

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 1, 2018
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson, and Councilmembers Lee, Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:04 p.m., with Mayor Chelminiak presiding. There was no Executive Session.

2. Study Session

(a) Bellevue College Update

City Manager Brad Miyake introduced Dr. Jerry Weber, President of Bellevue College, to provide an update on activities at the college.

Dr. Weber noted that he has been with the college for one year. He said the college has 12,500 students including 1,200 international students and 2,000 Running Start students. The student body is 49 percent white, 25 percent Asian, 12 percent Latino, 6 percent African-American, and 8 percent mixed racial. Most of the instruction still occurs in classrooms. However, online and hybrid (classroom and online) options exist for certain subjects. Dr. Weber said approximately half of the students indicate that they plan to transfer to another college, and the other half plan to enter the workforce. The top transfer schools are the University of Washington and Western Washington University. The continuing education and corporate services programs have 1,900 classes and 14,000 enrollments. The college now offers a Bachelor of Applied Science degree and a Bachelor of Computer Science degree, and is developing an artificial intelligence (AI) and robotics program.

The new residence hall has been completed and houses 350 students at this time, but can accommodate up to 400 students. Dr. Weber said the new Student Success Center will be

completed in 2020 and will contain all of the functions related to enrollment and support services. He noted that approximately 6,068 students live in Bellevue.

Dr. Weber described the Promise of Access to College concept, which is a nationwide effort to provide two years of college for lower-income students. He said a number of cities and counties are exploring this program. He suggested that the City and Bellevue College might want to discuss the concept. The City of Seattle and King County are both considering potential programs. Dr. Weber said the Promise program is a great motivator for low-income students, and enrollment increases when students receive financial assistance.

He said Bellevue College staff are interested in meeting with local employers to discuss training and education opportunities to support their workforce. Dr. Weber said the college is interested in exploring the concept of an aquatic center with the City, and he noted the potential for a partnership related to autonomous vehicles. Bellevue College welcomes employers who are interested in sponsoring internship experiences for students and alumni.

Dr. Weber acknowledged the challenge of affordable housing, which affects local employers' ability to attract and retain employees. He said the college is exploring the potential for workforce housing for its faculty and staff.

Mayor Chelminiak thanked Dr. Weber for the presentation. Mr. Chelminiak noted that the City and Bellevue College might want to work together to advance state legislation related to workforce housing.

Councilmember Stokes said his daughter attended the college when it was Bellevue Community College, before transferring to Western Washington University. He noted his involvement in meetings and activities related to the college and said he has been inspired by the enthusiasm and dedication of the students. He expressed support for the college's opportunities in both the classroom and the workplace.

Responding to Mr. Stokes, Dr. Weber noted that the college has not typically conducted significant advertising campaigns due to full or over-enrollment. However, with increasing competition from other education facilities, including online options, the college will start advertising in limited ways.

Councilmember Lee said Bellevue College is a strong asset and a partner in economic development efforts. He said the college is welcoming to international students, and he expressed an interest in learning more about the Promise program. He noted concerns by neighboring residents, most recently related to the new student housing project. Mr. Lee said he would like the City to continue to explore partnership opportunities with the college.

Mr. Lee said Bellevue College's technology emphasis matches Bellevue's role as a technology community. He is pleased to see that the college is looking to the future with regard to autonomous vehicles, technology, housing, and other issues. Dr. Weber said he would be happy to meet with any employers that Mr. Lee might suggest.

Dr. Weber noted that the college sponsors informational meetings to reach out to the diverse community. He said the college recently received a federal Violence Against Women Act grant to expand its training for faculty, staff and students and to educate them about ways to connect to services. Dr. Weber said the grant application referenced the college's partnership with the Bellevue Police Department.

Councilmember Robertson said she appreciates the longstanding relationship between the City and Bellevue College. She is pleased to see the new four-year degrees with an emphasis in technology and computer science. She questioned whether the college might offer a four-year engineering degree in the future. She noted that the University of Washington is able to accommodate only one of five students who want to major in engineering.

