

CITY OF ANCHORAGE

1964

BUDGET

WATER UTILITY

CITY OF ANCHORAGE

DEPARTMENT Public Works		SUMMARY					
CLASSIFICATION	Water Utility		ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
	ACTUAL 1961	ACTUAL 1962					
REVENUE							
Consumer Sales	873,215	1,014,563	1,238,000	1,182,000	1,337,000	1,337,000	1,337,000
Public Fire Protection	28,383	31,693	31,600	31,600	34,600	34,600	34,600
Sales to Other City							
Agencies	7,629	12,050	13,200	13,200	13,200	13,200	13,200
Miscellaneous Revenue	7,563	9,941	9,000	17,700	18,200	18,200	18,200
Interest Revenue	6,729	12,221	4,000	4,000	4,000	4,000	4,000
Total Revenues	923,519	1,080,468	1,295,800	1,248,500	1,407,000	1,407,000	1,407,000
EXPENSES							
Source of Supply	18,277	18,796	11,600	12,924	17,891	17,891	17,891
Pumping	34,063	39,613	38,000	43,690	51,781	50,881	50,881
Purification	19,025	61,471	78,380	70,647	69,751	69,751	69,751
Maintenance and Repair	69,499	92,907	72,445	64,951	78,489	77,989	77,989
Hydrants			32,650	40,711	45,488	44,488	44,488
Administration	155,742	164,755	155,494	167,180	214,303	219,413	219,988
Depreciation	193,679	206,061	258,310	258,310	266,000	266,000	266,000
Payment in Lieu of Tax	159,038	159,760	218,257	208,400	152,867	152,867	159,513
Interest	170,574	205,989	218,030	217,800	197,816	197,816	197,816
Total Expenses	819,897	949,352	1,083,166	1,084,613	1,094,386	1,097,096	1,104,317
NET INCOME	103,622	131,116	212,634	163,887	312,614	309,904	302,683

DEPARTMENT Public Works		DIVISION Water Utility	OPERATING ACCOUNTS		DETAIL		
CODE	CLASSIFICATION		ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
	<u>OPERATING REVENUE</u>						
4602	Consumer Sales		1,238,000	1,182,000	1,337,000	1,337,000	1,337,000
4605	Public Fire Protection		31,600	31,600	34,600	34,600	34,600
4607	Sales to Other City Agencies		13,200	13,200	13,200	13,200	13,200
4613	Miscellaneous Revenue		9,000	17,700	18,200	18,200	18,200
	Total Operating Revenue		1,291,800	1,244,500	1,403,000	1,403,000	1,403,000
	<u>NON OPERATING REVENUE</u>						
4231	Interest Revenue		4,000	4,000	4,000	4,000	4,000
	Total Revenue		1,295,800	1,248,500	1,407,000	1,407,000	1,407,000
	<u>OPERATING EXPENSE</u>						
4701	<u>Source and Supply</u>						
.11	Personal Service		10,000	9,824	7,281	7,281	7,281
.22	Contracted Labor & Equipment				8,500	8,500	8,500
.25	City Equipment Rental		1,100	1,600	750	750	750
.27	Repair			500	500	500	500
.30	Miscellaneous Supplies		500	1,000	500	500	500
.33	Gas, oil, grease & motor fuel				360	360	360
	Total Source and Supply		11,600	12,924	17,891	17,891	17,891
4710	<u>Pumping</u>						
.11	Personal Service		6,300	7,140	7,281	7,281	7,281
.22	Contracted Labor & Equipment		2,400	2,400	2,000	2,000	2,000
.23	Electricity		25,000	30,000	35,000	35,000	35,000
.25	City Equipment Rental		800	800	750	750	750
.27	Repair		1,000	1,000	3,400	2,500	2,500
.30	Miscellaneous Supplies		2,500	2,350	2,350	2,350	2,350
.34	Heating Fuel				1,000	1,000	1,000
	Total Pumping		38,000	43,690	51,781	50,881	50,881

