

# **SOLID WASTE SERVICES UTILITY PROFILE 2011**

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, automated and manual sideload trucks. Manual sideload equipment is being phased out with automated sideload trucks for residential and commercial can and bag collections. The automated refuse collection program, which includes refuse collection, collection of commingled recyclable materials and variable rates, will be fully implemented by the end of 2011.

The Refuse Collections Utility currently services over 12,000 residential and small commercial can and bag customers per week. By the end of 2010, approximately 10,000 of these customers will be serviced with automated

operations, with the last 2,000 customers to be phased into automated operations in the fall of 2011. By the end of 2010, the utility will operate two manual can and bag routes per day M-F, and three automated routes per day M-F. One automated recycle collection route will be operated M-F every day 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 exclusive right to collect solid waste within its 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:

Industry Specific truck fleet

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

By the end of 2010 with the implementation of automated operations, the Utility will have purchased over 20,000 roll carts of various sizes for the use by residential customers for trash and for curbside recycling.

In the fall of 2010, the utility will replace 2 frontload trucks, and acquire 2 new automated sideload trucks to implement the third phase of automated operations for residential customers. In 2011, the final automated truck is planned to purchase to complete the switch from can and bag to automated operations.

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

**FUTURE PLANNING EFFORTS:** In 2011, Refuse Collection will complete the switch from can and bag operations to automated collection services for all Solid Waste Services residential and small commercial customers.

## SOLID WASTE DISPOSAL UTILITY

**HISTORY:** Municipal solid waste disposal was originally a function of the City Public Works Department, which 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 to be completed by the fall of 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 2009, 320,983 tons were deposited in ARL, 17,516 tons less than in 2008.

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 225,173 tons in 2009. This facility has a total capacity of 1,600 tons per day. The 2009 quantity was 10,005 tons less than in the 2008 tons. 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 2009, the facility has collected over 20 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 that 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 reuse program was successfully implemented. Anchorage residents bring household items such as paints, cleaners, and solvents to Reuse Centers at CTS or at ARL. The items are then stocked for other Anchorage residents to take home for reuse on household projects. In 2009, over 2,000 people took advantage of the program and as a result over 48,000 items were reused.

**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). In 2010, EPA added greenhouse gas monitoring and reporting requirements that affect both active and closed landfill sites. 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
- By the end of 2010 constructed eight 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 the ARL public site
- 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, complete construction the next landfill waste expansion cell
- In 2011, begin design and construction of the next landfill cell
- Landfill methane gas to energy project proposals are currently being evaluate. It is anticipated that the selected project will be on line in 2012
- Develop a long-term plan for the CTS facility

## **SOLID WASTE SERVICES 2011 OPERATING AND CAPITAL BUDGET ASSUMPTIONS**

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.

The mill rates for MUSA (in lieu of taxes) will be the same as 2010 mill rates.

With an interest rates assumption of only 0.25%, only a modest interest income is budgeted for 2011.

The IGC's from General Government are based on the 2009 actual and 2010 Proforma operating expenses. Averaging \$1.5 million per year for the last five years, General Government IGCs increased 5% per year from 2005 to 2009. These figures exclude any intra SWS charges.

Solid Waste Services used no account specific inflation multipliers. For future years (2011- 2015), Solid Waste Services assumed inflation to be 2.9% per year.

Salaries are assumed to increase as follows: for Non-Represented 1.5%; for AMEA, and Operating Engineer employees 2.9%; for Executives 3%, for Teamsters 3.9%; and for IBEW Mechanics 2% to 6%. The estimates are pursuant to various Collective Bargaining Agreements, in which salaries are linked to a five year average inflation rate.

AMEA, Non-Represented, IBEW Mechanics, and Executives' Health benefit costs are assumed to be \$19,656 per year; the Teamsters are \$18,912, and the Operating Engineers' health estimates are \$15,768 per year.

Assumptions for other benefits include PERS 22%, Social Security 6.2%, Medicare 1.45%, Leave cash-out 6.69%, and Unemployment Compensation 0.20%.

Spring Cleanup will continue. 2010 expense was over \$200,000 for SWS. Diesel fuel expense is a significant operating cost; SWS uses over 300 gallons annually, with costs ranging from over \$1 million in 2008 and five year average expense over \$839,000.

The Anchorage population will remain unchanged.

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

## **REFUSE COLLECTION**

No rate increases are proposed for 2011.

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

Refuse Collection has no debt.

Mandatory refuse collection will continue.

Curbsides recycling shipping charges to Washington state facilities are assumed to be \$81,000 at \$40 per ton.

The Refuse Collection Utility will complete the switch from conventional can and bag residential service to automated operations in 2011. Phase I & II conversion was completed in 2009; Phase III A will be in the fall of 2010, and the final Phase III B will be completed in the fall of 2011. 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.

## **DISPOSAL UTILITY**

The amount of solid waste deposited at the landfill has declined by 5% per year for the past two years, and is anticipated to continue to decline. It is believed that the primary source of the decline is related to the current economic down turn. For budgeting purposes, it is assumed that revenue tons will decline by 3%.

