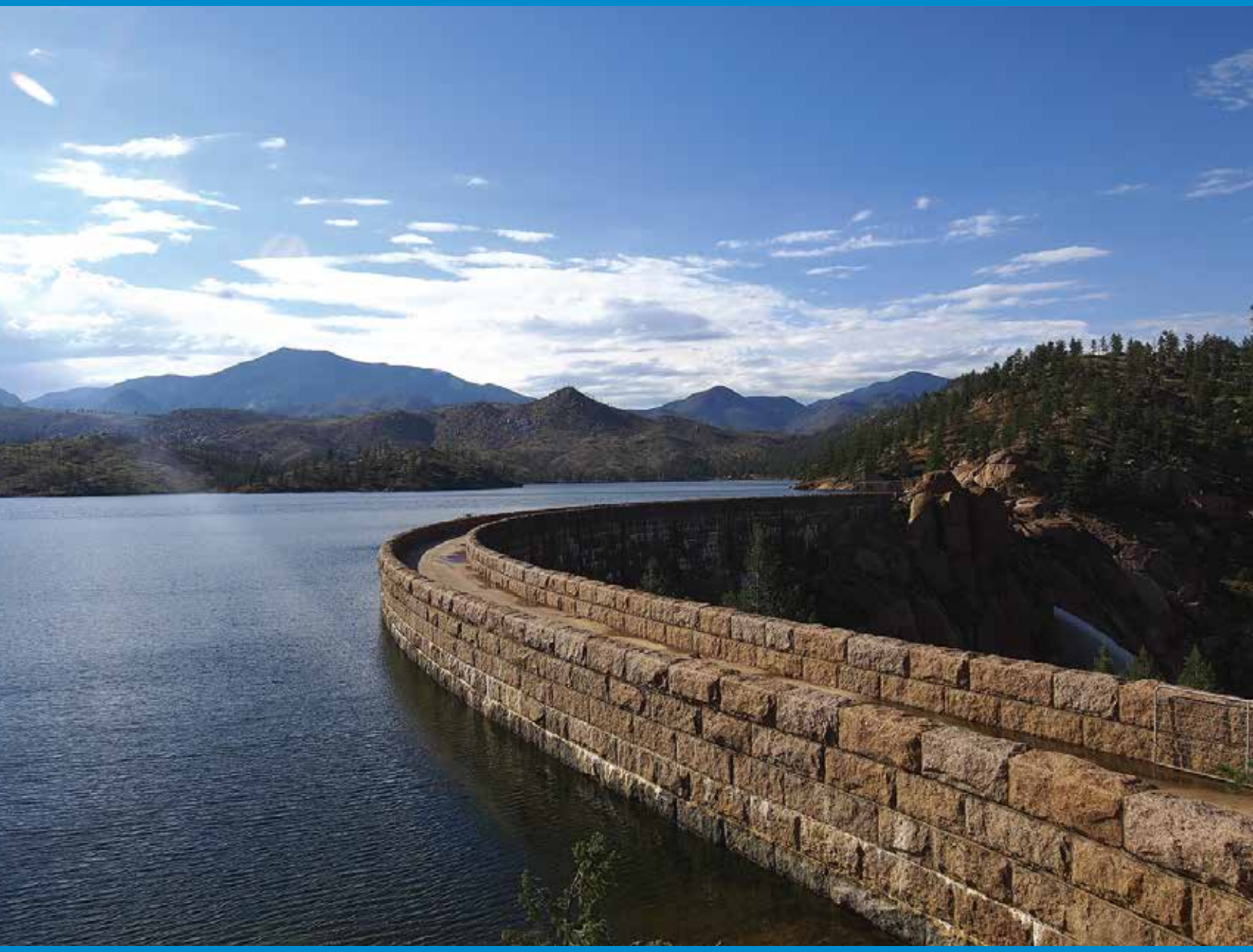
2014

DENVER WATER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the years ended December 31, 2014 and 2013

Denver, Colorado



Chessman Reservoir

2014

DENVER WATER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the years ended December 31, 2014 and 2013

Denver, Colorado

Prepared by the Accounting Section of the Finance Division

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INTRODUCTORY SECTION

DENVER WATER

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April 30, 2015

To the Board of Water Commissioners and Our Customers:

We are pleased to transmit the "Comprehensive Annual Financial Report" (CAFR) of Denver Water for the year ended December 31, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

KPMG LLP, Certified Public Accountants, has issued an unmodified opinion on Denver Water's financial statements for the years ended December 31, 2014 and 2013. The independent auditor's report is located at the front of the Financial Section of this report.

"Management's discussion and analysis" (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Report

This report is presented in three sections as follows:

I. **Introductory Section**, which includes this letter of transmittal, principal officials, organization chart, excerpts from the charter, the Certificate of Achievement for Excellence in Financial Reporting, and the year in review.

II. **Financial Section**, which includes the independent auditors' report on the financial statements, Management's Discussion and Analysis, the basic financial statements, and supplemental capital asset and bond schedules.

III. **Statistical Section**, which includes financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information generally presented on a multi-year basis.

Profile of Denver Water

The privately owned Denver City Water Company was organized in November 1870. It was merged into the Denver Union Water Company in October 1894, along with several smaller companies serving various parts of a growing Denver. In November 1918, Denver residents voted to create a five-member Board of Water Commissioners and buy the Denver Union Water Company's water system for about $14 million, creating Denver Water. A five-member Board of

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Water Commissioners (the "Board") structure is still in existence, governed under the Charter of the City and County of Denver Article X.

Denver Water is a public entity funded by water rates and new tap fees, not taxes. Today, its service area covers more than 335 square miles, including the City and several suburban distributors. The majority of Denver's water comes from rivers and streams fed by mountain snowmelt. The South Platte River, Blue River, Williams Fork River and Fraser River watersheds are Denver Water's primary water sources, but it also uses water from the South Boulder Creek, Ralston Creek, and Bear Creek watersheds. A system of reservoirs networked by tunnels and canals provide water to more than a million people. Three major treatment plants – Marston, Moffat, and Foothills - maintain water quality under the watchful eye of the Denver Water Quality Control Laboratory.

The mission of Denver Water is as follows:

> *Denver Water will be a responsible steward of the resources, assets and natural environments entrusted to us in order to provide a high-quality water supply, a resilient and reliable system, and excellent customer service.*

Although Denver Water is not legally required to adopt budgetary accounting and reporting, the annual budget serves as the foundation for Denver Water's financial planning and control. The budget process involves:

- Long Range Planning
  Denver Water maintains long-range capital, operation and maintenance, and financial plans that are updated annually. The Capital Plan projects additions, improvements, and replacements to water system facilities, based on projected demands for water, federal and state regulations, and ongoing system requirements. The Operation and Maintenance Plan includes the ongoing costs of operating and maintaining the water system and the impact of the Capital Plan on operations. The Financial Plan considers compliance with debt covenants and the year-end target cash reserve.

- Annual Work Plan Budgets
  The detailed annual work plan budgets for operation and maintenance activities, debt, and capital projects are developed during the budget process each year. These budgets are substantially based on the budget year projections provided by the long-range plans. These work plans itemize the cost of activities and projects within each program.

- Annual Budget Preparation
  The annual budget is prepared on a program budget basis that follows the flow of water from the sources of raw water to customers' taps and cuts across organizational boundaries. The focus is first on what Denver Water as a whole is doing (what our resources are used for), then on organizational structure (the divisions and sections expending the resources), and then by type of expenditures (what types of resources – payroll, services, etc., are being used). The intent of this particular format is to facilitate the reader's understanding of how we are accomplishing our mission to serve our customers' needs in the past, present and future.

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Factors Affecting Economic Condition

The information displayed in the financial statements presents Denver Water's current ***financial position***, i.e., its *existing* resources and claims on those resources. The following information is provided to help assess Denver Water's ***economic condition***, i.e., both existing and *future* resources and claims on those resources. Stated differently, economic condition reflects not only today's financial position, but also the prospects that today's financial position will improve or decline.

Local Economy

Denver is the center of economic activity in the region, serving as a business, recreational, higher educational and cultural hub. Major features of the economy include the central business district, state capital, Denver International Airport, extensive library facilities, several professional sports teams, institutions of higher learning, and numerous museums and other cultural facilities. The economy of the metropolitan area generally mirrors that of the state. An overview of the general demographic and economic conditions in the Denver metropolitan area can be found in Section D, *Demographic and Economic Information*, in the Statistical Section.

Long-Term Financial Planning – Future Initiatives

A representation of capital projects included in the long range planning process are as follows:

- Approximately $360 million in total project costs for Denver Water's Gross Reservoir Expansion Project, previously known as the Moffat Collection System Project, for the evaluation, permitting, mitigation, and construction process to augment our supply to the northern service area.

- $161 million to meet the Board's goal of doubling the rate of main replacements and main rehabilitation over 2008 levels. This acceleration will decrease the replacement cycle from 275 years to 160 years. Industry standard performance metrics such as the number of main breaks per mile of pipe will be used to adjust this replacement/rehabilitation rate. Costs also include cement mortar relining of conduits and mains to extend their useful lives at a significant savings over open trench replacement (currently 40% less expensive).

- The Board approved the Operations Complex Redevelopment (OCR) project. The campus project will include construction of a new consolidated trades shop, a warehouse, fleet maintenance and operations, a parking structure, and a new administration building. In addition to the new construction, the 3 Stone Building, the T & D Warehouse and Credit Union, and Building 5 (or the Shed) will be remodeled. It is expected the project will take approximately 4 years to complete. The projected budget impact for this project is expected to be available summer of 2015.

- $142 million for several major treated water storage and pumping projects including the replacement of the two obsolete clear water storage tanks and pump station at the Hillcrest site, and treated water storage projects at Ashland and Highlands. There is also funding for additional clear water reservoir storage capacity at both the Marston and Moffat Treatment Plants.

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- $81 million for the replacement of raw water Conduits 16 and 22. The projects consist of 8.5 miles of 84" steel pipe that will convey treated water from the site of the new treatment plant at the Ralston site to the existing Moffat site.

Revenue adjustments identified in the 2015 Financial Plan are set at levels to meet annual revenue requirements, debt service coverage, and target reserves. Revenue requirements include annual operation and maintenance expenses, payments on existing and proposed debt service, and rate-funded capital projects. Denver Water uses a combination of debt and cash reserves to maintain leveled annual revenue adjustments to meet these requirements. The use of debt to fund specific capital projects distributes the annual cost of facilities over time rather than requiring the full amount in any one year. The adopted revenue adjustment for 2015 was effective beginning February 1, 2015. This adjustment is expected to produce 2.2% of additional revenue over this 12-month period, assuming normal weather and consumption. In addition, annual revenue adjustments of 2.2% are projected in 2016 through 2020 and 2.0% in 2021 through 2024. The financial plan is updated annually.

Relevant Financial Policies and Practices – Investment Balance

Denver Water established a comprehensive set of financial policies and practices as a basic framework for the financial management of Denver Water and its planning and budgeting process. These policies and practices are listed in the Budget Book. Two investment balance related policies and practices are as follows:

Balanced Budget
The Denver Board of Water Commissioners has not adopted an official policy on a balanced budget. Our practice is to balance the budget by the planned use or contribution to investment balances.

Cash Reserves
The Charter of the City and County of Denver specifically allows the accumulation of reserves "sufficient to pay for operation, maintenance, reserves, debt service, additions, extensions, and betterments, including those reasonably required for anticipated growth of the Denver Metropolitan area and to provide for Denver's general welfare."

Denver Water began 2015 with an actual cash and investment balance of $235 million, at cost. The 2015 budget projects this balance to increase by receipts of $353 million and decrease by expenditures of $344 million, resulting in a projected 2015 ending balance of $244 million (see page III-55 for details).

Note 2, *Deposits and Investments*, in the Financial Section provides more information on Denver Water's investments. Investment balances in published financial statements are not directly comparable to the budgeted investment balance because different valuation methods are used.

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Major Initiatives – 2015 Goals and Objectives

After extensive review of organizational performance related to the Strategic Plan, the Board and Executive Team identified six, three-year breakthrough objectives that will help us realize our vision of becoming the best water utility in the nation:

- Achieve full alignment of budget development and execution with strategic priorities and True North metrics.
- Become the "Employer of the Future," one that retains and attracts top talent through integrated procedures, policies, benefits and philosophies that create a unique, diverse and energizing culture.
- Improve top-box (highest rating) customer satisfaction scores by 10 percent.
- Reduce lost-time accidents to zero.
- Redevelop the Operations Complex in a way that is fiscally responsible, integrates field and administrative staff, creates a public presence and celebrates water and the history of Denver Water. The project will also be safe, efficient, sustainable, allow for future flexibility, and promote retention and recruitment. The project will be complete in 2020.
- Strive for efficient, effective, customer-driven processes in everything we do. Validate that Denver Water is meeting standards of excellence.

We identified 9 breakthrough objectives for 2015 to help us achieve the three-year breakthrough objectives:

- Create a process for budget development with standard work, fewer employee hours, less rework and greater detail. Connect the budget to the Strategic Plan.
- Implement organizational metrics through systems and programs that are visible, tracked and drive decisions in spending, staffing, project selection, timing and scope.
- Transform Human Resources into a strategic business partner for the organization.
- Finish design and continue implementation of Employer of the Future initiatives. Begin to expand focus on areas beyond Human Resources.
- Increase the percentage of employees who are "very satisfied" with Denver Water as an employer from 36 to 40 percent on the 2015 employee survey.
- Improve top-box (highest rating) customer satisfaction score 5 percent on the 2015 customer survey.
- Reduce lost-time accidents to no more than seven.
- Use Lean tools to streamline and optimize processes and workspace for all areas of the Operations Complex affected by design and construction.
- Grow Lean into more parts of Denver Water. Understand criteria for Lean and process improvement recognition. Perform gap analysis and develop an action plan for recognition.

In addition to the daily work of running the business, each division aligned its own 2015 objectives and resources with these breakthrough objectives which will be evaluated monthly in 2015. Goals and objectives for 2015 for each division are contained in the Year in Review later in Section I.

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SEC Periodic Disclosure Requirements

Rule 15c2-12(b)(5) requires Participating Underwriters to determine that the issuer of municipal securities has undertaken in a written agreement for the benefit of holders of such securities to provide annual financial information in a timely manner to each nationally recognized municipal securities information repository and to the appropriate state information depository, if any. The Government Finance Officers' Association of the United States and Canada ("GFOA") recommends that the disclosure be contained in the CAFR. The disclosure that Denver Water has undertaken to provide in order that participating underwriters may comply with this rule can be found on the following pages:

Budgetary Controls	Page I-2
Audited Financial Statements	Section II - Financial Section
Total Outstanding Indebtedness	Section II - Notes 6, 7, 9, Exhibits II-A through II-D
Number of Customer Accounts	Page III-23
System Development Charges and Participation Receipts	Page III-32
Receipts and Expenditures	Page III-55
The Service Area	Page III-13
Total Treated Water Delivered/Consumption	Page III-75

Information for prior years and information related to the City and County of Denver is available on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website at http://www.emma.msrb.org.

Awards and Acknowledgements

Awards

Comprehensive Annual Financial Report. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Denver Water for its CAFR for the fiscal year ended December 31, 2013. This was the 26th consecutive year that Denver Water has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Annual Budget. In addition, Denver Water also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2014. This is the 23rd consecutive year Denver Water has received this award. In order to qualify for this award, Denver Water's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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Acknowledgments

We wish to express our appreciation to all members of Denver Water who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Water Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Denver Water's finances.

Sincerely,

James S. Lochhead
CEO/Manager

Angela C. Bricmont
Director of Finance

BOARD OF WATER COMMISSIONERS





Top from left, Greg Austin, John R. Lucero;
Bottom from left, Thomas A. Gougeon, Paula Herzmark, Penfield W. Tate III

Greg Austin, President Former partner, Holland & Hart LLP.	*Commissioner since July 28, 2009;* *Term expires July 10, 2019.*
John R. Lucero, First Vice President Deputy Director, Mayor's Office of Economic Dev.	*Commissioner since July 18, 2007;* *Term expires July 10, 2015.*
Thomas A. Gougeon President, Gates Family Foundation	*Commissioner since August 10, 2004;* *Term expires July 10, 2017.*
Paula Herzmark Executive Director, Denver Health Foundation	*Commissioner since April 24, 2009;* *Term expires July 10, 2019.*
Penfield W. Tate III, Attorney, Greenberg Traurig	*Commissioner since October 18, 2005;* *Term expires July 10, 2017.*

LAST 20 COMMISSIONERS

Charles G. Jordan	Sep 26, 1983 to Jun 28, 1985	Ronald L. Lehr	Jul 21, 1993 to Apr 20, 1999
D. Dale Shaffer	Aug 9, 1978 to Jul 8, 1985	Joe Shoemaker	Jul 10 , 1995 to Jul 9, 2001
John A. Yelenick	Jul 14, 1969 to Aug 25, 1987	Andrew D. Wallach	Jul 18, 2001 to Aug 5, 2003
Marguerite S. Pugsley	May 10, 1978 to Aug 25, 1987	Daniel E. Muse	Feb 10, 2000 to Nov 13, 2003
Elizabeth A. Hennessey	Nov 4, 1985 to Jul 28, 1989	Richard A. Kirk	Jul 21, 1993 to Oct 18, 2005
Malcolm M. Murray	Aug 25, 1987 to Jul 12, 1993	William R. Roberts	Jul 10, 1997 to Oct 18, 2005
Donald L. Kortz	Aug 25, 1987 to Jul 12, 1993	Harris D. Sherman	Dec 6, 2005 to Feb 16, 2007
Monte Pascoe	Sep 26, 1983 to Jul 10, 1995	Denise S. Maes	Jul 10, 1995 to Jul 10, 2007
Romaine Pacheco	Jul 31, 1989 to Jul 10, 1995	Susan D. Daggett	Nov 6, 2007 to Jan 22, 2009
Hubert A. Farbes, Jr.	Jul 8, 1985 to Jul 14, 1997	George B. Beardsley	Feb 2, 2004 to Mar 13, 2009

MANAGER AND STAFF

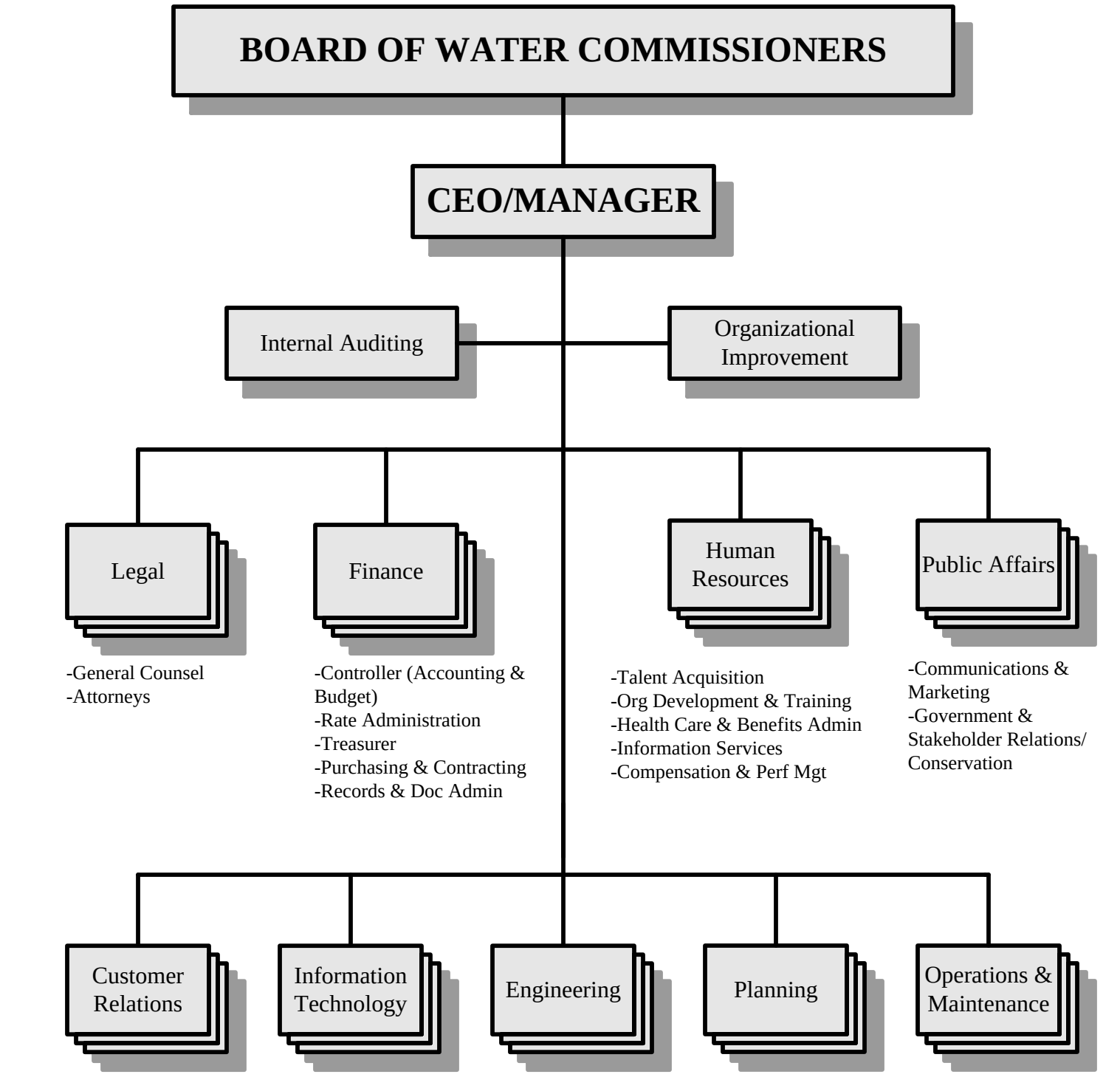
Top: James S. Lochhead, CEO/Manager;
Second row from left: Julie Anderson, Director of Customer Relations; Angela C. Bricmont, Director of Finance; Sally Covington, Director of Public Affairs; Christopher R. Dermody, Director of Information Technology; Gail Cagle, Director of Human Resources; Third row from left: Brian D. Good, Deputy Manager Organizational Improvement; David L. Little, Director of Planning; Robert J. Mahoney, Director of Engineering; Thomas J. Roode, Director of Operations & Maintenance; Patricia L. Wells, General Counsel

DISCRETIONARY PERSONNEL

(Employees Serving in Executive Discretionary Positions Solely at the Pleasure of the Board)

Manager and Senior Staff
James S. Lochhead, CEO/Manager
Julie Anderson, Director of Customer Relations
Angela C. Bricmont, Director of Finance
Sally Covington, Director of Public Affairs
Christopher R. Dermody, Director of Information Technology
Gail Cagle, Director of Human Resources
Brian D. Good, Deputy Manager Organizational Improvement
David L. Little, Director of Planning
Robert J. Mahoney, Director of Engineering
Thomas J. Roode, Director of Operations & Maintenance
Patricia L. Wells, General Counsel

Other Staff
Teresa Bryant CPA, Controller
Prescott B. Coleman, Chief Internal Auditor
Todd M. Cristiano, Manager of Rate Administration
Melissa E. Elliot, Asst Dir PA-Gov & Stkhdr Rel & Con
Trina L. McGuire-Collier, Asst Dir PA-Comm & Mktg
Stephen Reum, Assistant Chief of Engineering
Usha Sharma, Treasurer
Vacant, Assistant Chief of Engineering,


BOARD OF WATER COMMISSIONERS
CEO/MANAGER
Internal Auditing
Organizational Improvement
Legal
-General Counsel
-Attorneys
Finance
-Controller (Accounting & Budget)
-Rate Administration
-Treasurer
-Purchasing & Contracting
-Records & Doc Admin
Human Resources
-Talent Acquisition
-Org Development & Training
-Health Care & Benefits Admin
-Information Services
-Compensation & Perf Mgt
Public Affairs
-Communications & Marketing
-Government & Stakeholder Relations/ Conservation
Customer Relations
-Customer Service Field
-Customer Care
-Distributer Relations
-Sales Administration
Information Technology
-New Bus Solutions Dev
-Project/Program Management
-Information Security
-Enterprise Bus Apls Support
-Operations/Client Support
-Enterprise Infrastructure
-Process Control
-Client Support
Engineering
-Programs & Projects
-Construction Mgt
-Distribution & Prop Mgt
-Survey
-Asset Recording
Planning
-Treated Water Planning
-Demand Planning
-Water Rights Protection
-Water Resource Analysis
-Raw Water Supply
-Environmental Planning
-Water Resource Planning
Operations & Maintenance
-Emergency Response
-Safety & Security
-Source of Supply
-Water Quality & Treatment
-Water Distribution
-Support Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Denver Water

Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

2014 Year in Review

Organization-wide Initiatives

2014 Highlights:

- **New Operations Complex Master Plan:** Over the next five years, our operations complex will undergo a complete redevelopment, the Operations Complex Redevelopment (OCR). This transformation of our campus will include new consolidated trade shops, fleet maintenance and operations, a warehouse, a meter shop and materials lab and a new administration building. The goal is to build a modern site that improves the efficiency, functionality, security and safety of all our operations. Many of our current buildings are more than 50 years old and are no longer adequate for today's demands. The new layout will improve traffic and work flow, while taking advantage of matching functions with building adjacencies. We continued on schedule with the preliminary design for the OCR Project. We conducted employee interviews to determine current and future needs. We also deployed Lean tools to begin analyzing processes and workflows with goals of improving efficiency and reducing the amount of space required, while making workspaces comfortable and energizing. We researched and established initial policy goals for sustainability, security and a public presence. This work culminated in a final site layout presented to the Board in December. The first phase of work will start in the fall of 2015.

- **Budget Value Stream:** We developed and implemented a new budget process that includes establishment of revenue requirements in late summer, then construction of a budget that meets strategic objectives, performance metrics and organizational capacity. System managers, those responsible for running the water system, developed the capital budget. This required coordination and prioritization of projects across the organization to ensure limited resources were allocated to the right projects at the right time.

- **Customer Experience Value Stream:** We worked to improve customer interactions across Denver Water. We focused events on centralizing dispatch, paving processes, landscape restoration and landlord-tenant rules, as well as on streamlining conservation contacts and emergency customer notification. We exceeded the hard-dollar savings goal of $500,000 by $60,000, increased top-box (highest rating) customer satisfaction from 64 percent to 73 percent for the contact center and from 53 percent to 58 percent for street work. We also exceeded the human-development goal of 200 employees trained in Customer Service by 48 employees. We missed the safety goal by 14 incidents (33 vs. 47).

- **Ratings upgrade**: Denver Water was upgraded by Moody's to "Aaa", one of only 10 water utilities in the nation receiving this rating. High ratings benefit our customers by keeping our borrowing costs low.

- **Rate structure study:** We started the first study in 20 years to review our rate structure and address pricing objectives, including revenue volatility, conservation and new development-related concerns. We completed a number of milestones in 2014, and the study is on track for completion in the second quarter of 2015. Those milestones included:
    - A rate perception survey to gauge satisfaction and understanding of our rates
    - An affordability study to establish baseline metrics for addressing this issue in the new rate structure

- A "lessons learned" workshop co-sponsored with the Water Research Foundation and four Western utilities highlighting successes and challenges of implementing new rate structures. Approximately 20 Front Range utilities attended
- Identification of 15 community leaders to participate in a stakeholder group in 2015 to evaluate rate alternatives and make recommendations to the Board

- **Safety culture:** We reconstituted the Safety Committee and completed a strategic A3 to reduce both the total number of injuries and total lost work days by 25 percent. We did not reach our goal of decreasing the number of lost work days due to major injuries, as some of those occurred in 2013. We also missed our goal of reducing injuries by 25 percent during 2014, reducing them by only 20 percent. However, that reduction is in addition to a 13.5 percent reduction in total injuries between 2012 and 2013.

- **Environmental stewardship:** A full Environmental Stewardship Value Stream was planned for 2014 but was redirected into the sustainability aspects of the Operations Complex Redevelopment Project. In addition, the Green Team championed key, environmental stewardship initiatives including:
  - Completing a greenhouse gas inventory for the last six years
  - Holding two e-waste recycling days and collecting 12,000 pounds of electronic equipment that might have otherwise ended up in a landfill
  - Putting green tips into every Conduit employee newsletter
  - Holding fresh-produce exchanges for employees to trade food from their gardens
  - Working with Denver Water's Purchasing team to implement a new recycling program for the Operations Complex with single-stream collection of recyclables and small waste receptacles to collect non-recyclable waste

- **Branding:** We conducted internal and external focus groups to finalize the Denver Water brand promise, drivers and creative identity. We also developed a strategy for internal and external rolling socialization of the brand. Internally, we introduced the brand and a new logo to employee groups and updated logo guidelines and templates on our intranet. Externally, we introduced the brand on most established platforms with the full transition across all touch points coming in 2015.

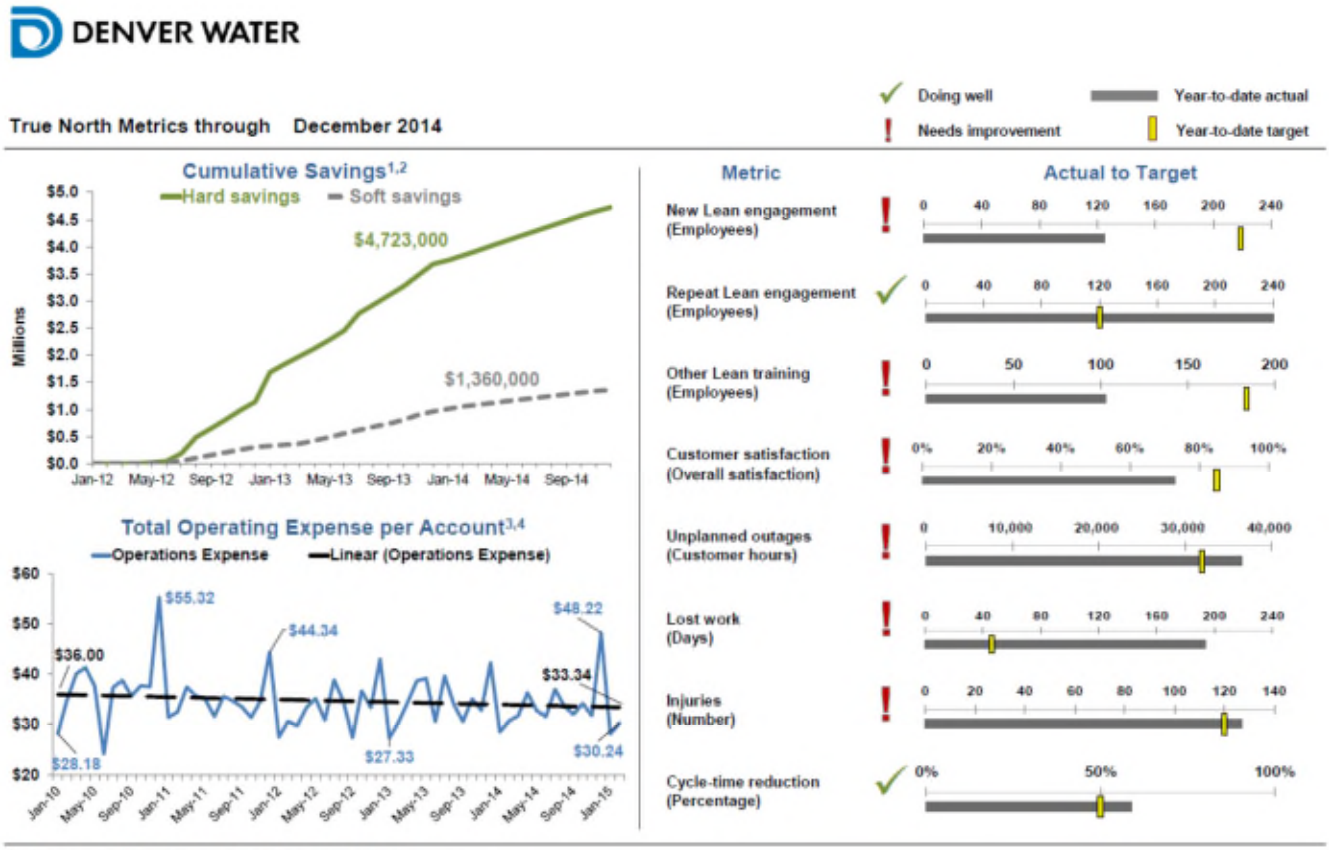
- **Colorado River –** The upper Colorado River supplies about one-half of Denver Water's supply. The long-term security of this source in the face of extended drought and climate change is of critical importance to our continued ability to meet the needs of our customers. With that in mind, we have been leading interstate and federal efforts to develop strategies to secure Colorado River supplies for all water users.

  Working with Southern Nevada Water Authority, central Arizona Water Conservation District, the Metropolitan Water District of Southern California and the Bureau of Reclamation, we drafted and began implementation of the Colorado River System Conservation Program. The program provides up to $11 million in funding for the next two years to gather and test data on short-term, water saving pilot programs that could benefit water levels in lakes Powell and Mead through temporary, voluntary, fully-compensated mechanisms. At least $2.75 million may be available for funding pilot programs in the Upper Basin of the Colorado River in Colorado, New Mexico, Utah and Wyoming.

  Critical to this process, The United States Congress included a provision in the final spending bill language specific to the System Conservation Program by authorizing Reclamation to spend money in the upper basin for pilot projects. This was a very important action to the success of our program and reflects significant work by the funding partners to ensure the authorization was in place. The lower basin is currently in the process of reviewing pilot project proposals. We are finalizing an agreement

with the Upper Colorado River Commission to administer the program in the upper basin. We anticipate selecting proposals for upper basin projects by the spring of 2015.

- **True North Metrics:** Progress on our True North Metrics as of December 2014 are shown on the graph below:



[1]Full time equivalent savings are counted on a monthly basis.
[2]Soft savings are an indicator of organizational efficiency and not of specific future hard dollar savings.
[3]Contract, retirement, debt and miscellaneous expenses not part of normal operations and overhead allocations were excluded.
[4]Adjusted for inflation

Customer Relations

Progress on 2014 focus areas:

- **Distributor relationships:** We created a distributor relationship manager position to build the relationship with our distributors and meet their needs. We developed an outreach plan to guide distributor interactions throughout the year in a positive and productive manner.

- **Customer Service training:** We successfully implemented a customized training program for 248 Denver Water front-line employees. This training gave employees tools to own the customer's service experience, attend to the human and business needs of the interaction and manage difficult conversations into productive outcomes.

- **Employee engagement:** Our leadership team held focus groups within each work group to review the employee survey and identify concerns unique to each group. We created action plans from these meetings, and we are working together to address the concerns, as well as following up quarterly to measure progress.

2014 Highlights:

- **Decentralization of Customer Service Field techs:** In order to reduce parking space needs for the OCR, the leadership team in Customer Service Field piloted a program for field technicians to take trucks home at night. The pilot was successful, resulting in saving one FTE due to increased productivity levels with field technicians arriving sooner to their first stop of the day. Our customers also benefitted with earlier time windows available each day for customer appointments.

- **Continued process improvement:** As a result of continued process improvement, standard work, cross training, work-volume forecasting and capacity planning, we reduced headcount in Customer Service Field by eight FTEs. We accomplished this reduction through retirement and natural attrition.

- **Central dispatch:** We worked with Operations and Maintenance to centralize all Denver Water dispatch units into a single unit residing in Customer Relations, thus streamlining our customer touch points. This allows for more productive customer interactions and creates internal efficiencies, resulting in the reduction of four FTEs in Emergency Services.

- **Customer Care internal audit:** An internal audit found Customer Care's processes to be well governed and controlled with no significant issues. The audit team members shared that it was one of the best groups they've seen at Denver Water.

2015 Goals:

We will continue to align our goals with our strategy of building satisfied and supportive customers by fostering a customer-centric culture across Denver Water. We will do this by providing the tools and techniques to our employees to create satisfied and supportive customers. By utilizing the voice of our customers, we will create awareness of pain points and drive continuous service and operational improvements.

- **Customer service training:** Our goal is to train 200 additional employees with a focus on Finance, Engineering, Planning and O&M. The training is being redesigned within the Customer Relations division so we can save the $50,000 cost of using a third-party vendor.

- **Customer Experience Value Stream:** We will perform a second pass of the Customer Experience Value Stream, with an emphasis on improving customer interactions and specific processes, such as the backflow compliance program, our hydrant meter process, servicing large customers and enabling dense development and efficient water use.

- **Customer surveys:** We will deploy our customer and distributor surveys this spring to measure progress against our 2013 baseline surveys. The data will refresh our customer experience road map and help us evaluate where we can make improvements, specifically with respect to continuity across multiple touch points. We will also field quarterly tracking surveys for our contact center and street

work projects. The customer feedback will provide performance indicators as well as identifying service and operational improvements.

- **Strong distributor relationships:** We will continue to build these relationships by understanding distributors' unique needs, working as partners on concerns and ensuring relevant, effective and timely communications. We will also implement an online distributor portal for ease of communication and information flow.

Engineering

Progress on 2014 focus areas:

- **Contractors and subcontractors:** We saw more availability of civil contractors after 2013 flood-related projects were finished. We also experienced a shortage of electrical subcontractors and work overloads for electrical equipment vendors. Several projects were delayed due to long lead times on motor-control centers and switchgear. We often saw fewer bids for construction projects and higher construction costs, verifying the heavy workload of local contractors.

- **Project management training:** We provided a third installment of project management training to a cross-divisional group. This program consists of 10 modules covering all aspects of project management and included employees from all divisions, along with a representative from Metro Wastewater. More than 150 employees have completed this 30-hour project management program**.**

- **Dillon Dam gates rehabilitation project**: The four 4'x5' gates and two 27"x 27" gates were removed and rehabilitated. Once the gates were removed, we identified additional work on the gates in the wall thimbles that hold the gates. The contractor expedited this additional work. All project site work and testing will be completed by March 2015.

2014 Highlights:

- **Capital projects:** We completed approximately $60 million of capital work in six months and more than $85 million for all of 2014, managing 28 construction projects extending into 2015. These projects include rehabilitation of Marston and Antero dams, reconstruction of the Long Lakes diversion structure, four pump station projects, major treatment plant upgrades at Foothills and Marston, a hydro turbine rebuild and various conduit projects.

- **Property book:** We developed and delivered to the Board a comprehensive property book that allowed Denver Water to make surplus property decisions.

2015 Goals:

- **Operations Complex Redevelopment:** This project will move from concept and programming stages into design and construction. We are using Lean tools in conjunction with architectural programming to realize an optimal site layout.

- **Project Delivery Value Stream:** This will involve upstream and downstream users, along with Engineering staff, to continue efficiency efforts within Engineering. We plan improved approaches to handle emergency work, more coordination with program and system managers to sort potential projects and a reduction of handoffs during design.

- **Prioritized Capital Plan and long-term budget development:** We will execute the prioritized 2015 capital project list developed by program and system managers. This will help prioritize projects and filter new requests, while minimizing interruptions from lower-priority requests. We will develop a prioritized long-term budget by the program and system managers, along with Engineering input, to identify future projects on which to focus our efforts.

Finance

Progress on 2014 focus areas:

- **Budget Value Stream:** We implemented a process where strategic goals are the foundation of the annual budget. Organization-wide priorities guide budget decisions, and key assumptions model revenue projections, which are set ahead of the budget. Prioritization of capital projects occurred across functional systems using a common framework.

- **Financial reporting - Organizational Reporting and Communications Alignment ("ORCA"):** We completed an organizational assessment of financial reporting gaps. We produced a three-year implementation roadmap that will deliver timely, dependable and transparent financial and budget information, simplify the user experience, streamline processes and support organizational change, such as systems and programs.

- **Rate Structure Study:** This is the first study in 20 years to review our rate structure and address pricing objectives, including revenue volatility, conservation and new development related concerns. We completed a detailed rate-perception survey of our customers, an affordability study and customer demand analysis to share with stakeholders.

2014 Highlights:

- **Ratings upgrade:** Denver Water was upgraded by Moody's to "Aaa", one of only 10 water utilities in the nation receiving this rating. High ratings benefit our customers by keeping our borrowing costs low.

- **Policies and Procedures:** We completed a new format, structure and process for tracking and revising Enterprise policies and procedures.

- **MWBE program improvements**: Purchasing supported the expansion of the MWBE program into O&M construction-related contracts and covered Goods and Services supported by the City and County of Denver disparity study.

- **Management for Daily Improvement (MDI):** Several managers were trained in MDI, resulting in improvements such as cost savings in our payment processing and receiving.

2015 Goals:

- **Financial reporting ("ORCA"):** The first increment of this project will deliver a new financial structure, consistent budget-to-actual information and limited project and work management capabilities. It will support budget accountability goals by promoting timely and accurate reporting at appropriate levels within the organization, while engaging employees in the budgeting and spending process.

- **Budget improvements:** Multiple projects continue to better align resources with our strategic plan including:
    - Development of a revised long-range capital plan using new prioritization processes
    - Implementing new processes for system managers to review and recommend project changes and variances
    - Further development of metrics for systems and programs

- **New Rate Structure:** We will continue to work with an external stakeholder group that will provide feedback to the Board on how rate-structure options will best balance the pricing objectives and meet the needs of our customers. We will present recommended changes to the Board for approval in the second quarter.

- **Risk Management Reporting**: We will integrate risk management with Denver Water's strategic initiative and start enterprise reporting on a regular basis. We will also investigate how this can support the annual budget process.

Human Resources

Progress on 2014 focus areas:

- **HR transformation:** In conjunction with the new HR director, we developed a three-year breakthrough strategy, a proposal for a new HR structure and a Total Rewards strategy and roadmap. The strategy has been approved by the Executive Team and the Board.

- **Focus on wellness:** As a part of a wellness strategy, new programs focused on one element of wellness each month. Participation in these programs doubled from 2013. We also applied a wellness incentive to our Benefit Plan for the first time. To date, 50 percent of employees have completed a wellness assessment to receive the incentive.

- **Employer of the Future:** We started several new programs, engaging over 100 employees in projects to find new and innovative ways to make Denver Water a great place to work. Employer of the Future team members launched the Leadership Program and assisted in the deployment of a new recognition and rewards program, integration of alternative work schedules and the start of an employee emergency assistance fund.

2014 Highlights:

- **PeopleSoft Human Capital Management (HCM):** HR partnered with IT to bring this system to its latest version. The project prepares HR to deliver improved functionality in talent management, which consists of career planning, succession options, a unified structure for job descriptions and requirements, performance management and recruiting solutions. The upgraded technology also allows us to improve the employee experience through flexible and modern web-based features, including dashboards, graphics and improved navigation. The project was completed on time and under budget.

2015 Goals:

- **Performance management:** We will introduce line-of-sight goals and leadership competency evaluations.

- **Technology implementation:** We will introduce new PeopleSoft modules and a Learning Management System. This is a training request, enrollment and delivery tool to define and track all training and certification requirements for every employee.

- **Total rewards:** We will implement a strategy roadmap with a 2015 completion of salary structures and job descriptions.

- **Talent optimization:**
    - **Leadership:** Foundational and advanced curriculum implementation
    - **Career planning and development:** Individual and team development plans
    - **Succession planning:** Additional component to workforce planning
    - **Building organizational competency:** Technical job skills competency certification

Information Technology

Progress on 2014 focus areas:

- **Continued evolution of business-driven IT:** The process of identifying, vetting and prioritizing competing IT solutions evolved through the IT-Product Owner group. This process served as the model for the new systems and program manager governance process.

- **Project management:** We implemented a common-task and work-management system across the scope of IT work, including IT service teams, scrum teams, infrastructure and security teams. This improved both individual and cross-team efficiency. The tool is also used in other divisions and should eventually become ubiquitous across the organization.

- **Disaster recovery project:** We achieved substantial completion of the IT Disaster Recovery project, under budget. Testing and operational readiness will be completed in 2015.

2014 Highlights:

- We completed the ORCA scope, planning and project kick-off.

- We implemented many other advancements including:
    - Electronic vendor payment capabilities
    - On-line customer rebates
    - Mobile advancements for T&D, Conservation, Customer Service Field and Central Dispatch
    - Automated workflows for many business processes
    - Major system upgrades to PeopleSoft, Fleet Management, SharePoint and others
    - Campus-wide wireless network
    - Network upgrades for plants and other facilities
    - Additional cyber security detection and prevention capabilities

2015 Goals:

- **ORCA:** We will develop and implement Increment-1 of ORCA in early 2016

- **LMS:** We will implement a Learning Management System

- **Mobile applications:** We will implement mobile applications for water quality and cross-connection personnel

- **Water Treatment:** We will implement a new Water Treatment Management System

- **New partnerships:** We will evolve a new IT team focused on networks and industrial control systems by assimilating O&M staff focused on process control, SCADA, access security and video surveillance in IT

- **OCR:** We will develop an optimal, cost-effective datacenter solution for the OCR project

- **Rate structure:** We will implement a new water rates structure for 2016

- **New wireless networks:** Install wireless networks at two plants

- **New technology:** SCADA and business network conversion to new MPLS technology

Legal

Progress on 2014 focus areas:

- **Implementation of Colorado River Cooperative Agreement (CRCA):** We reached agreements with all opposers in the Environmental Flow application, which will provide water for the environment in Grand County. We dealt with implementation issues regarding the West Slope charge, Shoshone assets, the Jim Creek Project and payment of $1 million due in 2015.

- **Regulatory issues:** We provided legal counsel regarding Moffat Project permitting issues related to Boulder County and our 401 certification. We developed an approach to hydro improvements at Strontia Springs reservoir that should lead to an exemption by the Federal Energy Regulatory Commission (FERC) from future licensing. We also participated in several proceedings before the Water Quality Control Commission.

- **Water law reform:** We are an active participant in an effort to seek legislation to protect storm-water management facilities from being subject to water-rights administration.

2014 Highlights:

- **Englewood resolution:** A precursor to an agreement on the Environmental Flow application was the noteworthy settlement agreement with Englewood that seems to have ended decades of water court disputes.

- **Consolidated Ditches agreement:** We settled another ancient issues concerning the agreement with Consolidated Ditches that will allow reuse of Moffat System return flows. Work to finalize the agreement through water court is ongoing.

- **Fair Labor Standards Act resolution:** We resolved a significant FLSA issue in a straightforward and fair way, and we avoided any claims.

- **State Water Plan:** We worked actively on the state Water Plan for acknowledgement of state regulatory impediments to the reuse and sharing of water between agricultural and municipal use, as well as recognition that urban landscape provides both economic and quality-of-life value. That work will continue through 2015.

2015 Goals:

- **Employer of the Future:** Implement the action plan for the Legal Division that responds to the employee survey, related to the EOF strategic objective.

- **Pro Bono program:** Develop a pro bono program based on the aspirational goal in Rule 6.1 of the Colorado Rules of Professional Conduct that is consistent with the duties of government attorneys.

- **Organizational involvement:** Contribute to achievement of Denver Water's 2015 goals by providing advice on and participation in such areas as EOF, OCR, HR transformation, Safety, and Engineering-project delivery.

Operations and Maintenance

Progress on 2014 focus areas:

- **Reorganization:** We transitioned through the retirement of 160 years of experience in leadership positions. We also streamlined the organization from 10 sections to seven. This new structure better represents the process of delivering water to our customers.

- **Lean leadership:** We conducted successful value streams in Water Distribution and Fleet. Water Distribution achieved a 50 percent improvement in productivity for pipe installation, while Fleet saw as much as a 70 percent productivity gain in processes. The value streams produced shorter construction durations, which benefits our customers. The value streams also produced shorter vehicle out-of-service times, which benefits Denver Water employees.

- **Asset management:** We made progress in the shift from reaction-based-corrective maintenance to preventative maintenance (PM). Leveraging Lean processes, we improved our productivity on hydrant PMs by almost 500 percent. That freed up capacity to work through the backlog of corrective work generated from these PMs. We utilized this approach in operational decisions and to extend the life of our distribution mains by changing operating pressures. In one pressure zone, we were able to reduce the number of main breaks to six rather than the five-year average of 23.

