

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

Thursday
November 2, 2023

City Hall & Remote
6:30 p.m.

1. CALL TO ORDER:

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

ROLL CALL

COMMISSIONERS PRESENT: Vanja Knezevic (Chair), Ken Wan (Vice Chair), Andy Dupertuis, Ann Hajnosz, Gabby Lacson, Kurt Lutterman, Michael Margolis

COMMISSIONER ATTENDING REMOTELY: None

COMMISSIONERS ABSENT: None

COUNCIL LIAISON: None

OTHERS PRESENT: Lucy Liu, Director; Linda De Boldt, Utility Engineering Assistant Director; Andy Baker, Fiscal Manager; Joe Harbour, Deputy Director, Cheri Brignon, Senior Administrative Assistant; Birol Shaha, CIP Portfolio Manager; and Laurie Hugdahl, Minutes Taker

2. APPROVAL OF THE AGENDA

Motion made by Commissioner Lutterman, seconded by Commissioner Margolis, to approve the agenda. The agenda was approved unanimously (7-0).

3. ORAL AND WRITTEN COMMUNICATION

Alex Tsimerman, 14150 NE 20th Street, Bellevue, WA, made comments regarding city government and expressed frustration about a variety of items.

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

None

5. STAFF REPORTS

None

6. APPROVAL OF MINUTES

a) OCTOBER 5, 2023 MINUTES

Motion made by Commissioner Lutterman, seconded by Vice Chair Wan, to approve the October 5, 2023 minutes as presented. Upon a roll call vote, the motion passed unanimously (7-0).

7. UNFINISHED BUSINESS

None

8. NEW BUSINESS

a) 2025-2026 Utilities Budget Planning Overview and Calendar

Andy Baker, Utilities Fiscal Manager, gave an informational briefing regarding the 2025-2026 Budget. He reviewed the budget background and discussed the Commission's roles and responsibilities in developing the budget and rates in conjunction with staff and the City Council. Going forward, staff will review policies; review the proposed CIP, budget, and rates; ask questions and provide feedback; hold a public hearing; and make a recommendation regarding the budget and rates to the City Council. Mr. Baker reviewed budget guiding principles. He discussed the City budget process and how the ESC fits into this. He presented the tentative budget review calendar and key milestones over the next 12 months. General questions and answers followed.

b) 2025-2031 CIP Budget Development Process

Birol Shaha, CIP Portfolio Manager, and Linda De Boldt, Asst. Director, made the presentation regarding the Utilities 2025-2031 Capital Investment Program (CIP) Budget Development Process.

Asst. Director De Boldt gave an overview of the CIP and explained it is a 7-year capital investment program in which the City invests in capital improvement programs and projects related to the utilities infrastructure (Water, Wastewater, and Stormwater). It is updated every two years as part of the biennial budget process. It addresses the critical needs of aging infrastructure; ensures they continue to support growth and economic development; provides for environmental stewardships of watersheds;

helps the City to stay in compliance with local, state, and federal regulations; and improves the reliability of infrastructure to provide services for customers.

The CIP Plan proposes capital investments that support asset renewal and replacement; programs that support requirements; environmental stewardship; capacity for growth; and operational efficiencies. It also supports the Utility Department's overall mission of effectively managing Utility systems to support public health and safety; quality neighborhoods; a healthy and sustainable environment; and a thriving economy.

Mr. Shaha reviewed the CIP development process which includes identification and prioritization of projects as well as refining resources and the schedule. Project sources include system plans, strategic planning studies, Operations & Maintenance, agency coordination, condition assessment, and customer input. Project prioritization criteria includes reliable infrastructure; regulatory compliance/safety; level of service/capacity enhancement; environmental stewardship; project constraints; and service equity. Early public outreach was done with a community survey early in the process to gauge public priorities qualitatively. Overall, the community priorities align very well with staff's priorities. He reviewed the CIP Budget by fund and investment area: water aging infrastructure, sewer aging infrastructure, storm aging infrastructure, environmental preservation, operational efficiencies, and capacity for growth. He reviewed the ESC 2025-2031 CIP Budget review in 2024.

