

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

Thursday
May 7, 2009
6:30 p.m.

Conference Room 1E-112
Bellevue City Hall
Bellevue, Washington

COMMISSIONERS PRESENT: Chair Szablya, Vice-Chair Helland, Commissioners Mach, Mahon, Swenson

COMMISSIONERS ABSENT: Commissioners Carter, Roberts

OTHERS PRESENT: Councilmember Davidson, Virginia Barrett, Bob Brooks, Pam Maloney, Nav Otal, Randy Thompson, Anne Weigle

MINUTES TAKER: Michelle Cash

1. CALL TO ORDER:

The meeting was called to order by Chair Szablya at 6:31 p.m.

2. ORAL COMMUNICATIONS:

None.

3. APPROVAL OF AGENDA:

Motion by Vice-Chair Helland and second by Commissioner Mahon to approve the meeting agenda. Motion carried unanimously (5-0).

4. APPROVAL OF MINUTES:

Motion by Commissioner Swenson and second by Commissioner Mahon to approve the April 2, 2009 Meeting Minutes of the Environmental Services Commission as presented. Motion carried unanimously (5-0).

5. FOLLOW-UP QUESTIONS/ANSWERS:

Commissioners were satisfied with the information provided for the follow-up questions/answers.

6. REPORTS & SUMMARIES:

A. ESC Calendar/Council Calendar

The ESC and Council Calendars were included in the packet materials. Ms. Otal summarized some of the upcoming activities. In lieu of a business meeting, Ms. Otal noted that there will be a CIP Tour on July 9 at 5:30 p.m.

B. Desk Packet Materials

Conservation & Outreach Events & Volunteer Opportunities

Revised Environmental Services Commission roster.

Emergency Operations Board Swine Flu Update #3.

Invitation to the Shoreline Master Program Update Open House

Ms. Otal noted that there is no direct interaction between the Shoreline Master Plan Update and the lakeline.

Commissioners requested a more complete briefing from the Parks Department about the Shoreline Master Program. In addition, Vice-Chair Helland requested further information about the regulatory framework during the Park's briefing.

C. Wastewater Comprehensive Plan

Ms. Otal explained that the Wastewater Comprehensive Plan is currently being updated. The last update was conducted in 2002.

Mr. Thompson called attention to a wall map denoting the sewer service area. The map showed sewer basins throughout the community.

The purpose of the Wastewater Comprehensive Plan update is to evaluate Bellevue's sewer system to identify specific needs, and develop and present a plan for meeting these needs. Mr. Thompson explained that the Plan update will place particular focus on the Coal Creek Utility district assumption area, which was not included in the last Wastewater Comprehensive Plan update, as well as the Central Business District, due to the significant growth that has occurred.

Mr. Thompson reviewed a 2010 Comprehensive Wastewater Plan major milestones list. He noted that there will be a presentation to the Commission at the November meeting to request input about the Plan's recommendations. The Plan will be submitted to King County and Bellevue City Councils for adoption in late 2010. The Washington State Department of Ecology will provide final approval of the Plan following adoption by the City and County Councils.

Mr. Thompson summarized the flow generation criteria for residential and commercial land use types compared to neighboring jurisdictions. He noted that Bellevue's criterion is not compared to the City of Seattle because Seattle has a combined storm and sewer system.

Mr. Thompson reviewed a diurnal curve for Bellevue Wastewater. This information was derived from flow monitoring data collected by King County in 2001 and 2002. This data resulted in a peaking factor of two for 2010.

Since Bellevue does not have an identified wastewater capacity problems within the system, elimination of the inflow and infiltration (I&I) is a low priority because it is adequately conveyed by the system. Mr. Thompson explained that Bellevue cooperates with King County to identify any potential I&I reduction projects within Bellevue that are cost effective to pursue from a regional perspective.

Commissioner Swenson questioned whether there are any efforts performed to flatten the diurnal curve for peak flow. Mr. Thompson explained that there haven't been efforts to flatten the curve due to the timeframes of the peaks (i.e., during morning hours when people are getting ready for work, which is difficult to change).

Mr. Thompson explained that the Downtown area presents a unique challenge for wastewater planning, since all Downtown zoning districts allow multi-use (i.e., office, retail, and/or residential). In comparison, a residential tower would generate a significantly more wastewater flow than an office tower. Mr. Thompson reminded Commissioners that the planning criteria numbers will be used to determine potential flow issues within the Downtown area.

When discussing the peak I&I flow rates, Mr. Thompson explained that the estimated 1,100 level used in the 2002 plan is a very optimistic level. He added that the peaking factor that will be used in the 2010 Plan went down from 2002. However, the I&I allowance will be increased based on the observed flows from King county's flow monitoring several year ago. The overall effect of these changes on peak flow rates will be evaluated. Since most I&I projects include side sewers, Councilmember Davidson explained that this typically involves work on privately owned land and associated policy issues.

