



City of Bellevue
Utilities Department
2019-2020 Proposed Budget
Public Hearing

Environmental Services Commission
 October 4, 2018



CITY OF BELLEVUE
GREEN LIVING CHALLENGE
 We are working to complete the City of Bellevue's challenge.

WEEK 1	→	Waste Reduction, Recycling and Compost
WEEK 2	→	Water Conservation
WEEK 3	→	Waste Water Re-use
WEEK 4	→	Energy Conservation

Purpose of Tonight's Meeting

Proposed Budget Recap

- Operating Budget Change
- Capital Budget Recap – No Changes
- Preliminary Rates Forecast

Public Hearing

- Opportunity for ESC to receive public comments (oral and written)



Change to Proposed Operating Budget



		AMOUNT
2019-2020 Proposed Budget - September		\$ 316.1M
Change:		
Taxes	↑	\$ 0.2 M
2019-2020 Proposed Budget - October		\$ 316.3 M

Proposed 2019-2020 Utilities Operating Budget

\$316.3M, 183.0 FTE/LTE

30%

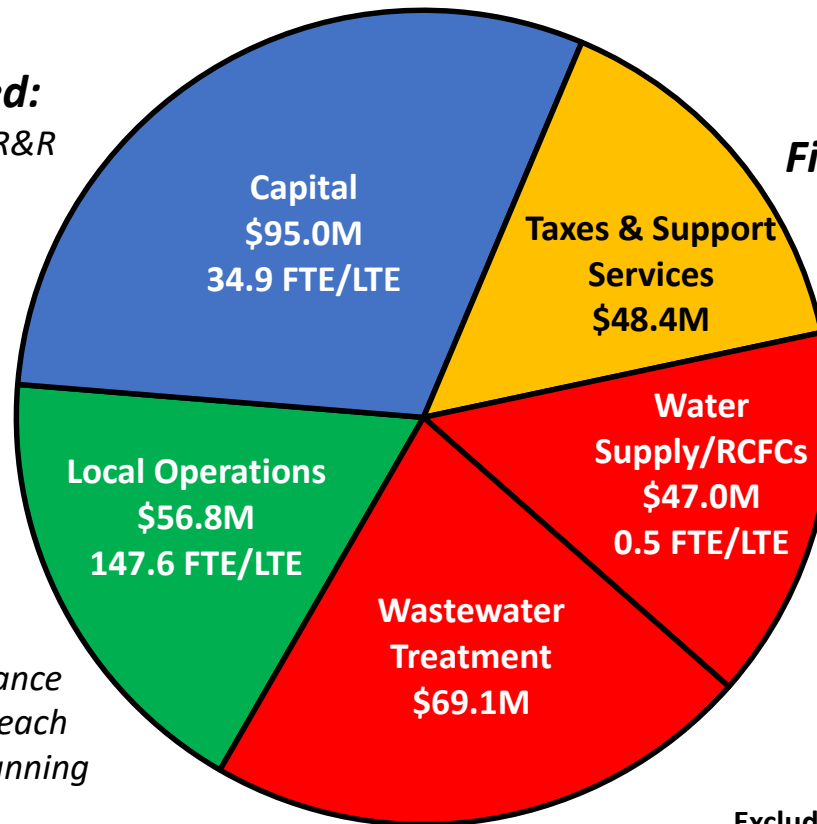
Capital Related:

*Transfers to CIP / R&R
CIP Design and
Management*

52%

Financial Obligations:

*Taxes / Support Services
Drinking Water Supply
RCFC Payments
Wastewater Treatment*



18%

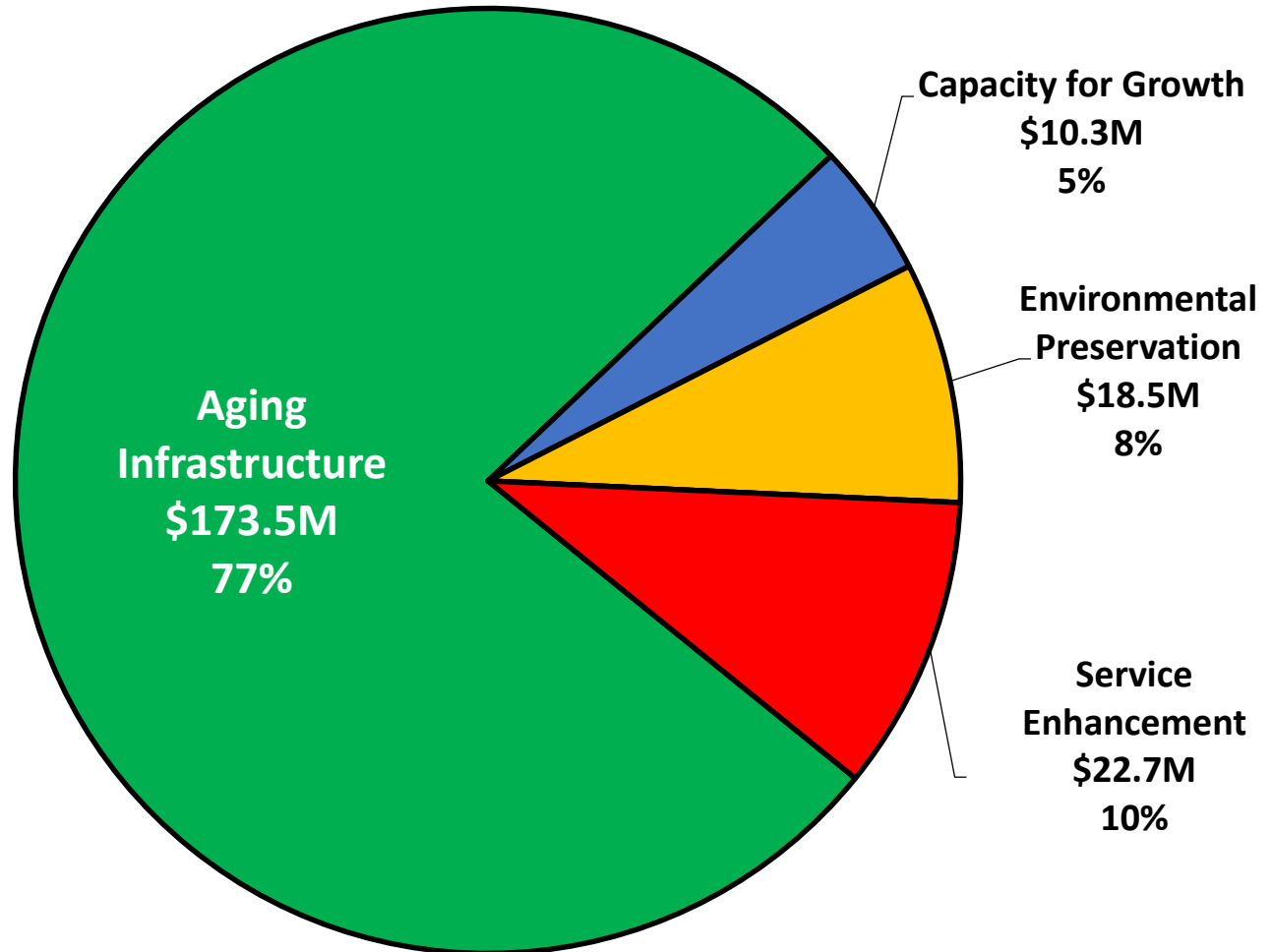
Local Operations:

*Operations & Maintenance
Customer Service/Outreach
Engineering System Planning
Development Services
Support Systems/Assets
Management/Regulatory*

Excludes operating reserves



Proposed 2019-2025 Utilities CIP Budget – \$225.0M



2019-2024 Preliminary Utility Rates Forecast

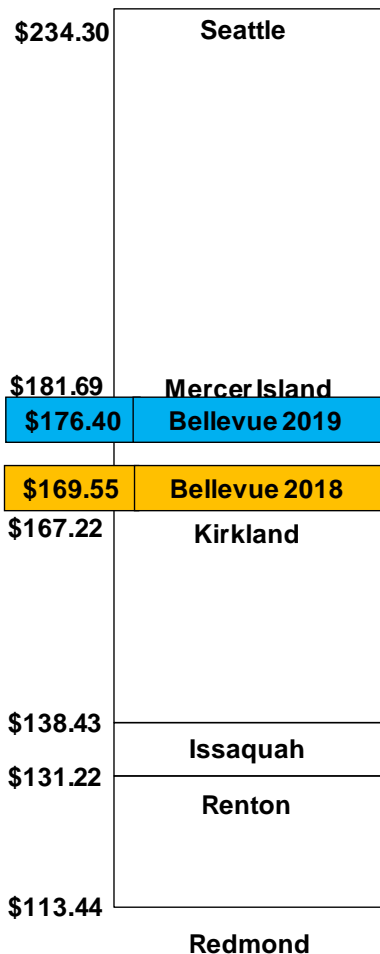
	2019	2020	2021	2022	2023	2024
Water						
Wholesale	1.4%	2.0%	1.9%	1.9%	2.2%	2.1%
Local	<u>2.3%</u>	<u>3.0%</u>	<u>2.7%</u>	<u>2.7%</u>	<u>2.5%</u>	<u>2.5%</u>
Total	3.7%	5.0%	4.6%	4.6%	4.7%	4.6%
Sewer						
Wholesale	1.8%	-	3.0%	-	1.5%	1.4%
Local	<u>2.1%</u>	<u>2.3%</u>	<u>2.2%</u>	<u>2.5%</u>	<u>2.4%</u>	<u>2.6%</u>
Total	3.9%	2.3%	5.2%	2.5%	3.9%	4.0%
Storm						
Wholesale	-	-	-	-	-	-
Local	<u>5.4%</u>	<u>5.4%</u>	<u>5.3%</u>	<u>5.1%</u>	<u>5.1%</u>	<u>4.8%</u>
Total	5.4%	5.4%	5.3%	5.1%	5.1%	4.8%
Combined						
Wholesale	1.4%	0.8%	2.1%	0.7%	1.5%	1.5%
Local	<u>2.6%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>2.9%</u>
Total	4.0%	3.8%	5.0%	3.7%	4.4%	4.4%
<i>June</i>	4.6%	3.8%	4.2%	4.3%	4.1%	4.0%



