

Agenda

ENVIRONMENTAL SERVICES COMMISSION MEETING
 450 110th Ave. NE (City Hall)
 Conference Room 1E-113
 Thursday 6:30PM
 April 5, 2018 Regular Meeting

		<u>Page</u>	<u>Action</u>
Commissioners:	1. Call to Order and Roll Call – Diann Strom, Chair		
<i>Diann Strom</i> <i>Chair</i>	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.		
<i>Anne Howe</i>	Additional comments may be heard at Agenda Item 9.		
<i>Vanja Knezevic</i>	4. Communication from City Council, Community Council, Boards and Commissions		
<i>Aaron Morin</i>			
<i>Lisa Schreiner</i>	5. Staff Reports		
Vacant			
City Council Liaison:	6. Approval of Minutes * • March 1, 2018 Regular Meeting Minutes	2 - 10	X
<i>Jared Nieuwenhuis</i>	7. Unfinished Business		
Staff Contact: <i>Andrew Lee</i> 425-452-7675	8. New Business • Summarize CIP Public Comments & Request ESC CIP Concurrence <i>Presenter's:</i> Paul Bucich, P.E.-Water Resource Planning Mgr. Martin Chaw, Fiscal Manager	11	
Staff Support: <i>Katie LaFree</i> 425-452-4497	• Year-end Financial Report & Early Outlook 2019-2025 Rates Forecast <i>Presenter(s):</i> Lucy Liu, Assistant Director - Resource Management & Customer Service Martin Chaw, Fiscal Manager	12 - 43	
	• ESC By-Laws Revision		X
	9. Oral and Written Communications		
	10. Review of ESC Calendar/Council Calendar *	44 - 45	
	11. Adjournment		

* Materials included in packet
 # Materials separate from packet

Environmental Services Commission meetings are wheelchair accessible. Captioning, American Sign Language (ASL), or language interpreters are available upon request. Please phone at least 48 hours in advance 425-452-5379 (Voice). If you are deaf or hard of hearing, dial 711 (TR). Assisted listening devices are available upon request. Room 1E-113 is equipped with a hearing loop system.

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

Thursday
March 1, 2018
6:30 p.m.

Conference Room 1E-113

Bellevue, Washington

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

COMMISSIONERS ABSENT: Anne Howe, Gregg Takamura

OTHERS PRESENT: Andrew Lee, Deputy Director; Paul Bucich, Water Resources Planning Manager; Don McQuilliams, Regulatory Compliance Manager; Jared Nieuwenhuis, Council Liaison; Lucy Liu, Assistant Director – Resource Management & Customer Service; Martin Chaw, Fiscal Manager

MINUTES TAKER: Laurie Hugdahl

1. CALL TO ORDER:

The meeting was called to order by Chair Strom at 6:30 p.m.

2. APPROVAL OF AGENDA

The agenda was approved unanimously.

3. ORAL AND WRITTEN COMMUNICATIONS

None

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

Councilmember Jared Nieuwenhuis gave an update of key topics from the last City Council meeting including:

- An update regarding the Neighborhood Safety, Connectivity, and Condition Levy
- Acquisition of Fire Station 10 property
- Update from Police Chief on gun violence, mental health, and school safety

5. STAFF REPORTS

Deputy Director Lee had the following comments:

- Staff is fully involved in the budget process. More about that will continue to come to the ESC.
- He gave a brief report on the Intelligent Water Summit that he attended in Washington D.C. which was put on by the Water Research Foundation.
- There are two large projects which will be starting soon – NE 8th Street Culvert Replacement Project and the Coal Creek Culvert Replacement.

6. APPROVAL OF MINUTES

February 1, 2018 Regular Meeting Minutes

Motion made by Morin, seconded by Commissioner Kumar, approve the minutes as presented. Motion passed unanimously (5-0).

7. REPORTS & SUMMARIES

Deputy Director Lee directed attention to the information in the Commission packet covering conservation and outreach events and volunteer opportunities.

8. UNFINISHED BUSINESS

None

9. NEW BUSINESS

- Emergency Planning Response Program
Presenter(s): Don McQuilliams, Operations Manager

Mr. McQuilliams introduced the Emergency Planning and Response Program. He explained that staff is seeking feedback on the structure of the project. He distributed samples of the Emergency Response Plan (AKA “The Redbook”) – Volumes 1 – a handbook for staff that addresses where and how to respond to an emergency, roles and responsibilities, staff contact and equipment lists, and maps; and Volume 2 – Scenario response plans for major events. The heightened level of effort is due to recent disasters, an internal review of tabletop exercises, and increased responsibility and expectations.

Project Elements include:

- Training – one time, ongoing, and tabletop exercises
- Emergency response Plan (Redbook) updates
- Communication during a response sized for event

- Utilities Emergency Management Team – review of roles and responsibilities
- Mutual Aide Agreements – with other entities and using vendors

Mr. McQuilliams gave an update on the current status of the project. The project charter has been approved; the Project Management Plan has been prepared; and the workload breakdown structure has been prepared. The project team has been meeting. Additionally, the SharePoint site is up and running. Over the next couple months the team will develop their portions of the program. Staff hopes to come back to the ESC in the fall. He reviewed a handout of the Work Breakdown Structure for each element.

Questions/Comments: None

- Utilities Finances 101
Presenter(s): Lucy Liu, Assistant Director – Resource Management & Customer Service
Martin Chaw, Fiscal Manager

Assistant Director Liu and Mr. Chaw reviewed sources of revenue, how utility rates are made, and uses of utility revenues. Some key challenges of utilities business are that utility services are “out of sight, out of mind”; services are not scalable; fixed costs; long-term operating horizon; and the need for competitive rates. Utilities is an enterprise function. By law each utility must be financially self-supporting with rates being the primary source of funding.

Rates are developed to provide sufficient funding for operational and capital infrastructure needs in order to continue service delivery. Examples of operational costs include: sewage treatment, water supply, field crew, customer service & billing functions, taxes, and support service payments. Capital costs include construction and maintenance of infrastructure such as: pipes, reservoirs, pump stations, pressure zones, storm drains, and manholes. Council-adopted policies guide rates. The key financial policies include taking care of what we have by setting rate levels sufficient to fund current and future expenses, passing through wholesale costs so local programs are not degraded, gradual and uniform rate increases, and saving for future infrastructure needs.

Mr. Chaw reviewed Water, Sewer and Stormwater revenues in 2017 by customer class. He also explained that utility rates pay for protecting the infrastructure (28%), maintaining and operating the utility (19%) and financial obligations such as taxes/support services, purchased water, and wastewater treatment (53%).

Factors that can drive up costs include wholesale cost increases, system failures, new regulations, water quality requirements, inflation, growth, customer expectations and demographics, and catastrophic events. Cost trends from 2007-2018 show that wholesale METRO wastewater treatment costs increase on average about 4.3% per year. Costs from Cascade Water Alliance have increased on average about 5.4% per year. Operations have increased on average about 4.7% per year. The Taxes and Interfunds costs have increased on average about 4.2% per year. CIP costs have increased on average about 10.1 % per year. Rate increases are necessary to keep pace with increasing business costs.

Commissioner Kumar asked for benchmarks associated with the increasing volume in the number of residents in the area. Mr. Chaw explained that customer growth is very small. Most of the cost increase is due to increases in service needs such as infrastructure or general cost inflation. Over this 2007-2018 period inflation averaged about 2.5% per year. In 2017 it was about 3%. Assistant Director Liu added that Bellevue invests in its system. The City is actively replacing infrastructure and trying to put away funds for future infrastructure replacement.

Commissioner Morin asked if the City is replacing infrastructure as quickly as it is aging or if it is falling behind. Mr. Chaw replied that for Water system the City is reaching a sustainable rate of replacement of about five miles a year. For Sewer and Storm the replacement level is much lower at about a mile a year for Sewer and we've not started systematic replacement in Storm. Deputy Director Lee added that construction inflation has averaged about 8% per year which is faster than the general inflation rate.

Commissioner Kumar asked if the rate of increase for the wholesale costs is expected to continue. Assistant Director Liu stated wholesale costs are expected to continue. A more significant increase is expected from Cascade in the next two years. Beyond that, Cascade is forecasting about a 3% increase per year. Metro is forecasting a 3.7% increase for 2019.

2017-2018 Adopted Utility Rates were reviewed. Mr. Chaw emphasized that Bellevue's rates are competitive with other local jurisdictions such as Seattle, Mercer Island, Kirkland, Issaquah, Redmond, and Renton. Since Bellevue is putting money away for future expenses, it is expected that rates will remain competitive into the future. The City is conducting cost of service studies for the sewer and storm utilities right now and will bring those results back to the ESC later in the year.

- CIP Update 2019-2025: Review Proposed Changes & Additions to the CIP

Presenter(s): Martin Chaw, Utilities Fiscal Manager

Paul Bucich, P.E. – Water Resources & Planning Manager

Mr. Bucich reviewed proposed changes to the CIP along with the drivers for those changes. There are no major policy changes this year. He reviewed the role of the ESC in the CIP update process. He explained that the ESC would review capital and operating budget proposals, review budget notebooks with rate proposals, hold a public hearing, and provide budget and rate recommendation to the Council. He reviewed the tentative 2019-2020 Budget Review Schedule. The intention is to hold an online open house from March 15-31.

