

**INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN
CO-OP SECTION**

**THIRD QUARTER 2017
JUNE 6, 2017**

**MICROTEL INN, CONFERENCE ROOM
KEYSER, WV**

FINAL MINUTES

CALL TO ORDER: Chairman Brakel called the Third Quarter 2017 CO-OP Meeting to order at 8:31 AM on June 6, 2017. The following Commissioners, staff, and guests were in attendance in whole or in part.

Commissioners

West Virginia

Patrick Campbell (Alt. Commissioner)

District of Columbia

Willem Brakel (Chair, Commissioner)

Hamid Karimi (Commissioner)

Tiffany Potter (Alt. Commissioner)

Maryland

Virginia Kearney (Alt. Commissioner)

Robert Lewis (Commissioner)

Virginia

Scott Kudlas (Alt. Commissioner)

United States

Robert Sussman (Commissioner)

Staff and Guests

Staff

Carlton Haywood (Executive Director)

Robert Bolle (General Counsel)

Bo Park (Dir, Administration)

Cherie Schultz (Dir, CO-OP Section)

Claire Buchanan (Dir, Program Operations)

Curtis Dalpra (Communications Manager)

Sherry Zandieh (Administrative Coordinator)

Guests

Ronald Stanley (ICPRB Commissioner, PA)

Chris Kimple (for ICPRB Comm Moul, PA)

Saeid Kasraei (MDE)

Henry Gruber (USCOE NAD, rep Gen. Graham)

ADOPTION OF AGENDA: Commissioner Kudlas made a motion to approve the agenda, which was seconded by Commissioner Lewis. All were in favor.

APPROVAL OF MINUTES: Commissioner Kearney made a motion to approve the December 6, 2016 Minutes, which was seconded by Commissioner Lewis. All were in favor.

OLD BUSINESS

Follow-up from December Action Items: There were no follow-up action items from the March meeting.

Section Quarterly Report: Dr. Schultz reported on a few items from the Section's quarterly activities which can be found in Tab 3, Attachment 2 of the meeting book.

Under the task of facilitation of broader regional cooperation, Dr. Schultz and Mr. Haywood visited Loudoun Water, a first visit since the draft report on Water Supply Alternatives Study was made available to the water suppliers. The main purpose of the visit was to gauge Loudoun's interest in regional cooperation, as all of the recommended strategies in the Alternatives Study include the use of Loudoun Water resources, Quarry A and Beaverdam Reservoir. Also discussed were potential mechanisms for their involvement in regional cooperation, such as through a revised Water Supply Coordination Agreement that includes Loudoun Water. Loudoun

expressed the opinion that future cost-share formulas for new resources in a revised WSCA should be based on capability to mitigate droughts and also on water security considerations.

The COOP Water Supply Alternatives Study focuses on water availability during future droughts. Another study, conducted by Black & Veatch recently completed for the MWCOG, investigated the resilience of the metro area water supply system to loss of service due to spills in the Potomac River or other unexpected events. Both of these studies concluded that developing Travilah quarry as a backup water supply resource is an important option for protecting the metro area water supply. It will be important to bring the two studies together and establish a fair cost share formula. Loudoun's substantial concerns have been the cost share formula and governance. The cost share formula in the past was based on consumptive use. If those concerns can be resolved, an agreement would be easier. Mr. Haywood added that, in general, Loudoun is in favor of getting involved in the COOP. Their challenge is making an argument to their board. They need help from COOP to provide sufficient information to make the case. On the other side, the other utilities' general managers would need to do the same with their boards on the benefits of Loudoun's inclusion.

Commissioner Kearney suggested that the Commission put its concerns and recommendations in writing to the utilities to articulate the need to bring Loudoun into the COOP. This could include presenting a technical analysis that supports the recommendation to add Loudoun, urging the utilities to hire a mediator to assist with the next steps forward, and detailing the costs and benefits to each partner in the COOP. Dr. Schultz added that although it is difficult to quantify the benefit, Loudoun's perspective is if there is broader regional cooperation then upstream users should be brought in, not just Loudoun. That would benefit Loudoun if upstream users would need to buy mitigating storage for their consumptive use. Loudoun has to some extent viewed greater regional cooperation as a vehicle for creating a market for the quarries they are building.

Commissioner Sussman added that there is a bigger picture at hand, the long-term security of water supply in the DC area requiring inclusion of Loudoun Water in a regional agreement. Loudoun County is expanding and becoming a major consumptive user in the area. From a public policy perspective, the current agreement does not include this major party. The current cost share formula does not consider Loudoun. There is a larger public interest involved and the utilities may not have this view.

Commissioner Kudlas expressed that ICPRB, as a representative of the states, needs to articulate the larger policy goal: the need for implementation of regional coordination. The utilities may be open more now than before to consider these facts. Commissioner Kearney added that the utilities may already be thinking about a regional coordination but just not shared with the Commission. It would be helpful to gain an understanding of the utilities' perspectives.

Commissioner Kudlas also informed the Section that Loudoun has a new hire, previously with Black & Veatch, who has worked on the MWCOG Resiliency Study as well as ICPRB's Travilah quarry feasibility study. Loudoun has initiated discussions with VA DEQ on amending the permit to include Beaverdam. A formal amendment to their permit is expected to be filed soon.

Commissioner Sussman suggested that further discussion be made outside of this meeting with the Executive Committee, the COOP Chair, and any other interested commissioners.

