



# UTILITY ADVISORY BOARD AGENDA

March 13, 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**

**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**

**D. APPROVAL OF AGENDA**

**E. APPROVAL OF MINUTES**

1. February 13, 2025 - Regular Meeting

**F. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

**G. AGENDA TOPICS**

2. Utility Update

3. Discussion: Industrial User Rates

4. UAB Terms and Annual Report

**H. NEXT MEETING DATE**

5. April 10, 2025 at 5:15 PM

**I. SUPPLEMENTAL MATERIALS**

6. Congressionally Directed Spending Letters- Approved & Signed 2/13/2025

**J. 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, e-mail: [city.clerk@juneau.gov](mailto:city.clerk@juneau.gov).

# UTILITY ADVISORY BOARD MINUTES - DRAFT



February 13, 2025 at 5:15 PM

Water Utility Shop 2520 Barrett Ave./Zoom Webinar

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

## A. CALL TO ORDER

Chair Campbell called the meeting to order at 5:18 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 Campbell (Zoom), Ms. Pederson, Mr. Larson, Mr. Cohen, Mr. Ritter, Ms. Schempf (Zoom).

**CBJ Staff Present:** Denise Koch, Engineering and Public Works Director; Brian McGuire, Utilities Superintendent; Chad Gubala, Production & Treatment Manager; Nathan Bodensadt, Utilities Administrative Coordinator

## D. APPROVAL OF AGENDA

Approved without comment.

## E. APPROVAL OF MINUTES

### 1. January 9, 2025 - Regular Meeting

Mr. Larson requested one change to the January 9th minutes, clarifying that he talked with two assembly members, Paul Kelly and Neil Steininger.

Minutes were approved without any other comments following this adjustment.

## F. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

No public participation.

## G. AGENDA TOPICS

### 2. Letter of Support - Congressionally Directed Spending for MWWTP

The UAB reviewed both letters. Chair Campbell noted that the phone number on one letter needed to be updated. Mr. Larson requested one small grammatical change.

Following these adjustments, Mr. Larson motioned to express support from the UAB via the attached Congressionally Directed Spending Letters with minor revisions, to be signed by Vice Chair Larson. The motion was seconded by Mr. Cohen and then passed with unanimous consent.

### 3. Potential Utility Bond Revenue

Mr. McGuire presented regarding discussions about two General Obligation (GO) bonds that were discussed at the February 5, 2025 Assembly Finance Committee, which included a \$10M wastewater bond or a combined water and wastewater bond totalling \$20M. Mr. McGuire presented on selected CIP projects that could be lumped into this bond request and highlighted selections for both the \$10M and \$20M bond revenue scenarios. All projects selected for the \$10M bond supported wastewater. For the \$20M bond scenario, about \$13M was selected out of wastewater projects and \$7M was selected from water projects.

UAB members asked questions regarding how bonds would be paid back, how projects were selected, and how the utility works with CBJ streets and other agencies to assess water and sewer line repairs when streets are being worked on. Ms. Koch and Mr. McGuire provided information on these subjects. Ms. Koch informed the UAB that since the bonds are General Obligation Bonds, they would be paid back via property tax revenue. She also indicated that the CBJ Utility division works with CBJ Streets to prioritize CIP projects to ensure that expenses are kept as low as possible when both a street and the utility infrastructure underneath it are in need of attention. Mr. McGuire shared that the projects selected and presented to the UAB were chosen due to the risk factors identified during the CBJ Utility Rate Study process.

The UAB expressed support for both the bonds as well as the projects selected by CBJ staff. They also expressed a desire to see modest water and wastewater utility increases annually, and not to totally offset the rate increases with bonds.

The UAB passed the following four motions regarding GO bonds:

**Motion from Mr. Larson:**

UAB supports the use of GO bonds to reduce the rate increase to be in line with cost of living increases each year.

*Seconded by Mr. Cohen, passed with unanimous consent.*

**Motion from Mr. Ritter:**

UAB supports the 20 million dollar bond and the proposed CIP projects are presented by CBJ staff in the agenda packet in conjunction with the 5 year rate increase.

*Seconded by Mr. Cohen, passed with unanimous consent.*

**Motion from Mr. Larson:**

UAB heartily supports pursuing the 20 million dollar bond level for use in conjunction with the 5 year rate increase.

