



City of Bellevue

450 110th Avenue NE
Bellevue, WA 98004

Meeting Agenda Environmental Services Commission

Thursday, April 4, 2019

6:30 PM

Room 1E-113

1. Call to Order and Roll Call

2. Approval of Agenda

3. Oral and Written Communications

Note: Three-minute limit per person, maximum of three persons to speak to each side of any one topic.

4. Communications from City Council, Community Council, Boards and Commissions, and members of the Transportation Commission

5. Staff Reports

6. Approval of Minutes

[19-255](#) ESC Minutes - March 7, 2019

7. Unfinished Business

8. New Business

[19-256](#) 2018 Financial Performance Report

[19-257](#) Water Distribution System Seismic Vulnerability Assessment

9. Oral and Written Communications

10. Review of ESC Calendar/Council Calendar

[19-258](#) Calendar(s) Review

11. Adjournment

(Meeting adjournment may be extended by majority vote.)

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

Thursday
March 7, 2019
6:30 p.m.

Conference Room 1E-113
Bellevue City Hall
Bellevue, Washington

COMMISSIONERS PRESENT: Diann Strom (Chair), Vanja Knezevic (Vice Chair), Anne Howe, Negin Khanloo, Aaron Morin, Lisa Schreiner, Ling Zhuang

COUNCIL LIAISON: Jared Nieuwenhuis (absent)

COMMISSIONERS ABSENT: None

OTHERS PRESENT: Lucy Liu, Assistant Director – Resource Management & Customer Service; Asst. Director – Operations, Joe Harbour; Nav Otal, Director – Utilities; Doug Lane, PE; Laurie Hugdahl, Minutes Taker

1. CALL TO ORDER:

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

2. APPROVAL OF AGENDA

Motion made by Commissioner Knezevic, seconded by Commissioner Schreiner, to approve the agenda as presented. Motion passed unanimously (7-0).

3. ORAL AND WRITTEN COMMUNICATIONS

Oral and written communications were solicited. There were none.

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

None

5. STAFF REPORTS

None

6. APPROVAL OF MINUTES

2/7/19 Regular Meeting Minutes

Ling Zhuang proposed the following amendments:

- Page 4, 2nd paragraph, 3rd sentence: “This has been embedded in the code as a first priority to try to implement low impact development **for new development** ~~before doing anything else.~~”
- Replace the 4th sentence in that same paragraph with: ~~Commissioner Zhuang expressed concern that there is not more incentive for private rain gardens at a residential level.~~ **Commissioner Zhuang asked if there is any incentive program for existing residents.**
- Replace the last sentence in that paragraph with: Commissioner Zhuang suggested a program similar to how PSE does preferred vendor recommendations that would provide an interested homeowner with a qualified vendor.

Motion made by Khanloo, seconded by Commissioner Morin, approve the minutes as amended. Motion passed unanimously (7-0).

7. UNFINISHED BUSINESS

None

8. NEW BUSINESS

- Storm Response Report
Asst. Director, Operations, Joe Harbour
Republic Personnel: Robin Murbach, Yasser Brenes, Russell Joe

Republic addressed the Commission regarding impacts to collection as a result of inclement weather. Concerns from customers revolved around missed collections, communications issues, and customer service.

Ms. Murbach reviewed Republic’s Inclement Weather Plan. There was a No-Go on Monday and Tuesday both weeks, keeping in mind that safety was the highest priority. February 12th and 13th were the worst operation days during the snow event due to very icy conditions. Supervisors went out on each route daily to determine the condition of the streets. The weather was monitored real time and adjusted each half hour as weather conditions changed. Communication emails were sent late in the evening or early morning. If communications were delayed it was because of uncertainty of the road conditions or because of incorrect contact information.

The operations team had an emphasis on keeping the community safe. Out of over 90 drivers on route there was only one accident. The drivers completed the routes they could under extreme conditions. The team rallied to get the work done safely while working extended hours.

