Agenda

ENVIRONMENTAL SERVICES COMMISSION MEETING

450 - 110th Avenue NE (City Hall)
Conference Room 1E-113
Thursday 6:30PM
March 7, 2013
Regular Meeting

		Page No.	Action
1.	Call to Order – Brad Helland, Chair		
2.	Oral Communications Note: Three-minute limit per person, maximum of three persons for each side of topic. Additional presentation may be heard at Agenda Item 8.		
3.	Approval of Agenda *	1	X
4.	Approval of Minutes * • February 7, 2013	2 - 12	X
5.	Reports & Summaries		
	• Conservation & Outreach Events & Volunteer Opportunity *	13	
	• Council Calendar *	14 – 15	
	• ESC Calendar *	16 – 17	
	• Budget Monitoring Year End 2012	18 – 24	
	• CIP Accomplishments	25 – 27	
	• Asset Management & Failures & Claims	28 - 41	
6.	New Business		
7.	Director's Office Report		
8.	Continued Oral Communications		
9.	Adjournment		

* Materials included in packet
# Materials separate from packet

Wheelchair accessible. American Sign Language (ASL) interpretation available upon request by calling (425) 452-6466 (v) at least 48 hours in advance. Assistance for the hearing-impaired: Dial 711.

CITY OF BELLEVUE
ENVIRONMENTAL SERVICES COMMISSION
MEETING MINUTES

Thursday
February 7, 2013
6:30 p.m.

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

COMMISSIONERS PRESENT: Vice Chair Swenson; Commissioners Cowan, Mach, Morin, Wang, Weller

COMMISSIONERS ABSENT: Chair Helland

OTHERS PRESENT: Bob Mulvey, Phyllis Varner, Susan Fife-Ferris, Mike Graves, Laurie Devereaux

MINUTES TAKER: Laurie Hugdahl

1. CALL TO ORDER

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

2. ORAL COMMUNICATIONS - None

3. APPROVAL OF AGENDA

Motion made by Commissioner Morin, seconded by Commissioner Cowan, to approve the agenda. Motion passed unanimously (6-0).

4. APPROVAL OF MINUTES

January 10, 2013

Motion made by Commissioner Mach, seconded by Commissioner Cowan, to approve the minutes from the January 10, 2013 meeting.

Commissioner Wang referred to page his comments regarding the December 6 minutes (page 1 of the January 10, 2013 minutes) and noted that the reference to "Page 20" should be removed.

Motion passed unanimously (6-0) to approve the minutes as corrected.

5. REPORTS AND SUMMARIES

- **Conservation and Outreach Events and Volunteer Opportunity**

  Deputy Director Mulvey referred to the handout in the packet which highlights the Sunset Elementary School Science Fair on March 7 and 8.

- **Council Calendar**

  Deputy Director Mulvey noted that on February 25, the Solid Waste RFP will be going to the Council Study Session. Tonight staff will give a briefing on the Solid Waste Audit Survey and answer questions on the RFP which came up at the last meeting.

- **ESC Calendar**

  No questions or comments.

- **Desk Packet Material**
  - **Shoreline Master Program Update**

  Deputy Director Mulvey explained that the memo in the packet from Kit Paulsen summarizes the recommendations the Planning Commission chose to accept and those that they didn't. He reviewed Council's options at this point.

  Commissioner Mach disagreed with the Planning Commission's rejection of the setback and wondered what options the ESC has now. Vice Chair Swenson thought that the ESC had already made their recommendation to the Planning Commission and expressed their dissatisfaction with the 25-foot setback. His understanding was that the ESC's recommendation would be forwarded to the City Council along with the Planning Commission's recommendation. Commissioner Morin said he spoke to a member of the Planning Commission who had recommended that the ESC's comments be reiterated so their recommendation can be included in the Planning Commission's final recommendation which will be going to the City Council. Commissioner Morin was under the impression that the ESC could add something to the Planning Commission's packet stating what the ESC's position is.

  Commissioner Weller suggested that if there are utilities in the 25 feet then the setback could be moved closer to 50 feet. Commissioner Wang thought that permanent construction should not be allowed in the 25 foot setback or the 25 feet after that.

Commissioner Morin moved, Commissioner Mach seconded, that the ESC produce and attach a separate recommendation to be included with the Planning Commission's final recommendation forwarded to the Council.

Commissioner Weller suggested that the ESC might need to compromise their position because it will probably just be rejected again. Commissioner Morin agreed that the ESC needs to be careful with their recommendations and provide justifications for them. Deputy Director Mulvey said he would look into the protocol for this matter and about attaching a recommendation to the packet. There was some discussion about the timing of this and whether or not something needed to be done immediately. Commissioner Weller reiterated his belief that they need to compromise. Commissioner Morin said he was not sure what the compromise would look like. Commissioner Swenson summarized that reducing the easement to 25 feet would likely encumber the City's access to or ability to maneuver equipment in order to deal with lines that are currently in place or may need to be installed, especially with regard to the lakeline. Commissioner Morin agreed that the reduction could limit the City's options in the future which would increase the expenses for the taxpayers. He commented that this reduction in setback sounds like something that would benefit a few current property owners at the expense of the many. Commissioner Wang spoke to the importance of having a side yard setback to allow for the air pump facility going up the hill.

The motion was passed unanimously (6-0).

- **NPDES Stormwater Management Program Recommendation**

Phyllis Varner, NPDES Permit Manager for Utilities, stated that tonight is the third and final meeting on the Annual Report required by the NPDES Municipal Stormwater Permit. Tonight, the Commission is being asked to make a recommendation to the City Council on submittal of the 2013 NPDES Stormwater Management Program to the Washington State Department of Ecology. As previously presented, the program plan is to continue full implementation of the Stormwater Management Program required by the existing permit through 2013. In addition Bellevue will be preparing a 2014 Program Plan based on the new permit for submittal next year. There is nothing in the new permit that requires municipalities to do anything different or new in 2013. The Commission's recommendation will be brought to City Council on March 4. Council will be informed that there were no public comments and that Utilities is requesting authorization for the City Manager to sign the report and submit it to Ecology prior to the March 31 deadline. Final Council action is expected at the March 18 Council Meeting.

Motion made by Commissioner Wang, seconded by Commissioner Weller, to make a recommendation on the submittal of the 2013 NPDES Stormwater Management Program.

Commissioner Mach pointed out that the timing of this is tricky because the City doesn't really have a choice in terms of challenging the permit requirements. He recommended that the Commission have an opportunity to comment on draft permits in the future in order to influence the final permit requirements.

Motion passed unanimously (6-0).

- **2012 Solid Waste Contract Performance Review**

Susan Fife-Ferris addressed the Commission's question from the last meeting of why the process had been changed. She explained that initially staff had proposed a Request for Bid primarily because in 2004 it all came down to price. However, through the development of the contract and the RFP, staff realized that there were benefits to having some qualitative options for innovative ideas. The actual elements that will be considered are still in the process of being determined, as well as the weights of those factors. The next step in the current process is to go to Council on February 25 to talk about the service package. Staff will take the ESC's recommendation to Council at that time. Staff will return to the ESC with a status update sometime in the summer.

Commissioner Cowan asked who decided the process should be changed. Ms. Fife-Ferris explained that a lot of people on staff who were working on the contract realized that this might be a better option. Commissioner Cowan asked if the ESC would be involved in the details of the factors and the weighting. Ms. Fife-Ferris said the ESC does not typically have input into that part of the process; it will be determined by staff and consultants. Commissioner Cowan said he would like to have the opportunity to review the weights before they become set in stone, but understood if this was not part of ESC's role. Ms. Fife-Ferris stated that the ESC will be notified about the criteria at the time the RFP is issued..

Commissioner Wang referred to the name change from Allied Waste to Republic Services and pointed out that his statement still says Allied Waste. Ms. Fife-Ferris indicated that she would look into it. Commissioner Wang commented it would have been nice to be notified as a customer about the name change. Ms. Fife-Ferris concurred.

Commissioner Morin referred to the customer satisfaction survey. He wondered how much weight the City places on this survey and how accurately the number surveyed represents the population of Bellevue. Ms. Fife-Ferris

generally reviewed the survey process and criteria. Commissioner Morin questioned the accuracy of the survey results as his experience with service has been different. He wondered if any thought had been given to having a larger sample and doing a different type of survey. Ms. Fife-Ferris discussed the model the City uses, that it is statistically accurate, and offered to have Stuart Elway from Elway Research come in to explain this at some point in the future.

Ms. Fife Ferris then gave a PowerPoint presentation regarding the current solid waste contract. The Annual Performance Review includes a contract Compliance Audit conducted by Bell and Associates, Inc. and a Customer Satisfaction Survey conducted by Elway Research Inc. The review period is for 12 months. The City reviewed compliance with 37 contract requirements. The audit included on-site visits, interviews of employees, and review of random records. The contractor was out of compliance with two requirements which have since been corrected.

