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1990 CORPORATE STRATEGIC PLAN
OF THE ANCHORAGE WATER AND WASTEWATER UTILITY

DRAFT

A Plan to Guide AWWU
for the Next Three to Six Years

Adopted:

PREFACE

This Strategic Plan is intended to chart a positive future for the Anchorage Water and Wastewater Utility and to communicate clearly that direction to our employees and the public. The plan has three foundations:

- Acceptance of our mission to provide reliable and economical product and services.
- Commitment to a set of values and guidelines for the conduct of our business.
- Our assessment of the future economic and regulatory environment.

The AWWU Strategic Plan only sets direction; actual implementation depends on the participation, enthusiasm and commitment of each employee. The AWWU management team believes in the mission and the values expressed in this plan. We believe successful implementation of the objectives included in this plan will make us more responsive to customers and will help make AWWU a better place to work. Employees have already had a chance to review the plan in draft form and make suggestions. Now we look forward to the successful implementation of this plan, with our employees' help.

General Manager

Manager, Finance Division

Manager, Operations and
Maintenance Division

Manager, Engineering and
Planning Division

Manager, Customer Service Division

Manager, Technical Services Division

Manager, Treatment Division

Manager, Regulatory Affairs Division

Manager, Employee Services

ANCHORAGE WATER & WASTEWATER UTILITY
STRATEGIC PLAN

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I. EXECUTIVE SUMMARY

A brief discussion of the strategic plan is presented below. More detail is included in Sections II through IX.

A. INTRODUCTION

The basic purpose of this strategic plan is to identify the major objectives, activities, and fiscal policies of AWWU for the next three to six years. It is intended to provide guidance to the AWWU staff in carrying out their assigned responsibilities. The plan also serves to communicate to employees, governing bodies, and the general public the stated mission, goals, and objectives of AWWU.

In determining AWWU's overall direction, the planning team, comprised of the General Manager, his Assistant, and Division Managers, completed an extensive strategic planning process. Several planning sessions were conducted in which the strategic plan was developed, and all AWWU employees were invited to review and comment on the plan before it was adopted.

It is anticipated that the plan be updated periodically to reflect changed conditions and new initiatives.

B. DESCRIPTION

Anchorage Water and Wastewater Utility (AWWU) is a municipally-owned and operated utility providing public water service and wastewater collection to the residents of the Municipality of Anchorage. Regulation and guidance are provided by a number of bodies, among them the Utility Regulatory Commission, the Municipal Administration and Assembly, and the Water and Wastewater Advisory Commission. Over the past several years, rapid growth and development in Anchorage have provided impetus to the Utility for a corresponding growth in capital development. As the Municipality of Anchorage finds itself in a period of decreased economic activity, the Utility is focusing more emphasis on rehabilitating and replacing older portions of our system.

C. AWWU'S MISSION, GOALS, AND VALUES

The Anchorage Water and Wastewater Utility's goals and operating guidelines are based on its mission which states that: "AWWU is committed to providing reliable, high quality water supply and wastewater disposal services at a reasonable cost to residential and commercial consumers in the Municipality of Anchorage, consistent with: a demonstrated public need; community health and safety standards; regulatory requirements; customer service requirements; a reasonable profit; and sound technical and management practices."

D. AWWU'S STRATEGIC DIRECTION

A brief description of the direction AWWU plans to take over the next several years is presented below:

- Fiscal Integrity and Financial Performance: Improve financial position; implement cost containment measures; explore new revenue sources; seek to minimize rate increases; and improve financial management capability through more useful and timely reports and analysis.
- Organizational Environment: Maintain a formal strategic planning process; improve internal communications; and maintain a positive and safe climate for performance in the work environment.
- Customer Service and Community Relations: Increase responsiveness of customer services and strive for positive community reaction to AWWU issues.
- Product Quality and System Reliability: Maintain the current high quality of the water supply and continue to provide flexible, reliable water and wastewater systems.
- Regulatory Compliance: Implement Municipal self-regulation; retain 301(h) waiver status for wastewater treatment at Point Woronzof; and take steps to meet new, more stringent water standards.

E. MAJOR OBJECTIVES AND TARGETED COMPLETION DATES

The major objectives adopted by the AWWU management team and their targeted completion dates are presented on the following three pages. Steps for accomplishing each of the major objectives are presented in Section VII of the plan.

F. FISCAL POLICIES

Fiscal policies of the Utility which have helped guide the development of financial objectives are presented in Section VIII of the plan. The 1990 budget and 6 year Equity Management Plan are also presented in Section VIII.

G. IMPLEMENTATION

Implementation of the plan will begin with development of Division Strategic Plans, targeted for completion January, 1990.

MAJOR OBJECTIVES AND TARGETED COMPLETION DATES	FISCAL YEAR
<p>A. <u>FISCAL INTEGRITY AND FINANCIAL PERFORMANCE</u></p>	
<p>1. <u>Objective:</u> To hold 1990 controllable operating costs to 1989 approved budgeted levels.</p>	1990
<p>2. <u>Objective:</u> To improve financial management and information reporting capabilities.</p>	1990 & Beyond
<p>3. <u>Objective:</u> To revise the approved 6-year Capital Improvement Program (CIP) to reflect projected financial objectives and obtain necessary approvals.</p>	1990
<p>4. <u>Objective:</u> To obtain net income levels as dictated in equity management plans developed for both water and wastewater utilities.</p>	1990 & Beyond
<p>5. <u>Objective:</u> To fund capital construction programs as outlined in the Water and Wastewater 6-year Capital Improvement Program.</p>	1990 & Beyond
<p>6. <u>Objective:</u> To increase revenues from non-utility sources.</p>	1990 & Beyond
<p>7. <u>Objective:</u> To consolidate water and wastewater utilities into one utility for budgeting and rate financial reporting.</p>	1990 & Beyond
<p>B. <u>ORGANIZATIONAL ENVIRONMENT</u></p>	
<p>1. <u>Objective:</u> To improve employee morale and enhance the overall climate for performance in the Utility.</p>	1990 & Beyond
<p>2. <u>Objective:</u> To involve employees in the annual update of the corporate strategic plan.</p>	1990 & Beyond
<p>3. <u>Objective:</u> To update the Employee Training Needs Assessment Plan to determine current AWWU manpower status, available employee skills and abilities, and future training and staffing needs of the Utility.</p>	1990 & Beyond
<p>4. <u>Objective:</u> To integrate the corporate strategic plan into each division's operational planning process.</p>	1990

MAJOR OBJECTIVES AND TARGETED COMPLETION DATES	FISCAL YEAR
5. <u>Objective:</u> To maintain a fully integrated Utility Hazard Communication Program designed to meet regulatory requirements.	1990
6. <u>Objective:</u> To update the requirements; design, conduct, and administer a comprehensive safety education and training program for the Utility to reduce accidents and encourage "wellness."	1990
7. <u>Objective:</u> To identify Utility space requirements for the next 20 years.	1990
8. <u>Objective:</u> To insure Utility efficiency by reviewing organizational structure.	1990 & Beyond
C. <u>CUSTOMER SERVICE AND COMMUNITY RELATIONS</u>	
1. <u>Objective:</u> To identify customer and community concerns and provide for proper responses.	1991 & Beyond
2. <u>Objective:</u> To increase employee awareness of the importance of customer service and customer communication to reinforce the concept that each AWWU employee is responsible for maintaining good customer relations.	1990 & Beyond
3. <u>Objective:</u> To obtain and maintain a positive community and public image for AWWU issues as indicated by support for Utility issues and development of support group(s) for future issues.	1990 & Beyond
D. <u>PRODUCT QUALITY AND SYSTEM RELIABILITY</u>	
1. <u>Objective:</u> To decrease water and wastewater systems failures, and to improve product delivery to customers and prevent degradation of product quality.	1990 & Beyond
2. <u>Objective:</u> To furnish all areas with adequate and reliable water supply and wastewater collection to ensure that all current customers have sufficient service at all times with adequate reserve capacity to satisfy future demand.	1990 & Beyond

MAJOR OBJECTIVES AND TARGETED COMPLETION DATES	FISCAL YEAR
<p>E. <u>REGULATORY COMPLIANCE</u></p>	
<p>1. <u>Objective:</u> To ensure that all water and wastewater treatment facilities meet current and anticipated NPDES permit limits, Clean Water Act, Clean Air Act and Safe Drinking Water Act Standards.</p>	1990 & Beyond
<p>2. <u>Objective:</u> To secure renewal of 301(h) Waiver from secondary treatment at Pt. Woronzof.</p>	1990 & Beyond
<p>3. <u>Objective:</u> To ensure there are no unreasonable rate cross-subsidies between customer classes.</p>	1990 & Beyond
<p>4. <u>Objective:</u> To expand the Water Service Area to meet the demands of the community.</p>	1990
<p>5. <u>Objective:</u> To comply with EPA directives regarding residential hook-ups to existing or anticipated AWWU sewer service.</p>	1990

II. INTRODUCTION

The Anchorage Water and Wastewater Utility (AWWU) has prepared an overall business plan and annual Division operating plans for the last several years. The strategic plan, presented in this document, represents the product in an ongoing process of formalizing AWWU's corporate level objectives and strategies.

A. PURPOSE OF THE PLAN

The basic purpose of the strategic plan is to identify the financial and non-financial objectives and strategies of AWWU for the next one to six years. The plan provides the basis from which capital planning is conducted 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 critical strategies. Additionally, the strategic plan serves to communicate to AWWU employees, governing and regulatory bodies and other interested parties the mission, goals and objectives of the Utility.

B. STRATEGIC PLANNING TEAM

The Strategic Planning Team was comprised of the General Manager, his Assistant, and the Division Managers. Technical information and support was provided from sources both outside and within the Utility. A preliminary draft of the plan was distributed to all AWWU employees and the AWWU Advisory Commission for their review and comment. The final plan includes a number of their suggested changes.

C. AWWU'S STRATEGIC PLANNING PROCESS

Planning is a continuous process of analyzing current operations, monitoring the external environment, making 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 AWWU planning team members as to the direction AWWU should take over the next several years. 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 environmental influences....economic, political, social/cultural, technological, environmental and regulatory factors.
- Internal strengths and weaknesses of AWWU.
- External threats and opportunities.
- Significant issues facing the Utility and the community.

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D. AWWU'S STRATEGIC PLAN

In general, the strategic plan includes only the highest priority, Utility-wide objectives and strategies. It provides the basis for the development of division plans where important, more operational level objectives and strategies are presented.

The strategic direction outlined in the plan encompasses both ongoing programs and services, and new strategic initiatives. An important assumption is that much of AWWU's attention will be devoted to carrying on and improving its current services. Major new strategic initiatives will be undertaken to the extent existing resources can be reallocated or new resources can be made available.

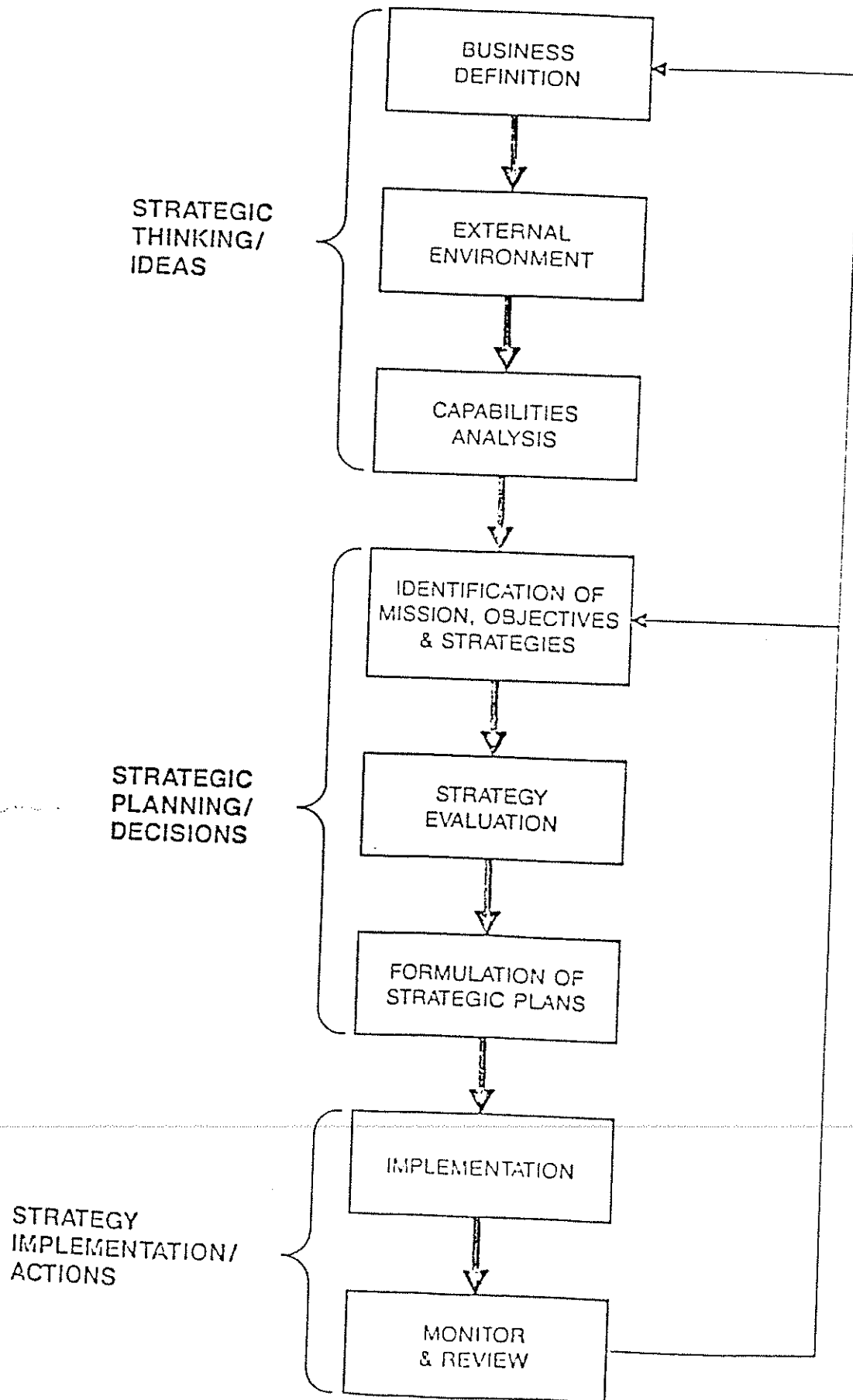
E. ANNUAL PLANNING AND UPDATE PROCESS

Each year, in conjunction with the preparation of the annual operating budget, AWWU's strategic plan will be reviewed and updated. A less extensive review will be conducted subsequent to Assembly action on the budget.

STRATEGIC PLANNING

A FOCUSED PROCESS

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III. DESCRIPTION OF AWWU

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

AWWU provides public water service and wastewater collection service to the residents of the Municipality of Anchorage. Public water service includes the treatment, transmission, and distribution of potable water, from two treatment facilities and approximately 34 wells, to about one-half of the residences and most of the commercial establishments in Anchorage from Eklutna to South Anchorage. The balance of the residential and commercial establishments receive their water service from individual wells or very small privately owned and operated water systems. Public wastewater collection service is provided in conjunction with three treatment facilities operating independently in different areas of the Municipality, namely Girdwood, Eagle River, and the Anchorage Bowl.

The Alaska Public Utilities Commission certificated service area for public sewer service encompasses the entire Municipality; however, some areas within the Municipality are still served by individual on-site septic systems. The majority of these on-site systems are located north of the community of Eagle River and in South Anchorage. In South Anchorage, the area designated by ordinance as the Hillside Wastewater Management Plan area is precluded from receiving public sewer service and is intended to remain on on-site systems. In addition, AWWU provides wastewater treatment for the military bases.

AWWU's certificated water service area, approximately 69 square miles, encompasses the major portion of the communities of Eagle River and the Anchorage Bowl. These two areas of service are separated by the military reservations. There are still some small private water systems within the Municipality, located primarily north of Eagle River, in Girdwood, on the hillside portion of South Anchorage, and to some extent in Southwest Anchorage. The rest of the Anchorage population is served by individual private wells.

In addition to basic public water service and wastewater collection service, AWWU also provides:

- The primary water supply, pumping, storage, and distribution facilities, including maintenance, necessary for fire protection within the Municipality.
- Two sites for septic haulers to discharge into the wastewater collection system.
- Hydrant use permits, water and sewer connect permits, septic dumping permits, and watershed use permits.
- A full range of customer service functions.
- Engineering, planning and real estate functions.

In the last six years, AWWU's pattern of development has been primarily driven by the rapid growth and development of Anchorage. Major projects undertaken by AWWU include:

Capital Design/Construct Projects

Eklutna Water Project
 Ship Creek Water Treatment Facility Expansion
 Pt. Woronzof Wastewater Treatment Facility Expansion
 Southeast Interceptor
 West Interceptor
 Potter Creek Interceptor and Pump Station
 Rabbit Creek Pump Station and Force Main
 10 MG Reservoir
 Abbott Loop Transmission Main, Phases I-IV
 Eagle River Wastewater Treatment Facility Expansion
 Girdwood Wastewater Treatment Facility Upgrade
 International Airport Water Main and Reservoir
 Eklutna to South Anchorage 48-inch Transmission Main

Other Capital Projects

201 Wastewater Facility Plans
 Continuing Property Records System
 Central Alaska Utilities Acquisition
 Eagle River Water Systems Acquisition
 Water Master Plan
 Data Processing Master Plan
 O&M Facility Acquisition/Remodel
 Financial Management Information System
 Customer Information System

During the period of rapid growth some necessary rehabilitation and replacement (R&R) projects were deferred. As the Municipality of Anchorage finds itself in a period of decreased economic activity and population AWWU is focusing more emphasis on rehabilitation and replacement of older and sometimes failing portions of our distribution and collection system. Major proposed (R&R) projects include:

"I" Street Woodstave Water Main Replacement
 C-5 Sewer Trunk
 Middle Fish Creek Trunk
 Northstar Subdivision Water/Sewer
 Homestead/Wickersham Water

AWWU programs and operations face scrutiny in a number of different regulatory environments, many of them overlapping in their authority. As a Municipal Department, AWWU is subject to Municipal policies and procedures, purchasing and personnel rules, labor contract provisions, and general management and operations oversight by the Municipal Administration and Assembly, including capital and operating budget review and approval. As a governmental entity, and unlike privately owned utilities, AWWU has the authority to levy property assessments and to sell general obligation and tax-exempt revenue bonds. In addition to this general oversight by the Municipality, AWWU is subject to regulatory oversight by the Assembly and the Municipality's Utility Regulatory

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Commission and also to the federal and state laws and regulations governing grants administration, water rights, drinking water quality, and wastewater disposal. The primary agencies providing this oversight are the Federal Environmental Protection Agency and the State of Alaska Departments of Environmental Conservation and Natural Resources, and the Municipality's Utility Regulatory Commission. Additionally, the Water & Wastewater Advisory Commission, which provides advice, makes recommendations on regulatory issues, and handles complaints not satisfied by the General Manager.

A functional organizational chart is included on the following page.