*Seconded by Mr. Ritter, passed with unanimous consent.*

**Motion from Mr. Larson:**

In the alternative, UAB supports the use of the 10 million dollar bond level in conjunction with the 5 year rate increase if the 20 million dollar bond level is not pursued.

*Seconded by Mr. Cohen, passed with unanimous consent.*

4. Utility Update

This agenda item was not addressed due to time constraints.

5. Discussion: Industrial User Rates

This agenda item was not addressed due to time constraints.

**H. NEXT MEETING**

6. March 13, 2025 at 5:15 PM

7. Proposed Agenda Items

The UAB expressed interest in moving both items on the agenda that were not covered (Utility Update & Industrial User Rates) to the next meeting.

**I. SUPPLEMENTAL MATERIALS**

**J. ADJOURNMENT**

Chair Campbell adjourned the meeting at 6:25 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, TDD 586-5351, e-mail: [city.clerk@juneau.gov](mailto:city.clerk@juneau.gov).

## 75.02.130 Schedule of rates and charges

- (3) **Industrial customers: Customers in the industrial category shall pay a metered rate according to the following formula:**

$$\text{Monthly Rate} = \text{Vo} + \text{bo} + \text{so} + \text{V1} + \text{B1} + \text{S1}$$

**Vo** = Average unit costs of transport and treatment chargeable to volume, \$/gallon

**bo** = Average unit costs of treatment, chargeable to BOD, \$/pound

**so** = Average unit costs of treatment, chargeable to SS, \$/pound

**V1** = Volume of wastewater from industrial users, gallons/month

**B1** = Weight of BOD from industrial users, pounds/month

**S1** = Weight of SS from industrial users, pounds/month

**BOD** = Five-day biochemical oxygen demand

**SS** = Suspended solids

- (4) **Rate:** Commencing July 1, 2023, customers shall pay for sewer service at the following rates:

Water Utility Rate Schedule			
Customer Class	Monthly Allowance (Gallons)	RATES	
		Base (per month)	Volume Charge (per 1,000 gallons)
Flat Residential	—	\$104.00	—
Metered Residential	4,000	\$104.00	\$13.83
Flat Commercial	—	\$104.00	—
Metered Commercial (Domestic)	4,000	\$104.00	\$13.83
Metered Commercial (High)	500,000	\$104.00	\$13.83
Septage Hauling	—	—	\$39.49

## COMMERCIAL RATE OVERVIEW

Currently, the city is not following its own ordinances for how to charge Industrial Users. These users include the hospital, the dump, breweries, fish-processing plants, restaurants, and waste haulers. It's an issue both because it prohibits us from raising cruise line and airline rates and also because of equity reasons: undercharging industrial users means that residential users must pay more to make up the difference.

Fortunately, this presents us with an opportunity to make changes in our point source control that will reduce strain on our system and bring down costs for the city as a whole.

### AMBIGUOUS SEWER ORDINANCES

Current Sewer codes 75.02.130, parts 3 and 4 deal with Industrial users. By the formula spelled out in Part 3, a formula is given for how industrial users should pay, according to their monthly total of BOD and TSS emitted into the system. The intention seems to be to charge industrial users in accordance with the costs their additional loading imposes on the system.

Below that formula, in Part 4, it stipulates a charge of \$13.83 per 1000 gallons. My assumption is that the Ordinance intended for the \$13.83 to be a baseline rate below a certain volume of BOD and TSS, and for the actual charges to be scheduled according to the sliding scale currently used for the cruise lines, calculated on a monthly basis. Currently, though, all industrial users are being charged the baseline rate only.

### CHALLENGES TO IMPLEMENTING THE FORMULA:

There are challenges to bringing charges in line with the formula, including:

- Measuring BOD and TSS levels for all the entities indicated.
- Avoiding business-crushing sewage expenses for affected businesses.
- Balancing increased oversight expenses with increased revenue and lower costs.

As we discuss the issue, we should look for ways to help businesses reduce their sewage fees by cleaning up their waste stream. Solutions will differ for each user group.