Ms. Robertson said Bellevue College is a more affordable place for students to begin their higher education. She expressed support for the Running Start program and indicated an interest in learning more about the Promise program and housing initiatives. She suggested that the Council might want to consider incorporating some of those issues into its legislative agenda. Ms. Robertson encouraged less expensive book options, including online access to books.

Ms. Robertson encouraged partnerships with the Global Innovation Exchange (GIX). Dr. Weber said he has spoken with GIX representatives and they plan to meet to discuss potential opportunities. Responding to Ms. Robertson, Dr. Weber confirmed that Bellevue College is the third largest college in the state.

Councilmember Robertson asked whether the Violence Against Women Act grant will be used to address campus security. She noted that some colleges and universities have poles throughout their campuses with buttons to signal for help.

Dr. Weber said Bellevue College is in the middle of preparing for an accreditation review in the spring. After that, he plans to focus on strategic planning, including issues related to facilities and security. He said the college has a new security coordinator.

Ms. Robertson noted her interest in discussing the potential for an aquatic center with Bellevue College representatives. Dr. Weber said the college is currently working to fill the Vice President for Administrative Services position, and that person will take the lead on a number of initiatives including an aquatic center.

Deputy Mayor Robinson said Bellevue College is a strong asset for the community that represents an equitable opportunity for success. She expressed interest in the Promise of Access to College concept and said she would like the college to offer a four-year degree in education. She encouraged the college to be a leader in providing workforce housing.

Councilmember Zahn thanked Dr. Weber for the update and said she is impressed with Bellevue College's approach to being the college for everyone. As an engineer, Ms. Zahn said she supports more opportunities for majoring in engineering and computer science programs. Ms. Zahn said she is interested in learning more about the Promise program. She noted her concern

for students who are experiencing homelessness and suggested that the college consider expanding its food pantry for students in need.

Ms. Zahn expressed support for exploring workforce housing. She said she was surprised to learn that many Bellevue teachers are living in three-generation households due to the lack of affordable housing. Dr. Weber said Bellevue College is experiencing more turnover in teachers and staff who take jobs in other areas with more affordable housing options. Ms. Zahn noted an interest in enhancing transportation services for students in partnership with King County Metro.

Councilmember Zahn recalled that she was contacted by an individual in China who is interested in sending students to Bellevue College's nursing program. Dr. Weber said the college continues to increase the number of international students and is interested in identifying more opportunities for student exchange programs. He noted one exchange program with students from Hawaii.

Councilmember Nieuwenhuis said that Bellevue College's focus on technology and science fits well with Bellevue's business community. He expressed an interest in learning more about workforce housing, the AI/robotics program, and partnerships. He likes that, with the new campus housing, students are becoming more visible in businesses and coffee shops and throughout the community.

Mr. Nieuwenhuis commended Bellevue College's partnership with LifeWire, a local domestic violence program. Dr. Weber noted that the organization is one of the partners in the Violence Against Women Act grants.

Responding to Mayor Chelminiak, Dr. Weber said the college has its own security staff as well as a space on campus for Bellevue Police officers to take a break. Mr. Chelminiak suggested exploring partnerships in the nursing program with regional organizations and agencies that provide shelters and services for individuals experiencing homelessness.

Mayor Chelminiak said Bellevue College is a gem for the community, and he would like it to be more visible and celebrated. He said it is an asset for attracting and training students for jobs in Bellevue. He is interested in discussing the Promise program. Dr. Weber said he would be happy to have his staff meet with City staff and Councilmembers.

Mr. Chelminiak said he is interested in the idea of workforce housing at Bellevue College.

(b) Advance Metering Infrastructure (AMI) Contract and Project Update

City Manager Miyake introduced discussion regarding the Advance Metering Infrastructure (AMI) contract and project.