With the decline in its primary source of revenue (tipping fees) and increases in labor and contract expenses, Disposal's revenue would be less than total expenses: an estimated \$1 million net loss. The proposed budget incorporates a \$3 per ton rate increase for all weighed tonnage. The flat rates for small (unweighed) loads will remain unchanged. The rate increase will generate approximately \$685,000 in additional revenue, but still results in a loss of (\$372,329) in 2011.

The 1.25% of operating revenue MUSA applies only to the Solid Waste Disposal Utility.

Disposal's total outstanding debt is State of Alaska Clean Water Loans with 1.5% interest rates.

With the request for proposals moving forward, the Disposal Utility is seeking development of its methane gas produced at the Anchorage Regional Landfill to generate a new source of revenue. At this time, no revenue is anticipated from this project until 2012.



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.

In 2011, design work will begin for the next landfill cell to be constructed beginning in 2011 and completed in 2012.

Future landfill care and closure liability costs are recognized in the operating budget. This is required by "cost causer shall be the cost payer" principle and recent federal Environmental Protection Agency regulations. Pursuant to A0 2008 - 46, an account was established specifically for closure and post-closure funds.

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, with increases expected in the future.

## **2011 BUDGET HIGHLIGHTS**

### **Refuse Collections**

The Refuse Collection 2011 operating budget is projected at \$8,753,624 compared to the 2010 Proforma \$8,314,598 and the 2010 approved budget \$8,676,228. The 2011 budget is 0.9% higher than the 2010 approved budget.

Total revenue for 2011 is projected at \$8,875,458, compared to the 2010 Proforma revenue of \$8,914,281, a 0.4% decrease. However, operating revenue is projected to be 1.8% higher due to residential customers switching from flat rates associated with can and bag operations to automated operations and the pay-as-you-throw variable rates in 2011. The overall effect of automated operations on revenue and expense will be better understood in 2012 after all residential customers are serviced with automated operations.

With a capital budget of \$1.3 million, capital projects include the purchase of two commercial front load vehicles, as well as over 3,000 roll carts for solid waste and curbside recycling residential customers.

### **Disposal Utility**

The Disposal Utility 2011 operating budget is projected at \$19,742,136 compared to the 2010 Proforma of \$18,425,598 and the 2010 approved budget of \$18,602,589. The 2011 budget is 6% higher than the 2010 approved budget. The increase is due to higher labor, depreciation and contractual costs.

At current tipping fee rates, total revenues for 2011 are projected to be \$18,684,461. With the proposed \$3 per ton rate increase on all weighed loads, total revenue for 2011 is projected at \$19,369,808. The 2010 Proforma revenue is projected to be \$19,145,814.

With the higher expenses in 2011, and the \$3 per ton rate increase for weighed tonnage, a (\$372,329) net loss is projected for 2011. Increasing expenses combined with a reduction in customers and tonnage results in the need for a 5.2% increase in rates. Flat rates for unweighed customers will remain unchanged.

With a capital budget of \$8 million, capital projects include the design and construction of a new landfill cell and landfill equipment, as well as the construction of a landfill methane gas-to-energy project.

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# Disposal Utility Solid Waste Services

Anchorage: Performance. Value. Results.

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## Mission

Dispose of municipal solid waste generated within the Municipality in compliance with state and federal regulations.

## Core Services

- Operate the Anchorage Regional Landfill (ARL)
- Operate the solid waste transfer stations and transfer fleet
- Operate the Household Hazardous Waste Program
- Promote community recycling efforts

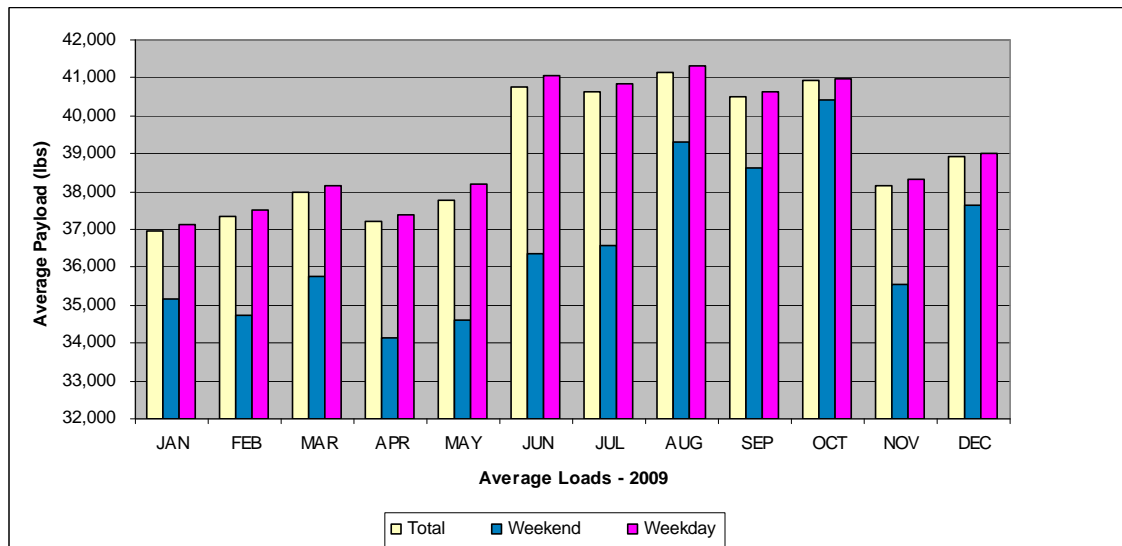
## Accomplishment Goal

Optimize solid waste transfer truck utilization

## Performance Measure

Progress in achieving the goal will be measured by:

### Measure #1: Solid waste transfer truck payload weight



# Refuse Collections Utility Solid Waste Services

*Anchorage: Performance. Value. Results.*

## Mission

Provide solid waste collection and disposal service to rate-paying customers within our defined service area.

## Core Services

- Provide dumpster service to commercial and multifamily residential customers.
- Provide automated garbage and curbside recycle collection and disposal to residential customers.
- Provide manual garbage collection to residential customers not serviced by automated routes

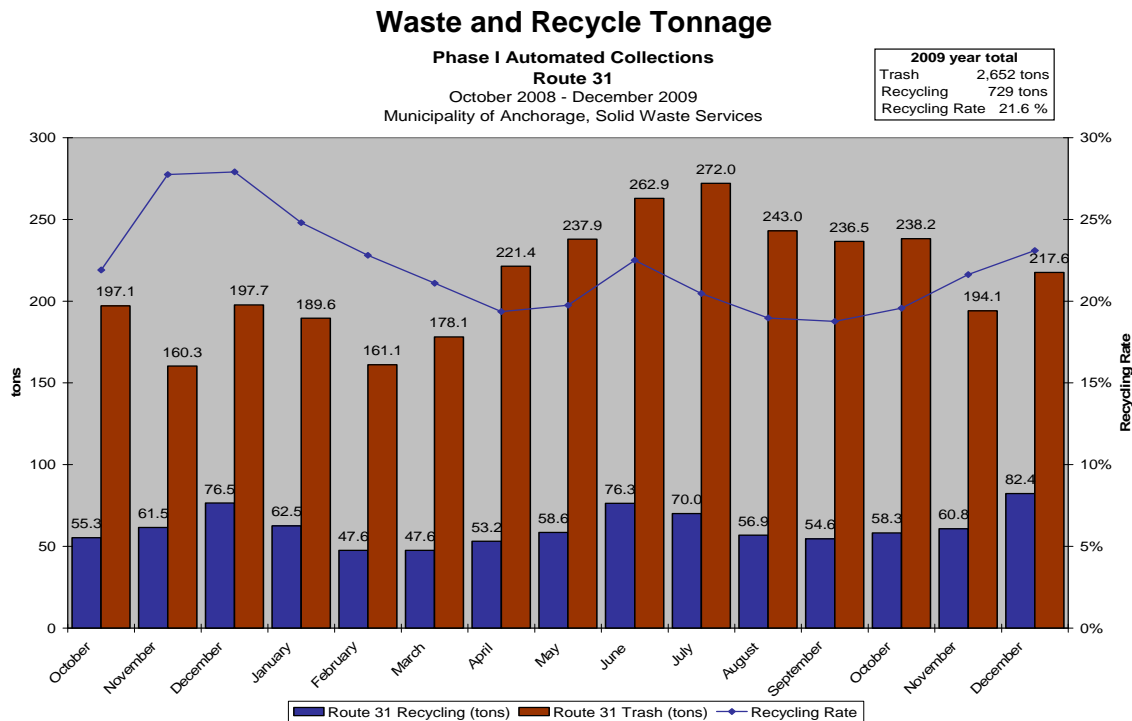
## Accomplishment Goals

- Reduce refuse disposal volumes by promoting waste reduction and increased curbside recycling diversion.
- Reduce injuries associated with residential refuse collection.

## Performance Measures

Progress in achieving these goals will be measured by:

**Measure #2: Percent change in recyclable material diversion from the residential waste stream.**



(Route 31 only is the only route in automated operation for the full year 2009.)

<b>Measure #3: Percent change in worker injuries</b>
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## 2008 Summary of Losses by Work Group

2008 DART Rate 21.8

	<u>Auto Liability</u>		<u>Workers Compensation</u>					
	<u>Incidents</u>	<u>Losses</u>	<u>TLI Incidents</u>	<u>TLI Losses</u>	<u>MO Incidents</u>	<u>MO Losses</u>	<u>RO Incidents</u>	<u>RO Losses</u>
<b><u>Collections</u></b>								
Manual Residential	1	\$4,232	4	\$29,800	1	\$799	4	\$0
Automated Residential	0	\$0	0	\$0	0	\$0	0	\$0
Commercial Vehicle	0	\$0	0	\$0	0	\$0	0	\$0
Maintenance	0	\$0	0	\$0	0	\$0	0	\$0
Other	0	\$0	0	\$0	0	\$0	0	\$0
<b>Total - Group</b>	<b>1</b>	<b>\$4,232</b>	<b>4</b>	<b>\$29,800</b>	<b>1</b>	<b>\$799</b>	<b>4</b>	<b>\$0</b>

