



UTILITY ADVISORY BOARD AGENDA

September 12, 2024 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. August 8, 2024 - Regular Meeting

F. AGENDA TOPICS

2. Utility Update
3. Discussion: Rate Increase Recommendations
4. Discussion: Rate Increase Outreach

G. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

H. NEXT MEETING DATE

5. October 10, 2024 at 5:15PM

I. SUPPLEMENTAL MATERIALS

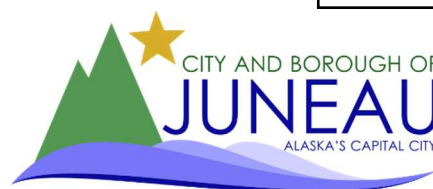
J. ADJOURNMENT

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, TDD 586-5351, e-mail: city.clerk@juneau.gov.

UTILITY ADVISORY BOARD MINUTES

August 08, 2024 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

Chair Campbell called the meeting to order at 5:17 PM on August 8, 2024/

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, Mr. Ritter, Mr. Larson, Mrs. Hall Schempf (Zoom)

CBJ Staff Present: Brian McGuire, Utilities Superintendent; Chad Gubala, Production & Treatment Manager (ZOOM); Nathan Bodensadt, Administrative Coordinator

D. APPROVAL OF AGENDA

Ms. Schempf requested an update on utilities infrastructure following the August flood event. Mr. McGuire agreed to cover that first, before the Utility Update.

E. APPROVAL OF MINUTES

1. September 14, 2023 - Regular Meeting
Approved without comment.
2. December 18, 2023 - Special Meeting
Approved without comment.
3. July 11, 2024 - Regular Meeting
Approved without comment.

F. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

No members of the public were present.

G. AGENDA TOPICS

Inserted Agenda Item: Utilities Flood Update:

Mr. McGuire reported that the Utility infrastructure managed the flood this year much better than it did last year. The plant riverfront, which last year was significant eroded, remained in good condition. There were 6 sewage lift stations that went down as a part of the flooding, 2 of which were shut down due to AEL&P shutting off power. All 6 stations were back up and running by 11:30 AM the following morning. Starters were removed and reinstalled, and the stations started back up without issue.

The Water distribution team had the back loop crossing slowed down in case there was damage to the bridge, but that was back up and running quickly once no damage occurred.

Ms. Schempf inquired about water entering the sewage system. Mr. McGuire indicated that it was not a significant concern this year. In most places where there was significant flooding, the pumps were shut off.

Mr. Gubala indicated that the significantly increased prediction of the flood event this year helped the Utility be better prepared.

4. Utilities Updates

CCR (Annual Water Quality Report)

Mr. Gubala: The annual water quality report was issued in July. CBJ water is still very clean. The report this year has been converted to an HTML format and is available on the CBJ website. Postcards were sent out to the city to inform them of the change, and included a link to the report.

LSLI (Lead Service Line Inventory)

Mr. Gubala: The LSLI is well underway, and phase 2 is finishing up soon - this is the self directed survey stage. The response rate from the community is around 1500-1700 of the 9000 dwellings in town. Stage 3 will involve staff visiting residences on a door to door basis to conduct surveys for non-respondents. The Utility is setup for this and the stage is funded. Preliminary results are promising - no real incidents of verified lead service lines.

Salmon Creek Penstock Construction Update

Mr. Gubala: The Salmon Creek Construction has been delayed by a year, so the Salmon Creek water supply will be available for summer 2025. The Cruise industry was very happy to hear this news. This doesn't necessarily change any of the work that needs to be done, since the construction is delayed and not cancelled. It does give the Utility more time to work on a plan for when the construction does start in 2026. Initial conversations with CBJ Docks & Harbors, Capital City Fire & Rescue, and the cruise lines were positive.

May EPA Visit

Mr. Gubala: In May of 2024, the EPA sent 5 people to Juneau for a week. During their visit they worked with CBJ Utilities Staff on a climate change resiliency review. They also had good conversations with CBJ staff about cybersecurity. During the visit they worked through a 3-day exercise that included risk assessment, a financial tool, and a decision making matrix to help the Utility identify ways to improve the resiliency of the CBJ water supply while getting the best value financially. The group also discussed climate induced landscape failures that affect the Utility, which has been an ongoing theme in CBJ. In July, for example, there were failures at Last Chance Basin associated with a landslide. The facility had to be ran manually by CBJ staff for about a week. The Utility is starting conversations about ways to harden the Last Chance Basin water supply, to ensure ongoing, safe delivery of water. The Utility is also exploring the possibility of finding an additional water supply to serve the city, particularly on the western side of Juneau.

