

# Municipality of Anchorage



Rick Mystrom  
Mayor

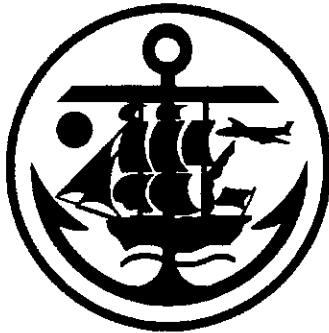


## **1997 Proposed Public Utilities Operating and Capital Budgets**

# **PUBLIC UTILITIES**

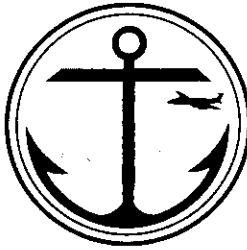
**1997 PROPOSED  
OPERATING AND  
CAPITAL IMPROVEMENT BUDGETS**

**1997-2002 PROPOSED  
CAPITAL IMPROVEMENT PROGRAM**



**Municipality of Anchorage  
Rick Mystrom, Mayor**

**Municipality  
of  
Anchorage**



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*Rick Mystrom, Mayor*

OFFICE OF THE MAYOR

September 27, 1996

Dear Residents of Anchorage:

I am pleased to provide you and the Assembly the Proposed 1997 Public Utilities' Operating Budget and 1997-2002 Capital Improvement Budget/Program (CIB/CIP), which includes seven municipally-owned utilities except for the Anchorage Telephone Utility (ATU).

The seven utilities continue to exhibit solid financial performance and the 1997 budget document reflects a continued positive direction. There are no rate increases proposed in 1997.

Each utility's budget was prepared following consistent planning assumptions and guidelines. The administration reviewed each of the Utilities Operating and Capital budgets concentrating on key areas such as revenues, expenses, net income, workforce projections, and rate increase projections.

The primary goal of our utilities is to provide quality service at reasonable rates. By offering competitive rates while maintaining and upgrading infrastructure, our utilities can encourage further economic development in Anchorage.

Our utilities will continue to meet debt service requirements, prudently increase equity, adequately maintain cash reserves and generate sufficient revenues to maintain their plant in good working condition.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Mystrom". The signature is written in a cursive, flowing style with some loops and flourishes.

Rick Mystrom

*"City of Lights and Flowers"*

# **PUBLIC UTILITIES**

## **1997 PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS**

## **1997 - 2002 PROPOSED CAPITAL IMPROVEMENT PROGRAM**

**Rick Mystrom, Mayor**

### **ASSEMBLY**

Mark Begich, Chairman

Pat Abney  
Bob Bell  
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### **ADMINISTRATION**

Larry D. Crawford ..... Municipal Manager  
Mary K. Hughes ..... Municipal Attorney  
Thomas C. Tierney ..... Employee Relations Director  
George J. Vakalis ..... Operations Manager

**PUBLIC UTILITIES  
PROPOSED  
1997 OPERATING AND CAPITAL BUDGETS**

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## **BUDGET ASSUMPTIONS**

**PUBLIC UTILITIES  
1997  
OPERATING AND CAPITAL BUDGET ASSUMPTIONS**

Below are general and specific budget assumptions/guidelines provided to utilities for preparation of their 1997 Operating and Capital Budgets.

**REGULATION**

Assume continued economic regulation by Alaska Public Utilities Commission (APUC) for AWWU and ML&P.

Assume continued economic regulation by the Federal Maritime Commission (FMC) for the Port.

Assume continued operation oversight by the Federal Aviation Administration (FAA) for Merrill Field.

**UTILITY OWNERSHIP**

Assume continued Municipal ownership in 1997.

**RATE INCREASES**

No rate increases are proposed in 1997. The only exception to a rate increase in 1997 would be if all possible budget reductions have been attempted to offset the need for a rate increase and if one or more of the following conditions have been satisfactorily demonstrated:

- Debt service coverage not adequate.
- Projected cash reserves for working capital not adequate on a sustained basis to cover operating costs.
- Debt/equity ratio projected to fall below criteria established by the regulatory body authorized to oversee the utility.
- Increased rate revenue is determined to be the most prudent funding source for maintaining the utility's plant in a cost-effective working condition.

**MUNICIPAL UTILITY SERVICE ASSESSMENT (MUSA)**

Assume mill rates for MUSA (in lieu of taxes) to be same as 1996 mill rates. MUSA (in lieu of taxes) currently does not apply to the Port or Merrill Field. 1.25% MUSA currently applies only to Solid Waste disposal (and ATU).

## **REVENUE DISTRIBUTIONS**

Assume that the Port and Solid Waste Disposal (and ATU) will continue to provide a revenue distribution to General Government. The Port's 1997 revenue distribution is proposed for \$696,000. Solid Waste Disposal's 1997 revenue distribution is proposed for \$400,000. It is assumed that ATU will provide general government with an \$8.3 million dividend in 1997.

## **INTEREST**

Assume an interest cost on new 20-year G.O. bonds to be 5.94% - 6.12%. For new Revenue bonds assume an interest cost of 6.31% - 6.43%. Interest income should be calculated assuming a rate of 5.8% - 6.2%.

## **INTRAGOVERNMENTAL CHARGES (IGCs)**

The Office of Management & Budget (OMB) provided each utility with IGC charges to be budgeted in 1997. In general, no significant change in IGCs from general government is expected in 1997 compared to the prior year, except that utilities will receive less of a benefit from self insurance applied fund balance in 1997.

## **POPULATION**

For budgetary purposes, assume that the 1996 population level will continue in 1997.

## **INFLATION**

In general, inflation (i.e., CPI - all urban consumers) is anticipated to approximate 3.1% in 1997. Each utility, however, may apply applicable inflation rates to the commodities they use.

## **COMPENSATION COSTS (Salaries and Benefits)**

Assume a wage freeze will be realized for all labor groups in 1997, except JCC. Assume non-frozen JCC employees will receive a maximum wage increase of 2.5% effective March 1, 1997. Inflationary increases related to benefits were also provided to the utilities based on recommendations by the Benefits Committee.



## **1997 BUDGET IMPACTS (specific to individual utilities)--**

### **MUNICIPAL LIGHT AND POWER**

ML&P's price per thousand cubic fee ("MCF") of gas is established during the 3rd quarter of each year. It is determined by the average price of third quarter light sweet crude oil futures. The price, as verified with Arco, will increase approximately 17.8% per MCF for 1997. The cost of gas is a flow through for ML&P, which means that as fuel costs increase, revenues increase correspondingly. ML&P's net income will, therefore, not be affected by the rise in fuel costs. (If the purchase of Shell's one third portion of the Beluga Gas Field, described below, is finalized the increase will be reduced.)

In April of 1996, ML&P received approval from the Assembly to submit a contingent bid of \$125.1 million and enter into a preliminary sales agreement with Shell for the purchase of their one third share of the Beluga River Gas Field. Over 80% of the Utility's sales is from electricity generated from ML&P's natural gas fired turbines. The Utility's goal is to lock in the supply of a critical resource for the long term and protect against future increases in natural gas prices. If the gas acquisition is completed, it is estimated that the acquired reserves together with the gas under current contracts with other Beluga producers will be adequate to completely meet ML&P's natural gas requirements through 2016 and partially meet its needs from 2017 through 2026.

### **ANCHORAGE WATER AND WASTEWATER**

AWWU has budgeted \$7 million in revenue bonds to be issued by the Water Utility. Additionally, the Wastewater Utility intends to borrow \$2.8 million in 1997 from the State loan program. AWWU's capital program will be funded with a mixture of debt and equity, which is necessary to offset the decline in State capital appropriations.

### **SOLID WASTE SERVICES**

In 1987 the Merrill Field Landfill was closed after approximately fifty years of operation. Although the closed landfill no longer accepts solid waste it still has systems that must be maintained in order to be in compliance with environmental regulations. A study completed in 1994 recommended the leachate collection system at the landfill be upgraded to prevent the possibility of offsite migration of leachate. Normally costs associated with a capital project are capitalized and depreciated over the life of the asset constructed. Since the landfill no longer accepts solid waste, accounting regulations require all costs associated with the upgrade be expensed in the year the costs are incurred. SWS originally planned to construct the leachate collection system during 1995 and 1996. Instead the project was all done in 1996 at a cost of \$4.2 million. The \$4.2 million expense in Solid Waste Disposal's 1996 operating budget will result in a \$2.6 million net loss per Generally Accepted Accounting Principles (GAAP). The net loss is purely an accounting entry and therefore should not be construed as a sign of negative performance on the part of the utility. Both the Refuse Collections Utility and Solid Waste Disposal Utility are projecting positive incomes well into the future.

## **PORT OF ANCHORAGE**

Revenues are expected to increase in 1997 as a result of wharfage charges on projected higher tonnage levels and higher appraised land valuations on Port leases/rentals.

Capital requirements of a possible new general cargo carrier would also impact the Port's 1997-2002 Capital Improvement Program requirements. The extent of that impact, based on information available, could not be estimated at the time the Port's 1997 Budget was prepared, nor, is there any commitment anticipated prior to November, 1996.

The Port's 1997-2002 Capital Improvement Program anticipates two (2) Land Development Projects: Lot 4A in 1997-1998 and Transit Area E in 1999-2000. Should customer demand warrant that the project schedules run concurrently or that the Transit Area E project be accomplished first, the Port may need to sell approximately \$6 million of revenue bonds as early as 1997.

## **MERRILL FIELD AIRPORT**

Merrill Field continues to actively pursue federal grants, with state matching assistance, for all grant-eligible Capital Improvement Projects. During 1996 the Airport expects to receive \$3.4 million dollars in federal funds, although the average in previous years is one million dollars annually. Current proposals before Congress indicate a reduction in the FAA Airport Capital Improvement Program. This proposed reduction would reduce Alaska's share of the Capital Improvement Program, and subsequently, Merrill Field's share.

Merrill Field has developed a marketing portfolio which is being offered to individual pilots and aviation businesses who are interested in relocating to Merrill Field. This economic revitalization endeavor is the result of a cooperative effort between the business owners and airport management.

Merrill Field is developing a leasing policy manual in an effort to encourage development of existing leasehold properties on the airport. In conjunction with this effort, the Airport is also establishing additional lease lots. The leasing of additional airport property will favorably impact Merrill Field's budget by providing a broader revenue base.

**HIGHLIGHTS AND  
FUTURE EVENTS**

## **MUNICIPAL LIGHT AND POWER HIGHLIGHTS AND FUTURE EVENTS**

During 1995, Meter Shop employees installed an additional 3,000 Radio Read Meters (AMR). This brings the installed AMR meter count to 7,400 with an additional 4,000 scheduled to be installed during 1996. The AMR program has been very successful in Anchorage and has gained national recognition.

The Utility purchased a second vacuum truck to be used exclusively for hazardous material. The new "Guzzler" Vacuum Truck unit produces significantly more vacuum, allowing for the direct removal of soils from great distances. This translates into less damage to lawns and landscaping, and results in the elimination of hazardous material tracking associated with excavating equipment working in a contaminated zone. The system will result in a significant reduction of waste generated in PCB transformer or other hazardous material spills, in addition to manpower savings and reduction in outage time. The "Guzzler" is also an integral part of the Sullivan Plant Oil Spill Contingency Plan, which allows ML&P to serve as its own response agency.

GE Corporation and ML&P are researching the possibility of developing ML&P's Sullivan (Plant #2) Unit #8 as a full size demonstration sight for the new Brayton Kalina Cycle (Kalina Cycle). The new Kalina Cycle was developed by Alex Kalina and GE has acquired proprietary rights to the combined cycle system. The bottoming cycle waste heat recovery unit uses a mixture of water and ammonia as an operating fluid instead of water, allowing heat to be extracted down to near ambient temperature and improving efficiency significantly.

In keeping with the Utility's commitment to deal with environmental incidents, a new 10,000 gallon waste water storage treatment sump was installed to facilitate rapid unloading of vehicles used to pump underground vaults. By using a 10,000 gallon effective capacity, the new storage/treatment sump greatly reduces the Vactor truck's draining time as well as reducing the number of round-trips during outages. The new treatment sump replaced an existing oil/water separator.

ML&P, in conjunction with Chugach Electric Association (CEA) and Matanuska Electric Association (MEA), has submitted a proposal to the Federal government to purchase the Eklutna Hydroelectric Project. The project produces the lowest cost energy in the Anchorage area. ML&P's share is 16/30 (53%) of all the power produced by the project. The Federal Administration has approved the sale. As part of the agreement to this sale, ML&P will pick up its share of employees currently employed at the project. The joint purchase proposal has been approved and the purchasers are currently writing a specific transition plan to set forth specific arrangements and timetables for completing the sale and transfer. ML&P and the other purchasers are coordinating, with the Alaska Power Administration on a project to rewind the generators at the

Eklutna Hydroelectric project and increase the capacity of the plant. It is estimated that capacity may be increased by as much as 25% over the present rating.

In August 1996, ML&P sold approximately \$42 million in Revenue Bonds to fund their capital program for the next three years. The bonds were sold during a very favorable market and the Utility was able to take advantage of very low interest rates.

Approximately 81% of ML&P generation is met by natural gas fired combustion turbines. In April of 1996 the Assembly gave the Utility approval to give a contingent bid of \$125.1 million to Shell for their one third share of the Beluga River Gas Field. Independent studies show that these fuel reserves will be adequate to completely meet the Utility's natural gas requirements through the year 2016 and partially meet its need from the year 2017 to 2026. Negotiations are still in progress with Shell and an APUC hearing date has been set for October 8, 1996.

Retail and Wholesale Wheeling is part of the changing scene for electric utilities in the future. ML&P continues to position themselves to take advantage of Retail and Wholesale Wheeling opportunities whenever they become available in Alaska.

In order to utilize our Electric Plant to its full potential, ML&P intends to continue to pursue the avenue of Power Sales Agreements with neighboring utilities in the State of Alaska.

# **ANCHORAGE WATER AND WASTEWATER UTILITY HIGHLIGHTS AND FUTURE EVENTS**

## **ANCHORAGE LOOP WATER TRANSMISSION MAIN**

The "Loop" will supply water from the Eklutna Water Treatment Facility through a system of large diameter, high pressure water transmission mains to be constructed in the Anchorage Bowl. When completed, the Loop will eliminate areas without water or with low water pressure during periods of high water demand. The "Loop" is an eight phase project, scheduled to be complete shortly after the year 2000.

Phase I (northeast Anchorage to DeBarr Rd.), Phase II (DeBarr Rd. to Northern Lights Blvd.), and Phase III (Northern Lights to 32nd Ave. to Muldoon to Tudor/Patterson reservoirs) will be under construction the summer of 1996 and are scheduled to be complete in late 1997. This will allow increased water delivery to Muldoon and Tudor /Patterson Reservoirs. Phases I-III have a total project cost of approximately \$21 million.

Phases IV and V pre-design and right-of-way acquisition will start in mid-1996 and will determine final alignment of a transmission main from Tudor reservoirs southwest to Abbott Loop and Abbott Road, then east to the future site of the Service High reservoirs (just west of Service Pool).

## **EAGLE RIVER RESERVOIR**

This reservoir and associated piping will significantly improve fire flow capacities to areas east of Eagle River Loop Road, and both sides of Eagle River Road. AWWU has involved the Eagle River community and general public in the site selection process, and as a result has chosen a site for the first of potentially four new reservoirs over the next 20 years.

The new reservoir and associated booster station will be at AWWU's existing Meadow Creek Reservoir site, near East Eagle River Loop Rd. and West Skyline Drive, and will be designed starting late 1996. Other facilities will include a transmission main along Eagle River Road, then north along Eagle River Lane to Heritage Estates East, and a high pressure booster station at Eagle River Road and Eagle River Lane to boost the water to higher elevation areas north and east of this transmission main. Construction of the reservoir is tentatively scheduled for late 1997 and 1998, and the transmission mains in early 1998, with completion tentatively projected for early 1999.

## **GIRDWOOD WWTF UPGRADE**

The Girdwood facility is a tertiary treatment plant constructed in 1978 with a maximum capacity of 0.45 million gallons per day. At present, the plant routinely exceeds its capacity, with record flows recorded the spring of 1995 equal to 200% of its capacity. With the addition of the Alyeska Prince Hotel, the expansion of service to Old Girdwood Townsite public area, and other new developments, this plant's capacity will be exceeded on a daily basis within the year.

Phased upgrades have been initiated:

- Phase I (increase capacity to 0.6 MGD) \$2,500,000
- Phase II (increase capacity to 1.2 MGD) \$15,000,000

Phase I construction is scheduled to bid during the 3rd quarter of 1996, with an estimated cost of \$2,000,000. The upgrade, in addition to handling the higher influent volume, will produce denser sludge, reducing the volume and resulting in fewer sludge haul trips to Anchorage. Phase II is a major upgrade to the treatment plant, and will be necessary in the next decade.

#### **INFORMATION COLLECTION RULE (ICR)**

EPA has finalized the Information Collection Rule which will require AWWU to monitor the public water supply for Cryptosporidium and other microbial contaminants during the next 18 months. Effective June 1, AWWU will have 8 weeks to prepare and submit to EPA an initial sampling plan for their approval. Water System monitoring will begin in January 1997. AWWU estimates that 2500 staff hours will be required to comply with this regulation during the first 18 months and 90-100 hours per month thereafter.

#### **PT. WORONZOF WWTF SECONDARY TREATMENT 301(H) WAIVER**

EPA Region 10 has not yet indicated any interest in reviewing the renewal application for this facility's NPDES discharge permit which contains the secondary treatment waiver. The permit expired October 1990. Until the EPA makes a decision, the facility will continue to operate under the requirements of the expired permit.

#### **INFORMATION SYSTEMS APPLICATIONS**

The Engineering Division's Assessments process, to create an assessment roll, levy costs against properties and manage a project, is a priority application to be re-engineered and automated.

The Operations & Maintenance Division will initiate a PC-based Maintenance Management System (MMS) during 1996 to support field maintenance activities. This program will tie maintenance histories and field inspection and audit information to converted Continuing Property Records (CPR) system information and the Geographic Information System (GIS).

The Continuing Property Records (CPR) system manages and tracks all units of AWWU fixed assets. New GIS and MMS features will replace many CPR functions. Upgrades making this program an effective accounting tool and interfacing with Customer Information System (CIS), GIS and MMS should be complete by end of 1997.

The IS Division will develop a Relational Database Management System (RDBMS) conceptual design for an overall data model for the Utility, identify interfaces between major systems, and a basic data structure on which future applications may be built.

#### **CUSTOMER SERVICE**

The Customer Service Division will be looking at Interactive Voice Response in 1997 to allow customers to call in and stop service, transfer service and/or check on their

account balance through an automated system. This will enhance customer service and expand customer access beyond normal working hours. We also plan to send a survey to all customers to check on the quality and level of service we provide. Customer Service will continue to offer training for all employees with an emphasis on serving our customers better.

## **COMMUNITY INVOLVEMENT**

- **Arctic Benson Park**

Employees from AWWU have fixed-up, improved the appearance and maintained Arctic Benson Park through the Parks and Recreation Division's Adopt-A-Park Program since 1995. Employees will continue to maintain the flower garden they built and make additional upgrades to the park throughout the summer. Since AWWU has improved the park's appearance, more area residents are coming to the park to recreate.

- **City Of Lights - Headquarters Building**

The AWWU Headquarters Building in the Spenard area strung white lights on trees facing Arctic Blvd. to help illuminate Anchorage's dark winter days. AWWU will expand its existing lighting arrangement and work to become an even larger participant of the *City Of Lights* in Spenard.

- **Recycling Incinerator Ash**

The ash which results from incinerating wastewater solids at the Pt. Woronzof WWTF is now taken to the Anchorage Regional Composting Facility instead of the Anchorage Landfill. The ash is blended with other compost material to produce *Alaska Gold Compost*. Instead of just discarding the ash, AWWU provides a resource to an Anchorage business and helps create a local product that is sold in stores throughout town.

- **Construction Notices**

With the largest construction season since the completion of the Eklutna Water Project, AWWU initiated a much more involved public information campaign. With 24 projects worth \$31 million ready for the 1996 construction season, AWWU informed residents with neighborhood newsletters, door hangers, newspaper advertisements and appearances at community council meetings. Three large projects highlighted the increased community involvement process. First, Government Hill East's Woodstave Replacement Project: AWWU informed residents we were removing the last of the wood waterlines with a Government Hill Summer Construction newsletter. Second, the Chester Creek Pump Station #2 emergency repair caused the Utility to detour and re-route a portion of the Anchorage Coastal Trail. Trail users and area residents were notified. And third, AWWU created a quarterly newsletter for residents and businesses along the route of the \$21 million Anchorage Loop Water Transmission Main (Loop) project.



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## **SOLID WASTE SERVICES**

### **Highlights and Future Events**

No major changes for the Refuse Collections Utility are anticipated in 1997 or the foreseeable future.

The 1997 operating expenses for the Solid Waste Disposal Utility will decrease about \$3.5 million. The primary reason for this is because remediation projects at the former Merrill Field Landfill have been completed.

In 1996, the federal government passed amendments to the Clean Air Act that will require extensive monitoring of non-methane organic compounds and methane at the Anchorage Regional Landfill. If these gas compounds exceed certain standards, the Utility may be required to control their emissions by installation of an active gas control/removal system similar to what was previously installed at the former Merrill Field Landfill.

Planning and design of the next development phase of the Anchorage Regional Landfill will be initiated in 1997. Solid Waste Services anticipates the next cell will be constructed during 1998 and financed with the sale of revenue bonds.

A recent development concerning the Solid Waste Disposal Utility is a decrease in the solid waste disposal revenues. During the first eight months of 1996, waste quantities disposed have decreased 3.87 percent when compared to the same 1995 period. This is the largest decrease since the mid-1980's. Recycling and weather don't seem to be the cause of this decrease. Its exact cause is unknown at this time.

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## **PORT OF ANCHORAGE HIGHLIGHTS AND FUTURE EVENTS**

### **JUNE 1995**

The Municipality, Port of Anchorage, and the Alaska state Department of Transportation and Public Facilities entered into a Transfer Of Responsibilities Agreement (TORA) whereby the Port will contribute a \$35,000 portion towards an estimated \$350,000, federal-aid, design project to improve landside access to the Port by repaving Ocean Dock Road and relocating approximately 1,400 linear feet of railroad track.

### **JULY 1995**

Construction began on a major lighting renovation project for the Port's Transit Areas "A", "B" and "C". This project was completed in June, 1996.

### **OCTOBER 1995**

The first shipment of foreign produced jet fuel to utilize the tax benefits of the Anchorage Foreign Trade Zone arrives through the Port of Anchorage.

### **1995**

The Port of Anchorage achieved its highest tonnage year in 34 years of operation with 3,027,483 tons of cargo crossing the Port's dock in 1995. Also, in 1995, the Port was ranked as 17th among United States container ports, including Puerto Rico and Hawaii, in TEU (twenty foot equivalent units) throughput.

### **JANUARY 1996**

Completion of the multiple year, \$6.3 million, Tracts "A"&"EE" 13.5 acre Port Land Development Project.

