PROJECT BRIEFING

Prepared for the Environmental Services Commission

June 21, 2018

Brian Pugliese

Smart Water Infrastructure & Technology Project Manager
Agenda

- Project Review
- Procurement Progress
- Upgrade Preparation
CUSTOMERS EXPECT BETTER INFORMATION ON WATER USE

- Customers can control water usage
- Proactive leak detection


City Council approved funding of $23.1 million from Smart Water Meters in November 2016
SMART WATER SYSTEM
### CITY REQUIREMENTS

<table>
<thead>
<tr>
<th>Identified Requirement</th>
<th>Vendor Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-way communication</td>
<td>✓</td>
</tr>
<tr>
<td>Accurate meter reading</td>
<td>✓</td>
</tr>
<tr>
<td>Leak detection</td>
<td>✓</td>
</tr>
<tr>
<td>Customer portal</td>
<td>✓</td>
</tr>
<tr>
<td><em>Bellevue Smart</em> support</td>
<td>✓</td>
</tr>
<tr>
<td>20-year system life</td>
<td>✓</td>
</tr>
</tbody>
</table>
PROCUREMENT
PROCUREMENT STATUS

- 63 firms downloaded RFP
- 9 submitted RFPs
  - 6 - Both Parts A & B
  - 1 – A only
  - 2 – B only
- 4 Presented Demos
  - 3 - Both Parts A & B
  - 1 – B only
- 2 best and final offers (BAFO)
  - 1\(^{\text{st}}\) firm – No agreement on contract terms
  - 2\(^{\text{nd}}\) firm – Detailed negotiation in progress

- May 2017
- Sept. 2017
  1\(^{\text{st}}\) BAFO
- June 2018
  2\(^{\text{nd}}\) BAFO
CONTRACT STRUCTURE

SERVICE AGREEMENT/Ts & Cs

Hardware
- Meters & Radio Transmitters
- Field Communications Network
- City Owned/Warranty

Itron’s Services
- Meters, Radios and Meter Box Installs
- Head End/Meter Data System
- Customer Portal/Data Analytics
- 1.5+ Years
- 20 Years

Software License
Service Warranty
Software License

Service Level Agreement/ Performance Credits

Pricing
Next steps

- Complete contract negotiations – July/August
- ESC, Council briefings – August (before break)
- Submit for Council approval – September/ October
PREPARING FOR TECHNOLOGY UPGRADE
# SCHEDULE FOR ESC INPUT

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>New metering standard</td>
<td>Q2 18</td>
</tr>
<tr>
<td>Privacy</td>
<td>Q 4 18</td>
</tr>
<tr>
<td>Meter sites for initial deployment (pilot)</td>
<td>Q1 19</td>
</tr>
<tr>
<td>Update to leak adjustment policy</td>
<td>Q2 19</td>
</tr>
<tr>
<td>Billing frequency</td>
<td>2021 – 2022 Budget</td>
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</table>
RECOMMENDATION

Utilities provide one standard meter to customers

- Meets our customers’ demand for timely leak detection
- Greater customer access to consumption information for budgeting and conservation
- Best use of time and resources
- Maximizes the impact of the investment made
- Supports Bellevue Smart plan
NEW METER STANDARD

- Non-communicating meters will be the old standard of collecting consumption
  - Manual reads
  - Bi-monthly
  - No early leak detection
  - Consumption detail limited to every sixty days
- Two-way communicating is the new standard
  - Automated reads retrieved daily and with hourly increments
  - No need to roll trucks to obtain reads
  - Early leak detection
  - Details available to customers about daily use
ISSUE

• A small number of individuals don’t like technologies that employ wireless communications citing potential adverse health effects, risks to privacy, and safety concerns
## RESEARCH

