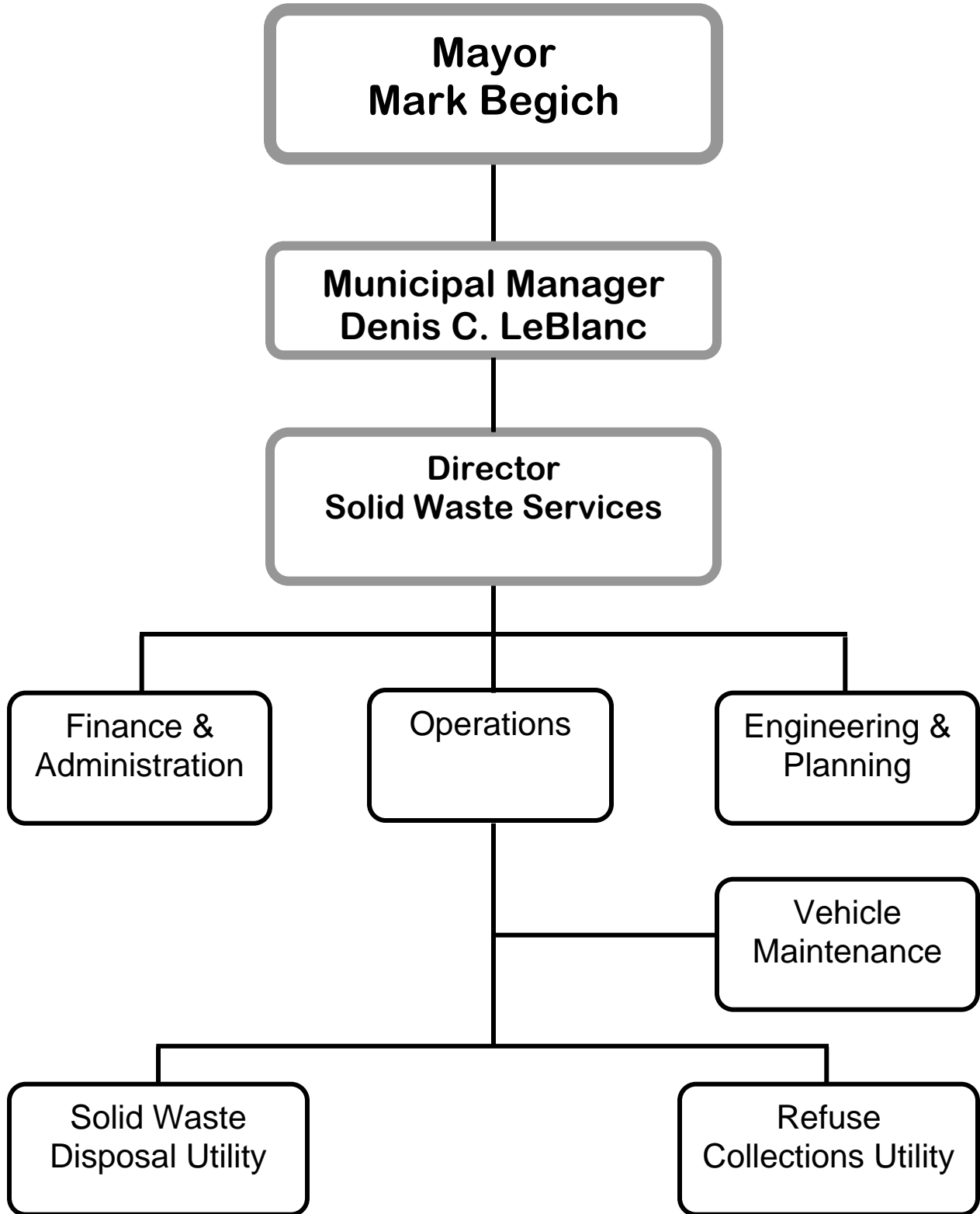


Solid Waste Services

Organization Chart

2008-2009



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, Solid Waste Disposal, Vehicle Maintenance and Administration. The Vehicle Maintenance and Administration are support organizations that fully charge all costs back to Refuse Collections and Disposal Utilities.

