Submitted by: Chairman of the Assembly

at the Request of the Mayor Anchorage Water &

Prepared by:

Wastewater Utility September 27, 2011

For reading:

CLEDK'S OFFICE

Municipal Clerk

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	CLERK 3 OFFICE
Datei	APPROVED ANCHORAGE, ALASKA AO NO. 2011-99
1 2 3	AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA APPROVING SUBMISSION BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER
5 5 6	UTILITY (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF ALASKA
7 8 9	THE ANCHORAGE ASSEMBLY ORDAINS:
10 11 12 13 14 15	Section 1. Rate changes to the tariff of AWU, attached to the Assembly Memorandum and incorporated herein by reference and as reflected in the "Anchorage Water Utility Revenue Requirements Study for the Test Year Ended December 31, 2010" for rates effective no later than January 1, 2012, are hereby approved for submission to the Regulatory Commission of Alaska.
16 17 18 19 20 21	Section 2. Rate changes to the tariff of ASU, attached to the Assembly Memorandum and incorporated herein by reference and as reflected in the "Anchorage Wastewater Utility Revenue Requirements Study for the Test Year Ended December 31, 2010" for rates effective no later than January 1, 2012, are hereby approved for submission to the Regulatory Commission of Alaska.
22 23 24 25 26 27	Section 3. The Anchorage Assembly has not reviewed the final revenue requirement studies to be filed with the Regulatory Commission of Alaska. The final rate increases requested by the Anchorage Water and Wastewater Utilities from the Regulatory Commission of Alaska will reflect the rate increases included in the final Anchorage Assembly approved 2012 budgets for AWU and ASU.
28 29	<u>Section 4.</u> This Ordinance is effective immediately upon passage by the Anchorage Assembly.
30 31 32 33 34 35	PASSED AND APPROVED by the Anchorage Assembly this day of, 2011.
36 37 38 39	Shower 5 Johns

# Municipality of Anchorage Summary of Economic Effects - Utilities

AO Number:		AN ORDINANCE O SUBMISSION BY TH OF THE ANCHORAC JTILITY (ASU) OF PI ALASKA	IE ANCHORAGE \ SE WATER UTILIT	WATER AND WATER AND 'AND '	ASTEWATER UTIL THE ANCHORAG	LITY ON BEHALF E WASTEWATER
Sponsor:	Mayor				······································	
Preparing Agency:	: AWWU	(	Others Affected	: All Mun	icipal Utilities	
CHANGES IN EXF	PENDITURES AND REVEN	IUES (Thousands	s of Dollars)			
Operating Reven		FY2012	FY2013	FY2014	FY2015	FY2016
Anchorage Water	Utility	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100
<del> </del>	Total Operating Revenues		\$3,100	\$3,100	\$3,100	\$3,100
	Operating Expenses					
\Materia	collectible accounts expense	e \$6	\$6	\$6	\$6	\$6
vvaler unc	conectible accounts expense	<del>5</del>	40	40	20	40
	Total Operating Expenses	: \$6	\$6	\$6	\$6	\$6
	Non-Operating Revenues		<del></del>	40		
					***	
Tota	I Non-Operating Revenues		\$0	\$0	\$0	\$0
	Non-Operating Expenses	3				
Tota	al Non-Operating Expenses	\$0	\$0	\$0	\$0	\$0
IOLO	NET INCOME (Regulated)		\$3,094	\$3,094	\$3,094	\$3,094
Positions: FT/PT/1		γο,υση	ΨΟ,ΟΟΨ	Ψ0,094	Ψ0,034	Ψ5,094
	1 21777			<del></del>		
Impact on General	Government: YES (I	f yes, attach SEE	for General Go	vernment age	ncy impacted.)	
·						
Utility Public Secto	r Economic Effects:					
A145A01 1 .			0040 11 41			
	ise water rates by 6.0% effe Regulatory Commission of		2012 subject to	approval of th	e Anchorage iv	lunicipai
Assembly and the	Regulatory Commission of A	MidSKd.		<del></del>		
Public Sector Econ	nomic Effects Continued: S	See senarate atta	ched			
T danc cooler book	ionno Encolo Commaca.	oo ooparato atta	onica.			
Private Sector Economic Effects: The effect on the private sector will be an increase in their 2012 water rates by 6.0%						
over 2011.				· · · · · · · · · · · · · · · · · · ·		
lf foutbon overlandia	i					
ii Turtner explanatio	on is necessary, a separate	page may be atta	acried.			
Prepared By: I	Beau Disbrow, Regulatory A	Affairs Manager		Telephor	ne: 786-5	507
	(Name, Title)	s.io managoi			_,,,,,	
Validated by OMB:				C	Date:	
Approved by:	Craig R. Woolard, Pł	n.D., P.E., Actina	General Manag	aer. r	Date: 8/26/	11
·		,,		y1 <b>*</b>	2.20	