### **MARCH 1996**

The Municipality of Anchorage (Port of Anchorage) is designated as the local sponsor for the Army Corps of Engineers' Knik Arm Shoal Navigation Improvement Project. The local sponsor amount is estimated at \$2.1 million of which the State of Alaska will provide \$881,300.

### **MAY 1996**

Completion of the multiple year, \$6.5 million, New Dock Fendering System Project.

### **MAY 1996**

Begin the construction phase of the \$874,000 POL Terminal #2 Dock Rehabilitation Project. This project was completed in July, 1996.

**JUNE 1996**

The Crystal Harmony, at 791 feet in length, becomes the largest cruise ship to call at the Port of Anchorage.

**JULY 1996**

Begin the construction phase of the \$2.4 million Petroleum Valve Yard Upgrade Project. It is estimated that \$465,000 of the project will be financed by private enterprise petroleum customers of the Port and the Federal Defense Fuels Organization. Estimated project completion is July, 1997.

**JULY 1996**

Begin the construction phase of the \$282,000 Transit Warehouse Roof Renovation/Resurfacing Project. Estimated project completion is October, 1996.

**AUGUST 1996**

The Port of Anchorage receives two grants from the State of Alaska: \$881,300 for the Knik Arm Shoal Navigation Improvement Project; and, \$280,000 for the Port of Anchorage North Corridor Access Feasibility Study.

**SEPTEMBER 1996**

Begin design phase on Transit Area "E" Port Land Development Project.

**NOVEMBER 1996**

Begin design phase on Lot 4A Port Land Development Project.

**NOVEMBER 1996**

Begin the Port of Anchorage North Corridor Access Feasibility Study. Estimated study completion is October, 1997.

**JANUARY 1997**

Initial local sponsor funding portion, estimated at \$1.4 million, to be provided to the Corps of Engineers for the Knik Arm Shoal Navigation Improvement Project.

**MAY 1997**

Begin the multiple year construction phase on the Lot 4A Port Land Development Project. Estimated project completion is Fall, 1998.

**OCTOBER 1997**

Final local sponsor funding portion, estimated at \$700,000, to be provided to the Corps of Engineers for the Knik Arm Shoal Navigation Improvement Project. Estimated project completion is 1998.

# MERRILL FIELD AIRPORT

## 1997

### HIGHLIGHTS AND FUTURE EVENTS

The University of Alaska Anchorage (UAA) 11 million dollar addition to the Aviation Technology Complex is nearing completion. UAA will have the ability to offer educational courses in Aviation Management, Air Traffic Control, Airport Operations, Aircraft Maintenance and Aviation Safety in one facility. This addition to Merrill Field will bring new aviation activities to the Airport.

As a Reliever Airport for Anchorage International Airport, based on its ability to effectively provide facilities to accommodate general aviation aircraft, Merrill Field Airport continues to receive improved federal funding opportunities for its Capital Improvement Projects.

Obstruction removal from the Runway 15/33 object free area and runway protection zone continues. These small lots will be replatted into aviation use lots once the demolition of existing structures is completed.

FAA has completed design of the new Merrill Field Air Traffic Control Tower, the lease has been completed, and utility construction will probably begin later this year; commissioning of the new tower is scheduled for 1998. FAA is working with the Municipality to incorporate the tower lighting with Anchorage's theme, "City of Lights".

Reconstruction of Echo 2 and Echo 3 tiedown aprons, including Echo Taxiway and Merrill Field Drive, is scheduled for completion in 1997.

Recent communication from FAA indicates their intent to offer a grant for Merrill Field Airport Master Plan Update, for land acquisition and obstruction removal on Orca Street, and the acquisition of snow removal equipment to replace existing equipment.

Through a coordinated effort with the U.S. Department of Agriculture, Animal Damage Control, a Wildlife Control Plan has been developed to provide additional support to minimize potential aircraft bird strikes.

In response to requests from customers, we are investigating the feasibility of constructing snow shelters for aircraft storage. This may favorably impact Merrill Field's budget by providing a broader revenue base.

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# **BUDGET OVERVIEW**



# MUNICIPAL LIGHT & POWER

## 11-YEAR SUMMARY

### UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)

	Actual						Proforma				Budget				Forecast		
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
Financial Overview																	
Revenues	\$70,650	\$71,431	\$70,606	\$73,766	\$72,530	\$77,298	\$79,970	\$81,372	\$82,144	\$83,810	\$86,277						
Expenses (1)	70,159	69,747	66,852	67,951	68,561	72,939	73,809	75,299	76,284	77,527	79,216						
Net Income (Regulatory)	491	1,684	3,754	5,815	3,969	4,359	6,161	6,073	5,860	6,283	7,061						
Work Force Authorized per Budget (FT)	216	216	220	229	229	229	230	230	230	231	231						
Capital Improvements(2)	16,854	15,290	12,051	16,180	20,822	19,536	21,513	27,356	18,316	19,579	18,900						
Bond Sales (3)	0	67,715	1,500	0	90,730	0	0	0	0	5,000	7,000						
Net Non-Contributed Plant (12/31)(REG)	140,803	142,329	144,630	148,889	154,656	165,385	172,488	187,007	193,142	199,328	205,560						
Net Contributed Plant(12/31)	10,256	11,165	11,341	11,174	11,524	11,874	12,224	12,574	12,924	13,274	13,624						
Net Electric Plant(12/31)(GAAP)	151,059	153,494	155,971	160,063	166,180	177,259	184,712	199,581	206,066	212,602	219,184						
Retained Earnings (12/31)	43,433	45,118	48,885	54,750	59,545	64,896	71,241	77,313	83,173	89,598	96,858						
General Cash Pool	17,031	10,955	12,078	8,204	16,478	32,873	33,945	20,060	14,380	12,249	12,112						
General Cash Pool/Eklutna	5,100	5,100	5,100	5,100	5,100	0	0	0	0	0	0						
Construction Cash Pool	120	0	0	596	26,938	6,115	0	0	0	0	0						
Revenue Bond Reserve Investment	17,279	17,282	17,358	17,480	20,891	20,891	20,891	20,874	20,874	21,308	21,968						
Debt Service Cash Account	3,091	3,116	3,216	3,340	3,450	3,725	3,864	4,010	4,167	4,380	4,618						
Operating Reserve Cash	5,295	5,448	5,318	5,157	5,293	5,661	5,751	5,921	6,058	6,177	6,342						
Total Cash (12/31)	47,916	41,901	43,070	39,877	78,150	69,265	64,451	50,865	45,479	44,114	45,040						
IGC's - General Government	1,224	1,480	1,362	1,434	1,850	1,850	1,925	2,000	2,075	2,150	2,225						
MUSA - Regular (4)	1,760	1,706	1,881	1,999	2,137	2,302	2,414	2,634	2,732	2,830	2,929						
Total Outstanding Debt	190,520	186,165	182,465	176,970	202,718	195,703	188,278	179,923	171,578	167,096	164,370						
Total Annual Debt Service	17,160	16,950	17,182	17,148	18,625	20,424	20,416	20,891	20,391	21,346	21,491						
Debt Service Coverage (5)	1.78	1.74	1.77	1.90	1.72	1.67	1.77	1.78	1.77	1.77	1.78						
LT Debt/Equity Ratio	80.7/19.3	80.0/20.0	78.9/21.1	75.4/24.6	78.0/22.0	75.9/24.1	73.3/26.7	70.7/29.3	68.1/31.9	65.9/34.1	63.6/36.4						
Rate Change Percent (6)	0.41%	0.00%	3.48%	-0.33%	0.00%	0.00%	2.40%	1.00%	1.00%	1.90%	2.36%						
Statistical/Performance Trends:																	
Resident. Customer (500 kWh) (7)	\$47.74	\$48.22	\$47.26	\$49.42	\$49.40	\$50.85	\$52.07	\$52.59	\$53.12	\$54.13	\$55.41						
Total Residential Sales (kWh)	143,451	145,354	147,067	147,408	148,145	149,775	150,823	151,275	151,275	150,972	150,870						
Commercial & Industr. Sales (kWh)	636,185	648,579	659,666	664,331	657,743	683,138	692,514	700,822	706,064	708,222	709,386						
Total Kilowatt-Hour Sales	805,835	825,831	856,579	880,847	851,588	863,513	873,937	882,697	887,939	889,794	890,656						
Total Sales Revenue (in Dollars)	\$65,818	\$67,251	\$67,447	\$69,014	\$68,343	\$72,308	\$74,558	\$76,280	\$77,611	\$79,305	\$81,723						

(1) Fuel rates per MCF are set during the 3rd Qtr. based on a 3 month average price of light sweet crude oil futures and become effective Jan. 1 of the following year. An increase in fuel rates set in the 3rd Qtr. of 1996 is expected to increase 1997 production cost of fuel by approximately \$2.4M.

(2) Capital Expenditures are actuals through 1995 and Capital Improvement Budget/Plan for 1996 through 2002

(3) The 1986 Series A bonds were refinanced in 1993. 1998 reflects the refinancing of the 1986 Series B Bonds and a new issue of \$42 Million.

(4) Assumes no payment of the 1.25% gross receipts portion of MUSA as a dividend.

(5) Excludes MUSA from Operating Expenses.

(6) All rate increases reflect the effect on Total Retail Operating Revenues. 1991 was an interim rate increase. 1992 was a permanent rate increase. The APUC granted an interim and refundable rate increase of 3.48% effective 9/1/94. The APUC granted a permanent 3.15% permanent rate increase effective 1/1/95 which resulted in a refund of .33%.

(7) Rate charged to Residential customers as of March 31 each year on 500 kWh of power; includes Cost of Power Adjustment.

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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# ANCHORAGE WATER UTILITY

## 11-YEAR SUMMARY

### UTILITY FORMAT - 1997 OPERATING BUDGET (000'S)

	Actual						Budget				Forecast					
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
<b>Financial Overview</b>																
Revenues	26,879	27,369	27,434	28,117	28,042	28,588	29,721	30,532	32,909	33,433	35,186	29,721	30,532	32,909	33,433	35,186
Expenses	26,570	26,076	26,040	26,340	26,644	28,087	28,743	29,504	30,460	31,327	32,014	28,743	29,504	30,460	31,327	32,014
Net Income (Regulatory)	309	1,293	1,394	1,777	1,398	501	978	1,028	2,449	2,106	3,172	978	1,028	2,449	2,106	3,172
Work Force Authorized per Budget (FT)	285	275	270	269	268	268	268	268	268	268	268	268	268	268	268	268
Capital Improvement Program *	5,469	9,123	9,603	4,220	21,049	13,151	16,774	16,464	15,238	7,582	4,867	16,774	16,464	15,238	7,582	4,867
New Debt	0	3,000	0	0	4,000	7,000	10,000	15,000	15,000	12,500	8,000	10,000	15,000	15,000	12,500	8,000
Net Plant (12/31)	293,089	295,193	303,338	302,902	306,689	310,522	314,404	318,334	342,313	346,592	370,924	314,404	318,334	342,313	346,592	370,924
Retained Earnings (12/31)	21,296	22,589	23,983	25,760	27,158	27,659	28,637	29,665	32,114	34,220	37,392	28,637	29,665	32,114	34,220	37,392
Operating Cash	6,376	6,488	6,321	3,055	(1,296)	41	1,182	1,609	3,601	4,715	5,824	1,182	1,609	3,601	4,715	5,824
Construction Cash Pool	4,078	5,977	4,858	7,315	5,437	3,960	3,759	3,381	3,539	3,380	3,591	3,759	3,381	3,539	3,380	3,591
Cash Reserves	9,678	9,671	12,083	13,982	15,859	17,711	19,772	22,351	23,212	24,162	25,112	19,772	22,351	23,212	24,162	25,112
Total Cash	20,132	22,136	23,262	24,353	20,000	21,712	24,713	27,340	30,352	32,257	34,527	24,713	27,340	30,352	32,257	34,527
IGC's - General Government	1,129	1,296	1,274	1,274	1,302	1,471	1,515	1,561	1,623	1,688	1,755	1,515	1,561	1,623	1,688	1,755
MUSA - Regular	1,371	1,273	1,419	1,502	1,434	1,477	1,521	1,567	1,645	1,728	1,814	1,521	1,567	1,645	1,728	1,814
Total Outstanding Debt	107,536	108,996	107,386	105,425	107,326	112,047	119,471	131,366	141,756	149,050	151,332	119,471	131,366	141,756	149,050	151,332
Total Annual Debt Service	8,766	8,844	8,547	8,920	9,221	9,748	10,579	11,941	14,210	15,334	16,039	10,579	11,941	14,210	15,334	16,039
Debt Service Coverage (overall)	1.40	1.47	1.51	1.51	1.40	1.33	1.33	1.27	1.30	1.23	1.26	1.33	1.27	1.30	1.23	1.26
Debt/Equity Ratio	83 / 17	83 / 17	82 / 18	80 / 20	80 / 20	80 / 20	80 / 20	81 / 19	81 / 19	81 / 19	80 / 20	80 / 20	81 / 19	81 / 19	81 / 19	80 / 20
Rate Change Percent							4.00%		9.00%		5.00%	4.00%		9.00%		5.00%
Single Family Rate **	\$24.75	\$24.75	\$24.75	\$25.80	\$25.80	\$25.80	\$26.83	\$26.83	\$29.25	\$29.25	\$30.71	\$26.83	\$26.83	\$29.25	\$29.25	\$30.71
Statistical/Performance Trends:																
Number of Customers	42,000	43,222	44,085	44,712	45,203	45,655	46,112	46,457	46,806	47,157	47,511	46,112	46,457	46,806	47,157	47,511
Average Treatment (GPD) (000)	22,329	24,000	25,600	24,600	26,000	26,500	27,000	27,500	28,000	28,500	29,000	27,000	27,500	28,000	28,500	29,000
Miles of Water Lines	670	674	680	685	696	702	708	713	717	722	726	708	713	717	722	726
Number of Hydrants	5,333	5,440	5,487	5,558	5,580	5,620	5,660	5,690	5,725	5,750	5,790	5,660	5,690	5,725	5,750	5,790

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. AWWU will continue to strive to find ways to avoid projected rate increases.

Cost of Service Study will be conducted in conjunction with Revenue Requirements Study.

\* 1992-1996 reflect actual expenditures.

\*\* Cost-of-Service adjustment in 1995.

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# ANCHORAGE WASTEWATER UTILITY

## 11-YEAR SUMMARY

UTILITY FORMAT - 1997 OPERATING BUDGET (\$000'S)

	Actual											Forecast				
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002					
<b>Financial Overview</b>																
Revenues	22,867	23,600	23,730	23,975	24,186	24,211	24,963	25,147	25,767	26,061	26,502					
Expenses	22,252	21,861	22,026	21,483	22,344	22,841	22,501	23,129	23,281	23,882	24,148					
Net Income (Regulatory)	615	1,739	1,704	2,492	1,842	1,370	2,462	2,018	2,486	2,179	2,354					
Work Force Authorized per Budget (FT)	285	275	270	269	268	268	268	268	268	268	268					
Capital Improvement Program *	4,959	2,473	5,212	5,536	6,442	9,291	8,429	4,444	5,718	6,617	10,472					
New Debt (Bonds, Loan Fund)	0	3,433	2,443	106	2,400	2,800	5,800	6,800	4,700	4,300	6,000					
Net Plant (12/31)	253,395	250,368	247,772	247,238	250,328	253,457	256,625	259,833	263,081	266,370	269,699					
Retained Earnings (12/31)	3,213	4,952	6,656	9,148	10,990	12,360	14,822	16,841	19,327	21,506	23,860					
Operating Cash	7,695	7,591	5,527	3,805	3,439	3,519	4,276	3,910	4,373	4,586	4,549					
Construction Cash Pool	(901)	1,974	3,381	1,901	2,010	160	237	204	231	207	309					
Cash Reserves	0	263	192	334	334	334	334	334	334	334	334					
Total Cash	6,794	9,828	9,100	6,040	5,783	4,013	4,847	4,448	4,937	5,127	5,192					
IGC's - General Government	1,387	1,653	1,509	1,507	1,547	1,702	1,753	1,806	1,878	1,953	2,031					
MUSA - Regular	1,101	1,051	1,110	1,130	1,113	1,146	1,181	1,216	1,277	1,341	1,408					
Total Outstanding Debt	76,472	79,148	73,862	68,350	65,059	62,035	62,122	62,879	61,431	59,443	58,849					
Total Annual Debt Service	9,519	7,728	9,355	9,688	9,214	9,119	8,764	8,954	9,014	9,138	9,319					
Debt Service Coverage (overall)	1.06	1.37	1.15	1.16	1.13	1.10	1.21	1.12	1.15	1.12	1.09					
Debt/Equity Ratio	88 / 12	87 / 13	85 / 15	81 / 19	78 / 22	76 / 24	74 / 26	73 / 27	70 / 30	68 / 32	66 / 34					
Rate Change Percent	3.19%						3.00%		2.00%		2.00%					
Single Family Rate **	\$21.65	\$21.65	\$21.65	\$21.80	\$21.80	\$21.80	\$22.45	\$22.45	\$22.90	\$22.90	\$23.36					
Statistical/Performance Trends																
Number of Customers	44,000	44,000	46,782	47,374	47,654	48,131	48,612	48,976	49,344	49,714	50,087					
Average Treatment (GPD) (000)	32,600	30,000	31,000	32,400	32,500	32,500	33,000	33,500	34,000	34,500	35,000					
Miles of Wastewater Lines	664	670	676	681	686	691	696	700	705	709	714					

\* 1992-1996 reflect actual expenditures.

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. AWWU will continue to strive to find ways to avoid projected rate increases.

\*\* Cost-of-Service adjustment in 1995.

Cost of Service Study will be conducted in conjunction with Revenue Requirements Study.

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# REFUSE COLLECTIONS

## 11-YEAR SUMMARY

	UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)													
	Actual					Proforma		Budget		Forecast				
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002			
<b>Financial Overview</b>														
Revenues	5,701	5,676	5,665	5,779	5,724	5,715	6,029	6,087	6,145	6,204	6,264			
Expenses	5,315	5,378	5,153	5,307	5,518	5,553	5,629	5,724	5,815	5,849	5,933			
Net Income (Regulatory)	386	298	512	471	206	162	400	362	330	356	331			
Work Force Authorized per Budget (FT)*	16	16	16	16	16	16	16	16	16	16	16			
Capital Improvement Program	86	494	448	377	524	334	376	342	345	329	356			
Bond Sales	0	0	0	0	0	0	0	0	0	0	0			
Net Plant (12/31)	2,861	2,968	2,853	3,027	3,020	3,131	3,060	2,990	2,879	2,791	2,689			
Utility Revenue Distribution	0	0	0	0	0	0	0	0	0	0	0			
Retained Earnings (12/31)	4,416	4,714	5,226	5,700	5,910	6,070	6,470	6,830	7,160	7,520	7,850			
General Cash Pool	3,009	3,292	3,831	4,170	4,343	4,338	4,512	4,714	4,872	5,041	5,142			
Construction Cash Pool	1,075	790	586	510	174	174	174	174	174	174	174			
Bond Redemption Cash	357	366	360	353	353	353	353	353	353	353	353			
Total Cash (12/31)	4,441	4,448	4,777	5,033	4,870	4,865	5,039	5,241	5,399	5,568	5,668			
IGC's - General Government	124	141	86	81	88	121	123	123	126	126	128			
MUSA - 1.25%	0	0	0	0	0	0	0	0	0	0	0			
MUSA - Regular	58	48	53	52	57	62	63	65	67	69	71			
Total Outstanding Debt	2,975	2,800	2,615	2,520	2,290	2,045	1,790	1,525	1,245	955	650			
Total Annual Debt Service	349	339	329	347	349	344	344	343	347	344	345			
Debt Service Coverage	3	3	3	3	2	2	3	3	3	3	3			
Debt/Equity Ratio	39/61	37/63	33/67	30/70	27/73	25/75	21/79	18/82	15/85	11/89	8/92			
Rate Change Percent**							6.0%							
Residential Cost/month**							\$15.90							
Commercial (3Yd-1x/Wk)/Month**							\$53.53							
Statistical/Performance Trends														
Waste Collected (Tons)	44,356	45,277	44,721	45,821	45,250	45,250	45,700	46,160	46,620	47,090	47,560			
Average Residential Services	11,746	11,968	12,139	12,105	12,115	12,145	12,175	12,205	12,235	12,265	12,295			
Average Dumpsters Services	4,872	4,745	4,740	4,699	4,700	4,700	4,725	4,750	4,775	4,800	4,825			

\*Excludes budgeted positions for SWS Admin (17) and Vehicle Maintenance (9).

\*\* Last rate increase was in 1990

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with established operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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# SOLID WASTE DISPOSAL

## 11-YEAR SUMMARY

Financial Overview	UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)											
	Actual					Proforma	Budget	Forecast				
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Revenues	11,833	12,347	12,694	13,431	13,673	13,435	15,382	15,455	15,529	15,599	15,764	
Expenses	11,305	10,478	10,747	11,487	16,147	12,628	13,162	13,242	13,451	13,371	13,261	
Net Income (Regulatory)	528	1,869	1,947	1,944	(2,474)	807	2,220	2,214	2,078	2,228	2,503	
Work Force Authorized per Budget (FT)*	31	32	32	32	32	32	32	32	32	32	32	
Capital Improvement Program	4,476	1,297	2,108	1,428	12,111	1,429	7,282	1,514	1,438	1,539	1,672	
Bond Sales/ New Debt	0	0	0	7,634	2,428	0	6,042	0	0	0	0	
Net Plant (12/31)	30,203	34,387	33,917	33,439	32,492	42,200	41,149	45,868	44,646	43,378	42,216	
Utility Revenue Distribution	0	0	0	0	200	400	400	400	400	400	400	
Retained Earnings (12/31)	7,322	9,192	10,371	12,315	9,841	10,648	12,868	15,082	17,160	19,388	21,891	
General Cash Pool	3,769	5,400	5,408	6,724	2,776	1,871	2,544	2,608	2,653	2,585	4,182	
Future Landfill Closure Cash Reserve	1,108	1,493	2,918	3,383	3,865	4,357	4,854	5,356	5,863	6,375	6,893	
Construction Cash Pool	(563)	25	(395)	(965)	1,081	1,081	1,081	1,081	1,081	1,081	1,081	
Bond Redemption Cash	406	409	410	373	373	373	373	373	373	373	373	
Total Cash (12/31)	4,720	7,327	8,341	9,515	8,095	7,682	8,852	9,418	9,970	10,414	12,528	
IGC's - General Government	175	201	133	127	125	178	182	182	185	185	189	
MUSA - 1.25%	130	131	143	146	153	150	156	162	168	174	181	
MUSA - Regular	305	274	324	319	323	380	394	409	425	441	458	
Total Outstanding Debt	26,810	27,910	26,480	32,984	33,712	31,614	35,459	32,849	30,107	27,234	25,888	
Total Annual Debt Service	2,717	3,295	3,295	3,234	3,451	3,817	4,203	4,483	4,473	4,454	2,761	
Revenue Bond Coverage	7.61	15.86	16.07	16.04	6.14	15.70	9.91	7.14	7.13	7.23	7.33	
Debt/Equity Ratio	67/33	63/37	62/38	65/35	69/31	67/33	67/33	62/38	58/42	53/47	50/50	
Rate Change Percent							15%					
User Rate/Ton**							\$51.75					
Pickup Rate***		10					\$11.50					
Car Rate**							\$5.75					
Statistical/Performance Trends												
Tons Disposed	279,806	275,540	285,250	292,650	285,000	291,200	294,100	297,000	300,000	303,000	306,000	
Vehicle Count	200,261	205,007	188,843	196,498	191,275	195,400	197,400	199,300	201,300	203,400	205,400	

\*Excludes budgeted positions for SWS Admin (17) and Vehicle Maintenance (9).

