

SOLID WASTE SERVICES

**MUNICIPAL
MANAGER**
George Vakalis

**SOLID WASTE
SERVICES**
Director

**Finance and
Administration**

Operations

**Engineering
and Planning**

**Vehicle
Maintenance**

Disposal

**Refuse
Collections**

SOLID WASTE SERVICES UTILITY PROFILE 2010

Solid Waste Services (SWS) is composed of two separate utilities. The Refuse Collections Utility provides refuse collection service to residential and commercial customers in the "City of Anchorage" Service Area. The Solid Waste Disposal Utility operates multiple transfer stations and a regional landfill providing affordable and environmentally responsible municipal solid waste disposal services for the entire Municipality. SWS is divided into four organizations. The organizations include Refuse Collections and Solid Waste Disposal, which are separate operating utilities, and Vehicle Maintenance and Administration, which are support organizations that fully charge out expenses to Refuse Collections and Disposal Utilities.

The profile for both Refuse Collections Utility and Solid Waste Disposal are shown separately below:

REFUSE COLLECTIONS UTILITY

HISTORY: Refuse Collections Utility was originally owned by the former City of Anchorage. When the City and Borough merged in 1975 the Municipality of Anchorage became the new owner. Since at least 1952 there has been mandatory service for all residents who live in the Refuse Collections Utility service area.

SERVICE: Refuse Collections Utility serves the service area of the former City of Anchorage, which is approximately 20% of the population of the Municipality of Anchorage. The Refuse Collections Utility has three main types of collection vehicles. They are frontload, manual sideload and automated sideload trucks.

The frontload vehicles are primarily used to service dumpsters for commercial or multifamily residential customers. Refuse Collections Utility services approximately 4,770 dumpsters per week. Refuse Collections Utility operates six dumpster routes per day M-F and two routes on Saturday.

Residential and small commercial can and bag customers are serviced using front load and manual sideload trucks. Manual sideload equipment is currently being phased out with automated sideload trucks for residential and commercial can and bag collections. An ordinance passed in 2008 established an automated refuse collection program which includes refuse collection, collection of commingled recyclable materials and variable rates.

The Refuse Collections Utility currently services 12,145 residential and small commercial can and bag customers per week. In 2008, 3,500 customers were changed to automated collection, with an additional 3,750 customers phased into automated operations in the fall of 2009. Implementation of the automated program for all can and bag customers is scheduled for completion in 2010. The utility currently operates four manual can and bag routes per day M-F, and one automated sideload route per day M-F. One automated

recycle collection route is operated M-F every other week on the automated refuse collection routes.

REGULATION: The Refuse Collections Utility is regulated by the Regulatory Commission of Alaska (RCA). The utility is granted the right to collect solid waste within our defined service area by a Certificate of Public Convenience and Necessity. The Alaska Public Utilities Commission (predecessor to the RCA) relinquished economic regulation authority to the Anchorage Municipal Assembly.

As a part of Solid Waste Services, the Refuse Collections Utility also has a seven member advisory commission. The members are appointed by the mayor and confirmed by the assembly. The commission normally meets monthly and, when necessary, holds special meetings. The advisory commission advises and makes recommendations to the administration and assembly on matters pertaining to the operating budget, capital budget, rules, regulations, and administrative guidelines for the Utility.

ENVIRONMENTAL MANDATES: Although there are no specific state or federally mandated regulations for Refuse Collections, it must comply with a number of federal and state mandated regulations. These regulations include, but are not limited to, the Federal Clean Air Act, the Clean Water Act and OSHA. These regulations have and will continue to impact the economics and operations of the Refuse Collections Utility.

PHYSICAL PLANT: The Refuse Collection Utility's assets include:

Specialized truck fleet

- 8 frontload trucks for dumpster collection
- 8 sideload trucks for manual curbside collection
- 3 automated sideload trucks for refuse and recycle collection

In 2008 with the implementation of automated operations, the Utility purchased over 9,000 roll carts of various sizes for the use by residential customers for trash and for curbside recycling.

In the fall of 2009, the utility will replace 2 frontload trucks, and acquire 2 new automated sideload trucks to implement the second phase of automated operations for residential customers.

Refuse Collections constructed a 27,000 square foot building that contains vehicle maintenance and warm storage space and administrative offices.

FUTURE PLANNING EFFORTS: In 2010, complete implementation of automated collection operations for all Solid Waste Services residential customers.

SOLID WASTE DISPOSAL UTILITY

HISTORY: Municipal solid waste disposal was originally a function of the City Public Works Department, who operated the city landfill at Merrill Field. Under unification, the Municipality acquired responsibility for five waste disposal sites from Peters Creek to Girdwood. The Solid Waste Disposal Utility was formed to operate and maintain these sites, while managing solid waste disposal matters throughout the Municipality. The five sites were closed and waste disposal was consolidated to a single site near Eagle River. Merrill Field closed in 1987 following approximately 50 years of use. The Anchorage Regional Landfill (ARL), an award winning, "state-of-the-art", fully lined, modern landfill was built in 1987 and is the only operating landfill in MOA.

