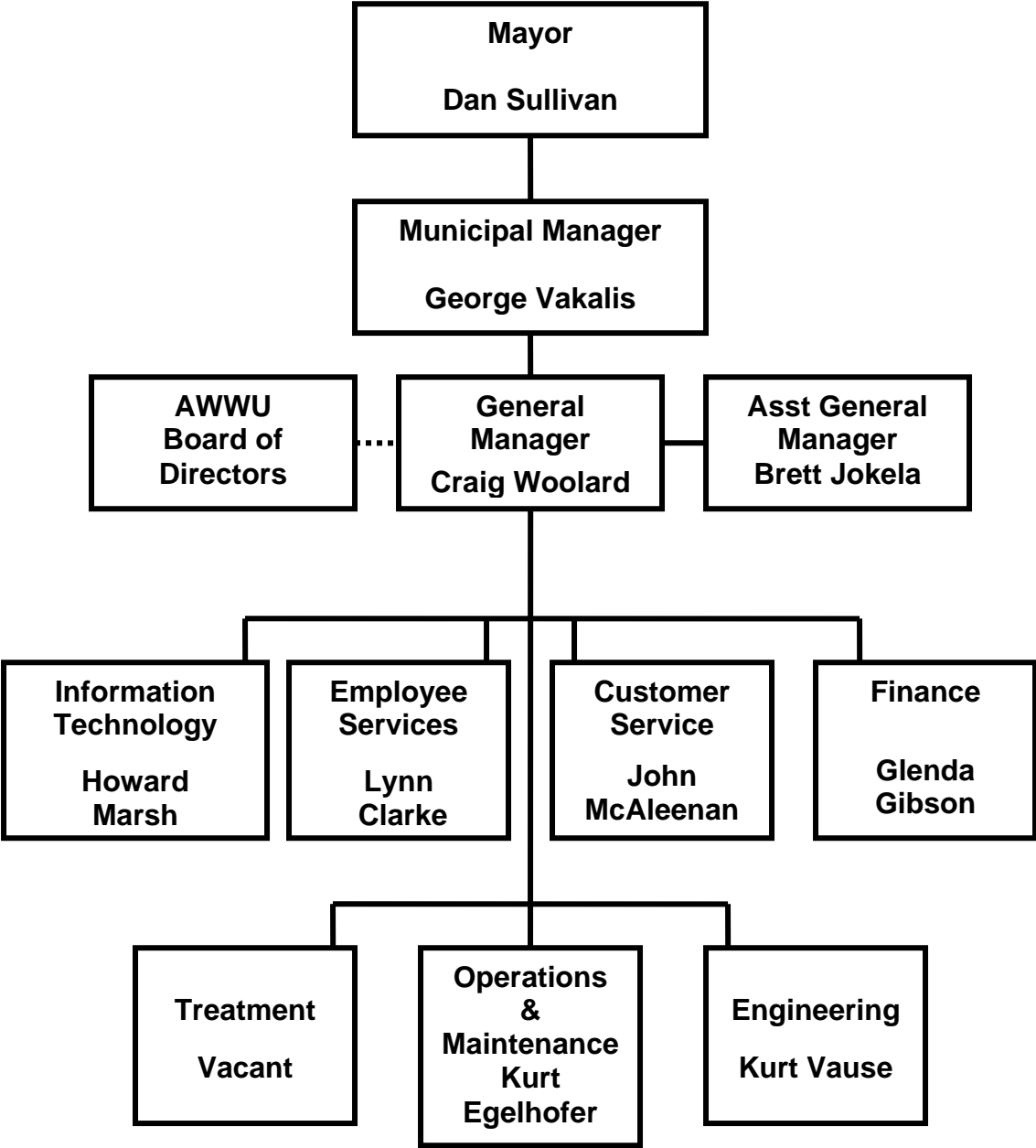


**ANCHORAGE WATER AND WASTEWATER  
ORGANIZATION CHART  
2012**



## **ANCHORAGE WATER AND WASTEWATER UTILITY PROFILE 2012**

### **ORGANIZATION**

Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in the State of Alaska. The service area equals 125 square miles of metropolitan Anchorage, from Eklutna to Girdwood. The Utility collects water from two major surface watersheds and many deep underground wells. The Utility treats and distributes water to approximately 55,000 residential, commercial, military, and industrial accounts throughout the urban areas of Anchorage. The Utility's wastewater facilities serve approximately 55,800 residential, commercial and military accounts. This represents an estimated population base of 240,000 residents who receive water service and 250,000 residents who receive sewer service. AWWU's wastewater treatment plants operate 24 hours per day, discharging treated wastewater into Cook Inlet, Eagle River and Glacier Creek. The public investment in these systems, treatment plants, mains and sewers, laboratories, and reservoirs, totals just over \$1 billion, with an estimated replacement value of \$7.9 billion. AWWU employs approximately 288 individuals and spends approximately \$86 million annually to operate the water and wastewater systems. Through education, training, certification programs, field experience and longevity of service, AWWU's employees are a dedicated team. Treatment plant operators, engineers, laboratory technicians, maintenance craftsmen, accountants, customer service representatives and field personnel all work together to ensure Anchorage's water and wastewater systems perform efficiently.

### **GOVERNANCE**

AWWU is a department of the Municipality of Anchorage governed by a seven member Board of Directors, appointed by the Mayor and approved by the Anchorage Municipal Assembly. The Directors serve five-year staggered terms. The current Board members are very experienced professionals in the fields of law, engineering, accounting, public health, and government. Regular meetings are held monthly and are open to the public. Board meetings focus on Utility operations and highlights.

Effective November 2011, the Utility will transition from a Board-governed utility to a municipal department. The Board of Directors for the Utility is retained by the new legislation. The authority of the Board under Anchorage Municipal Code section 4.80.020 will be to make recommendations to the Mayor, establish procedures for customer complaints, and recommend changes in code to the Assembly that the Board deems necessary or desirable for the efficient operation of the Utility or for the benefit of its customers. The authority for operation and management of the Utility will be under the control of the Mayor.

