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COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2016



Board of Water Works

of Pueblo, Colorado

COMPRHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

Prepared by the Finance Division



Board of Water Works of Pueblo, Colorado

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INTRODUCTORY SECTION

Board of Directors



Nicholas Gradisar

Dr. Thomas V. Autobee

Kevin F. McCarthy

Michael A. Cafasso

James H. Gardner

Leading With Vision
Serving With Integrity



Board of Water Works of Pueblo, Colorado

319 W. 4th Street ▪ P.O. Box 400 ▪ Pueblo, Colorado 81002-0400 ▪ 719/584-0250

March 1, 2017

To the Board of Water Works of Pueblo, Colorado and To Those We Serve:

We are pleased to transmit the Comprehensive Annual Financial Report of the Board of Water Works, of Pueblo Colorado (“Pueblo Water”) for the year ended December 31, 2016. This report is presented in three sections as follows:

Introductory Section

Included in this section is the letter of transmittal, principal officials, organizational chart, and excerpts from the City charter.

Financial Section

This section includes the independent auditors’ report on the accompanying financial statements, Management’s Discussion and Analysis, the basic financial statements, and supplementary information.

Statistical Section

The Statistical section encompasses information related to: financial trends, revenue capacity, debt capacity, demographics and the economic situation of the City and County of Pueblo, and operating information generally presented on a multi-year basis.

Responsibility for the accuracy of the data as well as the thoroughness of the presentation rests with the management of Pueblo Water. To the best of our knowledge, the enclosed data are accurate in all material respects and adequately present the financial position of Pueblo Water.

Schmidt, Valentine, Whittemore & Company, PC has issued an unmodified (“clean”) opinion on Pueblo Water’s financial statements for the years ended December 31, 2016 and 2015. The independent auditors’ report is located at the front of the financial section.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditors’ report. The MD&A will present an objective and easily readable analysis of the financial performance of Pueblo Water. The MD&A is made up of several categories: Financial Highlights; provides a summary of Pueblo Water’s significant 2016 financial activity. Condensed Financial Statements; provides an analysis of significant activity in the basic financial statements. Budgetary Highlights; provides an analysis of Pueblo Water’s budget procedures as well as the 2016 budget -vs- actual results and the 2017 budget. Finally, Currently Known Facts, Decisions or Conditions; outlines currently known facts, decisions or conditions as of the date of the auditors’ report that may have an effect on Pueblo Water’s financial position. The MD&A is followed by the basic financial statements, notes to the financial statements, and supplementary information.

Profile of the Board of Water Works of Pueblo, Colorado

In Pueblo, a five member Board is charged with the formulation of policy, review and approval of the budget, setting rates and long-range planning that will ensure Pueblo's water system is operated and maintained in an efficient and cost-effective manner. This Board is comprised of community and business leaders elected by the citizens of Pueblo. Board members serve staggered six-year terms.

Pueblo Water has 137 employees who specialize in the many skills needed to manage, engineer, operate and maintain Pueblo's water system and sources of supply.

Pueblo's water supply originates high in the Rocky Mountains above Leadville, Colorado. Water from these high mountain watersheds flows into canals, creeks and streams and eventually into the Arkansas River. Pueblo's supply is then diverted from the Arkansas River through intake structures located within Pueblo Reservoir and transferred via pipeline to the Whitlock Treatment Plant where it is treated and filtered. The finished water is pumped through a system of transmission mains to various storage tanks and adjoining pump stations throughout the city. Water is carried from these pump stations by a vast network of interconnecting pipes to the citizens and businesses of Pueblo. There are approximately 580 miles of water mains (including both transmission and distribution mains) in the system. The water supply, treatment and distribution process continues 24 hours a day, 365 days a year.

The mission of the Board of Water Works is as follows:

The Board of Water Works is committed to providing the highest quality of water at the lowest possible cost. We are equally committed to the work force that helps achieve that goal. We strive to create and maintain an environment that encourages and recognizes teamwork, individual contribution, and the integrity of each employee.

Planning

Planning has been an important visionary component throughout Pueblo Water's history. This is evidenced through the maintenance of long-term financial, capital, main replacement, operation and maintenance, water resource, and work force succession plans.

Financial, Capital, and Operation & Maintenance

Each year, as part of the budget process, updates are performed to Pueblo Water's financial, capital, and operation and maintenance 10 year plans. Since it is Pueblo Water's practice to finance routine improvements within its normal rate structure, these plans are an integral part of that success. As a consequence, small steady rate increases are implemented each year, which is essential to ensuring adequate revenue and avoiding "rate-shock" for customers. As is the case with many water utilities around the United States, Pueblo Water recognizes the coming challenge of replacing its infrastructure and works to continually refine its supplemental 30 year capital plan. This expanded capital plan affords Pueblo Water the ability to make crucial decisions surrounding replacement of its infrastructure.

Main Replacement Program

Pueblo Water's main replacement program was started in the late 1960's and consists of a formal twenty year plan that is updated approximately every ten years through cooperation with Pueblo Water's internal engineering staff and its consulting engineer. During the intervening ten year period, Pueblo Water's internal engineering staff regularly updates the plan to ensure customer needs are met. On average, Pueblo Water spends close to \$2 million every year in connection with the program. Through this program Pueblo Water has greatly reduced the number of main breaks experienced each year. In 1972, 196 main breaks occurred, while in 2016 there were just 31.

Water Resource Plan

In 2007, Pueblo Water updated the water resource plan to project and meet the needs of the community for the next fifty years. That process has continued on a less formal basis each year since 2007.

Key Financial Policies

Along with deliberate and structured planning, Pueblo Water has adopted sound financial policies. Some of the key policies that have helped to shape their financial results for recent years are listed below:

- Small annual rate increases that are supported by customers.
- Reinvestment in system infrastructure.
- Issuance of debt, only for major projects.
- Continued investment in new technologies.
- Maintain a minimum 5% of operating revenue as General Fund unrestricted and undesignated balance.
- One-time revenues are not used to off-set rate increases, but instead are designated for future expansion.
- Maintain an operation and maintenance reserve equal to at least a sixty day equivalent of personnel and O&M expense.
- Maintain a capital reserve of no less than \$1 million.

Revenue Growth and Rates

Significant One-time Revenue

Since 2005, Pueblo Water has received one-time revenue totaling \$45.92 million. The receipt of these revenues has helped significantly to further the strategic plans of Pueblo Water. In 2009, \$30.41 million was received from the sale of a transmountain water rights and diversion structure, and was used to help finance the purchase of in-basin water rights totaling \$56.13 million in that same year. Although the sale can be characterized as one-time revenue, the sale of the water right and diversion structure was specifically done to minimize the economic impact of the purchase of the in-basin water rights to Pueblo Water's customers. The remaining \$15.51 million was earned through long-term contracts to serve power plants located in the Pueblo area. In keeping with the Pueblo Water's policy on use of one-time revenues, Pueblo Water designated the use of this revenue for future water expansion projects and water rights acquisition. Of the \$15.51 million, Pueblo Water has used approximately \$12.03 million in connection with the water rights purchases from 2009 to 2016 and to construct a 1.5 million gallon tank along with the transmission and distribution mains to serve customers in a new industrial park south of Pueblo. The remaining approximately \$3.48 million has been reserved for future projects.

Consumption Trends & Customer Demographics

As a result of the ongoing drought experienced by the area since 2002, the consumption patterns of Pueblo Water's customers have changed. Through conservation, residential customers have decreased their water use by approximately 16%. Pueblo Water believes this change to be permanent. Considering 65% of Pueblo Water's annual revenue is derived from metered water sales and the cost to provide water to customers has increased, the change in consumption patterns had the potential to adversely affect Pueblo Water's financial position. However, through planning and understanding the changing business environment, Pueblo Water has been able to navigate through these turbulent times, and maintain its strong financial position without raising rates beyond 5% per year. The following table compares several ratios, depicting fiscal health, for 2007 and 2016:

<u>Ratio</u>	<u>2016</u>	<u>2007</u>
Current ratio	3.66	5.43
Debt/ equity	0.27	0.30
Number of days of working capital	505.96	563.75

As a consequence of the factors stated above, Pueblo Water has maintained its modest projected consumption throughout its 10 year financial plan. It is currently estimated that, in a year during which Pueblo receives average precipitation, potable water consumption will be approximately 8 billion gallons compared with pre-drought levels of nearly 9 billion gallons.

Pueblo Water's practice of temporarily leasing its excess non-potable water supply has proved successful in mitigating the change in potable water sales. During the past ten years Pueblo Water has received \$75.4 million in revenue from these contracts. For 2017, it is expected that non-potable water sales will account for 27% of Pueblo Water's operating revenue. This practice allows Pueblo Water to make good use of short-term excess supply while providing for the ability to plan for future water needs in the community.

Additional, more detailed customer and revenue related information is provided in the statistical section of this report.

Operating and Capital Expenditures

During the period 2007 through 2016, Pueblo Water's operating expense increased 34% driven predominantly by costs associated with: personnel, electricity, health insurance, chemicals, maintenance, and fuel. Associated with increased operating costs, Pueblo Water has raised rates 39% during the period 2007 through 2016.

Staffing increased from a low of 125 full time employees in 2001 to a high of 142 full time employees in mid 2009. Increased work load required additional personnel and in 2005, Pueblo Water embarked on a company-wide succession plan which contributed to the increased staffing levels. Currently, Pueblo Water has reduced that number to 137, but as different phases of the succession plan are met the number will fluctuate.

Aside from personnel costs, electricity is the single largest operating expense for Pueblo Water. Since 2004, electricity costs related to pumping and treating have risen 138%. This has motivated Pueblo Water, to consider all avenues for increased efficiency with its electrical use. Pueblo Water continues to explore the addition of a series of energy monitoring devices at its pump stations. Ultimately, the devices will be used in connection with their SCADA program to maximize the efficiency of the energy used.

Pueblo Water's 10 year capital plan provides a detailed and flexible structure by which Pueblo Water is able to ensure the reliability of its system and equipment. While each year includes different requirements, typically between \$3 and \$5 million is spent annually on capital improvement or replacement.

Closing

While the intent of the transmittal letter is to provide more subjective aspects of topics related to the fiscal health of Pueblo Water, information contained in other sections of this report provide more detailed insight.

The MD&A provides a view, from Management's perspective, of more recent activity. This information can be used along with the basic financial statements and notes to gain an understanding of Pueblo Water's performance for the years ended December 31, 2016 and 2015. MD&A begins on page II-3.

In connection with Pueblo Water's outstanding debt, certain disclosures pursuant to Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) are required. The disclosures consist of the following:

- | | |
|--------------------------------------|--------------------------------|
| ▪ Audited Financial Statements | Section II – Financial Section |
| ▪ Annual Financial Information | |
| ○ Customer Information | Section II – MD&A – Page II-4 |
| ○ Largest Customers | Section II – MD&A – Page II-4 |
| ○ Historical Connection Fees | Section II – MD&A – Page II-5 |
| ○ Historical Changes in Net Position | Section II – MD&A – Page II-8 |
| ○ Budget Summary and Comparison | Section II – MD&A – Page II-9 |

In closing, we would very much like to express our appreciation to all who contributed to the preparation of this report. We would also like to commend the elected Board for their continued guidance, support and professionalism in the management of Pueblo's Water System.

Sincerely,

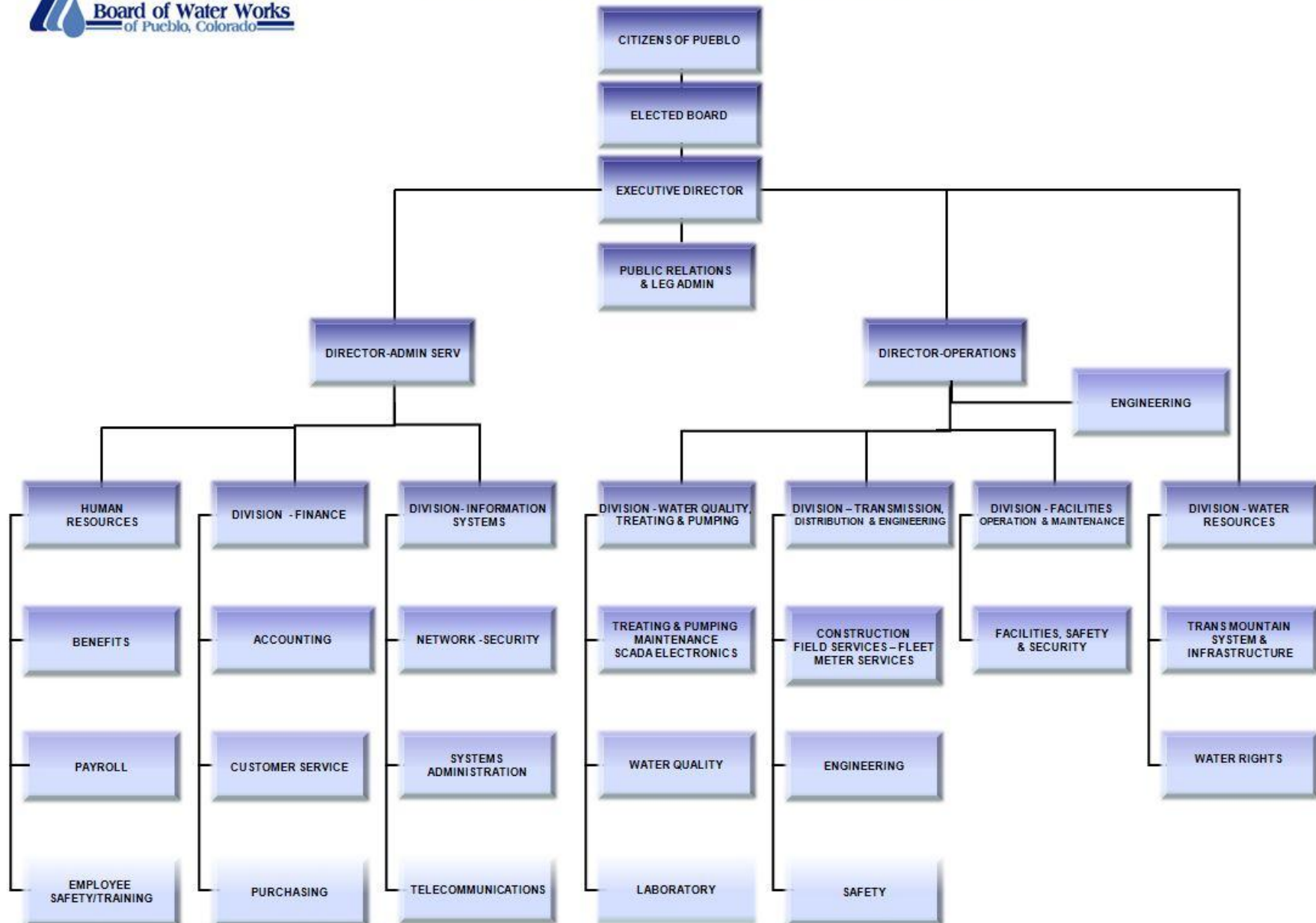


Seth J. Clayton
Executive Director



Jeanette O'Quin
Director of Administrative Services

Operations and Functional Organizational Chart



ARTICLE 15

Water and Water Works

Section 15-1. Consolidation* - Consolidation of the water works systems and properties managed and controlled by the Trustees of the Pueblo Water Works and by the Board of Commissioners of Pueblo Water Works District No. 2, may be effected upon a plan submitted by the Council, or upon such terms and conditions as may be agreed upon between the Trustees of the Pueblo Water Works and the Board of Commissioners of Public Water Works District No. 2, provided that no such plan or agreement for consolidation shall become effective until the same shall have been approved at a general city election, or at a special city election, by a majority of qualified taxpaying electors of each district voting thereon; PROVIDED, that all bonds and indebtedness of any kind of either of the Districts outstanding at the time of such consolidation shall remain the sole indebtedness and obligation of such District as contracted the indebtedness, and shall not become the indebtedness or obligation of the Consolidated District or of the City, but the property located in the District which contracted the indebtedness shall be and remain subject to the payment thereof as if such consolidation had not been effected.

* CONSOLIDATED EFFECTIVE JUNE 11, 1957.

Section 15-2. Board of Water Works of Pueblo, Colorado* - Title to the properties of the former districts now consolidated and any property of the water works is in the City of Pueblo. The entire control, management and operation thereof shall be exercised by an independent Board named "Board of Water Works of Pueblo, Colorado," over which the Council shall have no jurisdiction or control, but shall adopt all ordinances requested by said Board which shall be reasonably necessary to assist the Board in the management of the water works system and property, or to enable said Board to purchase or condemn additional water, water rights, reservoirs, reservoir sites or property of any kind, needed to supply water to the City or its inhabitants. The Board shall consist of five members all elected at large for six year terms as hereafter provided. The Board shall initially consist of the following five members: one previously elected holding a six year term expiring December 31, 1965; one previously elected holding a six year term expiring December 31, 1967; one holding a six year term expiring December 31, 1969, elected at the November 1963 election; one appointed by the City Council from January 1, 1964 to December 31, 1965, and one appointed by the City Council from January 1, 1964 to December 31, 1967. As the term of each member expires, a member to fill a new term of six years shall be elected, said terms to commence the first day of January next after their election. The Board of Water Works shall have and exercise all powers which are granted to cities of the first class by the Constitution and Laws of the State of Colorado, except the power to levy and collect taxes directly or indirectly. Surplus water may be supplied to territories outside the City until same is needed by the inhabitants of the City. It shall have power to make and execute contracts in the name of the City, institute and defend all litigation affecting its powers and duties or in relation to the water works system, and as to all other property under its management. The members of the Board shall continue to receive their present salaries until changed by ordinance of the Council. This amendment shall become effective January 1, 1964.

* As AMENDED NOVEMBER 5, 1963, BY VOTE OF 8,704 TO 5,201; ALSO AS AMENDED NOVEMBER 7, 1995, BY VOTE OF 13,064 TO 8,731.

Section 15-3. District No. 2 - The water plant together with all other property belonging to Public Water Works District No. 2 shall continue to belong to the District, and be held, managed and operated in the same manner as at present, until the ownership, control and management shall be changed pursuant to the provisions of this Charter, and no change shall be made except as herein provided unless such change be approved by a vote of the majority of the qualified taxpaying electors of the District voting thereon.

The Commissioners of Public Water Works District No. 2 shall continue to hold office until January 1, 1956. Except in the event of consolidation, three Commissioners of the Public Water Works District No. 2 shall be elected at each general city election, and shall hold office for a term of two years from the first day of January following each election. The Commissioners shall possess the same powers as are now possessed by the Commissioners of Public Water Works District No. 2.

Section 15-4. Pueblo Water Works - The Trustees of the Pueblo Water Works now in office shall continue to hold office until January 1, 1956. Except in the event of consolidation, three Trustees of the Pueblo Water Works shall be elected at each general city election, and shall hold office for a term of two years from the first day of January following each election. The trustees shall possess the same powers as are now possessed by the present Trustees of the Pueblo Water Works.

Section 15-5. Election - The nomination and election of the Commissioners and Trustees and members of the Board of Water Works of Pueblo shall be conducted in the same manner as is herein provided for the nomination and election of members of the Council.

Section 15-6. Contracts* - No contract shall be entered into, and no purchase shall be made by the Trustees or Commissioners of the existing water districts, or by the Board of Water Works of Pueblo, involving the expenditure of a sum in excess of One Thousand Dollars (\$1000.00), except for personal, professional or technical services not lending themselves to competitive bidding, until a proposal for bids for the materials or services covered by such contracts or purchase shall have been advertised by one publication in a daily newspaper of general circulation in Pueblo at least ten days prior to the making of such contract or purchase.

* As AMENDED NOVEMBER 4, 1967, BY VOTE of 10,038 To 5,793.

FINANCIAL SECTION



Daniel H. Valentine, CPA
Virginia D. Whittemore, CPA
Bernard O. Schmidt, 1922-2013

Members:
AICPA
CSCPA

119 Colorado Avenue/Pueblo, Colorado 81004-4213/ (719) 543-2066

INDEPENDENT AUDITORS' REPORT

The Board of Water Works
Pueblo, Colorado

We have audited the accompanying financial statements of the Board of Water Works of Pueblo, Colorado, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Water Works of Pueblo, Colorado, as of December 31, 2016 and 2015, and the changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-4 through II-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Water Works of Pueblo, Colorado's financial statements as a whole. The introductory section, supplemental financial information and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental financial information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2017, on our consideration of the Board of Water Works of Pueblo, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion

The Board of Water Works
Pueblo, Colorado
Page Three

on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Schmidt, Valentine, Whittemore & Company, P.C.

SCHMIDT, VALENTINE, WHITTEMORE & COMPANY, P.C.
Certified Public Accountants

March 1, 2017

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The following is management’s discussion and analysis (“MD&A”) of the financial activities of the Board of Water Works of Pueblo, Colorado (“Pueblo Water”) for the years ended December 31, 2016 and 2015. This information should be read in conjunction with the following basic financial statements.

2016 Review

In 2015, Pueblo Water concluded its search for a new utility billing software package. Implementation of the new utility billing software began in early 2016. The project will span fourteen months, concluding in the spring of 2017, at an estimated cost of nearly \$1.3 million.

The final phase of Pueblo Water’s automatic meter reading (“AMR”) project was completed in 2016. All of Pueblo Water’s meters have now been converted. To date, Pueblo Water has spent just over \$10 million on the project.

During 2015, Pueblo Water instituted a new service for customers. The new service, called the Service Line Replacement Program (SLRP), protects residential customers from bearing the cost to repair or replace damaged service lines from Pueblo Water’s main to their meter. The cost of the program is funded through a \$1 monthly charge to all customers eligible to participate in the program.

In 2016 Pueblo Water continued to make progress with its main replacement program spending \$1.45 million replacing 1.17 miles of mains. Related to the future of the main replacement program, in 2016 Pueblo Water began an update to its distribution system model. The update will be completed early in 2017 at a total cost of \$200,000.

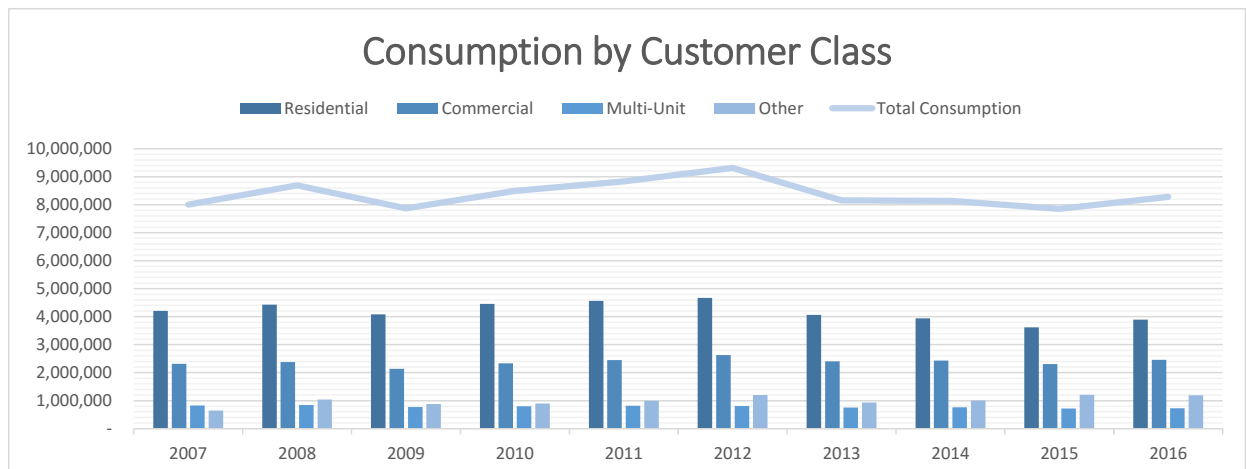
Throughout 2015 and 2016, Pueblo Water continued the process to change the Bessemer Irrigating Ditch Company water rights, purchased in 2009 through 2011, to municipal use. Pueblo Water anticipates this process will continue through at least 2018 and cost approximately \$1.6 million.

2016 Financial Highlights

Potable water sales:

During 2016, precipitation in Pueblo returned to average levels receiving nearly twelve inches. This was down 4.64 inches or 28% from 2015. The return to more normal precipitation levels and a warm dry fall generated potable water sales of \$23.99 million, 4.9% above projections. Ultimately Pueblo consumed 8.3 billion gallons of potable water an increase of 5% compared with 2015.

While most customer classes used more water in 2016 compared with 2015, residential customers made up the largest increase at 7.6%. Below is a chart illustrating consumption trends by customer class over the past ten years:



BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The following table illustrates certain factors related to potable water sales for the past five years:

Year	Customers ¹	Consumption (000s gal.)	Water Pumped (000s gal.)	Percent Unaccounted Water ²	Average Pumped Per Day (000s gal.)	Peak Day Pumpage (000s gal.)	Annual Rainfall Inches ³
2012	39,792	9,310,998	9,774,629	4.7%	26,780	55,386	4.96
2013	39,879	8,158,019	8,780,843	7.1%	24,057	49,781	9.67
2014	39,760	8,134,544	8,610,712	5.5%	23,591	46,520	11.86
2015	40,090	7,854,007	8,307,273	5.5%	22,760	45,754	16.61
2016	40,213	8,278,117	8,867,869	6.7%	24,296	46,547	11.97

¹Based on customers at December 31.

²The unaccounted for water includes water used or lost in seepage, system storage, fire protection, street cleaning and water distribution flushing.

³Reported by the United States Weather Bureau as measured at Pueblo Municipal Airport.

Consumption from Pueblo Water's ten largest customers followed the same trend to that of total consumption and increased 8.1% in 2016 when compared with 2015. In the past, the trend was a 3% positive spread between consumption by this group and total potable water consumption, however, since 2012 annual consumption trends for this group has more closely matched that of Pueblo Water's entire customer base. The cause for the change is due in large part to more efficient irrigating by some of Pueblo Water's largest customers. The following tables illustrate consumption and revenue generated from Pueblo Water's ten largest potable water customers for 2016 and 2015.

Largest Customers - Treated Water For the Year Ended December 31, 2016				
Customer	Total Consumption (000s gal.)	¹ Percent of Total Consumption	Amount Billed	² Percent of Total Revenue
Utility - Private	327,213	3.95%	\$ 848,910	3.54%
Steel Mill	247,938	3.00%	745,004	3.10%
City Government	230,324	2.78%	552,590	2.30%
University	155,126	1.87%	406,934	1.70%
State Health Service Provider	133,092	1.61%	414,813	1.73%
Public School System	105,901	1.28%	303,271	1.26%
Manufacturer	93,185	1.13%	246,686	1.03%
Country Club	90,730	1.10%	237,933	0.99%
Housing Authority	87,666	1.06%	290,227	1.21%
State Highway Medians	48,797	0.59%	74,362	0.31%
Total	1,519,972	18.37%	\$ 4,120,730	17.17%

¹Based on total consumption of 8.278 billion gallons

²Based on total billing in 2016 of \$23,993,983

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Largest Customers - Treated Water
For the Year Ended December 31, 2015

Customer	Total Consumption (000s gal.)	¹ Percent of Total Consumption	Amount Billed	² Percent of Total Revenue
Utility - Private	302,712	3.85%	\$ 761,351	3.42%
Steel Mill	225,767	2.87%	672,843	3.02%
City Government	207,861	2.65%	484,225	2.18%
State Health Service Provider	140,580	1.79%	366,444	1.65%
University	126,275	1.61%	322,219	1.45%
Public School System	93,548	1.19%	262,875	1.18%
Manufacturer	92,893	1.18%	238,320	1.07%
Housing Authority	87,076	1.11%	280,298	1.26%
Country Club	83,297	1.06%	211,975	0.95%
State Highway Medians	46,549	0.59%	68,748	0.31%
Total	1,406,558	17.90%	\$ 3,669,298	16.49%

¹Based on total consumption of 7.854 billion gallons

²Based on total billing in 2015 of \$22,250,970

Non-potable water sales:

Leases of non-potable water continues to be an important tool for Pueblo Water to manage changes in customer demands. During 2016, \$9.09 million was generated from approximately 43,000 acre feet of contracted non-potable water leases. Comparably, in 2015 \$9.5 million was generated from approximately 39,000 acre feet of contracted non-potable water leases.

Connection fees:

New residential housing starts increased by 27 units in 2016 compared with 2015 and 45 units compared with 2014. However, the decline in overall revenue is due to the reduction in large multi-family projects which caused a \$135,000 decrease in connection fee revenue from 2015. The following table illustrates revenue collected from connection fees for the past five years:

Year	Revenue Collected
2016	\$ 726,017
2015	861,036
2014	564,526
2013	664,800
2012	553,386

Statement of Net Position

The statement of net position is a financial snapshot of Pueblo Water as of December 31, 2016, 2015 and 2014. It presents the fiscal resources of Pueblo Water (assets), the claims against those resources (liabilities) and the residual available for future operations (net position). Assets and liabilities are classified by liquidity as either current or non-current. Net position is separated into three categories. The first category, invested in capital assets, net of related debt, consists of capital assets (net of depreciation and amortization) less related outstanding debt incurred to purchase or produce those assets. The second category, restricted, consists of restricted assets less accrued interest on construction related long-term debt. Finally, the third category, unrestricted, consists of current assets plus other assets less all liabilities unrelated to acquisitions of capital assets.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The following table is a condensed statement of Pueblo Water's net position as of December 31, 2016, 2015 and 2014.

CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2016, 2015 AND 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Current assets	\$ 26,750,249	\$ 23,888,271	\$ 24,333,976
Restricted assets	4,554,004	4,503,901	4,528,232
Capital assets	233,314,403	233,241,442	234,660,316
Other noncurrent assets	8,266,240	9,254,872	6,187,359
Deferred outflows	<u>1,452,370</u>	<u>1,830,125</u>	<u>1,074,582</u>
 Total assets	 <u>274,337,266</u>	 <u>272,718,611</u>	 <u>270,784,465</u>
 LIABILITIES			
Current liabilities	9,566,480	9,358,399	8,989,309
Long-term liabilities	56,981,193	60,415,380	52,574,627
Deferred inflows	<u>317,381</u>	<u>341,250</u>	<u>365,119</u>
 Total liabilities	 <u>66,865,054</u>	 <u>70,115,029</u>	 <u>61,929,055</u>
 NET POSITION			
Net investment in capital assets	188,344,588	184,962,820	183,247,758
Restricted	4,219,047	4,149,507	4,094,443
Unrestricted	<u>14,908,577</u>	<u>13,491,255</u>	<u>21,513,209</u>
 Total net position	 <u>\$ 207,472,212</u>	 <u>\$ 202,603,582</u>	 <u>\$ 208,855,410</u>

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

The following table presents a comparison of the operating revenues (in millions) for 2016 and 2015.

<u>Operating Revenues</u>	<u>2016</u>	<u>2015</u>	<u>Difference</u>	<u>Percentage</u>
Water sales to general customers	\$ 23.99	\$ 22.25	\$ 1.74	7.82%
Raw water sales	9.09	9.47	(0.38)	-4.01%
Plant water investment fee	0.65	0.79	(0.14)	-17.72%
Other	<u>2.22</u>	<u>1.94</u>	<u>0.28</u>	14.43%
 Total	 <u>\$ 35.95</u>	 <u>\$ 34.45</u>	 <u>\$ 1.50</u>	 4.35%

Operating Expenses

Over the past five years Pueblo Water has experienced a 13.9% increase in total operating costs, excluding depreciation and amortization. This represents a dollar increase of \$3.01 million when comparing operating expenses, net of depreciation and amortization, for 2016 with those in 2012. Of this increase, the majority can be attributed to increased energy costs for treating and pumping potable water.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

There are three main categories of operating expenses. First, personnel services, which consists of salaries and benefits paid or accrued to or for Pueblo Water employees. Second, operation and maintenance, and third other operating expense which consists primarily of depreciation. The percentage of these categories as a relation to total operating expense has changed very little over the past five years. The following table illustrates the relationship of each category to total operating expense as a percentage for the past five years:

Operating Expenses	2016	2015	2014	2013	2012
Personnel services	48%	48%	48%	48%	49%
Operation and maintenance	33%	32%	33%	33%	33%
Other operating expense	19%	20%	19%	19%	18%

The statements of revenues, expenses and changes in net position presents the financial activity of Pueblo Water for the years ended December 31, 2016 through 2012. Operating expenses include personnel services and operation and maintenance costs by activity. See table below:

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, 2014, 2013, AND 2012

	2016	2015	2014	2013	2012
Operating Revenues	<u>\$ 35,946,744</u>	<u>\$ 34,453,854</u>	<u>\$ 33,046,013</u>	<u>\$ 31,369,100</u>	<u>\$ 33,345,083</u>
Operating Expenses					
Source of supply, pumping, treatment and distribution	11,496,618	11,153,896	10,889,607	10,643,609	10,534,768
General and administrative	11,105,239	10,657,272	9,934,939	9,899,263	9,285,611
Customer Service	2,106,660	2,116,153	1,907,521	1,945,862	1,875,729
Depreciation and amortization	<u>5,372,756</u>	<u>5,354,330</u>	<u>5,245,535</u>	<u>5,214,865</u>	<u>5,101,395</u>
Total operating expenses	<u>30,081,273</u>	<u>29,281,651</u>	<u>27,977,602</u>	<u>27,703,599</u>	<u>26,797,503</u>
Operating Income	5,865,471	5,172,203	5,068,411	3,665,501	6,547,580
Total Nonoperating Revenues (Expenses)	<u>(1,378,621)</u>	<u>(1,631,195)</u>	<u>(2,096,964)</u>	<u>(2,443,767)</u>	<u>(2,240,240)</u>
Income Before Capital Contributions	4,486,850	3,541,008	2,971,447	1,221,734	4,307,340
Other Revenues	<u>381,780</u>	<u>292,480</u>	<u>44,742</u>	<u>81,270</u>	<u>500,000</u>
Increase in Net Position	4,868,630	3,833,488	3,016,189	1,303,004	4,807,340
Net Position, January 1	<u>202,603,582</u>	<u>198,770,094</u> ¹	<u>205,839,221</u>	<u>204,536,217</u>	<u>199,728,877</u>
Net Position, December 31	<u>\$ 207,472,212</u>	<u>\$ 202,603,582</u>	<u>\$ 208,855,410</u>	<u>\$ 205,839,221</u>	<u>\$ 204,536,217</u>

¹Includes GASB 68 adjustment for beginning balance of net pension liability of \$10,085,316.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The following table illustrates Pueblo Water's General Fund 2016 Budget compared to actual as well as the 2017 Budget:

GENERAL FUND BUDGET SUMMARY AND COMPARISON

	2016 <u>BUDGET</u>	2016 <u>ACTUAL</u>	2017 <u>BUDGET</u>
OPERATING REVENUES			
Water sales - Metered	\$ 22,871,062	\$ 23,993,983	\$ 23,661,753
Water sales - Utility Private	5,715,209	5,715,280	5,900,953
Water sales - Raw water	2,066,986	2,266,558	2,438,581
Water sales - Utility Public	1,108,550	1,108,550	1,144,578
Taps and meters	55,000	71,347	55,000
Material sales	55,000	175,432	55,000
Main assessments	10,000	5,460	10,000
Fire protection - public	9,365	10,261	9,365
Discounts	1,500	1,675	1,500
Rental income	24,516	27,837	25,329
Late field reading fee	7,000	16,700	7,000
Turn-on fee	70,000	69,720	70,000
Check processing fee	15,000	15,761	15,000
Field collection fee	1,500	1,270	1,500
Missed appointment fee	1,500	1,760	1,500
Finance charges	1,000	25,685	1,000
Miscellaneous	40,000	266,822	75,000
Service line protection plan	420,000	426,981	420,000
Plant water investment fee	250,000	654,670	350,000
Insurance recovery	10,000	95	10,000
Comanche operations and maintenance reimbursement	550,000	540,290	500,000
Busk-Ivanhoe administration fee	25,000	25,000	25,000
Wastewater billing reimbursement	435,569	435,180	449,725
Stormwater billing reimbursement	<u>188,410</u>	<u>188,880</u>	<u>194,533</u>
Total operating revenue	33,932,167	36,045,197	35,422,317
NONOPERATING REVENUES	<u>4,777,455</u> ¹	<u>1,119,075</u> ²	<u>4,538,569</u> ³
Total revenue	<u>\$ 38,709,622</u>	<u>\$ 37,164,272</u>	<u>\$ 39,960,886</u>
EXPENDITURES			
Personnel Services	\$ 14,752,821	\$ 14,348,197	\$ 15,456,883
Operation and Maintenance	10,541,500	9,870,747	11,057,611
Capital Outlay and Interfund Transfers	<u>13,415,301</u>	<u>12,945,328</u>	<u>13,466,392</u>
Total expenditures	<u>\$ 38,709,622</u>	<u>\$ 37,164,272</u>	<u>\$ 39,980,886</u>

¹Includes \$ 4,612,503 in contributions from reserve

²Includes \$ 951,281 in contributions from reserve

³Includes \$ 4,369,172 in contributions from reserve

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Budgetary Process

Pueblo Water's budget is determined by a variety of methods. The process begins in early August when divisional budget requests are submitted to the Director of Administrative Services. These requests are reviewed by senior management and subsequently used by the Director of Administrative Services to prepare a preliminary budget. The preliminary budget is then submitted to the Executive Director for his review and input. In early October the preliminary budget is submitted to the Board of Directors for their input at which time it is made available for public inspection. The final budget, including all appropriate resolutions, is usually adopted at Pueblo Water's November Board meeting, and subsequently submitted to the State of Colorado Department of Local Affairs.

Currently Known Facts, Decisions or Conditions

This section outlines currently known facts, decisions, or conditions as of the date of the auditor's report that may have an effect on Pueblo Water's financial position (net position) or results of operations (revenue, expenses, and other changes in net position).

Below is a summary of material capital projects, not otherwise mentioned, Pueblo Water anticipates will be completed in 2017:

- Main improvement or expansion projects totaling \$2.11 million.
- Infrastructure related to the Filter Plant Generator totaling \$1.1 million.
- ERP software \$1.0 million.

Pueblo Water has met its goal to convert all meters to AMR by 2016. It is expected that these costs will continue as Pueblo Water plans to replace AMR meters every 10 to 12 years.

Requests for Information

This report is provided as a general overview of Pueblo Water's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Director of Administrative Services
Board of Water Works of Pueblo, Colorado
P. O. Box 400
Pueblo, CO 81002-0400

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATEMENTS OF NET POSITION
DECEMBER 31, 2016 AND 2015

ASSETS			LIABILITIES AND NET POSITION		
	2016	2015		2016	2015
CURRENT ASSETS			CURRENT LIABILITIES		
Cash on hand and in banks (Note 2)	\$ 1,982,073	\$ 5,068,771	Current maturities of long-term debt (Notes 8 & 9)	\$ 3,388,434	\$ 3,287,369
Cash investments (Note 2)			Current maturities of obligation under capital lease (Note 10)	4,185	-
Money market funds	12,850,010	5,976,835	Accounts payable (Note 16)	4,319,089	4,290,480
Certificates of deposit	6,343,310	8,026,413	Retainage withheld on construction contracts	46,606	41,227
Accounts receivable (Note 3)			Construction deposit	120,685	-
Customers--net of provision for			Current portion of accrued vacation payroll (Note 14)	367,157	371,780
uncollectible accounts of			Customer meter deposits	864,295	924,765
\$ 24,671 and \$ 24,555	3,888,608	3,711,720	Unearned revenue	168,123	162,830
Inventories	1,226,907	856,687	Accrued liabilities		
Prepaid items	410,631	204,946	Payroll	260,979	251,608
Accrued interest receivable	48,710	42,899	Interest	26,178	27,736
Total current assets	<u>26,750,249</u>	<u>23,888,271</u>	Sales taxes	749	604
			Total current liabilities	<u>9,566,480</u>	<u>9,358,399</u>
RESTRICTED ASSETS					
Cash investments (Note 2)			LONG-TERM LIABILITIES		
Money market funds	2,130,414	1,999,591	Revenue bonds (Notes 8 & 9)		
Accrued interest receivable	34,948	34,948	(net of current maturities-- \$3,035,000 and \$2,950,000)	35,930,000	38,965,000
Long-term investments	<u>2,388,642</u>	<u>2,469,362</u>	Unamortized bond premium	782,810	939,372
Total restricted assets	<u>4,554,004</u>	<u>4,503,901</u>	Loan and repayment contract (Notes 8 & 9)		
			(net of current maturities--\$353,434 and \$337,369)	5,424,684	5,778,118
CAPITAL ASSETS (NOTE 4)			Obligation under capital lease (Note 10)		
Land	2,284,590	2,284,590	(net of current maturites--\$4,185)	15,834	-
Infrastructure	125,722,218	123,112,260	Net pension liability (Note 11)	11,405,791	11,383,806
Buildings	72,618,879	72,281,605	Accrued sick leave and vacation payroll (Note 14)		
Machinery and equipment	38,402,907	38,497,740	(net of current portion--\$367,157 and \$371,780)	2,315,877	2,334,059
Water rights	98,585,769	98,585,769	Accrued payroll taxes on accrued sick leave and vacation payroll	205,252	206,997
Intangible software	9,566	9,566	Other postemployment benefits (Note 13)	<u>565,988</u>	<u>453,634</u>
Construction in progress	<u>2,700,378</u>	<u>914,431</u>	Total long-term liabilities	<u>56,646,236</u>	<u>60,060,986</u>
	340,324,307	335,685,961			
Less accumulated depreciation and amortization	<u>107,009,904</u>	<u>102,444,519</u>	LIABILITIES PAYABLE FROM RESTRICTED		
Total capital assets	<u>233,314,403</u>	<u>233,241,442</u>	ASSETS (NOTE 17)	<u>334,957</u>	<u>354,394</u>
OTHER NONCURRENT ASSETS			Total liabilities	<u>66,547,673</u>	<u>69,773,779</u>
Long-term investments (Note 2)	<u>8,266,240</u>	<u>9,254,872</u>			
			DEFERRED INFLOWS OF RESOURCES		
Total assets	<u>272,884,896</u>	<u>270,888,486</u>	Deferred revenue (Note 7)	<u>317,381</u>	<u>341,250</u>
DEFERRED OUTFLOWS OF RESOURCES (NOTE 5)			NET POSITION		
Unamortized discount	6,279	7,413	Net investment in capital assets (Note 21)	188,344,588	184,962,820
Net difference between projected and actual earnings			Restricted for debt service	4,219,047	4,149,507
on pension plan investments	876,238	1,138,888	Unrestricted	<u>14,908,577</u>	<u>13,491,255</u>
Deferred amount on refunding	<u>569,853</u>	<u>683,824</u>	Total net position	<u>\$ 207,472,212</u>	<u>\$ 202,603,582</u>
Total deferred outflows of resources	<u>\$ 1,452,370</u>	<u>\$ 1,830,125</u>			

The accompanying notes are an integral part of the financial statements

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES	\$ 35,946,744	\$ 34,453,854
OPERATING EXPENSES		
Personnel services and operation and maintenance		
Source of supply, pumping, treatment and distribution	11,496,618	11,153,896
General and administrative	11,105,239	10,657,272
Customer Service	2,106,660	2,116,153
Depreciation and amortization	<u>5,372,756</u>	<u>5,354,330</u>
Total operating expenses	<u>30,081,273</u>	<u>29,281,651</u>
NET OPERATING REVENUE	<u>5,865,471</u>	<u>5,172,203</u>
NONOPERATING REVENUES AND (EXPENSES)		
Investment income		
Interest income	305,398	260,054
Realized gain (loss) on investments	(1,145)	9,321
Unrealized gain (loss) on investments	(79,155)	(98,475)
Sale of assets	42,738	1,702
Interest expense on bonded indebtedness	(1,644,464)	(1,803,797)
Interest expense on capital lease obligation	<u>(1,993)</u>	<u>-</u>
Total nonoperating revenues and (expenses)	<u>(1,378,621)</u>	<u>(1,631,195)</u>
INCOME BEFORE OTHER REVENUES	4,486,850	3,541,008
OTHER REVENUES		
Contributions to capital assets (Note 22)	<u>381,780</u>	<u>292,480</u>
INCREASE IN NET POSITION	4,868,630	3,833,488
NET POSITION, JANUARY 1 (Note 24)	<u>202,603,582</u>	<u>198,770,094</u>
NET POSITION, DECEMBER 31	<u>\$ 207,472,212</u>	<u>\$ 202,603,582</u>

The accompanying notes are an integral part of the financial statements

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 34,774,978	\$ 33,543,959
Payments to employees	(9,876,430)	(9,755,179)
Payments to suppliers	(12,070,985)	(10,555,277)
Other receipts (payments)	<u>(1,582,283)</u>	<u>(1,536,501)</u>
Net cash provided by operating activities	<u>11,245,280</u>	<u>11,697,002</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest paid on meter deposits	<u>(2,444)</u>	<u>(3,036)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(5,370,205)	(4,086,345)
Proceeds from sales of capital assets	47,628	7,000
Proceeds from revenue bonds, net	-	17,484,512
Proceeds from capital lease obligation	23,509	-
Principal payments on revenue bonds and notes	(3,287,369)	(20,227,014)
Principal payments on capital lease obligation	(3,490)	-
Interest payments on revenue bonds and notes	(1,705,358)	(2,274,626)
Interest payments on capital lease obligation	<u>(1,993)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(10,297,278)</u>	<u>(9,096,473)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,010,948)	(4,340,010)
Maturities of investments	3,000,000	1,270,000
Interest received on investments	<u>299,587</u>	<u>262,736</u>
Net cash provided by (used for) investing activities	<u>1,288,639</u>	<u>(2,807,274)</u>
NET INCREASE (DECREASE) IN CASH	2,234,197	(209,781)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>21,071,610</u>	<u>21,281,391</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 23,305,807</u>	<u>\$ 21,071,610</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
REPRESENTED BY		
Cash on hand and in banks	\$ 1,982,073	\$ 5,068,771
Money market funds	12,850,010	5,976,835
Certificates of deposit	6,343,310	8,026,413
Restricted assets		
Money market funds	<u>2,130,414</u>	<u>1,999,591</u>
 Total	 <u>\$ 23,305,807</u>	 <u>\$ 21,071,610</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH		
PROVIDED BY OPERATING ACTIVITIES		
Net operating revenue	\$ 5,865,471	\$ 5,172,203
Adjustments to reconcile net operating revenue		
to net cash provided by operating activities		
Depreciation and amortization	5,372,756	5,354,330
Loss on abandonment of assets	241,875	138,328
Noncash portion of pension expense	284,635	159,602
Amortization of deferred revenue	(23,869)	(23,869)
Interest on meter deposits	886	886
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(176,888)	(28,745)
(Increase) decrease in inventories	(370,220)	178,802
(Increase) decrease in prepaid items	(205,685)	20,859
Increase (decrease) in accrued sick leave		
and vacation payroll	(22,805)	76,363
Increase (decrease) in accrued payroll taxes		
on accrued sick leave and vacation payroll	(1,745)	5,842
Increase (decrease) in unearned revenue	5,293	14,067
Increase (decrease) in accounts payable	214,176	500,797
Increase (decrease) in customer meter deposits	(60,470)	17,470
Increase (decrease) in accrued liabilities	9,516	(2,287)
Increase (decrease) in other postemployment benefits	<u>112,354</u>	<u>112,354</u>
Net cash provided by operating activities	<u>\$ 11,245,280</u>	<u>\$ 11,697,002</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contributions to utility plant from various developer installed facilities and other governments for 2016 and 2015 were \$381,780 and \$ 292,480, respectively.

The accompanying notes are an integral part of the financial statements

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The five member board (“Elected Board”) of the Board of Water Works of Pueblo, Colorado (“Pueblo Water”) is elected by the citizens of Pueblo and operates a municipal water works system that provides water service to the City of Pueblo, Colorado and adjacent areas. The City’s charter provides that title to the properties of the system is in the name of the City of Pueblo, Colorado, but that the entire control, management and operation of the system shall be exercised by Pueblo Water, over which the City Council shall have no jurisdiction or control. In addition, the charter provides that the City of Pueblo, Colorado shall adopt all ordinances requested by Pueblo Water which shall be reasonably necessary in the management of the system.

Pueblo Water’s mission statement commits the utility to provide the highest quality of water at the lowest possible cost, with an equal commitment to the work force that helps achieve that goal. The utility strives to create and maintain an environment that encourages and recognizes teamwork, individual contribution, and the integrity of each employee.

In November 1995, voters approved an amendment to the Charter of the City of Pueblo, Colorado that makes explicit the fact that Pueblo Water does not have directly, or indirectly, the right to levy taxes. Throughout its history, Pueblo Water has never levied taxes, always operating from revenues raised from the provision of water to the citizens of Pueblo, other municipalities, and to industries and farmers.

By removing the authority to levy taxes, the voters affirmed the enterprise status in relation to Amendment One, also known as the Taxpayer’s Bill of Rights (TABOR). Amendment One was never intended to apply to enterprise activities such as Pueblo Water but some confusion existed as to whether a governmental entity having the ability to levy a tax could also be considered an exempt entity under TABOR provisions. Pueblo Water’s status is now very clear following the citizens’ affirmative vote.

Pueblo Water has a five-member governing body, which is elected by the citizens of Pueblo for overlapping six-year terms. In evaluating how to define Pueblo Water, for financial reporting purposes, management has considered all potential component units. In accordance with Governmental Accounting Standards Board (“GASB”) Statements No. 14, *The Financial Reporting Entity*, and 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, Pueblo Water is classified as an “other stand-alone government” since Pueblo Water is a legally separate and distinct entity from the City of Pueblo under the Charter of the City, and the City is not financially accountable for Pueblo Water.

Pueblo Water has no component units as defined in GASB Statements No. 14 and 39 and amended by Statement No. 61. However, Pueblo Water is party to an Intergovernmental Agreement with the City of Aurora, Colorado forming the Busk-Ivanhoe Water System Authority (originally referred to as the Busk-Ivanhoe Water System). The Busk-Ivanhoe Water System was originally created in 1971 as a joint venture, when Pueblo Water and the City of Aurora, Colorado each bought approximately fifty percent of the water rights of the High Line Canal Company. Although originally no formal organization was established, the System was created as a joint venture between the two purchasers for the purpose of maintaining the water collection system and collecting and distributing the water pertaining to the water rights acquired by the two parties. Effective January 1, 2008, an Intergovernmental Agreement was established to create the Busk-Ivanhoe Water System Authority as a governmental entity separate from Pueblo Water and Aurora, pursuant to Section 18(2)(a) and (b) of Article XIV, Constitution of the State of Colorado, and to Part 2 of Article 1 of Title 29, Colorado Revised Statutes, to effect the development, operation, maintenance, and capital improvement of the Busk-Ivanhoe Water System. Pueblo Water and the City of Aurora each pay an annual assessment to the Authority. For the years ended December 31, 2016 and 2015, Pueblo Water and the City of Aurora paid assessments of \$250,000 and \$160,000, respectively. Complete financial statements for the Busk-Ivanhoe Water System Authority can be obtained from Pueblo Water.

Measurement Focus and Basis of Accounting

Pueblo Water’s financial statements are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the statement of net position, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

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Accounting Standards

Pueblo Water applies all applicable pronouncements of the GASB.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual Budget

Pueblo Water annually adopts a budget for the following year. This process begins in early August when divisional budget requests are submitted to the Director of Administrative Services. These requests are reviewed by senior management, following which the Director of Administrative Services prepares a preliminary budget for the entire entity and submits it to the Executive Director for his review and input in relation to the anticipated revenues and Pueblo Water's ten year plan. In early October, the preliminary budget is submitted to the Elected Board for its input, and it is also made available for public inspection at that time. The final budget, including all of the appropriate resolutions, is usually adopted at the Elected Board's November meeting, and it is then submitted to the State of Colorado Department of Local Affairs. The actual results of operations are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the budget. For purposes of preparing budget comparisons in this report, actual results of operations have been adjusted to a basis consistent with the budgeted revenues and expenditures.

Restricted for Debt Service

Net assets restricted for debt service consist of the revenue bonds debt service fund included in cash investments. The revenue bonds debt service fund is used to pay principal and interest on the revenue bonds as they come due.

Cash

For purposes of the statements of cash flows, certificates of deposit and money market funds are considered to be cash equivalents.

Investments

Pueblo Water's investments consist of U.S. Treasury and agency notes and bonds. The method of valuation for all investments is fair market value.

Materials and Supplies Inventory

Inventories are valued on the weighted average method, which approximates lower of cost or market.

Capital Assets

Purchased and constructed capital assets are recorded at cost. Donated capital assets are recorded at their estimated fair market value on the date received. Net interest costs incurred during periods of construction are capitalized as part of the cost of the asset. Assets are capitalized if they have a cost of \$5,000 or more and have a useful life of more than one year. Depreciation or amortization of capital assets is computed on the straight-line method based on estimated service lives of properties by classes. Estimated useful lives used in computing depreciation or amortization are as follows:

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	<u>Years</u>
Structures and improvements, reservoirs, intakes and mains	40-50
Pumping equipment	40
Meters, valves, hydrants, taps, water treating equipment and wells	25
Heavy equipment, office furniture and equipment, computer equipment, pump plant controller, cathodic protection for lines and tanks, miscellaneous department equipment	5-10
Transportation equipment	4
Intangible software	10

Maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized and depreciated or amortized. At the time of retirement or disposition of depreciable property, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected in either operating expense (loss) or nonoperating revenues (gain).

Costs of certain engineering, feasibility, environmental and other studies are capitalized until the related projects become operational. When projects become operational, the costs are transferred to property, plant, and equipment and depreciated over the estimated useful life of the asset. In the event the projects do not become operational or the costs do not benefit future projects, all accumulated costs are expensed in the period such determination is made.

Reclassifications

Certain reclassifications have been made to conform prior year's information to the current year presentation.

Capital Contributions

Capital contributions consist of capital infrastructure received from property owners, governmental agencies, and customers who receive benefit from such assets. Contributions are recognized in the statement of revenues, expenses, and changes in net assets as capital contributions, when earned. Contributions are recognized at fair market value at the time of contribution.

Employee Compensated Absences

Pueblo Water's policy is to accrue as an expense and liability employee vacation, sick leave and other compensated absences when the employee vests in such benefits.

Pensions

For purposes of measuring the net pension liability and deferred outflows/ inflows of resources related to pensions, and pension expense, information about the net position of the Retirement Plan for Employees of the Board of Water Works of Pueblo, Colorado (Plan) and additions to/ deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair market value.

Operating Revenues and Expenses

Operating revenues consist primarily of charges to customers for potable and non-potable water. Operating expenses consist of the cost of providing water, including administrative expenses and depreciation on capital assets and amortization. All other revenues and expenses are classified as nonoperating. Unbilled revenue, which results from cycle billing practices, is recorded in the following year.

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Rates and Fees

Consumption and service charges:

On November 15, 2016, Pueblo Water approved a rate increase, effective January 1, 2017, of 3.25%.

On November 17, 2015, Pueblo Water approved a rate increase, effective January 1, 2016, of 3.00%.

Plant Water Investment Fees:

On December 20, 2016, Pueblo Water approved a rate increase, effective May 1, 2017, of 3.25%.

On December 8, 2015, Pueblo Water approved a rate increase, effective May 1, 2016, of 3.00%.

Employee Relations

Pueblo Water and Local 1045 of the American Federation of State, County and Municipal Employees (AFL-CIO) adopted a working policy for the period of January 1, 2017 through December 31, 2017. Approximately 69% of the Board's employees are members of Local 1045.

Recently Issued Accounting Standards

In 2016, Pueblo Water implemented GASB Statement No. 72, *Fair Value Measurement and Application*. Because Pueblo Water was already reporting investments at fair value, the primary effect of the implementation was additional note disclosures. See Note 2, *Deposits and Investments*.

In 2015, Pueblo Water implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27*. This statement replaced the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The most significant impact of this statement was to record the net pension liability.

Note 2 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, Pueblo Water's deposits may not be returned. All Pueblo Water deposits are either insured by FDIC or covered by the Colorado Public Deposit Protection Act ("PDPA") and are therefore not exposed to custodial credit risk. The PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by the State of Colorado. Amounts in excess of Federal insurance must be collateralized. The eligible collateral is determined by the Public Deposit Protection Act. This act allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Cash investments shown as restricted assets on the statement of net position consist of funds restricted for the service of long-term debt.

Colorado Statutes and Pueblo Water's investment policy authorize Pueblo Water to purchase the following type of investments:

- U.S. Government direct obligations and unconditionally guaranteed federal agency securities
- Other Federal agency securities that have a liquid market with a readily determinable market value
- Certificates of deposit at financial institutions
- Commercial paper, rated in the highest tier
- Investment-grade obligations of state, provincial and local governments and public authorities
- Money market mutual funds and local government investment pools

Pueblo Water's investments (current and long-term) at December 31, 2016 and 2015, and their maturities were as follows:

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Current and Long-Term Investments As of December 31, 2016				
Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 - 5	6 - 10
U.S. agencies	\$ 10,654,882	\$ -	\$ 10,654,882	\$ -
Money market funds (not considered securities)	14,980,424	14,980,424	-	-
Certificates of deposit	6,343,310	6,343,310	-	-
Total	<u>\$ 31,978,616</u>	<u>\$ 21,323,734</u>	<u>\$ 10,654,882</u>	<u>\$ -</u>

For purposes of the statement of cash flows, certificates of deposit and money market funds are considered to be cash equivalents

Current and Long-Term Investments As of December 31, 2015				
Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 - 5	6 - 10
U.S. agencies	\$ 11,724,234	\$ -	\$ 11,724,234	\$ -
Money market funds (not considered securities)	7,976,426	7,976,426	-	-
Certificates of deposit	8,026,413	8,026,413	-	-
Total	<u>\$ 27,727,073</u>	<u>\$ 16,002,839</u>	<u>\$ 11,724,234</u>	<u>\$ -</u>

For purposes of the statement of cash flows, certificates of deposit and money market funds are considered to be cash equivalents

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, Pueblo Water's investment policy provides for structuring the portfolio so that securities mature concurrent with cash flow requirements. Unless matched to a specific cash flow, Pueblo Water will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk

Pueblo Water limits the purchase of commercial paper and corporate bonds to those rated in the highest tier by a nationally recognized rating agency. As of December 31, 2016 and 2015, Pueblo Water had no direct investments in commercial paper or corporate bonds. While the Insured Cash Sweep (ICS) and the Stifel Insured Bank Program are not rated money market funds, they are fully insured by the FDIC. As of December 31, 2016 and 2015, Pueblo Water had the following money market fund investments:

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Money Market Fund	2016	2015	Ratings		
			Moody's	Fitch	S&P
Colostrust Plus+	\$ 13,927,626	\$ 2,466,827	Aaa	AAA/V1	AAAm
ICS	98	4,808,851	n/a	n/a	n/a
Stifel Insured Bank Program	11,544	7,521	n/a	n/a	n/a
WF Prime Invest MM Fund	<u>1,041,156</u>	<u>693,227</u>	Aaa	n/a	AAAm
Total	<u>\$ 14,980,424</u>	<u>\$ 7,976,426</u>			

Concentration of Credit Risk

Pueblo Water places no limit on the amount invested in any one issuer. The amount of investments that represent 5% or more of Pueblo Water's investments as of December 31, 2016 (\$1,598,931) can be determined from the above information.