### PARTIAL ACTION PLAN

1. Research the average concentration of BOD and TSS in waste disposed of by airplanes on 2 hour flights and perhaps a variety of flight lengths.
2. Research the average concentration of BOD and TSS for restaurants.
3. Research solutions to installing grease traps in restaurants, as well as costing out the collection and disposal of the grease, and possible solutions (like burning it)
4. Devise a plan to systematically monitor Small Industrial Users, at least to get a baseline.
5. Devise a pretreatment plan and rate schedule for each SIU, depending on our ability to monitor their waste.

6. Compile list of money- or energy-saving opportunities in the PW dept. to explore and implement.
7. Devise a long-term public education and solutions program for residential FOG and food waste.

Other things we need:

A copy of any contract or agreement with the cruise lines regarding waste disposal.

A copy of any contract or agreement with waste haulers.

Records of volume and charges for Small Industrial Users, and the same for MIU (restaurants, groceries) This should be both individual and agglomerated by user-group.

Records of volume and charges for waste haulers, broken out into waste streams if possible (airline waste, Gustavus waste, septic tank waste)

UTILITY RATES FOR WASTEWATER

The Cruise Line shall pay the current rates set for wastewater collection as provided under CBJ 75.02.130, available online at: <https://juneau.org/engineering-public-works/utilities-division/rates>.

Rates currently imposed under CBJ 75.02.130 as of July 1, 2024:

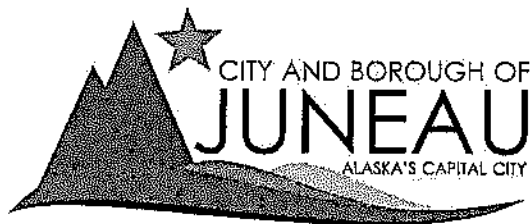
Concentration (mg/L)	Tariff (\$ per 1000 gallons)
BOD < 300 and TSS < 350	\$14.10
BOD < 600 and TSS < 700	\$28.21
BOD < 900 and TSS < 1050	\$42.31
BOD < 1200 and TSS < 1450	\$56.41
BOD < 1500 and TSS < 1750	\$70.52
BOD < 1800 and TSS < 2100	\$84.62
BOD < 2100 and TSS < 2450	\$98.72
BOD < 2400 and TSS < 2800	\$112.83
BOD < 2700 and TSS < 3150	\$126.93
BOD < 3000 and TSS < 3500	\$141.03
BOD < 3300 and TSS < 3850	\$155.14
BOD < 3600 and TSS < 4200	\$169.24
BOD < 3900 and TSS < 4550	\$183.34
BOD < 4200 and TSS < 4900	\$197.45

For BOD > 4200 or TSS > 4900 concentrations, the charge rates (in dollars) shall be calculated as follows (as the value that is greater per each 1000 gallons of wastewater accepted by CBJ):

- (BOD/300) rounded up to the next integer multiplied by 14.10, **OR**
- (TSS/350) rounded up to the next integer multiplied by 14.10.

Should the rates be amended during the course of the agreement, the Cruise Line agrees to pay the current rate as amended. The Parties agree that this Attachment shall be amended to reflect the current rates without change order or other amendment to the Agreement and the rates will be effective on the date implemented by ordinance.





ENGINEERING & PUBLIC WORKS DEPARTMENT  
Utilities Division  
2009 Radcliffe Road, Juneau, AK 99801  
907.586.0393 <phone> 907.789.1681 <fax>

Section I, Item 6.

February 13, 2025  
The Honorable Lisa A. Murkowski  
U.S. Senator  
522 Hart Senate Office Building  
Washington, DC 20510

RE: *In Support of Federal Funding for Mendenhall Wastewater Treatment Plant Compliance:  
Fats, Oil, and Grease & Grit Removal*

Dear Honorable Senator Murkowski,

As you are likely well aware, every Utility provides public health services essential to their community and faces daily challenges in doing so. Here in Juneau, a current concern is the Utility's ability to meet regulatory obligations in the face of the high loadings from the community. The Utilities Advisory Board (UAB) strongly supports a project that we feel would greatly improve the Mendenhall Wastewater Treatment Plant's capacity and compliance: the Fat, Oil, Grease (FOG) & Grit Removal project. Funding for this project is made crucial by the competing costs of our aging infrastructure and the increase in demand from commercial and residential users – be it cruise ships or year-round restaurants, breweries, businesses and residents.

