



UTILITY ADVISORY BOARD AGENDA

February 09, 2023 at 5:15 PM

Water Utility Shop 2520 Barrett Ave./Zoom Webinar

<https://juneau.zoom.us/j/83013202186?pwd=YINSY2Q0bnJaUXICV0NDTFI3YWdnZz09> or

1-877 853 5257 Webinar ID: 830 1320 2186 Passcode: 004687

A. CALL TO ORDER

B. APPROVAL OF AGENDA

C. APPROVAL OF MINUTES

- [1.](#) January 12, 2023 Draft UAB Meeting Minutes

D. INFORMATION ITEMS

- [2.](#) Legislative Priorities Update
- [3.](#) MV Tagish Update
- [4.](#) Rate Discussion
 - o Review of Worksheet
 - o Last Submission (Assumptions)
 - o Departures from Assumption

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

F. NEXT MEETING DATE

5. March 9, 2023

G. ADJOURNMENT

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.org.



**ENGINEERING & PUBLIC WORKS
DEPARTMENT**
Utilities Division
2009 Radcliffe Road, Juneau, AK 99801
p: 907.586.0393 | f: 907.789.1681

UTILITIES ADVISORY BOARD MINUTES

*Thursday, January 12th | 17:15pm
2520 Barrett Ave. & Teleconference – Zoom*

I. CALL TO ORDER

- a. *The meeting was called to order at 5:15pm by Board Chair Andrew Campbell*
- b. *Members Present: Andrew Campbell, Stuart Cohen (teleconference), Geoff Larson, Elizabeth Pederson (teleconference), Grant Ritter (teleconference), Janet Schempf (teleconference)*
- c. *Staff Present: Chad Gubala (teleconference), Denise Koch, Brian McGuire, Joshua Midgett*

II. APPROVAL OF AGENDA

- a. *Agenda was approved unanimously by Board vote.*

III. APPROVAL OF MINUTES

- a. *November 10, 2022 minutes were unanimously approved by the Board*
- b. *December 8, 2022 minutes were unanimously approved by the Board*

IV. INFORMATION ITEMS

- a. Rate Increase Alignment Schedule
 - i. Brian offered that the discussion of rates and the increases that may be needed following the completion of the current rate increase schedule should begin, deferring to those on the Board that were present during the previous rate increase conversations
 1. July 1, 2024 would be the last rate increase according to the current schedule, meaning that the UAB should pursue a timeline wherein any recommendations to the Assembly would be made well ahead of this time.
 2. Brian and staff seeking milestones from the UAB involved in the previous process to move forward with
 - ii. Andrew requested confirmation of the previous Rate Increase Schedule
 1. Joshua confirmed the following schedule (taken from the [Utility website](#))

RATES Effective 1/1/2020 Percent Increase: 4.0%

RATES Effective 7/1/2021 Percent Increase: 2.0%

RATES Effective 7/1/2022 Percent Increase: 2.0%

RATES Effective 7/1/2023 Percent Increase: 2.0%

RATES Effective 7/1/2024 Percent Increase: 2.0%

- iii. Brian asked the group at large about the value of a rate study and whether or not there would



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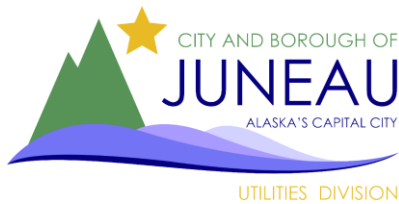
be an appetite for a renewal of the study done in 2014

1. Andrew offered that this would be more of a political decision than a practical one and would instead be interested in understand the Assembly's decision making process in eliminating the Sales Tax contribution to the Utility
2. In addition to the Sales Tax elimination, Andrew noted that the previous rate increase request was halved by the previous Assembly vote and that these two arguments combined with cost increases would be a sufficient defense for additional rate increases
3. Geoff offered that this dialogue should start earlier rather than later, noting that previously it had been discussed to perform rate studies on a 10 year basis. Andrew noted that it would be beneficial to start preliminary conversations with the Assembly in March of 2023
 - a. He also reviewed the previous Rate Study process, including acknowledging staff time, public participation, and UAB involvement
 - b. Janet noted that an outside firm performing a rate study would add credibility. Buffy seconded the importance of a third party conducted rate study from the perspective of an accountant.
- iv. Brian and Denise noted that they've not completed an internal rate analysis to date, but would be willing to do so to create a draft of the funds necessary for the Utility moving forward and a plausible rate schedule to achieve this
 1. Andrew offered that he would speak to Assembly members regarding their appetite for a rate study and whether or not the argument is made without it
 2. Geoff noted that it may partially depend on the size of the increase requested: a 5% increase would have a different response than a 15% proposal
- v. Brian acknowledged that the first step would be for staff to generate a ball park figure to discuss with the UAB at the next meeting prior to their reaching out to the Assembly
 1. Denise noted that it may be beneficial to bring a variety of possibilities to the next meeting and/or a spreadsheet that responds in real-time to proposed changes
 2. Andrew and Geoff noted that an important part of this process is the inclusion of any large projects and their expenses coming in the next 5-10 years
 3. Buffy noted that it will be important for the UAB to have a solid understanding of the cost increases, debt related costs, and project related information to assist in defending any rate changes.
 - a. Andrew agreed and noted that this extended time frame will allow for the UAB to become increasingly familiar with this information
 4. Denise also acknowledged that grants and loans should be a part of this overall picture as these are plausible revenue streams for some of the larger projects
 - a. Chad spoke to some of the SRF requests put in recently and how they will hinge on Source Control implementation and results
- vi. Stuart brought up the point that there is the possibility of Source Control and other improvements impacting operations in a positive enough way to alleviate operating costs enough to avoid significant rate increases
 1. Brian acknowledged that there are still enough infrastructure improvement needs that rate increases are still likely necessary



