

Utilities Adopted 2025-2026 Operating Budget and Adopted 2025-2030 Capital Investment Program (CIP) Highlights

Overview Presentation to ESC

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Direction Needed from Commission

- No action required
- Informational briefing only



Agenda



- Utilities 2025-2026 Adopted Operating Budget Highlights
- Utilities 2025-2030 Adopted Capital Investment Plan
 - Budget Development Highlights
 - Key Project Highlights



2025-2026 Adopted Operating Budget



\$0.50

Cascade Water Alliance
King County Wastewater Treatment
Taxes and City Services

\$0.32

Infrastructure
Investments

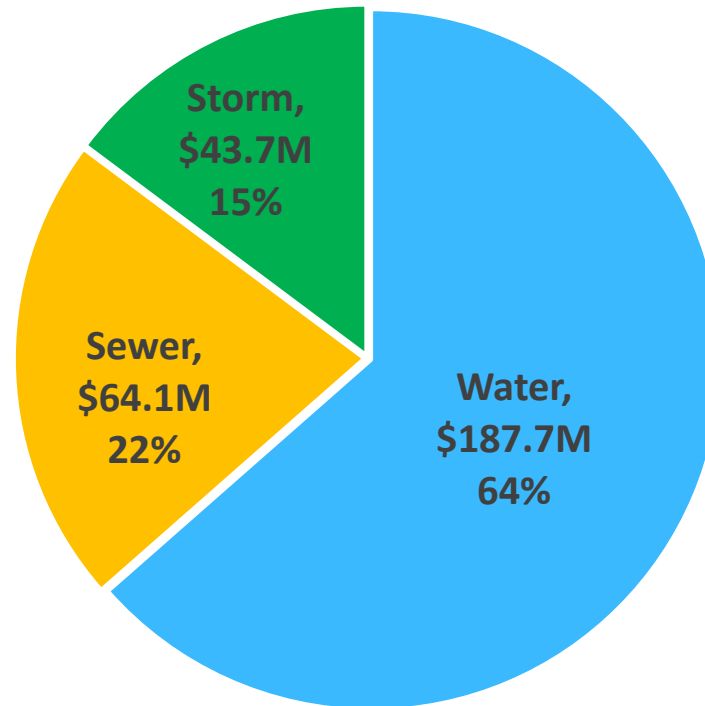
\$0.18

Local
Operations

\$431M Operating Budget (2025-2026)



2025-2030 Capital Investment Program (CIP)



Adopted 2025-2030 CIP Budget - \$296M



2025-2026 Adopted Rates

	2025 Adopted	2026 Adopted	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Combined Utility Bill Increase (%)	7.4%	6.8%	7.2%	7.0%	7.5%	7.4%



Capital Investment Program Highlights



CIP Overview

What?

- 6-year Capital Investment Program
- Water, Sewer and Stormwater Funds
- 36 programs and over 160 projects

When?

- Updated every 2-years as part of biennial budget process

Why?