Fair Value

Pueblo Water categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs. Pueblo Water has the following recurring fair value measurements as of December 31, 2016 and 2015:

Investments Measured at Fair Value As of December 31, 2016				
	12/31/2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. agencies	<u>\$ 10,654,882</u>	<u>\$ -</u>	<u>\$ 10,654,882</u>	<u>\$ -</u>
Money market funds (measured at net asset value)	14,980,424			
Certificates of deposit	<u>6,343,310</u>			
Total money market funds and certificates of dep	<u>\$ 21,323,734</u>			
Total investments	<u>\$ 31,978,616</u>			
Investments Measured at Fair Value As of December 31, 2015				
	12/31/2015	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investment by fair value level:				
U.S. agencies	<u>\$ 11,724,234</u>	<u>\$ -</u>	<u>\$ 11,724,234</u>	<u>\$ -</u>
Money market funds (measured at net asset value)	7,976,426			
Certificates of deposit	<u>8,026,413</u>			
Total money market funds and certificates of dep	<u>\$ 16,002,839</u>			
Total investments	<u>\$ 27,727,073</u>			

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Note 3 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2016 and 2015 were as described below. Receivables for City charges include wastewater and stormwater fees for which Pueblo Water bills, collects and remits to the City on a monthly basis. The uncollected sewer and stormwater fees charged to customers are carried as a receivable, and unremitted and uncollected sewer and stormwater fees are carried as a liability on the statement of net position. Other receivables include, non-potable water sales and construction related receivables. The allowance for uncollectible accounts is computed at one percent of customer receivables without considering receivables for City charges and customer overpayments at year end.

<u>Accounts Receivable</u>		
	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Receivables for treated water sales	\$ 728,675	\$ 766,990
Receivables for City charges	1,544,611	1,391,683
Receivables for nonpotable water sales	1,011,656	966,818
Other receivables	628,337	610,784
Allowance for uncollectible accounts	<u>(24,671)</u>	<u>(24,555)</u>
Total	<u>\$ 3,888,608</u>	<u>\$ 3,711,720</u>

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Note 4 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2016 and 2015 were as follows:

Capital Assets For the Year Ended December 31, 2016				
	December 31, 2015	Additions & Transfers	Sales & Retirements	December 31, 2016
<u>Capital assets not being depreciated or amortized:</u>				
Land	\$ 2,284,590	\$ -	\$ -	\$ 2,284,590
Water Rights	98,585,769	-	-	98,585,769
Construction in progress	914,431	1,909,837	(123,890)	2,700,378
Total capital assets not being depreciated	<u>101,784,790</u>	<u>1,909,837</u>	<u>(123,890)</u>	<u>103,570,737</u>
<u>Capital assets being depreciated or amortized:</u>				
Buildings and improvements	72,281,605	337,274	-	72,618,879
Infrastructure	123,112,260	3,055,286	(445,328)	125,722,218
Intangible software	9,566	-	-	9,566
Machinery and equipment	38,497,740	513,974	(608,807)	38,402,907
Total capital assets being depreciated	<u>233,901,171</u>	<u>3,906,534</u>	<u>(1,054,135)</u>	<u>236,753,570</u>
<u>Less accumulated depreciation and amortization:</u>				
Buildings and improvements	(29,818,231)	(1,417,486)	-	(31,235,717)
Infrastructure	(54,673,893)	(2,609,159)	213,236	(57,069,816)
Intangible software	(4,304)	(957)	-	(5,261)
Machinery and equipment	(17,948,091)	(1,345,154)	594,135	(18,699,110)
Total accumulated depreciation	<u>(102,444,519)</u>	<u>(5,372,756)</u>	<u>807,371</u>	<u>(107,009,904)</u>
Total capital assets being depreciated, net	<u>131,456,652</u>	<u>(1,466,222)</u>	<u>(246,764)</u>	<u>129,743,666</u>
Total capital assets, net	<u>\$ 233,241,442</u>	<u>\$ 443,615</u>	<u>\$ (370,654)</u>	<u>\$ 233,314,403</u>

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Capital Assets For the Year Ended December 31, 2015				
	December 31, 2014	Additions & Transfers	Sales & Retirements	December 31, 2015
<u>Capital assets not being depreciated or amortized:</u>				
Land	\$ 2,284,590	\$ -	\$ -	\$ 2,284,590
Water Rights	98,585,769	-	-	98,585,769
Construction in progress	614,474	445,834	(145,877)	914,431
Total capital assets not being depreciated	<u>101,484,833</u>	<u>445,834</u>	<u>(145,877)</u>	<u>101,784,790</u>
<u>Capital assets being depreciated or amortized:</u>				
Buildings and improvements	71,579,921	701,684	-	72,281,605
Infrastructure	120,550,082	2,730,844	(168,666)	123,112,260
Intangible software	9,566	-	-	9,566
Machinery and equipment	38,475,214	346,597	(324,071)	38,497,740
Total capital assets being depreciated	<u>230,614,783</u>	<u>3,779,125</u>	<u>(492,737)</u>	<u>233,901,171</u>
<u>Less accumulated depreciation and amortization:</u>				
Buildings and improvements	(28,402,578)	(1,415,653)	-	(29,818,231)
Infrastructure	(52,214,173)	(2,544,288)	84,568	(54,673,893)
Intangible software	(3,348)	(956)	-	(4,304)
Machinery and equipment	(16,819,201)	(1,393,433)	264,543	(17,948,091)
Total accumulated depreciation	<u>(97,439,300)</u>	<u>(5,354,330)</u>	<u>349,111</u>	<u>(102,444,519)</u>
Total capital assets being depreciated, net	<u>133,175,483</u>	<u>(1,575,205)</u>	<u>(143,626)</u>	<u>131,456,652</u>
Total capital assets, net	<u>\$ 234,660,316</u>	<u>\$ (1,129,371)</u>	<u>\$ (289,503)</u>	<u>\$ 233,241,442</u>

Note 5 – DEFERRED OUTFLOWS OF RESOURCES

Pueblo Water has three items, two of which are included in net investment in capital assets, which are classified as deferred outflows of resources under GASB statement No. 65. In connection with the loan agreement with Colorado Water Resources and Power Development Authority for \$9,558,795 (see note 8 for further details), Pueblo Water received an original discount of \$25,212. The unamortized portion of the discount as of December 31, 2016 and 2015 was \$6,279 and \$7,413, respectively. Included with the May 3, 2005 issuance of \$28,575,000 in Water Revenue Refunding Bonds, Pueblo Water recorded an original deferred amount on refunding of \$2,574,088. The unamortized portion of the deferred amount on refunding as of December 31, 2014 was \$1,066,036. As explained further in note 8, these bonds were refunded in 2015 and consequently the unamortized portion of the original deferred amount on refunding became a part of the calculation for the deferred amount on refunding of the refunding bonds issued in 2015. In connection with the August 6, 2015 issuance of \$16,430,000 in Water Revenue Refunding Bonds, Pueblo Water recorded an original deferred amount on refunding of \$731,312. The unamortized portion of the deferred amount on refunding as of December 31, 2016 and 2015 was \$569,853 and \$683,824, respectively.

As detailed in Note 11, Pueblo Water implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27*. The pronouncement requires Pueblo Water to record the net difference between projected and actual earnings on pension plan investments as a deferred outflow on the statement of net position.

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Note 6 – RISK MANAGEMENT

Pueblo Water is exposed to various risks of losses including torts, general liability (limited under the Colorado Governmental Immunity Act to \$350,000 per person and \$990,000 per occurrence), and property damage. It is the policy of Pueblo Water to purchase commercial insurance, including worker's compensation, for the risks of loss to which it is exposed. Under this arrangement, Pueblo Water assumes the risk for the amount of loss where sound risk management principles and prior loss experience indicate a premium savings greater than exposures assumed.

Note 7 – DEFERRED REVENUE

In 1990 and 1995, Pueblo Water acquired water rights from the State of Colorado and the City of Pueblo, Colorado, respectively, in exchange for supplying a certain amount of water each future year. In 1992 and 2004, Pueblo Water acquired water rights from individuals in exchange for supplying a certain amount of water each future year. The value of these water rights was determined based upon the fair market value of the rights acquired. The deferred income from these acquisitions is being amortized over forty years and pursuant to GASB statement No. 65 is classified as a deferred inflow of resources.

Note 8 – BONDS PAYABLE

Revenue Bonds

The bond agreements contain various restrictive covenants and requirements, including a rate covenant, maintenance of a three month operating reserve, debt service requirements and compliance with an additional bond and /or indebtedness test.

Series 2015

On August 6, 2015, Pueblo Water issued \$16,430,000 in Water Revenue Refunding Bonds; Series 2015 with interest rates between 2% and 4%, to advance refund Pueblo Water's outstanding Water Revenue Refunding Bonds, Series 2005, originally issued in the principal amount of \$28,575,000. The Series 2005 which mature on or after November 1, 2015 in the aggregate amount of \$17,075,000, with interest rates between 4.5% and 5%, were refunded. The net proceeds of \$17,434,606.50 were used to purchase U.S. government securities. Those securities were deposited with Wells Fargo Bank, the escrow agent, to provide all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt.

Series 2009

On October 22, 2009, Pueblo Water issued \$25,870,000 in Taxable Water Revenue Bonds (Build America Bond – Direct Payment to Issuer); Series 2009 were issued in three term bonds with rates between 4.3% and 5.7%. The Bonds were issued, together with proceeds from the sale of the Columbine Ditch, to purchase water rights from various shareholders of the Bessemer Irrigating Ditch Company. Interest payments are due semi-annually on May 1 and November 1 through 2029 with principal payments due annually on November 1.

Series 2005

On May 3, 2005, Pueblo Water issued \$28,575,000 in Water Revenue Refunding Bonds; Series 2005 with interest rates between 3.5% and 5.25%, to advance refund a portion of Pueblo Water's outstanding Water System Improvement Revenue Bonds, Series 2000A, originally issued in the principal amount of \$38,885,000. The Series 2000A Bonds which mature on or after November 1, 2011 in the aggregate amount of \$27,195,000, with interest rates between 5.75% and 6.0%, were refunded. The Series 2000A Bonds maturing in the years 2005 through 2010 were not refunded. The net proceeds of \$29,699,885 were used to purchase U.S. government securities. Those securities were deposited with American National Bank, the escrow agent, to provide all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt. Effective December 15, 2009, Pueblo Water removed American National Bank as paying agent for the 2005 series and hired Wells Fargo Bank, National Association as paying agent. As stated above \$17,075,000 of these bonds were advance refunded on August 6, 2015. The amount of defeased debt outstanding as of December 31, 2016 and 2015 was \$14,540,000 and \$17,075,000, respectively.

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A summary of debt maturity for the revenue bonds as of December 31, 2016, is as follows:

Revenue Bonds As of December 31, 2016				
<u>Year of Maturity:</u>	<u>Principal</u>	<u>Interest</u>	<u>35% BAB Tax Subsidy</u>	<u>Total</u>
Current	\$ 3,035,000	\$ 1,778,900	\$ (478,433)	\$ 4,335,467
Long-term:				
2018	3,130,000	1,682,520	(472,262)	4,340,258
2019	3,195,000	1,610,030	(465,791)	4,339,239
2020	3,290,000	1,506,925	(459,244)	4,337,681
2021	3,405,000	1,378,153	(451,378)	4,331,775
2022 - 2026	12,415,000	5,366,880	(1,878,408)	15,903,472
2027 - 2029	10,495,000	1,211,250	(423,937)	11,282,313
	35,930,000	12,755,758	(4,151,020)	44,534,738
Plus premium	782,810	-	-	782,810
Total long-term	36,712,810	12,755,758	(4,151,020)	45,317,548
	<u>\$ 39,747,810</u>	<u>\$ 14,534,658</u>	<u>\$ (4,629,453)</u>	<u>\$ 49,653,015</u>

Loan Agreement

On April 15, 2000, Pueblo Water entered into a loan agreement with Colorado Water Resources and Power Development Authority for \$9,558,795. Interest at 4.60% and principal payments are due semi-annually on February 1 and August 1, through 2022.

A summary of debt maturity for the loan agreement as of December 31, 2016, is as follows:

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Loan Agreement
As of December 31, 2016

	Principal	Interest	Total
<u>Year of Maturity:</u>			
Current	\$ 353,434	\$ 272,940	\$ 626,374
Long-term:			
2018	364,145	255,348	619,493
2019	380,210	242,551	622,761
2020	396,274	229,164	625,438
2021	412,340	215,178	627,518
2022	3,871,715	199,472	4,071,187
Total long-term	5,424,684	1,141,713	6,566,397
	<u>\$ 5,778,118</u>	<u>\$ 1,414,653</u>	<u>\$ 7,192,771</u>

Note 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2016 was as follows:

Long-Term Liabilities
For the Year Ended December 31, 2016

	December 31, 2015 (Current and Long-Term)	Additions	Reductions	December 31, 2016 (Current and Long-Term)	Due Within One Year
Revenue bonds	\$ 41,915,000	\$ -	\$ (2,950,000)	\$ 38,965,000	\$ 3,035,000
Unamortized bond premium	939,372	-	(156,562)	782,810	-
Loan and repayment contract, net	6,115,487	-	(337,369)	5,778,118	353,434
Capital lease obligation	-	23,509	(3,490)	20,019	4,185
Net pension liability	11,383,806	21,985	-	11,405,791	-
Accrued sick and vacation leave	2,705,839	956,665	(979,470)	2,683,034	367,157
Accrued payroll taxes on accrued leave	206,997	73,184	(74,929)	205,252	-
Other postemployment benefits	453,634	264,791	(152,437)	565,988	-
	63,720,135	<u>\$ 1,340,134</u>	<u>\$ (4,654,257)</u>	60,406,012	<u>\$ 3,759,776</u>
Less current portion	(3,659,149)			(3,759,776)	
Total long-term liabilities	<u>\$ 60,060,986</u>			<u>\$ 56,646,236</u>	

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Note 10 – LEASE

Capital Lease

Pueblo Water has entered into a lease agreement for financing office equipment in February 2016.

This lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of the future minimum lease payments as of the inception date. The present value of the minimum lease payments at the beginning of the lease term, was \$23,509, and Pueblo Water recorded an asset and obligation under capital lease of that amount. The assets acquired under this lease by major asset class, recorded in machinery and equipment, are as follows:

<u>Assets Under Capital Lease</u>			
		<u>December 31,</u>	
		<u>2016</u>	<u>2015</u>
Machinery and equipment	\$	23,509	\$ -
Less: accumulated depreciation		<u>(1,175)</u>	<u>-</u>
	\$	<u>22,334</u>	<u>\$ -</u>

Minimum capital lease payments were \$5,482 during 2016. The following is a schedule by year of future minimum lease payments, together with the present value of the minimum lease payments as of December 31, 2016:

<u>Obligation Under Capital Lease</u>	
<u>As of December 31, 2016</u>	
<u>Year Ending December 31:</u>	
2017	\$ 5,981
2018	5,981
2019	5,981
2020	5,981
2021	<u>497</u>
Total minimum lease payments	24,421
Less interest at 9.904%	<u>(4,402)</u>
Present value of minimum lease payments (obligation under capital lease)	20,019
Less current portion	<u>(4,185)</u>
Total long-term	<u>\$ 15,834</u>

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Note 11 – PENSION PLAN

Plan Description

Pueblo Water contributes to the Retirement Plan for Employees of the Board of Water Works of Pueblo, Colorado, a single-employer defined benefit retirement plan that is administered by LPL Financial, with benefit payments administered by AXA Equitable. The Plan provides retirement benefits to plan members and or their beneficiaries. Members of the Plan include substantially all regular full-time employees of Pueblo Water. The Plan does issue a separate financial report.

Benefits Provided

Pueblo Water provides retirement benefits to eligible employees and beneficiaries. The amount of the ultimate retirement benefit is based upon annual accruals equal to either 2.3% or 2.1% of base monthly salary. Effective April 1, 2015 only those employees who were eligible to retire as of March 31, 2015 continue to accrue at a rate of 2.3% of base monthly salary. The accrual rate for all other employees was reduced to 2.1%. In addition, for those that qualify for annual accruals equal to 2.1% of monthly base salary, future salary increases, for the purpose of calculating the benefit cannot exceed 3.5%. Employees are vested in the Plan after five years of credited service. Members with fifteen years of service are eligible to retire at either age 60 or age 55 with reduced benefits depending on the date they became vested. Members who have either reached age 65 or the total of their age and credited years of service is equal to or greater than 90 are eligible for their full benefit.

The Plan provides the opportunity of a “bonus” based upon the annualized return of the Plan’s investments. If the annualized return for the previous five year period exceeds 7.5%, retirees receive a one-time bonus equal to a minimum of \$100 or a maximum of 3% of the annual pension amount.

Employees Covered

At December 31, 2016, the following employees were covered by the benefit terms of the Plan:

<u>Employees Covered</u>	
Inactive employees or beneficiaries currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>133</u>
Total	<u><u>230</u></u>

Contributions

Pueblo Water’s funding policy is established and may be amended by the Elected Board, which acts as trustee of the Plan. The Plan’s funding policy provides for periodic Pueblo Water contributions of actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due. Pueblo Water solicits an actuary to determine the contribution amounts on a bi-annual basis. These required contributions may vary over time and are not expressed in terms of fixed dollar amounts or as a percentage of annual covered payroll. Plan members are not required to make contributions. It is the intention of Pueblo Water to continue the Plan and make contributions that are necessary to maintain the Plan on a sound actuarial basis. Currently Pueblo Water intends to contribute \$1,300,000 to the plan annually through 2024, then reverting to annual amounts equal to the actuarial required contribution. However, subject to the provisions of Article 10 of the Plan, Pueblo Water may discontinue contributions for any reason at any time. Pueblo Water’s contribution to the Plan for the years ended December 31, 2016 and 2015 was \$1,300,000 each year.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Net Pension Liability

Pueblo Water's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2016, using an actuarial valuation as of January 1, 2015. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions	
Valuation Date	January 1, 2015
Measurement Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	Not explicit
Payroll Growth	3.5%
Projected Salary Increase ¹	.5% to 7.4%
Investment Rate of Return	7.5%
Mortality ²	Varies

¹Includes inflation and varies on age, service and type of employment

²Mortality (Pre-retirement) - Combined RP-2000 mortality tables projected with scale AA to 2028

²Mortality (Post-retirement) - Combined RP-2000 mortality tables projected with scale AA to 2020

²Mortality (Pre-disablement) - 1983 Railroad Board disabled mortality table

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of the Plan's valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%

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BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
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Changes in Net Pension Liability

The changes in the net pension liability are shown below:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance as of December 31, 2015	\$ 29,193,140	\$ 17,809,334	\$ 11,383,806
Changes in the year:			
Service cost	500,567	-	500,567
Interest on the total pension liability	2,166,514	-	2,166,514
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	1,300,000	(1,300,000)
Net investment income	-	1,345,096	(1,345,096)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(1,613,701)	(1,613,701)	-
Net changes	1,053,380	1,031,395	21,985
Balance as of December 31, 2016	\$ 30,246,520	\$ 18,840,729	\$ 11,405,791

Plan fiduciary net position as a percentage
of the total pension liability
Covered-employee payroll
Net pension liability as a percentage
of covered employee payroll

62.29%
\$ 8,934,679
127.66%

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance as of December 31, 2014	\$ 28,112,218	\$ 18,026,902	\$ 10,085,316
Changes in the year:			
Service cost	479,982	-	479,982
Interest on the total pension liability	2,088,627	-	2,088,627
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	1,300,000	(1,300,000)
Net investment income	-	(29,881)	29,881
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(1,487,687)	(1,487,687)	-
Net changes	1,080,922	(217,568)	1,298,490
Balance as of December 31, 2015	\$ 29,193,140	\$ 17,809,334	\$ 11,383,806

Plan fiduciary net position as a percentage
of the total pension liability
Covered-employee payroll
Net pension liability as a percentage
of covered employee payroll

61.01%
\$ 8,629,752
131.91%

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the Plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the Plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the Net Pension Liability to Changes in Discount Rate As of December 31, 2016 Current Single Discount		
1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
<u>\$ 14,314,103</u>	<u>\$ 11,405,791</u>	<u>\$ 8,496,027</u>

Sensitivity of the Net Pension Liability to Changes in Discount Rate As of December 31, 2015 Current Single Discount		
1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
<u>\$ 14,443,985</u>	<u>\$ 11,383,806</u>	<u>\$ 8,746,936</u>

Pension Expenses and Deferred Outflows/ Inflows of Resources

The table below illustrates Pueblo Water's pension expense for the year ended December 31, 2016:

Service cost	\$ 500,567
Interest on the total pension liability	2,166,514
Current-period benefit changes	-
Projected earnings on plan investments (made negative for addition here)	(1,372,686)
Pension Plan Administrative Expense	79,559
Other changes in plan fiduciary net position	-
Recognition of outflow (inflow) of resources due to liabilities	-
Recognition of outflow (inflow) of resources due to assets	290,240
Total pension expense	<u>\$ 1,664,194</u>

The table below illustrates Pueblo Water's pension expense for the year ended December 31, 2015:

Service cost	\$ 479,982
Interest on the total pension liability	2,088,627
Current-period benefit changes	-
Projected earnings on plan investments (made negative for addition here)	(1,393,729)
Pension Plan Administrative Expense	-
Other changes in plan fiduciary net position	-
Recognition of outflow (inflow) of resources due to liabilities	-
Recognition of outflow (inflow) of resources due to assets	284,722
Total pension expense	<u>\$ 1,459,602</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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The tables below illustrate the deferred outflows/ inflows of resources by source and the net deferred outflows of resources to be recognized in future pension expense, respectively.

	As of December 31, 2016		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -
Assumption changes	-	-	-
Net difference between projected and actual earnings on Plan investments	876,238	-	876,238
Total	<u>\$ 876,238</u>	<u>\$ -</u>	<u>\$ 876,238</u>

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 290,240
2018	290,240
2019	290,240
2020	5,518
2021	-
Thereafter	-
Total	<u>\$ 876,238</u>

	As of December 31, 2015		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -
Assumption changes	-	-	-
Net difference between projected and actual earnings on Plan investments	1,138,888	-	1,138,888
Total	<u>\$ 1,138,888</u>	<u>\$ -</u>	<u>\$ 1,138,888</u>

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 284,722
2017	284,722
2018	284,722
2019	284,722
2020	-
Thereafter	-
Total	<u>\$ 1,138,888</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Note 12 – OTHER RETIREMENT PLANS

Plan Description

Pueblo Water has entered into various agreements with its senior executives to provide a supplemental retirement benefit. This defined benefit plan provides for an annual benefit equivalent to 10% of the retiree's average salary over their final three years of employment. In addition, some senior executives are entitled to a death benefit ranging from \$100,000 to one times annual salary, should they become deceased while still employed by Pueblo Water. The Plan does not issue a separate financial report.

Funding Policy

Pueblo Water's funding policy is established and may be amended by the Elected Board, which acts as trustee of the Plan. Currently, the Plan is funded through the issuance of separate "whole-life" insurance policies, on which Pueblo Water pays an annual premium.

Annual Pension Cost

Pueblo Water's annual pension cost ("APC") for 2016 was \$45,224. The required contribution was determined as part of the December 31, 2015 actuarial valuation using the aggregate actuarial cost method and is the most recent study available. The actuarial assumptions included: a) 5.5% investment rate of return (net of administrative expenses), b) projected salary increases of 3.5% per year. Salary increases include an inflation adjustment of 3.5%.

Three-year trend information for Pueblo Water's pension cost and contribution is as follows (using the aggregate actuarial cost method):

Annual Pension Cost and % of Required Contribution

<u>Year</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2016	\$ 45,224	447.8%	\$ (401,189)
2015	42,764	273.2%	(243,877)
2014	49,675	225.6%	(169,796)

Funded Status and Funding Progress

For purposes of determining the annual required contribution, Pueblo Water utilizes the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose. The information presented below is intended to serve as a surrogate for the funded status and funding progress of the Plan.

As of December 31, 2015, the most recent actuarial valuation date, the plan was 83.0 percent funded. The actuarial accrued liability for benefits was \$1,226,650, and the actuarial value of assets was \$1,018,023, resulting in an unfunded actuarial accrued liability (UAAL) of \$208,627. The covered payroll (annual payroll of active employees covered by the plan) was \$920,349, and the ratio of the UAAL to the covered payroll was 22.7 percent.

A schedule of funding progress, using the entry age method, detailing multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits is presented below:

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Pension Plan Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
1/1/2015	\$ 1,018,023	\$ 1,226,650	\$ 208,627	83.0%	\$ 920,349	22.7%
1/1/2013	882,067	1,098,904	216,837	80.3%	1,237,416	17.5%
1/1/2011	759,016	952,694	193,678	79.7%	1,085,505	17.8%
1/1/2010	703,570	889,745	186,175	79.1%	1,156,792	16.1%

Pueblo Water offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary to future years. Participation in the plan is optional. Pueblo Water matches employee contributions up to 3% of annual compensation. The deferred compensation is not available to the employees until termination, retirement, death or qualifying emergency. Pueblo Water has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor. Investments are managed by the plan's trustees under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

Data concerning Pueblo Water's deferred compensation plans follows:

Balance, December 31, 2015	\$ 20,861,951
2016 employee contributions	714,936
2016 employer contributions	260,027
Earnings, withdrawals, fees and market value adjustment	<u>(198,620)</u>
Balance, December 31, 2016	<u><u>\$ 21,638,294</u></u>

Note 13 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Pueblo Water provides two types of other postemployment benefits ("OPEB") as follows. Neither OPEB plan issues a separate report:

a. *Postemployment Healthcare Benefits*

Pueblo Water provides a postemployment healthcare benefit through a single-employer, defined benefit plan. The benefit is in the form of subsidized health care costs for retired members and eligible dependents, up to member age 65. Employees who retire under early retirement (rule of 90) can enroll in the plan, with Pueblo Water paying approximately 79% of the insurer required premium, and the member paying the remaining approximately 21%. The Board has both an explicit (due to premium subsidy) and implicit (due to the retirees being included with the active members in the setting of the premium rates) subsidy. Currently, 15 retirees (including covered dependents) are receiving this benefit. Pueblo Water retains the right to amend or discontinue this benefit at any time.

b. *Life Insurance*

All retirees of Pueblo Water and their spouses participate in a life insurance plan. The Plan provides a death benefit of \$25,000 for future retirees and \$2,000 for the spouse. The death benefit for current retirees varies depending on when they retired and the plan in place at that time. Coverage ranges from 50% to 100% of final salary or \$25,000.

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Funding Policy

Pueblo Water's funding policy is established and may be amended by the Elected Board. Pueblo Water is not required to establish an irrevocable trust fund to accumulate assets for payment of future OPEB benefits, and has elected not to do so for 2016. Pueblo Water may review its funding policy in the future. Currently, payments of OPEB benefits are made on a pay-as-you-go basis in amounts necessary to provide current benefits to recipients. For the years ended December 31, 2016 and 2015, Pueblo Water contributed, irrespective of applicable subsidies, \$66,001 and \$58,255, respectively to the postemployment benefit plans.

Annual OPEB Cost and Net OPEB Obligation

Pueblo Water's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"). The ARC is calculated, in accordance with GASB 45, based on the entry age actuarial cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of Pueblo Water's annual OPEB cost for 2016 and 2015, the amount actually contributed to the OPEB plan, and changes in Pueblo Water's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation For the Years Ended December 31		
	2016	2015
Annual required contribution ("ARC")	\$ 262,466	\$ 262,466
Interest on net OPEB obligation	15,358	15,358
Adjustment to ARC	(13,033)	(13,033)
Annual OPEB cost (expense)	264,791	264,791
Contributions made	(152,437)	(152,437)
Increase in net OPEB obligation	112,354	112,354
Net OPEB obligation - beginning of year	453,634	341,280
Net OPEB obligation - end of year	<u>\$ 565,988</u>	<u>\$ 453,634</u>

Pueblo Water's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Annual OPEB Cost and % of Required Contribution				
Actuarial Valuation Date	Annual OPEB Cost	Contributions Made ¹	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 264,791	\$ 152,437	57.57%	\$ 565,988
2015	264,791	152,437	57.57%	453,634
2014	243,802	169,813	69.65%	341,280

¹Includes applicable subsidies

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Funded Status and Funding Progress

GASB 45 requires an actuarial valuation at least biennially for OPEB plans with a total membership (including employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits) of more than 200. Since Pueblo Water's OPEB plan consists of more than 200 members, Pueblo Water will cause another actuarial study in 2017.

As of the most recent study, January 1, 2015, the plan was 0% funded. The actuarial accrued liability ("AAL") for benefits was \$3,587,965, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$3,587,965. The covered payroll (annual payroll of active employees covered by the OPEB plan) was \$8,629,752, and the ratio of the UAAL to the covered payroll was 41.58%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information below, presents multi-year trend information, based on years in which a study was performed, about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

OPEB Plan Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
1/1/2015	\$ -	\$ 3,587,965	\$ 3,587,965	0.00%	\$ 8,629,752	41.58%
1/1/2013	-	3,128,671	3,128,671	0.00%	8,376,731	37.35%
1/1/2011	-	2,089,734	2,089,734	0.00%	8,229,750	25.39%
1/1/2008	-	1,638,192	1,638,192	0.00%	7,680,813	21.33%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment return on Pueblo Water's investments, and an annual healthcare cost trend rate of: 8.00% for 2015; 7.5% for 2016; the rate then decreases 0.5% each year until an ultimate annual trend of 4.5% is reached in 2023. The actuarial valuation of assets was not determined as Pueblo Water has not advance funded the obligation. The UAAL is being amortized as a level dollar amount over the 30 years on an open basis.

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Note 14 – SICK AND VACATION LEAVE

Effective July 1, 1984, all full-time employees accumulate paid sick leave at the rate of twelve hours per month. All employees who, at that date, had accumulated in excess of 720 hours were, at their option, paid for the excess hours. Any employee who did not select the optional payoff at July 1, 1984 can do so at a later date. As of January 1, 1996, new employees accumulate paid sick leave at the rate of eight hours per month. At termination, employees are paid for any accumulated sick pay. The liability for accumulated sick pay at December 31, 2016 and 2015 is \$2,015,476 and \$2,029,876.

Each employee may accrue up to a maximum of 248 hours of vacation leave. At the employee's request, a payoff for a maximum of 56 hours of accumulated vacation leave can be made during the anniversary year. The vacation hours are valued at the employee's regular rate of pay in effect at the time. In addition, each employee receives eight hours of personal holiday annually which is not available for carryover. The liability for accumulated vacation pay at December 31, 2016 and 2015 is \$667,558 and \$675,963.

Employees are entitled to accrue vacation leave for the twelve-month period, following their date of hire (anniversary date) according to the following scale:

Years of Service	Hours
1 to 5	96
6 to 10	120
11 to 15	144
15 and over	168

Note 15 – TERMINATION BENEFITS

In compliance with federal law, Pueblo Water provides healthcare continuation under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). At December 31, 2016 there was no COBRA liability. Pueblo Water does not offer early retirement incentives or involuntary termination benefits.

Note 16 – ACCOUNTS PAYABLE

Accounts payable are comprised of outstanding bills for expenses, materials and capital assets related to the budget for the years ended December 31, 2016 and 2015. Included in outstanding bills at December 31, 2016 is \$3,237,521 owed to the City of Pueblo, Colorado for collection of the City's sewer and storm water fees. Included in outstanding bills at December 31, 2015 is \$3,049,097 owed to the City of Pueblo, Colorado for collection of the City's sewer and storm water fees.

Note 17 – LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets consist of accrued interest on long-term debt in connection with various water system improvement projects. As of December 31, 2016 and 2015 the amounts payable were \$334,957 and \$354,394, respectively.

Note 18 – CONCENTRATIONS

Pueblo Water has a contract with Public Service Company to provide the Comanche Power Station with nonpotable water for power generation. For the years ended December 31, 2016 and 2015, the contract accounted for 16% and 16% of operating revenues, respectively.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 19 – RECONCILIATION OF BUDGETARY DIFFERENCES

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

Funding Sources

Actual amounts (budgetary basis) "total funding sources"
from the budgetary comparison schedule

General Fund	\$ 37,164,272
Debt Service Fund	4,953,233
Water Development Fund	<u>1,142,540</u>
Total funding sources	43,260,045

Adjustments:

Contributions to capital assets are recorded as revenue for GAAP but are not considered a budgetary resource.	381,780
Certain insurance reimbursements are recorded as revenue for GAAP, but used to offset expenditures for budgetary purposes.	14,411
Sale of assets is recorded as sales price less net book value for GAAP, but for budgetary purposes only proceeds are recognized.	(4,890)
Use of internal equipment for the service line repair program is recorded as revenue for budgetary purposes, but not for GAAP	(98,453)
Contributions from reserves are considered a budgetary resource but are not considered revenue for GAAP reporting.	(951,281)
Transfers from other funds are inflows of budgetary resources but are not a current year revenue for GAAP reporting.	<u>(6,005,252)</u>

Total of all revenues as reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 36,596,360</u></u>
--	-----------------------------

Total revenues as reported on the Statement of Revenues,
Expenses, and Changes in Net Position is comprised of:

Operating revenues	\$ 35,946,744
Interest income	305,398
Realized gain (loss) on investments	(1,145)
Unrealized gain (loss) on investments	(79,155)
Sale of assets	42,738
Contributions to capital assets	<u>381,780</u>
	<u><u>\$ 36,596,360</u></u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Funding Uses

Actual amounts (budgetary basis) "total uses"
from the budgetary comparison schedule

General Fund	\$ 37,164,272
Debt Service Fund	4,953,233
Water Development Fund	<u>1,142,540</u>
Total uses	43,260,045

Adjustments:

Capital items are treated as expenditures for budgetary
purposes but are capitalized for financial reporting (7,227,863)

Labor used to construct capital assets is capitalized for GAAP
and classified as personnel services for budgetary purposes (191,092)

Capital items with an original cost less than
\$5,000 are treated as an operating expense for GAAP and
shown as a capital item for budgetary purposes 115,284

Use of internal equipment for the service line repair program is
recorded as an expense for budgetary purposes, but not for GAAP (98,453)

Outflows for budgetary purposes not recognized for financial
reporting purposes:

Transfers (6,005,252)

Contributions from reserves (904,334)

Principal payments on long-term debt (3,308,230)

Expense items shown for financial reporting not treated as
budgetary outflows:

Other postemployment benefits 112,354

Difference between cash and non-cash
pension contributions 284,635

Depreciation 5,371,798

Amortization 957

Bad debts 5,573

Loss on abandonment of assets 261,274

Interest expense on capital obligation 1,993

Interest expense for budget reporting purposes is based
upon monthly transfers to the Debt Service Fund while interest
expense for the financial statements reflect GAAP

49,041

Total of all expenses as reported on the Statement of Revenues,
Expenses, and Changes in Net Position

\$ 31,727,730

Total expenses as reported on the Statement of Revenues

Expenses and Changes in Net Position is comprised of:

Operating expenses \$ 30,081,273

Interest expense on bonded indebtedness 1,644,464

Interest expense on capital obligation 1,993

\$ 31,727,730

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 20 – CONTRACT COMMITMENTS

As of December 31, 2016 the Board had a contract commitment with Paso Robles Tank-Brown-Minneapolis Tank (PRT-BMT) to design and replace the steel roof of two tanks. The total amount of the contract is \$1,265,812, of which \$1,230,046 had yet to be earned by PRT-BMT as of December 31, 2016.

As of December 31, 2016 the Board also had a contract commitment with Advanced Utility Systems to replace and convert the utility billing system. The total amount of the contract is \$1,252,720, of which \$410,468 had yet to be earned by Advanced Utility Systems as of December 31, 2016.

Note 21 – NET INVESTMENT IN CAPITAL ASSETS

In the net position sections of the *Statements of Net Position*, Net Investment in Capital Assets is comprised of the following as of December 31, 2016 and 2015:

	Net Investment in Capital Assets	
	December 31,	
	2016	2015
Net capital assets	\$ 233,314,403	\$ 233,241,442
Unamortized discount	6,279	7,413
Current maturities of long-term debt	(3,392,619)	(3,287,369)
Revenue bonds	(35,930,000)	(38,965,000)
Deferred amount on refunding	569,853	683,824
Unamortized bond premium	(782,810)	(939,372)
Loan and repayment contract	(5,424,684)	(5,778,118)
Capital lease obligations	(15,834)	-
	<u>\$ 188,344,588</u>	<u>\$ 184,962,820</u>

Note 22 – CAPITAL CONTRIBUTIONS

Inception-to-date and current year proceeds from capital contributions were as follows:

Capital Contributions	
Inception through December 31, 2014	\$ 20,243,661
2015 Additions	<u>292,480</u>
Inception through December 31, 2015	20,536,141
2016 Additions	<u>381,780</u>
Inception through December 31, 2016	<u>\$ 20,917,921</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 23 – CLOSURE AND POST-CLOSURE CARE COSTS

In 2013 the Colorado Department of Public Health and Environment (CDPHE) issued new regulations for water treatment plants that produce a coagulant sludge during the water treatment process. According to Section 9 of the Hazardous Waste Regulations (6 CCR 1007-2, part I, p. 166-181.16) Pueblo Water's Whitlock Water Treatment Facility is defined as a class "A" Waste Impoundment facility, and accordingly is subject to the provisions of the regulation that require a closure plan. Included with the regulations is the requirement that Pueblo Water disclose certain items from GASB Statement No. 18 within the notes to Pueblo Water's financial statements.

The impoundments covered in Pueblo Water's closure plan are used exclusively to dry alum sludge which is a by-product of the water treatment process utilized at the plant. The impoundments are temporary storage locations and are cleaned by physically removing the sludge and transporting it to an approved landfill on an annual basis. Since the impoundments are not of the same nature as a Municipal Solid Waste Landfill (MSWLF) Pueblo Water does not believe it is subject to all of the requirements promulgated in GASB Statement No. 18. Consequently, Pueblo Water does not recognize an annual cost and associated liability related to the contemplated closure and post-closure care costs, rather these costs are shown below in compliance with the regulations set forth by the CDPHE.

Pueblo Water currently anticipates total closure costs of \$387,531 and post-closure costs of \$12,474.

Note 24 – NET POSITION

In 2015 Pueblo Water implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27*. Implementation of this new pronouncement resulted in the addition of Pueblo Water's net pension obligation as shown in the Statements of Net Position. Paragraph 137 of Statement No. 68 states: "If restatement of all prior periods presented is not practical, the cumulative effect of applying this Statement, if any, should be reported as a restatement of beginning net position for the earliest period restated". Since it was impractical for Pueblo Water to restate their ending net position as of December 31, 2014, Pueblo Water chose to reduce its net position as of January 1, 2015 by \$10,085,316, consistent with the guidance provided in Statement No. 68. As a consequence Pueblo Water's net position as of January 1, 2015 and December 31, 2014 was \$198,770,094 and \$208,855,410, respectively.

Note 25 – SUBSEQUENT EVENTS

Pueblo Water has evaluated subsequent events through March 1, 2017, which is the date the financial statements were available to be issued. As of that date there were no material subsequent events affecting Pueblo Water's financial statements.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016 AND 2015

Required Supplementary Information

As part of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27*, Pueblo Water is required to include supplementary information showing the ten year history of:

1. Sources of changes in the net pension liability.
2. Information about the components of the net pension liability and related ratios, including the Plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll.
3. A comparison of actual employer contributions to the actuarially determined contributions based on the Plan's funding policy.

Since the pronouncement allows for the first two tables to be built prospectively, and the information is not yet available beyond one year, they are not shown in this section of Pueblo Water's financial statements. The 2016 information required in the first two tables can be found in Note 11 beginning on page II-28.

A comparison of actual employer contributions to the actuarially determined contributions based on the Plan's funding policy for the past ten years is shown below:

Schedule of Contributions					
Year Ended	Actuarially Determined	Actual	Contribution Deficiency	Covered	Actual Contribution as a % of
<u>December 31,</u>	<u>Contribution</u>	<u>Contribution²</u>	<u>(Excess)</u>	<u>Payroll¹</u>	<u>Covered Payroll</u>
2016	\$ 1,252,794	\$ 1,379,559	\$ (126,765)	\$ 8,934,679	15.44%
2015	1,252,974	1,383,263	(130,289)	8,629,752	16.03%
2014	1,215,910	1,015,648	200,262	8,199,483	12.39%
2013	1,000,524	990,845	9,679	8,199,483	12.08%
2012	1,000,524	922,178	78,346	8,229,750	11.21%
2011	1,000,524	910,529	89,995	8,229,750	11.06%
2010	1,105,409	853,825	251,584	7,633,513	11.19%
2009	771,221	850,994	(79,773)	7,633,513	11.15%
2008	771,221	850,681	(79,460)	7,046,332	12.07%
2007	664,223	756,024	(91,801)	7,046,332	10.73%
2006	664,223	771,277	(107,054)	6,289,398	12.26%

¹Covered payroll is the amount in force as of the valuation date and differs from actual payroll paid during the year

²Actual contributions include advisor fees not paid by the Plan.

SUPPLEMENTARY INFORMATION

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
REVENUES BY SOURCE
FOR THE YEAR ENDED DECEMBER 31, 2016

GENERAL FUND

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
OPERATING REVENUES				
Water sales - Metered	\$ 22,871,062	\$ 22,871,062	\$ 23,993,983	\$ 1,122,921
Water sales - Utility Private	5,715,209	5,715,209	5,715,280	71
Water sales - Raw water	2,066,986	2,066,986	2,266,558	199,572
Water sales - Utility Public	1,108,550	1,108,550	1,108,550	-
Taps and meters	55,000	55,000	71,347	16,347
Material sales	55,000	55,000	175,432	120,432
Main assessments	10,000	10,000	5,460	(4,540)
Fire protection - public	9,365	9,365	10,261	896
Discounts	1,500	1,500	1,675	175
Rental income	24,516	24,516	27,837	3,321
Late field reading fee	7,000	7,000	16,700	9,700
Turn-on fee	70,000	70,000	69,720	(280)
Check processing fee	15,000	15,000	15,761	761
Field collection fee	1,500	1,500	1,270	(230)
Missed appointment fee	1,500	1,500	1,760	260
Finance charges	1,000	1,000	25,685	24,685
Miscellaneous	40,000	40,000	266,822	226,822
Service line protection plan	420,000	420,000	426,981	6,981
Plant water investment fee	250,000	250,000	654,670	404,670
Insurance recovery	10,000	10,000	95	(9,905)
Comanche operations and maintenance reimbursement	550,000	550,000	540,290	(9,710)
Busk-Ivanhoe administration fee	25,000	25,000	25,000	-
Wastewater billing reimbursement	435,569	435,569	435,180	(389)
Stormwater billing reimbursement	188,410	188,410	188,880	470
Total operating revenues	<u>33,932,167</u>	<u>33,932,167</u>	<u>36,045,197</u>	<u>2,113,030</u>
NONOPERATING REVENUES				
Interest income	144,952	144,952	134,577	(10,375)
Sale of assets	20,000	20,000	33,217	13,217
Contribution (to) from reserve	4,612,503	4,612,503	951,281	(3,661,222)
Total nonoperating revenues	<u>4,777,455</u>	<u>4,777,455</u>	<u>1,119,075</u>	<u>(3,658,380)</u>
Total revenue	<u>\$ 38,709,622</u>	<u>\$ 38,709,622</u>	<u>\$ 37,164,272</u>	<u>\$ (1,545,350)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2016

GENERAL FUND

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
EXPENDITURES				
PERSONNEL SERVICES				
Administration	\$ 914,773	\$ 914,773	\$ 1,008,905	\$ 94,132
Finance	1,552,431	1,552,431	1,417,918	(134,513)
Information Systems	777,054	777,054	698,217	(78,837)
Water Quality and Treatment	2,652,938	2,652,938	2,865,238	212,300
Transmission, Distribution and Engineering	5,147,641	5,147,641	4,884,024	(263,617)
Facilities Operation and Maintenance	966,252	966,252	761,093	(205,159)
Water Resources	512,257	512,257	485,140	(27,117)
Human Resources	2,229,475	2,229,475	2,227,662	(1,813)
Total personnel services	14,752,821	14,752,821	14,348,197	(404,624)
OPERATIONS AND MAINTENANCE				
Administration	770,700	770,700	667,407	(103,293)
Finance	1,060,920	1,060,920	832,182	(228,738)
Information Systems	354,225	354,225	384,854	30,629
Water Quality and Treatment	2,146,912	2,146,912	2,139,635	(7,277)
Transmission, Distribution and Engineering	1,309,334	1,309,334	960,431	(348,903)
Facilities Operation and Maintenance	3,230,285	3,230,285	3,226,527	(3,758)
Water Resources	1,394,929	1,394,929	1,349,401	(45,528)
Human Resources	274,195	274,195	310,310	36,115
Total operations and maintenance	10,541,500	10,541,500	9,870,747	(670,753)
CAPITAL OUTLAY/ FUND TRANSFERS				
Administration	7,200	7,200	6,559	(641)
Finance	5,997,151	5,997,151	6,014,091	16,940
Information Systems	1,355,000	1,355,000	1,275,045	(79,955)
Water Quality and Treatment	57,700	57,700	36,228	(21,472)
Transmission, Distribution and Engineering	3,205,750	3,205,750	3,107,495	(98,255)
Facilities Operation and Maintenance	2,487,700	2,487,700	2,479,150	(8,550)
Water Resources	303,600	303,600	25,770	(277,830)
Human Resources	1,200	1,200	990	(210)
Total capital outlay	13,415,301	13,415,301	12,945,328	(469,973)
Total expenditures	\$ 38,709,622	\$ 38,709,622	\$ 37,164,272	\$ (1,545,350)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

ADMINISTRATION

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Director	\$ 442,789	\$ 442,789	\$ 465,328	\$ 22,539
Specialist	212,970	212,970	191,180	(21,790)
Board Members	<u>13,800</u>	<u>13,800</u>	<u>13,800</u>	<u>-</u>
Total salaries and wages	<u>669,559</u>	<u>669,559</u>	<u>670,308</u>	<u>749</u>
BENEFITS				
Longevity	3,360	3,360	3,651	291
Employee assistance	131	131	144	13
Social security	45,882	45,882	53,959	8,077
Pension	19,673	19,673	22,204	2,531
Health insurance	77,488	77,488	87,503	10,015
Dental insurance	4,784	4,784	5,112	328
Disability insurance	4,590	4,590	5,181	591
Life insurance	7,459	7,459	8,418	959
Sick leave	34,345	34,345	86,146	51,801
Vacation leave	<u>47,502</u>	<u>47,502</u>	<u>66,279</u>	<u>18,777</u>
Total benefits	<u>245,214</u>	<u>245,214</u>	<u>338,597</u>	<u>93,383</u>
Total personnel services	<u>\$ 914,773</u>	<u>\$ 914,773</u>	<u>\$ 1,008,905</u>	<u>\$ 94,132</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

ADMINISTRATION

	<u>Budgeted Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 590,800	\$ 590,800	\$ 529,515	\$ (61,285)
Utilities - other	5,150	5,150	4,369	(781)
Maintenance	2,250	2,250	1,914	(336)
Advertising	12,600	12,600	8,859	(3,741)
Travel and training	91,050	91,050	59,878	(31,172)
Office supplies	3,000	3,000	2,217	(783)
Subscriptions and memberships	<u>65,850</u>	<u>65,850</u>	<u>60,655</u>	<u>(5,195)</u>
 Total operation and maintenance	 <u>\$ 770,700</u>	 <u>\$ 770,700</u>	 <u>\$ 667,407</u>	 <u>\$ (103,293)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

ADMINISTRATION

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Budget
CAPITAL OUTLAY				
Computer and office equipment	\$ 7,200	\$ 7,200	\$ 6,559	\$ (641)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

FINANCE

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Manager	\$ 197,846	\$ 197,846	\$ 183,383	\$ (14,463)
Supervisor	77,381	77,381	20,171	(57,210)
Specialist	131,015	131,015	142,283	11,268
Skills and trades	673,326	673,326	577,992	(95,334)
Part-time/ temporary	13,463	13,463	11,719	(1,744)
Overtime	8,500	8,500	15,054	6,554
Total salaries and wages	<u>1,101,531</u>	<u>1,101,531</u>	<u>950,602</u>	<u>(150,929)</u>
BENEFITS				
Longevity	9,600	9,600	8,906	(694)
Employee assistance	393	393	391	(2)
Social security	82,694	82,694	83,502	808
Pension	32,388	32,388	30,943	(1,445)
Health insurance	162,464	162,464	159,002	(3,462)
Dental insurance	11,086	11,086	10,678	(408)
Disability insurance	7,556	7,556	7,254	(302)
Life insurance	12,408	12,408	11,925	(483)
Sick leave	56,389	56,389	73,480	17,091
Vacation leave	75,922	75,922	81,235	5,313
Total benefits	<u>450,900</u>	<u>450,900</u>	<u>467,316</u>	<u>16,416</u>
Total personnel services	<u>\$ 1,552,431</u>	<u>\$ 1,552,431</u>	<u>\$ 1,417,918</u>	<u>\$ (134,513)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

FINANCE

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 230,680	\$ 230,680	\$ 259,961	\$ 29,281
Utilities	86,270	86,270	84,177	(2,093)
Maintenance - office equipment	10,925	10,925	2,966	(7,959)
Equipment lease and rental	1,100	1,100	828	(272)
Interest expense - meter deposits	1,000	1,000	885	(115)
Collection expense	500	500	667	167
Cash (over) short	150	150	132	(18)
Contingency	200,000	200,000	-	(200,000)
Insurance - property	250,000	250,000	246,948	(3,052)
Advertising	1,500	1,500	1,040	(460)
Travel and training	14,650	14,650	12,316	(2,334)
Office supplies	47,610	47,610	33,406	(14,204)
Postage	213,500	213,500	185,864	(27,636)
Subscriptions and memberships	3,035	3,035	2,992	(43)
Total operation and maintenance	<u>\$ 1,060,920</u>	<u>\$ 1,060,920</u>	<u>\$ 832,182</u>	<u>\$ (228,738)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

FINANCE

	<u>Budgeted Amounts</u>			<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
				<u>Budget</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ 2,400	\$ 2,400	\$ 8,839	\$ 6,439
Transfer to Debt Service Fund	4,903,921	4,903,921	4,903,653	(268)
Transfer to Water Development Fund	<u>1,090,830</u>	<u>1,090,830</u>	<u>1,101,599</u>	<u>10,769</u>
Total capital outlay	<u>\$ 5,997,151</u>	<u>\$ 5,997,151</u>	<u>\$ 6,014,091</u>	<u>\$ 16,940</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

INFORMATION SYSTEMS

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Division manager	\$ 121,209	\$ 121,209	\$ 107,758	\$ (13,451)
Specialist	309,526	309,526	166,729	(142,797)
Skills and trades	113,594	113,594	98,063	(15,531)
Overtime	<u>7,500</u>	<u>7,500</u>	<u>4,697</u>	<u>(2,803)</u>
Total salaries and wages	<u>551,829</u>	<u>551,829</u>	<u>377,247</u>	<u>(174,582)</u>
BENEFITS				
Longevity	4,560	4,560	4,314	(246)
Employee assistance	153	153	140	(13)
Social security	41,404	41,404	40,586	(818)
Pension	16,330	16,330	15,123	(1,207)
Health insurance	78,035	78,035	78,904	869
Dental insurance	5,096	5,096	4,815	(281)
Disability insurance	3,810	3,810	3,484	(326)
Life insurance	6,217	6,217	5,684	(533)
Sick leave	29,228	29,228	106,558	77,330
Vacation leave	<u>40,392</u>	<u>40,392</u>	<u>61,362</u>	<u>20,970</u>
Total benefits	<u>225,225</u>	<u>225,225</u>	<u>320,970</u>	<u>95,745</u>
Total personnel services	<u>\$ 777,054</u>	<u>\$ 777,054</u>	<u>\$ 698,217</u>	<u>\$ (78,837)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

INFORMATION SYSTEMS

	<u>Budgeted Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 291,325	\$ 291,325	\$ 340,802	\$ 49,477
Utilities	4,500	4,500	4,143	(357)
Maintenance - office equipment	11,000	11,000	1,268	(9,732)
Equipment lease and rental	600	600	541	(59)
Travel and training	16,250	16,250	16,955	705
Office supplies	30,000	30,000	21,145	(8,855)
Subscriptions and memberships	<u>550</u>	<u>550</u>	<u>-</u>	<u>(550)</u>
 Total operation and maintenance	 <u>\$ 354,225</u>	 <u>\$ 354,225</u>	 <u>\$ 384,854</u>	 <u>\$ 30,629</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

INFORMATION SYSTEMS

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Budget
CAPITAL OUTLAY				
Computer and office equipment	<u>\$ 1,355,000</u>	<u>\$ 1,355,000</u>	<u>\$ 1,275,045</u>	<u>\$ (79,955)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

WATER QUALITY AND TREATMENT

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Division manager	\$ 121,209	\$ 121,209	\$ 100,998	\$ (20,211)
Manager	104,264	104,264	90,688	(13,576)
Supervision	178,090	178,090	178,189	99
Specialist	195,494	195,494	170,146	(25,348)
Skills and trades	1,376,545	1,376,545	1,248,197	(128,348)
Part time/ temporary	44,334	44,334	32,496	(11,838)
Overtime	75,000	75,000	140,976	65,976
	<u>2,094,936</u>	<u>2,094,936</u>	<u>1,961,690</u>	<u>(133,246)</u>
Total salaries and wages				
BENEFITS				
Longevity	10,560	10,560	14,391	3,831
Employee assistance	436	436	633	197
Social security	115,272	115,272	168,790	53,518
Pension	42,422	42,422	55,831	13,409
Health insurance	190,440	190,440	325,352	134,912
Dental insurance	12,563	12,563	20,271	7,708
Disability insurance	10,391	10,391	13,554	3,163
Life insurance	16,979	16,979	22,172	5,193
Sick leave	69,546	69,546	138,783	69,237
Vacation leave	89,393	89,393	143,771	54,378
	<u>558,002</u>	<u>558,002</u>	<u>903,548</u>	<u>345,546</u>
Total benefits				
Total personnel services	<u>\$ 2,652,938</u>	<u>\$ 2,652,938</u>	<u>\$ 2,865,238</u>	<u>\$ 212,300</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

WATER QUALITY AND TREATMENT

	<u>Budgeted Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 104,300	\$ 104,300	\$ 85,961	\$ (18,339)
Utilities	1,191,700	1,191,700	1,163,493	(28,207)
Repair and maintenance - equipment	12,500	12,500	9,732	(2,768)
Maintenance - office equipment	1,050	1,050	746	(304)
Chemical (over) short	2,500	2,500	(8,586)	(11,086)
Travel and training	7,450	7,450	5,468	(1,982)
Office supplies	4,850	4,850	2,350	(2,500)
Safety	7,200	7,200	5,184	(2,016)
Chemicals	722,000	722,000	768,163	46,163
Laboratory	92,500	92,500	106,338	13,838
Subscriptions and memberships	<u>862</u>	<u>862</u>	<u>786</u>	<u>(76)</u>
 Total operation and maintenance	 <u>\$ 2,146,912</u>	 <u>\$ 2,146,912</u>	 <u>\$ 2,139,635</u>	 <u>\$ (7,277)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

WATER QUALITY AND TREATMENT

	<u>Budgeted Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ 57,700	\$ 57,700	\$ 16,961	\$ (40,739)
Lab equipment	<u>-</u>	<u>-</u>	<u>19,267</u>	<u>19,267</u>
Total capital outlay	<u>\$ 57,700</u>	<u>\$ 57,700</u>	<u>\$ 36,228</u>	<u>\$ (21,472)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Division manager	\$ 121,209	\$ 121,209	\$ 105,194	\$ (16,015)
Manager	104,264	104,264	90,287	(13,977)
Supervision	358,020	358,020	322,167	(35,853)
Specialist	145,842	145,842	130,033	(15,809)
Skills and trades	2,737,355	2,737,355	2,358,094	(379,261)
Part-time/ temporary	42,187	42,187	33,198	(8,989)
Overtime	119,000	119,000	131,652	12,652
Total salaries and wages	3,627,877	3,627,877	3,170,625	(457,252)
BENEFITS				
Longevity	33,530	33,530	31,238	(2,292)
Employee assistance	1,288	1,288	1,307	19
Social security	266,340	266,340	288,446	22,106
Pension	100,651	100,651	100,571	(80)
Health insurance	580,626	580,626	626,386	45,760
Dental insurance	35,723	35,723	36,666	943
Disability insurance	24,269	24,269	23,632	(637)
Life insurance	39,779	39,779	38,784	(995)
Sick leave	191,392	191,392	297,341	105,949
Vacation leave	246,166	246,166	269,028	22,862
Total benefits	1,519,764	1,519,764	1,713,399	193,635
Total personnel services	\$ 5,147,641	\$ 5,147,641	\$ 4,884,024	\$ (263,617)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 76,982	\$ 76,982	\$ 84,402	\$ 7,420
Engineering consulting	1,000	1,000	13	(987)
Utilities	102,750	102,750	91,347	(11,403)
Auto and truck	131,500	131,500	127,550	(3,950)
Repair and maintenance - equipment	5,000	5,000	5,979	979
Maintenance - office equipment	13,150	13,150	12,008	(1,142)
Maintenance - mains	153,800	153,800	145,620	(8,180)
Maintenance - meters	11,000	11,000	3,899	(7,101)
Maintenance - hydrants	12,500	12,500	19,452	6,952
Maintenance - valves	15,000	15,000	22,114	7,114
Maintenance - cathodic protection	1,000	1,000	1,432	432
Private water service lines	420,000	420,000	217,457	(202,543)
Service lines	10,000	10,000	16,673	6,673
Tool replacement	60,950	60,950	45,177	(15,773)
Barricades	2,500	2,500	1,863	(637)
Warehouse (over) short	3,000	3,000	4,303	1,303
Uninsured small claims	20,000	20,000	(11,700)	(31,700)
Communication	1,300	1,300	-	(1,300)
Travel and training	27,800	27,800	18,113	(9,687)
Gasoline and oil	200,000	200,000	116,270	(83,730)
Office supplies	7,000	7,000	5,006	(1,994)
Shop supplies	12,000	12,000	14,292	2,292
Safety	10,250	10,250	6,523	(3,727)
Meter shop supplies	2,000	2,000	2,327	327
Subscriptions and memberships	8,852	8,852	10,311	1,459
Total operation and maintenance	<u>\$ 1,309,334</u>	<u>\$ 1,309,334</u>	<u>\$ 960,431</u>	<u>\$ (348,903)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
CAPITAL OUTLAY				
Mains	\$ 1,405,250	\$ 1,405,250	\$ 1,436,641	\$ 31,391
Valves	96,000	96,000	39,849	(56,151)
Meters	1,007,000	1,007,000	902,162	(104,838)
Fire hydrants	60,000	60,000	75,288	15,288
Taps	9,500	9,500	14,969	5,469
Cathodic protection	44,400	44,400	13,506	(30,894)
Computer and office equipment	241,100	241,100	307,271	66,171
Transportation	<u>342,500</u>	<u>342,500</u>	<u>317,809</u>	<u>(24,691)</u>
Total capital outlay	<u>\$ 3,205,750</u>	<u>\$ 3,205,750</u>	<u>\$ 3,107,495</u>	<u>\$ (98,255)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