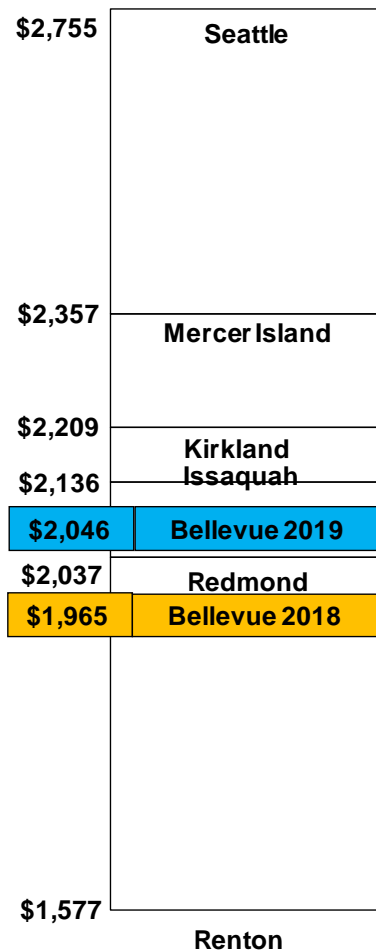
Competitive Utility Rates with our Neighbors – 2018 Combined Water, Sewer & Storm Monthly Bill (Proposed 2019 Bill for Bellevue Only)



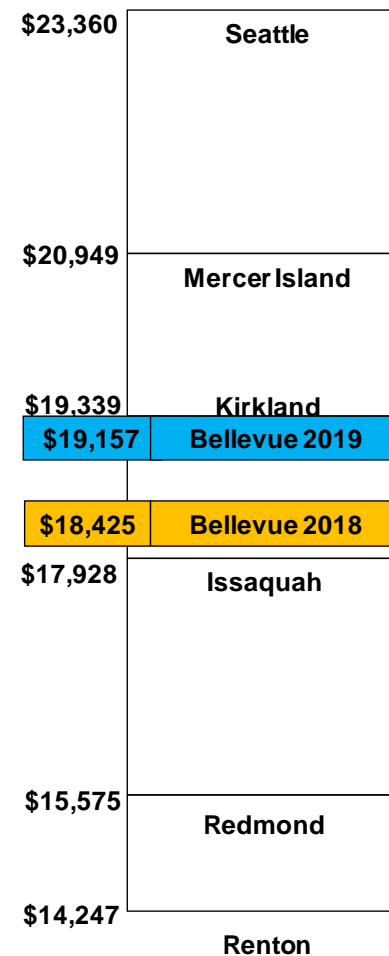
Residential



Multi-Family



Commercial





Public Hearing

2013 Wastewater System Plan

Current Implementation Status

October 4, 2018

Wastewater System Plan

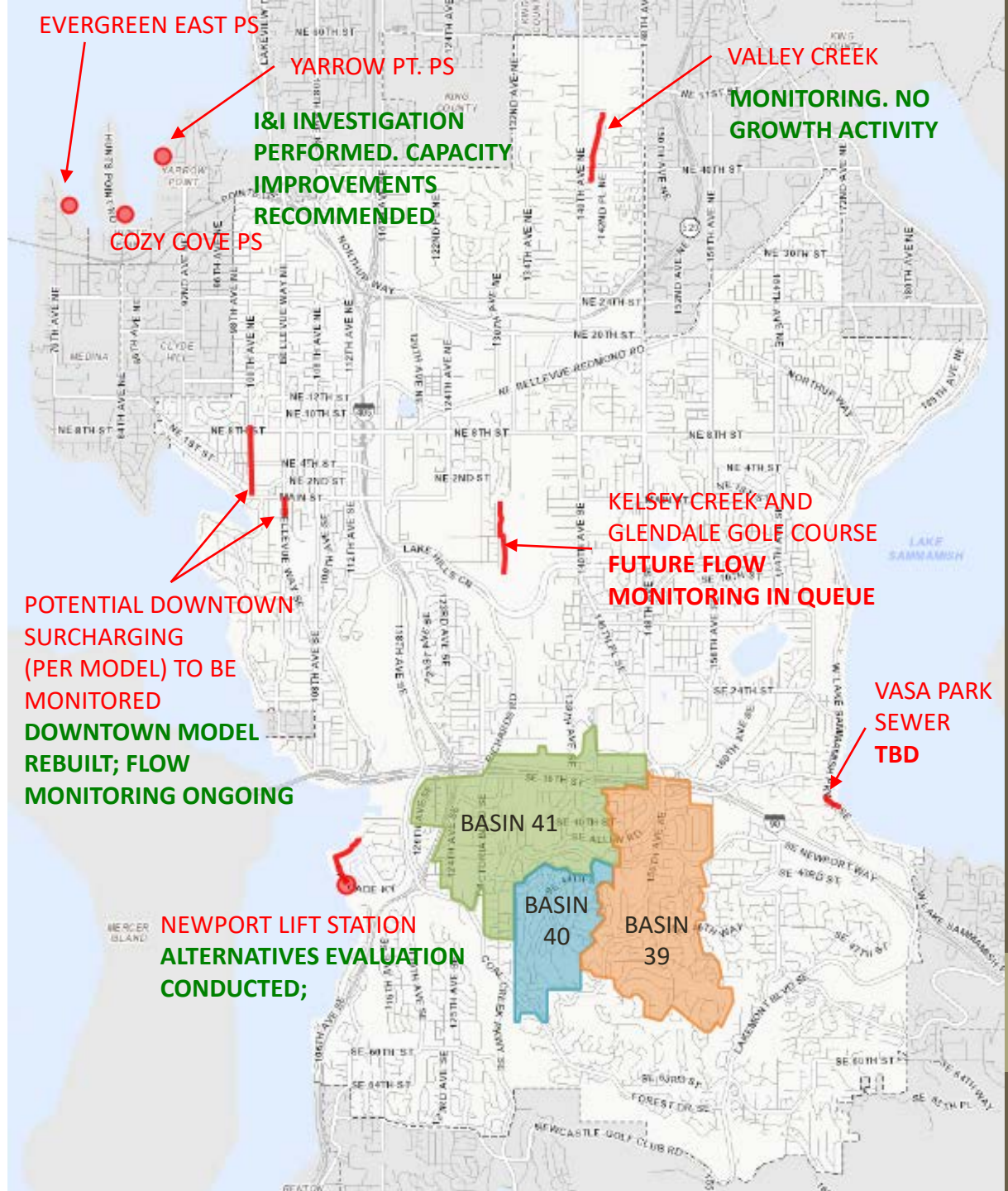
Affirms and Documents

- Service Area, Ownership and Agreements
- Operational policies
- Growth forecasts
- Existing or potential problems; proposed mitigation

Three Categories of recommendations:

- Existing Capacity Concerns
- Capacity for Growth
- Infrastructure Renewal and Replacement

Existing System Capacity

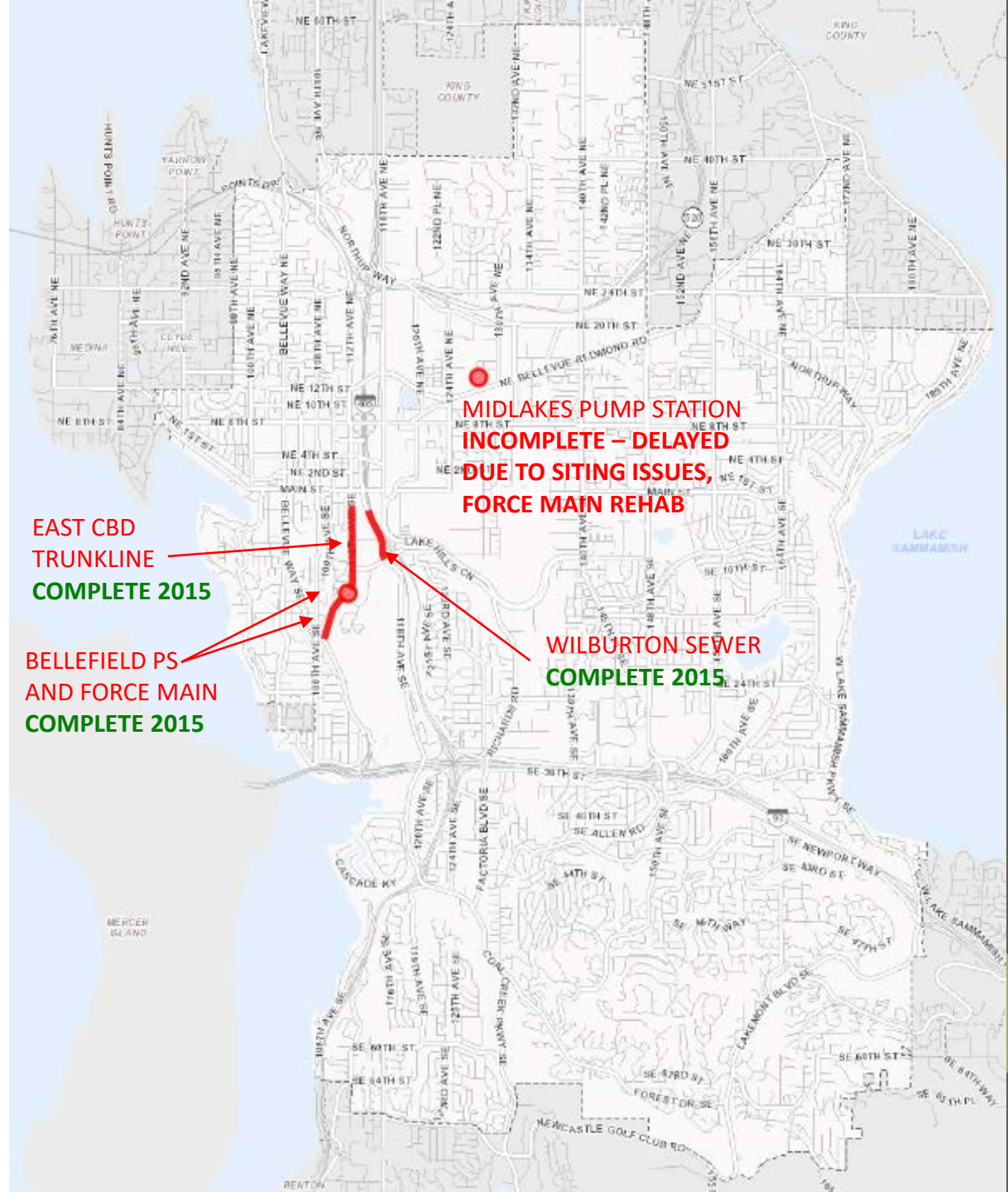


Existing System Capacity

Recommendations:

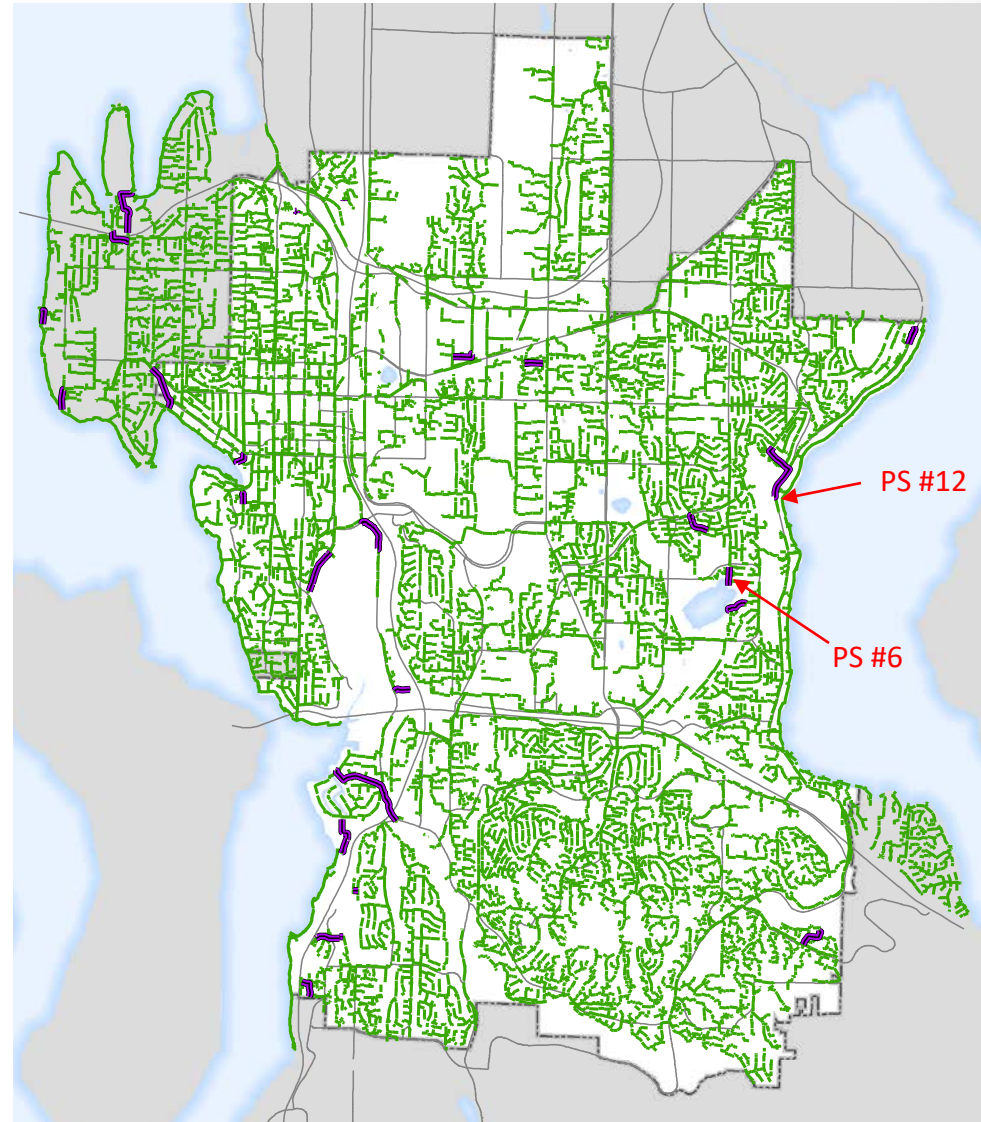
- Establish a sewer flow monitoring program for areas of concern
Established. Data collected Downtown (Bellevue Way) and Medina.
Monitoring to be performed Downtown (100th Ave) and in Somerset
this winter, additional locations in future.
- Perform targeted I&I investigation, including smoke and dye
testing.
Completed in Medina/Clyde Hill area. Capacity improvements
recommended as more cost effective and lower risk than I&I
reduction.

Capacity for Growth



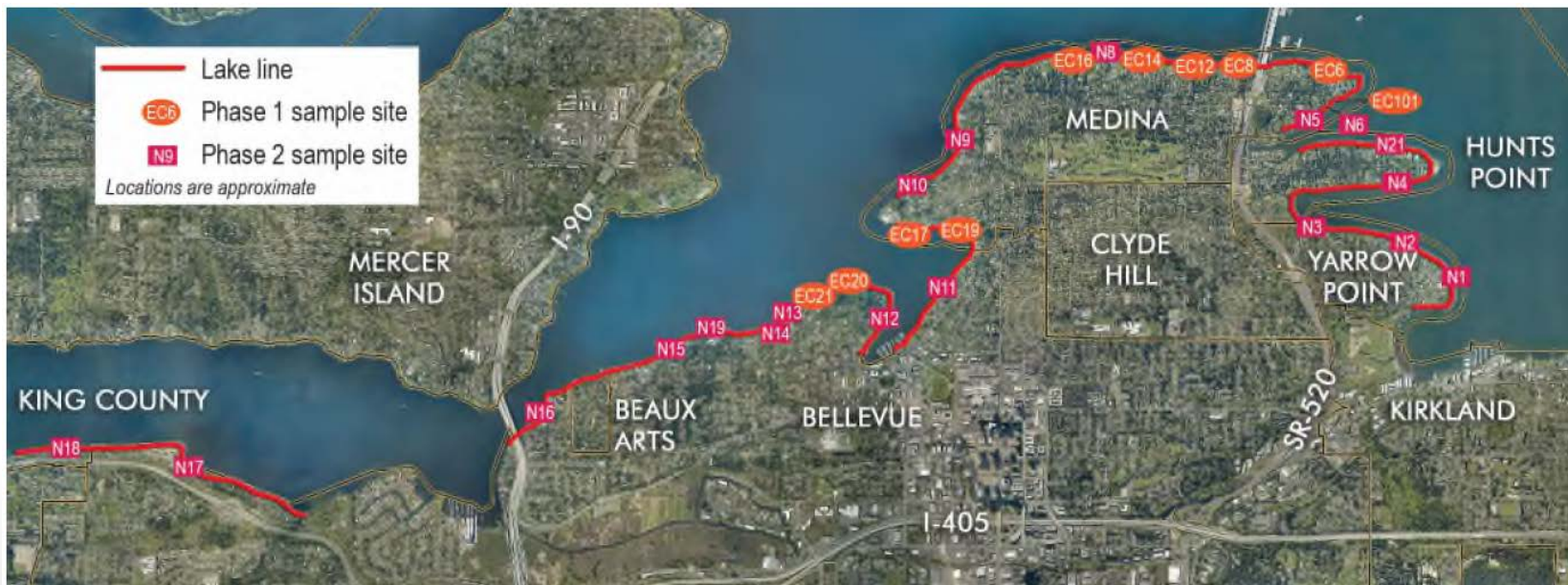
Infrastructure Renewal: Mains

- Gravity Mains
 - Economic Model
 - Evaluating root treatment options to reduce repairs
- Force Mains
 - Scoring method
 - Planning for field assessment now
 - PS 12 FM to be replaced in WLS



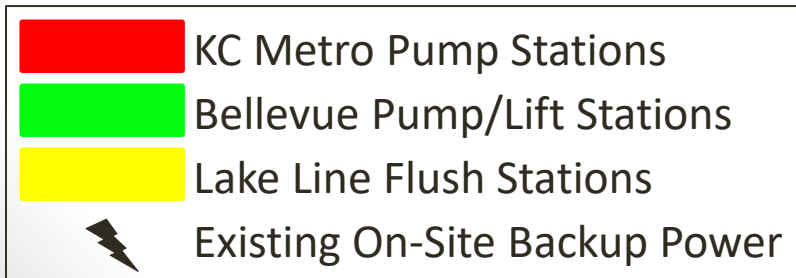
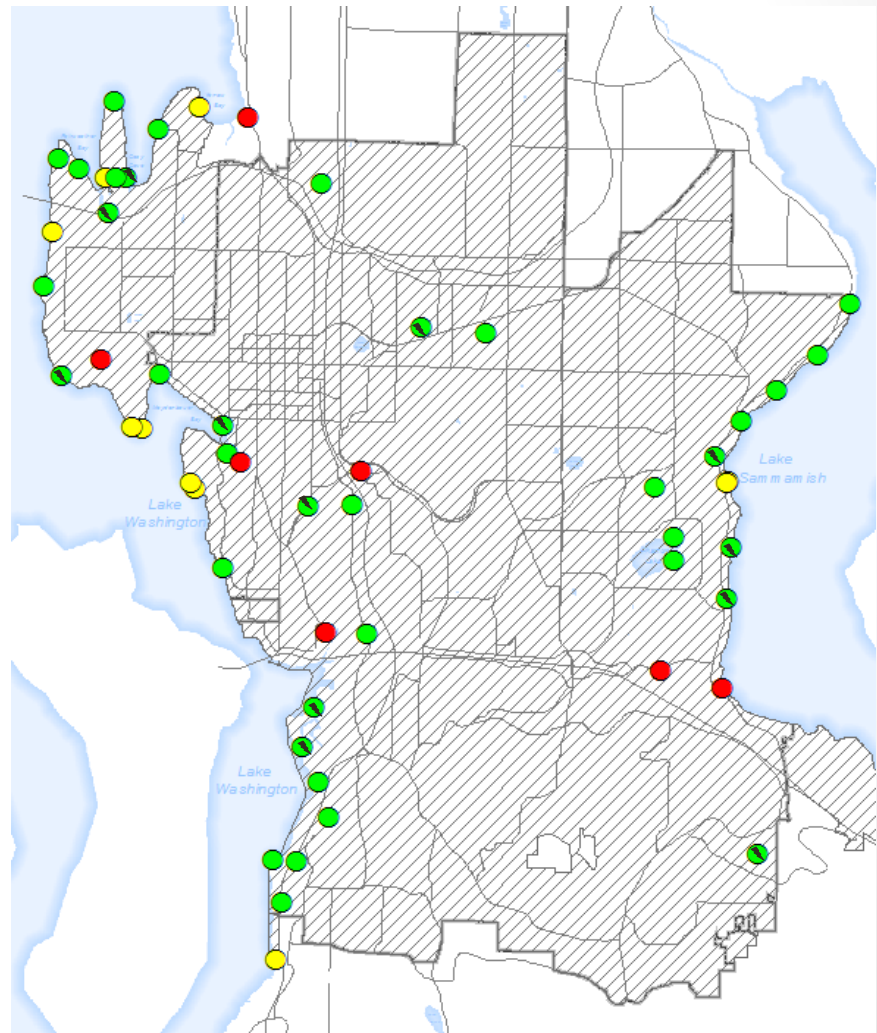
Infrastructure Renewal: Lakelines

