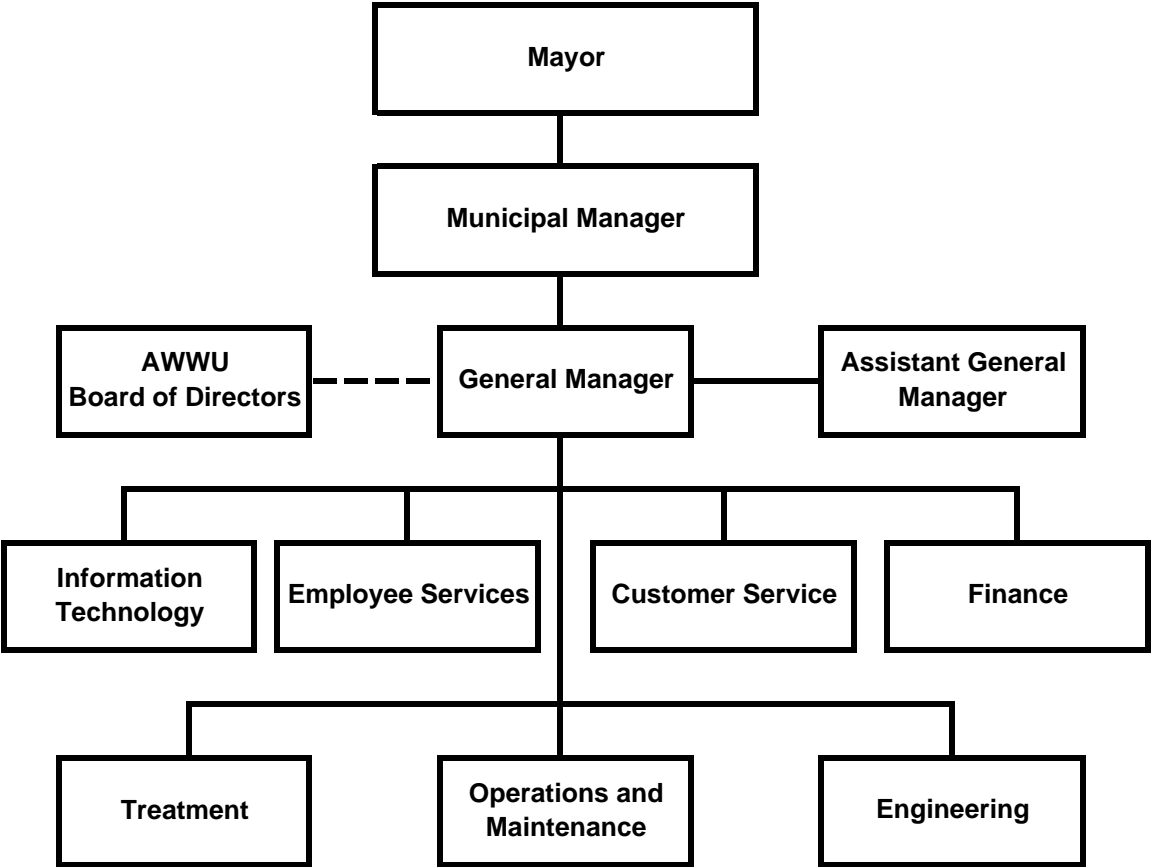


# Anchorage Water & Wastewater Utility



## **Anchorage Water and Wastewater Organizational Overview**

### **Overview**

The Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in Alaska. AWWU currently serves the Municipality of Anchorage extending from Eklutna to as far south as Girdwood. Although they share one workforce, AWWU operates as two separate economic and regulated entities: the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility (ASU).

### **System Description**

To provide water and sewer services, AWWU owns and operates five Treatment Facilities (2 water and 3 wastewater), over 1,600 miles of pipe, and over 325,000 square feet of facility space distributed throughout the Municipality. The certificated water service area covers 130.4 square miles in three distinct geographic areas, Northern Communities, the Anchorage Bowl and Girdwood Valley. Estimates place the water service population at approximately 240,000 people via nearly 55,000 customer accounts. The certificated sewer service area is larger, encompassing virtually all of the Municipality, or 1,850.9 square miles. ASU currently provides sewer service to approximately 250,000 people via nearly 56,000 customer accounts.

AWU's three sources of water are Eklutna Lake, Ship Creek and groundwater accessed through a system of wells in the Northern Communities, the Anchorage Bowl and Girdwood Valley. Eklutna Water Treatment Facility (WTF) and the wells which supply Girdwood are operated year-round and serve as the primary supply sources for the Anchorage and Girdwood water systems. The Ship Creek Water Treatment Facility and the remainder of the water wells are used to augment the primary water supply, mainly in times of peak demand, as well as provide redundancy to the Eklutna source for Eagle River and the Anchorage Bowl. Of these sources, the Eklutna Water Treatment Facility now provides approximately 90% of total water production for the Northern Communities/Eagle River and the Anchorage Bowl. In Girdwood, where system demand constitutes less than 2 percent of AWWU's total water production, all water produced and distributed is from two municipally-owned and managed wells.

ASU operates three wastewater treatment facilities to treat wastewater collected in three geographically separate but commonly managed sewer systems. First, the John M. Asplund Wastewater Treatment Facility (WWTF) located at Point Woronzof was constructed in the early 1970's when Anchorage eliminated direct ocean discharges. It services the wastewater treatment needs of the Anchorage Bowl. The Asplund facility has received numerous upgrades including improved handling of sludge solids, new headworks and process equipment to replace aged infrastructure. The Asplund facility provides primary treatment and operates with an expired, administratively extended National Pollution Discharge Elimination (NPDES) permit administered by the Environmental Protection Agency (EPA) with provision provided under section 301(h) of the Clean Water Act.

Second, the Eagle River WWTF was originally built in the 1960's and upgraded several times. It services the public wastewater treatment and disposal needs within Eagle River and Chugiak. The Eagle River facility provides biological secondary treatment and discharges treated effluent to Eagle River under an expired NPDES permit which has

been administratively extended by the Alaska Department of Environmental Conservation (ADEC), which has assumed primacy over wastewater discharge permits from the EPA.

Third, the Girdwood WWTF was originally constructed in the 1970's and also has undergone several process modifications and upgrades. The core facility is now at the end of its useful life. The Girdwood facility provides biological secondary treatment and discharges treated effluent to Glacier Creek under an administratively extended NPDES permit administered by the ADEC.

Over the past two decades, investments in physical infrastructure have resulted in an increase in the value of AWWU. From 1990 to present, plant in service has increased by 108% from \$355.2 million to \$737.6 million. This growth is primarily a result of an increasing amount of investment in transmission and distribution assets (pipelines), with lesser investments in general plant assets (e.g., structures and intangible assets).

From 1990 to present, ASU's plant in service has increased by 87% from \$301.5 million to \$564.9 million. This growth is primarily a result of an increasing investment in sewer collection pipeline network, followed by upgrades in sewer treatment facilities, and modest investment in pumping plant (sewage lift or pump stations), general plant (structures), and intangible assets.

### **Organization**

AWWU is organized into 7 divisions. The General Manager's office is responsible for overall operation of AWWU. The Engineering Division is responsible for development and execution of AWWU's capital program and for system planning. The Treatment Division is responsible for day to day operation of the treatment facilities and water distribution system and for maintaining compliance with all state and federal regulations. The Operations and Maintenance (O&M) Division maintains the treatment facilities, repairs all water and sewer piping and lift stations. The O&M Division also operates the wastewater collection system and is responsible for AWWU's SCADA system. The Customer Service Division is responsible for responding to customer inquiries, billing & collections for both utilities, billing & collection of special assessments, issuing of permits and field service functions. The Information Technology Division provides support for all of AWWU's computers, network and software systems. The Employee Services (ES) Division handles all employee actions and inquiries. AWWU's training and safety officers are part of the ES Division. The Finance Division is responsible for all general ledger and plant accounting and preparation of utility budgets and financial statements.

## **Anchorage Water and Wastewater Utility Business Plan**

### **Mission**

Supporting the public health, safety and economic interests of the community by providing quality water and wastewater services in a responsible, efficient and sustainable manner.

### **Services**

The Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in Alaska. AWWU currently serves the Municipality of Anchorage extending from Eklutna to as far south as Girdwood. Although they share one workforce, AWWU operates as two separate economic and regulated entities: the Anchorage Water Utility (AWU) and the Anchorage Sewer Utility (ASU).

### **Business Goals**

- Be an employer of choice; attract and retain quality staff at all levels of the Utility.
- Be a leader in providing exceptional customer service.
- Protect public health and be environmentally responsible.
- Sustain the long term financial health of the utility through growth, development, and efficiency of business practices.
- Optimize Utility processes to promote best business practices, sustainability, and improved efficiencies.

### **Strategies to Achieve Goals**

AWWU's strategic plan provides a framework to achieve results for the customer. AWWU has identified the following customer commitments which represent the outcomes or accomplishments of the Utilities activities as viewed by the customer.

1. Provide safe drinking water that meets or exceeds all standards.
2. Protect the environment through appropriate wastewater collection, treatment, and disposal.
3. Provide reliable service.
4. Have timely, professional, and courteous interactions with customers.
5. Manage finances responsibly and transparently.
6. Set rates that fairly reflect the cost of providing service and maintaining infrastructure.
7. Deliver services affordably to promote a strong Anchorage economy.
8. Invest wisely to minimize risk and maintain service levels.
9. Continuously improve the efficiency of our operations.
10. Anticipate change and preparing for the future.

### **Performance Measures to Track Progress in Achieving Goals**

AWWU measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Compliance with all State and Federal drinking water, wastewater and air standards
2. Number of planned and unplanned water outages
3. Sanitary sewer overflows
4. Excavation and maintenance work order backlog
5. Recordable incident rate (as compared to the standard incident rate for water and wastewater utilities)
6. Number of after-hours emergency calls and responses
7. Critical Systems availability

8. Execution of capital improvement budget
9. Debt to equity ratio
10. Service affordability

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## **Anchorage Water and Wastewater Utility**

*Anchorage: Performance. Value. Results.*

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### **Mission**

Supporting the public health, safety, and economic interests of the community by providing quality water and wastewater services in a responsible, efficient, and sustainable manner.

### **Core Services**

- Reliably treat and distribute potable water for domestic, commercial, and firefighting uses throughout the certificated service area.
- Reliably collect, treat and dispose of wastewater in accordance with laws and regulations that protect public health and the environment.

### **Accomplishment Goals**

- Provide reliable service
- Provide safe drinking water that meets or exceeds all standards
- Protect the environment through appropriate wastewater collection, treatment, and disposal.
- Fiscal responsibility and transparency with utility finances.
- Timely, professional, and courteous interactions with customers.
- Rates that fairly reflect the cost of providing service and maintaining infrastructure
- Continuous improvement in the efficiency of our operations
- Anticipate change and be prepared for the future.

### **Performance Measures**

Progress in achieving goals shall be measured by:

1. Compliance with all State and Federal drinking water standards  
/wastewater standards  
/Clean Air Act standards
2. Number of planned and unplanned water outages
3. Sanitary sewer overflows
4. Excavation and maintenance work order backlog
5. Recordable incident rate (as compared to the standard incident rate for water and wastewater utilities)
6. Number of after-hours emergency calls and responses
7. Critical Systems availability
8. Execution of capital improvement budget
9. Debt to equity ratio
10. Service affordability

**Measure #1: Compliance with all State and Federal drinking water, wastewater, and clean air standards.**

| Compliance with all State and Federal drinking water, wastewater, and clean air standards | Goal | Second Quarter 2012 | Historical Information |             |             |
|---|------|---------------------|------------------------|-------------|-------------|
|   |      |                     | First Quarter 2012     | 2011 Annual | 2010 Annual |
| Safe Drinking Water Act Compliance  | 100% | 100%                | 100%                   | 100%        | 100%        |
| Clean Water Act (NPDES permit) Compliance   | 100% |                     |                        | 100%        | 99.99%      |
| -Asplund  |      | 100%                | 100%                   |             |             |
| -Eagle River  |      | 100%                | 99.73%                 |             |             |
| -Girdwood   |      | 100%                | 100%                   |             |             |
| Clean Air Act Compliance (Asplund Incinerator)  | 100% | 100%                | 99.98%                 | 99.99%      | 99.99%      |

**Measure #2: Number of planned and unplanned water outages (customers per month).**

|   |                                     |  |  | Historical monthly average |      |      |
|---|-------------------------------------|--|--|----------------------------|------|------|
| Number of planned and unplanned water outages (customers per month) | Goal (Affected customers per month) | 2 <sup>nd</sup> Q 2012 (monthly average) | 1 <sup>st</sup> Q 2012 (monthly average) | 2011                       | 2010 | 2009 |
| Planned Outages   |                                     |  |  |                            |      |      |
| <4 hours  | <20                                 | 10                                       | 8  | 12                         | 12   | 107  |
| 4-12 hours  | <20                                 | 31                                       | 48                                       | 23                         | 28   | 96   |
| >12 hours   | 0                                   | 0  | 0  | 0.1                        | 0.2  | 27   |
| Unplanned Outages   |                                     |  |  |                            |      |      |
| <4 hours  | <20                                 | 17                                       | 94                                       | 23                         | 30   | 27   |
| 4-12 hours  | <50                                 | 43                                       | 45                                       | 51                         | 50   | 59   |
| >12 hours   | 0                                   | 2  | 0  | 9                          | 3    | 15   |

**Measure #3: Sanitary sewer overflows (monthly).**

|   | Goal | 2 <sup>nd</sup> Q 2012<br>(per month) | 1 <sup>st</sup> Q 2012<br>(per month) | Historical monthly average |      |      |      |
|---|------|---------------------------------------|---------------------------------------|----------------------------|------|------|------|
|   |      |                                       |                                       | 2011                       | 2010 | 2009 | 2008 |
| <b>Sanitary Sewer Overflows (monthly)</b> | <1.5 | 2.0                                   | 2.7                                   | 1.7                        | 1.3  | 1.6  | 1    |

**Measure #4: Excavation and Maintenance Work Order Backlog.**

|   | Goal | End of March 2012 | End-of-year Values |      |      |      |
|---|------|-------------------|--------------------|------|------|------|
|   |      |                   | 2011               | 2010 | 2009 | 2008 |
| <b>Exc. and Maint. Work Order Backlog</b> | 110  | 135               | 138                | 100  | 117  | 108  |

**Measure #5: Number of reportable injuries and accidents (annual).**

|   | Goal   | Historical Information |       |       |       |
|---|--------|------------------------|-------|-------|-------|
|   |        | 2011                   | 2010  | 2009  | 2008  |
| <b>Number of reportable injuries and accidents (annual)</b> | <4.60% | 4.4%                   | 1.72% | 4.10% | 4.00% |

**Measure #6: Number of after-hours emergency calls and responses (monthly).**

| Number of after-hours emergency calls and responses (month) | Goal | 2 <sup>nd</sup> Q 2012 monthly average | Monthly Totals |          |          |                    |
|---|------|--|----------------|----------|----------|--------------------|
|   |      |  | Mar 2012       | Feb 2012 | Jan 2012 | 1st Q 2012 monthly |
| After-hours emergency calls                                 | N/A  | 108                                    | 118            | 124      | 227      | 256                |
| Number of call-out responses                                | N/A  | 27                                     | 33             | 32       | 41       | 35                 |



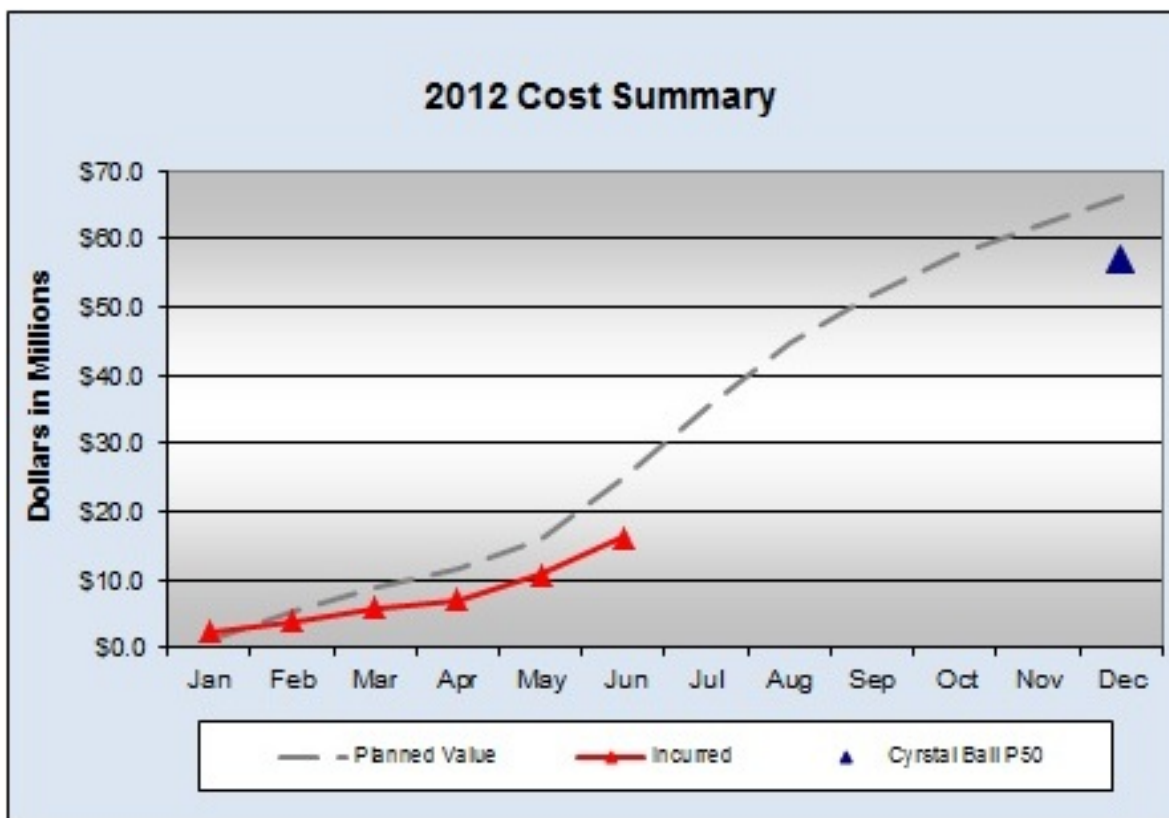
**Measure #7: Critical IT systems availability (outage per month).**

|  | Goal | 2 <sup>nd</sup><br>Quarter<br>2012 | 1 <sup>st</sup><br>Quarter<br>2012 | Historical Information |                               |      |      |
|--|------|------------------------------------|------------------------------------|------------------------|-------------------------------|------|------|
|  |      |                                    |                                    | Dec<br>2011            | 2010                          | 2009 | 2008 |
| Critical IT systems availability (outages per month) | 2    | 1.0                                | 0                                  | 0                      | New metric – no historic data |      |      |

**Measure #8: Execution of Capital Improve Budget (annual).**

|  | Goal                     | Historical Information |                               |      |      |
|--|--------------------------|------------------------|-------------------------------|------|------|
|  |                          | 2011                   | 2010                          | 2009 | 2008 |
| Execution of Capital Improvement Budget (annual) | 75%<br>(Long term trend) | 60%*                   | 75% annual average since 1999 |      |      |

\*2011 CIB includes nearly \$15 Million for Girdwood WWTF which has been delayed by permitting considerations. Phase I of that work is currently out to bid (February, 2012). The attached figure shows the planned expenditure for 2012.



