

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

Thursday
April 2, 2026

City Hall & Remote
6:30 p.m.

1. CALL TO ORDER:

The meeting was called to order by Vice Chair Lutterman at 6:30 p.m.

ROLL CALL

COMMISSIONERS PRESENT: Ken Wan (Chair) (online), Ann Hajnosz, Gabby Lacson, Kurt Lutterman (Vice Chair), Mary Theisen

COUNCIL LIAISON: Councilmember Nieuwenhuis

COMMISSIONERS ABSENT: Andy Dupertuis, Michael Margolis

OTHERS PRESENT: Lucy Liu, Director; Joe Harbour, Deputy Director; Scott Edwards, Deputy Director; Matt Hobson, Fiscal Manager; Birol Shaha, CIP Portfolio Manager; Dave Baisch Asst. Director, Engineering; Lorissa Warren, Sr. Administrative Assistant; Andrew Williams, Sr. Administrative Assistant; and Laurie Hugdahl, Minutes Taker

2. APPROVAL OF THE AGENDA

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

3. ORAL AND WRITTEN COMMUNICATION

Alex Tsimerman, 14150 NE 20th Street, Bellevue, WA, raised concern about speakers' faces not being shown on Zoom meetings, limited time for comments, and other items not related to the ESC.

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

None.

5. STAFF REPORTS

None.

6. APPROVAL OF MINUTES

A) MARCH 5, 2026 MINUTES

Motion made by Commissioner Theisen, seconded by Commissioner Lacson, to approve the 3/5/26 minutes as presented. Upon a voice vote, the motion passed unanimously (5-0)

7. UNFINISHED BUSINESS

None

8. NEW BUSINESS

a) 2025 Financial Performance Report (Written Brief)

Commissioner Hajnosz referred to Table 2, 2025 R&R Ending Fund Balances, and asked how those numbers compare to targets. She also noted that stormwater seemed to stand out compared to the six-year average. Fiscal Manager, Matt Hobson, noted that targets are not part of the policies for capital reserves. Administrative practice is to try to retain at least two years' worth of CIP in the target reserve. Regarding stormwater, the City is in the active phase of saving money for future replacements to preserve intergenerational equity.

b) Utilities Proposed 2027-2032 Capital Improvement Program (CIP) Budget

Utilities CIP Portfolio Manager Birol Shaha and Asst. Director of Engineering, Dave Baisch made the CIP Proposed 2027-2032 Budget presentation. He reviewed some background and gave an overview of the CIP. Mr. Shaha reviewed budget development goals, the budget development process, and the CIP project prioritization process.

He summarized the Proposed CIP budget of \$478M with the following breakdown:

- Water Fund: 17 programs, \$287 M
- Sewer Fund: 12 programs, \$105 M
- Storm & Surface Water Fund: 10 programs, \$86

Major drivers for Changes in the 2027-2032 CIP:

- Accelerated project schedules in Water Fund
- Added new projects and/or construction phase

- Projected delays due to permit and easement acquisition challenges
- Increased construction costs

He reviewed the CIP by Fund for this budget compared to the previous budget. He also discussed differences in areas of investment between the two budgets.

Commissioner Hajnosz asked about cost escalation and wondered if 3% is enough. Mr. Shaha acknowledged that increase in construction costs have outpaced 3% at times due to macro-economic conditions, higher material cost and construction crew labor shortage. Few of the projects have been re-costed accordingly, however recently price appears to begin to stabilize. There was some discussion about variability in contingency costs.

Mr. Baisch gave an overview of the Water CIP and discussed the intentional overspending for water in 2027 to compensate for previous underspending and future replacements. He reviewed key drivers and details of the Water CIP projects:

- W-16 Water Main Replacement
- W-67 Pressure Reducing Valves (PRV) Rehabilitation
- W-85 Reservoir Rehab/Replacement
- W-91 Water Pump Station Rehab
- W-103 West Operating Area Storage
- W-111 Operations and Maintenance Yard
- And various minor budget changes

Commissioner Hajnosz asked what the oldest pipe in the ground is. Staff indicated they would look into this. Commissioner Hajnosz said she would really like to see if they can get to a 1% replacement rate per year.

Mr. Shaha gave an overview of the Wastewater (Sewer) CIP. He compared the proposed CIP to the adopted CIP budget, reviewed key drivers, and provided details of Sewer CIP programs:

- S-16 Sewer Pump Station Improvements
- S-24 Sewer Pipeline Repair & Replacement Program
- S-58 Lake Washington Lake Lines Program
- S-111 Operations & Maintenance Facility
- S-117 Septic Systems Sewer Extensions
- Several programs with minor budget changes

Commissioner Hajnosz asked about cyber security. Mr. Baisch commented that there is typically an effort to separate these systems from the rest of the city. This is something they monitor on an ongoing basis. The security resources are shared with throughout the city.

Mr. Shaha gave an overview of the Storm and Surface Water CIP and compared the proposed CIP budget to the current budget. He reviewed key drivers and provided details of Storm & Surface Water CIP programs:

- D-64 Conveyance Infrastructure Rehabilitation
- D-81 Fish Passage Improvement
- D-94 Flood Control Program
- D-109 Storm Water Quality Retrofit Program
- And programs with minor budget changes

Commissioner Hajnosz asked if there are any more WSDOT projects coming up. Staff explained there is one more coming up.

Mr. Baisch reviewed the community engagement program and the proposed CIP budget schedule.

Commissioner Hajnosz asked if they are anticipating staffing adjustments based on the plan. Mr. Shaha replied that they are not. Commissioner Hajnosz expressed concern about the shrinking water workforce. She suggested that they consider adding internships to keep the pipeline strong.

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

Deputy Director Harbour reviewed the calendars.

10. **ADJOURNMENT**

Motion made by Commissioner Hajnosz, seconded by Commissioner Theisen, to adjourn the meeting. The motion passed unanimously (5-0).

The meeting was adjourned at 7:55 p.m.