(Director, Preparing Agency)

## Municipality of Anchorage Summary of Economic Effects - General Government

AO Number:	2011-99 Hitle:	SUBMISSION BY THE OF THE ANCHORAGE UTILITY (ASU) OF PR OF ALASKA	ANCHORAGE W	VATER AND WAS Y (AWU) AND TH	TEWATER UTILIT E ANCHORAGE 1	TY ON BEHALF WASTEWATER
Sponsor:	Mayor	OF ALAONA				
Preparing Agency:	AWWU	0	thers Affected	: All Muni	cipal Govt. and	ASD .
CHANGES IN EXE	PENDITURES AND REV	/ENHES (Thousands	of Dollars)			
Operating Revenu		FY2012	FY2013	FY2014	FY2015	FY2016
						<u>.</u>
Total Opera	ting Revenues:					
Operating Expens						
Anchorage Fire De		\$249	\$249	\$249	\$249	\$249
Other Municipal Go		\$91	\$91	\$91	\$91	\$91
Anchorage School	District	\$18	\$18	\$18	\$18	\$18
	ting Expenses:	\$358	\$358	\$358	\$358	\$358
Non-Operating Re	evenues:					
Total Non-O	perating Revenues:	\$0	\$0	\$0	\$0	\$0
Non-Operating Ex			7 -	, , , , , , , , , , , , , , , , , , ,	7	
Total Non-O	perating Expenses:	\$0	\$0	\$0	\$0	\$0
NET INCOME (Repositions: FT/PT/	gulated)	(\$358)	(\$358)	(\$358)	(\$358)	(\$358)
Public Sector Econ		6.0% over 2011.				
Prepared By: _	on is necessary, a separ Beau Disbrow, Regulato (Name, Title	ory Affairs Manager	ched.	Telephor	ne: <u>786-5</u>	5507
Validated by OMB: Approved by:		I, Ph.D., P.E., Acting	General Mana		Date: 8/26/	11

(Director, Preparing Agency)

# Municipality of Anchorage Summary of Economic Effects - Utilities

AO Number:	2011-99	SUI OF UTI	BMISSION BY TH THE ANCHORAG	F THE MUNICIPA E ANCHORAGE V SE WATER UTILIT ROPOSED RATE C	VATER AND WA Y (AWU) AND 1	STEWATER UTIL THE ANCHORAG	LITY ON BEHALF E WASTEWATER
Sponsor:	Mayor	1					
Preparing Agency	: AWWU		(	Others Affected:	All Mun	icipal Utilities	
CHANGES IN EX	DENINITURES A	ND REVENU	ES (Thousands	of Dollars)			
Operating Reven		ND INEVERSE	FY2012	FY2013	FY2014	FY2015	FY2016
	nchorage Waste	water Utility	\$4,533	\$4,533	\$4,533	\$4,533	\$4,533
	<u></u>		. ,				
	Total Operating		\$4,533	\$4,533	\$4,533	\$4,533	\$4,533
	Operating	Expenses:					
Mostowator un	collectible accour	ate evnence	\$10	\$10	\$10	\$10	\$10
vvastewater uni	collectible accoun	ils expense	ΨΙΟ	Ψίσ	Ψ10 ·		Ψ10
	Total Operating	Expenses:	\$10	\$10	\$10	\$10	\$10
· · · · · · · · · · · · · · · · · · ·	Non-Operating		,				
·····					- 00	- 00	
Tota	al Non-Operating		\$0	\$0	\$0	\$0	\$0
	Non-Operating	Expenses					
<del></del>							
Tot	al Non-Operating	Expenses:	\$0	\$0	\$0	\$0	\$0
	NET INCOME	(Regulated)	\$4,523	\$4,523	\$4,523	\$4,523	\$4,523
Positions: FT/PT/	TEMP						
Impact on Genera			es, attach SEE	for General Go	vernment age	ncy impacted.)	
Utility Public Sector	or Economic Effe	cts:					
AWWU plans to ra	aise wastewater r bly and the Regul	ates by 11.09 atory Commis	% effective Janussion of Alaska	uary 1, 2012 sul	oject to approv	al of the Anch	orage
Private Sector Eco	namia Effects: \	Mastawataru	tility rotos in 20	12 will be 11 0º	4 higher than	n 2011	<del></del>
Private Sector Eco	onomic Ellects. V	vastewater u	tility rates at 20	12 WIII DE 11.07	o mgner man	11 20 1 1.	
		···					
Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507							
(Name, Title)							
Validated by OMB	<b>:</b>				[	Date:	
			, · <u>u</u> ····				
Approved by:	Craig R. \ AWWU	Woolard, Ph.	D., P.E., Acting	General Manag	ger, [	Date: 8/26/	11