The profile for both Refuse Collections and Solid Waste Disposal is 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 provides service to 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: 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 (small) dumpsters. Sideload vehicles service residential can/bag only. Refuse Collections Utility services approximately 4,455 dumpsters, and 11,826 can/bag pickups per week. Refuse Collections 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
- 1 rearload trucks for mixed paper recycling
- 4 sideload trucks for curbside pickup only
- 4 residential frontload trucks for curbside pickup

Refuse Collections warm storage building, a 27,000 square foot building that contains vehicle maintenance, storage space and administrative offices in the combined Solid Waste Services.

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 three 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 7 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 2043. In 2006, 356,387 tons were deposited in ARL which was 11,795 tons less than in 2005.

Solid Waste Disposal Utility also operates three transfer stations. They are located at Girdwood, midtown Anchorage (Central Transfer Station-CTS), 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 244,636 tons in 2006. CTS has a total capacity of 1,600 tons per day. The 2006 quantity was 3.2% less than that in budget year 2005. The Solid Waste Disposal Utility operates a fleet of 20 tractor and trailer units that transport the solid waste from the transfer stations to the landfill. 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. In 2006, more than 14,636 items, totaling 4,186 gallons of waste were diverted from the landfill. In 2003, a program was added to recycle E-waste from commercial customers. 394 monitors and various electronic items totaling 45,705 pounds were collected in 2006.

The Hazardous Waste facility at ARL is a 6,000 square foot collection facility built in 1989. The facility 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 2006 the facility has collected a total of 17.8 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 pretreatment of 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 2043
- 43 million cubic yard capacity
- Phased construction of cells based on Airspace Consumption Rate
- 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

Three transfer stations provide intermediate disposal, easy access for public

- Girdwood, Central, 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

Budget Impacts

SOLID WASTE SERVICES – REFUSE COLLECTIONS

Overall the Refuse Collections 2008 operating budget is projected to increase \$290,158 or 3.9% compared to the 2007 revised budget. This is mainly the combination of increased labor and material costs. Total revenues have increased \$1,479,478 compared to the 2007 revised budget. This is due to the higher interest earnings on investments and anticipated rate increase.

SOLID WASTE SERVICES – DISPOSAL UTILITY

Overall the Solid Waste Disposal 2008 operating budget is projected to increase \$1,008,328 compared to the 2007 revised budget. The repair and maintenance of Central Transfer Station and Landfill facilities will continue into 2008. In addition, Merrill Field Landfill will require repair and improvement of gas collection system. Total revenues projected, beginning in 2008, are based on an anticipated \$10/ton rate increase (from \$45/ton to \$55.00/ton) for waste disposal and \$5/load increase (from \$10/load to \$15/load) for pickup trucks effective January 2008.

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. Even with the implementation of the more efficient one person residential collection trucks, the years of cumulative price increase in operating materials have required the Utility to secure working capital for operations and capital projects and may result in a loss of net income in 2007. The Utility anticipates a residential and commercial collection rate increase effective January 1, 2008. Total revenues are projected to be \$7,049,910 in 2007 and \$8,327,470 in 2008. Non-operating revenues are increasing due to the higher interest rate than last year. In 2008 a comprehensive cost of service study will examine the rate structure to insure that the rates are equitable and that the cost causer is the cost payer. In addition, the cost of service study will set rates for new services such as recycling.

In 2007 and 2008, the utility will continue to make available to commercial customers, the use of larger sized dumpsters, a program initiated in mid-2000.

The Refuse Collections Utility capital budget includes minor upgrades to the administration building, purchase of automated residential collection vehicles and equipment, which is necessary for continued efficiency increases.

SOLID WASTE DISPOSAL UTILITY

In 2006, the Solid Waste Disposal Utility processed 356,387 tons of waste. This was 11,795 tons less than 2005. Solid Waste Services believes the total annual waste quantity will remain at/or around 350,000 tons for a number of years.

Even with projected expenses to be substantially less than the 2007 budget, the Solid Waste Disposal Utility is projected to lose approximately \$.8 million in 2007. The 2008 operating budgeted expense is projected to increase by \$1,008,328 from the 2007 revised budget. The 2008 budget includes expenses associated with revenue distribution, facility maintenance and repair of Central Transfer Station (CTS), Anchorage Regional Landfill (ARL) and Merrill Field Landfill, plus the increased cost and amortization for PERS program. To cover future projected losses and expense increases, the Utility anticipates a disposal rate increase effective January 1, 2008. Like the Refuse Collection Utility, the Disposal Utility will also conduct a comprehensive cost of service study for the services provided and develop an equitable rate structure.