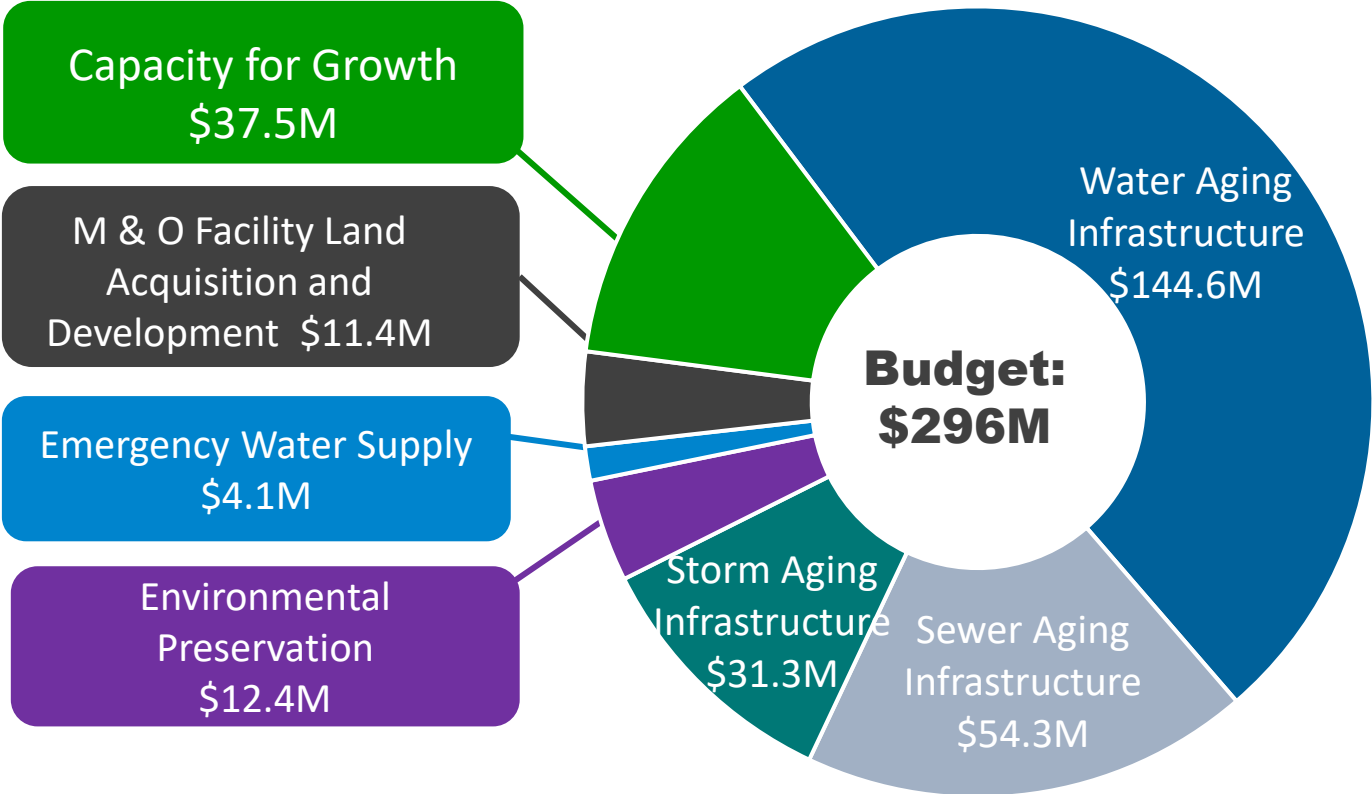
- Renew/replace aging infrastructure
- Supports growth and development
- Provide environmental stewardship
- Ensures compliance with regulation
- Ensure excellent utility services



