

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

Thursday
January 6, 2022
6:30 p.m.

Zoom

1. CALL TO ORDER/ROLL CALL

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

COMMISSIONERS PRESENT: Vanja Knezevic (Chair), Negin Khanloo (Vice Chair), Andy Dupertuis, Neal Hines, Anne Howe, Diann Strom

COUNCIL LIAISON: Conrad Lee

COMMISSIONERS ABSENT: Ken Wan

OTHERS PRESENT: Lucy Liu, Deputy Director, Utilities; Nav Ota, Director, Utilities; Linda De Boldt, Utility Engineering Assistant Director; Brian Landau, Planning Manager, Utilities; Chad Beck, Smart Utility Program Manager; Todd Dahlberg, Business Services Manager; and Laurie Hugdahl, Minutes Taker

2. TEMPORARY SUSPENSION OF BYLAWS

Chair Knezevic and Deputy Director Liu read an introductory statement regarding online meetings and procedures.

3. APPROVAL OF THE AGENDA

Motion made by Vice Chair Khanloo, seconded by Commissioner Strom, to approve the agenda. The agenda was approved unanimously.

4. WRITTEN COMMUNICATION

None.

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

Councilmember Lee wished everyone a Happy New Year and welcomed new Commissioner Andy Dupertuis.

Director Otal also expressed positive sentiments about the upcoming year. She thanked the Commission for their hard work and welcomed Andy Dupertuis.

6. STAFF REPORTS

Deputy Director Liu gave a report on the Utilities Department response to the recent inclement weather event.

7. APPROVAL OF MINUTES

a) 12/2/21 MINUTES

Motion made by Vice Chair Khanloo, seconded by Commissioner Strom to approve the 12/2/21 minutes as presented. Upon a roll call vote, the motion passed unanimously.

8. UNFINISHED BUSINESS

None

9. NEW BUSINESS

a) 2023-2029 CIP Budget Process

*Asst. Director Engineer Linda De Boldt
Utilities Systems Planning Manager, Brian Landau*

Asst. Director De Boldt introduced the presentation regarding the Utilities 2023-2029 CIP Budget development process and discussed the interrelated roles of staff, the ESC, and the City Council. She gave an overview of what the CIP is, noted it is updated every two years as part of the biennial budget process and explained it supports aging infrastructure, supports community growth and development, and ensures that utilities infrastructure continues to support excellent utility services. She discussed the relationship between projects, programs, and utility funds.

Utilities Systems Planning Manager Brian Landau discussed how the CIP supports the Utilities mission. The CIP Plan supports Bellevue Utility's mission to support public health and safety, quality neighborhoods, healthy and sustainable environment, and the economy. The CIP Plan proposes projects for asset renewal and replacement/aging infrastructure, regulatory/mandates, environmental stewardship, capacity for growth, and service enhancement via the three utilities – Water, Sewer, and Storm and Surface Water. He reviewed how the projects are sourced from system plans, operations and managements, agency coordination, engineering studies, asset management, and customer input. He also discussed

project prioritization criteria including reliable infrastructure, project constraints, level of service/capacity enhancement, employee safety/regulatory, environmental stewardship, and service equity.

The CIP budget process is continually being improved. Specifically, project identification and prioritization continue to improve. Resources and scheduling tools also continue to improve. Mr. Landau gave an overview of the mission of each of the three utilities – Water, Sewer, and Storm and Surface Water. He then reviewed the CIP budget development schedule.

b) AMI Update

Chad Beck, Smart Utility Program Manager
Todd Dahlberg, Business Services Manager

Mr. Beck and Mr. Dahlberg provided an update on the AMI project and the non-communicating water meter program. Mr. Beck reviewed benefits of the AMI system and discussed project milestones from 2018 to 2022. About 21,000 meters have been replaced, representing about 52% of customer accounts. He explained that there has been a delay with the cellular transmitter production because of overseas factory closures. Over the next several months Itron will continue to install digital meters for the remaining 19,000 customers; install cellular transmitters for 40,000 customers; and transition from manual to automated meter reading with the project expected to be complete in late fall of 2022.

