

Agenda

ENVIRONMENTAL SERVICES COMMISSION MEETING

450 110th Ave. NE (City Hall)

Conference Room 1E-113

Thursday 6:30PM

June 7, 2018 Regular Meeting

		<u>Page</u>	<u>Action</u>
Commissioners: <i>Diann Strom</i> <i>Chair</i>	1. Call to Order and Roll Call – Diann Strom, Chair		
	2. Approval of Agenda *	1	X
<i>Sanjay Kumar</i> <i>Vice Chair</i>	3. Oral and Written 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.		
<i>Anne Howe</i>			
<i>Vanja Knezevic</i>			
<i>Aaron Morin</i>	4. Communication from City Council, Community Council, Boards and Commissions		
<i>Lisa Schreiner</i>	5. Staff Reports		
Vacant	6. Approval of Minutes * • May 3, 2018 Regular Meeting Minutes	2 – 10	X
City Council Liaison: <i>Jared Nieuwenhuis</i>	7. Election of Chair & Vice Chair		
	8. Unfinished Business		
Staff Contact: <i>Andrew Lee</i> <i>425-452-7675</i>	9. New Business		
	• Storm & Surface Water Condition Assessment Program Proposal * <i>Presenter(s):</i> Joe Harbour, Assistant Director- Utilities O&M Don McQuilliams, Utilities Operation Manager – Regulatory Compliance	11	
Staff Support: <i>Cherish Jackson</i> <i>425-452-7869</i>	• Utilities Operating Budget Proposals * <i>Presenter(s):</i> Lucy Liu, Assistant Director - Resource Management & Customer Service Martin Chaw, Fiscal Manager	12-19	
	10. Oral and Written Communications		
	11. Review of ESC Calendar/Council Calendar * Conservation & Outreach Events & Volunteer Opportunities*	20-21 22	
	12. Adjournment		
	* <i>Materials included in packet</i> # <i>Materials separate from packet</i>		

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

Thursday
May 3, 2018
6:30 p.m.

Conference Room 1E-113

Bellevue, Washington

COMMISSIONERS PRESENT: Diann Strom (Chair), Sanjay Kumar (Vice Chair), Vanja Knezevic, Aaron Morin, Anne Howe, Lisa Schreiner

COMMISSIONERS ABSENT: None

OTHERS PRESENT: Andrew Lee, Deputy Director; Doug Lane, Sr. Engineer; Joe Harbour, Assistant Director – Operations and Maintenance; Lucy Liu, Assistant Director – Resource Management and Customer Service; Martin Chaw, Fiscal Manager; Jared Nieuwenhuis, Council Liaison, Alex Chen, Seattle Public Utilities

MINUTES TAKER: Laurie Hugdahl

1. CALL TO ORDER:

The meeting was called to order by Chair Strom at 6:34 p.m.

2. APPROVAL OF AGENDA

Motion made by Commissioner Howe, seconded by Commissioner Kumar, to approve the agenda as presented. Motion passed unanimously (6-0).

3. ORAL AND WRITTEN COMMUNICATIONS

David Plummer, 14414 NE 14th Place, Bellevue, WA, expressed concern and requested clarification about a discrepancy in the CIP budget proposal total values in some of the documents.

4. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCIL, BOARDS AND COMMISSIONS

Councilmember Nieuwenhuis had the following comments:

- Council was briefed about the Shoreline Master Program. The City will undertake another update in another 8 years. Council and staff have been working on this for quite some time.
- Council has had one workshop on the budget process and will have another one soon.
- Council reviewed plans recently about the bike share program which may

start in May or June. He explained how this is different than the Seattle program.

- Council approved a feasibility study to explore the possibility of a new aquatic facility.
- Council is in the midst of reviewing the LUCA (Land Use Code Amendment) for a homeless shelter.

5 STAFF REPORTS

Assistant Director Lucy Liu gave an update on the recycling situation. The City has decided to extend the landfill of non-marketable paper until the end of May as the China market has remained essentially closed. Republic Services has refined its sorting processes and is continuing to search for more other markets. Utility staff is taking part in a regional task force that has recently formed around this issue. Asst. Director Liu explained steps that the City is doing including improving messaging about recycling and sharing with customers what they can do to help with the situation. The City is also helping customers learn how to reduce paper waste by reducing junk mail. Commissioner Kumar asked if the City could play more of an active role in the reduction of junk mail. Asst. Director Liu explained that right now the City provides information for the customers to take action, but staff could explore if there are other viable options.

6. APPROVAL OF MINUTES

April 5, 2018 Regular Meeting Minutes

Motion made by Kumar, seconded by Commissioner Morin, approve the minutes as presented. Motion passed unanimously (6-0).