On the survey, specific questions are asked each year to allow for comparison from year to year. Overall satisfaction was 95% for single-family and 93% for multi-family/commercial. Ms. Fife-Ferris summarized that this is a very high satisfaction rate overall. Staff will monitor to make sure any downward trends don't continue and to make sure the contractor remains in compliance. She offered again to have Stuart Elway to come in to speak about the surveys. Commissioner Mach commented that his impression was the ESC was just interested in making sure Utilities is using the proper tools for surveying. Commissioner Morin concurred. Laurie Devereaux explained that for a population of 100,000 it is recommended that 400 people are phone surveyed to get 95% accuracy +/- 5% margin of error. To reach 99% accuracy with 2.5% margin of error, 2,594 people would need to be surveyed which would increase the cost by more than six times just to increase the accuracy by 4%. In summary, the City could pay to survey a lot more, but the value of the survey goes up very slowly while the cost goes up very quickly. Commissioner Mach suggested that with the technology that exists, there might be different ways of reaching higher numbers without the extraordinary cost. Ms. Fife-Ferris concurred and commented that there are pros and cons to different methods.

Commissioner Mach referred to Attachment 1 of Contractually Required Procedures and asked if there are ways to get this information out to the public so that people are aware of the expectations of the contractor. Ms. Fife-Ferris noted that staff could look into promoting the service elements better.

Commissioner Morin agreed that people need to know what the requirements are so they will know if the provider is out of compliance. He explained that when he called about a missed collection the contractor suggested that he just put out twice as much the following week and did not say anything about

picking it up the following day. Ms. Fife-Ferris agreed with the importance of letting customers know what the expectations of the service provider are. Commissioner Morin wondered if it makes sense to have the service provider being the one taking complaints. Ms. Fife-Ferris explained that the City also has a hotline and receives some complaints. Vice Chair Swenson commented that even just having the service requirements online would be helpful. Ms. Fife-Ferris concurred.

Mr. Mulvey thanked the ESC for their comments. He stated that staff is currently looking at the quality control and oversight requirements in the new contract and will consider this information.

- **Stream Team Update**

Laurie Devereaux gave an update of Stream Team 2012. The Stream Team includes the volunteer program and the education and outreach to the community. In 2012, there were 133 volunteers who made 110 citizen contacts. On Earth Day volunteers planted 414 native plants. Over the year there were 416 volunteer hours, 770 field visits, and $9000 worth of volunteer time. This is a huge benefit to the City as it produces an immense amount of data gathered. Additional benefits to the volunteer program are that it involves community involvement, helps the City collect data, and provides a link to education and outreach. Ms. Devereaux summarized some of the fish data that was collected over 2012 through the salmon watcher program.

Through education and outreach there were 4000 citizen contacts with 117 classes and events. Some of the classes are indoors, and some are field trips with students. She was very pleased that the schools are getting more involved with the 5th grade curriculum. This also helps to relieve her load and to reach more students. She shared some of the advertising she has created to promote environmental awareness. She also participates in outreach for the region. She is working with 11 other jurisdictions though Puget Sound Starts Here to put advertising up on 90 buses in the spring.

She has two King Conservation District grants this year. One will be running the stormwater outreach campaign again. This has been done for Kelsey Creek and Coal Creek and gotten a huge response. It covers the behavior changes of picking up after your pets, natural yard care, and car washing. Incentives will also be offered to talk to their friends and neighbors about water quality. Another grant targets property owners to address things that are done on their property such as pressure washing, roof treatment, storing chemicals, and planting trees.

Commissioner Wang asked what the next area would be for outreach opportunity. Ms. Devereaux said she has not decided yet. Commissioner

Wang asked if her videos were available to share with others. Ms. Devereaux said she was very willing to share those.

Commissioner Mach noted that the salmon watching happens in the fall, but some of the pictures look like they were taken in the summer. Ms. Devereaux explained that in the summer volunteers help with electro-fishing and a summer fish survey to determine what fish live in the streams all year round. This data is used to look at the trends over time. This is not done every year, but the City has data from different points over time. She generally uses experienced volunteers for this process.

Commissioner Mach asked about working with high school kids for higher level science classes. Ms. Devereaux said she typically works closely with the AP Environmental Sciences classes in the school district. Due to curriculum and teacher changes she has not been able to participate this year. Generally those kids are the ones who come out to Earth Day programs and plant trees. Commissioner Mach stated that he believes the City should work more closely with the school district in a lot of different ways. The Parks department seems to be a natural way to do this because of the links with the sports fields and tennis courts. He thinks the environmental programs would also link well with the school district. Ms. Devereaux clarified that she offers two different classes to 4th and 5th graders. One is on salmon cycles; the other is a field experience. 9th graders are offered an optional biology class about water. In the past, the City has integrated a lot of maps into the curriculum for a landforms unit. Staff has also provided teacher workshops in the past. She really enjoys working in the schools and with the science fairs. She stated that she will continue to work with the schools as she really values that partnership. Ms. Fife-Ferris added that staff also works with schools on the technical side of helping them reduce their waste and conserve more, and also on the educational side with Powerful Choices in the middle school and some other programs with the high school. She and other staff members have mentored International High School students for their senior projects.

Vice Chair Swenson commented that the ESC had recommended in favor of raising the rates to retain the 1.5 FTE's, but that recommendation was not approved by Council. He asked where the 1.5 FTE's ended up coming from. Ms. Fife-Ferris explained that the water conservation programs were cut completely. Commissioner Cowan added that he spoke to Mike Brent with Cascade Water Alliance who indicated Cascade will be offering those programs. Ms. Fife-Ferris clarified that Cascade would not be doing the programs as broadly as the City of Bellevue did. She added that the cuts also meant that Utilities lost the staff that used to do those programs. Natural Yard Care has been cut basically in half. Some of those classes will be offered through Cascade in the spring, and the City will still be offering the fall program. The Waterwise Garden volunteer program was also cut back. Staff is

working to keep the volunteers up there. Vice Chair Swenson reiterated his disapproval of that decision by Council.

Vice Chair Swenson asked if the value of volunteer hours could be counted for grant purposes. Ms. Devereaux explained that it has at times in the past, but is not currently. Vice Chair Swenson commented that with the new low impact development requirements, it seems like a great opportunity to do signage at homes that have rain gardens and that sort of thing. Ms. Devereaux concurred. She said she is really looking forward to the redevelopment of the Bellevue Botanical Gardens because a lot of low impact development will be used. The Mercer Slough Environmental Education Center also has a lot of the interpretative materials.

- **IDDE Overview**

Mike Graves, Water Quality Supervisor for Utilities, gave a presentation regarding Illicit Discharge Detection and Elimination (IDDE). He explained that illicit discharge is any discharge to a municipal separate storm sewer that is not composed entirely of storm water. Bellevue has prohibited and investigated sources of pollution since the '80's. In 2007, NPDES expanded and formalized the City's efforts. The requirement provided regulations to prohibit illicit discharges, provide programmatic field activities, formalize response activities, and require training and education. As a result of those requirements Utilities requested and ESC supported an additional FTE in 2009 to address IDDE field activities. Council also supported this. NPDES Municipal Stormwater Permit includes an ongoing program to detect and address non-stormwater discharges.

The first programmatic element that staff undertook was developing a regulatory mechanism. In 2009, code amendments were completed. The language that was required in the NPDES Permit was adopted. Staff proposed a model with escalating enforcement. Council directed staff to ensure that education is a priority; however, the cost of cleanup is borne on the responsible party. There is also an opportunity for the City to recover costs.

One of the major program areas of the IDDE is the ORI (Outfall Reconnaissance Inventory). Staff prioritizes stream segments by risk factors such as land use and industrial areas. Staff walks the streams and looks at all the outfalls for illicit discharges. This has been pretty successful. Through the first permit term, staff walked 11.5 miles of stream (about 20%) and identified about 160 potential illicit discharges. The illicit discharges are traced back to the source and the responsible party is worked with to change their behavior. Commissioner Weller recommended utilizing the volunteers that Laurie Devereaux uses to help gather more data. Mr. Graves thought that this was a good idea, but noted that the permit only requires a certain amount per year by trained staff.

The broader part of the IDDE program is source tracing reports of pollution, identifying cross-connections, removing the source, notification and enforcement. Since 2009, when Utilities implemented a hotline, about 600 calls have been received. Training has proved to be very valuable since about 75% of the calls received are from city staff or people who have been trained in illicit discharge identification, investigation, termination, and enforcement. The Water Quality Group leads Utilities training and provides training on request for other departments. Up to 100 city staff members are trained each year including annual refresher training. Training is also something that the City is required to track and report to Ecology on an annual basis in the NPDES report.