**Measure #9: Debt to equity ratio (annual).**

|                                      |             |             | <b>Historical Information</b> |             |             |
|--------------------------------------|-------------|-------------|-------------------------------|-------------|-------------|
| <b>Debt to Equity Ratio (annual)</b> | <b>Goal</b> | <b>2011</b> | <b>2010</b>                   | <b>2009</b> | <b>2008</b> |
| Water Utility (2010)                 | 75/25       | 70/30       | 70/30                         | 71/29       | 72/28       |
| Wastewater Utility (2010)            | 75/25       | 68/32       | 69/31                         | 68/32       | 66/34       |

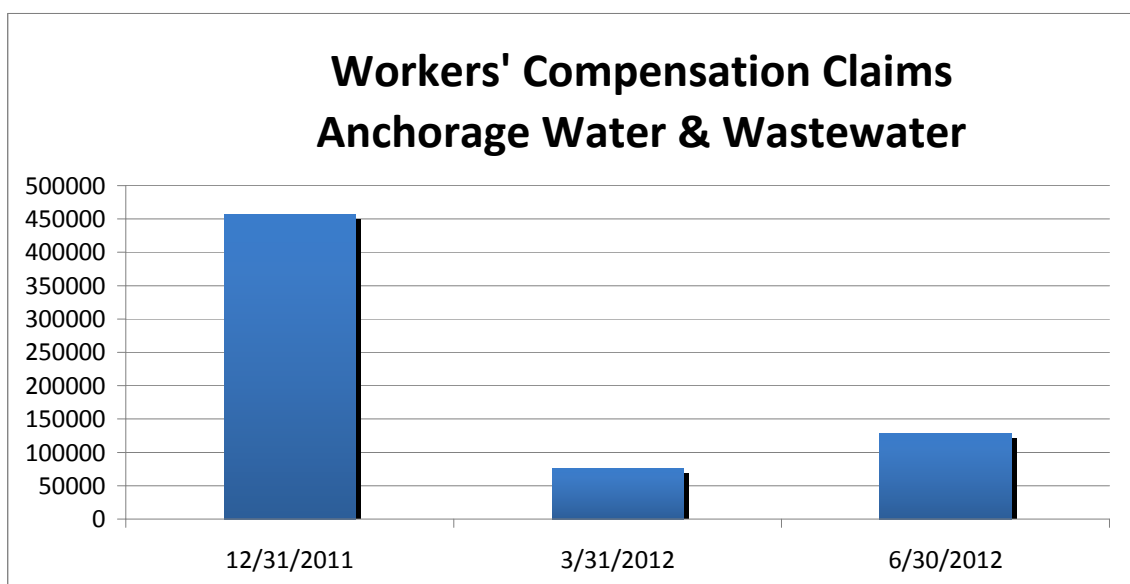
**Measure #10: Service affordability (annual).**

|                                       |             |             | <b>Historical data</b> |             |             |             |
|---------------------------------------|-------------|-------------|------------------------|-------------|-------------|-------------|
| <b>Service Affordability (annual)</b> | <b>Goal</b> | <b>2012</b> | <b>2011</b>            | <b>2010</b> | <b>2009</b> | <b>2008</b> |
| Water Utility                         | -           | 0.8         | 0.7                    | 0.7         | 0.7         | 0.6         |
| Wastewater Utility                    | -           | 0.6         | 0.6                    | 0.5         | 0.5         | 0.5         |
| Combined                              | <2.0        | 1.4         | 1.3                    | 1.2         | 1.2         | 1.1         |

**PVR Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



## **Anchorage Water and Wastewater Highlights and Future Events**

### **Aging Infrastructure**

At the current time, AWWU provides best-in-class service as measured against industry benchmarks such as drinking water compliance rate, water quality complaints, water pipeline breaks, unplanned service disruptions, compliance with discharge permits, collection system failures, and sewer overflows. However, the infrastructure required to provide water and sewer service is aging and will require significant annual capital investments to maintain service levels.

In aggregate, AWU's physical assets are considered to have about one-half of their useful lives consumed. The water transmission and distribution system pipe network, which now consists of 828.5 miles of pipe, has a weighted average age of over 33 years. Other AWU assets including treatment facilities, reservoirs, wells, booster stations and major valve vaults are of varying age, but in aggregate, have reached just over one-half of their useful lives and have undergone or have been scheduled for major re-investment over the next 5-10 years.

The weighted average age of ASU's sewer assets is 32 years old, again reflecting just over one-half of the estimated useful lives of pipe and approximately three-fifths of the estimated useful lives of other sewer plant. Unlike the water system however, some treatment facility assets are new. Within the Anchorage Bowl, more than \$40 million of treatment plant investment occurred over the past decade, much of that for new assets (e.g., new headworks, solids handling, building improvements and liquid process improvements) at the Asplund WWTF. In Eagle River, new process improvements and support systems (UV disinfection, mechanical and HVAC systems) worth over \$3 million were built over the last five years. The exception is the Girdwood WWTF, which is now over 30 years old and reaching the end of its useful life as documented by multiple studies performed since 2006.

AWWU has implemented a state of the art asset management program to manage the Utility's aging infrastructure. The primary components of AWWU's asset management program include:

- Risk based approach that categorizes AWWU's assets and evaluates each asset's class on the basis of consequence and likelihood of failure.
- Robust analysis of system performance and maintenance data to predict service lives of different asset classes.
- Business case analysis of major projects to determine lowest overall life cycle costs.
- Use of state of the art repair and rehabilitation technologies to reduce service disruption and reduce costs.
- Condition assessment monitoring and evaluation using both AWWU staff and specialized contractors.

### **Limited Customer Growth**

The Anchorage economy and land use development patterns and restrictions are such that AWWU does not anticipate significant customer growth rate for the foreseeable future. AWWU's water master plan projects a customer growth rate of approximately

0.3% per year for the next 25 years. Limited customer growth represents a significant challenge for AWWU because there are few new customers to help cover the cost of maintaining infrastructure. Exacerbating the lack of customer growth is the repair and replacement of contributed plant. In the 1990's, over 70% of the plant in-service was contributed (i.e., given to AWWU or paid for by grants). Today that percentage is about 50% and decreasing steadily. Contributed plant is not included in rates for calculating depreciation costs and earning a return. However, repair and replacement of this considerable portion of our plant-in-service must be borne wholly by customers. With a very slow growth of the customer base, cost of this repair and replacement will increase over time for each customer.

There is very little AWWU can do to encourage significant customer growth without major changes in policy and community desires. Most of AWWU's customer growth will come from redevelopment of existing properties in the MOA and limited infill. Redevelopment and infill must comply with current codes and utility tariffs, which may require upgrades to existing utility service.

### **Aging Workforce**

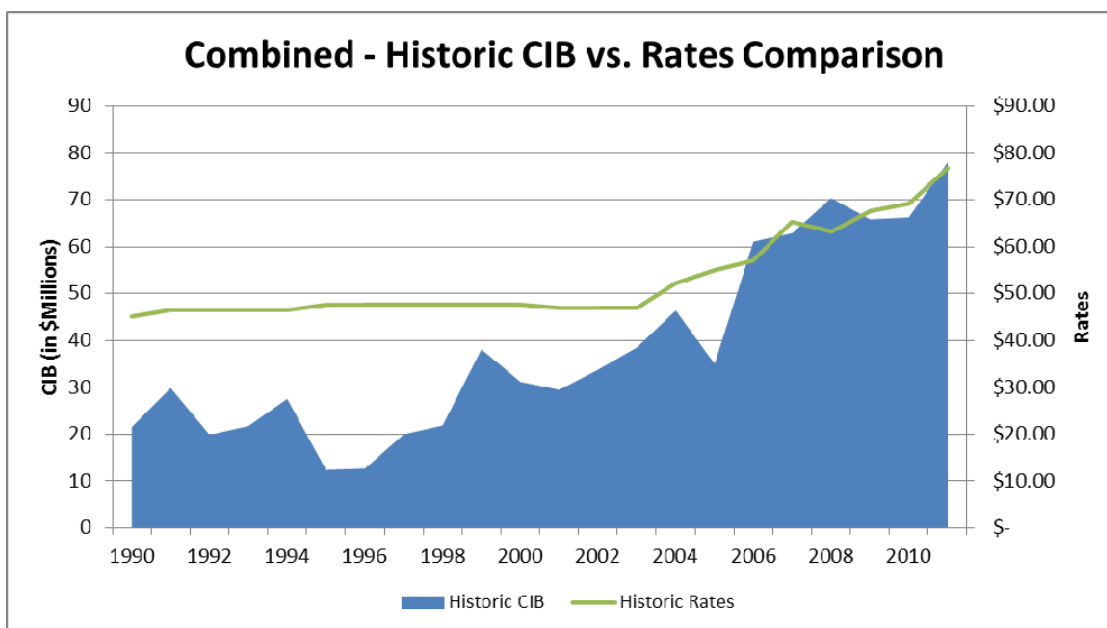
AWWU is typical of the industry in that we have an aging workforce. 11% of AWWU's workforce has over 25 years of experience with the Utility. These individuals can be expected to retire in the next few years. Many of these individuals are the experienced and licensed professionals required to operate AWWU's facilities in compliance with Alaska regulations. Alaska's oil industry and the boom in oil and gas development in the lower 48 represents a significant threat to retaining water and wastewater professionals. The oil industry typically pays significantly higher wages than AWWU.

AWWU is working with Plumbers & Pipefitters Union Local 367 to develop an apprentice program to provide more workers. AWWU also has a long standing intern program with the Alaska Job Corp and various universities. And while these programs will help, AWWU expects to be under severe pressure for the next several years as senior staff retire. AWWU has no realistic option to fill these vacancies except primarily through in house training programs.

### **Debt**

At the end of 2011, AWWU was carrying approximately \$361 million in total net debt. AWWU can easily service this debt and the Utility maintains healthy operating margins and debt service coverage ratios. However, compared to peer utilities, AWWU has a significant amount of debt and finances much less of its capital program with equity.

Two major factors have contributed to AWWU's current debt/equity position. First, during the 1990's, AWWU did not have rate increases and had a very modest capital improvement budget (CIB). During these years, reductions in workforce levels and improvements in worker productivity as a result of investments in appropriate technology allowed the Utility to operate effectively, but not accumulate equity.



Second, AWWU has historically asked for less in rates than justified by revenue requirement studies. And while limiting rate increase requests has mitigated the impact on customers, historic under-recovery in rates has not allowed AWWU to accumulate equity and as a result, more of the Utility's capital program must be financed through debt.

| Rate Year | Calculated Rate Increase in RIR |       | Requested Permanent Rate Increase |       | Approved/Stipulated Permanent Rate Increase |       | Reason For Requesting Increases Less Than The Calculated Increases                 |
|-----------|---------------------------------|-------|-----------------------------------|-------|---|-------|--|
|           | AWU                             | ASU   | AWU                               | ASU   | AWU   | ASU   |  |
| 2004      | 142%                            | 81%   | 142%                              | 81%   | 13.6%                                       | 8.1%  | The calculated increases were requested due to the change in the MUSA calculation. |
| 2005      | 72%                             | 68%   | 72%                               | 68%   | 7.8%  | 3.0%  | The calculated increases were requested due to the change in the MUSA calculation. |
| 2006      | 124%                            | 150%  | 8.9%                              | 10.6% | 6.9%  | 10.6% | Policy direction to limit rate increases requested to reduce impact on customers.  |
| 2007      | 180%                            | 175%  | 14.9%                             | 13.0% | 7.0%  | 9.8%  | Policy direction to limit rate increases requested to reduce impact on customers.  |
| 2008      | -                               | -     | -                                 | -     | -   | -     | Rate changes were not requested by AWWU for 2008.                                  |
| 2009      | 8.7%                            | 8.0%  | 7.0%                              | 6.9%  | 6.6%  | 6.9%  | Policy direction to limit rate increases requested to reduce impact on customers.  |
| 2010      | 7.0%                            | 9.9%  | 2.9%                              | 2.9%  | 2.9%  | 2.9%  | Policy direction to limit rate increases requested to reduce impact on customers.  |
| 2011      | 18.9%                           | 28.2% | 8.0%                              | 15.0% | 8.0%  | 15.0% | Policy direction to limit rate increases requested to reduce impact on customers.  |
| 2012      | 13.0%                           | 18.6% | 8.0%                              | 11.0% | 8.0%  | 11.0% | Policy direction to limit rate increases requested to reduce impact on customers.  |

To improve its debt position, AWWU must continue to request reasonable rates and at the same time control expenses. The budget provided in this package provides just such a balance.

### Plumbers and Pipefitters, Local 367 Union Contract

The Plumbers and Pipefitters, Local 367 Union (Plumbers Union) contract expired June 30, 2010. The Municipality and the Plumbers Union entered negotiations in March 2010. The parties proceeded through negotiations, mediation and arbitration in 2011. The arbitrator issued a decision in 2011, which was rejected by the Municipal Assembly. The Municipality and the Plumbers Union went to Superior Court in November 2011. In February 2012 the Superior Court issued a decision in favor of the Municipality's last best offer. In March 2012 the Plumbers Union filed an appeal to the Alaska Supreme Court. The Plumbers Union continues to work under the expired contract until a new contract is ratified. The potential impacts of any contract decision are not yet

measurable, and therefore no budget has been included for any potential retro-active payments related to the expired contract. The Plumbers Union will be able to strike in July 2013 and the potential for a strike is a business risk that should be considered in 2013.

### **Environmental Issues**

Beginning in 1993, in accordance with State of Alaska Department of Environmental Conservation (ADEC) regulations, the Utility commenced activities to remove three leaking, underground fuel storage tanks and the surrounding contaminated soils. Additional contamination was identified on the affected property (unrelated to the tank leakage) requiring additional removal of soils. In 2010, the Utility completed additional site characterization. In 2011, AWWU submitted work plans and received approval from ADEC for continued groundwater monitoring while working towards closure of the case on this site. Budgeted remediation for those sites with continued monitoring and approved work plans was postponed in 2012 in response to direction from the Assembly to reduce operating expenditures. However, remediation has been re-programmed in 2013 to address the business risk to the Utility from further migration of contamination from Utility property.

The Utility used the expected cash flow technique to measure the liability. The Utility estimated a reasonable range of potential outlays of \$180,000 to \$245,000 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of \$186,500. The potential for a material change in the estimate is possible depending upon the response received from ADEC.

### **Wastewater Treatment Facilities Discharge Permits**

The State of Alaska Department of Environmental Conservation (ADEC) assumed authority for permitting wastewater discharges for the Girdwood and Eagle River Wastewater Treatment Facilities (WWTF) in November 2008. The Eagle River WWTF permit is administratively extended pending reissuance by ADEC. ADEC is working on the renewal and expects to issue a draft permit for the Utility to review in 2012. The Girdwood WWTF permit is also administratively extended pending reissuance by ADEC. The Utility is working closely with ADEC to ensure that a proposed upgrade to the Girdwood WWTF is consistent with terms and conditions of the new permit, when it is reissued.

Authorization of discharge into marine waters from the Asplund WWTF under the provisions of Section 301(h) of the Clean Water Act remains under the auspices of the U.S. Environmental Protection Agency (EPA). EPA is currently evaluating the Utility's application for reauthorization of the permit. The renewal process includes an evaluation by EPA to determine whether Asplund continues to meet the Clean Water Act criteria necessary to reissue a permit with a 301(h) modification allowing only primary treatment. Subsequent to a positive determination, EPA is required to consult with the National Marine Fisheries Service (NMFS) on the effects of the permit reauthorization on endangered species (i.e., the Cook Inlet beluga whale). If NMFS finds that the discharge reauthorization is likely to jeopardize continued existence of the species or adversely modify critical habitat, NMFS may impose conditions on the permit to mitigate the effects on the species. Discussions with federal agencies to date suggest that such a finding is unlikely.

AWWU expects this issuance of the Asplund WWTF permit to be controversial and has budgeted approximately \$500,000 in 2013 for anticipated legal and professional services.

## **Anchorage Water and Wastewater External Impacts**

### **Wastewater Treatment Facilities Discharge Permits**

The State of Alaska Department of Environmental Conservation (ADEC) assumed authority for permitting wastewater discharges for the Girdwood and Eagle River Wastewater Treatment Facilities (WWTF) in November 2008. The Eagle River WWTF permit is administratively extended pending reissuance by ADEC. ADEC is working on the renewal and expects to issue a draft permit for the Utility to review in 2012. The Girdwood WWTF permit is also administratively extended pending reissuance by ADEC. The Utility is working closely with ADEC to ensure that a proposed upgrade to the Girdwood WWTF is consistent with terms and conditions of the new permit, when it is reissued.

Authorization of discharge into marine waters from the Asplund WWTF remains under the auspices of the U.S. Environmental Protection Agency (EPA). EPA is currently evaluating the Utility's application for reauthorization of the permit allowing only primary treatment, in accordance with criteria set out in Section 301(h) of the Clean Water Act. Subsequent to the agency's determination that the Asplund discharge meets the 301(h) criteria, EPA will consult with the National Marine Fisheries Service (NMFS) on the effects of the permit reauthorization on endangered species (i.e., the Cook Inlet beluga whale). If NMFS finds that the discharge reauthorization is likely to jeopardize continued existence of the species or adversely modify critical habitat, NMFS may impose conditions on the permit to mitigate the effects on the species. Discussions with federal agencies to date suggest that such a finding is unlikely. AWWU expects this re-authorization of Asplund's permit to be controversial and has budgeted approximately \$600,000 in 2013 for anticipated legal and professional services.

### **Plumbers and Pipefitters, Local 367 Union Contract**

The Plumbers and Pipefitters, Local 367 Union (Plumbers Union) contract expired June 30, 2010. The Plumbers Union continues to work under the expired contract until a new contract is ratified. The potential impacts of any contract decision are not yet measurable, and therefore no potential retroactive payments have been included in the budget related to the expired contract. The Plumbers Union will be able to strike in July 2013 and the potential for a strike is a business risk that should be considered in 2013.

### **Aging Infrastructure**

At the current time, AWWU provides best-in-class service as measured against industry benchmarks. However, the infrastructure required to provide water and sewer service is aging and will require significant annual capital investments to maintain service levels.

AWWU has implemented a state-of-the-art asset management program to optimize spending on the Utility's aging infrastructure. We are performing business case analyses of major projects to determine lowest overall life cycle costs, as well as extensive condition assessment monitoring and evaluation using both AWWU staff and specialized contractors. This work is expected to continue to provide reduced costs to ratepayers in the long term.



## Anchorage Water and Wastewater Utility Workforce Projections

| <b>Division</b>            | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Manager            | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          |
| Information Technology     | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         |
| Operations and Maintenance | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         | 86.0         |
| Treatment                  | 63.0         | 62.0         | 62.0         | 62.0         | 62.0         | 62.0         | 62.0         | 62.0         |
| Finance                    | 25.0         | 22.0         | 22.0         | 22.0         | 22.0         | 22.0         | 22.0         | 22.0         |
| Employee Services          | 8.0          | 6.5          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          |
| Customer Service           | 40.5         | 39.0         | 39.0         | 39.0         | 39.0         | 39.0         | 39.0         | 39.0         |
| Engineering                | 39.5         | 40.5         | 40.5         | 40.5         | 40.5         | 40.5         | 40.5         | 40.5         |
| <b>Total full time</b>     | <b>285.0</b> | <b>279.0</b> | <b>277.5</b> | <b>277.5</b> | <b>277.5</b> | <b>277.5</b> | <b>277.5</b> | <b>277.5</b> |
| Temporary                  | 3.5          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| <b>Total FTE</b>           | <b>288.5</b> | <b>281.0</b> | <b>279.5</b> | <b>279.5</b> | <b>279.5</b> | <b>279.5</b> | <b>279.5</b> | <b>279.5</b> |

Interns 10.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0

Total positions in the Department Summary, Division Summary, or Detail reports are different as the allocation between the utilities varies.