\*\* Last rate increase was in 1989

\*\*\* Rate was increased from \$5 to \$10 as an equity adjustment

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with established operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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# PORT OF ANCHORAGE

## 11-YEAR SUMMARY

UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)

Financial Overview	Actual											Budget			Forecast		
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
Revenues	\$7,268	\$7,123	\$7,712	\$8,197	\$8,858	\$8,902	\$8,970	\$9,255	\$9,335	\$10,372	\$10,001	\$8,902	\$8,970	\$9,255	\$9,335	\$10,372	\$10,001
Expenses	\$6,027	\$5,678	\$6,177	\$5,663	\$5,779	\$6,353	\$6,621	\$6,633	\$6,721	\$7,736	\$7,776	\$6,353	\$6,621	\$6,633	\$6,721	\$7,736	\$7,776
Net Income (Regulatory)	\$1,241	\$1,445	\$1,535	\$2,534	\$3,079	\$2,549	\$2,349	\$2,622	\$2,614	\$2,636	\$2,225	\$2,349	\$2,622	\$2,614	\$2,636	\$2,636	\$2,225
Work Force Authorized per Budget (FT)	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Capital Program	\$1,830	\$2,533	\$9,202	\$5,000	\$4,961	\$5,429	\$1,349	\$2,325	\$2,449	\$18,131	\$1,225	\$1,349	\$2,325	\$2,449	\$18,131	\$1,225	\$1,225
Bond Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0
Net Plant (12/31)	\$48,014	\$51,713	\$49,933	\$48,020	\$50,052	\$52,352	\$51,391	\$53,041	\$54,750	\$60,246	\$66,810	\$52,352	\$51,391	\$53,041	\$54,750	\$60,246	\$66,810
Utility Revenue Distribution	\$179	\$179	\$179	\$358	\$601	\$696	\$801	\$792	\$856	\$883	\$878	\$696	\$801	\$792	\$856	\$883	\$878
Retained Earnings (12/31)	\$33,952	\$35,219	\$36,575	\$38,752	\$41,230	\$43,083	\$44,643	\$46,504	\$48,352	\$50,182	\$51,595	\$43,083	\$44,643	\$46,504	\$48,352	\$50,182	\$51,595
General Cash Pool	\$3,421	\$2,921	\$3,279	\$1,794	\$3,592	\$3,856	\$1,457	\$530	\$3,797	\$1,749	\$2,580	\$3,856	\$1,457	\$530	\$3,797	\$1,749	\$2,580
Construction Cash Pool	\$3,752	\$6,702	\$4,579	\$5,516	\$4,155	\$2,817	\$6,175	\$5,799	\$1,131	\$11,225	\$3,252	\$6,175	\$5,799	\$1,131	\$11,225	\$3,252	\$3,252
Bond Redemption Cash	\$2,915	\$2,916	\$2,916	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$2,334	\$2,334	\$1,000	\$1,000	\$1,000	\$2,334	\$2,334	\$2,334
Total Cash (12/31)	\$10,088	\$12,539	\$10,774	\$8,310	\$8,747	\$7,673	\$8,632	\$7,329	\$5,928	\$15,308	\$8,166	\$8,632	\$7,329	\$5,928	\$15,308	\$8,166	\$8,166
IGC's - General Government	\$281	\$151	\$170	\$172	\$224	\$247	\$252	\$257	\$262	\$267	\$272	\$247	\$252	\$257	\$262	\$267	\$272
Total Outstanding Debt	\$17,948	\$16,386	\$15,063	\$11,100	\$10,832	\$9,749	\$8,744	\$7,854	\$6,919	\$20,548	\$19,117	\$9,749	\$8,744	\$7,854	\$6,919	\$20,548	\$19,117
Total Annual Debt Service	\$3,060	\$2,969	\$2,690	\$4,552	\$726	\$1,655	\$1,531	\$1,371	\$1,369	\$2,704	\$2,705	\$1,655	\$1,531	\$1,371	\$1,369	\$2,704	\$2,705
Debt Service Coverage (Rev Bonds)	2.42	2.43	2.52	N/A	13.30	4.02	4.02	4.18	4.20	2.48	2.33	4.02	4.02	4.18	4.20	2.48	2.33
Debt/Equity Ratio	20/80	17/83	16/84	12/88	11/89	10/90	9/91	7/93	6/94	16/84	14/86	10/90	9/91	7/93	6/94	16/84	14/86
Rate Change % - Tariff	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change - Pref. Use Agree.	0.0%	0.0%	0.0%	0.0%	17.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Statistical/Performance Trends:																	
Tonnage (in thousands)	2,372	2,623	2,716	3,027	3,121	3,223	3,321	3,415	3,503	3,585	3,669	3,223	3,321	3,415	3,503	3,585	3,669
Revenue/Ton	\$2.38	\$2.30	\$2.41	\$2.27	\$2.54	\$2.48	\$2.44	\$2.46	\$2.43	\$2.47	\$2.45	\$2.48	\$2.44	\$2.46	\$2.43	\$2.47	\$2.45

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with established operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

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# MERRILL FIELD AIRPORT

## 11-YEAR SUMMARY

### UTILITY FORMAT - 1997 OPERATING BUDGET (\$ in Thousands)

	Actual							Pro Forma		Budget				Forecast		
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
<b>Financial Overview</b>																
Total Revenues	1,070	1,097	1,080	1,084	1,110	1,145	1,259	1,347	1,418	1,508	1,576	1,259	1,347	1,418	1,508	1,576
Total Expenses	943	1,018	938	873	1,002	1,072	1,134	1,199	1,244	1,312	1,353	1,134	1,199	1,244	1,312	1,353
Net Income Regulatory	127	79	142	211	108	73	125	148	174	196	223	125	148	174	196	223
Work Force Authorized per Budget (FT)	10	9	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Capital Program *	1,816	1,868	2,124	85	480	1,690	2,765	3,240	1,850	2,200	1,000	2,765	3,240	1,850	2,200	1,000
Bond Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Plant (12/31)	28,735	29,643	30,747	29,828	30,308	31,998	34,763	38,003	39,853	42,053	43,053	34,763	38,003	39,853	42,053	43,053
Utility Revenue Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings (12/31)	2,551	2,630	2,772	2,983	3,091	3,164	3,289	3,437	3,611	3,807	4,030	3,289	3,437	3,611	3,807	4,030
General Cash Pool	(3,086)	(3,033)	(984)	(656)	(548)	(475)	(350)	(202)	(28)	168	391	(350)	(202)	(28)	168	391
Construction Cash Pool	2,045	2,012	1,807	1,456	1,173	1,225	1,014	966	866	805	745	1,014	966	866	805	745
Bond Redemption Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash (12/31)	-1,041	(1,021)	823	800	625	750	664	764	838	973	1,136	664	764	838	973	1,136
IGC's General Government	62	62	63	77	85	98	106	111	115	121	127	106	111	115	121	127
M U S A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt/Equity Ratio	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100
Rate Change Percent	0	0	0	0	0	0	0%	3.3%	3.2%	3.1%	3.0%	0%	3.3%	3.2%	3.1%	3.0%
Lease Rate/S.F. Per Year	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 155	\$ 160	\$ 165	\$ 170	\$ 150	\$ 155	\$ 160	\$ 165	\$ 170
Tail-In Space/Month	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 45	\$ 45	\$ 45	\$ 45	\$ 40	\$ 45	\$ 45	\$ 45	\$ 45
Drive-Thru Space/Month	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 55	\$ 55	\$ 55	\$ 55	\$ 50	\$ 55	\$ 55	\$ 55	\$ 55
<b>PERFORMANCE TRENDS</b>																
Based Aircraft	943	916	905	907	915	940	970	1,010	1,040	1,080	1,100	970	1,010	1,040	1,080	1,100
Municipal Tiedowns	632	632	632	660	660	660	660	660	660	660	660	660	660	660	660	660
Flight Ops/Federal Year	225,713	230,156	210,257	177,959	180,000	183,000	187,000	193,000	200,000	208,000	214,000	187,000	193,000	200,000	208,000	214,000
National Airport Ranking	64th	57th	74th	108th	105th	103rd	98th	91st	82nd	78th	70th	98th	91st	82nd	78th	70th

NOTE: Rate increases are shown in the outyears for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with establishing operating budgets. Utilities will continue to strive to find ways to avoid projected rate increases.

\*1992-1996 represents actual; 1997-2002 represents projected.

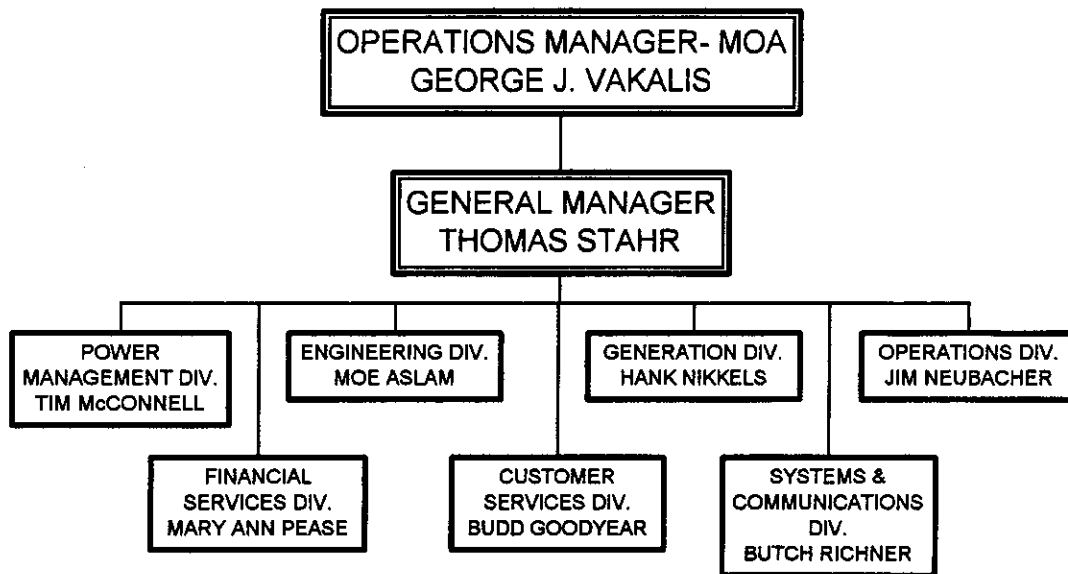
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**MUNICIPAL LIGHT  
AND POWER**



Municipal Light & Power

ORGANIZATION CHART





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# MUNICIPAL LIGHT & POWER UTILITY PROFILE

## ORGANIZATION

Municipal Light & Power (ML&P) is divided into seven divisions under the direction of the General Manager. The divisions include Generation, Engineering, Operations, Power Management (Dispatch), Customer Service, Systems, and Finance.

ML&P had 221 employees as of December 31, 1995 and a 1995 operating payroll cost of approximately \$14 million. Of these employees, 153 were covered by a labor agreement with IBEW and 68 were non-represented (i.e., covered by the Municipal Personnel Rules).

## HISTORY

The first electric system serving Anchorage was installed in 1916 by the Alaska Engineering Commission, the agency of the U.S. Department of the Interior which constructed the Alaska Railroad. A small steam plant and diesel power generators supplied Anchorage with electricity until 1929 when the private Anchorage Power & Light Company began supplying the community with electricity from a hydroelectric power plant on the Eklutna River, 25 miles northeast of downtown Anchorage.

The City purchased the Alaska Engineering Commission distribution system in 1932 and acquired the Eklutna Plant from the Anchorage Power & Light Company in 1943. In 1955, the City contracted for 16,000 kilowatts ("kW") of the generating capacity of a new Eklutna Hydroelectric power project of the U.S. Bureau of Reclamation and transferred its Eklutna Plant to that federal agency. Since then, beginning in 1962, ML&P has installed seven turbine generating units fired by natural gas and one heat recovery steam turbine generating unit.

## SERVICES

ML&P's service area encompasses 19.9 contiguous square miles including a large portion of the commercial and high density residential areas of the Municipality. In 1995, the average number of residential and commercial customers was 23,711 and 5,713 respectively. One-sixth of ML&P's customer base consumes four-sixths of its output. 1995 sales totaled 880,847 MWh and earned revenues of \$69,013,820.

ML&P has agreements to supply the Fort Richardson Army Base and the Elmendorf Air Force Base with interruptible wholesale electric service.

## REGULATION

ML&P is subject to economic regulation by the Alaska Public Utilities Commission (APUC). The APUC is composed of five members appointed to six-year staggered terms by the Governor and confirmed by the State Legislature. The APUC regulation covers service areas, service quality, tariff rules and regulations, monthly rates and charges and certain other utility charges.

The Utility is also subject to advisement by the ML&P Commission which was created in 1963 and is composed of seven members appointed to staggered three-year terms by the Mayor with the approval of the Assembly. The General Manager of ML&P serves ex officio as Executive Secretary of the Commission.

The Commission reviews electric service policies and practices and reviews the budget and operations of ML&P and annually submits recommendations to the Mayor. It conducts public hearings on matters pertaining to electric rates, regulations and related matters and makes recommendations to the Mayor and Assembly. It normally holds one meeting per month and calls special meetings as the need arises.

## ENVIRONMENTAL MANDATES

Mandates from the Federal and State Governments continue to have a large impact on ML&P. The Federal Clean Air Act and the Oil Pollution Act add to the financial burden by significantly increasing the cost of power plant operating permits and by adding requirements covering spill prevention and control of ML&P's emergency fuel oil supply. It is anticipated that over the next few years an estimated \$1.5 million in modifications to electric plant will be necessary to meet spill prevention requirements.

## ELECTRIC PLANT

ML&P generates, purchases, transmits and distributes electric power.

### - Power Generated/Purchased in 1995

• ML&P Generated -	734,762 MWh	80.2%
• Purchased:		
Eklutna Hydroelectric Project -	92,869 MWh	10.1%
Bradley Lake Project -	87,889 MWh	9.6%
Other	1,290 MWh	.1%

### - Generation capacity is 328 Megawatts (MW)

- Seven gas-fired turbines
- One heat recovery turbine
- All equipped to use No. 2 fuel oil as an alternate fuel

- Power Plant No. One: four turbines, capacity 85 MW

- Power Plant No. Two: four turbines, capacity 243 MW

- Reserve Capacity Margin is 150 MW

### - Transmission/Distribution System

- 203 miles underground cable
- 146 miles overhead lines and cable
- 19 substations

### - Assets as of December 31, 1995

- Net Plant in Service: \$166,371,244

# MUNICIPAL LIGHT & POWER

## WORK FORCE PROJECTIONS

<u>DIVISION</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
ADMINISTRATION	16	16	16	16	16	16	16
SYSTEMS & COMMUNICATIONS	19	19	19	19	19	19	19
PRODUCTION (GENERATION)	53	53	53	53	53	54	54
CUSTOMER SERVICE	35	35	35	35	35	35	35
FINANCIAL SERVICES	23	23	23	23	23	23	23
POWER MANAGEMENT	12	12	12	12	12	12	12
OPERATIONS	49	49	50	50	50	50	50
ENGINEERING	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
SUBTOTAL	<u>229</u>	<u>229</u>	<u>230</u>	<u>230</u>	<u>230</u>	<u>231</u>	<u>231</u>
PART-TIME/TEMPORARY POSITIONS	<u>28</u>	<u>28</u>	<u>29</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
TOTAL	<u>257</u>	<u>257</u>	<u>259</u>	<u>260</u>	<u>260</u>	<u>261</u>	<u>261</u>

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Municipal Light  
and Power

1997  
Operating Budget

**MUNICIPAL LIGHT & POWER  
RECONCILIATION OF 1996 BUDGET TO 1996 PROFORMA**

	<u>1996 BUDGET</u>	<u>1996 PROFORMA</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	
OPERATING REVENUE	71,290,000	69,410,000	(1,880,000)	A
OPERATING EXPENSE				
Operations	43,019,000	40,988,000	2,031,000	
Depreciation(1)	10,573,000	10,655,000	(82,000)	
MUSA	<u>2,180,000</u>	<u>2,137,000</u>	<u>43,000</u>	
SUBTOTAL	<u>55,772,000</u>	<u>53,780,000</u>	<u>1,992,000</u>	B
NON-OPERATING REVENUE	2,697,000	3,120,000	423,000	
NON-OPERATING EXPENSE	<u>13,780,000</u>	<u>14,781,000</u>	<u>(1,001,000)</u>	C
NET INCOME (REGULATORY)	4,435,000	3,969,000	(466,000)	
ADJUSTMENTS FOR GAAP	<u>(550,000)</u>	<u>276,000</u>	<u>826,000</u>	
NET INCOME GAAP	<u><u>3,885,000</u></u>	<u><u>4,245,000</u></u>	<u><u>360,000</u></u>	

1996 Proforma as of 5/31/96

(1) Excludes Contributed Plant.

**Explanation of Significant Variances:**

- A. Revenues are less than projected due to lower fuel costs and no rate increase as budgeted for 1996.
- B. Operating costs are down due to sales being less than projected, lower fuel costs, and less wholesale sales.
- C. Due to the refinancing of the 1986 Series "B" Bonds and the 1996 Series "B" Bond sale.

**Explanation of parenthesis:**

Increases in revenues are positive, increases in expenses are negative, ( ).

**MUNICIPAL LIGHT & POWER  
RECONCILIATION OF 1996 PROFORMA TO 1997 BUDGET**

	<u>1996 PROFORMA</u>	<u>1997 BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	
OPERATING REVENUE	69,410,000	73,409,000	3,999,000	A
OPERATING EXPENSE				
Operations	40,988,000	43,776,000	(2,788,000)	
Depreciation(1)	10,655,000	11,262,000	(607,000)	
MUSA	<u>2,137,000</u>	<u>2,302,000</u>	<u>(165,000)</u>	
SUBTOTAL	<u>53,780,000</u>	<u>57,340,000</u>	<u>(3,560,000)</u>	B
NON-OPERATING REVENUE	3,120,000	3,889,000	769,000	C
NON-OPERATING EXPENSE	<u>14,781,000</u>	<u>15,599,000</u>	<u>(818,000)</u>	C
NET INCOME (REGULATORY)	3,969,000	4,359,000	390,000	
ADJUSTMENTS FOR GAAP	<u>276,000</u>	<u>442,000</u>	<u>166,000</u>	
NET INCOME GAAP	<u><u>4,245,000</u></u>	<u><u>4,801,000</u></u>	<u><u>556,000</u></u>	

1996 Proforma as of 5/31/96

(1) Excludes Contributed Plant.

Explanation of Significant Variances:

- A. Increase in revenues is due to an anticipated 17.8% increase in fuel cost and a 1.4% increase in sales.
- B. Increase in operating costs is due to inflation and increased fuel cost.
- C. Due to the refinancing of the 1986 Series "B" Bonds and the 1996 Series "B" Bond sale.

Explanation of parenthesis:

Increases in revenues are positive, increases in expenses are negative, ( ).



**MUNICIPAL LIGHT & POWER  
STATEMENT OF REVENUE AND EXPENSES**

	<u>1995 ACTUAL</u>	<u>1996 PROFORMA</u>	<u>1997 BUDGET</u>
<b>OPERATING REVENUE</b>			
Residential Sales	14,577,126	14,515,000	15,058,000
Commercial & Industrial	52,559,545	51,438,000	55,171,000
Public Highway & Street Lighting	1,165,851	1,166,000	1,157,000
Public Authority	529,431	578,000	618,000
Sales for Resale	1,252,286	645,000	305,000
Misc. Service Revenue	399,903	475,000	490,000
Rent from Electric Property	125,163	149,000	153,000
Miscellaneous Revenue	373,364	444,000	457,000
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUE	70,982,669	69,410,000	73,409,000
<b>OPERATING EXPENSE</b>			
Production Expense	28,466,978	27,544,000	30,150,000
Transmission Expense	549,156	602,000	620,000
Distribution Expense	5,164,656	5,121,000	5,166,000
Customer Account Expense	2,780,998	2,736,000	2,693,000
Customer Service & Information	136,237	144,000	162,000
Administrative & General Expense	3,204,512	3,126,000	3,170,000
Regulatory Compliance	903,624	1,200,000	1,300,000
Depreciation(1)	10,159,516	10,655,000	11,262,000
Amort. Intangible Plant	403,802	404,000	404,000
Amort. Plant Acquisition	111,184	111,000	111,000
Municipal Utility Service Assmt.	1,998,682	2,137,000	2,302,000
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSE	53,879,345	53,780,000	57,340,000
OPERATING INCOME	17,103,324	15,630,000	16,069,000

(1) Excludes Contributed Plant

1996 Proforma as of 5/31/96

**MUNICIPAL LIGHT & POWER  
STATEMENT OF REVENUE AND EXPENSES**

	1995 <u>ACTUAL</u>	1996 <u>PROFORMA</u>	1997 <u>BUDGET</u>
<b>NON-OPERATING REVENUE</b>			
Interest From Operating Reserve	249,154	279,000	348,000
Interest From Bond Redemption Cash	1,160,015	1,300,000	1,620,000
Interest From General Cash Pool	924,812	1,037,000	1,293,000
Interest From Debt Service Account	387,904	435,000	542,000
Misc. Non-Operating Revenue	<u>61,177</u>	<u>69,000</u>	<u>86,000</u>
<b>TOTAL NON-OPERATING REVENUE</b>	<b>2,783,062</b>	<b>3,120,000</b>	<b>3,889,000</b>
<b>NON-OPERATING EXPENSE</b>			
Community	71,972	54,000	54,000
Interest on Bonded Debt	11,658,482	12,520,000	13,409,000
Amortization of Bond Discount/Premium	28,618	(629,000)	(613,000)
Amort of Bond Sale Cost & Ins.	309,604	286,000	294,000
Amort Loss on Refunded Debt	2,698,431	3,239,000	3,137,000
Other Interest Expense	1,389	1,000	10,000
Interest During Construction	<u>(696,996)</u>	<u>(690,000)</u>	<u>(692,000)</u>
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>14,071,500</b>	<b>14,781,000</b>	<b>15,599,000</b>
<b>NET INCOME (REGULATORY)</b>	<b>5,814,886</b>	<b>3,969,000</b>	<b>4,359,000</b>
<b>ADJUSTMENTS FOR GAAP</b>			
Depreciation of Contributed Plant	(546,003)	(550,000)	(550,000)
Restricted Interest Income	<u>49,701</u>	<u>826,000</u>	<u>992,000</u>
<b>NET INCOME GAAP</b>	<b><u>5,318,584</u></b>	<b><u>4,245,000</u></b>	<b><u>4,801,000</u></b>

1996 Proforma as of 5/31/96

**MUNICIPAL LIGHT & POWER  
STATEMENT OF SOURCES AND USES OF CASH**

	1995 <u>ACTUAL</u>	1996 <u>PROFORMA</u>	1997 <u>BUDGET</u>
<b>SOURCES OF CASH FUNDS</b>			
Net Income GAAP	5,318,584	4,245,000	4,801,000
Depreciation	10,705,519	11,205,000	11,812,000
Amortized Bond Discount/Premium	28,618	(629,000)	(613,000)
Amort & Acquisition Adjustment	514,986	515,000	515,000
Amortization of Bond Sale Costs	309,604	286,000	294,000
Amortization on Refunded Debt	2,698,431	3,239,000	3,137,000
Bond Proceeds (A)	0	96,548,000	0
Other Long Term Debt	0	0	0
Contributions	<u>378,632</u>	<u>500,000</u>	<u>500,000</u>
<b>TOTAL SOURCES OF CASH FUNDS</b>	<b>19,954,374</b>	<b>115,909,000</b>	<b>20,446,000</b>
<b>USES OF CASH FUNDS</b>			
Additions to Plant	16,179,504	16,745,000	22,317,000
Debt Retirement Long Term	5,494,029	6,105,000	7,015,000
Bond Refunding (A)	0	54,786,000	0
Other	<u>1,474,262</u>	<u>0</u>	<u>0</u>
<b>TOTAL USES OF CASH FUNDS</b>	<b>23,147,795</b>	<b>77,636,000</b>	<b>29,332,000</b>
<b>NET INCREASE (DECREASE) IN CASH FUNDS</b>	<b>(3,193,421)</b>	<b>38,273,000</b>	<b>(8,886,000)</b>
<b>CASH BALANCE JANUARY 1,</b>	<b><u>43,070,139</u></b>	<b><u>39,877,000</u></b>	<b><u>78,150,000</u></b>
<b>CASH BALANCE DECEMBER 31,</b>	<b><u>39,876,718</u></b>	<b><u>78,150,000</u></b>	<b><u>69,264,000</u></b>
<b>DETAIL OF CASH BALANCE</b>			
Equity in General Cash Pool	18,461,191	26,871,000	38,534,000
Bond Restricted Cash	<u>21,415,527</u>	<u>51,279,000</u>	<u>30,730,000</u>
<b>CASH BALANCE DECEMBER 31,</b>	<b><u>39,876,718</u></b>	<b><u>78,150,000</u></b>	<b><u>69,264,000</u></b>

1996 Proforma as of 5/31/96

(A) Reflects the refinancing of the 1986 Series "B" Bonds and the 1996 Series "B" Bond sale.

