

Utilities Budget Proposals

Presentation to Environmental Services Commission

Nav Otal, Director

Linda De Boldt, Assistant Director, Engineering

Joe Harbour, Assistant Director, O&M

Lucy Liu, Assistant Director, RMCS

Jo Liu, Fiscal Manager, RMCS

August 6, 2020



Agenda

Detailed budget review by proposal

- 2021-2027 Capital budget proposals
- 2021-2022 Operating budget proposals



Direction Needed from Commission

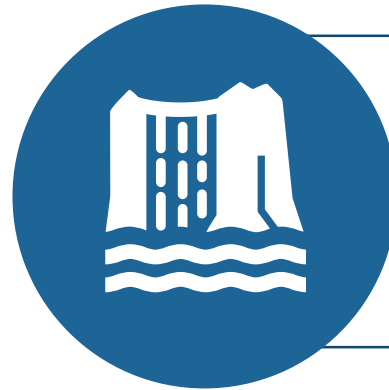
- No action required at this time.
- Staff will be seeking the Commission's budget proposal recommendation to the City Manager on August 20th.



Budget Informed By



**Council
Strategic
Direction**



**Asset
Management**



**Council
Adopted
Policies**



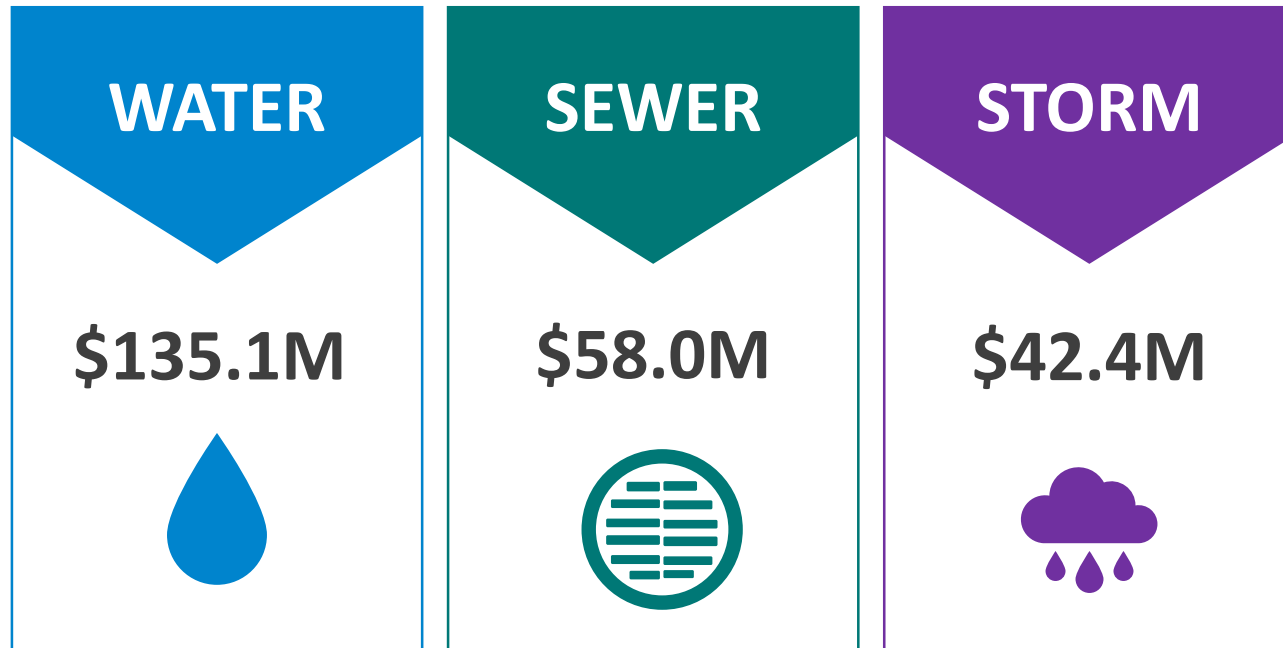
**Service
Levels**



2021-2027 CIP Budget Highlights



CIP Budget by Fund

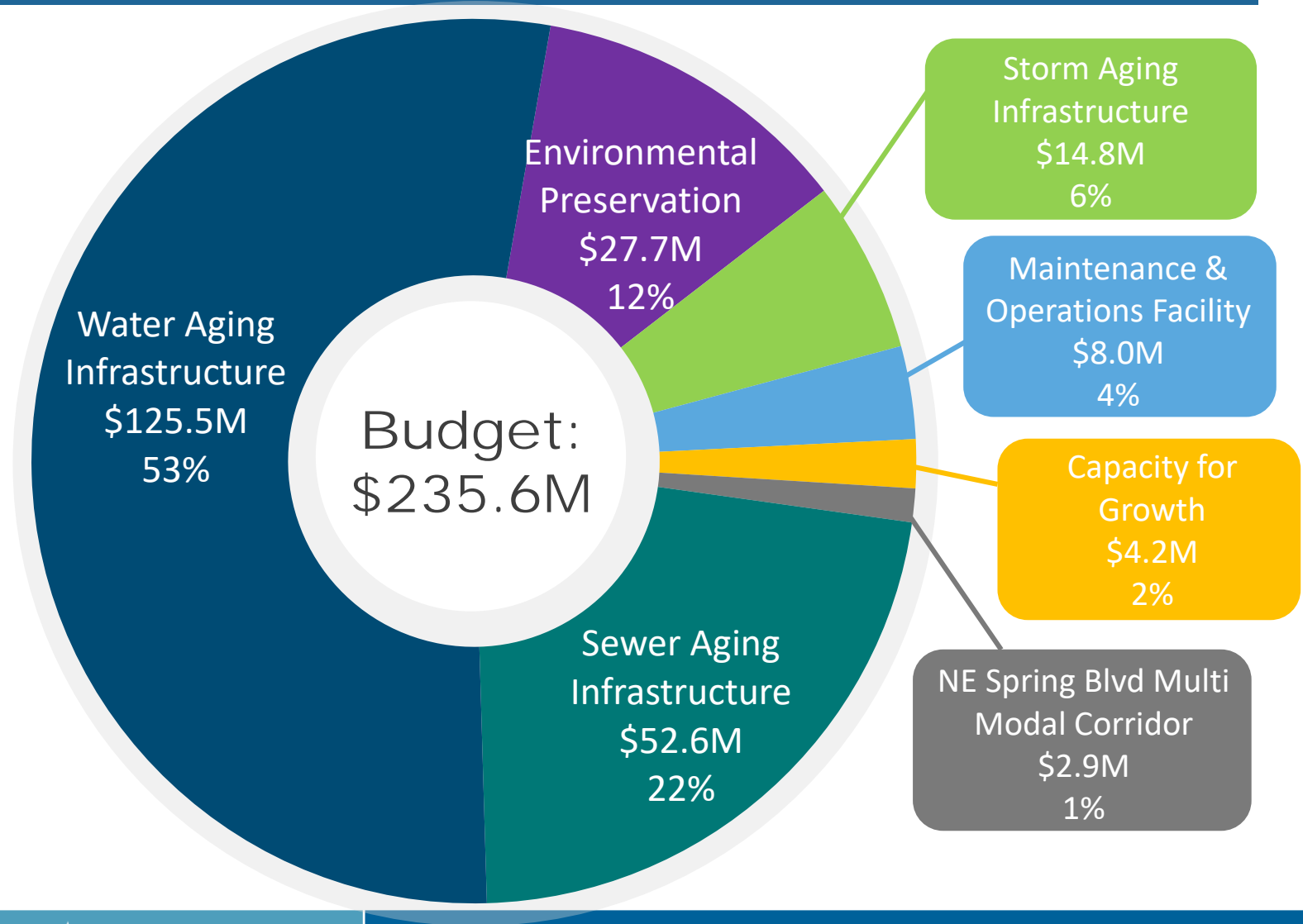


TOTAL CIP BUDGET: \$235.6M

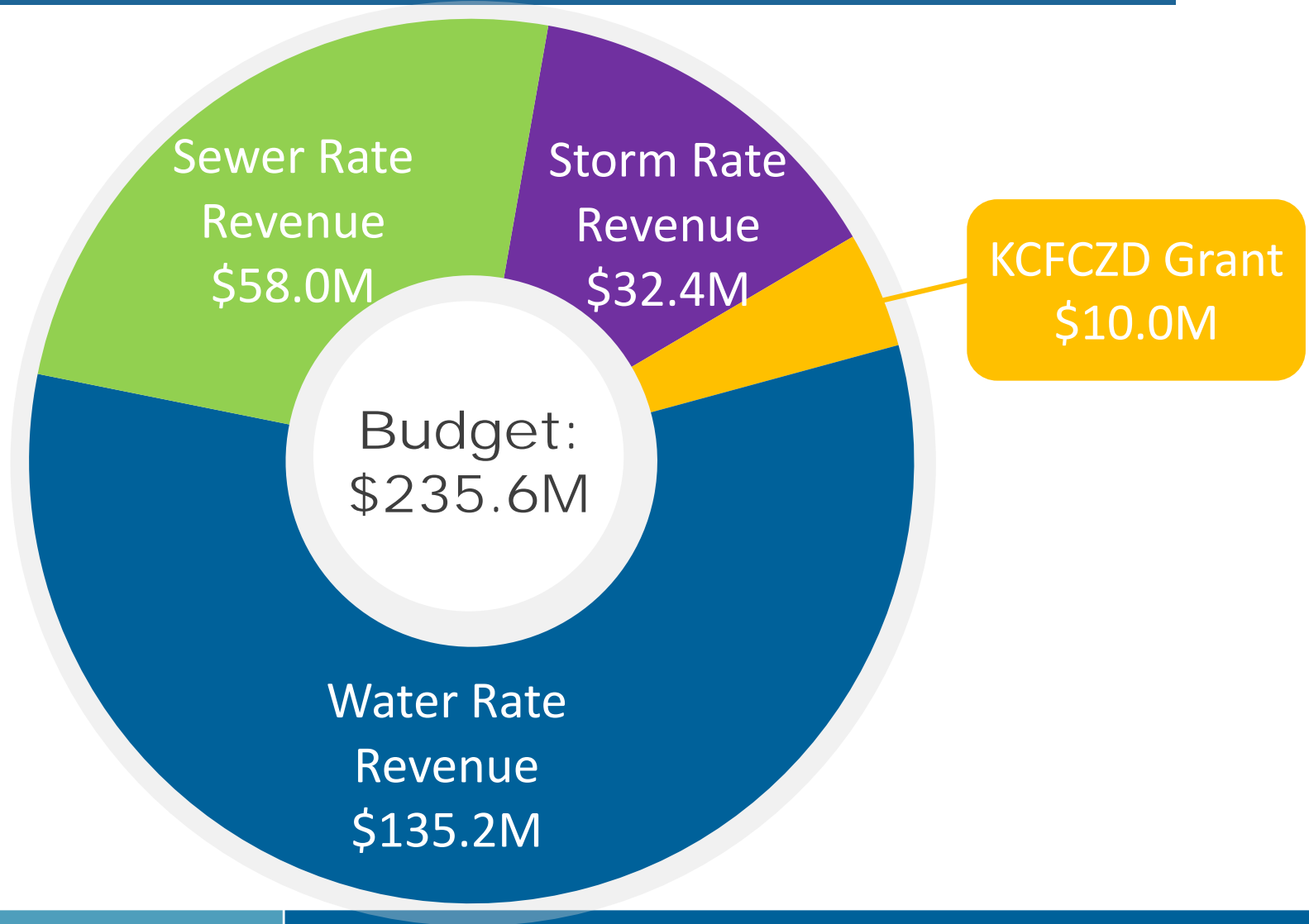
Reviewed in detail with Commission on June 23



CIP Budget by Proposal



CIP Funding Strategy





2021-2022 Operating Budget Highlights



2021-2022 Utilities Budget

\$333.4M Total Budget

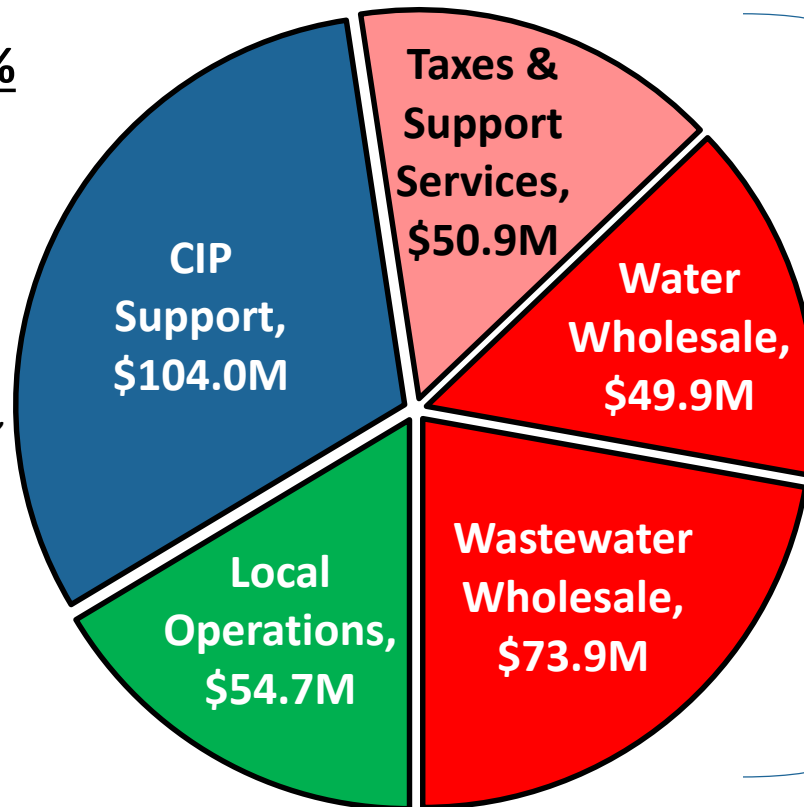
Internal Drivers – 48%

CIP Support – 31%

- Transfers to CIP / R&R, CIP Design and Management

Local Operations – 17%

- Operations & Maintenance, Customer Service & Outreach, Engineering System Planning, Development Services, Support Systems/Assets, Management, Regulatory



