



DEVELOPMENT AND APPROVAL OF THE BUDGET IN WATER SUPPLY SYSTEM

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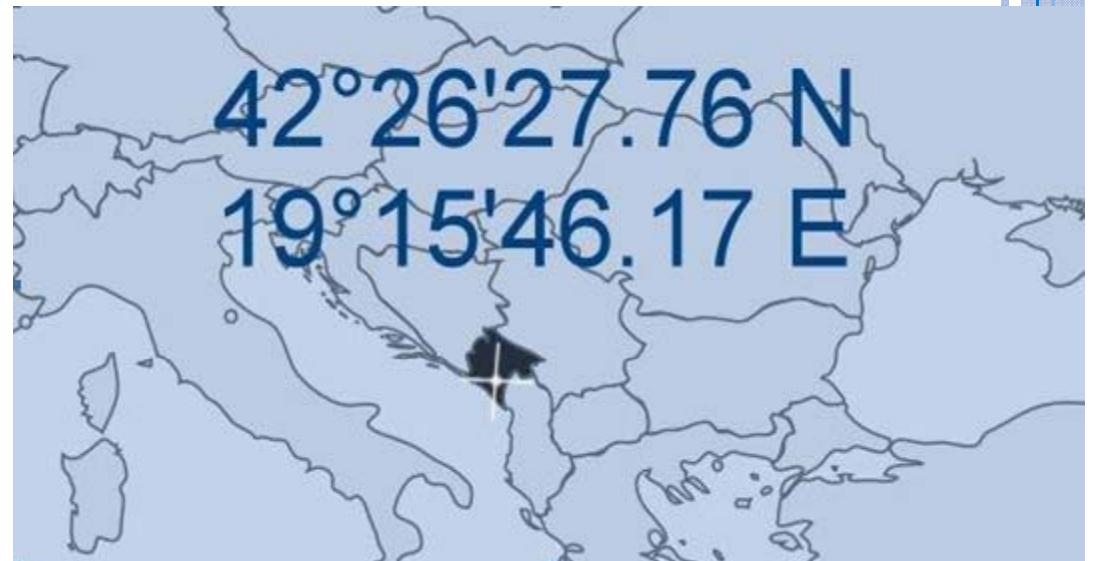
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INTRODUCTION

- Water is precious natural resource. The Government has formulated Strategy sustainable research for ensuring sustainable use of water resources. Our company is to support the municipality in meeting these goals with functions continuous water supply for citizens with good water quality. In order to achieve the set goals of principles of sustainability of the water supply and public health protection it must be achieved all the specific goals in specific processes.
- It is necessary for the planned activities at the level of all processes make a plan of action and assessment of fixed costs and investments. For achieve economy and efficiency of operations will be used resistance data from other water systems. Preparation of the operating budget and capital budget are a major segment of the financial activity, and is of great significance monitoring challenges arising in the EU accession process. It should also be noted first of all given to training for the accumulation of knowledge and skills to achieve the set target.
- The implementation Scada applications support the management of production and distribution of water, and water quality monitoring. Business Information Systems (ASW) through it's core processes and subprocesses support financial management/The newer model of sustainability of water supply systems AM management includes counting or budget.

Geographical characteristics of Podgorica

- Podgorica is located in the northern part of the Zeta valley, in the center of Montenegro, at the crossroads of several important roads leading from the sea to the mainland.
- Fertile Zeta plain, the composition of the river Zeta and the Moraca Ribnica, the vicinity of the Skadar Lake and the Adriatic Sea, a favorable climate, communicative and strategic position made it possible for Podgorica grows into the largest urban agglomeration in Montenegro. It is not just a modern city, but a city that is the administrative - administrative, political, economic, traffic, scientific and educational - cultural center of Montenegro.
- Its prosperity in the postwar period, accelerate the development of a city as a whole.
- Skadar Lake, near the sea, altitude, relief, latitude, caused the different macro and micro climate of the Podgorica valley.



