



Municipality of Anchorage

Assembly Information Memorandum

AIM No. _____

Meeting Date:

From: Mayor

Subject: Report Recommending Distributions to General Government from Anchorage Water Utility ("AWU"), Don Young Port of Alaska (the "Port"), Solid Waste Services ("Disposal"), Solid Waste Services ("Collections"), the Anchorage Municipal Airport ("Merrill Field"), and Anchorage Hydropower ("Hydro")

Anchorage Municipal Code (AMC) 26.10.060 provides that Municipal-owned utilities shall operate to provide the municipality a reasonable profit (when prudent) from surplus revenues, distributed under AMC 26.10.065 (utilities) and AMC 26.10.068 (Anchorage Hydropower). Additionally, the Municipality of Anchorage has historically managed its enterprise funds such as the Port to provide the municipality a reasonable profit (when prudent) from surplus revenues.

AMC 26.10.065 provides that up to 75% of a utility's positive net income may be pledged as a revenue distribution (aka, dividend) to general government if the utility is not subject to i) a below market investment grade bond rating, ii) an active dividend restriction imposed by the Regulatory Commission of Alaska (the "RCA"), or iii) an equity ratio of less than 30%. Dividends exceeding 75% of utility net income are possible under certain circumstances.

The utility's pledge is an initial proposal (ref. AMC 26.10.065.A.1.).

In compliance with AMC 26.10.060 and in accordance with operating practices for the municipal owned enterprise funds, the following proposed dividend distributions are submitted to the Assembly:

- 1) Memo from the Port. The Port proposes, and the Administration supports, a \$604,174 dividend.
2) Memo from Solid Waste Services ("SWS"), for its Disposal and Collections Utilities. SWS proposes, and the Administration supports, a \$750,000 dividend for Disposal and a \$300,000 dividend for Collections.
3) Memo from Anchorage Water and Wastewater Utility ("AWWU"):

The Anchorage Wastewater Utility continues to operate under an RCA dividend restriction and is therefore unable to transfer a dividend to general government.

The Anchorage Water Utility ("AWU") proposes a \$1.5 million dividend to general government. See the Administration's response, below.

4) Merrill Field: See the Administration’s proposal, below.

The Administration’s proposals, if different than utility or enterprise fund proposals are as follows:

AWU: The Administration proposes, and has budgeted to receive, a \$5.6 million AWU dividend which represents 33% of AWU’s 2022 net income (2023 has not yet closed). In support of this change, the Administration notes that as shown on Exhibit 1, AWWU underpays when compares to other municipally owned utility and enterprise fund peers, whether viewed in terms of a revenue distribution or in terms of an equity distribution. Further, as shown on Exhibit 2, AWWU consistently budgets very conservatively, resulting total four-year AWU dividends of only \$1.93 million vs. net income before dividend of over \$56 million, an average annual AWU earnings allocation to owner of only 3% when compared to the 75% earnings allocation allowed under Municipal Code (\$42 million during the four-year period) or compared to the 33% earnings allocation consistent with 2018 AWWU RCA testimony. The Administration notes that a 33% dividend – consistent with AWWU management testimony – is sustainable without a utility rate increase whereas a 75% dividend would either require a rate increase and/or would soon result in AWU becoming equity-impaired and thereafter subject to a dividend restriction.

Merrill Field: The Administration proposes, and has budgeted to receive, a \$100,000 dividend to general government noting that Merrill Field is essentially debt free, in 2021 Merrill Field earned \$3.1 million, and that Merrill Field’s 2023 draft income statement shows \$1.6 million in net operating income before (non-cash) depreciation expense.

Anchorage Hydropower Utility

AMC 26.10.068.A. provides that Hydro shall pledge and distribute to the MOA Trust Fund revenue received from Chugach Electric Association, Inc. (“CEA”) under the Eklutna Power Purchase Agreement between CEA and the Municipality.

AMC 26.10.068.B provides that Hydro may pledge a dividend to general government as long as sufficient equity is maintained to meet anticipated capital and operating expenses. Unlike AMC 26.10.060, dividends exceeding Hydro net income are allowed.

The Administration proposes, and has budgeted to receive, a \$300,000 dividend to general government consistent with prior dividends. Once Hydro becomes fully staffed, Hydro shall be requested to prepare a long-range capital and operating expense forecast including contractual obligations under all Power Purchase Agreements and though not required under municipal Code, shall submit the forecast with a dividend memo similar to the dividend memo prepared the municipal utilities and the Port.

