

	FY 2005 Actual	FY 2006		FY 2007 Adopted	
		Original	Amended	Projected	
Fund Summary					
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental	2,860	2,900	110,237	108,112	2,929
Charges for Services	6,722,752	7,595,200	7,595,200	7,989,000	8,201,000
Fines and Forfeitures	0	0	0	0	0
Internal Services	1,068	0	0	2,763	0
Special Assessments	13,352	0	0	259	0
Investment Earnings	170,049	158,000	158,000	211,777	165,000
Miscellaneous Revenue	10,363	2,000	2,000	57,412	2,000
Subtotal Operating Revenue	6,920,444	7,758,100	7,865,437	8,369,323	8,370,929
Proceeds from Long-term Debt	0	0	0	0	0
Transfers - In From Other Funds	0	0	0	0	0
Total Revenue	6,920,444	7,758,100	7,865,437	8,369,323	8,370,929
Personal Services	1,586,950	1,656,852	1,772,952	1,584,533	1,903,476
Supplies & Materials	422,417	553,049	551,690	500,510	580,853
Purchased Services	554,466	707,443	846,471	645,977	822,967
Other Costs	1,500	13,500	13,500	9,500	13,500
Debt Service - Interest & Fees	396,541	380,244	380,244	380,244	351,103
Internal Service, Interfund	1,052,849	1,186,973	1,051,340	938,262	1,257,959
Subtotal Operating Expenses	4,014,723	4,498,061	4,616,197	4,059,026	4,929,858
Debt Service - Principal	685,000	705,000	705,000	705,000	725,000
Capital Outlay	1,757,323	2,572,502	6,531,420	4,226,352	4,143,120
Transfers - Out to Other Funds	22,960	22,960	22,960	22,960	24,100
Total Expenditures	6,480,006	7,798,523	11,875,577	9,013,338	9,822,078
Revenue Over (Under) Expenditures	440,438	(40,423)	(4,010,140)	(644,015)	(1,451,149)
add (deduct) Net Changes in Reserves	0	0	0	0	0
Net Change in the Unreserved Balance	440,438	(40,423)	(4,010,140)	(644,015)	(1,451,149)
Reserves					
Beginning Balance - July 1	3,712,980	3,601,387	3,601,387	3,712,980	3,712,980
Net Change	0	0	0	0	0
Ending Balance - June 30	3,712,980	3,601,387	3,601,387	3,712,980	3,712,980
Balance Available for Capital Projects					
Beginning Balance - July 1	3,907,107	4,459,138	4,459,138	4,347,545	3,703,530
Net Change	440,438	(40,423)	(4,010,140)	(644,015)	(1,451,149)
Ending Balance - June 30	4,347,545	4,418,715	448,998	3,703,530	2,252,381

Fund Purpose

The Water Fund is administered by the Public Works Department. This fund is an enterprise fund encompassing related debt service, administrative expenses, water distribution system, water lab, and operation and maintenance of the water treatment plant. Its purpose is to safeguard community health and provide adequate quantities of high quality drinking water by meeting or exceeding federal regulations of the Safe Drinking Water Act of 1996.

This budget provides appropriation for the capital improvement program. Capital improvement program appropriations are carried over from year to year, as needed, until completion of the projects. The City developed a capital improvement plan to update and improve the water plant, transmission mains, storage and pumping facilities, distribution main replacement, over sizing and extensions to the system. Originally developed with a ten-year target period for construction, realistic construction and bonding capacities have shown that the City will require approximately fifteen years to complete this capital improvement program.

Residential and commercial sales are the main revenue sources for the Water Fund. The City will continue to make timely rate adjustments in order to maintain the financial stability of the water system by annually analyzing the Water Utility Financial Plan and Cost of Service Analysis. Utility rates will need to be increased periodically, based on inflation, operating requirements, and capital improvement programs.

The Water Fund has seven divisions. The divisions are:

- **Debt Services**

This budget accounts for principal payments, interest payments, and fiscal agent fees on revenue bonds and other long-term debt.

- **Central Garage/Equipment Revolving**

The Central Garage Division administers replacement services for all major vehicles and equipment of the City. Machinery and equipment scheduled for replacement are addressed through this budget.

- **Water – Customer Service**

The water customer service budget funds personnel, equipment, materials, and services necessary to provide responsive customer service. Expenses to the fund are shared with sewer customer service.

- **Water - Lab and Testing**

The public water supply system is regulated by the Environmental Protection Agency (EPA) under the Federal Safe Drinking Water Act (SDWA). The laboratory is certified by the Environmental Protection Agency (EPA) to conduct bacteriological analysis of drinking water. The lab also writes the annual Consumer Confidence Report, keeps track of electricity and chemical costs associated with water treatment, and establishes optimum water treatment chemical dosages based on tests it conducts on the seasonally fluctuating quality of the Missouri River.

