

SEPTEMBER'S MEETING NOTES

Members, Alternates & Guests Present:

Pat Brodin
Mark Cassell
Gary Cline
Don Davison
Gary Cline
Don Davidson
Bob Elwell
Wes Jorgenson
Gary Hajek
Don Henry
Arne Lind
Joyce Nichols
Ron Nowicki
Steve Ohlenkamp
Bob Pelosa
Randy Reece
Cheryl Scheuerman
Ron Sheadel
Ron Speer
Scott Thomasson
Bill Tracy
Art Wadekamper
Margaret Wiggins

King County Staff:

Jim Faccone
Mike Fischer
Sharman Herrin
Ron Kohler
Lorraine Patterson
Casey Plank
Christie True
Don Wiggins

Facilitator:

Tamie Kellogg

Next Meeting:

Wednesday,
November 18, 2009 at
Bellevue City Hall

- 1) Chair's Report – Scott Thomasson
 - A. Introductions: completed.
 - B. August Meeting Minutes approved.
 - C. Elections – Temporarily Appointed Nominating Committee: Joyce Nichols, City of Bellevue, and Dave Christensen, City of Renton, were selected to serve on the committee.
- 2) Housekeeping: Discussed purpose of facilitation.
- 3) WTD Director's Report – Christie True, Division Director
 - A. DOE/EPA Update: DOE is currently funding a nutrient and dissolved oxygen study that will look at discharges in Puget Sound. DOE also is undertaking an analysis of the cost of upgrading Washington State treatment plants to include nutrient removal.

Comment was made that scientific rationale has not shown yet if these upgrades are needed. Christie replied that it's important to have a robust discussion and added that timing is important given the potential for a compounding effect for all of these investments and expenditures being made.
 - B. The State Attorney General's Office recently issued a written opinion that the use of sewer revenues for the repair/replacement of side sewers does not constitute a gift of public funds.
 - C. Carnation Treatment Plant: Discharge to the wetlands was temporarily halted because the permit specifies a lower requirement for chlorine residual when discharging to a wetland and requires monitoring that measure consistently. There was a possibility that artifacts (chemical) were interfering with the testing material affecting the measurement.
 - D. Brightwater: To mitigate delays with the tunnel boring machines (TBM) at the Influent Pump Station (IPS) located in Bothell, the IPS contractor has been directed to build a wall to isolate the TBM contractor's tunnel. This enables the IPS contractor to proceed with their work and reduces the potential for change orders. The IPS contractor has also been directed to install additional piping. Until

Continued from Page 2

the central contractor's work is completed, clean water testing can be done. That testing will begin in March 2011 with sewage collection starting in August 2011. Sewage will be treated and then returned to South Treatment Plant for discharge. These changes help to mitigate costs and keep the project on schedule.

In response to a question, Christie responded that yes, it is possible the clean water testing may not be till August 2011 and sewage collection in 2012, but we have a few months. Keeping workers around for start-up will be expensive if there are delays.

A question was asked on how sewage will be conveyed, Christie answer that there are two forcemains (sewage and reclaimed water) that will convey sewage to South Plant to enable the start-up sequence.

A question was asked about the status of the TBM; Christie replied that the contractor has been limited to working on Saturdays (due to the school session). Currently, work is being done on dewatering in order to work in front of the machine under atmospheric conditions.

In response to a question on disassembling and reassembling the TBM, Christie answer in order to disassemble the machine they would have to approach it from behind and portions of the machine would be left behind. A better position would be to place another machine tunneling towards the broken machine and tear it out.

- E. Green River (Potential Flooding) Update: What is the risk of having inundation at South Treatment Plant? There is a fair amount of high ground but there is the potential for flooding the electrical system at the low entrance. WTD is currently planning a scenario for no power with the plant continuing to operate. Ultimately, the plant will act as a drain for the flood waters. These unplanned expenditures could potentially cost between \$4-6 million dollars and the monies spent may not be reimbursed by FEMA. The costs will much higher if the plant is damaged. The county is required to establish a reserve fund (currently, \$50 million) and WTD is looking into using that fund.
- F. Performance Management Audit: a utility performance audit of the Solid Wastewater and Wastewater Treatment Divisions was performed. A more detailed discussion can be arranged if requested. Areas of contention between the County and the State Auditors have been the actual potential for costs savings that can be generated and general purpose government overhead (what is the appropriate cost). There are three areas of significance for wastewater. First, the West Point energy project (digester gas runs the raw sewage pump engines) and the engines have reached the end of their lifecycle. Unfortunately, the project wasn't cost-effective due to the higher cost of commodities in 2004 and was put on hold. Currently, WTD has secured an \$8 million federal grant and negotiated an agreement with Seattle City Light to purchase the energy and renewable credits. Second, the auditors felt that more