The Administration recommends the Assembly’s approval of the dividends as proposed by the Administration, above.

Prepared by: Office of Management & Budget (OMB)
Concur: Sharon Lechner, OMB Director
Concur: Kent Kohlhase, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor

MEMORANDUM

DATE: March 20, 2024
TO: Anchorage Assembly
THRU: Kent Kohlhase, Municipal Manager, Municipality of Anchorage (MOA)
THRU: Mark A. Corsentino, P.E., General Manager, Anchorage Water & Wastewater Utility (AWWU)
FROM: Jack Broyles Jr., CFO, Director, Finance Division, AWWU
SUBJECT: Report of Utility Revenue Distribution from AWWU

This memorandum has been prepared to present the results of the utility revenue distribution determination for AWWU to the MOA in compliance with Assembly Ordinance (AO) 2017-97. AWWU consists of two utilities: Anchorage Water Utility (AWU) and Anchorage Wastewater Utility (ASU).

AWWU proposes a revenue distribution of \$1,500,000 from AWU to the general government in 2024. AWWU currently faces several uncertainties that may negatively impact the financial health of AWU in the near future including continued employee vacancies and material supply chain issues as well as ongoing repairs associated with earthquake damage on November 30, 2018, and ongoing recovery timeline from FEMA. We believe this recommendation to be consistent with the business-like operations of the utility.

In accordance with AMC 26.10.065.A.3.d, ASU shall not pay a dividend because ASU remains under a dividend restriction proscribed by the Regulatory Commission of Alaska (RCA) under AS 42.05.521. Therefore, no distributions from ASU to general government were included in the 2024 Approved Enterprise and Utility Budget for the MOA in AO 2023-097 adopted on November 21, 2023.

Legal Background

In 2017 the Assembly approved AO 2017-97, amending Anchorage Municipal Code (AMC) Sections 26.10.025 and 26.10.065 to update the method with which municipal utilities calculate revenue distribution (dividend transfers) to the MOA. This ordinance was established to ensure that such distributions do not cause the capital of MOA Utilities to become capital impaired, and to revise the calculation of Municipal Utility Service Assessments (MUSA). AO 2017-97 also established a formal process a utility must take to propose a revenue distribution to the MOA.

AWWU's Financial Background

AWWU's long-range financial plan for AWU and ASU balances operational needs against the utilities abilities to fund needed capital projects and maintain reasonable rates to customers. Financial metrics are derived from the long-range financial plan to identify trends in financial stability over time.



The utility dividends proposed in the long-range financial plan for 2024 are as follows:

2024 Target-Level Utility Distributions	
Utility	Amount
AWU	\$1,500,000
ASU	\$0

AWWU Recommendation for AWU in accordance with AO2017-97

Debt/Equity Capital Structure

[AMC 26.10.065A.1.b]

AWU		
Capital Structure	Current (2023 Draft)	Proposed (2024 Budget LRFP)
Debt	50%	47%
Equity	50%	53%

Targeted and Achieved Equity Returns

[AMC 26.10.065A.1.a]

AWU’s last RCA accepted Return on Equity (ROE) through a general rate case for tariff rates effective April 30, 2022, was 10.00%. AWU’s proposed (targeted) ROE of 10.70% for tariff rates effective February 12, 2024 was granted interim and refundable basis with a final RCA decision due March 23, 2025.¹

AWU		
Year	Targeted ROE	Achieved ROE
2023	10.00%	6.91%
2024	10.70%	TBD

Change in Net Position

[AMC 26.10.065A.2; A.3.a]

AWU	
2024 (Draft)	\$13,206,239

Prudent, Business-like operation of the Utilities

[AMC 26.10.065A.1.c]

AWWU uses its long-range financial plan for AWU and ASU to balance operational needs against the utilities abilities to fund needed capital projects and maintain reasonable rates to customers.

AWWU proposes a revenue distribution of \$1,500,000 from AWU to the general government in 2024.

AWWU believes this recommendation to be consistent with the business-like operations of the utility.

¹ See U-24-005 Order 1.



