

**CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 1
 DATA ASSUMPTIONS**

	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12		
<u>Escalation Factors</u>								
1	<i>Revenues</i>							
2	Rates	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Per Facility Plan
3	Other Revenues	4.00%	4.00%	4.00%	3.00%	3.00%	3.00%	
4								
5								
6	<i>Expenses</i>							
7	Utilities	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
8	Labor	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%	Per City
9	Benefits - Medical	4.00%	10.00%	10.00%	10.00%	10.00%	10.00%	Per City
10	Benefits - Other	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
11	Materials & Supplies	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
12	Chemicals	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	5% + Growth
13	Electricity	7.00%	8.00%	8.00%	8.00%	8.00%	8.00%	Materials & Supplies + Growth
14	Natural Gas	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
15	Gas & Oil	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
16	Equipment	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
17	Miscellaneous	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
	Interest Income	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
<u>New Debt Service (Actual debt issues shown in following exhibit)</u>								
<i>Revenue Bond Issue</i>								
	Term in Years	20	20	20	20	20	20	
	Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
<i>New SRF Loans</i>								
	Term in Years	20	20	20	20	20	20	
	Rate	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 2
 SUMMARY OF WATER REVENUE REQUIREMENTS

	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
Revenues						
Retail Sales	\$5,102,717	\$5,690,818	\$5,975,099	\$6,273,594	\$6,587,014	\$6,916,104
Other Revenue	366,790	378,987	391,725	403,148	419,924	433,539
Total Revenues	\$5,469,507	\$6,069,805	\$6,366,824	\$6,676,742	\$7,006,938	\$7,349,643
Expenses						
O&M Expenses						
Treatment	\$1,305,540	\$1,364,514	\$1,426,955	\$1,493,123	\$1,563,299	\$1,637,787
Reservoirs	117,352	122,482	127,897	133,617	139,664	146,061
Operations	1,193,992	1,297,650	1,406,118	1,519,682	1,582,482	1,648,510
Utility Locates	58,937	61,564	64,342	67,282	70,396	73,697
Water Service	36,050	37,132	38,245	39,393	40,575	41,792
Meter Reading	304,429	315,029	326,078	337,601	349,625	362,179
Hydrants	20,600	21,218	21,855	22,510	23,185	23,881
Water Valves	8,240	8,487	8,742	9,004	9,274	9,552
Main Repairs	7,725	7,957	8,195	8,441	8,695	8,955
Rate Revenues Dedicated to CIP	2,323,680	2,740,811	2,876,885	3,016,028	3,200,000	3,300,000
Current Debt Service	92,962	92,962	61,511	30,062	15,031	15,031
New Debt	0	0	0	0	305,419	610,838
Total Expenses	\$5,469,507	\$6,069,806	\$6,366,824	\$6,676,743	\$7,307,644	\$7,878,284
Balance/(Deficiency) of Funds	(\$0)	(\$0)	(\$0)	(\$0)	(\$300,706)	(\$528,641)
REQUIRED RATE ADJUSTMENT (Cumulative)	0.0%	0.0%	0.0%	0.0%	4.6%	7.6%
PROPOSED RATE ADJUSTMENT	0.0%	0.0%	0.0%	2.6%	2.6%	2.6%
ADDITIONAL REVENUE WITH RATE ADJUSTMENT	\$0	\$0	\$0	\$163,113	\$342,525	\$539,456
BALANCE/(DEFICIENCY) OF FUNDS	(\$0)	(\$0)	(\$0)	\$163,113	\$41,819	\$10,815
ADDITIONAL RATE ADJUSTMENT REQUIRED	0.0%	0.0%	0.0%	-2.5%	-0.6%	-0.1%
Average Residential Rate (10 cf, 3/4" meter) [1]	\$35.30	\$35.30	\$35.30	\$35.30	\$36.22	\$37.16
Rate Impact with Increase	\$0.00	\$0.00	\$0.00	\$0.92	\$0.94	\$0.97
Total Monthly Rate with Increase	\$35.30	\$35.30	\$35.30	\$36.22	\$37.16	\$38.13
Debt Service Coverage Ratio [2]						
Before Rate Increase	26.00	30.48	47.77	101.33	10.05	5.43
After Proposed Rate Increase	26.00	30.48	47.77	106.75	11.12	6.29

[1] Rate increase as of September 1, 2006

[2] Water Revenue Bond is paid off in 05/06

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 3
 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

	PROJECTED						Notes
	FY 06/07	FY 07/08	FY 09/09	FY 09/10	FY 10/11	FY 11/12	
SOURCES OF FUNDS							
Rate Revenues							
Residential	\$2,541,534	\$2,837,374	\$2,979,242	\$3,128,205	\$3,284,615	\$3,448,846	Rates
Low-Income	4,865	5,426	5,697	5,982	6,281	6,596	Rates
Multi-Family	1,050,508	1,170,841	1,229,383	1,290,852	1,355,395	1,423,164	Rates
Commercial	906,832	1,011,056	1,061,609	1,114,690	1,170,424	1,228,945	Rates
Commercial - Special	28,213	31,460	33,033	34,684	36,418	38,239	Rates
Government	87,951	97,556	102,434	107,555	112,933	118,580	Rates
Government - Special	866	970	1,018	1,069	1,123	1,179	Rates
Montana State University	476,749	530,935	557,482	585,356	614,624	645,355	Rates
Unmetered Water Sales	5,200	5,200	5,200	5,200	5,200	5,200	No Escalation
Total Rate Revenues	\$5,102,717	\$5,690,818	\$5,975,099	\$6,273,594	\$6,587,014	\$6,916,104	
Other Revenues							
Sales of Water Materials	\$104,000	\$108,160	\$112,486	\$115,861	\$119,337	\$122,917	Other Revenues
Hydrant Fees	105,000	110,250	115,763	121,551	127,628	134,010	Rates
Interest Income	88,110	88,110	88,110	88,110	93,003	94,258	Calculated
Refunds & Reimbursements (ACH discount of \$1/mo.)	(23,920)	(24,877)	(25,872)	(26,648)	(27,447)	(28,271)	Other Revenues
Inspection Service Charges	52,000	54,080	56,243	57,930	59,668	61,458	Other Revenues
Rents & Royalties	41,600	43,264	44,995	46,344	47,735	49,167	Other Revenues
Total Other Revenues	\$366,790	\$378,987	\$391,725	\$403,148	\$419,924	\$433,539	
TOTAL SOURCES OF FUNDS	\$5,469,507	\$6,069,805	\$6,366,824	\$6,676,742	\$7,006,938	\$7,349,643	
APPLICATIONS OF FUNDS							
Operation & Maintenance Expense							
Water Treatment Plant							
Personnel Services							
Salaries & Wages	\$334,241	\$347,110	\$360,473	\$374,351	\$388,764	\$403,731	Labor
Overtime	24,887	25,845	26,840	27,873	28,946	30,061	Labor
PERS	27,662	28,216	28,780	29,356	29,943	30,542	Benefits - Other
Health/Dental Ins	56,550	62,205	68,426	75,268	82,795	91,074	Benefits - Medical
Life Insurance	257	262	267	273	278	284	Benefits - Other
Unemployment Tax	612	624	637	649	662	676	Benefits - Other
FICA	26,413	26,941	27,480	28,030	28,590	29,162	Benefits - Other
Workers Comp	18,748	19,123	19,505	19,895	20,293	20,699	Benefits - Other
Total Personnel Services	\$489,370	\$510,325	\$532,408	\$555,695	\$580,272	\$606,228	
Supplies & Materials							
Office Supplies	\$1,751	\$1,804	\$1,858	\$1,913	\$1,971	\$2,030	Materials & Supplies
Computer Supplies	2,318	2,387	2,459	2,532	2,608	2,687	Materials & Supplies
Personal Computers	1,803	1,857	1,912	1,970	2,029	2,090	Materials & Supplies
Clothing & Uniforms	927	955	983	1,013	1,043	1,075	Materials & Supplies
Chemicals	131,437	144,580	159,038	174,942	192,436	211,680	Chemicals
Road Supplies	0	0	0	0	0	0	Materials & Supplies
Vehicle Supplies	515	530	546	563	580	597	Materials & Supplies
Gas & Oil	8,524	8,780	9,043	9,315	9,594	9,882	Materials & Supplies
Small Equip & Tools	0	0	0	0	0	0	Materials & Supplies
Books & Ref Materials	618	637	656	675	696	716	Materials & Supplies
Goods Purchased for Resale	133,900	137,917	142,055	146,316	150,706	155,227	Materials & Supplies
General	30,179	31,084	32,017	32,977	33,967	34,986	Materials & Supplies
Total Supplies & Materials	\$311,971	\$330,531	\$350,567	\$372,217	\$395,629	\$420,969	

CITY OF BOZEMAN
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 EXHIBIT 3
 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

	PROJECTED						Notes
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	
Maintenance							
Rep & Maint - Equip	\$40,994	\$42,224	\$43,491	\$44,795	\$46,139	\$47,523	Equipment
Rep & Maint - Bldgs	15,553	16,020	16,500	16,995	17,505	18,030	Equipment
Rep & Maint - Other	2,060	2,122	2,185	2,251	2,319	2,388	Equipment
Total Maintenance	\$58,607	\$60,365	\$62,176	\$64,041	\$65,963	\$67,942	
Utilities							
Electricity	\$42,315	\$45,701	\$49,357	\$53,305	\$57,569	\$62,175	Electricity
Natural Gas	42,302	44,418	46,638	48,970	51,419	53,990	Natural Gas
Telephone	7,661	7,891	8,128	8,372	8,623	8,881	Utilities
Total Utilities	\$92,279	\$98,009	\$104,123	\$110,647	\$117,611	\$125,046	
Contracted Services							
Consult & Prof Service	\$12,400	\$12,877	\$13,373	\$13,888	\$14,423	\$14,978	Labor
Maint Contract	8,671	9,005	9,352	9,712	10,086	10,474	Labor
Janitorial Contracts	2,363	2,454	2,548	2,646	2,748	2,854	Labor
Contractors	20,770	21,570	22,400	23,262	24,158	25,088	Labor
General	50,861	52,819	54,852	56,964	59,157	61,435	Labor
Total Contracted Services	\$95,065	\$98,725	\$102,525	\$106,473	\$110,572	\$114,829	
Travel/Training							
In-State	\$7,091	\$7,233	\$7,378	\$7,525	\$7,676	\$7,829	Miscellaneous
Out-Of-State	0	0	0	0	0	0	Miscellaneous
Total Travel/Training	\$7,091	\$7,233	\$7,378	\$7,525	\$7,676	\$7,829	
Other							
Advertising	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656	\$1,689	Miscellaneous
Subscriptions	638	650	663	677	690	704	Miscellaneous
Postage	5,202	5,306	5,412	5,520	5,631	5,743	Miscellaneous
Shipping & Handling	102	104	106	108	110	113	Miscellaneous
Dues & Certifications	1,081	1,103	1,125	1,147	1,170	1,194	Miscellaneous
Insurance	49,569	50,560	51,572	52,603	53,655	54,728	Miscellaneous
Rents & Leases	5,974	6,153	6,338	6,528	6,724	6,926	Materials & Supplies
General	20,284	20,689	21,103	21,525	21,956	22,395	Miscellaneous
Total Other	\$84,379	\$86,127	\$87,911	\$89,732	\$91,592	\$93,491	
Internal Charges							
Admin Overhead	\$143,752	\$149,287	\$155,034	\$161,003	\$167,202	\$173,639	Labor
Veh Maint Fund	23,027	23,913	24,834	25,790	26,783	27,814	Labor
Total Internal Charges	\$166,779	\$173,200	\$179,868	\$186,793	\$193,985	\$201,453	
Total Treatment O&M	\$1,305,540	\$1,364,514	\$1,426,955	\$1,493,123	\$1,563,299	\$1,637,787	
Water Reservoirs Plant							
Personnel Services							
Salaries & Wages	\$81,966	\$85,121	\$88,399	\$91,802	\$95,336	\$99,007	Labor
Overtime	2,720	2,825	2,933	3,046	3,164	3,285	Labor
PERS	6,489	6,619	6,751	6,886	7,024	7,165	Benefits - Other
Health/Dental Ins	15,210	16,731	18,404	20,245	22,269	24,496	Benefits - Medical
Life Insurance	69	71	72	74	75	77	Benefits - Other
Unemployment Tax	143	146	149	152	155	158	Benefits - Other
FICA	6,159	6,282	6,408	6,536	6,666	6,800	Benefits - Other
Workers Comp	4,596	4,688	4,782	4,877	4,975	5,074	Benefits - Other
Total Reservoirs - Personnel Services	\$117,352	\$122,482	\$127,897	\$133,617	\$139,664	\$146,061	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 3
 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

