

# Agenda

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## ENVIRONMENTAL SERVICES COMMISSION

450 - 110th Avenue NE (City Hall)  
 Conference Room 1E-112  
 Thursday, October 9, 2014  
 6:30PM Regular Meeting

	<u>Ppt.</u>	<u>Time</u>	<u>Page</u> <u>No.</u>	<u>Action</u>
1. Call to Order – Brad Helland, Chair				
2. Oral Communications Note: Three-minute limit per person, maximum of three persons for each side of topic. Additional comments may be heard at Agenda Item 9.				
3. Approval of Agenda *			1	X
4. Approval of Minutes * • September 18, 2014 – Regular Meeting Minutes			2 – 9	X
5. Reports & Summaries				
• Conservation & Outreach Events & Volunteer Opportunity	No	5 Min	10	
• ESC Calendar/Council Calendar *	No	5 Min	11 - 14	
6. New Business				
• Solid Waste Contract Performance Audit & Customer Survey Results <i>Stephanie Schwenger, Solid Waste Program Administrator</i> <i>Susan Fife-Ferris, Communications &amp; Environmental Outreach</i> <i>Manager – Resource Mgmt. &amp; Customer Svc.</i>		30 Min	15 – 22	
• Review Proposed Utilities Budget <i>Lucy Liu, Assistant Director – Resource Mgmt. &amp; Customer Svc.</i> <i>Martin Chaw, Fiscal Manager – Resource Mgmt. &amp; Customer Svc.</i>		45 Min	23 – 24	
• Water Rate Design <i>Lucy Liu, Assistant Director – Resource Mgmt. &amp; Customer Svc.</i> <i>Martin Chaw, Fiscal Manager – Resource Mgmt. &amp; Customer Svc.</i>		45 Min	25	
7. Commissions Report				
8. Director's Office Report				
9. Continued Oral Communications				
10. Adjournment				

\* Materials included in packet  
 # Materials separate from packet

Wheelchair accessible. American Sign Language (ASL) interpretation available upon request by calling (425) 452-6466 (v) at least 48 hours in advance. Assistance for the hearing-impaired: Dial 711.

**CITY OF BELLEVUE  
ENVIRONMENTAL SERVICES COMMISSION  
MEETING MINUTES**

Thursday  
September 18, 2014  
6:30 p.m.

Conference Room 1E-112  
Bellevue City Hall  
Bellevue, Washington

**COMMISSIONERS PRESENT:** Vice Chair Swenson, Commissioners Howe, Pauley and Wang

**COMMISSIONERS ABSENT:** Chair Helland, Commissioners Morin and Mach

**OTHERS PRESENT:** Paul Bucich, Asst. Director Engineering; Kyle Stannert, Assistant Director of City Clerk's Office; Andrew Lee, Deputy Director; Phyllis Varner, NPDES Municipal Stormwater Permit Manager; Catherine Drews, City of Bellevue Project Manager, Matt Segal, Pacifica Law Group

**MINUTES TAKER:** Laurie Hugdahl

**1. CALL TO ORDER:**

The meeting was called to order by Vice Chair Swenson at 6:36 p.m.

**2. ORAL COMMUNICATIONS**

None

**3. APPROVAL OF AGENDA**

**Motion made by Commissioner Howe, seconded by Commissioner Wang, to approve the agenda as presented. Motion passed unanimously (4-0).**

**4. Training on Open Public Meetings Act & Public Records Act  
Matt Segal - Pacifica Law Group**

Mr. Segal explained that legislative changes in 2014 have required that all public officials receive a certain amount of training on these two laws. He stated that all board and commissions are governed by the Open Public Meetings Act (OPMA) and by the Public Records Act. The ESC has no adopted by-laws or other specified procedures, but because of the fact that the ESC is an advisory commission to the City Council, it is subject to the City Council Rules as set out in the City Code. The Robert's Rules of Order also apply to the City Council and to the ESC Meetings.

The Open Public Meetings Act applies to all boards, commissions, councils, committees, etc. Mr. Segal stated that any public official in the State of Washington, even those serving in an advisory capacity, must now receive training on the Open Public Meetings

Act. What the OPMA means is that generally all meetings have to be open except for authorized executive sessions. A quorum is required in order to conduct official business. He reviewed action that may be taken at meetings. No legal action may be taken by a council, board, commission, committee, or task force except in a public meeting. If you are going to have a meeting you need to post a notice and provide notice. If it's a special meeting, only action that is listed in the agenda can be taken at that time. New legislation requires posting of the agenda online. For regular meetings any Commission member may move to modify the agenda by unanimous vote of all members that are present.

Mr. Segal then discussed "Serial Meetings". Serial conversations between smaller groups may be treated as a "meeting." The mere use or passive receipt of email or other social media communication does not automatically constitute a meeting. The use of social media can have implications for the OPMA. Violations may result in civil penalties against members, and fees and penalties assessed against the City.

Commissioner Wang asked if action could be taken if the meeting starts with a quorum, but some members leave at some point during the meeting. Mr. Segal commented that there must be a quorum in order to take any action. The only exception is action taken to adjourn the meeting.

