

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

Thursday  
September 12, 2024

City Hall & Remote  
6:30 p.m.

**1. CALL TO ORDER:**

The meeting was called to order by Vice Chair Wan at 6:31 p.m.

**ROLL CALL**

**COMMISSIONERS PRESENT:** Ken Wan (Vice Chair), Gabby Lacson, Kurt Lutterman

**COMMISSIONER ATTENDING REMOTELY:** Michael Margolis<sup>1</sup>, Andy Dupertuis, Ann Hajnosz

**COUNCIL LIAISON:** Conrad Lee

**COMMISSIONERS ABSENT:** Vanja Knezevic (Chair)

**OTHERS PRESENT:** Lucy Liu, Director; Joe Harbour, Deputy Director; Scott Edwards, Deputy Director; Matt Thurber, Asst. Director, Utilities; Jacob Edwards-King, Business Services Manager; John Resha, CFO; Michaelene Fowler, PIO; Scott Pickard, Acting Utilities Fiscal Manager (remote); Birol Shaha, CIP Portfolio Manager (remote); Hana Abdulrahman, Rate & Relief Program Administrator; Lorissa Warren, Senior Administrative Assistant; Andrew Williams, Senior Administrative Assistant; and Laurie Hugdahl, Minutes Taker

**2. APPROVAL OF THE AGENDA**

**Motion made by Commissioner Lutterman, seconded by Commissioner Lacson, to approve the agenda. Upon a voice vote, the agenda was approved unanimously.**

**3. ORAL AND WRITTEN COMMUNICATION**

Alex Tsimerman, 14150 NE 20<sup>th</sup> Street, Bellevue, WA, expressed concern about Council public comments limits.

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<sup>1</sup> Commissioner Margolis joined at 6:37 p.m.

**4. COMMUNICATION FROM CITY COUNCIL, COMMUNITY COUNCIL, BOARDS AND COMMISSIONS**

None

**5. STAFF REPORTS**

None

**6. APPROVAL OF MINUTES**

None

**7. UNFINISHED BUSINESS**

None

**8. NEW BUSINESS**

**a) Utility Rate Relief (URR) Program Overview and Outlook**

Deputy Director Edwards introduced this topic. Business Services Manager Edwards-King made a presentation covering utility rate relief programs serving low-income customers. He highlighted long-term programs (direct relief and indirect relief) and short-term programs (Emergency Assistance Program and Neighbors Helping Neighbors, and a utility tax rebate for low-income households). He reviewed 2023 program activity for the rate relief programs including participation, benchmarking, income qualifications, and benefits comparison to regional peers. He explained that there is a current partnership with the UW School for Human Centered Design & Engineering to assist with evaluating and refining these programs. Staff recognizes there are improvements that can be made. They are developing an online application portal to make it easier to apply. Based on regional benchmarking, the income threshold for Bellevue is lower than other jurisdictions, meaning it is harder to qualify for URR program participation. But once you are approved, program participants appear to receive a higher financial benefit. Bellevue strives to provide the maximum benefit possible for the customers in the community that need it. Based on the current budget there is still room for additional participation. Staff is looking at ways to grow the program and increase participation.

Commissioner Lutterman asked if there is a backlog of people that are not qualifying. Business Services Manager Edwards-King explained there could be a backlog of applications depending on the time of year because they roll over to the new year. There is also a recent case where someone exceeded the income

eligibility threshold by a few thousand dollars. As staff evaluates the policy, we will consider whether the income eligibility threshold should be adjusted.

Commissioner Dupertuis commented that this is one of the most important things they do. The objective needs to be to spend the budgeted amount. He encouraged them to continue seeking opportunities to spend the money. One way to address people that are near the income eligibility threshold is to implement ranges instead of firm cutoffs and also to implement an appeal process. He thanked staff for their work.

Commissioner Hajnosz asked how they will know that they are doing enough. Deputy Director Edwards explained that the City is looking for new and more robust ways to engage the community in a meaningful way beyond surveys. We intend to establish partnerships, with continuous feedback to promote ongoing program refinement, to ensure we are meeting their needs and determine if additional resources are needed.

Commissioner Lacson asked how renters who don't interact directly with the City to pay utilities can donate. Mr. Edwards-King said there is a way to do it online, and they also try to integrate with vendors.

Commissioner Margolis asked what it would cost to change the income threshold. Deputy Director Edwards indicated this will be evaluated when we are completing the policy review and analyzing possible changes in eligibility. Commissioner Margolis wondered about the distribution at the different income levels.

Vice Chair Wan asked if it is an annual application process. Mr. Edwards-King reviewed this and noted it is one of the policy considerations. Vice Chair Wan referred to Neighbors Helping Neighbors and expressed interest in hearing about ideas to increase participation.

**b) Utilities 2025-2026 Budget & Rates Recommendation**

Director Lucy Liu and CFO John Resha commented on citywide challenges with the long-term budget planning process and explained that they are changing the period for the CIP budget from 10 years to 6 years for this budget cycle. There is no change to the 2025-2026 biennium.

Commissioner Dupertuis asked about the drivers for the change and how that transition will happen. Mr. Resha explained that the forecast horizon isn't changing. The City is choosing to display only six years of that CIP budget forecast in its proposal. The goal is to be at the 10-year horizon as soon as possible. This should not change how Utilities thinks about their planning term and level of service. Director Liu agreed it is purely a visual display

representation. Nothing has changed with Utilities 10-year look, but the rest of the City is not able to make that change at this point. Commissioner Dupertuis expressed concern that this could appear to be a substantial change to onlookers. Director Liu reiterated that there is no change to the 10-year forecast or the level of confidence. CFO Resha added that the City, as a whole, is displaying a shorter horizon for its look ahead. The underlying work hasn't changed at all. Commissioner Dupertuis commented on the mental challenges of switching horizons. He recommended a policy memo explaining this new horizon and some of the drivers behind it. He asked if it was fair to say that the Utilities has consistency with the budget proposals they have had over the past several months, but they are changing to a framework that the City has for a shorter-term time horizon. Behind the scenes, the rate forecast and the CIP, in particular, are consistent with the work presented earlier over the past several months. Staff agreed with this perspective.

Deputy Director Edwards provided a brief recap of the proposed Operating Budget, Capital Budget, and rates, which has already been presented and discussed. He highlighted one administrative change to the 2025-2026 Operating Budget which would reduce the Wholesale budget amount by \$2.7M to reflect the final Cascade water supply cost. This will not have an impact to rates because the change has already been made and reflected in the rate model.

Staff is seeking the Commission's recommendation to the City Council regarding the utilities requested 2025-2026 operating budget, 2025-2030 CIP, and 2025-2026 rates.

**Motion made by Commissioner Lutterman, seconded by Commissioner Lacson, to recommend the budget and rates to Council. Upon a voice vote, the motion passed unanimously (6-0).**

Director Liu explained the recommendation would be presented to Council next week. She reviewed next steps.

## **9. REVIEW OF COMMISSION AND COUNCIL CALENDARS**

### **a) Calendars**

Deputy Director Harbour reviewed the calendars.

## **10. ADJOURNMENT**

**Motion made by Commissioner Lutterman, seconded by Commissioner Lacson, to adjourn the meeting. Motion passed unanimously.**

The meeting was adjourned at 7:25 p.m.