

UTILITY ADVISORY BOARD MINUTES

May 08, 2025 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 5:16 PM.

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

UAB Members Present: Chair Andrew Campbell, Geoff Larson, Grant Ritter, Janet Schempf, Stuart Cohen, Buffy Pederson

CBJ Staff Present: Denise Koch, EPW Director; Nathan Bodensadt, Utilities Administrative Coordinator

D. APPROVAL OF AGENDA

Agenda approved without comment.

E. APPROVAL OF MINUTES

1. April 10, 2025 - Regular Meeting

Meetings approved without comment.

F. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

G. AGENDA TOPICS

2. 4/30 Assembly Finance Committee Meeting Results

The Advisory Board received an update on the April 30th Assembly Finance Committee meeting regarding proposed utility rate increases. EPW Director Denise Koch reported that since the November 2024 meeting, several changes had occurred. The utility's consultant, FCS, updated their rate model using actual FY24 numbers instead of projections, and an accounting error of approximately \$500,000 was discovered. These adjustments resulted in a more favorable rate increase proposal, reducing the water and wastewater rate increase slightly, although the proposed rate increases are still quite high.

The Assembly is considering implementing a lower 5% annual rate increases for both water and wastewater utilities, though this would create a funding shortfall. To address this gap, the Assembly discussed a variety of alternate funding options including sales tax contributions and putting a utility bond before voters in October 2025, but no clear determinations have been made. Board members raised questions about potential cost savings, including the impact of a future pyrolysis unit that could save the Utility transportation and disposal costs. While such savings could affect future rate needs, the implementation timeline would likely extend beyond the current five-year rating period. Questions were also raised about the confidence in the FY24 actual numbers, with clarification that much of the cost difference was due to position vacancies.

Next Steps in Rate Setting Process:

- May 19th Assembly Meeting: Introduction of ordinance for 5% rate increases
- June 9th Assembly Meeting: Final vote on rate increases (with public comment)
- The Assembly will need to discuss alternative forms of revenue for the Utility.

3. Utility Update

This agenda item was skipped due to the absence of Utilities leadership staff.

4. UAB Annual Report Draft

The Advisory Board discussed the draft annual report prepared by Janet Schempf. Geoff Larson suggested several modifications to the report, including additions to sections on finance and utilities and equitable user rates. Specific changes included adding language about unfunded depreciation for maintenance and replacement costs, clarifying information about discharge rates for both metered and unmetered customers, and expanding on the rate structure considerations. The board reviewed the report section by section, making grammatical corrections and content adjustments as needed.

The board approved the annual report with the modifications discussed during the meeting through a formal motion and vote. Mr. Ritter initiated the motion to approve the annual report, which was seconded by Mr. Campbell. The motion was passed without objection.

End of Meeting Comments

Mr. Cohen brought up a recent conversation with Chad Gubala regarding waste haulers and monitoring their activities at disposal facilities. Stuart Cohen reported that current issues include unknown waste volumes, lack of content monitoring, and variations in waste types (including port-a-potty waste). Currently, haulers self-report and are charged about \$40 per thousand gallons, with annual reported volumes of 1.2-1.4 million gallons, despite the Marine Highway alone contributing approximately 3 million gallons yearly. The board discussed potential solutions including license plate readers and requiring permits and manifests. Andrew Campbell informed that a new vector receiving station at the JD plant is in progress, though the project was over budget and split into two phases, with the second phase to bid this summer. Denise Koch noted that short-term solutions like game cameras are being implemented while longer-term, more expensive solutions are developed.

H. NEXT MEETING DATE

5. June 12, 2025 @ 5:15 PM

I. SUPPLEMENTAL MATERIALS

6. 2024 UAB Annual Report

J. ADJOURNMENT

Meeting adjourned at 6:01 PM.

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, e-mail: city.clerk@juneau.gov.