7. UNFINISHED BUSINESS

None

8. NEW BUSINESS

- Seattle Public Utilities Water Resiliency
Presenter: Alex Chen, Seattle Public Utilities, Division Director

Mr. Chen reviewed the Seattle regional water supply system. Seattle Public Utilities (SPU) has been working on a draft resiliency framework which addresses: climate change, economy and affordability, disaster preparedness, marketplace, regional and city investment priorities, technological advancements, and workforce availability and capabilities. Mr. Chen reviewed disaster preparedness and seismic hazards considerations such as ground shaking, fault rupture, landslides, and liquefaction. He discussed some recent earthquakes and associated water

system impacts in California, Japan, New Zealand and Japan. SPU has initiated a Water System Seismic Study to assess seismic hazards, facility and pipelines vulnerability assessments, overall system performance analysis, develop performance goals and pipeline standards, balance performance goals against cost of upgrades, develop short-term (20-year) and long-term (50+ year) plans, and integrate those plans into the Capital Improvement Program.

Next steps are to confirm proposed mitigation measures such as isolated valves throughout the system to prevent large quantities of water lost to leaks in the system; upgrading critical locations on the transmission lines; upgrading to earthquake-resistant pipes in areas that go through hazard zones; and improving emergency preparedness plans and supplies. The next steps for the seismic study is to make sure the mitigation options fit within the capital and O&M plans with the city, share the results with stakeholders, get the study finalized and start implementing some of the recommendations.

Chair Strom asked for more information about what the water study will encompass. Mr. Chen reviewed a map showing the area and facilities.

Commissioner Morin asked what would happen if pipes from both the Tolt and the Cedar would be cut off in one event. Mr. Chen replied that Seattle has some wells down by the airport, but these only provide about 1/10th of the overall supply need. The City would also need to supplement with stored water and alternate water supplies such as wells or interties from neighboring agencies.

- Emergency Water Supply Review
Presenter: Doug Lane, Sr. Engineer

Mr. Lane gave a status update on the Emergency Water Supply Master Plan. To date, the project has included documenting existing well conditions, coordination with critical customers, assessment of customer needs following a disaster, evaluation of economic impacts from a water supply disruption, and assessment of groundwater chemistry and treatment needs. Upcoming work will include conceptual site layouts and preliminary cost estimates, engagement with Washington Department of Ecology regarding water rights, and drafting of an Emergency Water Supply Master Plan.

The water quality evaluation is pretty much wrapped up. A brief summary of the recommendations include measures to address taste and odor issues, but no concerns related to the quality. He discussed the potential of a

drive-up site in the event of a serious disaster. Upcoming tasks include conceptual site layouts; desktop review of aquifer conditions; finishing the engineering report, and completing the draft Master Plan Update.

Commissioner Howe asked how many well sites Bellevue has. Mr. Lane replied that two well sites (four wells total) are owned by the City and can be used now. There are also some other historical wells. If there were an emergency the City's water rights are less than half of the system's anticipated post-disaster demands, and there currently is not infrastructure to pump, treat or deliver the water.

Chair Strom commented that most of the wells are in East Bellevue. She asked if there will be other locations spread out throughout the City. Mr. Lane replied that staff isn't doing specific site studies yet (only conceptual site layouts) because Council should first be informed and public outreach conducted, but logically it would make sense to spread the wells out.

Commissioner Knezevic asked how critical customers were identified. Mr. Lane replied that this referred to life safety critical needs such as hospitals and first responders, but there is no formal list at this time. There was some discussion about who these critical customers would include. Commissioner Knezevic expressed concern about King County Public Health not being considered as a critical customer because this organization serves a different and underserved population.

Chair Strom commented that the public engagement piece seems like it is farther down the road. Mr. Lane concurred.

Commissioner Kumar asked if it is reasonable to expect that the distribution lines would be functional in the event of an earthquake. Deputy Director Lee replied that staff expects that there would be some leaks and possible breaks, but there are improvements that can be made to make sure that water is available if the City decides to go with that option. Commissioner Kumar asked if the options are to either create a new well near the critical area(s) or strengthen distribution from an existing well to the critical areas. Staff affirmed that those are the options. Discussion followed about the pros and cons of the subject options.

Commissioner Morin suggested that AMI could inform this work by showing in real time where issues are. Mr. Lane agreed that in a post-emergency scenario AMI could provide useful information about leaks.

- **Operations and Maintenance Facilities Master Plan**
Presenter: Joe Harbour, Assistant Director – Operations and Maintenance

Assistant Director Harbour reviewed the project background including the 2015 Study of Eastgate Yard (EGY) showing that sizable investment is needed to improve inefficiencies, Bellevue Service Center which is outgrowing space at this facility, and Emergency Response capability which is inefficient given the current dispatch and yard locations. He discussed strengths and challenges of the current sites.

