

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

Thursday
August 20, 2020
6:30 p.m.

Zoom

1. CALL TO ORDER:

The meeting was called to order by Chair Knezevic at 6:34 p.m.

ROLL CALL

COMMISSIONERS PRESENT: Vanja Knezevic (Chair), Diann Strom (Vice Chair), Neal Hines, Anne Howe, Negin Khanloo, Ken Wan, Ling Zhuang

COUNCIL LIAISON: Conrad Lee

COMMISSIONERS ABSENT: None

OTHERS PRESENT: Brian Bartle, Deputy Director, Utilities; Lucy Liu, Resource Management and Customer Service Asst. Director, Utilities; Linda De Boldt, Engineering Asst. Director, Utilities; Brian Landau, Planning Manager, Utilities; Jo Liu, Fiscal Manager, Utilities; Joe Harbour, Operations and Maintenance Asst. Director, Utilities; Erin Hislop, Conservation and Outreach Program Administrator, Utilities; Ana McMahon, Resource Conversation Program Manager, Finance and Asset Management; Liesl Olson, Management Fellow, City Manager's Office; Cherish Jackson, Interim Executive Assistant, Utilities; and Laurie Hugdahl, Minutes Taker

Deputy Director Brian Bartle read an introductory statement regarding online meetings.

2. TEMPORARY SUSPENSION OF BYLAWS

Chair Knezevic explained that several items in the Commission's bylaws needed to be suspended temporarily in order to remotely hold meetings.

Motion made by Vice Chair Strom, seconded by Commissioner Hines, to suspend remote participation provisions and bylaws until such time as the Environmental Services Commission is no longer holding its meetings remotely. The motion passed unanimously (7-0).

Motion by Vice Chair Strom, seconded by Commissioner Wan, to suspend oral public communications provisions and bylaws and allow public participation to be submitted in writing and read for the August 20, 2020 Environmental Services Commission meeting only. Upon a roll call vote, the motion passed unanimously (7-0).

Motion made by Vice Chair Strom, seconded by Commissioner Khanloo, to suspend order of business provisions and bylaws until such time as the Environmental Services Commissions is no longer holding its meetings remotely. Upon a roll call vote, the motion passed unanimously (7-0).

3. APPROVAL OF THE AGENDA

Motion made by Vice Chair Strom, seconded by Commissioner Zhuang, to approve the agenda. The agenda was approved unanimously (7-0).

4. WRITTEN COMMUNICATION

Interim Executive Assistant Cherish Jackson read an email received from David Plummer regarding concerns about increasing utility rates and recommending that the City find ways to reduce rates. He also suggested numerous changes to the 2021-2027 Operating and CIP budget proposals. Chair Knezevic noted that the email had been distributed to all commissioners.

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

Councilmember Lee thanked the ESC for their work and noted that the City Council is looking forward to their budget recommendations.

6. STAFF REPORTS

None

7. APPROVAL OF MINUTES

A) 8/6/20 ESC MEETING MINUTES

Commissioner Wan referred to the third paragraph on page 3 and had the following amendments:

“Commissioner Wan encouraged the ~~City Utilities Department~~ to be more aggressive about tying into ~~environmental goals~~ Environmental Stewardship Initiative Goals.

Motion made by Commissioner Khanloo, seconded by Commissioner Zhuang, to approve the 8/6/20 minutes as amended by Commissioner Wan. Upon a roll call vote, the motion passed unanimously (7-0).

8. UNFINISHED BUSINESS

None

9. NEW BUSINESS

a) Utilities Proposed 2021-2022 Operating and 2021-2027 CIP Budgets Follow-Up

*Linda De Boldt, Asst. Director – Engineering
Lucy Liu, Asst. Director – Resource Mgmt. and Customer Service
Jolie Liu, Fiscal Manager – Resource Management and Customer Service
Joe Harbour, Asst. Director – Operations and Maintenance*

Asst. Director Liu gave a high-level overview of the proposed 2021-2027 CIP and the 2021-2022 Operating Budget that the Commission had reviewed previously. There were no changes to the proposed CIP budget from what the commission previously reviewed, but there were some changes to the operating budget.

Since the previous review, staff has received updates from Cascade that their proposed rates have come down which in turn impacts Bellevue's water rates. Personnel costs are a little lower than previously projected. To minimize rate impacts to customers, the Utilities Department is committed to no rate increases for local operations in the next biennium. The City is also committed to lowering planned R&R contributions in the next biennium. These changes will reduce the proposed operating budget by \$10.1M.

Asst. Director Liu then reviewed the proposed 2021-2026 rates forecast considering the revised budget numbers. She discussed each utility noting updated rates forecasted and estimated 2021 and 2022 monthly bills. The current typical residential combined monthly bill is \$183.05. The 2021 monthly bill is estimated to increase by 3.8% to \$189.96. In 2022 the typical residential combined monthly bill is estimated to increase by 3.9% to \$197.44.

Commissioner Wan asked how reducing the R&R contributions as proposed would impact future R&R funding levels. Asst. Director Liu replied that with the reductions in R&R the City will not be able to put away as much as previously planned by 2026, and will need more time to

get to the same level of R&R funding. They will try to start the process of catching up in 2022 incrementally over time. Beyond 2026 this will continue to gradually catch up in order to avoid rate spikes on the local element. Commissioner Wan asked for an estimate of when they would be caught up. Asst. Director Liu estimates it would take 2-3 bienniums to catch up.