Outreach and education are very important and successful. Examples of these activities include marking of public and private storm drains, car wash education, pollution prevention publications, natural yard care program, pollution prevention high school workshops, preventing pet waste elementary school campaign, and watershed awareness.

Bellevue has always done spill response, but NPDES requires standard operating procedures and more formalized spill response activities. Utilities is the citywide lead for spill response at non-permitted sites and provides technical support for all city departments. Fire Hazmat is called if there are any concerns for safety. Utilities O&M staff respond to an average of 100 spills per year. Statistically the number of spills reported is increasing every year. This may be due to awareness, staff education, and general environmental sensitivity in the region.

Mr. Graves reviewed examples of dramatic spills in the City. Commissioner Morin asked if there have been any fines associated with any of these spills. Mr. Graves said there have not, but the responsible parties were required to clean up their spills. He noted that a fine may not be appropriate in a spill scenario because they are accidents and the cost of clean-up can be equivalent to a fine. Council's direction is very clear, "Educate, educate, educate."

In the next permit there are some changes to the IDDE program. Staff is working on strategies to address compliance as it will represent an increase in the Utilities workload.

Commissioner Wang asked whose jurisdiction grease traps are in. Mr. Graves explained that the City has a voluntary compliance program where local businesses are asked to clean their grease traps and grease interceptors on a regular basis to help protect the local wastewater system from grease buildup. He stated that he thought that the health department doesn't inspect grease traps at all. There are over 800 grease traps in the City that Utilities tracks.

6. NEW BUSINESS

None.

7. DIRECTOR'S OFFICE REPORT

Deputy Director Mulvey noted that the ESC was invited to take a tour of Brightwater. He stated that an email would go out with possible dates so staff can try to set up a possible date.

8. CONTINUED ORAL COMMUNICATIONS

Brian Derdowski, resident of Bellevue, said he was very impressed by the quality of the questions, presentations, and deliberations by the ESC. He thanked the ESC for holding the line on the 50 foot setback on the shoreline. He stated that this is not only an environmental issue, but a property owner issue. He feels it is enough to make the decision solely on the environmental reasons, but it is augmented by the property rights issue.

He spoke in support of the ESC being clear with their recommendation to the Council. He recommended sending a representative to the Council to elaborate if necessary. Engagement with the Council should continue beyond their simple initial recommendation. He believes the ESC should absolutely be involved in the public hearing with the Council.

He stated that the ESC is fortunate to have Phyllis Varner serving on staff with the NPDES issues. He recommended that the ESC ask staff to provide copies of all the various comments from agencies in the private sector that went in to the Department of Ecology as they were deliberating on the NPDES permit because this will allow the ESC to find the controversial issues. He also suggested having the DOE send a representative to talk to the ESC about the most effective way to provide their input. He pointed out that the NPDES permit in itself is a compromise and the City can choose to perform higher.

Regarding grease traps, he stated that he would be shocked if the health department does not have an obligation as part of its restaurant inspections to make sure the grease traps are operating. He expressed his intention to look into this issue further.

Regarding the solid waste contract procedures, he fully agrees that the City should communicate to residents what the requirements are for the service providers. He thinks the information in the two-page list of requirements should be mailed to all commercial accounts, multi-family property managers, and other residents so expectations will be set at an appropriate level. Then the survey will be a true evaluation of the service provider's performance in relation to those goals.

Commissioner Wang requested that this item be brought back to the ESC so they can follow up to make sure those requirements are being communicated with residents. Deputy Director Mulvey reiterated that he is taking copious notes about all the comments regarding the solid waste contract. Staff is right in the middle of looking at the contract right now for measurable performance that can be applied with the next contract. The idea of getting those requirements out to the customer is an excellent idea that will be followed up on.

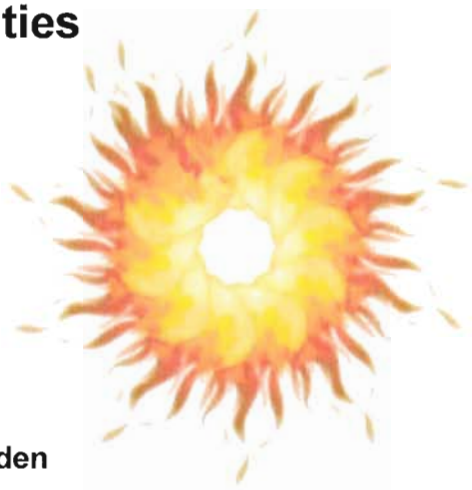
Commissioner Morin said he has the sense that the Planning Commission will be moving quickly on their recommendation to the Council. He suggested that some action might need to be taken by the ESC tonight with regard to the Planning Commission. He spoke in support of communicating to the Planning Commission that the ESC would like their memo to be attached to their recommendation. Mr. Mulvey indicated he would work with the Chair Helland to produce something in this regard.

9. ADJOURNMENT

The meeting was adjourned at 8:46 p.m.

DRAFT

Utilities' Communications & Environments Outreach Team
Events and Volunteer Opportunities



March

1. **Sunset Science Fair**
   Date: March 7th & 8th
   Location: Sunset Elementary School Gym
   Staff: Laurie Devereaux, x5200, ldevereaux@bellevuewa,gov
   Jennifer Goodhart, x6197, jgoodhart@bellevuewa.gov

2. **Stormwater Training of Docents for Bellevue Botanical Garden**
   Date: March 14th
   Location: TBD
   Staff: Laurie Devereaux, x5200, ldevereaux@bellevuewa,gov
   Katie Jensen x6879, kjensen@bellevuewa.gov

3. **Puesta del Sol Science Fair**
   Date: March 21st, 6 – 8 pm
   Location: Puesta del Sol Elementary School
   Staff: Laurie Devereaux, x5200, ldevereaux@bellevuewa,gov
   Jennifer Goodhart, x6197, jgoodhart@bellevuewa.gov

April

1. **Special Recycling Collection Event**
   Date: April 20th, 9 am – 3 pm
   Location: First Presbyterian Church of Bellevue
   Staff: Elaine Borjeson, X7103, eborjeson@bellevuewa.gov

2. **Earth Day Restoration Project**
   Date: April 20th, 9 – 11 am
   Location: TBD
   Staff: Laurie Devereaux, x5200, ldevereaux@bellevuewa,gov

2013 Tentative Council Calendar

February 13

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March 13

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April 13

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March

4 NPDES Annual Report - Mangement Brief under CM Rpts. in Regular Session (Paul/Phyllis)
Study Session Solid Waste Contract (Nav/Lucy/Susan)

18 Consent: NPDES Annual Report Resolution (Paul/Phyllis)

25 KCSW Interlocal Discussion (Sheida/Joyce)

April

1 Consent: Local Hazardous Waste Mgmt. Program Grant (Elaine)
Consent: Motion to Award Coal Crk Prkwy Culvert Replacement Project (Wes)
Consent: Resolution authorizing the City Mgr to sign KC Flood Control Zone Agrmt (Wes)

15 Consent: Res authorizing execution of Professional Svcs Agrmt for Lower Coal Creek Flood Hazard - NW Hydraulic (Wes)

22 Briefing - New NPDES Municipal Stormwater Permit (2013-2018) - (Phyllis/Paul)

May

20 Motion to Award Kelsey Creek Stream Channel Improvements Project (Wes)

August 13

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Key:
Agenda item description – **Consent:** Waste Reduction & Recycling Grant
Assistant Director's Name or designated staff that will
be available to attend Mayor's meeting
Staff Name – material content expert

2013 Pending Council

Regional Decant Facility – Paul
Bellevue/Redmond Consolidation of Sewer Agreements - Wes

Katie/2013Calendars/Pending Council Calendar

Updated 2/15/13

2013 Tentative Environmental Services Commission Calendar

February 13

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March 13

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April 13

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June 13

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July 13

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21	22	23	24	25	26	27
28	29	30	31			

March

7 Asset Management & Failures & Claims (Bill O&M)
Budget Monitoring Year End 2012 (Lucy)
CIP Accomplishments (Scott/ Regan)

May

2 Tentative - City Comprehensive Plan Update (Pam)
Video Condition Assessment & Corrective Maintenance (Dave Dickson)
Wastewater System Plan Findings & Recommendations (Pam/Doug)

June

6 Sewer Lakeline Report (Regan/Jay)

July

11 CIP Tour

August

1 Commission Recess

September

5 Tentative - City Comprehensive Plan Update (Pam)
Tentative Water System Plan Update - Introduce Policies (Pam/Doug)
Update on 2014 Solid Waste Contract Vendor Selection (Susan/Elaine)
Wastewater System Plan - Provide Draft Plan (Pam/ Doug)

October

3 Tentative - Water System Plan Update - Present Planning Criteria (Pam/Doug)
Tentative Water System Plan Update Complete Policy Review (Pam/Doug)
Wastewater System Plan - Open House 1 hour before regular meeting (Pam/ Doug)
Wastewater System Plan Discuss/Respond to Questions re: Draft Plan (Pam/Doug)

October

3 Winter Weather Preparedness & Response (Joe)

November

7 2013 Solid Waste Contract Performance Review (Lucy/ Elaine)
Waste Water System Plan - ESC Recommendation to Council for Adoption of Draft Plan (Pam/Doug)
Water Cost of Service Study/ Rate Design (Bob B)

December

5 Draft NPDES 2014 Stormwater Mgmt. Program (Paul/ Phyllis)

August 13

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 13

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 13

S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 13

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 13

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

January 14

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Pending – ESC:

Status Reports on the following issue will be made when there are significant development:

Nothing pending at this time.

