

**UTILITY ADVISORY BOARD
MEETING MINUTES**

August 20, 2009

Public Works Department - Water Utility Conference Room

Board Members Present: Scott Willis, Geoff Larson, Janet Hall_Schempf, George Porter, Leon Vance, Diane Pearson

Staff Present: Scott Jeffers, Jim Heumann, Liam Carnahan, Laurel White

I. CALL TO ORDER:

The meeting was called to order at 5:33 p.m. by Geoff Larson, Vice-Chairperson.

II. APPROVAL OF UAB MINUTES:

The June 18, 2009 minutes were approved as presented.

III. PUBLIC PARTICIPATION:

None.

IV. ACTION ITEMS

A. Board Review of Proposal to Curtail billing Wastewater Facilities for Sewer Service

Mr. Jeffers reported on wastewater facilities' practice of charging themselves for sewer on the basis of a percentage of their water use. Staff proposes to stop this practice. Water will still be metered and paid for. Currently these facilities pay for their sewer from a wastewater operating account and the funds are then deposited back into another wastewater account. At the present time, the percentage of sewer billed is quite arbitrary. The upcoming billing system will have the ability to accurately meter water not being discharged into the sewer, using a subtraction meter. No ordinance would be necessary to make this change, as it is an administrative matter.

Diane Pearson made the motion to accept staff's recommendation to stop billing wastewater plants for sewer service, as the current administrative process is unnecessarily cumbersome, isn't supported under the new billing software and there is no apparently benefit with the current practice. The motion was seconded.

Discussion ensued. Mr. Willis noted that AEL&P uses a method called "station service" wherein they meter, but do not charge themselves for, the power necessary to provide power services.

The motion was called and it passed unanimously.

B. Proposal to Postpone the October Meeting to October 22, 2009

Mr. Jeffers proposed changing the October UAB Meeting due to foreseen absences. The board instructed staff to query the board and find a date a quorum will be present. Mr. Jeffers will email all board members accordingly.

V. INFORMATION ITEMS:

A. Projects Update – Jim Heumann

Mr. Heumann referred to the August 17, 2009 memorandum included in the Board's information packet and asked if the Board had questions or comments.

Ms. Pearson asked about the airport accounts collecting for water and wastewater services from their lessees and why none of these funds come back to the utilities.

Mr. Heumann responded that there are multiple issues involved with airport maintenance and billing. The airport is owned by the City but our staff doesn't have free access to enter their property, due to security issues. Additionally, the 2004 Memorandum of Agreement (MOU), to meter the airport main lines and return the resultant revenues to the utilities, was never fully implemented.

The issue now is how to meter water at the airport. One option, consisting of installing two meters and vaults that would capture water to all airport facilities and leased properties, is being evaluated to determine whether it will best address this issue. Another matter arises when airport sells water to lessees, and whether they become their own water system, a consecutive system, when doing so. This brings up regulatory issues, involving the airport running their own system, which they do not want to do. Mr. Carnahan noted that Scott Forgue, of DEC, is amenable to the airport being declared a consecutive system, but discussions would continue if the MOU remains in effect. Mr. Forgue indicated to Jeffers and Carnahan that the Drinking Water Program usually does not get involved with consecutive systems in situation like with the Airport or Docks and Harbors.

Mr. Carnahan noted that Patty DelaBruere, Deputy Airport Manager, has agreed to have FY09 utility revenues transferred to the water and wastewater revenue accounts before FY09 is fully closed. Mr. Jeffers noted that he wants to collect revenues from the date of the Agreement, 2004. Ms. DelaBruere appears to be agreeable to this as well.

Mr. Heumann gave an update on the JD incinerator. The lower venturi scrubber chamber needs to be replaced and the old one will be refurbished as a back-up.

B. Wastewater Utility Updates – Scott Jeffers for Joe Myers

Mr. Jeffers referred to the August 11, 2009 memorandum included in the Board's information packet, highlighting wastewater issues and activities.