Appendix

Table 1 – Summary of Economic Effects: Anchorage Water Utility

	2023 Actual (Draft)	2024 1 st QTR Budget Revision
Change in Net Position	\$16,040,057	\$13,206,239
Data required by AO 2017-97:		
Achieved Return on Equity	6.91%	N/A
Targeted Return on Equity	10.00%	10.70%
Budgeted Return on Equity	10.00%	10.7%
Debt	50%	47%
Equity	50%	53%
Total Capitalization	100%	100%
Dividend to be paid	\$1,500,000	\$1,500,000
Dividend as a percent of 2023 Change in Net Position	9%	9%
Dividend as a percent of 2024 Change in Net Position	N/A	11%
Effect of Proposed Dividend on Current and Future Capital Structure	\$0	\$0
Orders from Regulatory Agencies		
- 1980, September 18, APUC Letter Order Imposing a Dividend Restriction on AWU		
- RCA Order U-17-095(8) Removing Dividend Restriction for AWU		

Note at the time this memorandum is issued, information shown for 2023 is very preliminary and unaudited and 2024 financial data represents the forecast used to set AWU budgets and the AWU's 2024 rates.





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Anchorage, Alaska 99501
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PortOfAlaska@Muni.org
PortOfAlaska.com

Memorandum

Date: April 2, 2024

To: Anchorage Assembly

Thru: Kent Kohlhase, Municipal Manager, Municipality of Anchorage (MOA)

From: Steve Ribuffo, Director, Port of Alaska ^{SR4/2}

Re: Utility Revenue Distribution from the Port of Alaska (POA)

The Port of Alaska proposes a dividend distribution in 2024 to general government in the amount of \$604,174.

The Port believes the amount calculated and to be transferred to the general government is consistent with business like operations of the utility. Upon finalization of the annual audit, public hearings and the approval of the Administration and Assembly, Port of Alaska will transfer the dividend to general government.

In 2022, the utility achieved return on equity consistent with its targeted return calculated for the amount available for Debt Service. The return is based on the Assembly approved operating budget for the Don Young Port of Alaska.

The proposed utility revenue distribution effect on the current and future capital structure shows a manageable debt to equity percentage relative to the total capitalization of the utility as reflected in the attached Draft financial statements.

Preliminary projections of the 2022 financial statements show the Port of Alaska fund will have \$17,666,880 in cash at December 31, 2022 and will exceed 90 days of operating cash which is required by debt covenants.

Please note: Attachments used for this memo are considered **"DRAFT"**

Municipality of Anchorage, Alaska
Port of Alaska Fund
(A Major Enterprise Fund of the Municipality of
Anchorage, Alaska)

Financial Statements, Required
Supplementary Information, and Other
Information
December 31, 2022

(With Independent Auditor's Report Thereon)

Municipality of Anchorage, Alaska
Port of Alaska Fund

Statements of Net Position

<i>December 31,</i>	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	\$ 500	\$ 650
Equity in general cash pool	10,730,244	12,066,195
Equity in bond and capital acquisition and construction pool	-	3,323,241
Accrued interest on investments	82,239	55,196
Accrued interest on leases	216,472	-
Accounts receivable, net	1,045,610	923,910
Leases receivable	718,645	-
Prepaid items and deposits	109,233	139,973
Parts inventory	329,025	329,025
Total Current Assets	13,231,968	16,838,190
Noncurrent Assets		
Unrestricted assets:		
Leases receivable	52,803,922	-
Assets held for resale	242,093	242,093
Capital assets, net	371,820,933	347,236,525
Net other postemployment benefits asset	581,959	1,064,242
Total unrestricted noncurrent assets	425,448,907	348,542,860
Restricted assets:		
Restricted cash - settlement set aside	1,950,000	1,950,000
Equity in general cash pool - held for debt service	4,986,136	5,693,135
Intergovernmental receivables	6,319,647	22,544,779
Total restricted noncurrent assets	13,255,783	30,187,914
Total Noncurrent Assets	438,704,690	378,730,774
Total Assets	451,936,658	395,568,964
Deferred Outflows of Resources		
Related to pensions	114,033	135,667
Related to other postemployment benefits	54,906	23,758
Total Deferred Outflows of Resources	168,939	159,425
Total Assets and Deferred Outflows of Resources	\$ 452,105,597	\$ 395,728,389

