

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

Thursday  
November 21, 2013  
6:30 p.m.

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

**COMMISSIONERS PRESENT:** Chair Helland, Vice Chair Swenson; Commissioners Cowan, Howe, Mach, Morin, and Wang

**COMMISSIONERS ABSENT:**

**OTHERS PRESENT:** Lucy Liu, Pam Maloney, Susan Fife-Ferris, Councilmember John Stokes, Elaine Borgeson, Doug Lane

**MINUTES TAKER:** Laurie Hugdahl

**1. CALL TO ORDER:**

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

**2. WELCOME NEW COMMISSIONER – ANNE HOWE**

Vice Chair Swenson welcomed Anne Howe as the newest member of the Environmental Services Commission. Councilmember Stokes also welcomed Ms. Howe. He commented that Ms. Howe is an engineer who works in Mercer Island and who was involved in their lake line replacement project. Chair Helland said he was looking forward to working with Ms. Howe.

**3. ORAL COMMUNICATIONS - None**

**4. APPROVAL OF AGENDA**

**Motion made by Commissioner Wang, seconded by Commissioner Mach, to approve the agenda. Motion passed unanimously (4-0).**

**5. APPROVAL OF MINUTES**

October 17, 2013 Regular Meeting Minutes

Commissioner Wang commented that it would be good to identify the position titles of staff people in the minutes.

**Motion made by Commissioner Mach, seconded by Councilmember Wang, to approve the minutes. Motion passed unanimously (4-0).**

## 6. FOLLOW-UP QUESTIONS/ANSWERS

Communications and Environmental Outreach Manager Susan Fife-Ferris commented that one of the questions raised by the ESC at the last meeting was about the requirement to paint trucks or vehicles a consistent color/design. With respect to the new contract, she included the specific requirements in the packet along with a longer response to the question including what kind of damages might be assessed if the contractor didn't comply. Councilmember Wang thanked Ms. Fife-Ferris for doing such a thorough job with the follow up.<sup>1</sup>

Ms. Fife Ferris then commented that the other question was about the requirement to have new vehicles on the road. She explained that there were two options that the contractor could take. One would be new vehicles; the other was an average age with compliance to the 2014 Federal Clean Air Standards. Those provisions were also included in the packet.

## 7. REPORTS AND SUMMARIES

- ESC Calendar/Council Calendar

Lucy Liu, Asst. Director for Resource Management and Customer Service Division, reviewed the ESC calendar for December, January, and February.

Chair Helland noted that several of the commissioners had attended a joint board commission meeting where several environmental issues were discussed. He wondered what the next steps following that meeting would be. Ms. Maloney, Water Resources Planning Manager, summarized for the ESC members who did not attend that the joint board commission meeting was held on Tuesday night. Four of the seven ESC members attended; there were 13 attendees overall from all the various boards and commissions. The purpose was to take input on some environmental issues that are being championed under the City Manager's Environmental Stewardship Initiative such as tree canopy and greenhouse gases. Staff will be using the information gained from the meeting as guidance for preparing draft policy language. There will be another cross-board and commission forum sometime in January or February on cultural diversity and housing issues.

Commissioner Wang commented that the way the questions were worded at the meeting did not provide an opportunity to truly offer any comments or discussion. Vice Chair Swenson agreed that there was more opportunity for comments at the first joint board session than at this one. Commissioner Wang acknowledged that from a time perspective using the 'clickers' to vote this was a very efficient way to do it. Vice Chair Swenson said he would be curious in seeing a summary of the notes and votes on the different items. Chair Helland commented that stream corridors and waste management were

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<sup>1</sup> Commissioner Morin and Chair Brad Helland arrived at 6:35 p.m.

the two issues most closely aligned with the ESC responsibilities, and he would like the ESC to have more opportunity for policy guidance for those. He liked the method of voting, but agreed that the questions were designed to have limited answers. Ms. Maloney stated that a written summary report would be provided to the Commission. Commissioner Mach said he didn't recall seeing results from the last time the boards and commissions met jointly. Chair Helland commented that there might be information of interest to this commission from the Downtown Livability Committee. Ms. Maloney commented she could request a staff briefing to the Commission about Downtown Livability project, possibly in December.