Communication was an area where Republic recognizes they could have done better. They miscommunicated information and weren't able to handle the call volume. They did not meet the inclement weather timeline on information to the city. Not all robocalls went out as planned. She stated they struggled to get updated information on the website and out to the media in a timely fashion. Ms. Murbach acknowledged that this was an area where they disappointed customers and the city.

She reviewed a day-by-day summary of commercial and residential route garbage, recycling, and organic pickups during the snow event. She noted that decisions were made that affected a number of customers negatively, but also affected a number of customers positively because their stuff got picked up.

Lessons learned by Republic were that the internal coordination of information needed to be made by one point of contact instead of multiple individuals. They needed to review the inclement weather plan with all departments prior to inclement weather incidents. They need a Plan B when drivers and customer service employees are unable to get out of their neighborhoods. Customer information needs to follow protocol. They should have placed drop boxes earlier than they did. Overall, lack of communication was a significant problem.

Yasser Brenes reviewed the plan going forward. Republic plans to imbed the contract language and internal inclement weather plan into one document. They will designate one single point of contact to be the liaison between Republic customer service and operations. They plan to develop a communication plan to follow the contract with one point of contact with the city. Additionally, they plan to coordinate communication between the Bellevue transportation department and Republic operations team. Also, early execution of the drop boxes could lessen the effect on customers.

Discussion:

Commissioner Zhuang suggested that Republic explore a new communication option online where customers can type in their addresses and information will be customized for them. This would streamline communication and save time. She also recommended putting the drop boxes on the map for customers.

Commissioner Khanloo asked if letters were sent out to customers who didn't get answers from customers service. Ms. Murbach replied that this had not been done, but indicated that Republic would send out robocalls to all customers thanking them for their patience and understanding during this time and acknowledging that they let customers down.

Commissioner Khanloo asked if there was any way customer service personnel could work remotely in the event that they can't make it to work. Mr. Brenes replied that is not an option now, but Republic is looking into some other options.

Commissioner Knezevic suggested letting people work from home whenever possible in this type of situation. She noted she was following a lot of complaints on Next Door. She spoke in favor of sending out a letter and letting customers know a credit was available. Ms. Murbach commented that they actually did pick up all the trash, even though it was late, because they picked up double and triple the amount once they were able to pick up. She commented that the apology right now was the most important piece. Commissioner Knezevic asked how critical customers were determined. Asst. Director Liu reviewed this, noting that they were predetermined.

Commissioner Morin commented that he was disappointed personally about the misinformation he received. When he called the recording gave him incorrect information. When his garbage wasn't picked up he called to request a refund and was not able to get through to customer service. He noted that there are other issues with Republic and this is just the icing on the cake. He was disappointed that they are talking about refunding fees to a small number of customers instead of to all customers whose trash did not get picked up.

Commissioner Khanloo recommended studying best practices for places that routinely have heavy snow, but are still somehow able to pick up the trash. She also asked how data collection was done by drivers. Ms. Murbach replied that there is a sheet they take out and mark what they do each day. Commissioner Khanloo recommended that a GPS method be implemented. Ms. Murbach commented that this is coming, but they do not have it yet.

Commissioner Zhuang commented that GPS technology has been on the market for a long time, and Republic should already have it. She suggested that this should be made a priority.

Commissioner Howe agreed with Commissioner Morins that even though this was a big storm, the lack of communication was not excusable. She

appreciated that Republic picked up extra garbage on the day they finally picked it up. Even though she was disappointed overall, she commended her driver who went above and beyond in helping bring some trash out to the curb.

Commissioner Morin commented that his concern was not that the garbage didn't get picked up, it was that he was given incorrect information or no information. Ms. Murbach agreed that this had been a letdown.

Commissioner Khanloo commented that Bellevue is supposed to be a Smart city. She commented that Republic needs to invest in technology to be able to be competitive.

Commissioner Schreiner strongly agreed with Commissioner Morin's comments that this was the last straw. She has had many customer service issues. She and her neighbors strongly feel the City should look at another service provider. She thinks that the customers of Bellevue deserve more than just an apology.