CITY OF ANCHORAGE						
DEPARTMENT Public Works		DIVISION Water Utility	OPERATING ACCOUNTS		DETAIL	
CODE	CLASSIFICATION	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964
4720	<u>Purification</u>					
.11	Personal Service	40,000	41,717	40,773	40,773	40,773
.22	Contracted Labor & Equipment	4,890	4,890	5,976	5,976	5,976
.23	Electricity	5,500	5,300	5,880	5,880	5,880
.25	City Equipment Rental	1,100	600	600	600	600
.27	Repair	2,000	2,000	1,000	1,000	1,000
.30	Miscellaneous Supplies	17,690	13,040	11,522	11,522	11,522
.34	Heating Fuel	7,200	3,100	4,000	4,000	4,000
	Total Purification	78,380	70,647	69,751	69,751	69,751
4730	<u>Maintenance and Repair</u>					
.11	Personal Service	67,645	54,626	60,889	60,889	60,889
.20	Miscellaneous Contractual			1,000	1,000	1,000
.25	City Equipment Rental	2,000	11,075	12,000	12,000	12,000
.29	Travel, Dues and Publications			100	100	100
.30	Miscellaneous Supplies	2,800	3,250	2,500	2,500	2,500
.36	Office Supplies			500	500	500
.39	Small Tools			1,500	1,000	1,000
	Total Maintenance and Repair	72,445	64,951	78,489	77,989	77,989
4740	<u>Hydrants</u>					
.11	Personal Service	24,650	30,011	32,488	32,488	32,488
.25	City Equipment Rental	6,000	8,500	10,000	9,000	9,000
.27	Repair	2,000				
.30	Miscellaneous Supplies		2,200	2,500	2,500	2,500
.33	Gas, Oil, Grease & Motor Fuel			500	500	500
	Total Hydrants	32,650	40,711	45,488	44,488	44,488

CITY OF ANCHORAGE

DEPARTMENT Public Works		DIVISION Water Utility		OPERATING ACCOUNTS		DETAIL		
CODE	CLASSIFICATION	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964	MANAGER RECOMMENDS 1964	COUNCIL APPROVED 1964		
4750	<u>Administration</u>							
.11	Personal Service		12,230	51,761	51,761	51,761		
.25	City Equipment Rental		850	4,500	4,500	4,500		
.27	Telephone, Telegraph and Tolls		45	1,500	1,500	1,500		
.36	Office Supplies		550	1,000	1,000	1,000		
.40	Treasury	20,460	19,785	21,509	21,509	22,084		
.41	Utility Billing	38,530	37,259	37,200	42,310	42,310		
.42	Accounting	9,480	9,160	21,815	21,815	21,815		
.43	Data Processing	11,076	10,710	11,294	11,294	11,294		
.44	Legal	9,815	10,452	7,914	7,914	7,914		
.45	City Manager	5,000	5,000	5,000	5,000	5,000		
.46	City Council and Mayor	2,000	2,000	2,000	2,000	2,000		
.47	City Hall Rental	2,160	2,160	2,160	2,160	2,160		
.48	Employee Benefits	13,150	13,150	21,650	21,650	21,650		
.49	Insurance	1,448	1,448	5,000	5,000	5,000		
.51	Audit	925	925	2,000	2,000	2,000		
.52	Public Works Adm. & Engr.	38,950	38,950	15,000	15,000	15,000		
.53	Uncollectable Accounts	2,500	2,500	3,000	3,000	3,000		
	Total Administration	155,494	167,180	214,303	219,413	219,988		
4755	<u>Depreciation</u>	258,310	258,310	266,000	266,000	266,000		
4757	<u>Payment in Lieu of Tax</u>	218,257	208,400	152,867	152,867	159,513		
	<u>Total Operating Expense</u>	865,136	866,813	896,570	899,280	906,501		
	<u>NON OPERATING EXPENSE</u>							
4759	Interest Expense	218,030	217,800	197,816	197,816	197,816		
	Total Expense	1,083,166	1,084,613	1,094,386	1,097,096	1,104,317		
	<u>NET INCOME</u>	212,634	163,887	312,614	309,904	302,683		

DEPARTMENT Public Works		DIVISION Water Utility		PERSONNEL SCHEDULE					
POSITION TITLE	PAY RANGE	ORIGINAL BUDGET 1963	ADJUSTED BUDGET 1963	DEPARTMENT REQUEST 1964		MANAGER RECOMMENDS 1964		COUNCIL APPROVED 1964	
Utility Manager	1000-1170		1	1	12,000	1	12,000	1	12,000
General Foreman	854-1000		1	1	11,196	1	11,196	1	11,196
Water Treatment Plt. Foreman	790-925	1	1	1	10,563	1	10,563	1	10,563
P.W. Foreman	759-889	2-1/2	1-1/2	1-1/2	15,576	1-1/2	15,576	1-1/2	15,576
Customer Services Superv.	759-889		1	1	9,185	1	9,185	1	9,185
Customer Serv. Represent- tives	648-759		3	3	25,760	3	25,760	3	25,760
Maintenance Man IV	674-821	6	6	6	56,210	6	56,210	6	56,210
Maintenance Man III	648-759	4	4	4	32,990	4	32,990	4	32,990
Maintenance Man II	600-702	1/2	1/2	1/2	4,114	1/2	4,114	1/2	4,114
Maintenance Man I	577-674	1	1	1	7,074	1	7,074	1	7,074
Water Treatment Plant Operator	702-821	4-1/2	4-1/2	4-1/2	42,137	4-1/2	42,137	4-1/2	42,137
Clerk Steno II	456-534	1/2	1/2	1/2	2,736	1/2	2,736	1/2	2,736
Overtime		20	25	25	229,541 12,882 <u>242,423</u>	25	229,541	25	229,541
<p>Note: Positions over last year include Utility Manager and Customer Services Supervisor. The three Customer Service Representatives were located as follows in 1963: 2 in P.W. pool and 1 in Refuse Collection. This section now handles both water and garbage field inspection - garbage pays the Water Utility for one man. This accounts for the increase of 5 in Water Utility with only 2 additional personnel over last year.</p>									
DISTRIBUTION OF SALARIES BY ACCOUNT									
		Account No.		Amount					
		4701		7,281					
		4710		7,281					
		4720		40,773					
		4730		60,889					
		4740		32,488					
		4750		51,761					
		Force Account		41,950					
				<u>242,423</u>					

