

# Agenda

## ENVIRONMENTAL SERVICES COMMISSION MEETING

450 - 110th Avenue NE (City Hall)  
 Conference Room 1E-113  
 Thursday 6:30PM  
 January 21, 2016  
 Regular Meeting

		<u>Page</u>	<u>Action</u>
	1. Call to Order – Keith Swenson, 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 10.		
<b>Commissioners:</b>	3. Approval of Agenda *		X
<i>Keith Swenson</i> Chair	4. Approval of Minutes * <ul style="list-style-type: none"> <li>• November 19, 2015 Regular Meeting Minutes</li> </ul>	1-8	X
<i>Calvin Wang</i> Vice Chair	5. Public Meeting - <i>Opportunity for public comment to Commission</i> <ul style="list-style-type: none"> <li>• Draft NPDES 2015 Stormwater Management Program Plan *</li> </ul> <i>Presenters: Paul Bucich, Engineering – Assistant Director, Susan Fife-Ferris, Manager, Environmental Communications &amp; Outreach and Don McQuilliams, Acting Supervisor, Water Quality</i>	9	
<i>Anne Howe</i>			
<i>Ticson Mach</i>			
<i>Aaron Morin</i>	6. Reports & Summaries <ul style="list-style-type: none"> <li>• ESC Calendar/Council Calendar *</li> </ul>	10-11	
<i>Lisa Shin</i>			
<i>Diane Strom</i>	7. New Business <ul style="list-style-type: none"> <li>• Solid Waste Contract Performance Audit &amp; Customer Satisfaction Survey Results  <i>Presenter(s): Susan Fife-Ferris, Mgr., Environmental Communications &amp; Outreach, Stephanie Schwenger, Solid Waste Contract Program Administrator and Jennifer Goodhart, Environmental Program Administrator</i></li> <li>• Utility CIP Update  <i>Presenter(s): Pam Maloney, P.E., Water Resources Planning Manager – Engr. Division and Doug Lane, P.E., Sr. Engineer – Engineering Division</i></li> </ul>	12-17	
<b>City Council Liaison:</b>			
<i>Jennifer Robertson</i> Councilmember			
<b>Staff Contact:</b>			
<i>Andrew Lee</i> 425-452-7675			
<b>Staff Support:</b>			
<i>Katie LaFree</i> 425-452-4497	8. Commission Report		
	9. Director's Office Report		
	10. City Council Communications		
	11. Continued Oral Communications		
	12. Adjournment		

\* Materials included in packet  
 # Materials separate from packet



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

Thursday  
November 19, 2015  
6:30 p.m.

Conference Room 1E-113  
Bellevue City Hall  
Bellevue, Washington

**COMMISSIONERS PRESENT:** Chair Swenson, Commissioners Morin, Howe, Mach, Shin, Strom, and Wang

**COMMISSIONERS ABSENT:** None

**OTHERS PRESENT:** Andrew Lee, Deputy Director; Paul Bucich, Asst. Director Engineering; Doug Lane, Water & Sewer Systems Senior Engineer; Pam Maloney, P.E., Water Resources Planning Manager

**MINUTES TAKER:** Laurie Hugdahl

**1. CALL TO ORDER:**

The meeting was called to order by Chair Swenson at 6:35 p.m.

**2. APPROVAL OF AGENDA**

**Motion made by Commissioner Wang, seconded by Commissioner Shin, to approve the agenda as presented. Motion passed unanimously (7-0).**

**3. COMMUNICATIONS**

Loretta Lopez, VP Bridle Trails Community Club spoke regarding the Pikes Peak Water Reservoir. She asked if there is a plan to increase the size of the water reservoir. She stated that the community needs more specific information about if and how the reservoir will be increased and if there will be a generator. She stated that the community is at a disadvantage because they only have 30 days to comment on this, but they don't have this information yet. She hoped that the 30-day comment period doesn't impact the public's ability to comment on this Plan.

Alice Prince, Bridle Trails Park, Foundation to Save Bridle Trails Park, concurred with Loretta's comments. She asked if the 30-day comment period starts now or after the public gets the full amount of information requested.

4. **APPROVAL OF MINUTES**

September 17, 2015 Regular Meeting Minutes

**Motion made by Morin, seconded by Commissioner Howe, to approve the minutes with the addition of Lisa Shin to the Attendance.**

Lisa Shin noted she was present at the September 17 meeting, but wasn't listed as present on the minutes.

Commissioner Wang referred to item 8 and stated that it didn't really answer his question. Deputy Director Lee stated he would address that during the questions and answers.

**Motion passed unanimously (7-0).**

5. **FOLLOW-UP QUESTIONS AND ANSWERS**

- **Cascade Water Alliance**

Commissioner Wang asked what the economic value of conservation is if the City has already paid for the water. He wondered if there was a conflict in this.