<table>
<thead>
<tr>
<th>Item</th>
<th>Research</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adverse Health Effects</td>
<td>Numerous studies find no credible link between electromagnetic frequencies (EMF)/ radio frequencies (RF) and adverse health effects</td>
<td>RF risk to health not proven; some individuals report a sensitivity</td>
</tr>
<tr>
<td>Privacy</td>
<td>High profile hacks of sensitive financial, health and personally identifiable information (PII) raise valid concerns among many</td>
<td>Meter consumption data is a “low-value” target.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nonetheless, Utilities requirements are for secured network communications and encrypted data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The City complies with stringent state laws and is updating its privacy protection standards</td>
</tr>
<tr>
<td>Safety</td>
<td>Safety issues are tied to electric meter devices and installation practices</td>
<td>Safety is not a high-level concern for water service</td>
</tr>
</tbody>
</table>
ALTERNATIVE TO STANDARD METERS

- Primarily regulated electric utilities across the country and <1% of customers subscribe to the service.
- If same percentage applied to Bellevue Utilities, the potential impact would be 200 customer accounts.

“Several states have implemented policies that allow customers to opt-out of smart meters. These customers typically pay an initial fee and a monthly opt-out fee. The number of customers who have requested to opt-out of smart meter installation is extremely low (far less than 1%).”

1 - p 19, The Edison Foundation, Institute for Electric Innovation, Electric Company Smart Meter Deployments, December 2017
Water Agencies

• Smart water meters are the standard
  • Olympia
  • Sammamish
  • Walla Walla
  • Woodinville
DISCUSSION

• City Code §24.02.100 - “The utility owns all water facilities in public rights-of-way and in easements dedicated to the public and accepted by the utility, up to and including the meter…”

• As owner and operator, Utilities has responsibility to select and maintain its equipment
DISCUSSION (2)

Four residents have contacted Utilities citing personal reasons for not wanting a two-way communicating meter.

Options
• All customers receive the same standard meter
• Customers seeking an alternative, get a new digital meter without a communications module
  • Incur TBD fees
    • Administrative charge to cover costs of setting up a non-standard service
    • Manual meter reading fee for Utility expense each billing cycle
## POTENTIAL IMPACT

<table>
<thead>
<tr>
<th>Choice</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard meter for all</td>
<td>• Reductions in leak adjustment requests and credits</td>
<td>• Complaints/dissatisfaction from those with perceived RF sensitivity or privacy concerns</td>
</tr>
<tr>
<td></td>
<td>• Minimize “lost” water</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Equal benefits access</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No special record keeping/billing</td>
<td>• Diminishes environmental benefit</td>
</tr>
<tr>
<td></td>
<td>• No add-on fees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Maintains environmental goals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Aligns with Utilities Asset Management Strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Supports <em>Bellevue Smart</em> plan</td>
<td></td>
</tr>
<tr>
<td>Individuals apply for non-standard service</td>
<td>• Avoid complaints/dissatisfaction from those with RF sensitivity or privacy concerns</td>
<td>• Higher bills for non-standard service customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Special recordkeeping/billing</td>
</tr>
</tbody>
</table>
THANK YOU
AGENDA

Presentation Purpose:

Share with and seek input from the Environmental Services Commission (ESC) about the Utility Rate Relief program.

1. Programs overview
2. URR Program challenges
3. Evaluation scope
4. ESC input
DID YOU KNOW?

19% of Bellevue households are estimated to be low income
The purpose of the City of Bellevue Rate Relief Programs is to make essential (base level) utility services affordable to low income households that are the most vulnerable and not able to pay for their basic living expenses.
UTILITY LOW INCOME RELIEF PROGRAMS

1. Utility Rate Relief (URR) Program
   - Utility bill discount
   - 62 + years old OR permanently disabled OR home kidney dialysis
   - Owned and administered by Utilities
   - Funded by Utility rates

2. Utilities Tax Relief program (UTR)
   - Occupational tax rebate
   - No age or disability requirements
   - Owned by Parks. Administered by Utilities.
   - Funded by general fund
PROGRAMS LEGAL AUTHORITY - WA STATE

RCW 35.92.020(5); RCW 35.67.020(5); RCW 74.38.070 authorizes cities to provide assistance and reduce utilities rates for low income persons

Article 8, Sec. 7 of the State Constitution permits "gifts" of public funds in "support of the poor or infirm"
Established by COB Ordinance No. 2819 and 2880 (1980) – provide relief for water, sewer and drainage services charges to senior citizens.

