Ralston Reservoir

DENVER WATER

2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011 Denver, Colorado

The City and County of Denver has determined under Governmental Accounting Standards Board Statements No. 14 and 39 that its relationship with Denver Water is such that Denver Water's financial statements should be included as a "Component Unit" in the City's Comprehensive Annual Financial Report. Under the Denver City Charter, Denver Water is a legally separate and distinct legal entity from the City and County of Denver and the City and County is not financially accountable for Denver Water.

DENVER WATER

Prepared by the Accounting Section of the Finance Division

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2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011 Denver, Colorado

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INTRODUCTORY SECTION

DENVER WATER

May 1, 2012

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, 2011.

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 unqualified ("clean") opinion on Denver Water's financial statements for the year ended December 31, 2011. 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, the five-member governing board of the Denver Water Department purchased the company for the citizens of the City and County of Denver ("City"). The

Denver Water Department was set up as an independent City water agency, with the philosophy that it would be operated as a business and remain separate from political influences.

Denver Water is governed by a five-member Board of Water Commissioners (the "Board") appointed by the Mayor of the City for overlapping six-year terms. Denver Water 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, Denver Water 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.

In accordance with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, and 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, Denver Water would be classified as 1) an "other stand-alone government" since Denver Water is a legally separate and distinct entity from the City under the Charter of the City, and the City is not financially accountable for Denver Water, and 2) a "related organization" since the Mayor of the City appoints Denver Water's governing body, but is not financially accountable. However, the City has elected to include Denver Water's financial statements in the City's financial statements as a component unit enterprise fund because, in the City's opinion, the nature and significance of Denver Water's relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

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 (10 years) capital, operation and maintenance, and financial plans that are updated annually.

  The Ten-Year 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. It is used as the basis for projecting the annual Capital Work Plan.

  The Ten-Year Operation and Maintenance Plan includes the ongoing costs of operating and maintaining the water system and the impact of the Ten-Year Capital Plan on operations.

  The Ten-Year Financial Plan considers compliance with debt covenants and the year-end targeted investment balance.

- 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.

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 deteriorate.

Local Economy

The City 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 – Ten Year Capital Plan

Total projected expenditures for the 2012-2021 Ten-Year Capital Plan are $1.6 billion, net of anticipated participation and reimbursement. The program includes:

- $284.1 million for the Moffat Collection System Project for the evaluation, permitting, and construction process to augment our supply to the northern service area. The U.S. Army Corps of Engineers ("the Corps") has released a draft Environmental Impact Statement ("EIS") evaluating the potential effects of this option. The Corps is now gathering supplemental information and responding to comments. A final decision on a permit is not likely before the first quarter of 2013.

- $178.2 million to meet the Board's goal of doubling our rate of main replacements and conduit and main rehabilitation over the next 10 years. This acceleration will raise our replacement cycle from 200 years to the industry standard of 100 years. Conduit and main replacement costs also include cement mortar relining of conduits and mains to extend the useful life at a significant savings over open trench replacement.

- $131.3 million for the first phase of costs to rebuild the Moffat Treatment Plant to replace portions of the plant that are reaching the end of their useful life and to increase the capacity to 250 million gallons per day (MGD). The upgrades will ensure continued delivery of high quality water to the northern metropolitan area.

- $96.3 million to meet the Board's goal of bringing the capacity of the Recycled Water Plant and distribution system to 17,000 acre feet.

- $94.9 million for the replacement of the two obsolete clear water storage tanks at Hillcrest and Ashland.

- $77.9 million for the replacement of Conduits 16 and 22, two aging and under-utilized raw water conduits which supply water to the Moffat Treatment Plant for the northern metropolitan area while also satisfying Denver Water's contractual obligations to the city of Arvada.

Revenue adjustments identified in the 2012 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 2012 was effective beginning January 1, 2012. This adjustment is expected to produce 5.5% of additional revenue over this 12-month period. In addition, annual revenue adjustments of 5.5% are projected in 2013 through 2016 followed by annual revenue adjustments of 5.0% in 2017 through 2021. 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 related policies and practices are as follows:

Balanced Budget/Cash Reserves
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. 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 2012 with an actual investment balance of $187.3 million, at cost. The 2012 budget projects this balance to increase by receipts of $334.8 million and decrease by expenditures of $347.8 million, resulting in a projected 2012 ending balance of $174.3 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.

Major Initiatives – 2012 Goals and Objectives

- **Integrated Resource Plan** - The Integrated Resource Plan will help guide decisions related to our water system during the next 40 years. Long-term planning has always been a key element in our ability to meet customers' needs in a rapidly growing, dry region. Today's customers benefit from a reliable water system, much of which was planned decades ago.

The IRP, a planning process we instituted in 1997, examines water collection, treatment, distribution and recycling systems, and provides guidance about what will be needed in the future. It scrutinizes water-demand projections and demand-management alternatives, as well as water-supply options and alternatives. We've considered a wide variety of supply and demand management methods available to Denver Water, including conservation, nonpotable water recycling, expansion or development of new water supply and storage projects, system refinements, and cooperative projects with other entities. We've considered strategies such as watershed management and water treatment methods to maintain our high quality of drinking water. We've also considered methods for minimizing water service interruption, including adding backup infrastructure and improving emergency management procedures. All strategies are aimed at meeting the future water needs of our customers.

In 2012, Denver Water plans to spend $650,000 on additional studies for long-term supply options identified in the IRP process. We will employ various services to help us complete several studies for the IRP, including watershed evaluations and climate analyses, as well as pilot programs on rebates for converting turf landscaping to Xeriscape, deep aquifer water storage, and graywater recycling, among other studies. Enlarging Gross Reservoir, an important near-term planning project, has $1.5 million in the 2012 budget to finalize the Environmental Impact Statement.

- **Colorado River Cooperative Agreement -** In 2011, Denver Water and more than 30 West Slope partners announced the proposed Colorado River Cooperative Agreement, which will achieve better environmental health for the Colorado River Basin, improve economics for many cities, counties and businesses impacted by the river, and help secure future supply for Denver Water's service area. The proposed agreement, five years in the making, will now be considered by towns, counties, and water entities from the headwaters to the Utah state line.

  Focused on cooperation, the proposed agreement brings parties who traditionally have been at odds together as partners on a path to responsible water development benefitting both the East and West Slopes. The proposed agreement, expected to be signed by all partners by the end of 2012, is the largest of its kind in the history of the state. In addition to its benefits for Denver Water and the West Slope, the proposed agreement will trigger a major water-sharing and conservation arrangement between Denver Water, Aurora Water and water providers in the South Denver metro-area. Taken as a whole, these landmark agreements mark the most significant change Colorado has seen in how the state's water resources are managed.

- **Strategic Plan** – In March 2011, Denver Water's Board of Water Commissioners adopted the Strategic Plan, which describes our vision for securing Denver Water's future as the best utility in the nation. The plan provides long-term guidance for our thinking and practices.

  The Strategic Plan's initiatives will take years to implement, and some will continue in perpetuity. Many projects highlighted within the plan, such as the Integrated Resource Plan and the Colorado River Cooperative Agreement, have been in the works for years, while others were direct outcomes of the Strategic Plan. One of the key Strategic Plan initiatives we will work on in 2012 is Lean.

- **Lean** - We have set aside $325,000 in 2012 to implement Lean, a process by which we plan to carry out the Strategic Plan. Lean concepts, which began as a way to improve Toyota's manufacturing process, focus on serving internal and external customers better by eliminating waste in businesses processes. There are two main aspects of Lean. For one, Lean processes strive to find efficiencies in processes instead of simply laying off employees. Secondly, Lean's

philosophy is that waste is disrespectful. It's disrespectful to the employee, whose time is valuable, and it's disrespectful to the customer, who ends up paying for inefficiencies.

Organizations that successfully use Lean to implement their programs see double- and triple-digit percent improvements in efficiency, which saves time, money and valuable resources. Those kinds of cost-savings are important to us, especially as we ramp up for significant expenditures down the road. For example, in the past 10 years, we've spent $900 million on our capital plan. In the next 10 years, we'll spend $1.6 billion. If we're going to ask ratepayers to pay for that infrastructure, we have to be as efficient as possible and focus revenue and employees on exactly the right processes and projects, at the right time, and in the right amount. We will spend 2012 beginning to implement this approach with our billing and tap sales processes, as well as with critical pressure regulating valves in our distribution system.

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, 10, Exhibits II-A through II-G
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, 2010. This was the 23nd 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, 2011. This is the 20th 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.

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



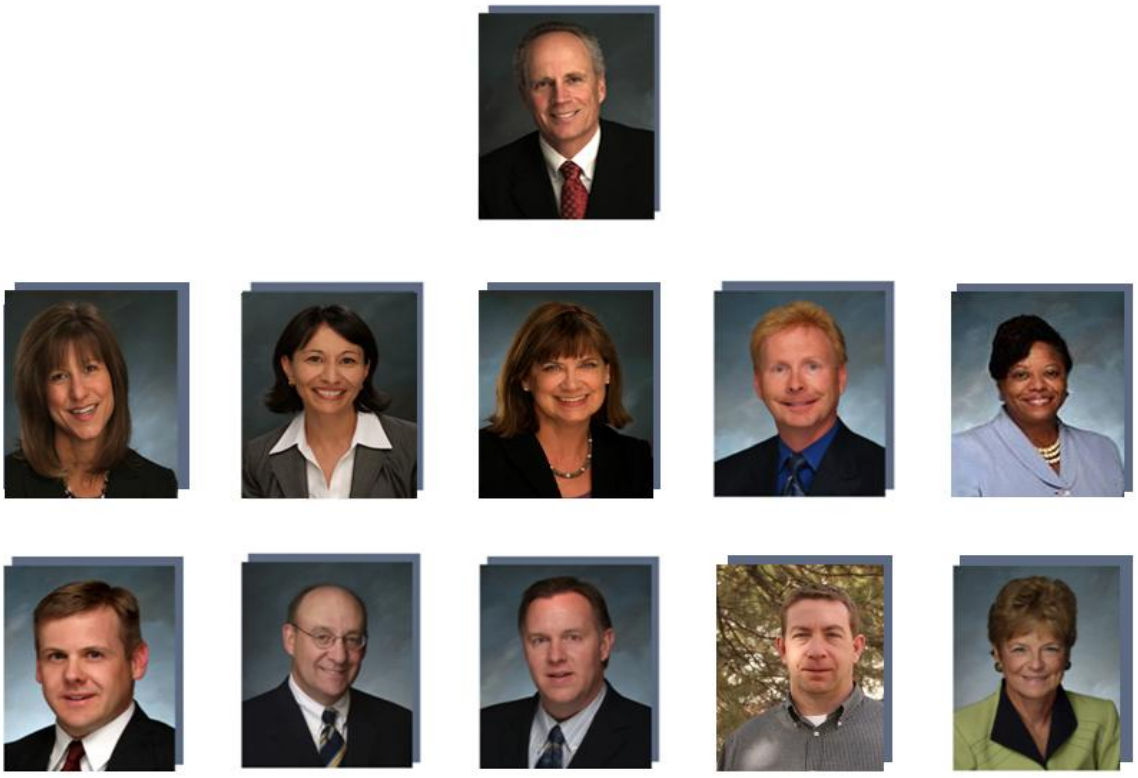


Top from left, Greg Austin, John R. Lucero;
Bottom from left, Thomas A. Gougeon, Paula Herzmark, Penfield W. Tate III

Greg Austin, President Former partner, Holland & Hart LLP.	*Commissioner since July 28, 2009;* *Term expires July 10, 2013.*
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, 2013.*
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



Top: James S. Lochhead, CEO/Manager;
Second row from left: Julie Anderson, Director of Customer Relations; Angela C. Bricmont, Director of Finance; Sally Covingtion, Director of Public Affairs; Christopher R. Dermody, Director of Information Technology; Carla Y. Elam-Floyd, Director of Human Resources; Third row from left: Brian D. Good, Deputy Manager of 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

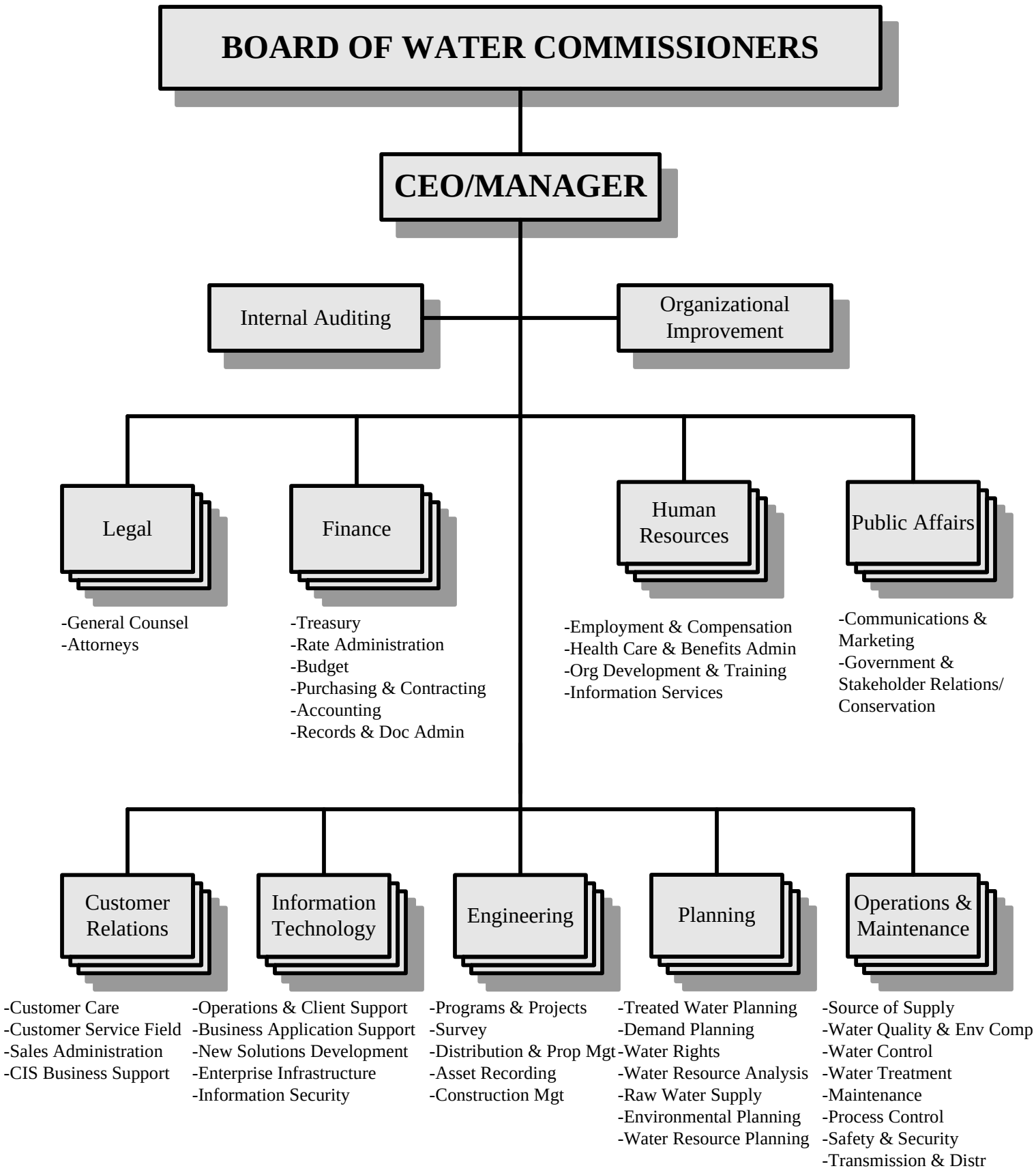
James S. Lochhead, CEO/Manager
Julie Anderson, Director of Customer Relations[1]
Angela C. Bricmont, Director of Finance
Sally Covington, Director of Public Affairs[2]
Christopher R. Dermody, Director of Information Technology
Carla Y. Elam-Floyd, Director of Human Resources
Brian D. Good, Deputy Manager of 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

John H. Bambei, Jr., Chief of Engineering
Prescott B. Coleman, Chief Internal Auditor
Todd M. Cristiano, Manager of Rate Administration
Melissa E. Elliot, Manager of Water Conservation
Trina L. McGuire-Collier, Manager of Community Relations
Christopher N. Piper, Intergovernmental Affairs Coordinator
Stephen Reum, Assistant Chief of Engineering
Usha Sharma, Treasurer
Michael L. Walker, Attorney V

[1]Effective September 6, 2011

[2]Effective September 26, 2011


BOARD OF WATER COMMISSIONERS
CEO/MANAGER
Internal Auditing
Organizational Improvement
Legal
-General Counsel
-Attorneys
Finance
-Treasury
-Rate Administration
-Budget
-Purchasing & Contracting
-Accounting
-Records & Doc Admin
Human Resources
-Employment & Compensation
-Health Care & Benefits Admin
-Org Development & Training
-Information Services
Public Affairs
-Communications & Marketing
-Government & Stakeholder Relations/ Conservation
Customer Relations
-Customer Care
-Customer Service Field
-Sales Administration
-CIS Business Support
Information Technology
-Operations & Client Support
-Business Application Support
-New Solutions Development
-Enterprise Infrastructure
-Information Security
Engineering
-Programs & Projects
-Survey
-Distribution & Prop Mgt
-Asset Recording
-Construction Mgt
Planning
-Treated Water Planning
-Demand Planning
-Water Rights
-Water Resource Analysis
-Raw Water Supply
-Environmental Planning
-Water Resource Planning
Operations & Maintenance
-Source of Supply
-Water Quality & Env Comp
-Water Control
-Water Treatment
-Maintenance
-Process Control
-Safety & Security
-Transmission & Distr

CHARTER OF THE CITY AND COUNTY OF DENVER
ARTICLE X. BOARD OF WATER COMMISSIONERS

Amended November 7, 2006

§10.1.1 Board of Water Commissioners created.

There shall be and hereby is continued and created a non-political Board of Water Commissioners of five members, to have complete charge and control of a water works system and plant for supplying the City and County of Denver and its inhabitants with water for all uses and purposes.

(Charter 1960, C4.14; amended May 19, 1959)

§10.1.2 Appointments to Board.

On the second Monday in July of odd-numbered years, the Mayor shall appoint one or two Commissioners, as the case may be, for terms of six years each to succeed those whose terms are expiring. The members of the Board of Water Commissioners shall each continue in office until their successors are appointed and qualified. Any vacancy on the Board shall be filled promptly by appointment by the Mayor. Each appointee shall be a citizen of the United States, a resident of the City and County of Denver, and at least 25 years of age. If a member of the Board shall cease to be a resident of Denver, the individual shall thereupon cease to be a member of the Board.

(Charter 1960, C4.15; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.3 Compensation and bonds.

The commissioners shall each receive compensation of $600.00 per annum. Each Commissioner shall give an oath or affirmation and give an official bond in an amount and conditioned and approved as provided by the Board by resolution. The Board may require the Treasurer of the City and County of Denver to give bond conditioned in such manner as shall be determined by the Board. The premiums on all such bonds shall be paid out of the Water Works Fund.

(Charter 1960, C4.16; amended May 19, 1959; amended November 3, 1998; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.4 Board meetings.

The Board shall hold two regular meetings each month on such days as it may by resolution determine, and special meetings at such other times as it may deem necessary. All meetings shall be open and public. If any member of the Board shall be absent for three successive regular meetings, unless excused by vote of the Board, he or she shall cease to be a member and the office shall be deemed vacant.

(Charter 1960, C4.17; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.5 General powers.

The Board shall have and exercise all the powers of the City and County of Denver including those granted by the Constitution and by the law of the State of Colorado and by the Charter in regard to purchasing, condemning and purchasing, acquiring, constructing, leasing, extending and adding to, maintaining, conducting and operating a water works system and plant for all uses and purposes, and everything necessary, pertaining or incidental thereto, including authority to dispose of real or personal property not useful for or required in the water works operation. The Board shall have authority to generate and dispose of electric energy for water works purposes or any other purpose of the City and County of Denver. The Board may lease water facilities or the flow of water for generation

of electric energy and may sell surplus energy, provided that nothing herein shall be construed as permitting the Board to distribute electric energy to the general public. The Board shall have power in the name of the City and County of Denver to make and execute contracts, take and give instruments of conveyance, and do all other things necessary or incidental to the powers herein granted, and in so doing may make such special designation in such instruments as will indicate the capacity in which the City and County of Denver is acting when such actions are taken by or on behalf of the Board of Water Commissioners. The customary practice of dealing in the name of "City and County of Denver, acting by and through its Board of Water Commissioners" is hereby confirmed and approved. The Board shall institute and defend all litigation affecting its powers and duties, the water works system and plant, and any of the Board's property and rights. In any matter affecting the powers, duties, properties, or trusts of the Board, process shall be served on the Board. The Manager of Denver Water is hereby designated as the officer upon whom process may be served in any matter in which the Board of Water Commissioners has the sole authority for the municipal corporation.