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- vii. The Board agreed to explore additional aspects to this conversation at the next meeting, including an updated draft of various possibilities of the Utility dashboard
- b. Legislative Priorities Update
 - i. Denise provided a brief background on the process and noted that it is an Assembly decision making tool, wherein they craft a priority list from which they will pursue with the State and Federal delegation for funding opportunities
 - 1. The initial list of 22 projects went to the Assembly over the holidays and they were ranked and averaged and this list was brought to the Finance Committee on Jan 4, 2023.
 - 2. Denise noted that the FOG project ranked #6 and the Solids Removal project ranked #11
 - 3. The next step will be for these projects to be discussed at the Legislative Breakfast, with final decisions on the rankings to be made at the special Committee of the Whole meeting at the end of January (26th) and then brought to State and Federal delegations
 - a. Denise noted that they will be reviewing letters from the public at this Committee of the Whole meeting and they will be taken into consideration
 - b. Geoff and Andrew discussed the value of lobbying the Assembly members of behalf of these projects and whether or not it would be worthwhile in light of also seeking approval for rate increases in the future
 - c. Geoff noted that possible value of either endeavor and Chad noted the State's awareness of the Compliance Order and their recent influx of funds for projects like these
 - 4. Denise will send out the entire ranked list out to the UAB following this meeting
 - 5. Andrew agreed to speak with Beth Weldon, Wade Bryson, Christine Woll, and Greg Smth, with Geoff volunteering to reach out to Maria Gladziszewski, Barbara Blake, Alicia Hughes-Skandijs, and Carol Triem about moving project items moving up this list and would work with Stuart and others to ensure they feel well armed for these discussions should they elect to pursue them. Stuart agreed to reach out to Michelle Bonnet Hale.
- c. COBC Section 33
 - i. Brian offered that this is the latest deliverable under the COBC – which is a control plan based on the Industrial User Survey, Treatment Strategy studies, and current capacity examination.
 - 1. The plane submitted had four basic steps:
 - a. Develop Source Control Policy, best practices, and enforcement
 - b. Upgrade and enhance current facilities
 - c. Inspect and improve collection systems to best limit inflow and infiltration
 - d. Integrate the above elements via the SCADA system
 - 2. Feedback should be forthcoming from ADEC wherein they will likely seek a compliance table and next steps
 - ii. Geoff requested that the plan be forwarded to the UAB, which Brian offered to do the following the meeting.



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1. Chad offered that elements of this submission could be part of the next meeting. Stuart agreed and Andrew offered that he would be willing to add to the Agenda but noted that the dashboard review could take time during the next meeting.
2. Chad will proceed to work with Stuart offline to better understand the submission as needed.

V. PUBLIC PARTICIPATION & NON AGENDA ITEMS
a. None

VI. ADJOURNMENT
The meeting adjourned at 6:35pm
Next meeting:
February 9th, 2023 | 17:15pm | In Person & Teleconference

DRAFT



MEMORANDUM

DATE: January 23, 2023

TO: Deputy Mayor Gladziszewski and CBJ Committee of the Whole

FROM: Katie Koester, Engineering & Public Works Director

SUBJECT: Final Adoption of FY24 Legislative Capital Priorities

The purpose of this memo is facilitate committee discussion and final adoption of the FY24 Legislative Capital Priorities. The Legislative Capital Priorities List communicates to the State and Federal delegation, and the community, the long term projects that the City and Borough of Juneau has on the horizon. The intent is for this list to expand beyond the deferred maintenance and infrastructure repair that dominate the Capital Improvement Plan and build a shared vision for a future Juneau. The list has been successful in helping narrow focus on the more visionary projects and I am happy to report that many of the projects identified in the FY23 list have had some progress.

This year, the Assembly began discussing priorities in September of 2022 when the Public Works and Facilities Committee adopted a schedule to guide the process. A solicitation was issued to all CBJ Boards and Commission chairs and their lead staff (including empowered boards) with instructions on how to comment on the list and/or submit new projects for consideration. Boards and Commissions were given two months to work through their process. Board and Commission input, including proposed new projects, was part of the packet the Assembly used to rank projects over the holiday.

The prioritized list was presented at the January 4, 2023 Finance Committee meeting, however tonight is the first time the body has had an opportunity to discuss the priorities after hearing from the public. Because staff is continuously working on these projects, the status of some of the projects has changed since introduction of the list in fall of 2022.ⁱ This illustrates how the project detail (but not the prioritization) of the Legislative Priority Projects is ever evolving as projects progress.

Recommendation: Discuss, amend and adopt FY2024 Legislative Capital Priorities for distribution to the state and federal delegation.

Enc:
FY2024 Draft Legislative Capital Priorities

ⁱ Project updates include: Voters passed funding for the CBJ radio system replacement reducing the total project cost by \$2M; Capital Civic Center has a funding strategy with a \$10M state request and \$35M federal request; and Congressionally Directed Spending has been officially secured for Municipal Composting and Juneau Douglas North Crossing which will update those projects to reflect the next phase (CBJ is actively pursuing grants for the next phase of both projects).