The goals of the project are to complete the study to determine recommendations and property acquisition options for optimizing operations and supporting long-term growth. Another goal is to inform the 2019-20 budget for land acquisition. The project scope includes: Utilities Sections (Operations Support, Operations, Surface Water, Wastewater, Water, and Water Quality) and Transportation Sections (Signals and Lighting and Streets). Asst. Director Harbor discussed guiding principles and associated performance measures.

Assistant Director Harbour then reviewed the following alternative concepts as well as benefits of each one:

- Baseline – This is the current situation
- Alternative 1 (consolidated) assumes there is a new central operations facility with additional yard functions added. The BSC would be vacated by both Utilities and the Transportation sections. The alternative assumes EGY would be surplus.
- Alternative 2 (evenly distributed) would have two new operations facilities with yard functions added. The BSC would be vacated by Utilities and Transportation and EGY would be surplus.
- Alternative 3 (augmented) would have a new central operations facility with yard functions added. The BSC would be retained. A north yard near the BSC would be added and the EGY is surplus.

Benefits of each alternative were reviewed including travel time, sizing, and resilience. Risk assessments were reviewed including the ability to purchase land, the impact of facilities on the neighborhood, and customer perception. Cost was also factored in to each alternative. Commissioners asked general questions about details of the various alternatives. After analysis, alternative 3 was identified as the preferred alternative. Assistant Director Harbour reviewed the steps going forward. The City is still working with Makers and will be submitting a 2019-20 budget line item to fund property acquisition for \$8 million. The draft O&M Facilities Plan will be completed in June with a final plan completed in September 2018.

- Water Rate Structure Review
Presenter(s): Lucy Liu, Assistant Director – Resource Management and Customer Service
Martin Chaw, Fiscal Manger

Asst. Director Liu explained that staff was seeking the ESC's recommendation to City Council on whether an evaluation of the water rate structure is needed to ensure customer equity. The most recent water cost of service study was completed in 2014 and prior to that was in 2004. She reviewed the rate structure policies.

Commissioner Schreiner asked about the City's policy billing new customers. Asst. Director Liu explained that water bills are based on current usage whereas sewer bills are based on the previous year's winter average. For new customers, the City will use a citywide typical winter average for billing. Once the customer establishes a winter history, their billing will be based on that. If customers notice there is a significant difference in the amount they actually use versus the typical citywide average, they can call the City to have it adjusted. Commissioner Schreiner commented that this happened to someone who contacted her and was upset it wasn't adjusted automatically. Commissioner Knezevic expressed concern that customers are not aware that it how the billing is set and may not know that they can call to ask for a refund. Asst. Director Liu explained that she would look into this.

Asst. Director Liu explained that the 2014 water cost-of-service study findings showed that the prior structure was out of alignment with the cost of providing service to the different customer groups. That study indicated that single family customers were paying more than their fair share while the commercial and multifamily customers were paying less than their fair share. To ensure equity, the new water rate design was calibrated to take that into consideration. The new rate design also increased the fixed meter charge to better reflect the fixed nature of utility expenses for all classes.

For commercial customers, the study recommended maintaining the existing summer/winter seasonal rate structure. For multifamily customers, the recommendation was to simplify the rate structure from a tiered structure to a summer/winter structure, to mirror commercial customers. For single family customers the study recommended staying with the existing four-block structure but modifying the consumption break points to reflect how this customer class uses water during the year. Asst. Director Liu presented examples of sample bills for the different categories. She summarized that the current structure, which was adopted in 2015, reflects the recommendations of the 2014 study, complies with the rate structure policies, is consistent with industry practices, and achieves the financial objectives of revenue stability and conservation pricing. She explained that Councilmember Robinson questioned whether the current rate structure is punitive to large families. Asst. Director Liu stated that it did not and illustrated her point with an example that showed that the water bill increases proportionately as consumption increases and

that the unit cost of water consumed actually decreases with the increased consumption, reflecting the nature of the fixed bi-monthly charges.

Asst. Director Liu solicited guidance from the Commissioner regarding three options for moving forward. These options included:

1. Arbitrarily change the rate structure to reduce the cost for higher water consumers. This would result in increasing the cost for lower water consumers.
2. Redoing the 2014 cost of service study to determine if rate structure changes are needed at this time. Such a study would cost about \$60,000, be time intensive, and likely yield similar results.
3. Retain the current rate structure which complies with Council-adopted rate structure policies, is consistent with industry practices, and aligns with current customer demographics.

Commissioner Kumar asked how the rate structure could be seen as punitive on single family customers. There was discussion about how the rate structure equitably accounts for usage.

Commissioner Morin commented on the recent unprecedented growth in the Bellevue in both commercial and multifamily. He suggested that there might be a good likelihood that single family customers are paying a disproportionately higher share of water utility costs. Asst. Director Liu stated that industry best practices call for periodic cost of service studies once every 7 to 10 years. She agreed that recent growth in commercial and multifamily customers might warrant not waiting 10 years to do another rate study. She stated that staff is recommending Option 3 which is to retain the current rate structure and conduct another study in 7 to 10 years.