**MUNICIPAL LIGHT & POWER  
1997 OPERATING BUDGET DETAIL**

	<u>1995 ACTUAL</u>	<u>1996 PROFORMA</u>	<u>1997 BUDGET</u>
<u>Labor</u>			
Personnel Costs	9,720,853	9,975,000	10,026,000
Benefit Costs	<u>3,975,829</u>	<u>3,999,000</u>	<u>4,019,000</u>
Subtotal	13,696,682	13,974,000	14,045,000
<u>Intergovernmental Charges</u>			
Finance Department	239,046	260,000	260,000
MIS/FIS	214,535	310,000	310,000
Human Resources Department	213,351	240,000	260,000
Purchasing	110,651	120,000	120,000
Self Insurance	74,821	200,000	200,000
Mayor	207,668	230,000	230,000
Enterprise/Operations Manager	140,300	160,000	160,000
Other IGC Charges	<u>233,188</u>	<u>330,000</u>	<u>310,000</u>
Subtotal	<u>1,433,560</u>	<u>1,850,000</u>	<u>1,850,000</u>
<u>Other Expenses</u>			
Professional Services	410,828	400,000	400,000
Depreciation & Amortization	14,257,158	14,617,000	15,144,000
MUSA	1,998,682	2,137,000	2,302,000
Interest on Long-term Debt	11,658,483	12,520,000	13,409,000
Interest During Construction	(696,996)	(690,000)	(692,000)
Purchased Power	5,089,803	4,990,000	5,090,000
Fuel	17,262,778	16,028,000	18,406,000
Regulatory Compliance	903,624	1,200,000	1,300,000
Other Expenses	<u>2,482,246</u>	<u>2,085,000</u>	<u>2,235,000</u>
Subtotal	<u>53,366,606</u>	<u>53,287,000</u>	<u>57,594,000</u>
<b>TOTAL EXPENSES</b>	<u><u>68,496,848</u></u>	<u><u>69,111,000</u></u>	<u><u>73,489,000</u></u>

1996 Proforma as of 5/31/96

Municipal Light  
and Power

1997-2002  
Capital Improvement  
Budget/Program

**MUNICIPAL LIGHT & POWER**  
**1997 - 2002 CAPITAL IMPROVEMENT BUDGET/PLAN FINANCIAL SUMMARY (\$000)**

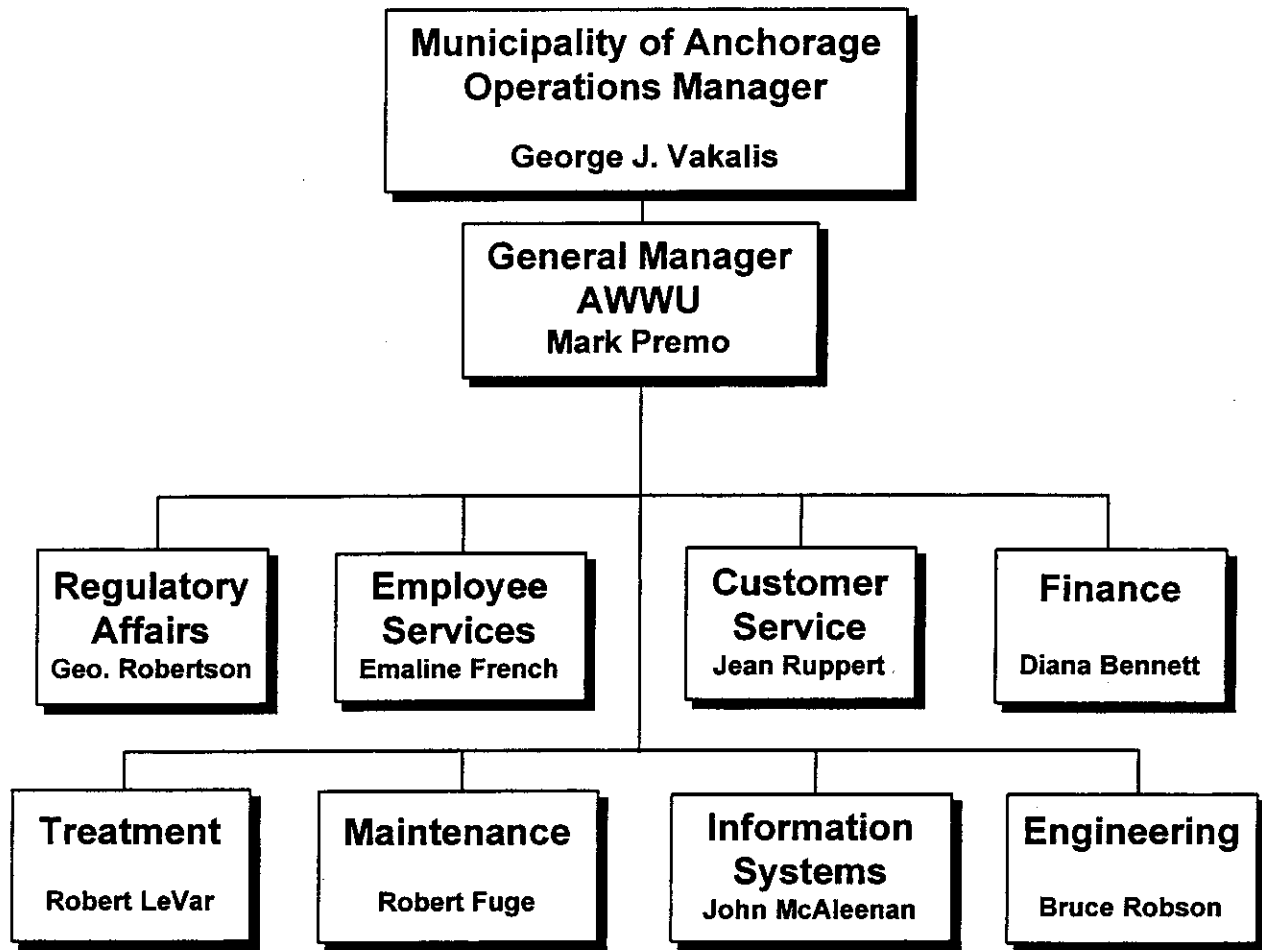
<u>PROJECT CATEGORY:</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
PRODUCTION (GENERATION)	6,022	7,145	5,740	4,970	6,030	4,780	34,687
TRANSMISSION	620	465	505	465	450	470	2,975
DISTRIBUTION	6,685	8,725	9,290	8,925	9,270	9,250	52,145
GENERAL PLANT	5,409	4,048	3,316	2,526	2,499	2,795	20,593
REGULATORY COMPLIANCE	800	1,130	505	1,430	1,330	1,605	6,800
INTERTIES	0	0	8,000	0	0	0	8,000
<b>TOTAL BUDGET</b>	<b><u>19,536</u></b>	<b><u>21,513</u></b>	<b><u>27,356</u></b>	<b><u>18,316</u></b>	<b><u>19,579</u></b>	<b><u>18,900</u></b>	<b><u>125,200</u></b>
<u>SOURCE OF FUNDING:</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
G.O. BONDS	0	0	0	0	0	0	0
REVENUE BONDS	19,036	4,464	0	0	5,000	7,000	35,500
LOAN	0	0	0	0	0	0	0
EQUITY/OPERATIONS	0	15,549	26,856	17,816	14,079	11,400	85,700
STATE GRANT	500	1,500	500	500	500	500	4,000
FEDERAL GRANT	0	0	0	0	0	0	0
DIRECT APPROPRIATION	0	0	0	0	0	0	0
<b>TOTAL BUDGET</b>	<b><u>19,536</u></b>	<b><u>21,513</u></b>	<b><u>27,356</u></b>	<b><u>18,316</u></b>	<b><u>19,579</u></b>	<b><u>18,900</u></b>	<b><u>125,200</u></b>

Approximately \$5.7 Million in personnel costs will be spent on Capital Projects during 1997.

**ANCHORAGE WATER AND  
WASTEWATER UTILITY**

# ANCHORAGE WATER & WASTEWATER UTILITY

## ORGANIZATION CHART





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## **ANCHORAGE WATER & WASTEWATER UTILITY PROFILE**

**ORGANIZATION:** The Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in Alaska and serves 125 square miles of metropolitan Anchorage from Eklutna to Girdwood. The Utility collects water from two major surface watersheds and many deep underground wells and distributes it to over 45,000 residential, commercial, military, and industrial customers throughout the urban areas of Anchorage. The Utility's wastewater facilities serve 47,400 residential, commercial and military customers. As water is consumed and used, treatment plants operate 24 hours per day, discharging treated wastewater into Cook Inlet, Eagle River and Glacier Creek. The public investment in these systems -- for treatment plants, mains and sewers, laboratories, and reservoirs -- totals over \$750 million. More than 265 employees operate the system, and the Utility spends approximately \$50 million annually to ensure that the water and wastewater systems perform efficiently. Through education, training, certification programs, field experience and longevity of service, the people who run the system are a dedicated team: Treatment plant operators, engineers, laboratory technicians, maintenance craftsmen, accountants, customer service representatives and field personnel working together, ensure that the water and wastewater systems perform efficiently.

Although they share one workforce, the utilities are separate economic entities. A profile of each utility is shown below:

### **ANCHORAGE WATER UTILITY**

**HISTORY:** From the first water intake in Lower Ship Creek (and a few miles of woodstave water mains downtown) more than 75 years ago, Anchorage's public water utility has grown to a third-of-a-billion-dollar enterprise that delivers nearly 26 million gallons of water to its customers each day, for less than \$1 per household. The original water system for Anchorage was installed by the Alaska Railroad in 1917. In 1921, the City purchased the water system and associated water rights from the Alaska Engineering Commission. As the City expanded by annexation, the water system was extended into new areas and independent water systems previously serving the annexed areas were acquired by the City. The entire service area is now governed by the Municipality of Anchorage as a result of unification of the City of Anchorage and the Greater Anchorage Area Borough on September 15, 1975.

**SERVICE:** In the Tent City days of Anchorage, Ship Creek supplied water for Anchorage's first settlers, conveyed with buckets. Today, Ship Creek remains an important water source, captured up-stream in the Chugach foothills for treatment and distribution. From spring through fall, the headwaters of Ship Creek provide up to 24 million gallons of water each day. When stream flow is low during the winter, the Eklutna

Water Treatment Plant and deep wells are relied upon to supplement the Ship Creek water supply. The 35 million gallon Eklutna Plant north of Eagle River, completed in 1988, will supply Anchorage's water needs into the next century. The Eklutna water supply originates at Eklutna Lake, a body of water that is a drought-resistant natural reservoir. Fed by the runoff from Eklutna Glacier and the annual snow-pack, the eight mile long lake can supply up to 100 million gallons of water each day. The Girdwood community is served from a system of wells.

During 1997 the Anchorage Water Utility (AWU) proposes a construction program that will emphasize repair and rehabilitation of the existing system and resources, and continue efforts to maximize water availability to South Anchorage. To accomplish the latter objective, AWU is constructing the Anchorage Loop Water Transmission Main, phases I - III and initiating the design of phase IV and V. Phases I-III involve construction of a main from the Ship Creek Water Treatment Plant to the reservoirs at Tudor Road and Patterson Street; phase IV will connect those reservoirs to a planned reservoir, Phase V, at Service High School.

**REGULATION:** Since December 1970, the Anchorage Water Utility has been economically regulated by the Alaska Public Utilities Commission (APUC). All rates and tariffs must be approved by this body prior to implementation. They also regulate service areas and service quality. The APUC is composed of five members appointed to six-year staggered terms by the Governor and confirmed by the State Legislature.

In addition to the APUC, the Anchorage Water and Wastewater Utility Advisory Commission acts as an oversight body to advise the Mayor and Assembly on Utility matters. The seven members of this Commission are appointed to staggered three-year terms by the Mayor and approved by the Assembly. The Commission annually elects one of its members as Chair and another as Vice-Chair. The General Manager of AWWU serves as Executive Secretary of the Commission.

The Commission normally meets once a month to review service policies and practices and reviews the budgets and operations of AWWU and annually submits recommendations to the Mayor.

**ENVIRONMENTAL MANDATES:** In recent years there have been several federally mandated programs that directly impact the Water Utility's operating costs. The Safe Drinking Water Act, Americans with Disabilities Act, and Community Right-to-Know are some of the current and ongoing laws that impact the Utility.

**PHYSICAL PLANT:** AWU operates two treatment plants and has seventeen wells that are operated on an as-needed basis. Only two wells are operated full-time. Average treatment plant production is 20,000,000 gallons per day (gpd). Treatment plant capacity is 59,000,000 gpd. Average well production is 6,000,000 gpd. The transmission system has approximately 690 miles of mains and 5,600 fire hydrants. Net Plant value as of December 1995: \$303,000,000.

## ANCHORAGE WASTEWATER UTILITY

**HISTORY:** Sewers were first installed in Anchorage during 1916 along the lower bluff from the Alaska Railroad Depot, west to the inlet, by the Alaska Engineering Commission. As Anchorage grew, construction of sewers continued and, by the end of World War II, sewers were available to most of the area between Ship Creek and Chester Creek to the West of Cordova Street. The Greater Anchorage Area Borough (GAAB) was created in 1964, and soon after was granted areawide sewer powers. The last major private sewer utility was acquired by the GAAB in 1972. The Utility is now governed by the Municipality of Anchorage as a result of unification of the City of Anchorage and the Greater Anchorage Area Borough on September 15, 1975.

**SERVICE:** Anchorage's enjoyment of drinking water is just one part of the AWWU system. After the day's 26 million gallons of water is used, it must be treated for its return to the environment. The creeks and inlets downstream from Anchorage's wastewater treatment plants are not adversely impacted by treated effluent, which is the principal measure of success. The Anchorage community benefits from the superior operation of the three wastewater treatment plants that serve its growing population.

For every contaminant that finds its way into the water from the activities of man or natural forces, there is a process to remove it, although some processes are so costly that the contaminants must be controlled at the source. Toxic chemical compounds – Floating sediments and particles – Human waste – Grease and oils – Debris – Bacteria. None are acceptable in public waters.

Like thousands of utilities across the nation, the Anchorage Wastewater Utility is achieving higher levels of treatment more efficiently and more effectively than was possible even 10 years ago. While the technology of screening the waste, employing "specialized" bacteria to absorb dissolved solids, and disinfecting the "final product" remains the same, treatment standards have become more stringent.

At Eagle River, Girdwood and Point Woronzof, the utility has continued to invest in the highest and most reliable technology practicable. Anchorage in the 1990's is assured that the city's wastewater treatment plant output protects the receiving water to which it is returned.

**REGULATION:** Since 1971, the Anchorage Wastewater Utility has been economically regulated by the Alaska Public Utilities Commission (APUC) and holds a Certificate of Convenience and Necessity for serving the Anchorage Bowl, Eagle River, and Girdwood. All rates and tariffs must be approved by this body prior to implementation. They also regulate service areas and service quality. The APUC is composed of five members appointed to six-year staggered terms by the Governor and confirmed by the State Legislature.

In addition to the APUC, the Anchorage Water and Wastewater Utility Advisory Commission acts as an oversight body to advise the Mayor and Assembly on Utility matters. The seven members of this Commission are appointed to staggered three-year

terms by the Mayor and approved by the Assembly. The Commission annually elects one of its members as Chair and another as Vice-Chair. The General Manager of AWWU serves as Executive Secretary of the Commission.

The Commission normally meets once a month to review service policies and practices and reviews the budgets and operations of AWWU and annually submits recommendations to the Mayor.

ENVIRONMENTAL MANDATES: In recent years there have been several federally mandated programs that directly impact the Wastewater Utility's operating costs. The Clean Water Act, Americans with Disabilities Act, Community Right-to-Know, and the Clean Air Act are some of the current and on-going laws that impact the Utility.

The Point Woronzof Wastewater Treatment Plant uses primary treatment techniques. The extreme tides and natural water flow of Cook Inlet enable these wastewater discharges to be diluted with no adverse effect to the environment. The dynamics of Cook Inlet's currents and tides -- coupled with primary treatment and chlorination -- have enabled Anchorage to receive a waiver from secondary treatment standards from the U.S. Environmental Protection Agency (EPA). To continue operating under the waiver, AWWU maintains an extensive marine monitoring program that makes certain that there are no negative environmental impacts to the receiving waters of Cook Inlet.

PHYSICAL PLANT: The Wastewater Utility operates three treatment plants. Average flow was 32,400,000 gallons per day (gpd) in 1995. Treatment plant capacity is 61,500,000 gpd. The collection system has approximately 681 miles of lines. Net plant value as of December 1995: \$247,250,000. In Girdwood and Eagle River, the wastewater utility's plants are modern, tertiary (three-stage) plants that discharge effluent of virtual drinking water quality into Glacier Creek and Eagle River. With its expansion in 1991, the Eagle River Plant has the capacity to provide for growth to the year 2005. The Girdwood Plant is scheduled for upgrade in 1995-96.

The Point Woronzof Treatment Plant, built in 1972, is Alaska's largest. As wastewater treatment technology and the demands of community growth have developed over the last two decades, utility operators and engineers have kept pace. The Point Woronzof plant was upgraded in 1982, and expanded and upgraded again in 1989. Ingenuity and vigilant maintenance have consistently enabled the Utility to operate this facility at its optimum level.

## ANCHORAGE WATER AND WASTEWATER UTILITY WORK FORCE PROJECTIONS

DIVISIONS	1996	1997	1998	1999	2000	2001	2002
MANAGER	5	4	4	4	4	4	4
EMPLOYEE SERVICES	6	7	7	7	7	7	7
INFORMATION SYSTEMS	14	14	14	14	14	14	14
MAINTENANCE	84	84	84	84	84	84	84
TREATMENT	62	62	62	62	62	62	62
FINANCE	15	15	15	15	15	15	15
REGULATORY AFFAIRS	4	4	4	4	4	4	4
ENGINEERING	32	32	32	32	32	32	32
CUSTOMER SERVICE	46	46	46	46	46	46	46
TOTAL POSITIONS	268	268	268	268	268	268	268
PART-TIME/TEMPORARY	7	7	7	7	7	7	7
TOTAL ALL POSITIONS	275	275	275	275	275	275	275

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Anchorage Water Utility

1997  
Operating Budget



## ANCHORAGE WATER UTILITY RECONCILIATION OF 1996 BUDGET TO 1996 PROFORMA

	1996 BUDGET	1996 PROFORMA	VARIANCE	
<b>OPERATING REVENUE</b>	26,543,000	26,325,000	(218,000)	A
<b>OPERATING EXPENSE</b>				
OPERATIONS	14,773,000	14,121,000	(652,000)	B
DEPRECIATION	3,366,000	3,484,000	118,000	C
MUSA	1,559,000	1,434,000	(125,000)	D
<b>TOTAL OPERATING EXPENSE</b>	<u>19,698,000</u>	<u>19,039,000</u>	<u>(659,000)</u>	
<b>OPERATING INCOME</b>	6,845,000	7,286,000	441,000	
<b>NON-OPERATING REVENUE</b>	1,695,000	1,717,000	22,000	E
<b>NON-OPERATING EXPENSE</b>	<u>7,451,000</u>	<u>7,605,000</u>	<u>154,000</u>	F
<b>NET INCOME REGULATORY</b>	<u>1,089,000</u>	<u>1,398,000</u>	<u>309,000</u>	
<b>ADJUSTMENT FOR GAAP METHOD</b>	(4,651,000)	(4,651,000)	0	
<b>NET INCOME GAAP</b>	(3,562,000)	(3,253,000)	309,000	

**Explanation of Significant Variances:**

A: Customer growth 1.6% under bgt, (484k); public fire protection +235k; other +31k.

B: Labor +124k; supplies +33k; other services (272k); contingency (225k); IGC's (312k).

C: 6 mos. of vehicle depreciation +165k; function of the capital construction program.

D: Reconciliation to actual mill rates.

E: Increase in interest income +22k.

F: Increase in interest expense +154k.

