Dear Customers and Stakeholders,

Reflecting on 2015 brings the value of relationships to mind as a key reason why the year was successful. An ongoing strength of the Columbus Water Works is our Board and their relationships and commitments to our community with a focus on improving the quality of life for our customers.

The CWW team appreciates the relationships that we have with our customers in trusting us to provide exceptional quality drinking water and safe wastewater restoration. We are particularly grateful for our customers understanding as we successfully converted to monthly meter reading.

Many CWW team members rose to the occasion during the 2015 Christmas and New Year’s holiday flooding, to illustrate their commitment, expertise and professionalism as they displayed our core values, when it was much more attractive to be home with family and friends in a warm, dry place. They did exceptional jobs in managing the wastewater treatment plant, sewer collection system, water distribution system and the high turbidity of the source water.

And, in closing out this memorable year of relationships, CWW bids “Best Wishes” in retirement to our longest serving employee (55 years) and Secretary of the Board (40 years), Mr. Emory Blount. His positive impact is enduring.

For 2016 and beyond, we will strive to demonstrate our core values, seek to maintain sustainable river flow, “and then some!”

Steven R. Davis
President

What an amazing eight years since my first Columbus Water Works meeting in 2008!

I’ve been a fervent admirer of Columbus Water Works for sometime, but never dreamed of becoming even a small part of such an innovative organization.

Over the years and especially during my tenure on the Board, I was privileged to witness numerous groundbreaking processes, which placed our Columbus water facility among the best operated and maintained in the world.

Who could have imagined in the early ’80s that CWW’s ingenuity would connect a dirty sewer with a magnificent RiverWalk, get the federal government to contribute $20.7 million dollars and create one of the most attractive riverfronts in America?

I was honored (if not a bit intimidated) when asked to serve on this innovative and pioneering Board. Goals for the future reflect thoughtful concern from the President as well as all CWW employees. My Board term has witnessed nothing but stellar performances from each and every department.

Be that as it may, I cannot close without mentioning I have never worked with a more competent organization—a direct reflection of outstanding leadership from each and every department. I’ll never regret even one second I’ve spent working with one of the most outstanding groups of employees I’ve ever encountered in my working career.

I am proud to have been a part of CWW if just for a brief moment in time.

Dr. Carole Rutland
Chairman
Columbus Water Works (CWW) is an organization of approximately 275 employees with widely varying skills committed to providing high quality drinking water and environmentally sound wastewater treatment to the Columbus-Fort Benning region including service connections to Harris and Talbot Counties.

CWW derives general policy guidance and rate setting from the Board of Water Commissioners of Columbus, Georgia, a five-member group. The President and staff are responsible for planning and day-to-day operations.

Integrating the delivery of safe water and collection of wastewater for the residents of the Columbus, Georgia region, CWW is dedicated to providing future generations with a legacy of responsible environmental stewardship of the middle Chattahoochee River watershed. We deliver treated water directly to our customers and we are responsible for collecting and treating the resulting wastewater before returning it to the Chattahoochee River.

**Strategic Planning**

The Effective Utility Management (EUM) initiative, developed by collaborating utility organizations, identifies the best management practices to promote sustainable water and wastewater systems. CWW uses the EUM initiative, its 10 attributes and its five keys to management success for reviewing and developing operational strategies, goals and objectives.

Strategic planning is one of CWW’s means of continuous improvement in order to achieve the vision. An emphasis on strategic planning means that all team members at CWW are striving for common goals. By conducting regular assessments of strategies, goals and accomplishments, CWW ensures that our improvement efforts and business operations remain on track.

Six strategic initiatives serve as the foundation for achieving the mission of the CWW:

- **Enhance Customer Satisfaction**
- **Strengthen Regional Partnerships**
- **Leverage Information Technology**
- **Optimize Infrastructure Performance**
- **Develop Sustainable Workforce**
- **Maintain Financial Stability**

**Our Core Values**

Our Vision, “To be an outstanding provider of utility services, dedicated to protecting the environment, aspiring to new opportunities and compelled to excel in service to our community”, serves as the driver for all of our operational decisions and is reflected in our six core values:

- **Integrity**
- **Customer-Focused**
- **Employee-Oriented**
- **Environmental Stewardship**
- **Innovation**
- **Community Leadership**

Our core values form the foundation on which we perform our work for our customers and what we abide by. They are not bare descriptions of our work, but they underlie our work, how we interact with our customers and community partners and how we fulfill our commitment to the community. These are the practices we strive to use every day in everything we do.