(Director, Preparing Agency)

## Municipality of Anchorage Summary of Economic Effects - General Government

Sponsor:   Mayor	AO Number:	2011-99 Title:	AN ORDINANCE OF SUBMISSION BY THE OF THE ANCHORAG UTILITY (ASU) OF PE OF ALASKA	E ANCHORAGE W E WATER UTILIT	ATER AND WAS Y (AWU) AND TH	TEWATER UTILIT E ANCHORAGE \	Y ON BEHALF WASTEWATER
CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)   Operating Revenues:   FY2012   FY2013   FY2014   FY2015   FY2016	Sponsor:	Mayor	<u></u>		· · · · · · · · · · · · · · · · · · ·		
FY2012   FY2013   FY2014   FY2015   FY2016	Preparing Agency	AWWU	(	Others Affected	: All Gene	eral Govt. and	ASD
Total Operating Revenues: \$0 \$0 \$0 \$0 \$0 \$0  Operating Expenses:   Other Municipal Government \$42 \$42 \$42 \$42 \$42 \$42 \$42 \$42 \$42 \$42	CHANGES IN EX	PENDITURES AND RE	√ENUES (Thousands	of Dollars)			
Operating Expenses:         Other Municipal Government         \$42	Operating Reven	ues:	FY2012	FY2013	FY2014	FY2015	FY2016
Operating Expenses:         Other Municipal Government         \$42							
Other Municipal Government			\$0	\$0	\$0	\$0	\$0
Anchorage School District \$19 \$19 \$19 \$19 \$19 \$19 \$19 Total Operating Expenses: \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61	Operating Expen	ses:					
Anchorage School District \$19 \$19 \$19 \$19 \$19 \$19 \$19 Total Operating Expenses: \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61	Other Municipal G	iovernment	\$42	\$42	\$42	\$42	\$42
Total Non-Operating Expenses: \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61 \$61							
Total Non-Operating Revenues: \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Total Opera	ating Expenses:	\$61	\$61	\$61	\$61	\$61
Non-Operating Expenses \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Non-Operating R	evenues:	4.00				
Non-Operating Expenses \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Total Non-C	Operating Revenues:	\$0	\$0	\$0	\$0	\$0
Total Non-Operating Expenses: \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 NET INCOME (Regulated) (\$61) (		<u> </u>		<b></b>	40	7.	
NET INCOME (Regulated) (\$61) (\$61) (\$61) (\$61) (\$61)  Positions: FT/PT/TEMP  Public Sector Economic Effects: 2012 wastewater utility rates will be 11.0% higher than in 2011.  If further explanation is necessary, a separate page may be attached.  Prepared By: Beau Disbrow, Regulatory Affairs Manager  (Name, Title)  Telephone: 786-5507							
NET INCOME (Regulated) (\$61) (\$61) (\$61) (\$61) (\$61) (\$61) (\$61) Positions: FT/PT/TEMP  Public Sector Economic Effects: 2012 wastewater utility rates will be 11.0% higher than in 2011.  If further explanation is necessary, a separate page may be attached.  Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507 (Name, Title)	Total Non-C	Operating Expenses:	\$0	\$0	\$0	\$0	\$0
Public Sector Economic Effects: 2012 wastewater utility rates will be 11.0% higher than in 2011.  If further explanation is necessary, a separate page may be attached.  Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507  (Name, Title)				(\$61)	(\$61)	(\$61)	(\$61)
2012 wastewater utility rates will be 11.0% higher than in 2011.  If further explanation is necessary, a separate page may be attached.  Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507	Positions: FT/PT/	TEMP					
Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507  (Name, Title)	Public Sector Eco 2012 wastewater	nomic Effects: utility rates will be 11.0%	higher than in 2011.				
(Name, Title)	If further explanati	ion is necessary, a sepa	rate page may be atta	ached.			
<u> </u>	Prepared By:				Telephor	ne: <u>786-</u> {	5507
	Validated by OMB	•	9)		Į.	Date:	