	PROJECTED						Notes
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	
Total Water Plant O&M	\$1,422,892	\$1,486,996	\$1,554,853	\$1,626,741	\$1,702,963	\$1,783,848	
Water Operations							
Operations Department							
Personnel Services							
Salaries & Wages	\$532,302	\$593,545	\$657,147	\$723,197	\$751,040	\$779,955	Labor; 1 FTE/year '08, '09, '10
Overtime	14,751	15,319	15,909	16,521	17,157	17,818	Labor
PERS	36,245	44,584	53,089	61,765	63,000	64,260	Benefits - Other; New FTE bene.
Health/Dental Ins	84,240	100,464	118,310	137,941	151,736	166,909	Benefits - Medical; FTE Med.
Life Insurance	490	499	509	520	530	541	Benefits - Other
Unemployment Tax	889	907	925	944	963	982	Benefits - Other
FICA	39,272	40,057	40,859	41,676	42,509	43,360	Benefits - Other
Workers Comp	25,575	26,087	26,609	27,141	27,684	28,237	Benefits - Other
Total Personnel Services	\$733,764	\$821,463	\$913,357	\$1,009,705	\$1,054,619	\$1,102,062	
Supplies & Materials							
Office Supplies	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	Materials & Supplies
Computer Supplies	1,545	1,591	1,639	1,688	1,739	1,791	Materials & Supplies
Personal Computers	5,150	5,305	5,464	5,628	5,796	5,970	Materials & Supplies
Clothing & Uniforms	3,554	3,660	3,770	3,883	3,999	4,119	Materials & Supplies
Chemicals	0	0	0	0	0	0	Chemicals
Road Supplies	9,270	9,548	9,835	10,130	10,433	10,746	Materials & Supplies
Vehicle Supplies	6,438	6,631	6,830	7,034	7,245	7,463	Materials & Supplies
Gas & Oil	14,700	15,435	16,207	17,017	17,868	18,761	Gas & Oil
Small Equip & Tools	8,755	9,018	9,288	9,567	9,854	10,149	Equipment
Books & Ref Materials	412	424	437	450	464	478	Materials & Supplies
Goods Purch for Resale	0	0	0	0	0	0	Materials & Supplies
General	69,010	71,080	73,213	75,409	77,671	80,002	Materials & Supplies
Total Supplies & Materials	\$123,468	\$127,466	\$131,599	\$135,871	\$140,287	\$144,853	
Maintenance							
Rep & Maint - Equip	\$19,261	\$19,839	\$20,434	\$21,047	\$21,678	\$22,329	Equipment
Rep & Maint - Bldgs	0	0	0	0	0	0	Equipment
Rep & Maint - Other	5,150	5,305	5,464	5,628	5,796	5,970	Equipment
Total Maintenance	\$24,411	\$25,143	\$25,898	\$26,675	\$27,475	\$28,299	
Utilities							
Electricity	\$16,050	\$17,334	\$18,721	\$20,218	\$21,836	\$23,583	Electricity
Natural Gas	7,350	7,718	8,103	8,509	8,934	9,381	Natural Gas
Telephone	3,605	3,713	3,825	3,939	4,057	4,179	Utilities
Total Utilities	\$27,005	\$28,765	\$30,649	\$32,666	\$34,827	\$37,143	
Contracted Services							
Consult & Prof Service	\$28,850	\$29,961	\$31,114	\$32,312	\$33,556	\$34,848	Labor
Maint Contract	727	755	784	814	846	878	Labor
Janitorial Contracts	0	0	0	0	0	0	Labor
Contractors	0	0	0	0	0	0	Labor
General	20,510	21,300	22,120	22,972	23,856	24,775	Labor
Total Contracted Services	\$50,087	\$52,016	\$54,018	\$56,098	\$58,258	\$60,501	
Travel/Training							
In-State	\$8,798	\$8,973	\$9,153	\$9,336	\$9,523	\$9,713	Miscellaneous
Out-Of-State	0	0	0	0	0	0	Miscellaneous
Total Travel/Training	\$8,798	\$8,973	\$9,153	\$9,336	\$9,523	\$9,713	

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 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

	P R O J E C T E D						Notes
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	
Other							
Advertising	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656	\$1,689	Miscellaneous
Subscriptions	510	520	531	541	552	563	Miscellaneous
Postage	510	520	531	541	552	563	Miscellaneous
Shipping & Handling	0	0	0	0	0	0	Miscellaneous
Dues & Certifications	1,530	1,561	1,592	1,624	1,656	1,689	Miscellaneous
Insurance	49,569	50,560	51,572	52,603	53,655	54,728	Miscellaneous
Rents & Leases	2,575	2,652	2,732	2,814	2,898	2,985	Materials & Supplies
General	18,360	18,727	19,102	19,484	19,873	20,271	Miscellaneous
Total Other	\$74,584	\$76,101	\$77,650	\$79,230	\$80,843	\$82,489	
Internal Charges							
Admin Overhead	\$143,752	\$149,287	\$155,034	\$161,003	\$167,202	\$173,639	Labor
Veh Maint Fund	8,123	8,436	8,761	9,098	9,448	9,812	Labor
Total Internal Charges	\$151,875	\$157,723	\$163,795	\$170,101	\$176,650	\$183,451	
Total Operations O&M	\$1,193,992	\$1,297,650	\$1,406,118	\$1,519,682	\$1,582,482	\$1,648,510	
Utilities Locate							
Personnel Services							
Salaries & Wages	\$34,833	\$36,174	\$37,567	\$39,014	\$40,516	\$42,075	Labor
Overtime	465	483	502	521	541	562	Labor
PERS	2,909	2,967	3,027	3,087	3,149	3,212	Benefits - Other
Health/Dental Ins	8,736	9,610	10,571	11,628	12,790	14,069	Benefits - Medical
Life Insurance	40	41	41	42	43	44	Benefits - Other
Unemploy Tax	64	66	67	68	70	71	Benefits - Other
FICA	3,158	3,221	3,285	3,351	3,418	3,487	Benefits - Other
Workers Comp	1,753	1,788	1,824	1,861	1,898	1,936	Benefits - Other
Total Personnel Services	\$51,959	\$54,350	\$56,884	\$59,572	\$62,425	\$65,456	
Supplies & Materials							
Office Supplies	\$361	\$371	\$382	\$394	\$406	\$418	Materials & Supplies
Computer Supplies	927	955	983	1,013	1,043	1,075	Materials & Supplies
General	2,575	2,652	2,732	2,814	2,898	2,985	Materials & Supplies
Total Supplies & Materials	\$3,863	\$3,978	\$4,098	\$4,221	\$4,347	\$4,478	
Contracted Services							
General	\$3,116	\$3,235	\$3,360	\$3,489	\$3,624	\$3,763	Labor
Total Contracted Services	\$3,116	\$3,235	\$3,360	\$3,489	\$3,624	\$3,763	
Total Utilities Locate	\$58,937	\$61,564	\$64,342	\$67,282	\$70,396	\$73,697	
Water Services							
Supplies & Materials							
General	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	Materials & Supplies
Total Water Services - Supplies & Materials	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	
Meter Reading							
Personnel Services							
Salaries & Wages	\$85,268	\$88,551	\$91,960	\$95,501	\$99,177	\$102,996	Labor
Overtime	2,882	2,993	3,108	3,228	3,352	3,481	Labor
PERS	6,735	6,870	7,007	7,147	7,290	7,436	Benefits - Other

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	PROJECTED						Notes
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	
Health/Dental Ins	15,600	17,160	18,876	20,764	22,840	25,124	Benefits - Medical
Life Insurance	71	73	74	76	77	79	Benefits - Other
Unemploy Tax	149	152	155	158	161	164	Benefits - Other
FICA	6,267	6,392	6,520	6,650	6,783	6,919	Benefits - Other
Workers Comp	4,771	4,866	4,963	5,063	5,164	5,267	Benefits - Other
Total Personnel Services	\$121,743	\$127,056	\$132,664	\$138,586	\$144,845	\$151,466	
Supplies & Materials							
Office Supplies	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	Materials & Supplies
Computer Supplies	309	318	328	338	348	358	Materials & Supplies
Clothing & Uniforms	618	637	656	675	696	716	Materials & Supplies
Books & Ref Materials	515	530	546	563	580	597	Materials & Supplies
General	154,500	159,135	163,909	168,826	173,891	179,108	Materials & Supplies
Total Supplies & Materials	\$159,032	\$163,803	\$168,717	\$173,779	\$178,992	\$184,362	
Maintenance							
Rep & Maint - Equip	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	Equipment
Total Maintenance	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	
Contracted Services							
Maintenance	\$623	\$647	\$672	\$698	\$725	\$753	Labor
Total Contracted Services	\$623	\$647	\$672	\$698	\$725	\$753	
Travel/Training							
In-State	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656	\$1,689	Miscellaneous
Out-Of-State	2,550	2,601	2,653	2,706	2,760	2,815	Miscellaneous
Total Travel/Training	\$4,080	\$4,162	\$4,245	\$4,330	\$4,416	\$4,505	
Other							
Subscriptions	\$51	\$52	\$53	\$54	\$55	\$56	Miscellaneous
Postage	15,300	15,606	15,918	16,236	16,561	16,892	Miscellaneous
Dues & Certifications	510	520	531	541	552	563	Miscellaneous
Total Other	\$15,861	\$16,178	\$16,502	\$16,832	\$17,168	\$17,512	
Total Meter Reading	\$304,429	\$315,029	\$326,078	\$337,601	\$349,625	\$362,179	
Hydrants							
Supplies & Materials							
General	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	Materials & Supplies
Total Hydrants - Supplies & Materials	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	
Water Valves							
Supplies & Materials							
General	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	Materials & Supplies
Total Water Valves - Supplies & Materials	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	
Main Repairs							
Supplies & Materials							
General	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	Materials & Supplies
Total Main Repairs - Supplies & Materials	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	
Total Operations & Maintenance	\$3,052,865	\$3,236,033	\$3,428,428	\$3,630,653	\$3,787,193	\$3,952,415	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 3
 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

