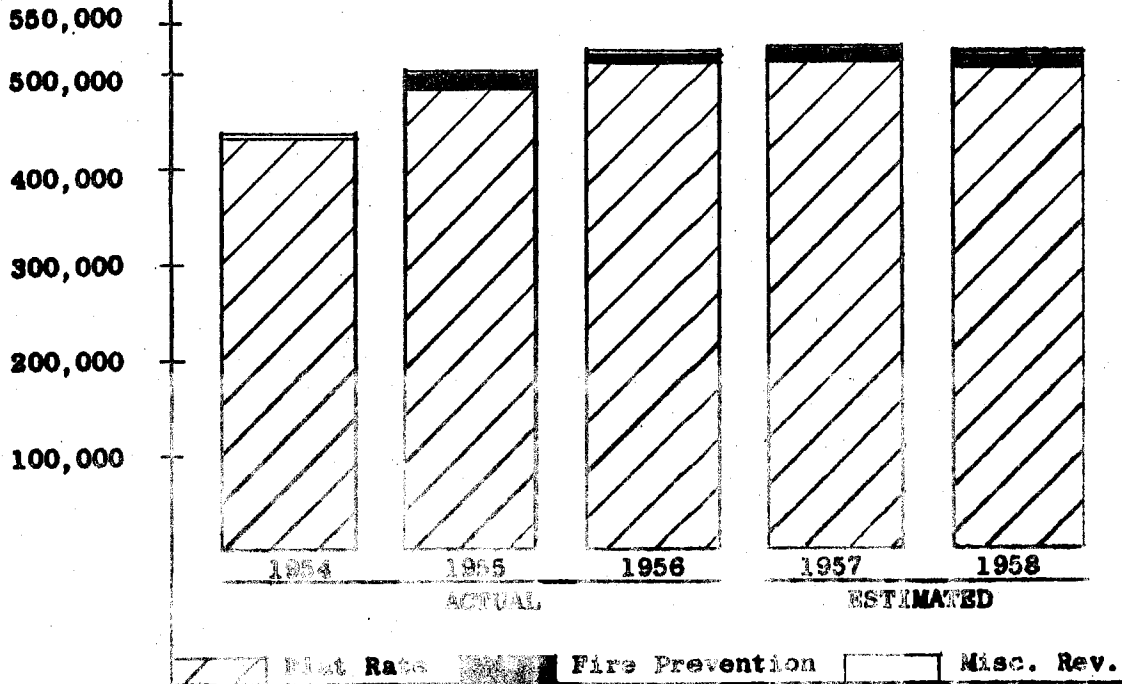


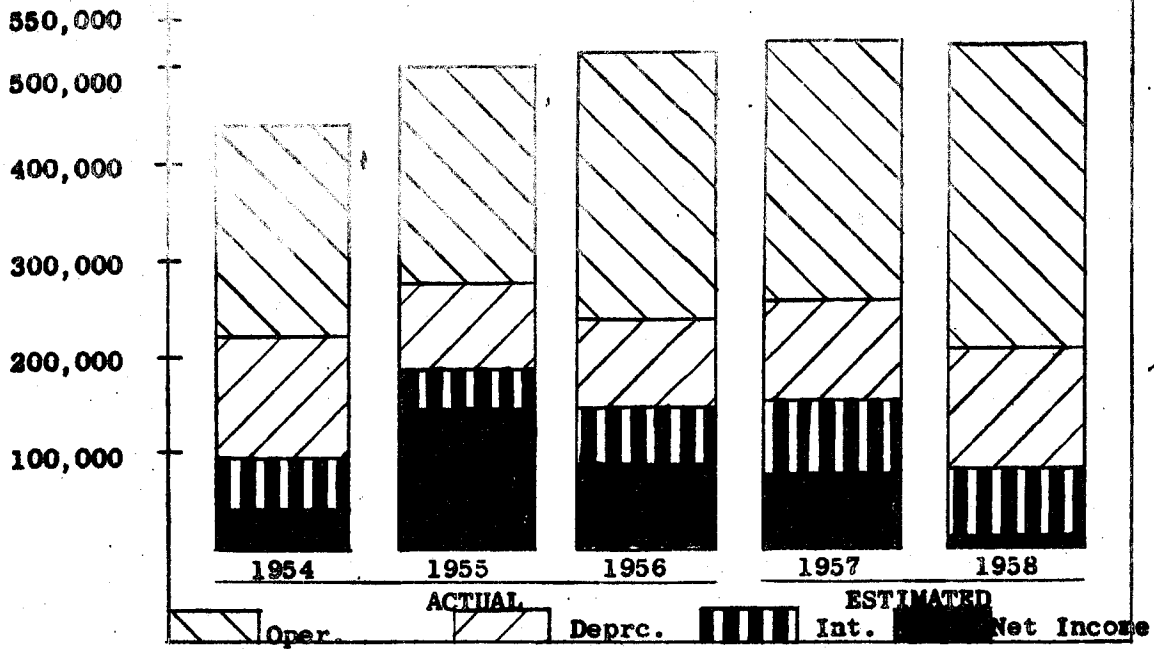
WATER UTILITY FUND BUDGET

**City of Anchorage, Alaska
1958**

**WATER UTILITY OPERATING REVENUES
FIVE YEAR COMPARISON**



**WATER UTILITY OPERATING REVENUE DISTRIBUTION
FIVE YEAR COMPARISON**



WATER UTILITY BUDGET
ESTIMATED REVENUE

<u>Code</u>	<u>OPERATING REVENUES</u>	<u>Estimated 1957</u>	<u>Estimated 1958</u>
W 602	Flat Rate Sales	\$ 508,734	\$ 505,000
W 605	Public Fire Protection	10,140	10,320
W 607	Intra-Fund Sales	3,700	3,700
W 613	Miscellaneous	<u>7,000</u>	<u>7,000</u>
	Total Operating Revenue.	\$ 529,574	\$ 526,020
	<u>NON-OPERATING REVENUES</u>		
W 251	Contributions in Aid of Construction	\$ 42,000	\$ 37,000
W 241	Depreciation Reserve	105,384	122,970
W 250	Accumulated Surplus	<u>92,294</u>	<u>72,593</u>
	Total Non-Operating Revenue.	\$ 239,678	\$ 232,563
	TOTAL BUDGET RESOURCES.	\$ <u>769,252</u>	\$ <u>758,583</u>

EXPLANATION OF WATER UTILITY REVENUE ESTIMATES:

The 1958 estimated expenditures in the Water Utility exceed the estimated revenues by approximately \$63,000. This clearly points to the necessity of a rate review and increase in the near future. Flat rate sales should not exceed the estimate for 1957 and it is unknown how seriously the reduction in military personnel will affect the sales. At present there are approximately 150 vacancies in the Government Hill housing. A decrease is also