

From: Miller, Brandon S (RCA) [mailto:brandon.miller@alaska.gov] James BOROUGH  
Sent: Monday, November 25, 2013 4:38 PM  
To: Jila Stuart  
Cc: Keen, James A (RCA); Kleweno, Keven K (RCA)  
Subject: Water Metering / Generally

*Water meter*

FEB 25 2014  
Clerk's Office

Ms. Stuart:

- As a subdivision of government, the Haines Borough is not economically regulated by the Commission and can set its own rates and terms of services. [AS 42.05.711(b)]
  - If Haines wants charge metered rates and install individual meters on all customers, it is free to do so.
  - Likewise, if Haines wants to charge flat rates and not use meters, it is free to do so.
  - The utility that was formally Crystal Cathedrals is now part of the borough's utility. [RCA Order U-10-037(2)]
  - As such, Crystal Cathedrals is also exempt from economic regulation, and Haines can provide and charge for service as it sees fit.
- As far as I am aware, there are no utilities in Alaska with less than a 1000 connections/customers that charge water rates on a metered basis to residential customers. It is not unusual for large commercial customers to be metered in smaller systems.
  - AWWU, the largest water utility in the state elects to charge flat rates of service to its residential customers.
- In considering whether to install individual meters for residential customers, Haines should judge the costs and benefits of installation.
  - Costs include: Initial cost of meters; maintenance cost of meters; life expectancy of meters (10-15 yrs); administrative costs, calculating base rates, meter rates, reading meters, additional personnel, additional hardware/equipment required for meter reading; etc.
  - Potential benefits: Conservation, and proper allocation of cost. (Cost causer is cost payer. Surface water treatment can be expensive, so the less water you have to treat, the more savings can be potentially passed on to customers, and customers that use more water are charged appropriately.)
  - If the additional cost per customer is more than the expected benefit to the average customer, it might be more beneficial to continue to charge flat rates of service.
- You indicated that Haines was looking at Juneau for comparisons. Please keep in mind that the Juneau water system has approximately 12 times the customer base of Haines, to distribute expenses across. (Assumptions: Haines has approx 665 customers; Juneau has approx 7657 customers. DEC Water Watch)

*we have 600-800 hook ups*

I have not looked at any financial data, or conducted any kind of cost analysis in the preparation of this email. There may be additional costs and/or benefits that I have not considered. I cannot say one way or the other which billing method is preferable (flat v. metered) for the Haines Community.

Brandon Miller  
RCA - UEA  
907.263.2179

*June is looking @ using the tourism (portion) for water/sewer Tourist use water & sewer*