Chair Strom asked staff to make sure that the notice about the open house is posted on Next Door and that it is also provided to the Bellevue Diversity Advisory Network. Mr. Bucich affirmed that it would.

Major change drivers include: schedule changes, revised estimates, scope changes, and new projects.

Water CIP

- W-16: AC Main Replacement – added design/construction funds to Phase 3 2023 program; added design funds to Phase 2 2023 program; and added new projects in 2024 and 2025
- W-67: PRV Replacement – eliminated PRV replacement in 2019, eliminated PRV replacement design and construction in 2019/2020, and added projects in 2024 and 2025
- W-69: Minor Capital Improvements – shifted work on service lines to balance workload; increased funding to install PRV's to increase three pressure zones to satisfy health department and customer concerns; dropped two projects no longer needed, added costs to expand pressure zone on WL Sammamish 2019; and initiated valve replacement project starting in 2021
- W-82: Fire Hydrant Standardization – accelerated/shifted work to 2019 from 2020 for cost efficiencies; reassessed costs to complete work and shifted work from 2020 to 2019; added overlay work in 2020. This will finish replacement of 14 two-port hydrants.
- W-85: Reservoir Rehab or Replacement – moved Somerset 1 to allow more time for design/permitting; delayed Pikes Peak to accelerate Cherry Creek Pump Station; delayed start of reservoir rehab sites 2 and 3 to balance workload, recosted Pikes Peak reservoir based on alternatives analysis; added new future reservoir; added coating of reservoirs, one per year

Chair Strom asked about the timing on the new future reservoir. Mr. Bucich replied it would be in 2024-25. Chair Strom asked what area it would serve. Deputy Director Lee explained it would be replacing an existing reservoir, but staff was not sure which one yet. That will be determined in the future through a prioritization process. The outcome of the seismic study which is currently being conducted will impact that prioritization.

- W-91: Water Pump Station Rehab –accelerated two pump stations, delayed two pump stations, added infrastructure improvements necessary to accomplish selected solution to Pikes Peak Reservoir/Pump Station work; recosted all solutions; incorporated recommendations from 2016 MSA PS evaluation; added NE 40th 670 PS starting in 2024
- W-98: Large Commercial Meter Vault Replacement – reduced number of commercial meter replacements based on number remaining, down from four to one per year; design costs for 2020-23 covered by 2018; added new design dollars in 2023/2024 and construction dollars in 2024 and 2025
- W-99: Service Line and Saddle Replacement – reduced the budget in 2019 to balance work load and added new projects in 2024 and 2025
- W-103: Reservoir Storage for Downtown – NE 8th Street transmission main costs were increased to account for upsizing of pipe to 16”
- W-110: NE 40th and Enatai Inlet – recosting based on alternatives evaluation work

Major changes in the Water CIP:

- Cherry Crest Pump Station
- Pikes Peak Pump Station and Reservoir
- Enatai Inlet Station
- NE 40th Street Inlet Station
- Increased costs for NE 8th Street Transmission Main Improvements
- Shift to CIP on reservoir recoating projects
- Expand pressure zone along West Lake Sammamish

Sewer CIP

- S-16: Sewage Pump Station Improvements – 2015 MSA report resulted in revised costs estimates for 15 pump stations and different priorities for rehabilitation based on site assessment; added four stations to 2024 and 2025
- S-24: Sewer System Trunk Rehab – scheduled design work in 2018 was cancelled along with attendant construction costs in 2019 to balance workload; added new sewer rehab projects in 2024 and 2025

- S-32: Minor Capital Improvements – shifted two projects from 2017/18 to 2019/20; added new budget for future minor projects in 2024 and 2025
- S-59: On Site Power – program has been evaluated for alternative management strategies; assessment resulted in elimination of permanent on-site power generation; program is no longer needed after 2018
- S-61: MidLakes Pump Station – delayed construction due to evaluation/engineering; recosting based on final design and engineers estimate; added \$10K per year 2020-2024 for minor vegetation monitoring
- S-66: Sewer System Pipeline Replacement Program – major changes surround additional engineering evaluations on sensitive sites; delays due to permitting, increased costs based on site constraints; final selection of alternative to system serving Newport Shores; opportunistic addition of forcemain replacement in West Lake Sammamish Parkway, added new future projects in 2024 and 2025 as placeholders
- S-71: Sewer Lake Lines – The City has been conducting an assessment of the condition of the sewer lakelines. The lakeline around Medina was identified as being in poor shape and needing replacement.

Commissioner Morin asked when the lakelines were built. Staff indicated that the portion under discussion was built in the early 60's. Commissioner Morin asked if it is generally expected that the lakelines have a shorter lifespan than other sewer pipes. Staff indicated that it depends on the type of material used and the specific location details.

Misc. Sewer Program Changes – minor changes

- S-58: Sewer Lake Line Replacement – added funding to expand public outreach during investigation
- S-60: Wilburton Sewer Capacity Upgrade – recosting of monitoring costs
- S-67: I&I Investigations and Flow Monitoring – shifted work from 2020 to 2019

Major Changes for Sewer CIP

- Alignment of sewer pump station work and costs based on consultant evaluation work
- Add funds to complete Lake Washington Lakeline Replacement Study
- MidLakes Pump Station
- Newport Shores Sewer Line improvements

- Lake Hills Pump Station 12 Forcemain
- Lakeline Replacement Assessment Evergreen Point Area

Stormwater CIP

- D-59: Minor Stormwater Capital Improvements – Shifted two projects to 2020/21 and increased costs based on assessment; increased costs to repair project and to account for monitoring costs; added new future projects in 2024/2025
- D-64: Infrastructure Rehab – Minor changes to projects delivery schedules and funding; added projects for 2024/2025
- D-81: Fish Passage Improvements – shifted projects in time to account for Stream Initiative; increased monitoring costs as needed; shifted future project into 2025/2025
- D-86: Stream channel Modification – delayed four habitat improvement projects – Stream Initiative; increased monitoring costs based on permit requirements; recosted Glendale GCC; added investigative study for Ardmore Creek erosion issues (2019/2020); added funds for monitoring in 2024/2025; added new project start in 2025
- D-94: Flood Control Program – shifted Valley Creek at NE 21st to 2021/2023; eliminated three projects that were not needed; reduced three projects to studies only; budgeted for future projects
- D-106: Lower Coal Creek Flood Hazard Reduction Phase 1- increased costs based on site investigations and planned work; added costs for monitoring of all five sites – increased monitoring
- D-109: Stormwater Quality Retrofit – increased scope for 2nd pilot project construction; cost recovery from KC waterworks grant; added monitoring funds in 2020

Misc. Program Changes – minor changes:

- D-103 Replace Coal Creek Parkway Culvert
- D-104 and D-104B, Stream Restoration for M&I – recosting monitoring costs for regional pond restoration
- D-105 Replace NE 8th Street Culvert at Kelsey Creek – recosting for long-term monitoring

Questions:

Chair Strom asked if the “new projects” listed under some of the items have been identified. Mr. Bucich explained they are currently placeholders, but they will be identified. Chair Strom asked about the status of AMI. Deputy Director Lee explained they are still in the midst of contract negotiations.

10. CONTINUED ORAL AND WRITTEN COMMUNICATIONS

David Plummer, 14414 NE 14th Place, Bellevue, WA 98007, had the following comments:

- He requested that staff distribute the handouts well in advance of the meetings so the public can have time to prepare coherent comments.
- He referred to one of the charts regarding the utility rates and pointed out that for 9 out of 16 years the City's revenues exceeded expenses in the Utility Department. He suggested that this indicates the rates are too high.
- He asked where the capital recovery and connection charges are shown as an income stream.
- He asked the Commission to ask the staff to develop a detailed discussion or report showing what items cost and how the rates are actually computed.
- He asked why the AMI system wasn't included in the CIP presentation.
- He asked for more information about the escalation and inflation rates.
- He suggested that the Commission ask staff for some options to reduce the growth in the CIP budget.

11. REVIEW OF ESC CALENDAR/COUNCIL CALENDAR

Deputy Director Lee reviewed the ESC and Council Calendar. He noted that the AMI topic continues to slide because staff is still in contract negotiations. In April the City will hold the online CIP open house.

He responded to some of Mr. Plummer's comments regarding inflation and escalation. He also explained that the recovery and connection charges are part of the revenue stream. He offered to have Assistant Director Liu come back to discuss that when she comes back with the rate proposals. He also discussed how Utilities approaches creating a responsible budget and rates. Regarding revenues exceeding expenses, he explained that the excesses are captured as reserves and taken into account for the new set of rates.

12. ADJOURNMENT

Motion made by Commissioner Morin, seconded by Commissioner Schreiner, to adjourn the meeting at 8:47 p.m. Motion passed unanimously (5-0).

The meeting was adjourned at 8:47 p.m.



