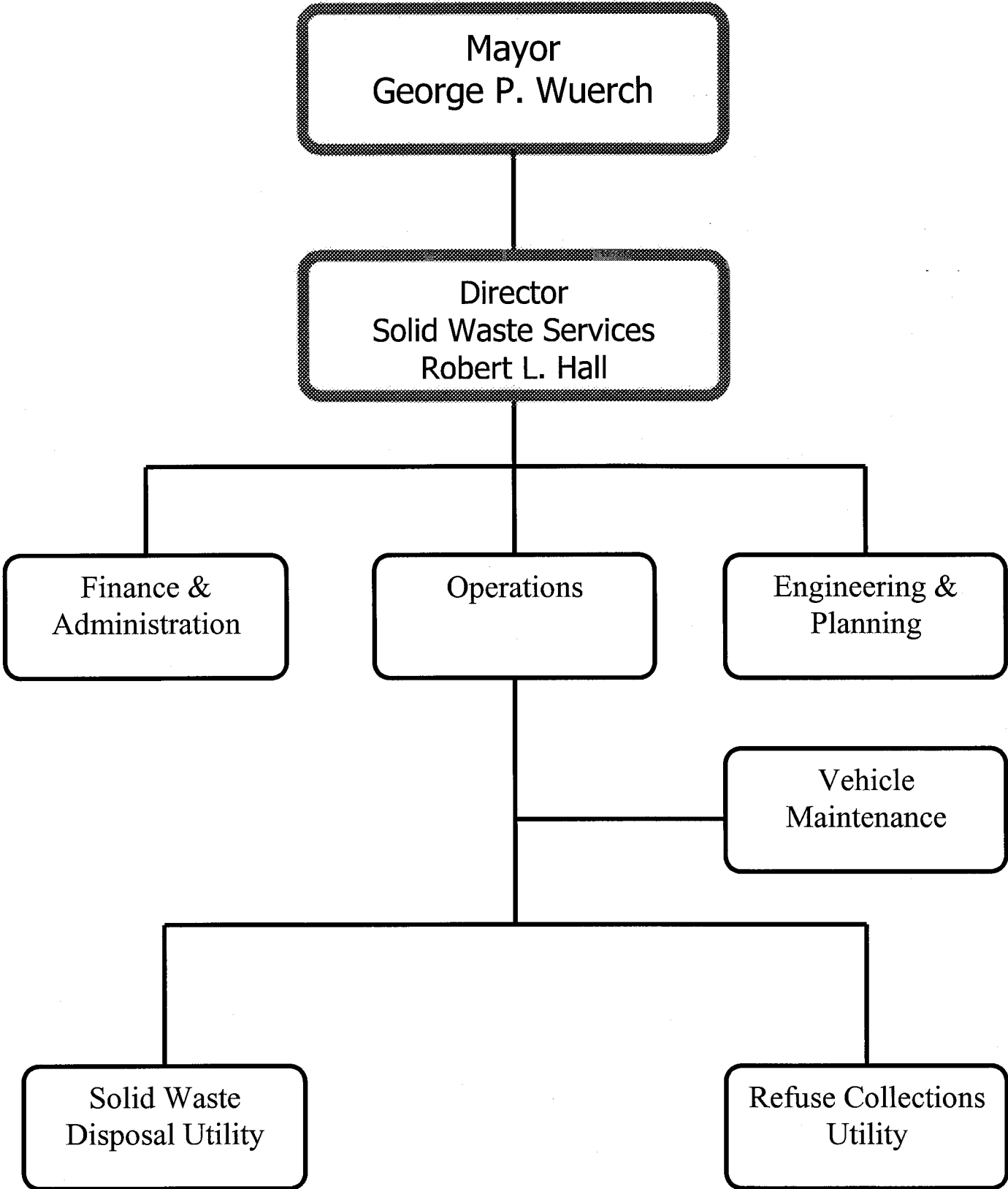


SOLID WASTE SERVICES



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 20% 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 4,770 dumpsters per week, and 12,145 can/bag pickups per week. Refuse Collections Utility operates six dumpster routes per day M-F and two routes on Saturday, six 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 Regulatory Commission of Alaska 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
- 2 rearload trucks for curbside pickup and small dumpsters
- 8 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: The Solid Waste Disposal Utility serves the entire MOA. The 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 Utility to ARL for final disposal.

The ARL has a total land area of approximately 275 acres and is being developed in phases called cells. Currently 6 out of a total of 12 base cells have been constructed. ARL is projected to have a total capacity in excess of 42.3 million cubic yards. It is estimated that ARL will reach full capacity in the year 2037. In 2001, 339,550 tons were deposited in ARL which was 9,257 tons less than in 2000.