Rate Relief Program – Bellevue City Code (BCC), Chapter 24.10 Utility Service Charge Relief
- Related Ordinances Nos. 5965, 4848, 4458, 4195

Tax Relief Program – BCC 4.10.055 - .070 Occupational Tax Relief
- Related Ordinance Nos. 6040, 4923, 4843, 4841, 4195
RATE RELIEF PROGRAM GUIDING PRINCIPLES

• Simplicity and Accessibility
• Equity and Diversity
• Affordability and Sustainability
• Conservation
• Accountability
UTILITY RATE RELIEF PROGRAM

▪ Benefits:
  ▪ 40% or 75% discount off utility payments

▪ Eligible population
  ▪ Low income < $32,120 AND
  ▪ 62 + years old OR permanently disabled OR home kidney dialysis

▪ Customers Served
  ▪ Single Family Residents (SFR)
  ▪ Multi Family Residents (MFR)

▪ Application process
  ▪ Feb. 1 through the end of Oct
  ▪ Via mail
  ▪ In person – City locations and retirement homes
HOW CUSTOMERS CAN FIND ABOUT US?

▪ Article in IYC and Park’s Connection Booklet;
▪ Message in annual Utility Bill and newsletter
▪ City website;
▪ Program description listed with KC Crisis Clinic;
▪ Direct mail packet to previously qualified applicants
▪ Information distributed at four senior apartment locations
▪ COB staff referrals.
2017 URR PROGRAM

- Customers served:
  - 398 SFR
  - 653 MFR

- Program cost:
  - approximately $1M

- Program coverage:
  - ~ 20% of eligible URR population (62+ and with disabilities)
URR CHALLENGES

- Dated customer application process
- Cumbersome program administration
- No relief for customers experiencing temporary financial shock
URR PROGRAM EVALUATION SCOPE

1. Program effectiveness
   ▪ Benefit levels
   ▪ Eligible customer population
   ▪ Customer equity
   ▪ Customer access to program

2. Administrative efficiency
   ▪ Process improvement opportunities
   ▪ Potential partnership with social service agencies
NEXT STEPS

❖ Complete the evaluation

❖ Review recommendations with ESC in September

❖ Review recommendations with Council in the Fall
Agenda

January – May: 2019 – 2025 CIP Budget Review

June 7: 2019-2020 Operating Budget Review

June 21:
- Rate Review
- ESC Budget Proposal Recommendation LT
Budget Development Process

Policies
- City & State Codes
- Regulatory Constraints
- Contracts/Agreements

Services - Mandatory
Services – Optional

Service Levels

Revenue Requirement

Operating & Capital
Budgets

Effective/Efficient
Delivery

Rate-Making Policies

Rates

Rates Guided by Council-Adopted Policies
Capital Investment Policies

• Long-term financial planning for capital investment
• Intergenerational equity
• Debt reserved for changed circumstances
• Saving for future infrastructure needs – Renewal & Replacement account

Rate Management Policies

• Funding levels sufficient to meet current and future expenses
• Gradual and uniform rate changes
• Pass through wholesale cost increases
• Use of savings/one-time revenues
• Frequency of rate increases
Revenue Requirement

Budget Priorities

- Sustainable high quality utility services
  - Responsible management of infrastructure assets
  - Long-term financial sustainability

- Certainty and predictability of rates

Goal: Maintain services with minimal new requests
Capital Budget Recap

2019-2020 Budget

Aging Infrastructure
- $166.3M
- Small diameter water main replacement W-16 ($72.9M)
- Water PS Rehab W-85 ($18.5M)
- Sewer pipeline major system repairs S-66 ($14.5M)
- Sewer system trunk rehab S-24 ($11.5M)
- Storm infrastructure rehab D-64 ($10.5M)

Capacity for Growth
- $10.4M
- Water supply for west Bellevue W-104 ($2.3M)
- Reservoir storage for downtown W-103 ($1.6M)
- NE 40th and Enatai Inlet W-105 ($1.6M)

Environmental Preservation
- $18.5M
- M&O Yard Land Acquisition W-111 and S-111 ($8.0M)

AMI
- $14.7M
- AMI Implementation W-108 and S-108 ($14.7M)