Mr. Segal then reviewed the Public Records Act (PRA) which is a strongly worded mandate for broad disclosure of public records. It requires disclosures of all public records unless they fall within a specific exemption. He reviewed the changes in the form of public records. A "record" is any "writing" containing any information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. The courts have been very broad in what they are requiring people to retain and turn over including cell phone text, call and data records; documents on home computers; metadata; etc. The use of social media also implicates the PRA.

His advice to the Commission was to:

- Segregate public and personal records
- Segregate email and other communications used for Commission business from those used relating to personal business
- Ensure Commission documents are segregated from personal documents on personal devices or home computers
- Ensure emails and other electronic documents that are public records are transferred to an organized, secure, filing system.

Commissioner Pauley asked about the statute of limitations. Mr. Segal replied that it has recently been reduced to one year, but that year is from the time that the response to the request is fully completed. Commissioner Pauley asked what happens if things are lost or what happens if responses are incomplete or dribbled out over time. Mr. Segal stated that the standard for the time it takes is, "What's reasonable?"

Kyle Stannert, Assistant Director of City Clerk's Office, discussed how the City's current policy and practices relates to what Mr. Segal has been talking about support compliance

with the Public Records Act. He reiterated that the business of the Commission should take place only in the meetings. He explained that [esc@bellevuewa.gov](mailto:esc@bellevuewa.gov) is the general email address for the Commission and should be copied on all correspondence relating to Commission business. He urged commissioners to have a dedicated folder on their computer for all ESC business. All Public Records Requests should be directed to him, and he will give direction on what is needed. In the event of a public records request to the Commission, a staff coordinator will work with the Commission and its members to implement the public records program.

## 5. APPROVAL OF MINUTES

### July 17, 2014 Regular Meeting Minutes

Commissioner Wang referred to page 2 and suggested that the Approval of Agenda and Call to Order sections should be switched. He then referred to page 6 in the middle of the top paragraph which says that the City annually does rate forecasts for 75 years out. He didn't think this made sense and thought it was a mistake. Deputy Director Lee replied that the minutes were accurate and explained how the rate forecasts take place.

Commissioner Wang asked if there was a way to make sure that follow up happens when a question comes up during a meeting. Deputy Director Lee replied that if someone feels like an issue is unresolved and that action needs to be taken they should state that.

Commissioner Wang referred to the top of page 3 where the Commission discussed a recommendation to have a cleanout required at the property line as a development condition and asked for follow up. Asst. Director Bucich explained that the City has determined not to make it a requirement for a new developer to install a cleanout in the City's right-of-way. He explained staff's reasoning for this and noted that the problem is not with the newer systems, but with the older systems. Staff doesn't think that requiring homeowners to pay for a cleanout in the City's right of way when it doesn't have any real benefit is a good idea. The problem is with the older systems that have been in place for quite a long time. The City does not plan to require property owners with older systems to retrofit their system to install a cleanout; however, there may be situations when the City will install a cleanout for the City's use on its system or the City may require a developer to install a cleanout if they are reusing an existing sewer in a redevelopment project.

**Motion made by Commissioner Pauley, seconded by Commissioner Howe, to approve the minutes with the reordering of sections 1 and 2. Motion passed unanimously (4-0).**

## 6. FOLLOW-UP QUESTIONS & ANSWERS

Deputy Director Lee responded to a question raised by Chair Helland where he had asked why the lakelines were classified as a different asset class. Deputy Director Lee explained that each of the asset classes is distinct from each other. In particular, the majority of the system is gravity sewer mains that are under the street. There are also force mains which

are pressurized pipelines. Lastly, there are the lakelines that are low pressure pipelines in the sense that they are using pressurized lake water to convey the sewage. The asset classes are treated separately largely because of the fact that the cost of replacing the assets as well as doing condition assessments and other maintenance can be quite different.

Vice Chair Swenson asked if this difference in costs is ever or could ever be reflected in the rates so that the lake front owners would be charged higher rates. Deputy Director Lee stated that it is not currently reflected differently. Asst. Director Bucich thought that treating them differently would be challenging. The City's policy is that all rate payers are charged the same rate.

## 7. REPORTS AND SUMMARIES

- ESC Calendar/Council Calendar

The Solid Waste Contract has been postponed to the October Meeting. There will be two meetings in November. The first one is a public hearing on the proposed Utilities Budget.

Commissioner Wang referred to the Council Calendar on September 15 and asked what MSA is. Asst. Director Bucich replied that it is Murray Smith & Associates. Commissioner Wang then referred to December 1 and asked what the ECBD Trunkline is. Asst. Director Bucich replied it is the East Central Business District.

## 8. NEW BUSINESS

- **Comprehensive Plan Update on the NPDES Low Impact Development Principles Opportunity Analysis**

*Phyllis Varner, NPDES Municipal Stormwater Permit Manager*

*Paul Bucich, PE, Assistant Director Engineering*

*Catherine Drews, City of Bellevue Project Manager*

Ms. Varner introduced the topic and noted that this is an informational briefing only.

She said she would briefly review the NPDES Municipal Stormwater Permit requirement that triggers this work and the process the City is implementing to comply with it. And then discuss the results of the Comprehensive Plan Opportunity Analysis. She also noted that page 7 of the Opportunity Analysis memorandum had inadvertently been left out of the packet and provided it to the Commissioners.

Ms. Varner stated that the new NPDES Permit requires municipalities including Bellevue to implement two new low impact development requirements by December 31, 2016. Both affect site development. One requires the use of certain LID best management practices or BMPs where feasible for new development and redevelopment projects such as rain gardens, bioretention facilities and pervious pavement.