- Meydenbauer Beach Park lake line replaced 2015
- Lake WA coupon testing performed in 2016-2017
- Segments prioritized based on test results
- Next step: Alternatives Evaluation



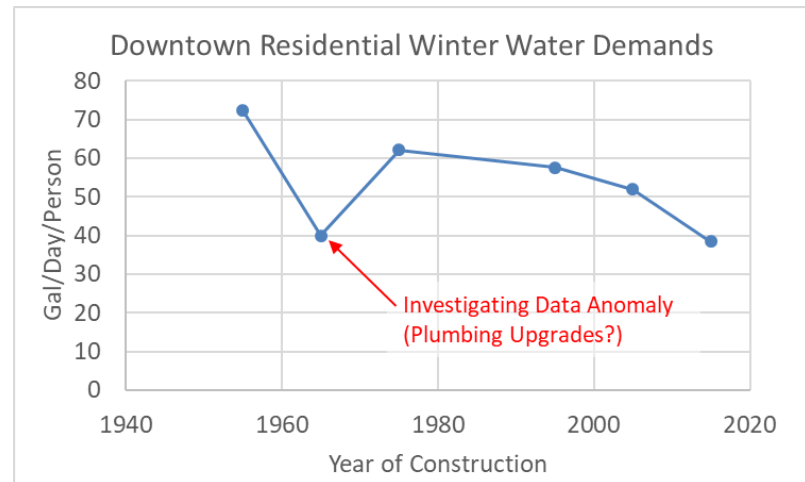
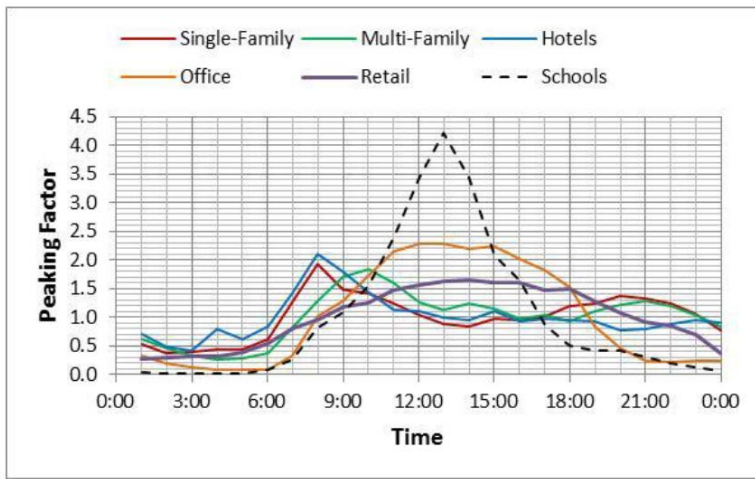
Infrastructure Renewal: Pump and Flush Stations

- Performed Pump Station Evaluation in 2014
 - Prioritized Rehabilitation
 - Estimated 75-year Spending



Emerging Issues

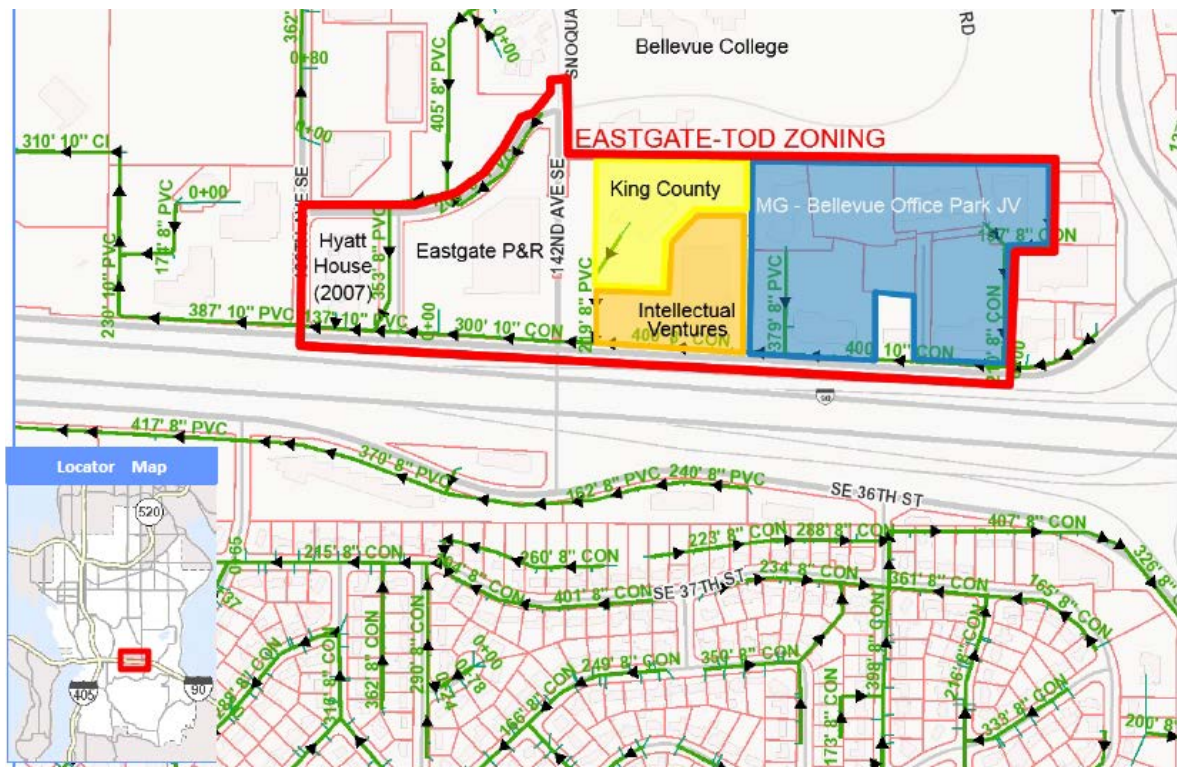
- Downtown height restriction adjusted up to 600'
- Demand trends
 - Diurnal study (hourly patterns) completed for Water System Plan
 - Currently evaluating domestic demands vs. decade constructed
- Sewer Model Rebuilding and Software Upgrade



Emerging Issues

Eastgate Rezone

- EG-TOD (Transit-Oriented Development)
- Potential capacity concerns in Eastgate Way and SE 32nd St



Wastewater System Plan

Questions?

2018

Annual solid waste collection contract performance review

October 4, 2018

Environmental Services Commission Meeting



Presentation outline

1. Results of single-family container labeling audit
2. Results of annual customer surveys
 - Satisfaction with services
 - Recycling practices, preferences, and awareness of services
 - Priorities for the city's waste and recycling programs



Single-family container labeling audit Findings

- 11%, or 120 of 1,097 containers audited had a missing, outdated, and/or unauthorized label
- Other non-compliance issues included outdated, molded-in branding; damaged labels; and, the presence of “Yard Debris” and “Yard Waste” labels



Single-family container labeling audit

Next steps

City of Bellevue

- Communicate results of the residential container labeling audit to Republic Services.
- Continue to enforce labeling provisions in the Contract.

Republic Services

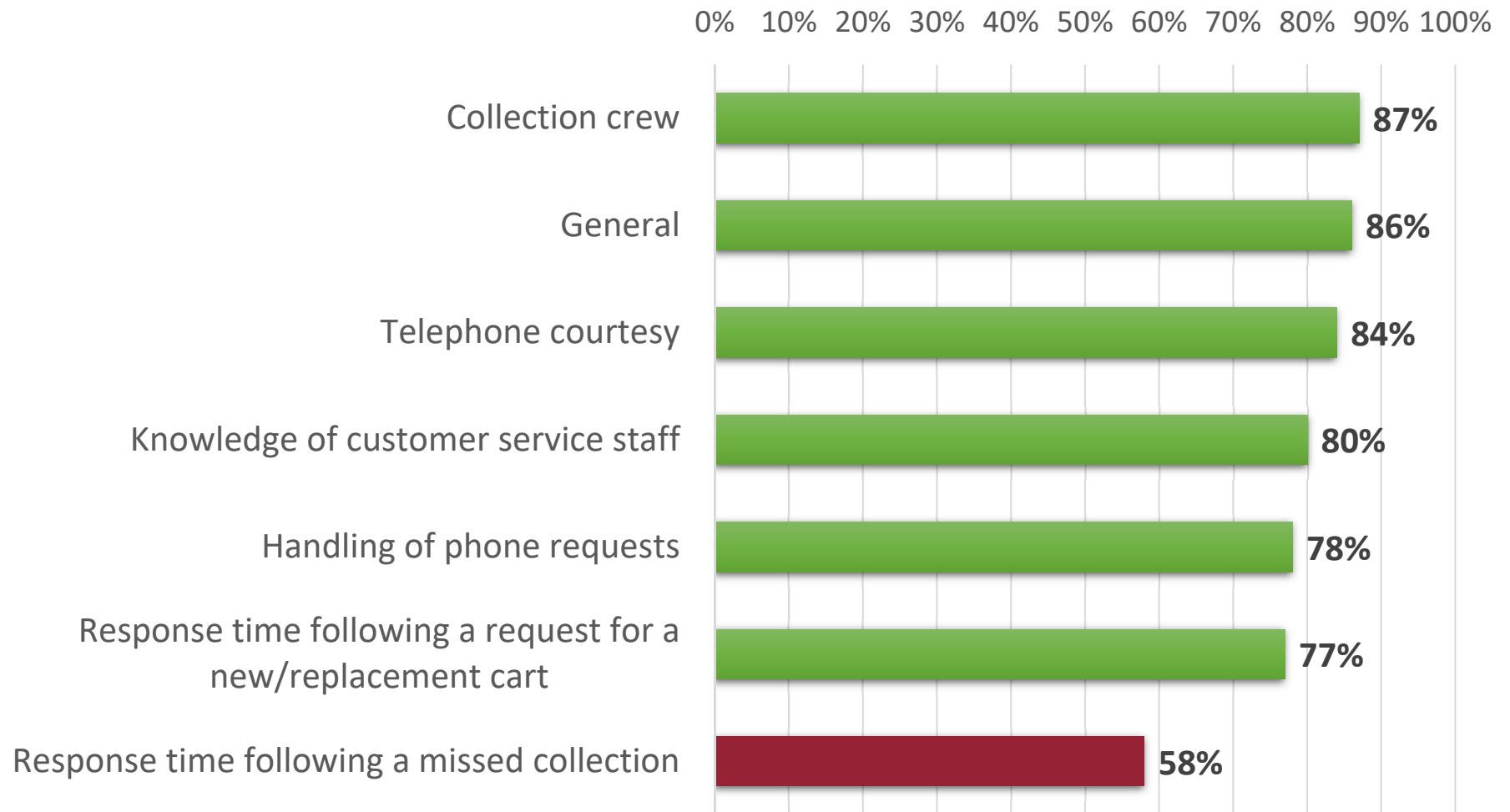
- Pay performance fees and develop an action plan to address container labeling violations and other container-related non-compliance issues.
- Relabel containers with missing, damaged, outdated, and/or unauthorized stickers by December 31, 2018.



