UTILITY ADVISORY BOARD AGENDA

September 10, 2026 at 5:15 PM

Water Utility Shop 2520 Barrett Ave./Zoom Webinar

https://juneau.zoom.us/j/83013202186
Or Call In: 1-253-215-8782 Meeting ID: 830 1320 2186

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

C. ROLL CALL

D. APPROVAL OF AGENDA

E. APPROVAL OF MINUTES

1. June 11, 2026

F. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

G. AGENDA TOPICS

2. UAB Annual Report 2025-26 - For Approval
3. Post GLOF Update / Report
4. Financials Update (tentative item - may be included at a later meeting)

H. NEXT MEETING DATE

5. October 8, 2026

I. SUPPLEMENTAL MATERIALS

J. ADJOURNMENT

ADA accommodations available upon request: contact the Clerk's Office (907)586-5278 or city.clerk@juneau.gov at least 36 hours prior to a meeting, to request ADA arrangements.

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

Engineering & Public Works Department
155 South Seward Street
Juneau, Alaska 99801
Phone: 907-586-0393 | Fax: 907-463-2606

MEMORANDUM

DATE: **DRAFT by Janet Hall Schempf, September 10, 2026 – DRAFT #2 for UAB Review**
TO: City and Borough of Juneau Assembly and Manager
FROM: Utility Advisory Board
SUBJECT: Annual Report for the period May 2025 through April 2026

INTRODUCTION

This memorandum is the annual report of the CBJ Utility Advisory Board (UAB) for the period May 2025 through April 2026. In conformance with the enabling CBJ Resolution 2299 (adopted February 2005, Attachment A), the UAB considers the infrastructure, operations, and funding needs of the water and wastewater utilities; the Board's annual reports are meant to inform decisions made by the Mayor, Manager, and Assembly concerning multiple aspects of water and wastewater in the Borough.

The UAB believes financially and physically healthy water and wastewater utilities are necessary for our community to be resilient and to thrive. The infrastructures of CBJ water and wastewater utilities are aging; the UAB believes increased capital investments are required immediately for necessary maintenance and upgrades so the utilities can meet existing community and visitor needs and anticipate future demand. A brief history of user rates is included as Attachment B.

While the UAB depends upon CBJ staff for information and updates, the Board independently reports its observations and makes its own recommendations to the Assembly and CBJ Manager. The UAB membership includes individuals with specific interests in water and wastewater related topics and issues; some members have served since the UAB was created, and provide continuity in shifting regulatory, fiscal, and staffing circumstances.

FINANCING THE UTILITIES

The UAB understands these constraints for funding the water and wastewater utilities:

- Sales Tax: 1% Sales Tax is not available to the utilities during the period FY25-FY29.
- Marine Passenger Fee: The potential of funding utility work with these fees is uncertain.
- CIP Funding: Marine Passenger Fees and Sales Tax are applied to Capital Improvement Plan (CIP) spending.
- Property Tax: Property Tax revenue does not fund the utilities, even though the water utility provides fire protection in the piped areas of the Borough.

- Regulatory Compliance and Deferred Maintenance: Water and wastewater CIP spending needs are greater now than in past years, due to meeting regulatory requirements and resolving deferred maintenance.
- Insufficient Water Rate Revenue: The UAB promoted an 8% increase per year for FY20-FY24, which the manager's office reduced to a 4% per year ask of the Assembly. The Assembly adopted an increase of 4% for FY20 and a 2% increase every year for the following 4 years (FY21-FY25).
- Utility Cost Escalation: CBJ Engineering projects 7%-10% inflation for the 6-year CIP plan; operational cost inflation is expected to be about the same.
- Wastewater Infrastructure: Fiscal planning must include near-term improvements to the Mendenhall Wastewater Treatment Plant (MWWTP), as well as eventual replacement of the plant.

Alaska Water and Wastewater Rates: The UAB, with assistance from CBJ staff, compared CBJ utility rates against those of other Alaska communities. A direct comparison isn't realistic, as the nature of Juneau's utilities is different than those of many Alaskan communities, in that many Alaska wastewater systems have federal Clean Water Act 301(h) waivers, which allows wastewater treatment to a lesser standard, based on the amount of potential ocean and estuary mixing. Additionally, many CBJ staff are required by law to hold specific, higher-level licenses, which raises personnel costs when compared to other communities.

