

**UTILITY ADVISORY BOARD  
MEETING MINUTES**

January 21, 2010

Public Works Department – Water Utility Conference Room

**Board Members Present:** Geoff Larson/Vice Chair, Scott Willis, George Porter, Leon Vance, Diane Pearson (telephonically) and Janet Schempf (telephonically)

**Staff Present:** Scott Jeffers, Liam Carnahan, Joe Myers, Laurel White

**I. CALL TO ORDER**

After establishing a teleconference connection with Diane Pearson and Janice Schempf, the meeting was called to order at 5:31 p.m. by Geoff Larson, Vice Chair.

**II. APPROVAL OF UAB MINUTES:**

The minutes for the meeting on December 17, 2009, were presented and approved with the following correction:

V. Information Items (C) (last sentence) . . . since potential rate changes should be done in conjunction ~~will~~*with* that start of the next two-year budget . . .

**III. PUBLIC PARTICIPATION**

Michael McMullen – Mr. McMullen referred to the minutes of the previous UAB meeting and asked whether staff notified those customers with a Multifamily Exemption Certificate (MEC) of this public hearing, as stated therein. Staff responded that no letters were sent, just standard public notice. Mr. McMullen stated that he heard of this meeting on the radio and received no direct contact. Mr. Jeffers and Mr. Carnahan responded that the City Clerk specifically advised against this method of contact and recommended the Water Utility advertise to the general public. Also, that this hearing was publicized in the newspaper, scanner and radio stations. Mr. McMullen stated that his purpose in bringing this into discussion is to have a record, via the meeting minutes, why the direct notification did not occur.

**IV. ACTION ITEMS:**

**A. Board Consideration of Letter to the Planning Commission Supporting Higher Zoning Densities in Areas Newly Served by Sewer**

Mr. Jeffers referred the Board to the draft memorandum he prepared for the Planning Commission. Mr. Larson presented a draft letter he prepared based upon this first memorandum, with suggested changes.

Mr. Larson asked the Board how it would like to proceed. Mr. Porter responded that he prefers the language of Mr. Larson's memorandum. Mr. Willis requested inclusion of language to the effect that not increasing density will cost other users and may result in a rate increase. Ms. Schempf commented that she is willing to assist staff in finalizing the memorandum to present at the next UAB meeting.

**B. Staff Request for Board Support of Loans and Other Financing for Major Incinerator Work and for the Secondary Disinfection System on the Salmon Creek Water Source**

Mr. Jeffers addressed the issue. Two projects are involved: the over-skinning of the J-D incinerator's reactor vessel (\$3 million) and secondary disinfection for the Salmon Creek water source (\$1.5 million). Staff is looking for conceptual support from the Board for applying for DEC loans for these two projects. Mr. Carnahan stated that the Water Utility is also going through a grant application process for these two projects; these grants may match DEC loans up to 50%. The DEC loans have an interested rate of 1.5% for the secondary disinfection system and 1.0% for the incinerator project. Furthermore, if federal funds are already secured, these grants will get a higher score. The process is to ask for the DEC loans first, then the grants. Mr. Jeffers asked for a concurrence from the Board to proceed with the loan process.

**MOTION**

Mr. Willis made a motion in support of loans and other financing for major incinerator work and for the secondary disinfection system on the Salmon Creek water source.

**SECOND**

Mr. Porter seconded the motion.

**MOTION PASSED**

There was no discussion and the motion passed without objection.

Note on point of order: It was suggested, in the interest of Mr. McMullen's time, that the Board rearranged the balance of the business. It was proposed that "VI. Non-Agenda Items" be presented before "V. Information Items." Without objection, it was so ordered.

**V. NON-AGENDA ITEMS**

**A. Hearing – Comments From the Public on Multifamily Unit Exemption Certificates and a Related Sewer Code Definition of Single-Family Unit**

Mr. Carnahan reported that Multi-family Utility Exemption Certificates (MEC) were created to allow people with two separate kitchens in their dwellings to circumvent payment of two flat rates or installation of a meter. CDD determines the number of units in a dwelling, largely based on the number of kitchens, but other criteria, such as ingress and egress, fire separation, etc. are used as well. From this determination, UB correspondingly bills the customer. In 2003, the Ordinance and Water Code definition for single family units were eliminated, but the Sewer Code was overlooked. Currently at issue is an attorney representing a utility customer who received a back-bill and is contesting the sewer portion of his back-bill due to the remaining definition in the Sewer Code. This customer has paid the water portion of his back-bill but does not accept the sewer portion of the back-bill. The Assessor, CDD and the Water Utility have the same definition of a single family unit, but not Sewer Code. Staff proposes eliminating the definition of "Single-family unit" from the Sewer Code.