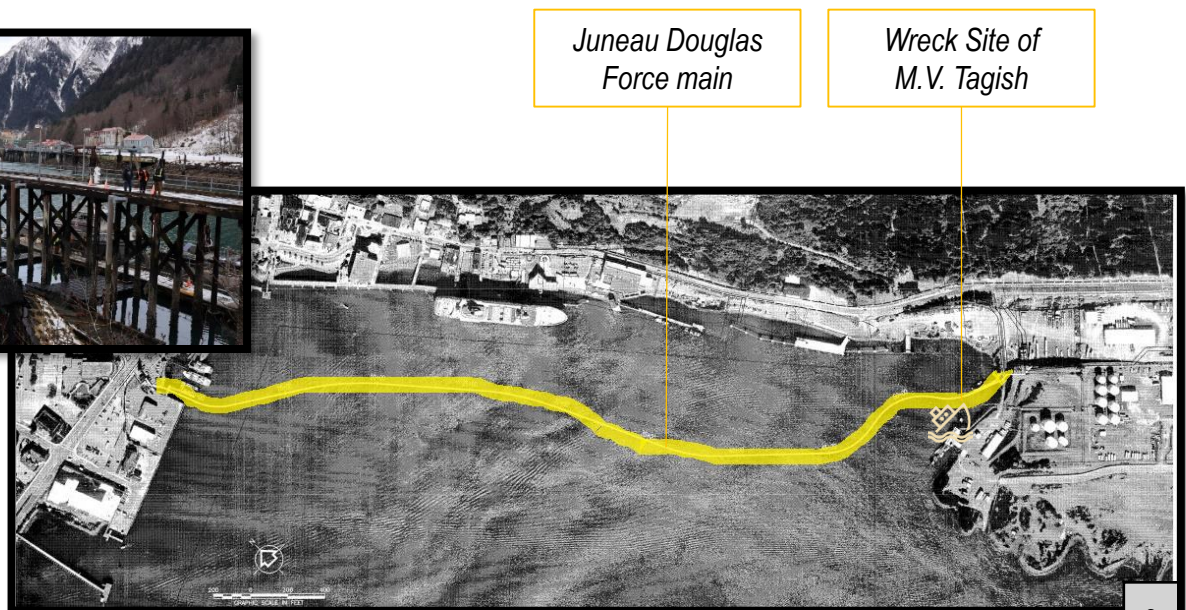
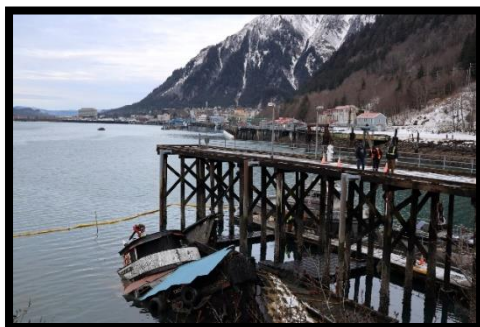
FY2024 DRAFT Legislative Capital Priorities

Assembly Scoring (1 - 22)	FY23 Adopted Priority Ranking	Project Name:	Amount Requested:	Total Project Cost:	Funding Already Secured:
1	Rank #3	Pederson Hill Development	\$3M	\$10M	\$2.3M
2	Rank #10	North State Office Building Parking	\$30M	\$40M	\$5M in FY2023 State Capital Budget; \$5M request in 1%
3	Rank #9	Telephone Hill	\$2M	TBD	\$100,000
4	New - Radio	CBJ Radio System Replacement	\$14M \$12M	\$14.5M	\$500,000; \$2M, 1 % Sales Tax
5	New - HVAC	JSD Wide HVAC and Heating Control System Upgrades	\$6.4M	\$6.4M	\$0.00
6	New - FOGs	Mendenhall Wastewater Treat. Plant Compliance: Fats, Oil, and Grease & Grit Removal	\$5.75M	\$5.75M	\$0.00
7	Rank #1	Lemon Creek Multimodal Path	\$8M	\$10M	\$250,000; \$1.5M, 1 % Sales Tax
8	Rank #2	Juneau North Douglas Crossing	\$13M TBD	\$100-\$200M	\$2M for PEL; \$250,000 CBJ; \$7M CDS
9	Trank #4	New City Hall	\$5M	\$43.2M	\$6.3M
10	Rank #6	Capital Civic Center	\$5M-\$10M, State of Alaska; \$30M- \$35M Federal Delegation	\$65M	CBJ- \$2M design; \$8M upgrades to centennial hall; \$10M commitment from CLIA for MPFs
11	New - Solids Removal	Mendenhall Wastewater Treatment Plant Compliance Upgrade – Solids Removal	\$9.5M	\$9.5M	\$0.00
12	New - JSD Sec	JSD – Wide Security and Safety Upgrades	\$2M	\$2M	\$0.00
13	New - compost	Municipal Composting Facility Design and Construction & <u>Zero Waste Planning</u>	\$2.5M -\$4M	TBD	\$2.5M - CDS
14	Rank # 13	Aurora Harbor Rebuild – Ph IV (Continuation of Rank #13 Project Aurora Harbor Phase III)	\$1M	\$7M	\$0
15	Rank #14	Auke Bay New Breakwater	\$5M	TBD	\$0
16	Rank #16	Waterfront Juneau Douglas City Museum	\$2M	12M	\$2M in 1%