CBJ Utility User Rates: The UAB began the reporting period with a review of the updated user rate model that the consultant FCS prepared using FY24 actuals; Board members also received updates from staff describing the options considered by the Finance Committee and the Assembly to fund the utilities.

During its June 9, 2025 meeting, the Assembly approved Ordinance 2025-27, an Ordinance Increasing the Rates for Water and Wastewater Utility Services. The new ordinance increases user rates for both the water and wastewater utilities by 5% beginning August 1, 2025 and extending through FY2030.

Proposed Utility Bond: Two bond concepts were considered by the CBJ Assembly during June 2025 and rejected. The proposed bond concerning water and wastewater was Proposed Ordinance 2025-33, for a general obligation bond of not to exceed $8,000,000 to finance water and wastewater utilities capital improvement projects. If adopted by the Assembly, the bond would have been included in the 2025 municipal election. However, the Assembly failed to approve both proposed bonds. The proposed bonds could be considered again by the Assembly during the summer of 2026.

Effects of "Proposition 1" and "Proposition 2" on the Utilities: The UAB considered the effects of reduced property tax and sales tax support for the water and wastewater utilities.

Proposition 1, a mill rate cap amendment, limits the property tax rate to 9 mills, down from the previous rate cap 12 mills, and will affect the FY2027 budget. Proposition 2 created new sales tax exemptions for both essential food (as defined by the federal Food and Nutrition Act of 2008) and non-commercial essential utilities that began November 20, 2025.

Historically, sales tax has supported utility projects associated with street projects. The UAB has advocated for property tax to support the water utility because of the costs to the utility to provide water reservoirs, piping, fire hydrants, and other infrastructure related to protection of property from fire.

Legislative Capital Funding Priorities. CBJ has a process to develop a prioritized "wish list" of large, visionary projects that would be funded by state or federal money; the process includes the opportunity for CBJ boards and commission recommend priority projects to the *Legislative Capital Priority* list. The UAB participates in the process, nominating carefully considered projects that improve utility operation, extend infrastructure functional life, and better allocate funds.

As in past reporting periods, the UAB unanimously supported funding a Fats, Oils, and Grease (FOG) removal system at Mendenhall Wastewater Treatment Plan. The project would design and construct a pre-treatment FOG/grit removal process to moderate inputs into the sequencing batch reactor, improve treatment efficiency, and aid compliance with discharge standards.

The UAB believes the project is important because FOG and Inflow and infiltration (I&I) that flow unrestricted into the wastewater collection system and pass the treatment plant compromise the infrastructure and potentially create noncompliance with regulatory permits.

UTILITIES OPERATION, MAINTENANCE, AND UPGRADE

Suicide Basin GLOF: Mendenhall Wastewater Treatment Plant is immediately adjacent to Mendenhall River, and the plant's outfall line and diffuser are buried in the river's bank and bed. During a past Glacier Lake Outburst Flood (GLOF), some of the rock protecting the diffuser shifted, a portion of the vehicle parking area washed away, and the perimeter fencing was undermined. Elsewhere in the flooded areas, some lift stations were inundated, and electrical panels were nearly flooded.

Electrical panels have already been raised above anticipated flood height, and additional rock armoring has been added to the riverbank. During the reporting period, the UAB considered additional measures the CBJ could undertake to reduce or avoid risk to the water and wastewater infrastructures, including sheet piling. The riverbank along the Mendenhall Wastewater Treatment Plant ultimately was reinforced with additional rock, and HESCO barriers were installed to protect the plant.

Salmon Creek Penstock: During the 2024-2025 reporting period, a representative of Alaska Electric Light and Power presented their plan to the UAB as to how an uninterrupted water supply would be provided to the DIPAC fish hatchery and how any adverse effects to other water system users would be avoided or minimized during replacement of the historic, hand-riveted Salmon Creek Penstock with welded steel pipe.

Penstock construction began during April as planned and will continue during May and June. A change to the work plan is that the project will span four years, instead of three.

Cruise ship companies have been notified that water sales may be limited during outage periods. Community needs have priority over visitor sales.

Wastewater Treatment Plant Waste Re-processing and Reuse via Pyrolysis: The UAB has long encouraged the CBJ to implement treatment of biosolids with PFAS. CBJ received an Alaska Department of Environmental Conservation

grant to pyrolysis thermal treatment of biosolids at the Mendenhall Wastewater Treatment Plant. This grant will fund design of an effective treatment that will meet the UAB goals of eliminating the labor and expense of shipping PFAS impacted biosolids out-of-state for disposal.