Municipality of Anchorage, Alaska
Port of Alaska Fund

Statements of Net Position, continued

<i>December 31,</i>	2022	2021
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 417,174	\$ 387,521
Capital acquisition and construction accounts and retainages payable	3,319,437	1,792,357
Compensated absences payable	172,420	167,472
Unearned revenue	-	37,500
Accrued payroll liabilities	84,697	122,914
Leases payable, current portion	41,953	-
Accrued interest payable	318,229	190,051
Accrued interest on leases	777	-
Bonds payable, due within one year	715,000	-
Total Current Liabilities	5,069,687	2,697,815
Noncurrent Liabilities		
Other noncurrent liabilities	1,734,106	1,747,630
Compensated absences payable	103,916	122,294
Net pension liability	1,442,563	1,468,098
Leases payable, net of current portion	466,204	-
Notes payable	40,000,000	40,000,000
Bonds payable, including unamortized premium, net of current portion	68,183,340	69,045,251
Total Noncurrent Liabilities	111,930,129	112,383,273
Total Liabilities	116,999,816	115,081,088
Deferred Inflows of Resources		
Related to pensions	-	585,445
Related to other postemployment benefits	50,028	563,322
Related to leases	52,492,410	-
Total Deferred Inflows of Resources	52,542,438	1,148,767
Net Position		
Net investment in capital assets	259,603,156	260,135,560
Restricted for capital construction	8,269,647	758,136
Restricted for debt service	4,986,136	5,693,135
Unrestricted	9,704,404	12,911,703
Total Net Position	282,563,343	279,498,534
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 452,105,597	\$ 395,728,389

Municipality of Anchorage, Alaska
Port of Alaska Fund

Statements of Revenues, Expenses, and Changes in Net Position

<i>Years Ended December 31,</i>	2022	2021
Operating Revenues		
Charges for sales and services:		
Dockage	\$ 1,257,729	\$ 1,273,487
Wharfage, dry bulk	341,728	225,369
Wharfage, liquid bulk	4,505,188	3,956,808
Wharfage, general cargo	3,945,833	3,703,672
Storage revenue	273,419	259,675
Office rental	28,923	51,307
Utilities	36,838	21,247
Miscellaneous	240,459	181,297
Total charges for sales and services	10,630,117	9,672,862
Other operating revenues:		
Crane rentals	130,822	141,913
Other lease revenue	1,709,174	-
Industrial park lease rentals	1,683,165	4,509,536
POL Valve yard fees	464,803	403,063
Total other operating revenues	3,987,964	5,054,512
Total Operating Revenues	14,618,081	14,727,374
Operating Expenses		
Operations:		
Personnel services	2,721,640	2,774,789
Pension	(563,265)	99,163
Other postemployment benefits	(115,861)	(439,549)
Supplies	202,353	152,501
Other services and charges	4,791,463	6,507,748
Charges from other departments	1,215,444	1,198,886
Total operations	8,251,774	10,293,538
Depreciation and amortization	7,083,726	7,231,394
Total Operating Expenses	15,335,500	17,524,932
Operating loss	(717,419)	(2,797,558)

Municipality of Anchorage, Alaska
Port of Alaska Fund

Statements of Revenues, Expenses, and Changes in Net Position, continued

<i>Years Ended December 31,</i>	2022	2021
Nonoperating Revenues (Expenses)		
Intergovernmental - PERS On Behalf	\$ (27,621)	\$ (46,562)
Investment income (loss) - short-term investments	(279,805)	7,652
Security fees	1,544,552	1,502,007
Right-of-way fees	212,290	208,749
Interest income on leases	2,606,814	-
Interest expense on leases	(9,601)	-
Interest on long-term obligations	(2,958,989)	(2,123,958)
Debt issuance costs	(7,500)	(209,333)
Security contract	(1,710,822)	(1,686,747)
Gain on sale of capital assets	19,431	-
Total Nonoperating Revenues (Expenses)	(611,251)	(2,348,192)
Loss before capital contributions and transfers	(1,328,670)	(5,145,750)
Contributions and Transfers		
Capital contributions	6,520,399	25,616,270
Transfers to other funds:		
Municipal service assessment	(1,390,551)	(1,355,911)
Dividend	(736,369)	(689,753)
Change in Net Position	3,064,809	18,424,856
Net Position, beginning	279,498,534	261,073,678
Net Position, ending	\$ 282,563,343	\$ 279,498,534

