




MUNICIPALITY OF ANCHORAGE

MEMORANDUM

September 2, 2011

TO: Anchorage Assembly

FROM: Mayor Dan Sullivan 

SUBJECT: Preliminary 2012 Budget Information

Anchorage Municipal Code 6.10.040 (A) requires the Administration to provide preliminary information regarding the 2012 budget for general government, utilities, and enterprises at least 120-days prior to the end of the fiscal year.

The required information included in this memo is:

- Preliminary 2012 revenue estimate;
- Preliminary 2012 tax limit calculation;
- Preliminary 2012 CIB and 2012-2017 CIP for general government;
- Administration's priorities; and
- Utility and Enterprise budget information.

Preliminary 2012 Revenue Estimate

Preliminary estimates show a \$4.2 million increase in revenue from non-property taxes:

Preliminary Estimate

2012 Non-Property Tax Revenue

	2011 Revised	2012 Preliminary	Difference
Federal Revenues	2,142,950	1,586,506	\$ (556,444)
State Revenues	16,587,130	16,587,130	0
Taxes, Interest, Other Revenue			
MUSA/MESA	19,780,997	20,947,424	1,166,427
Room Tax	19,776,623	21,616,721	1,840,098
Motor Vehicle Rental Tax	4,753,653	5,174,208	420,555
Auto Registration Tax	5,040,000	8,800,000	3,760,000
Tobacco Tax	21,300,000	20,950,000	(350,000)
Interest, other earnings	24,034,020	23,197,648	(836,372)
Program Generated Revenue	52,649,970	51,371,749	(1,278,221)
Total	\$ 166,065,343	\$ 170,231,386	\$ 4,166,043

Preliminary 2012 Tax Limit Calculation

Attachment A is the preliminary Tax Limit calculation. When compared to the 2011 Tax Limit, the preliminary 2012 calculation provides:

- Increase of \$8.9 million in the total of all taxes that can be collected;
- Decrease of \$2.5 million in the maximum amount of property taxes that can be collected.

The lower property tax amount is the result of an \$11.5 million increase in non-property taxes. Because the Tax Limit caps the amount that all taxes (not just property taxes) can increase from one year to the next, the practical effect is that every dollar increase in a non-property tax translates into a dollar less in property taxes. Non-property tax increases in 2012 include \$7.8 million from utility and enterprise payments-in-lieu-of taxes (MUSA/MESA) as the final phase of Proposition 9 implementation and \$3.8 million in automobile registration taxes. The Tax Limit will be finalized in April during the first quarter amendment process at which time 2012 property tax rates will be set.

Preliminary 2012 CIB and 2012-2017 CIP for General Government

A major goal for this Administration is to take care of what the Municipality has—from roads to parks to specialized equipment. To that end, the preliminary 2012 Capital Improvement Budget (CIB) (Attachment B) will propose a \$31.7 million general obligation bond package that will include \$28.6 million for roads and infrastructure and \$2.3 million for parks, trails, and recreational facilities. The Municipality also will continue to work with the Governor and Alaska Legislature on funding that can help meet Anchorage's infrastructure needs. Preliminary funding levels for the 2012 – 2017 Capital Improvement Program (CIP) are included in Attachments C and D. CIB and CIP project details will be provided in the submittals to the Assembly on October 1st.

Administration's Priorities

As in 2010, the challenge continues to bring spending to a level the Municipality—and taxpayers—can afford over the long-term. A priority is to ensure appropriate services are delivered efficiently. The Administration is in the midst of initiatives that will leverage technology to bring savings to the administrative operations. These initiatives include an electronic timekeeping system; a new Enterprise Resource Planning (ERP) system that will streamline management of human resources, accounting, purchasing, and budget functions; and a third party review of all maintenance and operations functions.

Utility and Enterprise Budget Information

Attachment E is the updated strategic and business plans and preliminary CIB and CIP information for:

- Municipal Light and Power
- Anchorage Water and Wastewater
- Merrill Field Airport
- Port of Anchorage
- Solid Waste Services.

2012
PRELIMINARY Tax Limit Calculation

Attachment A

Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2011		2012	
		Revised		Proposed	
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>				
2	Real/Personal Property Taxes to be Collected	\$	221,394,860	\$	225,307,034
3	Payment in Lieu of Taxes (State & Federal)		919,000		919,000
4	Automobile Tax		4,984,000		5,040,000
5	Tobacco Tax		16,300,000		21,300,000
6	Aircraft Tax		210,000		210,000
7	Motor Vehicles Rental Tax		4,271,327		4,753,653
8	MUSA/MESA		6,328,914		13,187,332
9	Step 1 Total	\$	254,408,101	\$	270,717,019
11	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>				
12	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)		(440,000)		(440,000)
13	Judgments/Legal Settlements (One-Time)		(539,824)		(118,550)
14	Debt Service (One-Time)		(35,582,194)		(49,147,385)
16	Step 2 Total		(36,562,018)		(49,705,935)
18	Tax Limit Base (before Adjustment for Population and CPI)	\$	217,846,083	\$	221,011,084
20	<u>Step 3: Adjust for Population, Inflation</u>				
21	Population 5 Year Average	1.00%	2,178,460	0.70%	1,547,080
22	Change in Consumer Price Index 5 Year Average	2.60%	5,664,000	2.50%	5,525,280
23	Step 3 Total	3.60%	7,842,460	3.20%	7,072,360
25	The Base for Calculating Following Year's Tax Limit	\$	225,688,543	\$	228,083,444
27	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>				
28	New Construction		1,657,790		1,684,170
30	Taxes Authorized by Voter-Approved Ballot - O&M		477,916		723,945
31	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)		440,000		440,000
32	Judgments/Legal Settlements (One-Time)		118,550		25,050
33	Debt Service (One-Time)		49,147,385		55,513,494
37	Step 4 Total		51,841,641		58,386,659
39	Limit on ALL TAXES that can be collected	\$	277,530,184	\$	286,470,103
41	<u>Step 5: To determine limit on property taxes, back out other taxes</u>				
42	Payment in Lieu of Taxes (State & Federal)		(919,000)		(780,000)
43	Automobile Tax		(5,040,000)		(8,800,000)
44	Tobacco Tax		(21,300,000)		(20,950,000)
45	Aircraft Tax		(210,000)		(210,000)
46	Motor Vehicle Rental Tax		(4,753,653)		(5,174,208)
47	MUSA/MESA		(13,187,332)		(20,947,424)
48	Step 5 Total		(45,409,985)		(56,861,632)
50	Limit on PROPERTY TAXES that can be collected	\$	232,120,199	\$	229,608,471
52	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>				
53	Property taxes to be collected based on spending decisions minus other available revenue.				
55	Property taxes TO BE COLLECTED	\$	225,307,034		
57	Amount below limit on property taxes that can be collected ("under the cap")		(6,813,165)		

There also are service areas with boards that set their maximum mill levies. The property taxes in these service areas are not subject to the Tax Limit Calculation ("outside the cap"). The preliminary 2012 total property taxes "outside the cap" is \$15,528,727, making the preliminary total of all property taxes that can be collected \$245,137,198.

**Preliminary
General Government 2012 Capital Improvement Budget**

Department Summary By Source of Funds

Department	Bonds	State Grants	Federal Grants	Other	Total
Anchorage Fire Department	520	2,900	0	40	3,460
Anchorage Police Department	0	5,508	0	0	5,508
Information Technology	0	935	200	3,015	4,150
Library	0	125	0	840	965
Parks & Recreation	2,250	3,120	0	50	5,420
Public Transportation	358	75	3,062	0	3,495
Public Works	28,612	350,318	2,400	9,770	391,100
Total	\$31,740	\$362,981	\$5,662	\$13,715	\$414,098

**Preliminary
General Government 2012 - 2017 Capital Improvement Program**

Summary by Department

Department	2012	2013	2014	2015	2016	2017	Total
Anchorage Fire Department	3,460	14,640	5,950	5,425	1,450	4,000	34,925
Anchorage Police Department	5,508	13,100	600	600	600	600	21,008
Information Technology	4,150	4,115	4,530	1,250	575	900	15,520
Library	965	965	965	965	965	0	4,825
Parks & Recreation	5,420	77	0	0	0	0	5,497
Public Transportation	3,495	4,475	4,495	3,695	3,782	2,695	22,637
Public Works	391,100	163,077	177,177	119,222	134,030	98,805	1,083,411
Total	\$414,098	\$200,449	\$193,717	\$131,157	\$141,402	\$107,000	\$1,187,823

Preliminary
General Government 2012 - 2017 Capital Improvement Program

Department Summary By Source of Funds

Department	Bonds	State Grants	Federal Grants	Other	Total
Anchorage Fire Department	17,535	15,750	0	1,640	34,925
Anchorage Police Department	0	21,008	0	0	21,008
Information Technology	0	2,135	2,600	10,785	15,520
Library	0	625	0	4,200	4,825
Parks & Recreation	2,250	3,197	0	50	5,497
Public Transportation	2,945	3,553	16,139	0	22,637
Public Works	188,037	803,332	33,642	58,400	1,083,411
Total	\$210,767	\$849,600	\$52,381	\$75,075	\$1,187,823

Utility and Enterprise Budget Information

Anchorage Water and Wastewater 2012 Utility Profile

Organization:

Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in the State of Alaska. The service area equals 125 square miles of metropolitan Anchorage, from Eklutna to Girdwood. The Utility collects water from two major surface watersheds and many deep underground wells. The Utility treats and distributes water to approximately 55,000 residential, commercial, military, and industrial accounts throughout the urban areas of Anchorage. The Utility's wastewater facilities serve approximately 55,800 residential, commercial and military accounts. This represents an estimated population base of 240,000 residents who receive water service and 250,000 residents who receive sewer service. AWWU's wastewater treatment plants operate 24 hours per day, discharging treated wastewater into Cook Inlet, Eagle River and Glacier Creek. The public investment in these systems, treatment plants, mains and sewers, laboratories, and reservoirs, totals just over \$1 billion, with an estimated replacement value of \$7.4 billion. AWWU employs 287 individuals and spends approximately \$86 million annually to operate the water and wastewater systems. Through education, training, certification programs, field experience and longevity of service, AWWU's employees are a dedicated team. Treatment plant operators, engineers, laboratory technicians, maintenance craftsmen, accountants, customer service representatives and field personnel all work together to ensure Anchorage's water and wastewater systems perform efficiently.