The other, being discussed tonight, is the LID land use principles requirement. This is more of a philosophical approach as opposed to a hard structural BMP approach to low impact development. It requires the City to review all of its land use and development-related policies, codes and standards and revise them as appropriate to minimize impervious surfaces and native vegetation loss.

Ms. Varner explained that unlike the LID BMP requirement, there are no metrics in the Permit for the LID Principles condition. Instead each jurisdiction gets to decide what the LID Philosophy means for its jurisdiction and community in terms of minimizing impervious surfaces and native vegetation loss through its land use and development-related policies, codes and standards. The overarching goal of the two LID requirements together is to make LID the preferred and commonly used approach to site development.

Ms. Varner said that a multi-departmental Project Team had been established to implement the LID Principles requirement and introduced the Project Manager, Catherine Drews, a legal planner with the Development Services Department. Ms. Varner said that she and Paul are part of the team as permit and technical leads.

She then outlined the three steps involved in implementing the LID Principles requirement. The first is conducting an Opportunity Analysis to assess and identify where in the City's policies, codes and standards there are opportunities for LID Principles evaluation. The City hired a consultant, AHBL, Inc. to assist in doing this work and broke the work into two parts. One is a review of the overarching policies in the Comprehensive Plan and the other is a review of citywide codes, standards, and practices. Ms. Varner noted that public input opportunities for the Comprehensive Plan policies and any resulting changes to policies to meet the NPDES permit requirement will be made through the Comprehensive Plan Update and public review process currently underway. The Project Team intends to use the results of the separate opportunity analysis of codes, standards and practices to identify recommended areas of LID Principles opportunities for City Council direction in late 2014 or early 2015.

The second step, after City Council provides direction, is to solicit public input on the focus areas, develop options and recommendations, go through various Commissions and Boards and return to City Council for their direction on recommended code and standard changes. The second step will occur in 2015 and early 2016. The third and final step is to prepare the Council-directed code amendments for Council approval and update City standards as needed in time to meet the Permit deadline of December 31, 2016.

Ms. Varner then directed Commissioners to the Comprehensive Plan Opportunity Analysis memo in the packet starting on page 15.

Ms. Varner noted that AHBL reviewed existing Comprehensive Plan policies including draft amendments to them proposed by ESC and staff. They identified

whether the existing policy language is sufficient, sufficient with minor amendments or new policies could be added to satisfy the LID Principles condition.

She said that, overall, AHBL found the city's existing and proposed Comprehensive Plan policies were well aligned with the new NPDES Permit requirement for LID Principles. AHBL identified 36 policies in the land use, utilities, transportation, environmental, parks and urban design element that were sufficient. She said AHBL recommends amendments to four additional existing policies and proposes consideration of six new policies. These policy recommendations are in the table attached to the memo, starting on page 20 of the packet.

Ms. Varner then briefly reviewed the policy recommendations in the table with the Commission. She noted that combining the 36 sufficient existing policies with the proposed amendments and new policies results in a total of 46 policies in the various elements of the Comprehensive Plan that provide policy support for the LID Principles requirement.

Ms. Varner concluded her presentation by stating that the LID Principles Project Team Leads would also be recommending to the Planning Commission one additional new "umbrella" policy to the Environmental Element because it would capture the intent of the permit requirement in a single policy. It is "Make low impact development the preferred and commonly-used approach to site development to minimize impervious surfaces, native vegetation loss and stormwater runoff."

Commissioner Pauley asked about examples of pervious pavements. Ms. Varner and Asst. Director Bucich reviewed those. Commissioner Wang asked if Parks is involved in reviewing this. Asst. Director Bucich explained that ESC's role in this process at this point is to be informed of the process and recommendations, and noted that all departments would be involved in the process eventually.

Vice Chair Swenson commented that Parks is dealing with a lot of open land. He commented that in the city about 40% of the land is some sort of public open way including streets and sidewalks. He thinks the LID principles utilized in those areas could help to both make the City more attractive and do more to protect the environment even though it will take a long time. Asst. Director Bucich noted that this is the beginning of a paradigm shift of how the City starts to interact with the land over the next 50-100 years.

- **Advanced Metering Infrastructure (AMI)**  
*Andrew Lee, Utilities Deputy Director*

Deputy Director Lee gave a summary of Bellevue's Water Metering Infrastructure which covers 37 square miles, includes 37,300 customer accounts, and 40,804 meters. The existing meter reading program is bi-monthly reading frequency with mostly manual reading except for some large commercial meters. There are five FTE employees who allocate approximately 55% of their time to meter reading. Meter reading accuracy is very good (99.75%). Meter reads are stored in Radix handheld

data loggers. Customers can use My Utility Bill to manage their account over the Internet and get bimonthly reads. Approximately 2,000 meters are replaced each year. Deputy Director Lee demonstrated the process by which meters are currently read.

Challenges with the current meter reading program include:

- No real time meter reading data so potential for long periods before leak detection and resulting high water bills
- Significant increase in labor necessary to modify billing frequency
- Customers are unable to self-monitor meter information
- Aging meters.
- Detailed consumption information for water system modeling not available.