Municipality of Anchorage, Alaska
Port of Alaska Fund

Statements of Cash Flows

<i>Years Ended December 31,</i>	2022	2021
Cash Flows from Operating Activities		
Receipts from customers	\$ 13,428,724	\$ 14,937,423
Payments to employees	(2,773,287)	(2,790,316)
Payments to vendors	(4,946,947)	(7,088,831)
Internal activity - payments made to other funds	(1,215,444)	(1,198,886)
Net cash flows from operating activities	4,493,046	3,859,390
Cash Flows for Noncapital Financing Activities		
Transfer to other funds	(2,126,920)	(2,045,664)
Security contract	(1,710,822)	(1,686,747)
Right of way and security fees	1,756,842	1,710,756
Net cash flows for noncapital financing activities	(2,080,900)	(2,021,655)
Cash Flows for Capital and Related Financing Activities		
Interest payments on long-term obligations	(2,977,722)	(2,267,940)
Interest payments on leases	(8,824)	-
Principal payments on leases	(44,074)	-
Acquisition and construction of capital assets	(29,588,823)	(76,749,759)
Proceeds from sale of capital assets	19,431	-
Proceeds from issuance of long-term debt	-	40,000,000
Debt issuance costs	(7,500)	(209,333)
Proceeds from interest payments on leases	2,390,342	-
Capital contributions received	22,745,531	18,805,688
Net cash flows for capital and related financing activities	(7,471,639)	(20,421,344)
Cash Flows from (for) Investing Activities		
Investment income (loss)	(306,848)	9,693
Net Decrease in Cash and Cash Equivalents	(5,366,341)	(18,573,916)
Cash and Cash Equivalents, beginning	23,033,221	41,607,137
Cash and Cash Equivalents, ending	\$ 17,666,880	\$ 23,033,221
Components of Cash and Cash Equivalents		
Cash	\$ 500	\$ 650
Equity in general cash pool	10,730,244	12,066,195
Equity in bond and capital acquisition and construction pool	-	3,323,241
Restricted cash - settlement set aside	1,950,000	1,950,000
Restricted equity in general cash pool - debt service	4,986,136	5,693,135
Cash and Cash Equivalents, ending	\$ 17,666,880	\$ 23,033,221

Municipality of Anchorage, Alaska
Port of Alaska Fund

Statements of Cash Flows, continued

<i>Years Ended December 31,</i>	2022	2021
Reconciliation of Operating Loss to Net Cash Flows		
from Operating Activities:		
Operating loss	\$ (717,419)	\$ (2,797,558)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	7,083,726	7,231,394
PERS relief - noncash expenses	(27,621)	(46,562)
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources that provided (used) cash:		
Accounts receivable	(121,700)	172,549
Leases receivable, net	(53,522,567)	-
Prepaid items and deposits	30,740	41,265
Net other postemployment benefits asset	482,283	(894,308)
Deferred outflows of resources related to pensions	21,634	64,367
Deferred outflows of resources related to other postemployment benefits	(31,148)	76,700
Unearned revenue	(37,500)	37,500
Accounts payable	29,653	(456,323)
Compensated absences payable	(13,430)	(16,244)
Net pension liability	(25,535)	(550,934)
Net other postemployment benefits liability	-	(2,948)
Other noncurrent liabilities	(13,524)	(13,524)
Accrued payroll liabilities	(38,217)	717
Deferred inflows of resources related to pensions	(585,445)	585,445
Deferred inflows of resources related to other postemployment benefits	(513,294)	427,854
Deferred inflows of resources related to leases	52,492,410	-
Net Cash Flows from Operating Activities	\$ 4,493,046	\$ 3,859,390
Noncash Capital and Financing Activities		
Capital purchases on account	\$ 3,319,437	\$ 1,792,357
Capital assets acquired through leases	552,231	-
Capital contributions	6,319,647	22,544,779
Total Noncash Capital and Financing Activities	\$ 10,191,315	\$ 24,337,136

**Municipality of Anchorage, Alaska
Port of Alaska Fund**

Historical Debt Service Coverage for the Fiscal Year

Fiscal Year	Revenue (1)	Operating Expenses (2)	Amount Available for Debt Service	Principal	Interest	Total	Coverage (3)
2022	\$ 17,766,549	\$ 8,537,024	\$ 9,229,525	-	\$ 2,958,989	\$ 2,958,989	3.12%

(1) Excludes allowance for funds used during construction, includes nonoperating revenue.

Excludes payments received for PERS relief from State of Alaska.