SERVICE: The Solid Waste Disposal Utility serves the entire MOA. The services include the disposal of solid waste and collection of household hazardous waste. Municipal solid waste is received at any of the three transfer stations located within MOA. The waste is then transported by the Utility to ARL for final disposal.

The ARL has a total land area of approximately 275 acres and is being developed in phases called cells. Currently 7 of 12 base cells have been constructed, with the eighth cell scheduled for construction in 2010. ARL is projected to have a total capacity in excess of 42.3 million cubic yards. It is estimated that ARL will reach full capacity in the year 2043. In 2008, 338,499 tons were deposited in ARL which was 20,666 tons less than in 2007.

Solid Waste Disposal Utility also operates three transfer stations located at Girdwood, midtown Anchorage (Central Transfer Station-CTS), and ARL. The transfer stations allow the Solid Waste Disposal Utility to reduce traffic flow to the landfill and to restrict access to the working face of the landfill. CTS receives the largest amount of solid waste, having received over 235,178 tons in 2008. This facility has a total capacity of 1,600 tons per day. The 2008 quantity was 520 tons less than processed in 2007. The Solid Waste Disposal Utility operates a fleet of 20 transfer tractor and trailers that transport the solid waste from CTS. The trailers have a capacity of 120 yards each.

Solid Waste Disposal Utility operates a 6,000 square foot hazardous waste collection facility built in 1989. In 1992, the facility was the only Hazardous Waste facility in North America to receive Solid Waste Association of North America's "System Excellence" award. Through 2008, the facility has collected a total of 21 million pounds of hazardous waste that otherwise may have been improperly disposed of in the landfill, storm drain system or people's backyards.

Household hazardous waste can be dropped off at CTS or the Hazardous Waste Facility located at ARL. The hazardous waste is then handled by a contractor who sorts and processes the waste in proper containers. Hazardous products are shipped out of state to federally approved hazardous waste disposal sites. Other materials are rendered inert and landfilled, processed locally or recycled. In March 2000, a new program allows citizens to take good, usable products at no cost home for reuse was successfully implemented. More than 25,425 items, totaling 6,705 gallons of household products were diverted for reuse.

REGULATION: The Solid Waste Disposal Utility is not economically regulated by any non-municipal agencies. However, the Utility operates under numerous permits and many EPA regulations. ARL is operated under a Solid Waste operating permit issued by the Alaska Department of Environmental Conservation (ADEC). This permit must be renewed every five years. ARL construction and certain operations must comply with the EPA Resource Conservation and Recovery Act (RCRA) subtitle D. The facility is also regulated under a Title V air emissions operating permit issued by ADEC. The Disposal Utility operates under two permits from AWWU for industrial water discharge, one for disposal of leachate from ARL and one for discharge of leachate contaminated groundwater at Merrill Field. ARL has permits from the US Department of Fish and Wildlife and the Alaska Department of Fish and Game for bird predation.

The Solid Waste Disposal Utility, as a part of Solid Waste Services, also has a seven member advisory commission. The members are appointed by the mayor and confirmed by the assembly. The commission normally meets monthly and when necessary holds special meetings. The advisory commission advises and makes recommendations to the administration and assembly on matters pertaining to the operating budget, capital budget, rules, regulations, and administrative guidelines for the Utility.

ENVIRONMENTAL MANDATES: The Solid Waste Disposal Utility must operate under and comply with numerous environmental mandates. These mandates have a significant economic impact on the cost of operations and construction for the Utility. The main environmental mandates that have a significant impact on the Disposal Utility are RCRA subtitle D, the Clean Air Act, New Source Performance Standards (NSPS) , the Clean Water Act, SARA Title 3 (Super Fund), NESAP (asbestos), and NPDES (storm water discharge). It is projected that the environmental mandates regarding operating and constructing a landfill will become even more stringent in the future.

PHYSICAL PLANT: The Disposal Utility's assets include:

Anchorage Regional Landfill

- 275 acres, estimated to last through the year 2043
- 42.3 million cubic yard capacity
- Phased construction of cells lasting four to five years each
- Currently have constructed seven of the twelve base cells
- Located on municipal land
- Scale house and a 22,000 square foot shop with an adjoining storage facility
- Heavy equipment fleet: dozers, loaders, dump trucks, boom truck, water truck, leachate trucks, tankers, lube trucks, grader and solid waste compactor
- Two leachate storage, treatment lagoons with a 2.9 million gallon capacity
- Gas collection facility with 700 square foot blower and flare station and a 2,000 cubic feet per minute capacity enclosed flare

