



UTILITY ADVISORY BOARD AGENDA

January 12, 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. November 10, 2022 Draft UAB Meeting Minutes

2. December 8, 2022 Draft UAB Meeting Minutes

D. INFORMATION ITEMS

3. Rate Increase Alignment Schedule

4. Legislative Priorities Update

5. COBC Section 33

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

F. NEXT MEETING DATE

6. Thursday, February 9, 2023 @ 17:15

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, November 10th | 17:15pm
2520 Barrett Ave. & Teleconference – Zoom

I. CALL TO ORDER

- a. *The meeting was called to order at 5:19pm by Board Chair Andrew Campbell*
- b. *Members Present: Andrew Campbell (teleconference), Geoff Larson (teleconference), Stuart Cohen, Janet Schempf (teleconference)*
- c. *Staff Present: Chad Gubala (teleconference), Denise Koch (teleconference), Brian McGuire*

II. APPROVAL OF AGENDA

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

III. APPROVAL OF MINUTES

- a. *September 8, 2022 UAB Meeting Minutes were approved unanimously by Board vote*

IV. PUBLIC PARTICIPATION

- a. *None*

V. ACTION ITEMS

- a. *Legislative Priorities Board & Committees Memo*
 - i. *Denise gave a brief explanation of Legislative Priorities. This process was resurrected last year to a select number of CBJ Boards to nominate large, visionary projects to the Assembly. The Assembly then prioritizes the projects to present to the State Legislature as a “wish list” of projects to be funded by State or Federal money. This year the Assembly opened submission to all Boards in CBJ to submit two projects.*
 - ii. *Brian continued that there are three projects to discuss and vote on. Two would be presented to the Assembly. Legislative Priorities submissions are due December 1. Two projects were scoped by GV Jones.*
 - iii. *The first project is to install equipment at the MWWTP to reduce FOG/Grit from entering the facility. MWWTP gets quite a bit of FOG and this equipment would not remove all, but most of the material that would infiltrate the plant. This project was scoped by GV Jones and is estimated at \$6 mil.*
 - iv. *The second project scoped by GV Jones is part of plant compliance is installation of micro screens, a type of mechanical clarifier, at the MWWTP. These are influent screens that would remove fine suspended solids that contribute to BOD. The latest testing showed that micro screens removed about 40% of material. This project is estimated at \$9 mil.*
 - v. *The third project is for the Water Utility, Lena Loop Water Replacement. There are two breaks in the water line on Lena Loop between the two Glacier Hwy entrances. These breaks had been banded but sections of the pipes were in bad shape and need to be inspected for*

- replacement.
- vi. Andrew said he is familiar with the Lena Loop problems and that that area is a “ticking time bomb” and that project would be great to push forward.
 - vii. Geoff brought up that the first two projects removing FOG/Grit, BOD and other material and expanding our capacity should be looked at. Lena Loop is a maintenance issue and should be taken care of, agreeing that it is a “ticking time bomb” but getting the plant into compliance seems like the bigger issue.
 - viii. Brian commented that we want to do all the projects but a way to look at this decision is looking for something that stands out from the crowd as we are going up against 80-100 other projects.
 - ix. Denise added clarification that the Assembly pick their top 20 submitted projects, The Assembly takes this list to submit to the State and Federal Govt. for funding. Making the Assembly’s list does not guarantee funding.
 - x. Stuart said that the project that stands out to him is FOG/Grit. It is immediately comprehensible. People might not understand what BOD is. You can show a picture of FOG and easily note that this needs to be kept out of our water.
 - xi. Janet said her top choice would be the FOG/Grit project, second is micro screens, and third is pipe replacement for Lena. The plants need to operate efficiently and far into the future. There is a documented problem with FOG/Grit. Janet agreed that people might not understand what BOD is and why it is significant and would be a harder sell. Janet agreed with Geoff that Lena Loop replacement is important and is a maintenance issue that needs to be taken care of, but doesn’t affect a Federal or State permit.
 - xii. Brian said the Lena Loop project is on the CIP list and would be actioned regardless, but would be funded out of the enterprise fund instead if not chosen as a Legislative Priority.
 - xiii. Geoff said that it should be made clear that the FOG issue is not coming from Commercial users, but is a community wide issue where a large amount of FOG comes from households.
 - xiv. Andrew voiced that he is in support of the first two projects (FOG/Grit Removal and micro screens).
 - xv. Denise said that Brian just gave a presentation to the Public Works & Facilities Committee about Source Control so they are already aware of the issue that FOG removal would be mitigating.
 - xvi. Stuart made a motion to make FOG/Grit Removal and BOD/TSS Removal with Micro Screens top priorities.
 - 1. Geoff made an amendment to the motion. FOG would be number one and BOD/TSS would be number two. He also requested that the board individually reach out to the Assembly to explain why these two projects are a priority. UAB should use their ability to engage the Assembly.
 - 2. Chad mentioned that the Utility doesn’t have the information to put one project over the other.
 - 3. Denise clarified that isn’t required to have specify a Number 1 and Number 2, but can put a cover letter explaining that it is felt that one is more important the other.
 - 4. Stuart accepted the amendment.
 - 5. Janet seconded the motion.
 - 6. The motion was APPROVED unanimously by Board vote with the above amendment.
 - xvii. Andrew volunteered to assist in the creation of the cover letter for the nominations.
 - xviii. Denise explained that the first deadline is December 1 to submit nominations. Brian would finalize the nominations and send to Andrew. Andrew would send them to Katie no later than COB December 1. In late December, the Assembly will rank the nominations so that in