		PROJECTED						
		FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	Notes
Capital Outlays - Water Fund								
Water Plant Treatment								
W14	Sourdough Tank Repairs	\$0	\$200,000	\$0	\$0	\$0	\$0	From CIP Plan 1/10/07
W06	3/4 Ton 4X4 Pickup	0	35,000	0	0	0	0	From CIP Plan 1/10/07
W07	22 MG Membrane Water Treatment Plant	902,500	133,000	1,000,000	1,000,000	10,000,000	10,000,000	From CIP Plan 1/10/07
W08	Sourdough Raw Water Intake/Tank Improvements	0	0	200,000	0	0	0	From CIP Plan 1/10/07
WIF	Sourdough Creek Dam Construction/Wtr. Rights	0	4,000	0	0	0	0	From CIP Plan 1/10/07
Water Operations								
PW01	Shops Complex - Phase I	0	1,507,500	0	0	0	0	From CIP Plan 1/10/07
W03	Bi-Annual Engineering Design	0	90,000	0	90,000	0	90,000	From CIP Plan 1/10/07
W04	Water Bi-Annual Upgrades	750,000	0	750,000	0	750,000	0	From CIP Plan 1/10/07
W09	Automated Water Fill Station	0	0	0	0	0	0	Unscheduled \$430,000
W12	1 Ton Truck W/Hoist	0	40,000	0	0	46,794	0	From CIP Plan 1/10/07
W13	Backhoe	0	99,000	0	0	0	0	From CIP Plan 1/10/07
	Unidentified CIP [1]	671,180	809,691	926,885	1,926,028	0	0	Input
Total Capital Outlays for Water Fund		\$2,323,680	\$2,918,191	\$2,876,885	\$3,016,028	\$10,796,794	\$10,090,000	
								\$29,697,898
Less: Funding Sources Other Than Rates								
	Grants	\$0	\$0	\$0	\$0	\$0	\$0	Input
	Funds From Operating Reserve Fund	0	0	0	0	0	1,000,000	Input
	Funds From Capital Reserve Fund	0	177,380	0	0	3,596,794	1,790,000	Input
	Funds From Impact Fee Reserve Fund	0	0	0	0	0	0	Input
	New Revenue Bond	0	0	0	0	0	0	Input
	New SRF Loan for WTP	0	0	0	0	4,000,000	4,000,000	From CIP Plan 1/10/07
Total Funding Sources Other Than Rates		\$0	\$177,380	\$0	\$0	\$7,596,794	\$6,790,000	
Rate Revenues Dedicated to CIP [2]		\$2,323,680	\$2,740,811	\$2,876,885	\$3,016,028	\$3,200,000	\$3,300,000	Depreciation = \$1,579,033
Capital Outlays - Impact Fee								
Water Plant								
PW01	Shops Complex - Phase I	\$0	\$990,000	\$0	\$0	\$0	\$0	From CIP Plan 1/10/07
W07	22 MG Membrane Water Treatment Plant	0	67,000	500,000	500,000	5,000,000	5,000,000	From CIP Plan 1/10/07
WIF01	Sourdough Creek Dam	0	50,000	0	0	0	0	Unscheduled \$20 million
WIF02	Sourdough Creek Drainage Water Rights	0	16,000	0	0	0	0	From CIP Plan 1/10/07
WIF03	5.3 MG Concrete Water Storage Reservoir	0	0	0	0	0	0	Unscheduled \$5.3 million
WIF04	Lyman - Expansion of Groundwater Collection	0	700,000	0	0	0	0	From CIP Plan 1/10/07
WIF05	New Transmission Main from WTP	0	0	0	0	0	0	Unscheduled \$21.7 million
Total Impact Fee Plant		\$0	\$1,823,000	\$500,000	\$500,000	\$5,000,000	\$5,000,000	
Less: Impact Fees		\$0	(\$1,823,000)	(\$500,000)	(\$500,000)	(\$5,000,000)	(\$5,000,000)	
Total Unfunded Impact Fee Plant		\$0	\$0	\$0	\$0	\$0	\$0	
Debt Service								
	Water Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	Debt Schedules
	Lyman Creek Water Revenue Bonds	62,900	62,900	31,449	0	0	0	Debt Schedules
	Lyman Creek Water Revenue Bonds - Phase II	30,062	30,062	30,062	30,062	15,031	15,031	Debt Schedules
	New Revenue Bond	0	0	0	0	0	0	20 yrs @ 5.5%
	New SRF Loan for WTP	0	0	0	0	305,419	610,838	20 yrs @ 4.4%
Total Debt Service		\$92,962	\$92,962	\$61,511	\$30,062	\$320,450	\$625,869	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 3
 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

	P R O J E C T E D						Notes
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	
TOTAL REVENUE REQUIREMENT	\$5,469,507	\$6,069,806	\$6,366,824	\$6,676,743	\$7,307,644	\$7,878,284	
TOTAL BALANCE/(DEFICIENCY)	(\$0)	(\$0)	(\$0)	(\$0)	(\$300,706)	(\$528,641)	
REQUIRED RATE ADJUSTMENT (Cummulative)	0.0%	0.0%	0.0%	0.0%	4.6%	7.6%	
PROPOSED RATE ADJUSTMENT	0.0%	0.0%	0.0%	2.6%	2.6%	2.6%	
ADDITIONAL REVENUE WITH RATE ADJUSTMENT	\$0	\$0	\$0	\$163,113	\$342,525	\$539,456	
BALANCE/(DEFICIENCY) OF FUNDS	(\$0)	(\$0)	(\$0)	\$163,113	\$41,819	\$10,815	
ADDITIONAL RATE ADJUSTMENT REQUIRED	0.0%	0.0%	0.0%	-2.5%	-0.6%	-0.1%	
Debt Service Coverage Ratio [2]							
Before Rate Increase	26.00	30.48	47.77	101.33	10.05	5.43	
After Proposed Rate Increase	26.00	30.48	47.77	106.75	11.12	6.29	

[1] Unidentified CIP relates to the unscheduled projects to be funded

[2] The WTP funding sources are City provided from the 1/10/07 WW funding spreadsheet.

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 3
 SOURCES AND APPLICATIONS OF FUNDS
 FOR PROJECTED 2006 TO 2012

	PROJECTED						Notes
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	
Operating Reserve Fund							
Beginning Reserve Balance	\$2,937,000	\$2,937,000	\$2,936,999	\$2,936,999	\$3,100,112	\$3,141,931	Updated balance 1/10/07 Per City
Less: To CIP Reserves for WTP	0	0	0	0	0	(1,000,000)	
Uses of Funds	(0)	(0)	(0)	163,113	41,819	10,815	Balance of RR summary
Ending Reserve Balance	\$2,937,000	\$2,936,999	\$2,936,999	\$3,100,112	\$3,141,931	\$2,152,746	
Minimum 45 days O&M	\$376,381	\$398,963	\$422,683	\$447,615	\$466,914	\$487,284	
Capital Reserve Fund							
Beginning Reserve Balance	\$2,000,000	\$2,731,180	\$3,445,426	\$4,475,674	\$6,535,972	\$3,135,258	
Plus: From Impact Fee Reserve Fund	0	0	0	0	0	0	From CIP funding sources
Grants (STAG)	0	0	0	0	0	0	From CIP funding sources
Water Hook up Charges	0	0	0	0	0	0	Other Revenues
Cash In Lieu Water Rights	0	0	0	0	0	0	Other Revenues
Rate Revenues Dedicated to CIP	2,323,680	2,740,811	2,876,885	3,016,028	3,200,000	3,300,000	From CIP funding sources
Unexpended funds/Unidentified Future CIP	0	0	0	0	0	0	From CIP funding sources
From Operating Reserves for WTP	0	0	0	0	0	1,000,000	From CIP funding sources
SRF Loan Proceeds	0	0	0	0	4,000,000	4,000,000	From CIP funding sources
Interest Income	60,000	81,935	103,363	134,270	196,079	94,058	Calculated
Less: Uses of Funds - Total Capital Outlay	1,652,500	2,108,500	1,950,000	1,090,000	10,796,794	10,090,000	From CIP per above RR
Ending Reserve Balance	\$2,731,180	\$3,445,426	\$4,475,674	\$6,535,972	\$3,135,258	\$1,439,315	
Estimated Annual Depreciation	\$1,626,404	\$1,675,196	\$1,725,452	\$1,777,216	\$1,830,532	\$1,885,448	Increased 3% per year
Percentage of Rates Dedicated to CIP	45.5%	48.2%	48.1%	46.9%	46.2%	44.3%	(Includes Proposed Rate Revenue)
Total Operating and Capital Reserve Balance	\$5,668,180	\$6,382,426	\$7,412,674	\$9,636,085	\$6,277,189	\$3,592,061	
Total Operating and Capital Reserve Minimum Target	\$2,002,785	\$2,074,159	\$2,148,135	\$2,224,830	\$2,297,446	\$2,372,732	
Impact Fee Reserve Fund							
Beginning Reserve Balance [1]	\$3,900,000	\$5,806,000	\$5,946,180	\$7,485,125	\$9,144,662	\$6,431,383	Per City 1/10/07
Plus: Impact Fees	1,789,000	1,789,000	1,860,560	1,934,982	2,012,382	2,092,877	Escalated as Rate Rev
Interest Income	117,000	174,180	178,385	224,554	274,340	192,941	Calculated
Less: SHOPS COMPLEX - PHASE 1	0	990,000	0	0	0	0	From CIP Plan 1/10/07
22MG MEMBRANE WATER TREATMENT PLANT	0	67,000	500,000	500,000	5,000,000	5,000,000	From CIP Plan 1/10/07
SOURDOUGH CREEK DAM	0	50,000	0	0	0	0	Unscheduled \$20 million
SOURDOUGH CREEK DRAINAGE WATER RIGHTS	0	16,000	0	0	0	0	From CIP Plan 1/10/07
5.3MG CONCRETE WATER STORAGE RESERVOIR	0	0	0	0	0	0	Unscheduled \$5.3 million
LYMAN - EXPANSION OF GROUNDWATER COLLEC	0	700,000	0	0	0	0	From CIP Plan 1/10/07
NEW TRANSMISSION MAIN FROM WTP	0	0	0	0	0	0	Unscheduled \$21.7 million
Ending Reserve Balance	\$5,806,000	\$5,946,180	\$7,485,125	\$9,144,662	\$6,431,383	\$3,717,202	

[1] Updated 1/10/07 sheet from City shows \$3,900,000 in FY 07 beginning balance.
 Potential of \$2.6 million available for projects (difference between FY 2005 CAFR and latest worksheet).