#### Council Calendar:

Chair Helland asked about the Department of Ecology (DOE) grant reimbursement item on the December agenda. Elaine Borgeson, Solid Waste Program Administrator, explained that it is a Coordinated Prevention Grant that the City has gotten every year for the last 20 years or so. The grant covers pollution prevention, hazardous waste reduction, and waste reduction. The City manages the projects for the grants and is reimbursed quarterly by the DOE. She reviewed the projects that are currently being funded by this grant such as reducing Styrofoam trays in schools, used oil recycling/household hazardous waste reduction, and two other school projects.

- Wastewater System Plan Discussion

Doug Lane, Water and Wastewater Systems Senior Engineer, followed up on the Wastewater System Plan. At the last meeting, an Executive Summary was presented along with hard copies for the ESC's review. Mr. Lane then solicited comments from the ESC.

Commissioner Wang asked about the cities included in the service area. He recommended that the first sentence be revised to state that that it serves the City of Bellevue *and a portion of* the City of Issaquah.

Mr. Lane reviewed the current status of the Plan. Staff anticipates that all comments will be received by the end of the year. SEPA review is also out for public comment right now. Notices have been sent out to neighborhood organizations and a press release was done. An open house was held tonight.

Vice Chair Swenson asked if the other communities have been involved in the review process. Mr. Lane confirmed that neighboring communities have been invited to review the Plan. He added that Redmond has been involved in negotiating a new interlocal agreement for years. Staff met with Kirkland last week to discuss modifying some of their interlocal agreements. The City of Kirkland has been very responsive in providing comments. In general, the neighboring jurisdictions have always been very involved.

Commissioner Wang referred to page 7 of the Executive Summary and pointed out that the graph shows that single family population is essentially flat. He asked how that could be true. Mr. Lane explained that the data came straight from the Puget Sound Regional Council and Bellevue's Planning Department. Mr. Lane explained that the main drivers for the population growth are downtown and the Bel-Red corridor, so it's mostly new, multifamily units coming up. The single-family residential neighborhoods are fairly built out. Commissioner Wang referred to Belvedere which contains several hundred new units. Ms. Maloney explained that over 90% of new housing will be coming from multi-family development. Commissioner Wang countered that he sees many new houses every day. He does not think it's accurate to show the growth as flat for single family. Ms. Maloney noted that there are a few hundred new single-family housing units, but there are tens of thousands of new multi-family residences.

Vice Chair Swenson discussed the difference between the number of single-family units and the number of people in those buildings. The average number of people in the household is going down. So even if there are more units, it doesn't necessarily mean the population is going up. Ms. Maloney noted that the Planning and Community Development Department also indicates that larger families will be moving into multi-family housing than has historically happened. Councilmember Stokes commented that the biggest growth is expected to occur in multifamily in the downtown and in urban corridors. Mr. Lane also confirmed Planning and Community Development Department data indicates that the typical single family household size (people per house) has declined while multi-family household size has increased.

Chair Helland referred to the summary budget and graph related to the lake line valuation and replacement on page 6 of the Executive Summary and asked about the sharp peaks. Mr. Lane replied that the lake line peak in the early 2020's is related to the AC asbestos cement lake lines. The peak around 2030 is related to the cast iron lines in Lake Washington. Since that graph was developed staff has learned that the cast iron pipes are actually a little better than expected so the second peak will be pushed out 10 or 15 years. The other peak a little further out in 2060-70 is the newer ductile iron pipes, mostly in Lake Sammamish. The peaks represent the assumptions of when these pipes will need to be replaced and will continue to be refined. Chair Helland asked how staff predicted when the ductile iron pipes would need to be replaced then. Mr. Lane explained that it was done by using industry assumptions, including the fact that those are fairly new pipes.

Chair Helland asked how long it would take to do the I&I work. Mr. Lane explained that the I&I investigations are done to try to avoid the capital expenditures and will be proposed in the next biennial budget update as a new budget proposal. The timing of the work has not been decided yet.