Governance:

AWWU is a department of the Municipality of Anchorage governed by a seven member Board of Directors, appointed by the Mayor and approved by the Anchorage Municipal Assembly. The Directors serve five year staggered terms. The current Board members are very experienced professionals in the fields of law, engineering, accounting, public health, and government. Regular meetings are held monthly and are open to the public. Board meetings focus on Utility operations and highlights.

Effective November 2011 the Utility will transition from a Board-governed utility to a municipal department. The Board of Directors for the Utility is retained by the new legislation. The authority of the Board under Anchorage Municipal Code section 4.80.020 will be to make recommendations to the Mayor, establish procedures for customer complaints, and recommend 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 will be under the control of the Mayor.

Although they share one workforce, the utilities are separate economic and regulated entities. A profile of each utility is shown below:

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 \$480 million that delivers nearly 27 million gallons of water to customers each day, for a little more than \$1.30 per household. 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.

Service:

Anchorage's water supply is dominated by two surface watersheds, Eklutna Lake and Ship Creek. Several deep wells provide the Utility with supplementary sources of water. Until 2000, Ship Creek Water Treatment Plant was the main water production facility. With the shift of 24-hour operations to the Eklutna Water Treatment Facility, AWWU has made better use of its higher-pressure water and more effective use of personnel. The Eklutna water supply originates at Eklutna Lake, a drought-resistant natural reservoir. Fed by runoff from Eklutna Glacier and snow-pack from the Chugach Mountains, the eight-mile long lake can supply up to 300 million gallons of water each day. The Eklutna Water Treatment Facility is capable of treating up to 35 million gallons per day.

Ship Creek remains an important water source for Anchorage with the Ship Creek Water Treatment Facility in standby mode. From spring through fall, AWWU has the water rights from Ship Creek and to provide as much as 24 million gallons of water per day. Currently the Ship Creek Water Treatment Facility can produce up to 16 million gallons per day.

AWWU also operates 16 wells that can provide up to 16 million gallons per day.

The Girdwood community is served by a stand-alone system which includes two AWWU wells.

Regulation:

Since December 1970, AWU has been regulated by the Alaska Public Utilities Commission (APUC), which was renamed the Regulatory Commission of Alaska (RCA) on July 1, 1999. AWU holds a Certificate of Public Convenience and Necessity for serving portions of the Anchorage Bowl, Eagle River and Girdwood. This commission, prior to implementation, must approve all rates and tariffs. 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.

Environmental Mandates:

In recent years, several federally mandated programs have directly impacted the Utility's water operating costs. The Safe Drinking Water Act, Americans with Disabilities Act, and Community Right-to-Know are some of the current and ongoing laws that impact the Utility.

Physical Plant:

AWU operates two treatment plants and operates 16 wells on an as-needed basis. Average daily water production in 2010 from wells was 1.81 million gallons per day (gpd). AWU has the capacity to provide up to 68 million gpd. The distribution transmission system contains approximately 830 miles of waterline and 7,230 publicly or privately-owned, connected fire hydrants.

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 too 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.

Regulation:

Since 1971, the Anchorage Wastewater Utility has been regulated by the APUC, which was renamed the RCA on July 1, 1999. The Utility holds a Certificate of Public Convenience and Necessity for serving the Anchorage Bowl, Eagle River, and Girdwood. This commission, prior to implementation, must approve all rates and tariffs. They also regulate service areas and service quality. The RCA is composed of five members appointed to six-year staggered terms by the Governor and confirmed by the State Legislature.

Environmental Mandates:

All three of AWWU's wastewater treatment facilities are subject to discharge limits imposed by individual National Pollutant Discharge Elimination System permits issued. Discharge permits for Eagle River and Girdwood are issued by the Alaska Department of Environmental Conservation (ADEC). The discharge permit for the Asplund facility is issued by the Environmental Protection Agency (EPA). Each permit is good for a period of five years after which they may be renewed. All three permits expired in 2005. AWWU submitted timely renewal applications six months in advance of the expiration dates of each permit. The Eagle River permit was reissued early in 2006, however is now under review as part of the five year permit renewal cycle. The Girdwood and Asplund facilities permits have not yet been received.

Both expired permits, however, have been administratively extended by the ADEC or EPA until renewal takes place. Renewal of the Asplund permit could be complicated by the listing of Cook Inlet Beluga whales as endangered under the Endangered Species Act by the National Marine Fisheries Service. AWWU is cooperating with EPA in its efforts to evaluate whether the permit reissuance might affect the recovery of the whales. AWWU anticipates increased monitoring requirements in the permit renewal. Likewise, renewal of the Girdwood permit is complicated by state regulation which precludes mixing zones in anadromous streams. Girdwood's discharge point is Glacier Creek which has been recently catalogued as an anadromous water body and AWWU anticipates permit conditions will require alternative treatment and/or disposal techniques to be used.

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.

Customer Perspective

Goal:

Provide courteous, responsive, fair, and convenient services that encourage the public to responsibly recycle and dispose of their waste.

Definition:

Set hours of operation, rates, fees, policies and increase educational efforts that encourage people to recycle and dispose of waste that benefits our entire waste system.

1. Evaluate rates, fines, and fees to ensure adequate capital is available for needed improvements.
2. Improve the traffic flow for all customers at the Central Transfer Station and Anchorage Regional Landfill.
3. Improve customer relations
4. Increase public education on source reduction, recycling, diversion, and disposal operations and programs.

Financial Perspective

Goal:

Long term financial stability for the utilities

Definition:

Provide resources to sustain operations and support new initiatives that accomplish the mission and goals of SWS.

1. Define financial policies.
2. Plan for future operating and capital needs.
3. Review rates and fees.
4. Identify opportunities to generate new revenue sources.

Anchorage WasteWater Utility

2012-2017 Capital Improvement Program

	2012	2013	2014	2015	2016	2017	Total
AWWU - Funded	29,381	25,863	25,863	31,345	32,200	33,150	177,802
Funded By Grants/Other	1,000	6,000	6,000	2,000	2,000	2,000	19,000
Total	\$30,381	\$31,863	\$31,863	\$33,345	\$34,200	\$35,150	\$196,802

Anchorage Water Utility

2012-2017 Capital Improvement Program

	2012	2013	2014	2015	2016	2017	Total
AWWU - Funded	36,760	38,375	38,375	37,520	38,850	40,750	230,630
Funded By Grants/Other	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Total	\$38,760	\$40,375	\$40,375	\$39,520	\$40,850	\$42,750	\$242,630

Municipal Light and Power 2012 Proposed Business/Strategic Plan

Mission:

Provide service with competitive, safe, reliable energy.

Goals:

The goals of ML&P are to:

- Provide electricity on demand to ML&P customers 24 hours a day 365 days a year
- Meet the needs and expectations of our customers by providing:
 - Competitive rates and reliable service for all customer classes
 - Prompt, reliable and courteous customer assistance
 - Support and assistance to the military bases
 - Support and assistance to wholesale power customers
- Replace old turbines with more efficient, state-of-the-art turbines capable of achieving over 25% fuel savings
- Operate the electrical system with optimum economic efficiency and strict adherence to environmental standards
- Provide for the safety of both the public and our employees in the operation of the electrical system
- Recruit and retain a highly skilled, diverse workforce dedicated to serving the Anchorage community
- Improve system reliability by incorporating new components, technologies, and methods of cooperation with interconnected utilities
- Maintain competitive rates by incorporating cost cutting technologies and streamlining business processes without jeopardizing the financial and operational integrity of the utility
- Attain the financial objectives established in the Equity Management Plan
- Promote efficient use of electrical energy
- Continue to provide educational programs to school children and the community on electrical safety. Communicate factual information to customers and the public at large on issues affecting ML&P and the utility industry, including means by which the customer may undertake on their own volition measures to install cost-effective energy efficient technologies and promote energy conservation
- Foster teamwork and an integrated approach to decision-making within the utility
- Maintain equity and earn net income at a level sufficient to continue to pay annual dividends to the Municipality of Anchorage

General Manager's Office:

The General Manager is responsible for the overall management of Municipal Light & Power. ML&P is functionally structured into eight operating divisions: Administrative, Generation and Power Management, Engineering, Operations, Finance, Regulatory Affairs, Customer Service and Systems & Communication. Each division's manager reports directly to the General Manager. The General Manager and Division Managers are responsible for coordinating both the strategic planning efforts and the efficient application of resources necessary to achieve ML&P's mission.

Administrative Division:

The Administrative Division provides support to the General Manager. Functions carried out by the Administrative section include: human resources, labor relations, safety, security, public relations, legal services, telephone switchboard/receptionist duties, and courier/mailroom operations.