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## Anchorage Water Utility 8 Year Summary

(\$ in thousands)

| Financial Overview                    | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                       | Actuals       | Proforma      | Budget        | Forecast      |               |               |               |               |
| Revenues                              | 52,239        | 55,464        | 58,719        | 62,329        | 66,319        | 70,289        | 74,619        | 79,089        |
| Expenses and Transfers                | 45,958        | 52,264        | 53,767        | 57,403        | 59,103        | 60,543        | 63,593        | 66,673        |
| <b>Net Income (Loss) - Regulatory</b> | <b>6,280</b>  | <b>3,200</b>  | <b>4,952</b>  | <b>4,926</b>  | <b>7,216</b>  | <b>9,746</b>  | <b>11,026</b> | <b>12,416</b> |
| Dividend to General Government        | -             | -             | -             | -             | -             | -             | -             | -             |
| <b>Increase in Net Assets</b>         | <b>6,280</b>  | <b>3,200</b>  | <b>4,952</b>  | <b>4,926</b>  | <b>7,216</b>  | <b>9,746</b>  | <b>11,026</b> | <b>12,416</b> |
| Workforce Authorized per Budget*      | 288.5         | 279.0         | 277.5         | 277.5         | 277.5         | 277.5         | 277.5         | 277.5         |
| Capital Improvement Program           | 38,281        | 38,760        | 33,240        | 33,399        | 31,700        | 32,226        | 33,080        | 32,218        |
| New Debt                              | 22,002        | 20,000        | 68,000        | 10,000        | 9,500         | 9,700         | 67,000        | 9,700         |
| Net Plant (12/31)                     | 497,497       | 521,945       | 541,173       | 558,838       | 574,403       | 589,490       | 604,702       | 618,619       |
| Net Assets (12/31)                    | 95,123        | 98,323        | 103,276       | 105,982       | 112,288       | 121,074       | 131,100       | 142,776       |
| Operating Cash                        | 18,188        | 15,597        | 15,820        | 14,181        | 16,201        | 17,705        | 19,449        | 19,855        |
| Construction Cash Pool                | 10,457        | 5,215         | 44,147        | 25,772        | 10,317        | -             | 42,918        | 32,271        |
| Restricted Cash                       | 5,334         | -             | -             | -             | -             | -             | -             | -             |
| <b>Total Cash</b>                     | <b>33,979</b> | <b>20,812</b> | <b>59,967</b> | <b>39,952</b> | <b>26,518</b> | <b>17,705</b> | <b>62,367</b> | <b>52,126</b> |
| IGCs - General Government             | 858           | 1,137         | 1,104         | 1,104         | 1,104         | 1,104         | 1,104         | 1,104         |
| MUSA                                  | 7,148         | 7,368         | 7,670         | 7,960         | 8,210         | 8,440         | 8,670         | 8,890         |
| CCP Borrowings from Gen'l Govt.       | -             | -             | -             | -             | -             | 2,130         | -             | -             |
| Total Outstanding LT Debt             | 222,176       | 231,761       | 287,783       | 282,850       | 280,166       | 276,717       | 329,841       | 323,309       |
| Total Annual Debt Service             | 16,846        | 18,053        | 19,646        | 25,109        | 22,149        | 22,603        | 24,386        | 27,788        |
| Debt Service Coverage (Bond)          | 1.99          | 1.82          | 1.96          | 1.60          | 2.23          | 2.44          | 2.44          | 2.22          |
| Debt Service Coverage (Total)         | 1.29          | 1.18          | 1.19          | 1.07          | 1.33          | 1.42          | 1.44          | 1.37          |
| Debt/Equity Ratio                     | 70 / 30       | 70 / 30       | 74 / 26       | 72 / 28       | 71 / 29       | 69 / 31       | 71 / 29       | 69 / 31       |
| Rate Change Percent                   | 8.00%         | 6.00%         | 6.00%         | 6.00%         | 6.00%         | 6.00%         | 6.00%         | 5.60%         |
| Single Family Rate                    | 43.25         | 45.85         | 48.60         | 51.52         | 54.61         | 57.88         | 61.36         | 64.79         |
| <b>Statistical/Performance Trends</b> |               |               |               |               |               |               |               |               |
| Number of Accounts                    | 55,202        | 55,340        | 55,478        | 55,617        | 55,756        | 55,895        | 56,035        | 56,175        |
| Average Treatment (GPD) (000)         | 22,700        | 22,757        | 22,814        | 22,871        | 22,928        | 22,985        | 23,043        | 23,100        |
| Miles of Water Lines                  | 836           | 838           | 840           | 842           | 844           | 847           | 849           | 851           |
| Number of Hydrants                    | 7,254         | 7,272         | 7,290         | 7,309         | 7,327         | 7,345         | 7,363         | 7,382         |

\* Workforce Authorized per Budget is for both Water and Wastewater utilities.

## Anchorage Water Utility

### 2013 Statement of Revenues and Expenses

|  | 2011<br>Actuals   | 2012<br>Proforma  | 2012<br>Revised   | 2013<br>Proposed  | 13 v 12<br>% Chg |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Operating Revenue</b>                         |                   |                   |                   |                   |                  |
| Charges for services                             | 49,797,000        | 53,095,000        | 53,800,000        | 57,550,000        | 7.0%             |
| Miscellaneous                                    | 1,374,000         | 1,619,000         | 1,250,000         | 894,000           | -28.5%           |
| <b>Total Operating Revenue</b>                   | <b>51,171,000</b> | <b>54,714,000</b> | <b>55,050,000</b> | <b>58,444,000</b> | <b>6.2%</b>      |
| <b>Non Operating Revenue</b>                     |                   |                   |                   |                   |                  |
| Investment Income                                | 952,000           | 670,000           | 550,000           | 240,000           | -56.4%           |
| Other Income                                     | 115,000           | 80,000            | 30,000            | 35,000            | 16.7%            |
| <b>Total Non Operating Revenue</b>               | <b>1,067,000</b>  | <b>750,000</b>    | <b>580,000</b>    | <b>275,000</b>    | <b>-52.6%</b>    |
| <b>Total Revenue</b>                             | <b>52,238,000</b> | <b>55,464,000</b> | <b>55,630,000</b> | <b>58,719,000</b> | <b>5.6%</b>      |
| <b>Operating Expenses</b>                        |                   |                   |                   |                   |                  |
| Labor  |                   |                   |                   |                   |                  |
| Straight time                                    | 8,402,000         | 9,513,800         | 10,175,000        | 9,526,980         | -6.4%            |
| Overtime   | 377,000           | 422,500           | 342,000           | 362,500           | 6.0%             |
| Benefits and Leave                               | 5,734,000         | 6,502,000         | 6,903,000         | 6,886,590         | -0.2%            |
| Vacancy  | -                 | -                 | (596,000)         | (456,790)         | -23.4%           |
| <b>Total Labor</b>                               | <b>14,513,000</b> | <b>16,438,300</b> | <b>16,824,000</b> | <b>16,319,280</b> | <b>-3.0%</b>     |
| Non Labor  |                   |                   |                   |                   |                  |
| Non Labor  | 8,223,895         | 9,269,250         | 9,535,150         | 9,282,000         | -2.7%            |
| Travel   | 68,105            | 62,750            | 104,850           | 68,000            | -35.1%           |
| Transfers (MUSA and gross receipts)              | 7,148,000         | 7,367,800         | 7,500,000         | 7,670,000         | 2.3%             |
| Depreciation and Amortization                    | 8,348,000         | 10,000,000        | 10,180,000        | 10,623,000        | 4.4%             |
| <b>Total Non Labor</b>                           | <b>23,788,000</b> | <b>26,699,800</b> | <b>27,320,000</b> | <b>27,643,000</b> | <b>1.2%</b>      |
| <b>Total Direct Cost</b>                         | <b>38,301,000</b> | <b>43,138,100</b> | <b>44,144,000</b> | <b>43,962,280</b> | <b>-0.4%</b>     |
| Charges from other departments                   | 858,000           | 1,136,000         | 1,137,000         | 1,104,500         | -2.9%            |
| <b>Total Operating Expense</b>                   | <b>39,159,000</b> | <b>44,274,100</b> | <b>45,281,000</b> | <b>45,066,780</b> | <b>-0.5%</b>     |
| <b>Non Operating Expense</b>                     |                   |                   |                   |                   |                  |
| Interest on bonded debt                          | 6,184,000         | 6,040,000         | 6,391,000         | 6,430,000         | 0.6%             |
| Amortization of debt expense                     | 380,000           | 700,000           | 650,000           | 375,000           | -42.3%           |
| Other interest expense                           | 1,031,000         | 1,750,000         | 1,489,000         | 2,185,000         | 46.7%            |
| Interest during construction                     | (796,000)         | (500,000)         | (510,000)         | (290,000)         | -43.1%           |
| <b>Total Non Operating Expense</b>               | <b>6,799,000</b>  | <b>7,990,000</b>  | <b>8,020,000</b>  | <b>8,700,000</b>  | <b>8.5%</b>      |
| <b>Total Expenses (Function Cost)</b>            | <b>45,958,000</b> | <b>52,264,100</b> | <b>53,301,000</b> | <b>53,766,780</b> | <b>0.9%</b>      |
| <b>Net Income</b>                                | <b>6,280,000</b>  | <b>3,199,900</b>  | <b>2,329,000</b>  | <b>4,952,220</b>  | <b>112.6%</b>    |
| <b>Appropriation:</b>                            |                   |                   |                   |                   |                  |
| <b>Total Expenses</b>                            |                   |                   |                   | <b>53,766,780</b> |                  |
| Less: Non Cash items                             |                   |                   |                   |                   |                  |
| Depreciation and amortization                    |                   |                   |                   | 10,623,000        |                  |
| Amortization of debt expense                     |                   |                   |                   | 375,000           |                  |
| Interest during construction                     |                   |                   |                   | (290,000)         |                  |
| <b>Total Non-Cash</b>                            |                   |                   |                   | <b>10,708,000</b> |                  |
| <b>Amount to be Appropriated (cash expenses)</b> |                   |                   |                   | <b>43,058,780</b> |                  |

## Anchorage Water Utility Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

|   |                   | Positions  |          |          |
|---|-------------------|------------|----------|----------|
|   | Appropriation     | FT         | PT       | T        |
| <b>2012 Revised Budget</b>                            | 53,301,000        | 278        | 2        | 4        |
| <b>2012 One-Time Requirements</b>                     |                   |            |          |          |
| - None  | -                 | -          | -        | -        |
| <b>Transfers (to)/from Other Agencies</b>             |                   |            |          |          |
| - Transfers MUSA                                      | 170,000           | -          | -        | -        |
| - Charges from other departments                      | (32,100)          | -          | -        | -        |
| <b>Debt Service Charges</b>                           |                   |            |          |          |
| - None  | -                 | -          | -        | -        |
| <b>Changes in Existing Programs/Funding for 2013</b>  |                   |            |          |          |
| - Adjustment to labor for 2013 wage and benefit rates | (454,100)         | -          | -        | -        |
| - Adjustment to capital/reimbursable labor            | (82,410)          | -          | -        | -        |
| - Environmental services                              | 100,000           | -          | -        | -        |
| - Adjustment to purchased water                       | (184,900)         | -          | -        | -        |
| - Capital related maintenance expenses                | 329,000           | -          | -        | -        |
| - Utilities cost adjustment                           | (47,000)          | -          | -        | -        |
| - Interest on bonded debt                             | 39,000            | -          | -        | -        |
| - Amortization of debt expense                        | (275,000)         | -          | -        | -        |
| - Other interest expense                              | 696,000           | -          | -        | -        |
| - Interest during construction                        | 220,000           | -          | -        | -        |
| - Adjust rent to market rate                          | (450,000)         | -          | -        | -        |
| - Adjustment to travel                                | (37,000)          | -          | -        | -        |
| - Depreciation and amortization                       | 443,000           | -          | -        | -        |
| <b>2013 Continuation Level</b>                        | <b>53,735,490</b> | <b>278</b> | <b>2</b> | <b>4</b> |
| <b>2013 One-Time Requirements</b>                     |                   |            |          |          |
| - None  | -                 | -          | -        | -        |
| <b>Transfers (to)/from Other Agencies</b>             |                   |            |          |          |
| - None  | -                 | -          | -        | -        |

## Anchorage Water Utility Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

|  | Appropriation     | Positions  |          |          |
|--|-------------------|------------|----------|----------|
|  |                   | FT         | PT       | T        |
| <b>2013 Budget Adjustment for Accounting Transactions</b>  |                   |            |          |          |
| - In 2013, in-line with best practice, MOA will no longer include accounting entry transactions for items previously appropriated. | -                 | -          | -        | -        |
| - Depreciation and amortization  | (10,623,000)      | -          | -        | -        |
| - Interest during construction   | 290,000           | -          | -        | -        |
| - Amortization of debt expense   | (375,000)         | -          | -        | -        |
| <b>2013 Proposed Budget Changes</b>  |                   |            |          |          |
| - Add back funding for 2012 frozen positions   | 97,290            | -          | -        | -        |
| - Eliminate 1.5 FTEs from Employee Services  | (66,000)          | (1)        | (1)      | -        |
| <b>2013 Proposed Budget</b>  | <b>43,058,780</b> | <b>277</b> | <b>1</b> | <b>4</b> |

## Anchorage Water Utility Department Summary

|                                       | 2011<br>Actuals    | 2012<br>Revised    | 2013<br>Proposed   | 13 v 12<br>% Chg |
|---------------------------------------|--------------------|--------------------|--------------------|------------------|
| <b>Direct Cost by Division</b>        |                    |                    |                    |                  |
| AWU Board                             | 59,583             | 59,200             | 26,200             | <55.74%>         |
| AWU Customer Service                  | 2,874,117          | 3,143,695          | 3,227,732          | 2.67%            |
| AWU Employee Services                 | 379,978            | 435,640            | 372,577            | <14.48%>         |
| AWU Engineering                       | 1,418,735          | 1,628,100          | 1,670,967          | 2.63%            |
| AWU Finance                           | 660,129            | 1,328,885          | 1,180,113          | <11.20%>         |
| AWU General Manager                   | 426,578            | 480,420            | 571,410            | 18.94%           |
| AWU IT                                | 2,244,740          | 2,042,620          | 2,029,734          | <0.63%>          |
| AWU Operations & Maintenance          | 7,906,625          | 9,074,400          | 8,738,723          | <3.70%>          |
| AWU Revenues & Non Operating Expenses | 22,295,373         | 25,700,000         | 26,993,000         | 5.03%            |
| AWU Treatment                         | 6,834,160          | 8,271,500          | 7,851,824          | <5.07%>          |
| <b>Direct Cost Total</b>              | <b>45,100,018</b>  | <b>52,164,460</b>  | <b>52,662,280</b>  | <b>0.95%</b>     |
| <b>Intragovernmental Charges</b>      |                    |                    |                    |                  |
| Charges by Other Departments          | 858,356            | 1,136,540          | 1,104,500          | <2.82%>          |
| <b>Function Cost Total</b>            | <b>45,958,374</b>  | <b>53,301,000</b>  | <b>53,766,780</b>  | <b>0.87%</b>     |
| Program Generated Revenue             | (52,238,591)       | (55,630,000)       | (58,719,000)       | 5.55%            |
| <b>Net Cost Total</b>                 | <b>(6,280,217)</b> | <b>(2,329,000)</b> | <b>(4,952,220)</b> | <b>112.63%</b>   |
| <b>Direct Cost by Category</b>        |                    |                    |                    |                  |
| Personnel                             | 14,513,120         | 16,811,600         | 16,319,280         | <2.93%>          |
| Supplies                              | 2,208,089          | 2,220,585          | 2,243,985          | 1.05%            |
| Travel                                | 68,106             | 104,850            | 68,000             | <35.15%>         |
| Contractual/Other Services            | 13,163,535         | 14,827,425         | 14,708,015         | <0.81%>          |
| Debt Service/Depreciation             | 15,147,168         | 18,200,000         | 19,323,000         | 6.17%            |
| <b>Direct Cost Total</b>              | <b>45,100,018</b>  | <b>52,164,460</b>  | <b>52,662,280</b>  | <b>0.95%</b>     |
| <b>Position Summary as Budgeted</b>   |                    |                    |                    |                  |
| Full-Time                             | -                  | -                  | 243                |                  |
| Part-Time                             | -                  | -                  | 9                  |                  |
| <b>Position Total</b>                 | <b>-</b>           | <b>-</b>           | <b>252</b>         |                  |

## Anchorage Water Utility Division Summary

### AWU Board

(Dept ID # W1500)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| Salaries and Benefits               | 4,436           | 2,100           | 2,100            | -                     |
| Supplies                            | 94              | -               | -                |                       |
| Travel                              | 1,245           | 3,000           | -                |                       |
| Contractual/Other Services          | 53,808          | 54,100          | 24,100           | <55.45%>              |
| <b>Manageable Direct Cost Total</b> | <b>59,583</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |
| Debt Service, Depreciation          | -               | -               | -                |                       |
| <b>Direct Cost Total</b>            | <b>59,583</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |

No Positions



# Anchorage Water Utility

## Division Detail

### AWU Board

(Dept ID # W1500)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| <b>Salaries and Benefits</b>        |                 |                 |                  |                       |
| 1101 - Straight Time Labor          | 1,473           | -               | -                | -                     |
| 1401 - Benefits                     | 2,963           | 2,100           | 2,100            | -                     |
| <b>Salaries and Benefits Total</b>  | <b>4,436</b>    | <b>2,100</b>    | <b>2,100</b>     | <b>-</b>              |
| <b>Supplies</b>                     | 94              | -               | -                | -                     |
| <b>Travel</b>                       | 1,245           | 3,000           | -                | -                     |
| <b>Contractual/Other Services</b>   | 53,808          | 54,100          | 24,100           | <55.45%>              |
| <b>Manageable Direct Cost Total</b> | <b>59,583</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -               | -               | -                | -                     |
| <b>Direct Cost Total</b>            | <b>59,583</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |
| <b>Net Cost</b>                     |                 |                 |                  |                       |
| Manageable Direct Cost              | 59,583          | 59,200          | 26,200           | <55.74%>              |
| Debt Service, Depreciation          | -               | -               | -                | -                     |
| <b>Net Cost Total</b>               | <b>59,583</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |

## Anchorage Water Utility

### Division Summary

#### AWU Treatment

(Dept ID # W4000, W4210, W4310, W4320, W4340)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| Salaries and Benefits               | 3,311,119        | 3,655,500        | 3,565,209        | <2.47%>              |
| Supplies                            | 668,206          | 726,730          | 726,730          | -                    |
| Travel                              | 12,745           | 18,500           | 12,650           | <31.62%>             |
| Contractual/Other Services          | 2,842,090        | 3,870,770        | 3,547,235        | <8.36%>              |
| <b>Manageable Direct Cost Total</b> | <b>6,834,160</b> | <b>8,271,500</b> | <b>7,851,824</b> | <b>&lt;5.07%&gt;</b> |
| Debt Service, Depreciation          | -                | -                | -                |                      |
| <b>Direct Cost Total</b>            | <b>6,834,160</b> | <b>8,271,500</b> | <b>7,851,824</b> | <b>&lt;5.07%&gt;</b> |

#### Positions as Budgeted

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Junior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Laboratory Analyst I               | -            | -         | -            | -         | 3             | -         |
| Laboratory Analyst II              | -            | -         | -            | -         | 1             | -         |
| Laboratory Supervisor              | -            | -         | -            | -         | 1             | -         |
| Treatment Plant Operator II        | -            | -         | -            | -         | 9             | 1         |
| Treatment Plant Operator IV        | -            | -         | -            | -         | 9             | -         |
| Treatment Plant Ops Foreman        | -            | -         | -            | -         | 2             | -         |
| Treatment Supt W/W                 | -            | -         | -            | -         | 2             | -         |
| Utility Director II                | -            | -         | -            | -         | 1             | -         |
| Utility Management Assistant       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>30</b>     | <b>1</b>  |

**Anchorage Water Utility****Division Detail****AWU Treatment**

(Dept ID # W4000, W4210, W4310, W4320, W4340)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 2,041,281        | 3,655,500        | 2,045,789        | <44.04%>             |
| 1201 - Overtime                     | -                | -                | 128,000          | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 219,713          | -                    |
| 1401 - Benefits                     | 1,269,838        | -                | 1,225,960        | -                    |
| 1501 - Allow Differentials/Premiums | -                | -                | 43,900           | -                    |
| 1601 - Vacancy Factor               | -                | -                | (98,152)         | -                    |
| <b>Salaries and Benefits Total</b>  | <b>3,311,119</b> | <b>3,655,500</b> | <b>3,565,209</b> | <b>&lt;2.47%&gt;</b> |
| <b>Supplies</b>                     | 668,206          | 726,730          | 726,730          | -                    |
| <b>Travel</b>                       | 12,745           | 18,500           | 12,650           | <31.62%>             |
| <b>Contractual/Other Services</b>   | 2,842,090        | 3,870,770        | 3,547,235        | <8.36%>              |
| <b>Manageable Direct Cost Total</b> | <b>6,834,160</b> | <b>8,271,500</b> | <b>7,851,824</b> | <b>&lt;5.07%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>6,834,160</b> | <b>8,271,500</b> | <b>7,851,824</b> | <b>&lt;5.07%&gt;</b> |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 6,834,160        | 8,271,500        | 7,851,824        | <5.07%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| <b>Net Cost Total</b>               | <b>6,834,160</b> | <b>8,271,500</b> | <b>7,851,824</b> | <b>&lt;5.07%&gt;</b> |