17	New - Cruise Ship	Small Cruise Ship Infrastructure	\$30M	\$30M	\$0.00
18	Rank #15	North Douglas Boat Ramp Expansion	\$250K	\$20M	\$0
19	New - OHV	Off-Highway Vehicle (OHV) Park Development	\$5.7M	\$6M	\$300,000
20	Rank #7	West Douglas Extension	\$4M	\$5M	\$0
21	Rank #18	Auke Bay Seawalk/Baywalk	\$250K	\$30M	\$0,00
22	New - Renninger	Jackie Renninger Park Development & Pipeline Skatepark Improvements	\$4M	\$4,075,000	\$75,000

Update: February 1, 2023

- Thursday, December 29th 2022
MV Tagish sunk at the CBJ owned National Guard Docks
- Early January 2023
Discussions commence between vessel owner, CBJ, ADEC, and USCG:
 - *Proximity of wreckage close to Juneau Douglas Force main, which carries 500k – 1m gallons of untreated wastewater per day. No damage reported by USCG contractor.*
 - *USCG exercised federal authority to lead vessel recovery efforts*
 - *The Utility advocates for a contingency and repair plan and seeks funding commitment prior to any substantial recovery efforts*
- Mid January 2023
 - *USCG selects John Melino as contractor to commence salvage operations as early as January 20th*
 - *Melino provides a rudimentary salvage plan and sub-contracts to Hamilton Construction for the heavy lift capacity necessary*
- Present
 - *Following a regulatory review, the Utility was advised that CBJ will be responsible for any damage or malfunction of its force main which may lead to discharges to the Channel.*
 - *Lacking “critical components and contingencies necessary to minimize the probability of upset to the force main”, CBJ requests salvage to be postponed.*
 - *CBJ Utility procures Global Diving and Salvage to provide an underwater ROV video-graphic survey (done 31-Jan) of the CBJ HDPE force main sewer pipeline between entry to the bay at the Outer Loop Pump Station and the AML facility (see below).*



UTILITIES ADVISORY BOARD MEETING

Brian McGuire
2.9.23

AGENDA

- Legislative Priorities Update
- MV Tagish Update
- Utility Rates
 - Review of worksheet
 - Last Submission (Assumptions)
 - Departures from Assumptions

Denise
Chad
Brian

FY2024 DRAFT Legislative Capital Priorities

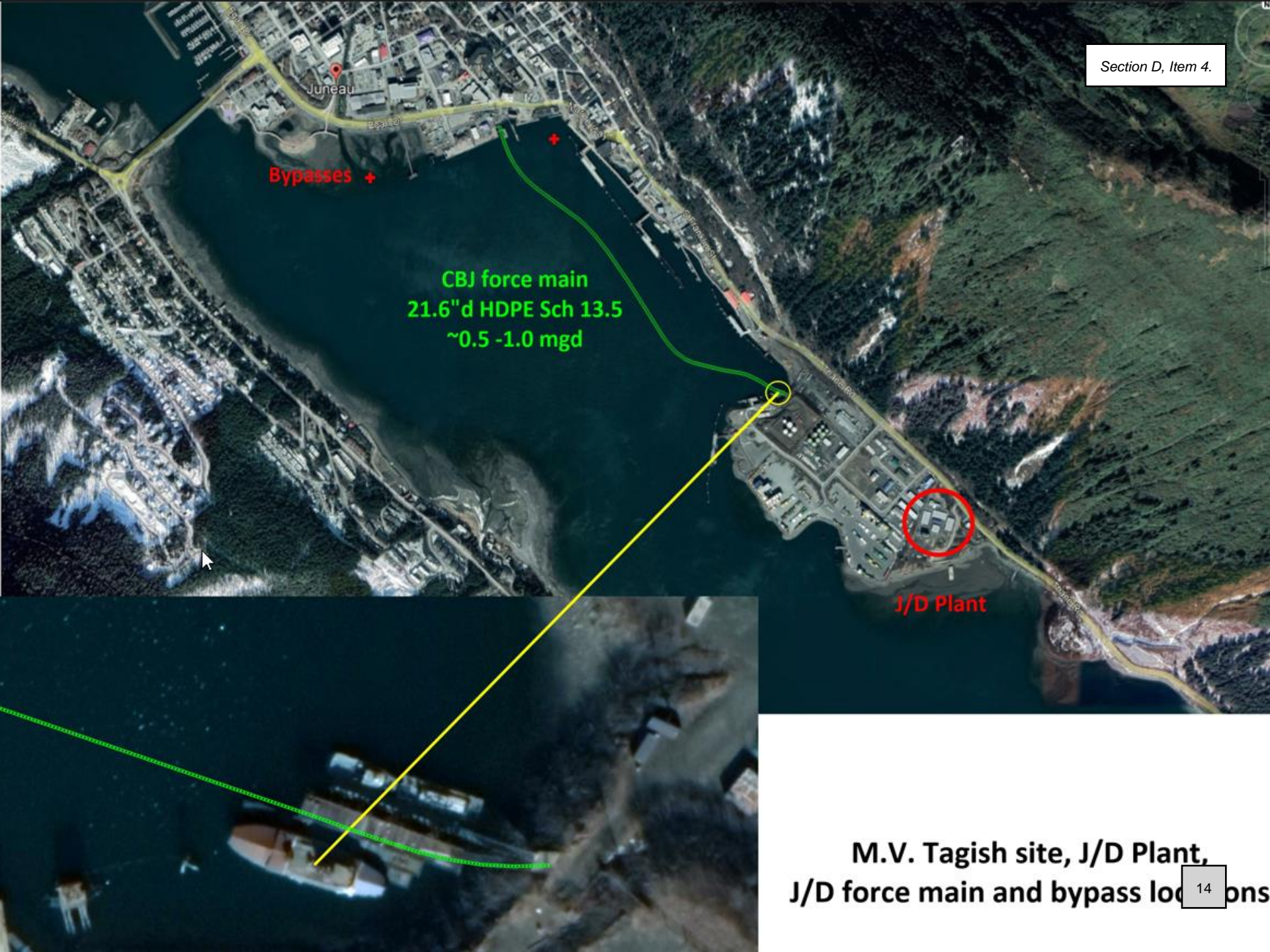
Section D, Item 4.