External Drivers – 52%

Taxes & Support Svc – 15%

- Interfunds and taxes

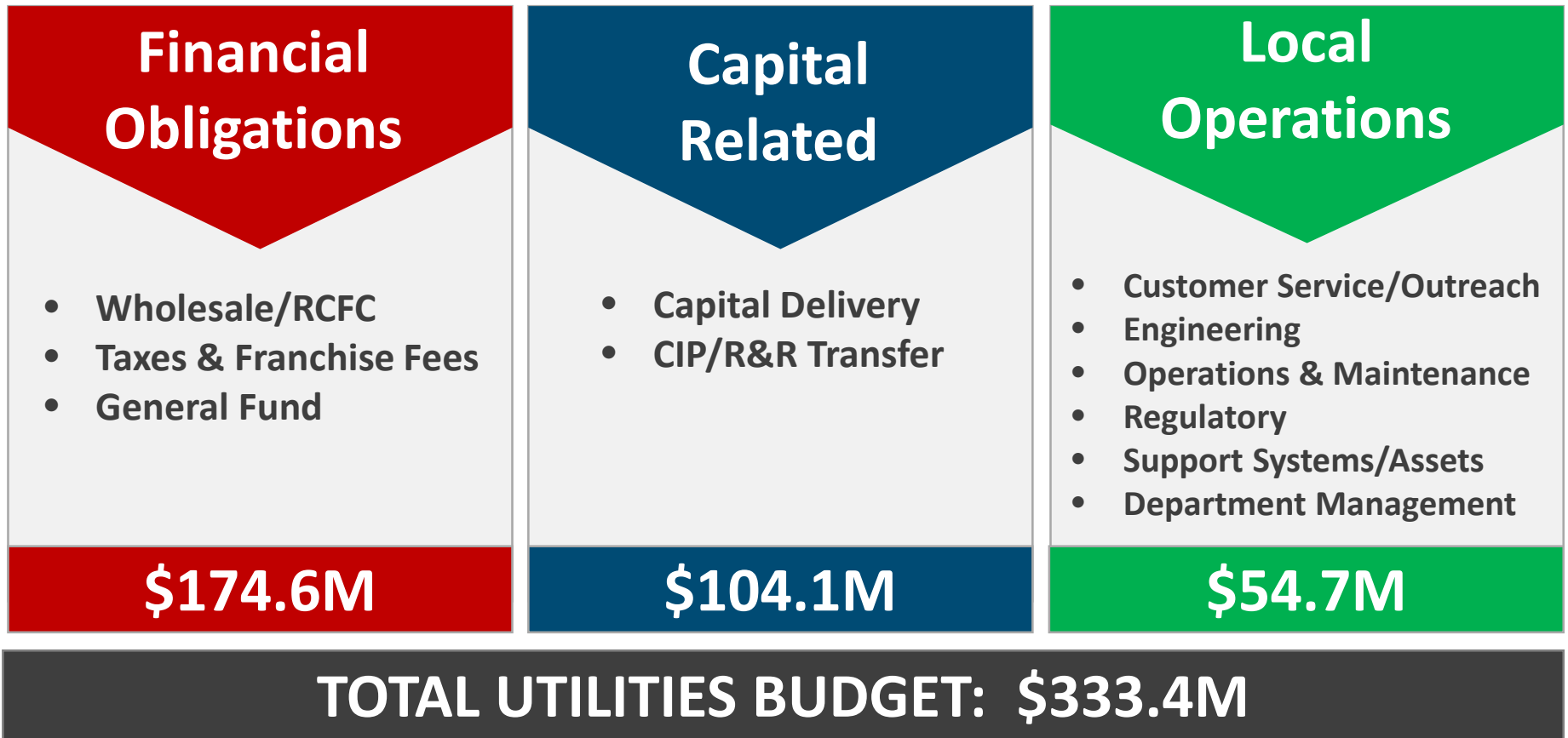
Wholesale – 37%

- Drinking water supply, RCFC Payments, Wastewater Treatment

Excludes operating reserves
Dollars presented in millions



Budget by Proposal Type



Financial Obligations Proposals

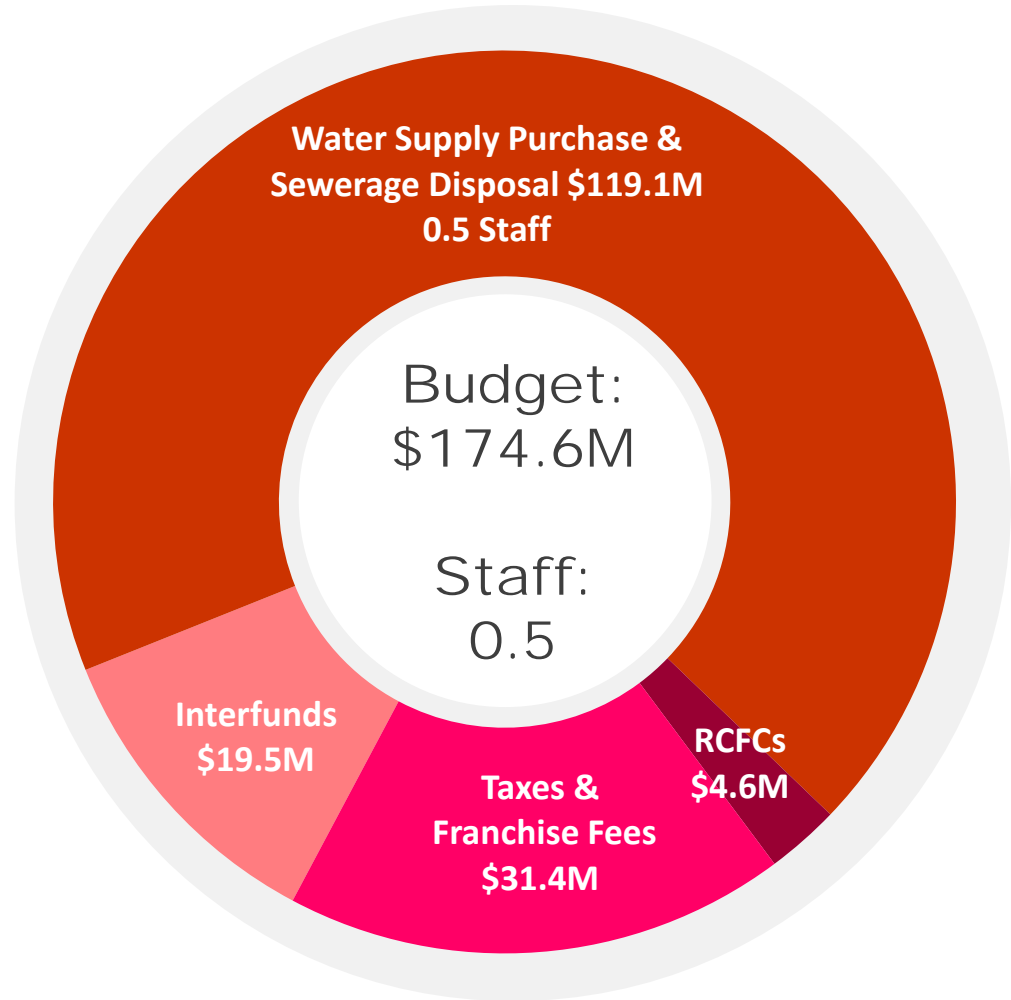
Overview

Contractual & Legal Obligations:

- Water supply contract with Cascade Water Alliance
- Wastewater contract with King County
- State & local taxes/franchise fees
- Support services - rent, IT, HR, etc.

Major Changes from Last Budget:

- KC Metro costs increases
- Cascade cost increases
- Interfund expense increases



Capital Related Proposals

Overview

System Infrastructure

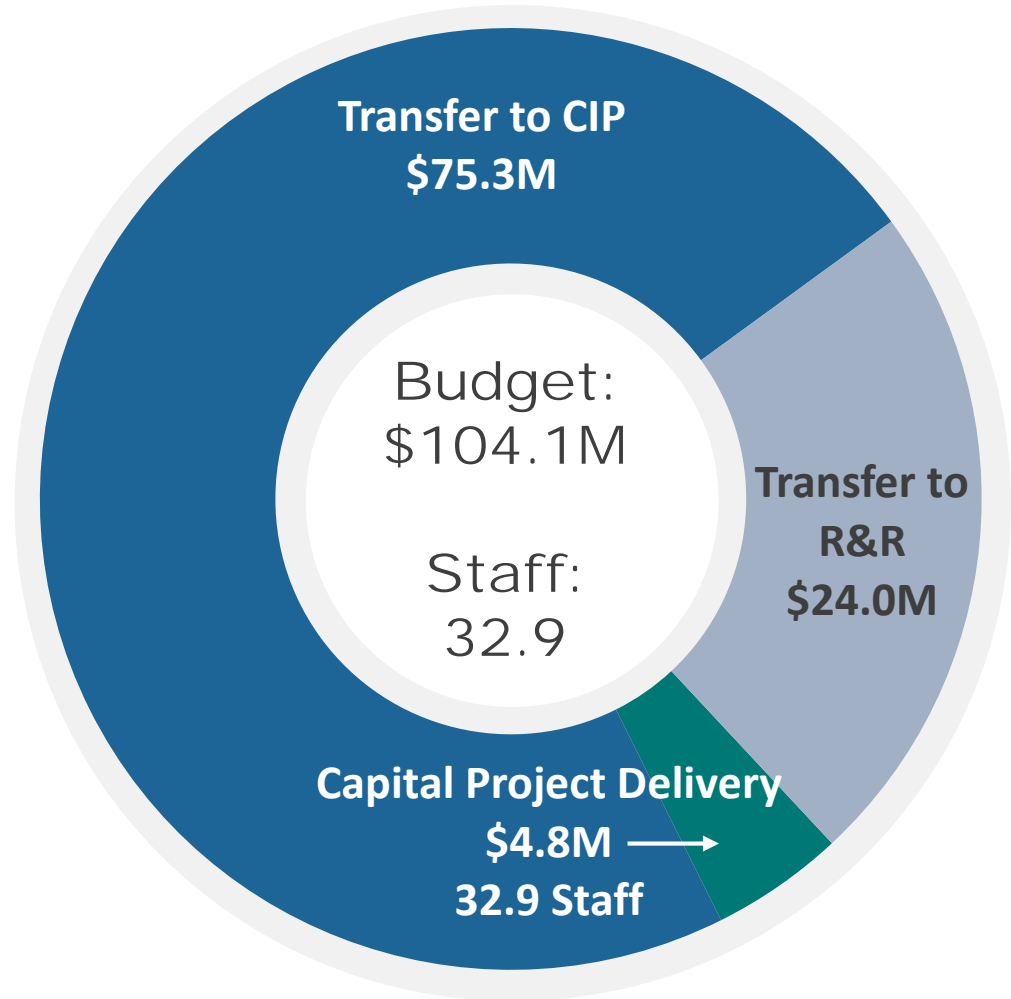
- \$3.5B System Infrastructure
- 1,600 miles of pipes
- 24 water reservoirs
- 68 pump stations
- 19 miles of submerged sewer lakelines