In 2008 Operating Budget includes funding for a new Recycle Manager position responsible for the implementation of SWS recycle programs and the coordination of MOA recycle activities. There is \$1.00 per Ton collected for the disposal of all commercial solid waste that is allocated for recycling programs. This funding will

remain in the SWS Disposal operating budget to support recycle programs and grants. A study is currently underway which will present various recycle program options for SWS and the Municipality. It is likely that one or more of these options will be initiated in 2008 which could have an impact on the available resources of SWS which are currently stretched to the maximum.

The Solid Waste Disposal Capital budget for 2008 includes funding for replacement vehicles and equipment, which continues throughout the six projection years. The 2008 Capital budget also includes funds necessary for designing the Landfill Sequencing Plan. The first phase of an active gas extraction system is currently under construction and will be completed in 2008. The utility will begin the Central Transfer Station Replacement and Expansion in 2008. The funding source for these projects includes funding from operations, issuance of Alaska Clean Water Loan funds, which have a low interest rate compared to other funding sources, and revenue bonds.

SOLID WASTE SERVICES WORK FORCE PROJECTIONS

<u>BUDGET UNIT</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
ADMINISTRATION:							
Regular Fulltime	22	22	22	22	22	22	22
REFUSE COLLECTIONS:							
Regular Fulltime	19	19	19	19	19	19	19
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>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
SOLID WASTE DISPOSAL							
Regular Fulltime	47	51	51	51	51	51	51
Regular Parttime	4	4	4	4	4	4	4
Temporary	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Budgeted Positions Subtotal	<u>57</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>
VEHICLE MAINTENANCE							
Regular Fulltime	8	8	8	8	8	8	8
TOTAL SOLID WASTE SERVICES							
Regular Fulltime	96	100	100	100	100	100	100
Regular Parttime	4	4	4	4	4	4	4
Temporary	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
TOTAL	<u>108</u>	<u>112</u>	<u>112</u>	<u>112</u>	<u>112</u>	<u>112</u>	<u>112</u>
EXECUTIVE	2	2	2	2	2	2	2
NON-REPRESENTED	15	16	16	16	16	16	16
AMEA	22	22	22	22	22	22	22
OPERATING ENGINEERS	49	52	52	52	52	52	52
MACHINIST	0	0	0	0	0	0	0
TEAMSTERS	20	20	20	20	20	20	20
TOTAL	<u>108</u>	<u>112</u>	<u>112</u>	<u>112</u>	<u>112</u>	<u>112</u>	<u>112</u>

SOLID WASTE SERVICES - REFUSE COLLECTIONS

REFUSE COLLECTIONS	UTILITY FORMAT - 2014 OPERATING BUDGET (\$ in Thousands)													
	Actual 2004	Actual 2005	Actual 2006	Proforma 2007	Budget 2008	Budget 2009	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014			
Financial Overview														
Revenues	6,083	6,729	7,069	7,050	8,327	8,284	8,874	8,885	9,270	9,273	9,686			
Expenses	5,904	6,238	6,632	7,157	7,785	8,159	8,527	8,716	8,915	9,054	9,219			
Net Income	179	491	437	(107)	543	124	347	169	355	218	466			
Total Authorized per Budget (FT)*	97 (20)	102 (20)	104 (19)	104 (19)	108 (19)	112 (19)	112 (19)	112 (19)	112 (19)	112 (19)	112 (19)			
Capital Improvement Program	278	443	418	419	1,787	1,319	585	445	712	319	552			
Bond Sales	0	0	0	0	0	0	0	0	0	0	0			
Net Plant (12/31)	2,293	2,375	2,464	2,495	3,855	4,629	4,591	4,403	4,478	4,174	4,088			
Utility Revenue Distribution	283	295	323	330	339	416	414	443	443	462	462			
Net Assets (12/31)	6,140	6,630	7,070	6,960	7,500	7,620	7,970	8,140	8,490	8,710	9,180			
General/Construction Cash Pool	3,607	4,198	4,898	4,190	3,034	1,968	1,939	1,852	1,688	1,746	1,835			
Bond Redemption Cash	0	0	0	0	0	0	0	0	0	0	0			
Total Cash (12/31)	3,607	4,198	4,898	4,190	3,034	1,968	1,939	1,852	1,688	1,746	1,835			
IGC's - General Government	244	272	233	299	314	330	346	364	382	401	421			
MUSA - 1.25% Gross Receipts	0	0	0	81	97	97	106	106	111	111	116			
MUSA - PILOT	40	37	36	36	50	61	60	58	59	54	53			
Total Outstanding Debt	0	0	0	0	0	0	0	0	0	0	0			
Total Annual Debt Service	335	0	0	0	0	0	0	0	0	0	0			
Debt Service Coverage	2.12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
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			
Rate Change Percent**					10%		9%		5%		5%			
Residential Cost (\$16.35/Mo)**					\$18.00		\$19.60		\$20.60		\$21.60			
Commercial (3Yd-1x/Wk) (\$64.45/Mo)**					25%		9%		5%		5%			
Statistical/Performance Trends														
Waste Collected (Tons)	44,001	43,092	41,920	41,962	42,004	42,046	42,088	42,130	42,172	42,214	42,257			
Average Residential Services	12,065	12,080	11,824	11,836	11,848	11,860	11,871	11,883	11,895	11,907	11,919			
Average Dumpsters Services	4,503	4,400	4,455	4,464	4,473	4,482	4,491	4,500	4,509	4,518	4,527			