Although they share one workforce, the utilities are separate economic and regulated entities. A profile of each utility is shown below:

### **ANCHORAGE WATER UTILITY**

#### **HISTORY**

From the first intake of water at Lower Ship Creek, and a few miles of woodstave water lines downtown more than 75 years ago, Anchorage's public water utility has grown into an enterprise

with a net plant in service of approximately \$480 million that delivers nearly 27 million gallons of water to customers each day, for a little more than \$1.30 per household. The original water system for Anchorage was installed by the Alaska Railroad in 1917. In 1921, the City purchased the water system and associated water rights from the Alaska Engineering Commission. As the City expanded by annexation, the water system was extended into new areas and independent water systems previously serving the annexed areas were acquired by the City. The entire service area is now governed by the Municipality of Anchorage as a result of unification of the City of Anchorage and the Greater Anchorage Area Borough (GAAB) on September 15, 1975.

## SERVICE

Anchorage's water supply is dominated by two surface watersheds, Eklutna Lake and Ship Creek. Several deep wells provide the Utility with supplementary sources of water. Until 2000, Ship Creek Water Treatment Plant was the main water production facility. With the shift of 24-hour operations to the Eklutna Water Treatment Facility, AWWU has made better use of its higher-pressure water and more effective use of personnel. The Eklutna water supply originates at Eklutna Lake, a drought-resistant natural reservoir. Fed by runoff from Eklutna Glacier and snow-pack from the Chugach Mountains, the eight-mile long lake can supply up to 300 million gallons of water each day. The Eklutna Water Treatment Facility is capable of treating up to 35 million gallons per day.

Ship Creek remains an important water source for Anchorage with the Ship Creek Water Treatment Facility in standby mode. From spring through fall, AWWU has the water rights from Ship Creek and to provide as much as 24 million gallons of water per day. Currently the Ship Creek Water Treatment Facility can produce up to 16 million gallons per day.

AWWU also operates 16 wells that can provide up to 16 million gallons per day.

The Girdwood community is served by a stand-alone system which includes two AWWU wells.

