

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

| OPERATING FUND | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| BEGINNING ESTIMATED CASH AVAILABLE | \$ 14,588,394 | \$ 11,080,052 | \$ 8,478,515 | \$ 6,681,729 | \$ 5,094,589 | \$ 3,170,470 | \$ 2,055,669 | \$ 2,075,946 | \$ 2,656,572 | \$ 3,043,682 |
| Revenues | | | | | | | | | | |
| Sales Revenue Under Existing Rates | | | | | | | | | | |
| General Water Sales | 16,717,126 | 16,896,798 | 17,071,792 | 17,246,057 | 17,424,769 | 17,606,173 | 17,791,140 | 17,974,575 | 18,159,816 | 18,348,882 |
| Raw Water Sales | 3,364,515 | 3,399,911 | 3,435,222 | 5,270,153 | 5,260,757 | 5,221,476 | 5,198,389 | 5,192,090 | 5,192,090 | 5,192,090 |
| Public Fire Protection | 4,118 | 4,118 | 4,118 | 4,118 | 4,118 | 4,118 | 4,118 | 4,118 | 4,118 | 4,118 |
| Private Fire Protection | 63,491 | 63,491 | 63,491 | 63,491 | 63,491 | 63,491 | 63,491 | 63,491 | 63,491 | 63,491 |
| Total Sales Revenue Under Existing Rates | 20,149,250 | 20,364,318 | 20,574,623 | 22,583,819 | 22,753,135 | 22,895,258 | 23,057,138 | 23,234,274 | 23,419,515 | 23,608,581 |
| Additional Sales Revenue Required | 1,696,567 | 2,597,836 | 3,552,634 | 4,958,899 | 6,106,045 | 7,305,764 | 8,574,002 | 9,755,467 | 10,997,092 | 12,300,178 |
| Total Sales Revenue | 21,845,817 | 22,962,154 | 24,127,257 | 27,542,718 | 28,859,180 | 30,201,022 | 31,631,140 | 32,989,741 | 34,416,607 | 35,908,759 |
| Raw Water Sales | 944,506 | 980,066 | 1,018,471 | 1,059,949 | 1,104,745 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Miscellaneous Operating Revenue | 824,926 | 842,679 | 861,142 | 880,344 | 900,314 | 921,082 | 942,682 | 962,337 | 982,680 | 1,003,736 |
| Transfers | | | | | | | | | | |
| Transfer (to) from Working Capital Reserve | (248,504) | (28,304) | (9,156) | (31,159) | 1,033 | 931 | 820 | 696 | 566 | 421 |
| Transfer (to) from Water Development Fund | (520,985) | (530,287) | (539,492) | (2,464,818) | (2,548,411) | (2,635,467) | (2,726,047) | (2,819,186) | (2,915,870) | (2,925,652) |
| Transfer to Capital Fund | (740,445) | (1,350,000) | (530,000) | (1,190,000) | (2,055,000) | (710,000) | (200,000) | (255,000) | (770,000) | (300,000) |
| Nonoperating Revenue | | | | | | | | | | |
| Gain on Sale of Assets | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Interest Income | 475,607 | 375,675 | 284,181 | 270,590 | 223,736 | 149,987 | 123,495 | 136,605 | 164,247 | 189,812 |
| Total Operating Fund Revenue | 22,582,922 | 23,253,983 | 25,214,403 | 26,069,624 | 26,487,597 | 28,429,555 | 30,274,090 | 31,517,193 | 32,380,230 | 34,379,076 |
| Revenue Requirements | | | | | | | | | | |
| Operation & Maintenance Expense | 19,934,969 | 20,817,299 | 21,614,582 | 22,574,119 | 23,372,003 | 24,198,929 | 25,055,993 | 25,944,331 | 26,865,118 | 27,819,586 |
| Existing Debt Service | 3,947,645 | 3,945,521 | 4,152,107 | 4,150,395 | 4,144,213 | 4,141,627 | 4,139,770 | 4,151,236 | 4,150,252 | 4,144,623 |
| Proposed Debt Service | - | - | - | - | - | - | - | - | - | - |
| Routine Capital Replacements | 2,208,650 | 1,092,700 | 1,244,500 | 932,250 | 895,500 | 1,203,800 | 1,058,050 | 841,000 | 977,750 | 881,050 |
| Total Revenue Requirements | 26,091,264 | 25,855,520 | 27,011,189 | 27,656,764 | 28,411,716 | 29,544,356 | 30,253,813 | 30,936,567 | 31,993,120 | 32,845,259 |
| Annual Surplus (Deficiency) | (3,508,342) | (2,601,537) | (1,796,786) | (1,587,140) | (1,924,119) | (1,114,801) | 20,277 | 580,626 | 387,110 | 1,533,817 |
| ENDING ESTIMATED CASH AVAILABLE | \$ 11,080,052 | \$ 8,478,515 | \$ 6,681,729 | \$ 5,094,589 | \$ 3,170,470 | \$ 2,055,669 | \$ 2,075,946 | \$ 2,656,572 | \$ 3,043,682 | \$ 4,577,499 |

