# AFC
# Utility Rate Study
# Proposed Increase

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11/6/2024

# Agenda

- Overview of Utility Assets
- Rate Increase Revisit
- Rate Study
- Utility Goals

# Utility Wastewater Infrastructure:

JUNEAU TREATS 1.2B GALLONS EVERY YEAR

## Wastewater Treatment &Collections

3 Wastewater Treatment Plants

- Mendenhall – 1960/1989
- Juneau-Douglas - 1970's
- Auke Bay - 1970's/1997

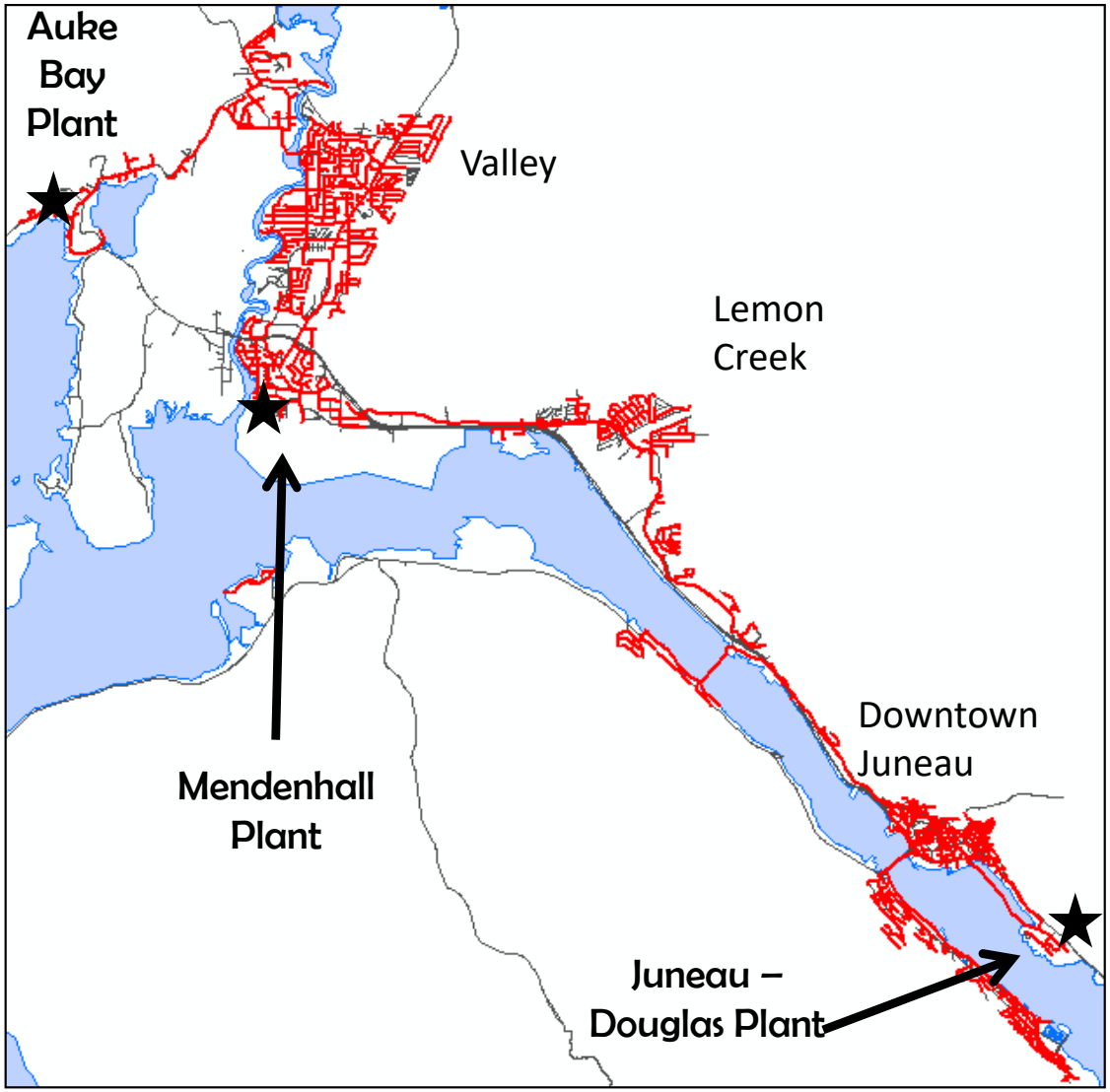
12 clarifying basins (in the plants)