**Anchorage Water Utility**  
**Division Summary**  
**AWU Customer Service**  
 (Dept ID # W7000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                  |
| Salaries and Benefits               | 2,254,102        | 2,498,200        | 2,491,012        | <0.29%>          |
| Supplies                            | 232,113          | 250,550          | 235,550          | <5.99%>          |
| Travel                              | 2,133            | 5,700            | 5,750            | 0.88%            |
| Contractual/Other Services          | 385,769          | 389,245          | 495,420          | 27.28%           |
| <b>Manageable Direct Cost Total</b> | <b>2,874,117</b> | <b>3,143,695</b> | <b>3,227,732</b> | <b>2.67%</b>     |
| Debt Service, Depreciation          | -                | -                | -                |                  |
| <b>Direct Cost Total</b>            | <b>2,874,117</b> | <b>3,143,695</b> | <b>3,227,732</b> | <b>2.67%</b>     |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Account Representative I           | -            | -         | -            | -         | 1             | -         |
| Account Representative II          | -            | -         | -            | -         | 1             | -         |
| Account Representative III         | -            | -         | -            | -         | 10            | -         |
| Administrative Officer             | -            | -         | -            | -         | 3             | -         |
| Engineering Technician I           | -            | -         | -            | -         | 1             | -         |
| Engineering Technician II          | -            | -         | -            | -         | 3             | -         |
| Field Service Journeyman A         | -            | -         | -            | -         | 2             | 1         |
| Field Service Journeyman B         | -            | -         | -            | -         | 6             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 3             | -         |
| Lead Meter Reader                  | -            | -         | -            | -         | 1             | -         |
| Maintenance Supervisor             | -            | -         | -            | -         | 1             | -         |
| Meter Reader                       | -            | -         | -            | -         | 1             | -         |
| Meter/Install/Repair Journeyman    | -            | -         | -            | -         | 1             | -         |
| Principal Admin Officer            | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 2             | -         |
| Treatment Supt W/W                 | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>39</b>     | <b>1</b>  |

**Anchorage Water Utility**  
**Division Detail**  
**AWU Customer Service**  
(Dept ID # W7000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 1,326,509        | 2,498,200        | 1,436,067        | <42.52%>             |
| 1201 - Overtime                     | -                | -                | 13,000           | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 156,478          | -                    |
| 1401 - Benefits                     | 927,593          | -                | 951,184          | -                    |
| 1501 - Allow Differentials/Premiums | -                | -                | 5,900            | -                    |
| 1601 - Vacancy Factor               | -                | -                | (71,617)         | -                    |
| <b>Salaries and Benefits Total</b>  | <b>2,254,102</b> | <b>2,498,200</b> | <b>2,491,012</b> | <b>&lt;0.29%&gt;</b> |
| <b>Supplies</b>                     | 232,113          | 250,550          | 235,550          | <5.99%>              |
| <b>Travel</b>                       | 2,133            | 5,700            | 5,750            | 0.88%                |
| <b>Contractual/Other Services</b>   | 385,769          | 389,245          | 495,420          | 27.28%               |
| <b>Manageable Direct Cost Total</b> | <b>2,874,117</b> | <b>3,143,695</b> | <b>3,227,732</b> | <b>2.67%</b>         |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>2,874,117</b> | <b>3,143,695</b> | <b>3,227,732</b> | <b>2.67%</b>         |
| <b>Intra-Governmental Charges</b>   |                  |                  |                  |                      |
| Charges By Other Departments        | 63,694           | 67,705           | 62,580           | <7.57%>              |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 2,874,117        | 3,143,695        | 3,227,732        | 2.67%                |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| Charges By Other Departments        | 63,694           | 67,705           | 62,580           | <7.57%>              |
| <b>Net Cost Total</b>               | <b>2,937,811</b> | <b>3,211,400</b> | <b>3,290,312</b> | <b>2.46%</b>         |

**Anchorage Water Utility**  
**Division Summary**  
**AWU Employee Services**  
 (Dept ID # W6000)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| Salaries and Benefits               | 343,424         | 406,000         | 336,397          | <17.14%>              |
| Supplies                            | 8,148           | 11,575          | 11,075           | <4.32%>               |
| Travel                              | 1,051           | 2,500           | 2,250            | <10.00%>              |
| Contractual/Other Services          | 27,355          | 15,565          | 22,855           | 46.84%                |
| <b>Manageable Direct Cost Total</b> | <b>379,978</b>  | <b>435,640</b>  | <b>372,577</b>   | <b>&lt;14.48%&gt;</b> |
| Debt Service, Depreciation          | -               | -               | -                |                       |
| <b>Direct Cost Total</b>            | <b>379,978</b>  | <b>435,640</b>  | <b>372,577</b>   | <b>&lt;14.48%&gt;</b> |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Personnel Analyst III              | -            | -         | -            | -         | 1             | -         |
| Principal Office Associate         | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Treatment Supt W/W                 | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>5</b>      | <b>-</b>  |

**Anchorage Water Utility**  
**Division Detail**  
**AWU Employee Services**  
 (Dept ID # W6000)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| <b>Salaries and Benefits</b>        |                 |                 |                  |                       |
| 1101 - Straight Time Labor          | 198,863         | 406,000         | 204,777          | <49.56%>              |
| 1301 - Leave/Holiday Accruals       | -               | -               | 23,753           | -                     |
| 1401 - Benefits                     | 144,561         | -               | 117,536          | -                     |
| 1601 - Vacancy Factor               | -               | -               | (9,669)          | -                     |
| <b>Salaries and Benefits Total</b>  | <b>343,424</b>  | <b>406,000</b>  | <b>336,397</b>   | <b>&lt;17.14%&gt;</b> |
| <b>Supplies</b>                     | 8,148           | 11,575          | 11,075           | <4.32%>               |
| <b>Travel</b>                       | 1,051           | 2,500           | 2,250            | <10.00%>              |
| <b>Contractual/Other Services</b>   | 27,355          | 15,565          | 22,855           | 46.84%                |
| <b>Manageable Direct Cost Total</b> | <b>379,978</b>  | <b>435,640</b>  | <b>372,577</b>   | <b>&lt;14.48%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -               | -               | -                | -                     |
| <b>Direct Cost Total</b>            | <b>379,978</b>  | <b>435,640</b>  | <b>372,577</b>   | <b>&lt;14.48%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                 |                 |                  |                       |
| Charges By Other Departments        | 100,115         | 111,760         | 105,820          | <5.31%>               |
| <b>Net Cost</b>                     |                 |                 |                  |                       |
| Manageable Direct Cost              | 379,978         | 435,640         | 372,577          | <14.48%>              |
| Debt Service, Depreciation          | -               | -               | -                | -                     |
| Charges By Other Departments        | 100,115         | 111,760         | 105,820          | <5.31%>               |
| <b>Net Cost Total</b>               | <b>480,093</b>  | <b>547,400</b>  | <b>478,397</b>   | <b>&lt;12.61%&gt;</b> |

**Anchorage Water Utility**  
**Division Summary**  
**AWU Engineering**  
 (Dept ID # W8000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                  |
| Salaries and Benefits               | 1,046,954        | 1,402,200        | 1,302,167        | <7.13%>          |
| Supplies                            | 23,569           | 29,045           | 26,500           | <8.76%>          |
| Travel                              | 25,954           | 20,100           | 11,000           | <45.27%>         |
| Contractual/Other Services          | 322,258          | 176,755          | 331,300          | 87.43%           |
| <b>Manageable Direct Cost Total</b> | <b>1,418,735</b> | <b>1,628,100</b> | <b>1,670,967</b> | <b>2.63%</b>     |
| Debt Service, Depreciation          | -                | -                | -                |                  |
| <b>Direct Cost Total</b>            | <b>1,418,735</b> | <b>1,628,100</b> | <b>1,670,967</b> | <b>2.63%</b>     |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Officer             | -            | -         | -            | -         | 2             | -         |
| Civil Engineer I                   | -            | -         | -            | -         | 2             | -         |
| Civil Engineer II                  | -            | -         | -            | -         | 8             | -         |
| Civil Engineer III                 | -            | -         | -            | -         | 7             | -         |
| Civil Engineer IV                  | -            | -         | -            | -         | 3             | -         |
| Engineering Technician III         | -            | -         | -            | -         | 9             | -         |
| Engineering Technician IV          | -            | -         | -            | -         | 1             | -         |
| GIS Technician II                  | -            | -         | -            | -         | 1             | -         |
| GIS Technician III                 | -            | -         | -            | -         | 1             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Office Associate                   | -            | -         | -            | -         | 1             | -         |
| Principal Admin Officer            | -            | -         | -            | -         | 1             | -         |
| Public Service Intern I            | -            | -         | -            | -         | -             | 5         |
| Senior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Senior Staff Accountant            | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>40</b>     | <b>5</b>  |



**Anchorage Water Utility****Division Detail****AWU Engineering**

(Dept ID # W8000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 577,590          | 1,402,200        | 732,103          | <47.79%>             |
| 1201 - Overtime                     | -                | -                | 8,500            | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 187,242          | -                    |
| 1401 - Benefits                     | 469,364          | -                | 408,543          | -                    |
| 1601 - Vacancy Factor               | -                | -                | (34,221)         | -                    |
| <b>Salaries and Benefits Total</b>  | <b>1,046,954</b> | <b>1,402,200</b> | <b>1,302,167</b> | <b>&lt;7.13%&gt;</b> |
| <b>Supplies</b>                     | 23,569           | 29,045           | 26,500           | <8.76%>              |
| <b>Travel</b>                       | 25,954           | 20,100           | 11,000           | <45.27%>             |
| <b>Contractual/Other Services</b>   | 322,258          | 176,755          | 331,300          | 87.43%               |
| <b>Manageable Direct Cost Total</b> | <b>1,418,735</b> | <b>1,628,100</b> | <b>1,670,967</b> | <b>2.63%</b>         |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>1,418,735</b> | <b>1,628,100</b> | <b>1,670,967</b> | <b>2.63%</b>         |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 1,418,735        | 1,628,100        | 1,670,967        | 2.63%                |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| <b>Net Cost Total</b>               | <b>1,418,735</b> | <b>1,628,100</b> | <b>1,670,967</b> | <b>2.63%</b>         |

**Anchorage Water Utility**  
**Division Summary**  
**AWU Finance**  
(Dept ID # W5000)

|                                     | 2011<br>Actuals | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|------------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                  |                  |                       |
| Salaries and Benefits               | 1,303,556       | 1,386,200        | 1,396,913        | 0.77%                 |
| Supplies                            | 16,906          | 21,270           | 18,550           | <12.79%>              |
| Travel                              | 5,905           | 17,575           | 12,800           | <27.17%>              |
| Contractual/Other Services          | (666,238)       | (96,160)         | (248,150)        | 158.06%               |
| <b>Manageable Direct Cost Total</b> | <b>660,129</b>  | <b>1,328,885</b> | <b>1,180,113</b> | <b>&lt;11.20%&gt;</b> |
| Debt Service, Depreciation          | -               | -                | -                |                       |
| <b>Direct Cost Total</b>            | <b>660,129</b>  | <b>1,328,885</b> | <b>1,180,113</b> | <b>&lt;11.20%&gt;</b> |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Accountant                         | -            | -         | -            | -         | 2             | -         |
| Junior Accountant                  | -            | -         | -            | -         | 1             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 3             | -         |
| Office Associate                   | -            | -         | -            | -         | 1             | -         |
| Principal Accountant               | -            | -         | -            | -         | 2             | -         |
| Principal Admin Officer            | -            | -         | -            | -         | 2             | -         |
| Senior Accountant                  | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 3             | -         |
| Senior Staff Accountant            | -            | -         | -            | -         | 2             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| Utility Management Assistant       | -            | -         | -            | -         | 3             | -         |
| Utility Tariff Analyst             | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>22</b>     | <b>-</b>  |

# Anchorage Water Utility

## Division Detail

### AWU Finance

(Dept ID # W5000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|------------------|------------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                       |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                       |
| 1101 - Straight Time Labor          | 793,532          | 1,386,200        | 843,311          | <39.16%>              |
| 1201 - Overtime                     | -                | -                | 15,500           | -                     |
| 1301 - Leave/Holiday Accruals       | -                | -                | 78,493           | -                     |
| 1401 - Benefits                     | 510,024          | -                | 499,905          | -                     |
| 1601 - Vacancy Factor               | -                | -                | (40,296)         | -                     |
| <b>Salaries and Benefits Total</b>  | <b>1,303,556</b> | <b>1,386,200</b> | <b>1,396,913</b> | <b>0.77%</b>          |
| <b>Supplies</b>                     | 16,906           | 21,270           | 18,550           | <12.79%>              |
| <b>Travel</b>                       | 5,905            | 17,575           | 12,800           | <27.17%>              |
| <b>Contractual/Other Services</b>   | (666,238)        | (96,160)         | (248,150)        | 158.06%               |
| <b>Manageable Direct Cost Total</b> | <b>660,129</b>   | <b>1,328,885</b> | <b>1,180,113</b> | <b>&lt;11.20%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                     |
| <b>Direct Cost Total</b>            | <b>660,129</b>   | <b>1,328,885</b> | <b>1,180,113</b> | <b>&lt;11.20%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                  |                  |                  |                       |
| Charges By Other Departments        | 227,964          | 423,715          | 563,200          | 32.92%                |
| <b>Net Cost</b>                     |                  |                  |                  |                       |
| Manageable Direct Cost              | 660,129          | 1,328,885        | 1,180,113        | <11.20%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                     |
| Charges By Other Departments        | 227,964          | 423,715          | 563,200          | 32.92%                |
| <b>Net Cost Total</b>               | <b>888,093</b>   | <b>1,752,600</b> | <b>1,743,313</b> | <b>&lt;0.53%&gt;</b>  |

**Anchorage Water Utility**  
**Division Summary**  
**AWU General Manager**  
 (Dept ID # W1100)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg |
|-------------------------------------|-----------------|-----------------|------------------|------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                  |
| Salaries and Benefits               | 273,300         | 309,800         | 295,925          | <4.48%>          |
| Supplies                            | 18,541          | 10,445          | 20,900           | 100.10%          |
| Travel                              | 9,496           | 23,225          | 6,450            | <72.23%>         |
| Contractual/Other Services          | 125,241         | 136,950         | 248,135          | 81.19%           |
| <b>Manageable Direct Cost Total</b> | <b>426,578</b>  | <b>480,420</b>  | <b>571,410</b>   | <b>18.94%</b>    |
| Debt Service, Depreciation          | -               | -               | -                |                  |
| <b>Direct Cost Total</b>            | <b>426,578</b>  | <b>480,420</b>  | <b>571,410</b>   | <b>18.94%</b>    |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Officer             | -            | -         | -            | -         | 1             | -         |
| Assistant General Manager          | -            | -         | -            | -         | 1             | -         |
| General Manager                    | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>4</b>      | <b>-</b>  |

# Anchorage Water Utility

## Division Detail

### AWU General Manager

(Dept ID # W1100)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|-----------------|-----------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                      |
| <b>Salaries and Benefits</b>        |                 |                 |                  |                      |
| 1101 - Straight Time Labor          | 172,865         | 309,800         | 184,815          | <40.34%>             |
| 1301 - Leave/Holiday Accruals       | -               | -               | 19,368           | -                    |
| 1401 - Benefits                     | 100,435         | -               | 100,296          | -                    |
| 1601 - Vacancy Factor               | -               | -               | (8,553)          | -                    |
| <b>Salaries and Benefits Total</b>  | <b>273,300</b>  | <b>309,800</b>  | <b>295,925</b>   | <b>&lt;4.48%&gt;</b> |
| <b>Supplies</b>                     | 18,541          | 10,445          | 20,900           | 100.10%              |
| <b>Travel</b>                       | 9,496           | 23,225          | 6,450            | <72.23%>             |
| <b>Contractual/Other Services</b>   | 125,241         | 136,950         | 248,135          | 81.19%               |
| <b>Manageable Direct Cost Total</b> | <b>426,578</b>  | <b>480,420</b>  | <b>571,410</b>   | <b>18.94%</b>        |
| <b>Debt Service, Depreciation</b>   | -               | -               | -                | -                    |
| <b>Direct Cost Total</b>            | <b>426,578</b>  | <b>480,420</b>  | <b>571,410</b>   | <b>18.94%</b>        |
| <b>Intra-Governmental Charges</b>   |                 |                 |                  |                      |
| Charges By Other Departments        | 282,661         | 318,780         | 293,800          | <7.84%>              |
| <b>Net Cost</b>                     |                 |                 |                  |                      |
| Manageable Direct Cost              | 426,578         | 480,420         | 571,410          | 18.94%               |
| Debt Service, Depreciation          | -               | -               | -                | -                    |
| Charges By Other Departments        | 282,661         | 318,780         | 293,800          | <7.84%>              |
| <b>Net Cost Total</b>               | <b>709,239</b>  | <b>799,200</b>  | <b>865,210</b>   | <b>8.26%</b>         |

## Anchorage Water Utility Division Summary

### AWU IT

(Dept ID # W2000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| Salaries and Benefits               | 1,179,620        | 1,242,500        | 1,324,134        | 6.57%                |
| Supplies                            | 344,061          | 127,740          | 161,450          | 26.39%               |
| Travel                              | 6,250            | 11,100           | 11,100           | -                    |
| Contractual/Other Services          | 714,809          | 661,280          | 533,050          | <19.39%>             |
| <b>Manageable Direct Cost Total</b> | <b>2,244,740</b> | <b>2,042,620</b> | <b>2,029,734</b> | <b>&lt;0.63%&gt;</b> |
| Debt Service, Depreciation          | -                | -                | -                |                      |
| <b>Direct Cost Total</b>            | <b>2,244,740</b> | <b>2,042,620</b> | <b>2,029,734</b> | <b>&lt;0.63%&gt;</b> |

### Positions as Budgeted

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Officer             | -            | -         | -            | -         | 1             | -         |
| Application Services Supvr         | -            | -         | -            | -         | 2             | -         |
| Database Admin II                  | -            | -         | -            | -         | 1             | -         |
| Database Admin Supervisor          | -            | -         | -            | -         | 1             | -         |
| Info Center Consultant II          | -            | -         | -            | -         | 1             | -         |
| Network Analyst                    | -            | -         | -            | -         | 1             | -         |
| Systems Analyst                    | -            | -         | -            | -         | 9             | -         |
| Technical Support Manager          | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>18</b>     | <b>-</b>  |

# Anchorage Water Utility

## Division Detail

### AWU IT

(Dept ID # W2000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 741,623          | 1,242,500        | 818,862          | <34.10%>             |
| 1201 - Overtime                     | -                | -                | 7,500            | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 88,279           | -                    |
| 1401 - Benefits                     | 437,997          | -                | 447,484          | -                    |
| 1601 - Vacancy Factor               | -                | -                | (37,990)         | -                    |
| <b>Salaries and Benefits Total</b>  | <b>1,179,620</b> | <b>1,242,500</b> | <b>1,324,134</b> | <b>6.57%</b>         |
| <b>Supplies</b>                     | 344,061          | 127,740          | 161,450          | 26.39%               |
| <b>Travel</b>                       | 6,250            | 11,100           | 11,100           | -                    |
| <b>Contractual/Other Services</b>   | 714,809          | 661,280          | 533,050          | <19.39%>             |
| <b>Manageable Direct Cost Total</b> | <b>2,244,740</b> | <b>2,042,620</b> | <b>2,029,734</b> | <b>&lt;0.63%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>2,244,740</b> | <b>2,042,620</b> | <b>2,029,734</b> | <b>&lt;0.63%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                  |                  |                  |                      |
| Charges By Other Departments        | 183,922          | 214,580          | 79,100           | <63.14%>             |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 2,244,740        | 2,042,620        | 2,029,734        | <0.63%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| Charges By Other Departments        | 183,922          | 214,580          | 79,100           | <63.14%>             |
| <b>Net Cost Total</b>               | <b>2,428,662</b> | <b>2,257,200</b> | <b>2,108,834</b> | <b>&lt;6.57%&gt;</b> |