Single-family Customer satisfaction results



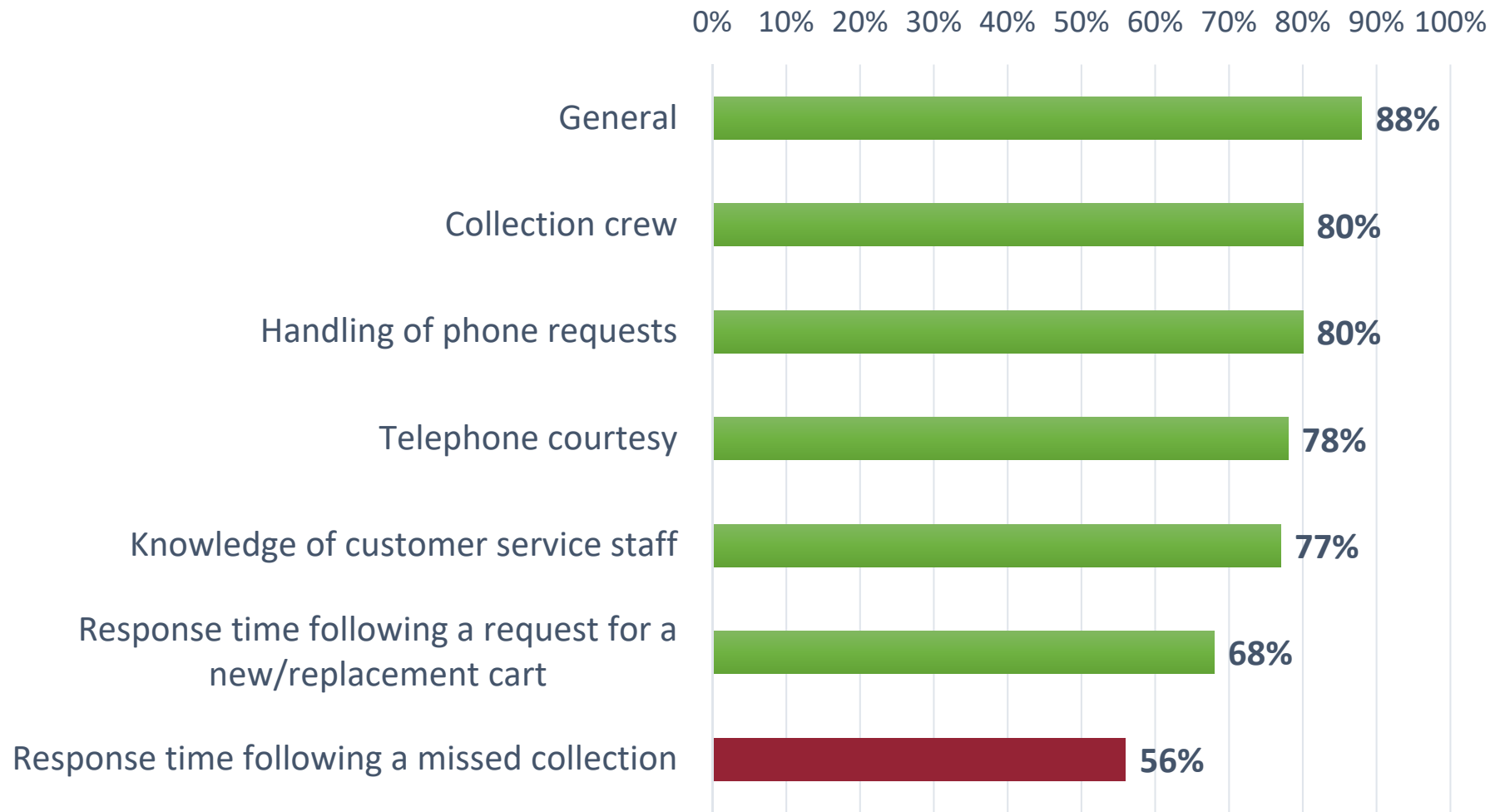
Single-family Satisfaction



Multifamily and commercial Customer satisfaction results



Multifamily and commercial Satisfaction



Customer satisfaction survey

Next steps

City of Bellevue

- Communicate results of the annual customer surveys to Republic Services.

Republic Services

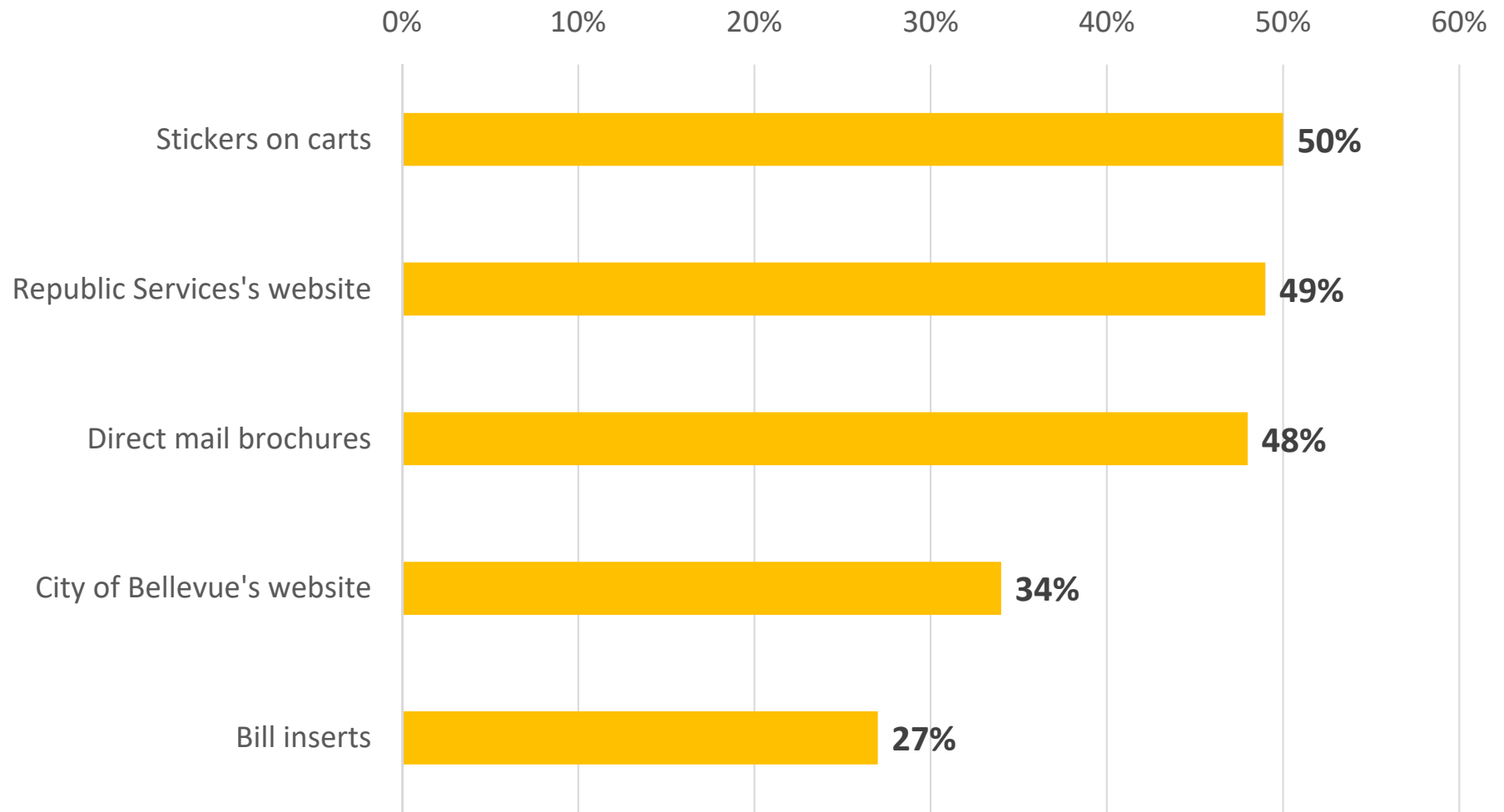
- Develop action plan by October 31st, 2018 to address response time following missed collections.