Katie/2013 Calendars/Pending ESC Calendar

Updated 1/4/2013

City of Bellevue
Post Office Box 90012 • Bellevue, Washington • 98009 9012

MEMORANDUM

Date: March 7, 2013

To: Environmental Services Commission

From: Nav Otal, Utilities Director
Bob Brooks, Fiscal Manager

Re: **2012 Year-End Fiscal Reports for Water, Wastewater, and Surface Water Utilities**

Summary of 2012 Utility Funds Financial Performance and Impacts on 2013

All three funds – Water, Wastewater, and Storm & Surface Water Utility – ended 2012 with greater ending fund balances than budgeted largely due to cost containment efforts in 2010, 2011, and 2012.

As we've discussed, in the Water Fund, the combination of long-term impacts of ongoing conservation programs, poor summer weather, and the economic downturn resulted in Water service revenues coming in below budget by about 6% ($2 million) in 2010 and 5% ($1.7 million) in 2011. To mitigate the effects, Utilities developed and implemented an aggressive cost reduction plan to initiate recovery and course correction in late 2011 and continuing through 2012. Similar cost reduction plans, targeting lower cost reductions, were also implemented for the Wastewater and Storm and Surface Water utilities. Utilities' financial forecasts for the 2013-2014 budget were also updated to reflect these and other changes. Utilities are actively pursuing process improvement analyses and other potential alternatives to identify options for further cost containment, such as reassessing the long-term needs for the Replacement & Renewal (R&R) Program funding.

Water service revenues were also below budget in 2012 but by only about 1% ($0.5 million), which we attribute to both the improving economy and favorable weather. Since this was significantly above forecasted levels for 2012, we begin 2013 in a considerably better condition than expected.

Water Fund

The Utilities Water Fund finished 2012 $1.6 million above the budgeted ending fund balance (after adjusting for carry forwards to 2013). In accordance with financial policies, we will transfer the bulk ($1.4 million) of this surplus to the Water R&R Account.

The primary reasons for this surplus are:

- The 2012 beginning fund balance was $0.4 million above budget due to cost containment in 2010 and 2011.
- Service revenues were about $0.5 million below budget (1.2%) due to low water sales.
- Other revenues were about $0.3 million above budget due to higher than expected RCFC revenues and fire flow capacity charges offsetting lower than expected interest earnings. The City's General Fund also reimbursed the Water Fund for fire flow capacity charges for outside-City jurisdictions for 2010 and 2011; they will recover these costs from the application of the City's Water Utility tax to customers in those other jurisdictions, which was put into effect March 1, 2012.
- Wholesale water supply costs were $1.1 million below budget due to changes in Cascade's cost projections and revisions to their method of allocating costs among members.
- Personnel costs were about $0.4 million below budget due to vacancies.
- Management actions taken in 2012 resulted in $1.0 million in capital cost reductions and $0.4 million in operating cost savings. Offsetting these reductions to some extent were higher RCFC payments to Cascade and higher taxes paid to the City.

Management Actions Taken

The Water utility has an ongoing cost containment program, and monthly budget monitoring continues to help ensure that fiscal objectives are met.

Water Utility Fund
Year-End Results ($000s)

	Budget	Y/E	Variance Dollars	Variance Percent
Beginning Fund Balance	10,674	11,090	416	4%
Revenues:				
Service	37,834	37,362	(472)	-1%
Developer	524	489	(35)	-7%
Fire Flow	1,833	2,809	976	53%
RCFCs	722	1,039	316	44%
Other	1,938	1,508	(430)	-22%
Total	42,852	43,207	355	1%
Expenses:				
Wholesale	17,232	16,105	1,127	7%
Personnel	6,709	6,338	371	6%
CIP/R&R	8,594	7,615	979	11%
Taxes	5,574	6,014	(441)	-8%
RCFCs	722	1,039	(316)	-44%
Interfunds	2,510	2,509	1	0%
M&O	2,545	2,210	335	13%
Total	43,887	41,831	2,057	5%
Ending Fund Balance	9,638	12,466	2,828	29%
Less: Carry Forwards to 2013		(1,204)	(1,204)	
Net		11,262	1,624	

Excess Fund Transfer to R&R **$ 1,367k**

Wastewater Fund

The Utilities Wastewater Fund finished 2012 $6.2 million above the budgeted ending fund balance (after adjusting for carry forwards to 2013). In accordance with financial policies, we will transfer the bulk ($5.7 million) of this surplus to the Wastewater R&R Account.

The primary reasons for this surplus are:

- The 2012 beginning fund balance was $2.8 million above budget primarily due to cost savings in 2010 and 2011.
- 2012 revenues were $1.6 million above budget (primarily service revenues).
- Personnel costs were about $0.2 million below budget due to vacancies.
- Cost containment in 2012 included $1.3 million in capital costs and an additional $0.6 million in operating costs.

At this time, the Wastewater Fund has not exhibited the same trends related to the economy, weather and ongoing conservation programs as we have experienced in Water despite the fact that Wastewater revenues from Single-Family Residential customers are based on winter water use. However, estimated long-term impacts of ongoing water conservation programs were incorporated into financial forecasts for the Wastewater utility as part of the 2013-2014 budget.

Management Actions Taken

The Wastewater utility has an ongoing cost containment program, and monthly budget monitoring continues to help ensure that fiscal objectives are met.

Wastewater Utility Fund
Year-End Results ($000s)

	Budget	Y/E	Variance Dollars	Variance Percent
Beginning Fund Balance	7,400	10,241	2,840	38%
Revenues:				
Service	45,359	46,714	1,355	3%
Developer	329	185	(143)	-44%
Other	1,417	1,824	407	29%
Total	47,105	48,724	1,619	3%
Expenses:				
Wholesale	27,505	27,457	48	0%
Personnel	4,993	4,828	165	3%
CIP/R&R	8,389	7,045	1,344	16%
Taxes	2,878	2,929	(51)	-2%
Interfunds	1,823	1,863	(40)	-2%
M&O	2,116	1,486	630	30%
Total	47,703	45,607	2,096	4%
Ending Fund Balance	6,803	13,358	6,555	96%
Less: Carry Forwards to 2013		(399)	(399)	
Net		12,959	6,156	

Excess Fund Transfer to R&R **$ 5,744k**

Storm and Surface Water Fund

The Storm & Surface Water Fund finished 2012 $3.8 million above the budgeted ending fund balance (after adjusting for carry forwards to 2013). In accordance with financial policies, we will transfer the bulk ($3.6 million) of the $3.8 million surplus to the Storm & Surface Water R&R Account.

The primary reasons for this surplus are:

- The 2012 beginning fund balance was $1.8 million above budget primarily due to cost savings in 2010 and 2011.
- 2012 revenues were $0.4 million above budget primarily due to service revenues relating to the annexation area.
- Savings in personnel costs due to vacancies accounted for about $0.6 million.
- Cost containment in 2011 amounted to about $1.2 million.

The Storm & Surface Water Fund is not subject to the same trends related to the economy, weather and ongoing conservation programs as are Water and – to a lesser extent – Wastewater.

Management Actions Taken

The Storm & Surface Water utility has an ongoing cost containment program, and monthly budget monitoring continues to help ensure that fiscal objectives are met.

Storm & Surface Water Utility Fund
Year-End Results ($000s)

	Budget	Y/E	Variance Dollars	Variance Percent
Beginning Fund Balance	5,038	6,883	1,845	37%
Revenues:				
Service	16,310	16,595	285	2%
Developer	310	343	33	10%
Other	854	910	56	7%
Total	17,474	17,848	374	2%
Expenses:				
Personnel	5,306	4,672	634	12%
CIP/R&R	7,551	7,551	(0)	0%
Taxes	1,107	1,068	39	3%
Interfunds	1,943	1,890	53	3%
M&O	3,156	1,922	1,234	39%
Total	19,062	17,103	1,959	10%
Ending Fund Balance	3,450	7,628	4,178	121%
Less: Carry Forwards to 2013		(382)	(382)	
Net		7,246	3,796	

Excess Fund Transfer to R&R **$ 3,600k**

Next Steps

Utilities incorporated significant cost containment in the 2013-2014 budget process. We continue to actively pursue process improvement analysis and other alternatives, including possible changes to the approach to funding the Renewal and Replacement (R&R) program. As a follow-up to last year's Water Rate Structure and Revenue Stability Study, Utilities is also conducting a cost of service study as the basis for determining alternative Water rate structures for future consideration. The Commission will have an opportunity to review this work later this year.

