

**Municipality of Anchorage**

# **PUBLIC UTILITIES**

**PROPOSED  
2008-2009  
MUNICIPAL UTILITY/ ENTERPRISE  
ACTIVITY  
OPERATING BUDGETS  
&  
2008-2014  
PUBLIC UTILITY  
CAPITAL IMPROVEMENT PROGRAM**



**Mark Begich  
Mayor**

September 28, 2007

Dear Residents of Anchorage:

Enclosed are the Proposed 2008-2009 Municipal Utilities' Operating Budget and 2008-2014 Utility Capital Budget/Program for all of our municipal utilities.

Many of the basic services Anchorage residents rely on daily – safe water, reliable electricity, goods delivered efficiently – come from city-owned utilities. Over the past year, many operations were improved at Municipal Light and Power (ML&P), Anchorage Water and Wastewater Utility (AWWU), Solid Waste Services (SWS), the Port of Anchorage and Merrill Field Airport. For example:

- For the 8<sup>th</sup> consecutive quarter, ML&P is charging the lowest electric rates on the Railbelt across all rate classes. ML&P customers paid up to 37 percent less than customers of the other two utilities serving Anchorage.
- Anchorage Regional Landfill completed its gas capture system, ensuring compliance with federal Clean Air Act standards. The Landfill received a score of 99 percent on its most recent State inspection, with perfect scores for environmental protection, health and safety management and professionalism of operations.
- Merrill Field, with the FAA Air Traffic Control Tower, local pilots and Fairview and Airport Heights neighborhoods, initiated a "Fly Friendly" program to which has produced a drop in residential complaints about aircraft operations at the airport. Merrill is Alaska's busiest general aviation airport and generates millions of dollars to the city annually through 42 aviation businesses and 910 aircraft.
- As part of its major expansion project, the Port developed 22 acres of new land and put it into service for commercial storage and military staging. Another 22 acres is being added this year to accommodate rapid and strategic growth. Ninety percent of all consumer goods provided to 80 percent of the state's population come through the Port, generating more than \$750 million each year for Alaska's economy.

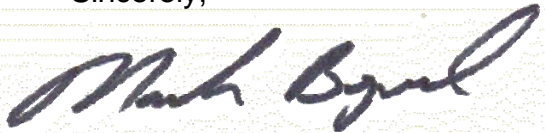
- AWWU developed an easy web and voice payment system and outage notification system for planned outages, works in progress and other utility events. It also replaced more than 3,000 feet of deteriorating iron pipe with high density polyethylene plastic pipe to ensure safe, clean, reliable water and fire supply for the Sullivan Arena, adjacent sports facilities and nearby residential neighborhood.

The 2008-2009 biennial budgets for Anchorage's utilities reflect a continued positive direction. The Administration reviewed each of the utilities' operating and capital budgets concentrating on key areas such as revenues, expenses, net income, workforce projections, and rate increase projections.

The primary goal of our utilities continues to be providing quality service at reasonable rates. Our utilities will continue to meet debt service requirements, prudently increase equity, adequately maintain cash reserves and generate sufficient revenues to maintain their plants in good working condition.

I am proud of the management and performance of our utilities and I intend to continue to encourage each utility to achieve greater efficiencies while maintaining quality service.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Begich", is written over a light gray, textured rectangular background.

Mark Begich  
Mayor

**MUNICIPAL UTILITIES  
PROPOSED  
2008-2009 OPERATING and  
2008-2014 CAPITAL BUDGETS**

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