

DATE: June 2, 2022

TO: Environmental Services Commission

FROM: Nav Ota, Utilities Director
Uma Singh, Acting Assistant Director – Resource Management and Customer Service
Andy Baker, Fiscal Manager

SUBJECT: Utilities 2023-2024 Operating and 2023-2029 CIP Budget Proposals

ACTION REQUIRED

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

BACKGROUND / ANALYSIS

This is a continuation of a series of briefings to facilitate the Commission's review of the proposed Utilities Department 2023-2024 operating budget and rates, and 2023-2029 capital investment program (CIP).

The Commission previously reviewed:

- January: Utilities CIP budget development process
- February: 2023-2024 budget planning process
- March: Utilities finances overview, and Utilities Proposed 2023-2029 CIP Plan
- April: Utilities Department 2021 financial performance results, CIP open house results, and 2023-2028 rates forecast for the water, sewer, and storm utilities

On June 2, staff will review the following with the Commission:

- 2023-2024 operating budget proposals
- 2023-2029 CIP budget proposals

Additional details on the operating and CIP budget proposals are included as attachments to this memorandum.

Guiding Principles for Budget and Rates Development

The 2023-2024 Utilities Department budget proposals represent the financial resources necessary to implement the services, strategies, and policies of the Utilities Department over the next biennium. Utilities is made up of enterprise funds, which must operate on a self-sufficient basis without relying on general taxation. Utility rates are the primary funding for this budget, and as a result, each budget proposal is developed with prudent financial management and efficient service delivery in mind in order to ensure ratepayer value.

Development of the 2023-2024 budget proposals was guided by the following principles:

- Support Council strategic direction: Utilities budget proposals support Council strategic direction by:
 - supporting the City's economic development;
 - protecting, renewing, and enhancing utility infrastructure and natural resources, as part of the City's high quality built and natural environment;
 - continuing to be a high-performing organization by leveraging innovation and technology to enhance customer service, improve service delivery, and achieve cost efficiencies; and
 - achieving human potential by offering rate relief programs, as allowed by state law, to assist low-income residents in paying for utility services.

- Adhere to Council-approved financial policies: The Waterworks Utility Financial Policies serve as the foundation for development of the Utilities Department budget and rates. Adherence to these policies has enabled the Department to be recognized as a leader in the industry, provide competitive utility rates, and achieve financial sustainability. Consistent with Council-adopted policies, the budget proposals are based on:
 - the full cost of providing utility services now and in the future;
 - the full cost of wholesale services;
 - sufficient reserves to protect the solvency of the utility funds;
 - investment in capital infrastructure and/or deposit of funds in an infrastructure renewal and replacement (R&R) account to ensure that current and future users of the utility system pay their proportional share of system costs; and
 - predictable, smooth, and uniform rates.
- Regulatory compliance: All of Utilities service lines are subject to significant regulatory requirements, from the State Department of Health, Department of Ecology, the federal National Pollutant Discharge Elimination System, and more. Maintaining compliance with these various requirements is of paramount importance.
- Preserve aging utility infrastructure: The City's utility infrastructure, valued at over \$3.5 billion, is well past mid-life, and increased maintenance and capital investments are inevitable. System failures are on the rise. The proposed capital program will focus largely on the renewal and replacement of aging infrastructure.
- Lean operations: A lean budget is proposed to maintain current service levels, implement strategies from prior budget decisions, fund external financial obligations, and meet regulatory requirements.

2023-2024 Utilities Operating Proposals

The Utilities operating budget proposals are provided in detail in Attachment A. Following are key highlights of the proposed 2023-2024 Operating Budget, which totals \$378.1 million excluding reserves:

- **Maintain current service levels to the community. Utility services are essential to the health and economic well-being of the community. The proposed budget includes the following proposals to maintain current levels of service:**
 - **Inflationary cost pressure.** All the Utilities budget proposals reflect updates necessary to continue providing current service levels in light of the extraordinary inflation climate. Actual costs and ongoing service contracts have been evaluated in detail, and have been contained to the level necessary to sustain current service levels.
 - **Wholesale costs.** The budget proposals include funding for wholesale costs for drinking water supply from the Cascade Water Alliance (Cascade) and wastewater treatment from King County. Per Council-adopted policy, increases in the cost of drinking water supply and wastewater treatment are passed directly through to ratepayers. At this time, Cascade's wholesale costs to Bellevue Utilities are projected to increase by 2.4% in 2023 and 2.4% in 2024. King County's wholesale cost to Bellevue Utilities is projected to increase by 5.75% in 2023 and 5.75% in 2024.
- **Sustainably manage aging infrastructure.** Sustainable management of aging infrastructure is critical to the delivery of reliable utility services. The capital budget, discussed later in this memorandum, identifies the capital projects and programs necessary in the next seven years. The operating budget includes the staffing, planning, and engineering costs necessary to deliver that capital program, in

addition to the replacement of shorter-lived assets such as vehicles and major software systems. Key proposals include:

- **Operating transfers to CIP and R&R.** These budget proposals together represent the funding strategy for the Utilities CIP in 2023 and 2024. Rate revenues are the primary funding source for capital investment and long-term renewal and replacement. Consistent with the Utility's Waterworks Financial Policies, the level of rate capacity needed across these two proposals is guided by the long-term renewal and replacement needs of the utilities. In order to keep pace with rising construction costs, and as the sewer and storm utilities transition into active replacement, these proposals include an increase of approximately \$9.5 million in 2023 and \$4.6 million in 2024.
- **Replace obsolete assets.** The proposed operating budget includes the replacement of obsolete assets, including vehicles, equipment, and major software systems. In this biennium, the obsolete customer information and billing system will be replaced. This will improve customer experience by providing real-time access to data, better customer self-service options, and additional communication and bill management tools. The cost for implementation is expected to be \$1.3 million. This cost has been planned for through the Asset Replacement Account, and will not be a rate driver.
- **Service enhancements.** The proposed budget includes two key customer service level enhancements:
 - **Monthly billing.** Monthly billing is a recommended industry practice, as it allows customers to better manage their household budget, rather than having larger, less-frequent bills. Also, more frequent billing reduces customer burden through earlier identification of water leaks, as well as promoting conservation. The increased cost of bill processing and merchant fee transactions associated with monthly billing is \$737K in the 2023-2024 biennium.
 - **Payment portal & credit card processing.** This budget proposes cost increases associated with changing to a new payment processing service. Utilities cannot remain with its existing payment processing service due to aging technology. The new payment processing is more costly but brings with it enhanced functionality for customers, including the ability to set up auto-pay with credit cards, a mobile-friendly and modern interface, and integration with the new customer information and billing system. Merchant fee transactions, driven by credit card processing, in this budget are increasing by \$532K.

Utilities Staffing

The staffing necessary to deliver the current service levels and enhancements identified in this budget are as follows: 175 full time employees (FTEs) and 6 limited-term employees (LTEs).

Key proposed changes to staffing are:

- **AMI related.** Consistent with Utilities AMI implementation plan, this budget reduces one FTE and three LTE staffing positions.
- **Regulatory compliance.** In order to continue meeting regulatory compliance requirements, this budget includes additions of one FTE for post-construction permit compliance monitoring, and one FTE for utility locates.
- **Capital project delivery support.** As part of a strategy for reducing the long-term cost to ratepayers, this budget includes the addition of a new FTE to bring in-house project management work that is currently performed by consultants. Additionally, this budget includes one FTE to provide asset management and system modeling to support Utilities long-term infrastructure planning analysis needs.

- **Apprenticeship program.** The proposed budget includes two rotating trainee LTE positions, as part of an ongoing strategy for hiring and developing a qualified workforce in Utilities Operations and Maintenance division.

2023-2029 Utilities CIP Budget Proposals

The Utilities CIP represents capital infrastructure investments planned for the next seven years. The proposed 2023-2029 CIP Plan totals \$317.4 million. This is \$5.7 million less than what was reviewed in detail with the Commission on March 3rd. Key refinements in the proposed CIP include:

- updated cost estimates for watermain replacement projects;
- adjusted schedule & cash flow for some reservoir replacement projects;
- updated budget for sewer replacement on the WSDOT Sunset Creek Fish Passage Project; and
- the addition of a portfolio and project management system to more efficiently deliver the CIP.

The key drivers of the proposed 2023-2029 CIP Plan include:

Water Utility CIP: \$178.2M

- Increased water main replacement costs
- Groundwater well development program
- Somerset Highlands fire flow improvements

Sewer Utility CIP: \$77.5M

- Sewer pump station and force main system improvements
- Increased funding for sewer pipeline repair and replacement
- Operations and maintenance yard design and construction
- Lake line projects

Storm Utility CIP: \$61.7M

- Large flood reduction and habitat projects with changes to scope, schedule, & projects costs
- Infrastructure rehab scope and budget increase
- Increased emphasis on water quality retrofit projects

The following table summarizes the 2023-2029 CIP Plan by fund.

**Table 1: Proposed 2023-2029 Utilities CIP by Fund
(\$000)**

	2023	2024	2025	2026	2027	2028	2029	2023-2029
Water	\$21,001	\$22,850	\$31,031	\$26,932	\$24,414	\$24,042	\$27,951	\$178,221
Sewer	\$7,863	\$9,130	\$19,431	\$16,840	\$11,477	\$6,588	\$6,199	\$77,528
Storm	\$5,527	\$10,541	\$17,180	\$10,238	\$9,381	\$4,986	\$3,845	\$61,698
Total	\$34,391	\$42,521	\$67,642	\$54,010	\$45,272	\$35,616	\$37,995	\$317,447

All the programs and projects of the proposed 2023-2029 CIP Plan are divided into seven Areas of Investment, or proposals. The following table summarizes these investments:

**Table 2: Proposed 2023-2029 Utilities CIP by Proposal
(\$000)**

Proposal Number	Area of Investment	Proposed 2023-2029 Budget
140.02NA	Replacement of Aging Water Infrastructure	\$169,971
140.03NA	Replacement of Aging Sewer Infrastructure	\$71,267
140.04NA	Replacement of Aging Storm Infrastructure	\$20,657
140.05NA	Utility Capacity for Growth	\$4,216
140.08NA	Environmental Preservation	\$40,875
140.70NA	Maintenance and Operations Facility Land Acquisition and Development	\$9,961
140.71NA	Project & Portfolio Management System	\$500
	Total 2023-2029 CIP	\$317,447

Attachment B shows the seven CIP proposals and provides a detailed list of the CIP programs and projects that comprise the body of work for each proposal.

Next Steps

- June 16: The rate impacts of the current Budget Proposals will be reviewed with the Commission.
- July 7: Staff will ask for a recommendation from the Commission regarding these Budget Proposals.
- Over the next three months, Utilities staff will continue to refine these Budget Proposals.

POLICY ISSUES

- The proposed operating and capital budgets support Council strategic direction, and adhere to the Council-adopted Waterworks Utility Financial Policies which guide how the Utilities Department conducts its business, and sets its budget and rates.
- The CIP plan represents the major utility investments planned for implementation over the next seven years. Projects and programs in the plan are consistent with Utility CIP objectives and project criteria reviewed with the Commission on January 6 and March 3.

FISCAL IMPACT

- The 2023-2024 Utilities Operating Budget represents the financial resources necessary to implement the services, strategies, and policies of the Utilities Department.
- The Utilities CIP represents investments in capital infrastructure in the next seven years that are critical to ensuring the integrity of the water, sewer, and storm utility system infrastructure in order to maintain current levels of service delivery.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. 2023-2024 Operating Budget Proposals
- B. 2023-2029 Capital Budget Proposals

Attachment A

CITY OF BELLEVUE
UTILITIES DEPARTMENT

Proposed 2023-2024 Budget
Operating Budget Proposals

DATE: June 2, 2022

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Utilities Department

2023-2024 Operating Budget Proposals

		Amended	Proposed	Amended	Proposed
Category / Proposal #	Title	2021-2022	2023-2024	2022 FTEs/LTEs	2023-2024 FTEs/LTEs
CIP RELATED OPERATING PROPOSALS					
Capital Related Operating Budget Proposals					
140.01NA	Capital Project Delivery	\$4,743,057	\$5,031,535	32.46	32.46
140.39DA	Operating Transfer to CIP	\$74,225,334	\$76,192,334	-	-
140.48DA	Operating Transfer to R&R	\$16,255,670	\$42,683,185	-	-
Subtotal		\$95,224,061	\$123,907,053	32.46	32.46
Subtotal - Capital Related Operating Budget Proposals		\$95,224,061	\$123,907,053	32.46	32.46