## ANCHORAGE WATER UTILITY RECONCILIATION OF 1996 PROFORMA TO 1997 BUDGET

	1996 PROFORMA	1997 BUDGET	VARIANCE	
<b>OPERATING REVENUE</b>	26,325,000	26,560,000	235,000	A
<b>OPERATING EXPENSE</b>				
OPERATIONS	14,121,000	14,624,000	503,000	B
DEPRECIATION	3,484,000	3,861,000	377,000	C
MUSA	1,434,000	1,477,000	43,000	D
<b>TOTAL OPERATING EXPENSE</b>	<u>19,039,000</u>	<u>19,962,000</u>	<u>923,000</u>	
<b>OPERATING INCOME</b>	7,286,000	6,598,000	(688,000)	
<b>NON-OPERATING REVENUE</b>	1,717,000	2,028,000	311,000	E
<b>NON-OPERATING EXPENSE</b>	<u>7,605,000</u>	<u>8,125,000</u>	<u>520,000</u>	F
<b>NET INCOME REGULATORY</b>	<u>1,398,000</u>	<u>501,000</u>	<u>(897,000)</u>	
<b>ADJUSTMENT FOR GAAP METHOD</b>	(4,651,000)	(4,767,000)	(116,000)	D
<b>NET INCOME GAAP</b>	(3,253,000)	(4,266,000)	(1,013,000)	

Explanation of Significant Variances:

A: Customer growth 1.0%.

B: Labor +37k; supplies +69k; other services +2k; contingency +225k; IGC's +169k.

C: Full year of vehicle depreciation included +125k; function of the capital construction program.

D: Function of the capital construction program.

E: Increase in rental income +203k; increase in interest income +108k.

F: Increase in interest expense +520k.

# ANCHORAGE WATER UTILITY

## STATEMENT OF REVENUE AND EXPENSES

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>OPERATING REVENUE</b>			
RESIDENTIAL SALES	17,711,651	17,852,000	18,031,000
COMMERCIAL SALES	5,659,437	5,637,000	5,693,000
PUBLIC FIRE PROTECTION	2,377,083	2,475,000	2,475,000
HYDRANT USE CHARGE	336,815	150,000	150,000
MISCELLANEOUS	171,742	211,000	211,000
<b>TOTAL OPERATING REVENUE</b>	<b>26,256,728</b>	<b>26,325,000</b>	<b>26,560,000</b>
<b>OPERATING EXPENSES</b>			
SOURCE OF SUPPLY	2,212,100	2,275,000	2,230,000
TREATMENT	2,628,757	2,559,000	2,673,000
TRANSMISSION	3,477,893	3,351,000	3,239,000
CUSTOMER ACCOUNTS	1,637,807	1,732,000	1,799,000
GENERAL & ADMINISTRATIVE	3,750,207	4,204,000	4,683,000
DEPRECIATION *	3,381,754	3,484,000	3,861,000
MUSA	1,501,936	1,434,000	1,477,000
<b>TOTAL OPERATING EXPENSE</b>	<b>18,590,454</b>	<b>19,039,000</b>	<b>19,962,000</b>
<b>OPERATING INCOME</b>	<b>7,666,274</b>	<b>7,286,000</b>	<b>6,598,000</b>

\* DEPRECIATION OF CONTRIBUTED  
PLANT NOT INCLUDED

## ANCHORAGE WATER UTILITY STATEMENT OF REVENUE AND EXPENSES

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>NON-OPERATING REVENUE</b>			
RENTAL INCOME	233,872	399,000	602,000
INTEREST - GENERAL CASH POOL	440,031	200,000	200,000
INTEREST - CAPITAL ACQUISITION ACCOUNT	294,750	190,000	190,000
INTEREST - BOND REDEMPT RESERVE	182,150	230,000	230,000
INTEREST - BOND SINKING FUND	111,640	76,000	76,000
INTEREST - EKLUTNA RESERVE	443,184	492,000	600,000
INTEREST & PENALTY ON ASSESSMENTS	154,589	130,000	130,000
MISC INCOME	0	0	0
<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,860,216</b>	<b>1,717,000</b>	<b>2,028,000</b>
 <b>NON-OPERATING EXPENSE</b>			
AMORT DEFERRED DEBITS/DISCOUNTS	847,177	819,000	850,000
INTEREST - LONG TERM DEBT	6,915,650	6,816,000	7,357,000
INTEREST - OTHER	0	0	68,000
CAPITALIZED INTEREST	(13,014)	(30,000)	(150,000)
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>7,749,813</b>	<b>7,605,000</b>	<b>8,125,000</b>
<b>NON-OPERATING INCOME</b>	<b>(5,889,597)</b>	<b>(5,888,000)</b>	<b>(6,097,000)</b>
 <b>NET INCOME (REGULATORY)</b>	<b>1,776,677</b>	<b>1,398,000</b>	<b>501,000</b>
 ADJUSTMENT FOR GAAP	4,594,855	4,651,000	4,767,000
<b>NET INCOME (LOSS) GAAP</b>	<b>(2,818,178)</b>	<b>(3,253,000)</b>	<b>(4,266,000)</b>

## ANCHORAGE WATER UTILITY STATEMENT OF SOURCES AND USES OF CASH

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>SOURCES OF CASH:</b>			
NET INCOME (LOSS) GAAP	(2,818,178)	(3,253,000)	(4,266,000)
DEPRECIATION	7,976,609	8,135,000	8,628,000
BOND PROCEEDS	0	4,000,000	7,000,000
ASSESSMENT BONDS	0	0	0
AMORT/DEFERRED DEBITS/DISCOUNTS	847,177	819,000	850,000
GRANTS	1,215,196	9,000,000	3,600,000
CONTRIBUTIONS FROM OTHERS	572,159	400,000	300,000
EKLUTNA RESERVE	0	0	0
OTHER	(522,420)	(306,000)	(44,000)
<b>TOTAL SOURCES OF CASH FUNDS</b>	<b>7,270,543</b>	<b>18,795,000</b>	<b>16,068,000</b>
<b>USES OF CASH:</b>			
ADDITIONS TO PLANT	4,219,613	21,049,000	12,077,000
BOND PRINCIPAL PAYMENT	1,960,421	2,099,000	2,279,000
<b>TOTAL USES OF CASH FUNDS</b>	<b>6,180,034</b>	<b>23,148,000</b>	<b>14,356,000</b>
<b>NET INCREASE(DECREASE) IN CASH FUNDS</b>	<b>1,090,509</b>	<b>(4,353,000)</b>	<b>1,712,000</b>
CASH BALANCE JANUARY 1	23,262,147	24,353,000	20,000,000
<b>CASH BALANCE DECEMBER 31</b>	<b>24,352,656</b>	<b>20,000,000</b>	<b>21,712,000</b>
<b>DETAIL OF CASH BALANCE:</b>			
EQUITY IN CAPITAL ACQUISITION ACCT	7,314,930	5,437,000	3,960,000
RESTRICTED CASH ACCOUNTS	13,982,414	15,859,000	17,711,000
EQUITY IN GENERAL CASH POOL	3,055,312	(1,296,000)	41,000
<b>TOTAL CASH DECEMBER 31</b>	<b>24,352,656</b>	<b>20,000,000</b>	<b>21,712,000</b>

## ANCHORAGE WATER UTILITY 1997 OPERATING BUDGET DETAIL

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>LABOR</b>			
Wages	5,225,436	5,525,000	5,582,000
Overtime	220,060	296,000	218,000
Benefits	2,482,377	2,579,000	2,637,000
Subtotal	7,927,873	8,400,000	8,437,000
<b>SUPPLIES</b>			
Chemicals	219,823	269,000	272,000
Plant, Shop, & Office Expense	734,524	844,000	910,000
Subtotal	954,347	1,113,000	1,182,000
<b>INTRAGOVERNMENTAL CHARGES</b>			
Finance Dept	253,601	270,000	271,000
Mgmt Information Systems Dept	330,018	375,000	467,000
Employee Relations Dept	147,512	144,000	156,000
Other	543,054	513,000	577,000
Subtotal	1,274,185	1,302,000	1,471,000
<b>OTHER SERVICES</b>			
Professional Services	208,817	359,500	386,000
Rent/Leases	630,408	650,000	692,000
Utilities	1,524,385	1,535,000	1,516,000
Vehicles	597,207	324,000	0
Contracted Mtnc/Repair	634,895	668,000	702,000
Operating Expense Transfer to CWIP	(222,679)	(400,000)	(246,000)
Other	177,326	169,500	484,000
Subtotal	3,550,359	3,306,000	3,534,000
<b>OTHER EXPENSES</b>			
Depreciation & Amortization	7,976,609	8,135,000	8,628,000
MUSA	1,501,936	1,434,000	1,477,000
Interest on Long-Term Debt	6,915,650	6,816,000	7,425,000
Capitalized Interest	(13,014)	(30,000)	(150,000)
Amort Deferred Debits/Discounts	847,177	819,000	850,000
Subtotal	17,228,358	17,174,000	18,230,000
<b>TOTAL EXPENSES</b>	<b>30,935,122</b>	<b>31,295,000</b>	<b>32,854,000</b>

Anchorage Water Utility

1997 - 2002  
Capital Improvement  
Budget/Program

**ANCHORAGE WATER UTILITY  
1997-2002 CAPITAL IMPROVEMENT BUDGET  
FINANCIAL SUMMARY**

(\$\$ x 1000)

<b>PROJECT CATEGORY</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
GENERAL PLANT	3,246	2,824	2,669	2,638	2,432	2,317
REPAIR & REHABILITATION	1,555	1,550	1,295	1,300	1,300	300
TRANSMISSION/DISTRIBUTION	7,300	11,450	10,900	5,700	3,200	1,800
WELL, TANK, PRV	1,050	700	1,350	5,350	400	200
IMPROVEMENT DISTRICTS	0	250	250	250	250	250
<b>TOTAL</b>	<b>13,151</b>	<b>16,774</b>	<b>16,464</b>	<b>15,238</b>	<b>7,582</b>	<b>4,867</b>

<b>SOURCE OF FUNDING</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
DEBT	13,151	16,774	16,464	14,096	6,440	2,950
EQUITY	0	0	0	1,142	1,142	1,917
STATE GRANT	0	0	0	0	0	0
<b>TOTAL</b>	<b>13,151</b>	<b>16,774</b>	<b>16,464</b>	<b>15,238</b>	<b>7,582</b>	<b>4,867</b>

\*Approximately \$.7 million of in-house labor will be spent on capital projects in 1997



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Anchorage Wastewater Utility

1997  
Operating Budget

## ANCHORAGE WASTEWATER UTILITY RECONCILIATION OF 1996 BUDGET TO 1996 PROFORMA

	1996 BUDGET	1996 PROFORMA	VARIANCE	
<b>OPERATING REVENUE</b>	22,911,000	22,785,000	(126,000)	A
<b>OPERATING EXPENSE</b>				
OPERATIONS	14,426,000	13,684,000	(742,000)	B
DEPRECIATION	2,873,000	2,980,000	107,000	C
MUSA	1,178,000	1,113,000	(65,000)	D
<b>TOTAL OPERATING EXPENSE</b>	<u>18,477,000</u>	<u>17,777,000</u>	<u>(700,000)</u>	
<b>OPERATING INCOME</b>	4,434,000	5,008,000	574,000	
<b>NON-OPERATING REVENUE</b>	1,585,000	1,401,000	(184,000)	E
<b>NON-OPERATING EXPENSE</b>	<u>4,684,000</u>	<u>4,567,000</u>	<u>(117,000)</u>	F
<b>NET INCOME REGULATORY</b>	<u>1,335,000</u>	<u>1,842,000</u>	<u>507,000</u>	
<b>ADJUSTMENT FOR GAAP METHOD</b>	(5,000,000)	(5,000,000)	0	D
<b>NET INCOME GAAP</b>	(3,665,000)	(3,158,000)	507,000	

**Explanation of Significant Variances:**

- A: Customer growth 1.2% under bgt, (228k); Public Authorities +88k; Other +14k.
- B: Labor +77k; supplies +98k; other svc (419k); contingency (225k); IGC's (275k).
- C: 6 mos. of vehicle depreciation +173k; function of capital construction program.
- D: Reconciliation to actual mill rates.
- E: Decrease in interest income (111k); decrease in rental income (73k).
- F: Decrease in interest expense (171k); increase in amortization expense +82k; increase in capitalized interest (28k)

# ANCHORAGE WASTEWATER UTILITY RECONCILIATION OF 1996 PROFORMA TO 1997 BUDGET

	1996 PROFORMA	1997 BUDGET	VARIANCE	
<b>OPERATING REVENUE</b>	22,785,000	22,881,000	96,000	A
<b>OPERATING EXPENSE</b>				
OPERATIONS	13,684,000	14,040,000	356,000	B
DEPRECIATION	2,980,000	3,365,000	385,000	C
MUSA	1,113,000	1,146,000	33,000	D
<b>TOTAL OPERATING EXPENSE</b>	<u>17,777,000</u>	<u>18,551,000</u>	<u>774,000</u>	
<b>OPERATING INCOME</b>	5,008,000	4,330,000	(678,000)	
<b>NON-OPERATING REVENUE</b>	1,401,000	1,330,000	(71,000)	E
<b>NON-OPERATING EXPENSE</b>	<u>4,567,000</u>	<u>4,290,000</u>	<u>(277,000)</u>	F
<b>NET INCOME REGULATORY</b>	<u>1,842,000</u>	<u>1,370,000</u>	<u>(472,000)</u>	
<b>ADJUSTMENT FOR GAAP METHOD</b>	(5,000,000)	(5,125,000)	(125,000)	D
<b>NET INCOME GAAP</b>	(3,158,000)	(3,755,000)	(597,000)	

**Explanation of Significant Variances:**

A: Customer growth 1.0%.

B: Labor +48k; supplies (1k); other services (73k); contingency +225k; IGC's +155k.

C: Full year of vehicle depreciation included +137k; function of capital construction program.

D: Function of capital construction program.

E: Increase in interest income +39k; decrease in rental income (107k).

F: Interest expense (198K); decrease in amortization expense (107k); decrease in capitalized interest +28k.

# ANCHORAGE WASTEWATER UTILITY STATEMENT OF REVENUE AND EXPENSES

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>OPERATING REVENUES</b>			
RESIDENTIAL SALES	17,027,328	17,503,000	17,678,000
COMMERCIAL SALES	4,538,431	4,383,000	4,427,000
PUBLIC AUTHORITIES	442,856	638,000	515,000
MISCELLANEOUS	308,628	261,000	261,000
<b>TOTAL OPERATING REVENUE</b>	<b>22,317,243</b>	<b>22,785,000</b>	<b>22,881,000</b>
<b>OPERATING EXPENSES</b>			
COLLECTION	2,678,145	2,609,000	2,406,000
TREATMENT	5,044,122	5,189,000	5,169,000
CUSTOMER ACCOUNTS	1,428,127	1,548,000	1,540,000
GENL & ADMINISTRATIVE	3,579,914	4,338,000	4,925,000
DEPRECIATION *	2,730,304	2,980,000	3,365,000
MUSA	1,130,123	1,113,000	1,146,000
<b>TOTAL OPERATING EXPENSES</b>	<b>16,590,735</b>	<b>17,777,000</b>	<b>18,551,000</b>
<b>OPERATING INCOME</b>	<b>5,726,508</b>	<b>5,008,000</b>	<b>4,330,000</b>

\*DEPRECIATION OF CONTRIBUTED  
PLANT NOT INCLUDED

# ANCHORAGE WASTEWATER UTILITY STATEMENT OF REVENUE AND EXPENSES

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>NON-OPERATING REVENUE</b>			
RENTAL INCOME	899,754	922,000	815,000
INTEREST - GENERAL CASH POOL	263,293	267,000	250,000
INTEREST - CAPITAL ACQUISITION ACCOUNT	133,313	15,000	15,000
INTEREST & PENALTY ON ASSESSMENTS	264,197	194,000	250,000
MISC INCOME	97,289	3,000	0
<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,657,846</b>	<b>1,401,000</b>	<b>1,330,000</b>
<b>NON-OPERATING EXPENSE</b>			
AMORT DEFERRED DEBITS/DISCOUNTS	1,058,096	1,107,000	1,000,000
INTEREST - LONG TERM DEBT	3,444,926	3,125,000	2,851,000
INTEREST - OTHER	494,073	428,000	504,000
CAPITALIZED INTEREST	(105,174)	(93,000)	(65,000)
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>4,891,921</b>	<b>4,567,000</b>	<b>4,290,000</b>
<b>NON-OPERATING INCOME</b>	<b>(3,234,075)</b>	<b>(3,166,000)</b>	<b>(2,960,000)</b>
<b>NET INCOME (REGULATORY)</b>	<b>2,492,433</b>	<b>1,842,000</b>	<b>1,370,000</b>
<b>ADJUSTMENT FOR GAAP</b>	<b>5,040,258</b>	<b>5,000,000</b>	<b>5,125,000</b>
<b>NET INCOME (LOSS) GAAP</b>	<b>(2,547,825)</b>	<b>(3,158,000)</b>	<b>(3,755,000)</b>

## ANCHORAGE WASTEWATER UTILITY STATEMENT OF SOURCES AND USES OF CASH

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>SOURCES OF CASH:</b>			
NET INCOME (LOSS) GAAP	(2,547,825)	(3,158,000)	(3,755,000)
DEPRECIATION	7,770,562	7,980,000	8,490,000
BOND PROCEEDS	0	0	0
STATE LOANS	106,103	2,400,000	2,800,000
AMORT/DEFERRED DEBITS/DISCOUNTS	1,058,096	1,107,000	1,000,000
GRANTS	1,459,053	2,567,000	600,000
CONTRIBUTIONS FROM OTHERS	998,037	950,000	900,000
OTHER	(750,074)	30,000	60,000
<b>TOTAL SOURCES OF CASH FUNDS</b>	<b>8,093,952</b>	<b>11,876,000</b>	<b>10,095,000</b>
<b>USES OF CASH:</b>			
ADDITIONS TO PLANT	5,535,656	6,442,000	6,041,000
BOND PRINCIPAL PAYMENT	5,617,999	5,691,000	5,824,000
<b>TOTAL USES OF CASH FUNDS</b>	<b>11,153,655</b>	<b>12,133,000</b>	<b>11,865,000</b>
<b>NET INCREASE(DECREASE) IN CASH FUNDS</b>	<b>(3,059,703)</b>	<b>(257,000)</b>	<b>(1,770,000)</b>
<b>CASH BALANCE JANUARY 1</b>	<b>9,099,564</b>	<b>6,040,000</b>	<b>5,783,000</b>
<b>CASH BALANCE DECEMBER 31</b>	<b>6,039,861</b>	<b>5,783,000</b>	<b>4,013,000</b>
<b>DETAIL OF CASH BALANCE:</b>			
EQUITY IN CAPITAL ACQUISITION ACCT	1,900,777	2,010,000	160,000
RESTRICTED CASH ACCOUNTS	333,795	334,000	334,000
EQUITY IN GENERAL CASH POOL	3,805,289	3,439,000	3,519,000
<b>TOTAL CASH DECEMBER 31</b>	<b>6,039,861</b>	<b>5,783,000</b>	<b>4,013,000</b>

## ANCHORAGE WASTEWATER UTILITY 1997 OPERATING BUDGET DETAIL

	1995 ACTUAL	1996 PROFORMA	1997 BUDGET
<b>LABOR</b>			
Wages	5,056,236	5,461,000	5,435,000
Overtime	124,693	122,000	124,000
Benefits	2,405,956	2,479,000	2,551,000
Subtotal	<u>7,586,885</u>	<u>8,062,000</u>	<u>8,110,000</u>
<b>SUPPLIES</b>			
Chemicals	347,371	367,000	387,000
Plant, Shop, & Office Expense	713,503	907,000	886,000
Subtotal	<u>1,060,874</u>	<u>1,274,000</u>	<u>1,273,000</u>
<b>INTRAGOVERNMENTAL CHARGES</b>			
Finance Dept	236,446	247,000	253,000
Mgmt Information Systems Dept	333,251	375,000	464,000
Employee Relations Dept	144,570	140,000	153,000
Other	792,234	785,000	833,000
Subtotal	<u>1,506,501</u>	<u>1,547,000</u>	<u>1,703,000</u>
<b>OTHER SERVICES</b>			
Professional Services	456,061	608,500	635,000
Rent/Leases	251,410	418,000	621,000
Utilities	1,064,376	1,075,000	1,085,000
Vehicles	583,562	326,000	0
Contracted Mtnce/Repair	276,730	317,000	358,000
Operating Expense Transfer to CWIP	(278,027)	(250,000)	(292,000)
Other	221,936	306,500	547,000
Subtotal	<u>2,576,048</u>	<u>2,801,000</u>	<u>2,954,000</u>
<b>OTHER EXPENSES</b>			
Depreciation & Amortization	7,770,562	7,980,000	8,490,000
MUSA	1,130,123	1,113,000	1,146,000
Interest on Long-Term Debt	3,938,999	3,553,000	3,355,000
Capitalized Interest	(105,174)	(93,000)	(65,000)
Amort Deferred Debits/Discounts	1,058,096	1,107,000	1,000,000
Subtotal	<u>13,792,606</u>	<u>13,660,000</u>	<u>13,926,000</u>
<b>TOTAL EXPENSES</b>	<u><u>26,522,914</u></u>	<u><u>27,344,000</u></u>	<u><u>27,966,000</u></u>



Anchorage Wastewater Utility

1997-2002

Capital Improvement  
Budget/Program

**ANCHORAGE WASTEWATER UTILITY  
1997-2002 CAPITAL IMPROVEMENT BUDGET  
FINANCIAL SUMMARY**

(\$\$ x 1000)

<b>PROJECT CATEGORY</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
GENERAL PLANT	3,941	3,019	2,694	1,768	2,537	2,122
REPAIR & REHABILITATION	5,000	4,160	1,150	3,600	1,230	8,000
TRUNK/INTERCEPTOR IMPROVEMENT DISTRICTS	350	1,000	350	100	2,600	100
	0	250	250	250	250	250
<b>TOTAL</b>	<b>9,291</b>	<b>8,429</b>	<b>4,444</b>	<b>5,718</b>	<b>6,617</b>	<b>10,472</b>

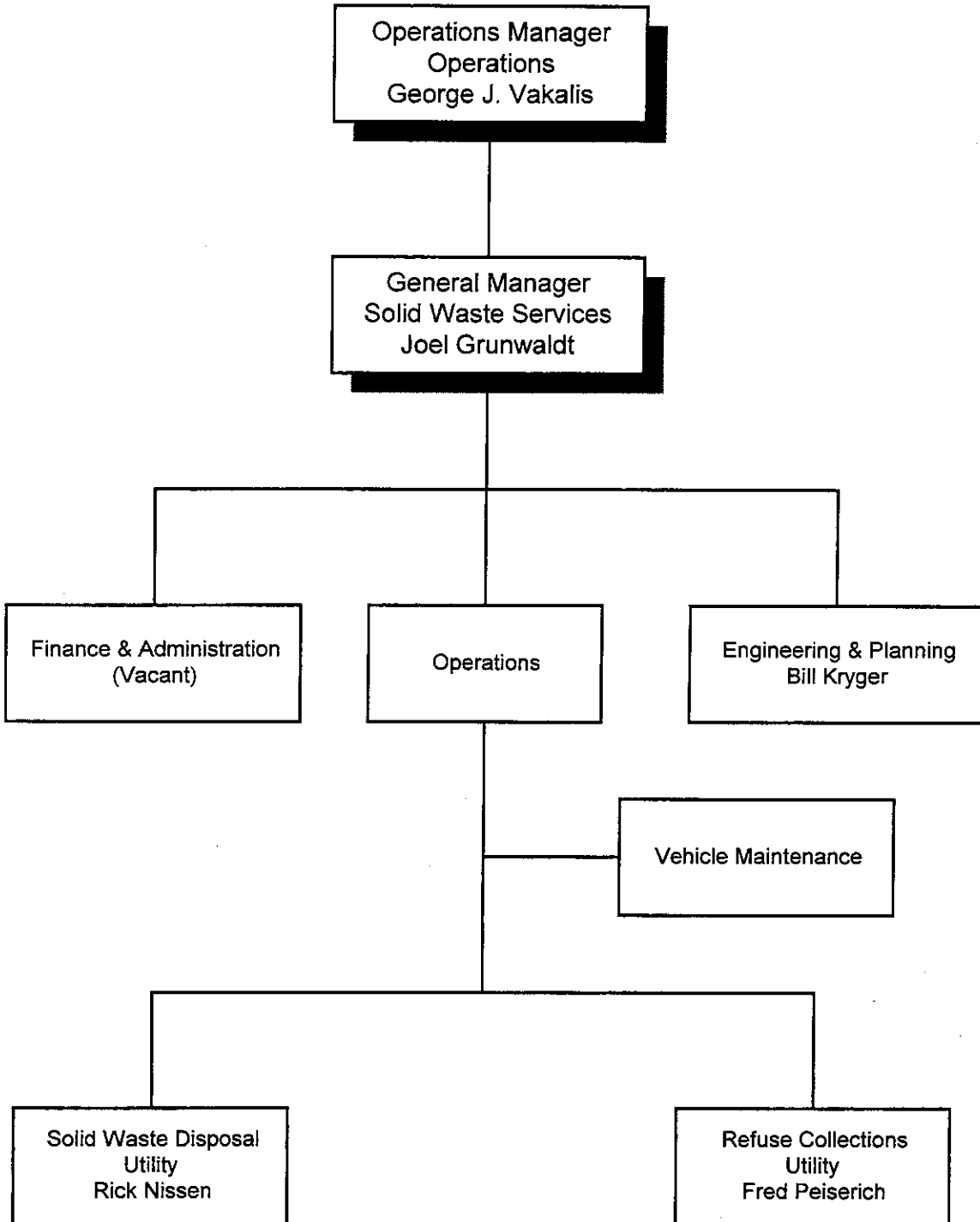
<b>SOURCE OF FUNDING</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
DEBT	8,500	7,617	3,247	5,071	5,970	9,825
EQUITY	791	812	1,197	647	647	647
STATE GRANT	0	0	0	0	0	0
<b>TOTAL</b>	<b>9,291</b>	<b>8,429</b>	<b>4,444</b>	<b>5,718</b>	<b>6,617</b>	<b>10,472</b>

\*Approximately \$.5 million of in-house labor will be spent on capital projects in 1997

**SOLID WASTE SERVICES**

# SOLID WASTE SERVICES

## Organizational Chart



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## SOLID WASTE SERVICES UTILITY PROFILE

**ORGANIZATION:** Solid Waste Services (SWS) is composed of two separate utilities. The Refuse Collections Utility provides refuse collection service to residential and commercial customers in the City of Anchorage Service Area. The Solid Waste Disposal Utility operates multiple transfer stations and a regional landfill providing affordable and environmentally responsible services for the entire Municipality. SWS is divided into four organizations. The organizations include Refuse Collections and Solid Waste Disposal, which are separate operating utilities, and Vehicle Maintenance and Administration, which are support organizations that fully charge out to Refuse Collections and Disposal Utilities.

