40%.
- What is the actual (sewer) rate increase? It's about 14% for two years.

- Does it preclude them from coming back in a year to change it? It is unlikely the rate will increase. We will work very hard to keep that rate at the same level.

- Has the lower market offset any of this? We did see improved bidding conditions and we hope the downturn in housing construction translates into competition.
- During the King County budget process, it was mentioned that the County may approach the legislature to institute a utility tax. Is that still happening? I'm not sure, we'll have to wait and see until the County Council adopts a formal legislative agenda.
- In terms of the capacity charge has the County seen a significant downturn? We haven't done the final numbers, but we've been tracking well for this year. We may see a downturn in 2010.

C. King County's Furlough

The Executive and County Council approved the recommendation for a furlough. It's 10 days or an equivalency of 80 hours. The final details will not be known until the end of December. But the dates are typically associated with an existing holiday. For WTD operations and maintenance and off-site crews, schedules are being reviewed to maintain flexibility.

D. Available Information

A letter will be sent to all contracted agencies stating that information on the ratepayer report and what services are available have been posted on the WTD website. A bill stuffer is also available to the agencies that would alert customers to go to the website for more information. Please contact Annie Kolb-Nelson at 206-263-6157 for more information.

E. Other Announcements:

- WTD is watching the Federal Stimulus package very closely; this may be a good opportunity to obtain funding (primarily focused on green jobs).
- Lorraine Patterson, Assistant Division Director will be on maternity leave and Megan Smith will be filling in for her.
- Recently, KOMO did a report on the Brightwater tunneling violations. WTD is not disputing that there was a slurry spill in Kenmore but there was no notice of violation. During the spill, the contractors implemented their Accident Prevention Plan. KOMO reported this material had enough ph to burn a hole, this was incorrect. At Horse Creek, the tunnel-boring machine is working in the earth under water located at the surface, and air is pumped ahead of it. That air managed to go 160 feet up and horizontally 200 feet over; the air bubbled in the creek and disturbed sediments. Appropriate steps were taken to mitigate that. Disgruntled employees may have contributed to the report, and it wasn't required that they identify themselves on T.V.

IV. Subcommittee Reports

A. Engineering & Planning Subcommittee Chair's Report – Wes Jorgenson

- At the last meeting, four items were discussed: the Reclaimed Water Workshop that was held on October 30; County responses to questions that E&P raised in the past; assessment of water resources that may benefit from augmentation of reclaimed water; UW research on reclaimed water.
- A question was asked about the information presented in the assessment. Mark responded that WTD asked the Water and Land Resources Division to gather preliminary information on water bodies. That information was then presented to E&P.

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- What is the ratio between sanitary sewer discharges versus stormwater runoff? I think there are different studies that have been done. The water quality assessment focused primarily on combined sewer overflows and impacts of stormwater. There are other studies and it could be a future topic at E&P.
- Comment: Ecology came up with a report noting wastewater contributions were extremely low – less than 1%.
- Comment: I agree with the statement that the information is location- dependent. The County’s south end has far different issues than the rest of the County.
- A comment was made by a member who toured a reclaimed water facility in Orlando. Reclaimed water has made huge impacts in ground plumbing, fire hydrants, and irrigation of crops.
- Another member noted that in Florida, Arizona, California, and Texas they have very few alternate choices. You will find areas in the world with far higher usages.

B. Rate and Finance Subcommittee Chair’s Report – Trish Erickson

The next meeting will focus on an overview of the 2009 budget, the assumptions for 2009-2010. The 2009 workplan will also be finalized.

C. Advisory Committee on Sewage Disposal Agreements:

It was established at the last meeting that the committee will bring the concerns of MWPAAC to the table, and the County will report back on the status of negotiations. At the next meeting there will be a discussion on reporting forms and other information sharing.

V. MWPAAC General Business

A. Puget Sound Partnership Update – Dave White

The Puget Sound Partnership is a brand-new State agency with 45 employees. They have been tasked by the State with the goal of restoring Puget Sound. An action agenda must be developed on how to achieve Puget Sound clean-up by 2030. The plan will cover not only water quality but also habitat from a watershed basis. The action agenda was due to the legislature by December 1. Information on public meetings and interim documents are available on-line. The partnership is also tasked with reviewing other state agencies’ budgets.

- Five indicators have been placed on the draft agenda. Two themes are emphasis on stormwater, low-impact control and continuing or accelerating work on habitat protection.
- Pertinent to wastewater treatment are additional nutrient controls, source control for emerging contaminants, combined sewer overflow control and overall water quality issues in the Sound. Explore trading opportunities for CSOs and accelerate the reduction of loading of persistent bioaccumulation.
- Near-term actions: continue funding planned projects; short-term funding of \$200-\$300M is needed.
- Funding is dependent on the gas tax, some federal funding and local match and state general obligation bond funding. The long-term strategy for funding has yet to be developed but PSP has emphasized using existing resources more efficiently. Possible funding could be a flush tax, development of a special purpose district and requesting additional federal funding.
- Next Steps: develop implementation of funding; future role of PSP as an agency and completion of the legislative strategy.
- Can you make a clean Puget Sound? Define clean — I don’t think they are going to knock down the wharf to get to the wetlands.
- We have been putting in a lot of energy in putting our comments out. This is an opportunity to lay out a real deliberate approach, of the science, plan, and cost – what is the best way to fund this and to be clear

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about what decisions need to be made. MTCA – we have been counting on getting some of the money for clean-up. Cleaning up contaminated sediments is tangible. Plan is really focused on local and state government, not on what citizens and private businesses need to do to contribute.

- How much of this plan is being done? Are they going to prioritize something above them (reference to sediment control)? I agree, to some degree recommendations that haven't been included are because some of those are being addressed or taken care of. Accelerating programs/projects that may be affected, I think they are quite sensitive to avoiding program duplications.
- Comment: It's curious to me because it seems an overarching philosophy is a holistic approach. Response: I think that the reasons why we feel strongly about that – if you look at contaminate sediments – there is a lot of science that supports cleaning up the Sound. Cleaning up contaminated sediments is a near-term goal, the short-term funding strategy – is where do we find the funds?

Next MWPAAC Meeting: February 25, 2009



ELECTION NOTICE



The Nominating Committee is accepting nominations for the following MWPAAC positions:

- Vice-Chair of MWPAAC
- Chair of the Engineering and Planning Subcommittee
- Chair of the Advisory Subcommittee on Sewage Disposal Agreements

Please send your nominations to:

- Joyce Nichols, City of Bellevue at jnichols@bellevuewa.gov and
- Dave Christensen, City of Renton at dchristen@rentonwa.gov.

Elections will be held at the next MWPAAC meeting on Wednesday, January 28, 2009 at Renton Technical College.