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January public meetings, the Assembly will discuss their nominations and offer an opportunity for public response. Denise will keep the UAB apprised of these dates.

- xix. Stuart requested a one-pager on how the Utility is out of compliance, how this helps the Utility get back into compliance, and showing where equipment would be placed.
- xx. Geoff advocated to add a meeting to align the UAB on talking points for when they address the assembly.
- xxi. Denise shared the Legislative Priorities Schedule highlighting that the Jan 4th Finance Committee Meeting and Jan 23rd COW Meeting are good opportunities for the UAB to make public comment for the two selected nominations.

VI. INFORMATION ITEMS

- a. Utilities Finance 101 (cont.)
 - i. Brian suggested this item be moved to the next meeting.
- b. Source Control
 - i. Brian gave a presentation to PWFC.
 - ii. Assembly Member Bryson posed a question if DEC check up on grease interceptors for restaurants. Brian has line of communication with DEC checking in on that.
 - iii. The Environmental Program Specialist is set to start employment the following Monday.
- c. Lead & Copper Update
 - i. Chad noted the Utility performed a synoptic survey as required to look at lead and copper levels at terminal points such as taps in houses. Copper was ubiquitous but well below concentration or action limits. Lead was detected at three sites but was well below the action level of 10 ppb. No systemic issued with lead. Copper levels are within norms.
 - ii. Andrew asked if the Utility has had problems in the past.
 - 1. Chad answered that we have had problems in the past but there is a considerable focus on emerging contaminants such as PFAS and lead following Flint.
 - iii. Next year the Utility is due to provide EPA a comprehensive map of CBJ potable water systems.
 - iv. The Utility will be working on communication strategies to disseminate more information and build trust that any issues are being reviewed.

VII. NON AGENDA ITEMS

- a. None

VIII. ADJOURNMENT

The meeting adjourned at 6:10pm

Next meeting:

December 8th, 2023 | 17:15pm | In Person & Teleconference



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UTILITIES ADVISORY BOARD MINUTES

Thursday, December 8th | 17:15pm
2520 Barrett Ave. & Teleconference – Zoom

I. CALL TO ORDER

- a. *The meeting was called to order at 5:20pm by Board Member Geoff Larson*
- b. Members Present: Geoff Larson, Stuart Cohen (teleconference), Elizabeth Pederson (teleconference), Grant Ritter (teleconference), Janet Schempf (teleconference)
- c. Staff Present: Chad Gubala (teleconference), Denise Koch, Brian McGuire (teleconference)

II. APPROVAL OF AGENDA

- a. *Denise suggested an update on Marine Passenger fees and possible revenue.*
- b. *Brian suggested a cyber-security update after the SRF Update.*
- c. *Stuart suggested the use of Biodiesel discussion for the next meeting.*
- d. *Agenda was approved unanimously by Board vote.*

III. PUBLIC PARTICIPATION

- a. *None*

IV. INFORMATION ITEMS

- a. Dashboard & Utility Financial Outlook
 - i. Brian started with the history of the Utilities Dashboard. The Dashboard workbook was created in 2014 to catalogue the Water and Wastewater Utility enterprise funds following a rate study by FCS Group. Brian shared a screenshot of the Wastewater Fund Dashboard breaking down revenue and expenses from FY14 to FY29. Brian went over a few of the columns describing Utility Revenues, Bonds, DEC Grants and Loans, and sales tax, noting that the Sales Tax revenue of \$500k seen in FY24, will be \$0.00 FY25-FY29. Brian went over how the workbook will calculate Future Annual Rate Increase and Operational Cost Inflation estimates based on data input.
 - ii. Brian next shared a graphical representation of the Wastewater Fund. He highlighted on the Minimum Fund Balance, CIP Spending and Ending Fund Balance. Noted that he looks at what the Fund Balance Target is and how it intersects with the Ending Fund Balance.
 - iii. Brian went over the uses of the Dashboard; Planning CIP Sends, measuring impacts of Operational cost savings, giving the bio-solids crusher as an example, measuring impacts of Sales Tax contributions and rate increases, and estimating impact of cost escalation on future spends.
 - iv. Brian went over financial headwinds-
 - 1. Noted 1% Sales Tax will not be forthcoming FY25-FY29.
 - 2. CIP spending needs are higher than past years due to regulatory requirements and deferred maintenance. Brian mentioned that Geoff has brought up the deferred

maintenance of the Utility in the past and talked briefly about extending an and offer of tours to the UAB for those that have not been given a tour or would like to do so again, to be able to point out some examples of deferred maintenance.