## 2009 Summary of Losses by Work Group

2009 DART Rate 43.8

	<u>Auto Liability</u>		<u>Workers Compensation</u>					
	<u>Incidents</u>	<u>Losses</u>	<u>TLI Incidents</u>	<u>TLI Losses</u>	<u>MO Incidents</u>	<u>MO Losses</u>	<u>RO Incidents</u>	<u>RO Losses</u>
<b><u>Collections</u></b>								
Manual Residential	0	\$0	2	\$76,898	3	\$4,565	4	\$0
Automated Residential	0	\$0	1	\$1,735	1	\$0	1	\$0
Commercial Vehicle	0	\$0	2	\$45,750	0	\$0	0	\$0
Maintenance	0	\$0	0	\$0	2	\$717	0	\$0
Other	0	\$0	1	\$85,571	0	\$0	1	\$0
<b>Total - Group</b>	<b>0</b>	<b>\$0</b>	<b>6</b>	<b>\$209,954</b>	<b>6</b>	<b>\$5,282</b>	<b>6</b>	<b>\$0</b>

### **Notes:**

TLI = Time Loss Injury

MO = Injury requiring medical care but no lost time

RO = Reportable injury involving no medical care or lost time

2009 Collections "Other" TLI was slip/fall on wet break room floor, not attributable to any operational function.

# SOLID WASTE SERVICES OPERATING BUDGET 2011 WORK FORCE PROJECTIONS

<u>Budget Unit</u>	2011	2012	2013	2014	2015
<u>Refuse Collection</u>					
Full time	22	22	22	22	22
Part time	0	0	0	0	0
Seasonal	2	2	2	2	2
Budgeted Positions Subtotal	24	24	24	24	24
<u>Disposal</u>					
Full time	48	48	48	48	48
Part time	7	7	7	7	7
Seasonal	6	6	6	6	6
Budgeted Positions Subtotal	61	61	61	61	61
<u>Administration</u>					
Full time	22	22	22	22	22
Part time	1	1	1	1	1
Budgeted Positions Subtotal	23	23	23	23	23
<u>Vehicle Maintenance</u>					
Full time	9	9	9	9	9
<b>TOTAL SOLID WASTE SERVICES</b>					
Full time	101	101	101	101	101
Part time	8	8	8	8	8
Seasonal	8	8	8	8	8
<b>TOTAL</b>	117	117	117	117	117
EXECUTIVE	3	3	3	3	3
NON-REPRESENTED	11	11	11	11	11
AMEA	25	25	25	25	25
OPERATING ENGINEERS	49	49	49	49	49
IBEW MECHANICS	6	6	6	6	6
TEAMSTERS	23	23	23	23	23
<b>TOTAL</b>	117	117	117	117	117

No new positions to work force in 2011.

Six former Non Reps (5 VMT machinists & 1 maintenance worker) joined IBEW

Assumed 2.9% wage increase in 2011 for Operating Engineers & AMEA; 3% Execs & 1.5% for Non-Reps.

Pursuant to varying union collective bargaining agreement provisions, Teamster increase is 3.9% (est CPI 2.9% + 1% contractual), and IBEW ranges from a 2% to a 6% increase. 31 employees have the potential to acquire the new PIP/PSP salary increase in 2011.

## SOLID WASTE SERVICES - SOLID WASTE DISPOSAL

SOLID WASTE DISPOSAL Financial Overview											
	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Proforma 2010	Budget 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Revenues	16,250	16,004	16,635	18,819	20,097	19,146	19,370	19,370	19,370	19,370	19,370
Expenses	14,435	15,300	19,063	17,447	21,246	18,620	19,742	19,742	19,742	19,742	19,742
Net Income / (Loss)	1,815	704	(2,428)	1,372	(1,149)	526	(372)	(372)	(372)	(372)	(372)
Workforce Authorized per Budget FT*	39 (102)	39 (104)	42 (104)	46 (111)	48(117)	48(117)	48(117)	48(117)	48(117)	48(117)	48(117)
Capital Improvement Program	2,393	5,060	12,594	6,443	2,435	15,419	8,040	6,065	2,095	5,735	7,785
Bond Sales/ New Debt	0	8,979	1,561	0	0	0	4,754	3,800	247	1,900	3,800
Net Plant (12/31)	41,467	41,434	51,187	54,503	53,258	53,258	54,380	57,659	56,889	58,552	63,826
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	39,580	40,106	39,734	39,362	38,990	38,618	38,246
General/Construction Cash Pool	4,213	3,215	1,331	2,256	476	(8,910)	(10,062)	(8,825)	(7,272)	(7,334)	(7,828)
Future Landfill Closure Liability	11,899	12,911	16,596	18,092	19,218	20,676	22,134	23,592	25,050	26,508	27,966
Landfill Closure Cash Reserve**				1,383	2,920	4,455	5,913	7,371	8,829	10,287	11,745
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	16,774	7,311	6,159	7,396	8,949	8,887	8,393
IGC's - General Government	1,351	1,402	1,490	1,578	1,208	1,195	1,300	1,300	1,300	1,300	1,300
MUSA - 1.25%	190	185	188	188	216	220	219	219	219	219	219
MUSA - Regular	554	507	484	616	619	702	702	741	730	750	812
Total Outstanding Debt	15,653	21,109	21,165	19,378	17,571	16,119	19,427	21,709	19,946	19,922	21,498
Total Annual Debt Service	4,271	3,844	1,778	2,049	2,102	1,709	1,688	2,312	2,348	2,434	2,647
Debt Coverage	3.49	2.90	0.69	3.52	2.46	4.09	3.67	3.04	3.09	3.22	3.04
Debt/Equity Ratio	28/72	34/66	34/66	48/52	44/56	40/60	49/51	55/45	51/49	51/49	56/44
Rate Percentage Change (CTS /ARL)				18% / 40%			5% / 6%				
Tipping Fee Rate per Ton (ARL / CTS)	\$45	\$45	\$45	\$53/\$63	\$53/\$63	\$53/\$63	\$56/\$66	\$56/\$66	\$56/\$66	\$56/\$66	\$56/\$66
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
<b>Statistical/Performance Trends</b>											
Tons Disposed	368,182	356,387	359,165	338,499	320,983	299,182	290,207	290,207	290,207	290,207	290,207
Vehicle Count	279,735	267,639	273,262	274,530	245,590	238,222	231,076	231,076	231,076	231,076	231,076