Commissioner Mach referred to page 21 of the packet and recommended clarifying the language regarding adding a new asset class for AC force mains. Mr. Lane agreed that it should be re-worded to indicate a new CIP Program, not a new “asset management program”.

Mr. Lane explained the anticipated schedule from this point on. Staff hopes to receive comments from stakeholders by the end of the year and will come back with a final draft plan for the ESC to consider sometime early next year.

- 2013 Solid Waste Contract Performance Review

Solid Waste Program Administrator Elaine Borgeson explained that the City currently contracts with Republic Services for solid waste collection. The current contract runs June 2004 through June 2014. The Annual Performance Review has two parts, which include an audit and a survey. A compliance audit was done by Bell and Associates in August 2013. The Customer Satisfaction Survey was conducted by Elway Research, Inc. in September 2013. The review period is for the previous 12 months. The audit found the contractor out of compliance with two requirements. Customer satisfaction is generally very high in the commercial survey. Customer satisfaction fell significantly in the single-family survey.

The contract compliance audit reviewed compliance with 37 contract requirements. The audit included on-site visits, interviews, and review of records. The contractor was out of compliance with two requirements. The switchable placards that indicate the service the vehicle is providing was missing from 26 out of 40 trucks. The switchable nameplates with the driver’s name visible were missing from the same 26 trucks. Republic Services was out of compliance with the same two requirements in 2012, but notified the City in January 2013 that the deficiencies had been corrected.

Staff followed up with the contractor after the report was received. The contractor indicated they had initiated a new process where the drivers were using magnetic signs and it was the driver’s responsibility to put the sign on the door at the beginning of the shift and remove it at the end of the shift. Staff did field observations for a month between October and November. Out of the 13 vehicles observed there was only one in compliance with the requirement. Republic’s final response was that they are in the process of installing permanent vinyl letters on the trucks that list the material the truck is collecting along with the driver’s name. The letters will be large enough to be visible from 30 feet away. The magnetic signs will only be used on temporary vehicles.

There were two customer satisfaction surveys performed. One was done on 400 single-family residential customers, and a second survey was done on 200 multifamily and commercial customers. The same specific questions are asked

each year to allow year-to-year comparison, but the City modified its approach in 2013. This was done at the suggestion of the consultant in an attempt to eliminate order bias by reading choice options in reverse order to half the sample. This was also the first year in which 32% of the single-family respondents were reached via their cell phones. The cell phone respondents resulted in a younger and less affluent sample pool. Staff was surprised to find that the single-family customer satisfaction levels fell quite a bit. This was the first year that satisfaction rate fell below the acceptable threshold to 70%. Ms. Borgeson reviewed responses by question discussing overall trends.

Staff found that the decrease in satisfaction had a lot to do with the order in which the responses were read which was a change in methodology from the previous years to be consistent with industry practice. Ms. Borgeson explained that staff will have a truer sense of what is really going on in the next survey.

Vice Chair Swenson asked if there was a substantial difference in the way the cell phone respondents replied. Ms. Borgeson said it was similar with the land line versus the cell phone respondents. The main difference was the order in which the responses were read.

Chair Helland asked how the compliance threshold levels were selected. Susan Fife-Ferris, Communications and Environmental Outreach Manager, explained that the metrics were developed in 2003 when the contract was adopted. Chair Helland suggested that the City needs to look at the methodology in the future. Ms. Fife-Ferris commented that it is important that the City follows industry standards for a survey regarding the way the questions are asked. Staff learned that industry standards were not being followed in previous years. This is the first year that this has been done. Ms. Fife-Ferris commented that staff plans to look at the methodology afresh with the new contract anyway. Vice Chair Swenson commented that he found it hard to imagine the service would have dropped off that much in just a year. It appeared to him that the decrease in satisfaction ratings had to do more with the order of the responses.