Three transfer stations provide intermediate disposal, easy access for public

- Girdwood, Central, and ARL
- 20 transfer tractor and trailers haul from stations to landfill

Hazardous waste management

- 6,000 square foot collection facility for household hazardous waste
- Opened in 1989, operated by private contractor
- Received the only "System Excellence Award" in North America from Solid Waste Association of North America

FUTURE PLANNING EFFORTS: Future projects include:

- In 2010, construct the next landfill waste expansion cell
- Develop landfill methane gas to energy
- Develop a long-term plan for the CTS facility

SOLID WASTE SERVICES 2010 OPERATING AND CAPITAL BUDGET ASSUMPTIONS

Refuse Collections Utility will continue to hold a Certificate granted by the Regulatory Commission of Alaska for collecting in the City Service Area.

No rate increases should be proposed in 2010 unless all possible budget reductions have been first fully considered and if one or more of the following conditions can be demonstrated:

- Projected cash reserves for working capital not adequate on a sustained basis to cover operating costs during 2010.
- Increased rate revenue is determined to be the most prudent funding source for maintaining the utility's plant in a cost-effective working condition.
- Debt service coverage not adequate.
- Debt/equity ratio projected to fall below criteria established by the regulatory body authorized to oversee the utility.

The mill rates for MUSA (in lieu of taxes) will be the same as 2009 mill rates. The 1.25% MUSA applies only to the Solid Waste Disposal Utility.

There will be no revenue distributions. Since future capital budgets require significant capital investments, prudent fiscal management of the utilities direct the retaining of dividends for capital purposes and for funding landfill closure and post-closure liability.

Refuse Collection has no bond debt. The Disposal Utility paid off its revenue bonds in 2009. Disposal's outstanding debt is State of Alaska Clean Water Loans with 1.5% interest rates.

Capital projects will be funded by each utility's operating revenues, loans from the Alaska Clean Water Fund, and other loan sources.

State and federal grant funding may be available for the retrofit of the Central Transfer Station warm vehicle storage (\$200,000) and for landfill gas to energy project (\$2 million).

With a very modest interest rates assumption of only 0.25%, no interest income is budgeting for 2010.

The IGC's from General Government are based on the 2009 Actual Operating Expenses. IGC expense is increasing for SWS, prompting some concern. With the new IGC methodology launched in 2009, the majority of IGC charges from General Government are charged to the administration division of SWS—not Refuse Collection or Disposal. When reviewing the two utility's IGC expenses from General Government, it appears that IGC expense is declining, when, in fact, it is increasing for SWS overall. Instead of appearing in the utilities budgets, the IGCs are charged from SWS administration to each utility—an IGC within the department. Simply said, just looking at each utility's general government IGC expense fails to see the broader impact of increasing expenses that SWS has no ability to control.

The Anchorage population will remain unchanged.

Solid Waste Services used no account specific inflation multipliers. For future years (2011-2015), Solid Waste Services assumed inflation to be 2.0% per year.

Salaries for Nonrepresented, AMEA, Teamster, and Operating Engineer employees are assumed to increase by 3.1%. The increase estimate is pursuant to various Collective Bargaining Agreements, in which salaries are linked to a five year average inflation rate. Executive salaries decreased by 8% from 2009 levels. AMEA, Nonrepresented, and Executives Health benefit costs are \$17,254 per year; the Teamsters are \$16,691, and the Operating Engineers costs are \$13,816 per year.

The Refuse Collection Utility will complete the switch from conventional can and bag residential service to automated operations in 2010. Phase I & II conversion will be completed in 2009, and the final Phase III will be completed in 2010. The conversion to automated operations is directly linked to the purchase of new automated side loader vehicles for garbage collection. Customers have the option to participate in curbside recycling.

Mandatory refuse collection will continue in the SWS service area.

Free dump days associated with Spring Cleanup week will continue.

Curbside Recycling shipping charges to Washington state facilities is assumed to be \$84,000 at \$45 per ton charge.

The amount of solid waste deposited at the landfill continues to decline. It is believed that the primary source of the decline is construction-related wastes. Similar to the prior year, Disposal tons will decrease by 5% in 2010 compared to 2009.

The Disposal Utility will continue to seek development of its methane gas produced at the Anchorage Regional Landfill into electricity to power its facilities and to generate a new source of revenue.

Monitoring of water quality and landfill gas generation at former municipal solid waste disposal sites will continue in the future. When necessary, corrective projects and those mandated by regulatory changes will be undertaken.

The Disposal Utility will complete construction of a new solid waste cell for future use at the Anchorage Regional Landfill in 2010.

Future landfill care and closure liability costs are recognized in the operating budget, pursuant to the Governmental Accounting Standards Board 18 and AMC 26.80.060.

SWS Disposal will continue to direct and manage hazardous wastes programs at current financial levels.

Federal and state regulations will continue to impact operation and development costs at the level experienced today.