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

\*\*In 2008, a restricted account to fund landfill closure & post-closure was approved by the Assembly. Current 2010 balance is \$4.5 million

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 OPERATING BUDGET 2011**  
**STATEMENT OF REVENUE AND EXPENSE**

	Actual 2009	Proforma 2010	Budget 2011
<b>OPERATING REVENUE</b>			
Reimbursed Costs	275,449	190,000	300,000
Disposal Fees	17,435,080	17,384,859	17,542,634
Area wide Recycling Surcharges	946,967	985,739	956,167
Hazardous Waste Fees	108,108	107,633	104,404
Methane Gas Sales	0	0	0
Other	94,780	97,042	94,131
<b>TOTAL OPERATING REVENUE</b>	<b>18,860,384</b>	<b>18,765,273</b>	<b>18,997,335</b>
<b>OPERATING EXPENSE</b>			
Labor	4,522,256	4,784,099	5,326,008
Supplies	155,067	210,200	231,700
Contracted Services	1,872,857	1,535,500	2,058,174
Utilities	698,360	800,000	800,000
Other Expenses (1)	461,782	1,200,000	1,076,922
Depreciation	3,381,306	3,666,622	3,953,041
Transfer to Other Funds (2)	4,202,953	7,050	0
MUSA	835,054	896,468	920,883
Landfill Closure Cost	1,125,732	1,535,218	1,458,059
Intergovernmental Charges	3,713,355	3,541,143	3,670,802
<b>TOTAL OPERATING EXPENSE</b>	<b>20,968,722</b>	<b>18,176,300</b>	<b>19,495,588</b>
<b>OPERATING INCOME / (LOSS)</b>	<b>(2,108,338)</b>	<b>588,973</b>	<b>(498,253)</b>
<b>NON-OPERATING REVENUE</b>			
Sale of Assets	38,331	54,000	50,000
Interest Income	224,949	225,000	200,000
Other Revenue	973,675	101,541	122,472
<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,236,955</b>	<b>380,541</b>	<b>372,472</b>
<b>NON-OPERATING EXPENSE</b>			
Interest on Long-term Debt	277,375	249,298	246,548
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>277,375</b>	<b>249,298</b>	<b>246,548</b>
<b>NET INCOME / (LOSS)</b>	<b>(1,148,759)</b>	<b>720,216</b>	<b>(372,329)</b>

1) Includes 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.

2) Transfer to Other Funds in 2009 includes donation to AWWU for water main \$3.1 million, \$168,925 to HLB for Ruane Road improvement in Girdwood, and \$909,010 Revenue Distribution