(Charter 1960, C4.18; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02)

§10.1.6 Manager and personnel.

The property and personnel under control of the Board shall be referred to generally as Denver Water. The Board shall designate a Manager, who shall cause the Board's policies and orders to be executed and shall bring to the Board's attention matters appropriate for its action. The Board shall have power to employ such personnel, including legal staff, and fix the classifications thereof as it may deem necessary. All such personnel shall be hired and dismissed on the basis of merit. The Board shall define the duties of each of its employees and fix the amount of their compensation. It shall be the duty of the Board to carry out the intent and requirements of Article XX of the Constitution of the State of Colorado with respect to civil service for public utilities and works and to perform the customary functions of a civil service commission with respect to all Board employees. In performing the functions of a civil service commission, the Board or its designee shall have the power to conduct hearings, administer oaths and issue subpoenas enforceable in the County Court of the City and County of Denver. The Board may establish classifications of employment for persons outside the civil service system who serve solely at the pleasure of the Board. Such employees shall include the number of temporary employees the Board deems necessary and not more than 2% of all regular employees of the Board.

(Charter 1960, C4.19; amended May 19, 1959; amended November 3, 1998; Ord. No. 659, § 1, 8-26-02, elec. 11-5-02)

§10.1.7 Water Works Fund.

There is hereby created a Water Works Fund into which shall be placed all revenues received from the operation of the Water Works system and plant together with all monies received by the Board from other sources. The Board shall maintain records in compliance with generally accepted accounting principles sufficient for reliance by the Manager of Finance in faithfully accounting for the Water Works Fund. The Board shall promptly deposit all receipts into a bank account in the name of the City and County of Denver acting by and through its Board of Water Commissioners. The Board may invest such funds until they are required for operations of the Board. Monies shall be paid out of the account only upon the authority of the Board and evidenced as required pursuant to procedures established by the Manager of Finance.

(Charter 1960, C4.20; amended May 19, 1959; amended August 11, 1992; Ord. No. 659, § 1, 8-26-02, elec. 11-5-02; Ord. No. 582-06, § 1, 8-22-06, elec. 11-7-06)

§10.1.8 City auditor.

The Auditor of the City and County of Denver shall audit or cause to be audited the accounts of the Board at least annually and make a report of his or her findings to the Council of the City and County of Denver. The Board shall make all of its accounts and records fully available to the Auditor to enable the Auditor to carry forward these duties that shall be performed without interference with the water works function. Unless excepted by the Audit Committee as provided in section 5.2.2(C), the Auditor, or some person designated by him or her, shall countersign

and register all bonds and written contracts (with the privilege but without the necessity for keeping copies thereof). The Auditor may authorize the affixing of his or her signature by mechanical means.

(Charter 1960, C4.21; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02; Ord. No. 582-06, § 1, 8-22-06, elec. 11-7-06)

§10.1.9 Water rates.

The Board shall fix rates for which water shall be furnished for all purposes within the City and County of Denver, and rates shall be as low as good service will permit. 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. The rates may also be sufficient to provide for the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year.

(Charter 1960, C4.22; amended May 19, 1959)

§10.1.10 Uniformity of rates.

Except as herein otherwise specifically provided, rates charged for water furnished for use inside the city limits of the City and County of Denver shall be uniform as far as practicable and so related to the service furnished or the volume of water used as to bring about a fair and equitable distribution among all water users of the total amount to be realized from revenues derived from the sale of water used within the City and County of Denver. No special rate or discount shall be allowed to any property, entity, person or class of persons except as in this charter specifically provided.

(Charter 1960, C4.23; amended May 19, 1959)

§10.1.11 Enforcement of charges.

The Board may enforce the payment of any charge by discontinuing service to the premises at which the charge arose without regard to the ownership or occupancy of such premises.

(Charter 1960, C4.24; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.12 City rates.

Commencing January 1, 1960, the Board shall furnish water to the municipal government of the City and County of Denver at rates which shall approximately equal but not exceed the cost of the water furnished, not including items in such rate for debt service, additions, extensions or betterments. Such rate shall not be applicable to agencies or authorities sponsored by or supported by the City and County. The Board shall own, control and operate all water, water rights, structures and facilities of the City and County of Denver pertaining to the Farmers and Gardeners Ditch and the City Ditch. The Board shall furnish water out of the City Ditch or some equivalent source for the use of Denver in City Park and Washington Park, without any charge whatsoever.

(Charter 1960, C4.25; amended May 19, 1959)

§10.1.13 Water leases.

The Board shall have power to lease water and water rights for use outside the territorial limits of the City and County of Denver, but such leases shall provide for limitations of delivery of water to whatever extent may be necessary to enable the Board to provide an adequate supply of water to the people of Denver. Every such lease shall contain terms to secure payment of sufficient money to fully reimburse the people of Denver for the cost of furnishing the water together with an additional amount to be determined by the Board. Sales at amounts less than

the above minimum may be made if warranted by economic conditions, but a contract providing for such lesser charge shall not extend for more than one year.

(Charter 1960, C4.26; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.14 Expenses.

The entire cost of the operation and maintenance of the water works system and plant under the control of the Board shall be paid from monies of the Water Works Fund. The monies and other assets of the Water Works Fund shall not be used for any purpose except for the management, operation and maintenance of the water works system and plant, including additions, extensions and betterments, for recreational opportunities incidental thereto, and for the payment of interest and principal on bonds and other obligations, the proceeds of which were or shall be used for water works purposes.

(Charter 1960, C4.27; amended May 19, 1959; amended August 11, 1992; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.15 Bonded indebtedness.

The Board of Water Commissioners in its sole discretion may issue revenue bonds, the proceeds of which shall be placed in the Water Works Fund and expended for water works purposes, for establishing reserves in connection with such bonds or for refunding the principal of and interest on bonds previously issued by the Board. Revenue bonds shall be payable as to interest and principal solely from the net revenues of the Board. The Board shall pledge to pay the principal and interest on such bonds from revenues of the Board, which pledge shall be irrevocable. The bonds so authorized shall be sold and issued by action of the Board and no other ratification or authorization shall be required. The Board shall have power to refund, pay or discharge the principal of any general obligation bond it issued prior to November 5, 2002, when such bond becomes payable, and may use proceeds of a new revenue bond issuance to refund, pay or discharge the general obligation bonds. Existing or future bonds issued by the Board shall continue to be excluded from the determination of any limit upon the indebtedness of the City and County of Denver.

(Charter 1960, C4.28; amended May 19, 1959; amended May 17, 1983; amended August 11, 1992; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.16 Reserved

Editor's note: (Ord. No. 659-02, § 1, adopted August 26, 2002, repealed § 10.1.6, which pertained to bonds of annexed areas and derived from the Charter of 1960, C4.29; amended May 19, 1959)

§10.1.17 Board organization.

The Board shall adopt rules governing its organization, the calling of special meetings and the conduct of its business. A majority of the Board shall constitute a quorum and all action by the Board shall be taken by a majority of the whole Board and not otherwise.

(Charter 1960, C4.30; amended May 19, 1959)

§10.1.18 Rules and regulations.

The Board may adopt rules and regulations with respect to any matter within its jurisdiction as defined by Charter. It may provide for enforcement of its rules and regulations by imposing special charges in an amount reasonably calculated to secure compliance or recompense for water loss, to achieve water conservation and to reimburse the Board for expenses arising out of violation. In addition to any other lawful remedy, enforcement procedure may include refusal to supply water to a property involved. The City and County of Denver by ordinance may supplement Board rules and regulations and provide penalties for the violation of such an ordinance in the same

manner as penalties are provided for the violation of other ordinances. Rules adopted by the Board and within its authority shall supersede any conflicting ordinance provision.

(Charter 1960, C4.31; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.19 Publication of rules and regulations.

Rules and regulations adopted by the Board shall be effective after they shall have remained posted in a conspicuous public place in the principal business office of the Board for a period of fifteen calendar days. Whenever immediate application of a rule or regulation by the Board is necessary for the preservation of the public peace, health or safety, the Board may so declare, and such rule or regulation shall thereupon become effective immediately upon being posted as provided in this section.

(Charter 1960, C4.32; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.20 Continuity of control of water.

The Board may make provision for retaining dominion over the water supply under its control through successive uses of such water, such as reuse and exchange. Such dominion shall not be affected by treatment of wastewater produced by use of the water supply.

(Charter 1960, C4.33; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.21 Reserved.

Editor's note: Ord. No. 659-02, § 1, adopted August 26, 2002, repealed § 10.1.21, which pertained to public liability and derived from the Charter of 1960, C4.34; amended May 19, 1959; and Ord. No. 428-02, adopted June 3, 2002, and approved by the electorate August 13, 2002.

§10.1.22 Conflicting Charter provisions.

The provisions of this Article X shall supersede any conflicting provision of the charter existing on May 19, 1959 when this article was adopted.

(Charter 1960, C4.35; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02)

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davidson

President

Executive Director

The Year 2011 in Review

For almost 100 years, Denver Water has been a visionary leader in supplying water to the Denver area. As a fundamental element to Denver's growth as a city and a critical resource to the city's future, we must change and adapt to meet the challenges, demands and uncertainties of tomorrow. In 2011, we set forward a bold Strategic Plan, launched initiatives established in the Plan, realigned internally for optimum effectiveness and began systemic efficiency projects – all while continuing to provide reliable high-quality water to 1.1 million people.

2011 organizational initiatives

Strategic Plan – One of the most notable accomplishments in 2011 was the adoption of the Strategic Plan. In March 2011, Denver's Board of Water Commissioners adopted the Plan, which describes our vision for securing our future as the best utility in the nation. The Plan provides long-term guidance for our thinking and practices.

Now our organization is working on several system initiatives designed to accomplish the plan's four desired outcomes:
Customer: Satisfied and supportive customers.
Financial: A financially strong and stable organization.
Organizational: An effective, efficient and strategically driven organization.
External: Strategically effective relationships and reputation.

The Strategic Plan is our North Star. The initiatives are how we will achieve our vision. In 2012, we plan to focus our efforts on four key Strategic Plan initiatives:

- Lean – To help accomplish these organizational outcomes, we have begun implementing Lean. Concepts from Lean, which began as a way to improve Toyota's manufacturing process, focus on serving internal and external customers better by eliminating waste in businesses processes. This is not about eliminating jobs or doing things cheaply. It's about eliminating waste. Twenty years ago, we had about 1,100 employees. We have about the same number today, yet we serve 400,000 more customers, have a capital budget that is twice as large and an operating budget that is four times as large as it was 20 years ago. That means we're doing a lot more work, but we need to stop and ask ourselves: Are we doing it in the best and most efficient way? Lean will help us do that.
- Budget development – Most of the Board's time is spent approving items one at a time during Board meetings. In the future, the Board wants to be more involved in creating the budget rather than approving expenditures after the budget has been approved. This change would free up the Board for policy issues; only variances to the budget would have to go before the Commissioners. Clearly, a new process like this will require work – both to ensure a solid budget-development

mechanism and to have adequate controls in place to make sure the budget is being carried out as approved.

- Employer of the Future – In order to become the best utility in the nation, we will need to attract, hire, train and sustain the employees who will help get us there. We need to be thoughtful in making sure we invest in our employees with training, benefits and pay structures that will allow us to hire and keep those people. Employer of the Future will develop plans and processes for the many facets of becoming the best workplace possible.
- Pay for Performance – In 2011, the Board of Water Commissioners approved a change to Denver Water's compensation process. Instead of giving employees raises based on a step system, the Board approved a pay-for-performance system in which employees' pay increases will depend on individual performance evaluation ratings and available payroll budget. The new evaluation system was introduced in 2011 and will be piloted in 2012. This way, we can learn by doing.

Organizational realignment – We reorganized several departments to meet the goals set forth in the Strategic Plan. The former director of Operations and Maintenance, Brian Good, was reassigned to oversee the Strategic Plan's implementation as the deputy manager of Organizational Improvement. Two other employees, Grace Wilcox and Sabrina Green, have been temporarily reassigned to help Brian Good implement Lean.

In addition, we're putting a new emphasis on customer needs and our ability to connect with them. We want to educate customers about what it takes to operate the system so we have their support in building and maintaining our vast infrastructure. To do that, we split the Public Affairs division into two: Public Affairs and Customer Relations. The Customer Relations division enhances our focus on exemplary service to our customers, including all of our interactions with residential and commercial customers, the city of Denver and the distributors. This increased customer focus will result in positive customer experiences and productive customer relationships.

The Public Affairs division focuses on enhancing our internal and external communication efforts. Public Affairs also expands our relationships in the broader community, including small, women- and minority-owned businesses, and coordinates our relationships with other government agencies and the business community. Public Affairs also continues to innovate and lead our nationally recognized conservation programs.

This new structure is critical to the long-term success of our efforts to position Denver Water favorably among the customers we serve, as well as other important groups – key priorities in our Strategic Plan.

Forging a new future through cooperation and collaboration

Colorado River Cooperative Agreement – In 2011, Denver Water and more than 30 West Slope partners announced the proposed Colorado River Cooperative Agreement, which will achieve better

environmental health for the Colorado River Basin, improve economics for many cities, counties and businesses impacted by the river, and help secure future water supply for Denver Water's service area. The proposed agreement must now be ratified by towns, counties and water entities along the Colorado River from the headwaters to the Utah state line.

Focused on cooperation, the proposed agreement brings parties who traditionally have been at odds together as partners on a path to responsible water development benefitting both the East and West slopes. The proposed agreement, expected to be signed by partners by the end of 2012, is the largest of its kind in the history of the state.

WISE – Water Infrastructure and Supply Efficiency, or WISE, continues to move forward. In 2011, we continued negotiations with 15 entities in the south metro area and Aurora Water for WISE, a partnership that will provide new supply by combining unused capacities in Aurora Water's Prairie Waters Project with unused water supplies from Denver and Aurora. During the years Denver and Aurora don't need all of that water, the Douglas County entities that make up the South Metro Water Supply Authority will be able to buy the unused water to help reduce their reliance on nonrenewable groundwater. In the long term, the project also will provide Denver Water with about 15,000 acre-feet of new water supply. The partnership has not been finalized and much work remains. But if all goes as planned, Aurora Water and Denver Water will start capturing their unused water and selling it to South Metro in the next few years.

Front Range Water Council – We are an active member of the Front Range Water Council, which works on issues regarding Colorado River water use. Seven Front Range water providers participate in the council. In 2011, we led an effort within the council to evaluate ways to meet our Colorado River Compact obligations while still developing more supply from the river. The council also spent 2011 finding ways to develop a permanent supply of water in the Colorado River to help recover endangered fish.

Major accomplishments in 2011

Capital projects – We have several multiyear capital projects in progress, including jobs at Cheesman Dam, Williams Fork Dam and Lone Tree Treated Water Reservoir. In 2011, we continued work on the century-old Cheesman Dam, upgrading the dam's outlet works system by removing original valves, and replacing the historic Larner-Johnson Needle Valve with a state-of-the-art jet flow gate valve. That project, expected to finish in 2012, is one of the most complex of its type in recent history, and will help maintain dam safety, provide a viable water supply and ensure continued smooth operations at Cheesman.

Crews also continued a $17 million project on Williams Fork Dam to install a new hydro turbine and expand and repair the outlet works at the dam. Once complete, repairs to the building's aging electrical and mechanical systems, as well as to the 50-year-old valves, will bring the outlet works up to current state standards and help it run more efficiently. The new 0.5 megawatt hydro turbine will increase the power of the plant's generating capacity to 3.6 megawatts, enough electricity to power more than 3,000

homes, and will allow us to generate electricity during the winter, when the reduced water flows are too low to generate power with the existing 3.1 megawatt turbine.

And in 2011, crews began work on a new 10-million-gallon concrete reservoir in Lone Tree to store treated water. This project is the first of several treated water storage projects. In the next decade, we plan to spend about $120 million on treated water storage tank projects throughout our delivery system, including Wheat Ridge, Centennial and Denver.

Conservation – For years, our progressive approaches at helping customers use only the water they need have contributed to a decline in water use, all moving toward our goal of helping customers use 22 percent less water than they were before the 2002 drought. Those methods, including advertising, audits, rebates and other programs, helped customers use 20 percent less water in 2011 compared with pre-drought use.

Capital Projects Construction Standards – Engineering's Capital Projects Construction Standards, published in 2011, are the first multidisciplinary standards documents used by Denver Water on capital projects. The construction standards outlines Denver Water-mandated contract requirements, specifications and standard details that don't change among different projects, such as legal details, pipe sizes, window standards and many others. Having one specification book that engineers and contractors can reference will help them work more efficiently, especially as the number of capital projects increases in coming years. In 2011, we completed $87 million worth of capital projects; by 2013, we expect to complete $100 million worth per year.

Kronos – In 2011, Denver Water replaced its outdated paper timesheet process with an electronic timekeeping system. Doing so required a tremendous amount of collaboration among departments – IT implemented the time system, Finance coordinated with IT for payroll purposes and Human Resources trained all 1,100 employees to use the system.

E-Map – A new mapping application, E-Map, was unveiled in 2011, replacing an outdated model that was incompatible with other Denver Water software. The new application has aerial photography of the entire distribution system, outlines of distributor boundaries, pipe details and other important information for employees to use when working on the system. In 2012, the application will be expanded to include Denver Water's mountain collection system.

Recycled water system – We continue to add more customers to our recycled water system. In 2011, we added customers in the Lowry and Stapleton neighborhoods, which increased recycled water demand by 100 acre-feet, and we installed infrastructure to deliver water to the Rocky Mountain Arsenal National Wildlife Refuge. We also completed the recycle master plan and system build-out capital improvement plan, which outlines future projects designed to expand the system as efficiently and quickly as possible.

Dillon Dam – We improved security features around Dillon Dam in 2011, allowing us to reopen the popular road that traverses the dam 24 hours a day, seven days a week.

Treated Water System Analysis – We completed a major analysis of the treated water system, which included identifying treated water infrastructure we'll need in the future, as well as examining system reliability issues.

Integrated Resource Plan – We continue to move forward with the Integrated Resource Plan, a long-term planning document that outlines the level of supply and treated water system reliability, new approaches to increase water use efficiencies, future water resource development options, and other resources to meet the growing needs of our customers in the foreseeable future. In 2011, we completed the majority of the technical analysis for the IRP. In 2012, we will continue to study long-term supply options identified in the IRP process.

Moffat Collection System Project – This is the single largest project in the ten-year capital improvement plan, totaling $284.1 million. The Denver Water Planning Division has identified a shortfall in supply beginning in 2016 and growing to 34,000 acre feet per year by 2030. Approximately 16,000 acre feet of the shortfall is expected to be addressed by conservation, leaving Denver Water with an annual shortage of 18,000 acre feet. The Board has identified the enlargement of the Gross Reservoir as the most viable environmental and financial option to meet the shortfall. The proposed project would increase the storage capacity at the Gross Reservoir and raise the dam height from 340 feet to 465 feet. The U.S. Army Corps of Engineers ("the Corps") has released a draft Environmental Impact Statement evaluating the potential effects of this option. The Corps is now gathering supplemental information and responding to comments. A final decision on a permit is not likely before the first quarter of 2013.

From Forests to Faucets partnership – Denver Water and the U.S. Forest Service Rocky Mountain Region are sharing an investment of $33 million, over a five-year period, in restoration projects on more than 38,000 acres of U.S. Forest Service land. The partnership, which was in its first year in 2011, is accelerating and expanding the Forest Service's ability to restore forest health in watersheds critical for Denver's water supplies and infrastructure. Forest thinning and other wildfire fuels-reduction projects will take place around and upstream of Strontia Springs, Gross, Antero, Eleven Mile Canyon and Cheesman reservoirs, and near the town of Winter Park. The projects will reduce the risk of wildfires upstream of Denver Water's reservoirs and other water delivery infrastructure.

Pipe replacement – We completed 60,000 feet of line improvements and replacement in 2011, which was 3 percent more than our goal – all while responding to more than 800 leaks and breaks throughout the year.

Customer Service-Field – In 2011, our crews exchanged 30,000 automatic meter reading devices for newer models to ensure accurate and reliable meter reading.

Raw water storage

Denver Water's Planning staff agreed that 2011 was an excellent year for water supply. High snowpack levels led to a strong spring runoff, which allowed Denver Water to easily fill all of its reservoirs.

Financial responsibility

Water rates – Our charter requires water rates to be set "as low as good service will permit." At the same time, water is a scarce natural resource, and we have an obligation to discourage customers from wasting it. As a result, our water rates are designed to encourage efficient use while recovering the full cost of providing service. Denver Water typically adjusts its rates each year to accommodate the rising costs of providing water service and maintaining our aging system.

In late 2011, the Board of Water Commissioners voted to increase water rates 5.5 percent for all customers, effective Jan. 1, 2012. A typical Denver residential customer's bill increased by $19.43 a year — an average of $1.62 per month. An average bill for a suburban residential customer served by Denver Water increased $34.11 per year — an average of $2.84 per month. Rates for commercial, industrial and government customers also increased 5.5 percent.