Commissioner Schreiner commented that utility bills are often a topic of conversation with her neighbors and online. She can imagine that the Council receives a lot of pressure about this also. She recommended taking a look at doing a cost of service study on the rate structure sooner than the average 10 years given the growth of the city. Commissioner Kumar asked about the justification for this recommendation as the current rate structure does not appear to be punitive to large families, which was the original concern by Councilmember Robertson. Commissioner Morin replied that due to the unprecedented growth in the area it would be a good idea to reassess the rate structure earlier than planned. Commissioner Kumar reminded the Commission that the original concern was only the question of whether the rates were punitive for larger families, not all single family customers. Commissioner Morin agreed that another study is not needed because of the perceived different impact to larger families; however, in having looked at this further he agreed with the recommendation that an update to the 2014 cost of service study should be done after seven years' time from the last one.

Motion made by Commissioner Morin, seconded by Commissioner Schreiner, that the City not do a rate study at this time, but with an amendment that a rate study be done seven years from the last one. Motion passed unanimously (6-0)

Staff indicated they will work with Chair Strom to draft a memo to Council summarizing the Commission's discussion, recommendation, and motion.

Motion made by Chair Strom, seconded by Commissioner Knezevic, to extend the meeting until 9:25 p.m. Motion passed unanimously (6-0).¹

- Utilities CIP Budget Proposals Review
*Presenter(s): Lucy Liu, Assistant Director – Resource Management and Customer Service
Martin Chaw, Fiscal Manager*

Fiscal Manager Chaw reviewed the 2019-2025 Utilities Budget and Budget Review Schedule. Fiscal Manager Chaw stated one new project is proposed to be added to the CIP, O&M Facility Land Acquisition (#140.70), with a proposed budget of \$8.0M in 2019, and as summarized by Assistant Director Harbour earlier in the meeting.

Fiscal Manager Chaw presented the revised 2019-2025 Utilities CIP, which was updated to include the aforementioned new project. Fiscal Manager Chaw then overviewed the proposed Utilities CIP Budget and funding strategy by year over the 2019-2025 planning period. Fiscal Manager Chaw concluded his presentation and asked if there were questions. The commission had no comments or questions. Asst. Director Liu thanked the commission and indicated staff would proceed with updating and including the aforementioned one new project, O&M Facility Land Acquisition, in the revised CIP budget proposal.

9. ORAL AND WRITTEN COMMUNICATIONS

None

10. REVIEW OF ESC CALENDAR/COUNCIL CALENDAR

Deputy Director Lee reviewed the ESC Calendar, Council Calendar, and the Conservation & Outreach Events & Volunteer Opportunities

¹ Commissioner Kumar and Councilmember Nieuwenhuis left the meeting at 9:07 p.m.

11. ADJOURNMENT

Motion made by Commissioner Schreiner, seconded by Commissioner Strom, to adjourn the meeting at 9:20 p.m. Motion passed unanimously (6-0).

The meeting was adjourned at 9:20 p.m.

DRAFT



- Action
 Discussion
 Information

DATE: Wednesday, May 16, 2018
TO: Environmental Services Commission
FROM: Joe Harbour, Utilities O&M Assistant Director
Don McQuilliams, Utilities Operations Manager – Regulatory Compliance
SUBJECT: **Storm & Surface Water Condition Assessment Program Proposal**

Action Required

No action by the Commission is required at this time. This is an informational briefing.

Background

Staff will provide an overview of a budget proposal and associated business case being submitted by the Storm and Surface Water Utility for the 2019-2020 budget process. The proposal focuses on increasing the rate of video inspection of stormwater pipes from 2% of the system annually (8 miles) to 5% of the system annually (20 miles).

A short presentation and discussion will brief the ESC on the business case and the recommended option currently included in the 2019-2020 budget process.



- Action
- Discussion
- Information

Date: June 7, 2018

To: Environmental Services Commission

From: Nav Otal, Utilities Director
Lucy Liu, Assistant Utilities Director – Resource Management and Customer Service
Martin Chaw, Fiscal Manager – Resource Management and Customer Service

Re: **2019-2025 Utility CIP Update and 2019-2020 Utilities Operating Budget Proposals**

Action Required

No action by the Commission is required at this time. This is an informational briefing.

Background

On June 7, staff will review the following with the Commission:

- One update to the 2019-2025 Utility CIP budget proposals reviewed with the Commission in May.
- Utilities 2019-2020 Operating budget proposals.
- Resources for AMI implementation.

See attachment for additional details on the CIP budget proposals. Details on the 2019-2020 operating budget proposals will be provided under separate cover prior to June 7.