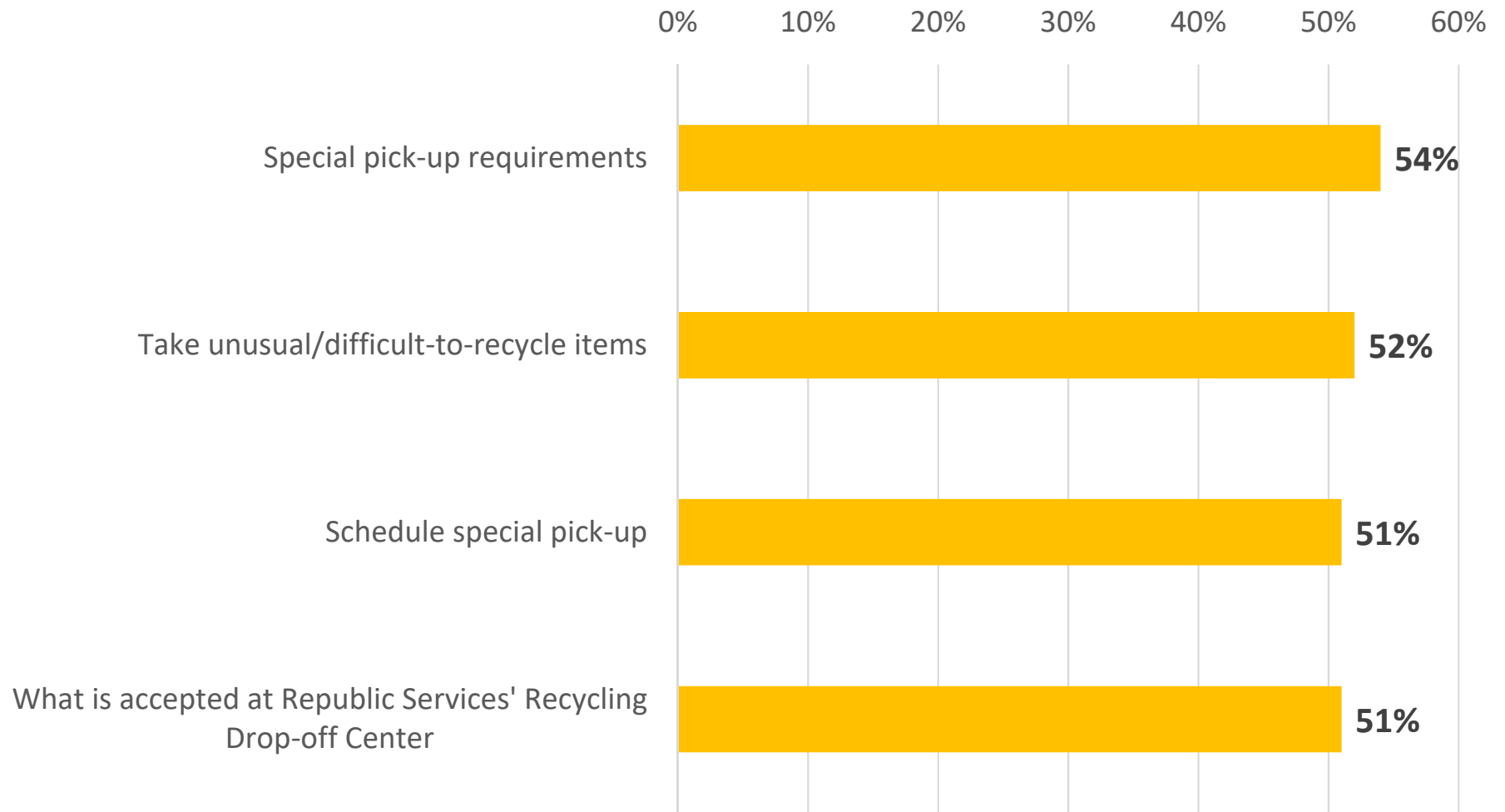
Single-family Recycling practices, preferences, and awareness of services



Single-family Preferred modes for receiving information on waste and recycling

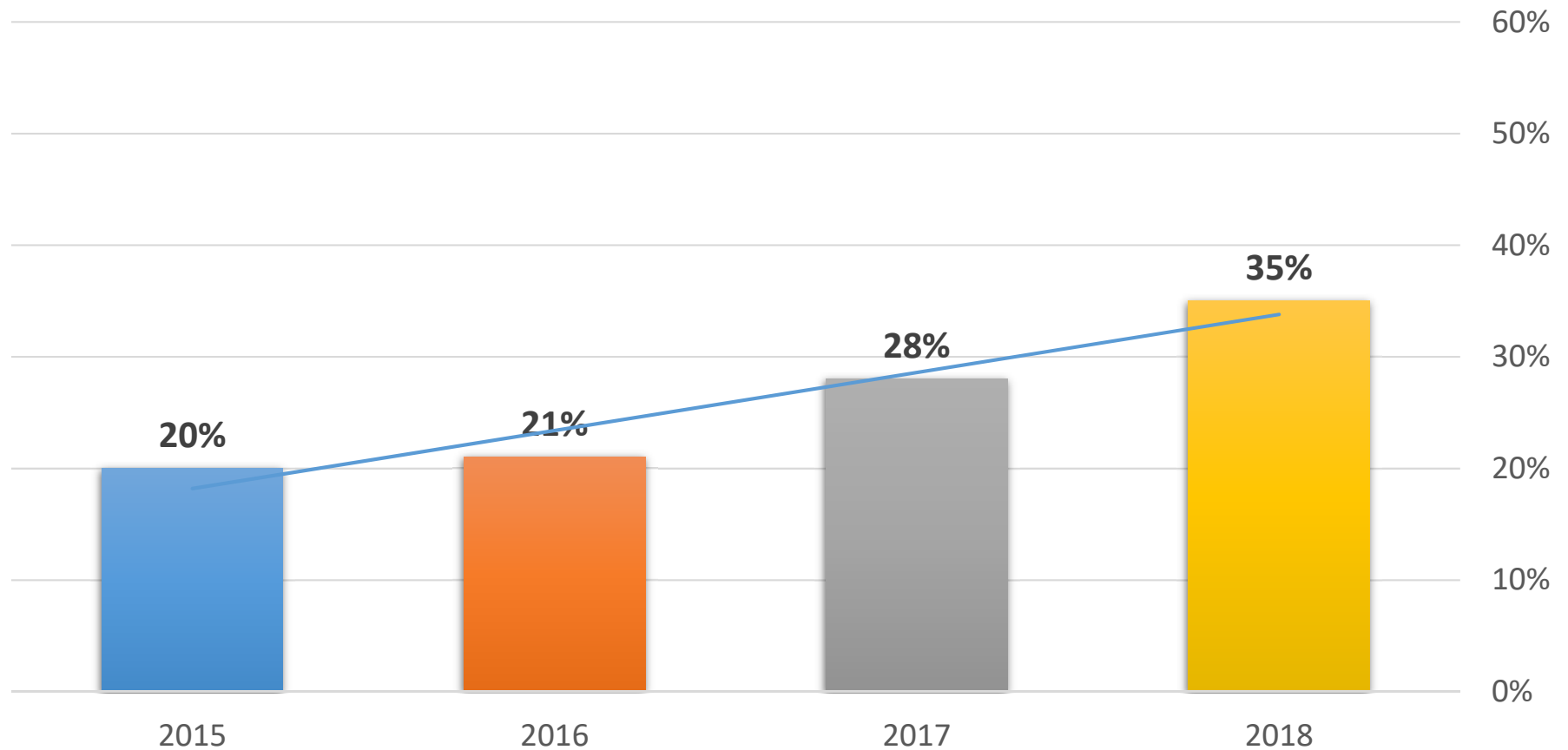


Single-family Customer understanding of collection procedures



Single-family Awareness of Republic Services' Recycling Drop-Off Center

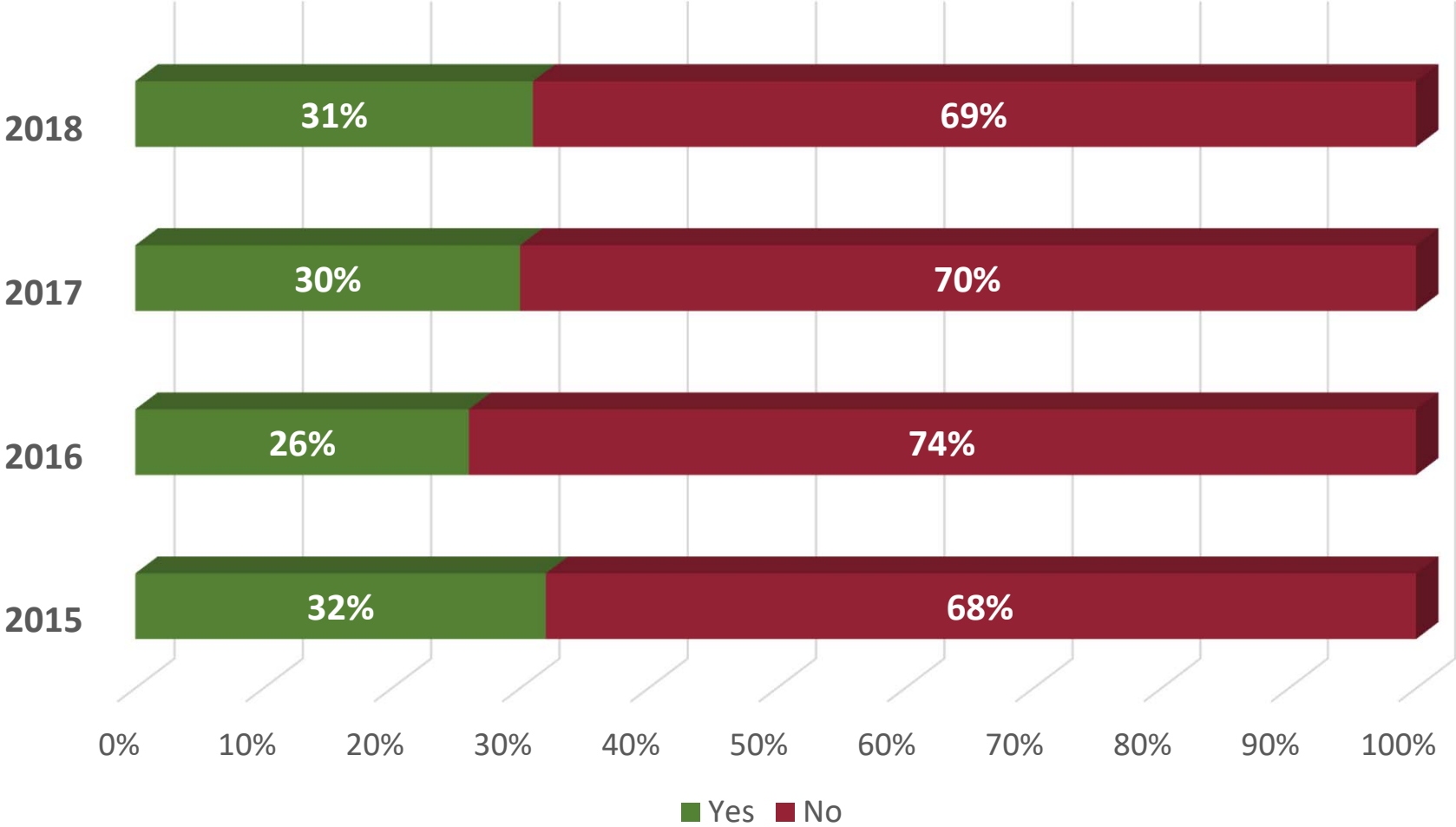
*% aware of Republic Services' Customer Resource Center/Recycling Drop-off Center
where customers can drop off certain recyclables at no cost*