Chair Strom also stated she was disappointed with the communication, but expressed appreciation to Republic employees for working so hard. Chair Strom asked about the opportunity for Republic to participate with the City's EOC. Ms. Murbach commented that they would be interested in that. Director Otal commented that the City would welcome Republic's participation. She also commented that this was a glimpse into what issues could be like in the event of a more serious event.

Asst. Director Joe Harbour followed up by discussing the City's response to the snow storm.¹ He reviewed the types of things that came up in Operations and Maintenance in Water, Sewer and Storm. In Water Operations, there were communication impacts and mitigation strategies implemented at four water stations. He reviewed communication impacts, power outages, and mitigation strategies implemented for wastewater locations. Storm and Surface Water crews were on 12-hour shifts for snow and ice response and then transitioned to prepare for a potential flooding event. Water Maintenance crews responded to approximately 15 frozen meters over the course of the storm event. Approximately 20 customers requested assistance due to broken service lines. There were no watermain breaks that could be tied directly to the weather conditions. Utilities' stores personnel placed orders for 46 loads of ice-slicer and three loads of liquid de-icer during the event.

¹ Commissioner Knezevic left at 7:40 p.m.

Utilities administrative personnel handled the following:

- 1,110 work orders were created
- 1,274 service requests were created, 38 from MyBellevue/Public Stuff
- 1,822 phone calls were received between 2/3-2/15
- On Tuesday, February 12 we received 337 calls, on Wednesday February 13 we received 387. The average normal volume is 47 calls a day.

He commented that even though this is an unusual event it was important to learn from it and continue to improve.

Commissioner Zhuang expressed appreciation for the City of Bellevue employees who sacrificed a lot to keep the roads plowed and safe. She suggested coordinating with the Bellevue School District in the future to help plow the schools' driveways and parking lots. Assistant Director Harbour commented that Bellevue works with the schools to make sure they understand the City's plow routes and problem spots.

Commissioner Zhuang also asked about the environmental impact or consequence of the Swalocken waste water pump station overflow into Lake Washington. Assistant Director Harbour explained that it was a King County pump station down by Mercer Slough. Commissioner Zhuang expressed concern about the impact on the stream environment of Mercer Slough and wondered if there is something that Bellevue can ask King County to do to fix the situation. Assistant Director Harbour replied that King County did some sampling to verify the quality of the water. He commented that for most spills of this type, dilution is often the best solution to improve the environment. The City doesn't regulate King County's pump stations, but the Department of Ecology does. Commissioner Zhuang thought that Bellevue would have some authority because of its agreement with King County. She believes that there should be an action taken.

Commissioner Howe commented that waters of the state are regulated by the Department of Ecology, and King County will be held accountable. They will need to report and take action as directed by the Department of Ecology. Her understanding is that the agreement King County has with the City is related to handling its sewage and doesn't necessarily address what would happen if a spill were to occur in waters of the state. Chair Strom commented that in the interest of time and staying on task this topic might be better addressed offline or at another time. Commissioner Howe asked questions about duties of various departments as it relates to snow plowing. Asst. Director Harbour reviewed this.

Commissioner Morin expressed appreciation to the whole O&M team. He asked if the de-icer negatively affects water quality. Asst. Director Harbour stated he had been told it was environmentally friendly de-icer with minimal impacts, but stated he would follow up on that.

Commissioner Khanloo expressed concern about residents' use of salt and its impact on salmon. Asst. Director Harbour explained that the city also has a clean-up plan to get the streets swept up.

- Water System Plan Implementation
Doug Lane, PE

Mr. Lane explained the Plan's purpose was to document policies to evaluate the system and provide a basis for capital improvements. The Plan is required by state, county, and city codes, in compliance with the Growth Management Act.