SWS will coordinate the Integrated Waste Management activities within the MOA through the Recycle Surcharge.

2010 BUDGET HIGHLIGHTS

Solid Waste Services –Refuse Collections Utility

The Refuse Collection 2010 operating budget is projected at \$8,466,923 compared to the 2009 Proforma \$8,082,942 and the 2009 approved budget \$8,879,050. The 2010 budget is 5% lower than the 2009 approved budget. Total operating revenue for 2010 is projected at \$8,683,124, compared to the 2009 Proforma revenue of \$8,473,975. The 2% increase is due to residential customers switching from a flat rate to automated operations and the pay-as-you-throw variable rates in 2010. The overall effect of automated operations on revenue and expense will be better understood in 2011 after all residential customers are serviced with automated operations.

With a capital budget of \$1.9 million, capital projects include the purchase of three new automated side loader vehicles for residential operations, as well as over 6,000 roll carts for solid waste and curbside recycling residential customers.

Solid Waste Services –Disposal Utility

The Disposal Utility 2010 budget is projected at \$18,517,592 compared to the 2009 Proforma of \$18,550,492 and the 2009 approved budget of \$20,303,610. The 2010 budget is 9% lower than the 2009 approved budget. Total operating revenue for 2010 is projected at \$18,610,057, compared to the 2009 Proforma revenue of \$18,957,648, or 2% less than the 2009 Proforma. The decline is due to a 5% reduction in landfill tonnage, reflecting the downturn in residential and commercial construction activity in the municipality. 2010 will demonstrate the full effect of the tipping rate increases initiated in 2008.

With a capital budget of \$12.4 million, capital projects include the design and construction of a new landfill cell, as well as proceeding with the landfill methane gas to energy project.

SOLID WASTE SERVICES OPERATING BUDGET WORK FORCE PROJECTIONS

<u>Budget Unit</u>	2010	2011	2012	2013	2014	2015
<u>Refuse Collection</u>						
Full time	22	22	22	22	22	22
Part time	0	0	0	0	0	0
Seasonal	2	2	2	2	2	2
Budgeted Positions Subtotal	24	24	24	24	24	24
<u>Disposal</u>						
Full time	49	49	49	49	49	49
Part time	6	6	6	6	6	6
Seasonal	6	6	6	6	6	6
Budgeted Positions Subtotal	61	61	61	61	61	61
<u>Administration</u>						
Full time	23	23	23	23	23	23
Part time	0	0	0	0	0	0
Budgeted Positions Subtotal	23	23	23	23	23	23
<u>Vehicle Maintenance</u>						
Full time	9	9	9	9	9	9
TOTAL SOLID WASTE SERVICES						
Full time	103	103	103	103	103	103
Part time	6	6	6	6	6	6
Seasonal	8	8	8	8	8	8
TOTAL	117	117	117	117	117	117
EXECUTIVE	3	3	3	3	3	3
NON-REPRESENTED (includes 6 former machinists)	17	17	17	17	17	17
AMEA	25	25	25	25	25	25
OPERATING ENGINEERS	49	49	49	49	49	49
TEAMSTERS	23	23	23	23	23	23
TOTAL	117	117	117	117	117	117

In 2010, 1 Refuse Collection employee shifts to Vehicle Maintenance.

4 executive position wages reduced 8% from 2009 (3% + 5%).

Currently former machinists are negotiating for new union representation.

Assumed 3.1% wage increase in 2010 for all personnel (excluding executives) pursuant to union collective bargaining agreement provisions with CPI 5 year average inflation escalators.

