

UTILITY ADVISORY BOARD MINUTES - DRAFT



March 14, 2024 at 5:15 PM

Water Utility Shop 2520 Barrett Ave./Zoom Webinar

<https://juneau.zoom.us/j/83013202186> or 1-253-215-8782 Meeting ID: 830 1320 2186

A. CALL TO ORDER

The meeting was called to order at 5:27pm by Chair Campbell.

B. LAND ACKNOWLEDGEMENT

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

Members Present: Mr. Ritter, Mr. Larson, Mr. Cohen (Zoom), Chair Campbell (Zoom), Janet Hall-Schempf (Zoom)

CBJ Staff: Brian McGuire, Utilities Superintendent; Denise Koch, EPW Director; Amanda Hatch, Administrative Assistant; Breckan Hendricks, Admin Officer; Chad Gubala, Utilities Product & Treatment Manager (Zoom)

D. APPROVAL OF AGENDA

Chair Campbell moved to add the agenda Letter of Support for Federal Funding for MWWTP FOG Compliance to be the last agenda item.

E. APPROVAL OF MINUTES

1. May 11, 2023, Draft UAB Meeting Minutes - No changes. Minutes Approved.

F. AGENDA TOPICS

2. Letter of Support for Electric Boiler at the Mendenhall Wastewater Treatment Plant (MWWTP)

Mr. McGuire explained that CBJ is seeking a grant for an electronic boiler. The existing boilers are nearing the end of their lives. This grant coincides with CBJ's goal to lower our greenhouse gas emissions. In addition, this grant would help fund the boiler, which is already on the Capital Improvement Plan (CIP). Mr. McGuire recommended that the UAB provide a letter of support.

Chair Campbell said that he'd be happy to work with Mr. McGuire to draft a letter of support.

Mr. Cohen inquired if CBJ investigated heat pumps as an alternative. Mr. McGuire responded that CBJ had a consultant that made recommendations, but that he did not have that information readily available to confirm.

Mr. Cohen suggested that the language could be changed to Electric Boiler or Heat Pump.

Ms. Koch shared that this is a Climate Pollution Reduction Grant, it's a National competitive grant from the federal government, not a formula grant. She explained the administration of the federal grant goes to the DEC Division of Air Quality, which contracts with the Alaska Municipal League, which will help administer the grant. Multiple entities can and will likely apply in Alaska for this grant.

Mr. Ritter shared an excerpt from DEC: " It says by mitigating the potential for long-term fuel cost increases, this project holds the promise of curbing a necessity for future rate hikes for water utility."

Under the section of ‘what the community will benefit from,’ Mr. Ritter recommended the group read this document.

Ms. Koch shared that in addition to Jim Rehfeldt’s report, CBJ has also re-engaged Jim Rehfeldt, Devon Kibby, and other people with expertise in the technical details to be competitive.

Mr. Cohen brought the group back to his original question. He shared that there are industrial-size electric heat pumps and inquired if the verbiage could be adjusted to cover heat pumps.

Ms. Koch explained that the grant application is due April 1st and that CBJ is far down the path of an electric boiler since they have engaged with energy and electrical experts. She explained that it is UAB’s discretion whether they want to submit a letter of support for an electric boiler.

Mr. Larson expressed that Chair Campbell may have the expertise and skills to adjust the language if appropriate.

Mr. Cohen shared confidence in the consultant’s recommendations but inquired if they had considered heat pumps. Ms. Koch responded that the previous study on fuel boiler replacements recommended electric boilers, but they were cost-prohibitive. She could not recall specifically if the study for the replacement of the boilers evaluated heat pumps.

MOTION: The UAB will submit a Letter of Support for the electric boiler at the MWWTP, as discussed, with Chair Campbell as the lead and Mr. Cohen included in the process. There were no objections, and the motion passed.

3. Cruise Ship Wastewater and Water Charging Overview

Mr. McGuire explained that Mr. Cohen inquired on Cruise Ship Revenue previously, which prompted this presentation. Mr. McGuire shared that not all cruise ships participate and shared with the group examples of wastewater cruise ship contracts and billing procedures. He shared that drinking water is indirectly billed to cruise ships through Docks and Harbors who re-sell the water to the ships. A slide was shared on Cruise Ship Revenue, and it was explained that the highest volume year was in 2019 and that Utilities revenue has gradually been bouncing back since cruise ships halted and restarted during the COVID pandemic.

Mr. McGuire shared that cruise ships also contribute to Utilities allowing funding from Marine Passenger Fees (MPFs) for lift stations and storage improvements.

Mr. Cohen asked if there was a rationale for the increased price of drinking water for cruise ships. Mr. McGuire explained that CBJ Utilities does not set the rates for the cruise ship drinking water and that is done by Docks & Harbors.

Chair Campbell explained that Docks and Harbors (D&H) has some costs that they add on for personnel services for monitoring and assisting with the cruise ship connections. Mr. Gubala added that there’s additional D&H infrastructure as well.

Mr. Cohen asked if the amount being charged for wastewater was adequate. Mr. McGuire responded that a rate increase is supported.

Mr. Cohen asked for a comparison of the wastewater volume discharge from cruise ships compared to the local volume. He listed the example of the Noordam September discharge of 69,000 gallons. Mr. McGuire shared that Utilities receives around 1.5M gallons a year from the community.

Mr. Ritter pointed out to the group that there’s a substantial difference between the flow from the local community compared to a single discharge of undiluted wastewater from a cruise ship.

Mr. Cohen asked staff if there was a rationale for increasing the costs to the cruise ship. He asked if there are other commercial users as high intensity as the cruise ships.