## REGULATION

Since December 1970, AWU has been regulated by the Alaska Public Utilities Commission (APUC), which was renamed the Regulatory Commission of Alaska (RCA) on July 1, 1999. AWU holds a Certificate of Public Convenience and Necessity for serving portions of the Anchorage Bowl, Eagle River and Girdwood. This commission, prior to implementation, must approve all rates and tariffs. They also regulate service areas and service quality. The RCA is composed of five members appointed to six-year staggered terms by the Governor of the State of Alaska and confirmed by the State Legislature.

## ENVIRONMENTAL MANDATES

In recent years, several federally mandated programs have directly impacted the Utility's water operating costs. The Safe Drinking Water Act, Americans with Disabilities Act, and Community Right-to-Know are some of the current and ongoing laws that impact the Utility.

## PHYSICAL PLANT

AWU operates two treatment plants and operates 16 wells on an as-needed basis. Average daily water production in 2010 from wells was 1.81 million gallons per day (gpd). AWU has the capacity to provide up to 68 million gpd. The distribution transmission system contains approximately 830 miles of waterline and 7,230 publicly or privately-owned, connected fire hydrants.

## ANCHORAGE WASTEWATER UTILITY

### HISTORY

The Alaska Engineering Commission first installed sewers in downtown Anchorage in 1916 along the lower bluff near the Alaska Railroad Depot. As Anchorage grew, construction of sewers continued and by the end of World War II, sewers were available to much of the area between Ship Creek and Chester Creek, west of Cordova Street. GAAB was created in 1964, and was granted area wide sewer authority. The last major private sewer utility was acquired by the GAAB in 1972. The Utility is now owned and governed by the Municipality of Anchorage as a result of unification of the City of Anchorage and the GAAB on September 15, 1975. Anchorage's public wastewater utility has grown into an enterprise with a net plant in service of approximately \$345 million.

### SERVICE

Anchorage's enjoyment of drinking water is just one part of the AWWU system. After the day's water is used, it must be treated before it is returned to the environment. The creeks and inlets downstream from Anchorage's wastewater treatment facilities are not adversely impacted by treated effluent, which is AWWU's principal measure of success. The Anchorage community benefits from the superior operation of the three wastewater treatment plants that serve its growing population.

### REGULATION

Since 1971, the Anchorage Wastewater Utility has been regulated by the APUC, which was renamed the RCA on July 1, 1999. The Utility holds a Certificate of Public Convenience and Necessity for serving the Anchorage Bowl, Eagle River, and Girdwood. This commission, prior to implementation, must approve all rates and tariffs. They also regulate service areas and service quality. The RCA is composed of five members appointed to six-year staggered terms by the Governor and confirmed by the State Legislature.

### ENVIRONMENTAL MANDATES

All three of AWWU's wastewater treatment facilities are subject to discharge limits imposed by individual National Pollutant Discharge Elimination System permits issued. Discharge permits for Eagle River and Girdwood are issued by the Alaska Department of Environmental Conservation (ADEC). The discharge permit for the Asplund facility is issued by the Environmental Protection Agency (EPA). Each permit is good for a period of five years after which they may be renewed. All three permits expired in 2005. AWWU submitted timely renewal applications six months in advance of the expiration dates of each permit. The Eagle River permit was reissued early in 2006, however is now under review as part of the five year permit renewal cycle. The Girdwood and Asplund facilities permits have not yet been received.

Both expired permits, however, have been administratively extended by the ADEC or EPA until renewal takes place. Renewal of the Asplund permit could be complicated by the listing of Cook Inlet Beluga whales as endangered under the Endangered Species Act by the National Marine Fisheries Service. AWWU is cooperating with EPA in its efforts to evaluate whether the permit reissuance might affect the recovery of the whales. AWWU anticipates increased monitoring requirements in the permit renewal. Likewise, renewal of the Girdwood permit is complicated by state regulation which precludes mixing zones in anadromous streams. Girdwood's discharge point is Glacier Creek which has been recently catalogued as an anadromous water body and AWWU anticipates permit conditions will require alternative treatment and/or disposal techniques to be used.