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 4
 DEVELOPMENT OF THE COMMODITY
 ALLOCATION FACTOR

Class of Service	06/07 Consumption in gallons	11.7% Losses [2]	Net Water Delivered (Flow + Losses)	Avg Day Consumption (MGD) [1]	% of Total
Residential	557,382,707	65,436,730	622,819,437	1.71	34.5%
Low-Income	1,702,981	199,930	1,902,911	0.01	0.1%
Multi-Family	364,807,408	42,828,390	407,635,798	1.12	22.6%
Commercial	432,049,862	50,722,654	482,772,516	1.32	26.8%
Commercial - Special	13,525,043	1,587,840	15,112,883	0.04	0.8%
Government	38,626,310	4,534,729	43,161,039	0.12	2.4%
Government - Special	278,514	32,698	311,212	0.00	0.0%
Montana State University	205,328,594	24,105,577	229,434,171	0.63	12.7%
Unmetered	1,399,569	164,309	1,563,879	0.00	0.1%
Total	1,615,100,988	189,612,856	1,804,713,845	4.94	100.0%
Allocation Factor		<i>2005 Production [3]</i>	<i>1,813,776,045</i>	<i>4.97</i>	(COMM)

NOTES:

[1] = Consumption in gallons/365 Days/1,000,000

[2] Losses based on current City reports. Water Facility Plan, page 21 showed an average of 12.7%

[3] Production taken from City reports

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 5
 DEVELOPMENT OF THE CAPACITY
 ALLOCATION FACTOR

Class of Service	Average Consumption (MGD)	Peaking Factors [1]	Peak Day Use (MGD)	% of Total
Residential	1.7064	2.50	4.27	39.2%
Low-Income	0.0052	2.25	0.01	0.1%
Multi-Family	1.1168	2.00	2.23	20.5%
Commercial	1.3227	2.00	2.65	24.3%
Commercial - Special	0.0414	2.80	0.12	1.1%
Government	0.1182	2.80	0.33	3.0%
Government - Special	0.0009	3.50	0.00	0.0%
Montana State University	0.6286	2.00	1.26	11.6%
Unmetered	0.0043	2.50	0.01	0.1%
Total	4.9444		10.87	100.0%
Allocation Factor		<i>Historical Peak Day [2]</i>	11.95	(CAP)

Note:

[1] Based on peak to average month for 2005

[2] City provided peak day as 7/21/05 11,954,540 gallons

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 6
 DEVELOPMENT OF THE CUSTOMER
 ALLOCATION FACTOR

Class of Service	Actual Customer		Customer Service & Accounting			Meters & Services			
	Number of Units	% of Total	Number of Meters [1]	Weighting Factor	Weighted Customer	% of Total	Weighting Factor	Weighted Customer	% of Total
Residential	6,677	68.69%	6,420	1.00	6,420	68.53%	\$307	\$1,970,940	61.78%
Low-Income	34	0.35%	33	1.00	33	0.35%	307	\$10,131	0.32%
Multi-Family	1,924	19.79%	1,850	1.00	1,850	19.75%	307	\$567,950	17.80%
Commercial	967	9.95%	930	1.00	930	9.93%	615	\$571,950	17.93%
Commercial - Special	35	0.36%	34	1.50	51	0.54%	615	\$20,910	0.66%
Government	61	0.63%	59	1.00	59	0.63%	615	\$36,285	1.14%
Government - Special	1	0.01%	1	1.50	2	0.02%	615	\$615	0.02%
Montana State University	18	0.18%	17	1.00	17	0.18%	615	\$10,455	0.33%
Unmetered	3	0.03%	3	2.00	6	0.06%	307	\$921	0.03%
Total	9,721	100.0%	9,347		9,368	100.0%		\$3,190,157	100.0%
Allocation Factor		(AC)					(WCA)		(WCMS)

**CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 7
 DEVELOPMENT OF THE PUBLIC FIRE
 PROTECTION ALLOCATION FACTOR**

Class of Service	Number of Meters [1]	Fire Prot. Requirements (gals/min) [2]	Duration (minutes) [2]	Total FP Requirements (1,000 g/min)	% of Total
Residential	6,420	1,500	60	577,800	55.17%
Low-Income	33	1,500	60	2,970	0.28%
Multi-Family	1,850	1,500	60	166,500	15.90%
Commercial	930	2,500	120	279,000	26.64%
Commercial - Special	34	2,500	120	10,200	0.97%
Government	59	1,500	60	5,310	0.51%
Government - Special	1	1,500	60	90	0.01%
Montana State University	17	2,500	120	5,100	0.49%
Unmetered	3	1,500	60	270	0.03%
Total	9,347			1,047,240	100.0%

Allocation Factor

(FP)

Note:

[1] Based on City provided number of meters for 2005

[2] Based on other Montana City studies

**CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 8
 DEVELOPMENT OF THE REVENUE
 RELATED ALLOCATION FACTOR**

Class of Service	Projected 06/07 Revenue [1]	% of Total
Residential	\$2,837,374	49.9%
Low-Income	5,426	0.1%
Multi-Family	1,170,841	20.6%
Commercial	1,011,056	17.8%
Commercial - Special	31,460	0.6%
Government	97,556	1.7%
Government - Special	970	0.0%
Montana State University	530,935	9.3%
Unmetered	5,200	0.1%
Total Rate Revenues	\$5,690,818	100.0%

Allocation Factor (RR)

*Note:
 [1] Calculated based on current rate schedule*

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 9
 FUNCTIONALIZATION AND CLASSIFICATION
 OF PLANT

Account Desc.	05/06 Plant	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:			Fire Protection (FP)	Revenue Related (RR)	All Other (DA-O)	Basis of Classification	
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)					
Source of Supply Plant											
2003 BIO-CAP ON PONDS	\$13,229	\$5,556	\$7,673	\$0	\$0	\$0	\$0	\$0	\$0	42% COMM	58% CAP
1998 BOZEMAN CREEK	86,756	36,437	50,318	0	0	0	0	0	0	42% COMM	58% CAP
1998 BOZEMAN CREEK HOUSE	45,322	19,035	26,287	0	0	0	0	0	0	42% COMM	58% CAP
1998 BOZEMAN CREEK INTAKE MAIN	117,721	49,443	68,278	0	0	0	0	0	0	42% COMM	58% CAP
1998 BOZEMAN CREEK OTHER	26,419	11,096	15,323	0	0	0	0	0	0	42% COMM	58% CAP
1998 BOZEMAN CREEK WATER SUPPLY	433,589	182,107	251,482	0	0	0	0	0	0	42% COMM	58% CAP
2000 CORROSION CONTROL BUILDING	155,487	65,304	90,182	0	0	0	0	0	0	42% COMM	58% CAP
1998 LYMAN CREEK INTAKE	50,362	21,152	29,210	0	0	0	0	0	0	42% COMM	58% CAP
1998 LYMAN CREEK RESERVOIR	710,636	298,467	412,169	0	0	0	0	0	0	42% COMM	58% CAP
1998 LYMAN CREEK RESERVOIR	324,690	136,370	188,320	0	0	0	0	0	0	42% COMM	58% CAP
2000 LYMAN RESERVOIR	2,688,660	1,129,237	1,559,423	0	0	0	0	0	0	42% COMM	58% CAP
2003 PORTABLE CABIN	26,723	11,223	15,499	0	0	0	0	0	0	42% COMM	58% CAP
1998 PRESEDIMENT BASIN	122,782	51,568	71,214	0	0	0	0	0	0	42% COMM	58% CAP
1998 RESERVOIR SUPPLY MAIN	467,936	196,533	271,403	0	0	0	0	0	0	42% COMM	58% CAP
2000 CREEK SUPPLY	84,079	35,313	48,766	0	0	0	0	0	0	42% COMM	58% CAP
1998 SOUTH BASIN	214,101	89,922	124,179	0	0	0	0	0	0	42% COMM	58% CAP
1998 WATER PLANT	101,539	42,646	58,893	0	0	0	0	0	0	42% COMM	58% CAP
1998 WATER PLANT EXPANSION	756,712	317,819	438,893	0	0	0	0	0	0	42% COMM	58% CAP
1998 WATER TREATMENT PLANT	260,522	109,419	151,103	0	0	0	0	0	0	42% COMM	58% CAP
1998 WATER TREATMENT PLANT	2,880,746	1,209,913	1,670,832	0	0	0	0	0	0	42% COMM	58% CAP
1998 2 MG TANK	567,838	0	497,445	0	0	0	70,393	0	0	88% CAP	12% FP
Total Source of Supply Plant	\$10,135,847	\$4,018,564	\$6,046,890	\$0	\$0	\$0	\$70,393	\$0	\$0		
Pumping Plant											
1957 BOOSTER STATION	\$43,819	\$18,404	\$25,415	\$0	\$0	\$0	\$0	\$0	\$0	42% COMM	58% CAP
Total Pumping Plant	\$43,819	\$18,404	\$25,415	\$0	\$0	\$0	\$0	\$0	\$0		
Transmission Plant											
1998 CITY GARAGE	\$65,000	\$0	\$42,141	\$16,900	\$0	\$0	\$5,959	\$0	\$0	26% CUST	65% CAP 9% FP
1998 DISTRIBUTION SYSTEM	1,262,113	0	818,260	328,149	0	0	115,703	0	0	26% CUST	65% CAP 9% FP
1998 GARFIELD WATER TRUNK	165,984	0	107,612	43,156	0	0	15,216	0	0	26% CUST	65% CAP 9% FP
1998 HIGHLAND BLVD	100,284	0	65,017	26,074	0	0	9,193	0	0	26% CUST	65% CAP 9% FP
1998 HIGHLAND BLVD WATER LINE	14,000	0	9,077	3,640	0	0	1,283	0	0	26% CUST	65% CAP 9% FP
2003 HYALITE TRANSMISSION MAIN	4,849,336	0	3,143,949	1,260,827	0	0	444,559	0	0	26% CUST	65% CAP 9% FP
2001 IMPACT FEE CREDITS-WATER DAVE CECICH	196,271	0	127,248	51,031	0	0	17,993	0	0	26% CUST	65% CAP 9% FP
1998 KAGY BLVD WATER SYSTEM	22,898	0	14,846	5,954	0	0	2,099	0	0	26% CUST	65% CAP 9% FP
1998 LYMAN CREEK 18" MAIN	60,798	0	39,417	15,807	0	0	5,574	0	0	26% CUST	65% CAP 9% FP
1998 MIDDLE CREEK TRANSMISSION	610,887	0	396,054	158,831	0	0	56,003	0	0	26% CUST	65% CAP 9% FP
1998 OAK STREET WATER TRUNK	417,450	0	270,644	108,537	0	0	38,269	0	0	26% CUST	65% CAP 9% FP
2004 POLE BUILDING	19,587	0	12,699	5,093	0	0	1,796	0	0	26% CUST	65% CAP 9% FP
1998 SID 414 NEW HYALITE	184,033	0	119,313	47,849	0	0	16,871	0	0	26% CUST	65% CAP 9% FP
1998 SID 437 PARK MANOR	76,060	0	49,312	19,776	0	0	6,973	0	0	26% CUST	65% CAP 9% FP
1998 SID 502 WEST SIDE	632,577	0	410,116	164,470	0	0	57,991	0	0	26% CUST	65% CAP 9% FP
1998 SID 511 THOMPSON & UNIV	165,744	0	107,456	43,094	0	0	15,194	0	0	26% CUST	65% CAP 9% FP
1998 SID 526 GRAF-FIGGINS	76,814	0	49,801	19,972	0	0	7,042	0	0	26% CUST	65% CAP 9% FP
1998 SID 528 GRAF-FIGGINS	58,366	0	37,840	15,175	0	0	5,351	0	0	26% CUST	65% CAP 9% FP
1998 SID 532 REMINGTON ADDITION	53,671	0	34,796	13,955	0	0	4,920	0	0	26% CUST	65% CAP 9% FP
1998 SID 534 WATER MAINS KMART	41,926	0	27,182	10,901	0	0	3,844	0	0	26% CUST	65% CAP 9% FP
1998 SID 550 WATER MAIN GRAF-FIGGINS	67,524	0	43,777	17,556	0	0	6,190	0	0	26% CUST	65% CAP 9% FP
1998 SID 568 WATER MAIN	85,918	0	55,703	22,339	0	0	7,876	0	0	26% CUST	65% CAP 9% FP
1998 SID 576 WATER NORTH 22ND	22,748	0	14,748	5,914	0	0	2,085	0	0	26% CUST	65% CAP 9% FP
1998 SID 578 NORTH 19TH	29,012	0	18,809	7,543	0	0	2,660	0	0	26% CUST	65% CAP 9% FP
1998 SID 582 WATER MAIN WEST KOCH	89,527	0	58,043	23,277	0	0	8,207	0	0	26% CUST	65% CAP 9% FP
1998 SID 591 WATER NORTH ROUSE & NORTH 7TH	440,000	0	285,263	114,400	0	0	40,337	0	0	26% CUST	65% CAP 9% FP
1998 SID 600 WATER FIGGINS 4TH	90,425	0	58,625	23,511	0	0	8,290	0	0	26% CUST	65% CAP 9% FP
1998 SID 603 WATER GRAF'S FIRST	94,134	0	61,029	24,475	0	0	8,630	0	0	26% CUST	65% CAP 9% FP
1998 SID 610 WATER WESTRIDGE	66,003	0	42,792	17,161	0	0	6,051	0	0	26% CUST	65% CAP 9% FP
1998 SID 619 WATER MAINS LEA DRIVE	19,301	0	12,514	5,018	0	0	1,769	0	0	26% CUST	65% CAP 9% FP
1998 SID 622 VALLEY UNIT	366,727	0	237,759	95,349	0	0	33,619	0	0	26% CUST	65% CAP 9% FP
1998 SID 624 VALLEY UNIT	525,011	0	340,378	136,503	0	0	48,130	0	0	26% CUST	65% CAP 9% FP