Climate characteristic

- The climate of Podgorica affects the Adriatic Sea, the valley of the rivers Bojana and Morača, over Skadar Lake. Under the influence of the surrounding mountains, the Mediterranean climate is changing, so that Podgorica has changed - a Mediterranean climate, which is characterized by warm and hot summers and mild and rainy winters. Thanks to thermal influences of the Adriatic Sea, Podgorica has high winter air temperature.
- • The mean annual air temperature in Podgorica was 16.4 ° C, maximum 40.7 ° C, while the minimum is -4.6 ° C.



Water sources

An integral part of the water system "Podgorica" are three sources "Mareza", "Zagorič" and "Ćemovsko polje". The installed maximum gathering capacities of these sources are:

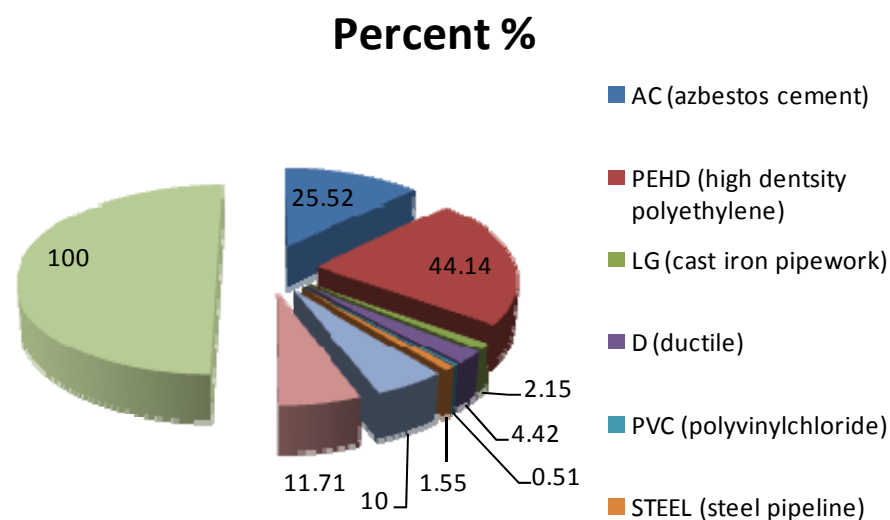
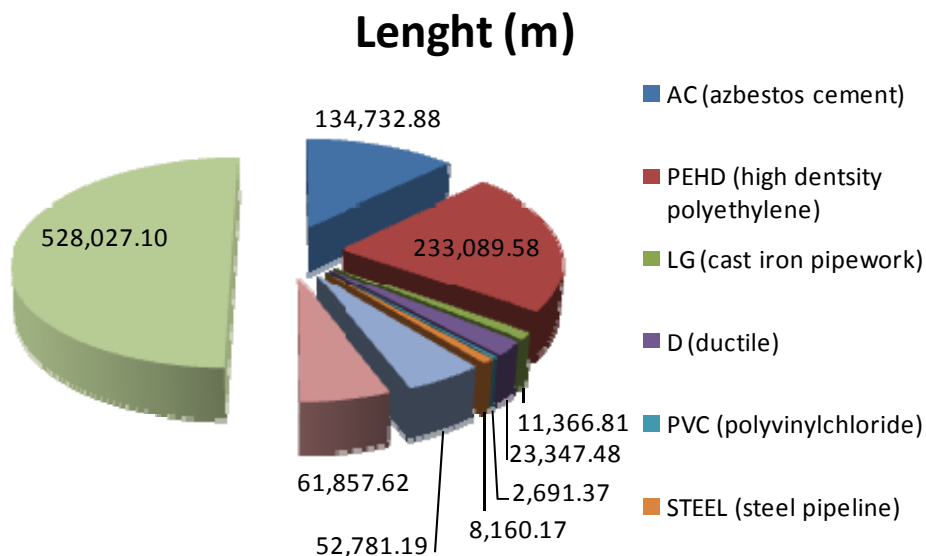
- PS "Mareza 1" 470 l/s
- PS "Mareza 2" 1600 l/s
- PS "Zagorič" 545 l/s
- PS "Cemovsko polje" 410 l/s
- PS "Dinoša B2" 70 l/s



