

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

Thursday
October 17, 2013
6:30 p.m.

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

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

COMMISSIONERS ABSENT: Chair Helland

OTHERS PRESENT: Joe Harbour, Lucy Liu, Susan Fife-Ferris, Paul Bucich, Doug Lane, Pam Maloney

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 (5-0).

4. APPROVAL OF MINUTES

September 19, 2013 Regular Meeting Minutes

Motion made by Commissioner Mach, seconded by Commissioner Morin, to approve the minutes. Motion passed unanimously (5-0) as presented.

5. REPORTS AND SUMMARIES

Council Calendar

Joe Harbour noted that on November 4, the item noted as “Stab” refers to the Sewer Stabilization project.

ESC Calendar

There were no comments on this item.

Follow-Up

Lucy Liu followed up on Councilmember Stokes' recommendation that staff provide the ESC with the Council briefing materials regarding the 2014 Solid Waste Collection Contract. These informational materials include staff's report on the Solid Waste Contract procurement process, the findings, and the staff's scoring results. The Council meeting minutes have also been provided. She summarized the procurement process to date. Ms. Liu explained that the final service package to be incorporated into the 2014 contract is similar to the Commission's recommendation to Council with a few modifications. Consistent with the Commission's recommendation, the Council decided to incorporate organics recycling for commercial customers; however, the amount is set at 96 gallons with weekly pickup. The Commission's original recommendation was without a size limit.

Council has directed staff to finalize the 2014 Solid Waste Contract with Republic Services, the city's current vendor. The minutes show that in addition to price, the Council considered the history of service, the value to the community, and the impact to the community of changing vendors. Staff is in the process of finalizing the contract. Republic will be including new service options at no cost. This includes the in-city customer service center, unlimited recycling for commercial customers, and organics collection for commercial customers at the 96 gallon limit weekly.

Commissioner Cowan asked about the scoring differences shown on page SS2-3 which indicates that CleanScapes was scored higher than Republic by staff. Ms. Liu affirmed this, and noted that the minutes reflect the subsequent discussion that took place within the Council regarding this decision. Commissioner Cowan expressed concern that staff recommended CleanScapes after the whole competitive process, and the Council turned around and recommended Republic. Ms. Liu acknowledged that staff's scoring did rank CleanScapes higher, but Council made a different decision based on Council's valuations of the qualitative factors included in the Request for Proposal (RFP). Commissioner Cowan asked if CleanScapes protested the selection. Ms. Liu replied that CleanScapes initially sought legal action, but has since decided to drop that action.

Commissioner Morin referred to the other factors that were considered by the Council and asked if those were part of the RFP. Ms. Liu explained that those were part of the "qualitative factors." The qualitative factors were 20% of the total score, but Council had a different valuation of the elements within the qualitative factors.

Commissioner Mach and Commissioner Cowan expressed concern about how this process played out when clearly CleanScapes was the recommended vendor. Ms. Liu reiterated that Council had a different valuation of the qualitative factors from staff's valuation of the elements. She noted that the decision on vendor selection was not delegated to staff; it was the decision of the Council with staff providing

a scoring recommendation. Commissioner Cowan commented that it appears that someone wanted Republic really badly and that it looks suspicious.

Commissioner Morin asked about the cost implication to the ratepayers. Ms. Liu stated the price proposal difference between the two vendors was \$1.9 million annually. Commissioner Wang said he read something that said it was a difference of about \$2.70 per month.

Commissioner Wang recalled a question he had raised previously about enforcement provisions for contractors regarding their vehicles. Ms. Fife-Ferris said she would have to look to see if the new contract addresses this, but she thought the vendor has to complete a name change within a year and all their vehicles have to indicate that or be assessed a penalty. Commissioner Wang expressed concern about enforcement of this issue. Vice Chair Swenson thought that all the trucks would be replaced anyway. Ms. Fife-Ferris explained that there was an option in the contract for the vendors to pick trucks that met the federal standards for 2014 plus have an average age of less than four years or else provide all new trucks. Republic opted to do the average age trucks that meet the current clean air standards. Commissioner Wang said he would like more information about that.

Commissioner Morin recalled an earlier discussion the ESC had regarding citizens' rights related to solid waste. He asked if there is a way to make citizens aware of what their rights are. Ms. Fife-Ferris said that citizen outreach regarding their rights under the contract is not in the contract, but staff liked the idea and intends to put consumer expectations on the website. Commissioner Morin was pleased to hear this.