## PHYSICAL PLANT

The John M. Asplund Wastewater Treatment Facility is one of the few facilities in the nation operating as a primary treatment facility under Section 301(h) of the Clean Water Act. The primary treatment provided by this facility removes up to 45% of the BOD and 80% of the solids from the influent wastewater meeting the criteria necessary for discharge to the marine waters of Cook Inlet.

The smaller Eagle River and Girdwood Wastewater Treatment facilities provide advanced secondary treatment prior to discharge to Eagle River and Glacier Creek respectively. These facilities remove up to 99% of the pollutants from the incoming wastewater prior to discharge.

In 2008, the Asplund Wastewater Treatment Facility treated an average of 29.2 million gallons per day (mgd). The Eagle River Wastewater Treatment Facility treated an average 1.5 mgd and the Girdwood Wastewater Treatment Facility treated 0.5 mgd. The three facilities have a design capacity of 61.1 mgd. The collection system has approximately 750 miles of pipes.

The Asplund Facility, built in 1972, is Alaska's largest wastewater treatment plant. As wastewater treatment technology and the demands of community growth have developed over the last two decades, utility operators and engineers have kept pace. The Asplund plant was upgraded in 1982, and expanded and upgraded again in 1989.

In conjunction with the permit renewal process, a facilities plan update was prepared in 1999. The facilities plan evaluated the existing condition of the Asplund facility and identified improvements necessary to meet the future needs of the community. The facilities plan identified a cumulative \$40 million worth of improvements to the solids handling, headworks, administration, laboratory, incineration, and thickening processes and control and power systems. Construction of new solids handling improvements including sludge dewatering, storage and load out facilities was completed in 2001. Design of headworks improvements began in September 2002. Construction was completed in 2005. Other process and building improvements were undertaken circa 2006 which extend the life of the sludge incinerator and other treatment process equipment, as well as the building and laboratory facilities. Control and power systems upgrades were completed in 2010. These projects, along with careful operation, have made Asplund a modern, state of the art treatment facility.

## **ANCHORAGE WATER AND WASTEWATER BUDGET ASSUMPTIONS 2012**

Below are the specific AWWU budget assumptions, used in the preparation of the Anchorage Water Utility and Anchorage Wastewater Utility 2012 Operating and Capital Budgets.

### **REGULATION**

Assume continued economic regulation by Regulatory Commission of Alaska (RCA).

### **UTILITY OWNERSHIP**

Assume continued Municipal ownership in 2012.

### **MUNICIPAL UTILITY SERVICE ASSESSMENT (MUSA)**

Assume mill rate calculation for MUSA/MESA (in lieu of taxes) will be the same as 2011.

### **INTEREST**

Assume debt service for new State of Alaska loans to be 1.5%. Short-term interest income calculated assuming a rate of 1.5%.

### **INTRAGOVERNMENTAL CHARGES (IGCs)**

Based on advised 2011 methodologies.

### **RATE INCREASES**

Assume 6.0% rate increase for Water and 11.0% rate increase for Wastewater.

### **POPULATION**

Assume customer growth of .25%.

### **COMPENSATION COSTS (Salaries and Benefits)**

Assume AMEA increase in accordance with current labor agreements to be 2.6%. Assume Non-Reps mirror the AMEA agreement.

### **VACANCY FACTOR**

Assume a 3.5% vacancy factor.

**ANCHORAGE WATER AND WASTEWATER**  
**WORKFORCE PROJECTIONS**  
 2009 - 2017

DIVISION	2009	2010	2011	2012	2013	2014	2015	2016	2017
GM	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
IT	18.0	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
O & M	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
TRMT	61.5	62.0	63.0	62.0	62.0	62.0	62.0	62.0	62.0
FIN	26.0	26.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
ES	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0
CS	42.0	42.0	40.5	40.5	40.5	40.5	40.5	40.5	40.5
ENG	38.0	38.0	39.5	40.5	40.5	40.5	40.5	40.5	40.5
Subtotal	283.0	283.5	285.0	285.0	285.0	285.0	285.0	285.0	285.0
Temporary	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
<b>TOTAL FTE</b>	<b>286.5</b>	<b>287.0</b>	<b>288.5</b>	<b>288.5</b>	<b>288.5</b>	<b>288.5</b>	<b>288.5</b>	<b>288.5</b>	<b>288.5</b>
Interns	7.0	7.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0