The UAB was created in 2004 with the purpose of making recommendations concerning the operation and management of the municipally-owned utilities here in Juneau. As providing such a crucial and complex service to an isolated, yet sizeable, community offers challenges that demand a vast array of expertise, the UAB has been leveraged to discuss and support projects, rate changes, and community-wide efforts. As Vice Chair of the UAB, I am affirming the UAB's support of this critical project to increase the efficiency and longevity of the City of Juneau's wastewater infrastructure.

Staff has kept the UAB apprised of the fact that Fats, Oils and Grease (FOG) are an issue for the Mendenhall Wastewater Treatment Plant – the largest of our three treatment plants here in Juneau. As the UAB is comprised of engineers, large commercial users, and residential users, we are inherently aware that FOG can come from both commercial and residential sources, making it difficult to regulate or monitor. FOG is pollution that requires special treatment; further, its presence in the treatment process promotes micro-organisms that settle poorly and subsequently cause effluent permit violations. These permit violations are now the basis of a binding compliance action that requires new measures to resolve, such as this proposed project.

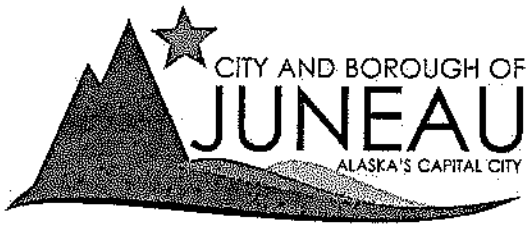
As costs increase across the state and the country, it is essential that Municipalities find ways to increase efficiency and mitigate expenses to their users wherever possible. It is this spirit – of care for our community, drive for sustainability, and commitment to productivity – that I write in support of this project.

Should you have any questions or concerns, please feel free to contact our office at 907.780.5910.

Sincerely,

Geoff Larson  
Vice Chair, Utilities Advisory Board  
Co-Founder, Alaskan Brewing Company

CC: *The Honorable Senator Dan Sullivan, The Honorable Representative Nick Begich*



## ENGINEERING &amp; PUBLIC WORKS DEPARTMENT

## Utilities Division

2009 Radcliffe Road, Juneau, AK 99801

907.586.0393 &lt;phone&gt; 907.789.1681 &lt;fax&gt;

February 13, 2025

The Honorable Lisa A. Murkowski  
U.S. Senator  
522 Hart Senate Office Building  
Washington, DC 20510

RE: City and Borough of Juneau Congressionally Directed Spending / Community Project Funding Requests

Dear Honorable Senator Murkowski,

The Utility Advisory Board (UAB) strongly supports the City and Borough of Juneau's (CBJ)'s project, "Glacial Lake Outburst Flood Disaster Mitigation – Protecting the Mendenhall Wastewater Treatment Plant" and the community's request for FY2026 Congressionally Directed Spending funding to protect our critical infrastructure.

The UAB was created in 2004 with the purpose of making recommendations concerning the operation and management of the municipally-owned utilities here in Juneau. As providing such a crucial and complex service to an isolated, yet sizeable, community offers challenges that demand a vast array of expertise, the UAB has been leveraged to discuss and support multiple projects, rate changes, and community-wide efforts. It does not, however, take expertise to see the need to provide protection for our community's primary wastewater treatment plant from a known and increasing natural disaster.

CBJ's proposed project would conduct both near and long-term flood mitigation and resilience construction to protect the community's primary wastewater treatment facility. The 2023 and 2024 Glacial Lake Outburst Flood (GLOF) events caused significant scouring of the riverbank in front of the Mendenhall Wastewater Treatment Plant (MWWTP), threatening the facility and primary outfall, and damaging the facility's emergency outfall. CBJ engineers have identified the need to install a sheet pile wall along the riverbank to both prevent catastrophic damage to the facility from future GLOFs and reduce ongoing flood recovery and reconstruction costs. The proposed sheet pile wall will prevent further erosion and inundation of the MWWTP, thereby protecting critical public infrastructure, preserving community public health and safety, and potentially saving the community hundreds of millions of dollars in damage and recovery costs.

We urge your support of this important project benefitting our entire community.

Sincerely,

Geoff Larson  
Vice Chair, Utilities Advisory Board  
Co-Founder, Alaskan Brewing Company

CC: The Honorable Senator Dan Sullivan, The Honorable Representative Nick Begich