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MV TAGISH

M.V. Tagish
110', 250-300 ton tugboat
Constructed 1944, Evertt, Wa
Sunk 12/29/22 Juneau, Ak





CBJ force main
21.6" d HDPE Sch 13.5
~0.5 -1.0 mgd

Bypasses +

J/D Plant

M.V. Tagish site, J/D Plant,
J/D force main and bypass locations

UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

Fiscal Year	REVENUE						EXPENSE			Ending Fund Balance**
	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	
FY14		9,572,483	1,150,000	-	-	-	1,500,000	587,305	8,214,378	8,265,804
FY15	8,265,804	10,088,393	23,400	-	-	-	23,400	645,387	8,333,707	9,552,206
FY16	9,552,206	11,417,877	10,000,000	-	-	-	13,940,000	581,582	8,218,974	8,646,719
FY17	8,646,719	11,976,034	10,000,000	-	-	-	10,550,000	566,790	8,508,830	11,558,616
FY18	11,558,616	13,111,961	-	-	-	-	4,815,000	507,848	7,780,229	10,519,920
FY19	10,519,920	13,442,927	-	2,000,000	-	-	5,845,000	513,100	10,388,650	9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
FY21	9,169,269	13,040,033	-	1,500,000	-	248,360	8,915,000	1,778,213	9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

Future Rate Increase (FY20 January-June):	4.00%
Future Rate Increase (FY21 thru FY25):	4.00%
Future Rate Increase (FY26 thru FY29):	3.50%

Operational Cost Inflation (FY21 thru FY29)	2.10%
CIP Contribution Base 5,105,000 5 mil with interest	CIP Spending Inflation(FY22 thru FY29): 2.10%

Sales Tax 1% (FY25 thru FY29)	2,000,000
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REVISED

3:10 pm, Jun 06, 2019

UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE							EXPENSE			
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
FY14		9,572,483	Variable		What is it for?			Historical range		8,265,804
FY15	8,265,804	10,088,393								9,552,206
FY16	9,552,206	11,417,877	Revenue		This is the sum of rates for services, septage disposal, cruises ship services.			\$9.5MM - \$15MM		8,646,719
FY17	8,646,719	11,976,034								11,558,616
FY18	11,558,616	13,111,961								10,519,920
FY19	10,519,920	13,442,927								9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
FY21	9,169,269	13,040,033	-	1,500,000	-	248,360	8,915,000	1,778,213	9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

Future Rate Increase (FY20 January-June):	4.00%
Future Rate Increase (FY21 thru FY25):	4.00%
Future Rate Increase (FY26 thru FY29):	3.50%

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Sales Tax 1% (FY25 thru FY29)	2,000,000
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REVISED

3:10 pm, Jun 06, 2019

UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE				EXPENSE							
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**	
FY14		9,572,483	1,150,000	Variable	What is it for?			Historical range		3,265,804	
FY15	8,265,804	10,088,393	23,400		Loans issued by SOA with varying			\$0 - \$10MM		3,552,206	
FY16	9,552,206	11,417,877	10,000,000		forgiveness rates and lower interest.					3,646,719	
FY17	8,646,719	11,976,034	10,000,000							1,558,616	
FY18	11,558,616	13,111,961	-	Variable	What is it for?			Historical range		0,519,920	
FY19	10,519,920	13,442,927	-		A security issued by or on behalf of a			\$0		9,216,097	
FY20	9,216,097	13,080,012	-		local authority					9,169,269	
FY21	9,169,269	13,040,033	-							3,418,028	
FY22	3,418,028	13,040,407	-	Bonds						3,978,359	
FY23	3,978,359	13,039,506	-							4,268,459	
FY24	4,268,459	13,022,010	-		500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-		2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649	
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774	
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116	
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726	

Assumptions:

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Future Rate Increase (FY26 thru FY29):	3.50%

Operational Cost Inflation (FY21 thru FY29)	2.10%
CIP Contribution Base 5,105,000 5 mil with interest	CIP Spending Inflation(FY22 thru FY29): 2.10%