The profile for both Refuse Collections Utility and Solid Waste Disposal are shown separately below:

### **REFUSE COLLECTIONS UTILITY**

**HISTORY:** Refuse Collections Utility was originally owned by the former City of Anchorage. When the City and Borough merged in 1975 the Municipality of Anchorage became the new owner. Since at least 1952 there has been mandatory service for all residents who live in the Refuse Collections Utility service area.

**SERVICE:** Refuse Collections Utility serves the service area of the former City of Anchorage, which is approximately 25% of the population of the Municipality of Anchorage. The Refuse Collections Utility has three main types of collection vehicles. They are frontload, rearload, and sideload. The frontload vehicles are used to empty dumpsters and normally handle commercial or multifamily residential. Rearload vehicles service mainly can/bag residential and a few two-yard dumpsters. Sideload vehicles service residential can/bag only. Refuse Collections Utility services approximately 4,700 dumpsters per week, and 12,100 can/bag pickups per week. Refuse Collection Utility operates six dumpster routes per day M-F and two routes on Saturday, five sideload routes per day M-F, one rearload route per day M-F, and one-half rearload route on Saturday.

**REGULATION:** Refuse Collections Utility is regulated by the Alaska Public Utilities as having the right to collect solid waste, but is not economically regulated.

Refuse Collections Utility as a part of Solid Waste Services also has a seven member advisory commission. The members are appointed by the mayor and confirmed by the assembly. The commission normally meets monthly and when necessary holds special meetings. The advisory commission advises and makes recommendations to the administration and assembly on matters pertaining to the operating budget, capital

budget, rules, regulations, and administrative guidelines for the Refuse Collections Utility.

**ENVIRONMENTAL MANDATES:** Although there are no specific state or federally mandated regulations for refuse collections there are a number of federal and state mandated regulations that the Refuse Collections Utility must comply with. These regulations include but are not limited to the Federal Clean Air Act, The Clean Water Act and OSHA. These regulations have and will continue to have an economic and operational impact on Refuse Collections Utility.

### **PHYSICAL PLANT:**

Specialized truck fleet

- 8 frontload trucks for dumpster collection
- 3 rearload trucks for curbside pickup and small dumpsters
- 7 sideload trucks for curbside pickup only

Refuse Collections warm storage building, a 27,000 square foot building that contains vehicle maintenance and storage space and administrative offices.

### **SOLID WASTE DISPOSAL:**

**HISTORY:** The Municipal landfill at Merrill Field was closed during 1987 following approximately 50 years of usage. This brings the total of closed, official landfill sites within the Municipality of Anchorage to five. The Anchorage Regional Landfill (ARL), an award winning "state-of-the-art" fully lined modern landfill, was built in 1987 and is the only operating landfill in MOA.

**SERVICE:** ARL services the entire MOA. These services include the disposal of solid waste and collection of household hazardous waste. Normal solid waste is received at any of the four transfer stations located within MOA. The waste is then transported by the Disposal Utility to ARL for final disposal.

ARL has a total land area of approximately 275 acres and is being developed in phases called cells. Currently 5 out of a total of 20 cells have been constructed. ARL is projected to have a total capacity in excess of 48 million cubic yards. It is estimated that ARL will reach full capacity in the year 2050. In 1995, 292,650 tons were deposited in ARL.

Solid Waste Disposal Utility also operates four transfer stations. They are located at Girdwood, Midtown Anchorage (CTS), next to Fort Richardson, and ARL. They allow Solid Waste Disposal Utility to restrict access to the face of the landfill. CTS, by far, receives the largest amount of solid waste, having received over 214,325 tons in 1995. CTS has a total capacity of 1,600 tons per day. The Solid Waste Disposal Utility

operates a fleet of 20 transfer tractor and trailers that transport the solid waste from CTS. The trailers have a capacity of 120 yards each.

Household hazardous waste can be dropped off at CTS or the Hazardous Waste Facility located at ARL. The hazardous waste is then handled by a contractor who puts the hazardous waste in proper containers and safely ships the containers out of state to federally approved hazardous waste disposal sites.

Solid Waste Disposal Utility had a 6,000 square foot household hazardous waste collection facility built in 1989. The facility located at ARL is operated by a private contractor. In 1990 the facility collected the same amount of hazardous waste as the city of San Francisco, which has approximately three times the population. In 1992 the facility was the only Hazardous Waste facility in North America to receive Solid Waste Association of North America's "System Excellence" award. Through 1995 the facility has collected a total of 5.896 million pounds of hazardous waste that otherwise may have been improperly disposed of in the landfill, storm drain system or people's backyards.

**REGULATION:** The Disposal Utility is not economically regulated by any non municipal agencies. However the Disposal Utility operates under numerous permits and many EPA regulations. ARL is operated under a permit issued by the Alaska Department of Conservation. This permit must be renewed every five years. The Disposal Utility operates under two permits from AWWU for industrial water discharge. ARL has permits from the US Department of Fish and Wildlife and the Alaska Department of Fish and Game for bird predation. ARL construction and certain operations must comply with the EPA Resource Conservation and Recovery Act (RCRA) subtitle D.

The Disposal Utility, as a part of Solid Waste Services, also has a seven member advisory commission. The members are appointed by the mayor and confirmed by the assembly. The commission normally meets monthly and when necessary holds special meetings. The advisory commission advises and makes recommendations to the administration and assembly on matters pertaining to the operating budget, capital budget, rules, regulations, and administrative guidelines for the Disposal Utility.

**ENVIRONMENTAL MANDATES:** The Disposal Utility must operate under and comply with numerous environmental mandates. These mandates have a significant economic impact on the cost of operations and construction for the Disposal Utility. The main environmental mandates that have a significant impact on the Disposal Utility are RCRA subtitle D, Clean Air Act, Clean Water Act, SARA Title 3, NESAP (asbestos), and NPDES (storm water discharge). It is projected that in the future the environmental mandates regarding operating and constructing a landfill will become even more stringent.



## **PHYSICAL PLANT:**

### Anchorage Regional Landfill

- 275 acres, estimated to last thru the year 2050
- 48 million cubic yard capacity
- Phased construction of cells lasting three to four years each
- Currently have constructed a total of five cells
- located on municipal land
- Scalehouse and 22,000 sq. ft shop and storage facility
- Heavy equipment fleet: dozers, loaders, dump trucks, boom truck, water truck, leachate trucks, tankers, lube trucks, grader and compactors
- Two leachate storage, treatment lagoons with a 2.9 million gallon capacity

### Four transfer stations provide intermediate disposal, easy access for public

- Girdwood, Central midtown, Ft. Richardson and ARL
- 20 transfer tractor and trailers haul from stations to landfill

### Hazardous waste management

- 6000 sq. ft collection facility for household hazardous waste
- Opened in 1989, operated by private contractor
- Received only "System Excellence Award" in North America from Solid Waste Association of North America

## SOLID WASTE SERVICES WORK FORCE PROJECTIONS

<u>BUDGET UNIT</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
ADMINISTRATION	17	17	17	17	17	17	17
REFUSE COLLECTIONS	16	16	16	16	16	16	16
SOLID WASTE DISPOSAL	32	32	32	32	32	32	32
VEHICLE MAINTENANCE	9	9	9	9	9	9	9
SUBTOTAL	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>
PARTTIME/TEMPS	18	18	18	18	18	18	18
TOTAL	<u>92</u>	<u>92</u>	<u>92</u>	<u>92</u>	<u>92</u>	<u>92</u>	<u>92</u>

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**Refuse Collections**

**1997**

**Operating Budget**

## REFUSE COLLECTIONS UTILITY RECONCILIATION OF 1996 BUDGET TO 1996 PRO-FORMA

	<u>1996 BUDGET</u>	<u>1996 PRO-FORMA</u>	<u>VARIANCE</u>
OPERATING REVENUE	5,453,980	5,439,350	(14,630) (A)
OPERATING EXPENSE			
Labor	1,410,570	1,384,240	(26,330) (B)
Supplies	43,500	40,500	(3,000)
IGC'S	1,242,040	1,231,610	(10,430) (C)
Other Services	148,040	150,090	2,050
Other Expenses	<u>2,573,570</u>	<u>2,584,360</u>	<u>10,790</u>
OPERATING EXPENSE	5,417,720	5,390,800	(26,920)
NON-OPERATING REVENUE	261,800	285,050	23,250
NON-OPERATING EXPENSE	<u>149,440</u>	<u>127,310</u>	<u>(22,130) (D)</u>
NET INCOME (REGULATORY)	148,620	206,290	57,670
ADJUSTMENTS FOR GAAP	0	0	0
NET INCOME GAAP	<u><u>148,620</u></u>	<u><u>206,290</u></u>	<u><u>57,670</u></u>

**Explanation of Significant Variances:**

- A) Slight decrease in residential can/bag services.
- B) Decrease due to vacancies through 6/30/96.
- C) Decrease due to reduced Solid Waste Administration charges.
- D) Decrease due to bond refunding in 1995.

**REFUSE COLLECTIONS UTILITY  
RECONCILIATION OF 1996 PRO-FORMA TO 1997 BUDGET**

	<u>1996 PRO-FORMA</u>	<u>1997 BUDGET</u>	<u>VARIANCE</u>
OPERATING REVENUE	5,439,350	5,439,350	0
OPERATING EXPENSE			
Labor	1,384,240	1,379,200	(5,040)
Supplies	40,500	43,500	3,000
IGC'S	1,231,610	1,301,620	70,010 (A)
Other Services	150,090	123,350	(26,740) (B)
Other Expenses	2,584,360	2,598,880	14,520
OPERATING EXPENSE	<u>5,390,800</u>	<u>5,446,550</u>	<u>55,750</u>
NON-OPERATING REVENUE	285,050	275,800	(9,250)
NON-OPERATING EXPENSE	<u>127,310</u>	<u>106,760</u>	<u>(20,550) (C)</u>
NET INCOME (REGULATORY)	206,290	161,840	(44,450)
ADJUSTMENTS FOR GAAP	0	0	0
NET INCOME GAAP	<u><u>206,290</u></u>	<u><u>161,840</u></u>	<u><u>(44,450)</u></u>

**Explanation of Significant Variances:**

A) Most of increase due to insurance increases.

B) Decreased Contracted Repair and Maintenance Costs.

C) Decreased Interest expense.

## REFUSE COLLECTIONS UTILITY STATEMENT OF REVENUE AND EXPENSES

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>OPERATING REVENUE</b>			
Commercial Collections	3,012,951	2,991,750	2,991,750
Residential Collections	2,186,923	2,183,050	2,183,050
Other Collections	30,225	28,000	28,000
Container Rental Fees	234,434	236,550	236,550
<b>TOTAL OPERATING REVENUE</b>	<u>5,464,533</u>	<u>5,439,350</u>	<u>5,439,350</u>
<b>OPERATING EXPENSE</b>			
Labor	1,312,300	1,384,240	1,379,200
Supplies	38,313	40,500	43,500
IGC'S	1,062,906	1,231,610	1,301,620
Other Services	137,672	150,090	123,350
Other Expenses	2,598,714	2,584,360	2,598,880
<b>TOTAL OPERATING EXPENSE</b>	<u>5,149,906</u>	<u>5,390,800</u>	<u>5,446,550</u>
<b>OPERATING INCOME</b>	314,627	48,550	(7,200)
<b>NON-OPERATING REVENUE</b>			
Sale of Assets	(6,081)	9,300	0
Interest Income	297,251	253,000	253,000
Other Revenue	22,878	22,750	22,800
<b>TOTAL NON-OPERATING REVEN</b>	<u>314,048</u>	<u>285,050</u>	<u>275,800</u>
<b>NON-OPERATING EXPENSE</b>			
Interest on Long-term Debt	157,426	127,310	106,760
<b>TOTAL NON-OPERATING EXPEN</b>	<u>157,426</u>	<u>127,310</u>	<u>106,760</u>
<b>NET INCOME (REGULATORY)</b>	471,249	206,290	161,840
<b>ADJUSTMENTS FOR GAAP</b>	0	0	0
<b>NET INCOME GAAP</b>	<u><u>471,249</u></u>	<u><u>206,290</u></u>	<u><u>161,840</u></u>

**REFUSE COLLECTIONS UTILITY  
STATEMENT OF SOURCES AND USES OF CASH**

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>SOURCES OF CASH FUNDS:</b>			
Net Income GAAP	471,249	206,290	161,840
Depreciation	377,366	384,030	412,060
Grants	0	0	0
Bonds	0	0	0
Other	0	0	0
<b>TOTAL SOURCES OF CASH FUNDS</b>	<u>848,616</u>	<u>590,320</u>	<u>573,900</u>
<b>USES OF CASH FUNDS:</b>			
Additions to Plant	376,719	523,760	334,000
Bond Principal Payment	195,000	230,000	245,000
Other	20,501	0	0
<b>TOTAL USES OF CASH FUNDS</b>	<u>592,220</u>	<u>753,760</u>	<u>579,000</u>
<b>NET INCREASE (DECREASE) IN CASH FUNDS</b>	256,396	(163,440)	(5,100)
<b>CASH BALANCE JANUARY 1,</b>	4,777,123	5,033,520	4,870,080
<b>CASH BALANCE DECEMBER 31,</b>	<u>5,033,519</u>	<u>4,870,080</u>	<u>4,864,980</u>
<b>DETAIL OF CASH BALANCE</b>			
Equity In General Cash Pool	4,170,090	4,343,412	4,338,312
Equity In Construction Cash Pool	510,365	173,605	173,605
Bond Redemption Cash	353,063	353,063	353,063
<b>TOTAL CASH DECEMBER 31,</b>	<u>5,033,518</u>	<u>4,870,080</u>	<u>4,864,980</u>



## REFUSE COLLECTIONS UTILITY 1997 OPERATING BUDGET DETAIL

	1995 ACTUAL	1996 PRO-FORMA	1997 BUDGET
<b>Labor</b>			
Wages	842,226	869,690	875,840
Overtime	72,721	93,960	76,580
Benefits	397,353	420,590	426,780
Other	0	0	0
Subtotal	<u>1,312,300</u>	<u>1,384,240</u>	<u>1,379,200</u>
<b>Supplies</b>			
Office supplies	1,704	3,500	3,500
Operating Supplies	34,246	25,000	25,000
Repair and Maintenance Supplies	2,363	12,000	15,000
Subtotal	<u>38,313</u>	<u>40,500</u>	<u>43,500</u>
<b>Intragovernmental Charges</b>			
Solid Waste Administration	561,123	639,180	662,010
Solid Waste Vehicle Maintenance	407,885	491,160	505,770
Solid Waste Disposal	38,100	38,100	38,100
Other IGC's	80,798	88,170	120,740
Charges to Others	25,000	25,000	25,000
Subtotal	<u>1,062,906</u>	<u>1,231,610</u>	<u>1,301,620</u>
<b>Other Services</b>			
Professional Services	15,795	7,820	5,000
Contractual Services	63,150	94,920	71,000
Utilities	58,727	47,350	47,350
Subtotal	<u>137,672</u>	<u>150,090</u>	<u>123,350</u>
<b>Other Expenses</b>			
Depreciation	377,366	384,030	412,060
MUSA	51,725	56,870	61,570
Interest on Long-term Debt	157,426	127,310	106,760
SWS Disposal Charges	2,062,221	2,036,250	2,036,250
Other	107,403	107,210	89,000
Subtotal	<u>2,756,141</u>	<u>2,711,670</u>	<u>2,705,640</u>
<b>TOTAL EXPENSES</b>	<b>5,307,332</b>	<b>5,518,110</b>	<b>5,553,310</b>

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**Refuse Collections**

**1997 - 2002  
Capital Improvement  
Budget/Program**

**REFUSE COLLECTIONS UTILITY  
1997-2002 CAPITAL IMPROVEMENT BUDGETS  
FINANCIAL SUMMARY (000)**

<b>PROJECT CATEGORY</b>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
VEHICLE REPLACEMENT	275	331	290	291	275	302	1,462
CONTAINERS	24	24	24	24	24	24	120
OFFICE EQUIPMENT	10	10	10	10	10	10	50
DATA PROCESSING	25	11	18	20	20	20	94
<b>TOTAL</b>	<u>334</u>	<u>376</u>	<u>342</u>	<u>345</u>	<u>329</u>	<u>356</u>	<u>1,726</u>

<b>SOURCE OF FUNDING</b>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
G.O. BONDS							
REVENUE BONDS							
LOAN							
EQUITY/OPERATIONS	334	376	342	345	329	356	1,726
STATE GRANT							
FEDERAL GRANT							
DIRECT APPROPRIATION							
<b>TOTAL</b>	<u>334</u>	<u>376</u>	<u>342</u>	<u>345</u>	<u>329</u>	<u>356</u>	<u>1,726</u>

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Solid Waste Disposal

1997

Operating Budget

## SOLID WASTE DISPOSAL UTILITY RECONCILIATION OF 1996 BUDGET TO 1996 PRO-FORMA

	<u>1996 BUDGET</u>	<u>1996 PRO-FORMA</u>	<u>VARIANCE</u>
OPERATING REVENUE	12,504,880	12,500,660	(4,220)
OPERATING EXPENSE			
Labor	2,418,870	2,382,630	(36,240) (A)
Supplies	70,500	88,700	18,200 (B)
IGC'S	1,646,030	1,674,750	28,720 (C)
Other Services	4,752,310	6,527,590	1,775,280 (D)
Other Expenses (1)	3,318,590	3,232,760	(85,830) (E)
OPERATING EXPENSE	<u>12,206,300</u>	<u>13,906,430</u>	<u>1,700,130</u>
NON-OPERATING REVENUE	199,700	987,300	787,600 (F)
NON-OPERATING EXPENSE	2,116,920	2,055,450	(61,470) (G)
NET INCOME (REGULATORY)	<u>(1,618,640)</u>	<u>(2,473,920)</u>	<u>(855,280)</u>
ADJUSTMENTS FOR GAAP	(184,620)	(184,620)	0
NET INCOME (LOSS) GAAP	<u>(1,803,260)</u>	<u>(2,658,540)</u>	<u>(855,280)</u>
(1) Excludes Amortization of Contributed Plant			

**Explanation of Significant Variances:**

- A) Decrease due to vacancies through 6/30/96.
- B) Increase due to need for sand filter material at landfill.
- C) Increase due to decreased IGC'S to Community Promotion for Spring Cleanup.
- D) Increase due to Merrill Field Leachate Project.
- E) MUSA less than budgeted.
- F) Increase due to State Grant and Interest earnings.
- G) Decrease due to bond refunding in 1995.

## SOLID WASTE DISPOSAL UTILITY RECONCILIATION OF 1996 PRO-FORMA TO 1997 BUDGET

	<u>1996</u> <u>PRO-FORMA</u>	<u>1997</u> <u>BUDGET</u>	<u>VARIANCE</u>
OPERATING REVENUE	12,500,660	12,763,750	263,090
OPERATING EXPENSE			
Labor	2,382,630	2,457,720	75,090 (A)
Supplies	88,700	86,700	(2,000)
IGC'S	1,674,750	1,745,720	70,970 (B)
Other Services	6,527,590	2,826,070	(3,701,520) (C)
Other Expenses (1)	3,232,760	3,321,340	88,580 (D)
OPERATING EXPENSE	<u>13,906,430</u>	<u>10,437,550</u>	<u>(3,468,880)</u>
NON-OPERATING REVENUE	987,300	481,960	(505,340) (E)
NON-OPERATING EXPENSE	2,055,450	2,001,260	(54,190) (F)
NET INCOME (REGULATORY)	<u>(2,473,920)</u>	<u>806,900</u>	<u>3,280,820</u>
ADJUSTMENTS FOR GAAP	(184,620)	(189,120)	(4,500)
NET INCOME (LOSS) GAAP	<u>(2,658,540)</u>	<u>617,780</u>	<u>3,276,320</u>
(1) Excludes Amortization of Contributed Plant			

**Explanation of Significant Variances:**

- A) Due to AJCC cola and step increases.
- B) Most of increase due to insurance increases.
- C) Reduction due to completion of the Merrill Field leachate project.
- D) Increases in depreciation and MUSA expenses.
- E) Decrease due to no State construction grant.
- F) Decrease due to bond refunding in 1995.