Awards and accolades

Hundreds of employees are involved in professional and water-industry boards and organizations. Our employees volunteer their time for everything from the Colorado Water Congress to the Association of Dam Safety Officials to the Colorado Historical Records Advisory Board. Our employees are at the top of their class, and it shows by the awards and accolades Denver Water receives year after year.

Excellence in financial reporting – For the 23rd consecutive year, Denver Water received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. The award recognizes state and local governments that produce comprehensive annual financial reports that are easily readable and efficiently organized and that satisfy both generally accepted accounting principles and applicable legal requirements.

Distinguished budget – For the 20th consecutive year, Denver Water received the Distinguished Budget Presentation Award from the Government Finance Officers Association. This award acknowledges state and local governments whose budgets serve as a policy document, financial plan, operations guide and communications device.

Taste test winner – Our customers enjoy some of the best-tasting water in the nation. In 2011, a water sample from Denver Water placed second in the country during the American Water Works Association's annual Best of the Best Water Taste Test in Washington, D.C.

Architectural honor – Historic Denver honored Denver Water's new Einfeldt Decentralization Station for architecturally matching the neighboring 1932 brick pump station and maintaining the historic integrity of the surrounding University Park neighborhood.

Best civil works project – *Engineering News Record* magazine selected Denver Water's Cheesman Dam Upstream Control Project, Phase 1 as the "Best Civil Works/Infrastructure Project" in Colorado, Wyoming, Kansas, Nebraska, and North and South Dakota. The project was featured in the October 2011 issue of *Engineering News Record Mountain States* magazine.

National Weather Service award – The National Weather Service recognized Denver Water for 50 years of collecting weather data and precipitation levels at Antero Reservoir. The weather service uses the information to monitor and study climate, forecast streamflow, quantify drought and analyze climate trends. Denver Water also has weather stations at several other reservoirs, two treatment plants and the Roberts Tunnel.

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FINANCIAL SECTION

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO

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KPMG LLP
Suite 2700
707 Seventeenth Street
Denver, CO 80202-3499

Independent Auditors' Report

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

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), a component unit of the City and County of Denver, Colorado as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2011 and 2010, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-3 through II-15 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 audit 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages II-55 through II-62 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The introduction section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KPMG LLP

May 4, 2012

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, 2011 and 2010. 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 assets, improved 3% during 2011, compared to 2% during 2010.

- ***Operating income*** was $41.0 million in 2011 compared to $28.5 million in 2010, an increase of 44%.
- ***Income before capital contributions*** was $20.6 million in 2011 compared to $3.6 million in 2010, an increase of 472%.
- ***Capital contributions*** were $34.7 million in 2011 compared to $27.8 million in 2010, an increase of 25%.
- ***Net assets*** increased $55.2 million, or 3%, in 2011 compared to $31.4 million, or 2%, in 2010.
- ***Capital asset additions*** were $113.1 million in 2011 compared to $125.8 million in 2010, a decrease of 10%.

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 assets, 2) statements of revenues, expenses, and changes in fund net assets, 3) statements of cash flows, and 4) notes to the 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 assets** present information on all of the Board's assets and liabilities, with the difference between the two reported as ***net assets***. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The **statements of revenues, expenses, and changes in fund net assets** present information showing how the Board's net assets changed during the years presented. All changes in net assets 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.

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

FINANCIAL ANALYSIS

NET ASSETS

As discussed above, net assets may serve over time as a useful indicator of the Board's financial position. The Board's net assets were $1.638 billion at December 31, 2011, an increase of $55.2 million, or 3%, from December 31, 2010. Net assets were $1.583 billion at December 31, 2010, an increase of $31.4 million, or 2%, from December 31, 2009 (see Figures 1 and 2 and Table 1).

Figure 1 - Net Assets

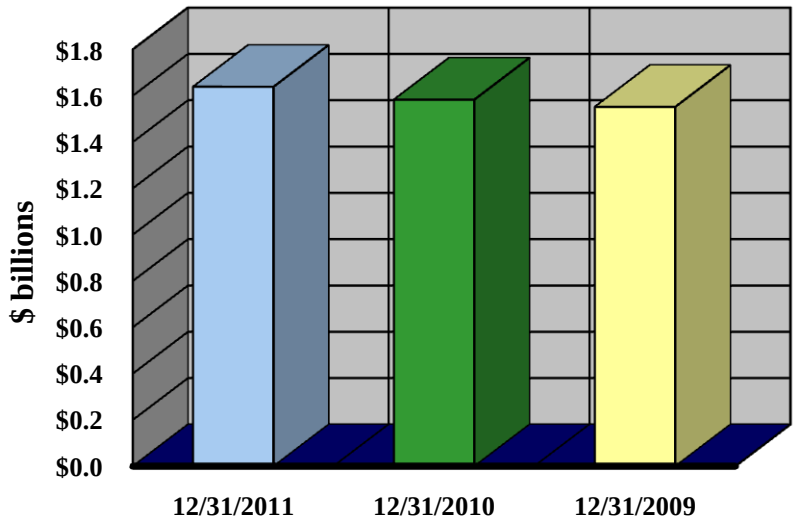


Table 1 - Condensed Statements of Net Assets
(amounts expressed in thousands)

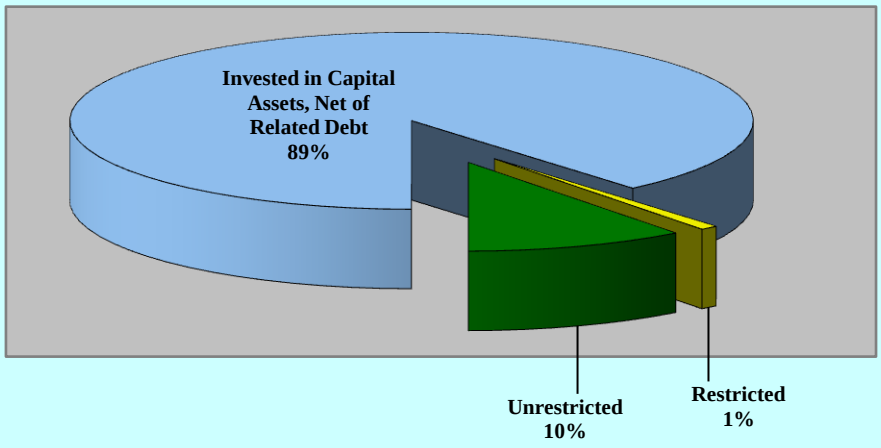
	As of December 31,			2011 - 2010		2010 - 2009	
	2011	2010	2009	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Current and other assets	**$ 237,437**	$ 279,680	$ 251,694	$ (42,243)	(15)%	$ 27,986	11%
Capital assets, net	**1,880,227**	1,826,912	1,760,004	53,315	3	66,908	4
Total assets	**2,117,664**	2,106,592	2,011,698	11,072	1	94,894	5
Current liabilities	**56,267**	65,697	66,479	(9,430)	(14)	(782)	(1)
Noncurrent liabilities	**423,339**	458,086	393,859	(34,747)	(8)	64,227	16
Total liabilities	**479,606**	523,783	460,338	(44,177)	(8)	63,445	14
Net assets:							
Invested in capital assets, net of related debt	**1,454,710**	1,401,820	1,363,848	52,890	4	37,972	3
Restricted	**13,746**	18,912	13,233	(5,166)	(27)	5,679	43
Unrestricted	**169,602**	162,077	174,279	7,525	5	(12,202)	(7)
Total net assets	**$ 1,638,058**	$ 1,582,809	$ 1,551,360	$ 55,249	3	$ 31,449	2

The largest portion of the Board's net assets 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 assets represent resources that are subject to external restrictions on how they may be used. The Board's 2011 restricted net assets consist of a debt service reserve fund of $13.7 million for revenue bonds. For 2010, restricted net assets consisted of the debt service reserve fund of $18.9 million. For 2009, restricted net assets consisted of the debt service reserve fund of $13.2 million.

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

Figure 2 - Net Asset Categories as of December 31, 2011



The Board's increase in net assets during 2011 of $55.2 million or 3% indicates an improved financial position.

CHANGE IN NET ASSETS

While the statements of net assets display the Board's assets, liabilities and net assets at year-end, the statements of revenues, expenses, and changes in fund net assets provide information on the source of the change in net assets during the year. Net assets increased $55.2 million in 2011 consisting of income before capital contributions of $20.6 million and capital contributions of $34.7 million. Net assets increased $31.4 million in 2010 consisting of income before capital contributions of $3.6 million and capital contributions of $27.8 million (see Table 2 and Figure 5).

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

	Years Ended December 31,			2011 - 2010		2010 - 2009	
	2011	2010	2009	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Operating revenues	**$ 249,128**	$ 233,507	$ 193,030	$ 15,621	7%	$ 40,477	21%
Nonoperating revenues	**8,887**	10,436	3,627	(1,549)	(15)	6,809	188
Total revenues	**258,015**	243,943	196,657	14,072	6	47,286	24
Operating expenses	**208,173**	205,022	189,623	3,151	2	15,399	8
Nonoperating expenses	**29,278**	35,275	28,941	(5,997)	(17)	6,334	22
Total expenses	**237,451**	240,297	218,564	(2,846)	(1)	21,733	10
Income (loss) before capital contributions	**20,564**	3,646	(21,907)	16,918	464	25,553	117
Capital contributions	**34,685**	27,803	66,751	6,882	25	(38,948)	(58)
Increase in net assets	**55,249**	31,449	44,844	23,800	76	(13,395)	(30)
Beginning net assets	**1,582,809**	1,551,360	1,506,516	31,449	2	44,844	3
Ending net assets	**$ 1,638,058**	$ 1,582,809	$ 1,551,360	$ 55,249	3	$ 31,449	2

There was ***operating income*** (operating revenues less operating expenses—not reflected in Table 2, see *Statements of Revenues, Expenses and Changes in Fund Net Assets*) of $41.0 million in 2011, compared to $28.5 million in 2010 and $3.4 million in 2009 (see Figure 3).

There was ***income before capital contributions*** of $20.6 million in 2011 compared to $3.6 million in 2010 and a loss of $21.9 million in 2009 (see Figure 4).

Figure 3 - Operating Income

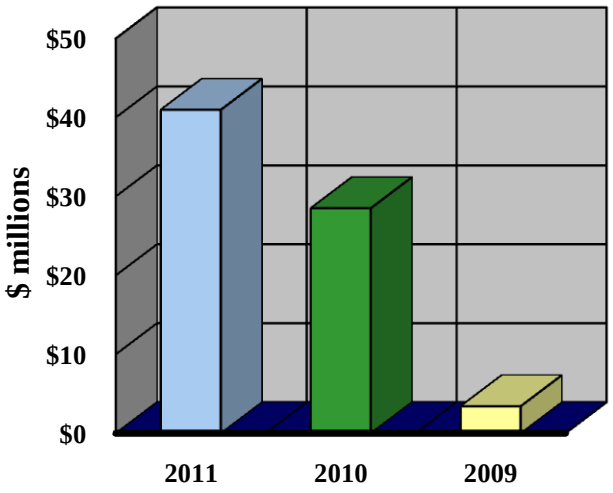


Figure 4 - Income (loss) before Capital Contributions

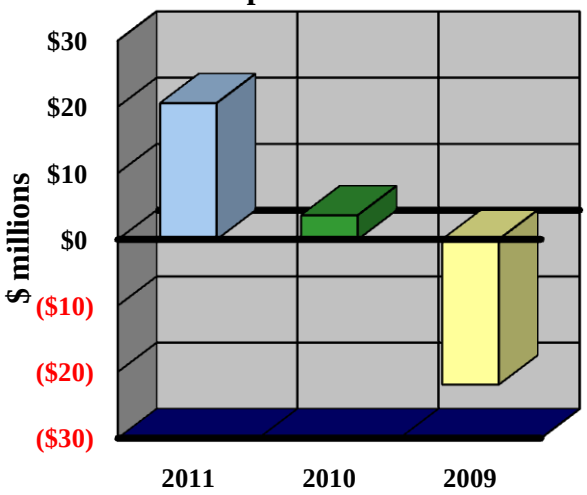
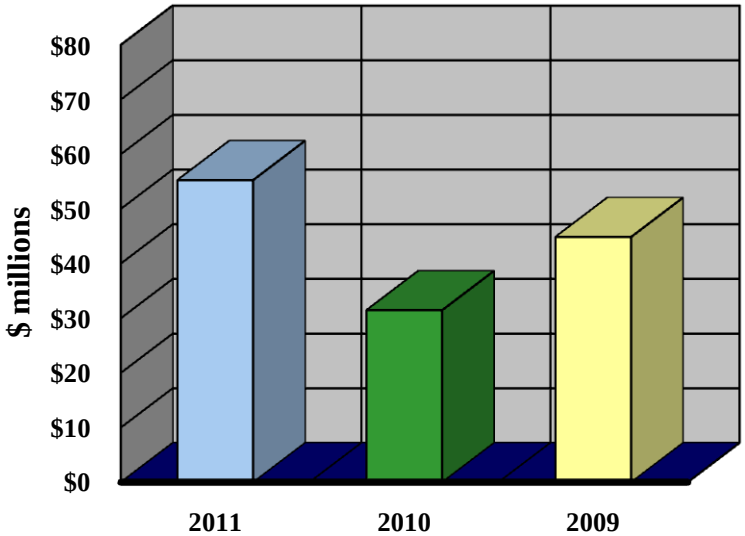


Figure 5 - Increase in Net Assets



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

- **OPERATING REVENUES** in 2011 increased $15.6 million, or 7% from 2010. They increased $40.5 million, or 21% between 2010 and 2009 (see Figure 6 and Table 3).

Figure 6 - Operating Revenues

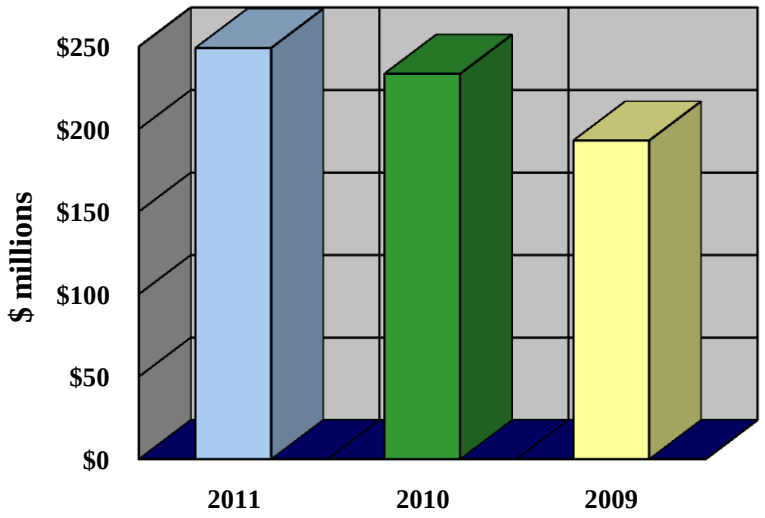


Table 3 - Operating Revenues
(amounts expressed in thousands)

	Years Ended December 31,			2011 - 2010 Increase (Decrease)	2011 - 2010 % Change	2010 - 2009 Increase (Decrease)	2010 - 2009 % Change
	2011	2010	2009				
Water:							
Water sales	**$ 239,186**	$ 224,489	$ 184,396	$ 14,697	7%	$ 40,093	22%
Power generation and other:							
Power sales	**4,856**	4,000	4,949	856	21	(949)	(19)
Special assessments	**5,086**	5,018	3,685	68	1	1,333	36
	9,942	9,018	8,634	924	10	384	4
Total operating revenues	**$ 249,128**	$ 233,507	$ 193,030	$ 15,621	7	$ 40,477	21

Highlighted items in yellow are discussed below.

Water sales in 2011 increased due to a rate increase effective March 3, 2011, designed to increase overall total system water rate revenue by 9.5%, partially offset by a 3% decrease in water sold (75.182 billion gallons sold in 2011 compared to 77.244 billion gallons sold in 2010). 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 the customer base.

Water sales in 2010 increased due to a 13% increase in water sold (77.244 billion gallons sold in 2010 compared to 68.192 billion gallons sold in 2009) and a rate increase effective February 3, 2010, designed to increase overall total system water rate revenue by 6%.

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. The increase in 2010 was due to the resumption of delinquent bill charges and turn-off and turn-on charges after a temporary suspension in 2009.

- **NONOPERATING REVENUES** in 2011 decreased $1.5 million, or 15% from 2010. They increased $6.8 million, or 188% between 2010 and 2009 (see Table 4).

Table 4 - Nonoperating Revenues
(amounts expressed in thousands)

	Years Ended December 31,			2011 - 2010		2010 - 2009	
	2011	2010	2009	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Investment income	**$ 1,201**	$ 1,336	$ 948	$ (135)	(10)%	$ 388	41%
Other nonoperating income	**7,686**	9,100	2,679	(1,414)	(16)	6,421	240
Total nonoperating revenues	**$ 8,887**	$ 10,436	$ 3,627	$ (1,549)	(15)	$ 6,809	188

Highlighted items in yellow are discussed below.

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

Other nonoperating income decreased in 2011 due to a settlement of a legal liability in 2010, offset by subsidies received from the federal government for the early retiree reimbursement program.

Other nonoperating income increased in 2010 due to 1) the settlement of a prior year legal liability accrual at a lesser amount than anticipated, 2) increased processing charges to Denver Wastewater for reimbursement of sewer billing and collection expenses, and 3) the 35% interest subsidy received from the federal government on Build America Bonds issued under the American Recovery and Reinvestment Act of 2009.

- **OPERATING EXPENSES** in 2011 increased $3.2 million, or 2% from 2010. They increased $15.4 million, or 8% between 2010 and 2009 (see Figures 7, 8, 9 and Table 5).

Figure 7 - Total Operating Expenses

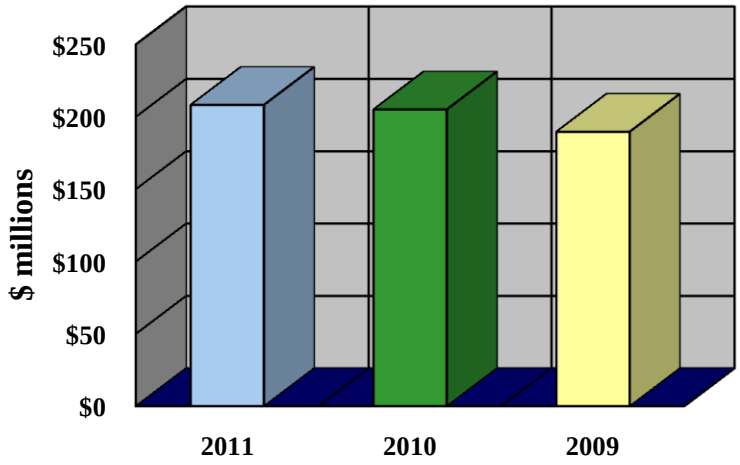
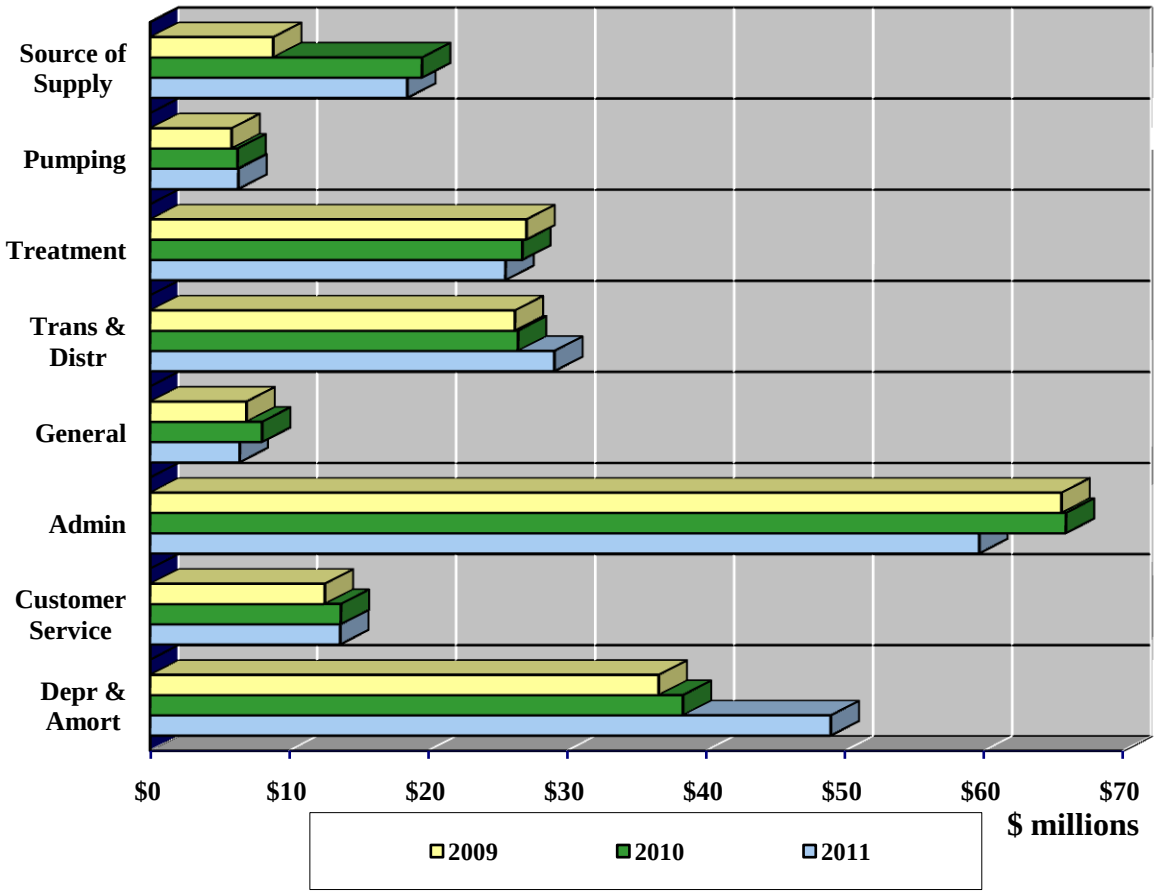


Table 5 - Operating Expenses by Category
(amounts expressed in thousands)

	Years Ended December 31,			2011 - 2010		2010 - 2009	
	2011	2010	2009	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Source of supply	**$ 18,493**	$ 19,554	$ 8,840	$ (1,061)	(5)%	$ 10,714	121%
Pumping	**6,343**	6,280	5,851	63	1	429	7
Treatment	**25,557**	26,770	27,069	(1,213)	(5)	(299)	(1)
Transmission & distribution	**29,073**	26,457	26,233	2,616	10	224	1
General	**6,435**	8,048	6,925	(1,613)	(20)	1,123	16
Administrative	**59,642**	65,878	65,562	(6,236)	(9)	316	0
Customer service	**13,669**	13,713	12,561	(44)	(0)	1,152	9
Depreciation and amortization	**48,961**	38,322	36,582	10,639	28	1,740	5
Total operating expenses	**$ 208,173**	$ 205,022	$ 189,623	$ 3,151	2	$ 15,399	8

Highlighted items in yellow are discussed below.