Commissioner Hajnosz asked for more information about the category of service equity projects. Asst. Director De Boldt explained it has to do with providing equity across the city in terms of the capital projects they choose to do. One thing that is considered is, are there projects that are proposed in the CIP that are in areas of underserved populations? This could be areas with a higher number of immigrants or limited-English-speaking residents. Other factors considered are related to race and income.

Commissioner Margolis asked how flexible the funding for the projects is if there is a need to change over the budget period. Assistant Director De Boldt explained the funding that is approved is intended to fund the work that is prioritized as high. In terms of flexibility, they look at the 7-year CIP as a rolling seven years. Occasionally, projects are pushed back or delayed but they remain on the books as a project Utilities intends to deliver. Utilities has a good management system to manage changes that might happen at the project level, at the program level, and at the fund level. Commissioner Margolis asked about disasters or emergency needs. Asst. Director De Boldt explained that emergency projects are funded by the relevant fund. In the biennial budget process, they can readjust. If a

large emergency were to happen that would take over the needs of the whole program or fund, staff would look at using the Renewal and Replacement Fund.

Vice Chair Wan asked how the Utility Department has done for the projects approved in the most recent years' budgets. Asst. Director De Boldt said in general the Utility Department has done a pretty good job with implementing the projects that have been proposed. The target accomplishment rate is 80%. They are currently at 77% right now over the whole seven years and would like to get it up to 80%. However, on an annual basis, the accomplishment rate is lower. They are working on getting that rate up. There are many reasons for project delays. These include permitting challenges with regulatory agencies, difficulty in getting easements from property owners, and the shortage of staff overall – not only city, but contractors. Asst. Director De Boldt offered to come back with a more detailed presentation on this.

9. ORAL AND WRITTEN COMMUNICATIONS

None

10. REVIEW OF COMMISSION & COUNCIL CALENDARS

Deputy Director Harbour reviewed the upcoming Council and ESC calendars. The December 7 meeting will be a commission retreat.

Commissioner Dupertuis referred to the CIP Budget Development presentation and commended staff on the high caliber of material. He referred to the difference between projects and programs and suggested that it is a supply and demand matter. Projects are done to make sure that the City is able to meet demand in a way that is sustainable and financial responsible. Going forward he wondered if there is a way to quantify that with a metric to show how the City is doing at meeting demands. He also suggested getting an update on the Smart Covers project. Finally, he requested an update on the Factoria Blvd. project.

Asst. Director De Boldt explained that the Factoria Blvd. stormwater improvements project is a large project that is in construction. The stormwater conveyance system is currently going through design review. It will be a long box conveyance system from SE 38th to about where Factoria Mall is. They expect to begin installing it after the holidays. She explained how the traffic would be impacted. They are working closely with the Transportation Department to make sure that the signal timing of key intersections is such that they can move traffic through there as much as possible, but it will still be painful. The City will be putting out a strong communications campaign to let people know about the impacts ahead of time so they can adjust their commute if possible. She also

discussed the WSDOT Sunset Creek Fish Passage/I-90 project which will also impact traffic and is in close proximity to the Factoria project. The contractors of the two projects will be working together for traffic management. Additionally, the Lakemont Blvd. bridge project may also have an impact on the Factoria project and vice versa. There was some discussion about impacts to the City on WSDOT projects.

Vice Chair Wan referred to the Lakemont project and commented that the Forest Drive traffic has been quite horrendous. Asst. Director De Boldt reviewed how they have worked on the signal timing to move traffic more quickly through the area. She acknowledged it is bad but the bridge is an emergency project they need to get done.

Commissioner Lutterman commented that public outreach on the Lakemont project was very good. Asst. Director De Boldt commended Public Information Officer Michaelene Fowler for her work on this. Commissioner Hajnosz agreed that the signage was great.

11. **ADJOURNMENT**

Motion made by Chair Knezevic, seconded by Vice Chair Wan, to adjourn the meeting. Upon a roll call vote, the motion passed unanimously (7-0).

The meeting was adjourned at 7:36 p.m.