



Memorandum

Date: 2/1/2022
Meeting of: City Council

File No. AM No. 22-006
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files	425-556-2166
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DEPARTMENT STAFF:

Public Works	Jeff Thompson	Senior Engineer
Public Works	Steve Hitch	Engineering Supervisor
Public Works	Andy Rheume	Interim Engineering Manager

TITLE:

Approval of the Wastewater Collection Facilities Interlocal Agreement Between the City of Bellevue and the City of Redmond

OVERVIEW STATEMENT:

The City of Redmond and City of Bellevue have wastewater collection systems that are interconnected in various places due to geography and historical development patterns. The two cities have entered into various agreements over the years to coordinate operation and maintenance of these systems, rules for connecting customers to each other's systems, billing of customers, and shared costs where appropriate.

The two cities have been working for several years to bring all prior wastewater agreements into a single agreement that addresses the issues from prior agreements and to update how costs per customer are shared. The cities currently pay each other a flat fee of \$0.12 per month per customer. This agreement increases that fee to \$0.99 per month per customer, with future adjustments for inflation. Since Redmond provides services to approximately six times as many Bellevue customers as Bellevue does for Redmond the calculated annual payment will always result in a check being written to Redmond. With the CPI adjustment contemplated in this agreement Redmond will be receiving more money than we have in the past, not less. The amounts involved here do not materially affect the finances of Fund 401, our Water/Wastewater Utility. These are together a \$72,000,000 annual business for Redmond with a fund balance of over \$10M. This *increase* of \$14,000+/year of revenue will not, on its own, affect any utility rate decisions.

A prior version of this agreement was approved by Redmond's Council on October 3, 2017, but due to City of Bellevue staff turnover the agreement was never approved by Bellevue's Council. While the monthly customer charge remained \$0.99 per month, the new Bellevue staff required some minor changes. This revised version of the agreement was approved by Bellevue's Council on September 7, 2021.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ Receive Information ☐ Provide Direction ☒ Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Interlocal Agreements require Council approval.
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

The cost of operating and maintaining the wastewater system in each City will be more accurately apportioned to customers served by each City. The Cities will be in agreement about how new customers should connect to each city's wastewater system.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

The City of Redmond will receive additional funds (~\$14,000/year) from the City of Bellevue.

Approved in current biennial budget: ☐ Yes ☐ No ☒ N/A

Budget Offer Number:

000278

Budget Priority:

Healthy and Sustainable

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/3/2017	Business Meeting	Approve
1/11/2022	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

This agreement does not take effect until each City Council approves and the City of Bellevue Council approved this agreement on September 7, 2021.

ANTICIPATED RESULT IF NOT APPROVED:

The Council could choose not to approve the attached agreement. The City of Redmond would continue to get \$0.12 per month per connection instead of \$0.99 per month per connection, which gets updated for inflation each year. It would also be more difficult for residents along the Redmond-Bellevue border to connect to the other city's wastewater pipe if needed.

ATTACHMENTS:

Attachment A: Sewer Collection Facilities Interlocal Agreement Between the City of Bellevue and the City of Redmond