SOLID WASTE SERVICES - REFUSE COLLECTIONS

REFUSE COLLECTIONS		UTILITY 2010 OPERATING BUDGET (\$ in Thousands)										
Financial Overview		Actual 2005	Actual 2006	Actual 2007	Actual 2008	Proforma 2009	Budget 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Revenues		6,729	7,069	7,600	8,290	8,718	8,710	8,874	8,874	8,874	8,874	8,874
Expenses		6,238	6,632	6,962	7,759	8,083	8,467	8,462	8,462	8,462	8,462	8,462
Net Income (Regulatory)		491	437	638	531	635	243	412	412	412	412	412
Workforce Authorized per Budget FT*		20 (102)	19 (104)	19 (104)	19 (111)	23 (117)	22 (117)	22 (117)	22 (117)	22 (117)	22 (117)	22 (117)
Capital Improvement Program		443	603	24	1,461	2,403	1,907	1,466	1,393	1,257	969	1,053
Bond Sales		0	0	0	0	0	0	0	0	0	0	0
Net Plant (12/31)		2,375	2,464	2,100	3,112	4,893	5,907	6,283	6,431	6,322	6,653	5,824
Utility Revenue Distribution		295	323	351	376	201	0	0	0	0	0	0
Net Assets (12/31)		6,782	7,219	7,857	8,388	9,020	9,260	9,670	10,080	10,490	10,900	11,310
General/Construction Cash Pool		4,198	4,898	5,980	4,881	3,495	2,724	2,760	3,024	3,545	4,455	5,211
Bond Redemption Cash		0	0	0	0	0	0	0	0	0	0	0
Total Cash (12/31)		4,198	4,898	5,980	4,881	3,495	2,724	2,760	3,024	3,545	4,455	5,211
IGC's - General Government		985	1,026	1,132	1,264	1,093	1,000	1,000	1,000	1,000	1,000	1,000
MUSA - 1.25%		0	0	0	0	0	0	0	0	0	0	0
MUSA - Regular		37	36	36	31	48	71	89	94	96	86	81
Total Outstanding Debt		0	0	0	0	0	0	0	0	0	0	0
Total Annual Debt Service		0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt/Equity Ratio		0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100
Rate Change Percentage					32.97% Com	11.6% Res						
Residential Rate per month**		\$16.35	\$16.35	\$16.35	\$16.35	\$18.25	\$18.25	\$14.10 - \$36.50 pay as you throw variable rates				
Commercial Rate (3Yd-1 per wk) **		\$64.45	\$64.45	\$64.45	\$85.70	\$85.70	\$85.70	\$85.70	\$85.70	\$85.70	\$85.70	\$85.70
Statistical/Performance Trends												
Waste Collected (Tons)		43,667	41,205	41,487	39,927	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Average Residential Services		12,080	11,751	11,753	12,120	12,120	12,120	12,120	12,120	12,120	12,120	12,120
Average Dumpsters Services		4,400	4,455	4,178	4,423	4,423	4,423	4,423	4,423	4,423	4,423	4,423

* Total number of Utility FT and (SWS Employees), SWS total includes SWS Admin (23), Disposal (61) and Vehicle Maintenance (9)

**The rate increases: commercial 33% in 2009, residential 11.6% in 2009. Dumpster rental fee from \$15 to \$18.75 per month in 2008, a 25% increase. Phasing in automated collection changing from flat rates to variable pay-as-you-throw rates eliminates the \$18.25 flat fee and allows rates from \$14.10 - \$36.50 per month, depending upon roll cart selection.

REFUSE COLLECTIONS UTILITY OPERATING BUDGET
STATEMENT OF REVENUE AND EXPENSE

	Actual 2008	Proforma 2009	Budget 2010
OPERATING REVENUE			
Commercial Collections	4,987,912	5,058,895	5,051,073
Commercial Other Collection	53,703	57,459	53,500
Residential Collections	2,422,644	2,818,691	3,043,351
Residential Other Collection	76,746	75,394	72,000
Container Rental Fees	445,031	463,536	463,200
TOTAL OPERATING REVENUE	7,986,036	8,473,975	8,683,124
OPERATING EXPENSE			
Labor	1,999,158	1,879,600	2,101,014
Supplies	181,155	134,130	133,000
Contracted Services	134,690	306,271	258,400
Utilities	117,976	105,973	120,000
Other Expenses (1)	142,786	29,967	130,481
Depreciation	443,430	583,030	892,366
Revenue Distribution	376,250	200,853	0
MUSA	31,269	48,245	88,610
SWS Disposal Fees	2,145,670	2,455,730	2,419,326
Inter Governmental Charges	2,225,004	2,339,143	2,323,726
TOTAL OPERATING EXPENSE	7,797,388	8,082,942	8,466,923
OPERATING INCOME / (LOSS)	188,648	391,033	216,201
NON-OPERATING REVENUE			
Sale of Assets	208	0	500
Interest Income	20,337	14,122	5,000
Other Revenue	321,393	229,781	20,900
TOTAL NON-OPERATING REVENUE	341,937	243,903	26,400
NON-OPERATING EXPENSE			
Interest on Long-term Debt	0	0	0
TOTAL NON-OPERATING EXPENSE	0	0	0
NET INCOME (LOSS)	530,585	634,936	242,601

1) Other Expenses include a \$25,000 donation to AEDC.

REFUSE COLLECTIONS UTILITY OPERATING BUDGET
STATEMENT OF SOURCES AND USES OF CASH

	Actual 2008	Proforma 2009	Budget 2010
SOURCES OF CASH FUNDS			
Net Income GAAP	530,586	634,936	242,601
Depreciation	443,430	583,030	892,366
Grants	0	0	0
Bonds	0	0	0
Other	0	0	0
TOTAL SOURCES OF CASH FUNDS	974,016	1,217,966	1,134,967
USES OF CASH FUNDS			
Additions to Plant	443,000	2,402,720	1,906,800
Bond Principal Payment	0	0	0
Other	0	0	0
Utility Revenue Distribution	376,250	200,853	0
TOTAL USES OF CASH FUNDS	819,250	2,603,573	1,906,800
NET INCREASE (DECREASE) IN CASH FUNDS	154,766	(1,385,607)	(771,833)
CASH BALANCE JANUARY 1,	5,980,329	4,880,978	3,495,371
CASH BALANCE DECEMBER 31,	6,135,095	3,495,371	2,723,538
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	2,685,710	2,995,371	2,223,538
Equity In Construction Cash Pool	2,195,268	500,000	500,000
Bond Redemption Cash	0	0	0
TOTAL CASH DECEMBER 31,	4,880,978	3,495,371	2,723,538