Deputy Director Lee noted that the City does pay for the block whether or not it is used. The current block provides 33.3 MGD on an average daily use. Historically Bellevue has used about 26.9 MGD. He agreed that the City has not been using the full allocation of the block. The pricing on the contract is not the same as the pricing that everyone else gets. The per-gallon rate for Bellevue is much lower than for any other jurisdiction. This makes it difficult to make a direct comparison. He noted that if Bellevue didn't have the block contract arrangement, we would probably be paying the same or even more. It is a net benefit to the City to have the block contract.

Deputy Director Lee referred to page 11 which answers the question, "How does the recent curtailment advisory affect the aforementioned agreement?" He noted that the agreement allows for a reduction in the City's costs if there is a voluntary advisory imposed that is targeting a 10% reduction. The City is targeting a 10% reduction from the original entitlement. Deputy Director Lee stated that the City still wants to encourage conservation because it benefits the region. The City also gets a cost reduction for reduction. Commissioner Wang asked if, given the fact that we have this block, it makes sense to have a conservation mentality. Deputy Director Lee replied that it does because if they don't, there is a very significant project and expenditure ahead of the City at the point where more water is needed.

Commissioner Mach spoke to the importance of conveying the message of conservation regardless of the block issue. Commissioner Wang concurred, but said he was trying to understand the economic benefit of it in this situation. He asked if delaying the construction of the project would really be a savings because of inflation. Deputy Director Lee explained it is a savings for the ratepayers if they can delay costs.

## 6. REPORTS AND SUMMARIES

- ESC Calendar/Council Calendar

Deputy Director Lee stated that the ESC retreat will be held in December in lieu of a regular meeting. Staff will be going to the Council Study Session on November 23 with the Storm System Plan. Chair Swenson will be attending to express ESC support. The Issaquah Assumption went through, but it will not happen until 2017. Commissioner Wang asked about the revised hydraulic model. Chair Swenson commented that would be part of the decision regarding the upcoming Water System Plan.

- Conservation & Outreach Events & Volunteer Opportunities

Information is included in the packet.

## 7. NEW BUSINESS

- Water System Plan – Discuss Draft Plan  
*Presenter: Pam Maloney, P.E., Water Resources Planning Manager – Engineering Division & Doug Lane, P.E., Senior Engineer – Engineering Division*

Doug Lane explained that the Plan is required by the Department of Health who is reviewing it right now concurrent with the ESC's review and that of neighboring utilities. The Department of Health wants to see that the Utility is planning ahead for growth and for appropriate replacement. The information gleaned from doing this Plan gives the City valuable information and helps to make good decisions. Currently the City is also conducting a SEPA review process. The public review is on the Plan itself. Specific projects will have their own SEPA review while the Plan review is a review of the entire planning process. He solicited any questions or comments.

Commissioner Wang asked about the possibility of having a connection with Issaquah for emergency purposes. Mr. Lane replied that the City has connections with Kirkland and Coal Creek. Neither of those have wells, but they purchase all of their water from Seattle. Therefore they are not really emergency suppliers since they use the same supplies as Bellevue. The issue

with Issaquah is they would have to add a lot of transmission. Additionally, if there was an emergency Issaquah would likely need to use their own water. Commissioner Wang thought Issaquah was developing toward the Bellevue area anyway. He suggested that this is something the City should look at in the long range.

Deputy Director Lee stated there is currently a pipeline that goes between Bellevue and Sammamish. He thought that the most likely event in which they would need water would be in the event of an earthquake, and there is concern about whether or not that pipe would even survive. In the event of an earthquake the most reliable sources of water are going to be local ones. He spoke to importance of developing reliable groundwater sources of water as they are less likely to be impacted by liquefaction.

Commissioner Morin asked about looking at surface water as a potential source of emergency water. Mr. Lane replied that technically the City has rights to do that, but there are water treatment issues associated with that, and land would be needed for a treatment plant. He suggested that consideration of some sort of emergency treatment method could be included in the Plan.

Chair Swenson asked if water could be drawn from the lakes in the event of a fire situation. He asked if that kind of equipment is available in the fire department. Commissioner Howe wondered if there would even be road access down to the lake for fire trucks to access the water. Commissioner Wang asked about increasing storage capacity from a one-day supply to more. Mr. Lane replied that it is the City's practice to actually store more than one day's use, since fire storage is counted separately.

Commissioner Strom asked about the tradeoffs of storing more than one-day's water use. Mr. Lane distributed a memo from the ESC's discussion of this issue prior to Commissioner Strom's term. There was discussion about the water quality deterioration when water ages in storage. Mr. Lane explained there is also the issue of lack of land and expense of construction. The Plan recommends exploring wells or groundwater use as a potential option to provide continuous emergency supply, rather than the high capital expense and water quality concerns that come with temporary extra water storage. Pam Maloney explained that the Plan recommendation is to look at whether or not to explore using wells and to evaluate how they might best be used.