- Action
- Discussion
- Information

DATE: April 5, 2018

TO: Environmental Services Commission

FROM: Nav Ota, Utilities Director
Paul Bucich, Planning Manager
Martin Chaw, Fiscal Manager

SUBJECT: Utilities CIP Update 2019-2025: Review proposed changes and public comments to the CIP

Action Required at this Time

No action by the Commission is required at this time. This is the second informational briefing to review the proposed 2019-2025 Utilities CIP and discuss any public comments received from the on-line posting of the proposed CIP spending plan.

Fiscal Impact

The Utilities CIP represents a significant investment of utility resources for the next seven years. The proposed 2019-2025 Utilities CIP will be used to develop the overall Utilities Department 2019-2020 budget and rates.

Background

As you recall from our discussion in March, staff planned to host an on-line open house from March 15th through April 1st to allow the public an opportunity to review and comment on the proposed 2019-2025 CIP. Comments were also solicited through social media using Nextdoor apps, Facebook, Twitter, Govdeliver, and a publication in the local paper. On April 5th, staff will share the results of this community outreach with the commission. In addition, staff will review proposed updates to the Utilities CIP during the following discussions:

April 5	<ul style="list-style-type: none"> • ESC Meeting to discuss the proposed CIP comments from the public and any changes from March 1st
June 7	<ul style="list-style-type: none"> • Request Commission comments on the proposed CIP

The next steps for the CIP update are to respond to questions, seek your comments, and request your concurrence with the proposed Utilities 2019-2025 CIP.



 Action
 X Discussion
 X Information

DATE: April 5, 2018

TO: Environmental Services Commission

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

SUBJECT: **2017 Year End Financial Report - Water, Sewer, Storm & Surface Water, and Solid Waste Utility Funds**

Action Required

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

Background

The purpose of this briefing is to provide the Commission a summary of the 2017 financial performance for the Water, Sewer, Storm & Surface Water, and Solid Waste utility funds.

All four utility funds ended 2017 in positive financial condition with operating revenues sufficient to meet operating expenses and are well positioned entering into 2018 to meet adopted 2018 financial expectations. The following table summarizes the 2017 financial performance for each utility fund.

Table 1. 2017 Utility Fund Financial Performance

	Water	Sewer	Stormwater	Solid Waste
Beg. Fund Bal.	\$19,591	\$7,248	\$4,188	\$1,733
Revenues	64,532	64,742	24,478	1,198
Expenditures	61,849	60,772	22,881	1,115
End. Fund Bal.	\$22,274	\$11,217	\$5,785	\$1,815

The remainder of this report presents a more detailed discussion of each fund’s performance.

WATER UTILITY

The Water Utility finished 2017 with operating revenues sufficient to meet operating expenses. The following table summarizes the utility's financial performance. Revenues exceeded budget due to strong water sales and a one-time State tax audit refund. Expenditures were higher than budgeted levels primarily due to a one-time transfer of available operating reserves to the CIP for advanced metering infrastructure (AMI).

Table 2: Water Utility Fund 2017 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$13,918	\$19,591	\$5,673	140.8%
Revenues				
Water Service	47,927	54,838	6,912	114.4%
Developer Fees	991	923	(69)	93.1%
Fire Flow	2,685	2,685	-	100.0%
RCFCs	2,000	2,561	561	128.1%
Interfund Water Services	1,287	1,166	(121)	90.6%
Interest Income	54	180	126	334.2%
Other	628	2,178	1,550	346.7%
Total	55,572	64,532	8,960	116.1%
Expenses				
Wholesale	19,392	19,392	-	100.0%
Personnel	8,646	8,110	(537)	93.8%
CIP	11,265	17,265	6,000	153.3%
R&R	-	-	-	0.0%
Taxes	7,795	8,148	354	104.5%
RCFCs	2,000	2,706	706	135.3%
Interfunds	2,851	2,891	39	101.4%
M&O	3,684	3,337	(347)	90.6%
Total	55,634	61,849	6,214	111.2%
Ending Fund Balance	\$13,856	\$22,274	\$8,419	160.8%

Source: Year-end actuals as of March 12, 2018.

Resource Highlights

The beginning Water Utility fund balance was \$5.7M or almost 41% higher than budgeted levels due to extraordinary water sales in the 2015-2016 biennium. Consistent with Council-adopted policy, these one-time revenues will be used as part of the funding for AMI.

2017 water revenues were \$9.0 million or almost 16% above budgeted levels. This is largely driven by the following:

- **Water service revenues** exceeded budgeted levels by \$6.9 million due to stronger than anticipated water sales as a result of one of the driest summers on record¹. Water demand is dependent upon a combination of factors including weather conditions, general economic conditions, and conservation as a result of stricter plumbing code requirements and more water efficient fixtures and appliances. These factors vary from year to year and as a result, actual water service revenues will be either below or above budget in any given year.
- **Other revenues** were \$1.5 million above budget and reflect a tax audit refund from the Washington State Department of Revenue for overpayment of state excise taxes.
- **Regional Capital Facility Charges (RCFCs)** from new connections for their share of the regional water supply costs were \$561,000 above budget due to higher than anticipated development activity, which fluctuates with economic conditions. Corresponding RCFC payments to the Cascade Water Alliance were also above budget. RCFCs are collected and passed through to the Cascade Water Alliance. While there is no net financial impact to ratepayers from this item, differences do occur due to the timing of when RCFC revenues are collected and when it is paid to Cascade.

Expenditure Highlights

Water expenses were \$6.2 million or about 11% above budgeted levels due primarily to a one-time transfer of \$6 million to the CIP to support the AMI project. This transfer was anticipated and included as part of the Council's adopted budget for this project. Other highlights include:

- **Regional Capital Facility Charge (RCFC)** payments exceeded budget by \$706,000, reflecting growth in new connections due to the current economic expansion. As discussed above, these are pass-through payments to the Cascade Water Alliance and have no net financial impact to the Water Utility.
- **Personnel expenses** were \$537,000 below budget, primarily reflecting staffing vacancies.

¹ Seattle Times article, "We just experienced warmest and driest summer ever recorded in Seattle", September 22 2017.

- **Taxes** paid to the City of Bellevue General Fund and State of Washington exceeded budget by \$354,000, primarily reflecting the taxes due on higher than anticipated water sales.
- **Maintenance and Operating (M&O) expenses** were \$347,000 below budget. This variance was due to operational savings and delays in spending for anticipated technology upgrades and planned studies that were underway in 2017 and will be completed in 2018.

SEWER UTILITY

The Sewer Utility finished 2017 with operating revenues sufficient to meet operating expenses. The following table summarizes the utility's financial performance. Revenues exceeded budget because of higher water sales, while overall expenditures were on target with budget.

Table 3. Sewer Utility Fund 2017 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$7,500	\$7,248	(\$252)	96.6%
Revenues				
Sewer Service	57,941	60,709	2,768	104.8%
Developer Fees	569	458	(111)	80.5%
Interfund Sewer Services	1,650	1,282	(368)	77.7%
Interest Income	26	75	49	188.5%
Other	417	2,218	1,801	531.9%
Total	\$60,603	\$64,742	\$4,139	106.8%
Expenses				
Wholesale	33,639	34,238	599	101.8%
Personnel	6,734	6,241	(493)	92.7%
CIP	10,079	10,604	525	105.2%
R&R	1,756	1,756	0	100.0%
Taxes	3,944	3,789	(155)	96.1%
Interfunds	2,381	2,396	15	100.6%
M&O	2,229	1,748	(481)	78.4%
Total	60,762	60,772	10	100.0%
Ending Fund Balance	\$7,341	\$11,217	\$3,877	152.8%

Source: Year-end actuals as of March 12, 2018.

Resource Highlights

Sewer revenues were \$4.1 million or almost 7% above budgeted levels. This is largely driven by the following:

- **Sewer service revenues** exceeded budget by \$2.8 million reflecting wastewater flows from higher than anticipated water consumption.
- **Other revenues** were above budget and is primarily due to a \$1.6 million refund from King County Metro as a result of overpaid wastewater fees to the County.

Expenditure Highlights

Sewer expenses totaled \$60.8 million and were on target with budget. Highlights include:

- **Wholesale expenses** represent payments made to King County for wastewater conveyance and treatment services. This charge is paid quarterly and is based upon a four-quarter moving average of historical wastewater flows conveyed to King County. In 2017, payments made for wastewater treatment were \$599,000 or about 2% above budget, reflecting higher flows than anticipated. This is offset by higher service revenues.
- **CIP expenses** represent transfers made to the Sewer construction fund in support of planned CIP projects. This transfer was \$525,000 above budget reflecting Council approved budget adjustments for the East Central Business District Sewer Trunkline Improvement project (S-52) and the Bellefield Pump Station Project (S-53).
- **Personnel expenses** were \$493,000 below budget reflecting staffing vacancies.
- **M&O expenses** were \$481,000 below budget. This variance was due to operational savings and delays in spending for anticipated technology upgrades and planned studies that were underway in 2017 and will be completed in 2018.

STORM AND SURFACE WATER UTILITY

The Storm and Surface Water Utility finished 2017 with operating revenues sufficient to meet operating expenses. The following table summarizes the utility's financial performance. Revenues were slightly below budget due largely to lighter than anticipated fees from development. This was offset by expenditure and position vacancy savings.