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 9
 FUNCTIONALIZATION AND CLASSIFICATION
 OF PLANT

Account Desc.	05/06 Plant	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:			Fire Protection (FP)	Revenue Related (RR)	All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)				
1998 SID 629 WATER UNIVERSITY	42,338	0	27,449	11,008	0	0	3,881	0	0	26% CUST 65% CAP 9% FP
1984 SID 646 WATER & SEWER N. 7TH AVENUE	159,705	0	103,541	41,523	0	0	14,641	0	0	26% CUST 65% CAP 9% FP
1993 SID 656 BURRUP WATER MAIN	270,635	0	175,460	70,365	0	0	24,810	0	0	26% CUST 65% CAP 9% FP
1999 SID 665 NORTHWEST WATER LINE	931,950	0	604,207	242,307	0	0	85,436	0	0	26% CUST 65% CAP 9% FP
2002 SOURDOUGH IMPROVEMENTS	444,544	0	288,210	115,582	0	0	40,753	0	0	26% CUST 65% CAP 9% FP
2003 SOURDOUGH TRANSMISSION MAIN	784,091	0	508,346	203,864	0	0	71,881	0	0	26% CUST 65% CAP 9% FP
1998 WATER LINE IMPROVEMENTS	227,261	0	147,339	59,088	0	0	20,834	0	0	26% CUST 65% CAP 9% FP
2002 WATER RENOVATIONS PROJECT	696,987	0	451,875	181,217	0	0	63,896	0	0	26% CUST 65% CAP 9% FP
1998 WATER SYSTEM EXPANSION	59,093	0	38,312	15,364	0	0	5,417	0	0	26% CUST 65% CAP 9% FP
1998 WATER SYSTEM IMPROVEMENTS	36,340	0	23,560	9,449	0	0	3,331	0	0	26% CUST 65% CAP 9% FP
1998 WATER TOWER & LINES SID	14,454	0	9,371	3,758	0	0	1,325	0	0	26% CUST 65% CAP 9% FP
1998 WATER TRUNK LINE @ OAK STREET	322,433	0	209,041	83,832	0	0	29,559	0	0	26% CUST 65% CAP 9% FP
2002 WEST BABCOCK WATER MAIN	39,500	0	25,609	10,270	0	0	3,621	0	0	26% CUST 65% CAP 9% FP
Total Transmission Plant	\$14,999,464	\$0	\$9,724,539	\$3,899,861	\$0	\$0	\$1,375,064	\$0	\$0	
Total Water Plant	\$25,179,130	\$4,036,968	\$15,796,844	\$3,899,861	\$0	\$0	\$1,445,457	\$0	\$0	
Less Accumulated Depreciation										
Source of Supply Plant										
2003 BIO-CAP ON PONDS	(\$7,937)	(\$3,334)	(\$4,604)	\$0	\$0	\$0	\$0	\$0	\$0	42% COMM 58% CAP
1998 BOZEMAN CREEK	(49,445)	(20,767)	(28,678)	0	0	0	0	0	0	42% COMM 58% CAP
1998 BOZEMAN CREEK HOUSE	(45,322)	(19,035)	(26,287)	0	0	0	0	0	0	42% COMM 58% CAP
1998 BOZEMAN CREEK INTAKE MAIN	(107,420)	(45,117)	(62,304)	0	0	0	0	0	0	42% COMM 58% CAP
1998 BOZEMAN CREEK OTHER	(16,013)	(6,725)	(9,288)	0	0	0	0	0	0	42% COMM 58% CAP
1998 BOZEMAN CREEK WATER SUPPLY	(433,589)	(182,107)	(251,482)	0	0	0	0	0	0	42% COMM 58% CAP
2000 CORROSION CONTROL BUILDING	(36,653)	(15,394)	(21,258)	0	0	0	0	0	0	42% COMM 58% CAP
1998 LYMAN CREEK INTAKE	(41,835)	0	(36,649)	0	0	0	(5,186)	0	0	88% CAP 12% FP
1998 LYMAN CREEK RESERVOIR	(149,041)	0	(130,565)	0	0	0	(18,476)	0	0	88% CAP 12% FP
1998 LYMAN CREEK RESERVOIR	(68,033)	0	(59,599)	0	0	0	(8,434)	0	0	88% CAP 12% FP
2000 LYMAN RESERVOIR	(1,040,302)	0	(911,339)	0	0	0	(128,963)	0	0	88% CAP 12% FP
2003 PORTABLE CABIN	(16,033)	(6,734)	(9,299)	0	0	0	0	0	0	42% COMM 58% CAP
1998 PRESEDIMENT BASIN	(96,898)	(40,697)	(56,201)	0	0	0	0	0	0	42% COMM 58% CAP
1998 RESERVOIR SUPPLY MAIN	(467,936)	0	(409,927)	0	0	0	(58,009)	0	0	88% CAP 12% FP
2000 CREEK SUPPLY	(19,820)	(8,324)	(11,496)	0	0	0	0	0	0	42% COMM 58% CAP
1998 SOUTH BASIN	(196,658)	(82,596)	(114,062)	0	0	0	0	0	0	42% COMM 58% CAP
1998 WATER PLANT	(35,016)	(14,707)	(20,309)	0	0	0	0	0	0	42% COMM 58% CAP
1998 WATER PLANT EXPANSION	(438,038)	(183,976)	(254,062)	0	0	0	0	0	0	42% COMM 58% CAP
1998 WATER TREATMENT PLANT	(260,522)	(109,419)	(151,103)	0	0	0	0	0	0	42% COMM 58% CAP
1998 WATER TREATMENT PLANT	(2,577,905)	(1,082,720)	(1,495,185)	0	0	0	0	0	0	42% COMM 58% CAP
1998 2 MG TANK	(528,804)	0	(463,250)	0	0	0	(65,554)	0	0	88% CAP 12% FP
Total Source of Supply Plant	(\$6,633,220)	(\$1,821,653)	(\$4,526,945)	\$0	\$0	\$0	(\$284,622)	\$0	\$0	
Pumping Plant										
1957 BOOSTER STATION	(\$43,819)	(\$18,404)	(\$25,415)	\$0	\$0	\$0	\$0	\$0	\$0	42% COMM 58% CAP
Total Pumping Plant	(\$43,819)	(\$18,404)	(\$25,415)	\$0	\$0	\$0	\$0	\$0	\$0	
Transmission Plant										
1998 CITY GARAGE	(\$65,000)	\$0	(\$42,141)	(\$16,900)	\$0	\$0	(\$5,959)	\$0	\$0	26% CUST 65% CAP 9% FP
1998 DISTRIBUTION SYSTEM	(1,262,113)	0	(818,260)	(328,149)	0	0	(115,703)	0	0	26% CUST 65% CAP 9% FP
1998 GARFIELD WATER TRUNK	(165,984)	0	(107,612)	(43,156)	0	0	(15,216)	0	0	26% CUST 65% CAP 9% FP
1998 HIGHLAND BLVD	(80,227)	0	(52,013)	(20,859)	0	0	(7,355)	0	0	26% CUST 65% CAP 9% FP
1998 HIGHLAND BLVD WATER LINE	(4,900)	0	(3,177)	(1,274)	0	0	(449)	0	0	26% CUST 65% CAP 9% FP
2003 HYALITE TRANSMISSION MAIN	(256,588)	0	(166,352)	(66,713)	0	0	(23,522)	0	0	26% CUST 65% CAP 9% FP
2001 IMPACT FEE CREDITS-WATER DAVE CECICH	(28,995)	0	(18,798)	(7,539)	0	0	(2,658)	0	0	26% CUST 65% CAP 9% FP
1998 KAGY BLVD WATER SYSTEM	(22,898)	0	(14,846)	(5,954)	0	0	(2,099)	0	0	26% CUST 65% CAP 9% FP
1998 LYMAN CREEK 18" MAIN	(55,478)	0	(35,968)	(14,424)	0	0	(5,086)	0	0	26% CUST 65% CAP 9% FP
1998 MIDDLE CREEK TRANSMISSION	(610,887)	0	(396,054)	(158,831)	0	0	(56,003)	0	0	26% CUST 65% CAP 9% FP
1998 OAK STREET WATER TRUNK	(417,450)	0	(270,644)	(108,537)	0	0	(38,269)	0	0	26% CUST 65% CAP 9% FP
2004 POLE BUILDING	(1,349)	0	(875)	(351)	0	0	(124)	0	0	26% CUST 65% CAP 9% FP
1998 SID 414 NEW HYALITE	(184,033)	0	(119,313)	(47,849)	0	0	(16,871)	0	0	26% CUST 65% CAP 9% FP