* Excludes budgeted positions for SWS Admin (22) and Vehicle Maintenance (1)

**The rate increase Commercial 25%, Residential 10%, and Container Rental \$18/dumpster effective 1.01.08; additional 9% (Commercial and Residential) increase in 2010, 5% incr in 2012 and 2014

REFUSE COLLECTIONS UTILITY STATEMENT OF REVENUE AND EXPENSES

	<u>2006</u> <u>ACTUAL</u>	<u>2007</u> <u>PROFORMA</u>	<u>2008</u> <u>BUDGET</u>	<u>2009</u> <u>BUDGET</u>
OPERATING REVENUE				
Commercial Collections	3,795,344	3,747,140	4,486,410	1) 4,486,410
Residential Collections	2,414,332	2,362,390	2,746,700	1) 2,746,700
Other Collections	119,465	137,110	119,580	119,700
Container Rental Fees	<u>371,617</u>	<u>366,910</u>	<u>444,960</u>	1) <u>444,960</u>
TOTAL OPERATING REVENUE	6,700,758	6,613,550	7,797,650	7,797,770
OPERATING EXPENSE				
Labor	1,737,457	1,779,800	1,958,440	2,034,250
Supplies	105,121	107,500	109,140	110,820
Contracted Services	118,625	230,330	296,500	296,500
Utilities	82,837	103,040	106,750	109,530
Other Expenses (3)	345,429	439,620	454,590	532,590
Depreciation	418,419	388,500	426,220	544,950
MUSA	35,620	116,530	147,260	158,510
SWS Disposal Fees	1,887,866	1,836,930	2,276,240	2) 2,278,520
IGC'S	<u>1,900,653</u>	<u>2,154,910</u>	<u>2,009,540</u>	<u>2,093,620</u>
TOTAL OPERATING EXPENSE	6,632,027	7,157,160	7,784,680	8,159,290
OPERATING INCOME	68,732	(543,610)	12,970	(361,520)
NON-OPERATING REVENUE				
Sale of Assets	41,280	11,400	41,690	42,110
Interest Income	232,591	315,050	274,070	223,300
Other Revenue	<u>94,571</u>	<u>109,910</u>	<u>214,060</u>	<u>220,540</u>
TOTAL NON-OPERATING REVENUE	368,442	436,360	529,820	485,950
NON-OPERATING EXPENSE				
Interest on Long-term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL NON-OPERATING EXPENSE	0	0	0	0
NET INCOME (REGULATORY)	<u>437,173</u>	<u>(107,250)</u>	<u>542,790</u>	<u>124,430</u>

(1) Rate increase Commercial 25%, Residential 10%, and Container Rental \$18.00/dumpster effective 1.01.2008