Sales Tax 1% (FY25 thru FY29)	2,000,000
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UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE							EXPENSE			
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
FY14		9,572,483	1,150,000							
FY15	8,265,804	10,088,393	23,400	Variable		What is it for?			Historical range	
FY16	9,552,206	11,417,877	10,000,000	Sales Tax Rev		1% of sales tax allocation to Utility			\$0.5MM - \$3.7MM	
FY17	8,646,719	11,976,034	10,000,000	-	-	-	10,550,000	566,790	6,506,630	11,556,616
FY18	11,558,616	13,111,961	-	-	-	-	4,815,000	507,848	7,780,229	10,519,920
FY19	10,519,920	13,442,927	-	2,000,000	-	-	5,845,000	513,100	10,388,650	9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
FY21	9,169,269	13,040,033	-	1,500,000	-	248,360	8,915,000	1,778,213	9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

Future Rate Increase (FY20 January-June):	4.00%
Future Rate Increase (FY21 thru FY25):	4.00%
Future Rate Increase (FY26 thru FY29):	3.50%

Operational Cost Inflation (FY21 thru FY29)	2.10%
CIP Contribution Base 5,105,000 5 mil with interest	CIP Spending Inflation(FY22 thru FY29): 2.10%

Sales Tax 1% (FY25 thru FY29)	2,000,000
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UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE							EXPENSE			
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
Variable	What is it for?			Historical range		-	1,500,000	587,305	8,214,378	8,265,804
Marine Pass Fee	\$8 head tax allocated portion to Util			\$0		-	23,400	645,387	8,333,707	9,552,206
						-	13,940,000	581,582	8,218,974	8,646,719
						-	10,550,000	566,790	8,508,830	11,558,616
FY18	11,558,616	13,111,961	-	-	-	-	4,815,000	507,848	7,780,229	10,519,920
FY19	10,519,920	13,442,927	-	2,000,000	-	-	5,845,000	513,100	10,388,650	9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
FY21	9,169,269	13,040,033	-	1,500,000	-	248,360	8,915,000	1,778,213	9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

Future Rate Increase (FY20 January-June):	4.00%
Future Rate Increase (FY21 thru FY25):	4.00%
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Operational Cost Inflation (FY21 thru FY29)	2.10%
CIP Contribution Base 5,105,000 5 mil with interest	CIP Spending Inflation(FY22 thru FY29): 2.10%

Sales Tax 1% (FY25 thru FY29)	2,000,000
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UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE							EXPENSE			
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
FY14	Variable	What is it for?			Historical range		1,500,000	587,305	8,214,378	8,265,804
FY15		Funds allocated Infrastructure					23,400	645,387	8,333,707	9,552,206
FY16							13,940,000	581,582	8,218,974	8,646,719
FY17		Capital Impr Proj	Maintenance or Process Improvement			\$0.02MM - \$14MM		10,550,000	566,790	8,508,830
FY18						4,815,000	507,848	7,780,229	10,519,920	
FY19	10,519,920	13,442,927	-	2,000,000	-	-	5,845,000	513,100	10,388,650	9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
FY21	9,169,269	13,040,033	-	1,500,000	-	248,360	8,915,000	1,778,213	9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

Future Rate Increase (FY20 January-June):	4.00%
Future Rate Increase (FY21 thru FY25):	4.00%
Future Rate Increase (FY26 thru FY29):	3.50%

Operational Cost Inflation (FY21 thru FY29)	2.10%
CIP Contribution Base 5,105,000 5 mil with interest	CIP Spending Inflation(FY22 thru FY29): 2.10%

Sales Tax 1% (FY25 thru FY29)	2,000,000
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UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE							EXPENSE			
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
FY14		Variable	What is it for?				Historical range	587,305	8,214,378	8,265,804
FY15	8,265	Debt Service	Loan (usually DEC) payment				\$0.5MM - \$2MM	645,387	8,333,707	9,552,206
FY16	9,552							581,582	8,218,974	8,646,719
FY17	8,646,719	11,976,034	10,000,000	-	-	-	10,550,000	566,790	8,508,830	11,558,616
FY18	11,558,616	13,111,961	-	-	-	-	4,815,000	507,848	7,780,229	10,519,920
FY19	10,519,920	13,442,927	-	2,000,000	-	-	5,845,000	513,100	10,388,650	9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
FY21	9,169,269	13,040,033	-	1,500,000	-	248,360	8,915,000	1,778,213	9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

Future Rate Increase (FY20 January-June):	4.00%
Future Rate Increase (FY21 thru FY25):	4.00%
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Operational Cost Inflation (FY21 thru FY29)	2.10%
CIP Contribution Base 5,105,000 5 mil with interest	CIP Spending Inflation(FY22 thru FY29): 2.10%

Sales Tax 1% (FY25 thru FY29)	2,000,000
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UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

REVENUE							EXPENSE			
Fiscal Year	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
FY14		9,577							8,214,378	8,265,804
FY15	8,265,804	10,081							8,333,707	9,552,206
FY16	9,552,206	11,411							8,218,974	8,646,719
FY17	8,646,719	11,971							8,508,830	11,558,616
FY18	11,558,616	13,111							7,780,229	10,519,920
FY19	10,519,920	13,441							10,388,650	9,216,097
FY20	9,216,097	13,081							9,643,900	9,169,269
FY21	9,169,269	13,041							9,846,422	3,418,028
FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
FY27	2,085,649	13,018,000	-	2,000,000	-	3,455,251	5,664,016	1,328,053	11,154,058	2,412,774
FY28	2,412,774	13,018,000	-	2,000,000	-	4,010,815	5,782,960	1,311,219	11,388,293	2,959,116
FY29	2,959,116	13,018,000	-	2,000,000	-	4,585,823	5,904,402	1,294,364	11,627,447	3,736,726