2014 Highlights:

- **Space reduction:** We reduced by two thirds the space required to store pipe for T&D projects, by better planning jobs for delivery directly from the pipe supplier to the job site. Additional Lean improvements in the Warehouse helped us reduce the total square footage of the current facility of 54,000 square feet to 24,000 square feet planned for the new facility, without impacting the supply of materials to internal customers.

- **Flow cells:** Utilizing Lean practices, T&D installed 49,000 feet of pipe with an overall increase in productivity (feet per labor hour) of 20 percent, with a 50 percent increase in productivity by the flow cells. This was within one percent of the annual target for pipes installed.

- **Fleet management:** We completed the upgrade of our Fleet management system to better collect data to make budget decisions and prioritize our improvement activity. This system will also support better asset management of the fleet and help us prioritize replacements. This will bring the average age of the fleet in line with industry standards.

- **Joint exercise:** Emergency Management facilitated an emergency exercise at our Dillon Reservoir facility, which included approximately 120 people from 28 local, state and federal agencies. This exercise improved our relationships with these entities and identified areas for improvement to our plans to better prepare us in the event of an emergency.

- **Water Quality and Treatment:** We completed a major portion of the self-assessment phase of the AWWA Partnership for Safe Water. This effort is helping us establish our metrics for water quality that are essential for making operational and capital spending decisions and will allow us to benchmark ourselves against other utilities.

2015 Goals:

- **O&M overall**
  - Continue to transform to a "safety first" culture incurring no more than 100 total injuries and no more than seven lost-work-day injuries. First steps include implementing a safety spot award program to recognize contributors.
  - Support the OCR project by improving the way we do work and translating that into design input for buildings that support doing the work more efficiently. Closely coordinate operational impacts of the OCR project construction with Operations to allow work to be completed without impacting the campus construction schedule.
  - Continue the advancement of system and program metrics to facilitate responsible prioritization and budgeting. Support the Budget Value Stream, ORCA project and project delivery value streams by providing input to the process and system requirements and preparing O&M for use and sustainment of these improvements.
  - Improve O&M employee satisfaction survey results by six percent in the category of employees "very satisfied" with Denver Water as an employer.

- **SOS**
  - Continue to change the culture to empower and align staff to operate our collection system in a more efficient way. Continue to improve the coordination between raw water planning and SOS employees.
  - Continue the process of capturing SOS assets into our GIS management system for better collection of conditions and maintenance information. This will support sound asset management of these resources and will lay the groundwork for expanding the mobile-work management system.
  - Increase use of current technology in our collection system to facilitate operations.

- **Water Quality and Treatment**
  - Develop front-line supervisors at treatments plants to support employees and free capacity for plant supervisors to focus on long-term issues like annual budget, preventative-maintenance schedules and the long-term capital plan.
  - Capture lessons learned from OCR and begin formal Lean efforts to improve processes. Integrate these concepts into design of the new water quality facility.

- **Water Distribution**
  - Improve customer satisfaction response by 25 percent related to street impacts for T&D pipeline installation projects.
  - Stand up a second flow cell for T&D pipe installation, resulting in our executing all pipe installation with Lean practices.
  - Improve response to main breaks and reduce customer outage hours 25 percent.

- **Support Services**
  - Through Fleet Value Stream, achieve a 25 percent improvement in fleet operations.
  - Continue improvements in warehouse inventory leading to a 25 percent reduction in inventory. Translate this reduction into building footprint savings in OCR design.

- **Safety, Security and Emergency Management**
  - Continue management of security in a program manner and implement our physical and cyber security strategies.
  - Advance the continuity of operations planning across the organization, including completing plans for each division, while starting exercises to test and improve these plans.
  - Maintain positive, external relationships with stakeholders as we exercise our emergency action plans for dams and treatment plants.

Planning

Progress on 2014 focus areas:

- **Grand County Mitigation Plan:** We reached an agreement with Grand County and Trout Unlimited on the Grand County Mitigation and Enhancement Coordination Plan.

- **Boulder County:** We did not make any meaningful progress with Boulder County officials on the Gross Dam expansion.

- **U.S. Forest Service:** We spent considerable time working with the USFS to understand its issues with the project. We submitted a proposal to resolve identified issues to the USFS in November. The USFS committed to respond to the proposal by the middle of January 2015.

2014 Highlights:

- **IRP:** We completed Phase Two of the off-stream reservoir study and conducted a "clean slate" exercise with O&M on potable reuse. We defined and scheduled an A3 event to determine next steps for the non-potable recycling project in light of the clean slate exercise.

- **Consolidated Ditches:** We completed negotiations to amend this 1940 Agreement

- **WISE Project**: We reached agreement for the purchase of ECCV's East-West Pipeline.

- **South Adams County:** We reached agreement on the use of gravel pits.

- **Englewood:** We completed an agreement that settled long-standing issues with that city.

- **Employee Survey:** We implemented an action plan to address issues important to employees in Planning.

2015 Goals:

- **Moffat Collection System Project*:***
  - Obtain an acceptable 401 Water Quality Certification from CDPHE
  - Submit a license amendment application to FERC
  - Complete negotiations on an IGA and 4e conditions with USFS
  - Work with ACE to issue a ROD and acceptable 404 permit for the project.

- **IRP—Next Generation of Planning**
  - Preserving future water supply options
  - Strategic water reserves—how much is enough
  - Climate-ready organization

- **Implement employee survey action plans**

- **OCR**—Identify and implement efficiencies in Planning

- **Maintain "state of the art" collection, treated water, and operation models**

Public Affairs

Progress on 2014 focus areas:

- **Increased stakeholder outreach:** We successfully placed Denver Water employees at more than 90 events locally, statewide and nationally in 2014, directly reaching audiences of more than 5,000 people. We focused on west slope communities, partnering with Summit and Grand County to celebrate the CRCA and with ski resorts to promote the region's economy.

- **Increased MWBE and SBE outreach:** We overhauled our internal communication and coordination for managing this program. We successfully built the framework for an expansion of the MWBE program into goods and services contracts and laid the groundwork for an improved program in 2015. We also attended more than 20 outreach events and created an external advisory committee to bring an outside perspective.

- **Web site audit:** We delayed auditing the website until 2015, as we were finalizing the new brand and beginning a redesign of DenverWater.org. As part of the redesigned website launch in 2014, an audit will be conducted to ensure the site's architecture and customer service experience are consistent with the best water utility in the nation.

2014 Highlights:

- **Content/Brand journalism:** We began the transition from more traditional public relations activities to a model based on continuous daily improvement. This approach will allow Denver Water to become its own publisher and news organization, creating informative, engaging stories on multiple platforms for distribution to internal and external audiences.

- **Senate Bill 103:** Government and Stakeholder Relations staff members spearheaded the effort to pass Senate Bill 15-103 phasing in the sale of WaterSense water fixtures in Colorado. This was a significant team effort involving Conservation, Demand Planning and Legal that will save Colorado at least 40,000 acre feet of water per year by 2050.

- **Conservation:** We achieved 1,212 acre feet of water savings in 2014 through active programs for every customer type, including 15,000 educational touches, 4,000 audits and 24,000 incentives and rebates. Staff members worked with IT and Finance to create online rebate applications, making it faster to apply for and receive a rebate as a check or credit on a bill. We also finalized the Conservation Plan Update to be submitted to the CWCB.

2015 Goals:

- **Refine and enhance external and internal communications**
  - Continue proactive issues management
  - Continue implementation of brand journalism strategy
  - Complete audits and redesign of Internet and Intranet sites
  - Build upon social media presence
  - Improve EOF, Lean and Everbridge communications

- **Continue leading practices in Conservation**
  - Establish smart goals for water conservation
  - Develop external stakeholders group for updated conservation plan

- **Grow Youth Education program -** Develop five year plan and goals

- **Expand community and stakeholder outreach –** Increase in suburbs and West Slope

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FINANCIAL SECTION

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO

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KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

Independent Auditors' Report

The Honorable Dennis J. Gallagher, City Auditor, and the
Board of Water Commissioners
City and County of Denver, Colorado:

We have audited the accompanying financial statements of the business-type activities of the Board of Water Commissioners, City and County of Denver, Colorado (the Board), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Board of Water Commissioners, City and County of Denver, Colorado as of December 31, 2014 and 2013, and the changes in financial position, and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages II-3 through II-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental and Other Financial Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The accompanying supplemental information included in the introductory section on pages I-1 through I-25, the financial section on pages II-52 through II-56, and the statistical section on pages III-1 through III-91 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental financial information included on pages II-52 through II-56 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental financial information included on pages II-52 through II-56 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying supplemental information included in the introductory section on pages I-1 through I-25 and statistical section on pages III-1 through III-91 has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KPMG LLP

Denver, Colorado
April 30, 2015

The following is management's discussion and analysis ("MD&A") of the financial activities of the Board of Water Commissioners (the "Board") for the years ended December 31, 2014 and 2013. This information should be read in conjunction with the basic financial statements which follow.

FINANCIAL HIGHLIGHTS

The Board's financial position, measured by the change in net position, improved 3% during 2014, compared to 5% during 2013.

- ***Operating income*** was $19.4 million in 2014 compared to $33.7 million in 2013, a decrease of 42%.
- ***Income before capital contributions*** was $6.7 million in 2014 compared to $23.1 million in 2013, a decrease of 71%.
- ***Capital contributions*** were $55.9 million in both 2014 and 2013.
- ***Net position*** increased $62.7 million, or 3%, in 2014 compared to $79.0 million, or 5%, in 2013.
- ***Capital asset additions*** were $125.4 million in 2014 compared to $93.4 million in 2013, an increase of 34%.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Board's basic financial statements, which are comprised of four components: 1) statements of net position, 2) statements of revenues, expenses, and changes in net position, 3) statements of cash flows, and 4) notes to the basic financial statements. The Board also provides certain supplementary information which is presented for additional analysis and is not a required part of the basic financial statements.

The **statements of net position** present information on all of the Board's (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources, with the difference between the two reported as ***net position***. "Deferred outflows of resources" is defined as consumption of net assets that is applicable to a future reporting period rather than the current reporting period. "Deferred inflows of resources" is defined as an acquisition of net assets that is applicable to a future reporting period rather than the current reporting period. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or declining.

The **statements of revenues, expenses, and changes in net position** present information showing how the Board's net position changed during the years presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is known as the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future (e.g., unbilled water revenue and earned but unused vacation leave) or that may have occurred in the past (e.g., amortization of debt premiums or discount and prepaid contributed capital). This statement measures the financial outcomes of the Board's activities and can be used to determine whether the Board has successfully recovered all its economic costs through its water rates, capital contributions, and other charges.

The **statements of cash flows** report cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities for the years presented.

The **notes to the basic financial statements** provide additional information that is essential to a full understanding of the data provided in the basic financial statements, such as the Board's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Supplemental information provides details of the Board's capital assets and bonded debt.

FINANCIAL ANALYSIS

NET POSITION

As discussed above, net position may serve over time as a useful indicator of the Board's financial position. The Board's net position was $1.885 billion at December 31, 2014, an increase of $62.7 million, or 3%, from December 31, 2013. Net position was $1.822 billion at December 31, 2013, an increase of $79.0 million, or 5%, from December 31, 2012 (see Figures 1 and 2 and Table 1).

Figure 1 - Net Position

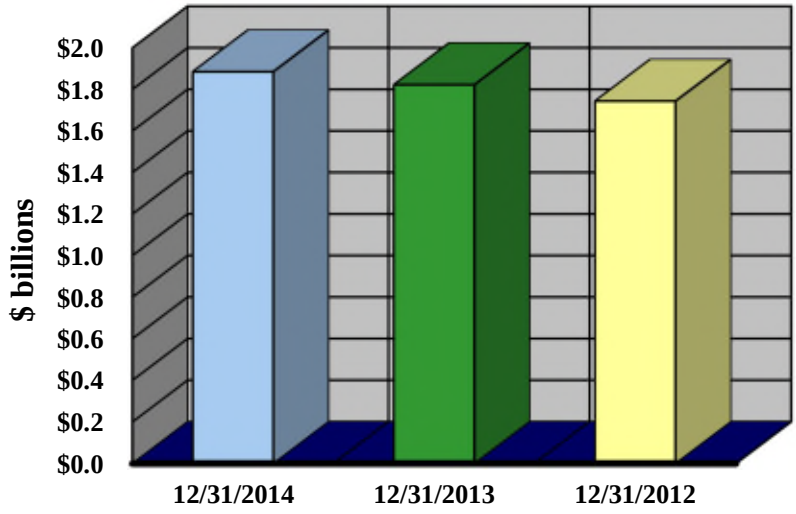


Table 1 - Condensed Statements of Net Position
(amounts expressed in thousands)

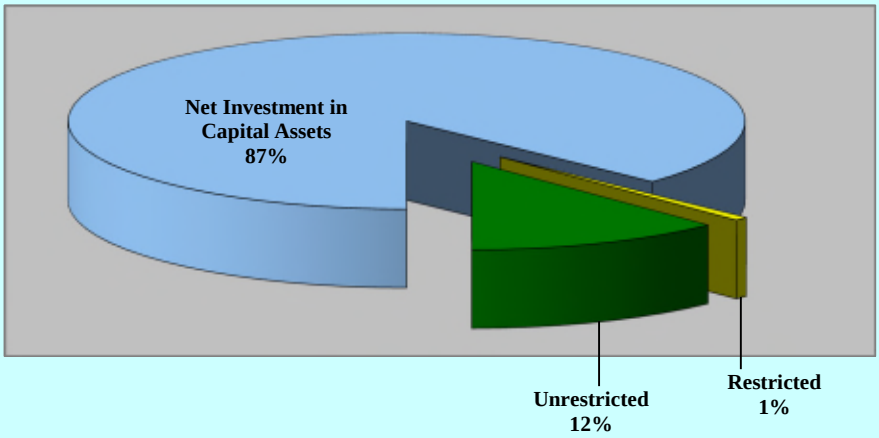
	As of December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Current and other assets	**$ 292,226**	$ 283,900	$ 279,866	$ 8,326	3%	$ 4,034	1%
Capital assets, net	**2,069,581**	1,997,591	1,954,672	71,990	4	42,919	2
Total assets	**2,361,807**	2,281,491	2,234,538	80,316	4	46,953	2
Deferred outflows of resources	**4,652**	4,801	5,122	(149)	(3)	(321)	(6)
Total assets and deferred outflows	**2,366,459**	2,286,292	2,239,660	80,167	4	46,632	2
Current liabilities	**67,949**	57,927	66,487	10,022	17	(8,560)	(13)
Noncurrent liabilities	**413,714**	406,237	430,020	7,477	2	(23,783)	(6)
Total liabilities	**481,663**	464,164	496,507	17,499	4	(32,343)	(7)
Net position:							
Net investment in capital assets	**1,641,601**	1,579,642	1,513,582	61,959	4	66,060	4
Restricted	**12,375**	12,327	12,274	48	0	53	0
Unrestricted	**230,820**	230,159	217,297	661	0	12,862	6
Total net position	**$ 1,884,796**	$ 1,822,128	$ 1,743,153	$ 62,668	3	$ 78,975	5

The largest portion of the Board's net position reflects its investment in capital assets (i.e., utility plant); less any related debt used to acquire those assets. The Board uses these capital assets to provide water; consequently, these assets are not available for future spending. Although the Board's investment in its capital assets is reported net of related debt, the resources to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be liquidated to repay these liabilities.

A small portion of the Board's net position represents resources that are subject to external restrictions on how they may be used. The Board's 2014, 2013, and 2012 restricted net positions consisted of debt reserve funds for revenue bonds.

The remaining balance of the Board's net position represents unrestricted net position and may be used to meet the Board's ongoing obligations to creditors.

Figure 2 - Net Position Categories as of December 31, 2014



The Board's increase in net position during 2014 of $62.7 million or 3% indicates an improved financial position.

Other changes in the statements of net position were as follows:

- **CURRENT AND OTHER ASSETS** in 2014 increased $8.3 million, or 3% from 2013. They increased $4.0 million, or 1% between 2013 and 2012 (see Table 1). The increases in both years were due to normal operating fluctuations.

- **CAPITAL ASSETS, NET** in 2014 increased $72.0 million, or 4% from 2013. They increased $42.9 million, or 2% between 2013 and 2012. The increase in both years was due to additions, offset by increased accumulated depreciation. See Table 8 for current year additions.

- **DEFERRED OUTFLOWS OF RESOURCES** represents the difference between the reacquisition price and the net carrying amount of defeased debt ("deferred amount on refunding") resulting from the Series 2012B, Series 2012C, and Series 2014A water refunding bonds. It decreased $0.1 million or 3% in 2014 due to amortization as a component of interest expense, offset by an addition for the 2014A refunding. It decreased $0.3 million, or 6% in 2013 due to amortization as a component of interest expense.

- **CURRENT LIABILITIES** in 2014 increased $10.0 million, or 17% from 2013. They decreased $8.6 million, or 13% between 2013 and 2012. The increase in 2014 was primarily due to increased construction contract and accounts payable accruals. The decrease in 2013 was primarily due to decreased payable and payroll accruals.

- **NONCURRENT LIABILITIES** in 2014 increased $7.5 million, or 2% from 2013. They decreased $23.8 million, or 6% between 2013 and 2012. The increase in 2014 was primarily due to an increase in revenue bonds due to the Series 2014A bond issue, offset by payment of the $10.0 million note

payable, the partial defeasement of 2005 revenue bonds, and the reclassification of a portion of noncurrent revenue bonds to current. The decrease in 2013 was primarily due to reclassification of a portion of noncurrent revenue bonds to current.

CHANGE IN NET POSITION

While the statements of net position display the Board's assets, liabilities and net position at year-end, the statements of revenues, expenses, and changes in net position provide information on the source of the change in net position during the year. Net position increased $62.7 million in 2014 consisting of income before capital contributions of $6.7 million and capital contributions of $55.9 million. Net position increased $79.0 million in 2013 consisting of income before capital contributions of $23.1 million and capital contributions of $55.9 million (see Table 2 and Figure 5).

Table 2 - Condensed Statements of Revenues, Expenses and Changes in Net Position
(amounts expressed in thousands)

	Years Ended December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Operating revenues	**$ 250,668**	$ 242,623	$ 284,339	$ 8,045	3%	$ (41,716)	(15)%
Nonoperating revenues	**7,695**	8,094	7,333	(399)	(5)	761	10
Total revenues	**258,363**	250,717	291,672	7,646	3	(40,955)	(14)
Operating expenses	**231,311**	208,915	202,571	22,396	11	6,344	3
Nonoperating expenses	**20,310**	18,712	20,712	1,598	9	(2,000)	(10)
Total expenses	**251,621**	227,627	223,283	23,994	11	4,344	2
Income before capital contributions	**6,742**	23,090	68,389	(16,348)	(71)	(45,299)	(66)
Capital contributions	**55,926**	55,885	36,706	41	0	19,179	52
Increase in net position	**62,668**	78,975	105,095	(16,307)	(21)	(26,120)	(25)
Beginning net position	**1,822,128**	1,743,153	1,638,058	78,975	5	105,095	6
Ending net position	**$ 1,884,796**	$ 1,822,128	$ 1,743,153	$ 62,668	3	$ 78,975	5

There was ***operating income*** (operating revenues less operating expenses—not reflected in Table 2, see *Statements of Revenues, Expenses and Changes in Net Position*) of $19.4 million in 2014, compared to $33.7 million in 2013 and $81.8 million in 2012 (see Figure 3).

There was ***income before capital contributions*** of $6.7 million in 2014 compared to $23.1 million in 2013 and $68.4 million in 2012 (see Figure 4).

Figure 3 - Operating Income

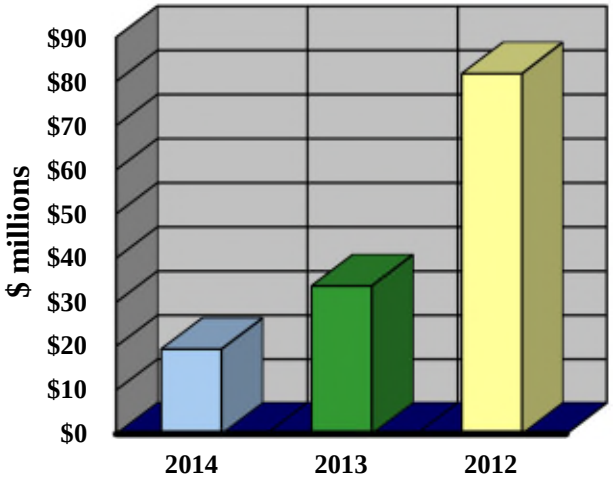


Figure 4 - Income before Capital Contributions

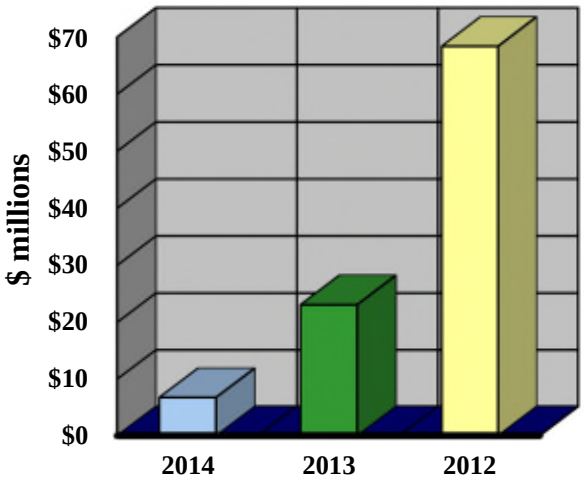
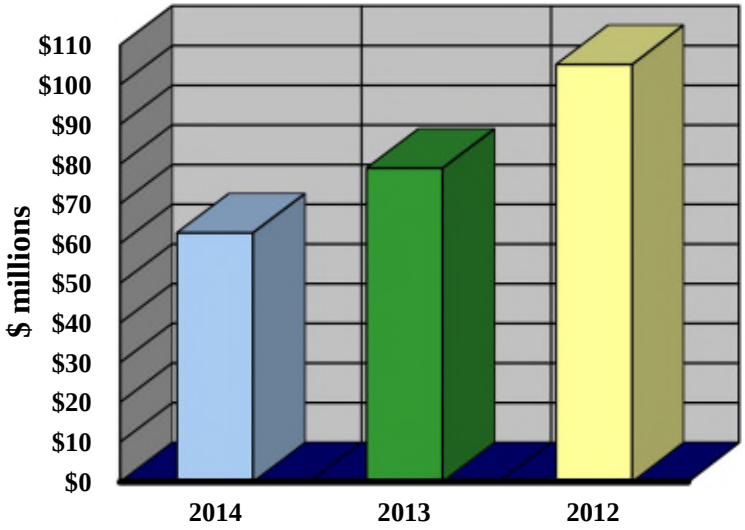


Figure 5 - Change in Net Position



Specifically, major changes in the statements of revenues, expenses and changes in net position were as follows:

- **OPERATING REVENUES** in 2014 increased $8.0 million, or 3% from 2013. They decreased $41.7 million, or 15% between 2013 and 2012 (see Figure 6 and Table 3).

Figure 6 - Operating Revenues

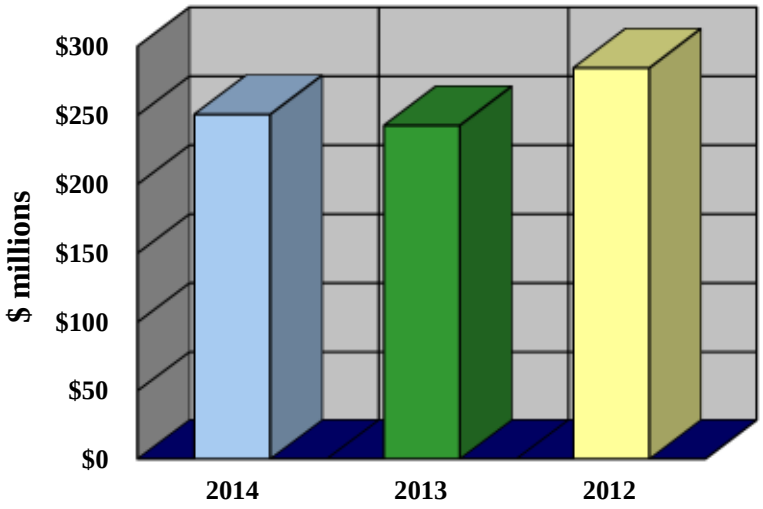


Table 3 - Operating Revenues
(amounts expressed in thousands)

	Years Ended December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Water:							
Water sales	**$ 239,288**	$ 230,482	$ 271,575	$ 8,806	4%	$ (41,093)	(15)%
Power generation and other:							
Power sales	**4,390**	4,263	4,308	127	3	(45)	(1)
Special assessments	**4,320**	5,959	6,674	(1,639)	(28)	(715)	(11)
Other	**2,670**	1,919	1,782	751	39	137	8
	11,380	12,141	12,764	(761)	(6)	(623)	(5)
Total operating revenues	**$ 250,668**	$ 242,623	$ 284,339	$ 8,045	3	$ (41,716)	(15)

Shaded items are discussed below.

Water sales in 2014 increased due to a rate increase effective January 1, 2014, designed to increase overall total system water rate revenue by 3.5%. This was offset by a 1% decrease in water sold (65.525 billion gallons sold in 2014 compared to 66.367 billion gallons sold in 2013). Changes in water consumption from year to year are generally directly related to changes in temperature, and inversely related to changes in precipitation, except for mandatory drought restrictions. Longer term changes in consumption are the result of changes in conservation habits on the part of consumers and changes in the customer base.

Water sales in 2013 decreased due to a 17% decrease in water sold (66.367 billion gallons sold in 2013 compared to 80.364 billion gallons sold in 2012, which was an extremely dry year) offset by a

rate increase effective January 1, 2013, designed to increase overall total system water rate revenue by 2.5%.

Power Sales consist of sales of electricity to Xcel Energy and Tri-State Generation and Transmission Associates from seven power generating facilities: Dillon, Foothills, Gross, Hillcrest, Roberts Tunnel, Strontia Springs, and Williams Fork. Because power is generated by use of water turbines, differences in power sales from year to year are caused primarily by increases or decreases in water flows due to weather conditions or interruptions of power generating operations for repairs and maintenance.

***Special* assessments** consist primarily of delinquent bill charges, hydrant meter revenue, turn-off/turn-on charges, and charges for water violations and exemption permits. Differences from year to year are caused by increases or decreases in one or more of these components.

Other consists of inspection fees, material sales, new taps, meter repairs, and miscellaneous fees.

- **NONOPERATING REVENUES** in 2014 decreased $0.4 million, or 5% from 2013. They increased $0.8 million, or 10% between 2013 and 2012 (see Table 4).

Table 4 - Nonoperating Revenues
(amounts expressed in thousands)

	Years Ended December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Investment income	**$ 1,552**	$ 1,488	$ 1,451	$ 64	4%	$ 37	3%
Other nonoperating income	**6,143**	6,606	5,882	(463)	(7)	724	12
Total nonoperating revenues	**$ 7,695**	$ 8,094	$ 7,333	$ (399)	(5)	$ 761	10

Shaded items are discussed below.

Investment income changes from year to year are due to a combination of changes in interest rates earned on assets, changes in fair market values of financial assets, and changes in average investment balances.

Other nonoperating income decreased in 2014 and increased in 2013 primarily due to the recognition of a $1.1 million receivable for flood insurance claims in 2013.

- **OPERATING EXPENSES** in 2014 increased $22.4 million, or 11% from 2013. They increased $6.3 million, or 3% between 2013 and 2012 (see Figures 7, 8, 9 and Table 5).

Figure 7 - Total Operating Expenses

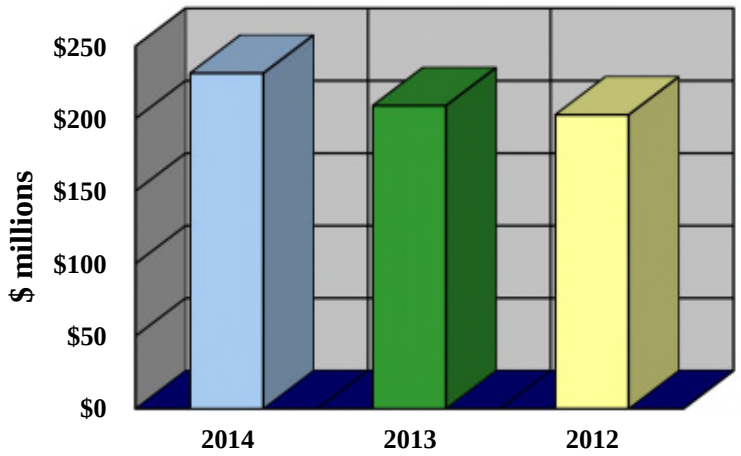
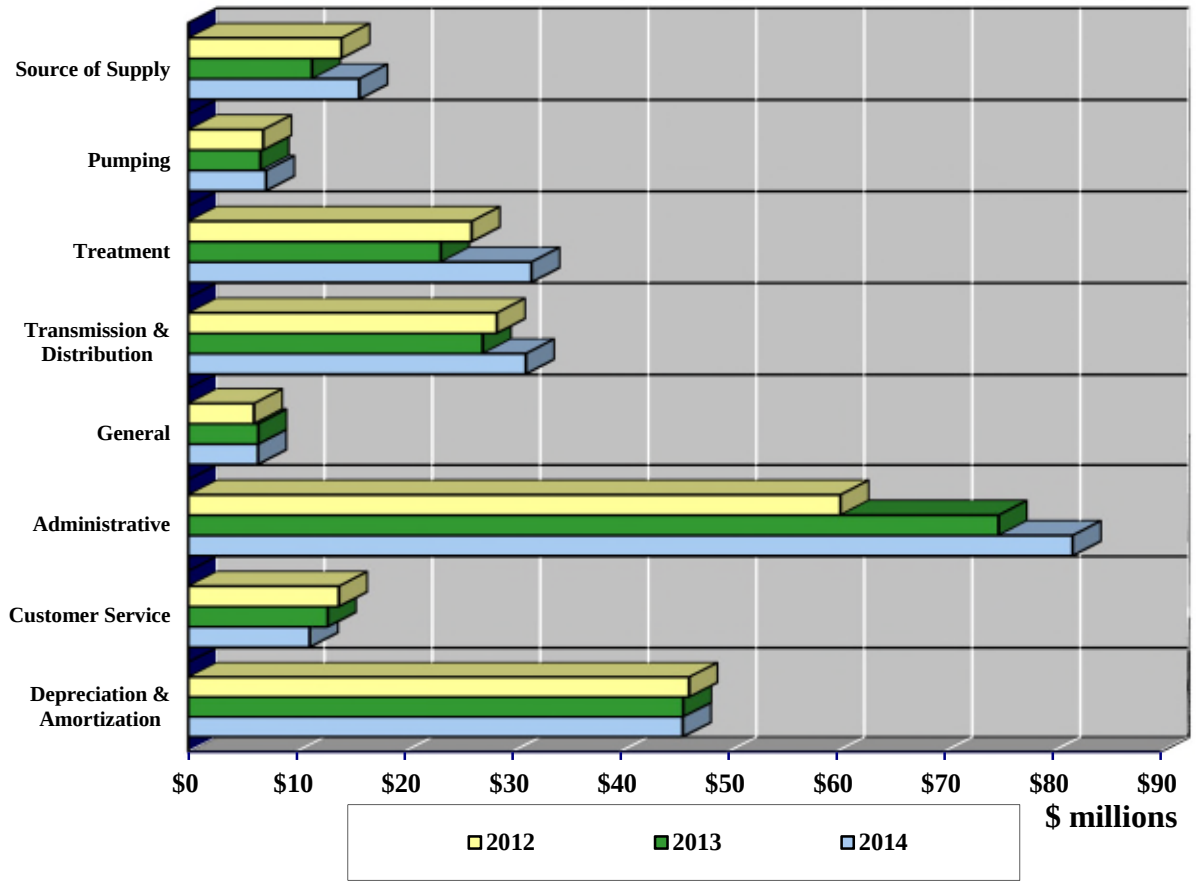


Table 5 - Operating Expenses by Category
(amounts expressed in thousands)

	Years Ended December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Source of supply (SOS)	**$ 15,807**	$ 11,438	$ 14,155	$ 4,369	38%	$ (2,717)	(19)%
Pumping	**7,186**	6,670	6,915	516	8	(245)	(4)
Treatment	**31,751**	23,373	26,222	8,378	36	(2,849)	(11)
Transmission & Distribution (T&D)	**31,244**	27,241	28,554	4,003	15	(1,313)	(5)
General	**6,443**	6,468	6,062	(25)	(0)	406	7
Administrative	**81,879**	75,026	60,371	6,853	9	14,655	24
Customer service	**11,229**	12,894	13,929	(1,665)	(13)	(1,035)	(7)
Depreciation and amortization	**45,772**	45,805	46,363	(33)	(0)	(558)	(1)
Total operating expenses	**$ 231,311**	$ 208,915	$ 202,571	$ 22,396	11	$ 6,344	3

Shaded items are discussed below.

Figure 8 - Operating Expenses by Category



Major changes were as follows:

2014

Source of Supply – Increased primarily due to additional expenses for removing sedimentation at Strontia Springs Reservoir and repairs at Strontia Springs and Dillon Reservoirs.

Treatment – Increased primarily due to maintenance and repairs at the Foothills Treatment Plant, increased closure and postclosure care costs for the landfill and drying beds at Foothills and Ralston, and increased chemicals and materials costs at Marston and Foothills, respectively.

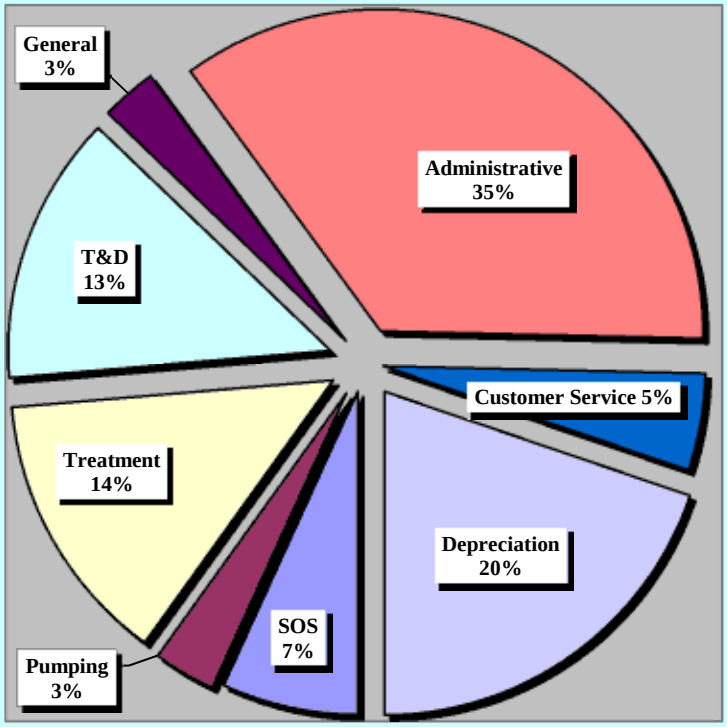
Transmission & Distribution – Increased engineering and labor associated with ongoing conduits and mains maintenance, including the installation of a fiber optic monitoring system for conduit 94, which is the conduit that runs from the Moffat Filter Plant to the 56th Avenue Pump Station.

Administrative – Increased costs in Information Technology and Engineering.

2013

Administrative – Increased primarily in two areas. The first was in Planning - Water Resources Analysis Division for $6.5 million in payments for the 10825 Recovery Program as a result of a judgment by the U.S. Fish and Wildlife Service which requires Colorado River water users to provide 10,825 acre-feet of water per year to protect four species of endangered fish in the Colorado River. The second area was $3.9 million increased expenses in Information Technology.

Figure 9 - Operating Expense Categories as a Percent of Total Operating Expenses - 2014



- **NONOPERATING EXPENSES** in 2014 increased $1.6 million, or 9% from 2013. They decreased $2.0 million, or 10% between 2013 and 2012 (see Table 6).

Table 6 - Nonoperating Expenses
(amounts expressed in thousands)

	Years Ended December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Interest expense	**$ 12,664**	$ 13,602	$ 14,217	$ (938)	(7)%	$ (615)	(4)%
Loss on disposition of capital assets	**5,394**	2,171	4,331	3,223	148	(2,160)	(50)
Other nonoperating expense	**2,252**	2,939	2,164	(687)	(23)	775	36
Total nonoperating expenses	**$ 20,310**	$ 18,712	$ 20,712	$ 1,598	9	$ (2,000)	(10)

Shaded items are discussed below.

Interest expense changes from year to year are due to a combination of differences in the amount of debt, interest rates paid on the debt, and interest expense capitalized for construction projects. When interest is capitalized, the interest is added to the cost of the project and deducted from interest expense.

Loss on disposition of capital assets was primarily due to the write-off of assets connected with modifying the Elizabeth St. pumping station in order to accommodate both potable and recycled water, plus write-offs of conduits, mains, and hydrants. The loss during 2013 was primarily the result of the write-off of obsolete clear water storage basins at Ashland and Highland Reservoirs due to construction of new basins.

Other nonoperating expense decreased in 2014 and increased during 2013 due to additional costs incurred in 2013 to convert Littleton's total service contract.

- **CAPITAL CONTRIBUTIONS** in 2014 were approximately the same as 2013. They increased $19.2 million, or 52% between 2013 and 2012 (see Table 7).

Table 7 - Capital Contributions
(amounts expressed in thousands)

	Years Ended December 31,			2014 - 2013 Increase (Decrease)	2014 - 2013 % Change	2013 - 2012 Increase (Decrease)	2013 - 2012 % Change
	2014	2013	2012				
Contributions in aid of construction	**$ 23,190**	$ 21,424	$ 17,163	$ 1,766	8%	$ 4,261	25%
System development charges	**32,736**	34,461	19,543	(1,725)	(5)	14,918	76
Total capital contributions	**$ 55,926**	$ 55,885	$ 36,706	$ 41	0	$ 19,179	52

Shaded items are discussed below.

Contributions in aid of construction represent facilities, or cash payments for facilities, conveyed to the distribution system from property owners, governmental agencies, and customers who receive benefit from such facilities. Normally, differences from year to year are caused by the general level of construction activity in the Denver metropolitan area.

System development charges ("SDCs") represent fees charged to customers to connect to the water system. Normally, differences from year to year are also caused by the general level of construction activity in the Denver metropolitan area.

CAPITAL ASSET ACTIVITY

The Board's capital assets at December 31, 2014 and 2013 amounted to $2.070 billion and $1.998 billion, net of accumulated depreciation and amortization, respectively. Capital asset additions in 2014 and 2013 were $125.4 million and $93.4 million, respectively, an increase of $32.0 million or 34%. Major projects were as follows (see Table 8):

Table 8 - Capital Additions
Year Ended December 31, 2014
(amounts expressed in thousands)

Distribution Mains & Hydrants	$	36,540
Treated Water Conduits		14,925
Marston Treatment Plant		9,114
Downstream Reservoirs		9,019
Marston Reservoir		7,939
Foothills Treatment Plant		7,729
Highland Reservoir		6,947
Ashland Reservoir		6,687
Antero Reservoir		4,764
Green Mountain Pump Station		4,727
Cherry Hills Pump Station		2,841
Moffat Tunnel		2,194
Capitalized Software & IT Projects		1,863
Dillon Power Plant		1,286
Moffat Treatment Plant/Recycle Plant		1,267
Kendrick Pump Station		1,073
Other		6,459
	$	125,374

Information on the Board's capital assets can be found in Note 4 to the basic financial statements and Exhibit I of the supplemental financial information.

LONG-TERM DEBT ACTIVITY

In 2014, the Board issued $48.7 million in Series 2014A Water Revenue Bonds dated September 16, 2014 to be used to fund capital improvements to the water works system in the amount of $35.0 million, to pay off notes payable in the amount of $10.0 million, and to advance refund a portion of the Series 2005 revenue bonds to achieve present value savings.

On November 20, 2013, the Board executed a credit agreement with Bank of America, N.A., to provide a variable rate revolving line of credit for a maximum initial principal amount of $30.0 million as an interim source of financing for capital improvements to the water works system. The initial line of credit is for

three years with an option to renew it for an additional two years and to increase it to $50.0 million. The initial draw was for $10.0 million, which was the outstanding balance at December 31, 2013. There is no outstanding balance as of December 31, 2014. See Note 6 for further details.

During 2014, the ratings for Denver Water's revenue bonds were upgraded to Aaa by Moody's, and AAA by Standard & Poor's and Fitch. Information on the Board's long-term debt can be found in Notes 6, 7 and 9 to the basic financial statements and Exhibits II-A through II-D of the supplemental financial information.

FLOOD DAMAGE

Severe storms, flooding, landslides, and mudslides washed through Colorado on September 11, 2013. The rains lasted three days and caused severe damage in multiple jurisdictions within the Board's areas of operation. Damage to the Board's property was approximately $12 million. The Board is eligible for public assistance through Federal Emergency Management Agency (FEMA) for some of the damages. Funding is cost-shared at a federal share of no less than 75% of eligible costs and State of Colorado share at no less than 12.5%. As of December 31, 2014, the Board had a receivable of $413,000, and recorded nonoperating income of $428,000 and $20,000 in 2014 and 2013, respectively. In addition, the Board recorded a receivable and nonoperating income for insurance proceeds of $1.1 million in 2013.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance
Denver Water
1600 W. 12th Ave.
Denver, CO 80204-3412

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Net Position
December 31, 2014 and 2013
(Amounts expressed in thousands)

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 28,112	$ 17,504
Short-term investments, at fair value, including accrued interest	127,375	91,908
Restricted investments - debt service	12,375	12,327
Accounts receivable	21,199	20,708
Materials and supplies inventory, at weighted average cost	6,674	7,785
Prepaid expenses	434	203
Total current assets	196,169	150,435
NONCURRENT ASSETS:		
Capital assets:		
Utility plant	2,622,500	2,554,950
Nonutility plant	9,073	9,107
	2,631,573	2,564,057
Less accumulated depreciation and amortization	(765,485)	(723,548)
	1,866,088	1,840,509
Utility plant under capital lease, less accumulated amortization of $10,702 and $10,142, respectively	32,278	32,838
Construction in progress	171,215	124,244
Net capital assets	2,069,581	1,997,591
Other noncurrent assets:		
Long-term investments	66,726	98,507
Prepaid expenses and other assets	14,407	13,392
Long-term receivable	14,924	21,566
Total other noncurrent assets	96,057	133,465
Total noncurrent assets	2,165,638	2,131,056
Total assets	2,361,807	2,281,491
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	4,652	4,801
Total assets and deferred outflow of resources	2,366,459	2,286,292

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Net Position
December 31, 2014 and 2013
(Amounts expressed in thousands)

	2014	2013
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 13,805	$ 10,630
Accrued payroll, vacation and other employee benefits	9,321	9,175
Construction contracts (including retainages of $3,759 and $2,318, respectively)	14,432	8,737
Accrued interest on long-term debt	1,274	1,314
Current portion of revenue bonds payable	27,000	26,090
Current portion of obligation under capital lease	2,117	1,981
Total current liabilities	67,949	57,927
NONCURRENT LIABILITIES:		
Notes payable	-	10,000
Revenue bonds payable, net	377,605	362,347
Obligation under capital lease	11,478	13,595
Customer advances for construction	3,010	1,134
Accrued sick leave	4,492	4,638
Other postemployment benefits	10,990	10,889
Waste disposal closure and postclosure care	6,139	3,634
Total noncurrent liabilities	413,714	406,237
Total liabilities	481,663	464,164
COMMITMENTS AND CONTINGENCIES		
NET POSITION		
Net investment in capital assets	1,641,601	1,579,642
Restricted for debt service	12,375	12,327
Unrestricted	230,820	230,159
Total net position	$ 1,884,796	$ 1,822,128

See accompanying notes to basic financial statements.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Revenues, Expenses, and Changes in Net Position
Years ended December 31, 2014 and 2013
(Amounts expressed in thousands)

	2014	2013
OPERATING REVENUES:		
Water	$ 239,288	$ 230,482
Power generation and other	11,380	12,141
Total operating revenues	250,668	242,623
OPERATING EXPENSES:		
Source of supply, pumping, treatment and distribution	85,988	68,722
General and administrative	88,322	81,494
Customer service	11,229	12,894
Depreciation and amortization	45,772	45,805
Total operating expenses	231,311	208,915
OPERATING INCOME	19,357	33,708
NONOPERATING REVENUES (EXPENSES):		
Investment income	1,552	1,488
Interest expense, less capitalized interest of $2,940 and $1,885, respectively	(12,664)	(13,602)
Loss on disposition of capital assets	(5,394)	(2,171)
Other income	6,143	6,606
Other expense	(2,252)	(2,939)
Total nonoperating expenses, net	(12,615)	(10,618)
INCOME BEFORE CAPITAL CONTRIBUTIONS	6,742	23,090
CAPITAL CONTRIBUTIONS:		
Contributions in aid of construction	23,190	21,424
System development charges	32,736	34,461
Total capital contributions	55,926	55,885
INCREASE IN NET POSITION	62,668	78,975
NET POSITION:		
Beginning of year	1,822,128	1,743,153
End of year	$ 1,884,796	$ 1,822,128

See accompanying notes to basic financial statements.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Cash Flows
Years ended December 31, 2014 and 2013
(Amounts expressed in thousands)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 257,212	$ 239,897
Payments to employees	(103,333)	(103,271)
Payments to suppliers	(74,896)	(67,620)
Other receipts	5,750	5,516
Other payments	(2,063)	(2,906)
Net cash provided by operating activities	82,670	71,616
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from contributions in aid of construction ("CIAC") and prepaid CIAC	6,384	4,834
Proceeds from system development charges ("SDC") and prepaid SDC	32,736	34,461
Proceeds from sales of capital assets	285	337
Proceeds from notes payable, less isssuance costs	-	9,882
Proceeds from long-term revenue bonds, plus premium, less issuance costs	45,000	-
Acquisition of capital assets	(97,541)	(79,498)
Principal payments for long-term bonds	(26,090)	(24,956)
Payments of notes payable	(10,000)	-
Principal payments for capital lease obligations	(1,981)	(1,854)
Interest paid (includes capitalized interest of $2,940 and $1,885, respectively)	(18,673)	(19,410)
Net cash used for capital and related financing activities	(69,880)	(76,204)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	182,216	251,470
Interest received from investments	1,365	1,193
Purchases of investments	(185,763)	(258,323)
Net cash used for investing activities	(2,182)	(5,660)
NET INCREASE (DECREASE) IN CASH	10,608	(10,248)
CASH, AT BEGINNING OF YEAR	17,504	27,752
CASH, AT END OF YEAR	$ 28,112	$ 17,504

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Cash Flows
Years ended December 31, 2014 and 2013
(Amounts expressed in thousands)

	2014	2013
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 19,357	$ 33,708
Adjustments to reconcile operating income to net cash provided by operating activities-		
Other revenues	6,143	6,606
Other expenses	(38)	(931)
Depreciation and amortization of capital assets	45,772	45,805
Change in assets and liabilities-		
Accounts receivable and long-term receivable	6,151	(3,816)
Materials and supplies inventory	750	(147)
Prepaid expenses - current	(231)	185
Prepaid expenses and other assets - noncurrent	(1,015)	(3,290)
Accounts payable	3,175	(5,823)
Accrued payroll, vacation and other employee benefits; and accrued sick leave	-	(928)
Other postemployment benefits	101	115
Waste disposal closure and postclosure care	2,505	132
Net cash provided by operating activities	$ 82,670	$ 71,616
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Assets acquired through contributions in aid of construction	$ 18,977	$ 16,590
Increase in fair value of investments	284	319
Loss on disposition of capital assets	(5,394)	(2,171)

See accompanying notes to basic financial statements.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Notes to Basic Financial Statements
December 31, 2014 and 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Water Commissioners (the "Board") was created under the Charter of the City and County of Denver, Colorado (the "City") as an independent, nonpolitical board. The Board has complete charge and control of a water works system and plant, which supplies water to customers located within the City and to entities serving other customers located in certain outlying areas in the Denver metropolitan area. Also, as a byproduct of water operations, the Board operates seven hydropower plants which generate power for sale to Xcel Energy and Tri-State Generation and Transmission Association, for internal consumption, and for repayment to the U.S. Department of Energy for power interference.