Staff were tasked with conducting a cost benefits analysis of two options for drinking water metering. The two options were: (1) business as usual using manual meter reads or (2) full deployment of the AMI technology in the City of Bellevue. He reviewed the results of the study.

AMI Technology would change things considerably. The benefits of AMI would be:

- Access to real time meter reading data that allows customers to design when and how to use water
- Earlier detection of leaks
- Ability to proactively manage higher bills
- Quick response to issues and inquiries
- Improved billing accuracy
- Reduced time between meter reading and bill production
- Fewer meter reader vehicles

Deputy Director Lee reviewed options considered by staff. Option 1 would be to position ourselves for AMI in 3-5 years. With this option, the City would start saving for AMI now, allow time for technology to mature, allow costs to decrease (possibly), and allow time to conduct a detailed evaluation of technology options. Option two would be to start implementing AMI now which would allow the City to start receiving the benefits of AMI sooner.

Staff is recommending Option 1, to wait on the implementation of AMI. This would mean slowing down the existing meter replacement program by only replacing failing meters. Savings from the deferred meter replacement would be transferred towards a meter reserve fund. Staff would like to propose to Council an AMI Rate and Budget Proposal to begin generating savings in 2015-16. In 2016, staff would repeat the business case evaluation, conduct a more comprehensive assessment of technologies and vendors, and consider starting a pilot program. In 2017, the City would begin implementing the program.

Commissioner Pauley expressed support for the AMI transition. Commissioner Wang also spoke in support of this and of planning for the transition.



**Motion made by Commissioner Pauley, seconded by Commissioner Wang, to proceed with Option 1 for the reasons stated by Deputy Director Lee. Motion passed unanimously (4-0).**

**9. COMMISSIONS REPORT**

Commissioner Wang shared a flyer he saw regarding small business hazardous waste disposal with sites where the waste can be taken. He thought this was very useful.

**10. DIRECTOR'S OFFICE REPORT**

None

**11. CONTINUED ORAL COMMUNICATIONS**

None

**12. ADJOURNMENT**

**Motion made by Commissioner Pauley, seconded by Commissioner Wang, to adjourn the meeting at 8:38 p.m. Motion passed unanimously (4-0).**

The meeting was adjourned at 8:38 p.m.

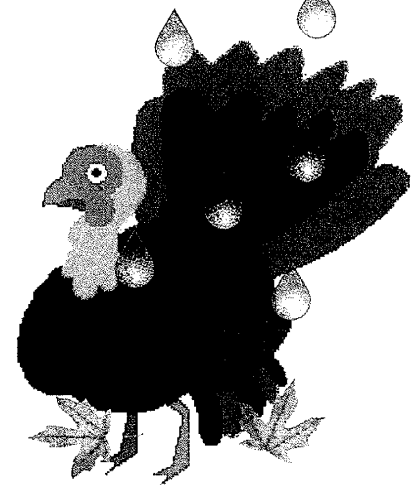
# Utilities' Communications & Environmental Outreach Team Events and Volunteer Opportunities

## October

- 1. Waterwise Garden Volunteer Work Party**  
**Location:** Bellevue Botanical Garden  
**Date:** October 15<sup>th</sup>, 1 pm to 3 pm  
**Staff:** Patricia Burgess, x4127, [pburgess@bellevuewa.gov](mailto:pburgess@bellevuewa.gov)  
Karren Gratt, x6166, [kgratt@bellevuewa.gov](mailto:kgratt@bellevuewa.gov)
- 2. Fall Special Recycling Event**  
**Location:** Crossroads Bible Church, 15815 SE 27<sup>th</sup> St.  
**Date:** October 18<sup>th</sup>, 9 am to 3 pm  
**Staff:** Stephanie Schwenger, x7103, [sschwenger@bellevuewa.gov](mailto:sschwenger@bellevuewa.gov)
- 3. Green Cleaning Workshops**  
**Location:** Newport Hills Library & North Bellevue Community Center  
**Date:** October 22<sup>nd</sup> & October 27<sup>th</sup>, 7 pm to 8 pm  
**Staff:** Jennifer Goodhart, x6197, [jgoodhart@bellevuewa.gov](mailto:jgoodhart@bellevuewa.gov)

## November

- 1. Waterwise Garden Volunteer Work Party**  
**Location:** Bellevue Botanical Garden  
**Date:** November 5<sup>th</sup> & 19<sup>th</sup>, 1 pm to 3 pm  
**Staff:** Patricia Burgess, x4127, [pburgess@bellevuewa.gov](mailto:pburgess@bellevuewa.gov)  
Karren Gratt, x6166, [kgratt@bellevuewa.gov](mailto:kgratt@bellevuewa.gov)
- 2. Green Cleaning Workshops**  
**Location:** Bellevue City Hall & Highland Community Center  
**Date:** November 6<sup>th</sup> & 10<sup>th</sup>, 7 pm to 8 pm  
**Staff:** Jennifer Goodhart, x6197, [jgoodhart@bellevuewa.gov](mailto:jgoodhart@bellevuewa.gov)





# 2014 Environmental Services Commission Calendar

October 14

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## October

- 9** Review Proposed Utilities Budget (Lucy Liu/Martin Chaw)
- Solid Waste Contract Performance Audit & Customer Survey Results (Susan Fife-Ferris/Stephanie Schwenger)
- Water Rate Design (Lucy Liu/Martin Chaw)