Solid Waste Disposal Utility also operates four transfer stations. They are located at Girdwood, midtown Anchorage (Central Transfer Station-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 247,505 tons in 2000 CTS has a total capacity of 1,600 tons per day. The 2001 quantity was 5.3% greater than that in budget year 2000 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. In March 2000 a new program that allows citizens to take good, usable hazardous materials at no cost to them was successfully implemented. More than 10,225 items, totaling 3,581 gallons of waste were diverted from being disposed.

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 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 2001 the facility has collected a total of 12.52 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 Solid Waste Disposal Utility is not economically regulated by any non-municipal agencies. However, the Utility operates under numerous permits and many EPA regulations. ARL is operated under a permit issued by the Alaska Department of Environmental 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 Solid Waste 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 Utility.

ENVIRONMENTAL MANDATES: The Solid Waste 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 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 (Super Fund), 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 through the year 2037
- 43 million cubic yard capacity
- Phased construction of cells lasting four to five years each
- Currently have constructed six of the twelve base cells
- Located on municipal land
- Scalehouse and 22,000 square foot 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, 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 the only "System Excellence Award" in North America from Solid Waste Association of North America

SOLID WASTE SERVICES

2003

OPERATING AND CAPITAL BUDGET ASSUMPTIONS

Below are general and specific budget assumptions/guidelines provided to Refuse Collections and Solid Waste Disposal for preparation of the 2003 Operating and Capital Budgets.

- Refuse Collections Utility will continue to hold the Alaska Regulatory Commission Certificate for collecting in the City Service Area.
- Refuse Collections and Solid Waste Disposal Utilities will continue under Municipal ownership in 2003.
- No rate increases should be proposed in 2003 unless all possible budget reductions have been first fully considered and if one or more of the following conditions can be demonstrated:
 - Debt service coverage not adequate.
 - Projected cash reserves for working capital not adequate on a sustained basis to cover operating costs during 2002/03.
 - 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.
- The mill rates for MUSA (in lieu of taxes) will be the same as 2002 mill rates. The 1.25% MUSA applies only to the Solid Waste Disposal Utility.
- There will be no revenue distributions.
- New debt service interest on revenue bonds assumed to be 5.5%. Interest income calculated assuming a rate of 1.8%.
- The IGC's from General Government are based on the 2003 Preliminary Operating Budget.
- Anchorage's population will be approximately 261,500 in 2002 and 262,500 in 2003.
- In general, inflation (i.e., CPI – all urban consumers) is anticipated to approximate 2.0% in 2003.
- Solid Waste Services used no account specific inflation multipliers. For future years (2004-2005), Solid Waste Services assumed inflation to be 2.0% per year.

- Salaries for Nonrepresented and AMEA employees will increase by 4 percent per the AMEA Bargaining Agreement. Teamster represented employees received a 4% increase effective July 1, 2002 and will receive an addition \$150 per month employed beginning July 1, 2003. It was assumed the Operating Engineers and Machinist employee's wages will increase like the Teamster agreement. AMEA Benefit costs are \$10,030 per year and the for the former AJCC employees \$10,160.

SOLID WASTE SERVICES

Highlights and Future Events

REFUSE COLLECTIONS UTILITY

The Refuse Collections Utility historically has been a very stable utility with respect to its customer base, operating expense and revenues. For example operating expense in 1990 was \$5,277,600 in 1990 and \$5,435,313 in 2001. Total Revenues ranged between \$5,395,138 and \$5,938,846 for the same time period. Pro-forma 2002 and Budget 2003, however, are presenting a slightly different picture. The Pro-forma 2002 expenses increase to \$5,754,530 and the 2003 budget to \$5,949,690. The increases occur primarily in the salaries and benefits and charges from other organizations. At the same time non-operating revenues are on the decline. Total revenues for 2002 are projected to be \$5,548,480 in 2002 and \$5,597,680 in 2003. Interest earnings have decreased about \$210,000 in the last year. There is a need in the near future for a rate revision, but at the present time SWS recommends waiting until the second half of 2003 before implementing a modest (\$2.00 per month residential and \$3.00 per month commercial) increase. The last rate change occurred in 1990.

In 2002 and 2003, the utility will continue to make available to commercial customers, the use of larger sized dumpsters, a program initiated in mid-2000.

The variable (volume based) rate analysis for the residential customers as recommended in the Waste Reduction and Recycling Management Plan will be initiated yet in 2002 and continue on into 2003.