45 Sewer Lift Stations

140 Miles of Pipes

7100 Service Connections

$109 Million – Original Cost

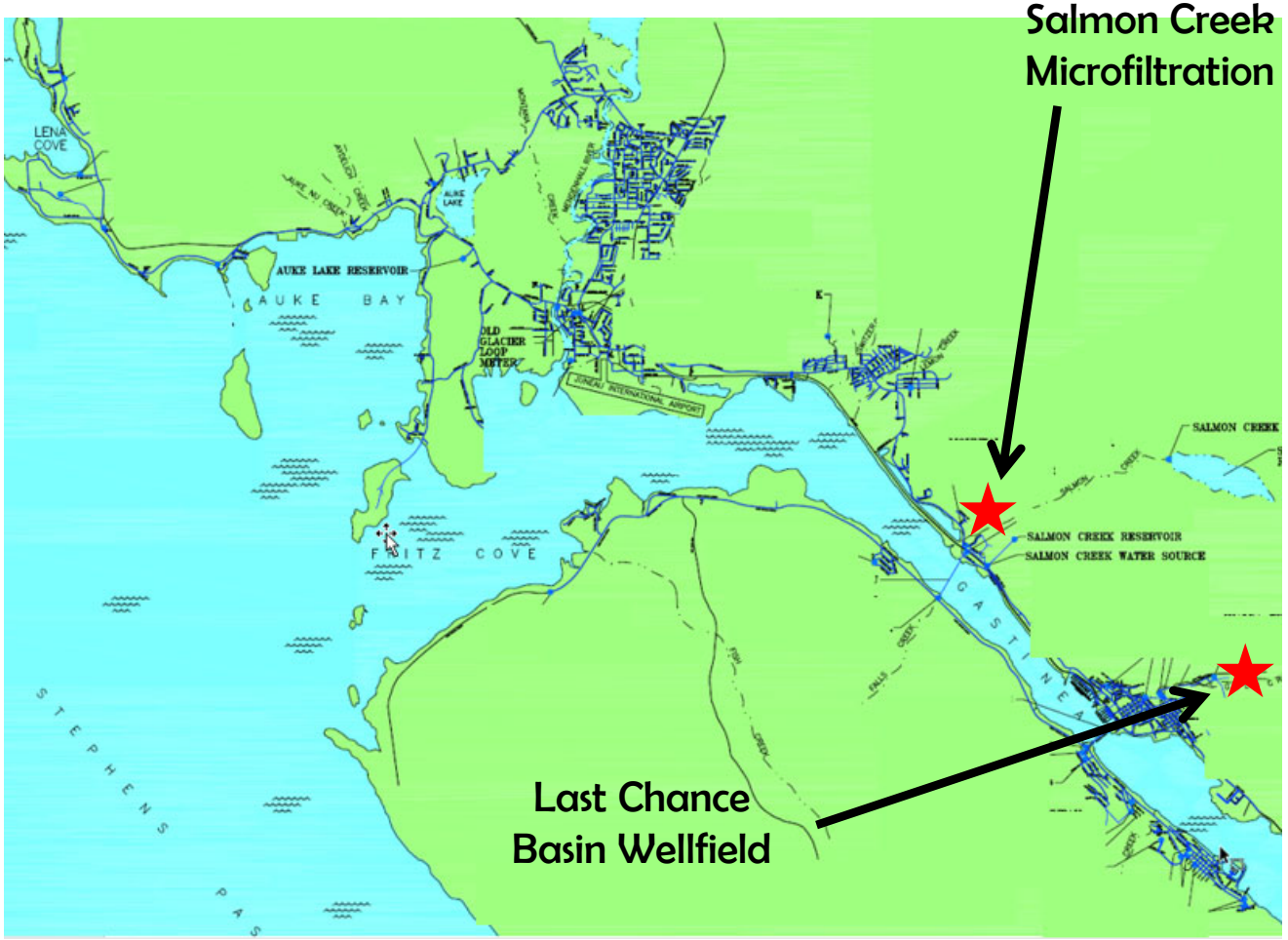


# Utility Water Infrastructure:

JUNEAU PRODUCES
1.1B GALLONS
EVERY YEAR

## Water Production & Distribution

- 2 Water Sources & Treatment Facilities
- 6 Reservoirs
- 3 Contact Tanks
- 8 Pump Stations
- 37 Pressure Regulating Values
- 175 Miles of Pipes
- 8500 Service Connections
- $113 Million – Original Cost



# Water & Sewer Rate Increase

- Last Utility Rate Increase took effect  FY 25 (7/1/24 – 6/30/25)
  - Last 5 year increase schedule was 4%, 2%, 2% ,2% ,2%

- Request: Increase during period FY26-FY30

# State of the Effort

- September 2023 – Presented to PWFC on rates.
  - Funding Increases of 10-15%
    ($15 - $22)
- Presented again in Aug 2024

The Utility has been working with UAB for over a year. UAB is supportive of rate increases.