# ANCHORAGE WATER UTILITY

## 11-YEAR SUMMARY OPERATING BUDGET

Financial Overview		Actual				Forecast						
		2007	2008	2009	2010	Proforma 2011	Budget 2012	2013	2014	2015	2016	2017
Revenues		45,426,678	46,250,513	50,184,278	50,857,139	52,037,000	55,630,000	61,210,000	66,960,000	73,000,000	78,020,000	82,410,000
Expenses and Transfers		40,543,606	44,787,255	43,130,265	43,584,758	51,279,000	54,871,000	58,440,000	60,780,000	63,120,000	64,980,000	68,950,000
Net Income (Loss)		4,883,072	1,463,258	7,054,013	7,272,381	758,000	759,000	2,770,000	6,180,000	9,880,000	13,040,000	13,460,000
Dividend to General Government		-	-	-	-	-	-	-	-	-	-	-
Increase in Net Assets		4,883,072	1,463,258	7,054,013	7,272,381	758,000	759,000	2,770,000	6,180,000	9,880,000	13,040,000	13,460,000
Workforce Authorized per Budget		280.5	282.5	286.5	287.0	288.5	288.5	288.5	288.5	288.5	288.5	288.5
Capital Improvement Program		35,000,000	32,400,000	34,000,000	35,530,000	38,281,000	38,760,000	40,375,000	40,375,000	39,520,000	40,850,000	42,750,000
New Debt		77,925,233	9,174,912	8,243,511	18,988,298	19,000,000	74,200,000	20,000,000	20,000,000	19,600,000	20,000,000	85,000,000
Net Plant (12/31)		409,365,183	433,285,454	457,421,115	482,304,172	501,456,800	525,719,900	550,597,700	574,877,700	597,580,900	620,446,400	644,256,400
Net Assets (12/31)		73,053,101	74,516,359	81,570,372	88,842,753	89,600,800	90,359,800	93,129,800	99,309,800	109,189,800	122,229,800	135,689,800
Operating Cash		18,647,574	17,122,430	11,864,976	16,024,576	15,942,100	11,207,100	6,483,100	5,232,100	5,722,100	8,996,100	11,338,100
Construction Cash Pool		10	36,684,410	10,610,237	12,686,946	5,148,100	47,659,900	34,527,200	20,152,200	10,103,900	1,453,400	55,988,400
Restricted Cash		54,834,486	3,252,715	7,906,014	7,822,343	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Cash		73,482,070	57,059,555	30,381,227	36,533,865	24,590,200	62,367,000	44,510,300	28,884,300	19,326,000	13,949,500	70,826,500
IGCs - General Government		1,060,050	1,110,508	1,371,549	1,141,744	849,800	934,900	968,600	1,003,500	1,039,600	1,077,000	1,115,800
MUSA		5,259,469	5,762,882	5,906,013	6,717,558	7,280,000	7,500,000	7,870,000	8,240,000	8,610,000	8,950,000	9,290,000
CCP Borrowings from Gen'l Govt.		194,445	-	-	-	-	-	-	-	-	-	-
Total Outstanding LT Debt		192,780,259	197,151,556	200,244,093	210,800,660	220,896,800	285,072,800	292,278,800	297,767,800	305,023,800	309,749,600	379,521,600
Total Annual Debt Service		12,008,754	14,214,791	15,221,921	15,803,507	15,445,200	19,349,500	23,557,600	25,419,400	23,324,700	24,642,700	27,434,000
Debt Service Coverage (Bond)		1.93	1.40	1.93	1.91	1.64	1.53	1.53	1.73	2.56	2.85	2.78
Debt Service Coverage (Total)		1.70	1.25	1.48	1.39	1.16	1.03	1.03	1.12	1.42	1.48	1.44
Debt/Equity Ratio		72 / 28	72 / 28	71 / 29	70 / 30	71 / 29	76 / 24	76 / 24	75 / 25	74 / 26	72 / 28	74 / 26
Rate Change Percent		7.00%	0.00%	7.00%	2.50%	8.00%	6.00%	9.50%	9.50%	9.50%	7.00%	5.30%
Single Family Rate		36.50	36.50	39.06	40.04	43.25	45.85	50.20	54.97	60.20	64.41	67.82
Statistical/Performance Trends:												
Number of Accounts		54,525	54,697	54,835	54,976	55,113	55,251	55,389	55,528	55,667	55,806	55,945
Average Treatment (GPD) (000)		25,300	23,300	25,300	23,100	23,158	23,216	23,274	23,332	23,390	23,449	23,507
Miles of Water Lines		823	828	829	834	836	838	840	842	844	847	849
Number of Hydrants		6,941	7,021	7,207	7,231	7,249	7,267	7,285	7,304	7,322	7,340	7,358