**Anchorage Water Utility**  
**Division Summary**  
**AWU Operations & Maintenance**  
 (Dept ID # W3000, W3600, W3640, W3100)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| Salaries and Benefits               | 4,796,609        | 5,909,100        | 5,605,423        | <5.14%>              |
| Supplies                            | 896,451          | 1,043,230        | 1,043,230        | -                    |
| Travel                              | 3,327            | 3,150            | 6,000            | 90.48%               |
| Contractual/Other Services          | 2,210,238        | 2,118,920        | 2,084,070        | <1.64%>              |
| <b>Manageable Direct Cost Total</b> | <b>7,906,625</b> | <b>9,074,400</b> | <b>8,738,723</b> | <b>&lt;3.70%&gt;</b> |
| Debt Service, Depreciation          | -                | -                | -                |                      |
| <b>Direct Cost Total</b>            | <b>7,906,625</b> | <b>9,074,400</b> | <b>8,738,723</b> | <b>&lt;3.70%&gt;</b> |

**Positions as Budgeted**

|                                     | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|-------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                     | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Assistant Parts Warehouseman        | -            | -         | -            | -         | 1             | -         |
| Engineering Technician III          | -            | -         | -            | -         | 1             | -         |
| Equipment Serviceman II             | -            | -         | -            | -         | 1             | -         |
| Expeditor                           | -            | -         | -            | -         | 2             | -         |
| Heavy Equipment Opr Journeyman A    | -            | -         | -            | -         | 1             | -         |
| Heavy Equipment Opr Journeyman B    | -            | -         | -            | -         | 1             | -         |
| Journeyman Craftsman A              | -            | -         | -            | -         | 3             | -         |
| Journeyman Craftsman B              | -            | -         | -            | -         | 2             | -         |
| Journeyman Mechanic A               | -            | -         | -            | -         | 4             | -         |
| Journeyman Mechanic B               | -            | -         | -            | -         | 3             | -         |
| Journeyman Utilityman A             | -            | -         | -            | -         | 3             | -         |
| Journeyman Utilityman B             | -            | -         | -            | -         | 16            | -         |
| Junior Admin Officer                | -            | -         | -            | -         | 1             | -         |
| Maintenance Foreman B               | -            | -         | -            | -         | 9             | -         |
| Mechanic Foreman                    | -            | -         | -            | -         | 1             | -         |
| Mechanic Leadman B                  | -            | -         | -            | -         | 3             | -         |
| Office Associate                    | -            | -         | -            | -         | 1             | -         |
| Principal Admin Officer             | -            | -         | -            | -         | 1             | -         |
| Treatment Instrument/System Foreman | -            | -         | -            | -         | 2             | -         |
| Treatment Instrument/System Tech    | -            | -         | -            | -         | 12            | -         |
| Treatment Supt W/W                  | -            | -         | -            | -         | 3             | -         |
| Utility Division Director II        | -            | -         | -            | -         | 1             | -         |
| Utility Management Assistant        | -            | -         | -            | -         | 1             | -         |
| Utilityman I                        | -            | -         | -            | -         | -             | 1         |
| Utilityman II                       | -            | -         | -            | -         | 7             | 1         |
| Utilityman III A                    | -            | -         | -            | -         | 2             | -         |
| Utilityman III B                    | -            | -         | -            | -         | 2             | -         |
| Warehouse Journeyman                | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b>  | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>85</b>     | <b>2</b>  |



**Anchorage Water Utility**  
**Division Detail**  
**AWU Operations & Maintenance**  
(Dept ID # W3000, W3600, W3640, W3100)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 2,925,154        | 5,909,100        | 3,200,753        | <45.83%>             |
| 1201 - Overtime                     | -                | -                | 190,000          | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 351,570          | -                    |
| 1401 - Benefits                     | 1,871,455        | -                | 2,008,683        | -                    |
| 1501 - Allow Differentials/Premiums | -                | -                | 10,700           | -                    |
| 1601 - Vacancy Factor               | -                | -                | (156,283)        | -                    |
| <b>Salaries and Benefits Total</b>  | <b>4,796,609</b> | <b>5,909,100</b> | <b>5,605,423</b> | <b>&lt;5.14%&gt;</b> |
| <b>Supplies</b>                     | 896,451          | 1,043,230        | 1,043,230        | -                    |
| <b>Travel</b>                       | 3,327            | 3,150            | 6,000            | 90.48%               |
| <b>Contractual/Other Services</b>   | 2,210,238        | 2,118,920        | 2,084,070        | <1.64%>              |
| <b>Manageable Direct Cost Total</b> | <b>7,906,625</b> | <b>9,074,400</b> | <b>8,738,723</b> | <b>&lt;3.70%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>7,906,625</b> | <b>9,074,400</b> | <b>8,738,723</b> | <b>&lt;3.70%&gt;</b> |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 7,906,625        | 9,074,400        | 8,738,723        | <3.70%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| <b>Net Cost Total</b>               | <b>7,906,625</b> | <b>9,074,400</b> | <b>8,738,723</b> | <b>&lt;3.70%&gt;</b> |

**Anchorage Water Utility**  
**Division Summary**  
**AWU Revenues & Non Operating Expenses**  
 (Dept ID # W11000)

|                                     | 2011<br>Actuals   | 2012<br>Revised   | 2013<br>Proposed  | 13 v 12<br>% Chg |
|-------------------------------------|-------------------|-------------------|-------------------|------------------|
| <b>Direct Cost by Category</b>      |                   |                   |                   |                  |
| Travel                              | -                 | -                 | -                 |                  |
| Contractual/Other Services          | 7,148,205         | 7,500,000         | 7,670,000         | 2.27%            |
| <b>Manageable Direct Cost Total</b> | <b>7,148,205</b>  | <b>7,500,000</b>  | <b>7,670,000</b>  | <b>2.27%</b>     |
| Debt Service, Depreciation          | 15,147,168        | 18,200,000        | 19,323,000        | 6.17%            |
| <b>Direct Cost Total</b>            | <b>22,295,373</b> | <b>25,700,000</b> | <b>26,993,000</b> | <b>5.03%</b>     |
| <b>Revenue by Fund</b>              |                   |                   |                   |                  |
| Fund 540 - Water Utility            | 52,238,591        | 55,630,000        | 58,719,000        | 5.55%            |
| <b>Revenue Total</b>                | <b>52,238,591</b> | <b>55,630,000</b> | <b>58,719,000</b> | <b>5.55%</b>     |

No Positions

**Anchorage Water Utility**  
**Division Detail**  
**AWU Revenues & Non Operating Expenses**  
 (Dept ID # W11000)

|  | 2011<br>Actuals     | 2012<br>Revised     | 2013<br>Proposed    | 13 v 12<br>% Chg |
|--|---------------------|---------------------|---------------------|------------------|
| <b>Direct Cost by Category</b>         |                     |                     |                     |                  |
| Travel                                 | -                   | -                   | -                   | -                |
| Contractual/Other Services             | 7,148,205           | 7,500,000           | 7,670,000           | 2.27%            |
| <b>Manageable Direct Cost Total</b>    | <b>7,148,205</b>    | <b>7,500,000</b>    | <b>7,670,000</b>    | <b>2.27%</b>     |
| <br>Debt Service, Depreciation         | <br>15,147,168      | <br>18,200,000      | <br>19,323,000      | <br>6.17%        |
| <b>Direct Cost Total</b>               | <b>22,295,373</b>   | <b>25,700,000</b>   | <b>26,993,000</b>   | <b>5.03%</b>     |
| <b>Program Generated Revenue</b>       |                     |                     |                     |                  |
| 9400 - Charges for Services            | 51,171,381          | 55,050,000          | 57,550,000          | 4.54%            |
| 9760 - Investment Revenues             | 952,475             | 550,000             | 240,000             | <56.36%>         |
| 9798 - Miscellaneous Revenues          | 114,735             | 30,000              | 929,000             | 2996.67%         |
| <b>Program Generated Revenue Total</b> | <b>52,238,591</b>   | <b>55,630,000</b>   | <b>58,719,000</b>   | <b>5.55%</b>     |
| <br><b>Net Cost</b>                    |                     |                     |                     |                  |
| Manageable Direct Cost                 | 7,148,205           | 7,500,000           | 7,670,000           | 2.27%            |
| Debt Service, Depreciation             | 15,147,168          | 18,200,000          | 19,323,000          | 6.17%            |
| Program Generated Revenue              | (52,238,591)        | (55,630,000)        | (58,719,000)        | 5.55%            |
| <b>Net Cost Total</b>                  | <b>(29,943,218)</b> | <b>(29,930,000)</b> | <b>(31,726,000)</b> | <b>6.00%</b>     |
|  | )                   | )                   | )                   |                  |

**Anchorage Water Utility**  
**2013 - 2018 Capital Improvement Program**  
(in thousands)

| <b>Project Category</b> | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>Total</b>   |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Equipment               | 2,824         | 2,935         | 3,397         | 3,288         | 2,720         | 2,551         | 17,715         |
| Plant                   | 14,432        | 9,183         | 3,425         | 2,020         | 5,026         | 4,660         | 38,746         |
| Pipe                    | 15,984        | 21,281        | 24,878        | 26,918        | 25,334        | 25,007        | 139,402        |
| <b>Total</b>            | <b>33,240</b> | <b>33,399</b> | <b>31,700</b> | <b>32,226</b> | <b>33,080</b> | <b>32,218</b> | <b>195,863</b> |

| <b>Funding Source</b> | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>Total</b>   |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Debt                  | 28,240        | 28,399        | 24,700        | 22,226        | 22,080        | 20,218        | 145,863        |
| State/Fed Grant       | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 12,000         |
| Equity/Operations     | 3,000         | 3,000         | 5,000         | 8,000         | 9,000         | 10,000        | 38,000         |
| <b>Total</b>          | <b>33,240</b> | <b>33,399</b> | <b>31,700</b> | <b>32,226</b> | <b>33,080</b> | <b>32,218</b> | <b>195,863</b> |

## Anchorage Water Utility

### 2013 Capital Improvement Budget

(in thousands)

| Project Title   | Debt  | State/Fed<br>Grant | Equity/<br>Operations | Total |
|---|-------|--------------------|-----------------------|-------|
| 2013 Depreciation Study   | 120   | -                  | -                     | 120   |
| 347 Zone Conversion   | -     | -                  | 350                   | 350   |
| 475 Loop Conversion   | -     | -                  | 300                   | 300   |
| 720 Zone Conversion   | 51    | -                  | -                     | 51    |
| 760 Reservoir Site Acquisition  | 255   | -                  | -                     | 255   |
| Abbott & Bragaw Vaults Pump Upgrades  | 100   | -                  | -                     | 100   |
| Alaska Department Of Transportation-Municipality Of Anchorage-<br>Emergency-WTR                       | 3,475 | -                  | -                     | 3,475 |
| Alaska Pacific University Purchase Private Service Line   | -     | -                  | 25                    | 25    |
| Alaska Railroad Corporation Yard 12" Water Rehabilitation   | 1,700 | -                  | -                     | 1,700 |
| Calais Subdivision Wtr Rehabilitation   | 3,100 | -                  | -                     | 3,100 |
| Catholic Protection System Improvement  | 500   | -                  | -                     | 500   |
| Customer Service: Computer Information System (CIS) Enhancements                                      | 50    | -                  | 500                   | 550   |
| Customer Service: Locates Integration Tel-Dig   | 40    | -                  | -                     | 40    |
| Diamond Costco Purchase Private Service Line  | -     | -                  | 40                    | 40    |
| Dowling Rd WTR Transmission Main  | 2,000 | -                  | -                     | 2,000 |
| E Bluff Wtr Rehabilitation Phase II   | 500   | -                  | -                     | 500   |
| Engineering Archives System-WTR   | 130   | -                  | -                     | 130   |
| Engineering Project Management Tools-WTR  | 155   | -                  | -                     | 155   |
| Eklutna Water Treatment Facility 2nd Stage Polymer System Upgrade                                     | -     | -                  | 651                   | 651   |
| Excavator (96803)   | -     | -                  | 325                   | 325   |
| Facility Replace & Rehabilitate-Operations & Maintenance-WTR  | -     | -                  | 270                   | 270   |
| Facility Replace & Rehabilitate-Treatment-WTR   | 988   | -                  | -                     | 988   |
| Geographic Information System (GIS) Desktop Development   | 50    | -                  | -                     | 50    |
| Geographic Information System (GIS) Implementation  | 63    | -                  | -                     | 63    |
| Geographic Information System (GIS) Integration: Geographic Information<br>System Integration General | 15    | -                  | -                     | 15    |
| Geographic Information System (GIS) Integration: Global Positioning<br>System (GPS) Vehicle Tracking  | 45    | -                  | -                     | 45    |
| Global Positioning System (GPS) Development   | 50    | -                  | -                     | 50    |
| Hydraulic Model Support   | 40    | -                  | -                     | 40    |
| Investigate Transmission Main Pipe Condition  | 250   | -                  | -                     | 250   |
| Information Technology (IT) Infrastructure  | 353   | -                  | -                     | 353   |
| Legacy Pointe Reservoir   | 780   | -                  | -                     | 780   |
| McLaughlin School Purchase Private Service Line   | 4     | -                  | 21                    | 25    |
| Miscellaneous Information Technology (IT) Systems   | 495   | -                  | -                     | 495   |
| Northwood Well Transmission Main  | 3,500 | -                  | -                     | 3,500 |
| Plant Oversize Improvement-WTR  | 50    | -                  | -                     | 50    |
| Pressure Reducing Valve Vault Replacements  | 652   | -                  | -                     | 652   |
| Supervisory Control and Data Acquisition (SCADA) Equipment  | 1,005 | -                  | -                     | 1,005 |
| Ship Creek Water Treatment Facility Alarm System Replacement  | 152   | -                  | -                     | 152   |
| Ship Creek Water Treatment Facility Debris Mitigation   | 1,000 | -                  | -                     | 1,000 |
| Ship Creek Water Treatment Facility Process Mechanical Operation                                      | -     | 2,000              | -                     | 2,000 |
| Ship Creek Water Treatment Facility Seismic Retrofit Upgrades   | 1,400 | -                  | -                     | 1,400 |

**Anchorage Water Utility**  
**2013 Capital Improvement Budget**  
(in thousands)

| <b>Project Title</b>   | <b>Debt</b>   | <b>State/Fed<br/>Grant</b> | <b>Equity/<br/>Operations</b> | <b>Total</b>  |
|--|---------------|----------------------------|-------------------------------|---------------|
| Ship Creek Water Treatment Facility Worker Safety/Code Compliance          | 2,311         | -                          | -                             | 2,311         |
| Service High School Purchase Private Service System                        | -             | -                          | 250                           | 250           |
| Transmission Main Access Manholes  | 500           | -                          | -                             | 500           |
| Transmission Main Leak Repair  | 500           | -                          | -                             | 500           |
| Vehicles-WTR   | -             | -                          | 268                           | 268           |
| Water Quality Management: Environmental Compliance Monitoring<br>Reporting | 45            | -                          | -                             | 45            |
| Work Management Systems  | 200           | -                          | -                             | 200           |
| Wonder Park Wtr Phase II   | 1,377         | -                          | -                             | 1,377         |
| Wtr Upgrade Preliminary Engineering  | 239           | -                          | -                             | 239           |
| <b>Total</b>   | <b>28,240</b> | <b>2,000</b>               | <b>3,000</b>                  | <b>33,240</b> |

## Anchorage Water Utility Statement of Cash Sources and Uses

|   | 2011<br>Actual    | 2012<br>Proforma  | 2013<br>Budget     |
|---|-------------------|-------------------|--------------------|
| <b>Sources of Cash Funds</b>                  |                   |                   |                    |
| Operating Income                              | 19,160,003        | 17,807,750        | 21,047,720         |
| Depreciation, net of amortization             | 8,348,377         | 10,000,000        | 10,623,000         |
| Transfer from Escrow Account                  | 2,455,479         | -                 | -                  |
| Grant Proceeds                                | 2,796,898         | 2,000,000         | 2,000,000          |
| Special Assessment Proceeds                   | 351,036           | 250,000           | 250,000            |
| State of Alaska Loan Proceeds                 | 22,001,505        | 20,000,000        | 10,000,000         |
| Bond/Commercial Paper Proceeds                | -                 | -                 | 58,000,000         |
| Miscellaneous Non-Operating Revenues          | 114,735           | 30,000            | 35,000             |
| Interest Received                             | 921,740           | 720,000           | 240,000            |
| Changes in Assets and Liabilities             | (919,680)         | 1,069,460         | (755,720)          |
| <b>Total Sources of Cash Funds</b>            | <b>55,230,093</b> | <b>51,877,210</b> | <b>101,440,000</b> |
| <b>Uses of Cash Funds</b>                     |                   |                   |                    |
| Capital Construction                          | 24,908,342        | 40,750,000        | 36,168,000         |
| Debt Principal Payment                        | 9,673,260         | 10,790,000        | 12,352,000         |
| Debt Interest Payments                        | 7,172,611         | 7,263,000         | 7,294,000          |
| Interfund Loan to Wastewater Utility          | 6,445,734         | (6,446,000)       | -                  |
| MUSA  | 7,148,205         | 7,368,000         | 7,670,000          |
| <b>Total Uses of Cash Funds</b>               | <b>55,348,152</b> | <b>59,725,000</b> | <b>63,484,000</b>  |
| Net Increase (Decrease) in Cash Funds         | (118,059)         | (7,847,790)       | 37,956,000         |
| Cash Balance, January 1                       | 29,077,849        | 28,959,790        | 21,112,000         |
| <b>Cash Balance, December 31</b>              | <b>28,959,790</b> | <b>21,112,000</b> | <b>59,068,000</b>  |
| <b>Detail of Cash and Investment Funds</b>    |                   |                   |                    |
| General Cash Less Customer Deposits           | 18,187,725        | 15,597,000        | 14,621,000         |
| Construction Cash                             | 10,457,352        | 5,215,000         | 44,147,000         |
| Operating Fund Investment & Customer Deposits | 314,713           | 300,000           | 300,000            |
| <b>Cash Balance, December 31</b>              | <b>28,959,790</b> | <b>21,112,000</b> | <b>59,068,000</b>  |

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## Anchorage Wastewater Utility 8 Year Summary

(\$ in thousands)

| Financial Overview                    | 2011         | 2012         | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          |
|---------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                       | Actuals      | Proforma     | Budget        | Forecast      |               |               |               |               |
| Revenues                              | 42,524       | 46,871       | 48,766        | 53,596        | 55,866        | 60,056        | 63,976        | 69,726        |
| Expenses and Transfers                | 38,654       | 44,384       | 45,240        | 48,158        | 52,688        | 56,558        | 58,998        | 63,968        |
| <b>Net Income (Loss) - Regulatory</b> | <b>3,869</b> | <b>2,487</b> | <b>3,526</b>  | <b>5,438</b>  | <b>3,178</b>  | <b>3,498</b>  | <b>4,978</b>  | <b>5,758</b>  |
| Dividend to General Government        | -            | -            | -             | -             | -             | -             | -             | -             |
| <b>Increase in Net Assets</b>         | <b>3,869</b> | <b>2,487</b> | <b>3,526</b>  | <b>5,438</b>  | <b>3,178</b>  | <b>3,498</b>  | <b>4,978</b>  | <b>5,758</b>  |
| Workforce Authorized per Budget*      | 288.5        | 279.0        | 277.5         | 277.5         | 277.5         | 277.5         | 277.5         | 277.5         |
| Capital Improvement Program           | 37,948       | 30,381       | 31,863        | 31,863        | 33,345        | 34,200        | 35,150        | 36,000        |
| New Debt                              | 3,896        | 5,000        | 46,000        | 5,000         | 96,000        | 15,000        | 5,000         | 92,000        |
| Net Plant (12/31)                     | 350,456      | 357,814      | 377,846       | 389,768       | 408,727       | 425,474       | 485,470       | 507,495       |
| Net Assets (12/31)                    | 62,932       | 65,420       | 68,945        | 74,383        | 77,561        | 81,059        | 86,037        | 91,795        |
| Operating Cash                        | 9,010        | 9,699        | 12,607        | 14,379        | 15,899        | 16,172        | 17,193        | 17,942        |
| Construction Cash Pool                | -            | -            | 10,369        | 966           | 59,891        | 24,589        | 511           | 60,039        |
| Restricted Cash                       | 386          | -            | -             | -             | -             | -             | -             | -             |
| <b>Total Cash</b>                     | <b>9,396</b> | <b>9,699</b> | <b>22,976</b> | <b>15,344</b> | <b>75,789</b> | <b>40,761</b> | <b>17,704</b> | <b>77,981</b> |
| IGCs - General Government             | 838          | 1,116        | 1,088         | 1,088         | 1,088         | 1,088         | 1,088         | 1,088         |
| MUSA                                  | 5,255        | 5,342        | 5,370         | 5,670         | 5,850         | 6,130         | 6,380         | 7,280         |
| CCP Borrowings from Gen'l Govt.       | 6,446        | 27,958       | -             | -             | -             | -             | -             | -             |
| Total Outstanding LT Debt             | 136,394      | 135,896      | 176,360       | 174,356       | 263,160       | 267,787       | 261,543       | 342,016       |
| Total Annual Debt Service             | 9,543        | 9,744        | 10,264        | 13,058        | 15,029        | 20,085        | 20,862        | 22,805        |
| Debt Service Coverage (Bond)          | 3.70         | 3.81         | 3.90          | 2.89          | 2.36          | 1.82          | 2.04          | 2.03          |
| Debt Service Coverage (Total)         | 1.47         | 1.49         | 1.62          | 1.52          | 1.36          | 1.16          | 1.23          | 1.29          |
| Debt/Equity Ratio                     | 68 / 32      | 67 / 33      | 72 / 28       | 70 / 30       | 77 / 23       | 77 / 23       | 75 / 25       | 79 / 21       |
| Rate Change Percent                   | 15.00%       | 11.00%       | 4.50%         | 9.50%         | 3.60%         | 7.10%         | 6.50%         | 9.00%         |
| Single Family Rate                    | 33.65        | 37.36        | 39.04         | 42.75         | 44.28         | 47.43         | 50.56         | 55.11         |
| <b>Statistical/Performance Trends</b> |              |              |               |               |               |               |               |               |
| Number of Accounts                    | 56,107       | 56,247       | 56,388        | 56,529        | 56,670        | 56,812        | 56,954        | 57,096        |
| Average Treatment (GPD) (000)         | 26,800       | 29,173       | 29,246        | 29,319        | 29,392        | 29,466        | 29,539        | 29,613        |
| Miles of Wastewater Lines             | 752          | 754          | 756           | 758           | 760           | 761           | 763           | 765           |

\* Workforce Authorized per Budget is for both Water and Wastewater utilities.