Utilities Department

2023-2024 Operating Budget Proposals

Category / Proposal #	Title	Amended	Proposed	Amended	Proposed
		2021-2022	2023-2024	2022 FTEs/LTEs	2023-2024 FTEs/LTEs
FINANCIAL OBLIGATIONS					
1. Wholesale and RCFC Payments					
140.37NA	Cascade Regional Capital Facility Charges	\$4,599,014	\$4,684,004	-	-
140.61NA	Utilities Water Supply Purchase and Sewage Disposal	\$118,619,461	\$129,207,227	0.50	0.50
Subtotal		\$123,218,475	\$133,891,231	0.50	0.50
2. Taxes and Franchise Fees					
140.34NA	Utility Taxes and Franchise Fees	\$29,918,382	\$34,238,799	-	-
3. Payments to General Fund (Interfunds)					
999.01NA	Interfunds BSAs	\$1,006,976	\$1,440,726	-	-
999.02NA	Copy Center / Satellite Copiers Rates	\$169,627	\$172,175	-	-
999.03NA	Indirect Overhead	\$6,341,262	\$6,880,881	-	-
999.12NA	ECS Maintenance	\$136,207	\$148,782	-	-
999.13NA	Motor Pool	\$134,359	\$139,117	-	-
999.14NA	ERF Asset Management	\$202,133	\$227,376	-	-
999.15NA	Fleet Maintenance	\$1,631,094	\$1,749,311	-	-
999.16NA	Fuel	\$525,151	\$479,202	-	-
999.20NA	Facilities Rent	\$1,924,913	\$1,869,778	-	-
999.30NA	ITD Operations	\$3,811,563	\$3,442,923	-	-
999.31NA	ITD Replacement	\$445,405	\$383,814	-	-
999.40NA	General Self Insurance	\$2,337,000	\$3,115,000	-	-
Subtotal - Interfund Payments		\$18,665,690	\$20,049,085	-	-
4. Operating Reserves					
140.40PA	Operating Reserves	\$34,964,738	\$31,175,167	-	-
Subtotal - Financial Obligations		\$206,767,285	\$219,354,282	0.50	0.50

Utilities Department

2023-2024 Operating Budget Proposals

Category / Proposal #	Title	Amended	Proposed	Amended	Proposed
		2021-2022	2023-2024	2022 FTEs/LTEs	2023-2024 FTEs/LTEs
LOCAL OPERATIONS					
5. Customer Service / Outreach					
140.29NA	Utilities Rate Relief Program	\$1,493,432	\$1,542,822	0.95	0.95
140.30NA	Solid Waste Management Waste Prevention and Recycling	\$2,174,632	\$2,304,876	3.05	3.05
140.31DA	Storm and Surface Water Pollution Prevention	\$786,043	\$846,435	1.40	1.40
140.32NA	Water Systems and Conservation	\$237,228	\$169,391	0.10	0.10
140.33NA	Utilities Customer Service and Billing	\$3,563,647	\$4,994,346	8.75	8.75
140.45DA	Advanced Metering Infrastructure (AMI) Meter Support	\$1,071,841	\$738,729	5.00	3.00
Subtotal		\$9,326,823	\$10,596,599	19.25	17.25
6. Engineering - Development Services					
110.01NA	Development Services Information Delivery	\$895,722	\$990,650	3.45	3.45
110.02NA	Policy Implementation Code Amendments & Consulting Service	\$503,013	\$549,484	1.58	1.58
110.03NA	Development Services Review Services	\$1,235,376	\$1,360,126	4.60	4.60
110.04NA	Development Services Inspection Services	\$1,725,823	\$1,853,736	5.27	5.27
Subtotal		\$4,359,934	\$4,753,996	14.90	14.90
7. Engineering - Utility System Planning					
140.11NA	Utility Asset Management Program	\$1,554,586	\$1,677,050	5.00	5.50
140.63NA	Utility Planning and Systems Analysis	\$2,795,768	\$3,078,727	6.09	7.59
Subtotal		\$4,350,354	\$4,755,776	11.09	13.09

Utilities Department

2023-2024 Operating Budget Proposals

Category / Proposal #	Title	Amended	Proposed	Amended	Proposed
		2021-2022	2023-2024	2022 FTEs/LTEs	2023-2024 FTEs/LTEs
LOCAL OPERATIONS (continued)					
8. Operations and Maintenance - Water					
140.13NA	Water Mains and Service Lines Repair Program	\$3,905,223	\$4,453,651	10.65	11.65
140.14NA	Water Distribution System Preventive Maintenance Program	\$1,813,724	\$1,955,349	6.85	6.85
140.15NA	Water Pump Station Reservoir and PRV Maintenance Program	\$2,431,670	\$2,613,321	3.70	3.70
140.16NA	Water Meter Repair and Replacement Program	\$572,661	\$614,718	2.25	2.25
140.17NA	Water Service Installation and Upgrade Program	\$600,042	\$650,716	1.00	1.00
Subtotal		\$9,323,320	\$10,287,755	24.45	25.45
9. Operations and Maintenance - Sewer					
140.18NA	Sewer Mains Laterals and Manhole Repair Program	\$2,170,026	\$2,409,079	7.00	7.00
140.19NA	Sewer Condition Assessment Program	\$1,255,915	\$1,378,446	4.45	4.45
140.20NA	Sewer Mainline Preventive Maintenance Program	\$2,345,212	\$2,653,324	8.30	9.30
140.21NA	Sewer Pump Station Maintenance Operations and Repair Program	\$2,182,958	\$2,405,565	5.95	5.95
Subtotal		\$7,954,111	\$8,846,414	25.70	26.70
10. Operations and Maintenance - Surface Water					
140.22NA	Storm and Surface Water Repair and Installation Program	\$2,126,000	\$2,185,067	4.65	4.65
140.23NA	Storm and Surface Water Infrastructure Condition Assessment	\$836,158	\$777,216	1.20	1.20
140.24NA	Storm & Surface Water Preventive Maintenance Program	\$3,927,736	\$4,177,544	11.75	11.75
Subtotal		\$6,889,894	\$7,139,826	17.60	17.60
11. Regulatory					
140.26PA	Water Quality Regulatory Compliance and Monitoring Programs	\$1,879,942	\$2,178,867	4.30	4.30
140.27DA	Private Utility Systems Maintenance Programs	\$1,350,001	\$1,442,107	4.55	4.55
140.44NA	Utility Locates Program	\$918,322	\$1,209,483	3.40	4.40
Subtotal		\$4,148,265	\$4,830,457	12.25	13.25

Utilities Department

2023-2024 Operating Budget Proposals

Category / Proposal #	Title	Amended	Proposed	Amended	Proposed
		2021-2022	2023-2024	2022 FTEs/LTEs	2023-2024 FTEs/LTEs
LOCAL OPERATIONS (continued)					
12. Support Systems / Assets					
140.25NA	Utilities Telemetry and Security Systems	\$1,792,785	\$1,929,077	3.80	3.80
140.47DA	Asset Replacement	\$293,416	\$4,738,177	-	-
140.49NA	Fiscal Management	\$1,686,631	\$2,107,030	5.50	5.50
140.60NA	Utilities Computer and Systems Support	\$2,736,528	\$4,061,277	4.50	6.50
Subtotal		\$6,509,360	\$12,835,561	13.80	15.80
13. Department Management					
140.42NA	Utilities Department Management and Support	\$1,806,051	\$2,006,808	4.00	4.00
Subtotal - Local Operations		\$54,668,112	\$66,053,193	143.04	148.04
TOTAL		\$356,659,458	\$409,314,529	176.00	181.00
TOTAL EXCLUDING RESERVES		\$321,694,720	\$378,139,362		

Utilities Department

2023-2024 Operating Budget Proposals

Total Operating Budget: \$378.1M

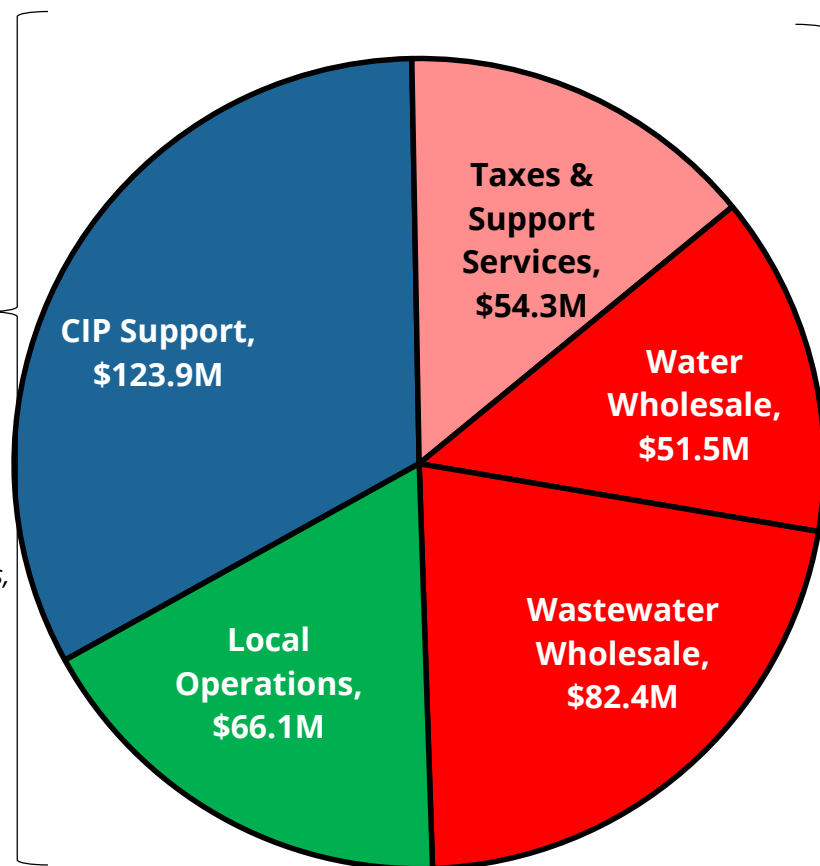
Internal Drivers – 50%

CIP Support – 33%

- 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 – 50%

Taxes & Support Svc – 14%

- Interfunds and taxes

Wholesale – 36%

- Drinking water supply, RCFC Payments, Wastewater Treatment

■ CIP Support ■ Taxes & Support Services ■ Water Wholesale ■ Wastewater Wholesale ■ Local Operations

CAPITAL-RELATED OPERATING PROPOSALS

Proposal Title		Capital Project Delivery Support	
Proposal Number	140.01NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$5,031,535	31.46 FTEs/1.00 LTEs	

Executive Summary

The Capital Project Delivery proposal funds the internal labor resources for development and implementation of cost-effective capital investment projects necessary to accomplish the City's proposed 2023-2029 Utility Capital Investment Program (CIP). Utility CIP projects are necessary to continue to provide utility services to Bellevue's citizens including providing drinking water, removing wastewater, managing surface water runoff, and protecting and enhancing the health of Bellevue's streams, lakes, and wetlands.

Changes from previous biennium

This proposal includes two new FTEs:

- A Senior Engineering Tech position to manage our mandated and expanding Permit Compliance Monitoring program for all three piped utilities. The cost of this position is partially offset by conversion of existing temp help.
- A Utilities Engineer to enable Utilities to deliver its CIP more cost-effectively, lowering the capital delivery cost to ratepayers. Due to insufficient in-house resources, Utilities currently outsources a portion of its project design and management functions to consultants.

This proposal also includes a new limited-term Senior Construction Inspector position in 2023 that is needed to meet the succession planning needs of Utilities Construction Inspection function by enabling senior staff to provide training, knowledge documentation and transfer while ensuring that the section meets its service level obligations.

These additions are partially offset by the reduction of three LTEs related to AMI implementation.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Capital Project Delivery Support

Proposal Number 140.01NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$2,401,388	\$2,341,669	\$4,743,057	\$2,571,468	\$2,460,067	\$5,031,535	\$288,478	6.1%
<i>YY % Change</i>		-2.5%		9.8%	-4.3%			

Proposal Staffing Summary

Total FTEs	29.91	29.46	31.46	31.46
Total LTEs	5.00	3.00	1.00	1.00

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0111f	Percent of Public Work contracts requiring warranty repair	13.30%	5.00%	5.00%	5.00%
140.0114f	Percent of Public Works contracts where the Final Adjusted Contract Amount is less than the Original Bid	84.62%	100.00%	100.00%	100.00%
140.0183f	Percent of total CIP expended vs budgeted	39.49%	90.00%	70.00%	70.00%
140.0422	Percent of CIP projects completed within 3 months of estimated completion date	87.50%	80.00%	80.00%	80.00%

Proposal Title		Operating Transfer to CIP	
Proposal Number	140.39DA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$76,192,334 0 FTEs/0.00 LTEs		

Executive Summary

The objective of financial planning for long-term capital investment is grounded on the principles of smooth rate transitions, maintaining high credit ratings, providing for financial flexibility and achieving inter-generational equity (City Comprehensive Financial Management Policies 10.1.II.A). Consistent with this policy, the vast majority of funding for Utilities’ capital projects is provided by monthly transfer of rate revenues to the Utility Capital Investment Program. The amount of funding is determined by projecting the capital program’s long-term cash flow requirements in a manner that result in smooth annual rate transitions while addressing short- and long-term rate impacts. This proposal establishes the annual transfers to the CIP in accordance with this policy.

