

**UTILITY ADVISORY BOARD  
MEETING MINUTES**

September 15, 2011

Public Works Department – Water Utility Conference Room

**Board Members Present:** Geoff Larson, Vice-Chair; Scott Willis; Matt Van Steenwyk; George Porter; Leon Vance; Janet Hall-Schempf

**Staff Present:** Kirk Duncan, Jim Heumann, Tom Trego, Dave Crabtree, Patti Rumfelt

**I. CALL TO ORDER**

The meeting was called to order at 5:30 p.m. by Mr. Larson, Vice-Chair.

**II. APPROVAL OF MINUTES**

The minutes from the May 19, 2011 meeting were unanimously approved with the following change: In Section V. Information Items, Subsection B-1, the last sentence should read, “These conditions prompted the City Manager/Assembly to forgo the 2008 recommendation....”

**III. PUBLIC PARTICIPATION**

None.

**IV. ACTION ITEMS**

A. Board decision on next UAB meeting date

October 20, 2011 was proposed as the date for the next meeting, and Ms. Rumfelt noted she would circulate an email asking members to confirm whether or not this date will work for everyone. [Note: The email query ended with the selection of Thursday, Nov. 3 for the next UAB meeting.]

B. Rorie Watt’s AJ Mine Presentation to the UAB

Ms. Hall-Schempf inquired about the status of the AJ Mine presentation mentioned in the previous UAB meeting. Mr. Duncan responded he will contact Mr. Watt about the about the possibility of presenting it at the next UAB meeting.

C. Monthly UAB Meetings in Upcoming Months

Mr. Duncan mentioned that with so many changes happening at the Utilities, perhaps the board would like to meet monthly for awhile to stay abreast of the issues. The board unanimously agreed to hold monthly meetings until further notice.

## **V. INFORMATION ITEMS**

### **A. Questions re Water Utility Updates (Dave Crabtree)**

Mr. Porter inquired about the status of the well pumps at Last Chance Basin and the problems that were discussed in the May 19<sup>th</sup> meeting. Mr. Crabtree responded that well #4 is still not operating satisfactorily; it should be pumping 1,200 gallons per minute (gpm) of water, but is only getting around 1,000 gpm. The current plan is to have a contractor look at it in the spring 2012 and test it. Mr. Larson asked about the pressure. Mr. Crabtree responded that it is currently around 18 psi, down from a previous average of about 26 psi and that the pump runs "24/7". Mr. Larson suggested the problem could be the aquifer and not the pump itself.

Mr. Crabtree noted the City Manager's recent decision to discontinue city-provided pipe thawing of customer-owned plumbing in response to anticipated budget shortfalls. The City previously used its Hovey pipe thawing unit to perform pipe thawing for approximately \$200 per call out which is far below the true cost of providing these services. The Hovey Company has gone out of business, and the aging unit would need an estimated \$50,000 in repairs to return it to service. Crew used the partially functional unit for pipe thawing during the 2010-2011 winter, and the machine malfunctioned on two occasions and caused electrical and fire damage to two homes for which the city was liable.

A general discussion of pipe thawing issues followed, and board members asked if pipe thawing services are currently provided by local contractors and whether the public has been notified of the cancellation of these services. Staff responded that some local contractors provide pipe thawing, but that customers have previously relied on the Water Utility because they have historically been the most effective and lowest cost provider. The board recommended, and staff agreed, that the public needs to be notified of the cancellation of service and reminded of the need to protect their plumbing from freezing.

### **B. Questions re Wastewater Utility Updates (Tom Trego)**

Mr. Larson asked whether the City is still maintaining permits for its biosolids incinerator, now that the unit is no longer in service, as a backup measure in case it is needed in the future. Mr. Heumann responded that the permit effectively lapsed when staff discontinued regular reporting after the unit was taken out of service.

Ms. Hall-Schempf inquired about the progress of the updated mixing zone modeling for the MWWTP. Mr. Trego responded that the new requirements are complex and that at this point staff is communicating with ADEC to determine exactly what they will be requiring.

Mr. Larson wondered if the biosolids composting pilot project was ever started. Mr. Heumann replied that it was, but had been shut it down by CBJ Engineering due to a perceived permitting conflict. [Staff note: The composting pilot project was subsequently restarted during the week of September 26, 2011.]

Mr. Larson inquired about ongoing oil spill recovery efforts at the MWWTP. Mr. Trego responded that new recovery/monitoring wells are being installed and that additional oil recovery equipment is scheduled for delivery within the next week or so. Mr. Duncan additionally noted that the owners of the affected home on the north side of the plant are suing CBJ and that the City's response is being handled by the City Attorney's office.

Mr. Trego closed by noting that, in recent months, the morale of WW staff is improving; deferred maintenance projects are getting done; and in general, things are running much better.

