

UTILITY ADVISORY BOARD MINUTES - DRAFT

January 09, 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

The meeting was called to order at 5:14 PM on Thursday, January 9, 2025.

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, Ms. Pederson, Mr. Larson, Mr. Cohen, Ms. Schempf (ZOOM).

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

D. APPROVAL OF AGENDA

The meeting agenda was approved without comment.

Note: During the approval of minutes, the UAB determined that the Agenda item "November 11, 2024 - Special Session" should have read "November 21, 2024 - Special Session."

E. APPROVAL OF MINUTES

1. September 12, 2024 - Regular Meeting

Approved without comment.

2. November 11, 2024 - Special Session

Mr Larson and Mr Cohen clarified that Mr. Cohen was assigned to meet with Christine Woll, not Mr. Larson. This was adjusted and the minutes were approved.

F. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

No public participation.

G. AGENDA TOPICS

3. Synopsis of Public Meeting regarding Rate Increase Proposal - Geoff Larson

Mr. Larson asked the UAB members to review the meeting packet information for this agenda item, and indicated that generally speaking he considered the open house to be positive and that there were a number of takeaways for staff, which he has outlined in the packet. He also argued that the assembly should get answers to questions that were asked in the public meeting before the broad assembly meeting.

Mr. Larson also pointed out that the articles included in the meeting packet highlighted financial impacts. He also commented on the questions received from the public, and noted that there is a perception that the assembly may have an agenda or may not have their mind changed based on public testimony. Mr. Larson argued that there should be a second public meeting if possible since the interaction between Utility staff and the public was useful.

Mr. Gubala: A second meeting could focus on information based on the questions from the first meeting.

Mr. Larson: The FCS representative will be up for the next assembly meeting. Maybe it could be scheduled around that?

Chair Campbell: So what is going to happen with the questions that were asked?

Mr. McGuire: We've put them together, and we will put some answers together for them. The goal is to bring the questions from the public to the assembly meeting at the end of February along with the Rate Study Report that will be out over the next month.

4. Summary of conversations with Assembly Members

Mr. Campbell met with the Mayor, did not get to connect with Wade Bryson. The Mayor appears to be very supportive of the rate increases. She asked UAB to continue to reach out to the other assembly members. Mr. Campbell will continue to try and reach out to Wade Bryson, and thinks he will be partially supportive based on past experience and comments.

Mr. Cohen talked to the Mayor, Christine Woll, Neil Steininger, Paul Kelly, Maureen Smith, and is still trying to get ahold of Ella Adkinson. Main message to those folks was that there were other revenue discussions to have, but that the entire UAB is supportive of a long term plan for rate increases. Mr. Cohen felt like everyone got the message. Greg Smith mentioned that it might be good to look into more bonds in order to keep the costs down for people. Neil talked about ensuring that any savings in the future get turned back to the ratepayers.

Mr. Larson talked to Neil Steininger, went through the history of past rate increases. His big question was if there were other ways to finance these costs other than rates. Mr. Larson asked the staff about what other ways there were to provide financial input, and Mr. Larson was able to pass that back to Neil, which included Bonds, Treasury Loans, Obligation Bonds, etc. There seemed to be clear agreement that more money needed to be raised for the utility, but that it might not want to all come from rates. Mr. Larson is still working to meet with Alicia Hughes-Skandijs.

5. Utility Update - Chad Gubala

Mr. Gubala: Based on recent sampling, the CBJ water supply does not have lithium or PFAS in it. The October EPA inspection came back, and it was largely positive, with the exception of a few notes about graffiti, bullet holes on reservoirs and signage, etc.

The EPA is growing into their understanding about how to deal with public water supplies, including with regards to cybersecurity, and the EPA was able to redact and provide verbal responses so things stay out of the public record.

New Years: Water SCADA system went offline on New Years Day for 16 hours - much like having all of your instruments out while flying a plane. The plane still flies, but not for long. The Utility is working to put together manual fail-overs in this kind of situation. A network switch over midnight lost it's programming, rolled back to defaults, and caused issues with the network. The switch in question was from 2009 and was then installed in Salmon Creek in 2016 when it was built. Utility control systems are built on aged infrastructure, including old software including Windows XP.