# How we got here

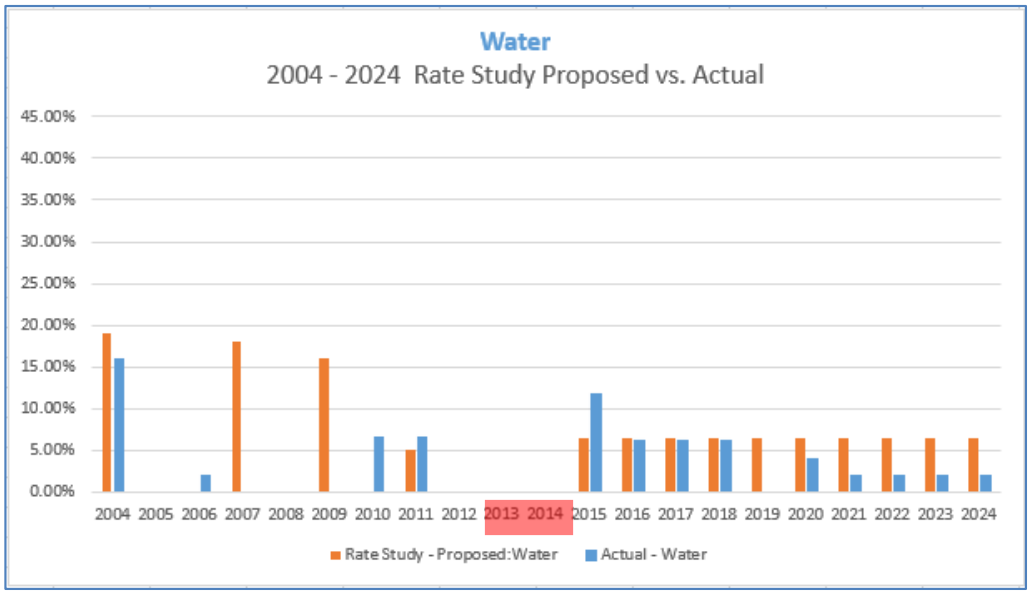
**Utility Timeline**

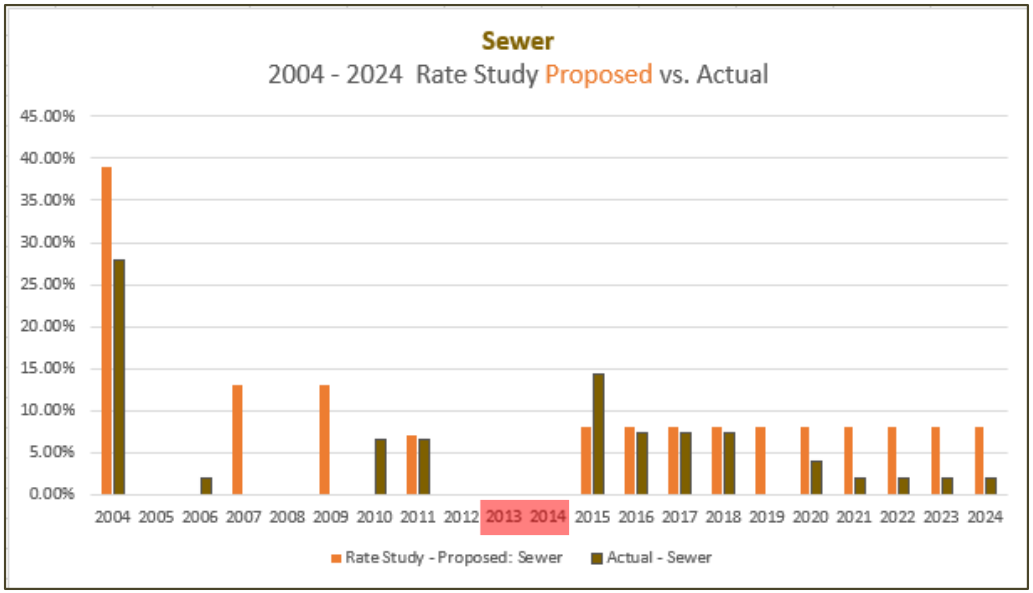
**1984 - 2003**

- Relatively new
- MWWTP Modernization
- Few Rate Increases
- Utility had overall operating loss
- No Depreciation Fund

**2004 - 2024**

- 1st Rate Study
- Formation of Utilities Advisory Board
- Began Rate Increase Efforts
- Overall, increases below recommendations
- Sales Tax ($4MM, $13.5MM)