Changes from previous biennium

Rate revenues are the primary source of funding for: 1) the proposed CIP, and 2) long-term capital funding needs through the Utility Capital Facilities Renewal and Replacement (R&R) account. Both transfers work in tandem to provide a comprehensive source of funding for the City's current and long-term CIP needs. This proposal is consistent with City financial management policies. No changes to this historical approach to funding the CIP is anticipated as part of this proposal.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Operating Transfer to CIP

Proposal Number 140.39DA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$39,473,167	\$34,752,167	\$74,225,334	\$36,305,167	\$39,887,167	\$76,192,334	\$1,967,000	2.7%
<i>Y/Y % Change</i>		-12.0%		4.5%	9.9%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0117	CIP Actual Expenditures versus Budget - Water	52.5%	90.0%	85.0%	85.0%
140.0118	CIP Actual Expenditures versus Budget - Wastewater	20.8%	90.0%	85.0%	85.0%
140.0119	CIP Actual Expenditures versus Budget - Storm Water	27.2%	90.0%	85.0%	85.0%
140.0183f	Percent of total CIP expended vs budgeted	39%	90%	70%	70%
140.0346	Percentage to target: Operating transfer to CIP account	131.5%	100.0%	100.0%	100.0%
140.0369	Ratio (as a percentage) between the actual Operating transfer to CIP account and the budgeted expense of the CIP plan	131.5%	100.0%	100.0%	100.0%

Proposal Title	Operating Transfer to R&R		
Proposal Number	140.48DA	Outcome	Reserves
Proposal Budget (2023-2024)	\$42,683,185 0 FTEs/0.00 LTEs		

Executive Summary

Established by the City Council in 1995, and memorialized in the City's Comprehensive Financial Management Policy 10.1.II.D, the Utility Capital Facilities Renewals and Replacements (R&R) account proactively sets aside funds each year to replace the City's utility infrastructure as it ages, thereby avoiding the need for large rate spikes and ensuring that each generation of ratepayers pays its fair share of the burden of replacing these systems. Bellevue Utilities has infrastructure with a replacement value of about \$3.5 billion. This proposal represents the annual transfer of rate revenue to fund future capital renewals and replacements consistent with this financial policy.

Changes from previous biennium

Rate revenues are the primary source of funding for: 1) the proposed CIP, and 2) long-term capital funding needs through the Utility Capital Facilities Renewal and Replacement (R&R) account. Both transfers work in tandem to provide a comprehensive source of funding for the City's current and long-term CIP needs. This proposal is consistent with City financial management policies. No changes to this historical approach to funding the CIP is anticipated as part of this proposal.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Operating Transfer to R&R

Proposal Number 140.48DA Outcome Reserves

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$3,397,937	\$12,857,733	\$16,255,670	\$20,813,131	\$21,870,054	\$42,683,185	\$26,427,515	162.6%
<i>Y/Y % Change</i>		278.4%		61.9%	5.1%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0121	Percentage to target: Renewal & Replacement contribution for Water Utility	100.0%	100.0%	100.0%	100.0%
140.0122	Percentage to target: Renewal & Replacement contribution for Wastewater Utility	100.0%	100.0%	100.0%	100.0%
140.0123	Percentage to target: Renewal & Replacement contribution for Surface Water Utility	100.0%	100.0%	100.0%	100.0%

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FINANCIAL OBLIGATION BUDGET PROPOSALS

Proposal Title		Cascade Regional Capital Facility Charges	
Proposal Number	140.37NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$4,684,004 0 FTEs/0.00 LTEs		

Executive Summary

The City's wholesale water supplier, Cascade Water Alliance (CWA), establishes rates to cover the cost of providing water to its members. Bellevue is a member of the CWA. One component of these rates is a fee assessed on each new connection for the equitable recovery of growth-related costs pertaining to Cascade's water supply system. RCFCs are collected and paid as outlined in an interlocal contract with the Cascade Water Alliance (December 15, 2004). The City has a policy of ensuring that "growth pays for growth" (City Comprehensive Financial Management Policies 10.1.III.A). Under this policy it is the responsibility of the party seeking Utility service to make and pay for any extensions and/or upgrades to the Utility systems that are needed to provide service to their property; Bellevue Utilities passes these charges directly through to customers connecting to the water system.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Cascade Regional Capital Facility Charges

Proposal Number 140.37NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$2,292,898	\$2,306,116	\$4,599,014	\$2,305,120	\$2,378,884	\$4,684,004	\$84,990	1.8%
<i>Y/Y % Change</i>		0.6%		0.0%	3.2%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0354	Percent of Monthly Regional Capital Facility Charge (RCFC) reports submitted by due date	63.64%	100.00%	100.00%	100.00%

Proposal Title	Utilities Water Supply Purchase and Sewage Disposal		
Proposal Number	140.61NA	Outcome	High Performance Government
Proposal Budget (2023-2024)	\$129,207,227 0.5 FTEs/0.00 LTEs		

Executive Summary

This proposal provides for the purchase of clean drinking water from the Cascade Water Alliance and the conveyance and treatment of wastewater by King County Metro. The purchase of wholesale water supply from the Cascade Water Alliance allows Bellevue Utilities to provide water service to over 40,000 service connections in the Bellevue Utilities service area, which includes Clyde Hill, Medina, Yarrow Point, and Hunts Point. The City of Bellevue provides sewage collection and transmission services for customers within its service area but does not provide treatment. The purchase of wholesale sewage treatment and disposal services from King County Metro allows Bellevue Utilities to provide sewer service to over 38,000 service connections in the City of Bellevue and surrounding jurisdictions.

Changes from previous biennium

Drinking water for the City of Bellevue is purchased from the Cascade Water Alliance (Cascade). Water supply costs are established by cascade. Cascade's wholesale costs to the City of Bellevue is projected to increase by 1.5% in 2023 and 1.2% in 2024. Wholesale wastewater treatment costs are established by the King County Wastewater Treatment Division. King County wholesale costs to Bellevue Utilities are projected to increase by 5.8% in 2023 and 5.8% in 2024.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title	Utilities Water Supply Purchase and Sewage Disposal		
Proposal Number	140.61NA	Outcome	High Performance Government
Proposal Budget (2023-2024)	\$129,207,227 0.5 FTEs/0.00 LTEs		

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$58,312,253	\$60,307,208	\$118,619,461	\$63,164,922	\$66,042,305	\$129,207,227	\$10,587,766	8.9%
<i>YY % Change</i>		3.4%		4.7%	4.6%			

Proposal Staffing Summary

Total FTEs	0.50	0.50	0.50	0.50
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0412	Number of years for which projected water supply is sufficient to meet future water demand	50.00	50.00	50.00	50.00
140.0413	Number of years projected wastewater disposal needs are secured	15.00	14.00	14.00	14.00

Proposal Title		Utility Taxes and Franchise Fees	
Proposal Number	140.34NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$34,238,799 0 FTEs/0.00 LTEs		

Executive Summary

Bellevue Utilities is required to pay State Utility and Business and Occupation (B&O) taxes (RCW 82.04.220 and 82.16.020), City of Bellevue Utility Taxes (BCC 4.10.025), and a franchise fee to neighboring communities that have a franchise agreement with the City to provide water and wastewater services in their jurisdiction. These payments are required by State and Local laws and binding agreements with neighboring jurisdictions. These taxes and fees are passed through directly to utility rate payers and are included in their bi-monthly utility bills.

Changes from previous biennium

The value of this request is a function of anticipated utility rate revenues. The increased budget over the previous biennium reflects the additional amount of taxes as a result of the proposed rate increases in 2023 and 2024. No changes to the City of Bellevue's tax rates, or franchise fee rates are anticipated. State Public Utility Tax and State Business & Occupation Tax rates remain unchanged.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Utility Taxes and Franchise Fees

Proposal Number 140.34NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$14,606,733	\$15,311,649	\$29,918,382	\$16,629,386	\$17,609,413	\$34,238,799	\$4,320,417	14.4%
<i>YY % Change</i>		4.8%		8.6%	5.9%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0352	Percentage of Utility Tax & Franchise Fee payments made by applicable due date	100.00%	100.00%	100.00%	100.00%

Proposal Title		Water Systems and Conservation	
Proposal Number	140.32NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$169,391	0.10 FTEs/0.00 LTEs	

Executive Summary

Conserving and promoting the efficient use of water resources to ensure an adequate supply of clean and safe drinking water into the future is a key element to achieving Utilities’ mission to actively support a healthy and sustainable environment that is critical to human health, the City’s continued economic viability, and the sustainability of both the local and global environment. The City leverages resources by looking to the Cascade Water Alliance for primary water conservation and efficiency program delivery, and supplements Cascade’s programs through local programs such as the Waterwise Demonstration Garden, Natural Yard Care programs, and Powerful Choices for the Environment Program, all of which promote the wise use of water and elimination of waste in order meet the City’s water use efficiency goals.

Changes from previous biennium

This proposal reflects a reduction of 0.25 FTE due to the transfer of the Public Information Officer position to the City Manager's Office.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Water Systems and Conservation

Proposal Number 140.32NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$126,264	\$110,964	\$237,228	\$83,117	\$86,274	\$169,391	(\$67,837)	-28.6%
<i>YY % Change</i>		-12.1%		-25.1%	3.8%			

Proposal Staffing Summary

Total FTEs	0.25	0.10	0.10	0.10
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0342	Percentage of Bellevue School District 6th Graders that attend the Powerful Choices curriculum.	100.0%	80.0%	80.0%	80.0%

Proposal Title		Interfund Payments	
Proposal Number	999.xxNA	Outcome	Interfunds
Proposal Budget (2023-2024)	\$20,049,085 0 FTEs/0.00 LTEs		

Executive Summary

Interfund transactions represent the payment for services provided by other areas of City government to the Utilities Department. Examples of these services include City Attorney, Finance, Human Resources, and Civic Services. These central administrative services support utility functions.

Changes from previous biennium

No significant change in level of service is proposed. Expenses in this proposal are determined by other Funds within the City and are based on the allocation of projected costs to each Fund/Department receiving this service. Significant changes to Indirect Overhead, General Self Insurance, and Information Technology Operations costs are the primary drivers.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Interfund Payments

Proposal Number 999.xxNA Outcome Interfunds

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$9,286,851	\$9,378,839	\$18,665,690	\$9,787,091	\$10,261,994	\$20,049,085	\$1,383,395	7.4%
<i>YY % Change</i>		1.0%		4.4%	4.9%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

		2021-2022 Budget		2023-2024 Budget	
Metric	Description	2021 Actual	2022 Target	2023 Target	2024 Target

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LOCAL OPERATIONS BUDGET PROPOSALS

Proposal Title		Operating Reserves	
Proposal Number	140.40PA	Outcome	Reserves
Proposal Budget (2023-2024)	\$31,175,167 0 FTEs/0.00 LTEs		

Executive Summary

Operating reserves provide the foundational strength for Utilities to provide water, sewer, and storm drainage services that are critical to the health and safety of the community in both normal and emergency situations. These reserves help ensure continued financial and rate stability, help maintain our Aa1 bond rating (the highest rating for a Utility of our size) and protect utility customers from service disruptions that might otherwise result from unforeseen economic or emergency events. This proposal funds Utilities’ operating reserves, including working capital, operating contingencies, and plant (utilities systems) emergency reserves, as well as asset (equipment) replacement reserves (City Comprehensive Financial Management Policy 10.1.V.A)

Changes from previous biennium

No changes to existing policies are proposed. Target reserve levels are increasing due to rising expenses. In addition, there is an increase in the 2023-2024 biennium as a result of the 7-year plan to provide smooth and equitable rates.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Operating Reserves

Proposal Number 140.40PA Outcome Reserves

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$33,233,669	\$34,964,738	\$68,198,407	\$31,751,549	\$31,175,167	\$62,926,716	(\$5,271,691)	-7.7%
<i>Y/Y % Change</i>		5.2%		-9.2%	-1.8%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0134	Percentage to target: Operating Reserves balance for Water Utility	119.7%	100.0%	100.0%	100.0%
140.0135	Percentage to target: Operating Reserves balance for Wastewater Utility	1	100.0%	100.0%	100.0%
140.0136	Percentage to target: Operating Reserves balance for Storm Water Utility	1	100.0%	100.0%	100.0%

Proposal Title		Utilities Rate Relief Program	
Proposal Number	140.29NA	Outcome	Achieving Human Potential
Proposal Budget (2023-2024)	\$1,542,822	0.95 FTEs/0.00 LTEs	

Executive Summary

A vibrant and caring community includes a diverse population where there are opportunities for all generations to live well in an environment that is supportive -- one where all residents can strive for a high quality of life. The Utilities Rate Relief Program directly supports these values, providing a safety net for low income senior and permanently disabled customers, as well as low-income customers suffering from a temporary financial shock. The Program provides much-needed utilities rate relief to about 1,000 customers annually. Qualified customers may receive a 70% discount off utilities charges (either as a discount or rebate) or receive up to four months of basic utility charges waived (in the case of financial shock) through the Emergency Assistance Program. This program provides approximately \$1 million in assistance to customers.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Utilities Rate Relief Program

Proposal Number 140.29NA **Outcome** Achieving Human Potential

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$727,967	\$765,465	\$1,493,432	\$768,381	\$774,441	\$1,542,822	\$49,390	3.3%
<i>Y/Y % Change</i>		5.2%		0.4%	0.8%			

Proposal Staffing Summary

Total FTEs	0.95	0.95	0.95	0.95
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0001f	Rate relief program coverage of eligible customers	16.76%	20.00%	20.00%	20.00%

Proposal Title		Solid Waste Management Waste Prevention and Recycling	
Proposal Number	140.30NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,304,876	3.05 FTEs/0.00 LTEs	

Executive Summary

City customers generate approximately 121,000 tons of solid waste annually, 72,000 tons of which is garbage being hauled to the local landfill. Efficient, effective, and responsible management of solid waste (i.e., garbage, recyclables, and organic waste) is critical to ensuring public health and the protection of the environment, maintaining the appearance of the City, contributing to the City's continued economic viability, and contributing to sustainability at the local, regional, and global level. This proposal provides for the management and oversight of the solid waste collection contract with Republic Services, the continuation of many of the City's successful waste prevention and recycling outreach, education, and technical assistance programs and the management of grants that fund many of the City's solid waste-related programs.