An inquiry was made regarding the Mendenhall Treatment Plant oil recovery project. Mr. Jeffers noted that two new wells have been drilled, a “cone of depression” well and a recovery well. More oil will be recovered with these additional wells. Mr. Larson asked about neighbor’s concern regarding this situation. The neighbors have hired an attorney regarding their concerns, who is in contact with the City Attorney. Staff responded that Kim Kiefer, City Manager, had instructed Joe Myers to communicate directly with them regarding this subject and that he had done so. Those neighbors seem to be more comfortable with the progress since Joe’s communications.

Mr. Jeffers reported on the JD Incinerator and expressed relief that a second opinion on condition estimated a 15-20 year extension of its service life, rather than the 3-5 years previously estimated, if pumpable insulation and an external steel skin are installed.

Mr. Jeffers commented on the JD Treatment Facility headworks project. Bids for this project came in below Engineering’s estimate.

C. Water Utility Updates – Liam Carnahan

Mr. Carnahan commented on the database reconciliation project. Three databases are being merged under the new city-wide software deployment: assessor, utility billing, and community development. Three avenues of reconciliation are being approached: staff is cross-checking General Engineering open permits with Munifax (the Utility Billing software), Govern (the new all-in-one software) uploads are identifying customers with discrepancies and the Geographic Information System.

Ms. Hall-Schempf asked for an update on the Jordan Creek Reservoir project. Mr. Carnahan responded that a contractor has been hired to install a sump to capture the material coming off Thunder Mountain prior to it getting to Jordan Creek. Mr. Heumann added that this is in the hands of the Engineering Department and that our staff should check the status as Engineering does not routinely brief us on their projects. Mr. Carnahan stated that he will present an update on this project at the next UAB meeting.

Mr. Larson asked about the utility’s exposure regarding the out-of-service water line in the JD bridge. Mr. Carnahan responded that there is a second line in the bridge plus a channel crossing at Salmon Creek that can, in combination, still supply water to Douglas. Concern was expressed regarding the small size of this line supplying the crossing at Salmon Creek. Mr. Carnahan responded that it is a small line, but it loads two reservoirs and will serve adequately as a temporary water supply and suffice for fire protection. Mr. Jeffers said that Dave Crabtree presented a possible repair option for the out-of-service JD bridge water line, that would involve cutting a piece out of the line, fix the problem area and then re-install the pipe with one or more sleeves. Ultimately, installing more sleeves and flex joints would provide for more flexibility to accommodate the bridge’s movement.

Staff are also exploring a long term permanent fix for the issue of rigid water lines in a flexible bridge.

VI. Non-Agenda Items

Mr. Jeffers noted some clarifications relative to the June 18, 2009 UAB meeting minutes.

- A. Expansion Moratorium - The “expansion moratorium” referred to at the last meeting was part of a comment made in regard to a worst-case scenario of a 15% cut in wastewater operational funding. It doesn’t now seem likely that cuts, certainly of this magnitude, will be forthcoming and therefore limitations on expansion aren’t anticipated.
- B. Transitional Zoning - Mr. Carnahan will prepare information for the October Utility Advisory Board meeting regarding transitional zoning in those areas of water and sewer expansion.
- C. Self-Reporting Incentive - Mr. Carnahan would like to implement a self-reporting program for those residents being billed incorrectly. The Finance Department does not want to do so, mainly because those who have already been back-billed might challenge and demand a refund. Mr. Carnahan further stated that revenue recovery is not the main concern, but accuracy of future billings. Mr. Carnahan would like to eliminate or decrease back-billing for self-reporting persons. To implement this program, publicity would be necessary through all avenues of the media. Ms. Pearson responded that residents then need to know what an accurate billing is and commented further that implementing such a program is complex and asked whether people really know whether they’re being billed correctly or otherwise. Mr. Carnahan responded that this would not typically focus on metered accounts, but rather on homes with multiple units. It was speculated that people definitely know whether or not they’re being billed for the correct number of units. Mr. Jeffers asked whether this would be a limited time offer. Mr. Carnahan will assemble more information and a sample PSA for the Board to consider.

Mr. Porter made a motion to hold a special meeting in the next two weeks on this issue by which time staff will have prepared additional information on this topic. The motion was seconded and passed unanimously.

VII. ADJOURNMENT:

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

Respectfully Submitted,

Laurel White, Administrative Assistant II
Public Works, Water Utility