Continued from Page 3

revenue could be generated from biosolids and they also recommended that a strategic plan be developed. WTD agrees and is in the process of developing a strategic plan. Lastly, the auditor felt that WTD should not be paying overtime for plant staff. WTD has been working on this issue and at times it's better for WTD to use overtime rather than hiring additional staff.

A motion was made and approved that the Rate and Finance subcommittee discuss the Audit. The discussion will include a review of wastewater's allocation and methodologies.

4) Subcommittee Reports

A. Engineering and Planning Subcommittee Chair's Report

The committee did not meet in September.

B. Rates and Finance Subcommittee Chair's Report

- i. Update on SB 5539: a state bill has been passed which changes the way fees are assessed. The County can only charge for actual charges incurred and will impact the county's ability to recover costs associated with administering the investment pool.
- ii. Status of Variable Debt Program – the county wants to adopt a policy of issuing 15% variable debt. Currently rates are 2%.
- iii. Results of Recent Bond Sale: \$250-300 million in general obligation bonds were issued at % interest rate.
- iv. Status of 2010 Budget Request: RCEs are at -1/2% and the number of new connections is higher than expected. Operating expenses are \$4 million higher due to preplanning work for mitigating the effects of the Howard Hanson dam flood. An offset due to furlough savings was achieved. Brightwater current accomplishment rate is 75% (versus 95%) and all other projects are at 92% accomplishment rate (versus 85%).
- v. 2009 financial performance

C. Advisory Subcommittee on Sewage Disposal Agreement Chair's Report

Capacity Charge Report – discussion of how the different agencies are calculating charges. Industrial Waste will brief the subcommittee, at its next meeting, on the billing process for contaminated industrial stormwater.

- 5) Financial Policies Workgroup: Met in August and in the future will be meeting twice a month. It was determined that the 750 cubic feet conversion factor will be not be a priority item because of the economic downturn. Also, the conversion factor is a contractual. The item will drop to the bottom of the work plan for now. The group determined in their capacity charge examination to start with an overview of implementation of the charge to date. The workgroup recognizes that the capacity charge review will take some time. The group recognizes its capacity charge review may not be completed in time to impact WTD's 2010 required review, but has requested that RWQC consider its recommendations on capacity charge when completed rather than waiting for the next required capacity charge review in 2013. The caucuses represented at RWQC – King County, City

Continued from Page 4

of Seattle, Suburban Cities and the Sewer Districts – will each appoint one member to an oversight group. The oversight group has no decision-making authority, but will guide the workgroup and may attend any of the work group meetings.

6) MWPAAC General Business

A. Overview of WTD's Flood Planning Efforts – Jim Faccone and Ron Kohler

Please view the presentation at:

A suggestion was made that the local agencies participate in preemptive work by asking residents thru their website or newsletters of a general water curtailment if flooding occurs.

In response to a question on whether this is a one-year issue, Ron answered that the Army Corps of Engineers are installing a grout curtain and WTD has been directed to plan for one year and in the spring, WTD will reassess.

B. What's Happening at South Plant – Mike Fischer

- New administration building is complete.

- Permanent Hypochlorite system: the City of Renton's Fire Marshal requested that we replace the gaseous chlorine system.

- SKIDA system replacement: new Windows-based computer control system enabling the system to communicate with the Brightwater and West Point Treatment Plants remotely. Brightwater will be remotely operated from South Plant.

- Waste Gas Burner Systems: working cooperatively with the Puget Sound Clean Air Agency a system was developed that would be beneficial to both agencies needs. Previously, the digester gas produced was not used and simply burned.

Next Meeting:

Wednesday, November 18, 2009 at Bellevue City Hall