M E M O R A N D U M

DATE: **February 26, 2013**

TO: **Environmental Services Commission**

FROM: **Scott Taylor, Construction Services Manager**
Regan Sidie, Design Services Manager

DATE: **March 7, 2013**

SUBJECT: **CIP Accomplishments 2011 & 2012**

Background

In 2011 and 2012 the Utility constructed nearly 50 projects totaling approximately $16 million in construction value. 7 projects are highlighted in this presentation to:

1. Provide insight into unique design and construction challenges.
2. Highlight innovative construction techniques and technology.
3. Illustrate typical construction impacts.
4. Demonstrate efficient and effective implementation.
5. Increase the Commission's familiarity with various CIP programs.

Featured Projects

Name:	**2012 Trenchless Storm Drain Rehabilitation**
CIP Number:	D-64
Bid Date:	7/17/12
Contractor:	Michels Corporation
Engineers Est:	$268,000
Bid Amount:	$202,985
Final Amount:	$161,154

Name:	**Emerald Ridge Pump Station Improvements**
CIP Number:	S-16
Bid Date:	9/8/10
Contractor:	Boss Construction
Engineers Est:	$1,453,000
Bid Amount:	$ 999,675
Final Amount:	To be determined

Name:	**CBD Sanitary Sewer Improvements & Repair**
CIP Number:	S-24 and S-30
Bid Date:	5/3/12
Contractor:	Shoreline Construction
Engineers Est:	$403,480
Bid Amount:	$425,698
Final Amount:	$430,929

Name:	**West CBD Trunkline Capacity Improvements**
CIP Number:	S-54
Lead Agency:	King County Wastewater Treatment Division
Contractor:	KLB Construction
Total Budget:	$3,460,322
Spent to Date:	$1,975,761
Final Amount:	To be determined

Name:	**Utility Relocations SR 520 Expansion Project**
CIP Number:	S-56 and W-102
Lead Agency:	Washington State Department of Transportation
Contractor:	Eastside Corridor Constructors
Total Budget:	$2,712,091
Spent to Date:	$1,702,123
Final Amount:	To be determined

Name:	**Utility Relocations I-405 Braids Project**
CIP Number:	S-55 and W-101
Lead Agency:	Washington State Department of Transportation
Contractor:	Atkinson Construction
Total Budget:	$623,000
Spent to Date:	$299,303
Final Amount:	To be determined

Name:	**164th Avenue NE Water Service Saddle Repl**
CIP:	W-99 and W-69
Bid Date:	Sanders General Construction
Contractor:	2/14/12
Engineers Est:	$414,813
Bid Amount:	$346,515
Final Amount:	$302,495

___ Action

___ Discussion

_X_ Information

March 7, 2013

SUBJECT: **Asset Management Program and Failure & Claims Analysis Update**

TO: Environmental Services Commission

FROM: Bill Heubach, Senior Utilities Engineer

Action Required at this Time

No action by the Commission is required. Staff will provide a presentation on the status of the Utilities Asset Management Program (AMP) and an update of failures and claims analysis and mitigation. The presentation will summarize asset management activities for all three utilities over the past year.

Fiscal Impact

The Asset Management Program does not have a direct fiscal impact. However, the AMP provides a framework for providing the information and tools needed to identify and select the most cost-effective asset management capital (CIP) and operating and maintenance (O&M) strategies, and for forecasting future CIP and O&M resource needs. Failures and claims data are used to help identify where CIP and O&M resources should be targeted.

Policy Issues

AMP activities support implementation of the Utility's service reliability policies, which direct that utility resources be invested as necessary to construct, maintain and renew system infrastructure to provide consistent, reliable service. The AMP also supports the Utilities Strategic Plan, which emphasizes continued development of a comprehensive asset management program.

Background

Well-managed and reliable water, wastewater and stormwater utility systems are needed to support and maintain a vibrant community and attractive business environment. The fundamental goal of the asset management program is to enable management of the Utilities' infrastructure assets to meet service level goals while optimizing costs. Bellevue's AMP development is based on the US Environmental Protection Agency's asset management program model framework. This framework encompasses asset data collection, determination of asset criticality, definition of service level goals, identification and implementation of the most cost effective strategies needed to meet service level goals, and the asset renewal and replacement funding strategy. A key component of asset management is the collection and analysis of failures and claims data to use to help develop prevention and mitigation strategies.

As in past years, staff will present a summary of recent AMP accomplishments, and highlight the focus of program development.

Infrastructure Asset Management and Failures and Claims

Update to the Environmental Services Commission

Bellevue Utilities

March 6, 2013

Presentation Outline/Objectives

- Asset Management Overview
- Bellevue Utilities Asset Management - Current and Planned Activities
- Failures and Claims

Asset Management

Asset Management…

- Optimizes the cost of:
  - acquiring
  - operating
  - maintaining
  - renewing, and
  - replacing infrastructure assets;
- While meeting service levels expected by the community and required by regulators;
- At an acceptable level of risk.

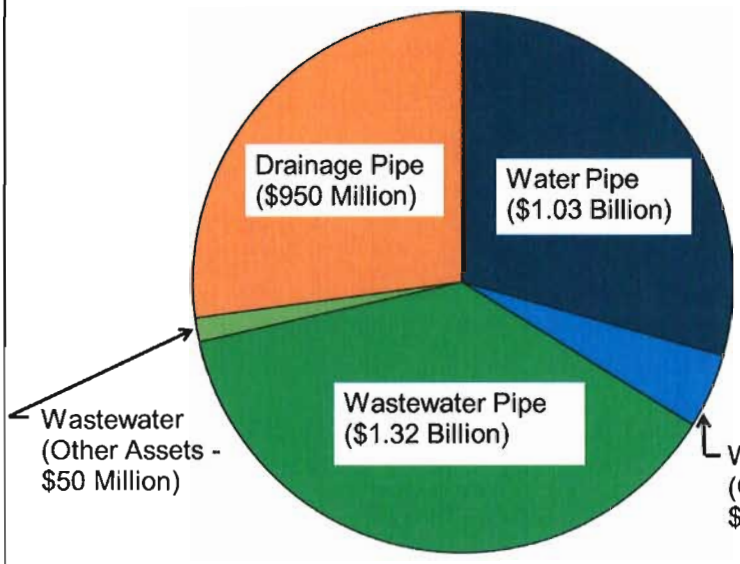
3

Asset Management Five Core Objectives

1. Determine state of the assets
2. Determine what customer service levels are required
3. Determine asset criticality
4. Determine the strategies that provide the required level of service at the lowest life cycle cost
5. Determine the funding strategy

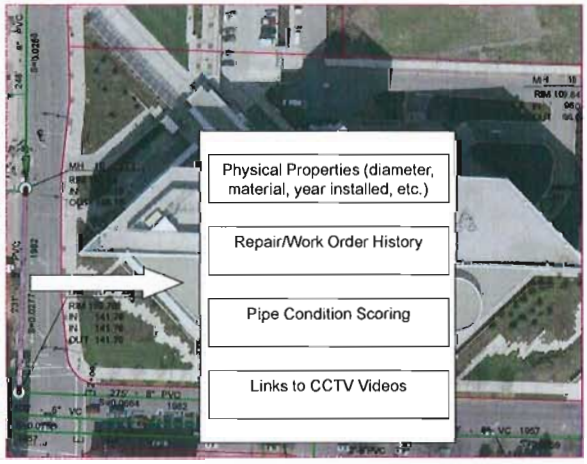
4

Asset Construction Cost - $3.5 Billion



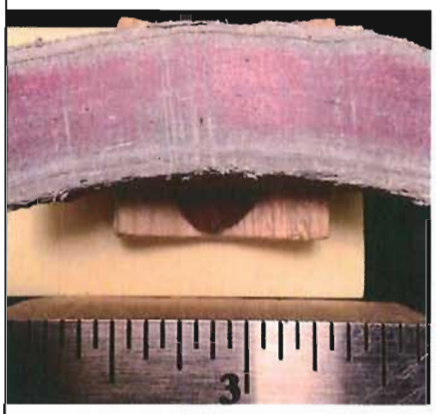
Asset Data Management Systems

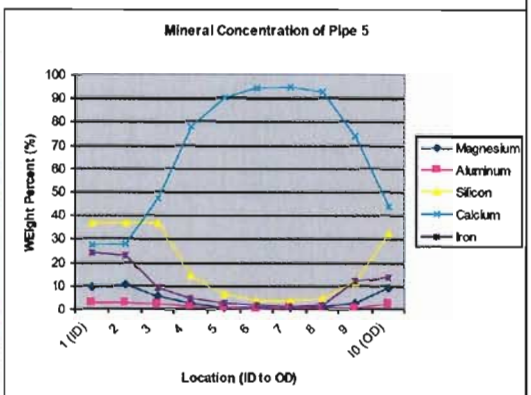
- Maximo
- JDE
- GIS
- Auxiliary
- Future Improvements:
  - Asset mapping
  - Better asset data integration
  - One button data access



