

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water &
Wastewater Utility
For reading: October 14, 2008

CLERK'S OFFICE

APPROVED
Date: 10-28-08

ANCHORAGE, ALASKA
AO No. 2008-112

1 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA
2 APPROVING SUBMISSION BY THE ANCHORAGE WATER AND
3 WASTEWATER UTILITY ON BEHALF OF ANCHORAGE WATER UTILITY
4 (AWU) AND ANCHORAGE WASTEWATER UTILITY (ASU) OF REVENUE
5 REQUIREMENT STUDIES TO THE REGULATORY COMMISSION OF ALASKA
6 (RCA).
7

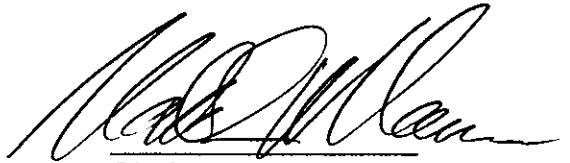
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9 THE ANCHORAGE ASSEMBLY ORDAINS:

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11 **Section 1.** A 2007 Test Year Revenue Requirement Study, requiring an
12 increase to the monthly recurring rates of the Anchorage Water Utility, effective
13 January 1, 2009 and not to exceed 8.4%, is hereby approved for submission to
14 the RCA.
15

16 **Section 2.** A 2007 Test Year Revenue Requirement Study, requiring an
17 increase to the monthly recurring rates of the Anchorage Wastewater Utility,
18 effective January 1, 2009 and not to exceed 7.2%, is hereby approved for
19 submission to the RCA.
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21 **Section 3.** This Ordinance is effective immediately upon passage and approval
22 by the Anchorage Assembly.
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24 **PASSED AND APPROVED** by the Anchorage Assembly this 28th day of
25 October, 2008.
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31 Chair
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34 ATTEST:
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39 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 707-2008

Meeting Date: October 14, 2008

From: MAYOR

Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA APPROVING SUBMISSION BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF ANCHORAGE WATER UTILITY (AWU) AND ANCHORAGE WASTEWATER UTILITY (ASU) OF REVENUE REQUIREMENT STUDIES TO THE REGULATORY COMMISSION OF ALASKA (RCA).

In accordance with Anchorage Municipal Code (AMC) section 26.10.035, the Administration is submitting this ordinance for review and approval by the Assembly of submission by the Anchorage Water & Wastewater Utility (AWWU) of 2007 test year revenue requirement studies for both the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility (ASU) to the Regulatory Commission of Alaska (RCA).

AWWU is preparing the revenue requirement studies in accordance with the regulations and practices prescribed by the RCA and Alaska Statutes. The proposed across the board rate increases for 2009 do not exceed 8.4 percent for AWU and 7.2 percent for ASU. Final rate increases requested may be less than these currently estimated maximum rate increases, pending finalization of the revenue requirement studies. AWWU's proposed 2009 Operating Budgets include revenue from the proposed rate increases. Upon Assembly approval of AWWU's submission of these studies, AWWU intends to request interim and refundable rates effective January 1, 2009 from the RCA. The RCA then notices AWWU's requested rate increase to the public for comment. All rate changes are subject to the approval of the RCA.

Impacts of the Study

The Utility uses uniform rates for customer charges, unmetered usage charge per dwelling unit, metered volumetric rates, and meter charges. These basic rate components make up the individual customer bills. The proposed rate increases are applied across the board to all recurring rates. Changes in the most common monthly rates are:

Water:

	2008 Current	2009 Proposed Maximum
Customer Charge	\$ 9.65	\$ 10.46
Flat Residential Usage Charge per unit	\$ 26.85	\$ 29.11
Metered Volume rate per 1,000 gallons	\$ 3.73	\$ 4.04
Anchorage Fire Department	\$291,687	\$316,189

AM Supporting Submission of Proposed Rate Changes
By AWWU to RCA

Wastewater:	2008 Current	2009 Proposed Maximum
Customer Charge	\$ 5.12	\$ 5.49
Flat Residential Usage Charge per unit	\$ 21.68	\$ 23.24
Metered Volume rate per 1,000 gallons:		
Residential	\$ 3.39	\$ 3.63
Commercial Low Strength	\$ 2.98	\$ 3.19
Commercial Medium Strength	\$ 3.95	\$ 4.23
Commercial High Strength	\$ 4.62	\$ 4.95

Typical Customer Rate Impacts

The single-family residential water rate increases by \$3.07 per month in 2009 from the current \$36.50 to \$39.57 per month. The single-family residential wastewater rate increases by \$1.93 per month in 2009 from \$26.80 to \$28.73 per month in 2009. The combined water and wastewater bill for a single family residential customer increases from the current \$63.30 to \$68.30 in 2009. The combined water and wastewater rate increase as a percentage over 2008 for single family residential customers is 7.9% in 2009.