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 9
 FUNCTIONALIZATION AND CLASSIFICATION
 OF PLANT

Account Desc.	05/06 Plant	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:			Fire Protection (FP)	Revenue Related (RR)	All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Services & Meters (WCMS)				
1998 SID 437 PARK MANOR	(76,060)	0	(49,312)	(19,776)	0	0	(6,973)	0	0	26% CUST 65% CAP 9% FP
1998 SID 502 WEST SIDE	(632,577)	0	(410,116)	(164,470)	0	0	(57,991)	0	0	26% CUST 65% CAP 9% FP
1998 SID 511 THOMPSON & UNIV	(165,744)	0	(107,456)	(43,094)	0	0	(15,194)	0	0	26% CUST 65% CAP 9% FP
1998 SID 526 GRAF-FIGGINS	(76,592)	0	(49,657)	(19,914)	0	0	(7,022)	0	0	26% CUST 65% CAP 9% FP
1998 SID 528 GRAF-FIGGINS	(58,325)	0	(37,814)	(15,164)	0	0	(5,347)	0	0	26% CUST 65% CAP 9% FP
1998 SID 532 REMINGTON ADDITION	(53,671)	0	(34,796)	(13,955)	0	0	(4,920)	0	0	26% CUST 65% CAP 9% FP
1998 SID 534 WATER MAINS KMART	(41,926)	0	(27,182)	(10,901)	0	0	(3,844)	0	0	26% CUST 65% CAP 9% FP
1998 SID 550 WATER MAIN GRAF-FIGGINS	(66,819)	0	(43,320)	(17,373)	0	0	(6,126)	0	0	26% CUST 65% CAP 9% FP
1998 SID 568 WATER MAIN	(85,918)	0	(55,703)	(22,339)	0	0	(7,876)	0	0	26% CUST 65% CAP 9% FP
1998 SID 576 WATER NORTH 22ND	(22,748)	0	(14,748)	(5,914)	0	0	(2,085)	0	0	26% CUST 65% CAP 9% FP
1998 SID 578 NORTH 19TH	(29,012)	0	(18,809)	(7,543)	0	0	(2,660)	0	0	26% CUST 65% CAP 9% FP
1998 SID 582 WATER MAIN WEST KOCH	(89,527)	0	(58,043)	(23,277)	0	0	(8,207)	0	0	26% CUST 65% CAP 9% FP
1998 SID 591 WATER NORTH ROUSE & NORTH 7TH	(440,000)	0	(285,263)	(114,400)	0	0	(40,337)	0	0	26% CUST 65% CAP 9% FP
1998 SID 600 WATER FIGGINS 4TH	(90,425)	0	(58,625)	(23,511)	0	0	(8,290)	0	0	26% CUST 65% CAP 9% FP
1998 SID 603 WATER GRAF'S FIRST	(94,134)	0	(61,029)	(24,475)	0	0	(6,630)	0	0	26% CUST 65% CAP 9% FP
1998 SID 610 WATER WESTRIDGE	(66,003)	0	(42,792)	(17,161)	0	0	(6,051)	0	0	26% CUST 65% CAP 9% FP
1998 SID 619 WATER MAINS LEA DRIVE	(15,445)	0	(10,013)	(4,016)	0	0	(1,416)	0	0	26% CUST 65% CAP 9% FP
1998 SID 622 VALLEY UNIT	(355,489)	0	(230,473)	(92,427)	0	0	(32,589)	0	0	26% CUST 65% CAP 9% FP
1998 SID 624 VALLEY UNIT	(520,282)	0	(337,312)	(135,273)	0	0	(47,696)	0	0	26% CUST 65% CAP 9% FP
1998 SID 629 WATER UNIVERSITY	(38,169)	0	(24,746)	(9,924)	0	0	(3,499)	0	0	26% CUST 65% CAP 9% FP
1984 SID 646 WATER & SEWER N. 7TH AVENUE	(119,779)	0	(77,656)	(31,143)	0	0	(10,981)	0	0	26% CUST 65% CAP 9% FP
1993 SID 656 BURRUP WATER MAIN	(202,976)	0	(131,595)	(52,774)	0	0	(18,608)	0	0	26% CUST 65% CAP 9% FP
1999 SID 665 NORTHWEST WATER LINE	(164,462)	0	(106,625)	(42,760)	0	0	(15,077)	0	0	26% CUST 65% CAP 9% FP
2002 SOURDOUGH IMPROVEMENTS	(55,568)	0	(36,026)	(14,448)	0	0	(5,094)	0	0	26% CUST 65% CAP 9% FP
2003 SOURDOUGH TRANSMISSION MAIN	(59,235)	0	(38,403)	(15,401)	0	0	(5,430)	0	0	26% CUST 65% CAP 9% FP
1998 WATER LINE IMPROVEMENTS	(69,207)	0	(44,869)	(17,994)	0	0	(6,344)	0	0	26% CUST 65% CAP 9% FP
2002 WATER RENOVATIONS PROJECT	(79,750)	0	(51,704)	(20,735)	0	0	(7,311)	0	0	26% CUST 65% CAP 9% FP
1998 WATER SYSTEM EXPANSION	(46,456)	0	(30,119)	(12,079)	0	0	(4,259)	0	0	26% CUST 65% CAP 9% FP
1998 WATER SYSTEM IMPROVEMENTS	(17,215)	0	(11,161)	(4,476)	0	0	(1,578)	0	0	26% CUST 65% CAP 9% FP
1998 WATER TOWER & LINES SID	(14,454)	0	(9,371)	(3,758)	0	0	(1,325)	0	0	26% CUST 65% CAP 9% FP
1998 WATER TRUNK LINE @ OAK STREET	(122,542)	0	(79,447)	(31,861)	0	0	(11,234)	0	0	26% CUST 65% CAP 9% FP
2002 WEST BABCOCK WATER MAIN	(4,937)	0	(3,201)	(1,284)	0	0	(453)	0	0	26% CUST 65% CAP 9% FP
Total Transmission Plant	(\$7,131,350)	\$0	(\$4,623,438)	(\$1,854,151)	\$0	\$0	(\$653,761)	\$0	\$0	
Total Accumulated Depreciation	(\$13,808,390)	(\$1,840,057)	(\$9,175,799)	(\$1,854,151)	\$0	\$0	(\$938,383)	\$0	\$0	
Net Water Plant	\$11,370,740	\$2,196,911	\$6,621,046	\$2,045,710	\$0	\$0	\$507,074	\$0	\$0	
% OF NET PLANT	100.0%	19.3%	58.2%	18.0%	0.0%	0.0%	4.5%	0.0%	0.0%	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 10
 FUNCTIONALIZATION AND CLASSIFICATION
 OF EXPENSES

Account Desc.	Budget FY 07/08	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:			Fire Protection (FP)	Revenue Related (RR)	All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)				
Operation & Maintenance Expense										
Water Treatment Plant										
Personnel Services										
Salaries & Wages	\$347,110	\$145,786	\$201,324	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Overtime	25,845	10,855	14,990	0	0	0	0	0	0	As Treatment Plant
PERS	28,216	11,851	16,365	0	0	0	0	0	0	As Treatment Plant
Health/Dental Ins	62,205	26,126	36,079	0	0	0	0	0	0	As Treatment Plant
Life Insurance	262	110	152	0	0	0	0	0	0	As Treatment Plant
Unemploy Tax	624	262	362	0	0	0	0	0	0	As Treatment Plant
FICA	26,941	11,315	15,626	0	0	0	0	0	0	As Treatment Plant
Workers Comp	19,123	8,031	11,091	0	0	0	0	0	0	As Treatment Plant
Total Personnel Services	\$510,325	\$214,337	\$295,989	\$0	\$0	\$0	\$0	\$0	\$0	
Supplies & Materials										
Office Supplies	\$1,804	\$757	\$1,046	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Computer Supplies	2,387	1,003	1,384	0	0	0	0	0	0	As Treatment Plant
Personal Computers	1,857	780	1,077	0	0	0	0	0	0	As Treatment Plant
Clothing & Uniforms	955	401	554	0	0	0	0	0	0	As Treatment Plant
Chemicals	144,580	60,724	83,857	0	0	0	0	0	0	As Treatment Plant
Road Supplies	0	0	0	0	0	0	0	0	0	As Treatment Plant
Vehicle Supplies	530	223	308	0	0	0	0	0	0	As Treatment Plant
Gas & Oil	8,780	3,688	5,092	0	0	0	0	0	0	As Treatment Plant
Small Equip & Tools	0	0	0	0	0	0	0	0	0	As Treatment Plant
Books & Ref Materials	637	267	369	0	0	0	0	0	0	As Treatment Plant
Goods Purch for Resale	137,917	57,925	79,992	0	0	0	0	0	0	As Treatment Plant
General	31,084	13,055	18,029	0	0	0	0	0	0	As Treatment Plant
Total Supplies & Materials	\$330,531	\$138,823	\$191,708	\$0	\$0	\$0	\$0	\$0	\$0	
Maintenance										
Rep & Maint - Equip	\$42,224	\$17,734	\$24,490	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Rep & Maint - Bldgs	16,020	6,728	9,291	0	0	0	0	0	0	As Treatment Plant
Rep & Maint - Other	2,122	891	1,231	0	0	0	0	0	0	As Treatment Plant
Total Maintenance	\$60,365	\$25,353	\$35,012	\$0	\$0	\$0	\$0	\$0	\$0	
Utilities										
Electricity	\$45,701	\$45,701	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100% COMM
Natural Gas	44,418	44,418	0	0	0	0	0	0	0	100% COMM
Telephone	7,891	3,314	4,577	0	0	0	0	0	0	As Treatment Plant
Total Utilities	\$98,009	\$93,432	\$4,577	\$0	\$0	\$0	\$0	\$0	\$0	
Contracted Services										
Consult & Prof Serv	\$12,877	\$5,409	\$7,469	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Maint Contract	9,005	3,782	5,223	0	0	0	0	0	0	As Treatment Plant
Janitorial Contracts	2,454	1,030	1,423	0	0	0	0	0	0	As Treatment Plant
Contractors	21,570	9,059	12,510	0	0	0	0	0	0	As Treatment Plant
General	52,819	22,184	30,635	0	0	0	0	0	0	As Treatment Plant
Total Contracted Services	\$98,725	\$41,464	\$57,260	\$0	\$0	\$0	\$0	\$0	\$0	
Travel/Training										
In-State	\$7,233	\$3,038	\$4,195	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Out-Of-State	0	0	0	0	0	0	0	0	0	As Treatment Plant
Total Travel/Training	\$7,233	\$3,038	\$4,195	\$0	\$0	\$0	\$0	\$0	\$0	
Other										
Advertising	\$1,561	\$655	\$905	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Subscriptions	650	273	377	0	0	0	0	0	0	As Treatment Plant
Postage	5,306	2,229	3,078	0	0	0	0	0	0	As Treatment Plant
Shipping & Handling	104	44	60	0	0	0	0	0	0	As Treatment Plant
Dues & Certifications	1,103	463	640	0	0	0	0	0	0	As Treatment Plant
Insurance	50,560	21,235	29,325	0	0	0	0	0	0	As Treatment Plant
Rents & Leases	6,153	2,584	3,569	0	0	0	0	0	0	As Treatment Plant