Table 4. Storm and Surface Water Utility Fund 2017 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$4,200	\$4,188	\$(12)	99.7%
Revenues				
Storm and Surface Water Service	22,341	22,288	(53)	99.8%
Developer Fees	910	801	(109)	88.0%
Interfund Storm Services	1,209	1,206	(2)	99.8%
Interest Income	7	55	48	785.8%
Other	137	128	(9)	93.4%
Total	24,604	24,478	(126)	99.5%
Expenses				
Personnel	6,172	6,071	(102)	98.4%
CIP	6,722	6,722	0	100.0%
R&R	4,157	4,020	(137)	96.7%
Taxes	1,480	1,400	(80)	94.6%
Interfunds	2,452	2,487	34	101.4%
M&O	2,675	2,181	(494)	81.5%
Total	23,659	22,881	(779)	96.7%
Ending Fund Balance	\$5,146	\$5,785	\$639	112.4%

Source: Year-end actuals as of March 12, 2018.

Revenue Highlights

Storm and surface water revenues were \$126,000 or 0.5% below budgeted levels, primarily due to lower than expected revenue from development activity.

- **Service revenues** performed at budget. Service revenues in this utility are relatively stable and do not fluctuate very much with weather or economic conditions.
- **Other revenues** include developer fees which were lower than anticipated. Developer fees are based upon staff time spent on Storm permit processing and inspections. Development fee revenues are based on the level of development activity, which can fluctuate depending on economic conditions.

Expenditure Highlights

Expenses were \$780,000 or about 3% below budgeted levels. Key areas of variance from budget include:

- **M&O expenses** were \$494,000 below budget. This variance was due to operational savings and delays in spending for anticipated technology upgrades and planned studies that were underway in 2017 and will be completed in 2018.
- **R&R expenses** were \$137,000 below budget as a result of a planned transfer to R&R that has been delayed to 2018.
- **Personnel expenses** were \$102,000 below budget due to staffing vacancies.

SOLID WASTE UTILITY FUND

The Solid Waste Fund finished 2017 with operating revenues exceeding expenses. This was due largely to payments by Republic Services, the city’s solid waste collection vendor, for not meeting recycling and contract performance expectations, and lower than anticipated operating expenses.

Table 5. Solid Waste Utility Fund 2017 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$1,238	\$1,733	\$495	140.0%
Revenues				
Admin/Recycling	731	708	(24)	96.8%
Grants	301	222	(80)	73.6%
Interest Income	18	21	(3)	114.8%
Other	3	248	245	9907.0%
Total	1,053	1,198	145	113.7%
Expenses				
Personnel	131	131	(0)	99.7%
Grant administration	301	275	(27)	91.2%
Interfunds	426	428	2	100.4%
M&O	438	282	(156)	64.3%
Total	1,297	1,115	(182)	86.0%
Ending Fund Balance	\$994	\$1,815	\$821	182.6%

Source: Year-end actuals as of March 12, 2018.

Resource Highlights

The Solid Waste Utility beginning fund balance was \$495,000 or 40% over budgeted levels due largely to payments from Republic Services for not meeting recycling and contract performance expectations in prior years.

2017 revenues were \$145,000 or almost 14% above budgeted levels.

- **Other revenues** were \$245,000 above budget and reflect payments by Republic Services for not meeting recycling and contract performance expectations.
- **Grant revenues** were \$80,000 below budgeted and reflect a reduction in the King County Local Solid Waste Financial Assistance grant.

Expenditure Highlights

Expenditures were \$182,000 below budget.

- **M&O expenses** were \$156,000 below budget, mainly due to savings associated with a planned study that is no longer needed as a result of Bellevue extending the interlocal agreement with King County for solid waste disposal through 2040.



- Action
 Discussion
 Information

Date: April 5, 2018

To: Environmental Services Commission

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

Re: **Utilities Early Outlook Rates Forecast**

Action Required

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

Background

On March 26, staff provided to the City Council the Utility's Early Outlook Rates Forecast for the period 2019 - 2024. A copy of these materials is attached for your information. Staff will review the forecast with the Commission on April 5 and address any questions.

The purpose of the Early Outlook Rates Forecast is to provide an estimate of the rate adjustments needed to fund forecasted financial obligations during the subject planning period.

Rates are Utilities' primary source of funding. Utility rates are determined based on Council-adopted financial policies. The projected rates reflect a lean budget to maintain current service levels and compliance with water quality regulations, and inflationary operational cost increases.



2019-2024 Early Outlook Financial Forecast Utilities Funds

Water, Sewer, and Storm & Surface Water Funds

Executive Summary:

The Utilities Department operates as an enterprise within the City structure and functions much like a private business entity.

- *This forecast supports a prudent, balanced, and responsible budget to maintain high-quality utility service delivery to the community through continued responsible management of infrastructure assets, leveraging efficiencies, and cost containment.*
- *Significant rate drivers in the 2019-2020 biennium include anticipated wholesale cost increases for drinking water supply and wastewater treatment services, and infrastructure maintenance and renewal/replacement needs.*
- *Since all Utility functions are primarily supported by rates, this forecast includes funding for operations, asset replacements (e.g., vehicles), capital investment programs (CIP), and the long-term infrastructure Renewal and Replacement (R&R) requirements.*

Council Discussion:

Staff will provide an overview of Utilities financial and rate policies, review the Early Outlook Utility Rates Forecast, and respond to Council questions.

Key Challenges

In addition to general inflationary increases, below is a summation of the key budget challenges for the Utilities Department.

Wholesale Costs

Approximately 40 percent of water rate revenues and 60 percent of the sewer rate revenues support costs related to the purchase of water supply from Cascade Water Alliance (Cascade), and payments to King County for wastewater treatment, respectively. Rate increases are needed to fund anticipated wholesale cost increases. To ensure sufficient funding to maintain the integrity of utility operations and capital programs, Council-adopted financial policy directs that wholesale cost increases be passed through to the customer. This is to ensure the City can continue to maintain current levels of service delivery to customers.

Ongoing Impact of Aging Infrastructure on Operating and Capital Programs

Maintaining and replacing the City's aging utility infrastructure continues to be a key rate driver for all three utilities. Most of Utilities' system infrastructure is well past mid-life. As a result, the drinking water, wastewater, and storm and surface water systems are experiencing more failures and increasing costs for system repairs and replacement needs. Each utility system is in a different stage of replacement. The water system is in active replacement. The water CIP includes a program to ramp up the replacement of aging water mains to a



2019-2024 Early Outlook Financial Forecast Utilities Funds

sustainable level by 2018. Systematic replacement of the wastewater system began in 2014 and will continue to ramp up over the next decade. Replacement needs of the storm and surface water system are currently being identified and a long-term replacement program will be developed once condition assessment efforts are complete.

Consistent with Utilities financial policies, rate increases for the water, sewer, and storm and surface water utilities are needed to fund current capital infrastructure investments and future infrastructure renewal and replacement needs to ensure system integrity and each generation of customers pay their equitable share of system costs.

Projected Rate Increases

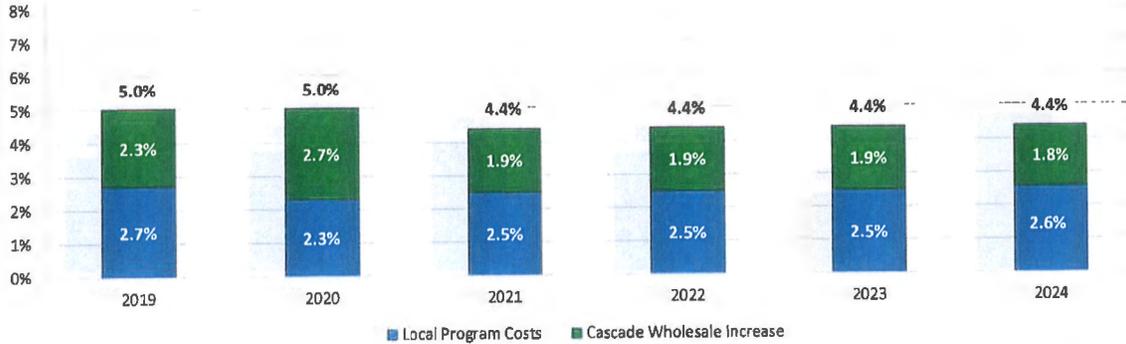
With the projected rate increases for the next biennium, the typical residential monthly customer bill for water, sewer, and stormwater management services will increase by 4.9 percent or \$8.36, from \$169.55 to \$177.91, in 2019 and by 3.8 percent or \$6.75 to \$184.66 in 2020. See Attachment A (*2019-2020 Utilities Early Outlook Budget - Typical Residential Monthly Utility Bill Rate Drivers*) for additional information.

The following section provides a brief review of each Utility fund forecast and key rate drivers.