WATER UTILITY
DETAIL OF 1964 CAPITAL IMPROVEMENTS

<u>DESCRIPTION</u>	<u>Department Request 1964</u>	<u>City Manager Recommendation 1964</u>	<u>Council Approved 1964</u>
Water Main Projects			
Forest Park Drive	33,000	33,000	33,000
Government Hill Loop	30,000	30,000	30,000
Jarvis Subdivision	3,000	3,000	3,000
East 8th and Lane Street	14,500	14,500	14,500
Lowering of Mains in			
Airport Heights Area	30,000	30,000	30,000
A.M.U. Tie (City Share)	50,000	50,000	50,000
Miscellaneous Loop Ties within			
the city	30,000	30,000	30,000
Fencing around well houses	6,000	6,000	6,000
Value - Water Treatment Plant	3,500	3,500	3,500
Landscaping - Water Treatment Plant	1,000	1,000	1,000
Electronic Warning System	2,000	2,000	2,000
Available for Miscellaneous Improvements	63,000	63,000	63,000
	<hr/>	<hr/>	<hr/>
	266,000	266,000	266,000
Capital Expenditures Authorized 1963			
and uncomplete (carry over to 1964)	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
	<u>273,500</u>	<u>273,500</u>	<u>273,500</u>

The format of the 1964 budget year has been designed to conform with utility financial statements and therefore is set forth on a net income approach as opposed to the balance budget presentation made in prior years. Also it should be noted that beginning with the year 1964 the depreciation has been funded to enable the City to replace existing plant facilities as needed or to construct new plant without the issuance of water bonds. At the present time no income is being used to build new plant because of existing debt service.

At present the monthly income from consumer sales is \$109,000 per month, which when projected at the same rate through 1964 is \$1,308,000. We anticipate 600 connections in 1964 for \$20,000 income during the year. We also anticipate about \$34,000 from presently unbilled accounts. Although unknown at this time, allowance has been made in projected revenue for possible adjustment in metered rates and other contingencies. The covenants of the water revenue bonds require rates sufficient to return 1.4 times the debt service after operating expenses excluding depreciation. During 1964 the rate of return based on this formula will be \$1.48 before consideration of cash receipts from contribution in aid of construction. After consideration of this cash source the return is \$2.35.

We are presently working on proposals for early presentation to Council to encourage connections by properties served but not using City water, such as longer periods for payment in aid of construction. We also intend to initiate a sales program to encourage connections.

Contribution in aid of construction is presently 4 cents per square foot of lot area. In order to maintain a return of $2/3$, the cost of main installation a change in the formula may be shortly presented to Council to reflect the shallower lots that are presently being platted, as well as the increased costs of construction.

WATER UTILITY OPERATING EXPENSE INFORMATION

This budget follows in general the same accounting system as has been used in the past, however in order to implement between cost accounting and to clarify budget items, the sub-account system has been revised. The accounts have been separated into six major operations with those accounts being broken down into object classifications in the same manner as the general fund.

Account 4701 - Source of Supply

The City obtains water from two basic sources to supply the distribution system. The primary source is the surface supply from Ship Creek which has a capability of delivery to the Water Treatment Plant of 12 million gallons per day. The secondary source is the deep well system which is supplied from the four wells constructed by the City and supplemented by three additional wells purchased from the Spenard Utility System in 1960. The seven wells have a total combined capacity estimated to be approximately 10 million gallons per day, however, it is somewhat questionable whether the full supply could be obtained due to the effect on the underground water table with all seven wells in operation simultaneously.

