



ANCHORAGE WATER AND
WASTEWATER UTILITY



ANCHORAGE WATER AND
WASTEWATER UTILITY

**BUSINESS PLAN/
STRATEGIC PLAN**

PREFACE

The Strategic Plan provides a guide for the Anchorage Water & Wastewater Utility into the next millennium and communicates that direction to our employees and the public.

The plan starts with a vision to bring "A New Standard Of Excellence" and the mission: "Anchorage Water & Wastewater Utility exists to provide competitive, reliable, quality service to our customers in a professional and courteous manner."

The Anchorage Water & Wastewater Strategic Plan only sets direction; actual implementation depends on the participation, enthusiasm and commitment of each employee. The Anchorage Water & Wastewater Utility strategic planning team believes in the mission and the values expressed in this plan. We believe successful implementation of the goals and strategies included in this plan will make us more responsive to customers and will help make Anchorage Water & Wastewater Utility a more productive work place. Employees have reviewed the plan in draft form, made suggestions, and now we look forward to the successful implementation of this plan, with their help.

All strategic planning team members, who's names are listed below, are thanked for their efforts and contributions in developing the plan.

Bay Benkleman
Diana Bennett
Larry Boehle
Bob Books
Mark Bucholz
John Collins
Brian Crewdson
Peggy Hackett
Tina Hawley
Jim Hoodak
Jeff Horak
Ron Jacobs
Susan Lang
Karen Lee

Robert LeVar
Levell Logan
Ramona McCormack
Kevin McKinnon
Mark Newman
Ruby Nilles
Jim Powell
Mark Premo
Bruce Robson
Troy Swanson
Kurt Vause
Ed Whitmore
Larry Williams

VISION STATEMENT: "A NEW STANDARD OF EXCELLENCE"

MISSION STATEMENT: "ANCHORAGE WATER & WASTEWATER UTILITY EXISTS TO PROVIDE COMPETITIVE, RELIABLE, QUALITY SERVICE TO OUR CUSTOMERS IN A PROFESSIONAL AND COURTEOUS MANNER."

Critical Success Factors	Goals	Strategies	Measurements
ENCOURAGE EXCELLENCE	Goal A: A Commitment to Continuous Improvement	Provide Utility wide training in creativity, innovation and continuous improvement. Beverly Shroyer and Kevin McKinnon	100% - Supervisors, Managers 25% - other employees to receive training by December 31, 2000.
	Goal B: Focus on Positive Change	Implement upward evaluation (20/20 program) within the Utility. Kris Warren and Levell Logan	50% of supervisors/managers evaluated by December 31, 2000.
CUSTOMER DRIVEN	Goal A: Listen to Customer	Meet with each Community Council to discuss community concerns. Kurt Vause and Ruby Nilles	Have met with 33% of Community Councils by December 31, 2000. (3 year plan).
	Goal B: Be Responsive to Internal and External Customers	Implement a customer service team training program that will educate employees in customer relations. Larry Boehle and Jeff Horak (or new CS Manager)	a) 33% of all Utility employees complete customer relations training by December 31, 2000. b) Decrease in number of customer complaints.
BE COMPETITIVE AWWU-2	Goal A: Maintain Existing Rates	Continue the competitive process for the Utility. CST	a) No rate increases in 2000 b) Complete the following competitive stages by December 31, 2000: - Stage 3 - Design how to get there - Stage 4 - Implementation
	Goal B: Increase Positive Name Recognition	Develop a community relations program to market AWWU's image. Brian Crewdson and Susan Lang	Initiate program by 3 rd quarter 2000.
LEVERAGE AUTOMATION AND TECHNOLOGY	Goal A: Increase Effectiveness and Reliability	Continue to provide and support technical and job related training. Bruce Robson and Karen Lee	Schedule a minimum of 1 week of in-house training for each employee per year.
DYNAMIC AND REWARDING PLACE TO WORK	Goal A: Increased Employee Pride	Strategy #1: Promote respect and trust at all levels of the Utility by educating and informing staff through regular verbal communication. Troy Swanson and Jim Hoodak	Ask employees quarterly to rate our success at communication.
	Goal B: Recognize Employee Achievement	Strategy #1: Promote immediate positive recognition job well done. Diana Bennett and Larry Williams	Ask employees quarterly to rate our success at recognition.