Mr. McMullen stated that his dwelling was determined as two units in the early 1990s due to two kitchens. Later, he stopped renting the second unit and used only for his growing family by obtaining an MEC. Now CDD says he has two units. His property was once metered for a study, but he believes it is not being read now.

Mr. Carnahan stated that if the wastewater definition is eliminated and a customer has an MEC on file, staff can require the customer to install a meter. It's free, except

for those who, prior to 1983, obtained a permit but neglected to install a yoke that was given to them as part of their permit.

Mr. Carnahan further commented that for those properties with an accessory apartment, that are truly using their property as one unit, a metered rate may well be cheaper. More importantly, a meter in this circumstance is consistent with the Code. If the customer is using a great amount of water, a metered rate would be equitable payment for services. Mr. Porter asked how Water Utility would this enforce this. Mr. Carnahan responded that billing two flat rates would be an incentive to install a meter.

### **MOTION**

Mr. Vance made a motion to support staff suggestion that the definition in the wastewater code for single family dwellings be eliminated.

Mr. Carnahan read the affected language from the Sewer Code into the record. *Single-family unit means a dwelling unit designed, improved, or used as a residence for one family only. Each unit in a multiple-family dwelling; each unit in a single-family dwelling with an accessory apartment; and each trailer or mobile home not in a mobile home park shall be a dwelling unit; provided, a combination of units in a multiple-family dwelling unit actually used by a single-family and for which the customer has provided a signed statement verifying that the units will be used solely for a single-family dwelling unit shall be a single-family unit.*

Mr. Carnahan recommended that this definition be completely eliminated so that the Sewer Code is consistent with the Water Code.

### **SECOND**

Mr. Porter seconded the motion on the table.

### **DISCUSSION**

Ms. Pearson asked for Community Development Department definition. Mr. Carnahan responded that he does not have the code readily available, but responded that two independent kitchens in a dwelling is a big criteria as well as ingress and egress, etc.

### **MOTION PASSED**

Mr. Larson called the motion and it passed unanimously without objection.

## **VI. NON-AGENDA ITEMS**

### **A. February UAB Meeting Date**

Mr. Jeffers asked whether board members are available February 18 for the next UAB meeting. This date is acceptable to the Board.

### **B. Financial Consulting Services Group (FCSG)**

Mr. Carnahan reported that efforts are being made to again retain FCSG to re-visit the issue of our utility rate model. Mr. Porter asked whether the existing rate model is to be updated or whether the rate model will be rewritten. Mr. Carnahan responded that the scope of services has not yet been defined. To be looked at includes the cost of city-wide metering, service rates and customer classes. Ms. Pearson asked whether they will look at the threshold of standard water consumption per household. Mr. Carnahan responded affirmatively; study and justification of a base consumption would be reviewed. Ms. Pearson commented that she has observed other utilities that punish people financially if they go above their threshold, mainly as a water conservation effort, which is not generally a problem for Juneau. Mr. Carnahan recalled limiting water to cruise ships due to lowered water in reservoirs and the

inability of the wells to keep up with demand. Ms. Pearson replied that in such a case it's important to give residents priority and support local needs.

## **VII. INFORMATION ITEMS**

### **A. Wastewater Utility Updates – Joe Myers**

Mr. Myers asked the Board whether there were comments or questions on the summary submitted within information packet. Mr. Willis asked about wastewater in-house analysis and whether the lab will be certified as a drinking water lab. Mr. Myers responded that it will for some basic testing but not as a full-service water lab. Mr. Willis asked if additional staff will be required and whether in-house analysis will minimize costs. Mr. Myers responded that no additional staff is required and costs will be minimized; in addition, in-house analysis will aid in quality control.

Mr. Porter asked whether the lab, if certified, would perform analysis for the general public. Mr. Myers responded that it is a microbiological lab, not for public water testing at large; however, other CBJ departments may utilize this service.

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

Mr. Carnahan reported that the installation of two flexible couplings inside the J-D bridge was inspected today. Chlorination of that line will be the next step. Mr. Porter asked whether flexible couplings will be installed on the second water line. Mr. Carnahan responded that he expects more will be installed this summer.

Mr. Carnahan further reported that the two-year budget process has begun and there will be more to discuss at the next meeting.

### **C. Project Updates – Scott Jeffers for Jim Heumann, P.E.**

Mr. Jeffers asked for questions and/or comments from the Board. Mr. Larson asked about the origins of secondary disinfection at Salmon Creek. Mr. Jeffers responded that this is a mandated, regulatory-driven project.

## **VII. ADJOURNMENT:**

The meeting was adjourned at 6:36 p.m.

The next meeting date for the Utility Advisory Board is February 18, 5:30 pm, same location.

Respectfully Submitted,

Laurel White, Administrative Assistant II  
CBJ Public Works Water Utility