# ANCHORAGE WATER UTILITY

## STATEMENT OF REVENUES AND EXPENSES

	2011 BUDGET	2012 BUDGET
OPERATING REVENUES		
Charges for services	50,500,000	53,800,000
Miscellaneous	1,250,000	1,250,000
TOTAL OPERATING REVENUES	51,750,000	55,050,000
OPERATING EXPENSES		
Source of Supply		
Treatment		
Transmission	27,339,000	28,371,000
Customer Accounts		
General & Administrative		
Depreciation	9,100,000	10,180,000
MUSA	7,280,000	7,500,000
TOTAL OPERATING EXPENSES	43,719,000	46,051,000
OPERATING INCOME	8,031,000	8,999,000
NON-OPERATING REVENUE		
Rental Income	30,000	30,000
Interest Income, Net	870,000	550,000
TOTAL NON-OPERATING REVENUE	900,000	580,000
NON-OPERATING EXPENSE		
Interest	8,160,000	8,820,000
TOTAL NON-OPERATING EXPENSE	8,160,000	8,820,000
NET NON-OPERATING EXPENSE	(7,260,000)	(8,240,000)
NET INCOME	771,000	759,000

## ANCHORAGE WATER UTILITY

### 2012 OPERATING BUDGET DETAIL

	2011 BUDGET	2012 BUDGET
LABOR		
Wages	9,671,760	10,518,120
Benefits	6,447,840	7,012,080
SUBTOTAL	16,119,600	17,530,200
SUPPLIES		
Chemicals	474,800	484,800
Plant, Shop, & Office Expense	1,765,000	1,835,600
SUBTOTAL	2,239,800	2,320,400
INTRAGOVERNMENTAL CHARGES		
Finance Dept	358,000	222,000
Information Technology Dept	418,000	214,600
Employee Relations Dept	130,000	111,800
Other	453,500	386,500
SUBTOTAL	1,359,500	934,900
OTHER SERVICES		
Charitable Contributions	50,000	25,000
Professional Services	893,100	1,046,700
Rent/Leases	906,500	922,200
Utilities	3,913,000	3,619,500
Contracted Mtnce/Repair	1,447,900	1,824,400
Insurance	107,700	105,500
Other Services/Charges	951,900	692,200
Operating Expense Transfer to CWIP	(650,000)	(650,000)
SUBTOTAL	7,620,100	7,585,500
OTHER EXPENSES		
Depreciation	9,100,000	10,180,000
MUSA	7,280,000	7,500,000
Interest Expense	8,160,000	8,820,000
SUBTOTAL	24,540,000	26,500,000
<b>TOTAL EXPENSES</b>	<b>51,879,000</b>	<b>54,871,000</b>

**ANCHORAGE WATER UTILITY**  
**2012 - 2017 CAPITAL IMPROVEMENT PROGRAM**

FUNDING SOURCE	2012	2013	2014	2015	2016	2017	Total
AWWU	36,760	38,375	38,375	37,520	38,850	40,750	230,630
Grants and Other	2,000	2,000	2,000	2,000	2,000	2,000	12,000
<b>TOTAL</b>	<b>38,760</b>	<b>40,375</b>	<b>40,375</b>	<b>39,520</b>	<b>40,850</b>	<b>42,750</b>	<b>242,630</b>