The Refuse Collections Utility capital budget will remain stable only replacing vehicles and containers as needed.

SOLID WASTE DISPOSAL UTILITY

In 2001 the amount of solid waste (339,550 tons) handled by the Solid Waste Disposal Utility, a 9,257 ton decrease from 2000. The decrease is primarily attributable to waste originating from construction and demolition activities on Fort Richardson, for which the utility receives no revenue. Solid Waste Services believes the total annual waste quantity will remain at around 345,000 tons for a number of years.

Overall the Solid Waste Disposal Utility's 2003 operating budgeted expense is projected to decrease by \$747,400 from the 2002 budget. The 2002 budget included expenses associated the Girdwood Dump cleanup project. Revenues for the Utility will remain fairly uniform in spite of a \$650,000 reduction in interest earnings since 2001. This is because operating revenues are increasing.

Two new positions and the change of a part-time to full time position have been included in the 2003 budget. Some modest inflationary increases in certain expense

accounts have occurred. Included in the 2003 operating budget is \$75,000 to initiate the receipt and safe processing of Cathode ray screens.

Funding for the recycle grants program and increased materials recovery at the Anchorage Regional Landfill and Central Transfer Station is again included in the 2003 Operating budget.

The Solid Waste Disposal Capital budget for 2003 includes funding primarily for replacement vehicles and equipment, which continues throughout the five projection years. The 2003 Capital budget includes funds to begin the planning necessary for designing a Landfill Closure Plan with construction anticipated to begin in 2004. It is anticipated an active gas extraction system will be required by regulation in 2003 and funds for it have been budgeted in the 2004 and 2005 period. Beginning in 2003, the utility will design the next cell (#7) for Anchorage Regional Landfill and construct in 2005. The funding source for these projects is expected to be existing Landfill Closure Funds being expensed annually and the Alaska Clean Water Loan funds, which have a low interest rate, compared to other funding sources.

Budget Impacts

SOLID WASTE SERVICES – REFUSE COLLECTIONS

Overall the Refuse Collections 2003 operating budget is projected to increase \$216,570 or 3.79% compared to the 2002 approved budget. No single account changes significantly. Total revenues have decreased \$261,020, due solely to the current low interest rates.

SOLID WASTE SERVICES – DISPOSAL UTILITY

Overall the Solid Waste Disposal 2003 operating budget is projected to decrease \$787,400 compared to the 2002 amended budget. This is due to the Girdwood Dump Project managed by SWS for the Anchorage School District in 2002. The Utilities total revenues are remaining fairly stable even though interest earnings are down significantly.

SOLID WASTE SERVICES - REFUSE COLLECTIONS

REFUSE COLLECTIONS		Actual 1998	Actual 1999	Actual 2000	Actual 2001	Profoma 2002	Forecast 2003	Forecast 2004	Forecast 2005	Forecast 2006	Forecast 2007	Forecast 2008
Financial Overview												
Revenues		5,795	5,762	5,915	5,939	5,773	5,998	6,053	6,134	6,230	6,329	6,432
Expenses		5,382	5,303	5,268	5,429	5,730	5,885	5,931	5,989	6,053	6,123	6,216
Net Income (Regulatory)		413	459	647	510	44	114	122	145	177	206	216
Workforce Authorized per Budget (FT)*		20	20	20	20	20	20	20	20	20	20	20
Capital Improvement Program		562	366	704	449	437	301	637	456	463	491	476
Bond Sales		0	0	0	0	0	0	0	0	0	0	0
Net Plant (12/31)		2,994	2,963	3,102	3,028	2,941	2,717	2,825	2,753	2,689	2,650	2,572
Utility Revenue Distribution		0	0	0	6	0	0	0	0	0	0	0
Retained Earnings (12/31)		7,040	7,502	8,149	8,660	8,700	8,810	8,930	9,070	9,250	9,460	9,680
General Cash Pool		4,893	5,101	5,474	5,779	5,820	5,836	5,320	5,886	6,127	6,372	6,666
Construction Cash Pool		333	440	193	414	200	200	400	400	400	400	400
Bond Redemption Cash		351	351	350	349	349	349	349	0	0	0	0
Total Cash (12/31)		5,577	5,891	6,017	6,543	6,369	6,385	6,069	6,286	6,527	6,772	7,066
IGC's - General Government		127	177	218	240	238	286	292	298	304	310	316
MUSA - 1.25%		0	0	0	0	0	0	0	0	0	0	0
MUSA - Regular		54	54	53	56	52	59	56	58	56	55	55
Total Outstanding Debt		1,790	1,525	1,245	955	650	330	0	0	0	0	0
Total Annual Debt Service		357	354	355	351	351	348	339	0	0	0	0
Debt Service Coverage		2.75	3.03	3.57	3.27	1.90	2.08	2.11	N.A.	N.A.	N.A.	N.A.
Debt/Equity Ratio		20/80	17/83	13/87	10/90	7/93	4/96	0/100	0/100	0/100	0/100	0/100
Rate Change Percent**							13.3					
Residential Cost (\$15.00/Mo)**							17.00					
Commercial (3Yd-1x/WK) (\$50.50/Mo)**							53.50					
Statistical/Performance Trends												
Waste Collected (Tons)		45,382	44,287	44,668	44,503	44,810	45,000	45,000	45,000	45,000	45,000	45,000
Average Residential Services		12,102	12,121	12,116	12,122	12,144	12,155	12,179	12,204	12,228	12,253	12,277
Average Dumpsters Services		4,743	4,789	4,776	4,718	4,768	4,811	4,835	4,859	4,884	4,908	4,932