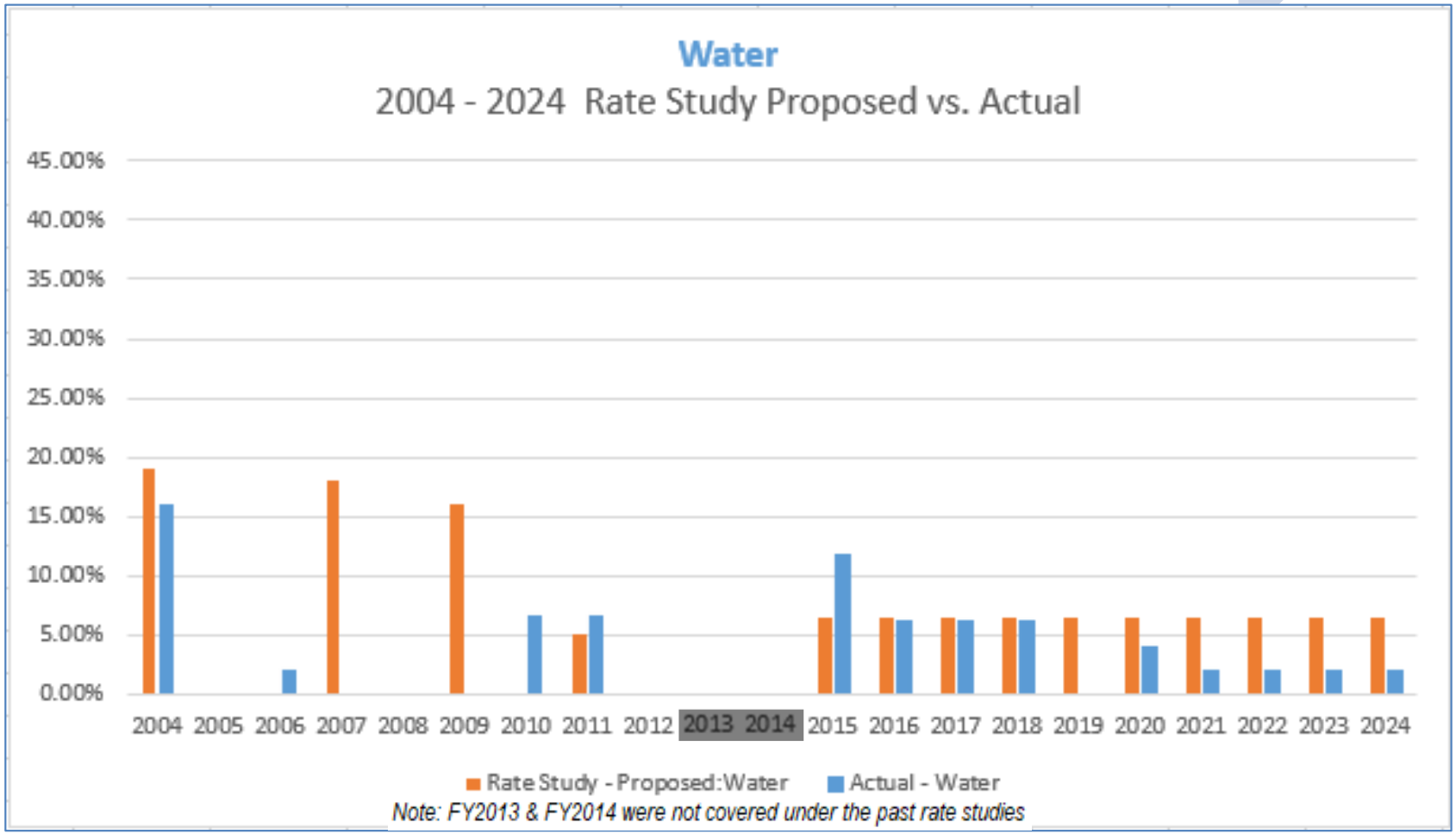

*Note: FY2013 & FY2014 were not covered under the past rate studies*