Mr. Cohen: Can these things be updated to run modern software?

Mr. Gubala - no, the hardware needs to be updated.

The water system was out for 16 hours, and they calculated that there were about 44 hours of reserve for the community. There are now manual protocols now for filling tanks if necessary.

The Mendenhall plant is now under permit review and working to get it renewed. In the past there was a permit modification. In retrospect, the water chemistry in the valley was changing. Now in recent sampling, carbon is coming up through the river systems, and this consistent with USGS sampling of rivers in the area. There are also now high levels of copper in the river, and it is now considered impaired. This will affect the plant's ability to discharge to the river, as they move copper through the plant and it gets discharged. The Utility now needs to come up with a treatment plan for that. Chad is engaging with the EPA on this, and there is concern about needing to add tertiary treatment.

Ms. Schempf: The Army Corp decided where the navigable water starts and stops.

Mr. Gubala: For legal reasons, it's more about where Ocean water starts, which is really about measuring salinity.

Mr. Gubala also talked with Mr. Cohen - when the Utility was originally working with the Compliance order, they were working on Source Control issues in particular- this included issues with the Sewer Code. That was initially addressed by the permit modifications, and now this conversation needs to start again with the rate increase. There is now a goal to look at this again and come into line with our own Sewer code in 2025. It will likely take a year, and there may be a need to make sewer code modifications in order to work it all out.

6. SIU/MIU Users - Stuart Cohen

Mr. Cohen: These next two agenda items are all included together. Mr. Cohen has told the assembly that rates need to be raised, but that if there can be new sources of revenue, that might reduce how much rates need to be raised by.

CBJ does not charge other users according to strength like we are for cruise ships. The cost of cruise ship waste is higher because their strength is higher - and other rate payers should also be paying based on strength, according to Mr. Cohen.

There is a question about whether or not having differential rates for different users would violate Alaska Statute - CBJ Law may need to become involved in this discussion again with the full context of the current CBJ Sewer Code and departmental practice.

The Source Control Coordinator, which is an open position, could work on this, including working with people who are putting in over strength waste to reduce how much overly-strong waste is getting entered into the system.

Mr. Cohen argued that Cruise Ship revenue is effectively subsidized since the cruise ship companies do not pay into alternative forms of revenue that may or may not be directed towards the utility, including sales tax and property tax.

Mr. McGuire: One of the challenges is that we would need industrial users to self-report their strength, which means they'd need to test. This is not currently something the Utility is set up for.

Mr. Gubala - We have some bigger concerns about other things in the water -PFAS, etc., instead of strength. The Sewer code also does not fully address all of the needs that would be required to successfully implement this kind of charging and Source Control - for example, required testing and sampling methods and timelines.

Mr. Campbell - There may also be concerns about the economies of scale - the costs to setup and run testing equipment may offset any additional revenue that would come in from the additional strength.

Mr. Cohen: They may be standard figures out there for airplane waste and it's strength.

Mr. Campbell - since the airport is a metered property that pays based on the water meter reading, for both sewer and water. Airplanes discharging may not be getting counted in that meter. This would match other commercial users, who are paying their sewer bill based on their water meter usage.

Mr. Gubala - All in all, if there are going to be testing requirements and tracking for sewer usage, there will need to be updates to the Sewer Code. Right now we may have users of the sewer system who are discharging above the sewer code limits.

Mr. Larson encouraged the UAB to pick up this topic again at the next regularly scheduled meeting.

7. Recent Developments with Non-Resident Ratepayers - Stuart Cohen

See agenda item: SIU/MIU Users - Stuart Cohen.

H. NEXT MEETING DATE

8. February 13th, 2025 @ 5:15 PM

I. SUPPLEMENTAL MATERIALS

J. ADJOURNMENT

The meeting adjourned at 6:15 PM on Thursday, January 9, 2025.

Note: The recording was ended inadvertently before the meeting was officially adjourned, but Chair Campbell immediately adjourned the meeting following the recording stoppage.

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