Mr. Ritter reminded the group that if the rates increased for the community, they would also increase for the cruise ships.

Mr. Cohen clarified that he was interested in whether it was rational to offset the cost of the rate increase to the community by increasing the cost of cruise ships for their high-intensity discharge.

Ms. Hall-Shempf inquired on how commercial users discharges such as the Brewery compare.

Mr. Larson shared that the Brewery has a commercial rate, and it is not adjusted based upon BOD and TSS. All Commercial Users are charged based on the gallons of water used and how much is assumed to go down the drain. The cruise ships are, therefore, paying more on a per-thousand-gallon basis by a substantial amount compared to commercial users in Juneau.

Discussion occurred on how CBJ Utilities is an enterprise fund and does not receive property tax funds (general funds) from either Juneau residents. It was clarified by Ms. Koch that property tax is not supporting CBJ Utilities.

4. Mendenhall Wastewater Treatment Plant (MWWTP) Permit Modification

Mr. McGuire provided a high-level update on the modification made last year, allowing Utilities to be more precise in measuring what affects the performance. Utilities used to run a BOD method that had all sorts of compounds in it. One is nitrogen-based, and one is carbon-based. Utilities has been able to switch to using carbon-based performance measurement.

No questions from the group.

5. Lead Service Line Inventory (LSLI) Update

Mr. Gubala provided a brief update to the group. Contractors are in the first phase and a date of transfer has been executed. The first round of screening and preparation for the direct survey phase is in the works. Ahead of that they'll get some information out to the public to prepare them for inquiries on their residences service lines. There will be community awareness coming online over the next couple of weeks. Mr. Gubala reminded the group that Lead in water is a sensitive topic and CBJ is expecting some communication traffic on this manner.

Chair Campbell shared that he was excited to see the results of the survey.

Mr. Ritter explained that, in his experience, no lead was used in service lines within the City and Borough of Juneau. He noted that copper and galvanized or black iron were primarily used. He believes the only lead in service lines is from older installations where it is not 80/20 solder.

Mr. Gubala shared that they are only in the discovery phase. Regulators have said that they don't expect to find much in regard to lead service lines.

6. FY25 CIP Resolution - Areawide Street Sales Tax Funds for Utility Projects

Mr. McGuire encouraged the UAB members to advocate for Utilities receiving Sales Tax to support CIP projects. Last fiscal year, Utilities received none. In the draft CIP FY25 Resolution, Utilities has a few projects proposed to be supported by Sales Tax.

7. Valley Water Supply During FY25 AEL&P Penstock Construction Update

Mr. Gubala shared that AEL&P advised CBJ to expect an outage in water supply for 3 months out of the year for years 2025, 2026, and 2027 during the months of April, May, and June. CBJ has since devised a program to compensate for the loss of the water for those 90 day periods. It was determined that

Utilities can likely take care of the demand for Juneau from Last Chance Basin. Still, contingent plans have been made. It is possible that water could be limited to cruise ships during outages. Utilities could possibly go to the public requesting voluntary limitation on usage.

Mr. Gubala shared that although Last Chance Basin is a good water source, CBJ continues to look for alternative water they can tap into in the short term and in the future. EPA will be in next month to work on a climate change audit on what they expect CBJ to have in terms of water supply. CBJ has also engaged DNR to look at supply areas. Looking at the distribution on where CBJ can insert additional water.

Mr. Gubala shared that the goal is to ensure that essential services continue going over the next 3 years during the AEL&P project.

Mr. Ritter inquired if the State is involved. Mr. Gubala confirmed that alternative water supplies must be approved by DEC. In addition, alternative sources must be legal by DNR standards with regard to water supply regulations.

Mr. Ritter asked if you had to filter groundwater. Mr. Gubala confirmed that no filtration would be needed, but that they would need to chlorinate at an adequate level.

Mr. Gubala shared that Salmon Creek provides a third of the water for the valley and out the road. The issue is more constrained by the CBJ distribution system than the supply.

Mr. Ritter clarified that if you pump the water up to the contact tank at Salmon Creek, the system remains the same as if Salmon Creek were on.

Mr. Gubala shared that CBJ recently had an event at Salmon Creek, and CBJ inadvertently overpressured the system by 10%. We now know we can push more water from LCB to Salmon Creek. That being said, if we have a drought phase or fire, the storage in the valley area can get drawn down quickly. The question is how fast we can move water over to compensate for that.

Mr. Ritter inquired if the State of Alaska Department of Transportation flushing operations would be affected. Mr. Gubala explained that they would fill their tanks closer to town as much as possible.

The group expressed support for Utilities' commitment to ensure communication with cruise ships, DOT, and the public.

8. Letter of Support for Federal Funding for MWWTP FOG Compliance

Mr. McGuire shared that the letter is very similar to last year's UAB submission supporting Congressionally Directed Spending (CDS) for the Fats, Oils, and Grease (FOGs) project. Ms. Koch added that the letter of support must be submitted by the UAB to CBJ staff before March 21st at the absolute deadline.

MOTION: Mr. Larson moved to adopt the letter and send it to the congressional delegation. Second by Mr. Cohen. No objections. Motion passed.

G. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

H. NEXT MEETING DATE

8. April 11, 2024 at 5:15PM

I. SUPPLEMENTAL MATERIALS

9. Utilities Superintendent Presentation

10. Mr. Larson asked that the UAB add UAB member vacancies as an agenda topic at the next meeting.

J. ADJOURNMENT – Meeting adjourned at 6:41pm

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.gov.