Objectives and Tasks:

Recruit and retain technically competent, highly skilled and professional employees to join the ML&P team by providing a competitive wage scale

- Continue to provide employees with the training and education necessary to maintain technical competence and professional credentials
- Successfully negotiate and administer the ML&P/IBEW Collective Bargaining Agreement
- Ensure labor contract management compliance and respond to union grievances
- Provide educational material and programs related to energy matters and safety for the public
- Maintain the security of ML&P facilities and personnel
- Coordinate with or assist other municipal departments in joint or common projects
- Coordinate with other utilities on matters of common concern
- Administer Municipal Policies and Procedures within the utility
- Prepare and review ML&P Policies and Procedures
- Administer AERC, MOA-OEO, and ERC regulations
- Ensure compliance with ADA, FMLA, and FLSA
- Coordinate security matters with state and federal agencies
- Maintain Employee Classification System
- Review and administer disciplinary actions
- Prepare and review letters of agreement and proposed amendments and modifications of the Collective Bargaining Agreement
- Resolve contract disputes with contractors
- Provide timely and accurate information to the media, customers, and the public about the utility and issues facing the electric industry
- Manage responses to the public, media and Mayor's office during power outages or emergency situations
- Manage and enhance ML&P's reputation by selectively participating in community events, programs and sponsorships that enhance the quality of life in Anchorage and offer positive public relations for the utility
- Manage ML&P contributions budget
- Maintain the Key Accounts Program by providing bi-monthly newsletters to commercial customers and information regarding demand-side management
- Provide pertinent information to residential and commercial customers through a newsletter published every other month and through bill stuffers
- Promote electric safety and energy conservation in elementary schools through presentations requested by the Anchorage School District
- Manage plant tours for vocational schools and other groups
- Manage special utility projects related to commercial accounts, renewable resources (Green Power) and energy efficiency
- Monitor the overall usage of the ML&P website and manage data to insure effectiveness

Generation and Power Management Division:

The Generation and Power Management Division is responsible for the production and dispatch of all thermal electricity at ML&P and the dispatch of the Eklutna Hydroelectric plant.

This includes operation, maintenance, engineering, and installation of equipment used in conjunction with the two municipally owned electric power plants. The division also provides full spectrum maintenance and support for the Eklutna Hydroelectric Power Plant of which ML&P owns 53 percent.

The Generation and Power Management division is also responsible for the safe and efficient operation of the Dispatch Center and for the management of environmental compliance programs.

The generation division is working to improve efficiency and safety by better organizing its drawing system. Plant personnel and contract engineers are working to update drawings to match the current plant configuration. The Piping and Instrument Diagrams (P&IDs) has been the focus of this effort. Accurate P&ID drawings will provide all personnel with an accurate map of the system. By installing tag numbers on all the equipment there will be no confusion operating valves to safe out a particular part of the system.

ML&P has agreed to become a 30% owner of the new Southcentral Power Plant (SPP) with the other 70% being owned by Chugach Electric Association. The planned commercial operation date for this new generation facility is fourth quarter 2012.

The **Generation Plant Operators** operate the turbines as required by the dispatch center. The operator's primary function is to monitor and respond to equipment alarms and trips. This is done on a 24 hour basis. They request assistance from the mechanical and electrical crews when major problems develop and also perform some light maintenance in the plants themselves.

The operators maintain regulatory logs and reports required by the Federal Energy Regulatory Commission (FERC) and Energy Information Administration (EIA).

The operators coordinate lock out/tag out safety procedures in the plant when equipment is taken out of service for maintenance.

One operator is designated to take care of demineralized water production for the boilers. Demineralized water is required to prevent deposits from building up inside the boiler tubes which would reduce their thermal efficiency.

The **Heavy Mechanical** crew performs overhauls and major maintenance of power production equipment. This experienced crew is trained to disassemble large industrial turbines, evaluate their condition and make necessary repairs. They also coordinate with Original Equipment Manufacturers on specialized repairs and acquisition of new parts. The crew also looks for new advancements in technology which can improve reliability and efficiency as obsolete equipment fails.

The **Electric/Electronic** section provides maintenance and installation of all instrumentation, which includes generation control and protective systems, supervisory control and data acquisition systems (SCADA), general plant electrical systems, and other related plant and construction work. The crew looks for new advancements in technology which can improve reliability and efficiency as obsolete equipment fails.

The **Eklutna** hydroelectric plant is managed by a ML&P Superintendent but operated by a CEA Operator. Maintenance is provided by the ML&P Heavy Mechanical & Electrical/Electronic crews. Light maintenance is performed by the CEA operator under the direction of the ML&P

Superintendent. Plant electrical production and costs are shared between ML&P, CEA, and MEA (Matanuska Electric Association) based on a predetermined percentage of ownership.

The **Power Management** section performs studies and analysis to determine the optimal operation of ML&P's Generation and Hydroelectric resources and conducts a variety of power pooling and marketing studies to identify power sales opportunities between ML&P and other Railbelt utilities.

In addition, this section works with contracted software support consultants to implement new data bases and economic dispatch programs and produces many of the analyses ML&P relies on for strategic decisions related to power sales contracts, economic dispatch, and ML&P generation investment options. This section provides for operating guidelines and technical review, failure analysis, and system modeling. The two major functions of the Power Management section are as follows:

Power Dispatch is responsible for the safe and efficient control and dispatch of ML&P's interconnected electrical system, including the Eklutna Hydroelectric Project and the southern portion of the Alaskan Intertie. This section is responsible for continuous coordination with other utilities in the Railbelt to provide for system reliability and to pursue opportunities for power sales and purchases. In addition, this section responds to emergencies or unscheduled outages on the Interconnected System, ML&P Transmission System, and/or ML&P Power Plants and directs outage restoration procedures.

Distribution Dispatch operates the ML&P distribution system in a safe and reliable manner, responds to distribution system emergencies and unscheduled outages, directs restoration procedures to restore service as soon as practicable, and directs switching and tagging of scheduled maintenance, new services, and system improvements. This section also maintains ML&P's official record on the status of the distribution system as currently connected and produces Outage Reports.

The **Administrative** section is responsible for daily operation of the generation division's files, records, and budgetary tasks. One of these primary tasks is budget tracking and coordination with the finance division on expenditures. Capital and expense budget costs are controlled by this section. They also compile end-of-month reports on fuel usage and power generated from the plants, as required by ML&P accounting, FERC, and EIA. The administrative section also sends these reports to the necessary agencies.

The **Generation Warehouse** section maintains an inventory of critical spare parts for the generation division. Because Alaska is a remote location delays in getting materials could cause extended outage for ML&P customers. There is also an economic advantage to purchasing parts that have a long lead time; a 25% savings on parts that can cost several million dollars can be realized by doing this.

The warehouse personnel are experienced electricians and mechanics who know the ML&P systems well. They engineer design changes to the system when obsolete parts cannot be found by specifying requirements for new replacement parts. Different parts are required in different types of service. The service is defined by the product. Examples of the products are liquid fuel, natural gas, high pressure steam, condensate, hydraulic fluid, lube oil, glycol, hydrogen, etc. The operating temperature and operating pressure of these products requires that different design requirements be specified for each system.

ML&P is working to standardize the various systems and simplify the process of acquiring new parts. This will also improve safety in the plant. This can be done in conjunction with the P&ID work and the building of specifications for the systems.

Objectives and Tasks:

- Minimize customer outages
- Provide low cost power
- Provide electrical generation with the utmost reliability and efficiency
- Implement system improvements to replace obsolete parts, improve reliability and efficiency
- Representation on various state and national operating committees as required
- Address Occupational Safety and Health Act (OSHA) matters; implement Environmental Protection Agency (EPA) initiatives and all other related regulatory and training requirements
- Represent ML&P on inter-utility committees and subcommittees, including the Intertie Operating Committee and the Alaska Coordinating Council/Railbelt Coordinating Committee
- Provide Dispatch Center support 24 hours a day, 365 days a year under normal and emergency conditions
- Perform studies and analysis to determine the optimal integration of ML&P's generation and hydrothermal resources
- Act as Southern Operator of the Alaska Intertie
- Direct and control all of ML&P's switching and tagging operations
- Negotiate, schedule, and control wholesale power sale transactions
- Manage the comprehensive Dispatcher Training Program
- Direct restoration of service to customers following outages
- Dispatch and control ML&P Generation and the Eklutna Project and schedule ML&P Bradley Lake energy and capacity
- Produce analysis related to power sales, system operation, economic dispatch, and generation investment decisions
- Assist in the planning and installation of the improved SCADA and Energy Management System (EMS)
- Ensure the ability of the Dispatch Center to survive and function during and after disasters
- Conduct ongoing training for employees and implement a new simulator training program for Plant 2 operators

Engineering Division:

The Engineering Division is responsible for the planning, budgeting, design, coordination, and construction of transmission and distribution facilities that are required to provide consumers with safe and reliable electrical power.

The **Engineering Support** section is responsible for professional services contract administration, local rights-of-way record keeping and acquisition, surveying, underground locates, work order tracking and project review, continuing property/facility records and drafting, mapping, and Geographic Information Systems implementation.

The **Station Design** section prepares complete substation and switchyard design packages, procures purchases of all equipment, prepares specifications, contract documents, and procures construction contracts, and interfaces with other sections and divisions.

The **System Planning** section conducts transmission and distribution load flow studies, prepares construction standards, provides technical support to other sections and divisions for system upgrades and modifications, prepares planning studies, performs distribution system fault and failure analyses, manages the annual distribution transformer order including procurement, purchase and evaluation.

The **System Protection** section performs relaying protection and coordination of all distribution and transmission systems and interfaces with other intertie utilities.

