

Golden Heart

UTILITIES

AN ALASKAN CORPORATION

Fairbanks

President's Message

by Dan Gavora

During the first 7 years of operation at Golden Heart Utilities, tremendous capital investment was required to bring the water and wastewater infrastructure that had been allowed to deteriorate for many years back to a sustainable level. I am happy to say we are near the end of that major capital investment process and the results have been a more efficient operation, reduced manpower and a more reliable system. In essence, we have reached a plateau of our workload and investment requirements. Now we can focus on sustained operational improvements.

Recently, the utility has been in the news regarding its request for a rate increase. Advising utility customers of rate increases is always a difficult task, but as with almost everything we consume, prices have risen throughout our economy. To control the escalation of labor costs, we have implemented efficiency measures through capital investments and operational procedures that have reduced our overall labor requirements. Proudly, we have been able to accomplish these labor reductions without workforce disruptions through normal personnel attrition. All other costs such as electricity, fuel, equipment, transportation of materials, insurance, and employee benefits have risen at rates much higher than the annualized inflation rate. Any business, including utilities, must pass these costs on to the consumers in order to responsibly maintain operations. Rest assured, we are constantly looking for ways to reduce the impact of these increases.

The winter of 2005-2006 has been extraordinary. First, the average temperatures in January and February were the lowest recorded in over 30 years. Cold temperatures combined with a very low snow accumulation provided deep ground frost levels. The extreme cold posed significant operational challenges to water distribution and wastewater collection systems. Our company was chal-

Continued on back



Dan Gavora, President/CEO, presents Glenn Hackney the medal for being the most senior participant at the 2005 Water Walk & Run.

Drinking Water Quality Report

Golden Heart Utilities is proud of the fine drinking water it provides. This annual water quality report shows the source of our water, lists the results of our 2005 tests, and contains important information about water and health.

Golden Heart Utilities will notify you immediately if there is any reason for concern about our water. We are happy to report to you how we have surpassed established water quality standards.

Golden Heart Utilities is in compliance with the national primary drinking water regulations, and has met all testing and monitoring requirements. The EPA has determined that your water is safe at the tested and monitored levels (*see tables inside*).

We are proud to report that the water provided by Golden Heart Utilities meets or exceeds established water quality standards.



Help Cool Blue put the letters in the right order!

All living things need ____ (tawer) to live.
 When water evaporates, it travels into the air and becomes part of a ____ (dlocu).
 Less than 1% of all the water on earth is ____ (sefrh) water.
 We ____ (ikrdn) water in the liquid form.
 Check for leaks and save hundreds of ____ (glloans) of water a day.
 You'll save water by taking a quick ____ (howser).
 Wash bikes and cars with a ____ (kecbut) and a sponge instead of a running hose.
 Ask your ____ (mfaiyl) to look for ways to save water.

Answers: water, cloud, fresh, drink, gallons, shower, bucket, family

President's Message continued from front

lenged to maintain uninterrupted service and we appreciate the understanding of our customers during what at times were challenging tasks. The



GHU employees water distribution maintenance.

severe cold's impact upon utility operations was exacerbated by the way the infrastructure was constructed many years ago; often with uninsulated pipes that rely

upon uninterrupted circulation or continuous wastewater flows in order to prevent freezing. I am happy to report that most of these problems have been overcome and we have restored the system to full operation. Our goal is to ensure long term reliable service from your utility rather than just provide a short term fix. We are reviewing the challenges presented this winter to see if there are operational measures we can implement to ensure continued reliable service to you, our valued customer.

Take a tour

Golden Heart Utilities, Inc. offers water and wastewater treatment plant tours located at our facilities on 1st Avenue and Peger Road. If you have an organization or class that is interested in a plant tour please call 479-3118 or visit our website at www.akwater.com.



Robert Armstrong, GHU Water Treatment Plant employee, operates the filter press controls.

Attention Property Owners & Managers

This report is mailed to all water customers at the billing address. Certain residents and tenants may not receive a copy of this report if the property owner or manager receives the water bill. While not required by law, property owners and managers, as well as business owners, are encouraged to provide this information to their tenants. This report may be photocopied and distributed or posted in a prominent place at the facility. More copies are available at our administrative offices or at www.akwater.com.