Changes from previous biennium

This proposal includes an added temp help position to expand waste diversion outreach and technical assistance to the multifamily and commercial sectors, which is currently at 20% waste diversion. For comparison, the City's overall diversion rate has leveled off at 40%. This proposal also reflects a reduction of 0.25 FTE due to the transfer of the Public Information Officer position to the City Manager's Office.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Solid Waste Management Waste Prevention and Recycling

Proposal Number 140.30NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$987,438	\$1,187,194	\$2,174,632	\$1,075,827	\$1,229,049	\$2,304,876	\$130,244	6.0%
<i>YY % Change</i>		20.2%		-9.4%	14.2%			

Proposal Staffing Summary

Total FTEs	3.30	3.05	3.05	3.05
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0433	Achieve overall recycling rate of 50% for contracted solid waste services	37.9%	50.0%	50.0%	50.0%
140.0435	Achieve minimum satisfaction score on all survey questions for single family customers	No	Yes	Yes	Yes
140.0436	Achieve minimum satisfaction score on all survey questions for multifamily/commercial customers	No	Yes	Yes	Yes
140.0437	Number of Solid Waste Contractor Missed Collections Subject to Performance Fees	73	0	0	0
140.0438	Republic on-time delivery rate of requested carts and drop-boxes	99.5%	100.0%	100.0%	100.0%

Proposal Title		Storm and Surface Water Pollution Prevention	
Proposal Number	140.31DA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$846,435	1.40 FTEs/0.00 LTEs	

Executive Summary

Storm and surface water pollution prevention programs are a key element to achieving Utilities' mission to actively support a healthy and sustainable environment. On an average day, tens of thousands of pounds of toxic chemicals enter Puget Sound's waterways, most of which is carried by storm and surface water that runs off roads, driveways, rooftops, yards, and other developed land. Most people are not aware water flowing into storm drains in Bellevue flows untreated directly into our local streams, lakes, and wetlands. Under this proposal, staff provides mandated public education and outreach as required by the National Pollutant Discharge Elimination System (NPDES) Phase II Permit, increasing understanding of storm and surface water issues, and promoting behaviors that prevent pollution locally and regionally. In addition, staff manages and oversees storm and surface water pollution prevention volunteer programs and provides stormwater and pollution prevention technical support.

Changes from previous biennium

This proposal reflects a reduction of 0.25 FTE due to the transfer of the Public Information Officer position to the City Manager's Office.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Storm and Surface Water Pollution Prevention

Proposal Number 140.31DA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$394,351	\$391,692	\$786,043	\$415,337	\$431,099	\$846,435	\$60,392	7.7%
<i>Y/Y % Change</i>		-0.7%		6.0%	3.8%			

Proposal Staffing Summary

Total FTEs	1.55	1.40	1.40	1.40
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0018	Number of students reached by "Be the Solution" and "Blue Team" curriculum	0.00	450.00	450.00	450.00
140.0019	Compliant with NPDES permit outreach requirements	Yes	Yes	Yes	Yes
140.0342	Percentage of Bellevue School District 6th Graders that attend the Powerful Choices curriculum.	100.00%	80.00%	80.00%	80.00%

Proposal Title	Utilities Customer Service and Billing		
Proposal Number	140.33NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$4,994,346	8.75 FTEs/0.00 LTEs	

Executive Summary

The Customer Service and Billing unit is responsible for issuing bi-monthly water, sewer, and stormwater utility billings to approximately 36,000 residential accounts, plus 2,000 commercial and multifamily accounts. This generates revenue of approximately \$160 million for Utilities and Utility taxes of over \$11.3 million for the General Fund. The Utilities Customer Service and Billing unit mails 5,000 bills each week. In addition, the unit receives up to 125 calls per day, processes 95 moves per week, makes up to 50 reminder (late pay) calls per week, handles an average of 140 pending water disconnects per week and coordinates with field staff for an average of 15 water disconnections/reconnections per week.

Changes from previous biennium

The Customer Service and Billing proposal includes cost increases associated with a new billing system and related changes to a new payment processing service. Fees to securely accept and process payments are increasing, but the switch also brings enhanced communication tools, as well as improved customer service features such as the ability to set up auto-pay with credit cards, a mobile-friendly and modern interface, and real-time portal payment integration with the new Customer Information and Billing System. Cost increases above inflation are attributable to the new merchant fee transaction prices, the associated impact of our increased utility rates, and the transition from bi-monthly to monthly billing. Monthly billing is a recommended industry practice, allowing customers to better manage their household budget, rather than having larger, less-frequent bills. Also, more frequent billing reduces customer frustration through earlier identification of water leaks, and allows for earlier identification of potential meter issues.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Utilities Customer Service and Billing

Proposal Number 140.33NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,701,157	\$1,862,490	\$3,563,647	\$2,313,898	\$2,680,448	\$4,994,346	\$1,430,699	40.1%
<i>Y/Y % Change</i>		9.5%		24.2%	15.8%			

Proposal Staffing Summary

Total FTEs	8.75	8.75	8.75	8.75
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0025	Customer Calls Abandoned	2.81%	7.00%	7.00%	7.00%
140.0026	Average Customer Hold Time (in seconds)	26.00	35.00	35.00	35.00
140.0027f	Customer satisfaction survey (weekly Customer Service & Billing)	96.75%	80.00%	80.00%	80.00%

Proposal Title		Advanced Metering Infrastructure (AMI) Meter Support	
Proposal Number	140.45DA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$738,729	3.00 FTEs/0.00 LTEs	

Executive Summary

This proposal provides services to operate and maintain customer water meters for all residential and commercial accounts in the water utility service area that includes the City of Bellevue, adjacent communities of Clyde Hill, Hunts Point, Medina, and Yarrow Point. Keeping Advanced Metering Infrastructure (AMI) components in a state of operation is essential to maintaining water and wastewater revenue flow and equity among ratepayers. Other services are provided directly to property owners at their home or business, to include meter box maintenance, vegetation management, AMI meter troubleshooting, repair and onsite investigation, locating leaks, meter turn-offs, and meter replacements when necessary.

Changes from previous biennium

This proposal reflects a reduction of one FTEs and one LTE, based on the Utility's implementation of the AMI project.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Advanced Metering Infrastructure (AMI) Meter Support

Proposal Number 140.45DA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$626,291	\$445,550	\$1,071,841	\$362,205	\$376,524	\$738,729	(\$333,112)	-31.1%
<i>YY % Change</i>		-28.9%		-18.7%	4.0%			

Proposal Staffing Summary

Total FTEs	6.00	4.00	3.00	3.00
Total LTEs	3.00	1.00	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target

Proposal Title		Development Services Information Delivery	
Proposal Number	110.01NA	Outcome	High Performance Government
Proposal Budget (2023-2024)	\$990,650	3.45 FTEs/0.00 LTEs	

Executive Summary

The Development Services (DS) Information Delivery function supports the High Performance Government strategic target by providing customers broad access to development services information regarding properties, public and private development projects, development and construction codes and standards, and inspection services. This proposal supports the delivery of information regarding code enforcement procedures, access to public records, permit processes and timelines, and permit fees. The DS Information Delivery function delivers services consistent with customer-driven and City of Bellevue expectations that focus on quality, customer experience, timeliness and predictability. This proposal supports the delivery of information in a variety of formats intended to provide equitable access to city government functions within DS. The DS Information Delivery function supports enhanced services including the Virtual Permit Center and Virtual Permit Center appointments.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Development Services Information Delivery

Proposal Number 110.01NA **Outcome** High Performance Government

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$434,682	\$461,040	\$895,722	\$484,874	\$505,776	\$990,650	\$94,928	10.6%
<i>Y/Y % Change</i>		6.1%		5.2%	4.3%			

Proposal Staffing Summary

Total FTEs	3.45	3.45	3.45	3.45
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target

Proposal Title		Policy Implementation Code Amendments & Consulting Service	
Proposal Number	110.02NA	Outcome	High Performance Government
Proposal Budget (2023-2024)	\$549,484	1.58 FTEs/0.00 LTEs	

Executive Summary

The policy development function of Development Services (DS) supports the Responsive Government outcome and Enterprise Priorities such as Rapid Transformation by implementing adopted City strategic growth plans (e.g., East Main, Downtown Livability) and state and federal mandates (e.g., WA Urban Housing Supply legislation, I-Codes update) through amendments to codes, standards, and procedures. This implementation function, together with development-related consulting advice, aligns regional plans (e.g., Eastlink, I-405 access, Eastrail) with Council and community vision and values. Specifically, delivering on policy development commitments (e.g., Affordable Housing Strategy, Economic Development Strategy, Environmental Stewardship Initiative) to respond to community priorities maintains public trust and ensures customer-focused service delivery. This proposal includes internal staff time, outside professional services (as needed), and code and policy implementation.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Policy Implementation Code Amendments & Consulting Service

Proposal Number 110.02NA **Outcome** High Performance Government

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$244,351	\$258,662	\$503,013	\$269,022	\$280,462	\$549,484	\$46,471	9.2%
<i>YY % Change</i>		5.9%		4.0%	4.3%			

Proposal Staffing Summary

Total FTEs	1.58	1.58	1.58	1.58
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target

Proposal Title		Development Services Review Services	
Proposal Number	110.03NA	Outcome	High Performance Government
Proposal Budget (2023-2024)	\$1,360,126	4.60 FTEs/0.00 LTEs	

Executive Summary

Development Services (DS) reviews designs and applications for private and public development projects for conformance with adopted local, state, and national codes. DS issues 14,000 to 16,000 permits per year that contribute to the economic prosperity of the City. The goals of development review are to ensure that buildings are safe, land uses and project designs are consistent with the community vision, the environment is protected, traffic impacts are managed, and developer-built utilities and other infrastructure meet the city's standards. DS strives to be a regional leader by providing clear, predictable comprehensive and innovative services for our customers to create safe buildings and a thriving community.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Development Services Review Services

Proposal Number 110.03NA Outcome High Performance Government

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$600,209	\$635,167	\$1,235,376	\$665,571	\$694,556	\$1,360,126	\$124,750	10.1%
<i>YY % Change</i>		5.8%		4.8%	4.4%			

Proposal Staffing Summary

Total FTEs	4.60	4.60	4.60	4.60
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target

Proposal Title	Development Services Inspection Services		
Proposal Number	110.04NA	Outcome	High Performance Government
Proposal Budget (2023-2024)	\$1,853,736	5.27 FTEs/0.00 LTEs	

Executive Summary

This proposal provides for a quality built environment supported by cross-departmental inspection services of all development related construction activity to provide safe buildings, appropriate construction of turnkey public infrastructure, protection of property and the environment while supporting economic development and competitiveness. Inspection service levels are sustained through development cycles by adjusting staffing levels based on demand for services and supporting permit fee revenue. DS performed about 79,600 inspections in 2020 and 86,600 in 2021. Permits issued in 2020-2021 have been consistent with prior years at about 15k per year. The square footage of new major projects in construction in 2021 exceeds 11 million square feet, which is nearly a 100% increase during each of 2019 & 2020. Projections balanced against vacancies in currently allocated positions indicates staffing will be insufficient to carry us through the projected workloads for 2023-2024.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Development Services Inspection Services

Proposal Number 110.04NA **Outcome** High Performance Government

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$840,101	\$885,722	\$1,725,823	\$907,931	\$945,805	\$1,853,736	\$127,913	7.4%
<i>YY % Change</i>		5.4%		2.5%	4.2%			

Proposal Staffing Summary

Total FTEs	5.27	5.27	5.27	5.27
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target

Proposal Title		Utility Asset Management Program	
Proposal Number	140.11NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$1,677,050	5.50 FTEs/0.00 LTEs	

Executive Summary

This proposal funds the implementation of the Utilities Strategic Asset Management Plan. Implementation of this plan is focused on strategically developing and implementing the asset management practices, necessary to operate, repair, maintain and replace or rehabilitate the Utilities' infrastructure. This includes assets such as pipelines, pump stations, reservoirs, and stormwater facilities. The replacement cost of the City's infrastructure assets is estimated at \$3.5 billion. Effective management of resources is critical as assets continue to age and deteriorate, causing maintenance, repair, rehabilitation and replacement costs increase. More than 50% of the Utilities assets are at least halfway through their useful life. Implementation of the Strategic Asset Management Plan is imperative to proactively manage asset condition and performance so that the level of service, expected by customers and required by state and federal regulations, is provided at the lowest life cycle cost.

Changes from previous biennium

This proposal contains 0.5 of a new Planning and Asset Management Engineer. This position is needed to maintain critical databases and models, which are necessary for implementation of the Utilities Strategic Asset Management Plan. This position will also perform system modeling to support Utilities Planning function, the cost of which will be offset by conversion of existing temp help - the remaining 0.5 of this FTE is included in proposal 140.63NA to reflect this support.

