



OVERVIEW

SUPPLEMENTARY INFORMATION

The Board of Water Works of Pueblo, Colorado is committed to providing its customers with the highest quality of water at the lowest possible cost. To ensure that it accomplishes this mission, the Board 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, ten year capital projections, ten 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 the Board'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 the Board. The second is a cash flow analysis of the next ten years. In developing the cash flow analysis, the Board must make many assumptions. Examples of these assumptions include, but are not limited to: growth rate of the Board's customer base, inflation rates for various operating costs, interest rates, and water rate increases. The assumptions are incorporated with historical data in order to project the Board's cash flow out into the future. This is a very important tool to ensure the Board 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 2008 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 the Board 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:

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