(2) Excludes pension expense, PERS on behalf expense, OPEB on behalf expense, OPEB expense, depreciation and transfers to other funds; but includes regular/recurring non-operating expenses.

(3) Required minimum coverage is 1.35.



MUNICIPALITY OF ANCHORAGE

Department of Solid Waste Services

MEMORANDUM

DATE: March 1, 2024

TO: Anchorage Assembly

THRU: Kent Kohlhase, Municipal Manager, Municipality of Anchorage (MOA)

THRU: Kelli Toth, Acting Director, Department of Solid Waste Services (SWS)

FROM: Jill Sowerwine, Acting Chief Financial Officer, SWS

SUBJECT: Report of Utility Revenue Distribution from SWS

This memorandum has been prepared to present the results of the utility revenue distribution determination for SWS to the Municipality of Anchorage (MOA) in compliance with Municipal Code Section 26.10.065.

Formally, SWS consists of two utilities: SWS-Collection (which provides curbside pickup) and SWS-Disposal (which includes the Anchorage Regional Landfill, Central Transfer Station, and Girdwood Transfer station).

The 2024 Approved Enterprise and Utility Budget for the Municipality of Anchorage, adopted on November 21, 2023 on AO 2023-97, as amended, included distributions from the SWS utilities to general government in the following amounts:

SWS-Disposal	\$750,000
SWS-Collections	\$300,000

SWS proposes dividend distributions in 2024 to general government consistent with the approved 2024 budget amounts. We believe the amounts calculated and to be transferred to general government are consistent with business like operations of the utility. Upon finalization of the annual audit, public hearings and the approval of the Administration and Assembly, SWS will transfer the dividends to general government.

- A) As of the memo date, though both Utilities are showing extensive profits, there are many significant expenses that have not been recorded, which will bring final balances of both Utilities closer to historical levels.
- B) We anticipate assuming additional debt in 2024 within the Utility as part of the completion of construction of a new Central Transfer Station, along with other projects approved within the borrowing program.

Exhibit 1 Disposal Utility DRAFT financial.
Exhibit 2 Collections Utility DRAFT financial.

EXHIBIT 1 - 2023 Periods 1 - 12 DRAFT SWS Disposal Fund 562000 - Period 1-9 Closed

Description	Current Budget	Actuals	Difference
406625 Reimbursed Cost-NonGrant Funded	(102,360.00)	(355,185.59)	252,825.59
408080 Landfill Fees	(22,932,573.00)	(24,907,818.39)	487,628.39
408090 Recycle Rebate	11,000.00	(1,448.28)	12,448.28
408100 Hazardous Waste Fees	(347,139.00)	(173,303.21)	(174,935.79)
408110 Used Oil	(1,355.00)	(1,256.00)	(99.00)
408120 Refrigerant Handling Fees	(133,010.00)	(446,562.98)	312,552.98
408130 E Waste	(12,000.00)	(8,530.25)	(4,469.75)
408145 Misc Operating Income (SWS)	(20,675.00)	(93.19)	(20,181.81)
408150 Unsecured Loads	(20,985.00)	(58,845.56)	37,860.56
408160 Late Fees	(141,000.00)	(57,429.97)	(81,570.03)
408170 Community Recycle Residential	(397,113.00)	(348,397.98)	(48,715.02)
408180 Community Recycle Commercial	(513,782.00)	(14,706.42)	(499,075.58)
408185 Landfill Gas Fee	(2,500,000.00)	(2,215,297.00)	(284,703.00)
408189 Disposal Lease & Rental Revenue	(45,800.00)	(121,192.53)	75,392.53
408380 Prior Yr Expense Recovery	-	(629.41)	629.41
408390 Insurance Recoveries	(1,000.00)	(3,345.95)	2,345.95
408550 Cash Over & Short	-	107.71	(107.71)
440010 GCP Cash Pools Short-Term Int	(1,053,000.00)	(1,342,295.00)	289,295.00
440040 Other Short Term Interest	-	(740.94)	740.94
440050 Other Interest Income	(151,000.00)	(36,224.95)	(114,775.05)
440070 Dividend Income	(300,000.00)	(517,691.03)	217,691.03
440080 Unrealized Gains & Losses on Investments	-	(3,086,421.06)	3,086,421.06
440090 Realized Gains & Losses on Sale of Investments	(500.00)	1,226,279.28	(1,226,779.28)
460070 MOA Property Sales	(99,800.00)	-	(99,800.00)
*** Revenue Accounts	(30,250,409.00)	(32,471,028.70)	2,220,619.70
* FULL Labor	7,306,148.00	6,659,175.67	646,972.33
* Non Labor	8,199,755.00	7,653,763.75	545,991.25
* Debt Service	6,202,041.00	2,169,935.43	4,032,105.57
580510 Muni Util Svc Assessment	1,055,137.00	1,054,341.01	795.99
580520 Dividend to MOA	750,000.00	750,000.00	-
* Transfer to Other Funds	1,805,137.00	1,804,341.01	795.99
** Direct Cost Full Accrual	23,513,081.00	18,287,215.86	5,225,865.14
** Intra Governmental Charges	4,438,817.00	2,777,866.59	1,660,950.41
*** Function Cost Full Accrual	27,951,898.00	21,065,082.45	6,886,815.55
*** Depreciation Amortization	5,550,000.00	3,249,904.93	2,300,095.07
540530 Future LF Closure Cost	1,510,686.00	-	1,510,686.00
*** Non Cash Accounts	1,510,686.00	-	1,510,686.00
***** BALANCE	4,762,175.00	(8,156,041.32)	12,918,216.32