The Board has a five-member governing body, which is appointed by the Mayor of the City for overlapping six-year terms. In accordance with Governmental Accounting Standards Board ("GASB") Statements No. 14, *The Financial Reporting Entity*, No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and No. 61, *The Financial Reporting Entity: Omnibus*, the Board is classified as a special-purpose "other stand-alone government." A special-purpose other stand-alone government is defined as a legally separate governmental organization that (a) does not have a separately elected governing body and (b) does not meet the definition of a component unit because it does not have a financial benefit or burden relationship with a primary government.

The Board is a "related organization" in the City's financial reporting entity. A related organization is defined as an organization for which a primary government is not financially accountable (because it does not impose its will or have a financial benefit or burden relationship) even though the primary government appoints a voting majority of the organization's governing board.

The Board has no component units as defined in GASB Statements No. 14, 39, and 61.

B. Measurement Focus and Basis of Accounting

The Board, as a business type activity, is accounted for in an enterprise fund, which is used to report any activity for which a fee is charged to external users for goods or services. The Board's basic financial statements are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the statements of net position, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

C. Accounting Standards

The Board applies all applicable pronouncements of the GASB.

D. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Restricted Net Position and Flow Assumption for Restricted Net Position

Restricted net position consists of both the revenue bonds debt reserve fund and the revenue bonds debt service account included in temporary cash investments. The revenue bonds debt service account is used to pay principal and interest on the revenue bonds as they become due. The revenue bonds debt reserve fund is set aside to pay bondholders in the event that funds are not available at the time the debt payment is due. These restricted funds are used for their intended purpose before unrestricted funds.

F. Cash

The definition of cash for purposes of the statements of cash flows is cash on deposit in the Water Works Fund, cash in lock box, and cash on hand.

G. Investments

The Board's investments consist of money market investments (commercial paper and money market mutual funds) and U.S. Treasury, agency, and corporate notes and bonds. The method of valuation for all investments is fair value based on quoted market prices (see Note 2, *Deposits and Investments*).

H. Materials and Supplies Inventory

Materials and supplies inventory is valued at weighted average cost, which approximates lower of cost or market.

I. 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. Assets are capitalized if they have a cost of $5,000 or more and have a useful life of more than one year.

Land and water rights are also recorded at cost. Land is not depreciated and water rights are granted in perpetuity and not amortized.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective depreciable or amortizable asset classes as follows:

Depreciation Lives by Asset Class	Years
Buildings and components	10 - 80
Machinery and equipment	5 - 50
Furniture and office equipment	10 - 20
Motor vehicles and motorized equipment	10 - 15

Maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized and depreciated or amortized. At the time of retirement or disposition of depreciable property, the related cost

and accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected in nonoperating revenues (expenses).

Costs of certain engineering, feasibility, environmental and other studies are capitalized until the related projects become operational. When projects become operational, the costs are transferred to property, plant, and equipment and depreciated over the estimated useful life of the asset. In the event the projects do not become operational or the costs do not benefit future projects, all accumulated costs are expensed in the period such determination is made. If the projects become inactive but are not abandoned, the costs are carried as prepaid expenses and amortized over their estimated useful lives, or until the related projects become operational or abandoned. There were no inactive development costs that will be used in connection with future construction activities at December 31, 2014 and 2013.

Interest during the construction period is capitalized on major construction projects. Certain applicable general and administrative costs of an overhead nature are allocated to specific projects and capitalized, and such costs are depreciated over the estimated useful lives of the related assets when the related assets are transferred to capital assets.

Beginning 2015, process or system assets will be capitalized rather than individual component units. Because the process or system asset may be made up of many component assets, the capitalization threshold will be adjusted to $50,000.

J. Capital Contributions

Capital contributions consist of contributions in aid of construction ("CIAC") and system development charges ("SDC"). CIAC represent facilities, or cash payments for facilities, received from developers, property owners, governmental agencies, or customers who receive benefit from such facilities. SDC represent fees charged to customers to connect to the water system. Contributions are recognized in the statements of revenues, expenses, and changes in net position, after nonoperating revenues (expenses), when earned. Assets acquired through CIAC are included in capital assets. Depreciation applicable to such assets is computed using the straight-line method over the useful life associated with the contributed asset, and is included in operating expenses (see Note 13, *Capital Contributions*).

K. Employee Compensated Absences

The Board's policy is to accrue as an expense and liability employee vacation, sick leave and other compensated absences, including related payroll taxes, using the "vesting method" in accordance with GASB Statement No. 16, *Accounting for Compensated Absences.* The accrual also includes an estimate for employees who have earned sick leave but have not vested.

L. Operating Revenues and Expenses

Operating revenues consist primarily of charges to customers directly or indirectly related to the sale of water and power. Operating expenses consist of the cost of providing water and power, including administrative expenses and depreciation on capital assets. All other revenues and expenses are classified as nonoperating.

The Board accrues for estimated unbilled revenues for water provided through the end of each year from the last reading of the meters, based on the billing cycle.

M. Rates and Fees

Under Article X, Section 10.1.9 of the City Charter, the Board is empowered to set rates for all of its customers. These rates "...may be sufficient to pay for operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for Denver's general welfare...."

Consumption and Service Charges

On September 26, 2012, the Board approved a water rate increase, effective January 1, 2013, designed to increase overall total system water rate revenue by 2.5%.

On September 25, 2013, the Board approved a water rate increase, effective January 1, 2014, designed to increase overall total system water rate revenue by 3.5%.

On October 8, 2014, the Board approved a water rate increase, effective February 1, 2015, designed to increase overall total system water rate revenue by 2.2%.

System Development Charges ("SDC")

On February 27, 2013, the Board approved an SDC increase, effective April 28, 2013, designed to increase treated water, raw, and recycled water tap fees by an average of 10%.

There was no SDC adjustment made in 2014.

N. Recently Issued Accounting Standards

There were no GASB statements that impacted the Board in 2014 or 2013.

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27*, which is effective in 2015. This statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The most significant impact of this statement will be to record a net pension liability in the Board's 2015 financial statements.

(2) DEPOSITS AND INVESTMENTS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. All of the Board's cash deposits are either insured by FDIC or covered by the Colorado Public Deposit Protection Act ("PDPA") (C.R.S., 11-10.5-101). Under the PDPA all deposits exceeding the amount insured by the FDIC are required to be fully collateralized at 102% of the deposits with specific approved securities identified in the act. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institutions' trust department or agent in the

Board's name. All of the deposits of the Board at December 31, 2014 and 2013 were either insured by FDIC or collateralized under the Colorado Public Depository Act and are therefore not exposed to custodial credit risk.

B. Investments

A reconciliation of cash and investments reported on the *Statements of Net Position* as of December 31, is as follows:

Cash and Investments
(amounts expressed in thousands)

	December 31, 2014	December 31, 2013
Cash	$ 28,112	$ 17,504
Short-term investments, at fair value, including accrued interest	127,375	91,908
Restricted investments - debt service	12,375	12,327
Long-term investments	66,726	98,507
Total investments	206,476	202,742
Total cash and investments	$ 234,588	$ 220,246

Colorado statutes and the City Charter authorize the Board to expend funds for the operation of the Board, including the purchase of investments. It is the policy of the Board to invest funds in priority order to preserve principal, provide sufficient liquidity, and to obtain a market rate of return within the constraints of the Board's investment policy. Operational needs and prevailing market conditions affect the investment portfolio allocation at year-end. The table below identifies the investment types that are authorized by the Board's investment policy, as well as certain provisions of the investment policy that address interest rate risk, credit quality risk and concentration of credit risk.

Investments Authorized by the Board's Investment Policy
December 31, 2014 and 2013

Authorized Investment Type	Maximum Maturity	Minimum Issuer Credit Quality[1]	Maximum in Portfolio[2]	Maximum Investment One Issuer[2]
U.S. Treasury securities	5 years	Not applicable	No limit	No limit
U.S. agency securities	4 years	AA- / Aa3	50%	15%
Commercial paper	270 days	A-1 / P-1	40%[3]	5%[4]
Corporate fixed income securities	3 years	AA- / Aa3	10%	5%[4]
Money market mutual funds	Not applicable	AAAm	25%	5%
Local government investment pools	Not applicable	AAAm	10%	5%
Certificates of deposit	180 days	AA- / Aa3	15%	10%
Bankers' acceptances	180 days	A-1 / P-1	40%[3]	5%[4]
Repurchase agreements	Overnight	AA- / Aa3	25%	25%

[1]Investments must meet minimum credit quality at time of purchase. Investments that fall below minimum credit quality may be sold or held to maturity at the discretion of the Board. Ratings are S&P first and Moody's second.

[2]Calculated as a percentage of book value of the aggregate cash & investment portfolio at purchase.

[3]Maximum concentration in aggregate for commercial paper and bankers' acceptances.

[4]Maximum concentration in a single issuer of commercial paper, corporate fixed income securities and bankers' acceptances.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Board manages interest rate risk by purchasing investments with varying maturities, continuously investing a portion of the portfolio in readily available funds, limiting total investments maturing in more than 3 years to 25% of the portfolio and limiting the maximum maturity of investments by type of investment.

Investments with call features increase the sensitivity of their fair values to increasing interest rates. The Board's portfolio of U.S. agency securities includes callable securities. At December 2014 and 2013, the Board owned callable securities with a fair value of $10.5 million and $22.1 million, respectively. The Board's callable securities are categorized in accordance with their final maturity dates in the tables below.

The Board's cash and investments at December 31, 2014 and 2013, and their maturities were as follows:

Cash, Current and Long-Term Investments
December 31, 2014
(amounts expressed in thousands)

Investment type	Percent of Investment Portfolio	Fair Value	Investment Maturities (in years) 1 or less	1 - 3	3 - 5
U.S. Treasury securities	46.6%	$ 96,191	$ 68,593	$ 23,579	$ 4,019
U.S. agency securities	35.3%	72,974	36,354	36,620 [1]	-
Commercial paper	2.7%	5,496	5,496	-	-
Corporate fixed income securities	10.9% [2]	22,576	20,068	2,508	-
Money market funds	4.5%	9,239	9,239	-	-
Total investments	100.0%	206,476	$ 139,750	$ 62,707	$ 4,019
Cash		28,112			
Total cash and investments		$ 234,588			

[1] $10.5 million in agency securities are callable beginning in 2015.

[2] The Board's investment policy established maximum concentrations based on total cash, cash equivalents, and investments at the time of purchase. There is no requirement to sell investments if the concentration changes at a later date due to market factors.

Cash, Current and Long-Term Investments
December 31, 2013
(amounts expressed in thousands)

Investment type	Percent of Investment Portfolio	Fair Value	Investment Maturities (in years) 1 or less	1 - 3	3 - 5
U.S. Treasury securities	37.9%	$ 76,860	$ 55,783	$ 18,070	$ 3,007
U.S. agency securities	37.0%	74,953	20,147	31,811 [1]	22,995
Commercial paper	2.2%	4,498	4,498	-	-
Corporate fixed income securities	11.2% [2]	22,686	62	22,624	-
Money market funds	11.7%	23,745	23,745	-	-
Total investments	100.0%	202,742	$ 104,235	$ 72,505	$ 26,002
Cash		17,504			
Total cash and investments		$ 220,246			

[1] $20.1 million and $2.0 million in agency securities are callable beginning in 2014 and 2015, respectively.

[2] The Board's investment policy established maximum concentrations based on total cash, cash equivalents, and investments at the time of purchase. There is no requirement to sell investments if the concentration changes at a later date due to market factors.

Credit Risk

Credit risk is the risk that the issuer of a debt security will not fulfill its obligations to the holder of the obligation. National rating agencies assess this risk and assign a credit quality rating for most investments. U.S. agency securities held in the portfolio are securities issued by government sponsored enterprises. These securities are not explicitly guaranteed by the federal government. Presented below are the lowest credit ratings at December 31, 2014 and 2013, for each investment type.

Investment Ratings
December 31, 2014
(amounts expressed in thousands)

S&P/Moody's Ratings[1]	U.S. Treasury Securities	U.S. Agency Securities	Commercial Paper	Corporate Fixed Income Securities	Money Market Mutual Funds	Total
AAAm	$ -	$ -	$ -	$ -	$ 9,239	$ 9,239
A-1/P-1	-	29,732	5,496	-	-	35,228
AA/Aa	96,191	43,242	-	19,056	-	158,489
A/A	-	-	-	3,520	-	3,520
	$ 96,191	$ 72,974	$ 5,496	$ 22,576	$ 9,239	$ 206,476

[1] Actual credit ratings as of the year end for each investment type. For securities with split ratings the lowest rating is shown. Securities that fall below the minimum credit quality may be sold or held at the discretion of the Board.

Investment Ratings
December 31, 2013
(amounts expressed in thousands)

S&P/Moody's Ratings[1]	U.S. Treasury Securities	U.S. Agency Securities	Commercial Paper	Corporate Fixed Income Securities	Money Market Mutual Funds	Total
AAAm	$ -	$ -	$ -	$ -	$ 23,745	$ 23,745
A-1/P-1	3,000	16,496	4,498	-	-	23,994
AA/Aa	73,860	58,457	-	19,141	-	151,458
A/A	-	-	-	3,545	-	3,545
	$ 76,860	$ 74,953	$ 4,498	$ 22,686	$ 23,745	$ 202,742

[1] Actual credit ratings as of the year end for each investment type. For securities with split ratings the lowest rating is shown. Securities that fall below the minimum credit quality may be sold or held at the discretion of the Board.

Concentration of Credit Risk

The Board's investments comply with the requirements of the investment policy. Specific limitations of the investment policy are displayed in the schedule titled *Investments Authorized by the Board's Investment Policy*. Generally accepted accounting principles require disclosure of certain investments in any one issuer that exceed five percent concentration of total investments. The following investments represent five percent or more of the Board's total investments at December 31, 2014 and 2013:

Concentration of Credit Risk
(amounts expressed in thousands)

Issuer	December 31, 2014	2013
	Fair Value	Fair Value
Federal Farm Credit Bank - (FFCB)	$ 18,588	$ -
Federal Home Loan Bank - (FHLB)	10,666	-
Federal Home Loan Mortgage Corporation - (FHLMC)	23,629	-
Federal National Mortgage Association - (FNMA)	20,091	19,045

(3) ACCOUNTS RECEIVABLE

Current and long-term accounts receivable at December 31, 2014 and 2013 were as described below. Other receivables include receivables for contributions in aid of construction, system development charges, nonpotable and hydrant water sales, and power sales. Long-term receivables represent financing arrangements with the City and County of Denver and various suburban water districts for the sale of water. In 2014, the City's Wastewater Management Division paid the remaining balance of their long-term receivable related to billing system development costs from 2005. The Board has no allowance for doubtful accounts since nonpayment of receivables may result in a discontinuation of service that attaches to the property location.

Accounts Receivable
(amounts expressed in thousands)

	December 31, 2014		2013	
Total Accounts Receivable				
Current				
Water sales	$ 16,170	76%	$ 15,303	74%
Other	5,029	24	5,405	26
Total Current	$ 21,199	100%	$ 20,708	100%
Long-term	$ 14,924		$ 21,566	
From the City and County of Denver (included above)				
Current				
Water sales	$ 251		$ 261	
Other	9		118	
Total Current	260		379	
Long-term	-		7,010	
Total from City and County of Denver	$ 260		$ 7,389	

(4) CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2014 and 2013 were as follows:

Capital Assets
Year Ended December 31, 2014
(amounts expressed in thousands)

	December 31, 2013	Additions & Transfers	Sales & Retirements	December 31, 2014
Capital assets not being depreciated:				
Land and land rights	$ 115,304	$ 21	$ (34)	$ 115,291
Water rights and other	75,550	-	-	75,550
Construction in progress	124,244	46,971	-	171,215
Total capital assets not being depreciated	315,098	46,992	(34)	362,056
Capital assets being depreciated:				
Buildings and improvements	279,280	2,662	(170)	281,772
Improvements other than buildings	1,890,470	72,238	(7,136)	1,955,572
Machinery and equipment	246,433	3,482	(3,547)	246,368
Total capital assets being depreciated	2,416,183	78,382	(10,853)	2,483,712
Less accumulated depreciation:				
Buildings and improvements	(72,278)	(4,088)	109	(76,257)
Improvements other than buildings	(549,357)	(31,860)	2,645	(578,572)
Machinery and equipment	(112,055)	(11,849)	2,546	(121,358)
Total accumulated depreciation	(733,690)	(47,797)	5,300	(776,187)
Total capital assets being depreciated, net	1,682,493	30,585	(5,553)	1,707,525
Total capital assets, net	$ 1,997,591	$ 77,577	$ (5,587)	$ 2,069,581

Capital Assets
Year Ended December 31, 2013
(amounts expressed in thousands)

	December 31, 2012	Additions & Transfers	Sales & Retirements	December 31, 2013
Capital assets not being depreciated:				
Land and land rights	$ 115,107	$ 394	$ (197)	$ 115,304
Water rights and other	74,161	1,389	-	75,550
Construction in progress	117,862	6,682	(300)	124,244
Total capital assets not being depreciated	307,130	8,465	(497)	315,098
Capital assets being depreciated:				
Buildings and improvements	254,796	24,484	-	279,280
Improvements other than buildings	1,860,363	33,785	(3,678)	1,890,470
Machinery and equipment	221,915	26,687	(2,169)	246,433
Total capital assets being depreciated	2,337,074	84,956	(5,847)	2,416,183
Less accumulated depreciation:				
Buildings and improvements	(68,216)	(4,062)	-	(72,278)
Improvements other than buildings	(520,020)	(30,976)	1,639	(549,357)
Machinery and equipment	(101,296)	(12,742)	1,983	(112,055)
Total accumulated depreciation	(689,532)	(47,780)	3,622	(733,690)
Total capital assets being depreciated, net	1,647,542	37,176	(2,225)	1,682,493
Total capital assets, net	$ 1,954,672	$ 45,641	$ (2,722)	$ 1,997,591

Depreciation and amortization for the years ended December 31, 2014 and 2013 were as follows:

Depreciation and Amortization
(amounts expressed in thousands)

	Years Ended December 31, 2014	2013
Operating expenses, water service	$ 45,772	$ 45,805
Nonoperating expenses	126	126
Other, as allocated	1,899	1,849
Total depreciation and amortization	$ 47,797	$ 47,780

Major retirements during 2014 were primarily the result of the write-off of assets connected with the Elizabeth St. pumping station conversion, plus write-offs of conduits, mains, and hydrants. Major retirements during 2013 were primarily the result of the write-off of obsolete clear water storage basins at Ashland and Highland Reservoirs due to construction of new basins.

(5) RISK MANAGEMENT

The Board is exposed to various risks of losses including torts, general liability, property damage (all limited under the Colorado Governmental Immunity Act to $350,000 per person and $990,000 per occurrence), and employee life, medical, dental, and accident benefits. The Board has a risk management program that includes self-insurance for liability, employee medical (including stop-loss coverage), dental, and vision. The Board carries commercial property insurance for catastrophic losses, including floods, fires, earthquakes and terrorism, for scheduled major facilities including the Westside Complex, Marston Treatment Plant and Lab, Moffat Treatment Plant, Foothills Water Treatment Plant, the Recycling Plant, and water turbines. It carries limited insurance for other nonscheduled miscellaneous locations. The Board also carries commercial insurance for life, accident, short and long term disability, workers' compensation, employee dishonesty, and fiduciary exposure. Workers' compensation insurance is a large deductible policy whereby the Board is responsible for the first $250,000 per claim with an aggregate maximum cost of $2.7 million. In addition, the Board is at times party to pending or threatened lawsuits under which it may be required to pay certain amounts upon their final disposition.

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At December 31, 2014 and 2013, claims liabilities consisting of medical, dental and vision benefits were $919,000 and $1.3 million, respectively. There were no legal claims outstanding at year-end. Changes in the balances of these liabilities during 2014 and 2013 were as follows:

Claims Liabilities
(amounts expressed in thousands)

	Beginning-of-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Year-End
2014	$ 1,316	$ 10,761	$ (11,158)	$ 919
2013	$ 1,433	$ 12,966	$ (13,083)	$ 1,316

Medical claims liabilities are reported in *Accrued Payroll, Vacation, and other Employee Benefits*; and legal claims, if any, are reported in *Accounts Payable* on the *Statements of Net Position.* It is expected the claims will be paid in the next twelve months.

(6) NOTES AND BONDS PAYABLE

A. Notes Payable

On November 20, 2013, the Board executed a credit agreement with Bank of America, N.A., to provide a variable rate revolving line of credit for a maximum initial principal amount of $30.0 million as an interim source of financing for capital improvements to the water works system. It is the intention of the Board to periodically pay down the line of credit by issuing revenue bonds. The credit facility is payable solely from net revenue and is subordinate to the lien on the Board's outstanding revenue bonds. The initial line of credit is for three years with an option to renew it for an additional two years and to increase it to $50.0 million. The initial draw was for $10.0 million, which was the outstanding balance at December 31, 2013. It was classified as long-term because the debt provisions permit refinancing the note on a long-term basis. The draw was paid down in 2014 with proceeds from the Series 2014A revenue bonds. $30.0 million is available for future draws. Notes Payable activity for the years ended December 31, 2014 and 2013 was as follows:

Notes Payable
(amounts expressed in thousands)

	Beginning Balance	Draws	Repayments	Ending Balance
2014	$ 10,000	$ -	$ 10,000	$ -
2013	$ -	$10,000	$ -	$10,000

B. General Obligation Bonds Payable

General obligation bonds payable consist of water improvement and refunding bonds of the City. The Board has committed to repay the general obligation bonds and related interest from net revenues. On

October 1, 2013, all remaining outstanding general obligation bonds were paid. The Board no longer has authority to issue general obligation bonds of the City.

C. Revenue Bonds Payable

Revenue Bonds payable consists of water revenue improvement and refunding bonds of the Board. The Board has pledged to repay the bonds and related interest from net revenues, and to maintain adequate rates to ensure its ability to do so. Coupon rates for the revenue bonds outstanding at December 31, 2014 and 2013 range from 0.75% to 6.15%, and 0.60% to 6.15%, respectively. The weighted average yield to maturity at issue for outstanding bonds was 3.12% and 2.98% for the years ended December 31, 2014 and 2013, respectively. The weighted average yield is calculated net of Build America Bond subsidy of 35% for the Series 2009A and Series 2010B revenue bonds and a 7.3% adjustment for the congressional sequester. In accordance with the Official Statements, the Board has established a reserve fund for the revenue bonds totaling $12.4 and $12.3 million at December 31, 2014 and 2013, respectively.

The Board issued the Series 2014A master resolution water revenue bonds on September 16, 2014 in an aggregate principal amount of $48.7 million at a true interest cost at sale of 3.74%. The proceeds from the sale of the Series 2014A master resolution bonds were used to finance additions and improvements to the water system operated by the Board, pay down the Bank of America credit agreement and advance refund a portion of the Series 2005 revenue bonds. The proportionate share of proceeds for the advance refunding, together with cash funds of $28,000 provided by the Board, were placed in an irrevocable trust with an escrow agent to defease $4.4 million in aggregate principal of the Series 2005 revenue bonds.

As a result of placing the above funds in an escrow account to purchase Treasury securities sufficient to pay all future principal and interest payments and to redeem the bonds on their respective call dates, the bonds discussed above are considered to be defeased and the liability for these bonds has been removed from the Board's *Statements of Net Position*. The aggregate principal amount of all bonds considered defeased is $18.4 million and $21.5 million at December 31, 2014, and 2013, respectively. The difference represents bonds that were advance refunded in 2014 and bonds that were called and paid during 2014.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt ("deferred amount on refunding") of $174,000. This difference, reported in the accompanying basic financial statements as a *Deferred Outflow of Resources*, is being amortized using the straight line method as a component of interest expense through 2025. The remaining unamortized amount on refunding of all bonds considered defeased is $4.7 million and $4.8 million at December 31, 2014 and 2013, respectively.

The Board completed the advance refunding to reduce its total debt service payments and to obtain an economic gain (difference between the present values of the old and new debt service payments). The reduction in total debt service requirements over the next 25 years is $1.7 million, with an economic gain of $431,000.

A summary of debt maturity for the revenue bonds as of December 31, 2014 is as follows:

Revenue Bonds
December 31, 2014
(amounts expressed in thousands)

	Principal	Interest[1]	Total
Year of Maturity:			
Current:	$ 27,000	$ 17,868	$ 44,868
Long-term:			
2016	21,565	16,689	38,254
2017	15,790	15,669	31,459
2018	12,830	14,954	27,784
2019	10,935	14,376	25,311
2020-2024	66,895	63,656	130,551
2025-2029	57,755	49,526	107,281
2030-2034	67,670	35,551	103,221
2035-2039	69,800	18,900	88,700
2040-2044	44,885	5,555	50,440
	368,125	234,876	603,001
Plus premium	9,480	-	9,480
Total long-term	377,605	234,876	612,481
	$ 404,605	$ 252,744	$ 657,349

[1]Excludes Build America Bonds interest subsidy. Amounts received during 2014 and 2013 were $2,174,000 and $2,158,000, respectively. The Board is eligible to receive approximately $36.2 million over the remaining life of the bonds, subject to appropriations by Congress.

(7) LEASES

A. Capital Lease

On July 21, 1992, the Board entered into an agreement amending the lease agreement of March 3, 1987 with the Colorado River Water Conservation District ("District") whereby the District was required to construct Ritschard Dam and Wolford Mountain Reservoir ("Wolford") on Muddy Creek, a tributary of the Colorado River north of Kremmling, Colorado. In consideration of quarterly and semiannual lease payments for 27 years beginning after issuance of a notice of award for construction and payments of 40% of the annual operating costs of Wolford beginning after the end of the lease term, the District will convey to the Board at the end of the lease term ownership, use and control of 40% of the storage capacity of Wolford and 40% of the water right. The present value of the minimum lease payments at the beginning of the lease term, including a $2.4 million nonrefundable deposit, was $43.0 million, and the Board recorded an asset and obligation under capital lease of that amount in 1992. The project was completed in the fall of 1995. The assets under the Wolford capital lease by major asset class, recorded in Utility Plant under Capital Lease, are as follows:

Assets Under Capital Lease - Wolford Mountain
(amounts expressed in thousands)

	December 31, 2014	December 31, 2013
Improvements other than buildings	$ 42,980	$ 42,980
Less: accumulated amortization	(10,702)	(10,142)
	$ 32,278	$ 32,838

Minimum capital lease payments were $3.0 million during both 2014 and 2013. The following is a schedule by year of future minimum lease payments, together with the present value of the minimum lease payments as of December 31, 2014:

Obligation Under Capital Lease - Wolford Mountain
As of December 31, 2014
(amounts expressed in thousands)

Year Ending December 31:	
2015	$ 3,000
2016	3,000
2017	3,000
2018	3,000
2019	3,000
2020	1,500
Total minimum lease payments	16,500
Less interest at 6.75%	(2,905)
Present value of minimum lease payments (obligation under capital lease)	13,595
Less current portion	(2,117)
Total long-term	$ 11,478

B. Operating Leases

The Board is committed under various cancellable operating leases for property and equipment. Lease expenses for the years ended December 31, 2014 and 2013 were $1.7 million and $1.0 million, respectively. The Board expects these leases to be replaced in the ordinary course of business with similar leases. Future lease payments should approximate the amount expensed in 2014.

(8) WASTE DISPOSAL CLOSURE AND POSTCLOSURE CARE

The Board operates a landfill and residuals drying beds at the Foothills Water Treatment Plant for disposal of aluminum sulfate solids/residuals generated as a by-product of the potable water treatment process at the

Foothills and Marston Water Treatment Plants. It also operates residuals drying beds near the Ralston Reservoir and at West 41st Avenue and Independence Court for dewatering of aluminum sulfate solids/residuals generated as a by-product of the potable water treatment process at the Moffat Water Treatment Plant. These sites have been in operation since 1995. State and federal laws and regulations require the Board to perform certain closing functions on these disposal sites when they stop accepting residuals, including placing a final cover on the Foothills landfill and performing certain maintenance and monitoring functions at the Foothills landfill for thirty years after closure.

Although these sites are not municipal solid waste landfills, and are outside the scope of GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, ("GASB No. 18"), the Board voluntarily implemented the provisions of that statement in 2000 to meet State of Colorado and federal financial assurance requirements discussed below.

During 2013, Colorado revised its Solid Waste regulations to require reporting for the Foothills and 41st and Independence drying beds, which were previously not required to be reported. Also, the change in regulations no longer requires recording a liability for postclosure care costs for drying beds if they are "clean closed," which means that all residuals are removed upon closure. Despite this, the postclosure care liability for Ralston drying beds of $749,000 has been included in 2014 pending receipt of a revised Certificate of Designation from Jefferson County.

As required by GASB No. 18, although closure and postclosure care costs will be paid only near or after the date that the disposal sites stop accepting waste, the Board reports a portion of the Foothills closure and postclosure care costs as an operating expense and liability in each year based on landfill capacity used as of each *Statement of Net Position* date. The Board reports the entire liability for closure costs for the Foothills, Ralston, and 41st and Independence residual drying beds since they are not "filled" like a landfill, but are reusable.

Approximately $6.1 million and $3.6 million was reported as *Waste Disposal Closure and Postclosure Care* liability in the *Statements of Net Position*, at December 31, 2014 and 2013, respectively, for the sites as follows:

Waste Disposal Closure and Postclosure Care Liability
(amounts expressed in thousands)

	Foothills	Ralston	41st & Independence	Total
2014				
Closure Costs	$ 2,412	$ 2,091	$ 619	$ 5,122
Postclosure Care Costs	268	749	-	$ 1,017
	$ 2,680	$ 2,840	$ 619	$ 6,139
2013				
Closure Costs	$ 1,096	$ 1,680	$ 436	$ 3,212
Postclosure Care Costs	422	-	-	422
	$ 1,518	$ 1,680	$ 436	$ 3,634

These costs are based on the use of 23.8% and 23.5% of the active portion of the Foothills landfill at December 31, 2014 and 2013, respectively, and 100% of the Foothills, Ralston, and 41st and Independence drying beds. The Board will recognize the remaining estimated cost of the Foothills postclosure care of $859,000 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The remaining life of the Foothills landfill is estimated to be approximately 50 years for the active disposal area of 61.7 acres. In addition, there is expansion capability of 62 acres with an indefinite life. The Foothills, Ralston, and 41st and Independence drying beds have an indefinite life.

The Board is required by state and federal laws and regulations to establish financial assurance sufficient to ensure full payment of closure and postclosure care of its disposal sites by selecting one of a variety of financial mechanisms. The Board chose the "Local Government Financial Test" which includes profitability requirements, minimum general obligation bond ratings, unmodified audit opinions, and the implementation of GASB No. 18.

(9) CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended December 31, 2014 and 2013 were as follows:

Long-Term Liabilities
Year Ended December 31, 2014
(amounts expressed in thousands)

	December 31, 2013 (Current and Long-Term)	2014 Additions	2014 Reductions	December 31, 2014 (Current and Long-Term)	Due Within One Year	
Notes Payable	$ 10,000	-	$ (10,000)	$ -	$ -	
Revenue bonds payable, net	388,437	50,102	(33,934)	404,605	27,000	
Obligation under capital lease	15,576	-	(1,981)	13,595	2,117	
Customer advances for construction	1,134	5,606	(3,730)	3,010	-	
Accrued sick leave	7,415	658	(656)	7,417	2,925	[1]
Other postemployment benefits	10,889	2,019	(1,918)	10,990	-	
Waste disposal closure	3,634	2,505	-	6,139	-	
	437,085	$ 60,890	$ (52,219)	445,756	$ 32,042	
Less current portion	(30,848)			(32,042)		
Total long-term liabilities	$ 406,237			$ 413,714		

[1] Included in Accrued Payroll, Vacation and Other Employee Benefits in the Statements of Net Position.

Long-Term Liabilities
Year Ended December 31, 2013
(amounts expressed in thousands)

	December 31, 2012 (Current and Long-Term)	2013 Additions	2013 Reductions	December 31, 2013 (Current and Long-Term)	Due Within One Year
Notes Payable	$ -	$ 10,000	$ -	$ 10,000	$ -
G. O. bonds payable, net	501	-	(501)	-	-
Revenue bonds payable, net	417,013	-	(28,576)	388,437	26,090
Obligation under capital lease	17,431	-	(1,855)	15,576	1,981
Customer advances for construction	3,389	4,000	(6,255)	1,134	-
Accrued sick leave	7,815	1,075	(1,475)	7,415	2,777 [1]
Other postemployment benefits	10,774	1,941	(1,826)	10,889	-
Waste disposal closure	3,502	1,525	(1,393)	3,634	-
	460,425	$ 18,541	$ (41,881)	437,085	$ 30,848
Less current portion	(30,405)			(30,848)	
Total long-term liabilities	$ 430,020			$ 406,237	

[1] Included in Accrued Payroll, Vacation and Other Employee Benefits in the Statements of Net Position.

(10) PENSION PLAN

Plan Description

The Board sponsors and administers a trusteed, single-employer defined benefit pension plan, (the "Plan"). The Plan provides retirement benefits with limited annual cost-of-living adjustments to retired members and, if elected by the member, to his or her surviving spouse. Members of the Plan include substantially all regular and discretionary full-time and part-time employees of the Board. It also provides retirement service in the event of disability, and a $5,000 death benefit to retirees receiving annuity payments from the plan. Article X, Section 10.1.6 of the Charter of the City assigns the authority to establish and amend benefit provisions to the Board. The Plan contains provisions regarding amendments, including a provision for employee voting on amendments in specifically described situations. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to: Treasurer, MC 210, Denver Water, 1600 West 12th Avenue, Denver, CO 80204-3412.

Funding Policy

The Board's funding policy is established and may be amended by the Board, which acts as trustee of the Plan. The Board reserves the right to suspend, reduce, or permanently discontinue all contributions at any time, pursuant to the termination provisions of the Plan. Plan members are not allowed to make contributions. The Board's funding policy in 2013 and in prior years provided for periodic Board contributions of at least the actuarial required contribution ("ARC") sufficient to accumulate the necessary

assets to pay benefits when due. These contributions have varied and were not expressed in terms of fixed dollar amounts or as percentages of annual covered payroll.

On August 28, 2013, the Board adopted the Employees' Retirement Plan Funding Policy effective for 2014 and future years. The Policy defines the objectives of the Board in funding the Plan. In accordance with the policy, the Board will base its contributions to the Plan on Actuarially Determined Contributions ("ADC") calculated annually by an independent actuary using agreed upon methods and assumptions developed by the Actuarial Standards Board and specified in the funding policy. The primary objective of the Policy is to provide sufficient assets to pay all benefits promised under the Plan and to minimize the volatility of contribution payments from year to year.

Annual Pension Cost and Net Pension Asset

The Board's annual pension cost (expense) for the years ended December 31, 2014 and 2013, is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers.* The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed fifteen years. The following table shows the components of the Board's annual pension cost for the year, the amount actually contributed to the Plan, and changes in the Board's net pension asset:

Annual Pension Cost and Net Pension Asset
Years Ended December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Annual required contribution ("ARC")	$ 13,475	$ 11,957
Interest on net pension asset	(796)	(571)
Adjustment to ARC	1,120	600
Annual pension cost	13,799	11,986
Contributions made	(14,500)	(15,000)
Increase in net pension asset	(701)	(3,014)
Net pension asset - beginning of year	(10,631)	(7,617)
Net pension asset - end of year	$ (11,332)	$ (10,631)

The pension asset is recorded in *Prepaid Expenses and Other Assets* in the *Statements of Net Position*.

The Board's annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension asset for 2014 and the two preceding years were as follows:

Annual Pension Cost and Percentage of Required Contribution
(amounts expressed in thousands)

Year Ended December 31,	Annual Pension Cost ("APC")	Contributions Made	Percentage of APC Contributed	Net Pension Asset
2014	$ 13,799	$ 14,500	105.1%	$ 11,332
2013	11,986	15,000	125.1	10,631
2012	12,277	14,300	116.5	7,617

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was 80.8% funded. The actuarial accrued liability for benefits was $337.8 million, and the actuarial value of assets was $272.8 million, resulting in an unfunded actuarial accrued liability ("UAAL") of $65.0 million. The covered payroll (annual payroll of active employees covered by the pension plan) was $71.8 million, and the ratio of the UAAL to the covered payroll was 90.5%.

A Schedule of Funding Progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Pension Plan Schedule of Funding Progress
(amounts expressed in thousands)
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability ("AAL") (b)	Unfunded AAL ("UAAL") (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/14	$ 272,829	$ 337,844	$ 65,015	80.8%	$ 71,847	90.5%
1/1/13	252,920	320,605	67,685	78.9	71,940	94.1
1/1/12	238,384	311,443	73,059	76.5	71,172	102.7

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2014 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses and including an inflation component of 3.0%), (b) projected salary increases ranging from 3.6% to 8.2% per year, and (c) 3.0% per year cost-of-living adjustments. The actuarial value of Plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount over a 15 year closed period using a layered approach.

(11) OTHER RETIREMENT PLANS

The Board sponsors the Denver Water Supplemental Retirement Savings Plan ("SRSP"). The SRSP is a 401(k) defined contribution plan. Article X, Section 10.1.6 of the Charter of the City assigns the authority to establish and amend benefit provisions to the Board. All regular and discretionary employees are eligible to participate in the plan. Under the terms of the plan, the Board will make a matching contribution to the SRSP's trust fund each year in an amount equal to 100% of each participant's elective contributions, limited to 3% of the participant's base salary for the year. During 2014 and 2013, the Board made contributions totaling approximately $2.0 million and $1.8 million, and members contributed approximately $4.2 million in both years, respectively, to the SRSP. Employee rollovers from other plans to the SRSP were $343,000 in 2014 and $694,000 in 2013.

The Board makes a deferred compensation plan available for its employees, created in accordance with Internal Revenue Code Section 457. The plan, available to all regular and discretionary employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or qualifying unforeseeable emergency. Participation in the plan is voluntary, and prior to 2013, the Board did not make any contributions.

In 2013, the SRSP and the deferred compensation plans were amended to authorize the Board to make discretionary employer contributions to a qualifying participant. Discretionary employer contributions are limited by Treasury Regulations under I.R.S. Code §415, 401(a)(17).

(12) OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Board provides two types of other postemployment benefits ("OPEB") as follows:

a. Postemployment Healthcare Benefits

For employees hired before January 16, 2012, the Board provides a postemployment healthcare benefit through a single-employer, defined benefit plan. The benefit is in the form of partially subsidized health care costs, until the retiree attains age 65. The benefit is provided through the Board's self-insured health plan to employees and dependents who meet eligibility requirements of the postemployment healthcare benefit plan. The eligibility requirements include retiring under the Special Early Retirement (Rule of 75) provision of the Board's defined benefit pension plan, taking an immediate distribution of pension benefits, and being covered as an employee or dependent under the employee healthcare plan, excluding COBRA coverage, at the time of retirement. The subsidy is separate from the Board's defined benefit retirement plan and is not paid out of retirement plan funds. Currently, 155 retirees are receiving this benefit. The Board provides this benefit under authority of Article X, Section 10.1.6 of the City Charter, which assigns the authority to establish and amend benefit provisions to the Board. In January 2012, the Board discontinued its subsidy for this benefit for employees hired on or after January 16, 2012. However, employees can still access this program upon reaching age 60 and meeting the Rule of 75, at full cost. In January 2014, the Board changed the benefit for those hired before January 16, 2012, by increasing the minimum age from 55 to 60, with some transition options.

b. *Long-Term Disability*

A long-term disability ("LTD") plan is provided for each employee who attains regular status. Prior to 2007, this benefit was self-insured. Currently, there are four participants receiving benefits from the self-insured LTD plan. No new beneficiaries will be added under this plan; any employee who becomes disabled on or after January 1, 2007, is covered under the terms of an insured plan. There is an 84-day elimination period for LTD benefits with a benefit of 60% of pay to a maximum of $8,000 per month. Benefit duration depends on age at disability. Benefits are payable during the first two years, regardless of age, if the disabled employee is incapable of employment at his or her own occupation earning at least the LTD benefit amount. Thereafter, benefits are payable to age 65 with a minimum of five years total for disabilities that occur after age 60, so long as the disabled employee is incapable of employment at any occupation. Under the insured plan, the obligation for the payment of benefits has been effectively transferred to the insurance company. The Board has guaranteed benefits in the event of the insurance company's insolvency.

Neither OPEB plan issues a separate report.

Funding Policy

The Board's funding policy is established and may be amended by the Board. The Board is not required to establish an irrevocable trust fund to accumulate assets for payment of future OPEB benefits, and has elected not to do so. Payments of OPEB benefits are made on a pay-as-you-go basis in amounts necessary to provide current benefits to recipients. For the year ended December 31, 2014, the Board contributed $1.9 million to the postemployment healthcare benefits plan (approximately 69% of estimated premium equivalent costs). Retirees receiving benefits contributed $844,000, or approximately 31% of the estimated premium equivalent costs. The Board paid $54,000 in LTD benefits in 2014 and $432,000 in LTD insurance premiums. For the year ended December 31, 2013, the Board contributed $1.8 million to the postemployment healthcare benefits plan (approximately 69% of estimated premium equivalent costs). Retirees receiving benefits contributed $838,000, or approximately 31% of the estimated premium equivalent costs. The Board paid $72,000 in LTD benefits in 2013 and $423,000 in LTD insurance premiums.

Annual OPEB Cost and Net OPEB Obligation

The Board's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Board's annual OPEB cost for the year, the amount actually contributed to the OPEB plan, and changes in the Board's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation
Year Ended December 31, 2014
(amounts expressed in thousands)

	Healthcare	LTD[1]	Total
Annual required contribution (ARC)	$ 2,179	$ 17	$ 2,196
Interest on net OPEB obligation (asset)	463	(23)	440
Adjustment to ARC	(623)	31	(592)
Annual OPEB cost	2,019	25	2,044
Contributions made	(1,918)	(54)	(1,972)
Increase in net OPEB obligation (asset)	101	(29)	72
Net OPEB obligation (asset) - beginning of year	10,889	(533)	10,356
Net OPEB obligation (asset) - end of year	$ 10,990	$ (562)	$ 10,428

[1]This is the self-insured portion only. The LTD asset is recorded in *Prepaid Expenses and Other Assets* in the Statements of Net Position.

The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Annual OPEB Cost and Percentage of Required Contribution
(amounts expressed in thousands)

Year Ended December 31,	Annual OPEB Cost	Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	$ 2,044	$ 1,972	96.5%	$ 10,428
2013	1,968	1,898	96.4	10,356
2012	3,713	2,158	58.1	10,286

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $24.3 million, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $24.3 million. The covered payroll (annual payroll of active employees covered by the OPEB plan) was $71.8 million, and the ratio of the UAAL to the covered payroll was 33.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress, presented as required supplementary information below, presents multiyear trend

information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The schedule of funding progress for the OPEB plan is as follows:

OPEB Plan Schedule of Funding Progress
(amounts expressed in thousands)
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/14	$ -	$ 24,264	$ 24,264	-	$ 71,847	33.8%
1/1/13	-	22,847	22,847	-	71,940	31.8
1/1/12	-	33,450	33,450	-	71,172	47.0

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit with 30-year open, level dollar amortization, actuarial cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return (net of administrative expenses and including an inflation component of 3%), which is the expected long-term investment return on the Board's investments, and an annual healthcare cost trend rate based on the Getzen Trend Model. The actuarial value of assets was not determined as the Board has not advance funded the obligation. The UAAL is being amortized as a level dollar amount over 30 years on an open basis.

(13) CAPITAL CONTRIBUTIONS

Inception-to-date and current year proceeds from contributions in aid of construction ("CIAC") and system development charges ("SDC") were as follows:

Capital Contributions
Years Ended December 31, 2014 and 2013
(amounts expressed in thousands)

	CIAC	SDC
Inception through December 31, 2012	$ 444,008	$ 641,605
2013 Additions	21,424	34,461
Inception through December 31, 2013	465,432	676,066
2014 Additions	23,190	32,736
Inception through December 31, 2014	$ 488,622	$ 708,802

(14) CONTINGENCIES

In the normal course of business, there are various outstanding legal proceedings, claims, commitments, and contingent liabilities. In the opinion of management, the ultimate disposition of these matters will not have a materially adverse effect on the Board's financial statements.

(15) CONTRACT COMMITMENTS

Contractual commitments as of December 31, 2014 for construction and other purposes are estimated at $211.1 million.

Gross Reservoir Expansion

Approximately $360 million is the projected total cost of the Denver Water's Gross Reservoir Expansion Project, previously known as the Moffat Collection System Project. This project will increase Gross Reservoir from its current storage capacity of 41,811 acre-feet to approximately 118,811 acre-feet, an increase of approximately 77,000 acre-feet (including the 5,000 acre-foot Environmental Pool). Since four acre-feet of storage are needed for every one acre-foot of supply, the project will result in approximately 18,000 acre-feet of additional supply, enough water to serve about 45,000 households annually. The project entails increasing the current dam height from 340 feet to 471 feet, an increase of 131 feet.

The City of Arvada will participate in this project by paying a percentage of the capital costs of the enlargement based on its portion of yield created by the Gross Reservoir Expansion, and paying a System Development Charge. Assuming the enlargement will produce a yield of 18,000 acre-feet of water and Arvada contracts for its maximum allowable amount of 3,000 acre-feet of the new supply, Arvada's share of the capital costs will be 16.67% and Arvada will pay an SDC of $33.8M.

The U.S. Army Corps of Engineers released the final environmental impact statement ("EIS") evaluating the potential effects of this project in April, 2014. The final Record of Decision and 404 Permit are

anticipated the third quarter 2015, and the Federal Energy Regulatory Commission License Amendment is anticipated to be complete in 2016.

Operations Complex Redevelopment

The Board approved a new campus master plan in 2013. The plan includes new consolidated trade shops, fleet maintenance and operations, a warehouse, a meter shop and materials lab, and a new administration building. Design started in 2014, with construction expected to be complete by 2020. The goal is to build a modern site that improves the efficiency, functionality, security and safety of the Board's operations. Many of the current buildings are more than 50 years old and are no longer adequate for today's demands. The new layout will improve traffic and work flow, while taking advantage of matching functions with building adjacencies. Pre-design activities are underway including space programming and establishing design standards. The projected budget impact for this project is expected to be available summer of 2015.

(16) NET INVESTMENT IN CAPITAL ASSETS

In the net position section of the *Statements of Net Position*, the line item *Net Investment in Capital Assets* is comprised of the following as of December 31, 2014 and 2013:

Net Investment in Capital Assets
(amounts expressed in thousands)

	December 31, 2014	December 31, 2013
Net capital assets	$ 2,069,581	$ 1,997,591
Deferred outflows of resources on bond refundings	4,652	4,801
Construction contracts	(14,432)	(8,737)
Notes payable	-	(10,000)
Bonds payable, net	(404,605)	(388,437)
Obligation under capital lease	(13,595)	(15,576)
	$ 1,641,601	$ 1,579,642

(17) SUBSEQUENT EVENTS

The Board has evaluated subsequent events through April 30, 2015, which is the date the basic financial statements were available to be issued.