PHOTO: DAVID JOHANSEN VASQUEZ



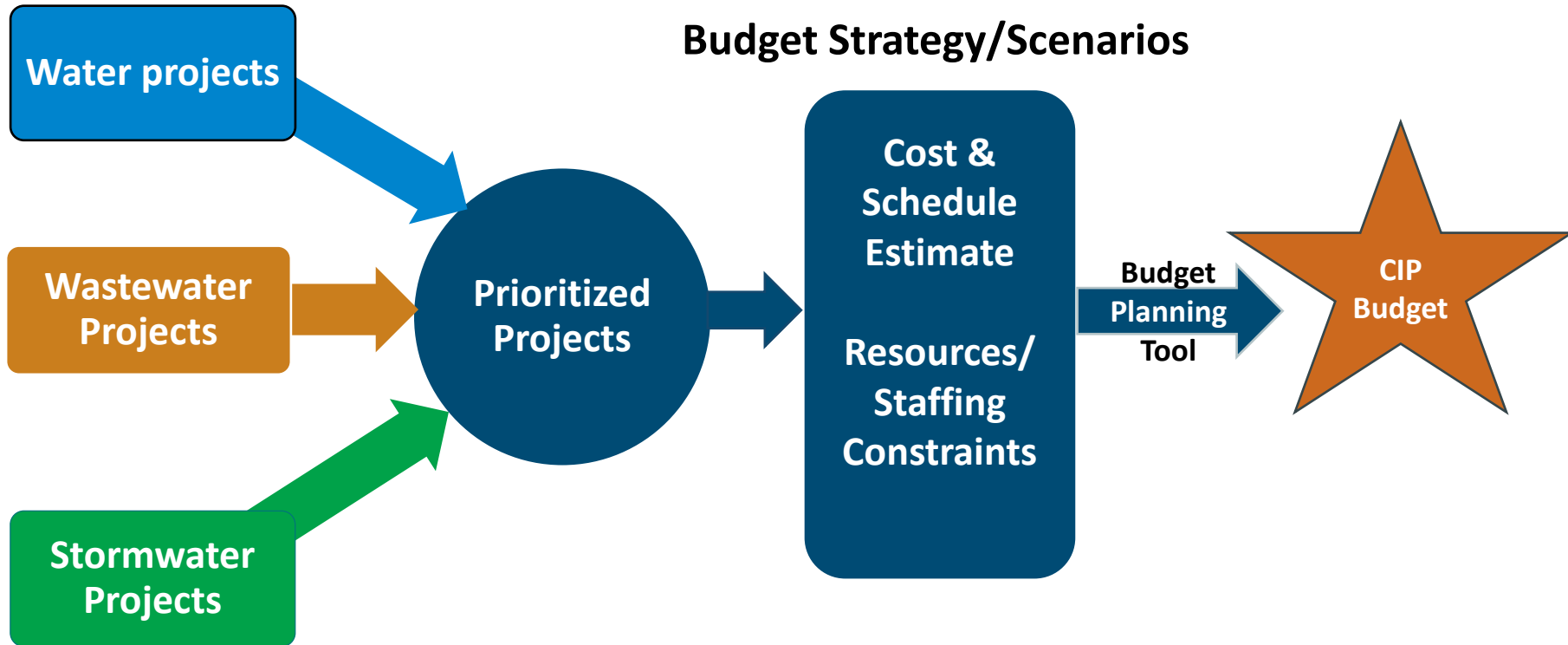
2025-2030 CIP Budget by Investment Area



September 12, 2024

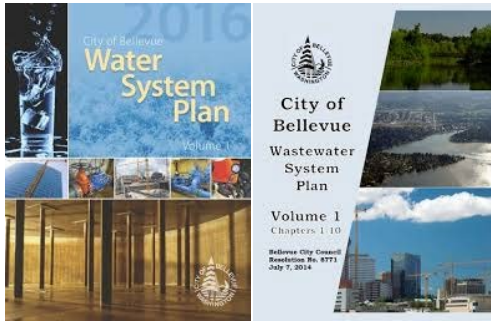


CIP Budget Development Process



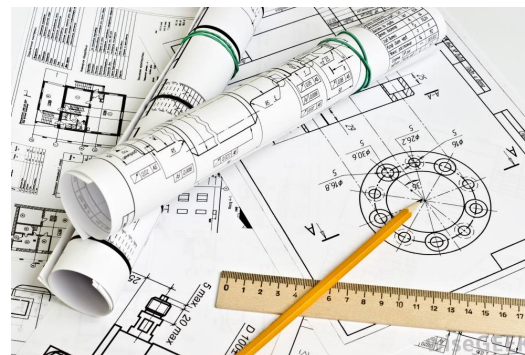
CIP Budget Development

Project Sources



System Plans & Strategic Planning Studies

Operations and Maintenance



Agency Coordination

Asset Management

Customer Input



CIP Budget Development

Project Prioritization Criteria

**Reliable
Infrastructure**

**Regulatory
Compliance/ Safety**

**Level of
Service/Capacity
Enhancement**

**Environmental
Stewardship**

Project Constraints

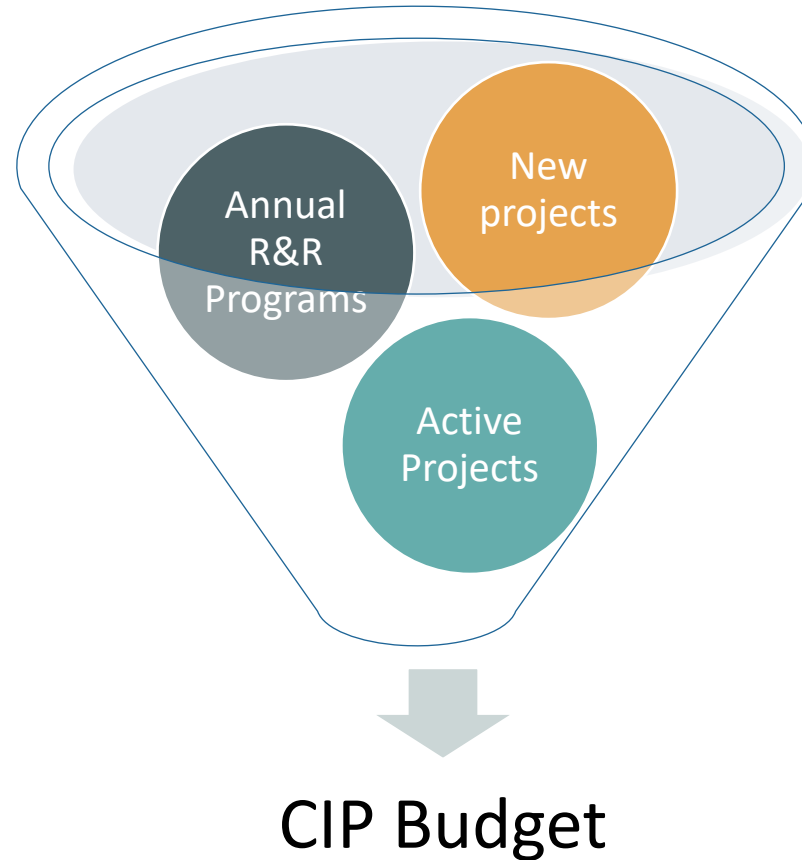
Service Equity



CIP Budgeting Factors



Project Sequencing Strategies



Moving Forward

2025-2026 Key CIP Projects

Watermain Replacement

Horizon View 2 PS and Reservoir

Meydenbauer South Reservoir and Transmission Main

Pressure Reducing Valve (PRV) Station Projects

Clyde Hills 465 Reservoir

Somerset Highlands Fire Flow Improvements

Crossroads Wells Rehab

Water

Newport PS, Lift Station and Forcemain (FM)

Lake Hills PS 12 & FM

South Ridge PS and FM

Bogline Sewer Rpl

Sewer Pipe Defect Repair

Bellfield Siphon

Ballpark and Fed LL Ball Field Sewer at Kelsey Creek/LakeHills Blvd

Sewer Extension SE 42nd

WW Pump Station Condition Assessment II

Sewer

Upper Kelsey Creek Culvert at Lake Hills Blvd

Lower Vasa Creek Fish Passage Mitigation

Lakemont Culvert Phase 2 Stream Restoration

Valley Creek Culvert at NE 20th St.