## November

- 6** Public Hearing on Proposed Utilities Budget Storm & Surface Water System Plan Strategic Initiatives (Kit Paulsen/Brian Ward)
- 20** Utilities Budget Rate & Recommendation (Lucy Liu/Martin Chaw)
- Foundations of Bellevue Utilities Rate & Tax Relief Programs (Susan F2/Patricia Burgess)
- Storm & Surface Water system Plan: Strategic Initiatives (Kit Paulsen/Brian Ward)

## December

- 18** Draft NPDES Annual Report & Public Review Schedule (Phyllis Varner)
- Tentative: Comprehensive Plan Update Status Briefing (Pam Maloney)

April 15

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**2014 Pending – ESC:**

Status Reports on the following issue will be made when there are significant development:

- Shoreline Mgmt. Plan (Paul)
- Stormwater 101 (Paul)

**2015 Pending – ESC:**

- Bellevue Diversity Initiative Presentation – (Camron Parker – Parks)

**Katie/2014 Calendars/Pending ESC Calendar**

# 2014 Tentative Council Calendar

September 14

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October 14

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November 14

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December 14

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January 15

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February 15

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## October

- 20** Motion to award construction of 123rd Water Service Saddle Replacement (2014) -Paul/Regan
- Motion to reject construction of Factoria Reservoir Coating Repair & Overflow modifications (Paul/Regan)

## November

- 3** Motion to award construction of PRV Improvements 2014 - Paul/Regan
- Resolution authorizing execution of PSA w/Stantec for AC Wtr Main Repl. 2016 - Paul/Regan

- 17** Motion to award construction of Sewer Pump Station General Recept- Phase 2 - Paul/Regan

## December

- 1** Motion to award construction of Commercial Water Meter Replacement 2014, Phase 2. - Paul/Regan
- Motion to award construction of East CBD Trunkline Improvement Project - Paul/Regan
- 8** Motion to award construction of PRV & Commercial Meter Vault Modifications 2015 - Paul/Regan

March 15

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April 15

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May 15

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June 15

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July 15

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August 15

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Key:

Agenda item description – **Consent:** Waste Reduction & Recycling Grant  
**Assistant Director's Name or designated staff** that will  
be available to attend Mayor's meeting  
**Staff Name** – material content expert

**2014 Pending Council**

Bellevue/Redmond Consolidation of Sewer Agreements \  
4<sup>th</sup> or 1<sup>st</sup> Qtr – NPDES LID Principles Opportunity Analysis & Work Plan – Catherine Drews/Paul Bucich/Phyllis  
Varner

**2015 Pending Council**

**January 5th**

Motion to award construction of Bellefield PS Capacity Improvement  
Motion to award construction of NE 40th St Reservoir Structural Roof Repair  
Resolution authorizing execution of Professionals Services Agreement for the Kelsey Creek Culvert Project  
Motion to award construction of Storm Water Dig and Repair 2015

**January 19th**

Motion to award construction of Sanitary Sewer Repairs 2015, Phase 1

**February 2nd**

Motion to award construction of Storm Water Trenchless Repair 2015

**February 16th**

Motion to award construction of PRV Rehabilitation and Replacement 2015

**April 6th**

Motion to award construction of Factoria Reservoir Coating Repair

**March ?**

NPDES Municipal Stormwater Permit Briefing – Phyllis Varner  
NPDES Municipal Stormwater Permit Annual Report Resolution – Phyllis Varner

Katie/2014 Calendars/Pending Council Calendar



# MEMORANDUM

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Action  
 Discussion  
 Information

**DATE:** September 30, 2014  
**TO:** Environmental Services Commission  
**FROM:** Stephanie Schwenger, Solid Waste Program Administrator  
**SUBJECT:** Solid Waste Collection Contract Annual Performance Review

### **Action Required at this Time**

No action by the Commission is required at this time.

### **Background**

The City of Bellevue contracts with Republic Services to provide solid waste collection service to residents and businesses. This memorandum outlines Republic Services' (the Contractor) performance implementing the 2004 Comprehensive Garbage, Recyclables, Yard Debris and Organic Waste Collection Contract (the Contract), according to established Contract requirements.

Under Section 3.1.26 of the Contract, the City may conduct an annual review of the Contractor's performance. As in the past, the City opted to conduct a compliance audit and two customer satisfaction surveys based on the Contract requirements and standards. The review period for the audit covered the nine-month period from July 2013 through March 2014. The surveys took place in May 2014. This is the final contract performance review under the Contract.

### **Contract Compliance Audit**

The City hired Bell & Associates, a consulting firm specializing in financial and operational analysis of integrated solid waste systems, to provide a third-party audit of the Contractor's records, operations, and property to determine Republic Services' compliance with 37 contractually required procedures (see Attachment 1). The consultant made detailed on-site inspections and held interviews with the Contractor's staff over several weeks.

Bell & Associates found Republic in compliance with 36 of 37 contractually required procedures and out of compliance with one procedure. In addition, the audit revealed that the Contractor addressed noncompliance with switchable placard requirements from 2012 and 2013. See the tables below for additional details:



**Noncompliance with Requirement to Contact New Customers (Section 3.3.3)**

Contract Requirement	Finding
Call each new customer within two (2) weeks after they have received their first bill to ensure that the customer understands the bill and to find out if the customer has any questions regarding their new service (Section 3.3.3).	Twenty-four (24) of 25 accounts reviewed did not have notes that the Contractor made calls to new customers. The contractor is not in compliance with the terms of the Contract.