attributed to the 500 to 600 customers in Annexation Area No. 4, where the rate will drop from \$7.00 per month to \$4.00 per month. In these cases the payment in lieu of assessment in the amount of 2.5¢ per square foot will be completed. The following table shows increase in flat rate sales since 1954:

<u>Year</u>	<u>Bills</u>	<u>Amount</u>	<u>Average Bill</u>
1954	69,031	\$ 405,081	\$ 5.86
1955	74,021	464,528	6.27
1956	77,184	496,544	6.43
1957 *	77,756	508,734	6.54
1958 Est.	77,700	505,000	6.50

* 3 months Estimate

Public fire protection has increased slightly due to the increase to 344 fire hydrants within the City. The amount is figured on the basis of \$30 per hydrant and does not include the 56 hydrants within Fairview Public Utility District where no contribution is made for maintenance and operation. Intra-fund sales and miscellaneous revenues are expected to remain constant. Miscellaneous revenues include penalties on delinquent accounts plus earned interest on redemption reserves and security deposits.

NON-OPERATING REVENUES

Contributions in aid of construction includes the connection charges for new connects and payments in lieu of assessment equal to 2.5¢ per sq. ft. on properties being connected. Estimates are based on 150 new connects. The decrease from 1957 is due to a smaller number of connections and a large payment received from the Anchorage Independent School District.