**SOLID WASTE SERVICES DISPOSAL UTILITY OPERATING BUDGET 2011**  
**STATEMENT OF SOURCES AND USES OF CASH**

	Actual 2009	Proforma 2010	Budget 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	18,776,757	18,866,814	19,119,808
Payments to Employees	(4,232,394)	(4,784,099)	(5,326,008)
Payments to Vendors	(6,753,210)	(7,286,843)	(7,837,598)
Net Cash Provided by Operating Activities	7,791,153	6,795,872	5,956,202
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Intergovernmental Revenue	-	-	-
Transfers to Other Funds	(5,038,007)	(903,518)	(920,883)
Transfers from Other Funds	-	-	-
Net Cash Used by Non-Capital and Related Financing Activities	(5,038,007)	(903,518)	(920,883)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from Loans and Grants	-	-	4,753,500
Principal Payments on Long-Term Obligations	(1,806,868)	(1,446,870)	(1,446,870)
Interest Payments on Long-Term Obligations	(295,154)	(249,298)	(246,548)
Acquisition and Construction of Capital Assets	(2,703,403)	(12,402,180)	(8,040,200)
Landfill Post Closure Cash Reserve	(1,537,285)	(1,535,218)	(1,458,059)
Gain on Asset Impairment	-	-	-
Proceeds from Disposition of Capital Assets	336,862	54,000	50,000
Net Cash Used by Capital and Related Financing Activities	(6,005,848)	(15,579,566)	(6,388,177)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Investments	412,337	-	-
Investment Income (Loss)	1,053,196	225,000	200,000
Net Cash Provided (Used) by Investing Activities	1,465,533	225,000	200,000
Net Increase in Cash	(1,787,169)	(9,462,212)	(1,152,858)
Cash, Beginning of Year	18,560,767	16,773,598	7,311,386
Cash, End of Year	16,773,598	7,311,386	6,158,528
<b>COMPONENTS OF CASH</b>			
Cash and Cash Equivalents	6,408,978	7,310,886	6,158,028
Capital Acquisition and Construction Accounts	10,364,620	500	500
Cash and Cash Equivalents, End of Year	16,773,598	7,311,386	6,158,528
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY</b>			
<b>OPERATING ACTIVITIES</b>			
Operating Income (Loss)	3,076,741	1,594,032	545,102
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by Operating Activities:			
Depreciation	3,381,306	3,666,622	3,953,041
Special Item – NPO/OPEB Write-Off	-	-	-
Amortization of Landfill Closure Costs	1,125,732	1,535,218	1,458,059
Changes in Assets and Liabilities Which Increase (Decrease) Cash:			
Accounts Receivable	(230,701)	-	-
Prepaid Items and Deposits	(1,004)	-	-
Accounts Payable	149,216	-	-
Compensated Absences Payable	7,131	-	-
Accrued Payroll Liabilities Payable	282,732	-	-
Net Pension and Other Postemployment Benefits Obligation	-	-	-
Net Cash Provided by Operating Activities	7,791,153	6,795,872	5,956,202
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Deferred Refunding Loss	753	-	-

**SOLID WASTE SERVICES DISPOSAL UTILITY  
2011 OPERATING BUDGET DETAIL**

	Actual 2009	Proforma 2010	Budget 2011
<b>Labor</b>			
Wages	2,529,031	2,644,633	2,948,326
Overtime	264,930	394,233	426,964
Benefits	1,382,891	1,370,668	1,537,142
Other	345,405	374,565	413,576
Subtotal	4,522,256	4,784,099	5,326,008
<b>Supplies</b>			
Office Supplies	3,376	2,200	3,200
Operating Supplies	94,503	105,000	170,000
Petroleum, Oil & Lubricant	4,921	5,000	5,700
Repair and Maintenance Supplies	52,267	98,000	52,800
Subtotal	155,067	210,200	231,700
<b>Other Expenses</b>			
Professional Services	230,472	200,000	330,600
Utilities	698,360	800,000	800,000
Contractual Services	1,642,385	1,335,500	1,727,574
Other (1)	461,782	1,200,000	1,076,922
Depreciation	3,381,306	3,666,622	3,953,041
Transfer to Other Funds (2)	4,202,953	7,050	0
MUSA	835,054	896,468	920,883
Landfill Closure Costs	1,125,732	1,535,218	1,458,059
Subtotal	12,578,043	9,640,858	10,267,078
<b>Interest on Long-term Debt</b>	277,375	249,298	246,548
<b>Intergovernmental Charges</b>			
Solid Waste Administration	753,627	900,000	787,100
Solid Waste Vehicle Maintenance	1,975,378	1,500,000	1,609,226
Solid Waste Refuse Collection		0	27,000
Other IGC's	1,208,141	1,194,843	1,300,576
Charges to Others	(223,792)	(53,700)	(53,100)
Subtotal	3,713,355	3,541,143	3,670,802
<b>Total Expenses</b>	21,246,097	18,425,598	19,742,136

1) Includes 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.

2) Transfer to Other Funds in 2009 includes donation to AWWU for water main \$3.1 million, \$168,925 to HLB for Ruane Road improvement in Girdwood, and \$909,010 Revenue Distributio

**SOLID WASTE SERVICES DISPOSAL UTILITY  
2011 - 2016 CAPITAL IMPROVEMENT BUDGET  
FINANCIAL SUMMARY**

<b>PROJECT CATEGORY</b>	2011	2012	2013	2014	2015	2016	TOTAL
EQUIPMENT	1,540,200	1,540,200	1,540,200	1,540,200	1,540,200	1,540,200	9,241,200
ARL & CTS IMPROVEMENTS	6,460,000	4,500,000	530,000	4,170,000	6,220,000	600,000	22,480,000
OFFICE /DP EQUIPMENT	40,000	25,000	25,000	25,000	25,000	25,000	165,000
<b>TOTAL</b>	<b>8,040,200</b>	<b>6,065,200</b>	<b>2,095,200</b>	<b>5,735,200</b>	<b>7,785,200</b>	<b>2,165,200</b>	<b>31,886,200</b>
<b>SOURCE OF FUNDING</b>							
BONDS	0	0	0	0	0	0	0
LOAN	297,296	4,000,000	260,000	2,000,000	4,000,000	0	10,557,296
EQUITY/OPERATIONS	7,667,904	2,065,200	1,835,200	3,735,200	3,785,200	2,165,200	21,253,904
STATE GRANT	75,000	0	0	0	0	0	75,000
FEDERAL GRANT							
OTHER							
<b>TOTAL</b>	<b>8,040,200</b>	<b>6,065,200</b>	<b>2,095,200</b>	<b>5,735,200</b>	<b>7,785,200</b>	<b>2,165,200</b>	<b>31,886,200</b>