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Proposal Title Utility Asset Management Program

Proposal Number 140.11NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$771,915	\$782,671	\$1,554,586	\$821,303	\$855,747	\$1,677,050	\$122,464	7.9%
<i>Y/Y % Change</i>		1.4%		4.9%	4.2%			

Proposal Staffing Summary

Total FTEs	5.00	5.00	5.50	5.50
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0082f	Condition related water main failures per 100 miles of water main	4.09	5.00	5.00	5.00
140.0085f	Percentage of water pump stations rehabilitated within their useful life (25 years)	42.86%	76.00%	76.00%	76.00%
140.0092f	Percentage of sewer pump stations rehabilitated within their useful life (25 years)	38.30%	65.00%	65.00%	65.00%
140.0097	Drainage system pipeline failures	Blank	5.00	5.00	5.00
140.0430f	Wastewater overflow events per 100 miles of pipe	2.20	0.00	0.00	0.00

Proposal Title		Utility Planning and Systems Analysis	
Proposal Number	140.63NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$3,078,727	6.59 FTEs/1.00 LTEs	

Executive Summary
This proposal supports utility planning for the water, wastewater and stormwater infrastructure systems and for proactive stewardship of the City's streams, lakes and wetlands. Demand for Utility services changes over time, necessitating assessment of infrastructure capacity and integrity, impacts on the natural environment, regulatory requirements, and needs for system upgrades, rehabilitation and replacement.

Changes from previous biennium
This proposal includes an enhancement of the Utilities Environmental Monitoring Program, which will provide enhanced water quality monitoring, used to inform planning of future storm and surface water projects.
This proposal also includes one LTE in 2023 supporting the Watershed Management Plan.
This proposal also converts an existing part time position to 0.5 FTE providing system model engineering in support of utility planning.

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Proposal Title Utility Planning and Systems Analysis

Proposal Number 140.63NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,432,515	\$1,363,253	\$2,795,768	\$1,613,404	\$1,465,323	\$3,078,727	\$282,959	10.1%
<i>Y/Y % Change</i>		-4.8%		18.3%	-9.2%			

Proposal Staffing Summary

Total FTEs	6.09	6.09	6.59	6.59
Total LTEs	-	-	1.00	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0305	Structural flooding occurrences for storms less than a 100 year storm event (Storm Water)	0.00	1.25	1.25	1.25
140.0307f	Percent of requests for fire flow data provided within 2 weeks (Water)	92.83%	90.00%	90.00%	90.00%
140.0414	Has lack of system capacity restricted or prevented any new development or redevelopment (System Capacity Planning)	No	No	No	No

Proposal Title		Water Mains and Service Lines Repair Program	
Proposal Number	140.13NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$4,453,651	10.65 FTEs/1.00 LTEs	

Executive Summary

Bellevue Utilities provides water service to Bellevue, Clyde Hill, Medina, Yarrow Point, and Hunts Point. The water repair program’s primary objective is to fix system breaks, stop leaks, protect drinking water quality, restore water service to customers, and mitigate environmental damage. The City benefits financially from efficient repairs that minimize revenue loss and claims for damages. Failure of the water system infrastructure can have catastrophic consequences, including damaged property, roadways, the natural environment and water service interruption to homes and businesses. While Utilities has sound water maintenance and capital improvement programs, main breaks can occur at any time and increase as infrastructure ages. Examples of services included in this proposal include leak detection services and repairs to broken, leaking or malfunctioning water mains, service lines, fire hydrants, and control valves.

Changes from previous biennium

This proposal reflects the addition of a new LTE position, which will be used as a rotating entry-level trainee to support workforce development. This is part of a strategy for hiring and developing a qualified workforce in Utilities Operations and Maintenance division.

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Proposal Title Water Mains and Service Lines Repair Program

Proposal Number 140.13NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,914,708	\$1,990,515	\$3,905,223	\$2,186,981	\$2,266,670	\$4,453,651	\$548,428	14.0%
<i>Y/Y % Change</i>		4.0%		9.9%	3.6%			

Proposal Staffing Summary

Total FTEs	10.65	10.65	10.65	10.65
Total LTEs	-	-	1.00	1.00

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0212f	Unplanned water service interruptions per 1,000 customer accounts	2.60	3.00	3.00	3.00
140.0215	Water distribution system - water loss percentage (most recent year)	9.67%	6.00%	6.00%	6.00%
140.0246	Number of water service repairs	256.00	200.00	200.00	200.00
140.0247	Number of water main repairs	33.00	30.00	30.00	30.00

Proposal Title		Water Distribution System Preventive Maintenance Program	
Proposal Number	140.14NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$1,955,349	6.85 FTEs/0.00 LTEs	

Executive Summary

Water is required to sustain life, convey waste, protect against fire and to keep our parks and open spaces green and healthy. This proposal funds preventive maintenance of the drinking water infrastructure. Bellevue’s water system is a network of components that deliver almost 6 billion gallons of drinking water a year. Preventive maintenance ensures the ongoing safety and operational integrity of the distribution system. Services include annual inspection and maintenance of fire hydrants, isolation valves, and other important components to the water system. These programs are critical for system function and reliability, and maintain safe, high-quality drinking water for residents and businesses. Lack of adequate water system maintenance impacts the ability to quickly repair water main breaks, increases the chance of waterborne disease and other water quality concerns. It could also result in fire hydrants and valves not working when needed for firefighting or other emergencies.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Water Distribution System Preventive Maintenance Program

Proposal Number 140.14NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$888,881	\$924,843	\$1,813,724	\$959,139	\$996,210	\$1,955,349	\$141,625	7.8%
<i>Y/Y % Change</i>		4.0%		3.7%	3.9%			

Proposal Staffing Summary

Total FTEs	6.85	6.85	6.85	6.85
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0216	Number of fire hydrants that fail fireflow delivery at time of inspection	8.00	0.00	0.00	0.00
140.0220f	Percentage of fire hydrants inspected	60.30%	50.00%	50.00%	50.00%
140.0223f	Percentage of water system isolation valves inspected	7.49%	50.00%	50.00%	50.00%
140.0257	Number of water claims paid due to system failure	9.00	5.00	5.00	5.00
140.0258	Number of water claims paid greater than \$20,000 due to system failure	0.00	0.00	0.00	0.00
140.0378	Total cost of Water claims paid	\$36,911	\$200,000	\$200,000	\$200,000

Proposal Title	Water Pump Station Reservoir and PRV Maintenance Program		
Proposal Number	140.15NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,613,321	3.7 FTEs/0.00 LTEs	

Executive Summary

Water is required to sustain life, convey waste, protect against fire and to keep our parks and open spaces green and healthy. This proposal provides necessary preventive maintenance and repair of water pump stations, reservoirs and pressure reducing valves (PRVs) throughout the public drinking water system. These services extend the useful life of assets, avoid costs associated with catastrophic failures and increase system reliability while maintaining drinking water quality. Bellevue's unique topography (with elevations ranging from sea level to 1,440 feet) requires a complicated system of reservoirs, pump stations, and PRVs to provide safe water and adequate fire flow throughout the service area. Due to the likelihood and high consequences of failure if preventive maintenance services are not provided, this proposal supports the goals for reliability and performance of the drinking water storage and delivery system.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Water Pump Station Reservoir and PRV Maintenance Program

Proposal Number 140.15NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,197,204	\$1,234,466	\$2,431,670	\$1,282,574	\$1,330,747	\$2,613,321	\$181,651	7.5%
<i>Y/Y % Change</i>		3.1%		3.9%	3.8%			

Proposal Staffing Summary

Total FTEs	3.70	3.70	3.70	3.70
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0226	Number of Water System Pressure Reducing Valve failures per year	2.00	0.00	0.00	0.00
140.0227	Number of water pump failures per year	0.00	0.00	0.00	0.00
140.0228	Number of reservoirs taken out of service as a result of drinking water quality concerns	0.00	0.00	0.00	0.00
140.0229f	Percent of Water System Pressure Reducing Valves maintained	21.00%	20.00%	20.00%	20.00%
140.0232f	Percent of reservoirs cleaned	25.00%	20.00%	20.00%	20.00%

Proposal Title		Water Meter Repair and Replacement Program	
Proposal Number	140.16NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$614,718	2.25 FTEs/0.00 LTEs	

Executive Summary

This proposal provides for regular testing, calibration, and replacement of City-owned commercial water meters at established intervals to ensure meter accuracy for water and sewer revenue collection, equitable billing and rates, and to promote water conservation. Meter box maintenance activities are included for both residential and commercial meters to ensure safe access for meter reading and to shut off the water service in the event of an emergency. Utilities bills customers for water, wastewater, and storm drainage services, services which are necessary to foster a healthy and sustainable environment. Services are entirely supported by ratepayers and generate rate revenue. Bellevue's water system is a network of components that deliver almost 6 billion gallons of drinking water a year.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Water Meter Repair and Replacement Program

Proposal Number 140.16NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$281,174	\$291,487	\$572,661	\$301,630	\$313,088	\$614,718	\$42,057	7.3%
<i>Y/Y % Change</i>		3.7%		3.5%	3.8%			

Proposal Staffing Summary

Total FTEs	2.25	2.25	2.25	2.25
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0235f	Percent of commercial meters that meet accuracy standards at the time of the test	100.00%	85.00%	85.00%	85.00%
140.0238f	Percent of commercial meters tested annually	3.22%	20.00%	20.00%	20.00%

Proposal Title	Water Service Installation and Upgrade Program		
Proposal Number	140.17NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$650,716	1.00 FTEs/0.00 LTEs	

Executive Summary

This proposal provides resources for the installation of drinking water service for new homes and for businesses to obtain occupancy permits without costly delays to the property owner or contractor. Utilities perform water main shutdowns, water main condition assessments, and pipe work to install new water services. Asphalt cuts and excavations needed for installation are completed by private contractors under the right-of-way (ROW) use permit process. This hybrid Utility/contractor approach to water service installations provides timely installation of new services for developers and condition assessment data critical for asset management. Additionally, it minimizes customer service impacts of water shutdowns and assures consistent quality control and sanitation while supporting economic development.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Water Service Installation and Upgrade Program

Proposal Number 140.17NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$296,589	\$303,453	\$600,042	\$319,412	\$331,304	\$650,716	\$50,674	8.4%
<i>Y/Y % Change</i>		2.3%		5.3%	3.7%			

Proposal Staffing Summary

Total FTEs	1.00	1.00	1.00	1.00
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0242f	Percent of water service installations completed within four weeks of request	100.00%	100.00%	100.00%	100.00%
140.0245	Number of water service installations	69.00	90.00	100.00	100.00

Proposal Title	Sewer Mains Laterals and Manhole Repair Program		
Proposal Number	140.18NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,409,079	7.00 FTEs/0.00 LTEs	

Executive Summary

Wastewater is responsible for operation, maintenance, and repair of approximately 635 miles of pipe and approximately 14,000 manholes and cleanouts (maintenance access structures) within its service territory. This proposal provides repair services for the sewer collection system. These repairs correct deficiencies predominantly due to aging infrastructure and allow the City to get the most use out of each pipe and manhole over the life of the asset for the least long-term cost. Raw sewage contains viruses, bacteria, chemicals and other pathogens that are an extreme threat to public health and the environment when not managed and contained within the sewer collection system. Broken or defective sewer mains and connections result in blockages and overflows of sewage that can flood and contaminate customer's homes, businesses or the environment, create public health issues and result in costly liability claims to the City.

Changes from previous biennium

Operating expenditures for this proposal increase at above inflation due to significant materials costs increases, particularly the cost of asphalt used in pavement restoration.

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Proposal Title Sewer Mains Laterals and Manhole Repair Program

Proposal Number 140.18NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,067,178	\$1,102,848	\$2,170,026	\$1,184,233	\$1,224,846	\$2,409,079	\$239,053	11.0%
<i>Y/Y % Change</i>		3.3%		7.4%	3.4%			

Proposal Staffing Summary

Total FTEs	7.00	7.00	7.00	7.00
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0187	Number of identified wastewater pipe defects requiring repair within 5 years	1,071	200	200	200
140.0188	Number of wastewater in-house pipe repairs completed annually	72	100	100	100
140.0338	Number of new wastewater pipe defects identified for repair or replacement	139	100	100	100

Proposal Title		Sewer Condition Assessment Program	
Proposal Number	140.19NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$1,378,446	4.45 FTEs/0.00 LTEs	

Executive Summary

The Sewer Condition Assessment Program uses Closed Circuit TV (CCTV) equipment to provide digital images of the inside of sewer pipes and service stubs in the right-of-way (ROW) to identify and evaluate pipe defects that need repair and document less severe defects that need regular maintenance. Sewer pipe defects can cause catastrophic failures resulting in blockages, backups and sewer overflows which impact customers, public health, and the environment. In addition, identifying and repairing sewer defects prior to road overlay activities minimizes pavement impacts and lowers restoration costs.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Sewer Condition Assessment Program

Proposal Number 140.19NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$615,857	\$640,058	\$1,255,915	\$676,734	\$701,712	\$1,378,446	\$122,531	9.8%
<i>Y/Y % Change</i>		3.9%		5.7%	3.7%			

Proposal Staffing Summary

Total FTEs	4.45	4.45	4.45	4.45
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0195	Linear feet of wastewater condition assessment performed	207,862	275,000	275,000	275,000
140.0336f	Percent of wastewater system video inspected	6.19%	8.00%	8.00%	8.00%
140.0338	Number of new wastewater pipe defects identified for repair or replacement	139	100	100	100

Proposal Title		Sewer Mainline Preventive Maintenance Program	
Proposal Number	140.20NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,653,324	8.30 FTEs/1.00 LTEs	

Executive Summary

This proposal provides preventive maintenance cleaning services on the sewer collection system to keep the lines clear. Preventive maintenance lowers service interruptions due to blockages, the associated claims due to backups, and minimizes overflows which impact the environment and public health. This preventive maintenance program allows us to maximize the life of the sewer system for the lowest long-term cost.

