



Smart INVESTING in Your Future

Utility Rates = Cost of Utility Services

Breakdown of a monthly water & sewer single-family residential Utility bill.

- **Cost of raw water**

The price paid to acquire water from Eklutna Lake is nominal compared to costs to treat and deliver high quality, safe drinking water to customers throughout the Municipality of Anchorage.

- **Net Income**

Total remaining revenues after all expenses are paid. These are funds available for future investment.

- **Chemicals & Supplies**

The cost of treatment chemicals, tools and miscellaneous supplies associated with the treatment of wastewater and purification of drinking water.

- **Other Utility & Operating Costs**

Expenses associated with the operation of the Utility.

- **Labor**

Wages and benefits for Utility employees.

- **Infrastructure – *the Utility’s largest rate component***

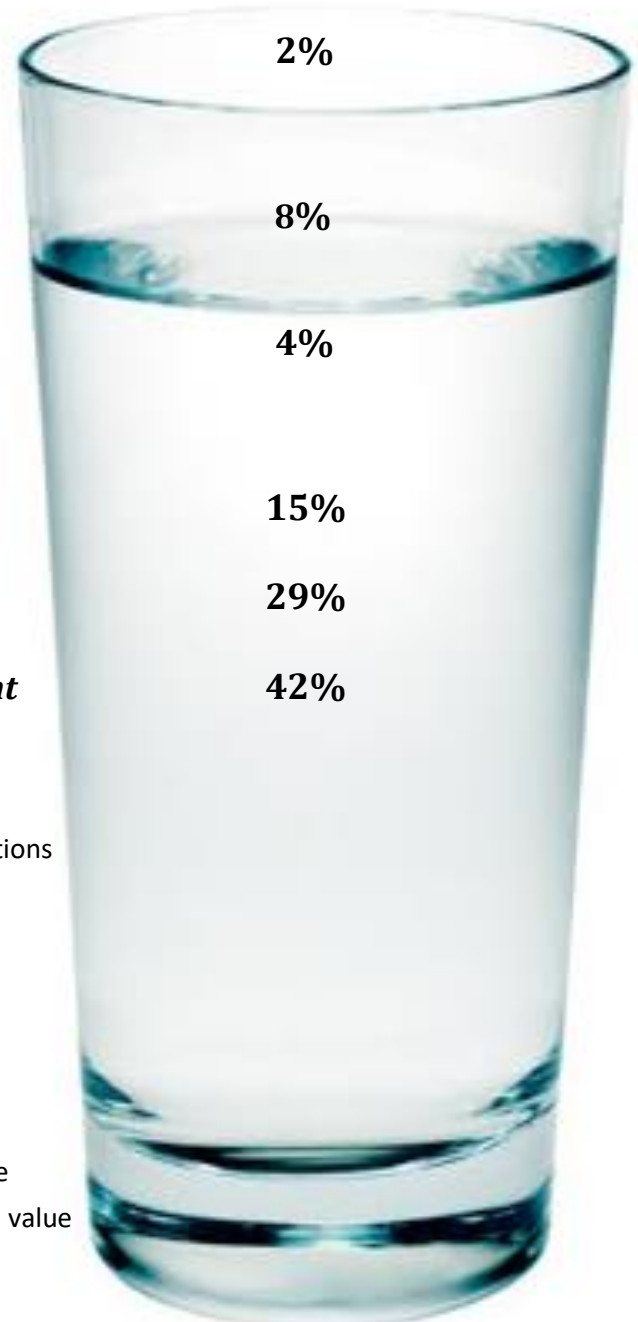
- 2 water treatment plants • 11,800 main-line valves
- Over 6,000 hydrants • 17 wells • 19 reservoirs
- 32 water booster stations • 2 septage receiving stations
- 3 wastewater treatment plants • 66 wastewater pump/lift stations
- Over 17,000 pieces of rotating equipment
- 1,691 miles of pipe

Operating costs associated with the development of Utility infrastructure are dominated by three elements:

- (1) the cost of debt associated with capital investment;
- (2) the depreciation of the value of capital assets over time; and
- (3) Municipal Utility Service Assessment (MUSA), a payment to the Municipality of Anchorage, in lieu of taxes, associated with the value of those assets.

Total

100%



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