Non-CIP recommendations for evaluation included:

- Engineering Evaluations:
 - Chlorine residuals – Resolved by changing some settings
 - Backup Power – Resolved: Parks had a generator they weren't using so Water is leasing it at a very low cost.
 - Seismic Vulnerability Assessment
 - Emergency Wells/Water Rights
- Implement AMI
- Expand Asset Management Program

Mr. Lane reviewed CIP recommendations related to the Seismic Vulnerability Assessment and Emergency Wells/Water Rights. He also presented an update on the AMI implementation schedule which is in full swing. Other CIP project recommendations were reviewed. These included Inlet Capacity, Storage Deficit, Newport Hills Fire Flow, and West Lake Sammamish Fire Flow and Pressure. Mr. Lane summarized that general 2018 CIP progress included replacement of 4.1 miles of main, completion of Horizon View 1 Pump Station/Reservoir, conceptual design of Pikes Peak and Cherry Crest Pump Station, design progression of Pikes Peak Reservoir, and 30% design of Enatai Inlet. Northeast 40th Inlet was resolved using new technology (No CIP).

9. ORAL AND WRITTEN COMMUNICATIONS

None

10. REVIEW OF ESC CALENDAR/COUNCIL CALENDAR;

- ESC Calendar/Council Calendar

Asst. Director Liu reviewed the ESC calendar and the Council calendar.

Commissioner Zhuang asked for information about a Storm Initiative item. Director Liu indicated she would follow up on that.

Commissioner Schreiner asked if Andrew's position has been filled. Ms. Liu replied that the City is looking at candidates now.

11. ADJOURNMENT

Motion made by Commissioner Zhuang, seconded by Commissioner Schreiner, to adjourn the meeting at 8:46 p.m. Motion passed unanimously (7-0).

The meeting was adjourned at 8:46 p.m.



MEMORANDUM

 Action
 X Discussion
 X Information

DATE: April 4, 2019

TO: Environmental Services Commission

FROM: Nav Ota, Utilities Director
Lucy Liu, Assistant Director – Resource Management and Customer Service
Jolie Liu, Utilities Fiscal Manager

**SUBJECT: 2018 Year End Financial Report - Water, Sewer, Storm & Surface Water,
and Solid Waste Utility Funds**

Action Required

No action by the Commission is required. This is an informational briefing.

Background

The purpose of this briefing is to provide the Commission a summary of the 2018 financial performance for the Water, Sewer, Storm & Surface Water, and Solid Waste utility funds.

All four utility funds ended 2018 in positive financial condition with operating revenues sufficient to meet operating expenses. The Water, Sewer, and Storm and Surface Water utility funds ended 2018 with fund balances above expectations. Consistent with Council-adopted financial policies, the operating reserves above target levels were transferred into the capital infrastructure renewal and replacement (R&R) accounts for the three piped utilities.

All four utility funds are well positioned entering 2019 to meet adopted 2019 financial expectations. The following table summarizes the 2018 financial performance for each utility fund.

Table 1. 2018 Utility Operating Fund Financial Performance

	Water	Sewer	Stormwater	Solid Waste
Beginning Fund Balance	\$22,274	\$11,217	\$5,786	\$1,815
Revenues	66,256	64,667	25,332	1,383
Expenditures	59,776	64,320	24,783	1,032
Transfer of Operating Reserves Above Target to Infrastructure R&R Account	6,700	4,133	900	-
Ending Fund Balance	\$22,054	\$7,431	\$5,435	\$2,166

Differences may exist due to rounding.

The remainder of this report highlights the performance of each fund in more detail.

WATER UTILITY

The Water Utility finished 2018 in positive financial condition. The following table summarizes the utility's financial performance. Revenues exceeded budget largely due to stronger than anticipated water sales. Expenditures were higher than budgeted levels primarily due to a one-time transfer, at the end of the biennium of operating reserves over target levels to the infrastructure R&R account, and increased taxes from greater than anticipated water sales.