New Projects
- $8.0M
- Midlakes Pump Station improvements S-61 ($3.4M)
- Flood control program D-94 ($5.8M)
- Stream channel modification D-86 ($3.6M)
- Fish passage improvements D-81 ($2.5M)

2019-2025 CIP Investments ($217.9M)

- Aging infrastructure (76%)
- Capacity to accommodate growth (5%)
- Environmental preservation & regulatory (9%)
- Customer service enhancements (7%)
- New Projects (3%)

<table>
<thead>
<tr>
<th>Aging Infrastructure</th>
<th>Capacity for Growth</th>
<th>Environmental Preservation</th>
<th>AMI</th>
<th>New Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midlakes Pump Station improvements S-61 ($3.4M)</td>
<td>Water supply for west Bellevue W-104 ($2.3M)</td>
<td>Reservoir storage for downtown W-103 ($1.6M)</td>
<td>Lower Coal Creek flood hazard reduction D-106 ($6.1M)</td>
<td>AMI Implementation W-108 and S-108 ($14.7M)</td>
</tr>
</tbody>
</table>
Infrastructure Funding From Rates
2019-2025 CIP/RR: $352.0M

$50M / year capital investment or 1.4% of system needs

Water: $139.1M
Sewer: $113.9M
Storm: $99.0M

75-Year Infrastructure Replacement and Funding Strategy
Operating Budget Recap

Proposed 2019-2020 Utilities Operating Budget

$316.2M, 183.0 FTE/LTE

30%
Capital Related:
- Transfers to CIP / R&R
- CIP Design and Management

52%
Financial Obligations:
- Taxes / Support Services
- Drinking Water Supply
- RCFC Payments
- Wastewater Treatment

18%
Local Operations:
- Operations & Maintenance
- Customer Service/Outreach
- Engineering System Planning
- Development Services
- Support Systems/Assets
- Management/Regulatory

Excludes operating reserves

6/21/2018
## Operating Budget Recap

### Local Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2018 Amended Budget</td>
<td>$54.1 M</td>
</tr>
<tr>
<td>Inflationary Increase</td>
<td>$2.0 M</td>
</tr>
<tr>
<td>New Costs</td>
<td></td>
</tr>
<tr>
<td>CCUD Reservoir Coating</td>
<td>$0.75 M</td>
</tr>
<tr>
<td>New Storm FTE for Video Assessment Pgm</td>
<td>$0.15 M</td>
</tr>
<tr>
<td>Billing Account Rep .25 FTE Increase</td>
<td>$0.04 M</td>
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<tr>
<td>2019-2020 Proposed Budget</td>
<td>$57.0 M</td>
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</table>

## Preliminary Rates
### 2019-2025 Utility Rates Forecast – June 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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</thead>
<tbody>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>2.7%</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Local</td>
<td>2.9%</td>
<td>3.0%</td>
<td>2.4%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Total</td>
<td>5.6%</td>
<td>5.0%</td>
<td>4.3%</td>
<td>4.4%</td>
<td>4.4%</td>
<td>4.4%</td>
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<tr>
<td><strong>Sewer</strong></td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>Wholesale</td>
<td>1.8%</td>
<td>-</td>
<td>1.2%</td>
<td>1.6%</td>
<td>1.2%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Local</td>
<td>2.1%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Total</td>
<td>3.9%</td>
<td>2.3%</td>
<td>3.6%</td>
<td>3.9%</td>
<td>3.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Storm</strong></td>
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<td></td>
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</tr>
<tr>
<td>Wholesale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Total</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.0%</td>
<td>5.0%</td>
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<tr>
<td><strong>Combined</strong></td>
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<td></td>
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<tr>
<td>Wholesale</td>
<td>1.9%</td>
<td>0.8%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Local</td>
<td>2.7%</td>
<td>3.0%</td>
<td>2.9%</td>
<td>2.8%</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Total</td>
<td>4.6%</td>
<td>3.8%</td>
<td>4.2%</td>
<td>4.3%</td>
<td>4.1%</td>
<td>4.0%</td>
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<tr>
<td><strong>Early Look</strong></td>
<td>4.9%</td>
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<td>4.3%</td>
<td>4.1%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