3. Rate Increase History- UAB aligned on 8% increase/year for FY20-FY24 which the manager's office lowered to a 4%/year ask of the Assembly with the Assemblies final result being an increase of 4% for the upcoming year (FY20) and 2% increase every year for the following 4 years (FY21-FY25).
 4. Cost Escalation- Brian brought up Anchorage CIP cost escalation is at 7%. CBJ Engineering is projecting 7%-10% inflation for the 6yr CIP Plan and Operational Cost Inflation is expected about the same.
 5. Brian shared a graph of cost escalations in Urban Alaska month to month from late 2019 to present, showing all items and all item minus food and energy costs versus our rate increase.
 - v. Brian moved on to the WW Outlook to start a discussion about what our future rate increases would be and positions ourselves to talk to the assembly about rate increases.
 - vi. We will be finalizing our CIP Plan for the next couple years and will be looking at the WU Dashboard at the next meeting.
- b. SRF Update
- i. Brian showed a breakdown of projects coming out of the SRF. Two of the projects that are highlighted in green have been submitted for legislative priority. Denise clarified that the projects we submitted for Legislative Priority was for the City to take to the State and advocate for why we should get funding for these projects.
 - ii. Brian continued that the projects in blue are to be completed if the Treatment plant is to be upgraded and the projects in pink are if we are to phase out MWWTP and build a new facility.
 - iii. Chad mentioned that the two priorities we submitted are important whether we are looking ultimately at the goal of Treatment Plant Improvements or a new facility
 - iv. Stuart asked if there was another way to mitigate FOG/Grit from the system without the project. Chad answered yes, there are ways to mitigate. Brian added that for commercial consumers there could be grease traps installed but we're looking at ways to mitigate residential FOG/Grit.
 - v. Janet mentioned looking further than the presented timeline, that some of the numbers should be communicated as to not surprise anyone with these larger asked such as Facility Replacement. Denise answered that Brian had given a presentation to the CBJ Public Works & Facilities Committee about some of the problems at MWWTP and the COBC to give them an understanding of the problem before we come at them with big numbers. Brian says this is a nuanced conversation about infrastructure and has dates with the Public Works & Facilities Committee to continue conversations about this.
 - vi. Geoff requested from staff for a specific timeline of when we need to talk to assembly members about each of these projects so the UAB can advocate properly. Chad said they had a meeting about what contingencies are in store and refining what the actual treatment capacity of the facility is and what the improvements would do as far as extending treatment capacity. Brian added that he and Denise need to talk about when the rate increase discussion needs to happen, most likely the beginning of FY25
 - vii. Geoff went back to the Dashboard wanting to resurrect how we came up with recommendations, what was presented what happened and why we need to go forward.
- c. Marine Passenger Fees
- i. Brian explained that the fees are charged per head, the manager takes requests on how to disburse the fees. At last conversations with Alexandra Pierce, Juneau had 1.5 million tourists and the fee is \$8.00/head. In 2020 we made a request and were granted \$950k to



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upgrade the outer drive lift station that handles all of the waste from Cruise Ships on the way to the JDTP. Another request to be made this year and will discuss if that money would go to one of the Projects or upgrades to JDTP as JD handles the cruise ship waste. Denise clarified that she just wanted to make the UAB aware that this was another funding source.

d. Cyber Security

i. Chad says is became apparent that we needed harmonize the number of ways we granted access to maintain efficacy of the system and identified a number of vulnerabilities that needed to be taken care of. We became aware that 3 potable water facilities in PNW were attacked with ransomware attacks that disabled their PLC's for their SCADA systems which are very similar to our systems. The state issued a CISA alert that this was an imminent threat 3 weeks ago. We took immediate action to take care of our most blatant vulnerabilities, like establishing multifactor authentication, tightening up our VPN, and hardening up our portals that we deal with.

e. Stuart circled back to FOG/Grit measures asking if upon completion of a new plant, if elements of those improvements would be repurposed. Brian answered that they are talking about that now and answers will be forthcoming.

V. ACTION ITEMS

a. None

VI. NON AGENDA ITEMS

a. Brian brought up quorum and agenda material timelines and cutoffs.

VII. ADJOURNMENT

The meeting adjourned at 6:15pm

Next meeting:

January 12th, 2023 | 17:15pm | In Person & Teleconference