Commissioner Mach referred to the comments in the Council minutes and noted that CleanScapes could not have been evaluated with the same criteria as Republic because they are not the current provider. He finds this very challenging to understand. He hopes that the City has all of the supporting documents in place for audit purposes. He said he was not sure if he could support this decision. Commissioner Wang added that the CleanScapes is currently the contractor for Seattle, Issaquah, Burien, Shoreline, and SeaTac, so they are obviously competent in this business. Commissioner Cowan asked how much contact staff had with Seattle. Ms. Fife-Ferris said staff had significant contact with all the jurisdictions that CleanScapes provides service to. Commissioner Mach expressed concern that Council disregarded staff's recommendation. Ms. Liu explained that staff recognizes that both vendors could do the job.

Vice Chair Swenson commented that this is an uncomfortable situation. Commissioner Cowan concurred, and remarked that as a business owner, you expect fairness and a level playing field. Commissioner Mach further elaborated on the situation and noted that residents have the same expectation of fairness. Commissioner Morin agreed and commented that there seems to be quite a bit of discontent with the decision made by Council. He wondered what can be done at this point. He didn't think there was any recourse, but noted that election time may be the opportunity for members of the public to express their discontent on this matter.

Commissioner Wang commented that the performance review was done after the contract was awarded, which is in effect meaningless. Ms. Liu noted that the annual performance review on the calendar is the normal annual review done at this time. Commissioner Wang agreed, but stated that it appears to be meaningless at this point. Vice Chair Swenson noted that this is an annual review and it just so happens to occur at this time. There was consensus to hold off on any more discussion on this matter until Councilmember Stokes was present.

West Side Storage Project

Mr. Harbour introduced Paul Bucich and Sr. Design Engineer Doug Lane. Mr. Bucich reviewed earlier discussions about possible locations for a west side storage reservoir. He noted that RH2 was asked to do an evaluation of transmission alternatives for the City and came up with five different alternatives. Two of the alternatives (A and B) came out of recommendations to be looked at from the 2006 Water System Plan. Two additional ones (C and D) were ones that were formed around an existing CIP project where the City already needs to put in an additional tap for additional water supply. Alternative E is a very creative alternative that RH2's engineer came up with and includes various improvements at multiple locations in the City.

- Alt. A: NE 36th, 40th, etc.
- Alt. B: NE 8th Street
- Alt. C: Bel-Red and 156th
- Alt. D: Eastgate Area; se 28th and Lake Hills Conn.
- Alt. E: 140th Avenue, NE 8th, SE 7th, 2 PRV Station Upgrades

Through the evaluation, RH2 determined that the City does have the ability to effectively move water from the East Operating Area to the West Operating Area without adversely impacting the communities or the citizens in the East Operating Area. Mr. Bucich explained that the City's three operational areas had developed organically as former water districts became the city water system. Through the recent evaluation, staff has determined that Utilities can do a better job by looking at how water can be moved more effectively across all the different operating areas. This is something staff will be looking into further as the Water System Plan is developed over the next year to 18 months.

Mr. Bucich noted that the planning level cost estimates were based on the assumption that the storage site would occur on public land. If it is necessary to purchase land, then the costs would increase. In the Preliminary Triple Bottom Line Analysis Summary, Alternative E had the highest rating of all the different alternatives. Additionally, the cost for Alternative E is significantly less in capital outlay and design outlay than building a water reservoir. Last Tuesday, staff presented this information to the Bridle Trails Community Club. The group was appreciative of the work done and in favor of Alternative E. Staff shared with them that as the Water System Plan Update is completed, there will be an opportunity for policy decisions to be made that may drive needs for water storage in the system that are different than what is being looked at currently.

Staff also informed them that at some point it will be necessary to go out and start looking for land for siting a new reservoir. Mr. Bucich stated that it is the City's intention to move forward now with finding a consultant to assist with the design of the water transmission project.

Commissioner Morin asked about the degree to which catastrophes are modeled. Mr. Bucich explained that the Washington State Department of Health establishes criteria that the City must comply with, and the City designs the system in accordance with that. Commissioner Morin then asked how far out the City models in coming up with the costs. Mr. Bucich said that the reservoir was anticipated to satisfy the water needs out until 2030. He explained that one of the reasons that the cost for Alternative A is so much higher is that there are associated pump station costs including power and maintenance costs.

Vice Chair Swenson asked if the primary benefit of Alternative E is the fact that it can be done incrementally. Mr. Bucich replied that the primary benefit is that it is just smaller pieces of work that need to be done. It also makes creative use of the existing system. Staff feels this is a good alternative that won't impact the utility rate customers and helps the City optimize what it has in a very efficient fashion. Based on the study, for immediate water needs, the City no longer needs to look for a site to build a reservoir. However, staff has been clear to the folks in Bridle Trails that as the Water System Plan is updated, if there are significant policy changes, the City may need to start looking for alternative reservoir storage sites.