**Regional Partnerships**

CWW is in its 12th year of a 50-year partnership with Fort Benning to provide quality drinking water and wastewater treatment services.
The core value of integrity reflects our commitment and dedication to a standard of excellence that promotes honesty and transparency. We strive to ensure that our practices are dependable and trustworthy in meeting our customers’ needs. This commitment is reflected in the 27 state, local and national awards we received during 2015. CWW was recognized in the areas of environmental stewardship, operational planning, management, water quality monitoring safety and financial operations. By competing for awards, we strive for stellar performance in order to better serve our customers.
Using state-of-the-art technology, our talented and dedicated employees work diligently to ensure the highest level of service to our customers. We continue to seek opportunities to improve our processes to increase stakeholder involvement and we recognize and value the importance of our customers’ input and their ideas. Being creative and flexible is a key element in order for us to successfully expand our outreach efforts and the valuable feedback from our customers helps us to become more operationally efficient, enhance our services, improve lines of communication with our customers and stimulate innovative ideas.

In 2015, Columbus Water Works began upgrading its Customer Information System (CIS). One phase of this upgrade was the conversion to monthly meter reading through implementation of the Automated Meter Reading (AMR) program. Once fully implemented, the benefits to customers are:

- Help detect leaks and other plumbing issues much more quickly, helping to save customers money by providing earlier detection of leaks
- Improve customer service by providing real-time data on water usage.
- Provide more frequent and timely information about customer water usage, which allows customers the flexibility and opportunity to adjust water use habits.

Providing Service 24/7

In December 2015, Columbus and the surrounding communities received record rainfall causing damage to property and creating a myriad of related problems. The floodwaters overwhelmed the sanitary sewer collection system, causing overflows and backups into homes and the South Columbus Water Resources Facility (SCWRF) was flooded. The river level was so high that the gravity flow through the plant was impeded and staff could only access the plant via boats.

Dedicated CWW staff members responded promptly, working through the Christmas holidays to ensure that customers were never without service. Customers responded with patience and trust as CWW employees worked through the challenging issues related to the extreme weather conditions.

Affordability Program

In 2007, CWW implemented an Affordability Program for our income-eligible residential customers. This community outreach program was developed to provide assistance to those customers who may occasionally experience difficulty paying their monthly water bills. The program serves eligible residential customers by providing a nominal credit on their monthly water bill.

Flooding conditions at the SCWRF – December 2015
At CWW, we recognize and value the contributions of all our team members. This is reflected in our commitment to ensuring the work environment is safe, secure and positive. We provide valuable opportunities for employees to receive training, certification, leadership development and advancement opportunities. By doing so, we are able to ensure continuity in transferring of job knowledge, skills and future leadership for the organization.

Servant Leadership Program

CWW is a strong supporter of the servant leadership philosophy, which is the foundation for building a stronger and better organization. We have developed and implemented a Servant Leadership Program, designed to advance our future leaders who will practice the servant leadership values. Participants in this six-month program are provided the opportunity to hone their leadership skills through exciting and innovative classes, hands-on modeling of leadership practices and homework assignments.

CWW Performance Management

In order to integrate our philosophy of “excellence in all operational areas”, we revised our performance management program to focus on job behaviors that exhibit the desired competencies, skills and abilities for successful employee performance. Employees and supervisors participated in the development of job-specific competencies, which resulted in a performance management system that evaluates performance in a way that is valid, consistent, objective and credible in the eyes of both the appraiser and employee.
During 2015, CWW was recognized by the National Association of Clean Water Agencies with the “Environmental Achievement Award” for its Fats, Oils and Grease (FOG) recycling program. Initiated in 2010 as a business partnership with Keep Columbus Beautiful Commission, this program is aimed at reducing the amount of cooking oil and grease introduced into our sewer systems by providing recycling sites for citizens to bring their used household grease for proper disposal. The grease is reused to produce methane gas to help power the South Columbus Water Resource Facility (wastewater treatment plant), thereby reducing energy costs and emissions.

