

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

Thursday
September 5, 2024

City Hall & Remote
6:30 p.m.

1. CALL TO ORDER:

The meeting was called to order by Chair Knezevic at 6:32 p.m.

ROLL CALL

COMMISSIONERS PRESENT: Vanja Knezevic (Chair), Ann Hajnosz, Gabby Lacson,

COMMISSIONER ATTENDING REMOTELY: Andy Dupertuis, Kurt Lutterman¹, Michael Margolis

COUNCIL LIAISON: Conrad Lee

COMMISSIONERS ABSENT: Ken Wan (Vice Chair) (excused)

OTHERS PRESENT: Lucy Liu, Director; Linda De Boldt, Utility Engineering Assistant Director; Joe Harbour, Deputy Director; Scott Edwards, Deputy Director; Matt Thurber, Asst. Director, Utilities; Michaelene Fowler, PIO; Scott Pickard, Acting Utilities Finance Manager; Lorissa Warren, Senior Administrative Assistant; Andrew Williams, Senior Administrative Assistant; and Laurie Hugdahl, Minutes Taker

2. APPROVAL OF THE AGENDA

Motion made by Commissioner Lacson, seconded by commissioner Hajnosz, to approve the agenda. The agenda was approved unanimously (5-0).

3. ORAL AND WRITTEN COMMUNICATION

Alex Tsimerman, 14150 NE 20th Street, Bellevue, WA, expressed concerns about limits on public comments at City Council meetings.

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

¹ Commissioner Lutterman joined at 6:45 p.m.

Councilmember Lee expressed appreciation for the ESC's work and stated he was looking forward to the meeting.

5. STAFF REPORTS

None

6. APPROVAL OF MINUTES

A) JUNE 20, 2024 MINUTES

Motion made by Commissioner Lacson, seconded by Commissioner Hajnosz, to approve the 6/20/24 minutes as amended. Upon a voice vote, the motion passed unanimously (5-0)

B) JULY 11, 2024 MINUTES

Motion made by Commissioner Lacson, seconded by Commissioner Hajnosz, to approve the 7/11/24 minutes as amended. Upon a voice vote, the motion passed unanimously (5-0)

7. UNFINISHED BUSINESS

None

8. NEW BUSINESS

None

9. PUBLIC HEARING

A) 2025-2026 Utilities Requested Budget and Rates - Update and Public Hearing

Chair Knezevic reviewed procedures and the purpose of the hearing. Matt Thurber introduced himself as the new Assistant Director, Resource Management and Customer Service, Utilities. Director Liu introduced the topic. Deputy Director Edwards reviewed the budget review calendar and ESC roles and responsibilities related to the budget, key budget principles, key budget challenges (wholesale costs) and rate drivers (aging infrastructure and inflationary pressures). He gave summaries of the 2025-2026 Operating Budget and the CIP Budget. He presented early outlook rates forecast for combined utilities (water, sewer, and storm) and the proposed typical residential combined monthly bill impacts.

Commissioner Lutterman joined the meeting at 6:45 p.m.

Commissioner Dupertuis commented that the messaging was a little different than they have heard in the past. He commented that the City needs to make strategic and well-considered investments. He doesn't know that there is an expectation from the public that rates would be flat. His key concern is the planning horizon of wholesale rates. He wanted to know at what timeline in the future they lose fidelity in what the wholesale costs might be and how that might impact confidence in rates.

Deputy Director Edwards addressed the data they have from wholesale providers that impact longer-term outlooks. Cascade projects a longer timeline and there is more certainty long-term. Director Liu added that the confidence in the Cascade data will be more certain once negotiations for the Tacoma Supply Pipeline are complete. For King County, they continue to work to encourage them to work with a longer-term methodology. In the meantime, the best they can do is use the rates that are forecast by King County and update as necessary. For Cascade, there is confidence in their two-year rates. King County adopts their rates one year at a time. For the first year, there is confidence; for the second year, staff will come back and change that portion if needed. Commissioner Dupertuis commented on the tension between estimating with a buffer and having to increase rates suddenly.

Staff continued to review how Bellevue's utility rates remain competitive with its neighbors. Utility Rate Relief (Bill Assistance) is available through direct discount, indirect discounts, tax rebates, emergency assistance, and Neighbors Helping Neighbors. Deputy Director Edwards discussed key takeaways and key goals and objectives of the 2025-2026 budget.

Motion made by Commissioner Hajnosz, seconded by Commissioner Lacson, to open the public hearing at 7:13 p.m. Upon a voice vote, the motion passed unanimously (6-0).

Public Testimony:

Alex Tsimerman, 14150 NE 20th Street, Bellevue, WA, asked about the process for the rate relief program. He discussed Seattle's programs for low-income residents and asked why Bellevue can't do the same.

Motion made by Commissioner Hajnosz, seconded by Commissioner Lacson to close the public hearing at 7:18 p.m. Upon a voice vote, the motion passed unanimously (6-0).

Director Liu presented the rest of the budget review calendar items.

10. REVIEW OF COMMISSION AND COUNCIL CALENDARS

Deputy Director Harbour reviewed the calendars. Chair Knezevic requested an update on the billing system. Deputy Director Harbour thought that could happen in Q1 or Q2 of 2025.

11. ADJOURNMENT

Motion made by Commissioner Lacson, seconded by Commissioner Hajnosz, to adjourn the meeting. Upon a voice vote, the motion passed unanimously (6-0).

The meeting was adjourned at 7:28 p.m.

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