2019-2024 Early Outlook Financial Forecast Utilities Funds

WATER UTILITY FUND 2019 - 2024 Early Outlook Rate Forecast

PROJECTED RATE INCREASES



Impact to Monthly Bill for a Typical Residential Customer						
	2019	2020	2021	2022	2023	2024
Prior Year Bill	\$64.08	\$67.28	\$70.64	\$73.75	\$76.99	\$80.37
Increase:						
Cascade Wholesale Purchased Water	1.47	1.82	1.34	1.40	1.46	1.45
Local	1.73	1.54	1.77	1.84	1.92	2.09
Total	<u>\$3.20</u>	<u>\$3.36</u>	<u>\$3.11</u>	<u>\$3.24</u>	<u>\$3.38</u>	<u>\$3.54</u>
Projected Bill	\$67.28	\$70.64	\$73.75	\$76.99	\$80.37	\$83.91

Minor differences may exist due to rounding

Key Rate Drivers

- Wholesale Costs**

Drinking water for the City of Bellevue is purchased from the Cascade Water Alliance (Cascade). Cascade costs are increasing primarily due to water purchase costs from Seattle. Per City financial policy, increases in the cost of purchased water are passed directly through to the ratepayer. Retail rate impacts of the projected increases in Cascade's wholesale costs to Bellevue are 2.3% for 2019 and 2.7% for 2020. Beyond that, the anticipated retail rate impacts due to Cascade's projected cost increases to the City of Bellevue average 1.9% per year for 2021 through 2024.

- Capital Program**

The projected 2019-2025 water capital investment program (CIP) includes \$135.2M to proactively construct, maintain, and replace system assets. The water utility is in active system replacement and the majority of the projected capital program (\$118.1M) will be invested to replace existing aging infrastructure. Significant aging infrastructure water CIP projects include small diameter water main replacement and water pump station repair and replacements. The water CIP also includes \$10.3M for the water utility's share of funding for Advanced Metering Infrastructure (AMI). The funding for this project is from renewal and replacement reserves and is not a rate driver. Total costs for current and future infrastructure needs will require rate increases of 1.0% in 2019 and 1.5% in 2020, and an average of about 1.4% per year thereafter.

- Taxes/Intergovernmental**

Taxes and interfund payments to other City departments for support services will require rate increases of 1.0% in 2019 and 0.5% in 2020. Increases for the remainder of the forecast period will average 0.6%.

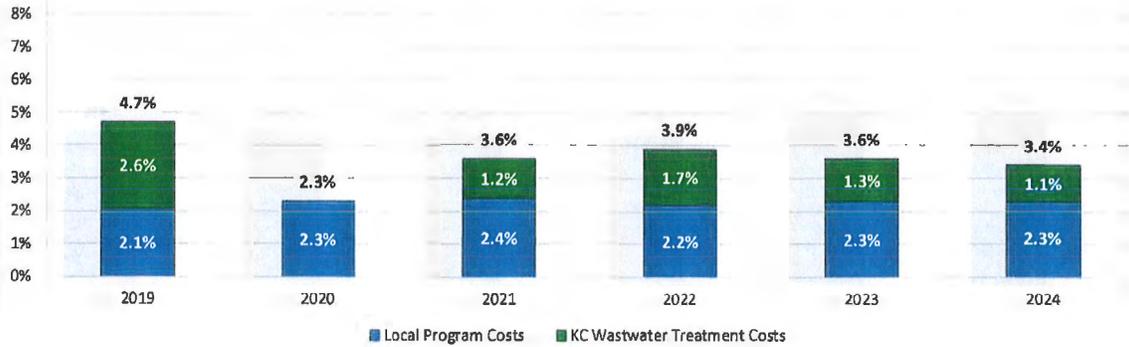
- Operations**

Projected operating costs will require rate increases of about 0.7% in 2019 and 0.3% in 2020, and an average of about 0.6% per year thereafter.

2019-2024 Early Outlook Financial Forecast Utilities Funds

SEWER UTILITY FUND 2019 - 2024 Early Outlook Rate Forecast

PROJECTED RATE INCREASES



Impact to Monthly Bill for a Typical Residential Customer						
	2019	2020	2021	2022	2023	2024
Prior Year Bill	\$80.43	\$84.21	\$86.15	\$89.25	\$92.73	\$86.07
Increase:						
KC Wastewater Treatment	2.09	0.00	1.03	1.52	1.21	1.06
Local	1.69	1.94	2.07	1.96	2.13	2.21
Total	<u>\$3.78</u>	<u>\$1.94</u>	<u>\$3.10</u>	<u>\$3.48</u>	<u>\$3.34</u>	<u>\$3.27</u>
Projected Bill	\$84.21	\$86.15	\$89.25	\$92.73	\$96.07	\$89.34

Minor differences may exist due to rounding

Key Rate Drivers

- **Wholesale Costs**

Per King County, the Wastewater Treatment Division's costs are increasing primarily due to ongoing debt service and capital program costs. The wholesale wastewater treatment rate is established by the County for a two-year period starting in 2019, and per City financial policy, is passed directly through to the ratepayer. The retail rate impacts of the projected increases in wastewater treatment costs to Bellevue are 2.6% in 2019, 0.0% in 2020, and average 1.3% for 2021-2024.

- **Capital Program**

The proposed 2019-2025 Sewer Capital program includes \$42.8M in investments. Unlike the water utility, the sewer utility is just beginning systematic asset replacement. Most of the proposed capital program (\$35.3M) will be invested to replace existing aging infrastructure. Significant aging infrastructure projects include sewer system pipeline major repairs, sewer pump station improvements, and sewer system pipeline replacements. The sewer CIP also includes \$4.4M for the sewer utility's share of funding for Advanced Metering Infrastructure (AMI). The funding for this project is from sewer renewal and replacement reserves and is not a rate driver. Total costs for current and future infrastructure needs will require rate increases of about 1.4% in 2019, 1.2% in 2020, and an average of 1.2% per year thereafter.

- **Taxes/Intergovernmental**

Taxes and interfund payments to other City departments for support services will require a rate increase of about 0.3% in 2019 and 0.4% 2020, and an average of 0.3% per year thereafter.

- **Operations**

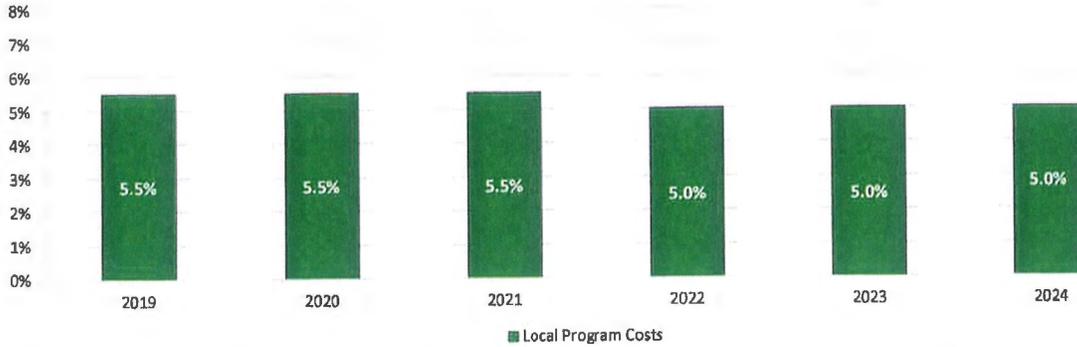
Operating costs will require a rate increase of about 0.4% in 2019 and 0.7% 2020, and an average of 0.8% per year for the remainder of the forecast period.



2019-2024 Early Outlook Financial Forecast Utilities Funds

STORM AND SURFACE WATER UTILITY FUND 2019 - 2024 Early Outlook Rate Forecast

PROJECTED RATE INCREASES



Impact to Monthly Bill for a Typical Residential Customer						
	2019	2020	2021	2022	2023	2024
Prior Year Bill	\$25.04	\$26.42	\$27.87	\$29.40	\$30.87	\$32.41
Increase	\$1.38	\$1.45	\$1.53	\$1.47	\$1.54	\$1.62
Projected Bill	\$26.42	\$27.87	\$29.40	\$30.87	\$32.41	\$34.03

Minor differences may exist due to rounding

Key Rate Drivers

- **Capital Program**

The projected 2019-2025 Stormwater Capital program includes \$30.8M in investments. Of this amount, \$17.9M is for environmental preservation investments, and include mitigating flood hazards and constructing fish passage and stream improvement projects. The remaining \$12.9M of the stormwater utility capital investments are for aging infrastructure rehabilitation and replacements. Significant projects include stormwater system conveyance infrastructure rehabilitation and minor stormwater capital improvement projects. Total costs for current and future infrastructure needs will require rate increases of 3.1% in 2019 and 2020 and an average of about 2.2% per year thereafter.

- **Taxes/Intergovernmental**

Taxes and Interfund payments to other City departments for support services will require a rate increase of about 0.6% in 2019, 0.7% in 2020 and increases averaging about 0.7% per year thereafter.

- **Operations**

Operating costs will require rate increases of about 1.8% in 2019, 1.7% in 2020, and about 2.2% per year thereafter.