GHU Information

Check Out Our Website

Visit our web site www.akwater.com for updated information, frequently asked questions and links to related sites.

Water Problems?

Call the utility before you call the plumber at our 24-hour number: **479-3118**. Customers experiencing problems with their service line should *always* call the utility first. We can tell you if there is a problem in your area that may be affecting your service, or we can send out a crew to check our mains and determine where the problem is located.

Monthly Bill Insert

We hope you'll take a moment each month and read the informative insert that we include with your statement. It provides information about conservation, operational issues that you should be aware of that are occurring at the utility, and customer service matters. And, as always, if you have any questions you can call our friendly customer service staff.

DRINKING WATER QUALITY

Water Testing & Your Health

To ensure that tap water is safe to drink, EPA prescribes limits on the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling Environmental Protection Agency's Safe Drinking Water Hotline (800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminates that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, which can be naturally occurring or result from urban storm runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, storm water runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organics, are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff and septic systems.
- Radioactive contaminants, can be naturally occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water that must provide the same protection for public health.

Some people may be more vulnerable to contaminants in drinking water than is the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, persons with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium are available from the Safe Drinking Water Hotline (800-426-4791).

We're happy to answer any other questions about **Golden Heart Utilities** and our water quality. For general information or for water quality questions call customer service at 479-3118.

Check out GHU's web site at www.akwater.com

Environmental Protection Agency's Safe Drinking Water Hotline: 1-800-426-4791.

Water Quality Data for community water systems throughout the United States is available at www.waterdata.com

Drinking Water Test Results

The table below shows the results of our water quality analysis. Every regulated contaminant that we detected in the water, even in the most minute traces, is listed here. The table contains the name of each substance, the highest level allowed by regulation (MCL); the ideal goals for public health, the amount detected, the usual sources of such contamination, footnotes explaining our findings, and a key to units of measurement. Definitions of MCL and MCLG are important.

Key to table

MCL Maximum Contaminant Level or the highest level of contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

MCLG Maximum Contaminant Level Goal or the level of contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

ppm parts per million, or milligrams per liter (mg/L). The same as one minute in two years or one penny in \$10,000.

ppb parts per billion, or micrograms per liter (ug/L). The same as one minute in 2,000 years or one penny in \$10,000,000.

Contaminant	Detected Contaminants	
	Inorganic	Volatile Organic
Date Tested	2005	2005
Unit	ppm	ppb
MCL	4	60
MCLG	4	0
RAA*	0.9	30.1
Range	0.7-1.2	23.5-32.9
Major Sources	Water additive to promote strong teeth	By-products of water chlorination
Violation	NO	NO

*RAA=Running Annual Average, HAA5=Haloacetic Acids, TTHM=Total Trihalomethanes

Other Monitoring

In addition to the testing we are required to perform, our water system voluntarily tests for hundreds of additional substances to make certain your water is safe and of high quality.

Substance	Frequency	MCL	Recent Results	Compare to MCL
Alkalinity	daily	no limit	149 ppm as CaCO ₃	—
Chlorine	daily	4 ppm	1.1 ppm	3.6 times better
Hardness	daily	no limit	150 ppm as CaCO ₃	—
Iron	mon. avg.	300 ppb	60 ppb	5 times better
Manganese	mon. avg.	50 ppb	20 ppb	2.5 times better
Dissolved Solids	mon. avg.	500 ppm	204 ppm	2.5 times better
Turbidity	daily	1 NTU	0.07 NTU	14.3 times better
pH	daily	6.5-8.5 units	8.4 units	within range
Arsenic	every 3 years	50 ppb	0.757 ppb	66 times better
Barium	every 9 years	2,000 ppb	55.6 ppb	36 times better
Sodium	not required	250 ppm	16.6 ppm	15 times better
Sulfate	not required	250 ppm	20.4 ppm	12.3 times better
Chloride	not required	250 ppm	16.7 ppm	15 times better
Boron	not required	no limit	47.6 ppb	—
Calcium	not required	no limit	37.0 ppm	—
Magnesium	not required	no limit	11.1 ppm	—
Potassium	not required	no limit	3.45 ppm	—

The following substances were tested for and were not detected in our treated water: Nitrate, Copper, Selenium, Nickel, Antimony, Thallium, Beryllium, Cyanide, Silver, Lead, Aluminum, Zinc, Cadmium, Chromium, Mercury, Radiological, Coliform.