SUPPLEMENTAL FINANCIAL INFORMATION

EXHIBIT I

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Capital Assets
Year ended December 31, 2014
(Amounts expressed in thousands)

	Depreciation Life (Years)	Cost				Accumulated Depreciation and Amortization				Cost Less Accumulated Depreciation and Amortization as of December 31, 2014
		Balance, December 31, 2013	Additions and Transfers	Sales and Retirements	Balance, December 31, 2014	Balance, December 31, 2013	Provision	Sales, Retirements and Transfers	Balance, December 31, 2014	
UTILITY PLANT IN SERVICE:										
Source of supply plant	10 - 80	$ 665,962	$ 4,107	$ (888)	$ 669,181	$ 172,402	$ 8,891	$ (95)	$ 181,198	$ 487,983
Pumping plant	20 - 80	126,236	5,388	(1,903)	129,721	28,667	2,872	(624)	30,915	98,806
Water treatment plant	20 - 80	465,253	16,815	(3,038)	479,030	137,018	8,048	(2,195)	142,871	336,159
Transmission and distribution plant	30 - 80	1,056,399	46,384	(3,456)	1,099,327	263,313	14,647	(939)	277,021	822,306
General plant and equipment	5 - 50	155,713	5,709	(1,568)	159,854	78,826	8,132	(1,447)	85,511	74,343
Leasehold and other improvements	5 - 30	71,111	-	-	71,111	39,670	4,521	-	44,191	26,920
Land held for future use		14,276	-	-	14,276	-	-	-	-	14,276
Total utility plant in service		2,554,950	78,403	(10,853)	2,622,500	719,896	47,111	(5,300)	761,707	1,860,793
NONUTILITY PLANT IN SERVICE:										
Plant	10 - 80	9,070	-	(34)	9,036	3,630	125	-	3,755	5,281
General equipment	5 - 20	37	-	-	37	22	1	-	23	14
Total nonutility plant in service		9,107	-	(34)	9,073	3,652	126	-	3,778	5,295
UTILITY PLANT UNDER CAPITAL LEASE:										
Wolford Mountain	80	42,980	-	-	42,980	10,142	560	-	10,702	32,278
CONSTRUCTION IN PROGRESS		124,244	46,971	-	171,215	-	-	-	-	171,215
Total property, plant and equipment		$ 2,731,281	$ 125,374	$ (10,887)	$ 2,845,768	$ 733,690	$ 47,797	$ (5,300)	$ 776,187	$ 2,069,581

See accompanying independent auditors' report.

EXHIBIT II-A

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Revenue Water Improvement and Refunding Bonds Outstanding
December 31, 2014
(Amounts expressed in thousands)

Date of Issue	Interest Rates on Bonds Outstanding as of December 31, 2014	Amount			Bonds Which Are Callable	
		Issued	Retired	Outstanding	Callable Amount	Initial Date Callable
Nov 23, 2004	5.00%	$ 43,655	$ (40,605)	$ 3,050	$ -	Not callable
Jul 12, 2005	4.00%	30,000	(28,610)	1,390	-	Not callable
Mar 22, 2007A	4.25-5.00%	100,000	(6,355)	93,645	86,315	Dec 15, 2017
Jun 23, 2008A	0.75%	1,800	(840)	960	-	Not callable
June 2, 2009A	4.65-6.15%	44,000	-	44,000	40,255	Dec 15, 2019
Sep 28, 2010B	2.625-5.17%	90,000	-	90,000	78,990	Dec 15, 2020
May 22, 2012A	3.50-5.00%	36,555	-	36,555	32,040	Dec 15, 2021
Jun 26, 2012B	3.00-5.00%	108,545	(34,590)	73,955	16,315	Dec 15, 2021
Jun 26, 2012C	0.80%	8,665	(5,765)	2,900	2,900	Any business day
Sep 16, 2014A	3.00-5.00%	48,670	-	48,670	43,730	Dec 15, 2023
		$ 511,890	$(116,765)	395,125	$ 300,545	
Plus premium				9,480		
Total Revenue Bonds				$ 404,605		

See accompanying independent auditors' report.

EXHIBIT II-B

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Summary of Revenue Bond Debt Service Requirements Outstanding
December 31, 2014
Years 2015 to 2044, inclusive
(Amounts expressed in thousands)

Year	Rev. Bond Retirements (Exhibit II-C)	Rev. Bond Interest[1] (Exhibit II-D)	Total Debt Service	Build America Bonds Interest Subsidy[2]
2015	$ 27,000	$ 17,868	$ 44,868	$ 2,173
2016	21,565	16,689	38,254	2,173
2017	15,790	15,669	31,459	2,173
2018	12,830	14,954	27,784	2,132
2019	10,935	14,376	25,311	2,087
2020	11,810	13,909	25,719	2,036
2021	14,270	13,390	27,660	1,981
2022	14,720	12,775	27,495	1,923
2023	15,465	12,131	27,596	1,861
2024	10,630	11,451	22,081	1,794
2025	10,780	10,959	21,739	1,722
2026	11,225	10,457	21,682	1,646
2027	11,695	9,935	21,630	1,566
2028	12,195	9,379	21,574	1,482
2029	11,860	8,796	20,656	1,394
2030	12,380	8,210	20,590	1,301
2031	12,935	7,687	20,622	1,203
2032	13,510	7,136	20,646	1,099
2033	14,110	6,560	20,670	991
2034	14,735	5,958	20,693	879
2035	15,390	5,250	20,640	762
2036	16,050	4,525	20,575	639
2037	16,755	3,757	20,512	510
2038	10,595	2,954	13,549	376
2039	11,010	2,414	13,424	235
2040	8,505	1,853	10,358	90
2041	8,645	1,455	10,100	-
2042	8,885	1,109	9,994	-
2043	9,240	754	9,994	-
2044	9,610	384	9,994	-
	395,125	252,744	647,869	36,228
Plus premium	9,480	-	9,480	-
	$ 404,605	$ 252,744	$ 657,349	$ 36,228

[1]Excludes Build America Bonds interest subsidy.

[2] Receipt of Build America Bonds interest subsidy is subject to appropriations by Congress.

See accompanying independent auditors' report.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Schedule of Bond Retirements for Revenue Bonds Outstanding
December 31, 2014
Years 2015 to 2044, inclusive
(Amounts expressed in thousands)

Year	Series 2004 Improv/Ref	Series 2005 Improvement	Series 2007A Improvement	Series 2008A Improvement	Series 2009A Improvement	Series 2010B Improvement	Series 2012A Improvement	Series 2012B Refunding	Series 2012C Refunding	Series 2014A Improv/Ref	Total
2015	$ 3,050	$ 1,390	$ 2,325	$ 120	$ -	$ -	$ -	$ 17,215	$ 2,900	$ -	$ 27,000
2016	-	-	2,440	120	-	-	-	16,730	-	2,275	21,565
2017	-	-	2,565	120	1,215	2,670	815	6,035	-	2,370	15,790
2018	-	-	2,690	120	1,245	2,720	860	5,195	-	-	12,830
2019	-	-	2,825	120	1,285	2,780	900	3,025	-	-	10,935
2020	-	-	2,945	120	1,325	2,840	945	3,635	-	-	11,810
2021	-	-	3,070	120	1,370	2,910	995	5,805	-	-	14,270
2022	-	-	3,205	120	1,420	2,980	1,045	5,950	-	-	14,720
2023	-	-	3,345	-	1,475	3,055	1,095	6,200	-	295	15,465
2024	-		3,495	-	1,530	3,140	1,140	995	-	330	10,630
2025	-		3,655	-	1,595	3,230	1,185	755	-	360	10,780
2026	-	-	3,835	-	1,660	3,330	1,230	780	-	390	11,225
2027	-	-	4,030	-	1,730	3,430	1,280	805	-	420	11,695
2028	-	-	4,230	-	1,805	3,540	1,340	830	-	450	12,195
2029	-	-	4,440	-	1,885	3,660	1,400	-	-	475	11,860
2030	-	-	4,665	-	1,970	3,780	1,460	-	-	505	12,380
2031	-	-	4,900	-	2,065	3,910	1,530	-	-	530	12,935
2032	-	-	5,145	-	2,160	4,050	1,595	-	-	560	13,510
2033	-	-	5,400	-	2,265	4,190	1,670	-	-	585	14,110
2034	-	-	5,670	-	2,370	4,340	1,745	-	-	610	14,735
2035	-	-	5,955	-	2,480	4,495	1,820	-	-	640	15,390
2036	-	-	6,250	-	2,600	4,650	1,885	-	-	665	16,050
2037	-	-	6,565	-	2,720	4,815	1,960	-	-	695	16,755
2038	-	-	-	-	2,850	4,985	2,040	-	-	720	10,595
2039	-	-	-	-	2,980	5,160	2,120	-	-	750	11,010
2040	-	-	-	-	-	5,340	2,205	-	-	960	8,505
2041	-	-	-	-	-	-	2,295	-	-	6,350	8,645
2402	-	-	-	-	-	-	-	-	-	8,885	8,885
2043	-	-	-	-	-	-	-	-	-	9,240	9,240
2044	-	-	-	-	-	-	-	-	-	9,610	9,610
	$ 3,050	$ 1,390	$ 93,645	$ 960	$ 44,000	$ 90,000	$ 36,555	$ 73,955	$ 2,900	$ 48,670	$ 395,125

See accompanying independent auditors' report.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO

Schedule of Bond Interest for Revenue Bonds Outstanding[1]
December 31, 2014
Years 2015 to 2044, inclusive
(Amounts expressed in thousands)

Year	Series 2004 Improv/Ref	Series 2005 Improvement	Series 2007A Improvement	Series 2008A Improvement	Series 2009A Improvement	Series 2010B Improvement	Series 2012A Improvement	Series 2012B Refunding	Series 2012C Refunding	Series 2014A Improv/Ref	Total
2015	$ 153	$ 56	$ 4,105	$ 7	$ 2,589	$ 4,109	$ 1,569	$ 3,347	$ 23	$ 1,910	$ 17,868
2016	-	-	3,989	6	2,588	4,109	1,569	2,519	-	1,909	16,689
2017	-	-	3,867	5	2,588	4,109	1,569	1,713	-	1,818	15,669
2018	-	-	3,739	5	2,532	4,039	1,528	1,411	-	1,700	14,954
2019	-	-	3,604	4	2,471	3,961	1,485	1,151	-	1,700	14,376
2020	-	-	3,463	3	2,407	3,867	1,440	1,030	-	1,699	13,909
2021	-	-	3,338	2	2,337	3,768	1,393	853	-	1,699	13,390
2022	-	-	3,184	1	2,262	3,664	1,343	622	-	1,699	12,775
2023	-	-	3,024	-	2,182	3,553	1,291	383	-	1,698	12,131
2024	-	-	2,857	-	2,097	3,431	1,247	134	-	1,685	11,451
2025	-	-	2,682	-	2,009	3,300	1,201	96	-	1,671	10,959
2026	-	-	2,499	-	1,913	3,161	1,154	73	-	1,657	10,457
2027	-	-	2,308	-	1,813	3,015	1,105	49	-	1,645	9,935
2028	-	-	2,106	-	1,709	2,859	1,047	25	-	1,633	9,379
2029	-	-	1,895	-	1,601	2,694	987	-	-	1,619	8,796
2030	-	-	1,673	-	1,488	2,520	924	-	-	1,605	8,210
2031	-	-	1,533	-	1,370	2,337	858	-	-	1,589	7,687
2032	-	-	1,386	-	1,246	2,141	789	-	-	1,574	7,136
2033	-	-	1,231	-	1,116	1,939	718	-	-	1,556	6,560
2034	-	-	1,069	-	980	1,730	642	-	-	1,537	5,958
2035	-	-	821	-	838	1,510	564	-	-	1,517	5,250
2036	-	-	561	-	686	1,283	500	-	-	1,495	4,525
2037	-	-	286	-	526	1,047	425	-	-	1,473	3,757
2038	-	-	-	-	360	800	346	-	-	1,448	2,954
2039	-	-	-	-	183	543	265	-	-	1,423	2,414
2040	-	-	-	-	-	276	180	-	-	1,397	1,853
2041	-	-	-	-	-	-	92	-	-	1,363	1,455
2042	-	-	-	-	-	-	-	-	-	1,109	1,109
2043	-	-	-	-	-	-	-	-	-	754	754
2044	-	-	-	-	-	-	-	-	-	384	384
	$ 153	$ 56	$ 55,220	$ 33	$ 41,891	$ 69,765	$ 26,231	$ 13,406	$ 23	$ 45,966	$ 252,744

[1]Excludes Build America Bonds interest subsidy. See Exhibit II-B.

See accompanying independent auditors' report.

STATISTICAL SECTION

This part of Denver Water's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Denver Water's overall financial health.

(Continued next page)

Sources *: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year or internal Denver Water operating groups.*

Rounding *: Some columns in the statistical section are totaled according to the precision of the numbers entered rather than the way they are displayed, and may not appear to total correctly.*

STATISTICAL SUMMARY: 2005 - 2014

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Population served[1]	**1,172,000**	1,161,000	1,147,000	1,135,000	1,125,000	1,111,000	1,093,000	1,077,000	1,064,000	1,057,000
Total treated water consumption (million gallons)[2]	**61,185.27**	60,212.44	71,968.70	68,260.80	69,695.40	62,106.90	71,975.87	70,479.84	74,724.98	68,473.70
Average daily consumption (million gallons)	**167.63**	165.00	196.64	187.02	190.95	170.16	196.66	193.10	204.73	187.60
Average daily consumption per capita (gallons)[1]	**143**	142	171	165	170	153	180	179	192	177
Maximum daily consumption (million gallons)	**335.20**	355.00	398.20	366.40	365.81	341.80	426.16	425.70	425.68	424.80
Maximum hour treated water use rate (million gallons per day)	**603.60**	591.00	628.00	546.80	577.75	516.90	670.00	660.00	671.04	725.27
Treated water pumped (million gallons)	**36,088.94**	34,895.00	39,484.10	36,443.50	41,611.30	38,198.90	50,283.70	44,684.79	44,937.60	41,890.71
Raw water storage capacity (acre-feet)[3]	**569,534**	569,534	569,534	569,534	561,883	561,883	561,883	561,883	561,883	561,883
Replacement reservoir storage capacity (acre-feet)	**122,432**	122,432	122,432	122,432	122,432	122,432	122,432	122,432	122,432	122,432
Supply from South Platte River (acre-feet)[4]	**148,680**	142,915	85,765	117,559	151,891	138,791	122,255	168,554	113,868	154,750
Supply from Blue River/Roberts Tunnel system (acre-feet)	**77,765**	111,564	54,394	148,643	74,674	58,468	80,056	65,682	127,074	94,470
Supply from Moffat system (acre-feet)	**73,585**	141,159	54,523	93,763	76,318	79,636	88,842	85,444	83,022	63,872
Treated water pumping capacity (mgd)	**1,007.9**	1,007.9	1,003.3	1,003.3	1,095.9	1,095.9	1,097.4	1,097.4	1,096.3	1,096.3
Raw water pumping capacity (mgd)	**112.2**	112.2	112.2	112.2	112.2	112.2	112.2	112.2	92.2	92.2
Treatment plant capacity (mgd)	**715.0**	715.0	715.0	715.0	715.0	715.0	715.0	715.0	715.0	715.0
Treated water reservoir capacity (million gallons)	**353.3**	353.3	381.65	371.65	371.65	371.65	368.65	368.65	368.65	368.65
Raw water supply mains in miles (mountain collection system)	**77.4**	77.4	77.5	77.5	76.9	77.5	77.5	77.6	77.5	77.5
Raw water supply mains in miles (metropolitan Denver area)	**54.0**	52.3	47.7	47.7	47.1	46.0	40.7	40.7	40.7	40.7
Transmission & distribution mains (miles) - Inside City and Outside City Total Service Contract distributors	**3,074.2**	3,058.2	3,050.1	3,041	3,037	2,954	2,681	2,657	2,645	2,631
Recycled water transmission & distribution mains (miles)	**67.0**	63.1	49.0	45.0	44.2	35.3	36.5	36.5	32.6	31.3
Total active taps - end of year	**312,908**	312,228	310,463	309,269	309,562	310,068	309,373	308,079	306,901	304,483
Fire hydrants operated & maintained	**20,030**	19,818	19,670	19,553	19,439	19,159	19,185	15,767	15,679	15,459
Fire hydrants tested and repaired	**29,506**	25,177	25,112	26,760	21,103	18,472	25,577	27,940	30,739	32,474
Breaks in mains - Denver	**191**	222	232	313	261	220	274	247	198	242
Service leaks	**337**	719	402	385	287	329	318	879	1,043	1,452
Total employees (actual)	**1,064.6**	1,064.9	1,082.5	1,069.8	1,089.1	1,095.1	1,055.0	1,010.2	1,004.8	1,012.7
Additions to capital assets (thousands)	**$ 125,374**	$ 93,421	$ 128,277	$ 113,071	$ 125,816	$ 103,146	$ 101,328	$ 103,779	$ 102,458	$ 81,877
Total long-term debt[5] (thousands)	**$ 418,200**	$ 414,013	$ 434,945	$ 415,644	$ 449,828	$ 392,659	$ 381,285	$ 410,928	$ 346,114	$ 375,917

[1]Population estimated based on treated water customers only. Revised population from 2005 to 2010 is based on 2010 Census information.

[2]Denver Water has three water treatment facilities. See page III-76, "Water Treated Monthly." Total treated water consumption includes both sales of treated water as well as unaccounted-for water. See page III-21 "Sales of Treated Water Between Denver and Outside City.

[3]Denver Water has 13 raw water reservoirs. See page III-60, "Source of Supply - Reservoirs and Collection Systems."

[4]Supply includes effluent exchanges.

[5]Long-term debt consists of current and long-term portions of bonds payable and obligations under capital lease, net of discounts and premiums plus notes payable. Effective in 2012, deferred amounts on refunding are no longer included.

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A - FINANCIAL TRENDS INFORMATION

These schedules contain trend information to help the reader understand how Denver Water's financial performance and well-being have changed over time.

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NET POSITION BY COMPONENT[1,2]: 2005 - 2014
(amounts expressed in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
NET POSITION:										
Net investment in capital assets	**$ 1,641,601**	$ 1,579,642	$ 1,513,582	$ 1,454,710	$ 1,401,820	$ 1,363,848	$ 1,319,268	$ 1,227,499	$ 1,236,642	$ 1,151,459
Restricted for debt service reserve funds	**12,375**	12,327	12,274	13,746	18,912	13,233	9,005	7,661	7,021	7,723
Unrestricted	**230,820**	230,159	217,297	169,602	162,077	174,279	178,243	199,493	125,988	134,323
Total net position	**$ 1,884,796**	$ 1,822,128	$ 1,743,153	$ 1,638,058	$ 1,582,809	$ 1,551,360	$ 1,506,516	$ 1,434,653	$ 1,369,651	$ 1,293,505

[1]Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted when constraints placed on net position use are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

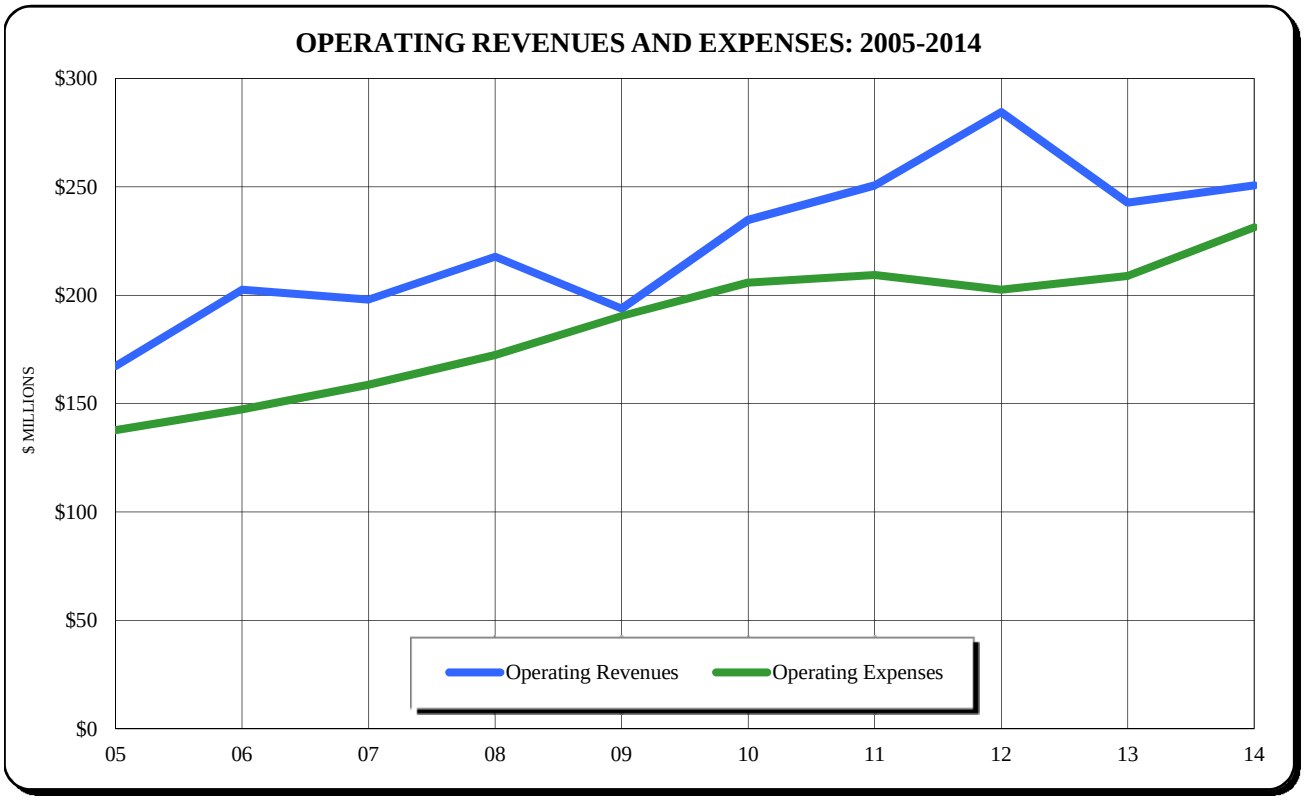
[2]The above data was extracted from the audited financial statements of the Board of Water Commissioners.

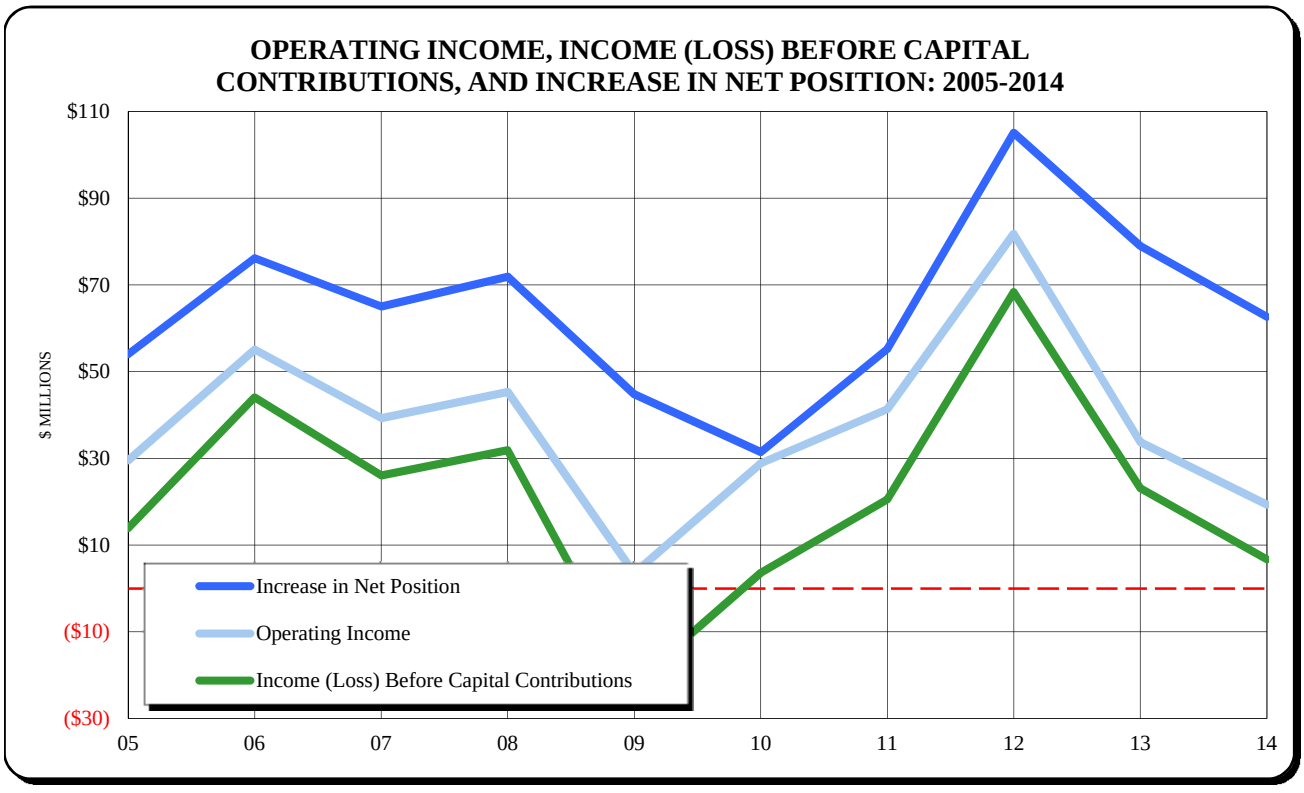
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION[1,2]: 2005 - 2014
(amounts expressed in thousands)

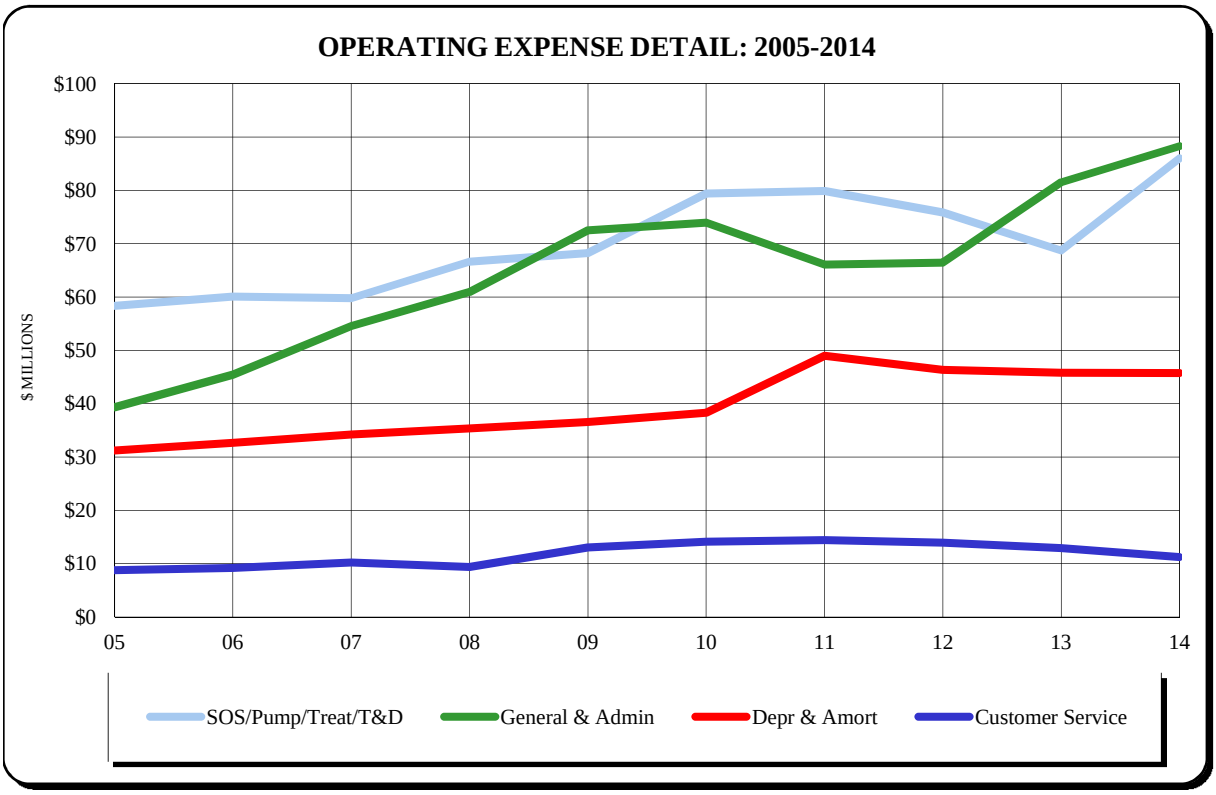
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
OPERATING REVENUES:										
Water	**$ 239,288**	$ 230,482	$ 271,575	$ 239,186	$ 224,489	$ 184,396	$ 205,941	$ 188,729	$ 193,743	$ 158,454
Power generation and other	**11,380**	12,141	12,764	11,481	10,187	9,432	11,791	9,273	8,739	8,780
Total operating revenues	**250,668**	242,623	284,339	250,667	234,676	193,828	217,732	198,002	202,482	167,234
OPERATING EXPENSES:										
Source of supply, pumping, treatment and distribution	**85,988**	68,722	75,846	79,881	79,400	68,275	66,629	59,760	60,095	58,326
General and administrative	**88,322**	81,494	66,433	66,077	73,926	72,487	60,955	54,545	45,439	39,312
Customer service	**11,229**	12,894	13,929	14,394	14,150	13,022	9,407	10,208	9,196	8,800
Depreciation and amortization	**45,772**	45,805	46,363	48,961	38,322	36,582	35,382	34,238	32,656	31,232
Total operating expenses	**231,311**	208,915	202,571	209,313	205,798	190,366	172,373	158,751	147,386	137,670
OPERATING INCOME	**19,357**	33,708	81,768	41,354	28,878	3,462	45,359	39,251	55,096	29,564
NONOPERATING REVENUES (EXPENSES):										
Investment income	**1,552**	1,488	1,451	1,201	1,336	948	9,141	12,201	7,491	4,295
Interest expense, less capitalized interest	**(12,664)**	(13,602)	(14,217)	(17,719)	(16,630)	(17,547)	(17,699)	(16,305)	(15,368)	(16,353)
Gain (loss) on disposition of capital assets	**(5,394)**	(2,171)	(4,331)	(6,011)	(15,533)	(8,168)	(4,426)	(9,144)	(2,922)	(3,097)
Other income	**6,143**	6,606	5,882	6,147	7,931	1,881	1,956	1,677	1,459	1,380
Other expense	**(2,252)**	(2,939)	(2,164)	(4,408)	(2,336)	(2,483)	(2,459)	(1,612)	(1,706)	(1,931)
Total nonoperating expenses, net	**(12,615)**	(10,618)	(13,379)	(20,790)	(25,232)	(25,369)	(13,487)	(13,183)	(11,046)	(15,706)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	**6,742**	23,090	68,389	20,564	3,646	(21,907)	31,872	26,068	44,050	13,858
CAPITAL CONTRIBUTIONS:										
Contributions in aid of construction	**23,190**	21,424	17,163	17,239	10,861	41,443	21,492	12,911	11,245	14,072
System development charges	**32,736**	34,461	19,543	17,446	16,942	25,308	18,499	26,023	20,851	26,119
Total capital contributions	**55,926**	55,885	36,706	34,685	27,803	66,751	39,991	38,934	32,096	40,191
INCREASE IN NET POSITION	**62,668**	78,975	105,095	55,249	31,449	44,844	71,863	65,002	76,146	54,049
NET POSITION:										
Beginning of year	**1,822,128**	1,743,153	1,638,058	1,582,809	1,551,360	1,506,516	1,434,653	1,369,651	1,293,505	1,239,456
End of year	**$ 1,884,796**	$ 1,822,128	$ 1,743,153	$ 1,638,058	$ 1,582,809	$ 1,551,360	$ 1,506,516	$ 1,434,653	$ 1,369,651	$ 1,293,505

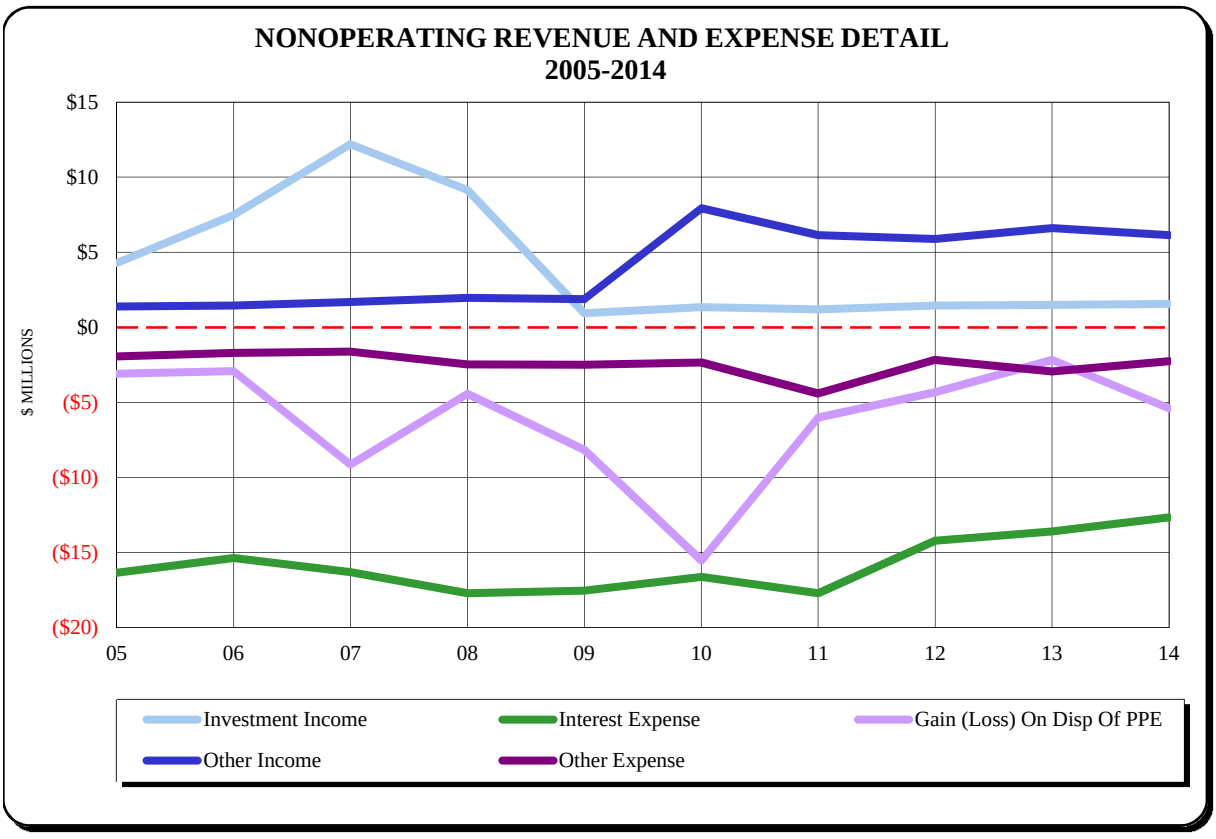
[1]The above data was extracted from the audited financial statements of the Board of Water Commissioners.

[2]Certain reclassifications have been made to prior years' information to conform to the current year presentation.


OPERATING REVENUES AND EXPENSES: 2005-2014
$ MILLIONS
$300
$250
$200
$150
$100
$50
$0
05
06
07
08
09
10
11
12
13
14
Operating Revenues
Operating Expenses


OPERATING INCOME, INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, AND INCREASE IN NET POSITION: 2005-2014
$ MILLIONS
$110
$90
$70
$50
$30
$10
($10)
($30)
05
06
07
08
09
10
11
12
13
14
Increase in Net Position
Operating Income
Income (Loss) Before Capital Contributions


OPERATING EXPENSE DETAIL: 2005-2014
$ MILLIONS
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
$0
05
06
07
08
09
10
11
12
13
14
SOS/Pump/Treat/T&D
General & Admin
Depr & Amort
Customer Service


NONOPERATING REVENUE AND EXPENSE DETAIL
2005-2014
$ MILLIONS
$15
$10
$5
$0
($5)
($10)
($15)
($20)
05
06
07
08
09
10
11
12
13
14
Investment Income
Interest Expense
Gain (Loss) On Disp Of PPE
Other Income
Other Expense

B - REVENUE CAPACITY INFORMATION

These schedules contain information to help the reader assess Denver Water's primary revenue sources.

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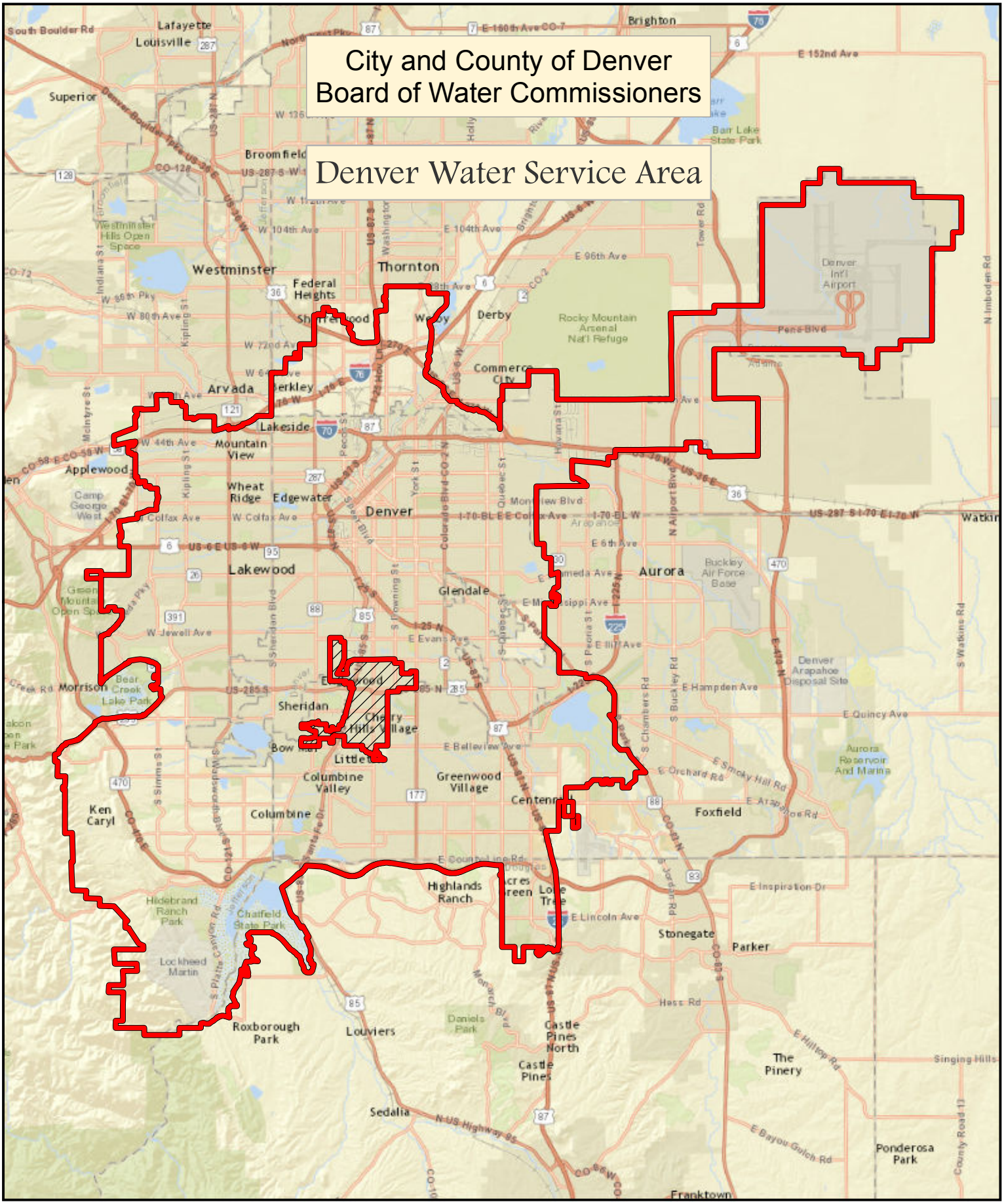
City and County of Denver
Board of Water Commissioners

Denver Water Service Area



Legend

Denver Water Service Area

Not served by Denver Water

N

0 1.75 3.5 7 Miles

DENVER WATER

Map Date: 4/3/2015
Author: ARG-MLF
Source(s):

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CUSTOMER SERVICE DATA: 2005 - 2014

	2014	2013	2012	2011[6]	2010	2009[7]	2008	2007	2006	2005
Active Taps:[1]										
Beginning of Year	**312,228**	310,463	309,272	309,562	310,068	309,373	308,079	306,901	304,483	301,565
Activated During Year	**1,250**	2,377	1,539	23	886	979	1,919	1,826	2,900	3,099
Discontinued During Year	**(570)**	(612)	(348)	(313)	(1,392)	(284)	(625)	(648)	(482)	(181)
Net Increase During Year	**680**	1,765	1,191	(290)	(506)	695	1,294	1,178	2,418	2,918
Total Active Taps - End of Year	**312,908**	312,228	310,463	309,272	309,562	310,068	309,373	308,079	306,901	304,483
Active Taps:[1]										
Inside City	**161,997**	161,668	160,205	159,302	159,592	161,611	158,448	157,707	157,124	155,778
City and County	**1,236**	1,334	1,218	1,204	1,277	1,272	1,226	1,212	1,222	1,206
Outside City - Read and Bill	**36,911**	36,795	36,637	36,542	36,477	35,760	36,420	36,278	36,043	35,558
Outside City - Total Service	**36,408**	36,473	36,318	36,270	36,376	36,140	36,230	36,112	35,960	35,793
Outside City - Master Meter	**76,356**	75,958	76,085	75,954	75,840	75,285	77,049	76,770	76,552	76,148
Total Active Taps - End of Year	**312,908**	312,228	310,463	309,272	309,562	310,068	309,373	308,079	306,901	304,483
Stub-Ins on System[2]	**1,146**	811	514	651	367	275	801	1,408	1,936	1,926
Fire Hydrant Use Permits	**631**	550	518	527	439	485	518	546	518	488
AMR (Automatic Meter Reading) Installations[3]	**-**	-	-	895	886	742	137	85	10,594	9,855
Turn-Offs Due to Delinquent Accounts	**5,630**	4,746	5,463	6,125	6,687	8,913	13,284	12,747	12,895	11,529
In-Home Water Audits	**1,162**	976	609	480	409	349	383	169	56	81
Call Center Calls[4]	**214,867**	227,736	231,533	221,291	213,065	229,979	237,047	215,457	198,620	212,114
Water Quality Calls:										
Taste and Odor	**180**	219	212	169	221	194	161	180	161	87
Dirty Water	**300**	326	289	333	309	356	205	221	222	90
Illness Concerns[5]	**47**	50	48	46	51	56	48	50	-	-
Other	**89**	192	99	89	128	63	50	40	88	24
New Taps Made	**2,289**	1,941	950	906	583	679	1,743	1,901	3,199	2,991

[1]An active tap is defined as a metered connection to the distribution main that has had all fees paid, and is either currently using water, or has used water at any time during the last five consecutive years. Does not include taps sold to raw water customers.

[2]A stub-in is a connection made solely to extend the service line from the main to the valve at the property line prior to the paving of the street and is not considered a tap.

[3]AMR represents large capital investments to replace old batteries in the AMRs not day to day replacements of meters.

[4]Call Center Calls include calls offered, plus calls handled through the Interactive Voice Response (IVR).

[5]Illness Concerns calls from 2002 through 2006 were included in "other."

[6]In 2011, there were 895 taps activated during the year. 875 change over taps were double counted in prior years which were corrected in 2011.

[7]In 2009, a new customer information system was implemented and data produced from that system may not be strictly comparable to prior years.

WATER SOLD IN DOLLARS BY TYPE OF CUSTOMER: 2005 - 2014

(NON-ACCRUAL BASIS)[1]

(amounts expresed in thousands)

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
SALES OF TREATED WATER											
A. METERED GENERAL CUSTOMERS											
Residential -	Inside City	**$ 49,114**	$ 48,057	$ 57,504	$ 49,853	$ 46,658	$ 34,776	$ 39,376	$ 36,393	$ 38,199	$ 32,167
	Outside City-Read and Bill	**16,938**	16,893	20,726	17,739	17,547	13,016	15,970	16,255	16,933	13,572
	Outside City-Total Service	**22,113**	22,168	28,464	23,923	24,172	17,921	22,069	19,965	21,868	17,501
Residential Irrigation[2] -	Inside City	**1,028**	995	1,363	1,128	1,044	707	860	683	-	-
	Outside City-Read and Bill	**753**	725	1,002	819	798	609	696	427	-	-
	Outside City-Total Service	**661**	602	766	632	617	468	459	388	-	-
Small multi-family -	Inside City	**4,932**	4,780	5,281	4,735	4,285	3,657	3,735	3,464	3,287	2,916
	Outside City-Read and Bill	**484**	476	505	437	370	331	291	263	258	214
	Outside City-Total Service	**781**	748	813	714	606	552	528	464	502	384
Commercial -	Inside City	**35,883**	33,834	37,074	33,705	31,454	29,121	29,548	28,432	27,371	24,640
	Outside City-Read and Bill	**9,010**	8,501	9,585	8,557	8,069	8,163	7,164	7,645	7,892	6,414
	Outside City-Total Service	**9,434**	8,744	9,691	8,821	8,285	8,040	7,575	8,372	7,909	6,510
Industrial -	Inside City	**3,090**	3,139	3,212	2,995	2,820	2,896	3,020	2,996	2,639	2,168
	Outside City-Read and Bill	**1,121**	1,028	1,624	2,239	2,101	2,016	2,384	2,444	2,155	1,689
	R&B Winter/Summer Adj	-	-	(1,644)	-	-	-	-	-	-	-
	Outside City-Total Service	**143**	148	164	167	184	120	201	161	170	169
Other Irrigation[3] -	Inside City	**2,629**	2,494	3,709	3,190	2,889	1,815	2,017	-	-	-
	Outside City-Read and Bill	**1,584**	1,535	2,095	1,736	1,757	1,182	1,246	-	-	-
	Outside City-Total Service	**2,426**	2,300	3,077	2,688	2,567	1,697	1,920	-	-	-
		162,124	157,167	185,011	164,078	156,223	127,087	139,059	128,352	129,183	108,344
B. PRIVATE FIRE PROTECTION SERVICE											
Sprinklers -	Inside City	**840**	827	1,015	985	928	925	896	879	860	698
	Outside City-Read and Bill	**84**	71	65	51	49	52	45	45	44	42
	Outside City-Total Service	**139**	133	122	73	70	71	64	62	58	55
		1,063	1,031	1,202	1,109	1,047	1,048	1,005	986	962	795
C. OTHER SALES TO PUBLIC AUTHORITIES											
City & County of Denver[4] -	Irrigation	**2,707**	2,686	4,087	3,148	3,616	2,441	3,394	-	-	-
	Non-Irrigation	**1,927**	1,717	1,880	1,583	1,584	1,772	1,491	3,799	4,126	2,937
Other County Agencies -	Inside City	**971**	1,003	1,476	1,136	1,040	950	1,153	1,102	1,115	893
	Outside City-Read and Bill	**768**	625	743	757	891	458	600	752	725	480
	Outside City-Total Service	**736**	708	964	852	839	674	758	1,136	1,127	855
State Agencies -	Inside City	**361**	354	393	375	362	352	469	481	498	415
	Outside City-Read and Bill	**46**	38	42	39	37	35	29	29	26	22
	Outside City-Total Service	**6**	7	6	4	5	4	7	6	4	4
Federal Agencies -	Inside City	**127**	133	168	198	92	357	288	269	231	208
	Outside City-R&B at Denver Rates	**9**	26	26	67	31	35	61	17	17	18
	Outside City-Read and Bill	**49**	37	48	62	530	118	427	297	248	335
	Total Service	**2**	2	2	2	1	2	2	2	2	2
		7,709	7,336	9,835	8,223	9,028	7,198	8,679	7,890	8,119	6,169
D. SALES OF TREATED WATER FOR RESALE											
Outside City - Master Meter		**48,371**	47,550	62,968	47,483	43,196	38,192	40,909	37,611	37,396	32,270
Outside the Combined Service Area		**13,598**	10,729	4,064	9,886	9,552	8,954	8,686	9,141	7,715	5,555
		61,969	58,279	67,032	57,369	52,748	47,146	49,595	46,752	45,111	37,825
TOTAL SALES OF TREATED WATER		**232,865**	223,813	263,080	230,780	219,046	182,479	198,338	183,980	183,375	153,133
SALES OF NONPOTABLE WATER		**5,912**	7,043	8,271	7,039	6,189	5,587	7,204	5,576	9,309	5,459
TOTAL SALES OF WATER		**$ 238,777**	$ 230,856	$ 271,351	$ 237,819	$ 225,235	$ 188,066	$ 205,542	$ 189,556	$ 192,683	$ 158,592

[1]This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled metered accounts. Therefore, amounts on this schedule do not agree with amounts on the Statement of Revenues, Expenses and Changes in Net Position. The difference from amounts on an accrual basis is immaterial.