FACILITIES OPERATION AND MAINTENANCE

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Manager	\$ 104,264	\$ 104,264	\$ 90,287	\$ (13,977)
Specialist	128,892	128,892	122,051	(6,841)
Skills and trades	312,342	312,342	276,599	(35,743)
Temporary	40,403	40,403	9,240	(31,163)
Overtime	70,000	70,000	27,928	(42,072)
Total salaries and wages	655,901	655,901	526,105	(129,796)
BENEFITS				
Longevity	2,880	2,880	2,566	(314)
Employee assistance	175	175	157	(18)
Social security	44,735	44,735	46,469	1,734
Pension	16,365	16,365	15,459	(906)
Health insurance	87,939	87,939	78,833	(9,106)
Dental insurance	5,262	5,262	4,596	(666)
Disability insurance	3,496	3,496	3,581	85
Life insurance	6,242	6,242	5,857	(385)
Sick leave	60,896	60,896	37,195	(23,701)
Vacation leave	82,361	82,361	40,275	(42,086)
Total benefits	310,351	310,351	234,988	(75,363)
Total personnel services	\$ 966,252	\$ 966,252	\$ 761,093	\$ (205,159)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

FACILITIES OPERATION AND MAINTENANCE

	<u>Budgeted Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 279,490	\$ 279,490	\$ 279,896	\$ 406
Engineering consulting	25,100	25,100	23,809	(1,291)
Utilities	1,861,600	1,861,600	1,948,049	86,449
Repair and maintenance - equipment	214,450	214,450	186,987	(27,463)
Maintenance - building	749,000	749,000	717,207	(31,793)
Communication	10,050	10,050	6,984	(3,066)
Tool replacement	33,040	33,040	26,368	(6,672)
Travel and training	7,350	7,350	5,025	(2,325)
Office supplies	5,500	5,500	2,422	(3,078)
Safety supplies	4,580	4,580	5,700	1,120
Janitorial supplies	11,000	11,000	10,495	(505)
Subscriptions and memberships	<u>29,125</u>	<u>29,125</u>	<u>13,585</u>	<u>(15,540)</u>
Total operation and maintenance	<u>\$ 3,230,285</u>	<u>\$ 3,230,285</u>	<u>\$ 3,226,527</u>	<u>\$ (3,758)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

FACILITIES OPERATION AND MAINTENANCE

	Budgeted Amounts			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
CAPITAL OUTLAY				
Improvements and replacements	\$ 1,062,500	\$ 1,062,500	\$ 1,538,725	\$ 476,225
Computer and office equipment	21,200	21,200	16,349	(4,851)
Pumping equipment	387,000	387,000	315,831	(71,169)
Treating equipment	<u>1,017,000</u>	<u>1,017,000</u>	<u>608,245</u>	<u>(408,755)</u>
 Total capital outlay	 <u>\$ 2,487,700</u>	 <u>\$ 2,487,700</u>	 <u>\$ 2,479,150</u>	 <u>\$ (8,550)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

WATER RESOURCES

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Division manager	\$ 121,209	\$ 121,209	\$ 107,059	\$ (14,150)
Supervision	89,045	89,045	74,025	(15,020)
Specialist	<u>159,437</u>	<u>159,437</u>	<u>136,413</u>	<u>(23,024)</u>
 Total salaries and wages	 <u>369,691</u>	 <u>369,691</u>	 <u>317,497</u>	 <u>(52,194)</u>
BENEFITS				
Longevity	2,640	2,640	2,640	-
Employee assistance	87	87	87	-
Social security	28,317	28,317	29,013	696
Pension	11,091	11,091	11,097	6
Health insurance	43,296	43,296	45,733	2,437
Dental insurance	2,806	2,806	3,057	251
Disability insurance	2,588	2,588	2,589	1
Life insurance	4,221	4,221	4,224	3
Sick leave	20,742	20,742	38,299	17,557
Vacation leave	<u>26,778</u>	<u>26,778</u>	<u>30,904</u>	<u>4,126</u>
 Total benefits	 <u>142,566</u>	 <u>142,566</u>	 <u>167,643</u>	 <u>25,077</u>
 Total personnel services	 <u>\$ 512,257</u>	 <u>\$ 512,257</u>	 <u>\$ 485,140</u>	 <u>\$ (27,117)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

WATER RESOURCES

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 169,950	\$ 169,950	\$ 150,310	\$ (19,640)
Consulting services	136,500	136,500	173,298	36,798
Comanche return flow	750	750	-	(750)
Homestake Aurora	7,500	7,500	7,500	-
Twin Lakes water rights	301,269	301,269	301,269	-
Busk Ivanhoe water rights	250,000	250,000	250,000	-
Water storage and transportation	319,450	319,450	308,980	(10,470)
Short-term water purchases	400	400	67	(333)
Utilities	13,800	13,800	14,374	574
Maintenance - equipment	7,500	7,500	3,156	(4,344)
Maintenance - office equipment	2,000	2,000	1,021	(979)
Tool replacement	4,750	4,750	3,904	(846)
Clear Creek reservoir	10,350	10,350	5,130	(5,220)
Wurtz ditch	1,000	1,000	758	(242)
Wurtz extension	1,000	1,000	638	(362)
Ewing ditch	1,000	1,000	1,770	770
Ranch property maintenance	6,400	6,400	947	(5,453)
Dwelling - Leadville	1,000	1,000	775	(225)
Dwelling - Clear Creek	32,000	32,000	1,854	(30,146)
Snowplowing operations	35,000	35,000	33,033	(1,967)
Transmountain maintenance	50,000	50,000	54,511	4,511
Travel and training	39,500	39,500	33,418	(6,082)
Office supplies	1,000	1,000	855	(145)
Subscriptions and memberships	2,810	2,810	1,833	(977)
Total operation and maintenance	<u>\$ 1,394,929</u>	<u>\$ 1,394,929</u>	<u>\$ 1,349,401</u>	<u>\$ (45,528)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

WATER RESOURCES

	<u>Budgeted Amounts</u>			<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
CAPITAL OUTLAY				
Computer equipment	\$ 3,600	\$ 3,600	\$ 12,670	\$ 9,070
Pumping equipment	-	-	13,100	13,100
Expansion	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
 Total capital outlay	 <u>\$ 303,600</u>	 <u>\$ 303,600</u>	 <u>\$ 25,770</u>	 <u>\$ (277,830)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

PERSONNEL SERVICES

HUMAN RESOURCES

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
SALARIES & WAGES				
Division Manager	\$ 121,209	\$ 121,209	\$ 43,448	\$ (77,761)
Manager	-	-	37,841	37,841
Specialist	245,415	245,415	220,359	(25,056)
Part-time/ temporary	<u>5,826</u>	<u>5,826</u>	<u>5,513</u>	<u>(313)</u>
Total salaries and wages	<u>372,450</u>	<u>372,450</u>	<u>307,161</u>	<u>(65,289)</u>
BENEFITS				
Longevity	2,400	2,400	2,109	(291)
Employee assistance	109	109	106	(3)
Social security	28,696	28,696	26,944	(1,752)
Social security - retirees	-	-	65,886	65,886
Pension	9,174	9,174	8,861	(313)
Defined benefit pension plan	1,378,750	1,378,750	1,379,559	809
Worker's compensation insurance	281,348	281,348	237,343	(44,005)
Unemployment insurance	1,500	1,500	32,275	30,775
Health insurance	35,832	35,832	40,346	4,514
Health insurance - retirees	55,000	55,000	66,001	11,001
Dental insurance	2,165	2,165	1,863	(302)
Disability insurance	2,567	2,567	2,114	(453)
Life insurance	4,191	4,191	3,455	(736)
Life insurance - retirees	12,000	12,000	12,349	349
Sick leave	18,427	18,427	24,835	6,408
Vacation leave	<u>24,866</u>	<u>24,866</u>	<u>16,455</u>	<u>(8,411)</u>
Total benefits	<u>1,857,025</u>	<u>1,857,025</u>	<u>1,920,501</u>	<u>63,476</u>
Total personnel services	<u>\$ 2,229,475</u>	<u>\$ 2,229,475</u>	<u>\$ 2,227,662</u>	<u>\$ (1,813)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATION AND MAINTENANCE

HUMAN RESOURCES

	<u>Budgeted Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 31,900	\$ 31,900	\$ 43,741	\$ 11,841
Employment costs	40,018	40,018	37,874	(2,144)
Utilities	700	700	1,169	469
Maintenance - office equipment	3,000	3,000	3,601	601
Health reimbursement - In-patient copay	28,000	28,000	12,528	(15,472)
Pension supplement	117,972	117,972	163,061	45,089
Travel and training	40,820	40,820	36,391	(4,429)
Office supplies	3,240	3,240	3,473	233
Subscriptions and memberships	<u>8,545</u>	<u>8,545</u>	<u>8,472</u>	<u>(73)</u>
 Total operation and maintenance	 <u>\$ 274,195</u>	 <u>\$ 274,195</u>	 <u>\$ 310,310</u>	 <u>\$ 36,115</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

CAPITAL OUTLAY

HUMAN RESOURCES

	Budgeted Amounts		Actual	Actual Over (Under) Budget.
	Original	Final		
CAPITAL OUTLAY				
Computer and office equipment	\$ 1,200	\$ 1,200	\$ 990	\$ (210)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
REVENUES BY SOURCE AND EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2016

WATER DEVELOPMENT FUND

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
NONOPERATING REVENUES				
Interest income	\$ 27,230	\$ 27,230	\$ 40,941	\$ 13,711
Net transfer from general fund	1,090,830	1,090,830	1,101,599	10,769
Contribution (to) from reserve	<u>921,940</u>	<u>921,940</u>	<u>-</u>	<u>(921,940)</u>
Total nonoperating revenues	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,142,540</u>	<u>(897,460)</u>
EXPENDITURES				
Outside services	1,015,000	1,015,000	287,786	(727,214)
Capital Improvements	1,025,000	1,025,000	-	(1,025,000)
Contribution to (from) reserve	<u>-</u>	<u>-</u>	<u>854,754</u>	<u>854,754</u>
Total expenditures	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,142,540</u>	<u>(897,460)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
BUDGETARY COMPARISON SCHEDULE
REVENUES BY SOURCE AND EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2016

DEBT SERVICE FUND

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Budget
NONOPERATING REVENUES				
Interest income	\$ 10,000	\$ 10,000	\$ 49,580	\$ 39,580
Contribution from general fund	<u>4,903,921</u>	<u>4,903,921</u>	<u>4,903,653</u>	<u>(268)</u>
Total nonoperating revenues	<u>4,913,921</u>	<u>4,913,921</u>	<u>4,953,233</u>	<u>39,312</u>
DEBT RETIREMENT				
Contribution to reserve	10,000	10,000	49,580	39,580
Principal - Series 2015	2,562,500	2,562,500	2,562,500	-
Principal - Series B	344,063	344,063	344,063	-
Principal - Series 2009	401,667	401,667	401,667	-
Interest - Series 2015	475,700	475,700	475,700	-
Interest - Series B	279,549	279,549	279,549	-
Interest - Series 2009	<u>840,442</u>	<u>840,442</u>	<u>840,174</u>	<u>(268)</u>
Total debt retirement	<u>4,913,921</u>	<u>4,913,921</u>	<u>4,953,233</u>	<u>39,312</u>
EXCESS (DEFICIENCY) OF REVENUES OVER DEBT RETIREMENT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION



Statistical Section Contents and Explanation

The statistical section of the Board of Water Works of Pueblo, Colorado's ("Pueblo Water") comprehensive annual financial report presents detailed information to provide context for users of the Pueblo Water's financial statements. The information presented allows users to obtain a better understanding of the Pueblo Water's overall financial health and stability.

While care has been taken to provide adequate explanation of the information provided, should questions remain please direct them to:

Director of Administrative Services
Board of Water Works of Pueblo, Colorado
P.O. Box 400
Pueblo, Colorado 81002-0400

Financial Trends Information

This section provides information related to Pueblo Water's net position, revenues, expenses, and changes in net position for the years ended 2007 through 2016. Also included in this section is information related to Pueblo Water's performance based upon several financial health ratios. During the period 2007 to 2016, Pueblo Water received significant one-time revenues, an explanation of this revenue can be found in the transmittal letter in section I of this report.

Revenue Capacity Information

Information provided in this section is intended to provide users with information about Pueblo Water's customers, revenue concentrations, service area, and historical consumption.

Debt Capacity Information

Retaining sufficient debt capacity is of major importance for companies that operate in capital intense environments. This section provides information related to Pueblo Water's outstanding debt, coverage ratios, and debt per capita over the past ten years.

Demographic and Economic Information

The information in this section is intended to provide the user with an idea of the overall economy in which Pueblo Water operates. Where possible information for the past ten years has been provided, otherwise information has been limited to what is available.

Statistical Section Contents and Explanation (Continued)

Operating Information

This section shows information intended to provide additional insight into Pueblo Water's operation. The section focuses on the following:

- Number of full time employees at December 31 for the years 2007 through 2016.
- Capital assets by function.
- Facts pertaining to Pueblo Water's water supply for the years 2007 through 2016.
- A map of Pueblo Water's water collection system.
- Pump station capacities.
- Potable Water pumped and related energy costs for the years 2007 through 2016.
- Facts related to water quality.
- Facts related to Pueblo Water's transmission and distribution system.

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BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SUMMARY
2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Population served (inside-city)	110,652	109,532	107,914	107,682	107,808	107,924	108,221	106,896	106,931	106,479
Total treated water consumption (million gallons)	8,278	7,854	8,135	8,158	9,311	8,836	8,497	7,872	8,690	8,003
Average daily consumption (million gallons)	22.68	21.52	22	22	26	24	23	22	24	22
Average daily consumption per capita (gallons)	205	196	207	208	237	224	215	202	223	206
Maximum daily production (million gallons)	46	46	47	50	55	51	52	48	51	49
Maximum hour treated water use rate (million gallons per day)	1.92	1.92	1.96	2.08	2.29	2.13	2.17	2.00	2.13	2.04
Treated water pumped (million gallons)	8,868	8,307	8,611	8,781	9,775	9,438	9,030	8,425	9,124	8,586
Raw water storage capacity (acre-feet)	66,239	66,239	66,239	66,239	66,239	66,239	66,239	66,239	66,239	66,239
Supply from Arkansas River (acre-feet)	58,761	58,761	40,451	38,514	39,015	41,184	40,597	36,690	42,423	38,841
Supply from Colorado River (acre-feet)	16,174	16,174	24,780	21,122	11,511	26,068	28,672	26,633	22,652	25,826
Raw water pumping capacity (mgd)	228.00	228.00	228.00	228.00	228.00	228.00	228.00	228.00	228.00	228.00
Treatment plant capacity (mgd)	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Treated water reservoir capacity (million gallons)	56.40	56.40	56.40	56.40	56.40	56.40	56.40	56.40	54.90	54.90
Transmission and distribution mains (miles)	580.05	580.05	579.54	579.23	572.37	570.99	570.65	564.89	556.67	551.28
Total active taps - end of year	40,213	40,090	39,760	39,879	39,792	39,554	39,739	39,742	39,613	39,378
Fire hydrants operated and maintained	4,077	4,043	4,028	3,996	3,985	3,975	3,967	3,951	3,891	3,824
Fire hydrants tested and repaired	1,265	1,087	917	947	1,215	1,549	429	164	427	707
Main breaks	31	45	45	57	48	47	54	47	38	39
Leak detection requests	903	873	869	931	868	1,022	1,012	946	1,109	1,045
Total employees (authorized)	137	137	137	137	137	137	139	140	138	136
Additions to capital assets	\$ 3,906,534	\$ 3,779,125	\$ 7,018,617	\$ 3,608,749	\$ 4,160,647	\$ 9,403,163	7,990,290	70,341,378	4,155,539	1,459,253
Total long-term debt	\$ 56,646,236	\$ 60,060,986	\$ 52,140,838	\$ 55,362,871	\$ 57,999,406	\$ 60,608,056	62,676,844	64,908,426	41,131,125	43,148,762

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
A - FINANCIAL TRENDS INFORMATION

NET POSITION BY COMPONENT: 2016 - 2007

	2016	2015 ¹	2014	2013	2012	2011	2010	2009	2008	2007
NET POSITION:										
Net investment in capital assets	\$ 188,344,588	\$ 186,101,708	\$183,247,758	\$179,956,407	\$178,594,400	\$176,696,123	\$169,183,876	\$166,467,175	\$123,781,656	\$121,913,782
Restricted for debt service funds	4,219,047	4,149,507	4,094,443	3,953,730	3,961,610	3,821,403	3,528,336	3,288,579	941,946	841,353
Unrestricted	<u>14,908,577</u>	<u>12,352,367</u>	<u>21,513,209</u>	<u>21,929,084</u>	<u>21,980,207</u>	<u>19,211,351</u>	<u>22,328,457</u>	<u>17,791,392</u>	<u>24,216,665</u>	<u>25,319,498</u>
Total net position	<u>\$ 207,472,212</u>	<u>\$ 202,603,582</u>	<u>\$208,855,410</u>	<u>\$205,839,221</u>	<u>\$204,536,217</u>	<u>\$199,728,877</u>	<u>\$195,040,669</u>	<u>\$187,547,146</u>	<u>\$148,940,267</u>	<u>\$148,074,633</u>

Note: _____

¹Includes an adjustment to unrestricted net position for the balance of Pueblo Water's net pension liability of \$10,085,316 as of January 1, 2015, consistent with implementation of GASB 68.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
A - FINANCIAL TRENDS INFORMATION

FINANCIAL CONDITION ANALYSIS: 2016 - 2007

	2016	2015	2014	2013	2012	2011 ⁵	2010	2009	2008	2007
¹ Current Assets	\$ 35,016,489	\$ 33,143,143	\$ 30,521,335	\$ 30,004,713	\$ 29,704,470	\$ 26,649,141	\$ 31,215,942	\$ 26,006,289	\$ 31,635,381	\$ 32,396,545
Current Liabilities	9,566,480	9,358,399	8,989,309	7,543,746	7,133,749	6,720,818	8,125,938	7,386,949	6,559,714	5,962,896
LT Debt	56,646,236	60,060,986	52,140,838	55,362,871	57,999,406	60,608,056	62,676,844	64,908,426	41,131,125	44,484,129
Equity	207,472,212	202,603,582	208,855,410	205,839,221	204,536,217	199,728,877	195,040,669	187,547,146	148,940,267	148,074,633
Interest Expense	1,646,457	1,803,797	2,328,172	2,437,835	2,514,700	2,605,852	2,707,720	2,129,778	2,069,085	2,156,882
² Net Revenue	12,332,798	11,221,329	10,854,801	9,072,256	12,003,270	10,312,786	14,455,935	37,084,669	6,797,701	7,392,956
Annual Debt Svc	5,044,640	5,249,107	4,841,435	4,812,034	4,796,184	4,798,818	4,990,894	4,152,107	3,945,520	3,948,848
³ Cash + Receivables	33,330,241	32,038,611	29,214,460	28,669,453	28,257,025	24,985,761	28,979,218	24,105,271	30,044,209	30,905,371
⁴ Projected Daily Operational Exp	65,876	64,138	61,431	61,071	59,223	58,670	57,364	55,736	53,294	50,632
RATIOS										
Current Ratio	3.66	3.54	3.40	3.98	4.16	3.97	3.84	3.52	4.82	5.43
(Current assets/ current liabilities)										
Quick Ratio	3.48	3.42	3.25	3.80	3.96	3.72	3.57	3.26	4.58	5.18
(Cash+ accounts receivable/ current liabilities)										
Debt/ Equity Ratio	0.27	0.30	0.25	0.27	0.28	0.30	0.32	0.35	0.28	0.30
(LT debt/ equity)										
Debt Service Coverage	2.44	2.14	2.24	1.89	2.50	2.15	2.90	8.93	1.72	1.87
(Total rev-operating exp./ annual debt service)										
# of Days of Working Capital	505.96	499.52	475.56	469.44	477.13	425.87	505.18	432.49	563.75	610.40
#of Months of Working Capital	16.87	16.65	15.85	15.65	15.90	14.20	16.84	14.42	18.79	20.35
(Cash+receivables/ Avg. daily operational exp.)										

¹For purposes of ratios involving current assets, investments classified as long-term have been included since they are available for sale.

²Net Revenue for this purpose is calculated as: operating revenue plus investment income and proceeds from the sale of assets less operating expenses excluding noncash items such as depreciation and amortization, consistent with the Board's debt covenants.

³For purposes of this ratio all unrestricted investments are included with cash.

⁴Daily operational expense is calculated as operating expense less noncash items divided by 365 days.

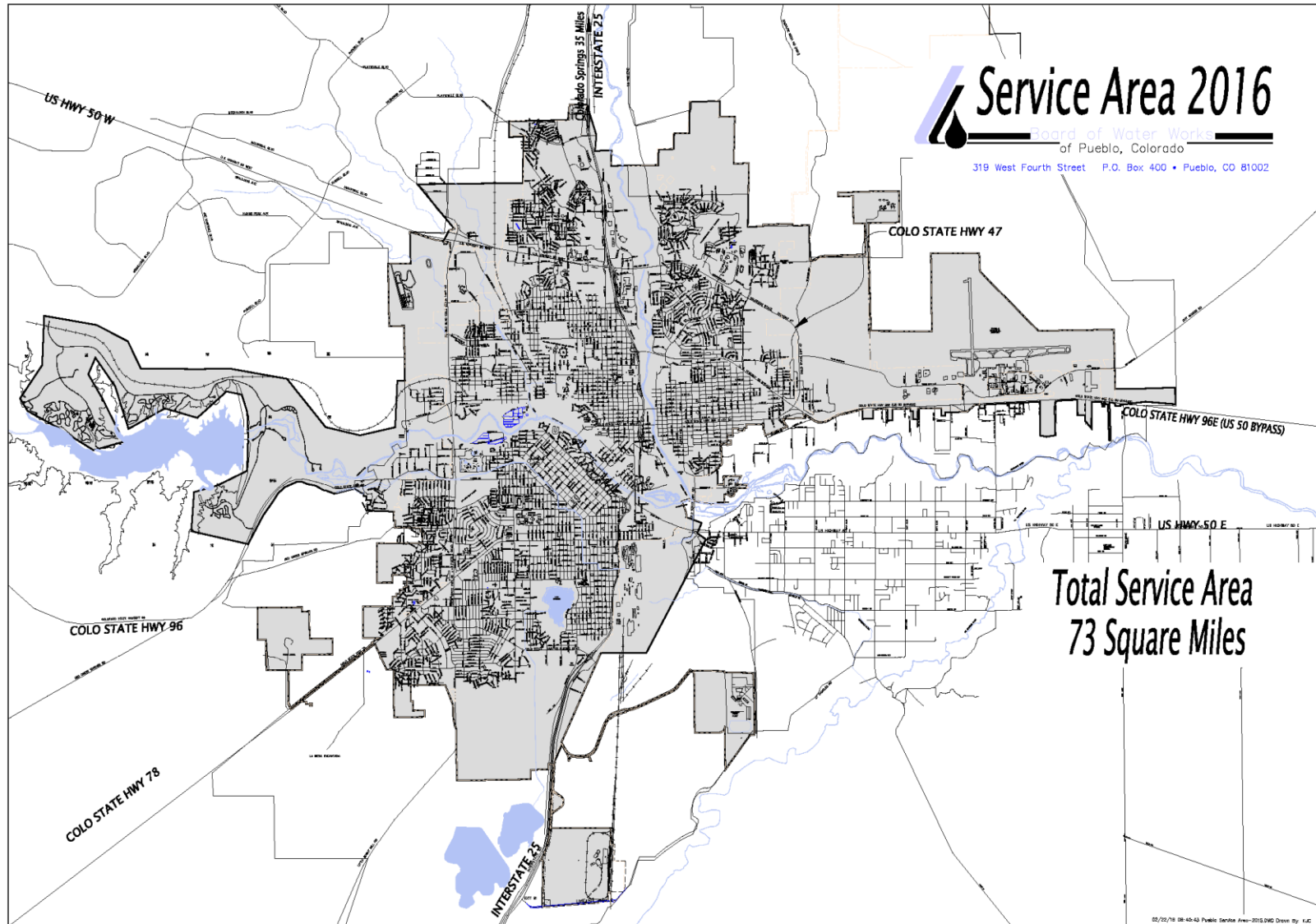
⁵Beginning in 2012 the Board implemented GASB 65 retroactively to 2011. Consequently, in 2011 and all future years the amount deferred on advance refundings is shown as a deferred outflow on the asset side of the balance sheet. This change affects the balance of long-term liabilities

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
A - FINANCIAL TRENDS INFORMATION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
OPERATING REVENUES:										
Potable water	\$ 23,993,983	\$ 22,250,970	\$ 21,978,975	\$ 21,634,582	\$ 23,050,590	\$ 21,637,933	\$ 20,079,709	\$ 17,900,029	\$ 18,395,225	\$ 16,927,106
Non-potable water	9,090,388	9,473,606	9,048,907	7,492,801	8,331,494	8,132,725	7,218,775	6,886,854	4,941,278	4,803,144
Other	2,862,373	2,729,278	2,018,131	2,241,717	1,962,999	1,506,390	7,604,249	1,811,461	1,770,498	2,513,163
Total operating revenues	<u>35,946,744</u>	<u>34,453,854</u>	<u>33,046,013</u>	<u>31,369,100</u>	<u>33,345,083</u>	<u>31,277,048</u>	<u>34,902,733</u>	<u>26,598,344</u>	<u>25,107,001</u>	<u>24,243,413</u>
OPERATING EXPENSES:										
Source of supply, pumping, treatment and distribution	11,496,618	11,153,896	10,889,607	10,643,609	10,534,768	10,262,566	10,101,402	9,920,350	9,403,408	8,912,303
General and administrative	11,105,239	10,657,272	9,934,939	9,899,263	9,285,611	9,263,565	9,060,875	8,832,536	8,372,290	7,935,037
Customer service	2,106,660	2,116,153	1,907,521	1,945,862	1,875,729	1,939,740	1,868,288	1,829,934	1,734,581	1,643,990
Depreciation and amortization	5,372,756	5,354,330	5,245,535	5,214,865	5,101,395	5,646,756	4,886,852	4,616,235	4,400,570	3,994,629
Total operating expenses	<u>30,081,273</u>	<u>29,281,651</u>	<u>27,977,602</u>	<u>27,703,599</u>	<u>26,797,503</u>	<u>27,112,627</u>	<u>25,917,417</u>	<u>25,199,055</u>	<u>23,910,849</u>	<u>22,485,959</u>
OPERATING INCOME	5,865,471	5,172,203	5,068,411	3,665,501	6,547,580	4,164,421	8,985,316	1,399,289	1,196,152	1,757,454
NONOPERATING REVENUES (EXPENSES):										
Investment income	225,098	170,900	205,920	(47,477)	232,900	427,876	481,949	388,851	1,109,377	1,596,262
Interest expense, less capitalized interest	(1,646,457)	(1,803,797)	(2,328,172)	(2,437,835)	(2,514,700)	(2,605,852)	(2,707,720)	(2,129,778)	(2,069,085)	(2,156,882)
Sale of capital assets	42,738	1,702	25,288	41,545	41,560	22,380	9,050	30,441,159	33,558	33,818
Other income	-	-	-	-	-	-	69,521	2,391,931	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
Total nonoperating expenses, net	<u>(1,378,621)</u>	<u>(1,631,195)</u>	<u>(2,096,964)</u>	<u>(2,443,767)</u>	<u>(2,240,240)</u>	<u>(2,155,596)</u>	<u>(2,147,200)</u>	<u>31,092,163</u>	<u>(926,150)</u>	<u>(526,802)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	4,486,850	3,541,008	2,971,447	1,221,734	4,307,340	2,008,825	6,838,116	32,491,452	270,002	1,230,652
OTHER REVENUES:	<u>381,780</u>	<u>292,480</u>	<u>44,742</u>	<u>81,270</u>	<u>500,000</u>	<u>2,679,383</u>	<u>655,407</u>	<u>6,115,427</u>	<u>595,632</u>	<u>1,388,853</u>
INCREASE IN NET POSITION	4,868,630	3,833,488	3,016,189	1,303,004	4,807,340	4,688,208	7,493,523	38,606,879	865,634	2,619,505
NET POSITION:										
Beginning of year	<u>202,603,582</u>	<u>198,770,094</u>	<u>205,839,221</u>	<u>204,536,217</u>	<u>199,728,877</u>	<u>195,040,669</u>	<u>187,547,146</u>	<u>148,940,267</u>	<u>148,074,633</u>	<u>145,455,128</u>
End of year	<u>\$207,472,212</u>	<u>\$202,603,582</u>	<u>\$208,855,410</u>	<u>\$205,839,221</u>	<u>\$204,536,217</u>	<u>\$199,728,877</u>	<u>\$195,040,669</u>	<u>\$187,547,146</u>	<u>\$148,940,267</u>	<u>\$148,074,633</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION



BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

CUSTOMER SERVICE DATA: 2016 - 2007

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Active Taps:</u>										
Beginning of Year	40,090	39,760	39,879	39,792	39,554	39,739	39,742	39,613	39,378	39,299
¹ Activated During Year	6,315	6,291	4,477	2,995	6,450	6,532	6,345	6,722	6,468	6,122
¹ Discontinued During Year	(6,192)	(5,961)	(4,596)	(2,908)	(6,212)	(6,717)	(6,348)	(6,593)	(6,233)	(6,043)
¹ Net Increase During Year	<u>123</u>	<u>330</u>	<u>(119)</u>	<u>87</u>	<u>238</u>	<u>(185)</u>	<u>(3)</u>	<u>129</u>	<u>235</u>	<u>79</u>
Total Active Taps - End of Year	<u>40,213</u>	<u>40,090</u>	<u>39,760</u>	<u>39,879</u>	<u>39,792</u>	<u>39,554</u>	<u>39,739</u>	<u>39,742</u>	<u>39,613</u>	<u>39,378</u>
<u>Active Taps:</u>										
Inside City:										
Residential	34,355	34,299	34,008	34,080	34,070	33,863	34,059	34,040	33,937	33,827
Commercial	2,536	2,482	2,340	2,326	2,283	2,276	2,272	2,276	2,267	2,229
Multi-unit	1,997	1,995	1,889	1,984	1,966	1,968	1,986	1,994	1,979	1,971
Other	827	814	1,035	1,003	983	960	934	947	940	860
Outside City:										
Residential	430	431	420	418	421	416	417	414	418	417
Commercial	33	34	33	33	34	34	34	33	35	36
Multi-unit	30	30	30	30	30	32	32	32	31	31
Other	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>
Total Active Taps - End of Year	<u>40,213</u>	<u>40,090</u>	<u>39,760</u>	<u>39,879</u>	<u>39,792</u>	<u>39,554</u>	<u>39,739</u>	<u>39,742</u>	<u>39,613</u>	<u>39,378</u>
¹ Turn-Offs Due to Delinquent Accounts	3,436	3,915	3,845	3,859	3,001	3,307	3,199	3,002	2,102	3,408
¹ Average Number of Turn-Offs Per Month	286	326	320	322	250	276	267	250	175	284

¹Prior to 2013 amounts include transfers of service.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

WATER SOLD IN DOLLARS BY TYPE OF CUSTOMER: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Sales of Treated Water										
Inside City Customers:										
Residential	\$ 13,256,788	\$ 12,316,079	\$ 12,415,591	\$ 12,357,850	\$ 13,332,680	\$ 12,677,866	\$ 11,685,827	\$ 10,543,946	\$ 10,711,852	\$ 10,088,063
Commercial	7,006,028	6,398,245	6,189,891	5,979,352	6,128,085	5,556,303	5,159,438	4,461,785	4,687,053	4,095,361
Multi-Unit	2,358,612	2,279,362	2,180,303	2,111,552	2,146,763	2,095,805	1,983,529	1,805,992	1,839,224	1,736,116
Other	517,086	423,688	343,331	333,680	546,560	480,451	467,755	429,824	470,894	329,249
Outside City Customers:										
Residential	278,942	247,978	257,588	249,876	271,462	257,297	235,989	210,686	214,429	190,320
Commercial	424,639	417,249	413,510	423,882	454,629	407,318	399,159	311,263	321,033	337,360
Multi-Unit	161,844	167,402	177,310	176,982	169,049	161,684	146,872	135,485	149,699	149,623
Other	981	967	1,451	1,408	1,362	1,209	1,140	1,049	1,040	1,013
Total Treated Water Sales	<u>24,004,920</u>	<u>22,250,970</u>	<u>21,978,975</u>	<u>21,634,582</u>	<u>23,050,590</u>	<u>21,637,933</u>	<u>20,079,709</u>	<u>17,900,029</u>	<u>18,395,225</u>	<u>16,927,106</u>
Sales of Nonpotable Water	<u>9,090,388</u>	<u>9,473,606</u>	<u>9,048,907</u>	<u>7,492,801</u>	<u>8,331,494</u>	<u>8,132,726</u>	<u>7,218,775</u>	<u>6,886,854</u>	<u>4,941,278</u>	<u>4,803,144</u>
Total Sales of Water	<u>\$ 33,095,308</u>	<u>\$ 31,724,576</u>	<u>\$ 31,027,882</u>	<u>\$ 29,127,383</u>	<u>\$ 31,382,084</u>	<u>\$ 29,770,659</u>	<u>\$ 27,298,484</u>	<u>\$ 24,786,883</u>	<u>\$ 23,336,503</u>	<u>\$ 21,730,250</u>
Rate Increase	3.25%	3.25%	3.00%	2.75%	3.50%	5.00%	5.00%	4.75%	4.50%	4.00%

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

WATER SOLD IN THOUSAND GALLONS BY TYPE OF CUSTOMER: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Sales of Treated Water										
Inside City Customers:										
Residential	3,896,519	3,620,259	3,885,448	4,007,476	4,607,073	4,506,742	4,400,613	4,026,600	4,372,025	4,154,309
Commercial	2,458,477	2,304,341	2,321,108	2,291,189	2,495,064	2,327,748	2,211,708	2,041,597	2,269,338	2,197,722
Multi-Unit	727,709	718,153	719,764	714,411	770,595	778,514	762,409	731,577	795,370	780,869
Other	998,784	1,015,600	1,001,435	930,611	1,203,321	999,662	900,861	879,333	1,040,088	650,394
Outside City Customers:										
Residential	54,987	48,978	54,476	54,052	62,546	61,323	58,222	53,655	58,209	52,652
Commercial	106,694	108,772	110,357	116,956	129,756	120,045	123,411	100,765	109,928	119,071
Multi-Unit	34,947	37,904	41,956	43,324	42,643	42,124	39,955	38,177	45,558	48,008
Other	-	-	-	-	-	-	-	-	-	-
Total Consumption	<u>8,278,117</u>	<u>7,854,007</u>	<u>8,134,544</u>	<u>8,158,019</u>	<u>9,310,998</u>	<u>8,836,158</u>	<u>8,497,179</u>	<u>7,871,704</u>	<u>8,690,516</u>	<u>8,003,025</u>
Annual Precipitation in Inches	11.97	16.61	11.86	9.67	4.96	9.23	11.63	15.08	10.38	12.93

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

SUMMARY OF WATER RATES: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Treated Water - Inside City</u>										
Monthly Service Charge by Meter Size (includes first 2,000 gallons):										
3/4"	\$ 11.23	\$ 10.90	\$ 10.56	\$ 10.25	\$ 9.98	\$ 9.64	\$ 9.18	\$ 8.74	\$ 8.34	\$ 7.98
1"	14.35	13.93	13.49	13.10	12.75	12.32	11.73	11.17	10.66	10.20
1-1/2"	23.88	23.18	22.45	21.80	21.22	20.50	19.52	18.59	17.75	16.99
2"	38.21	37.10	35.93	34.88	33.95	32.80	31.24	29.75	28.40	27.18
3"	71.66	69.57	67.38	65.42	63.67	61.52	58.59	55.80	53.27	50.98
4"	108.27	105.12	101.81	98.84	96.19	92.94	87.85	83.67	79.88	76.44
6"	179.04	173.83	168.36	163.46	159.09	153.71	146.39	139.42	133.10	127.37
8"	238.81	231.85	224.55	218.01	212.18	205.00	195.24	185.94	177.51	169.87
Multiple Dwelling Units: ¹ Additional Units	6.20	6.02	5.83	5.66	5.51	5.32	5.07	4.83	4.61	4.41
Volume Charge	2.58	2.50	2.42	2.35	2.29	2.21	2.10	2.00	1.91	1.83
<u>Treated Water - Private Fire Protection</u>										
Monthly Service Charge by Meter Size										
3"	14.39	13.97	13.53	13.14	12.79	12.36	11.77	11.21	10.70	10.24
4"	16.39	15.91	15.41	14.96	14.56	14.07	13.40	12.76	12.18	11.66
6"	26.06	25.30	24.50	23.79	23.15	22.37	21.30	20.29	19.37	18.54
8"	35.78	34.74	33.65	32.67	31.80	30.72	29.26	27.87	26.61	25.46
10"	45.44	44.12	42.73	41.49	40.38	39.01	37.15	35.38	33.78	32.33
12"	55.15	53.54	51.85	50.34	48.99	47.33	45.08	42.93	40.98	39.22
Treated Water - Public Fire Protection	17.90	16.83	16.83	16.34	15.90	15.36	14.63	13.93	13.30	12.73
<u>Treated Water - Metered Hydrant Sales</u>										
Monthly Service Charge (includes first 2,000 gallons)	17.90	17.38	16.83	16.34	15.90	15.36	14.63	13.93	13.30	12.73
Volume Charge	3.87	3.76	3.64	3.53	3.44	3.32	3.16	3.01	2.87	#REF!
<u>Treated Water - Outside City</u>										
Monthly Service Charge by Meter Size (includes first 2,000 gallons):										
3/4"	16.84	16.35	15.84	15.38	14.97	14.46	13.77	13.11	12.52	11.98
1"	21.54	20.91	20.25	19.66	19.13	18.48	17.60	16.76	16.00	15.31
1-1/2"	35.81	34.77	33.68	32.70	31.82	30.74	29.28	27.89	26.63	25.48
2"	57.30	55.63	53.88	52.31	50.91	49.19	46.85	44.62	42.60	40.77
3"	107.52	104.39	101.10	98.16	95.53	92.30	87.90	83.71	79.91	76.47
4"	161.20	156.50	151.57	147.16	143.22	138.38	131.79	125.51	119.82	114.66
6"	268.60	260.78	252.57	245.21	238.65	230.58	219.60	209.14	199.66	191.06
8"	358.23	347.80	336.85	327.04	318.29	307.53	292.89	278.94	266.29	254.82
Multiple Dwelling Units: ¹ Additional Units	9.34	9.07	8.78	8.52	8.29	8.01	7.63	7.27	6.94	6.64
Volume Charge	3.87	3.76	3.64	3.53	3.44	3.32	3.16	3.01	2.87	2.75
<u>Treated Water - Private Fire Protection</u>										
Monthly Service Charge by Meter Size										
3"	21.59	20.96	20.30	19.71	19.18	18.53	17.65	16.81	16.05	15.36
4"	24.60	23.88	23.13	22.46	21.86	21.12	20.11	19.15	18.28	17.49
6"	39.09	37.95	36.76	35.69	34.73	33.56	31.96	30.44	29.06	27.81
8"	53.70	52.14	50.50	49.03	47.72	46.11	43.91	41.82	39.92	38.20
10"	68.22	66.23	64.15	62.28	60.61	58.56	55.77	53.11	50.70	48.52
12"	82.72	80.31	77.78	75.51	73.49	71.00	67.62	64.40	61.48	58.83
Treated Water - Public Fire Protection	17.90	17.38	16.83	16.34	15.90	15.36	14.63	13.93	13.30	12.73

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

LARGEST RETAIL CUSTOMERS - WATER CONSUMPTION AND REVENUE - 2016

Customer Name	Consumption			Revenue		Monthly Statistics	
	Gallons Sold (000)	Acre Feet Sold	Percent of Total Consumption	Water Revenue	Percent of Total Water Revenue	Average Gallons Sold per Month (000)	Average Revenue per Month
10,000,000 Plus Gallons Monthly:							
Utility - Private	327,213	1,004	3.95%	\$ 848,910	3.54%	27,268	\$ 70,743
Steel Mill	247,938	761	3.00%	745,004	3.10%	20,662	62,084
City Government	230,324	707	2.78%	552,590	2.30%	19,194	46,049
University	155,126	476	1.87%	406,934	1.70%	12,927	33,911
State Health Service Provider	133,092	408	1.61%	414,813	1.73%	11,091	34,568
5,000,000 - 10,000,000 Gallons Monthly:							
Public School System	105,901	325	1.28%	303,271	1.26%	8,825	25,273
Manufacturer	93,185	286	1.13%	246,686	1.03%	7,765	20,557
Country Club	90,730	278	1.10%	237,933	0.99%	7,561	19,828
Housing Authority	87,666	269	1.06%	290,227	1.21%	7,306	24,186
1,000,000 - 5,000,000 Gallons Monthly:							
State Highway Medians	48,797	150	0.59%	74,362	0.31%	4,066	6,197
Medical Center	46,930	144	0.57%	138,180	0.58%	3,911	11,515
Cemetery	41,361	127	0.50%	108,798	0.45%	3,447	9,067
Manufactured Home Community	36,446	112	0.44%	154,771	0.65%	3,037	12,898
Medical Center	29,333	90	0.35%	79,391	0.33%	2,444	6,616
Manufacturing	28,057	86	0.34%	73,730	0.31%	2,338	6,144
Correctional Facility	24,238	74	0.29%	65,079	0.27%	2,020	5,423
Manufacturing	23,742	73	0.29%	64,344	0.27%	1,979	5,362
Laundry and Linen Service	23,198	71	0.28%	61,401	0.26%	1,933	5,117
Community College	22,099	68	0.27%	66,077	0.28%	1,842	5,506
State Fair Complex	21,576	66	0.26%	62,799	0.26%	1,798	5,233
Manufacturing	18,366	56	0.22%	73,261	0.31%	1,531	6,105
Car Wash	16,208	50	0.20%	44,911	0.19%	1,351	3,743
Apartment Community	14,630	45	0.18%	42,515	0.18%	1,219	3,543
Apartment Community	14,222	44	0.17%	42,032	0.18%	1,185	3,503
Residential Development	14,059	43	0.17%	43,880	0.18%	1,172	3,657
Laundromat	13,816	42	0.17%	38,030	0.16%	1,151	3,169
Apartment Community	13,040	40	0.16%	43,277	0.18%	1,087	3,606
Apartment Community	12,973	40	0.16%	36,178	0.15%	1,081	3,015
Apartment Community	12,122	37	0.15%	34,946	0.15%	1,010	2,912
Totals	1,946,388	5,974	23.51%	\$ 5,394,330	22.48%	162,199	\$ 449,528

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

Contributions of Discounted Water: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Rate per 1,000 gallons	\$ 2.58	\$ 2.50	\$ 2.42	\$ 2.35	\$ 2.29	\$ 2.21	\$ 2.10	\$ 2.00	\$ 1.91	\$ 1.83
<u>Water - no charge</u>										
Pueblo City Parks	\$ 1,205,464	\$ 1,221,935	\$ 1,022,975	\$ 909,201	\$ 1,142,561	\$ 1,044,570	\$ 821,669	\$ 774,390	\$ 787,921	\$ 603,885
Pueblo City Schools Parks	412,065	369,561	369,561	366,837	410,460	372,089	298,215	272,124	412,862	209,531
Pueblo City Building/Special Use	29,670	45,575	36,927	19,968	24,949	26,025	20,817	22,580	23,566	18,097
Pueblo City Right of Ways	7,874	4,980	8,371	31,758	33,624	35,981	19,940	10,030	7,241	3,243
Historic Arkansas Riverwalk Project	24,704	27,910	26,893	29,918	36,084	31,477	23,100	24,816	26,843	25,610
Colorado State Highway	-	-	-	-	-	-	11,519	7,508	15,026	1,199
	<u>1,679,777</u>	<u>1,669,961</u>	<u>1,464,727</u>	<u>1,357,682</u>	<u>1,647,678</u>	<u>1,510,142</u>	<u>1,195,260</u>	<u>1,111,448</u>	<u>1,273,459</u>	<u>861,565</u>
<u>Water - 50% charge</u>										
Pueblo City Right of Ways	83,607	68,604	83,167	69,748	86,270	63,995	58,288	59,567	53,193	48,129
Colorado State Highway	60,498	62,074	53,866	64,517	69,244	54,517	37,991	31,085	40,592	34,812
	<u>144,105</u>	<u>130,678</u>	<u>137,033</u>	<u>134,265</u>	<u>155,514</u>	<u>118,512</u>	<u>96,279</u>	<u>90,652</u>	<u>93,785</u>	<u>82,941</u>
Total value of water contributions	<u>\$ 1,823,882</u>	<u>\$ 1,800,639</u>	<u>\$ 1,601,760</u>	<u>\$ 1,491,947</u>	<u>\$ 1,803,192</u>	<u>\$ 1,628,654</u>	<u>\$ 1,291,539</u>	<u>\$ 1,202,100</u>	<u>\$ 1,367,244</u>	<u>\$ 944,506</u>
<u>Water - no charge (gallons stated in 1000's)</u>										
Pueblo City Parks	467,234	488,774	422,717	386,894	498,935	473,728	391,271	387,195	412,524	329,992
School District 60 Parks	159,715	147,824	152,711	156,101	179,240	168,748	142,007	136,062	216,158	114,498
Pueblo City Building/Special Use	11,500	18,230	15,259	8,497	10,895	11,803	9,913	11,290	12,338	9,889
Pueblo City Right of Ways	3,052	1,992	3,459	13,514	14,683	16,318	9,495	5,015	3,791	1,772
Historic Arkansas Riverwalk Project	9,575	11,164	11,113	12,731	15,757	14,275	11,000	12,408	14,054	13,995
Colorado State Highway	-	-	-	-	-	-	5,485	3,754	7,867	655
	<u>651,076</u>	<u>667,984</u>	<u>605,259</u>	<u>577,737</u>	<u>719,510</u>	<u>684,872</u>	<u>569,171</u>	<u>555,724</u>	<u>666,732</u>	<u>470,801</u>
<u>Water - 50% charge (gallons stated in 1000's)</u>										
Pueblo City Right of Ways	32,406	27,442	34,367	29,680	37,672	29,023	27,756	29,784	27,850	26,300
Colorado State Highway	23,449	24,830	22,259	27,454	30,238	24,724	18,091	15,543	21,252	19,023
	<u>55,855</u>	<u>52,271</u>	<u>56,625</u>	<u>57,134</u>	<u>67,910</u>	<u>53,747</u>	<u>45,847</u>	<u>45,326</u>	<u>49,102</u>	<u>45,323</u>
Total gallons of water contributions	<u>706,931</u>	<u>720,256</u>	<u>661,884</u>	<u>634,871</u>	<u>787,420</u>	<u>738,619</u>	<u>615,019</u>	<u>601,050</u>	<u>715,835</u>	<u>516,123</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
B - REVENUE CAPACITY INFORMATION

CONNECTION FEES: 2016 - 2007

<u>Year</u>	<u>Revenue Collected</u>
2016	\$ 726,017
2015	861,036
2014	564,526
2013	664,800
2012	553,386
2011	229,505
2010	6,423,645
2009	731,632
2008	795,246
2007	1,335,163

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 STATISTICAL SECTION
 C - DEBT CAPACITY INFORMATION

RATIOS OF TOTAL OUTSTANDING DEBT BY TYPE: 2016 - 2007

Year	Total Principal Balance Outstanding by Debt Type			Gross Revenues	Ratio of Total Debt to Gross Revenue	Estimated Inside-City Population Served	Debt Per Capita
	Water Revenue Bonds	Loans & Repayment Contracts	Total				
2016	\$ 38,965,000	\$ 5,778,116	\$ 44,743,116	\$ 36,219,470	1.24	109,532	\$ 408
2015	41,915,000	6,115,487	48,030,487	34,631,754	1.39	109,532	439
2014	45,380,000	6,447,501	51,827,501	33,277,221	1.56	107,914	480
2013	47,695,000	6,768,805	54,463,805	31,363,168	1.74	107,682	506
2012	49,895,000	7,074,044	56,969,044	33,619,543	1.69	107,808	528
2011	52,010,000	7,368,572	59,378,572	31,727,304	1.87	107,924	550
2010	54,045,000	9,560,355	63,605,355	35,393,732	1.80	108,221	588
2009	55,980,000	9,946,541	65,926,541	57,428,354	1.15	106,896	617
2008	31,950,000	10,324,192	42,274,192	26,249,936	1.61	106,931	395
2007	33,510,000	10,682,685	44,192,685	25,873,493	1.71	106,479	415

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
C - DEBT CAPACITY INFORMATION

PLEDGED-REVENUE COVERAGE: 2016 - 2007

<u>Year</u>	<u>Gross Revenues</u>	<u>Less Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Total Debt Service</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2016	\$ 36,219,470	\$ 24,044,682	\$ 12,174,788	\$ 2,887,770	\$ 2,156,870	\$ 5,044,640	2.41
2015	34,631,754	23,410,425	11,221,329	3,152,014	2,097,093	5,249,107	2.14
2014	33,277,221	22,422,420	10,854,801	2,636,304	2,205,131	4,841,435	2.24
2013	31,363,168	22,290,912	9,072,256	2,505,238	2,306,796	4,812,034	1.89
2012	33,619,543	21,616,273	12,003,270	2,409,530	2,386,654	4,796,184	2.50
2011	31,727,304	21,414,518	10,312,786	2,324,174	2,474,644	4,798,818	2.15
2010	35,393,732	20,937,797	14,455,935	2,321,188	2,669,706	4,990,895	2.90
2009	57,428,354	20,343,685	37,084,669	2,217,648	1,934,459	4,152,107	8.93
2008	26,249,936	19,452,235	6,797,701	1,918,493	2,027,027	3,945,520	1.72
2007	25,873,493	18,480,537	7,392,956	1,835,139	2,113,709	3,948,848	1.87

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
C - DEBT CAPACITY INFORMATION

RATIOS OF WATER REVENUE BONDED DEBT OUTSTANDING: 2016 - 2007

<u>Year</u>	<u>Water Revenue Bonds</u>	<u>Gross Revenues</u>	<u>Ratio of Water Revenue Debt to Gross Revenue</u>	<u>Estimated Inside-City Population Served</u>	<u>Water Revenue Debt Per Capita</u>
2016	\$ 38,965,000	\$ 36,219,470	1.08	110,652	\$ 352
2015	41,915,000	34,631,754	1.21	109,532	383
2014	45,380,000	33,277,221	1.36	107,914	421
2013	47,695,000	31,363,168	1.52	107,682	443
2012	49,895,000	33,619,543	1.48	107,808	463
2011	52,010,000	31,727,304	1.64	107,924	482
2010	54,045,000	35,393,732	1.53	108,221	499
2009	55,980,000	57,428,354	0.97	106,896	524
2008	31,950,000	26,249,936	1.22	106,931	299
2007	33,510,000	25,873,493	1.30	106,479	315

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 STATISTICAL SECTION
 C - DEBT CAPACITY INFORMATION

RATIOS OF LOANS AND REPAYMENT CONTRACTS OUTSTANDING: 2016 - 2007

<u>Year</u>	<u>Loans and Repyament Contract</u>	<u>Gross Revenues</u>	<u>Ratio of Loans and Repayment Contracts to Gross Revenue</u>	<u>Estimated Inside-City Population Served</u>	<u>Water Revenue Debt Per Capita</u>
2016	\$ 5,778,116	\$ 36,219,470	0.16	110,652	\$ 52
2015	6,115,487	34,631,754	0.18	109,532	56
2014	6,447,501	33,277,221	0.19	107,914	60
2013	6,768,805	31,363,168	0.22	107,682	63
2012	7,074,044	33,619,543	0.21	107,808	66
2011	7,368,572	31,727,304	0.23	107,924	68
2010	9,560,355	35,393,732	0.27	108,221	88
2009	9,946,541	57,428,354	0.17	106,896	93
2008	10,324,192	26,249,936	0.39	106,931	97
2007	10,682,685	25,873,493	0.41	106,479	100

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 STATISTICAL SECTION
 D - DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population and Median Age							
Year	City of Pueblo	Percent Change	Pueblo County	Percent Change	Colorado	Percent Change	Median Age
1960	91,181	-	118,707	-	1,753,947	-	25.0
1970	97,453	6.88%	118,238	-0.40%	2,207,259	25.85%	27.0
1980	101,686	4.34%	125,972	6.54%	2,889,964	30.93%	29.9
1990	98,629	-3.01%	123,051	-2.32%	3,294,394	13.99%	34.5
2000	102,121	3.54%	141,472	14.97%	4,301,261	30.56%	36.7
2010	106,595	4.38%	159,063	12.43%	5,029,196	16.92%	37.5
2015	107,456	0.81%	160,685	1.02%	5,299,260	5.37%	37.8
2016	108,496	0.97%	162,038	0.84%	5,425,481	2.38%	36.9

SOURCE: U.S. Bureau of the Census

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 in Jan 2017

Median Disposable Income				
Year	City of Pueblo	Pueblo County	Colorado	
2014	\$ 29,824	\$ 35,362	\$ 47,707	
2015	\$ 29,273	\$ 34,534	\$ 49,357	
2016	\$ 32,504	\$ 37,145	\$ 50,163	

Source: U.S. Census Bureau & Esri forecasts

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
D - DEMOGRAPHIC AND ECONOMIC INFORMATION

Labor Force Estimates				
Year	Pueblo MSA		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2016 ¹	74,165	4.3%	2,906,905	3.2%
2015	71,740	4.9%	2,819,144	3.5%
2014	73,046	5.9%	2,824,225	4.2%
2013	74,524	9.6%	2,754,654	6.8%
2012	75,795	10.7%	2,743,290	8.0%
2011	76,302	10.5%	2,723,172	8.3%
2010	74,737	10.4%	2,687,396	8.9%
2009	74,867	9.3%	2,727,625	8.3%
2008	73,831	6.1%	2,737,267	4.8%
2007	72,721	4.7%	2,698,646	3.7%

¹Preliminary and subject to change

Total Business Establishments and Employment - Pueblo County						
Industry	Annual 2016		Annual 2015		Annual Change	
	Units	Employment	Units	Employment	Units	Employment
Construction	328	3,297	328	3,256	0.00%	1.26%
Education and health services	419	12,088	417	11,639	0.48%	3.86%
Financial activities	355	1,711	352	1,689	0.85%	1.30%
Information	32	662	30	661	6.67%	0.15%
Leisure and hospitality	392	7,143	385	6,502	1.82%	9.86%
Manufacturing	104	4,149	105	4,470	-0.95%	-7.18%
Natural resources and mining	35	295	32	186	9.38%	58.60%
Other services	286	1,527	237	1,352	20.68%	12.94%
Professional and business services	459	6,658	452	6,895	1.55%	-3.44%
Trade, transportation and utilities	705	10,763	694	10,287	1.59%	4.63%
Total	3,115	48,293	3,032	46,937		

Source: US Department of Labor, Bureau of Labor Statistics, <http://data/bls.gov/>

Note: 2016 figures are through 2nd Quarter 2016 and are preliminary.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
D - DEMOGRAPHIC AND ECONOMIC INFORMATION

Principal Employers in the Pueblo Area

Organization	2016		
	Employees	Rank	% of Total City Employment
Pueblo City Schools	3,312	1	4.62%
Parkview Hospital	2,744	2	3.82%
St Mary Corwin Hospital	1,400	3	1.95%
Evrax Inc.	1,153	4	1.61%
Loaf n' Jug Corp	1,100	5	1.53%
Pueblo County Government	1,058	6	1.47%
Convergys	1,000	7	1.39%
Walmart	968	8	1.35%
Trane Commercial Systems	965	9	1.35%
Colorado Mental Health CMHIP	953	10	1.33%

Organization	2015		
	Employees	Rank	% of Total City Employment
Pueblo City Schools	2,763	1	4.54%
Parkview Hospital	2,620	2	4.31%
St Mary Corwin Hospital	1,228	3	2.02%
Walmart Stores	1,300	4	1.59%
School District #70	1,100	5	1.81%
Loaf n' Jug Corp	1,100	5	1.81%
Pueblo County Government	1,084	6	1.78%
Trane Commercial Systems	965	7	1.59%
Colorado Mental Health CMHIP*	953	8	1.57%
Target	800	9	1.32%

Retail Sales

Year ¹	City of Pueblo	Percent Change	Pueblo County	Percent Change	Colorado	Percent Change
2004	\$2,421,658,904	-	\$2,750,578,292	-	\$114,280,780,304	-
2005	2,561,676,903	5.78%	2,904,255,851	5.59%	122,907,090,008	7.55%
2006	2,692,081,419	5.09%	3,070,066,563	5.71%	129,193,266,000	5.11%
2007	2,810,325,812	4.39%	3,831,860,679	24.81%	139,129,190,000	7.69%
2008	3,613,545,622	28.58%	3,911,932,991	2.09%	152,245,281,000	9.43%
2009	3,512,355,834	-2.80%	3,732,589,000	-4.58%	143,072,484,000	-6.03%
2010	2,986,407,539	-14.97%	3,465,945,069	-7.14%	136,194,678,000	-4.81%
2011	3,291,627,800	10.22%	3,913,809,348	12.92%	150,975,208,392	10.85%
2012	3,498,832,388	6.29%	4,204,857,060	7.44%	159,839,957,441	5.87%
2013	3,416,192,398	-2.36%	4,349,142,036	3.43%	171,362,038,352	7.21%
2014	3,531,797,210	3.38%	4,454,010,876	2.41%	175,727,028,654	2.55%
2015	3,478,123,660	-1.52%	4,408,210,144	-1.03%	182,845,695,387	4.05%

¹For the year ended June 30th.