Data in this report is from the most recent testing done in accordance with regulations and presented as required by 40 CFR 141.153 and 141.154. The state requires GHU to monitor for certain contaminants less than once a year because concentrations of these contaminants are not expected to vary significantly from year to year.

Source Water Assessment

The Alaska Department of Environmental Conservation Source Water Assessment program has been implemented to encourage public water system operators as well as the public it serves to be aware of the potential contamination to the source of their drinking water at the wellhead and for the watershed. Informed customers are our best allies in maintaining safe drinking water.

There are many requirements for analysis on the utility's distribution system--the water that we supply to our customers. Regular monitoring of the distribution system is how the safety of public drinking water is measured. There are analytes that we are also required to test for in our source water as well, but they are much fewer than those required in the distribution system. In addition to the testing that is required, we take extra samples from both locations to insure the safety of the water we supply to our customers. This sampling includes general water quality tests such as pH, total dissolved solids, conductivity, turbidity, hardness, alkalinity, salinity, and bacteriological analysis. These weekly tests, as well as extra quarterly analysis for organic chemicals help to insure that, should an unforeseen activity affect our wells, we would know right away

and be able to protect our customers from any potential contaminant. No contamination has been detected recently in any of the wells that GHU uses to supply the water we distribute to our customers. If contaminant levels above the allowable limits are ever detected in the source and/or distribution water, you will receive notification of the results.

If each of us does our part to protect our water resources and practice water conservation, we can ensure that future generations will have ample supplies of high quality water. A complete copy of the source water assessment document can be obtained by contacting our customer service department at 479-3118.



You see this logo on our building but just what is Utility Services of Alaska (USA)?

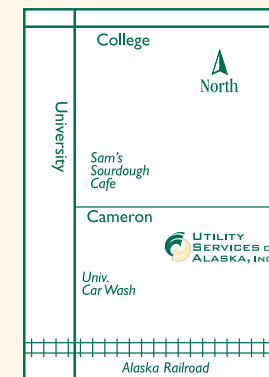
Founded in October 1997 upon the privatization of Fairbanks Municipal Utilities System, USA provides administrative support and customer service to both GHU and College Utilities Corporation.

The combination of administration and customer service is cost effective. USA estimates over \$500,000 per year savings for the two utilities.

Water Usage

A great way to monitor your usage and detect a possible leak is to review your monthly statement. Included on your statement is your monthly usage for the past 12 months as well as a daily average. If you see a fluctuation and cannot account for the change, it's a good idea to test your toilets for leaks and any other potential sources such as faucets, hot water heaters or outdoor water spigots.

Drop by our customer service desk and ask for free toilet leak detection tablets and flow restrictors.



USA's offices are easy to find, right off University Avenue. There's even a drop box outside for your payments.

Where does your water come from?

Fairbanks is fortunate to have an abundant supply of fresh water, literally, under our feet. The water you drink is pumped from the huge aquifer that lies beneath the Tanana Valley. Because our drinking water comes from these deep wells, we avoid the kinds of contaminants that may come from surface water or runoff.

We operate four wells, 75-90 feet deep, which pump an average of 4 million gallons per day to Golden Heart Utilities and College Utilities customers. Our water system contains two reservoirs, with a combined storage capacity of over 6 million gallons, where water is stored after it is treated. These reservoirs ensure water availability during periods of high demand.

National Drinking Water Week

The week of May 8th is the American Water Works Association's National Drinking Water Week. During this week, GHU promotes safe drinking water with visits to elementary school-age children and also give tours at the water treatment plant. On Wednesday evening, May 10, the utility sponsors its 15th Annual Water Walk/Run. This 3-mile course begins at GHU's Water Treatment Plant. The event is fun for the whole family with activities before and after the walk/run.



The Witt family at Water Walk and Run.

Join us by signing up at the USA office!