



**ENGINEERING & PUBLIC WORKS
DEPARTMENT**
Utilities Division
2009 Radcliffe Road, Juneau, AK 99801
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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

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

- 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