* Excludes budgeted positions for SWS Admin (19) and Vehicle Maintenance (8)

** Last rate increase was in 1990. Residential increase 13.3%, Commercial 9.2%

SOLID WASTE SERVICES - SOLID WASTE DISPOSAL

SOLID WASTE DISPOSAL												
Financial Overview	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Proforma 2002	Budget 2003	Forecast 2004	Forecast 2005	Forecast 2006	Forecast 2007	Forecast 2008	
Revenues	14,245	14,799	15,513	15,751	17,447	15,307	15,450	15,479	15,591	15,645	15,800	
Expenses	11,395	11,160	12,417	12,039	14,410	13,623	13,794	14,107	14,567	14,664	14,781	
Net Income (Regulatory)	2,850	3,639	3,096	3,712	3,037	1,684	1,656	1,372	1,024	982	1,019	
Workforce Authorized per Budget (FT)*	32	32	32	32	33	36	36	36	36	36	36	
Capital Improvement Program	5,162	5,564	1,599	866	1,964	2,038	6,702	9,290	5,020	1,618	1,201	
Bond Sales/ New Debt	0	7,425	905	0	620	0	530	7,682	0	0	0	
Net Plant (12/31)	39,886	38,673	46,689	48,158	47,635	47,063	51,005	57,308	59,020	57,441	55,538	
Utility Revenue Distribution	200	0	0	6	0	0	0	0	0	0	0	
Retained Earnings (12/31)	14,470	18,430	21,526	25,232	28,269	29,953	31,609	32,981	34,004	34,986	36,005	
General Cash Pool	4,377	5,356	7,491	9,022	10,249	10,054	4,793	3,883	(330)	1,000	2,672	
Future Landfill Closure Cash Reserve	6,562	7,292	8,038	8,749	9,487	10,222	10,962	11,708	12,459	13,216	13,979	
Construction Cash Pool	(1,039)	2,952	3,384	3,674	300	300	300	300	300	300	300	
Bond Redemption Cash	371	371	370	369	369	369	369	369	369	369	369	
Total Cash (12/31)	10,271	15,971	19,283	21,831	20,405	20,946	16,425	16,261	12,799	14,886	17,321	
IGC's - General Government	180	281	373	415	444	567	579	590	602	614	626	
MUSA - 1.25%	164	160	166	172	176	182	182	183	185	186	188	
MUSA - Regular	526	515	489	587	558	585	631	753	912	1,017	1,080	
Total Outstanding Debt	28,273	33,274	31,638	28,622	25,352	22,612	19,607	23,629	20,104	18,874	17,624	
Total Annual Debt Service	3,904	3,879	3,877	4,485	4,283	4,295	4,293	4,274	3,952	1,549	1,528	
Revenue Bond Coverage	5.76	6.49	6.34	4.37	4.51	3.81	3.86	3.81	3.81	3.78	3.81	
Debt/Equity Ratio	59/41	59/41	54/46	49/51	43/57	39/61	35/65	39/61	34/66	32/68	30/70	
Rate Change Percent												
User Rate/Ton (\$45.00/Ton)**												
Pickup Rate (\$10.00/Load)***												
Car Rate (\$5.00/Load)**												
Statistical/Performance Trends												
Tons Disposed	303,618	341,017	348,807	339,550	344,907	343,325	345,900	348,490	351,100	353,730	356,380	
Vehicle Count	211,280	236,817	242,227	237,831	241,700	240,592	242,397	244,212	246,041	247,884	249,741	

* Excludes budgeted positions for SWS Admin (19) and Vehicle Maintenance (8)