ANCHORAGE WATER & WASTEWATER UTILITY
 FUNCTIONAL ORGANIZATION CHART
 AUGUST, 1989

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GENERAL MGR
 RICK BELLE PE

TECHNICAL SERVICES DIVISION
 DON BENNETT (MGR)

REGULATORY AFFAIRS DIVISION
 JIM LONGWAY (MGR)

MANAGEMENT INFORMATION SYSTEMS
 RONNIE COCHRELL (MGR)

MANAGEMENT SUPPORT

- DATA BASE ADMINISTRATION
- DATA PROCESSING SERVICES
- COMPUTER SYSTEM MAINTENANCE
- BUSINESS & SCIENTIFIC DEVEL.

- TARIFF CODE REVIEW
- SPECIAL PROJECTS
- INTER DIVISION MANAGEMENT
- RECORDS MANAGEMENT
- POLICY & PROCEDURE COORD.
- COMPLIANT COORDINATION

EMPLOYEE SERVICES
 EMORY WALKER (MGR)

GRANT ADMINISTRATION

SUPPORT SERVICES

- REVENUE REQUIREMENTS
- COST OF SERVICE
- DEPRECIATION STUDIES
- SERVICE AREA FILINGS
- REVENUE PROJECTIONS
- SPECIAL CONTRACT ADMINISTRATION
- FINANCIAL ANALYSIS
- RECRUITMENT
- LABOR RELATIONS
- EMPLOYEE RECORDS
- BENEFITS AND ORIENTATION PROGRAMS
- CAREER DEVELOPMENT
- TRAINING PROGRAM DEVELOPMENT
- CLASSIFICATION
- SAFETY PROGRAM

- CAPITAL FUNDING MANAGEMENT
- GRANTS/REVOLVING FUND ADMIN.
- LEGISLATIVE LIAISON
- PROJECT ANALYSIS

- WORD PROCESSING
- CENTRAL COPYING
- COURIER SERVICES

OPERS. & MAINTENANCE
 CHARLEY BRYANT (MGR)

TREATMENT DIVISION
 GENE NORDGREN (MGR)

FINANCE
 DIANA BENNETT (MGR)

CUSTOMER SERVICES
 GENE GREEN (MGR)

ENGINEERING & PLANNING
 WALLY CORY (MGR)

ADMINISTRATION

- ADMINISTRATION
- PURCHASE WATER CONT.
- WATER RIGHTS/FILES
- FACILITY TOURS
- 301(h) WAIVER

ACCOUNTING

CUSTOMER SERVICE

- CONTRACT ADMIN & CAPITAL PROJECT SUPPORT
- ADMINISTRATION

SYSTEMS MAINTENANCE

WATER TREATMENT

- GENERAL ACCOUNTING
- GRANTS ACCOUNTING
- AUDIT INTERFACE
- REIMBURSABLE ACNTS
- ASSESSMENTS ACTNG
- FINANCIAL ANALYSIS
- PLANT ACCOUNTING
- CPR ADMINISTRATION
- WORK ORDER SET-UP
- CASH FLOW ANALYSIS

- SERVICE APPLICATIONS
- CUSTOMER RECORDS
- CUSTOMER INFORMATION
- CUSTOMER COUNTER
- BILLING/A.R.
- CREDIT & COLLECTIONS
- CASHIER FUNCTIONS

PLANNING

- EXCAVATIONS
- MAIN LINE REPAIRS
- REIMBURSABLE REPAIRS
- HYDRANT MAINTNCE & REPAIRS
- MANHOLE MAINTNCE & REPAIRS
- CLEANING & FLUSHING
- LIVE TAPS

- OPERATE TREATMENT FACILITIES
 - SHIP CREEK WTF
 - EKLUTNA WTF
- OPERATE WELLS
- RESERVOIRS & VAULTS
- H2O QUAL. COMPLAINTS

PURCHASING

FIELD SERVICE

- PRIVATE DEV. AGREEMENTS
- PLAN REVIEWS
- DESIGN CRITERIA
- CODES/PROCEDURES
- ASSESSMENTS
- IMPROVEMENT DISTRICTS
- P.T.E., L.U.C., P.I.L.A.
- CPR ENGINEERING DATA
- CAPITAL PLANNING
- MASTER PLANS
- SYSTEM MODELING
- UTIL. PLAT&ZONING REVIEWS

SUPPORT MAINTENANCE

WASTEWATER TREATMENT

MATERIAL MGT.

- ON-PROPERTY INSPECTIONS
- AS-BUILTS
- PERMITS
- HYDRANTS
- CONNECTS
- DISPATCH
- LOCATES
- RATE SETTING
- TARIFF & CODE ENFORCEMENT
- SYSTEM COMPLAINTS
- METER READING/REPAIR/INSTALL.
- FIELD OPERATIONS
- COMPLAINTS

ENGINEERING

- VEHICLE MAINTENANCE
- BUILDING & GROUNDS
- PUMP STATIONS
- INSTRUMENTATION
- MECHANICAL
- ELECTRICAL

- OPERATE TREATMENT FACILITIES
 - PT WORONZOF
 - EAGLE RIVER
 - GIRDWOOD

FISCAL PLAN/BUDGET AND PAYROLL

SPECL ASSESSMNTS

- WATER/SEWER SYSTEM DESIGN
- PROJECT MANAGEMENT
- ANALYSIS & ESTIMATING
- MAPPING & ARCHIVES
- REAL ESTATE & ROW ACQUIS.
- CONTRACT ADMINISTRATION & INSPECTION
- SURVEY
- PRIVATE DEVELOPMENT INSPECTIONS
- ANNUAL PAVING/LANDSCAPE CONTRACT ADMINISTRATION

LABORATORY SERVICES

- PHYSICAL, CHEMICAL & BACTERIOLOGICAL SAMPLE ANALYSES
 - WATER SYSTEM
 - WASTEWATER SYSTEM
- PRETREATMENT PROGRAM
- 301(h) WAIVER

- PAYROLL
- CAPITAL BUDGETS
- OPERATING BUDGETS
- FISCAL PLANNING
- PROJECTIONS
- BOND PROSPECTIVES
- INTERFUND ANALYSIS
- BUDGETARY CONTROL
- FINANCIAL ANALYSIS
- STATISTICAL ACQUIS. AND MAINTENANCE
- BUS./STRAT. PLANS

- PILA
- WID/LID/RID
- PTE
- LUC WATER MORTGAGES
- CASHIER/INFO
- BILLING/AR/COLLECTIONS

IV. AWWU'S MISSION, GOALS AND VALUES

This section of the strategic plan outlines AWWU's basic mission and goals and presents the important values that define AWWU's philosophy of operations.

A. AWWU'S MISSION STATEMENT

The Anchorage Water and Wastewater Utility is committed to providing reliable, high quality water supply and wastewater disposal service at a reasonable cost to residential and commercial consumers in the Municipality of Anchorage, consistent with: a demonstrated public need; community health and safety standards; regulatory requirements; customer service requirements; a reasonable profit; and sound technical and management practices.

B. AWWU'S GOALS

The major goals of AWWU are:

- To provide our customers with high quality service through well-engineered and economical water distribution, wastewater collection, and treatment systems.
- To adequately maintain and safeguard Utility assets including facilities, buildings, and underground plant.
- To keep the public informed about major AWWU issues and to involve the public in planning efforts of the Utility.
- To maintain a high level of customer service and satisfaction including maintaining open communications and ease of access by all customers and rapid response to customer needs.
- To ensure that all personnel are knowledgeable regarding Municipal and other regulations applying to the jobs they perform for the Utility and that they maintain an awareness of constantly changing technical requirements which are relevant to their positions.
- To emphasize employee development through an effective training program and a meaningful performance standard/appraisal process in order to maintain high morale, motivation and productivity.
- To maintain policies that foster fairness in job opportunities, promotions, career development, and labor relations.
- To maintain programs that foster employee safety, health and well-being on the job.
- To achieve, through the implementation of sound management and supervisory practices, an open and harmonious climate within AWWU that is characterized by productive employee-supervisor relations, an atmosphere of good communication, and a positive learning environment emphasizing excellence, creativity, and teamwork.

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- To explore and initiate innovative revenue generation.
- To provide strong support for community's overall economic development plan and objectives.
- To support a Municipal self-regulation process that will provide more efficient and cost effective management and operation of AWWU.
- To maintain sufficient flexibility in organization and management to be able to respond to changing conditions and scale operations up or down, as required, to meet economic opportunities or constraints.
- To minimize rate increases by utilizing the lowest cost available funding for capital projects.
- To maintain cooperation between AWWU and regulatory and grantor agencies and governing bodies to achieve mutual goals.
- To maintain a sound financial system that provides timely, complete and accurate information to Utility and Municipal decision makers.
- To maintain a positive bottom line which will enable the internal funding of routine plant additions and improvements without unnecessarily increasing rates.

C. PHILOSOPHY OF OPERATIONS

The following basic values govern the operation of AWWU:

- Customer Service: We are a public organization, whose chief purpose is to serve the general public and our customers. We place a high value on being responsive to customer needs.
- Quality: We strive to provide high quality water and wastewater services.
- Productivity/Cost: We believe in being cost conscious in every aspect of the Utility's management and service provision in order to provide the best service at the lowest possible cost and to maintain reasonable rates for our customers.
- Employees: Employees are our most valuable asset. We realize that the best plans will have little useful purpose unless our people believe in them and are motivated to work hard to make them happen. For that reason, we place an emphasis on making AWWU a place where people are encouraged to try new approaches to their work and where teamwork and cooperation are encouraged in order to meet our goals.
- Public Responsibility/Trust: We set high ethical standards in managing the public's resources, both physical and financial.
- Financial Integrity - We are an enterprise activity mandated by the Municipal Charter to provide a "reasonable profit." We shall strive to strengthen the Utility's financial position and to attain a strong positive bottom line without unnecessarily burdening our customers.

V. 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 and developed certain assumptions about the future 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. ECONOMIC1. Assumptions:

- The Anchorage economy will experience little or no growth for the next 2-3 years.
- The Anchorage economy will continue to be affected by a "boom or bust" cycle.
- The Anchorage economy will continue to be materially impacted by state spending decisions.

2. Impacts on AWWU:

- AWWU's customer base will be stable in 1990.
- There will be less capital expansion.
- Most near-term or intermediate term growth will absorb existing commercial space and housing units through in-filling before new development is undertaken.
- AWWU should monitor specific projects, e.g.:
 - Expansion of fish processing capability.
 - Duty Free Port/International Airport Industrial expansion
 - Eagle River Ski Resort
 - Military construction on Elmendorf Air Force Base and Fort Richardson
 - Approval of oil exploration in the Arctic National Wildlife Refuge (ANWR): Preparation phase, possible population increase
 - Gas Pipeline: Preparation phase, population increase
 - Port Expansion
 - Fire Island Development
 - Alyeska Ski Resort expansion
- AWWU will be asked to support economic development initiatives of the Municipality.
- Service levels may be reduced.
- AWWU could be impacted by unexpected events.

B. REGULATORY/ENVIRONMENTAL1. Assumptions:

- Environmental regulations will increase.
- O&M costs will be impacted by adverse weather conditions.
- Existing environmental quality standards will become more stringent.
- The 301(h) waiver will be renewed in 1990.
- Many existing private water and sewer systems will not meet changing regulatory requirements.

2. Impacts on AWWU:

- Municipal rate making will decrease expenses.
- There will continue to be demands for capital expenditures due to system upgrades and increased ground water contamination.
- Increased regulation could result in decreased responsiveness, increased operating costs, diminution of revenue stream, and adverse effect on the debt/equity structure.
- Annual operating plans require flexibility to address unusually adverse weather.

C. KEY RESOURCE AVAILABILITY - FINANCIAL, PHYSICAL, AND HUMAN1. Assumptions:

- Bond Rating will not change.
- Less grant money will be available.
- Less low cost money will be available through tax free issues, both as a result of market factors and more stringent regulation. Alternate sources of low cost money will be available from the State of Alaska.
- Source of water supply will not be a problem, assuming we maintain water rights.
- Municipality will become less competitive in the local labor market.
- Major projects undertaken to accommodate growth have been or soon will be completed.
- AWWU will generate more equity through rates.

2. Impacts on AWWU:

- Fixed costs will only increase slightly.
- The cost of new capital could decrease.
- Less contributed capital available to fund new projects.
- Smaller capital program in the intermediate term.
- Emphasis on Rehabilitation and Replacement program will increase.
- AWWU will experience shortage of skilled operators.

D. POLITICAL1. Assumptions:

- There will be pressure from Assembly for dividend distribution.
- Federal government: There will be more requirements without commensurate funding.
- State Government: There will be limited one time funding available from Railbelt Energy Fund.
- Local Government: Implementation of self-regulation will be major issue. Increased Assembly, Advisory, and Regulatory Commission involvement.

2. Impacts on AWWU:

- Rate increase will result if dividend distributions are made.
- O&M costs may increase, due to increased regulation.
- Increased Federal requirements without Federal funding will mean increased costs for air quality and clean water.
- Assembly, Advisory and Regulatory Commissions will more closely scrutinize AWWU's operations.

E. SOCIAL/CULTURAL1. Assumptions:

- Uncertainty related to the current economic situation will place a strain on employees, customers, and the public generally.
- Customers will continue to expect the same high quality service, but will not be receptive to rate increases for three main reasons: (1) the government has been able to keep rates low in the past due to direct subsidy, (2) current economic conditions give customers less disposable income and (3) customers have difficulty understanding why rates are going up when economic activity is declining and the local cost of living has stabilized.
- Labor negotiations will be lengthy and difficult.

2. Impacts on AWWU:

- Employee morale and productivity may suffer due to labor negotiations.
- Rate increases will be difficult to obtain.

VI. AWWU'S STRATEGIC DIRECTION

AWWU has established the following five major areas in which action is required to maintain current priority programs and services and to enhance future success. A brief description is included within each area to indicate the direction AWWU intends to take.

A. FISCAL INTEGRITY AND FINANCIAL PERFORMANCE

AWWU will explore new revenue sources and product development which does not require major outlay of capital. AWWU will continue to respond to the downturn in the economy by emphasizing ongoing cost containment and constraint in capital strategies. AWWU will attempt to minimize or avoid rate increases. The Utility will continue to improve its financial management capabilities.

Success in this area will be measured by:

- Reasonable, defensible rates without reducing service levels.
- Grant receipts.
- Involvement in the new State and Federal Revolving Loan Programs.
- Net income.
- Cash position.
- Bond coverage.
- Debt/equity ratio.

B. ORGANIZATIONAL ENVIRONMENT

AWWU will focus on enriching the formal strategic planning process, improving internal communications and maintaining a positive climate for performance. Employee morale will be cultivated through programs relating to employee recognition, involvement and training.

Success in this area will be measured by:

- Accomplishment of career development objectives.
- Employee morale.
- Improved productivity measures; workload indicators.
- Strategic Plan implementation and success.
- Improved safety indicators, i.e. number of claims, injuries and lost time.
- IDP and Performance Standards achievement and improvement.
- Training schedule maintained and encouraged.
- Improved communication to and from employees through the Employee Involvement Committee.
- Reduced numbers and types of employee grievances, mediations, and arbitrations.

C. CUSTOMER SERVICE AND COMMUNITY RELATIONS

AWWU will be responsive to customer needs and requirements. Customer Services will be a high priority and AWWU will endeavor to retain a positive community reaction to AWWU issues.

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Success in this area will be measured by:

- Feedback from surveys and speakers' bureau presentations.
- Results of community meetings.
- Decrease in numbers of customer complaints.
- Visible public information activities.
- Reduce response time to customer requests, complaints and questions.
- Positive feedback from employees.

D. PRODUCT QUALITY AND SYSTEM RELIABILITY

AWWU will focus on maintaining the current high quality of the water supply and on providing flexible, reliable water and wastewater systems.

Success in this area will be measured by:

- Ongoing monitoring and reporting of product quality.
- Number of damage claims filed.
- Amount of damages paid.
- Cost benefit of operational programs.
- Reduction of permit violations.
- Successful completion of projects and project backlogs.
- Perceived quality/reliability problems — measured by customer complaints.

E. REGULATORY COMPLIANCE

AWWU will seek solutions as necessary to the multiple regulatory requirements presently in existence for the Utility. Necessary steps will be taken to meet any new and more stringent water and wastewater requirements/standards. Major expansion efforts will continue throughout the year at the Eagle River Wastewater Treatment Facility and improvements will be constructed at the Girdwood Wastewater Facility. The 301(h) waiver application process for Point Woronzof will be approved.

Success in this area will be measured by:

- Timely response to proposed and announced regulatory requirements.
- Successful completion of EPA annual audit of programs and facilities.
- Elimination of permit violations.
- Approval of revised 301(h) permit.
- Reduced regulatory requirements.

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VII. AWWU'S MAJOR OBJECTIVES, STRATEGIES & TARGET COMPLETION DATES

The following pages present major objectives within each strategic direction and the broad courses of action that will be necessary to accomplish the established objectives. Targeted completion dates are also established within three time frames — 1990, 1991, 1992 and beyond.