Changes from previous biennium

This proposal reflects the addition of a new LTE position, which will be used as a rotating entry-level trainee to support workforce development. This is part of a strategy for hiring and developing a qualified workforce in Utilities Operations and Maintenance division.

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Proposal Title Sewer Mainline Preventive Maintenance Program

Proposal Number 140.20NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,150,959	\$1,194,253	\$2,345,212	\$1,301,798	\$1,351,525	\$2,653,324	\$308,112	13.1%
<i>Y/Y % Change</i>		3.8%		9.0%	3.8%			

Proposal Staffing Summary

Total FTEs	8.30	8.30	8.30	8.30
Total LTEs	-	-	1.00	1.00

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0199f	Percent of wastewater pipe cleaned	20.77%	20.00%	20.00%	20.00%
140.0211	Number of wastewater claims paid due to system failure	11	10	10	10
140.0315	Number of wastewater claims paid greater than \$20,000 due to system failure	4	1	1	1
140.0379	Total cost of Wastewater claims paid	\$419,873	\$60,000	\$60,000	\$60,000
140.0430f	Wastewater overflow events per 100 miles of pipe	2.20	0.00	0.00	0.00

Proposal Title		Sewer Pump Station Maintenance Operations and Repair Program	
Proposal Number	140.21NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,405,565	5.95 FTEs/0.00 LTEs	

Executive Summary

This proposal provides sewer pump station maintenance and repairs to help minimize failures that cause sewer backups and overflows to the environment. Overflows can result in beach closures and surface water quality concerns. In addition, sewer backups can require a homeowner to move out or a business to close until cleanup is completed. Bellevue's unique topography, with elevations ranging from sea level to 1,440 feet, requires a diverse and complicated system of pump stations to provide continual service 24 hours a day, 365 days a year. This proposal provides staff, vehicles, tools, equipment, and supplies for the maintenance, operations, and repair of 46 sewer pump stations in the sewer collection system. These services ensure sewer pump stations, predominately located along Lake Washington and Lake Sammamish, are operated and maintained to minimize sewer blockages and overflows which impact customers, public health, and the environment.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Sewer Pump Station Maintenance Operations and Repair Program

Proposal Number 140.21NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,071,653	\$1,111,305	\$2,182,958	\$1,180,314	\$1,225,251	\$2,405,565	\$222,607	10.2%
<i>YY % Change</i>		3.7%		6.2%	3.8%			

Proposal Staffing Summary

Total FTEs	5.95	5.95	5.95	5.95
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0202f	Non-weather related pump station overflows per 1,000 wastewater customer accounts (value of 0.027 represent 1 overflow)	0.00	0.00	0.00	0.00
140.0205f	Weather related wastewater pump station overflows per 1,000 customer accounts (value of 0.027 represents 1 overflow)	0.03	0.00	0.00	0.00
140.0208f	Percent of wastewater pump station inspections completed as planned	86.17%	100.00%	100.00%	100.00%

Proposal Title	Storm and Surface Water Repair and Installation Program		
Proposal Number	140.22NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,185,067	4.65 FTEs/0.00 LTEs	

Executive Summary

The Storm and Surface Water System within the City of Bellevue is comprised of a network of public and privately-owned pipes, open channels, catch basins, manholes, streams, detention & water quality treatment facilities both above and below ground. This proposal provides repair and installation services for the 400 miles of publicly owned pipe and 25,000 drainage structures to ensure that the municipal storm drainage system functions as designed. This aids in protecting life, property, and the environment during major storm and flooding events, as well as reducing pollution entering streams and lakes. Much of the repair work surrounding the storm & surface water system is mandated under the National Pollution Discharge and Elimination System permit (NPDES).

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Storm and Surface Water Repair and Installation Program

Proposal Number 140.22NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,075,718	\$1,050,282	\$2,126,000	\$1,072,135	\$1,112,932	\$2,185,067	\$59,067	2.8%
<i>YY % Change</i>		-2.4%		2.1%	3.8%			

Proposal Staffing Summary

Total FTEs	4.65	4.65	4.65	4.65
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0291f	Percentage of Surface Water repairs completed	53.09%	100.00%	100.00%	100.00%
140.0371f	Labor hours per catch basin/manhole repair	7.07	5.00	5.00	5.00

Proposal Title		Storm and Surface Water Infrastructure Condition Assessment	
Proposal Number	140.23NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$777,216	1.2 FTEs/0.00 LTEs	

Executive Summary

The Storm and Surface Water Condition Assessment program performs video inspection of underground stormwater pipe to determine condition and maintenance or repair needs. The overall goal of this program is to locate and repair defects within pipes before failures occur and to also assess the system for long-term repair and replacement needs. Condition assessment provides valuable asset management information for the Utilities repair and replacement program by identifying and documenting overall trends in pipe condition. This is essential information when developing long-term replacement funding strategies for aging infrastructure. This program currently inspects an average of 20 miles of underground pipe annually with a 20-year ongoing inspection cycle for the 400 miles of pipe within the Storm and Surface Water system.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Storm and Surface Water Infrastructure Condition Assessment

Proposal Number 140.23NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$470,777	\$365,381	\$836,158	\$381,152	\$396,064	\$777,216	(\$58,942)	-7.0%
<i>Y/Y % Change</i>		-22.4%		4.3%	3.9%			

Proposal Staffing Summary

Total FTEs	1.20	1.20	1.20	1.20
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0294	Number of surface water pipe defects identified through condition assessment activities requiring repair or replacement	155	75	75	75
140.0295f	Percent of surface water system video inspected	1.96%	5.00%	5.00%	5.00%
140.0296	Linear feet of surface water condition video assessment performed	42,317	107,710	107,710	107,710

Proposal Title		Storm & Surface Water Preventive Maintenance Program	
Proposal Number	140.24NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$4,177,544	11.75 FTEs/0.00 LTEs	

Executive Summary

The resources in this proposal fund preventive maintenance activities related to the City's storm and surface water system. For the drainage system to function correctly and provide adequate flood control, it must be kept free of excessive debris and sediment. These can cause blockages of catch basins and pipes during heavy rains leading to flooding, property damage claims, and environmental degradation. Sediment is also a pollutant. The drainage system contains a variety of water quality facilities that trap oils and other pollutants from roadways and allow for their removal during maintenance. Because the final discharge for all drainage in Bellevue is the City's streams and lakes, system maintenance is essential to keep them free of the sediment and pollutants generated from roadways and other impervious surfaces. The majority of maintenance activities funded by this proposal are mandated under the Federal National Pollutant Discharge Elimination System Permit (NPDES).

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Storm & Surface Water Preventive Maintenance Program

Proposal Number 140.24NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,951,712	\$1,976,024	\$3,927,736	\$2,049,437	\$2,128,107	\$4,177,544	\$249,808	6.4%
<i>Y/Y % Change</i>		1.2%		3.7%	3.8%			

Proposal Staffing Summary

Total FTEs	11.75	11.75	11.75	11.75
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0458f	Percent of NPDES Manholes and Catch Basins Inspected	49.50%	48.00%	48.00%	48.00%
140.0461f	Percent of NPDES Water Quality and Flow Control Facilities	95.88%	100.00%	100.00%	100.00%
140.0463f	Percent of NPDES Catch Basins and Manholes Cleaned	5.49%	12.00%	12.00%	12.00%
140.0465f	Percent of NPDES Water Quality and Flow Control Facilities Cleaned Annually	7.69%	100.00%	100.00%	100.00%
140.0272f	Percent of Fat, Oil, Grease removal devices compliant with	30.81%	50.00%	50.00%	50.00%

Proposal Title		Water Quality Regulatory Compliance and Monitoring Programs	
Proposal Number	140.26PA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,178,867	4.3 FTEs/0.00 LTEs	

Executive Summary

This proposal provides Water Quality Regulatory Compliance for Bellevue Utilities. This proposal outlines overall management of the Water Quality/Regulatory Compliance section and establishes the framework for developing programs for field testing, inspection and response to meet requirements set forth by Agencies:

SAFE DRINKING WATER ACT outlining sampling, monitoring and reporting requirements for our Drinking water within Bellevue.

CLEAN WATER ACT driving the City's National Pollutant Discharge Elimination System (NPDES) permit and establishes requirements for inspection, maintenance, outreach and reporting of Citywide efforts to manage storm and surface water.

CITY LAND USE, SEPA determinations and Clear and Grade permits necessary to achieve the project related tasks for daily operations.

ENDANGERED SPECIES ACT Regional Road Maintenance Program establishing guidelines for working near sensitive areas.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed. The staffing levels shown reflect a recategorization of one position from Proposal 140.27DA to this proposal.

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Proposal Title Water Quality Regulatory Compliance and Monitoring Programs

Proposal Number 140.26PA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$839,967	\$1,039,975	\$1,879,942	\$1,081,965	\$1,096,902	\$2,178,867	\$298,925	15.9%
<i>Y/Y % Change</i>		23.8%		4.0%	1.4%			

Proposal Staffing Summary

Total FTEs	3.30	4.30	4.30	4.30
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0264	Percentage of days per year in compliance with state and federal drinking water regulations	100.0%	100.0%	100.0%	100.0%
140.0265f	Number of drinking water quality complaints per 1,000 water service connections	1.01	2.00	2.00	2.00
140.0270	Compliant with all Surface Water Regulatory Requirements	Yes	Yes	Yes	Yes
140.0271	Number of illicit discharges detected and corrected	252	0	0	0

Proposal Title		Private Utility Systems Maintenance Programs	
Proposal Number	140.27DA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$1,442,107	4.55 FTEs/0.00 LTEs	

Executive Summary

This proposal provides funding for Private Utility System Maintenance Program in which Utilities Water Quality Inspectors visit private business and residences to inspect private utility infrastructure to ensure components are working correctly. Staff provide education and the required actions if maintenance is needed and follow up to make sure the maintenance was correctly performed. This minimizes the risk to the public drinking water system from potential contamination, our streams and lakes from pollutants and the wastewater system from blockages.

This proposal protects public health by preventing drinking water from cross contamination, reduces pollutants in surface water, and funds the Fats, Oils and Grease program to reduce sewer blockages. These programs are mandated by the FEDERAL SAFE DRINKING WATER ACT, CLEAN WATER ACT, and the King County Industrial Waste Program.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed. The staffing levels shown reflect a recategorization of one position from this proposal to Proposal 140.26PA.

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Proposal Title Private Utility Systems Maintenance Programs

Proposal Number 140.27DA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$656,729	\$693,272	\$1,350,001	\$706,280	\$735,827	\$1,442,107	\$92,106	6.8%
<i>Y/Y % Change</i>		5.6%		1.9%	4.2%			

Proposal Staffing Summary

Total FTEs	4.55	4.55	4.55	4.55
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0272f	Percent of Fat, Oil, Grease removal devices compliant with maintenance requirements	30.81%	50.00%	50.00%	50.00%
140.0278	Number of documented drinking water system backflow events	2	0	0	0
140.0281	Number of backflow assemblies tested annually	10,980	15,789	15,789	15,789
140.0319f	Percent of planned private drainage inspections performed	100.57%	100.00%	100.00%	100.00%

Proposal Title		Utility Locates Program	
Proposal Number	140.44NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$1,209,483	4.40 FTEs/0.00 LTEs	

Executive Summary

Locators are required by Washington State law to mark underground City-owned utilities. This proposal provides resources for Utilities to protect underground City-owned and operated utility infrastructure. The Utility Locate program safeguards approximately 1500 miles of City owned underground utility pipelines for the delivery of drinking water and conveyance of surface runoff and wastewater by accurately marking utility locations prior to construction excavation in support of development, CIP and franchise utility renewal and repair.

Changes from previous biennium

This proposal contains one new Utility Locator FTE. This add is necessary to meet the growing need to perform Utility Locates that are required by Washington State law to mark underground City-owned utilities, and to protect existing infrastructure critical to providing utility services.