6

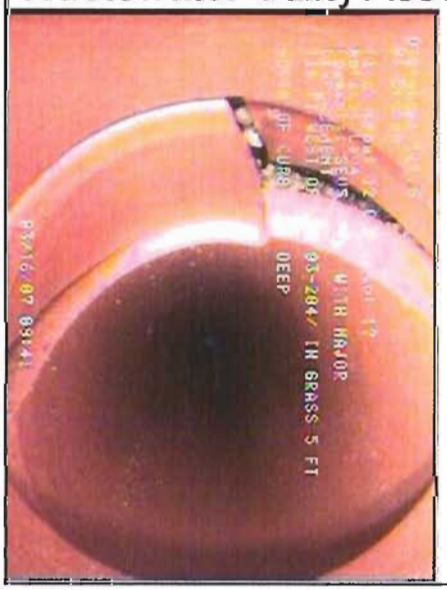
Condition Assessment: Water Utility Assets





7

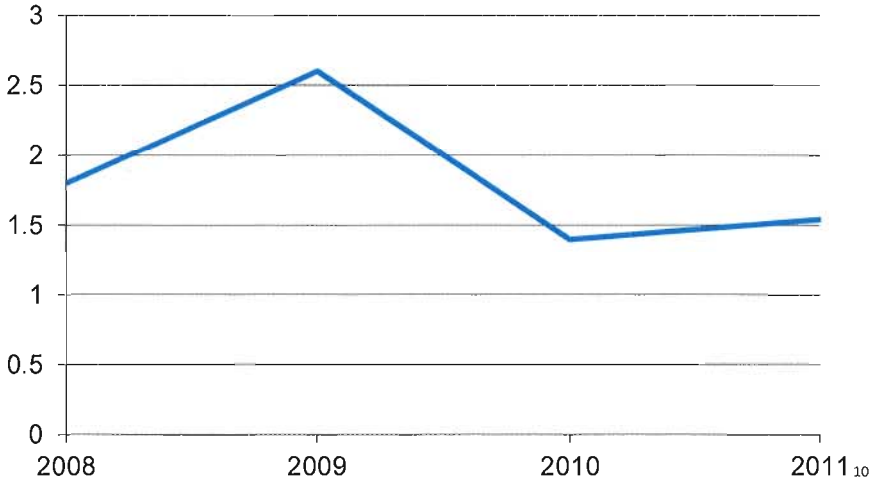
Condition Assessment: Wastewater Utility Assets



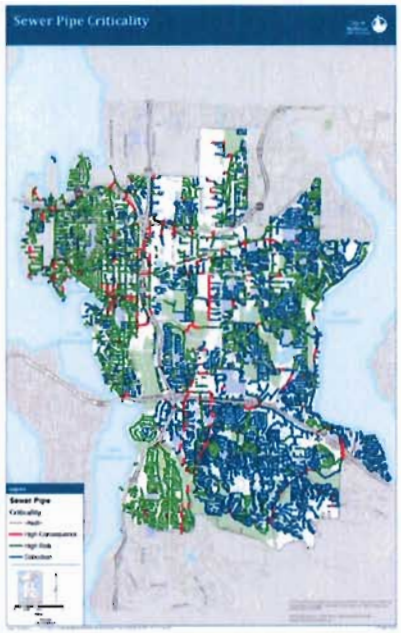
Condition Assessment: Stormwater Utility

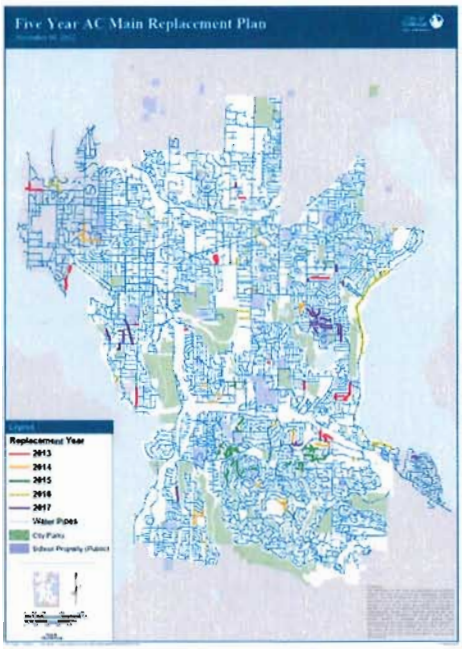
Service Levels

Number of Unplanned Water Outage Incidents Per 1000 Customers



Asset Criticality





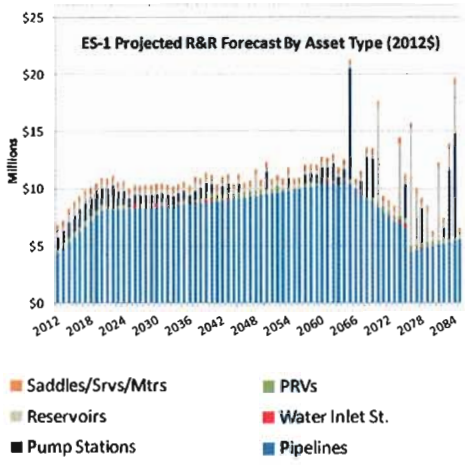
Identifying the Most Cost-Effective Strategies

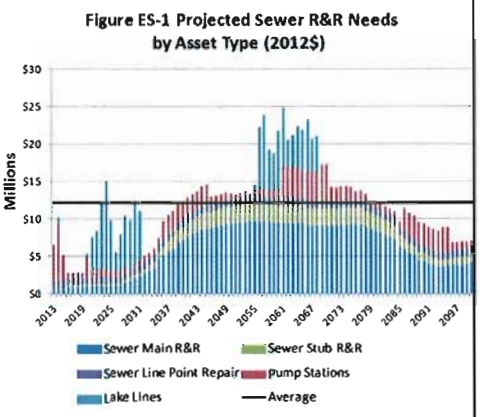
Wilburton Area Wastewater Capacity Improvements
Summary of Life Cycle Costs

	Alt 1 – Upsize Mains	Alternative 1A – Upsize Mains, Use Existing SE 8th St Piles	Alternative 2 – New P.S. to Divert Most Flows to Metro	Alternative 4 – New P.S. to Divert All Flows to Metro
Net Present Value of Capital Costs	$4,746,642	$4,449,795	$4,111,716	$9,342,306
Net Present Value of Operations and Maintenance Labor Costs	$0	$0	$883,564	$883,564
Net Present Value of Operations and Maintenance Energy Costs	$0	$0	$191,067	$309,414
TOTAL	$4,746,642	$4,449,795	$5,186,347	$10,535,284

2

Rehabilitation and Replacement Funding





13

Asset Management Program Update Summary

- Purpose: Meet customer service levels at lowest cost
- Rehabilitation and replacement needs are increasing
- EPA asset management framework

14

Questions?