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p>A. FISCAL INTEGRITY AND FINANCIAL PERFORMANCE</p> <p>1. <u>Objective:</u> To hold 1990 controllable operating costs to 1989 approved budgeted levels.</p> <p><u>Primary Responsibility:</u> General Manager/Division Managers</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Staffing level will not exceed 285 positions. b. Savings in budget realized through attrition and vacancies rather than layoffs. c. Identify and document optimum operating efficiency. d. Continue wells abandonment program to reduce reliance on costly well production. e. Reduce overtime from 1989 actual level. f. Eliminate AWWU's subsidy to Hazardous Waste Program. 	X		
<p>2. <u>Objective:</u> To improve financial management and information reporting capabilities.</p> <p><u>Primary Responsibility:</u> Finance Division/Regulatory Affairs</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Enhance FMIS to provide additional cost separation. b. Implement project management for capital projects. c. Tie bond cash flow with operational cash flow by computer link. d. Develop model to link revenue requirements/rate increases to Assembly approved budgets. e. Develop long term financial forecasting system. f. Develop equity management plan objectives for inclusion in equity management model. 	X	X	X
<p>3. <u>Objective:</u> To revise the approved 6-year Capital Improvement Program (CIP) to reflect projected financial objectives and obtain necessary approvals.</p> <p><u>Primary Responsibility:</u> Engineering & Planning Division</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Review transmission, distribution and collection master plans in light of current economic conditions by April 30, 1990. b. Re-prioritize and update capital program to reflect projected financial conditions and objectives by May 31, 1990. c. Incorporate revisions into draft 1991-1996 CIP by May 31, 1990. d. Obtain approvals for updated CIP by December 31, 1990. 	X		

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p>4. <u>Objective:</u> To obtain net income levels as dictated in equity management plans developed for both water and wastewater utilities.</p> <p><u>Primary Responsibility:</u> General Manager/Division Managers</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Minimize additional long term borrowing. b. Maintain or improve delinquency rates. c. Promote bulk water sales. d. Implement rate increases as dictated by equity management plan. e. Promote innovative and effective cost saving ideas. f. Achieve non-operating revenues and expenses as forecast in Assembly approved budgets. g. Actively pursue monies from Railbelt Energy Fund. 	X	X	X
<p>5. <u>Objective:</u> To fund capital construction programs as outlined in the Water & Wastewater 6-year Capital Improvement Program.</p> <p><u>Primary Responsibility:</u> General Manager/Finance Division Technical Services Division</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Efficiently utilize remaining EPA grants. b. Continue to lobby for direct state funding - efficiently prioritize any state grants. c. Internally generate capital construction funds as set out in equity management plan. d. Utilize low cost state revolving loans over bond funds. 	X	X	X
<p>6. <u>Objective:</u> To increase revenues from non-utility sources.</p> <p><u>Primary Responsibility:</u> General Manager</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Identify potential business ventures by December 31, 1990. b. Establish draft marketing plan by December 31, 1991. 	X	X	
<p>7. <u>Objective:</u> To consolidate water and wastewater utilities into one utility for budgeting and financial reporting purposes.</p> <p><u>Primary Responsibility:</u> General Manager</p>	X	X	X

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p><u>Strategies:</u> a. Complete feasibility study by December 31, 1991. b. Implement study recommendation by December 31, 1994.</p>			
<p>B. ORGANIZATIONAL ENVIRONMENT</p>			
<p>1. <u>Objective:</u> To improve employee morale and enhance the overall climate for performance in the Utility.</p>	X	X	X
<p><u>Primary Responsibility:</u> Employee Services - a&b Division Managers - b&c General Manager - b</p>			
<p><u>Strategies:</u> a. Assess organizational climate and management practices in light of external changes and develop plans each quarter to address any problems that are identified. b. Continue Employee Involvement Committee Program. c. Implement approved annual E.I.C. goals and objectives.</p>			
<p>2. <u>Objective:</u> To involve employees in the annual update of the corporate strategic plan.</p>	X	X	X
<p><u>Primary Responsibility:</u> General Manager/Division Managers</p>			
<p><u>Strategies:</u> a. AWWU employees receive draft corporate strategic plan by third quarter of each year. b. Distribute the final corporate strategic plan to all employees in the fourth quarter of each year.</p>			
<p>3. <u>Objective:</u> To update the Employee Training Needs Assessment Plan to determine current AWWU manpower status, available employee skills and abilities, and future training and staffing needs of the Utility.</p>	X	X	X
<p><u>Primary Responsibility:</u> Employee Services</p>			
<p><u>Strategies:</u> a. Review Needs Assessment Plan annually to include objectives, content and methodology. b. Provide in-house management and supervisory training each quarter.</p>			
<p>4. <u>Objective:</u> To integrate the corporate strategic plan into each division's operational planning process.</p>	X		

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p><u>Primary Responsibility:</u> Division Managers</p> <p><u>Strategies:</u></p> <p>a. Review final Utility strategic plan in divisions by October 12, 1989.</p> <p>b. Division managers to provide draft of division strategic plan to General Manager by December 1, 1989.</p> <p>c. Division managers to provide final division strategic plan to General Manager by January 1, 1990.</p>			
<p>5. <u>Objective:</u> To maintain a fully integrated Utility Hazard Communication Program designed to meet regulatory requirements.</p> <p><u>Primary Responsibility:</u> Employee Services (Safety)</p> <p><u>Strategies:</u></p> <p>a. Conduct a thorough analysis of the Utility Hazard Communication Program by March 31, 1990.</p> <p>b. Update the Utility Hazard Communication Program to meet established regulatory requirements by July 31, 1990.</p> <p>c. Maintain and update as necessary a comprehensive file of Material Safety Data Sheets (MSDS) according to Occupational Safety and Health Administration (OSHA) Regulations for each AWWU division and maintain a master file in the safety office.</p> <p>d. Develop the "Community Right-to-Know" reporting process on hazardous and toxic chemicals by March 1, 1990 and administer on an on-going basis.</p>	X		
<p>6. <u>Objective:</u> To update the requirements; design, conduct, and administer a comprehensive safety education and training program for the Utility to reduce accidents and encourage "wellness."</p> <p><u>Primary Responsibility:</u> Employee Services</p> <p><u>Strategies:</u></p> <p>a. Maintain and update the program designed to identify and track recurring safety training requirements.</p> <p>b. Conduct annual First Aid, CPR, and operator/employee proficiency training as required by the applicable regulations or governing agencies.</p> <p>c. Develop an employee orientation program by April 1, 1990.</p>	X		
<p>7. <u>Objective:</u> To identify Utility space requirements for the next 20 years.</p> <p><u>Primary Responsibility:</u> Division Managers/Technical Services</p>	X		

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p><u>Strategies:</u></p> <p>a. Define the immediate needs and requirements for centralizing office space.</p> <p>b. Develop a plan for short term consolidation of office space requirements by March 31, 1990.</p> <p>c. Determine long term office needs and requirements through 2010 by March 31, 1990.</p> <p>d. Secure administration and Assembly approvals for study recommendations.</p>			
<p>8. <u>Objective:</u> To insure Utility efficiency by reviewing organizational structure.</p> <p><u>Primary Responsibility:</u> General Manager/Division Managers</p>	X	X	X
<p><u>Strategies:</u></p> <p>a. Division Managers review division organizational structures and provide input to the General Manager annually by May.</p> <p>b. Incorporate revised organizational structure into the strategic plan.</p>			
<p>C. CUSTOMER SERVICE AND COMMUNITY RELATIONS</p>			
<p>1. <u>Objective:</u> To identify customer and community concerns and provide for proper responses.</p> <p><u>Primary Responsibility:</u> Customer Service Division/ General Manager</p>		X	X
<p><u>Strategies:</u></p> <p>a. Complete customer survey by June 1, 1991 and thereafter repeat biannually.</p> <p>b. Address critical customer concerns raised by survey biannually by October 31.</p>			
<p>2. <u>Objective:</u> To increase employee awareness of the importance of customer service and customer communication to reinforce the concept that each AWWU employee is responsible for maintaining good customer relations.</p> <p><u>Primary Responsibility:</u> Division Managers</p>	X	X	X
<p><u>Strategies:</u></p> <p>a. Complete a customer relations and customer sensitivity training program each year by December 31.</p> <p>b. Re-emphasize customer relations in all performance evaluations.</p>			

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p>3. <u>Objective:</u> To obtain and maintain a positive community and public image for AWWU issues as indicated by support for Utility issues and development of support group(s) for future issues.</p> <p><u>Primary Responsibility:</u> General Manager Technical Services Division and Employee Services</p> <p><u>Strategies:</u> a. Conduct annual Speaker's Bureau reinforcement training. b. Update technical information for those participating in Speaker's Bureau. c. AWWU personnel will complete fifty (50) speaking engagements during 1990.</p>	X	X	X
<p>D. PRODUCT QUALITY AND SYSTEM RELIABILITY</p>			
<p>1. <u>Objective:</u> To decrease water and wastewater systems failures, and to improve product delivery to customers and prevent degradation of product quality.</p> <p><u>Primary Responsibility:</u> Operations & Maintenance Division - c, e, f, g, h & i Treatment Div. - d, f, g, & h Eng./Planning - a, b, g, & h</p> <p><u>Strategies:</u> a. Identify source and correct pressure fluctuation within water system on an on-going basis. b. Implement a pilot program to prevent external corrosion by December 31, 1990. c. Continue the sewer system maintenance programs to prevent increased failures due to blockages, plugs, and system failures. d. Support the Hazardous Waste Program by Solid Waste Services to eliminate disposal of undesirable items into sewer system. e. Maintain water and wastewater systems maintenance at or above the 1988 level. f. Continue treatment facilities, lift stations, and wells preventive maintenance program. g. Insure appropriate redundancy for treatment facilities and lift/booster stations. h. Reduce to a minimum the number of wells necessary to insure adequate water supply and standby requirements. i. Continue water flushing program to reduce complaints due to bad taste and/or dirty water.</p>	X	X	X

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p>2. <u>Objective:</u> To furnish all areas with adequate and reliable water supply and wastewater collection to ensure that all current customers have sufficient service at all times of year with adequate reserve capacity to satisfy future demands.</p> <p><u>Primary Responsibility:</u> Engineering & Planning Division - a&d Treatment Division - b,c,&d</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Evaluate and update current Master Plan to reflect current economic conditions and needs on an annual basis. b. Develop and implement operating plan for Eklutna/Ship Creek production utilizing 24" bypass. c. Review and update water rights for critical wells. (Action step to include working with the Department of Natural Resources.) d. Review ancillary facilities to determine which may be removed or put on standby. 	X	X	X
E. REGULATORY COMPLIANCE			
<p>1. <u>Objective:</u> To ensure that all water and wastewater treatment facilities meet current and anticipated NPDES permit limits, Clean Water Act, Clean Air Act and Safe Drinking Water Act Standards.</p> <p><u>Primary Responsibility:</u> Treatment Division</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Remain proactive in development of regulations through professional groups and lobby groups. b. Maintain a satisfactory Pretreatment Program. c. Ensure that laboratory is responsive to regulatory requirements. d. Incorporate into the Capital Improvement Program any necessary treatment enhancements. e. Ensure that treatment staff is adequately trained to meet all new operational, analytical, and testing requirements. 	X	X	X
<p>2. <u>Objective:</u> To secure renewal of 301(h) Waiver from secondary treatment at Pt. Woronzof.</p> <p><u>Primary Responsibility:</u> Treatment Division</p> <p><u>Strategies:</u></p> <ul style="list-style-type: none"> a. Complete all studies necessary to support renewal by March 31, 1990. 	X	X	X

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p>b. Submit renewal application by deadline of April 30, 1990.</p> <p>c. Respond to any subsequent questions or comments from EPA.</p> <p>d. Continue required 301(h) annual monitoring effort and submit annual report to EPA by November 30, 1990.</p> <p>e. Through continued contacts with Washington, D.C. lobbyists, Alaska's Congressional Delegation, EPA Region X, ADEC and AMSA remain proactive within the current political process to make certain that our position on the 301(h) waiver does not diminish.</p>			
<p>3. <u>Objective:</u> To ensure there are no unreasonable rate cross-subsidies between customer classes.</p> <p><u>Primary Responsibility:</u> Field Service/Regulatory Affairs</p> <p><u>Strategies:</u></p> <p>a. To identify flat rated single family residences with meter idlers.</p> <p>b. Install 50 additional water test meters in single family residences during 1990.</p> <p>c. Install 100 additional water test meters in single family residences each year after 1990 until total for class reaches 500.</p> <p>d. Monitor all water consumption meter data for adequacy and inclusion in future cost-of-service studies.</p>	X	X	X
<p>4. <u>Objective:</u> To expand the Water Service Area to meet the demands of the community.</p> <p><u>Primary Responsibility:</u> Regulatory Affairs, Engineering & Planning, Technical Services and Treatment Division</p> <p><u>Strategies:</u></p> <p>a. Establish a task force by January 1, 1990, to look into expanding water service area in Eagle River, Anchorage and Girdwood.</p>	X		
<p>5. <u>Objective:</u> To comply with EPA directives regarding residential hook-ups to existing or anticipated AWWU sewer service.</p> <p><u>Primary Responsibility:</u> Technical Services</p>	X		

STRATEGIC DIRECTION/OBJECTIVE/STRATEGIES	FISCAL YEAR		
	90	91	92 & BEYOND
<p>Strategies:</p> <ul style="list-style-type: none"> a. Determine the number of effected properties. b. Develop program with Municipal Health Department to enforce connection to available sewer service. c. Review and amend Title 15 as necessary to eliminate possible discrimination by July 31, 1990. 			

VIII. AWWU'S FISCAL POLICIES, BUDGETS AND EQUITY MANAGEMENT PLAN

The Anchorage Water and Wastewater Utility consists of two separate and distinct business entities which, until August, 1989, were regulated by the Alaska Public Utilities Commission (APUC). In August, 1989, the Utility was removed from APUC regulation by Municipal Assembly resolution and ordinance. AWWU's rates and tariffs are now approved by Assembly ordinance after being reviewed by the Advisory Commission, an appointed municipal regulatory commission and the Administration.

AWWU intends to base its revenue requirements and rates on a traditional rate base rate of return methodology until December 31, 1989. Beginning 1990, the Utility intends to modify its revenue requirements methodologies to emphasize and achieve equity management goals and objectives which will directly tie rates to approved Assembly budgets.

The Utilities have reduced Capital Improvement Programs to reflect current economic conditions. AWWU is committed to minimizing the impact on rates of any additional long term debt. At least \$50 million of projects have been deferred, delayed or eliminated. We are actively pursuing options to general obligation and revenue bonds and are seeking low cost, low risk alternatives; for example, the State revolving loan program, special assessment bonds and direct grants from the State of Alaska.

In that regard, if the Railbelt Energy funds are distributed in 1990 or later some of the deferred projects will be brought back, with impacts on the Engineering, Technical Services and Operations & Maintenance Divisions.

Details of the program are available in the AWWU Capital Improvement Program document.

The operating budgets of both utilities also reflect our goals of minimizing rate increases. Staffing levels have been reduced and will continue to be closely monitored. Other controllable expenses reflect minimal increases substantially less than inflation. Non controllable expenses still are primarily driven by plant additions.

We are developing and implementing long range equity management plans for both utilities. These will provide the future direction for the equity increases as outlined in the objectives of the strategic plan. Increasing equity may necessitate rate increases.

ANCHORAGE WATER & WASTEWATER UTILITIES
1990 OPERATING BUDGET ISSUES

THE 1990 COMBINED EXPENSE APPROPRIATION (BUDGET) FOR BOTH UTILITIES IS SLIGHTLY LESS (0.3%) THAN THE 1989 ASSEMBLY APPROVED APPROPRIATION. WE SHOW A 5% DECREASE IN THE SEWER APPROPRIATION AND A 4% INCREASE IN THE WATER APPROPRIATION. THE WATER INCREASE REFLECTS THE MUSA AND DEPRECIATION IMPACT OF THE EKLUTNA PROJECT.

PERSONNEL LEVELS: SAME AS 1989 (285) WITH POSSIBLE REDUCTIONS THROUGH ATTRITION. WORK FORCE REDUCED BY 13.6% FROM 1987 LEVELS. [330 TO 285 = -45 POSITIONS].

RATE INCREASES:

WATER: CURRENTLY OPERATING UNDER AN INTERIM INCREASE OF 28% WITH AN ADDITIONAL 15% EXPECTED IN NOVEMBER (INCLUDES MUSA ON EKLUTNA). SELF REGULATION ISSUE MAKES THE TIMING OF THE INCREASE UNCERTAIN AND COULD NEGATIVELY IMPACT THE PROJECTED REVENUES.

WASTEWATER: AN INCREASE OF 13-16% IS NEEDED FOR DEBT SERVICE AND FUNDING FOR OPERATIONAL CONSTRUCTION NEEDS. THE 1989 BUDGET IDENTIFIED THE NEED FOR A 10.5% INCREASE WHICH WAS NOT REQUESTED. UNCERTAINTY OF SELF REGULATION ALSO APPLIES.

PROFITABILITY:	WATER	WASTEWATER
1988	-\$73,713	-\$1,946,000
1989	-\$735,000	-\$830,000 *
1990	\$749,000	\$1,152,000

* \$930,000 EXTRAORDINARY INCOME FROM MILITARY CONTRACTS RATE SETTLEMENT WILL PROVIDE A POSITIVE NET INCOME OF APPROXIMATELY \$99,000.

1990 OPERATIONAL CASH BALANCES;

WATER: \$3.0M WORKING CAPITAL REQUIREMENT: \$3.0M
SEWER: \$1.6M WORKING CAPITAL REQUIREMENT: \$3.0M

PROJECTED RATE INCREASES:

WATER: 1990	1991	1992	1993	1994	1995
0	4-6%	0	2-4%	0	2-4%
SEWER: 1990	1991	1992	1993	1994	1995
13-16%	14-16%	8-10%	0	0	0

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AWWU STRATEGIC PLAN
FINANCIAL ASSUMPTIONS
1990

The following assumptions are being used to formulate our 1990 Operating Budget:

1. Personnel levels will not exceed those of 1989 (285).
2. Salary and wage adjustments have been made for steps and longevity increases.
3. Benefits were calculated at 47% of salary.
4. A 5% inflation factor was used for outside services and supplies. Utilities are increased to reflect local rate increases.
5. No customer growth was anticipated.
6. We anticipated a \$5 million dollar wastewater bond sale in the May, 1990 time frame. We anticipate no bond sale for the Water Utility.
7. Net income will be used for operational construction needs in order to reduce debt associated with borrowing.
8. AWU will receive from the Fire Department the full amount budgeted for fire protection, including any anticipated increases due to new cost-of-service study.
9. Rate increases: Water Utility - None with no dividend
- 3% with dividend
10. Rate increases: Wastewater Utility - 14.5% needed to cover debt service and operational construction requirements. An 18% increase would be needed to cover debt service, operational, construction and a 3% divided to General Government. This Utility lost \$1.3 and \$1.9 million dollars in 1989 and 1988 and was in a negative retained earnings position at the end of 1988. The need for rater increases has been identified in previous budgets.

AWWU EQUITY MANAGEMENT PLAN

AWWU has developed an Equity Management Model for the water and wastewater utilities. These models will be used to facilitate and support management decisions which impact the Utility's financial position. AWWU's Equity Management Plan is to optimize each utility's equity position, reduce each utility's overall cost of capital, and allow each utility to fund its Capital Improvements Plan (CIP) using AWWU's established funding source guidelines.