## SOLID WASTE DISPOSAL UTILITY STATEMENT OF REVENUE AND EXPENSES

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>OPERATING REVENUE</b>			
Reimbursed Costs	330,579	330,500	330,500
Disposal Fees	12,312,268	12,045,160	12,303,250
Hazardous Waste Fees	<u>127,961</u>	<u>125,000</u>	<u>130,000</u>
<b>TOTAL OPERATING REVENUE</b>	<b>12,770,808</b>	<b>12,500,660</b>	<b>12,763,750</b>
<b>OPERATING EXPENSE</b>			
Labor	2,295,523	2,382,630	2,457,720
Supplies	87,321	88,700	86,700
IGC'S	1,634,363	1,674,750	1,745,720
Other Services	2,715,526	6,527,590	2,826,070
Other Expenses (1)	<u>2,689,175</u>	<u>3,232,760</u>	<u>3,321,340</u>
<b>TOTAL OPERATING EXPENSE</b>	<b>9,421,908</b>	<b>13,906,430</b>	<b>10,437,550</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,348,899</b>	<b>(1,405,770)</b>	<b>2,326,200</b>
<b>NON-OPERATING REVENUE</b>			
Sale of Assets	(33,598)	107,300	20,000
Interest Income	480,509	466,860	452,860
Other Revenue	<u>14,668</u>	<u>413,140</u>	<u>9,100</u>
<b>TOTAL NON-OPERATING REVENUE</b>	<b>461,579</b>	<b>987,300</b>	<b>481,960</b>
<b>NON-OPERATING EXPENSE</b>			
Interest on Long-term Debt	<u>1,866,424</u>	<u>2,055,450</u>	<u>2,001,260</u>
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>1,866,424</b>	<b>2,055,450</b>	<b>2,001,260</b>
<b>NET INCOME (REGULATORY)</b>	<b>1,944,055</b>	<b>(2,473,920)</b>	<b>806,900</b>
<b>ADJUSTMENTS FOR GAAP</b>	<b>(198,673)</b>	<b>(184,620)</b>	<b>(189,120)</b>
<b>NET INCOME (LOSS) GAAP</b>	<b><u>1,745,382</u></b>	<b><u>(2,658,540)</u></b>	<b><u>617,780</u></b>

(1) Excludes Amortization of Contributed Plant

## SOLID WASTE DISPOSAL UTILITY STATEMENT OF SOURCES AND USES OF CASH

	<u>1995</u> <u>ACTUAL</u>	<u>1996</u> <u>PRO-FORMA</u>	<u>1997</u> <u>BUDGET</u>
<b>SOURCES OF CASH FUNDS:</b>			
Net Income (Loss) GAAP	1,745,382	(2,658,540)	617,780
Depreciation (Includes Contributed Plant)	1,872,688	2,374,250	2,403,890
Future Landfill Closure Costs	465,314	481,730	492,130
Grants	163,338	222,000	0
New Debt	7,633,764	2,428,240	0
Other	596,996	0	0
<b>TOTAL SOURCES OF CASH FUNDS</b>	<b>12,477,482</b>	<b>2,847,680</b>	<b>3,513,800</b>
<b>USES OF CASH FUNDS:</b>			
Additions to Plant (CWIP)	9,743,098	2,367,600	1,429,000
Bond Principal Payment	1,560,000	1,700,000	2,097,759
Utility Revenue Distribution	0	200,000	400,000
<b>TOTAL USES OF CASH FUNDS</b>	<b>11,303,098</b>	<b>4,267,600</b>	<b>3,926,759</b>
<b>NET INCREASE (DECREASE) IN CASH FUNDS</b>	<b>1,174,384</b>	<b>(1,419,920)</b>	<b>(412,959)</b>
<b>CASH BALANCE JANUARY 1,</b>	<b>8,340,840</b>	<b>9,515,220</b>	<b>8,095,300</b>
<b>CASH BALANCE DECEMBER 31,</b>	<b>9,515,224</b>	<b>8,095,300</b>	<b>7,682,341</b>
<b>DETAIL OF CASH BALANCE</b>			
Equity In General Cash Pool	6,723,619	2,776,350	1,871,260
Future Landfill Closure Cash Reserve	3,383,464	3,865,190	4,357,320
Equity In Construction Cash Pool	(965,097)	1,080,520	1,080,520
Bond Redemption Cash	373,238	373,240	373,240
<b>TOTAL CASH DECEMBER 31,</b>	<b>9,515,224</b>	<b>8,095,300</b>	<b>7,682,340</b>

## SOLID WASTE DISPOSAL UTILITY 1997 OPERATING BUDGET DETAIL

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>Labor</b>			
Wages	1,489,811	1,530,750	1,591,590
Overtime	111,861	113,000	95,430
Benefits	693,809	738,800	770,630
Other	43	80	70
Subtotal	<u>2,295,524</u>	<u>2,382,630</u>	<u>2,457,720</u>
<b>Supplies</b>			
Office Supplies	2,261	2,500	2,500
Operating Supplies	57,145	65,000	55,000
Fuel(Kerosine)	1,325	1,200	1,200
Repair and Maintenance Supplies	26,589	20,000	28,000
Subtotal	<u>87,320</u>	<u>88,700</u>	<u>86,700</u>
<b>Intragovernmental Charges</b>			
Solid Waste Administration	639,892	679,300	705,020
Solid Waste Vehicle Maintenance	1,050,274	1,093,230	1,125,750
Other IGC's	127,297	124,820	178,050
Charges to Others	(183,100)	(222,600)	(263,100)
Subtotal	<u>1,634,363</u>	<u>1,674,750</u>	<u>1,745,720</u>
<b>Other Services</b>			
Professional Services	255,245	388,760	236,000
Utilities	273,092	345,970	397,070
Contractual Services	2,187,189	5,792,860	2,193,000
Subtotal	<u>2,715,526</u>	<u>6,527,590</u>	<u>2,826,070</u>
<b>Other Expenses</b>			
Depreciation	1,872,688	2,374,250	2,403,890
MUSA	318,906	323,390	379,930
Gross Receipts Tax	145,878	153,470	150,160
Landfill Closure Costs	465,314	481,730	492,130
Other	85,062	84,540	84,350
Interest on Long-term Debt	1,866,424	2,055,450	2,001,260
Subtotal	<u>4,754,272</u>	<u>5,472,830</u>	<u>5,511,720</u>
<b>Total Expenses</b>	<u><u>11,487,005</u></u>	<u><u>16,146,500</u></u>	<u><u>12,627,930</u></u>

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Solid Waste Disposal

1997-2002

Capital Improvement  
Budget/Program

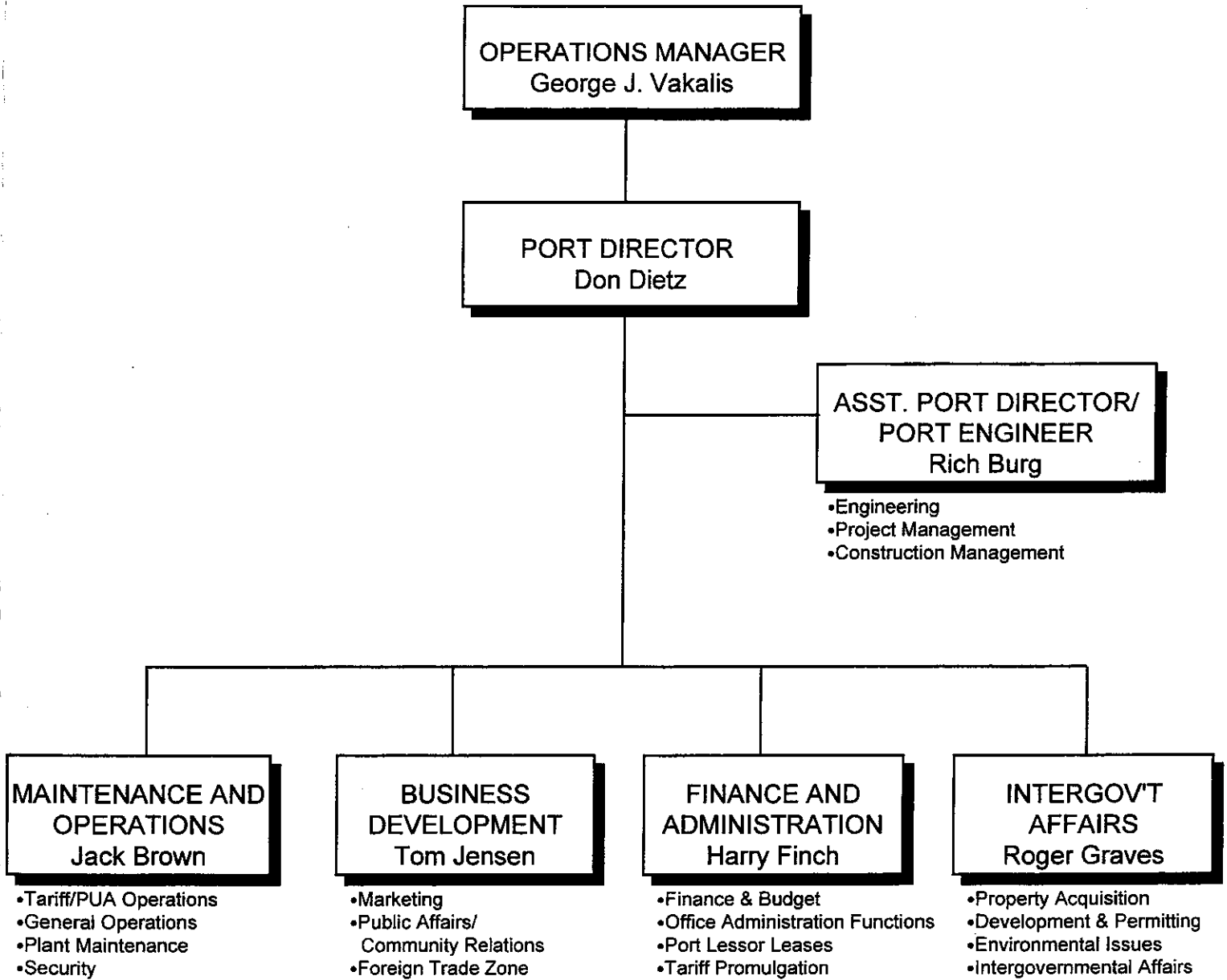
**SOLID WASTE DISPOSAL UTILITY  
1997-2002 CAPITAL IMPROVEMENT BUDGETS  
FINANCIAL SUMMARY (000)**

<b>PROJECT CATEGORY</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>TOTAL</b>
EQUIPMENT	782	1,235	1,497	1,421	1,522	1,655	8,112
ARL IMPROVEMENTS	642	6,042	12	12	12	12	6,732
OFFICE /DP EQUIPMENT	5	5	5	5	5	5	30
<b>TOTAL</b>	<b>1,429</b>	<b>7,282</b>	<b>1,514</b>	<b>1,438</b>	<b>1,539</b>	<b>1,672</b>	<b>14,874</b>

<b>SOURCE OF FUNDING</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>TOTAL</b>
G.O. BONDS							
REVENUE BONDS		6,042					6,042
LOAN							
EQUITY/OPERATIONS	1,429	1,240	1,514	1,438	1,539	1,672	8,832
STATE GRANT							
FEDERAL GRANT							
DIRECT APPROPRIATION							
<b>TOTAL</b>	<b>1,429</b>	<b>7,282</b>	<b>1,514</b>	<b>1,438</b>	<b>1,539</b>	<b>1,672</b>	<b>14,874</b>

**PORT OF ANCHORAGE**

# PORT OF ANCHORAGE ORGANIZATION CHART





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# PORT OF ANCHORAGE UTILITY PROFILE

## ORGANIZATION

The Port of Anchorage is organized into three functional areas: Port Administration, Port Development and Port Operations & Maintenance. The Administrative responsibility entails day-to-day business functions, construction management/engineering, and real estate management. The Port Development involves marketing, planning, permitting, environmental issues and public and intergovernmental affairs tasks. Current Operations & Maintenance functions include Port customer relations, management of vessel movements and dockside activities, general upkeep and operation of the facilities, equipment, and security.

## HISTORY

The Port of Anchorage commenced operation in September 1961 with a single berth. 38,000 tons of cargo crossed the Port's dock that first year. 3,027,000 tons crossed the dock in 1995 which was the highest annual tonnage level achieved in the history of the Port. The Port was ranked 17th among United States container ports, including San Juan and Honolulu, in 1995 for the movement of container TEUs (twenty foot equivalent units). Today this regional Port is a major economic factor and the strongest link in the transportation chain which enables Alaskan residents west of Yakutat to take full advantage of the benefits of inexpensive waterborne commerce.

## SERVICES

Cargo handling services and facilities at the Port serve 80% of Alaska's population residing west of Yakutat. Approximately 90% of the consumer goods and foodstuffs sold within the Railbelt move through this facility on a year-round basis. Container service is provided twice weekly from Puget Sound by two domestic ocean carriers and is augmented seasonally by one additional container vessel per week and barge activities. Bulk shipments are both domestic and international, involving imports of basic commodities such as cement, refined petroleum products, automobiles and construction materials. The Port serves as the primary export facility for the state's largest petroleum refinery in North Pole and as the major export terminal for frozen and canned seafood products that are packed in Anchorage, Valdez and on the Kenai Peninsula.

## REGULATION

Port of Anchorage Dock Revenue rates are established in the Port of Anchorage Terminal Tariff #4 and Terminal Preferential Use Agreements. Changes to the tariff and adjustments to the Preferential Usage Agreements' charges require approval by the Anchorage Port Commission, the Anchorage Assembly and the Federal Maritime Commission.

Port Industrial Park Revenue is derived from long-term leases of properties in the Port Industrial Park. The leases provide for five-year rate adjustments. Leases and lease

options are subject to Municipal Assembly approval.

### **ENVIRONMENTAL MANDATES**

The Port complies with a broad range of local, state and federal environmental standards, including all provisions of the Clean Water Act, Clean Air Act, National Pollution Discharge Elimination System (NPDES), Endangered Species Act and Coastal Zone Management Plan.

### **PHYSICAL PLANT**

Real Estate:

117	acres of developed uplands
400	acres of economically developable tidelands to the north and south of the existing Industrial Park and dock area
<u>1,000</u>	acres of submerged lands offshore from tidelands holdings
<u>1,517</u>	total acres

Terminals:

- Three general cargo terminals, 2,109 ft. of dock face, container, roll on\roll off, bulk cement and break bulk capabilities
- Two Bulk Petroleum Product Terminals with 600 feet each of berthing space and 2,000 bbl./hr. pipelines
- Operating depth at all facilities: -35' MLLW
- Maximum vessel tonnage: 60,000 DWT
- Maximum length and breadth: No limit
- On-dock Transit Shed with 27,000 square foot heated storage/office space

Cargo Handling Equipment:

- Rail mounted, electric Container Cranes:
  - 30 ton (2)
  - 40 ton (1)
- Portable Cranes to 150 tons available
- Forklifts to 30 tons available

U.S. Port of Entry: Foreign Trade Zone service available

**PORT OF ANCHORAGE  
WORKFORCE PROJECTIONS**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b><u>DIVISION</u></b>							
Administration/Engineering	7	7	7	7	7	7	7
Operations/Maintenance	12	12	12	12	12	12	12
Port Development	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Subtotal</b>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
Part Time/Temporary	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>

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Port of Anchorage

1997

Operating Budget

## PORT OF ANCHORAGE RECONCILIATION OF 1996 BUDGET TO 1996 PRO-FORMA

	1996 <u>BUDGET</u>	1996 <u>PRO-FORMA</u>	<u>VARIANCE</u>	
<b>OPERATING REVENUE</b>	7,196,000	7,917,000	721,000	A
<b>OPERATING EXPENSE</b>				
Labor	1,514,000	1,503,000	(11,000)	
Supplies	104,000	87,000	(17,000)	
Other Services & Charges	1,131,000	1,324,000	193,000	B
IGC's	245,000	224,000	(21,000)	
Depreciation/Amortization	2,166,000	2,128,000	(38,000)	C
Subtotal	5,160,000	5,266,000	106,000	
<b>NON-OPERATING REVENUE</b>	1,100,000	941,000	(159,000)	D
<b>NON-OPERATING EXPENSE</b>	1,230,000	513,000	(717,000)	E
<b>NET INCOME (REGULATORY)</b>	1,906,000	3,079,000	1,173,000	
<b>ADJUSTMENTS FOR GAAP</b>	(791,000)	(801,000)	(10,000)	
<b>NET INCOME GAAP</b>	1,115,000	2,278,000	1,163,000	

**Explanation of Significant Variances:**

- A) Petroleum Wharfage revenue is now based on year-to-date figures and anticipated to be higher in 1996 than originally projected at budget time last year. Recently negotiated reductions in Preferential Usage Agreements' discounts along with higher Port land valuations, resulted in dockage, wharfage and lease revenues greater than projected for 1996.
- B) Requirements for Repair & Maintenance Contracted services, Utility costs and Legal services are higher than originally projected.
- C) Depreciation adjusted to reflect anticipated plant in-service.
- D) Reduction of interest earned from funds on deposit is due to the liquidation of the Revenue Bond Reserve Fund which occurred during the Revenue Bond Refunding sale in late 1995.
- E) Reduction in debt service expense also resulted from the 1995 Revenue Bond Refunding sale.

## PORT OF ANCHORAGE RECONCILIATION OF 1996 PRO-FORMA TO 1997 BUDGET

	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>	<u>VARIANCE</u>
<b>OPERATING REVENUE</b>	7,917,000	7,999,000	82,000 A
<b>OPERATING EXPENSE</b>			
Labor	1,503,000	1,523,000	20,000
Supplies	87,000	116,000	29,000 B
Other Services & Charges	1,324,000	1,503,000	179,000 C
IGC's	224,000	247,000	23,000
Depreciation/Amortization	<u>2,128,000</u>	<u>2,337,000</u>	<u>209,000 D</u>
Subtotal	5,266,000	5,726,000	460,000
<b>NON-OPERATING REVENUE</b>	941,000	903,000	(38,000)
<b>NON-OPERATING EXPENSE</b>	513,000	627,000	114,000 E
<b>NET INCOME (REGULATORY)</b>	<u>3,079,000</u>	<u>2,549,000</u>	<u>(530,000)</u>
<b>ADJUSTMENTS FOR GAAP</b>	(801,000)	(950,000)	(149,000) D
<b>NET INCOME GAAP</b>	<u><u>2,278,000</u></u>	<u><u>1,599,000</u></u>	<u><u>(679,000)</u></u>

**Explanation of Significant Variances:**

- A) This increase in wharfage revenues is a result of anticipated higher tonnage levels, combined with appraised higher land valuations on Port land leases/rentals.
- B) This increase is primarily the purchase of winter sand in 1997, which is not anticipated to occur in 1996.
- C) Increased requirements for contracted repair/maintenance services and contracted legal services. Port Economic/Service Area Impact Study will be accomplished in 1997.
- D) Depreciation has been adjusted to reflect anticipated booking of new plant in-service.
- E) The interest portion of the 1995 Revenue Bond debt service was only for an 11 month period in 1996.



## PORT OF ANCHORAGE STATEMENT OF REVENUE AND EXPENSES

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>OPERATING REVENUE</b>			
Dock Revenue	5,049,930	5,744,000	5,882,000
Industrial Park Revenue	1,722,783	2,089,000	2,033,000
Crane Lease/Rental Revenue	78,868	79,000	79,000
Other Operating Revenue	<u>28,634</u>	<u>5,000</u>	<u>5,000</u>
<b>TOTAL OPERATING REVENUE</b>	<b>6,880,215</b>	<b>7,917,000</b>	<b>7,999,000</b>
<b>OPERATING EXPENSE</b>			
Labor	1,354,388	1,503,000	1,523,000
Supplies	103,776	87,000	116,000
Other Services & Charges	973,182	1,324,000	1,503,000
IGC's	172,142	224,000	247,000
Depreciation/Amortization	<u>1,930,145</u>	<u>2,128,000</u>	<u>2,337,000</u>
<b>TOTAL OPERATING EXPENSE</b>	<b>4,533,633</b>	<b>5,266,000</b>	<b>5,726,000</b>
<b>OPERATING INCOME</b>	<b>2,346,582</b>	<b>2,651,000</b>	<b>2,273,000</b>
<b>NON-OPERATING REVENUE</b>			
Interest Income	1,104,737	823,000	798,000
Pipeline Right-Of-Way Fee	102,189	105,000	105,000
Gain of Sale of Investment	108,966	0	0
Prior Year Expense Recovery	<u>850</u>	<u>13,000</u>	<u>0</u>
<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,316,742</b>	<b>941,000</b>	<b>903,000</b>
<b>NON-OPERATING EXPENSE</b>			
Interest on Long-Term Debt	1,129,404	513,000	627,000
Other Non-Operating Expense	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>1,129,404</b>	<b>513,000</b>	<b>627,000</b>
<b>NON-OPERATING INCOME</b>	<b>187,338</b>	<b>428,000</b>	<b>276,000</b>
<b>NET INCOME (REGULATORY)</b>	<b>2,533,920</b>	<b>3,079,000</b>	<b>2,549,000</b>
<b>ADJUSTMENTS FOR GAAP</b>	<b>(552,884)</b>	<b>(801,000)</b>	<b>(950,000)</b>
<b>NET INCOME GAAP</b>	<b><u>1,981,036</u></b>	<b><u>2,278,000</u></b>	<b><u>1,599,000</u></b>

## PORT OF ANCHORAGE STATEMENT OF SOURCES AND USES OF CASH

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>SOURCES OF CASH FUNDS:</b>			
Net Income GAAP	1,981,036	2,278,000	1,599,000
Depreciation/Amortization	2,483,029	2,929,000	3,287,000
Grants	1,263,721	376,000	785,000
Bonds	0	0	0
Amortization of Debt Discount	24,299	55,000	55,000
Principal Payments, Financing Leases	284,030	307,000	332,000
Other	300,000	322,000	234,000
<b>TOTAL SOURCES OF FUNDS</b>	<u>6,336,115</u>	<u>6,267,000</u>	<u>6,292,000</u>
<b>USES OF CASH FUNDS:</b>			
Additions to Plant	5,000,238	4,961,000	5,587,000
Bond Principal Payments	3,446,721	268,000	1,083,000
Equity Transfer Out	358,000	601,000	696,000
Revenue Bond Reserve Fund Liquidation	1,915,995	0	0
Net Effect of Changes in Balance Sheet Which Affect Cash	(10,772)	0	0
<b>TOTAL USES OF FUNDS</b>	<u>10,710,182</u>	<u>5,830,000</u>	<u>7,366,000</u>
<b>NET INCREASE/(DECREASE) IN CASH FUNDS</b>	<u>(4,374,067)</u>	<u>437,000</u>	<u>(1,074,000)</u>
<b>CASH BALANCE JANUARY 1,</b>	<u>12,683,705</u>	<u>8,310,000</u>	<u>8,747,000</u>
<b>CASH BALANCE DECEMBER 31,</b>	<u>8,309,638</u>	<u>8,747,000</u>	<u>7,673,000</u>
<b>DETAIL OF CASH BALANCE</b>			
Equity In General Cash Pool	1,793,984	3,592,000	3,856,000
Equity In Construction Cash Pool	5,515,654	4,155,000	2,817,000
Revenue Bond Maintenance Reserve	1,000,000	1,000,000	1,000,000
<b>TOTAL CASH DECEMBER 31,</b>	<u>8,309,638</u>	<u>8,747,000</u>	<u>7,673,000</u>