Figure 8 - Operating Expenses by Category



Major changes were as follows:

2011
Transmission & Distribution – Increased due to increased maintenance on conduits and mains.

General – Decreased due to reduced expenses in Safety and Security.

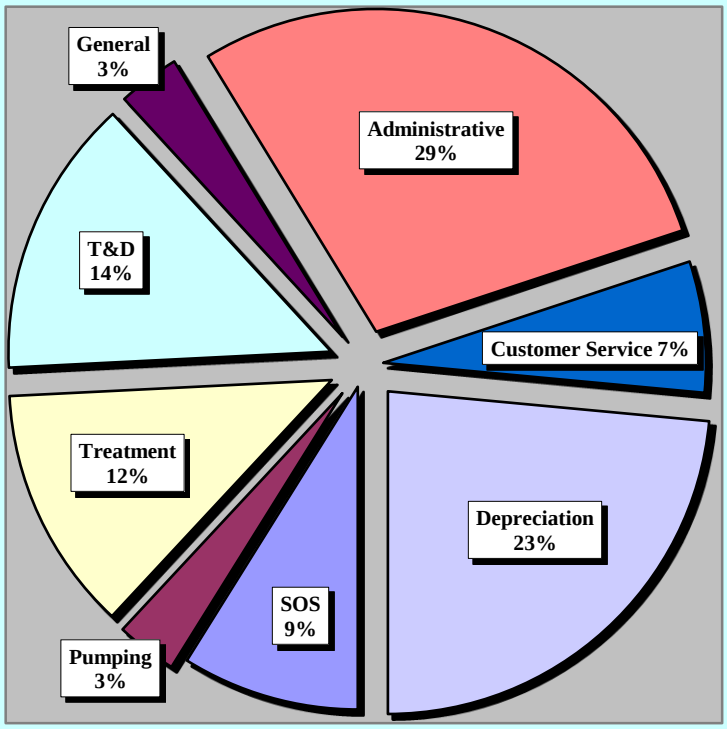
Administrative – Decreased due to reduced expenses in Engineering (primarily Programs and Projects) and Public Affairs (primarily Conservation).

Depreciation and amortization – Increased primarily due to a revision in the asset lives of Electronic-Receiver-Transmitter ("ERT") devices from 30 years to 10 years.

2010
Source of Supply – Increased primarily due to a 2-3 year project to remove sedimentation at Strontia Springs Reservoir.

Customer Service – Increased primarily due to increased costs in Customer Records due to implementation of the new Customer Care and Billing system, Water Sales Administration, and Field Service due to increased costs in the automatic meter reading program and Electronic-Receiver-Transmitter ("ERT") devices.

Figure 9 - Operating Expense Categories as a Percent of Total Operating Expenses - 2011



- **NONOPERATING EXPENSES** in 2011 decreased $6.0 million, or 17% from 2010. They increased $6.3 million, or 22% between 2010 and 2009 (see Table 6).

Table 6 - Nonoperating Expenses
(amounts expressed in thousands)

	Years Ended December 31,			2011 - 2010		2010 - 2009	
	2011	2010	2009	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Interest expense	**$ 17,719**	$ 16,630	$ 17,547	$ 1,089	7%	$ (917)	(5)%
Loss on disposition of capital assets	**6,011**	15,533	8,168	(9,522)	(61)	7,365	90
Other nonoperating expense	**5,548**	3,112	3,226	2,436	78	(114)	(4)
Total nonoperating expenses	**$ 29,278**	$ 35,275	$ 28,941	$ (5,997)	(17)	$ 6,334	22

Highlighted items in yellow 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 during 2011 was the result of main/hydrant retirements as a result of the pipe rehabilitation program and write-offs of obsolete assets.

The loss during 2010 was the result of write-offs of obsolete Encoder Receiver Transmitter Devices (ERTs); obsolete IT network equipment and system software; main/hydrant retirements; and conditional water rights related to Eagle and Piney River.

Other nonoperating expense increased due to the $2.1 million payment to Littleton to convert their total service contract with Denver Water.

- **CAPITAL CONTRIBUTIONS** in 2011 increased $6.9 million, or 25% from 2009. They decreased $38.9 million, or 58% between 2010 and 2009 (see Table 7).

Table 7 - Capital Contributions
(amounts expressed in thousands)

	Years Ended December 31,			2011 - 2010 Increase (Decrease)	2011 - 2010 % Change	2010 - 2009 Increase (Decrease)	2010 - 2009 % Change
	2011	2010	2009				
Contributions in aid of construction	**$ 17,239**	$ 10,861	$ 41,443	$ 6,378	59%	$ (30,582)	(74)%
System development charges	**17,446**	16,942	25,308	504	3	(8,366)	(33)
Total capital contributions	**$ 34,685**	$ 27,803	$ 66,751	$ 6,882	25	$ (38,948)	(58)

Highlighted items in yellow 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. The decrease in 2010 was primarily due to the contributions received in 2009 from South Adams County Water and Sanitation District ("SACWSD") for the Downstream Reservoir Project.

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. The decrease in 2010 was primarily due to the recognition of prepaid system development charges in 2009 paid by SACWSD during 1997.

CAPITAL ASSET ACTIVITY

The Board's capital assets at December 31, 2011 and 2010 amounted to $1.88 billion and $1.83 billion, net of accumulated depreciation and amortization, respectively. Capital asset additions in 2011 and 2010

were $113.1 million and $125.8 million, respectively, a decrease of $12.7 million or 10%. Major projects were as follows (see Table 8):

Table 8 - Capital Additions
Year Ended December 31, 2011
(amounts expressed in thousands)

Conduits, Distribution Mains, Hydrants & Valves	$	29,466
Wynetka Decentralization		23,045
Other Miscellaneous Source of Supply		6,179
Lonetree Pump Station/Clearwater Reservoir		6,106
Capitalization Software & IT Projects		4,638
Encoder Receiver Transmitter Device (ERT)		4,272
Integrated Resource Planning (IRP) Project - Moffat Collection System		3,626
Recycle Treatment Plant		3,112
Castlewood Pump Station		3,055
Gravel Pits		2,932
Lakeridge Pump Station		2,237
Gross Power Plant		2,143
Motor Vehicles & Heavy Equipment		1,837
Yale and Lamar Pump Station		1,718
Antero Reservoir		1,582
Other		17,123
	$	113,071

Information on Denver Water'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

No bonds were issued in 2011. In 2010, the Board issued $90.0 million in Series 2010B Water Revenue Bonds dated September 28, 2010 at a net true interest cost of 3.12%. The bonds constitute fully taxable Build America Bonds issued under the American Recovery and Reinvestment Act of 2009. The Board is eligible to receive a direct federal subsidy in an amount equal to 35% of the interest payable on the bonds on each interest payment date.

Information on Denver Water's long-term debt can be found in Notes 6, 7 and 10 to the basic financial statements and Exhibits II-A through II-G of the supplemental financial information.

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 Assets
December 31, 2011 and 2010
(Amounts expressed in thousands)

	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash	$ 25,497	$ 18,133
Short-term investments, at fair value, including accrued interest	112,966	109,636
Restricted investments:		
Capital projects	-	11,437
Debt service	13,746	12,996
Accounts receivable	19,399	19,295
Materials and supplies inventory, at weighted average cost	9,485	8,122
Prepaid expenses	470	451
Total current assets	181,563	180,070
NONCURRENT ASSETS:		
Capital assets:		
Utility plant	2,357,328	2,215,274
Nonutility plant	8,327	8,712
	2,365,655	2,223,986
Less accumulated depreciation and amortization	(649,156)	(587,329)
	1,716,499	1,636,657
Utility plant under capital lease, less accumulated amortization of $9,022 and $33,662, respectively	33,958	79,772
Construction in progress	129,770	110,483
Net capital assets	1,880,227	1,826,912
Other noncurrent assets:		
Long-term investments	32,421	49,058
Restricted investments - capital projects	-	24,736
Deferred charges and other assets, less accumulated amortization of $324 and $308, respectively	8,020	11,381
Long-term receivable	15,433	14,435
Total other noncurrent assets	55,874	99,610
Total noncurrent assets	1,936,101	1,926,522
Total assets	2,117,664	2,106,592

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Net Assets
December 31, 2011 and 2010
(Amounts expressed in thousands)

	2011	2010
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 10,450	$ 11,167
Accrued payroll, vacation and other employee benefits	16,081	16,067
Construction contracts (including retainages of $4,395 and $3,360, respectively)	9,873	11,437
Accrued interest on long-term debt	1,973	3,027
Current portion of bonds payable:		
General obligation bonds	1,595	4,265
Revenue bonds	14,560	6,105
Current portion of obligations under capital lease:		
Certificates of participation	-	12,005
Other	1,735	1,624
Total current liabilities	56,267	65,697
NONCURRENT LIABILITIES:		
Bonds payable, net:		
General obligation bonds	22,068	23,660
Revenue bonds	358,255	373,378
Obligations under capital lease:		
Certificates of participation	-	9,625
Other	17,431	19,166
Customer advances for construction	8,730	16,069
Accrued sick leave	4,273	4,219
Other postemployment benefits	9,169	8,575
Waste disposal closure and postclosure care	3,413	3,394
Total noncurrent liabilities	423,339	458,086
Total liabilities	479,606	523,783
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Invested in capital assets, net of related debt	1,454,710	1,401,820
Restricted for debt service	13,746	18,912
Unrestricted	169,602	162,077
Total net assets	$ 1,638,058	$ 1,582,809

See accompanying notes to basic financial statements.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Revenues, Expenses, and Changes in Fund Net Assets
Years ended December 31, 2011 and 2010
(Amounts expressed in thousands)

	2011	2010
OPERATING REVENUES:		
Water	$ 239,186	$ 224,489
Power generation and other	9,942	9,018
Total operating revenues	249,128	233,507
OPERATING EXPENSES:		
Source of supply, pumping, treatment and distribution	79,466	79,061
General and administrative	66,077	73,926
Customer service	13,669	13,713
Depreciation and amortization	48,961	38,322
Total operating expenses	208,173	205,022
OPERATING INCOME	40,955	28,485
NONOPERATING REVENUES (EXPENSES):		
Investment income	1,201	1,336
Interest expense, less capitalized interest of $3,002 and $2,359, respectively	(17,719)	(16,630)
Loss on disposition of capital assets	(6,011)	(15,533)
Other income	7,686	9,100
Other expense	(5,548)	(3,112)
Total nonoperating expenses, net	(20,391)	(24,839)
INCOME BEFORE CAPITAL CONTRIBUTIONS	20,564	3,646
CAPITAL CONTRIBUTIONS:		
Contributions in aid of construction	17,239	10,861
System development charges	17,446	16,942
Total capital contributions	34,685	27,803
INCREASE IN NET ASSETS	55,249	31,449
NET ASSETS:		
Beginning of year	1,582,809	1,551,360
End of year	$ 1,638,058	$1,582,809

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, 2011 and 2010
(Amounts expressed in thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$248,026	$237,466
Payments to employees	(93,654)	(93,506)
Payments to suppliers	(67,587)	(69,932)
Other receipts	7,686	9,100
Other payments	(5,617)	(3,175)
Net cash provided by operating activities	88,854	79,953
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from contributions in aid of construction ("CIAC") and prepaid CIAC	7,024	1,093
Proceeds from system development charges ("SDC") and prepaid SDC	14,233	14,441
Proceeds from sales of capital assets	410	253
Proceeds from long-term revenue bonds, net	-	89,751
Acquisition of capital assets	(103,045)	(104,767)
Principal payments for long-term bonds	(10,370)	(24,440)
Principal payments for capital lease obligations	(23,254)	(7,724)
Interest paid (includes capitalized interest of $3,002 and $2,359, respectively)	(22,335)	(19,065)
Net cash used for capital and related financing activities	(137,337)	(50,458)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	165,545	190,259
Interest received from investments	1,762	1,530
Purchases of investments	(111,460)	(219,257)
Net cash provided by (used for) investing activities	55,847	(27,468)
NET INCREASE IN CASH	7,364	2,027
CASH, AT BEGINNING OF YEAR	18,133	16,106
CASH, AT END OF YEAR	$ 25,497	$ 18,133

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Statements of Cash Flows
Years ended December 31, 2011 and 2010
(Amounts expressed in thousands)

	2011	2010
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 40,955	$ 28,485
Adjustments to reconcile operating income to net cash provided by operating activities-		
Other nonoperating revenues	9,280	10,412
Other nonoperating expenses	(5,617)	(3,175)
Depreciation and amortization of capital assets	48,961	38,322
Change in assets and liabilities-		
Accounts receivable	(1,102)	3,959
Materials and supplies inventory	(997)	(1,133)
Prepaid expenses	(19)	58
Deferred charges	(2,571)	294
Accounts payable	(717)	649
Accrued payroll, vacation and other employee benefits	68	89
Other postemployment benefits	594	1,990
Waste disposal closure and postclosure care	19	3
Net cash provided by operating activities	$ 88,854	$ 79,953
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Assets acquired through contributions in aid of construction	$12,188	$ 10,777
Assets acquired through system development charges	3,213	5,730
Increase (decrease) in fair value of investments	(465)	518
Loss on disposition of capital assets	(6,011)	(15,533)

See accompanying notes to basic financial statements.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Notes to Basic Financial Statements
December 31, 2011 and 2010

(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*, and 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, the Board would be classified as 1) an "other stand-alone government" since the Board is a legally separate and distinct entity from the City under the Charter of the City, and the City is not financially accountable for the Board, and 2) a "related organization" since the Mayor of the City appoints the Board's governing body, but is not financially accountable. However, the City has elected to include the Board's financial statements in the City's financial statements as a component unit enterprise fund because, in the City's opinion, the nature and significance of the Board's relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

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

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 assets, 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 as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board ("FASB"), Opinions of the Accounting Principles Board, and Accounting Research Bulletins of the Committee on Accounting Procedure of the American Institute of Certified Public Accountants. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Board has elected not to apply FASB pronouncements issued after November 30, 1989.

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 Assets and Flow Assumption for Restricted Net Assets

Restricted net assets consist of the revenue bonds debt service reserve fund included in temporary cash investments. It is used to pay principal and interest on the revenue bonds as they become due. 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 City 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	
Buildings and improvements	10 - 80 years
Motor vehicles and motorized equipment	5 - 15 years
Furniture, machinery and equipment	5 - 80 years

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 deferred charges and amortized over their estimated useful lives, or until the related projects become operational or abandoned. At December 31, 2011 and 2010, inactive development costs included in deferred charges which, in the Board's opinion, will be used in connection with future construction activities, totaled $0, and $16,000, respectively, net of amortization.

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.

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 statement of revenues, expenses, and changes in fund net assets, after nonoperating revenues (expenses), when earned. Assets acquired through CIAC and SDC are included in capital assets. Depreciation applicable to such assets is computed using the straight-line method over 80 and 60 years for CIAC and SDC assets, respectively, and is included in operating expenses (see Note 14, *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 for 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 October 28, 2009, the Board approved a water rate increase, effective February 3, 2010, designed to increase overall total system water rate revenue by 6.0%.

On November 17, 2010, the Board approved a water rate increase, effective March 3, 2011, designed to increase overall total system water rate revenue by 9.5%.

On September 28, 2011, the Board approved a water rate increase, effective January 1, 2012, designed to increase overall total system water rate revenue by 5.5%.

System Development Charges ("SDC")

On December 9, 2009, the Board approved an SDC increase, effective February 8, 2010, designed to increase treated water tap fees by an average of 14.1% and raw and recycled water tap fees by an average of 13.6%.

On December 8, 2010, the Board approved an SDC increase, effective March 3, 2011, designed to increase treated water tap fees by an average of 11.2% and raw and recycled water tap fees by an average of 9.8%.

On October 26, 2011, the Board approved an SDC increase, effective February 1, 2012, designed to increase treated water, raw, and recycled water tap fees by an average of 4.2%.

N. Recently Issued Accounting Standards

The following GASB statements became effective in 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which had no impact.

- GASB Statement No. 59, *Financial Instruments Omnibus*, which had no impact.

The following GASB statements became effective in 2010:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which was early implemented in 2008.

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which had no impact since the Board has no derivative instruments.

- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, which had no impact.

O. Reclassifications

Certain reclassifications have been made to prior year's information to conform to the current year presentation.

(2) DEPOSITS AND INVESTMENTS

All deposits are either insured or covered by the Colorado Public Deposit Protection Act and are therefore not exposed to custodial credit risk, except as noted below.

Colorado statutes and the City Charter authorize the Board to expend funds for the operation of the Board, including the purchase of investments. The Board has an investment policy that allows for the following investments:

- U.S. Treasury obligations, U.S. government agency and instrumentality obligations, including those that may not have the unconditional guarantee of the U.S. Government
- Commercial paper
- Corporate fixed income securities
- Money market mutual funds
- Local government investment pools
- Certificates of deposit and other evidences of deposit
- Bankers' acceptances
- Repurchase agreements

The Board's investments (current and long-term) at December 31, 2011 and 2010, and their maturities were as follows:

Current and Long-Term Investments
December 31, 2011
(amounts expressed in thousands)

Investment Type	Weighted average maturity (days)	Percent of Portfolio		Fair Value	Investment Maturities (in years) Less Than 1	1 - 5
Securities						
U.S. Treasuries	265	36.1%		$ 57,439	$ 33,747	$ 23,692
U.S. agencies	318	13.3		21,171	17,184	3,987
Commercial paper	68	8.8		13,983	13,983	-
Corporate fixed income	308	10.4		16,559	11,817	4,742
Total securities		68.6		109,152	76,731	32,421
Non-Securities						
Securities sales receivable	1	3.8		6,030	6,030	-
Repurchase agreement	1	27.3	*	43,525	43,525	-
Money market funds	1	0.3		426	426	-
Total non-securities		31.4		49,981	49,981	-
Total investments		100.0%		$ 159,133	$ 126,712	$ 32,421

*The Board's investment policy states that the maximum concentration for any one issuer for Repurchase Agreements is 25%. However, the Board calculates this including cash balances. Under the Board's calculation, Repurchase Agreements represents 23% of the total portfolio.

Current and Long-Term Investments
December 31, 2010
(amounts expressed in thousands)

Investment Type	Weighted average maturity (days)	Percent of Portfolio	Fair Value	Investment Maturities (in years) Less Than 1	1 - 5
Securities					
U.S. Treasuries	321	50.4%	$ 104,774	$ 75,035	$ 29,739
U.S. agencies	510	10.8	22,397	5,109	17,288
Commercial paper	58	14.4	30,086	30,086	-
Corporate fixed income	546	1.5	3,072	1,041	2,031
Total securities		77.1	160,329	111,271	49,058
Non-Securities					
Money market funds	1	22.9	47,534	47,534	-
Total investments		100.0%	$ 207,863	$ 158,805	$ 49,058

Credit Risk

The Board limits the purchase of investments in commercial paper to those rated either A1 or better by Standard & Poor's ("S&P") or P1 by Moody's Investor Services (Moody's), both nationally recognized statistical rating organizations. Corporate fixed income securities must be rated AA- or better by S&P or Aa3 or better by Moody's. Money market funds shall have a rating of AAAm from S&P.