Logically, AWWU's equity management plans include the management decisions and assumptions reflected in the Utility's Corporate Strategic Plan and proposed budget. Each equity management model shows the actual financial impact of past management decisions as well as the projected results of current decisions. Specifically, the models quantify the (estimated) rate increases which will be necessary during the next six years to meet all of the following minimum requirements: (1) meet debt service requirements, (2) provide income to fund the operational construction projects identified in the Utility's CIP, and (3) increase each utility's equity position at an average one percent annual growth rate until an optimum debt to equity ratio is achieved, presently recognized as 60 percent debt and 40 percent equity.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1		1989 Interim Increase, Mar 3 thru Oct 31 = 28.00%					1989 Permanent Increase, Nov 1 = 43.05%						
2		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
3	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
4	Rate Increase:						25.80%	0.00%	5.00%	0.00%	3.00%	0.00%	3.00%
5													
6	Operating Revenues:												
7	Residential	7,520,454	8,525,841	10,086,608	11,488,388	11,734,195	14,761,842	16,785,766	17,625,054	17,625,054	18,153,806	18,153,806	18,698,420
8	Commercial	4,043,430	3,669,404	3,800,840	4,288,423	4,221,544	5,310,783	6,038,919	6,340,865	6,340,865	6,531,091	6,531,091	6,727,023
9	Public Fire	1,440,468	1,643,110	1,153,740	1,153,740	1,653,470	2,080,097	2,365,289	2,483,553	2,483,553	2,558,060	2,558,060	2,634,802
10	Hydrant	0	101,176	97,548	76,031	64,610	81,281	92,425	97,046	97,046	99,957	99,957	102,956
11	Miscellaneous	0	579	113,160	22,502	26,865	33,797	38,430	40,352	40,352	41,562	41,562	42,809
12	Total	13,004,352	13,940,110	15,251,896	17,029,084	17,700,684	22,267,799	25,320,828	26,586,870	26,586,870	27,384,476	27,384,476	28,206,010
13													
14	Operating Expenses:												
15	Source of Supply	1,280,468	1,400,876	1,423,743	1,698,078	1,410,954	1,737,000	1,713,070	1,760,691	1,799,784	1,873,634	1,915,437	1,992,417
16	Water Treatment	1,023,144	987,421	1,380,876	1,365,353	1,320,114	1,750,000	1,873,140	1,925,211	1,967,956	2,048,707	2,094,416	2,178,590
17	Transmission & Distribution	2,811,597	3,332,775	3,383,696	3,080,094	3,061,975	3,333,000	3,360,640	3,454,061	3,530,752	3,675,629	3,757,636	3,908,654
18	Customer Accounts	1,102,070	1,216,447	1,357,611	1,734,206	1,574,606	1,713,000	1,756,370	1,805,195	1,845,276	1,920,992	1,963,852	2,042,778
19	Administrative & General	2,813,154	3,098,524	4,179,388	4,190,113	3,957,830	3,950,000	4,243,500	4,361,463	4,458,302	4,641,238	4,744,789	4,935,481
20	Depreciation (NCP)	1,366,466	1,648,699	1,368,802	1,517,641	1,645,732	3,254,280	3,340,770	3,520,520	3,747,800	3,915,190	4,132,620	4,361,970
21	MUSA	492,830	887,751	1,298,888	2,156,478	2,660,552	1,187,109	2,040,349	2,003,283	2,063,335	1,833,659	1,866,843	1,849,451
22	Total	10,889,729	12,572,493	14,393,004	15,741,963	15,631,763	16,924,389	18,327,839	18,830,423	19,413,205	19,909,049	20,475,593	21,269,341
23													
24	Operating Income:	2,114,623	1,367,617	858,892	1,287,121	2,068,921	5,343,410	6,992,989	7,756,446	7,173,665	7,475,427	6,908,883	6,936,669
25													

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	A	B	C	D	E	F	G	H	I	J	K	L	M
1		1989 Interim Increase, Mar 3 thru Oct 31 = 28.00%					1989 Permanent Increase, Nov 1 = 43.05%						
2		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
3	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
26													
27	Non-Operating Revenues:												
28	Interest - Restricted for Construction	1,719,795	1,750,263	1,625,612	1,151,584	326,389	0	0	0	0	0	0	0
29	Interest - General Cash Pool	217,787	286,990	580,085	627,426	601,542	500,000	218,510	177,599	149,847	116,645	98,282	152,275
30	Interest - Bond Debt Redemption	305,477	486,563	727,901	444,884	457,838	330,000	353,325	390,825	390,825	390,825	390,825	390,825
31	Interest - Debt Service Account	0	0	0	117,804	121,704	139,675	152,651	152,651	152,651	152,651	152,651	152,651
32	Interest - Penalties & Assessments	204,583	227,208	153,425	76,781	101,361	0	0	0	0	0	0	0
33	Interest - Other	0	1,244,742	1,785,657	1,497,777	744,827	505,610	88,200	193,200	19,575	7,125	7,125	7,125
34	Rents/Other	273,644	273,458	297,100	358,246	315,510	315,510	320,000	320,000	320,000	320,000	320,000	320,000
35	Total	2,721,286	4,269,224	5,169,780	4,274,502	2,669,171	1,790,795	1,132,686	1,234,275	1,032,898	987,246	968,883	1,022,876
36													
37	Non-Operating Expenses:												
38	Amort. of Deferred Debits/Discounts	26,914	79,852	54,232	102,442	101,131	240,000	240,000	240,000	240,000	240,000	240,000	240,000
39	Interest - Long Term Debt	2,139,195	3,580,654	5,915,185	8,337,832	8,245,096	8,029,355	7,891,002	8,045,001	7,990,361	7,833,134	7,677,714	7,476,856
40	AFUDC	0	0	-1,447,064	-3,269,713	-3,543,331	-400,000	-754,786	-1,064,000	-1,033,200	-821,280	-808,000	-808,000
41	Other Interest	144,208	0	45,214	0	8,909	0	0	0	0	0	0	0
42	Total	2,310,317	3,660,506	4,567,567	5,170,561	4,811,805	7,869,355	7,376,216	7,221,001	7,197,161	7,251,854	7,109,714	6,908,856
43													
44	Non-Operating Income:	410,969	608,718	602,213	-896,059	-2,142,634	-6,078,560	-6,243,530	-5,986,726	-6,164,263	-6,264,608	-6,140,831	-5,885,980
45													
46	Net Income (Regulatory):	\$2,525,592	\$1,976,335	\$1,461,105	\$391,062	(\$73,713)	(\$735,150)	\$749,459	\$1,769,720	\$1,009,402	\$1,210,819	\$768,052	\$1,050,689
47													
48													
49													

	A	B	C	D	E	F	G	H	I	J	K	L	M	
1		1989 Interim Increase, Mar 3 thru Oct 31 - 28.00%					1989 Permanent Increase, Nov 1 - 43.05%							
2		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	
3	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
50														
51	Retained Earnings:													
52	Net Income (Regulatory):	2,525,592	1,976,335	1,461,105	391,062	-73,713	-735,150	749,459	1,769,720	1,009,402	1,210,819	768,052	1,050,689	
53	Less: Dividend	0	0	0	0	0	0	0	0	0	0	0	0	
54	Increase to Retained Earnings	2,525,592	1,976,335	1,461,105	391,062	-73,713	-735,150	749,459	1,769,720	1,009,402	1,210,819	768,052	1,050,689	
55	Retained Earnings - Prior Year	12,850,480	15,376,072	17,352,407	18,813,512	19,204,574	19,130,861	18,395,711	19,145,170	20,914,891	21,924,293	23,135,112	23,903,164	
56	Retained Earnings Balance	15,376,072	17,352,407	18,813,512	19,204,574	19,130,861	18,395,711	19,145,170	20,914,891	21,924,293	23,135,112	23,903,164	24,953,853	
57	Return on Average Equity		12.08%	8.08%	2.06%	-0.38%	-3.92%	3.99%	8.84%	4.71%	5.37%	3.27%	4.30%	
58														
59	Long Term Debt	34,221,670	49,846,421	102,911,557	101,449,536	99,740,939	97,917,342	95,963,223	98,874,105	96,519,465	94,189,565	92,064,144	89,244,144	
60	Equity	15,376,072	17,352,407	18,813,512	19,204,574	19,130,861	18,395,711	19,145,170	20,914,891	21,924,293	23,135,112	23,903,164	24,953,853	
61	Total Capital	49,597,742	67,198,828	121,725,069	120,654,110	118,871,800	116,313,053	115,108,394	119,788,996	118,443,758	117,324,677	115,967,308	114,197,997	
62														
63	Percentage Debt	69.00%	74.18%	84.54%	84.08%	83.91%	84.18%	83.37%	82.54%	81.49%	80.28%	79.39%	78.15%	
64	Percentage Equity	31.00%	25.82%	15.46%	15.92%	16.09%	15.82%	16.63%	17.46%	18.51%	19.72%	20.61%	21.85%	
65														
66	Equity Change		-5.18%	-10.37%	0.46%	0.18%	-0.28%	0.82%	0.83%	1.05%	1.21%	0.89%	1.24%	
67														
68														
69														
													Average equity growth rate 1990 to 1995=	1.01%

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A	B	C	D	E	F	G	H	I	J	K	L	M	
1	1989 Interim Increase, Mar 3 thru Oct 31 - 28.00%					1989 Permanent Increase, Nov 1 - 43.05%							
2	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	
3	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
70	Funds Available for Debt Service:												
71	Operating Income	2,114,623	1,367,617	858,892	1,287,121	2,068,921	5,343,410	6,992,989	7,756,446	7,173,665	7,475,427	6,908,883	6,936,669
72	Depreciation	1,366,466	1,648,699	1,368,802	1,517,641	1,645,732	3,254,280	3,340,770	3,520,520	3,747,800	3,915,190	4,132,620	4,361,970
73	Interest - General Cash Pool	217,787	286,990	580,085	627,426	601,542	500,000	218,510	177,599	149,847	116,645	98,282	152,275
74	Interest - Bond Debt Redemption	305,477	486,563	727,901	444,884	457,838	330,000	353,325	390,825	390,825	390,825	390,825	390,825
75	Interest - Debt Service Account	0	0	0	100,489	121,704	139,675	152,651	152,651	152,651	152,651	152,651	152,651
76	Interest - Penalties & Assessments	204,583	227,208	153,425	76,781	101,361	0	0	0	0	0	0	0
77	Interest - Other	0	1,244,742	1,785,657	1,497,777	744,827	505,610	88,200	193,200	19,575	7,125	7,125	7,125
78	Water Property Rental	273,644	273,458	297,100	358,246	315,510	315,510	320,000	320,000	320,000	320,000	320,000	320,000
79	AFUDC	0	0	1,447,064	3,269,713	3,543,331	400,000	754,786	1,064,000	1,033,200	821,280	808,000	808,000
80	Assessment Receipts	651,610	884,617	225,407	227,742	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000
81	TOTAL	5,134,190	6,419,894	7,444,333	9,407,820	9,828,766	11,016,485	12,449,231	13,803,241	13,215,563	13,427,143	13,046,386	13,357,515
82	Debt Service Requirements:												
84	Revenue Bond Principal	1,557,865	205,000	225,000	840,000	885,000	935,000	995,000	1,055,000	1,240,000	1,325,000	1,425,000	1,525,000
85	Revenue Bond Interest	2139195	2,750,129	3,699,719	3,954,564	3,925,191	3,873,823	3,816,173	3,939,835	4,052,746	3,966,055	3,871,120	3,767,295
86	G.O. Bond Principal	0	0	0	766,673	823,597	888,597	959,119	1,034,119	1,114,640	1,204,900	1,300,421	1,395,000
87	G.O. Bond Interest	0	0	0	4,238,614	4,201,944	4,155,533	4,102,478	4,072,021	3,973,665	3,966,055	3,811,063	3,714,390
88	Revolving Loan Principal	0	0	0	0	0	0	0	0	0	2,967	15,060	26,431
89	Revolving Loan Interest	0	0	0	0	0	0	0	0	0	5,000	24,776	41,291
90	TOTAL	3,697,060	2,955,129	3,924,719	9,799,851	9,835,732	9,852,953	9,872,770	10,100,975	10,381,051	10,469,977	10,447,440	10,469,407
92	Overall Coverage:	1.39	2.17	1.90	0.96	1.00	1.12	1.26	1.37	1.27	1.28	1.25	1.28
94	Funds Avail. for Op. Const. & Dividend:						1,163,532	2,576,462	3,702,267	2,834,512	2,957,166	2,598,946	2,888,108
95	Operational Construction in CIP							3,585,000	3,814,000	2,707,000	2,848,000	2,775,000	2,900,000
96	Funds Available for Dividend:							-1,008,538	-111,733	127,512	109,166	-176,054	-11,892
97	Dividend							0	0	0	0	0	0
98	Note: 1990 Operational Construction deficiency funded by cash.												

A	B	C	D	E	F	G	H	I	J	K	L	M	
1	1989 Interim Increase, Mar 3 thru Oct 31 = 28.00%					1989 Permanent Increase, Nov 1 = 43.05%							
2	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	
3	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
99	Funds Available for Revenue Bond DSC												
100	Operating Income	2,114,623	1,367,617	858,892	1,287,121	2,068,921	5,343,410	6,992,989	7,756,446	7,173,665	7,475,427	6,908,883	6,936,669
101	MUSA	492,830	887,751	1,298,888	2,156,478	2,660,552	1,187,109	2,040,349	2,003,283	2,063,335	1,833,659	1,866,843	1,849,451
102	Depreciation	1,366,466	1,648,699	1,368,802	1,517,641	1,645,732	3,254,280	3,340,770	3,520,520	3,747,800	3,915,190	4,132,620	4,361,970
103	Interest - General Cash Pool	217,787	286,990	580,085	627,426	601,542	500,000	218,510	177,599	149,847	116,645	98,282	152,275
104	Interest - Bond Debt Redemption	305,477	486,563	727,901	444,884	457,838	330,000	353,325	390,825	390,825	390,825	390,825	390,825
105	Interest - Debt Service Account	0	0	0	100,489	121,704	139,675	152,651	152,651	152,651	152,651	152,651	152,651
106	Interest - Penalties & Assessments	204,583	227,208	153,425	76,781	101,361	0	0	0	0	0	0	0
107	Water Property Rental	273,644	273,458	297,100	358,246	315,510	315,510	320,000	320,000	320,000	320,000	320,000	320,000
108	Assessment Receipts	651,610	884,617	225,407	227,742	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000
09	TOTAL	5,627,020	6,062,903	5,510,500	6,796,808	8,201,160	11,297,984	13,646,594	14,549,325	14,226,123	14,432,397	14,098,104	14,391,841
11	Revenue Bond Debt Service												
12	Revenue Bond Principal	1,557,865	205,000	225,000	840,000	885,000	935,000	995,000	1,055,000	1,240,000	1,325,000	1,425,000	1,525,000
13	Revenue Bond Interest	2,139,195	2,750,129	3,699,719	3,954,564	3,925,191	3,873,823	3,816,173	3,939,835	4,052,746	3,966,055	3,871,120	3,767,295
14	TOTAL	3,697,060	2,955,129	3,924,719	4,794,564	4,810,191	4,808,823	4,811,173	4,994,835	5,292,746	5,291,055	5,296,120	5,292,295
15													
16	Revenue Bond DSC	1.52	2.05	1.40	1.42	1.70	2.35	2.84	2.91	2.69	2.73	2.66	2.72

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	A	B	C	D	E	F	G	H	I	J	K	L	M
1		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
2	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	Rate Increase:							14.50%	15.00%	9.50%	0.00%	0.00%	0.00%
4													
5	Operating Revenues:												
6	Residential	11,710,290	12,850,977	13,673,955	14,066,512	13,299,446	13,076,205	14,972,255	17,218,093	18,853,812	18,853,812	18,853,812	18,853,812
7	Commercial	3,395,276	3,770,995	4,004,276	3,693,453	3,521,325	3,816,293	4,369,655	5,025,104	5,502,489	5,502,489	5,502,489	5,502,489
8	Public Authorities	309,589	394,758	377,780	330,474	288,111	1,443,311	790,475	535,296	586,149	586,149	586,149	586,149
9	Miscellaneous	44,176	24,149	12,162	9,366	3,242	11,093	12,701	14,607	15,994	15,994	15,994	15,994
10	Customer Refunds	0	0	-730,532	0	0	0	0	0	0	0	0	0
11	Total	15,459,331	17,040,879	17,337,641	18,099,805	17,112,124	18,346,902	20,145,087	22,793,100	24,958,444	24,958,444	24,958,444	24,958,444
12													
13	Operating Expenses:												
14	Collection System	1,465,841	1,785,890	1,740,629	1,877,131	1,973,754	2,230,000	2,721,290	2,803,620	2,865,431	2,981,765	3,047,786	3,168,966
15	Treatment	4,508,016	4,650,161	5,096,053	4,643,994	4,001,602	4,225,000	4,346,500	4,478,000	4,576,725	4,762,536	4,867,986	5,061,537
16	Customer Accounts	1,437,342	1,511,232	1,439,103	1,527,434	1,388,807	1,481,000	1,616,790	1,665,705	1,702,428	1,771,545	1,810,770	1,882,766
17	General & Administrative	3,480,174	3,987,051	4,808,296	4,218,901	3,766,878	3,800,000	4,164,900	4,290,905	4,385,506	4,563,554	4,664,598	4,850,062
18	Depreciation (NCP)	2,130,438	2,923,363	1,738,507	1,815,118	1,936,936	2,434,720	2,382,360	2,727,650	3,136,660	3,259,520	3,419,200	3,581,900
19	MUSA	0	0	1,424,184	2,082,433	2,831,648	1,134,055	1,151,180	1,176,046	1,552,151	1,641,504	1,644,471	1,233,825
20	Total	13,021,811	14,857,697	16,246,772	16,165,011	15,899,625	15,304,775	16,383,020	17,141,926	18,218,901	18,980,423	19,454,810	19,779,054
21													
22	Operating Income:	2,437,520	2,183,182	1,090,869	1,934,794	1,212,499	3,042,127	3,762,066	5,651,174	6,739,544	5,978,021	5,503,634	5,179,390

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	A	B	C	D	E	F	G	H	I	J	K	L	M
		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
	Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
25	Non-Operating Revenues:												
26	Interest - Restricted for Construction	2,665,049	1,509,370	982,178	58,335	15,425	134	0	0	0	0	0	0
27	Interest - General Cash Pool	908,594	3,339,558	2,721,265	2,276,611	1,481,800	1,000,000	354,164	243,037	95,727	19,945	30,560	101,641
28	Interest - Penalties & Assessments	301,232	316,489	346,889	359,200	362,933	350,000	350,000	350,000	350,000	350,000	350,000	350,000
29	Interest - Other	0	0	0	0	0	201,500	315,525	192,900	100,650	195,375	11,250	15,825
30	Amortization of Gain	159,713	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000
31	Property Rental	89,351	55,806	78,776	77,810	577,960	575,000	575,000	575,000	575,000	575,000	575,000	575,000
32	Total	4,123,939	5,221,223	4,129,108	2,771,956	2,438,118	2,276,634	1,744,689	1,510,937	1,271,377	1,290,320	1,116,810	1,192,466
34	Non-Operating Expenses:												
35	Amort. of Deferred Debits/Discounts	82,886	10,223	23,352	96,734	147,671	150,000	150,000	150,000	150,000	150,000	150,000	150,000
36	Interest - Long Term Debt	4,827,903	5,904,159	6,683,841	6,541,781	6,324,386	5,848,700	5,489,950	5,147,450	4,697,105	4,536,006	4,413,242	4,356,087
37	AFUDC	0	0	-467,747	-661,191	-888,606	-849,896	-1,355,000	-1,069,600	-1,034,400	-798,960	-596,400	-835,120
38	Other Interest	33,070	27,407	42,161	17,616	12,626	70,100	70,100	70,100	70,100	70,100	70,100	70,100
39	Total	4,943,859	5,941,789	6,281,607	5,994,940	5,596,077	5,218,904	4,355,050	4,297,950	3,882,805	3,957,146	4,036,942	3,741,067
40													
41	Non-Operating Income:	-819,920	-720,566	-2,152,499	-3,222,984	-3,157,959	-2,942,270	-2,610,361	-2,787,013	-2,611,428	-2,666,826	-2,920,132	-2,548,601
42													
43	Net Income (Regulatory):	\$1,617,600	\$1,462,616	(\$1,061,630)	(\$1,288,190)	(\$1,945,469)	\$99,857	\$1,151,705	\$2,864,161	\$4,128,116	\$3,311,195	\$2,583,502	\$2,630,789
44													
45													

