

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water &  
Wastewater Utility  
For reading: September 29, 2009

CLERK'S OFFICE  
APPROVED  
10-13-09

ANCHORAGE, ALASKA

AO No. 2009-113

2  
3 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA  
4 APPROVING SUBMISSION BY THE ANCHORAGE WATER AND  
5 WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTILITY  
6 (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF  
7 PROPOSED RATE CHANGES TO THE REGULATORY COMMISSION OF  
8 ALASKA.


9  
10 THE ANCHORAGE ASSEMBLY ORDAINS:

11  
12 **Section 1.** Rate changes to the tariffs of AWU, as reflected in the "Anchorage  
13 Water Utility Revenue Requirements Study For the Test Year Ended December  
14 31, 2008" for rates effective no later than January 1, 2010, as reflected in the  
15 attached Assembly Memorandum and incorporated herein by reference, are  
16 hereby approved for submission to the Regulatory Commission of Alaska.

17  
18 **Section 2.** Rate changes to the tariffs of ASU, as reflected in the "Anchorage  
19 Wastewater Utility Revenue Requirements Study For the Test Year Ended  
20 December 31, 2008" or rates effective no later than January 1, 2010, as reflected  
21 in the attached Assembly Memorandum and incorporated herein by reference, are  
22 hereby approved for submission to the Regulatory Commission of Alaska.

23  
24 **Section 3.** This Ordinance shall be effective immediately upon passage by the  
25 Anchorage Assembly.

26  
27 **PASSED AND APPROVED** by the Anchorage Assembly this 13<sup>th</sup> day of  
28 October, 2009.

29  
30  
31   
32 Chair

33 ATTEST:

34  
35   
36  
37 Municipal Clerk  
38

**MUNICIPALITY OF ANCHORAGE  
ASSEMBLY MEMORANDUM**

No. AM 528-2009

Meeting Date: September 29, 2009

1  
2 **FROM: MAYOR**

3  
4 **SUBJECT: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE,**  
5 **ALASKA APPROVING SUBMISSION BY THE ANCHORAGE**  
6 **WATER AND WASTEWATER UTILITY ON BEHALF OF THE**  
7 **ANCHORAGE WATER UTILITY (AWU) AND THE ANCHORAGE**  
8 **WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES**  
9 **TO THE REGULATORY COMMISSION OF ALASKA.**

10  
11 In accordance with Anchorage Municipal Code section 26.10.035, this ordinance  
12 requests the review and approval of submission by the Anchorage Water &  
13 Wastewater Utility (AWWU) of 2008 test year revenue requirement studies for  
14 both the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility  
15 (ASU) to the Regulatory Commission of Alaska (RCA).

16  
17 AWWU prepared the revenue requirement studies in accordance with the  
18 regulations and practices prescribed by the RCA and Alaska Statutes. The  
19 proposed across-the-board rate increases for 2010 will be 2.5 percent for AWU  
20 and 2.5 percent for ASU. AWWU's proposed 2010 Operating Budgets include  
21 revenue from the proposed rate increases. Upon Assembly approval, AWWU  
22 intends to request interim and refundable rates effective no later than January 1,  
23 2010 from the RCA. The RCA will notice AWWU's requested rate increase to the  
24 public for comment. All rate changes are subject to the approval of the RCA.

25  
26 **Impacts of the Study**

27 The Utilities use uniform rates for customer charges, unmetered usage charge per  
28 dwelling unit, metered volumetric rates, and meter charges. These basic rate  
29 components make up the individual customer bills. The proposed rate increases  
30 will be applied across-the-board to all recurring rates. Changes in the most  
31 common monthly rates are:

32

33 <b>Water:</b>	34 <b>2009</b>	35 <b>2010</b>
	36 <b>Current</b>	37 <b>Proposed</b>
38 Customer Charge	\$ 10.33	\$ 10.59
39 Flat Residential Usage Charge per unit	\$ 28.73	\$ 29.45
40 Metered Volume rate per 1,000 gallons	\$ 3.99	\$ 4.09
41 Anchorage Fire Department	\$ 312,105.00	\$ 319,908.00

42 <b>Wastewater:</b>	2009	2010
	Current	Proposed
Customer Charge	\$ 5.45	\$ 5.59

1	Flat Residential Usage Charge per unit	\$	23.09	\$	23.67
2	Metered Volume rate per 1,000 gallons:				
3	Residential	\$	3.61	\$	3.70
4	Commercial Low Strength	\$	3.17	\$	3.25
5	Commercial Medium Strength	\$	4.21	\$	4.32
6	Commercial High Strength	\$	4.92	\$	5.04

7  
8 **Typical Customer Rate Impacts**

9 The single-family residential water rate will increase by 98 cents per month in  
10 2010 from the current \$39.06 to \$40.04 per month. The single-family residential  
11 wastewater rate increases by 72 cents per month in 2010 from \$28.54 to \$29.26  
12 per month in 2010. The combined water and wastewater bill for a single family  
13 residential customer increases from the current \$67.60 to \$69.30 in 2010. The  
14 combined water and wastewater rate increase as a percentage over 2009 for  
15 single family residential customers is 2.5% in 2010.