Remove Investment Activity from Budgeted activity

440010 GCP Cash Pools Short-Term Int	(1,053,000.00)	(1,342,295.00)	289,295.00
440040 Other Short Term Interest	-	(740.94)	740.94
440050 Other Interest Income	(151,000.00)	(36,224.95)	(114,775.05)
440070 Dividend Income	(300,000.00)	(517,691.03)	217,691.03
440080 Unrealized Gains & Losses on Investments	-	(3,086,421.06)	3,086,421.06
440090 Realized Gains & Losses on Sale of Investments	(500.00)	1,226,279.28	(1,226,779.28)
	(1,504,500.00)	(3,757,093.70)	

Actual Disposal Activity minus Investments

Actual Budgeted and expected activity level	6,266,675.00	(4,398,947.62)	
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EXHIBIT 2 - 2023 Periods 1 - 12 DRAFT SWS Collections Fund 560000 - Period 1-9 Closed

Description	Current Budget	Actuals	Difference
408040 Commercial Collection	(8,438,683.00)	(8,570,068.60)	131,385.60
408050 Residential Collection	(4,701,455.00)	(4,746,448.05)	44,993.05
408060 Other Collection Revenues	(41,660.00)	-	(41,660.00)
408140 Container Rental Fees	(531,948.00)	(600,391.31)	68,443.31
408145 Misc Operating Income (SWS)	(10,000.00)	(184,328.75)	174,328.75
408160 Late Fees	(78,500.00)	(88,758.51)	10,258.51
408380 Prior Yr Expense Recovery		(2,761.32)	2,761.32
408550 Cash Over & Short		0.20	(0.20)
440010 GCP Cash Pools Short-Term Int	(747,000.00)	(710,669.19)	(36,330.81)
440040 Other Short Term Interest	-	(416.78)	416.78
*** Revenue Accounts	(14,549,246.00)	(14,903,842.31)	354,596.31
* FULL Labor	2,831,187.00	3,193,123.42	(361,936.42)
* Non Labor	4,442,891.00	4,348,935.28	93,955.72
* Debt Service	1,220,000.00	1,125,814.59	94,185.41
580510 Muni Util Svc Assessment	201,054.00	198,425.99	2,628.01
580520 Dividend to MOA	300,000.00	300,000.00	-
* Transfer to Other Funds	501,054.00	498,425.99	2,628.01
** Direct Cost Full Accrual	8,995,132.00	9,166,299.28	(171,167.28)
** Intra Governmental Charges	2,899,341.00	1,803,877.28	1,095,463.72
*** Function Cost Full Accrual	11,894,473.00	10,970,176.56	924,296.44
*** Depreciation Amortization	1,257,000.00	1,131,857.81	125,142.19
***** BALANCE	(1,397,773.00)	(2,801,807.94)	1,404,034.94

Remove Investment Activity from Budgeted activity

440010 GCP Cash Pools Short-Term Int	(747,000.00)	(710,669.19)	(36,330.81)
440040 Other Short Term Interest	-	(416.78)	416.78

Actual Collections Activity minus Investments

Actual Budgeted and expected activity level	(650,773.00)	(2,090,721.97)	1,439,948.97
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Exhibit 1