Water supply network

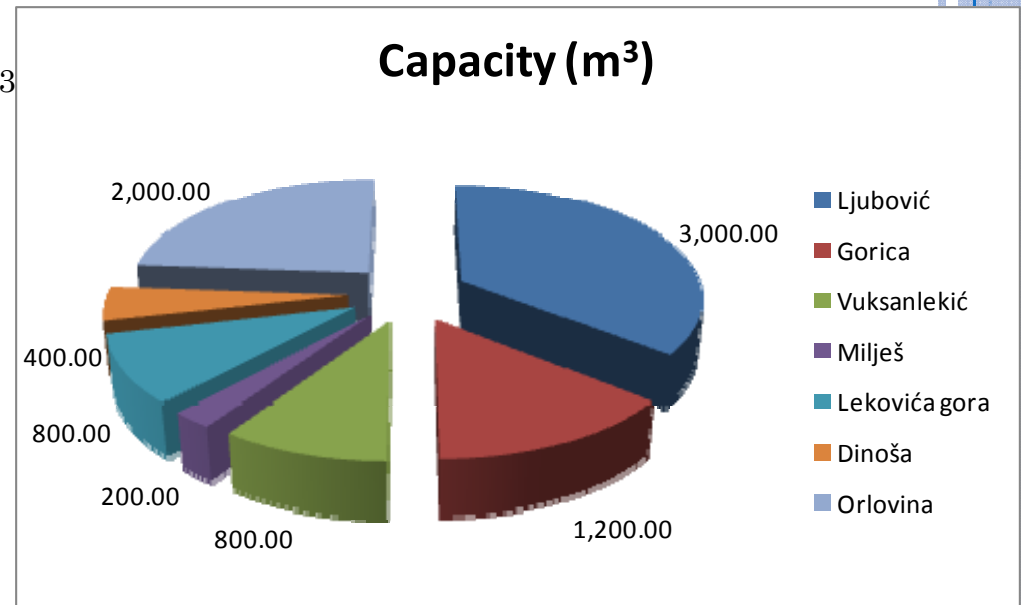
o Participaton of individual material in total recorded net

Material	Lenght (m)	Percent (%)
AC (azbestos cement)	134.732,88	25,52
PDHD (high dentsity polyethylene)	233.089,58	44,14
LG (cast iron pipework)	11.366,81	2,15
D (ductile)	23.347,48	4,42
PVC (polyvinylchloride)	2.691,37	0,51
STEEL (steel pipeline)	8.160,17	1,55
PC (galvanized pipeline)	52.781,19	10,00
Unknown	61.857,62	11,71
TOTAL	528.027,10	100,00