# How we got here

**Utility Timeline**

1984 - 2003

2004 - 2024



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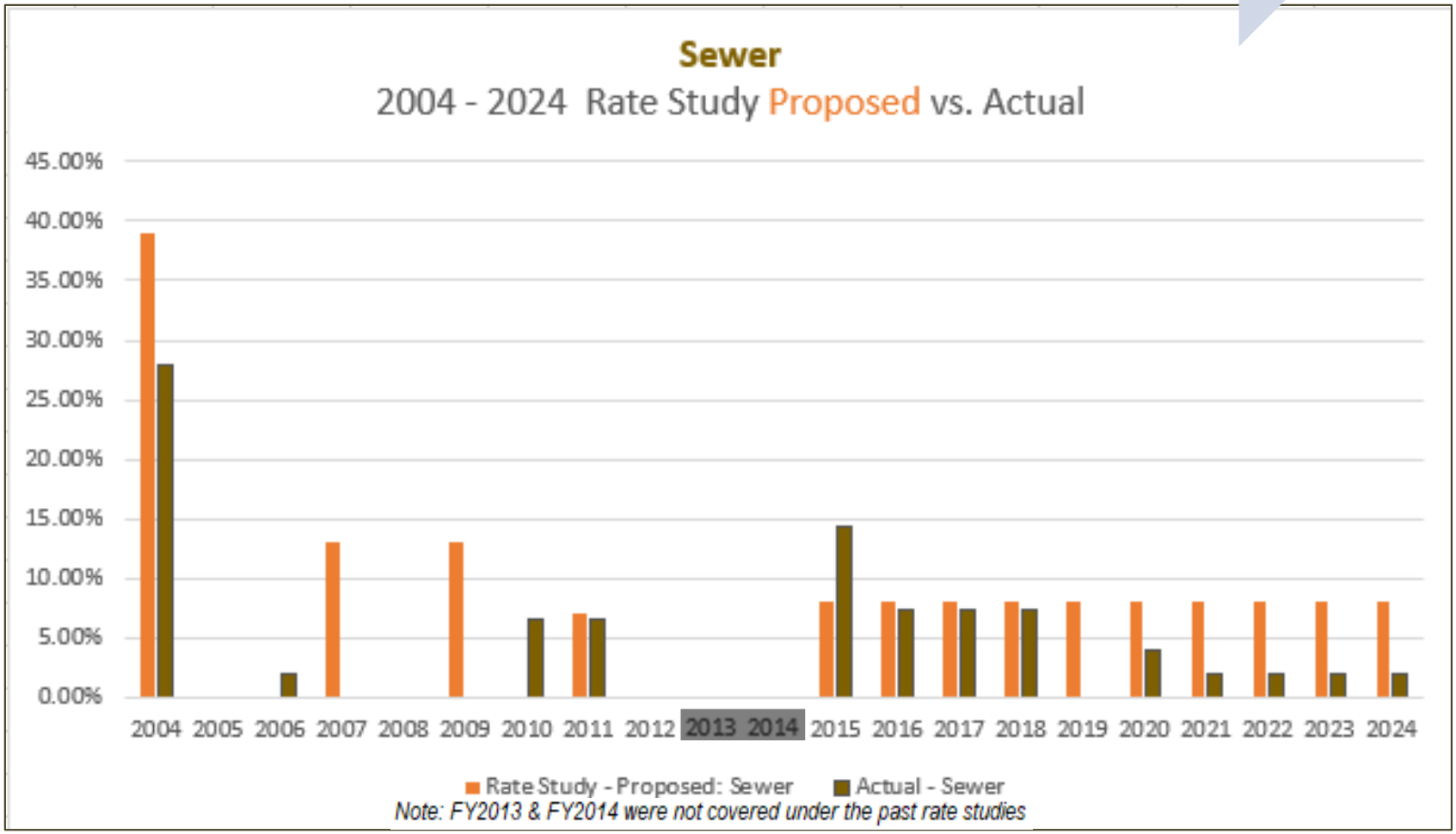
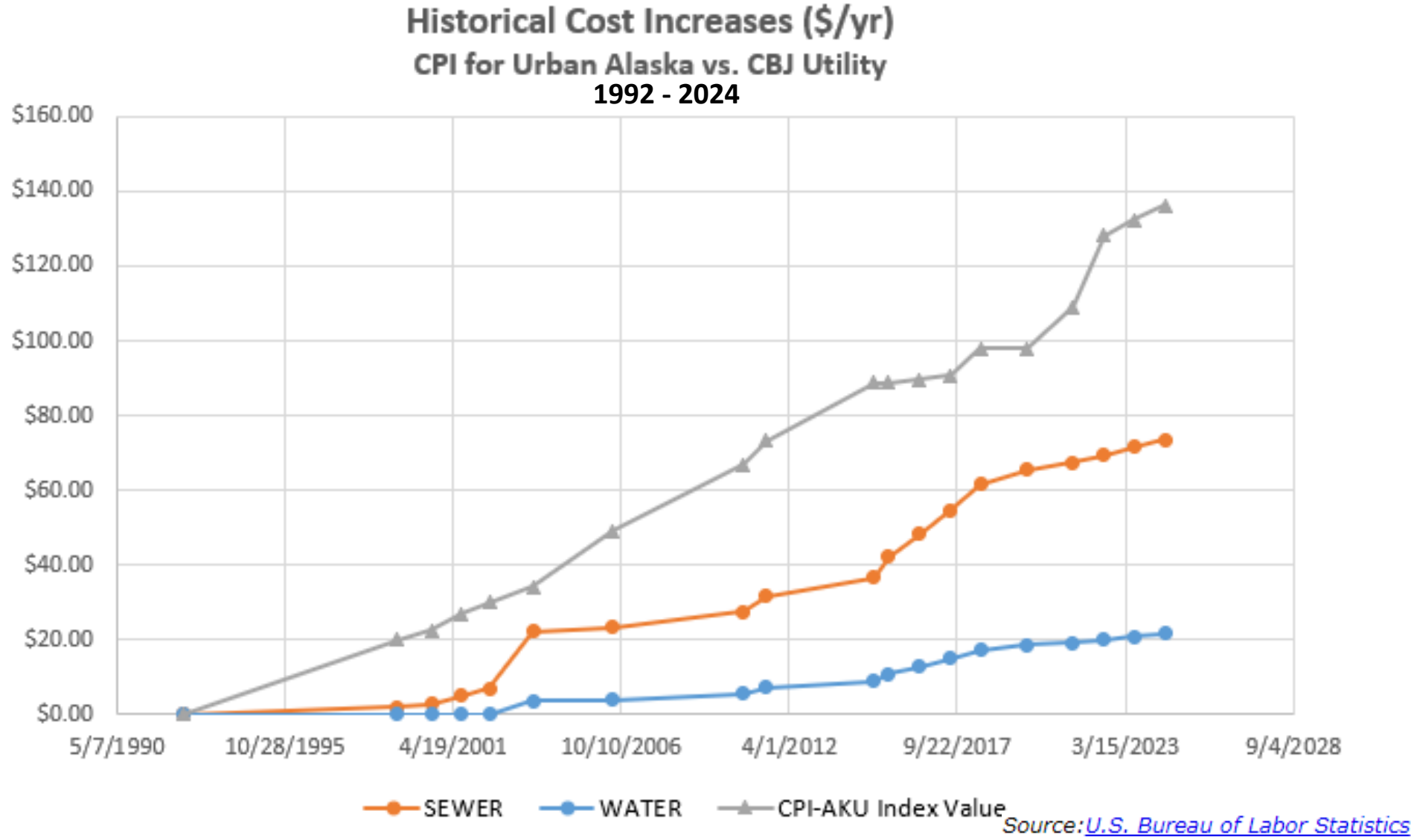