**SOLID WASTE SERVICES REFUSE COLLECTIONS UTILITY
2010 OPERATING BUDGET DETAIL**

	Actual 2008	Proforma 2009	Budget 2010
Labor			
Wages	1,040,217	1,010,065	1,099,564
Overtime	97,065	88,000	97,171
Benefits	730,994	650,474	758,422
Other	130,883	131,061	145,857
Subtotal	1,999,158	1,879,600	2,101,014
Supplies			
Office supplies	2,315	2,850	3,000
Operating Supplies	41,049	36,280	38,000
Repair and Maintenance Supplies	137,791	95,000	92,000
Subtotal	181,155	134,130	133,000
Other Expenses			
Professional Services	26,523	70,000	15,000
Contractual Services	108,166	236,271	243,400
Utilities	117,976	105,973	120,000
Other Expenses 1)	142,785	29,967	130,481
Depreciation	443,430	583,030	892,366
Revenue Distribution	376,250	200,853	0
MUSA	31,269	48,245	88,610
SWS Disposal Charges	2,145,670	2,455,730	2,419,326
Subtotal	3,392,071	3,730,069	3,909,183
Intergovernmental Charges			
Solid Waste Administration	345,952	495,212	576,997
Solid Waste Vehicle Maintenance	627,266	758,186	758,186
Solid Waste Disposal	38,100	38,100	38,100
General Government IGC's	1,263,686	1,092,645	1,000,443
Charges to Others	(49,885)	(45,000)	(50,000)
Subtotal	2,225,004	2,339,143	2,323,726
Interest on Long-term Debt	0	0	0
TOTAL EXPENSES	7,797,388	8,082,942	8,466,923

1) Other Expenses include \$25,000 donation to AEDC.

SOLID WASTE SERVICES REFUSE COLLECTIONS UTILITY
2010 - 2015 CAPITAL IMPROVEMENT BUDGET
FINANCIAL SUMMARY (000)

PROJECT CATEGORY	2010	2011	2012	2013	2014	2015	TOTAL
VEHICLE REPLACEMENT	857	651	658	872	602	668	4,307
CONTAINERS	950	750	700	350	350	350	3,450
EQUIPMENT	25	25	25	25	25	25	150
OFFICE EQUIPMENT	5	5	5	5	5	5	30
DATA PROCESSING	30	30	30	30	30	30	180
BUILDING IMPROVEMENTS	40	30					70
TOTAL	1,907	1,491	1,418	1,282	1,012	1,078	8,187

SOURCE OF FUNDING

EQUITY/OPERATIONS	1,907	1,491	1,418	1,282	1,012	1,078	8,187
TOTAL	1,907	1,491	1,418	1,282	1,012	1,078	8,187

SOLID WASTE SERVICES - SOLID WASTE DISPOSAL

UTILITY 2010 OPERATING BUDGET (\$ in Thousands)

SOLID WASTE DISPOSAL	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Proforma 2009	Budget 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Financial Overview											
Revenues	16,250	16,004	16,635	18,819	19,831	18,797	18,797	18,797	18,797	18,797	18,797
Expenses	14,435	15,300	19,063	17,447	18,550	18,518	18,518	18,518	18,518	18,518	18,518
Net Income / (Loss)	1,815	704	(2,428)	1,372	1,281	279	279	279	279	279	279
Workforce Authorized per Budget FT*	39 (102)	39 (104)	42 (104)	46 (111)	47(117)	47(117)	47(117)	47(117)	47(117)	47(117)	47(117)
Capital Improvement Program	2,393	5,060	12,594	6,443	4,822	12,402	7,418	5,011	6,935	2,784	8,379
Bond Sales/ New Debt	0	8,979	1,561	0	0	6,000	0	3,250			500
Net Plant (12/31)	41,467	41,434	51,187	54,503	44,421	50,452	62,166	60,497	67,481	65,567	69,604
Utility Revenue Distribution	780	775	796	826	909	0	0	0	0	0	0
Net Assets (12/31)	41,079	41,786	39,357	40,729	42,010	42,289	42,568	42,847	43,126	43,405	43,684
General/Construction Cash Pool	4,213	3,215	1,331	49	(3,335)	(6,845)	(20,839)	(13,693)	(19,422)	(20,603)	(26,835)
Future Landfill Closure Cash Reserve**	11,899	12,911	16,596	18,092	18,961	20,318	21,675	23,032	24,388	25,745	27,102
Bond Redemption Cash	382	382	402	412	0	0	0	0	0	0	0
Total Cash (12/31)	16,494	16,508	18,329	18,553	15,626	13,473	836	9,339	4,966	5,142	267
IGC's - General Government	1,351	1,402	1,490	1,578	1,169	1,195	1,195	1,195	1,195	1,195	1,195
MUSA - 1.25%	190	185	188	188	216	217	217	217	217	217	217
MUSA - Regular	554	507	484	616	676	786	939	914	994	968	1,014
Total Outstanding Debt	15,653	21,109	21,165	19,378	17,571	22,050	20,446	21,920	20,133	18,334	16,997
Total Annual Debt Service	4,271	3,844	1,778	2,049	2,102	1,979	2,226	2,389	2,391	2,367	2,371
Debt Coverage	3.49	2.90	0.69	3.52	4.05	3.41	3.40	3.25	3.33	3.51	3.56
Debt/Equity Ratio	28/72	34/66	34/66	48/52	42/58	52/48	48/52	51/49	47/53	42/52	39/61
Rate Percentage Change (CTS /ARL)				18% / 40%							
Tipping Fee Rate per Ton (ARL / CTS)***	\$45	\$45	\$45	\$53/\$63	\$53/\$63	\$53/\$63	\$53/\$63	\$53/\$63	\$53/\$63	\$53/\$63	\$53/\$63
Pickup Rate per Load***	\$10	\$10	\$10	\$15	\$16	\$16	\$16	\$16	\$16	\$16	\$16
Car Rate per Load***	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Statistical/Performance Trends											
Tons Disposed	368,182	356,387	359,165	338,499	320,833	321,527	321,527	321,527	321,527	321,527	321,527
Vehicle Count	279,735	267,639	273,262	274,530	274,530	260,804	260,804	260,804	260,804	260,804	260,804

* Total FT Utility Workforce and (Total number of SWS Employees). SWS total includes SWS Admin (23), Refuse Collection (24) and Vehicle Maintenance (9).

** Landfill liability are the figures listed. In 2008, a restricted account to fund landfill closure & post-closure was approved by the assembly. Current 2009 balance is \$1.4 million

***In 2008, Commercial tipping rate increase \$53/ton @ARL & \$63/ton @ CTS (includes \$3 recycling surcharge). Residential tip rate parity with commercial rate effective 4/1/2009

****Last rate increase was in 1989; truck rate from \$10 to \$15 in 2008; car & truck rate increased \$1 in 2009 to fund areawide recycling programs.

Certain Actual financial figures above will not match the Comprehensive Annual Financial Report, as the CAFR combines Disposal with Administrative and Vehicle Maintenance figures.

SOLID WASTE SERVICES DISPOSAL UTILITY
STATEMENT OF REVENUE AND EXPENSE

	Actual 2008	Proforma 2009	Budget 2010
OPERATING REVENUE			
Reimbursed Costs	212,316	135,520	135,000
Disposal Fees	17,295,668	17,665,134	17,228,938
Area wide Recycling Surcharges	278,485	959,326	1,018,477
Hazardous Waste Fees	137,347	105,000	99,908
Methane Gas Sales	0	0	0
Other	84,144	92,668	87,734
TOTAL OPERATING REVENUE	18,007,960	18,957,648	18,570,057
OPERATING EXPENSE			
Labor	4,379,723	4,402,122	4,784,099
Supplies	718,400	241,775	232,024
Contracted Services	1,359,638	1,932,021	1,790,400
Utilities	665,725	850,000	850,000
Other Expenses (1)	248,689	925,207	1,123,669
Depreciation	2,979,682	3,330,708	3,490,791
Revenue Distribution	855,997	909,010	0
MUSA	804,106	892,226	1,001,042
Landfill Closure Cost	1,495,701	1,493,120	1,356,842
Intergovernmental Charges	3,501,348	3,256,323	3,445,428
TOTAL OPERATING EXPENSE	17,009,009	18,232,512	18,074,295
OPERATING INCOME / (LOSS)	998,951	725,136	495,762
NON-OPERATING REVENUE			
Sale of Assets	0	79,758	100,000
Interest Income	761,754	75,992	2,000
Other Revenue	(127,156)	717,263	125,328
TOTAL NON-OPERATING REVENUE	634,598	873,013	227,328
NON-OPERATING EXPENSE			
Interest on Long-term Debt	323,031	317,980	443,297
TOTAL NON-OPERATING EXPENSE	323,031	317,980	443,297
NET INCOME / (LOSS)	1,310,518	1,280,169	279,793

1) Includes \$1 million of community area-wide recycling expenses: public outreach, public space, school, drop-off and grant projects pursuant to AO 2008-62(s) funded by the \$3 recycling commercial or \$1 residential surcharges; and includes a \$25,000 donation to AEDC.