[2]In 2007, a separate rate classification was created for residential irrigation-only customers ("Residential Irrigation"). For years prior to 2007, the revenue earned from the sale of water and the related gallons sold to these customers are included in the amounts shown for regular residential service.

[3]In 2008, a separate rate classification was created for commercial, industrial and governmental irrigation-only customers ("Other Irrigation"). For years prior to 2008, the revenue earned from the sale of water and the related gallons sold to these customers are included in the amounts shown for regular commercial, industrial and local government agency service.

[4]In 2008, a separate rate classification was created for City and County of Denver irrigation-only customers ("City & County of Denver - Irrigation"). For years prior to 2008, the revenue earned from the sale of water and the related gallons sold to these customers are included in "City & County of Denver - Non-Irrigation."

TREATED WATER SOLD IN GALLONS BY TYPE OF CUSTOMER: 2005 - 2014
(amounts expressed in thousands of gallons)

SALES OF TREATED WATER		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A. METERED GENERAL CUSTOMERS											
Residential -	Inside City	**11,603,885**	11,629,361	14,052,609	13,098,298	13,601,820	12,075,102	14,190,479	13,788,207	15,319,966	13,900,011
	Outside City-Read and Bill	**3,722,505**	3,839,625	4,750,696	4,399,807	4,593,122	4,114,005	4,913,295	4,691,563	5,278,025	4,704,115
	Outside City-Total Service	**4,051,615**	4,150,654	5,225,688	4,794,193	4,959,464	4,388,923	5,297,529	5,008,534	5,673,116	4,990,298
Residential Irrigation[1] -	Inside City	**209,084**	202,587	283,485	248,861	261,019	190,264	247,163	186,902	-	-
	Outside City-Read and Bill	**145,195**	139,779	198,236	173,346	186,694	139,916	200,591	116,794	-	-
	Outside City-Total Service	**107,181**	101,655	140,407	121,065	124,574	94,358	125,168	89,235	-	-
Small multi-family -	Inside City	**1,386,032**	1,370,868	1,560,394	1,495,266	1,525,150	1,437,136	1,556,375	1,544,714	1,625,016	1,505,370
	Outside City-Read and Bill	**123,537**	125,029	135,850	125,757	118,190	114,740	113,627	108,934	102,529	90,030
	Outside City-Total Service	**162,590**	163,553	184,925	172,393	156,313	149,255	158,912	149,588	164,236	141,204
Commercial -	Inside City	**11,865,891**	11,407,418	12,522,805	12,157,287	12,398,800	12,069,634	12,643,141	13,060,641	13,453,864	13,607,253
	Outside City-Read and Bill	**2,257,606**	2,208,047	2,524,765	2,384,164	2,370,656	2,390,356	2,519,213	2,778,664	2,940,758	2,681,743
	Outside City-Total Service	**2,071,909**	2,033,840	2,323,899	2,223,111	2,248,376	2,160,037	2,235,147	2,544,606	2,729,083	2,504,610
Industrial -	Inside City	**1,116,290**	1,145,795	1,188,635	1,185,642	1,220,187	1,286,307	1,328,867	1,434,058	1,403,596	1,225,477
	Outside City-Read and Bill	**306,221**	297,504	521,752	690,755	685,581	696,547	884,226	913,261	861,583	761,029
	R&B Winter/Summer Adj	-	-	(519,142)	-	-	-	-	-	-	-
	Outside City-Total Service	**31,138**	33,138	38,090	40,772	49,246	33,022	59,666	50,081	60,063	67,231
Other Irrigation[1]-	Inside City	**550,833**	514,946	786,154	719,221	747,524	574,776	806,722	-	-	-
	Outside City-Read and Bill	**307,594**	296,929	417,375	370,134	416,362	300,627	421,140	-	-	-
	Outside City-Total Service	**396,232**	391,745	567,216	520,659	525,479	391,178	546,971	-	-	-
		40,415,338	40,052,473	46,903,839	44,920,731	46,188,557	42,606,183	48,248,232	46,465,782	49,611,835	46,178,371
B. OTHER SALES TO PUBLIC AUTHORITIES											
City & County of Denver[1] -	Irrigation	**1,026,040**	1,008,417	1,565,859	1,230,115	1,594,390	1,036,056	1,951,435	-	-	-
	Non-Irrigation	**802,951**	763,591	829,144	763,595	790,149	888,372	824,476	2,415,541	2,793,826	2,234,854
Other County Agencies -	Inside City	**291,796**	309,260	445,947	368,139	363,214	358,456	478,945	500,176	535,080	453,343
	Outside City-Read and Bill	**190,837**	160,096	191,100	213,673	261,631	135,817	212,370	273,868	275,898	202,617
	Outside City-Total Service	**146,595**	148,160	210,913	195,617	208,405	166,629	219,046	338,161	386,017	327,077
State Agencies -	Inside City	**117,316**	118,520	130,365	130,345	140,865	147,880	200,936	224,516	251,300	223,379
	Outside City-Read and Bill	**10,783**	9,299	10,205	9,724	10,112	9,857	9,927	10,368	9,349	8,717
	Outside City-Total Service	**1,225**	1,622	1,557	1,081	1,370	1,177	1,931	1,742	1,468	1,316
Federal Agencies -	Inside City	**40,390**	48,534	60,751	83,863	38,759	55,456	84,686	133,356	129,602	128,769
	Outside City-R&B at Denver Rates	**5,341**	6,238	6,245	8,244	12,116	195,924	121,545	8,334	6,560	8,527
	Outside City-Read and Bill	**11,486**	8,493	11,156	22,629	152,973	38,949	149,333	107,201	94,067	126,584
	Total Service	**451**	457	367	375	384	443	488	506	475	452
		2,645,211	2,582,687	3,463,609	3,027,400	3,574,368	3,035,016	4,255,118	4,013,769	4,483,642	3,715,635
C. SALES OF TREATED WATER FOR RESALE											
Outside City - Master Meter		**12,264,584**	12,574,045	15,050,805	14,109,526	14,352,778	12,824,666	15,294,977	14,753,753	15,717,343	14,544,666
Outside the Combined Service Area		**3,326,368**	2,743,233	3,558,092	2,767,464	3,021,344	2,902,470	3,008,039	3,482,153	3,116,980	2,512,136
		15,590,952	15,317,278	18,608,897	16,876,990	17,374,122	15,727,136	18,303,016	18,235,906	18,834,323	17,056,802
TOTAL SALES OF TREATED WATER		**58,651,501**	57,952,438	68,976,345	64,825,121	67,137,047	61,368,335	70,806,366	68,715,457	72,929,800	66,950,808
Reconciliation of Water Treated, Delivered, Consumption, Sales and Non-revenue Water:											
Total Water Treated (Production) - Page III-76		**61,177,090**	60,195,400	71,960,650	68,257,000	69,713,070	62,089,800	71,983,540	70,474,410	74,722,230	68,500,800
(Increase) Decrease in Clear Water Storage - Page III-76		**8,180**	17,040	8,050	3,800	(17,670)	17,100	(7,670)	5,430	2,750	(27,100)
Treated Water Delivered - Page III-70, III-71 & III-76		**61,185,270**	60,212,440	71,968,700	68,260,800	69,695,400	62,106,900	71,975,870	70,479,840	74,724,980	68,473,700
Water Purchased - Page III-21		**-**	-	-	-	-	-	-	-	-	-
Treated Water Available (Consumption) -Page III-75		**61,185,270**	60,212,440	71,968,700	68,260,800	69,695,400	62,106,900	71,975,870	70,479,840	74,724,980	68,473,700
Less Sales of Treated Water - Page III-21		**(58,651,501)**	(57,952,438)	(68,976,345)	(64,825,121)	(67,137,047)	(61,368,335)	(70,806,366)	(68,715,457)	(72,929,800)	(67,175,382)
Less Load Shifted Treated Water - Page III-21		**-**	-	-	-	-	-	-	-	-	-
Non-revenue Water - Page III-21		**2,533,769**	2,260,002	2,992,355	3,435,679	2,558,353	738,565	1,169,504	1,764,383	1,795,180	1,298,318
% Non-revenue Water - Page III-21		**4.14%**	3.75%	4.16%	5.03%	3.67%	1.19%	1.62%	2.50%	2.40%	1.90%

[1]See footnotes on page III-16.

OPERATING REVENUE AND RELATED WATER CONSUMPTION - 2014
(NON-ACCRUAL BASIS)[1]

(amounts expressed in thousands)

		Revenue	Gallons Sold (000)	Average Number of Customers	Revenue Per 1,000 Gallons
I. SALES OF TREATED WATER					
A. METERED GENERAL CUSTOMERS					
Residential	Inside City	$ 49,114	11,603,885	135,699	$ 4.2325
	Outside City-Read and Bill	16,938	3,722,505	33,474	4.5502
	Outside City-Total Service	22,113	4,051,615	32,520	5.4578
Residential Irrigation	Inside City	1,028	209,084	575	4.9167
	Outside City-Read and Bill	753	145,195	181	5.1861
	Outside City-Total Service	661	107,181	176	6.1671
Small multi-family	Inside City	4,932	1,386,032	9,518	3.5584
	Outside City-Read and Bill	484	123,537	586	3.9179
	Outside City-Total Service	781	162,590	733	4.8035
Commercial	Inside City	35,883	11,865,891	14,903	3.0240
	Outside City-Read and Bill	9,010	2,257,606	2,550	3.9910
	Outside City-Total Service	9,434	2,071,909	2,790	4.5533
Industrial	Inside City	3,090	1,116,290	251	2.7681
	Outside City-Read and Bill	1,121	306,221	5	3.6608
	Outside City-Total Service	143	31,138	8	4.5925
Other Irrigation	Inside City	2,629	550,833	810	4.7728
	Outside City-Read and Bill	1,584	307,594	266	5.1496
	Outside City-Total Service	2,426	396,232	435	6.1227
		162,124	40,415,338	235,480	4.0114
B. PRIVATE FIRE PROTECTION SERVICE[2]					
Sprinklers -	Inside City	840	-		
	Outside City-Read and Bill	84	-		
	Outside City-Total Service	139	-		
		1,063	-		
C. OTHER SALES TO PUBLIC AUTHORITIES					
City & County of Denver	Irrigation	2,707	1,026,040	802	2.6383
	Non-Irrigation	1,927	802,951	412	2.3999
Other County Agencies -	Inside City	971	291,796	182	3.3277
	Outside City-Read and Bill	768	190,837	48	4.0244
	Outside City-Total Service	736	146,595	81	5.0206
State Agencies -	Denver	361	117,316	51	3.0772
	Outside City-Read and Bill	46	10,783	4	4.2660
	Outside City-Total Service	6	1,225	2	4.8980
Federal Agencies -	Denver	127	40,390	19	3.1443
	Outside City-RB at Denver Rates	9	5,341	-	1.6851
	Outside City-Read and Bill	49	11,486	2	4.2661
	Outside City-Total Service	2	451	2	4.4346
		7,709	2,645,211	1,605	2.9143

[1]This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled accounts. Therefore, amounts on this schedule do not agree with amounts on the Statement of Revenues, Expenses and Changes in Net Assets. The difference from amounts on an accrual basis is immaterial.

[2]Private fire protection consumption is unmetered and is considered part of non-revenue water. See "Sales of Treated Water between Denver and Outside City" for this estimate.

(Continued next page)

(NON-ACCRUAL BASIS)
(amounts expressed in thousands)

	Revenue	Gallons Sold (000)	Average Number of Customers	Revenue Per 1,000 Gallons
I. SALES OF TREATED WATER (Continued)				
D. SALES OF TREATED WATER FOR RESALE[3]				
Outside City - Master Meter	$ 48,371	12,264,584	76,356	$ 3.9440
Outside the Combined Service Area	13,598	3,326,368	-	4.0879
	61,969	15,590,952	76,356	3.9747
TOTAL SALES OF TREATED WATER[4]	232,865	58,651,501	313,441	3.9703
II. SALES OF NON-POTABLE WATER[5]				
Inside City	493	990,417	105	0.4978
Outside City	235	287,128	5	0.8185
Outside the Combined Service Area	5,184	5,596,383	5	0.9263
	5,912	6,873,928	115	0.8601
TOTAL SALES OF WATER	$ 238,777	65,525,429	313,556	$ 3.6440
III. OTHER NON-POTABLE WATER DELIVERIES[5]		1,341,778		
TOTAL GALLONS SOLD		66,867,207		
IV. OTHER OPERATING REVENUE				
A. POWER SALES REVENUE[6]				
Foothills Treatment Plant	$ 388			
Strontia Springs	355			
Dillon Dam	510			
Roberts Tunnel	490			
Hillcrest	343			
Williams Fork	795			
Gross Reservior	1,509			
	4,390			
B. SPECIAL ASSESSMENTS				
Administrative Fees	3,332			
Penalty Fees	199			
Stub-in, Taps and Meter Fees	1,750			
Hydrant Fees	1,851			
Plan Review, Easement, Distribution Inspection	1,017			
Other Assessments	(1,160)			
	6,989			
TOTAL OTHER OPERATING REVENUE	11,379			
TOTAL OPERATING REVENUE	$ 250,156			

[3]See "Sales of Treated Water for Resale" on Page III-30

[4]See "Sales of Treated Water Between Denver and Outside City."

[5]See "Sales of Non-Potable Water Between Denver and Outside City."

[6]Power Sales Revenue represents actual billings made for power during the year. No accruals were made for unbilled revenue. Therefore, amounts on this schedule do not agree with amounts on other schedules which report the value of power produced

SALES OF TREATED WATER BETWEEN DENVER AND OUTSIDE CITY - 2014
(NON-ACCRUAL BASIS)[1]

(amounts expressed in thousands)

	Revenue		Gallons Sold		Average
	Amount	Percent of Total	Amount (000)	Percent of Total	Number of Customers
I. INSIDE CITY					
A. METERED GENERAL CUSTOMERS					
Residential	$ 49,114	21.09%	11,603,885	19.77%	135,699
Residential Irrigation	1,028	0.44%	209,084	0.36%	575
Duplex	2,580	1.11%	699,474	1.19%	5,969
3-Plex	753	0.32%	213,306	0.36%	1,410
4-Plex	1,073	0.46%	315,481	0.54%	1,545
5-Plex	526	0.23%	157,771	0.27%	594
Commercial	35,883	15.41%	11,865,891	20.23%	14,903
Industrial	3,090	1.33%	1,116,290	1.90%	251
Other Irrigation	2,629	1.13%	550,833	0.94%	810
	96,676	41.52%	26,732,015	45.56%	161,756
B. PRIVATE FIRE PROTECTION SERVICE[2]					
Sprinklers	840	0.36%	-		
C. OTHER SALES TO PUBLIC AUTHORITIES					
City And County of Denver-Irrigation	2,707	1.16%	1,026,040	1.75%	802
City and County of Denver-Non-Irrigation	1,927	0.83%	802,951	1.37%	412
Other County Agencies	971	0.42%	291,796	0.50%	182
State Agencies	361	0.16%	117,316	0.20%	51
Federal Agencies	127	0.05%	40,390	0.07%	19
	6,093	2.62%	2,278,493	3.89%	1,466
TOTAL SALES OF TREATED WATER - DENVER	103,609	44.50%	29,010,508	49.45%	163,222
Revenue per 1,000 Gallons - Denver			$ 3.5714		
II. OUTSIDE CITY					
A. METERED GENERAL CUSTOMERS					
Residential - Read & Bill	16,938	7.28%	3,722,505	6.35%	33,474
Residential Irrigation - Read & Bill	753	0.32%	145,195	0.25%	181
Duplex - Read & Bill	84	0.04%	20,573	0.04%	141
3-Plex - Read & Bill	89	0.04%	22,228	0.04%	133
4-Plex - Read & Bill	262	0.11%	67,795	0.12%	264
5-Plex - Read & Bill	49	0.02%	12,941	0.02%	48
Commercial - Read & Bill	9,010	3.87%	2,257,606	3.85%	2,550
Industrial - Read & Bill	1,121	0.48%	306,221	0.52%	5
Other Irrigation -Read & Bill	1,584	0.68%	307,594	0.52%	266
Residential - Total Service	22,113	9.50%	4,051,615	6.91%	32,520
Residential Irrigation - Total Service	661	0.28%	107,181	0.18%	176
Duplex - Total Service	214	0.09%	43,094	0.07%	283
3-Plex - Total Service	119	0.05%	24,931	0.04%	122
4-Plex - Total Service	325	0.14%	68,144	0.12%	232
5-Plex - Total Service	123	0.05%	26,421	0.05%	96
Commercial - Total Service	9,434	4.05%	2,071,909	3.53%	2,790
Industrial - Total Service	143	0.06%	31,138	0.05%	8
Other Irrigation - Total Service	2,426	1.04%	396,232	0.68%	435
	65,448	28.10%	13,683,323	23.34%	73,724

[1] This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled accounts. Therefore, amounts on this schedule do not agree with amounts on the Statement of Revenues, Expenses and Changes in Net Assets. The difference from amounts on an accrual basis is immaterial.

[2] Private fire protection consumption is unmetered and is considered part of non-revenue water. See "Analysis of Sales of Treated Water between Denver and Outside City" for this estimate.

(Continued next page)

SALES OF TREATED WATER BETWEEN DENVER AND OUTSIDE CITY - 2014
(NON-ACCRUAL BASIS)

(amounts expressed as thousands)

	Revenue		Gallons sold		Average
	Amount	Percent of Total	Amount (000)	Percent of Total	Number of Customers
II. OUTSIDE CITY (Continued)					
B. PRIVATE FIRE PROTECTION SERVICE[2]					
Sprinklers	$ 84	0.04%	-		
Sprinklers - Total Service	139	0.06%	-		
	223	0.10%	-		
C. OTHER SALES TO PUBLIC AUTHORITIES					
County Agencies - Read & Bill	768	0.33%	190,837	0.33%	48
State Agencies - Read & Bill	46	0.02%	10,783	0.02%	4
Federal Agencies - Read & Bill	49	0.02%	11,486	0.02%	2
Federal Agencies at Denver Rates	9	0.00%	5,341	0.01%	-
County Agencies - Total Service	736	0.32%	146,595	0.25%	81
State Agencies - Total Service	6	0.00%	1,225	0.00%	2
Federal Agencies - Total Service	2	0.00%	451	0.00%	2
	1,616	0.69%	366,718	0.63%	139
D. SALES OF TREATED WATER FOR RESALE[3]					
Master Meter Distributors	48,371	20.77%	12,264,584	20.91%	76,356
Outside CSA-Fixed Limit Contracts	13,598	5.84%	3,326,368	5.67%	-
	61,969	26.61%	15,590,952	26.58%	76,356
TOTAL SALES OF TREATED WATER - OUTSIDE CITY	129,256	55.50%	29,640,993	50.55%	150,219
Revenue per 1,000 Gallons - Outside City			$ 4.3607		
TOTAL SALES OF TREATED WATER	$ 232,865	100.00%	58,651,501	100.00%	313,441
Revenue per 1,000 Gallons - Total			$ 3.9703		

RECONCILIATION/CALCULATION OF NON-REVENUE WATER		
Total Water Treated (Production) - Page III-76	61,177,090	
(Increase) Decrease in Clear Water Storage - Page III-76	8,180	
Total Treated Water Delivered - Page III-76	61,185,270	
Water Purchased	-	
Total Treated Water Available (Consumption) - Page III-75	61,185,270	100.00%
Less Sale of Treated Water	(58,651,501)	(95.86)%
Less Load Shifted Treated Water	-	0.00%
Non-revenue Water[3]	2,533,769	4.14%

[2]Private fire protection consumption is unmetered and is considered part of non-revenue water.

[3]See "Sales of Treated Water For Resale" on page III-30.

SALES OF NON-POTABLE WATER BETWEEN DENVER AND OUTSIDE CITY - 2014
(NON-ACCRUAL BASIS)[1]
(amounts expressed as thousands)

	Revenue		Gallons Sold			Revenue
	Amount	Percent of Total	Amount (000)	Percent of Total	Number of Customers[3]	Per 1,000 Gallons
I. INSIDE CITY						
Raw Water Sales						
City & County of Denver Agencies	$ 62	1.05%	223,376	3.25%	3	$ 0.2776
Xcel Energy	8	0.14%	15,617	0.23%	-	0.5123
All Other	9	0.15%	17,266	0.25%	1	0.5213
	79	1.34%	256,259	3.73%	4	0.3083
Effluent Sales						
City & County of Denver Agencies	4	0.07%	15,182	0.22%	-	0.2635
Xcel Energy	49	0.83%	95,168	1.38%	-	0.5149
All Other	3	0.05%	5,429	0.08%	1	0.5526
	56	0.95%	115,779	1.68%	1	0.4837
Recycle Sales						
City & County of Denver Agencies	111	1.88%	371,912	5.41%	54	0.2985
All Other	247	4.18%	246,467	3.59%	46	1.0022
	358	6.06%	618,379	9.00%	100	0.5789
Minimum Contract Payment[2]-All Other	-	0.00%	-	0.00%	-	-
Total Denver	493	8.35%	990,417	14.41%	105	1.3709
II. OUTSIDE CITY, WITHIN COMBINED SERVICE AREA						
Raw Water Sales-All Others	224	3.79%	266,934	3.88%	3	0.8392
Effluent Sales-All Others	11	0.19%	20,194	0.29%	2	0.5447
Recycle Sales-Xcel Energy	-	0.00%	-	0.00%	-	-
Minimum Contract Payments[2]-All Others	-	0.00%	-	0.00%	-	-
Total Outside City, Within Combined Service Area	235	3.98%	287,128	4.17%	5	0.8185
III. OUTSIDE COMBINED SERVICE AREA						
Raw Water for Resale						
City of Arvada	3,591	60.74%	3,946,292	57.41%	1	0.9100
North Table Mountain	647	10.94%	710,405	10.34%	1	0.9107
	4,238	71.68%	4,656,697	67.75%	2	0.9101
Raw Water Sales						
Centennial Water & Sanitation District	196	3.31%	188,666	2.75%	1	1.0389
Consolidated Mutual Water	99	1.67%	95,474	1.39%	1	1.0369
All Other	11	0.19%	10,436	0.15%	-	1.0540
	306	5.17%	294,576	4.29%	2	1.0388
Effluent Sales-All Other	-	0.00%	-	0.00%	-	-
Recycle Sales-Xcel Energy	640	10.82%	645,110	9.38%	1	0.9921
Minimum Contract Payments[2] -All Other	-	0.00%	-	0.00%	-	-
	640	10.82%	645,110	9.38%	1	0.9921
Total Outside Combined Service Area	5,184	87.67%	5,596,383	81.42%	5	0.9263
TOTAL SALES OF NON-POTABLE WATER	$ 5,912	100.00%	6,873,928	100.00%	115	$ 0.8601
IV. OTHER NON-POTABLE WATER DELIVERIES						
City Ditch at Washington Park			680,387			
City of Englewood (Cabin-Meadow Exchange)			661,391			
Total Other Non-Potable Water Deliveries			1,341,778			
TOTAL NON-POTABLE WATER DELIVERIES			8,215,706			

[1]This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled accounts. The difference from amounts on an accrual basis is immaterial.

[2]The minimum contract payments category reflects contract stipulated payments with the ability to take a quantified amount of water. The payment is made in full regardless of consumption below the quantified amount.

[3]If the customer is reflected in the count of raw water customers, it is excluded from the count of effluent and minimum contract payment customers.

CUSTOMER ACCOUNTS FOR TREATED WATER - 2014[1]

		Total Customer Accounts[2]			Accounts with Active Billed Consumption	
		12-31-14	12-31-13	Increase (Decrease)	12-31-14	12-31-13
METERED GENERAL CUSTOMERS						
Residential	Inside City	175,662	167,914	7,748	136,274	135,787
	Outside City	41,365	39,729	1,636	33,655	33,571
	Total Service	39,861	38,332	1,529	32,696	32,701
Small multi-family	Inside City	9,434	9,315	119	9,518	9,478
	Outside City	550	576	(26)	586	595
	Total Service	712	711	1	733	733
Commercial	Inside City	17,956	17,134	822	14,903	14,813
	Outside City	3,151	2,982	169	2,550	2,525
	Total Service	3,394	3,202	192	2,790	2,772
Industrial	Inside City	296	290	6	251	256
	Outside City	5	5	-	5	6
	Total Service	8	8	-	8	8
Other Irrigation	Inside City	769	737	32	810	784
	Outside City	312	287	25	266	255
	Total Service	550	496	54	435	419
TOTAL METERED GENERAL CUSTOMERS		294,025	281,718	12,307	235,480	234,703
PUBLIC AUTHORITIES						
City & County of Denver		1,468	1,427	41	1,214	1,221
Other County Agencies	Inside City	350	353	(3)	182	169
	Outside City	57	53	4	48	49
	Total Service	99	94	5	81	81
State Agencies	Inside City	53	54	(1)	51	51
	Outside City	4	4	-	4	4
	Total Service	3	3	-	2	2
Federal Agencies	Inside City	20	20	-	19	18
	Outside City	2	2	-	2	2
	Total Service	2	2	-	2	2
TOTAL PUBLIC AUTHORITIES		2,058	2,012	46	1,605	1,599
RESALE ACCOUNTS (MASTER METER)[3]		76,356	75,958	398	76,356	75,958
TOTAL TREATED WATER CUSTOMERS		372,439	359,688	12,751	313,441	312,260

[1]Represents the number of metered services at year-end. For average number of customers billed during the calendar year, see "Operating Revenue and Related Water Consumption."

[2]A customer account is defined as a person or legal entity to which Denver Water currently provides service or has provided service at any time during the last five consecutive years. A customer may have more than one license, tap and/or premise.

[3]See "Analysis of Sales of Treated Water for Resale" on page III-30.

WATER RATE SCHEDULES - 2014

(Effective for bills dated on or after January 1, 2014)
Rate per 1,000 Gallons

TREATED WATER CONSUMPTION CHARGES (Monthly)

	Schedule 1 Inside City	Outside City Schedule 2 Read and Bill	Outside City Schedule 3 Total Service
Single Family Residential			
First 11,000 Gallons	$ 2.68	$ 2.73	$ 3.02
12,000 - 30,000 Gallons	5.36	5.46	6.04
31,000 - 40,000 Gallons	8.04	8.19	9.06
Over 40,000 Gallons	10.72	10.92	12.08
Small Multi-Family (Duplex through 5-Plex with a Single Meter)			
First 15,000 Gallons[1]	2.93	3.39	4.21
Over 15,000 Gallons	3.52	4.07	5.05
All Other (Non-Residential)			
Winter - All Consumption[2]	$ 1.84	$ 2.35	$ 2.70
Summer - All Consumption	3.68	4.70	5.40
Irrigation Only			
Winter - All Consumption[2]	1.20	1.31	1.56
Summer - All Consumption	4.81	5.24	6.24

[1]Applies to two dwelling units. Monthly consumption increases by 6,000 gallons per dwelling unit up to 5 dwelling units.

[2]Winter bills have billing periods ending on October 28 through April 30. Summer bills have billing periods ending on May 1 through October 27.

SERVICE CHARGES

	Monthly
	$ 6.58

PRIVATE FIRE PROTECTION SERVICE CHARGES (Monthly)

	Schedule 1 Inside City	Outside City Schedule 2 Read and Bill	Outside City Schedule 3 Total Service
Fire Hydrants	$ 13.92	$ 8.62	$ 13.66
Sprinkler Systems and Standpipes:			
1"	3.78	2.34	3.71
2"	6.31	3.90	6.19
4"	9.75	6.03	9.57
6"	13.92	8.62	13.66
8"	24.36	15.07	23.91
10"	34.80	21.53	34.15
12"	55.68	34.45	54.65
16"	139.20	86.13	136.61

Schedule 1 Applicability: Charges under this schedule are applicable to all licensees for treated water service or private fire protection service inside the limits of the City and County of Denver.

Schedule 2 Applicability: Charges under this schedule are applicable to all licensees for treated water service or private fire protection service outside the limits of the City and County of Denver served under agreements whereby the distributor in some manner operates and maintains portions of the water system used to supply the licensee and Denver Water is responsible for billing each licensee on an individual basis.

Schedule 3 Applicability: Charges under this schedule are applicable to all licensees for treated water service or private fire protection service outside the limits of the City and County of Denver served under agreements whereby Denver Water operates and maintains the water system used to supply water to the licensee.

Schedule 4
Master Meter

TREATED WATER CONSUMPTION CHARGE (Monthly) (Rate per 1,000 Gallons)	$ 3.95
	Monthly
SERVICE CHARGES FOR ALL METER SIZES	$ 6.58

Schedule 4 Applicability: Charges for treated water service under this schedule are applicable to entities (i.e. municipalities, quasi-municipal districts and water companies) outside the limits of the City and County of Denver served under distributor agreements whereby the entity operates and maintains water systems to supply individual licensees. Denver Water bills distributors for water delivered through "master meters." Each distributor establishes charges for its individual licensees for water service.

Schedule 5
Raw and Recycled

	Per 1,000 Gallons	Per Acre Foot
RAW WATER CONSUMPTION (Monthly)		
Inside City	$ 0.52	$ 169.44
Outside City	0.91	296.52
Outside the Combined Service Area (See Rate Schedule No. 6)	1.04	338.88
	Monthly	
SERVICE CHARGES FOR RAW WATER	n/a	
RECYCLED WATER CONSUMPTION	Per 1,000 Gallons	Per Acre Foot
Inside City	$ 0.99	$ 322.59
Outside City	n/a	n/a
Outside the Combined Service Area (See Rate Schedule No. 6)	1.11	361.69
	Monthly	
SERVICE CHARGES FOR RECYCLED WATER	$ 6.58	

Schedule 5 Applicability: Charges under this schedule are applicable to entities (including municipalities, quasi-municipal districts and corporations) with whom Denver Water has contracts to deliver raw or recycled water service at inside city or outside city rates. See Rate Schedule No. 6 for applicability outside the combined service area.

Schedule 6
Outside Combined Service Area

	Per 1,000 Gallons	Per Acre Foot
TREATED WATER CONSUMPTION (Monthly)	$ 4.44	$ 1,446.77
	Monthly	
SERVICE CHARGE FOR TREATED WATER	$ 6.58	
	Per 1,000 Gallons	Per Acre Foot
RAW WATER CONSUMPTION	$ 1.04	$ 338.88
	Monthly	
SERVICE CHARGE FOR RAW WATER	n/a	
	Per 1,000 Gallons	Per Acre Foot
RECYCLED WATER CONSUMPTION	$ 1.11	$ 361.69
	Monthly	
SERVICE CHARGE FOR RECYCLED WATER	$ 6.58	

Schedule 6 Applicability: Charges under this schedule are applicable to entities (including municipalities, quasi-municipal districts and corporations) with whom Denver Water has contracts to deliver a fixed amount of water each year at Denver Water's outside the combined service area rates. These entities are located outside of Denver Water's combined service area, which is comprised of the City and County of Denver plus the total geographic area of all Total Service, Read and Bill, and Master Meter distributors who rely on Denver Water for their treated water supply. For contracts with entities outside of the combined service area, Denver Water is only obligated to provide specified amounts of treated, raw or recycled water as specified by contract. Denver Water has no relationship with, or obligation to, individual customers of the entity holding the fixed amount contract.

Schedule 7
City and County of Denver

TREATED WATER CONSUMPTION CHARGE (Monthly)	Per 1,000 Gallons
Domestic - All Consumption	$ 2.36
Irrigation	
Winter - All Consumption[2]	1.05
Summer - All Consumption	2.63

[2]Winter bills have billing periods ending on October 28 through April 30. Summer bills have billing periods ending on May 1 through October 27.

	Monthly
SERVICE CHARGES FOR ALL METER SIZES	$ 6.58

RAW WATER CONSUMPTION (Monthly)	Per 1,000 Gallons
Inside City	$ 0.28

	Monthly
SERVICE CHARGES FOR RAW WATER	n/a

RECYCLED WATER CONSUMPTION	Per 1,000 Gallons
Inside City	$ 0.31

	Monthly
SERVICE CHARGES FOR RECYCLED WATER	$ 6.58

Schedule 7 Applicability: Charges under this schedule are applicable to all licensees for treated water service or private fire protection service outside the limits of the City and County of Denver served under agreements whereby Denver Water operates and maintains the water system used to supply water to the licensee.

Schedule 8
Residential Multiplex (Inside City Only)

Residential Multiplex[1]	
First 11,000 Gallons	$ 2.68
12,000 - 30,000 Gallons	5.36
31,000 - 40,000 Gallons	8.04
Over 40,000 Gallons	10.72

[1]Block thresholds are determined for each multiplex based on the number of units. Each block threshold is multiplied by the number of units served by single meter.

Monthly
$ 6.58

Schedule 8 Applicability: Charges under this schedule are applicable to all licensees for treated water service that are classified as a residential multiplex inside the limits of the City and County of Denver.

Schedule 9
System Development Charges

	Treated Water	
I. SINGLE FAMILY RESIDENTIAL	Inside City	Outside City
Base Charge	$ 3,030	$ 4,240
First 22,000 sq. ft., $ per sq. ft.	0.70	0.98
Over 22,000 sq. ft., $ per sq. ft.	0.35	0.49
Auxiliary Dwelling Unit[1]	$ 1,940	$ 2,710
II. RESIDENTIAL MULTIPLEX		
Base Charge, $ per unit	$ 3,030	n/a
Lot size charge, $ per sq. ft.	0.70	n/a
III. MULTIFAMILY RESIDENTIAL		
Base charge for the first two dwelling units that are on same parcel	$ 10,040	$ 14,060
Charge for next 6 dwelling units that are on the same parcel	2,420	3,390
Charge for each additional dwelling units above 8 that are on the same parcel	1,940	2,710
IV. IRRIGATION-ONLY		
Minimum charge: first 5,000 sq. ft.	$ 5,820	$ 8,150
Over 5,000 sq. ft., $ per sq. ft.	0.87	1.22

V. NON-RESIDENTIAL[2,3,4]

	Treated Water		Non-Potable Water	
Tap Size	Inside City	Outside City	Inside City	Outside City
3/4"	$ 10,730	$ 15,030	$ 9,370	$ 13,120
1"	19,170	26,840	16,730	23,420
1 1/2"	42,180	59,050	36,810	51,540
2"	76,690	107,360	66,930	93,710

	Treated Water	
VI. MIXED USE[5] (sum of the following SDCs)	Inside City	Outside City
Multifamily component	As set forth in Section III of this schedule	
Nonresidential component	$ 2.91	$ 4.08
$ per sq. ft. of nonresidential gross floor area irrigation, if applicable	As set forth in Section IV of this schedule	

VII. SPECIAL CONTRACTS, FIXED VOLUME CONTRACTS, & LARGE VOLUME CUSTOMERS

	Treated Water		Non-Potable Water	
Description	Inside City	Outside City	Inside City	Outside City
Inside the Combined Service Area				
Acre Foot Conversion ($/AF)	$ 18,980	$ 26,570	$ 16,570	$ 23,190
1,000 Gallons Conversion ($/1,000 gallons)	58.26	81.57	50.85	71.19
Outside the Combined Service Area				
Acre Foot Conversion ($/AF)	n/a	37,210	n/a	32,470
1,000 Gallons Conversion ($/1,000 gallons)	n/a	114.10	n/a	99.60

System Development Charge Applicability: Licenses for treated and non-potable water taps within the City and County of Denver and Denver Water service areas, including special contracts. System Development Charges are due and payable prior to issuance of a license to the customer.

Note: Several distributor contracts and water service agreements contain negotiated tap ratio conversions per acre foot and some agreements contain negotiated and/or prepaid system development charges. These contracts will continue to be administered utilizing the system development charge calculations and/or tap ratio conversions specified in each of the contracts. Tap credit pools are administered consistent with the applicable water service agreement and Denver Water Operating Rules.

[1] Units such as a guest house or carriage house that are detached from the primary residence and contain provisions for sleeping, cooking, and sanitation.

[2] Includes commercial, industrial, institutional development.

[3] SDCs for nonpotable by tap size apply only to recycled water taps.

[4] Tap sizes greater than 2 inches are determined on an individual basis using peak demand requirements.

[5] Development containing two or more different principal or primary uses such as residential, office, manufacturing, retail, public or entertainment uses.

	2014	2013	2012	2011	2010	2009[1]	2008	2007	2006	2005
City of Denver - Schedule 1										
Residential - Consumption Charge per 1,000 Gallons										
First 11,000 Gallons	**$ 2.68**	$ 2.59	$ 2.54	$ 2.41	$ 2.11	$ 1.91	$ -	$ -	$ -	$ -
12,000 - 30,000 Gallons	**5.36**	5.18	5.09	4.82	4.22	3.82	-	-	-	-
31,000 - 40,000 Gallons	**8.04**	7.77	7.63	7.23	6.33	5.73	-	-	-	-
Over 40,000 Gallons	**10.72**	10.36	10.17	9.64	8.44	7.64	-	-	-	-
Prior to July 6, 2009										
First 22,000 Gallons	-	-	-	-	-	-	1.81	1.72	1.84	1.71
22,000 - 60,000 Gallons	-	-	-	-	-	-	3.62	3.44	2.21	2.05
Over 60,000 Gallons	-	-	-	-	-	-	-	-	-	2.57
60,000 - 80,000 Gallons	-	-	-	-	-	-	5.43	5.16	2.76	-
Over 80,000 Gallons	-	-	-	-	-	-	7.24	6.88	3.59	-
Residential Irrigation - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	-	-	-	-	1.00	0.92	0.89	0.94	-	-
Summer - All Consumption	-	-	-	-	4.00	3.68	3.56	3.76	-	-
Small Multi-Family - Consumption Charge per 1,000 Gallons										
(Duplexes through Five-Plexes with a Single Meter)										
First 15,000 Gallons[2]	**2.93**	2.83	2.82	2.67	2.33	2.17	-	-	-	-
Over 15,000 Gallons	**3.52**	3.40	3.38	3.20	2.80	2.60	-	-	-	-
Prior to July 6, 2009										
First 30,000 Gallons[3]	-	-	-	-	-	-	2.10	1.95	1.59	1.52
Over 30,000 Gallons	-	-	-	-	-	-	2.52	2.34	1.91	1.82
All Other Retail - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	**1.84**	1.78	1.78	1.69	1.54	1.48	2.06	1.89	1.64	1.53
Summer - All Consumption	**3.68**	3.57	3.57	3.38	3.08	2.96	2.47	2.27	1.97	1.84
Irrigation Only- Consumption Charge per 1,000 Gallons										
Winter - All Consumption	**1.20**	1.20	1.20	1.14	1.00	1.49	2.02	-	-	-
Summer - All Consumption	**4.81**	4.81	4.81	4.56	4.00	3.17	2.50	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.58**	6.33	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	-	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	5.47	4.26
Bimonthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	9.15	8.51
Outside City Read and Bill - Schedule 2										
Residential - Consumption Charge per 1000 Gallons										
First 11,000 Gallons	**2.73**	2.61	2.49	2.36	2.20	2.00	-	-	-	-
12,000 - 30,000 Gallons	**5.46**	5.22	4.98	4.72	4.40	4.00	-	-	-	-
31,000 - 40,000 Gallons	**8.19**	7.83	7.47	7.08	6.60	6.00	-	-	-	-
Over 40,000 Gallons	**10.92**	10.44	9.96	9.44	8.80	8.00	-	-	-	-
Prior to July 6, 2009										
First 22,000 Gallons	-	-	-	-	-	-	1.90	2.11	2.48	2.28
22,000 - 60,000 Gallons	-	-	-	-	-	-	3.80	4.22	2.98	2.74
Over 60,000 Gallons	-	-	-	-	-	-	-	-	-	3.42
60,000 - 80,000 Gallons	-	-	-	-	-	-	5.70	6.33	3.72	-
Over 80,000 Gallons	-	-	-	-	-	-	7.60	8.44	4.84	-
Residential Irrigation - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	-	-	-	-	1.09	1.08	0.98	0.92	-	-
Summer - All Consumption	-	-	-	-	4.36	4.32	3.92	3.68	-	-
Small Multi-Family - Consumption Charge per 1000 Gallons										
(Duplexes through Five-Plexes with a Single Meter)										
First 15,000 Gallons[2]	**3.39**	3.30	3.21	3.04	2.71	2.57	-	-	-	-
Over 15,000 Gallons	**4.07**	3.96	3.85	3.65	3.25	3.08	-	-	-	-
Prior to July 6, 2009										
First 30,000 Gallons[3]	-	-	-	-	-	-	2.27	2.13	2.10	1.98
Over 30,000 Gallons	-	-	-	-	-	-	2.72	2.56	2.52	2.38

[1]Effective July 6, 2009 Denver Water customers are billed monthly.

[2]Monthly usage amounts increase by 6,000 gallons per additional dwelling unit up to 5 dwelling units.

[3]Bimonthly usage amounts increased by 12,000 gallons per additional dwelling unit up to 5 dwelling units.

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	2014	2013	2012	2011	2010	2009[1]	2008	2007	2006	2005
Outside City Read and Bill - Schedule 2 (Continued)										
All Other Retail - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**$ 2.35**	$ 2.26	$ 2.20	$ 2.09	$ 1.99	$ 1.99	$ 2.50	$ 2.42	$ 2.23	$ 2.00
Summer - All Consumption	**4.70**	4.52	4.41	4.18	3.98	3.98	3.00	2.90	2.68	2.40
Irrigation Only - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**1.31**	1.29	1.29	1.22	1.09	1.78	2.35	-	-	-
Summer - All Consumption	**5.24**	5.15	5.15	4.88	4.36	3.94	3.08	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.58**	6.33	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	**-**	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	5.47	4.26
Bimonthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	9.15	8.51
Outside City Total Service - Schedule 3										
Residential - Consumption Charge per 1000 Gallons										
First 11,000 Gallons	**3.02**	2.93	2.85	2.70	2.59	2.43	-	-	-	-
12,000 - 30,000 Gallons	**6.04**	5.86	5.70	5.40	5.18	4.86	-	-	-	-
31,000 - 40,000 Gallons	**9.06**	8.79	8.55	8.10	7.77	7.29	-	-	-	-
Over 40,000 Gallons	**12.08**	11.72	11.39	10.80	10.36	9.72	-	-	-	-
Prior to July 6, 2009										
First 22,000 Gallons	**-**	-	-	-	-	-	2.27	2.22	2.92	2.76
22,000 - 60,000 Gallons	**-**	-	-	-	-	-	4.54	4.44	3.50	3.31
Over 60,000 Gallons	**-**	-	-	-	-	-	-	-	-	4.14
60,000 - 80,000 Gallons	**-**	-	-	-	-	-	6.81	6.66	4.38	-
Over 80,000 Gallons	**-**	-	-	-	-	-	9.08	8.88	5.69	-
Residential Irrigation - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	-	-	-	-	1.26	1.24	1.09	1.09	-	-
Summer - All Consumption	-	-	-	-	5.04	4.96	4.36	4.36	-	-
Small Multi-Family - Consumption Charge per 1000 Gallons (Duplexes through Five-Plexes with a Single Meter)										
First 15,000 Gallons[2]	**4.21**	3.99	3.84	3.64	3.39	3.31	-	-	-	-
Over 15,000 Gallons	**5.05**	4.79	4.61	4.37	4.07	3.97	-	-	-	-
Prior to July 6, 2009										
First 30,000 Gallons[3]	**-**	-	-	-	-	-	2.97	2.77	2.58	2.25
Over 30,000 Gallons	**-**	-	-	-	-	-	3.56	3.32	3.10	2.70
All Other Retail - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**2.70**	2.54	2.44	2.31	2.16	2.16	2.98	2.89	2.41	2.14
Summer - All Consumption	**5.40**	5.08	4.87	4.62	4.32	4.32	3.58	3.47	2.89	2.57
Irrigation Only - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**1.56**	1.47	1.39	1.32	1.26	2.02	2.78	-	-	-
Summer - All Consumption	**6.24**	5.88	5.57	5.28	5.04	4.33	3.61	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.58**	6.33	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	**-**	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	5.47	4.26
Bimonthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	9.15	8.51
Outside City Master Meter - Schedule 4										
Consumption Charge per 1000 Gallons - All Consumption	**3.95**	3.81	3.64	3.45	3.01	3.01	2.67	2.55	2.36	2.20
Service Charge/Meter Charge										
Monthly Service Charge	**6.58**	6.33	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	**-**	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	5.47	4.26
Bimonthly 3/4" Meter Charge	-	-	-	-	-	-	-	-	9.15	8.51

[1]Effective July 6, 2009 Denver Water customers are billed monthly.

[2]Monthly usage amounts increase by 6,000 gallons per additional dwelling unit up to 5 dwelling units.

[3]Bimonthly usage amounts increased by 12,000 gallons per additional dwelling unit up to 5 dwelling units.

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	2014	2013	2012	2011	2010	2009[1]	2008	2007	2006	2005
Outside City Master Meter Maintenance - Schedule 5										
Consumption Charge per 1000 Gallons - All Consumption	**$ -**	$ -	$ 4.96	$ 4.70	$ 4.45	$ 4.31	$ 3.93	$ 3.72	$ 3.43	$ 3.15
Service Charge/Meter Charge										
Monthly Service Charge	**-**	-	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	**-**	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	5.47	4.26
Bimonthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	9.15	8.51
Raw and Recycled - Schedule 6										
Raw - Consumption Charge per 1000 Gallons										
Inside City - All Consumption	**0.52**	0.50	0.50	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Outside City - All Consumption	**0.91**	0.91	0.86	0.81	0.77	0.73	0.67	0.67	0.62	0.58
Outside Combined Service Area - All Consumption	**1.04**	1.04	1.01	0.95	0.90	0.85	0.76	0.76	0.71	-
Recycled - Consumption Charge per 1000 Gallons										
Inside City Recycled - All Consumption	**0.99**	0.99	0.99	0.93	0.89	0.89	0.88	0.86	0.69	0.69
Outside City Recycled - All Consumption	**-**	-	-	-	-	-	-	-	-	-
Outside Combined Service Area - All Consumption	**1.11**	1.11	1.11	1.05	0.91	0.90	0.76	0.77	0.71	0.83
Recycled Service Meter Charge										
Monthly Service Charge	**6.58**	6.33	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	**-**	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	5.47	4.26
Bimonthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	9.15	8.51
Outside Combined Service Area - Schedule 7										
Treated Water - Consumption Charge per 1000 Gallons	**4.44**	4.25	4.05	3.83	3.36	3.19	3.13	2.68	2.54	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.58**	6.33	6.33	6.00	5.58	4.41	3.82	3.87	-	-
Bimonthly Service Charge	**-**	-	-	-	-	-	6.07	5.98	-	-
Monthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	5.47	-
Bimonthly 3/4" Meter Charge	**-**	-	-	-	-	-	-	-	9.15	-

[1]Effective July 6, 2009 Denver Water customers are billed monthly.

