

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

Thursday  
April 4, 2019  
6:30 p.m.

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

**COMMISSIONERS PRESENT:** Diann Strom (Chair), Vanja Knezevic (Vice Chair), Negin Khanloo, Aaron Morin<sup>1</sup>, Ling Zhuang

**COUNCIL LIAISON:** Jared Nieuwenhuis

**COMMISSIONERS ABSENT:** Anne Howe, Lisa Schreiner

**OTHERS PRESENT:** Lucy Liu, Assistant Director – Resource Management & Customer Service; Douglas Lane, Water & Sewer Systems Sr. Engineer – Utilities; Jolie Liu, Fiscal Manager; Laurie Hugdahl, Minutes Taker;

**1. CALL TO ORDER:**

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

**2. APPROVAL OF AGENDA**

**Motion made by Commissioner Zhuang, seconded by Commissioner Knezevic, to approve the agenda as presented. Motion passed unanimously (4-0).**

**3. ORAL AND WRITTEN COMMUNICATIONS**

Oral and written communications were solicited. There were none.

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

Councilmember Nieuwenhuis congratulated commission members for being reappointed. He gave an update on the Amazon move to Bellevue. He explained that staff has been doing a great job preparing Bellevue for this growth. This is a win-win for Bellevue and Amazon. The City is about to embark on its annual Human Services Need Survey. This provides very important information about

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<sup>1</sup> Aaron Morin arrived at 6:54 p.m.

the services needed in the city. The City is working on making the temporary homeless shelter on 116<sup>th</sup> a year-round shelter. Councilmember Nieuwenhuis commented on the purpose of the Environmental Services Commission. He noted that the Commission is the eyes and ears of the community. He clarified that the Commission's purpose is to review and make recommendations on policy issues to the Council, but not to get involved in operational matters.

## **5. STAFF REPORTS**

Asst. Director Liu reported on the status of negotiations related to the AMI customer portal contract. It is unlikely that the City will come into an agreement with the current vendor. The City will likely conduct a competitive procurement process to find another provider. This will not delay the implementation of the AMI project, but will delay the implementation of the customer portal. A new Deputy Director, Brian Bartle, has been hired and will be starting April 16. Councilmember Nieuwenhuis asked about whether there are other vendor options for the customer portal. Asst. Director Liu was confident that the City would be able to find another vendor to meet the City's needs.

## **6. APPROVAL OF MINUTES**

### 3/7/19 Regular Meeting Minutes

Commissioner Zhuang referred to page 6 of the minutes and had the following corrections in the paragraph that begins, "Commissioner Zhuang also asked about the following . . .":

- Correct the spelling of "Sweyolocken" in the first sentence.
- The last sentence in that paragraph should be replaced with the following: "She thinks there can be an action taken."

**Motion made by Commissioner Khanloo, seconded by Commissioner Knezevic, to approve the minutes as amended. Motion passed unanimously (4-0).**

## **7. UNFINISHED BUSINESS**

None

## **8. NEW BUSINESS**

### 2018 Financial Performance Report

Jolie Liu, the Utilities Department's new Fiscal Manager, introduced a report on the City's financial performance in 2018 for the Water, Sewer, Stormwater, and Solid Waste utilities. Asst. Director Liu reviewed foundational financial policies

that guide financial management of the utilities. Highlights of the report were that all utilities ended 2018 in positive financial condition. Per city policy, at the end of 2018, which is the end of the last biennium, the exceptional one-time revenues above budget levels in the Water, Sewer, and Stormwater utilities were transferred to the capital infrastructure renewal & replacement (R&R) account to fund future infrastructure needs. She discussed the effect of exceptionally hot, dry summer weather in 2017 and 2018 which contributed to exceptional water sales. The challenges associated with forecasting water consumption were discussed. The performance of each utility was reviewed.

The Water Utility started 2018 with a beginning fund balance above budget from exceptional water sales in 2017 that was primarily driven by hot, dry summer weather. 2018 revenues were above budget primarily due to exceptional water sales due to another extraordinarily dry, hot summer. Expenditures were above budget largely due to the transfer of operating reserves above budgeted levels to the capital infrastructure R&R account and higher than anticipated taxes. The 2018 ending fund balance is \$7.4M above budgeted levels. Out of this amount, City Council approved \$5.3M funding for the acquisition of land for future development of a north-end maintenance facility. Asst. Director Liu highlighted the importance of the north-end maintenance facility.

Sewer Utility highlights were also reviewed. The 2018 revenues were above budget also due to the exceptionally warm and dry summer weather. 2018 expenses were above budget due to transfers of operating reserves above budgeted levels to the capital R&R account and CIP for acquisition of land for future development of the north-end maintenance facility. The 2018 ending fund balance was close to target levels.

Stormwater revenues and expenditures were close to budget. The 2018 ending fund balance was also close to target levels. The Solid Waste Utility began the year with a fund balance above budget due to 2017 performance. The 2018 revenues were above budget, driven by payments from Republic Services for unearned performance bonuses and not meeting performance expectations. Expenses were below budget due to operational savings. The ending fund balance was above target levels.