Source: Colorado Department of Revenue

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
D - DEMOGRAPHIC AND ECONOMIC INFORMATION

Building Permit Activity in the City of Pueblo

Year	Single Family		Multi-family		Commercial/ Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2016	196	\$ 33,768,880	1	\$ 120,000	81	\$ 18,543,898
2015	223	\$ 37,938,450	18	\$ 13,913,055	78	\$ 39,377,405
2014	149	25,849,598	1	319,387	70	32,948,566
2013	80	12,813,921	-	-	12	14,408,248
2012	100	14,157,465	5	7,017,691	15	53,794,529
2011	48	7,827,598	1	227,300	7	3,844,000
2010	85	16,991,371	7	2,360,674	23	28,042,209
2009	69	10,956,624	30	12,265,710	18	27,188,988
2008	151	21,964,100	7	2,806,214	35	152,108,947
2007	239	38,964,273	1	110,949	40	43,023,707

Source: Pueblo Regional Building Department

www.prbd.com

History of Foreclosures in Pueblo County

Year	Number of Foreclosures Filed	Percent Change
2016	501	-3.47%
2015	519	-22.07%
2014	666	-20.62%
2013	839	-29.20%
2012	1,185	-6.47%
2011	1,267	-8.32%
2010	1,382	-11.92%
2009	1,569	14.44%
2008	1,371	-8.84%
2007	1,504	28.11%

Source: Pueblo County Public Trustee

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
E - OPERATING INFORMATION

EMPLOYEES BY DIVISION

	NUMBER OF POSITIONS									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
ADMINISTRATION										
Director	3	3	3	3	3	2	2	2	3	3
Specialist	3	3	3	3	3	2	2	2	3	3
Total	6	6	6	6	6	4	4	4	6	6
FINANCE										
Division Manager	-	-	-	-	-	1	1	1	-	-
Manager	2	2	2	2	2	1	1	1	2	1
Supervision	1	1	-	-	-	1	2	2	1	1
Specialist	2	2	2	2	2	2	2	2	1	2
Skills & Trade	13	13	13	13	13	13	13	14	14	14
Total	18	18	17	17	17	18	19	20	18	18
INFORMATION SYSTEMS										
Division Manager	1	1	1	1	1	1	1	1	-	-
Manager	-	-	-	-	-	-	-	-	1	1
Supervision	-	-	-	-	-	-	-	-	-	-
Specialist	4	4	4	4	4	4	4	4	3	3
Skills & Trade	2	2	2	2	2	2	2	2	2	2
Total	7	7	7	7	7	7	7	7	6	6
WATER QUALITY, TREATING & PUMPING										
Division Manager	1	1	1	1	1	1	1	1	1	1
Manager	1	1	1	-	-	-	-	-	1	1
Supervision	2	2	1	-	-	1	1	1	-	-
Specialist	3	3	4	4	4	3	3	3	3	3
Skills & Trade	22	22	12	12	12	12	12	12	12	12
Total	29	29	19	17	17	17	17	17	17	17
TRANSMISSION, DISTRIBUTION & ENGINEERING										
Division Manager	1	1	1	1	1	1	1	1	1	1
Manager	1	1	1	1	2	3	3	3	3	2
Supervision	4	4	4	4	3	2	2	2	2	3
Specialist	2	2	2	2	2	2	2	2	3	2
Skills & Trade	52	52	52	52	51	51	52	52	52	51
Total	60	60	60	60	59	59	60	60	61	59
FACILITIES OPERATIONS & MAINTENANCE										
Division Manager	-	-	-	1	1	1	1	1	-	-
Manager	1	1	1	-	-	-	-	-	1	1
Supervision	-	-	-	2	2	2	2	2	2	2
Specialist	2	2	2	2	2	2	2	2	2	2
Skills & Trade	5	5	16	16	17	17	17	17	15	15
Total	8	8	19	21	22	22	22	22	20	20
WATER RESOURCES										
Division Manager	1	1	1	1	1	1	1	1	1	1
Supervision	1	1	1	1	1	1	2	2	2	2
Specialist	2	2	2	2	2	3	2	2	2	2
Total	4	4	4	4	4	5	5	5	5	5
HUMAN RESOURCES										
Division Manager	1	1	1	1	1	1	1	1	1	1
Specialist	4	4	4	4	4	4	4	4	4	4
Total	5	5	5	5	5	5	5	5	5	5
TOTAL FULL TIME POSITIONS	137	137	137	137	137	137	139	140	138	136

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
E - OPERATING INFORMATION

CAPITAL ASSETS BY FUNCTION: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
CAPITAL ASSETS										
Non-depreciable assets										
Land	\$ 2,284,590	\$ 2,284,590	\$ 2,284,590	\$ 2,284,590	\$ 2,284,590	\$ 2,284,590	\$ 2,284,590	\$ 2,284,590	\$ 2,264,136	\$ 2,264,136
Water rights	98,585,769	98,585,769	98,585,769	98,585,769	98,585,769	98,585,769	97,443,902	96,565,061	40,445,875	40,396,367
Construction in progress	2,700,378	914,431	614,474	1,444,459	819,085	283,696	669,482	3,273,587	505,822	316,623
Total non-depreciable assets	103,570,737	101,784,790	101,484,833	102,314,818	101,689,444	101,154,055	100,397,974	102,123,238	43,215,833	42,977,126
Buildings and improvements										
Distribution reservoirs and tanks	22,606,141	22,606,141	22,376,349	20,240,084	20,240,084	20,240,084	16,741,369	13,180,236	13,080,726	13,080,726
Other buildings and improvements	50,012,738	49,675,464	49,203,572	48,980,059	48,849,542	48,781,469	48,402,680	48,251,354	44,785,650	44,387,941
Total buildings and improvements	72,618,879	72,281,605	71,579,921	69,220,143	69,089,626	69,021,553	65,144,049	61,431,590	57,866,376	57,468,667
Accumulated depreciation	(31,235,717)	(29,818,231)	(28,402,578)	(27,010,839)	(25,642,092)	(24,273,895)	(23,383,469)	(22,133,796)	(20,958,921)	(19,824,382)
Net buildings and improvements	41,383,162	42,463,374	43,177,343	42,209,304	43,447,534	44,747,658	41,760,580	39,297,794	36,907,455	37,644,285
Infrastructure										
River intakes and wells	908,066	908,066	908,066	908,066	908,066	908,066	908,066	908,066	908,066	908,066
Collection and impounding reservoir	5,883,733	5,883,733	5,883,733	5,883,733	5,883,733	5,760,586	5,760,586	5,760,586	5,741,534	5,741,534
Transmission mains and meters	118,930,419	116,320,461	113,758,283	110,141,156	108,128,769	105,544,999	102,807,416	100,138,647	96,206,063	93,411,139
Total infrastructure	125,722,218	123,112,260	120,550,082	116,932,955	114,920,568	112,213,651	109,476,068	106,807,299	102,855,663	100,060,739
Accumulated depreciation	(57,069,817)	(54,673,894)	(52,214,174)	(49,924,685)	(47,533,609)	(45,297,387)	(43,040,507)	(40,849,633)	(38,736,608)	(36,714,624)
Net infrastructure	68,652,401	68,438,366	68,335,908	67,008,270	67,386,959	66,916,264	66,435,561	65,957,666	64,119,055	63,346,115
Machinery and equipment										
Pumping	23,137,758	23,167,410	23,168,403	23,058,817	22,441,920	22,088,480	21,574,446	21,333,637	18,694,225	18,516,695
Treating	6,262,009	6,406,810	6,480,810	6,480,810	6,450,509	6,330,631	6,159,416	6,132,078	5,577,861	5,433,717
Other equipment	9,003,140	8,923,520	8,826,001	8,439,255	8,217,643	7,731,312	8,255,464	8,011,697	7,288,203	6,885,678
Total machinery and equipment	38,402,907	38,497,740	38,475,214	37,978,882	37,110,072	36,150,423	35,989,326	35,477,412	31,560,289	30,836,090
Accumulated depreciation	(18,699,109)	(17,948,090)	(16,819,200)	(15,573,787)	(14,614,851)	(13,499,553)	(13,099,992)	(11,880,724)	(10,965,937)	(10,014,552)
Net machinery and equipment	19,703,798	20,549,650	21,656,014	22,405,095	22,495,221	22,650,870	22,889,334	23,596,688	20,594,352	20,821,538
Intangible Assets										
Intangible software	9,566	9,566	9,566	9,566	9,566	9,566	-	-	-	-
Accumulated amortization	(5,261)	(4,304)	(3,348)	(2,391)	(1,435)	(478)	-	-	-	-
Net intangible assets	4,305	5,262	6,218	7,175	8,131	9,088	-	-	-	-
Net capital assets	\$ 233,314,403	\$ 233,241,442	\$ 234,660,316	\$ 233,944,662	\$ 235,027,289	\$ 235,477,935	\$ 231,483,449	\$ 230,975,386	\$ 164,836,695	\$ 164,789,064

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
E - OPERATING INFORMATION

WATER SUPPLY, USE AND STORAGE: 2016 - 2007
(all values in acre-feet)

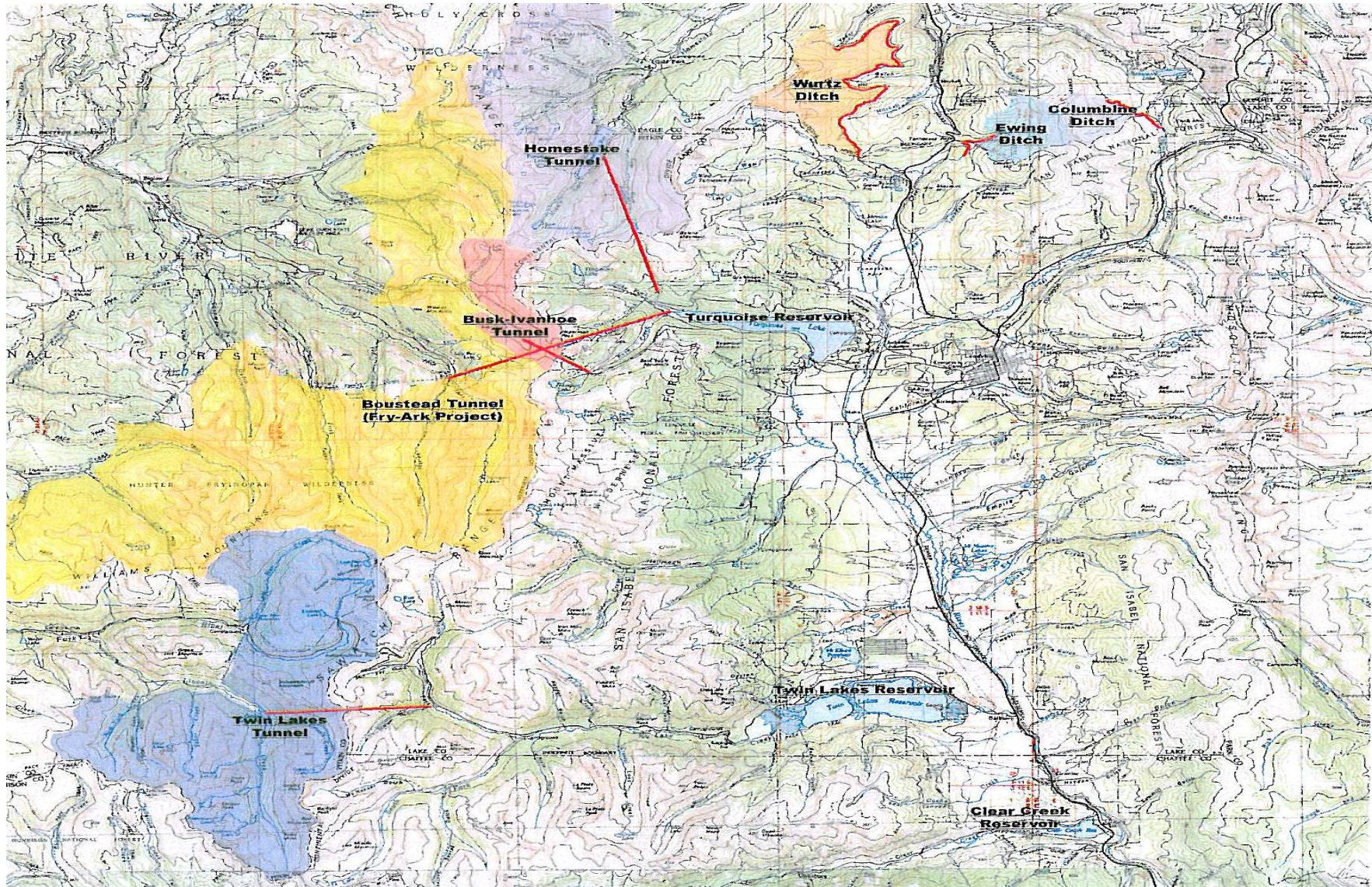
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
SUPPLY:										
Arkansas River Basin ¹	49,843	58,761	40,451	38,514	39,015	41,184	40,597	36,690	42,423	38,841
Colorado River Basin ²	20,177	16,174	24,780	21,122	11,511	26,068	28,672	26,633	22,652	25,826
Total	<u>70,020</u>	<u>74,935</u>	<u>65,231</u>	<u>59,636</u>	<u>50,526</u>	<u>67,252</u>	<u>69,269</u>	<u>63,323</u>	<u>65,075</u>	<u>64,667</u>
USE:										
Potable	27,987	26,307	26,437	26,608	29,746	28,822	27,611	25,767	28,018	26,613
Raw Water - Comanche Power Plant	12,783	12,150	11,848	11,994	13,000	10,774	10,471	9,494	7,915	8,351
Raw Water - Outside City Limits	30,188	27,040	18,161	9,302	21,026	27,267	20,274	20,023	24,408	21,629
Total	<u>70,958</u>	<u>65,497</u>	<u>56,446</u>	<u>47,904</u>	<u>63,772</u>	<u>66,863</u>	<u>58,356</u>	<u>55,284</u>	<u>60,341</u>	<u>56,593</u>
STORAGE:										
Pueblo Reservoir ³										
Capacity	43,200	40,200	40,200	40,200	40,200	40,200	37,200	37,200	37,200	37,200
Content on December 31	23,952	26,897	24,159	18,968	19,089	28,961	29,137	24,866	21,496	23,185
Content as % of capacity	55%	67%	60%	47%	47%	72%	78%	67%	58%	62%
Clear Creek Reservoir										
Capacity	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439	11,439
Content on December 31	7,006	7,317	6,854	7,741	6,542	6,807	7,364	6,757	7,350	2,359
Content as % of capacity	61%	64%	60%	68%	57%	60%	64%	59%	64%	21%
Twin Lakes Reservoir										
Capacity	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Content on December 31	6,607	8,912	7,622	6,075	285	4,197	6,805	6,143	4,765	10,829
Content as % of capacity	52%	71%	60%	48%	2%	33%	54%	49%	38%	86%
Turquoise Reservoir										
Capacity	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Content on December 31	2,411	3,948	2,405	3,361	1,271	2,496	3,455	3,250	2,948	4,069
Content as % of capacity	48%	79%	48%	67%	25%	50%	69%	65%	59%	81%
Total System Storage										
Capacity	72,239	69,239	69,239	69,239	69,239	69,239	66,239	66,239	66,239	66,239
Content on December 31	39,976	47,074	41,040	36,145	27,187	42,461	46,761	41,016	36,559	40,442
Content as % of capacity	55%	68%	59%	52%	39%	61%	71%	62%	55%	61%

¹The amounts shown reflect only direct flow rights actually used and not the full amounts available in priority.

²Colorado River Basin supply includes reuse

³Includes Fry-Ark Project water storage and non-project water stored under excess capacity contract with USBR

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
E - OPERATING INFORMATION



BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
E - OPERATING INFORMATION

PUMPING SUMMARY

2016-vs- 2015 Review

	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Treated water pumped (million gallons)	8,868	8,307	6.75%
Number of treated water pump stations	10	10	0.00%
Maximum pumping capacity (mgd)	217.90	217.90	0.00%
Pumping energy costs	\$ 3,034,837	\$ 2,883,630	5.24%

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
E - OPERATING INFORMATION

Pumping Station Capacities - 2016

Pump Station	Zone	Pump Number	Year Installed	Pump Manufacturer	Motor Manufacturer	Horse-Power	Speed (rpm)	Pumping Capacity (mgd)		
Old Gardner	1000	1	1952	DeLaval	Century	300	1,170	6.50		
		2	1952	DeLaval	Century	200	1,170	3.60		
		3	1952	DeLaval	Century	125	1,170	2.20		
North Gardner	1000	4	1952	Allis-Chalmers	Allis-Chalmers	350	1,170	7.30		
		4	1965	Worthington	Electric	500	1,180	8.90		
		5	1965	Worthington	Titan II, US Motors	500	1,775	8.90		
South Gardner	1000	2D	1965	DeLaval	Caterpillar	425	1,200	5.76		
		1	2002	Allis-Chalmers	Siemens	600	1,770	9.10		
		2	1965	Worthington	Electric	700	1,186	12.50		
McCabe	2000	3	1965	Worthington	Electric	700	1,186	12.50		
		1D	1965	DeLaval	Caterpillar	425	1,200	5.04		
		1	2010	Allis-Chalmers	Siemens	600	1,770	8.40		
		2	2010	Allis-Chalmers	Siemens	600	1,770	8.60		
		3	1997	Ingersoll-Dresser	Titan II, US Motors	600	1,780	6.00		
		4	1997	Ingersoll-Dresser	Titan II, US Motors	600	1,780	6.70		
		5	1997	Ingersoll-Dresser	Titan II, US Motors	600	1,780	8.40		
J.O. Jones	3000	6	1956	Ingersoll-Dresser	Titan II, US Motors	600	1,780	8.50		
		7	1965	Allis-Chalmers	General Electric	350	1,780	5.90		
		1	1965	DeLaval	Allis-Chalmers	200	1,180	5.50		
		2	1965	DeLaval	Allis-Chalmers	200	1,180	5.50		
		3	1965	DeLaval	Allis-Chalmers	200	1,180	5.50		
		J.O. Jones	5000/7000	1	2007	Goulds Pumps	Marathon Electric	300	1,780	5.70
				2	2007	Goulds Pumps	WEG	300	1,780	5.70
Belmont	5000/7000	1	2006	American Marsh	TECO Westinghouse	75	1,775	1.95		
		2	2006	American Marsh	TECO Westinghouse	75	1,775	1.95		
		3	2005	American Marsh	TECO Westinghouse	125	1,780	3.86		
Watts	3000	1	2013	Aurora Pumps	Nidec US	200	1,800	5.04		
		2	2013	Aurora Pumps	Nidec US	200	1,800	5.04		
		3	2013	Aurora Pumps	Nidec US	200	1,800	5.04		
LaVista	6000/4000	2		Allis-Chalmers	Allis-Chalmers	350	1,180	4.90		
		3	1963	Allis-Chalmers	Allis-Chalmers	350	1,180	5.30		
		4	1963	Allis-Chalmers	Allis-Chalmers	350	1,180	5.30		
		5	1963	Allis-Chalmers	Allis-Chalmers	350	1,180	5.30		
		1D	1963	Allis-Chalmers	Caterpillar	330	1,180	5.04		
Zone 8000	8000	5	2000	Paco	TECO Westinghouse	150	1,750	2.88		
		4	2000	Paco	TECO Westinghouse	150	1,750	2.88		
		3	2000	Berkeley	Marathon Electric	25	3,600	0.36		
		2	2000	Berkeley	Marathon Electric	25	3,600	0.36		
						12,930		217.90		

Summary by Pumping Station

Old Gardner		975	19.60
North Gardner		1,425	23.56
South Gardner		2,425	39.14
McCabe		3,950	52.50
J.O. Jones		600	16.50
J.O. Jones		600	11.40
Belmont		275	7.76
Watts		300	15.12
LaVista		1,730	25.84
Zone 8000		350	6.48
		12,630	217.90

Summary by Zone

1000	4,825	82.30
2000	3,950	52.50
3000	900	31.62
5000/7000	875	19.16
6000/4000	1,730	25.84
8000	<u>350</u>	<u>6.48</u>
	12,630	217.90

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 STATISTICAL SECTION
 E - OPERATING INFORMATION

Treated Water Pumped & Energy Costs: 2016-2007

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Treated water pumped (million gallons)	8,868	8,307	8,611	8,781	9,775	9,438	9,030	8,425	9,124	8,586
Treatment plant capacity (mgd)	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
 Treating & Pumping Energy Costs	 \$ 3,034,837	 \$ 2,883,630	 \$ 2,924,429	 \$ 2,888,977	 \$ 3,081,285	 \$ 2,507,741	 \$ 2,076,522	 \$ 2,186,461	 \$ 1,897,453	 \$ 1,819,585
Energy Costs per 1,000 gallons	\$ 0.34	\$ 0.35	\$ 0.34	\$ 0.33	\$ 0.32	\$ 0.27	\$ 0.23	\$ 0.26	\$ 0.21	\$ 0.21

2016 Analytical Results Summary for Pueblo's Treated Water								
Parameter		Primary Standard	Secondary Standard	MCL	MCLG	Range of Detection in Pueblo Water	Pueblo Treated Water Average Level	Number of Samples Analyzed
Clarity								
Turbidity	NTU	◆		0.5	0.5	0.04 - 0.15	0.08	251
Microbiological								
Total Coliform Bacteria**	P/A	◆		less than 5% per month positive	0	P - A***	A	2173
E. coli Bacteria**	P/A	◆		0	0	P - A	A	2173
Giardia	Oocysts/100 L			N/A	0	ND	ND	12
Cryptosporidium	Oocysts/100 L			N/A	0	ND	ND	12
Radiologicals°								
Gross Alpha	pCi/L			N/A	N/A	2.5	2.5	1
Gross Alpha (Less Radon and Uranium)	pCi/L	◆		15	0	0.2	0.2	1
Radium-226	pCi/L	◆		5	0	0.1	0.1	1
Radium-228	pCi/L	◆		5	0	0.3	0.3	1
Uranium	pCi/L			N/A	N/A	2.3	2.3	1
Uranium	µg/L	◆		30	0	3.3	3.3	1
Inorganic Chemicals								
Trace Metals								
Aluminum	µg/L		◆	50 - 200	N/A	25.3 - 57.6	41.9	9
Antimony	µg/L	◆		6	6	<1.00	<1.00	10
Arsenic	µg/L	◆		10	0	<1.00	<1.00	10
Barium	µg/L	◆		2000	2000	37.0 - 56.8	49.8	10
Beryllium	µg/L	◆		4	4	<1.00	<1.00	10
Cadmium	µg/L	◆		5	5	<1.00	<1.00	10
Calcium	mg/L			N/A	N/A	32.7 - 52.0	45.4	10
Chromium	µg/L	◆		100	100	<1.00 - 6.46	1.70	10
Cobalt	µg/L			N/A	N/A	<1.00	<1.00	10
Copper	µg/L		◆	1000	N/A	1.24 - 2.32	1.64	10
Iron	mg/L		◆	300	N/A	<0.10	<0.10	10
Lead	µg/L			N/A	N/A	<1.00 - 3.16	<1.00	10
Magnesium	mg/L			N/A	N/A	6.44 - 14.2	11.2	10
Manganese	µg/L		◆	50	N/A	<1.00 - 4.25	1.85	10
Mercury	µg/L	◆		2	2	<0.50	<0.50	10
Molybdenum	µg/L			N/A	N/A	3.18 - 5.06	4.25	10
Nickel	µg/L			N/A	N/A	1.86 - 3.56	2.74	10
Potassium	mg/L			N/A	N/A	1.54 - 2.41	2.15	10
Selenium	µg/L	◆		50	50	2.02 - 6.57	4.66	10
Silver	µg/L		◆	100	N/A	<1.00	<1.00	10
Sodium	mg/L			N/A	N/A	8.12 - 21.2	16.1	10
Thallium	µg/L	◆		2	0.0005	<1.00	<1.00	10
Vanadium	µg/L			N/A	N/A	<1.00 - 2.62	<1.00	10
Zinc	µg/L		◆	5000	N/A	<1.00 - 2.78	1.42	10

2016 Analytical Results Summary for Pueblo's Treated Water								
Parameter	Units	Primary Standard	Secondary Standard	MCL	MCLG	Range of Detection in Pueblo Water	Pueblo Treated Water Average Level	Number of Samples Analyzed
Organic Chemicals								
Trihalomethanes ☐ (Disinfection Byproduct)	µg/L	◆						
Bromodichloromethane	µg/L				0	1.2 - 2.6	2	16
Bromoform	µg/L				0	<0.5	<0.5	16
Chloroform	µg/L				N/A	2.8 - 14.7	6.6	16
Dibromochloromethane	µg/L				6	<0.5 - 0.57	<0.5	16
Total Trihalomethanes	µg/L	◆		80	N/A	4.2 - 17.3	8.7	16
Haloacetic Acids ☐ (Disinfection Byproduct)	µg/L	◆						
Bromoacetic acid	µg/L				N/A	<1.00	<1.00	16
Dibromoacetic acid	µg/L				N/A	<1.00 - 2.82	<1.00	16
Dichloroacetic acid	µg/L				0	4.04 - 22.3	10.2	16
Monochloroacetic acid	µg/L				N/A	<1.00 - 2.71	<1.00	16
Trichloroacetic acid	µg/L				300	<1.00 - 7.79	2.56	16
Total Haloacetic Acid	µg/L	◆		60	N/A	6.30 - 31.5	13.9	16
Total Volatile Organic Compounds (VOC's)		◆						
Benzene	µg/L	◆		5	0	<0.50	<0.50	1
Bromobenzene	µg/L			N/A	N/A	<0.50	<0.50	1
Bromochloromethane	µg/L			N/A	N/A	<0.50	<0.50	1
Bromodichloromethane	µg/L			N/A	N/A	1.7	1.7	1
Bromomethane	µg/L			N/A	N/A	<0.50	<0.50	1
n-Butylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
sec-Butylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
tert-Butylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
Carbon tetrachloride	µg/L	◆		5	0	<0.50	<0.50	1
Chlorobenzene	µg/L	◆		100	100	<0.50	<0.50	1
Chloroethane	µg/L			N/A	N/A	<0.50	<0.50	1
Chloroform	µg/L			N/A	N/A	5.8	5.8	1
Chloromethane	µg/L			N/A	N/A	<0.50	<0.50	1
o-Chlorotoluene	µg/L			N/A	N/A	<0.50	<0.50	1
p-Chlorotoluene	µg/L			N/A	N/A	<0.50	<0.50	1
Dibromochloromethane	µg/L			N/A	N/A	<0.50	<0.50	1
Dibromomethane	µg/L			N/A	N/A	<0.50	<0.50	1
m- Dichlorobenzene	µg/L	◆		N/A	N/A	<0.50	<0.50	1
o- Dichlorobenzene	µg/L			600	600	<0.50	<0.50	1
p- Dichlorobenzene	µg/L	◆		75	75	<0.50	<0.50	1
Dichlorodifluoromethane	µg/L			N/A	N/A	<0.50	<0.50	1
1,1- Dichloroethane	µg/L			N/A	N/A	<0.50	<0.50	1
1,2- Dichloroethane	µg/L	◆		5	0	<0.50	<0.50	1
1,1- Dichloroethylene	µg/L	◆		7	7	<0.50	<0.50	1
cis-1,2- Dichloroethylene	µg/L	◆		70	70	<0.50	<0.50	1
trans-1,2- Dichloroethylene	µg/L	◆		100	100	<0.50	<0.50	1
1,2- Dichloropropane	µg/L	◆		5	5	<0.50	<0.50	1
1,3- Dichloropropane	µg/L			N/A	N/A	<0.50	<0.50	1
2,2- Dichloropropane	µg/L			N/A	N/A	<0.50	<0.50	1
1,1- Dichloropropene	µg/L			N/A	N/A	<0.50	<0.50	1
cis-1,3- Dichloropropene	µg/L			N/A	N/A	<0.50	<0.50	1
trans-1,3- Dichloropropene	µg/L			N/A	N/A	<0.50	<0.50	1
1,3- Dichloropropene	µg/L			N/A	N/A	<0.50	<0.50	1
Ethylbenzene	µg/L	◆		700	700	<0.50	<0.50	1
Hexachlorobutadiene	µg/L			N/A	N/A	<0.50	<0.50	1
Isopropylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
p-Isopropyltoluene	µg/L			N/A	N/A	<0.50	<0.50	1
Methylene chloride	µg/L	◆		5	0	<0.50	<0.50	1
Naphthalene	µg/L			N/A	N/A	<0.50	<0.50	1
n-Propylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
Styrene	µg/L	◆		100	100	<0.50	<0.50	1
Tetrachloroethylene	µg/L			5	5	<0.50	<0.50	1
1,1,1- Trichloroethane	µg/L	◆		200	200	<0.50	<0.50	1
1,1,1,2- Tetrachloroethane	µg/L			N/A	N/A	<0.50	<0.50	1
1,1,2,2- Tetrachloroethane	µg/L			N/A	N/A	<0.50	<0.50	1
Toluene	µg/L	◆		1000	1000	<0.50	<0.50	1
1,2,3- Trichlorobenzene	µg/L			N/A	N/A	<0.50	<0.50	1
1,2,4- Trichlorobenzene	µg/L	◆		70	70	<0.50	<0.50	1
1,1,2- Trichloroethane	µg/L	◆		5	3	<0.50	<0.50	1
Trichloroethylene	µg/L	◆		5	0	<0.50	<0.50	1
Trichlorofluoromethane	µg/L			N/A	N/A	<0.50	<0.50	1
1,2,3- Trichloropropane	µg/L			N/A	N/A	<0.50	<0.50	1
1,2,4- Trimethylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
1,3,5- Trimethylbenzene	µg/L			N/A	N/A	<0.50	<0.50	1
Vinyl chloride	µg/L	◆		2	0	<0.50	<0.50	1
m,p- Xylene	µg/L			N/A	N/A	<0.50	<0.50	1
o-Xylene	µg/L			N/A	N/A	<0.50	<0.50	1
Xylenes, Total	µg/L	◆		10000	10000	<0.50	<0.50	1
Total Trihalomethane	µg/L	◆		80	80	7.5	7.5	1