Coal Creek Channel Off-site Detention Pond

Storm Pipe Defect Repair

Storm Drain CCTV Condition Assessment

Storm



New Project Highlights



Meydenbauer South Reservoir and Pump Station

- New 6 MG reservoir, plus new pump station and water transmission main
- Sited on Utility-owned property
- Additional capacity to meet expected growth in Bellevue
- Delivery Phase: Business Case Analysis (BCA)
- Cost Estimate: \$TBD
- Scheduled Completion: 2030



Lakemont Culvert Replacement and Stream Restoration

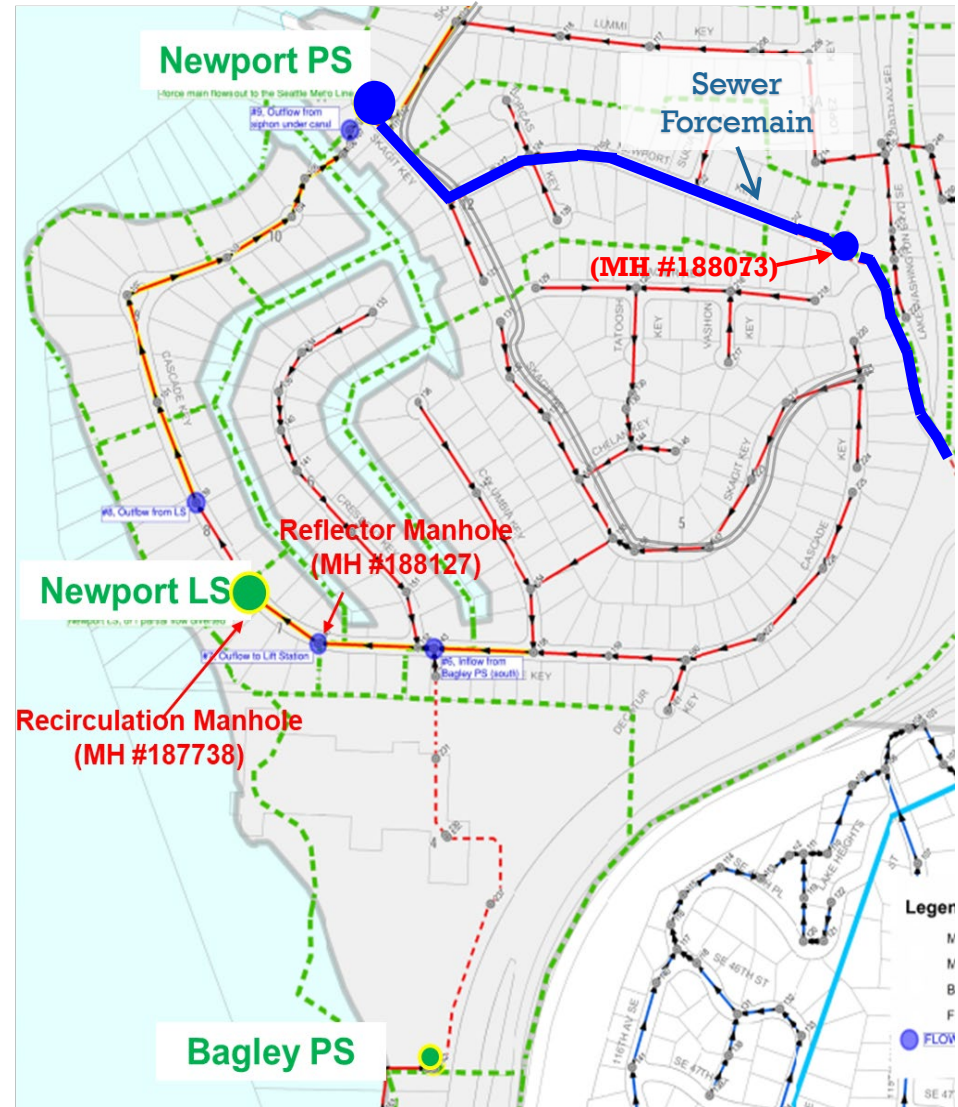
- Phase I – New Bridge constructed in 2024
 - Project cost - \$9.8M
- Phase II – Replace failing culvert and restore Coal Creek
 - Delivery Phase: Business Case Analysis (BCA)
 - Cost Estimate – \$ 4.5 M
 - Scheduled Completion: 2029