Table 2: Water Utility Fund 2018 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$13,856	\$22,274	\$8,419	160.8%
Revenues				
Water Service	50,923	57,730	6,806	113.4%
Developer Fees	1,014	901	(113)	88.9%
Fire Flow	2,847	2,847	-	100.0%
RCFCs	2,000	2,447	447	122.4%
Interfund Water Services	1,547	1,064	(483)	68.8%
Interest Income	73	377	303	516.4%
Other	614	891	277	145.1%
Total	\$59,019	\$66,256	\$7,238	112.3%
Expenses				
Wholesale	20,168	19,835	(333)	98.3%
Personnel	8,827	8,074	(753)	91.5%
CIP	12,492	12,492	-	100.0%
R&R - Budgeted	-	-	-	n/a
R&R – One-Time Transf	-	6,700	6,700	n/a
Taxes	8,271	10,301	2,030	124.5%

RCFCs	2,000	2,646	646	132.3%
Interfunds	2,920	2,937	17	100.6%
M&O	3,569	3,491	(78)	97.8%
Total	\$58,247	\$66,476	\$8,229	114.1%
Ending Fund Balance	\$14,627	\$22,054	\$7,427	150.8%

Differences may exist due to rounding

Resource Highlights

The beginning Water Utility fund balance was \$8.4M or 61% higher than budgeted levels primarily due to extraordinary water sales in 2017. The trend of higher water sales continued in 2018. 2018 water revenues were \$7.2 million or 12% above budgeted levels. This is largely driven by the following:

- **Water service revenues** exceeded budgeted levels by \$6.8 million due to stronger than anticipated water sales as a result of exceptionally warm summer weather. Water demand is dependent upon a combination of factors including weather conditions, general economic conditions, and conservation as a result of stricter plumbing code requirements and more water efficient fixtures and appliances. These factors vary from year to year and as a result, actual water service revenues will either be below or above budget in any given year.
- **Regional Capital Facility Charges (RCFCs)** from new connections for their share of the regional water supply costs were \$447,000 above budget due to higher than anticipated development activity, which fluctuates with economic conditions. Corresponding RCFC payments to the Cascade Water Alliance (Cascade) were also above budget. RCFCs are collected and passed through to Cascade. While there is no net financial impact to ratepayers from this item, differences do occur due to the timing of when RCFC revenues are collected and when it is paid to Cascade.
- **Interfund Water Services** were \$483,000 under budget due to lower than anticipated payment from capital projects due to staff vacancies in the capital delivery program. These vacant positions have been largely filled in 2019.

Expenditure Highlights

Water expenses were \$8.2 million or about 14% above budgeted levels due primarily to a one-time end-of-biennium transfer of \$6.7 million to the capital infrastructure R&R account. An additional \$5.3 million of operating reserves from 2018 are intentionally rolled into 2019 to fund the acquisition of land for future development of a new maintenance facility in the north end of the city. Other highlights include:

- City and state **taxes** exceeded budget by \$2.0 million, primarily reflecting the taxes due on higher than anticipated water sales and a one-time payment of additional taxes due to the City of Bellevue as a result of an internal review.
- **Personnel expenses** were \$753,000 below budget, primarily reflecting staffing vacancies.
- **Regional Capital Facility Charge (RCFC)** payments exceeded budget by \$646,000, reflecting growth in new connections due to the current economic expansion. As discussed above, these are pass-through payments to Cascade and have no net financial impact to the Water Utility.
- **Water wholesale purchase** costs were \$333,000 lower than anticipated.
- **Maintenance and operating (M&O) expenses** were \$78,000 below budget, primarily due to operational savings.

SEWER UTILITY

The Sewer Utility finished 2018 on positive financial condition. The following table summarizes the utility's financial performance. Revenues exceeded budget due to greater than anticipated wastewater flows from higher than anticipated water consumption. Expenditures were higher than budgeted levels primarily due the use of operating reserves to fund the capital infrastructure R&R account and capital investment program (CIP).

