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March 23, 2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
December 31, 2017



COMPRHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2017

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 8, 2018

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, 2017. 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, Whittmore & Company, PC has issued an unmodified (“clean”) opinion on Pueblo Water’s financial statements for the years ended December 31, 2017 and 2016. 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 2017 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 2017 budget -vs- actual results and the 2018 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 2017 there were just 48.

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 \$12.25 million in connection with the water rights purchases from 2009 to 2017 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 \$3.26 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 2008 and 2017:

Ratio	2017	2008
Current ratio	3.32	4.82
Debt/ equity	0.24	0.28
Number of days of working capital	451.43	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 \$80.3 million in revenue from these contracts. For 2018, it is expected that non-potable water sales will account for 26% 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 2008 through 2017, Pueblo Water's operating expense increased 28% driven predominantly by costs associated with: personnel, electricity, health insurance, chemicals, maintenance, and fuel. Associated with increased operating costs, Pueblo Water has raised rates 37.5% during the period 2008 through 2017.

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, 2017 and 2016. MD&A begins on page II-4.

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-5 |
| ○ Historical Connection Fees | Section II – MD&A – Page II-6 |
| ○ 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,



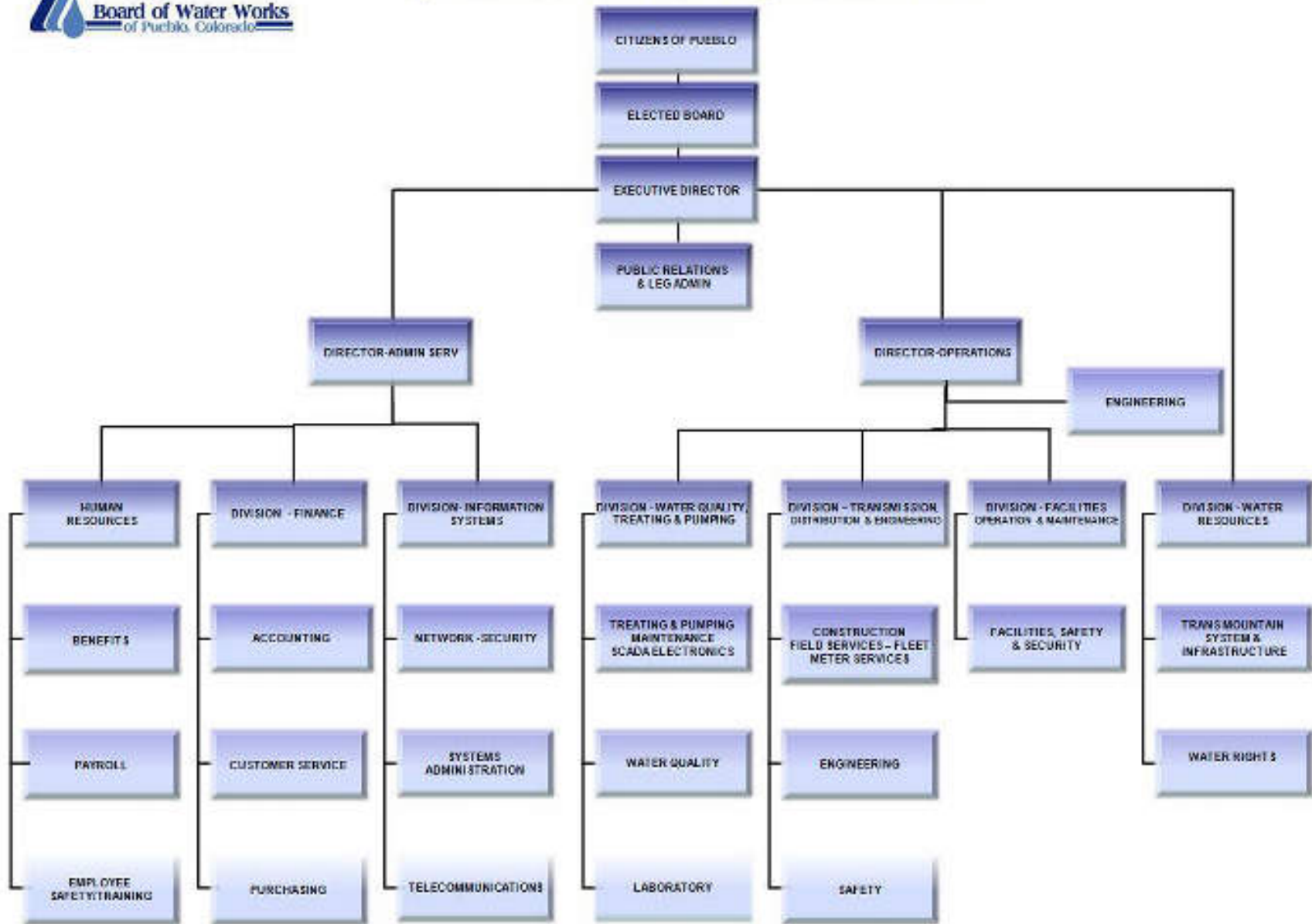
Seth J. Clayton
Executive Director



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, 2017 and 2016, 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, 2017 and 2016, 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 8, 2018, 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 8, 2018

**BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, 2017 and 2016. This information should be read in conjunction with the following basic financial statements.

2017 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 and Pueblo Water converted to the new software in May of 2017. The project was completed for a cost of just over \$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. In 2017, 699 non-operating or damaged meters were exchanged. Additionally, 1,301 Meter Transmitting Units (MTU’s) were replaced.

During 2017, Pueblo Water continued the Service Line Replacement Program (SLRP) that began in 2015 and 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. During 2017, 46 service lines were repaired or replaced by Pueblo Water and 20 lead service lines were replaced by a local contractor through the program. The total cost of all service line replacements for 2017 was \$263,900 and the average cost per replacement was \$4,000.

In 2017, Pueblo Water continued to make progress with its main replacement program spending \$2.66 million replacing 3.44 miles of mains.

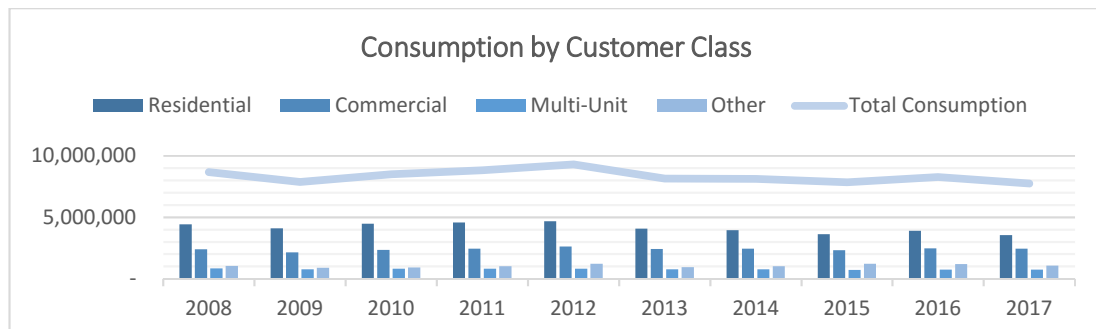
Another notable project that started in 2017 and is scheduled to be completed in early 2018 is the replacement of the roofs of Pueblo Water’s Jones Tanks. The roofs were nearly complete at December 31, 2017 and carried a cost of approximately \$1.27 million. Work is scheduled to begin replacement of the roofs on the other two tanks at that site in 2018 with an anticipated cost of approximately \$1.16 million.

Throughout 2016 and 2017, Pueblo Water continued the process to change the Bessemer Irrigating Ditch Company water rights, purchased in 2009 through 2011, to municipal use. Trials for both the change and exchange case will take place starting on June 3, 2019 and November 4, 2019, respectively. Pueblo Water expects to spend approximately \$815,000 on the conclusion of this process.

2017 Financial Highlights

During 2017, Pueblo received over fifteen inches of precipitation, the second highest amount the community has received since 1996. Although overall it was an extremely wet year, just as in 2015, ninety percent of the precipitation fell between January and early August. Lower than normal precipitation levels and near average temperatures in the last four months of the year helped to bring metered water sales within 1% of projections. Ultimately Pueblo Water customers consumed 7.75 billion gallons of potable water generating \$23.38 million.

While most customer classes used less water in 2017 compared with 2016, residential customers made up the largest decrease at 9.2%. 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, 2017

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
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
2017	39,858	7,746,343	8,259,957	6.2%	22,630	47,032	15.50

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, generally, followed the same trend to that of total consumption but decreased just 1.9% as opposed to total decline in consumption of 6% in 2017 when compared with 2016. The following tables illustrate consumption and revenue generated from Pueblo Water's ten largest potable water customers for 2017 and 2016.

Largest Customers - Treated Water
For the Year Ended December 31, 2017

Customer	Total Consumption (000s gal.)	¹ Percent of Total Consumption	Amount Billed	² Percent of Total Revenue
Steel Mill	274,662	3.55%	\$ 836,047	3.58%
Utility - Private	269,256	3.48%	772,230	3.30%
City Government	266,411	3.44%	764,599	3.27%
State Health Service Provider	164,587	2.12%	453,529	1.94%
University	123,887	1.60%	318,739	1.36%
Public School System	98,271	1.27%	287,709	1.23%
Housing Authority	92,137	1.19%	299,926	1.28%
Manufacturer	79,676	1.03%	221,376	0.95%
Country Club	76,970	0.99%	218,002	0.93%
State Highway Medians	45,911	0.59%	96,128	0.41%
Total	1,491,768	19.26%	\$ 4,268,285	18.26%

¹Based on total consumption of 7.746 billion gallons

²Based on total billing in 2017 of \$23,378,662

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

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

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 2017, \$9.65 million was generated from approximately 34,600 acre feet of contracted non-potable water leases. Comparably, in 2016 \$9.09 million was generated from approximately 43,000 acre feet of contracted non-potable water leases.

Connection fees:

New residential housing starts in 2017 mirrored the number of new residential housing starts in 2016 which was an increase of 27 units when compared with 2015. However, the overall increase in revenue is due to the increase in large multi-family projects which accounted for \$127,500 of the overall \$167,600 increase in connection fee revenue from 2016. The following table illustrates revenue collected from connection fees for the past five years:

Year	Revenue Collected
2017	\$ 893,596
2016	726,017
2015	861,036
2014	564,526
2013	664,800

Statement of Net Position

The statement of net position is a financial snapshot of Pueblo Water as of December 31, 2017, 2016 and 2015. 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, 2017

The following table is a condensed statement of Pueblo Water's net position as of December 31, 2017, 2016 and 2015.

CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2017, 2016 AND 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS			
Current assets	\$ 27,413,464	\$ 26,750,249	\$ 23,888,271
Restricted assets	4,593,096	4,554,004	4,503,901
Capital assets	234,990,589	233,314,403	233,241,442
Other noncurrent assets	6,241,277	8,266,240	9,254,872
Deferred outflows	<u>2,047,814</u>	<u>1,452,370</u>	<u>1,830,125</u>
Total assets	<u>275,286,240</u>	<u>274,337,266</u>	<u>272,718,611</u>
LIABILITIES			
Current liabilities	10,126,090	9,566,480	9,358,399
Long-term liabilities	50,754,950	56,981,193	60,415,380
Deferred inflows	<u>2,029,232</u>	<u>317,381</u>	<u>341,250</u>
Total liabilities	<u>62,910,272</u>	<u>66,865,054</u>	<u>70,115,029</u>
NET POSITION			
Net investment in capital assets	193,454,852	188,344,588	184,962,820
Restricted	4,280,518	4,219,047	4,149,507
Unrestricted	<u>14,640,598</u>	<u>14,908,577</u>	<u>13,491,255</u>
Total net position	<u>\$ 212,375,968</u>	<u>\$ 207,472,212</u>	<u>\$ 202,603,582</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 2017 and 2016.

<u>Operating Revenues</u>	<u>2017</u>	<u>2016</u>	<u>Difference</u>	<u>Percentage</u>
Water sales to general customers	\$ 23.38	\$ 23.99	\$ (0.61)	-2.61%
Raw water sales	9.65	9.09	0.56	5.80%
Plant water investment fee	0.81	0.65	0.16	19.75%
Other	<u>2.22</u>	<u>2.22</u>	<u>-</u>	<u>0.00%</u>
Total	<u>\$ 36.06</u>	<u>\$ 35.95</u>	<u>\$ 0.11</u>	<u>0.31%</u>

Operating Expenses

Over the past five years Pueblo Water has experienced an 11% increase in total operating costs, excluding depreciation and amortization. This represents a dollar increase of \$2.47 million when comparing operating expenses, net of depreciation and amortization, for 2017 with those in 2013. 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, 2017

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	2017	2016	2015	2014	2013
Personnel services	54% ¹	48%	48%	48%	48%
Operation and maintenance	33%	33%	32%	33%	33%
Other operating expense	13%	19%	20%	19%	19%

¹Includes an additional contribution to Pueblo Water's defined benefit pension plan of \$1.6 million.

The statements of revenues, expenses and changes in net position presents the financial activity of Pueblo Water for the years ended December 31, 2017 through 2013. 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, 2017, 2016, 2015, 2014, AND 2013

	2017	2016	2015	2014	2013
Operating Revenues	\$ 36,058,973	\$ 35,946,744	\$ 34,453,854	\$ 33,046,013	\$ 31,369,100
Operating Expenses					
Source of supply, pumping, treatment and distribution	11,462,596	11,496,618	11,153,896	10,889,607	10,643,609
General and administrative	11,331,448	11,105,239	10,657,272	9,934,939	9,899,263
Customer Service	2,160,741	2,106,660	2,116,153	1,907,521	1,945,862
Depreciation and amortization	5,560,582	5,372,756	5,354,330	5,245,535	5,214,865
Total operating expenses	<u>30,515,367</u>	<u>30,081,273</u>	<u>29,281,651</u>	<u>27,977,602</u>	<u>27,703,599</u>
Operating Income	5,543,606	5,865,471	5,172,203	5,068,411	3,665,501
Total Nonoperating Revenues (Expenses)	<u>(1,220,767)</u>	<u>(1,378,621)</u>	<u>(1,631,195)</u>	<u>(2,096,964)</u>	<u>(2,443,767)</u>
Income Before Capital Contributions	4,322,839	4,486,850	3,541,008	2,971,447	1,221,734
Other Revenues	<u>580,917</u>	<u>381,780</u>	<u>292,480</u>	<u>44,742</u>	<u>81,270</u>
Increase in Net Position	4,903,756	4,868,630	3,833,488	3,016,189	1,303,004
Net Position, January 1	<u>207,472,212</u>	<u>202,603,582</u>	<u>198,770,094</u> ¹	<u>205,839,221</u>	<u>204,536,217</u>
Net Position, December 31	<u>\$ 212,375,968</u>	<u>\$ 207,472,212</u>	<u>\$ 202,603,582</u>	<u>\$ 208,855,410</u>	<u>\$ 205,839,221</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, 2017

The following table illustrates Pueblo Water's General Fund 2017 Budget compared to actual as well as the 2018 Budget:

GENERAL FUND BUDGET SUMMARY AND COMPARISON

	<u>2017</u> <u>BUDGET</u>	<u>2017</u> <u>ACTUAL</u>	<u>2018</u> <u>BUDGET</u>
OPERATING REVENUES			
Water sales - Metered	\$ 23,661,753	\$ 23,378,662	\$ 24,415,375
Water sales - Utility Private	5,900,953	5,901,016	6,063,229
Water sales - Raw water	2,438,581	2,600,909	2,556,076
Water sales - Utility Public	1,144,578	1,144,600	1,176,077
Taps and meters	55,000	80,588	55,000
Material sales	55,000	178,977	55,000
Main assessments	10,000	21,938	10,000
Fire protection - public	9,365	10,594	9,365
Discounts	1,500	508	1,500
Rental income	25,329	25,404	25,688
Late field reading fee	7,000	24,400	7,000
Turn-on fee	70,000	68,220	70,000
Check processing fee	15,000	15,057	15,000
Field collection fee	1,500	1,580	1,500
Missed appointment fee	1,500	1,560	1,500
Finance charges	1,000	12,792	1,000
Miscellaneous	75,000	224,653	603,628
Service line protection plan	420,000	429,428	420,000
Plant water investment fee	350,000	813,008	500,000
Insurance recovery	10,000	254	10,000
Comanche operations and maintenance reimbursement	500,000	519,344	500,000
Busk-Ivanhoe administration fee	25,000	25,000	25,000
Wastewater billing reimbursement	449,725	449,316	462,092
Stormwater billing reimbursement	<u>194,533</u>	<u>195,012</u>	<u>199,883</u>
 Total operating revenue	 35,422,317	 36,122,820	 37,183,913
 NONOPERATING REVENUES	 <u>4,538,569</u> ¹	 <u>3,365,305</u> ²	 <u>4,504,796</u> ³
 Total revenue	 <u>\$ 39,960,886</u>	 <u>\$ 39,488,125</u>	 <u>\$ 41,688,709</u>
 EXPENDITURES			
Personnel Services	\$ 15,456,883	\$ 16,559,987	\$ 16,185,281
Operation and Maintenance	11,057,611	10,076,121	10,760,848
Capital Outlay and Interfund Transfers	<u>13,446,392</u>	<u>12,852,017</u>	<u>14,742,580</u>
 Total expenditures	 <u>\$ 39,960,886</u>	 <u>\$ 39,488,125</u>	 <u>\$ 41,688,709</u>

¹ Includes \$ 4,369,172 in contributions from reserve

² Includes \$ 3,126,723 in contributions from reserve

³ Includes \$ 4,280,369 in contributions from reserve

BOARD OF WATER WORKS OF PUEBLO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

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 2018:

- Main improvement or expansion projects totaling \$3.42 million.
- Replacement of the Gardner North and South MCC's totaling \$1.6 million.