Team Leader

Assistant Team Leader

VISION STATEMENT

“A NEW STANDARD OF EXCELLENCE”

MISSION STATEMENT

“ANCHORAGE WATER & WASTEWATER UTILITY EXISTS TO PROVIDE COMPETITIVE, RELIABLE, QUALITY SERVICE TO OUR CUSTOMERS IN A PROFESSIONAL AND COURTEOUS MANNER.”

Beliefs and Values

We believe that:

- the Utility has an obligation to those it serves to provide highly qualified employees who have a commitment to customer service.
- every person is worthy of respect.
- the Utility promotes the health and welfare of our community by adhering to the highest professional and ethical standards.

Our beliefs are reflected in our values:

- Provide quality service at a competitive price.
- Increase efficiency and quality of service through continuous improvement.
- Treat everyone with dignity and respect.
- Provide a safe working environment for our employees.
- Encourage education, training and development.
- Protect the health and welfare of our customers and environment.

DESCRIPTION OF AWWU

The Anchorage Water and Wastewater Utility (AWWU) is a municipally-owned and operated utility, regulated by the Regulatory Commission of Alaska as two separate utilities.

AWWU provides public water service and wastewater service to approximately 80% of the residents of the Municipality of Anchorage. Public water service includes the treatment, transmission, and distribution of potable water, from two treatment facilities supplied by water from Ship Creek and Eklutna Lake and 16 wells, to the residents and the commercial establishments in Anchorage from Eklutna to Girdwood. Public wastewater service includes the collection and treatment of wastewater at three treatment facilities located in Girdwood, Eagle River, and the Anchorage Bowl. AWWU also treats the wastewater from Elmendorf Air Force Base, Ft. Richardson and septage from on-site systems.

As part of basic public water service and wastewater service, AWWU provides the Municipality of Anchorage with:

- The primary water supply, treatment, pumping, storage, and distribution facilities necessary for water service and fire protection within the Municipality
- The collection, pumping, and treatment of wastewater
- Three sites for septage haulers to discharge into the wastewater collection system
- Hydrant use permits, water and sewer connect permits, and wastewater pretreatment permits
- A full range of customer service functions

STRATEGIC PLAN 2000: Critical Success Factors & Goals

ENCOURAGE EXCELLENCE

- A Commitment to continuous improvement
- Focus on positive change

CUSTOMER DRIVEN

- Listen to customer
- Be responsive to internal and external customers

BE COMPETITIVE

- Maintain existing rates
- Increase positive name recognition

LEVERAGE AUTOMATION AND TECHNOLOGY

- Increase effectiveness and reliability

DYNAMIC AND REWARDING PLACE TO WORK

- Increased employee pride
- Recognize employee achievement

CRITICAL SUCCESS FACTORS

ENCOURAGE EXCELLENCE

Goal A: A Commitment to Continuous Improvement

Strategy: Provide utility wide training in creativity, innovation and continuous improvement.

Measurement: 100% - Supervisors, Managers and
25% - other employees to receive training by December 31, 2000.

Responsibility: Team Leader: Beverly Shroyer
Assistant Team Leader: Kevin McKinnon

Goal B: Focus on Positive Change

Strategy: Implement upward evaluation (20/20 program) within the Utility.

Measurement: 50% of supervisors/managers evaluated by December 31, 2000.

Responsibility: Team Leader: Kris Warren
Assistant Team Leader: Levell Logan

CUSTOMER DRIVEN

Goal A: Listen to Customer

Strategy: Meet with each Community Council to discuss community concerns.

Measurement: Meet with 33% of Community Councils by December 31, 2000. (3 year plan)

Responsibility: Team Leader: Kurt Vause
Assistant Team Leader: Ruby Nilles

Goal B: Be Responsive to Internal and External Customers

Strategy: Implement a customer service team training program that will educate employees in customer relations.

Measurement: a) 33% of all Utility employees complete customer relations training by December 31, 2000.
b) Decrease in number of customer complaints.

Responsibility: Team Leader: Larry Boehle
Assistant Team Leader: Jeff Horak

BE COMPETITIVE

Goal A: Maintain Existing Rates

Strategy: Continue the competitive process for the Utility.
Measurement: a) No rate increases in 2000.
b) Complete the following competitive stages by December 31, 2000:
• Stage 3 – Design How to Get There
• Stage 4 - Implementation
Responsibility: Competitive Steering Team

Goal B: Increase Positive Name Recognition

Strategy: Develop a community relations program to market AWWU's image.
Measurement: Initiate program by 3rd quarter 2000.
Responsibility: Team Leader: Brian Crewdson
Assistant Team Leader: Susan Lang

LEVERAGE AUTOMATION AND TECHNOLOGY

Goal A: Increase Effectiveness and Reliability

Strategy: Continue to provide and support technical and job related training.