Funding for:

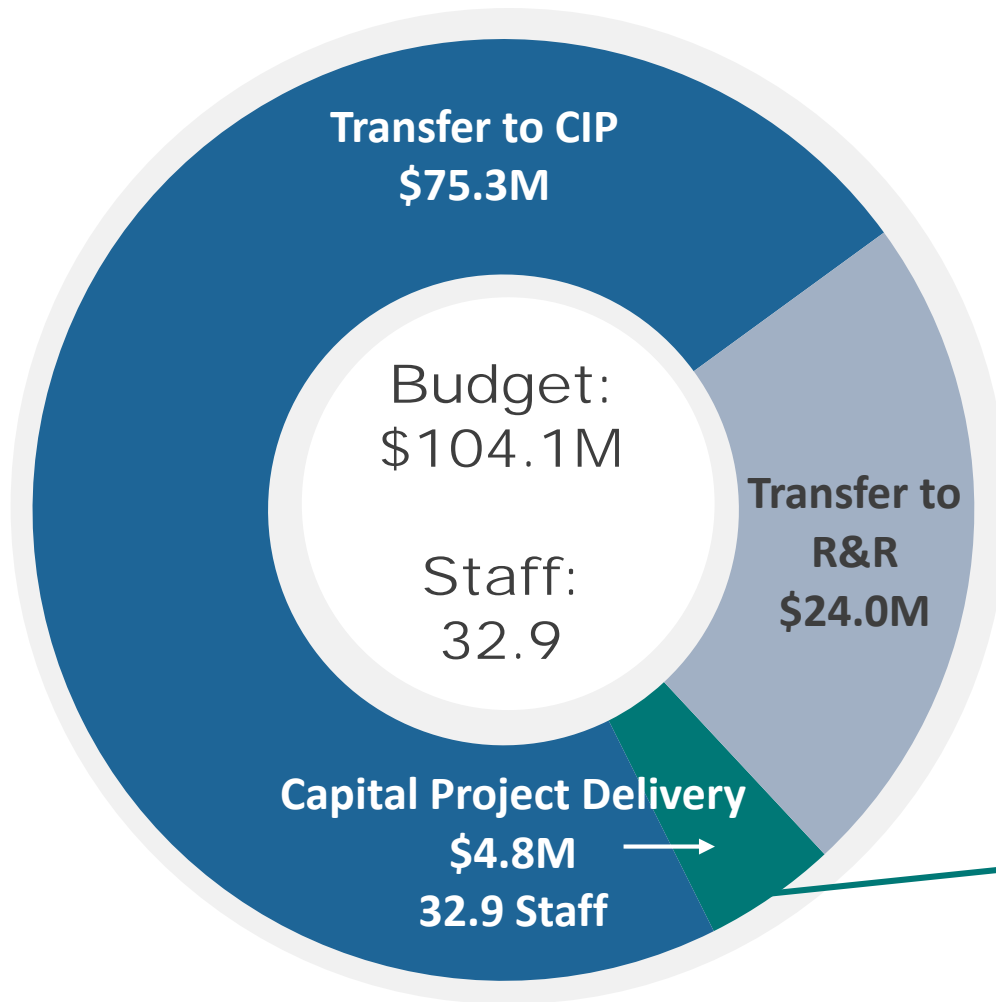
- 2021-2022 CIP projects
- Future CIP projects
- CIP staff

Major Changes from Last Budget:

- Reduction of 3 AMI LTEs



Capital Project Delivery



Capital Project Delivery

- Project management
 - Consultant contracts
 - Public engagement
 - Other agency coordination
 - Permitting and real property work
 - Design quality control
- Construction contracts, field inspection and quality control
- CIP portfolio and budget management

Local Operations Proposals Overview

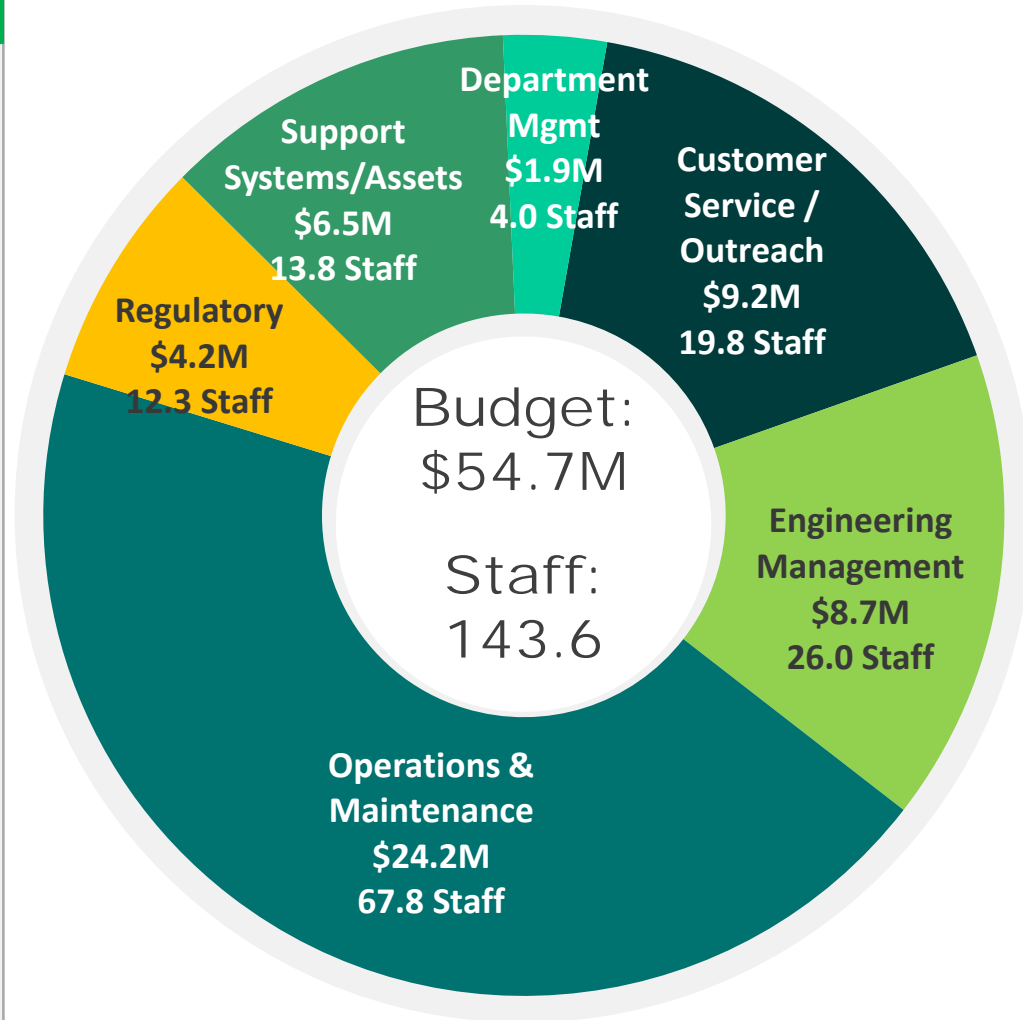
Overview

Bellevue's Utility Systems:

- 1,600+ miles of pipe
- 24 reservoirs
- 68 pump stations
- 62 pressure zones
- 20,000 public storm drains
- 14,000 maintenance holes