The **Transmission/Distribution Line Design and Customer Engineering** section is responsible for the design of major system improvements, relocations, undergrounding, and line extensions of the transmission and distribution systems, and provides engineering services to new customers, including new service line extension design, minor customer service, non-ML&P construction project reviews and safety compliance assessments, material specification and construction methods, standards development and maintenance, material bids evaluation, "unit price" construction contracts, and other special projects.

Objectives and Tasks:

- Responsive design of new customer services
- Design, construct, contract for, and manage substations, plant switchyards, system protection, and sectionalizing plans
- Maintain continuing property records and system maps
- Investigation of customer service complaints and power quality issues
- Investigation of system safety concerns
- Research and integration of technological advances into the existing system
- Analysis of ML&P's power system and intertie system operation
- Perform class load research, voltage profiles, and contingency studies
- Development of required capital improvement plans and projects/budgets, as well as the engineering design and management of projects
- Development of special studies, including failure analysis reports
- Representation on technical committees and the Alaska Systems Coordinating Council and other committees as required
- Coordination with other governmental entities and utilities for use of right-of-way and location or relocation of underground plant
- Provide technical support necessary to comply with all applicable environmental laws and regulations while integrating environmental risks, costs, and impacts in the decision-making process
- Procurement and implementation of Geographic Information System

Operations Division:

The Operations Division oversees the construction, maintenance, and operation of the transmission and distribution systems, administration of contracts and contractors, facility maintenance, fleet and equipment maintenance, and warehousing of required material.

The **Line** section is responsible for the construction and maintenance of the transmission and distribution systems. This section also provides cut in/cut out assistance for the Customer Service Division and switching services as directed by the Generation and Power Management Division.

The **Technical Services** section provides services associated with electrical metering and substation maintenance including installation, calibration and testing of circuit breakers, relays, meters, transformers and SCADA equipment.

The **Fleet Services** section provides pre-purchase technical specifications, preventative and nonscheduled maintenance of all utility rolling stock, miscellaneous equipment, and hot line tools.

The **Electrical Services** section provides testing, repairs and tracking of transformers, facility maintenance and associated contract administration, as well as management of ML&P's PCB/Hazardous materials testing and disposal program.

The **Warehouse** section is responsible for receipt, storage and issuance of construction and maintenance material for Engineering and Operations. They also provide support to other divisions in processing purchase requisitions, including change orders and receiving goods.

The **Meter Reading** section is responsible for accurate and timely scheduled monthly meter reads, timely reads on customer connects and disconnects and delinquent door hanger notices. This section also investigates customer energy usage patterns, high bill complaints, customer equipment access issues and power theft incidents.

Objectives and Tasks:

- Improve reliability and reduce service interruptions through ongoing inspection and preventative maintenance programs
- Maintain the pilot wire system
- Annually inspect and maintain ML&P's Central Business District (CBD) vault-duct system
- Maintain right-of-way clearing and maintenance program
- Provide SCADA support services
- Annual inspection of distribution system and scheduling of routine maintenance
- Preventative maintenance of substations and 115KV switch yards
- Continue comprehensive meter audit programs
- Continue system inspection programs using infrared and x-ray technologies
- Provide reliable fleet service and vehicle maintenance by performing annual vehicle safety inspections
- Provide improved street lighting by continuing the upgrade of older street lighting systems
- Provide efficient system construction
- Refine ML&P's Comprehensive Construction and Scheduling Program
- Annually monitor and evaluate unit price contracts and expedite bid programs
- Provide an effective, reliable construction feedback and tracking system
- Provide utility wide cost effective facility management by conducting annual heating and cooling systems inspections and on-going building maintenance inspections
- Identify and initiate the replacement of failing meters and equipment
- Evaluate new technologies and alternatives for meter service
- Conduct power theft investigations and gather evidence for collection efforts
- Conduct investigations of customer premise access issues
- Inspect customer's premises for defective equipment which can cause high bills
- Read all customer meters every 28 - 32 days, with at least a 99.5 percent accuracy record
- Direct PCB testing, removal, and disposal

Finance Division:

The Finance Division provides financial management and analysis of reports and budgets to ML&P's staff and Advisory Commission, the Administration, Assembly and regulatory agencies.

The **Accounting** section is responsible for financial analyses and reporting in the manner prescribed by the Federal Energy Regulatory Commission, Regulatory Commission of Alaska (RCA), and Generally Accepted Accounting Principles (GAAP). The Accounting section is also responsible for developing and maintaining the utility continuing property records (CPR) and providing accounts payable services.

The **Budgeting** section is responsible for financial forecasting, financial modeling, bond sale support, yearly operating and Capital Improvement Plan budget submissions, developing

budgeting standards, ensuring budget compliance, and providing other situational fiscal analysis as required.

The **Payroll** section is responsible for collection and submission of employee time sheets for accurate payroll processing to meet bi-weekly payroll requirements; preparation of monthly health and welfare and pension and benefits reporting in compliance with collective bargaining agreements.

Objectives and Tasks:

- Provide accurate and timely financial and accounting information on a monthly basis
- Prepare reports necessary to meet internal and external reporting requirements
- Develop and analyze reports to convert financial data into meaningful management information
- Provide financial training on new or changing accounting pronouncements
- Assist and respond to the annual external audit and other internal audits
- Prepare and publish the audited financial statements
- Prepare the Form 1 report and file with the RCA
- Provide Regulatory Affairs with financial data to develop Revenue Requirement, Cost of Service and other regulatory filings, provide testimony and testify before the RCA
- Upgrade depreciation reserve segment of CPR for potential changes in depreciation policies
- Produce the annual business plans, operating budgets, and capital budgets
- Develop and implement long-range financial forecasts and reports
- Review capital work order set-up information for accuracy and completeness
- Provide budget analyses throughout the year for the Advisory Commission
- Provide historic and prospective budget data for requesting entities
- Provide state and federal agencies with detailed budget and accounting information as necessary
- Advise management on financial issues facing the utility
- Provide guidelines to management on attaining Equity Management Plan objectives
- Coordination with Human Resources on all IBEW hire/rehire orientations and employee/payroll matters

Regulatory Affairs Division:

The Regulatory Affairs Division is responsible for regulatory matters, long-range resource planning, day to day operation of ML&P's interest in the Beluga River Unit (BRU) gas field, Federal and State environmental regulatory compliance, and pursuit of initiatives necessary to perpetuate the utility's financial health and competitive position.

The **Administrative** section is responsible for long-range planning, including the preparation of integrated resource plans, gas and electric load forecasts, and coordination with other utility and State agencies regarding system-wide and Railbelt planning initiatives. The Administrative section is also responsible for conducting revenue bond sales, which requires preparing Official Statements, bond indentures, rating agency presentations, and three-year electric system reports. Additionally, the section plays a major role in providing information and support to ML&P's Advisory Commission.

The **Rates and Tariffs** section is responsible for compliance with the Alaska Public Utilities Commission Act, as amended, and associated law. The fundamental function of this section is to maintain ML&P's tariff and special contracts under which the utility does business with the public. This includes activities such as tariff revisions, COPA filings, rate studies, and participation in all regulatory proceedings affecting ML&P's ability to perform its mission. This

section also performs economic modeling and pricing, assists in negotiating power contracts, and engages in financial analyses for ML&P management.

The **Beluga Gas Field** section is responsible for meeting Beluga River Gas Field transport nomination, accounting and tax compliance requirements as well as insuring compliance with the BRU Joint Operating Agreement and Gas Balancing Agreement. This section is also responsible for acquisition of supplemental gas supplies, either through new source contracts, exchange agreements, or capital improvement efforts intended to increase/maintain field production, gas storage, or import of fuel resources from regions other than Cook Inlet.

The **Environmental** section is responsible for protecting the public's health by preventing hazardous materials releases by ML&P and maintaining compliance with operating permits and applicable environmental regulations.

Objectives and Tasks:

- Manage ML&P's regulatory proceedings
- Develop revenue requirement and cost of service studies.
- Conduct customer class load research in support of cost allocations
- Revise tariffs as required.
- Monitor federal and state regulatory proceedings and provide timely response to developments as they occur in those proceedings.
- Maintain a constructive relationship with regulatory agencies in order to achieve ML&P's goals in the regulatory arena
- Effectively represent ML&P's position to state and federal legislators and the RCA
- Assist with representation of ML&P's legislative agenda before the Alaska State Legislature and Congress
- Maintain constructive relationship with BRU partners, Conoco Phillips and Chevron Texaco to ensure efficient operations of the gas field
- Administer hazardous chemicals control programs and contaminated ground water treatment programs
- Conduct permit negotiations with State and Federal environmental agencies

Customer Service Division:

The Customer Service Division provides a full line of customer services for ML&P's electric customers.

The **Customer Service** section is responsible for any customer contact necessary to establish, maintain, and terminate electrical service and landlord contracts. This section explains rates and tariff applications as required, responds to residential and commercial service requests and bill inquiries, and processes cash receipts, while maintaining security of customer records. Customer Service is the focus for customer contact in the utility.

The **Credit and Collections** section is a primary function of the Division as it is responsible for negotiating payment schedules in accordance with ML&P's tariff, Alaska Statutes, and accepted Fair Credit Act practices, as well as providing anti-identity theft measures demanded by Federal statutes and practices. This section is also responsible for maintaining a low percentage of write-offs, coordinating all customer refunds and reviews, as well as preparation of accounts for legal referral.

Billing, another key function of the Division, receives the read data collected by the meter readers and processes, records, and renders billing statements to clearly inform the customer of their energy consumption.