Measurement: Schedule a minimum of 1 week in-house training for each employee per year.

Responsibility: Team Leader: Bruce Robson
Assistant Team Leader: Karen Lee

DYNAMIC AND REWARDING PLACE TO WORK

Goal A: Increased Employee Pride

Strategy: Promote respect and trust at all levels of the Utility by educating and informing staff through regular verbal communication.

Measurement: Ask employees quarterly to rate our success at communication.

Responsibility: Team Leader: Troy Swanson
Assistant Team Leader: Jim Hoodak

Goal B: Recognize Employee Achievement

Strategy: Promote immediate positive recognition for a job well done.

Measurement: Ask employees quarterly to rate our success at recognition.

Responsibility: Team Leader: Diana Bennett
Assistant Team Leader: Larry Williams

Appendix I

The Plan and the Planning Process

The Anchorage Water and Wastewater Utility (AWWU) has prepared an overall strategic plan for the last several years. The strategic plan is an ongoing process to formalize AWWU's utility and divisional level objectives.

A. PURPOSE OF THE PLAN

The purpose of the strategic plan is to identify the goals and strategies of AWWU for the next one to six years. The plan guides AWWU's Competitive Process and provides the basis from which capital planning is conducted and divisional operating plans and annual work programs and budgets are prepared. It also provides a means to evaluate the strategic operations of the Utility and measure its success in accomplishing the major goals and objectives. Additionally, the strategic plan serves to communicate to AWWU employees, governing and regulatory bodies and other interested parties the vision, mission, critical success factors, stretch goals and strategies of the Utility.

B. STRATEGIC PLANNING TEAM

The Strategic Planning Team is comprised of approximately thirty (30) AWWU employees including the General Manager, Assistant to the GM, the Division Managers, and representatives from all parts of AWWU. Approximately half of the team members were on the 1999 Strategic Plan team. Technical information and support was provided from sources both outside and within the Utility. A formal presentation of the draft plan was made by Strategic Plan 2000 team members to all AWWU employees, and a draft of the plan was also given to all AWWU employees and the AWWU Advisory Commission for their review and comment.

C. AWWU'S STRATEGIC PLANNING PROCESS

Planning is a continuous process of analyzing current operations, monitoring the external environment, developing assumptions about the future, matching new information with the direction in which the organization is going, and revising that direction as appropriate to respond to changing circumstances.

The primary purpose of AWWU's planning process is to improve today's operating decisions in light of probable events. Alternatives were evaluated and agreements were reached among the Strategic Planning Team members as to the direction AWWU should take. During each annual budget process,

a commitment of resources will be made to accomplish the specified objectives.

In determining AWWU's overall direction, the Strategic Planning Team reviewed and analyzed information in the following areas:

- Current AWWU operations
- External influences: including economic, political, social/cultural, technological, environmental and regulatory factors
- Impacts of external influences on AWWU
- Significant issues facing AWWU and the community

D. AWWU'S STRATEGIC PLAN

In general, the Strategic Plan includes the highest priority, Utility-wide critical success factors and goals.

The critical success factors, goals, and strategies outlined in the plan encompass both ongoing programs and services, and new strategic initiatives such as AWWU's Competitiveness Process. An important assumption is that much of AWWU's attention will be devoted to continuing and improving current services. Major new strategic initiatives will be undertaken to the extent existing resources can be reallocated or new resources can be made available.

E. ANNUAL PLANNING AND UPDATE PROCESS

Each year, prior to the preparation of the annual operating budget and capital improvement budget, AWWU's Strategic Plan is reviewed and updated. The plan will be amended, if necessary, subsequent to Assembly action on the budget.

Appendix II

IMPLEMENTATION OF AWWU STRATEGIC PLAN

The AWWU Strategic Plan 2000 is an effort to increase clarity of purpose and direction for the Utility. In order to accomplish the goals and strategies of the plan and move in the direction established, specific action plans and implementation steps will be required. In addition, implementation efforts will be monitored to assure completion of planned accomplishments and allow for timely corrective actions and revisions to the plan.