Celebrating Earth Day
CWW participated in AFLAC’s 2015 Earth Day Event encouraging employees to go green and providing educational information to save energy, conserve water, promote wellness, save money and save the earth.

Inflow & Infiltration
In 2009, CWW initiated a systematic long-term program to identify and ultimately eliminate sources of rain induced inflow and infiltration into the sanitary sewer system. Using multiple inspection methods, including smoke testing, dye testing and TV inspection, CWW makes the necessary corrections to the public sanitary system and works with homeowners to make repairs to eliminate I&I from the private sewer laterals.

Recycling Helps the Environment
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Capital Improvement Program (CIP)
The CIP, CWW’s plan for improvements to public facilities, infrastructure and assets is vital to the city and surrounding area. Projects in the 2014-2016 CIP are designed to bring efficiency, reliability and sustainability, enabling CWW to better serve customers. CWW was recognized this year by the Georgia Association of Water Professionals (GAWP) for their Master Planning Program with the Master Plan Spotlight Award. CWW’s master planning process exemplifies the ideals outlined in GAWP’s master planning guidance.

HELP THE HOOCH
CWW is the anchor for Help the Hooch, the single largest trash and litter pick-up project in the Southeast encompassing two states, multiple counties and Fort Benning. Each year over 10,000 volunteers work in two days to pick up over 175,000 lbs. of trash from our creeks, streams, river and roadways.
We strive to maintain an awareness of industry research and development activities to anticipate and support timely adoption of operational improvements. Since automating our treatment facilities in the late 1990s, we have evaluated and implemented a multitude of innovative technologies to help drive a wide range of improvements in the area of efficiency, safety and security. These initiatives support our efforts towards ensuring ongoing, timely, cost-effective, reliable, and sustainable performance in all facets of our operations.

NEOGOV: Online Application System

CWW joined organizations across the nation in adopting NEOGOV, a cutting edge online technology for talent acquisition. This new software streamlines the recruitment process for hiring managers and job seekers, providing greater security, tracking and accountability. Implementation of this program supports our “Develop Sustainable Workforce” strategic initiative to recruit, retain and maintain a workforce that is competent, motivated, diverse and adaptive.

ZAPS LiquID

CWW purchased a new real-time testing instrument called the ZAPS LiquID. This technology uses Zero Angle Photon Spectroscopy (ZAPS) to measure a suite of chemical and biological parameters within a water source in real time. CWW installed one of these units at the North Columbus Water Resource Facility’s raw water intake and at the Fort Benning water intake. Water from Lake Oliver is pumped through the unit 24/7, measuring and reporting on chemicals, bacteria and organisms. The ZAPS unit takes thousands of readings per second and issues accurate data alerting CWW of anything outside the normal range.

Gas Chromatograph-Mass Spectrometer

This past year, our laboratory replaced the GC-MS unit, which will result in enhanced testing of water samples and conducting other analyses. This unit uses an analytical and scientific method that combines the features of gas-chromatography and mass spectrometry to identify different substances within test samples. Our upgraded unit has the capacity to analyze an array of organic compounds in the water with greater accuracy and speed.
CWW supports and provides leadership nationally, regionally and in the tri-communities in the areas of public education, community involvement, environmental stewardship and economic development. On a national and regional level, our leadership and staff are active participants and support the goals and programs as keynote speakers, peer reviewers and serving on local boards and agencies.

CWW’s current community outreach and partnership programs include:
- Partnership with Fort Benning
- Collaboration with Oxbow Meadows Environmental Learning Center
- United Way of the Chattahoochee Valley
- Active involvement on local boards and agencies
- Students Taking Action Towards the Environment (S.T.A.T.E.) University
- Partners in Education (Richards Middle School)
- Regional Prosperity Initiative
- CWW plant tours and open houses
- Regional water planning efforts

Community Outreach
Our employees recognize and embrace our culture of “giving back to the community”. For the 2015 United Way campaign, our team members exceeded their monetary goal of $72,000, raising a total of $85,611.