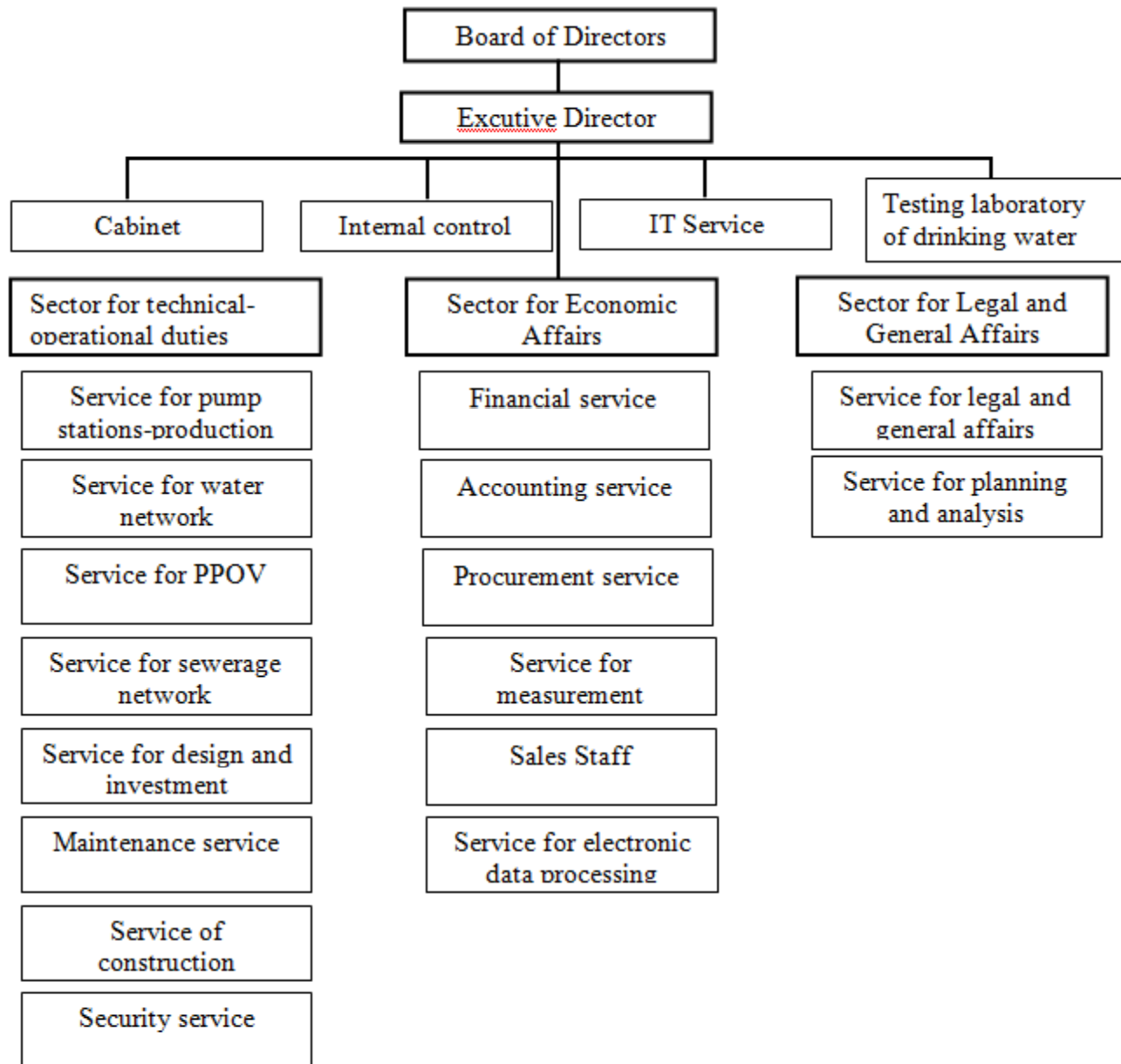


Reservoir area of the Capital City Podgorica

- Expanding the Capital City and its connection with the city municipalities Golubovci and Tuzi, caused the creation of a new reservoir space.
- Currently has the following storage tanks with a total capacity of 8,400 m³, as follows:
- Reservoir „Ljubović“, capacity 3.000 m³
- Rezervoir „Gorica“, capacity 1.200 m³
- Rezervoir „Vuksanlekići“, capacity 800 m³
- Rezervoir „Milješ“, capacity 200 m³
- Rezervoir „Lekovića gora“, capacity 800 m³
- Rezervoir „Dinoša“, capacity 400 m³
- Rezervoir Orlovina, capacity 2.000 m³