A. IMPLEMENTATION TASKS

Each of the nine strategies in this plan are the responsibility of either a Division Manager or the Competitive Steering Team (CST). The Division Manager will be the Team Leader for implementation of his or her strategy. Another member of the Strategic Plan 2000 Team will serve as Assistant Team Leader. During the third quarter of 1999 team members will be selected to assist in implementing the strategies.

Division strategic plans will be optional for 2000 and if done can be abbreviated. If divisions decide to focus on a Utility strategy, then their plan and subsequent efforts must be coordinated in advance with the responsible Division Manager for that specific strategy. Utility strategy team members are responsible to communicate back to their respective divisions the status of work on the utility strategies.

1. Form strategy implementation teams by September 30, 1999.
2. Complete implementation plans for Utility strategies by December 3, 1999.
3. Strategic Plan Steering Team will monitor and measure progress of Utility strategic plan implementation.
4. Strategic Plan Steering Team will report progress quarterly in the AWWU Newsletter and will meet quarterly with the AWWU Division Managers and General Manager to review progress and take corrective action if necessary.

B. MISSION, GOALS AND STRATEGIC DIRECTIONS, AND OBJECTIVES

Day-to-day decisions should be made in the context of AWWU's mission, values, critical success factors and goals as spelled out in the Strategic Plan. All activities undertaken should be in support of the overall plan.

C. CONTINGENCIES

The Strategic Plan is based on judgments relative to the most likely outcomes associated with each of the major external factors discussed earlier in the plan. The plan may need to be reassessed in light of new circumstances which may substantially change our earlier assumptions. The external factors or potential events which AWWU will monitor in order to track significant variations include the following:

- Glacier/Winner Creek Ski development and Alyeska golf course development
- Military buildup/reduction
- Cook Inlet oil/gas development
- Natural disasters & weather
- Substantial changes in current regulations (e.g., loss of 301(h) waiver)
- Industrial expansion at Anchorage International Airport
- Potential listing of Cook Inlet beluga whales as an endangered species.

D. AWWU'S STRATEGIC PLAN

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The critical success factors, goals, and strategies outlined in the plan encompass both ongoing programs and services, and new strategic initiatives. An important assumption is that much of AWWU's attention will be devoted to continuing the improving current services. Major new strategic initiatives will be undertaken to the extent existing resources can be reallocated or new resources can be made available.

E. ANNUAL PLANNING AND UPDATE PROCESS

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Appendix III

ASSUMPTIONS ABOUT THE FUTURE

During the development of AWWU's Strategic Plan, the Strategic Planning Team identified and evaluated numerous external factors affecting AWWU and the Municipality of Anchorage including consideration of the "Anchorage Indicators" report. The team developed certain assumptions about the future as it related to the major factors. As part of this process the team considered the following questions:

- What will Anchorage's future look like?
- How will it affect AWWU?
- What assumptions should AWWU make?

This section of the plan includes the major external factors considered and the specific assumptions made about each. The assumptions listed below were taken into account when AWWU's strategic direction was established.

A. ECONOMIC

1. Assumptions

- Federal road construction (TEA-21) program will continue through the year 2004
- AWWU's water and wastewater services will expand as unserved areas develop and the rate of failure of on-site systems increases
- The Anchorage economy will experience moderate growth over the next 3 years and approximately 1,000 new homes a year and some multi-family units will be built each year
- The Anchorage economy will continue to be directly impacted by federal/state spending decisions, and the economics of private industry
- The military will out source more non-core defense business
- South Anchorage and Eagle River/northern communities will see faster growth rates than the Anchorage Bowl core
- Anchorage International Airport related growth will continue
- The community will seek and promote international and national based light industrial and commercial growth
- Light industrial and commercial moderate growth will occur
- More franchise type businesses

2. Impacts on AWWU

- AWWU's customer base will grow slightly (0.75-1.5% per year) into the year 2000

- There will continue to be minimal State related capital expansion as State revenues decline
- TEA-21 road program will require modifications to AWWU's infrastructure
- AWWU will need to be prepared to support new expansion into the northern communities (Eagle River to Eklutna), Girdwood/Alyeska and South Anchorage areas where on-site septic systems and water wells dominate
- AWWU will continue to support economic/community development initiatives of the Municipality
- AWWU should monitor specific projects, i.e.:
 - Glacier/Winner Creek ski development and Alyeska golf course
 - Military water supply including possible contracting of water treatment
 - Industrial expansion at Anchorage International Airport
- Construction of Alaska Seafoods International processing plant
- Economic affects of low oil prices on Anchorage's economy