Commissioner Morin asked about details about Pikes Peak Reservoir. Mr. Lane stated that the Plan identifies the required volume and the asset management related topics. The intent is not to specify what the solution is, but just to identify issues. Chair Swenson asked if there would be additional opportunity for public input and outreach at the point where a project is needed. Assistant Director Bucich explained that staff already knows there is a deficit, and that the tank needs a structural retrofit. The plan moving forward

is to have extensive public outreach and engage the community in the process for a specific solution. When a final project is decided upon that project will go forward with design, permitting, and its own SEPA process. At that point there will be continued opportunity for the public to express any concerns and make comments. The Council will make the final decision about the project. The schedule is for the public process in 2016, with project construction in 2018.

Commissioner Mach referred to the policies in the Plan on page ES-3, and asked if they are listed in priority order. Ms. Maloney stated that all the policies carry equal weight. Mr. Lane replied that the policies highlighted in the Executive Summary were either new policies or ones that had been significantly changed. The policies that haven't changed much are listed in Chapter 2.

Commissioner Mach then referred to the chart on page ES-5 and asked about the accuracy. Mr. Lane explained that the chart is a couple years old. Ms. Maloney added that the chart came out of a report in 2012, but it is tracking pretty closely to the forecast.

Commissioner Howe asked about the spike in pump stations in 2066 and 2084. Ms. Maloney explained that the information got less and less refined the further out they got. Deputy Director Lee explained that those types of spikes would be problematic without the R&R fund, but because there is a bank those expenses could be leveled out. Mr. Lane commented that they may represent full replacement of our largest pump stations.

Commissioner Strom requested that some of the referenced tables from section 4.11, *Summary of Recommendations*, be added directly into the Executive Summary to make it more readable.

Commissioner Mach asked for an explanation of the projected water demands from 2006 on page ES-6. Mr. Lane explained that the criteria used to make projections had changed since 2006. He reviewed how the calculations were made and summarized how demand, growth, and conservation goals had been incorporated into his table. Ms. Maloney commented that even with more conversation, because of population growth we will be consuming more water over time. 1992 was a severe drought and water use was restricted. It has never raised back up to the level of demand before the drought. She explained that conservation trend has been occurring for decades in spite of a much higher population. Assistant Director Bucich emphasized the need for the City to continually monitor and forecast use and demands.

Commissioner Mach asked about the green line showing employee water use on Figure ES-2: *Actual per Capital Water Demands*. Mr. Lane explained that

is the total commercial and municipal water demands divided by the number of people who work in Bellevue.

Commissioner Mach asked about the development of net zero and sustainable buildings. Mr. Lane discussed emerging trends within the development community for green buildings and to be fully sustainable in terms of water and sewer. This is not common, but has happened in Seattle at the Bullitt Center. Bellevue wants to be ready with a policy in case this comes up. Ms. Maloney explained that the policy is, "The Utility should anticipate and investigate and prepare for construction or use of buildings with net zero water." It essentially says the City needs to start thinking about it.

Commissioner Wang commended Doug Lane's work on this Plan. Ms. Maloney concurred and noted staff would be bringing this back in February after getting comments from various resource agencies, and would request ESC action at that time.

- Asset Management Annual Report

Deputy Director Lee gave an overview of what asset management is, explaining that asset management optimizes the cost of acquiring, operating, maintaining, renewing, and replacing infrastructure assets; while meeting service levels expected by the community and required by regulators; at an acceptable level of risk.

He reviewed the EPA's 10-step process for Asset Management which includes developing an inventory, assessing the condition, determining residual life, determining life cycle costs, setting target levels of service, determining business risk exposure, optimizing operations and maintenance, optimizing capital improvement program, determining funding strategy, and building the asset management program.

With regard to Bellevue's Watermain Asset Management Approach, the City's target service level goal based on number of unplanned water service incidents per 1000 is an average of 3 interruptions per 1000 customers. The biggest source of service interruptions is water main breaks. 6" asbestos cement pipes comprise the majority of those breaks. This will be the main focus of the next round of replacements. Deputy Director Lee reviewed AC watermain replacement history and projections. For wastewater pipelines, the service level goal is less than 4 overflows per 100 miles of pipe per year. There is a risk based repair and rehabilitation/replacement strategy where they determine failure possibility in order to determine the management strategy.

For stormwater, the indicator is structural flooding occurrences for storms less than a 100 year storm event. He stated that staff is taking a closer look at the data to make sense of it. Deputy Director Lee stated that Bellevue fared well

during the recent storm event. He noted that 36% of the inventory data for stormwater pipelines is missing or incomplete. Filling in those gaps is a focus.

For the Wastewater Pump Station Report 26 pump stations were evaluated, condition assessment was done, and a 75 year replacement and rehabilitation schedule was created. From that the 75 year replacement and rehab schedule has been updated.

For the stormwater system, an assessment was done on 260 stream culverts. The assessment found 23 that were previously unaccounted for and unmaintained. They did a vertical GPS survey for all assessed culverts. They made edits to the stream layer in GIS.

Staff are currently working on a Storm Pipeline Condition Assessment program which includes the video inspection program, cleaning program, and accurate asset inventory. The Storm Video Project will be focusing in 1000 miles of storm pipeline (1/4 of the system) which will be assessed in a four year project.

Lastly, Utilities is completing an Analysis of Asset Management which focuses on assessing our asset management practices in 15 focus areas and creating a 5-year roadmap to improve our Asset Management Program. A number of gaps were uncovered, and 145 improvement initiatives were created covering maintenance optimization, condition assessment, and information systems. He then discussed the Analysis of Asset Management as indicated by the Utility Business Maturity Evaluation (UBME) tool. There was a two-day interview with stakeholders based on the UBME results. This resulted in 145 initiatives. Prioritization and level of effort rankings were completed and initiative owners were defined. This resulted in a 5-Year roadmap for the future.

## **8. DIRECTOR'S OFFICE REPORT**

Deputy Director Lee stated that the City received a Sustainable Water Utility Management Award which is the highest award that the Association of Metropolitan Water Agencies awards. This is a comprehensive achievement award for the total department. Additionally, Deputy Director Lee stated that every four or five years the City applies for APWA accreditation process and it appears they will be successful.

Commissioner Wang asked to have Katie send a map to where the retreat will be.

Deputy Director Lee stated that the Councilmember Robertson will be invited to attend. Members of the public will also be in attendance. The primary difference is that it will be less formal and will be a more fluid agenda. He solicited ideas from the Commission about what they would like to discuss at the retreat.

Commissioner Wang said he would like to discuss the agenda format. He recommended updating the agenda to be similar to other committees. He would also like to discuss regular staff reports. Finally, he would like to discuss the date of the meeting. He would like to change the schedule back to the 1<sup>st</sup> Thursday. He also requested a tour of the Bellevue Service Center.

Chair Swenson recommended discussing avenues for more interaction with other departments/committees/groups.

Commissioner Mach expressed an interest in discussing what to do when the Council doesn't listen to the ESC's recommendation.

Commissioner Wang suggested this could be a time to ask Councilmember Robertson any questions they have. Commissioner Morin suggested asking for her opinion if there are things the ESC could be doing differently or more effectively.

Deputy Director Lee asked the members of the ESC to email him any additional recommendations.

**9. CONTINUED ORAL COMMUNICATIONS**

None

**10. ADJOURNMENT**

**Motion made by Commissioner Howe, seconded by Commissioner Mach, to adjourn the meeting at 8:50 p.m. Motion passed unanimously (7-0).**

The meeting was adjourned at 8:50 p.m.



# MEMORANDUM

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	<b>Action</b>
<u>X</u>	<b>Information</b>
<u>X</u>	<b>Discussion</b>

**DATE:** January 21, 2016

**TO:** Environmental Services Commission

**FROM:** Susan Fife-Ferris, Manager, Environmental Communications and Outreach  
Don McQuilliams, Acting Supervisor, Water Quality  
Paul A. Bucich, P.E., Assistant Director Engineering, Utilities

**SUBJECT:** Public Meeting on the NPDES 2016 Stormwater Management Program Plan

### Commission's Role

No action is required by the Commission tonight. The Commission will be asked to take action at the February 4<sup>th</sup> Environmental Services Commission meeting to transmit to City Council the public meeting comments, if any, and Commission comments and recommendation for submittal of the 2016 Stormwater Management Program Plan (SWMP Plan) to Ecology.

### Public Meeting

Tonight, the Commission will host a public meeting on Bellevue's draft 2016 SWMP Plan. The SWMP Plan describes the actions the City will take in 2016 to implement the requirements of the Federal National Pollutant Discharge Elimination System (NPDES) <sup>1</sup> Municipal Stormwater Permit. Staff will make a presentation about the SWMP Plan prior to the public meeting.

The Permit requires that the public have an opportunity to comment on the Permit's SWMP Plan. Although prescriptive, there are some opportunities during the Permit term for public comment to influence how certain requirements are implemented. The public also has opportunities throughout the year to comment on Bellevue's stormwater programs that are not Permit requirements, such as the Stormwater Capital Improvement Program, flood response, etc.