Assumptions:

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Future Rate Increase (FY26 thru FY29):	3.50%

Operational Cost Inflation (FY21 thru FY29)	2.10%
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Sales Tax 1% (FY25 thru FY29)	2,000,000
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Variable	What is it for?	Historical range	Degree of Influence
Revenue	This is the sum of rates for services, septage disposal, cruises ship services.	\$9.5MM - \$15MM	
Bonds	A security issued by or on behalf of a local authority	\$0	
DEC Grant/Loan	Loans issued by SOA with varying forgiveness rates and lower interest.	\$0 - \$10MM	
Sales Tax Rev	1% of sales tax allocation to Utility	\$0.5MM - \$3.7MM	
Marine Pass Fee	\$8 head tax allocated portion to Util	\$0	
Capital Impr Proj	Funds allocated Infrastructure Maintenance or Process Improvement	\$0.02MM - \$14MM	
Debt Service	Loan (usually DEC) payment	\$0.5MM - \$2MM	
Operating Costs	Funds allocated for paying fixed and variable industrial costs including Personnel, electricity, fuel, Chemicals, shipping and disposal, etc.	\$7MM - \$12MM	
			Level of Influence
		High End	
		Moderate	
		Low	

UTILITY RATES

CBJ Wastewater Utility Updated Rate Model

Fiscal Year	REVENUE						EXPENSE			
	Starting Fund Balance	WW Utility Revenues	DEC Loans	Sales Tax*	Passenger Fees	Additional Rate Revenue	CIP Spending	Debt Service	Operating Costs	Ending Fund Balance**
FY14		9,572,483	1,150,000	-	-	-	1,500,000	587,305	8,214,378	8,265,804
FY15	8,265,804	10,088,393	23,400	-	-	-	23,400	645,387	8,333,707	9,552,206
FY16	9,552,206	11,417,877	10,000,000	-	-	-	13,940,000	581,582	8,218,974	8,646,719
FY17	8,646,719	11,976,034	10,000,000	-	-	-	10,550,000	566,790	8,508,830	11,558,616
FY18	11,558,616	13,111,961	-	-	-	-	4,815,000	507,848	7,780,229	10,519,920
FY19	10,519,920	13,442,927	-	2,000,000	-	-	5,845,000	513,100	10,388,650	9,216,097
FY20	9,216,097	13,080,012	-	2,600,000	-	248,360	5,825,000	506,300	9,643,900	9,169,269
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FY22	3,418,028	13,040,407	-	3,700,000	-	755,014	5,105,000	1,776,893	10,053,197	3,978,359
FY23	3,978,359	13,039,506	-	3,200,000	-	1,281,935	5,212,205	1,754,822	10,264,314	4,268,459
FY24	4,268,459	13,022,010	-	500,000	-	1,829,932	5,321,661	1,628,752	10,479,864	2,190,123
FY25	2,190,123	13,017,288	-	2,000,000	-	2,399,850	5,433,416	1,504,958	10,699,942	1,968,945
FY26	1,968,945	13,015,287	-	2,000,000	-	2,918,474	5,547,518	1,344,898	10,924,640	2,085,649
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Assumptions:

Future Rate Increase (FY20 January-June):

4.00%

Future Rate Increase (FY21 thru FY25):

4.00%

Future Rate Increase (FY26 thru FY29):

3.50%

Operational Cost Inflation (FY21 thru FY29)

2.10%

CIP Contribution Base 5,105,000 5 mil with interest

CIP Spending Inflation(FY22 thru FY29):

2.10%

Sales Tax 1% (FY25 thru FY29)

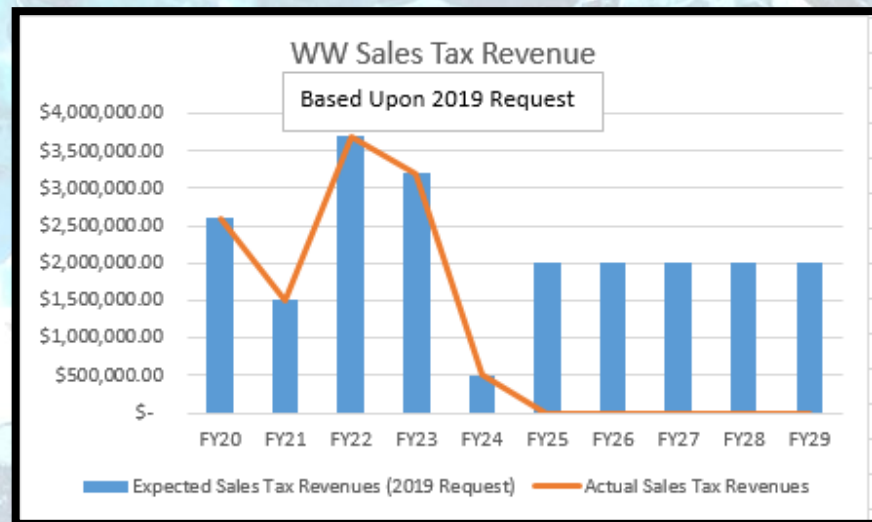
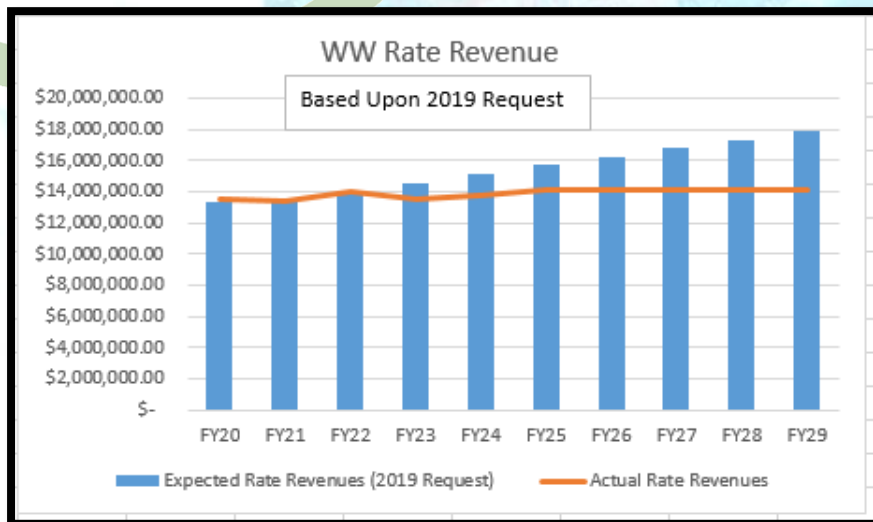
2,000,000