As of December 31, 2011 and 2010, all commercial paper held in the portfolio was rated A1+ by S&P, and/or P1 by Moody's. All corporate fixed income securities held as of December 31, 2011 and 2010 were rated AA+ or better by S&P or Aa2 or better by Moody's. Money market funds were rated AAAm.

The Board also invests in agency securities issued by U.S. Government Sponsored Enterprises such as Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Agricultural Mortgage Corporation (FAMC), Federal Home Loan Banks (FHLB), and Federal Farm Credit Banks (FFCB), and U.S. Government obligations. FNMA and FHLMC are issued by agencies that remain under conservatorship by the Director of the Federal Housing Agency. The U.S. Government does not guarantee, directly or indirectly, the securities of the FHLB, FNMA or FHLMC.

As of December 31, 2011, the Board had 4.3% of the portfolio invested in FNMA, 2.6% in FHLMC, 7.0% in FHLB and 4.4% in FFCB. As of December 31, 2010, the Board had 2.4% of the portfolio invested in FNMA, 0.5% in FHLMC, 5.4% in FHLB, and 2.5% in FFCB. All of these securities were rated AA+ or better by S&P and Aaa by Moody's as of December 31, 2011 and 2010.

Custodial Credit Risk

In 2009 the Board funded its controlled disbursement account daily to cover checks clearing that day. On holidays that were bank business days the account was funded remotely. In 2010 the account was pre-funded rather than funding remotely. Funds were deposited in the account to cover outstanding checks that could potentially clear on January 3, 2011, a Board holiday but a bank business day. This account does not have Colorado Public Depository Act insurance and deposits are uncollateralized. Therefore, at December 31, 2010, $463,000 in this account was subject to custodial credit risk. In 2011, there were no funds subject to custodial credit risk.

Concentration of Credit Risk

To reduce the concentration of credit risk, the Board has placed limits on the amount that may be invested in any one issuer. The schedule below provides the limits, calculated as a percentage of total cash and investments, set forth by the Board in the Investment Policy in effect for 2011 and 2010:

Maximum Concentrations, Any One Issuer
October 13, 2010 through December 31, 2011

Type of Investment	Maximum Concentration
U.S. Treasury obligations	No limit
U.S. government agency and instrumentality obligations	15%
Commercial paper, corporate fixed income, and bankers' acceptance	5%
Money market mutual funds	5%
Local government investment pools	5%
Certificates of deposit	10%
Repurchase agreements*	25%

*In the current policy, repurchase agreements were broken out as a separate category. Previously, they were not.

Maximum Concentrations, Any One Issuer
January 1, 2010 through October 12, 2010

Type of Investment*	Maximum Concentration
Money market mutual funds	10%
Commercial paper	5%
Corporate fixed income obligations	Greater of 2% or $1 million
Federal agency obligations	15%
U.S. government obligations	No limit

*Includes securities held in repurchase agreements

The investment policy was reviewed and updated by the Board, effective August 10, 2011. As of December 31, 2011 and 2010, there were no investments exceeding the limits of the respective policies.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Board's investment policy for the portfolio limits investments to the following maximum maturities.

Maximum Maturities
December 31, 2011 and 2010

Type of Investment	Maximum Maturity*
U.S. Treasury obligations	5 years
U.S. government agency and instrumentality obligations	4 years
Commercial paper	270 days
Corporate fixed income securities	3 years
Bankers' acceptances and other evidences of deposit	180 days
Certificates of deposit	180 days
Repurchase agreements	overnight

*No more than 25% of the portfolio shall be invested for periods in excess of three years and no less than 30% of the portfolio shall be held in U.S. Government Securities.

(3) ACCOUNTS RECEIVABLE

Current and long-term accounts receivable at December 31, 2011 and 2010 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. The Board has no allowance for doubtful accounts since nonpayment of receivables rarely occurs due to the necessity for water.

Accounts Receivable
(amounts expressed in thousands)

	December 31, 2011		December 31, 2010	
Total Accounts Receivable				
Current				
Water sales	$ 16,029	83%	$ 13,673	71%
Other	3,370	17	5,622	29
	$ 19,399	100%	$ 19,295	100%
Long-term	$ 15,433		$ 14,435	
From the City and County of Denver (included above)				
Current				
Water sales	$ 276		$ 461	
Other	1,406		3,248	
	1,682		3,709	
Long-term	5,821		5,392	
	$ 7,503		$ 9,101	
From the federal government - *Current* (included above)				
Build America Bonds federal interest subsidy	$ -		$ 272	

(4) CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2011 and 2010 were as follows:

Capital Assets
Year Ended December 31, 2011
(amounts expressed in thousands)

	December 31, 2010	Additions & Transfers	Sales & Retirements	December 31, 2011
Capital assets not being depreciated:				
Land and land rights	$ 113,473	$ 676	$ -	$ 114,149
Water rights and other	70,033	4,067	-	74,100
Construction in progress	110,483	22,155	(2,868)	129,770
Total capital assets not being depreciated	293,989	26,898	(2,868)	318,019
Capital assets being depreciated:				
Buildings and improvements	224,496	12,166	(124)	236,538
Improvements other than buildings	1,698,311	77,323	(14,148)	1,761,486
Machinery and equipment	231,107	(3,316) *	(5,429)	222,362
Total capital assets being depreciated	2,153,914	86,173	(19,701)	2,220,386
Less accumulated depreciation:				
Buildings and improvements	(59,093)	(4,766)	78	(63,781)
Improvements other than buildings	(475,222)	(35,332)	8,562	(501,992)
Machinery and equipment	(86,676)	(10,440)	4,711	(92,405)
Total accumulated depreciation	(620,991)	(50,538)	13,351	(658,178)
Total capital assets being depreciated, net	1,532,923	35,635	(6,350)	1,562,208
Total capital assets, net	$ 1,826,912	$ 62,533	$ (9,218)	$ 1,880,227

*Represents assets previously interpreted as Machinery and Equipment transferred to Improvements Other Than Buildings.

Capital Assets
Year Ended December 31, 2010
(amounts expressed in thousands)

	December 31, 2009	Additions & Transfers	Sales & Retirements	December 31, 2010
Capital assets not being depreciated:				
Land and land rights	$ 112,348	$ 1,125	$ -	$ 113,473
Water rights and other	66,975	3,814	(756)	70,033
Construction in progress	77,340	37,109	(3,966)	110,483
Total capital assets not being depreciated	256,663	42,048	(4,722)	293,989
Capital assets being depreciated:				
Buildings and improvements	217,774	6,968	(246)	224,496
Improvements other than buildings	1,648,231	66,129	(16,049)	1,698,311
Machinery and equipment	226,396	10,671	(5,960)	231,107
Total capital assets being depreciated	2,092,401	83,768	(22,255)	2,153,914
Less accumulated depreciation:				
Buildings and improvements	(55,819)	(3,367)	93	(59,093)
Improvements other than buildings	(454,312)	(25,937)	5,027	(475,222)
Machinery and equipment	(78,929)	(10,313)	2,566	(86,676)
Total accumulated depreciation	(589,060)	(39,617)	7,686	(620,991)
Total capital assets being depreciated, net	1,503,341	44,151	(14,569)	1,532,923
Total capital assets, net	$ 1,760,004	$ 86,199	$ (19,291)	$ 1,826,912

Depreciation and amortization for the years ended December 31, 2011 and 2010 were as follows:

Depreciation and Amortization
(amounts expressed in thousands)

	Years Ended December 31, 2011	2010
Operating expenses, water service	$ 48,961	$ 38,322
Nonoperating expenses	124	128
Other, as allocated	1,469	1,183
Total depreciation and amortization	50,554	39,633
Less amortization of plant-related studies included in deferred charges	(16)	(16)
Total increase in accumulated depreciation of property, plant and equipment	$ 50,538	$ 39,617

Major retirements during 2011 were the result of main/hydrant retirements as a result of the pipe rehabilitation program and write-offs of obsolete assets.

Major retirements during 2010 were the result of write-offs of obsolete Encoder Receiver Transmitter Devices (ERTs); obsolete IT network equipment and system software; main/hydrant retirements; and conditional water rights related to Eagle and Piney River.

(5) RISK MANAGEMENT

The Board is exposed to various risks of losses including torts, general liability (limited under the Colorado Governmental Immunity Act to $150,000 per person and $600,000 per occurrence), property damage, 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 $2.5 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, 2011 and 2010, claims liabilities consisting of medical, dental and

vision benefits; and legal claims were $1,327,000 and $1,294,000, respectively. Changes in the balances of these liabilities during 2011, 2010, and 2009 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
2011	$ 1,294	$ 11,917	$ (11,884)	$ 1,327
2010	6,567	9,313	(14,586)	1,294
2009	2,659	17,380	(13,472)	6,567

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

(6) BONDS PAYABLE

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 its revenues. Coupon rates for the general obligation bonds outstanding at December 31, 2011, range from 3.5% to 5.6%. The weighted average yield to maturity at issue for outstanding bonds was 5.04% and 4.97% for the years ended December 31, 2011 and 2010, respectively.

A summary of debt maturity for the general obligation bonds as of December 31, 2011 is as follows:

General Obligation Bonds
December 31, 2011
(amounts expressed in thousands)

	Principal	Interest	Total
Year of Maturity:			
Current:	$ 1,595	$ 1,178	$ 2,773
Long-term:			
2013	1,995	1,112	3,107
2014	1,735	1,023	2,758
2015	1,850	948	2,798
2016	1,540	867	2,407
2017-2021	2,710	3,772	6,482
2022-2026	850	3,273	4,123
2027-2029	11,550	1,938	13,488
	22,230	12,933	35,163
Less net discount	(162)	-	(162)
Total long-term	22,068	12,933	35,001
	$ 23,663	$ 14,111	$ 37,774

The Board no longer has authority to issue general obligation bonds of the City, but previously issued bonds may remain outstanding.

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 its revenues, and to maintain adequate rates to ensure its ability to do so. Coupon rates for the revenue bonds outstanding at December 31, 2011, range from 0.75% to 6.15%. The weighted average yield to maturity at issue for outstanding bonds was 3.75% and 3.79% for the years ended December 31, 2011 and 2010, respectively. The weighted average yield is calculated net of Build America Bond subsidy of 35% for the Series 2009A and Series 2010B revenue bonds. In accordance with the Official Statements, the Board has established a reserve fund for the revenue bonds totaling $13.7 million and $13.0 million as of December 31, 2011 and 2010, respectively.

A summary of debt maturity for the revenue bonds as of December 31, 2011 is as follows:

Revenue Bonds
December 31, 2011
(amounts expressed in thousands)

	Principal	Interest*	Total
Year of Maturity:			
Current:	$ 14,560	$ 17,388	$ 31,948
Long-term:			
2013	15,415	16,736	32,151
2014	16,500	16,067	32,567
2015	17,260	15,284	32,544
2016	18,695	14,464	33,159
2017-2021	72,625	62,074	134,699
2022-2026	69,030	44,156	113,186
2027-2031	50,040	30,920	80,960
2032-2036	62,020	18,536	80,556
2037-2040	35,415	4,021	39,436
	357,000	222,258	579,258
Plus premium	1,255	-	1,255
Total long-term	358,255	222,258	580,513
	$ 372,815	$ 239,646	$ 612,461

*Excludes Build America Bonds interest subsidy. Amounts received during 2011 and 2010 were $2,616,000 and $906,000, respectively. The Board is eligible to receive $46 million over the remaining life of the bonds.

On September 28, 2010 the Board issued Series 2010B Master Resolution water revenue taxable bonds under the American Recovery and Reinvestment Act of 2009 (Build America Bonds) in an aggregate principal amount of $90,000,000 at a true interest cost at sale of 3.12%. The Board is eligible to receive a direct federal subsidy in an amount equal to 35% of the interest payable on the bonds on each interest payment date. The bonds were issued in accordance with the Fourth Supplement to the Master Bond Resolution dated September 8, 2010 for the extension, betterment, other improvement, and equipment of the Water Works System.

Refundings

In prior years, the Board has refunded and advance refunded various general obligation issues resulting in funds placed in an escrow account to purchase Treasury securities sufficient to pay all future principal and interest payments and to call the bonds on their respective call dates. These bonds are considered defeased and the liability for these bonds has been removed from the Board's *Statements of Net Assets*. The aggregate principal amount of all bonds considered defeased at December 31, 2010 was $9,455,000. All of the outstanding defeased bonds were called for prior redemption on October 1, 2011.

Prior year advance refundings have resulted in a difference between the reacquisition price and the net carrying amount of the old debt ("deferred amount on refunding"). This difference, reported in the accompanying basic financial statements as a deduction from bonds payable, is being amortized using the effective interest method as a component of interest expense through 2011. At December 31, 2011, there is no remaining unamortized deferred amount on refunding to deduct from bonds payable.

(7) LEASES

Capital Leases

Certificates of Participation

The Board entered into a Master Lease Purchase Agreement ("MLPA") with Denver Capital Leasing Corporation ("DCLC"), a nonprofit corporation organized by the City, pursuant to which the Board leased from DCLC certain facilities. The Board constructed the facilities with proceeds from the execution and delivery of Certificates of Participation ("COPs"), evidencing assignments of proportionate interests in rights to receive certain revenue of the Board under its MLPA with DCLC. The COPs were payable solely from the Board's lease payments under the MLPA. DCLC had no obligation to make any payment on the COPs.

COPs were executed and delivered pursuant to a Mortgage and Indenture of Trust Agreement between a bank, acting as trustee ("Trustee"), and DCLC, pursuant to which DCLC assigned all of its rights, title, and interest under the MLPA to the Trustee. The MLPA was subject to termination on an annual basis by the Board, upon which any outstanding COPs would be payable solely from funds held by the Trustee and any amounts made available by the Trustee's sublease or sale of the leased assets under the MLPA.

COPs were issued in 1987, 1991, 1998, and 2001 to finance the construction of pretreatment facilities for the Marston Treatment Plant, improvements to the Moffat Treatment Plant, and construction of the 64th Avenue Pump Station. As of December 31, 2010, only the 1998 and 2001 COPs remained outstanding. On November 15, 2011 the Board called and redeemed all outstanding 1998 and 2001 COPs, and the assets were transferred to utility plant. The assets under the COPs capital leases by major asset class, recorded in *Utility Plant under Capital Lease* in the *Statements of Net Assets*, were as follows:

Assets Under Capital Lease - Certificates of Participation
(amounts expressed in thousands)

	December 31, 2011	December 31, 2010
Buildings and improvements	$ -	$ 31,114
Improvements other than buildings	-	39,339
	-	70,453
Less: accumulated amortization	-	(25,199)
	$ -	$ 45,254

The MLPA, as amended and restated, required a reserve fund be established from proceeds of the COPs. The reserve fund was to be used in the event the Board failed to make payment of any base rental payments or other payments and fees defined in the MLPA. At December 31, 2010, the reserve fund was $5,916,000 and was recorded in deferred charges. Upon redemption of the outstanding COPs in 2011, the reserve fund was released to the Board by the trustee.

Minimum capital lease payments were $13,113,000 and $7,582,000 during 2011 and 2010, respectively. The Board called and redeemed the COPs maturing on or after November 15, 2012 on November 15, 2011 by payment of the outstanding principal of $9,625,000. As of December 31, 2011 there were no outstanding COPs.

The COPs were also secured by collateral consisting of certain assets purchased and/or constructed under the MLPA. Two locations were subject to the MLPA, the Marston Pretreatment Facility Site, consisting of three parcels of land, and the Moffat Treatment Plant Site, consisting of four parcels of land. Leased property at the two sites includes all property permanently affixed to the sites as well as those items of movable equipment, machinery and related personal property which were necessary to the performance of the functions performed at the facility at which they are located and which remained located there for 60 days or more. The Board could remodel, substitute, modify, add to, or remove leased property at its expense, provided that the value of the leased property would not be decreased as a result of such changes. These restrictions were no longer applicable as of December 31, 2011 as a result of the payoff of the COPs.

Wolford Mountain

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 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, 2011	December 31, 2010
Improvements other than buildings	$ 42,981	$ 42,981
Less: accumulated amortization	(9,023)	(8,463)
	$ 33,958	$ 34,518

Minimum capital lease payments were $3,000,000 during both 2011 and 2010. 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, 2011:

Obligation Under Capital Lease - Wolford Mountain As of December 31, 2011 (amounts expressed in thousands)	
Year Ending December 31:	
2012	$ 3,000
2013	3,000
2014	3,000
2015	3,000
2016	3,000
2017-2020	10,500
Total minimum lease payments	25,500
Less interest at 6.75%	(6,334)
Present value of minimum lease payments (obligation under capital lease)	19,166
Less current portion	(1,735)
Total long-term	$ 17,431

Operating Leases

The Board is committed under various cancellable operating leases for property and equipment. Lease expenses for the years ended December 31, 2011 and 2010 were $1,056,000 and $1,512,000, respectively. The Board expects these leases to be replaced in the ordinary course of business with similar leases. Future lease payments should be approximately the same amount.

(8) SOUTH ADAMS COUNTY PREPAID SYSTEM DEVELOPMENT CHARGES AND DOWNSTREAM RESERVOIR PROJECT

On December 16, 1997, the Board and South Adams County Water and Sanitation District ("SACWSD") entered into a Memorandum of Understanding, and on November 30, 1998, entered into a final agreement, whereby the Board agreed to supply 4,000 acre-feet of treated water annually to SACWSD beginning on or before January 15, 2004, for which SACWSD paid system development charges ("SDCs") of $22,920,000 in December 1997. The agreement was contingent upon SACWSD's acquiring, developing, and conveying to the Board finished storage facilities for 8,000 acre-feet of water along the South Platte River downstream of Denver, and improvements to the Board's 56th Avenue facilities. The improvements to the 56th Avenue facilities have been made and paid for.

In April 2009, the parties entered into a financial reconciliation agreement which provided that SACWSD has paid approximately 75% of its share of the overall anticipated project costs of the storage facilities and is entitled to 3,000 out of the 4,000 acre-feet of permanent water under the agreement, which the

Board began furnishing in 2009. SACWSD paid the remaining 25% in 2010 and is entitled to the remaining 1,000 acre-feet of permanent water. Consequently, of the initial SDC payment of $22,920,000, the Board recognized 75% or $17,190,000, as being earned in 2009, and 25% or $5,730,000 as being earned in 2010, and transferred those amounts from Customer Advances for Construction to SDCs in each of those years.

In addition to SACWSD's prepaid SDCs, conveyances of $3.7 million and $0 were transferred during 2011 and 2010, respectively, from Customer Advances for Construction to Contributions in Aid of Construction ("CIAC") for the storage facilities and improvements paid by SACWSD. $29.6 million has been transferred from inception through December 31, 2011. Transfers are made as work is performed.

(9) WASTE DISPOSAL CLOSURE AND POSTCLOSURE CARE

The Board operates a landfill 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 for dewatering of aluminum sulfate solids/residuals generated as a by-product of the potable water treatment process at the Moffat Water Treatment Plant. Both 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 to perform certain maintenance and monitoring functions at the sites 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 and federal financial assurance requirements discussed below. Prior years were not restated due to the immateriality of the amounts involved.

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 assets* date. The Board reports the entire liability for closure and postclosure care costs for the Ralston residual drying beds since they are not "filled" like a landfill, but are reusable.

Approximately $3.4 million was reported as *Waste Disposal Closure and Postclosure Care* liability in the *Statements of Net Assets*, at December 31, 2011 and 2010 for the two sites as follows:

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

	Foothills	Ralston	Total
2011			
Closure Costs	$ 108	$ 1,577	$ 1,685
Postclosure Care Costs	388	1,340	1,728
	$ 496	$ 2,917	$ 3,413
2010			
Closure Costs	$ 108	$ 1,572	$ 1,680
Postclosure Care Costs	378	1,336	1,714
	$ 486	$ 2,908	$ 3,394

These costs are based on the use of 23.0% and 22.5% of the active portion of the Foothills landfill at December 31, 2011 and 2010, respectively, and 100% of the Ralston drying beds for both years. The Board will recognize the remaining estimated cost of the Foothills postclosure care of $1,297,000 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. 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 Ralston 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, unqualified audit opinions, and the implementation of GASB No. 18.