The City's current five-year Permit took effect on August 1, 2013, and its requirements are phased in over the Permit term and affect programs City-wide. This is the third SWMP Plan prepared under the current Permit. Overall Permit management is provided by the Utilities Department with oversight from a City-wide Steering Committee reporting to the City Manager's Office.

A copy of the draft SWMP Plan has been provided to Commissioners and made available to the public on the City's website at: <http://www.bellevuewa.gov/stormwater-runoff-management.htm>.

### NPDES Annual Report

The City's 2016 NPDES Annual Report consists of the 2016 SWMP Plan and a 2015 Compliance Report, which documents the City's Permit compliance activities for the preceding calendar year. The 2015 Compliance Report is a prescriptive, "fill in the blanks" document provided by Ecology that is completed administratively by City-wide staff. Currently, a placeholder for the 2015 Compliance Report is included as Appendix B to the 2016 NPDES Annual Report.

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<sup>1</sup>The nationwide NPDES Permit Program is a requirement of the Federal Clean Water Act. Permit authority was delegated by the Federal Environmental Protection Agency (EPA) to state environmental agencies, which in Washington is the Department of Ecology.

# Tentative Council Calendar

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## January

- 19** Resolution Authorizing execution of 2 large on-call Prof Svcs contracts for Storm Eng Design (Paul/Regan)
- Resolution Authorizing Execution of 2 large Prof Svcs Contracts for Water Engineering Design (Paul/Regan)
- Resolution Authorizing execution of 2 Large Prof Svcs. Contracts for Sewer Engineering Design (Paul/Regan)

- 25** Regional Issues - KC Willowmoor Project (Alison/Paul B/KC Staff)

## February

- 1** Regular Session - APWA Accreditation Award Presentation (Nav/Dave B)

## March

- 7** NPDES 2016 Annual Plan Presentation (Nav/Andrew/Paul/Susan)
- 21** NPDES Approval for CMO to sign (Nav/Andrew/Paul/Susan)

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# Tentative Environmental Services Commission Calendar

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**January**

**21** Draft NPDES 2016 Stormwater Management Plan (Susan Fife-Ferris/Paul Bucich/Don McQuilliams)  
Introduce 2017-2023 CIP Update & Review Adopted 2015-2021 Utilities CIP (Pam Maloney)  
Solid Waste Contract Performance Audit & Customer Satisfaction Survey Results (Susan Fife-Ferris/Stephanie Schwenger)  
Utility CIP Update - 1 Hour (Pam Maloney)

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**February**

**4** NPDES Letter of Recommendation re: Annual Report to Council Approval (Susan/Don/PaulB)  
Review Proposed Changes & Additions to Utility CIP (Pam Maloney)  
Water System Plan - Request ESC approval and recommendation for Council Adoption (Pam Maloney/Doug Lane)

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**March**

**3** 2017-2018 Budget Process Overview (Lucy Liu/Martin Chaw)  
AMI Feasibility Study (Andrew Lee)  
Stream Team Annual Overview (Laurie Devereaux)  
Utility CIP Update 1 Hour (Pam Maloney)  
Waterworks Financial Policies (Lucy Liu/Martin Chaw)

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**April**

**7** 2015 Year End Financial Report (Lucy Liu/Martin Chaw)  
CIP Open House 5:30PM (Pam Maloney)  
Early Outlook Forecast (Lucy Liu/Martin Chaw)

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**May**

**5** Utilities Budget Proposals (Lucy Liu/Martin Chaw)

**19** Tentative If Needed - Utilities Budget Proposals (Lucy Liu/Martin Chaw)

**June**

**2** BSC Tour & location for meeting at BSC  
ESC Budget Proposal Recommendations to Results Teams (Lucy Liu/Martin Chaw)

**July**

**7** CIP Tour

**August**

**4** Recess

**September**

**1** Preliminary Rates Forecast (Lucy Liu/Martin Chaw)  
Rate & Tax Relief Program Overview (Susan/Patricia)

**October**

**6** Asset Management Update (Andrew/Andy)

**November**

**3** ESC Budget/Rate Recommendations to Council (Lucy Liu/Martin Chaw)  
Public Hearing on Proposed Utilities Budget (Lucy Liu/Martin Chaw)

**December**

**1** Retreat

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# MEMORANDUM

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Action

Discussion

Information

**To:** Environmental Services Commission

**From:** Stephanie Schwenger, Solid Waste Contract Administrator  
Jennifer Goodhart, Conservation and Outreach Program Administrator  
Susan Fife-Ferris, Manager, Environmental Communications & Outreach

**Date:** January 21, 2016

**Subjects:** Part 1 – Review of Solid Waste Contract Transition and Implementation  
Part 2 – 2014-2015 Solid Waste Customer Survey Results

## Action Required at this Time

No action by the Commission is required at this time.