Councilmember Stokes commented that it would be interesting to compare methods with other cities to see if this anomaly has occurred in other places. It might be beneficial to take this up as a policy issue for surveys with Council. If surveys are a valuable tool the City needs to make sure that the information provided by them is meaningful. Chair Helland suggested that the ESC look at the performance metrics for the new solid waste contract. Ms. Fife-Ferris stated that staff was happy to come back and share with the ESC what those metrics are. She acknowledged that this is not a static situation; it's an evolving process, and the survey is just one tool to measure performance. Chair Helland asked, for example, if there is a metric for keeping track of the number of misses. Ms. Fife-Ferris said there is one in the new contract. Ms. Liu suggested staff could work with the ESC with the new contract to see how

the survey could be improved. Additionally, under the new contract staff will be taking a more proactive approach for long-term compliance. The vendor will be proactively communicating with the City on performance metrics such as missed pickups and average time to answer phone calls. She thinks the City will get better information that way. Under the new contract there is flexibility for staff to work with the vendor to modify the metrics where it makes sense in order to provide meaningful information.

Commissioner Wang asked if the timing of the survey is the same every year. Ms. Borgeson replied that the survey has been done in September the majority of the years, but last year it was done in December. Commissioner Wang wondered if that could have been a factor. Ms. Fife-Ferris offered to bring Mr. Elway in to discuss the survey in order to get some guidance from the ESC.

Commissioner Wang asked Councilmember Stokes if the Council would have made the same decision with the contract with these satisfaction survey results. Councilmember Stokes was confident the decision would be the same. He commented that these results need to be seen as an anomaly at this point. He agreed that it is important to look at the implications of surveys overall.

Commissioner Morin said he was curious if the City is tied to Elway. He also wondered about doing an online survey. Ms. Fife-Ferris commented that Elway is very well-respected in this area. She noted that there is no perfect survey, and online surveys have their own issues. She offered to bring Stuart Elway in to discuss methods. The new contract will provide an opportunity to look at methods and trends.

Commissioner Howe commented on her experience in responding to phone surveys. She commented that the validity of what people share in phone surveys may not be as relevant as the City thinks it is. She suggested looking at several different ways of gathering information. Ms. Fife-Ferris acknowledged that there are different ways to gather information and different validity to different methods.

Councilmember Stokes commented that this could be a topic for the Council to address on a citywide basis. Ms. Liu said staff would come back in early 2014 to work with the commission to develop a more meaningful survey for the future.

Ms. Borgeson continued to explain the results from the multifamily and commercial survey results. There was a 95% satisfaction rate, but she noted that there was not a reversal of responses with this group. There was a constantly strong overall satisfaction level. All of trends were stable or rising for multifamily/commercial service.

Vice Chair Swenson suggested reverting back to the old system in order to be able to compare. Councilmember Stokes thought that new system of working with the contractor along the way will be an improvement.

Ms. Borgeson explained that the contractor was notified of the results in order to develop and implement an action plan with scheduled milestones to raise the score above the compliance threshold. The failure of the contractor to score a minimum customer satisfaction level during the next survey will result in liquidated damages of \$50,000 as set forth in the contract. The contractor responded by requesting the raw data, which was provided for a third-party analyst to review. Once that is complete, the contractor will develop and provide an action plan to improve customer satisfaction target levels after review of the detailed data. In the meantime, the contractor hired two new customer service representatives in the month of October. The surveys and the audits will be performed again in the spring of 2014. The results of the surveys and audits will be provided every year to both the ESC and Council.

Commissioner Morin referred to number 29 on Attachment 1 and asked what the monitoring program would look like. Ms. Liu explained that this refers to the fact that the contractor is also monitoring their performance themselves. As an example, Ms. Fife-Ferris noted that when a customer service rep is called there is often a follow-up question regarding satisfaction about customer service.

Councilmember Stokes commented on the selection process for the solid waste contract. He explained that there was misinformation as to the way the contract was to be done. It was a request for a proposal, not a bid. He emphasized that it was always clear that the final-decision making on the contract would be done by the Council even though the Council also worked with staff to get recommendations and advice. He stated that the price was important, but it was never the sole deciding criteria. The qualitative criteria were discussed at length, but it was very subjective. When it came down to it, the Council felt a responsibility to provide good service to the citizens at a reasonable rate. Even though it was a bump up in rates it still was a very good contract for the rate payers. He noted that both companies were very good, but one was established and has a long history of engagement with the City. There were some questions of capacity with a new company. Overall, the Council felt the City would be best served by Republic.