# ANCHORAGE WASTEWATER UTILITY 11-YEAR SUMMARY OPERATING BUDGET

Financial Overview	2007	2008	Actual	2009	2010	Proforma 2011	Budget 2012	2013	2014	Forecast 2015	2016	2017
Revenues	36,218,327	36,831,914	37,197,973	37,853,165	37,853,165	42,564,000	47,099,000	51,659,000	56,589,000	61,949,000	66,779,000	72,129,000
Expenses and Transfers	31,883,364	35,424,666	33,512,045	37,105,368	37,105,368	42,284,000	46,776,000	49,790,000	51,660,000	57,090,000	61,740,000	63,730,000
Net Income (Loss)	4,334,963	1,407,248	3,685,928	747,797	747,797	280,000	323,000	1,869,000	4,929,000	4,859,000	5,039,000	8,399,000
Dividend to General Government	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	4,334,963	1,407,248	3,685,928	747,797	747,797	280,000	323,000	1,869,000	4,929,000	4,859,000	5,039,000	8,399,000
Workforce Authorized per Budget	280.5	282.5	286.5	286.5	287.0	288.5	288.5	288.5	288.5	288.5	288.5	288.5
Capital Improvement Program	27,344,000	21,600,000	25,600,000	30,780,000	30,780,000	37,948,000	30,381,000	31,863,000	31,863,000	33,345,000	34,200,000	35,150,000
New Debt	44,851,225	12,111,434	16,801,626	16,499,419	16,499,419	6,000,000	50,000,000	7,000,000	7,000,000	98,000,000	7,000,000	7,000,000
Net Plant (12/31)	282,918,353	292,163,871	335,258,234	347,169,266	347,169,266	363,440,300	383,424,400	390,334,000	411,685,700	454,835,000	474,741,800	495,327,500
Net Assets (12/31)	53,222,110	54,629,358	58,315,286	59,063,083	59,063,083	59,343,100	59,666,100	61,535,100	66,464,100	71,323,100	76,362,100	84,761,100
Operating Cash	13,898,897	15,626,317	12,816,987	7,896,813	7,896,813	6,784,500	4,952,500	4,620,500	4,939,500	5,506,500	5,627,500	6,376,500
Construction Cash Pool	-	14,207,631	-	1,400,304	1,400,304	-	10,809,100	7,736,900	-	41,858,100	21,256,300	2,078,800
Restricted Cash	28,149,100	426,266	2,161,741	3,219,230	3,219,230	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	25,000,000
Total Cash	42,047,997	30,260,214	14,978,728	12,516,347	12,516,347	9,284,500	18,261,600	14,857,400	7,439,500	49,864,600	29,383,800	33,455,300
IGCs - General Government	1,011,156	1,140,034	1,368,615	1,137,577	1,137,577	831,700	914,900	947,800	981,900	1,017,200	1,053,800	1,091,700
MUSA	3,868,187	4,088,967	4,097,804	5,011,065	5,011,065	5,330,000	5,500,000	5,810,000	5,910,000	6,240,000	6,890,000	7,190,000
CCP Borrowings from Gen'l Govt.	8,929,611	-	6,583,628	-	-	12,678,200	-	-	7,767,000	-	-	-
Total Outstanding LT Debt	105,986,345	115,074,341	127,367,583	138,681,613	138,681,613	138,854,300	182,699,300	182,548,300	182,058,300	272,276,300	268,418,300	284,108,300
Total Annual Debt Service	5,668,210	7,236,894	8,696,349	9,342,273	9,342,273	8,857,200	11,589,700	13,429,400	13,697,300	16,006,900	20,973,400	21,204,300
Debt Service Coverage (Bond)	5.66	2.88	2.99	2.76	2.76	3.10	2.81	2.33	2.84	2.59	1.93	2.24
Debt Service Coverage (Total)	2.75	1.71	1.39	1.19	1.19	1.33	1.16	1.22	1.44	1.45	1.25	1.42
Debt/Equity Ratio	64 / 36	66 / 34	68 / 32	69 / 31	69 / 31	69 / 31	75 / 25	75 / 25	73 / 27	79 / 21	78 / 22	76 / 24
Rate Change Percent	9.50%	0.00%	6.50%	2.50%	2.50%	15.00%	11.00%	9.50%	9.50%	9.50%	7.30%	8.10%
Single Family Rate	28.75	26.80	28.54	29.26	29.26	33.65	37.36	40.90	44.79	49.05	52.63	56.89
Statistical/Performance Trends:												
Number of Accounts	55,470	55,635	55,783	55,898	55,898	56,038	56,178	56,318	56,459	56,600	56,742	56,884
Average Treatment (GPD) (000)	29,400	31,200	29,900	28,500	28,500	29,824	29,899	29,974	30,049	30,124	30,199	30,275
Miles of Wastewater Lines	723	743	751	751	751	753	755	757	759	760	762	764

