

City of Gustavus

The scope of the current and proposed criteria for identifying disadvantaged communities would benefit from consideration of a segment of rural communities whose unique financial circumstances pose a significant hardship in raising the revenue necessary to finance water and wastewater projects.

HOUSEHOLD BURDEN

Household income: Lowest Quintile Income (LQI)

As the gateway community to Glacier Bay National Park, the economy of Gustavus is primarily based on its largest employer, the National Park Service, including an influx of seasonal workers, and a seasonal tourism industry of lodges and charter fishing from end May (Memorial Day) to September (Labor Day). Another large segment of the population consists of retirees living on a fixed income. Aside from fixed income population, this retiree population would not be included in the unemployment calculation when comparing the percentage of state totals and for which points are given. Additionally, those who are chronically unemployed or who choose not to apply for work, do not show up in unemployment data. Year-round residents other than NPS and a few school employees, mostly rely on seasonal construction and fishing employment with a few scattered service industry employees. There is a dwindling number of commercial fishing boats, resulting from a reduction in fishing quotas and declines in fisheries populations. The decline in fishery resources is also affecting the charter fishing industry, which has to travel longer distances at greater expense to reach viable fishing grounds, reducing the number of businesses and visitors to the area. The determination of the community's mean/average income is skewed by several management salaries paid by the NPS to its year-round staff (up to \$183,500 for the Park Superintendent). The community has a bimodal income distribution between the haves and the have nots. In addition, unemployment and food stamps are faulty metrics to apply to a community whose employment resources are largely seasonal and whose residents live subsistence lifestyles. Community members most in need often are unable to secure social benefits due to our location and challenges with communications to offices with services. Half of the community lacks cellular coverage, not all areas have access to internet, and our land line phone system has seen degradations from poor maintenance.

Proposed household burden indicator: water and sewer bills

The proposed indicator for determining household and socioeconomic burden: monthly and annual water and sewer bills, does not take into consideration the financial burden on a small, rural community without municipal water and dependent on septic systems. The expenses of living without a municipal system should be considered, such as:

- Reliance on sewage pumping trucks transported from Juneau by barge or ferry to pump septic tanks, (approx. \$1500).
- Reliance on shallow water table wells (most are less than 20' in well-drained sandy soil, so surface/ground water interactions are prevalent), which require water softeners and filtration

systems for minerals, contaminants, and sediment, not including the electrical costs of the water pump, or alternative construction of rainwater catchment cisterns, with costs of treatment and maintenance. A significant portion of our community has non-potable water from PFAS contaminants from the use of AFFF at our airport that has yet to find meaningful resolution.

- Without platting, zoning, or building permit authority, Gustavus has several subdivisions with 1-acre parcels. The shallow wells and proximity to leach fields on the property or adjacent properties leads to interactions, including drinking water with fecal coliform.

SOCIOECONOMIC FACTORS

Our second-class city supports a small clinic, a school, city staff of 8 with only 2 being full time (FTE), and a handful of small businesses and nonprofits. Gustavus has one of the highest effective per kw residential electrical rates in the state. (Due to PCE being a lower rate for this utility) Additionally, the residential community doesn't have the financial capacity to form an organized borough in order to impose property taxes, and the seasonal boost in sales, bed, and fish tax receipts is limited to a 3–4-month window.

Affordability impacts

Gustavus is not on the road system and is dependent on a variable ferry system schedule, fuel barges, landing craft, and expensive air transportation and cargo for food, heating and motor fuel, supplies, and building materials. There is only a small clinic, and residents have to pay to travel out of town for medical and dental appointments, including lodging and transportation costs. Costs of transportation for the provision of basic goods and services, as well as the increased cost of goods and services should be considered as an indicator of the socio-economic burden of a rural community.

Changing demographics

The population of Gustavus is growing (48% between 2020 and 2010 with a 2020 population of 655), with an increase in building construction, reliance for drinking water on a shallow water table, and increased expansion of septic systems. Gustavus's small population does not include large revenue streams. It has a small government, whose size and capacity to design projects and find funding resources is limited. Without qualifying as a disadvantaged community, and without community financial resources to develop municipal water services, the fragility of the community's health may be at a tipping point. In 2022, there were a cluster of giardia cases that were not connected to at risk water consumption patterns. We would encourage you to include additional scoring points for 1- Economies of scale for small populations, irrespective of disadvantaged status, where building infrastructure (including a large match requirement) is unattainable by virtue of population size and therefore limits local tax and per capita governmental revenues. 2 - geographically isolated locations where transport of goods and services are both limited and expensive, 3 - the costs of maintaining well water and septic systems, 4- high electrical and other utility costs as indicators in defining a disadvantaged community or at least otherwise included in the scoring rubric.

PUBLIC COMMENTS

DISADVANTAGED COMMUNITY CRITERIA FOR EVALUATING SRF PROGRAM APPLICANTS

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