

**Water Utility Fund**  
**Description of Functional Classifications**  
**Fiscal Year 2007-08 Budget**  
**City of Iron Mountain**

**A. Revenues**

1. **Water Services.** Includes revenues from water tap fees for new or replaced water services, customer turn on charges and other miscellaneous water service charges.
2. **Metered Sales.** Includes revenues from a monthly or bi-monthly fixed charge to cover the expense of capital improvements, water consumption charges to residential, commercial, industrial customers, all municipal buildings and penalties for late payments. Residential customers are billed bi-monthly and commercial and industrial customers are billed monthly.
3. **Interest and Rents.** Includes revenues from investment interest earnings on the various water utility accounts.
4. **Other Revenues. Miscellaneous Revenues.**
5. **Other Financing Sources.** Includes transfer from the Water Capital Improvement Fund for interest that fund earns on investments.

**B. Expenses**

1. **Production.** The annual operating expenses associated with the pumping of water from the wells to the distribution system.
2. **Distribution/Services.** The annual operating expenses associated with maintenance of water mains, hydrants, booster pumping stations, water services (i.e., the service line from the water main to the water shut off box) and maintenance of water meters.
3. **Collection.** The annual operating expenses associated with the water meter reading, water billing and collection.
4. **Administration.** The annual expenses associated with the administration of the water system (e.g., supervision, accounting, auditing, insurance, rent, and depreciation).
5. **Debt Service.** Accounts for the bond principal, interest and paying agent fees due on the 2004 Water Bond issue.
6. **Other Financing Uses.** Includes transfers to the Water Capital Improvement Fund to fund major water system improvements (i.e., new or replaced water mains and new or replaced water booster pumping stations), Retirees' Health Insurance Fund, and Motor Vehicle Fund for Equipment Rental.