Objectives and Tasks:

- Create and maintain superior levels of customer satisfaction
- Respond to customer inquiries, including telephonic, e-commerce, and in-person contact, in the most efficient and timely way practical
- Provide accurate customer records, review and monitor updates to the tariff as business needs indicate
- Analyze billing functions for opportunities to improve the efficiency and quality of customer billing services
- Maintain a high collection index utilizing both internal and external resources
- Assign account representatives to key accounts for continued superior service
- Maintain statistical records of employee and Division performance standards
- Develop and maintain a well trained and highly energized work force, capable of meeting all customer demands
- Perform energy use evaluations and administer energy audit contracts for customers
- Develop team performance standards to support customer service efficiency and quality
- Review policies, procedures, and tariffs for compliance and improvements
- Research, develop and implement e-commerce strategies and capabilities
- Prepare and review installment agreements with customers
- Promote and maintain the Key Accounts Program in partnership with Public Relations
- Develop and maintain customer appreciation programs that invigorate and educate our customers about energy efficiency and the possibilities of renewables
- Represent the utility as the identity of ML&P through customer contact and superior service and maintain open lines of communication between the customer and the utility

Systems and Communication Division:

The Systems and Communication Division provides internal communications, business systems installation and process control support for all ML&P Divisions and the General Manager's office. In addition, this Division provides recommendations for communication system upgrades, improvements and replacements ensuring equipment compatibility and cost efficiency.

The **System Support** section is responsible for installation, operation and maintenance of computers and operating system software as well as private branch exchange (PBX) telecommunications. This section maintains data integrity and security, training and help desk assistance to system users.

The **Strategic Support** section is responsible for analysis, design, development, implementation, maintenance, and support of the electronic time card, financial management information, continuing property records and customer service related data systems. This section also provides SCADA application programs support, as well as technical support for the ML&P website and GIS functions.

The **Energy Management System (EMS)** section provides configuration, maintenance and technical support for the ML&P SCADA/EMS system infrastructure and user computer consoles used to manage and control power generation, transmission and distribution systems.

The **Communication/Electronics** section is responsible for maintenance and upgrades of radio, cellular, microwave and process control communication devices for ML&P and client agencies. It also installs and removes mobile radio devices for fleet vehicles, provides local area network circuit engineering and distribution from communication equipment components to ML&P end users, and installs/maintains internal physical security devices for ML&P.

The **Document Control and Records Management** section is responsible for establishing and maintaining utility wide document management and retrieval technologies.

Objectives and Tasks:

- Maintain computer systems security to ensure data and system integrity
- Develop applications to meet ML&P business objectives
- Develop innovative, state-of-the-art alternatives for customer information and billing programs
- Manage hardware, software, and system procedures to improve operating efficiency and performance
- Provide enhancements and maintenance to operational data, wire line and wireless communication systems
- Develop and monitor long-range information system continuity plans
- Manage and maintain an efficient, cost-effective telecommunications system
- Provide advanced customer access technology
- Refine ML&P-wide document management and retrieval programs and maintain storage and retrieval system
- Maintain operating efficiency of EMS and SCADA software and hardware and provide 100 percent up-time of current redundant systems
- Maintain a real-time microwave communications backbone
- Perform annual inspections and maintenance of all subscriber radios and base stations
- Provide cost-effective reimbursable radio installation and repair service to client entities
- Provide communications and technology applications during emergencies
- Assist in maintaining presence on the World Wide Web
- Provide GIS function to support Engineering and Customer Service needs
- Provide data & SCADA resources for all other divisions
- Maintain internal physical security devices and closed circuit TV monitoring network
- Develop, implement, configure and maintain service area Fiber Optics system networking capabilities

Municipal Light and Power
2012-2017 Capital Improvement Program

Project Category:	2012	2013	2014	2015	2016	2017	Total
Production	82,815	87,052	56,127	25,462	14,135	7,803	273,394
Transmission	5,690	4,823	1,096	820	410	410	13,249
Distribution	11,265	10,373	10,277	10,720	10,096	10,328	63,059
General Plant	3,647	3,513	4,005	3,683	4,148	3,582	22,578
Regulatory Compliance	300	150	50	50	50	50	650
Beluga River Gas Field	23,292	21,735	15,517	15,738	8,671	1,165	86,118
Total	\$127,009	\$127,646	\$87,072	\$56,473	\$37,510	\$23,338	\$459,048

Source of Funding	2012	2013	2014	2015	2016	2017	Total
Revenue Bonds	85,000	95,000	65,000	32,600	9,000	0	286,600
Equity/Operations	18,717	10,911	6,555	8,135	19,839	22,173	86,330
Beluga Contributed	23,292	21,735	15,517	15,738	8,671	1,165	86,118
Total	\$127,009	\$127,646	\$87,072	\$56,473	\$37,510	\$23,338	\$459,048

Merrill Field Airport 2012 Business Plan

Mission Statement:

Merrill Field Airport is committed to operating and maintaining a safe and efficient airport that meets the aviation and business needs of the community.

Background:

Merrill Field Airport is a municipally owned and operated enterprise, regulated by the Federal Aviation Administration.

Merrill Field is a primary commercial service airport, and serves as a general aviation reliever for Anchorage International Airport. Home to over 8% of all aircraft registered in Alaska, Merrill Field was the 87th busiest airport in the nation in 2010.

Goals:

The goals of Merrill Field are to:

- Enhance the Airport's role as the major general aviation transportation facility serving Anchorage and outlying areas within Alaska by providing services that promote and encourage use of the Airport by the general aviation community.

Objectives Used in Accomplishing the Goal

- Actively market Airport facilities and services
 - Provide infrastructure to meet customer demand
- Develop an overall Airport strategy, including leasing policies, that attract aviation support services and related businesses to Merrill Field and encourage long and short term private sector investments. This, plus sound fiscal management, will enable Merrill Field to increase its value, both to its customers and to its owner, the Municipality of Anchorage.

Objectives Used in Accomplishing the Goal

- Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
 - increasing facility productivity
 - increasing user fees, when necessary.
 - Minimize expenses
 - Reduce services where the impact is minimal
 - Employ economies of scale whenever possible
 - Defer expenses, within practical limits
 - Perform functions in-house when workloads permit
 - Take advantage of new technology
 - Continue refinement and enhancement of existing programs to facilitate better data resource management.
 - Continue replacing computer hardware, as required, to ensure the efficient processing of data.
 - Maintenance of database and management reporting capabilities.
- Understand and be responsive to our customers. This will allow us to better meet their needs by providing the services and facilities they desire. Maintain those facilities in a fully functional, efficient and safe condition by continually improving their utility, quality, and appearance.

Objectives Used in Accomplishing the Goal

- Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
 - Expeditiously remove snow from all surfaces.
 - Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
 - Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
 - Continue to reduce the number of runway incursions (Vehicle/Pedestrian Deviations, or VPDs).
 - Promote pro-active leasing program for Municipal Airports.
 - Manage and develop Orca Street properties to provide lease space for aircraft hangar development.
 - Provide new lease lots to expand or develop commercial aviation facilities.
 - Work in close coordination with the Airport Commission, Fixed Based Operators, and Airport users.
 - Perform asphaltic crack sealing of runways/taxiways to extend the life expectancy of these surfaces.
 - Fund pre-grant expenses for engineering services on grant-eligible projects.
 - Implement recommendations of the FAA Runway Safety Action Team.
 - Enhance the utility of existing tiedown aprons, taxiways and roadways.
 - Expand aircraft aprons and taxiways as needed to meet demand.
 - Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
 - Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practices.
- Maximize the use of Federal Airport Improvement Program (AIP) grants to provide facilities that will safely and adequately meet the needs of general aviation.

Objectives Used in Accomplishing the Goal

- Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
- Acquire additional land west of the Runway 16/34 safety area to ensure compatible land use.
- Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) allowing Merrill Field to more effectively compete nationally for AIP grant funds.
- Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.
- Secure funding allocations through the grant application process.

Factors Affecting the Utility:

- Population level in the Anchorage area
- Demand for aircraft tiedown and hangar space
- Capacity of Anchorage area airport facilities
- Federal and State regulatory requirements, especially those pertaining to Underground Storage Tanks, Clean Water Act, Clean Air Act, and the Americans With Disabilities Act, will require continued responses.
- Duty to perform a responsive and responsible level of maintenance
- Continuation of the Federal Airport Improvement Program, which provides the majority of our capital funding requirements
- Federal Aviation Administration regulations pertaining to airport and aircraft operations and maintenance

Planning and Financial Assumptions:

The following assumptions have been used in developing Merrill Field Airport's 2012-2017 long-range plans.

- FAA and State matching grants will be available in sufficient amounts to fund the Airport Capital Programs recommended in the Merrill Field Master Plan.
- Airport revenue can be increased as necessary to:
 - Meet increased expenses associated with maintaining existing responsive levels of service.
 - Maintain and repair airport plant and equipment.
 - Set aside funds to construct and acquire capital improvements and equipment, either in whole or in part as Airport contributions to Federally-funded grant projects.
 - Provide a return to our owner, the Municipality of Anchorage, in the form of a MESA (Municipal Enterprise Special Assessment) payment.
 - Maintain a fund balance for potential legal and environmental liabilities.
- Airport revenue will fluctuate with weather conditions, the general economy, and the population level of Anchorage.

