

Overview: The current non-resident rates are scaled to commercial rates. However, resident commercial ratepayers also pay property tax that serves to sustain the utility system as described above. Juneau households and resident commercial users are subsidizing users who do not pay those taxes. I would like to explore leveling out that discrepancy by increasing non-resident fees to more equitable levels.

RATIONALES FOR A NON-RESIDENTIAL COMMERCIAL RATE

Utility IS NOT ratepayer sustained.

1. Water and Sewer are NOT supported by ratepayers alone. It has received sales tax revenue as well as Federal and State grants to sustain itself.
2. The system has been operating at a deficit for decades, further negating the idea that it is rate-payer sustained.
3. The infrastructure for the utility does not exist in isolation. Plowing the streets to allow repair vehicles to access pipes, providing schools for employees to educate their children and many other elements are ancillary costs that are nonetheless critical to operating the utilities. These costs are paid for with property and other taxes that non-resident users do not pay.

Currently, our biggest non-residential wastewater users are the cruise lines. Some of the cruise ships (primarily Carnival) process their waste here and some don't. These have to do with the ship's itinerary and its holding capacity. More about this at the meeting.

Methodologies for adjusting the charges:

Compare disposal rates in Juneau to other disposal rates in Canada or Seattle.

Compare commercial wastewater income with commercial property tax income

Revisit technical aspects of how the cost for disposal are scaled to metrics of waste concentration. Are these national scales? When were they arrived at, and by whom? What's the precise rationale for their current calibration with standard costs? When this last updated?

Confer with Ak DEC to get a clear understanding of why certain boats process wastewater here and what their other options are.

Confer with CBJ legal staff to ascertain the legal way to raise rates without issues.