Pueblo Water has met its goal to convert all meters to AMR and 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, 2017 AND 2016

	ASSETS		LIABILITIES AND NET POSITION		
	2017	2016		2017	2016
CURRENT ASSETS			CURRENT LIABILITIES		
Cash on hand and in banks (Note 2)	\$ 2,751,337	\$ 1,982,073	Current maturities of long-term debt (Notes 8 & 9)	\$ 3,494,145	\$ 3,388,434
Cash investments (Note 2)			Current maturities of obligation under capital lease (Note 10)	4,618	4,185
Money market funds	12,644,348	12,850,010	Accounts payable (Note 16)	4,742,599	4,319,089
Certificates of deposit	7,106,418	6,343,310	Retainage withheld on construction contracts	142,478	46,606
Accounts receivable (Note 3)			Construction deposit	122,043	120,685
Customers--net of provision for uncollectible accounts of \$ 19,580 and \$ 24,671	3,610,573	3,888,608	Current portion of accrued vacation payroll (Note 14)	361,432	367,157
Inventories	824,289	1,226,907	Customer meter deposits	800,640	864,295
Prepaid items	416,058	410,631	Unearned revenue	172,746	168,123
Accrued interest receivable	60,441	48,710	Accrued liabilities		
Total current assets	27,413,464	26,750,249	Payroll	261,837	260,979
			Interest	23,113	26,178
RESTRICTED ASSETS			Sales taxes	439	749
Cash investments (Note 2)			Total current liabilities	10,126,090	9,566,480
Money market funds	2,050,228	2,130,414	LONG-TERM LIABILITIES		
Accrued interest receivable	22,950	34,948	Revenue bonds (Notes 8 & 9)		
Long-term investments	2,519,918	2,388,642	(net of current maturities--\$3,130,000 and \$3,035,000)	32,800,000	35,930,000
Total restricted assets	4,593,096	4,554,004	Unamortized bond premium	626,248	782,810
CAPITAL ASSETS (NOTE 4)			Loan and repayment contract (Notes 8 & 9)		
Land	2,284,590	2,284,590	(net of current maturities--\$364,145 and \$353,434)	5,060,539	5,424,684
Infrastructure	129,276,447	125,722,218	Obligation under capital lease (Note 10)		
Buildings	72,769,202	72,618,879	(net of current maturities--\$4,618 and \$4,185)	11,216	15,834
Machinery and equipment	40,279,039	38,402,907	Net pension liability (Note 11)	8,885,945	11,405,791
Water rights	98,865,769	98,585,769	Accrued sick leave and vacation payroll (Note 14)		
Intangible software	9,566	9,566	(net of current portion--\$361,432 and \$367,157)	2,220,224	2,315,877
Construction in progress	3,669,043	2,700,378	Accrued payroll taxes on accrued sick leave and vacation payroll	197,497	205,252
	347,153,656	340,324,307	Other postemployment benefits (Note 13)	640,703	565,988
Less accumulated depreciation and amortization	112,163,067	107,009,904	Total long-term liabilities	50,442,372	56,646,236
Total capital assets	234,990,589	233,314,403	LIABILITIES PAYABLE FROM RESTRICTED ASSETS (NOTE 17)	312,578	334,957
OTHER NONCURRENT ASSETS					
Long-term investments (Note 2)	6,241,277	8,266,240	Total liabilities	60,881,040	66,547,673
Total assets	273,238,426	272,884,896	DEFERRED INFLOWS OF RESOURCES		
DEFERRED OUTFLOWS OF RESOURCES (NOTES 5 & 11)			Net difference between projected and actual earnings on pension plan investments (Notes 5 & 11)	1,735,719	-
Unamortized discount	5,146	6,279	Deferred revenue (Note 7)	293,513	317,381
Net difference between expected and actual experience and projected and actual earnings on pension plan investments	1,586,785	876,238	Total deferred inflows of resources	2,029,232	317,381
Deferred amount on refunding	455,883	569,853	NET POSITION		
Total deferred outflows of resources	\$ 2,047,814	\$ 1,452,370	Net investment in capital assets (Note 21)	193,454,852	188,344,588
			Restricted for debt service	4,280,518	4,219,047
			Unrestricted	14,640,598	14,908,577
			Total net position	\$ 212,375,968	\$ 207,472,212

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES	\$ 36,058,973	\$ 35,946,744
OPERATING EXPENSES		
Personnel services and operation and maintenance		
Source of supply, pumping, treatment and distribution	11,462,596	11,496,618
General and administrative	11,331,448	11,105,239
Customer Service	2,160,741	2,106,660
Depreciation and amortization	<u>5,560,582</u>	<u>5,372,756</u>
Total operating expenses	<u>30,515,367</u>	<u>30,081,273</u>
NET OPERATING REVENUE	<u>5,543,606</u>	<u>5,865,471</u>
NONOPERATING REVENUES AND (EXPENSES)		
Investment income		
Interest income	406,536	305,398
Realized gain (loss) on investments	(62,220)	(1,145)
Unrealized gain (loss) on investments	(47,205)	(79,155)
Sale of assets	26,500	42,738
Interest expense on bonded indebtedness	(1,542,582)	(1,644,464)
Interest expense on capital lease obligation	<u>(1,796)</u>	<u>(1,993)</u>
Total nonoperating revenues and (expenses)	<u>(1,220,767)</u>	<u>(1,378,621)</u>
INCOME BEFORE OTHER REVENUES	4,322,839	4,486,850
OTHER REVENUES		
Contributions to capital assets (Note 22)	<u>580,917</u>	<u>381,780</u>
INCREASE IN NET POSITION	4,903,756	4,868,630
NET POSITION, JANUARY 1 (Note 24)	<u>207,472,212</u>	<u>202,603,582</u>
NET POSITION, DECEMBER 31	<u>\$ 212,375,968</u>	<u>\$ 207,472,212</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 35,359,563	\$ 34,774,978
Payments to employees	(10,154,830)	(9,876,430)
Payments to suppliers	(11,783,209)	(12,070,985)
Other receipts (payments)	<u>(3,115,308)</u>	<u>(1,582,283)</u>
Net cash provided by operating activities	<u>10,306,216</u>	<u>11,245,280</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest paid on meter deposits	<u>(3,065)</u>	<u>(2,444)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(6,273,357)	(5,370,205)
Proceeds from sales of capital assets	26,500	47,628
Proceeds from capital lease obligation	-	23,509
Principal payments on revenue bonds and notes	(3,388,434)	(3,287,369)
Principal payments on capital lease obligation	(4,185)	(3,490)
Interest payments on revenue bonds and notes	(1,606,420)	(1,705,358)
Interest payments on capital lease obligation	<u>(1,796)</u>	<u>(1,993)</u>
Net cash provided by (used for) capital and related financing activities	<u>(11,247,692)</u>	<u>(10,297,278)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,600,210)	(2,010,948)
Maturities of investments	6,665,000	3,000,000
Interest received on investments	<u>406,803</u>	<u>299,587</u>
Net cash provided by (used for) investing activities	<u>1,471,593</u>	<u>1,288,639</u>
 NET INCREASE (DECREASE) IN CASH	527,052	2,234,197
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>23,305,807</u>	<u>21,071,610</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 23,832,859</u>	<u>\$ 23,305,807</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH AND CASH EQUIVALENTS AT END OF YEAR		
REPRESENTED BY		
Cash on hand and in banks	\$ 2,751,337	\$ 1,982,073
Money market funds	12,644,348	12,850,010
Certificates of deposit	6,386,946	6,343,310
Restricted assets		
Money market funds	2,050,228	2,130,414
Total	\$ 23,832,859	\$ 23,305,807

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Net operating revenue	\$ 5,543,606	\$ 5,865,471
Adjustments to reconcile net operating revenue to net cash provided by operating activities		
Depreciation and amortization	5,560,582	5,372,756
Loss on abandonment of assets	64,552	241,875
Noncash portion of pension expense	(1,494,674)	284,635
Amortization of deferred revenue	(23,868)	(23,869)
Interest on meter deposits	-	886
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	278,035	(176,888)
(Increase) decrease in inventories	402,618	(370,220)
(Increase) decrease in prepaid items	(5,427)	(205,685)
Increase (decrease) in accrued sick leave and vacation payroll	(101,378)	(22,805)
Increase (decrease) in accrued payroll taxes on accrued sick leave and vacation payroll	(7,755)	(1,745)
Increase (decrease) in unearned revenue	4,623	5,293
Increase (decrease) in accounts payable	73,694	214,176
Increase (decrease) in customer meter deposits	(63,655)	(60,470)
Increase (decrease) in accrued liabilities	548	9,516
Increase (decrease) in other postemployment benefits	74,715	112,354
Net cash provided by operating activities	\$ 10,306,216	\$ 11,245,280

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contributions to utility plant from various developer installed facilities and other governments for 2017 and 2016 were \$580,917 and \$ 381,780, 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, 2017 AND 2016

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, 2017 and 2016, Pueblo Water and the City of Aurora paid assessments of \$225,000 and \$250,000, 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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	Years
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.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Rates and Fees

Consumption and service charges:

- On November 21, 2017, Pueblo Water approved a rate increase, effective January 1, 2018, of 2.75%.
- On November 15, 2016, Pueblo Water approved a rate increase, effective January 1, 2017, of 3.25%.

Plant Water Investment Fees:

- On December 19, 2017, Pueblo Water approved a rate increase, effective May 1, 2018, of 2.75%.
- On December 20, 2016, Pueblo Water approved a rate increase, effective May 1, 2017, of 3.25%.

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, 2018 through December 31, 2018. Approximately 69% of the Board's employees are members of Local 1045.

Recently Issued Accounting Standards

In 2017, Pueblo Water implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Since Pueblo Water was already reporting the expense for Executive Supplemental Pension plan, the most significant impact of this statement was additional note disclosures.

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

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, 2017 and 2016, and their maturities were as follows:

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Current and Long-Term Investments
As of December 31, 2017

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 - 5	6 - 10
U.S. agencies	\$ 8,761,195	\$ -	\$ 6,241,277	\$ 2,519,918
Money market funds (not considered securities)	14,694,576	14,694,576	-	-
Certificates of deposit	<u>7,106,418</u>	<u>7,106,418</u>	-	-
Total	<u>\$ 30,562,189</u>	<u>\$ 21,800,994</u>	<u>\$ 6,241,277</u>	<u>\$ 2,519,918</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, 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	<u>6,343,310</u>	<u>6,343,310</u>	-	-
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

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, 2017 and 2016, 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, 2017 and 2016, Pueblo Water had the following money market fund investments:

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Money Market Fund	2017	2016	Ratings		
			Moody's	Fitch	S&P
Colostrust Plus+	\$ 14,628,528	\$ 13,927,626	Aaa	AAA/VI-	AAAm
ICS	98	98	n/a	n/a	n/a
Stifel Insured Bank Program	8,741	11,544	n/a	n/a	n/a
WF Prime Invest MM Fund	57,209	1,041,156	Aaa	n/a	AAAm
Total	\$ 14,694,576	\$ 14,980,424			

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, 2017 (\$1,528,109) 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, 2017 and 2016:

Investments Measured at Fair Value
As of December 31, 2017

	12/31/2017	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. agencies	\$ 8,761,195	\$ -	\$ 8,761,195	\$ -
Money market funds (measured at net asset value)	14,694,576			
Certificates of deposit	7,106,418			
Total money market funds and certificates of dep	\$ 21,800,994			
Total investments	\$ 30,562,189			

Investments Measured at Fair Value
As of December 31, 2016

	12/31/2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investment by fair value level:				
U.S. agencies	\$ 10,654,882	\$ -	\$ 10,654,882	\$ -
Money market funds (measured at net asset value)	14,980,424			
Certificates of deposit	6,343,310			
Total money market funds and certificates of dep	\$ 21,323,734			
Total investments	\$ 31,978,616			

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Note 3 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2017 and 2016 are 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.

Accounts Receivable		
	December 31,	
	2017	2016
Receivables for treated water sales	\$ 647,597	\$ 728,675
Receivables for City charges	1,650,714	1,544,611
Receivables for nonpotable water sales	674,770	1,011,656
Other receivables	657,072	628,337
Allowance for uncollectible accounts	(19,580)	(24,671)
Total	\$ 3,610,573	\$ 3,888,608

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BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Note 4 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2017 and 2016 were as follows:

Capital Assets				
For the Year Ended December 31, 2017				
	<u>December 31,</u> <u>2016</u>	<u>Additions</u> <u>& Transfers</u>	<u>Sales &</u> <u>Retirements</u>	<u>December 31,</u> <u>2017</u>
<u>Capital assets not being depreciated or amortized:</u>				
Land	\$ 2,284,590	\$ -	\$ -	\$ 2,284,590
Water Rights	98,585,769	280,000	-	98,865,769
Construction in progress	<u>2,700,378</u>	<u>2,089,693</u>	<u>(1,121,028)</u>	<u>3,669,043</u>
Total capital assets not being depreciated	<u>103,570,737</u>	<u>2,369,693</u>	<u>(1,121,028)</u>	<u>104,819,402</u>
<u>Capital assets being depreciated or amortized:</u>				
Buildings and improvements	72,618,879	150,323	-	72,769,202
Infrastructure	125,722,218	3,720,116	(165,887)	129,276,447
Intangible software	9,566	-	-	9,566
Machinery and equipment	<u>38,402,907</u>	<u>2,182,216</u>	<u>(306,084)</u>	<u>40,279,039</u>
Total capital assets being depreciated	<u>236,753,570</u>	<u>6,052,655</u>	<u>(471,971)</u>	<u>242,334,254</u>
<u>Less accumulated depreciation and amortization:</u>				
Buildings and improvements	(31,235,717)	(1,421,309)	-	(32,657,026)
Infrastructure	(57,069,816)	(2,684,077)	106,367	(59,647,526)
Intangible software	(5,261)	(957)	-	(6,218)
Machinery and equipment	<u>(18,699,110)</u>	<u>(1,454,239)</u>	<u>301,052</u>	<u>(19,852,297)</u>
Total accumulated depreciation	<u>(107,009,904)</u>	<u>(5,560,582)</u>	<u>407,419</u>	<u>(112,163,067)</u>
Total capital assets being depreciated, net	<u>129,743,666</u>	<u>492,073</u>	<u>(64,552)</u>	<u>130,171,187</u>
Total capital assets, net	<u>\$ 233,314,403</u>	<u>\$ 2,861,766</u>	<u>\$ (1,185,580)</u>	<u>\$ 234,990,589</u>

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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>

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, 2017 and 2016 was \$5,146 and \$6,279, 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, 2017 and 2016 was \$455,883 and \$569,853, 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, 2017 and 2016 was \$11,895,000 and \$14,540,000, respectively.

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A summary of debt maturity for the revenue bonds as of December 31, 2017, is as follows:

Revenue Bonds As of December 31, 2017				
Year of Maturity:	Principal	Interest	35% BAB Tax Subsidy	Total
Current	\$ 3,130,000	\$ 1,682,520	\$ (472,262)	\$ 4,340,258
Long-term:				
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	380,000	1,266,675	(443,336)	1,203,339
2023 - 2027	15,405,000	4,698,420	(1,644,447)	18,458,973
2028 - 2029	7,125,000	613,035	(214,562)	7,523,473
	32,800,000	11,073,238	(3,678,758)	40,194,480
Plus premium	626,248	-	-	626,248
Total long-term	33,426,248	11,073,238	(3,678,758)	40,820,728
	<u>\$ 36,556,248</u>	<u>\$ 12,755,758</u>	<u>\$ (4,151,020)</u>	<u>\$ 45,160,986</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, 2017, is as follows:

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Loan Agreement
As of December 31, 2017

<u>Year of Maturity:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current	\$ 364,145	\$ 255,348	\$ 619,493
Long-term:			
2019	380,210	242,551	622,761
2020	396,274	229,164	625,438
2021	412,340	215,178	627,518
2022	<u>3,871,714</u>	<u>199,472</u>	<u>4,071,186</u>
Total long-term	<u>5,060,538</u>	<u>886,365</u>	<u>5,946,903</u>
	<u>\$ 5,424,683</u>	<u>\$ 1,141,713</u>	<u>\$ 6,566,396</u>

Note 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2017 was as follows:

Long-Term Liabilities
For the Year Ended December 31, 2017

	December 31, 2016			December 31, 2017	Due Within One Year
	(Current and Long-Term)	Additions	Reductions	(Current and Long-Term)	
Revenue bonds	\$ 38,965,000	\$ -	\$ (3,035,000)	\$ 35,930,000	\$ 3,130,000
Unamortized bond premium	782,810	-	(156,562)	626,248	-
Loan and repayment contract, net	5,778,118	-	(353,434)	5,424,684	364,145
Capital lease obligation	20,019	-	(4,185)	15,834	4,618
Net pension liability	11,405,791	-	(2,519,846)	8,885,945	-
Accrued sick and vacation leave	2,683,034	1,192,944	(1,294,322)	2,581,656	361,742
Accrued payroll taxes on accrued leave	205,252	91,261	(99,016)	197,497	-
Other postemployment benefits	565,988	316,754	(242,039)	640,703	-
	<u>60,406,012</u>	<u>\$ 1,600,959</u>	<u>\$ (7,704,404)</u>	<u>54,302,567</u>	<u>\$ 3,860,505</u>
Less current portion	<u>(3,759,776)</u>			<u>(3,860,505)</u>	
Total long-term liabilities	<u>\$ 56,646,236</u>			<u>\$ 50,442,062</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:

Assets Under Capital Lease		
	December 31,	
	2017	2016
Machinery and equipment	\$ 23,509	\$ 23,509
Less: accumulated depreciation	(3,526)	(1,175)
	\$ 19,983	\$ 22,334

Minimum capital lease payments were \$5,981 and \$5,482 during 2017 and 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, 2017:

Obligation Under Capital Lease	
As of December 31, 2017	
<u>Year Ending December 31:</u>	
2018	\$ 5,981
2019	5,981
2020	5,981
2021	497
Total minimum lease payments	18,440
Less interest at 9.904%	(2,606)
Present value of minimum lease payments (obligation under capital lease)	15,834
Less current portion	(4,618)
Total long-term	\$ 11,216

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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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. At the November 21, 2017 board meeting, Pueblo Water engaged the services of Innovest Portfolio Solutions to manage the Plan’s portfolio and subsequently moved the custodian of plan assets from LPL Financial to Charles Schwab Institutional effective December 29, 2017. 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, 2017, the following employees were covered by the benefit terms of the Plan:

<u>Employees Covered</u>	
Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	7
Active employees	137
Total	244

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 no less than \$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, 2017 and 2016 was \$2,900,000 and \$1,300,000, respectively.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 NOTES TO FINANCIAL STATEMENTS
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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, 2017, using an actuarial valuation as of January 1, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions	
Valuation Date	January 1, 2017
Measurement Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	Not explicit
Payroll Growth	3.5%
Projected Salary Increase ¹	3.5% 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 (Post-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
DECEMBER 31, 2017 AND 2016

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, 2016	\$ 30,246,520	\$ 18,840,729	\$ 11,405,791
Changes in the year:			
Service cost	503,074	-	503,074
Interest on the total pension liability	2,326,414	-	2,326,414
Differences between actual and expected experience	1,174,125	-	1,174,125
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	2,900,000	(2,900,000)
Net investment income	-	3,623,584	(3,623,584)
Administrative expenses	-	(125)	125
Benefit payments, including refunds of employee contributions	(1,809,733)	(1,809,733)	-
Net changes	2,193,880	4,713,726	(2,519,846)
Balance as of December 31, 2017	\$ 32,440,400	\$ 23,554,455	\$ 8,885,945
Plan fiduciary net position as a percentage of the total pension liability	72.61%		
Covered-employee payroll	\$ 9,211,967		
Net pension liability as a percentage of covered employee payroll	96.46%		

	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	62.29%		
Covered-employee payroll	\$ 8,934,679		
Net pension liability as a percentage of covered employee payroll	127.66%		

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
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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, 2017		
Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
\$ 12,255,082	\$ 8,885,945	\$ 5,987,386

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

Pension Expenses and Deferred Outflows/ Inflows of Resources

The table below illustrates Pueblo Water's pension expense for the year ended December 31, 2017:

Service cost	\$ 503,074
Interest on the total pension liability	2,326,414
Current-period benefit changes	-
Projected earnings on plan investments (made negative for addition here)	(1,453,935)
Pension Plan Administrative Expense	76,479
Other changes in plan fiduciary net position	125
Recognition of outflow (inflow) of resources due to liabilities	173,338
Recognition of outflow (inflow) of resources due to assets	<u>(143,690)</u>
Total pension expense	<u>\$ 1,481,805</u>

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	<u>290,240</u>
Total pension expense	<u>\$ 1,664,194</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, 2017		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,000,787	\$ -	\$ 1,000,787
Assumption changes	-	-	-
Net difference between projected and actual earnings on Plan investments	585,998	1,735,719	(1,149,721)
Total	\$ 1,586,785	\$ 1,735,719	\$ (148,934)

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 29,648
2019	29,648
2020	(255,074)
2021	(260,591)
2022	173,338
Thereafter	134,097
Total	\$ (148,934)

	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	\$ 876,238	\$ -	\$ 876,238

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

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

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.

Employees Covered

At December 31, 2017, the following employees were covered by the benefit terms of the Plan:

Employees Covered	
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	-
Active employees	7
Total	14

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.

Total Pension Liability

Pueblo Water’s total pension liability for the Plan is measured as of December 31, 2017, using an actuarial valuation as of January 1, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions	
Valuation Date	January 1, 2017
Measurement Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.3%
Inflation	Not explicit
Payroll Growth	3.5%
Projected Salary Increase	3.5%
Investment Rate of Return	5.5%
Mortality ¹	Varies

¹Mortality (Pre-retirement) - Combined RP-2000 mortality tables projected with scale AA to 2028

¹Mortality (Post-retirement) - Combined RP-2000 mortality tables projected with scale AA to 2020

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Discount Rate

Per paragraph 31 of GASB Statement No. 73, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. A discount rate of 3.31% was used to measure the total pension liability as of December 31, 2017.

Changes in Total Pension Liability

The changes in total pension liability are shown below:

	Total Pension Liability
Balance as of December 31, 2016	\$ 1,486,993
Changes in the year:	
Service cost	38,146
Interest on the total pension liability	48,316
Differences between actual and expected experience	-
Changes in assumptions	-
Changes in benefit terms	-
Contributions - employer	-
Net investment income	-
Administrative expenses	-
Benefit payments, including refunds of employee contributions	(92,736)
Net change in Total Pension Liability	(6,274)
Balance as of December 31, 2017	\$ 1,480,719
Covered-employee payroll	\$ 731,567
Total pension liability as a percentage of covered employee payroll	202.40%

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the total pension liability to changes in the Single Discount Rate, the following presents the Plan's total pension liability, calculated using a Single Discount Rate of 3.31%, as well as what the Plan's total 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, 2017		
Current Single Discount		
1% Decrease 2.31%	Rate Assumption 3.31%	1% Increase 4.31%
\$ 1,599,287	\$ 1,480,719	\$ 1,306,024

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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Pension Expense

The table below illustrates Pueblo Water’s pension expense for the year ended December 31, 2017:

Service cost	\$ 38,146
Interest on the total pension liability	48,316
Current-period benefit changes	-
Pension Plan Administrative Expense	-
Recognition of outflow (inflow) of resources due to liabilities	-
Recognition of outflow (inflow) of resources due to assets	-
Total pension expense	<u>\$ 86,462</u>

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, 2016	\$ 21,638,294
2017 employee contributions	733,650
2017 employer contributions	263,306
Earnings, withdrawals, fees and market value adjustment	<u>1,109,928</u>
Balance, December 31, 2017	<u>\$ 23,745,178</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.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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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 2017. 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, 2017 and 2016, Pueblo Water contributed, irrespective of applicable subsidies, \$99,161 and \$66,001, 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 2017 and 2016, 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		
	2017	2016
Annual required contribution ("ARC")	\$ 312,899	\$ 262,466
Interest on net OPEB obligation	25,469	15,358
Adjustment to ARC	(21,614)	(13,033)
Annual OPEB cost (expense)	316,754	264,791
Contributions made	(242,039)	(152,437)
Increase in net OPEB obligation	74,715	112,354
Net OPEB obligation - beginning of year	565,988	453,634
Net OPEB obligation - end of year	\$ 640,703	\$ 565,988

Pueblo Water’s annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Annual OPEB Cost and % of Required Contribution				
Actuarial			Percentage of	Net
Valuation	Annual	¹ Contributions	Annual OPEB	OPEB
Date	OPEB Cost	Made	Cost Contributed	Obligation
2017	\$ 316,754	\$ 242,039	76.41%	\$ 640,703
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

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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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 had an actuarial study completed in 2017.

As of the most recent study, January 1, 2017, the plan was 0% funded. The actuarial accrued liability (“AAL”) for benefits was \$4,122,489, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$4,122,489. The covered payroll (annual payroll of active employees covered by the OPEB plan) was \$9,211,967, and the ratio of the UAAL to the covered payroll was 44.75%.

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)
1/1/2017	\$ -	\$ 4,122,489	\$ 4,122,489	0.00%	\$ 9,211,967	44.75%
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, 2017 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: 7.5% for 2016; 7.5% for 2017; 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.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
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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, 2017 and 2016 is \$1,923,943 and \$2,015,476.

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, 2017 and 2016 is \$657,713 and \$667,558.

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

<u>Years of Service</u>	<u>Hours</u>
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, 2017 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, 2017 and 2016. Included in outstanding bills at December 31, 2017 is \$3,587,089 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, 2016 is \$3,237,521 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, 2017 and 2016 the amounts payable were \$312,578 and \$334,957, 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, 2017 and 2016, the contract accounted for 16% and 16% of operating revenues, respectively.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

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	\$ 39,488,125
Debt Service Fund	4,945,640
Water Development Fund	<u>1,202,005</u>
Total funding sources	45,635,770
Adjustments:	
Contributions to capital assets are recorded as revenue for GAAP but are not considered a budgetary resource.	580,917
Use of internal equipment for the service line repair program is recorded as revenue for budgetary purposes, but not for GAAP	(63,846)
Contributions from reserves are considered a budgetary resource but are not considered revenue for GAAP reporting.	(3,126,723)
Transfers from other funds are inflows of budgetary resources but are not a current year revenue for GAAP reporting.	<u>(6,062,617)</u>
Total of all revenues as reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 36,963,501</u>
Total revenues as reported on the Statement of Revenues, Expenses, and Changes in Net Position is comprised of:	
Operating revenues	\$ 36,058,973
Interest income	406,536
Realized gain (loss) on investments	(62,220)
Unrealized gain (loss) on investments	(47,205)
Sale of assets	26,500
Contributions to capital assets	580,917
	<u>\$ 36,963,501</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Funding Uses

Actual amounts (budgetary basis) "total uses"	
from the budgetary comparison schedule	
General Fund	\$ 39,488,125
Debt Service Fund	4,945,640
Water Development Fund	<u>1,202,005</u>
Total uses	45,635,770
Adjustments:	
Capital items are treated as expenditures for budgetary purposes but are capitalized for financial reporting	(7,107,112)
Labor used to construct capital assets is capitalized for GAAP and classified as personnel services for budgetary purposes	(417,045)
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	93,820
Use of internal equipment for the service line repair program is recorded as an expense for budgetary purposes, but not for GAAP	(63,847)
Outflows for budgetary purposes not recognized for financial reporting purposes:	
Transfers	(6,062,617)
Contributions from reserves	(926,482)
Principal payments on long-term debt	(3,408,730)
Expense items shown for financial reporting not treated as budgetary outflows:	
Other postemployment benefits	74,715
Difference between cash and non-cash pension contributions	(1,494,674)
Depreciation	5,559,625
Amortization	957
Bad debts	3,650
Loss on abandonment of assets	122,058
Interest expense on capital obligation	1,796
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	<u>47,861</u>
Total of all expenses as reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 32,059,745</u>
Total expenses as reported on the Statement of Revenues Expenses and Changes in Net Position is comprised of:	
Operating expenses	\$ 30,515,367
Interest expense on bonded indebtedness	1,542,582
Interest expense on capital obligation	<u>1,796</u>
	<u>\$ 32,059,745</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Note 20 – CONTRACT COMMITMENTS

As of December 31, 2017 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 \$201,225 had yet to be earned by PRT-BMT as of December 31, 2017.

As of December 31, 2017 the Board also had contracts with various vendors for filter plant generator/infrastructure work. The total amount of the contracts is \$1,128,520, of which \$1,112,061 had yet to be earned as of December 31, 2017.

As of December 31, 2017 the Board also had a contract commitment with Transwest Truck Trailer RV for a 2018 2 Ton Truck with Special Body. The total amount of the contract is \$138,708, all of which had yet to be earned by Transwest Truck Trailer RV as of December 31, 2017.

As of December 31, 2017 the Board also had a contract commitment with Black & Veatch Corporation for design work for the Gardner PS new MCC & motors. The total amount of the contract is \$255,155, of which \$161,133 had yet to be earned by Black and Veatch Corporation as of December 31, 2017.

As of December 31, 2017 the Board also had a contract commitment with Marine Diving Solutions to design and replace the steel roof of two tanks. The total amount of the contract is \$1,158,000, all of which had yet to be earned by Marine Diving Solutions as of December 31, 2017.

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, 2017 and 2016:

	Net Investment in Capital Assets	
	December 31,	
	2017	2016
Net capital assets	\$ 234,990,589	\$ 233,314,403
Unamortized discount	5,146	6,279
Current maturities of long-term debt	(3,498,763)	(3,392,619)
Revenue bonds	(32,800,000)	(35,930,000)
Deferred amount on refunding	455,883	569,853
Unamortized bond premium	(626,248)	(782,810)
Loan and repayment contract	(5,060,539)	(5,424,684)
Capital lease obligations	(11,216)	(15,834)
	\$ 193,454,852	\$ 188,344,588

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

Note 22 – CAPITAL CONTRIBUTIONS

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

Capital Contributions	
Inception through December 31, 2015	\$ 20,536,141
2016 Additions	381,780
Inception through December 31, 2016	20,917,921
2017 Additions	580,917
Inception through December 31, 2017	\$ 21,498,838

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 \$391,406 and post-closure costs of \$12,599.

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 8, 2018, 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.

REQUIRED SUPPLEMENTARY
INFORMATION

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2017 AND 2016

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.

A schedule of changes in net pension liability and related ratios for the three years since GASB Statement No. 68 was implemented is shown below:

Schedule of Changes in Net Pension Liability and Related Ratios Multiyear			
Fiscal year ending December 31,	2017	2016	2015
Total pension liability			
Service Cost	\$ 503,074	\$ 500,567	\$ 479,982
Interest on the total pension liability	2,326,414	2,166,514	2,088,627
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,174,125	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(1,809,733)	(1,613,701)	(1,487,687)
Net change in total pension liability	<u>2,193,880</u>	<u>1,053,380</u>	<u>1,080,922</u>
Total pension liability - beginning	<u>30,246,520</u>	<u>29,193,140</u>	<u>28,112,218</u>
Total pension liability - ending (a)	<u>\$ 32,440,400</u>	<u>\$ 30,246,520</u>	<u>\$ 29,193,140</u>
Plan fiduciary net position			
Employer contributions	\$ 2,900,000	\$ 1,300,000	\$ 1,300,000
Employee contributions	-	-	-
Pension plan net investment income	3,623,584	1,345,096	(29,881)
Benefit payments, including refunds of employee contributions	(1,809,733)	(1,613,701)	(1,487,687)
Pension plan administrative expense	-	-	-
Other	125	-	-
Net Change in plan fiduciary net position	<u>4,713,976</u>	<u>1,031,395</u>	<u>(217,568)</u>
Plan fiduciary net position - beginning	<u>18,840,729</u>	<u>17,809,334</u>	<u>18,026,902</u>
Plan fiduciary net position - ending (b)	<u>\$ 23,554,705</u>	<u>\$ 18,840,729</u>	<u>\$ 17,809,334</u>
Net pension liability - ending (a) - (b)	<u>\$ 8,885,695</u>	<u>\$ 11,405,791</u>	<u>\$ 11,383,806</u>
Plan fiduciary net position as a percentage of total pension liability	72.61%	62.29%	61.01%
Covered-employee payroll	\$ 9,211,967	\$ 8,934,679	\$ 8,629,752
Net pension liability as a percentage of covered-employee payroll	96.46%	127.66%	131.91%

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2017 AND 2016

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:

Year Ended December 31,	Schedule of Contributions					Actual Contribution as a % of Covered Payroll
	Actuarially Determined Contribution	Actual Contribution ²	Contribution Deficiency (Excess)	Covered Payroll ¹		
2017	\$ 1,414,710	\$ 2,976,479	\$ (1,561,769)	\$ 9,211,967		32.31%
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, 2017

GENERAL FUND

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
OPERATING REVENUES				
Water sales - Metered	\$ 23,661,753	\$ 23,661,753	\$ 23,378,662	\$ (283,091)
Water sales - Utility Private	5,900,953	5,900,953	5,901,016	63
Water sales - Raw water	2,438,581	2,438,581	2,600,909	162,328
Water sales - Utility Public	1,144,578	1,144,578	1,144,600	22
Taps and meters	55,000	55,000	80,588	25,588
Material sales	55,000	55,000	178,977	123,977
Main assessments	10,000	10,000	21,938	11,938
Fire protection - public	9,365	9,365	10,594	1,229
Discounts	1,500	1,500	508	(992)
Rental income	25,329	25,329	25,404	75
Late field reading fee	7,000	7,000	24,400	17,400
Turn-on fee	70,000	70,000	68,220	(1,780)
Check processing fee	15,000	15,000	15,057	57
Field collection fee	1,500	1,500	1,580	80
Missed appointment fee	1,500	1,500	1,560	60
Finance charges	1,000	1,000	12,792	11,792
Miscellaneous	75,000	75,000	224,653	149,653
Service line protection plan	420,000	420,000	429,428	9,428
Plant water investment fee	350,000	350,000	813,008	463,008
Insurance recovery	10,000	10,000	254	(9,746)
Comanche operations and maintenance reimbursement	500,000	500,000	519,344	19,344
Busk-Ivanhoe administration fee	25,000	25,000	25,000	-
Wastewater billing reimbursement	449,725	449,725	449,316	(409)
Stormwater billing reimbursement	194,533	194,533	195,012	479
Total operating revenues	<u>35,422,317</u>	<u>35,422,317</u>	<u>36,122,820</u>	<u>700,503</u>
NONOPERATING REVENUES				
Interest income	149,397	149,397	228,767	79,370
Sale of assets	20,000	20,000	9,815	(10,185)
Contribution (to) from reserve	4,369,172	4,369,172	3,126,723	(1,242,449)
Total nonoperating revenues	<u>4,538,569</u>	<u>4,538,569</u>	<u>3,365,305</u>	<u>(1,173,264)</u>
Total revenue	<u>\$ 39,960,886</u>	<u>\$ 39,960,886</u>	<u>\$ 39,488,125</u>	<u>\$ (472,761)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 EXPENDITURES BY OBJECT
 FOR THE YEAR ENDED DECEMBER 31, 2017

GENERAL FUND

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Budget
EXPENDITURES				
PERSONNEL SERVICES				
Administration	\$ 929,010	\$ 929,010	\$ 920,706	\$ (8,304)
Finance	1,674,171	1,674,171	1,490,330	(183,841)
Information Systems	704,454	704,454	637,639	(66,815)
Water Quality and Treatment	3,146,958	3,146,958	3,026,720	(120,238)
Transmission, Distribution and Engineering	5,357,408	5,357,408	5,180,508	(176,900)
Facilities Operation and Maintenance	908,750	908,750	841,402	(67,348)
Water Resources	533,909	533,909	526,538	(7,371)
Human Resources	2,202,223	2,202,223	3,936,144	1,733,921
Total personnel services	15,456,883	15,456,883	16,559,987	1,103,104
OPERATIONS AND MAINTENANCE				
Administration	796,000	796,000	665,835	(130,165)
Finance	1,122,783	1,122,783	899,450	(223,333)
Information Systems	464,370	464,370	394,942	(69,428)
Water Quality and Treatment	2,233,285	2,233,285	2,165,741	(67,544)
Transmission, Distribution and Engineering	1,438,433	1,438,433	1,238,889	(199,544)
Facilities Operation and Maintenance	3,251,605	3,251,605	3,142,060	(109,545)
Water Resources	1,422,575	1,422,575	1,278,577	(143,998)
Human Resources	328,560	328,560	290,627	(37,933)
Total operations and maintenance	11,057,611	11,057,611	10,076,121	(981,490)
CAPITAL OUTLAY/ FUND TRANSFERS				
Administration	15,000	15,000	7,819	(7,181)
Finance	6,087,292	6,087,292	6,069,552	(17,740)
Information Systems	1,083,200	1,083,200	95,462	(987,738)
Water Quality and Treatment	278,600	278,600	176,937	(101,663)
Transmission, Distribution and Engineering	2,994,100	2,994,100	3,392,184	398,084
Facilities Operation and Maintenance	2,985,600	2,985,600	3,107,741	122,141
Water Resources	1,400	1,400	1,400	-
Human Resources	1,200	1,200	922	(278)
Total capital outlay	13,446,392	13,446,392	12,852,017	(594,375)
Total expenditures	\$ 39,960,886	\$ 39,960,886	\$ 39,488,125	\$ (472,761)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

ADMINISTRATION

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Director	\$ 438,204	\$ 438,204	\$ 419,888	\$ (18,316)
Specialist	218,618	218,618	207,082	(11,536)
Board Members	13,800	13,800	13,800	-
	<u>670,622</u>	<u>670,622</u>	<u>640,770</u>	<u>(29,852)</u>
BENEFITS				
Longevity	3,369	3,369	3,689	320
Employee assistance	131	131	140	9
Social security	52,001	52,001	51,196	(805)
Pension	19,298	19,298	22,021	2,723
Health insurance	91,366	91,366	107,143	15,777
Dental insurance	4,784	4,784	5,105	321
Disability insurance	4,503	4,503	5,033	530
Life insurance	7,329	7,329	8,202	873
Sick leave	29,365	29,365	30,054	689
Vacation leave	46,242	46,242	47,353	1,111
	<u>258,388</u>	<u>258,388</u>	<u>279,936</u>	<u>21,548</u>
Total personnel services	<u>\$ 929,010</u>	<u>\$ 929,010</u>	<u>\$ 920,706</u>	<u>\$ (8,304)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

ADMINISTRATION

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 572,900	\$ 572,900	\$ 477,321	\$ (95,579)
Utilities - other	5,150	5,150	5,136	(14)
Maintenance	2,250	2,250	1,286	(964)
Advertising	12,600	12,600	8,859	(3,741)
Travel and training	136,750	136,750	98,052	(38,698)
Office supplies	3,000	3,000	6,791	3,791
Subscriptions and memberships	<u>63,350</u>	<u>63,350</u>	<u>68,390</u>	<u>5,040</u>
 Total operation and maintenance	 <u>\$ 796,000</u>	 <u>\$ 796,000</u>	 <u>\$ 665,835</u>	 <u>\$ (130,165)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

ADMINISTRATION

	Budgeted Amounts		Actual	Actual Over (Under) Budget
	Original	Final		Budget
 CAPITAL OUTLAY				
Computer and office equipment	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 7,819</u>	<u>\$ (7,181)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

FINANCE

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Manager	\$ 192,224	\$ 192,224	\$ 178,735	\$ (13,489)
Supervisor	77,381	77,381	-	(77,381)
Specialist	216,474	216,474	181,971	(34,503)
Skills and trades	684,188	684,188	587,106	(97,082)
Part-time/ temporary	14,779	14,779	17,489	2,710
Overtime	14,500	14,500	49,666	35,166
	<u>1,199,546</u>	<u>1,199,546</u>	<u>1,014,967</u>	<u>(184,579)</u>
TOTAL salaries and wages				
BENEFITS				
Longevity	8,904	8,904	8,601	(303)
Employee assistance	393	393	383	(10)
Social security	85,065	85,065	85,325	260
Pension	29,715	29,715	30,782	1,067
Health insurance	191,806	191,806	186,696	(5,110)
Dental insurance	10,382	10,382	10,549	167
Disability insurance	7,650	7,650	7,214	(436)
Life insurance	12,778	12,778	11,838	(940)
Sick leave	54,141	54,141	60,454	6,313
Vacation leave	73,791	73,791	73,521	(270)
	<u>474,625</u>	<u>474,625</u>	<u>475,363</u>	<u>738</u>
TOTAL benefits				
Total personnel services	<u>\$ 1,674,171</u>	<u>\$ 1,674,171</u>	<u>\$ 1,490,330</u>	<u>\$ (183,841)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

FINANCE

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 284,448	\$ 284,448	\$ 289,699	\$ 5,251
Utilities	84,745	84,745	80,044	(4,701)
Maintenance - office equipment	9,765	9,765	7,936	(1,829)
Equipment lease and rental	900	900	829	(71)
Interest expense - meter deposits	1,000	1,000	266	(734)
Collection expense	750	750	285	(465)
Cash (over) short	150	150	10	(140)
Contingency	200,000	200,000	-	(200,000)
Insurance - property	264,000	264,000	252,438	(11,562)
Advertising	1,500	1,500	1,317	(183)
Travel and training	16,300	16,300	14,164	(2,136)
Office supplies	44,450	44,450	38,573	(5,877)
Postage	212,000	212,000	211,138	(862)
Subscriptions and memberships	2,775	2,775	2,751	(24)
Total operation and maintenance	<u>\$ 1,122,783</u>	<u>\$ 1,122,783</u>	<u>\$ 899,450</u>	<u>\$ (223,333)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

FINANCE

	<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	\$ 18,700	\$ 18,700	\$ 6,935	\$ (11,765)
Transfer to Debt Service Fund	4,901,428	4,901,428	4,903,451	2,023
Transfer to Water Development Fund	<u>1,167,164</u>	<u>1,167,164</u>	<u>1,159,166</u>	<u>(7,998)</u>
 Total capital outlay	 <u>\$ 6,087,292</u>	 <u>\$ 6,087,292</u>	 <u>\$ 6,069,552</u>	 <u>\$ (17,740)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

INFORMATION SYSTEMS

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Division manager	\$ 124,424	\$ 124,424	\$ 75,091	\$ (49,333)
Specialist	238,301	238,301	222,623	(15,678)
Skills and trades	116,608	116,608	105,066	(11,542)
Part-time/ temporary	-	-	9,498	9,498
Overtime	7,500	7,500	7,128	(372)
	<u>486,833</u>	<u>486,833</u>	<u>419,406</u>	<u>(67,427)</u>
Total salaries and wages				
BENEFITS				
Longevity	4,572	4,572	3,843	(729)
Employee assistance	131	131	126	(5)
Social security	36,662	36,662	36,183	(479)
Pension	14,380	14,380	12,229	(2,151)
Health insurance	85,456	85,456	93,486	8,030
Dental insurance	4,534	4,534	4,418	(116)
Disability insurance	3,355	3,355	2,782	(573)
Life insurance	5,484	5,484	4,552	(932)
Sick leave	26,267	26,267	28,612	2,345
Vacation leave	36,780	36,780	32,002	(4,778)
	<u>217,621</u>	<u>217,621</u>	<u>218,233</u>	<u>612</u>
Total benefits				
Total personnel services	<u>\$ 704,454</u>	<u>\$ 704,454</u>	<u>\$ 637,639</u>	<u>\$ (66,815)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

INFORMATION SYSTEMS

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 400,300	\$ 400,300	\$ 345,688	\$ (54,612)
Utilities	4,200	4,200	3,694	(506)
Maintenance - office equipment	6,000	6,000	5,645	(355)
Equipment lease and rental	520	520	562	42
Travel and training	24,500	24,500	18,581	(5,919)
Office supplies	28,300	28,300	20,772	(7,528)
Subscriptions and memberships	550	550	-	(550)
	<u>550</u>	<u>550</u>	<u>-</u>	<u>(550)</u>
 Total operation and maintenance	 <u>\$ 464,370</u>	 <u>\$ 464,370</u>	 <u>\$ 394,942</u>	 <u>\$ (69,428)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

INFORMATION SYSTEMS

	Budgeted Amounts		Actual	Actual Over (Under) Budget
	Original	Final		Budget
CAPITAL OUTLAY				
Computer and office equipment	\$ 1,083,200	\$ 1,083,200	\$ 95,462	\$ (987,738)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

WATER QUALITY AND TREATMENT

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Division manager	\$ 124,424	\$ 124,424	\$ 117,476	\$ (6,948)
Manager	107,029	107,029	102,080	(4,949)
Supervision	182,812	182,812	182,521	(291)
Specialist	204,295	204,295	188,691	(15,604)
Skills and trades	1,431,676	1,431,676	1,277,555	(154,121)
Part time/ temporary	58,251	58,251	34,119	(24,132)
Overtime	75,000	75,000	162,535	87,535
	<u>2,183,487</u>	<u>2,183,487</u>	<u>2,064,977</u>	<u>(118,510)</u>
Total salaries and wages				
BENEFITS				
Longevity	16,124	16,124	14,812	(1,312)
Employee assistance	634	634	633	(1)
Social security	161,004	161,004	175,164	14,160
Pension	59,440	59,440	56,205	(3,235)
Health insurance	415,923	415,923	403,406	(12,517)
Dental insurance	21,594	21,594	18,949	(2,645)
Disability insurance	14,115	14,115	13,901	(214)
Life insurance	23,963	23,963	22,775	(1,188)
Sick leave	107,041	107,041	116,764	9,723
Vacation leave	143,633	143,633	139,134	(4,499)
	<u>963,471</u>	<u>963,471</u>	<u>961,743</u>	<u>(1,728)</u>
Total benefits				
Total personnel services	<u>\$ 3,146,958</u>	<u>\$ 3,146,958</u>	<u>\$ 3,026,720</u>	<u>\$ (120,238)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

WATER QUALITY AND TREATMENT

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 102,870	\$ 102,870	\$ 97,818	\$ (5,052)
Utilities	1,233,400	1,233,400	1,136,699	(96,701)
Repair and maintenance - equipment	10,000	10,000	1,672	(8,328)
Maintenance - office equipment	1,050	1,050	880	(170)
Chemical (over) short	2,500	2,500	(3,557)	(6,057)
Travel and training	9,250	9,250	3,300	(5,950)
Office supplies	5,150	5,150	4,902	(248)
Safety	7,200	7,200	4,202	(2,998)
Chemicals	755,000	755,000	802,816	47,816
Laboratory	106,000	106,000	117,009	11,009
Subscriptions and memberships	865	865	-	(865)
	<u>865</u>	<u>865</u>	<u>-</u>	<u>(865)</u>
 Total operation and maintenance	 <u>\$ 2,233,285</u>	 <u>\$ 2,233,285</u>	 <u>\$ 2,165,741</u>	 <u>\$ (67,544)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

WATER QUALITY AND TREATMENT

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ 60,100	\$ 60,100	\$ 9,315	\$ (50,785)
Lab equipment	<u>218,500</u>	<u>218,500</u>	<u>167,622</u>	<u>(50,878)</u>
 Total capital outlay	 <u>\$ 278,600</u>	 <u>\$ 278,600</u>	 <u>\$ 176,937</u>	 <u>\$ (101,663)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Division manager	\$ 124,424	\$ 124,424	\$ 114,135	\$ (10,289)
Manager	107,029	107,029	278,577	171,548
Supervision	375,496	375,496	200,435	(175,061)
Specialist	149,710	149,710	99,726	(49,984)
Skills and trades	2,766,518	2,766,518	2,506,675	(259,843)
Part-time/ temporary	56,342	56,342	61,942	5,600
Overtime	112,593	112,593	157,885	45,292
	<u>3,692,112</u>	<u>3,692,112</u>	<u>3,419,375</u>	<u>(272,737)</u>
Total salaries and wages				
BENEFITS				
Longevity	31,265	31,265	28,515	(2,750)
Employee assistance	1,268	1,268	1,317	49
Social security	271,396	271,396	297,130	25,734
Pension	101,551	101,551	102,349	798
Health insurance	721,611	721,611	777,831	56,220
Dental insurance	37,289	37,289	36,740	(549)
Disability insurance	24,426	24,426	24,172	(254)
Life insurance	40,779	40,779	39,731	(1,048)
Sick leave	192,267	192,267	206,245	13,978
Vacation leave	243,444	243,444	247,103	3,659
	<u>1,665,296</u>	<u>1,665,296</u>	<u>1,761,133</u>	<u>95,837</u>
Total benefits				
Total personnel services	<u>\$ 5,357,408</u>	<u>\$ 5,357,408</u>	<u>\$ 5,180,508</u>	<u>\$ (176,900)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 189,675	\$ 189,675	\$ 81,927	\$ (107,748)
Engineering consulting	8,500	8,500	8	(8,492)
Utilities	99,450	99,450	90,320	(9,130)
Auto and truck	143,000	143,000	181,925	38,925
Repair and maintenance - equipment	7,000	7,000	5,909	(1,091)
Maintenance - office equipment	15,235	15,235	12,499	(2,736)
Maintenance - mains	150,000	150,000	269,297	119,297
Maintenance - meters	11,000	11,000	2,679	(8,321)
Maintenance - hydrants	15,000	15,000	15,459	459
Maintenance - valves	15,000	15,000	13,835	(1,165)
Maintenance - cathodic protection	1,650	1,650	1,023	(627)
Private water service lines	420,000	420,000	271,365	(148,635)
Service lines	15,000	15,000	12,336	(2,664)
Tool replacement	67,850	67,850	58,987	(8,863)
Barricades	2,500	2,500	863	(1,637)
Warehouse (over) short	6,000	6,000	8,943	2,943
Uninsured small claims	20,000	20,000	2,963	(17,037)
Communication	1,300	1,300	-	(1,300)
Travel and training	34,050	34,050	30,356	(3,694)
Gasoline and oil	170,000	170,000	139,770	(30,230)
Office supplies	7,300	7,300	9,547	2,247
Shop supplies	12,500	12,500	11,482	(1,018)
Safety	11,000	11,000	6,072	(4,928)
Meter shop supplies	3,500	3,500	2,683	(817)
Subscriptions and memberships	11,923	11,923	8,641	(3,282)
Total operation and maintenance	<u>\$ 1,438,433</u>	<u>\$ 1,438,433</u>	<u>\$ 1,238,889</u>	<u>\$ (199,544)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Budget
CAPITAL OUTLAY				
Mains	\$ 2,149,000	\$ 2,149,000	\$ 2,659,345	\$ 510,345
Valves	66,000	66,000	26,292	(39,708)
Meters	167,000	167,000	232,110	65,110
Fire hydrants	65,000	65,000	83,875	18,875
Taps	9,500	9,500	10,647	1,147
Cathodic protection	102,400	102,400	357	(102,043)
Computer and office equipment	7,700	7,700	10,248	2,548
Heavy equipment	96,000	96,000	52,064	(43,936)
Transportation	<u>331,500</u>	<u>331,500</u>	<u>317,246</u>	<u>(14,254)</u>
 Total capital outlay	 <u>\$ 2,994,100</u>	 <u>\$ 2,994,100</u>	 <u>\$ 3,392,184</u>	 <u>\$ 398,084</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

FACILITIES OPERATION AND MAINTENANCE

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Manager	\$ 107,029	\$ 107,029	\$ 92,843	\$ (14,186)
Supervision	-	-	7,389	7,389
Specialist	132,311	132,311	123,535	(8,776)
Skills and trades	333,258	333,258	306,202	(27,056)
Temporary	29,468	29,468	14,859	(14,609)
Overtime	70,000	70,000	27,860	(42,140)
	<u>672,066</u>	<u>672,066</u>	<u>572,688</u>	<u>(99,378)</u>
Total salaries and wages				
BENEFITS				
Longevity	3,610	3,610	3,316	(294)
Employee assistance	175	175	177	2
Social security	45,994	45,994	48,915	2,921
Pension	17,178	17,178	17,450	272
Health insurance	86,540	86,540	116,398	29,858
Dental insurance	5,262	5,262	5,389	127
Disability insurance	4,008	4,008	4,072	64
Life insurance	6,565	6,565	6,666	101
Sick leave	28,818	28,818	29,010	192
Vacation leave	38,534	38,534	37,321	(1,213)
	<u>236,684</u>	<u>236,684</u>	<u>268,714</u>	<u>32,030</u>
Total benefits				
Total personnel services	<u>\$ 908,750</u>	<u>\$ 908,750</u>	<u>\$ 841,402</u>	<u>\$ (67,348)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

FACILITIES OPERATION AND MAINTENANCE

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 282,190	\$ 282,190	\$ 276,521	\$ (5,669)
Engineering consulting	12,500	12,500	2,275	(10,225)
Utilities	1,861,600	1,861,600	1,828,746	(32,854)
Repair and maintenance - equipment	215,200	215,200	185,669	(29,531)
Maintenance - building	777,750	777,750	767,237	(10,513)
Communication	10,800	10,800	9,367	(1,433)
Tool replacement	19,690	19,690	20,367	677
Travel and training	15,500	15,500	14,260	(1,240)
Office supplies	5,500	5,500	3,159	(2,341)
Safety supplies	11,200	11,200	10,481	(719)
Janitorial supplies	10,000	10,000	12,133	2,133
Subscriptions and memberships	29,675	29,675	11,845	(17,830)
	<u>3,251,605</u>	<u>3,251,605</u>	<u>3,142,060</u>	<u>(109,545)</u>
Total operation and maintenance	<u>\$ 3,251,605</u>	<u>\$ 3,251,605</u>	<u>\$ 3,142,060</u>	<u>\$ (109,545)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

FACILITIES OPERATION AND MAINTENANCE

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
CAPITAL OUTLAY				
Improvements and replacements	\$ 1,033,500	\$ 1,033,500	\$ 1,259,124	\$ 225,624
Computer and office equipment	11,100	11,100	47,318	36,218
Pumping equipment	283,000	283,000	312,807	29,807
Treating equipment	<u>1,658,000</u>	<u>1,658,000</u>	<u>1,488,492</u>	<u>(169,508)</u>
 Total capital outlay	 <u>\$ 2,985,600</u>	 <u>\$ 2,985,600</u>	 <u>\$ 3,107,741</u>	 <u>\$ 122,141</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

WATER RESOURCES

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
SALARIES & WAGES				
Division manager	\$ 124,424	\$ 124,424	\$ 116,044	\$ (8,380)
Supervision	91,406	91,406	85,239	(6,167)
Specialist	163,665	163,665	158,525	(5,140)
Overtime	<u>-</u>	<u>-</u>	<u>698</u>	<u>698</u>
Total salaries and wages	<u>379,495</u>	<u>379,495</u>	<u>360,506</u>	<u>(18,989)</u>
BENEFITS				
Longevity	3,129	3,129	2,831	(298)
Employee assistance	87	87	87	-
Social security	29,248	29,248	30,892	1,644
Pension	11,385	11,385	11,361	(24)
Health insurance	50,818	50,818	63,173	12,355
Dental insurance	3,057	3,057	3,082	25
Disability insurance	2,657	2,657	2,651	(6)
Life insurance	4,335	4,335	4,325	(10)
Sick leave	21,234	21,234	23,934	2,700
Vacation leave	<u>28,464</u>	<u>28,464</u>	<u>23,696</u>	<u>(4,768)</u>
Total benefits	<u>154,414</u>	<u>154,414</u>	<u>166,032</u>	<u>11,618</u>
Total personnel services	<u>\$ 533,909</u>	<u>\$ 533,909</u>	<u>\$ 526,538</u>	<u>\$ (7,371)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

WATER RESOURCES

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
OPERATION AND MAINTENANCE				
Outside services	\$ 168,075	\$ 168,075	\$ 171,661	\$ 3,586
Consulting services	67,500	67,500	63,847	(3,653)
Comanche return flow	750	750	-	(750)
Homestake Aurora	7,500	7,500	7,500	-
Twin Lakes water rights	378,800	378,800	344,305	(34,495)
Busk Ivanhoe water rights	225,000	225,000	225,000	-
Water storage and transportation	314,400	314,400	304,051	(10,349)
Short-term water purchases	90	90	80	(10)
Utilities	15,000	15,000	20,544	5,544
Maintenance - equipment	8,500	8,500	4,536	(3,964)
Maintenance - office equipment	2,000	2,000	1,286	(714)
Tool replacement	2,600	2,600	1,267	(1,333)
Clear Creek reservoir	69,350	69,350	15,649	(53,701)
Wurtz ditch	1,000	1,000	411	(589)
Wurtz extension	1,000	1,000	-	(1,000)
Ewing ditch	1,000	1,000	32	(968)
Ranch property maintenance	6,500	6,500	4,053	(2,447)
Dwelling - Leadville	8,000	8,000	1,290	(6,710)
Dwelling - Clear Creek	4,000	4,000	688	(3,312)
Snowplowing operations	35,000	35,000	35,106	106
Transmountain maintenance	50,000	50,000	32,781	(17,219)
Travel and training	44,750	44,750	33,874	(10,876)
Office supplies	1,250	1,250	702	(548)
Subscriptions and memberships	10,510	10,510	9,914	(596)
Total operation and maintenance	\$ 1,422,575	\$ 1,422,575	\$ 1,278,577	\$ (143,998)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

WATER RESOURCES

	Budgeted Amounts		Actual	Actual Over (Under) Budget
	Original	Final		Budget
CAPITAL OUTLAY				
Computer equipment	\$ 1,400	\$ 1,400	\$ 1,400	\$ -

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

PERSONNEL SERVICES

HUMAN RESOURCES

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Budget
SALARIES & WAGES				
Manager	\$ 83,231	\$ 83,231	\$ 87,589	\$ 4,358
Specialist	253,466	253,466	244,809	(8,657)
Part-time/ temporary	6,980	6,980	11,769	4,789
Overtime	-	-	8,850	8,850
	<u>343,677</u>	<u>343,677</u>	<u>353,017</u>	<u>9,340</u>
BENEFITS				
Longevity	2,166	2,166	2,091	(75)
Employee assistance	109	109	117	8
Social security	26,433	26,433	30,926	4,493
Social security - retirees	-	-	2,631	2,631
Pension	7,604	7,604	10,900	3,296
Defined benefit pension plan	1,378,750	1,378,750	2,976,479	1,597,729
Worker's compensation insurance	281,348	281,348	340,423	59,075
Unemployment insurance	1,500	1,500	6,004	4,504
Health insurance	47,455	47,455	46,865	(590)
Health insurance - retirees	55,000	55,000	99,161	44,161
Dental insurance	1,603	1,603	2,244	641
Disability insurance	2,357	2,357	2,543	186
Life insurance	3,860	3,860	4,163	303
Life insurance - retirees	12,000	12,000	12,877	877
Sick leave	16,982	16,982	21,624	4,642
Vacation leave	21,379	21,379	24,079	2,700
	<u>1,858,546</u>	<u>1,858,546</u>	<u>3,583,127</u>	<u>1,724,581</u>
Total benefits				
Total personnel services	<u>\$ 2,202,223</u>	<u>\$ 2,202,223</u>	<u>\$ 3,936,144</u>	<u>\$ 1,733,921</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATION AND MAINTENANCE

HUMAN RESOURCES

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 78,200	\$ 78,200	\$ 56,864	\$ (21,336)
Employment costs	43,135	43,135	46,057	2,922
Utilities	700	700	1,040	340
Maintenance - office equipment	3,000	3,000	4,045	1,045
Health reimbursement - In-patient copay	10,000	10,000	11,453	1,453
Pension supplement	134,427	134,427	129,519	(4,908)
Travel and training	46,660	46,660	27,896	(18,764)
Office supplies	3,240	3,240	2,869	(371)
Subscriptions and memberships	<u>9,198</u>	<u>9,198</u>	<u>10,884</u>	<u>1,686</u>
 Total operation and maintenance	 <u>\$ 328,560</u>	 <u>\$ 328,560</u>	 <u>\$ 290,627</u>	 <u>\$ (37,933)</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL OUTLAY

HUMAN RESOURCES

	Budgeted Amounts		Actual	Actual Over (Under) Budget.
	Original	Final		
CAPITAL OUTLAY				
Computer and office equipment	\$ 1,200	\$ 1,200	\$ 922	\$ (278)

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2017

WATER DEVELOPMENT FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Budget</u>
NONOPERATING REVENUES				
Interest income	\$ 35,550	\$ 35,550	\$ 42,839	\$ 7,289
Net transfer from general fund	1,167,164	1,167,164	1,159,166	(7,998)
Contribution (to) from reserve	<u>297,286</u>	<u>297,286</u>	<u>-</u>	<u>(297,286)</u>
 Total nonoperating revenues	 <u>1,500,000</u>	 <u>1,500,000</u>	 <u>1,202,005</u>	 <u>(297,995)</u>
EXPENDITURES				
Outside services	500,000	500,000	317,712	(182,288)
Capital Improvements	1,000,000	1,000,000	-	(1,000,000)
Contribution to (from) reserve	<u>-</u>	<u>-</u>	<u>884,293</u>	<u>884,293</u>
 Total expenditures	 <u>1,500,000</u>	 <u>1,500,000</u>	 <u>1,202,005</u>	 <u>(297,995)</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
 FOR THE YEAR ENDED DECEMBER 31, 2017

DEBT SERVICE FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
NONOPERATING REVENUES				
Interest income	\$ 10,000	\$ 10,000	\$ 42,189	\$ 32,189
Contribution from general fund	4,901,428	4,901,428	4,903,451	2,023
Total nonoperating revenues	<u>4,911,428</u>	<u>4,911,428</u>	<u>4,945,640</u>	<u>34,212</u>
DEBT RETIREMENT				
Contribution to reserve	10,000	10,000	42,189	32,189
Principal - Series 2015	2,637,500	2,637,500	2,637,500	-
Principal - Series B	357,897	357,897	357,897	-
Principal - Series 2009	413,333	413,333	413,333	-
Interest - Series 2015	398,825	398,825	398,825	-
Interest - Series B	265,610	265,610	265,610	-
Interest - Series 2009	828,263	828,263	830,286	2,023
Total debt retirement	<u>4,911,428</u>	<u>4,911,428</u>	<u>4,945,640</u>	<u>34,212</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 2008 through 2017. Also included in this section is information related to Pueblo Water's performance based upon several financial health ratios. During the period 2008 to 2017, 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 2008 through 2017.
- Capital assets by function.
- Facts pertaining to Pueblo Water's water supply for the years 2008 through 2017.
- A map of Pueblo Water's water collection system.
- Pump station capacities.
- Potable Water pumped and related energy costs for the years 2008 through 2017.
- 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
 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Population served (inside-city)	112,019	110,652	109,532	107,914	107,682	107,808	107,924	108,221	106,896	106,931
Total treated water consumption (million gallons)	7,746	8,278	7,854	8,135	8,158	9,311	8,836	8,497	7,872	8,690
Average daily consumption (million gallons)	21.22	22.68	21.52	22	22	26	24	23	22	24
Average daily consumption per capita (gallons)	189	205	196	207	208	237	224	215	202	223
Maximum daily production (million gallons)	47	46	46	47	50	55	51	52	48	51
Maximum hour treated water use rate (million gallons per day)	1.96	1.92	1.92	1.96	2.08	2.29	2.13	2.17	2.00	2.13
Treated water pumped (million gallons)	8,260	8,868	8,307	8,611	8,781	9,775	9,438	9,030	8,425	9,124
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)	47,454	50,464	58,761	40,451	38,514	39,015	41,184	40,597	36,690	42,423
Supply from Colorado River (acre-feet)	17,247	20,177	16,174	24,780	21,122	11,511	26,068	28,672	26,633	22,652
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	56.40	54.90
Transmission and distribution mains (miles)	580.87	580.05	580.05	579.54	579.23	572.37	570.99	570.65	564.89	556.67
Total active taps - end of year	40,419	40,213	40,090	39,760	39,879	39,792	39,554	39,739	39,742	39,613
Fire hydrants operated and maintained	4,113	4,077	4,043	4,028	3,996	3,985	3,975	3,967	3,951	3,891
Fire hydrants tested and repaired	823	1,265	1,087	917	947	1,215	1,549	429	164	427
Main breaks	48	31	45	45	57	48	47	54	47	38
Leak detection requests	729	903	873	869	931	868	1,022	1,012	946	1,109
Total employees (authorized)	137	137	137	137	137	137	137	139	140	138
Additions to capital assets	\$ 6,332,655	\$ 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
Total long-term debt	\$ 50,442,372	\$ 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

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

NET POSITION BY COMPONENT: 2017 - 2008

	2017	2016	2015 ¹	2014	2013	2012	2011	2010	2009	2008
NET POSITION:										
Net investment in capital assets	\$ 193,454,852	\$ 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
Restricted for debt service funds	4,280,518	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
Unrestricted	14,640,598	14,908,577	12,352,367	21,513,209	21,929,084	21,980,207	19,211,351	22,328,457	17,791,392	24,216,665
Total net position	<u>\$ 212,375,968</u>	<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>

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: 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011 ⁵	2010	2009	2008
¹ Current Assets	\$ 33,654,741	\$ 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
Current Liabilities	10,126,090	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
LT Debt	50,442,372	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
Equity	212,375,968	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
Interest Expense	1,544,378	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 Net Revenue	10,222,896	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
Annual Debt Svc	5,440,274	5,444,240	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 Cash + Receivables	32,353,953	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
⁴ Projected Daily Operational Exp	71,670	65,876	64,138	61,431	61,071	59,223	58,670	57,364	55,736	53,294
RATIOS										
Current Ratio (Current assets/ current liabilities)	3.32	3.66	3.54	3.40	3.98	4.16	3.97	3.84	3.52	4.82
Quick Ratio (Cash+ accounts receivable/ current liabilities)	3.20	3.48	3.42	3.25	3.80	3.96	3.72	3.57	3.26	4.58
Debt/ Equity Ratio (LT debt/ equity)	0.24	0.27	0.30	0.25	0.27	0.28	0.30	0.32	0.35	0.28
Debt Service Coverage (Total rev-operating exp./ annual debt service)	1.88	2.27	2.14	2.24	1.89	2.50	2.15	2.90	8.93	1.72
# of Days of Working Capital	451.43	505.96	499.52	475.56	469.44	477.13	425.87	505.18	432.49	563.75
#of Months of Working Capital (Cash+receivables/ Avg. daily operational exp.)	15.05	16.87	16.65	15.85	15.65	15.90	14.20	16.84	14.42	18.79

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.

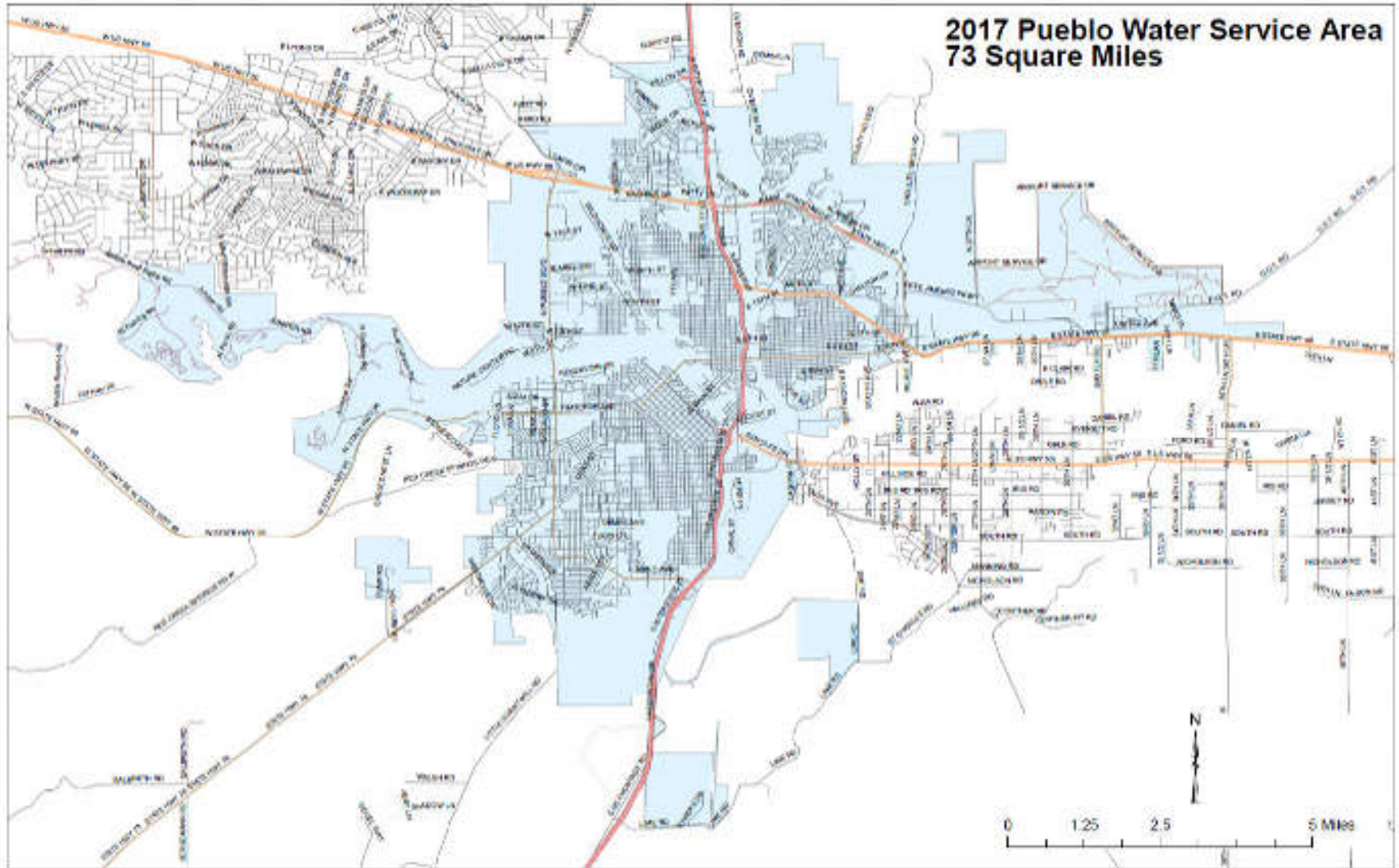
⁵Beginning in 2012 the Board implemented GASB 65 retroactively to 2011. Consequently, in 2011 and all future years the amount deferred on advance refundings is shown as a deferred outflow on the asset side of the balance sheet. This change affects the balance of long-term liabilities

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION: 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
OPERATING REVENUES:										
Potable water	\$ 23,378,662	\$ 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
Non-potable water	9,646,525	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
Other	3,033,786	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
Total operating revenues	<u>36,058,973</u>	<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>
OPERATING EXPENSES:										
Source of supply, pumping, treatment and distribution	11,462,596	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
General and administrative	11,331,448	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
Customer service	2,160,741	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
Depreciation and amortization	5,560,582	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
Total operating expenses	<u>30,515,367</u>	<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>
OPERATING INCOME	5,543,606	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
NONOPERATING REVENUES (EXPENSES):										
Investment income	297,111	225,098	170,900	205,920	(47,477)	232,900	427,876	481,949	388,851	1,109,377
Interest expense, less capitalized interest	(1,544,378)	(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)
Sale of capital assets	26,500	42,738	1,702	25,288	41,545	41,560	22,380	9,050	30,441,159	33,558
Other income	-	-	-	-	-	-	-	69,521	2,391,931	-
Other expense	-	-	-	-	-	-	-	-	-	-
Total nonoperating expenses, net	<u>(1,220,767)</u>	<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>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	4,322,839	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
OTHER REVENUES:	<u>580,917</u>	<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>
INCREASE IN NET POSITION	4,903,756	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
NET POSITION:										
Beginning of year	<u>207,472,212</u>	<u>202,603,582</u>	<u>198,770,094</u>	<u>57,764,588</u>	<u>56,461,584</u>	<u>51,654,244</u>	<u>46,966,036</u>	<u>39,472,513</u>	<u>865,634</u>	<u>-</u>
End of year	<u>\$212,375,968</u>	<u>\$207,472,212</u>	<u>\$202,603,582</u>	<u>\$ 60,780,777</u>	<u>\$ 57,764,588</u>	<u>\$ 56,461,584</u>	<u>\$ 51,654,244</u>	<u>\$ 46,966,036</u>	<u>\$ 39,472,513</u>	<u>\$ 865,634</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: 2017 - 2008

	<u>2017</u>	<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>Active Taps:</u>										
Beginning of Year	40,213	40,090	39,760	39,879	39,792	39,554	361	364	235	-
¹ Activated During Year	5,323	6,315	6,291	4,477	2,995	6,450	6,532	6,345	6,722	6,468
¹ Discontinued During Year	(5,117)	(6,192)	(5,961)	(4,596)	(2,908)	(6,212)	(6,717)	(6,348)	(6,593)	(6,233)
¹ Net Increase During Year	<u>206</u>	<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>
Total Active Taps - End of Year	<u>40,419</u>	<u>40,213</u>	<u>40,090</u>	<u>39,760</u>	<u>39,879</u>	<u>39,792</u>	<u>176</u>	<u>361</u>	<u>364</u>	<u>235</u>
<u>Active Taps:</u>										
<u>Inside City:</u>										
Residential	34,459	34,355	34,299	34,008	34,080	34,070	33,863	34,059	34,040	33,937
Commercial	2,593	2,536	2,482	2,340	2,326	2,283	2,276	2,272	2,276	2,267
Multi-unit	1,973	1,997	1,995	1,889	1,984	1,966	1,968	1,986	1,994	1,979
Other	890	827	814	1,035	1,003	983	960	934	947	940
<u>Outside City:</u>										
Residential	435	430	431	420	418	421	416	417	414	418
Commercial	34	33	34	33	33	34	34	34	33	35
Multi-unit	29	30	30	30	30	30	32	32	32	31
Other	<u>6</u>	<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>
Total Active Taps - End of Year	<u>40,419</u>	<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>
¹ Turn-Offs Due to Delinquent Accounts	3,754	3,436	3,915	3,845	3,859	3,001	3,307	3,199	3,002	2,102
¹ Average Number of Turn-Offs Per Month	313	286	326	320	322	250	276	267	250	175

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: 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Sales of Treated Water										
Inside City Customers:										
Residential	\$ 12,750,992	\$ 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
Commercial	6,912,971	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
Multi-Unit	2,366,165	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
Other	595,395	517,086	423,688	343,331	333,680	546,560	480,451	467,755	429,824	470,894
Outside City Customers:										
Residential	296,342	278,942	247,978	257,588	249,876	271,462	257,297	235,989	210,686	214,429
Commercial	383,776	424,639	417,249	413,510	423,882	454,629	407,318	399,159	311,263	321,033
Multi-Unit	155,917	161,844	167,402	177,310	176,982	169,049	161,684	146,872	135,485	149,699
Other	960	981	967	1,451	1,408	1,362	1,209	1,140	1,049	1,040
Total Treated Water Sales	<u>23,462,518</u>	<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>
Sales of Nonpotable Water	<u>9,646,525</u>	<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>
Total Sales of Water	<u>\$ 33,109,043</u>	<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>
Rate Increase	2.75%	3.25%	3.00%	3.00%	2.75%	3.50%	5.00%	5.00%	4.75%	4.50%

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

WATER SOLD IN THOUSAND GALLONS BY TYPE OF CUSTOMER: 2017 - 2008

	<u>2017</u>	<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>
Sales of Treated Water										
Inside City Customers:										
Residential	3,536,203	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
Commercial	2,426,554	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
Multi-Unit	726,705	727,709	718,153	719,764	714,411	770,595	778,514	762,409	731,577	795,370
Other	875,740	998,784	1,015,600	1,001,435	930,611	1,203,321	999,662	900,861	879,333	1,040,088
Outside City Customers:										
Residential	56,314	54,987	48,978	54,476	54,052	62,546	61,323	58,222	53,655	58,209
Commercial	92,640	106,694	108,772	110,357	116,956	129,756	120,045	123,411	100,765	109,928
Multi-Unit	32,187	34,947	37,904	41,956	43,324	42,643	42,124	39,955	38,177	45,558
Other	-	-	-	-	-	-	-	-	-	-
Total Consumption	<u>7,746,343</u>	<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>
Annual Precipitation in Inches	15.50	11.97	16.61	11.86	9.67	4.96	9.23	11.63	15.08	10.38

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

SUMMARY OF WATER RATES: 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Treated Water - Inside City</u>										
Monthly Service Charge by Meter Size (includes first 2,000 gallons):										
3/4"	\$ 11.59	\$ 11.23	\$ 10.90	\$ 10.56	\$ 10.25	\$ 9.98	\$ 9.64	\$ 9.18	\$ 8.74	\$ 8.34
1"	14.82	14.35	13.93	13.49	13.10	12.75	12.32	11.73	11.17	10.66
1-1/2"	24.66	23.88	23.18	22.45	21.80	21.22	20.50	19.52	18.59	17.75
2"	39.45	38.21	37.10	35.93	34.88	33.95	32.80	31.24	29.75	28.40
3"	73.99	71.66	69.57	67.38	65.42	63.67	61.52	58.59	55.80	53.27
4"	111.79	108.27	105.12	101.81	98.84	96.19	92.94	87.85	83.67	79.88
6"	184.86	179.04	173.83	168.36	163.46	159.09	153.71	146.39	139.42	133.10
8"	246.57	238.81	231.85	224.55	218.01	212.18	205.00	195.24	185.94	177.51
Multiple Dwelling Units: ¹ Additional Units	6.40	6.20	6.02	5.83	5.66	5.51	5.32	5.07	4.83	4.61
Volume Charge	2.66	2.58	2.50	2.42	2.35	2.29	2.21	2.10	2.00	1.91
<u>Treated Water - Private Fire Protection</u>										
Monthly Service Charge by Meter Size										
3"	14.86	14.39	13.97	13.53	13.14	12.79	12.36	11.77	11.21	10.70
4"	16.92	16.39	15.91	15.41	14.96	14.56	14.07	13.40	12.76	12.18
6"	26.91	26.06	25.30	24.50	23.79	23.15	22.37	21.30	20.29	19.37
8"	36.94	35.78	34.74	33.65	32.67	31.80	30.72	29.26	27.87	26.61
10"	46.92	45.44	44.12	42.73	41.49	40.38	39.01	37.15	35.38	33.78
12"	56.94	55.15	53.54	51.85	50.34	48.99	47.33	45.08	42.93	40.98
Treated Water - Public Fire Protection	18.48	17.90	16.83	16.83	16.34	15.90	15.36	14.63	13.93	13.30
<u>Treated Water - Metered Hydrant Sales</u>										
Monthly Service Charge (includes first 2,000 gallons)	18.48	17.90	17.38	16.83	16.34	15.90	15.36	14.63	13.93	13.30
Volume Charge	4.00	3.87	3.76	3.64	3.53	3.44	3.32	3.16	3.01	2.87
<u>Treated Water - Outside City</u>										
Monthly Service Charge by Meter Size (includes first 2,000 gallons):										
3/4"	18.48	16.84	16.35	15.84	15.38	14.97	14.46	13.77	13.11	12.52
1"	22.24	21.54	20.91	20.25	19.66	19.13	18.48	17.60	16.76	16.00
1-1/2"	36.97	35.81	34.77	33.68	32.70	31.82	30.74	29.28	27.89	26.63
2"	59.16	57.30	55.63	53.88	52.31	50.91	49.19	46.85	44.62	42.60
3"	111.01	107.52	104.39	101.10	98.16	95.53	92.30	87.90	83.71	79.91
4"	166.44	161.20	156.50	151.57	147.16	143.22	138.38	131.79	125.51	119.82
6"	277.33	268.60	260.78	252.57	245.21	238.65	230.58	219.60	209.14	199.66
8"	369.87	358.23	347.80	336.85	327.04	318.29	307.53	292.89	278.94	266.29
Multiple Dwelling Units: ¹ Additional Units	9.64	9.34	9.07	8.78	8.52	8.29	8.01	7.63	7.27	6.94
Volume Charge	4.00	3.87	3.76	3.64	3.53	3.44	3.32	3.16	3.01	2.87
<u>Treated Water - Private Fire Protection</u>										
Monthly Service Charge by Meter Size										
3"	22.29	21.59	20.96	20.30	19.71	19.18	18.53	17.65	16.81	16.05
4"	25.40	24.60	23.88	23.13	22.46	21.86	21.12	20.11	19.15	18.28
6"	40.36	39.09	37.95	36.76	35.69	34.73	33.56	31.96	30.44	29.06
8"	55.45	53.70	52.14	50.50	49.03	47.72	46.11	43.91	41.82	39.92
10"	70.44	68.22	66.23	64.15	62.28	60.61	58.56	55.77	53.11	50.70
12"	85.41	82.72	80.31	77.78	75.51	73.49	71.00	67.62	64.40	61.48
Treated Water - Public Fire Protection	18.48	17.90	17.38	16.83	16.34	15.90	15.36	14.63	13.93	13.30

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

LARGEST RETAIL CUSTOMERS - WATER CONSUMPTION AND REVENUE - 2017

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:							
Steel Mill	274,662	843	3.55%	\$ 836,047	3.58%	\$ 22,889	\$ 69,671
Utility - Private	269,256	826	3.48%	772,230	3.30%	22,438	64,353
City Government	266,411	818	3.44%	764,599	3.27%	22,201	63,717
State Health Service Provider	164,587	505	2.12%	453,529	1.94%	13,716	37,794
University	123,887	380	1.60%	318,739	1.36%	10,324	26,562
5,000,000 - 10,000,000 Gallons Monthly:							
Public School System	98,271	302	1.27%	287,709	1.23%	8,189	23,976
Housing Authority	92,137	283	1.19%	299,926	1.28%	7,678	24,994
Manufacturer	79,676	245	1.03%	221,376	0.95%	6,640	18,448
Country Club	76,970	236	0.99%	218,002	0.93%	6,414	18,167
1,000,000 - 5,000,000 Gallons Monthly:							
State Highway Medians	45,911	141	0.59%	96,128	0.41%	3,826	8,011
Medical Center	42,859	132	0.55%	130,401	0.56%	3,572	10,867
Cemetery	33,678	103	0.43%	149,392	0.64%	2,807	12,449
Manufactured Home Community	32,144	99	0.41%	91,056	0.39%	2,679	7,588
Manufacturing	30,911	95	0.40%	83,328	0.36%	2,576	6,944
Manufacturing	27,075	83	0.35%	75,769	0.32%	2,256	6,314
Medical Center	24,152	74	0.31%	85,481	0.37%	2,013	7,123
State Fair Complex	21,698	67	0.28%	59,102	0.25%	1,808	4,925
Manufacturing	20,586	63	0.27%	66,776	0.29%	1,716	5,565
Retail	19,970	61	0.26%	60,826	0.26%	1,664	5,069
Recreational	18,691	57	0.24%	51,613	0.22%	1,558	4,301
Correction Facility	18,234	56	0.24%	54,602	0.23%	1,520	4,550
Laundry and Linen Service	17,563	54	0.23%	51,360	0.22%	1,464	4,280
Apartment Community	16,786	52	0.22%	47,234	0.20%	1,399	3,936
Manufacturing	15,758	48	0.20%	48,959	0.21%	1,313	4,080
Residential Development	14,672	45	0.19%	43,969	0.19%	1,223	3,664
Warehouse	13,073	40	0.17%	37,704	0.16%	1,089	3,142
Apartment Community	12,812	39	0.17%	35,229	0.15%	1,068	2,936
Totals	1,872,430	5,747	24.17%	\$ 5,441,086	23.27%	\$ 156,036	\$ 453,424

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

Contributions of Discounted Water: 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Rate per 1,000 gallons	\$ 2.66	\$ 2.58	\$ 2.50	\$ 2.42	\$ 2.35	\$ 2.29	\$ 2.21	\$ 2.10	\$ 2.00	\$ 1.91
<u>Water - no charge</u>										
Pueblo City Parks	\$ 970,812	\$ 1,205,464	\$ 1,221,935	\$ 1,022,975	\$ 909,201	\$ 1,142,561	\$ 1,044,570	\$ 821,669	\$ 774,390	\$ 787,921
Pueblo City Schools Parks	377,191	412,065	369,561	369,561	366,837	410,460	372,089	298,215	272,124	412,862
Pueblo City Building/Special Use	24,834	29,670	45,575	36,927	19,968	24,949	26,025	20,817	22,580	23,566
Pueblo City Right of Ways	9,193	7,874	4,980	8,371	31,758	33,624	35,981	19,940	10,030	7,241
Historic Arkansas Riverwalk Project	26,236	24,704	27,910	26,893	29,918	36,084	31,477	23,100	24,816	26,843
Colorado State Highway	-	-	-	-	-	-	-	11,519	7,508	15,026
	<u>1,408,266</u>	<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>Water - 50% charge</u>										
Pueblo City Right of Ways	84,482	83,607	68,604	83,167	69,748	86,270	63,995	58,288	59,567	53,193
Colorado State Highway	<u>61,062</u>	<u>60,498</u>	<u>62,074</u>	<u>53,866</u>	<u>64,517</u>	<u>69,244</u>	<u>54,517</u>	<u>37,991</u>	<u>31,085</u>	<u>40,592</u>
	<u>145,544</u>	<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>
Total value of water contributions	<u>\$ 1,553,810</u>	<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>Water - no charge (gallons stated in 1000's)</u>										
Pueblo City Parks	364,967	467,234	488,774	422,717	386,894	498,935	473,728	391,271	387,195	412,524
School District 60 Parks	141,801	159,715	147,824	152,711	156,101	179,240	168,748	142,007	136,062	216,158
Pueblo City Building/Special Use	9,336	11,500	18,230	15,259	8,497	10,895	11,803	9,913	11,290	12,338
Pueblo City Right of Ways	3,456	3,052	1,992	3,459	13,514	14,683	16,318	9,495	5,015	3,791
Historic Arkansas Riverwalk Project	9,863	9,575	11,164	11,113	12,731	15,757	14,275	11,000	12,408	14,054
Colorado State Highway	-	-	-	-	-	-	-	5,485	3,754	7,867
	<u>529,423</u>	<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>Water - 50% charge (gallons stated in 1000's)</u>										
Pueblo City Right of Ways	31,760	32,406	27,442	34,367	29,680	37,672	29,023	27,756	29,784	27,850
Colorado State Highway	<u>22,956</u>	<u>23,449</u>	<u>24,830</u>	<u>22,259</u>	<u>27,454</u>	<u>30,238</u>	<u>24,724</u>	<u>18,091</u>	<u>15,543</u>	<u>21,252</u>
	<u>54,716</u>	<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>
Total gallons of water contributions	<u>584,139</u>	<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>

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

CONNECTION FEES: 2017 - 2008

<u>Year</u>	<u>Revenue Collected</u>
2017	\$ 893,596
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

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

RATIOS OF TOTAL OUTSTANDING DEBT BY TYPE: 2017 - 2008

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				
2017	\$ 35,930,000	\$ 5,424,683	\$ 41,354,683	\$ 36,382,584	1.14	112,019	\$ 369
2016	38,965,000	5,778,116	44,743,116	36,219,470	1.24	110,652	404
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

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

PLEDGED-REVENUE COVERAGE: 2017 - 2008

<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>	
2017	\$ 36,382,584	\$ 26,159,688	\$ 10,222,896	\$ 3,388,434	\$ 2,051,840	\$ 5,440,274	1.88
2016	36,219,470	24,044,682	12,174,788	3,287,370	2,156,870	5,444,240	2.24
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

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

RATIOS OF WATER REVENUE BONDED DEBT OUTSTANDING: 2017 - 2008

Year	Water Revenue Bonds	Gross Revenues	Ratio of Water Revenue Debt to Gross Revenue	Estimated Inside-City Population Served	Water Revenue Debt Per Capita
2017	\$ 35,930,000	\$ 36,382,584	0.99	112,019	\$ 321
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

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

RATIOS OF LOANS AND REPAYMENT CONTRACTS OUTSTANDING: 2017 - 2008

Year	Loans and Repayment Contract	Gross Revenues	Ratio of Loans and Repayment Contracts to Gross Revenue	Estimated Inside-City Population Served	Water Revenue Debt Per Capita
2017	\$ 5,424,683	\$ 36,382,584	0.15	112,019	\$ 48
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

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
2016	108,496	1.78%	162,038	1.87%	5,425,481	7.88%	36.9
2017	111,034	2.34%	165,715	2.27%	5,594,670	3.12%	37.2

SOURCE: U.S. Bureau of the Census

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 true 2017

Median Disposable Income			
Year	City of Pueblo	Pueblo County	Colorado
2015	\$ 29,273	\$ 34,534	\$ 49,357
2016	\$ 32,504	\$ 37,145	\$ 50,163
2017	\$ 32,432	\$ 37,661	\$ 52,593

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
2017 ¹	75,631	4.7%	3,050,188	3.1%
2016	73,107	4.2%	2,908,395	3.0%
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%

¹Preliminary and subject to change

Total Business Establishments and Employment - Pueblo County

Industry	Annual 2017		Annual 2016		Annual Change	
	Units	Employment	Units	Employment	Units	Employment
Construction	357	3,500	334	3,279	6.89%	6.74%
Education and health services	432	12,713	421	12,181	2.61%	4.37%
Financial activities	365	1,672	354	1,709	3.11%	-2.17%
Information	31	657	32	654	-3.13%	0.46%
Leisure and hospitality	388	6,992	389	6,743	-0.26%	3.69%
Manufacturing	107	4,210	103	4,091	3.88%	2.91%
Natural resources and mining	47	374	36	256	30.56%	46.09%
Other services	380	1,648	252	1,648	50.79%	0.00%
Professional and business services	485	6,390	466	6,760	4.08%	-5.47%
Trade, transportation and utilities	723	10,977	708	10,891	2.12%	0.79%
Total	3,315	49,133	3,095	48,212		

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

Note: 2017 figures are through 2nd Quarter 2017 and are preliminary.

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

Principal Employers in the Pueblo Area

Organization	2017		
	Employees	Rank	% of Total City Employment
Parkview Hospital	2,900	1	4.02%
Pueblo City Schools	1,840	2	2.55%
Colorado Mental Health CMHIP	1,200	3	1.66%
Pueblo County Government	1,106	4	1.53%
Pueblo County Schools	1,101	5	1.53%
Walmart	1,035	6	1.44%
Evrax Inc.	979	7	1.36%
Vestas Towers America Inc.	967	8	1.34%
St Mary Corwin Hospital	934	9	1.30%
City of Pueblo	733	10	1.02%

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%

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
2017	268	\$ 47,081,242	-	\$ -	114	\$ 25,435,850
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

Source: Pueblo Regional Building Department www.prbd.com

History of Foreclosures in Pueblo County

Year	Number of Foreclosures Filed	Percent Change
2017	412	-17.76%
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%

Source: Pueblo County Public Trustee

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

EMPLOYEES BY DIVISION

	NUMBER OF POSITIONS									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
ADMINISTRATION										
Director	3	3	3	3	3	3	2	2	2	3
Specialist	3	3	3	3	3	3	2	2	2	3
Total	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>6</u>
FINANCE										
Division Manager	-	-	-	-	-	-	1	1	1	-
Manager	2	2	2	2	2	2	1	1	1	2
Supervision	-	1	1	-	-	-	1	2	2	1
Specialist	3	2	2	2	2	2	2	2	2	1
Skills & Trade	13	13	13	13	13	13	13	13	14	14
Total	<u>18</u>	<u>18</u>	<u>18</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>18</u>
INFORMATION SYSTEMS										
Division Manager	-	1	1	1	1	1	1	1	1	-
Manager	1	-	-	-	-	-	-	-	-	1
Supervision	-	-	-	-	-	-	-	-	-	-
Specialist	3	4	4	4	4	4	4	4	4	3
Skills & Trade	2	2	2	2	2	2	2	2	2	2
Total	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6</u>
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	2	1	-	-	1	1	1	-
Specialist	3	3	3	4	4	4	3	3	3	3
Skills & Trade	23	22	22	12	12	12	12	12	12	12
Total	<u>30</u>	<u>29</u>	<u>29</u>	<u>19</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
TRANSMISSION, DISTRIBUTION & ENGINEERING										
Division Manager	1	1	1	1	1	1	1	1	1	1
Manager	3	1	1	1	1	2	3	3	3	3
Supervision	2	4	4	4	4	3	2	2	2	2
Specialist	2	2	2	2	2	2	2	2	2	3
Skills & Trade	52	52	52	52	52	51	51	52	52	52
Total	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>59</u>	<u>59</u>	<u>60</u>	<u>60</u>	<u>61</u>
FACILITIES OPERATIONS & MAINTENANCE										
Division Manager	-	-	-	-	1	1	1	1	1	-
Manager	1	1	1	1	-	-	-	-	-	1
Supervision	-	-	-	-	2	2	2	2	2	2
Specialist	2	2	2	2	2	2	2	2	2	2
Skills & Trade	5	5	5	16	16	17	17	17	17	15
Total	<u>8</u>	<u>8</u>	<u>8</u>	<u>19</u>	<u>21</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>20</u>
WATER RESOURCES										
Division Manager	1	1	1	1	1	1	1	1	1	1
Supervision	1	1	1	1	1	1	1	2	2	2
Specialist	2	2	2	2	2	2	3	2	2	2
Total	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
HUMAN RESOURCES										
Division Manager	-	1	1	1	1	1	1	1	1	1
Manager	1	-	-	-	-	-	-	-	-	-
Specialist	4	4	4	4	4	4	4	4	4	4
Total	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
TOTAL FULL TIME POSITIONS	<u>137</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>139</u>	<u>140</u>	<u>138</u>

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

CAPITAL ASSETS BY FUNCTION: 2017- 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	\$ 2,284,590	\$ 2,264,136
Water rights	98,865,769	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
Construction in progress	3,669,043	2,700,378	914,431	614,474	1,444,459	819,085	283,696	669,482	3,273,587	505,822
Total non-depreciable assets	104,819,402	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
Buildings and improvements										
Distribution reservoirs and tanks	22,606,141	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
Other buildings and improvements	50,163,061	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
Total buildings and improvements	72,769,202	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
Accumulated depreciation	(32,657,025)	(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)
Net buildings and improvements	40,112,177	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
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	5,883,733	5,760,586	5,760,586	5,760,586	5,741,534
Transmission mains and meters	122,484,648	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
Total infrastructure	129,276,447	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
Accumulated depreciation	(59,647,528)	(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)
Net infrastructure	69,628,919	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
Machinery and equipment										
Pumping	23,154,868	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
Treating	6,287,714	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
Other equipment	10,836,457	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
Total machinery and equipment	40,279,039	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
Accumulated depreciation	(19,852,296)	(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)
Net machinery and equipment	20,426,743	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
Intangible Assets										
Intangible software	9,566	9,566	9,566	9,566	9,566	9,566	9,566	-	-	-
Accumulated amortization	(6,218)	(5,261)	(4,304)	(3,348)	(2,391)	(1,435)	(478)	-	-	-
Net intangible assets	3,348	4,305	5,262	6,218	7,175	8,131	9,088	-	-	-
Net capital assets	\$ 234,990,589	\$ 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

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

WATER SUPPLY, USE AND STORAGE: 2017 - 2008

(all values in acre-feet)

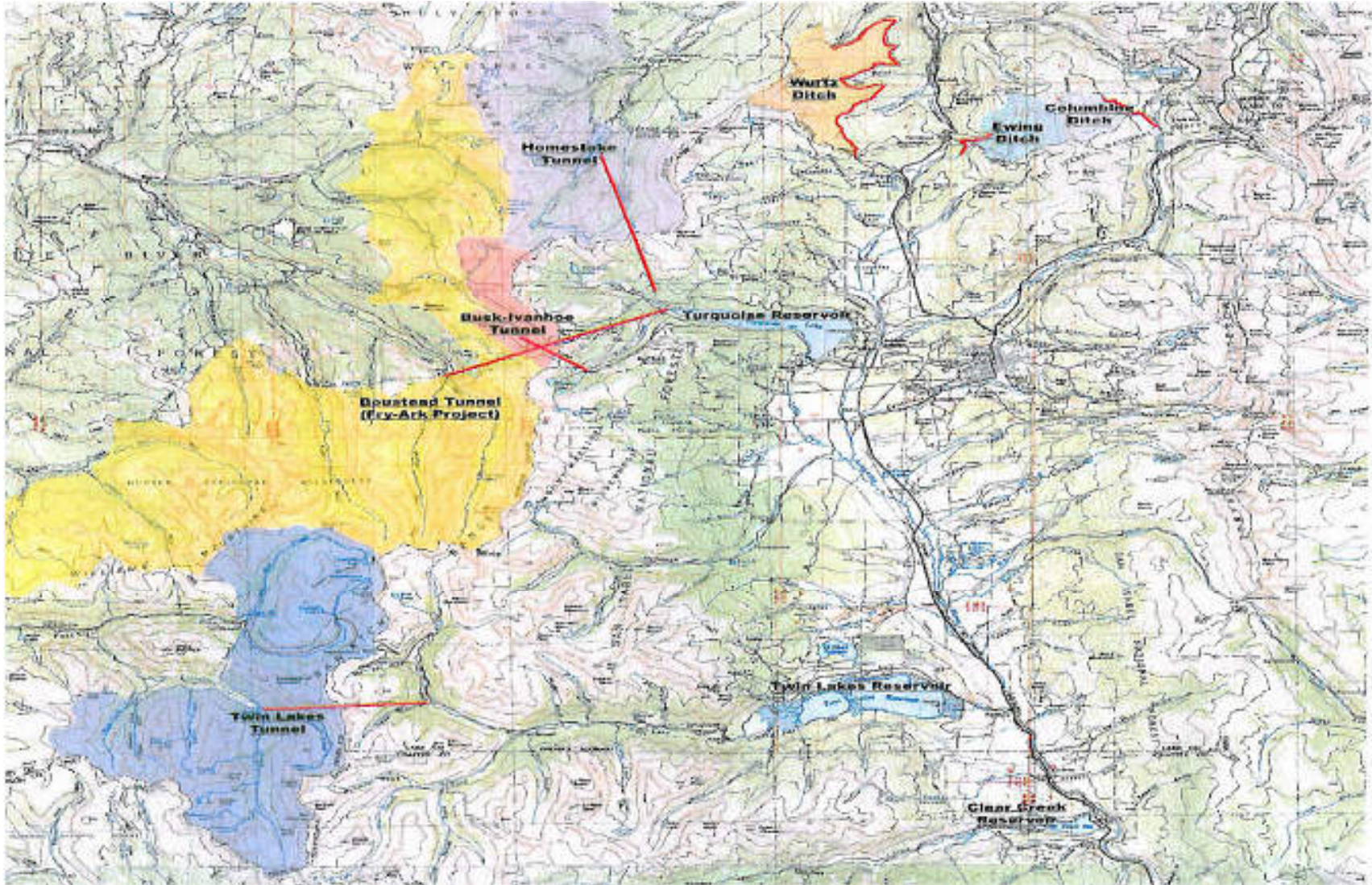
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
SUPPLY:										
Arkansas River Basin ¹	47,770	49,843	58,761	40,451	38,514	39,015	41,184	40,597	36,690	42,423
Colorado River Basin ²	17,247	20,177	16,174	24,780	21,122	11,511	26,068	28,672	26,633	22,652
Total	65,017	70,020	74,935	65,231	59,636	50,526	67,252	69,269	63,323	65,075
USE:										
Potable	25,750	27,987	26,307	26,437	26,608	29,746	28,822	27,611	25,767	28,018
Raw Water - Comanche Power Plant	12,783	12,783	12,150	11,848	11,994	13,000	10,774	10,471	9,494	7,915
Raw Water - Outside City Limits	21,799	30,188	27,040	18,161	9,302	21,026	27,267	20,274	20,023	24,408
Total	60,332	70,958	65,497	56,446	47,904	63,772	66,863	58,356	55,284	60,341
STORAGE:										
Pueblo Reservoir³										
Capacity	43,200	43,200	40,200	40,200	40,200	40,200	40,200	37,200	37,200	37,200
Content on December 31	30,315	23,952	26,897	24,159	18,968	19,089	28,961	29,137	24,866	21,496
Content as % of capacity	70%	55%	67%	60%	47%	47%	72%	78%	67%	58%
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	7,174	7,006	7,317	6,854	7,741	6,542	6,807	7,364	6,757	7,350
Content as % of capacity	63%	61%	64%	60%	68%	57%	60%	64%	59%	64%
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	3,368	6,607	8,912	7,622	6,075	285	4,197	6,805	6,143	4,765
Content as % of capacity	27%	52%	71%	60%	48%	2%	33%	54%	49%	38%
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	2,458	2,411	3,948	2,405	3,361	1,271	2,496	3,455	3,250	2,948
Content as % of capacity	49%	48%	79%	48%	67%	25%	50%	69%	65%	59%
Total System Storage										
Capacity	72,239	72,239	69,239	69,239	69,239	69,239	69,239	66,239	66,239	66,239
Content on December 31	43,315	39,976	47,074	41,040	36,145	27,187	42,461	46,761	41,016	36,559
Content as % of capacity	60%	55%	68%	59%	52%	39%	61%	71%	62%	55%

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

2017-vs- 2016 Review

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Treated water pumped (million gallons)	8,260	8,868	-6.86%
Number of treated water pump stations	10	10	0.00%
Maximum pumping capacity (mgd)	217.90	217.90	0.00%
Pumping energy costs	\$ 2,875,095	\$ 3,034,837	-5.26%

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

Pumping Station Capacities - 2017

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
		4	1952	Allis-Chalmers	Allis-Chalmers	350	1,170	7.30
North Gardner	1000	4	1965	Worthington	Electric	500	1,180	8.90
		5	1965	Worthington	Titan II, US Motors	500	1,775	8.90
		2D	1965	DeLaval	Caterpillar	425	1,200	5.76
South Gardner	1000	1	2002	Allis-Chalmers	Siemens	600	1,770	9.10
		2	1965	Worthington	Electric	700	1,186	12.50
		3	1965	Worthington	Electric	700	1,186	12.50
McCabe	2000	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
		6	1956	Ingersoll-Dresser	Titan II, US Motors	600	1,780	8.50
J.O. Jones	3000	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
J.O. Jones	5000/7000	3	1965	DeLaval	Allis-Chalmers	200	1,180	5.50
		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
<u>Summary by Pumping Station</u>								
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
<u>Summary by Zone</u>								
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						350		6.48
						12,630		217.90

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

Treated Water Pumped & Energy Costs: 2017-2008

	<u>2017</u>	<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>
Treated water pumped (million gallons)	8,260	8,868	8,307	8,611	8,781	9,775	9,438	9,030	8,425	9,124
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	\$ 2,875,095	\$ 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
Energy Costs per 1,000 gallons	\$ 0.35	\$ 0.34	\$ 0.35	\$ 0.34	\$ 0.33	\$ 0.32	\$ 0.27	\$ 0.23	\$ 0.26	\$ 0.21

2017 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
Clarity								
Turbidity	NTU	◆		0.5	0.5	0.05 - 0.25	0.13	250
Microbiological								
Total Coliform Bacteria**	P/A	◆		less than 5% per month positive	0	P - A***	A	2347
E. coli Bacteria**	P/A	◆		0	0	A	A	2347
Giardia	Oocysts/100 L			N/A	0	ND	ND	4
Cryptosporidium	Oocysts/100 L			N/A	0	ND	ND	4
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	32.3 - 64.6	48.4	10
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	43.2 - 62.5	53.5	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	39.7 - 70.6	56.5	10
Chromium	µg/L	◆		100	100	<1.00	<1.00	10
Cobalt	µg/L			N/A	N/A	<1.00	<1.00	10
Copper	µg/L		◆	1000	N/A	1.10 - 2.02	1.53	10
Iron	mg/L		◆	300	N/A	<0.50	<0.50	10
Lead	µg/L			N/A	N/A	<1.00	<1.00	10
Magnesium	mg/L			N/A	N/A	8.82 - 15.7	12.6	10
Manganese	µg/L		◆	50	N/A	1.15 - 5.54	2.35	9
Mercury	µg/L	◆		2	2	<0.50	<0.50	10
Molybdenum	µg/L			N/A	N/A	3.74 - 4.77	4.22	10
Nickel	µg/L			N/A	N/A	1.18 - 2.80	2.08	10
Potassium	mg/L			N/A	N/A	1.64 - 2.51	2.16	10
Selenium	µg/L	◆		50	50	2.55 - 5.37	4.46	10
Silver	µg/L		◆	100	N/A	<1.00	<1.00	10
Sodium	mg/L			N/A	N/A	9.07 - 25.1	18.6	10
Thallium	µg/L	◆		2	0.0005	<1.00	<1.00	10
Vanadium	µg/L			N/A	N/A	<1.00 - 1.08	<1.00	10
Zinc	µg/L		◆	5000	N/A	<1.00 - 1.33	<1.00	10

2017 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)								
Bromodichloromethane	µg/L	◆			0	1.32 - 2.69	1.94	18
Bromoform	µg/L				0	<0.5	<0.5	18
Chloroform	µg/L				N/A	3.01 - 15.7	6.76	18
Dibromochloromethane	µg/L				6	<0.5	<0.5	18
Total Trihalomethanes	µg/L	◆		80	N/A	4.33 - 18.4	8.69	18
Haloacetic Acids □ (Disinfection Byproduct)								
Bromoacetic acid	µg/L	◆			N/A	<1.00 - 17.1	<1.00	16
Dibromoacetic acid	µg/L				N/A	<1.00 - 1.07	<1.00	16
Dichloroacetic acid	µg/L				0	<1.00 - 19.1	8.84	16
Monochloroacetic acid	µg/L				N/A	<1.00 - 6.98	<1.00	16
Trichloroacetic acid	µg/L				300	1.06 - 6.67	2.75	16
Total Haloacetic Acid	µg/L	◆		60	N/A	5.83 - 27.1	13.5	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	1.01	1.01	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	3.11	3.11	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	4.12	4.12	1

2017 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

2017 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	63 - 108	85	98
Ammonia (as Nitrogen)	mg/L			N/A	N/A	0.06 - 0.29	0.16	104
Calcium Hardness (as CaCO ₃)	mg/L			N/A	N/A	89 - 286	130	52
Chlorine (Total Chloramine)	mg/L	◆		4	4	2.81 - 4.02	3.68	250
Chloride	mg/L		◆	250	N/A	7.44 - 12.3	10.4	48
Conductivity	µmho/cm		◆	N/A	N/A	281 - 498	421	249
Fluoride	mg/L	◆		4, 2*	4	0.30 - 0.76	0.70	359
Total Hardness (as CaCO ₃)	mg/L			N/A	N/A	104 - 210	171	52
Nitrate (as Nitrogen)	mg/L	◆		10	10	0.28	0.28	1
Nitrite (as Nitrogen)	mg/L	◆		1	1	<0.05	<0.05	1
Total Nitrate and Nitrite (as Nitrogen)	mg/L	◆		10	10	0.28	0.28	1
Ortho-Phosphate (as Phosphorous)	mg/L			N/A	N/A	<0.50	<0.50	4
pH	units		◆	6.5-8.5	N/A	7.16 - 7.93	7.51	249
Total Dissolved Solids	mg/L		◆	500	N/A	182 - 495	292	52
Sulfate	mg/L		◆	250	N/A	62.5 - 128	103	50
Total Organic Carbon	mg/L	◆		Removal	N/A	1.62 - 2.21	1.9	12

Listed above are regulated and unregulated contaminants detected in Pueblo's drinking water in 2017.
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.

2017 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	1.34 - 26.5	7.28	247
Microbiological				
Total Coliform Bacteria	MPN/100 mL	39.3 - 12098	2006.8	194
E. Coli Bacteria	MPN/100 mL	<1 - 198.9	25.6	194
Inorganic Chemicals				
Trace Metals				
Aluminum	µg/L	<1.00 - 109	26.1	10
Antimony	µg/L	<1.00	<1.00	10
Arsenic	µg/L	<1.00	<1.00	10
Barium	µg/L	45.5 - 66.2	57.9	10
Beryllium	µg/L	<1.00	<1.00	10
Cadmium	µg/L	<1.00	<1.00	10
Calcium	mg/L	40.8 - 71.4	60.2	10
Chromium	µg/L	<1.00	<1.00	10
Cobalt	µg/L	<1.00	<1.00	10
Copper	µg/L	1.01 - 1.58	1.29	10
Iron	mg/L	<0.50	<0.50	10
Lead	µg/L	<1.00	<1.00	10
Magnesium	mg/L	8.36 - 17.0	13.6	10
Manganese	µg/L	<1.00 - 42.4	14.6	10
Mercury	µg/L	<0.50	<0.50	10
Molybdenum	µg/L	3.83 - 4.73	4.27	10
Nickel	µg/L	1.16 - 3.43	2.50	10
Potassium	mg/L	1.73 - 2.52	2.20	10
Selenium	µg/L	2.03 - 6.41	4.26	10
Silver	µg/L	<1.00	<1.00	10
Sodium	mg/L	9.63 - 28.0	20.2	10
Thallium	µg/L	<1.00	<1.00	10
Vanadium	µg/L	<1.00 - 1.30	<1.00	10
Zinc	µg/L	1.36 - 9.21	4.57	10

2017 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	71 - 125	99	88
Ammonia (as Nitrogen)	mg/L	<0.01 - 0.13	0.02	85
Calcium Hardness (as CaCO ₃)	mg/L	88 - 285	136	51
Chloride	mg/L	3.12 - 9.06	6.82	47
Conductivity	µmho/cm	248 - 524	430	247
Fluoride	mg/L	0.31 - 0.52	0.45	356
Total Hardness (as CaCO ₃)	mg/L	112 - 218	178	51
pH	units	7.82 - 8.37	8.13	246
Total Dissolved Solids	mg/L	163 - 514	298	51
Sulfate	mg/L	48.8 - 132	102	49

Listed above are regulated and unregulated contaminants detected in the raw water in 2017.

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

2017 Analytical Results Summary for Pueblo's Raw Water Pipeline

Parameter	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
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Clarity				
Turbidity	NTU	0.55 - 9.22	2.29	250

Microbiological				
Total Coliform Bacteria	MPN/100 mL	<1 - 15531	1298.3	196
E. Coli Bacteria	MPN/100 mL	<1 - 48.8	4.4	196
Giardia	Oocysts/ 100 L	ND	ND	4
Cryptosporidium	Oocysts/ 100 L	ND	ND	4

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	<1.00 - 119	15.4	10
Antimony	µg/L	<1.00	<1.00	10
Arsenic	µg/L	<1.00	<1.00	10
Barium	µg/L	42.3 - 63.9	56.4	10
Beryllium	µg/L	<1.00	<1.00	10
Cadmium	µg/L	<1.00	<1.00	10
Calcium	mg/L	37.6 - 64.5	55.3	10
Chromium	µg/L	<1.00	<1.00	10
Cobalt	µg/L	<1.00	<1.00	10
Copper	µg/L	1.49 - 2.28	1.80	10
Iron	mg/L	<0.50	<0.50	10
Lead	µg/L	<1.00	<1.00	10
Magnesium	mg/L	8.43 - 14.9	12.6	10
Manganese	µg/L	<1.00 - 24.8	6.90	10
Mercury	µg/L	<0.50	<0.50	10
Molybdenum	µg/L	3.60 - 4.54	4.12	10
Nickel	µg/L	1.33 - 3.53	2.30	10
Potassium	mg/L	1.49 - 2.44	2.08	10
Selenium	µg/L	2.57 - 5.30	4.19	10
Silver	µg/L	<1.00	<1.00	10
Sodium	mg/L	11.1 - 23.3	18.1	10
Thallium	µg/L	<1.00	<1.00	10
Vanadium	µg/L	<1.00 - 1.46	1.01	10
Zinc	µg/L	1.10 - 7.53	3.38	10

2017 Analytical Results Summary for Pueblo's Raw Water Pipeline

Parameter	Units	Range of Detection	Pueblo Raw Water Average Level	Number of Samples Analyzed
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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
1,1,1,2- 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

2017 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	68 - 118	95.5	99
Ammonia (as Nitrogen)	mg/L	<0.01 - 0.08	0.02	99
Calcium Hardness (as CaCO ₃)	mg/L	84 - 280	131	52
Chloride	mg/L	3.75 - 27.4	7.42	48
Conductivity	µmho/cm	228 - 559	405	250
Fluoride	mg/L	0.31 - 0.50	0.44	359
Total Hardness (as CaCO ₃)	mg/L	110 - 208	168	52
Ortho-Phosphate (as Phosphorous)	mg/L	<0.50	<0.50	4
pH	units	7.80 - 8.70	8.19	249
Total Dissolved Solids	mg/L	168 - 472	282	52
Sulfate	mg/L	52.6 - 122	96	50
Total Organic Carbon	mg/L	2.15 - 3.10	2.64	12

Listed above are regulated and unregulated contaminants detected in the raw water in 2017.

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.

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
 E - OPERATING INFORMATION

Water Services: 2017 - 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fire Hydrants	4,113	4,077	4,043	4,028	3,996	3,985	3,975	3,967	3,951	3,891
New Installation	25	41	15	32	11	10	8	16	38	63
Replacement	28	25	20	40	31	29	39	37	11	19
Maintenance	823	1,265	1,087	917	947	1,215	1,510	392	153	408
Leak Detection	729	903	873	869	931	868	1,022	1,012	946	1,109
Main Breaks	48	31	45	45	57	48	47	54	47	38
Service Turn Ons	3,707	3,484	4,191	4,089	4,078	3,932	3,879	3,711	3,875	4,107
Service Turn Offs	4,843	4,182	4,718	4,673	4,563	4,484	4,721	4,547	4,787	4,961
Sprinkler Shut Off	252	264	273	241	264	260	303	309	309	352
Sprinkler Turn On	232	234	249	228	228	243	240	268	274	277
¹ Automated Meter Reading	40,613	40,548	37,337	33,862	30,318	26,454	22,925	18,961	14,189	10,768
Manual Meter Reading	2	2	3,053	6,502	10,525	13,776	17,309	21,230	25,941	29,389
² Total Meters	40,615	40,550	40,390	40,364	40,843	40,230	40,234	40,191	40,130	40,157
AMR conversion costs	\$ -	\$ 717,483	\$ 822,982	\$ 968,917	\$ 729,595	\$ 833,332	\$ 784,864	\$ 855,440	\$ 913,577	\$ 1,456,029

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
 E - OPERATING INFORMATION

Transmission & Distribution Mains - 2017

Pipe Summary

Type of Material	Total Footage	Total Miles	Transmission Footage	Transmission Miles	Distribution Footage	Distribution Miles	Raw Water Footage	Raw Water Miles
AC	1,203,919	228.01	31,080	5.89	1,172,839	222.13	-	-
Cast Iron	673	0.13	673	0.13	-	-	-	-
Cast Iron and Galvanized	2,758	0.52	-	-	2,758	0.52	-	-
Cast Iron CML	591,175	111.96	7,056	1.34	584,119	110.63	-	-
Cast Iron UL	9,720	1.84	5,606	1.06	4,114	0.78	-	-
Concrete Cylinder	5,054	0.96	3,466	0.66	1,588	0.30	-	-
Ductile Iron	30,289	5.74	11,695	2.21	15,872	3.01	2,722	0.52
HDPE	3,870	0.73	966	0.18	2,904	0.55	-	-
HDPE Polar	262	0.05	-	-	262	0.05	-	-
PVC	964,581	182.69	72,921	13.81	891,660	168.88	-	-
PVC Polar	110	0.02	-	-	110	0.02	-	-
Steel	254,582	48.22	197,791	37.46	23,911	4.53	32,880	6.23
Wood	-	-	-	-	-	-	-	-
	<u>3,066,993</u>	<u>580.87</u>	<u>331,254</u>	<u>62.74</u>	<u>2,700,137</u>	<u>511.39</u>	<u>35,602</u>	<u>6.74</u>

Size of Material

3"	2,758	0.52	-	-	2,758	0.52	-	-
4"	7,772	1.47	-	-	7,772	1.47	-	-
6"	760,250	143.99	-	-	760,250	143.99	-	-
8"	1,063,214	201.37	-	-	1,063,214	201.37	-	-
10"	9,097	1.72	-	-	9,097	1.72	-	-
12"	593,005	112.31	-	-	593,005	112.31	-	-
14"	240	0.05	-	-	240	0.05	-	-
16"	263,801	49.96	-	-	263,801	49.96	-	-
18"	2,163	0.41	2,163	0.41	-	-	-	-
20"	64,546	12.22	64,546	12.22	-	-	-	-
21"	18,209	3.45	18,209	3.45	-	-	-	-
24"	105,715	20.02	102,993	19.51	-	-	2,722	0.52
28"	966	0.18	966	0.18	-	-	-	-
30"	83,967	15.90	82,488	15.62	-	-	1,479	0.28
36"	11,810	2.24	11,810	2.24	-	-	-	-
42"	36,415	6.90	36,415	6.90	-	-	-	-
48"	9,728	1.84	9,728	1.84	-	-	-	-
54"	1,275	0.24	1,275	0.24	-	-	-	-
60"	3,227	0.61	661	0.13	-	-	2,566	0.49
66"	10,489	1.99	-	-	-	-	10,489	1.99
78"	12,954	2.45	-	-	-	-	12,954	2.45
84"	5,392	1.02	-	-	-	-	5,392	1.02
	<u>3,066,993</u>	<u>580.87</u>	<u>331,254</u>	<u>62.74</u>	<u>2,700,137</u>	<u>511.39</u>	<u>35,602</u>	<u>6.74</u>

Main Extensions

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
4"	-	-	-	-	-	217	-	-	-	-
6"	-	674	279	102	-	4	-	-	-	2,107
8"	5,983	1,971	1,154	2,497	971	1,367	533	2,299	2,332	11,437
12"	2,098	2,943	1,109	141	432	40	3	708	4,060	2,903
16"	-	272	-	-	92	2,581	26,135	1,296	26,890	9,458
20"	-	-	-	-	-	8	-	-	1,095	3,764
24"	-	-	-	-	55	418	1,047	-	9,083	4
30"	-	-	-	-	217	-	-	-	-	-
36"	-	-	-	-	-	1,305	-	-	-	-
42"	-	-	-	-	-	1,184	-	-	-	-
	<u>8,081</u>	<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>

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