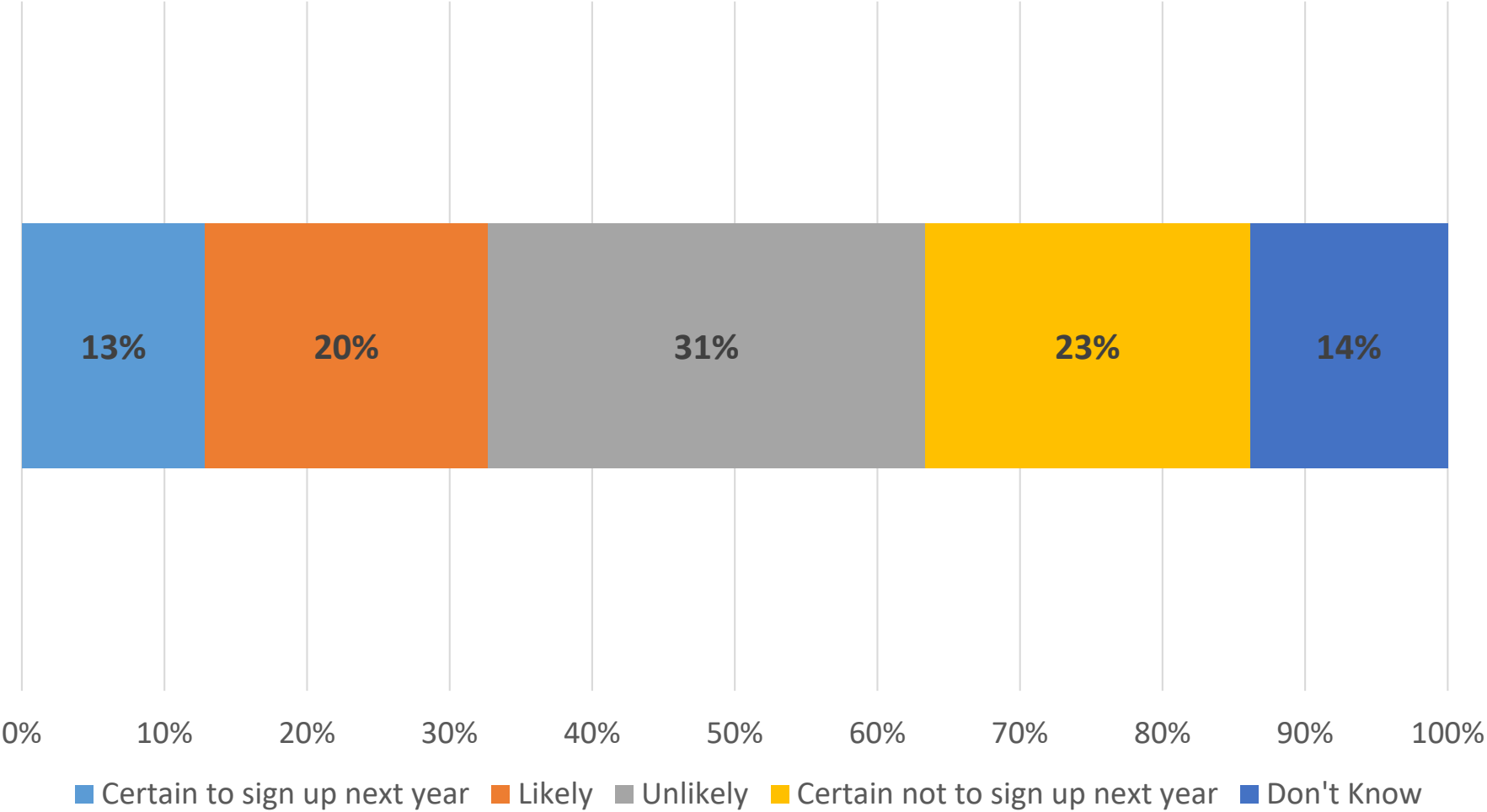
Multifamily/Commercial Recycling practices and awareness of available services



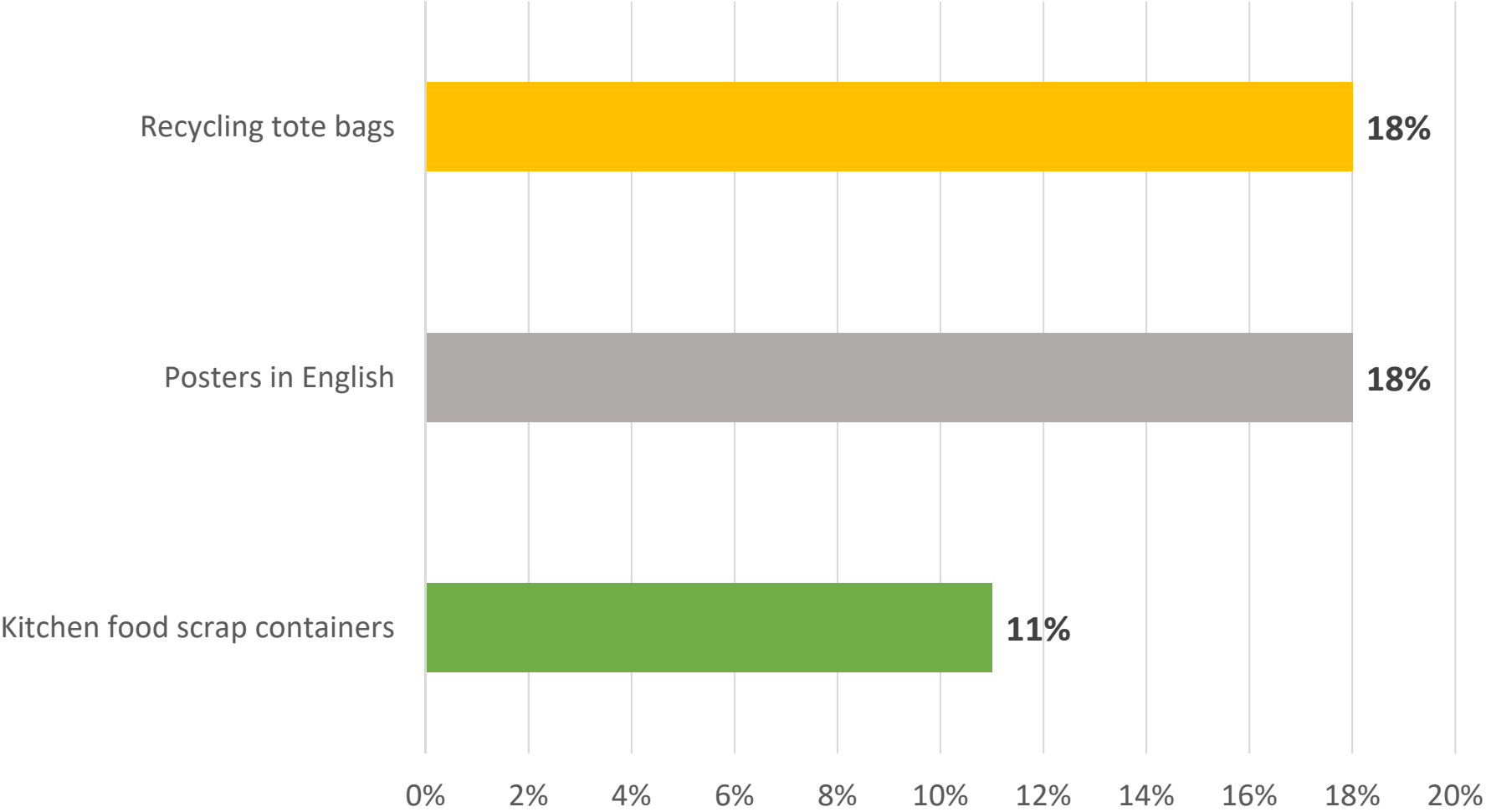
Multifamily/Commercial Organics recycling participation