B. REGULATORY/ENVIRONMENTAL

1. Assumptions

- Existing environmental quality standards will become more stringent
- AWWU will continue to operate within Section 301(h) of the Clean Water Act
- New National Pollutant Discharge Elimination System (NPDES) permit for Asplund Wastewater Treatment Facility will be initiated in 1999 and will be more restrictive and contain increased monitoring requirements
- Many existing private community water and sewer systems will not meet changing regulatory requirements
- Failure of on-site systems will increase
- AWWU will continue to be regulated by the Regulatory Commission of Alaska
- Customers will become more aware about quality of drinking water
- Industrial discharges may be impacted by the NPDES permit renewal for Asplund Wastewater Treatment Facility

2. Impacts on AWWU

- New and expanded regulations will increase operating costs
- Capital expenditures due to system upgrades will continue
- Treatment facilities will operate within more restrictive limits and increased monitoring
- Requests for assessment districts will continue at a moderate level
- Private water utilities will want to be acquired

C. KEY RESOURCE AVAILABILITY - FINANCIAL, PHYSICAL, AND HUMAN

1. Assumptions

- Adverse weather/natural events will occur
- Bond rating will not be degraded
- Less grant money will be available
- Low interest loans will be available for the State of Alaska Clean Water Revolving Loan Fund (SRF), but without changes in the regulations there will be less available from Drinking Water Loan Fund
- Portions of the distribution and collection system have reached or exceeded their useful life
- Maintaining competitiveness in recruiting and retaining employees will be increasingly difficult
- New labor contracts will increase operating costs
- Significant number of employees will retire within five years
- Dependence will increase on technological advances
- Decreased availability of skilled people with required licenses

2. Impacts on AWWU

- Operational and capital costs will increase, due partly to continued aging of infrastructure
- Adverse weather will affect operating costs
- Less contributed capital available to fund new projects
- Emphasis on rehabilitation and replacement program will continue
- Labor costs will increase minimally
- Employee turnover will increase, and vacancies will become more frequent and more difficult to fill
- Investment will increase in technological improvements

D. POLITICAL/SOCIAL

1. Assumptions

- Community will demand more involvement in decision making process
- Federal Government: There will be more requirements without commensurate funding (unfunded mandates)
- State Government: There will be limited funding available from the State budget and implementation of State service fees will increase
- Local Government: There will be a mayoral election in 2000. There will be an increasing interest in privatization of Municipality of Anchorage functions, cost cuttings in current Government may affect AWWU

2. Impacts on AWWU

- Administration, Assembly, AWWU Advisory Commission, and the public will more closely scrutinize AWWU's operations
- Rate increases will be closely scrutinized and opposed by customers
- System expansion funding will be more difficult to obtain

Appendix IV

AWWU'S LONG RANGE FINANCIAL PLAN

The Anchorage Water and Wastewater Utility consists of two separate utilities which are regulated by the Regulatory Commission of Alaska (RCA).

The management of AWWU believes the following two premises provide the foundation by which the Utility should operate. The first premise is that the Utility, as a publicly regulated Municipality of Anchorage entity providing an essential service, will remain in existence indefinitely. The second is that the Utility will be a true enterprise activity of the Municipality and as such will support its operating and capital activities through revenues raised from its rate payers. Along with these two premises which serve as the Utility's operating foundation, long-range financial planning is mandatory.

Separate six year long-range financial plans have been prepared for the Utility's Water and Wastewater operations. The purpose of the Utility's long-range financial plans is to establish the financial policies which will direct Municipal officials and the employees of AWWU as they strive to develop and maintain a financially sound Utility. The plans establish specific goals and the strategies to accomplish these goals, and provide a framework for consistency. The plans also provide the necessary flexibility to facilitate analysis and quantification of impacts of any changes which may occur.

Appendix V

During the development of Strategic Plan 2000 more than one strategy was created for many of the Critical Success Factors' goals. To facilitate completion of the first strategy created for each goal the team elected to defer the additional strategies. To ensure that all of the strategies are reflected in this document are not lost for future reference, the deferred strategies are provided below.

ENCOURAGE EXCELLENCE

Goal A: A Commitment to Continuous Improvement

No additional Strategies.

Goal B: Focus on Positive Change

No additional Strategies.