C. Questions re Utilities Engineer's Report (Jim Heumann)

Mr. Heumann noted that the CBJ Lands office has now established maintenance agreements with all tower users at the Blueberry Hill water tank site which will make it much easier to manage this facility.

He additionally noted that Mr. Duncan's initiation of a "top 5 projects" focus for the Wastewater Utility is showing tangible results. This program encourages staff input to prioritize and correct the Utility's most urgent maintenance projects. Mr. Duncan added that the Utility still has a long list of deferred maintenance items and that this is only the beginning of addressing them.

D. Benchmarking – Asset Management - Update Rate Modeling (Kirk Duncan)

Mr. Duncan reported that the Water and Wastewater Utilities continue to work towards an updated rate model and are addressing the overall need by dividing it into the following smaller components:

1. Begin by "Benchmarking" the existing status of our Utilities and finances in comparison with cities which are similar to Juneau.
2. Implement an "Asset Management" program aimed at tracking the condition of the Utilities to identify when repairs and replacements are needed.
3. Utilize the above to develop an "Updated Rate Model" for use in determining future rate increases for the Utilities.

The majority of this work will be accomplished using consultant services, and staff is beginning the process of developing an RFP advertisement for consultant services.

E. Increased Revenue – Collection Policy (Kirk Duncan)

Mr. Duncan reported that the CBJ is anticipating an \$8M shortfall in the next two FY budgets which will affect all departments. Public Works is doing its part to reduce the shortfall by increasing efforts to collect all unpaid revenues. Additional measures to offset impacts of the shortfall include not filling the current vacancy for the Public Works Deputy Director position and instead, creating a new Meter Tech II position to help improve revenue collection for the Utilities. This position will focus on finding illegal bypasses and incorrect meter installations, and correcting inaccurate accounts and billings. Mr. Duncan noted the possibility that as much as \$1M in unpaid billings are being “left on the table” each year which the Utilities are increasing their efforts to collect. Mr. Larson expressed his hope that customers who have blatantly broken the law get billed/back-billed accordingly, and Mr. Duncan concurred.

F. Passenger Fee Money – Last Chance Basin Upgrades – JD Treatment Plant Cruise Line Upgrade (Kirk Duncan)

Mr. Duncan further stated that Public Works has never gone after Passenger Fee monies, and he believes it is time to do so because Utilities’ projects are directly related to the cruise ship industry. He has met with the cruise agencies who agreed they would make longer port calls if CBJ was able to increase its ability to receive and process ship gray water. Currently, the large ships generate up to 250,000 gallons per day of grey water; the smaller ships generate 100,000 gallons per day. Ideally, we should be able to handle 1,000,000 gallons of cruise ship wastewater per day, and JD plant will be necessary to accommodate this additional volume. Additionally, the cruise industry has indicated it would like to be able to take on more fresh water during their Juneau port calls. Mr. Duncan would like to see a new water tank, or similar improvements, installed in the downtown area to increase our water delivery capacity. This might require a CIP to go forward. Longer port calls in Juneau would be good for the community and would likely benefit the local economy and sales tax revenues.

G. Bio-solids Update (Kirk Duncan)

Mr. Duncan noted that one possible outcome of the current beneficial processing and end use of biosolids RFP may be that it is least expensive to ship locally-produced biosolids south for land application or similar uses.

H. Grease & Petroleum Ordinance (Kirk Duncan)

Mr. Duncan briefly discussed the likely need for the City to adopt an ordinance to prohibit the introduction of grease, petroleum hydrocarbons, and similar contaminants into its wastewater stream. Many communities (e.g. Anchorage & Homer) already have such

ordinances, but Juneau doesn't. Mr. Heumann commented that such an ordinance was less necessary in the past because we used to incinerate biosolids at the end of the wastewater treatment process. Now that we are moving towards the beneficial processing/end use of biosolids it will be more necessary to prevent them from being added to the waste stream. Stay tuned for more on this topic.

I. Recognizing Current Staff Engagement (Kirk Duncan)

Mr. Duncan stated that the focus of Public Works has previously been 100% "process"; now it will be 50% "people" and 50% "process". The three main areas of concern are as follows:

1. Offer good service
2. Maintain cost-effective operations
3. Have engaged employees

**VI. NON-AGENDA ITEMS**

Ms. Hall-Schempf mentioned that at one time, there was discussion of having the Utility Advisory Board receive updates on recycling issues. This topic was reserved for a future meeting.

**VII. ADJOURNMENT**

The meeting was adjourned at 6:33 p.m.

Respectfully Submitted,

*Patti Rumfelt*

Patti Rumfelt, Administrative Assistant II  
CBJ Public Works Water Utility