Lakemont Blvd. Emergency Bridge Project

Newport Pump Station, Lift Station & Force Main

- Replacement or rehab. of Newport Pump Station & sewer force main
- Rehab or Replacement of Newport Lift Station
- Address sewer capacity and aging infrastructure
- Delivery Phase: Business Case Analysis (BCA)
- Cost Estimate: \$22M
- Scheduled Completion: 2030



Summary

1. Utilities CIP is an ongoing major investment in water, sewer, and storm/surface water infrastructure
2. Enables continued delivery of excellent Utility services to our customers
3. CIP development tools and techniques are used for successful program and project delivery, including system planning, asset management, project prioritization, and project management



Questions?

Utilities Budget Highlights



Extra Slides if Needed



Strategies to Right Size the CIP Budget



Refinement of project schedules and durations



Resource Needs/
Capacity Analysis



Allocate sufficient time and resources to complete work



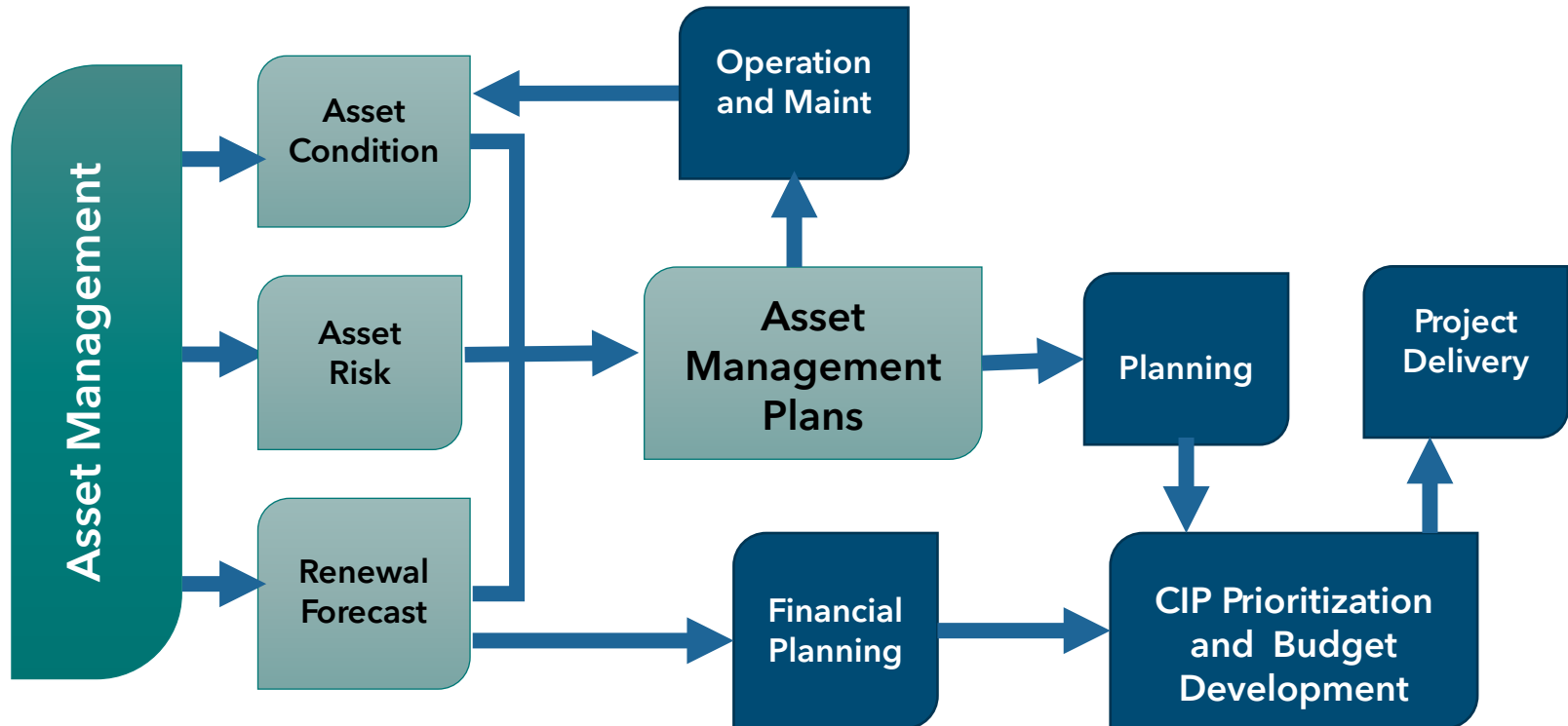
Fund planning work to better define project scopes