- **Water – Purification**

The water purification budget funds personnel, equipment and materials necessary for the operation and maintenance of the water treatment plant, four remote pumping stations, and seven storage tank facilities. The water treatment plant treats and distributes up to 40 million gallons of water per day to the City of Great Falls, Black Eagle, and Malmstrom Air Force Base.

• **Water Distribution**

The water distribution budget funds personnel, equipment, and materials necessary for the operation and maintenance of the water distribution system. Distribution modification projects are the capital portions of the budget which funds primary main replacements, purchasing of major repair materials, and large-scale meter installations.

• **Water – Bonded Projects**

The water bonded division budgets for capital improvements identified in the Water Master Plan.

The Water Fund organizational chart is in the Organization Section – Public Works Department.

Debt Service Administration

Budget Highlights

Debt Service Administration is administered by the Fiscal Services Department.

<i>Debt Service Administration</i>	FY 2005	FY 2006			FY 2007
	Actual	Original	Amended	Projected	Adopted
Fiscal Services Department					
Personal Services	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Purchased Services	0	0	0	0	0
Other Costs	0	0	0	0	0
Debt Service - Interest & Fees	396,541	380,244	380,244	380,244	351,103
Internal Service, Interfund	11,067	9,760	9,760	9,760	3,434
Subtotal Operating Expenses	407,608	390,004	390,004	390,004	354,537
Debt Service - Principal	685,000	705,000	705,000	705,000	725,000
Capital Outlay	0	0	0	0	0
Total Debt Service Administration	1,092,608	1,095,004	1,095,004	1,095,004	1,079,537

This budget reflects both principal and interest payments. The principal payment is actually a liability payment rather than an accounting expenditure. The City uses bond issues to finance all major water system capital improvement. State Revolving Fund funds were issued in Fiscal Year 2001. In Fiscal Year 2002, the City called bonds issued in 1992 and 1996 and reissued new bonds for a decrease in interest rates.

Please refer to the Capital and Debt Section for detailed loan payment information.

Major Accomplishments – Goals and Objectives

This budget only deals with scheduled transactions for debt as issued. Statements of accomplishment, goals, objectives and policies are not applicable.

Central Garage/Equipment Revolving

Budget Highlights

Central Garage/Equipment Revolving is administered by Central Garage.

<i>Central Garage - Equipment Revolving</i>	FY 2005	FY 2006			FY 2007
	Actual	Original	Amended	Projected	Adopted
Public Works Department					
Personal Services	0	0	0	0	0
Supplies & Materials	0	2,089	0	2,089	0
Purchased Services	0	0	0	0	0
Other Costs	0	0	0	0	0
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	0	0	0	0	0
Subtotal Operating Expenses	0	2,089	0	2,089	0
Debt Service - Principal	0	0	0	0	0
Capital Outlay	18,455	72,560	72,460	68,918	143,120
Total Central Garage - Equipment Revolving	18,455	74,649	72,460	71,007	143,120

Central Garage/Equipment Revolving (continued)

Machinery and equipment scheduled for replacement are treated as withdrawals from the Equipment Revolving Schedule reserves and appropriated in this budget.

Major Accomplishments – Goals and Objectives

This budget only deals with scheduled transactions for machinery and equipment purchases. Statements of accomplishment, goals, objectives and policies are not applicable.

**Water – Customer Service
Budget Highlights**

<i>Water - Customer Service</i> Public Works Department	FY 2005	FY 2006		FY 2007	
	Actual	Original	Amended	Projected	Adopted
Personal Services	170,771	201,718	201,718	190,895	210,443
Supplies & Materials	8,839	11,310	11,310	11,070	12,210
Purchased Services	34,328	37,875	37,875	34,910	38,000
Other Costs	1,500	1,500	1,500	1,500	1,500
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	245,056	257,413	257,413	257,413	356,082
Subtotal Operating Expenses	460,494	509,816	509,816	495,788	618,235
Debt Service - Principal	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Water - Customer Service	460,494	509,816	509,816	495,788	618,235

Goals and Objectives**Major Accomplishments – In the Past Year**

- Implemented one call utility locates.
- Installed radio read meters on the Northwest and Southwest side.

Priority Goals and Objectives – For the Upcoming Year

- Provide cost effective public services.
- Anticipate and plan for future service needs.
- Form partnerships with other governments and organizations to make better use of public resources in providing services.
- Establish and maintain financial reserves necessary for stability.
- Continue radio read meter installations.

**Water – Lab and Testing
Budget Highlights**

<i>Water - Lab & Testing</i> Public Works Department	FY 2005	FY 2006		FY 2007	
	Actual	Original	Amended	Projected	Adopted
Personal Services	52,294	52,177	52,177	41,137	55,289
Supplies & Materials	6,424	6,600	6,600	9,149	8,443
Purchased Services	30,974	34,003	34,003	31,517	39,723
Other Costs	0	0	0	0	0
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	10,860	11,564	11,564	11,564	11,276
Subtotal Operating Expenses	100,552	104,344	104,344	93,367	114,731
Debt Service - Principal	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Water - Lab & Testing	100,552	104,344	104,344	93,367	114,731

Water – Lab and Testing (continued)**Goals and Objectives****Major Accomplishments - In the Past Year**

- Maintained compliance with the Safe Drinking Water Act.
- Began testing for Cryptosporidium and *E. coli* as required by upcoming regulations.
- Began using a different test method to detect coliform bacteria in drinking water. The new method allows more flexibility and quicker determination of test results.