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A	B	C	D	E	F	G	H	I	J	K	L	M	
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	
Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Retained Earnings:													
Net Income (Regulatory):	1,617,600	1,462,616	-1,061,630	-1,288,190	-1,945,460	99,857	1,151,705	2,864,161	4,128,116	3,311,195	2,583,502	2,630,789	
Less: Dividend	0	0	0	0	0	0	0	0	0	0	0	0	
Increase to Retained Earnings	1,617,600	1,462,616	-1,061,630	-1,288,190	-1,945,460	99,857	1,151,705	2,864,161	4,128,116	3,311,195	2,583,502	2,630,789	
Retained Earnings - Prior Year	1,123,659	2,741,259	4,203,875	3,142,245	1,854,055	-91,405	8,452	1,160,157	4,024,319	8,152,434	11,463,629	14,047,130	
Retained Earnings Balance	2,741,259	4,203,875	3,142,245	1,854,055	-91,405	8,452	1,160,157	4,024,319	8,152,434	11,463,629	14,047,130	16,677,919	
Return on Average Equity		42.12%	-28.90%	-51.57%	-220.74%	-240.76%	197.11%	110.49%	67.80%	33.76%	20.25%	17.12%	
Long Term Debt	64,531,773	75,853,092	88,509,894	86,437,209	81,354,483	75,795,651	75,264,151	69,166,151	63,019,972	63,579,892	59,745,924	61,983,290	
Equity	2,741,259	4,203,875	3,142,245	1,854,055	-91,405	8,452	1,160,157	4,024,319	8,152,434	11,463,629	14,047,130	16,677,919	
Total Capital	67,273,032	80,056,967	91,652,139	88,291,264	81,263,078	75,804,103	76,424,308	73,190,470	71,172,406	75,043,521	73,793,054	78,661,209	
Percentage Debt	95.93%	94.75%	96.57%	97.90%	100.11%	99.99%	98.48%	94.50%	88.55%	84.72%	80.96%	78.80%	
Percentage Equity	4.07%	5.25%	3.43%	2.10%	-0.11%	0.01%	1.52%	5.50%	11.45%	15.28%	19.04%	21.20%	
Equity Change		1.18%	-1.82%	-1.33%	-2.21%	0.12%	1.51%	3.98%	5.96%	3.82%	3.76%	2.17%	
												Average annual equity growth rate 1990 to 1995=	3.53%

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A	B	C	D	E	F	G	H	I	J	K	L	M
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Description	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Funds Available for Debt Service:												
Operating Income	2,437,520	2,183,182	1,090,869	1,934,794	1,212,499	3,042,127	3,762,066	5,651,174	6,739,544	5,978,021	5,503,634	5,179,390
Depreciation	2,130,438	2,923,363	1,738,507	1,815,118	1,936,936	2,434,720	2,382,360	2,727,650	3,136,660	3,259,520	3,419,200	3,581,900
Interest - General Cash Pool	908,594	3,339,558	2,721,265	2,276,611	1,481,800	1,000,000	354,164	243,037	95,727	19,945	30,560	101,641
Interest - Penalties & Assessments	301,232	316,489	346,889	359,200	362,933	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Interest - Other	0	0	0	0	0	201,500	315,525	192,900	100,650	195,375	11,250	15,825
Property Rental	89,351	55,806	78,776	77,810	577,960	575,000	575,000	575,000	575,000	575,000	575,000	575,000
AFUDC	0	0	467,747	661,191	888,606	849,896	1,355,000	1,069,600	1,034,400	798,960	596,400	835,120
Assessment Receipts	2,130,554	2,043,367	1,742,476	1,575,000	1,107,829	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Assessment Reserve	0	0	0	0	2,000,000	2,000,000	2,000,000	800,000	0	0	0	0
TOTAL	7,997,689	10,861,765	8,186,529	8,699,724	9,568,563	11,553,243	12,194,115	12,709,361	13,131,981	12,276,821	11,586,044	11,738,876
Debt Service Requirements:												
Principal	5,559,157	5,559,157	4,763,963	5,145,881	5,145,933	5,558,832	5,531,500	6,098,000	6,774,179	6,175,080	5,533,968	3,962,634
Interest	4,827,903	5,904,159	6,683,841	6,541,781	6,324,386	5,848,700	5,808,748	5,561,824	5,102,550	4,796,483	4,512,293	4,357,957
TOTAL	10,387,060	11,463,316	11,447,804	11,687,662	11,470,319	11,407,532	11,340,248	11,659,824	11,876,729	10,971,563	10,046,261	8,320,591
Overall Coverage:	0.77	0.95	0.72	0.74	0.83	1.01	1.08	1.09	1.11	1.12	1.15	1.41
Funds Avail. for Op. Const. & Dividend:	0	0	0	0	0	145,711	853,867	1,049,537	1,255,252	1,305,258	1,539,783	3,418,285
Operational Construction in CIP							828,000	1,040,000	1,230,000	1,343,000	1,480,000	3,390,000
Funds Available for Dividend:							25,867	9,537	25,252	-37,742	59,783	28,285
Dividend							0	0	0	0	0	0

SEP 29 1989

IX. IMPLEMENTATION OF CORPORATE STRATEGIC PLAN

The AWWU 1990 strategic plan is an effort to increase clarity of purpose and direction for the Utility. In order to accomplish the objectives of the plan and move in the direction established, specific action plans and implementation steps will be required. In addition, implementation efforts will need to be closely monitored to assure compliance with planned accomplishments and allow for timely corrective actions and plan revisions.

This section of the plan outlines the major tasks required to implement the plan and the desired linkages to management and control systems.

A. IMPLEMENTATION TASKS

The efforts presented below will be completed each year upon adoption of the strategic plan. These tasks link the corporate strategic plan to annual operational work programs and also to budgets.

1. Prepare division strategic plans, which will include division mission statements, objectives and strategies.
2. Prepare appropriate action plans for inclusion in division strategic plan.
3. Following adoption of the Municipal budget, implement the division plans and their operational work programs.
4. Monitor key assumptions and measure accomplishments toward desired objectives. Take corrective actions and revise work programs as appropriate.

B. MISSION, VALUES, AND OBJECTIVES

Day-to-day decisions should be made in the context of AWWU's mission, values, and objectives as spelled out in the strategic plan. All activities undertaken should be in support of this overall direction.

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:

- Status of ANWR (Arctic National Wildlife Refuge) oil exploration
- Girdwood Ski Resort development
- Military Buildup/Reduction
- Selection of Anchorage as a home port for the Navy
- The price of oil—increases or decreases as they affect State spending and oil industry activity
- Use of Railbelt Energy funds

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- Acquisition of the private Girdwood water systems
- Development of Fire Island
- Gas pipeline activity
- Natural Disasters
- Substantial changes in current regulations (e.g., loss of 301(h) waiver)
- Weather
- Major financial assumptions outlined in Section VIII

AWWU will develop contingency plans which will address the financial, operational, organizational, and capital improvement program impacts for the following items:

- Acquisition of private Girdwood water systems
- Natural Disaster Planning
- Substantial changes in current regulations
- Development of Fire Island

The level of detail of these contingency plans will depend on the timing, impact, and probability of occurrence of these events.

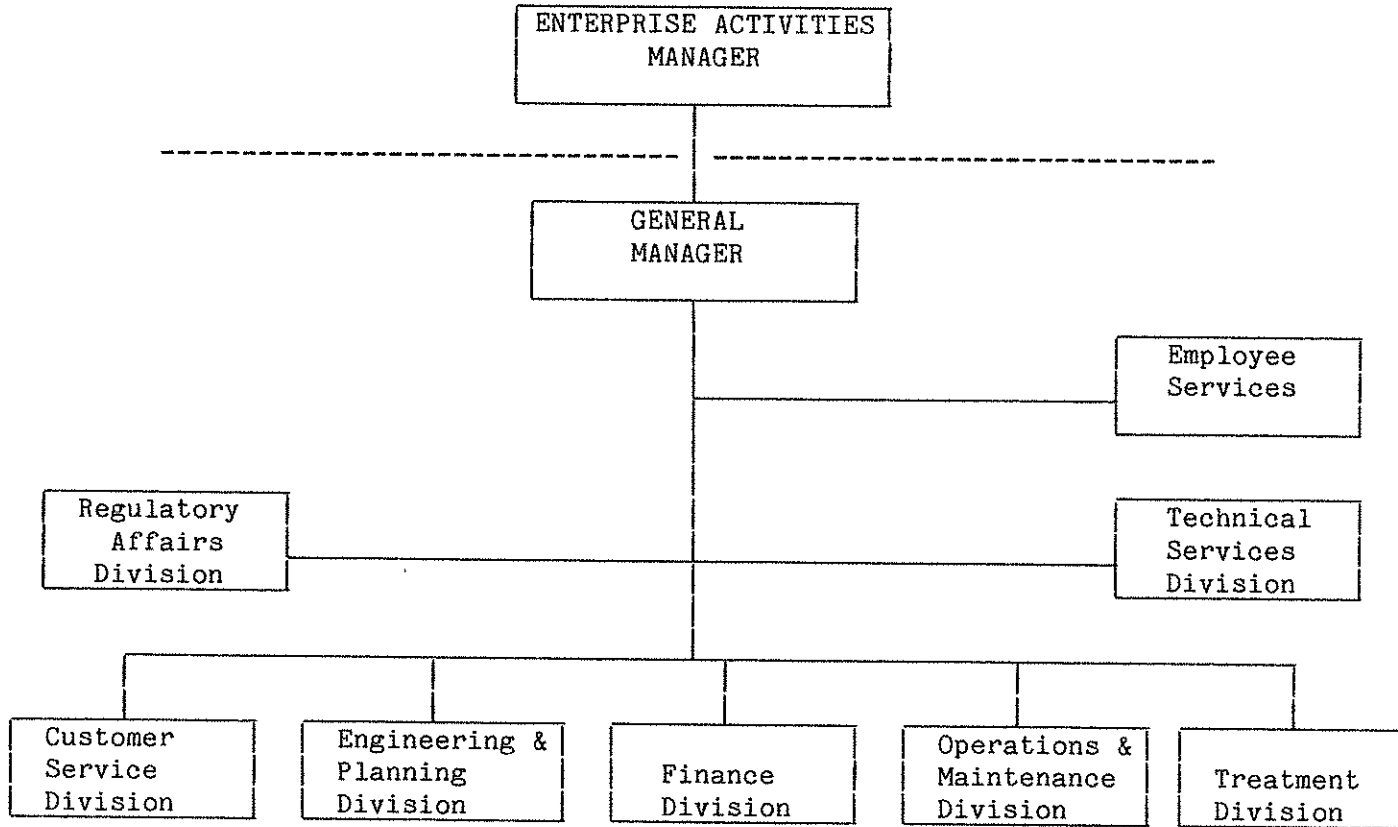
STRATPLAN WP(1)

Utility

ANCHORAGE WATER & WASTEWATER UTILITY

Division

Budget Year
1990



MUNICIPALITY OF ANCHORAGE

Utility	Division							Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY								1990
<u>WORKFORCE PROJECTION</u>								
<u>DIVISIONS</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	
Manager	10	8	8	8	8	8	8	
Technical Services	-	24	24	24	24	24	24	
Engineering	33	30	30	30	30	30	30	
Treatment	63	64	64	64	64	64	64	
Operations	82	82	82	82	82	82	82	
Finance	16	22	22	22	22	22	22	
Regulatory	5	4	4	4	4	4	4	
Customer Service	50	51	51	51	51	51	51	
Admin Services	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total	285	285	285	285	285	285	285	

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division	Budget Year 1990
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1990 BUDGET ASSUMPTIONS

Salaries and Wages: Wage increase of 3% for non-reps.

Benefits: Same level as 1989, 32% of labor costs.

Inflation Factor: Inflation assumed at 5%.

Debt Service: Interest on revenue bonds assumed to be 7.75%. GO bonds at 7.5%.

Interest Income: Interest on short-term investments anticipated to be 7.5%.

Intragovernmental Charges: Assumed to remain at 1989 levels.

Mill Rate Increase: MUSA assumes same level as 1989.

Vacancy Factor: 2%

Overtime: 3% of payroll.

MUNICIPALITY OF ANCHORAGE

Utility	Division			Budget Year 1990
ANCHORAGE WATER & WASTEWATER UTILITY				
ANCHORAGE WATER UTILITY RECONCILIATION OF 1989 BUDGET TO 1989 PROFORMA (\$000)				
	<u>1989 BUDGET</u>	<u>1989 PROFORMA</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
<u>REVENUE</u>				
Operating Revenues	24,499	22,268	(2,231)	A
Non-Operating Revenues	<u>1,518</u>	<u>1,791</u>	<u>273</u>	B
TOTAL REVENUES	26,017	24,059	(1,958)	
<u>OPERATING EXPENSES</u>				
Operations	12,741	12,483	(258)	C
Depreciation	2,820	3,254	434	D
MUSA	<u>1,187</u>	<u>1,187</u>	<u>0</u>	
TOTAL OPERATING EXPENSES	16,748	16,924	176	
Non-Operating Expenses	8,074	7,869	(205)	E
Total Expenses	24,822	24,793	29	
Net Income Regulatory	1,195	-734	(1,929)	
Adjustment for GAAP Method	(4,092)	(3,882)	210	
Net Income GAAP	(2,897)	(4,616)	(1,719)	

Utility	Division	Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY		1990
RECONCILIATION OF 1989 BUDGET TO 1989 PROFORMA EXPLANATION OF VARIANCE		
NOTE: A. Rate increase budgeted to be effective 01/01/89.		
NOTE: B. Larger than anticipated cash balance.		
NOTE: C. Various spending reductions such as delay in filling vacant positions, cut back in supplies, etc.		
NOTE: D. Larger than expected additions to non-contributed plant.		
NOTE: E. Increase in capitalized interest.		

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division			Budget Year 1990
ANCHORAGE WATER UTILITY RECONCILIATION OF 1989 PROFORMA TO 1990 BUDGET (\$000)				
	<u>1989 PROFORMA</u>	<u>1990 BUDGET</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
<u>REVENUE</u>				
Operating Revenues	22,268	25,321	3,053	A
Non-Operating Revenues	<u>1,791</u>	<u>1,133</u>	<u>(658)</u>	B
TOTAL REVENUES	24,059	26,454	2,395	
<u>OPERATING EXPENSES</u>				
Operations	12,483	12,986	503	C
Depreciation	3,254	3,341	87	D
MUSA	<u>1,187</u>	<u>2,040</u>	<u>853</u>	E
TOTAL OPERATING EXPENSES	16,924	18,367	1,443	
Non-Operating Expenses	7,869	7,376	(493)	F
Total Expenses	24,793	25,743	950	
Net Income Regulatory	-734	711	1,445	
Adjustment for GAAP Method	(3,882)	(4,009)	(127)	
Net Income GAAP	(4,616)	(3,298)	1,318	

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division	Budget Year 1990
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RECONCILIATION OF 1989 PROFORMA TO 1990 BUDGET
 EXPLANATION OF VARIANCE

NOTE: A. Reflects finalization of current rate case (additional 14%).

NOTE: B. Decrease in anticipated cash balance.

NOTE: C. Inflationary increases.

NOTE: D. Additions to non-contributed plant.

NOTE: E. MUSA On Eklutna Water Project.

NOTE: F. Increase in capitalized interest \$355K. Decrease in long-term debt \$138K.

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division	Budget Year 1990
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ANCHORAGE WATER UTILITY
PROJECTED RATE INCREASES

	<u>Amount</u>	<u>Component</u>
1991:	.87%	Operating Expenses
	.48%	Depreciation
	.61%	Debt Service
	<u>3.03%</u>	Operational Construction
TOTAL:	5.00%	
1993:	1.42%	Operating Expenses
	.82%	Depreciation
	.76%	Debt Service
	<u>.00%</u>	Operational Construction
TOTAL:	3.00%	
1995:	2.01%	Operating Expenses
	.99%	Depreciation
	.00%	Debt Service
	<u>.00%</u>	Operational Construction
TOTAL:	3.00%	

WATER RATE INCREASES

It is projected that water rates will have to increase approximately 5% in 1991, 3% in 1993, and 3% in 1995.

For 1991, less than 1% of the estimated 5% rate increase will be due to operating expense increases (inflation, payroll related costs, utility costs, etc.). About 1% of the increase will pay additional debt service requirements. The remaining 3% increase will be required to fund the utility's capital improvements program.

It is estimated that a minor increase, approximating 3%, will be required in 1993. Half of the increase will cover operating expense increases and half for debt service and capital projects.

It is estimated that an additional increase, approximating 3%, will be required in 1995. 2% of the increase will cover operating increases and 1% will cover debt service and capital project costs.

NOTE: Future water rate increase estimates will change depending on capital funding and debt refinancing decisions.

Utility	Division					Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY						1990
<u>RESOURCE IMPACTS</u>						
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Bond Sales (000)	0	1,300	1,865	166	0	0
Grants Anticipated (000)	5,758	15,374	12,257	94	50	50
Loans	0	150	550	50	50	50
<u>Total Water/Wastewater Personnel Increases</u>						
Program:						
Operations & Maintenance	-	-	-	-	-	-
Treatment Plant	-	-	-	-	-	-
Administrative & General	-	-	-	-	-	-
	0	0	0	0	0	0
Total Personnel	285	285	285	285	285	285
<u>Personnel by bargaining unit/classification</u>						
Executive	10					
Non-Rep	61					
AMEA	74					
JCC	140					

MUNICIPALITY OF ANCHORAGE

Utility	Division				Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY					1990
MISCELLANEOUS STATISTICAL DATA					
<u>Water Utility</u>	1987 <u>ACTUAL</u>	1988 <u>ACTUAL</u>	1989 <u>ESTIMATED</u>	1990 <u>ESTIMATED</u>	
Number of Customers	39,077	39,194	39,915	40,065	
Average Treatment Plant Production (GPD)					
Ship Creek Water Treatment Facility	14,500,118	15,200,000	13,000,000	10,000,000	
Eklutna Water Treatment Facility	N/A	1,300,000	5,200,000	10,000,000	
Average Well Production (GPD)					
Anchorage Bowl Wells	9,700,000	7,210,000	6,300,000	5,000,000	
Eagle River Wells	149,178	70,000	60,000	50,000	
Miles of Water Mains	624	622	629	643	
Number of Fire Hydrants	5,000	5,160	5,200	5,300	

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division	Budget Year 1990
<p data-bbox="178 219 483 251"><u>1990 Budget Impacts</u></p> <p data-bbox="934 316 1081 349" style="text-align: center;"><u>Operating</u></p> <ol data-bbox="178 414 1858 544" style="list-style-type: none"> 1. Cost reduction measures begun in 1987 are being carried over into 1990. Budgeted positions are down from 330 in 1987, to 312 in 1988, to 285 in 1990. MUSA will increase because of the completion of the Eklutna Water Project. Inflationary increase and labor increases will be mitigated by reduction in other areas of operations for a net increase of 4% over the 1989 budget. <p data-bbox="945 673 1071 706" style="text-align: center;"><u>Capital</u></p> <ol data-bbox="178 771 1837 1128" style="list-style-type: none"> 1. A 48" transmission main from Ship Creek to the Reservoirs on Tudor Road, will transport an adequate supply of water to serve projected demands south and west of the Tudor Road Reservoirs and the higher elevation areas of Muldoon. 2. The Anchorage International Airport Reservoir and Water Transmission Main will be constructed in 1990 enhancing water supply and fire flows in West Anchorage. 3. The AWWU Headquarters Building at 3000 Arctic Blvd. will be remodeled to accommodate the Customer Service Division, the Engineering & Planning Division, and the Management Information Systems Division. These divisions are presently housed in remote locations at an annual cost of approximately \$500,000 per year. 		