Guiding Principles for Budget and Rates Development

The 2019-2020 Utilities Department budget proposals are a representation of the strategies and policies that the Department is recommending to address key financial and operational challenges over the next biennium. As a business enterprise, Utilities does not receive any City General Fund revenues for utility functions and relies primarily on rates to fund operations and capital programs. With this context, the budget proposals are prepared with a watchful eye towards rate affordability and to capitalize on opportunities to improve business processes and leverage efficiencies where possible to ensure ratepayer value.

Development of the 2019-2020 budget proposals was guided by the following principles:

- Compliance with Council-approved financial policies: The Waterworks Utility Financial Policies serve as the foundation for development of the Utilities Department budget and rates. Adherence to these policies have enabled the Department to be recognized as a leader in the industry, provide competitive utility rates, and achieve financial sustainability. Consistent with Council-adopted financial policies, the budget proposals are based on:
 - The full cost of providing utility services now and in the future.
 - Sufficient reserves to protect the solvency of the utility funds.
 - Investment in capital infrastructure and/or deposit of funds in an infrastructure renewal and replacement (R&R) account are to be made to ensure that current and future customers that use the utility system pay their equitable share of system costs.

- Lean operations: The majority of the budget proposals are to maintain current service levels, implement strategies from prior budget decisions, fund external financial obligations, and meet regulatory requirements.

- Preserve aging utility infrastructure: The City’s utility infrastructure is aging and increased maintenance and capital investments are inevitable. System failures are on the rise. The future capital program will focus largely on renewal and replacement of aging infrastructure.

- Service enhancement: One new request is proposed to enhance customer service delivery, described further below.

2019-2025 Utility CIP Budget Proposal – Update to Midlakes Pump Station (#S-61)

The Midlakes Pump Station project will replace the existing sewer pump station with a larger one to provide capacity for planned growth in the Bel-Red Corridor. Due to design and construction complexities related to pump station siting, and due to the presence of artesian groundwater conditions with associated effects on structural design and construction requirements, the Utilities Department staff is recommending an increase to the project budget to provide for additional structural design work, an increase to the construction budget and preparation of a more complex operating manual.

- Project #S-61: Funding Request: Increase 2019 budget by \$481,000 from \$2.874M to \$3.355M:

Table 1: Proposed Change to 2019-2025 Midlakes Pump Station Project Budget (\$000)

2019	2020	2021	2022	2023	2024	2025	Total
\$2,819	\$11	\$11	\$11	\$11	\$11	\$0	\$2,874
\$3,300							\$3,355

Key 2019-2020 Budget Highlights

- ❖ **Maintain current service levels to the community.** Utility services are essential to the health and economic well-being of the community. The budget proposals include the following requests to maintain current levels of service:
 - **Coal Creek Utility District (CCUD) reservoir maintenance.** In 2002, Bellevue Utilities assumed a portion of the CCUD. As a result, the Utility entered into an interlocal agreement which stipulates maintenance cost sharing of facilities that remain under the ownership of CCUD and serve both entities, including certain water reservoirs. This request funds application of protective coating to prevent corrosion to two reservoirs. This work is needed to avoid premature degradation and failure of the reservoir. Bellevue's cost share, per the interlocal agreement, is 40% of the total cost.
 - Proposal #140.15 – Funding request: \$750,000 (one-time funding from available water utility reserves)
 - **Maintain customer service.** This proposal increases the Customer Service and Billing function by 0.25 FTE to right-size staffing necessary to maintain customer service delivery. The Customer Service and Billing group is responsible for issuing bi-monthly water, sewer, stormwater utility billings to approximately 36,000 residential accounts and 2,000 commercial and multifamily accounts, prepares 5,000 bills weekly, and receives up to 125 calls daily. The key functions performed by this group consist of fielding customer calls and customer account management functions. This request is driven by:
 - Insufficient staffing for customer support. Staffing for the customer service and billing function was reduced during the recession in 2012 to a level that is not sustainable to maintain customer service levels. While the group is able to maintain customer satisfaction in fielding customer calls, the staffing level is insufficient to keep up with customer account management functions, resulting in a backlog of tasks that are currently not completed or not completed timely, amounting to about 0.5FTE worth of workload.
 - Increased workload. As the City has grown with increased development, workload for this workgroup has also grown due to new customer accounts and customer moves processed.
 - Proposal #140.33 - Funding request: \$18K/yr (ongoing; water rates)
 - **Wholesale Costs.** The budget proposals include funding for wholesale costs for drinking water supply from Cascade Water Alliance (Cascade) and wastewater treatment from King County Metro (KC Metro). Per Council-adopted policy, increases in the cost of drinking water supply and wastewater treatment are passed directly through to ratepayers.