Table 3. Sewer Utility Fund 2018 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$7,341	\$11,217	\$3,876	152.8%
Revenues				
Sewer Service	59,222	62,376	3,155	105.3%
Developer Fees	583	641	58	109.9%
Interfund Sewer Services	1,650	868	(782)	52.6%
Interest Income	32	143	110	446.9%
Other	393	639	247	162.6%
Total	\$61,879	\$64,667	\$2,788	104.5%
Expenses				
Wholesale	33,662	34,279	616	101.8%
Personnel	6,783	6,211	(572)	91.6%
CIP	4,892	7,559	2,667	154.5%
R&R – Budgeted	7,333	7,333	-	100.0%
R&R – One-Time Transf	-	4,133	4,133	n/a
Taxes	4,049	3,605	(444)	89.0%

Interfunds	2,441	2,450	10	100.4%
M&O	2,893	2,883	(9)	99.7%
Total	\$62,053	\$68,453	\$6,401	110.3%
Ending Fund Balance	\$7,168	\$7,431	\$264	103.7%

Differences may exist due to rounding

Resource Highlights

The beginning Sewer Utility fund balance was \$3.9 million or about 53% higher than budgeted levels primarily due to wastewater flows from higher than anticipated water consumption in 2017. 2018 Sewer revenues were \$2.8 million or about 5% above budgeted levels. This is largely driven by the following:

- **Sewer service revenues** exceeded budget by \$3.2 million reflecting wastewater flows from higher than anticipated water consumption in 2018.
- **Interfund service revenues** were \$782,000 under budget due to lower than anticipated payment from capital projects due to staff vacancies in the capital delivery program. These vacant positions have been largely filled in 2019.

Expenditure Highlights

Sewer expenses were \$6.4 million or about 10% above budgeted levels due primarily to a one-time end-of-biennium transfer of \$4.1 million of operating reserves to the capital infrastructure R&R account as prescribed by utility financial policies, and \$2.7 million to fund the acquisition of land for future development of a new maintenance facility in the north end of the city. Other highlights include:

- **Wholesale expenses** represent payments made to King County for wastewater conveyance and treatment services. This charge is paid quarterly and is based upon a four-quarter moving average of historical wastewater flows conveyed to King County. In 2018, payments made for wastewater treatment were \$616,000 or about 2% above budget, reflecting higher flows than anticipated.
- **Personnel expenses** were \$572,000 below budget reflecting staffing vacancies.
- City and state **taxes** were \$444,000 below budget, largely due to a refund of taxes overpaid to the City of Bellevue as a result of an internal review.

STORM AND SURFACE WATER UTILITY

The Storm and Surface Water Utility finished 2018 in positive financial condition. The following table summarizes the utility's financial performance. 2018 revenues and expenses were close to budget. The revenue stream of the Storm and Surface Water Utility is relatively stable and do not fluctuate very much with weather or economic conditions.

Table 4. Storm and Surface Water Utility Fund 2018 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$5,146	\$5,786	\$640	112.4%
Revenues				
Storm and Surface Water Service	23,385	23,254	(131)	99.4%
Developer Fees	932	923	(10)	99.0%
Interfund Storm Services	1,211	892	(320)	73.7%
Interest Income	11	90	79	818.2%
Other	114	174	60	152.6%
Total	\$25,654	\$25,332	(\$321)	98.7%
Expenses				
Personnel	6,290	6,027	(263)	95.8%
CIP	10,985	11,285	300	102.7%
R&R - Budgeted	703	403	(300)	57.3%
R&R – Add'l Transfer	-	900	900	n/a
Taxes	1,548	1,424	(124)	92.0%
Interfunds	2,530	2,570	40	101.6%
M&O	3,221	3,074	(147)	95.4%
Total	\$25,277	\$25,683	\$406	101.6%
Ending Fund Balance	\$5,522	\$5,435	(\$87)	98.4%

Differences may exist due to rounding

Resource Highlights

The beginning Storm and Surface Water Utility fund balance was \$640,000 or about 12% higher than budgeted levels due to operational savings in 2017. 2018 storm and surface water revenues were \$321,000 or 1.3% below budgeted levels, largely driven by the following:

- **Interfund service revenues** were \$320,000 under budget due to lower than anticipated payments from capital projects due to staffing vacancies in the capital delivery program. These vacant positions have been largely filled in 2019.