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UTILITY RATES

Revenue Assumption Changes



Expected Rate Revenues (2019 Request): 4% increase FY20 - FY25, 3.5% FY26-29

Actual Rate Revenues : 4% increase FY20, 2% FY21-25, 0% thereafter

Expected Sales Tax Revenues (2019 Request): \$11.5MM FY20 - FY25, \$10MM FY26-29

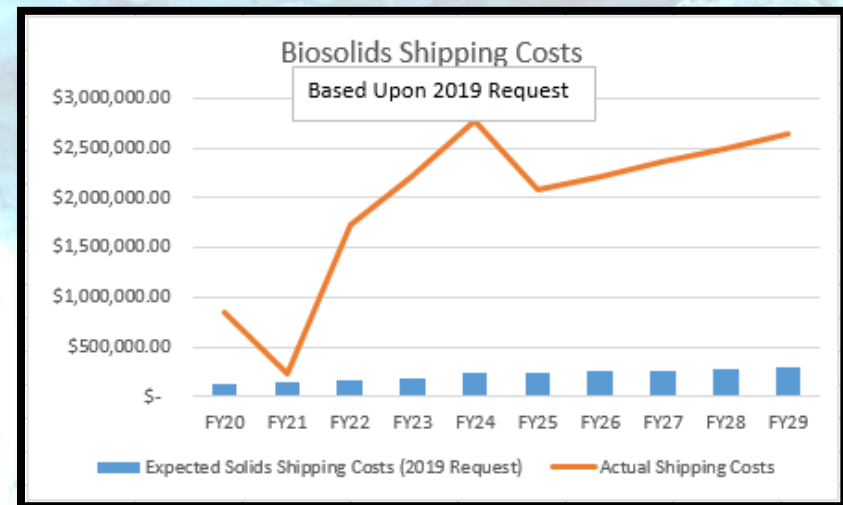
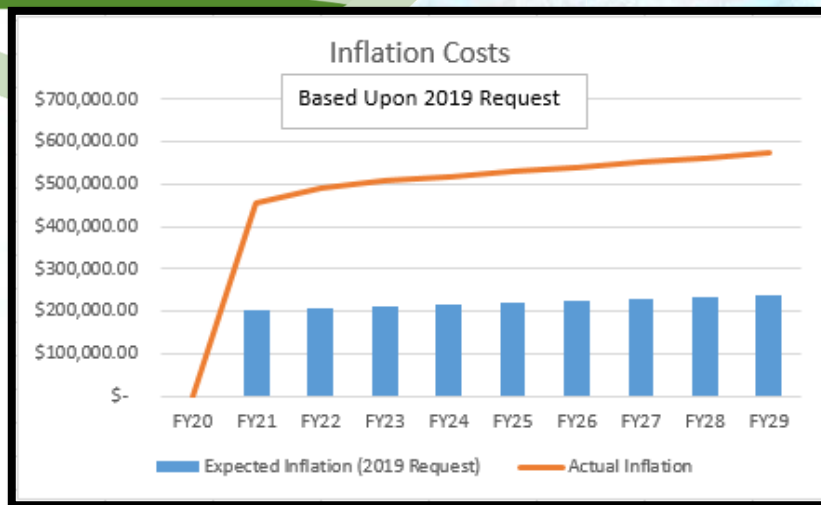
Actual Sales Tax Revenues: \$11.5MM FY20 - FY25, 0% thereafter

Note: Utility receives \$0 Marine Passenger Fees

FY24 projected MPF are \$3.5m - Streets to receive ~\$200k Parks & Rec: \$400k, Manager's Office: \$250k, Police: \$1.5m

UTILITY RATES

Expense Assumption Changes



Expected Inflation: 2.10% annually

Actual: FY21: 4.7%, FY22: 8%, FY23: 3.5%, FY24: 2.2%, FY25-29: 2%

Expected Solids Shipping Costs: Significant decrease with local disposal

*Actual: Loss of Local Option, Steep increase in costs
+25% in FY23-24, FY25-29, 30% decrease in use, 5% annual increase in cost (Crusher Implementation)*

UTILITY RATES

Summary