16  
17 **RCA Approval Required**

18 Revenue from these rate increases is included in AWWU's budget. AWWU will  
19 file the 2008 test year Revenue Requirement Studies with the RCA upon  
20 Assembly approval of the proposed ordinance.

21  
22 The RCA will then notice the filing and proposed rate changes to the public and  
23 allow a thirty-day comment period. RCA Staff will review the filing and make a  
24 recommendation to the Commissioners whether to approve the filing or suspend it  
25 for further investigation. Then, the Commission will render a decision whether to  
26 approve or suspend the filing for further investigation within 45 days of the filing  
27 date. In the event the RCA suspends the filing for further investigation, AWWU  
28 will request interim refundable rates be made effective no later than January 1,  
29 2010 for both AWU and ASU.

30  
31 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE OF**  
32 **THE MUNICIPALITY OF ANCHORAGE, ALASKA APPROVING SUBMISSION**  
33 **BY THE ANCHORAGE WATER AND WASTEWATER UTILITY ON BEHALF OF**  
34 **THE ANCHORAGE WATER UTILITY (AWU) AND THE ANCHORAGE**  
35 **WASTEWATER UTILITY (ASU) OF PROPOSED RATE CHANGES TO THE**  
36 **REGULATORY COMMISSION OF ALASKA.**

37  
38  
39 **Prepared by:** Mark Premo, P.E., General Manager, AWWU  
40 **Concur:** Rhonda Fehlen Westover,  
41 Deputy Municipal Attorney  
42 **Concur:** George J. Vakalis, Municipal Manager  
43 **Respectfully Submitted:** Daniel A. Sullivan, Mayor  
44

## Municipality of Anchorage Summary of Economic Effects - Utilities

AO Number: 2009-113      Title: Anchorage Water and Wastewater Utility Proposed Rate Changes – Water  
 Sponsor: MAYOR  
 Preparing Agency: AWWU      Others Affected: All Municipal Utilities

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)**

<b>Operating Revenues:</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Anchorage Water Utility	\$1,118	\$1,118	\$1,118	\$1,118	\$1,118
<b>Total Operating Revenues:</b>	\$1,118	\$1,118	\$1,118	\$1,118	\$1,118
<b>Operating Expenses:</b>					
Water uncollectible accounts expense	\$4	\$4	\$4	\$4	\$4
<b>Total Operating Expenses:</b>	\$4	\$4	\$4	\$4	\$4
<b>Non-Operating Revenues:</b>					
<b>Total Non-Operating Revenues:</b>	\$0	\$0	\$0	\$0	\$0
<b>Non-Operating Expenses</b>					
<b>Total Non-Operating Expenses:</b>	\$0	\$0	\$0	\$0	\$0
<b>NET INCOME (Regulated)</b>	\$1,114	\$1,114	\$1,114	\$1,114	\$1,114
Positions: FT/PT/TEMP					

Impact on General Government: YES      (If yes, attach SEE for General Government agency impacted.)

**Utility Public Sector Economic Effects:**

AWWU intends to raise water rates by 2.5% effective January 1, 2010 subject to approval.

Public Sector Economic Effects **Continued**: See separate attached.

Private Sector Economic Effects: The effect on the private sector will be an increase in their 2010 water rates by 2.5% over 2009.

If further explanation is necessary, a separate page may be attached.

Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507  
*(Name, Title)*

Validated by OMB: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: Mark Premo, P.E., General Manager, AWWU Date: 9/9/09  
*(Director, Preparing Agency)*

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

AO Number: 2009- 113 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes – Water  
 Sponsor: MAYOR  
 Preparing Agency: AWWU Others Affected: All General Govt. and ASD

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)**

<b>Operating Revenues:</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
<b>Total Operating Revenues:</b>					
<b>Operating Expenses:</b>					
Anchorage Fire Department	\$94	\$94	\$94	\$94	\$94
Other General Government	\$8	\$8	\$8	\$8	\$8
Anchorage School District	\$7	\$7	\$7	\$7	\$7
<b>Total Operating Expenses:</b>	\$109	\$109	\$109	\$109	\$109
<b>Non-Operating Revenues:</b>					
<b>Total Non-Operating Revenues:</b>	\$0	\$0	\$0	\$0	\$0
<b>Non-Operating Expenses</b>					
<b>Total Non-Operating Expenses:</b>	\$0	\$0	\$0	\$0	\$0
<b>NET INCOME (Regulated)</b>	(\$109)	(\$109)	(\$109)	(\$109)	(\$109)
Positions: FT/PT/TEMP					

Public Sector Economic Effects:  
 For 2010 water utility rates will increase by 2.5% over 2009.

Private Sector Economic Effects: The effect on the private sector will be an increase in their 2010 water rates by 2.5% over 2009.

If further explanation is necessary, a separate page may be attached.

Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507  
*(Name, Title)*

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Approved by: Mark Premo, P.E., General Manager, AWWU Date: 9/9/09  
*(Director, Preparing Agency)*

## Municipality of Anchorage Summary of Economic Effects - Utilities

AO Number: 2009- 113 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes – Wastewater

Sponsor: MAYOR

Preparing Agency: AWWU Others Affected: All Municipal Utilities

### CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)

<b>Operating Revenues:</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Anchorage Wastewater Utility	\$878	\$878	\$878	\$878	\$878
<b>Total Operating Revenues:</b>	<b>\$878</b>	<b>\$878</b>	<b>\$878</b>	<b>\$878</b>	<b>\$878</b>
<b>Operating Expenses:</b>					
Wastewater uncollectible accounts expense	\$2	\$2	\$2	\$2	\$2
<b>Total Operating Expenses:</b>	<b>\$2</b>	<b>\$2</b>	<b>\$2</b>	<b>\$2</b>	<b>\$2</b>
<b>Non-Operating Revenues:</b>					
<b>Total Non-Operating Revenues:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Operating Expenses</b>					
<b>Total Non-Operating Expenses:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET INCOME (Regulated)</b>	<b>\$876</b>	<b>\$876</b>	<b>\$876</b>	<b>\$876</b>	<b>\$876</b>
Positions: FT/PT/TEMP					

Impact on General Government: YES (If yes, attach SEE for General Government agency impacted.)

Utility Public Sector Economic Effects:

AWWU intends to raise wastewater rates by 2.5% effective January 1, 2010 subject to approval.



Private Sector Economic Effects: Wastewater utility rates in 2010 will be 2.5% higher than in 2009.

If further explanation is necessary, a separate page may be attached.

Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507  
*(Name, Title)*

Validated by OMB: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: Mark Premo, P.E., General Manager, AWWU Date: 9/9/09  
*(Director, Preparing Agency)*

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

AO Number: 2009- 113 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes – Wastewater  
 Sponsor: MAYOR  
 Preparing Agency: AWWU Others Affected: All General Govt. and ASD

**CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)**

<b>Operating Revenues:</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
<b>Total Operating Revenues:</b>	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses:</b>					
General Government	\$6	\$6	\$6	\$6	\$6
Anchorage School District	\$4	\$4	\$4	\$4	\$4
<b>Total Operating Expenses:</b>	\$10	\$10	\$10	\$10	\$10
<b>Non-Operating Revenues:</b>					
<b>Total Non-Operating Revenues:</b>	\$0	\$0	\$0	\$0	\$0
<b>Non-Operating Expenses</b>					
<b>Total Non-Operating Expenses:</b>	\$0	\$0	\$0	\$0	\$0
<b>NET INCOME (Regulated)</b>	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
Positions: FT/PT/TEMP					

Public Sector Economic Effects:  
 2010 wastewater utility rates will be 2.5% higher than in 2009.

AO Number: 2009-113 Title: Anchorage Water and Wastewater Utility Proposed Rate Changes – Wastewater

Private Sector Economic Effects: Wastewater utility rates in 2010 will be 2.5% higher than in 2009.

If further explanation is necessary, a separate page may be attached.

Prepared By: Beau Disbrow, Regulatory Affairs Manager Telephone: 786-5507  
*(Name, Title)*

Validated by OMB: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: Mark Premo, P.E., General Manager, AWWU Date: 9/9/09  
*(Director, Preparing Agency)*



**Content ID:** 008138

**Type:** Ordinance - AO

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA  
 APPROVING SUBMISSION BY THE ANCHORAGE WATER AND

**Title:** WASTEWATER UTILITY ON BEHALF OF THE ANCHORAGE WATER UTILITY  
 (AWU) AND THE ANCHORAGE WASTEWATER UTILITY (ASU) OF PROPOSED  
 RATE CHANGES TO THE REGULATORY COMMISSION OF ALASKA.

**Author:** maglaquijp

**Initiating Dept:** AWWU

**Date Prepared:** 9/15/09 2:52 PM

**Director Name:** Mark Premo

**Assembly Meeting Date:** 9/29/09

**Public Hearing Date:** 10/13/09 1

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	9/21/09 9:05 AM	Exit	Joy Maglaqui	Public	008138
MuniManager_SubWorkflow	9/21/09 9:05 AM	Approve	Joy Maglaqui	Public	008138
MuniManager_SubWorkflow	9/18/09 4:04 PM	Checkin	Joy Maglaqui	Public	008138
Legal_SubWorkflow	9/18/09 12:48 PM	Approve	Rhonda Westover	Public	008138
Finance_SubWorkflow	9/17/09 11:52 AM	Approve	Lucinda Mahoney	Public	008138
OMB_SubWorkflow	9/16/09 8:15 AM	Approve	Cheryl Frasca	Public	008138
AWWU_SubWorkflow	9/15/09 2:57 PM	Approve	Mark Premo	Public	008138
AllOrdinanceWorkflow	9/15/09 2:56 PM	Checkin	Alyssa Gibson	Public	008138