THE CITY AND BOROUGH OF JUNEAU, ALASKA

April 17, 2008

MEETING NO. 2008-10: The Special meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5 p.m. by Mayor Bruce Botelho.

I. FLAG SALUTE was led by Mayor Bruce Botelho.

II. ROLL CALL

Assembly Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Sara Chambers, Bob Doll, Johan Dybdahl, Merrill Sanford, David Stone, Randy Wanamaker.

Assembly Absent: None.

Staff Present: Rod Swope, City Manager; Kim Kiefer, Deputy City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Roger Healy, Engineering Director; Craig Duncan, Finance Director; Maria Gladziszewski, Special Projects Officer.

III. NEW BUSINESS

A. Resolution 2440

A Resolution Ratifying the City Manager’s Declaration of a Local Disaster Emergency.

Administrative Report: Attached. Mr. Swope said that he had issued a declaration of local emergency this morning, after conferring with the Governor’s office and the State Emergency Services Office. This is the first step that needs to be taken in order to seek assistance from the state. They will be convening the Emergency Panel of the state to review our request and provide a recommendation to the Governor on whether or not to provide CBJ with funding. According to the Charter, the manager had the authority to issue a disaster declaration, and within seven days of issuance, the Assembly must ratify the manager’s decision. This resolution provides the Assembly’s ratification. The manager recommended Resolution 2440 be adopted.

Public Comment:

Assembly Action:

MOTION, by Wanamaker, to adopt Resolution 2440, and he asked for unanimous consent. Hearing no objection, it was so ordered.

Mayor Botelho asked Mr. Swope to update the Assembly on the actions taken to this point by the city. Mr. Swope said staff has contacted the congressional delegation as well as the governor’s office in Washington, D.C., and has met with the local legislative delegation as well, so all are aware of the city’s request for assistance. A press conference was held today at AEL&P and the company reported on the impact to Juneau of the power line break. Seeking state assistance is not for the purpose of helping AEL&P replace its power transmission line and rebuild the towers, but it is to help citizens and local businesses with the financial impacts they will feel over the next three months. All department heads, enterprise board heads, and school district representatives will meet tomorrow to brainstorm actions to take to minimize the impact. No decisions have been made, but actions will go beyond turning down lights and heat to seek temporary measures to reduce energy. The costs and benefits will have to be measured before action is taken.
Mr. Swope said that burning woodstoves would be allowed in the valley as an emergency measure to save heat from electrical heating systems. He spoke with representatives of EPA and DEC and was assured that even if there were an air inversion with air quality problems, an exception could be made to the burn ban during this time to hold down energy costs.

Mr. Swope has spoken with the state, the weather service and Eaglecrest about avalanche issues. Kirk Duncan, Ski Area Manager, issued an advisory to skiers and snowboarders that there was avalanche activity occurring in that area. While we have not seen the snow at lower elevations, at the higher levels the snow is the same volume as last year and there will be warming over the weekend, which is a recipe for active avalanches. He asked people to be aware.

Although this is still an estimate, all operations for the city, excluding the school and hospital, the impact will be approximately $2.5 million to the city budget for the additional power costs associated with operating at this higher energy costs for three months.

Mr. Doll asked if there was any more information on the duration of the hydroelectric power outage. Mr. Swope said AEL&P was still reviewing the situation, but given the snow conditions, it was likely to be a month before snow conditions would allow safe access to the site so that work could begin. Mr. McLeod of AEL&P told the public that once they could access the site, it would take approximately 2 months to install 5 new towers.

Mr. Doll asked if there was sufficient infrastructure in Juneau to handle the flow of diesel required to power the system. Mr. Swope said that the estimate was 100,000 gallons per day to run the system, and AEL&P currently had 300,000 gallons at the generator locations. The local fuel distributors have given assurances that there is sufficient supply to provide 50,000 gallons per day to AEL&P, so there will be no reduction of reserve, and additional fuel will be barged to the community.

Mr. Sanford inquired about a discussion of the sales tax on fuel. Mr. Swope said that AEL&P charges the sales tax, the information is confidential, and Mr. McLeod said he can provide the sales tax on the utility bill portion, but not on the fuel at this point. Mr. Sanford said follow-up was necessary to gain more information. He also said that the fuel transfer trucks should be well-maintained so that delivery would not be interrupted.

Mr. Dybdahl asked if the city were successful in obtaining emergency funding, what were the restrictions on the use of the funds, and how those funds could be spent. Mr. Swope said he had requested $25 million based on the cost incurred by the community over the three month period, as estimated by AEL&P. The congressional delegation had expressed an interest in assisting. He was not sure of the restrictions on use of any funding. Mr. Dybdahl referred to the regulatory commission’s approval of AEL&P’s rate structure and was there any indication of how their review would affect rates.

Mr. Stone said, as a past employee of AEL&P, he felt very bad for his former colleagues and what they were going through. He said this situation was very serious, and at the same time he pointed out that even with this situation, Juneau was still better off than the villages surrounding Juneau as far as the infrastructure and rates. There were many in Southeast Alaska and rural Alaska areas that were paying much higher bills for their power. We do need to conserve. We have three hydroelectric projects ongoing; Salmon Creek and Annex Creek, which have storage capacity, and Gold Creek, which does not. The hydro reservoirs are all reaching the bottom as it has been a cold winter and spring, so we were going to be in trouble despite this avalanche. We need to pray for warming weather to fill the reservoirs. Lake Dorothy should come on line in the late winter, early spring of next year, which will help. This will adversely affect the city budget and we will need to seriously consider all the ramifications.
Mayor Botelho asked about the Cost of Power Adjustment (COPA) situation. Mr. Stone said that typically this COPA is done every six months, but an emergency adjustment could be sought, and he thought AEL&P would seek this.

Ms. Chambers asked if a city match of funds would be needed to obtain state assistance. Mr. Swope said it would not require a city match. Ms. Chambers asked if there was a plan to educate the public about avalanche potential and energy conservation. Mr. Swope said he had spoken with the news media about the avalanche concerns. We will attempt to get additional information out through press releases, and the internet. Ms. Kiefer said that a student from Sitka provided information about energy conservation which will be posted to the city’s website. Ms. Gladziiszewski has been appointed to direct the education efforts, and she reported that many stores in the area had dimmed half their lights. Mr. Stone said AEL&P had a conservation plan and they would be aggressive.

Mr. Wanamaker said that communities could qualify for power cost equalization but this had to be done by the utility, and was this avenue being considered. Mr. Swope said he would do so.

IV. ASSEMBLY COMMENTS AND QUESTIONS

Mayor Botelho referred to the controversy about the racial slur on talk radio in Anchorage last week, and said that it was incumbent upon all in the community, particularly elected leaders, to express our abhorrence to the statement and to comment that this was beyond the pale and took the opportunity to express that unanimous view of the Assembly.

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None.

VI. EXECUTIVE SESSION – None.

VII. ADJOURNMENT: 5:25 p.m.

Signed: ___________________________    Signed: ___________________________
Laurie Sica, Municipal Clerk       Bruce Botelho, Mayor