Expenditure Highlights

Expenses were \$406,000 or about 2% above budgeted levels due primarily to a one-time end-of-biennium transfer of \$900,000 to the capital infrastructure R&R account, consistent with utility financial policies. Other highlights include:

- **Personnel expenses** were \$263,000 below budget reflecting staffing vacancies.
- **M&O expenses** were \$147,000 below budget due to operational savings.

SOLID WASTE UTILITY FUND

The Solid Waste Utility finished 2018 in positive financial condition with operating revenues exceeding expenses. The following table summarizes the utility's financial performance.

Table 5. Solid Waste Utility Fund 2018 Year End Results (\$000)

	Budget	Year End Actuals	Variance Dollars	% Collected or Spent
Beginning Fund Balance	\$994	\$1,815	\$821	182.6%
Revenues				
Admin/Recycling	750	742	(8)	98.9%
Grants	306	336	30	109.8%
Interest Income	25	32	7	128.0%
Other	3	272	269	9,066.7%
Total	\$1,084	\$1,383	\$299	127.6%
Expenses				
Personnel	134	141	7	105.2%
Grant administration	306	299	(7)	97.7%
Interfund	443	350	(93)	79.0%
M&O	296	242	(53)	81.8%
Total	\$1,179	\$1,032	(\$146)	87.5%

Ending Fund Balance	\$899	\$2,166	\$1,267	240.9%
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Differences may exist due to rounding

Resource Highlights

The two key revenue streams for Solid Waste Utility consist of administrative payments from Republic Services, the city's solid waste collection vendor, and grant revenues to fund recycling outreach and assistance programs.

The Solid Waste Utility beginning fund balance was \$821,000 or about 83% over budgeted levels due largely to payments from Republic Services for not meeting recycling and contract performance expectations in prior years.

2018 revenues were \$299,000 or almost 28% above budgeted levels due to payments from Republic Services for not meeting recycling and contract performance expectations.

Expenditure Highlights

Expenditures were \$146,000 or 12% below budget.

- **Interfund expenses** represent payments to other funds for support services provided to the Solid Waste Utility. This includes payments to the General Fund for support services and payments for staff budgeted in the piped utilities that support solid waste functions for a portion of their time. These costs were \$93,000 below budget largely due to staffing efficiencies in management of the solid waste function as a result of a reorganization.
- **M&O expenses** were \$53,000 below budget due to operational savings.

MEMORANDUM

_____ **Action**
_____ **Information**
 X **Discussion**

DATE: April 4, 2019

TO: Environmental Services Commission

FROM: Doug Lane, Utilities Senior Engineer

SUBJECT: Water Distribution System Seismic Vulnerability Assessment:
Post-Event Level of Service Goals and Critical Customer Criteria

Action Required at this Time

None

Fiscal Impact

Future impacts will be identified based on the level of service goals selected, the vulnerability findings, and the recommendations of the ongoing seismic vulnerability assessment.

Background

The Utilities Department is currently performing a Water Distribution System Seismic Vulnerability Assessment, and developing an Emergency Water Supply Master Plan. The ESC was most recently briefed on the scope of these efforts in November 2018.

In December 2018, Seattle Public Utilities released the results of its seismic vulnerability assessment, which indicated a loss of water service throughout its wholesale service area (including Bellevue) following certain potential seismic scenarios. Also, in late 2018 the Water Supply Forum released the results of its Phase 2 Regional Water Supply Resiliency Project (to which Bellevue contributed), with similar findings.

On April 4, Utilities staff will introduce the topic of post-event level of service (LOS) goals and open an initial discussion about what LOS goals might be appropriate for Bellevue and how to inform them. LOS goals describe the time to restore service following certain potential disaster or emergency events. These LOS goals will be important drivers for seismic resiliency policies and investments the Utility makes towards seismic resiliency. This will be the first discussion of

an iterative process, as the recommendations may change as the financial impacts of certain LOS goals are evaluated and reconsidered.

The guiding principles discussed with ESC in November 2018 were public safety, social equity, economic vitality, regional preparedness, value, and resilience. Staff will re-confirm the guiding principles with ESC and propose a framework to build criteria for LOS and defining critical customers based on the guiding principles.