### 2019-2020 Budget Forecast – June 2018

Typical Residential Combined Water, Sewer, & Storm Utility Monthly Bill Rate Drivers

<table>
<thead>
<tr>
<th></th>
<th>2019 Bill</th>
<th>2020 Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Monthly Bill</td>
<td>$169.55</td>
<td>$177.27</td>
</tr>
<tr>
<td>Wholesale costs</td>
<td>1.9%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIP/R&amp;R</td>
<td>1.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Taxes and Interfunds</td>
<td>0.7%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Operations</td>
<td>0.8%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Total Local</td>
<td>2.7%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total Increase</td>
<td>4.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>New Monthly Bill</td>
<td>$177.27</td>
<td>$184.00</td>
</tr>
</tbody>
</table>
Competitive Utility Rates with our Neighbors – 2018 Combined Water, Sewer & Storm Monthly Bill (Proposed 2019 Bill for Bellevue Only)

**2019-2020 Budget**

<table>
<thead>
<tr>
<th></th>
<th>Residential</th>
<th>Multi-Family</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td>$234.30</td>
<td>$2,755</td>
<td>$23,360</td>
</tr>
<tr>
<td>Seattle</td>
<td>$181.69</td>
<td>$2,357</td>
<td>$20,049</td>
</tr>
<tr>
<td>Mercer Island</td>
<td>$177.27</td>
<td>$2,209</td>
<td>$19,273</td>
</tr>
<tr>
<td>Kirkland</td>
<td>$167.33</td>
<td>$2,136</td>
<td>$17,739</td>
</tr>
<tr>
<td>Issaquah</td>
<td>$169.56</td>
<td>$2,055</td>
<td>$17,926</td>
</tr>
<tr>
<td>Renton</td>
<td>$138.43</td>
<td>$2,037</td>
<td>$15,575</td>
</tr>
<tr>
<td>Redmond</td>
<td>$131.22</td>
<td>$1,965</td>
<td>$14,247</td>
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<tr>
<td>Seattle</td>
<td>$113.44</td>
<td>$1,915</td>
<td>$11,650</td>
</tr>
</tbody>
</table>

**2018 Water Monthly Bill**

- **Residential**
  - Bellevue: $64.08
  - Seattle: $67.28
  - Mercer Island: $64.08
  - Kirkland: $60.41
  - Issaquah: $58.07
  - Renton: $56.07
  - Redmond: $56.07

- **Multi-Family**
  - Bellevue: $50.14
  - Seattle: $53.76
  - Mercer Island: $50.14
  - Kirkland: $49.23
  - Issaquah: $47.06
  - Renton: $45.92
  - Redmond: $45.92

- **Commercial**
  - Bellevue: $38.41
  - Seattle: $39.38
  - Mercer Island: $35.15
  - Kirkland: $34.07
  - Issaquah: $32.87
  - Renton: $31.81
  - Redmond: $31.81
### Water Supply – CWA Members

![Bar graph showing water supply for different jurisdictions.]

### Water CIP per Capita

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Average Annual Water CIP ($M)</th>
<th>2017 Residential Population</th>
<th>Average Annual Water CIP per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellevue</td>
<td>$19.4</td>
<td>140,700</td>
<td>$138</td>
</tr>
<tr>
<td>Mercer Island</td>
<td>$3.3</td>
<td>24,210</td>
<td>$136</td>
</tr>
<tr>
<td>Seattle</td>
<td>$92.8</td>
<td>713,700</td>
<td>$130</td>
</tr>
<tr>
<td>Issaquah</td>
<td>$4.5</td>
<td>36,030</td>
<td>$125</td>
</tr>
<tr>
<td>Renton</td>
<td>$9.5</td>
<td>102,700</td>
<td>$93</td>
</tr>
<tr>
<td>Redmond</td>
<td>$2.9</td>
<td>62,110</td>
<td>$47</td>
</tr>
<tr>
<td>Kirkland</td>
<td>$1.6</td>
<td>86,080</td>
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</table>