** Last rate increase was in 1989

*** Rate was increased from \$5 to \$10 as an equity adjustment in 1993.

SOLID WASTE SERVICES WORK FORCE PROJECTIONS

<u>BUDGET UNIT</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
ADMINISTRATION:							
Regular Fulltime	18	19	19	19	19	19	19
REFUSE COLLECTIONS:							
Regular Fulltime	20	20	20	20	20	20	20
Regular Parttime	0	0	0	0	0	0	0
Temporary	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Budgeted Positions Subtotal	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
SOLID WASTE DISPOSAL							
Regular Fulltime	34	37	37	37	37	37	37
Regular Parttime	4	3	3	3	3	3	3
Temporary	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Budgeted Positions Subtotal	<u>45</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>
VEHICLE MAINTENANCE							
Regular Fulltime	8	8	8	8	8	8	8
TOTAL SOLID WASTE SERVICES							
Regular Fulltime	80	84	84	84	84	84	84
Regular Parttime	4	3	3	3	3	3	3
Temporary	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
TOTAL	<u>93</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>
EXECUTIVE							
	1	1	1	1	1	1	1
NON-REPRESENTED							
	7	8	8	8	8	8	8
AMEA							
	19	19	19	19	19	19	19
OPERATING ENGINEERS							
	41	43	43	43	43	43	43
MACHINIST							
	4	4	4	4	4	4	4
TEAMSTERS							
	21	21	21	21	21	21	21
TOTAL	<u>93</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>

REFUSE COLLECTIONS UTILITY STATEMENT OF REVENUE AND EXPENSES

	2001 <u>ACTUAL</u>	2002 <u>PROFORMA</u>	2003 <u>BUDGET</u>
OPERATING REVENUE			
Commercial Collections	3,089,017	3,126,270	3,175,065
Residential Collections	2,222,526	2,226,580	2,371,180
Other Collections	35,286	35,000	35,000
Container Rental Fees	242,017	242,260	242,840
TOTAL OPERATING REVENUE	<u>5,588,845</u>	<u>5,630,110</u>	<u>5,824,085</u>
OPERATING EXPENSE			
Labor	1,213,373	1,347,940	1,413,600
Supplies	31,143	35,000	39,500
Contracted Services	90,254	164,530	152,130
Utilities	46,084	46,000	46,000
Other Expenses	97,421	122,810	124,050
Depreciation	523,051	523,760	523,840
MUSA	55,844	51,930	59,420
SWS Disposal Fees	2,002,630	2,016,450	2,025,000
IGC'S	1,310,476	1,375,500	1,473,250
TOTAL OPERATING EXPENSE	<u>5,370,275</u>	<u>5,683,920</u>	<u>5,856,790</u>
OPERATING INCOME	218,569	(53,810)	(32,705)
NON-OPERATING REVENUE			
Sale of Assets	5,072	4,760	0
Interest Income	325,270	116,010	151,460
Other Revenue	19,660	22,500	22,730
TOTAL NON-OPERATING REVENUE	<u>350,001</u>	<u>143,270</u>	<u>174,190</u>
NON-OPERATING EXPENSE			
Interest on Long-term Debt	59,037	45,610	27,800
TOTAL NON-OPERATING EXPENSE	<u>59,037</u>	<u>45,610</u>	<u>27,800</u>
NET INCOME (REGULATORY)	509,534	43,850	113,685
ADJUSTMENTS FOR GAAP	0	0	0
NET INCOME GAAP	<u><u>509,534</u></u>	<u><u>43,850</u></u>	<u><u>113,685</u></u>

REFUSE COLLECTIONS UTILITY STATEMENT OF SOURCES AND USES OF CASH

	2001 <u>ACTUAL</u>	2002 <u>PROFORMA</u>	2003 <u>BUDGET</u>
SOURCES OF CASH FUNDS:			
Net Income GAAP	503,534	43,850	113,690
Depreciation	523,051	523,760	523,840
Grants	0	0	0
Bonds	0	0	0
Other	243,341	0	0
TOTAL SOURCES OF CASH FUNDS	<u>1,269,925</u>	<u>567,610</u>	<u>637,530</u>
USES OF CASH FUNDS:			
Additions to Plant	448,584	436,730	300,640
Bond Principal Payment	290,000	305,000	320,000
Other	6,000	0	0
TOTAL USES OF CASH FUNDS	<u>744,584</u>	<u>741,730</u>	<u>620,640</u>
NET INCREASE (DECREASE) IN CASH FUNDS	525,341	(174,120)	16,890
CASH BALANCE JANUARY 1,	6,017,163	6,542,500	6,368,380
CASH BALANCE DECEMBER 31,	<u>6,542,504</u>	<u>6,368,380</u>	<u>6,385,270</u>
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	5,778,557	5,819,500	5,835,810
Equity In Construction Cash Pool	414,486	200,000	200,000
Bond Redemption Cash	349,461	349,460	349,460
TOTAL CASH DECEMBER 31,	<u>6,542,504</u>	<u>6,368,960</u>	<u>6,385,270</u>