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

| CAPITAL FUND | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| BEGINNING ESTIMATED CASH AVAILABLE | \$ 1,026,194 | \$ 1,001,464 | \$ 1,000,585 | \$ 996,897 | \$ 996,673 | \$ 995,784 | \$ 998,481 | \$ 1,020,309 | \$ 997,449 | \$ 999,627 |
| Sources of Funds | | | | | | | | | | |
| Transfer From (To) Operating Fund | 740,445 | 1,350,000 | 530,000 | 1,190,000 | 2,055,000 | 710,000 | 200,000 | 255,000 | 770,000 | 300,000 |
| Main Assessments | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Plant Water Investment Fees | 1,111,000 | 1,122,110 | 1,133,331 | 1,144,664 | 1,156,111 | 1,167,672 | 1,179,349 | 1,191,142 | 1,203,054 | 1,215,084 |
| Proposed Bond Proceeds | - | - | - | - | - | - | - | - | - | - |
| Interest Income | 21,575 | 11,061 | 25,331 | 13,712 | - | 22,125 | 31,479 | 30,498 | 21,124 | 29,306 |
| Total Sources | 1,893,020 | 2,503,171 | 1,708,662 | 2,368,376 | 3,231,111 | 1,919,797 | 1,430,828 | 1,496,640 | 2,014,178 | 1,564,390 |
| Uses of Funds | | | | | | | | | | |
| Major Capital Improvements | | | | | | | | | | |
| Funded by Reserves | 1,917,750 | 2,504,050 | 1,712,350 | 2,368,600 | 3,232,000 | 1,917,100 | 1,409,000 | 1,519,500 | 2,012,000 | 1,569,000 |
| Funded by Bond Proceeds | - | - | - | - | - | - | - | - | - | - |
| Total Major Capital Improvements | 1,917,750 | 2,504,050 | 1,712,350 | 2,368,600 | 3,232,000 | 1,917,100 | 1,409,000 | 1,519,500 | 2,012,000 | 1,569,000 |
| Debt Issuance Expense | - | - | - | - | - | - | - | - | - | - |
| Debt Service Reserve | - | - | - | - | - | - | - | - | - | - |
| Capitalized Interest | - | - | - | - | - | - | - | - | - | - |
| Total Uses | 1,917,750 | 2,504,050 | 1,712,350 | 2,368,600 | 3,232,000 | 1,917,100 | 1,409,000 | 1,519,500 | 2,012,000 | 1,569,000 |
| Annual Surplus (Deficiency) | (24,730) | (879) | (3,688) | (224) | (889) | 2,697 | 21,828 | (22,860) | 2,178 | (4,610) |
| ENDING ESTIMATED CASH AVAILABLE | \$ 1,001,464 | \$ 1,000,585 | \$ 996,897 | \$ 996,673 | \$ 995,784 | \$ 998,481 | \$ 1,020,309 | \$ 997,449 | \$ 999,627 | \$ 995,017 |
| OPERATION & MAINTENANCE RESERVE FUND | | | | | | | | | | |
| BEGINNING ESTIMATED CASH AVAILABLE | \$ 2,922,276 | \$ 3,276,981 | \$ 3,422,022 | \$ 3,553,082 | \$ 3,710,814 | \$ 3,841,973 | \$ 3,977,906 | \$ 4,118,793 | \$ 4,264,822 | \$ 4,416,184 |
| Sources of Funds | | | | | | | | | | |
| Transfer From (To) Operating Fund | 248,504 | 28,304 | 9,156 | 31,159 | (1,033) | (931) | (820) | (696) | (566) | (421) |
| Interest Income | 106,201 | 116,737 | 121,904 | 126,573 | 132,192 | 136,864 | 141,707 | 146,725 | 151,928 | 157,320 |
| Total Sources | 354,705 | 145,041 | 131,060 | 157,732 | 131,159 | 135,933 | 140,887 | 146,029 | 151,362 | 156,899 |
| ENDING ESTIMATED CASH AVAILABLE | \$ 3,276,981 | \$ 3,422,022 | \$ 3,553,082 | \$ 3,710,814 | \$ 3,841,973 | \$ 3,977,906 | \$ 4,118,793 | \$ 4,264,822 | \$ 4,416,184 | \$ 4,573,083 |