Right size CIP budget based on project scopes, priorities, schedules, and staff resources



Asset Management Input to Project Delivery



Staffing Resource/Schedule Estimates

(FTE/Duration (months))

- Project Types (Standard to Complex)
- Duration by Project Type/Phase
- Resourcing by Project Type/Phase
- Budget Expenditure by Project Phase



Project Duration by Phase (months)

Project Type	Project Cost Range	Initiation	BCA	Predesign	Final Design (w/ Bid & Award)	Construction	Project Closeout	Total Duration (Initiation through Construction)
Basic	<\$750k	6	6	3	8	4	12	27
Standard	\$750k - \$3M	6	9	8	17	12	12	52
Complex	\$3M - \$10M	6	12	12	21	18	12	69
Stream	<\$2M	6	12	12	21	8	12	59
AC Water Main	~ \$3M				15	18	12	33
Planning Studies		6	24					30

In months



PM Workload Distribution by Phase (%FTE)

	Initiation	BCA	Predesign	Final Design (w/ Bid & Award)	Construction	Closeout
Basic	0.1	0.1	0.2	0.2	0.1	0.07
Standard	0.1	0.15	0.15	0.15	0.05	0.05
Complex	0.1	0.35	0.35	0.35	0.2	0.03
Stream	0.1	0.25	0.3	0.25	0.25	0.03
AC Water Main				0.2	0.05	0.09
Planning	0.1	0.25				



Bellevue Utilities Mission:

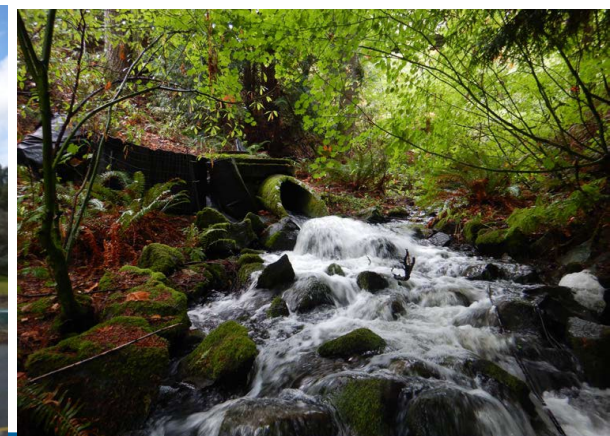
Effectively manage Utility systems to support:

- Public health and safety
- Quality neighborhoods
- Healthy and sustainable environment
- Economy

Drinking Water Utility

Sewer Utility

Storm / Surface
Water Utility



CIP Budget Strategies



Well defined project scopes



Environmental permitting processes well understood



Property acquisition needs and timelines well defined



Realistic schedules for planning, design, and construction phases

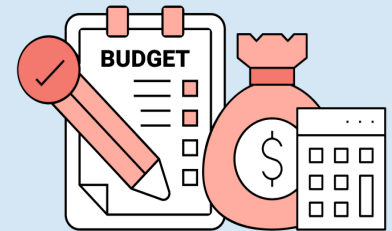


Sufficient resources for all project phases



2025-2030 CIP Budget

- Over 270+ projects identified, prioritized, and programmed
- Preliminary budget developed in 2023 dollars and inflated with 3% per year
- 6-year CIP Budget adjusted with carryforward from previous budget cycle