Attachment A
2019-2020 Utilities Early Outlook Rates Forecast
Typical Residential Monthly Utility Bill Rate Drivers

	WATER	SEWER	STORM	TOTAL
2018 Monthly Bill	\$ 64.08	\$ 80.43	\$ 25.04	\$ 169.55
2019 Rate Drivers				
Wholesale	2.3%	2.6%	0.0%	2.1%
Local				
CIP/R&R	1.0%	1.4%	3.1%	1.5%
Taxes/Interfunds	1.0%	0.3%	0.6%	0.6%
Operations	0.7%	0.4%	1.8%	0.7%
Local	2.7%	2.1%	5.5%	2.8%
Total Increase	\$ 3.20	\$ 3.78	\$ 1.38	\$ 8.36
2019 Monthly Bill	\$ 67.28	\$ 84.21	\$ 26.42	\$ 177.91
2020 Rate Drivers				
Wholesale	2.7%	0.0%	0.0%	1.0%
Local				
CIP/R&R	1.5%	1.2%	3.1%	1.7%
Taxes/Interfunds	0.5%	0.4%	0.7%	0.5%
Operations	0.3%	0.7%	1.7%	0.6%
Local	2.3%	2.3%	5.5%	2.8%
Total Increase	\$ 3.36	\$ 1.94	\$ 1.45	\$ 6.75
2020 Monthly Bill	\$ 70.64	\$ 86.15	\$ 27.87	\$ 184.66

Minor differences may exist due to rounding



DATE: March 26, 2018
TO: Mayor Chelminiak and City Councilmembers
FROM: Nav Ota, Utilities Director, Utilities Department
SUBJECT: Utilities Financial Policies

Following are the key sections of the Waterworks Utility Financial Policies (attached) that guide the Utilities Department's capital investments, rate management, and rate design. Staff will review these policies in more detail with Council at the March 26, 2018 Council Budget Workshop.

Section II - Capital Investment Program Policies

- A. General Scope
- B. Funding Levels
- C. Use of Debt
- D. Capital Facilities Renewal & Replacement (R&R) Account

Section IV – Rate Policies

- A. Rate Levels
- B. Debt Coverage Requirements
- C. Frequency of Rate Increases
- D. Rate Structure – Sewer
- E. Rate Structure – Storm & Surface Water
- F. Rate Structure – Water
- G. Rate Equity
- H. Rate Uniformity
- I. Rate Assistance

A complete set of the Waterworks Utility Financial Policies can be found in the Appendices/Reference Materials.

II. CAPITAL INVESTMENT PROGRAM POLICIES

A. *General Scope*

The Utilities Capital Investment Program (CIP) will provide sufficient funds from a variety of sources for implementation of both short- and long-term capital projects identified in each Utility System Plan and the City-wide Capital Investment Program as approved by the City Council.

Financial planning for long-term capital investment shall be based on principles that result in smooth rate transitions, maintain high credit ratings, provide for financial flexibility and achieve inter-generational equity.

Discussion:

These near-term capital projects are usually identified in each Utility system plan which also provides the criteria and prioritization for determining which projects will be constructed. Several projects of general scope are also included to allow for on-going projects that are less specifically identified due to their more inclusive nature.

In addition to these near-term projects, funding should be provided for long-term capital reinvestment in the system to help minimize large rate impacts as the systems near the end of their useful life and have to be renewed or replaced. Ordinance No. 4783 established a Capital Facilities Renewal & Replacement (R&R) Account for each Utility to provide a funding source for this purpose. Other policies describe how this Account is to be funded and expended.

A reinvestment policy by itself, without some form of planned and needed expenditure, could lead to excessive or unneeded expenditures, or conversely unnecessary accumulations of cash reserves. The reinvestment policy needs to tie the planned expenditures over time with a solid, long-term financial plan that is consistent with these policies.

The actual needs for the renewal/replacement expenditures should relate to the on-going need to minimize system maintenance and operating costs consistent with providing safe and reliable service, the age and condition of the system components, and any regulatory or technical obsolescence. In essence, plant should be replaced when it is needed and before it fails. As such, the goal setting measure of how much is an appropriate annual or periodic reinvestment in renewals and replacement of existing assets should be compatible with the age and condition of the infrastructure and its particular circumstances.

ORIGINAL

WPO459C-ORD
06/27/95

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4783

AN ORDINANCE creating utility capital replacement accounts for the Water, Sewer and Storm and Surface Water Utilities within the Utility Capital Investment Fund for the purpose of accumulating funding for long term replacement of utility facilities.

WHEREAS, the Utilities 1995 Cost Containment Study prepared by Financial Consulting Solutions Group, Inc. (FCSG) recommends that current utility rates recover from the ratepayers amounts which at a minimum are equal to the depreciated value of the original cost of utility facilities and at a maximum are amounts equal to the replacement value of utility infrastructure; and

WHEREAS, FCSG recommends that utility funds not needed for current expenditure be placed in a replacement account to be used in the future in combination with current revenues and/or debt financing to replace capital facilities nearing the end of their useful life; and

WHEREAS, implementation of FCSG's recommendations would promote intergenerational rate equity and provide more stable rates to customers over the long term; and

WHEREAS, the Council desires to make an initial, 1995 deposit of \$600,000 in savings from the Water Fund into the new capital replacement account for the Water Utility; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
ORDAIN AS FOLLOWS:

Section 1. The purpose of this ordinance is to establish capital facilities replacement accounts within the Utility Capital Investment Fund in order to assure a future funding source for replacement of utility facilities nearing the end of their useful life. The City Council will determine each year, as part of the adoption of the utilities operating budgets, how much, if any, utility revenue during the upcoming year shall be designated for transfer to a replacement account. The City Council may also authorize the receipt of other funds directly into these capital facility replacement accounts. Once deposited the funds will accumulate with interest. The decision regarding when and how to utilize such accumulated funds for the replacement of utility facilities will be made as part of the Utility Comprehensive Plans and Utility Capital Investment Program approval process.

ORIGINAL

WP0459C-ORD
06/27/95

Section 2. The following new accounts are established in the Utility Capital Investment Fund:

Capital Facilities Replacement Account - Sewer
Capital Facilities Replacement Account - Water
Capital Facilities Replacement Account - Storm and Surface Water

Section 3. There is hereby authorized the 1995 transfer from the Water Utility Operating Fund to the Capital Facilities Replacement Account - Water the amount of \$600,000.

Section 4. This ordinance shall take effect and be in force five days after its passage and legal publication.

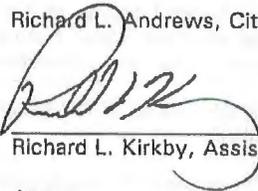
PASSED by the City Council this 24th day of July, 1995, and signed in authentication of its passage this 24th day of July, 1995.

(SEAL)


Donald S. Davidson, DDS, Mayor

Approved as to form:

Richard L. Andrews, City Attorney


Richard L. Kirkby, Assistant City Attorney

Attest:


Myrna L. Basich, City Clerk

Published July 28, 1995

B. Funding Levels

Funding for capital investments shall be sustained at a level sufficient to meet the projected 20-year (or longer) capital program costs.

Funding from rate revenues shall fund current construction and engineering costs, contributions to the Capital Facilities Renewal and Replacement (R&R) Account, and debt service, if any.

Inter-generational equity will be assured by making contributions to and withdrawals from the R&R Account in a manner which produces smooth rate transitions over a 20-year (or longer) planning period.

On an annual basis, funding should not fall below the current depreciation of assets expressed in terms of historical costs less any debt principal payments.

Discussion:

These policies are based on the experience gained by developing a long-term Capital Replacement Funding Plan. In absence of such a plan, the range of capital investment funding should fall between the following minimum and maximum levels:

The minimum annual rate funding level would be based on the current depreciation of assets expressed in terms of historical costs, less any debt principal payments.

The maximum annual rate funding level would be based on the current depreciation of assets expressed in terms of today's replacement costs, less any debt principal payments.

The minimum level based on historical cost depreciation approximates the depletion of asset value. Some of the cost may already be in the rates in the form of debt service. Depreciation less debt principal repayment provides a minimum estimate of the cost of assets used. Any funding level below this amount defers costs to future rate payers and erodes the Utility's equity position, which puts the Utility's financial strength and viability at risk.

The maximum level based on replacement cost depreciation represents full compensation to the utility, in terms of today's value, for the depletion of assets. The replacement cost depreciation, again less debt principal repayment, provides a ceiling to an equitable definition of "cost of service".

The purpose of long-term capital reinvestment planning is to establish a target funding level which is based on need and to assure that funds will be available for projected capital costs in an equitable manner. The best projection of the needed capital reinvestment is based on a "survival curve" approach, approximating the timing and cost of replacing the entire system. This defines the projected financial

needs and allows determination of equitable rate levels, funding levels for current capital construction and engineering, contributions to and withdrawals from the R&R Account, and the use of debt, if any. It also provides a means to project depreciation on both historical cost and replacement cost basis which are used to calculate minimum and maximum funding levels, debt to fixed asset ratios, and debt coverage levels, if debt is used. These later measures can be used to assure that the financial plan meets conventional standards.

C. Use of Debt

The Utilities should fund capital investment from rates and other revenue sources and should not plan to use debt except to provide rate stability in the event of significantly changed circumstances, such as disasters or external mandates.

Resolution No. 5759 states that the City Council "will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00". Please note that the Moody's Investor Services rating should be Aa2 (not Aa as stated in Resolution No. 5759).