CUSTOMER DRIVEN

Goal A: Listen to Customer

Strategy # 2: Meet individually with 20 of the largest/smallest commercial customers.

Measurement: Meet with all owners/managers and report feedback (100%) to Utility and take appropriate action.

Goal B: Be Responsive to Internal and External Customers

Strategy #2: Respond to all inquiries and follow up on 5% of all written inquiries.

Measurement: No complaints of non-responsive. Each division demonstrates the 5% follow-up to written inquiries.

Strategy #3: Electronically track externally generated inquiries involving more than one division.

Measurement: Develop/implement tracking tool by December 31, 2000.

BE COMPETITIVE

Goal A: Maintain Existing Rates

Strategy #2: Investigate combining ASU & AWU into one Utility.
Measurement: Review and make recommendations by December 31, 2000.

Strategy #3: Expand water service to other public water systems.
Measurement: Analyze feasibility (cost-benefit analysis) by December 31, 2000 of providing service to the highest priority systems.

Goal B: Increase Positive Name Recognition

Strategy #2: Change name of AWWU.
Measurement: Develop new name by March 31, 2000.
Implement name change by December 31, 2000.

LEVERAGE AUTOMATION AND TECHNOLOGY

Goal A: Increase Effectiveness and Reliability

Strategy #2: Make technology accessible to all.
Measurement: Establish minimum amount of equipment necessary.

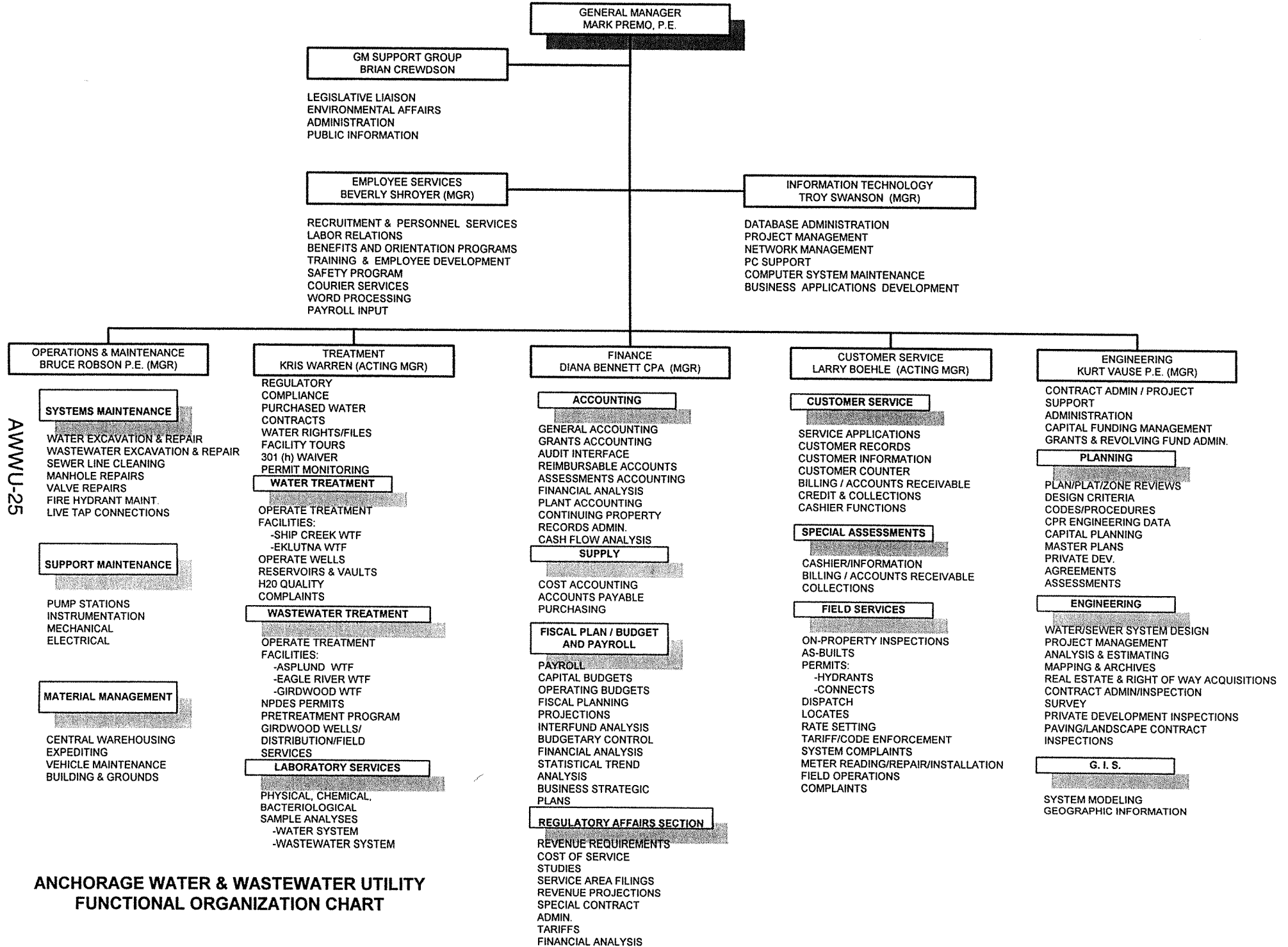
Strategy #3: Define minimum automation skills.
Measurement: Automation skills are incorporated into each Job Classification by December 31, 2000.