At this time, the 2019 wholesale cost increases have not been finalized by the wholesale providers. The wholesale cost budget proposal will be updated during development of the Preliminary budget in late summer to reflect the updated wholesale cost projections from Cascade and KC Metro at that time.

❖ **Implementation of Previously Approved AMI CIP Project**

- 6.0 LTEs to support Advanced Metering Infrastructure (AMI) implementation. As AMI is implemented in 2019 and 2020, there will be a need to temporarily ramp up staff resources. Specifically, this effort will include hiring six (6) limited term employees (LTEs) over the length of the implementation period, expected to last through December 2020. Once AMI is fully implemented, the requested six LTEs will be eliminated.
 - Proposal #140.69. Funding is included in AMI CIP project proposal.
- 2.0 LTEs for meter reading during AMI implementation. LTEs are employees that are hired for a specific duration and provide flexibility in workforce management. As current Meter Reading positions become vacant, LTEs are hired to temporarily fill these functions during AMI implementation. Once AMI is fully implemented, these LTEs will be eliminated and the number of Meter Reading FTE positions will be reduced from 6.0FTEs to 2.0FTEs.
 - Proposal #140.45. Funding from salary savings from vacant meter reading FTE positions.

- ❖ **Service Enhancement - Storm and Surface Water video inspection.** The Storm and Surface Water Condition Assessment Program uses Closed Circuit TV (CCTV) equipment to inspect the inside of drainage pipes and identify defects that need repair. These defects, if not corrected, can cause pollution to enter the system as well as lead to catastrophic failures that have the potential to result in flooding, damage to roadways and down-slope properties, and liability claims. The current video inspects about 7 miles of stormwater pipe each year. This request will increase the amount of pipe inspected to 20 miles per year.
- Proposal #140.23 - Funding request: \$73K/yr (ongoing; stormwater rates)

The following table summarizes the proposed changes to the current authorized staffing for the Utilities Department.

Table 2: Proposed Changes to Utilities Department FTEs and LTEs

	FTEs	LTEs	Total
Authorized – 2018	173.75	2.00	175.75
Billing Account Rep	0.25	--	0.25
AMI			
Implementation Support	--	6.00	6.00
Meter Reader	--	2.00	2.00
Maint Worker (expires at end of 2018)	--	(1.00)	(1.00)
Total Change	0.25	7.00	7.25
Requested - 2019-20 Budget	174.00	9.00	183.00

The Utilities Department looks forward to working with the ESC to review the proposed 2019-2020 budget proposals. An additional ESC meeting is scheduled for June 21 for further ESC discussion of the budget proposals and rate increases necessary to fund the proposals.

Attachments

1. Utilities Department Proposed 2019-2025 CIP Budget Proposals

ATTACHMENT 1: Utilities Department Proposed 2019-2025 CIP

**Utilities Department
2019-2025 CIP Budget Proposals**

Proposal: #140.02. Replacement of Aging Water Infrastructure

Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	Total
W-16	Asbestos Cement Wtr Main Repla	9,720,000	9,914,000	10,113,000	10,317,000	10,736,000	10,950,000	11,169,000	72,919,000
W-67	Press Reduc Valve	-	-	424,000	433,000	441,000	451,000	459,000	2,208,000
W-69	Minor Capital Improvement Proj	766,000	238,000	305,000	357,000	320,000	397,000	321,000	2,704,000
W-82	Fire Hydrant Standardization	143,000	120,000	-	-	-	-	-	263,000
W-85	Reservoir Rehab or Replacement	1,284,000	4,585,000	3,470,000	1,570,000	2,127,000	1,833,000	1,698,000	16,567,000
W-91	Wtr Pump Stat Rehab or Replace	5,224,000	3,348,000	2,908,000	2,554,000	1,045,000	832,000	2,544,000	18,455,000
W-98	Large Commercial Meter Vault Replacement	-	120,000	122,000	125,000	195,000	199,000	202,000	963,000
W-99	Service Lines & Saddle Replcmt	-	263,000	268,000	274,000	281,000	286,000	292,000	1,664,000
W-110	NE 40th and Enatai Inlet Suppl	416,000	1,698,000	54,000	210,000	-	-	-	2,378,000

140.02INA Total \$17,553,000 \$20,286,000 \$17,664,000 \$15,840,000 \$15,145,000 \$14,948,000 \$16,685,000 \$118,121,000

Proposal: #140.03. Replacement of Aging Sewer Infrastructure

Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total
S-16	Sewage Pump Station Improv	1,307,000	815,000	1,204,000	1,402,000	1,212,000	839,000	1,014,000	7,793,000
S-24	Sewer System Trunk Rehab	-	689,000	2,070,000	2,115,000	2,152,000	2,199,000	2,242,000	11,467,000
S-32	Minor Capital Improvement Proj	-	-	6,000	137,000	142,000	144,000	147,000	576,000
S-58	Sewer Lake Line Replcemt Progm	156,000	-	-	-	-	-	-	156,000
S-66	Sewer System Pipeline Repl Pgm	4,328,000	1,784,000	1,219,000	1,708,000	1,770,000	1,805,000	1,841,000	14,455,000
S-67	I&I Investigations and Flow Mo	316,000	-	-	-	-	-	-	316,000
S-71	Lakeline Sewer Replacement	260,000	159,000	162,000	-	-	-	-	581,000