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
<u>OPERATING BUDGET</u>			
Revenue	20,389,856	24,058,595	26,453,515
Expense	23,156,373	28,675,524	29,751,947
Net Income for Governmental Financial Reporting	(2,766,517)	(4,616,929)	(3,298,432)
Adjustment for Regulatory Reporting	2,692,804	3,881,780	4,008,580
Net Income (Regulatory)	(-73,713)	(-735,149)	710,148
<u>Capital Budget</u>			
Project Category			
◦ Resource Development	0	0	780,000
◦ Treatment	175,000	0	200,000
◦ Distribution Reservoirs	50,000	0	0
◦ Distribution	1,100,000	500,000	550,000
◦ Transmission	691,000	966,000	4,642,000
◦ Upgrade Transmission	0	0	20,000
◦ Repair & Rehabilitation	459,000	688,000	1,601,000
◦ New Equipment	509,000	718,000	395,000
◦ Buildings	0	0	2,200,000
Total	2,984,000	2,872,000	10,388,000

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF REVENUE & EXPENSE			
<u>OPERATING REVENUE</u>			
4601 Residential Sales	11,734,195	14,761,842	16,785,766
4602 Commercial Sales	4,221,544	5,310,783	6,038,919
4630 Public Fire Protection	1,653,470	2,080,097	2,365,289
4710 Miscellaneous Service Revenue	64,610	81,281	92,425
4742 Hydrant Use Charge	<u>26,865</u>	<u>33,797</u>	<u>38,430</u>
Total Operating Revenue	17,700,684	22,267,800	25,320,829
<u>OPERATING EXPENSE</u>			
6000 Source of Supply	1,410,954	1,737,000	1,713,066
6400 Treatment	1,320,114	1,750,000	1,873,137
6600 Transmission	3,061,975	3,333,000	3,360,638
9000 Customer Accounts	1,574,606	1,713,000	1,756,369
9200 General & Administrative	3,957,830	3,950,000	4,282,822
*4030 Depreciation	1,645,732	3,254,280	3,340,770
4080 Service Assessment Taxes	<u>2,660,552</u>	<u>1,187,109</u>	<u>2,040,349</u>
*Total Operating Expense	15,631,763	16,924,389	18,367,151
Operating Income	2,068,921	5,343,411	6,953,678
*Depreciation of Contributed Plant not included			

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF REVENUE & EXPENSE			
<u>NON-OPERATING REVENUE</u>			
4180 Rental Income	315,510	315,510	320,000
4190 Interest Revenue - Construction	326,389	0	0
4190 Interest - General Cash Pool	2,027,423	500,000	218,510
4190 Interest - Bond Redemption Resv.	0	330,000	353,325
4190 Interest - Bond Pmt. Deposits	0	139,675	152,651
4190 Interest - Other	19,850	505,610	88,200
Total Non-Operating Revenue	2,689,172	1,790,795	1,132,686
<u>NON-OPERATING EXPENSE</u>			
4250 Amortization of Deferred Debits	101,131	240,000	240,000
4270 Interest - Long-Term Debt	8,245,096	8,029,355	7,891,002
4300 Interest Expense - General Cash Pool	28,910	0	0
4192 AFUDC	-3,543,331	-400,000	-754,786
Total Non-Operating Expense	4,831,806	7,869,355	7,376,216
Non-Operating Income	-2,142,634	-6,078,560	-6,243,530
Net Income	-73,713	-735,149	710,148
Net Income - Regulatory	-73,713	-735,149	+710,148
Less: 4031 - Depreciation of Contributed Plant	2,692,804	3,881,780	4,008,580
Net Income for Governmental Financial Reporting	-2,766,517	-4,616,929	-3,298,432

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF SOURCES AND USES OF CASH FUNDS			
SOURCES OF CASH FUNDS:			
Net Income (Loss)	\$ (2,766,517)	\$ (4,616,930)	\$(3,298,432)
Depreciation	4,338,536	7,136,060	7,349,350
Bond Proceeds	0	0	0
Grants	1,814,066	1,109,536	7,051,000
Assessments	566,811	390,180	245,510
Other	<u>933,742</u>	<u>0</u>	<u>856,000</u>
Total Sources of Cash Funds	\$ <u>4,886,638</u>	\$ <u>4,018,846</u>	\$ <u>12,203,428</u>
USES OF CASH FUNDS:			
Additions to Plant	15,734,905	7,661,000	14,111,000
Bond Principal Payment	1,680,522	1,823,597	1,954,120
Other	<u>2,277,360</u>	<u>1,702,265</u>	<u>0</u>
Total Uses of Cash Funds	<u>19,692,787</u>	<u>11,186,862</u>	<u>16,065,120</u>
Net Increase (Decrease) in Cash Funds	<u>(14,806,149)</u>	<u>(7,168,016)</u>	<u>(3,861,692)</u>
Cash Balance January 1,	\$ <u>37,177,017</u>	\$ <u>22,370,868</u>	\$ <u>15,202,852</u>
Cash Balance December 31,	\$ <u>22,370,868</u>	\$ <u>15,202,852</u>	\$ <u>11,341,160</u>
DETAIL OF CASH BALANCE:			
Equity in Construction Cash Pool	8,568,731	4,435,000	1,640,560
Revenue Bond Redemption Reserve	4,711,000	4,711,000	4,711,000
Revenue Bond Sinking Fund Reserve	<u>2,251,406</u>	<u>2,159,903</u>	<u>2,035,343</u>
Equity in General Cash Pool	<u>6,839,731</u>	<u>3,896,949</u>	<u>2,954,257</u>

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF CHANGES IN FUND EQUITY			
Balance January 1	\$208,887,167	\$221,472,463	\$221,846,849
Net Income	-2,766,517	-4,616,930	-3,298,432
Contributions Received	12,659,009	1,109,536	7,051,000
Depreciation on Contributed Plant	<u>2,692,804</u>	<u>3,881,780</u>	<u>4,008,580</u>
Balance December 31,	<u>\$221,472,463</u>	<u>\$221,846,849</u>	<u>\$229,607,997</u>
Detail of Fund Equity:			
Retained Earnings	\$ 19,130,861	\$ 18,395,711	\$ 19,105,859
Contributed Capital	<u>202,341,602</u>	<u>203,451,138</u>	<u>210,502,138</u>
Total Fund Equity December 31,	<u>\$221,472,463</u>	<u>\$221,846,849</u>	<u>\$229,607,997</u>

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
<u>STATEMENT OF DEBT SERVICE COVERAGE</u>			
Amount Available For Debt Service	8,201,160	11,297,984	13,607,283
Debt Service Requirement	4,810,191	4,808,823	4,811,173
Debt Coverage (Revenue Bonds)	1.70	2.35	2.83

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
<u>NET PROFIT MARGIN</u>			
Net Income Governmental Reporting	(2,766,517)	(4,616,929)	(3,298,432)
Operating Revenues	17,700,684	22,267,800	25,320,829
Net Profit Margin Governmental Reporting	-15.63%	-20.73%	-13.03%
Net Income Regulatory	(73,713)	(735,149)	710,148
Operating Revenues	17,700,684	22,267,800	25,320,829
Net Profit Margin Regulatory	-0.42%	-3.30%	2.80%

Utility ANCHORAGE WATER UTILITY	Division			Budget Year 1990
ANCHORAGE WATER UTILITY OPERATING BUDGET				
EXPENSE ITEMS	ACTUAL 1987	ACTUAL 1988	PRO FORMA 1989	BUDGET 1990
Personnel Costs	5,055,874	4,675,111	5,393,277	5,324,396
Benefit Costs	2,484,355	2,200,052	2,538,013	2,622,464
Professional Services	445,120	152,368	147,162	157,750
Travel	15,692	8,591	10,000	10,000
Depreciation & Amortization	4,201,666	4,338,536	7,136,060	7,349,350
Interest	5,170,561	4,831,806	7,869,355	7,376,216
MUSA	2,156,478	2,660,552	1,187,109	1,993,925
SUBTOTAL	19,529,746	18,867,016	24,280,976	24,834,101
Intergovernmental Charges				
Finance Department	289,978	298,002	325,054	361,230
Information Systems Department	102,071	15,830	18,672	58,960
Public Utilities Administration	122,913	8,506	28,420	30,000
Public Utilities Customer Service	0	0	0	0
Public Utilities Credit & Collections	27,883	0	0	0
ATU Billing Charges	0	74,607	68,241	73,420
Human Resources Department	126,874	114,267	101,664	127,080
Other Intergovernmental Charges	205,007	222,578	323,089	357,632
Sub Total IGC	874,726	733,790	865,140	1,008,322
Purchased Utilities	1,217,629	1,310,029	1,376,821	1,445,660
Materials/Repairs/Supplies	615,072	568,240	542,140	797,110
Other Expenses	1,359,376	1,677,198	1,610,447	1,666,754
TOTAL EXPENSES	23,596,549	23,156,273	28,675,524	29,751,947

Public Utilities	Unit No. 8700	Utility ANCHORAGE WATER UTILITY	Unit No.	Division	Unit No.
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1990 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY

PROJECT CATEGORY	TOTAL PROJECT COST 1990	REVENUE BONDS	G.O. BONDS	OPERATIONS	STATE GRANTS	FEDERAL GRANTS	LOAN/ APPROP
Resource Development	780	0	0	0	780	0	0
Treatment	200	0	0	150	50	0	0
Transmission	4,642	675	0	0	3,967	0	0
Distribution	550	100	0	150	300	0	0
Upgrade Transmission	20	20	0	0	0	0	0
Repair & Rehabilitat	1,601	0	0	640	961	0	0
New Equipment	395	0	0	395	0	0	0
Buildings	2,200	0	0	2,200	0	0	0
Total (000)	10,388	795	0	3,535	6,058	0	0

Utility: WATER

Project Category	Project Title	Location	Funding			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Resource Development	Alyeska Seibu Resort Water System	Turn. Arm/Girdwood	G R		F S 780 U	780
Requested by BOB BISHOPE			Date 02/08/90			
			G R		F S 780 U	780

Utility: WATER

Project Category	Project Title	Location	Funding				Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App		
Treatment	Misc Well Abandonments	Areawide	G R	150	F S U		150
	Misc Well Upgrades - R & R / Test Wells	Areawide (Anch, ER)	G R		F S U	50	50
Requested by BOB BISHOPE Date 02/08/90			G R	150	F S U	50	200

Utility: WATER

Project Category	Project Title	Location	Bonds		Funding Operations	Grants F=Federal S=State U=Loan/App	Total
			G=GO Bonds	R=Rev Bonds			
Transmission	Bates PRV	Oceanview	G			F S 85 U	85
	Davis Vault PRV	Muldoon	G	95		F S U	95
	EAB Supply Pump Station	DT, GH	G	400		F S U	400
	Intertie - Raspberry Road	Sand Lake	G	80		F S 40 U	120
	Muldoon Area Connections-Upgrades	Muldoon	G			F S 100 U	100
	PIA EWP-S Anch WTM	MD, CA	G			F S 3,500 U	3,500
	PIB EWP-S Anch WTM	MD, CA	G			F S 150 U	150
	Private Development Oversizing	Areawide (Anch, ER)	G	100		F S U	100
	Rainbow PRV	Oceanview	G			F S 92 U	92
Requested by BOB BISHOPE Date 02/08/90			G			F	
			R	675		S 3,967 U	4,642

Utility: WATER

Project Category	Project Title	Location	Bonds		F u n d i n g Operations	Grants		Total	
			G=GO Bonds	R=Rev Bonds		F=Federal	S=State		U=Loan/App
Distribution	Contingency WIDs	Areawide (Anch, ER)	G R	100		F S U		100	
	Iris Street	Spenard	G R			F S U	75	75	
	Lichen Place	Spenard	G R			F S U	75	75	
	Tundra Court	Spenard	G R			F S U	75	75	
	Valleywood Drive	Spenard	G R			F S U	75	75	
	Water Service Connects	Areawide (Anch, ER)	G R		150	F S U		150	
Requested by BOB BISHOPE			Date 02/08/90		G R	150	F S U	300	550

Utility: WATER

Project Category	Project Title	Location	Funding			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Upgrade Transmission	Eagle River Hydrants	Eagle River, Chugiak	G R 20		F S U	20
Requested by BOB BISHOPE		Date 02/08/90	G R 20		F S U	20

Utility: WATER

Project Category	Project Title	Location	F u n d i n g			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Repair & Rehabilitation	Cassius Court - Rosemary-Thunderbird	Lake Otis	G R		F S 145 U	145
	Eklutna Facility	Eklutna	G R	10	F S U	10
	I Street	Inlet View	G R	370	F S U	370
	MOA Road Related Projects	Areawide (Anch, ER)	G R	50	F S U	50
	North Star Subdivision R&R	Spenard	G R		F S 271 U	271
	Pressure Reducing Vaults R & R	Areawide	G R		F S 100 U	100
	R-R Emergency	Areawide (Anch, ER)	G R	200	F S U	200
	Ship Creek Facility	Muldoon	G R	10	F S U	10
	State DOTPF Highway Related Projects	Areawide (Anch, ER)	G R		F S 100 U	100
	W 10th Woodstave Replacement	Inlet View	G R		F S 150 U	150
	Wickersham Subd	Lake Otis	G R		F S 195 U	195

CONTINUED ON NEXT PAGE

Utility: WATER

Project Category	Project Title	Location	Bonds		Funding Operations	Grants F=Federal S=State U=Loan/App	Total
			G=GO Bonds	R=Rev Bonds			
New Equipment	Misc Equipment	Areawide (Anch, ER)	G		130	F	130
			R			S	
						U	
	Vehicles	Areawide (Anch, ER)	G		140	F	140
			R			S	
						U	
	Water Meters	Areawide (Anch, ER)	G		125	F	125
			R			S	
						U	
Requested by BOB BISHOPE			Date 02/08/90		395	F	395
						S	
						U	

Utility: WATER

Project Category	Project Title	Location	Funding			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Buildings	Remodel of Head - Quarters Bldg	Areawide	G R	2,200	F S U	2,200
Requested by BOB BISHOPE			Date 02/08/90			
			G R	2,200	F S U	2,200

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.		Utility				Unit No.		Division		Unit No.		
	8700		ANCHORAGE WATER UTILITY										
	CIB/CIP 1990 - 1995												
PROJECT CATEGORY	1990	1991	1992	1993	1994	1995	REVENUE BONDS	G.O. BONDS	OPERA-TIONS	STATE GRANTS	FEDERAL GRANTS	LOAN/ APPROP	TOTAL
Resource Development	780	2,220	150	0	0	0	0	0	150	3,000	0	0	3,150
Treatment	200	50	50	50	50	50	0	0	400	50	0	0	450
Distribution Reservo	0	900	2,700	300	300	400	0	0	2,200	2,400	0	0	4,600
Transmission	4,642	4,785	10,875	750	700	300	3,400	0	2,031	15,721	300	600	22,052
Distribution	550	350	410	260	150	200	166	0	1,253	501	0	0	1,920
Upgrade Transmission	20	900	140	0	0	0	560	0	500	0	0	0	1,060
Repair & Rehabilitat	1,601	10,438	2,044	858	500	800	0	0	4,080	11,911	0	250	16,241
New Equipment	395	995	1,010	940	1,175	1,250	0	0	5,765	0	0	0	5,765
Buildings	2,200	0	0	0	0	0	0	0	2,200	0	0	0	2,200
Total Program	10,388	20,638	17,379	3,158	2,875	3,000	4,126	0	18,579	33,583	300	850	57,438
SOURCE OF FUNDING													
Revenue Bonds	795	1,300	1,865	166	0	0	4,126	0	0	0	0	0	4,126
G.O. Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
Operational	3,535	3,814	2,707	2,848	2,775	2,900	0	0	18,579	0	0	0	18,579
State Grant	6,058	15,074	12,257	94	50	50	0	0	0	33,583	0	0	33,583
Federal Grant	0	300	0	0	0	0	0	0	0	0	300	0	300
Loan/Approp	0	150	550	50	50	50	0	0	0	0	0	850	850
Total Funding	10,388	20,638	17,379	3,158	2,875	3,000	0	0	0	0	0	0	57,438

Utility: WATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Resource Development	Alyeska Seibu Resort Water System	Turn. Arm/Girdwood	G R O F S 2,220 U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Water Master Plan	Areawide (Anch, ER)	G R O F S U	G R O 150 F S U	G R O F S U	G R O F S U	G R O F S U
			GO BONDS				
			REV BONDS				
			OPERATIONS		150		
			ST GRANTS	2,220			
			FED GRANTS				
			LOAN/APPRO				
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	2,220	150		

FUTURE CAPITAL PROJECTS
1991 - 1995

Utility: WATER

Project Category	Project Title	Location	Budget by Year										
			1991	1992	1993	1994	1995						
Treatment	Misc Well Upgrades - R & R / Test Wells	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	50	50	50	50	50	
		GO BONDS											
		REV BONDS											
		OPERATIONS	50	50	50	50	50	50	50	50			
		ST GRANTS											
		FED GRANTS											
		LOAN/APPRO											
Requested by	BOB BISHOPE	Date	02/08/90	PAGE	TOTAL	50	50	50	50	50			

Utility: WATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Distribution Reservoirs	Reservoir Painting	Areawide (Anch, ER)	G	G	G	G	G	
			R	R	R	R	R	
			O	O	O	O	O	
				300	300	300	300	400
				F	F	F	F	F
				S	S	S	S	S
				U	U	U	U	U
		Service High Reservoir	Hillside	G	G	G	G	G
	R			R	R	R	R	
O	O			O	O	O		
			300	F	F	F	F	
				S	S	S	S	
				1,200	1,200	1,200	1,200	
			U	U	U	U	U	
	Turnagain View Reservoir	Hillside	G	G	G	G	G	
R			R	R	R	R		
O			O	O	O	O		
			300	F	F	F	F	
				S	S	S	S	
				1,200	1,200	1,200	1,200	
			U	U	U	U	U	
			GO BONDS					
			REV BONDS					
			OPERATIONS	900	300	300	300	400
			ST GRANTS		2,400			
			FED GRANTS					
			LOAN/APPRO					
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	900	2,700	300	300	400

Utility: WATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Transmission	6th - 32nd Avenue Mains	Muldoon	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	92nd Avenue Transmission	Campbell Lake/Klatt	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	Bicentennial Park Transmission	CA, HS	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	ER Main Imps - Terrace Hills	Eagle River, Chugiak	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
F			F	F	F	F	
S			S	S	S	S	
U	U	U	U	U			
ER Transmission System Interties	Eagle River, Chugiak	G	G	G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S	S	S	S	S	
U	U	U	U	U			
Jewel Lake Main	Sand Lake	G	G	G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S	S	S	S	S	
U	U	U	U	U			

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Utility: WATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Transmission	Misc New Transmission Mains	Areawide (Anch, ER)	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
			U	U	U	U	U
	Muldoon Area Connections-Upgrades	Muldoon	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
			U	100 U	500 U	U	U
	New Pressure Reduc Valves & Vaults	Areawide (Anch, ER)	G	G	G	G	G
			R	R	75 R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
			U	U	U	U	U
	PIB EWP-S Anch WTM	MD, CA	G	G	G	G	G
			R	800 R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	800 S	S	S	S
			U	U	U	U	U
PII EWP-S Anch WTM	MD, CA	G	G	G	G	G	
		R	R	1,650 R	R	R	
		O	O	O	O	O	
		F	300 F	F	F	F	
		S	S	1,650 S	S	S	
		U	U	U	U	U	
Private Development Oversizing	Areawide (Anch, ER)	G	G	G	G	G	
		R	100 R	R	R	R	
		O	O	200 O	200 O	200 O	
		F	F	F	F	F	
		S	S	S	S	S	
		U	U	U	U	300 U	