Local Operational Activities

- System operations and controls
- Maintenance and repair services
- Emergency response
- Customer service & utility billing
- Regulatory compliance
- Financial management
- Asset management
- System capacity planning



Operations & Maintenance - Water

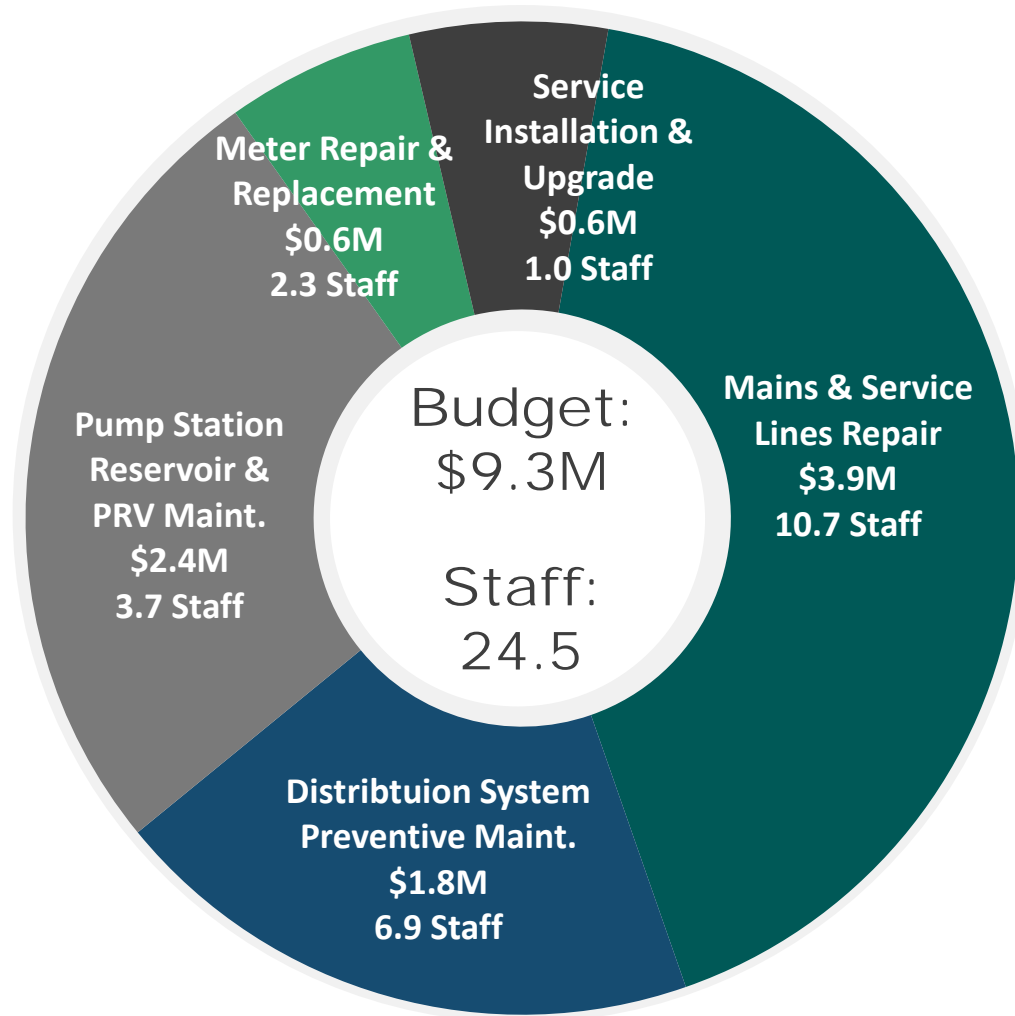
Overview

Water System Maintenance:

- 40,000 water connections
- 610 miles of water mains
- 24 reservoirs
- 22 pump stations
- 62 pressure zones
- 10,000 valves
- 5,800 fire hydrants

Major Changes from Last Budget:

- Cost Increase for Asphalt Restoration
- Cost decrease for meter replacement materials due to AMI



Operations & Maintenance - Sewer

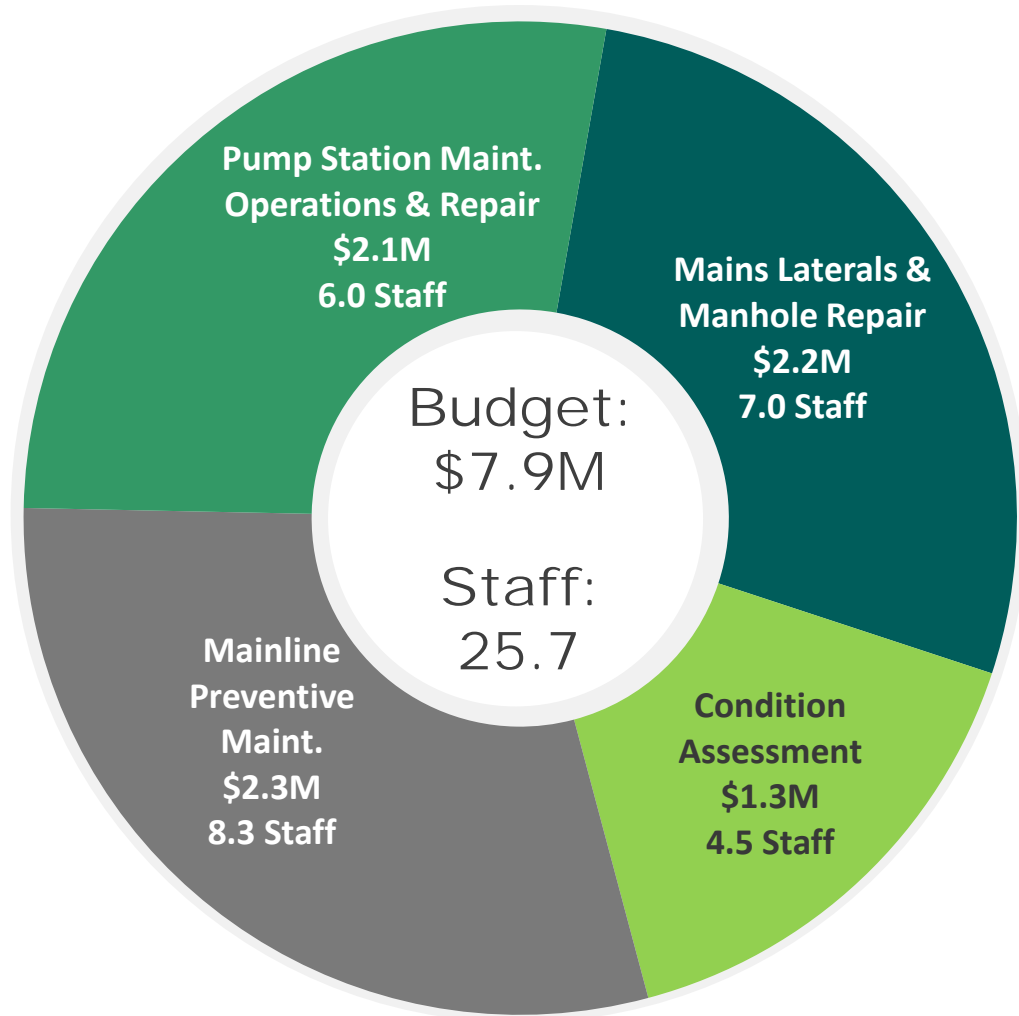
Overview

Sewer System Maintenance:

- 640 miles of pipe
- 46 pump & flush stations
- 14,000 maintenance holes
- 34 major connections to King County system
- 19 miles of submerged lakelines

Major Changes from Last Budget:

- None



Operations & Maintenance - Storm

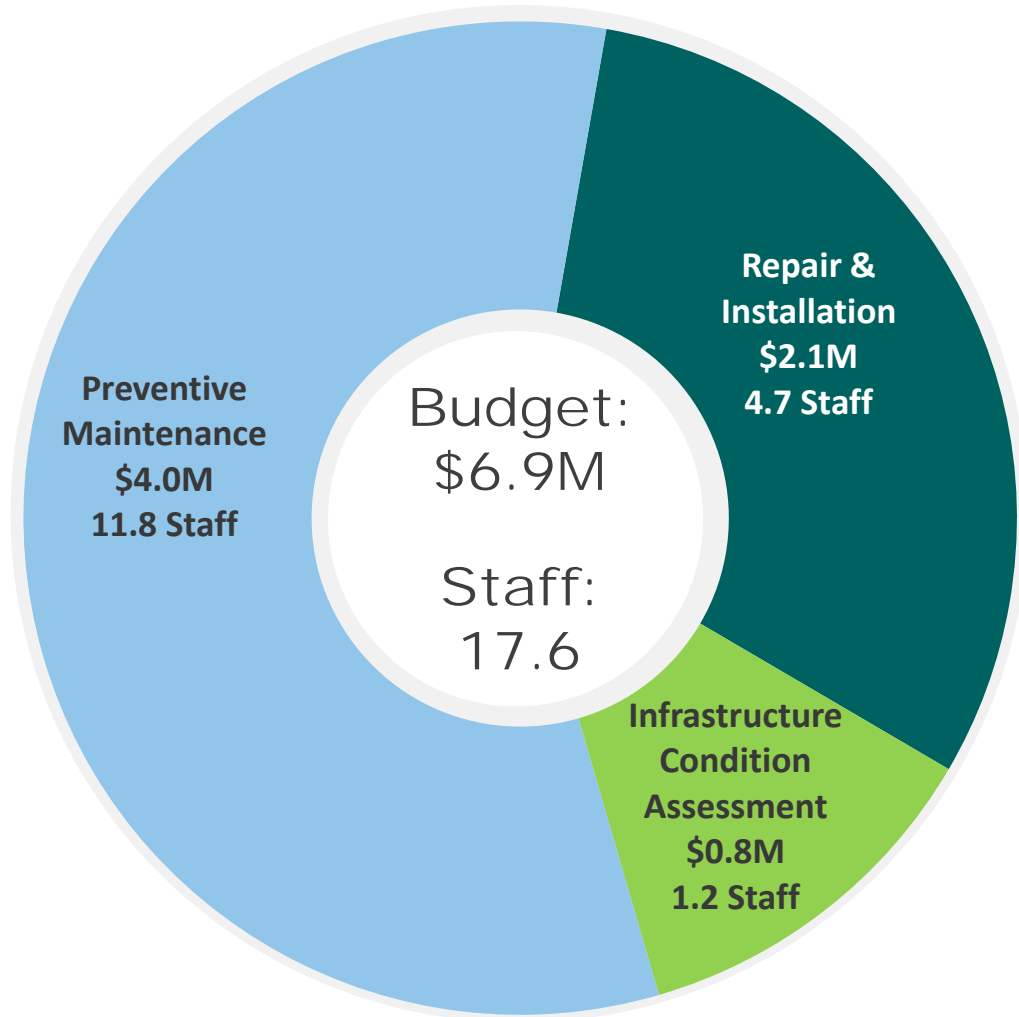
Overview

Storm System Maintenance:

- 20,000 public storm drains
- 400 miles of pipes
- 350 city-owned residential detention facilities
- 11 regional detention facilities
- 80 miles of open streams
- 864 acres of protected wetlands
- Regulatory Compliance (NPDES, ESA)

Major Changes from Last Budget:

- Cost increase for materials (pond rehabilitation projects)



Regulatory

Overview

Federal and State regulations:

- Safe Drinking Water Act
- NPDES Permit
- Clean Water Act

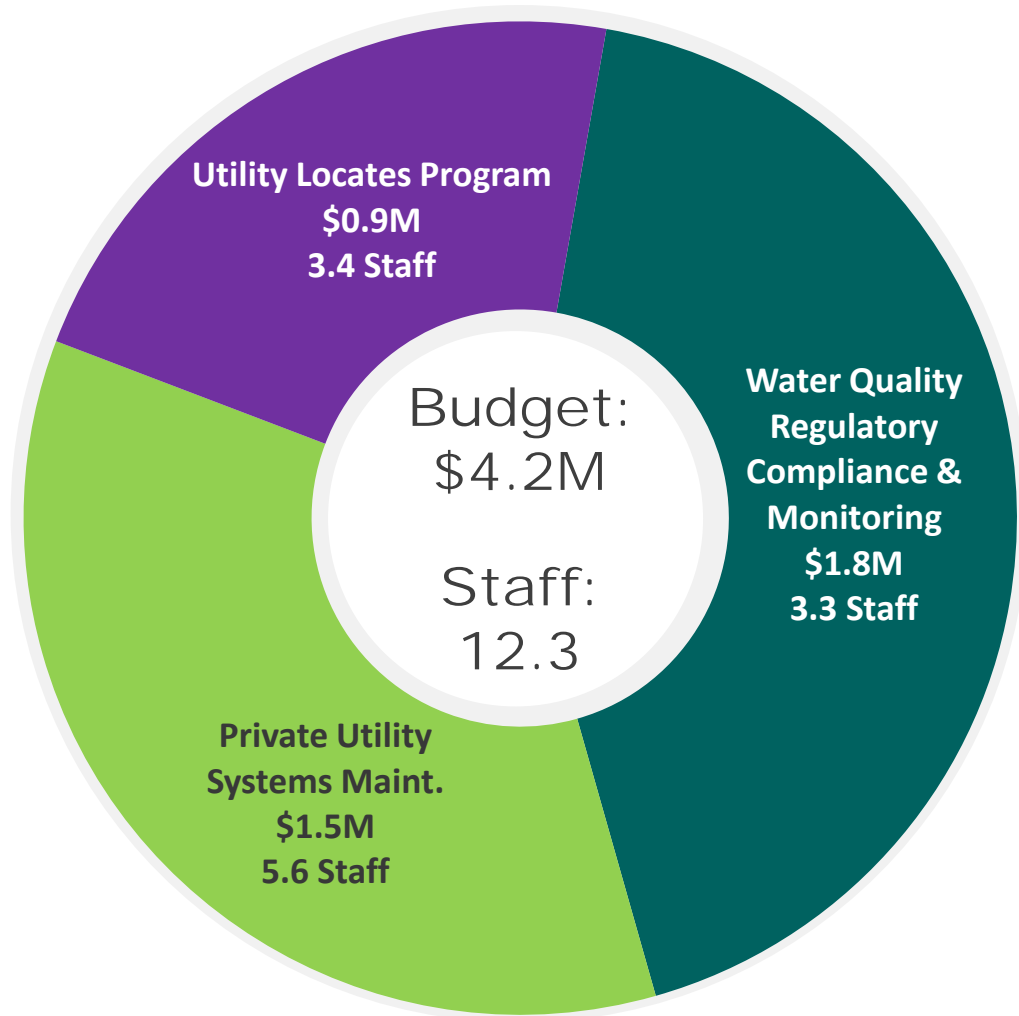
Private System Maintenance:

- Cross-Connection/Backflow
- Private Drainage Inspections
- Fats, Oils, Grease (FOG)

Utility Locates (Call 811)

Major Changes from Last Budget:

- NEW: Add 1 NPDES FTE in 2022



Engineering – Development Services

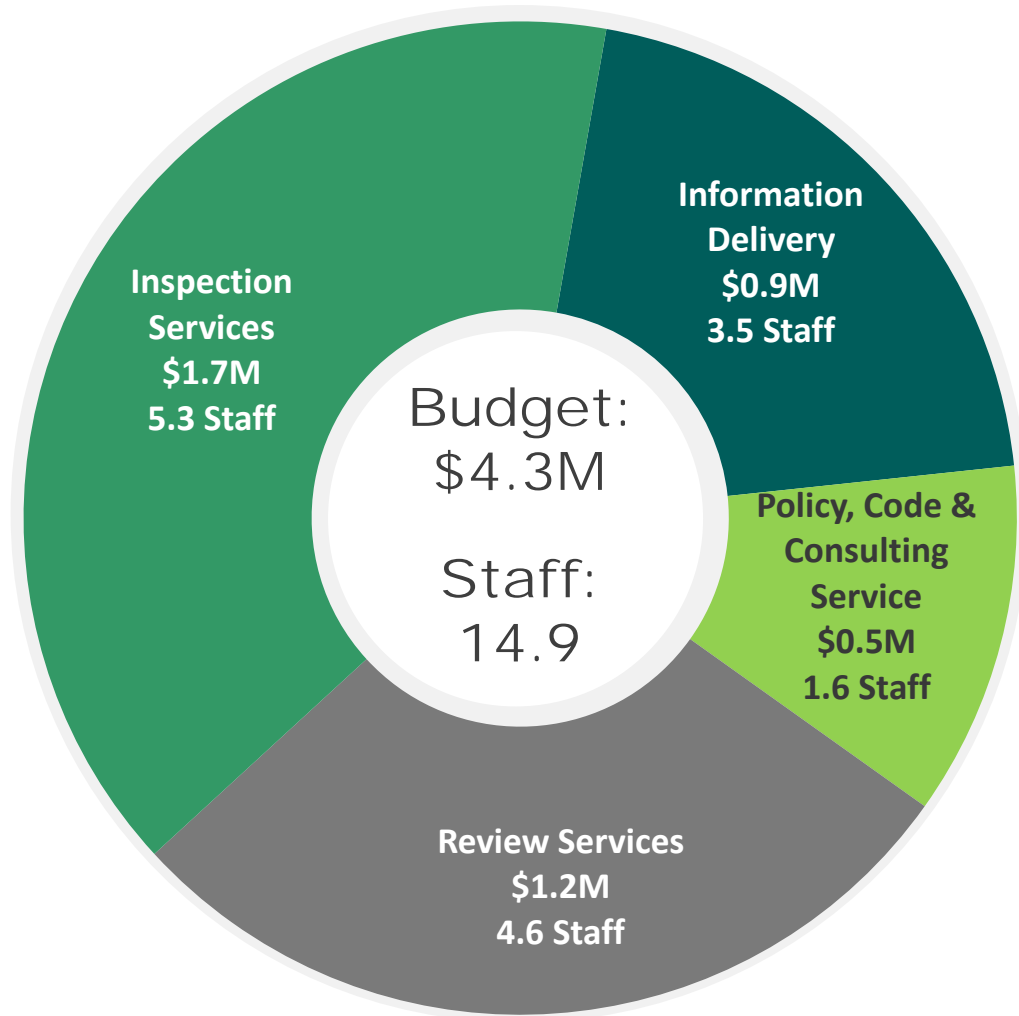
Overview

Utilities Development Services:

- Design review & construction inspection for private & public developments
- Ensure compliance with local, state and federal regulations
 - Ensure codes, requirements, and engineering standards are met

Major Changes from Last Budget:

- None



Engineering – System Planning

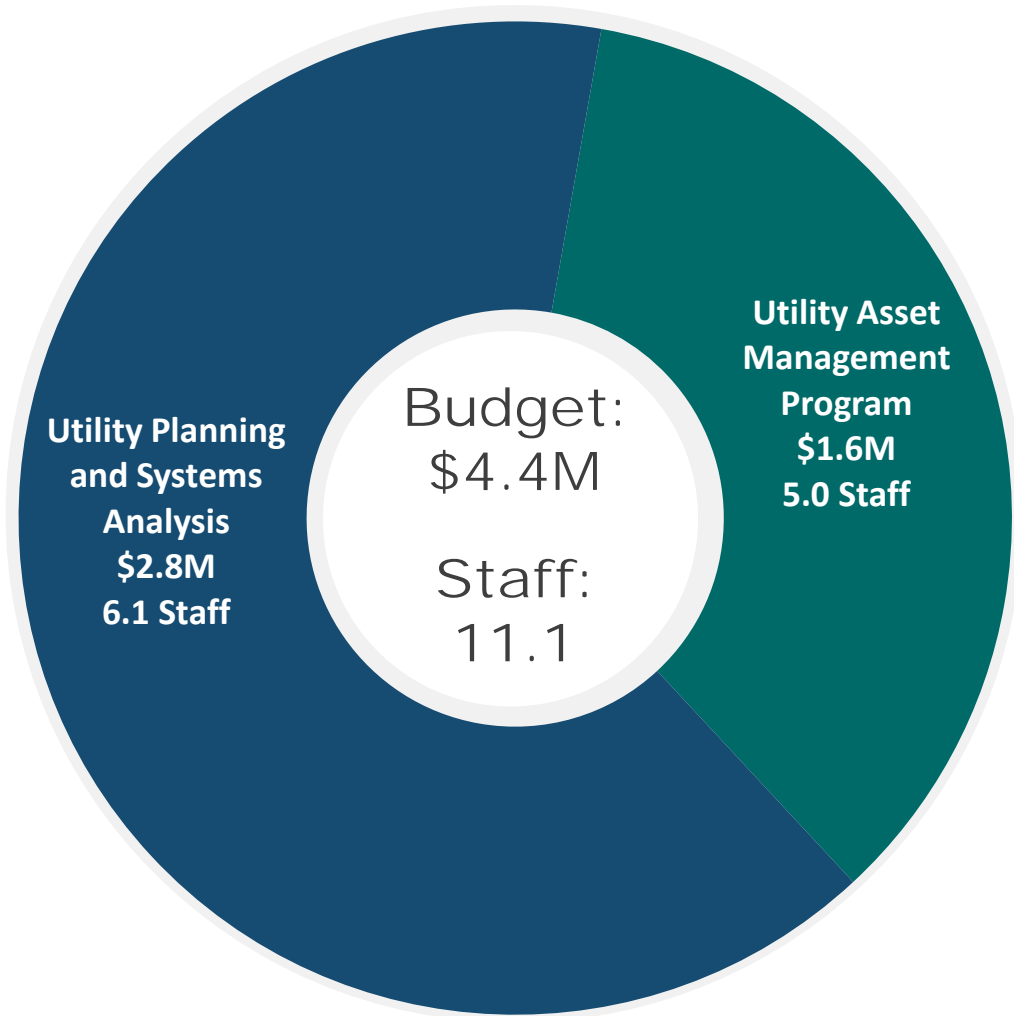
Overview

Utility System Planning for \$3.5B utility infrastructure:

- Utility System Plans
- Asset Management Planning
- Infrastructure needs assessment
- Seismic vulnerability assessment and mitigation planning
- Water Rights & Wells Master Plan
- Stormwater Strategic Initiatives
- 7 – Year CIP Development

Major Changes from Last Budget:

- Cost increase for Strategic Asset Management Plan (SAMP) implementation



Customer Service & Outreach

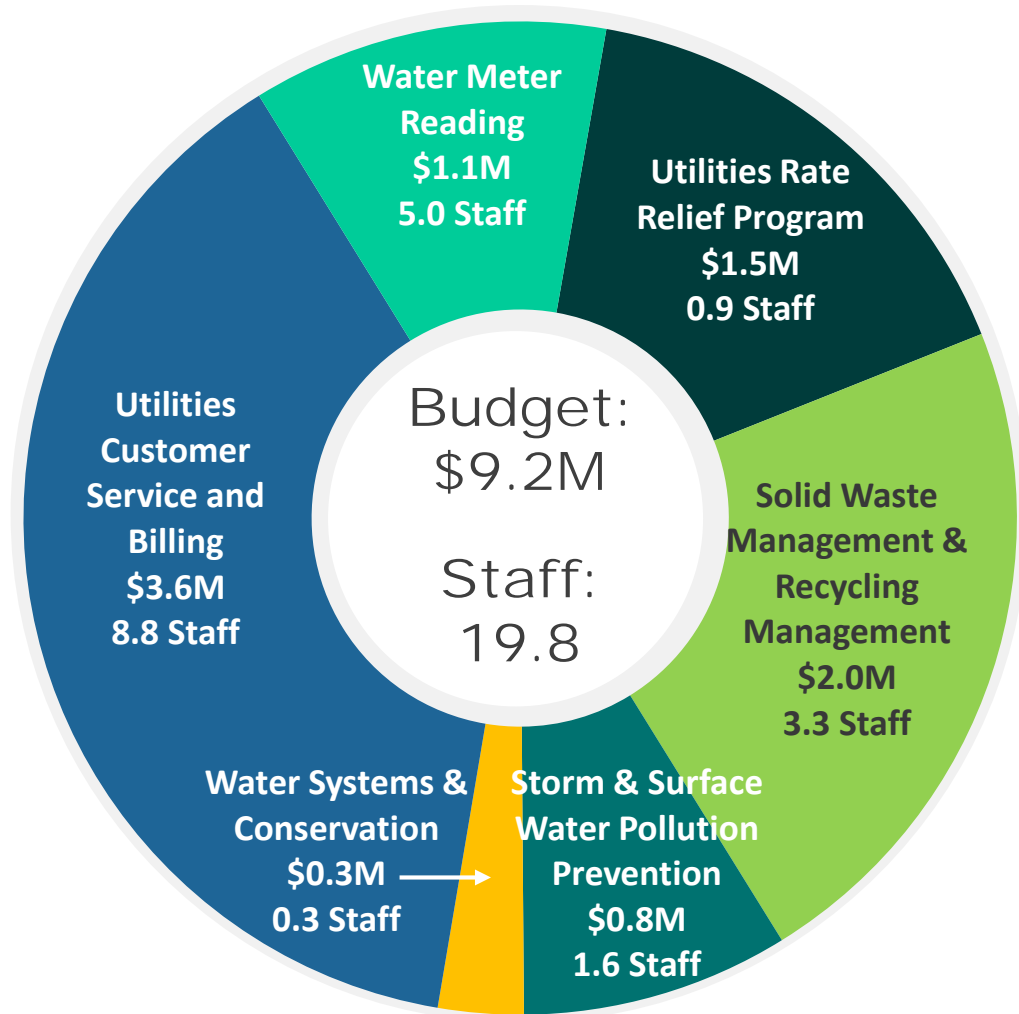
Overview

Customer/Community services:

- 38,000 customer accounts
- 20,000 meter reads monthly
- 5,000 bills weekly
- 125 customer calls daily
- 4,500 move requests yearly
- Rate relief for 1,100 residents
- \$27M solid waste contract

Major Changes from Last Budget:

- Reduction of 2 LTE Meter Readers
- Reduction of 2 FTE Meter Readers
- Increase in bank card transaction fees



Support Systems / Assets

Overview

Systems Management:

- SCADA
- Advanced Metering Infrastructure (AMI)
- Customer Information System (CIS)
- Maximo
- GIS

Asset Purchases:

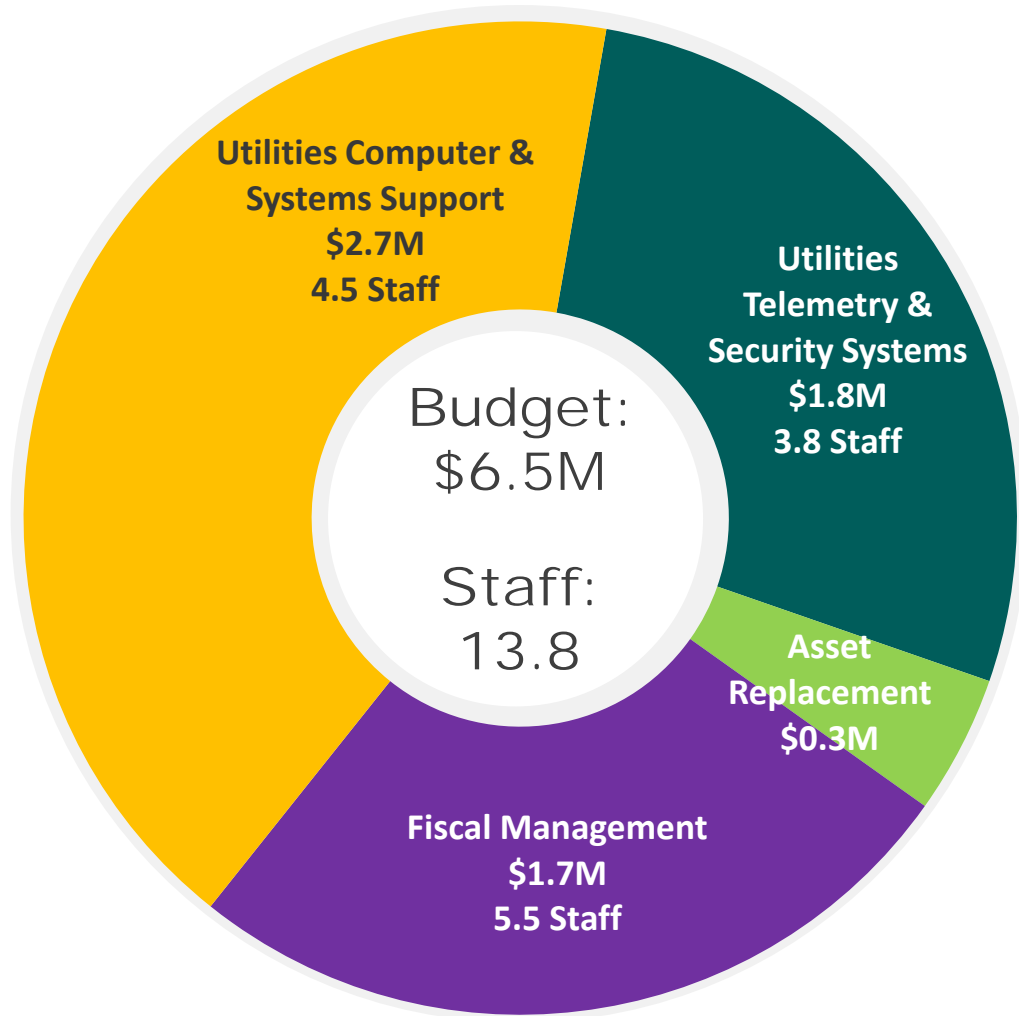
- Vehicles & Equipment

Fiscal Management:

- Rate design
- Financial forecasting
- Budget development/monitoring

Major Changes from Last Budget:

- Cost increase for pump station upgrade



Department Management

\$2.0M Total Budget, 4.0 Staff

Overview

Departmental Leadership:

- Strategic Planning
- Policy Implementation
- Industry Best Practices
- Stewardship of Resources
- Innovation & Process Improvements
- Workforce Development
- Regional Collaboration

Major Changes from Last Budget:

- None



The Dream Team



Proposed Utilities Staff Changes

	FTEs	LTEs	Total
Authorized – 2020:	174	9	183
<i>AMI Staffing Reduction:</i>	<i>(2)</i>	<i>(5)</i>	<i>(7)</i>
<i>Subtotal:</i>	<i>172</i>	<i>4</i>	<i>176</i>
New NPDES FTE:	1	-	1
Requested – 2021/22:	173	4	177





Customer Bill Impact



Typical Residential Combined

Water, Sewer, & Storm Utility Monthly Bill Rate Drivers

	2021 Bill		2022 Bill	
Prior Year Monthly Bill	\$183.05		\$191.33	
Wholesale	2.2%	\$4.05	2.1%	\$3.92
Local				
<i>CIP/R&R</i>	1.4%	\$2.53	1.6%	\$3.34
<i>Taxes/Interfunds</i>	0.9%	\$1.71	0.5%	\$0.90
<i>Operations</i>	0.0%	(\$0.01)	0.3%	\$0.53
Local	2.3%	\$4.23	2.4%	\$4.77
Total Increase		\$8.28		\$8.69
New Monthly Bill	4.5%	\$191.33	4.5%	\$200.02





Next Steps



2021-2022 ESC Budget Review Calendar

Date	Topic
January 16	<ul style="list-style-type: none"> Utilities 2021-2027 CIP Budget Development Process Overview
February 6	<ul style="list-style-type: none"> 2021-2022 Budget Planning Overview Utilities Finances Overview
June 23	<ul style="list-style-type: none"> Proposed 2021-2027 CIP
July 23	<ul style="list-style-type: none"> Rates Forecast 2019 Financial Performance CIP Open House Results
August 6	<ul style="list-style-type: none"> Operating Budget Proposals CIP Budget Proposals
 August 20	<ul style="list-style-type: none"> ESC Budget Recommendation to City Manager
October 1	<ul style="list-style-type: none"> Budget & Rates Public Hearing
October XX	<ul style="list-style-type: none"> Finalize Budget & Rates Recommendation to City Council
November 9	<ul style="list-style-type: none"> Chair Delivers Budget & Rates Recommendation to City Council
December	<ul style="list-style-type: none"> Council Adopts Budget and Rates