140.03INA Total \$ 6,367,000 \$ 3,447,000 \$ 4,661,000 \$ 5,362,000 \$ 5,276,000 \$ 4,987,000 \$ 5,244,000 \$ 35,344,000

ATTACHMENT 1: Utilities Department Proposed 2019-2025 CIP (con't)

Utilities Department											
2019-2025 CIP Budget Proposals											
Proposal: #140.04. Replacement of Aging Storm Infrastructure											
Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total		
D-59	Minor Capital Improvement Proj	70,000	173,000	559,000	457,000	261,000	263,000	269,000	2,052,000		
D-64	Infrastructure Rehab Program (773,000	1,372,000	1,517,000	1,527,000	1,635,000	1,753,000	1,880,000	10,457,000		
D-103	Repl. Coal Creek Pkwy Culvert	26,000	-	-	-	-	-	-	26,000		
D-105	Replace NE 8th St Culvert at K	26,000	27,000	27,000	28,000	28,000	-	-	136,000		
D-107	Storm Water Video Inspection E	246,000	-	-	-	-	-	-	246,000		
140.04NA Total		\$ 1,141,000	\$ 1,572,000	\$ 2,103,000	\$ 2,012,000	\$ 1,924,000	\$ 2,016,000	\$ 2,149,000	\$ 12,917,000		
Proposal: #140.05. Utility Capacity for Growth											
Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total		
S-60	Wilburton Sewr Capacity Upgrad	11,000	48,000	49,000	50,000	-	-	-	158,000		
S-61	Midlakes Pump Station Impvs	3,300,000	11,000	11,000	11,000	11,000	11,000	-	3,355,000		
W-103	Reservoir Storage for Dwtntwn	1,576,000	-	-	-	-	-	-	1,576,000		
W-104	Water Supply for W. Bellevue	2,319,000	-	-	-	-	-	-	2,319,000		
140.05NA Total		\$ 7,206,000	\$ 59,000	\$ 60,000	\$ 61,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 7,408,000		
Proposal: #140.08. Environmental Preservation											
Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total		
D-81	Fish Passage Improvement Proj	365,000	18,000	18,000	254,000	684,000	649,000	545,000	2,533,000		
D-86	Stream Channel Modific Prog	737,000	164,000	192,000	404,000	483,000	980,000	682,000	3,642,000		
D-94	Flood Control Program	1,527,000	49,000	326,000	675,000	1,876,000	662,000	675,000	5,790,000		
D-104	Stream Restoration for M & I	26,000	27,000	27,000	28,000	-	-	-	108,000		
D-104-B	StreamRestoration for M&I Bank	-	-	-	-	-	-	-	-		
D-106	Lower Coal Creek Flood Hazard	5,559,000	206,000	134,000	100,000	79,000	50,000	-	6,128,000		
D-109	Strm Wtr Qlty Retrofit Klsy Crk	326,000	16,000	-	-	-	-	-	342,000		
140.08NA Total		\$ 8,540,000	\$ 480,000	\$ 697,000	\$ 1,461,000	\$ 3,122,000	\$ 2,341,000	\$ 1,902,000	\$ 18,543,000		

ATTACHMENT 1: Utilities Department Proposed 2019-2025 CIP (con't)

Utilities Department 2019-2025 CIP Budget Proposals										
Proposal: #140.054. Water Facilities for NE Spring Blvd Multi-Modal Corridor										
Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total	
W-105	NE 15th Multi Modal Corridor	877,000	226,000	231,000	235,000	-	-	-	-	1,569,000
W-105-B	Wtr Fclties or Spring Bid Bank	-	-	250,000	255,000	260,000	265,000	271,000	-	1,301,000
140.54DA Total		\$ 877,000	\$ 226,000	\$ 481,000	\$ 490,000	\$ 260,000	\$ 265,000	\$ 271,000	\$	\$ 2,870,000
Proposal: #140.069. Advanced Metering Infrastructure (AMI) Implementation										
Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total	
W-108	AMI Implementation - Water	8,207,000	2,100,000	-	-	-	-	-	-	10,307,000
S-108	AMI Implementation - Sewer	3,518,000	900,000	-	-	-	-	-	-	4,418,000
140.69NA Total		\$11,725,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,725,000
Proposal: #140.070. Utilities Maintenance and Operations Yard Land Acquisition										
Plan #	Plan Description	2019	2020	2021	2022	2023	2024	2025	2019-2025 Total	
W-111	Utilities M&O Yard Land Acquisition - Water	5,333,333	-	-	-	-	-	-	-	5,333,333
S-111	Utilities M&O Yard Land Acquisition - Sewer	2,666,667	-	-	-	-	-	-	-	2,666,667
140.69NA Total		\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000,000
Total		\$61,409,000	\$29,070,000	\$25,666,000	\$25,226,000	\$25,738,000	\$24,568,000	\$26,251,000	\$	\$ 217,928,000