Commissioner Khanloo noted that Bellevue is still competitive even considering 2020 rates of other cities and 2021 rates of Bellevue.

In response to a previous question by Commissioner Wan, Asst. Director Liu and Asst. Director De Boldt reviewed how the City is supporting the Environmental Stewardship Initiative goals with Water Conservation program investments of \$0.9M, Solid Waste program investments of \$2.5M, and Watershed Management program investments of \$3.9M (Watershed Management Plan, Water Quality Retrofit Program, Stream Channel Modification Program, Fish Passage Improvement Program, Storm Culvert Condition Assessment Program, stream habitat surveys, salmon spawning surveys).

Commissioner Hines asked if there had ever been consideration of further citizens volunteer monitoring programs. Brian Landau discussed Stream Team and salmon watcher efforts which utilize citizens.

Commissioner Zhuang reiterated her concern about the data being outdated by the time they start to take action in the next biennium. She urged the City to speed up the process to improve the situation, especially in Kelsey Creek. Asst. Director De Boldt commented that some improvements have already begun, but the habitat data will be analyzed this coming fall and winter. Those results as well as the spawning surveys will help to assess the limiting factors to the return of salmon to Kelsey Creek. Those areas will be the foundation for the proposed improvement projects in Kelsey Creek. There may be some early action projects that can be done as new information is available. Commissioner Zhuang asked if there are any efforts to restore tree canopy to the creeks to address water temperature. Asst. Director De Boldt commented that riparian restoration is a strategy and will be considered as a potential tool.

Commissioner Wan thanked staff for their response and asked if the City is meeting the environmental goals. Asst. Director Liu and Asst. Director De Boldt explained that the City is always working to meet goals. The goals and objectives of the Watershed Management Plan will be the driver for future efforts. It is important to have the future investments be done in a strategic way based on scientific information.

Commissioner Zhuang expressed concerns regarding solid waste efforts not being aggressive enough to approach no-waste levels. Asst. Director Liu explained that Utilities' approach has been education and outreach. They want to be very thoughtful about any mandates such as banning single-use plastics. Additional funding for solid waste programs would basically result in rate increases.

Asst. Director Liu then reviewed the next steps in the Commission's budget review process. She solicited a recommendation to the City Manager regarding the 2021-2022 Budget and the 2021-2027 CIP Budget.

Commissioner Wan thanked staff for the updated budget presentation and for their efforts to hold local operations costs flat where possible in the next two years.

Commissioner Zhuang commended staff for the time they have spent helping her understand how the budget works. She expressed appreciation for operating with lean operations and thinking long-term.

Motion made by Vice Chair Strom, seconded by Commissioner Khanloo, to approve the budget as presented at \$323.3M to the City Manager. Motion passed unanimously (7-0).

Motion made by Commissioner Khanloo, seconded by Commissioner Hines, to recommend the CIP Budget as presented at \$235.6M to the City Manager. Motion passed unanimously (7-0).

b) Environmental Stewardship Plan Update

Ana McMahon, Resource Conservation Program Manager, FAM

Liesl Olson, Management Fellow, CMO

Erin Hislop, Conservation and Outreach Program Administrator, UT

Program Manager McMahon made a presentation regarding progress since the last presentation in January, updated goals and targets, outreach and engagement overview, draft list of actions, and the impact of Covid-19 on the ESI plan and revised timeline. Upon Council direction they have been really engaging with boards and commissions. The 2021-2025 ESI Plan will establish long-term and short-term goals and targets; develop actions for the next five years; build on the foundation for future, and seek funding for implementation. She reviewed current status and communitywide targets for various areas.

Commissioner Zhuang suggested having interim goals align with the five-year periods. Program Manager McMahon explained that the City is

developing an Environmental Stewardship Dashboard website which will be a report online for the community to view.

Management Fellow Olson discussed public engagement efforts which began in March including an open house, online survey, Earth Week: Climate Anxiety Talk, online town hall, business focus group, Bellevue Chamber presentation, and BSD Sustainability Town Hall. The top five potential actions according to community members include: a single-use plastics ban, Transportation Master Plan, tree preservation code, home energy retrofit program, and targeted land acquisition.

Draft actions for the Environmental Stewardship Initiative that impact Utilities include:

- Materials Management and Waste: recycling education/outreach; single-use plastics ban; construction/demolition waste recycling; recycling space requirements; waste study; food waste prevention; and assess waste strategies
- Natural Systems: improve stream health; stormwater retrofit

Management Fellow Olson addressed impacts of COVID and climate change. At this time they are trying to prioritize strategies that will reduce costs for businesses and residents. They see a need for strong action for environmental stewardship similar to strong actions taken to address COVID.

Commissioner Zhuang expressed appreciation for the outreach events and for the educational focus of them. She also suggested looking at remote working as a positive thing for the City. Program Manager McMahon agreed that this needs to be an ongoing conversation.

Management Fellow Olson reviewed the revised timeline.

Vice Chair Strom thanked the team for the presentation and for their hard work. Chair Knezevic concurred.

10. REVIEW OF COMMISSION & COUNCIL CALENDARS

Deputy Director Brian Bartle reviewed the calendars. The next ESC meeting will be on October 1 with a special meeting on October 22 (tentative) for budget and rate recommendations.

11. ADJOURNMENT

Motion made by Chair Knezevic, seconded by Vice Chair Strom, to adjourn the meeting. Upon a roll call vote, the motion passed unanimously (7-0).

The meeting was adjourned at 8:42 p.m.