Merrill Field Airport

2012-2017 Capital Improvement Program

Project Category	2012	2013	2014	2015	2016	2017	Total
Apron Improvements	1,500	780	2,200	2,980	2,500	2,500	12,460
Runways and Taxiways	2,900	2,600	-	-	1,700	2,800	10,000
Buildings and Equipment	150	100	400	550	-	730	1,930
Land Improvements	4,500	1,500	1,200	700	-	-	7,900
Land Acquisition	300	-	300	-	-	-	600
Total	\$9,350	\$4,980	\$4,100	\$4,230	\$4,200	\$6,030	\$32,890

Source of Funding	2012	2013	2014	2015	2016	2017	Total
Bonds	-	-	-	-	-	-	-
Operations	4,885	344	205	354	210	444	6,442
State Grants	-	-	-	-	-	-	-
Federal Grants	4,465	4,636	3,895	3,876	3,990	5,586	26,448
Total	\$9,350	\$4,980	\$4,100	\$4,230	\$4,200	\$6,030	\$32,890

Port of Anchorage 2012 Business Plan

Mission Statement:

Provide a modern, safe and efficient Regional Port which stimulates economic development and the movement of goods into and out of Southcentral and Interior Alaska. Expand and maintain existing property, facilities and equipment to meet growth in established marine trade, to encourage natural resource exports and to create employment opportunities by attracting new industry, new cargo and passenger movement. Support and assist increases in cargo and passenger movement that will aid and stimulate domestic and international business activities throughout all areas of the State served by the Port.

Background:

The Port of Anchorage began operations in September, 1961 and handled 38,000 tons of marine cargo across its single berth during that first year. The Port has since expanded to a five-berth terminal providing facilities for the movement of containerized freight, bulk petroleum, cement and cruise ship passengers. In its high-volume year, more than 5 million tons of various commodities moved across the Port's docks in 2005.

Marine cargo comes to Anchorage via two major ocean carriers that bring four to five ships weekly from the Port of Tacoma. Additionally, petroleum tankers supply jet fuel for U.S. Military Bases and airport operations, and all types of gasoline for local service stations; and barges on-load a wide variety of petroleum products for western Alaska.

A 129-acre Industrial Park adjoins the Port to the east. Approximately 81 acres of the Park are under long-term lease to various Port users. Additionally, there are 31 developed acres for the staging and storage of marine cargo in transit. Additional tidelands are under development to the North of the Port as a part of the ongoing intermodal expansion project. The project is designed in phases, each phase providing independent utility. Currently the project is focusing and prioritizing the first phase, which when complete will provide two new barge berths and two state-of-the-art container ship terminals. The project has already created 65 acres of new land in this northern phase.

Pertinent Economic Statistics:

- Serves as the primary marine transportation link providing an estimated 90% of the merchandise goods to 85% of Alaska's populated areas.
- Stages 100% of the exports of refined petroleum products from the state's largest refinery in Fairbanks and facilitates petroleum deliveries from refiners on the Kenai Peninsula and in Valdez.
- Generates direct and indirect employment opportunities for stevedores, truckers, railroaders, warehousemen, construction industries, the finance-insurance-real estate sector and a limited number of export-related jobs in petroleum products.
- Provides a direct connection to the Ted Stevens Anchorage International Airport supplying 2/3rds of its jet fuel, and facilitating the sea-air movement of cargo to rural Alaska.
- Provides 100% of the jet fuel for Joint Base Elmendorf-Richardson (JBER) delivered by the Alaska Railroad from the refinery in North Pole and from the Petro Star Refinery in Valdez, and by barge/tanker from other refineries.
- Administers the only active Foreign Trade Zone services presently available in Alaska.
- Is poised to expand in direct response to demand driven from various industry sectors such as additional containerized cargo carriers; passenger cruise lines; export-related

industries such as mining, oil field gas and pipeline throughput and module assembly/load-out support; and barge consolidation facilities for shipments bound for rural Alaska.

Port Intermodal Expansion Program (PIEP):

The Port has initiated a program of ongoing, extensive efforts to secure project funding through a combination of federal, state and local financial resources. Started in 2003, this Port expansion will occur incrementally over a projected seventeen-year period. The Capital Improvement project provides for flexibility in sequencing for the PIEP as funding becomes available for project development and construction activities.

The PIEP has three primary objectives: 1) stimulate economic development for the Municipality and the region by providing marine and landside transportation system improvements; 2) accommodate existing customer requirements without interruption; and 3), accommodate growth and demand for Port services, especially with respect to potential new customers and the new generation of vessels anticipated to call at the Port. The U.S. Maritime Administration (MARAD) is the Federal Lead Agency for Port development.

The U.S. Maritime Administration (MARAD) is the Federal Lead Agency for port development. The PIEP has received the support of Congress in receiving funds through the Department of Defense, the Federal Highway Administration and the Federal Transportation Administration in the total amount of \$138.6 million dollars. In addition to federal funds the Port has received \$121.2 million in grant funds from the State of Alaska and has set aside or contributed \$72 million in Port earnings.

The Port has a close working relationship with the Alaska Rail Road Corporation and DOT&PF, as well as other transportation agencies. This collaboration will improve intermodal connections to the highway and rail systems as part of the PIEP project. As part of the PIEP, the Port has already completed constructing a road and rail line with two sidings around the eastern port perimeter. By project completion, the rail line will terminate in the North Extension and provide for barge off-load service to a Trailer On Flat Car (TOFC) yard via three rail lines and one road. This road/rail development will also provide access to develop additional areas in the North Tidelands in support of mega-module assembly and load out activities.

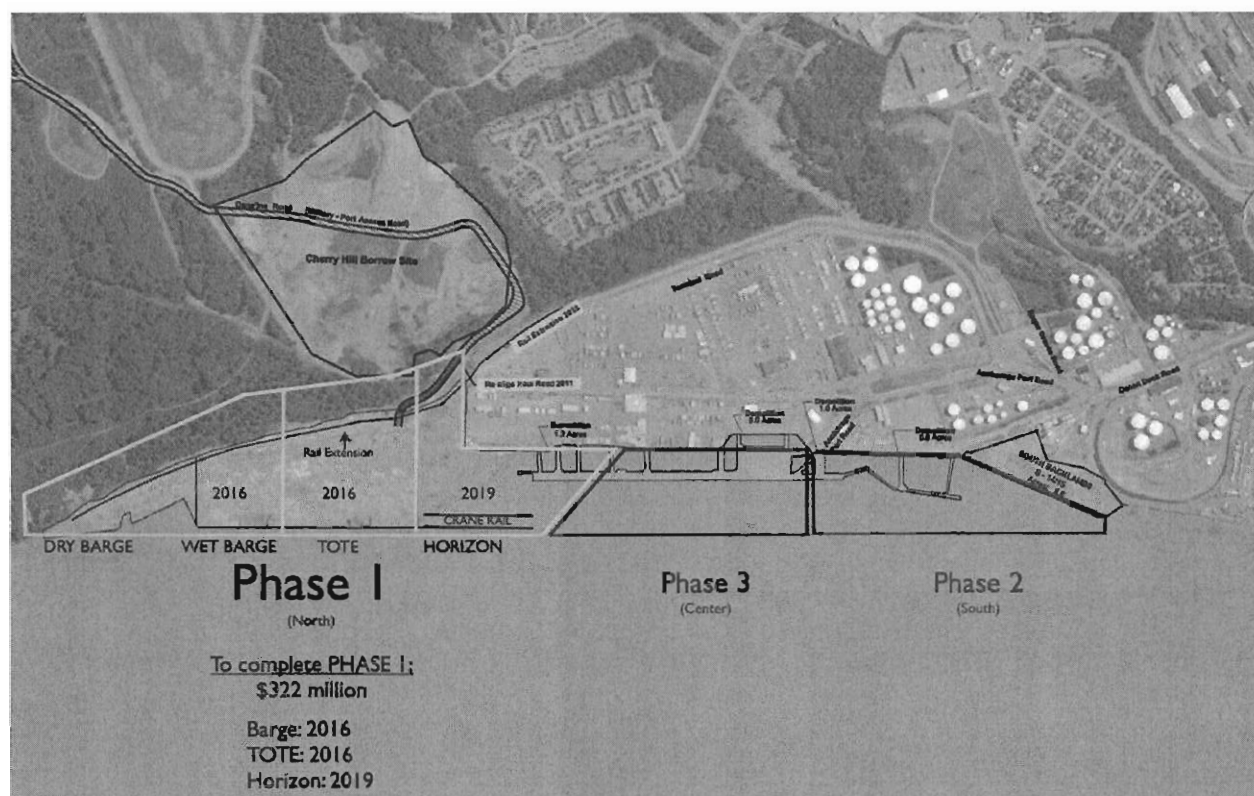
Totem Ocean Trailer Express, Inc. (TOTE), one of the major general cargo/container carriers calling at the Port of Anchorage, made a significant decision in 1999 to design and construct new ships for its Alaska trade. These new 840-foot Orca Class roll-on/roll-off vessels accommodate trailers 53 feet or greater in length and provide dedicated vehicle stowage. These two new vessels, the Midnight Sun and the North Star, have both been in service since August 2003. In support of new vessel operations, TOTE and the Port initiated a major development project that reconfigured and renovated Port real estate used by TOTE. Construction activities consisted of vacating Tidewater Road adjacent to TOTE leaseholds, relocating all underground utilities and realigning existing fencing to yield one contiguous staging area for TOTE operations.

In preparation for the impacts of the PIEP, and to better utilize Port managed property and roadway systems, the Port of Anchorage vacated the public rights-of-way of Terminal Road, Gull Avenue and two fire alleys. The right-of-way vacation and new designation as internal roads have enhanced Port security and traffic safety. The re-platting action will cause improved cargo access and an increase in customer operating efficiencies. Several small parcels of property will be eliminated, creating a large single tract of land. This will bring about a better functional use of all Port cargo staging and storage areas and allow greater flexibility to meet current and future Port business needs.