During the reporting period, CBJ staff kept the UAB informed about a nationwide RFP for the design of a pyrolysis unit at the Mendenhall Wastewater Treatment Plant that will be integrated into the dryer process.

Cold Weather and Reservoir Draw Down: December 2025 brought record setting cold temperatures to Juneau, and water customers sought to keep their pipes from freezing by running water through their taps. An unintended consequence of the aggressive, continuous water flow was that more potable water than usual was treated, distributed, and then discharged to wastewater treatment plants. In addition, multiple fires occurred, which used more treated water from the reservoirs, and several distribution pipes burst.

The reservoir draw down was significant. Typically, the water utility has a 2.7 million gallons of water per day, and during the cold period, the demand spiked to over 4 million gallons per day. The CBJ launched a public information campaign about best practices to keep household water pipes from freezing.

OTHER PROJECT UPDATES: CBJ staff updated the UAB on several ongoing projects, including a wastewater plant crusher, Outer Drive / West Juneau Lift Station Upgrades, Last Chance Basin Wells 4 and 5, clarifier rehabilitation at the Juneau-Douglas Wastewater Treatment Plant. Staff also apprised the UAB about discharge of petroleum product to the Mendenhall Wastewater Treatment Plant from a location that was never identified.

ADDITIONAL POTABLE WATER SOURCES FOR THE CBJ: CBJ staff and the UAB reviewed results of a past study to identify new, additional potable water sources to meet future needs of residents, industry, and visitors. No further work is planned, however, CBJ and the UAB recognize the shifting climate and changes in precipitation amounts and snowpack quality will eventually affect CBJ water sources.

ANTICIPATED WORK FOR 2026-2027

The health of CBJ water and wastewater utilities is critically important to residents, businesses, government entities, and visitors. The UAB recognizes the infrastructures of both utilities are aging and now require increased capital and maintenance improvements to maintain current levels of service.

The UAB encourages short- and long-term planning to ensure the water and wastewater utilities are truly sustainable. Changing weather, diminished snowpack, unpredictable GLOF, riverbed erosion, and sea level change may seem like abstract threats, but these risks should be identified and understood as best as possible now, so that contingencies are in place to ensure CBJ always provides an adequate supply of safe drinking water and water for industry, firefighting, and other uses. Short-term disruptions, including GLOFs, that pose risks to water and wastewater infrastructure create costs for the utilities that must be borne somehow by the community.

The UAB expects to undertake the following during the 2026-2027 period and to provide information and recommendations to the CBJ as appropriate:

- Continue to evaluate the mission of the utilities and the philosophy of utility administration, with the view that adequate services must be provided to all who require them while protecting the financial stability of the utilities themselves.
- Identify and evaluate CIPs, funding sources, and operational and maintenance expenditures.
- Evaluate the effects of past and potential utility user rate increases in the context of variable, unpredictable local, state, and federal funding.
- Receive updates on CBJ initiatives and projects, including a comprehensive map of CBJ potable water systems; a strategy to disseminate information to water and wastewater utility users and the general public, and initiatives, such as the Source Control Program, that will contribute to the future health of the wastewater utility.
- Consider the cost/benefit of accepting sewage / wastewater from visiting vessels.
- Consider the cost/benefit of selling water to visiting vessels, especially in the context of water shortages, planned outages, and emergencies.
- Consider the adverse effects of climate and weather, and the need to secure additional water sources and water rights.
- Consider energy conservation and cost cutting at CBJ utility facilities.
- Consider environmental disruptions and identify potential risks and mitigative responses.

BOARD MEMBERSHIP AND TERMS

Seven CBJ residents served on the UAB during the May 2025-April 2026 reporting period. In conformity with the enabling resolution, board members have varying expertise and viewpoints and have formed a collaborative culture that encourages curiosity, learning, and discourse. Members serve three-year terms.

Andrew Campbell	Registered Engineer, General Contractor
Stuart Cohen	Residential Customer
Geoffrey Larson	Commercial Customer
Elizabeth Pederson	Accountant
Grant Ritter	Residential Customer
Ethan Roemeling	Registered Engineer
Janet Hall Schempf	General Public

Andrew Campbell served as Chair and Geoffrey Larsen as Vice Chair; Stuart Cohen served as Acting Chair when needed.

Elizabeth Pederson was reappointed to the UAB for another term beginning June 1, 2025, and Ethan Roemeling was appointed to his first term, also beginning June 1, 2025. Three of the seven members, Stuart Cohen, Grant Ritter, and Janet Hall Schempf completed their terms May 31, 2026, and have reapplied for another term.