REFUSE COLLECTIONS UTILITY 2003 OPERATING BUDGET DETAIL

	2001 ACTUAL	2002 PROFORMA	2003 BUDGET
Labor			
Wages	809,936	896,140	908,430
Overtime	56,729	59,160	50,110
Benefits	346,708	392,640	455,060
Other	0	0	0
Subtotal	<u>1,213,373</u>	<u>1,347,940</u>	<u>1,413,600</u>
Supplies			
Office supplies	1,416	3,000	3,000
Operating Supplies	27,700	27,000	29,000
Repair and Maintenance Supplies	2,027	5,000	7,500
Subtotal	<u>31,143</u>	<u>35,000</u>	<u>39,500</u>
Other Expenses			
Professional Services	19,325	46,960	30,000
Contractual Services	70,929	117,570	122,130
Utilities	46,084	46,000	46,000
Other Expenses	97,421	122,810	124,050
Depreciation	523,051	523,760	523,840
MUSA	55,844	51,930	59,420
SWS Disposal Charges	2,002,630	2,016,450	2,025,000
Subtotal	<u>2,815,283</u>	<u>2,925,480</u>	<u>2,930,440</u>
Intergovernmental Charges			
Solid Waste Administration	614,624	659,660	687,540
Solid Waste Vehicle Maintenance	442,757	465,000	486,600
Solid Waste Disposal	38,100	38,100	38,100
General Government IGC's	239,994	237,740	286,010
Charges to Others	(25,000)	(25,000)	(25,000)
Subtotal	<u>1,310,476</u>	<u>1,375,500</u>	<u>1,473,250</u>
Interest on Long-term Debt	59,037	45,610	27,800
TOTAL EXPENSES	<u><u>5,429,313</u></u>	<u><u>5,729,530</u></u>	<u><u>5,884,590</u></u>

**REFUSE COLLECTIONS UTILITY
2003-2008 CAPITAL IMPROVEMENT BUDGETS
FINANCIAL SUMMARY (000)**

PROJECT CATEGORY	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>TOTAL</u>
VEHICLE REPLACEMENT	186	522	341	348	376	361	2,134
CONTAINERS	100	100	100	100	100	100	600
EQUIPMENT	0	0	0	0	0	0	0
OFFICE EQUIPMENT	5	5	5	5	5	5	30
DATA PROCESSING	10	10	10	10	10	10	60
BUILDING IMPROVEMENTS	0	0	0	0	0	0	0
TOTAL	<u>301</u>	<u>637</u>	<u>456</u>	<u>463</u>	<u>491</u>	<u>476</u>	<u>2,824</u>

SOURCE OF FUNDING	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>TOTAL</u>	<u>TOTAL</u>
G.O. BONDS							
REVENUE BONDS							
LOAN							
EQUITY/OPERATIONS	301	637	456	463	491	476	2,824
STATE GRANT							
FEDERAL GRANT							
DIRECT APPROPRIATION							
TOTAL	<u>301</u>	<u>637</u>	<u>456</u>	<u>463</u>	<u>491</u>	<u>476</u>	<u>2,824</u>