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Utility: WATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Transmission	Turnagain View East Transmission	Hillside	G R O F S U 250	G R O F S U 1,100	G R O F S U	G R O F S U	G R O F S U	
			GO BONDS					
			REV BONDS	900	1,725	100		
			OPERATIONS	81	300	650	700	300
			ST GRANTS	3,404	8,350			
			FED GRANTS	300				
			LOAN/APPRO	100	500			
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	4,785	10,875	750	700	300

Utility: WATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Distribution	Baranof 1-2 Pump-PRV	Eagle River, Chugiak	G	G	G	G	G	
			R	R	R	R	R	
			O	O 103	O	O	O	
			F	F	F	F	F	
	S	S 157	S	S	S			
	U	U	U	U	U			
	Bonnie Way Booster Station	Eagle River, Chugiak	G	G	G	G	G	
			R	R	R 66	R	R	
			O	O	O	O	O	
			F	F	F	F	F	
	S	S	S 44	S	S			
	U	U	U	U	U			
Turnagain WID 307	Turnagain	G	G	G	G	G		
		R	R	R	R	R		
		O	O 200	O	O	O		
		F	F	F	F	F		
S	S	S	S	S				
U	U	U	U	U				
Water Service Connects	Areawide (Anch, ER)	G	G	G	G	G		
		R	R	R	R	R		
		O	O 150	O 150	O 150	O 150		
		F	F	F	F	F		
S	S	S	S	S				
U	U	U	U	U				
			GO BONDS					
			REV BONDS		66			
			OPERATIONS	350	253	150	150	200
			ST GRANTS		157	44		
			FED GRANTS					
			LOAN/APPRO					
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	350	410	260	150	200

Utility: WATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Upgrade Transmission	Eagle River Hydrants	Eagle River, Chugiak	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Sunny Slopes P-II	Eagle River, Chugiak	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
			GO BONDS				
			REV BONDS	400	140		
			OPERATIONS	500			
			ST GRANTS				
			FED GRANTS				
			LOAN/APPRO				
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	900	140		

Utility: WATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Repair & Rehabilitation	Girdwood Phase I Water System Upgrade	Turn. Arm/Girdwood	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S 1,000	S 1,300	S	S	S
	U	U	U	U	U		
	Girdwood Phase II Water System Upgrade	Turn. Arm/Girdwood	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S 8,400	S	S	S	S
	U	U	U	U	U		
	I Street	Inlet View	G	G	G	G	G
			R	R	R	R	R
			O 342	O 244	O 358	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	MOA Road Related Projects	Areawide (Anch, ER)	G	G	G	G	G
			R	R	R	R	R
O 100			O 100	O 100	O 100	O 200	
F			F	F	F	F	
S			S	S	S	S	
U	U	U	U	U			
Pressure Reducing Vaults R & R	Areawide	G	G	G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S 50	S 50	S 50	S 50	S 50	
U 50	U 50	U 50	U 50	U 50			
R-R Emergency	Areawide (Anch, ER)	G	G	G	G	G	
		R	R	R	R	R	
		O 200	O 200	O 200	O 200	O 300	
		F	F	F	F	F	
		S	S	S	S	S	
U	U	U	U	U			

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Utility: WATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Repair & Rehabilitation	State DOTPF Highway Related Projects	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			100	100	100	100	200	
	Tudor Road - Dale to Chugach	Abbott Loop	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			196					
			GO BONDS					
			REV BONDS					
			OPERATIONS	938	644	758	400	700
			ST GRANTS	9,450	1,350	50	50	50
			FED GRANTS					
			LOAN/APPRO	50	50	50	50	50
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	10,438	2,044	858	500	800

Utility: WATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
New Equipment	CPR Graphics Pilot Study	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Engineering Workstations	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Grant PITS Development	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Graphics Information System	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Implement CPR Graphics/Mapping	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Implement Records Retention	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U

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Utility: WATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
New Equipment	Misc Equipment	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			300	400	400	400	500	
	Special Assessments System Enhancements	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			120					
	Vehicles	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			200	300	200	200	400	
	Water Meters	Areawide (Anch, ER)	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			250	275	300	325	350	
			GO BONDS					
			REV BONDS					
			OPERATIONS	995	1,010	940	1,175	1,250
			ST GRANTS					
			FED GRANTS					
			LOAN/APPRO					
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	995	1,010	940	1,175	1,250

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division		Budget Year 1990	
ANCHORAGE WASTEWATER UTILITY RECONCILIATION OF 1989 BUDGET TO 1989 PROFORMA (\$000)				
	<u>1989 BUDGET</u>	<u>1989 PROFORMA</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
<u>REVENUE</u>				
Operating Revenues	20,837	18,347	-2,490	A
Non-Operating Revenues	<u>2,140</u>	<u>2,277</u>	<u>137</u>	B
TOTAL REVENUES	22,977	20,624	-2,353	
<u>OPERATING EXPENSES</u>				
Operations	12,846	11,736	-1,110	C
Depreciation	2,354	2,435	81	D
MUSA	<u>1,329</u>	<u>1,134</u>	<u>-195</u>	E
TOTAL OPERATING EXPENSES	16,529	15,305	-1,224	
Non-Operating Expenses	5,875	5,219	-656	F
Total Expenses	22,404	20,524	-1,880	
Net Income Regulatory	573	100	-473	
Adjustment for GAAP Method	(3,975)	(3,827)	148	
Net Income GAAP	(3,402)	(3,727)	-325	

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division	Budget Year 1990
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RECONCILIATION OF 1989 BUDGET TO 1989 PROFORMA
 EXPLANATION OF VARIANCE

- NOTE: A. Rate increase budgeted in 1989 was not requested. 1989 Proforma reflects extraordinary income of \$930K from settlement of rate dispute on military contract. Without this settlement the Utility would have shown a net loss of \$830K.
- NOTE: B. Interest earnings on larger than expected cash balances.
- NOTE: C. Reflects increased maintenance emphasis on water side of Utility caused by extremely cold winter.
- NOTE: D. Higher than anticipated additions to plant.
- NOTE: E. Budgeted MUSA was based on revenues anticipated from rate increase which was not requested.
- NOTE: F. Increase in capitalized interest.

Utility	Division		Budget Year	
ANCHORAGE WASTEWATER UTILITY			1990	
ANCHORAGE WASTEWATER UTILITY RECONCILIATION OF 1989 PROFORMA TO 1990 BUDGET (\$000)				
	<u>1989 PROFORMA</u>	<u>1990 BUDGET</u>	<u>VARIANCE</u>	<u>EXPLANATION</u>
<u>REVENUE</u>				
Operating Revenues	18,347	20,145	1,798	A
Non-Operating Revenues	<u>2,277</u>	<u>1,745</u>	<u>-532</u>	B
TOTAL REVENUES	20,624	21,890	1,266	
<u>OPERATING EXPENSES</u>				
Operations	11,736	12,882	1,146	C
Depreciation	2,435	2,382	-53	
MUSA	<u>1,134</u>	<u>1,151</u>	<u>17</u>	
TOTAL OPERATING EXPENSES	15,305	16,415	1,110	
Non-Operating Expenses	5,219	4,355	-864	D
Total Expenses	20,524	20,770	246	
Net Income Regulatory	100	1,120	1,020	
Adjustment for GAAP Method	(3,827)	(4,013)	-186	
Net Income GAAP	(3,727)	(2,893)	834	

MUNICIPALITY OF ANCHORAGE

Utility	Division	Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY		1990
RECONCILIATION OF 1989 PROFORMA TO 1990 BUDGET EXPLANATION OF VARIANCE		
<p>NOTE: A. Reflects rate increase of approximately 15%.</p>		
<p>NOTE: B. Reduction in cash balances.</p>		
<p>NOTE: C. Extraordinary maintenance efforts on water problems due to colder than normal winter caused sewer expenses to be lower than normal. Also contains inflationary increase for items such as chlorine, gas and electricity and full year of payment to SWS for hazardous waste facility and increased monitoring costs for 301h waiver permit allowing primary discharge into Cook Inlet.</p>		
<p>NOTE: D. Increase in capitalized interest (\$505K) and decrease in long-term debt (\$359K).</p>		

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division	Budget Year 1990
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ANCHORAGE WASTEWATER UTILITY
 PROJECTED RATE INCREASES

	<u>Amount</u>	<u>Component</u>
1990:	3.56%	Operating Expenses
	5.28%	Depreciation
	5.37%	Debt Service
	.29%	Operational Construction
TOTAL:	14.50%	
1991:	4.87%	Operating Expenses
	4.06%	Depreciation
	3.76%	Debt Service
	2.30%	Operational Construction
TOTAL:	15.00%	
1992:	4.23%	Operating Expenses
	2.59%	Depreciation
	1.37%	Debt Service
	1.30%	Operational Construction
TOTAL:	9.50%	

WASTEWATER RATE INCREASES

It is projected that wastewater rates will have to increase 14.5% in 1990, 15% in 1991, and 9.5% in 1992.

Existing wastewater rates, approved by the APUC in 1986, are based on 1984 base or "test" year costs. Consequently, current operating expenses and debt service costs for capital plant additions placed into service after 1984 are not reflected in the utility's rates.

For 1990, approximately 3.5% of the estimated 14.5% rate increase is due to operating expense increases (inflation, payroll related costs, utility costs, etc. Approximately 10.7% of the increase will cover debt service requirements and about .3% will fund a portion of the utility's capital improvement program.

For 1991, approximately 5% of the estimated 15% rate increase is due to operating expense increases (inflation, payroll related costs, utility costs, etc.). Approximately 8% of the increase will cover debt service requirements and about 2.3% will fund a portion of the utility's capital improvement program.

For 1992, approximately 4% of the estimated 9.5% rate increase is due to operating expense increases (inflation, payroll related costs, utility costs, etc. Approximately 4% of the increase will cover debt service requirements and about 1.5% will fund a portion of the utility's capital improvement program.

MUNICIPALITY OF ANCHORAGE

Utility	Division						Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY							1990
<u>RESOURCE IMPACTS</u>							
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	
Bond Sales (000)	5,000	1,635	1,155	3,380	2,310	4,057	
Grants Anticipated (000)	4,578	5,550	228	1,425	688	1,715	
Loans	628	1,735	1,700	1,250	0	0	
<u>Total Water/Wastewater Personnel Increases</u>							
Program:							
Operations & Maintenance	-	-	-	-	-	-	
Treatment Plant	-	-	-	-	-	-	
Administrative & General	-	-	-	-	-	-	
	0	0	0	0	0	0	
Total Personnel	285	285	285	285	285	285	
<u>Personnel by bargaining unit/classification</u>							
Executive	10						
Non-Rep	61						
AMEA	74						
JCC	140						

Utility ANCHORAGE WATER & WASTEWATER UTILITY	Division			Budget Year 1990
MISCELLANEOUS STATISTICAL DATA				
<u>Wastewater Utility</u>	1987 <u>ACTUAL</u>	1988 <u>ACTUAL</u>	1989 <u>ESTIMATED</u>	1990 <u>ESTIMATED</u>
Number of Customers	42,999	42,745	42,775	42,975
Average Treatment (GPD)				
Anchorage Plant	25,060,000	27,920,000	29,500,000	30,000,000
Eagle River Plant	790,959	849,154	900,000	950,000
Girdwood Plant	339,000	368,000	380,000	400,000
Miles of Wastewater Lines				
Interceptors	31	35	35	35
Trunks	162	159	159	162
Laterals	<u>454</u>	<u>440</u>	<u>445</u>	<u>450</u>
	647	634	640	650

MUNICIPALITY OF ANCHORAGE

Utility	Division	Budget Year
ANCHORAGE WATER & WASTEWATER UTILITY		1990
<p><u>1990 Budget Impacts</u></p> <p style="text-align: center;"><u>Operating</u></p> <ol style="list-style-type: none"> 1. Cost reduction measures begun in 1987 are being carried over into 1990. Budgeted positions are down from 330 in 1987, to 312 in 1988, to 285 in 1990. Inflationary increases and labor increases will be mitigated by reductions made in other areas of operations for a net decrease of 5% from the 1989 budget. <p style="text-align: center;"><u>Capital</u></p> <ol style="list-style-type: none"> 1. The C-5 Campbell Creek Trunk Reline construction began in 1989 and will continue in 1990. This facility parallels the north side of Campbell Creek from the ARR to Campbell Lake, parallels the north shore of the lake and crosses the lake to the Campbell Creek Pump Station. The existing CMP is badly deteriorated in places which allows a high amount of infiltration into the system. 2. A number of smaller repair and rehabilitation projects are programmed for 1990 as the emphasis shifts from expansion to rehabilitation of older facilities. 3. A bare-bones warm storage building will be constructed at the King Street Operations & Maintenance Center to accommodate the O&M vehicles and personnel presently residing at the AWWU Headquarters Building. 		

Utility ANCHORAGE WASTEWATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
<u>OPERATING BUDGET</u>			
Revenue	19,550,157	20,623,536	21,889,776
Expense	25,353,389	24,350,574	24,783,864
Net Income for Governmental Financial Reporting	(5,803,232)	(3,727,038)	(2,894,088)
Adjustment for Regulatory Reporting	3,857,687	3,826,895	4,013,150
Net Income (Regulatory)	(1,945,545)	99,857	1,119,061
<u>Capital Budget</u>			
Project Category	1988 <u>Budget</u>	1989 <u>Budget</u>	1990 <u>Budget</u>
◦ Treatment	1,800,000	0	500,000
◦ Pump Stations/Force Mains	671,000	488,000	0
◦ Trunks & Interceptors	1,106,000	97,000	100,000
◦ Laterals	250,000	200,000	400,000
◦ Repair & Rehabilitation	454,000	6,820,000	5,196,000
◦ New Equipment	964,000	425,000	300,000
◦ Buildings	0	0	1,328,000
Total	5,245,000	8,030,000	7,824,000

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WASTEWATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF REVENUE & EXPENSE			
<u>OPERATING REVENUE</u>			
4400 Residential Sales	13,299,446	13,076,205	14,972,255
4420 Commercial Sales	3,521,325	3,816,293	4,639,655
4451 Public Authorities	288,111	1,443,311	790,475
4540 Miscellaneous Service	<u>3,242</u>	<u>11,093</u>	<u>12,701</u>
Total Operating Revenue	17,112,124	18,346,902	20,145,086
<u>OPERATING EXPENSE</u>			
7000 Collection System	1,973,754	2,230,000	2,721,289
7400 Treatment Plant	4,001,602	4,225,000	4,346,500
7800 Customer Accounts	1,388,807	1,481,000	1,616,795
9300 General & Administrative	3,766,878	3,800,000	4,197,540
*4030 Depreciation	1,936,936	2,434,720	2,382,360
4080 Service Assessment Taxes	<u>2,831,648</u>	<u>1,134,055</u>	<u>1,151,180</u>
*Total Operating Expense	15,899,625	15,304,775	16,415,664
Operating Income	1,212,499	3,042,127	3,729,422
*Depreciation of Contributed Plant not included			

Utility ANCHORAGE WASTEWATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF REVENUE & EXPENSE			
<u>NON-OPERATING REVENUE</u>			
4080 Interest & Penalty Assessments	362,933	350,000	350,000
4190 Interest - General Cash Pool	1,481,800	1,000,000	354,164
4190 Interest - Rest. Construction	15,425	134	0
4210 Rental	577,875	575,000	575,000
4290 Amortization of Gain	0	150,000	150,000
4190 Interest - Other	0	201,500	315,525
Total Non-Operating Revenue	2,438,033	2,276,634	1,744,689
<u>NON-OPERATING EXPENSE</u>			
4270 Interest - Long-Term Debt	6,324,386	5,848,700	5,489,950
4271 Interest - Other	12,626	70,100	70,100
4310 Amortization - Debt Expense	147,671	150,000	150,000
4192 AFDUC	-888,606	-849,896	-1,355,000
Total Non-Operating Expense	5,596,077	5,218,904	4,355,050
Non-Operating Income	-3,158,044	-2,942,270	-2,610,361
Net Income	-1,945,545	99,857	1,119,061
Net Income Regulatory	-1,945,545	99,857	1,119,061
Less: 4031 - Depreciation of Contributed Plant	3,857,687	3,826,895	4,013,150
Net Income For Governmental Financial Reporting	-5,803,232	-3,727,038	-2,894,089

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WASTEWATER UTILITY	Division			Budget Year 1990
Municipality of Anchorage Financial Data				
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget	
STATEMENT OF SOURCES AND USES OF CASH FUNDS				
SOURCES OF CASH FUNDS:				
Net Income (Loss)	\$ (5,803,232)	\$ (3,727,038)	\$ (2,894,089)	
Depreciation	5,794,623	6,261,615	6,395,510	
State Loans	0	3,531,400	3,588,000	
Bond Proceeds	0	0	5,000,000	
Grants	5,930,143	5,519,943	13,494,000	
Assessments	1,355,813	1,100,000	1,100,000	
Other	<u>738,781</u>	<u>190,811</u>	<u>0</u>	
Total Sources of Cash Funds	<u>\$ 8,016,128</u>	<u>\$ 12,876,731</u>	<u>\$ 26,683,421</u>	
USES OF CASH FUNDS:				
Additions to Plant	9,398,793	13,354,000	22,799,000	
Bond Principal Payment	5,495,677	5,558,829	5,531,500	
Other	<u>440,167</u>	<u>0</u>	<u>635,476</u>	
Total Uses of Cash Funds	<u>15,334,637</u>	<u>18,912,829</u>	<u>28,965,976</u>	
Net Increase (Decrease) in Cash Funds	<u>(7,318,509)</u>	<u>(6,036,098)</u>	<u>(2,282,555)</u>	
Cash Balance January 1,	<u>23,784,861</u>	<u>16,466,352</u>	<u>10,430,254</u>	
Cash Balance December 31,	<u>\$ 16,466,352</u>	<u>\$ 10,430,254</u>	<u>\$ 8,147,699</u>	
DETAIL OF CASH BALANCE:				
Equity in Construction Cash Pool	6,673,678	4,096,000	4,207,000	
Reserved for Debt Payment	<u>6,414,323</u>	<u>4,414,323</u>	<u>2,414,323</u>	
Equity in General Cash Pool December 31,	<u>\$ 3,378,351</u>	<u>\$ 1,919,931</u>	<u>\$ 1,526,376</u>	

Utility ANCHORAGE WASTEWATER UTILITY	Division		Budget Year 1990
Municipality of Anchorage Financial Data			
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget
STATEMENT OF CHANGES IN FUND EQUITY			
Balance January 1,	\$100,213,199	\$180,605,151	\$186,224,951
Net Income	-5,803,232	-3,727,038	-2,894,089
Contributions Received	2,337,497	5,519,943	13,494,000
Depreciation on Contributed Plant	<u>3,857,687</u>	<u>3,826,895</u>	<u>4,013,150</u>
Balance December 31,	<u>\$180,605,151</u>	<u>\$186,224,951</u>	<u>\$200,838,012</u>
Detail of Fund Equity:			
Retained Earnings	-91,491	8,366	1,127,427
Contributed Capital	<u>180,696,642</u>	<u>185,216,585</u>	<u>199,710,585</u>
Total Fund Equity December 31,	<u>\$180,605,151</u>	<u>\$186,224,951</u>	<u>\$200,838,012</u>

