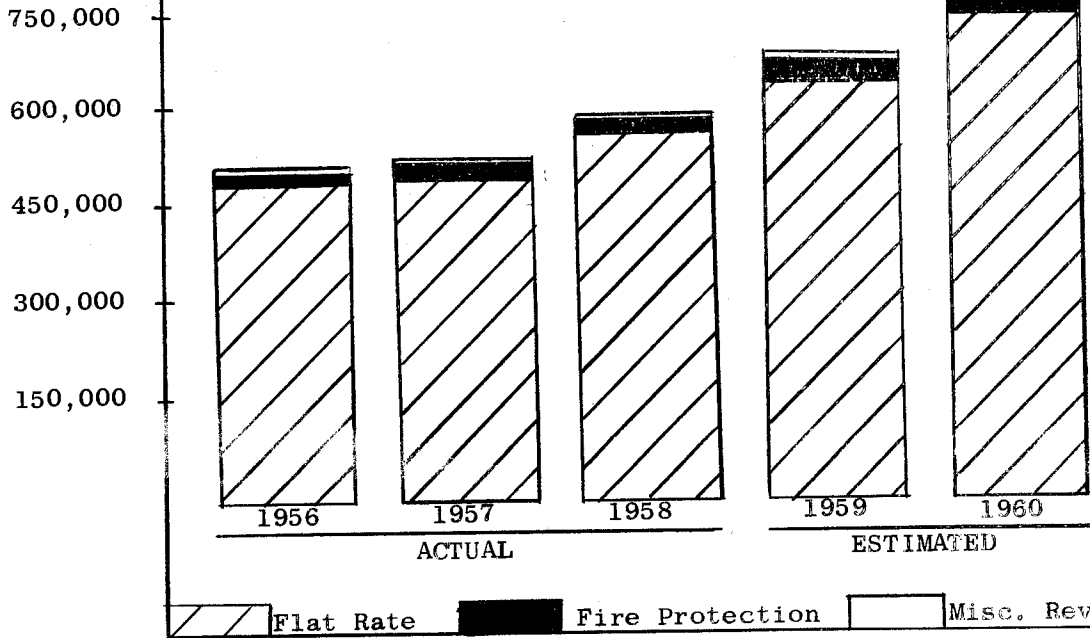


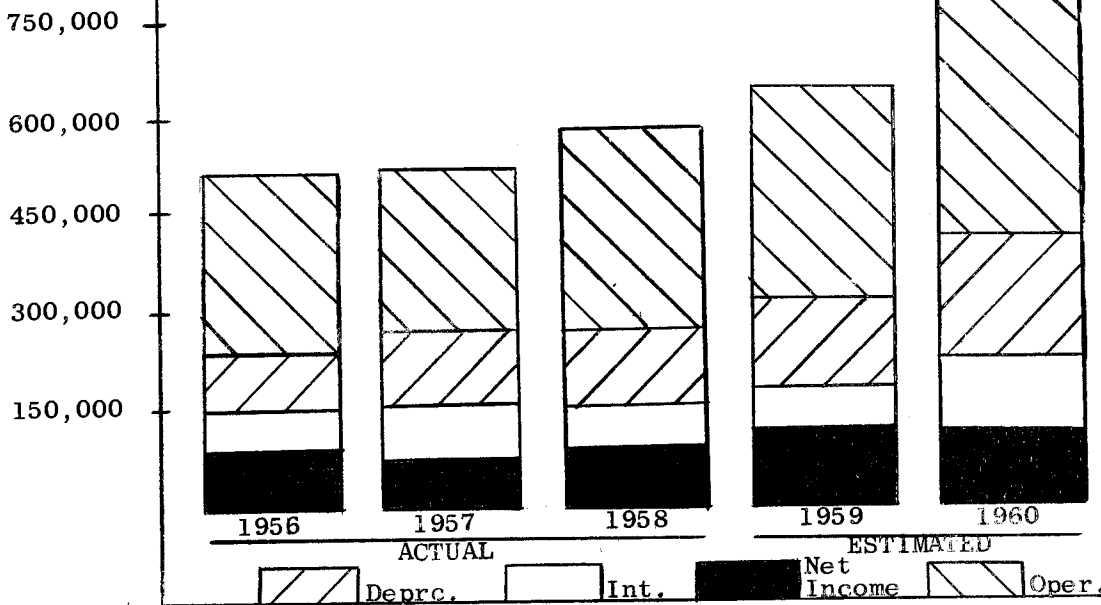
WATER UTILITY FUND BUDGET

**The City of Anchorage, Alaska
1960**

WATER UTILITY OPERATING REVENUES
FIVE YEAR COMPARISON



WATER UTILITY OPERATING REVENUE DISTRIBUTION
FIVE YEAR COMPARISON



WATER UTILITY BUDGET

ESTIMATED REVENUE

1960

<u>Code</u>		<u>Estimated 1959</u>	<u>Estimated 1960</u>
	<u>OPERATING REVENUES</u>		
W 602	Flat Rate Sales	\$ 660,000	\$ 773,350
W 605	Public Fire Protection	10,140	15,740
W 607	Intra-Fund Sales	5,360	4,500
W 613	Miscellaneous	<u>10,000</u>	<u>10,000</u>
	Total Operating Revenue	\$ 685,500	\$ 803,590
	<u>NON-OPERATING REVENUES</u>		
W 251	Contributions in Aid of Construction	\$ 99,077	\$ 100,000
W 241	Depreciation Reserve	130,130	183,379
W 250	Accumulated Surplus	<u>129,433</u>	<u>---</u>
	Total Non-Operating Revenue	358,640	283,379
	TOTAL BUDGET RESOURCES	\$ 1,044,140	\$ 1,086,969

EXPLANATION OF WATER UTILITY REVENUE ESTIMATES:

The operating revenues for 1960 indicate a marked increase to be expected over 1959. This is due primarily to the addition of the Spenard Utilities Corporation system which will be acquired about the first of the year. This is anticipated to provide \$76,350 in flat sales from 500 consumers inside and 601 outside the present city limits. In the original city system, 400 new customers were added during 1959 and an additional 400 are anticipated during 1960, however this may vary with the current housing market.

Fire hydrant rental will be increased on completion of the current construction projects and by the addition of the Spenard Utilities system bringing the total hydrants to 552 @ \$30 per unit. No revenue is antici-

pated on those portions of the system in the Spenard and Fairview P.U.D.'s outside the city limits. Revenue will increase proportionately as new hydrants are added to the system on projects to be built during 1960.

NON-OPERATING REVENUES:

Contributions in aid of construction will include service connection fees collected and payments in lieu of assessment based on 2-1/2¢ per square foot of property being served. The estimate is based on an expected 400 new connections plus payments by the Methodist University, and Mental Health Hospitals to be connected to the Goose Lake extension.

Depreciation reserve has been increased in proportion to the additions to the system during 1959 and by the proposed addition of the Spenard Utilities system. This revenue is used to pay for capital expenditures for improvements and to assist in retiring bond principle. If the revenues from Contributions in Aid of Construction should increase or an unappropriated surplus become available from the 1959 fiscal year, these additional funds will be used to install additional water main extensions.

WATER UTILITY FUND EXPENDITURES

<u>CODE</u>	<u>SOURCE OF SUPPLY</u>	<u>Estimated 1959</u>	<u>Estimated 1960</u>
W 701	Operation & Maintenance	\$ 15,893	\$ 17,643
W 702	Supplies	2,400	2,400
W 703	Repairs	500	2,800
	Total	\$ 18,793	\$ 22,843
<u>PUMPING EXPENSE</u>			
W 717	Operation & Maintenance	\$ 2,146	\$ 4,374
W 718	Power Purchased	18,000	24,000
W 719	Supplies	1,750	2,350
W 702	Repairs	200	400
	Total	\$ 22,096	\$ 31,124
<u>PURIFICATION EXPENSE</u>			
W 731	Operation & Maintenance	\$ 11,884	\$ 13,226
W 732	Supplies	7,300	8,300
W 733	Repairs	300	600
W 734	Flouridation	1,700	3,200
	Total	\$ 21,184	\$ 25,326
<u>TRANSMISSION & DISTRIBUTION</u>			
W 741	Operation & Maintenance	\$ 37,486	\$ 49,600
W 742	Supplies	1,000	1,200
W 743	Repairs	15,570	8,960
W 744	Hydrants	24,440	32,650
	Total	\$ 78,496	\$ 92,410
<u>GENERAL EXPENSE</u>			
W 751	Accounting & Collection	\$ 42,071	\$ 43,821
W 752	Uncollectible Expense	2,000	2,000
W 764	Other General Expense	38,505	52,360
W 796	Legal Expense	3,180	3,204
W 805	Stores Expense	6,790	7,350
W 806	Transportation	1,700	1,700
	Total	\$ 94,246	\$ 110,435
<u>OTHER EXPENSES</u>			
W 241	Depreciation	\$ 130,130	\$ 183,379