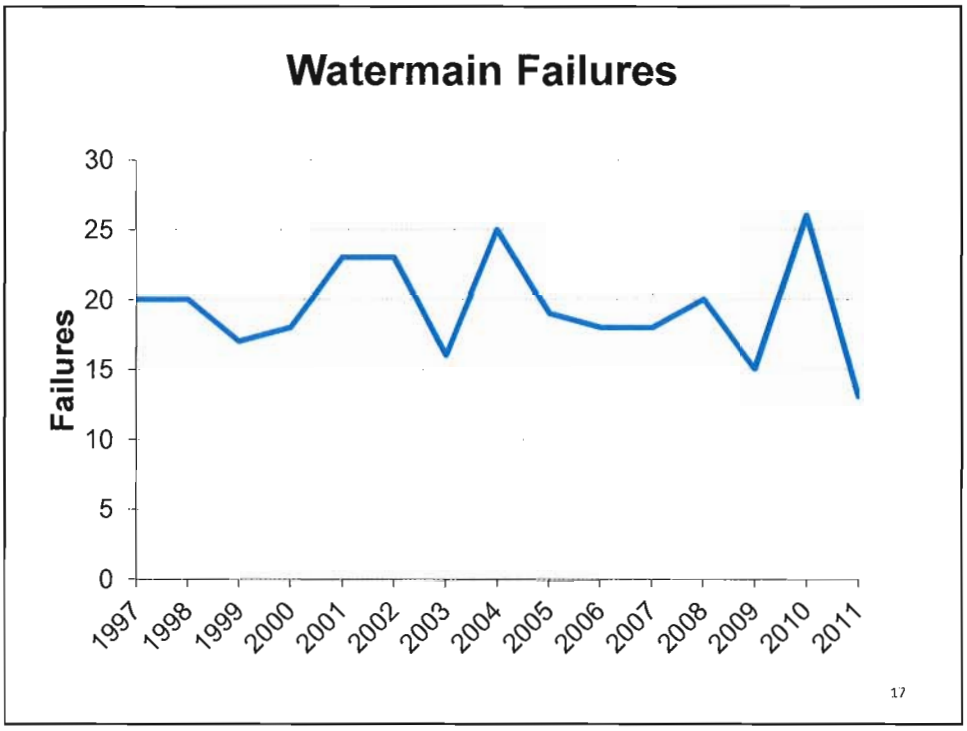
15

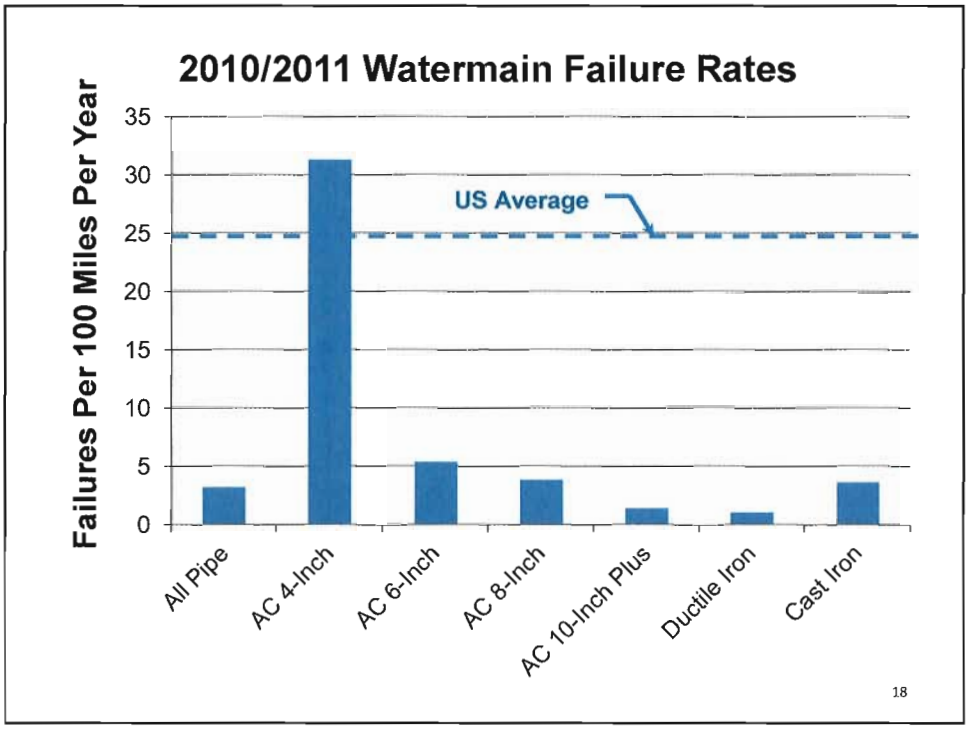
FAILURES AND CLAIMS

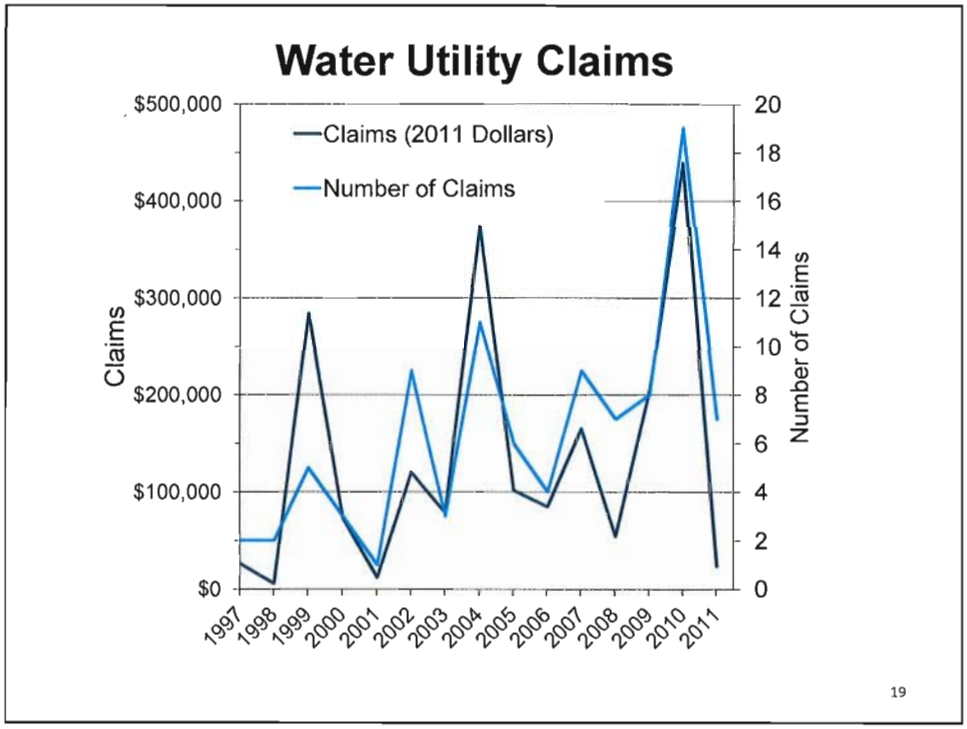
Biannual Report to the Environmental Services Commission