Mr. Thompson summarized ways that King County Metro is working to reduce I&I, including a project in Bellevue south of I-90. He also clarified that 70 gpcd has been used as the average flow rate per resident since the mid-80s. For 2010, this figure has been reduced to 65 gpcd based on Utility billing data..

Regarding future land use changes, Mr. Thompson explained that the City's Comprehensive Plan land use is reviewed and build-out is assumed for each land use type when calculating future peak flows. Changes in land use such as in the Bel-Red corridor are addressed as they. The 2010 Plan update will address land use changes in the Bel-Red corridor .

D. MyUtilityBill & MyUtilityBill by Phone

Ms. Barrett explained that the MyUtilityBill program was implemented in January 2008. At the end of 2008, \$2.54 million had been collected online. The MyUtililtyBill by Phone program was created so customers could take care of their own needs using their telephone. Ms. Barrett explained that both of these programs allow customers to access billing information and make payments 24/7. The Utility Department partnered with PCD to share equipment and provide similar services for customers in both departments, resulting in cost savings.

Ms. Barrett reviewed some of the project milestones for the programs. MyUtililtyBill by Phone goes live on May 11, 2009.

Ms. Barrett explained the process that occurs for non-payment of bills. Typically, water is turned off after 59 days of non-payment.

Ms. Barrett provided a MyUtilityBill by Phone demo, which walked through the various steps for paying a bill or checking utility account balances.

E. Reserves 101 & Policy Change

Mr. Brooks explained that the operating reserves are a resource not spent for ongoing expenses and an amount set aside/only available for specific purposes. Some of the key reserve policy objectives include:

Minimize reserve levels, while limiting concurrent risk.

Manage reserves to mitigate adverse impacts on rates due to increasing or decreasing reserve levels.

Provide advantages of consolidated reserves, while avoiding subsidies between utilities.

Maintain the creditworthiness of the City's utilities and related access to debt markets and low interest costs.

Mr. Brooks explained the three reserve components and their purposes. These include:

Working Capital Reserves.

Operating Contingency Reserves.

Plant Emergency Reserves.

The overlapping reserves allow some reduction in overall requirements for Water and Sewer.

Mr. Brooks added that the reserve policies permit the use of inter-utility loans to address reserve shortfalls, allowing for lower reserve levels, while minimizing the risk of rate spikes to cover unexpected expenses.

Mr. Brooks noted that reserve levels are designed to fluctuate from planned levels. However, there are three important thresholds:

Maximum reserves.

Target reserves.

Minimum reserves.

The actions taken if reserves are above the maximum reserve level, between target and maximum, between minimum and target, below minimum, or negative balance were highlighted.

Mr. Brooks clarified that where the reserve balance is in relation to these thresholds dictates needed action.

The current operating reserve levels as of December 31, 2008 were:

Water: \$12.8 million

Sewer: \$6.7 million

Storm: \$3.8 million

Mr. Brooks explained that when the transition occurred from cash basis accounting to accrual basis accounting in 2008. No changes were required to target reserves levels because:

Adjustments to prior budgets to account for the difference between cash and accrual were reflected in rates but did not affect expenses, which are budgeted on an accrual basis.

Since reserve levels are set based on expenses, target reserves would not change.

Ms. Otal explained that there are deliberate procedures for determine reserve levels. These procedures are evaluated on an ongoing basis. She also explained the difference between the Utility budget and the City's budget—both budgets are maintained separately due to legal requirements.

Councilmember Davidson explained that the Utility tax is applied to the City budget, not Utilities. The reserve policies address Utility reserve policies. He added that there are other policies that address the City operating budget, CIP, etc.

7. NEW BUSINESS:

None.

8. DIRECTOR'S OFFICE REPORT:

There will be a CIP Tour in July, rather than a Regular ESC meeting. Ms. Otal called attention to the proposed list of sites to tour in the Desk Packet. If Commissioners would like to see other sites not listed, please inform Ms. Otal.

Vice-Chair Helland requested that the lakeline be included in the site tour. He stressed the importance of this project.

Ms. Otal called attention to the NPDES Regulatory Options for Development Stormwater Standards memo included in the Desk packet. She noted that Option 1 was recommended to City Council. This should be formally adopted by Council at the August 2009 meeting. Councilmember Davidson added that the City Council is hesitant about providing a recommendation since the development community did not provide a stronger voice about the proposed options.

Ms. Otal congratulated Commissioners Mach and Swenson for their reappointment to the Commission. Both Commissioners' terms are extended until May 2013.

9. CONTINUED ORAL COMMUNICATIONS:

None.

10. EXECUTIVE SESSION:

None.

11. ADJOURNMENT:

Motion by Vice-Chair Helland and second by Commissioner Mahon to adjourn the meeting at 8:08 p.m. Motion carried unanimously (5-0).