## SOLID WASTE SERVICES - REFUSE COLLECTIONS

REFUSE COLLECTIONS Financial Overview	UTILITY 2011 OPERATING BUDGET (\$ in Thousands)										
	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Proforma 2010	Budget 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Revenues	6,729	7,069	7,600	8,290	8,860	8,914	8,875	8,981	8,981	8,981	8,981
Expenses	6,238	6,632	6,962	7,759	8,021	8,315	8,754	8,754	8,754	8,754	8,754
Net Income (Regulatory)	491	437	638	531	839	599	121	227	227	227	227
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	1,484	1,781	1,318	1,453	1,632	1,012	1,690
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	4,026	5,069	4,713	5,122	5,616	5,328	5,616
Utility Revenue Distribution	295	323	351	376	201	159	0	0	0	0	0
Net Assets (12/31)	6,782	7,219	7,857	8,388	9,227	9,830	9,950	10,180	10,410	10,640	10,870
General/Construction Cash Pool	4,198	4,898	5,980	4,881	4,796	4,227	3,938	3,756	3,489	4,003	3,942
Total Cash (12/31)	4,198	4,898	5,980	4,881	4,796	4,227	3,938	3,756	3,489	4,003	3,942
IGC's - General Government	985	1,026	1,132	1,264	1,353	902	928	928	928	928	928
MUSA - 1.25%	0	0	0	0	0	0	0	0	0	0	0
MUSA - Regular	37	36	36	31	45	61	71	77	84	80	84
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
<b>Statistical/Performance Trends</b>											
Waste Collected (Tons)	43,667	41,205	41,487	39,927	39,509	39,500	39,500	39,500	39,500	39,500	39,500
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)

\*\*Phasing in automated collection: changing from flat rates to variable pay-as-you-throw rates eliminates the \$18.25 flat fee and allows choices for rates from \$14.10 - \$36.50 per month, depending upon roll cart size selection.

REFUSE COLLECTIONS UTILITY OPERATING BUDGET 2011  
STATEMENT OF REVENUE AND EXPENSE

	Actual 2009	Proforma 2010	Budget 2011
<b>OPERATING REVENUE</b>			
Commercial Collections	5,065,742	5,036,031	5,026,854
Commercial Other Collection	52,913	37,032	40,000
Residential Collections	2,839,281	3,106,769	3,267,048
Residential Other Collection	57,776	34,719	35,000
Container Rental Fees	464,845	464,499	464,256
<b>TOTAL OPERATING REVENUE</b>	<b>8,480,557</b>	<b>8,679,051</b>	<b>8,833,158</b>
<b>OPERATING EXPENSE</b>			
Labor	1,897,674	2,101,014	2,347,265
Supplies	44,116	62,000	64,000
Contracted Services	188,215	291,500	318,050
Utilities	108,201	108,200	120,000
Other Expenses (1)	124,120	120,000	131,150
Depreciation	567,243	738,377	906,806
Transfers To Other Funds	209,853	169,805	0
MUSA	45,399	61,102	70,692
SWS Disposal Fees	2,389,868	2,300,000	2,455,200
Inter Governmental Charges	2,446,286	2,362,600	2,340,461
<b>TOTAL OPERATING EXPENSE</b>	<b>8,020,975</b>	<b>8,314,598</b>	<b>8,753,624</b>
<b>OPERATING INCOME / (LOSS)</b>	<b>459,581</b>	<b>364,453</b>	<b>79,534</b>
<b>NON-OPERATING REVENUE</b>			
Sale of Assets	0	500	500
Interest Income	70,341	109,000	5,000
Other Revenue	308,931	125,730	36,800
<b>TOTAL NON-OPERATING REVENUE</b>	<b>379,272</b>	<b>235,230</b>	<b>42,300</b>
<b>NON-OPERATING EXPENSE</b>			
Interest on Long-term Debt	0	0	0
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET INCOME (LOSS)</b>	<b>838,853</b>	<b>599,683</b>	<b>121,834</b>

