



MEMORANDUM

DATE: June 6, 2024

TO: Environmental Services Commission

FROM: Linda De Boldt, Utilities Department, Assistant Director
Birol Shaha, Utilities Department, Capital Portfolio Manager

SUBJECT: **Utilities 2025-2034 CIP Budget Proposals, Community Engagement and Feedback**

ACTION REQUIRED

No action by the Commission is required at this time. This is an informational briefing to review the proposed Utilities 2025-2034 Capital Investment Program (CIP) proposals. In addition, staff will present information on the Community Engagement process and public feedback regarding the Utilities proposed CIP.

BACKGROUND / ANALYSIS

Bellevue Utilities (Utilities) delivers capital projects to support the delivery of drinking water, stormwater, and wastewater utility services. Projects are developed and executed to replace or rehabilitate aging infrastructure, provide capacity for growth, protect the environment, and enhance customer service. Typical projects in our three piped utilities include replacement or rehabilitation of water, wastewater and stormwater pipes, drinking water and wastewater pump stations, drinking water reservoirs, seismic mitigation projects, culvert replacements, stormwater management facilities (such as detention ponds, vaults, and water quality facilities), and stream restoration projects.

At the June 6, 2024 Commission meeting, Utilities will present the department-proposed CIP budget, structured around the following seven investment areas:

- Replacement of Aging Water Infrastructure
- Replacement of Aging Sewer Infrastructure
- Replacement of Aging Storm Infrastructure
- Utility Capacity for Growth
- Environmental Preservation
- Maintenance and Operations Facility
- Emergency Water Supply

The June 6 briefing is a continuation of a series of briefings to facilitate the Commission's review of the proposed Utilities Department 2025-2034 CIP Plan. The table below outlines the Commission's review timeline for the Utilities CIP Plan.

November 2, 2023	2025-2034 CIP Budget Development Process
April 4, 2024	Utilities Preliminary 2025-2034 CIP Plan
May 2, 2024	Field Tour of Utilities Water, Wastewater, and Stormwater Project Sites
June 6, 2024	2025-2034 CIP Budget Proposals and Community Engagement Feedback

On June 6, staff will review the 2025-2034 CIP Budget Proposals and relay the results of community engagement and input on the proposed CIP.

The Utilities CIP represents capital infrastructure investments planned for the next ten years. The proposed 2025-2034 CIP Plan totals \$537.3 million. The key drivers of the proposed 2025-2034 CIP Plan for each fund include:

Water Utility CIP: \$327.8 million

- Change from a 7-year CIP to a 10-year CIP
- Increased water main replacement costs due to inflation
- Addition of a new reservoir and pump station projects
- Projects for the groundwater well development program

Sewer Utility CIP: \$124.0 million

- Change from a 7-year CIP to a 10-year CIP
- Increase in sewer pump station and force main projects
- Increase in the amount of sewer pipe defect repair and replacement work

Stormwater Utility: \$85.5 million

- Change from a 7-year CIP to a 10-year CIP
- New fish passage and stream improvement projects
- Increase in the amount of storm pipe defect repair and replacement work
- Addressing stormwater emergency projects such as Lakemont Blvd./Coal Creek Emergency Culvert Replacement and Lakehurst Creek Emergency Culvert Repair

The following table summarizes the 2025-2034 CIP Plan by fund.

Table 1: Proposed 2025-2034 Utilities CIP by Fund
(\$millions, rounded)

<i>Fund</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2031</i>	<i>2032</i>	<i>2033</i>	<i>2034</i>	<i>Total</i>
Water	\$13.0	\$27.2	\$37.4	\$38.7	\$37.0	\$34.5	\$32.3	\$39.5	\$34.2	\$34.1	\$327.8
Sewer	\$1.5	\$ 8.7	\$11.9	\$14.8	\$15.0	\$12.2	\$24.7	\$15.3	\$13.6	\$ 6.4	\$124.0
Storm	\$ 7.3	\$ 3.7	\$ 7.1	\$ 9.8	\$ 8.5	\$ 7.2	\$10.9	\$ 9.0	\$12.3	\$ 9.5	\$ 85.5
Total CIP	\$21.8	\$39.6	\$56.4	\$63.3	\$60.5	\$53.9	\$67.9	\$63.8	\$60.1	\$50.0	\$537.3

The programs in the proposed 2025-2034 CIP Plan are divided into seven areas of investment or proposals. The following table summarizes these investments.

Table 2: Proposed 2025-2034 Utilities CIP by Proposal
(\$millions, rounded)

Proposal Number	Area of Investment	Proposed 2025-2034 CIP Budget
140.02	Replacement of Aging Water Infrastructure	\$270.7
140.82	Emergency Water Supply	\$ 16.8
140.03	Replacement of Aging Sewer Infrastructure	\$112.3
140.04	Replacement of Aging Storm Infrastructure	\$ 54.8
140.05	Utility Capacity for Growth	\$ 37.5
140.08	Environmental Preservation	\$ 30.8
140.70	Operational Efficiency – Maintenance and Operations Facility Land Acquisition and Development	\$ 14.4
	Total 2025-2034 CIP	\$537.3

Attachment A includes the seven CIP proposals and provides a detailed list of the CIP programs that comprise the body of work for each proposal. **Attachment B** includes the 2025-2034 CIP and R&R Financial Statements.

Community Engagement and Input on the Proposed 2025-2034 CIP Budget

The City of Bellevue Utilities engaged with the community in the CIP Budget development process through an online survey, sharing of information on websites and in-person open house events. These engagement opportunities provided information about Utilities services, the Capital Investment Program and the proposed 2025 – 2034 CIP budget. The goal of the community engagement is to:

- Raise awareness of Utilities services and provide background information about the Utilities CIP.
- Engage the community in the CIP budget development process, by providing an opportunity to provide input on how to prioritize CIP investments.
- Obtain feedback from the community on proposed CIP programs and budgets.
- Ensure information about the CIP budget process is available to the community in accessible and inclusive ways.

Attachment C provides more detail on the community engagement process and outcomes for the Utilities 2025-2034 Proposed CIP. Also included are poster fact sheets utilized on our website and at open house events. These colorful and engaging materials highlight Utilities services and important aspects about the Capital Investment Program.

POLICY ISSUES

There are no policy issues to be presented for this item.

FISCAL IMPACT

The Utilities CIP represents significant investments in capital infrastructure in the next ten years that are critical for ensuring the integrity of the water, sewer, and storm utility system infrastructure in order to maintain current levels of service delivery to Bellevue Utilities customers.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Proposed 2025-2034 Utilities CIP Budget Proposals
- B. Proposed 2025-2034 Utilities CIP and R&R Financial Statements
- C. Community Engagement and Input on Proposed 2025-2034 Utilities CIP Budget