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 10
 FUNCTIONALIZATION AND CLASSIFICATION
 OF EXPENSES

Account Desc.	Budget FY 07/08	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:			Fire Protection (FP)	Revenue Related (RR)	All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)				
General	20,689	8,690	12,000	0	0	0	0	0	0	As Treatment Plant
Total Other	\$86,127	\$36,173	\$49,953	\$0	\$0	\$0	\$0	\$0	\$0	
Internal Charges										
Admin Overhead	\$149,287	\$62,700	\$86,586	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Veh Maint Fund	23,913	10,044	13,870	0	0	0	0	0	0	As Treatment Plant
Total Internal Charges	\$173,200	\$72,744	\$100,456	\$0	\$0	\$0	\$0	\$0	\$0	
Total Treatment O&M	\$1,364,514	\$625,364	\$739,150	\$0	\$0	\$0	\$0	\$0	\$0	
Water Reservoirs Plant										
Personnel Services										
Salaries & Wages	\$85,121	\$35,751	\$49,370	\$0	\$0	\$0	\$0	\$0	\$0	As Reservoir Plant
Overtime	2,825	1,186	1,638	0	0	0	0	0	0	As Reservoir Plant
PERS	6,619	2,780	3,839	0	0	0	0	0	0	As Reservoir Plant
Health/Dental Ins	16,731	7,027	9,704	0	0	0	0	0	0	As Reservoir Plant
Life Insurance	71	30	41	0	0	0	0	0	0	As Reservoir Plant
Unemploy Tax	146	61	84	0	0	0	0	0	0	As Reservoir Plant
FICA	6,282	2,638	3,644	0	0	0	0	0	0	As Reservoir Plant
Workers Comp	4,688	1,969	2,719	0	0	0	0	0	0	As Reservoir Plant
Total Reservoirs - Personnel Services	\$122,482	\$51,443	\$71,040	\$0	\$0	\$0	\$0	\$0	\$0	
Total Water Plant O&M	\$1,486,996	\$676,807	\$810,189	\$0	\$0	\$0	\$0	\$0	\$0	
Water Operations										
Operations Department										
Personnel Services										
Salaries & Wages	\$593,545	\$0	\$384,811	\$154,322	\$0	\$0	\$54,413	\$0	\$0	As Distribution Plant
Overtime	15,319	0	9,932	3,983	0	0	1,404	0	0	As Distribution Plant
PERS	44,584	0	28,905	11,592	0	0	4,087	0	0	As Distribution Plant
Health/Dental Ins	100,464	0	65,133	26,121	0	0	9,210	0	0	As Distribution Plant
Life Insurance	499	0	324	130	0	0	46	0	0	As Distribution Plant
Unemploy Tax	907	0	588	236	0	0	83	0	0	As Distribution Plant
FICA	40,057	0	25,970	10,415	0	0	3,672	0	0	As Distribution Plant
Workers Comp	26,087	0	16,913	6,783	0	0	2,392	0	0	As Distribution Plant
Total Personnel Services	\$821,463	\$0	\$532,576	\$213,580	\$0	\$0	\$75,307	\$0	\$0	
Supplies & Materials										
Office Supplies	\$4,774	\$0	\$3,095	\$1,241	\$0	\$0	\$438	\$0	\$0	As Distribution Plant
Computer Supplies	1,591	0	1,032	414	0	0	146	0	0	As Distribution Plant
Personal Computers	5,305	0	3,439	1,379	0	0	486	0	0	As Distribution Plant
Clothing & Uniforms	3,660	0	2,373	952	0	0	336	0	0	As Distribution Plant
Chemicals	0	0	0	0	0	0	0	0	0	As Distribution Plant
Road Supplies	9,548	0	6,190	2,483	0	0	875	0	0	As Distribution Plant
Vehicle Supplies	6,631	0	4,299	1,724	0	0	608	0	0	As Distribution Plant
Gas & Oil	15,435	0	10,007	4,013	0	0	1,415	0	0	As Distribution Plant
Small Equip & Tools	9,018	0	5,846	2,345	0	0	827	0	0	As Distribution Plant
Books & Ref Materials	424	0	275	110	0	0	39	0	0	As Distribution Plant
Goods Purch for Resale	0	0	0	0	0	0	0	0	0	As Distribution Plant
General	71,080	0	46,083	18,481	0	0	6,516	0	0	As Distribution Plant
Total Supplies & Materials	\$127,466	\$0	\$82,640	\$33,141	\$0	\$0	\$11,685	\$0	\$0	
Maintenance										
Rep & Maint - Equip	\$19,839	\$0	\$12,862	\$5,158	\$0	\$0	\$1,819	\$0	\$0	As Distribution Plant
Rep & Maint - Bldgs	0	0	0	0	0	0	0	0	0	As Distribution Plant
Rep & Maint - Other	5,305	0	3,439	1,379	0	0	486	0	0	As Distribution Plant
Total Maintenance	\$25,143	\$0	\$16,301	\$6,537	\$0	\$0	\$2,305	\$0	\$0	
Utilities										
Electricity	\$17,334	\$17,334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100% COMM
Natural Gas	7,718	7,718	0	0	0	0	0	0	0	100% COMM
Telephone	3,713	0	2,407	965	0	0	340	0	0	As Distribution Plant
Total Utilities	\$28,765	\$25,052	\$2,407	\$965	\$0	\$0	\$340	\$0	\$0	
Contracted Services										
Consult & Prof Serv	\$29,961	\$0	\$19,424	\$7,790	\$0	\$0	\$2,747	\$0	\$0	As Distribution Plant
Maint Contract	755	0	489	196	0	0	69	0	0	As Distribution Plant
Janitorial Contracts	0	0	0	0	0	0	0	0	0	As Distribution Plant
Contractors	0	0	0	0	0	0	0	0	0	As Distribution Plant
General	21,300	0	13,809	5,538	0	0	1,953	0	0	As Distribution Plant
Total Contracted Services	\$52,016	\$0	\$33,723	\$13,524	\$0	\$0	\$4,768	\$0	\$0	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 10
 FUNCTIONALIZATION AND CLASSIFICATION
 OF EXPENSES

Account Desc.	Budget FY 07/08	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:			Fire Protection (FP)	Revenue Related (RR)	All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)				
Travel/Training										
In-State	\$8,973	\$0	\$5,818	\$2,333	\$0	\$0	\$823	\$0	\$0	As Distribution Plant
Out-Of-State	0	0	0	0	0	0	0	0	0	As Distribution Plant
Total Travel/Training	\$8,973	\$0	\$5,818	\$2,333	\$0	\$0	\$823	\$0	\$0	
Other										
Advertising	\$1,561	\$0	\$1,012	\$406	\$0	\$0	\$143	\$0	\$0	As Distribution Plant
Subscriptions	520	0	337	135	0	0	48	0	0	As Distribution Plant
Postage	520	0	337	135	0	0	48	0	0	As Distribution Plant
Shipping & Handling	0	0	0	0	0	0	0	0	0	As Distribution Plant
Dues & Certifications	1,561	0	1,012	406	0	0	143	0	0	As Distribution Plant
Insurance	50,560	0	32,780	13,146	0	0	4,635	0	0	As Distribution Plant
Rents & Leases	2,652	0	1,720	690	0	0	243	0	0	As Distribution Plant
General	18,727	0	12,141	4,869	0	0	1,717	0	0	As Distribution Plant
Total Other	\$76,101	\$0	\$49,338	\$19,786	\$0	\$0	\$6,977	\$0	\$0	
Internal Charges										
Admin Overhead	\$149,287	\$0	\$96,786	\$38,815	\$0	\$0	\$13,686	\$0	\$0	As Distribution Plant
Veh Maint Fund	8,436	0	5,469	2,193	0	0	773	0	0	As Distribution Plant
Total Internal Charges	\$157,723	\$0	\$102,256	\$41,008	\$0	\$0	\$14,459	\$0	\$0	
Total Operations O&M	\$1,297,650	\$25,052	\$825,058	\$330,876	\$0	\$0	\$116,664	\$0	\$0	
Utilities Locate										
Personnel Services										
Salaries & Wages	\$36,174	\$0	\$0	\$0	\$0	\$36,174	\$0	\$0	\$0	100% WCMS
Overtime	483	0	0	0	0	483	0	0	0	100% WCMS
PERS	2,967	0	0	0	0	2,967	0	0	0	100% WCMS
Health/Dental Ins	9,610	0	0	0	0	9,610	0	0	0	100% WCMS
Life Insurance	41	0	0	0	0	41	0	0	0	100% WCMS
Unemploy Tax	66	0	0	0	0	66	0	0	0	100% WCMS
FICA	3,221	0	0	0	0	3,221	0	0	0	100% WCMS
Workers Comp	1,788	0	0	0	0	1,788	0	0	0	100% WCMS
Total Personnel Services	\$54,350	\$0	\$0	\$0	\$0	\$54,350	\$0	\$0	\$0	
Supplies & Materials										
Office Supplies	\$371	\$0	\$0	\$0	\$0	\$371	\$0	\$0	\$0	100% WCMS
Computer Supplies	955	0	0	0	0	955	0	0	0	100% WCMS
General	2,652	0	0	0	0	2,652	0	0	0	100% WCMS
Total Supplies & Materials	\$3,978	\$0	\$0	\$0	\$0	\$3,978	\$0	\$0	\$0	
Contracted Services										
General	\$3,235	\$0	\$0	\$0	\$0	\$3,235	\$0	\$0	\$0	100% WCMS
Total Contracted Services	\$3,235	\$0	\$0	\$0	\$0	\$3,235	\$0	\$0	\$0	
Total Utilities Locate	\$61,564	\$0	\$0	\$0	\$0	\$61,564	\$0	\$0	\$0	
Water Services										
Supplies & Materials										
General	\$37,132	\$0	\$0	\$0	\$0	\$37,132	\$0	\$0	\$0	100% WCMS
Total Water Services - Supplies & Materials	\$37,132	\$0	\$0	\$0	\$0	\$37,132	\$0	\$0	\$0	
Meter Reading										
Personnel Services										
Salaries & Wages	\$88,551	\$0	\$0	\$0	\$88,551	\$0	\$0	\$0	\$0	100% WCA
Overtime	2,993	0	0	0	2,993	0	0	0	0	100% WCA
PERS	6,870	0	0	0	6,870	0	0	0	0	100% WCA
Health/Dental Ins	17,160	0	0	0	17,160	0	0	0	0	100% WCA
Life Insurance	73	0	0	0	73	0	0	0	0	100% WCA
Unemploy Tax	152	0	0	0	152	0	0	0	0	100% WCA