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SALES OF TREATED WATER FOR RESALE - 2014
(NON-ACCRUAL BASIS)[1]

(amounts expressed in thousands)

Treated Water Sold Outside Denver to Municipalities and Distributors through Master Meters[2]

	Revenue	Gallons Sold (000)	Number of Taps
OUTSIDE CITY - MASTER METER DISTRIBUTORS			
Alameda Water & Sanitation District	$ 268	67,880	336
Bancroft-Clover Water & Sanitation District	5,319	1,348,713	8,824
Bonvue Water & Sanitation District	50	12,604	169
Bow-Mar Water & Sanitation District	342	86,412	290
Cherry Creek Valley Water & Sanitation District	3,141	795,492	1,976
Cherry Creek Village Water & Sanitation District	465	117,756	475
City of Edgewater	425	107,697	1,483
City of Glendale	1,067	270,800	238
City of Lakewood	775	196,159	739
Consolidated Mutual Water Company	8,405	2,131,581	15,704
Crestview Water & Sanitation District	2,195	556,912	4,534
Green Mountain Water & Sanitation District	5,805	1,472,131	10,109
High View Water District	536	135,820	891
Ken-Caryl Water & Sanitation District	2,787	706,674	3,740
Lakehurst Water & Sanitation District	3,248	823,381	5,520
Meadowbrook Water & Sanitation District	578	146,474	1,321
North Pecos Water & Sanitation District	556	140,921	405
North Washington Street Water & Sanitation District	2,934	744,503	3,645
Northgate Water District	18	4,510	4
South Adams County Water & Sanitation District	221	56,017	168
Valley Water District	1,960	497,079	1,783
Wheat Ridge Water District	2,885	731,507	5,848
Willowbrook Water & Sanitation District	1,588	402,720	3,417
Willows Water District	2,804	710,841	4,737
Total Sales for Master Meter Distributors	48,372	12,264,584	76,356
OUTSIDE THE COMBINED SERVICE AREA			
Chatfield South Water District	58	12,959	
City and County of Broomfield	6,319	1,602,273	
City of Aurora	-	-	
East Cherry Creek Valley Water District	1,242	279,741	
GSA	313	79,147	
Inverness Water District	494	124,941	
Rocky Mountain Arsenal	24	5,341	
South Adams County Special Contract Area	2,905	654,311	
Suncor Energy USA	2,242	567,655	
Total Sales for Other Contracts at Wholesale Rates	13,597	3,326,368	
Total Sales of Treated Water for Resale	$ 61,969	15,590,952	76,356

[1]This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled accounts. The difference from amounts on an accrual basis is immaterial.

[2]Sales on Total Service or Read and Bill Contracts are not included.

10 LARGEST RETAIL CUSTOMERS - WATER CONSUMPTION AND REVENUE - 2014
(NON-ACCRUAL BASIS)
(amounts expressed in thousands)

	Consumption		Revenue	
Account Type	Gallons Sold (000)	Percent of Total Gallons Sold	Water Revenue[1]	Percent of Total Water Revenue
Oil and Gas Company	588,535	1.00%	$ 2,327	1.00%
Public School System	377,701	0.64%	1,373	0.59%
Housing Authority	333,404	0.57%	1,099	0.47%
Public Utility	190,098	0.32%	549	0.24%
Parks System	175,029	0.30%	1,005	0.43%
State Government	152,074	0.26%	472	0.20%
Beverage Company	144,857	0.25%	408	0.18%
Retail Grocer - 1	123,123	0.21%	377	0.16%
Retail Grocer - 2	114,180	0.19%	352	0.15%
Special Utility District	113,282	0.19%	425	0.18%
Total of the 10 largest customers	2,312,283	3.93%	$ 8,387	3.60%
Total sales of treated water	58,651,501		$ 232,865	

[1]This column represents actual billings made for treated water and private fire protection service during the year. The difference from amounts on an accrual basis is immaterial. In addition to the 10 largest retail accounts listed, Denver Water provided 1,829 million gallons of treated water to the City and County of Denver. Revenues from these sales were $4.63 million.

SYSTEM DEVELOPMENT CHARGES AND PARTICIPATION RECEIPTS:
1973 - 2014
(Cash basis - net of refunds)
(amounts expressed in thousands)

	System Development Charges ("SDC")	Participation Receipts (aka Contributions in Aid of Construction)
2014	$ 32,736	$ 6,384
2013	34,461	4,834
2012	19,543	1,297
2011	14,233	7,023
2010	14,441	1,093
2009	8,118	10,908
2008	18,498	2,424
2007	26,028	3,300
2006	22,305	2,730
2005	26,257	1,850
2004	24,834	2,229
2003	19,615	2,831
2002	36,591	5,567
2001	22,186	7,027
2000	25,525	6,392
1999	24,224	11,964
1998	33,156	8,412
1997	45,058	3,733
1996	15,137	2,913
1995	15,528	3,927
1994	13,536	2,882
1993	12,182	1,344
1992	10,920	1,199
1991	7,530	2,331
1990	6,615	1,839
1989	6,251	4,965
1988	6,085	3,068
1987	8,544	4,561
1973-86	149,475	43,646
	$ 699,612	$ 162,673

C - DEBT CAPACITY INFORMATION

These schedules present information to help the reader assess the affordability of Denver Water's current levels of outstanding debt and its ability to issue additional debt in the future.

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RATIOS OF TOTAL OUTSTANDING DEBT BY TYPE: 2005 - 2014

(amounts expressed in thousands, except debt per capita)

	Total Principal Balance Outstanding Debt by Type[1]									
Year	General Obligation Bonds	Water Revenue Bonds	Capital Leases Certificates of Participation	Capital Leases Other	Notes Payable [5]	Total	Gross Revenues[2,4]	Ratio of Total Debt to Gross Revenue	Estimated Population Served[3]	Debt Per Capita
2005	$ 100,340	$ 191,090	$ 49,755	$ 27,471	$ -	$ 368,656	$ 200,402	1.84	1,057,000	349
2006	86,300	182,840	44,436	26,306	-	339,882	242,085	1.40	1,064,000	319
2007	61,545	280,080	39,515	25,061	-	406,201	238,689	1.70	1,077,000	377
2008	42,725	277,490	33,805	23,731	-	377,751	248,074	1.52	1,093,000	346
2009	31,170	309,025	27,835	22,308	-	390,338	216,557	1.80	1,111,000	351
2010	28,090	377,665	21,630	20,790	-	448,175	259,730	1.73	1,125,000	398
2011	23,825	371,560	-	19,166	-	414,551	279,682	1.48	1,135,000	365
2012	500	401,420	-	17,431	-	419,351	313,093	1.34	1,147,000	366
2013	-	376,965	-	15,576	10,000	402,541	290,349	1.39	1,161,000	347
2014	-	395,125	-	13,595	-	408,720	297,768	1.37	1,172,000	349

[1]Details regarding outstanding debt can be found in the notes to the financial statements. For presentation purposes, capital leases have been treated as debt. The numbers above are principal balances only and exclude discounts, premiums, and deferred amounts on advance refundings. They do not agree with numbers on the statement of net assets or the statistical summary. All bonded debt is secured by revenue.

[2]Gross Revenues are defined as operating revenues plus investment income plus proceeds from sales of capital assets plus other income plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC.

[3] Population estimates are treated water customers only. See schedule entitled "Consumption of Treated Water."

[4]Certain reclassifications have been made to prior years' information to conform to the current year presentation.

[5]The lien on notes payable is subordinate and junior to the lien on the revenue bonds outstanding and on future revenue bond issues.

PLEDGED-REVENUE COVERAGE: 2005 - 2014

General Obligation Bonds, Water Revenue Bonds, Notes Payable and Obligations under Capital Lease[1]
(amounts expressed in thousands)

Year	Gross Revenues [2,4,5]	Less Operating Expenses [3,4,5]	Net Available Revenue	Total Debt Service[1] Principal	Interest	Total	Coverage with Notes Payable Debt[6]	Coverage without Notes Payable Debt
2005	$ 200,402	$ 106,018	$ 94,384	$ 25,655	$ 18,285	$ 43,940	2.15	2.15
2006	242,085	114,236	127,849	27,765	17,777	45,542	2.81	2.81
2007	238,689	124,170	114,519	32,055	19,683	51,738	2.21	2.21
2008	248,074	138,402	109,672	30,250	19,324	49,574	2.21	2.21
2009	216,557	155,127	61,430	31,413	19,204	50,617	1.21	1.21
2010	259,730	168,501	91,229	32,164	19,065	51,229	1.78	1.78
2011	279,682	163,167	116,515	33,624	22,335	55,959	2.08	2.08
2012	313,093	156,525	156,568	24,715	19,740	44,455	3.52	3.52
2013	290,349	164,074	126,275	26,810	19,410	46,220	2.73	2.73
2014	297,768	185,766	112,002	28,071	18,673	46,744	2.40	2.40

[1]Details regarding outstanding debt can be found in the notes to the financial statements. For presentation purposes, capital leases have been treated as debt. All bonded debt is secured by revenue.

[2]Gross Revenues are defined as operating revenues plus investment income plus proceeds from sales of capital assets plus other income plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC.

[3]Operating Expenses are defined as operating expenses plus other expenses minus total depreciation and amortization (as disclosed in Note 4 to the financial statements).

[4]All items computed as defined in bond covenants. Rate maintenance covenant is 1.10; additional bonds test is 1.2 times average annual debt service. Notes payable debt service is not subject to this covenant.

[5]Certain reclassifications have been made to prior years' information to conform to the current year presentation.

[6]Notes payable debt has a subordinate lien to the lien on outstanding revenue bonds and future revenue bond issues. Total debt service for notes payable in 2013 was $0 in principal and $4 in interest. There were no outstanding notes payable prior to 2013. In 2014, $10 million in principal in notes payable was refunded by issuing the 2014 revenue bonds. Total debt service for notes payable in 2014 was $0 in principal and $75 in interest.

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING: 2005 - 2014
(amounts expressed in thousands, except debt per capita)

Year	General Obligation Bonds[1]	Gross Revenues[2,4]	Ratio of General Obligation Debt to Gross Revenue	Estimated Population Served[3]	General Obligation Debt per Capita
2005	$ 100,340	$ 200,402	0.50	1,057,000	95
2006	86,300	242,085	0.36	1,064,000	81
2007	61,545	238,689	0.26	1,077,000	57
2008	42,725	248,074	0.17	1,093,000	39
2009	31,170	216,557	0.14	1,111,000	28
2010	28,090	259,730	0.11	1,125,000	25
2011	23,825	279,682	0.09	1,135,000	21
2012	500	313,093	-	1,147,000	-
2013	-	290,349	-	1,161,000	-
2014	-	297,768	-	1,172,000	-

[1]Details regarding outstanding debt can be found in the notes to the financial statements. The Board no longer has authority to issue general obligation bonds of the City.

[2]Gross Revenues are defined as operating revenues plus investment income plus proceeds from sales of capital assets plus other income plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC.

[3]Population estimates are treated water customers only. See schedule entitled "Consumption of Treated Water."

[4]Certain reclassifications have been made to prior years' information to conform to the current year presentation.

RATIOS OF WATER REVENUE BONDED DEBT OUTSTANDING: 2005 - 2014

(amounts expressed in thousands, except debt per capita)

Year	Water Revenue Bonds[1]	Gross Revenues[2,4]	Ratio of Water Revenue Debt to Gross Revenue	Estimated Population Served[3]	Water Revenue Debt per Capita
2005	$ 191,090	$ 200,402	0.95	1,057,000	181
2006	182,840	242,085	0.76	1,064,000	172
2007	280,080	238,689	1.17	1,077,000	260
2008	277,490	248,074	1.12	1,093,000	254
2009	309,025	216,557	1.43	1,111,000	278
2010	377,665	259,730	1.45	1,125,000	336
2011	371,560	279,682	1.33	1,135,000	327
2012	401,420	313,093	1.28	1,147,000	350
2013	376,965	290,349	1.30	1,161,000	325
2014	395,125	297,768	1.33	1,172,000	337

[1]Details regarding outstanding debt can be found in the notes to the financial statements.

[2]Gross Revenues are defined as operating revenues plus investment income plus proceeds from sales of capital assets plus other income plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC.

[3] Population estimates are treated water customers only. See schedule entitled "Consumption of Treated Water." Population estimates for 2005 through 2010 were revised based on 2010 census.

[4]Certain reclassifications have been made to prior years' information to conform to the current year presentation.

D - DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which Denver Water's financial activities take place.

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The following is general information concerning the economic and demographic conditions in the City and County of Denver ("Denver" or the "City") and the immediate vicinity. The statistics presented below have been obtained from the sources indicated and represent the most current information available from such sources. However, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation.

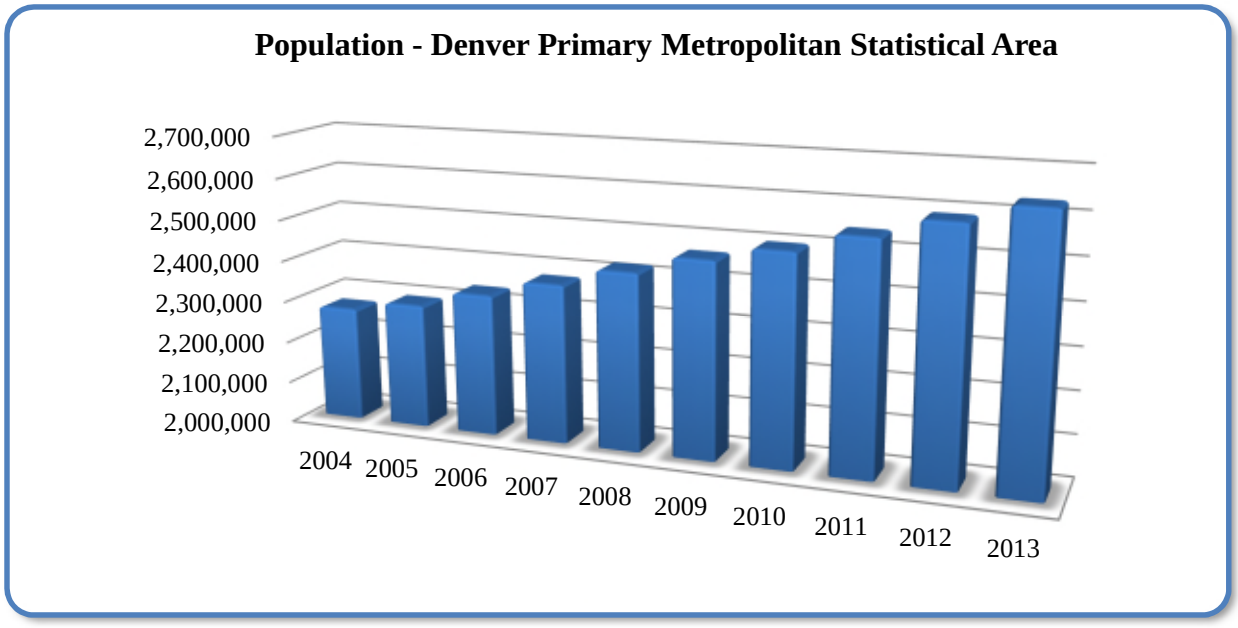
Population

The following table sets forth population statistics for Denver, the Denver Primary Metropolitan Statistical Area ("PMSA") and the State of Colorado. The Denver PMSA includes the counties of Adams, Arapahoe, Denver, Douglas, and Jefferson.

Population Estimates (n/a = not available)

Year	Denver	Denver PMSA	State of Colorado
2004	560,230	2,274,818	4,608,811
2005	559,459	2,299,267	4,662,534
2006	562,862	2,340,064	4,745,660
2007	570,437	2,381,281	4,821,784
2008	581,903	2,424,992	4,901,938
2009	595,573	2,468,523	4,976,853
2010	604,879	2,502,291	5,049,717
2011	620,977	2,546,829	5,117,368
2012	634,903	2,592,047	5,188,504
2013	648,937	2,634,474	5,264,890
2014	n/a	n/a	n/a

Source: Colorado Department of Local Affairs, Division of Local Government, State Demography Office.



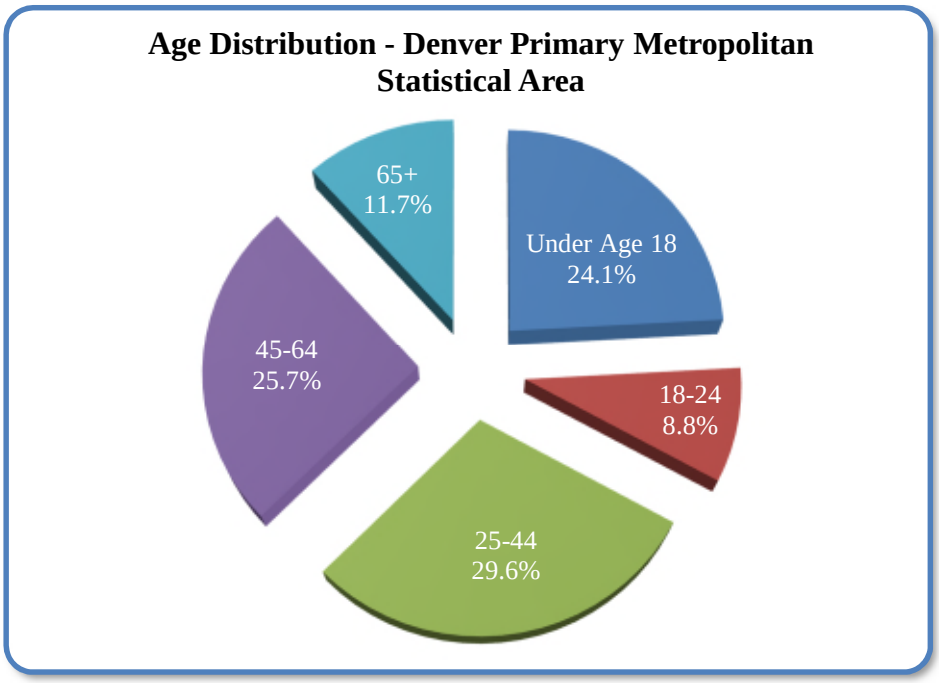
Age Distribution

The following table sets forth an estimated comparative age distribution profile for Denver, the Denver PMSA, the State and the United States as of January 1, 2014.

Estimated Age Distribution as of January 1, 2014
(Columns may not add to 100% due to rounding)

	Percent of Population		
Age Groups	Denver	Denver PMSA	State of Colorado
Under 18	22.1%	24.1%	23.6%
18-24	8.7	8.8	9.8
25-44	36.1	29.6	27.7
45-64	21.7	25.7	26.2
65+	11.4	11.7	12.8

Sources: Colorado Department of Local Affairs, Division of Local Government, State Demography Office.



Income

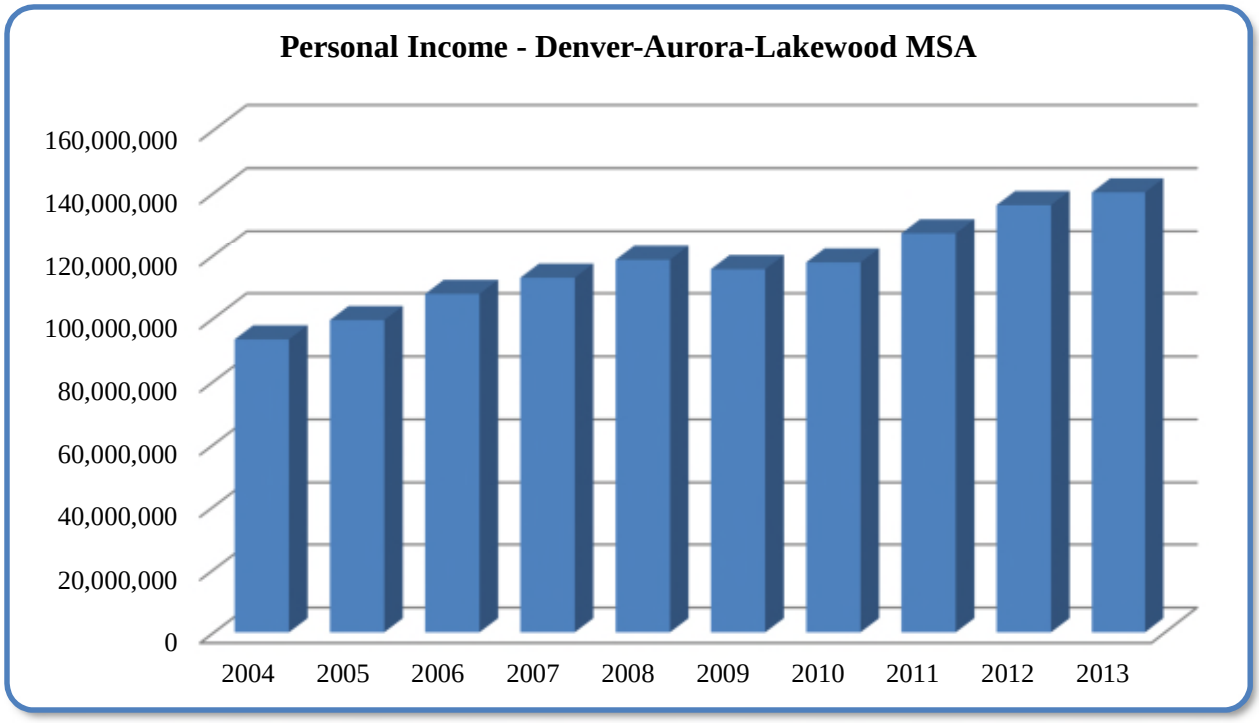
The following tables set forth recent annual personal income and per capita personal income levels for Denver, the Denver-Aurora-Lakewood Metropolitan Statistical Area ("MSA"), the State and the United States from 2004 through 2013 as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The Denver-Aurora-Lakewood MSA includes the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park.

Personal Income

(Current dollars, not adjusted for inflation. Amounts expressed in thousands. n/a = not available)

Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2004	23,641,361	93,206,748	166,624,930	10,043,231,000
2005	25,339,502	99,310,573	177,818,529	10,605,595,000
2006	27,916,138	107,619,203	191,699,362	11,376,405,000
2007	28,415,004	112,770,149	202,598,581	11,990,104,000
2008	30,585,158	118,468,500	212,101,724	12,429,234,000
2009	29,098,426	115,470,879	206,437,621	12,080,223,000
2010	30,394,421	117,615,816	210,454,100	12,417,659,000
2011	33,468,531	127,128,789	226,144,657	13,189,935,000
2012	35,875,873	136,125,454	240,349,703	13,873,161,000
2013	36,999,486	140,122,755	247,068,771	14,151,427,000
2014	n/a	n/a	n/a	n/a

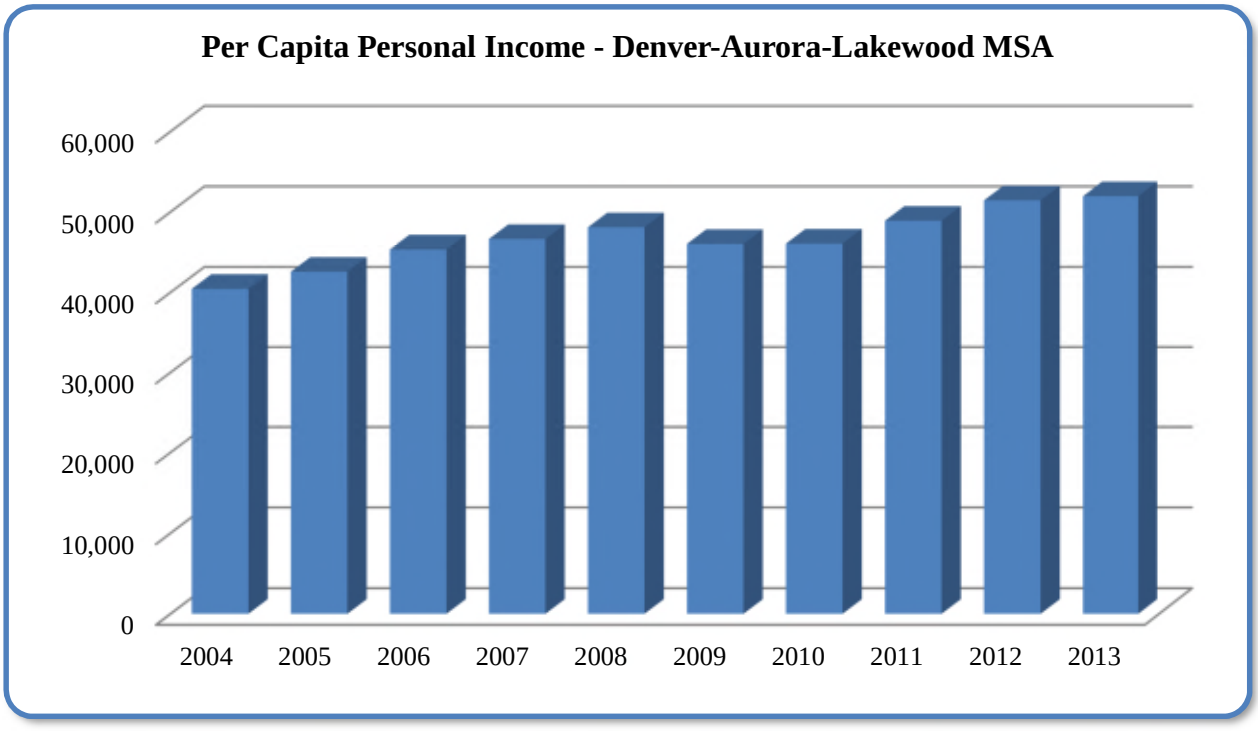
Source: U.S. Department of Commerce, Bureau of Economic Analysis.



Per Capita Personal Income
(Current dollars, not adjusted for inflation. n/a = not available)

Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2004	42,925	40,440	36,421	34,300
2005	45,931	42,572	38,390	35,888
2006	50,128	45,329	40,611	38,127
2007	50,346	46,625	42,174	39,804
2008	53,125	48,080	43,377	40,873
2009	49,402	46,015	41,518	39,379
2010	50,370	46,195	41,689	40,144
2011	53,980	48,897	44,183	42,332
2012	56,538	51,432	46,315	44,200
2013	56,967	51,946	46,897	44,765
2014	n/a	n/a	n/a	n/a

Source: U.S. Department of Commerce, Bureau of Economic Analysis.



Employment

The following table sets forth recent total labor force, employment and unemployment statistics for Denver, the Denver-Aurora MSA and the State. The national unemployment rate is estimated to be approximately 5.6% as of December, 2014.

Local Area Employment Statistics
(Annual averages, not seasonally adjusted.)

Denver

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	Unemployment Rate
2004	303.6	0.1	20.1	6.6
2005	304.9	0.4	17.6	5.8
2006	309.9	1.6	14.8	4.8
2007	317.2	2.4	13.3	4.2
2008	325.1	2.5	17.4	5.3
2009	326.0	0.3	29.3	9.0
2010	322.8	(1.0)	32.2	10.0
2011	326.0	1.0	30.1	9.2
2012	331.2	1.6	27.3	8.2
2013	334.2	0.9	23.5	7.0
2014	n/a	n/a	n/a	n/a

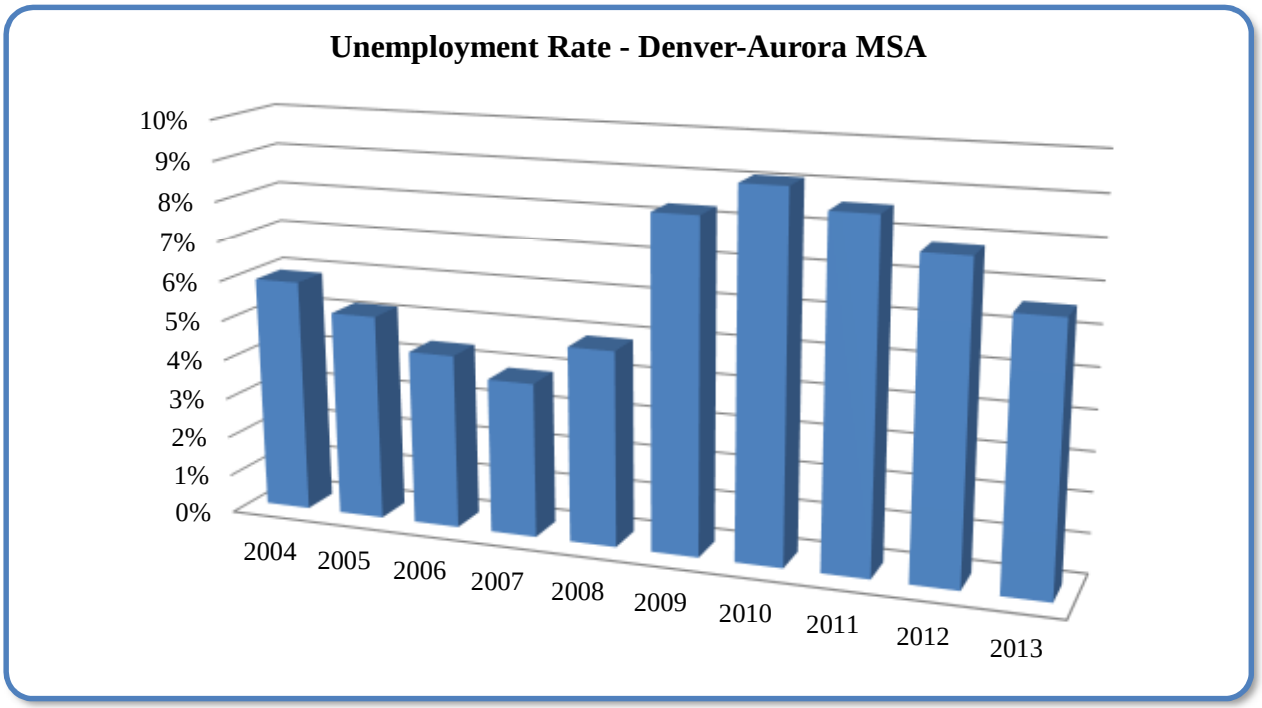
Denver-Aurora MSA

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	Unemployment Rate
2004	1,303.5	1.2	76.4	5.9
2005	1,326.9	1.8	69.6	5.2
2006	1,355.7	2.2	59.2	4.4
2007	1,369.4	1.0	52.9	3.9
2008	1,400.8	2.3	68.9	4.9
2009	1,398.9	(0.1)	116.3	8.3
2010	1,400.3	0.1	126.8	9.1
2011	1,402.6	0.2	120.2	8.6
2012	1,420.1	1.2	110.2	7.8
2013	1,434.2	1.0	94.7	6.6
2014	n/a	n/a	n/a	n/a

State of Colorado

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	Unemployment Rate
2004	2,535.4	1.7	142.5	5.6
2005	2,588.4	2.1	132.6	5.1
2006	2,655.6	2.6	113.7	4.3
2007	2,685.0	1.1	101.6	3.8
2008	2,731.0	1.7	131.3	4.8
2009	2,734.6	0.1	221.6	8.1
2010	2,723.0	(0.4)	244.6	9.0
2011	2,725.8	0.1	232.3	8.5
2012	2,746.2	0.8	215.1	7.8
2013	2,754.8	0.3	186.7	6.8
2014	n/a	n/a	n/a	n/a

Source: Colorado Department of Labor and Employment



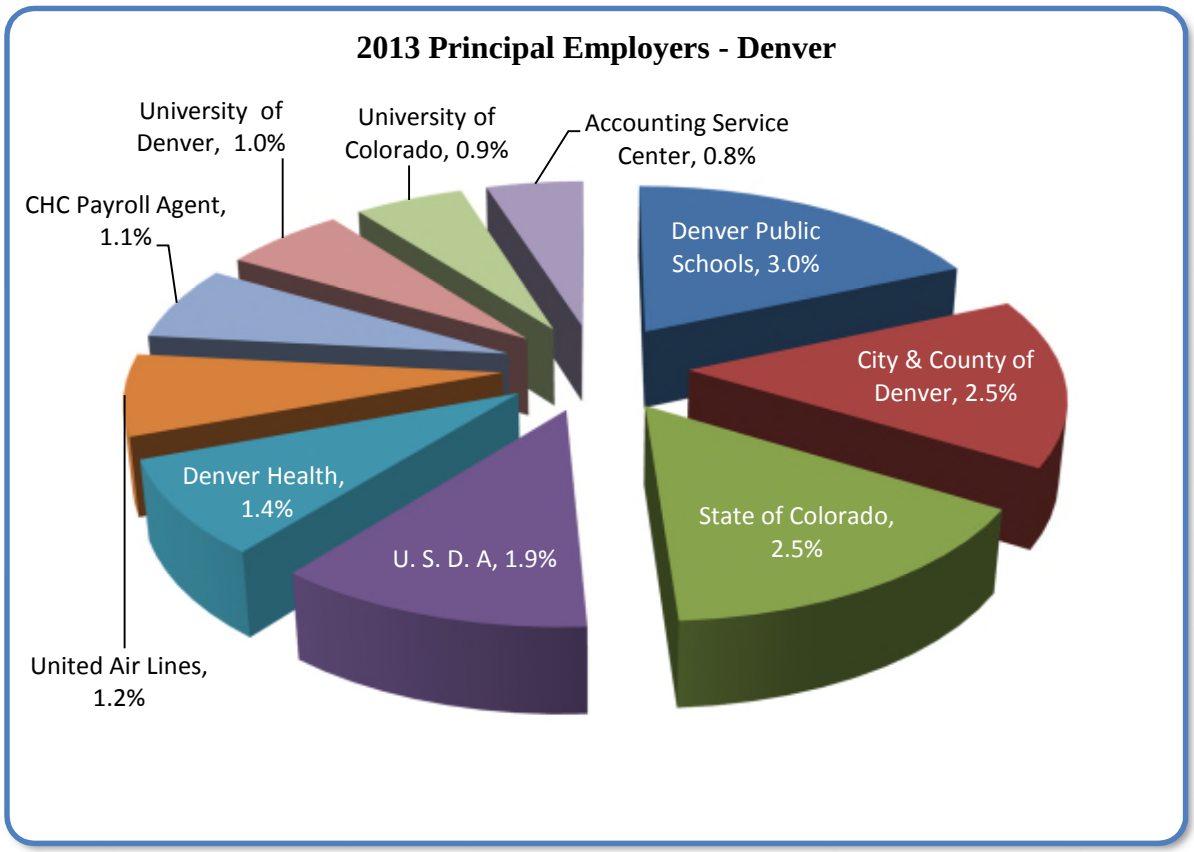
Principal Employers

Set forth in the following table are the ten largest employers in Denver for the current year and the period nine years prior, the number of persons each employs, and the percentage of total employment that each represents.

Principal Employers in Denver
Current Year and Nine Years Ago
(2014 data not available at time of publication.)

	2013			2004		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Denver Public School District #1	11,863	1	3.0%	9,753	2	2.7%
City & County of Denver	9,946	2	2.5	9,778	1	2.8
State of Colorado Central Payroll	9,790	3	2.5	8,863	3	2.5
U. S. D. A. National Finance Center	7,567	4	1.9	5,516	6	1.6
Denver Health & Hospital Authority	5,408	5	1.4	3,322	10	0.9
United Air Lines, Inc.	4,682	6	1.2	6,442	5	1.8
CHC Payroll Agent, Inc. (HCA Health One)	4,153	7	1.1	3,389	9	1.0
University of Denver	3,764	8	1.0	-	-	-
University of Colorado Central	3,389	9	0.9	6,667	4	1.9
Accounting Service Center (U.S. Postal Svc.)	3,188	10	0.8	3,796	7	1.1
Frontier Airlines Inc.	-	-	-	3,399	8	1.0
Total	63,750		16.3%	60,925		17.3%

Source: Based on 2013 and 2004 Occupational Privilege Tax Remitters.



New Residential Building Construction

Set forth in the following table are recent historical residential building permit statistics for Denver and the Denver metropolitan area (Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson counties).

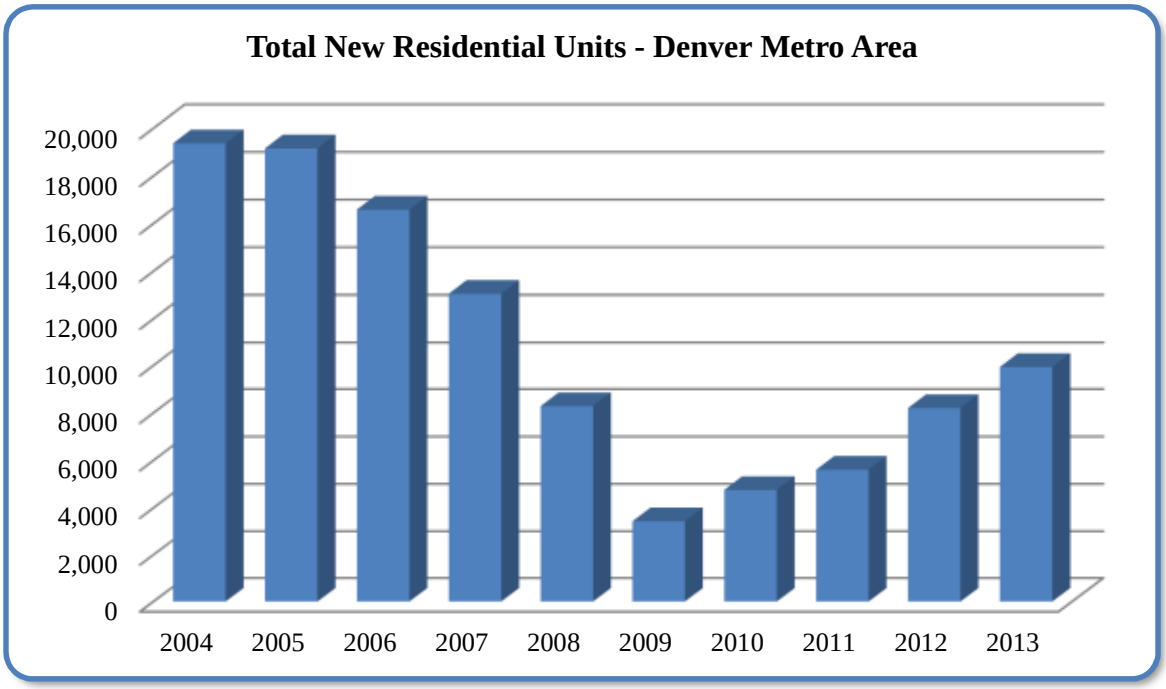
New Residential Units in Denver and the Denver Metropolitan Area

	Denver				Denver Metropolitan Area			
Year	Single Family Detached	Single Family Attached[1]	Multi-Family[2]	Total	Single Family Detached	Single Family Attached[1]	Multi-Family[2]	Total
2004	1,419	1,087	1,174	3,680	12,736	4,315	2,319	19,370
2005	1,842	735	140	2,717	14,487	4,212	459	19,158
2006	1,428	1,658	319	3,405	10,129	4,866	1,590	16,585
2007	1,216	1,600	389	3,205	6,560	3,733	2,761	13,054
2008	802	207	2,511	3,520	3,350	804	4,129	8,283
2009	358	176	168	702	2,396	601	438	3,435
2010	535	213	425	1,173	3,126	666	965	4,757
2011	623	210	1,215	2,048	3,122	611	1,875	5,608
2012	846	365	87	1,298	4,836	910	2,458	8,204
2013	821	665	-	1,486	5,855	1,145	2,933	9,933
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[1] Generally includes owner occupied residential units such as duplexes, tri-plexes, townhomes and condominiums.

[2] Generally includes non-owner occupied residential units such as apartments.

Source: Metro Denver Economic Development Corporation.



E - OPERATING INFORMATION

These schedules contain information about Denver Water's operations and resources to help the reader understand how Denver Water's financial information relates to the services Denver Water provides and the activities it performs.

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EMPLOYEES BY DIVISION[1]: 2005 - 2014

Division/Section	2014	2013	2012	2011 [2]	2010	2009 [3]	2008	2007	2006	2005
Manager & Staff Division	**15.0**	11.0	10.0	7.0	7.0	7.0	15.0	15.0	14.0	14.0
Human Resources Division	**32.0**	25.0	24.8	23.8	23.8	22.8	20.0	19.0	24.8	27.8
Information Technology Division	**92.5**	80.8	74.5	68.5	68.5	69.0	61.0	57.8	58.8	57.8
Public Affairs Division										
Director of Public Affairs	**3.0**	3.0	2.0	6.0	4.0	4.0	8.0	7.0	6.0	7.0
Community Relations	**11.0**	-	-	8.6	9.6	9.6	6.0	5.4	4.2	4.2
Communications and Marketing	**-**	11.6	10.4	-	-	-	-	-	-	-
Conservation	**16.0**	17.0	15.0	15.0	17.0	17.0	15.0	12.0	10.0	9.8
Govt & Stakeholder Relations	**7.0**	7.0	6.8	-	-	-	-	-	-	-
Central Services	**-**	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0
Customer Care	**-**	-	-	-	39.2	41.2	43.0	39.2	37.0	35.0
CIS Business Support	**-**	-	-	-	2.0	5.0	-	-	-	-
Customer Services - Field	**-**	-	-	-	70.0	75.0	66.0	60.0	63.0	67.0
Meter Inspection Shop	**-**	-	-	-	7.0	5.0	8.0	7.0	5.0	-
Sales Administration	**-**	-	-	-	20.8	16.8	12.0	15.6	11.6	11.6
	37.0	38.6	34.2	29.6	172.6	176.6	161.0	149.2	139.8	137.6
Customer Relations										
Director of Customer Relations	**2.0**	2.0	2.0	2.0	-	-	-	-	-	-
Central Services	**2.6**	2.6	1.0	3.0	-	-	-	-	-	-
Customer Care	**30.3**	31.3	42.8	42.2	-	-	-	-	-	-
Quality Assurance & Reporting	**7.0**	8.0	-	-	-	-	-	-	-	-
Customer Services - Field	**49.0**	51.0	64.0	66.0	-	-	-	-	-	-
Meter Inspection Shop	**-**	-	-	7.0	-	-	-	-	-	-
Sales Administration	**9.0**	9.0	13.0	12.8	-	-	-	-	-	-
	99.9	103.9	122.8	133.0	-	-	-	-	-	-
Legal Division	**14.0**	14.4	14.6	13.6	13.6	14.6	12.0	13.8	13.3	12.3
Finance Division										
Director of Finance	**2.0**	1.0	1.0	1.0	1.0	2.0	9.0	9.0	10.0	9.0
Controller	**1.0**	1.0	-	-	-	-	-	-	-	-
Finance Computer Support	**-**	1.0	2.0	2.0	2.0	2.0	-	-	-	-
Treasury Operations	**9.0**	9.0	9.0	8.0	7.0	8.0	7.0	7.0	7.0	6.0
Budget	**3.0**	3.0	3.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0
Purchasing	**11.0**	11.0	11.0	9.0	5.0	9.0	8.0	8.0	9.0	9.0
Accounting	**20.0**	20.0	20.0	20.0	19.0	19.0	19.0	18.0	17.0	18.0
Rate Administration	**3.0**	3.0	3.0	3.0	3.0	4.0	3.0	2.0	2.0	2.0
Records & Document Administration	**7.8**	8.8	9.0	9.0	9.0	9.0	6.0	6.0	8.0	6.0
	56.8	57.8	58.0	56.0	50.0	58.0	56.0	54.0	57.0	54.0
Engineering Division										
Administration	**7.8**	7.8	7.8	7.8	6.0	6.0	3.0	6.0	8.0	9.0
Programs & Projects	**58.0**	58.0	57.9	53.9	57.0	57.0	49.0	39.0	36.0	35.0
Survey	**25.0**	25.0	25.0	26.0	26.0	26.0	26.0	25.0	26.0	25.0
Distribution	**37.0**	41.0	39.0	40.0	41.0	40.0	41.0	39.0	37.0	38.0
Asset Recording	**8.0**	10.0	7.0	7.0	7.0	7.0	7.0	7.0	-	-
Construction Management	**28.0**	24.0	25.0	24.0	24.0	23.0	21.0	23.0	19.0	20.0
	163.8	165.8	161.7	158.7	161.0	159.0	147.0	139.0	126.0	127.0
Planning Division										
Director of Planning	**3.0**	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Environmental Planning	**5.6**	5.6	5.6	5.6	5.6	5.6	5.0	4.6	5.6	5.6
Raw Water Supply	**6.0**	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Water Rights	**6.0**	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Water Resources Analysis	**10.0**	11.0	11.0	9.0	11.0	11.0	11.0	10.8	10.7	10.8
Water Resource Planning	**4.0**	3.0	3.0	3.0	2.0	2.0	2.0	-	-	-
Demand Planning	**4.0**	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Hydraulics	**10.0**	10.0	10.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0
	48.6	49.6	49.6	45.6	46.6	46.6	45.0	41.4	42.3	42.4
Operations and Maintenance Division										
Plant Office	**5.0**	6.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0
Water Quality & Compliance	**44.0**	44.0	42.0	37.0	33.0	33.0	32.0	32.0	31.8	31.8
Safety and Loss Control	**10.0**	15.0	15.0	16.0	14.0	16.0	15.0	14.0	13.0	14.0
Source of Supply	**58.0**	57.0	57.0	59.0	61.0	60.0	60.0	53.0	56.0	59.0
Water Treatment	**85.0**	87.0	84.0	88.0	89.0	89.0	92.0	90.0	86.0	88.0
Transmission & Distribution	**122.0**	132.0	142.0	144.0	157.0	149.0	145.0	144.0	154.0	156.0
Treated Water Operations	**55.0**	62.0	58.0	59.0	59.0	57.5	57.0	54.0	55.0	57.0
Instrumentation & Ctrl Systems	**18.0**	11.0	14.0	12.0	11.0	12.0	11.0	11.0	6.0	7.0
Maintenance and Warehouse	**106.0**	102.0	113.0	115.0	118.0	121.0	123.0	120.0	124.0	123.0
Emergency Mangement	**2.0**	2.0	2.0	-	-	-	-	-	-	-
	505.0	518.0	530.0	534.0	546.0	541.5	538.0	521.0	528.8	539.8
Total All Divisions	**1,064.6**	1,064.9	1,080.2	1,069.8	1,089.1	1,095.1	1,055.0	1,010.2	1,004.8	1,012.7

[1]Number of employees includes regular and introductory employees. Temporary and project employees are not included.

[2]In 2011, the Customer Relations division was split out from Public Affairs.

[3]In 2009, Director positions were moved to their respective divisions and manager positions were moved to their respective sections.