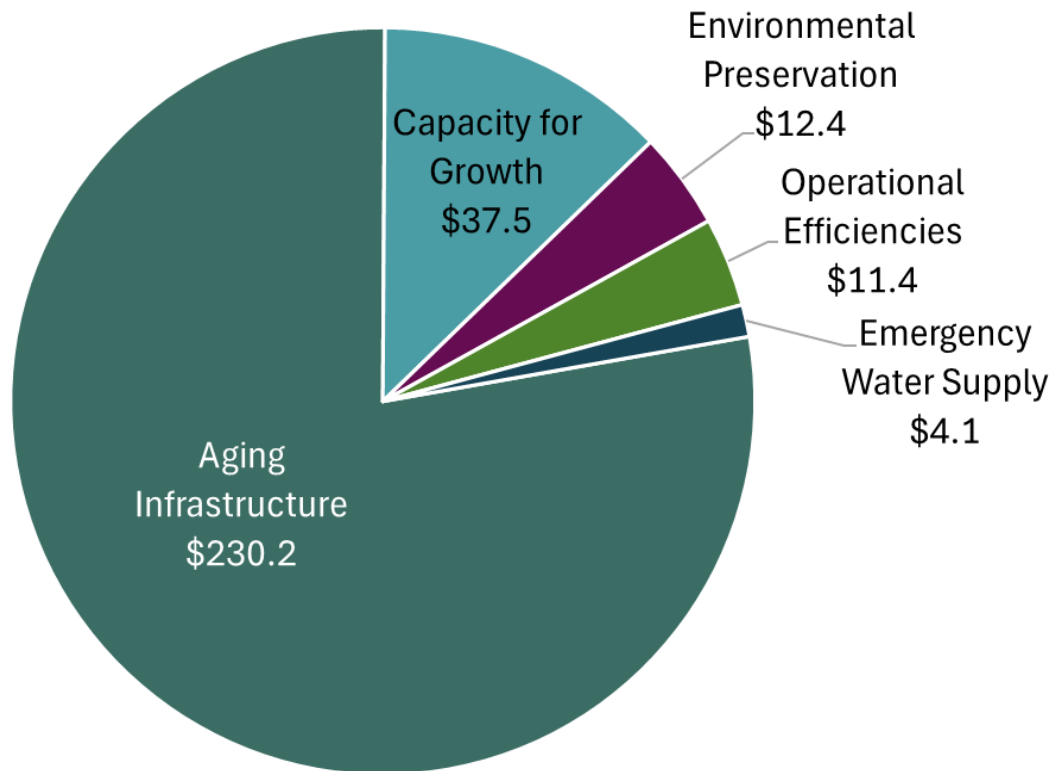
Community Input on Project Prioritization Criteria

- Public input early in the budget process
- Six survey questions that aimed to gauge priorities qualitatively

PRIORITIZATION CRITERIA	Staff Weighting	Staff Prioritization Rank	Community Prioritization Rank
Reliable Infrastructure	25%	2	1
Regulatory/Legal Compliance and Employee Safety	32%	1	3-4
Level of Service / Capacity Enhancement	18%	3	2
Project Schedule / Agency Coordination	8%	5	5
Environmental Stewardship	10%	4	3-4
Service Equity	7%	6	6



2025-2026 Adopted Budget & Rates



City Council also adopted the 2025-2030 \$296 million capital improvement plan.



2025-2026 Adopted Budget & Rates

- City Council adopted 2025-2026 operating and 2025-2030 capital budgets on November 19, 2024.
- 2025-2026 adopted operating budget includes:
 - \$431M operating budget for water, sewer, stormwater, and solid waste utilities
- 2025-2030 Capital Improvement Budget includes:
 - \$296M capital improvement program for water, sewer, and stormwater utilities