**Resolution of Noncompliance with Switchable Placard Requirements (Section 3.1.14)**

Contract Requirement	Finding
All vehicles shall have switchable placards that indicate what service they are providing: garbage, recyclables, or organics collection vehicles (Section 3.1.14).	All of the 46 primary collection trucks used in Bellevue had either a placard or a sign stenciled with the collected material on the driver’s side door. The Contractor is in compliance with the terms of the Contract. Note: Republic Services did not meet this requirement in 2012 and 2013.
Each vehicle shall be fitted with a switchable nameplate under the driver's door with the driver's name and telephone number that is clearly visible from 20 feet away (Section 3.1.14).	All of the 46 primary collection trucks used in Bellevue had either a placard or a sign stenciled with the driver’s name on the driver’s side door. The Contractor is in compliance with the terms of the contract. Note: Republic Services did not meet this requirement in 2012 and 2013.

The City notified Republic Services of the audit findings on August 18, 2014.

**Customer Satisfaction Surveys**

The City hired Elway Research, Inc., a professional market research firm, to conduct two surveys on customer satisfaction with Republic Services and practices related to recycling, organics, and garbage. One survey asked questions of single-family residents, and the other survey questioned commercial and multifamily complex customers. See Attachment 2 for a list of survey questions.

It is worth noting that the surveys conducted this year did not rotate answer choices for the satisfaction questions. In 2013, answer choices in the single-family survey were rotated in order to reduce order bias. This year, all survey respondents, including single-family, commercial, and multifamily customers heard answer choices with “very satisfied” as the first option, and “very unsatisfied” as the last answer option.

**Single-family Residential Survey**

Elway Research randomly surveyed 401 Bellevue single-family residents who are primarily or jointly responsible for making decisions about their solid waste services from May 13 to May 17, 2014. Results are accurate to +/- 4.9% at the 95% level of confidence, as required by the Contract. To comply with the Contract, the Contractor must score higher than 75.1% on each question. The Contractor’s overall satisfaction rating is based on the combined score of “very satisfied” and “somewhat satisfied.”

Republic Services achieved sufficient scores on all but one measure of single-family customer satisfaction—response time following a missed collection (73% “satisfied”). This is the second consecutive market research survey in which the Republic Services did not achieve a satisfaction score of at least 75.1% for any question.

Ratings for the six other satisfaction measures in the survey rebounded from historic lows in 2013, when scores for four of seven measures dropped below acceptable levels.

This table outlines results of the single-family residential satisfaction survey since the Contract started:

*Single-family Residential Satisfaction Ratings*

Question	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
1 Overall, how satisfied are you with the service you receive?	97%	70%	95%	96%	97%	96%	95%	88%	88%	88%
2 Collection crew that picks up at your home	92%	74%	91%	94%	95%	96%	90%	88%	89%	87%
3 Response time following a missed collection*	73%	67%	85%	79%	89%	82%	77%	-	-	-
4 Response time following a request for a new or replacement cart*	77%	67%	83%	76%	89%	84%	81%	-	-	-
5 Telephone courtesy you get from Republic Services	89%	84%	89%	91%	93%	86%	84%	84%	83%	86%
6 Knowledge of customer service staff on the phone	90%	77%	90%	83%	91%	85%	87%	79%	80%	79%
7 Handling of phone requests by customer service	90%	79%	86%	88%	87%	81%	80%	79%	82%	80%

*\*Questions 3 and 4 were asked for the first time in 2008.*

**Commercial and Multifamily Survey**

Elway Research randomly interviewed 202 commercial and multifamily complex managers who are responsible for making decisions about their business’s solid waste services. The survey took place May 14-15, 2014. The results are accurate to +/-6.9% as required by the Contract. The Contractor must score higher than 73.1% on each question to comply with the Contract.

Republic Services met all contracted satisfaction rating requirements for commercial and multifamily sector customers. Among these customers, Republic achieved high scores of 80% or more in all seven categories for which satisfaction was assessed, though the number of “very satisfied” customers slipped in each category. Ninety-three percent (93%) of commercial customers and multifamily complex managers expressed satisfaction with Republic Services’ overall service, with 72% saying they are “very satisfied.”

The City is in the process of notifying Republic of its 2014 customer satisfaction ratings.

## **Conclusion**

### **Contract Compliance Audit**

Of the 37 requirements evaluated in the annual performance audit, the Contractor was out of compliance with the requirement to call new customers. In addition, Republic addressed two items regarding switchable placards with which it was out of compliance in the 2012 and 2013 audits.

### **Customer Satisfaction Surveys**

With one exception, the Contractor achieved sufficiently high customer satisfaction levels in the single-family and commercial and multifamily sector surveys.

## **Next Steps**

The 2014 Comprehensive Garbage, Recyclables, and Organics Collection Contract went into effect on June 29, 2014. Under the 2014 Contract, the City of Bellevue has the option of conducting an annual performance review of the 2014 Contract similar to the one conducted under the 2004 Contract. Beginning this winter, the City will consult the ESC concerning the design of the audit and customer surveys, including ensuring that the review process is consistent with standard industry practices.