# Water & Sewer Rate History



# Utility Goal

Supporting Community Health through Provision of Essential Services

- Reliability
- Resilience
- Maintenance
- Safety/Security

# Outside Expertise

- Hired FCS for:
  - Broad utility expertise
  - Deep accounting expertise
  - Objectivity

# Next Steps for you

- 2 Requests
  - Public meetings as next step?
  - Recommend one of the funding options
    - Debt funding or Cash


CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY
UTILITIES DIVISION

# Thank you

# Back Up

# CIP Scenarios

- CBJ worked with Consultants to consider several options for Rate Increase:
  - Developed 3 CIP funding scenarios.
    - Started with the 6 yr CIP for next 5 years, FY26-30
    - 80 water projects, 50 Sewer Projects
      - Geared toward total identified needs. Difficult to pull off.
    - This was the base scenario and was vetted for two additional scenarios.

We employ a Methodology to guide Priority funding

# Methodology

- Team identified risks categories to CBJ Infrastructure.
  - Projects on 6 yr CIP plan were given a point if they addressed a risk
  - Water
    - System Controls and Security
    - Condition (Obsolescence/End of Life/Deferred Maintenance)
    - Valley Water Distribution Disruption
    - Road Reconstruction Alignment
  - Sewer
    - System Controls and Security
    - Condition (Obsolescence/End of Life/Deferred Maintenance)
    - Mendenhall Treatment Plant Viability
    - Infiltration and Inflow Reduction

# CIP Scenarios

- After Scoring Projects, the emerged for FY26-FY30:

1. Extensive – 80 water projects, 50 Sewer Projects, $516MM
2. Moderate – 29 water projects, 31 Sewer Projects, $104MM
3. Reduced – 21 water projects, 15 Sewer Projects, $56MM

After assessing rates at each scenario, #3 Reduced, was selected

Risk to utility service exists under selected plan