Discussion:

The utilities are in a strong financial position and have been funding the Utility Capital Investment Program from current revenues for a number of years. The current 20-year and 75-year capital funding plans conclude that the entire long-term renewal and replacement program can be funded without the use of debt if rates are planned and implemented uniformly over a sufficient period. Customers will pay less over the long-term if debt is avoided, unless it becomes truly necessary due to unforeseen circumstances such as a disaster or due to changes in external mandates. Having long-term rate stability also assures inter-generational equity without the use of debt because the rate pattern is similar to that achieved by debt service.

Use of low interest rate debt such as the Public Works Trust Fund loans, by offering repayment terms below market rates, investment earnings or even inflation, should be viewed as a form of grant funding. When available or approved, such sources should be preferred over other forms of rate or debt funding, including use of available resources. Since such reserves would generate more interest earnings than the cost of the loan, the City's customers would be assured to benefit from incurring such debt.

WPO254C-RES
03/03/94

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 5759

A RESOLUTION relating to financial policy for the Waterworks Utility and adopting a debt service coverage policy for the Waterworks Utility

WHEREAS, the City of Bellevue is consistently recognized for its prudent financial management; and

WHEREAS, the City of Bellevue's Water and Sewer Bonds are currently rated Aa by Moody's Investor Services and AA- by Standard & Poor's Corporation, which are considered to be excellent ratings; and

WHEREAS, these excellent ratings result in lower interest costs on the City's Water and Sewer bonds, which, in turn, may result in lower water, sewer and storm drainage costs; and

WHEREAS, it is important to the rating agencies and to the financial community that the City articulate its financial goals for its Waterworks Utility; and

WHEREAS, a desirable debt service coverage ratio, the ratio of revenues available for debt service to the annual debt service requirement, positively affects the Utility's bond ratings; and

WHEREAS, the City Council deems it in the City's best interest to establish a debt service coverage policy target for the purpose of protecting its current bond rating and to allow for the development of financial projections, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby adopts the following debt service coverage policy for the bonds issued by the City's Waterworks Utility.

The City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00. The City Council authorizes the Waterworks Utility to utilize this policy in development of pro

WPO254C-RES
03/03/94

forma projections which will be disseminated to the bond rating agencies and to the financial community generally.

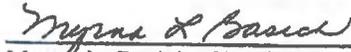
PASSED by the City Council this 7th day of March,
1994, and signed in authentication of its passage this 8th day of
March, 1994.

(SEAL)



Donald S. Davidson, DDS, Mayor

Attest:


Myrna L. Basich, City Clerk

D. Capital Facilities Renewal & Replacement (R&R) Account

1. Sources of Funds

Revenues to the R&R Account may include planned and one-time transfers from the operating funds, transfers from the CIP Funds above current capital needs, unplanned revenues from other sources, Capital Recovery Charges, Direct Facility Connection Charges and interest earned on the R&R Account.

2. Use of Funds

Funds from the R&R Account shall be used for system renewal and replacement as identified in the CIP. Because these funds are invested, they may be loaned for other purposes provided repayment is made consistent with the need for these funds and at appropriate interest rates. Under favorable conditions, these funds may be loaned to call or decrease outstanding debt.

3. Accumulation of Funds

The R&R Account will accumulate high levels of funds in advance of major expenses. These funds will provide rate stability over the long-term when used for this purpose and should not be used for rate relief.

Discussion:

Revenues from Capital Recovery Charges, Direct Facility Connection Charges and interest earned on the R&R Account are deposited directly into the R&R Account. Other transfers are dependent on the long-term financial forecast, current revenues and expenses, and CIP cash flows. The long-term financial forecast projects a certain funding level for the transfers to the CIP and the R&R Accounts. Rates should be established consistent with this long-term financial plan and will generate the funds for such transfers. Setting rates at lower levels may result in current rate payers contributing less than their fair share for long-term equity.

R&R Account funds must only be used for the purpose intended; that is, the long-term renewal and replacement of the utility systems. They may be used for other purposes if it is treated as a loan, which is repaid with appropriate interest in time for actual R&R needs for those funds.

These accounts are each projected to accumulate tens of millions of dollars in order to meet the anticipated costs for the actual projects at the time of construction. It is the intent of these policies that these reserve funds will not be used for other purposes or to provide rate relief because that would defeat the long-term equity and could lead to the need for the use of debt to fund the actual needs when they occur.

IV. RATE POLICIES

A. Rate Levels

Rates shall be set at a level sufficient to cover current and future expenses and maintain reserves consistent with these policies and long-term financial forecasts.

Changes in rate levels should be gradual and uniform to the extent that costs (including CIP and R&R transfers) can be forecast.

Cost increases or decreases for wholesale services shall be passed directly through to Bellevue customers.

Local and/or national inflation indices such as the Consumer Price Index (CPI) shall be used as a basis for evaluating rate increases.

At the end of the budget cycle, fund balances that are greater than anticipated and other one-time revenues should be transferred to the R&R account until it is shown that projected R&R account funds will be adequate to meet long-term needs, and only then used for rate relief.

Discussion:

A variety of factors including rate stability, revenue stability, the encouragement of practices consistent with Utility objectives and these Waterworks Utility Financial Policies are considered in developing Utility rates. The general goal is to set rates as low as possible to accomplish the on-going operations, maintenance, repair, long-term renewal and replacement, capital improvements, debt obligations, reserves and the general business of the Utility.

Long-range financial forecast models have been developed for each of the Utilities, which include estimated operating, capital and renewal/replacement costs for a 75-year period in order to plan for funding long-term costs. Operating costs are assumed to remain at the same level of service and don't include impacts of potential changes due to internal, regional or federal requirements. Capital costs, including renewal/replacement, are projected based on existing CIP costs and approximated survival curves for the infrastructure. The models are used to project rate levels that will support the long-term costs and to spread rate increases uniformly over the period. This is consistent with the above policy that changes in rate levels should be gradual and uniform. Uniform rate increases help ensure that each generation of customers bears their fair share of costs for the long-term use and renewal/replacement of the systems.

The biennial budget process provides an opportunity to add to or cut current service levels and programs. The final budget, with the total authorized expenses including transfers to the CIP Fund and the R&R Account, establishes the amount of revenue required to balance the expenses. A balanced budget is required. The budgeted customer service revenue determines the level of new rates. For

example, if the current rates do not provide sufficient revenues to meet the projected expenses, the costs have to be reduced or the rates are increased to make up the shortfall.

For purposes of these policies, wholesale costs are defined as costs to the Utilities from other regional agencies such as the Seattle Public Utilities and/or the Cascade Water Alliance (CWA), and King County Department of Natural Resources for sewer treatment and any agreed upon Storm & Surface Water programs. Costs which are directly based on the Utilities' revenues or budgets such as taxes, franchise fees and reserve levels that increase proportionally to the wholesale increases are included within the definition of wholesale costs.

B. Debt Coverage Requirements

Utility rates shall be maintained at a level necessary to meet minimum debt coverage levels established in the bond covenants and to comply with Resolution No. 5759 which establishes a target coverage ratio of 2.00.

Discussion:

Existing revenue bond covenants legally require the City's combined Waterworks Utility, which includes the Water, Sewer and Storm & Surface Water Utilities, to maintain a minimum debt coverage ratio of 1.25 on a combined basis. In 1994, Council also adopted Resolution No. 5759 that established a policy, which mandates the Utilities to maintain a target combined debt coverage ratio of approximately 2.00, to further protect the City's historically favorable Utility revenue bond ratings. Water and Sewer Utility resources are counted in the official coverage calculation though Storm & Surface Water is responsible for the major portion of current outstanding Utility debt. Requiring Storm & Surface Water to separately maintain the minimum 1.25 legal debt coverage level and to move toward the 2.00 level will help ensure that necessary coverage requirements are met, and that customers of the other Utilities will not be unfairly burdened with the cost of meeting this obligation. It also ensures that sufficient coverage is available to the Water and Sewer Utilities if they need to incur debt.

C. Frequency of Rate Increases

Utility rates shall be evaluated annually and adjusted as necessary to meet budgeted expenses including wholesale cost increases and to achieve financial policy objectives.

Discussion:

In 1996, the City changed to a biennial budget process and adopted a two-year Utilities budget including separate rates for 1997 and 1998. This practice will continue on a biennial basis. However, Utility rates will be evaluated on an annual basis and adjusted as necessary to ensure that they are effectively managed to achieve current and future financial policy objectives. Annual rate reviews will include preparation of forecasts covering a twenty-year period for Utility

revenues, expenditures, reserve balances and analysis of the impact of various budgetary elements (i.e. CIP transfers, R&R Account transfers, debt service costs, debt coverage levels, operating expenses, and reserves) on both current and future rate requirements.

D. Rate Structure - Sewer

The Sewer Utility rate structure will be based on a financial analysis considering cost-of-service and other policy objectives, and will provide for equity between customers based on use of the system and services provided.

Discussion:

In 1993, a Sewer Rate Study was performed that resulted in Council approval of a two-step, volume-based rate structure for single-family customers based on winter average metered water volumes instead of the traditional flat rate structure. Flat rate structures were seen as inequitable to low-volume customers who paid the same amount as high volume customers. Rates are based on the level of service used, rather than the availability of service.