Utility or Fund	Dividend Paid (2023)	Revenues (2022)	Earnings before div (2022)	Div as a % of Earnings	Div as a % of Rev
Anchorage Water Utility (A)	1,500,000	68,090,785	17,132,960	9%	2%
Anchorage Wastewater Utility (B)	-	67,270,302	14,477,979	0%	0%
AWWU Consolidated	1,500,000	135,361,087	31,610,939	5%	1%
SWS Blended Fund	1,050,000	47,355,807	5,332,849	20%	2%
Merrill Field	-	1,462,896	1,409,033	0%	0%
Port	736,369	19,773,386	3,801,178	19%	4%
Hydro (C)	300,000	5,004,931	2,124,672	14%	6%
Utilities excl. AWWU	2,086,369	73,597,020	12,667,732	16%	3%

EXHIBIT 2

	Budget	Actual	Var - Fav, (U)	Budget	Actual	Var - Fav, (U)	Budget	Actual	Var - Fav, (U)
2022	Water			Wastewater			Combined		
Revenues	67,461,050	68,090,785	629,735	66,822,050	67,270,302	448,252	134,283,100	135,361,087	1,077,987
Expenses (incl. MUSA)	60,847,986	56,207,347	4,640,639	61,038,462	57,623,336	3,415,126	121,886,448	113,830,683	8,055,765
Items that aren't budgeted	-	(5,249,522)	5,249,522	-	(4,831,013)	4,831,013	-	(10,080,535)	10,080,535
Net Income before Dividend	6,613,064	17,132,960	5,270,374	5,783,588	14,477,979	8,694,391	12,396,652	31,610,939	13,964,765
2021	Water			Wastewater			Combined		
Revenues	65,998,628	65,945,784	(52,844)	62,521,270	62,878,674	357,404	128,519,898	128,824,458	304,560
Expenses (incl. MUSA)	59,668,435	58,884,937	783,498	59,710,446	55,331,224	4,379,222	119,378,881	114,216,161	5,162,720
Items that aren't budgeted	-	(2,664,709)	2,664,709	-	(3,988,753)	3,988,753	-	(6,653,462)	6,653,462
Net Income before Dividend	6,330,193	9,725,556	730,654	2,810,824	11,536,203	4,736,626	9,141,017	21,261,759	5,467,280
2020	Water			Wastewater			Combined		
Revenues	66,155,175	63,615,139	(2,540,036)	60,330,889	58,030,864	(2,300,025)	126,486,064	121,646,003	(4,840,061)
Expenses (incl. MUSA)	62,581,972	51,752,269	10,829,703	59,563,048	52,308,483	7,254,565	122,145,020	104,060,752	18,084,268
Items that aren't budgeted	-	(280,765)	280,765	-	(475,835)	475,835	-	(756,600)	756,600
Net Income before Dividend	3,573,203	12,143,635	8,289,667	767,841	6,198,216	4,954,540	4,341,044	18,341,851	13,244,207
2019	Water			Wastewater			Combined		
Revenues	65,928,550	65,965,881	37,331	61,475,000	59,889,870	(1,585,130)	127,403,550	125,855,751	(1,547,799)
Expenses (incl. MUSA)	61,175,231	52,375,903	8,799,328	57,155,650	52,096,026	5,059,624	118,330,881	104,471,929	13,858,952
Items that aren't budgeted	-	(3,707,833)	3,707,833	-	(3,707,835)	3,707,835	-	(7,415,668)	7,415,668
Net Income before Dividend	4,753,319	17,297,811	8,836,659	4,319,350	11,501,679	3,474,494	9,072,669	28,799,490	12,311,153
Four Years Summed									
Revenues	265,543,403	263,617,589	(1,925,814)	251,149,209	248,069,710	(3,079,499)	516,692,612	511,687,299	(5,005,313)
Expenses (incl. MUSA)	244,273,624	219,220,456	25,053,168	237,467,606	217,359,069	20,108,537	481,741,230	436,579,525	45,161,705
Items that aren't budgeted	-	(11,902,829)	11,902,829	-	(13,003,436)	13,003,436	-	(24,906,265)	24,906,265
Net Income before Dividend	21,269,779	56,299,962	23,127,354	13,681,603	43,714,077	21,860,051	34,951,382	100,014,039	44,987,405
Owner's Share of Earnings	9%	3%		0%	0%		6%	2%	