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

REFUSE COLLECTIONS UTILITY OPERATING BUDGET 2011  
STATEMENT OF SOURCES AND USES OF CASH

	Actual 2009	Proforma 2010	Budget 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	8,440,061	8,679,051	8,833,158
Payments to Employees	(1,812,815)	(2,101,014)	(2,347,265)
Payments to Vendors	(5,305,812)	(5,244,300)	(5,428,861)
Net Cash Provided by Operating Activities	1,321,434	1,333,737	1,057,032
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Intergovernmental Revenue	-	-	-
Transfers to Other Funds	(250,752)	(230,907)	(70,692)
Transfers from Other Funds	-	-	-
Net Cash Used by Non-Capital and Related Financing Activities	(250,752)	(230,907)	(70,692)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(1,484,491)	(1,906,800)	(1,318,300)
Proceeds from Disposition of Capital Assets	-	500	500
Net Cash Used by Capital and Related Financing Activities	(1,484,491)	(1,906,300)	(1,317,800)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	328,849	234,730	41,800
Net Cash Provided by Investing Activities	328,849	234,730	41,800
Net Increase (Decrease) in Cash	(84,960)	(568,740)	(289,660)
Cash, Beginning of Year	4,880,978	4,796,018	4,227,278
Cash, End of Year	4,796,018	4,227,278	3,937,618
<b>COMPONENTS OF CASH</b>			
Cash and Cash Equivalents	2,099,466	4,227,278	3,937,618
Capital Acquisition and Construction Accounts	2,696,552	-	-
Cash and Cash Equivalents, End of Year	4,796,018	4,227,278	3,937,618
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	745,125	595,360	150,226
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	567,243	738,377	906,806
Special Item-NPO/OPEB Write-off	-	-	-
Changes in Assets and Liabilities Which Increase (Decrease) Cash:			
Accounts Receivable	(75,371)	-	-
Prepaid Items and Deposits	(406)	-	-
Accounts Payable	(96)	-	-
Deferred Revenue	83	-	-
Compensated Absences Payable	17,226	-	-
Accrued Payroll Liabilities Payable	67,630	-	-
Net Pension and Other Postemployment Benefits Obligation	-	-	-
Net Cash Provided by Operating Activities	1,321,434	1,333,737	1,057,032

**SOLID WASTE SERVICES REFUSE COLLECTIONS UTILITY  
2011 OPERATING BUDGET DETAIL**

	Actual 2009	Proforma 2010	Budget 2011
<b>Labor</b>			
Wages	1,026,628	1,099,564	1,221,336
Overtime	100,086	97,171	108,042
Benefits	641,789	758,422	854,067
Other	129,169	145,857	163,821
Subtotal	1,897,671	2,101,014	2,347,265
<b>Supplies</b>			
Office supplies	2,059	2,000	2,500
Operating Supplies	27,140	40,000	39,000
Repair and Maintenance Supplies	14,916	20,000	21,500
Subtotal	44,116	62,000	63,000
<b>Other Expenses</b>			
Professional Services	1,738	15,000	60,000
Contractual Services	186,476	276,500	258,050
Utilities	108,201	108,200	120,000
Other Expenses 1)	128,624	120,000	132,150
Depreciation	567,243	738,377	906,806
Transfer to Other Funds	205,353	169,805	0
MUSA	45,399	61,102	70,692
SWS Disposal Charges	2,389,868	2,300,000	2,455,200
Subtotal	3,632,903	3,788,984	4,002,898
<b>Intergovernmental Charges</b>			
Solid Waste Administration	502,591	530,000	524,733
Solid Waste Vehicle Maintenance	796,163	893,000	876,240
Solid Waste Disposal	38,100	38,100	38,100
General Government IGC's	1,152,846	901,500	928,388
Charges to Others	(43,413)	0	(27,000)
Subtotal	2,446,286	2,362,600	2,340,461
<b>Interest on Long-term Debt</b>	0	0	0
<b>TOTAL EXPENSES</b>	8,020,976	8,314,598	8,753,624

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

**SOLID WASTE SERVICES REFUSE COLLECTIONS UTILITY  
2011 - 2016 CAPITAL IMPROVEMENT BUDGET  
FINANCIAL SUMMARY**

<b>PROJECT CATEGORY</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>TOTAL</b>
VEHICLE REPLACEMENT	678,300	642,600	872,100	601,800	1,280,100	795,600	4,870,500
CONTAINERS	550,000	750,000	700,000	350,000	350,000	350,000	3,050,000
EQUIPMENT	25,000	25,000	25,000	25,000	25,000	25,000	150,000
OFFICE EQUIPMENT	5,000	5,000	5,000	5,000	5,000	5,000	30,000
DATA PROCESSING	30,000	30,000	30,000	30,000	30,000	30,000	180,000
BUILDING IMPROVEMENTS	30,000	0	0	0	0	0	30,000
<b>TOTAL</b>	<b>1,318,300</b>	<b>1,452,600</b>	<b>1,632,100</b>	<b>1,011,800</b>	<b>1,690,100</b>	<b>1,205,600</b>	<b>8,310,500</b>

**SOURCE OF FUNDING**

G.O. BONDS							
REVENUE BONDS							
LOAN							
EQUITY/OPERATIONS	1,318,300	1,452,600	1,632,100	1,011,800	1,690,100	1,205,600	8,310,500
STATE GRANT							
FEDERAL GRANT							
DIRECT APPROPRIATION							
<b>TOTAL</b>	<b>1,318,300</b>	<b>1,452,600</b>	<b>1,632,100</b>	<b>1,011,800</b>	<b>1,690,100</b>	<b>1,205,600</b>	<b>8,310,500</b>