## Anchorage Wastewater Utility

### 2013 Statement of Revenues and Expenses

|  | 2011<br>Actuals   | 2012<br>Proforma  | 2012<br>Revised   | 2013<br>Proposed  | 13 v 12<br>% Chg |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Operating Revenue</b>                         |                   |                   |                   |                   |                  |
| Charges for Services                             | 40,966,000        | 45,368,000        | 45,500,000        | 47,700,000        | 4.8%             |
| Miscellaneous                                    | 1,377,000         | 1,443,000         | 1,479,000         | 1,021,000         | -31.0%           |
| <b>Total Operating Revenue</b>                   | <b>42,343,000</b> | <b>46,811,000</b> | <b>46,979,000</b> | <b>48,721,000</b> | <b>3.7%</b>      |
| <b>Non Operating Revenue</b>                     |                   |                   |                   |                   |                  |
| Investment Income                                | 162,000           | 41,400            | 120,000           | 30,000            | -75.0%           |
| Other Income                                     | 19,000            | 18,600            | -                 | 15,000            | 100.0%           |
| <b>Total Non Operating Revenue</b>               | <b>181,000</b>    | <b>60,000</b>     | <b>120,000</b>    | <b>45,000</b>     | <b>-62.5%</b>    |
| <b>Total Revenue</b>                             | <b>42,524,000</b> | <b>46,871,000</b> | <b>47,099,000</b> | <b>48,766,000</b> | <b>3.5%</b>      |
| <b>Operating Expenses</b>                        |                   |                   |                   |                   |                  |
| Labor  |                   |                   |                   |                   |                  |
| Straight time                                    | 8,146,000         | 9,569,000         | 10,105,000        | 9,421,470         | -6.8%            |
| Overtime   | 372,000           | 350,000           | 322,000           | 378,000           | 17.4%            |
| Benefits and Leave                               | 5,490,000         | 6,459,500         | 6,855,000         | 6,844,050         | -0.2%            |
| Vacancy  | -                 | -                 | (592,000)         | (454,220)         | -23.3%           |
| <b>Total Labor</b>                               | <b>14,008,000</b> | <b>16,378,500</b> | <b>16,690,000</b> | <b>16,189,300</b> | <b>-3.0%</b>     |
| Non Labor  |                   |                   |                   |                   |                  |
| Non Labor  | 8,645,099         | 9,775,060         | 9,942,450         | 9,677,000         | -2.7%            |
| Travel   | 44,901            | 72,240            | 102,150           | 68,000            | -33.4%           |
| Transfers (MUSA and gross receipts)              | 5,255,000         | 5,342,400         | 5,500,000         | 5,370,000         | -2.4%            |
| Depreciation and Amortization                    | 6,154,000         | 7,250,000         | 7,600,000         | 7,968,000         | 4.8%             |
| <b>Total Non Labor</b>                           | <b>20,099,000</b> | <b>22,439,700</b> | <b>23,144,600</b> | <b>23,083,000</b> | <b>-0.3%</b>     |
| <b>Total Direct Cost</b>                         | <b>34,107,000</b> | <b>38,818,200</b> | <b>39,834,600</b> | <b>39,272,300</b> | <b>-1.4%</b>     |
| Charges from other departments                   | 838,000           | 1,115,800         | 1,117,000         | 1,087,970         | -2.6%            |
| <b>Total Operating Expense</b>                   | <b>34,945,000</b> | <b>39,934,000</b> | <b>40,951,600</b> | <b>40,360,270</b> | <b>-1.4%</b>     |
| <b>Non Operating Expense</b>                     |                   |                   |                   |                   |                  |
| Interest on bonded debt                          | 3,149,000         | 3,111,800         | 3,607,000         | 3,568,000         | -1.1%            |
| Amortization of debt expense                     | 43,000            | 150,000           | 100,000           | 50,000            | -50.0%           |
| Other interest expense                           | 1,052,000         | 1,532,000         | 1,223,000         | 1,612,000         | 31.8%            |
| Interest during construction                     | (533,000)         | (343,800)         | (380,000)         | (350,000)         | -7.9%            |
| <b>Total Non Operating Expense</b>               | <b>3,711,000</b>  | <b>4,450,000</b>  | <b>4,550,000</b>  | <b>4,880,000</b>  | <b>7.3%</b>      |
| <b>Total Expenses (Function Cost)</b>            | <b>38,656,000</b> | <b>44,384,000</b> | <b>45,501,600</b> | <b>45,240,270</b> | <b>-0.6%</b>     |
| <b>Net Income</b>                                | <b>3,868,000</b>  | <b>2,487,000</b>  | <b>1,597,400</b>  | <b>3,525,730</b>  | <b>120.7%</b>    |
| <b>Appropriation</b>                             |                   |                   |                   |                   |                  |
| <b>Total Expenses</b>                            |                   |                   |                   | <b>45,240,270</b> |                  |
| Less: Non Cash items                             |                   |                   |                   |                   |                  |
| Depreciation and amortization                    |                   |                   |                   | 7,968,000         |                  |
| Amortization of debt expense                     |                   |                   |                   | 50,000            |                  |
| Interest during construction                     |                   |                   |                   | (350,000)         |                  |
| <b>Total Non-Cash</b>                            |                   |                   |                   | <b>7,668,000</b>  |                  |
| <b>Amount to be Appropriated (cash expenses)</b> |                   |                   |                   | <b>37,572,270</b> |                  |

## Anchorage Wastewater Utility

### Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

|   | Appropriation     | Positions  |          |
|---|-------------------|------------|----------|
|   |                   | FT         | PT       |
| <b>2012 Revised Budget</b>                            | 45,503,000        | 278        | 2        |
| <b>2012 One-Time Requirements</b>                     |                   |            |          |
| - None  | -                 | -          | -        |
| <b>Transfers (to)/from Other Agencies</b>             |                   |            |          |
| - Transfers MUSA                                      | (130,000)         | -          | -        |
| - Charges from other departments                      | (28,630)          | -          | -        |
| <b>Debt Service Charges</b>                           |                   |            |          |
| - None  | -                 | -          | -        |
| <b>Changes in Existing Programs/Funding for 2013</b>  |                   |            |          |
| - Adjustment to labor for 2013 wage and benefit rates | (527,050)         | -          | -        |
| - Adjustment to capital/reimbursable labor            | (156,800)         |            |          |
| - Capital related maintenance expenses                | 247,000           | -          | -        |
| - Utilities cost adjustment                           | (20,500)          | -          | -        |
| - Adjust rent to market rate                          | (406,000)         | -          | -        |
| - Interest on bonded debt                             | (39,000)          | -          | -        |
| - Amortization of debt expense                        | (50,000)          | -          | -        |
| - Other interest expense                              | 389,000           | -          | -        |
| - Interest during construction                        | 30,000            | -          | -        |
| - Purchased water at Asplund                          | (87,400)          | -          | -        |
| - Adjustment to travel                                | (34,000)          | -          | -        |
| - Depreciation and amortization                       | 368,000           | -          | -        |
| <b>2013 Continuation Level</b>                        | <b>45,057,620</b> | <b>278</b> | <b>2</b> |
| <b>2013 One-Time Requirements</b>                     |                   |            |          |
| - None  | -                 | -          | -        |
| <b>Transfers (to)/from Other Agencies</b>             |                   |            |          |
| - None  | -                 | -          | -        |

## Anchorage Wastewater Utility

### Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

|  | Appropriation     | Positions  |          |
|--|-------------------|------------|----------|
|  |                   | FT         | PT       |
| <b>2013 Budget Adjustment for Accounting Transactions</b>  |                   |            |          |
| - In 2013, in-line with best practice, MOA will no longer include accounting entry transactions for items previously appropriated. | -                 | -          | -        |
| - Depreciation and amortization  | (7,968,000)       | -          | -        |
| - Interest during construction   | 350,000           | -          | -        |
| - Amortization of debt expense   | (50,000)          | -          | -        |
| <b>2013 Proposed Budget Changes</b>  |                   |            |          |
| - Add back funding for 2012 frozen positions   | 248,650           | -          | -        |
| - Eliminate 1.5 FTEs from Employee Services  | (66,000)          | (1)        | (1)      |
| <hr/>  |                   |            |          |
| <b>2013 Proposed Budget</b>  | <b>37,572,270</b> | <b>277</b> | <b>1</b> |

## Anchorage Wastewater Utility Department Summary

|                                       | 2011<br>Actuals    | 2012<br>Revised    | 2013<br>Proposed   | 13 v 12<br>% Chg     |
|---------------------------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Direct Cost by Division</b>        |                    |                    |                    |                      |
| ASU Board                             | 53,038             | 59,200             | 26,200             | <55.74%>             |
| ASU Customer Service                  | 2,048,907          | 2,338,095          | 2,380,747          | 1.82%                |
| ASU Employee Services                 | 374,523            | 434,555            | 371,507            | <14.51%>             |
| ASU Engineering                       | 1,164,303          | 1,522,100          | 1,691,602          | 11.14%               |
| ASU Finance                           | 360,385            | 1,260,675          | 1,130,683          | <10.31%>             |
| ASU General Manager                   | 402,380            | 582,265            | 560,070            | <3.81%>              |
| ASU IT                                | 2,246,000          | 2,042,610          | 2,041,284          | <0.06%>              |
| ASU Operations & Maintenance          | 8,075,603          | 8,174,900          | 7,733,826          | <5.40%>              |
| ASU Revenues & Non Operating Expenses | 15,118,783         | 17,650,000         | 18,218,000         | 3.22%                |
| ASU Treatment                         | 7,972,690          | 10,322,000         | 9,998,381          | <3.14%>              |
| <b>Direct Cost Total</b>              | <b>37,816,612</b>  | <b>44,386,400</b>  | <b>44,152,300</b>  | <b>&lt;0.53%&gt;</b> |
| <b>Intragovernmental Charges</b>      |                    |                    |                    |                      |
| Charges by Other Departments          | 837,820            | 1,116,600          | 1,087,970          | <2.56%>              |
| <b>Function Cost Total</b>            | <b>38,654,432</b>  | <b>45,503,000</b>  | <b>45,240,270</b>  | <b>&lt;0.58%&gt;</b> |
| Program Generated Revenue             | (42,523,838)       | (47,099,000)       | (48,766,000)       | 3.54%                |
| <b>Net Cost Total</b>                 | <b>(3,869,406)</b> | <b>(1,596,000)</b> | <b>(3,525,730)</b> | <b>120.91%</b>       |
| <b>Direct Cost by Category</b>        |                    |                    |                    |                      |
| Personnel                             | 14,008,033         | 16,677,600         | 16,189,300         | <2.93%>              |
| Supplies                              | 2,804,275          | 2,491,300          | 2,514,500          | 0.93%                |
| Travel                                | 44,901             | 102,150            | 68,000             | <33.43%>             |
| Contractual/Other Services            | 11,095,288         | 12,965,350         | 12,532,500         | <3.34%>              |
| Debt Service/Depreciation             | 9,864,115          | 12,150,000         | 12,848,000         | 5.74%                |
| <b>Direct Cost Total</b>              | <b>37,816,612</b>  | <b>44,386,400</b>  | <b>44,152,300</b>  | <b>&lt;0.53%&gt;</b> |
| <b>Position Summary as Budgeted</b>   |                    |                    |                    |                      |
| Full-Time                             | -                  | -                  | 252                |                      |
| Part-Time                             | -                  | -                  | 8                  |                      |
| <b>Position Total</b>                 | <b>-</b>           | <b>-</b>           | <b>260</b>         |                      |

## Anchorage Wastewater Utility Division Summary

### ASU Board

(Dept ID # S1500)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| Salaries and Benefits               | 3,491           | 2,100           | 2,100            | -                     |
| Supplies                            | 94              | -               | -                |                       |
| Travel                              | 1,245           | 3,000           | -                |                       |
| Contractual/Other Services          | 48,208          | 54,100          | 24,100           | <55.45%>              |
| <b>Manageable Direct Cost Total</b> | <b>53,038</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |
| Debt Service, Depreciation          | -               | -               | -                |                       |
| <b>Direct Cost Total</b>            | <b>53,038</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |

No Positions

# Anchorage Wastewater Utility

## Division Detail

### ASU Board

(Dept ID # S1500)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| <b>Salaries and Benefits</b>        |                 |                 |                  |                       |
| 1101 - Straight Time Labor          | 1,482           | -               | -                | -                     |
| 1401 - Benefits                     | 2,009           | 2,100           | 2,100            | -                     |
| <b>Salaries and Benefits Total</b>  | <b>3,491</b>    | <b>2,100</b>    | <b>2,100</b>     | <b>-</b>              |
| <b>Supplies</b>                     | 94              | -               | -                | -                     |
| <b>Travel</b>                       | 1,245           | 3,000           | -                | -                     |
| <b>Contractual/Other Services</b>   | 48,208          | 54,100          | 24,100           | <55.45%>              |
| <b>Manageable Direct Cost Total</b> | <b>53,038</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -               | -               | -                | -                     |
| <b>Direct Cost Total</b>            | <b>53,038</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |
| <b>Net Cost</b>                     |                 |                 |                  |                       |
| Manageable Direct Cost              | 53,038          | 59,200          | 26,200           | <55.74%>              |
| Debt Service, Depreciation          | -               | -               | -                | -                     |
| <b>Net Cost Total</b>               | <b>53,038</b>   | <b>59,200</b>   | <b>26,200</b>    | <b>&lt;55.74%&gt;</b> |

**Anchorage Wastewater Utility**  
**Division Summary**  
**ASU Customer Service**  
 (Dept ID # S7000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                  |
| Salaries and Benefits               | 1,486,319        | 1,838,000        | 1,783,367        | <2.97%>          |
| Supplies                            | 125,831          | 148,525          | 133,525          | <10.10%>         |
| Travel                              | 2,133            | 5,700            | 5,750            | 0.88%            |
| Contractual/Other Services          | 434,624          | 345,870          | 458,105          | 32.45%           |
| <b>Manageable Direct Cost Total</b> | <b>2,048,907</b> | <b>2,338,095</b> | <b>2,380,747</b> | <b>1.82%</b>     |
| Debt Service, Depreciation          | -                | -                | -                |                  |
| <b>Direct Cost Total</b>            | <b>2,048,907</b> | <b>2,338,095</b> | <b>2,380,747</b> | <b>1.82%</b>     |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Account Representative I           | -            | -         | -            | -         | 1             | -         |
| Account Representative II          | -            | -         | -            | -         | 1             | -         |
| Account Representative III         | -            | -         | -            | -         | 10            | -         |
| Administrative Officer             | -            | -         | -            | -         | 3             | -         |
| Engineering Technician I           | -            | -         | -            | -         | 1             | -         |
| Engineering Technician II          | -            | -         | -            | -         | 3             | -         |
| Field Service Journeyman A         | -            | -         | -            | -         | 2             | 1         |
| Field Service Journeyman B         | -            | -         | -            | -         | 6             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 3             | -         |
| Lead Meter Reader                  | -            | -         | -            | -         | 1             | -         |
| Maintenance Supervisor             | -            | -         | -            | -         | 1             | -         |
| Meter Reader                       | -            | -         | -            | -         | 1             | -         |
| Meter/Install/Reprmn Journeyman    | -            | -         | -            | -         | 1             | -         |
| Principal Admin Officer            | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 2             | -         |
| Treatment Supt W/W                 | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>39</b>     | <b>1</b>  |



# Anchorage Wastewater Utility

## Division Detail

### ASU Customer Service

(Dept ID # S7000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 871,903          | 1,838,000        | 1,029,326        | <44.00%>             |
| 1201 - Overtime                     | -                | -                | 6,000            | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 112,266          | -                    |
| 1401 - Benefits                     | 614,416          | -                | 683,355          | -                    |
| 1501 - Allow Differentials/Premiums | -                | -                | 3,800            | -                    |
| 1601 - Vacancy Factor               | -                | -                | (51,380)         | -                    |
| <b>Salaries and Benefits Total</b>  | <b>1,486,319</b> | <b>1,838,000</b> | <b>1,783,367</b> | <b>&lt;2.97%&gt;</b> |
| <b>Supplies</b>                     | 125,831          | 148,525          | 133,525          | <10.10%>             |
| <b>Travel</b>                       | 2,133            | 5,700            | 5,750            | 0.88%                |
| <b>Contractual/Other Services</b>   | 434,624          | 345,870          | 458,105          | 32.45%               |
| <b>Manageable Direct Cost Total</b> | <b>2,048,907</b> | <b>2,338,095</b> | <b>2,380,747</b> | <b>1.82%</b>         |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>2,048,907</b> | <b>2,338,095</b> | <b>2,380,747</b> | <b>1.82%</b>         |
| <b>Intra-Governmental Charges</b>   |                  |                  |                  |                      |
| Charges By Other Departments        | 63,718           | 67,705           | 62,580           | <7.57%>              |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 2,048,907        | 2,338,095        | 2,380,747        | 1.82%                |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| Charges By Other Departments        | 63,718           | 67,705           | 62,580           | <7.57%>              |
| <b>Net Cost Total</b>               | <b>2,112,625</b> | <b>2,405,800</b> | <b>2,443,327</b> | <b>1.56%</b>         |

**Anchorage Wastewater Utility**  
**Division Summary**  
**ASU Employee Services**  
 (Dept ID # S6000)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| Salaries and Benefits               | 339,358         | 406,000         | 336,397          | <17.14%>              |
| Supplies                            | 6,805           | 10,575          | 10,075           | <4.73%>               |
| Travel                              | 1,051           | 2,500           | 2,250            | <10.00%>              |
| Contractual/Other Services          | 27,309          | 15,480          | 22,785           | 47.19%                |
| <b>Manageable Direct Cost Total</b> | <b>374,523</b>  | <b>434,555</b>  | <b>371,507</b>   | <b>&lt;14.51%&gt;</b> |
| Debt Service, Depreciation          | -               | -               | -                |                       |
| <b>Direct Cost Total</b>            | <b>374,523</b>  | <b>434,555</b>  | <b>371,507</b>   | <b>&lt;14.51%&gt;</b> |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Personnel Analyst III              | -            | -         | -            | -         | 1             | -         |
| Principal Office Associate         | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Treatment Supt W/W                 | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>5</b>      | <b>-</b>  |

