

**ANCHORAGE WATER UTILITY
2008 - 2009 OPERATING BUDGET DETAIL**

| | 2007 ACTUAL | 2008 PROFORMA | 2008 BUDGET | 2009 BUDGET |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| LABOR | | | | |
| Wages | 8,193,254 | 9,215,000 | 9,070,000 | 9,696,000 |
| Benefits | 5,552,227 | 5,309,000 | 6,080,000 | 5,243,000 |
| Subtotal | 13,745,481 | 14,524,000 | 15,150,000 | 14,939,000 |
| SUPPLIES | | | | |
| Chemicals | 432,018 | 475,000 | 400,000 | 490,000 |
| Plant, Shop, & Office Expense | 1,581,010 | 1,456,000 | 1,602,000 | 1,923,000 |
| Subtotal | 2,013,028 | 1,931,000 | 2,002,000 | 2,413,000 |
| INTRAGOVERNMENTAL CHARGES | | | | |
| Finance Dept | 725,332 | 715,000 | 1,000,000 | 654,000 |
| Information Technology Dept | 389,452 | 405,000 | 375,000 | 400,000 |
| Employee Relations Dept | 131,624 | 135,000 | 320,000 | 150,000 |
| Other | 284,400 | 295,000 | 451,000 | 380,000 |
| Subtotal | 1,530,808 | 1,550,000 | 2,146,000 | 1,584,000 |
| OTHER SERVICES | | | | |
| Contingency | - | - | 350,000 | - |
| Professional Services | 986,639 | 946,000 | 925,000 | 1,100,000 |
| Rent/Leases | 826,861 | 865,000 | 820,000 | 825,000 |
| Utilities | 2,592,459 | 2,878,000 | 2,210,000 | 3,322,000 |
| Contracted Mtnce/Repair | 1,139,286 | 1,101,000 | 747,000 | 763,000 |
| Operating Expense Transfer to CWIP | (701,086) | (700,000) | (650,000) | (650,000) |
| Subtotal | 4,844,159 | 5,090,000 | 4,402,000 | 5,360,000 |
| OTHER EXPENSES | | | | |
| Depreciation | 6,702,980 | 7,600,000 | 7,800,000 | 7,950,000 |
| MUSA | 5,259,469 | 5,770,000 | 6,200,000 | 6,050,000 |
| Interest Expense | 7,033,495 | 8,500,000 | 9,080,000 | 8,300,000 |
| Capitalized Interest | (1,211,043) | (830,000) | (790,000) | (840,000) |
| Amort Deferred Debits/Discounts | 625,229 | 600,000 | 720,000 | 600,000 |
| Special Item - NPO/OPEB Reversal | - | (1,330,000) | - | - |
| Subtotal | 18,410,130 | 20,310,000 | 23,010,000 | 22,060,000 |
| TOTAL EXPENSES | 40,543,606 | 43,405,000 | 46,710,000 | 46,356,000 |

ANCHORAGE WATER UTILITY
2009 - 2014 CAPITAL IMPROVEMENT PROGRAM
FINANCIAL SUMMARY
(In thousands of dollars)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Total |
|----------------------------------|--------|--------|--------|--------|--------|--------|---------|
| TOTAL, AWWU-FUNDED AND OTHER | 34,000 | 37,400 | 39,100 | 40,800 | 42,500 | 42,500 | 236,300 |
| LESS: FUNDED BY GRANTS AND OTHER | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| BALANCE: AWWU-FUNDED | 32,000 | 35,400 | 37,100 | 38,800 | 40,500 | 40,500 | 224,300 |
| PROJECT CATEGORY | | | | | | | |
| GENERAL PLANT | 6,563 | 17,016 | 8,538 | 10,264 | 7,665 | 7,932 | 57,978 |
| REPAIR & REHABILITATION | 2,866 | 9,829 | 13,677 | 28,121 | 31,250 | 28,351 | 114,094 |
| TRANSMISSION/DISTRIBUTION | 22,571 | 8,555 | 14,885 | 415 | 1,585 | 4,217 | 52,228 |
| IMPROVEMENT DISTRICTS | - | - | - | - | - | - | - |
| TOTAL AWWU-FUNDED | 32,000 | 35,400 | 37,100 | 38,800 | 40,500 | 40,500 | 224,300 |
| IMPR. DISTR. & GRANTS | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| TOTAL | 34,000 | 37,400 | 39,100 | 40,800 | 42,500 | 42,500 | 236,300 |
| SOURCE OF FUNDING | | | | | | | |
| DEBT | 24,000 | 19,400 | 30,100 | 32,800 | 35,000 | 36,500 | 177,800 |
| EQUITY | 8,000 | 16,000 | 7,000 | 6,000 | 5,500 | 4,000 | 46,500 |
| SUBTOTAL | 32,000 | 35,400 | 37,100 | 38,800 | 40,500 | 40,500 | 224,300 |
| IMPR. DISTR. & GRANTS | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 |
| TOTAL | 34,000 | 37,400 | 39,100 | 40,800 | 42,500 | 42,500 | 236,300 |