Facility Tours
In 2015, more than 20 tours for community groups, regional organizations and students were conducted at our North Columbus Water Resources Facility and our South Columbus Water Resources Facility.

Public Education
In April 2015, CWW partnered with Columbus State University’s “One CSU – Creating a Sustainable You” fair to host an information booth. We presented information to area residents, students, faculty and staff regarding our efforts towards sustainability and programs that are improving the sustainability of the Chattahoochee Valley.
The Columbus Water Works financial condition remained strong at year end with reliable plants and systems to meet demands. A solid liquidity position, conservative budgeting and programmed annual rate increases continue. Rate increases over the next five years are projected to be below the national average. Columbus Water Works maintains one of the lowest rates among Southeastern cities.

During the fiscal year ended June 25, 2015, CWW delivered 9.73 billion gallons of water and treated 11.52 billion gallons of wastewater. The water distribution system includes more than 6 million feet of pipe in Columbus and more than one million feet of pipe in Fort Benning. The water distribution system served 65,592 metered accounts. The sewage collection system included more than 5 million feet of pipe in Columbus and almost a million feet of pipe in Fort Benning.

Total combined Columbus and Fort Benning operating revenues were $61.43 million, an increase over fiscal year 2014 of $1.95 million.

Operating expenses before depreciation/amortization increased $722 thousand as compared to fiscal year 2014. Operating expenses, including depreciation/amortization, increased $1.34 million, up 2.38 percent from the fiscal year 2014.

Operating income for the year was $3.81 million, as compared to $3.19 million for fiscal year 2014. This amount includes activities related to Fort Benning contractual operations.

Columbus Water Works expended $25.52 million for capital improvements in fiscal year 2015.

Total Assets at year end were $640 million. Reserves were maintained within established goals of 90 to 120 days for operational and coverage of capital improvements/depreciation for capital reserves.

For complete details of the Comprehensive Annual Financial Report visit our website at: cwwga.org.

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FINANCIAL SUMMARY

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Condensed Statement of Revenues, Expenses and Changes in Net Position