Nav Ota, Utilities Director, recalled that the City first explored AMI technology in the late 1990s. One major benefit of the program will be the ability to identify water leaks in a timely manner. The Council approved \$23.1 million for the AMI program in November 2016, and the request for proposals (RFP) process began in May 2017. The City received nine proposals, and

staff is working to finalize contract negotiations with the preferred vendor. Ms. Otal said staff will provide an update in November. The implementation of the installation of new AMI water meters is anticipated to begin by the end of the year, with project completion slated for December 2020. Ms. Otal said staff is seeking Council approval to replace existing water meters with AMI technology.

Andrew Lee, Utilities Deputy Director, described how the AMI meters function and provide information for customers and the City's Utilities Department. The benefits for customers are timely access to data regarding water usage, early leak detection, and improved billing accuracy. The use of AMI technology reduces greenhouse gas emissions by reducing the need for City employees to travel throughout Bellevue to take meter readings. Mr. Lee noted that the program is a component of the Bellevue Smart initiative.

In 2016, staff conducted a business case analysis to study the costs and benefits of the AMI system. The analysis concluded that the City can realize a \$2.3 million net benefit by implementing AMI.

Mr. Lee said the City issued a performance-based RFP in 2017. The RFP outlined the City's performance requirements but did not dictate how the vendor would achieve those requirements. He said this procurement approach is common both locally and nationally and is considered a best practice for AMI procurements. Nine companies submitted RFPs and several of those offered solutions that fit well with the City's Smart City plan.

The proposed technology partner for the AMI system is Itron, a Washington state company with a primary focus on AMI for all utilities and smart city technologies. Itron has deployed 20 million water communications modules and supports 500 utilities with managed services. Mr. Lee described how the AMI system communicates with the City's systems. He noted that Itron partners with WaterSmart Software, which provides portal services to 60 utilities in 15 states. The customer portal provides access to water usage information, supports the goal of early leak detection, and allows the City to send targeted messages to customers. Mr. Lee said customers will be able to access the WaterSmart application through their computers and phones. The City will monitor the data for leak detection as well.

Brian Pugliese, Smart Water Infrastructure and Technology Project Manager, described the master agreement anticipated with Itron, which covers the design and installation of equipment over a period of one to two years and ongoing support services for a 20-year term. The contract provides safeguards against the technology becoming obsolete and is considered the best in class for data security and privacy. It includes equipment warranties consistent with the industry standard.

Mr. Pugliese said Itron partners with CISCO Systems to manage cybersecurity issues and to provide layers of protection for the data collected by the AMI meters. He said no personally identifiable information (PII) is collected, and the WaterSmart customer portal employs the same PII security measures.

Mr. Pugliese said the City's negotiated, projected cost of \$25.2 million covers implementation costs from 2018 to 2020 and ongoing contract costs through 2038. The AMI budget initially estimated a total cost of \$25.7 million. The contract's value is \$21.2 million from Itron, and the City's implementation cost is \$4 million.

Mr. Lee noted that 75 percent of the City's utilities customers support the use of AMI technology, which provides early leak detection and more accurate billing with no added cost. He said there was no opposition to the AMI project during the early public outreach. However, a few individuals voiced concern because they wanted more information and/or were somewhat skeptical that the use of AMI meters could increase costs or jeopardize privacy for customers.

Customer communications include the Smart Water Meter Program web page, an article in the Annual Water Quality Report sent to all customers, presentations to neighborhood forums and business groups, and multiple briefings with the Environmental Services Commission.

Ms. Otal highlighted the next steps. Staff anticipates bringing the contract to the Council for approval in early November. Limited deployment of the AMI technology is slated for next spring, with citywide implementation to follow during the fall of 2019. Project completion is anticipated by December 2020. Ms. Otal noted that the purpose of tonight's presentation was to focus on the AMI project contract. More program information will be presented to the Council in the future.

Mayor Chelminiak acknowledged that full contract terms are not typically provided to the Council and the public until negotiations have been completed. He suggested providing the contract in the Council's online document library when the negotiations are finalized.