## Background

The current Comprehensive Garbage, Recycles, and Organics Collection Contract (the Contract) between the City of Bellevue (the City) and Republic Services (Republic) was executed on October 28, 2013, with services commencing on June 29, 2014. Under *Section 3.1.25 Annual Performance Review of the Contract*, the City, at its option, may conduct a review of Republic's performance under the terms of the Contract and conduct surveys of customers regarding Republic's performance. This Memorandum includes the results of a review of the transition to the new Contract and implementation of new services, as well as the results of two customer satisfaction surveys.

## **PART 1 - REVIEW OF CONTRACT TRANSITION AND IMPLEMENTATION**

### **Findings**

The transition to the new Contract generally went well, with continuity of existing services and few customer issues. However, challenges have arisen with the implementation of new services.

To identify opportunities for improvement, the City conducted a review of Republic's implementation activities required under *Section 3.1.23 Transition and Implementation of Contract*, which concerns key promotional and education activities associated with the roll-out of the new Contract. Activities ranged from hiring additional customer service staff and generating new recycling program guides to holding a kick-off event and conducting site visits

to consult multifamily and commercial properties on new services available under the new Contract.

The City found that while many required tasks were completed on time, there were significant issues with the development of promotional and outreach materials which required more City resources to address than expected under the Contract. Key issues include:

- Republic did not provide the City with publication-ready materials for review.
  - Outreach materials submitted for review and approval contained erroneous information and required extensive editing by the City to bring materials to an acceptable, publishable level.
- Republic's staff, at times, lacked the expertise of Bellevue's specific garbage, recycling, and organics' programs.
  - The Contract requires Republic staff to be well versed on the terms of the Contract and fully knowledgeable of all collection and related services. Republic demonstrated, on several occasions, that its staff lacked adequate knowledge and/or expertise of local solid waste handling requirements. For example, a draft commercial recycling brochure was submitted for City review that included instructions for household hazardous waste drop-off at the Factoria Transfer Station, which does not accept materials from commercial customers.
- Republic failed to proactively take on the primary responsibility for customer promotion, education, outreach, recruitment, on-site technical assistance, and training.
  - The Contract requires Republic to take the lead for customer promotion, education, outreach, recruitment, on-site technical assistance, and training. However, the City had to spend significantly more effort than expected under the Contract in these areas, particularly where specialized materials for embedded multifamily/commercial organics recycling, on-site technical recycling assistance to multifamily complexes and businesses, and customer recruitment for recycling and organics services is concerned.

### **Next Steps**

The City continues to work with Republic to address the issues identified above. Republic should take the following actions to ensure full compliance with the Contract terms for future promotion, education, outreach, recruitment, on-site technical assistance, and training activities:

- Hire experts or significantly improve in-house expertise capable of developing effective outreach and education strategies and materials in order to create high-quality, publication-ready materials for City review.
- Demonstrate that Republic is proactively providing customer promotions, education, outreach, recruitment, on-site technical assistance, and training.

The City plans to take the following steps to ensure improved compliance with the Contract terms for customer promotions, outreach, and related activities in the future:

- Re-enforce expectations to Republic concerning the delivery of promotional, education, and outreach materials, recruitment, on-site technical assistance, and training.
- Continue to hold regular meetings with Republic specifically on the topic of customer outreach and education to ensure clear communications of expectation and direction regarding customer promotions.

## ***PART 2 - CUSTOMER SURVEY RESULTS***

The City hired Elway Research, Inc., a professional market research firm, to conduct two market research surveys to gauge customer satisfaction with services provided by Republic, and to assess customers' recycling practices and preferences, and their awareness of certain recycling and organics services. Elway conducted one survey among single-family residential customers, and another survey among multifamily/commercial customers in October-November, 2015.

### **Customer Satisfaction**

#### **Methodology**

Elway Research surveyed 521 randomly-selected Bellevue single-family head-of-household residents between October 25 and November 2, 2015. Elway surveyed 200 heads-of-household responsible for making solid waste decisions by telephone and 321 completed the survey online. Results for the overall sample of 521 are accurate to +/- 4.3% at the 95% level of confidence. For smaller samples, the margin of error varies and is higher.

Elway Research also interviewed 203 randomly-selected commercial and multifamily complex managers who are responsible for making decisions about solid waste services provided to their business or complex. This survey took place October 22-23, 2015. The results for the overall sample are accurate to +/-6.5% at the 95% level of confidence. For smaller samples, the margin of error varies and is higher.

#### **Findings**

To comply with the minimum satisfaction levels established in the Contract, Republic must score at least 80% satisfaction, less the relevant margin of error, for each customer satisfaction question. The Contractor's satisfaction ratings for each question are based on the combined score of "very satisfied" and "somewhat satisfied."

