

BUSINESS SUMMARY

Profile No. BB-0895

TYPE: Water Distribution Business – Semi passive

OVERVIEW: This company provides water to a small community just East of Pueblo with approximately 166 homes and 6 businesses. The company has the right to 80-acre feet of water, and by augmentation may purchase another 40-acre feet. The business is controlled by the Public Utilities Commission and the prices to the customers are regulated by the PUC. Currently customers pay \$58.75 per month, however a request for rate increase as a result of cost of living increases and additional electric expenses should be approved.

HISTORY: The water company has been in place for 50+ years. Approximately 2,000 ft of main lines and valves have been replaced. The pump house has been updated with new chlorinators and controls. The pumps are approximately 5 years old and very well maintained and alternated periodically for maintenance purposes. The pumps have an expected life of 15 years.

EMPLOYEES: 1 Part Time who does accounting and billing.

HOURS: Unregulated. Requires monthly testing of the chlorinating system

REASON FOR SALE: The owner is in declining health and is looking to retire.

| FINANCIAL DATA: | | 2020 | 2019 |
|------------------------|-----------------------|-------------|-------------|
| | Gross Revenues | \$119,392 | \$114,236 |
| | SDE | \$115,892 | \$106,460 |

PRICE: \$869,600

TERMS: Cash to Seller

FUTURE POTENTIAL: Water is a resource that will always be in demand and in Colorado the demand is ever increasing. This small community has been serviced by this company for some 50 years and the need for water will always be present. The costs associated with individual homeowners obtaining alternate sources of water would be cost prohibitive. This is a great semi-passive business investment for a family trust or an individual seeking a secured return on their investment. Water is a commodity that will not depreciate regardless of the economy. Installation of meters may reduce the household consumption and therefore reduce the costs of augmentation, thus increasing the net profit of the business.



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