



MEMORANDUM

DATE: January 8, 2026
TO: Environmental Services Commission
FROM: Jaclyn Knoth, Utilities Engineering, Asset Manager
SUBJECT: Asset Management Program Update

ACTION REQUIRED

No action is required.

BACKGROUND / ANALYSIS

Bellevue Utilities Department provides drinking water, wastewater, and storm and surface water services to our community. The infrastructure assets that support the delivery of these services require ongoing operation, maintenance, and renewal throughout their life cycles. Asset management is a strategy utilized by Bellevue Utilities to optimize performance while balancing risk and minimizing life-cycle costs of infrastructure assets. Bellevue has a long-standing history of implementing asset management best practices to achieve Departmental priorities.

Managing the large portfolio of Utilities infrastructure requires ongoing condition monitoring, effective capital delivery processes, and quality data to support decision making and investment strategies. Utilities Asset Management Program is a matrix-managed, department-wide effort that drives incorporation of industry best practices into business operations. This presentation is provided to update the Environmental Services Commission on the Asset Management Program activities and the progress of the associated Strategic Asset Management Plan Improvement Initiatives.

Recent Condition Assessment Projects:

The Asset Management Program recently completed two priority condition assessment projects: a detailed evaluation of 10 wastewater pump station facilities and a culvert condition assessment project assessing more than 200 structures. The results of the condition evaluations provide valuable asset details that are used to further refine the knowledge and assumptions around current asset conditions and assumed deterioration rates. That additional information is translated into the asset information systems, risk modeling, and renewal and replacement forecasting. These tools drive renewal decision making and prudent investments in Utilities capital plan and the results of the condition assessments performed are incorporated into capital planning and prioritization of projects in the 2027-2028 biennial budget process.

Capital Process Improvements:

Utilities Asset Management Program worked inter-departmentally to effectively improve capital project selection and capital delivery processes. These improvements included the incorporation of newly updated risk modelling tools into capital project prioritization methods, targeted process improvements to the water main replacement program, and boosting cross-departmental coordination between the Transportation Overlay and Utilities capital programs.

Strategic Asset Management Plan:

In 2021, Utilities adopted a Strategic Asset Management Plan (SAMP). Like a department or organization's strategic plan the SAMP is a governance tool, developed to define and support the program, establish definitions, and keep the focus of the work aligned with the goals and objectives of the City and Department. In addition to documenting the current program, processes and governance, the SAMP provides a roadmap of improvement initiatives, established by stakeholders and subject matter experts across Utilities, to increase the Asset Management maturity level.

The current 6-year Improvement Initiative roadmap outlines 50 targeted actions intended to drive increased maturity and program optimization. Since 2021 Utilities has completed 22 of the 50 initiatives and have another 9 in progress. The initial focus was establishing program foundational elements and governance, improving risk evaluation, and updating renewal and replacement forecasting. Underway are projects to improve program structure, performance management, and levels of service. The next areas of focus will be heavily related to our technology and data, both tools and processes.

Utilities Asset Management Program will perform a maturity assessment update in 2026, with the intent to update the Strategic Asset Management Plan and roadmap of improvement initiatives in 2027.

POLICY ISSUES

There are no policy issues associated with the content of the Asset Management Program update. The Council Strategic Target Area (STA) on Public Safety and Health states that Utilities *provide and maintain reliable utility services and infrastructure that directly preserve and improve public health*. Listed are the related Council-adopted policies that guide Bellevue Utilities' asset management and capital planning practices.

- **Comprehensive Plan Policy UT-2:** Build and manage city-owned utility infrastructure assets to reduce the likelihood of risks to public safety, property and environment, and disruption due to asset failure.
- **Comprehensive Plan Policy UT-10:** Emphasize cost effective management of utility systems over their lifetime, including planning for their renewal and replacement, balancing risk, and maintaining desired service levels. Forecast future capital and maintenance costs and manage rates so that customer rate revenue funds the cost of ownership equitably across generations.

FISCAL IMPACT

The information presented today has no fiscal impact in the current biennium. The recommendations resulting from program projects will be considered as part of the 2027-2028 biennial budget process.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Bellevue Utilities SAMP 2021