## **Attachments**

1. Contractually Required Procedures Reviewed by the Contract Compliance Audit
2. Survey Questions

## Attachment 1

### **Contractually Required Procedures Reviewed by the Contract Compliance Audit**

1. The Contractor shall recycle or compost all Source-separated Recyclables, Yard Debris and Organic Waste collected, unless express prior written permission is provided by the City.
2. Contractor shall recycle domestically all potentially-toxic materials from scrap electronics or small appliances.
3. Collection crews shall note damaged hinges, holes, poorly functioning wheels and other similar repair needs on Contractor-provided carts (including those for Garbage, Recycling and Yard Debris) and forward written repair notices to the Contractor's service personnel. Cart repairs shall then be made within seven (7) days at the Contractor's expense.
4. Any leakage or spillage of materials that occurs during collection shall be immediately cleaned up by the Contractor at its expense.
5. Contractor shall collect from single-family households all items listed in the appropriate sections of the contract.
6. Contractor shall offer carry out service to disabled customers at no charge.
7. The Contractor shall furnish litter collection services, including labor, materials, facilities and equipment necessary to pick up, haul and dispose of litter found on City Public Streets during a litter-collection patrol to be carried out according to a yearly schedule in which litter is collected from designated arterial roadsides every three (3) weeks, to be prepared by the Contractor and subject to prior written approval by the City.
8. The Contractor shall provide monthly, annual and ad hoc reports to the City as required.
9. Contractor shall provide a complete inventory showing each major piece of equipment to be used in the performance of this contract.
10. All collection vehicles regularly used by the contractor shall be less than 10 years old and shall have been used for fewer than 200,000 miles.
11. Vehicles shall be maintained in a clean and sanitary manner and shall be thoroughly washed at least once each week.
12. All vehicles shall have switchable placard that indicates they are recyclable, yard debris or organic waste collection vehicles.
13. Each vehicle shall be fitted with the switchable nameplate under the driver's door with the driver's name and telephone number visible.
14. All collection equipment shall have appropriate safety markings, warning lights, clearance lights, and warning flags - all in accordance with current statutes, rules, and regulations.

15. All collection vehicles still have a sign stating driving or spillage complaints call 425-452-6932.
16. All vehicles shall be equipped with the properly licensed two way communication equipment.
17. Contractor shall be responsible to maintain sufficient inventories of recycling and yard debris carts.
18. The Contractor shall record all complaints and service requests, regardless of how received, including date, time, customer's name and address, if the customer is willing to give this information, method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log.
19. Missed collections shall be collected from the customer on the same day if notified by 6 p.m.; otherwise the collection shall occur on the next business day.
20. Automatic damages of free service provided to affected customers shall be credited to such customers' accounts on their next regular bill for certain performance failures identified throughout this Contract, including, but not limited to, failure to deliver requested carts or containers on time, failure to collect missed materials in accordance with performance requirements and failure to properly tag rejected materials.
21. Carts shall be provided to requesting customers within seven days of the customers' initial request.
22. Following the initial distribution of Recycling Carts, the Contractor shall provide Recycling Carts to new customers within the City Service Area, including new residences and annexation, areas, as well as replacement Carts to existing customers who request them because of loss, theft or damage. Carts shall be provided within seven (7) days of a customer request.
23. On-call collection of Bulky Waste shall be provided by the Contractor within three (3) business days of a customer initial request.
24. Customers may temporarily suspend service due to vacations or other reasons for as long and as often as desired in one (1) week increments and be billed pro-rata for actual services received. Customers shall be notified of continuing cart or container rental fees when making a request for service suspension.
25. The Contractor shall invoice those customers eligible for reduced garbage rates, a reduced percentage of the regular rate for the service level selected, in accordance with current City utility billing procedures, as revised from time to time.
26. During office hours, the Contractor shall maintain sufficient staff to answer and handle complaints and service requests from at least ten (10) incoming telephone calls at one time, and in addition a telephone answering system capable of accepting an additional minimum of six (6) incoming telephone calls at one time.
27. The Contractor's customer service representatives shall be fully knowledgeable of all collection services available to City customers and communicate these as required (residential).

28. The contractor shall make a good faith effort to maintain and achieve a 99% participation rate for the single-family residence recyclables collection program.
29. The Contractor shall have a City-approved program in place to monitor and evaluate the quality of customer service and to determine customer satisfaction from the various service sectors.
30. Contractor shall call each new customer within two (2) weeks after they have received their first bill to ensure that the customer understands the bill and to find out if the customer has any questions regarding their new service.
31. The Contractor shall maintain a twenty-four (24) emergency telephone number for use by the City.
32. The website shall offer customers the option to pay their service bills on-line through a secured bill payment system.
33. The City is the preferred customer of the Contractor, and shall receive the best price for services offered by the Contractor throughout the term of this Contract. The Contractor shall inform the City of any new franchise, contract or agreement, or changes in terms or rates of existing franchises, contracts or agreements, in another community in which the Contractor provides collection services within ten (10) business days of the final approval of such franchise, contract or agreement, or amendment to such franchise, contract or agreement.
34. The Contractor's customer service representatives shall be fully knowledgeable of all collection services available to City customers and communicate these as required (commercial).
35. The Contractor shall furnish and install 1-, 1.25-, 2-, 3-, 4-, 6- and 8-cubic yard Detachable Containers, and 10-, 20-, 30- or 40-cubic yard uncompacted Drop-box Containers to any customer who requires their use for storage and collection of Garbage, Recyclables or Yard Debris within three (3) days of the request.
36. Commercial customer containers shall be delivered within three days of customer's initial request.
37. If commercial containers are not provided within three days of initial request, the customer shall be provided one free week a garbage service on their next regular bill.