Organizational structure of “Water supply and sewage” Podgorica



Legend: PPOV - plant for wastewater treatment



Projected the income statement

No.	Elements	The assessment realized in 2014	Plan for 2015
A	Operating expenses	10.993.589,00	11.794.984,87
1	On the basis of sales of water and waste water	9.543.589,00	10.994.984,87
2	On the basis of maintaining atmospheric sewage	150.000,00	
3	Incomes from works and services	1.300.000,00	800.000,00
B	By virtue of extraordinary incme	400.000,00	400.000,00
I	Total income (A+B)	11.393.589,00	12.194.984,87
A	Operating expenses	9.040.000,00	10.000.000,00
1	Material costs and energy	2.180.000,00	2.650.000,00
2	Salaries and benefits	4.680.000,00	4.600.000,00
3	Cost of services	810.000,00	1.100.000,00
4	Depreciation expense	1.150.000,00	1.300.000,00
5	Service costs	220.000,00	350.000,00
B	Funding expenses and extraordinary expenses	1.950.000,00	1.700.000,00
II	Total expenditure (A+B)	10.990.000,00	11.700.000,00
III	Profit (I-II)	403.589,00	494.984,87

Planned investments

No	Investment activity	Accounting (€)
1	Construction of the secondary water supply network in the area GO Golubovci	300.000,00
2	Continued work on the construction of hydro-technical infrastructure in Tuzi	450.000,00
3	The project of reconstruction of the pumping station Mareza 1	1.000.000,00
4	Construction of the New WWTP with primary sewer network	15.000.000,00
5	Construction of a sewage system in the capital area (secondary network)	450.000,00
6	Reconstruction of water supply network in the capital city of Podgorica	150.000,00
7	Construction of the sewage system in the street. Vladimir and Kosara and Balkan Street	64.000,00
8	Rural water supply systems	630.000,00
9	The regulation of torrential courses - Savin stream and Rujela	100.000,00
10	Development of Study on water supply of the Capital for the period 2014-2018	40.000,00
11	Making concession study for the construction of water bottling factory at the source Ljeskovac	10.000,00
12	The construction of water bottling factory at the source Ljeskovac	3.000.000,00
13	Construction of the building of collective housing for the needs of workers "VIK" doo Podgorica	1.620.000,00
14	Replacement of old asbestos cement pipeline	200.000,00
15	Maintenance of integrated information systems and SCADA systems	245.000,00
16	Upgrading an integrated information system	80.000,00
17	Purchase of vehicles	94.000,00
18	Acquisition of the necessary equipment and machinery for construction and maintenance of hydraulic works	468.400,00
19	Supply of a special vehicle with a camera	142.000,00
Total		24.043.400,00



Capital Projects

- Planned capital project at the level of the Capital in 2015 is certainly construction of a wastewater treatment plant with a network of primary collector.
- This project includes the construction of primary collectors in the length of 32 km in parts of the city that are not covered by this type of installation.
- The second part refers to construction of the plant for wastewater treatment with a complete treatment of sewage sludge or troubleshooting for its treatment and disposal.
- The Company is planning to hold a new public call in the first half of 2015.
- The total value of the project is around 55 million euros.



Challenges of water utility sector

- System approach to management of assets, in accordance with the requirements of the standard ISO 55000, is a relatively recent phenomenon.
- The main challenge for water companies in the implementation of the management of assets, which includes budget, budget costs, service providers with existing infrastructure with the possibility of expertise, based on the awareness management of assets and political restrictions



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CONCLUSION

The current state of governance in water utility in terms of financial operations is not the purpose of the principle of sustainability, but sustainability in terms of legislation need to improve the management of water supply system, especially for achieving sustainability of the system requires the coverage and cost estimates in the whole cycle of water supply for all processes and units:

- Improving municipal infrastructure
- Budgeting as the basis of management financial management,
- Making process model with definisnim business plans
- Understanding between the municipality and the water supply will take over
- Clear responsibilities in terms of meeting the objectives
- Fulfillment of strategic objectives based on a thorough analysis of the conditions for the existing system, the level of service required for future time
- Implement activities in accordance with aplaniranim and monitoring on a daily basis
- Investments on the basis of valuation of assets and costs to individual preventive actions
- Reduction of water that does not bring revenue.

**THANK YOU
FOR YOUR ATTENTION**