(2) Includes \$10/ton rate increase for disposal

(3) Includes Revenue Distribution \$338,600 in 2008

REFUSE COLLECTIONS UTILITY STATEMENT OF SOURCES AND USES OF CASH

	2006 <u>ACTUAL</u>	2007 <u>PROFORMA</u>	2008 <u>BUDGET</u>	2009 <u>BUDGET</u>
SOURCES OF CASH FUNDS:				
Net Income GAAP	437,173	(107,250)	542,790	124,430
Depreciation	418,419	388,500	426,220	544,950
Grants	0	0	0	0
Bonds	0	0	0	0
Other	721,957	0	0	0
TOTAL SOURCES OF CASH FUNDS	<u>1,577,549</u>	<u>281,250</u>	<u>969,010</u>	<u>669,380</u>
USES OF CASH FUNDS:				
Additions to Plant	553,563	660,000	1,786,520	1,318,600
Bond Principal Payment	0	0	0	0
Other	0	0	0	0
Utility Revenue Distribution	323,260	329,550	338,600	416,370
TOTAL USES OF CASH FUNDS	<u>876,823</u>	<u>989,550</u>	<u>2,125,120</u>	<u>1,734,970</u>
NET INCREASE (DECREASE) IN CASH FUNDS	700,726	(708,300)	(1,156,110)	(1,065,590)
CASH BALANCE JANUARY 1,	4,197,673	4,898,400	4,190,100	3,033,990
CASH BALANCE DECEMBER 31,	<u>4,898,399</u>	<u>4,190,100</u>	<u>3,033,990</u>	<u>1,968,400</u>
DETAIL OF CASH BALANCE				
Equity In General Cash Pool	3,430,274	3,990,100	2,533,990	1,468,400
Equity In Construction Cash Pool	1,468,125	200,000	500,000	500,000
Bond Redemption Cash	0	0	0	0
TOTAL CASH DECEMBER 31,	<u>4,898,399</u>	<u>4,190,100</u>	<u>3,033,990</u>	<u>1,968,400</u>

REFUSE COLLECTIONS UTILITY 2008-09 OPERATING BUDGET DETAIL

	2006 <u>ACTUAL</u>	2007 <u>PROFORMA</u>	2008 <u>BUDGET</u>	2009 <u>BUDGET</u>
Labor				
Wages	965,734	937,080	985,530	1,003,970
Overtime	73,648	64,530	67,520	81,380
Benefits*	591,281	641,820	783,450	818,380
Other	106,794	136,370	121,940	130,520
Subtotal	<u>1,737,457</u>	<u>1,779,800</u>	<u>1,958,440</u>	<u>2,034,250</u>
Supplies				
Office supplies	2,298	4,140	4,180	4,220
Operating Supplies	39,200	44,770	45,220	45,670
Repair and Maintenance Supplies	63,623	58,590	59,740	60,930
Subtotal	<u>105,121</u>	<u>107,500</u>	<u>109,140</u>	<u>110,820</u>
Other Expenses				
Professional Services*	2,664	25,000	54,500	54,500
Contractual Services*	115,961	205,330	242,000	242,000
Utilities	82,837	103,040	106,750	109,530
Other Expenses*	345,429	439,620	454,590	532,590
Depreciation	418,419	388,500	426,220	544,950
MUSA	35,620	116,530	147,260	158,510
SWS Disposal Charges	1,887,866	1,836,930	2,276,240	2,278,520
Subtotal	<u>2,888,796</u>	<u>3,114,950</u>	<u>3,707,560</u>	<u>3,920,600</u>
Intergovernmental Charges				
Solid Waste Administration	1,039,911	1,234,220	1,006,330	1,056,840
Solid Waste Vehicle Maintenance	614,200	633,490	701,050	718,920
Solid Waste Disposal	38,100	38,100	38,100	38,100
General Government IGC's	233,442	299,100	314,060	329,760
Charges to Others	<u>(25,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Subtotal	<u>1,900,653</u>	<u>2,154,910</u>	<u>2,009,540</u>	<u>2,093,620</u>
Interest on Long-term Debt	0	0	0	0
TOTAL EXPENSES	<u><u>6,632,027</u></u>	<u><u>7,157,160</u></u>	<u><u>7,784,680</u></u>	<u><u>8,159,290</u></u>

**REFUSE COLLECTIONS UTILITY
2008-2014 CAPITAL IMPROVEMENT BUDGETS
FINANCIAL SUMMARY (000)**

PROJECT CATEGORY	2008	2009	2010	2011	2012	2013	2014	TOTAL
VEHICLE REPLACEMENT	894	694	250	295	597	204	437	3,370
CONTAINERS	200	200	150	100	100	100	100	950
EQUIPMENT	78	50	50	0	0	0	0	178
OFFICE EQUIPMENT	5	5	5	5	5	5	5	35
DATA PROCESSING	90	70	30	10	10	10	10	230
BUILDING IMPROVEMENTS	520	300	100	35	0	0	0	955
TOTAL	1,787	1,319	585	445	712	319	552	5,718