Responding to Councilmember Nieuwenhuis, Mr. Lee said that choosing a vendor was based on a number of factors including the hardware, Itron's relationships with its customers, and the alignment of Itron's and the City's objectives. He said Itron has a strong smart city focus and a good reputation in the industry. Mr. Lee noted that there is a trend toward shorter contracts, and Itron agreed to enter into a 20-year contract with the City. He said they commit to providing ongoing support even as the technology and equipment ages.

Mr. Nieuwenhuis suggested exploring whether the customer portal app could be integrated into the MyBellevue app.

Councilmember Lee noted the Council's support for AMI technology. Responding to Councilmember Lee, Mr. Lee said the contract includes a provision for termination after 10 years. However, Itron is committed to supporting its technology over the long term, even as new versions of the infrastructure are introduced.

Councilmember Lee questioned whether customers will have the option of not receiving an AMI meter. Ms. Otal acknowledged that some individuals are leery about the technology and have privacy concerns. City staff will continue to work with those individuals to address their concerns and share the benefits of the meters in an attempt to make them comfortable with the program. Ms. Otal confirmed that public education and outreach is a component of the project.

Responding to Councilmember Lee, Ms. Otal said staff met with Mr. Plummer to discuss his concerns. She encouraged Councilmember Lee to meet individually with staff if he would like to discuss more details.

Councilmember Zahn expressed support for the performance-based RFP approach. Responding to Ms. Zahn regarding the contract length, Mr. Pugliese said that business cases around AMI technology are built to analyze performance and costs over a 20-year period. He said the market has improved battery technology over time to match the business case.

Responding to Ms. Zahn, Ms. Otal said there will not be a rate increase related to AMI implementation. Ms. Otal said the City is using savings in other areas and funds from replacement and repair reserves to support the project. She confirmed that customers will still have the option of receiving paper bills. In further response to Ms. Zahn, Mr. Pugliese said the data saved by the system does not capture information that identifies specific customers.

Councilmember Robertson recalled that the City originally anticipated a two-step rate increase to cover the costs of AMI technology. However, through staff's management and planning, that will not be necessary. Ms. Robertson expressed support for the ability to detect water leaks early and to send alerts and messages to customers. Responding to Ms. Robertson, Ms. Otal said the City provides door hangers to alert customers to leaks. Ms. Otal said the goal is to maximize the use of technology. However, customers who do not use the electronic app can opt to receive paper notices about leaks and other issues. Ms. Robertson noted that the City writes off approximately \$300,000 in billings annually due to leaks. She said the early leak detection feature helps all taxpayers by not having to cover that expense.

Ms. Robertson asked staff to send copies of the final contract to individuals who request it. She expressed support for the project, noting that she is pleased that it will not require a rate increase.

Deputy Mayor Robinson expressed support for the project. She said it will be especially useful for older adults who may be unaware of a water leak until they receive a significantly higher bill. She thanked staff for their work.

Councilmember Stokes recalled discussions of the technology with the Environmental Services Commission since approximately 2013. He said staff and the Council have discussed the program several times since 2017. The Council's role is the policy decision, and staff and the vendor will implement the system based on their expertise and the benefits for the public. Councilmember Stokes said Bellevue likes to be a leader in technology and the delivery of services. He expressed support for moving forward.

Mayor Chelminiak said he would like to have the ability to extend the contract, as well as to terminate the contract. Responding to Mr. Chelminiak, Ms. Otal said funds will be placed into replacement reserves to upgrade the infrastructure as needed.

Mayor Chelminiak said he understands the concerns about privacy. However, citizens can currently request and receive information about water usage for a particular address through public disclosure requests. He said the data collected by the customer portal app would not be

meaningful to a hacker, and he suspects the likelihood of that is low. He is pleased that the project will not affect rates and that it will provide helpful information for customers. He observed that the project will reduce the City's carbon footprint by reducing the number of vehicle miles traveled to read traditional meters.

3. Council Discussion of Upcoming Items: None.

At 7:56 p.m., Mayor Chelminiak declared recess to the Regular Session.

Kyle Stannert, CMC
City Clerk

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