

# SUNSET AUDIT REPORT

2013-S2

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On-Site Wastewater System  
Technical Review Board

Community Development Department

August 15, 2013

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MUNICIPALITY OF ANCHORAGE  
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*Mayor Dan Sullivan*

August 15, 2013

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2013-S2, On-Site Wastewater System Technical Review Board, Community Development 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 Wastewater System 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 Wastewater System 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 Wastewater System Technical Review Board be reauthorized.

The On-Site Wastewater System Technical Review Board will sunset on October 14, 2013 unless reauthorized by the Assembly.

A handwritten signature in black ink, appearing to read "Peter Raiskums".

Peter Raiskums, CIA, CFE  
Director, Internal Audit

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*Mayor Dan Sullivan*

August 15, 2013

**Sunset Audit Report 2013-S2**  
**On-Site Wastewater System Technical Review Board**  
**Community Development Department**

**Introduction.** We have performed a sunset audit of the On-Site Wastewater System 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, Board resolutions and agendas, and Board member authorization and participation.

The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of June through July 2013.

**Overall Evaluation.** Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the On-Site Wastewater System Technical Review Board be reauthorized.

## 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 Wastewater System Technical Review Board

2. **Sunset Date.**

October 14, 2013

3. **The purpose and goal of the Board.**

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

*1. Propose, review and make recommendations to the assembly regarding proposed amendments to chapter 21.67, 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:*

*a. related to chapter 15.65 and section 15.05.160 from decisions of the department under section 15.05.090*

*b. related to chapter 21.67*

*c. related to denial of a permit to perform work in the watershed district.*

*The scope of review shall be whether or not the decision from which the appeal is taken is*

*arbitrary and capricious based on a clear and consistent application of the standards established in the applicable code sections. The technical review board may consider evidence in addition to the record on appeal;*

3. *Review fee schedules proposed by the development services department under chapters 15.65 and 21.67 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, installers, excavators and pumpers toward proper design, construction and maintenance of on-site systems in cooperation with the department;*
6. *Maintain, in cooperation with the department, a list of all engineers who have, within the last two years, successfully completed a continuing education course approved by the board;*
7. *Promote and encourage research and demonstration of alternative experimental methods of on-site wastewater treatment systems;*
8. *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;*
9. *Conduct investigations and hearings necessary to accomplish the purposes described in this subsection; and*
10. *Provide an annual report to the assembly describing board activities, an assessment of the on-site systems within the municipality and recommendations for future actions.”*

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

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

**Audit Finding.** Currently, the Board is staffed with five of the required seven members.

<b><u>Board Member</u></b>	<b><u>Appointed</u></b>	<b><u>Term Expiration Date</u></b>
Eric Hanssen	8-7-12	10-14-13
Matt Edge	11-8-11	10-14-14
Mark Spafford	2010	10-14-15
Lori Davey	10-9-07	10-14-13
Joel Neimeyer	11-8-11	10-14-15
Vacant		
Vacant		

Source: Mayor's Office

5. **Are the terms of the Board members current?**

*AMC 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 the five Board members are current.

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

*AMC 4.05.060.A, Attendance requirements; vacancies, states “. . . a vacancy shall occur if a member during any 12-month period while in office:*

1. *Is absent from three regular meetings without excuse;*
2. *Is absent from:*
  - a. *six regular meetings; or*
  - b. *eight regular meetings for members of the planning and zoning commission, platting board, or zoning board of examiners and appeals; or*
3. *Fails to attend a two-thirds majority of the regular meetings.”*

**Audit Finding.** One member was absent from three regular meetings without an excuse within any 12 month period. This member has not been removed from the Board.

No members were absent from six regular meetings within any 12 month period.

All members attended at least two thirds of the regular meetings within any 12 month period.

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

*AMC 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 2012 through June 2013 the Board met 16 times. Meetings are publicly announced on the Municipality’s Public Notices website.

**8. Are minutes taken and published?**

*AMC 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.** Yes, minutes were taken at each Board meeting. Community Development Department staff keeps a copy available for the public. In addition, Board minutes are available on the Municipality’s website.

**9. Do meetings have action items or other business?**

*AMC 4.40.150.B states “The board shall*

- 1. Propose, review and make recommendations to the assembly regarding proposed amendments to chapter 21.67, 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:*
  - a. related to chapter 15.65 and section 15.05.160 from decisions of the department under section 15.05.090*



*b. related to chapter 21.67*

*c. related to denial of a permit to perform work in the watershed district.*

*The scope of review shall be whether or not the decision from which the appeal is taken is arbitrary and capricious based on a clear and consistent application of the standards established in the applicable code sections. The technical review board may consider evidence in addition to the record on appeal;*

- 3. Review fee schedules proposed by the development services department under chapters 15.65 and 21.67 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, installers, excavators and pumpers toward proper design, construction and maintenance of on-site systems in cooperation with the department;*
- 6. Maintain, in cooperation with the department, a list of all engineers who have, within the last two years, successfully completed a continuing education course approved by the board;*
- 7. Promote and encourage research and demonstration of alternative experimental methods of on-site wastewater treatment systems;*
- 8. 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;*
- 9. Conduct investigations and hearings necessary to accomplish the purposes described in this subsection; and*
- 10. Provide an annual report to the assembly describing board activities, an assessment of the on-site systems within the municipality and recommendations for future actions."*

**Audit Finding.** From January 2012 through June 2013, the Board did not issue any resolutions or reports. In addition, the Board did not send anything to the Assembly or

Mayor's Office. The Board did send a letter in November 2012 to the Alaska Real Estate Commission recommending changes to the State of Alaska Residential Real Property Disclosure Form. A review of the Board's minutes revealed that it received updates from Municipal staff and frequently reviewed AMC for updates and edits. Suggested revisions to AMC 15.65, *Wastewater Disposal*, were recently sent to the Legal Department for review and then will go to the Assembly. AMC 15.55, *Water Wells*, is planned for review in the fall of 2013.