Commissioner Mach asked how long it will be until the east side will need the capacity. Mr. Bucich explained that there is almost 6,000,000 gallons of excess capacity on the east side. The way Alternative E has been developed is to satisfy a very specific need for certain emergency circumstances when water supply is unavailable and the City has to be able to provide the firefighting flows and capacities. When those circumstances are not present, there would be no difference to the east side or west side citizens from what exists today. As the Water System Plan is developed and the regional population planning numbers are identified, staff will be able to tell when and where the City will need additional water based on projections. This solution helps us satisfy immediate water needs through the year 2030.

Commissioner Mach referred to the Scope of Work in the RH2 report which is to look at a transmission main alternative; however, the conclusion mentions that it's less costly than constructing additional storage. That may be true, but that was not part of the Scope of Work. He feels the consultant should have identified which alternative of a transmission line would be more cost effective, not compare transmission lines to the storage option. Mr. Bucich explained that staff did ask RH2 to do a comparison of the storage option to make sure that the Triple Bottom Line Evaluation included it as an option. Commissioner Mach commented that the Triple Bottom Line Evaluation is really just an opinion. He pointed out that the chart could be totally different if it goes to Council. Mr. Bucich clarified that this chart would not go to Council. Commissioner Wang asked for a clearer definition of Alternative E. Mr. Bucich explained that a written explanation is included in

the report in great detail. Mr. Wang said he would appreciate seeing a map. Staff indicated that could be provided.

Commissioner Morin asked about the lifespan of the existing storage tank in the Bridle Trails area. Mr. Bucich explained that the storage tank is in need of rehabilitation, but it is not known yet whether the reservoir rehabilitation will be minor or major rehabilitation. Commissioner Morin asked if that should be a critical component to the cost comparison. Mr. Bucich explained that it was a cost that would need to happen anyway. There was discussion about the decision by staff to not consider the cost of rebuilding the tank when making comparisons as the final site had not been selected for a new tank.

Vice Chair Swenson summarized that Alternative E satisfies the existing emergency requirements, which is separate from future consumption needs based on population growth. He commented that at some point the population growth will level off because of space limits. Mr. Bucich explained that Nav Ota had commented at the BTCC neighborhood meeting that most of the reason Bellevue has decreased water demand is because of hard structural changes such as low flow toilets, low flow showerheads, and native planting being used. He expects that the demand will not continue to decline, but will start leveling out pretty soon. The new projected population growth, and water consumption forecasts will be incorporated into the updated Water System Plan. These numbers may reveal some very interesting things about Bellevue's water needs over the next 30 years.

Draft 2013 Wastewater System Plan Update

Pam Maloney and Doug Lane reviewed the Draft 2013 Wastewater System Plan Update. Mr. Lane asked the ESC to take time to review the Draft Plan in the next month in order to be prepared to discuss and make comments on it at the next meeting. There will be a public open house scheduled next month before the regular meeting at 5:30.

The key findings for discussion:

- Lake line evaluation and replacement will require significant investment
- Inflow & Infiltration is worse than thought in many areas, and causes capacity concerns in several locations
- Need to plan for replacement of AC forced mains
- Brief overview of growth and development and policies

Wastewater Plan requirements not discussed today, but found in the plan include:

- An inventory of assets
- Hydraulic capacity analysis
- O&M practices review
- Financing
- Ongoing, annual CIP programs

Lake Line Evaluation & Replacement: There are two key issues with the lake lines. One is that the asbestos cement sections have experienced some structural

failures. Overall there are approximately 3.6 miles of AC Pipe. The other issue is that there have been overflows due to sedimentation in flat pipes. The way the pipes were designed is that there are low pressure pump stations that force lake water through the pipes during the night to try to flush the lines. This is only partially effective, and there are some locations where there have been backups due to sedimentation. Structural failure of AC lake line piping is expected within 10-15 years.

The projected Sewer Renewal and Replacement Needs by Asset Type chart was discussed. The projected R&R includes the costs to replace the older lake line pipes, but there is not yet a CIP program to allocate those funds. That will be something that will be coming in the next few years. There is an existing, ongoing CIP program to perform evaluations of the lake lines. Some good news is that the cast iron pipes are in somewhat better condition than previously thought. There is a chance that replacement of those could be pushed out 10 or 15 years farther than previously assumed.

Commissioner Wang asked if consideration had been given to dividing the lake line areas into assessment districts instead of being a citywide concern. Pam Maloney replied that it is a policy issue. She stated that generally the Council has provided that the wastewater system, stormwater system or the water system serves the whole community. The whole community likes clean lakes and uses Lake Washington and Lake Sammamish. The lake lines serve more than just the fronting properties since other areas of the system drain through and to them. The City is replacing water pipes, sewer pipes, and stormwater pipes all over the city and the lake line residents are paying for that too. Commissioner Wang asserted that the lake line areas are extraordinary, and those residents should be responsible for upgrading that system. Ms. Maloney reiterated that this is a policy issue, but acknowledged that it probably will come up again as the wastewater lake lines are evaluated for replacement. For example Ms. Maloney mentioned that water customers at the top of hills are not charged extra, despite the additional pumping costs to serve these locations. The precedent has been not to charge specific areas more unless there is a special benefit. Commissioner Wang stated that this is a special benefit because the lake line replacement project could only benefit the people being served; it has no benefit to others in the city. Commissioner Mach disagreed, noting that there is a similar argument about Eastern Washington and Western Washington with taxes in general. He commented that residents of Bellevue live in the city as a whole and share the costs as a whole. Commissioner Morin added that staff is also trying to avoid further overflows into Lake Washington, which is definitely a community issue.