## ANCHORAGE WASTEWATER UTILITY

### STATEMENT OF REVENUES AND EXPENSES

	2011 BUDGET	2012 BUDGET
OPERATING REVENUES		
Charges for Services	41,200,000	45,500,000
Miscellaneous	1,500,000	1,479,000
TOTAL OPERATING REVENUES	42,700,000	46,979,000
OPERATING EXPENSES		
Collection		
Treatment		
Customer Accounts		
General & Administrative		
Depreciation	6,220,000	7,600,000
MUSA	5,330,000	5,500,000
TOTAL OPERATING EXPENSES	38,190,000	41,726,000
OPERATING INCOME	4,510,000	5,253,000
NON-OPERATING REVENUE		
Interest Income, Net	330,000	120,000
TOTAL NON-OPERATING REVENUE	330,000	120,000
NON-OPERATING EXPENSE		
Interest	4,530,000	5,050,000
TOTAL NON-OPERATING EXPENSE	4,530,000	5,050,000
NET NON-OPERATING EXPENSE	(4,200,000)	(4,930,000)
NET INCOME	310,000	323,000

# ANCHORAGE WASTEWATER UTILITY

## 2012 OPERATING BUDGET DETAIL

	2011 BUDGET	2012 BUDGET
LABOR		
Wages	9,575,100	10,448,520
Benefits	6,383,400	6,965,680
SUBTOTAL	15,958,500	17,414,200
SUPPLIES		
Chemicals	930,100	942,100
Plant, Shop, & Office Expense	1,602,500	1,649,000
SUBTOTAL	2,532,600	2,591,100
INTRAGOVERNMENTAL CHARGES		
Finance Dept	358,000	220,200
Information Technology Dept	418,000	214,300
Employee Relations Dept	130,000	110,700
Other	453,500	369,700
SUBTOTAL	1,359,500	914,900
OTHER SERVICES		
Charitable Contributions	50,000	25,000
Professional Services	1,540,300	1,830,000
Rent/Leases	754,300	754,500
Utilities	3,122,900	3,729,400
Contracted Mtnce/Repair	1,043,800	1,057,500
Insurance	91,600	89,600
Other Services/Charges	786,500	819,800
Operating Expense Transfer to CWIP	(600,000)	(600,000)
SUBTOTAL	6,789,400	7,705,800
OTHER EXPENSES		
Depreciation	6,220,000	7,600,000
MUSA	5,330,000	5,500,000
Interest Expense	4,530,000	5,050,000
SUBTOTAL	16,080,000	18,150,000
<b>TOTAL EXPENSES</b>	<b>42,720,000</b>	<b>46,776,000</b>

**ANCHORAGE WASTEWATER UTILITY**  
**2012 - 2017 CAPITAL IMPROVEMENT PROGRAM**

FUNDING SOURCE	2012	2013	2014	2015	2016	2017	Total
AWWU	29,381	25,863	25,863	31,345	32,200	33,150	177,802
Grants and Other	1,000	6,000	6,000	2,000	2,000	2,000	19,000
<b>TOTAL</b>	<b>30,381</b>	<b>31,863</b>	<b>31,863</b>	<b>33,345</b>	<b>34,200</b>	<b>35,150</b>	<b>196,802</b>