ADDITIONS TO CAPITAL ASSETS - 2014
(amounts expressed in thousands)

NEW FACILITIES

SOURCE OF SUPPLY		
Downstream Reservoirs	$ 9,019	
Marston Reservoir	7,939	
Other Source of Supply	2,123	
Total Source of Supply		19,081
PUMPING PLANT		
Chatfield Pump Station	467	
Elizabeth Street Pump Station	18	
Total Pumping Plant		485
WATER TREATMENT		
Moffat Treatment Plant	1,006	
Total Water Treatment		1,006
TRANSMISSION AND DISTRIBUTION		
Distribution Mains & Hydrants	8,815	
Ashland Reservoir	6,686	
Treated Water Conduits	3,009	
Hillcrest Reservoir	308	
Lonetree Pump Station Reservoir	14	
Total Transmission and Distribution		18,832
GENERAL PLANT		
Operations Complex Redevelopment Project	712	
Total General Plant		712
TOTAL NEW FACILITIES		40,116

FACILITY REPLACEMENTS AND IMPROVEMENTS

SOURCE OF SUPPLY		
Antero Reservoir	4,764	
South Boulder Canal/Diversion	1,286	
Cheesman Reservoir	968	
Long Lakes Reservoir	680	
Vasquez St. Louis	244	
Moffat Tunnel	201	
Dillon Power	103	
Dillon Power Plant	81	
Other Source of Supply	71	
Total Source of Supply		8,398

(amounts expressed in thousands)

PUMPING PLANT		
Green Mountain Pump Station	$ 4,727	
Cherry Hills Pump Station	2,841	
Kendrick Pump Station	1,073	
56th Avenue Pump Station	580	
Belleview Pump Station	309	
64th Avenue Pump station	250	
Highland Pump Station	70	
Marston Pump Station	36	
Total Pumping Plant		9,886
WATER TREATMENT		
Marston Treatment Plant	9,114	
Foothills Treatment Plant	7,729	
Moffat Treatment Plant / Recycle Plant	262	
Total Water Treatment		17,105
TRANSMISSION AND DISTRIBUTION		
Mains - Replaced, Extend and Relocate	27,724	
Treated Water Conduits	11,917	
Highlands Reservoir	6,946	
Wynetka Decentralization Station	2	
Total Transmission and Distribution		46,589
GENERAL PLANT		
General Equipment	845	
Other General Plant	58	
Total General Plant		903
TOTAL FACILITY REPLACEMENTS AND IMPROVEMENTS		82,881
NON-UTILITY		
Highline Canal	79	
Deckers Complex	61	
TOTAL NON-UTILITY REPLACEMENTS AND IMPROVEMENTS		140
GENERAL EQUIPMENT ADDITIONS, REPLACEMENTS, AND IMPROVEMENTS		
Capitalization Software & IT Projects	1,863	
Motor Vehicles & Heavy Equipment	374	
		2,237
TOTAL PROPERTY, PLANT & EQUIPMENT ADDITIONS		$ 125,374

CAPITAL ASSETS BY FUNCTION: 2005 - 2014
(amounts expressed in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
UTILITY PLANT IN SERVICE:										
Source of supply plant	**$ 669,181**	$ 665,962	$ 655,650	$ 603,059	$ 601,640	$ 577,785	$ 524,366	$ 490,413	$ 477,999	$ 458,168
Pumping plant	**129,721**	126,236	113,103	111,259	103,259	104,867	86,174	72,101	70,951	70,212
Water treatment plant	**479,030**	465,253	463,798	459,888	380,166	369,704	368,921	333,933	330,394	331,481
Transmission and distribution plant	**1,099,327**	1,056,399	1,002,493	937,809	896,618	862,572	830,307	774,953	747,966	726,563
General plant and equipment	**159,854**	155,713	153,834	149,381	135,031	131,128	116,207	111,993	113,928	103,899
Leasehold and other improvements	**71,111**	71,111	71,111	81,656	84,311	89,703	97,840	97,668	90,535	90,522
Land held for future use	**14,276**	14,276	14,276	14,276	14,249	14,257	14,249	14,321	14,050	14,050
Total utility plant in service	**2,622,500**	2,554,950	2,474,265	2,357,328	2,215,274	2,150,016	2,038,064	1,895,382	1,845,823	1,794,895
NONUTILITY PLANT IN SERVICE:										
Plant	**9,036**	9,070	9,070	8,300	8,685	8,738	8,830	8,795	8,802	8,949
General equipment	**37**	37	27	27	27	27	19	19	69	69
Idle plant	**-**	-	-	-	-	-	-	-	203	-
Total nonutility plant in service	**9,073**	9,107	9,097	8,327	8,712	8,765	8,849	8,814	9,074	9,018
UTILITY PLANT UNDER CAPITAL LEASE:										
Certificates of participation[1]	**-**	-	-	-	70,453	69,962	71,949	79,022	78,584	69,151
Other	**42,980**	42,980	42,980	42,980	42,981	42,981	42,981	42,981	42,981	42,981
Total utility plant under capital lease	**42,980**	42,980	42,980	42,980	113,434	112,943	114,930	122,003	121,565	112,132
CONSTRUCTION IN PROGRESS	**171,215**	124,244	117,862	129,770	110,483	77,340	109,316	155,813	119,506	89,040
Gross capital assets	**2,845,768**	2,731,281	2,644,204	2,538,405	2,447,903	2,349,064	2,271,159	2,182,012	2,095,968	2,005,085
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION	**(776,187)**	(733,690)	(689,532)	(658,178)	(620,991)	(589,060)	(566,158)	(534,410)	(506,095)	(475,601)
Net capital assets	**$ 2,069,581**	$ 1,997,591	$ 1,954,672	$ 1,880,227	$ 1,826,912	$ 1,760,004	$ 1,705,001	$ 1,647,602	$ 1,589,873	$ 1,529,484

[1]In 2011, assets under Certificates of Participation capital lease were reclassified to Water Treatment Plant upon redemption of the Certificates of Participation.

RECEIPTS AND EXPENDITURES
BUDGET TO ACTUAL COMPARISON 2010 - 2014 AND 2015 BUDGET (CASH BASIS)
(amounts expressed in thousands)

	2015	2014		2013		2012		2011		2010	
	Budget	Budget	Actual	Budget[1]	Actual	Budget	Actual	Budget	Actual	Budget	Actual
BEGINNING CASH & INVESTMENTS	$ 234,924	$ 219,744	$ 219,744	$ 222,299	$ 222,299	$ 187,296	$ 187,296	$ 225,410	$ 225,410	$ 194,012	$ 194,012
RECEIPTS FROM:											
Sale of water	269,256	250,376	238,777	233,058	230,857	261,978	271,647	246,079	238,124	223,305	225,493
Nonoperating, interest & other	19,951	19,336	24,026	20,502	24,946	18,783	23,606	19,532	31,434	16,168	16,474
System development charges	17,294	15,294	32,736	8,640	34,616	10,714	19,619	8,000	14,649	8,000	11,283
Developer participation (new facilities),	-	-	-	-	-	-	-	-	-	-	-
reimbursements & grants	4,415	2,163	6,384	2,911	7,426	5,367	3,452	4,863	8,088	4,863	10,940
	310,916	287,169	301,923	265,111	297,845	296,842	318,324	278,474	292,295	252,336	264,190
Sale of bonds or issuance of notes	42,000	36,000	40,102	25,600	10,000	38,000	40,358	-	-	39,000	90,000
Total receipts	352,916	323,169	342,025	290,711	307,845	334,842	358,682	278,474	292,295	291,336	354,190
LESS EXPENDITURES FOR:											
Operations, maintenance & refunds	191,036	197,662	185,820	183,092	185,857	201,862	174,878	198,641	181,364	178,177	184,441
Debt service	48,822	48,364	46,742	46,752	46,218	39,853	45,089	46,374	55,958	50,525	51,234
	239,858	246,026	232,562	229,844	232,075	241,715	219,967	245,015	237,322	228,702	235,675
Capital improvements (new facilities)	29,808	45,931	44,343	26,958	24,471	47,343	47,465	46,344	39,396	52,818	51,105
System replacements	50,125	59,734	52,153	42,823	35,271	37,271	32,486	32,101	26,981	30,755	23,734
Equipment	12,700	5,813	3,030	6,486	4,214	7,186	6,975	8,642	5,609	10,552	7,177
	92,633	111,478	99,526	76,267	63,956	91,800	86,926	87,087	71,986	94,125	82,016
Indirects to capital	11,527	13,994	9,585	12,735	9,954	14,265	15,176	14,791	15,236	15,738	15,551
Total expenditures	344,018	371,498	341,673	318,846	305,985	347,780	322,069	346,893	324,544	338,565	333,242
Cash Balance Adjustment[2]			14,828		(4,415)		(1,610)		(5,865)		10,450
ENDING CASH & INVESTMENTS	$ 243,822	$ 171,415	$ 234,924	$ 194,164	$ 219,744	$ 174,358	$ 222,299	$ 156,991	$ 187,296	$ 146,783	$ 225,410

GENERAL EXPLANATION OF VARIANCES:

[1]The 2013 budget represents the revised budget approved by the Board on April 10, 2013 in response to the drought.

[2]The cash balance adjustment is due to a timing difference between cash payments that were made in January but were accrued for in December.

Variances in operating receipts are generally due to abnormal climatic conditions.
Variances in system development charges are generally related to levels of activity in the home building industry.
Variances in capital improvements are generally due to changes in project scheduling.
Cash and investments do not agree with amounts on the statements of net assets due to differences in valuation methods.
Prior year information has been updated to adjust for timing differences during the original reporting period.

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Supply

2014 Facts

Raw water collected	300,030	Acre Feet
Percent of average yield-last 10 years	99%	
Percent from South Platte System	50%	
Percent from Moffat System	24%	
Percent from Roberts Tunnel System	26%	
Reservoir storage, January 1	611,625	Acre Feet
Percent of capacity	90.4%	
Reservoir storage, December 31	601,493	Acre Feet
Percent of capacity	88.9%	
Power generation (excluding power purchased)	60,209,003	KWH
Value of power generation (excluding power purchased)..	$4,403,373	

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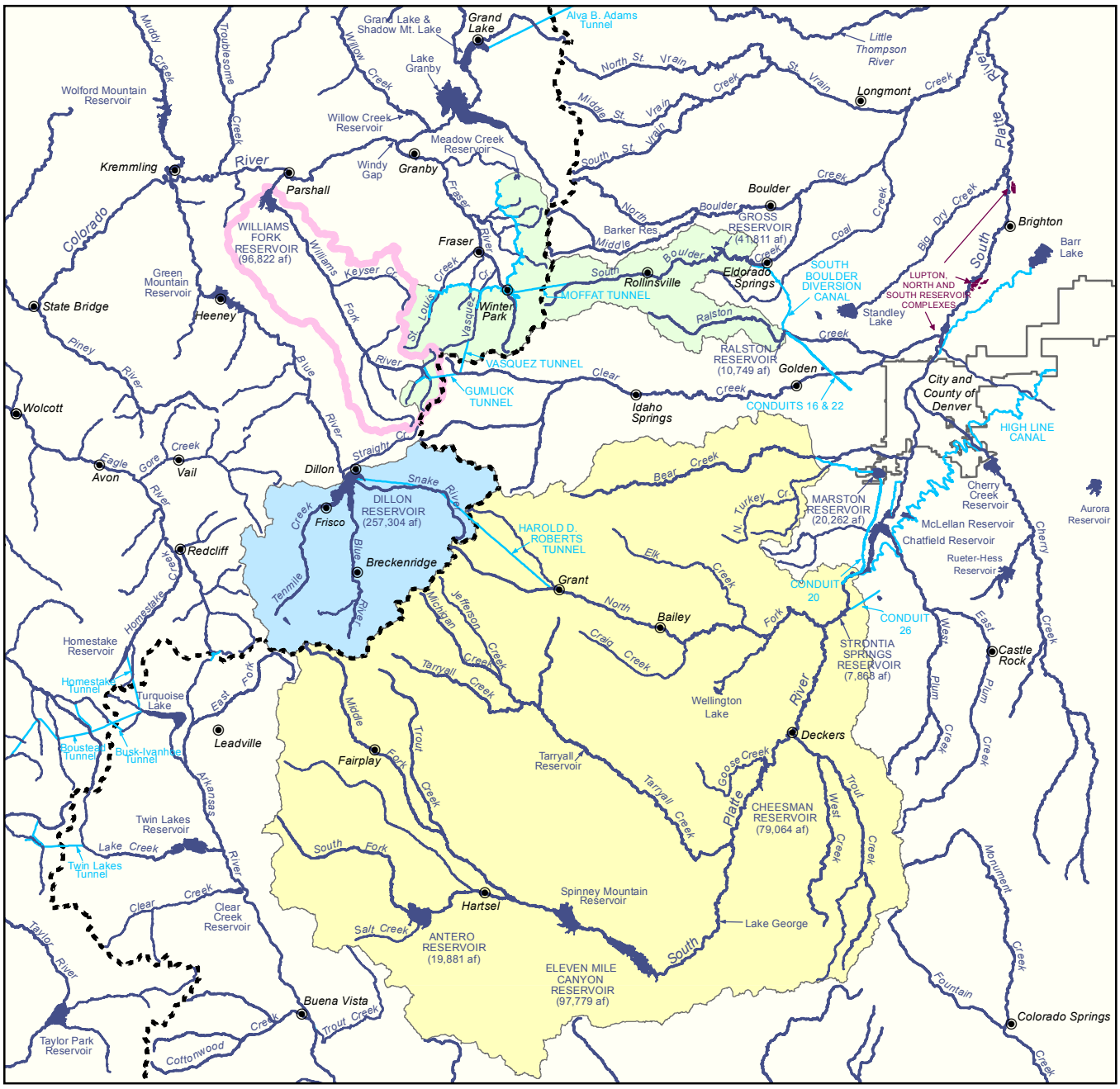
City and County of Denver
Board of Water Commissioners

Water Collection System



LEGEND

- South Platte Collection System
- Roberts Tunnel Collection System
- Moffat Collection System
- Williams Fork Reservoir Watershed
- Major Lake or Reservoir
- Town
- Continental Divide
- Major Canal or Aqueduct
- Major Stream or River

N

S

1:1,000,000

0 10 20 40

Miles

Scale number is accurate when printed at 8.5 x 11 inches in size.

DENVER WATER

Map Date: 12/29/2014
Author: Planning/Water Resource Analysis - TKT
Sources: USGS-NHD, DOLA, Denver Water, NRCS, CDWR

SOURCE OF SUPPLY - 2014 (Page 1 of 2)

Reservoirs and Collection Systems

RAW WATER STORAGE	Capacity in Acre-Feet	Capacity in Million Gals.
Storage Reservoirs:		
Antero	19,881	6,478.2
Chatfield	27,428	8,937.4
Cheesman	79,064	25,763.1
Dillon	257,304	83,842.8
Eleven Mile Canyon	97,779	31,861.4
Gross	41,811	13,624.2
Meadow Creek Reservoir (Denver Water portion)	4,520	1,472.8
Soda Lakes (Denver Water portion)	615	200.4
Total Storage Reservoirs	528,402	172,180.3
Operating Reservoirs:		
Long Lakes	1,787	582.3
Marston Lake	19,796	6,450.5
Platte Canyon	910	296.5
Ralston	10,776	3,511.4
Strontia Springs	7,863	2,562.2
Total Operating Reservoirs	41,132	13,402.9
TOTAL RAW WATER STORAGE	569,534	185,583.2
REPLACEMENT RESERVOIRS		
Williams Fork	96,822	31,549.5
Wolford Mountain (Denver Water portion)	25,610	8,345.0
TOTAL REPLACEMENT RESERVOIRS	122,432	39,894.5

MOUNTAIN COLLECTION SYSTEM	Length in Feet	Length in Miles
Moffat Collection System:		
Concrete and Steel Pipe	99,549	18.9
Moffat Water Tunnel	32,383	6.1
Open Canals	15,443	2.9
Covered Canals	20,081	3.8
Other Tunnels	10,953	2.1
Total Moffat Collection System	178,409	33.8
Williams Fork Collection System:		
Steel Pipe	18,939	3.6
Vasquez Tunnel	17,874	3.4
A. P. Gumlick Tunnel	15,572	2.9
Open Canals	1,795	0.3
Total Williams Fork Collection System	54,180	10.2
Roberts Tunnel	122,953	23.3
South Boulder Diversion Conduit:		
Open Canals	30,250	5.7
Concrete and Steel Pipe	13,948	2.6
Tunnels	7,704	1.5
Covered Canals	1,748	0.3
Total South Boulder Diversion Conduit	53,650	10.1
TOTAL MOUNTAIN COLLECTION SYSTEM	409,192	77.4

SOURCE OF SUPPLY - 2014

Supply Mains and Wells

RAW WATER SUPPLY MAINS

	Size	Kind of Pipe	Length in Feet	Length in Miles
Conduit 5:	< 20"	No Material breakout[3]	1,517	0.3
	24"	Cast Iron	10	0.0
	24"	Ductile Iron	58	0.0
	24"	High Density Polyethylene	2,239	0.4
	24"	Steel	144	0.0
	30"	Cast Iron	157	0.0
	30"	Concrete	242	0.0
	30"	Reinforced Concrete Cyl	24,485	4.6
	30"	Steel	87	0.0
	36"	Cast Iron	965	0.2
	36"	Reinforced Concrete Cyl	637	0.1
	42"	Steel	204	0.0
Total Conduit 5			30,745	5.6
Conduit 8:	< 20"	No Material breakout[3]	26	0.0
	36"	Cast Iron	913	0.2
	36"	Concrete	106	0.0
	36"	Reinforced Concrete Cyl	2,550	0.5
	36"	Steel	1,109	0.2
	44"	Cast Iron	15	0.0
	60"	Steel	541	0.1
	84"	Steel	15	0.0
	90"	Steel	10	0.0
Total Conduit 8			5,285	1.0
Conduit 14:	24"	Steel	8	0.0
	30"	Reinforced Concrete Cyl	69	0.0
	36"	Corrugated Metal Pipe	104	0.0
	36"	Concrete	1,381	0.3
	36"	Steel	117	0.0
	48"	Reinforced Concrete Cyl	3,322	0.6
Total Conduit 14			5,001	0.9
Conduit 15:	< 20"	No Material breakout[3]	410	0.1
	24"	Cast Iron	90	0.0
	30"	Reinforced Concrete Cyl	410	0.1
	60"	Reinforced Concrete Cyl	8,036	1.5
	60"	Steel	11,235	2.1
	72"	Reinforced Concrete Cyl	5,532	1.0
	72"	Steel	6,741	1.3
	84"	Reinforced Concrete Cyl	437	0.1
Total Conduit 15			32,891	6.2
Conduit 16:	< 20"	No Material breakout[3]	562	0.1
	24"	Steel	22	0.0
	36"	Steel	19	0.0
	42"	Reinforced Concrete	3,071	0.6
	42"	Reinforced Concrete Cyl	40,980	7.8
	42"	Steel	1,433	0.3
	48"	Steel	25	0.0
Total Conduit 16			46,112	8.8
Conduit 20:	< 20"	No Material breakout[3]	247	0.0
	30"	Concrete	8	0.0
	36"	Concrete	6	0.0
	40"	Reinforced Concrete Cyl	75	0.0
	60"	Reinforced Concrete Cyl	122	0.0
	60"	Steel	509	0.1
	84"	Steel	543	0.1
	90"	Steel	60	0.0
	90"	Reinforced Concrete Non-Cyl	59,904	11.3
	96"	Steel	3,007	0.6
Total Conduit 20			64,481	12.1
Conduit 22:	< 20"	No Material breakout[3]	418	0.1
	24"	Ductile Iron	133	0.0
	24"	Steel	37	0.0
	36"	Ductile Iron	68	0.0
	42"	Reinforced Concrete Cyl	14	0.0
	48"	Steel	74	0.0
	54"	Reinforced Concrete Cyl	43,519	8.2
	54"	Steel	1,318	0.2
	60"	Steel	51	0.0
Total Conduit 22			45,632	8.5
Conduit 26:	< 20"	No Material breakout[3]	50	0.0
	24"	Ductile Iron	13	0.0
	24"	Reinforced Concrete Cyl	365	0.1
	24"	Steel	72	0.0
	36"	Steel	54	0.0
	60"	Steel	76	0.0
	72"	Steel	64	0.0
	78"	Steel	213	0.0
	96"	Steel	225	0.0
	120"	Steel	14	0.0
	126"	Concrete	13,976	2.6
	126"	Steel	5,766	1.1
Total Conduit 26			20,888	3.8
Conduit 155:	< 20"	No Material breakout[3]	89	0.0
	24"	Ductile Iron	27	0.0
	30"	Ductile Iron	2,492	0.5
Total Conduit 155			2,608	0.5
Conduit 157:	30"	Steel	25	0.0
	42"	Reinforced Concrete Cyl	3,044	0.6
	42"	Steel	468	0.1
	48"	Reinforced Concrete Cyl	130	0.0
Total Conduit 157			3,667	0.7
Conduit 160:	36"	Steel	321	0.1
Other (no number)[1]:	< 20"	No Material breakout[3]	6,445	1.2
	24"	Cast Iron	212	0.0
	24"	Ductile Iron	24	0.0
	24"	Steel	68	0.0
	30"	Cast Iron	12	0.0
	30"	Steel	47	0.0
	36"	Cast Iron	1,047	0.2
	36"	Concrete	1,652	0.3
	36"	Steel	559	0.1
	42"	Steel	4,427	0.8
	48"	Cast Iron	157	0.0
	48"	Concrete	15	0.0
	48"	Steel	146	0.0
	54"	Steel	2,890	0.5
	60"	Steel	1,718	0.3
	66"	Reinforced Concrete Non-Cyl	1,629	0.3
	66"	Steel	11	0.0
	72"	Steel	978	0.2
	90"	Steel	31	0.0
	108"	Concrete	123	0.0
	108"	Steel	8,258	1.6
	120"	Steel	79	0.0
	132"	Steel	322	0.1
	144"	Steel	834	0.2
Total Conduit Other			31,684	5.8
TOTAL RAW WATER SUPPLY MAINS			289,315	54.0

[1] These are raw water supply mains typically on Denver Water property that are not assigned a conduit number.

INFILTRATION GALLERIES & WELLS

	Capacity in MGD
Cherry Creek Wells - Well O	1.6
Farnell Lane Well Field	-[2]

[2] Alternative uses for supplies from the Farnell Lane Well Field are presently under study.
[3] Updates to pipe database in 2014 added 20" and smaller pipe diameter footage totals.

POWER GENERATION, PURCHASE, DISTRIBUTION, AND BANKING

POWER GENERATION AND PURCHASE	Kilowatt Hours	Value[2]
Net Power Generation:[1]		
Dillon	8,383,808	$ 470,240
Foothills	6,965,000	555,284
Gross	21,954,832	1,512,641
Hillcrest	4,155,967	415,777
Roberts Tunnel	19,312	455,365
Strontia Springs	5,962,354	330,144
Williams Fork	12,767,730	663,922
Total Power Generation	60,209,003	4,403,373
Power Purchased for Department of Energy (DOE) power interference	6,815,304	299,510
TOTAL POWER GENERATION AND PURCHASE	67,024,307	4,702,883
POWER DISTRIBUTION		
Internal Power Consumption:[1]		
Foothills	2,062,833	164,459
Hillcrest	733,899	73,422
Total Internal Power Consumption	2,796,732	237,881
Power Deliveries:		
To Xcel Energy:		
Dillon	8,383,808	470,240
Foothills	4,902,167	390,825
Gross	21,954,832	1,512,641
Hillcrest	3,422,068	342,355
Roberts Tunnel	19,312	455,365
Strontia Springs	5,962,354	330,144
	44,644,541	3,501,570
To Tri-State Generation and Transmission Association:		
Williams Fork	12,767,730	663,922
Total Power Deliveries to Xcel and Tri-State	57,412,271	4,165,492
Total Power Generation	60,209,003	4,403,373
To DOE for Power Interference:		
Purchased Power	6,815,304	299,510
Total Power Deliveries to DOE	6,815,304	299,510
TOTAL POWER DISTRIBUTION	67,024,307	4,702,883
DOE BANKED POWER INTERFERENCE ACCOUNT[3]		
Balance, Beginning of Year	31,368,702	1,035,978
Net Interference	(4,535,696)	(136,071)
Total Allocation	6,815,304	299,510
Balance, End of Year	33,648,310	$ 1,199,417

[1]Net Power Generation is total generation less station service (except Foothills and Hillcrest) and transmission wheeling losses. Value of Williams Fork power and that consumed by Foothills and Hillcrest based on PSC tariff schedule TT, June 4, 1988.

[2]Values on this schedule represent the value of power produced and distributed and do not relate to power sales on other schedules.

[3]Value based on 30 mills/kwh (approximate average of PSC and DOE rates).

POWER VALUE, COST, AND RETURN ON INVESTMENT

	Power Plant							
	Dillon	Foothills	Gross	Hillcrest	Roberts Tunnel	Strontia Springs	Williams Fork	Total
Date of Commercial Operation:	Oct 1, 1987	May 25, 1985	Aug 1, 2007	Jun 30, 1993	Jan 30, 1988	Aug 11, 1986	July 25, 1959	
VALUE OF POWER GENERATION[1]								
Delivered to Xcel Energy	$ 470,240	$ 390,825	$ 1,512,641	$ 342,355	$ 455,365	$ 330,144	-	$ 3,501,570
Foothills Internal Consumption	-	164,459	-	-	-	-	-	164,459
Hillcrest Intenal Consumption	-	-	-	73,422	-	-	-	73,422
Delivered to Tri-State	-	-	-	-	-	-	663,922	663,922
TOTAL VALUE	470,240	555,284	1,512,641	415,777	455,365	330,144	663,922	4,403,373
COST OF POWER GENERATION								
Transmission Wheeling	-	14,950	-	-	2,433	-	-	17,383
Operation and Maintenance	115,921	52,530	92,896	486,594	86,532	51,355	226,267	1,112,095
Administrative Expense	19,320	11,911	22,670	27,347	23,857	14,528	47,724	167,357
Depreciation	79,818	74,026	758,082	114,118	105,353	33,740	836,075	2,001,212
TOTAL COST	215,059	153,417	873,648	628,059	218,175	99,623	1,110,066	3,298,047
Net Return (Loss)	$ 255,181	$ 401,867	$ 638,993	$ (212,282)	$ 237,190	$ 230,521	$ (446,144)	$ 1,105,326
Plant Investment (Before Depreciation)	$ 4,646,727	$ 2,936,645	$ 18,685,773	$ 6,309,868	$ 6,007,230	$ 1,733,652	$ 25,330,430	$ 65,650,325
Return on Investment - Current Year	5%	14%	3%	(3)%	4%	13%	(2)%	2%
Return on Investment - Cumulative	167%	313%	30%	38%	108%	245%	12%	59%

[1]Values on this schedule represent the value of power produced and distributed and do not relate to power sales on other schedules.

WATER SUPPLY, USE AND STORAGE: 2005 - 2014

Values in acre-feet[1]

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
SUPPLY										
South Platte System:										
South Platte Direct Rights	**108,990**	72,254	46,557	75,389	94,795	84,365	67,152	103,166	63,190	73,934
South Platte Storage Rights	**31,939**	37,816	4,283	25,739	31,347	39,402	31,786	40,192	15,812	59,502
Bear Creek Rights	**-**	2,067	61	1,359	1,222	1,178	1,862	1,930	1,234	2,302
Total South Platte System	**140,929**	112,137	50,901	102,487	127,364	124,945	100,800	145,288	80,236	135,738
Blue River/Roberts Tunnel System	**77,765**	111,564	54,394	148,643	74,674	58,468	80,056	65,682	127,074	94,470
Effluent Exchange[2]	**7,751**	30,778	34,864	15,072	24,527	13,846	21,455	23,266	33,632	19,012
Moffat System:										
Fraser Collection System	**24,012**	49,036	29,399	45,353	27,240	37,640	58,490	34,090	65,034	48,190
Williams Fork Collection System	**26,680**	68,483	23,275	33,565	28,362	31,138	26,268	34,608	41,970	52,478
Cabin-Meadow Creek System	**85**	3,080	1,448	4,112	1,452	4,668	3,794	5,866	6,574	4,424
South Boulder Creek	**19,516**	7,418	-	9,606	15,178	4,816	-	7,708	-	4,388
Ralston Creek	**3,292**	13,142	401	1,127	4,086	1,374	290	2,792	-	3,054
Total Moffat System	**73,585**	141,159	54,523	93,763	76,318	79,636	88,842	85,064	113,578	112,534
Total Water Supply	**300,030**	395,638	194,682	359,965	302,883	276,895	291,153	319,300	354,520	361,754
USE										
Foothills Filters	**101,795**	116,095	155,334	137,330	142,811	117,784	117,973	141,468	135,774	124,411
Marston Filters	**52,777**	36,135	46,029	25,763	40,489	31,853	56,498	43,303	34,633	30,008
Moffat Filters	**33,173**	32,503	19,477	46,380	30,642	40,910	46,438	31,507	58,907	55,802
Total Water Filtered	**187,745**	184,733	220,840	209,473	213,942	190,547	220,909	216,278	229,314	210,221
Change in Clear Water Storage	**26**	52	24	12	(55)	52	(23)	17	8	(83)
Total Treated Water Delivered[3]	**187,771**	184,785	220,864	209,485	213,887	190,599	220,886	216,295	229,322	210,138
Raw Water Deliveries	**19,260**	24,533	31,574	27,535	24,641	25,717	30,079	26,830	43,061	32,726
Other Uses[4]	**103,131**	46,075	91,467	100,922	79,819	58,632	39,620	61,234	63,356	37,638
Total Water Use	**310,162**	255,393	343,905	337,942	318,347	274,948	290,585	304,359	335,739	280,502
STORAGE										
Total Reservoir Storage, December 31	**601,493**	611,625	471,380	620,603	598,580	614,044	612,097	611,529	596,588	577,807
Total Reservoir Storage, January 1	**611,625**	471,380	620,603	598,580	614,044	612,097	611,529	596,588	577,807	496,555
Storage Gain or (Loss)	**(10,132)**	140,245	(149,223)	22,023	(15,464)	1,947	568	14,941	18,781	81,252

[1]Starting in Water Year 2011 the conversion factor from cfs to acre-feet was changed from 2 to 1.9835.

[2]Initiated exchange programs for Blue River effluent on September 10, 1976.

[3]Total Treated Water Delivered is determined by adding or subtracting Change in Clear Water Storage from Total Water Filtered.

[4]Other Uses include, but are not limited to, evaporation, carriage losses, seepage losses, Chatfield bypasses, flood bypasses, substitution and releases for power production and maintenance projects.

Pumping

2014 Facts

Treated Water pumped - Current year	36,088.9	MG[1]
Treated Water pumped - Last year	34,895.4	MG[1]
Percentage increase (decrease) from last year	3	
Number of treated water pump stations	18	
Maximum pumping capacity	1,007.9	MGD[2]
Pumping energy costs (Treated Water) - Current year	$3,287,803	
Pumping energy costs (Treated Water) - Last year	$2,964,275	
Percentage increase from last year	11%	

[1]Million Gallons

[2]Million Gallons per Day

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PUMPING STATION CAPACITIES - 2014

Center of pump U.S.G.S. elevation in parentheses

Pump Station/Elevation	Pump Number	Make of Pump	Make of Motor	Horse-power	Head in Feet	Capacity in MGD
BELLEVIEW (5,714)	4	Goulds	Ideal Electric	900	260	15.0
(High Pressure)	5	Worthington	Westinghouse	300	260	5.0
	6	Goulds	US Motor	700	271	10.0
	7	Worthington	General Electric	900	260	15.0
				2,800		45.0
BELLEVIEW (5,714)	1	Goulds	General Electric	250	175	6.0
(Low Pressure)	2	Goulds	General Electric	400	175	10.0
				650		16.0
BROOMFIELD (5,316)	1	Goulds	US Motor	500	350	6.5
	2	Goulds	US Motor	500	350	6.5
	3	Goulds	US Motor	500	350	6.5
	4	Goulds	US Motor	500	300	6.5
				2,000		26.0
CASTLEWOOD (5,785)[1]	1	Peerless	US Motor	10		0.5
	2	Peerless	General Electric	40		1.5
	3	Peerless	General Electric	100		4.2
				150		6.2
CHATFIELD (5,717)	1	ITT	US Motor	200	150	5.0
(Low Pressure)	2	ITT	US Motor	200	150	5.0
	3	ITT	US Motor	200	150	5.0
				600		15.0
CHATFIELD (5,717)	5	ITT	US Motor	400	320	5.0
(High Pressure)	6	ITT	US Motor	400	320	5.0
				800		10.0
CHERRY HILLS (5,380)	1	Worthington	General Electric	1,000	220	20.0
	2	Worthington	General Electric	1,000	220	20.0
	3	Worthington	General Electric	1,000	220	20.0
	4	Worthington	General Electric	1,000	220	20.0
	5	Worthington	General Electric	1,000	220	20.0
	6	Worthington	General Electric	1,000	220	20.0
				6,000		120.0
CLARKSON (5,482)[1]	1	Fairbanks Morse	Fairbanks Morse	150	234	2.1
	2	Fairbanks Morse	Fairbanks Morse	150	234	2.1
	3	Fairbanks Morse	Fairbanks Morse	150	234	2.1
	4	Fairbanks Morse	Fairbanks Morse	150	234	2.1
	5	Fairbanks Morse	Fairbanks Morse	150	234	2.1
	6	Fairbanks Morse	Reliance Electric	150	234	2.1
				900		12.6
EINFELDT (5,341)	2	Wheeler Economy	General Electric	800	175	20.0
	3	Byron Jackson	General Electric	600	175	17.0
	4	Byron Jackson	General Electric	400	175	12.0
	5	Byron Jackson	Westinghouse	200	175	5.3
	6	Worthington	General Electric	800	175	20.0
	7	Wheeler Economy	General Electric	800	175	20.0
				3,600		94.3
ELIZABETH (5,374)	1	Goulds	US Motor	400	164	11.0
	2	Goulds	US Motor	600	164/250	8.5
	3	Goulds	US Motor	600	164/250	8.5
	4	Goulds	US Motor	600	164/250	8.5
	5	Goulds	US Motor	200	164	5.0
				2,400		41.5

[1]Vault Type Structure (underground)

Center of pump U.S.G.S. elevation in parentheses

Pump Station/Elevation	Pump Number	Make of Pump	Make of Motor	Horse-power	Head in Feet	Capacity in MGD
FIFTY-SIXTH AVENUE (5,203)	2	Allis Chalmers	Ideal Electric	1,750	450	15.0
	3	Allis Chalmers	Ideal Electric	1,750	450	15.0
	4	Allis Chalmers	Ideal Electric	1,750	450	15.0
	5	Allis Chalmers	Ideal Electric	1,750	450	15.0
	8	Gould	U.S. Motor	500	75	30.0
	9	Gould	U.S. Motor	500	75	30.0
				8,000		120.0
GREEN MOUNTAIN (5,837)	1	Patterson	General Electric	700	260	10.0
	2	Patterson	General Electric	350	260	5.0
	3	Patterson	General Electric	350	260	5.0
	4	Patterson	General Electric	700	260	10.0
				2,100		30.0
HIGHLANDS (5,704)	1	Fairbanks Morse	General Electric	125	165	3.0
(Low Pressure)	2	Fairbanks Morse	General Electric	125	165	3.0
	3	Fairbanks Morse	General Electric	125	165	3.0
	4	Fairbanks Morse	General Electric	125	165	3.0
	5	DeLaval	Ideal Electric	350	165	10.0
	6	DeLaval	Ideal Electric	350	165	10.0
	7	DeLaval	Ideal Electric	350	165	10.0
				1,550		42.0
HIGHLANDS (5,704)	1	Gould	General Electric	900	260	15.0
(High Pressure)	2	Gould	General Electric	900	260	15.0
	6	Gould	General Electric	300	110	10.0
	7	Gould	General Electric	300	110	10.0
	8	Gould	General Electric	150	110	5.0
	9	Gould	General Electric	150	110	5.0
				2,700		60.0
HILLCREST (5,602)	1	Allis Chalmers	Allis Chalmers	50	169	1.0
(Low Pressure)	2	Allis Chalmers	Allis Chalmers	100	167	2.0
	3	DeLaval	Electric Machinery	200	163	5.0
	4	DeLaval	Electric Machinery	400	163	11.0
	5	DeLaval	Electric Machinery	400	163	11.0
	6	Worthington	Fairbanks Morse	400	163	11.0
	7	Worthington	Fairbanks Morse	400	163	11.0
				1,950		52.0
HILLCREST (5,602)	8	American Marsh	Westinghouse	75	320	0.8
(High Pressure)	9	Gould	US Motor	1,500	330	20.0
	10	DeLaval	Electric Machinery	350	313	4.8
	11	DeLaval	Electric Machinery	800	315	10.5
	12	DeLaval	Electric Machinery	800	315	10.5
	13	Patterson	Ideal Electric	900	320	10.0
				4,425		56.6
KENDRICK (5,607)	1	Peerless	US Motor	300	120	10.6
(Low Pressure)	2	Peerless	US Motor	200	120	6.7
	3	Peerless	US Motor	100	120	3.3
	4	Peerless	US Motor	100	120	3.3
	5	Peerless	US Motor	100	120	3.3
				800		27.2

Center of pump U.S.G.S. elevation in parentheses

Pump Station/Elevation	Pump Number	Make of Pump	Make of Motor	Horse-power	Head in Feet	Capacity in MGD
KENDRICK (5,607)	7	Worthington	Electric Machinery	800	260	10.0
(High Pressure)	8	Worthington	Electric Machinery	800	260	10.0
	9	Goulds	Waukesha[2]	700	260	10.0
	10	DeLaval	Waukesha[2]	400	260	5.0
	11	Patterson	Ideal Electric	700	260	10.0
				3,400		45.0
LAKERIDGE (5,516)	1	American Marsh	General Electric	25	120	0.7
	2	American Marsh	General Electric	75	120	2.9
	3	American Marsh	General Electric	75	120	2.9
	4	American Marsh	General Electric	60	120	1.7
				235		8.2
LAMAR (5,443)[1]	1	Peerless	US Motor	40	111	1.1
	2	Peerless	US Motor	60	113	2.1
	3	Peerless	US Motor	125	119	4.1
				225		7.3
LONE TREE (5,904)	3	Gould	US Motor	300	127	10.0
(Low Pressure)	4	Gould	US Motor	150	127	5.0
	5	Gould	US Motor	150	127	5.0
				600		20.0
LONE TREE (5,904)	6	Gould	Siemens & Allis	300	227	5.0
(High Pressure)	7	Gould	Siemens & Allis	600	227	10.0
	8	Gould	Siemens & Allis	600	227	10.0
				1,500		25.0
MARSTON (5,485)	1	Worthington	Waukesha[2]	700	166	20.0
(Low Pressure)	2	Worthington	General Electric	700	166	20.0
	3	Worthington	General Electric	700	166	20.0
	4	Worthington	General Electric	700	166	20.0
	5	Worthington	General Electric	700	166	20.0
				3,500		100.0
MARSTON (5,485)	8	Patterson	Waukesha[2]	400	260	6.5
(High Pressure)	9	Ingersoll-Rand	Reliance Electric	500	260	8.0
	10	Gould	US Motor	900	260	15.0
	11	Gould	US Motor	900	260	15.0
				2,700		44.5
SIXTY-FOURTH AVENUE (5,427)	3	Fairbanks Morse	United States	100	90	5.0
(Low Pressure)	6	Fairbanks Morse	United States	200	90	10.0
				300		15.0
SIXTY-FOURTH AVENUE (5,427) (High Pressure)	1	Fairbanks Morse	United States	400	170	10.0
			Grand Total	51,885		1,007.9

Note: City Datum = 5,172.91

[1]Vault Type Structure (underground)

[2]Natural Gas Engine

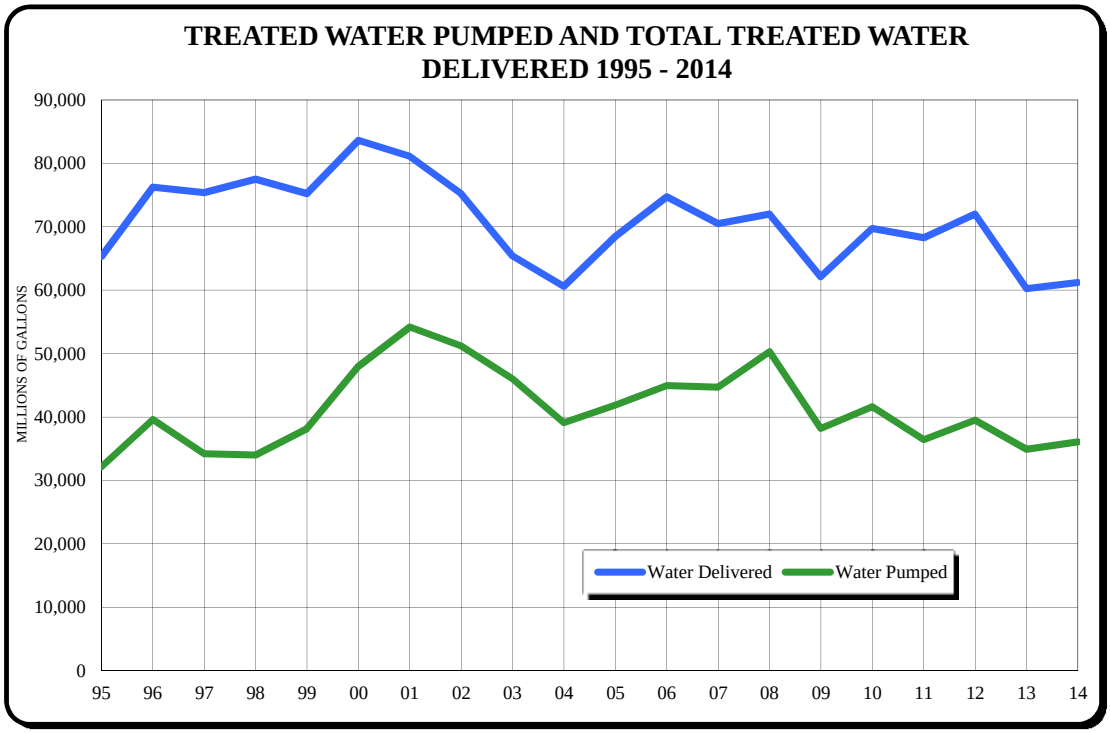
TREATED WATER PUMPED AND POWER COSTS: 1995 - 2014

Year	Total Treated Water Pumped (million gals.)	Total Treated Water Delivered (million gals.)	Pumps Number	Pumps Capacity (million gals.)	Treated Water Total Pumping Power Used (kwh)[1]	Gas Used (dth)	Total Power, Electric and Gas Costs[2]
1995	32,115.03	65,267.91	116	1,116.8	30,722,542	-	$1,783,567
1996	39,578.30	76,203.96	105	1,027.5	40,222,555	-	$2,638,872
1997	34,179.67	75,363.33	105	1,027.5	31,876,334	23,055	$1,997,924
1998	33,990.21	77,466.65	105	1,027.5	30,170,882	38,331	$1,881,873
1999	38,149.92	75,232.01	106	1,052.5	33,378,202	18,927	$1,915,984
2000	47,953.92	83,585.25	106	1,052.5	39,257,987	20,159	$2,166,806
2001	54,161.28	81,051.42	106	1,052.5	42,691,836	15,096	$2,774,857
2002	51,205.33	75,221.18	109	1,070.6	46,058,108	7,217	$1,986,429
2003	46,030.79	65,399.47	110	1,077.1	33,489,508	1,858	$2,322,558
2004	39,105.07	60,578.77	110	1,077.1	35,898,176	-	$2,820,144
2005	41,890.71	68,473.70	110	1,096.3	38,384,576	-	$3,686,475
2006	44,937.60	74,724.98	110	1,096.3	44,823,999	-	$3,247,213
2007	44,684.79	70,479.84	112	1,097.4	38,635,526	-	$2,942,190
2008 [3]	50,283.70	71,975.87	112	1,097.4	33,898,600	-	$3,583,417
2009	38,198.90	62,106.90	112	1,095.9	27,801,487	-	$2,568,082
2010	41,611.30	69,695.40	112	1,095.9	28,457,672	-	$2,709,675
2011	36,443.49	68,260.80	112	1,003.3	25,674,399	-	$3,042,871
2012	39,484.07	71,968.70	112	1,003.3	26,277,763	-	$3,328,526
2013	34,895.37	60,212.44	112	1,007.9	25,604,391	-	$3,259,289
2014	36,088.94	61,185.27	112	1,007.9	29,118,267	-	$3,517,530

[1]Years prior to 2008 included some raw water pumping and a portion of power used at the treatment plants.

[2]Total energy costs for all Denver metropolitan area Board treated water distribution facilities.

[3]Foothills Treatment Plant out of service from December 4, 2007 through April 25, 2008.



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DISTRIBUTING RESERVOIRS AND RAW WATER PUMPING STATIONS - 2014

High water U.S.G.S. elevation in parentheses

	Capacity (million gals.)
Alameda & Beech (6,042)[1]	
Number 1	1.0
Number 2	2.0
	3.0
Ashland (5,430)	
East Basin	19.1
West Basin	0.0
	19.1
Belleview (5,743)	10.0
Broomfield (5,335)	
Number 1	2.5
Number 2	2.5
	5.0
Broomfield Tank (5,534)[1]	
Number 1	3.0
Number 2	3.0
	6.0
Capitol Hill (5,395)	
Number 1	23.4
Number 3	27.0
	50.4
Chatfield Tank (5,740)	
Number 1	5.0
Number 2	5.0
	10.0
Colorow (6007)	3.7
Fifty-Sixth Avenue (5,223)	15.0
Foothills (5,860)	
Number 1	25.0
Number 2	25.0
Number 3	25.0
	75.0
Green Mountain (5,859)	5.0
Highlands (5,722)	
Number 1	0.0
Number 2	0.0
Number 3	13.5
	13.5

	Capacity (million gals.)
Hillcrest (5,624)	
Number 1	14.8
Number 2	14.8
	29.6
Hogback (6,007)	4.0
Ken Caryl Ranch (6,410)[1]	
Number 3	2.0
Number 4	2.0
	4.0
Kendrick (5,627)	15.0
Lone Tree (5,930)	
Number 1	10.0
Number 2	10.0
	20.0
Marston Treatment (5,497)	
Marston Treatment (5,497)	
Number 3	6.8
Number 4	9.2
	16.0
Moffat Treatment (5,620)	
Number 1	4.3
Number 2	4.3
Number 3	5.0
Number 4	4.4
	18.0
Sixty-Fourth Avenue (5,460)	15.0
Southgate (6,123)[1]	
9E	2.0
9E2	6.0
	8.0
Southgate (6,270)[1]	
10E	1.5
10E2	1.5
	3.0
Utah Tank (6,042)[1]	3.0
Valley Tank (6,000)[1]	2.0
Total Capacity	353.3

[1]Not Owned by Denver Water.