Vice Chair Swenson asked if it is even legally possible to do a typical special assessment district. Ms. Maloney stated that it is, and there is precedent for that if there is clearly a special benefit that is only serving certain people. As an example, the Lakemont Pond above Lakemont Blvd. was built specifically to meet the stormwater requirements of the communities around it, and those residents pay a special assessment for that.

Inflow & Infiltration: Mr. Lane reported that King County did a citywide flow monitoring study in 2002 and also in 2010. A major finding is that I&I is higher than previously realized and is causing capacity problems. Utility policy dictates that I&I should be reduced or eliminated where that is a cost effective means of resolving a capacity problem. The Plan recommends performing I&I investigations in portions of eight basins (~\$600,000) and flow monitoring in six locations (~\$120,000). These sites were highlighted on a map and reviewed.

Proposed Replacement of AC Force Mains: Staff also has a recommendation to establish a program to replace asbestos cement force mains. In the water system there is an AC Water Main Replacement Program, due to the relatively high failure rate of AC pipes, but there is not a comparable program for force mains in the sewer system. Force mains are pressurized sewage pipes so they have a higher consequence of failure compared to gravity lines. Due to that higher criticality, staff is recommending making replacement of these a higher priority. The estimate is \$1.5 million to replace the AC force mains near two particular pump stations where there would be the greatest consequence.

Growth and Development: The service area population is expected to surpass 166,000 by 2030. Single family growth is expected to be pretty much flat, but multi-family population is expected to increase about 50% between 2010 and 2030 in downtown, and the Bel-Red Corridor. There are a number of recommended CIP projects that deal with growth. These include the 120th Avenue NE Improvements, the Midlakes Pump Station, the East CBD Trunkline, the Bellefield Pump Station and Force Main, and the Wilburton Sewer Upgrade.

Mr. Lane recapped some of the policies included in the Wastewater System Plan. The Wastewater System Plan facilitates growth and economic development consistent with the Bellevue Comprehensive Plan and the Growth Management Act. The Wastewater System Plan also defines utility-specific policies. Within the new Plan update, existing utility policies are clarified; these are mostly minor edits. The policy on side sewer ownership was clarified to conform to sewer code and also discuss maintenance. A new policy was added to reinforce that Bellevue should participate in regional policy making.

Commissioner Mach asked about a summary table of the proposed changes. Ms. Maloney stated that there is a summary in the latter pages of the Executive Summary.

City Comprehensive Plan Update

Pam Maloney referred to Page 47 in the ESC packet which summarizes the recommendations from the ESC following last month's presentation of the proposed Comprehensive Plan Update. She noted that all of those recommendations had been incorporated. Commissioner Morin asked about the policy he had recommended regarding tree canopies. Ms. Maloney indicated that had been included in the table, but it was inadvertently left off the bulleted list in the memo packet.

Motion made by Commissioner Wang, seconded by Commissioner Cowan, to forward the proposed Comprehensive Plan changes to the Planning Commission for their consideration. Motion passed unanimously (5-0).

Ms. Maloney stated that she would prepare a memo for Chair Helland's signature. She also stated that the City Comprehensive Plan Update Team has recognized there are some areas of the Comprehensive Plan that are of interest to multiple boards and commissions, but not really directly related to their charge. In particular the team is thinking of thinking of environmental policies like carbon emissions, greenhouse gases, and energy efficient emerging technologies. The Comprehensive Plan Update Team would like to schedule a special meeting to bring the ESC, the Parks Board, and the Transportation Commission together to discuss environmental issues. The team is considering the evening of November 19 as a potential date for that special meeting. As soon as the date and location are confirmed, that information will be forwarded to Commissioners.

Ms. Maloney noted that the Comprehensive Plan update would be removed from the agenda for November and December.

6. NEW BUSINESS - None

7. DIRECTOR'S OFFICE REPORT - None

Mr. Harbour noted that there was no update regarding the vacant position on the ESC. Lucy Liu will be staff liaison for the ESC meeting in November, and Paul Bucich will be liaison in December.

8. CONTINUED ORAL COMMUNICATIONS - None

9. ADJOURNMENT

The meeting was adjourned at 8:33 p.m.