Chair Helland requested that comments about this issue be framed in terms of process improvement suggestions. He suggested that there might be some input from the ESC that could be useful in the future. Councilmember Stokes concurred. He stated that it was unfortunate that there was a misunderstanding about the ESC's role in this process. He said he would be open to asking for advice from the commission since they are set up to be an advisory

commission. He summarized that the Council made a unanimous decision and was very comfortable with their decision.

Commissioner Mach commented that typically you don't see a unanimous vote opposite from staff recommendation. He thought that it was very odd. If the Council had a different opinion of the valuation criteria, it should be discussed early on so that all competing contractors have the same opportunity to address those areas and understand how to submit their proposal. He stated that the City should be very fair to anyone looking at a city contract, and not eliminate a candidate just because that contractor hasn't worked for the City. He wants to see something that is fair to all contractors.

Councilmember Stokes did not think the process was unfair. He explained that there are legal constraints as to what the Council can say or do. He commented that the Council did not have direct contact and involvement with the providers, but that could have been useful. He explained that this is always a difficult situation. Staff made it very clear to the Council that both contractors could perform the contract well. He pointed out that if the decision was made on the price and the scoring alone, then Council really wouldn't have had a role. When it came down to it, the Council had the ultimate responsibility to choose who would provide the best service for Bellevue which is what happened. He emphasized that the vote was unanimous.

Vice Chair Swenson clarified that the Council didn't go against what staff recommended because staff said that both candidates were qualified. Councilmember Stokes concurred.

Ms. Liu stated that the RFP evaluations criteria was set up with 80% of the weight based on price and 20% was comprised of the qualitative elements. Staff tried hard to spell out the qualitative factors to provide the applicants with a sense of what the City was looking for. The RFP never split out the valuation of those elements. When it came time for staff to provide a scoring recommendation staff struggled with how to divvy up and weigh those qualitative factors. The team did the best they could from their perspective. When Council looked at the 20% they had to decide if they agreed with staff's weighting of those same qualitative elements. That's where the difference in scoring came from.

Vice Chair Swenson commented that the Council, as the elected representatives of the people, has the responsibility to make its own decision. Councilmember Stokes concurred.

Commissioner Morin suggested attaching some sort of weight to the qualitative aspects in the future. Councilmember Stokes was not sure. He commented that Council has limitations with regard to legal considerations in

what can be discussed in these situations. He noted that the Council and staff would look at this for the future to see if there is a better way to do it.

Chair Helland commented that if the scoring mechanics are not spelled out ahead of time it tends to be more subjective. Regardless of how the scoring mechanics goes, he stated that the decision makers need to have involvement in the interview process. Another item that might be helpful is to have the proposal items be spelled out in terms of cost. Ms. Fife-Ferris pointed out that that was included as part of the process. Councilmember Stokes commended staff for their work to get the contract in place.

Commissioner Howe asked how long the contract was. Ms. Liu explained that it was a seven year contract with an option for a seven year extension. Ms. Fife-Ferris explained that the reason the contract was done as a 7/7 was because the Council opted not to sign on to an extension of the Interlocal Agreement with King County which ends in 2028. At some point Bellevue will have to decide how to handle its waste outside the King County system. That will involve significant work by the ESC in advising staff and the Council on options.

Councilmember Stokes commented that this is a big topic that the ESC will be involved with. He recommended that options regarding transfer stations and related topics be brought to the ESC over the next year.

Ms. Liu noted that per the Commission's current charter, regional issues are not within the Commission's purview unless specifically assigned to the Commission by the City Council.

**8. NEW BUSINESS - None**

**9. DIRECTOR'S OFFICE REPORT**

Ms. Liu reported that staff is still in the process of searching for a new Deputy Director. Paul Bucich will be staffing the next meeting if there is not a new Deputy Director.

**10. CONTINUED ORAL COMMUNICATIONS**

**11. ADJOURNMENT**

The meeting was adjourned at 8:40 p.m.