SOURCE OF FUNDING	2008	2009	2010	2011	2012	2013	2014	TOTAL
G.O. BONDS								
REVENUE BONDS								
LOAN								
EQUITY/OPERATIONS	1,787	1,319	585	445	712	319	552	5,718
STATE GRANT								
FEDERAL GRANT								
DIRECT APPROPRIATION								
TOTAL	1,787	1,319	585	445	712	319	552	5,718

SOLID WASTE SERVICES - SOLID WASTE DISPOSAL

SOLID WASTE DISPOSAL	UTILITY FORMAT - 2014 OPERATING BUDGET (\$ in Thousands)												
	Actual 2004	Actual 2005	Actual 2006	Proforma 2007	Budget 2008	Budget 2009	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014		
Financial Overview													
Revenues	16,205	16,250	16,004	15,766	20,299	20,217	22,225	22,627	23,271	23,564	23,703		
Expenses	13,063	14,435	15,300	16,573	19,333	20,126	20,779	22,015	22,660	22,678	22,976		
Net Income (Regulatory)	3,142	1,815	704	(807)	967	91	846	612	611	886	727		
Total Authorized per Budget (FT)*	97 (37)	102 (39)	104 (41)	104 (43)	108 (47)	112 (51)	112 (51)	112 (51)	112 (51)	112 (51)	112 (51)		
Capital Improvement Program	762	2,394	2,757	1,973	3,781	6,087	24,867	9,079	3,391	3,388	3,445		
Bond Sales/ New Debt	0	266	8,952	40	1,755	6,000	30,000	2,000	5,820	2,720	2,720		
Net Plant (12/31)	41,832	41,467	41,434	40,612	41,114	44,071	65,647	71,366	71,110	71,236	71,521		
Utility Revenue Distribution	791	780	775	798	758	1,032	1,027	1,102	1,119	1,149	1,162		
Net Assets (12/31)	34,343	36,157	36,861	35,286	36,725	37,264	38,559	39,044	39,517	40,252	40,817		
General/Construction Cash Pool	15,044	4,603	3,597	5,430	5,007	5,234	12,363	5,479	6,550	6,068	5,120		
Future Landfill Closure Cash Reserve	11,111	11,899	12,911	9,850	9,158	10,443	8,070	9,330	10,632	11,977	13,366		
Bond Redemption Cash	370	382	382	370	370	370	570	570	570	570	570		
Total Cash (12/31)	26,525	16,884	16,890	15,650	14,535	16,047	21,003	15,379	17,752	18,615	19,056		
IGC's - General Government	466	561	519	641	613	644	676	710	746	783	822		
MUSA - 1.25% Gross Receipts	189	190	185	182	174	229	228	252	252	260	262		
MUSA - PILOT	567	554	507	481	511	560	735	776	788	768	752		
Total Outstanding Debt	19,087	15,695	21,124	20,358	18,972	19,067	47,522	45,410	43,298	43,770	44,106		
Total Annual Debt Service	4,274	4,271	3,844	1,796	2,243	2,221	1,828	3,136	3,087	3,216	3,344		
Revenue Bond Coverage	4.41	3.49	2.90	1.18	2.57	2.15	3.19	3.27	3.44	3.33	3.14		
Debt/Equity Ratio	34/66	28/72	34/66	34/66	32/68	32/68	53/47	51/49	49/51	49/51	49/51		
Rate Change Percent					22%		8%		3%				
User Rate/Ton (\$45.00/Ton)**					\$55.00		\$60.00		\$62.00				
Pickup Rate (\$10.00/Load)***					\$15.00		\$20.00						
Car Rate (\$5.00/Load)**													
Statistical/Performance Trends													
Tons Disposed	367,614	368,182	356,387	354,834	358,382	361,966	365,586	369,242	372,934	376,663	380,430		
Vehicle Count	277,038	279,735	267,639	267,398	267,158	266,971	266,784	266,611	266,438	266,265	266,092		

* Excludes budgeted positions for SWS Admin (22) and Vehicle Maintenance (8)