SOLID WASTE DISPOSAL UTILITY STATEMENT OF REVENUE AND EXPENSES

	2001 <u>ACTUAL</u>	2002 <u>PROFORMA</u>	2003 <u>BUDGET</u>
OPERATING REVENUE			
Reimbursed Costs	205,972	2,000,000	200,000
Disposal Fees	14,074,205	14,437,920	14,420,750
Hazardous Waste Fees	131,810	150,000	150,000
TOTAL OPERATING REVENUE	<u>14,411,987</u>	<u>16,587,920</u>	<u>14,770,750</u>
OPERATING EXPENSE			
Labor	2,590,713	2,788,920	3,006,440
Supplies	58,421	66,350	71,500
Contracted Services	1,400,837	3,098,730	1,836,460
Utilities	356,991	360,000	370,000
Other Expenses	146,009	327,080	396,120
Depreciation (1)	2,170,511	2,353,220	2,610,140
MUSA	759,584	734,230	767,110
Landfill Closure Cost	726,636	738,100	734,720
IGC'S	2,252,712	2,565,410	2,765,390
TOTAL OPERATING EXPENSE	<u>10,462,415</u>	<u>13,032,040</u>	<u>12,557,880</u>
OPERATING INCOME (LOSS)	3,949,572	3,555,880	2,212,870
NON-OPERATING REVENUE			
Sale of Assets	33,474	170,760	90,000
Interest Income	938,582	385,860	367,240
Other Revenue	173,825	167,700	79,000
TOTAL NON-OPERATING REVENUE	<u>1,145,881</u>	<u>724,320</u>	<u>536,240</u>
NON-OPERATING EXPENSE			
Interest on Long-term Debt	1,383,160	1,243,680	1,065,080
TOTAL NON-OPERATING EXPENSE	<u>1,383,160</u>	<u>1,243,680</u>	<u>1,065,080</u>
NET INCOME (REGULATORY)	3,706,293	3,036,520	1,684,030
ADJUSTMENTS FOR GAAP	(193,202)	(134,640)	0
NET INCOME (LOSS) GAAP	<u><u>3,513,091</u></u>	<u><u>2,901,880</u></u>	<u><u>1,684,030</u></u>

(1) Excludes Amortization of Contributed Plant

SOLID WASTE DISPOSAL UTILITY STATEMENT OF SOURCES AND USES OF CASH

	<u>2001</u> <u>ACTUAL</u>	<u>2002</u> <u>PROFORMA</u>	<u>2003</u> <u>BUDGET</u>
SOURCES OF CASH FUNDS:			
Net Income (Loss) GAAP	3,513,091	2,901,880	1,684,030
Depreciation (Includes Contributed Plant)	2,363,714	2,487,860	2,610,140
Future Landfill Closure Costs	726,636	738,100	734,720
Grants	134,447	88,700	0
New Debt	0	620,000	0
Other	0	0	0
TOTAL SOURCES OF CASH FUNDS	6,737,888	6,836,540	5,028,890
USES OF CASH FUNDS:			
Additions to Plant (CWIP)	866,248	1,964,420	2,038,260
Bond Principal Payment	2,195,000	2,325,000	2,450,000
Loan Principal Payment	875,673	875,670	910,120
Other Uses of Cash	247,221	0	0
Utility Revenue Distribution	6,000	0	0
TOTAL USES OF CASH FUNDS	4,190,142	5,165,090	5,398,380
NET INCREASE (DECREASE) IN CASH FUNDS	2,547,746	1,671,450	(369,490)
CASH BALANCE JANUARY 1,	19,283,156	21,830,900	23,502,350
CASH BALANCE DECEMBER 31,	21,830,901	23,502,350	23,132,860
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	9,022,110	11,529,611	10,425,401
Future Landfill Closure Cash Reserve	8,765,209	9,503,309	10,238,029
Equity In Construction Cash Pool	3,674,152	300,000	300,000
Bond Redemption Cash	369,430	369,430	369,430
TOTAL CASH DECEMBER 31,	21,830,901	21,702,350	21,332,860

SOLID WASTE DISPOSAL UTILITY 2003 OPERATING BUDGET DETAIL

	<u>2001</u> <u>ACTUAL</u>	<u>2002</u> <u>PROFORMA</u>	<u>2003</u> <u>BUDGET</u>
Labor			
Wages	1,604,645	1,733,950	1,802,580
Overtime	233,447	214,260	223,140
Benefits	745,315	832,710	972,720
Other	7,307	8,000	8,000
Subtotal	2,590,713	2,788,920	3,006,440
Supplies			
Office Supplies	1,045	2,000	2,000
Operating Supplies	37,536	40,000	40,000
Fuel(Kerosene)	814	350	500
Repair and Maintenance Supplies	19,027	24,000	29,000
Subtotal	58,421	66,350	71,500
Other Expenses			
Professional Services	121,695	548,250	259,500
Utilities	356,991	360,000	370,000
Contractual Services	1,279,142	2,550,480	1,576,960
Other	146,009	327,080	396,120
Depreciation	2,363,714	2,487,860	2,610,140
MUSA, Gross Receipts Tax	759,584	734,230	767,110
Landfill Closure Costs	726,636	738,100	734,720
Subtotal	5,753,770	7,746,000	6,714,550
Interest on Long-term Debt	1,383,160	1,243,680	1,065,080
Intergovernmental Charges			
Solid Waste Administration	796,038	989,490	1,001,320
Solid Waste Vehicle Maintenance	1,244,620	1,395,000	1,459,810
Other IGC's	414,579	444,020	567,360
Charges to Others	(202,525)	(263,100)	(263,100)
Subtotal	2,252,713	2,565,410	2,765,390
Total Expenses	12,038,777	14,410,360	13,622,960