**Anchorage Wastewater Utility****Division Detail****ASU Employee Services**

(Dept ID # S6000)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|-----------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                       |
| <b>Salaries and Benefits</b>        |                 |                 |                  |                       |
| 1101 - Straight Time Labor          | 197,973         | 406,000         | 204,777          | <49.56%>              |
| 1301 - Leave/Holiday Accruals       | -               | -               | 23,753           | -                     |
| 1401 - Benefits                     | 141,385         | -               | 117,536          | -                     |
| 1601 - Vacancy Factor               | -               | -               | (9,669)          | -                     |
| <b>Salaries and Benefits Total</b>  | <b>339,358</b>  | <b>406,000</b>  | <b>336,397</b>   | <b>&lt;17.14%&gt;</b> |
| <b>Supplies</b>                     | 6,805           | 10,575          | 10,075           | <4.73%>               |
| <b>Travel</b>                       | 1,051           | 2,500           | 2,250            | <10.00%>              |
| <b>Contractual/Other Services</b>   | 27,309          | 15,480          | 22,785           | 47.19%                |
| <b>Manageable Direct Cost Total</b> | <b>374,523</b>  | <b>434,555</b>  | <b>371,507</b>   | <b>&lt;14.51%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -               | -               | -                | -                     |
| <b>Direct Cost Total</b>            | <b>374,523</b>  | <b>434,555</b>  | <b>371,507</b>   | <b>&lt;14.51%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                 |                 |                  |                       |
| Charges By Other Departments        | 99,118          | 110,645         | 104,990          | <5.11%>               |
| <b>Net Cost</b>                     |                 |                 |                  |                       |
| Manageable Direct Cost              | 374,523         | 434,555         | 371,507          | <14.51%>              |
| Debt Service, Depreciation          | -               | -               | -                | -                     |
| Charges By Other Departments        | 99,118          | 110,645         | 104,990          | <5.11%>               |
| <b>Net Cost Total</b>               | <b>473,641</b>  | <b>545,200</b>  | <b>476,497</b>   | <b>&lt;12.60%&gt;</b> |

**Anchorage Wastewater Utility**  
**Division Summary**  
**ASU Engineering**  
 (Dept ID # S8000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                  |
| Salaries and Benefits               | 978,516          | 1,402,200        | 1,435,262        | 2.36%            |
| Supplies                            | 22,411           | 28,565           | 26,020           | <8.91%>          |
| Travel                              | 8,639            | 14,900           | 11,000           | <26.17%>         |
| Contractual/Other Services          | 154,737          | 76,435           | 219,320          | 186.94%          |
| <b>Manageable Direct Cost Total</b> | <b>1,164,303</b> | <b>1,522,100</b> | <b>1,691,602</b> | <b>11.14%</b>    |
| Debt Service, Depreciation          | -                | -                | -                |                  |
| <b>Direct Cost Total</b>            | <b>1,164,303</b> | <b>1,522,100</b> | <b>1,691,602</b> | <b>11.14%</b>    |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Officer             | -            | -         | -            | -         | 2             | -         |
| Civil Engineer I                   | -            | -         | -            | -         | 2             | -         |
| Civil Engineer II                  | -            | -         | -            | -         | 8             | -         |
| Civil Engineer III                 | -            | -         | -            | -         | 7             | -         |
| Civil Engineer IV                  | -            | -         | -            | -         | 3             | -         |
| Engineering Technician III         | -            | -         | -            | -         | 9             | -         |
| Engineering Technician IV          | -            | -         | -            | -         | 1             | -         |
| GIS Technician II                  | -            | -         | -            | -         | 1             | -         |
| GIS Technician III                 | -            | -         | -            | -         | 1             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Office Associate                   | -            | -         | -            | -         | 1             | -         |
| Principal Admin Officer            | -            | -         | -            | -         | 1             | -         |
| Public Service Intern I            | -            | -         | -            | -         | -             | 5         |
| Senior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Senior Staff Accountant            | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>40</b>     | <b>5</b>  |

**Anchorage Wastewater Utility**  
**Division Detail**  
**ASU Engineering**  
(Dept ID # S8000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                  |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                  |
| 1101 - Straight Time Labor          | 548,255          | 1,402,200        | 708,282          | <49.49%>         |
| 1201 - Overtime                     | -                | -                | 8,500            | -                |
| 1301 - Leave/Holiday Accruals       | -                | -                | 192,233          | -                |
| 1401 - Benefits                     | 430,261          | -                | 564,428          | -                |
| 1601 - Vacancy Factor               | -                | -                | (38,181)         | -                |
| <b>Salaries and Benefits Total</b>  | <b>978,516</b>   | <b>1,402,200</b> | <b>1,435,262</b> | <b>2.36%</b>     |
| <b>Supplies</b>                     | 22,411           | 28,565           | 26,020           | <8.91%>          |
| <b>Travel</b>                       | 8,639            | 14,900           | 11,000           | <26.17%>         |
| <b>Contractual/Other Services</b>   | 154,737          | 76,435           | 219,320          | 186.94%          |
| <b>Manageable Direct Cost Total</b> | <b>1,164,303</b> | <b>1,522,100</b> | <b>1,691,602</b> | <b>11.14%</b>    |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                |
| <b>Direct Cost Total</b>            | <b>1,164,303</b> | <b>1,522,100</b> | <b>1,691,602</b> | <b>11.14%</b>    |
| <b>Net Cost</b>                     |                  |                  |                  |                  |
| Manageable Direct Cost              | 1,164,303        | 1,522,100        | 1,691,602        | 11.14%           |
| Debt Service, Depreciation          | -                | -                | -                | -                |
| <b>Net Cost Total</b>               | <b>1,164,303</b> | <b>1,522,100</b> | <b>1,691,602</b> | <b>11.14%</b>    |

**Anchorage Wastewater Utility**  
**Division Summary**  
**ASU Finance**  
(Dept ID # S5000)

|                                     | 2011<br>Actuals | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|-----------------|------------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                 |                  |                  |                       |
| Salaries and Benefits               | 1,296,544       | 1,386,200        | 1,396,913        | 0.77%                 |
| Supplies                            | 16,057          | 20,970           | 18,550           | <11.54%>              |
| Travel                              | 5,905           | 17,575           | 12,800           | <27.17%>              |
| Contractual/Other Services          | (958,121)       | (164,070)        | (297,580)        | 81.37%                |
| <b>Manageable Direct Cost Total</b> | <b>360,385</b>  | <b>1,260,675</b> | <b>1,130,683</b> | <b>&lt;10.31%&gt;</b> |
| Debt Service, Depreciation          | -               | -                | -                |                       |
| <b>Direct Cost Total</b>            | <b>360,385</b>  | <b>1,260,675</b> | <b>1,130,683</b> | <b>&lt;10.31%&gt;</b> |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Accountant                         | -            | -         | -            | -         | 2             | -         |
| Junior Accountant                  | -            | -         | -            | -         | 1             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 3             | -         |
| Office Associate                   | -            | -         | -            | -         | 1             | -         |
| Principal Accountant               | -            | -         | -            | -         | 2             | -         |
| Principal Admin Officer            | -            | -         | -            | -         | 2             | -         |
| Senior Accountant                  | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 3             | -         |
| Senior Staff Accountant            | -            | -         | -            | -         | 2             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| Utility Management Assistant       | -            | -         | -            | -         | 3             | -         |
| Utility Tariff Analyst             | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>22</b>     | <b>-</b>  |

**Anchorage Wastewater Utility****Division Detail****ASU Finance**

(Dept ID # S5000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg      |
|-------------------------------------|------------------|------------------|------------------|-----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                       |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                       |
| 1101 - Straight Time Labor          | 790,600          | 1,386,200        | 843,311          | <39.16%>              |
| 1201 - Overtime                     | -                | -                | 15,500           | -                     |
| 1301 - Leave/Holiday Accruals       | -                | -                | 78,493           | -                     |
| 1401 - Benefits                     | 505,944          | -                | 499,905          | -                     |
| 1601 - Vacancy Factor               | -                | -                | (40,296)         | -                     |
| <b>Salaries and Benefits Total</b>  | <b>1,296,544</b> | <b>1,386,200</b> | <b>1,396,913</b> | <b>0.77%</b>          |
| <b>Supplies</b>                     | 16,057           | 20,970           | 18,550           | <11.54%>              |
| <b>Travel</b>                       | 5,905            | 17,575           | 12,800           | <27.17%>              |
| <b>Contractual/Other Services</b>   | (958,121)        | (164,070)        | (297,580)        | 81.37%                |
| <b>Manageable Direct Cost Total</b> | <b>360,385</b>   | <b>1,260,675</b> | <b>1,130,683</b> | <b>&lt;10.31%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                     |
| <b>Direct Cost Total</b>            | <b>360,385</b>   | <b>1,260,675</b> | <b>1,130,683</b> | <b>&lt;10.31%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                  |                  |                  |                       |
| Charges By Other Departments        | 214,171          | 421,925          | 552,900          | 31.04%                |
| <b>Net Cost</b>                     |                  |                  |                  |                       |
| Manageable Direct Cost              | 360,385          | 1,260,675        | 1,130,683        | <10.31%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                     |
| Charges By Other Departments        | 214,171          | 421,925          | 552,900          | 31.04%                |
| <b>Net Cost Total</b>               | <b>574,556</b>   | <b>1,682,600</b> | <b>1,683,583</b> | <b>0.06%</b>          |

**Anchorage Wastewater Utility**  
**Division Summary**  
**ASU General Manager**  
 (Dept ID # S1100)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|-----------------|-----------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                      |
| Salaries and Benefits               | 273,380         | 309,800         | 295,925          | <4.48%>              |
| Supplies                            | 7,556           | 10,445          | 10,400           | <0.43%>              |
| Travel                              | 6,143           | 26,025          | 6,450            | <75.22%>             |
| Contractual/Other Services          | 115,301         | 235,995         | 247,295          | 4.79%                |
| <b>Manageable Direct Cost Total</b> | <b>402,380</b>  | <b>582,265</b>  | <b>560,070</b>   | <b>&lt;3.81%&gt;</b> |
| Debt Service, Depreciation          | -               | -               | -                |                      |
| <b>Direct Cost Total</b>            | <b>402,380</b>  | <b>582,265</b>  | <b>560,070</b>   | <b>&lt;3.81%&gt;</b> |

**Positions as Budgeted**

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Officer             | -            | -         | -            | -         | 1             | -         |
| Assistant General Manager          | -            | -         | -            | -         | 1             | -         |
| General Manager                    | -            | -         | -            | -         | 1             | -         |
| Senior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>4</b>      | <b>-</b>  |



# Anchorage Wastewater Utility

## Division Detail

### ASU General Manager

(Dept ID # S1100)

|                                     | 2011<br>Actuals | 2012<br>Revised | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|-----------------|-----------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                 |                 |                  |                      |
| <b>Salaries and Benefits</b>        |                 |                 |                  |                      |
| 1101 - Straight Time Labor          | 172,930         | 309,800         | 184,815          | <40.34%>             |
| 1301 - Leave/Holiday Accruals       | -               | -               | 19,368           | -                    |
| 1401 - Benefits                     | 100,450         | -               | 100,296          | -                    |
| 1601 - Vacancy Factor               | -               | -               | (8,553)          | -                    |
| <b>Salaries and Benefits Total</b>  | <b>273,380</b>  | <b>309,800</b>  | <b>295,925</b>   | <b>&lt;4.48%&gt;</b> |
| <b>Supplies</b>                     | 7,556           | 10,445          | 10,400           | <0.43%>              |
| <b>Travel</b>                       | 6,143           | 26,025          | 6,450            | <75.22%>             |
| <b>Contractual/Other Services</b>   | 115,301         | 235,995         | 247,295          | 4.79%                |
| <b>Manageable Direct Cost Total</b> | <b>402,380</b>  | <b>582,265</b>  | <b>560,070</b>   | <b>&lt;3.81%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -               | -               | -                | -                    |
| <b>Direct Cost Total</b>            | <b>402,380</b>  | <b>582,265</b>  | <b>560,070</b>   | <b>&lt;3.81%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                 |                 |                  |                      |
| Charges By Other Departments        | 277,055         | 302,035         | 288,500          | <4.48%>              |
| <b>Net Cost</b>                     |                 |                 |                  |                      |
| Manageable Direct Cost              | 402,380         | 582,265         | 560,070          | <3.81%>              |
| Debt Service, Depreciation          | -               | -               | -                | -                    |
| Charges By Other Departments        | 277,055         | 302,035         | 288,500          | <4.48%>              |
| <b>Net Cost Total</b>               | <b>679,435</b>  | <b>884,300</b>  | <b>848,570</b>   | <b>&lt;4.04%&gt;</b> |

## Anchorage Wastewater Utility Division Summary

### ASU IT

(Dept ID # S2000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| Salaries and Benefits               | 1,180,438        | 1,242,500        | 1,324,134        | 6.57%                |
| Supplies                            | 344,518          | 127,745          | 161,455          | 26.39%               |
| Travel                              | 6,250            | 11,100           | 11,100           | -                    |
| Contractual/Other Services          | 714,794          | 661,265          | 544,595          | <17.64%>             |
| <b>Manageable Direct Cost Total</b> | <b>2,246,000</b> | <b>2,042,610</b> | <b>2,041,284</b> | <b>&lt;0.06%&gt;</b> |
| Debt Service, Depreciation          | -                | -                | -                |                      |
| <b>Direct Cost Total</b>            | <b>2,246,000</b> | <b>2,042,610</b> | <b>2,041,284</b> | <b>&lt;0.06%&gt;</b> |

### Positions as Budgeted

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Officer             | -            | -         | -            | -         | 1             | -         |
| Application Services Supvr         | -            | -         | -            | -         | 2             | -         |
| Database Admin II                  | -            | -         | -            | -         | 1             | -         |
| Database Admin Supervisor          | -            | -         | -            | -         | 1             | -         |
| Info Center Consultant II          | -            | -         | -            | -         | 1             | -         |
| Network Analyst                    | -            | -         | -            | -         | 1             | -         |
| Systems Analyst                    | -            | -         | -            | -         | 9             | -         |
| Technical Support Manager          | -            | -         | -            | -         | 1             | -         |
| Utility Division Director II       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>18</b>     | <b>-</b>  |

# Anchorage Wastewater Utility

## Division Detail

### ASU IT

(Dept ID # S2000)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 742,000          | 1,242,500        | 818,862          | <34.10%>             |
| 1201 - Overtime                     | -                | -                | 7,500            | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 88,279           | -                    |
| 1401 - Benefits                     | 438,438          | -                | 447,484          | -                    |
| 1601 - Vacancy Factor               | -                | -                | (37,990)         | -                    |
| <b>Salaries and Benefits Total</b>  | <b>1,180,438</b> | <b>1,242,500</b> | <b>1,324,134</b> | <b>6.57%</b>         |
| <b>Supplies</b>                     | 344,518          | 127,745          | 161,455          | 26.39%               |
| <b>Travel</b>                       | 6,250            | 11,100           | 11,100           | -                    |
| <b>Contractual/Other Services</b>   | 714,794          | 661,265          | 544,595          | <17.64%>             |
| <b>Manageable Direct Cost Total</b> | <b>2,246,000</b> | <b>2,042,610</b> | <b>2,041,284</b> | <b>&lt;0.06%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>2,246,000</b> | <b>2,042,610</b> | <b>2,041,284</b> | <b>&lt;0.06%&gt;</b> |
| <b>Intra-Governmental Charges</b>   |                  |                  |                  |                      |
| Charges By Other Departments        | 183,758          | 214,290          | 79,000           | <63.13%>             |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 2,246,000        | 2,042,610        | 2,041,284        | <0.06%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| Charges By Other Departments        | 183,758          | 214,290          | 79,000           | <63.13%>             |
| <b>Net Cost Total</b>               | <b>2,429,758</b> | <b>2,256,900</b> | <b>2,120,284</b> | <b>&lt;6.05%&gt;</b> |

# Anchorage Wastewater Utility

## Division Summary

### ASU Operations & Maintenance

(Dept ID # S3000, S3100, S3600, S3640)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| Salaries and Benefits               | 4,140,205        | 5,116,100        | 4,818,076        | <5.83%>              |
| Supplies                            | 1,020,483        | 960,000          | 960,000          | -                    |
| Travel                              | 5,964            | 9,350            | 6,000            | <35.83%>             |
| Contractual/Other Services          | 2,908,951        | 2,089,450        | 1,949,750        | <6.69%>              |
| <b>Manageable Direct Cost Total</b> | <b>8,075,603</b> | <b>8,174,900</b> | <b>7,733,826</b> | <b>&lt;5.40%&gt;</b> |
| Debt Service, Depreciation          | -                | -                | -                |                      |
| <b>Direct Cost Total</b>            | <b>8,075,603</b> | <b>8,174,900</b> | <b>7,733,826</b> | <b>&lt;5.40%&gt;</b> |

### Positions as Budgeted

|                                     | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|-------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                     | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Assistant Parts Warehouseman        | -            | -         | -            | -         | 1             | -         |
| Engineering Technician III          | -            | -         | -            | -         | 1             | -         |
| Equipment Serviceman II             | -            | -         | -            | -         | 1             | -         |
| Expeditor                           | -            | -         | -            | -         | 2             | -         |
| Heavy Equipment Opr Journeyman A    | -            | -         | -            | -         | 1             | -         |
| Heavy Equipment Opr Journeyman B    | -            | -         | -            | -         | 1             | -         |
| Journeyman Craftsman A              | -            | -         | -            | -         | 3             | -         |
| Journeyman Craftsman B              | -            | -         | -            | -         | 2             | -         |
| Journeyman Mechanic A               | -            | -         | -            | -         | 4             | -         |
| Journeyman Mechanic B               | -            | -         | -            | -         | 3             | -         |
| Journeyman Utilityman A             | -            | -         | -            | -         | 3             | -         |
| Journeyman Utilityman B             | -            | -         | -            | -         | 16            | -         |
| Junior Admin Officer                | -            | -         | -            | -         | 1             | -         |
| Maintenance Foreman B               | -            | -         | -            | -         | 9             | -         |
| Mechanic Foreman                    | -            | -         | -            | -         | 1             | -         |
| Mechanic Leadman B                  | -            | -         | -            | -         | 3             | -         |
| Office Associate                    | -            | -         | -            | -         | 1             | -         |
| Principal Admin Officer             | -            | -         | -            | -         | 1             | -         |
| Treatment Instrument/System Foreman | -            | -         | -            | -         | 2             | -         |
| Treatment Instrument/System Tech    | -            | -         | -            | -         | 12            | -         |
| Treatment Supt W/W                  | -            | -         | -            | -         | 3             | -         |
| Utility Division Director II        | -            | -         | -            | -         | 1             | -         |
| Utility Management Assistant        | -            | -         | -            | -         | 1             | -         |
| Utilityman I                        | -            | -         | -            | -         | -             | 1         |
| Utilityman II                       | -            | -         | -            | -         | 7             | 1         |
| Utilityman III A                    | -            | -         | -            | -         | 2             | -         |
| Utilityman III B                    | -            | -         | -            | -         | 2             | -         |
| Warehouse Journeyman                | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b>  | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>85</b>     | <b>2</b>  |

