

**UTILITY ADVISORY BOARD
MEETING MINUTES**

December 8, 2011

Public Works Department – Water Utility Conference Room

Board Members Present: Dick Behrends, Chair; Matt Van Steenwyk; 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 5:35 p.m. by Mr. Behrends, Chair.

II. APPROVAL OF MINUTES

The minutes from the November 17, 2011, meeting were unanimously approved as presented in the board’s agenda packet.

III. PUBLIC PARTICIPATION

None.

IV. ACTION ITEMS

Board decision on next meeting date: January 19, 2012. Ms. Rumfelt will email members with this proposed date. [As a result of members’ emailed feedback, this date was confirmed.]

V. INFORMATION ITEMS

A. Questions re Water Utility Updates (Mr. Crabtree)

Mr. Crabtree discussed the recent leaks that occurred at Aurora and Douglas Harbors. The Harbors Department plans to install an above-ground meter, backflow prevention equipment, and protective shed at Aurora Harbor which will aid in the more rapid detection of future leaks.

Mr. Crabtree additionally noted that the City’s Utility Billing desk was moved from Finance Dept to Water Utility offices in November 2011. This will allow for better control of the utility accounts, allow for account corrections to be made in a more timely manner, and allow for customer service issues to be resolved more efficiently.

B. Questions re Wastewater Utility Updates (Mr. Trego)

Mr. Trego reported that John Markus of Tetra Tech has been contracted to provide an updated analysis of the MWWTP mixing zone. Mr. Markus will also conduct an assessment and provide recommendations to improve plant process control procedures and will draft an operations manual for the MWWTP.

Mr. Trego additionally noted that the amount of fats, oils, and greases (FOGs) entering the wastewater system has been increasing in recent years and impacting our wastewater collection and treatment processes. FOGs are difficult to transport and treat and significantly increase plant operation expenses. Mr. Duncan added that the Utility will be actively addressing this issue, and the Board can expect to hear more on this issue in the upcoming year.

Mr. Trego stated that the recent re-drilling of 2 oil monitoring wells at MWWTP was prompted by the airport's recent construction activities associated with expanding its Runway Safety Area. The construction resulted in a lowering of the water table in nearby Duck Creek, and it was necessary to deepen the wells from their previous 15' depths to approximately 25'.

Mr. Trego noted that the 310 tons of material that were removed from JDWWTP and shipped south for disposal were disposed because they contained too many hydro-carbons to allow local disposal. The Utility has loaded and shipped 12 containers south so far and expects another 20 – 30 to be needed before the process is complete.

Mr. Duncan reported that an estimated 5-gallon "slug" of diesel fuel from an unknown source recently entered the collection system leading to the JDWWTP and disrupted plant operations. The incident was reported to the ADEC and the EPA who are looking into it.

Mr. Duncan added that the ADEC has verbally notified the Utility that the JDWWTP is in need of significant structural improvements and is in the process of preparing a letter report of their findings.

Mr. Duncan announced that Denny Kay, CBJ WW Supervisor, will be retiring on December 31, 2011, and that Nathan McCombs, current Quality Assurance Manager, has been hired to fill that position.

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

Mr. Heumann noted that bids for the Airport Water Meters project were opened on December 6 and a low bid of \$231,000 was submitted by Juneau contractor CDI.

Mr. Heumann provided an updated summary of RFP #12-025 for biosolids processing services and noted that the recently received proposal from the contractor still does not address all of the City's

biosolids disposal needs. Staff is continuing its negotiations with the contractor in hopes of reaching a workable agreement.

D. Rate Structure & Code Definitions (Mr. Crabtree)

Mr. Crabtree made a presentation about the Utility's current billing rate structure and presented an information package to the Board. He noted that some customer classes are not paying the true cost of their service, and these issues need to be addressed for the Utilities to operate effectively and be able to fund the replacement of aging infrastructure. He requested Board members to review the information and noted that the Utilities will be working to eliminate inequities in rate structure over the upcoming year.

Mr. Crabtree additionally noted that the Fire Dept currently funds \$350K per year to the Water Utility to assist with upkeep of fire hydrants and fire suppression lines throughout the Borough. This amount is set to increase by \$50K every year until a level amount of \$800K per year (estimated total annual cost to maintain them) is reached.

VI. NON-AGENDA ITEMS

Mr. Duncan requested the Board consider the overall goal of the Utilities. He noted that Water has a fund balance of approximately \$1M, and Wastewater has a fund balance of approximately \$1.2M; we need to consider how large the fund balance amounts should be, and what steps are needed to achieve them.

He additionally noted that in future meetings, he would like to see less time spent on the highlights from the Utilities' reports and more time spent on getting Board input on "big picture" goals and ideas.

VII. ADJOURNMENT

The meeting was adjourned at 7:09 p.m.

Respectfully Submitted,

Patti Rumfelt

Patti Rumfelt, Administrative Assistant II
CBJ Public Works Water Utility