There are no industry standard criteria for water restoration timeframes or levels of service following a disaster. The Washington State Department of Health acknowledges that service interruptions do occur¹, but leaves reliability criteria for emergency conditions up to customer expectations². Utilities staff will present benchmark examples of level of service goals and ask ESC for discussion and feedback.

The criteria for identifying critical customers will also be introduced for ESC feedback. Benchmark examples from other agencies of critical customer criteria are being evaluated for comparison and analysis. Some examples of these criteria will be shared at the meeting.

Critical customers are those for whom a higher level of service is justified due to their broader benefits to the City or region. Critical customers are relevant for prioritizing investment and resources for emergency mitigation, resiliency, preparation and response. They help to define where a resilient “backbone” piping system might be installed, where to consider potential sites for emergency wells or points of distribution, and how to prioritize disaster response. This topic can be controversial as it ranks some customers as more important than others, so ESC’s input will be important throughout the process.

Policy language for LOS goals and for defining critical customers will be proposed at a later ESC meeting for discussion. These policies will be drafted based on existing City priorities, industry benchmarks, and ESC’s input through the iterative feedback process.

¹ DOH 331-338 Responding to a pressure-loss event

² WAC 246-290-420

2019

Tentative Environmental Services Commission Calendar

April 4, 2019

January

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April 4, 2019

2018 Financial Performance Report
(Lucy/Jolie)
Water Distribution System Seismic
Vulnerability Assessment
(Doug)

August 1, 2019

Recess

May 2, 2019

Non-Standard Meters (Brian)

September 5, 2019

Storm Cost of Service Study
Findings (Lucy/Jolie)
Rate Relief Donation Program
(Alex)

June 6, 2019

Seismic Vulnerability Assessment-
Water Service Impacts (Doug)
Sewer Cost of Service Study
Findings (Lucy/Jolie)

October 3, 2019

Solid Waste Annual Performance
Report (Lucy)
R&R Investment Performance
(Lucy/Jolie)

July 11, 2019

CIP/O&M Field Trip

November 7, 2019

Seismic Vulnerability Assessment-
Recommendations (Doug)

December 5, 2019

Retreat

2019

Tentative Council Calendar Calendar

April 4, 2019

January

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March 18, 2019

- Fire Hydrant Standardization 2018 - Linda

April 1, 2019

- ECBD and Wilburton Sewer Main Abandonment - Linda

April 15, 2019

- Tillicum Middle School Easement Modification (Public Hearing) - Linda
- Ostrem Short Plat Easement Modification (Public Hearing) - Linda
- LHWMP Grant Agreement - Lucy

May 6, 2019

- 19021 Newport Hills 580/470 PRV Station (Linda)
- 19014 Lower Coal Creek Flood Hazard Reduction Group 3
Glacier Key and Lower Skagit Key Culvert Replacement (Linda)

May 20, 2019

- Equipment Surplus Public Hearing (Lucy)

Utilities' Environmental Conservation & Outreach Events and Volunteer Opportunities

April

1. Earth Day/Arbor Day Celebration

Location: Lewis Creek Park Visitor Center

Dates: April 20th, 11 am to 1:30 pm

Staff: Laurie Devereaux, ldevereaux@bellevuewa.gov

2. Peamouth Patrol

Location: Spiritridge Elementary Science Fair | 16401 SE 24th St

Dates: April 24th, 6:30 pm to 8:00 pm

Staff: Jennifer Goodhart & Laurie Devereaux, jgoodhart@bellevuewa.gov /
ldevereaux@bellevuewa.gov

May

1. Bellevue Repair Fair

Location: Bellevue Library | 1111 110th Avenue NE

Dates: May 29th, 3:00 pm to 6:00 pm

Staff: Jennifer Goodhart, jgoodhart@bellevuewa.gov



June

1. Latex Paint Recycling Event

Location: Stevenson Elementary Parking Lot | 14220 NE 8th St

Dates: June 1, 9:00 am to 3:00 pm

Staff: Jennifer Goodhart, jgoodhart@bellevuewa.gov