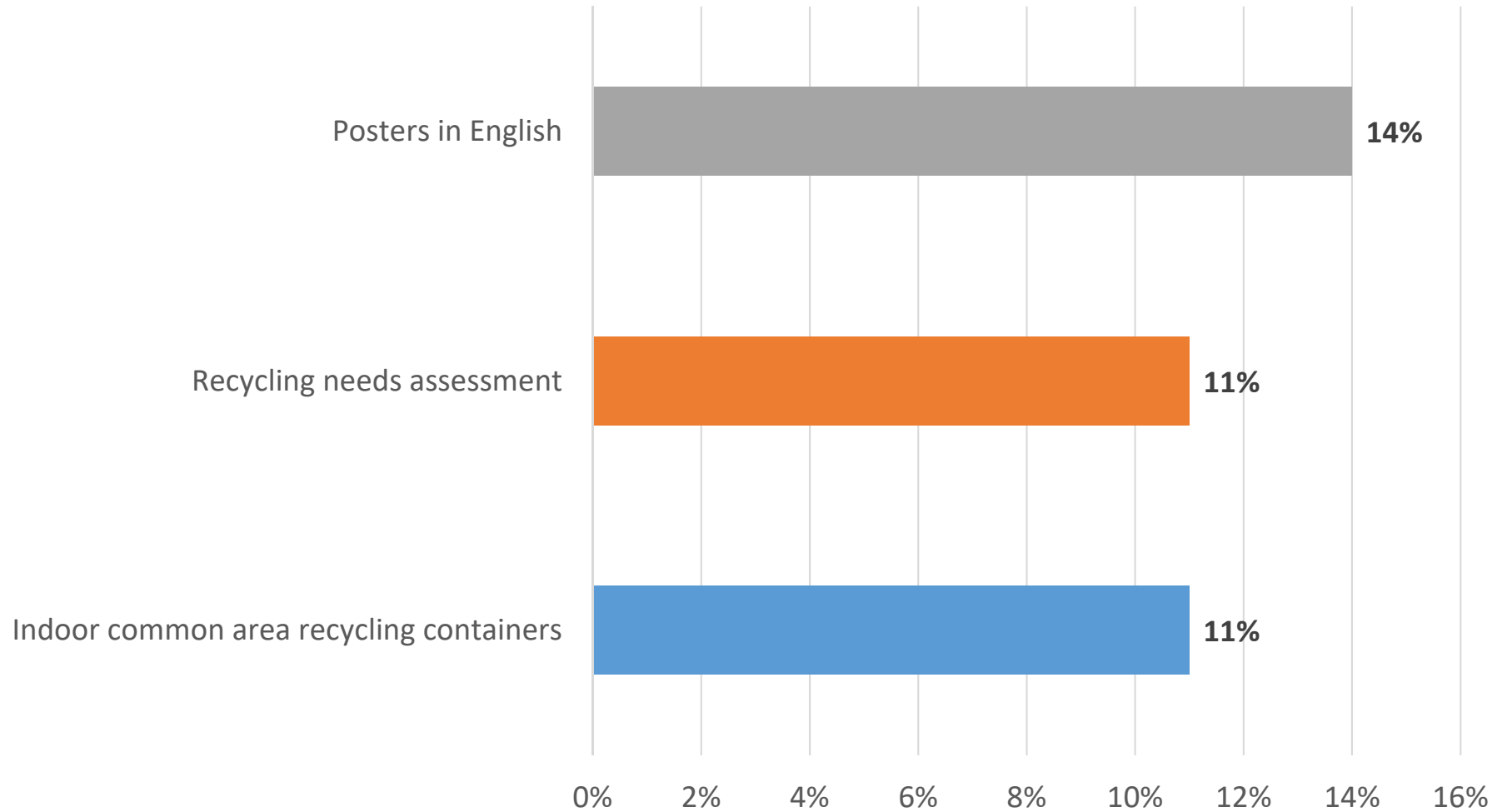
Multifamily/Commercial Likelihood of taking advantage of embedded organics recycling



Multifamily Preferences for city resources



Commercial Top preferences for city resources



Single-family Solid waste and recycling priorities



Single-family Solid waste and recycling priorities

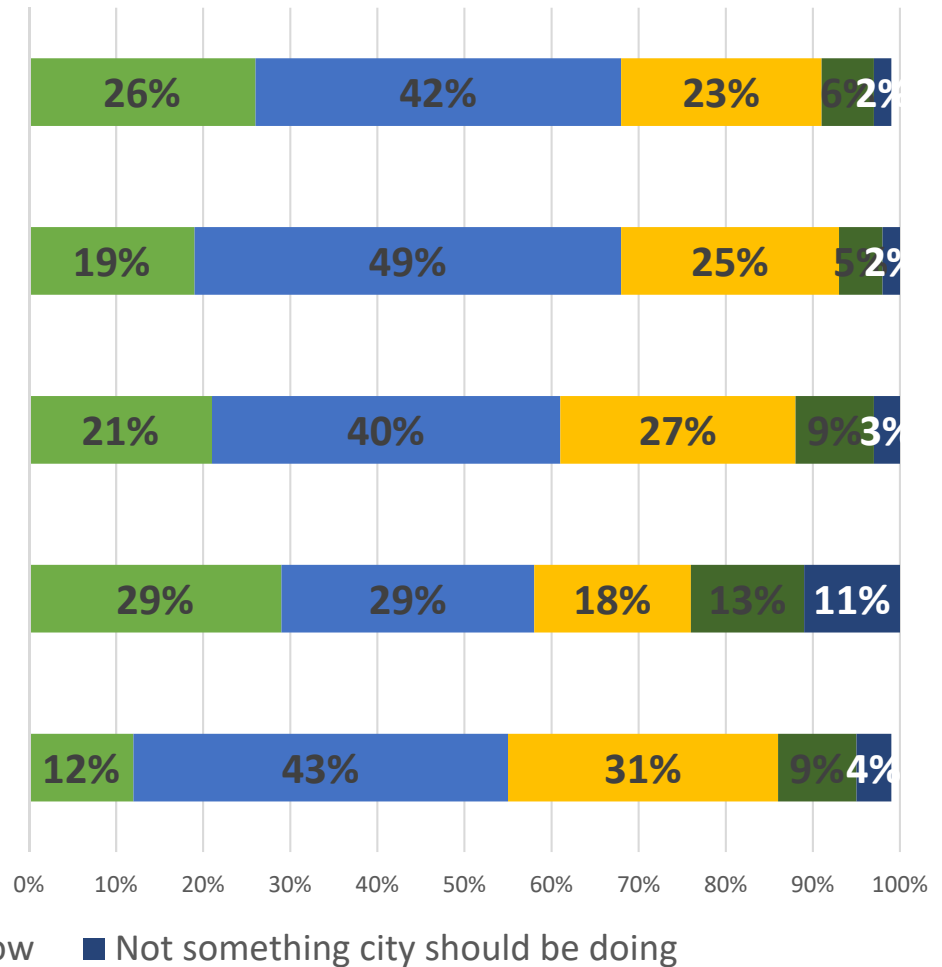
Promote recycling by providing opportunities for convenient recycling, composting, and other waste reduction methods

Educate the public in handling and disposal of household hazardous waste

Improve % of materials diverted from landfill by encouraging residents and businesses to voluntarily participate in recycling programs

Prohibit the use of Styrofoam containers at restaurants and other businesses

Cooperate with other private and public agencies in the region to manage and control household hazardous waste



Recycling practices, preferences, awareness of available services, and priorities

Next steps

- Improve awareness of convenient options for non-routine collection and difficult-to-recycle items, such as Republic Services' Recycling Drop-off Center and the Factoria Recycling and Transfer Station.
- Continue to expand organics recycling program to select apartment and condominium properties to increase and improve voluntary participation in organics recycling in the multifamily sector.
- Improve promotion of recycling resources available to apartments, condominiums, and businesses.
- Improve customer awareness of convenient take-back programs for mercury-containing lights; leftover, expired, or unwanted medicines; latex paint; batteries; and, electronics.
- Increase customer education on safe handling and disposal of household hazardous waste items.





UTILITIES RATE RELIEF PROGRAM REVIEW

10/04/18
ESC Presentation

AGENDA

Presentation Purpose: Present URR program recommendations to ESC and obtain feedback and recommendation.

1. Utility Rate Relief (URR) Program - Overview
2. URR Program Evaluation Goals
3. URR Program Research Findings
4. Program Recommendations
5. ESC feedback
6. Next steps

UTILITY RATE RELIEF (URR) PROGRAM - OVERVIEW

- Utility bill discount
- Low income 62+ years old OR permanently disabled OR home kidney dialysis
- Owned and administered by Utilities and funded by Utility rates
- Annual renewal required

UTILITY RATE RELIEF (URR) PROGRAM – OVERVIEW CONT.

- Benefits:
 - 40% or 75% discount off utility payments
- 1,122 Customers Served in 2017
 - Single Family Residents (SFR) – 469 (42%)
 - Multi Family Residents (MFR) – 653 (58%)
- Program coverage:
 - ~ 20% of eligible URR population (62+ and with disabilities)
- Program costs: ~ \$1 Million

URR PROGRAM EVALUATION GOALS

- Improve URR program efficiency
- Find capacity to implement new emergency assistance low income program

URR PROGRAM RESEARCH FINDINGS

Benefits	Bellevue	Other Agencies
Low income only	No	38% of the agencies
Emergency assistance program	No	25% of the agencies
Low income disability	Yes	50% of the agencies
Low income 62+	Yes	75% of the agencies
SFR	Yes	100% of the agencies
MFR	Yes	25% of the agencies
Annual renewal	Yes	25% of the agencies
% bill discount	40% and 75%	63% of the agencies offer 50% discount

URR PROGRAM RESEARCH FINDINGS CONT.

Bellevue program is robust

- High % bill discount
- Bill discount offered to MFR

Bellevue program has gaps

- Cumbersome renewal
- No Emergency assistance program for low income who are not 62+ or with disabilities

PROGRAM SIMPLIFICATION RECOMMENDATIONS

- Make it easy for the customer:
 - Reduce application renewal to every other year
- Improve administrative efficiency:
 - Process improvements
 - Reduce manual processing – implement better technology
 - Code update - expired income benchmark

Potential partnership with Hopelink was determined not viable

NEW EMERGENCY ASSISTANCE PROGRAM (EAP) - RECOMMENDATION

- **Create a mechanism to provide short-term, temporary utility rate relief to low-income residents who are not eligible for the current URR Program.**
- Help low income customers during times of financial crisis
 - Not feasible to expand current URR program to all low income customers
- Minimize impact on general ratepayers
 - Modify existing URR program to extract financial capacity for program expansion

EAP RECOMMENDATION - QUALIFICATIONS AND BENEFITS

- **Qualifications requirements**
 - Low income single-family residential customers - no age or disability requirement
 - Subject to service disruption
 - Financial crisis
- **Benefits**
 - Discount on 2 bimonthly bills or 4 months of utility services.

EXISTING PROGRAM RECOMMENDATION - FUNDING

1. No rate increase
2. Modify existing program – use savings \$39,000
 - Uniform discount at 70%
 - Cap on benefits – cover for basic services (equity and conservation)
3. EAP eligibility once every 3 years

EXISTING PROGRAM RECOMMENDATION — SINGLE FAMILY (SFR)

Most SFR customers will experience reduction in benefits

Benefit Reduction

415 customers will pay:
\$6.30 MORE per month
\$76 MORE per year

Benefit Increase

54 customers will pay:
\$37 LESS per month
\$444 LESS per year

Most Utilities have one discount level

EXISTING PROGRAM RECOMMENDATION — MULTI FAMILY (MFR)

Most MFR customers will experience reduction in benefits

Benefit Reduction

635 customers will pay:
\$2.50 MORE per month
\$31 MORE per year

Benefit Increase

18 customers will pay:
\$24 LESS per month
\$289 LESS per year

Most Utilities do not offer any bill discount to MFR

EXISTING PROGRAM RECOMMENDATION — SUMMARY AND FEEDBACK

Current URR Program

- Uniform discount 70%
- Use savings for program expansion. No rate increase.

Recommended EAP

- Customer eligible once every 3 years



NEXT STEPS

1. City of Bellevue Council Approval



END