

**UTILITY ADVISORY BOARD
MEETING MINUTES**

February 18, 2010

Public Works Department – Water Utility Conference Room

Board Members Present: Dick Behrends/Chair, Geoff Larson/Vice Chair, Scott Willis, George Porter, Diane Pearson (telephonically)

Staff Present: Joe Buck, Jim Heumann, Liam Carnahan, Joe Myers, Laurel White

I. CALL TO ORDER

The meeting was called to order at 5:28 p.m. by Dick Behrends, Chair.

II. APPROVAL OF UAB MINUTES:

The minutes for the meeting of January 21, 2010, were presented and approved unanimously.

III. PUBLIC PARTICIPATION

None.

IV. ACTION ITEMS:

A. UAB Memo: Zoning Conformance for Newly Sewered Areas to Planning Commission

Mr. Heumann referred to the enclosed memorandum on this subject, which board member Janet Schempf drafted. Board discussion ensued, particularly noting this memorandum applies to D-5 zoning *and greater* and to residential properties only. Mr. Willis asked for code clarification and Mr. Heumann responded that the Land Use Code specifies D-5 zoning and went on to say that D-5 is to be designated in concurrence with the Code. Mr. Willis suggested that the language in the memorandum is sufficient and addressed both D-5 or greater zoning and the applicability to residential districts only.

MOTION

Mr. Willis made a motion to accept the memorandum as presented.

SECOND

Mr. Porter seconded the motion.

MOTION PASSED

The motion passed unanimously.

B. Board Decision on Next Meeting.

March 18, 2010 was suggested by staff for the next UAB meeting and the Board concurred. Mr. Carnahan noted that he will present the approved Water Utility budget at the March meeting.

V. INFORMATION ITEMS

A. Wastewater Utility Updates – Joe Myers

Mr. Myers asked the Board whether there were comments or questions on the summary submitted within the information packet. There were no questions for Mr. Myers.

B. Water Utility Updates – Liam Carnahan, P.E.

Mr. Carnahan asked the Board for comments or questions. Mr. Willis asked whether the recent OSHA inspection was in-house or conducted by OSHA. Mr. Carnahan responded that a recent in-house inspection took place about 3-4 months ago; however, an unplanned OSHA compliance review took place this month. Minor issues were noted and almost all have been addressed. One outstanding issue is installation of safety fastening points on top of water tanks. A purchase request for this work is being prepared. Mr. Carnahan noted further that he has to write a memorandum to OSHA within one week.

Mr. Larson noted destruction of a hydrant meter in Mr. Carnahan's update and asked whether such expenses are refunded to the Water Utility. Mr. Carnahan replied that hydrant repair come from general revenue funds in which there is \$300,000 to cover repairs. Furthermore, if a party is identified for the hydrant damage, a claim is made by Risk Management to recover those costs. Mr. Porter stated that operating expenses for replacing hydrants is closer to \$500,000. Mr. Buck replied that an incremental yearly increase of \$50,000 is being levied to the Fire Department that will pass-through from the Fire Department to Water Utility. The 2020 projection for these expenses is at \$800,000.

As there were no more action items, Ms. Pearson exited the meeting at this time.

Mr. Porter addressed item #8 regarding the USFS never having been billed for utility services. Mr. Carnahan responded that the Federal Government is exempt from normal CDD reviews. Mr. Buck added that we have to be pro-active to obtain information on Federal building projects, as the usual permits are not generated to begin the billing process. Mr. Carnahan related a recent event in which Water Utility employees were escorted off the premises of a Federal property. Mr. Willis encouraged staff to think of other Federal buildings that may not be paying for utilities. Mr. Larson encouraged staff to backbill to the fullest extent allowable by law.

Mr. Porter suggested the Board write a recommendation to place responsibility of enforcement on the Water Utility rather than the City Manager and to allow all Federal and State agencies not paying utility services to be backbilled the maximum allowable by law. Mr. Behrends added that this should include any government agency, including the CBJ. Mr. Carnahan said he will send out the current City Manager's policy to the Board.

The Board asked whether utilities can be turned off to a Federal facility. Mr. Carnahan responded that City Code and Policy doesn't make a distinction between State, Federal or personal ownership. Staff is not familiar with State Code on this subject. Mr. Myers suggested that the precedents Mr. Hartle researched regarding backbilling may apply to private ownership only. Mr. Carnahan said he will send out the existing policy/code to the UAB. Mr. Larson said the Board reviewed this already. Mr. Buck replied that the Board's recommendation was informally adopted and further stated that this needs to be a utility policy. What is needed now is approval by Public Works and the UAB.

Mr. Behrends discussed a project the city of Bend, Oregon implemented in which citizens may donate money to help pay others' utility bills. Mr. Buck noted that agencies such as Catholic Community Services may help identify those people having difficulty paying for their utilities and may already have an assistance program in

place Mr. Behrends stated his support for a city program in which Juneau's citizens could help others experiencing difficult times.

C. Project Updates – Jim Heumann, P.E.

Mr. Heumann stated that negotiation of the design and study of the Salmon Creek secondary disinfection project has begun. Only one company responded to the RFP.

Additionally, DEC grant requests were submitted for Lawson Creek, Twin Lakes and the JDWW incinerator.

D. Verbal Status Reports

1. Code Revision Update – Jim Heumann

Mr. Heumann stated that he is in the process of code revision updates. Water and sewer will be done as separate packages. Mr. Buck added that this is being done in small steps, over time, not as a single project.

2. Budget & Rate Model Update – Jim Heumann

In 2003, a utility rate model was set with the assistance of consultants. Mr. Buck stated that the model will be re-run to determine projected rate increases. This information will be presented to the Assembly. Mr. Behrends asked whether other utilities use the same model. Mr. Buck responded that this is one-of-a-kind, as it is modified to its customer. Mr. Larson asked whether regional differences of Juneau are accounted for. Mr. Buck responded that the consults will look at whatever we ask for. Briefly discussed were differing user fees for zoning differentiation, peak load use, tourism demand, etc.

3. Governor' Wastewater Advisory Board Meeting – Joe Myers

Mr. Myers attended a conference in Anchorage in which a draft method of supervision of WWU was presented. The question is whether we have the right level of operator at plants to conform with DEC code. The DEC was charged to answer inquiries within one month. We practice multi-level supervision at both plants.

4. Annual Utility Report to CBJ Assembly – Jim Heumann

The UAB is to make an annual presentation to the Assembly. This was not done last year. Staff will generate a report and the Board will review, revise and approve. Mr. Buck said that the Clerk's office should have a copy of the last report.

VI. NON-AGENDA ITEMS

None.

VII. ADJOURNMENT:

The meeting was adjourned at 6:26.m.

Respectfully Submitted,

Laurel White, Administrative Assistant II
CBJ Public Works Water Utility