** Last rate increase was in 1989; requesting rate increase to \$55/ton in 2008, additional \$5/ton in 2010, and \$2/ton in 2012

*** Last rate increase was in 1993; requesting increase additional \$5/pickup load in 2008 and 2010

SOLID WASTE DISPOSAL UTILITY STATEMENT OF REVENUE AND EXPENSES

	<u>2006</u> <u>ACTUAL</u>	<u>2007</u> <u>PROFORMA</u>	<u>2008</u> <u>BUDGET</u>	<u>2009</u> <u>BUDGET</u>
OPERATING REVENUE				
Reimbursed Costs	204,306	212,110	225,000	225,000
Disposal Fees	14,533,253	14,257,700	18,297,860	18,218,000 ¹⁾
Hazardous Waste Fees	171,397	147,240	157,000	157,000
Gas Sales				
Care/Closure Interest			584,080	543,090
Other	106,257	92,880	141,500	141,500
TOTAL OPERATING REVENUE	15,015,213	14,709,930	19,405,440	19,284,590
OPERATING EXPENSE				
Labor	3,970,285	3,868,630	5,380,090	5,869,460
Supplies	239,853	252,940	256,670	257,390
Contracted Services	1,679,297	2,147,500	2,578,560	2,574,660
Utilities	490,166	635,710	721,450	748,140
Other Expenses (3)	1,159,718	1,239,700	882,080	1,125,640 ²⁾
Depreciation	2,624,779	2,795,230	3,279,540	3,129,390
MUSA	692,385	662,450	685,820	788,540
Landfill Closure Cost	1,012,139	1,007,730	1,308,900	1,284,650 ⁴⁾
IGC'S	3,174,419	3,600,640	3,875,150	4,029,890
TOTAL OPERATING EXPENSE	15,043,042	16,210,530	18,968,260	19,807,760
OPERATING INCOME (LOSS)	(27,829)	(1,500,600)	437,180	(523,170)
NON-OPERATING REVENUE				
Sale of Assets	96,737	0	200,000	200,000
Interest Income	737,476	797,150	199,510	198,910 ⁵⁾
Other Revenue	154,464	259,310	494,440	533,430
TOTAL NON-OPERATING REVENUE	988,676	1,056,460	893,950	932,340
NON-OPERATING EXPENSE				
Interest on Long-term Debt	256,926	362,450	364,360	317,980
TOTAL NON-OPERATING EXPENSE	256,926	362,450	364,360	317,980
NET INCOME (REGULATORY)	703,921	(806,590)	966,770	91,190

(1) Includes \$10/ton rate increase for disposal, \$5/load rate increase for pickup trucks effective 1.01.2008

(2) Excludes Recycle Grant \$303,000 in 2008, \$302,000 in 2009

(3) Includes Revenue Distribution \$750,980 in 2008

(4) Includes Care/Closure inflation cost

(5) Excludes Closure Reserve Interest

SOLID WASTE DISPOSAL UTILITY STATEMENT OF SOURCES AND USES OF CASH

	2006 <u>ACTUAL</u>	2007 <u>PROFORMA</u>	2008 <u>BUDGET</u>	2009 <u>BUDGET</u>
SOURCES OF CASH FUNDS:				
Net Income (Loss) GAAP	703,921	(806,590)	966,770	91,190
Depreciation (Includes Contributed Plant)	2,624,779	2,795,230	3,279,540	3,129,390
Future Landfill Closure Costs	1,012,139	1,007,730	1,308,900	1,284,650
Grants	0	0	0	0
New Debt	8,951,514	39,500	1,755,000	6,000,000
Other	0	0	0	0
TOTAL SOURCES OF CASH FUNDS	13,292,353	3,035,870	7,310,210	10,505,230
USES OF CASH FUNDS:				
Additions to Plant (CWIP)	2,757,239	1,973,450	3,780,850	6,087,050
Bond Principal Payment	2,615,000	320,000	340,000	360,000
Loan Principal Payment	907,931	1,185,330	1,545,330	1,545,330
Other Uses of Cash	6,231,157	0	2,000,000	0
Utility Revenue Distribution	775,480	797,580	758,280	1,001,230
TOTAL USES OF CASH FUNDS	13,286,807	4,276,360	8,424,460	8,993,610
NET INCREASE (DECREASE) IN CASH FUNDS	5,546	(1,240,490)	(1,114,250)	1,511,620
CASH BALANCE JANUARY 1,	16,884,256	16,889,800	15,649,310	14,535,060
CASH BALANCE DECEMBER 31,	16,889,802	15,649,310	14,535,060	16,046,680
DETAIL OF CASH BALANCE				
Equity In General Cash Pool	(6,833,940)	4,829,780	4,006,630	3,733,600
Future Landfill Closure Cash Reserve	12,911,374	9,849,530	9,158,430	10,443,080
Equity In Construction Cash Pool	10,430,549	600,000	1,000,000	1,500,000
Bond Redemption Cash	381,819	370,000	370,000	370,000
TOTAL CASH DECEMBER 31,	16,889,802	15,649,310	14,535,060	16,046,680