Upcoming EPA Visit

The EPA will be visiting again later in 2024. There are concerns about state sponsored attacks on potable water supplies across the nation. China and Iran have been involved, and there have been successful cyberattacks on potable water supplies in the United States. The Utility has received information about these cyberattacks and has taken some steps to reduce the likelihood of them being successful here. During the EPA visit they'll be conducting an audit of CBJ Utility cybersecurity.

PFAS/Microplastics Regulatory Updates

Mr. Gubala: The Utility is required to do water testing to determine if PFAS is in the CBJ water drinking supply. Sampling and analysis is beginning this month with the Water Treatment team. Results will be provided back to UAB once they've been received - between 30 and 60 days. There are significant health and financial effects if there is PFAS found in the water supply, and the EPA has set a very low bar for PFAS detection - in the single parts per trillion. The Utility is also expected to screen for Microplastics and Legionella - the next round of testing for that is in 2 years.

5. August PWFC Meeting and Rate Study Presentation

Mr. McGuire: Both Mr. McGuire and Mr. Larson attended the last PWFC meeting in relation to the current Utilities Rate Study. Generally the sense was that the meeting went well. There were not many questions. DOWL was also on hand and presented their findings following a presentation from Mr. McGuire. Both presentations are attached in the meeting packet. There were a few themes, the most significant of which being the resilience of the Utility. Mr. McGuire highlighted a number of recent challenges, including the SCADA failure at the Mendenhall Wastewater Treatment Plant (MWWTP), Last Chance Basin and Cedar Park Failures, and a current SCADA failure at Lena. Additionally, for example, there are challenges at Last Chance Basin everytime there is a power outage due to excessive snow. The generator can turn on but there can be challenges getting fuel to it. Mr. McGuire believes that the assembly seems to be recognizing that the resilience challenges are important.

The next step in the process of navigating rate increases is the Assembly Finance Committee. Due to the recent flood, the August meeting was canceled. This will push the August agenda to September. There will not be an October meeting because of the election. This means that it is likely that the rate study could be picked up in November.

In the meantime the goal is to work on public outreach and education. A general discussion about outreach followed - the Utility will work with the consultants to present their data. The Utility is also working on a rate increase webpage. There may also be an opportunity to put information in the newspaper.

The UAB then reviewed the DOWL/FCS presentation. Some highlights:

- Much of the rate study included a review of Capital Improvement Projects (CIPs). The Utility worked to rank and provide additional information on CIPs to determine what projects were critical, which were safety related, which were tied to deferred maintenance, etc. The consultants then mapped out different rates based on how to approach CIPs - to do them all, to focus on more important CIPs, or to effectively complete only the bare minimum CIPs.
- The rate study also calculated a minimum fund balance for the Utility. This calculation includes enough funds to run the utility for 3 months, plus 2% of the replacement cost associated with facilities run by the Utility.
- FCS/Dowl determined that the current revenues would not be sufficient to cover the operating costs of the Utility very soon - for Wastewater, by 2026. This is for a variety of reasons, including significant inflation over the past few years. The consultants also highlighted previous rate increases being approved for less than initially proposed.
- Based on the assumptions above, FCS/DOWL indicated a *minimum* rate increase of 14% per year, beginning in 2025. This would work out to about \$20/month between water and wastewater utilities. By 2030 a typical rate payer could pay over \$200/month.

The UAB then discussed this proposal, including it's placement in context with previous rate increases. Previous rate increases were less than proposed by the previous rate studies. UAB members expressed concern for this and expressed how important the rate increases were in order to ensure the ongoing financial stability of the public water and wastewater systems. Chair Campbell indicated that this would be his number one priority over the next several months. UAB members also discussed ways to reduce rate increases through loans to complete CIPs, and to increase revenue via new fees - for example, charging a monthly fee for water users who are connecting their fire suppression system to the CBJ water utility. Hope was expressed that voters may approve the 2024 Ballot Measure for a Utilities Bond, but concern was expressed as well as the Assembly may feel that they can reduce rate increases based on the hope a current or future ballot measure may be passed to grant the Utility a bond.

H. NEXT MEETING DATE

6. September 12, 2024 at 5:15 PM

I. SUPPLEMENTAL MATERIALS**J. ADJOURNMENT**

Meeting adjourned by Chair Campbell without comment at 6:27PM, August 8, 2024.

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