SOLID WASTE SERVICES DISPOSAL UTILITY
OPERATING BUDGET
STATEMENT OF SOURCES AND USES OF CASH

	Actual 2008	Proforma 2009	Budget 2010
SOURCES OF CASH FUNDS:			
Net Income (Loss) GAAP	1,371,602	1,280,169	279,793
Depreciation (Includes Contributed Plant)	2,979,683	3,330,708	3,490,791
Future Landfill Closure Costs	1,495,701	1,493,120	1,356,842
Grants	0	0	2,000,000
Loans	0	0	6,000,000
Bonds	0	0	0
TOTAL SOURCES OF CASH FUNDS	5,846,986	6,103,997	13,127,426
USES OF CASH FUNDS:			
Additions to Plant (CWIP)	1,596,668	4,822,000	12,402,180
Bond Principal Payment	340,000	360,000	0
Loan Principal Payment	1,446,869	1,446,869	1,521,278
Landfill Closure Account Payment	1,383,415	1,493,120	1,356,842
Utility Revenue Distribution	855,997	909,010	0
TOTAL USES OF CASH FUNDS	5,622,949	9,030,999	15,280,300
NET INCREASE (DECREASE) IN CASH FUNDS	224,037	(2,927,002)	(2,152,874)
CASH BALANCE JANUARY 1,	18,329,000	18,553,037	15,626,035
CASH BALANCE DECEMBER 31,	18,553,037	15,626,035	13,473,161
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	(13,432,857)	(3,934,965)	(6,844,839)
Future Landfill Closure Cash Reserve	18,092,000	18,961,000	2,785,546
Equity In Construction Cash Pool	13,893,894	600,000	17,532,454
Bond Redemption Cash	0	0	0
TOTAL CASH DECEMBER 31,	18,553,037	15,626,035	13,473,161

**SOLID WASTE SERVICES DISPOSAL UTILITY
2010 OPERATING BUDGET DETAIL**

	Actual 2008	Proforma 2009	Budget 2010
Labor			
Wages	2,454,151	2,428,714	2,644,633
Overtime	350,604	272,178	394,233
Benefits	1,257,464	1,369,084	1,370,668
Other	317,504	332,146	374,565
Subtotal	4,379,723	4,402,122	4,784,099
Supplies			
Office Supplies	3,956	1,554	3,200
Operating Supplies	108,877	145,934	105,000
Petroleum, Oil & Lubricant	503,051	4,287	20,824
Repair and Maintenance Supplies	102,516	90,000	103,000
Subtotal	718,400	241,775	232,024
Other Expenses			
Professional Services	13,327	368,461	199,000
Utilities	665,725	850,000	850,000
Contractual Services	1,346,311	1,563,560	1,591,400
Other (1)	248,687	925,207	1,123,669
Depreciation	2,979,683	3,330,708	3,490,791
Revenue Distribution	855,997	909,010	0
MUSA	804,106	892,226	1,001,042
Landfill Closure Costs	1,495,701	1,493,120	1,356,842
Subtotal	8,409,538	10,332,292	9,612,744
Interest on Long-term Debt	323,031	317,980	443,297
Intergovernmental Charges			
Solid Waste Administration	518,927	742,648	865,495
Solid Waste Vehicle Maintenance	1,580,383	1,523,190	1,523,190
Other IGC's	1,578,565	1,169,054	1,194,843
Charges to Others	(176,528)	(178,569)	(138,100)
Subtotal	3,501,347	3,256,323	3,445,428
Total Expenses	17,332,040	18,550,492	18,517,592

1) Includes \$1 million of community area-wide recycling expenses: public outreach, public space, school, drop-off and grant projects pursuant to AO 2008-62(s) funded by the \$3 recycling commercial or \$1 residential surcharges; and includes \$25,000 donation to AEDC.

SOLID WASTE SERVICES DISPOSAL UTILITY
2010 CAPITAL IMPROVEMENT BUDGET
FINANCIAL SUMMARY (000)

PROJECT CATEGORY	2010	2011	2012	2013	2014	2015	TOTAL
EQUIPMENT	1,692	1,683	2,076	2,280	1,989	3,534	13,254
ARL & CTS IMPROVEMENTS	10,685	5,710	2,910	4,630	770	4,820	29,525
OFFICE /DP EQUIPMENT	25	25	25	25	25	25	150
TOTAL	12,402	7,418	5,011	6,935	2,784	8,379	42,929

SOURCE OF FUNDING

LOAN	6,000		3,250			500	9,750
EQUITY/OPERATIONS	4,402	7,418	1,761	6,935	2,784	7,879	31,179
STATE GRANT	2,000						2,000
TOTAL	12,402	7,418	5,011	6,935	2,784	8,379	42,929