Mr. Dahlberg reported on the non-communicating water meter service (AMI Opt Out) option to provide existing customers an exception to the new standard water meter on a transitional basis. He stressed that AMI is the new standard for Bellevue Utilities, and opt-out from AMI will be offered, as a courtesy, on a transitional basis by request only during project implementation for existing single-family residential customers. This opt-out program will sunset in five years. Customers who choose this option will not have access to near real-time water consumption data, will be unable to receive important automatic alerts regarding potential leaks and backflow, will not be eligible for leak adjustments, and will incur additional fees.

Impacts to the Utility: Utilities will be required to maintain manual reading capability and provide additional administrative coordination. There will need to be a modified billing process. The efficiency of the AMI project will be decreased overall. There will need to be installation of cellular endpoints in the future for those who are opting out now.

Proposed Fees:

- \$80 one-time application processing fee

- \$30 One-time transmitter removal fee (waived if transmitter has not been installed yet)
- \$15 recurring fee per manual meter reading (currently every two months)

Commissioner Howe asked if it would really only cost \$15 for a staff person to manually read the meter. Mr. Dahlberg affirmed they had carefully considered all costs. It is very similar to the shut off/tag process. Chair Knezevic expressed doubt that this fee would fully cover the costs. She was extremely disappointed that opting out is an option at all and concerned that this would become a burden to the rest of the customers. Director Otal expressed appreciation to the Commission for their work on this topic. She agreed that this is not where they want to be with this program. She explained the reasoning behind offering this option came down to risk assessment and not wanting to derail the whole program. She stressed that customers who take advantage of this option will not have access to leak adjustments and leaks can be extremely costly. She also noted that staff will monitor this closely and if they find they need to adjust the fees they will be able to do that. She encouraged the ESC to present their opinions to the City Council.

Commissioner Strom asked if there will be any outreach to educate customers and encourage them to switch over sooner. Mr. Dahlberg indicated they would consider ways to do that. Director Otal suggested an annual process to present the costs to customers and how they are missing out on the benefits.

Vice Chair Khanloo asked if staff is communicating with customers that they will not be eligible for leak adjustment. Mr. Dahlberg replied they are clearly communicating that, and customers must acknowledge that on the application form.

Chair Knezevic asked how costs of education would be calculated. Mr. Dahlberg indicated they would go back through that and make sure those costs are considered. Mr. Beck commented that as part of the AMI project there have already been a significant number of educational materials created. He doesn't think they will need to do more than that. He added that it is not a lack of education, but a firmly held belief behind the reason for most of those who choose to opt out.

Director Otal assured the Commission that staff would review all costs and make sure that they are all recovered. It will take some time to see if the estimates staff has for costs are in line with the actual costs.

Commissioner Hines asked how many cities are using smart water meters. Mr. Beck was not sure, but thought it was probably in the hundreds. The cellular part is a new technology for the AMI providers. Commissioner Hines asked about

expected costs savings. Mr. Beck indicated he could come back to Commission with the number.

Councilmember Lee thanked the Commission for their concerns and their questions but explained that the final decision would be made by the City Council and would necessarily include some political consideration. Director Otal acknowledged that the Commission had a very thoughtful review of this topic. She encouraged them to draft a letter to Council outlining their thoughts and concerns. Councilmember Lee concurred.

Chair Knezevic explained how her experience in the health care field correlates to her feelings on this matter. There was discussion about ways that the Commission could proceed from here. Chair Knezevic stated she would work with staff to develop a letter to share with the Council and bring that back to the Commission.

10. REVIEW OF COMMISSION & COUNCIL CALENDARS

11. ADJOURNMENT

Motion made by Chair Knezevic, seconded by Vice Chair Khanloo, to adjourn the meeting. Upon a roll call vote, the motion passed unanimously.

The meeting was adjourned at 8:14 p.m.