The revenue requirements are based on the "average" single-family winter average volume calculated annually from the billing database. The charge for an individual customer is based on their winter average and then charged at that level each bill for the entire year to avoid charging for irrigation use. The customer's winter average is based upon the prior year's three winter bills because the current year's bills include winter months, which would result in the average constantly changing. Customers without prior winter averages to use for a basis are charged at the "average" volume until they establish a "winter-average" or sufficient evidence that their use is significantly different than the "average".

E. Rate Structure - Storm & Surface Water

The Storm & Surface Water Utility rate structure will be based on a financial analysis considering cost-of-service and other policy objectives, and will provide adjustments for actions taken under approved City standards to reduce related service impacts.

Discussion:

In the existing Storm & Surface Water rate structure, customer classes are defined by categories of development intensity, i.e., *undeveloped*, *lightly developed*, *moderately developed*, *heavily developed* and *very heavily developed*. Based on theoretical run-off coefficients for each of these categories, higher rates are charged for increasing degrees of development to reflect higher run-off resulting from that development. Under this structure, billings for both residential and non-residential customers are determined by total property area and rates assigned to applicable categories of development intensity. Customers providing on-site detention to mitigate the quantity of run-off from their property receive a credit equal to a reduction of one rate level from their actual development intensity.

Property classified as "wetlands" is exempt from Storm & Surface Water service charges.

Large properties, over 35,000 square feet, with significantly different levels of intensity of development may be subdivided for rate purposes in accordance with Ordinance No. 4947. In addition, properties with no more than 35,000 square feet of developed area in the light and moderate intensity categories may, at the option of the owner, defer charges for that portion of the property in excess of 66,000 square feet. The property owner may apply for a credit against the Storm & Surface Water charge when they can demonstrate that the hydrologic response of the property is further mitigated through natural conditions, on-site facilities, or actions of the property owner that reduce the City's costs in providing Storm & Surface Water quantity or quality services.

Future design of a water quality rate component will also use cost-of-service principles to assign defined water quality costs to customer classes, according to their proportionate contribution to Utility service demand. It is anticipated that these rate structure revisions will also provide financial incentives to customers taking approved actions to mitigate related water quality impacts.

F. Rate Structures - Water

The water rate structure will be based on a financial analysis considering cost-of service and other policy objectives, and shall support water conservation and wise use of water resources.

Discussion:

The water rate structure consists of fixed monthly charges based on the size of the customer's water meter and volume charges, which vary according to customer class and the actual amount of water that the customer uses. There are three different meter rate classifications: domestic, irrigation and fire standby. The different charges are based on a cost-of-service study.

State law and the wholesale water supply contract require the Utility to encourage water conservation and wise use of water resources. Seattle first established a seasonal water volume rate structure for this purpose in 1989 with higher rates in the summer than in the winter. In 1990, based on a water rate study and the desire to provide a conservation-pricing signal to our customers, the City adopted an increasing block rate structure for local volume rates. The rate structure was revised in 1991 to pass through an increase in wholesale water costs, which also included a higher seasonal water rate for summer periods. The block water rate structure was revised again in 1997, to incorporate new cost-of-service results from a 1996 water rate study.

An increasing block rate structure, charges higher unit rates for successively higher water volumes used by the customer. The current rate structure has four rate steps for single-family and three rate steps for multi-family customers, based on metered water volumes. All irrigation-metered water is charged at a separate,

higher rate. Because non-residential classes do not fit well in an increasing block rate approach due to wide variations in their size and typical water use requirements, seasonal rates, with and without irrigation, were established for these customers. This rate structure will be thoroughly reviewed, as more historical information is available on the effect of the increasing block and seasonal rate structure.

In 1997, an additional category of fire protection charges was added for structures and facilities that benefit from the City water system but are not otherwise being charged for water service. For example, a number of homes are on private wells but are near a City-provided fire hydrant and enjoy the additional benefit of fire protection yet didn't pay for the benefit on a water bill. The charge is based on an equivalent meter size that would normally serve the facility. It also applies to facilities that have terminated water service but still stand and require fire protection, such as homes or buildings that are not occupied.

G. Rate Equity

The rate structure shall fairly allocate costs between the different customer classes. Funding of the long-term Capital Investment Program also provides for rates that fairly spread costs over current and future customers.

Discussion:

As required under State law, Utility rates will provide equity in the rates charged to different customer classes. In general, rates by customer class are designed to reflect the contribution by a customer group to system-wide service demand, as determined by cost-of-service analysis. The RCW also authorizes utility rates to be designed to accomplish "any other matters, which present a reasonable difference as a ground for distinction". For example, increasing water rates for irrigation and higher levels of use is allowed to encourage the wise use and conservation of a valuable resource. Formal rate studies are periodically conducted to assure ongoing rate equity between customer classes and guide any future rate modifications necessary to support changing Utility program or policy objectives.

Contributions from current rates to the R&R Account also provide equity between generations of rate payers by assuring that each user pays their fair share of capital improvements, including renewal and replacement, over the long-term. (See sections B and D under the Capital Investment Program Policies).

H. Rate Uniformity

Rates shall be uniform for all utility customers of the same class and level of service throughout the service area. However, special rates or surcharges may be established for specific areas, which require extraordinary capital investments and/or maintenance costs. Revenues from such special rates or surcharges and expenses from capital investments and/or extraordinary

maintenance shall be accounted for in a manner to assure that they are used for the intended purposes.

Discussion:

The City Water and Sewer Utilities originally formed by assuming ownership of three separate operating water districts and two sewer districts. In the assumption agreements, each included a provision that requires the Utility to uniformly charge all customers of the same class throughout the entire service area. The basic rates are set for all customers, inside and outside of the City, except for local utility taxes in Bellevue, and franchise fees in Clyde Hill, Hunts Point, Medina, and Yarrow Point. Unlike the Water and Sewer Utilities, the Storm & Surface Water Utility only serves areas within the City limits.

Under state law, Utilities are required to charge uniform rates to all customers in a given customer class, regardless of property location within the service area. The only exception permitted is for certain low-income customers (see below).

However, when conditions in particular service areas require extraordinary capital improvement or maintenance costs to be incurred, special rates or surcharges may be adopted to recover those costs directly from properties contributing to the specific service demand, instead of assigning that cost burden to the general Utility rate base. This will only apply for costs above and beyond normal operations, maintenance and capital improvements. For example, rate surcharges are being used to recover debt service costs for capital facilities in Lakemont and the CBD. An additional rate surcharge for Lakemont properties is being collected for extraordinary maintenance costs of the storm water treatment facility.

I. Rate Assistance

Rate assistance programs shall be provided for specific low-income customers as permitted by State law.

Discussion:

Continual increases in all utility rates have had a significant impact on low-income customers. The City has adopted a rate discount or rebate program for disabled customers and senior citizens over 62 years old and with income below certain levels as permitted under State law and defined in Ordinance No. 4458. It has two levels, one discounting Utility rates by 40 percent and the other level by 75 percent, based on the customer's income level. Customers that indirectly pay for Utility charges through their rent can obtain a rebate for the prior year's Utility charges on the same criteria. The City also rebates 100 percent of the Utility Tax for these customers. The cost of this program is absorbed in the overall Utility expenses and is recovered through the rate base. The General Fund provides for the Utility tax relief.

There are other low-income customers who are less than 62 years old and currently receive no Utility rate relief. However, the City has instituted a separate rebate of Utility taxes for qualified low-income citizens.

2018 Tentative Environmental Services Commission Calendar

Updated 3/27/18

January						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

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

CWA and SPU Rpt of Wtr Resiliency (SPU & CWA)
Review Preliminary Utilities CIP & Operating Budget Proposals (Lucy/Martin)
Emergency Water Supply Master Plan Update (Doug)

MAY 17

Tentative – Additional Mtg to Review Prelim Util CIP & Operating Budget Proposals (Lucy/Martin)

JUNE 7

Election of Chair & Vice Chair (Andrew)
AMI Program Update (Brian)
Final ESC Comments & recommendations on budget proposals (Lucy/Martin)
O&M Yard Space Master Plan (Joe)

JULY 5

Sewer/Storm Cost of Service Studies (Lucy/Martin)
CIP Tour

AUGUST 2

Recess

SEPTEMBER 6

AMI Program Update (Brian)
Budget Follow-Up (Lucy/Martin)
Wastewater System Plan (Doug)

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

Pending:

AMI Program Update (Brian)

July						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

August						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

March						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

April						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

May						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

June						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

2018 Tentative Council Calendar

Updated 3/27/18

January						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June						
S	M	T	W	T	F	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

APRIL 2

APRIL 9 Cancelled

April 16

Resolution authorizing execution of professional services agreement for water Distribution System Seismic vulnerability Assessment (Paul/Doug)

Motion to award overlay and pavement restoration 2018 construction (Linda/Jim)

Motion to award lower Coal Creek Flood Hazard Reduction Group 2 Cascade Key and Newport Key Culvert replacement construction (Linda/Debbie)

MAY 7

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

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

JUNE

JULY

AUGUST

Recess

SEPTEMBER

OCTOBER

NOVEMBER

Tentative SW Comp Plan (TBD)

DECEMBER

2018 Tentative

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

July						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					