## PORT OF ANCHORAGE 1997 OPERATING BUDGET DETAIL

	1995 <u>ACTUAL</u>	1996 <u>PRO-FORMA</u>	1997 <u>BUDGET</u>
<b>LABOR</b>			
Wages	891,184	969,000	982,000
Overtime	25,739	35,000	35,000
Benefits	433,766	494,000	501,000
Other	3,699	5,000	5,000
Subtotal	1,354,388	1,503,000	1,523,000
<b>SUPPLIES</b>			
Office & Operating Supplies	25,929	18,500	20,500
Fuel	5,194	8,000	8,000
Repair & Maintenance Supplies	68,433	56,000	83,000
Other	4,220	4,500	4,500
Subtotal	103,776	87,000	116,000
<b>INTRAGOVERNMENTAL CHARGES</b>			
IGC's From Others	185,751	234,000	247,000
IGC's To Others	(13,609)	(10,000)	0
Subtotal	172,142	224,000	247,000
<b>OTHER SERVICES</b>			
Professional Services	172,299	194,000	249,000
Legal Services	56,532	30,000	100,000
Repairs & Maintenance-Contracted	89,980	241,000	307,000
Advertising/Marketing	38,894	52,000	53,000
Contract Services	159,652	188,000	193,000
Rentals/Leases	94,161	106,000	99,000
Utilities	247,414	322,000	322,000
Other	114,250	191,000	180,000
Subtotal	973,182	1,324,000	1,503,000
<b>OTHER EXPENSES</b>			
Depreciation/Amortization	2,483,029	2,929,000	3,287,000
Interest on Long Term Debt	1,129,404	513,000	627,000
Other	0	0	0
Subtotal	3,612,433	3,442,000	3,914,000
<b>TOTAL EXPENSES</b>	6,215,921	6,580,000	7,303,000

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Port of Anchorage  
1997-2002  
Capital Improvement  
Budget/Program

## PORT OF ANCHORAGE

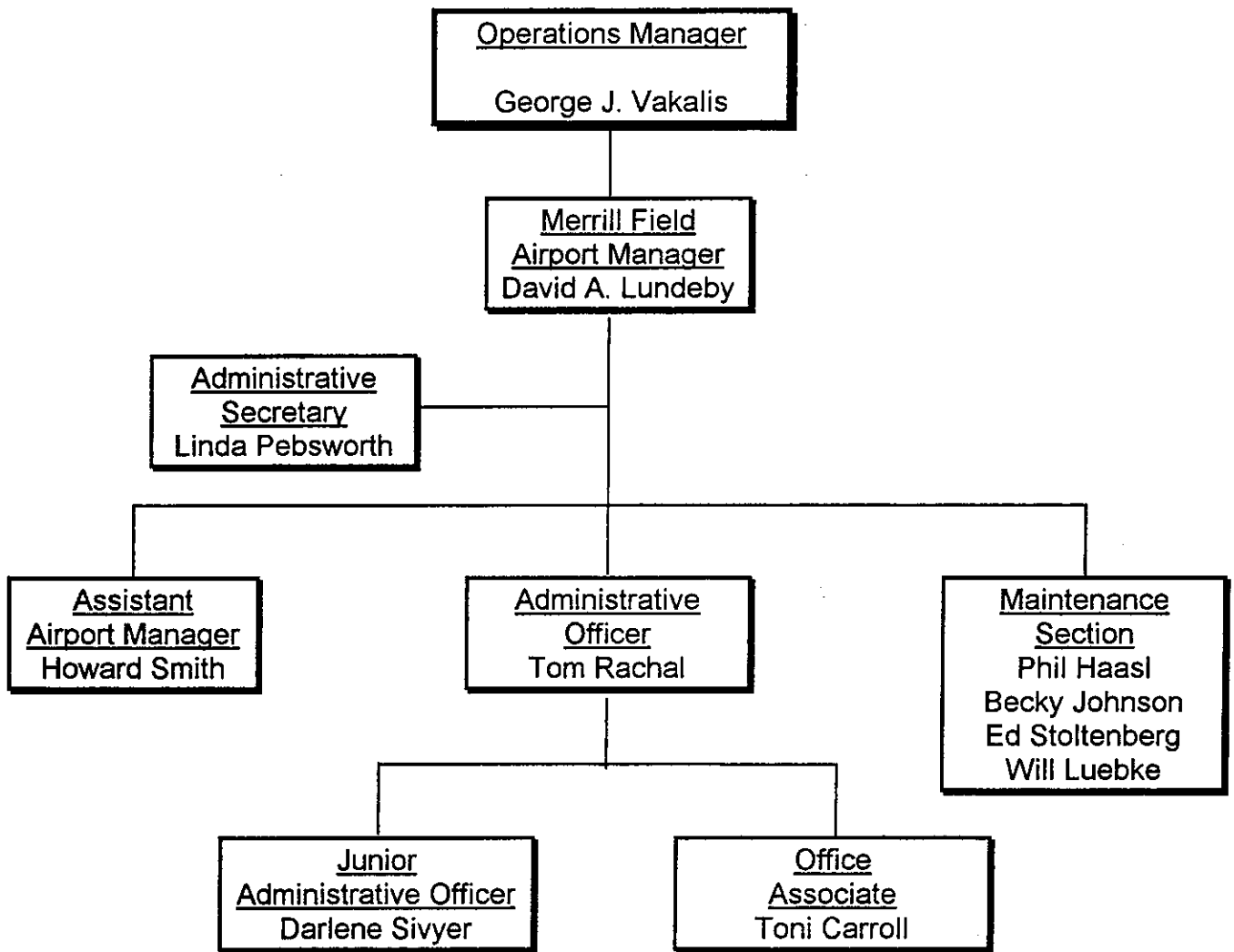
### 1997-2002 CAPITAL IMPROVEMENT BUDGETS FINANCIAL SUMMARY (000)

<u>PROJECT CATEGORY</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
LAND DEVELOPMENT	4,250						4,250
TERMINAL DEVELOPMENT			2000			1,000	3,000
HARBOR DEVELOPMENT				2,000	18,000		20,000
REPAIRS & RENOVATIONS	900	1,000		400			2,300
EQUIPMENT	279	349	325	49	131	225	1,358
<b>TOTAL</b>	<b>5,429</b>	<b>1,349</b>	<b>2,325</b>	<b>2,449</b>	<b>18,131</b>	<b>1,225</b>	<b>30,908</b>

<u>SOURCE OF FUNDING</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
G.O. BONDS							0
REVENUE BONDS					15,000		15,000
EQUITY/OPERATIONS	4,029	1,349	2,325	2,449	3,131	1,225	14,508
STATE GRANT	1,400						1,400
FEDERAL GRANT							0
LOAN							0
DIRECT APPROPRIATION							0
PVT INDUST PARTICIPATION							0
<b>TOTAL</b>	<b>5,429</b>	<b>1,349</b>	<b>2,325</b>	<b>2,449</b>	<b>18,131</b>	<b>1,225</b>	<b>30,908</b>

**MERRILL FIELD AIRPORT**

# MERRILL FIELD AIRPORT ORGANIZATION CHART





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# MERRILL FIELD AIRPORT

## UTILITY PROFILE

### ORGANIZATION

Six office staff manage the operational and financial affairs of Merrill Field, and four maintenance personnel provide maintenance for 19 airport buildings and property. The maintenance function includes all operating surfaces of the airport - runways, taxiways, roads and aircraft tiedown areas that are not on leased property. This includes snow removal, sanding, resurfacing, and maintenance of facilities and equipment.

### HISTORY

Merrill Field, established in 1930 and located one mile east of downtown Anchorage on 436 acres of land, was the first real airport in the city. The airport bears the name of Russel Hyde Merrill, an early Alaskan aviator who disappeared in September 1929 on a flight to Bethel. The first aviation beacon in the Territory of Alaska was located at Merrill Field and was dedicated on September 25, 1932 to the honor of Russ Merrill. Merrill Field is a "General Aviation Airport" and is restricted to aircraft that weigh 12,500 pounds or less.

In 1984 Merrill Field experienced a record year with 384,314 aircraft operations, ranked as the 15th busiest airport in the nation and had 1,019 based aircraft. Merrill Field continues to be an integral part of Alaska's transportation network. Over the past six years aircraft operations have varied between 185,000 and 260,000 and based aircraft varied between 905 and 1,008.

### SERVICE

Merrill Field serves as the general aviation link between Southcentral Alaskan communities, including the rural areas, and Anchorage. Intrastate air traffic to and from Anchorage is increasing with many passengers destined for the downtown/midtown areas which are conveniently reached from Merrill Field.

Some of the many services provided at Merrill Field are: sale of aircraft fuel; hangar rental; flightseeing; flight and ground school instruction; aircraft maintenance and repair; sale of parts, supplies, equipment and accessories; aerial photography; propeller repair; aviation electronics; aircraft sales, rentals and charters; power plant and airframe training; and college courses for aviation degree-seeking students.

## REGULATION

Merrill Field, unlike most other Municipal utilities, is not regulated by the Alaska Public Utilities Commission. Rather, it is required to meet Federal Aviation Administration, Alaska Department of Transportation and Public Facilities, and Municipal regulations. Additionally, the Municipal Airports Aviation Advisory Commission advises and makes recommendations to the Administration and Assembly on all matters pertaining to the operating budget, rules, regulations and administrative guidelines at Merrill Field.

## ENVIRONMENTAL MANDATES

In recent years there have been many federally mandated programs which have had a direct impact on the Airport's operating costs. The Clean Water Act, Americans With Disabilities Act, Community Right To Know, Underground Storage Tank Regulations and Clean Air Act are some of the current laws which have and will continue to impact the Airport.

## PHYSICAL PLANT

### General Aviation Airport

Restricted to aircraft weighing 12,500 pounds or less.  
436 acre land area; elevation 136 feet; fee simple title.  
1,441 tiedown spaces; leaseholders have 704; Municipality has 660 plus 77 for transient aircraft.  
Runway 6/24 is 4,000 feet; Runway 15/33 is 2,650 feet.  
Five taxiways; 102 acres of tiedown aprons.  
Control Tower leased to Federal Aviation Administration.

### One hundred eighth Busiest Airport in Nation

Hub for intra-Alaska travel.  
Located one mile from downtown Anchorage.  
Reliever airport to Anchorage International's general aviation aircraft.  
177,959 flight operations in Federal Fiscal Year 1995.  
9,755 general aviation aircraft in Alaska; 907 based at Merrill.  
9,656 private pilots in Alaska; 4,517 reside in Anchorage.

### Economic Stimulus

23 leaseholders lease 2,678,602 square feet.  
32 fair market value rental properties.  
62 aviation related businesses operate on the airport.  
981 transient aircraft stayed a total of 4,138 days last year.  
Approximately 771,000 gallons of fuel were sold in 1995.

Net Airport Plant is \$29,828,224

## MERRILL FIELD AIRPORT WORK FORCE PROJECTIONS

<u>CATEGORY</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Airport Manager	1	1	1	1	1	1	1
Assistant Airport Manager	1	1	1	1	1	1	1
Financial Administration	1	1	1	1	1	1	1
Office Operations	3	3	3	3	3	3	3
Airport Maintenance Tech	2	2	2	2	2	2	2
Light Equipment Operator	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Subtotal	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Part-time/Temporary	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>

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Merrill Field Airport

1997  
Operating Budget

**MERRILL FIELD AIRPORT**  
**RECONCILIATION OF 1996 BUDGET TO 1996 PRO FORMA**

	<u>1996 Budget</u>	<u>1996 Pro Forma</u>	<u>Variance</u>
<b>OPERATING REVENUE</b>	<b><u>1,096,000</u></b>	<b><u>1,052,000</u></b>	<b><u>(44,000)</u></b>
<b>OPERATING EXPENSE</b>			
Labor	751,000	678,000	(73,000) <sup>(a)</sup>
Supplies	72,000	68,000	(4,000) <sup>(b)</sup>
Charges To Others	(274,000)	(230,000)	44,000 <sup>(c)</sup>
Charges From Others	95,000	85,000	(10,000) <sup>(d)</sup>
Other Services	244,000	243,000	(1,000)
Other Expenses	180,000	158,000	(22,000) <sup>(e)</sup>
<b>SUBTOTAL</b>	<b><u>1,068,000</u></b>	<b><u>1,002,000</u></b>	<b><u>(66,000)</u></b>
<b>NON-OPERATING REVENUE</b>	<b><u>65,000</u></b>	<b><u>58,000</u></b>	<b><u>(7,000)</u></b>
<b>NON-OPERATING EXPENSE</b>	0	93,000	93,000
<b>NET INCOME (REGULATORY)</b>	<b><u>93,000</u></b>	<b><u>108,000</u></b>	<b><u>15,000</u></b>
<b>ADJUSTMENTS FOR GAAP</b>	(910,000)	(883,000)	27,000
<b>NET INCOME (LOSS) GAAP</b>	<b><u>(817,000)</u></b>	<b><u>(775,000)</u></b>	<b><u>42,000</u></b>

Explanation of Significant Variances (5% or more):

- a) Reduction due to a combination of snow removal and maintenance savings.
- b) Orca Street operating supplies are lower than anticipated.
- c) Receipt of FAA grants are later in the year than expected.
- d) A slight reduction in Intragovernmental charges is anticipated.
- e) Non-Contributed Depreciation is lower than expected.

**MERRILL FIELD AIRPORT**  
**RECONCILIATION OF 1996 PRO FORMA TO 1997 BUDGET**

	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>	<u>Variance</u>
<b>OPERATING REVENUE</b>	<b><u>1,052,000</u></b>	<b><u>1,083,000</u></b>	<b><u>31,000</u></b>
<b>OPERATING EXPENSE</b>			
Labor	678,000	753,000	75,000 (a)
Supplies	68,000	83,000	15,000 (b)
Charges To Others	(230,000)	(278,000)	(48,000) (c)
Charges From Others	85,000	98,000	13,000 (d)
Other Services	243,000	256,000	13,000 (e)
Other Expenses	158,000	160,000	2,000
<b>SUBTOTAL</b>	<b><u>1,002,000</u></b>	<b><u>1,072,000</u></b>	<b><u>70,000</u></b>
<b>NON-OPERATING REVENUE</b>	<b><u>58,000</u></b>	<b><u>62,000</u></b>	<b><u>4,000</u></b>
<b>NON-OPERATING EXPENSE</b>	0	0	0
<b>NET INCOME (REGULATORY)</b>	<b><u>108,000</u></b>	<b><u>73,000</u></b>	<b><u>(35,000)</u></b>
<b>ADJUSTMENTS FOR GAAP</b>	(883,000)	(895,000)	(12,000)
<b>NET INCOME (LOSS) GAAP</b>	<b><u>(775,000)</u></b>	<b><u>(822,000)</u></b>	<b><u>(47,000)</u></b>

Explanation of Significant Variances (5% or more):

- a) Savings in snow removal & maintenance costs in 1996 not anticipated for 1997.
- b) Orca Street operating expenses will increase as property is acquired.
- c) FAA grants increase dramatically.
- d) Increases in Intragovernmental charges are anticipated.
- e) Public Utility and Repair/Maintenance increases are expected.



**MERRILL FIELD AIRPORT**  
**1997 STATEMENT OF REVENUES AND EXPENSES**

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>
<b>OPERATING REVENUE</b>			
Airport Lease Fees	408,953	402,000	403,000
Airport Property Rental	311,004	320,000	334,000
Permanent Parking Fees	183,892	190,000	197,000
Transient Parking Fees	13,597	14,000	15,000
Parking Garages & Lots	22,195	24,000	26,000
MOA Aviation Fuel Fees	38,735	38,000	39,000
FAA Service Fees & Rent	18,587	19,000	22,000
SOA Aviation Fuel Fees	19,718	21,000	22,000
Medevac Taxiway Fees	15,750	18,000	19,000
Other Revenue	4,555	6,000	6,000
<b>TTL OPERATING REVENUE</b>	<b>1,036,986</b>	<b>1,052,000</b>	<b>1,083,000</b>
<b>OPERATING EXPENSE</b>			
Labor	602,825	678,000	753,000
Supplies	59,771	68,000	83,000
Charges To Others	(208,546)	(230,000)	(278,000)
Charges From Others	77,239	85,000	98,000
Other Services	200,684	243,000	256,000
Other Expenses	14,984	31,000	30,000
Depreciation (a)	126,607	127,000	130,000
<b>TTL OPERATING EXPENSE</b>	<b>873,564</b>	<b>1,002,000</b>	<b>1,072,000</b>
<b>OPERATING INCOME (LOSS)</b>	<b>163,422</b>	<b>50,000</b>	<b>11,000</b>
<b>NON-OPERATING REVENUE</b>			
Interest Income	42,929	47,000	48,000
Other Revenue	4,486	11,000	14,000
<b>TTL NON-OPER REVENUE</b>	<b>47,415</b>	<b>58,000</b>	<b>62,000</b>
<b>NON-OPERATING EXPENSE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TTL NON-OPER EXPENSE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NON-OPERATING INCOME</b>	<b>47,415</b>	<b>58,000</b>	<b>62,000</b>
<b>NET INCOME (REGULATORY)</b>	<b>210,837</b>	<b>108,000</b>	<b>73,000</b>
<b>ADJUSTMENTS FOR GAAP</b>	<b>(878,084)</b>	<b>(883,000)</b>	<b>(895,000)</b>
<b>NET INCOME (LOSS) GAAP</b>	<b>(667,247)</b>	<b>(775,000)</b>	<b>(822,000)</b>

(a) Excludes Contributed Plant

**MERRILL FIELD AIRPORT**  
**1997 STATEMENT OF SOURCES AND USES OF CASH**

	<b><u>1995</u></b> <b><u>Actual</u></b>	<b><u>1996</u></b> <b><u>Pro Forma</u></b>	<b><u>1997</u></b> <b><u>Budget</u></b>
<b>SOURCES OF CASH FUNDS:</b>			
Net Income (Loss) GAAP	(667,247)	(775,000)	(822,000)
Total Depreciation	1,004,690	1,010,000	1,025,000
Grants	154,359	1,300,000	1,690,000
Net Effect of Changes In Balance Sheet Which Affect Cash	(430,058)	0	0
<b>TOTAL SOURCES OF CASH</b>	<b>61,744</b>	<b>1,535,000</b>	<b>1,893,000</b>
<b>USES OF CASH FUNDS:</b>			
Additions to Plant	85,214	1,710,000	1,768,000
Other	0	0	0
<b>TOTAL USES OF CASH</b>	<b>85,214</b>	<b>1,710,000</b>	<b>1,768,000</b>
<b>NET INCREASE (DECREASE)</b>	<b><u>(23,470)</u></b>	<b><u>(175,000)</u></b>	<b><u>125,000</u></b>
<b>CASH BALANCE, JANUARY 1,</b>	<b>823,044</b>	<b>800,000</b>	<b>625,000</b>
<b>CASH BALANCE, DECEMBER 31,</b>	<b><u>799,574</u></b>	<b><u>625,000</u></b>	<b><u>750,000</u></b>
<b>DETAIL OF CASH BALANCE</b>			
Equity In General Cash Pool	(656,099)	(548,000)	(475,000)
Equity In Construction Cash Pool	1,455,673	1,173,000	1,225,000
<b>TOTAL CASH, DECEMBER 31,</b>	<b><u>799,574</u></b>	<b><u>625,000</u></b>	<b><u>750,000</u></b>

**MERRILL FIELD AIRPORT**  
**1997 OPERATING BUDGET DETAIL**

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>
<b>LABOR</b>			
Wages	397,852	434,000	497,000
Overtime	9,893	20,000	27,000
Benefits	195,080	224,000	229,000
<b>Subtotal</b>	<b>602,825</b>	<b>678,000</b>	<b>753,000</b>
<b>SUPPLIES</b>			
Office Supplies	4,172	5,000	6,000
Operating Supplies	27,697	35,000	47,000
Repair & Maint Supplies	27,902	28,000	30,000
<b>Subtotal</b>	<b>59,771</b>	<b>68,000</b>	<b>83,000</b>
<b>INTRAGOVERNMENTAL CHARGES</b>			
Charges To Others	(208,546)	(230,000)	(278,000)
Charges From Others	77,239	85,000	98,000
<b>Subtotal</b>	<b>(131,307)</b>	<b>(145,000)</b>	<b>(180,000)</b>
<b>OTHER SERVICES</b>			
Professional Services	35,622	43,000	43,000
Other Contractual Services	41,027	60,000	68,000
Utilities	124,035	140,000	145,000
<b>Subtotal</b>	<b>200,684</b>	<b>243,000</b>	<b>256,000</b>
<b>OTHER EXPENSES</b>			
Depreciation/Amortization	1,004,691	1,010,000	1,025,000
Other	14,984	31,000	30,000
<b>Subtotal</b>	<b>1,019,675</b>	<b>1,041,000</b>	<b>1,055,000</b>
<b>TOTAL EXPENSES</b>	<b>1,751,648</b>	<b>1,885,000</b>	<b>1,967,000</b>

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Merrill Field Airport

1997-2002  
Capital Improvement  
Budget/Program

**MERRILL FIELD AIRPORT**  
**1997-2002 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY**  
(000)

<u>PROJECT CATEGORY</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
Apron Improvements	---	---	---	---	1,200	---	1,200
Runways/Taxiways	800	2,000	2,500	1,200	---	1,000	7,500
Buildings & Equipment	340	265	240	150	---	---	995
Land Improvements	50	---	---	---	---	---	50
Land Acquisition	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>1,000</u>	---	<u>3,000</u>
<b>TOTAL CIP PROGRAM</b>	<b><u>1,690</u></b>	<b><u>2,765</u></b>	<b><u>3,240</u></b>	<b><u>1,850</u></b>	<b><u>2,200</u></b>	<b><u>1,000</u></b>	<b><u>12,745</u></b>

<u>SOURCE OF FUNDING</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
Revenue Bonds	---	---	---	---	---	---	---
General Bonds	---	---	---	---	---	---	---
Operations	265	234	203	116	138	62	1,018
State Grants	---	---	---	---	---	---	---
Federal Grants	<u>1,425</u>	<u>2,531</u>	<u>3,037</u>	<u>1,734</u>	<u>2,062</u>	<u>938</u>	<u>11,727</u>
<b>TOTAL FUNDING</b>	<b><u>1,690</u></b>	<b><u>2,765</u></b>	<b><u>3,240</u></b>	<b><u>1,850</u></b>	<b><u>2,200</u></b>	<b><u>1,000</u></b>	<b><u>12,745</u></b>