The Ship Creek surface supply will continue as the primary source and the Water Treatment Plant was constructed to process the full capacity of the transmission line from the intake reservoir to the plant site. Although the plant is designed for future expansion, in order to make this practical for peak periods, additional water must be available in the Ship Creek Basin.

The well system will be used to supplement the primary source when necessary at periods of high demand, or in the event of a break in the main supply line. It will be used also on a supplementary basis during the winter months at periods when the surface supply is extremely cold, since injecting the slightly warmer underground water in the distribution system has prevented many freeze-ups both in mains and individual services. During the winter, the wells are operated on a rotating basis with the exception of the well at 30th and Arctic which is operated automatically through the use of a hydro-pneumatic system at the well-house. The remaining wells are manually controlled and are cut into the system as required.

Account .22 provides \$3,500 to continue the City's share of the 50-50 matching program of data collection for investigating water sources in the Greater Anchorage Area; \$2,500 as a one time payment for matching funds in order to correlate the data collected and to point out any changes in the data collection program (this should be done every four or five years); \$2,500 for the City's share of an expanded source study proposed as a cooperative study between the City, State and Federal governments.

Account 4710 - Pumping Expense

This account provides for the operation and maintenance of the seven wells on the system as described above.

Account .23 is increased due to A.M.U. having low water pressures, and the requirement to maintain pumping from 1 or 2 wells to raise pressure.

The City Maintenance Engineer has recommended \$6,600 in maintenance work on Water Utility structures. This does not include normal wear and tear on pumps, etc. which usually requires approximately \$1,000. A total of \$3,400 is requested with the concept of accomplishing recommended repair work over a two year period.

Account 4720 - Purification Expense

This account provides for the operation and maintenance of the Water Treatment Plant on a two shift, seven day per

week basis. Chemical treatment is applied only as necessary and usually in the spring during periods of turbid water. Water is processed through the filters at all times. Both chlorine and fluoride are introduced into the system at the Water Treatment Plant and the wells. Fluoride was introduced at the wells for the first time in 1962. No additional personnel were budgeted for security reasons, as we feel that having the Chief Operator live at the site should provide ample security.

Account .22 provides for Minneapolis Honeywell agreement to maintain and repair \$120,000 worth of controls. The agreement calls for 5% of value of controls. Since new controls have been added during 1963 the total maintenance cost has increased accordingly.

Account 4730 - Maintenance and Repair

The distribution system consists of 110 miles of water mains. This provides for general maintenance of the entire transmission and distribution system. It includes checking all main line valves prior to winter, summertime flushing of water mains, disconnects of old water services at the main, repair of service key boxes and thaw wires, wintertime steaming of shallow mains and dead end lines, and repair of water main breaks.

Account .25 covers trucks, jackhammers, steam boilers, etc. and is based on actual usage.

Account 4740 - Hydrants

We presently maintain 892 hydrants--(739 inside the city limits and 153 outside the city limits). Our annual maintenance cost is about \$49 per hydrant. The total cost of hydrant maintenance is charged against the Fire Department, including those hydrants outside the City. Maintenance consists of regular pumping of the barrels in high water tables, steaming of hydrants as necessary and periodic checks to make sure they are operational. We have begun a program of salting the ground around hydrants in an attempt to reduce steaming costs.

Account .25 covers rental of required trucks, steam boilers, and pumps to pump out hydrants. The amount will increase each year as new hydrants are installed.

Account 4750 - Administration

This account covers the cost of Customer Representatives and Utility Manager as well as all miscellaneous charges made by other departments against the utility.

Account .11

Reorganization brought about most of the increase. We have added a utility manager, customer services section supervisor and transferred men from public works to customer services section. A new billing system and file set-up is now starting. This requires the persons in this section.

It must also be noted that the ".52" account was cut from 38,950 to 15,000 mainly because utility manager and Administration staff will be doing much of the planning and programming which was done by the engineering staff in public works before.

Account .25

The customer services section requires three trucks for field inspection work, turn-on, turn-off duties, and conducting surveys to establish if an area may have some bootleg connections

Account .28

Telephone charges are based on service required. One phone which was in public works engineering will now transfer to water utility. The old rate was incorrect and does not consider offices.

Account .36

New offices require office supplies plus bringing up to date the system at the shops.

Account .48

The large increase is due to proposed utility's share of group life and medical insurance and retirement.

Account .49

The increase in insurance cost results from a review of cost allocation of fire and extended coverage on liability insurance and reflects a more accurate identification of actual insurance costs.

Account 4757 - Payment in Lieu of Taxes

The Water Utility has in the past paid tax on 100% plant value. This has been reduced to 70% to match the normal assessment practices of the City.