RCA Approval Required

Revenue from these rate increases is included in AWWU's budget. AWWU will file the 2007 test year Revenue Requirement Studies with the RCA upon Assembly approval of the proposed ordinance.

The RCA then notices the filing and proposed rate changes to the public and allows a thirty-day comment period. RCA Staff reviews the filing and makes a recommendation to the Commissioners whether to approve the filing or suspend it for further investigation. Then, the Commission renders a decision whether to approve or suspend the filing for further investigation within 45 days of the filing date. In the event the RCA suspends the filing for further investigation, AWWU will request interim refundable rates be made effective January 1, 2009 for both AWU and ASU.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA APPROVING SUBMISSION BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF ANCHORAGE WATER UTILITY (AWU) AND ANCHORAGE WASTEWATER UTILITY (ASU) OF REVENUE REQUIREMENT STUDIES TO THE REGULATORY COMMISSION OF ALASKA (RCA).

Recommended by:	Mark Premo, P.E., General Manager, AWWU
Concur:	James N. Reeves, Municipal Attorney
Concur:	Michael K Abbott, Municipal Manager
Respectfully submitted:	Mark Begich, Mayor



ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD RESOLUTION
No. 2008-17

Meeting Date: October 1, 2008

1 Subject: Submission of the AWWU 2007 Test Year Revenue Requirement Studies
2 for AWU and ASU
3

4 WHEREAS, AWWU has completed 2007 Test Year Revenue Requirements Studies
5 for both AWU and ASU; and,
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7 WHEREAS, these revenue requirements studies show that AWWU requires rate
8 increases based on a 2007 test year; and,
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10 WHEREAS, a public hearing was advertised in accordance with Municipal code and
11 held on October 1, 2008; and,
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13 WHEREAS, the proposed interim rate increases, effective January 1, 2009, will not
14 exceed the required increases as shown in AWWU's 2009 budget; and,
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16 WHEREAS, the proposed permanent rate increases will be equal to or less than
17 8.4% for AWU and 7.2% for ASU; and,
18

19 WHEREAS, these rate increases are necessary to maintain the current level of
20 service while providing for the financial sustainability of the Utility.
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22 NOW THEREFORE THE AWWU AUTHORITY BOARD OF DIRECTORS
23 RESOLVES:
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25 To approve submission of the 2007 Test Year Revenue Requirements Studies, including
26 related rate increases, for AWU and ASU to the Municipal Assembly and Regulatory
27 Commission of Alaska.
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29 Approved by a majority vote of the Anchorage Water & Wastewater Utility Authority Board
30 of Directors.
31

32  10 Oct 2008
33
34 Calvin E. West, P.E. Date
35 Chair, AWWU Board of Directors

Content ID: 006900**Type:** Ordinance - AOAN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA
APPROVING SUBMISSION BY THE ANCHORAGE WATER AND**Title:** WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTILITY
(AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF REVENUE
REQUIREMENT STUDIES TO THE REGULATORY COMMISSION OF ALASKA**Author:** maglaquijp**Initiating
Dept:** AWWU**Date
Prepared:** 10/2/08 12:57 PM**Director
Name:** Mark Premo**Assembly
Meeting** 10/14/08**Date:****Public
Hearing** 10/28/08
Date:

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	10/10/08 10:42 AM	Exit	Joy Maglaqui	Public	006900
MuniMgrCoord_SubWorkflow	10/10/08 10:42 AM	Approve	Joy Maglaqui	Public	006900
MuniMgrCoord_SubWorkflow	10/9/08 11:47 AM	Checkin	Joy Maglaqui	Public	006900
MuniManager_SubWorkflow	10/9/08 10:04 AM	Approve	Michael Abbott	Public	006900
Legal_SubWorkflow	10/8/08 3:45 PM	Approve	Rhonda Westover	Public	006900
Finance_SubWorkflow	10/4/08 5:36 PM	Approve	Sharon Weddleton	Public	006900
Finance_SubWorkflow	10/3/08 4:53 PM	Checkin	Nina Pruitt	Public	006900
Finance_SubWorkflow	10/3/08 3:06 PM	Checkin	Nina Pruitt	Public	006900
OMB_SubWorkflow	10/3/08 11:43 AM	Approve	Wanda Phillips	Public	006900
AWWU_SubWorkflow	10/2/08 1:01 PM	Approve	Mark Premo	Public	006900
AllOrdinanceWorkflow	10/2/08 1:00 PM	Checkin	Alyssa Gibson	Public	006900