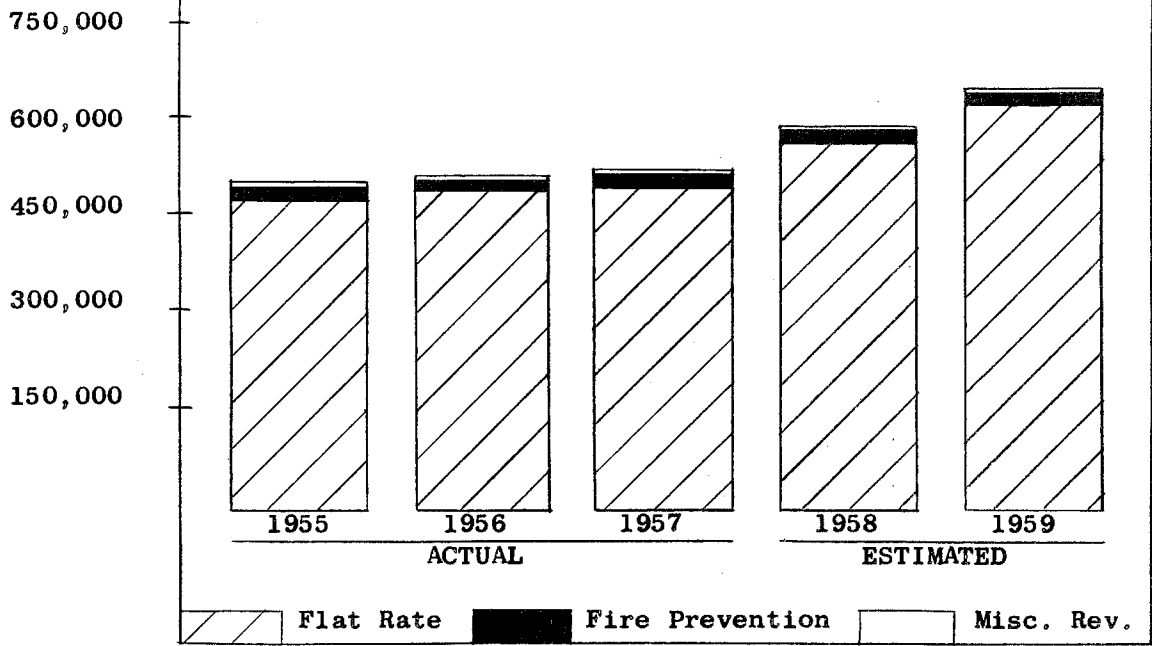


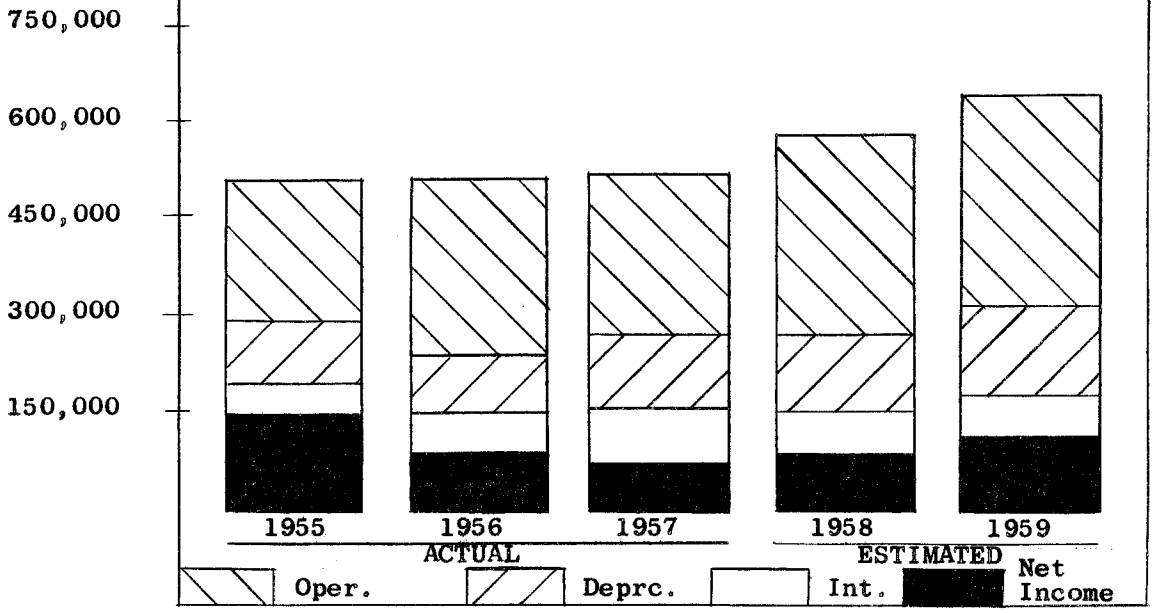
WATER UTILITY FUND BUDGET

**The City of Anchorage, Alaska
1959**

**WATER UTILITY OPERATING REVENUES
FIVE YEAR COMPARISON**



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



WATER UTILITY BUDGET

ESTIMATED REVENUE

1959

<u>Code</u>		<u>Estimated 1958</u>	<u>Estimated 1959</u>
	<u>OPERATING REVENUES</u>		
W 602	Flat Rate Sales	\$ 575,000	\$ 630,000
W 605	Public Fire Protection	10,140	11,000
W 607	Intra-Fund Sales	3,120	4,500
W 613	Miscellaneous	<u>13,700</u>	<u>10,000</u>
	Total Operating Revenue	\$ 601,960	\$ 655,500
	<u>NON-OPERATING REVENUES</u>		
W 251	Contributions in Aid of Construction	\$ 50,000	\$ 40,000
W 241	Depreciation Reserve	122,970	130,130
W 250	Accumulated Surplus	<u>18,027</u>	<u>42,510</u>
	Total Non-Operating Revenue . . .	\$ 190,997	\$ 212,640
	TOTAL BUDGET RESOURCES	\$ 792,957	\$ 868,140

EXPLANATION OF WATER UTILITY REVENUE ESTIMATES:

The water rate increase, adopted in 1958, made it possible to provide a balanced budget for that year as well as for 1959. This has also permitted the Water Department to increase its contribution to the General Fund in keeping with that estimated by the consulting engineers. The estimated increase in revenue from water sales will be primarily the result of increased rates rather than increased water customers.

The fire protection revenue has increased because of the increase in the number of fire hydrants provided under new construction in 1958. The

General Fund pays the Water Department at the rate of \$30 per hydrant per year, but it does not include the 56 hydrants located in the Fairview Public Utility District because of the restriction of a water service contract to this area.

NON-OPERATING REVENUES:

Contributions in aid of construction includes the connection charges for new service connects and payment in lieu of assessment which equals 2 1/2¢ per square foot of the properties being served. The estimates are based on 150 new connections to be made in 1959 plus the large payment that will be received from the Anchorage Independent School District for the Junior High School in Mountain View. These contributions are helpful in meeting bonded indebtedness requirements.

Depreciation reserve has been increased in proportion to the added plant value constructed in 1958. This particular revenue is offset in the expenditures as capital additions to the system.

It will be necessary to use the \$42,510 surplus expected in the 1958 budget for the 1959 budget to balance the expenditures with revenues. There still remains approximately \$40,000 from surpluses earned prior to 1958 and will be available in the event of unanticipated emergency expenditures. With the increased revenue brought about by the realistic water rate schedules, the Water Department is able to maintain a constant surplus position and still make a contribution of 1% of its plant value, in addition to its fire protection value, as profits from its operations to the General Fund.