BOARD MEETINGS

The UAB held five regularly scheduled meetings and one special meeting during the reporting period. The table below

presents information about meeting dates and member attendance.

ASK
In addition to these meetings, the UAB vice-chair / chair / anyone attended one meeting of the CBJ Human Resources Committee, and most UAB board members met in person, spoke by telephone, or sent emails to CBJ Assembly members concerning State Legislative funding requests and the MWWTP funding proposal. (Did this occur during the 2025-2026 reporting period?

Legend: P = Present A = Absent	SEP	OCT*	JAN	APR	JUNE	Totals**		Term
	9/11/2025	10/20/2025	1/8/2026	4/9/2026	6/11/2026	Attended	Absent	Ends
Campbell, Andrew	P	A	P	P	P	4	1	5/31/2027
Larson, Geoff	A	P	P	P	P	4	1	5/31/2027
Pederson, Elizabeth	A	P	P	A	P	3	2	5/31/2028
Cohen, Stuart	P	A	A	P	P	3	2	5/31/2029
Schempf, Janet	P	A	P	P	A	3	2	5/31/2029
Ritter, Grant	P	P	P	P	P	5	0	5/31/2029
Ethan Roemeling	P	P	P	P	A	4	1	5/31/2029
Number of Attendees:	5	4	6	6	5			

* Indicates a special meeting

**This chart does not include canceled regular meetings: July, August, October, November, December 2025 and February and March 2026. .

CBJ UAB Support Staff

As of the date of this report, Engineering and Public Works staff who support the UAB include:

Denise Koch, Director, Engineering & Public Works
Brian McGuire, Superintendent, Utilities
Chad Gubala, Manager, Utilities Plant & Treatment
Alan Steffert, Engineer II, Utilities
Rose Evans, Admin Officer, Public Works and Engineering

UTILITY ADVISORY BOARD WEBSITE

UAB meeting agendas, minutes, and supplemental information is posted online, at:

https://juneauak.portal.civicclerk.com/

ATTACHMENT A

UTILITY ADVISORY BOARD PURPOSE

CBJ Resolution 2299 identifies the UAB's primary responsibilities concerning the status of water and wastewater utility topics:

(a) Review and make recommendations to the Assembly and Manager on all matters pertaining to the operation of the water system and the wastewater system, to the end that the consuming public is provided with the best possible service consistent with good utility management and cost containment;

(b) Review annual budgets and funding plans and make recommendations for the efficient and economical operation of the water system and the wastewater system including bond issues, staffing, fiscal matters, and public relations;

(c) Make recommendations on long-range planning for system expansion replacement, and priorities to meet future needs of the water and wastewater systems;

(d) Make recommendations on water and wastewater utility rates to ensure that the rates are equitable and sufficient to pay for operation, maintenance, debt reduction, system replacement, and utility reserves necessary to ensure sustainable public utilities;

(e) Make recommendations on measures to increase the efficiency and cost effectiveness of the water and wastewater utility operations; and

(f) Perform such other duties and functions related to the utilities as the Assembly or Manager may request.

ATTACHMENT B

UTILITIES RATE HISTORY, 2009 TO PRESENT

User rate studies completed during 2003, 2014, 2024, and 2025 form the basis for the UAB's recommendations to the Mayor and Assembly for water and wastewater user rate adjustments. Each of these rate studies has recognized the utilities need more funding to meet operating and capital costs than the Assembly has provided.

2003 Rate Study: The 2003 rate study recommended a multiple step approach to rate increase. First, the study recommended an immediate 19% increase in water rates and a 39% increase in wastewater rates. Second, the study recommended additional, specific rate increases over the next 10 years (2005-2012).

2003, Ordinance Serial No. 2003-43am: During the fall of 2023, the Assembly recognized that service revenues had not met the major deferred maintenance expenses of the water and wastewater utilities, and adopted *An Ordinance Increasing the Rates of Water and Sewer Utility Services and Amending Related Definitions in the Water and Sewer Codes*, the first customer rate increase since 1991. The rate increases that became effective December 1, 2003 were "across the board." The CBJ Assembly did not adopt the increases recommended by the 2003 rate study for the years 2005-2012.