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

| WATER DEVELOPMENT FUND | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| BEGINNING ESTIMATED CASH AVAILABLE | \$ 10,788,631 | \$ 9,464,036 | \$ 10,188,238 | \$ 10,998,498 | \$ 13,797,241 | \$ 16,780,767 | \$ 19,959,183 | \$ 23,343,019 | \$ 26,942,196 | \$ 30,767,994 |
| Sources of Funds | | | | | | | | | | |
| Transfer From (To) Operating Fund & Other Revenue | 520,985 | 530,287 | 539,492 | 2,464,818 | 2,548,411 | 2,635,467 | 2,726,047 | 2,819,186 | 2,915,870 | 2,925,652 |
| Interest Income | 354,420 | 343,915 | 370,768 | 433,925 | 535,115 | 642,949 | 757,789 | 879,991 | 1,009,928 | 1,146,391 |
| Total Sources | 875,405 | 874,202 | 910,260 | 2,898,743 | 3,083,526 | 3,278,416 | 3,483,836 | 3,699,177 | 3,925,798 | 4,072,043 |
| Uses of Funds | | | | | | | | | | |
| Operation and Maintenance | 2,200,000 | 150,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| ENDING ESTIMATED CASH AVAILABLE | \$ 9,464,036 | \$ 10,188,238 | \$ 10,998,498 | \$ 13,797,241 | \$ 16,780,767 | \$ 19,959,183 | \$ 23,343,019 | \$ 26,942,196 | \$ 30,767,994 | \$ 34,740,037 |
| TOTAL OPERATING & RESERVE FUNDS | | | | | | | | | | |
| Operating Fund Cash Balance | \$ 11,080,052 | \$ 8,478,515 | \$ 6,681,729 | \$ 5,094,589 | \$ 3,170,470 | \$ 2,055,669 | \$ 2,075,946 | \$ 2,656,572 | \$ 3,043,682 | \$ 4,577,499 |
| Capital Fund Cash Balance | 1,001,464 | 1,000,585 | 996,897 | 996,673 | 995,784 | 998,481 | 1,020,309 | 997,449 | 999,627 | 995,017 |
| Operation & Maintenance Reserve Cash Balance | 3,276,981 | 3,422,022 | 3,553,082 | 3,710,814 | 3,841,973 | 3,977,906 | 4,118,793 | 4,264,822 | 4,416,184 | 4,573,083 |
| Water Development Fund Cash Balance | 9,464,036 | 10,188,238 | 10,998,498 | 13,797,241 | 16,780,767 | 19,959,183 | 23,343,019 | 26,942,196 | 30,767,994 | 34,740,037 |
| Total Ending Estimated Cash Balance | \$ 24,822,533 | \$ 23,089,360 | \$ 22,230,206 | \$ 23,599,317 | \$ 24,788,994 | \$ 26,991,239 | \$ 30,558,067 | \$ 34,861,039 | \$ 39,227,487 | \$ 44,885,636 |

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 \$ 1 million.

| (c) Debt Service Coverage: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Water Sales Revenue Increases (%) | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 3.50% | 3.50% | 3.50% |
| No. of Months Increase is in Effect | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Debt Service Coverage Calculation | | | | | | | | | | |
| Revenue | 24,582,143 | 25,873,891 | 27,044,969 | 28,564,573 | 29,850,900 | 30,486,216 | 31,846,625 | 33,160,558 | 34,546,336 | 36,100,786 |
| Operation & Maintenance Expense | 19,934,969 | 20,817,299 | 21,614,582 | 22,574,119 | 23,372,003 | 24,198,929 | 25,055,993 | 25,944,331 | 26,865,118 | 27,819,586 |
| Net Revenue | 4,647,174 | 5,056,592 | 5,430,387 | 5,990,454 | 6,478,897 | 6,287,287 | 6,790,632 | 7,216,227 | 7,681,218 | 8,281,200 |
| Total Debt Service | 3,947,645 | 3,945,521 | 4,152,107 | 4,150,395 | 4,144,213 | 4,141,627 | 4,139,770 | 4,151,236 | 4,150,252 | 4,144,623 |
| Debt Service Coverage | 118% | 128% | 131% | 144% | 156% | 152% | 164% | 174% | 185% | 200% |

- (d) For budgetary purposes, transfers to the Water Development Fund have been excluded from revenue for determining debt service coverage ratio