2016 Analytical Results Summary for Pueblo's Treated Water								
Parameter	Units	Primary Standard	Secondary Standard	MCL	MCLG	Range of Detection in Pueblo Water	Pueblo Treated Water Average Level	Number of Samples Analyzed
Organic Chemicals (cont'd)								
Pesticides*		◆						
Aldrin	µg/L			N/A	N/A	<0.0095	<0.0095	2
alpha-Chlordane	µg/L			2	2	<0.0095	<0.0095	2
gamma-Chlordane	µg/L			2	0	<0.0095	<0.0095	2
Chlordane	µg/L			2	2	<0.19	<0.19	2
Dieldrin	µg/L			N/A	N/A	<0.0095	<0.0095	2
Endrin	µg/L			2	2	<0.0095	<0.0095	2
Hexachlorocyclopentadiene	µg/L			50	50	<0.095	<0.095	2
Heptachlor	µg/L			0.4	0.4	<0.0095	<0.0095	2
Heptachlor epoxide	µg/L			0.2	0.2	<0.0095	<0.0095	2
Hexachlorobenzene	µg/L			1	0	<0.0095	<0.0095	2
Methoxychlor	µg/L			40	40	<0.047	<0.047	2
Toxaphene	µg/L			3	0	<0.71	<0.71	2
gamma-BHC	µg/L			0.2	0.2	<0.0095	<0.0095	2
Aroclor 1016	µg/L			0.5	0	<0.076	<0.076	2
Aroclor 1221	µg/L			0.5	0	<0.24	<0.24	2
Aroclor 1232	µg/L			0.5	0	<0.095	<0.095	2
Aroclor 1242	µg/L			0.5	0	<0.095	<0.095	2
Aroclor 1248	µg/L			0.5	0	<0.095	<0.095	2
Aroclor 1254	µg/L			0.5	0	<0.095	<0.095	2
Aroclor 1260	µg/L			0.5	0	<0.095	<0.095	2
PCB-Total	µg/L			0.5	0	<0.24	<0.24	2
1,2-Dibromo-3-chloropropane	µg/L			0.2	0.2	<0.0097	<0.0097	2
1,2-Dibromoethane	µg/L			0.05	0.05	<0.0097	<0.0097	2
Alachlor	µg/L			2	0	<0.1	<0.1	2
Atrazine	µg/L			3	3	<0.1	<0.1	2
Simazine	µg/L			4	4	<0.07	<0.07	2
Herbicides*		◆						
2,4,-D	µg/L			70	70	<0.10	<0.10	2
2,4,5-TP	µg/L			50	50	<0.20	<0.20	2
Dicamba	µg/L			N/A	N/A	<0.30	<0.30	2
Dalapon	µg/L			200	200	<1.0	<1.0	2
Dinoseb	µg/L			7	7	<0.20	<0.20	2
Pentachlorophenol	µg/L			1	0	<0.040	<0.040	2
Picloram	µg/L			500	500	<0.10	<0.10	2
Butachlor	µg/L			N/A	N/A	<0.1	<0.1	2
Metolachlor	µg/L			N/A	N/A	<0.1	<0.1	2
Metribuzin	µg/L			N/A	N/A	<0.1	<0.1	2
Propachlor	µg/L			N/A	N/A	<0.1	<0.1	2
Diquat	µg/L			20	20	<0.40	<0.40	2
Endothall	µg/L			100	100	<9.0	<9.0	2
Carbamate Pesticides*		◆						
3-Hydroxycarbofuran	µg/L			N/A	N/A	<0.5	<0.5	2
Aldicarb	µg/L			3	1	<0.5	<0.5	2
Aldicarb sulfone	µg/L			2	1	<0.5	<0.5	2
Aldicarb sulfoxide	µg/L			4	1	<0.5	<0.5	2
Carbaryl	µg/L			N/A	N/A	<0.5	<0.5	2
Carbofuran	µg/L			40	40	<0.5	<0.5	2
Methiocarb	µg/L			N/A	N/A	<0.5	<0.5	2
Methomyl	µg/L			N/A	N/A	<0.5	<0.5	2
Oxamyl (Vydate)	µg/L			200	200	<0.5	<0.5	2
Propoxur	µg/L			N/A	N/A	<0.5	<0.5	2
Other Organic Chemicals*		◆						
Benzo(a)pyrene	µg/L			0.2	0	<0.02	<0.02	2
Bis(2-ethylhexyl)adipate	µg/L			400	0	<0.57	<0.57	2
Bis(2-ethylhexyl)phthalate	µg/L			6	0	<0.57	<0.57	2

2016 Analytical Results Summary for Pueblo's Treated Water								
Parameter	Units	Primary Standard	Secondary Standard	MCL	MCLG	Range of Detection in Pueblo Water	Pueblo Treated Water Average Level	Number of Samples Analyzed
Additional Parameters								
Alkalinity (as CaCO ₃)	mg/L			N/A	N/A	67 - 112	97	69
Ammonia (as Nitrogen)	mg/L			N/A	N/A	0.07 - 0.34	0.16	104
Calcium Hardness (as CaCO ₃)	mg/L			N/A	N/A	91 - 171	137	52
Chlorine (Total Chloramine)	mg/L	◆		4	4	3.09 - 4.10	3.62	251
Chloride	mg/L		◆	250	N/A	8.42 - 13.7	11.60	39
Conductivity	µmho/cm		◆	N/A	N/A	281 - 524	445	251
Fluoride	mg/L	◆		4, 2*	4	0.38 - 0.77	0.70	363
Total Hardness (as CaCO ₃)	mg/L			N/A	N/A	111 - 207	179	52
Nitrate (as Nitrogen)	mg/L	◆		10	10	0.22 - 0.37	0.31	4
Nitrite (as Nitrogen)	mg/L	◆		1	1	<0.05	<0.05	4
Total Nitrate and Nitrite (as Nitrogen)	mg/L	◆		10	10	0.22 - 0.37	0.31	4
Ortho-Phosphate (as Phosphorous)	mg/L			N/A	N/A	<0.50	<0.50	4
pH	units		◆	6.5-8.5	N/A	6.86 - 7.95	7.49	251
Total Dissolved Solids	mg/L		◆	500	N/A	185 - 403	300	52
Sulfate	mg/L		◆	250	N/A	51.7 - 125	102	47
Total Organic Carbon	mg/L	◆		Removal	N/A	1.8 - 2.4	2.0	12

Listed above are regulated and unregulated contaminants detected in Pueblo's drinking water in 2016.

All are below regulated levels.

Drinking water produced by the Whitlock Treatment Facility meets all Health and Safety Standards as mandated by the Safe Drinking Water Act and the State of Colorado.

Terms and Definitions Used in the Above Data Table

P/A - Presence/Absence - The determination of whether or not there is coliform bacteria present in a water sample.

Primary Standards - Mandatory Health Related Standards

Secondary Standards - Aesthetic Standards

MCL - Maximum Contaminant Level - The highest level of a contaminant that is allowed in drinking water. MCL's are set as close to the MCLG's as feasible using the best available treatment technology.

MCLG - Maximum Contaminant Level Goal - The level of a contaminant in drinking water below which there is no known or expected risk to health.

MRDL - Maximum Residual Disinfection Level - The maximum level of disinfectant residual allowed in a distribution system. Total chlorine (chloramine) in the table was measured at the Treatment Plant. Distribution chlorine levels are lower.

Turbidity - Turbidity is a measure of the cloudiness of water. We monitor it because it is a good indicator of the effectiveness of our plant's filtration system.

NTU - Nephelometric Turbidity Unit - A unit of measurement of turbidity in water.

Oocysts - A life cycle stage of a parasitic organism.

µg/L - microgram per liter or one part per billion

mg/L - milligram per liter or one part per million

AL - Action Level - Results over the action level require changes in water treatment technique.

µmho/cm - a unit of measurement of the conductivity of the water

< - Less Than

□ - THM and HAA values are an average of all DBP collection points in the distribution system.

* Public notification is required if fluoride concentration exceeds 2.0 mg/L.

** Total coliform and E. coli bacteriological samples are collected at designated locations throughout the distribution system each month.

*** There were 2 positive Total Coliform samples in 2016.

° Radiologicals analyzed in 2012. Pesticides, herbicides, carbamate pesticides and other organic chemicals analyzed in 2014.

Please contact the Board of Water Works Water Quality Laboratory for any information regarding water quality at (719) 584-0467. Hours are 8:00 am - 4:30 pm Monday through Friday.

2016 Analytical Results Summary for Pueblo's Raw Water Arkansas River Intake				
Parameter	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
Clarity				
Turbidity	NTU	0.91 - 79.6	4.56	251
Microbiological				
Total Coliform Bacteria	MPN/100 mL	56 - 17329	1863.3	198
E. Coli Bacteria	MPN/100 mL	<1 - 214.2	24.1	198
Inorganic Chemicals				
Trace Metals				
Aluminum	µg/L	18.6 - 84.7	38.7	9
Antimony	µg/L	<1.00	<1.00	10
Arsenic	µg/L	<1.00 - 1.43	<1.00	10
Barium	µg/L	42.9 - 60.9	53.4	10
Beryllium	µg/L	<1.00	<1.00	9
Cadmium	µg/L	<1.00 - 1.82	<1.00	10
Calcium	mg/L	37.3 - 54.8	47.9	10
Chromium	µg/L	<1.00 - 7.85	2.29	10
Cobalt	µg/L	<1.00	<1.00	10
Copper	µg/L	1.10 - 3.08	1.53	10
Iron	mg/L	<0.10	<0.10	2
Lead	µg/L	<1.00	<1.00	10
Magnesium	mg/L	7.03 - 14.6	11.7	10
Manganese	µg/L	19.8 - 131	50.1	10
Mercury	µg/L	<0.50	<0.50	10
Molybdenum	µg/L	2.91 - 4.97	4.10	10
Nickel	µg/L	2.63 - 3.84	3.23	10
Potassium	mg/L	1.47 - 2.43	2.12	10
Selenium	µg/L	2.47 - 5.28	4.24	10
Silver	µg/L	<1.00	<1.00	10
Sodium	mg/L	8.85 - 22.3	17.0	10
Thallium	µg/L	<1.00	<1.00	10
Vanadium	µg/L	<1.00 - 3.42	1.27	10
Zinc	µg/L	5.11 - 22.5	8.86	10

2015 Analytical Results Summary for Pueblo's Raw Water Arkansas River Intake				
Parameters (Cont'd)	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
Additional Parameters				
Alkalinity (as CaCO ₃)	mg/L	86 - 126	114	52
Ammonia (as Nitrogen)	mg/L	<0.01 - 0.07	0.02	104
Calcium Hardness (as CaCO ₃)	mg/L	103 - 176	143	52
Chloride	mg/L	4.87 - 10.8	8.42	39
Conductivity	µmho/cm	298 - 532	456	251
Fluoride	mg/L	0.37 - 0.54	0.46	360
Total Hardness (as CaCO ₃)	mg/L	124 - 251	187	52
pH	units	7.62 - 8.32	8.02	251
Total Dissolved Solids	mg/L	195 - 415	309	52
Sulfate	mg/L	64 - 129	110	47

Listed above are regulated and unregulated contaminants detected in the raw water in 2016.

Terms and Definitions Used in the Above Data Table

Turbidity - Turbidity is a measure of the cloudiness of water. We monitor it because it is a good indicator of the effectiveness of our plant's filtration system.

NTU - Nephelometric Turbidity Unit - A unit of measurement of turbidity in the water.

MPN/100 mL - Most Probable Number per 100 milliliter - The most probable number of bacterial colonies per 100 milliliters of a water sample.

ND - Not Detected

µg/L - microgram per liter or one part per billion

mg/L - milligram per liter or one part per million

µmho/cm - a unit of measurement of the conductivity of the water

< - Less Than

Please contact the Board of Water Works Water Quality Laboratory for any additional information regarding water quality at (719)584-0467. Hours are 8:00 am - 4:30 pm Monday through Friday.

2016 Analytical Results Summary for Pueblo's Raw Water Pipeline				
Parameter	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
Clarity				
Turbidity	NTU	0.58 - 10.9	2.55	251
Microbiological				
Total Coliform Bacteria	MPN/100 mL	<1 - 24196	1125.5	193
E. Coli Bacteria	MPN/100 mL	<1 - 68.4	9.0	193
Giardia	Oocysts/ 100 L	ND	ND	12
Cryptosporidium	Oocysts/ 100 L	ND	ND	12
Radiologicals*				
Gross Alpha	pCi/L	5.1	5.1	1
Gross Alpha (Less Radon and Uranium)	pCi/L	2.6	2.6	1
Radium-226	pCi/L	0.0	0.0	1
Radium-228	pCi/L	0.30	0.30	1
Uranium	pCi/L	2.5	2.5	1
Uranium	µg/L	3.6	3.60	1
Inorganic Chemicals				
Trace Metals				
Aluminum	µg/L	5.12 - 140	28.1	9
Antimony	µg/L	<1.00	<1.00	10
Arsenic	µg/L	<1.00 - 1.09	<1.00	10
Barium	µg/L	40.0 - 61.2	53.2	10
Beryllium	µg/L	<1.00	<1.00	9
Cadmium	µg/L	<1.00	<1.00	10
Calcium	mg/L	32.8 - 52.1	46.1	10
Chromium	µg/L	<1.00 - 7.26	1.73	10
Cobalt	µg/L	<1.00	<1.00	10
Copper	µg/L	1.67 - 3.36	2.39	10
Iron	mg/L	<0.10 - 0.16	<0.10	10
Lead	µg/L	<1.00	<1.00	10
Magnesium	mg/L	6.98 - 14.2	11.1	10
Manganese	µg/L	2.66 - 39.5	13.1	10
Mercury	µg/L	<0.50	<0.50	10
Molybdenum	µg/L	3.11 - 5.12	4.24	10
Nickel	µg/L	2.17 - 3.75	3.09	10
Potassium	mg/L	1.45 - 2.43	2.08	10
Selenium	µg/L	1.97 - 5.15	4.28	10
Silver	µg/L	<1.00	<1.00	10
Sodium	mg/L	9.09 - 20.1	15.9	10
Thallium	µg/L	<1.00	<1.00	10
Vanadium	µg/L	<1.00 - 3.36	1.30	10
Zinc	µg/L	3.52 - 21.6	7.82	10

2016 Analytical Results Summary for Pueblo's Raw Water Pipeline

Parameter	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
Organic Chemicals				
Total Volatile Organic Compounds (VOC's)				
Benzene	µg/L	<0.50	<0.50	1
Bromobenzene	µg/L	<0.50	<0.50	1
Bromochloromethane	µg/L	<0.50	<0.50	1
Bromodichloromethane	µg/L	<0.50	<0.50	1
Bromoform	µg/L	<0.50	<0.50	1
Bromomethane	µg/L	<0.50	<0.50	1
n-Butylbenzene	µg/L	<0.50	<0.50	1
sec-Butylbenzene	µg/L	<0.50	<0.50	1
tert-Butylbenzene	µg/L	<0.50	<0.50	1
Carbon tetrachloride	µg/L	<0.50	<0.50	1
Chlorobenzene	µg/L	<0.50	<0.50	1
Chloroethane	µg/L	<0.50	<0.50	1
Chloroform	µg/L	<0.50	<0.50	1
Chloromethane	µg/L	<0.50	<0.50	1
o-Chlorotoluene	µg/L	<0.50	<0.50	1
p-Chlorotoluene	µg/L	<0.50	<0.50	1
Dibromochloromethane	µg/L	<0.50	<0.50	1
Dibromomethane	µg/L	<0.50	<0.50	1
m- Dichlorobenzene	µg/L	<0.50	<0.50	1
o- Dichlorobenzene	µg/L	<0.50	<0.50	1
p- Dichlorobenzene	µg/L	<0.50	<0.50	1
Dichlorodifluoromethane	µg/L	<0.50	<0.50	1
1,1- Dichloroethane	µg/L	<0.50	<0.50	1
1,2- Dichloroethane	µg/L	<0.50	<0.50	1
1,1- Dichloroethylene	µg/L	<0.50	<0.50	1
cis-1,2- Dichloroethylene	µg/L	<0.50	<0.50	1
trans-1,2- Dichloroethylene	µg/L	<0.50	<0.50	1
1,2- Dichloropropane	µg/L	<0.50	<0.50	1
1,3- Dichloropropane	µg/L	<0.50	<0.50	1
2,2- Dichloropropane	µg/L	<0.50	<0.50	1
1,1- Dichloropropene	µg/L	<0.50	<0.50	1
cis-1,3- Dichloropropene	µg/L	<0.50	<0.50	1
trans-1,3- Dichloropropene	µg/L	<0.50	<0.50	1
1,3- Dichloropropene	µg/L	<0.50	<0.50	1
Ethylbenzene	µg/L	<0.50	<0.50	1
Hexachlorobutadiene	µg/L	<0.50	<0.50	1
Isopropylbenzene	µg/L	<0.50	<0.50	1
p-Isopropyltoluene	µg/L	<0.50	<0.50	1
Methylene chloride	µg/L	<0.50	<0.50	1
Naphthalene	µg/L	<0.50	<0.50	1
n-Propylbenzene	µg/L	<0.50	<0.50	1
Styrene	µg/L	<0.50	<0.50	1
Tetrachloroethylene	µg/l	<0.50	<0.50	1
1,1,1 - Trichloroethane	µg/l	<0.50	<0.50	1
1,1,1,2- Tetrachloroethane	µg/L	<0.50	<0.50	1
1,1,2,2- Tetrachloroethane	µg/L	<0.50	<0.50	1
Toluene	µg/L	<0.50	<0.50	1
1,2,3- Trichlorobenzene	µg/L	<0.50	<0.50	1
1,2,4- Trichlorobenzene	µg/L	<0.50	<0.50	1
1,1,2- Trichloroethane	µg/L	<0.50	<0.50	1
Trichloroethylene	µg/L	<0.50	<0.50	1
Trichlorofluoromethane	µg/L	<0.50	<0.50	1
1,2,3- Trichloropropane	µg/L	<0.50	<0.50	1
1,2,4- Trimethylbenzene	µg/L	<0.50	<0.50	1
1,3,5- Trimethylbenzene	µg/L	<0.50	<0.50	1
Vinyl chloride	µg/L	<0.50	<0.50	1
m,p- Xylene	µg/L	<0.50	<0.50	1
o-Xylene	µg/L	<0.50	<0.50	1
Xylenes, Total	µg/L	<0.50	<0.50	1

2016 Analytical Results Summary for Pueblo's Raw Water Pipeline				
Parameter	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
Organic Chemicals (continued)				
Pesticides*				
Aldrin	µg/L	<0.0095	<0.0095	2
alpha-Chlordane	µg/L	<0.0095	<0.0095	2
gamma-Chlordane	µg/L	<0.0095	<0.0095	2
Chlordane	µg/L	<0.19	<0.19	2
Dieldrin	µg/L	<0.0095	<0.0095	2
Endrin	µg/L	<0.0095	<0.0095	2
Hexachlorocyclopentadiene	µg/L	<0.095	<0.095	2
Heptachlor	µg/L	<0.0095	<0.0095	2
Heptachlor epoxide	µg/L	<0.0095	<0.0095	2
Hexachlorobenzene	µg/L	<0.0095	<0.0095	2
Methoxychlor	µg/L	<0.047	<0.047	2
Toxaphene	µg/L	<0.71	<0.71	2
gamma-BHC	µg/L	<0.0095	<0.0095	2
Aroclor 1016	µg/L	<0.076	<0.076	2
Aroclor 1221	µg/L	<0.24	<0.24	2
Aroclor 1232	µg/L	<0.095	<0.095	2
Aroclor 1242	µg/L	<0.095	<0.095	2
Aroclor 1248	µg/L	<0.095	<0.095	2
Aroclor 1254	µg/L	<0.095	<0.095	2
Aroclor 1260	µg/L	<0.095	<0.095	2
PCB-Total	µg/L	<0.24	<0.24	2
Alachlor	µg/L	<0.1	<0.1	2
Atrazine	µg/L	<0.1	<0.1	2
Simazine	µg/L	<0.07	<0.07	2
Herbicides*				
2,4,-D	µg/L	<0.10	<0.10	2
2,4,5-TP	µg/L	<0.20	<0.20	2
Dicamba	µg/L	<0.30	<0.30	2
Dalapon	µg/L	<1.0	<1.0	2
Dinoseb	µg/L	<0.20	<0.20	2
Pentachlorophenol	µg/L	<0.040	<0.040	2
Picloram	µg/L	<0.10	<0.10	2
Butachlor	µg/L	<0.1	<0.1	2
Metolachlor	µg/L	<0.1	<0.1	2
Metribuzin	µg/L	<0.1	<0.1	2
Propachlor	µg/L	<0.1	<0.1	2
Endothall	µg/L	<0.90	<0.90	2
Carbamate Pesticides*				
3-Hydroxycarbofuran	µg/L	<0.500	<0.500	2
Aldicarb	µg/L	<0.500	<0.500	2
Aldicarb sulfone	µg/L	<0.500	<0.500	2
Aldicarb sulfoxide	µg/L	<0.500	<0.500	2
Carbaryl	µg/L	<0.500	<0.500	2
Carbofuran	µg/L	<0.500	<0.500	2
Methiocarb	µg/L	<0.500	<0.500	2
Methomyl	µg/L	<0.500	<0.500	2
Oxamyl (Vydate)	µg/L	<0.500	<0.500	2
Propoxur	µg/L	<0.500	<0.500	2
1,2-Dibromo 3-chloropropane	µg/L	<0.0098	<0.0098	2
1,2-Dibromoethane	µg/L	<0.0098	<0.0098	2
Other Organic Chemicals*				
Benzo(a)pyrene	µg/L	<0.02	<0.02	2
Bis(2-ethylhexyl)adipate	µg/L	<0.60	<0.60	2
Bis(2-ethylhexyl)phthalate	µg/L	<0.60	<0.60	2

Additional Parameters				
Alkalinity (as CaCO ₃)	mg/L	78 - 123	107	69
Ammonia (as Nitrogen)	mg/L	0.01 - 0.08	0.02	90
Calcium Hardness (as CaCO ₃)	mg/L	92 - 182	139	52
Chloride	mg/L	4.39 - 10.6	7.93	39
Conductivity	µmho/cm	265 - 521	430	251
Fluoride	mg/L	0.36 - 0.54	0.46	363
Total Hardness (as CaCO ₃)	mg/L	114 - 204	176	52
Nitrate (as Nitrogen)	mg/L	0.21 - 0.37	0.30	4
Nitrite (as Nitrogen)	mg/L	<0.05	<0.05	4
Total Nitrate and Nitrite (as Nitrogen)	mg/L	0.21 - 0.37	0.30	4
Ortho-Phosphate (as Phosphorous)	mg/L	<0.50	<0.50	4
pH	units	7.21 - 8.49	8.04	251
Total Dissolved Solids	mg/L	177 - 388	291	52
Sulfate	mg/L	51.7 - 125	102	47
Total Organic Carbon	mg/L	2.4 - 2.9	2.6	12

Listed above are regulated and unregulated contaminants detected in the raw water in 2016.

Terms and Definitions Used in the Above Data Table

Oocysts - Life cycle stage of a parasitic organism.

Turbidity - Turbidity is a measure of the cloudiness of water. We monitor it because it is a good indicator of the effectiveness of our plant's filtration system.

NTU - Nephelometric Turbidity Unit - A unit of measurement of turbidity in the water.

MPN/100 mL - Most Probable Number per 100 milliliter - The most probable number of bacterial colonies per 100 milliliters of a water sample.

ND - Not Detected

µg/L - microgram per liter or one part per billion

mg/L - milligram per liter or one part per million

µmho/cm - a unit of measurement of the conductivity of the water

< - Less Than

* Radiologicals analyzed in 2012. Pesticides, herbicides, carbamate pesticides and other organic chemicals analyzed in 2014.

Please contact the Board of Water Works Water Quality Laboratory for any additional information regarding water quality at (719)584-0467. Hours are 8:00 am - 4:30 pm Monday through Friday.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
D - OPERATING INFORMATION

Water Services: 2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fire Hydrants	4,077	4,043	4,028	3,996	3,985	3,975	3,967	3,951	3,891	3,824
New Installation	41	15	32	11	10	8	16	38	63	57
Replacement	25	20	40	31	29	39	37	11	19	29
Maintenance	1,265	1,087	917	947	1,215	1,510	392	153	408	678
Leak Detection	903	873	869	931	868	1,022	1,012	946	1,109	1,045
Main Breaks	31	45	45	57	48	47	54	47	38	39
Service Turn Ons	3,484	4,191	4,089	4,078	3,932	3,879	3,711	3,875	4,107	4,513
Service Turn Offs	4,182	4,718	4,673	4,563	4,484	4,721	4,547	4,787	4,961	5,407
Sprinkler Shut Off	264	273	241	264	260	303	309	309	352	332
Sprinkler Turn On	234	249	228	228	243	240	268	274	277	283
¹ Automated Meter Reading	40,548	37,337	33,862	30,318	26,454	22,925	18,961	14,189	10,768	1,788
Manual Meter Reading	2	3,053	6,502	10,525	13,776	17,309	21,230	25,941	29,389	38,168
² Total Meters	40,550	40,390	40,364	40,843	40,230	40,234	40,191	40,130	40,157	39,956
AMR conversion costs	\$ 717,483	\$ 822,982	\$ 968,917	\$ 729,595	\$ 833,332	\$ 784,864	\$ 855,440	\$ 913,577	\$ 1,456,029	\$ 1,638,627

¹The Automated Meter Reading (AMR) project was started in 2007. The project is designed and planned for installation and phase in through 2016.

²Includes fire hydrant meters and water dispensing station accounts.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATISTICAL SECTION
D - OPERATING INFORMATION

Transmission & Distribution Mains - 2016

Pipe Summary

Type of Material	Total Footage	Total Miles	Transmission Footage	Transmission Miles	Distribution Footage	Distribution Miles	Raw Water Footage	Raw Water Miles
AC	1,206,445	228.49	31,133	5.90	1,175,312	222.60	-	-
Cast Iron	673	0.13	673	0.13	-	-	-	-
Cast Iron and Galvanized	2,758	0.52	-	-	2,758	0.52	-	-
Cast Iron CML	603,754	114.35	10,967	2.08	592,787	112.27	-	-
Cast Iron UL	9,715	1.84	5,598	1.06	4,117	0.78	-	-
Concrete Cylinder	5,054	0.96	3,466	0.66	1,588	0.30	-	-
Ductile Iron	30,336	5.75	14,434	2.73	15,902	3.01	2,722	0.52
HDPE	3,757	0.71	966	0.18	2,791	0.53	-	-
HDPE Polar	262	0.05	-	-	262	0.05	-	-
PVC	942,461	178.50	68,988	13.07	873,473	165.43	-	-
PVC Polar	110	0.02	-	-	110	0.02	-	-
Steel	257,907	48.85	230,856	43.72	27,051	5.12	31,597	5.98
Wood	-	-	-	-	-	-	-	-
	<u>3,063,232</u>	<u>580.16</u>	<u>367,081</u>	<u>69.52</u>	<u>2,696,151</u>	<u>510.63</u>	<u>34,319</u>	<u>6.50</u>

Size of Material

3"	2,758	0.52	-	-	2,758	0.52	-	-
4"	7,855	1.49	-	-	7,855	1.49	-	-
6"	761,360	144.20	-	-	761,360	144.20	-	-
8"	1,060,045	200.77	-	-	1,060,045	200.77	-	-
10"	9,097	1.72	-	-	9,097	1.72	-	-
12"	590,779	111.89	-	-	590,779	111.89	-	-
14"	240	0.05	-	-	240	0.05	-	-
16"	264,017	50.00	-	-	264,017	50.00	-	-
18"	2,163	0.41	2,163	0.41	-	-	-	-
20"	64,550	12.23	64,550	12.23	-	-	-	-
21"	18,209	3.45	18,209	3.45	-	-	-	-
24"	106,566	20.18	106,566	20.18	-	-	2,722	0.52
28"	966	0.18	966	0.18	-	-	-	-
30"	85,445	16.18	85,445	16.18	-	-	1,479	0.28
36"	11,007	2.08	11,007	2.08	-	-	-	-
42"	36,393	6.89	36,393	6.89	-	-	-	-
48"	9,728	1.84	9,728	1.84	-	-	-	-
54"	1,275	0.24	1,275	0.24	-	-	-	-
60"	1,944	0.37	1,944	0.37	-	-	1,283	0.24
66"	10,489	1.99	10,489	1.99	-	-	10,489	1.99
78"	12,954	2.45	12,954	2.45	-	-	12,954	2.45
84"	5,392	1.02	5,392	1.02	-	-	5,392	1.02
	<u>3,063,232</u>	<u>580.16</u>	<u>367,081</u>	<u>69.52</u>	<u>2,696,151</u>	<u>510.63</u>	<u>34,319</u>	<u>6.50</u>

Main Extensions

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
4"	-	-	-	-	217	-	-	-	-	-
6"	674	279	102	-	4	-	-	-	2,107	2,594
8"	1,971	1,154	2,497	971	1,367	533	2,299	2,332	11,437	16,410
12"	2,943	1,109	141	432	40	3	708	4,060	2,903	10,287
16"	272	-	-	92	2,581	26,135	1,296	26,890	9,458	167
20"	-	-	-	-	8	-	-	1,095	3,764	-
24"	-	-	-	55	418	1,047	-	9,083	4	2,923
30"	-	-	-	217	-	-	-	-	-	-
36"	-	-	-	-	1,305	-	-	-	-	-
42"	-	-	-	-	1,184	-	-	-	-	-
	<u>5,860</u>	<u>2,542</u>	<u>2,740</u>	<u>1,767</u>	<u>7,124</u>	<u>27,718</u>	<u>4,303</u>	<u>43,460</u>	<u>29,673</u>	<u>32,381</u>

For more information, please contact:
Director of Administrative Services
Board of Water Works of Pueblo, Colorado
P.O. Box 400
Pueblo, CO 81002-0400
719-584-0233



Pueblo Water

Board of Water Works of Pueblo, Colorado