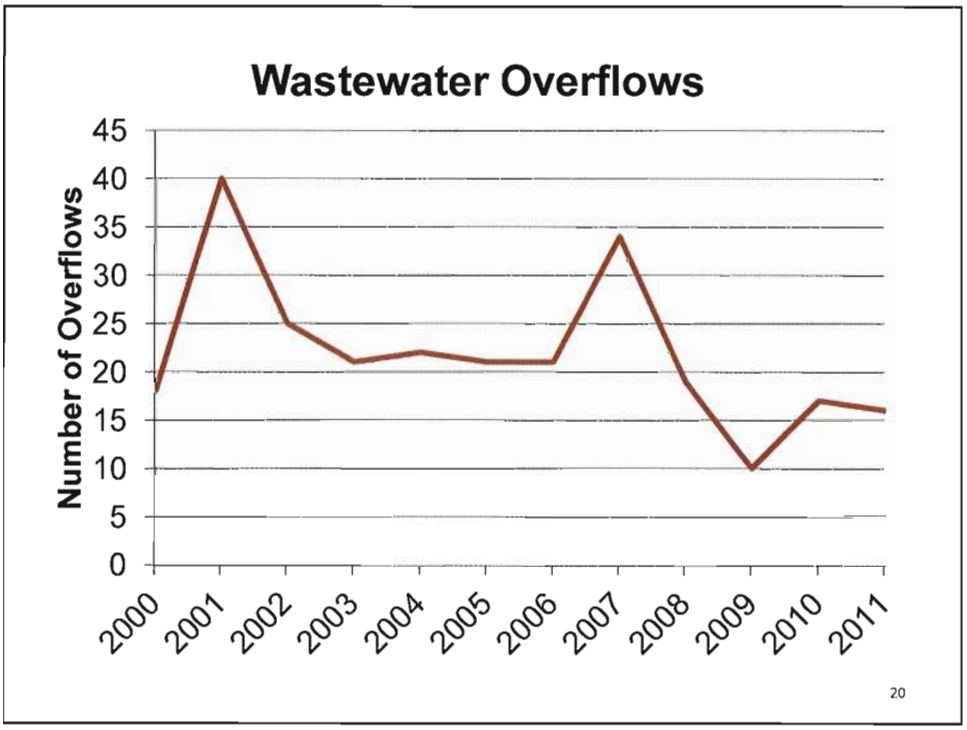
Bellevue Utilities

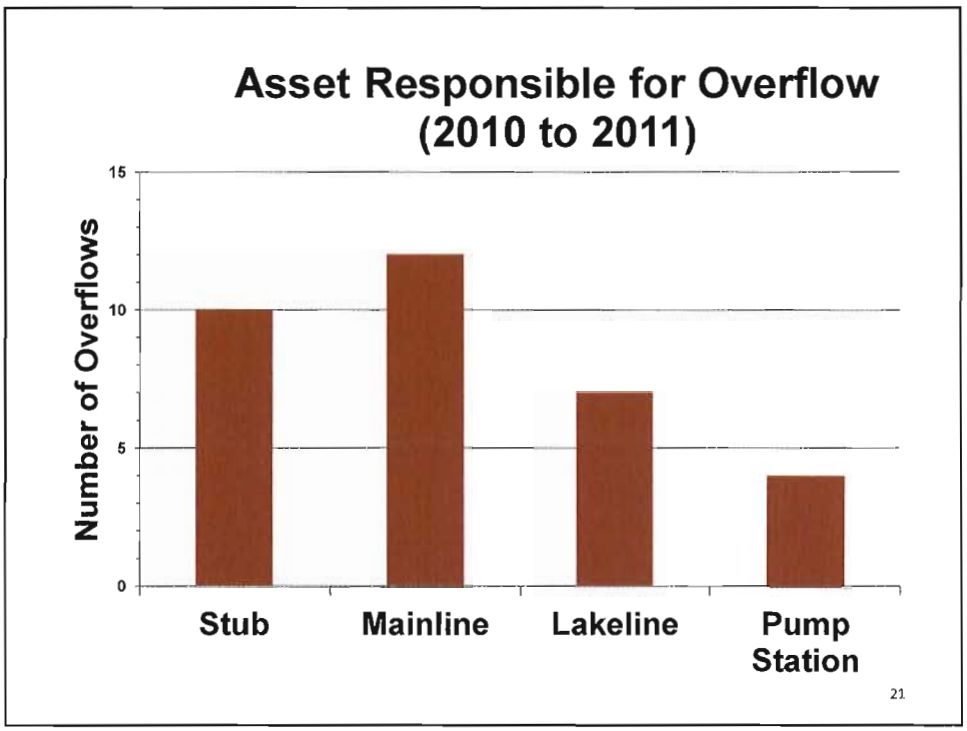
March 6, 2013

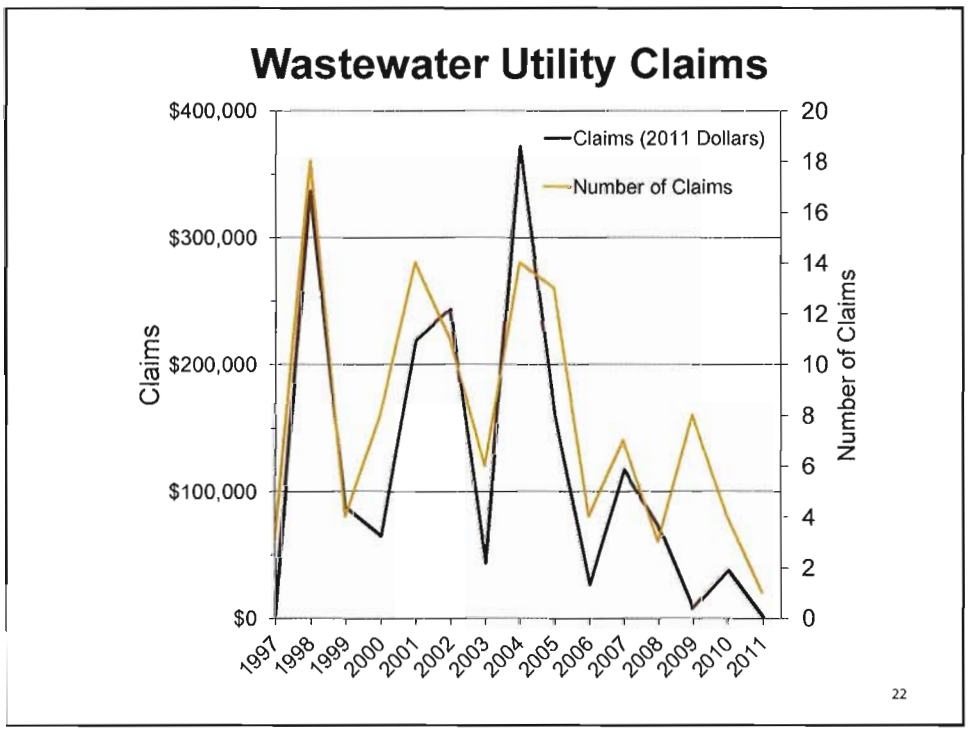

Watermain Failures
Failures
30
25
20
15
10
5
0
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
17


2010/2011 Watermain Failure Rates
Failures Per 100 Miles Per Year
35
30
25
20
15
10
5
0
US Average
All Pipe
AC 4-Inch
AC 6-Inch
AC 8-Inch
AC 10-Inch Plus
Ductile Iron
Cast Iron
18

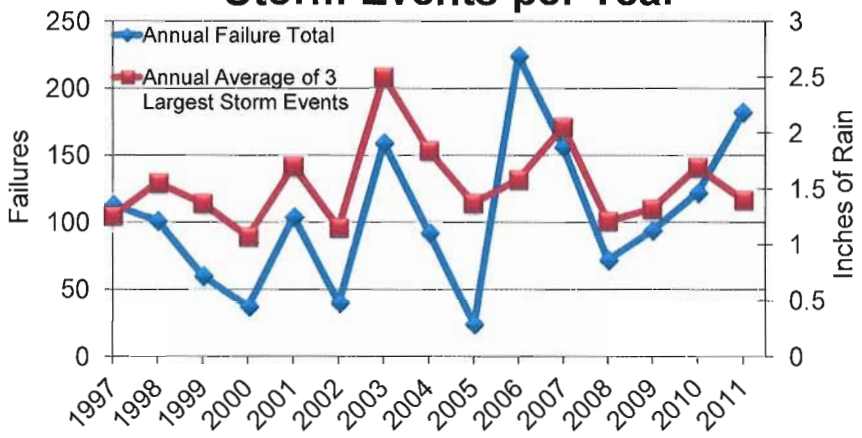

Water Utility Claims
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Claims
Claims (2011 Dollars)
Number of Claims
20
18
16
14
12
10
8
6
4
2
0
Number of Claims
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
19


Wastewater Overflows
Number of Overflows
45
40
35
30
25
20
15
10
5
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
20


Asset Responsible for Overflow
(2010 to 2011)
Number of Overflows
15
10
5
0
Stub
Mainline
Lakeline
Pump Station
21


Wastewater Utility Claims
Claims
$400,000
$300,000
$200,000
$100,000
$0
Claims (2011 Dollars)
Number of Claims
Number of Claims
20
18
16
14
12
10
8
6
4
2
0
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
22

Total Annual Failures vs. Storm Precipitation Average of 3 Largest Storm Events per Year



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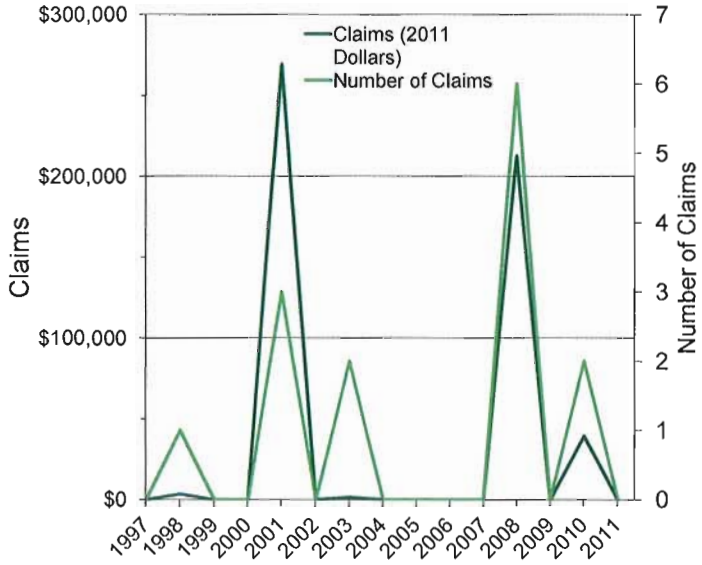
Stormwater Utility Claims



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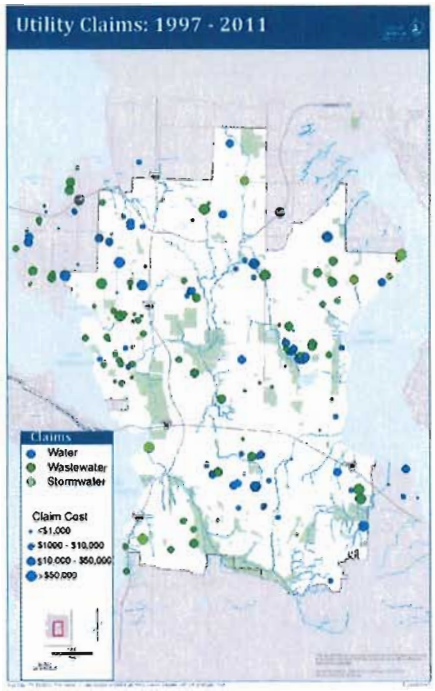
Claims (1997 – 2011)

Utility	Number	Amount (2011 Dollars)
Water	96	$2,049,000
Wastewater	118	$1,794,000
Stormwater	14	$526,000



Questions?

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