# Anchorage Wastewater Utility

## Division Detail

### ASU Operations & Maintenance

(Dept ID # S3000, S3100, S3600, S3640)

|                                     | 2011<br>Actuals  | 2012<br>Revised  | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                  |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                  |                  |                      |
| 1101 - Straight Time Labor          | 2,495,455        | 5,116,100        | 2,769,670        | <45.86%>             |
| 1201 - Overtime                     | -                | -                | 135,500          | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                | 291,731          | -                    |
| 1401 - Benefits                     | 1,644,750        | -                | 1,746,666        | -                    |
| 1501 - Allow Differentials/Premiums | -                | -                | 10,000           | -                    |
| 1601 - Vacancy Factor               | -                | -                | (135,491)        | -                    |
| <b>Salaries and Benefits Total</b>  | <b>4,140,205</b> | <b>5,116,100</b> | <b>4,818,076</b> | <b>&lt;5.83%&gt;</b> |
| <b>Supplies</b>                     | 1,020,483        | 960,000          | 960,000          | -                    |
| <b>Travel</b>                       | 5,964            | 9,350            | 6,000            | <35.83%>             |
| <b>Contractual/Other Services</b>   | 2,908,951        | 2,089,450        | 1,949,750        | <6.69%>              |
| <b>Manageable Direct Cost Total</b> | <b>8,075,603</b> | <b>8,174,900</b> | <b>7,733,826</b> | <b>&lt;5.40%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                | -                | -                    |
| <b>Direct Cost Total</b>            | <b>8,075,603</b> | <b>8,174,900</b> | <b>7,733,826</b> | <b>&lt;5.40%&gt;</b> |
| <b>Net Cost</b>                     |                  |                  |                  |                      |
| Manageable Direct Cost              | 8,075,603        | 8,174,900        | 7,733,826        | <5.40%>              |
| Debt Service, Depreciation          | -                | -                | -                | -                    |
| <b>Net Cost Total</b>               | <b>8,075,603</b> | <b>8,174,900</b> | <b>7,733,826</b> | <b>&lt;5.40%&gt;</b> |

**Anchorage Wastewater Utility**  
**Division Summary**  
**ASU Revenues & Non Operating Expenses**  
 (Dept ID # S11000)

|                                     | 2011<br>Actuals   | 2012<br>Revised   | 2013<br>Proposed  | 13 v 12<br>% Chg     |
|-------------------------------------|-------------------|-------------------|-------------------|----------------------|
| <b>Direct Cost by Category</b>      |                   |                   |                   |                      |
| Travel                              | -                 | -                 | -                 |                      |
| Contractual/Other Services          | 5,254,668         | 5,500,000         | 5,370,000         | <2.36%>              |
| <b>Manageable Direct Cost Total</b> | <b>5,254,668</b>  | <b>5,500,000</b>  | <b>5,370,000</b>  | <b>&lt;2.36%&gt;</b> |
| Debt Service, Depreciation          | 9,864,115         | 12,150,000        | 12,848,000        | 5.74%                |
| <b>Direct Cost Total</b>            | <b>15,118,783</b> | <b>17,650,000</b> | <b>18,218,000</b> | <b>3.22%</b>         |
| <b>Revenue by Fund</b>              |                   |                   |                   |                      |
| Fund 550 - Sewer Utility            | 42,523,838        | 47,099,000        | 48,766,000        | 3.54%                |
| <b>Revenue Total</b>                | <b>42,523,838</b> | <b>47,099,000</b> | <b>48,766,000</b> | <b>3.54%</b>         |

No Positions

**Anchorage Wastewater Utility**  
**Division Detail**  
**ASU Revenues & Non Operating Expenses**  
(Dept ID # S11000)

|  | 2011<br>Actuals     | 2012<br>Revised     | 2013<br>Proposed    | 13 v 12<br>% Chg     |
|--|---------------------|---------------------|---------------------|----------------------|
| <b>Direct Cost by Category</b>         |                     |                     |                     |                      |
| Travel                                 | -                   | -                   | -                   | -                    |
| Contractual/Other Services             | 5,254,668           | 5,500,000           | 5,370,000           | <2.36%>              |
| <b>Manageable Direct Cost Total</b>    | <b>5,254,668</b>    | <b>5,500,000</b>    | <b>5,370,000</b>    | <b>&lt;2.36%&gt;</b> |
| Debt Service, Depreciation             | 9,864,115           | 12,150,000          | 12,848,000          | 5.74%                |
| <b>Direct Cost Total</b>               | <b>15,118,783</b>   | <b>17,650,000</b>   | <b>18,218,000</b>   | <b>3.22%</b>         |
| <b>Program Generated Revenue</b>       |                     |                     |                     |                      |
| 9400 - Charges for Services            | 42,342,860          | 46,979,000          | 47,700,000          | 1.53%                |
| 9760 - Investment Revenues             | 162,308             | 120,000             | 30,000              | <75.00%>             |
| 9798 - Miscellaneous Revenues          | 18,670              | -                   | 1,036,000           | -                    |
| <b>Program Generated Revenue Total</b> | <b>42,523,838</b>   | <b>47,099,000</b>   | <b>48,766,000</b>   | <b>3.54%</b>         |
| <b>Net Cost</b>                        |                     |                     |                     |                      |
| Manageable Direct Cost                 | 5,254,668           | 5,500,000           | 5,370,000           | <2.36%>              |
| Debt Service, Depreciation             | 9,864,115           | 12,150,000          | 12,848,000          | 5.74%                |
| Program Generated Revenue              | (42,523,838)        | (47,099,000)        | (48,766,000)        | 3.54%                |
| <b>Net Cost Total</b>                  | <b>(27,405,055)</b> | <b>(29,449,000)</b> | <b>(30,548,000)</b> | <b>3.73%</b>         |

## Anchorage Wastewater Utility Division Summary

### ASU Treatment

(Dept ID # S4000, S4210, S4220, S4230)

|                                     | 2011<br>Actuals  | 2012<br>Revised   | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|-------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                   |                  |                      |
| Salaries and Benefits               | 4,309,782        | 4,974,700         | 4,797,126        | <3.57%>              |
| Supplies                            | 1,260,520        | 1,184,475         | 1,194,475        | 0.84%                |
| Travel                              | 7,571            | 12,000            | 12,650           | 5.42%                |
| Contractual/Other Services          | 2,394,817        | 4,150,825         | 3,994,130        | <3.78%>              |
| <b>Manageable Direct Cost Total</b> | <b>7,972,690</b> | <b>10,322,000</b> | <b>9,998,381</b> | <b>&lt;3.14%&gt;</b> |
| Debt Service, Depreciation          | -                | -                 | -                |                      |
| <b>Direct Cost Total</b>            | <b>7,972,690</b> | <b>10,322,000</b> | <b>9,998,381</b> | <b>&lt;3.14%&gt;</b> |

### Positions as Budgeted

|                                    | 2011 Revised |           | 2012 Revised |           | 2013 Proposed |           |
|------------------------------------|--------------|-----------|--------------|-----------|---------------|-----------|
|                                    | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Engineering Technician II          | -            | -         | -            | -         | 1             | -         |
| Junior Admin Officer               | -            | -         | -            | -         | 1             | -         |
| Laboratory Analyst I               | -            | -         | -            | -         | 3             | -         |
| Laboratory Analyst II              | -            | -         | -            | -         | 2             | -         |
| Laboratory Supervisor              | -            | -         | -            | -         | 1             | -         |
| Senior Office Associate            | -            | -         | -            | -         | 1             | -         |
| Treatment Plant Operator I         | -            | -         | -            | -         | 2             | -         |
| Treatment Plant Operator II        | -            | -         | -            | -         | 8             | -         |
| Treatment Plant Operator III       | -            | -         | -            | -         | 5             | -         |
| Treatment Plant Operator IV        | -            | -         | -            | -         | 7             | -         |
| Treatment Plant Ops Foreman        | -            | -         | -            | -         | 3             | -         |
| Treatment Supt W/W                 | -            | -         | -            | -         | 3             | -         |
| Utility Director II                | -            | -         | -            | -         | 1             | -         |
| Utility Management Assistant       | -            | -         | -            | -         | 1             | -         |
| <b>Positions as Budgeted Total</b> | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>-</b>  | <b>39</b>     | <b>-</b>  |



**Anchorage Wastewater Utility****Division Detail****ASU Treatment**

(Dept ID # S4000, S4210, S4220, S4230)

|                                     | 2011<br>Actuals  | 2012<br>Revised   | 2013<br>Proposed | 13 v 12<br>% Chg     |
|-------------------------------------|------------------|-------------------|------------------|----------------------|
| <b>Direct Cost by Category</b>      |                  |                   |                  |                      |
| <b>Salaries and Benefits</b>        |                  |                   |                  |                      |
| 1101 - Straight Time Labor          | 2,697,503        | 4,974,700         | 2,803,322        | <43.65%>             |
| 1201 - Overtime                     | -                | -                 | 205,000          | -                    |
| 1301 - Leave/Holiday Accruals       | -                | -                 | 211,990          | -                    |
| 1401 - Benefits                     | 1,612,279        | -                 | 1,664,170        | -                    |
| 1501 - Allow Differentials/Premiums | -                | -                 | 45,300           | -                    |
| 1601 - Vacancy Factor               | -                | -                 | (132,656)        | -                    |
| <b>Salaries and Benefits Total</b>  | <b>4,309,782</b> | <b>4,974,700</b>  | <b>4,797,126</b> | <b>&lt;3.57%&gt;</b> |
| <b>Supplies</b>                     | 1,260,520        | 1,184,475         | 1,194,475        | 0.84%                |
| <b>Travel</b>                       | 7,571            | 12,000            | 12,650           | 5.42%                |
| <b>Contractual/Other Services</b>   | 2,394,817        | 4,150,825         | 3,994,130        | <3.78%>              |
| <b>Manageable Direct Cost Total</b> | <b>7,972,690</b> | <b>10,322,000</b> | <b>9,998,381</b> | <b>&lt;3.14%&gt;</b> |
| <b>Debt Service, Depreciation</b>   | -                | -                 | -                | -                    |
| <b>Direct Cost Total</b>            | <b>7,972,690</b> | <b>10,322,000</b> | <b>9,998,381</b> | <b>&lt;3.14%&gt;</b> |
| <b>Net Cost</b>                     |                  |                   |                  |                      |
| Manageable Direct Cost              | 7,972,690        | 10,322,000        | 9,998,381        | <3.14%>              |
| Debt Service, Depreciation          | -                | -                 | -                | -                    |
| <b>Net Cost Total</b>               | <b>7,972,690</b> | <b>10,322,000</b> | <b>9,998,381</b> | <b>&lt;3.14%&gt;</b> |

**Anchorage Wastewater Utility**  
**2013 - 2018 Capital Improvement Program**  
(in thousands)

| <b>Project Category</b> | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>Total</b>   |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Equipment               | 2,757         | 2,971         | 3,207         | 3,313         | 2,720         | 2,591         | 17,559         |
| Plant                   | 22,491        | 18,711        | 17,249        | 14,539        | 7,756         | 4,521         | 85,267         |
| Pipe                    | 6,615         | 10,181        | 12,889        | 16,348        | 24,674        | 28,888        | 99,595         |
| <b>Total</b>            | <b>31,863</b> | <b>31,863</b> | <b>33,345</b> | <b>34,200</b> | <b>35,150</b> | <b>36,000</b> | <b>202,421</b> |

| <b>Funding Source</b> | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>Total</b>   |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Debt                  | 22,863        | 20,863        | 27,345        | 29,200        | 29,150        | 28,000        | 157,421        |
| State/Fed Grant       | 6,000         | 6,000         | 2,000         | 2,000         | 2,000         | 2,000         | 20,000         |
| Equity/Operations     | 3,000         | 5,000         | 4,000         | 3,000         | 4,000         | 6,000         | 25,000         |
| <b>Total</b>          | <b>31,863</b> | <b>31,863</b> | <b>33,345</b> | <b>34,200</b> | <b>35,150</b> | <b>36,000</b> | <b>202,421</b> |

**Anchorage Wastewater Utility**  
**2013 Capital Improvement Budget**  
(in thousands)

| <b>Project Title</b>   | <b>Debt</b>   | <b>State/Fed<br/>Grant</b> | <b>Equity/<br/>Operations</b> | <b>Total</b>  |
|--|---------------|----------------------------|-------------------------------|---------------|
| 2013 Depreciation Study  | -             | -                          | 120                           | 120           |
| Alaska Department Of Transportation-Municipality Of Anchorage-<br>Emergency-SWR                      | 1,340         | -                          | -                             | 1,340         |
| Alley, G-H Street and 4th and 5th Avenues Rehabilitation   | 496           | -                          | 304                           | 800           |
| Customer Service: Computer Information System (CIS) Enhancements                                     | 50            | -                          | 500                           | 550           |
| Customer Service: Locates Integration Tel-Dig  | 40            | -                          | -                             | 40            |
| Engineering Archives System-Swr  | 130           | -                          | -                             | 130           |
| Engineering Project Management Tools-SWR   | 155           | -                          | -                             | 155           |
| ER Excavator-SWR (96802)   | -             | -                          | 325                           | 325           |
| Eagle River Wastewater Treatment Facility Blower Upgrade   | 500           | -                          | -                             | 500           |
| Facility Replace & Rehabilitate-Operations & Maintenance-SWR   | -             | -                          | 270                           | 270           |
| Facility Replace & Rehabilitate-Treatment-SWR  | -             | -                          | 488                           | 488           |
| Fish Creek Gravity Interceptor   | 2,100         | -                          | 400                           | 2,500         |
| Girdwood I & I   | -             | -                          | 325                           | 325           |
| Girdwood Outfall   | 1,000         | -                          | -                             | 1,000         |
| Girdwood Wastewater Treatment Facility Upgrade & Replacement   | 13,479        | 6,000                      | -                             | 19,479        |
| Geographic Information System (GIS) Desktop Development  | 50            | -                          | -                             | 50            |
| Geographic Information System (GIS) Implementation   | 63            | -                          | -                             | 63            |
| Geographic Information System (GIS) Integration: Global Positioning<br>System (GPS) Vehicle Tracking | 45            | -                          | -                             | 45            |
| Hydraulic Model Support  | 38            | -                          | -                             | 38            |
| Information Technology (IT) Infrastructure   | 353           | -                          | -                             | 353           |
| Miscellaneous Information Technology (IT) Systems  | 495           | -                          | -                             | 495           |
| Plant Oversize Improvement-SWR   | 50            | -                          | -                             | 50            |
| Supervisory Control and Data Acquisition (SCADA) Equipment   | 634           | -                          | -                             | 634           |
| Vehicles-SWR   | -             | -                          | 268                           | 268           |
| Water Quality Management: Environmental Compliance Monitoring<br>Reporting                           | 45            | -                          | -                             | 45            |
| Work Management Systems  | 200           | -                          | -                             | 200           |
| Wonder Park Swr Phase II   | 1,600         | -                          | -                             | 1,600         |
| <b>Total</b>   | <b>22,863</b> | <b>6,000</b>               | <b>3,000</b>                  | <b>31,863</b> |

## Anchorage Wastewater Utility Statement of Cash Sources and Uses

|   | 2011<br>Actual    | 2012<br>Proforma  | 2013<br>Budget    |
|---|-------------------|-------------------|-------------------|
| <b>Sources of Cash Funds</b>                  |                   |                   |                   |
| Operating Income                              | 12,653,684        | 12,219,460        | 13,730,700        |
| Depreciation, net of amortization             | 6,153,527         | 7,250,000         | 7,968,000         |
| Transfer from Escrow Account                  | 1,619,691         | -                 | -                 |
| Grant Proceeds                                | 1,064,506         | 1,000,000         | 5,000,000         |
| Special Assessment Proceeds                   | 344,946           | 300,000           | 300,000           |
| State of Alaska Loan Proceeds                 | 3,895,599         | 5,000,000         | 5,000,000         |
| Interfund Loan from Water Utility             | 6,445,734         | 21,512,000        | (27,957,734)      |
| Bond/Commercial Paper Proceeds                | -                 | -                 | 41,000,000        |
| Miscellaneous Non-Operating Revenues          | 18,670            | 15,000            | 15,000            |
| Interest Received                             | 195,692           | 45,000            | 30,000            |
| Changes in Assets and Liabilities             | (1,007,852)       | (589,858)         | 496,234           |
| <b>Total Sources of Cash Funds</b>            | <b>31,384,197</b> | <b>46,751,602</b> | <b>45,582,200</b> |
| <b>Uses of Cash Funds</b>                     |                   |                   |                   |
| Capital Construction                          | 16,686,462        | 31,012,650        | 16,672,200        |
| Debt Principal Payment                        | 5,357,646         | 5,548,073         | 5,585,000         |
| Debt Interest Payments                        | 4,185,777         | 4,195,475         | 4,678,000         |
| MUSA  | 5,254,668         | 5,342,400         | 5,370,000         |
| <b>Total Uses of Cash Funds</b>               | <b>31,484,553</b> | <b>46,098,598</b> | <b>32,305,200</b> |
| Net Increase (Decrease) in Cash Funds         | (100,356)         | 653,004           | 13,277,000        |
| Cash Balance, January 1                       | 9,496,352         | 9,395,996         | 10,049,000        |
| <b>Cash Balance, December 31</b>              | <b>9,395,996</b>  | <b>10,049,000</b> | <b>23,326,000</b> |
| <b>Detail of Cash and Investment Funds</b>    |                   |                   |                   |
| General Cash Less Customer Deposits           | 9,009,753         | 9,699,000         | 12,607,000        |
| Construction Cash                             | -                 | -                 | 10,369,000        |
| Operating Fund Investment & Customer Deposits | 386,243           | 350,000           | 350,000           |
| <b>Cash Balance, December 31</b>              | <b>9,395,996</b>  | <b>10,049,000</b> | <b>23,326,000</b> |

## **About Anchorage Water and Wastewater**

### **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 \$497 million that delivers nearly 27 million gallons of water to customers each day, for a little more than \$1.40 per household per day. 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.

### **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.

### **Governance**

Effective in November 2011 the Utility changed from a Board-governed utility to a municipal department. The Board of Directors for the Utility was retained by the new legislation, as codified in Anchorage Municipal Code section 4.80.020. The Board is appointed by the Mayor to staggered 3-year terms, with nominees subject to Assembly approval. The Board by code makes recommendations to the Mayor, establishes procedures for customer complaints, and recommends 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 is under the control of the Mayor. The current Board members are very experienced professionals in the fields of law, accounting, and public health. As of September 2012, no appointment has been made for the board seat representing engineering expertise. Regular meetings are held monthly and are open to the public. Board meetings focus on Utility operations and highlights.

### **Economic Regulation and Accounting**

Since 1970, both the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility (ASU) have been regulated by the Alaska Public Utilities Commission (APUC), which was renamed the Regulatory Commission of Alaska (RCA) on July 1, 1999. AWU and ASU each hold a Certificate

of Public Convenience and Necessity for serving portions of the Anchorage Bowl, Eagle River and Girdwood. This commission must approve all rates and tariffs prior to implementation. 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.

AWWU is an Enterprise Fund. Enterprise Funds are used to account for operations where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or change in net assets is appropriate for capital maintenance, public policy, management control, accountability or other purposes. AWWU applies all applicable provisions of the Governmental Accounting Standards Board (GASB) which has authority for setting accounting standards for governmental entities. The accounting records of the Utility conform to the Uniform System of Accounts prescribed by the National Association of Regulatory Utility Commissioners (NARUC). The accrual basis of accounting is used for Enterprise Funds. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable.

### **Environmental Regulation**

AWU's activities are dictated by a wide variety of environmental regulations administered by the EPA and the ADEC. Potable water produced by AWU must comply with the regulations promulgated under the Safe Drinking Water Act (SDWA). The SDWA is the main federal law governing the quality of drinking water in the United States. The ADEC has authority (primacy) to administer the SDWA regulations for the EPA. The SDWA sets standards for the chemical and microbial quality of drinking water and establishes requirements for informing the public.

ASU's activities are also dictated by a wide variety of environmental regulations administered by the EPA and the ADEC. All wastewater discharges must comply with the regulations promulgated under the Clean Water Act (CWA). The CWA is the main federal law governing discharges into the waters of the United States. The CWA requires that each treatment facility have a unique National Pollution Discharge Elimination Systems (NPDES) permit that specifies the discharge limits from each facility for a wide variety of chemical and biological constituents. The ADEC has authority (primacy) to issue and administer the NPDES permits for ASU's Eagle River and Girdwood WWTF's. Authority to issue and administer the 301(h) permit for the Asplund WWTF has been retained by EPA, due to the special conditions of this discharge as outlined in section 301(h) of the CWA. In addition to the SDWA and CWA laws, ASU's sewage sludge incinerator must also comply with the provisions specified in Title V of the Clean Air Act (CAA). ADEC has primacy for the CAA and administers the permit for EPA.

Failure to comply with the regulations promulgated under the SDWA, CWA and CAA can result in fines and/or compliance orders and criminal charges.

### **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.