Depreciation reserve has increased in proportion to the added plant value in construction in 1957.

The accumulated surplus includes \$24,893 from the 1956 surplus and an estimated \$47,700 in 1957 surpluses. The 1957 surplus is composed of \$29,000 in increased revenue over the estimate expended for 1957, \$8,700 in capital outlay which was budgeted for 1957 and not used, and an estimated \$10,000 underruns in other expenditure accounts for 1957, making a total of \$47,700. Even with these surpluses, there is a shortage of revenue to operate the Water Department for 1958. If the Council policy is to prevail and the City Water Department is to make a contribution to the General Fund comparable to the contributions made by the other utility departments and maintain its depreciation reserve, it would require about \$103,000 more revenue than is shown in this budget. This shortage was contemplated in the 1956 and 1957 budgets and a Water Rate Study has been completed by our consulting engineers, as authorized by the City Council. Before adopting this budget of estimated revenues, the City Council should seriously consider the recommended revised rates of our rate consultants and bring the Water Department up to the same healthy financial status as the two other utility departments.

**WATER UTILITY FUND
EXPENDITURES**

<u>Code</u>	<u>Source of Supply</u>	<u>Estimated 1957</u>	<u>Estimated 1958</u>
W 701	Supervision and Labor	\$ 9,549	\$ 9,909
W 702	Supplies	1,200	1,700
W 703	Repairs	1,500	600
	Total	<u>12,249</u>	<u>12,209</u>
	<u>Pumping Expense</u>		
W 717	Supervision and Labor	2,017	3,511
W 718	Power Purchased	9,000	23,000
W 719	Supplies	875	1,000
W 720	Repairs	200	200
	Total	<u>12,092</u>	<u>27,711</u>
	<u>Purification Expense</u>		
W 731	Supervision and Labor	10,549	11,565
W 732	Supplies	5,400	5,400
W 733	Repairs	400	600
W 734	Flouridation	2,400	8,000
	Total	<u>18,749</u>	<u>25,565</u>
	<u>Transmission and Distribution</u>		
W 741	Supervision and Labor	34,352	41,336
W 742	Supplies	1,600	800
W 743	Repairs	16,432	14,642
W 744	Hydrants	15,000	18,692
	Total	<u>67,384</u>	<u>75,469</u>
	<u>General Expense</u>		
W 751	Accounting and Collection	41,060	35,462
W 752	Uncollectible Expense	1,800	2,000
W 764	Other General Expense	35,525	33,605
W 796	Legal Expense	2,318	2,676
W 805	Stores Expense	9,000	6,746
	Total	<u>89,703</u>	<u>80,489</u>
	<u>Other Expenses</u>		
W 241	Depreciation	105,348	122,970
W 505	Payment in Lieu of Taxes	75,655	98,306
W 521	Interest on Long Term Debt	73,538	69,882
W 210	Bond Retirement	144,000	150,000
W 113.12	Bond Retirement Reserve	18,840	18,850
W 232	Long Term Contracts Payable	11,113	11,113
	Contribution to General Fund	6,045	6,000
	Total	<u>434,539</u>	<u>477,121</u>
	Capital Expenditures	105,348	60,019
	TOTAL BUDGET	\$ 740,064	\$ 758,583

1958 WORK PROGRAM - WATER UTILITY

Source of Supply: This account provides for the operation, maintenance and repair of the gravity supply line from Fifth Avenue and Gambell Street to the diversion dam on Ship Creek within the military reservation. The supply line consists of 5.4 miles of 24" wood stave line between Fifth Avenue and Gambell and the control plant and 2.8 miles of 20" steel line from the control plant to the diversion dam.

Operation includes all facilities along the supply line including the control plant and pressure reducing stations except for the purification equipment. Daily inspections are made at the reducing stations and the control plant and the line is inspected periodically for leaks or damage. Numerous leaks occur along the line annually; however, the number of leaks have been decreasing through the life of the line.

