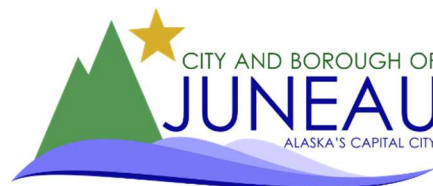


UTILITY ADVISORY BOARD SPECIAL SESSION MINUTES - **DRAFT**

December 18, 2023 at 5:15 PM



Zoom Webinar

<https://juneau.zoom.us/j/83013202186> or 1-253-215-8782 Meeting ID: 830 1320 2186

A. CALL TO ORDER

The meeting was called to order at 5:19pm by Chair Campbell.

B. ROLL CALL

Members Present: Chair Andrew Campbell (Zoom), Janet Hall Schempf (Zoom), Geoff Larson (Zoom), Stuart Cohen (Zoom)

CBJ Staff: Brian McGuire (Zoom), Utilities Superintendent; Denise Koch (Zoom), EPW Director; Chad Gubala, Utilities Product & Treatment Manager (Zoom); Ty Yamaoka, Utilities Administrative Coordinator

C. APPROVAL OF AGENDA

Approved at 05:19PM

D. AGENDA TOPICS

1. Legislative Priorities (FOG/Grit) & Rate Increase Discussion

Mr. Larson indicated the Assembly is going to need to come to a decision over the holidays about State Legislature funding requests. There is an opportunity to reach out to the assembly to raise awareness about Utility projects and work to increase the priority of related projects.

Chair Campbell indicated that the goal is to bump a project up related to pretreatment removal technologies for FOG at the MWWTP. Chair Campbell offered to speak to the Mayor and Ella Atkison.

Mr. Larson indicated he had already had in informal conversation with Wade Bryson. He also agreed to meet with Alicia Hughes-Skandijs and Paul Kelly.

Mr. Cohen indicated he could talk to Christine Woll and Michelle Hale. He then asked Mr. Gubala about the consolidated waste stream and whether he had reached out to other towns about their data.

Mr. Gubala has reached out to Whitehorse and Anchorage. Whitehorse: their specific burner is dedicated to used motor oil. They have looked at how they might be able to recycle FOG as well but could not find enough material that would have a clear specific use. Anchorage: There were attempts to get something up and running in the past, but it did not work out. In Juneau there is a chance that FOG can be dealt with locally, eventually. Some things with PFAS would need to be worked out. Mr. Cohen asked if there is PFAS in the FOG, and Mr. Gubala and Mr. Larson indicated that it was possible. There are things in FOG (lipids) that can capture PFAS. PFAS tends to bind with proteins. There is data that shows municipal wastewater systems concentrate PFAS. There is an opportunity to raise awareness about FOG.

Mrs. Hall-Schempf offered to meet with Barbara Blake and Greg Smith.

Mr. Cohen asked if Mr. Gubala sent talking points in the past about the pitch and if CBJ is in violation due to FOG?

Mr. Gubala indicated that FOG contributes to CBJ challenges as it inhibits the treatment process and is a high intensity waste. Reducing it enhances treatment performance and cuts down on loading. There is an argument to be made that reducing the loading will create additional space for growth at MWWTP to take on additional domestic loads in the future. Layering in this plant upgrade with other efforts to engage in source control and to use social mechanisms to reduce domestic loading of FOG, there is an opportunity for increased capacity.

Mr. Larson asked about how much money would be needed based on previous year requests. Ms. Koch answered that the previous request was for \$6 million. Mr. Larson pointed out that this also falls into line with future compliance expectations. Mr. Gubala pointed out that CBJ is technically in a grace period for those compliance requirements, which ends in 2025. After the end of 2025 there are stipulated penalties. If CBJ returns to permit overages there will be health and safety issues as well as financial issues related to regulatory fines.

Mr. Cohen asked about the lead time needed on this project, including shipping and installation, if approved. Mr. Gubala indicated it could take 12-18 months, and that having the process underway would help in conversations with regulators.

Mr. McGuire changed the subject at this point to discuss a memo that he was going to send out about rate increases. He indicated that the memo might be helpful related to the conversations with assembly members. The memo outlines the need for significant rate increases and/or bonds to cover critical projects. Based on conversations with Docks and Harbors, doing a rate study is going to be vital for getting rates increased. Docks and Harbors had asked for increases without doing a study and were denied but were able to get one approved after going back and doing the study.

Chair Campbell indicated that the memo should be helpful because the assembly members often ask a lot of questions, including what the specific ask will be for. Mr. McGuire shared that at the September PWFC meeting, a large number (\$10-15 million) was shared. There are several ways to manage the increased costs – including DEC loans, Bonds, etc.

Ms. Koch commented that it is important to let the assembly member know how much money is needed. A 10-15% rate increase is unlikely to be well received and would likely not be approved. Following the Docks and Harbors rate increase was important – it took the rate study and even then, it barely passed, 5-4.

Mr. Larson inquired as to capital project funding. Mr. McGuire responded that the annual plans that are sent out each July have an expressed need of \$10-15 million per year. Not everything is picked up, and the Utility completes what it has budgetary and personnel capacity for. Keeping in mind the degradation of the infrastructure, and how that should feed into the next 5-10 years of capital planning, internally CBJ would like to spend \$8 million/year for wastewater based on the need and what CBJ can handle. \$4 million for water.

Mr. Larson and Ms. Hall Schempf indicated that the conversations should have common talking points and should be able to be short: between 2 and 10 minutes with each assembly members. The 2% increases over the last 5 years were hard fought for and there have been significant changes due to inflation and revenue shortfalls from the cruise industry.

Ms. Koch also added that there have been discussions at the finance committee recently about Bond capacity. The committee has talked about specific projects, including projects for the Utility.

Chair Campbell notes that the rate increases over the last 5 years have been half of what was recommended by UAB. There has also been the loss of sales tax funding. The goal of this outreach is to focus on the FOG project moving. The rate increases can be a longer, later conversation.

Mr. Larson: By getting the prioritization changed and hopeful funding from SOA, there may be a reduction on how much money needs to be found elsewhere, like from rate increases.

Mr. McGuire: The goal of sending the memo is to highlight the funding/rate needs, not to take away from the conversation about the FOG project.

Mr. Larson: Feels strongly that this is a broad-based pitch to enhance Utility services to residences and to the employers who employ those residents. There may be sources of FOG that can be controlled, but residences cannot be so easily controlled. FOG in the system will take decades to come through the system.

Mr. Campbell: The goal is to meet with assembly members by the end of the week, before their next meeting.

Ms. Koch: Today there was a PWFS meeting. The major action that they took was to adopt recommendations from various boards and committees. The next step is a homework assignment for the assembly members over the Christmas break. The assembly should get their response back before January 2nd. Getting in contact with Assembly members this week would be important.

Ms. Hall Schempf agreed to send out the assigned Assembly Members to the UAB via email.

E. NEXT MEETING DATE

8. January 11, 2024

F. ADJOURNMENT – Meeting adjourned at 6:00 pm

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.