(10) CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended December 31, 2011 and 2010 were as follows:

Long-Term Liabilities
Year Ended December 31, 2011
(amounts expressed in thousands)

	December 31, 2010 (Current and Long-Term)	2011 Additions	2011 Reductions	December 31, 2011 (Current and Long-Term)	Due Within One Year	
G. O. bonds payable, net	$ 27,925	$ -	$ (4,262)	$ 23,663	$ 1,595	
Revenue bonds payable, net	379,483	-	(6,668)	372,815	14,560	
Obligation under capital lease - Certificates of participation	21,630	-	(21,630)	-	-	
Obligation under capital lease - Other	20,790	-	(1,624)	19,166	1,735	
Customer advances for construction	16,069	2,800	(10,139)	8,730	-	
Accrued sick leave	7,846	67	-	7,913	3,640	*
Other postemployment benefits	8,575	594	-	9,169	-	
Waste disposal closure	3,394	19	-	3,413	-	
	485,712	$ 3,480	$ (44,323)	444,869	$ 21,530	
Less current portion	(27,626)			(21,530)		
Total long-term liabilities	$ 458,086			$ 423,339		

*Included in *Accrued Payroll, Vacation and Other Employee Benefits* in the *Statements of Net Assets*.

Long-Term Liabilities
Year Ended December 31, 2010
(amounts expressed in thousands)

	December 31, 2009 (Current and Long-Term)	2010 Additions	2010 Reductions	December 31, 2010 (Current and Long-Term)	Due Within One Year	
G. O. bonds payable, net	$ 31,015	$ -	$ (3,090)	$ 27,925	$ 4,265	
Revenue bonds payable, net	311,501	90,000	(22,018)	379,483	6,105	
Obligation under capital lease - Certificates of participation	27,835	-	(6,205)	21,630	12,005	
Obligation under capital lease - Other	22,308	-	(1,518)	20,790	1,624	
Customer advances for construction	18,437	2,132	(4,500)	16,069		
Accrued sick leave	8,229	349	(732)	7,846	3,627	*
Other postemployment benefits	6,585	1,990	-	8,575	-	
Waste disposal closure	3,391	3	-	3,394	-	
	429,301	$ 94,474	$ (38,063)	485,712	$ 27,626	
Less current portion	(35,442)			(27,626)		
Total long-term liabilities	$ 393,859			$ 458,086		

*Included in *Accrued Payroll, Vacation and Other Employee Benefits* in the *Statements of Net Assets*.

(11) 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 Plan's funding policy provides for periodic Board contributions of actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due. These required

contributions may vary and are not expressed in terms of fixed dollar amounts or as percentages of annual covered payroll. Plan members are not allowed to make contributions. The Plan provides for the Board making annual contributions based on current annual actuarial valuations, but the Board has reserved the right to suspend, reduce, or permanently discontinue all contributions at any time, pursuant to the termination provisions of the Plan.

Annual Pension Cost and Net Pension Asset

The Board's annual pension 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 27. 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 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, 2011 and 2010
(amounts expressed in thousands)

	2011	2010
Annual required contribution (ARC)	$ 12,414	$ 12,639
Interest on net pension asset	(196)	(197)
Adjustment to ARC	206	207
Annual pension cost	12,424	12,649
Contributions made	(15,400)	(12,639)
(Increase) decrease in net pension asset	(2,976)	10
Net pension asset - beginning of year	(2,618)	(2,628)
Net pension asset - end of year	$ (5,594)	$ (2,618)

The pension asset is recorded in *Deferred Charges and Other Assets* in the *Statements of Net Assets*.

The Board's annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension asset for 2011 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
2011	$ 12,424	$ 15,400	124.0%	$ 5,594
2010	12,649	12,639	99.9	2,618
2009	11,872	14,500	122.1	2,628

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the plan was 73.8% funded. The actuarial accrued liability for benefits was $296.3 million, and the actuarial value of assets was $218.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of $77.5 million. The covered payroll (annual payroll of active employees covered by the pension plan) was $69.9 million, and the ratio of the UAAL to the covered payroll was 110.8%.

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)

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]
1/1/11	$ 218,757	$ 296,269	$ 77,512	73.8%	$ 69,927	110.8%
1/1/10	228,083	301,257	73,174	75.7	70,372	104.0
1/1/09	209,771	288,665	78,894	72.7	65,721	120.0

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2011 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 in level dollar amounts over 30 years on an open basis.

(12) 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 2011 and 2010, the Board made contributions totaling approximately $1,735,000 and $1,671,000, and members contributed approximately $3,695,000 and $3,562,000, respectively, to the SRSP. Employee rollovers from other plans to the SRSP were $9,000 in 2011 and $89,000 in 2010.

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 the Board does not make any contributions.

(13) 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, 161 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 contribution for this benefit for employees hired on or after January 16, 2012. However, these employees can still access this program at the Board's cost upon meeting the Rule of 75.

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 nine 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.

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, 2011, the Board contributed $1,872,000 to the postemployment healthcare benefits plan (approximately 75% of estimated premium equivalent costs). Retirees receiving benefits contributed $631,000, or approximately 25% of the estimated premium equivalent costs. The Board paid $135,000 in LTD benefits in 2011. For the year ended December 31, 2010, the Board contributed $2,226,000 to the postemployment healthcare benefits plan (approximately 78% of estimated premium equivalent costs). Retirees receiving benefits contributed $639,000, or approximately 22% of the estimated premium equivalent costs. The Board paid $141,000 in LTD benefits in 2010.

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, 2011
(amounts expressed in thousands)

	Healthcare	LTD	Total
Annual required contribution (ARC)	$ 4,275	$ 46	$ 4,321
Interest on net OPEB obligation (asset)	292	(15)	277
Adjustment to ARC	(393)	21	(372)
Annual OPEB cost	4,174	52	4,226
Contributions made	(1,872)	(135)	(2,007)
Actuarial adjustment	(1,708)	572	(1,136)
Increase in net OPEB obligation (asset)	594	489	1,083
Net OPEB obligation (asset) - beginning of year	8,575	(927)	7,648
Net OPEB obligation (asset) - end of year	$ 9,169	$ (438)	$ 8,731

The LTD asset is recorded in *Deferred Charges and Other Assets* in the *Statements of Net Assets*.

The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB plan, and the net OPEB obligation for 2011 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
2011	$ 4,226	$ 2,007	47.5%	$ 8,731
2010	3,718	2,367	63.7	6,512
2009	3,496	2,076	59.4	5,161

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $37.7 million, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $37.7 million. The covered payroll (annual payroll of active employees covered by the OPEB plan) was $69.9 million, and the ratio of the UAAL to the covered payroll was 54.0%.

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)

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]
1/1/11	$ -	$ 37,736	$ 37,736	-	$ 69,927	54.0%
1/1/10	-	33,436	33,436	-	70,372	47.5
1/1/09	-	29,189	29,189	-	65,721	44.4

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, 2011 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.

(14) CAPITAL CONTRIBUTIONS

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

Capital Contributions
Years Ended December 31, 2011 and 2010
(amounts expressed in thousands)

	CIAC	SDC
Inception through December 31, 2009	$ 398,744	$ 587,674
2010 Additions	10,861	16,942
Inception through December 31, 2010	409,605	604,616
2011 Additions	17,239	17,446
Inception through December 31, 2011	$ 426,844	$ 622,062

(15) 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.

(16) CONTRACT COMMITMENTS

Contractual commitments as of December 31, 2011 for construction and other purposes totaled $103.4 million. Total projected expenditures for the 2012-2021 Ten-Year Capital Plan are $1.6 billion, net of anticipated participation and reimbursement.

The capital plan includes $284.1 million for the Moffat Collection System Project, which will increase Gross Reservoir from its current storage capacity of 41,811 acre-feet to approximately 114,000 acre-feet, an increase of 72,000 acre-feet. 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 465 feet, an increase of 125 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 enlargement, 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 $33,822,000.

The U.S. Army Corps of Engineers ("the Corps") released a draft environmental impact statement evaluating the potential effects of this project in October 2009. The public comment period ended in March 2010. The Corps is now gathering supplemental information and responding to comments. A final decision on a permit is not likely before the first quarter of 2013.

(17) INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

In the net assets section of the S*tatements of Net Assets*, the line item *Invested in Capital Assets, Net of Related Debt* is comprised of the following as of December 31, 2011 and 2010:

Invested in Capital Assets, Net of Related Debt
(amounts expressed in thousands)

	December 31, 2011	December 31, 2010
Net capital assets	$ 1,880,227	$ 1,826,912
Unspent revenue bond proceeds	-	36,173
Construction contracts	(9,873)	(11,437)
Bonds payable, net	(396,478)	(407,408)
Obligations under capital lease	(19,166)	(42,420)
	$ 1,454,710	$ 1,401,820

(18) SUBSEQUENT EVENTS

The Board has evaluated subsequent events through March 30, 2012, which is the date the basic financial statements were available to be issued, and there are no subsequent events to be reported.

SUPPLEMENTAL FINANCIAL INFORMATION

EXHIBIT I

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Capital Assets
Year ended December 31, 2011
(Amounts expressed in thousands)

	Depreciation Life (Years)	Cost				Accumulated Depreciation and Amortization				Cost Less Accumulated Depreciation and Amortization as of December 31, 2011
		Balance, December 31, 2010	Additions and Transfers	Sales and Retirements	Balance, December 31, 2011	Balance, December 31, 2010	Provision	Sales, Retirements and Transfers	Balance, December 31, 2011	
UTILITY PLANT IN SERVICE:										
Source of supply plant	10 - 80	$ 601,640	$ 5,004	$ (3,585)	$ 603,059	$ 151,543	$ 6,963	$ (2,586)	$ 155,920	$ 447,139
Pumping plant	20 - 80	103,259	9,149	(1,149)	111,259	22,869	2,243	(702)	24,410	86,849
Water treatment plant	20 - 80	380,166	81,121	(1,399)	459,888	87,174	8,844	24,046	120,064	339,824
Transmission and distribution plant	30 - 80	896,618	44,013	(2,822)	937,809	226,985	12,150	(1,172)	237,963	699,846
General plant and equipment	5 - 50	135,031	17,635	(3,285)	149,381	62,425	7,093	(2,890)	66,628	82,753
Leasehold and other improvements	5 - 30	84,311	4,272	(6,927)	81,656	32,792	12,563	(4,577)	40,778	40,878
Land held for future use		14,249	27	-	14,276	-	-	-	-	14,276
Total utility plant in service		2,215,274	161,221	(19,167)	2,357,328	583,788	49,856	12,119	645,763	1,711,565
NONUTILITY PLANT IN SERVICE:										
Plant	10 - 80	8,685	149	(534)	8,300	3,520	123	(271)	3,372	4,928
General equipment	5 - 20	27	-	-	27	21	-	-	21	6
Idle Plant	10 - 50	-	-	-	-	-	-	-	-	-
Total nonutility plant in service		8,712	149	(534)	8,327	3,541	123	(271)	3,393	4,934
UTILITY PLANT UNDER CAPITAL LEASE:										
Certificates of Participation	80	70,453	(70,453)	-	-	25,199	-	(25,199)	-	-
Wolford Mountain	80	42,981	(1)	-	42,980	8,463	559	-	9,022	33,958
Total utility plant under capital lease		113,434	(70,454)	-	42,980	33,662	559	(25,199)	9,022	33,958
CONSTRUCTION IN PROGRESS		110,483	22,155	(2,868)	129,770	-	-	-	-	129,770
Total property, plant and equipment		$ 2,447,903	$ 113,071	$ (22,569)	$ 2,538,405	$ 620,991	$ 50,538	$ (13,351)	$ 658,178	$ 1,880,227

See accompanying independent auditors' report.

EXHIBIT II-A

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
General Obligation and Revenue Water Improvement and Refunding Bonds Outstanding
December 31, 2011
(Amounts expressed in thousands)

Date of Issue	Interest Rates on Bonds Outstanding as of December 31, 2011	Amount Issued	Amount Retired	Amount Outstanding	Bonds Which Are Callable: Callable Amount	Bonds Which Are Callable: Initial Date Callable
General Obligation Bonds						
Sep 15, 1999	5.50-5.60%	$ 14,530	$ (2,480)	$ 12,050	$ 11,550	Oct 1, 2013
Sep 15, 2000	4.80-5.50%	12,700	(11,745)	955	955	Oct 1, 2011
Aug 15, 2001A	4.20-4.70%	11,215	(6,905)	4,310	4,310	Sep 1, 2011
Oct 1, 2002	3.50-4.50%	11,610	(5,100)	6,510	5,970	Oct 1, 2012
		50,055	(26,230)	23,825	22,785	
Less net discount				(162)		
Total General Obligation Bonds				23,663		
Revenue Bonds						
May 15, 2003A	3.00-5.00%	50,000	(900)	49,100	48,100	Jun 1, 2013
Sep 15, 2003B	3.75-5.00%	77,155	(34,895)	42,260	37,110	Jun 1, 2013
Nov 23, 2004	4.125-5.50%	43,655	(22,320)	21,335	7,585	Dec 1, 2014
Jul 12, 2005	3.50-5.25%	30,000	(6,455)	23,545	18,355	Dec 1, 2015
Mar 22, 2007A	3.00-5.00%	100,000	-	100,000	86,315	Dec 15, 2017
Jun 23, 2008A	0.75%	1,800	(480)	1,320	-	Not callable
June 2, 2009	4.65-6.15%	44,000	-	44,000	40,255	Dec 15, 2019
Sep 28, 2010	2.625-5.17%	90,000	-	90,000	78,990	Dec 15, 2020
		$436,610	$ (65,050)	371,560	$316,710	
Plus premium				1,255		
Total Revenue Bonds				$ 372,815		

See accompanying independent auditors' report.

EXHIBIT II-B

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Summary of General Obligation Bond Debt Service Requirements Outstanding
December 31, 2011
Years 2012 to 2029, inclusive
(Amounts expressed in thousands)

Year	G.O. Bond Retirements (Exhibit II-C)	G.O. Bond Interest (Exhibit II-D)	Total Debt Service
2012	$ 1,595	$ 1,178	$ 2,773
2013	1,995	1,112	3,107
2014	1,735	1,023	2,758
2015	1,850	948	2,798
2016	1,540	867	2,407
2017	670	799	1,469
2018	525	772	1,297
2019	515	750	1,265
2020	190	729	919
2021	810	722	1,532
2022	850	685	1,535
2023	-	647	647
2024	-	647	647
2025	-	647	647
2026	-	647	647
2027	-	646	646
2028	-	646	646
2029	11,550	646	12,196
	23,825	14,111	37,936
Less net discount	(162)	-	(162)
	$ 23,663	$ 14,111	$ 37,774

See accompanying independent auditors' report.

EXHIBIT II-C

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Schedule of Bond Retirements for General Obligation Bonds Outstanding
December 31, 2011
Years 2012 to 2029, inclusive
(Amounts expressed in thousands)

Year	Series 1999 Refunding	Series 2000 Refunding	Series 2001A Refunding	Series 2002 Refunding	Total
2012	$ -	$ 225	$ 830	$ 540	$ 1,595
2013	500	230	700	565	1,995
2014	-	245	900	590	1,735
2015	-	255	980	615	1,850
2016	-	-	900	640	1,540
2017	-	-	-	670	670
2018	-	-	-	525	525
2019	-	-	-	515	515
2020	-	-	-	190	190
2021	-	-	-	810	810
2022	-	-	-	850	850
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	11,550	-	-	-	11,550
	$ 12,050	$ 955	$ 4,310	$ 6,510	$ 23,825

See accompanying independent auditors' report.

EXHIBIT II-D

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Schedule of Bond Interest for General Obligation Bonds Outstanding
December 31, 2011
Years 2012 to 2029, inclusive
(Amounts expressed in thousands)

Year	Series 1999 Refunding	Series 2000 Refunding	Series 2001A Refunding	Series 2002 Refunding	Total
2011	$ 674	$ 47	$ 195	$ 262	$ 1,178
2013	674	36	159	243	1,112
2014	647	25	128	223	1,023
2015	647	13	87	201	948
2016	647	-	42	178	867
2017	647	-	-	152	799
2018	647	-	-	125	772
2019	647	-	-	103	750
2020	647	-	-	82	729
2021	647	-	-	75	722
2022	647	-	-	38	685
2023	647	-	-	-	647
2024	647	-	-	-	647
2025	647	-	-	-	647
2026	647	-	-	-	647
2027	646	-	-	-	646
2028	646	-	-	-	646
2029	646	-	-	-	646
	$ 11,697	$ 121	$ 611	$ 1,682	$ 14,111

See accompanying independent auditors' report.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Summary of Revenue Bond Debt Service Requirements Outstanding
December 31, 2011
Years 2012 to 2040, inclusive
(Amounts expressed in thousands)

Year	Rev. Bond Retirements (Exhibit II-F)	Rev. Bond Interest* (Exhibit II-G)	Total Debt Service	Build America Bonds Interest Subsidy
2012	$ 14,560	$ 17,388	$ 31,948	$ 2,344
2013	15,415	16,736	32,151	2,344
2014	16,500	16,067	32,567	2,344
2015	17,260	15,284	32,544	2,344
2016	18,695	14,464	33,159	2,344
2017	12,405	13,562	25,967	2,344
2018	13,040	13,022	26,062	2,300
2019	13,615	12,466	26,081	2,252
2020	16,005	11,862	27,867	2,196
2021	17,560	11,162	28,722	2,137
2022	18,315	10,367	28,682	2,074
2023	19,835	9,514	29,349	2,007
2024	11,310	8,615	19,925	1,935
2025	10,745	8,087	18,832	1,858
2026	8,825	7,573	16,398	1,776
2027	9,190	7,136	16,326	1,690
2028	9,575	6,674	16,249	1,599
2029	9,985	6,190	16,175	1,503
2030	10,415	5,680	16,095	1,403
2031	10,875	5,240	16,115	1,297
2032	11,355	4,773	16,128	1,186
2033	11,855	4,286	16,141	1,069
2034	12,380	3,778	16,158	948
2035	12,930	3,169	16,099	822
2036	13,500	2,530	16,030	689
2037	14,100	1,859	15,959	550
2038	7,835	1,160	8,995	406
2039	8,140	726	8,866	254
2040	5,340	276	5,616	97
	371,560	239,646	611,206	
Plus premium	1,255	-	1,255	
	$ 372,815	$ 239,646	$ 612,461	$ 46,112

*Excludes Build America Bonds interest subsidy.

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, 2011
Years 2012 to 2040, inclusive
(Amounts expressed in thousands)

Year	Series 2003A Improvement	Series 2003B Improv/Ref	Series 2004 Improv/Ref	Series 2005 Improvement	Series 2007A Improvement	Series 2008A Improvement	Series 2009A Improvement	Series 2010B Improvement	Total
2012	$ 1,000	$ 5,150	$ 5,045	$ 1,215	$ 2,030	$ 120	$ -	$ -	$ 14,560
2013	1,145	8,025	2,755	1,260	2,110	120	-	-	15,415
2014	1,540	8,400	2,900	1,325	2,215	120	-	-	16,500
2015	1,550	8,825	3,050	1,390	2,325	120	-	-	17,260
2016	2,110	11,860	705	1,460	2,440	120	-	-	18,695
2017	3,570	-	735	1,530	2,565	120	1,215	2,670	12,405
2018	3,885	-	770	1,610	2,690	120	1,245	2,720	13,040
2019	4,110	-	805	1,690	2,825	120	1,285	2,780	13,615
2020	6,160	-	840	1,775	2,945	120	1,325	2,840	16,005
2021	7,355	-	875	1,860	3,070	120	1,370	2,910	17,560
2022	7,720	-	915	1,955	3,205	120	1,420	2,980	18,315
2023	8,955	-	950	2,055	3,345	-	1,475	3,055	19,835
2024	-	-	990	2,155	3,495	-	1,530	3,140	11,310
2025	-	-	-	2,265	3,655	-	1,595	3,230	10,745
2026	-	-	-	-	3,835	-	1,660	3,330	8,825
2027	-	-	-	-	4,030	-	1,730	3,430	9,190
2028	-	-	-	-	4,230	-	1,805	3,540	9,575
2029	-	-	-	-	4,440	-	1,885	3,660	9,985
2030	-	-	-	-	4,665	-	1,970	3,780	10,415
2031	-	-	-	-	4,900	-	2,065	3,910	10,875
2032	-	-	-	-	5,145	-	2,160	4,050	11,355
2033	-	-	-	-	5,400	-	2,265	4,190	11,855
2034	-	-	-	-	5,670	-	2,370	4,340	12,380
2035	-	-	-	-	5,955	-	2,480	4,495	12,930
2036	-	-	-	-	6,250	-	2,600	4,650	13,500
2037	-	-	-	-	6,565	-	2,720	4,815	14,100
2038	-	-	-	-	-	-	2,850	4,985	7,835
2039	-	-	-	-	-	-	2,980	5,160	8,140
2040	-	-	-	-	-	-		5,340	5,340
	$ 49,100	$ 42,260	$ 21,335	$ 23,545	$ 100,000	$ 1,320	$ 44,000	$ 90,000	$ 371,560

See accompanying independent auditors' report.

