

INTERNAL AUDIT REPORT

2019- S2

On-Site Water and Wastewater Technical Review
Board

Development Services Department

August 9, 2019

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Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

August 9, 2019

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2019-S2, On-Site Water and Wastewater Technical Review Board, Development Services Department**, for your review. A brief summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the On-Site Water and Wastewater Technical Review Board. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the On-Site Water and Wastewater Technical Review Board should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the On-Site Water and Wastewater Technical Review Board be reauthorized. It should be noted that the term for one On-Site Water and Wastewater Technical Review Board member expired on October 14, 2018, but he continued to serve on the On-Site Water and Wastewater Technical Review Board. This Board member was reappointed on July 9, 2019.

The On-Site Water and Wastewater Technical Review Board will sunset on October 14, 2019, unless reauthorized by the Assembly.

Michael Chadwick, CIA, CICA
Director, Internal Audit



Municipality of Anchorage

Ethan Berkowitz, Mayor
Internal Audit Department

August 9, 2019

Sunset Audit Report 2019-S2
On-Site Water and Wastewater Technical Review Board
Development Services Department

Introduction. We have performed a sunset audit of the On-Site Water and Wastewater Technical Review Board (Board) as required by Assembly Ordinance Number 2011-64(S-1), Section 14 which states:

“The Municipal Clerk shall notify the Assembly and the Mayor by assembly memorandum at least 120 days prior to the sunset of any board or commission, and an ordinance for reauthorization shall be introduced through the Assembly Chair with the assembly memorandum. The assembly memorandum shall include direction to the Office of Internal Audit to audit the board or commission under Anchorage Municipal Code section 3.20.110 D.3. and 4. The Office of Internal Audit shall report its findings to the Mayor and Assembly at least 60 days, prior to sunset, prior to vote by the Assembly on reauthorization.”

Objective and Scope. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Board should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

We conducted this performance audit in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained

provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was performed during the period of May through June 2019.

Overall Evaluation. Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Board be reauthorized. It should be noted that the term for one Board member expired on October 14, 2018, but he continued to serve on the Board. This Board member was reappointed on July 9, 2019.

SUNSET FACTORS

The following factors were used in our evaluation and are presented for information to the Mayor and Assembly:

1. **Name of Board.**

On-Site Water and Wastewater Technical Review Board

2. **Sunset Date.**

October 14, 2019

3. **The Purpose and Goal of the Board.**

Anchorage Municipal Code (AMC) subsection 4.40.150B., Powers and duties, states "The board shall

- 1. Propose, review and make recommendations to the assembly regarding proposed amendments to chapter 15.55, chapter 15.65, or regulations thereunder. The assembly shall not adopt such an amendment or regulation until it has been reviewed by the board;*

2. *Hear and decide appeals related to chapters 15.55 and 15.65 from department decisions under section 15.05.090. The scope of review shall be whether the department's decision is arbitrary and capricious based on a clear and consistent application of the standards established in the applicable code sections. The board may consider evidence in addition to the record on appeal;*
3. *Review fee schedules proposed by the development services department in chapter 23.10, Table 3-L – On-site services fees and advise the assembly as to appropriateness;*
4. *Promote community education efforts toward proper operation and maintenance of on-site systems in cooperation with the department;*
5. *Promote continuing education of engineers, manufacturers, septic installers, septic pumpers, well drillers and well pump installers toward proper design, construction and maintenance of on-site systems in cooperation with the department;*
6. *Promote and encourage research and demonstration of alternative experimental methods of on-site wastewater treatment systems;*
7. *Recommend an acceptable criteria for approving experimental systems as conventional systems and advise the department or assembly as to needed changes in regulations or ordinances to accommodate the new types of systems; and*
8. *Conduct investigations and hearings necessary to accomplish the purposes described in this subsection.”*

4. **Have Board members been appointed?**

AMC subsection 4.40.150C., Composition; organization; term of office, states “The board shall consist of seven (7) members, all of whom shall be knowledgeable of on-site water and wastewater disposal systems.

1. *One of the members shall reside in the northerly part of the municipality north of Northern Lights Boulevard and its extension including Eagle River and beyond, in a home served by on-site water and wastewater disposal systems.*

2. *One member shall reside in the southerly part of the municipality south of Northern Lights Boulevard and its extension including Girdwood, in a home served by on-site water and wastewater disposal systems.*
3. *One member shall be a professional knowledgeable in real estate, waterborne diseases, hydrology, geology or soil science.*
4. *At least three of the members shall be engineers.*
5. *Members shall be appointed by the mayor for terms of three years. All appointments shall be subject to confirmation by the assembly. Terms shall be staggered.”*

Audit Finding. As of June 2019, the Board was staffed with five of the required seven members.

<u>Board Member</u>	<u>Most Recent Assembly Confirmation</u>	<u>Term Expiration Date</u>
Mark Swenson* (Engineer)	10-27-15	Expired 10-14-18
Kyle Brown (Homeowner South of Northern Lights Blvd.)	11-15-16	10-14-19
Donna C. Mears (Engineer)	1-9-18	10-14-20
Jeffrey A. Garness (Engineer)	8-28-18	10-14-20
Kurt D. Sauers (Engineer)	8-28-18	10-14-20
Vacant (Homeowner North of Northern Lights Blvd.)		
Vacant (Professional knowledgeable in real estate, geology, etc.)		

Source: Assembly Memorandums

*This Board member was reappointed on July 9, 2019.