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Proposal Title Utility Locates Program

Proposal Number 140.44NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$450,163	\$468,159	\$918,322	\$593,393	\$616,090	\$1,209,483	\$291,161	31.7%
<i>Y/Y % Change</i>		4.0%		26.8%	3.8%			

Proposal Staffing Summary

Total FTEs	3.40	3.40	4.40	4.40
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0248f	Percent of locates performed within mandated deadlines	99.35%	100.00%	100.00%	100.00%
140.0251	Dollar value of claims paid due to mis-locates	\$0.00	\$0.00	\$0.00	\$0.00
140.0252	Number of damaged assets due to mis-locates	0	0	0	0
140.0253	Number of locates received	42,899	47,500	49,000	51,500

Proposal Title		Utilities Telemetry and Security Systems	
Proposal Number	140.25NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$1,929,077	3.80 FTEs/0.00 LTEs	

Executive Summary

Telemetry and SCADA (Supervisory Control & Data Acquisition) equipment provide continuous automated monitoring and control of utility systems (such as reservoirs and pump stations), significantly reducing the need for on-site staff. This proposal provides for operation, maintenance, and repair of telemetry (remote monitoring and control), providing reservoir levels, water pressures, sewage station levels, storm retention pond levels, and transmission of data to a central SCADA system. Security systems monitor facilities for intrusion and notify of breaches. These systems work to maintain water quality and supply, avoid sewer overflows, and manage regional storm facilities. Ongoing installation, maintenance, and repair is required to ensure equipment performance. Service levels balance the need for reliable delivery of drinking water, removal of sewage, and storm water management with the costs to provide telemetry, SCADA and security.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Utilities Telemetry and Security Systems

Proposal Number 140.25NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$877,336	\$915,449	\$1,792,785	\$945,408	\$983,669	\$1,929,077	\$136,292	7.6%
<i>Y/Y % Change</i>		4.3%		3.3%	4.0%			

Proposal Staffing Summary

Total FTEs	3.80	3.80	3.80	3.80
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0259	Number of water/sewer service interruptions caused by	0.00	0.00	0.00	0.00
140.0260	Number of security breaches discovered but not detected	0.00	0.00	0.00	0.00
140.0261f	Percent of planned preventive maintenance activities completed at telemetry sites	47.17%	100.00%	100.00%	100.00%
140.0317	Number of water or sewer pump station failures caused	0.00	0.00	0.00	0.00

Proposal Title	Asset Replacement		
Proposal Number	140.47DA	Outcome	Reserves
Proposal Budget (2023-2024)	\$4,738,177	0.00 FTEs/0.00 LTEs	

Executive Summary

Consistent financial management policy dictates systematic Utility funding to replace vehicles, other work equipment and major technology systems that have reached the end of their useful lives (Comprehensive Financial Management Policy 10.1.V.C). Asset Replacement is the Utilities’ equivalent of the Equipment Rental Fund and Information Technology Replacement programs. The utility vehicles, other equipment and major technology systems scheduled to be replaced are needed to enable crews, inspectors, and other staff to perform services identified in other Utilities proposals. This proposal is funded from an asset replacement account created specifically for this purpose, so there is no utility rate impact to customers.

Changes from previous biennium

While the amount of asset replacement needed in each biennium varies based on the asset service lives, Asset Replacement is planned for in Utilities rate forecasting in order to prevent rate spikes associated with asset replacement.

The Assets scheduled for replacement as part of the 2023-2024 Budget include 31 vehicles and equipment assets, and one major technology system: the Customer Information and Billing System.

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Proposal Title Asset Replacement

Proposal Number 140.47DA Outcome Reserves

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$163,023	\$130,393	\$293,416	\$3,982,123	\$756,054	\$4,738,177	\$4,444,761	1514.8%
<i>Y/Y % Change</i>		-20.0%		2953.9%	-81.0%			

Proposal Staffing Summary

Total FTEs	-	-	-	-
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0358	Percentage to target: Asset Replacement Account balance	110.1%	100.0%	100.0%	100.0%
140.0360	Percent Variance: Actual Capital Asset expenditures versus Budgeted Capital Asset expenditures	663.0%	100.0%	100.0%	100.0%

Proposal Title		Fiscal Management	
Proposal Number	140.49NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,107,030	5.50 FTEs/0.00 LTEs	

Executive Summary

The Fiscal Management Team operates as an internal support function and supports the daily financial operations of the Utilities Department by monitoring and reporting on the Utilities financial condition, conducting rate evaluations to ensure financial sustainability, protecting the City's investment by maintaining adequate operating reserves, and acting in the best interest of the ratepayers. Financial management of the Utilities are dictated by financial policies per the City's Comprehensive Financial Management Policies (10.1). By adhering to these financial policies, taking a long-term approach to financial planning, and practicing vigilant financial monitoring and management, Bellevue Utilities is in a good financial position to meet both operational and infrastructure replacement needs.

Changes from previous biennium

No significant change in operating expenditures or level of service is proposed.

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Proposal Title Fiscal Management

Proposal Number 140.49NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$821,351	\$865,280	\$1,686,631	\$1,159,622	\$947,408	\$2,107,030	\$420,399	24.9%
<i>Y/Y % Change</i>		5.3%		34.0%	-18.3%			

Proposal Staffing Summary

Total FTEs	5.50	5.50	5.50	5.50
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0128f	Operating expenditures vs. amount budgeted	109.58%	100.00%	100.00%	100.00%
140.0470	Percentage of monthly financial reports distributed to workgroup managers within 10 days of reporting period end	100.00%	100.00%	100.00%	100.00%
140.0471	Percentage of monthly financial reports distributed to BUD within 30 days of reporting period end	100.00%	100.00%	100.00%	100.00%
140.0472	Percentage of quarterly financial reports distributed to the Budget Office within 45 days of the end of the quarter	100.00%	100.00%	100.00%	100.00%

Proposal Title		Utilities Computer and Systems Support	
Proposal Number	140.60NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$4,061,277	4.50 FTEs/2.00 LTEs	

Executive Summary

The Computer and Systems Support proposal supports delivery of efficient and cost effective utility services through leveraged technology solutions. Utilities mail 5,000 utility bills weekly, collects over \$160 million in revenue annually and delivers services to over 145,000 customers daily in a network of 608 miles of water and 517 miles of sewer pipe, 92.5 miles of rivers and streams, and 24 water reservoirs, 21 water pump stations, and 47 sewer pump and flush stations. 140.60NA funds all the Utilities’ software, hardware, vendor support, professional services, and department personnel who provide business automation support. Systems maintained by this group include billing, work/asset management, field worker mobility, sewer/storm condition assessment video systems, water meter reading, engineering design, and water modelling. System support include automation short and long-range planning, implementation, testing, training, process improvement analysis, and reporting.

Changes from previous biennium

This proposal includes new costs related to the computer systems maintenance and support for the Department's AMI deployment, and the Software-as-a-Service component of the Utilities' new Customer Information and Billing System.

This proposal also includes the addition of one new Engineering Tech limited term employee to address a backlog of asset data updates in Utilities GIS system.

This proposal also includes the addition of one new GIS Analyst limited term employee to update meter location data in Utilities GIS system

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Proposal Title Utilities Computer and Systems Support

Proposal Number 140.60NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$1,366,668	\$1,369,860	\$2,736,528	\$2,201,799	\$1,859,479	\$4,061,277	\$1,324,749	48.4%
<i>Y/Y % Change</i>		0.2%		60.7%	-15.5%			

Proposal Staffing Summary

Total FTEs	4.50	4.50	4.50	4.50
Total LTEs	-	-	2.00	2.00

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0155f	Business Systems Project Completion Rate	70.91%	80.00%	80.00%	80.00%
140.0339	Percentage of Business Systems user assistance requests completed	95.30%	80.00%	80.00%	80.00%

Proposal Title Utilities Department Management and Support			
Proposal Number	140.42NA	Outcome	High Quality Built and Natural Environment
Proposal Budget (2023-2024)	\$2,006,808	4.00 FTEs/0.00 LTEs	

Executive Summary

Utilities is a self-supporting enterprise operating within the City of Bellevue, dedicated to actively supporting public health and safety, the environment, a sustainable economy, and neighborhood livability now and into the future. It does so by effectively and efficiently managing four distinct business lines (drinking water, wastewater, storm and surface water systems; and solid waste collection services which are contracted out), with a current biennial operating budget of \$322M (2021-2022), capital budget of \$236M (2021-2027), and 177 FTEs/LTEs (2022). Each line of business has its own unique operational and capital requirements. Because of the long lives of utility systems, Utilities' planning horizon extends out 75 years. With its diverse service portfolio, this large and complex department requires strong leadership, strategic vision, clear guidance, and thoughtful management.

Changes from previous biennium

The biennium over biennium change reflects one-time cost containment measures taken in 2022.

2023-2024 Utility Operating Budget Proposals

2023-2024 ESC BUDGET NOTEBOOK

Proposal Title Utilities Department Management and Support

Proposal Number 140.42NA **Outcome** High Quality Built and Natural Environment

Proposal Financial Summary

	Amended 2021-2022 Budget			Proposed 2023-2024 Budget			Biennium Change	
	2021	2022	Total 2021-2022	2023	2024	Total 2023-2024	Dollar Change	Percent Change
Total	\$935,972	\$870,079	\$1,806,051	\$983,541	\$1,023,268	\$2,006,808	\$200,757	11.1%
<i>Y/Y % Change</i>		-7.0%		13.0%	4.0%			

Proposal Staffing Summary

Total FTEs	4.00	4.00	4.00	4.00
Total LTEs	-	-	-	-

Performance Measures and Targets

Metric	Description	2021-2022 Budget		2023-2024 Budget	
		2021 Actual	2022 Target	2023 Target	2024 Target
140.0056	Employee job engagement score (Annual City Employee Survey)	2.69	2.00	2.00	2.00
140.0306	Utilities services customer satisfaction survey - (Citywide citizen survey)	87.00%	85.00%	85.00%	85.00%
140.0417	Is the Bellevue Utilities Department an Accredited Agency?	Yes	Yes	Yes	Yes
140.0418	Percentage of Utilities customers rating Bellevue Utilities	82.00%	90.00%	90.00%	90.00%

Attachment B

CITY OF BELLEVUE
UTILITIES DEPARTMENT

Proposed 2023-2029 Budget
Capital Budget Proposals

DATE: June 2, 2022

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Utilities Department

2023-2029 Capital Budget Proposals

Proposal: #140.02. Replacement of Aging Water Infrastructure

Description: This proposal funds replacement or rehabilitation of drinking water system infrastructure. Bellevue's water system is a complex network of pipes, reservoirs, pump stations, supply inlets, valves and meters that together deliver roughly 6 billion gallons of drinking water to our customers annually. System replacement value is estimated at roughly \$1.6 billion, and most of the system is more than halfway through its useful life. Failure trends and obsolete equipment demonstrate that system components are rapidly approaching the end of their service life and must be replaced. This proposal implements Utilities' long term water system renewal and replacement strategy by funding CIP programs for each major type of water system component, right-sized for proactive, sustainable water system management, to maintain acceptable service levels at the lowest life-cycle cost.

Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
W-16	Water Main Replacement	\$11,954,000	\$12,525,000	\$19,447,000	\$16,158,000	\$17,351,000	\$16,329,000	\$17,766,000	\$111,530,000
W-67	Pressure Reducing Valves	800,000	823,000	1,093,000	1,348,000	3,124,000	948,000	796,000	8,932,000
W-69	Minor Capital Improvement	-	-	-	-	-	-	209,000	209,000
W-85	Reservoir Rehabilitation	750,000	3,488,000	1,257,000	1,086,000	794,000	3,633,000	710,000	11,718,000
W-91	Pump Station Rehabilitation	4,462,000	2,682,000	1,786,000	410,000	422,000	-	418,000	10,180,000
W-98	Large Commercial Meter Vault Replacement	503,000	389,000	541,000	1,311,000	45,000	417,000	-	3,206,000
W-99	Service Lines & Saddle Replacement	552,000	796,000	337,000	-	-	19,000	153,000	1,857,000
W-110	Water Supply Inlet Rehabilitation	175,000	129,000	-	-	-	-	-	304,000
W-112	Water System Capital Planning	-	286,000	404,000	200,000	-	-	-	890,000
W-115	SCADA System Upgrade	614,000	316,000	232,000	-	-	-	-	1,162,000
W-117	170th PI SE Pressure Improvements	617,000	477,000	273,000	-	-	-	-	1,367,000
W-118	Somerset Highlands Capacity Improvements	440,000	906,000	2,435,000	2,000,000	-	-	-	5,781,000
W-119	Groundwater Well Improvements	-	-	360,000	1,919,000	923,000	1,734,000	7,899,000	12,835,000
140.02NA Total		\$20,867,000	\$22,817,000	\$28,165,000	\$24,432,000	\$22,659,000	\$23,080,000	\$27,951,000	\$169,971,000

Proposal: #140.03. Replacement of Aging Sewer Infrastructure

Description: This proposal funds replacement or rehabilitation of sanitary sewer system infrastructure. Bellevue's wastewater system is comprised of pipes and pump stations that remove 11 million gallons of sewage from homes and businesses every day, and convey it safely to King County's regional system for treatment and disposal. System replacement value is estimated at \$1.4 Billion, and most of the system is more than halfway through its useful life. The Utility uses asset management best practices to assess requirements for system repair or replacement; methods include ongoing inspection of sewer asset condition, analysis of failure modes and risks, and assessment of asset criticality and claims experience. This proposal implements Utilities' long term sanitary sewer renewal and replacement strategy by funding CIP programs for each type of major sewer system component, each right-sized for proactive, sustainable wastewater system management to maintain acceptable service levels at the lowest life-cycle cost.

Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
S-16	Sewage Pump Station Improvements	\$1,478,000	\$5,937,000	\$3,577,000	\$3,032,000	\$5,531,000	\$1,725,000	\$2,017,000	\$23,297,000
S-24	Sewer System Trunk Rehabilitation	3,590,000	2,799,000	7,330,000	3,773,000	3,281,000	3,370,000	2,701,000	26,844,000
S-32	Minor Capital Improvement	258,000	-	-	-	-	-	-	258,000
S-58	Sewer Lake Line Replacement	675,000	41,000	119,000	219,000	945,000	1,159,000	1,146,000	4,304,000
S-66	Sewer System Pipeline Replacement	558,000	71,000	270,000	839,000	216,000	-	-	1,954,000
S-112	Sewer System Capital Planning	-	-	1,366,000	397,000	-	-	-	1,763,000
S-115	SCADA System Upgrade	1,120,000	-	2,190,000	1,257,000	-	-	-	4,567,000
S-116	Permit Compliance Monitoring	51,000	37,000	38,000	39,000	41,000	42,000	43,000	291,000
S-117	Septic Systems Sewer Extensions	-	211,000	1,226,000	4,505,000	1,463,000	292,000	292,000	7,989,000
140.03NA Total		\$7,730,000	\$9,096,000	\$16,116,000	\$14,061,000	\$11,477,000	\$6,588,000	\$6,199,000	\$71,267,000

Utilities Department

2023-2029 Capital Budget Proposals

Proposal: #140.04. Replacement of Aging Storm Infrastructure

Description: This proposal funds replacement or rehabilitation of aging stormwater system infrastructure. Bellevue's stormwater system is comprised of regional detention facilities, pipes, culverts and open streams that convey stormwater runoff to eventual outfall into Lake Washington or Lake Sammamish. The constructed portions of the system, with estimated replacement value of \$1 Billion, are managed to prevent failures that cause flooding, erosion and traffic disruption, and to protect streams, lakes and wetlands as much as practicable from high velocity, erosive stream flows and pollution. Replacement of infrastructure prior to failure prevents property and environmental damage. This proposal implements Utilities' long term stormwater management strategy by funding CIP programs for the replacement and rehabilitation of storm infrastructure at the lowest life-cycle cost, while maintaining acceptable service levels, for sustainable storm system management.

Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
D-64	Stormwater Infrastructure Rehabilitation Program	\$3,822,000	\$1,840,000	\$2,772,000	\$2,843,000	\$2,909,000	\$2,660,000	\$2,946,000	\$19,792,000
D-115	SCADA System Upgrade	100,000	-	-	765,000	-	-	-	865,000
140.04NA Total		\$3,922,000	\$1,840,000	\$2,772,000	\$3,608,000	\$2,909,000	\$2,660,000	\$2,946,000	\$20,657,000

Proposal: #140.05. Utility Capacity for Growth

Description: This proposal funds construction of additional utility system capacity so that development and re-development projects are not delayed. Planned population growth of residents and workers in downtown, the Bel-Red Corridor, and the Wilburton Area will require more drinking water storage, more water from our regional system supplier, more sewer pump station capacity, added water and sewer pipe capacity to meet state minimum requirements, and increased redundancy in our utility systems. Existing facilities are at or near capacity to serve the current population. The initial cost of growth-driven projects will be recovered via capital recovery charges and via direct facilities connection charges to benefited properties. Water storage capacity in the West Operating Area is needed in the current seven-year CIP.

Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
W-103	West Operating Area Storage	-	-	\$400,000	\$1,099,000	\$1,755,000	\$962,000	-	\$4,216,000
140.05NA Total		-	-	\$400,000	\$1,099,000	\$1,755,000	\$962,000	-	\$4,216,000

Proposal: #140.08. Environmental Preservation

Description: This proposal funds Utility CIP projects focused on environmental preservation or restoration. It includes on-going programs and one-time projects intended to restore stream health and environmental habitat, or to prevent pollution of stream and habitat resources. These projects guard against harmful environmental impacts from City operations or repair environmental damage on public lands or lands with public responsibilities.

Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
D-81	Fish Passage Improvement	\$290,000	\$296,000	\$1,912,000	\$111,000	\$57,000	\$29,000	\$29,000	\$2,724,000
D-86	Stream Channel Modification	-	-	6,072,000	3,963,000	145,000	346,000	400,000	10,926,000
D-94	Flood Control	-	2,574,000	2,927,000	1,299,000	4,260,000	580,000	36,000	11,676,000
D-104	Stream Restoration for Mobility & Infrastructure	-	258,000	-	-	-	-	-	258,000
D-109	Stream Water Quality Retrofit	65,000	342,000	1,473,000	260,000	1,406,000	1,224,000	348,000	5,118,000
D-112	Storm & Surface Water Planning	25,000	645,000	451,000	300,000	-	-	-	1,421,000
D-114	Factoria Blvd Conveyance Improvement	720,000	4,290,000	1,398,000	500,000	388,000	-	-	7,296,000
D-116	Post Construction Compliance Monitoring & Maintenance Program	372,000	263,000	175,000	197,000	216,000	147,000	86,000	1,456,000
140.08NA Total		\$1,472,000	\$8,668,000	\$14,408,000	\$6,630,000	\$6,472,000	\$2,326,000	\$899,000	\$40,875,000

Utilities Department

2023-2029 Capital Budget Proposals

Proposal: #140.70. Maintenance and Operations Facility Land Acquisition and Development

Description: As the City of Bellevue continues to grow, there is a critical need for long range operational facilities planning to ensure that the Utilities Department (Utilities) can meet the community's current and future needs in an efficient and timely manner. The current service locations are functioning at or near capacity, and there is significant risk that they will not be sufficient to meet Utilities' growing operational needs. To address this, Utilities initiated the development of a long-range Operations and Maintenance (O&M) Facilities Plan. Based on the alternatives analysis within the O&M Facilities Plan, property acquisition and site development is being recommended in the 2023-2029 CIP for the maintenance facility.

Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
W-111	Maintenance and Operations Facility Land Acquisition and Development - Wa	-	-	\$2,466,000	\$1,401,000	-	-	-	\$3,867,000
S-111	Maintenance and Operations Facility Land Acquisition and Development - Sev	-	-	3,315,000	2,779,000	-	-	-	6,094,000
140.70NA Total		-	-	\$5,781,000	\$4,180,000	-	-	-	\$9,961,000

Proposal: #140.71. Project and Portfolio Management System

Description: This proposal is a collaborative effort between the Utilities and Transportation Departments that will fund the purchase and implementation of a modern tracking and reporting system supporting the management and delivery of both departments' Capital Investment Programs and Projects. The proposed system will replace the Project Reporting System (PRS), built by Bellevue's Information Technology Department more than a decade ago. PRS suffers from poor performance, inefficiency, and instability and lacks analysis, workload management, and flexible reporting functionality needed by project and fiscal managers, engineering managers and executive leadership.

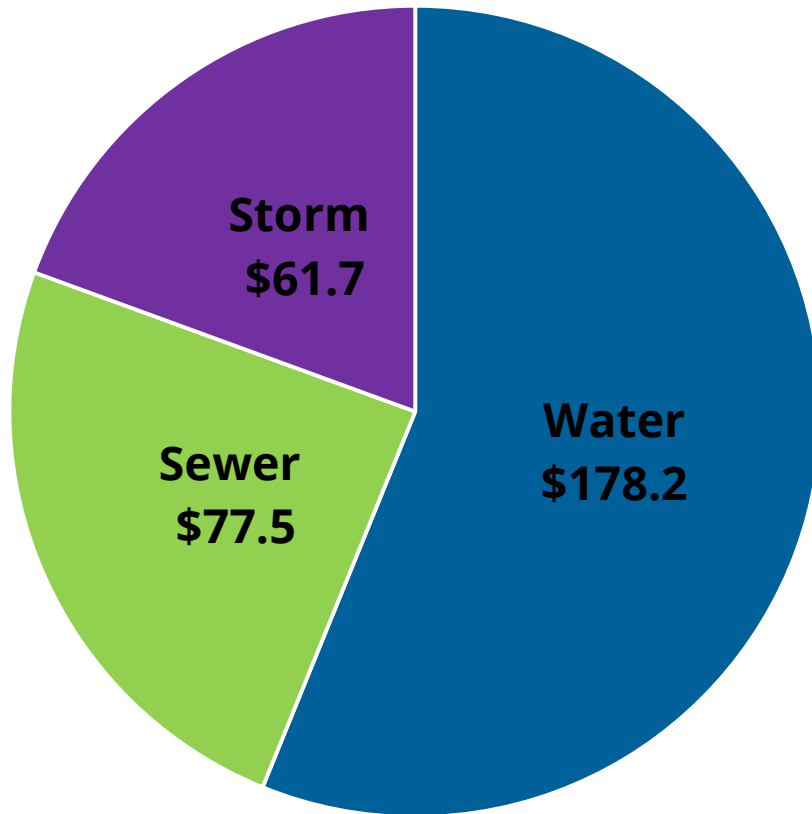
Plan #	Plan Description	2023	2024	2025	2026	2027	2028	2029	2023-2029 Total
W-120	Project and Portfolio Management System - Water	\$134,000	\$33,000	-	-	-	-	-	\$167,000
S-120	Project and Portfolio Management System - Sewer	133,000	34,000	-	-	-	-	-	167,000
D-120	Project and Portfolio Management System - Storm	133,000	33,000	-	-	-	-	-	166,000
140.71NA Total		\$400,000	\$100,000	-	-	-	-	-	\$500,000

Grand Total		\$34,391,000	\$42,521,000	\$67,642,000	\$54,010,000	\$45,272,000	\$35,616,000	\$37,995,000	\$317,447,000
Totals by Utility									
Water utility subtotal		\$21,001,000	\$22,850,000	\$31,031,000	\$26,932,000	\$24,414,000	\$24,042,000	\$27,951,000	\$178,221,000
Sewer utility subtotal		7,863,000	9,130,000	19,431,000	16,840,000	11,477,000	6,588,000	6,199,000	77,528,000
Storm utility subtotal		5,527,000	10,541,000	17,180,000	10,238,000	9,381,000	4,986,000	3,845,000	61,698,000
Total		\$34,391,000	\$42,521,000	\$67,642,000	\$54,010,000	\$45,272,000	\$35,616,000	\$37,995,000	\$317,447,000

Utilities Department
2023-2029 Capital Budget Proposals

Total CIP: \$317.4M

By Utility



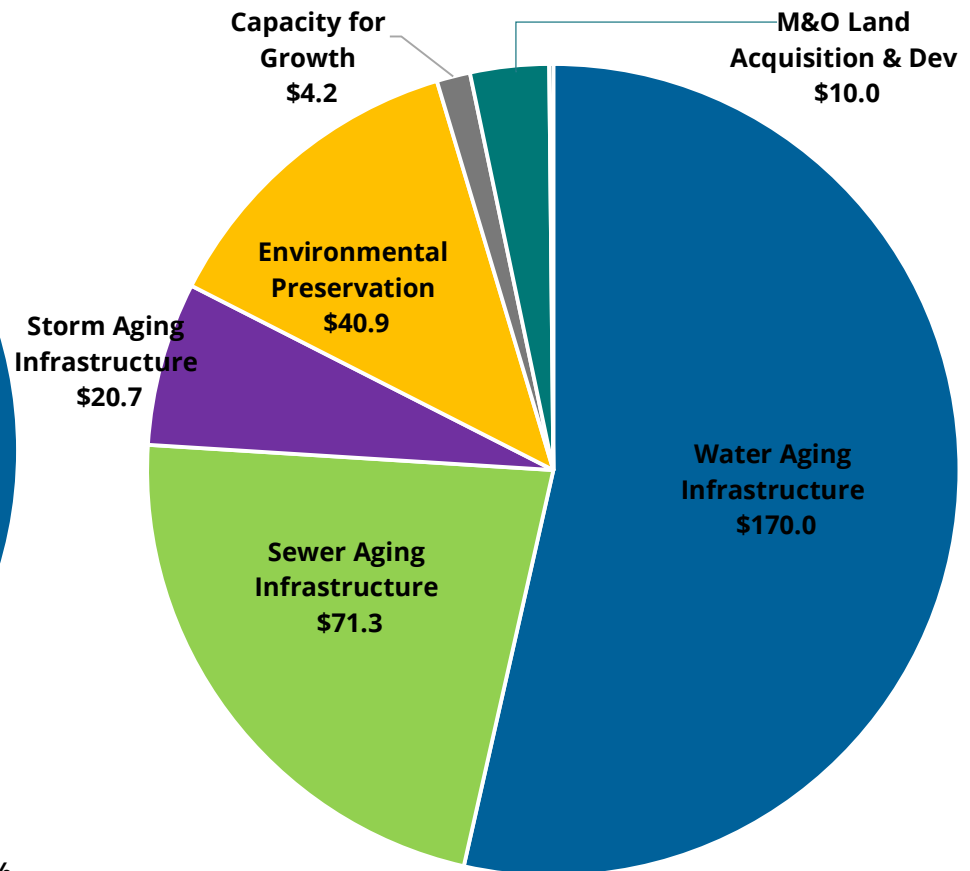
Water CIP - 56%

- Aging Infrastructure: 54%
- Capacity for Growth: 1%
- M&O Land Acquisition & Dev: 1%

Sewer CIP - 24%

- Aging Infrastructure: 22%
- M&O Land Acquisition & Dev: 2%

By Area of Investment



Storm CIP - 20%

- Aging Infrastructure: 7%
- Environmental Preservation: 13%