

Department New Request Form
Fiscal Year 2025

Program	Public Works	Title of New Request:	Rank:	4
Department	Water			
Request Category	New Request/Service/Feature	Increase water service line loan funding		
Request Rating	New Program			
Department Goal	Incentivize the customer to replace water service lines	# of FTE's in this request	0.00	
1. How will request assist in achieving Department Goal and benefit the customer				
<p>Reducing water leakage is one of the department's most important goals. Leakage on customer-owned water service lines is believed to account for half or more of the total system leakage. There are approximately 16,000 galvanized iron water services that have outlived their expected useful life. The typical cost of replacing one of these services is \$10,000-\$15,000. Most customers don't understand that they are responsible for maintaining their water service lines and many don't have the financial capability to repair or replace their service if it leaks. Missoula Water's loan program is available to all customers as a financing tool for water service repairs or replacements. This request will increase the amount of funding available, which will make this benefit available to even more customers. This will also benefit the utility by decreasing the volume of leakage and reducing the high electrical cost associated with pumping water.</p>				

2. What specifically is needed to achieve this goal?
Many customers can't afford the high cost of repairing or replacing their water service line. This request would increase the amount of funding available in Missoula Water's loan program, currently funded at \$100,000 per year, to \$200,000 per year. The FY24 funds have not been fully utilized, but Missoula Water believes the need for funds will increase in the future. We have submitted an ordinance change that would convert up to \$3,000 of loan funds into a grant, as an incentive for customers who replace at least a portion of their service line from street to curb box or curb box to house. Reducing leakage on customer's services will save the utility money on reduced pumping costs. We believe this will increase the demand for loan funds. Missoula Water is also putting more effort into finding leaks with our new Leak Investigation Specialist FTE, and is more consistently following up with customers to make them aware that their water service line leak is a violation of municipal code.

3. Cost Impact of New Program:									
Account #	Item	Qnty	Unit Cost	Requested One-Time	Requested Ongoing	FY 2025 Unfunded	FY 2025 Funded	Proposed FY 2026 Ongoing	
Ongoing Expenses									
5210.335.430510.820	transfer to loan fund	1	100,000		100,000	100,000	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
Expense Sub-Total					—	100,000	100,000	—	—
One-time Expenses									
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
					—	—	—	—	—
Revenue Sub-Total					—	100,000	100,000	—	—

Revenue Offset:			Proposed Onetime Revenue	Proposed Ongoing Revenue
Account #	Revenue Description			
5210	E	existing operating revenues		100,000
Revenue Sub-Total			—	100,000

4. What sort of data will be used to report results and outcomes of request?			Requested/Proposed Funding Source		
			One-time	Ongoing	
We will track the number of loans issued and the total volume of loans in order to inform future budgets			<i>Tax or Assessment</i>	—	—
			<i>Non-tax</i>	—	100,000
			<i>Fund Balance</i>	—	—
			<i>Total</i>	—	100,000