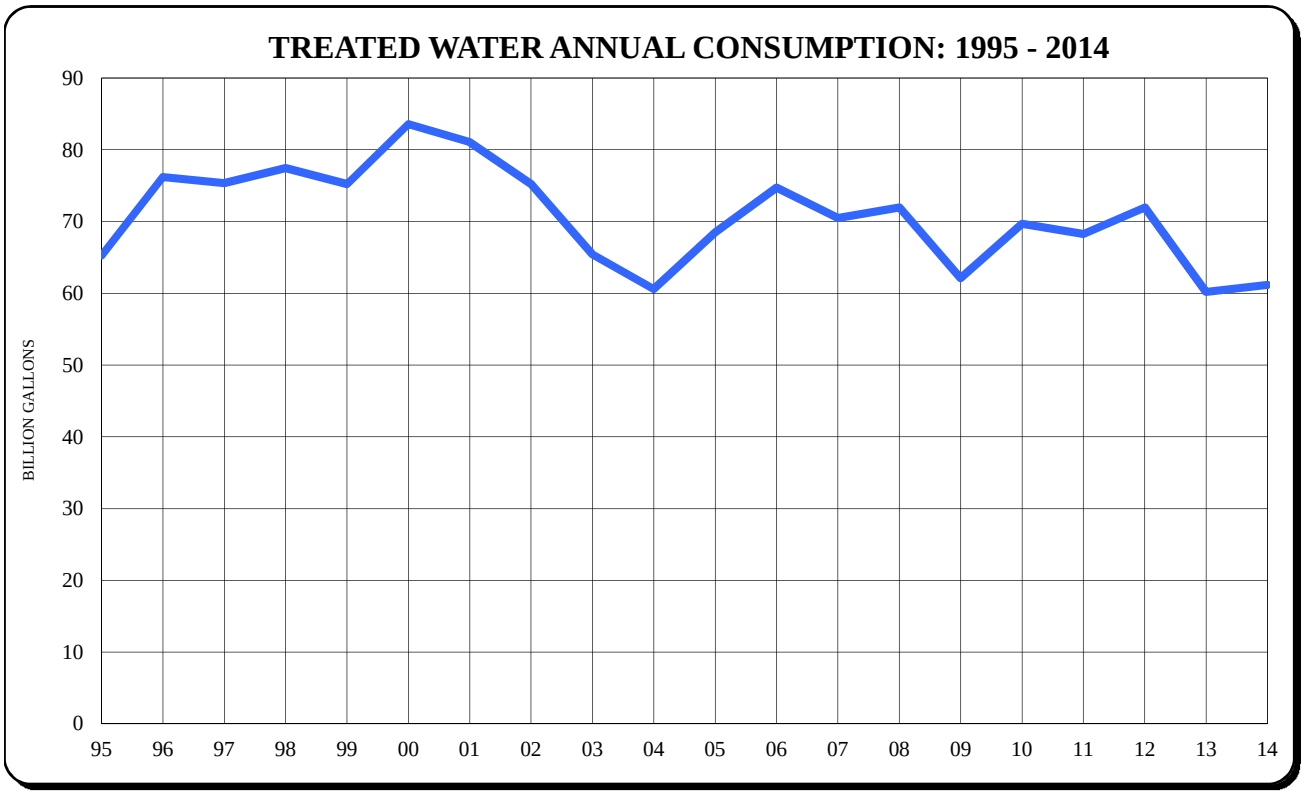
RAW WATER PUMPING STATIONS

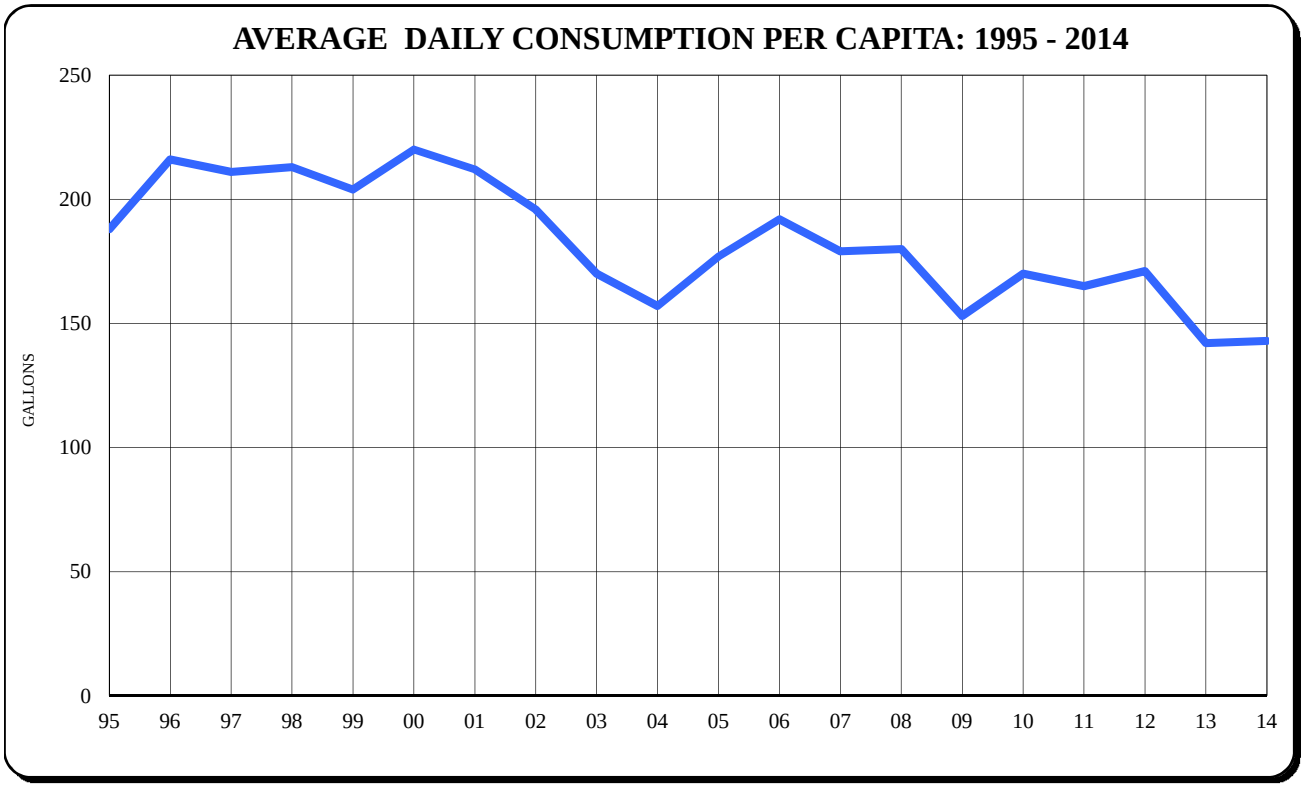
Pump Station	Pump Number	Make of Pump	Make of Motor	Horse-Power	Head in Feet	Capacity in MGD
Last Chance	1	Worthington	General Electric	30	60	2.2
Metro Sewer	1	Peerless	United States	200	30	30.0
	2	Peerless	General Electric	200	30	30.0
	3	Peerless	General Electric	200	30	30.0
				600	90	90.0
Kassler	3	Peerless	General Electric	600	153	10.0
	5	Peerless	General Electric	600	153	10.0
				1,200	306	20.0
			Total	1,830	456	112.2

Treatment and Water Quality

2014 Facts

Treated water consumption……	61,185.27	MG
Increase (decrease) from last year……	972.83	MG
Average daily consumption……	167.63	MG
Maximum daily consumption:		
(July 2)……	335.20	MG
Maximum hour treated water use rate:		
(July 7 at 6:00 a.m.)……	603.60	MGD
Water Quality:		
Total samples collected……	16,601	
Microbiological analyses completed……	12,070	
Chemical analyses completed……..……..……	54,181	


TREATED WATER ANNUAL CONSUMPTION: 1995 - 2014
BILLION GALLONS
0
10
20
30
40
50
60
70
80
90
95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14


AVERAGE DAILY CONSUMPTION PER CAPITA: 1995 - 2014
GALLONS
0
50
100
150
200
250
95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14

CONSUMPTION OF TREATED WATER: 1995 - 2014

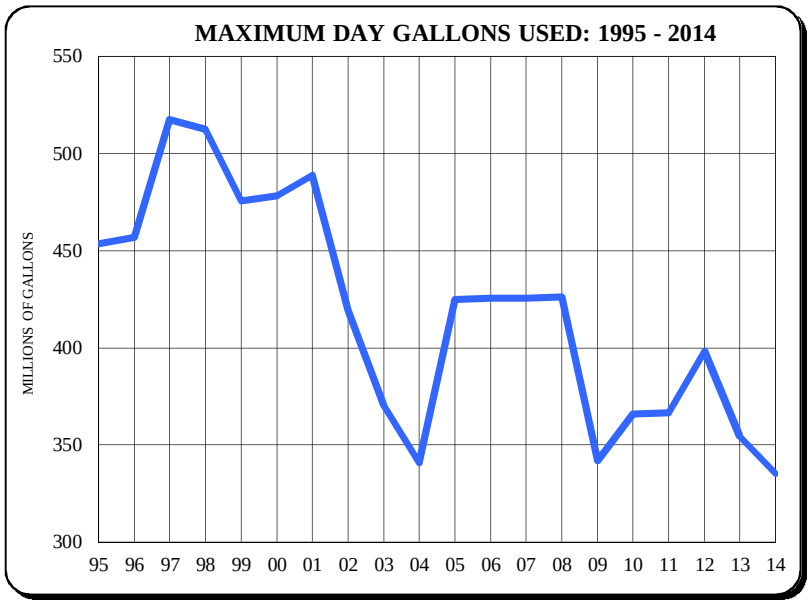
Year	Acre-Feet	(million gallons) Annual	Daily Avg.	Daily Max.	Population July 1[1]	Avg. Daily Gals. Per Capita	Precipitation in Inches[2] Year	4/1 to 9/30
1995	200,300	65,267.91	178.82	453.55	949,000	188	19.61	16.40
1996	233,861	76,203.96	208.21	456.99	966,000	216	14.81	10.96
1997	231,282	75,363.33	206.47	517.57	980,000	211	20.38	14.46
1998	237,764	77,475.48	212.26	512.53	996,000	213	17.61	12.77
1999	230,879	75,232.01	206.12	475.66	1,012,000	204	20.03	17.04
2000	256,514	83,585.25	228.38	478.19	1,036,000	220	14.87	11.07
2001	248,738	81,051.42	222.06	488.71	1,048,000	212	16.45	12.43
2002	230,845	75,221.18	206.09	419.20	1,049,000	196	9.95	6.59
2003	200,704	65,399.47	179.18	370.05	1,052,000	170	17.00	8.77
2004	185,909	60,578.77	165.52	340.92	1,055,000	157	21.35	16.06
2005	210,138	68,473.70	187.60	424.80	1,057,000	177	16.32	10.90
2006	229,323	74,724.98	204.73	425.68	1,064,000	192	16.15	8.66
2007	216,295	70,479.84	193.10	425.70	1,077,000	179	18.10	11.45
2008	220,886	71,975.87	196.66	426.16	1,093,000	180	12.42	8.19
2009	190,599	62,106.90	170.16	341.80	1,111,000	153	21.34	15.09
2010	213,887	69,695.40	190.95	365.81	1,125,000	170	14.28	9.74
2011	209,485	68,260.80	187.02	366.40	1,135,000	165	19.29	13.99
2012	220,864	71,968.70	196.64	398.20	1,147,000	171	12.39	8.72
2013	184,785	60,212.44	164.97	354.50	1,161,000	142	22.41	17.95
2014	187,771	61,185.27	167.63	335.20	1,172,000	143	20.26	14.77

[1]Population estimates are treated water customers only.

[2]Precipitation readings are the averages of Stapleton, Lakewood and Kassler measurement stations.

TREATMENT PLANT CAPACITY

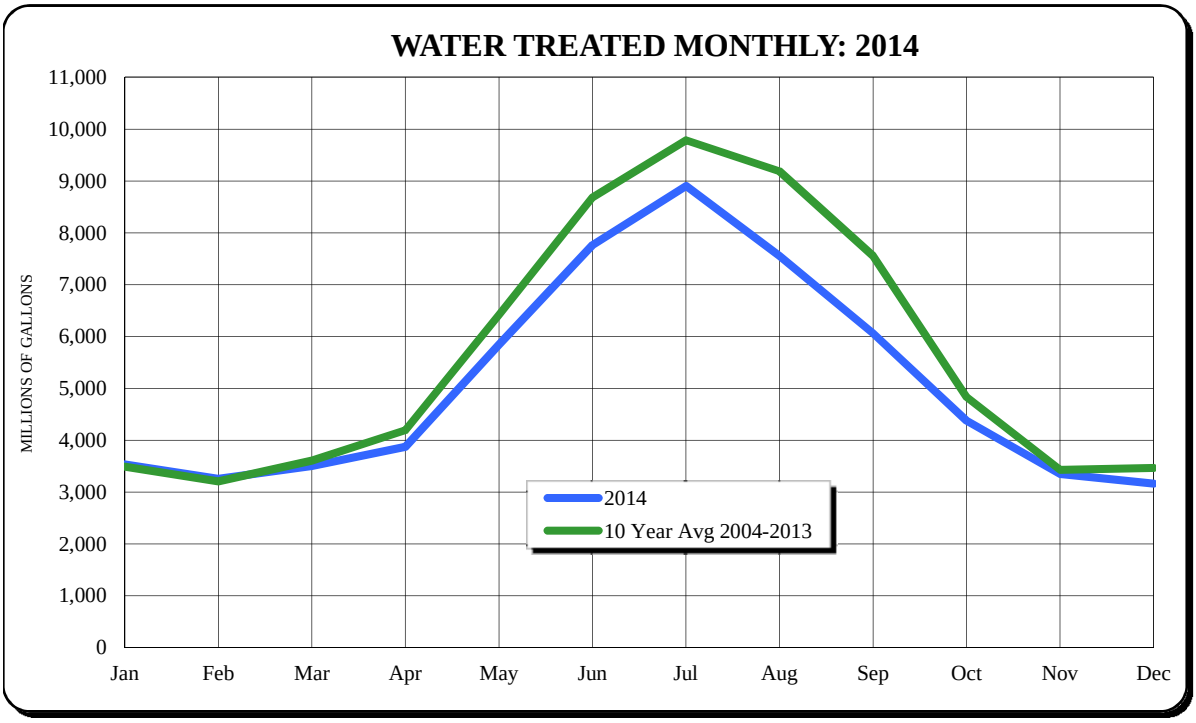
Plant	Type	Capacity in MGD
Foothills	Dual-Media	280.0
Marston	Dual-Media	250.0
Moffat	Rapid Sand	185.0
		715.0



WATER TREATED MONTHLY - 2014
(millions of gallons)

	Treatment Plant			Total
	Foothills	Marston	Moffat	Produced
January	-	2,676.55	855.80	3,532.35
February	-	2,653.22	604.26	3,257.48
March	-	2,730.80	771.28	3,502.08
April	1,463.17	1,271.30	1,139.28	3,873.75
May	4,517.84	1,098.78	223.92	5,840.54
June	5,018.45	1,878.10	865.31	7,761.86
July	5,402.60	2,262.76	1,234.55	8,899.91
August	4,273.11	2,177.67	1,098.97	7,549.75
September	4,325.38	448.39	1,291.14	6,064.91
October	3,461.22	-	917.70	4,378.92
November	2,464.25	-	886.25	3,350.50
December	2,244.10	-	920.94	3,165.04
	33,170.12	17,197.57	10,809.40	61,177.09

Note: Totals are based on multiple totalizer meter readings at various treatment plant sites. The accuracy of the readings varies within the limits inherent to each water meter.



RECONCILIATION OF WATER TREATED TO WATER DELIVERED/CONSUMED:

Total Water Treated for the Year (Produced)	61,177.09	MG
(Increase) Decrease In Clear Water Storage	8.18	MG
Total Treated Water Delivered/Consumed for the Year	61,185.27	MG

CHEMICAL TREATMENT AND ANALYSIS:
TREATED WATER IN DISTRIBUTION SYSTEM - 2014

CHEMICAL TREATMENT

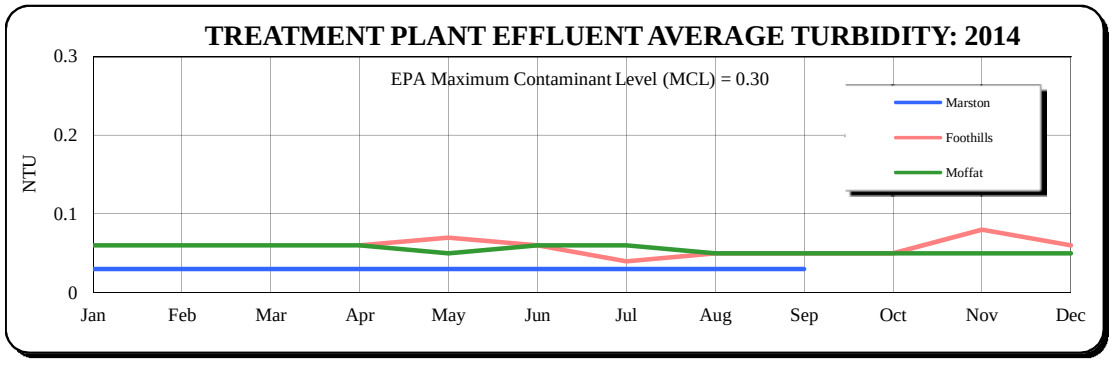
Chemicals are used at various points throughout the treatment plants to provide for appropriate water treatment including oxidation, coagulation, pH adjustment, fluoridation and disinfection. The following are total pounds and cost of chemicals used at each treatment plant.

	Pounds of Chemicals Used	Total Cost
Foothills	18,377,674	$ 2,252,416
Moffat	8,537,279	928,270
Marston	9,538,192	1,104,094
Recycling	2,553,612	321,706
	39,006,757	$ 4,606,486

DISTRIBUTION SYSTEM & TREATMENT PLANT EFFLUENT TOTAL COLIFORM RESULTS

Month	Number of Samples	Number of Positives	% Positive
January	408	0	0.00%
February	391	0	0.00%
March	397	0	0.00%
April	435	0	0.00%
May	429	0	0.00%
June	431	1	0.23%
July	425	0	0.00%
August	424	0	0.00%
September	442	0	0.00%
October	421	0	0.00%
November	371	0	0.00%
December	418	0	0.00%
	4,992	1	0.02%

The total coliform group of bacteria is a microbiological indicator used to determine the safety of drinking water for human consumption. The EPA and the Colorado Department of Public Health and Environment require that Denver Water test a minimum of 300 treated water samples each month for total coliforms. The Maximum Contaminant Level (MCL) for total coliform specifies that no more than 5% of the samples taken each month may be positive. All positive samples were further analyzed to determine if *E. coli* bacteria were present, which would indicate possible contamination from a fecal source. There were no *E. coli* positive samples in the current year.



Turbidity is a measure of the clarity of the water. EPA has established 0.30 NTU (Nephelometric Turbidity Unit) as the MCL for turbidity.

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES – 2014

Analysis	Maximum Contaminant Level (MCL)	Marston	Foothills	Moffat
General (mg/L)				
Alkalinity, Total as $CaCO_3$		58	55	34
Chlorine, Total		1.63	1.78	1.63
Hardness as $CaCO_3$		90	81	57
pH (SU)		7.7	7.8	7.8
Specific Conductance (µS)		289	257	159
Temperature (°C)		12	13	11
Total Dissolved Solids		167	152	104
Turbidity (NTU)	0.30	0.03	0.06	0.05
Metals (µg/L)				
Aluminum		26	38	<20
Barium	2,000	33	30	25
Boron		13	11	9
Calcium (mg/L)		24	22	16
Magnesium (mg/L)		7.1	6.6	3.5
Manganese		5	12	<2
Molybdenum		3	2	2
Potassium (mg/L)		1.6	1.5	1.1
Sodium (mg/L)		19	16	8
Strontium (mg/L)		0.20	0.19	0.08
Ions (mg/L)				
Chloride		22.3	20.2	9.8
Fluoride	4.0	0.66	0.68	0.61
Nitrate - Nitrogen	10	0.06	0.05	0.12
Silicon		2.7	3.3	3.9
Sulfate		44	38	29
Radiological (pCi/L)				
Uranium (µg/L)	30	<0.5	<0.5	0.9

(Continued next page)

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES – 2014 (Continued)

Analysis	Maximum Contaminant Level (MCL)	Marston	Foothills	Moffat
Disinfection By-Products (µg/L)				
Bromodichloromethane		5.1	3.7	3.8
Chloroform		8.7	9.3	12.4
Dibromochloromethane		1.6	0.9	<0.5
Dichloroacetic acid		7.7	8.0	9.3
Haloacetic Acids	60	13	14	18
Total Trihalomethanes	80	15	14	17
Trichloroacetic acid		5.3	6.1	8.3
Nonspecific Organics				
Total Organic Carbon (mg/L)		1.9	1.9	2.3
Total Organic Halogen (µg/L)		183	143	185

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES – 2014 (Continued)

The following analyses were performed and each of these constituents was either below the reporting limit or the average result was less than the reporting limit. The Maximum Contaminant Level is listed after the analysis in parentheses, if applicable. The unit of measure is also listed if different than that listed for the subsection.

General Parameters

Alkalinity, Phenolphthalein as $CaCO_3$
Chlorine, Free
Asbestos (7 MFL)

Metals - plumbing, mining, natural errosion (µg/L)

Antimony (6)
Arsenic (10)
Beryllium (4)
Cadmium (5)
Chromium (100)
Cobalt
Copper (TT[1])
Iron
Lead (TT[1])
Lithium
Mercury (2)
Selenium (50)
Silver
Thallium (2)
Titanium
Vanadium
Zinc

Ions - from farming, and industry, (mg/L, µg/L)

Bromide
Carbonate
Cyanide, Total
Hydroxide
Nitrite-Nitrogen (1)
Ortho Phosphorus, Dissolved

Radiological errosion of natural deposits/mining (pCi/L)

Alpha
Amercium-241
Beta
Cesium-134,137
Iodine-129, 131
Radium $^{226/228}$ (5)
Strontium-90
Thorium-227,234
Thallium=208
Uranium-235
Zinc-65

Microbiological - animal and human activity, Algal toxins

Cryptosporidium (oocysts/L)
E. coli (count/100 ml)
Giardia (TT[1]) *(cysts/L)*
Legionella (TT[1])
Plankton
Microcystin-LA (Algal Toxin)
Microcystin-LR
Microcystin-RR
Microcystin-YR
Nodularin
Total Coliform (DS)

Disinfection By-Products - reaction between the disinfectant and natural organic matter (µg/L)

Carbon Tetrachloride
Chlorate
Chloroacetonitrile
Monochloroacetic Acid
N-nitrosodiethylamine (Nitrosamine)
N-nitrosodimethylamine (NDMA)
N-nitrosodi-n-butylamine
N-nitrosodi-n-propylamine
N-nitrosomethylethylamine
N-nitrososdiphenylamine
Tribromoacetic Acid

Synthetic Organic Compounds (SOC) - from Feedstock/ combustion by-products, Flame retardants (µg/L)

1,2,4,5 -Tetrachlorobenzene
2-Chlorobiphenyl
2-Chlorophenol
2-Nitrophenol
2,4-Dichlorophenol
2,4-Dimethylphenol
2,4-Dinitrophenol
2,4-Dinitrotoluene
2,6-Dinitrotoluene
3,5-Dichlorobenzoic acid
4-tert-Octylphenol
4-Nitrophenol
4,6-Dinitro-2-methylphenol
Acenaphthene
Acenaphthylene
Acetochlor
Ametryn
Anthracene
Benzo(a)anthracene
Benzo(a)pyrene (0.2)
Benzo(b)fluoranthene
Benzo(g,h,i)perylene
Benzo(k)fluoranthene
Chloroprene
Chloropropylate
Chrysene
Cyclohexanone
Dibenzo(a,h)anthracene
Diethanolmine (DEA)
Ethyl acrylate
Ethyl tert-butyl ether
Fluoranthene
Fluorene
Hexachlorobenzene
Hexachlorocyclopentadiene
Indeno(1,2,3-cd)pyrene
Isophorone
Methacrylonitrile
Methyl acrylate
Naphthalene
n-Butyl Acrylate
N-nirtosopyrollidine
Nitrobenzene
Nonylphenol isomer mix
Pyrene
Quinoline
TCPP
TDCPP

SOC - Plastizers, Surfactants, Personal Care Products µg/L, ng/L

2,4,5-Trichlorobiphenyl
4-Chloro-3-methylphenol
4-nonylphenol - semi quantitative
Benzyl chloride
Bis(2-ethylhexyl)adipate
Bis(2-ethylhexyl)phthalate
Bisphenol A
Butyl benzyl phthalate
Butylparaben
Chloroprene
Desethylatrazine
Desisopropylatrazine
Diethyl phthalate
Dimetyl phthalate
Di-n-butyl phthalate
Di-n-octyl phthalate

[1]TT indicates that the MCL involves treatment techniques.

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES – 2014 (Continued)

Epichlorohydrin
Erucylamide
Ethyl acrylate
Ethyl methacrylate
Ethylparaben
Galaxolide
Isobutylparaben
Isopropyl ether
Methyl paraben
Methacrylonitrile
Polychlorinated Biphenyls (PCB)
PCB 1016 Aroclor
PCB 1221 Aroclor
PCB 1232 Aroclor
PCB 1242 Aroclor
PCB 1248 Aroclor
PCB 1254 Aroclor
PCB 1260 Aroclor

Perfluoro octanesulfonic acid (PFOS)

Perfluoro-1-butanesulfonic acid (PFBS)
Perfluoro-1-hexanesulfonic acid (PFHxS)
Perfluoroheptanoic acid (PFHpA)
Perfluoro-nonanoic acid (PFNA)
Perfluorooctanoic acid (PFOA)
Phenol
Propylparaben
Pyrene
TCEP
TCPP
TDCPP
Tetrabromobisphenol A
Toxaphene
Triclosan

Pesticides µg/L

1,2-Dibromo-3-chloropropane (0.2)
2,4,5-T
2,4,5-Trichlorobiphenyl
2,4,6-Trichlorophenol
2,4-D (70)
2,4-DB

3-Hydroxycarbofuran
4,4'-DDD
4,4'-DDE
4,4'-DDT
alpha-BHC
alpha-Chlordane
Acifluourfen
Alachlor (2)
Aldicarb
Aldicarb sulfone
Aldicarb sulfoxide
Aldrin
Atraton
Atrazine (3)
Azoxystrobin
Baygon
Bendiocarb
Benfluralin

Bensulide

Bentazon

β-BHC (beta-BHC)
Bolstar
Bromacil
Butachlor
Butylate
Carbaryl
Carbofuran
Carbophenothion
Chlordane
Chlorfenvinphos
Chloridazon
Chlorneb
Chlorobenzilate
Chlorothalonil

Chlorotoluron
chlorpyrifos methyl
cis-Nonachlor
cis-Permethrin
Clomazone
Clopyralid

Coumaphos
Crotoxyphos
Cyanazine
Dacthal
Dalapon (200)
DCPA acid metabolites
Demeton O
Demeton S
Desisopropylatrazine (DIA)
delta- BHC
Diazinon
Dicamba
Dichlobenil
Dichlofenthion
Dichloran
Dichloprop
Dichlorvos
Dicrotophos

Dieldrin

Diflubenzuron

Dimethoate
Dinoseb
Dioxathion
Dioxin
Diphenamid
Diquat
Disulfoton
Disulfoton sulfone
Disulfoton sulfoxide
Diuron
Dursban
Endosulfan sulfate
Endosulfan –A
Endosulfan –B

Endothall
Endrin (2)
Endrin Aldehyde
EPN
EPTC
Esfenvalerate
Ethalfluralin

Ethion
Ethofumesate
Ethoprop
Ethylene dibromide
Etridiazole
Famphur
Fenamiphos
Fenarimol
Fenitrothion
Fenoxaprop-ethyl
Fensulfothion
Fenthion
Fenuron
Fluazifop-butyl
Fluchloralin
Fluometuron
Fluridone
Fonofos

gamma-Chlordane

Glyphosate

Halofenozide
Halosulfuron methyl
Heptachlor (0.4)
Heptachlor Epoxide (0.2)
Hexachlorobenzene
Hexazinone
Imidacloprid
Iodomethane
Iprodione
Isofenphos
Isoproturon
Leptophos
Lindane
Linuron

Malathion
Metalaxyl
Metazachlor
Methiocarb
Methomyl
Methoxychlor
Methyl paraoxon

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES – 2014 (Continued)

Methyl parathion
Metolachlor
Metribuzin
Metsulfuron-methyl
Mevinphos
MGK 264 isomer a
MGK 264 isomer b
MGK 326
Mirex
Molinate
Monocrotophos
Monuron
Naled

Napropamide
Neburon
N-nitrosomorpholine
N-nitrosopiperidine
Norflurazon
Oryzalin

Oxadiazon
Oxamyl (200)
Oxychlordane
Oxyfluorfen
Paclobutrazol
Paraquat
Parathion
PCNB

Pebulate
Pendimethalin

Pentachlorophenol (1)
Permathrin Isomers
Permathrin, cis & trans
Phorate

Phosmet
Picloram
Profluralin
Prometon
Prometryn
Pronamide
Propachlor
Propanil

Propargite
Propazine
Propiconazole isomer a
Propiconazole isomer b
Propoxur
Prothiofos
Siduron, Total
Silvex (50)
Simazine (4)
Simetryn
Stirofos
Sulfotep
Tebuthiuron

Terbacil
Terbuthylazine
Terbutryn
Thidiazuron
Thiobencarb
Thionazin

trans-Nonachlor
Triademefon
Triadimenol
Tribufos
Trichloronate
Tricyclazole
Trifluralin
Vernolate

Vinclozolin
Z-Phosphamidon

Volatile Organic Compounds (VOC) - from solvents, feedstock/ fuels, Flame retardants (µg/L, ng/L)

1,1,1,2-Tetrachloroethane
1,1,1-Trichloroethane (200)
1,1,2,2-Tetrachloroethane

1,1,2-Trichloroethane (5)
1,1-Dichloroethane
1,1-Dichloroethene (7)
1,1-Dichloropropene
1,2,3-Trichlorobenzene
1,2,3-Trichloropropane
1,2,3-Trimethylbenzene
1,2,4-Trichlorobenzene (70)

1,2,4-Trimethylbenzene
1,2,4,5-Tetrochlorobenzene
1,2-Dichloroethane (5)
1,2-Dichloropropane (5)
1,3,5-Trimethylbenzene
1,3-Dichloropropane
1,3-Dichloropropene
1,4-Dioxane
1-Chlorobutane
2,2-Dichloropropane
2-Hexanone
2-Nitropropane
4-Methyl-2-Pentanone (MIBK)

Acrylonitrile
Allyl chloride
Benzene (5)
Bromobenzene
Bromoethane
Bromomethane

Carbon disulfide
Chlorobenzene (100)
Chlorodifluoromethane (CFC 22)
Chloroethane
Chloromethane
cis-1,2-Dichloroethene (70)
cis-1,3-Dichloropropene
Dibromomethane

Dichlorodifluoromethane (CFC-12)
Dichloromethane (5)

Diethyl ether
Diisopropyl ether
Epichlorohydrin
Ether

Ethyl Benzene (700)
Ethyl tert-butyl ether
Ethylbenzene
Freon 113
Hexachloroethane
Hexachlorobutadiene
Isopropylbenzene (Cumene)
m-Dichlorobenzene

Methyl tert-butyl ether (MTBE)
n-Butylbenzene
n-Propylbenzene
o-Chlorotoluene
o-Dichlorobenzene (600)
p-Chlorotoluene
p-Dichlorobenzene (78.5)
Pentachlorobenzene
Pentachloroethane
p-Isopropyltoluene (Cymene)
Propionitrile
sec-Butylbenzene
Styrene (100)

tert-Amyl Methyl ether (TAME)
tert-Butyl alcohol
tert-Butylbenzene
Tetrachloroethene (5)
Tetrahydrofuran
Toluene (1000)

trans-1,2-Dichloroethene (100)
trans-1,3-Dichloropropene
trans-1,4-Dichloro-2-butene
Trichloroethylene (5) (TCE)
Trichlorofluoromethane
Vinyl acetate
Vinyl Chloride (2)
Xylenes (10000)

Pharmaceuticals/Hormones (µg/L, ng/L)

17 alpha-Ethynyl estradiol

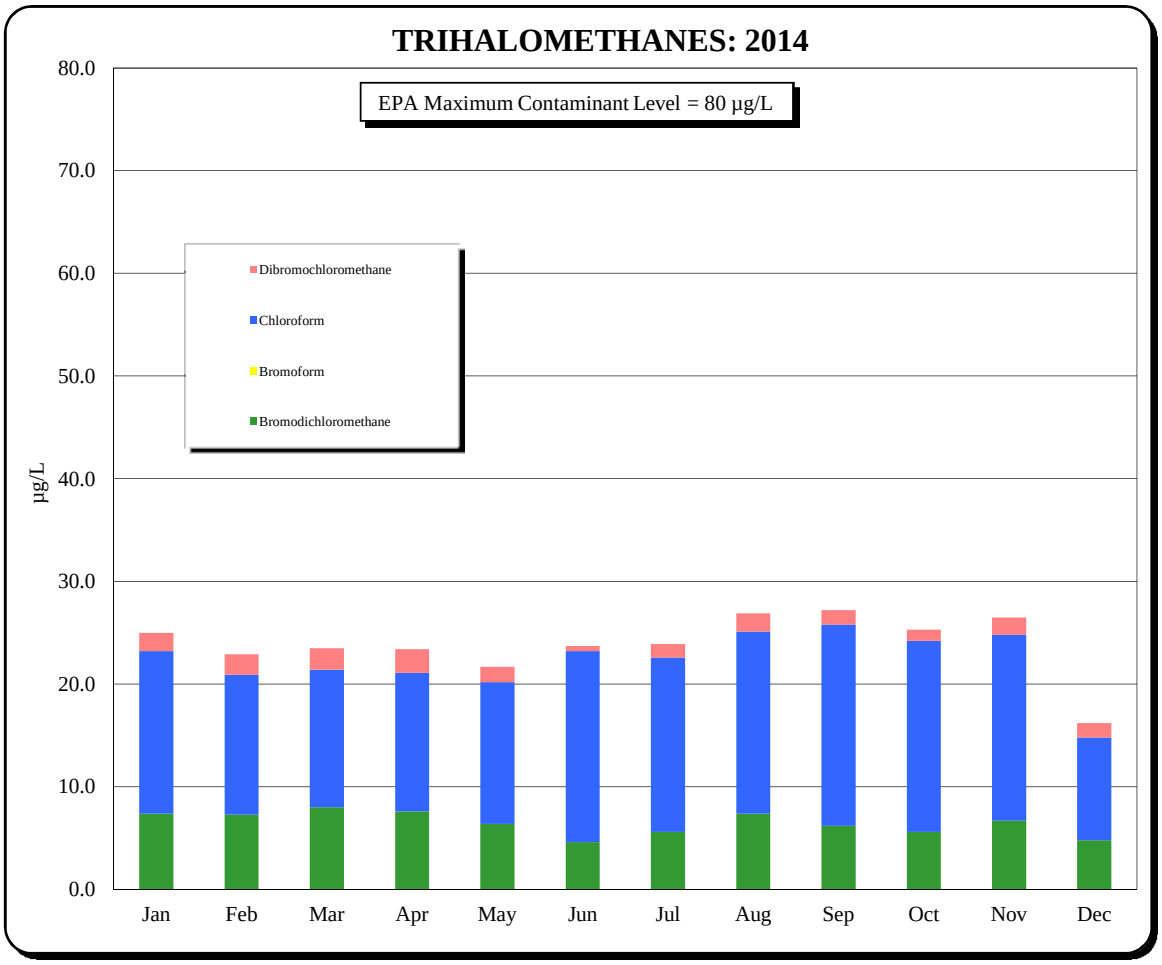
17-beta-Estradiol
4-androstene-3,17-dione
Acetaminophen (Tylenol)
Albuterol

Amoxicillin (semi-quantitative)
Andorostenedione
Atenolol
Azithromycin
Bendroflumethiazide
Bezafibrate
Butalbital
Caffeine

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES – 2014 (Continued)

Carbadox
Carbamazepine
Carboxin
Carisoprodol (Soma)
Chloramphenicol
Chlorotetracycline
Ciprofloxacin
Clofibric acid
Cimetidine
cis-Testosterone
Cotinine
Dehydronifedipine
Dexamethasone
Diazepam (Valium)
Diclofenac
Diethylstilbestrol (DES)
Dilantin
Diltiazem
Doxycycline
Equilin
Erythromycin
Estradiol
Estriol
Estrone
Fluoxetine (Prozac)
Gemfibrozil
Ibuprofen
Iohexol
Iopromide
Ketoprofen
Ketorolac
Lasalocid
Levothyroxine (Synthroid)
Lidocaine
Lincomycin
Lopressor
Meprobamate
Methyl methacrylate
Monensin
Naproxen (Aleve)
Narasin
Nifedipine
Norethisterone
Norfloxacin
Oleandomycin
Oxolinic acid
Oxytetracycline
Paraxanthine
Penicillin G
Penicillin V
Pentoxifylline (Aventis)
Phenanthrene
Phenazone
Prednisone
Primidone
Progesterone
Roxithromycin
Salicylic acid
Salinomycin
Simvastatin
Sulfachloropyridazine
Sulfadiazine
Sulfadimethoxine
Sulfamerazine
Sulfamethazine
Sulfamethizole
Sulfamethoxazole
Sulfasalazine
Sulfathiazole
Testosterone
Tetracycline
Theobromine
Theophylline
Thiabendazole
trans-Testosterone
Trimethoprim
Tylosin
Virginiamycin M1
Warfarin

DISTRIBUTION SYSTEM AVERAGE TRIHALOMETHANES - 2014



Trihalomethanes (THMs) are organic compounds formed when chlorine disinfectant is added to the water. The use of chlorine and other chlorine-based disinfectant compounds is mandated by health regulatory agencies to eliminate microbiological contaminants from drinking water. The creation of THMs is a consequence of this necessary practice. THMs are comprised of four individual compounds. EPA has established 80 mg/L as the MCL for Total Trihalomethanes (the sum of the four individual compounds). The amounts present in the Denver distribution system are consistently below the 80 mg/L level.

WATER QUALITY SAMPLE COLLECTION AND ANALYTICAL PROCEDURES - 2014

Samples Collected:	
Watershed	1,669
Treatment plant	1,358
Distribution system	11,316
Other	2,258
	16,601

Analyses Performed:	
Microbiological	12,070
Chemical	54,181
	66,251

Transmission and Distribution

2014 Facts

Miles of pipe installed, net of reductions	16.1
Miles of pipe in system	3,074.2
Miles of recycled water mains in system	67.0
Number of valves operated and maintained	81,262
Number of recycled water valves in system	1,380
Number of hydrants operated and maintained	20,030

Leak Detection Program:

Miles of pipe surveyed	1,290
Visible leaks pinpointed	160
Non-visible leaks detected	110

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TRANSMISSION AND DISTRIBUTION MAINS[1] - 2014

SUMMARY OF PIPE BY MATERIAL

	Length in Feet			Length in Miles
Kind of Pipe	12-31-13	Net Change	12-31-14	12-31-14
Cast iron	6,019,760	(59,371)	5,960,389	1,128.9
Cement Asbestos	1,660,555	(1,835)	1,658,720	314.2
Cement Mortar coated steel	121	-	121	-
Concrete[4]	16,806	(539)	16,267	3.1
Copper	1,518	(222)	1,296	0.2
Ductile iron	3,159,405	25,035	3,184,440	603.1
Embedded Cyl Prestressed	79,141	-	79,141	15.0
Galvanized	4,420	(113)	4,307	0.8
Lined Cyl Prestressed	238,948	(3,475)	235,473	44.6
Non-Cyl Prestressed	7,553	-	7,553	1.4
Pretensioned Concrete	69,891	(56)	69,835	13.2
Polyvinyl chloride	2,963,582	125,512	3,089,094	585.1
Reinforced Concrete Cyl	288,886	(400)	288,486	54.6
Reinforced Concrete Non-Cyl	74,261	(1,339)	72,922	13.8
Steel[3]	1,537,543	1,810	1,539,353	291.5
Steel -tape coated	-	-	-	-
Steel - enamel coated	-	-	-	-
Unknown[2]	24,704	(56)	24,648	4.7
	16,147,094	84,951	16,232,045	3,074.2

SUMMARY OF PIPE BY DIAMETER

	Length in Feet			Length in Miles
Diameter of Pipe in Inches	12-31-13	Net Change	12-31-14	12-31-14
0.75	53	106	159	-
1	400	(64)	336	0.1
1.5	395	-	395	0.1
2	2,172	(253)	1,919	0.4
3	5,440	(280)	5,160	1.0
4	118,054	464	118,518	22.4
6	4,757,579	1,628	4,759,207	901.1
8	4,610,781	55,555	4,666,336	883.8
10	127,097	(406)	126,691	24.0
12	3,292,610	26,510	3,319,120	628.6
14	43,642	(3,618)	40,024	7.6
15	4,502	-	4,502	0.9
16	554,016	5,143	559,159	105.9
18	56,260	(16)	56,244	10.7
20	131,569	1,732	133,301	25.2
24	476,658	(1,865)	474,793	89.9
27	1,400	-	1,400	0.3
30	418,672	560	419,232	79.4
33	-	-	-	-
36	499,624	(3,092)	496,532	94.0
40	59	-	59	-
42	198,289	2,550	200,839	38.0
45	76	-	76	-
46	22,100	9	22,109	4.2
48	122,269	(269)	122,000	23.1
51	6,361	-	6,361	1.2
54	176,478	666	177,144	33.6
57	12,979	-	12,979	2.5
60	185,684	149	185,833	35.2
63	17,586	-	17,586	3.3
66	78,691	(122)	78,569	14.9
67	1,007	-	1,007	0.2
72	112,690	(632)	112,058	21.2
78	17	(17)	-	-
84	17,994	235	18,229	3.5
88	-	-	-	-
90	32,846	5	32,851	6.2
96	69	328	397	0.1
108	57,886	-	57,886	11.0
120	3,039	(5)	3,034	0.6
150	50	(50)	-	-
	16,147,094	84,951	16,232,045	3,074.2

[1]Mains within the City and Total Service Contract Areas.

[2]Unknown pipe material is assumed to be cast iron.

[3]Steel pipe is no longer separated out by pipe coating. That information is tracked separately.

[4]The Conduit Rectification Project has allowed concrete pipe to be more discretely defined as variations of Cylindrical Prestressed and Reinforced.

VALVES[1] - 2014

SUMMARY OF VALVES BY TYPE

Type of Valve	12-31-13	Net Change	12-31-14
Air vacuum valve	2,931	157	3,088
Ball valve	43	-	43
Blowoff valve	3,273	(101)	3,172
Butterfly valve	1,740	51	1,791
Check valve	92	3	95
Cone valve	131	(1)	130
Gate valve	48,256	(373)	47,883
Hub valve	29	(5)	24
MacDougall blowoff valve	149	(2)	147
Pito (Corp stop)	627	(2)	625
Pressure regulating valve	295	(4)	291
Unknown	-	-	-
Vacuum valve	16	-	16
Gate valve - Resilient Seat	22,126	1,282	23,408
Altitude valve	1	-	1
Corp Stop	519	(14)	505
Surge valve	16	6	22
Slide gate valve	13	(1)	12
Plug valve	1	-	1
Sleeve valve	4	1	5
Knife valve	3	-	3
	80,265	997	81,262

SUMMARY OF VALVES BY DIAMETER

Diameter of Valve in Inches	12-31-13	Net Change	12-31-14
0.75	67	3	70
1	1,351	(19)	1,332
2	3,402	101	3,503
2.5	-	-	-
3	170	(3)	167
4	1,741	47	1,788
6	37,666	307	37,973
8	18,802	351	19,153
10	608	4	612
12	14,008	176	14,184
14	97	8	105
15	-	2	2
16	502	2	504
18	133	8	141
20	252	1	253
24	697	(3)	694
27	-	-	-
30	254	(2)	252
36	232	1	233
42	91	(3)	88
48	75	1	76
54	43	2	45
60	44	1	45
66	2	2	4
72	18	4	22
84	7	-	7
96	-	6	6
108	3	-	3
	80,265	997	81,262

[1]Valves within the City and Total Service Contract Areas.

FIRE HYDRANTS[1] - 2014

FIRE HYDRANTS

Size in Inches	Total Hydrants 12-31-13	Net Change	12-31-14
4	43	(2)	41
6	19,775	214	19,989
	19,818	212	20,030

FIRE HYDRANT BRANCH PIPE

Size in Inches	Kind of Pipe	Length in Feet 12-31-13	Net Change	12-31-14
4	Cast iron	807	-	807
4	Ductile iron	101	-	101
6	Cast iron	90,356	(2,265)	88,091
6	Cement asbestos	3,066	(7)	3,059
6	Ductile iron	257,906	7,530	265,436
6	Polyvinylchloride	929	-	929
6	Steel	18,357	163	18,520
6	Unknown	13,396	(397)	12,999
8	Steel	-	385	385
		384,918	5,409	390,327

SUMMARY OF FIRE HYDRANT BRANCH PIPE BY MATERIAL

Kind of Pipe	Length in Feet 12-31-13	Net Change	12-31-14
Cast iron	91,163	(2,265)	88,898
Cement asbestos	3,066	(7)	3,059
Ductile iron	258,007	7,530	265,537
Polyvinylchloride	929	-	929
Steel	18,357	548	18,905
Unknown	13,396	(397)	12,999
	384,918	5,409	390,327

SUMMARY OF FIRE HYDRANT BRANCH PIPE BY DIAMETER

Size in Inches	Length in Feet 12-31-13	Net Change	12-31-14
4	908	-	908
6	384,010	5,024	389,034
8	-	385	385
	384,918	5,409	390,327

[1]Fire hydrants and branch pipe within the City and Total Service Contract Areas.

RECYCLED WATER MAINS AND VALVES - 2014

RECYCLED WATER MAINS

SUMMARY OF PIPE BY MATERIAL

Kind of Pipe	Length in Feet 12-31-13	Net Change	12-31-14
Copper	126	(9)	117
Ductile Iron	25,360	452	25,812
PVC	183,675	8,810	192,485
Steel	123,900	11,591	135,491
	333,061	20,844	353,905

SUMMARY OF PIPE BY DIAMETER

Size	Kind of Pipe	Length in Feet 12-31-13	Net Change	12-31-14
2"	Copper	92	(9)	83
2"	PVC	60	-	60
2"	Steel	17	-	17
3"	Copper	34	-	34
3"	PVC	485	(4)	481
4"	Ductile Iron	154	(3)	151
4"	PVC	6,140	882	7,022
4"	Steel	23	11	34
6"	Ductile Iron	4,198	421	4,619
6"	PVC	15,738	43	15,781
6"	Steel	472	(11)	461
8"	Ductile Iron	2,164	(6)	2,158
8"	PVC	31,653	957	32,610
8"	Steel	227	50	277
10"	Ductile Iron	51	(7)	44
10"	PVC	357	6	363
10"	Steel	81	-	81
12"	Ductile Iron	295	13	308
12"	PVC	45,025	(117)	44,908
12"	Steel	9,922	(19)	9,903
14"	Steel	13	-	13
16"	Ductile Iron	45	31	76
16"	PVC	24,417	665	25,082
16"	Steel	88	31	119
18"	PVC	91	-	91
18"	Steel	28	-	28
20"	PVC	27,268	6,429	33,697
20"	Steel	238	16	254
24"	PVC	31,489	(50)	31,439
24"	Steel	5,345	368	5,713
30"	Ductile Iron	1,525	-	1,525
30"	PVC	68	-	68
30"	Steel	23,578	41	23,619
36"	DI	16,928	2	16,930
36"	PVC	419	-	419
36"	Steel	18,416	10,840	29,256
42"	PVC	302	-	302
42"	Steel	36,269	56	36,325
48"	PVC	164	-	164
48"	Steel	7,818	205	8,023
54"	Steel	21,286	3	21,289
84"	Steel	78	-	78
		333,061	20,844	353,905

RECYCLED WATER VALVES

SUMMARY OF VALVES BY TYPE

Type of Valve	12-31-13	Net Change	12-31-14
Air vacuum valves	208	58	266
Blowoff valve	167	7	174
Butterfly valve	174	43	217
Check Valve	29	6	35
Corp Stop	97	1	98
Cone	1	5	6
Gate valve	488	70	558
Pitot	18	-	18
Plug Valve	2	1	3
PRV	3	1	4
Sleeve Valve	1	-	1
	1,188	192	1,380

SUMMARY OF VALVES BY DIAMETER

Diameter of Valve	12-31-13	Net Change	12-31-14
1"	113	2	115
2"	196	24	220
2.5"	1	(1)	-
4"	101	45	146
6"	344	56	400
8"	110	14	124
10"	16	4	20
12"	141	6	147
16"	28	1	29
18"	1	-	1
20"	33	14	47
24"	39	16	55
30"	16	3	19
36"	20	8	28
42"	13	-	13
48"	7	-	7
54"	9	-	9
	1,188	192	1,380

BREAKS IN MAINS, WATER CONTROL AND LEAK DETECTION SERVICES - 2014

DENVER MAIN BREAKS

Size	Pipe Material	Number of Breaks
3"	Cast Iron	1
4"	Cast Iron	3
4"	Ductile Iron	1
4"	Cement Asbestos	1
6"	Ductile Iron	8
6"	Cement Asbestos	4
6"	PVC	3
6"	Cast Iron	90
8"	Cement Asbestos	1
8"	Ductile Iron	2
8"	PVC	2
8"	Cast Iron	39
12"	Cement Asbestos	2
12"	Cast Iron	20
12"	Ductile Iron	8
16"	PVC	1
16"	Ductile Iron	1
16"	Steel	3
20"	Steel	1
		191

TOTAL SERVICE MAIN BREAKS

Size	Pipe Material	Number of Breaks
4"	Cast Iron	3
4"	Ductile Iron	3
6"	Ductile Iron	4
6"	Cast Iron	29
6"	Cement Asbestos	2
8"	Cement Asbestos	2
8"	Ductile Iron	3
8"	Cast Iron	10
8"	PVC	2
10"	Cast Iron	3
12"	Cast Iron	4
12"	Ductile Iron	3
16"	Ductile Iron	1
		69

WATER CONTROL SERVICES

	2014	2013	2012	2011	2010
Service Calls	7,565	8,989	11,892	10,994	12,654
Service Leaks	337	719	402	385	287
Service Turn Ons	319	649	844	661	449
Service Turn Offs	614	1,588	935	1,094	799
Valve Leaks	59	64	58	64	39
Fire Hydrants Hit	155	146	146	148	107
Fire Hydrants Packed and Greased	28,110	22,153	23,360	25,574	20,145
Fire Hydrants Excavated for Replacement	116	160	435	301	358
Fire Hydrants, Miscellaneous Repairs	1,125	2,718	1,171	737	493
Total Fire Hydrants Tested and Repaired	29,506	25,177	25,112	26,760	21,103

LEAK DETECTION PROGRAM

	2014	2013	2012	2011	2010
Non-Visible Leaks Detected	110	61	93	122	100
Non-Visible Water Leaks Loss (1000's of Gallons)[1]	28,908	16,030	24,440	32,061	28,280
Visible Leaks Pinpointed	160	116	137	199	43
Miles Surveyed	1,290	615	1,022	802	801
Savings Generated from Saving Lost Water[1]	$ 55,212	$ 30,618	$ 46,681	$ 61,237	$ 59,670
Savings Generated from Pinpointing Leaks[1]	112,000	81,200	95,900	139,300	30,100
Total Savings Generated from Leak Detection Program[1]	$ 167,212	$ 111,818	$ 142,581	$ 200,537	$ 89,770

[1]Estimated.

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