



PUBLIC WORKS DEPARTMENT

Memorandum

To: MAYOR LYNN AND BOROUGH ASSEMBLY

From: THOMAS RUMMEL, ASSISTANT PUBLIC WORKS DIRECTOR

Date: 05/18/2026

CC: STEVE GIESBRECHT, BOROUGH MANAGER

The Wastewater Treatment Utility is recommending a rate adjustment to maintain the long-term reliability, regulatory compliance, and financial sustainability of the Borough's wastewater system. The proposed increase is necessary to address rising operational costs, aging infrastructure, and increasing state and federal regulatory requirements impacting wastewater utilities throughout Alaska.

Over the past several years, the cost of operating and maintaining wastewater infrastructure has increased substantially. At the same time, the Environmental Protection Agency (EPA) and Alaska Department of Environmental Conservation (DEC) continue to implement increasingly stringent environmental compliance and reporting requirements which require additional monitoring, testing, engineering support, operational oversight, and long-term infrastructure planning.

In addition to regulatory pressures, much of the Borough's wastewater infrastructure is aging and will require significant repair and replacement in the coming years. Critical components including lift stations, piping, pumps, controls, and marine outfall infrastructure are approaching or have exceeded their intended service life. Deferred maintenance and escalating construction costs continue to increase the financial impact of these necessary capital improvement projects.

The proposed rate increase will help ensure the Borough can continue providing safe and reliable wastewater collection and treatment services while maintaining compliance with state and federal environmental regulations. Revenue generated through the adjustment will support ongoing operations and maintenance, future infrastructure replacement projects, and long-term utility system sustainability.

Even with the proposed increase, the Borough's wastewater rates remain generally comparable to similar Southeast Alaska communities facing many of the same operational and infrastructure challenges.

Staff respectfully recommends Assembly approval of the proposed wastewater rate adjustment to ensure continued safe, reliable, and compliant wastewater utility operations for the community.

Public Works Department

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