Competitive Utility Rates with our Neighbors –
2018 Sewer Monthly Bill
(Proposed 2019 Bill for Bellevue Only)

<table>
<thead>
<tr>
<th>Residential</th>
<th>Multi-Family</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>$103.91</td>
<td>$1,340</td>
<td>$13,460</td>
</tr>
<tr>
<td>$100.85</td>
<td>$1,395</td>
<td>$13,301</td>
</tr>
<tr>
<td>$93.10</td>
<td>$1,004</td>
<td>$10,999</td>
</tr>
<tr>
<td>$88.57</td>
<td>$955</td>
<td>$10,730</td>
</tr>
<tr>
<td>$84.43</td>
<td>$925</td>
<td>$10,327</td>
</tr>
<tr>
<td>$74.13</td>
<td>$800</td>
<td>$9,245</td>
</tr>
<tr>
<td>$64.45</td>
<td>$812</td>
<td>$8,075</td>
</tr>
<tr>
<td>$58.37</td>
<td>$767</td>
<td>$7,603</td>
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<tr>
<td>$767</td>
<td>$7,603</td>
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</tbody>
</table>

Competitive Utility Rates with our Neighbors –
2018 Storm Monthly Bill
(Proposed 2019 Bill for Bellevue Only)

<table>
<thead>
<tr>
<th>Residential</th>
<th>Multi-Family</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>$71.21</td>
<td>$901</td>
<td>$4,610</td>
</tr>
<tr>
<td>$28.42</td>
<td>$801</td>
<td>$4,086</td>
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<tr>
<td>$25.04</td>
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<tr>
<td>$18.87</td>
<td>$609</td>
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<tr>
<td>$17.37</td>
<td>$509</td>
<td>$2,033</td>
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<tr>
<td>$16.56</td>
<td>$413</td>
<td>$1,927</td>
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<tr>
<td>$15.91</td>
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<td>$1,737</td>
</tr>
<tr>
<td>$14.85</td>
<td>$274</td>
<td>$1,371</td>
</tr>
</tbody>
</table>
Competitive Utility Rates with our Neighbors –
2018 Combined Water, Sewer & Storm Monthly Bill
(Proposed 2019 Bill for Bellevue Only)

- Residential
  - Seattle
    - $234.30
  - Renton
    - $138.43
  - Issaquah
    - $130.43
  - Kirkland
    - $167.22
  - Mercer Island
    - $181.69

- Multi-Family
  - Seattle
    - $2,755
  - Kirkland
    - $2,209
  - Issaquah
    - $2,136
  - Mercer Island
    - $2,357
  - Bellevue
    - $2,055

- Commercial
  - Seattle
    - $23,360
  - Mercer Island
    - $19,737
  - Kirkland
    - $19,294
  - Issaquah
    - $17,928
  - Bellevue
    - $17,940

Utilities Budget Review – Next Steps

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Environmental Services Commission</th>
<th>City Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>• Proposed CIP changes</td>
<td>• Utilities financial policies</td>
</tr>
<tr>
<td></td>
<td>• CIP online open house</td>
<td>• Early Outlook Rates Forecast</td>
</tr>
<tr>
<td>Q2</td>
<td>• Early Outlook Rates Forecast</td>
<td>• Budget public hearing #1</td>
</tr>
<tr>
<td></td>
<td>• Budget proposals review</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Preliminary rates review</td>
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</tr>
<tr>
<td></td>
<td>• Budget proposals recommendation to LT</td>
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</tr>
<tr>
<td>Q3</td>
<td>• Final review of City Manager’s proposed budget and rates</td>
<td>• Budget public hearing #2</td>
</tr>
<tr>
<td>Q4</td>
<td>• Hold budget public hearing</td>
<td>• Preliminary Budget review</td>
</tr>
<tr>
<td></td>
<td>• Budget &amp; rates recommendation to Council</td>
<td>• Budget public hearing #3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Budget &amp; rates adoption</td>
</tr>
</tbody>
</table>
Community Engagement – Utilities
Budget & Rates

- Environmental Services Commission meetings
- Online CIP Open House
- Business community - BDA, Chamber, BOMA
- Neighborhoods Leadership Group
- Bellevue Essentials