SOLID WASTE DISPOSAL UTILITY 2008-09 OPERATING BUDGET DETAIL

	2006 <u>ACTUAL</u>	2007 <u>PROFORMA</u>	2008 <u>BUDGET</u>	2009 <u>BUDGET</u>
Labor				
Wages	2,121,471	2,210,000	2,479,970	2,736,910
Overtime	447,840	390,000	417,250	388,290
Benefits	1,124,102	1,100,190	2,145,470	2,370,140
Other	276,873	168,440	337,400	374,120
Subtotal	<u>3,970,285</u>	<u>3,868,630</u>	<u>5,380,090</u>	<u>5,869,460</u>
Supplies				
Office Supplies	733	2,680	2,680	2,680
Operating Supplies	80,111	117,390	117,390	117,390
Fuel(Kerosene)	27,441	35,160	35,860	36,580
Repair and Maintenance Supplies	131,569	97,710	100,740	100,740
Subtotal	<u>239,853</u>	<u>252,940</u>	<u>256,670</u>	<u>257,390</u>
Other Expenses				
Professional Services	196,914	349,940	405,160	404,960
Utilities	490,166	635,710	721,450	748,140
Contractual Services	1,482,382	1,797,560	2,173,400	2,169,700
Other	1,159,718	1,239,700	882,080	1,125,640
Depreciation	2,624,779	2,795,230	3,279,540	3,129,390
MUSA, Gross Receipts Tax	692,385	662,450	685,820	788,540
Landfill Closure Costs	1,012,139	1,007,730	1,308,900	1,284,650
Subtotal	<u>7,658,484</u>	<u>8,488,320</u>	<u>9,456,350</u>	<u>9,651,020</u>
Interest on Long-term Debt	256,926	362,450	364,360	317,980
Intergovernmental Charges				
Solid Waste Administration	1,247,527	1,438,120	1,489,500	1,565,260
Solid Waste Vehicle Maintenance	1,533,040	1,644,490	1,895,430	1,943,740
Other IGC's	518,601	641,130	613,320	643,990
Charges to Others	(124,749)	(123,100)	(123,100)	(123,100)
Subtotal	<u>3,174,419</u>	<u>3,600,640</u>	<u>3,875,150</u>	<u>4,029,890</u>
Total Expenses	<u>15,299,968</u>	<u>16,572,980</u>	<u>19,332,620</u>	<u>20,125,740</u>

**SOLID WASTE DISPOSAL UTILITY
2008-2014 CAPITAL IMPROVEMENT BUDGETS
FINANCIAL SUMMARY (000)**

PROJECT CATEGORY	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>TOTAL</u>
EQUIPMENT	1,446	1,597	1,972	2,034	1,546	643	700	9,937
ARL IMPROVEMENTS	5,870	7,370	7,220	6,520	5,820	2,720	2,720	38,240
CTS EXPANSION	200	3,100	19,350	2,500	0			25,150
OFFICE /DP EQUIPMENT	20	20	25	25	25	25	25	165
TOTAL	7,536	12,087	28,567	11,079	7,391	3,388	3,445	73,492

SOURCE OF FUNDING	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>TOTAL</u>
BONDS			22,870	7,020				29,890
LOAN	1,655	6,000	0	2,000	4,000	2,720	2,720	19,095
EQUITY/OPERATIONS	3,881	6,087	1,997	2,059	3,391	668	725	18,807
STATE GRANT								
FEDERAL GRANT								
OTHER	2000		3700					5,700
TOTAL	7,536	12,087	28,567	11,079	7,391	3,388	3,445	73,492