In both surveys, Republic Services achieved sufficient ratings in 6 of 7 areas of customer satisfaction tested. However, Republic fell short of achieving the minimum customer satisfaction ratings for response time following a missed collection in both the single-family and the multifamily/commercial surveys.

The following table shows 2015 results of the single-family and multifamily/commercial satisfaction questions relative to the minimum allowable customer satisfaction rating based on the margin of error for a given question.

## 2015 Single-family and Multifamily/Commercial Satisfaction Ratings

Question	Single-family Ratings	Satisfaction Goal	Minimum Allowable Single-family Rating <sup>#</sup>	Multifamily/Commercial Ratings	Satisfaction Goal	Minimum Allowable Multifamily/Commercial Rating <sup>#</sup>
1 Over the past year, would you say you have been generally [satisfied/unsatisfied] with Republic Services?	88%	80%	75.7%	91%	80%	73.5%
2 How satisfied have you been with the collection crew that picks up at your home?	81%	80%	75.7%	80%	80%	73.5%
3 How satisfied were you with the response time following a missed collection?*	63%	80%	69.2%	59%	80%	64%
4 Were you [satisfied/unsatisfied] about the response time following a request for a new or replacement cart?*	80%	80%	70.2%	73%	80%	63%
5 How satisfied are you with the telephone courtesy you get from Republic Services?	80%	80%	72.2%	87%	80%	68.3%
6 How about the knowledge of customer service staff on the phone?	77%	80%	72.2%	82%	80%	68.3%
7 How satisfied are you with the handling of phone requests by customer service?	78%	80%	72.2%	86%	80%	68.3%

\*Asked only of customers that had a missed collection in the past year.

\*\*Asked only of customers that had requested a new or replacement cart in the past year.

\*\*\*Asked only of customers that had reason to call Republic Services in the past year.

# Minimum allowable rating is 80% satisfaction, less the relevant margin of error. Margins of error increase as sample size decreases.

### **Next Steps**

The customer satisfaction survey results have been communicated to Republic. Because Republic did not meet the minimum customer satisfaction ratings for response time following a missed collection among both single-family and multifamily/commercial customers, per the Contract, Republic must now develop and implement an action plan to improve response times to missed collections. The action plan must include scheduled milestones for implementing changes that address response times to missed collections. Republic is required to work with City staff to develop the required action plan, and Republic and the City

must mutually agree on scheduled milestones for implementing changes to improve response times to missed collections.

If Republic fails to score the minimum Customer satisfaction rating or higher for two consecutive years on any of the questions identified in the annual customer survey, Republic will pay performance fees of \$50,000 as outlined in *Section 5.1.2 Performance Fees of the Contract*, and will continue to pay applicable fees every year thereafter until it has achieved the required minimum customer satisfaction rating or higher on all survey questions.

### **Customer Awareness of and Practices and Preferences around Recycling and Organics**

Single-family customers were also asked about their recycling practices, awareness and use of recycling resources, and information needs relative to recycling in the survey. Businesses and housing complex managers were also asked about single-stream and organics recycling at their location and their interest in City recycling assistance.

#### **Findings**

Customer awareness of non-routine collection services, such as scheduling special pick-ups, identifying items that require special pick-ups, and knowing where to take unusual items for recycling was significantly lower than customer awareness of regular household collection procedures. This suggests that more public information in these areas would be beneficial. Mailed brochures and information stickers on the carts were cited as the most useful means of providing that information to customers, followed by Republic's and the City's websites.

Another key take away from the survey was the need for the City to collaborate with Republic Services to ensure that information is readily available and easy to find on both Republic's and the City's website.

#### **Next Steps**

Based on the findings the City plans to prioritize the following activities in the coming year:

- Outreach to increase Single-family customers' awareness and use of Republic's Customer Resource Center.
- General customer education around procedures for non-routine collection.
- Outreach and education to increase Commercial and Multifamily recycling, including increasing participation in the new embedded organics program.

Each of the activities should help increase the City's diversion rate since high customer engagement and awareness of best recycling practices have shown to increase customer participation in recycling programs.

and mutually agree on scheduled re-visit for a re-evaluation of changes to improve response rates to missed collections.

Republic will score the amount Customer satisfaction (and or higher for two) and pay performance fee of \$50,000 as outlined in Section 2.1.2 Performance Fee of the contract and will continue to pay an \$10,000 fee every year thereafter until it has achieved the required minimum customer satisfaction (and or higher on all survey questions).

### Customer Awareness of and Practices and Preferences around Recycling and Organics

Large family customers were also asked about their recycling practices, awareness and use of curbside recycling, and information needs related to recycling in the survey. Customers and housing complex managers were also asked about single stream and organics recycling at their location and their interest in fly-recycling assistance.