BOARD OF WATER COMMISSIONERS
CITY AND COUNTY OF DENVER, COLORADO
Schedule of Bond Interest for Revenue Bonds* Outstanding
December 31, 2011
Years 2012 to 2040, inclusive
(Amounts expressed in thousands)

Year	Series 2003A Improvement	Series 2003B Improv/Ref	Series 2004 Improv/Ref	Series 2005 Improvement	Series 2007A Improvement	Series 2008A Improvement	Series 2009A Improvement	Series 2010B Improvement	Total
2012	$ 2,238	$ 1,981	$ 1,016	$ 1,021	$ 4,423	$ 10	$ 2,589	$ 4,110	$ 17,388
2013	2,188	1,776	764	979	4,321	9	2,589	4,110	16,736
2014	2,131	1,454	626	933	4,216	8	2,589	4,110	16,067
2015	2,077	1,034	481	883	4,105	7	2,588	4,109	15,284
2016	2,023	593	328	828	3,989	6	2,588	4,109	14,464
2017	1,939	-	299	755	3,867	5	2,588	4,109	13,562
2018	1,769	-	265	674	3,739	4	2,532	4,039	13,022
2019	1,585	-	231	610	3,604	4	2,471	3,961	12,466
2020	1,389	-	195	538	3,463	3	2,407	3,867	11,862
2021	1,097	-	157	463	3,338	2	2,337	3,768	11,162
2022	747	-	121	388	3,184	1	2,262	3,664	10,367
2023	381	-	83	291	3,024	-	2,182	3,553	9,514
2024	-	-	42	188	2,857	-	2,097	3,431	8,615
2025	-	-	-	96	2,682	-	2,009	3,300	8,087
2026	-	-	-	-	2,499	-	1,913	3,161	7,573
2027	-	-	-	-	2,308	-	1,813	3,015	7,136
2028	-	-	-	-	2,106	-	1,709	2,859	6,674
2029	-	-	-	-	1,895	-	1,601	2,694	6,190
2030	-	-	-	-	1,672	-	1,488	2,520	5,680
2031	-	-	-	-	1,533	-	1,370	2,337	5,240
2032	-	-	-	-	1,386	-	1,246	2,141	4,773
2033	-	-	-	-	1,231	-	1,116	1,939	4,286
2034	-	-	-	-	1,069	-	980	1,729	3,778
2035	-	-	-	-	821	-	838	1,510	3,169
2036	-	-	-	-	561	-	686	1,283	2,530
2037	-	-	-	-	287	-	526	1,046	1,859
2038	-	-	-	-	-	-	359	801	1,160
2039	-	-	-	-	-	-	183	543	726
2040	-	-	-	-	-	-	-	276	276
	$ 19,564	$ 6,838	$ 4,608	$ 8,647	$ 68,180	$ 59	$ 49,656	$ 82,094	$ 239,646

*Excludes Build America Bonds interest subsidy. See Exhibit II-E.

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: 2002 - 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Population served[1]	**1,135,000**	1,125,000	1,111,000	1,093,000	1,077,000	1,064,000	1,057,000	1,055,000	1,052,000	1,049,000
Total treated water consumption (million gallons)[2]	**68,260.80**	69,695.40	62,106.90	71,975.87	70,479.84	74,724.98	68,473.70	60,578.77	65,399.47	75,221.18
Average daily consumption (million gallons)	**187.02**	190.95	170.16	196.66	193.10	204.73	187.60	165.52	179.18	206.09
Average daily consumption per capita (gallons)[1]	**165**	170	153	180	179	192	177	157	170	196
Maximum daily consumption (million gallons)	**366.40**	365.81	341.80	426.16	425.70	425.68	424.80	340.92	370.05	419.20
Maximum hour treated water use rate (million gallons per day)	**546.80**	577.75	516.90	670.00	660.00	671.04	725.27	567.52	775.23	788.09
Treated water pumped (million gallons)	**36,443.50**	41,611.30	38,198.90	50,283.70	44,684.79	44,937.60	41,890.71	39,105.07	46,030.79	51,205.33
Raw water storage capacity (acre-feet)[3]	**569,534**	561,883	561,883	561,883	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]	**117,559**	151,891	138,791	122,255	168,554	113,868	154,750	119,978	144,982	58,856
Supply from Blue River/Roberts Tunnel system (acre-feet)	**148,643**	74,674	58,468	80,056	65,682	127,074	94,470	75,984	164,294	56,848
Supply from Moffat system (acre-feet)	**93,763**	76,318	79,636	88,842	85,444	83,022	63,872	59,344	84,072	33,116
Treated water pumping capacity (mgd)	**1,003.3**	1,095.9	1,095.9	1,097.4	1,097.4	1,096.3	1,096.3	1,077.1	1,077.1	1,070.6
Raw water pumping capacity (mgd)	**112.2**	112.2	112.2	112.2	112.2	92.2	92.2	92.2	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	645.0
Treated water reservoir capacity (million gallons)	**371.65**	371.65	371.65	368.65	368.65	368.65	368.65	376.65	376.65	406.45
Raw water supply mains in miles (mountain collection system)	**77.5**	76.9	77.5	77.5	77.6	77.5	77.5	77.6	77.6	77.6
Raw water supply mains in miles (metropolitan Denver area)	**47.7**	47.1	46.0	40.7	40.7	40.7	40.7	40.7	40.7	40.7
Transmission & distribution mains (miles) - Inside City and Outside City Total Service Contract distributors	**3,041**	3,037	2,954	2,681	2,657	2,645	2,631	2,608	2,574	2,552
Recycled water transmission & distribution mains (miles)	**45.0**	44.2	35.3	36.5	36.5	32.6	31.3	31.3	23.5	17.6
Total active taps - end of year	**309,269**	309,562	310,068	309,373	308,079	306,901	304,483	301,565	299,157	295,841
Fire hydrants operated & maintained	**19,553**	19,439	19,159	19,185	15,767	15,679	15,459	14,956	14,648	14,380
Fire hydrants tested and repaired	**26,760**	21,103	18,472	25,577	27,940	30,739	32,474	32,045	32,407	26,047
Breaks in mains - Denver	**313**	261	220	274	247	198	242	219	231	287
Service leaks	**385**	287	329	318	879	1,043	1,452	1,204	1,117	1,034
Total employees (actual, not authorized)	**1,069.8**	1,089.1	1,095.1	1,055.0	1,010.2	1,004.8	1,012.7	1,037.9	1,041.9	1,036.0
Additions to capital assets (thousands)	**$ 113,071**	$ 125,816	$ 103,146	$ 101,328	$ 103,779	$ 102,458	$ 81,877	$ 71,669	$ 164,363	$ 128,479
Total long-term debt[5] (thousands)	**$ 415,644**	$ 449,828	$ 392,659	$ 381,285	$ 410,928	$ 346,114	$ 375,917	$ 372,876	$ 379,478	$ 300,695

[1]Population estimated based on treated water customers only. Revised population from 2002 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 Inside and Outside City.

[3]Denver Water has 12 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, premiums and deferred amounts on advance refundings.

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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 ASSETS BY COMPONENT: 2002 - 2011
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
NET ASSETS:										
Invested in capital assets, net of related debt	**$ 1,454,710**	$ 1,401,820	$ 1,363,848	$ 1,319,268	$ 1,227,499	$ 1,236,642	$ 1,151,459	$ 1,109,875	$ 1,060,192	$ 1,006,694
Restricted for debt service reserve funds	**13,746**	18,912	13,233	9,005	7,661	7,021	7,723	7,002	9,325	6,904
Unrestricted	**169,602**	162,077	174,279	178,243	199,493	125,988	134,323	122,579	122,727	119,522
Total net assets	**$ 1,638,058**	$ 1,582,809	$ 1,551,360	$ 1,506,516	$ 1,434,653	$ 1,369,651	$ 1,293,505	$ 1,239,456	$ 1,192,244	$ 1,133,120

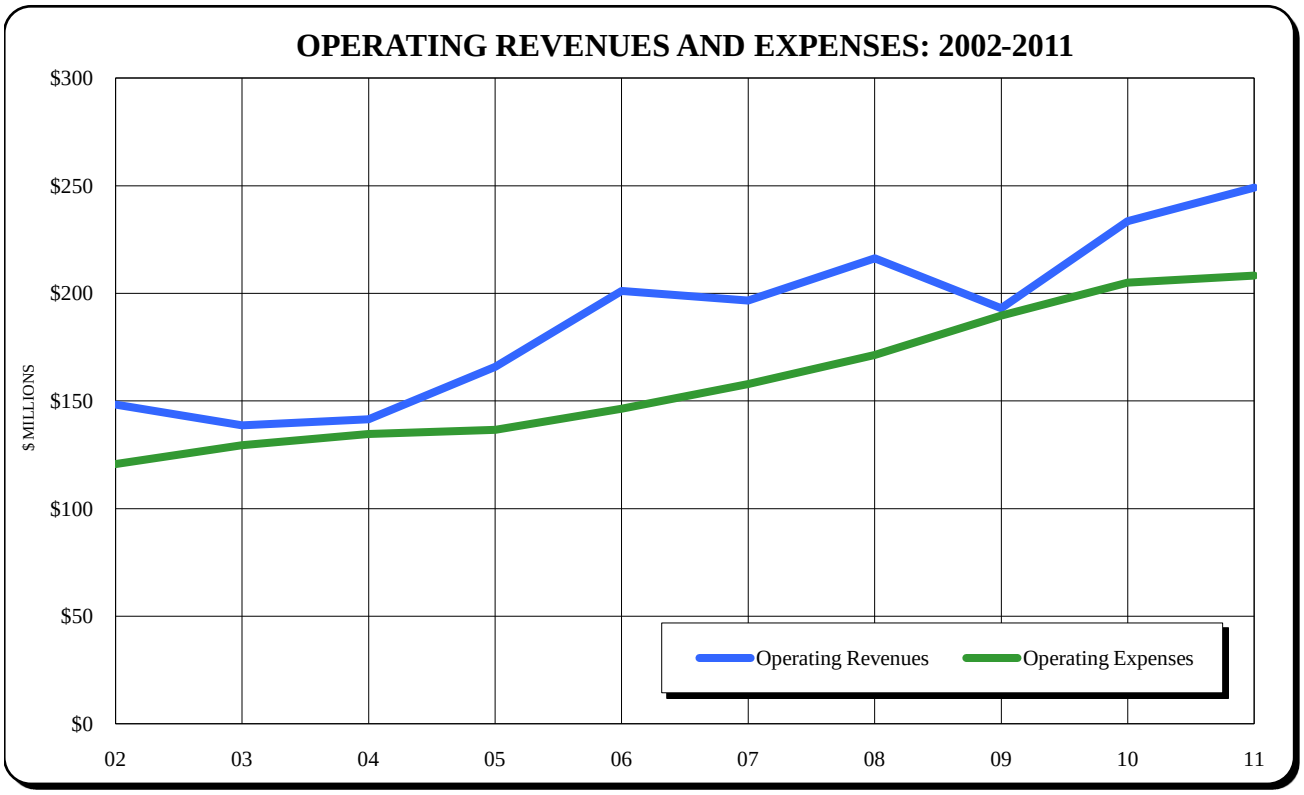
[1]Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when constraints placed on net asset use are either: (a) externally imposed 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.

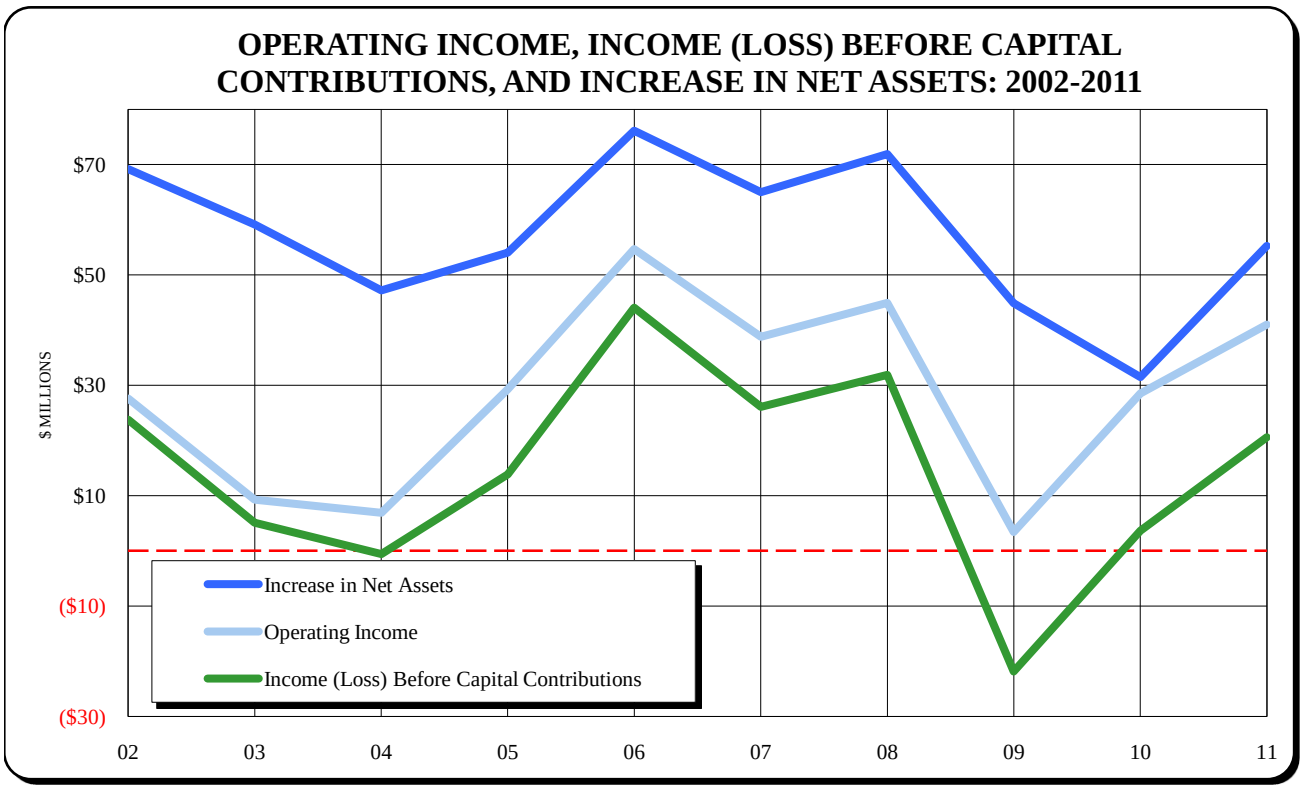
[2]The above data was extracted from the audited financial statements of the Board of Water Commissioners.

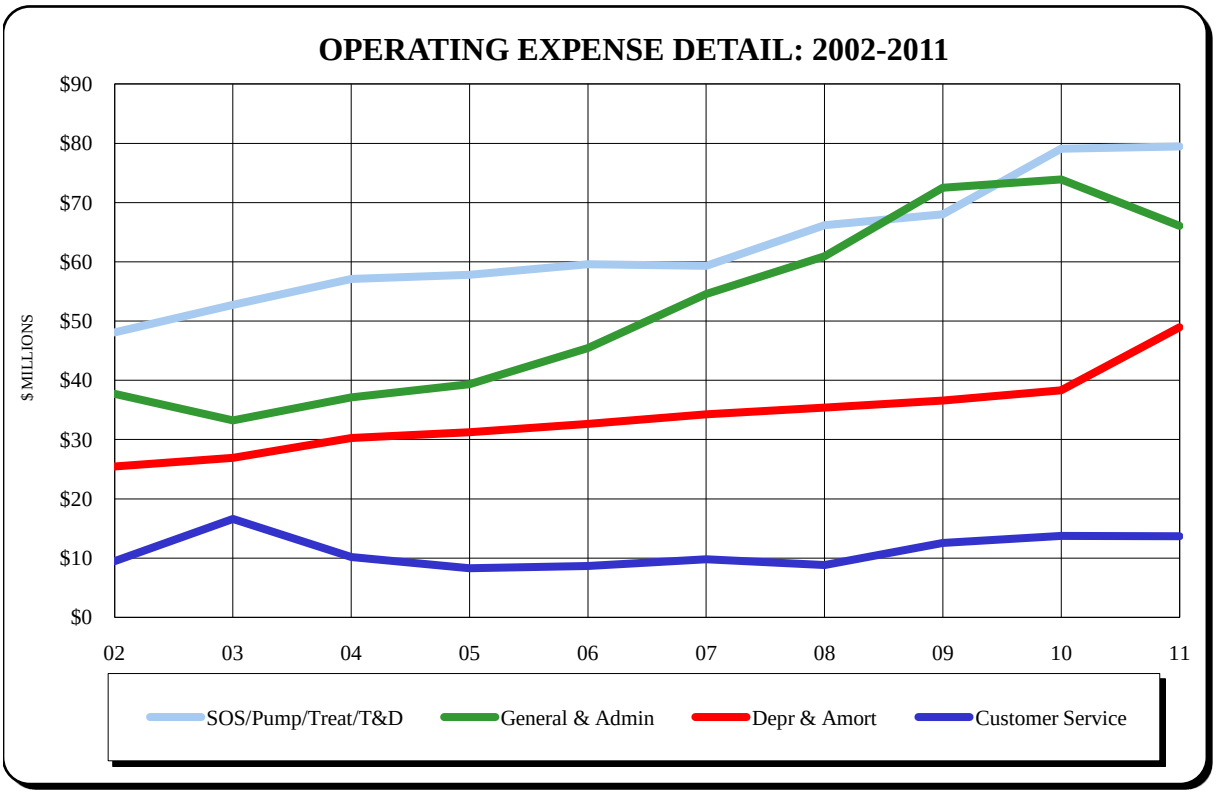
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS[1]: 2002 - 2011
(amounts expressed in thousands)

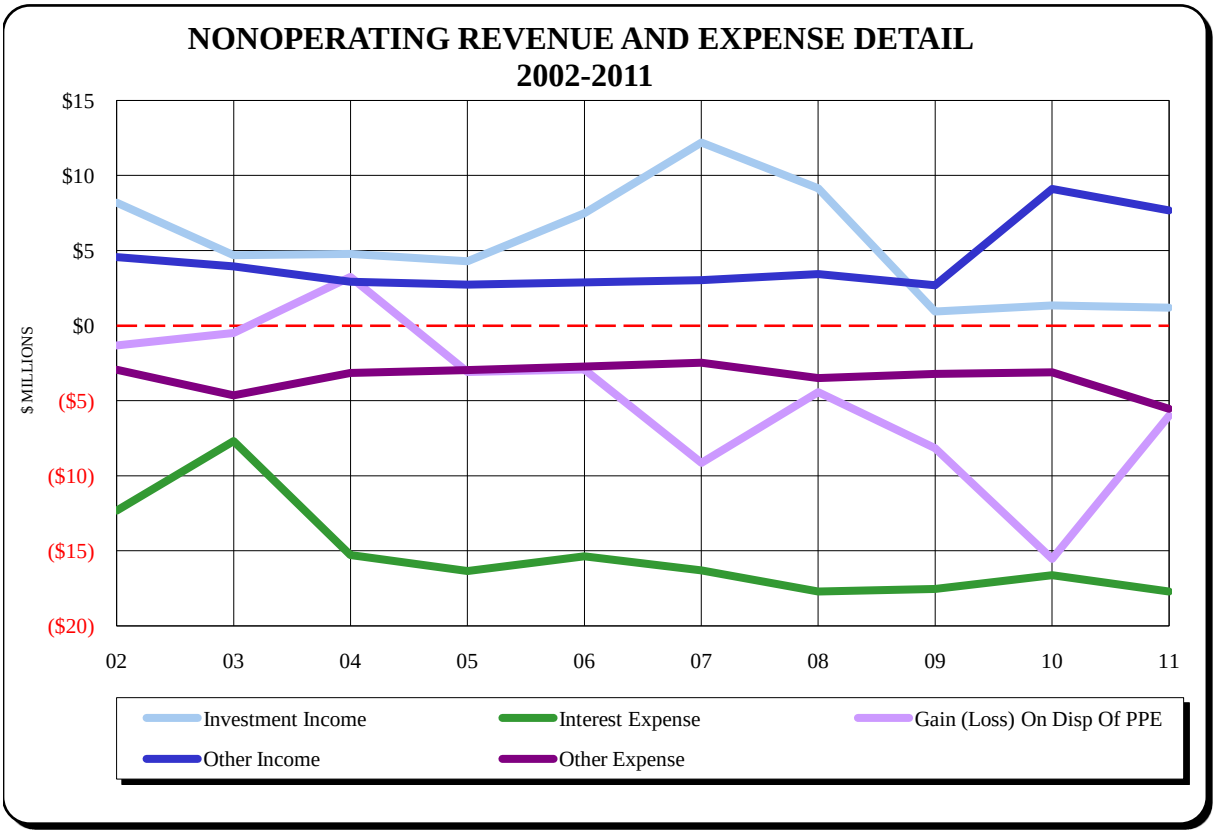
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
OPERATING REVENUES:										
Water	**$ 239,186**	$ 224,489	$ 184,396	$ 205,941	$ 188,729	$ 193,743	$ 158,454	$ 136,138	$ 133,475	$ 142,887
Power generation and other	**9,942**	9,018	8,634	10,321	7,913	7,315	7,425	5,370	5,234	5,375
Total operating revenues	**249,128**	233,507	193,030	216,262	196,642	201,058	165,879	141,508	138,709	148,262
OPERATING EXPENSES:										
Source of supply, pumping, treatment and distribution	**79,466**	79,061	67,993	66,176	59,321	59,607	57,797	57,091	52,735	48,089
General and administrative	**66,077**	73,926	72,487	60,955	54,545	45,439	39,312	37,104	33,240	37,691
Customer service	**13,669**	13,713	12,561	8,831	9,787	8,669	8,290	10,174	16,601	9,459
Depreciation and amortization	**48,961**	38,322	36,582	35,382	34,238	32,656	31,232	30,268	26,889	25,431
Total operating expenses	**208,173**	205,022	189,623	171,344	157,891	146,371	136,631	134,637	129,465	120,670
OPERATING INCOME	**40,955**	28,485	3,407	44,918	38,751	54,687	29,248	6,871	9,244	27,592
NONOPERATING REVENUES (EXPENSES):										
Investment income	**1,201**	1,336	948	9,141	12,201	7,491	4,295	4,777	4,700	8,184
Interest expense, less capitalized interest	**(17,719)**	(16,630)	(17,547)	(17,699)	(16,305)	(15,368)	(16,353)	(15,283)	(7,684)	(12,315)
Gain (loss) on disposition of capital assets	**(6,011)**	(15,533)	(8,168)	(4,426)	(9,144)	(2,922)	(3,097)	3,237	(481)	(1,314)
Other income	**7,686**	9,100	2,679	3,426	3,037	2,883	2,734	2,927	3,949	4,565
Other expense	**(5,548)**	(3,112)	(3,226)	(3,488)	(2,472)	(2,721)	(2,969)	(3,152)	(4,641)	(2,938)
Total nonoperating expenses, net	**(20,391)**	(24,839)	(25,314)	(13,046)	(12,683)	(10,637)	(15,390)	(7,494)	(4,157)	(3,818)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	**20,564**	3,646	(21,907)	31,872	26,068	44,050	13,858	(623)	5,087	23,774
CAPITAL CONTRIBUTIONS:										
Contributions in aid of construction	**17,239**	10,861	41,443	21,492	12,911	11,245	14,072	11,374	33,469	9,690
System development charges	**17,446**	16,942	25,308	18,499	26,023	20,851	26,119	36,461	20,568	35,675
Total capital contributions	**34,685**	27,803	66,751	39,991	38,934	32,096	40,191	47,835	54,037	45,365
INCREASE IN NET ASSETS	**55,249**	31,449	44,844	71,863	65,002	76,146	54,049	47,212	59,124	69,139
NET ASSETS:										
Beginning of year	**1,582,809**	1,551,360	1,506,516	1,434,653	1,369,651	1,293,505	1,239,456	1,192,244	1,133,120	1,063,981
End of year	**$ 1,638,058**	$ 1,582,809	$ 1,551,360	$ 1,506,516	$ 1,434,653	$ 1,369,651	$ 1,293,505	$ 1,239,456	$ 1,192,244	$ 1,133,120