**ANCHORAGE WASTEWATER UTILITY
2008 - 2009 OPERATING BUDGET DETAIL**

| | 2007 ACTUAL | 2008 PROFORMA | 2008 BUDGET | 2009 BUDGET |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| LABOR | | | | |
| Wages | 7,405,479 | 8,780,000 | 8,620,000 | 9,022,000 |
| Benefits | 5,210,294 | 5,250,000 | 5,681,000 | 4,775,000 |
| Subtotal | 12,615,773 | 14,030,000 | 14,301,000 | 13,797,000 |
| SUPPLIES | | | | |
| Chemicals | 752,290 | 775,000 | 690,000 | 887,000 |
| Plant, Shop, & Office Expense | 1,448,040 | 1,513,000 | 1,550,000 | 1,580,000 |
| Subtotal | 2,200,330 | 2,288,000 | 2,240,000 | 2,467,000 |
| INTRAGOVERNMENTAL CHARGES | | | | |
| Finance Dept | 363,710 | 409,000 | 950,000 | 1,000,000 |
| Information Technology Dept | 235,118 | 250,000 | 303,000 | 330,000 |
| Employee Relations Dept | 314,148 | 361,000 | 250,000 | 275,000 |
| Other | 590,882 | 577,000 | 304,000 | 274,000 |
| Subtotal | 1,503,858 | 1,597,000 | 1,807,000 | 1,879,000 |
| OTHER SERVICES | | | | |
| Contingency | - | - | 350,000 | 0 |
| Professional Services | 1,523,624 | 1,400,000 | 1,325,000 | 1,719,000 |
| Rent/Leases | 677,244 | 700,000 | 700,000 | 720,000 |
| Utilities | 2,130,435 | 2,400,000 | 2,758,000 | 3,283,000 |
| Contracted Mtnce/Repair | 830,342 | 370,000 | 235,000 | 451,000 |
| Operating Expense Transfer to CWIP | (1,070,968) | (850,000) | (650,000) | (650,000) |
| Subtotal | 4,090,677 | 4,020,000 | 4,718,000 | 5,523,000 |
| OTHER EXPENSES | | | | |
| Depreciation | 5,235,682 | 6,100,000 | 5,669,000 | 4,390,000 |
| MUSA | 3,868,187 | 4,090,000 | 4,400,000 | 4,300,000 |
| Interest Expense | 2,913,017 | 3,821,000 | 4,110,000 | 3,816,000 |
| Capitalized Interest | (600,053) | (520,000) | (520,000) | (550,000) |
| Amort Deferred Debits/Discounts | 55,893 | 79,000 | 93,000 | 84,000 |
| Special Item - NPO/OPEB Reversal | - | (1,200,000) | - | - |
| Subtotal | 11,472,726 | 12,370,000 | 13,752,000 | 12,040,000 |
| TOTAL EXPENSES | 31,883,364 | 34,305,000 | 36,818,000 | 35,706,000 |

**ANCHORAGE WASTEWATER UTILITY
2009 - 2014 CAPITAL IMPROVEMENT PROGRAM
FINANCIAL SUMMARY
(In thousands of dollars)**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Total |
|----------------------------------|--------|--------|--------|--------|--------|--------|---------|
| TOTAL, AWWU-FUNDED AND OTHER | 25,600 | 32,400 | 39,000 | 31,980 | 33,540 | 33,540 | 196,060 |
| LESS: FUNDED BY GRANTS AND OTHER | 1,000 | 1,000 | 6,000 | 6,000 | 2,000 | 2,000 | 18,000 |
| BALANCE: AWWU-FUNDED | 24,600 | 31,400 | 33,000 | 25,980 | 31,540 | 31,540 | 178,060 |
| PROJECT CATEGORY | | | | | | | |
| GENERAL PLANT | 20,232 | 19,257 | 31,596 | 4,631 | 16,410 | 11,532 | 103,658 |
| REPAIR & REHABILITATION | 4,068 | 12,003 | 1,255 | 21,189 | 13,137 | 19,788 | 71,440 |
| TRANSMISSION/DISTRIBUTION | 300 | 140 | 149 | 160 | 1,993 | 220 | 2,962 |
| IMPROVEMENT DISTRICTS | - | - | - | - | - | - | - |
| TOTAL AWWU-FUNDED | 24,600 | 31,400 | 33,000 | 25,980 | 31,540 | 31,540 | 178,060 |
| IMPR. DISTR. & GRANTS | 1,000 | 1,000 | 6,000 | 6,000 | 2,000 | 2,000 | 18,000 |
| TOTAL | 25,600 | 32,400 | 39,000 | 31,980 | 33,540 | 33,540 | 196,060 |
| SOURCE OF FUNDING | | | | | | | |
| DEBT | 19,600 | 19,400 | 28,500 | 22,980 | 28,040 | 29,540 | 148,060 |
| EQUITY | 5,000 | 12,000 | 4,500 | 3,000 | 3,500 | 2,000 | 30,000 |
| SUBTOTAL | 24,600 | 31,400 | 33,000 | 25,980 | 31,540 | 31,540 | 178,060 |
| IMPR. DISTR. & GRANTS | 1,000 | 1,000 | 6,000 | 6,000 | 2,000 | 2,000 | 18,000 |
| TOTAL | 25,600 | 32,400 | 39,000 | 31,980 | 33,540 | 33,540 | 196,060 |