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 25,</th>
<th>2014</th>
<th>2015</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$20,357,663</td>
<td>$21,486,011</td>
<td>$1,128,348</td>
<td>5.54%</td>
</tr>
<tr>
<td>Sewer Charges</td>
<td>23,517,627</td>
<td>23,623,033</td>
<td>105,406</td>
<td>0.45%</td>
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<tr>
<td>Fort Benning Water and Sewer Charges</td>
<td>6,901,885</td>
<td>7,026,101</td>
<td>124,216</td>
<td>1.80%</td>
</tr>
<tr>
<td>Fort Benning CM100 O&amp;M Services</td>
<td>5,120,837</td>
<td>5,563,339</td>
<td>442,502</td>
<td>8.64%</td>
</tr>
<tr>
<td>Tapping, CSO fees and miscellaneous charges</td>
<td>3,579,837</td>
<td>3,732,865</td>
<td>153,028</td>
<td>4.27%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>59,477,849</td>
<td>61,431,349</td>
<td>1,953,500</td>
<td>3.28%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Services</td>
<td>6,902,076</td>
<td>7,190,561</td>
<td>288,485</td>
<td>4.18%</td>
</tr>
<tr>
<td>South Columbus Water Resources Facility</td>
<td>4,591,060</td>
<td>4,161,531</td>
<td>(429,529)</td>
<td>-9.36%</td>
</tr>
<tr>
<td>North Columbus Water Resources Facility</td>
<td>4,137,787</td>
<td>4,142,140</td>
<td>(4,353)</td>
<td>0.11%</td>
</tr>
<tr>
<td>CSO Plants</td>
<td>1,052,395</td>
<td>992,213</td>
<td>(60,182)</td>
<td>-5.72%</td>
</tr>
<tr>
<td>Managed Maintenance</td>
<td>2,745,982</td>
<td>2,921,780</td>
<td>175,798</td>
<td>6.40%</td>
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<tr>
<td>Engineering</td>
<td>1,460,877</td>
<td>1,431,265</td>
<td>(29,612)</td>
<td>-2.03%</td>
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<tr>
<td>Information Services</td>
<td>1,118,345</td>
<td>1,370,108</td>
<td>251,763</td>
<td>22.51%</td>
</tr>
<tr>
<td>Water Quality Monitoring</td>
<td>1,858,625</td>
<td>2,026,323</td>
<td>167,698</td>
<td>9.02%</td>
</tr>
<tr>
<td>Fort Benning</td>
<td>4,508,599</td>
<td>4,649,812</td>
<td>141,213</td>
<td>3.13%</td>
</tr>
<tr>
<td>Customer Services</td>
<td>1,609,360</td>
<td>1,697,951</td>
<td>88,591</td>
<td>5.50%</td>
</tr>
<tr>
<td>Finance, ES and Administration</td>
<td>4,449,816</td>
<td>4,338,213</td>
<td>(111,603)</td>
<td>-2.51%</td>
</tr>
<tr>
<td>Meter Maintenance</td>
<td>1,692,184</td>
<td>1,927,165</td>
<td>234,981</td>
<td>13.89%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>20,156,528</td>
<td>20,773,415</td>
<td>616,887</td>
<td>3.06%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>56,283,634</td>
<td>57,622,477</td>
<td>1,338,843</td>
<td>2.38%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3,194,215</td>
<td>3,808,872</td>
<td>614,657</td>
<td>19.24%</td>
</tr>
<tr>
<td>Non-operating Revenue (Expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>83,955</td>
<td>136,245</td>
<td>52,290</td>
<td>62.28%</td>
</tr>
<tr>
<td>Ft Benning Financing Contract - 2009 Bond Issuance</td>
<td>4,860,492</td>
<td>4,860,492</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Administration fees and other revenue</td>
<td>4,264,315</td>
<td>1,138,833</td>
<td>(3,125,482)</td>
<td>-73.29%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(660,080)</td>
<td>(814,702)</td>
<td>(154,622)</td>
<td>23.42%</td>
</tr>
<tr>
<td>City of Columbus participation expense</td>
<td>(3,158,884)</td>
<td>(3,243,185)</td>
<td>(84,301)</td>
<td>2.67%</td>
</tr>
<tr>
<td>Gain (loss) on disposal of assets</td>
<td>79,833</td>
<td>255,816</td>
<td>175,983</td>
<td>220.44%</td>
</tr>
<tr>
<td>Total non-operating revenue (expenses)</td>
<td>5,469,631</td>
<td>2,333,499</td>
<td>(3,136,132)</td>
<td>-57.3%</td>
</tr>
<tr>
<td>Income before capital grants and contributions</td>
<td>8,663,846</td>
<td>6,142,371</td>
<td>(2,521,475)</td>
<td>-29.1%</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>7,195,298</td>
<td>5,038,660</td>
<td>(2,156,638)</td>
<td>-29.97%</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>15,859,144</td>
<td>11,181,031</td>
<td>(4,678,113)</td>
<td>-29.50%</td>
</tr>
<tr>
<td>Net Position at Beginning of Year</td>
<td>387,029,033</td>
<td>402,888,177</td>
<td>15,859,144</td>
<td>4.10%</td>
</tr>
<tr>
<td>Ending Net Position</td>
<td>$ 402,888,177</td>
<td>$414,069,208</td>
<td>$11,181,031</td>
<td>2.78%</td>
</tr>
</tbody>
</table>

EXPENSES BY FUNCTION
- 46% SEWER
- 42% WATER
- 12% OTHER

OPERATING REVENUE BY SOURCE
- 35% WATER
- 38% SEWER
- 27% OTHER
OUR MISSION
Provide our community a safe and dependable drinking water supply, enhance our water resources by collecting and treating wastewater and promote a legacy of responsible economic and environmental stewardship.

OUR VISION
To be an outstanding provider of utility services, dedicated to protecting the environment, aspiring to new opportunities and compelled to excel in service to our community.

OUR VALUES
- INTEGRITY
- CUSTOMER FOCUSED
- EMPLOYEE ORIENTED
- ENVIRONMENTAL STEWARDSHIP
- INNOVATION
- COMMUNITY LEADERSHIP