



AWWU Update

Proposed 2026 Rate Increase

*A presentation to
Assembly Infrastructure Enterprise and Utility Oversight Committee
November 20, 2025*

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**AWWU's Mission is to Protect the
Health and Welfare of the Public
and the Environment by Providing
Responsible Water and
Wastewater Services.**



AWWU's Rates Driven by Historic Costs

- AWWU is two separately regulated utilities
- Rates recovered based on historic test year (two-year lag)
- Aging infrastructure increases maintenance/replacement costs
- Inflation and market driving up cost of chemicals, energy, and construction
 - Example: 2022-2024, 66% increase in main water treatment chemical cost; 22% increase in water and wastewater disinfectant chemical cost.
- Municipal Utility Service Assessment
 - Over 20% of AWWU's budget – largest “taxpayer” in Anchorage + AWU Dividend
- Permit renewals and regulation driven increases
- Long-Range Financial Plan with moderate rate increases
- 2026 annualized rate increase of 4.85% for water and 2.87% for sewer
 - Monthly increase of \$3.57 for single family residential water service; \$1.89 for single family residential sewer service
 - Monthly combined increase of \$5.46 (both water and sewer service)



Impacts on Common Water Monthly Rates

Anchorage Water Utility			
Customer Class	Current Rate	Proposed Rate	Amount Change
Unmetered Single Family Residential	\$64.78	\$68.35	\$3.57
Metered Residential and Commercial:			
Customer Charge (per Account)	\$11.07	\$11.68	\$0.61
Volume Rate per 1,000 Gallons:			
Multi-Family	\$5.99	\$6.32	\$0.33
Commercial	\$7.26	\$7.66	\$0.40
Anchorage Fire Department	\$395,825.91	\$417,596.34	\$21,770.43



Impacts on Common Sewer Monthly Rates

Anchorage Wastewater Utility			
Customer Class	Current Rate	Proposed Rate	Amount Change
Unmetered Single Family Residential	\$58.37	\$60.26	\$1.89
Metered Residential and Commercial:			
Customer Charge (per Account)	\$11.15	\$11.51	\$0.36
Volume Rate per 1,000 Gallons:			
Multi-Family	\$7.39	\$7.63	\$0.24
Low Strength	\$6.50	\$6.71	\$0.21
Medium Strength	\$8.63	\$8.91	\$0.28
High Strength	\$10.07	\$10.40	\$0.33
Metered Residential and Commercial:			
Customer Charge (per Account)	\$11.15	\$11.51	\$0.36
Volume Rate per 1,000 Gallons	\$32.40	\$33.45	\$1.05



AWWU is Lean: Rates are Fair & Equitable – Cost Causer Cost Payer

Your Life

P. 32 FUN WITH OLD PHOTOS
P. 36 Q&A: COLSON WHITEHEAD



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00\$156 per month

THE SURGING COST OF WATER

What once was a relatively meager utility bill is putting some added stress on household budgets

BY JOE EATON

Amid the flood of rising prices lately, here's one you might not have expected: the cost of tap water.

"Water used to be the cheapest bill you had," says Barry Swift, 70, a retired nurse in Des Moines, Iowa. "Now it's just higher than heck." Smith recently fell behind on his \$150 monthly water bill and faced a shutoff.

In 2022, the average monthly water and sewage bill was about \$118, according to Bluefield Research, a Boston utility research firm. That's up 51 percent since 2012, more than double the rate of inflation over that period.

What's driving the increases? One factor is geographic differences; there are more than 148,000 independent public water systems in America, each with its own issues and circumstances. But upkeep of aging systems and reduced government funding are the prime culprits, Bluefield analyst Eric Bindler says. In the 1970s, the federal government paid about a third of the cost of providing municipal water, he says, but by 2010, that had fallen to about 4 percent. Costs have increasingly been passed on to consumers.