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 10
 FUNCTIONALIZATION AND CLASSIFICATION
 OF EXPENSES

Account Desc.	Budget FY 07/08	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:						All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)	Fire Protection (FP)	Revenue Related (RR)			
FICA	6,392	0	0	0	6,392	0	0	0	0	100% WCA	
Workers Comp	4,866	0	0	0	4,866	0	0	0	0	100% WCA	
Total Personnel Services	\$127,056	\$0	\$0	\$0	\$127,056	\$0	\$0	\$0	\$0		
Supplies & Materials											
Office Supplies	\$3,183	\$0	\$0	\$0	\$3,183	\$0	\$0	\$0	\$0	100% WCA	
Computer Supplies	318	0	0	0	318	0	0	0	0	100% WCA	
Clothing & Uniforms	637	0	0	0	637	0	0	0	0	100% WCA	
Books & Ref Materials	530	0	0	0	530	0	0	0	0	100% WCA	
General	159,135	0	0	0	159,135	0	0	0	0	100% WCA	
Total Supplies & Materials	\$163,803	\$0	\$0	\$0	\$163,803	\$0	\$0	\$0	\$0		
Maintenance											
Rep & Maint - Equip	\$3,183	\$0	\$0	\$0	\$3,183	\$0	\$0	\$0	\$0	100% WCA	
Total Maintenance	\$3,183	\$0	\$0	\$0	\$3,183	\$0	\$0	\$0	\$0		
Contracted Services											
Maintenance	\$647	\$0	\$0	\$0	\$647	\$0	\$0	\$0	\$0	100% WCA	
Total Contracted Services	\$647	\$0	\$0	\$0	\$647	\$0	\$0	\$0	\$0		
Travel/Training											
In-State	\$1,561	\$0	\$0	\$0	\$1,561	\$0	\$0	\$0	\$0	100% WCA	
Out-Of-State	2,601	0	0	0	2,601	0	0	0	0	100% WCA	
Total Travel/Training	\$4,162	\$0	\$0	\$0	\$4,162	\$0	\$0	\$0	\$0		
Other											
Subscriptions	\$52	\$0	\$0	\$0	\$52	\$0	\$0	\$0	\$0	100% WCA	
Postage	15,606	0	0	0	15,606	0	0	0	0	100% WCA	
Dues & Certifications	520	0	0	0	520	0	0	0	0	100% WCA	
Total Other	\$16,178	\$0	\$0	\$0	\$16,178	\$0	\$0	\$0	\$0		
Total Meter Reading	\$315,029	\$0	\$0	\$0	\$315,029	\$0	\$0	\$0	\$0		
Hydrants											
Supplies & Materials											
General	\$21,218	\$0	\$0	\$0	\$0	\$0	\$21,218	\$0	\$0	100% FP	
Total Hydrants - Supplies & Materials	\$21,218	\$0	\$0	\$0	\$0	\$0	\$21,218	\$0	\$0		
Water Valves											
Supplies & Materials											
General	\$8,487	\$0	\$5,502	\$2,207	\$0	\$0	\$778	\$0	\$0	As Trans/Distrib	
Total Water Valves - Supplies & Materials	\$8,487	\$0	\$5,502	\$2,207	\$0	\$0	\$778	\$0	\$0		
Main Repairs											
Supplies & Materials											
General	\$7,957	\$0	\$5,159	\$2,069	\$0	\$0	\$729	\$0	\$0	As Trans/Distrib	
Total Main Repairs - Supplies & Materials	\$7,957	\$0	\$5,159	\$2,069	\$0	\$0	\$729	\$0	\$0		
Total Operations & Maintenance	\$3,236,033	\$701,858	\$1,645,909	\$335,151	\$315,029	\$98,695	\$139,390	\$0	\$0		

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 10
 FUNCTIONALIZATION AND CLASSIFICATION
 OF EXPENSES

Account Desc.	Budget FY 07/08	Commodity (COM)	Capacity (CAP)	Customer Related Weighted For:				Revenue Related (RR)	All Other (DA-O)	Basis of Classification
				Actual Customer (AC)	Customer Acctg. (WCA)	Meters & Services (WCMS)	Fire Protection (FP)			
Rate Revenues Dedicated to CIP	\$2,740,811	\$529,545	\$1,595,941	\$493,099	\$0	\$0	\$122,225	\$0	\$0	As Total Net Plant
Debt Service										
Water Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Total Net Plant
Lyman Creek Water Revenue Bonds	62,900	12,153	36,626	11,316	0	0	2,805	0	0	As Total Net Plant
Lyman Creek Water Revenue Bonds - Phase II	30,062	5,808	17,505	5,408	0	0	1,341	0	0	As Total Net Plant
New Revenue Bond	0	0	0	0	0	0	0	0	0	As Total Net Plant
New SRF Loan	0	0	0	0	0	0	0	0	0	As Total Net Plant
Total Debt Service	\$92,962	\$17,961	\$54,131	\$16,725	\$0	\$0	\$4,146	\$0	\$0	
TOTAL REVENUE REQUIREMENT	\$6,069,806	\$1,249,364	\$3,295,981	\$844,975	\$315,029	\$98,695	\$265,761	\$0	\$0	
Less: Miscellaneous Revenues										
Sales of Water Materials	\$108,160	\$0	\$0	\$0	\$0	\$0	\$0	\$108,160	\$0	100% RR
Hydrant Fees	110,250	0	0	0	0	0	110,250	0	0	100% FP
Interest Income	88,110	0	0	0	0	0	0	88,110	0	100% RR
Refunds & Reimbursements (ACH discount of \$	(24,877)	0	0	0	0	0	0	(24,877)	0	100% RR
Inspection Service Charges	54,080	0	0	0	0	0	0	54,080	0	100% RR
Rents & Royalties	43,264	0	0	0	0	0	0	43,264	0	100% RR
Total Miscellaneous Revenues	\$378,987	\$0	\$0	\$0	\$0	\$0	\$110,250	\$268,737	\$0	
NET REVENUE REQUIREMENTS	\$5,690,818	\$1,249,364	\$3,295,981	\$844,975	\$315,029	\$98,695	\$155,511	(\$268,737)	\$0	
% OF NET REVENUE REQUIREMENTS	100.0%	22.0%	57.9%	14.8%	5.5%	1.7%	2.7%	-4.7%	0.0%	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 11
 ALLOCATION OF REVENUE REQUIREMENTS

Classification Components	Net Revenue Requirement	Residential	Low Income	Multi-Family	Commercial	Government	Montana State U	Unmetered	Allocation Factor
Commodity Related	\$1,249,364	\$431,164	\$1,317	\$282,197	\$344,675	\$30,095	\$158,832	\$1,083	(COMM)
Capacity Related	\$3,295,981	\$1,292,963	\$3,555	\$676,996	\$836,921	\$101,258	\$381,041	\$3,247	(CAP)
Customer Related									
-Actual Customer	\$844,975	\$580,379	\$2,983	\$167,243	\$87,147	\$5,424	\$1,537	\$261	(AC)
-Weighted for Cust. Acctg.	315,029	215,905	1,110	62,215	32,991	2,035	572	202	(WCA)
-Weighted for Meters & Services	98,695	60,976	313	17,571	18,342	1,142	323	28	(WCMS)
Total Customer Related	\$1,258,699	\$857,260	\$4,406	\$247,030	\$138,480	\$8,600	\$2,432	\$491	
Public Fire Protection Related	\$155,511	\$85,801	\$441	\$24,725	\$42,945	\$802	\$757	\$40	(FP)
Revenue Related	(\$268,737)	(\$133,989)	(\$256)	(\$55,291)	(\$49,231)	(\$4,653)	(\$25,072)	(\$246)	(RR)
Direct Assignment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(DA)
NET REVENUE REQUIREMENT	\$5,690,818	\$2,533,199	\$9,464	\$1,175,657	\$1,313,791	\$136,103	\$517,990	\$4,615	
Percentage of Total	100.0%	44.5%	0.2%	20.7%	23.1%	2.4%	9.1%	0.1%	

CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 12
 SUMMARY OF THE COST OF SERVICE ANALYSIS

	FY 07/08 O&M Expenses	Residential	Low Income	Multi- Family	Commercial	Government	Montana State U	Unmetered
Revenues at Present Rates	\$5,690,818	\$2,837,374	\$5,426	\$1,170,841	\$1,042,516	\$98,526	\$530,935	\$5,200
Less: Allocated Revenue Requirement	\$5,690,818	\$2,533,199	\$9,464	\$1,175,657	\$1,313,791	\$136,103	\$517,990	\$4,615
Total Balance/(Deficiency) in Rates	(\$0)	\$304,175	(\$4,038)	(\$4,816)	(\$271,274)	(\$37,577)	\$12,945	\$585
Required % Rate Adjustment	0.0%	-10.7%	74.4%	0.4%	26.0%	38.1%	-2.4%	-11.3%
COSA With Proposed Adjustment	\$5,690,818	\$2,533,199	\$9,464	\$1,175,657	\$1,313,791	\$136,103	\$517,990	\$4,615
% COSA With Proposed Adjustment	0.0%	-10.7%	74.4%	0.4%	26.0%	38.1%	-2.4%	-11.3%

**CITY OF BOZEMAN
 COMPREHENSIVE WATER RATE STUDY
 EXHIBIT 13
 AVERAGE UNIT COSTS**

	Total	Residential	Low Income	Multi- Family	Commercial	Government	Montana State U	Unmetered
Commodity \$/ccf	\$0.58	\$0.58	\$0.58	\$0.58	\$0.60	\$0.58	\$0.58	\$0.00
Capacity \$/ccf	\$1.54	\$1.74	\$1.56	\$1.39	\$1.45	\$1.96	\$1.39	\$0.00
Fire/Revenue/Direct \$/ccf	(\$0.05)	(\$0.06)	\$0.08	(\$0.06)	(\$0.01)	(\$0.07)	(\$0.09)	\$0.00
Total \$/ccf	\$2.07	\$2.25	\$2.22	\$1.90	\$2.03	\$2.47	\$1.88	\$0.00
Customer Costs - \$/account/month	\$11.26	\$11.13	\$11.13	\$11.13	\$12.41	\$12.15	\$11.92	\$13.64
Average Total Cost \$/ccf	\$2.66	\$3.40	\$4.16	\$2.41	\$2.27	\$2.64	\$1.89	\$2.47
<u>Basic Data:</u>								
Annual Water Consumption (ccf)	2,140,629	745,114	2,277	487,678	577,568	51,636	274,485	1,871
Number of Accounts	9,312	6,420	33	1,850	930	59	17	3