

DATE: January 6, 2022

TO: Environmental Services Commission

FROM: Linda De Boldt, Assistant Director, Engineering
Brian Landau, Water Resources Planning Manager, Engineering

SUBJECT: Utilities 2023-2029 Capital Investment Program (CIP) Budget Development Process Overview

ACTION REQUIRED

No action by the Commission is required at this time. This is an informational briefing on the development process for the proposed 2023-2029 Utilities CIP.

At this meeting, staff will:

- Review the calendar for future ESC briefings on the CIP
- Review the CIP objectives and drivers
- Provide an overview of the process and approach to developing the 2023-2029 Utilities CIP

BACKGROUND/ANALYSIS

Bellevue Utilities (Utilities) delivers capital projects to support the delivery of drinking water, wastewater, and stormwater utility services. Typical projects in our three piped utilities include replacement or rehabilitation of water, wastewater and stormwater pipes, water and wastewater pump stations, drinking water reservoirs, seismic mitigation projects, culvert replacements, stormwater management facilities (such as detention ponds, vaults, and water quality facilities), and stream restoration projects.

Projects and programs included in the 2021-2027 Utilities CIP were adopted by City Council as part of the 2021-2022 city budget. These projects and programs were developed from several sources including utility system plans, engineering and asset management studies, assessments of open streams and constructed utilities infrastructure, direct customer input, and utilities operations and maintenance experience.

Utilities CIP programs fall into one or more of the following categories:

- System renewal and replacement
- Service expansion (for growth and development)
- Customer enhancement
- Mandates (legal obligation or to meet environmental or regulatory requirements)

Over time as Utilities' system infrastructure has been extended to most of the service area, the CIP has become increasingly focused on the effective long-term management of the existing water, wastewater, and stormwater utility systems. Although there is still a "system growth" component, it has become a smaller portion of the total CIP than in years past. Also, Utilities is currently working on several planning studies that will inform future CIP project proposals in the areas of watershed management, sewer Lakeline rehabilitation

and replacement, and seismic resiliency for Utilities' infrastructure. Projects in these areas will be included as proposals during the upcoming 7-year CIP.

2023-2029 CIP Budget Development Process

Staff is initiating development of the 2023-2029 Utility CIP Budget, anticipated for adoption by the City Council concurrent with the 2023-2024 city budget in December 2022. Over the next several months, the ESC will have the opportunity to review the existing adopted CIP and the proposed changes to it. Later in the year, the ESC will be asked to evaluate the policy and budgetary implications of CIP proposals as part of the broader Utilities budget. Ultimately, the ESC will make a comprehensive budget recommendation to the City Council. The ESC CIP budget review calendar is planned as follows:

- January 6, 2022: Introduce 2023-2029 CIP development process
- March 3, 2022: Proposed CIP changes
 - Proposed significant changes to existing programs
 - New program proposals
 - Policy issues for ESC consideration
- April 7, 2022: CIP Open House results
- May 5, 2022: 2023-2029 CIP budget proposals

POLICY ISSUES

No policy issues are included in this briefing; however, future ESC briefings on the proposed 2023-2029 CIP will include proposed policy considerations.

FISCAL IMPACT

The Utilities CIP represents a significant investment of utility resources for the next seven years. The proposed 2023-2029 Utilities CIP will be included in the development of the overall Utilities Department 2023-2024 budget and rates.

ATTACHMENTS & AVAILABLE DOCUMENTS

None.