Strategic Plan:

The Port of Anchorage Intermodal Expansion Project was started in 2002 in order to address the congestion and constraints that demand has placed on this important transportation and freight facility, and to replace the deteriorating dock structures that are in excess of 25 years passed original design life and are not built to modern engineering standards for operational or seismic integrity.

The overarching goal of the Port of Anchorage Intermodal Expansion Project is to complete the expansion and construction of facilities without interruption of commercial operations. Completion of the North Extension is critical to achieving this goal. Once completed, container ships and cruise ships will be able to use the North Extension facilities, which will allow the Port of Anchorage to demolish and condemn the current facilities. Please refer to the Port of Anchorage Intermodal Expansion Project phasing plan that follows for facility and design layout:



*Assumes full funding
*Preliminary cost estimate



Additionally, in 2010 Holland America Lines' M/S Amsterdam made its first call at the Port of Anchorage making a total of nine visits in 2010 and eight in 2011. Holland America Lines has also announced they will repeat this schedule in 2012.

Ancillary Goals:

Effectively manage Port financial resources to insure an adequate rate-of-return to sustain Port operations, maintenance programs and to ensure future growth and capital projects.

1. Meet industry demands that require marine transportation and increase economic activity in the Port's regional service area.
2. Provide professional port transportation expertise to existing and potential customers.
3. Effectively use existing Port property to expand or maintain economic prosperity for the Port through across-dock and inter-vendor activities.

External Factors:

1. Unpredictable petroleum activity from Alaskan refineries.
2. Increased jet fuel requirements from Ted Stevens Anchorage International Airport and increasing fuel deliveries by tanker from foreign sources.
3. Population changes impacting marine cargo transportation activities.
4. The growing in-state military population and greater use of Alaska military training areas by the Department of Defense.
5. Demand for newly developed Port industrial land.
6. Efforts to develop additional marine terminals and port facilities in Southcentral Alaska.
7. Designation of the Port of Anchorage as one of 19 Department of Defense nationally strategic seaports.
8. Continued development and infrastructure replacement at North Slope oil and gas fields.
9. Opportunities created through the availability of two new barge berths.
10. Landside and waterside access to the Port.
11. Availability of Federal funding sources.
12. Implementation of Homeland security laws and regulations.
13. Climate change and the impacts from new polar shipping lanes.

Objectives / Programs:

1. Maintain, upgrade and expand existing Port facilities
 - Annual repair, renovation and replacement of Port facilities.
 - Provide for safe Port operating facilities during inclement weather by maintaining adequate snow/ice removal and sanding programs at the Port, on certain access routes and other Port properties.
 - Annual modification to various Port facilities to meet current code requirements.
 - Major dock and pile renovations / upgrades to extend the life of the pier until scheduled demolition is complete.
 - Develop a fully integrated Intermodal Marine Facility including new cranes and 135 acres of useable uplands.
 - Support and participate in the U.S. Army Corps of Engineers project to deepen the Anchorage harbor to -45 MLLW.
 - Obtain transfer of former Defense Fuels Property from U.S. Army to Port ownership.

2. Long Range Planning

- Coordinate continued regional State and military Port usage and joint land development for future state and regional transportation infrastructure development.
- Support and/or formulate initiatives which enhance the development of multimodal transportation systems in areas of the State served.
- Improve accommodation of cruise ships in anticipation of nine or more annual port calls in 2012 and beyond.
- Plan for new road, rail and utility extensions by MOA, DOT&PF and ARRC adjacent to the east side of the Port.
- Plan for increased break bulk activity in conjunction with large development projects such as the natural gas pipeline.
- Plan for future natural resource export cargoes.

3. Port landside and seaside access.

- Participate in the development of improved North and South land and sea access to the Port.
- Participate with U.S. Army Corps of Engineers' studies to improve deep draft navigation lanes in Upper Cook Inlet.
- Participate in the planning and development of the Municipality's related plans and projects that enhance or complement the Port.

4. Financial plans and programs.

- Ensure financial goals remain feasible with respect to current and projected economic conditions.
- Manage financial functions, where permitted by Municipal Code, and where economically efficient.
- Actively pursue alternative financing approaches for Port projects; particularly with respect to terminal and harbor development projects.
- Perform cost / revenue projections for each project undertaken.

5. Enhance and Improve marketing program.

- Identify needs of transportation firms and shippers currently utilizing contemplating use of the Port.
- Coordinate market demand with operational characteristics of users and available Port facilities to plan modification, expansion or enhancement designed to improve Port marketability to new users.
- Assist Port carriers in their efforts to market cost-effective backhaul transportation services.
- Generate increased foreign trade zone activities.

6. Continue to expand organizational and staff development efforts.

- Develop maintenance and administrative skills utilizing Municipal training workshops, available local university courses and professional association training programs available in the private sector.
- Conduct work sessions on the Port's programs and its goals and objectives.
- Conduct on-going operational and safety training programs.

7. Management information systems.

- Provide hardware and software to integrate utilization of and expand present systems.
- Fully automate selected Operations and Maintenance Division records and work scheduling functions into a Maintenance Management System.

8. Government Relations.

- Support Cook Inlet and other joint regional port planning efforts terminal development and economic development efforts.
- Monitor Congressional actions and opportunities concerning port issues through American Association of Port Authorities and other appropriate agencies and organizations.
- Sustain staff contacts with legislators and the Alaska Congressional delegation concerning issues related to the Port of Anchorage and affected partners.
- Continue developing close working relationships with regulatory / environmental agencies involved in port activities.
- Continue developing close working relationships with Department of Defense agencies.

**Port of Anchorage
2012-2017 Capital Improvement Budget**

PROJECT CATEGORY	2012	2013	2014	2015	2016	2017	TOTAL
Port Intermodal Expansion Program (*)	6,410	5,500	5,000	5,000	5,000	5,000	31,910
Port Development	323,000	1,900	4,000	4,000	1,000	1,000	334,900
Repairs and Renovation	1,700	1,700	1,700	1,700	1,700	1,700	10,200
Equipment	200	200	200	100	100	100	900
Total	\$331,310	\$9,300	\$10,900	\$10,800	\$7,800	\$7,800	\$377,910

SOURCE OF FUNDING	2011	2012	2013	2014	2015	2016	TOTAL
Lease/Revenue Bonds	0	900	3,000	3,000	0	0	6,900
Equity-Marad Contribution & Port Development	6,410	5,500	5,000	5,000	5,000	5,000	31,910
Grants	323,000	1,000	1,000	1,000	1,000	1,000	328,000
Equity/Operations	1,900	1,900	1,900	1,800	1,800	1,800	11,100
Total	\$331,310	\$9,300	\$10,900	\$10,800	\$7,800	\$7,800	\$377,910

(*) Federal Grant Matching Portion Remitted and Controlled by MARAD (Maritime Administration) for Port Expansion. Federal Funds are received directly, if any, by MARAD and expansion components will be reflected as Work In Progress. Port Asset Value will be reflected upon completion of the expansion program.

(**) MARAD Contribution is the Port's Equity contribution toward the Port's Intermodal Expansion Project.

Solid Waste Services 2012 Utility Profile

Solid Waste Services (SWS) is composed of two separate enterprise utilities. The Refuse Collections Utility provides refuse collection service to residential and commercial customers in the "City of Anchorage" Service Area. The Solid Waste Disposal Utility operates multiple transfer stations and the regional landfill providing affordable and environmentally responsible municipal solid waste disposal services for the entire Municipality. SWS is divided into four organizations. The organizations include Refuse Collections and Solid Waste Disposal, which are separate operating utilities, and Vehicle Maintenance and Administration, which are support organizations that fully charge out expenses to both Refuse Collections and Disposal Utilities.

Refuse Collections Utility

History:

Refuse Collections Utility was originally a function of the former City of Anchorage Public Works Department. When the City and Borough merged in 1975, Refuse Collections became an enterprise activity of the Municipality.

Service:

Refuse Collections Utility provides garbage collection to the service area of the former City of Anchorage, which is approximately 20% of the population of the Municipality of Anchorage. Since at least 1952 there has been mandatory service for all occupants of the Refuse Collections Utility service area. The Refuse Collections Utility has three types of services: commercial dumpsters, automated roll cart service, and can and bag service.

Refuse Collections Utility services over 4,000 dumpsters per week with six daily dumpster routes, with two Saturday routes to serve its commercial and multi-family residential customers.

The majority of residential customers are serviced using automated vehicles and roll carts, with curbside recycling included in the service. A small number of residential and commercial customers remain can and bag customers. While the Refuse Collections Utility planned to switch the remaining can and bag customers to automated operations in 2011, the vehicle purchase was delayed. The last 2,000 can and bag customers are expected to be phased into automated operations in 2012.

The utility operates one manual can and bag route, three automated routes, and one municipal paper recycling route, weekly. Curbside recycling is collected bi-weekly using three routes.

Regulation:

The Refuse Collections Utility is regulated by the Regulatory Commission of Alaska (RCA). The utility is granted the exclusive right to collect solid waste within its defined service area by a Certificate of Public Convenience and Necessity. The Alaska Public Utilities Commission (predecessor to the RCA) relinquished economic regulation authority to the Anchorage Municipal Assembly.

As a part of Solid Waste Services, the Refuse Collections Utility has a seven member advisory commission. The members are appointed by the mayor and confirmed by the assembly. The commission normally meets monthly and, when necessary, holds special meetings. The advisory commission advises and makes recommendations to the administration and assembly on matters pertaining to the operating budget, capital budget, rules, regulations, and administrative guidelines for the Utility.