**Attachment 2**  
**Survey Questions**

Scale:

- a. Very satisfied
- b. Somewhat satisfied
- c. Neutral/not sure/do not know
- d. Somewhat unsatisfied
- e. Very unsatisfied
- f. Refused

**Single-family Residential Survey**

1. Overall, how satisfied are you with the service you receive from the company?

I am going to read you a list of handling services. For each, please tell me how satisfied you are. If you have no experience with any particular service, please let me know.

2. How satisfied are you with the collection crew that picks up at your home?
3. How about the response time following a missed collection?
4. How about the response time following a request for a new or replacement cart?
5. How satisfied are you with the telephone courtesy you get from Republic Services?
6. How about the knowledge of the customer service staff on the phone?
7. How satisfied are you with the handling of your phone requests by customer service?

**Commercial and Multifamily Survey**

1. Overall, how satisfied are you with the service you receive from Allied Waste or Republic Services in 2013?
2. How satisfied are you with the work by the collection crew at your location?
3. With the response time following a missed collection, if there have been any during this last year?
4. With the response time following a request for a new or replacement cart in this last year?
5. How satisfied are you with the courtesy of Allied Waste or Republic Services customer service staff on the phone?
6. With their knowledge to service inquiries when on the phone?
7. With their responsiveness to your requests on the phone?



# MEMORANDUM

           Action

  X   Information

  X   Discussion

**DATE:** October 1, 2014  
**TO:** Environmental Services Commission  
**FROM:** Nav Otal, Utilities Director  
Lucy Liu, Assistant Director – Resource Management and Customer Service  
Martin Chaw, Fiscal Manager – Resource Management and Customer Service  
**SUBJECT:** 2015-2016 Utilities Biennial Proposed Budget and Rates

### **Action Required at this Time**

Review and discuss the proposed 2015-2016 Utilities Department budget.

### **Background**

On October 9, staff will present the 2015-2016 Utilities Department budget for the Commission's review and consideration of recommendation to the City Council. The proposed budget notebook will be provided under separate cover prior to the meeting.

The proposed 2015-2016 budget represents the culmination of Commission meetings over the past several months on the Department's proposed capital and operating budgets, which included:

- March 20: 2015-2016 Budget One Process Overview
- April 3: 2015-2020 Early Outlook Forecast
- April 17: Preliminary CIP request
- May 15: Utility Financial Policies, Utilities Budget Proposals
- May 29: Utility Budget Proposals. At the conclusion of this meeting, the ESC unanimously endorsed Utilities 2015-2016 budget proposals and provided a recommendation to this effect to the Healthy and Sustainable Environment Outcome Results Team.
- July 17: Preliminary Financial Forecast; Wholesale Policy Review. During this meeting, the Commission also expressed interest in exploring advanced metering infrastructure (AMI) technology for water meter replacements.

On September 18 the ESC reviewed and recommended the migration from current manual read water metering technology to AMI technology in the next five years. As AMI was not formally included in the Department's proposed 2015-2016 budget, this program will be included as an Emerging Issue in the proposed 2015-2016 budget.

The forthcoming proposed 2015-2016 Utilities budget is prepared consistent with the materials and information presented to the ESC and directions the ESC has provided to Department staff over these several meetings.



### **Next Steps**

Next steps related to 2015-2016 budget review include:

- October 9: Review proposed 2015-2016 budget.
- November 6: Conduct public hearing on proposed 2015-2016 Utilities budget and rates, and develop ESC recommendation to the City Council.
- November 20: ESC provides Utilities 2015-2016 budget and rates recommendations to City Council.



# MEMORANDUM

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         Action  
  X   Discussion  
  X   Information

**DATE:** October 1, 2014  
**TO:** Environmental Services Commission  
**FROM:** Nav Ota, Director  
Lucy Liu, Assistant Director – Resource Management and Customer Service  
Martin Chaw, Fiscal Manager – Resource Management and Customer Service  
**SUBJECT:** Presentation of Water Cost-of-Service Rate Design Recommendations

### **Action Required at this Time**

Review and discuss the results of cost-of-service water rate design recommendations.

### **Background**

The City has a policy of recovering utility rates equitably across customer classes based on how each customer class contributes to the overall cost of providing utility service. It is prudent to conduct a cost-of-service rate study periodically to determine if the utility rate structure reflects customer demographics that can change over time.

The City hired FCS Group, a utility rate consultant, to conduct a water cost-of-service rate study. As you recall, on May 15, FCS Group reviewed the results of the cost of service analysis with the Commission. The study findings indicate the current water rate structure is out of alignment with the cost to provide service amongst customer classes. The Commission directed staff to redesign water rates for the 2015-2016 proposed budget to account for shifts in cost between customer classes consistent with the cost allocation methodology recommended by FCS Group.

On October 9, consultants with FCS Group will present the results of their cost-of-service rate design analysis and recommendations.

Materials will be distributed at the meeting.