MUNICIPALITY OF ANCHORAGE

Utility ANCHORAGE WASTEWATER UTILITY	Division			Budget Year 1990
Municipality of Anchorage Financial Data				
Line Item Description	Year: <u>1988</u> Actual	Year: <u>1989</u> Pro-Forma	Year: <u>1990</u> Budget	
<u>NET PROFIT MARGIN</u>				
Net Income Governmental Reporting	(5,803,232)	(3,727,038)	(2,894,089)	
Operating Revenues	17,112,124	18,346,902	20,145,086	
Net Profit Margin Governmental Reporting	-33.91%	-20.31%	-14.37%	
Net Income Regulatory	(1,945,545)	99,857	1,119,061	
Operating Revenues	17,112,124	18,346,902	20,145,086	
Net Profit Margin Regulatory	-11.37%	0.54%	5.56%	

Utility ANCHORAGE WASTEWATER UTILITY	Division			Budget Year 1990
ANCHORAGE WASTEWATER UTILITY OPERATING BUDGET				
EXPENSE ITEMS	ACTUAL 1987	ACTUAL 1988	PRO FORMA 1989	BUDGET 1990
Personnel Costs	5,261,306	4,715,006	4,900,243	5,217,210
Benefit Costs	2,585,533	2,218,826	2,305,997	2,569,670
Professional Services	585,654	432,592	523,170	510,000
Travel	9,079	16,182	12,764	10,000
Depreciation & Amortization	5,090,385	5,794,623	6,261,615	6,395,510
Interest	5,994,940	5,596,077	5,218,904	4,355,050
MUSA	<u>2,082,433</u>	<u>2,831,648</u>	<u>1,134,055</u>	<u>1,151,180</u>
SUBTOTAL	<u>21,609,330</u>	<u>21,604,954</u>	<u>20,356,748</u>	<u>20,208,620</u>
Intergovernmental Charges				
Finance Department	291,413	327,022	350,160	361,230
Information Systems Department	139,254	45,472	48,460	58,960
Public Utilities Administration	144,856	8,506	28,420	30,000
Public Utilities Customer Service	0	0	0	0
Public Utilities Credit & Collections	37,619	0	0	0
ATU Billing Charges	0	80,822	73,630	73,420
Human Resources Department	126,700	106,360	100,410	138,720
Other Intergovernmental Charges	<u>274,336</u>	<u>238,907</u>	<u>579,980</u>	<u>708,694</u>
Sub Total IGC	<u>1,014,178</u>	<u>807,089</u>	<u>1,181,060</u>	<u>1,371,024</u>
Purchased Utilities	1,018,379	1,062,373	1,118,254	1,174,170
Materials/Repairs/Supplies	860,610	767,210	735,920	751,650
Other Expenses	<u>932,721</u>	<u>1,111,763</u>	<u>958,592</u>	<u>1,278,400</u>
TOTAL EXPENSES	<u>25,435,218</u>	<u>25,353,389</u>	<u>24,350,574</u>	<u>24,783,864</u>

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
	9300	ANCHORAGE WASTEWATER UTILITY			

1990 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY

PROJECT CATEGORY	TOTAL PROJECT COST 1990	REVENUE BONDS	G.O. BONDS	OPERATIONS	STATE GRANTS	FEDERAL GRANTS	LOAN/ APPROP
Treatment	500	0	0	0	500	0	0
Trunks & Interceptor	100	0	100	0	0	0	0
Laterals	400	0	100	0	300	0	0
Repair and Rehabilit	5,196	0	290	200	1,828	2,250	628
New Equipment	300	0	0	300	0	0	0
Buildings	1,328	0	1,000	328	0	0	0
Total (000)	7,824	0	1,490	828	2,628	2,250	628

Utility: WASTEWATER

Project Category	Project Title	Location	Funding			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Treatment	Upgrade - Girdwood WWTF	Turn. Arm/Girdwood	G R		F S 500 U	500
Requested by BOB BISHOPE Date 02/08/90			G R		F S 500 U	500

Utility: WASTEWATER

Project Category	Project Title	Location	F u n d i n g			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Trunks & Interceptors	Private Development Oversizing	Areawide	G 100 R		F S U	100
Requested by BOB BISHOPE			Date 02/08/90			
			G 100 R		F S U	100

Utility: WASTEWATER

Project Category	Project Title	Location	Bonds		Funding Operations	Grants F=Federal S=State U=Loan/App	Total
			G=GO Bonds	R=Rev Bonds			
Laterals	Contingency LIDs	Areawide	G 100	R		F S U	100
	Iris Street	Spenard	G	R		F S 75 U	75
	Lichen Place	Spenard	G	R		F S 75 U	75
	Tundra Court	Spenard	G	R		F S 75 U	75
	Valleywood Drive	Spenard	G	R		F S 75 U	75
Requested by BOB BISHOPE Date 02/08/90			G 100	R		F S 300 U	400

Utility: WASTEWATER

Project Category	Project Title	Location	Funding			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Repair and Rehabilitation	ADOTPF Proj Related Replacement/Upgrade	Areawide	G R		F S 80 U	80
	C-5 Campbell Creek Trunk Reline	CT, SL, CK	G 290 R		F 2,250 S 290 U 628	3,458
	Chester Valley Sewer Replacement	Muldoon	G R		F S 252 U	252
	E 42nd and Laurel	Abbott Loop	G R		F S 50 U	50
	Emergency R-R	Areawide	G R	200	F S U	200
	Government Hill School	Government Hill	G R		F S 60 U	60
	Government Hill R & R	Government Hill	G R		F S 36 U	36
	Kirchner Subdivision	Spenard	G R		F S 70 U	70
	MOA Road Related Projects	Areawide	G R		F S 100 U	100
	North Star Subd	Spenard	G R		F S 700 U	700
W 42nd and Beechcraft	Turnagain	G R		F S 190 U	190	

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Utility: WASTEWATER

Project Category	Project Title	Location	F u n d i n g			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Requested by BOB BISHOPE			G 290 R	200	F 2,250 S 1,828 U 628	5,196
Date 02/08/90						

Utility: WASTEWATER

Project Category	Project Title	Location	Bonds		Funding Operations	Grants F=Federal S=State U=Loan/App	Total
			G=GO Bonds	R=Rev Bonds			
New Equipment	Anchorage - Facility R - R	Areawide - Anchorage	G		10	F S U	10
	Communications	Areawide	G		15	F S U	15
	ER Facility R - R	Eagle River, Chugiak	G		5	F S U	5
	Girdwood Facility R - R	Turn. Arm/Girdwood	G		5	F S U	5
	Misc Equipment	Areawide	G		115	F S U	115
	SAM - Sewer Analysis Model	Areawide	G		10	F S U	10
	Vehicles	Areawide	G		140	F S U	140
Requested by BOB BISHOPE Date 02/08/90			G		300	F S U	300

Utility: WASTEWATER

Project Category	Project Title	Location	Funding			Total
			Bonds G=GO Bonds R=Rev Bonds	Operations	Grants F=Federal S=State U=Loan/App	
Buildings	AWWU Fuel Tank Replacement	Areawide	G R	250	F S U	250
	Facilities Planning Study	Areawide	G R	15	F S U	15
	King Street Storage Building	Areawide	G 1,000 R		F S U	1,000
	Point Woronzof WWTF Misc Upgrades	Areawide - Anchorage	G R	43	F S U	43
	Sewage Equipment Coating	Areawide	G R	20	F S U	20
Requested by BOB BISHOPE Date 02/08/90			G 1,000 R	328	F S U	1,328

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.								
	9300	ANCHORAGE WASTEWATER UTILITY											
CIB/CIP 1990 - 1995													
PROJECT CATEGORY	1990	1991	1992	1993	1994	1995	REVENUE BONDS	G.O. BONDS	OPERA- TIONS	STATE GRANTS	FEDERAL GRANTS	LOAN/ APPROP	TOTAL
Treatment	500	3,450	440	400	100	400	0	0	1,280	3,620	290	100	5,290
Pump Stations &	0	400	0	0	0	0	0	0	0	400	0	0	400
Trunks & Interceptor	100	1,100	677	3,810	1,922	4,457	0	5,820	0	4,996	0	1,250	12,066
Laterals	400	1,660	0	0	0	0	0	100	0	1,100	0	860	2,060
Repair and Rehabilit	5,196	2,375	2,446	2,420	1,678	2,797	0	7,072	2,659	1,828	2,250	3,103	16,912
New Equipment	300	870	695	713	723	723	0	35	3,989	0	0	0	4,024
Buildings	1,328	105	55	55	55	785	0	1,000	1,383	0	0	0	2,383
Total Program	7,824	9,960	4,313	7,398	4,478	9,162	0	14,027	9,311	11,944	2,540	5,313	43,135
SOURCE OF FUNDING													
Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
G.O. Bonds	1,490	1,635	1,155	3,380	2,310	4,057	0	14,027	0	0	0	0	14,027
Operational	828	1,040	1,230	1,343	1,480	3,390	0	0	9,311	0	0	0	9,311
State Grant	2,628	5,260	228	1,425	688	1,715	0	0	0	11,944	0	0	11,944
Federal Grant	2,250	290	0	0	0	0	0	0	0	0	2,540	0	2,540
Loan/Approp	628	1,735	1,700	1,250	0	0	0	0	0	0	0	5,313	5,313
Total Funding	7,824	9,960	4,313	7,398	4,478	9,162	0	0	0	0	0	0	43,135

Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Treatment	Anchorage Sewer Master Plan Update	Areawide - Anchorage	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	Facility Plan Update	Eagle River, Chugiak	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	Girdwood Sewer Master Plan Update	Turn. Arm/Girdwood	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	Incinerator Upgrade #1	Areawide - Anchorage	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
Mixed Media Rehab	Turn. Arm/Girdwood	G	G	G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S	S	S	S	S	
U	U	U	U	U			
PT WORONZOF DECHLORINATION	SP, IA	G	G	G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S	S	S	S	S	
U	U	U	U	U			

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Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Treatment	PT WORONZOF OUTFALL MODIFICATIONS	SP, IA	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
	Standby Generator Rehab	Turn. Arm/Girdwood	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
	Upgrade - Girdwood WWTF	Turn. Arm/Girdwood	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
			GO BONDS					
			REV BONDS					
			OPERATIONS		380	400	100	400
			ST GRANTS	3,060	60			
			FED GRANTS	290				
			LOAN/APPRO	100				
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	3,450	440	400	100	400

Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Trunks & Interceptors	A-4 B Trunk	Campbell Taku	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	517
	B-5-7 C Trunk	MF, MV	G R O F S U	G R O F S U	G R O F S U	100 G R O F S U	100 G R O F S U	680
	B-I Trunk	Turnagain	G R O F S U	G R O F S U	252 G R O F S U	168 G R O F S U	G R O F S U	520
	C-6 Trunk	Campbell Lake/Klatt	G R O F S U	G R O F S U	G R O F S U	G R O F S U	57 G R O F S U	429
	C-7 Trunk	Campbell Lake/Klatt	G R O F S U	G R O F S U	G R O F S U	G R O F S U	51 G R O F S U	561
	D-2-7 Trunk	Muldoon	G R O F S U	G R O F S U	G R O F S U	G R O F S U	24 G R O F S U	155

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Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Trunks & Interceptors	D-6 B Trunk ADOTPF Related Proj	Campbell Taku	G	G 57	G 205	G	G	
			R	R	R	R	R	
			O	O	O	O	O	
			F	F	F	F	F	
			S	S	S 175	S	S	
	U	U	U	U	U			
	Eagle River Sewer Upgrade	Eagle River, Chugiak	G	G	G	G	G	
			R	R	R	R	R	
			O	O	O	O	O	
			F	F	F	F	F	
			S	S	S 1,250	S	S	
	U	U	U 1,250	U	U			
	Hiland Correctional Facility	Eagle River, Chugiak	G	G	G	G	G	
			R	R	R	R	R	
			O	O	O	O	O	
			F	F	F	F	F	
			S	S 1,000	S	S	S	
	U	U	U	U	U			
	Parkview Trunk	Eagle River, Chugiak	G	G	G 430	G 602	G	
			R	R	R	R	R	
O			O	O	O	O		
F			F	F	F	F		
S			S	S	S 688	S		
U	U	U	U	U				
Private Development Oversizing	Areawide	G	G 100	G 200	G 400	G 400		
		R	R	R	R	R		
		O	O	O	O	O		
		F	F	F	F	F		
		S	S	S	S	S		
U	U	U	U	U				
			GO BONDS	100	509	1,135	1,234	2,742
			REV BONDS					
			OPERATIONS					
			ST GRANTS	1,000	168	1,425	688	1,715
			FED GRANTS					
			LOAN/APPRO			1,250		
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	1,100	677	3,810	1,922	4,457

Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Laterals	Alyeska Seibu Resort Sewer System	Turn. Arm/Girdwood	G R O F S U 800	G R O F S U	G R O F S U	G R O F S U	G R O F S U
	Turnagain Heights LID 101	Turnagain	G R O F S U 860	G R O F S U	G R O F S U	G R O F S U	G R O F S U
			GO BONDS				
			REV BONDS				
			OPERATIONS				
			ST GRANTS	800			
			FED GRANTS				
			LOAN/APPRO	860			
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	1,660			

Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year									
			1991	1992	1993	1994	1995					
Repair and Rehabilitation	ADOTPF Proj Related Replacement/Upgrade	Areawide	G	100	G	100	G	100	G	100		
			R		R		R		R			
			O		O		O		O			
			F		F		F		F			
			S		S		S		S			
			U		U		U		U			
		Alaska Industrial E 4th & Chipperfield	Merrill Field	G		G	262	G		G		
	R				R		R		R			
	O				O		O		O			
	F				F		F		F			
	S				S		S		S			
			U		U		U		U			
		B-12 Trunk	Mountain View	G		G		G	49	G	643	
	R				R		R		R			
	O				O		O		O			
	F				F		F		F			
	S				S		S		S			
			U		U		U		U			
		B-5 G Trunk Phases I & II	Inlet View	G		G		G		G		
	R				R		R		R			
	O				O		O	75	O	502	O	1,382
	F				F		F		F		F	
	S				S		S		S		S	
			U		U		U		U			
	B-5 H Trunk	Inlet View	G		G	35	G	128	G			
R				R		R		R				
O				O		O		O				
F				F		F		F				
S				S		S		S				
		U		U		U		U				
	B-6 E	Inlet View	G		G		G		G	133		
R				R		R		R				
O				O		O		O				
F				F		F		F				
S				S		S		S				
		U		U		U		U				

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Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year				
			1991	1992	1993	1994	1995
Repair and Rehabilitation	C-2 B Trunk ADOTPF Related Proj	Sand Lake	G	G 49	G 328	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	C-5-7 Trunk R-R	Campbell Lake/Klatt	G	G	G	G	G
			R	R	R	R	R
			O	O	O	O	O
			F	F	F	F	F
			S	S	S	S	S
	U	75 U	1,700 U	U	U	U	
	Emergency R-R	Areawide	G	G	G	G	G
			R	R	R	R	R
			O	100 O	100 O	100 O	100 O
			F	F	F	F	F
			S	S	S	S	S
	U	U	U	U	U		
	MOA Road Related Projects	Areawide	G	100 G	100 G	100 G	100 G
			R	R	R	R	R
			O	O	O	O	O
F			F	F	F	F	
S			S	S	S	S	
U	U	U	U	U			
Middle Fish Creek Trunk	SP, TA	G	1,200 G	1,200 G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S	S	S	S	S	
U	U	U	U	U			
North Star Subd	Spenard	G	G	G	G	G	
		R	R	R	R	R	
		O	O	O	O	O	
		F	F	F	F	F	
		S	S	S	S	S	
U	700 U	U	U	U			

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Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Repair and Rehabilitation	Tmt Plant Inflow Interceptor Line 48"	Eagle River, Chugiak	G R O F S U	G R O F S U	G 240 R O F S U	G R O F S U	G R O F S U	
	VC Line Replacement	Downtown	G 100 R O F S U	G 100 R O F S U	G 100 R O F S U	G 100 R O F S U	G 100 R O F S U	
			GO BONDS	1,500	646	2,245	1,076	1,315
			REV BONDS					
			OPERATIONS	100	100	175	602	1,482
			ST GRANTS					
			FED GRANTS					
			LOAN/APPRO	775	1,700			
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	2,375	2,446	2,420	1,678	2,797

Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year									
			1991	1992	1993	1994	1995					
New Equipment	Anchorage - Facility R - R	Areawide - Anchorage	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	50	50	50	50	50
	CPR Graphics Pilot Study	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	100				
	Communications	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	15	15	15	15	15
	ER Facility R - R	Eagle River, Chugiak	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	5	5	25	35	35
	Girdwood Facility R - R	Turn. Arm/Girdwood	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	15	15	15	15	15
	Grant PITS Development	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	35				

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Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year									
			1991	1992	1993	1994	1995					
New Equipment	Graphics Information System	Areawide	G	G	G	G	G					
			R	R	R	R	R					
			O	25	O	O	O					
			F	F	F	F	F					
			S	S	S	S	S					
	U	U	U	U	U							
	Misc Equipment	Areawide	G	G	G	G	G					
			R	R	R	R	R					
			O	300	O	400	O	400	O	400		
			F	F	F	F	F					
			S	S	S	S	S					
	U	U	U	U	U							
	SAM - Sewer Analysis Model	Areawide	G	G	G	G	G					
			R	R	R	R	R					
			O	15	O	10	O	8	O	8	O	8
			F	F	F	F	F					
			S	S	S	S	S					
	U	U	U	U	U							
	Special Assessments System Enhancement	Areawide	G	G	G	G	G					
			R	R	R	R	R					
O			120	O	O	O	O					
F			F	F	F	F						
S			S	S	S	S						
U	U	U	U	U								
Vehicles	Areawide	G	G	G	G	G						
		R	R	R	R	R						
		O	190	O	200	O	200	O	200	O	200	
		F	F	F	F	F						
		S	S	S	S	S						
U	U	U	U	U								
			GO BONDS	35								
			REV BONDS									
			OPERATIONS	835	695	713	723	723				
			ST GRANTS									
			FED GRANTS									
			LOAN/APPRO									
Requested by	BOB BISHOPE	Date 02/08/90	PAGE TOTAL	870	695	713	723	723				

Utility: WASTEWATER

Project Category	Project Title	Location	Budget by Year					
			1991	1992	1993	1994	1995	
Buildings	AWWU Fuel Tank Replacement	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	750
	King Street Painting	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	
	Pump Station Roof Repair & Painting	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	15
	Sewage Equipment Coating	Areawide	G R O F S U	G R O F S U	G R O F S U	G R O F S U	G R O F S U	20
			GO BONDS					
			REV BONDS					
			OPERATIONS	105	55	55	55	785
			ST GRANTS					
			FED GRANTS					
			LOAN/APPRO					
Requested by BOB BISHOPE			Date 02/08/90	105	55	55	55	785
			PAGE TOTAL	105	55	55	55	785