Environmental Mandates:

Although there are no specific state or federally mandated regulations for Refuse Collections, it must comply with a number of federal and state mandated regulations. These regulations include, but are not limited to, the Federal Clean Air Act, the Clean Water Act and OSHA. These regulations have and will continue to impact the economics and operations of the Refuse Collections Utility.

Physical Plant:

The Refuse Collection Utility's assets include:
Industry Specific truck fleet

- 10 commercial refuse collection vehicles
- 3 residential refuse collection vehicles (manual)
- 7 residential refuse and recycling vehicles (automated)
- Support vehicles

By the end of 2011 with the implementation of automated operations, the Utility will have purchased over 20,000 roll carts of various sizes for the use by residential customers for trash and for curbside recycling.

In the fall of 2011, the utility will replace one frontload truck and one side load truck, and acquire two new automated side load trucks to implement the final phase of automated operations for residential customers.

Refuse Collections maintains a 27,000 square foot building that contains vehicle maintenance and warm storage space and administrative offices.

Future Planning Efforts:

In 2012, Refuse Collection will complete the switch from can and bag operations to automated collection services for all Solid Waste Services residential and small commercial customers.

Solid Waste Disposal Utility**History:**

Municipal solid waste disposal was originally a function of the City Public Works Department, which operated the city landfill at Merrill Field. Under unification, the Municipality acquired responsibility for five waste disposal sites from Peters Creek to Girdwood. The Solid Waste Disposal Utility was formed to operate and maintain these sites, while managing solid waste disposal matters throughout the Municipality. The five sites were closed and waste disposal was consolidated to a single site near Eagle River. The Anchorage Regional Landfill (ARL), an award winning, "state-of-the-art", fully lined, modern landfill, was started in 1987 and is the only operating landfill in MOA.

Service:

The Solid Waste Disposal Utility serves the entire MOA. The services include the disposal of solid waste and collection of household hazardous waste. Municipal solid waste is received at three transfer stations located within MOA. The waste is then transported by the Utility to ARL for final disposal.

The ARL has a total land area of approximately 275 acres and is being developed in phases called cells. Currently 8 of 12 cells have been constructed, with the eighth cell completed in October of 2010. ARL is projected to have a total capacity in excess of 42.3 million cubic yards. It is estimated that ARL will reach full capacity in the year 2043. In 2010, 317,891 tons were deposited in ARL, 3,092 tons less than in 2009.

Solid Waste Disposal Utility also operates three transfer stations located at Girdwood, midtown Anchorage (Central Transfer Station-CTS), and ARL. The transfer stations allow the Solid Waste Disposal Utility to reduce traffic flow to the landfill and to restrict access to the working face of the landfill. CTS receives the largest amount of solid waste, having received over 222,473 tons in 2010. This facility has an operating capacity of 1,600 tons per day. The 2010 quantity was 2,700 tons less than in the 2009 tons. The Solid Waste Disposal Utility operates a fleet of 20 transfer tractor and trailers that transport the solid waste from CTS. The trailers have a capacity of 120 yards each.

Solid Waste Disposal Utility operates a 6,000 square foot hazardous waste collection facility built in 1989. In 1992, the facility was the only Hazardous Waste facility in North America to receive Solid Waste Association of North America's "System Excellence" award. Through 2010, the facility has collected over 21 million pounds of hazardous waste that otherwise may have been improperly disposed of in the landfill, storm drain system or people's backyards.

Household hazardous waste can be dropped off at CTS or the Hazardous Waste Facility located at ARL. The hazardous waste is then handled by a contractor that sorts and processes the waste in proper containers. Hazardous products are shipped out of state to federally approved hazardous waste disposal sites. Other materials are rendered inert and landfilled, processed locally or recycled. In March 2000, a new reuse program was successfully implemented. Anchorage residents bring household items such as paints, cleaners, and solvents to Reuse Centers at CTS or at ARL. The items are then stocked for other Anchorage residents to take home for reuse on household projects. In 2010, over 1,600 people took advantage of the program and as a result over 17,500 items were reused.

Regulation:

The Solid Waste Disposal Utility is not economically regulated by any non-municipal agencies. However, the Utility operates under numerous permits and many EPA regulations. ARL is operated under a Solid Waste operating permit issued by the Alaska Department of Environmental Conservation (ADEC). This permit must be renewed every five years. ARL construction and certain operations must comply with the EPA Resource Conservation and Recovery Act (RCRA) subtitle D. The facility is also regulated under a Title V air emissions operating permit issued by ADEC. The Disposal Utility operates under two permits from AWWU for industrial water discharge, one for disposal of leachate from ARL and one for discharge of leachate contaminated groundwater at Merrill Field. ARL has permits from the US Department of Fish and Wildlife and the Alaska Department of Fish and Game for bird management.

The Solid Waste Disposal Utility, as a part of Solid Waste Services, also has a seven member advisory commission. The members are appointed by the mayor and confirmed by the assembly. The commission normally meets monthly and when necessary holds special meetings. The advisory commission advises and makes recommendations to the administration and assembly on matters pertaining to the operating budget, capital budget, rules, regulations, and administrative guidelines for the Utility.

Environmental Mandates:

The Solid Waste Disposal Utility must operate under and comply with numerous environmental mandates. These mandates have a significant economic impact on the cost of operations and construction for the Utility. The main environmental mandates that have a significant impact on the Disposal Utility are RCRA subtitle D, the Clean Air Act, New Source Performance Standards (NSPS), the Clean Water Act, SARA Title 3 (Super Fund), NESAP (asbestos), and NPDES (storm water discharge). In 2010, EPA added greenhouse gas monitoring and reporting requirements that affect both active and closed landfill sites. It is projected that the

environmental mandates regarding operating and constructing a landfill will become even more stringent in the future.

Physical Plant

The Disposal Utility's assets include:

Anchorage Regional Landfill

- 275 acres, estimated to last through the year 2043
- 42.3 million cubic yard capacity
- Phased construction of cells lasting four to five years each
- Eight of the twelve landfill cells
- Located on municipal land
- Scale house and a 22,000 square foot shop with an adjoining storage facility
- Heavy equipment fleet: dozers, loaders, dump trucks, boom truck, water truck, leachate trucks, tankers, lube trucks, grader and solid waste compactor
- Two leachate storage, treatment lagoons with a 2.9 million gallon capacity
- Gas collection facility with 700 square foot blower and flare station and a 2,000 cubic feet per minute capacity enclosed flare

Three transfer stations provide intermediate disposal, easy access for public

- Girdwood, Central, and the ARL public site
- 20 transfer tractor and trailers haul from stations to landfill

Hazardous waste management

- 6,000 square foot collection facility for household hazardous waste
- Opened in 1989, operated by private contractor
- Received the "System Excellence Award" in North America from Solid Waste Association of North America

Future Planning Efforts:

Future projects include:

- In 2011, completed development study for the next five landfill cells. Development of remaining cells will occur by 2020 with an estimated cost of \$38 million.
- Landfill methane gas to electricity project with Doyon Utilities approved in 2011. The Disposal Utility will sell methane gas to Doyon. Doyon will generate electricity to sell to JBER military customers. Estimated completion date is 2012, with commercial operation to expected to begin in 2013.

Solid Waste Services Refuse Collections Utility

2012 - 2017 Capital Improvement Program

Project Category	2012	2013	2014	2015	2016	2017	Total
Vehicle Replacement	683,400	892,500	601,800	1,280,100	1,407,600	1,275,000	6,140,400
Containers	450,000	450,000	450,000	450,000	450,000	450,000	2,700,000
Equipment	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Office Equipment	5,000	5,000	5,000	5,000	5,000	5,000	30,000
Data Processing	30,000	30,000	30,000	30,000	30,000	30,000	180,000
Building Improvements	12,500	0	0	0	0	0	12,500
Total	\$1,205,900	\$1,402,500	\$1,111,800	\$1,790,100	\$1,917,600	\$1,785,000	\$9,212,900

Source of Funding	2012	2013	2014	2015	2016	2017	Total
Equity/Operations	1,205,900	1,402,500	1,111,800	1,790,100	1,917,600	1,785,000	9,212,900
Total	\$1,205,900	\$1,402,500	\$1,111,800	\$1,790,100	\$1,917,600	\$1,785,000	\$9,212,900

Solid Waste Services Disposal Utility
2012 - 2017 Capital Improvement Program

Project Category	2012	2013	2014	2015	2016	2017	Total
Equipment	2,075,700	2,478,600	1,407,600	3,095,700	2,641,800	882,300	12,581,700
ARL Landfill Cell Construction	7,823,930	4,165,467	4,185,059	0	2,484,781	6,536,546	25,195,783
ARL & CTS Improvements	1,991,390	1,229,533	1,219,941	2,220,000	800,219	800,454	8,261,537
Office Equipment	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Total	\$11,916,020	\$7,898,600	\$6,837,600	\$5,340,700	\$5,951,800	\$8,244,300	\$46,189,020

Source of Funding	2012	2013	2014	2015	2016	2017	Total
Clean Water Loan	0		4,165,467	4,185,059			8,350,526
Commercial Loan	5,000,000	0	0	0	0	0	5,000,000
Equity/Operations	6,916,020	7,898,600	2,672,133	1,155,641	5,951,800	8,244,300	32,838,494
Total	\$11,916,020	\$7,898,600	\$6,837,600	\$5,340,700	\$5,951,800	\$8,244,300	\$46,189,020