### Findings

Customer awareness of non-routine collection services, such as scheduling special pickups, identifying items that require special pickup, and knowing where to take unusual items for recycling was significantly lower than customer awareness of regular household collection procedures. This suggests that more public information in these areas would be beneficial. Mixed practices and information stickers on the cans were cited as the most useful means of providing that information to customers, followed by Republic's and the City's websites.

Another key take away from the survey was the need for the City to collaborate with Republic Services to ensure that information is readily available and easy to find on both Republic's and the City's website.

### Next Steps

Based on the findings the City plans to prioritize the following activities in the coming year:

- Outreach to increase single-family customer awareness and use of Republic's Customer Resource Center.
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- Action
- Discussion
- Information

**DATE:** January 4, 2016

**TO:** Environmental Services Commission

**FROM:** Pamela Maloney, P.E. Utilities Water Resources Planning Manager  
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**SUBJECT:** Utility CIP Update 2017-2023

**Action Required at this Time**

No action by the Commission is required at this time. The ESC’s budget recommendation for the Capital Investment Program (CIP) will be included in the overall Utility budget recommendation to the City Council later this year. Staff will request ESC concurrence with specific CIP recommendations following a public meeting tentatively scheduled for April 7th.

At the January 21st Commission meeting staff will:

- Provide a 3-ring binder that contains the adopted 2015-12 Utilities CIP. (The binder will organize the CIP materials provided to you over the next several meetings.)
- Review the ESC CIP Update calendar;
- Review the CIP objectives and drivers;
- Briefly review existing funded programs and projects; and
- Provide an ‘Early Outlook’ about the approach to this CIP update.

Over the next several meetings, staff will

- Explain proposed changes to existing CIP programs;
- Identify new project proposals for your consideration;
- Summarize the proposed changes;
- Host an Open House to share the proposed CIP with the public;
- Request Commission comments on the proposed CIP (tentatively May 5)

**Fiscal Impact**

The Utilities CIP represents a significant investment of utility resources for the next seven years. New investments or changes to existing funded investments may impact utility rates during and beyond that period. Any secured funding resources from sources other than rates (such as grants) will be identified. The Utility may pursue additional grants to supplement or supplant rate resources during CIP implementation.

**Policy Issues**

The CIP Plan presents a schedule of major utility improvements planned for implementation over the next seven years. Projects and programs in the plan are consistent with adopted Utility CIP objectives and project criteria, which will be provided on January 21.

## **Background**

Projects and programs included in the 2015-2021 Utility CIP Plan were adopted by Council as part of the 2015-16 city budget. The projects and programs were developed from a number of sources including formal long range plans (e.g. utility system plans and storm water basin plans), engineering studies, various assessments of open streams and utility constructed infrastructure (i.e. the asset management program), and Utility operations and maintenance experience.

Utility CIP programs tend to fall into one or more of these categories:

- System renewal and replacement (to maintain system integrity);
- Service expansion (for growth and redevelopment);
- Environmental preservation; and/or
- Mandates (legal obligations or to meet regulatory requirements).

Over time as the Utility system infrastructure has been extended to most of the service area, the Utility's CIP has become increasingly focused on the effective long term management of existing water, wastewater and storm water utility systems. Although there is still a "system growth" component, it has become a smaller portion of the total capital investment program than in years past.

## **CIP Update Process**

Staff is initiating development of the 2017-2023 Utility Capital Investment Program (CIP) Update, which will be adopted by the City Council concurrent with the 2017-2018 City Budget in December 2016. Over the next several months the ESC will have the opportunity to review the existing CIP and the changes that are proposed changes to it. Later in the year, the ESC will be asked to evaluate the budgetary implications of CIP proposals as part of the broader Utilities operating budget. Ultimately, you will make a comprehensive utility budget recommendation to the City Council.

The City's budget process will again focus on 'Budgeting for Outcomes'. That city-wide process may impact the schedule for ESC involvement. As much as possible, staff will streamline the process of CIP review & update with you, and keep you apprised of how the CIP update fits into the broader budgeting process.

The first step in this process is to provide the ESC with an overview of the adopted CIP. Staff will provide copies of this information and review it with you on January 21st. This will provide the background you need before being presented proposed new initiatives and changes to currently funded projects or programs over the next several meetings.

The CIP Update process involves allocating available funding for needed capital projects in the new years of the CIP window (2022 & 2023). Project savings or resources from other sources are identified. Schedules and budgets for current projects & ongoing programs are reassessed, and new approaches are considered to optimize program benefits (such as coordination with Transportation street improvement projects, etc.)

Over the next several meetings staff will review proposed changes to the CIP. Staff will respond to questions and incorporate your comments. In May (tentative) staff will request your concurrence with the proposed Utilities CIP plan. It will then be used as a part of developing the overall Utility budget.