Dr. Schultz continued with the Section's report on the use of Jennings Randolph Reservoir water quality storage for water supply purposes during droughts. This might be implemented via a revision to the Jennings Randolph Reservoir Water Control Plan (WCP), last revised in 1997. The Corps has funding for a project to scope out an update of the WCP, which would require non-federal matching. Because the Corps funds must be expended by September 30, this will be just a "scoping" project to define the elements of a subsequent project for a review of the WCP.

Regarding the Fairlawn Hydroelectric project application, the company has received a license from FERC (Federal Energy Regulatory Commission) to start the project, pending final approval by the Corps. Dr. Schultz reported that one of the main remaining issues for the water suppliers is dam integrity. Another concern is the amount of draw-down of the reservoir during construction. Possible changes in the Corps' operation of the dam is a concern. The COOP Section has been involved as a technical resource to support water supplier interests, reviewing Corps documents and submitting comments. Chairman Brakel advised that COOP also should be mindful that developing sustainable energy adds value to the basin.

Mr. Haywood discussed the Corps' proposed water supply rule which will be a guidebook to all Corps Districts on how to manage reservoirs for water supply. A public comment period is currently underway. The COOP Section staff worked with the utilities to assemble a list of comments but it was ultimately decided that COOP would send its own letter containing only those points within COOP's expertise while the utilities can send separate comment letters. The comment deadline has been extended to mid-August and this topic will be on the agenda for the next COOP Operations Meeting on June 26.

Financial Statement: Mr. Haywood informed that the financial status is on track. The funds shown as being in the reserve are unallocated funds that, in part, could be used for future projects.

NEW BUSINESS

Alternatives Study-Next Step: Dr. Schultz reported on the status of the COOP Water Supply Alternatives Study. The COOP utilities have reviewed the draft study report and have provided editorial comments. A conference call took place on June 1 to discuss the comments. COOP staff will incorporate the comments into a final draft version of the report, planned to be available for the upcoming meeting of the Operations Committee on June 26. It is expected that after June 26, the document will be approved within a couple of weeks. Soon after, the document will be posted on the Commission's website. [This schedule was extended after this business meeting discussion.] Mr. Haywood reminded the Section Commissioners that the study was conducted at the utilities' request and that the utilities should have ample time for review.

Outline of FY2018 COOP Work Plan: Dr. Schultz proposed an FY2018 work plan and budget for COOP. In addition to yearly tasks that support water supply operations, Dr. Schultz proposed to begin development of a new decision support system which would be used for both drought operations and long-term planning. This system would improve flow forecasts which is one of the recommended alternatives in the Water Supply Alternatives Study. Currently CO-OP uses two models, PRRISM for long-term planning and an operations model in Excel. The new decision support system will combine these models and be based on a new software packages. The level of effort in FY18 for decision support system development likely will fit within typical COOP budgets but, depending on COOP utility approval, may expand in subsequent years to an ultimate cost of several million dollars. Also in the work plan is an update to the Jennings Randolph Reservoir Water Control Work Plan to allow for emergency use of water quality storage for water supply purposes. The size and time for completion of this project will be better defined after the initial scoping project.

Subsequent to the March ICPRB meeting, at which a resolution for an LFAA and WSCA review was approved, the COOP water suppliers agreed that changes to the WSCA are needed so that review has become "review and revise". Dr. Schultz will propose to the suppliers a good place to begin is the cost share formula for COOP utilities since many factors have changed over the years. First task will be convening a utility workgroup. Mr. Haywood indicated that the utilities have shown some interest in revisiting a draft revised WSCA developed by staff in 2012, that included a new cost share formula. This will be on the agenda for the June 26 COOP Operations Committee meeting.

Dr. Schultz informed that this year's drought exercise, as suggested by Fairfax Water, will be decreased from a multiple day exercise to a one-day exercise. It will be used for staff training and information gathering.

Scoping out a new climate change study is another possible FY18 task, depending on the water suppliers' interest. There are experts outside of the Commission staff who could help assess whether a new climate change study would be beneficial, based on the most up to date climate change models. Chairman Brakel added that, especially with the federal government's position on climate change, it would be good to do the study.

Chairman Brakel asked what the next step would be for the Commission to assist with forward progress on the Travilah Quarry as it relates to the Alternatives Study. Mr. Haywood suggested meeting with COG to discuss the long-term withdrawal vulnerability and water security vulnerability. Commissioner Kudlas expressed that for an alternative that has been technically identified as being critical to the region, it is concerning that no work is being done to develop an implementation plan. He suggested the plan should include pursuing federal funding with a backup plan for other funding sources. In the meantime, a collective effort can be made on the local level including the water suppliers. Commissioner Kudlas suggested meeting with COG and the local politicians to bring the concerns to them.

Commissioner Sussman suggested a conference call prior to June 26, to discuss the ideas brought up so far on the issue of critical alternative water supply and the revision of the Water Supply Coordination Agreement. The call should include the COOP Chair, ICPRB Executive Committee members, and any other interested commissioners. **Mr. Haywood will follow-up and set up a conference call. He will also contact Steve Bieber at COG to inform him of the concerns discussed at this meeting and to find out about their work being done on this matter. He will ask COG for a meeting to prepare for a coordinated plan to push for Travilah. And he will add to the agenda for June 26 meeting.**

Nominating Committee for FY2018 Officers: Chairman Brakel announced that commissioners Kudlas (chair), Lewis, and Campbell will be on the Nominating Committee.

ADJOURNMENT

Commissioner Kearney made a motion to adjourn, which was seconded by Commissioner Potter at 9:47AM. All were in favor.

Minutes written by: Bo Park, Director, Administration

Reviewed by: Cherie Schultz, Director, CO-OP

Reviewed and Approved by: H. Carlton Haywood, CO-OP Secretary