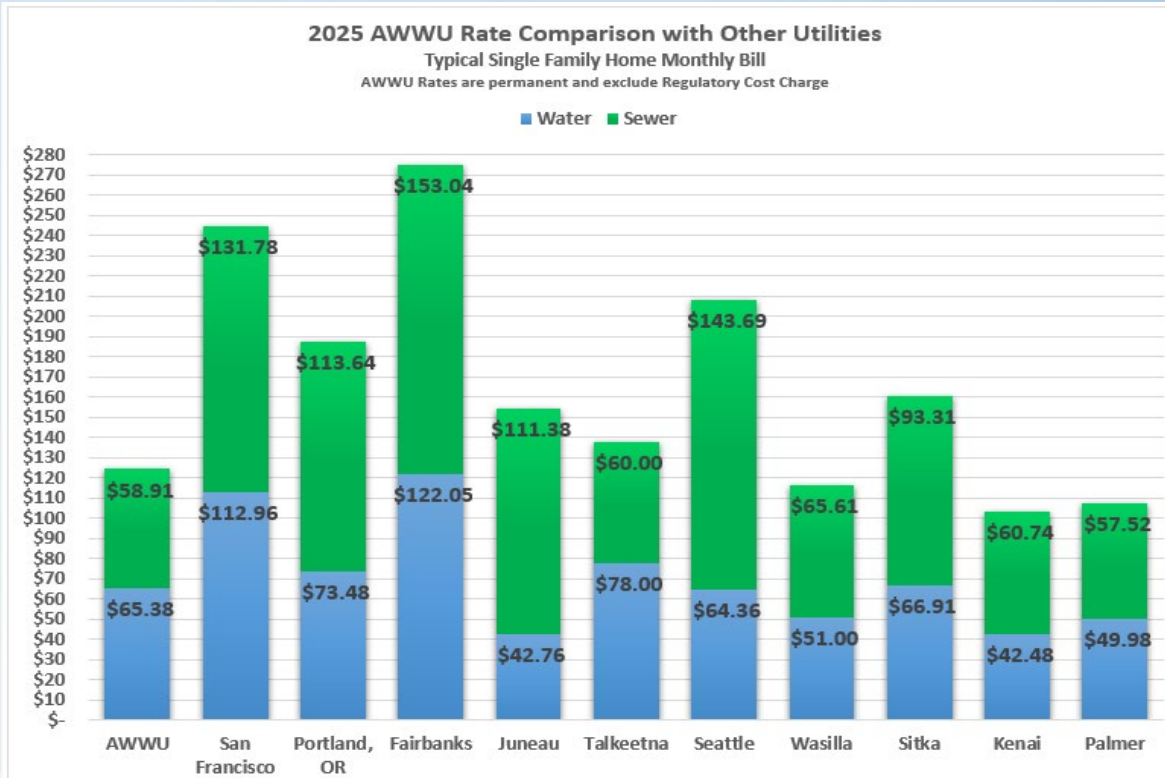
And it's about to get worse. America's water infrastructure—purification plants, pumps, endless miles of underground mains and pipes, and sewage-processing facilities—is in many cases 50 to 100 years old, in some places even older. Such age leads to system breakdowns and outages, making for added maintenance, material and labor costs. Inflation also plays a part in rising water bills. "The cost of pipe has gone way up, and a lot of that is due to the same supply chain issues that we are seeing in other parts of the economy," Bindler says.

WHAT ABOUT DROUGHT?

Scarcity of water has not always related to consumer cost. For example, the average monthly water bill in the desert city of Phoenix is less than \$50. But many communities in the West do set higher rates to promote conservation, according to Bluefield. Analysts say changing weather patterns and extreme weather events will affect rates. Those include heat waves, changes in precipitation type and timing, and flooding, says Newscha Ajami, a water expert at Lawrence Berkeley National Lab. One reason is that the country's water infrastructure was designed and built

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- AWWU's rates are on par with the national average, which was \$125/month in 2024; those with lower rates pay much smaller PILT/MUSA expenses
- AWWU's rates are below most peers in Alaska and the Northwest
- AWWU is regulated by the RCA, ADEC, EPA, Municipal Code and OSHA
- AWWU is regulated by bond and lender covenants and metrics
- AWWU maintains an AA bond rating
- AWWU provides a perfect score to the ISO insurance rating for fire protection, which lowers homeowner insurance
- AWWU operates lean and efficiently (*Raffelis 2022 Organizational Review*);
- 2025 BLS Cost of Living over 21% higher in Anchorage than the national average



Next Steps

- AWWU Board Approval
 - Presented at a public meeting on November 5, 2025
 - Board Resolution 2025-7 approved
- Approval Required by the Assembly
 - Per AMC 26.10.035, all requested rate changes shall be brought to Assembly for review and approval for submission to Regulatory Commission of Alaska
 - AO/AM submitted for Introduction November 18, 2025
 - Assembly Public Hearing scheduled for December 2, 2025
- Approval Required by the Regulatory Commission of Alaska (RCA)
 - Submit to RCA on or before December 31, 2025
 - RCA filing requires a 30-day public comment period
 - On or before February 12, 2026, the RCA will either approve, reject, or suspend the matter for further investigation
 - If suspended:
 - Proposed rate increases may become effective on an interim and refundable basis effective February 12, 2026
 - Hearing at RCA may be scheduled for December 2026 or later
 - Statutory timeline for RCA decision is 450 days – March 2027



Cool It, Can It, Trash It



KEEP THE DRAIN CLEAR
OF **FATS**, **OILS** & **GREASE**



DID YOU KNOW? NEARLY HALF OF ALL SEWER BLOCKAGES ANNUALLY
ARE CAUSED BY FATS, OILS, AND GREASE (FOG)?



Questions?