2018 Tentative Environmental Services Commission Calendar

June 1, 2018

JANUARY 4

Introduce 2019-2025 CIP Update & CIP Review & Updating Process (Paul/Martin)

FEBRUARY 1

2018 Draft Storm Water —Mgmt. Program (Don McQ) Storm & Surface Water Plan —Implementation (Paul/Kit)
2019-2010 Budget Planning Process —Overview (Lucy/Martin)
Waterworks Financial Policies —Overview (Lucy/Martin)

MARCH 1

Review Proposed Changes & —Additions to Utilities CIP —(Paul/Martin)
Utilities Finance 101 (Lucy/Martin)

APRIL 5

2017 Year-end Financial Report & —Early outlook 2019-2025 Rates —forecast (Lucy/Martin)
Summarize CIP Public Comments & —Request ESC CIP Concurrence —(Paul/Martin)

MAY 3

Seattle Public Utilities Rpt of Wtr Resiliency (Alex Chen/SPU)
O&M Facilities Master Plan (Joe)
Utilities CIP Budget Proposals Review (Lucy/Martin)
Water Rate Structure Review (Lucy/Martin)
Emergency Water Supply Master Plan Update (Doug)

JUNE 7

Election of Chair & Vice Chair (Andrew)
Storm and Surface Water Condition Assessment Program Proposal (Joe/Don)
Utilities Operating Budget Proposals Review (Lucy/Martin)

JUNE 21

Comments & recommendations on Budget Proposals (Lucy/Martin)
AMI Program Update (Brian)
Utilities Rate Relief Program Review (Lucy/Alex)

JULY 19

CIP Tour

AUGUST 2

Recess

SEPTEMBER 6

AMI Program Update (Brian)
Budget Follow-Up (Lucy/Martin)
Wastewater System Plan (Doug)
Sewer/Storm Cost of Service Studies (Lucy/Martin)
Utilities Rate Relief Program Review (Alex/Patricia)

OCTOBER 4

Preliminary Rates Forecast; Public Hearing on proposed Utilities Budget (Lucy/Martin)
Water System Seismic Vulnerability Assessment (Doug)

NOVEMBER 1

Budget/Rate Recommendation to Council (Lucy/Martin)

DECEMBER 6

Retreat

July

S	M	T	W	T	F	S
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2018 Tentative Council Calendar

Updated 4-25-18

January						
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June						
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MAY 7

Motion to award AC Main replacement 2018 of Phase II Construction (Linda/Jim)

Motion to approve increase to the construct on contract with Goodfellow Bros. for Vue Crest San Sewer (Linda/Jim)

May 21

Resolution authorizing execution of professional services contract for Cougar Mtn. 3 (Linda/Jim)

Resolution authorizing professional services contract amendment for Midlakes (Linda/Debbie)

JUNE 4

Resolution authorizing the execution of a Professional Service Agreement with the OptiRTC, Inc. for the automation of Stormwater Detention Ponds Using Smart Technology

JULY

AUGUST

Recess

SEPTEMBER

Utilities Rate Relief Program Review (Lucy/Alex)

OCTOBER

NOVEMBER

Tentative SW Comp Plan (TBD)

DECEMBER

2018 Tentative

- 4/16 Motion to award LCCFHR G2 (Debbie)

July						
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August						
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October						
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November						
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City of Bellevue Utilities Environmental Conservation & Outreach Events and Volunteer Opportunities

June

1. Waterwise Garden Volunteer Work Party

Location: Bellevue Botanical Garden

Dates: June 6th and 20th, 1 pm to 3 pm

Staff: Patricia Burgess, 425-452-4127, pburgess@bellevuewa.gov

Karren Gratt, 425-452-6166, kgratt@bellevuewa.gov

JULY

1. Waterwise Garden Volunteer Work Party

Location: Bellevue Botanical Garden

Dates: July 5th and 18th, 1 pm to 3 pm

Staff: Patricia Burgess, 425-452-4127, pburgess@bellevuewa.gov

Karren Gratt, 425-452-6166, kgratt@bellevuewa.gov

2. Yeti at the Bellevue Family 4th

Location: Downtown Park

Date: July 4th, 4:30 pm to 5:30 pm

Staff: Karren Gratt, 425-452-6166, kgratt@bellevuewa.gov