Asst. Director Liu summarized that all utilities are in compliance with financial policies. The strong financial performance in the 2017-2018 biennium positions each utility in strong financial condition going into 2019. Staff will continue to closely monitor 2019 financial performance and exercise continued fiscal prudence and long-term financial planning.

#### Water Distribution System Seismic Vulnerability Assessment

Doug Lane reviewed guiding principles, post-earthquake level of service and water quality level of service. He asked for feedback related to defining critical customers and explained that Utilities would come back as part of an iterative process. Staff will re-visit the definition of critical customers after more is known about the costs to improve resiliency to serve certain customers, as affordability is one aspect of prioritizing service.

Commissioner Morin asked about limitations for businesses that are required to have certain level of services before opening. Without water a company that otherwise might be able to open might not be in compliance with regulations, such as providing restrooms to customers. Mr. Lane agreed and added that without water, building occupancy could be an issue due to the lack of fire sprinkler service.

Commissioner Knezevic encouraged the City to remember public health facilities in addition to hospitals. Mr. Lane noted that public health facilities are on the proposed list on the presentation, though lower-priority than emergency medical centers, and reviewed ideas related to prioritization of critical customers.

Chair Strom asked for more information about “community recovery” in the Critical Customers presentation slide. Mr. Lane explained that this refers to customers that provides services to the general public that would help people get back to relatively normal life following an emergency.

Commissioner Zhuang encouraged evaluation of prioritization criteria in order to impact the most customers in an area. Mr. Lane confirmed that the evaluation process looks at this.

Commissioner Khanloo expressed concern about vulnerable populations who might need regular medical care, but not necessarily emergency care. Doug Lane thought those groups would be included in the public health category.<sup>2</sup>

Commissioner Morin asked if the City had considered having a central space where people could come for water in the event of a really bad situation with extended service outages. Mr. Lane replied that there are a number of ways the City is looking at for accomplishing this, including emergency wells, a mobile truck, large bladders that can be filled at hydrants and moved to an out-of-service area, etc. These are strategies that will be considered; however, these require the customer having a vehicle and the means to travel which is why the City is considering vulnerable populations in the evaluation of critical customers, since they may not be able to help themselves.

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<sup>2</sup> Commissioner Knezevic left the meeting at 7:37 p.m.

Commissioner Khanloo asked about the priority list for Los Angeles for informational purposes. Mr. Lane replied that Los Angeles and San Francisco have different ways of looking at this due to their past experiences. There is a lot of built-in preparedness on the part of the customers.

Commissioner Morin referred to Guiding Principles and suggested that communication should be included in this. He commented on how important good communication is during a time of emergency. Chair Strom concurred. She added that communicating how prioritization of customers is done would be very important in the context of communication. She suggested that communicating that the City is working on this plan now is also important. Commissioner Khanloo suggested studying public expectations in the event of an earthquake.

## **9. ORAL AND WRITTEN COMMUNICATIONS**

Mr. Court Olson expressed concern about lateral displacement along the Seattle fault line in the event of a severe quake and wondered if the City is preparing for this potential situation which could result in sheered water lines and lack of accessibility to I-90. Doug Lane explained they are anticipating a lot of potential impacts. He offered to meet to discuss this more in depth.

Mr. Olson asked the following questions:

- If lines are fractured how will the City find out where breaks are and fix them?
- How will the City get around if there are blockages to accessibility, and mobility is an issue?
- How would power outages impact the pumps?
- Is the City considering both wastewater and sewer?

## **10. REVIEW OF ESC CALENDAR/COUNCIL CALENDAR;**

- ESC Calendar/Council Calendar

Asst. Director Liu reviewed ESC and Council calendar items.

Commissioner Zhuang asked why the Storm Cost of Service Report agenda item had been moved from June to September. Asst. Director Liu explained that the studies have taken longer than anticipated. Commissioner Zhuang asked for more details about items included on the Council Calendar, and staff responded. There was discussion about how the general public can stay informed about agenda items.

Asst. Director Liu responded to the Commission's previous question about how Utilities handles cleanup after a snow event. She explained that sand is removed from roadways and drainage structures, but ice melt products are not

feasible to remove since they dissolve into the melting snow. Fortunately, the level of salt within the streams is highly diluted by upstream runoff from areas outside of the road right of way where salts have not been used. This approach taking into account natural dilution is the accepted best management practice at this time and consistent with how the region manages the application of salts following a snow/ice event. Commissioner Morin expressed disappointment about the City's approach and the potential impact on fish and the waterways.

Commissioner Zhuang commented that the water quality in the streams is decreasing. She commented that even though the City has done some major improvements to culverts there still were no salmon back in Kelsey Creek. She noted that there are many factors contributing to this and suggested exploring other approaches to improve the situation. Staff explained that there is information coming back to the Commission later this year to discuss this further. Commissioner Khanloo suggested public outreach about this (especially salt) prior to next winter.

## **11. ADJOURNMENT**

The meeting was adjourned at 8:25 p.m.