

# UTILITY ADVISORY BOARD MINUTES

Thursday, January 11, 2017 – 5:15 p.m.  
Mendenhall Wastewater Treatment Plant  
2009 Radcliffe Road

**Board Members Present:** Leon Vance – Chair; Geoff Larson – Vice-Chair; Grant Ritter;  
Bryan Farrell; Janet Hall Schempf (telephonically); Andrew Campbell;  
Kevin Buckland

**Board Members Absent:** None

**Staff Present:** Roger Healy; Autumn Sapp; Holly Kveum

## I. CALL TO ORDER

The meeting was called to order at 5:18p.m. by Chair Vance.

## II. APPROVAL OF AGENDA

Chair Vance amended the agenda to include the introduction of a new board member, Kevin Buckland.

## III. APPROVAL OF MINUTES

November 9, 2017 Draft UAB Meeting Minutes- approved with a minor amendment.

## IV. PUBLIC PARTICIPATION

None.

## V. ACTION ITEMS

None.

## VI. INFORMATION ITEMS

A. Utilities Operational Update- Mr. Healy gave the board an update of the on-goings of the Utilities. He reviewed the sale of the Water Utility building and the subsequent move to the Valley Street Shop, and discussed the progress of the biosolids and headworks projects. Mr. Healy relayed the continued

pumping efforts of Maier Drive to the board, and that the Collections team had a new hire to aide in the labor burden. Mr. Healy also discussed recruitment plans for the Utilities Superintendent, and then gave a recap of the recent Finance Committee meeting. The board and staff then discussed the Water Utility move, and the potential new location of the Household Hazardous Waste facility.

- B. Rate Increase Continued Discussion- Mr. Healy began the discussion with answering questions that were requested at the last meeting: can the CBJ open a line of credit and can staff provide historic information of CIP expenditures. Mr. Healy reported the Director of the CBJ Finance Department answered the first question in that the CBJ operates under a central treasury, and essentially, if any entity goes under, the CBJ would “bail it out”. However, this is mitigated through rates. Mr. Healy noted that he was still waiting to receive the historic CIP information that was requested, but noted that when the board does receive this information that it may still not present a clear picture, as various monies were received from projects through state or federal funding. Mr. Healy informed the board that the Finance Committee had changed the funding of the 1% sales tax, which benefited wastewater by providing more funds in the first fiscal year and that staff had updated the dashboard accordingly. Mr. Healy then gave a recap of the last discussion on rates and CIP forecasting to update Mr. Buckland before opening the dashboard for the board’s requested funding scenarios. Mr. Larson asked and Mr. Healy confirmed the capital reserve in the file is the recommended level of funds that should be available. The board and staff then began discussing CIP forecasting. Mr. Campbell asked if a percentage of infrastructure costs was already built into the estimates shown and Mr. Healy answered that the numbers up to FY24 were based solely on rate study numbers, which did include a list of projects. Mr. Buckland inquired when the board was hoping to have an FY20 proposal for the Assembly to review, Mr. Healy answered ideally May of 2019. Vice- Chair Larson then provided some background information about the rate increases and the temporary sales tax, reiterating that current Assembly members would not obligate future Assembly members. The board discussed the background of the rate study and where the most information could be found, and suggested an updated study where additional user groups that could be identified and charged depending on their burden to the system. Mr. Buckland inquired about the discrepancy between past CAFRs and the rate model, and requested to be walked through the 2017 CAFR to fully understand what the balances shown represent. Ms. Sapp mentioned that a meeting with the Controller would be appropriate for that request. The board then discussed different revenue streams, economic imparities, rate inequalities, and simulated different rate increases throughout FY24-FY29 in the dashboard. Mr. Campbell noted that it was essential for the board to be unanimous with what is brought forward to the reviewing bodies. Vice-Chair

Larson requested to make a motion at the next meeting with a recommendation for a rate increase, and in the board's annual report to include additional language about the financial situation the Utilities are facing, and recommend a rate model be solicited to address the equalization issues. Mr. Buckland asked the board why rate increases seemed to be requested in five-year increments, and the board provided some background information about the public participation component of the effort, and that the increases were not set in stone; future Assembly members could vote to further adjust rates. Mr. Buckland noted that there seemed to be a fixation on percentages, and emphasized that the equalization issue is what should be addressed. The board then discussed the meeting schedule, and decided a recommendation would be needed for the Assembly to review in April. Mr. Campbell asked staff to continue to look into the costs of infrastructure as an argument, and then the board discussed asset values, depreciation, and IT management options. Staff asked if a worksession with the Controller's office would be helpful before the next scheduled meeting; several board members agreed and asked staff to inquire as to their availability and coordinate a meeting.

**VII. NON-AGENDA ITEMS**

None.

**VIII. ADJOURNMENT**

The meeting adjourned at 7:22pm.