Priority Goals and Objectives - For the Upcoming Year

- Maintain quality control as prescribed by the Safe Drinking Water Act and the Montana State Department of Environmental Quality.
- Provide adequate quantities of high-quality drinking water to Great Falls consumers for a reasonable cost and promote public awareness of the City's dedication toward this end.
- Continue to respond to the needs of those we serve by providing tours of the Water Treatment Plant for school groups, various civic organizations and other concerned citizens.

Water - Purification**Budget Highlights***Water - Purification*

Public Works Department

	FY 2005	FY 2006		FY 2007	
	Actual	Original	Amended	Projected	Adopted
Personal Services	525,822	556,201	672,301	560,788	715,816
Supplies & Materials	268,093	308,550	308,550	278,600	335,200
Purchased Services	457,344	600,940	737,199	534,575	705,584
Other Costs	0	0	0	0	0
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	452,166	507,161	373,146	318,359	456,819
Subtotal Operating Expenses	1,703,425	1,972,852	2,091,196	1,692,322	2,213,419
Debt Service - Principal	0	0	0	0	0
Capital Outlay	367,280	1,248,382	2,542,613	854,733	1,902,876
Total Water - Purification	2,070,705	3,221,234	4,633,809	2,547,055	4,116,295

Goals and Objectives**Major Accomplishments - In the Past Year**

- Provided continuous supply of safe, aesthetically pleasing water to the residents of Great Falls, Black Eagle and Malmstrom Air Force Base
- Continued the process of modernizing plant instrumentation.
- Completed grant-funded security improvements.
- Became fully involved in the Water Master Plan update process.
- Installed and monitored wind measurement equipment for the purpose of examining feasibility of installing wind power generators.
- Negotiated contract to install cellular antenna equipment on two of the water towers. The rental fee will bring in significant additional revenue.

Priority Goals and Objectives - For the Upcoming Year

- Participate fully in the completion of the Water Master Plan update process.
- Complete investigation of the feasibility of wind power for the water treatment plant facilities.
- Continue to analyze cost/benefit of water treatment plant services to maximize efficiency.
- Continue improvements to instrumentation.
- Continue capital improvements program.

Water - Distribution

Budget Highlights

Water - Distribution

Public Works Department

	FY 2005	FY 2006			FY 2007
	Actual	Original	Amended	Projected	Adopted
Personal Services	838,063	846,756	846,756	791,713	921,928
Supplies & Materials	139,061	224,500	225,230	199,602	225,000
Purchased Services	31,820	34,625	37,394	44,975	39,660
Other Costs	0	12,000	12,000	8,000	12,000
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	293,860	362,036	360,418	302,127	393,581
Subtotal Operating Expenses	1,302,804	1,479,917	1,481,798	1,346,417	1,592,169
Debt Service - Principal	0	0	0	0	0
Capital Outlay	1,218,030	1,251,560	3,916,347	3,302,701	2,097,124
Total Water - Distribution	2,520,834	2,731,477	5,398,145	4,649,118	3,689,293

Goals and Objectives

Major Accomplishments – In the Past Year

- Main break repair.
- Made replacement water service taps on main replacement projects.
- Repaired faulty and damaged fire hydrants.
- Replaced settled sidewalk and curb sections over hydrant supply lines.
- Replaced curb and sidewalk damaged by main breaks.
- Operated isolation valves on main replacement projects.
- Updated gatebox field books.

Priority Goals and Objectives – For the Upcoming Year

- Promote and retain sustainable development.
- Anticipate and plan for future service needs, costs and financing.
- Anticipate and plan for future capacities and resources needed for services.
- Enhance existing sources and control costs.
- Replace water main on two projects for several blocks on each project.
- Install main and change pressure zone boundaries to correct pressure deficiency in Sunnyside area.
- Update of the Water Master Plan.

Water - Bonded Projects

Highlights

Utility Bond Const/SRF

Public Works Department

	FY 2005	FY 2006			FY 2007
	Actual	Original	Amended	Projected	Adopted
Personal Services	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Purchased Services	0	0	0	0	0
Other Costs	0	0	0	0	0
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	0	0	0	0	0
Subtotal Operating Expenses	0	0	0	0	0
Debt Service - Principal	0	0	0	0	0
Capital Outlay	153,558	0	0	0	0
Total Utility Bond Const/SRF	153,558	0	0	0	0

The Water Bond Division budgets for capital improvements identified in the Water Master Plan.