2006, Ordinance Serial No. 2006-21: During the first part of 2006, the CBJ Assembly considered the "stable, sustainable, and financially healthy state" of the utilities in the context of meeting current and deferred maintenance expenses of both utilities. In this context, the Assembly adopted "*An Ordinance Increasing the Rates for Water and Wastewater Utility Services*," effective July 1, 2006. This ordinance provided customer rate increases of two percent for all users.

The Assembly recognized the two percent increase would be inadequate to fund the utilities, and identified alternative revenues of a property tax for fire protection within the Water Utility, Street Sales Tax support for replacement of sewer collection system components within streets, and a bond/loan for FY2007 capital replacement work for the Wastewater Utility, and also declared that without this alternate funding for FY2007, the water rate increase would need to be approximately 10.5 percent and the wastewater rate increase would need to be 8.5 percent.

2010, Ordinance Serial No. 2010-28: Four years after the adoption of Ordinance 2006-21, the CBJ Assembly again recognized the aspirational goal of "stable, sustainable, and financially healthy state" of the utilities as well as the reality of deferred maintenance, and adopted *An Ordinance Increasing the Rates of Water and Wastewater Utility Services*, with an effective date of July 1, 2010.

2014 Rate Study: Given the absence of a CBJ system reinvestment policy that plans for the eventual replacement of utility infrastructure, the 2014 rate study recommended rate increases of 9.5% for water and sewer for three consecutive years, with additional funding provided by a revenue bond in 2017.

2014, Ordinance Serial No. 2014-36(b)(am): During the spring of 2014, the Assembly again sought to provide for "a stable, sustainable, and financially healthy state" of the water and wastewater utilities, and adopted *An Ordinance Increasing the Rates for Water and Wastewater Utility Services*. The new ordinance revised water rates (effective January 1, 2015) and sewer rates (effective July 1, 2015), with increase of 7.25% for water and 8% for wastewater each year over a five-year period. While not fully funding system reinvestment needs, the rate increases realized 68% of System Reinvestment Funding.

2017, Municipal Election: In 2017 the CBJ Assembly proposed a ballot measure for a 1% sales tax that focused "on addressing the deferred maintenance needs of the public utilities and facilities" and identified $15.5 millions of need for water and wastewater infrastructure, maintenance, and improvement. The ballot measure ultimately passed, with 77 percent of the vote in favor of renewal.

2019, Ordinances Serial No. 2019-31 and Serial No. 2019-44: The Assembly passed Ordinance Nos. 2019-31 and 2019-44 in 2019, raising water and wastewater user rates incrementally over the following five years. These rate increases, which were 4% followed by 2% for 4 years, did not keep pace with inflation.

2024, Rate Study: The 2024 rate study was based in part on the failure of the 1% sales tax allocated to the water and wastewater utilities during prior years to materialize, and that alternative funding by bond issue was not secured. The study presented various funding scenarios that included user rate increases and alternative funding sources.

2024, Municipal Election, Proposed Bond Funding: A ballot proposal to authorize issuance of $10,000,000 in general obligation bond debt was presented to CBJ voters in the fall of 2024. The proposal passed, and the bonds fund improvements to the Juneau-Douglas Wastewater Treatment Plant.

2025 Rate Study: FY26-FY30 rate increases are supported by the findings of the rate study competed in 2025 by the consulting firm Bowman/FCS. This rate study identified a funding plan for a reduced scope of Capital Improvement Plan funding for FY25-30 that includes 5% rate increases each year, with 20% funding by State Revolving fund loans, a bond to cover a major capital project at the Juneau-Douglas Wastewater Treatment Plant, and some alternative funding that could be Sales Tax or other sources.

2025, Ordinance Serial 2025-7: During its June 9, 2025 meeting, the Assembly approved Ordinance 2025-27, an *Ordinance Increasing the Rates for Water and Wastewater Utility Services*. This ordinance increased user rates for both the water and wastewater utilities by 5% beginning August 1, 2025 and ending June 30, 2030.

Summary and Additional information: For the period July 1, 2021 through July 2025, water and wastewater user rate increases were set at 2% per year. The rate is increase is now set at 5% per year through FY2030.

4% effective January 1, 2020
2% effective July 1, 2021
2% effective July 1, 2022
2% effective July 1, 2023
2% effective July 1, 2024
5% effective August 1, 2025
5% effective July 1, 2026

Historical information, including a *Summary of Findings* of a 2014 rate study, is posted online, at: https://juneau.org/engineering-public-works/utilities-division/historical-rate-information and https://juneau.org/engineering-public-works/utilities-division/proposed-rate-increase