In addition to the supply from Ship Creek, four wells will be added to the system during the early part of 1958 with a total capacity of approximately 5,700 gallons per minute. The wells will be operated during the periods of high turbidity in the spring and fall and during the critical cold period which normally falls between March 1st and April 15th.

Pumping Expense: This account provides for the operation of the four wells during periods of high turbidity and during the critical cold period in early spring. In addition the pumps will be operated in 1958 for a period of approximately thirty days during the summer months in an attempt to determine the extent of the underground reservoir capacity. This pumping will be coordinated with a program being initiated by the Geological Survey for studying all underground potentials in the Greater Anchorage Area.

The old City pump plant was abandoned and the building removed during 1957; however, the Alaska Railroad pump plant is being maintained for extreme emergency use only.

Purification Expense: The water line operators inspect the chlorination and fluoridation equipment at the control plant daily in conjunction with inspection of other equipment along the gravity supply line. Three to four water samples per week are taken at fifteen locations throughout the water system and submitted to the Health Department for analysis.

Emergency alarms will be installed in 1958 for warning of any equipment failure or low residual readings. This alarm system is being coordinated with the alarms and control equipment for the wells and is being installed in the Fire Station at the City Hall.

Approximately eleven tons of chlorine and 12 1/2 tons of sodium silica fluoride are used annually in the purification and fluoridation program in the City supply.

Transmission and Distribution: The budget provides for the maintenance, operation and repair for 348,930' of mains installed and in service in the City during the period from 1917 to date. The footage of line includes 21,970' of steel, 77,773' cast iron, 8,620' wrought iron, 97,668' wood stave and 142,899' of asbestos-cement. Little difficulty was encountered in the spring of 1957 due to freezing conditions. This can be attributed mainly to the fact that 1,700 gallons per minute of water was pumped from Well #3 during the critical period. The temperature of the water pumped was 38° in comparison to the 32° water coming from our supply in Ship Creek. A total capacity of 5,700 gallons per minute will be available from the wells in 1958 which should completely eliminate the problem of frozen mains within the system. Undoubtedly there will be numerous frozen service connections due to the fact that many of them are installed with less than 8' of cover.

Fire hydrants are checked and serviced weekly in the residential areas and daily in the business areas during the winter months when the temperature is below freezing. A total of 400 hydrants exist within the water system of which 56 are within the Fairview Public Utility District. A token payment of \$30 per hydrant is received from the General Fund for the hydrants within the city; however, no payment is received for the service of the hydrants within Fairview.

There is a total of 3,580 water service connections within the system and it is anticipated we will receive approximately 150 new connections during 1958. Total average number of customers at present is 6,500.

General Expense:

W 751 The accounting and collection expense is the pro-rated share of the billing and collection charges from the Controller and City Clerk offices. Also included in the general expense is one-half the salary of the Water Works Handyman.

W 752 Uncollectible expense is estimated at about 1/4 of 1% of total revenues.

W 784 Other general expense includes a portion of the cost of engineering and public works administration, the rentals for the warehouse and City Hall, social security and Workman's Compensation.

W 796 Legal Expense is a pro-rated share of the costs of the City Attorney's office.

W 805 Stores expense is the water utility's pro-rated share of the total purchasing and warehouse expense plus a monthly rental charge for the warehouse building.

Capital Expenditures: The capital expenditures for 1958 will equal the depreciation on the water plant in the amount of \$20,019. The

improvements recommended are as follows:

(1) 6" Water line, Block 28, from "U" Street to "S" Street	\$ 4,500
(2) New Water connects	19,519
(3) Extend water line from Primrose Street in Grandview Gardens and on DeBarr Road to serve Isaacs Trailer Court	20,000
(4) Extend water line in the Government Hill Urban Renewal Area	10,000
(5) Extend water line on 13th Avenue from "P" to "R" Streets	3,000
(6) Extend water main from under Gambell Street at 10/11 alley to provide for paving improvements on Gambell	1,000
(7) Connect the dead-end line in 10/11 alley west of "I" Street	<u>2,000</u>
	\$ 60,019