<u>Code</u>	<u>Estimated 1959</u>	<u>Estimated 1960</u>
W 505 Payment in lieu of taxes	\$ 98,815	\$ 115,089
W 521 Interest on long term debt	68,385	139,336
W 210 Bond Retirement	140,000	180,000
W 113.12 Bond Retirement Reserve	12,000	12,000
W 232 Long term Contracts Payable	9,285	9,306
Contribution to General Fund	44,580	58,952
Total	\$ 503,195	\$ 698,062
Capital Expenditures	\$ 306,130	\$ 106,769
TOTAL BUDGET	\$ 1,044,140	\$ 1,086,969

1960 WORK PROGRAM - WATER UTILITY

Source of Supply:

The City presently obtains water from both the gravity water line system drawing from Ship Creek and four deep wells. Supply is obtained primarily from the Ship Creek source except during Fall freeze up and Spring break up due to the high turbidity encountered. One well is also operated continuously during freezing weather in order to raise the water temperature to help prevent freeze ups. This practice was started in 1958 and has been found to materially reduce the number of frozen services occurring in the system. An engineering study is planned to be made during 1960 to determine modifications necessary to eliminate the cause of periodic dirty water in the system.

A recommendation is contemplated either to proceed with a water filtration plant or to increase storage and number of wells on the system. The possibility of other long range sources will also be studied. \$20,000 has been allocated for this study under capital expenditures for tests and engineering. Provision has also been made in capital for \$5,000 as the City's share of the State ground water supply study.

Acquisition of the Spenard Utilities System will add three new wells with a total capacity of 1600 g.p.m. and one small standby unit of 120 g.p.m. These wells are now serving as the primary source of water for this system and it is planned to construct at least two major tie lines during 1960 so that the gravity system may be introduced as a primary supply source on the same basis as the present city system.

Pumping Expense:

Funds are provided for the operation of the seven 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 from various locations within the system three times per week. These samples are tested by the State Department of Health, and operated by the City. Acquisition of the Spenard Utilities Corporation system will add an additional 9 miles inside and 16 miles outside of the present City limits and 193 hydrants. There are 5,268 service connections on the existing system and Spenard Utilities will add an additional 500 connections inside the city and 601 outside.

It is anticipated that maintenance of the city system will be comparable to that during 1959. An estimated amount has been included for the Spenard Utilities system but without an operating history it will be difficult to set the amount exactly until we have experienced a years cycle.

The Spenard Utilities Corporation maintains hydrants during the winter with anti-freeze, a practice not followed by the city due to Health Department restrictions, and we will attempt to maintain them as "dry" hydrants, that is, pumping after each use. It will be necessary to make steam sets as trouble is encountered and efforts will be made to make permanent steam pipe installations where necessary. Regular steaming of hydrants will be done on the city 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.

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, and also one-half of the salary of the Water Works Handyman.

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:

A total of \$106,769 is available in the water utility for capital expenditures for 1960. The improvements recommended are as follows:

New water connections	\$ 50,000
Fencing around well sites	15,000
Water treatment survey	20,000
Ground water study	5,000
Miscellaneous improvements	<u>16,769</u>
Total	\$ 106,769

Major extensions of water mains into areas not now being served and completion of current projects is anticipated to be financed from bond funds.