**SOLID WASTE DISPOSAL UTILITY
2003-2008 CAPITAL IMPROVEMENT BUDGETS
FINANCIAL SUMMARY (000)**

PROJECT CATEGORY	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>TOTAL</u>
EQUIPMENT	1,543	1,537	1,593	1,375	1,603	1,186	8,837
ARL IMPROVEMENTS	480	5,150	7,682	3,630	0	0	16,942
OFFICE /DP EQUIPMENT	15	15	15	15	15	15	90
TOTAL	<u>2,038</u>	<u>6,702</u>	<u>9,290</u>	<u>5,020</u>	<u>1,618</u>	<u>1,201</u>	<u>25,869</u>

SOURCE OF FUNDING	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>TOTAL</u>
G.O. BONDS							
REVENUE BONDS							
LOAN	0	530	7,682	0	0	0	8,212
EQUITY/OPERATIONS	2,038	6,172	1,608	5,020	1,618	1,201	17,657
STATE GRANT							0
FEDERAL GRANT							
DIRECT APPROPRIATION							
TOTAL	<u>2,038</u>	<u>6,702</u>	<u>9,290</u>	<u>5,020</u>	<u>1,618</u>	<u>1,201</u>	<u>25,869</u>

Refuse Collections Utility

Our Mission: Refuse Collections Utility (RCU) will provide residential and commercial waste collection that results in a clean and safe community

Core Services

- Residential and commercial waste collection in city service area. Service litter containers in the Central Business District

Direct Services

Direct Services Provided by Divisions

Focus Areas

- Rates for can/bag and container services will not exceed rates charged by other refuse collectors
- Provide economical refuse collection service that will not adversely affect the utilities fiscal strength or impact rates
- Provide quality service to the ratepayer such that the customer complaints are resolved without being elevated to higher levels
- Analyze a variable can rate and a curb side recycling collection system and compare to existing system by Dec 2002

We will measure our success by:

- Refuse Collections Utility rates charged compared to our largest private competitor - Monthly can/bag rate:

	2000	2001	2002
Municipal Refuse Collections	\$15.00	\$15.00	\$15.00
Waste Management Rate (private)	NA	\$15.07	\$15.07

- Percent of scheduled refuse collections completed without overtime

2001	Q1-2002	Q2-2002	Q3-2002	Q4-2002
99.9%				

- Monthly container (3 cubic yard container-1/week) rate:

	2000	2001	2002
Municipal Refuse Collections	\$50.50	\$50.50	\$50.50

- Net Cost per ton of collected waste:

2000	2001	Q1-2002	Q2-2002	Q3-2002	Q4-2002
\$118	\$122	\$121	\$117.55		

- Net Income

2000	2001	2002-Budgeted
\$646,508	\$503,534	\$171,800

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Solid Waste Disposal Utility

Our Mission: Solid Waste Disposal Utility (SWDU) will provide for the proper disposal of solid and unregulated hazardous waste that provides for a safe community and protects the environment

Core Services

- Solid waste and unregulated hazardous waste disposal

Direct Services

Direct Services Provided by Divisions

Focus Areas

- SWDU will daily process all solid wastes received at a rate of no more than \$45/ton
- SWDU will operate its facilities in a manner that results in no violations of Federal, State or Local regulations
- SWDU will ensure the Anchorage Regional Landfill never falls below 2.2 million cubic yards of usable airspace by securing funding, designing and constructing Cell 7 by fall of 2004 within budget
- SWDU will solicit and award grants for waste reduction and recycling

We will measure our success by:

- Percent of time all solid waste received is transferred, compacted and covered with soil by the end of each operating day, while obtaining a density of not less than 950 pounds per cubic yard

	2001	2002	2003	2004	2005
% of Time	100%	100%			
Density	950	NA			

- Solid waste disposal operating cost per ton, with a goal of remaining under \$45.00 per ton

2000	2001	Q1-2002	Q2-2002	Q3-2002	Q4-2002
\$35.60	\$35.47	\$34.55	\$29.83		

Note: Seasonal increases in incoming waste tonnages account for cost per ton variations between quarters.

- Consecutive operating days without receiving any Federal, State or Local violations

2000	2001	2002-June, YTD
365	365	180

- Remaining active life of developed area based on present intake rate, must maintain a minimum of 3 years for emergency contingency and future cell planning and development

	2000	2001	2002
Years	9.2	8.2	

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