5. Are the terms of the Board members current?

AMC section 4.05.040, Terms, states “Except as otherwise specified in this Code, the regular term of each member of a board or commission is three years commencing on October 15 of

the year in which appointed and ending three years thereafter on October 14, provided however, to avoid a vacancy until new appointments can be made and confirmed, an appointed member's term is extended until a new appointment is confirmed or a maximum of 120 days which ever occurs first. The terms of initial or subsequent appointments to a board or commission shall be staggered so that, as nearly as possible, a pro rata number of its members shall be appointed each year of the established regular term of office.”

Audit Finding. The terms for four of the five Board members are current. The term for the remaining Board member expired on October 14, 2018, but he continued to serve on the Board. This Board member was reappointed on July 9, 2019.

6. Are positions deemed vacant after the maximum number of absences?

AMC subsection 4.05.060A., Attendance requirements; vacancies, states “The office of a member of a board or commission member shall become vacant if the member:

- 1. Ceases to meet the qualifications prescribed for the office;*
- 2. Resigns;*
- 3. Dies;*
- 4. Is judicially determined to be incompetent;*
- 5. Is convicted of a felony;*
- 6. Is removed from office for breach of the public trust; or*
- 7. During any 12-month period while in office:*
 - a. Is absent from three regular meetings without excuse;*
 - b. Is absent from:*
 - i. Six regular meetings; or*
 - ii. Eight regular meetings for members of the planning and zoning commission, urban design commission, platting board, or zoning board of examiners and appeals; or*
 - c. Fails to attend a two-thirds majority of the regular meetings without excuse.”*

Note: Attendance requirements found in AMC subsection 4.05.060A. were amended on April 24, 2018, by Assembly Ordinance Number 2018-31, as amended and shown above. According to Assembly Counsel, this ordinance is effective prospectively. As a result, we evaluated attendance from May 2018 to the end of June 2019.

Audit Finding. No members were absent from three regular meetings without an excuse during any 12-month period from May 2018 through June 2019.

No members were absent from six regular meetings during any 12-month period from May 2018 through June 2019.

No members failed to attend two-thirds of the regular meetings without an excuse during any 12-month period from May 2018 through June 2019.

7. **Does the Board meet regularly?**

AMC section 4.05.090, Meetings, states “A board or commission shall hold regular monthly meetings at such time and place as may from time to time be designated by the board or commission, but meetings need not be held if no business is pending. Boards and commissions shall advise the public of their meeting schedules, or publicly advertise their meetings where necessitated by statutory requirements. The chairman of a board or commission, or the municipal employee who is designated as an ex officio member of the board or commission pursuant to section 4.05.140, or a majority of the board or commission, may call a special meeting of the board or commission. Meetings of all boards and commissions shall be open to the public, except for an executive session, from which the public may be excluded.”

Audit Finding. From January 2018 through June 2019, the Board met three times. Meetings are publicly announced on the Development Services Department’s website and the Mayor’s Boards and Commissions Events website.

8. Are minutes taken and published?

AMC section 4.05.130, Reports, minutes and public hearing records, states “A board or commission shall keep minutes of the board or commission proceedings, and such minutes shall record the vote of each member physically present upon every question formally presented to the board or commissions for its consideration. The minutes shall be maintained in the custody of the municipal agency which supplies staff support to the board or commission and shall be a public record, open to inspection by any person.”

Audit Finding. Meeting minutes were taken at each Board meeting. Development Services Department staff can provide a copy to the public upon request. In addition, meeting minutes are available on the Board’s website.

9. Do meetings have action items or other business?

AMC subsection 4.40.150B., Powers and duties, states “The board shall

- 1. Propose, review and make recommendations to the assembly regarding proposed amendments to chapter 15.55, chapter 15.65, or regulations thereunder. The assembly shall not adopt such an amendment or regulation until it has been reviewed by the board;*
- 2. Hear and decide appeals related to chapters 15.55 and 15.65 from department decisions under section 15.05.090. The scope of review shall be whether the department’s decision is arbitrary and capricious based on a clear and consistent application of the standards established in the applicable code sections. The board may consider evidence in addition to the record on appeal;*
- 3. Review fee schedules proposed by the development services department in chapter 23.10, Table 3-L – On-site services fees and advise the assembly as to appropriateness;*
- 4. Promote community education efforts toward proper operation and maintenance of on-site systems in cooperation with the department;*

5. *Promote continuing education of engineers, manufacturers, septic installers, septic pumpers, well drillers and well pump installers toward proper design, construction and maintenance of on-site systems in cooperation with the department;*
6. *Promote and encourage research and demonstration of alternative experimental methods of on-site wastewater treatment systems;*
7. *Recommend an acceptable criteria for approving experimental systems as conventional systems and advise the department or assembly as to needed changes in regulations or ordinances to accommodate the new types of systems; and*
8. *Conduct investigations and hearings necessary to accomplish the purposes described in this subsection.”*

Audit Finding. From January 2018 through June 2019, the Board did not issue any resolutions or reports. However, in 2016 and 2017, the Board reviewed changes to AMC chapter 15.65, *Wastewater Disposal*. These changes were approved and adopted by the Assembly in January 2018. According to Board staff, due to the time and effort spent in reviewing the changes to AMC chapter 15.65, the Board decided to hold no meetings in 2018. In 2019, the Board began looking at the re-write of AMC chapter 15.55, *Water Wells*.