Strategy #4: Establish a convenient facility for "In House" training.
Measurement: Develop the budget and design criteria plan for the training facility by December 31, 2000.

DYNAMIC AND REWARDING PLACE TO WORK

Goal A: Increased Employee Pride

- Strategy #2: Promote understanding of internal functions by creating the following programs.
- Division Awareness Months
 - Tag-along Days
- Measurement: Number of employees participating in programs.



AWWU-25

**ANCHORAGE WATER & WASTEWATER UTILITY
FUNCTIONAL ORGANIZATION CHART**

ANCHORAGE WATER AND
WASTEWATER UTILITY

2000 CAPITAL BUDGET

**2000 — 2005
CAPITAL IMPROVEMENT PROGRAM**

**ANCHORAGE WATER UTILITY
2000-2005 CAPITAL IMPROVEMENT PROGRAM
FINANCIAL SUMMARY**

(\$\$ x 1000)

PROJECT CATEGORY	2000	2001	2002	2003	2004	2005	Six Year Total
GENERAL PLANT	5,969	5,951	2,185	5,009	10,777	1,756	31,647
REPAIR & REHABILITATION	1,470	2,100	1,600	2,900	1,400	1,400	10,870
TRANSMISSION/DISTRIBUTION	10,400	2,550	25,450	5,200	4,250	1,550	49,400
WELL, TANK, PRV	570	600	600	200	1,700	5,300	8,970
IMPROVEMENT DISTRICTS	0	250	250	250	250	250	1,250
TOTAL	18,409	11,451	30,085	13,559	18,377	10,256	102,137

SOURCE OF FUNDING	2000	2001	2002	2003	2004	2005	Six Year Total
DEBT	16,198	9,533	25,755	12,159	14,961	8,786	87,392
EQUITY	2,211	1,918	1,530	1,400	1,716	1,470	10,245
FED/STATE GRANT	0	0	2,800	0	1,700	0	4,500
TOTAL	18,409	11,451	30,085	13,559	18,377	10,256	102,137

*Approximately \$.67 million of in-house labor will be spent on capital projects in 2000

**ANCHORAGE WASTEWATER UTILITY
2000-2005 CAPITAL IMPROVEMENT PROGRAM
FINANCIAL SUMMARY**

(\$\$ x 1000)

PROJECT CATEGORY	2000	2001	2002	2003	2004	2005	Six Year Total
GENERAL PLANT	9,687	2,803	5,376	7,073	7,021	1,426	33,386
REPAIR & REHABILITATION	2,540	8,250	9,300	2,800	2,600	4,800	30,290
TRUNK/INTERCEPTOR	325	100	1,900	2,600	3,600	3,600	12,125
IMPROVEMENT DISTRICTS	0	250	250	250	250	250	1,250
TOTAL	12,552	11,403	16,826	12,723	13,471	10,076	77,051

SOURCE OF FUNDING	2000	2001	2002	2003	2004	2005	Six Year Total
DEBT	10,804	9,891	14,107	11,306	12,203	8,994	67,305
EQUITY	1,748	1,512	1,519	1,417	1,268	1,082	8,546
FED/STATE GRANT	0	0	1,200	0	0	0	1,200
TOTAL	12,552	11,403	16,826	12,723	13,471	10,076	77,051

*Approximately \$.47 million of in-house labor will be spent on capital projects in 2000