WATER UTILITY FUND EXPENDITURES

<u>Code</u>		<u>Estimated 1958</u>	<u>Estimated 1959</u>
	<u>SOURCE OF SUPPLY</u>		
W 701	Supervision and Labor	\$ 13,600	\$ 16,693
W 702	Supplies	1,850	1,800
W 703	Repairs	1,500	900
	Total	\$ 16,950	\$ 19,393
	<u>PUMPING EXPENSE</u>		
W 717	Supervision and Labor	\$ 1,000	\$ 4,646
W 718	Power Purchased	16,000	18,000
W 719	Supplies	1,600	1,250
W 720	Repairs	50	200
	Total	\$ 18,650	\$ 24,096
	<u>PURIFICATION EXPENSE</u>		
W 731	Supervision and Labor	\$ 12,265	\$ 12,884
W 732	Supplies	9,200	8,300
W 733	Repairs	200	600
W 734	Fluoridation	1,000	3,200
	Total	\$ 22,665	\$ 24,984
	<u>TRANSMISSION AND DISTRIBUTION</u>		
W 741	Supervision and Labor	\$ 26,000	\$ 39,986
W 742	Supplies	900	1,000
W 743	Repairs	9,300	17,570
W 744	Hydrants	18,692	24,440
	Total	\$ 54,892	\$ 82,996
	<u>GENERAL EXPENSE</u>		
W 751	Accounting and Collection	\$ 38,000	\$ 39,071
W 752	Uncollectible Expense	2,000	2,000
W 764	Other General Expense	33,605	37,505
W 796	Legal Expense	2,676	3,180
W 805	Stores Expense	5,000	6,790
W 806	Transportation Expense	1,750	--
	Total	\$ 83,031	\$ 88,546
	<u>OTHER EXPENSES</u>		
W 241	Depreciation	\$ 122,970	\$ 130,130

<u>Code</u>		<u>Estimated 1958</u>	<u>Estimated 1959</u>
W 505	Payment in Lieu of Taxes	86,484	98,925
W 521	Interest on Long Term Debt	69,882	63,075
W 210	Bond Retirement	150,000	140,000
W 113.12	Bond Retirement Reserve	18,850	12,000
W 232	Long Term Contracts Payable	11,113	9,285
	Contribution to General Fund	14,500	44,580
	Total.	\$ 473,799	\$ 497,995
	Capital Expenditures	\$ 122,970	\$ 130,130
	TOTAL BUDGET.	\$ 792,957	\$ 868,140

1959 WORK PROGRAM - WATER UTILITY

Source of Supply:

The operation of the gravity water line from the intersection of Fifth and Gambell Street to the intake structure on Ship Creek within the military reservation consists of maintaining and repairing 5.4 miles of 24" wood stave line and 2.8 miles of 20" steel line. There are two pressure reducing stations, one valve and control house, and five pressure relief stations established on this line.

Daily inspections are made at the reducing stations and the valve and control plant to see that all mechanical equipment is in operating condition. Several safety features are incorporated with the mechanical and warning systems have been installed to indicate failure of operation.

Four water wells with a total capacity of approximately 6,000 gallons per minute have been completed and are operational within the system. These wells will only be operated during the periods of freezing and high turbidity.

A payment of \$5,000 during 1959 will be paid to the Territorial Department of Health for the City's share of a ground water investigation.

Pumping Expense:

Funds are provided for the operation of the four wells as stated above. The labor account includes an estimate of \$200 per month to pay for a monthly electrical inspection on all electrical equipment in the well houses.

Purification Expense:

The Water Department both chlorinates and fluoridates the City water supply. The equipment required for this operation is inspected daily and samples are taken various locations within the system three times per week. These samples are tested by the Territorial Department of Health.

Transmission and Distribution:

The funds in this account are used for the maintenance, operation, and repair of approximately 360,000 feet of mains and 3,720 service connections. It is anticipated that the Water Department will have little difficulty during 1959 and future years in the freezing of our mains and services by using well water during the periods of

freezing weather. The well water has a temperature of 38° during the winter months. Fire hydrants in the residential areas and low cost business areas are checked at least weekly during the winter months. The fire hydrants in the downtown high cost business area are checked daily. With the addition of the Mt. View water system now under construction there will be a total of 464 fire hydrants in the system.

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 764 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 Workmen'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 warehousing 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 \$130,130. The improvements recommended are as follows:

(1) Government Hill Urban Renewal	\$ 10,000
(2) New Water Connects	15,000
(3) 1st Avenue Industrial Area	20,000
(4) Approximately 6,400 l.f. water lines, South Mountain View Area	50,000
(5) Furnace for Control Station	1,500
(6) Miscellaneous Improvements	<u>33,630</u>

\$ 130,130

It is recommended that bonds be issued to cover the cost of installing a loop for fire protection in the Rogers Park area and the extension to serve the Methodist College site.