Craig R. Woolard, Ph.D., P.E., Acting General Manager,

(Director, Preparing Agency)

Approved by:

\_AWWU

8/26/11

Date:

### MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

**No.** AM 538-2011

Meeting Date: September 27, 2011

From:

Subject:

MAYOR

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AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA APPROVING SUBMISSION BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTILITY (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES

TO THE REGULATORY COMMISSION OF ALASKA

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In accordance with AMC 26.10.035 the Administration is submitting an ordinance concurrent with this memorandum for review and approval by the Assembly of submission by the Anchorage Water & Wastewater Utility (AWWU) of 2010 test year Revenue Requirements Studies for both the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility (ASU) to the Regulatory Commission of Alaska (RCA).

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AWWU has prepared the aforementioned revenue requirement studies in accordance with the regulations and practices prescribed by the RCA, Alaska Statutes and Alaska Administrative Code. The proposed across the board rate increases for 2012 will not exceed 6.0 percent or the total budgeted rate increase approved by the Assembly for AWU and will not exceed 11.0 percent or the total budgeted rate increase approved by the Assembly for ASU. The revenue requirement studies of AWU and ASU support substantially higher rate increases than those proposed. AWWU's proposed 2012 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 no later than January 1, 2012 from the RCA. The RCA will notice AWWU's requested rate increase to the public for comment. All rate changes are subject to the approval of the RCA.

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### Impacts of the Study

The Utilities use 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 will be applied across the board to all recurring rates. Changes in the most common monthly rates are:

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Water:	2011	2012
•••	<u>Current</u>	<b>Proposed</b>
Customer Charge	\$ 11.44	\$ 12.13
Flat Residential Usage Charge per unit	\$ 31.81	\$ 33.72
Metered Volume rate per 1,000 gallons	\$ 4.42	\$ 4.69
Anchorage Fire Department	\$345,501	\$366,231

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1 2	Wastewater:	2011 <u>Current</u>	2012 <u>Proposed</u>
3	Customer Charge	\$ 6.43	\$ 7.14
4	Flat Residential Usage Charge per unit	\$27.22	\$30.21
5	Metered Volume rate per 1,000 gallons:		
6	Residential	\$ 4.26	\$ 4.73
7	Commercial Low Strength	\$ 3.74	\$ 4.15
8	Commercial Medium Strength	\$ 4.97	\$ 5.52
9	Commercial High Strength	\$ 5.80	\$ 6.44
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**Typical Customer Bill Impacts** 

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The single-family residential water bill will increase by \$2.60 per month in 2012 from the current \$43.25 to \$45.85 per month. The single-family residential wastewater bill will increase by \$3.70 per month in 2012 from \$33.65 to \$37.35 per month. The combined water and wastewater bill for a single family residential customer will increase from the current \$76.90 to \$83.20 in 2012. The combined water and wastewater rate increase as a percentage over 2011 for single-family residential customers will be approximately 8.2% in 2012.

### **RCA Approval Required**

Revenue from these rate increases is included in AWWU's proposed budget. AWWU will file the 2010 test year Revenue Requirement Studies with the RCA upon Assembly approval of the proposed ordinance.

The RCA will then notice the filing and proposed rate changes to the public and allow a thirty-day comment period. RCA Staff will review the filing and the Commission will render a decision whether to approve the filing or suspend it for further investigation within 45 days of the filing date taking into account the RCA Staff recommendation. In the event the RCA decides to suspend the filing for further investigation, AWWU will request interim and refundable rates be made effective no later than January 1, 2012 for both AWU and ASU.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE SUBMISSION BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTITY (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF ALASKA.

Anchorage Water and Wastewater Utility Prepared by:

39 Craig R. Woolard, Ph.D., P.E., Acting General Manager, Recommended by: 40

**AWWU** 

41 Dennis A. Wheeler, Municipal Attorney 42 Concur: George J. Vakalis, Municipal Manager 43 Concur:

Daniel A. Sullivan, Mayor Respectfully Submitted: