



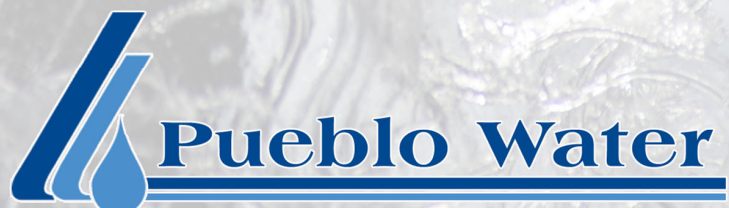
ANNUAL BUDGET 2021

PUEBLO WATER IS COMMITTED to providing the highest quality water at the lowest possible cost. We are equally committed to the workforce that helps achieve that goal. We strive to create and maintain a professional environment that encourages and recognizes teamwork, individual contribution, and the integrity of each employee while providing the opportunity for all to grow within the organization.

MISSION VISION VALUES

OUR TEAM IS ENTRUSTED by the citizens of Pueblo to responsibly manage and protect their most precious natural resource. We commit to provide the necessary leadership, oversight and ethical practices to ensure the sustainability of this resource, and do our part to ensure a prosperous future for Pueblo.

- ♦ Trust
- ♦ Transparency
- ♦ Communication
- ♦ Customer Service





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Board of Water Works of Pueblo
Colorado**

For the Fiscal Year Beginning

January 1, 2020

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Board of Water Works of Pueblo Colorado for its annual budget for the fiscal year beginning **January 1, 2020**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Board of Water Works of Pueblo, Colorado

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Board of Water Works of Pueblo, Colorado

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November 17, 2020

**HONORABLE PRESIDENT AND MEMBERS OF THE BOARD
BOARD OF WATER WORKS OF PUEBLO, COLORADO**

Enclosed for your consideration and adoption is the proposed budget for 2021 outlining a program for personnel, operation and maintenance, capital expenditures, and debt retirement for the Board of Water Works of Pueblo, Colorado. The requirements presented herein represent the minimum operational needs for 2021.

The Division Overviews in the *Detail of Expenditures* section provide important highlights to this proposed budget. These overviews will assist you in better understanding changes in the workforce as well as clarify the special or major O&M and capital projects we propose in our plan of work for 2021.

After reviewing the critical needs for 2021 and trimming the budget where possible, Staff recommends a water rate increase of 1.75 percent for 2021.

Highlighted below are specific recommendations and notable features included in the proposed plan for 2021 as well as certain estimates regarding results for 2020.

Water Development Fund

The Water Development Fund (WDF) remains the vehicle with which Pueblo Water funds long-term “water development” projects. These projects may range from acquisition or development of additional water storage to large distribution or transmission infrastructure related projects or possible acquisition of additional water rights. Since its inception, the WDF has been used for the financially prudent purpose of utilizing one-time revenue sources for future planning rather than to offset rate increases. That intent remains in Staff’s proposed plan for 2021, by funding the WDF through revenue generated from Public Service Company’s Comanche Unit 3.

Ongoing Projects

► The two-story Facilities Operations and Maintenance building located at the Whitlock Treatment Plant will be completed in 2021. To prepare for this project, TD&E crews relocated two active water mains. The construction of the 4,000 square foot building will feature 1,600 feet of dedicated space for five offices and restrooms. The remaining 2,400 feet will include mezzanine storage space, a kitchen and meeting area and large workshop dedicated to the needs of the electrician and the facilities crew.

► The Kevin G. McCarthy Hydroelectric Power Plant at the Whitlock Treatment Plant budgeted in 2020 at \$4 million will continue into 2021. The building will break ground the fall of 2021. The hydroelectric turbines ordered from Gugler Turbines of Austria will be installed and placed into operation the 2nd quarter in 2022.

2020 Metered Water Revenue

Consumption for 2020 is expected to be approximately 8.67 billion gallons, generating metered water sales of approximately \$26.6 million or 3.0% above budgeted projections. At the end of 2020, the unrestricted operating fund balance is expected to be approximately \$19.70 million and is predicted to decline, due to increased capital spending during the next 10 years, to a low of approximately \$10.76 million in 2022 before increasing to more normal levels.

Metered Water Revenue Assumptions

As a result of drought induced conservation, Staff has maintained lower consumption projections for most customers in subsequent years. The attached 10-year plan reflects a baseline annual consumption of approximately 8 billion gallons. In addition, Staff continues to project a minimal increase in consumption derived from growth. Since annual consumption is highly dependent upon precipitation received, actual results will vary from projections. In the future, as more climate change data becomes available, we may need to adjust our consumption projections.

Other Major Revenue Sources

- Raw water revenue is typically based upon long-term contracts and \$750,000 per year in short-term leases, however for 2021 we do not anticipate having any short-term leases.
- Plant Water Investment Fees, because of modest growth in the housing market, are reduced in the near term with a gradual increase in later years of the 10-year plan.
- Revenue derived from the contract with an investor owned utility is based upon the minimum “take-or-pay” amount of 12,783-acre feet.
- Revenue from a separate contract with an investor owned utility, for 2021 and beyond, is based upon the minimum “take-or-pay” amount of 1,000-acre feet at potable water rates and 444-acre feet at raw water rates.

Noteworthy Expenditures

- Utilities - \$3.18 million. The 10-year plan assumes future increases in electric rates, but not annually.
- Repairs and Maintenance - \$1.32 million. A 2.7% increase compared with the 2020 budget.
- Supplies - \$1.46 million. This amount is consistent with the 2020 plan.
- Meter Related Costs including AMR - \$927,000. Allocation of \$1.01 million for each of the following years in the attached 10-year capital outlay plan.
- Main Expansion and Improvement Projects - \$4.57 million.
- Transportation Equipment - \$336,000. Allocation of \$300,000 for each of the following years in the attached 10-year capital outlay plan.
- La Vista Tanks - \$3,500,000.
- TD&E Facility Remodel - \$110,000.
- Whitlock Media and Underdrain Replacement - \$300,000.
- Low Head Dam - \$250,000.
- Greenhorn Tank Interior Coating - \$550,000.
- Wireless Infrastructure at Tank Sites - \$200,000.

It should be noted that, when looking at the Front Range cities' average monthly bills (reference Front Range comparison), the Board has the lowest cost of water of all major water utilities. For average customers who consume 11,000 gallons per month, the Board's customers pay 35 percent below the Front Range average, and 57 percent below the highest. When considering the residential rate impact for the Board's rate increase of 1.75 percent, on average, a customer with a one-inch meter will see a monthly increase of \$0.29.

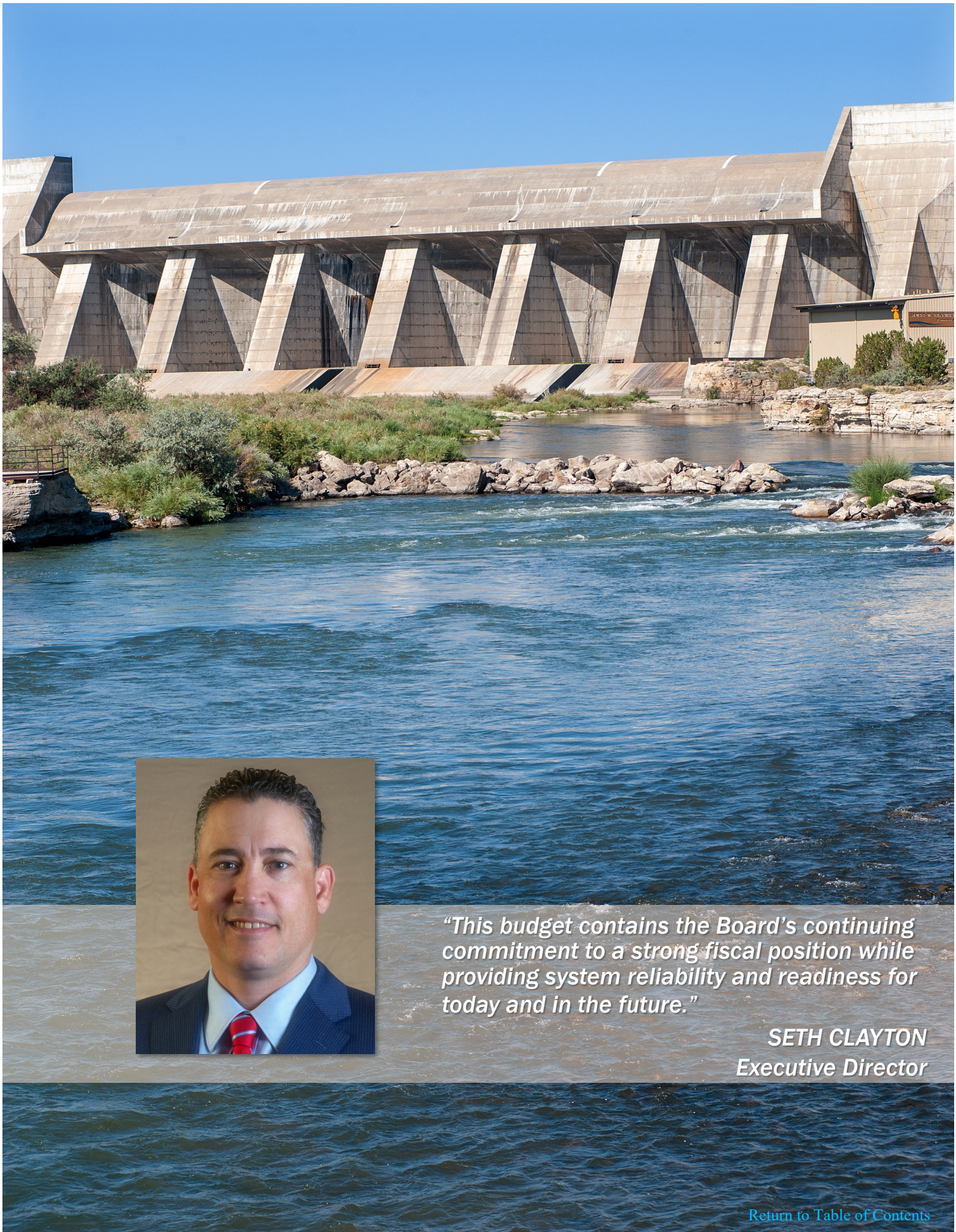
IN CLOSING, WE RECOMMEND THAT THE BOARD CONSIDER FOR ADOPTION THIS BUDGET WITH A 1.75 PERCENT RATE INCREASE FOR 2021. This budget sustains the Board's continuing commitment to a strong fiscal position while providing system reliability and readiness today and in the future.

We appreciate your continued strong guidance and support for long term planning for the operation, maintenance, capital improvements, salaries and benefits necessary to allow the Board of Water Works and its employees to provide reliable, high quality water service to our customers for 2021 and beyond. Development of a \$47.64 million budget and 10-year financial plan always takes significant work and we want to recognize the outstanding initiative and hard work of Kristen Spicola and Leroy Rittgers as well as Matt Trujillo, Jeanette O'Quin, the Division Managers, Managers and Supervisors in producing this solid financial plan. We also want to take this opportunity to thank all the employees of the Board of Water Works for their great work ethic, positive attitudes and commitment to providing our customers with a dependable supply of high quality water at a reasonable cost, 24 hours a day, 365 days a year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Seth Clayton', with a stylized flourish at the end.

Seth Clayton
Executive Director



"This budget contains the Board's continuing commitment to a strong fiscal position while providing system reliability and readiness for today and in the future."

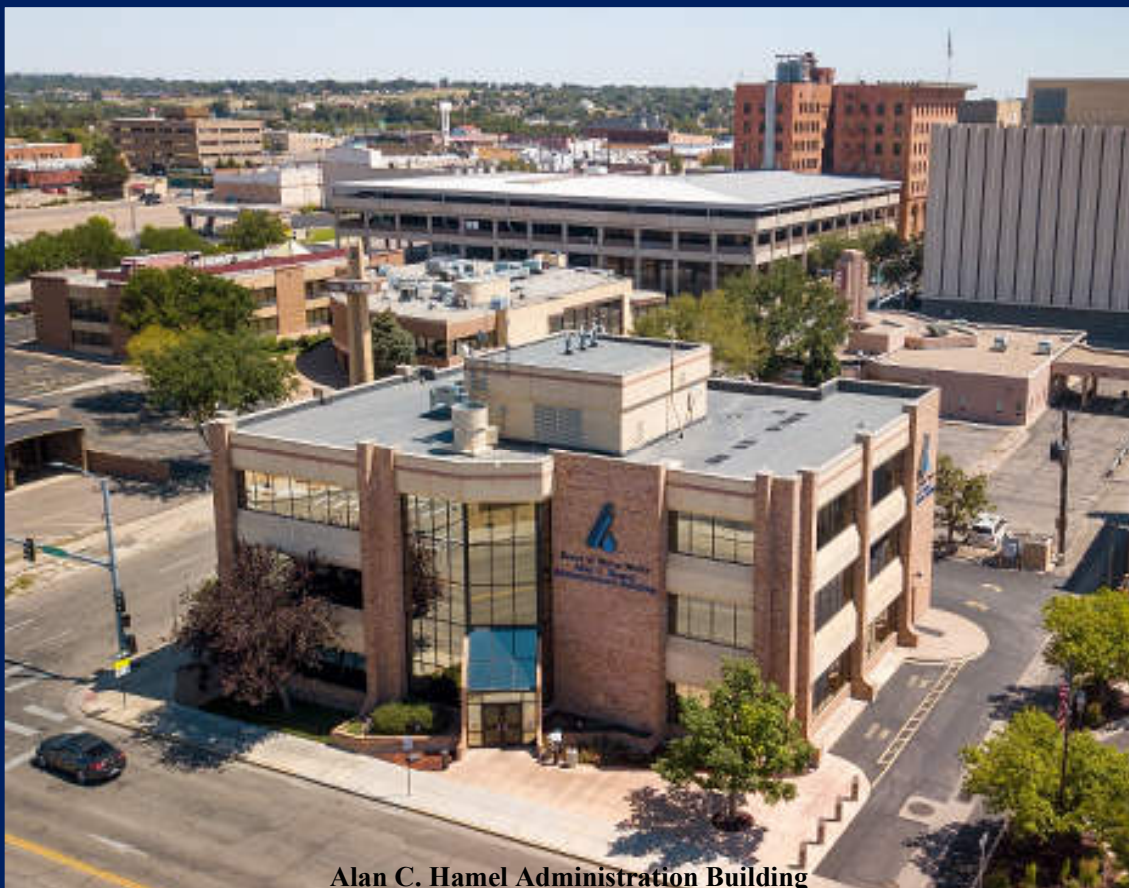
SETH CLAYTON
Executive Director

ABOUT PUEBLO WATER

Pueblo's drinking water system is owned by the citizens who are served by the system and is financed with revenue provided by everyone's monthly water bill payments.

Pueblo Water employs 135 professionals who specialize in the many skills needed to manage and operate Pueblo's water system. Most of Pueblo's water originates in the Rocky Mountains above Leadville, Colorado, flowing into canals, creeks and streams and eventually into the Arkansas River. It is diverted from the river through intake structures located within Pueblo Dam and moved through a pipeline to the Whitlock Treatment Plant, where it is treated to a standard of excellent quality. The finished water is pumped through a system of transmission mains to storage tanks and adjoining pump stations throughout the city, then is delivered to homes, businesses, schools – all our customers in Pueblo - by a vast network of over 582 miles of water mains in the distribution system. These water treatment and delivery processes continue 24 hours a day, every day of every year.

Pueblo's water system has been self-supporting throughout its history. Major capital expansion and improvements are funded with debt financing, while routine operation, maintenance and capital replacements are paid for with operating revenues. The future prosperity of Pueblo is tied directly to this readily available supply of high-quality water.



Alan C. Hamel Administration Building

HISTORY

The history of the public water supply in Pueblo, Colorado begins not only before Colorado became a state, but before several smaller towns combined to form one Pueblo.

Early Years

In the earliest days of the community at the confluence of the Arkansas River and Fountain Creek, water was delivered to users from the river via barrels delivered by horse-drawn wagons. The region included the separate towns of Pueblo, South Pueblo, Central Pueblo, and Bessemer.

After a number of fires in the downtown business district made it clear that barrels of water were not an adequate system of fire protection, the city passed a bond issue to develop a municipal water system. The Holley pump station and a network of pipelines to distribute water were completed in 1874. The three Pueblos consolidated to become one Pueblo by 1886, and the town of Bessemer was annexed in 1894.



Water delivered by wagon in the late 1800's

Since the entire service area for Pueblo's first water system was north of the Arkansas River, a private company built a separate water supply system to serve areas south of the river. When that company began to fail as a private business, the City of Pueblo purchased it in 1906, resulting in the city operating two completely separate drinking water systems north and south of the Arkansas River.

Separate Development

Separate was not equal, and as the two systems grew over time, it became apparent that combining the two into one made sense. As a result of a municipal charter convention in 1954, the systems were merged and the Board of Water Works of Pueblo, with a 5-member elected governing board, was created in 1957 to serve all Pueblo's water needs.

Building a Modern System

Following the creation of the unified water utility, the new Board faced the challenge of efficiently upgrading the aging infrastructure across the whole city.

A main replacement program was put in place, investing large sums of money every year to replace water mains that had been identified as being the most fragile and subject to major breaks. That program continues to this day.

The Whitlock Treatment plant was built in 1977 and added carbon filtration to Pueblo's water treatment regime, helping to protect the health of everyone in the community.

Water quality was not the only concern, however, as the Board realized the water rights Pueblo held to serve its customers would not be sufficient to meet the needs of future growth in the

community. To meet those needs, they invested in the additional water resources that would be required.

The completion of Pueblo Reservoir as part of the Fryingpan-Arkansas Project in 1975 provided boosts to both water quantity and water quality, as a portion of the water imported from the west slope is available for Pueblo's use, and a water supply pipeline built from Pueblo Dam to the Whitlock Treatment Plant conveys higher-quality source water than is available from the previously-used surface intake on the river itself.

As the city grew, customer demand for water naturally increased with it. By the late 1990s, summer demands were approaching the capacity of the treatment plant, so a major expansion was designed, completed in 2002.



Municipal Outlet at the Pueblo Reservoir to carry water to the Whitlock Treatment Plant

In 2009, the St. Charles Industrial Park extended Pueblo's water system southward to serve new industries, including the Vestas wind tower plant and the Rockla railroad tie plant.

We don't often pause to consider the incredible value of a safe, reliable water supply - and the water system that delivers it - in our everyday lives. But consider what tap water does that no other water can do.

Only tap water delivers . . .

. . . public health protection.

In a world where an estimated 3 million people die every year from preventable waterborne disease, Pueblo's water system allows us to drink from any public tap with a high assurance of safety. Pueblo Water treats our drinking water to meet rigorous federal and state water quality standards to protect the health of all in our community.

. . . fire protection.

A well-maintained water system is critical in protecting Pueblo from the ever-present threat of fire. Pueblo Water crews maintain the city's fire hydrants, providing Pueblo's Fire Department the reliable water at an adequate pressure they need to keep lives and property safe.

. . . support for the economy.

Businesses and housing developments do not succeed without a safe and sustainable water supply. Tap water is critical to businesses' day-to-day operation and is often a primary ingredient in attracting new businesses to Pueblo. Since 1984, Pueblo Water has contributed over \$5 million in service to improve Pueblo's economy.

. . . the quality of life we enjoy in Pueblo.

Any measure of a successful society - low mortality rates, economic diversity, productivity, and public safety - is in some way related to access to safe water. Add the beauty and recreational opportunities that our parks, golf courses and the Riverwalk Project bring to our lives, and you realize how valuable our most precious resource really is!

Transmission and Distribution personnel maintain all the pipes and valves in the system every day, even though it is all buried underground! They must respond to water main breaks in a timely manner that maintains water service to our customers while minimizing traffic disruptions during the excavation and repair of large pipes. They also test, maintain and repair over 4,000 fire hydrants throughout the city to provide top-rated fire protection for homes and businesses in Pueblo.

Taking Care of Business

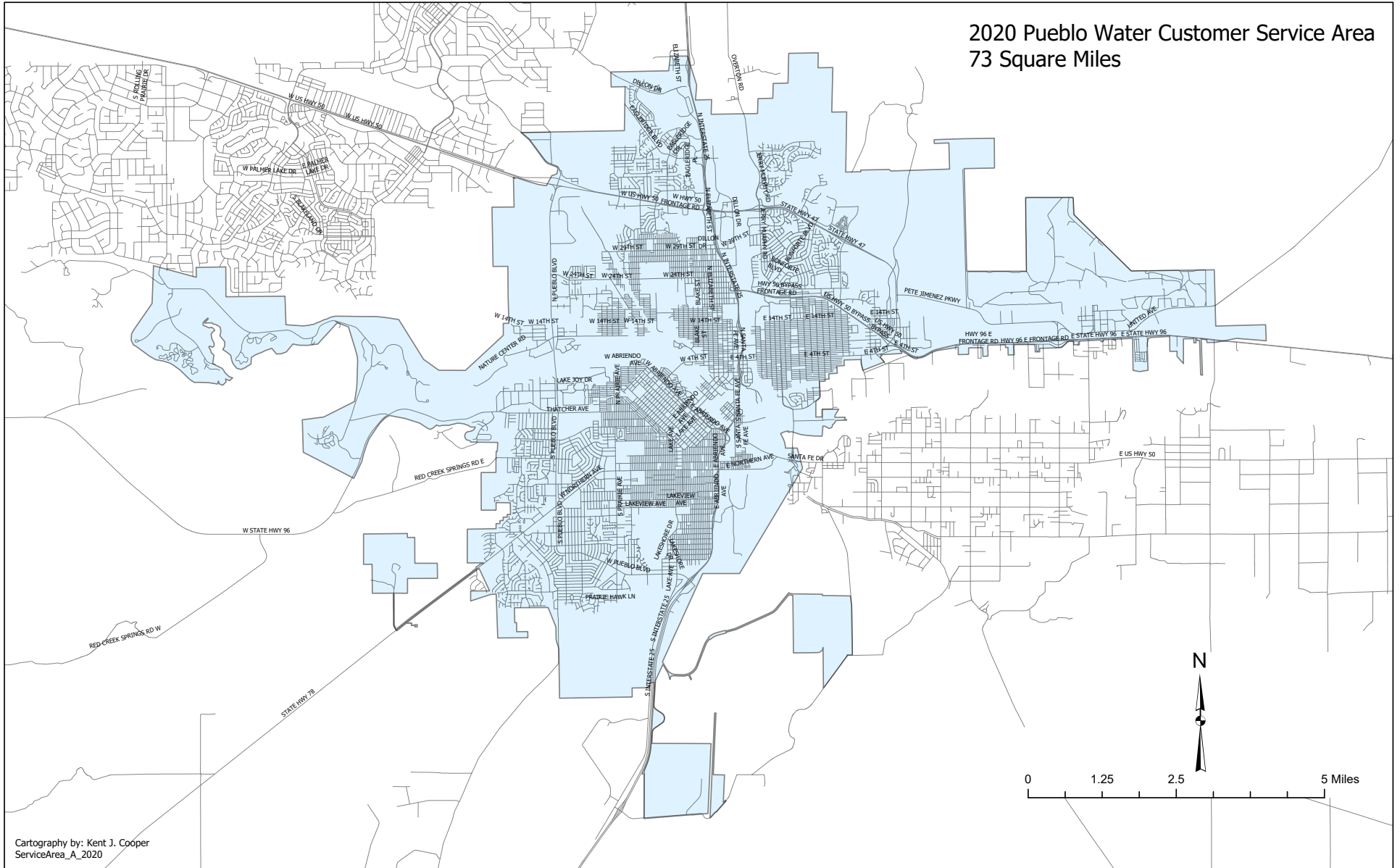
Our Customer Service Department provides many payment options to make paying a water bill as convenient as possible for our customers: by mail, online payments, monthly auto-pay, over the phone by check or credit card, or in person at our main office. We also offer budget billing to smooth out the seasonal highs and lows of water charges to make budgeting for this important need much easier. When a customer has a temporary need for assistance in paying a water bill, our customer service representatives utilize our CARES program (funded by Pueblo Water and administered by Catholic Charities of Pueblo) to assist the customer in a time of need.

Facilities and Information Services

Every business depends on well-maintained facilities and rapidly evolving technology to stay on top of its game, and Pueblo Water is no exception. Although the plumbing, electrical, heating and cooling of our buildings is “behind the scenes,” they all must function daily to support every activity of Pueblo Water. Similarly, it is obvious that computer technology is at the heart of all our business processes, from water treatment to distribution system mapping, from financial operations to telephone communication. And it all needs to work, every day, at all hours of the day and night. As with all other departments at Pueblo Water, our professional work force is up to the task.



Whitlock Water Treatment Plant



PUEBLO COMMUNITY PROFILE

Population (est.) July 2019: 112,251¹
Pueblo Water service area: 73 square miles

Workforce statistics²

Labor force: 76,276
Employment: 73,147
Unemployment rate: 4.1%

Principal Employers³

Organization	Employees
Parkview Medical Center	3,100
School District 60	1,759
School District 70	1,284
Walmart (4 Stores)	1,135
EVRAZ Rocky Mountain Steel	1,124
Pueblo County	1,095
Vestas Towers America, Inc.	967
St. Mary-Corwin	829
Convergys Corporation	700
Target Corporation (Dist. Center & Store)	700

Top Industries⁴

Industry	Employment
Education and Health Services	12,700
Trade, Transportation and Utilities	10,400
Leisure and Hospitality	8,100
Professional and Business Services	6,500
Manufacturing	4,600

¹ <https://demography.dola.colorado.gov/population/data/muni-pop-housing/>. 2019 Colo County & Municipal population estimate.

² <https://www.bls.gov/lau/#cntyaa>. Labor force data by county, 2019 annual average.

³ <https://www.pueblo.us/178/Comprehensive-Annual-Financial-Reports>. City of Pueblo CAFR for year ending Dec. 31, 2019.

⁴ <https://www.colmigateway.com/>. CO Department of Labor and Employment.

LICENSES, ACCREDITATIONS & CERTIFICATIONS



First aid, CPR and AED (20)



American Society of
Sanitary Engineering (3)



Certified Floodplain Manager (1)



Colorado Groundwater Resource Services
Class A & B Underground Storage Tank
Operators (7)
Class C Underground Storage Tank
Operators (1)



Colorado Safety Association (3)



Computing Technology
Industry Association (1)



Alliance Safety Council (1)



EPA Universal Technicians (4)



Senior Professional
in Human Resources (1)



EPA Universal Technicians (1)



International Public Management
Association for HR (2)



Cathodic Protection Tester (1)



National Institute For Auto
Service Excellence (2)



Project Management Institute (1)



Pueblo Regional
Building Department (2)



Certified Scrum Master (1)



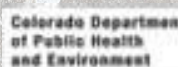
Society for Human
Resource Management (2)



Refrigeration Service
Engineers Society (1)



Universal Public Purchasing
Certification Council (1)



State of Colorado

Certified Public Accountant (2)
Class 1 Water Distribution Operator (7)
Class 2 Water Distribution Operator (23)
Class 3 Water Distribution Operator (5)
Class 4 Water Distribution Operator (36)
Class A Water Treatment Operator (18)
Class B Water Treatment Operator (1)
Class C Water Treatment Operator (1)
Class D Water Treatment Operator (4)
Journeyman Electrician (3)
Professional Engineer (4)
Notary Public



Computer-specific Certifications (4)

Ensuring the high-quality of water that we deliver to our community necessitates having a highly qualified workforce. One way that we lead is by assisting our employees in obtaining further certifications and education in their respective areas. This helps us achieve our goal of excellence in everything that we do and allows us to have a number of great accomplishments.

ACHIEVEMENTS & RECOGNITIONS



Mark Dome
2019 Employee of the Year
Service Worker III

Pueblo Water values results-driven strategic leadership and has partnered with the Center for Creative Leadership to develop the skills of its senior leadership team. Employees have attended training on coaching for greater effectiveness and leadership development to enhance personal and professional growth. Additionally, Pueblo Water has invested in supervisor training provided by Rocky Mountain Section AWWA for first level supervisors. Pueblo Water actively participates in Leadership Pueblo, a leadership development training coordinated by the Pueblo Chamber of Commerce. Along with these accomplishments, we are proud to recognize employees that demonstrate excellence throughout the year.



Gerald Garcia
Employee Q4, 2019



Joe Cesar
Employee Q1, 2020



Lauren Snell
Employee Q2, 2020



Cody Johnston
Employee Q3, 2020

FINANCIAL POLICIES

The Board of Water Works of Pueblo, Colorado (the Board) operates as a single enterprise fund for financial statements and budgeting purposes. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net revenue, financial position and cash flows is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The acquisition, maintenance and improvement of the physical plant facilities required for these goods or services are financed from existing cash resources, the issuance of bonds, Federal or State grants, etc. The generally accepted accounting principles here are those applicable to similar businesses in the private sector and, therefore, assets and liabilities, and revenues and expenses are recognized on the accrual basis of accounting; thus, revenues are recognized when earned and expenses are recorded when incurred.

The Board applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Subsequent to this date, the Board follows GASB pronouncements.

ANNUAL BUDGET

There shall be prepared, under the direction of the Executive Director, a proposed annual consolidated budget which shall be submitted to the Board of Directors no later than October 15th of the year immediately preceding the year to which the budget applies. Upon receipt of the proposed budget, on or before October 15th the Board must cause to be published, a one-time notice, in a newspaper of general circulation within the local government's boundaries. Following this a final draft must be submitted to the Board of Directors for adoption no later than the regular Board meeting in December. The proposed budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. The proposed budget also shall indicate estimated beginning and ending fund balances which include all unexpended surpluses from the prior years. A workshop on the proposed annual budget will be conducted prior to the November Board meeting. The Board of Directors shall review the proposed budget in its entirety and provide recommendations to the staff.

After considering the proposed budget and making revisions thereto that it may deem advisable, the Board of Directors shall adopt the budget before the beginning of the year to which the budget applies. Following adoption of the budget the Board shall file a certified copy of the adopted budget, including the budget message, with the Division of Local Government of the State of Colorado, no later than January 30th of the year to which the budget applies.

The budget is prepared using the budget basis in which revenues are recorded when they become available and expenditures are recorded at the time liabilities are incurred.

BALANCED BUDGET

The Board shall balance the operating budget with current revenues, which may include the use of unallocated reserves less required reserves as established by the Board.

ENCUMBRANCES

The Board shall report encumbrances for construction projects having a value of \$100,000 or more in the year the bid and contract are awarded for *budgetary purposes*, which may or may not coincide with the same year used for GAAP reporting. All other encumbrances for equipment, supplies, and construction projects having a value of less than \$100,000, which have not been received at the end of the Board's fiscal year, shall be reported in the following year for both budgetary and GAAP purposes.

FUNDS ESTABLISHED

Through its administrative code the Board identifies a number of accounts, which are referred to as funds, to separately track uses of moneys for specific purposes. To provide for accountability of public moneys in accordance with applicable federal and state law and regulations and Board policies, the following active or prospectively active funds have been established in the Treasury of the Board.

Unrestricted Funds

General Fund (established 1957). Moneys not specifically allocated or appropriated may be placed in this fund and used for general purposes of the Board. To maintain the Board's credit rating and meet seasonal cash flow shortfalls, the budget shall provide for an anticipated General fund balance of at least five percent of estimated annual revenues.

Should the General fund balance fall below the five percent threshold. A plan for expenditure reductions and/or revenue increases shall be submitted to the Board by the Finance Division Manager.

Operations and Maintenance Reserve Fund (established 1984). Moneys reserved to equal sixty days of total budget for personnel services and operation and maintenance expenses.

Capital Projects Reserve Fund (established 1999). Moneys reserved to assist with unforeseen emergency capital projects. This fund is maintained at not less than one million dollars.

Water Development Fund (established 1999). Moneys specifically allocated for further acquisition of water rights, protection of existing water rights and other similar uses approved by the Board of Directors. Additions to this fund are to be provided at the discretion of the Board of Directors.

Restricted Fund

Debt Service Fund (established 2000). Moneys transferred from the General Fund specifically for the purpose of principal and interest payments on any then outstanding bond issues or repayment contracts. All transfers shall be made according to the bond covenants then in place.

DEBT GUIDELINES, COMPLIANCE WITH FUND REQUIREMENTS, AND BOND PROVISIONS

Debt Guidelines

Use of Proceeds

Debt proceeds may not be used for operating and maintenance expenditures. Net proceeds shall only be used for non-routine capital expenditures (less amounts in a reasonably required reserve fund, when necessary) or to refund existing debt.

Advance Refundings

Advance refundings will be considered when the net present value of the savings is greater than 3% and the refunding is permitted by existing statutory regulations.

Appropriate Use of Debt

The Board's Finance Division Manager will monitor the marketplace and remain abreast of new types of financing instruments and sources of funds. In determining whether or not debt issuance is appropriate, the Board will consider: the expected life of the asset, the nature of the covenants, the impact on the Board's future financial flexibility, the amount of uncertainty and market risk associated with the type of financing considered, the current regulatory and economic environment and whether long-term projections indicate the Board will be able to sustain the projected level of debt. In making such evaluations, the Board may consult with one or more outside, independent financial advisors.

Compliance and Bond Provisions

Timely Expenditure of Bond Proceeds

The Board's Finance Division Manager shall be responsible for preparing a draw down schedule (when necessary) that details the anticipated spending schedule of bond proceeds to ensure they comply with the hedge bond rules of Section 149 of the Internal Revenue Code and determine whether the requirements for a three-year temporary period under Treasury Reg. 1.148-2(e) have been satisfied.

Calculation of Available Project Proceeds

Once proceeds from the issuance along with costs of the issuance are determinable, and prior to issuance of the bonds, the Finance Division Manager shall calculate (1.) the available project proceeds and (2.) the percentage of issuance costs. Verification shall be performed that such percentage does not violate any regulations or laws governing the issuance of the bonds.

Arbitrage Yield Restriction and Rebate

The Finance Division Manager shall invest the available bond proceeds so that any income does not materially exceed the arbitrage yield limit of the issuance as defined in the tax compliance certificate associated with the issuance. Three months prior to the five-year anniversary of each issuance, the Finance Division Manager shall review whether an arbitrage rebate calculation is due or should be performed.

Refundable Credits

It is the responsibility of the Finance Division Manager to verify the amount of any refundable credit associated with any of the Board's outstanding bonds and prepare, on an ongoing and timely basis, the appropriate form associated with the refundable credit(s).

Identification of Violations

It is the responsibility of the Finance Division Manager to review Federal tax requirements, along with arbitrage or tax compliance certificates associated with the Board's outstanding debt, to ensure compliance with said requirements. In the event of any violation of such requirements, the Finance Division Manager will speedily contact bond counsel and after consultation, take appropriate remedial action.

Record Retention

All records necessary to support the status of the Board's bonds as qualified to receive tax advantaged treatment shall be maintained for a minimum of four years beyond the later of the redemption of the bonds or any obligation issued to refund the bonds. Records shall be maintained in "paper" form and when practical in both "paper" and "electronic" form. Records may be maintained for a longer period of time in accordance with the Board's Financial records retention policy.

Fund Requirements

As of December 31st of each year, the Finance Division Manager shall make a review to determine whether the minimum fund requirements have been met and whether the Board has complied with the provisions of the articles and covenants contained in the resolutions of issuance for all outstanding Board bond issues during the preceding year. The Finance Division Manager shall report the results of his review to the Executive Director.

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 of capital assets shall be computed on the straight-line method based on estimated service lives of properties by classes. The estimated useful lives to be used in computing depreciation are as follows:

The difference between the cost of assets removed from service and the amount of accumulated depreciation at the time of removal shall be written off as loss on abandonment of assets.

INVESTMENTS

Investments shall be recorded at cost and adjusted to market value for financial reporting purposes. Adjustments, if applicable, are to be made to cost, for any premium or discount, which shall be amortized over the maturity of the investment. For purposes of the statement of cash flows, the Board shall consider all investments with an original maturity of three months or less to be cash equivalents.

INVENTORIES

Inventories shall be valued on the weighted average method.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts shall be computed at one percent of customer receivables at year end.

REVENUE

The Board shall set fees and rates at levels which fully cover the total direct and indirect costs – including operations, capital outlay, and debt service of providing the citizens of Pueblo, Colorado and any extraterritorial customers with high quality water.

RATE STRUCTURE

This section provides an overview of the Board's rate structure. The rate structure is designed to accomplish the following:

Water Quality – Support source quality improvements and water treatment systems that ensure the highest quality of water possible.

Accountability – Set rates at levels which provide sufficient revenue to operate the System in a manner that ensures the highest quality, while providing the lowest possible price to our customers.

Rate Covenant – The Board has agreed to set rates at levels which ensure that total revenue less operating expenses, will cover the combined annual debt service at a minimum of 1.20 times.

Community Provider – Ensure that adequate water is provided to the community now and as needs grow.

Environmental Responsibility – Encourage wise environmental stewardship and effective demand management.

RATE STRUCTURE COMPONENTS

The different elements of the current rate structure are detailed in the Board's Rules and Regulations and are subject to change.

STRATEGIC PLAN

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.

The following table represents the planned capital projects included in the 2021 budget:

<u>Project Description</u>	<u>Total</u>
LA VISTA TANK 3	\$2,950,000
CITY WIDE MAIN RENEWALS	2,587,989
FOUNTAIN CREEK CROSSING	1,500,000
AMR & METER ROTATION	750,000
GREENHORN TANK INTERIOR COATING	550,000
WATER WORKS’ CREWS PROJECTS	471,505
LA VISTA TANK 3 ADMIN & OBSERVATION	330,000
DISTRIBUTION SYSTEM MODEL	310,275
ARKANSAS RIVER SS DIVERSION DAM	250,000
LA VISTA TANKS 3 & 4 ENGINEERING	220,000
WIRELESS INFRASTRUCTURE @ TANK SITES	200,000
FILTER UNDERDRAIN REPLACEMENT (1-8)	155,000
FILTER MEDIA REPLACEMENT (1-8)	145,000
TDE FACILITY REMODEL	110,000
VARIOUS CAPITAL PROJECTS UNDER \$100,000	1,558,527
TOTAL	\$12,088,296

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 2019 there were just 44.

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.

Objectives and Initiatives

Pueblo Water's strategic plan is built on objectives and initiatives to align business goals and achieve strategies while focusing on the organization's mission, vision and core values. Key objectives and initiatives are listed below:

- **Customer Experience** – Meet future water needs of our customers, enhance the customer experience at every “touch level” and maintain an excellent water collection, treatment and distribution system.
 - ✓ Diverse, flexible and resilient water supply sources
 - ✓ Adaptable, long-range planning approach
 - ✓ Appropriate storage and margin of safety including a drought plan and strategic water reserve
 - ✓ Emergency water supply from/to neighboring water system
 - ✓ Provide outstanding and innovative customer service leveraging new technology
 - ✓ Increase awareness of customer affordability issues
 - ✓ Review impact of repair/replacement cost of service lines on customers
 - ✓ Deliver effective customer communication and education
 - ✓ A reliable infrastructure
 - ✓ Protection of watersheds
 - ✓ Meeting or surpassing all drinking water regulations
- **Financial Stability** – maintain a fiscally strong and stable utility through excellent short and long-term fiscal health, ensuring the provision of the highest quality of water at the lowest possible cost through priority driven budgeting and spending.
 - ✓ Evaluate rates annually to ensure both fiscal health and value for customers
 - ✓ Create and maintain sound performance targets and reserves
 - ✓ Maintain a diversified revenue stream
 - ✓ Ensure the retirement and benefit programs are sustainable over the long term

- ✓ Manage funds prudently and wisely
 - ✓ Strive for efficiency in both automated and manual processes
 - ✓ Evaluate new infrastructure based on realistic demand forecasts
 - ✓ Explore opportunities to maximize the return of Pueblo Water assets
 - ✓ Maintain short and long-term financial and capital plans
 - ✓ Engage employees in the budgeting and spending process
- **Organizational Efficiency** – maintain an effective, efficient and strategically driven organization.
 - ✓ Promote leadership and strategic focus at all levels
 - ✓ Continue and enhance positive working relation with union
 - ✓ Healthy, collaborative and highly capable/motivated workforce
 - ✓ Create a resilient and flexible organization capable of adapting to future challenges and seizing new opportunities
 - ✓ Enhance business processes and acquire assets that improve our efficiency and effectiveness
 - ✓ Promote appropriate risk management of Pueblo Water’s system and operations
- **External Partnerships and Relationships** – maintain and cultivate new effective partnerships and relationships.
 - ✓ Maintain Pueblo Water’s excellent reputation
 - ✓ Maintain and cultivate new strategic relationships and partnerships
 - ✓ Continue as advocates and resourceful drivers of economic development
 - ✓ Play a key role in issues important to Pueblo Water and customers’ success

PERFORMANCE MEASUREMENTS

Main Breaks

10-year
Historical
Average:

45.8

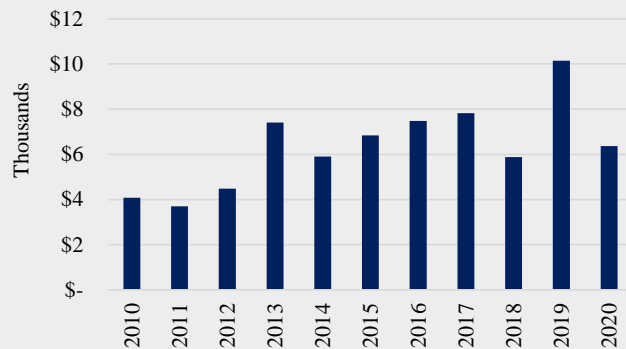
2020
YTD:

29

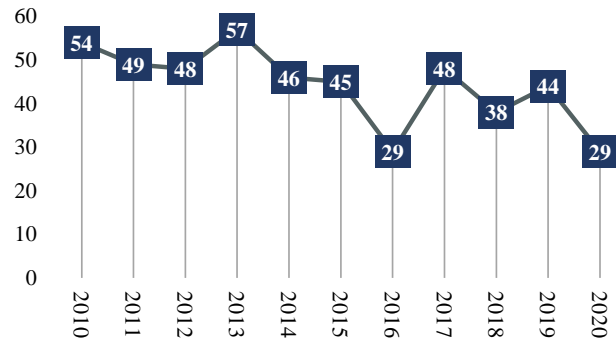
2020
Projected
Total:

35

AVERAGE COST OF MAIN BREAKS

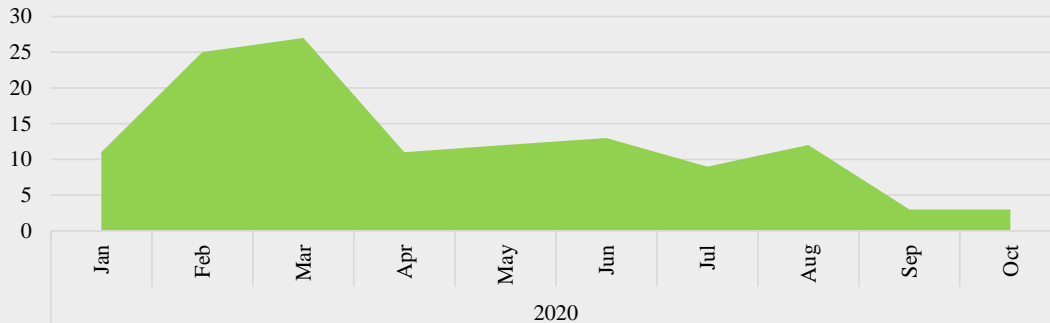


OF MAIN BREAKS

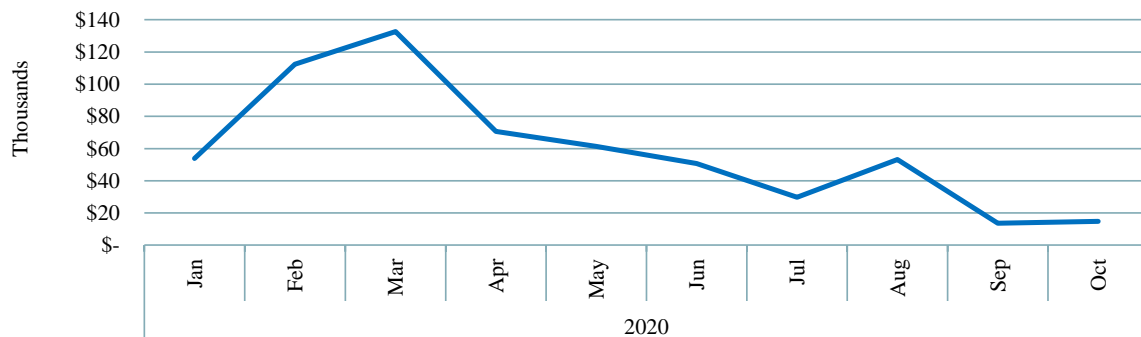


Service Line Repairs & Replacements (R&R)

OF SERVICE LINE R&R

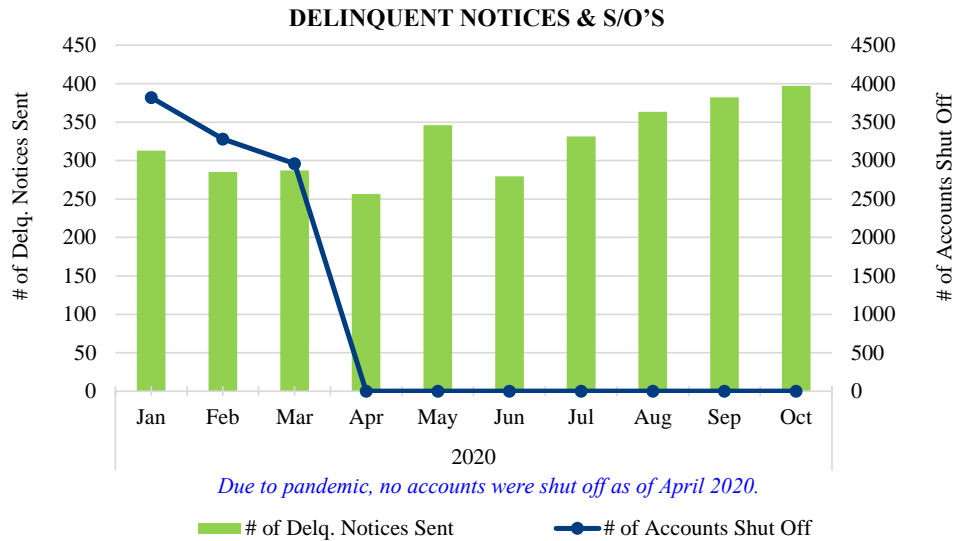


COST OF SERVICE LINE R&R



*Please note: 2020 also includes lead service line replacements.

Delinquent Notices & Shut Offs (S/O's)



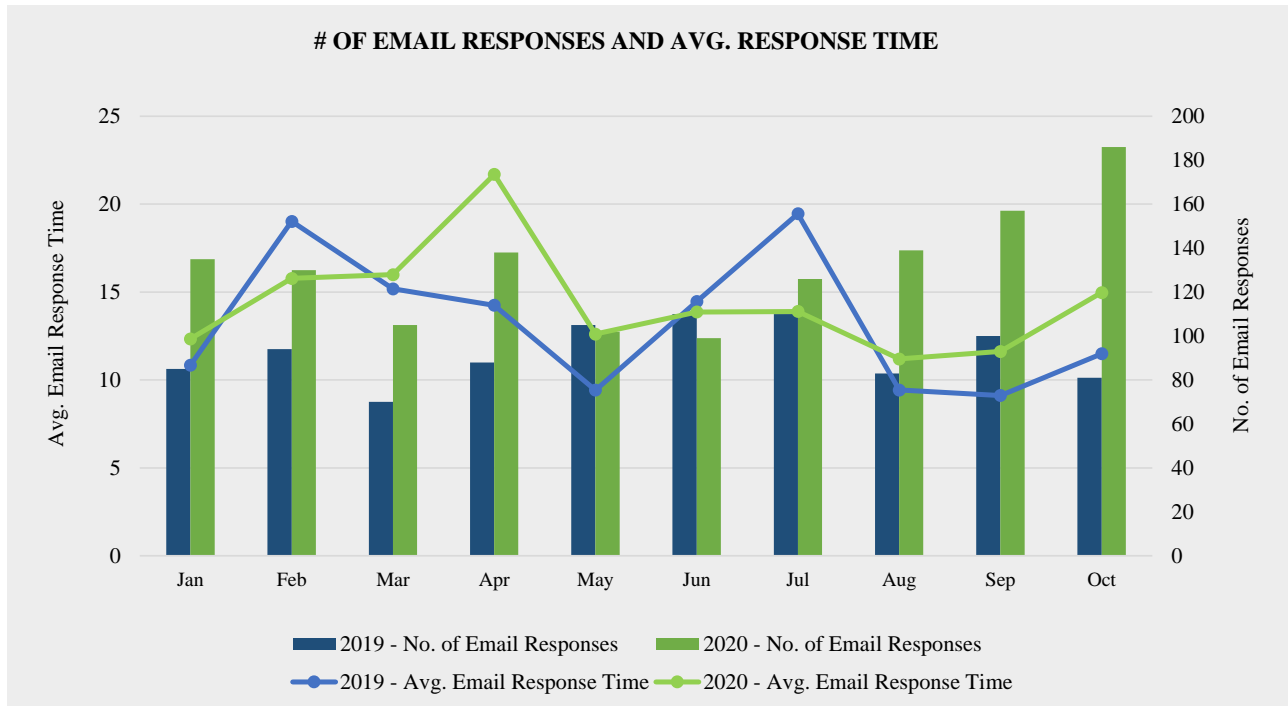
8.02%

accounts were
sent S/O Notices
YTD.

0.09%

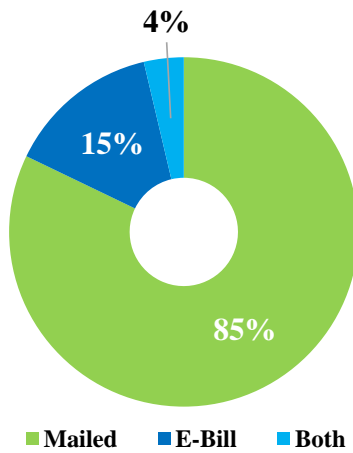
accounts were
shut off YTD.

Customer Service Emails

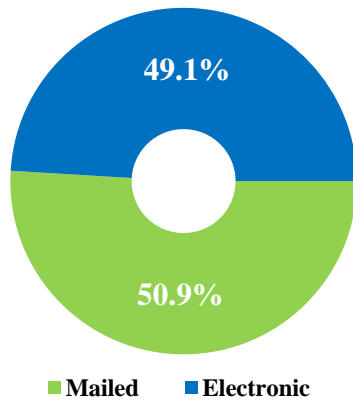


Bills & Payments

BILLS YTD

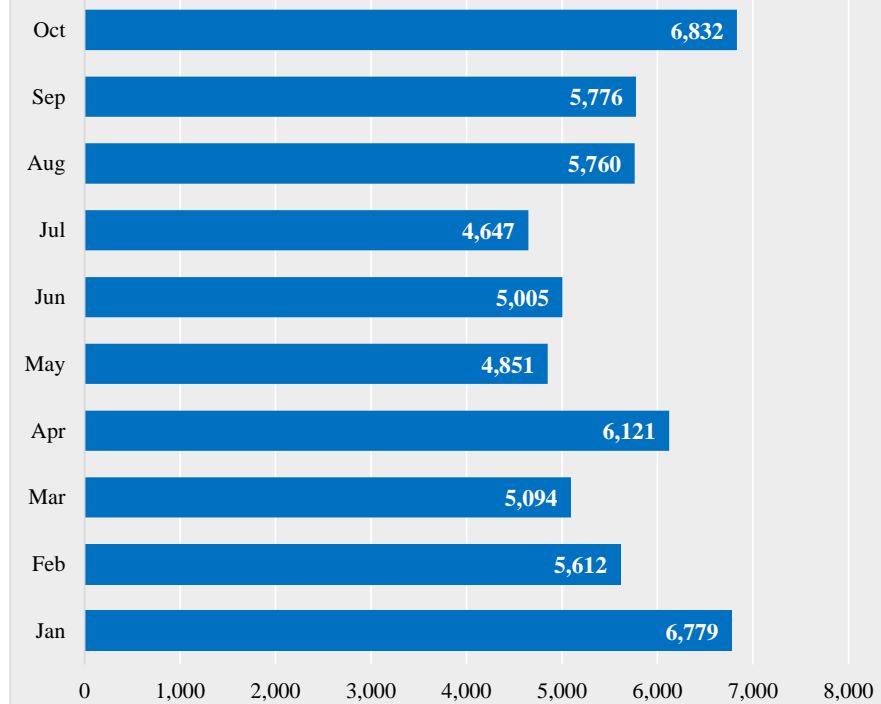


PAYMENTS YTD

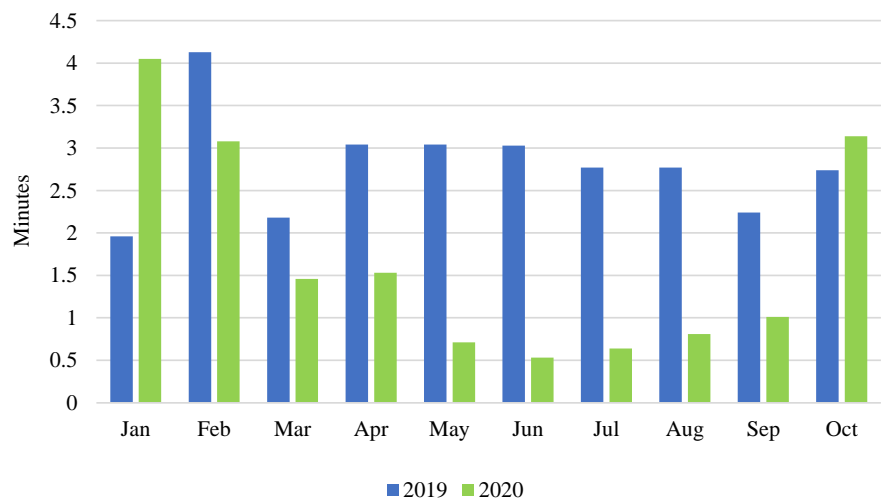


Customer Service Calls

TOTAL CALLS HANDLED



AVERAGE CALL WAIT TIME



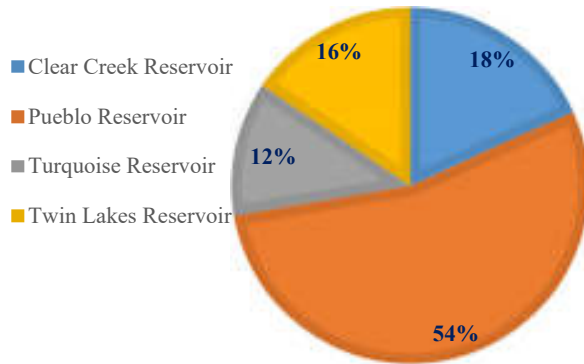
WATER USAGE

	Acre Feet
Potable - Whitlock Treatment Plant	26,932
Raw Water - Comanche Pump Station	12,181
Raw Water – Outside City Limits	<u>21,383</u>
Total Water Delivery	60,496

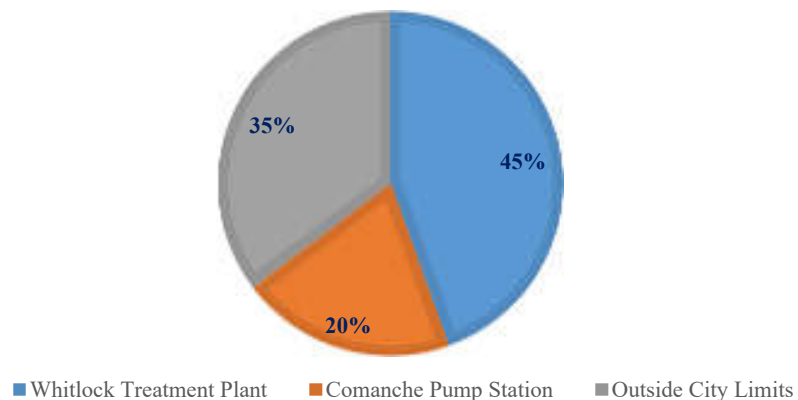
Water Storage – as of December 31, 2018

Clear Creek Reservoir	7,273
Pueblo Reservoir	21,631
Turquoise Reservoir	4,889
Twin Lakes Reservoir	<u>6,196</u>
Total Water Storage	39,989

WATER STORAGE



WATER DELIVERY



MISCELLANEOUS FACTS & FIGURES

As of December 31, 2019

Active taps:	40,762
Population served:	113,567
Average daily consumption:	22 million gallons
Peak day pumpage in 2018:	51 million gallons
Record peak day pumpage (July 16, 1997):	63 million gallons
Daily consumption per capita:	196 gallons
Treatment plant capacity*:	84 million gallons per day
Miles of pipeline:	582.07 (3" thru 84" in size)
Number of system fire hydrants:	4,154
Full-time employees:	136

** Treatment plant capacity will serve a population of up to 200,000 with associated business and industry. Based on current trends in maximum daily demand.*



BOARD OF DIRECTORS



Pueblo Water's five-person Board of Directors is made up of community and business leaders elected by the citizens of Pueblo. Pueblo is fortunate to have a Board that not only performs its expected duties capably — formulating policy, reviewing and approving the budget, setting rates and conducting long-range planning — but also maintains a passionate dedication, to the health and well-being of our community with its service. Board members also have a history of serving multiple six-year terms, and they continue to acquire the complex knowledge required to make the best decisions to ensure Pueblo's water system is operated and maintained in an effective and cost-efficient manner.



Dr. Thomas Autobee
Term: Thru 2021

Dr. Autobee has been an elected Board member since 2004. He has operated a dental practice in Pueblo since 1977. His great-great-grandfather, Charles Autobee, was one of the original settlers in the Pueblo area in 1828.



Mike Cafasso
Term: Thru 2026

Mr. Cafasso was appointed to fill a Board vacancy in March of 2007 and then was elected to the Board in November of that same year. He has served ever since. He is the CEO of St. Mary-Corwin Hospital.



Sandy Gutierrez
Term: Thru 2023

Ms. Gutierrez is the Executive Director of SyCare in Pueblo. Prior to that she was the CEO of the Latino Chamber of Commerce for 18 years. She also serves on the Mental Health Colorado Board of Directors for the Southern and Southeastern regions.



Sam Krage
Term: Thru 2021

Mr. Krage founded Krage Manufacturing in 2000 and has since grown the company from six employees to more than 50, with sales in excess of \$15 million annually. He is active in several organizations and causes in Pueblo.



Chris Woodka
Term: Thru 2026

Mr. Woodka was a long-time water journalist and currently is Senior Policy and Issues Manager for the Southeastern Colorado Water Conservancy District. He deals with the many issues relating to the storage and movement of water in the Arkansas River basin.

LEADERSHIP



Jeanette O'Quin
Director
Administrative Services



Seth Clayton
Executive Director



Matt Trujillo
Director
Operations



Scot Burbidge
Division Manager
TD&E



Don Colalancia
Division Manager
WQT&P

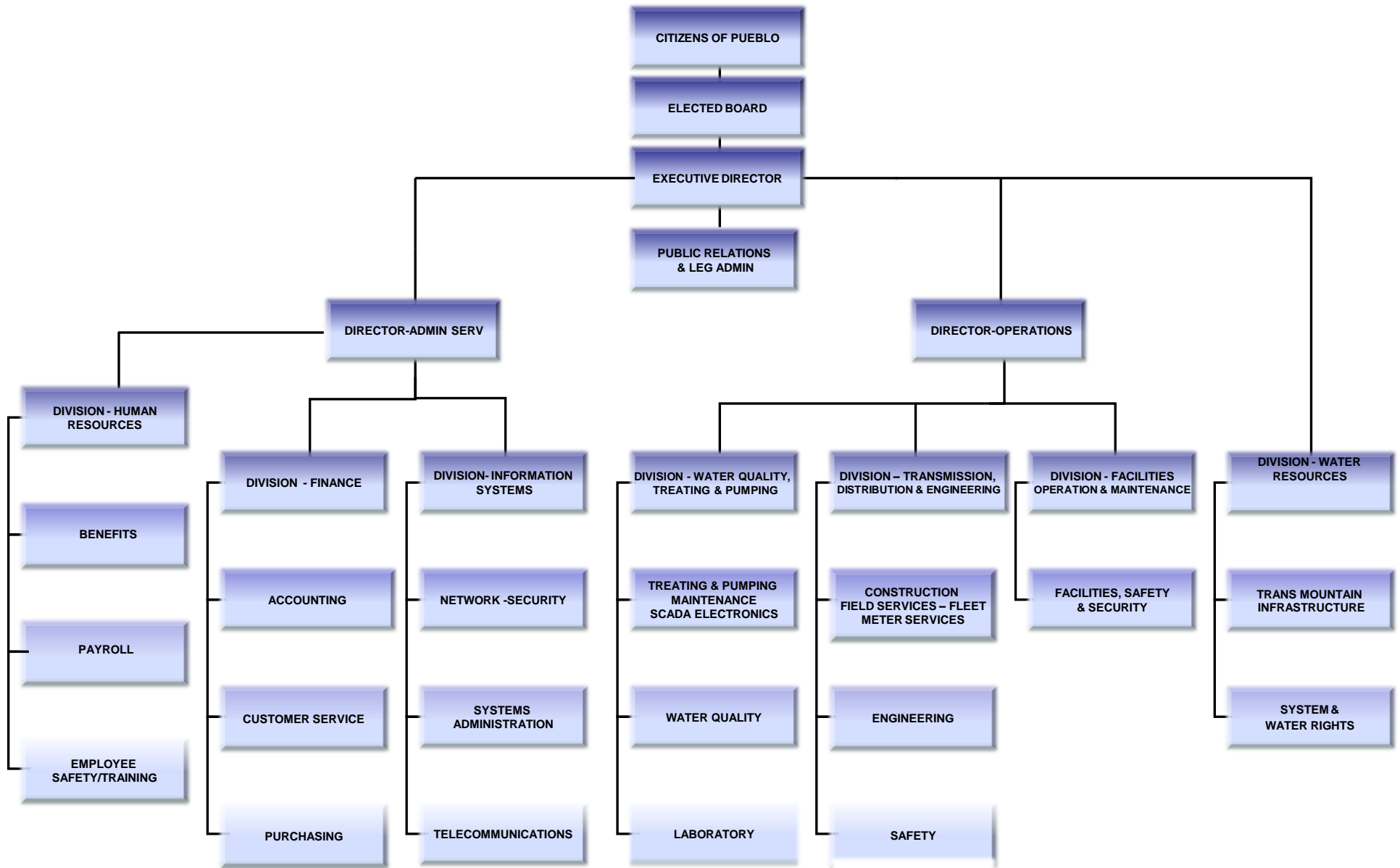


Kristen Spicola
Division Manager
Finance



Alan Ward
Division Manager
Water Resources

Operations and Functional Organizational Chart



2021 BUDGET PLAN PREPARATION

Pueblo Water’s budget is determined by a variety of methods. The process begins in early June when a 10-year capital plan workshop is held with all staff to review the status of current projects and discuss changes to any projects in future years of the plan. In July, the budget process is opened for management staff to develop and input requests. The 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 review and input. In September, a management staff budget workshop is held to review the preliminary budget and develop project milestones for the 2021 capital project summary. 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.

The calendars below reflect the planning timeline of Pueblo Water’s budget process.

July 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

July 1st: Budget input into HTE available

July 17th: Supervisor review completed

July 31st: Manager review completed

July 31st: Budget memos to Division Managers

August 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 14th: Division Manager review completed

August 28th: All budget input ability will be removed @ 4:30 p.m.

September 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

September 4th: Draft of department overviews to Public Relations Specialist

September 16th: Distribute preliminary draft, revenue requirements and 10-year plans to Directors

September 23rd: Directors review draft, revenue requirements, rate proposals, front range survey, and typical bill comparisons

September 23rd: 10-year capital plan workshop

October 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

October 2nd: Directors final discussion and review

October 9th: Quality review of external proposed draft

October 15th: Preliminary budget to Board

October 15th: Publish budget notice in Pueblo Chieftain

November 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

November 3rd: Budget workshop with Board

November 17th: Board meeting, public hearing, and budget adoption

CONTACT US

BOARD OF DIRECTORS

Dr. Thomas V. Autobee, President	719.584.0220
Michael A. Cafasso, Secretary-Treasurer	719.584.0220
Sandy Gutierrez, Vice-President	719.584.0220
Sam Krage, Vice-President	719.584.0220
Chris Woodka, Vice-President	719.584.0220

DIRECTORS

Seth Clayton, Executive Director	719.584.0214
Jeanette O'Quin, Director of Administrative Services	719.584.0233
Matthew Trujillo, Director of Operations	719.584.0277

DIVISION MANAGERS

Scot Burbidge, Transmission, Distribution & Engineering	719.584.0478
Don Colalancia, Water Quality, Treating & Pumping	719.584.0265
Kristen Spicola, Finance	719.584.0414
Alan Ward, Water Resources	719.584.0235

For any additional information or questions, please contact:

Leroy Rittgers, Financial Planning & Rates Analyst, lrittgers@pueblowater.org	719.584.0416
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RESOLUTION NO. 2020-08

A RESOLUTION ADOPTING THE 2021 FISCAL YEAR BUDGET AND APPROPRIATING FUNDS FOR THE PURPOSE OF OPERATING THE BOARD OF WATER WORKS OF PUEBLO, COLORADO'S GENERAL FUND, DEBT RETIREMENT FUND, AND WATER DEVELOPMENT FUND AND APPROVING A REVISED WATER SCHEDULE IN SUPPORT OF THE 2021 BUDGET.

WHEREAS, the Board of Water Works of Pueblo, Colorado (Pueblo Water) desires to continue a sound fiscal policy to support its operation on behalf of the citizens of Pueblo and customers of Pueblo Water during the fiscal period commencing January 1, 2021, and ending December 31, 2021, and

WHEREAS, the Executive Director has maintained for Pueblo Water a program of financial projection, and

WHEREAS, the Board annually reviews said program and establishes the policy for operation and maintenance of all facilities under the Board's control, and


WHEREAS, it is necessary for the Board to adopt the 2021 budget and appropriate funds in order for Pueblo Water to provide water service, and

WHEREAS, the program of financial projection calls for additional revenue to support the operation of Pueblo Water.



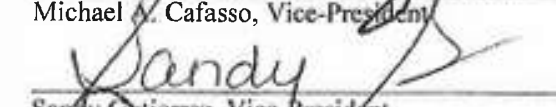
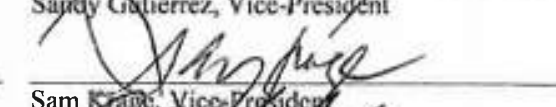
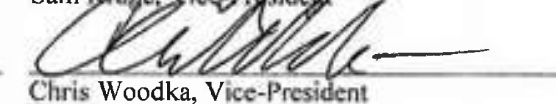
NOW, THEREFORE, BE IT RESOLVED that the Board hereby:

- (1) Approves and adopts the attached 2021 Budget and authorizes implementation of said Budget by the Executive Director.
- (2) Appropriates the revenue of the General Fund, Debt Retirement Fund and Water Development Fund, as provided in the 2021 Budget to each of said Funds.
- (3) Approves and adopts for implementation consistent with the dates described in the revised water rate schedule as provided in the 2021 Budget.

ADOPTED THIS 17TH DAY OF NOVEMBER, 2020.


Seth J. Clayton, Executive Director

Patrick Garcia, Board Attorney


Thomas V. Autobee, President

Michael A. Cafasso, Vice-President

Sandy Gutierrez, Vice-President

Sam Krage, Vice-President

Chris Woodka, Vice-President

BOARD OF WATER WORKS OF PUEBLO, COLORADO
SUMMARY OF ESTIMATED CASH AVAILABLE FOR OPERATIONS AND RESERVES
2021 BUDGET

GENERAL FUND

	<u>OPERATIONS</u>	<u>OPERATION & MAINTENANCE RESERVE</u>	<u>CAPITAL PROJECTS RESERVE</u>	<u>TOTAL</u>
ESTIMATED BEGINNING FUND BALANCE	\$ 19,697,827	\$ 4,294,533	\$ 1,000,000	\$ 24,992,360
ESTIMATED REVENUES AND TRANSFERS	<u>29,784,618</u>	<u>351,047</u>	<u>11,256,874</u>	<u>41,392,539</u>
ESTIMATED EXPENDITURES				
Personnel services	16,687,953	-	-	16,687,953
Operation and maintenance	11,572,661	-	-	11,572,661
Capital outlay	831,422	-	11,256,874	12,088,296
Debt retirement	5,454,163	-	-	5,454,163
Transfer to(from) Water Development Fund	<u>1,837,980</u>	<u>-</u>	<u>-</u>	<u>1,837,980</u>
Total estimated expenditures	<u>36,384,179</u>	<u>-</u>	<u>11,256,874</u>	<u>47,641,053</u>
ESTIMATED ENDING FUND BALANCE	<u>\$ 13,098,266</u>	<u>\$ 4,645,580</u>	<u>\$ 1,000,000</u>	<u>\$ 18,743,846</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
SUMMARY OF ESTIMATED CASH AVAILABLE
2021 BUDGET

WATER DEVELOPMENT FUND

	<u>TOTAL</u>
ESTIMATED BEGINNING FUND BALANCE	\$ 6,325,866
ESTIMATED REVENUES AND TRANSFERS	<u>1,871,690</u>
ESTIMATED EXPENDITURES	
Capital outlay	<u>1,040,000</u>
Total estimated expenditures	<u>1,040,000</u>
ESTIMATED ENDING FUND BALANCE	<u>\$ 7,157,556</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
ESTIMATED REVENUES BY SOURCE
2021 BUDGET

GENERAL FUND

	2019 ACTUAL	2020 BUDGET	2020 ESTIMATED	2021 BUDGET
OPERATING REVENUES				
Water sales - Metered	\$ 25,243,500	\$ 25,790,802	\$ 26,564,526	\$ 26,226,881
Water sales - Utility Private	6,275,430	6,495,070	6,495,070	6,608,734
Water sales - Raw water	3,215,187	2,924,527	3,250,135	3,678,400
Water sales - Utility Public	1,217,250	1,259,854	1,259,850	1,281,897
Taps and meters	71,523	55,000	85,000	55,000
Material sales	167,593	55,000	150,000	55,000
Main assessments	15,532	10,000	26,000	10,000
Fire protection - public	9,616	9,614	9,614	9,614
Discounts	1,184	1,500	1,300	1,500
Rental income	30,042	27,329	27,329	27,807
Late field reading fee	19,900	7,000	20,000	7,000
Turn-on fee	73,100	70,000	35,000	70,000
Check processing fee	12,765	15,000	10,000	15,000
Field collection fee	1,870	1,500	800	1,500
Missed appointment fee	2,700	1,500	2,300	1,500
Finance Charges	8,739	1,000	7,500	1,000
Miscellaneous	103,752	75,000	90,000	75,000
Service line protection program	432,622	420,000	420,000	420,000
Plant water investment fee	707,433	750,000	950,000	850,000
Insurance recovery	201	10,000	25	10,000
Comanche operations and maintenance reimbursement	504,143	500,000	500,000	500,000
Busk-Ivanhoe administration fee	25,000	25,000	25,000	25,000
TIF proceeds	616,117	526,751	625,718	525,784
Wastewater collection fee	477,840	495,004	495,004	503,667
Stormwater collection fee	207,384	214,120	214,120	217,867
Street repair collection fee	76,250	77,625	77,625	78,983
Total operating revenue	<u>39,516,673</u>	<u>39,818,196</u>	<u>41,341,916</u>	<u>41,257,134</u>
NONOPERATING REVENUES				
Interest income	451,961	338,417	107,000	115,405
Sale of assets	84,126	20,000	40,000	20,000
Bond proceeds	-	-	-	-
Contribution (to) from reserve	<u>(747,974)</u>	<u>1,863,335</u>	<u>(1,659,968)</u>	<u>6,248,514</u>
Total nonoperating revenue	<u>(211,887)</u>	<u>2,221,752</u>	<u>(1,512,968)</u>	<u>6,383,919</u>
Total revenue	<u>\$ 39,304,786</u>	<u>\$ 42,039,948</u>	<u>\$ 39,828,948</u>	<u>\$ 47,641,053</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
ESTIMATED EXPENDITURES BY OBJECT
2021 BUDGET

GENERAL FUND

	2019 ACTUAL	2020 BUDGET	2020 ESTIMATED	2021 BUDGET
EXPENDITURES				
PERSONNEL SERVICES				
Administration	\$ 937,675	\$ 963,204	\$ 915,367	\$ 1,001,480
Finance	1,427,789	1,633,080	1,543,315	1,675,555
Information Systems	659,973	726,768	689,559	726,995
Water Quality, Treating & Pumping	3,198,886	3,379,417	3,221,718	3,592,668
Transmission, Distribution and Engineering	5,157,451	5,740,291	5,396,366	5,836,073
Facilities Operation & Maintenance	891,727	1,065,710	985,976	986,685
Water Resources	401,270	436,502	414,318	451,410
Human Resources	3,088,342	2,427,323	2,387,244	2,417,087
Total personnel services	<u>15,763,113</u>	<u>16,372,295</u>	<u>15,553,863</u>	<u>16,687,953</u>
OPERATION AND MAINTENANCE				
Administration	508,306	705,600	728,105	698,350
Finance	997,788	1,138,251	988,883	1,181,598
Information Systems	429,492	502,125	532,381	561,900
Water Quality, Treating & Pumping	2,156,046	2,381,175	2,135,683	2,271,860
Transmission, Distribution and Engineering	1,484,135	1,407,704	1,289,689	1,442,810
Facilities Operation & Maintenance	3,124,775	3,440,940	3,253,067	3,457,535
Water Resources	1,267,992	1,373,290	1,273,273	1,492,540
Human Resources	376,347	383,679	370,130	466,068
Total operation and maintenance	<u>10,344,881</u>	<u>11,332,764</u>	<u>10,571,211</u>	<u>11,572,661</u>
CAPITAL OUTLAY/ FUND TRANSFERS				
Administration	-	-	-	25,000
Finance	6,841,015	3,671,889	3,671,889	7,317,143
Information Systems	153,890	55,000	91,840	92,500
Water Quality, Treating & Pumping	103,630	277,000	13,455	32,000
Transmission, Distribution and Engineering	4,230,474	4,276,000	4,837,979	6,500,196
Facilities Operation & Maintenance	1,859,046	5,970,000	4,994,824	5,413,600
Water Resources	-	85,000	93,887	-
Human Resources	8,737	-	-	-
Total capital outlay	<u>13,196,792</u>	<u>14,334,889</u>	<u>13,703,874</u>	<u>19,380,439</u>
Total expenditures	<u>\$ 39,304,786</u>	<u>\$ 42,039,948</u>	<u>\$ 39,828,948</u>	<u>\$ 47,641,053</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
ESTIMATED REVENUES BY SOURCE &
ESTIMATED EXPENDITURES BY OBJECT
2021 BUDGET

DEBT SERVICE FUND

	2019 ACTUAL	2020 BUDGET	2020 ESTIMATED	2021 BUDGET
NONOPERATING REVENUES				
Interest income	\$ 99,311	\$ 10,000	\$ 10,000	\$ 10,000
Gain on sale of investments	42,019	-	-	-
Contribution from general fund	<u>4,576,368</u>	<u>4,525,589</u>	<u>4,525,589</u>	<u>5,454,163</u>
Total revenue	<u>4,717,698</u>	<u>4,535,589</u>	<u>4,535,589</u>	<u>5,464,163</u>
DEBT RETIREMENT				
Contribution to reserve	141,330	10,000	10,000	10,000
Principal - Series 2015	2,774,167	2,862,500	2,862,500	2,458,333
Principal - Series 2000B	386,904	402,969	402,969	1,853,746
Principal - Series 2009	145,000	-	-	-
Principal - Series 2019	-	-	-	-
Interest - Series 2015	265,133	177,083	177,083	73,750
Interest - Series 2000B	236,973	223,337	223,337	208,634
Interest - Series 2009 (net)	228,491	-	-	-
Interest - Series 2019	<u>539,700</u>	<u>859,700</u>	<u>859,700</u>	<u>859,700</u>
Total debt retirement	<u>4,717,698</u>	<u>4,535,589</u>	<u>4,535,589</u>	<u>5,464,163</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES AND EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
ESTIMATED REVENUES BY SOURCE &
ESTIMATED EXPENDITURES BY OBJECT
2021 BUDGET

WATER DEVELOPMENT FUND

	<u>2019 ACTUAL</u>	<u>2020 BUDGET</u>	<u>2020 ESTIMATED</u>	<u>2021 BUDGET</u>
NONOPERATING REVENUES				
Interest income	\$ 161,616	\$ 103,990	\$ 60,000	\$ 33,710
Sale of Property	-	300,000	-	-
Net transfer from General Fund	2,248,429	-	-	1,837,980
Contribution from reserve	<u>-</u>	<u>702,160</u>	<u>1,076,570</u>	<u>-</u>
Total nonoperating revenue	<u>2,410,045</u>	<u>1,106,150</u>	<u>1,136,570</u>	<u>1,871,690</u>
EXPENDITURES				
Outside services	553,860	246,450	55,000	55,000
Capital improvements	-	-	221,870	985,000
Bessemer escrow	600,000	-	-	-
Net transfer to General Fund	-	859,700	859,700	-
Contribution to reserve	<u>1,256,185</u>	<u>-</u>	<u>-</u>	<u>831,690</u>
Total expenditures	<u>2,410,045</u>	<u>1,106,150</u>	<u>1,136,570</u>	<u>1,871,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES AND EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



ADMINISTRATION



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ADMINISTRATION



Seth Clayton
Executive Director

Those of us that are fortunate enough to serve this great community as employees of Pueblo Water accept the responsibility that comes with providing a service critical not only to the health and safety but economic viability of the community. Our team of just 135 employees works tirelessly to provide water service to more than 113,500 customers 24/7/365. That is a responsibility we each accept with a great deal of pride. Our goal as we begin the next decade at Pueblo Water is to protect Pueblo's most precious natural resource and continue providing safe, reliable service.

Weaved throughout the following pages of this document are stories about how our team operates. From the Water Resources Division, maintaining and protecting our source water high in the mountains, to Water Quality, Treating & Pumping that takes our source water and treats it to the highest standard, to the Transmission, Distribution & Engineering Division that ensures it is reliably delivered to our customers whenever they need it. Supporting those efforts include: Customer Service, who works diligently to provide the best-possible experience to those we serve; our Facilities team that ensures all our buildings and equipment are maintained and working efficiently; our Finance team that ensures we have the tools to stare far into the future and maintain the lowest possible rates; and our Information Systems team, that develops and maintains all the systems needed to provide reliable efficient service to our Customers. Our Human Resources team then takes care of all of us.

Pueblo Water's workforce may be relatively small, but our team of highly skilled and motivated employees, ever-mindful of our mission, work diligently to provide the highest-quality water at the lowest possible cost.

We currently benefit from the foresight of past generations of Board members and Staff and we accept the responsibility of maintaining that same foresight as we plan for future generations of Puebloans. While this plan is focused on 2021, we don't just look out 12 months. Our detailed capital plan looks 30 years into the future and our water supply plan looks out even further — all with the goal of ensuring we provide Pueblo with the highest quality water at the lowest possible cost.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

PERSONNEL SERVICES

ADMINISTRATION

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Director	\$ 443,044	\$ 485,304	\$ 451,333	\$ 495,111
Specialist	215,419	198,090	184,224	220,502
Overtime	511	-	-	-
Board Members	<u>12,600</u>	<u>13,800</u>	<u>13,800</u>	<u>13,800</u>
Total salaries and wages	<u>671,574</u>	<u>697,194</u>	<u>649,357</u>	<u>729,413</u>
BENEFITS				
Longevity	3,651	3,137	3,137	3,129
Employee assistance	148	137	137	140
Social security	52,261	55,040	55,040	57,878
Pension	22,282	18,252	18,252	21,468
Health insurance	75,182	89,990	89,990	85,608
Dental insurance	4,576	4,438	4,438	4,712
Disability insurance	4,925	4,784	4,784	5,010
Life insurance	8,008	7,773	7,773	8,140
Sick leave	41,772	31,700	31,700	33,243
Vacation leave	<u>53,296</u>	<u>50,759</u>	<u>50,759</u>	<u>52,739</u>
Total benefits	<u>266,101</u>	<u>266,010</u>	<u>266,010</u>	<u>272,067</u>
Total personnel services	<u>\$ 937,675</u>	<u>\$ 963,204</u>	<u>\$ 915,367</u>	<u>\$ 1,001,480</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

OPERATION AND MAINTENANCE

ADMINISTRATION

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 335,314	\$ 501,250	\$ 522,458	\$ 511,250
Utilities - other	5,936	5,900	6,637	5,900
Maintenance	807	750	750	750
Advertising	8,040	12,500	9,500	12,500
Travel and training	81,599	106,750	109,175	94,500
Office supplies	10,791	11,000	8,608	3,000
Subscriptions and memberships	<u>65,819</u>	<u>67,450</u>	<u>70,977</u>	<u>70,450</u>
 Total operation and maintenance	 <u>\$ 508,306</u>	 <u>\$ 705,600</u>	 <u>\$ 728,105</u>	 <u>\$ 698,350</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 DETAIL OF EXPENDITURES
 2021 BUDGET

CAPITAL OUTLAY

ADMINISTRATION

	<u>2019</u> <u>ACTUAL</u>	<u>2020</u> <u>BUDGET</u>	<u>2020</u> <u>ESTIMATED</u>	<u>2021</u> <u>BUDGET</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ -	\$ -	\$ -	\$ 25,000





Kristen Spicola
Finance Division Manager

FINANCE

Our 2021 goal for the Finance Division of Pueblo Water is to implement the most cost-efficient methods for maintaining the highest standards in customer service. That is not just talk, or corporate-speak. We measure excellence in customer service using our Key Performance Indicators. With these tools, we can monitor how we serve our customers – more than 113,500 and growing – and how we can do it better.

Our 17-person Finance team encompasses accounting, customer service, and purchasing. This team works to optimize performance and meet internal and external customer service goals.

In 2019, Pueblo Water's Customer Service Team handled 224,231 payments, answered 1,100 emails and greeted 59,989 customer phone calls. Even with just six customer service representatives in the lobby, and five more in our call center, the average wait time was just 2.23 minutes. While that rate fell short of our goal of 1 minute or less, it was an improvement from 3.39 minutes in 2018. Customers received an average response to email inquiries within 14 hours, exceeding our goal of responding within 24 hours.

So, how did we improve? And how do we get even better? By utilizing all available tools, such as an improved utility billing system to automate processes including mobile work orders, and online customer self-service options such as billing inquiries, move requests and routine service order requests. These tools allow us to streamline our processes to make sure customer concerns are addressed quickly and payments and billing are handed accurately. This, in turn, benefits our customers' bottom line.

Promotion of reliable customer self-service transactions through our secure online customer portal remains a priority. Nearly 40 percent of customers served by Pueblo Water have a registered online account. In 2019, more than 243,000 payments were processed electronically – an increase of 4.7 percent from the previous year. Making sure our online services work accurately and efficiently is always a top priority. This requires the use of the most up-to-date software available and maintaining a strong and positive working relationship with our online billing partners as more customers are using their mobile devices as part of their daily routine. Pueblo Water continues to encourage electronic billing and automatic bill payment methods. In 2020, Pueblo Water and our merchant service provider introduced new methods of electronic payment; PayPal, PayPal Credit and Venmo. With more than 6,691 customers utilizing auto pay and 6,248 on e-billing, customer services' goal is to increase this by 10 percent from the prior year.

We strive for excellent communication and total transparency. In 2020, Pueblo Water implemented an internal contract management system critical to contract administration and communication. A data analytics tool was implemented to prepare and analyze critical components and financial benchmarks throughout the organization. These tools help us streamline our operation. Our financial statements and budgets are readily available to the public on our website.

Our Customer Assistance Referral and Evaluations Services (CARES) program provides emergency funding for qualifying families. Through 2019, CARES has provided more than \$1 million in assistance to more than 9,100 Pueblo families. In 2020, Pueblo Water announced an additional contribution of \$50,000 to a Pandemic Assistance Program to help ease the financial burden felt by our customers because of the COVID-19 pandemic. Assistance included monetary support, flexible payment arrangements and consideration for commercial accounts. Pueblo Water will continue its annual contribution to the program at \$107,500 in 2021.

Being more efficient benefits our customers directly. The average annual water bill for a single-family residence with a 1-inch meter in 2019 was \$494.76. The average along the Front Range was \$727.11. That is no accident. Everything we do in Finance, and at Pueblo Water, guides us in staying true to our Mission, which is bringing customers the highest-quality water at the lowest-possible cost.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

PERSONNEL SERVICES

FINANCE

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Division manager	\$ 107,847	\$ 130,582	\$ 121,441	\$ 135,532
Supervisor	65,781	77,032	71,640	84,707
Specialist	151,851	161,965	150,627	165,238
Skills and trades	621,550	721,688	671,170	755,067
Part-time/ temporary	18,739	25,650	14,674	16,098
Overtime	<u>9,792</u>	<u>14,500</u>	<u>12,100</u>	<u>14,500</u>
Total salaries and wages	<u>975,560</u>	<u>1,131,417</u>	<u>1,041,652</u>	<u>1,171,142</u>
BENEFITS				
Longevity	6,483	7,239	7,239	7,942
Employee assistance	388	388	388	395
Social security	81,974	82,402	82,402	86,601
Pension	30,153	32,214	32,214	33,640
Health insurance	176,271	224,180	224,180	213,773
Dental insurance	11,372	11,464	11,464	11,852
Disability insurance	7,181	7,639	7,639	7,982
Life insurance	11,776	12,522	12,522	13,043
Sick leave	55,975	52,227	52,227	54,296
Vacation leave	<u>70,656</u>	<u>71,388</u>	<u>71,388</u>	<u>74,889</u>
Total benefits	<u>452,229</u>	<u>501,663</u>	<u>501,663</u>	<u>504,413</u>
Total personnel services	<u>\$ 1,427,789</u>	<u>\$ 1,633,080</u>	<u>\$ 1,543,315</u>	<u>\$ 1,675,555</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

OPERATION AND MAINTENANCE

FINANCE

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 393,970	\$ 343,547	\$ 363,900	\$ 369,859
Utilities	75,380	83,850	69,059	82,350
Maintenance - office equipment	11,995	11,900	11,905	7,370
Equipment lease and rental	965	900	1,138	1,125
Interest expense - meter deposits	401	500	500	500
Collection expense	8	750	750	750
Cash (over) short	70	150	178	150
Contingency	-	150,000	-	150,000
Insurance - property	254,856	265,000	271,465	295,000
Advertising	3,484	1,500	1,500	1,400
Travel and training	8,875	13,175	6,284	13,050
Office supplies	54,014	52,950	49,141	45,875
Postage	192,100	212,000	211,251	212,000
Subscriptions and memberships	<u>1,670</u>	<u>2,029</u>	<u>1,812</u>	<u>2,169</u>
 Total operation and maintenance	 <u>\$ 997,788</u>	 <u>\$ 1,138,251</u>	 <u>\$ 988,883</u>	 <u>\$ 1,181,598</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

CAPITAL OUTLAY

FINANCE

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
CAPITAL OUTLAY/ FUND TRANSFERS				
Computer and office equipment	\$ 16,218	\$ 6,000	\$ 6,000	\$ 25,000
Transfer to Debt Service Fund	4,576,368	4,525,589	4,525,589	5,454,163
Transfer to Water Development Fund	<u>2,248,429</u>	<u>(859,700)</u>	<u>(859,700)</u>	<u>1,837,980</u>
 Total capital outlay and fund transfers	 <u>\$ 6,841,015</u>	 <u>\$ 3,671,889</u>	 <u>\$ 3,671,889</u>	 <u>\$ 7,317,143</u>

INFORMATION SYSTEMS

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Anthony Berumen
IS Manager

INFORMATION SYSTEMS

Reliability and security remain the top priorities for Pueblo Water's Information Systems department in 2021. Since information travels through cyberspace at warp speed these days, Pueblo Water remains ever vigilant to ensure its technology is secure, reliable, and helps the team be as efficient as possible. We pride ourselves in being invisible; if you don't need us or know that we are working, then we are doing our jobs perfectly.

Customer communication is critical to every business, but it's especially critical when you provide access to a community's most precious natural resource. We take great pride in providing such a valuable resource to our customers. We ensure that our internal technical infrastructure works seamlessly and efficiently. We tie together customer service and administration with engineering and water treatment. Every department at Pueblo Water must be able to communicate with each other. Our robust network spans three main buildings and departments too numerous to mention. Our six highly skilled team members are the stewards of Pueblo Water's massive amount of information and they ensure that information travels unhindered to the rest of our team. Our redundancies are expansive and interruptions to our network are kept to a minimum.

Much of the treatment, storage, and distribution of water is monitored by our supervisory control and data acquisition (SCADA) system. Our department is responsible for the security of the system and assists, as necessary, with the components, cables, and configuration of the SCADA network. This network spans water towers, pump stations, as well as treatment and filtration systems. Our system can account for almost every drop of water flowing through our vast distribution network.

Pueblo Water will continue to improve its website and Information Systems infrastructure in 2021. The website is user-friendly, compatible with multiple platforms (phone, tablet, computer, etc.), allows our customers to manage their accounts from the palm of their hands, and has proven to be an integral part of Pueblo Water's external communications in education and emergency management. The Information Systems infrastructure will continue to be improved by upgrading equipment, streamlining processes and adding tools which allow employees quicker access to the information they need to perform their job.

While water planning can take decades, technology can change in an instant. We work tirelessly to make sure Pueblo Water's information can flow as freely as the product we provide.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

PERSONNEL SERVICES

INFORMATION SYSTEMS

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Manager	\$ 99,708	\$ 109,826	\$ 102,138	\$ 116,586
Specialist	229,909	246,612	229,349	243,545
Skills and trades	106,271	124,504	115,789	127,020
Part-time/ temporary	13,382	14,907	13,864	15,208
Overtime	<u>3,012</u>	<u>7,500</u>	<u>5,000</u>	<u>7,500</u>
Total salaries and wages	<u>452,282</u>	<u>503,349</u>	<u>466,140</u>	<u>509,859</u>
BENEFITS				
Longevity	2,969	2,896	2,896	1,925
Employee assistance	137	137	137	140
Social security	38,122	37,055	37,055	37,672
Pension	12,910	12,117	12,117	12,406
Health insurance	82,719	103,656	103,656	100,067
Dental insurance	4,956	4,988	4,988	4,989
Disability insurance	3,005	3,367	3,367	3,373
Life insurance	4,923	5,495	5,495	5,504
Sick leave	25,920	23,840	23,840	24,068
Vacation leave	<u>32,030</u>	<u>29,868</u>	<u>29,868</u>	<u>26,992</u>
Total benefits	<u>207,691</u>	<u>223,419</u>	<u>223,419</u>	<u>217,136</u>
Total personnel services	<u>\$ 659,973</u>	<u>\$ 726,768</u>	<u>\$ 689,559</u>	<u>\$ 726,995</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

OPERATION AND MAINTENANCE

INFORMATION SYSTEMS

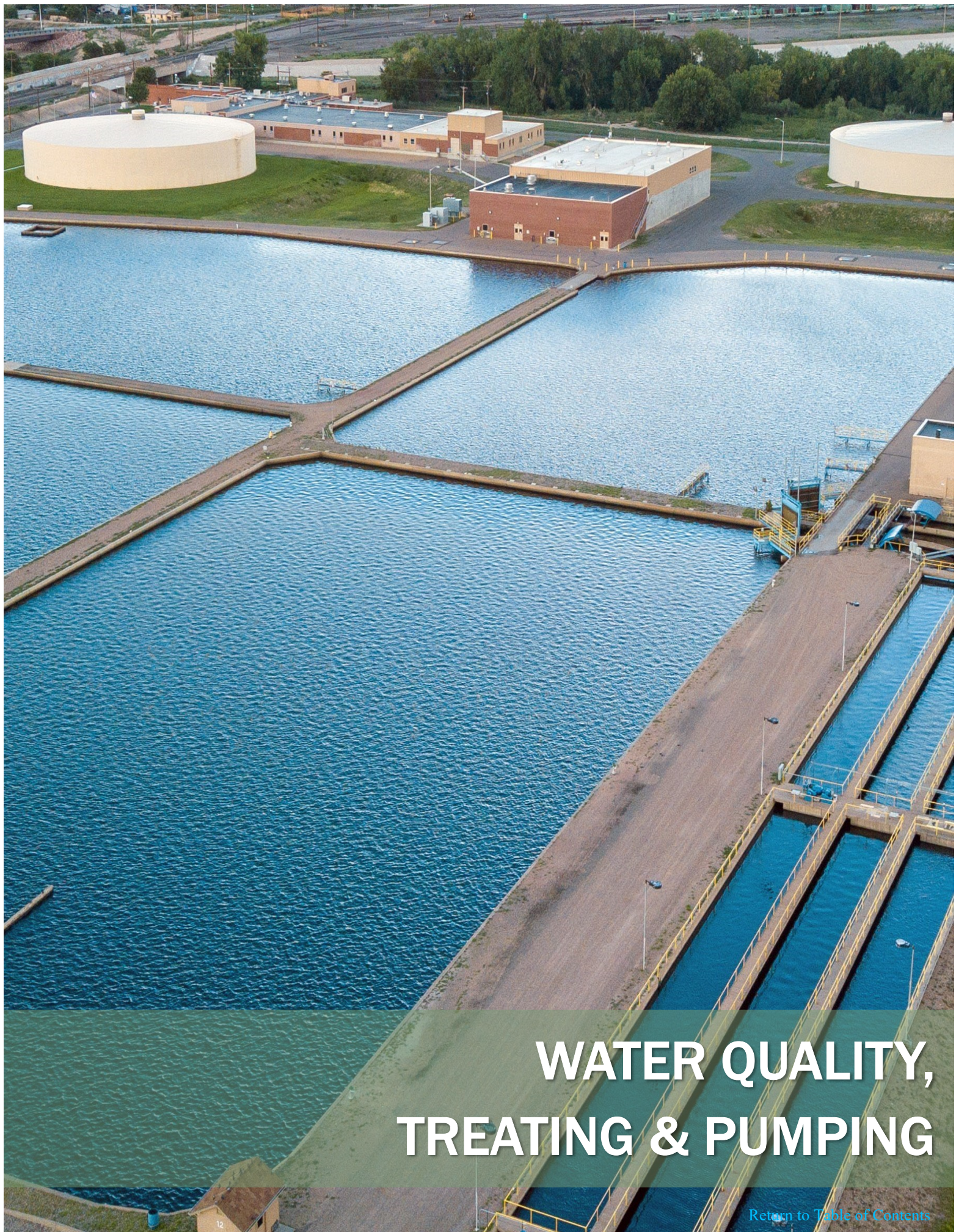
	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 336,663	\$ 406,500	\$ 422,765	\$ 470,300
Utilities - other	1,040	2,000	3,000	2,500
Maintenance - office equipment	4,643	5,500	4,500	4,500
Equipment lease and rental	608	625	633	650
Travel and training	12,548	15,550	14,050	12,150
Office supplies	73,815	67,350	82,833	67,200
Subscriptions and memberships	<u>175</u>	<u>4,600</u>	<u>4,600</u>	<u>4,600</u>
 Total operation and maintenance	 <u><u>\$ 429,492</u></u>	 <u><u>\$ 502,125</u></u>	 <u><u>\$ 532,381</u></u>	 <u><u>\$ 561,900</u></u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

CAPITAL OUTLAY

INFORMATION SYSTEMS

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ 153,890	\$ 55,000	\$ 91,840	\$ 92,500



WATER QUALITY, TREATING & PUMPING

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WATER QUALITY, TREATING & PUMPING



Don Colalancia
WQT&P Division Manager

Pueblo Water treats, stores and pumps 8 billion gallons of water a year. Our Water Quality, Treating & Pumping (WQT&P) division uses science, technology and tried-and-true treatment methods to produce plentiful amounts of the high-quality water for our customers. For just pennies on the dollar. Our goal in 2021, like every year, is to ensure an uninterrupted supply of this vital resource to our customers in Pueblo.

The Whitlock Water Treatment Plant receives raw water for treatment from a pipeline that connects us directly to the Pueblo Reservoir and from intakes on the Arkansas River. We begin the treatment process immediately as water flows into our plant. Our treatment plant operators (who staff the facility 24 hours a day, 7 days a week), and water quality laboratory specialists collect process samples and perform approximately 275 water analyses each day. We test the water as it enters our treatment plant, as it progresses through the treatment processes, and finally the finished product. In addition to testing the water as it leaves the plant, automated monitors in our 18 water tanks (which can store almost 60 million gallons of water per day) continually measure water quality while it is in storage. Finally, our personnel manually collect and analyze hundreds of water samples in every area of the city to ensure consumers throughout Pueblo are consistently receiving the highest quality water before consumption. All told, our division collects more than 100,000 water samples a year for testing. The multi-step testing process help us meet every one of the numerous State of Colorado and EPA regulations regarding water quality.

Pueblo's peak usage in 2020 was on July 10, when consumers used 47.8 million gallons. Accurately keeping track of vital daily operational statistics while simultaneously controlling process equipment are not easy tasks. Highly specialized instrumentation and sophisticated Supervisory Control and Data Acquisition (SCADA) computer systems are required to help successfully manage the performance of water treatment facilities. The Whitlock Water Treatment Plant upgraded critical in-line turbidity monitoring equipment with wireless communication capabilities in 2020. The new monitors are extremely sensitive and will help the plant produce crystal clear water for years to come. Pueblo Water must diligently ensure that SCADA integrated systems like these remain functionally safe, sound and secure in an environment of ever-evolving cyber threats.

Water Quality Laboratory personnel continue to provide lead and copper analysis and other water quality testing at no charge to customers, school personnel and businesses. Recently purchased analytical instrumentation is used for our regulatory compliance and to provide valuable water quality information to customers at no cost. Information on water quality analyses and lead and copper testing is available on our website at www.pueblowater.org.

Despite the involved treatment processes, quality control measures and using the latest advances in science and technology, one gallon of Pueblo's water delivered to your home or business costs less than penny. Producing an uninterrupted supply of the cleanest, best-tasting drinking water for our customers is one of Pueblo Water's principle goals. The WQT&P division works diligently all day, every day, to help Pueblo Water meet those goals.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

PERSONNEL SERVICES

WATER QUALITY, TREATING AND PUMPING

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Division manager	\$ 121,162	\$ 132,847	\$ 123,548	\$ 135,532
Manager	105,960	114,277	106,278	116,586
Supervision	172,330	195,191	181,528	199,136
Specialist	208,439	226,081	210,255	317,176
Skills and trades	1,427,241	1,542,386	1,434,419	1,626,119
Part-time/ temporary	62,089	76,351	50,712	72,618
Overtime	<u>146,394</u>	<u>75,000</u>	<u>97,694</u>	<u>75,000</u>
Total salaries and wages	<u>2,243,615</u>	<u>2,362,133</u>	<u>2,204,434</u>	<u>2,542,167</u>
BENEFITS				
Longevity	13,791	15,636	15,636	16,124
Employee assistance	685	684	684	721
Social security	190,180	172,478	172,478	185,684
Pension	62,604	64,536	64,536	69,872
Health insurance	346,594	435,431	435,431	425,474
Dental insurance	20,477	20,574	20,574	21,424
Disability insurance	14,985	15,475	15,475	16,456
Life insurance	24,500	25,297	25,297	27,353
Sick leave	124,414	112,093	112,093	119,081
Vacation leave	<u>157,041</u>	<u>155,080</u>	<u>155,080</u>	<u>168,312</u>
Total benefits	<u>955,271</u>	<u>1,017,284</u>	<u>1,017,284</u>	<u>1,050,501</u>
Total personnel services	<u>\$ 3,198,886</u>	<u>\$ 3,379,417</u>	<u>\$ 3,221,718</u>	<u>\$ 3,592,668</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 DETAIL OF EXPENDITURES
 2021 BUDGET

OPERATION AND MAINTENANCE

WATER QUALITY, TREATING AND PUMPING

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 94,810	\$ 129,050	\$ 111,149	\$ 114,350
Utilities	1,063,089	1,214,025	954,450	1,079,160
Repair and maintenance - equipment	4,372	19,250	14,361	19,250
Maintenance - office equipment	877	1,050	1,050	1,050
Chemical (over) short	(2,916)	1,000	(27)	1,000
Travel and training	765	3,900	2,600	3,900
Office supplies	2,047	3,850	3,750	4,500
Safety	5,406	5,700	5,000	6,700
Chemicals	874,217	866,000	906,000	900,000
Laboratory	112,958	136,700	136,700	141,700
Subscriptions and memberships	<u>421</u>	<u>650</u>	<u>650</u>	<u>250</u>
 Total operation and maintenance	 <u>\$ 2,156,046</u>	 <u>\$ 2,381,175</u>	 <u>\$ 2,135,683</u>	 <u>\$ 2,271,860</u>

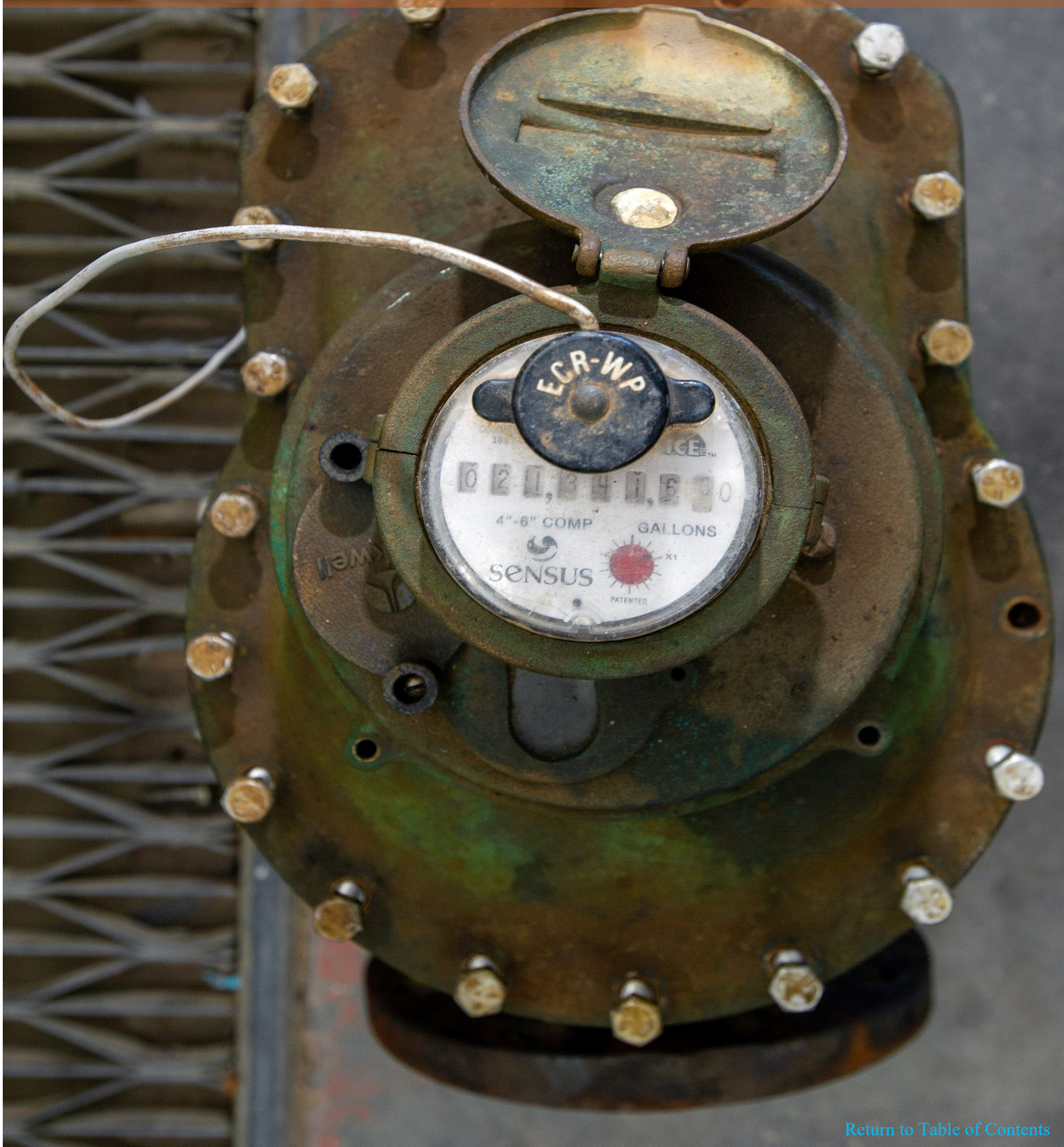
BOARD OF WATER WORKS OF PUEBLO, COLORADO
 DETAIL OF EXPENDITURES
 2021 BUDGET

CAPITAL OUTLAY

WATER QUALITY, TREATING AND PUMPING

	<u>2019 ACTUAL</u>	<u>2020 BUDGET</u>	<u>2020 ESTIMATED</u>	<u>2021 BUDGET</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ -	\$ 270,000	\$ 7,953	\$ 5,000
Lab equipment	<u>103,630</u>	<u>7,000</u>	<u>5,502</u>	<u>27,000</u>
 Total capital outlay and fund transfers	 <u>\$ 103,630</u>	 <u>\$ 277,000</u>	 <u>\$ 13,455</u>	 <u>\$ 32,000</u>

TRANSMISSION, DISTRIBUTION & ENGINEERING



TRANSMISSION, DISTRIBUTION & ENGINEERING



Scot Burbidge
TD&E Division Manager

With more than 50 team members, the Transmission, Distribution and Engineering Department (TD&E) is the largest department at Pueblo Water. That said, the TD&E team is relatively lean considering the scope of the work performed and the size of our customer base. The department is diverse: the “T” and “D” areas are all about pipes, while the “E” is all about planning and problem-solving. There are seven mission-critical sub-divisions that fall under TD&E. Together, we are responsible for making sure water is delivered reliably to our customer, 24/7/365. That remains our singular goal in 2021 and motivates us to be better every day.

Our seven sub-divisions include dispatch, construction/maintenance, meter services, engineering, field engineering, fleet and warehouse. They work in harmony to ensure system facilities are operating at their optimum levels. This includes maintaining and replacing more than 580 miles of pipe and aging valves. Our main replacement program identifies infrastructure in need of repair or replacement according to metrics that relate the greatest likelihood and greatest consequence of failure. In 2020, we replaced nearly four miles of aging water mains and will replace approximately the same amount in 2021 as part of this program.

At TD&E “business as usual” includes near-immediate response to service interruptions 24 hours a day, seven days a week. Our crews are mobile at a moment’s notice to ensure that any inconvenience our customers experience is minimal. From repairs under our service line replacement program to large main breaks, we have the personnel and equipment to restore any disruption in service. Pueblo Water’s system averages approximately 38 main breaks a year, or 7 breaks per 100 miles of main. This is well below the industry average of 25 to 30 breaks per 100 miles of main and speaks to the success of our main replacement program.

TD&E also is taking full advantage of advances in technology. Our geographic information system (GIS) mapping project of Pueblo Water’s elaborate system is complete, and advanced software capabilities will allow real-time tracking of changes. This provides our field personnel critical and accurate information. GIS is critical to emergency response: we can produce maps of areas affected during events to educate and inform our customers. As our capabilities improve with this technology, we will be able to utilize GIS for predictive strategy in helping to identify where to focus our capital outlay on infrastructure improvements.

TD&E works with every division at Pueblo Water. In 2020, TD&E helped facilitate the re-paving of drive surfaces at the Jones Pump/Tank site on Pueblo’s North side. Additionally, we have prepared contract documents and will oversee the re-grading and establishment of vegetation at the Watts site to improve storm runoff conditions. We also relocated two active water mains at our Whitlock Treatment Plant as part of the construction of a new Facilities shop. The planning and diligence by all involved ensured that this critical effort was executed flawlessly.

Pueblo Water is proactive in providing service to our customers. Our service line repair/replacement program has been a great platform to facilitate our “Get the Lead Out” initiative. In 2020, we have repaired or replaced 110 service lines, 60 of which were lead services. We will look to replace all lead services that are identified in the current potholing contract. The planning for these replacements has begun.

TD&E is housed in our building on 3rd and Elizabeth and is full of team players and over-achievers. We take great pride in knowing that there is no challenge we won’t meet nor project too big or too small that we won’t attempt. We go above and beyond the daily work needed to ensure our customers receive the highest-quality water and the lowest possible rate.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

PERSONNEL SERVICES

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Division manager	\$ 118,772	\$ 132,847	\$ 123,548	\$ 135,532
Manager	305,034	334,569	311,150	349,759
Supervision	179,688	195,190	181,526	199,136
Specialist	144,236	152,123	141,474	226,532
Skills and trades	2,495,285	2,958,982	2,741,104	2,960,483
Part-time/ temporary	59,579	93,961	35,472	113,242
Overtime	<u>190,888</u>	<u>125,000</u>	<u>123,481</u>	<u>125,000</u>
Total salaries and wages	<u>3,493,482</u>	<u>3,992,672</u>	<u>3,657,755</u>	<u>4,109,684</u>
BENEFITS				
Longevity	25,794	27,028	27,028	29,790
Employee assistance	1,338	1,323	1,323	1,304
Social security	313,071	291,423	291,423	302,189
Pension	108,415	110,308	110,308	114,700
Health insurance	616,537	767,718	758,710	712,797
Dental insurance	37,448	37,400	37,400	36,143
Disability insurance	25,594	26,417	26,417	26,569
Life insurance	41,966	43,213	43,213	44,329
Sick leave	223,112	190,316	190,316	193,948
Vacation leave	<u>270,694</u>	<u>252,473</u>	<u>252,473</u>	<u>264,620</u>
Total benefits	<u>1,663,969</u>	<u>1,747,619</u>	<u>1,738,611</u>	<u>1,726,389</u>
Total personnel services	<u>\$ 5,157,451</u>	<u>\$ 5,740,291</u>	<u>\$ 5,396,366</u>	<u>\$ 5,836,073</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

OPERATION AND MAINTENANCE

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 65,861	\$ 130,789	\$ 73,774	\$ 129,980
Engineering consulting	5,260	6,500	-	6,500
Utilities	100,936	93,700	94,180	105,000
Auto and truck	132,117	133,500	116,127	133,500
Repair and maintenance - equipment	3,156	6,000	6,000	10,700
Maintenance - office equipment	16,398	12,400	10,600	12,825
Maintenance - mains	346,102	203,000	203,000	203,000
Maintenance - meters	12,767	7,000	11,598	8,000
Maintenance - hydrants	15,374	15,650	15,626	16,500
Maintenance - valves	30,149	28,000	28,000	28,000
Maintenance - cathodic protection	789	5,000	5,000	8,000
Maintenance - private service lines	421,203	420,000	420,000	420,000
Service lines	32,186	20,000	21,021	20,000
Tool replacement	54,960	71,700	65,695	77,300
Barricades	1,077	2,500	2,500	2,500
Warehouse (over) short	10,661	6,000	5,000	6,000
Uninsured small claims	6,036	10,000	3,038	10,000
Communication	-	1,300	1,300	1,280
Travel and training	16,475	31,750	23,753	35,350
Gasoline and oil	174,623	150,000	130,797	150,000
Office supplies	6,435	7,000	7,000	5,000
Shop supplies	13,843	15,000	15,000	13,500
Safety	5,608	10,500	10,500	18,500
Meter shop supplies	1,831	6,500	6,528	8,000
Subscriptions and memberships	10,288	13,915	13,652	13,375
	<u>10,288</u>	<u>13,915</u>	<u>13,652</u>	<u>13,375</u>
Total operation and maintenance	<u>\$ 1,484,135</u>	<u>\$ 1,407,704</u>	<u>\$ 1,289,689</u>	<u>\$ 1,442,810</u>

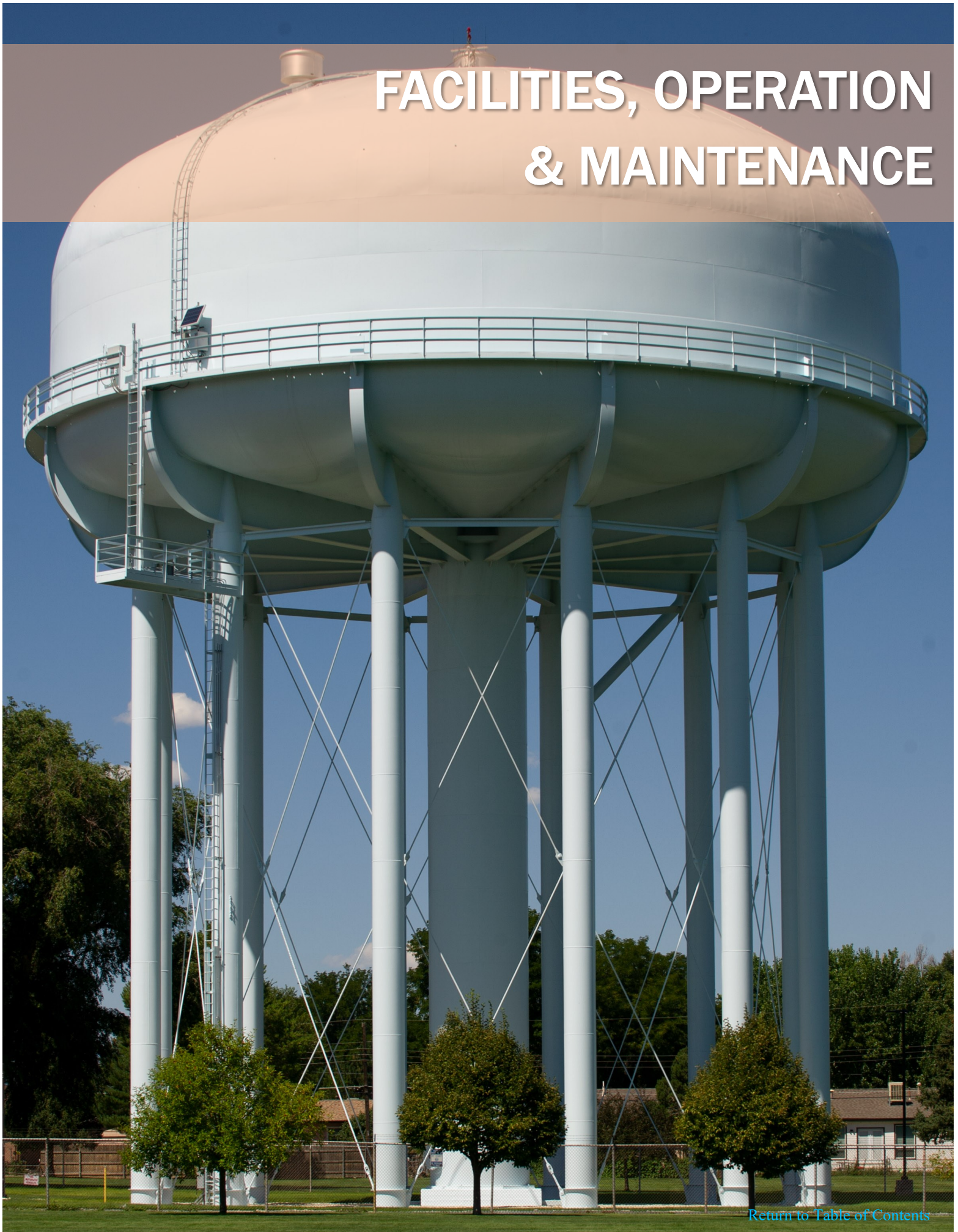
BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

CAPITAL OUTLAY

TRANSMISSION, DISTRIBUTION AND ENGINEERING

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
CAPITAL OUTLAY				
Mains	\$ 2,648,622	\$ 2,676,000	\$ 3,141,805	\$ 4,966,874
Valves	15,901	45,000	45,000	65,000
Meters	975,939	927,000	945,616	927,000
Fire hydrants	58,186	70,000	70,000	81,000
Taps	10,618	12,000	12,000	12,000
Cathodic protection	36,691	65,000	9,765	65,000
Computer and office equipment	-	10,000	3,976	21,000
Heavy equipment	-	18,000	7,370	26,000
Transportation	<u>484,517</u>	<u>453,000</u>	<u>602,447</u>	<u>336,322</u>
Total capital outlay	<u>\$ 4,230,474</u>	<u>\$ 4,276,000</u>	<u>\$ 4,837,979</u>	<u>\$ 6,500,196</u>

FACILITIES, OPERATION & MAINTENANCE



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Matt Trujillo
Director of Operations

FACILITIES, OPERATION & MAINTENANCE

The goals in 2021 for Facilities Operation & Maintenance (FO&M) are bold, to say the least.

Our department's responsibilities touch all of Pueblo Water. To maintain our massive and varied infrastructure and plan for future growth requires that we spend our dollars wisely. Our duty is in the details. From constructing a new power plant to replacing doorknobs and lightbulbs, our department ensures that Pueblo Water is running as efficiently as possible regardless of the size or scope of the project.

Maintaining a healthy infrastructure is critical. Pueblo Water operates out of three main locations – the Alan Hamel Administration Building, the Whitlock Treatment Plant, and the Transmission, Distribution and Engineering complex. Maintaining each location, and the many others out in the field, offers distinct maintenance challenges. As a service-oriented department, our goal is to provide top-notch service to our customers, while minimizing disruptions to the employees we serve. Whether its scheduling an outage for maintenance of major equipment or planning for the annual pond washing, the FO&M team prides itself on meeting the needs of all the departments by being a partner in their critical process planning.

An exciting addition to Pueblo Water in 2021 will be the construction of the Kevin F. McCarthy Hydroelectric Plant, which will be housed in the Whitlock Treatment Plant compound. Investing in such infrastructure will have immediate and long-term financial benefits for Pueblo Water. We spend nearly \$2 million annually to power our treatment plant. This hydro plant will help cut those costs by reducing our energy consumption and lowering our peak demand. The return on our initial investment of approximately \$2.4 million should be recovered in just 5-6 years. The project will be complimented by combining three meters into a single meter and taking full advantage of Black Hills Energy's Time-Of-Use rate. FO&M has worked closely with our consultants as well as Black Hills to ensure the final product is worthy of the name that will adorn the new facility.

Pueblo Water also plans to complete a building at its Whitlock plant dedicated to FO&M. The facilities staff has been de-centralized for years and the construction of the 6,000-square-foot building will house our eight-person facilities staff and much of our equipment. Additionally, the new building will provide material storage space and a workshop dedicated to the needs of the electricians and the facilities crew. The proposed building will be located along the north fence line of the Whitlock Treatment Plant.

Safety and security are our top priority when it comes to our workers and our customers. FO&M helps develop and implement safety-related programs. In 2020, Pueblo Water employed the Alert Media system that allows us to contact all personnel immediately during an emergency or critical event. This system can be activated and push notifications immediately. The existing blue light emergency notification system at the Administration Building was expanded to encompass all floors of the building to notify employees of an emergency. Due to the unforeseen COVID-19 pandemic there were various protection measures that were also completed by FO&M to include sneeze guards in the board room, HR department and Customer Service. For security, the existing electrical shop was converted to a security room equipped with a large viewing area to include the capability to monitor all facilities with camera access from one location.

We reach Pueblo Water's Mission of providing the highest-quality water for the lowest-possible cost by making sure we are diligent in our own housekeeping. We make sure we are up to code with all our facilities and we make sure our own capital improvement projects remain on schedule and on budget.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
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PERSONNEL SERVICES

FACILITIES OPERATION AND MAINTENANCE

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Manager	\$ 103,958	\$ 114,277	\$ 106,278	\$ 116,586
Specialist	131,442	141,269	131,380	57,598
Skills and trades	337,834	409,867	381,176	432,820
Part-time/ temporary	18,281	23,271	20,116	25,059
Overtime	<u>32,533</u>	<u>70,000</u>	<u>40,000</u>	<u>70,000</u>
Total salaries and wages	<u>624,048</u>	<u>758,684</u>	<u>678,950</u>	<u>702,063</u>
BENEFITS				
Longevity	3,304	3,620	3,620	3,610
Employee assistance	192	205	205	186
Social security	52,500	51,418	51,418	48,656
Pension	16,722	16,336	16,336	18,210
Health insurance	101,509	138,909	138,909	125,043
Dental insurance	6,208	6,795	6,795	6,451
Disability insurance	3,965	4,658	4,658	4,249
Life insurance	6,477	7,608	7,608	6,939
Sick leave	33,947	33,499	33,499	30,522
Vacation leave	<u>42,855</u>	<u>43,978</u>	<u>43,978</u>	<u>40,756</u>
Total benefits	<u>267,679</u>	<u>307,026</u>	<u>307,026</u>	<u>284,622</u>
Total personnel services	<u>\$ 891,727</u>	<u>\$ 1,065,710</u>	<u>\$ 985,976</u>	<u>\$ 986,685</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

OPERATION AND MAINTENANCE

FACILITIES OPERATION AND MAINTENANCE

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 286,989	\$ 301,490	\$ 308,564	\$ 320,690
Engineering consulting	13,300	60,000	54,568	33,500
Utilities	1,728,925	1,912,500	1,720,494	1,887,500
Repair and maintenance - equipment	245,493	253,400	242,702	251,300
Maintenance - building	781,072	819,100	824,121	855,225
Communication	7,050	6,550	7,152	8,550
Tool replacement	23,441	18,970	14,025	39,770
Travel and training	3,509	6,050	5,535	7,350
Office supplies	158	900	900	400
Safety supplies	13,484	24,800	21,501	13,550
Janitorial supplies	12,104	11,500	29,009	14,000
Subscriptions and memberships	<u>9,250</u>	<u>25,680</u>	<u>24,496</u>	<u>25,700</u>
 Total operation and maintenance	 <u>\$ 3,124,775</u>	 <u>\$ 3,440,940</u>	 <u>\$ 3,253,067</u>	 <u>\$ 3,457,535</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

CAPITAL OUTLAY

FACILITIES OPERATION AND MAINTENANCE

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
CAPITAL OUTLAY				
Improvements and replacements	\$ 1,013,690	\$ 5,179,000	\$ 4,840,069	\$ 4,718,000
Communication	2,867	6,000	6,000	214,000
Computer equipment	89,931	3,000	3,000	4,600
Pumping equipment	223,229	88,500	97,799	130,000
Treating equipment	529,329	660,000	10,000	337,000
Heavy equipment	<u>-</u>	<u>33,500</u>	<u>37,956</u>	<u>10,000</u>
 Total capital outlay	 <u>\$ 1,859,046</u>	 <u>\$ 5,970,000</u>	 <u>\$ 4,994,824</u>	 <u>\$ 5,413,600</u>



WATER RESOURCES

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Alan Ward
Water Resources Manager

WATER RESOURCES

The mission for the Water Resources Division of Pueblo Water is the same as it has been since the department was created nearly 40 years ago – to ensure the city of Pueblo has an adequate supply of high-quality water. Not just for now but for the future as well. We do that by using and protecting Pueblo's water rights, some of which date back to 1861 when Colorado still was a territory, and by looking to procure additional rights as needed. We also are tasked with operating and maintaining all the infrastructure associated with those rights and planning for future water needs. Along with those opportunities, Water Resources is charged with putting any surplus water supply to good use by leasing water to agriculture, other municipalities, and various other water users. We are in the business of leasing surplus water to help ensure our customers are paying the lowest-possible rates.

In some respects, you could say that Pueblo Water customers, basically, drink snow. One-hundred percent of Pueblo's water is surface water (no groundwater) and comes from the Rocky Mountains. The snowpack melts and flows into creeks, rivers, streams, lakes and reservoirs. That water then finds its way to Pueblo and into our treatment facility, where it is then pumped to storage tanks, homes, and businesses. Our job is to ensure that there is no interruption in that flow – from the mountains to the tap.

Pueblo Water owns and maintains Clear Creek Reservoir and Dam near Leadville. This reservoir is a primary storage reservoir for Pueblo's water and the care and custody of Clear Creek Reservoir and Dam falls on us. In 2021, Pueblo Water will continue the exploration of expanding Clear Creek Reservoir (raising the dam) to increase storage while at the same time addressing its repair needs.

In 2019, Water Resources began using a new computer model to plan for multiple future scenarios. The model uses a platform called RiverWare and can be used to predict how Pueblo's water collection system will perform under a variety of conditions such as sustained drought, population growth, and climate change. The model recently was utilized to assess the feasibility of a potential water lease agreement.

Recently, final decrees were obtained from the Water Court allowing Pueblo Water's Bessemer Ditch shares to be used for municipal uses in addition to their current use of irrigation. It is anticipated that these shares will continue to be leased to farmers for irrigation use for many years into the future but provides Pueblo with a hedge against climate change and population growth.

Pueblo Water continues to look for opportunities to add storage downstream of Pueblo's wastewater plant discharge to facilitate better reuse and management of return flows. This will be an expensive project but will allow us to maximize the yield of our transmountain and Bessemer Ditch water. We will develop this storage in partnership with other water providers and will need to coordinate the timing of the project with all the partners.

Pueblo has an abundant supply of water and Water Resources works diligently to maintain that supply for generations to come.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
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PERSONNEL SERVICES

WATER RESOURCES

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Division manager	\$ 120,660	\$ 132,847	\$ 123,548	\$ 135,532
Supervision	87,907	97,595	90,763	99,568
Specialist	<u>74,690</u>	<u>86,477</u>	<u>80,424</u>	<u>95,083</u>
Total salaries and wages	<u>283,257</u>	<u>316,919</u>	<u>294,735</u>	<u>330,183</u>
BENEFITS				
Longevity	2,138	1,931	1,931	1,925
Employee assistance	72	68	68	70
Social security	25,004	24,763	24,763	25,837
Pension	9,354	9,508	9,508	9,906
Health insurance	31,317	36,141	36,141	34,506
Dental insurance	1,798	1,695	1,695	1,695
Disability insurance	2,183	2,219	2,219	2,311
Life insurance	3,571	3,617	3,617	3,762
Sick leave	19,304	16,974	16,974	17,695
Vacation leave	<u>23,272</u>	<u>22,667</u>	<u>22,667</u>	<u>23,520</u>
Total benefits	<u>118,013</u>	<u>119,583</u>	<u>119,583</u>	<u>121,227</u>
Total personnel services	<u>\$ 401,270</u>	<u>\$ 436,502</u>	<u>\$ 414,318</u>	<u>\$ 451,410</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

OPERATION AND MAINTENANCE

WATER RESOURCES

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 168,599	\$ 98,500	\$ 65,437	\$ 115,240
Consulting services	18,590	112,500	116,258	149,700
Comanche return flow	21	750	750	750
Homestake Aurora	7,500	7,500	7,500	7,500
Twin Lakes water rights	344,305	344,305	344,305	344,305
Busk Ivanhoe water rights	225,000	225,000	225,000	275,000
Water storage and transportation	296,453	300,200	298,965	355,250
Short-term water purchases	19,559	36,200	24,035	18,150
Utilities	24,050	17,200	17,523	16,450
Maintenance - equipment	1,079	17,000	17,000	17,000
Maintenance - office equipment	807	750	750	750
Tool replacement	682	1,600	1,600	1,000
Clear Creek reservoir	4,385	13,700	13,700	7,700
Wurtz ditch	348	1,350	1,350	1,350
Wurtz extension	-	1,000	1,000	1,000
Ewing ditch	130	1,000	1,000	1,000
Ranch property maintenance	4,894	12,100	11,196	7,300
Dwelling - Leadville	3,190	1,000	1,772	-
Dwelling - Clear Creek	2,432	5,000	6,193	2,000
Snowplowing operations	47,263	50,000	36,276	50,000
Transmountain maintenance	52,359	79,000	63,019	79,000
Travel and training	42,841	41,675	12,588	36,675
Office supplies	79	1,000	1,000	500
Subscriptions and memberships	<u>3,426</u>	<u>4,960</u>	<u>5,056</u>	<u>4,920</u>
Total operation and maintenance	<u>\$ 1,267,992</u>	<u>\$ 1,373,290</u>	<u>\$ 1,273,273</u>	<u>\$ 1,492,540</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 DETAIL OF EXPENDITURES
 2021 BUDGET

CAPITAL OUTLAY

WATER RESOURCES

	<u>2019</u> <u>ACTUAL</u>	<u>2020</u> <u>BUDGET</u>	<u>2020</u> <u>ESTIMATED</u>	<u>2021</u> <u>BUDGET</u>
CAPITAL OUTLAY				
Clear Creek resevoir	\$ -	\$ 35,000	\$ 43,887	\$ -
Expansion	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total capital outlay	<u><u>\$ -</u></u>	<u><u>\$ 85,000</u></u>	<u><u>\$ 93,887</u></u>	<u><u>\$ -</u></u>

HUMAN RESOURCES



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Collette Ferguson
Human Resources Manager

HUMAN RESOURCES

Human Resources succeeds by finding the best and brightest.

Through strategic partnerships and collaboration, the Human Resources Department recruits, develops and retains a high performing and diverse workforce while working to foster a healthy, safe and productive work environment for all employees. Our mission is to provide services that maximize the potential of our greatest assets – our employees. We strive to support employees at every level of the organization and pride ourselves on maintaining a positive and productive relationship with employees and management. As we end an incredibly challenging and unprecedented year we continue to look toward the future and how best to meet the needs of our employees and community. Our goal as we begin the next decade is to seek and provide solutions to workplace issues that support and optimize the Mission of Pueblo Water while continuing to foster the culture of excellence and family spirit that is Pueblo Water.

The ever-changing world of corporate culture can be challenging. In addition to managing compliance and navigating the changing landscape of employment law and regulations, we help guide our people through all employment-related services – payroll, insurance, benefits, career development, training, certification, safety and compliance. We are fair and consistent and strive to provide an accessible environment. We have instituted HR office hours at each of our three facilities, not just in our central administration office, so that we may better communicate with every team member regardless of department or shift. Pueblo Water is known for its outstanding customer service and in HR we pride ourselves in providing that same outstanding service internally to our team members.

We hold ourselves to the highest standards of professionalism, trust, and respect. We understand that the employees of Pueblo Water are responsible for its success and aim to support the team so that they can focus on our customers.

Pueblo Water promotes professional growth and development. More than 77 percent of our employees have earned accreditation or advanced degrees in their respective areas of expertise. Accreditations, certifications and advanced degrees span the entire company. From service workers to administration, Pueblo Water boasts highly skilled and motivated team members serving our customers. We promote a work environment of continual learning and to support this mission we offer a tuition assistance program that reimburses employees up to \$5,200 annually for advanced education.

Along with professional development and personal growth programs, Pueblo Water supports the health of the team by sponsoring an annual health fair, encouraging participation in wellness contests, and the community's Corporate Cup. We promote teamwork within and across every department.

Taking advantage of the newest technologies will help HR in 2021 and beyond. We are constantly evaluating our internal processes and finding ways to foster a culture of innovation and continual improvement within our own department and across the organization.

Human Resources exists to help our dedicated employees optimize their time and talents so that they may better serve Pueblo Water's 113,500 customers.

BOARD OF WATER WORKS OF PUEBLO, COLORADO
DETAIL OF EXPENDITURES
2021 BUDGET

PERSONNEL SERVICES

HUMAN RESOURCES

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
SALARIES & WAGES				
Manager	\$ 81,195	\$ 95,162	\$ 88,501	\$ 104,630
Specialist	238,541	270,627	251,683	276,098
Part-time/ temporary	-	21,063	-	-
Overtime	<u>1,124</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total salaries and wages	<u>320,860</u>	<u>386,852</u>	<u>340,184</u>	<u>380,728</u>
BENEFITS				
Longevity	1,200	1,448	1,448	1,685
Employee assistance	114	114	114	116
Social security	32,125	28,038	28,038	29,286
Social security - retirees	-	-	2,766	-
Pension	9,947	10,974	10,974	11,422
Defined benefit pension plan	2,212,436	1,431,560	1,431,560	1,425,310
Worker's compensation insurance	323,718	401,450	401,450	401,450
Unemployment insurance	-	1,500	1,500	1,500
Health insurance	39,593	49,535	49,535	46,994
Health insurance - retirees	84,486	55,000	58,823	55,000
Dental insurance	3,432	3,432	3,432	3,432
Disability insurance	2,367	2,561	2,561	2,665
Life insurance	3,873	4,178	4,178	4,350
Life insurance - retirees	14,649	12,000	12,000	12,000
Sick leave	17,836	17,038	17,038	17,798
Vacation leave	<u>21,706</u>	<u>21,643</u>	<u>21,643</u>	<u>23,351</u>
Total benefits	<u>2,767,482</u>	<u>2,040,471</u>	<u>2,047,060</u>	<u>2,036,359</u>
Total personnel services	<u>\$ 3,088,342</u>	<u>\$ 2,427,323</u>	<u>\$ 2,387,244</u>	<u>\$ 2,417,087</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 DETAIL OF EXPENDITURES
 2021 BUDGET

OPERATION AND MAINTENANCE

HUMAN RESOURCES

	2019 <u>ACTUAL</u>	2020 <u>BUDGET</u>	2020 <u>ESTIMATED</u>	2021 <u>BUDGET</u>
OPERATION AND MAINTENANCE				
Outside services	\$ 69,489	\$ 41,224	\$ 42,853	\$ 85,199
Employment costs	24,769	58,500	49,143	59,000
Utilities - other	1,100	700	906	1,250
Maintenance - office equipment	1,366	3,200	3,200	3,200
Health reimbursement - In-patient copay	112,360	85,000	85,000	117,000
Pension supplement	120,730	130,427	125,666	125,666
Travel and training	35,456	51,800	50,467	61,350
Office supplies	1,928	3,040	3,040	3,040
Subscriptions and memberships	<u>9,149</u>	<u>9,788</u>	<u>9,855</u>	<u>10,363</u>
 Total operation and maintenance	 <u>\$ 376,347</u>	 <u>\$ 383,679</u>	 <u>\$ 370,130</u>	 <u>\$ 466,068</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
 DETAIL OF EXPENDITURES
 2021 BUDGET

CAPITAL OUTLAY

HUMAN RESOURCES

	<u>2019</u> <u>ACTUAL</u>	<u>2020</u> <u>BUDGET</u>	<u>2020</u> <u>ESTIMATED</u>	<u>2021</u> <u>BUDGET</u>
CAPITAL OUTLAY				
Computer and office equipment	\$ 8,737	\$ -	\$ -	\$ -





OVERVIEW SUPPLEMENTARY INFORMATION

The Board of Water Works of Pueblo, Colorado (Pueblo Water) is committed to providing its customers with the highest quality of water at the lowest possible cost. To ensure that it accomplishes this mission, Pueblo Water develops many long-range plans. To assist the reader in understanding elements of those plans we have provided the following charts: debt service schedule, staffing summary, 10-year capital projections, 10-year cash flow projections, typical bill comparison, listing of new water rates, history of water rate changes, and comparisons of Front Range utilities, their water rates, and plant water investment fee rates.

Two of the afore-mentioned charts are the cornerstone of our long-range plan. The first details Pueblo Water's capital outlay projections for the next ten years. It lists projected dollar amounts of equipment, improvements and replacements, and expansion for all divisions within Pueblo Water. The second is a cash flow analysis of the next ten years. In developing the cash flow analysis, Staff must make many assumptions. Examples of these assumptions include but are not limited to growth rate of Pueblo Water's customer base, inflation rates for various operating costs, interest rates, and water rate increases. The assumptions are incorporated with historical data to project Pueblo Water's cash flow out into the future. This is a very important tool to ensure Pueblo Water will be adequately positioned to support the needs of the citizens of Pueblo now and in the future.

It is important to note that all projections beyond 2021 are not adopted by the Board and are subject to change. There are various factors which influence the assumptions underlying these projections and these projections are constantly changing. These charts are simply tools which help Pueblo Water meet its goal of providing the highest quality of water at the lowest possible cost. They are reviewed not less than annually and are updated to reflect changes in factors influencing the assumptions.

Please direct any questions concerning the information provided in this report or requests for additional information to:

Leroy Rittgers
Financial Planning & Rate Analyst
Board of Water Works of Pueblo, Colorado
P.O. Box 400
Pueblo, Colorado 81002-0400
719.584.0416

BOARD OF WATER WORKS OF PUEBLO, COLORADO

DEBT RETIREMENT SCHEDULE

YEAR	SERIES 2015			CWRPDA 2000 B			SERIES 2019			ANNUAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	TOTAL
2021	2,458,333	73,750	2,532,083	1,853,746	208,634	2,062,380	-	859,700	859,700	5,454,163
2022	-	-	-	2,258,500	116,358	2,374,858	-	859,700	859,700	3,234,558
2023	-	-	-	-	-	-	2,225,000	859,700	3,084,700	3,084,700
2024	-	-	-	-	-	-	2,335,000	748,450	3,083,450	3,083,450
2025	-	-	-	-	-	-	2,545,000	701,750	3,246,750	3,246,750
2026	-	-	-	-	-	-	2,670,000	574,500	3,244,500	3,244,500
2027	-	-	-	-	-	-	2,800,000	441,000	3,241,000	3,241,000
2028	-	-	-	-	-	-	2,935,000	301,000	3,236,000	3,236,000
2029	-	-	-	-	-	-	3,085,000	154,250	3,239,250	3,239,250
	<u>\$ 2,458,333</u>	<u>\$ 73,750</u>	<u>\$ 2,532,083</u>	<u>\$ 4,112,246</u>	<u>\$ 324,992</u>	<u>\$ 4,437,238</u>	<u>\$ 18,595,000</u>	<u>\$ 5,500,050</u>	<u>\$ 24,095,050</u>	<u>\$ 31,064,371</u>

Note: CWRPDA 2000 B interest payment includes an administration fee of \$ 76,470 for years 2021 through 2022.

Debt retirement schedule is based on actual amounts due on respective semi-annual and annual dates. Schedule does not reflect budgeted transfers.

With the latest issue of the 2019 Series Bonds, the Board received an S&P rating of "AA".

BOARD OF WATER WORKS OF PUEBLO, COLORADO

STAFFING SUMMARY - FULL TIME POSITIONS

TOTALS BY DIVISION

	NUMBER OF POSITIONS				SALARY
	2019 ¹	2020 ¹	2020 ²	2021 ³	2021
ADMINISTRATION					
Director	3	3	3	3	\$ 495,111
Specialist	4	3	3	3	220,502
Total	7	6	6	6	715,613
FINANCE					
Division Manager	1	1	1	1	135,532
Supervision	1	1	1	1	84,707
Specialist	2	2	2	2	165,238
Skills & Trade	13	13	13	13	755,067
Total	17	17	17	17	1,140,544
INFORMATION SYSTEMS					
Manager	1	1	1	1	116,586
Specialist	3	3	3	3	243,545
Skills & Trade	2	2	2	2	127,020
Total	6	6	6	6	487,151
WATER QUALITY, TREATING & PUMPING					
Division Manager	1	1	1	1	135,532
Manager	1	1	1	1	116,586
Supervision	2	2	2	2	199,136
Specialist	3	3	3	4	317,176
Skills & Trade	23	23	23	24	1,626,119
Total	30	30	30	32	2,394,549
TRANSMISSION, DISTRIBUTION & ENGINEERING					
Division Manager	1	1	1	1	135,532
Manager	3	3	3	3	349,759
Supervision	2	2	2	2	199,136
Specialist	2	3	3	3	226,532
Skills & Trade	51	49	49	49	2,960,483
Total	59	58	58	58	3,871,442
FACILITIES OPERATIONS & MAINTENANCE					
Manager	1	1	1	1	116,586
Specialist	2	2	2	1	57,598
Skills & Trade	6	6	6	6	432,820
Total	9	9	9	8	607,004
WATER RESOURCES					
Division Manager	1	1	1	1	135,532
Supervision	1	1	1	1	99,568
Specialist	1	1	1	1	95,083
Total	3	3	3	3	330,183
HUMAN RESOURCES					
Manager	1	1	1	1	104,630
Specialist	4	4	4	4	276,098
Total	5	5	5	5	380,728
TOTAL FULL TIME POSITIONS	136	134	134	135	\$ 9,927,214

¹ Actual Number of Full Time Employees² 2020 Budgeted Number of Full Time Employees³ 2021 Budgeted Number of Full Time Employees

BOARD OF WATER WORKS OF PUEBLO, COLORADO
10 YR CAPITAL OUTLAY PROJECTIONS

DESCRIPTION	BUDGET	PROJECTED								
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EQUIPMENT										
Administration	\$ 25,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -
Finance	25,000	-	-	10,500	10,000	-	15,000	-	5,000	-
Information Systems	92,500	150,000	-	65,500	47,000	215,000	75,000	45,000	143,000	17,500
Water Quality, Treating & Pumping	32,000	255,000	5,000	165,000	5,000	50,000	50,000	5,000	55,000	5,000
Transmission, Distribution & Engineering	383,322	342,000	325,000	335,000	325,000	330,000	361,000	330,000	337,000	335,000
Facilities Operation & Maintenance	273,600	19,750	19,750	19,750	59,750	29,750	19,750	19,750	174,750	19,750
Water Resources	-	-	-	-	-	7,000	32,000	-	-	-
Human Resources	-	-	-	5,000	10,000	-	-	-	5,000	-
Total equipment	<u>831,422</u>	<u>766,750</u>	<u>359,750</u>	<u>600,750</u>	<u>456,750</u>	<u>631,750</u>	<u>552,750</u>	<u>399,750</u>	<u>729,750</u>	<u>377,250</u>
IMPROVEMENTS AND REPLACEMENTS										
Administration	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-	-	-	-
Water Quality, Treating & Pumping	-	-	-	-	-	-	-	-	-	-
Transmission, Distribution & Engineering	5,689,494	3,883,500	4,130,500	3,713,500	3,713,500	4,143,500	4,573,500	4,573,500	4,573,500	4,573,500
Facilities Operation & Maintenance	5,140,000	4,673,500	1,559,000	2,088,500	1,126,500	1,945,000	891,000	4,943,000	1,043,000	803,500
Water Resources	-	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Human Resources	-	-	-	-	-	-	-	-	-	-
Total improvements and replacements	<u>10,829,494</u>	<u>8,557,000</u>	<u>5,689,500</u>	<u>5,827,000</u>	<u>4,865,000</u>	<u>6,113,500</u>	<u>5,489,500</u>	<u>9,541,500</u>	<u>5,641,500</u>	<u>5,402,000</u>
EXPANSION										
Administration	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-	-	-	-
Water Quality, Treating & Pumping	-	-	-	-	-	-	-	-	-	-
Transmission, Distribution & Engineering	427,380	1,886,000	2,518,300	583,000	2,099,000	1,059,000	1,047,000	647,000	647,000	647,000
Facilities Operation & Maintenance	-	-	-	-	-	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-	-	-	-
Total expansion	<u>427,380</u>	<u>1,886,000</u>	<u>2,518,300</u>	<u>583,000</u>	<u>2,099,000</u>	<u>1,059,000</u>	<u>1,047,000</u>	<u>647,000</u>	<u>647,000</u>	<u>647,000</u>
Total capital outlay	<u>\$ 12,088,296</u>	<u>\$ 11,209,750</u>	<u>\$ 8,567,550</u>	<u>\$ 7,010,750</u>	<u>\$ 7,420,750</u>	<u>\$ 7,804,250</u>	<u>\$ 7,089,250</u>	<u>\$ 10,588,250</u>	<u>\$ 7,018,250</u>	<u>\$ 6,426,250</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
OPERATING AND CAPITAL FUNDS
CASH FLOW ANALYSIS

OPERATING FUND	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
BEGINNING ESTIMATED CASH AVAILABLE	\$ 19,697,827	\$ 13,098,266	\$ 10,761,938	\$ 12,963,720	\$ 19,515,733	\$ 25,883,999	\$ 31,661,037	\$ 38,042,204	\$ 40,366,025	\$ 45,603,086
Revenues										
Sales Revenue Under Existing Rates										
General Water Sales	25,703,289	25,703,289	25,703,289	25,703,289	25,707,885	25,707,885	25,707,885	25,707,885	25,707,885	25,707,885
Raw Water Sales	11,370,861	11,290,255	11,290,255	13,536,387	13,440,897	13,250,777	13,173,728	12,833,713	12,719,387	12,719,387
Public Fire Protection	9,614	9,614	9,614	9,614	9,614	9,614	9,614	9,614	9,614	9,614
Private Fire Protection	71,544	71,544	71,544	71,544	71,544	71,544	71,544	71,544	71,544	71,544
Total Sales Revenue Under Existing Rates	37,155,308	37,074,702	37,074,702	39,320,834	39,229,940	39,039,820	38,962,771	38,622,756	38,508,430	38,508,430
Additional Sales Revenue Required	650,217	1,686,204	2,752,129	4,186,055	5,478,567	6,786,772	7,688,100	8,545,884	9,461,166	10,420,557
Total Sales Revenue	37,805,525	38,760,906	39,826,831	43,506,889	44,708,507	45,826,592	46,650,871	47,168,640	47,969,596	48,928,987
Raw Water Sales	-	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Other Operating Revenue	2,591,609	2,613,400	2,163,521	2,138,244	2,165,266	2,193,099	2,212,211	2,231,705	2,251,589	2,271,871
Transfers										
Transfer (to) from Working Capital Reserve	(327,421)	(91,980)	(135,526)	(124,726)	(129,408)	(178,421)	(139,109)	(144,361)	(197,720)	(155,255)
Transfer (to) from Water Development Fund	(1,837,980)	(1,912,167)	236,607	149,914	225,208	132,312	66,568	(1,921)	(63,429)	(3,368,733)
Transfer (to) from Capital Fund	(10,396,874)	(9,583,000)	(7,347,800)	(5,450,000)	(6,004,000)	(6,212,500)	(5,526,500)	(9,178,500)	(5,278,500)	(5,039,000)
Nonoperating Revenue										
Gain on Sale of Assets	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Interest Income	91,779	69,636	64,037	86,110	118,235	148,953	179,415	201,362	220,551	256,033
Total Operating Fund Revenue	27,946,637	30,626,796	35,577,670	41,076,431	41,853,808	42,680,035	44,213,456	41,046,926	45,672,087	43,663,904
Revenue Requirements										
Operation & Maintenance Expense	28,260,614	28,961,815	29,931,438	30,840,219	31,782,042	33,026,747	34,038,539	35,087,355	36,466,026	37,593,276
Existing Debt Service	5,454,163	3,234,558	3,084,700	3,083,450	3,246,750	3,244,500	3,241,000	3,236,000	3,239,250	-
Routine Capital Replacements	831,422	766,750	359,750	600,750	456,750	631,750	552,750	399,750	729,750	377,250
Total Revenue Requirements	34,546,199	32,963,123	33,375,888	34,524,419	35,485,542	36,902,997	37,832,289	38,723,105	40,435,026	37,970,526
Annual Surplus (Deficiency)	(6,599,562)	(2,336,327)	2,201,782	6,552,012	6,368,266	5,777,038	6,381,167	2,323,821	5,237,061	5,693,378
ENDING ESTIMATED CASH AVAILABLE	\$ 13,098,266	\$ 10,761,938	\$ 12,963,720	\$ 19,515,733	\$ 25,883,999	\$ 31,661,037	\$ 38,042,204	\$ 40,366,025	\$ 45,603,086	\$ 51,296,464

BOARD OF WATER WORKS OF PUEBLO, COLORADO
OPERATING AND CAPITAL FUNDS
CASH FLOW ANALYSIS

CAPITAL FUND	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
BEGINNING ESTIMATED CASH AVAILABLE	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Sources of Funds										
Transfer From (To) Operating Fund	10,396,874	9,583,000	7,347,800	5,450,000	6,004,000	6,212,500	5,526,500	9,178,500	5,278,500	5,039,000
Main Assessments	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Contributions	-	-	-	-	-	-	-	-	-	-
Plant Water Investment Fees	850,000	850,000	850,000	950,000	950,000	950,000	1,000,000	1,000,000	1,000,000	1,000,000
Proposed Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Total Sources	11,256,874	10,443,000	8,207,800	6,410,000	6,964,000	7,172,500	6,536,500	10,188,500	6,288,500	6,049,000
Uses of Funds										
Major Capital Improvements										
Funded by Reserves	11,256,874	10,443,000	8,207,800	6,410,000	6,964,000	7,172,500	6,536,500	10,188,500	6,288,500	6,049,000
Funded by Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total Major Capital Improvements	11,256,874	10,443,000	8,207,800	6,410,000	6,964,000	7,172,500	6,536,500	10,188,500	6,288,500	6,049,000
Debt Issuance Expense	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-	-	-	-	-	-
Capitalized Interest	-	-	-	-	-	-	-	-	-	-
Total Uses	11,256,874	10,443,000	8,207,800	6,410,000	6,964,000	7,172,500	6,536,500	10,188,500	6,288,500	6,049,000
Annual Surplus (Deficiency)	-	-	-	-	-	-	-	-	-	-
ENDING ESTIMATED CASH AVAILABLE	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
OPERATION & MAINTENANCE RESERVE FUND	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
BEGINNING ESTIMATED CASH AVAILABLE	\$ 4,294,533	\$ 4,645,580	\$ 4,760,846	\$ 4,920,236	\$ 5,069,625	\$ 5,224,445	\$ 5,429,054	\$ 5,595,376	\$ 5,767,784	\$ 5,994,415
Sources of Funds										
Transfer From (To) Operating Fund	327,421	91,980	135,526	124,726	129,408	178,421	139,109	144,361	197,720	155,255
Interest Income	23,626	23,286	23,864	24,663	25,412	26,188	27,213	28,047	28,911	30,047
Total Sources	351,047	115,266	159,390	149,389	154,820	204,609	166,322	172,408	226,631	185,302
ENDING ESTIMATED CASH AVAILABLE	\$ 4,645,580	\$ 4,760,846	\$ 4,920,236	\$ 5,069,625	\$ 5,224,445	\$ 5,429,054	\$ 5,595,376	\$ 5,767,784	\$ 5,994,415	\$ 6,179,717

BOARD OF WATER WORKS OF PUEBLO, COLORADO
OPERATING AND CAPITAL FUNDS
CASH FLOW ANALYSIS

WATER DEVELOPMENT FUND	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
BEGINNING ESTIMATED CASH AVAILABLE	\$ 6,325,866	\$ 7,157,556	\$ 8,909,892	\$ 8,491,789	\$ 22,258,751	\$ 22,019,238	\$ 8,914,260	\$ 8,842,083	\$ 8,838,204	\$ 8,895,968
Sources of Funds										
Net Transfer (To)/From Operating Fund & Other Revenue	1,837,980	1,912,167	(236,607)	(149,914)	(225,208)	(132,312)	(66,568)	1,921	63,429	3,368,733
Sale of Property	-	-	-	14,000,000	-	-	-	-	-	-
Interest Income	33,710	40,169	43,504	41,876	110,695	77,334	44,391	44,201	44,335	15,315
Total Sources	1,871,690	1,952,336	(193,103)	13,891,962	(114,513)	(54,978)	(22,177)	46,122	107,764	3,384,048
Uses of Funds	1,040,000	200,000	225,000	125,000	125,000	13,050,000	50,000	50,000	50,000	15,050,000
ENDING ESTIMATED CASH AVAILABLE	\$ 7,157,556	\$ 8,909,892	\$ 8,491,789	\$ 22,258,751	\$ 22,019,238	\$ 8,914,260	\$ 8,842,083	\$ 8,838,204	\$ 8,895,968	\$ (2,769,984)
TOTAL OPERATING & RESERVE FUNDS	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Fund Cash Balance	\$ 13,098,266	\$ 10,761,938	\$ 12,963,720	\$ 19,515,733	\$ 25,883,999	\$ 31,661,037	\$ 38,042,204	\$ 40,366,025	\$ 45,603,086	\$ 51,296,464
Capital Fund Cash Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operation & Maintenance Reserve Cash Balance	4,645,580	4,760,846	4,920,236	5,069,625	5,224,445	5,429,054	5,595,376	5,767,784	5,994,415	6,179,717
Water Development Fund Cash Balance	7,157,556	8,909,892	8,491,789	22,258,751	22,019,238	8,914,260	8,842,083	8,838,204	8,895,968	(2,769,984)
Total Ending Estimated Cash Balance	\$ 25,901,402	\$ 25,432,676	\$ 27,375,745	\$ 47,844,109	\$ 54,127,682	\$ 47,004,351	\$ 53,479,663	\$ 55,972,013	\$ 61,493,469	\$ 55,706,197

Note:

(a) Operating & Maintenance reserve cash balance is maintained at an amount equal to 60 days of operation and maintenance expense.

(b) Capital Fund reserve cash balance is maintained at not less than \$1 million.

(c) Debt Service Coverage:	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water Sales Revenue Increases (%)	1.75%	2.75%	2.75%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%
No. of Months Increase is in Effect	12	12	12	12	12	12	12	12	12	12
Debt Service Coverage Calculation										
Revenue	41,426,249	43,137,397	43,751,757	61,527,782	48,858,115	50,002,166	50,894,101	51,453,955	52,294,982	53,282,253
Operation & Maintenance Expense	28,260,614	28,961,815	29,931,438	30,840,219	31,782,042	33,026,747	34,038,539	35,087,355	36,466,026	37,593,276
Net Revenue	13,165,635	14,175,582	13,820,319	30,687,563	17,076,073	16,975,419	16,855,562	16,366,600	15,828,956	15,688,977
Total Debt Service	5,454,163	3,234,558	3,084,700	3,083,450	3,246,750	3,244,500	3,241,000	3,236,000	3,239,250	-
Debt Service Coverage	241%	438%	448%	995%	526%	523%	520%	506%	489%	#DIV/0!

BOARD OF WATER WORKS OF PUEBLO, COLORADO
TYPICAL BILL COMPARISONS
CURRENT RATE -VS- 2021 RATE
1.75% INCREASE

DEFINITIONS:

MINIMUM CONSUMER - The minimum consumer is one who may only use 2,000 gallons per month, or less. The majority of all minimum customers are serviced by the smallest water meter (3/4"). This can differ in some cases. Summer usage may rise above minimum.

AVERAGE RESIDENTIAL CONSUMER - For this comparison, the average residential consumer is one who uses more than the minimum and consumes 11,000 gallons per month over a one year period. These consumers may be serviced by a 3/4" water meter, but more likely would have a 1" meter. Although, due to drought induced conservation, a typical residential customer is projected to use 104,000 gallons annually, for the purposes of this comparison 132,000 gallons has been used.

DESCRIPTIONS	2020	2021	DOLLAR INCREASE
MINIMUM CONSUMER			
Readiness to serve charge (includes 2000 gallons)			
3/4" Meter	\$ 12.76	\$ 12.98	\$ 0.22
1" Meter	\$ 16.31	\$ 16.60	\$ 0.29
AVERAGE RESIDENTIAL CONSUMER			
3/4" Meter - Readiness to serve charge	\$ 12.76	\$ 12.98	\$ 0.22
9,000 gallons @ \$ 2.93 and \$ 2.98 respectively	26.37	26.82	0.45
Total average monthly bill	<u>\$ 39.13</u>	<u>\$ 39.80</u>	<u>\$ 0.67</u>
1" Meter - Readiness to serve charge	\$ 16.31	\$ 16.60	\$ 0.29
9,000 gallons @ \$ 2.93 and \$ 2.98 respectively	26.37	26.82	0.45
Total average monthly bill	<u>\$ 42.68</u>	<u>\$ 43.42</u>	<u>\$ 0.74</u>

BOARD OF WATER WORKS OF PUEBLO, COLORADO
HISTORY OF WATER RATE CHANGES - SINCE 1981

YEAR	¹ CPI CHANGE	WATER RATE CHANGE	VOLUME CHARGE PER 1000/GAL	
			BEG.	END
1981	10.10%	11.80%	\$	\$ 0.85
1982	8.50%	7.00%	0.85	0.91
1983	5.40%	11.00%	0.91	1.01
1984	3.70%	6.00%	1.01	1.07
1985	2.60%	4.00%	1.07	1.11
1986	0.70%	6.00%	1.11	1.18
1987	2.60%	-	1.18	1.18
1988	2.60%	3.00%	1.18	1.22
1989	1.80%	-	1.22	1.22
1990	4.30%	-	1.22	1.22
1991	3.60%	-	1.22	1.22
1992	3.60%	-	1.22	1.22
1993	4.20%	2.50%	1.22	1.25
1994	4.00%	-	1.25	1.25
1995	4.90%	4.00%	1.25	1.30
1996	3.50%	4.40%	1.30	1.36
1997	3.40%	2.90%	1.36	1.40
1998	2.20%	2.00%	1.40	1.43
1999	2.90%	1.50%	1.43	1.45
2000	3.18%	2.25%	1.45	1.48
2001	5.40%	2.25%	1.48	1.51
2002	2.20%	2.50%	1.51	1.55
2003	1.73%	3.00%	1.55	1.60
2004	-0.69%	2.35%	1.60	1.64
2005	1.50%	3.00%	1.64	1.69
2006	3.75%	4.25%	1.69	1.76
2007	2.52%	4.00%	1.76	1.83
2008	3.72%	4.50%	1.83	1.91
2009	-0.62%	4.75%	1.91	2.00
2010	1.70%	5.00%	2.00	2.10
2011	3.83%	5.00%	2.10	2.21
2012	1.78%	3.50%	2.21	2.29
2013	2.77%	2.75%	2.29	2.35
2014	2.90%	3.00%	2.35	2.42
2015	1.00%	3.25%	2.42	2.50
2016	3.00%	3.00%	2.50	2.58
2017	3.10%	3.25%	2.58	2.66
2018	3.50%	2.75%	2.66	2.73
2019	2.10%	3.50%	2.73	2.83
2020	1.10%	3.50%	2.83	2.93
TOTAL	124.07%	137.5%		

Note: As of 2018 CPI was reported bi monthly, CPI for 2020 is as of July 31

¹CPI - Denver area urban consumer price index as of June 30th (Base period: 1982-84=100)

Source: U.S. Department of Labor, Bureau of Labor Statistics

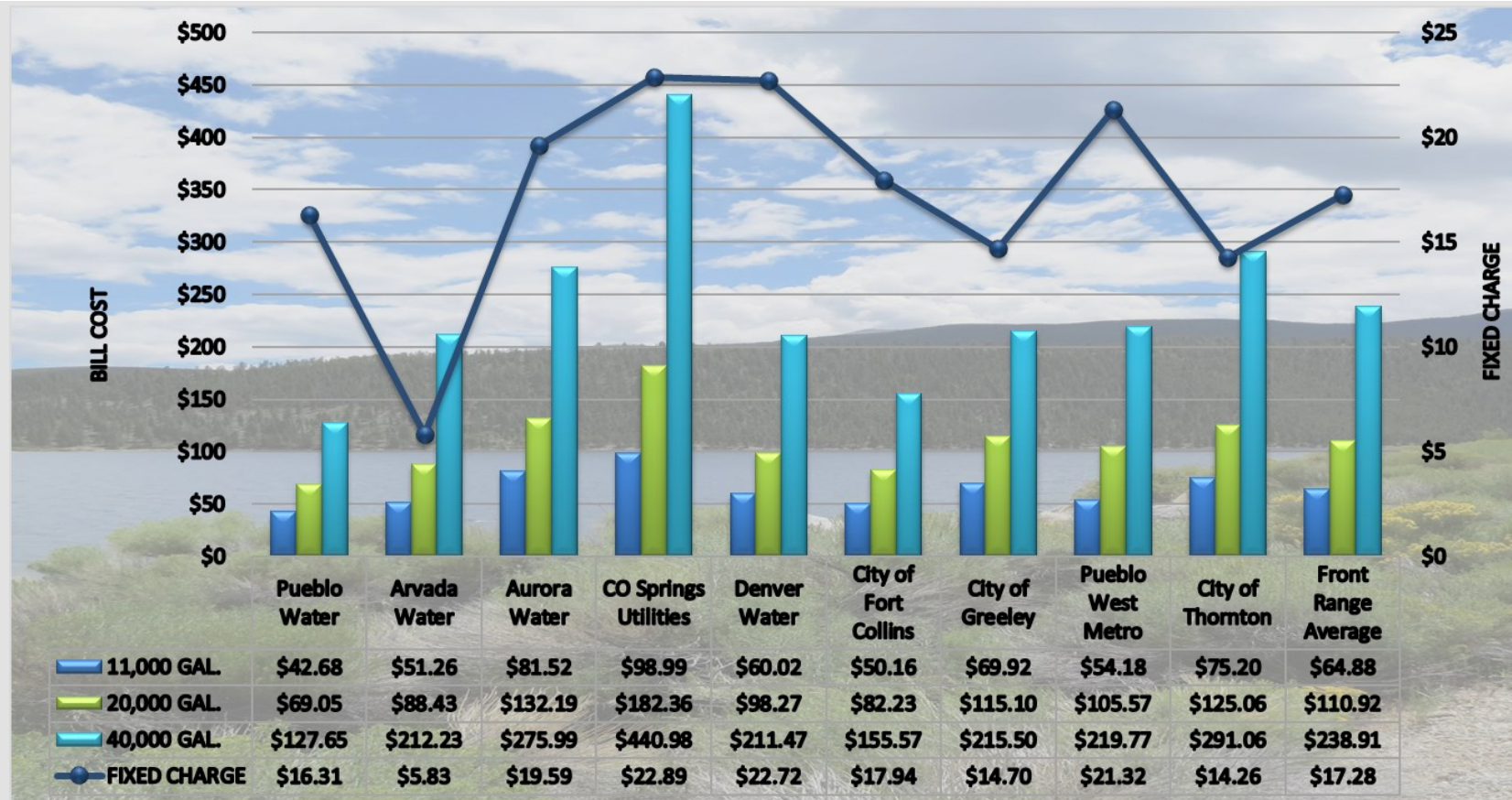
**PUEBLO AND OTHER FRONT RANGE WATER UTILITIES
2020**

INSIDE CITY ¹	ANNUAL WATER CHARGES			PERCENT OF PUEBLO CHARGES		
	132 thous gallons	180 thous gallons	216 thous gallons	132 thous gallons	180 thous gallons	216 thous gallons
Colorado Springs	\$ 1,187.88	\$ 1,601.40	\$ 1,911.60	231.94%	245.31%	252.10%
Westminster	1,088.04	1,498.68	1,792.08	212.44%	229.58%	236.33%
Englewood	997.20	997.20	997.20	194.70%	152.76%	131.51%
Aurora	978.24	1,248.48	1,451.16	191.00%	191.25%	191.38%
Thornton	902.40	1,168.32	1,367.76	176.19%	178.97%	180.38%
Golden	862.20	1,173.48	1,401.00	168.35%	179.76%	184.76%
Northglenn	861.72	1,156.44	1,377.48	168.25%	177.15%	181.66%
Greeley	839.04	1,080.00	1,260.72	163.82%	165.44%	166.26%
Boulder	822.12	1,055.88	1,231.20	160.52%	161.75%	162.37%
Broomfield	758.16	915.60	1,033.68	148.03%	140.26%	136.32%
Denver	720.24	924.24	1,077.24	140.63%	141.58%	142.06%
Highlands Ranch	705.12	892.32	1,032.72	137.68%	136.69%	136.19%
Pueblo West	650.16	924.24	1,129.80	126.94%	141.58%	149.00%
Louisville	621.72	884.28	1,081.20	121.39%	135.46%	142.59%
Arvada	615.12	813.36	1,061.16	120.10%	124.60%	139.94%
Fort Collins	601.92	766.56	898.68	117.53%	117.43%	118.52%
Lafayette	592.08	742.32	855.00	115.60%	113.71%	112.76%
Pueblo	512.16	652.80	758.28	100.00%	100.00%	100.00%
Average	795.31	1,027.53	1,206.55			

¹Based on residential rates using 1" meters

WATER RATES OF FRONT RANGE CITIES COMPARISON

	Pueblo Water	Arvada Water	Aurora Water	CO Springs Utilities	Denver Water	City of Fort Collins	City of Greeley	Pueblo West Metro	City of Thornton
COST PER 1,000 GAL.	\$2.93	0-30K \$4.13 30-60K \$5.16 60-90K \$6.20 >90K \$8.26	0-20K \$5.63 20-40K \$6.41 >40K \$8.01	0-7,473gal \$6.10 7,451-18,649gal \$8.59 >18,656gal \$12.90	0-5K \$2.36 6-20K \$4.25 >21K \$5.66	0-7K \$2.78 7-13K \$3.19 >13K \$3.67	\$5.02	1-5K \$2.17 5-10K \$3.26 >10K \$5.71	1-20K \$5.54 >20K \$8.30
<i>Change from previous year</i>	+3.5%	+4.3%	0.0%	+5.4%	+3.1%	+0.4%	+8.7%	+1.9%	+3.0%



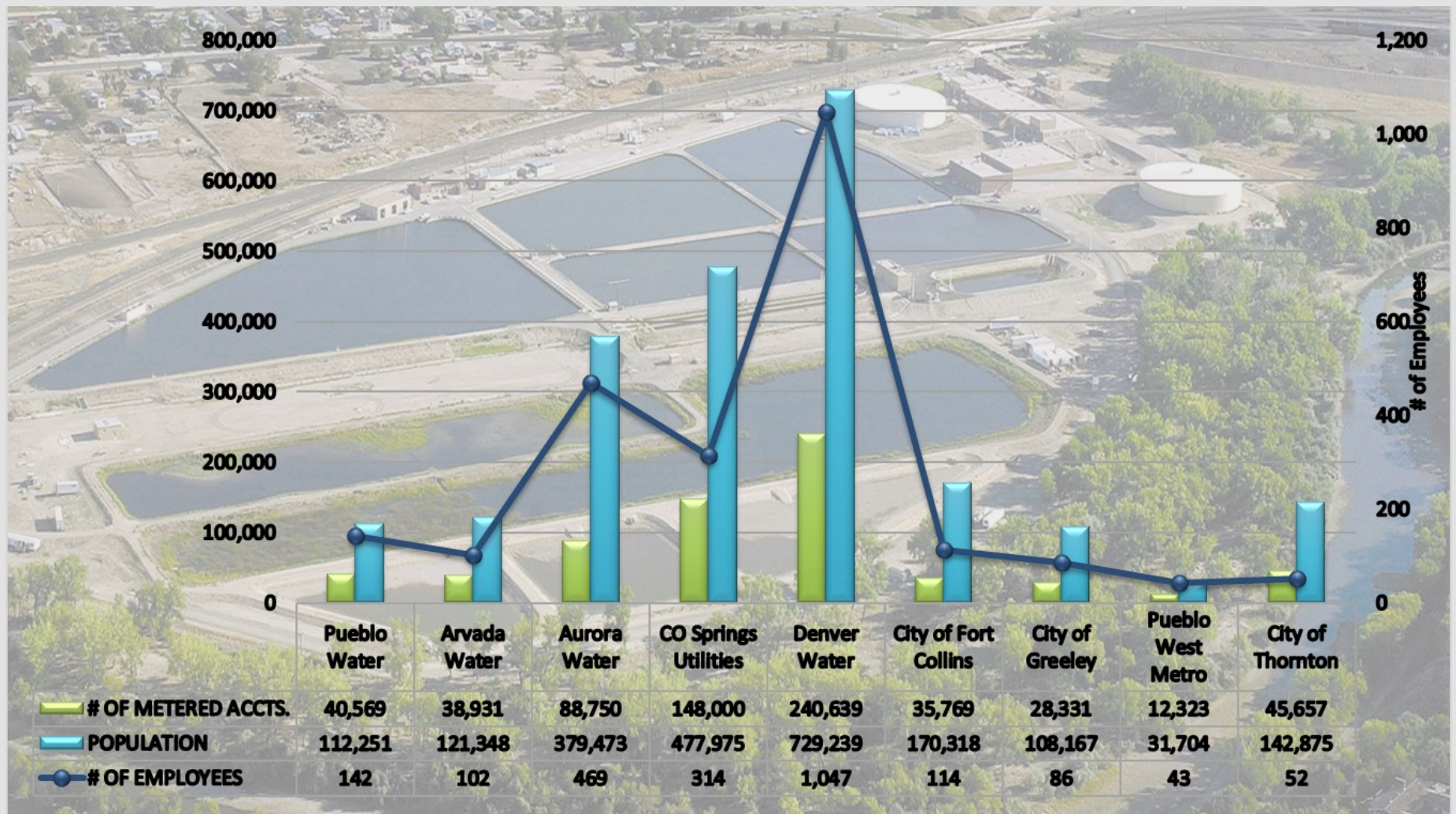
Bill costs calculated based on 1" meter.

Pueblo Water fixed charge includes first 2,000 gallons of water.

Arvada Water fixed charge is a Bi-Monthly Charge.

CO Springs Utilities charges by the cubic foot (cf) so cost per 1,000 gallons was converted.

FRONT RANGE WATER UTILITY COMPARISON



CO Springs Utilities & Pueblo West Metro employee figures include water and wastewater employees.

Source, population figures: 2019 Colo County & Municipal population estimate (<https://demography.dola.colorado.gov/population/data/muni-pop-housing/>)

Source, Pueblo West population figures: Pueblo West Metro public records ([FINAL Pueblo West Population Forecast Report](#))

PLANT WATER INVESTMENT FEES COMPARISON

PWIF Fee	Pueblo Water	Arvada Water	Aurora Water	CO Springs Utilities	Denver Water	City of Fort Collins	City of Greeley	Highlands Ranch Metro District	Pueblo West Metro	City of Thornton
3/4" Residential	5,246	19,275	6,100	5,779-12,913	3,030/.70 sq. ft	730/.39sq ft	10,500	7,690	12,360	9,115
1" Residential	5,246	19,275	6,100	15,487	3,030/.70 sq. ft	1,237/.39sq ft	17,700	7,690	19,669	n/a
Multi-Family	2,981/unit	9,640/unit	9760/unit	5,295/unit	10,040*	550/.29sq ft	5,250/unit	5,510/unit	n/a	4,934/unit
Duplex	5,962	14,460	19,520	10,590	10,040	550/.29sq ft	10,500	11,020	n/a	5,443
3/4" Commercial	2,603	28,910	22,195	9,292	10,730	8,790	10,500	11,380	12,360	15,191
1"	5,081	48,190	39,729	15,487	19,170	23,060	17,700	22,760	19,669	24,306
1 1/2"	25,905	96,380	87,227	30,973	42,180	45,610	35,700	45,520	38,626	30,382
2"	32,835	154,200	**	49,557	76,690	78,820	57,200	91,040	61,272	97,222
3"	63,107	327,680	**	92,920	126,426	**	125,000	204,840	121,831	194,445
4"	217,804	578,250	**	154,867	229,917	**	216,600	***	****	303,820
6"	449,352	n/a	**	495,542	517,374	**	450,000	***	****	n/a
8"	1,042,848	n/a	**	867,222	774,957	**	n/a	***	****	n/a

*Denver Water multi-family rate covers first two units. Each unit after is \$2,420 each.

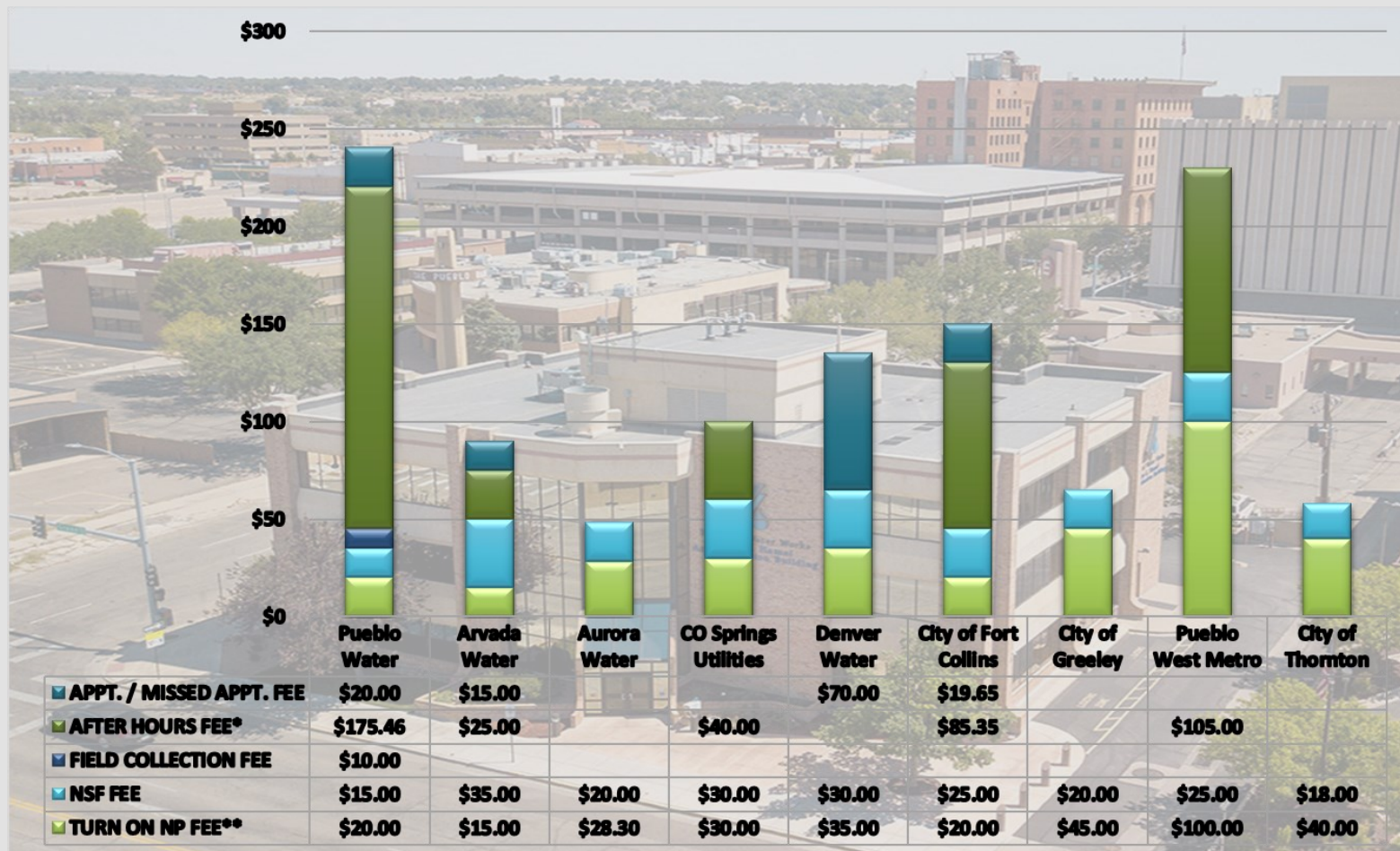
**Anything 2"-3" and above is based on peak day demand.

***Anything over 3" is based on demand needs or individual basis.

****Rates based on compound meter. Rates for turbine meters: 3" is \$132,231. larger sizes upon request.

UTILITY FEES COMPARISON

Fee Type	Pueblo Water	Arvada Water	Aurora Water	CO Springs Utilities	Denver Water	City of Fort Collins	City of Greeley	Pueblo West Metro	City of Thornton
LATE FEE	N/A	\$10.00	5% late fee (5 days past due)	N/A	5% late fee (up to \$250)	\$10.00 (22 day grace period)	N/A	up to \$15.00	\$10.00



Utilities with blank data table cells do not charge the mentioned fee.

*Pueblo West Metro charges a minimum \$105 after hours fee + \$35/hr overtime.

**Aurora Water and Colorado Springs Utilities also charge a turn off fee of \$28.30 and \$20.00 respectively.

GLOSSARY

A

Accrual – the accumulation or increase of something over time, especially payments or benefits.

Arbitrage – the simultaneous buying and selling of securities, currency, or commodities in different markets or in derivative forms in order to take advantage of differing prices for the same asset.

Average Residential Consumer – For this comparison, the average residential consumer is one who uses more than the minimum and consumes 11,000 gallons per month over a one-year period. These consumers may be serviced by a ¾” water meter, but more likely would have a 1” meter. Although, due to drought induced conservation, a typical residential customer is projected to use 110,000 gallons annually, for the purposes of this comparison, 132,000 gallons has been used.

Acre-Foot – volume of water equal to one foot in depth covering an area of one acre, or 43,560 cubic feet; approximately 325,851 gallons.

Audit – an official inspection of an individual's or organization's accounts, typically by an independent body.

B

Balanced Budget – a situation in financial planning or the budgeting process where total expected revenues are equal to total planned spending.

Bonds – a fixed income instrument that represents a loan made by an investor to a borrower.

Budget – an estimate of income and expenditure for a set period of time.

C

Capital Outlay (Capital Expenditures) – money spent to acquire a fixed asset or to extend its useful life over \$5,000.

Cathodic Protection – a technique used to control the corrosion of a metal surface by making it the cathode of an electrochemical cell.

D

Debt Retirement – the act of repaying debt.

Debt Service – principal and interest due on long-term debt.

Depreciation – a reduction in the value of an asset with the passage of time, due to wear and tear.

E

Enterprise Fund – a self-supporting government fund that sells goods and services to the public for a fee.

F

Fund – a pool of money that is allocated for a specific purpose.

Fund Balance – the difference between fund assets and fund liabilities.

M

Minimum Consumer – The minimum consumer is one who may only use 2,000 gallons per month, or less. The majority of all minimum customers are serviced by the smallest water meter (3/4”). This can differ in some cases. Summer usage may rise above minimum.

N

Non-Operating Revenues – revenues that do not come from basic, day-to-day operations, example, interest income.

O

Operating Revenue – revenue from the sale of water.

P

Plant Water Investment Fees – fees associated with the construction or remodel of a structure.

R

Raw Water – water that has not been treated.

Redundancy – the inclusion of extra components which are not strictly necessary to functioning, in case of failure in other components.

Reservoir – an impoundment to collect and store water.

T

Transmountain Collection – collection of water through a mountain.

W

Water Rights – historical rights that give a party the rights to water usage from specific channels.

ACRONYMS

CWRDPA – Colorado Water Resources and Power Development Authority

EPA – Environmental Protection Agency

FASB – Financial Accounting Standards Board

FO&M – Facilities, Operation, and Maintenance Division

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GFOA – Government Finance Officers Association

GIS – Geographic Information System

HR – Human Resources

IS – Information Systems

O&M – Operations and Maintenance

SCADA – Supervisory Control and Data Acquisition

TD&E – Transmission, Distribution, and Engineering

TIF – Tax Increment Financing

WDF – Water Development Fund

WQT&P – Water Quality, Treating, and Pumping

WR – Water Resources



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Photo by Sarah Mutz, Pueblo Water's Water Quality Lab Specialist

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