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


OPERATING REVENUES AND EXPENSES: 2002-2011
$300
$250
$200
$150
$100
$50
$0
$ MILLIONS
02
03
04
05
06
07
08
09
10
11
Operating Revenues
Operating Expenses


OPERATING INCOME, INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, AND INCREASE IN NET ASSETS: 2002-2011
$70
$50
$30
$10
($10)
($30)
$ MILLIONS
02
03
04
05
06
07
08
09
10
11
Increase in Net Assets
Operating Income
Income (Loss) Before Capital Contributions


OPERATING EXPENSE DETAIL: 2002-2011
$ MILLIONS
$90
$80
$70
$60
$50
$40
$30
$20
$10
$0
02
03
04
05
06
07
08
09
10
11
SOS/Pump/Treat/T&D
General & Admin
Depr & Amort
Customer Service


NONOPERATING REVENUE AND EXPENSE DETAIL
2002-2011
$ MILLIONS
$15
$10
$5
$0
($5)
($10)
($15)
($20)
02
03
04
05
06
07
08
09
10
11
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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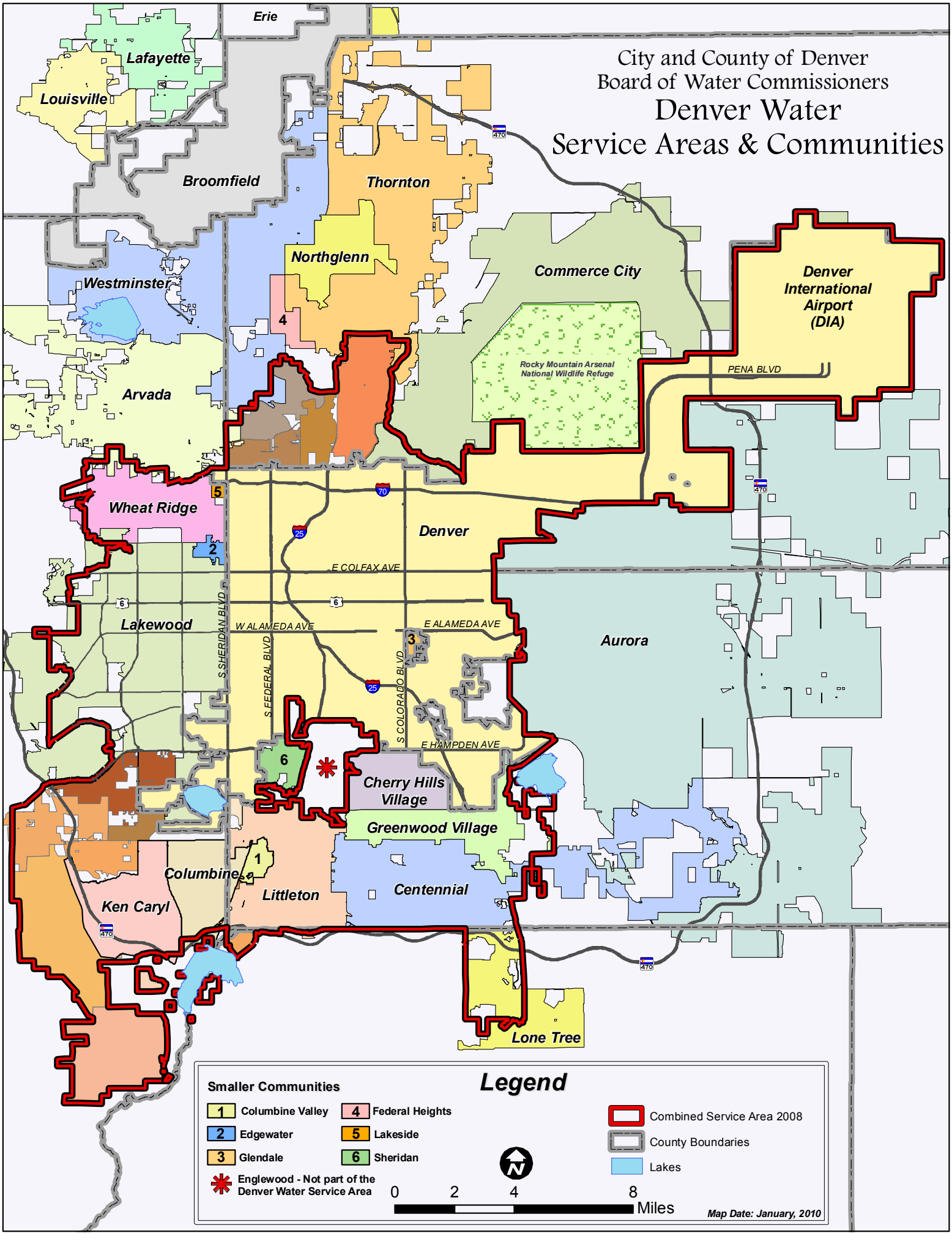
City and County of Denver
Board of Water Commissioners
Denver Water
Service Areas & Communities
Erie
Lafayette
Louisville
Broomfield
Thornton
Northglenn
Westminster
Commerce City
Denver International Airport (DIA)
Rocky Mountain Arsenal National Wildlife Refuge
PENA BLVD
Arvada
Wheat Ridge
Denver
E COLFAX AVE
Lakewood
W ALAMEDA AVE
E ALAMEDA AVE
Aurora
S SHERIDAN BLVD
S FEDERAL BLVD
S COLORADO BLVD
E HAMPDEN AVE
Cherry Hills Village
Greenwood Village
Columbine
Littleton
Centennial
Ken Caryl
Lone Tree
Legend
Smaller Communities
1 Columbine Valley
2 Edgewater
3 Glendale
4 Federal Heights
5 Lakeside
6 Sheridan
Englewood - Not part of the Denver Water Service Area
Combined Service Area 2008
County Boundaries
Lakes
0 2 4 8
Miles
Map Date: January, 2010

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CUSTOMER SERVICE DATA: 2002 - 2011

	2011[5]	2010	2009[6]	2008	2007	2006	2005	2004	2003	2002[7]
Active Taps:[1]										
Beginning of Year	**309,562**	310,068	309,373	308,079	306,901	304,483	301,565	299,157	295,841	286,051
Activated During Year	**23**	886	979	1,919	1,826	2,900	3,099	2,736	3,510	10,053
Discontinued During Year	**(313)**	(1,392)	(284)	(625)	(648)	(482)	(181)	(328)	(194)	(263)
Net Increase During Year	**(290)**	(506)	695	1,294	1,178	2,418	2,918	2,408	3,316	9,790
Total Active Taps - End of Year	**309,272**	309,562	310,068	309,373	308,079	306,901	304,483	301,565	299,157	295,841
Active Taps:[1]										
Inside City	**159,302**	159,592	161,611	158,448	157,707	157,124	155,778	154,170	152,783	150,607
City and County	**1,204**	1,277	1,272	1,226	1,212	1,222	1,206	1,084	1,076	1,065
Outside City - Read and Bill	**36,542**	36,477	35,760	36,420	36,278	36,043	35,558	35,043	34,694	34,425
Outside City - Total Service	**36,270**	36,376	36,140	36,230	36,112	35,960	35,793	35,639	35,502	35,209
Outside City - Master Meter	**75,954**	75,840	75,285	77,049	76,770	76,552	76,148	75,629	75,102	74,535
Total Active Taps - End of Year	**309,272**	309,562	310,068	309,373	308,079	306,901	304,483	301,565	299,157	295,841
Stub-Ins on System[2]	**651**	367	275	801	1,408	1,936	1,926	2,887	3,023	2,553
Fire Hydrant Use Permits	**527**	439	485	518	546	518	488	472	473	830
AMR (Automatic Meter Reading) Installations	**895**	886	742	137	85	10,594	9,855	54,085	71,737	56,499
Turn-Offs Due to Delinquent Accounts	**6,125**	6,687	8,913	13,284	12,747	12,895	11,529	14,684	12,776	11,586
In-Home Water Audits	**480**	409	349	383	169	56	81	89	12	60
Call Center Calls[3]	**221,291**	213,065	229,979	237,047	215,457	198,620	212,114	253,716	302,488	281,339
Water Quality Calls:										
Taste and Odor	**169**	221	194	161	180	161	87	66	90	125
Dirty Water	**333**	309	356	205	221	222	90	221	166	15
Illness Concerns[4]	**46**	51	56	48	50					
Other	**89**	128	63	50	40	88	24	22	14	135
New Taps Made	**906**	583	679	1,743	1,901	3,199	2,991	3,537	4,178	3,572

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

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

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

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

[7]In 2002, there was an increase of 6,820 taps for Master Meter accounts within Willows Water District.

WATER SOLD IN DOLLARS BY TYPE OF CUSTOMER: 2002 - 2011
(NON-ACCRUAL BASIS)[1]

		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
SALES OF TREATED WATER											
A. METERED GENERAL CUSTOMERS											
Residential -	Inside City	**$49,852,754**	$ 46,657,954	$ 34,775,888	$ 39,376,164	$ 36,393,023	$ 38,199,085	$ 32,166,524	$ 25,519,691	$ 24,591,998	$ 29,478,121
	Outside City-Read and Bill	**17,739,231**	17,546,777	13,016,488	15,970,063	16,254,687	16,932,885	13,571,874	10,090,734	10,407,779	12,489,117
	Outside City-Total Service	**23,922,555**	24,172,261	17,921,389	22,068,530	19,965,386	21,867,605	17,501,336	13,040,907	13,466,257	15,849,049
Residential Irrigation[2] -	Inside City	**1,127,908**	1,044,476	706,791	860,037	682,863	-	-	-	-	-
	Outside City-Read and Bill	**819,355**	797,644	608,736	695,733	427,027	-	-	-	-	-
	Outside City-Total Service	**632,068**	617,095	467,450	459,198	387,902	-	-	-	-	-
Small multi-family -	Inside City	**4,734,939**	4,284,782	3,657,023	3,734,468	3,464,003	3,286,943	2,915,980	2,437,967	2,342,691	2,683,574
	Outside City-Read and Bill	**436,719**	370,467	331,013	291,046	262,831	258,146	213,955	166,063	171,801	187,282
	Outside City-Total Service	**713,763**	605,929	551,504	527,581	463,918	501,493	384,187	297,355	287,338	285,525
Commercial -	Inside City	**33,705,049**	31,453,798	29,121,188	29,548,451	28,431,530	27,371,039	24,639,807	20,384,807	19,467,138	21,156,722
	Outside City-Read and Bill	**8,557,395**	8,069,162	8,163,488	7,164,332	7,645,015	7,892,400	6,414,233	5,115,882	4,718,281	5,594,571
	Outside City-Total Service	**8,820,709**	8,285,358	8,039,900	7,575,323	8,372,179	7,908,811	6,510,148	5,147,372	5,140,036	5,394,223
Industrial -	Inside City	**2,995,030**	2,820,110	2,896,054	3,019,867	2,995,858	2,639,252	2,167,674	1,450,023	1,449,698	1,619,658
	Outside City-Read and Bill	**2,239,055**	2,101,036	2,015,892	2,384,378	2,444,240	2,155,166	1,689,261	1,648,020	1,579,615	1,500,419
	Outside City-Total Service	**167,232**	183,998	120,180	201,447	161,141	169,731	168,643	124,443	115,709	140,386
Other Irrigation[3] -	Inside City	**3,190,405**	2,888,674	1,815,181	2,017,121	-	-	-	-	-	-
	Outside City-Read and Bill	**1,735,581**	1,757,368	1,181,979	1,245,629	-	-	-	-	-	-
	Outside City-Total Service	**2,688,145**	2,566,591	1,697,067	1,920,394	-	-	-	-	-	-
		164,077,893	156,223,480	127,087,211	139,059,762	128,351,603	129,182,556	108,343,622	85,423,264	83,738,341	96,378,647
B. PRIVATE FIRE PROTECTION SERVICE											
Sprinklers -	Inside City	**985,027**	927,685	924,379	896,054	878,826	860,403	698,448	667,781	644,949	596,359
	Outside City-Read and Bill	**50,863**	48,628	52,335	45,125	44,990	43,798	41,960	39,001	36,611	36,580
	Outside City-Total Service	**73,374**	70,207	71,017	63,537	61,989	58,273	55,405	50,214	49,317	38,758
		1,109,264	1,046,520	1,047,731	1,004,716	985,805	962,474	795,813	756,996	730,877	671,697
C. OTHER SALES TO PUBLIC AUTHORITIES											
City & County of Denver[4] -	Irrigation	**3,147,707**	3,615,479	2,440,481	3,393,500	-	-	-	-	-	-
	Non-Irrigation	**1,583,402**	1,583,678	1,771,774	1,491,310	3,799,221	4,125,917	2,937,308	2,253,901	2,208,368	2,820,502
Other County Agencies -	Inside City	**1,136,037**	1,040,428	950,357	1,153,133	1,102,420	1,115,319	892,886	586,182	497,082	642,378
	Outside City-Read and Bill	**756,536**	891,116	458,388	600,417	751,568	725,214	480,019	368,173	319,999	329,215
	Outside City-Total Service	**851,892**	839,242	674,049	757,751	1,136,430	1,126,671	854,730	496,975	583,161	642,713
State Agencies -	Inside City	**375,422**	362,282	351,941	469,445	480,671	497,702	414,814	344,114	351,249	347,615
	Outside City-Read and Bill	**38,724**	36,999	34,898	28,625	29,050	26,168	21,691	5,512	5,230	6,904
	Outside City-Total Service	**4,405**	4,992	4,368	6,588	5,728	4,449	3,598	3,094	3,039	3,649
Federal Agencies -	Inside City	**197,965**	91,571	357,249	287,892	269,239	230,640	208,165	184,598	254,564	281,492
	Outside City-R&B at Denver Rates	**67,089**	30,709	35,376	60,880	17,315	16,622	18,326	14,575	6,382	11,090
	Outside City-Read and Bill	**61,929**	530,372	118,080	427,449	296,710	248,055	334,522	259,737	255,645	321,690
	Total Service	**1,561**	1,430	1,677	1,690	1,695	1,940	1,788	1,319	1,168	1,148
		8,222,669	9,028,298	7,198,638	8,678,680	7,890,047	8,118,697	6,167,847	4,518,180	4,485,887	5,408,396
D. SALES OF TREATED WATER FOR RESALE											
Outside City - Master Meter		**$47,483,234**	43,196,378	38,192,266	40,908,625	37,611,201	37,395,707	32,270,338	26,050,154	26,043,878	29,756,959
Outside the Combined Service Area		**9,886,498**	9,552,069	8,953,549	8,686,347	9,140,987	7,715,172	5,555,118	4,931,283	4,940,714	2,961,737
		57,369,732	52,748,447	47,145,815	49,594,972	46,752,188	45,110,879	37,825,456	30,981,437	30,984,592	32,718,696
TOTAL SALES OF TREATED WATER		**230,779,559**	219,046,745	182,479,395	198,338,130	183,979,643	183,374,606	153,132,738	121,679,877	119,939,697	135,177,436
SALES OF NONPOTABLE WATER		**7,039,323**	6,188,569	5,586,538	7,204,183	5,576,020	9,308,468	5,458,866	4,366,827	6,150,187	5,921,473
TOTAL SALES OF WATER		**$ 237,818,882**	$ 225,235,314	$ 188,065,933	$ 205,542,313	$ 189,555,663	$ 192,683,073	$ 158,591,604	$ 126,046,704	$ 126,089,884	$ 141,098,909

[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 shedule 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]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: 2002 - 2011
(amounts expressed in thousands of gallons)

SALES OF TREATED WATER		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
A. METERED GENERAL CUSTOMERS											
Residential -	Inside City	**13,098,298**	13,601,820	12,075,102	14,190,479	13,788,207	15,319,966	13,900,011	12,142,332	12,768,789	15,773,236
	Outside City-Read and Bill	**4,399,807**	4,593,122	4,114,005	4,913,295	4,691,563	5,278,025	4,704,115	3,996,515	4,440,254	5,487,851
	Outside City-Total Service	**4,794,193**	4,959,464	4,388,923	5,297,529	5,008,534	5,673,116	4,990,298	4,269,146	4,696,076	5,650,228
Residential Irrigation[1] -	Inside City	**248,861**	261,019	190,264	247,163	186,902	-	-	-	-	-
	Outside City-Read and Bill	**173,346**	186,694	139,916	200,591	116,794	-	-	-	-	-
	Outside City-Total Service	**121,065**	124,574	94,358	125,168	89,235	-	-	-	-	-
Small multi-family -	Inside City	**1,495,266**	1,525,150	1,437,136	1,556,375	1,544,714	1,625,016	1,505,370	1,389,009	1,468,994	1,746,857
	Outside City-Read and Bill	**125,757**	118,190	114,740	113,627	108,934	102,529	90,030	77,006	84,231	94,439
	Outside City-Total Service	**172,393**	156,313	149,255	158,912	149,588	164,236	141,204	121,841	121,218	124,842
Commercial -	Inside City	**12,157,287**	12,398,800	12,069,634	12,643,141	13,060,641	13,453,864	13,607,253	12,397,505	12,721,738	13,949,046
	Outside City-Read and Bill	**2,384,164**	2,370,656	2,390,356	2,519,213	2,778,664	2,940,758	2,681,743	2,406,636	2,454,933	2,959,557
	Outside City-Total Service	**2,223,111**	2,248,376	2,160,037	2,235,147	2,544,606	2,729,083	2,504,610	2,235,938	2,318,860	2,440,232
Industrial -	Inside City	**1,185,642**	1,220,187	1,286,307	1,328,867	1,434,058	1,403,596	1,225,477	921,583	966,217	1,114,419
	Outside City-Read and Bill	**690,755**	685,581	696,547	884,226	913,261	861,583	761,029	809,455	837,590	824,185
	Outside City-Total Service	**40,772**	49,246	33,022	59,666	50,081	60,063	67,231	55,164	52,650	65,470
Other Irrigation[1]-	Inside City	**719,221**	747,524	574,776	806,722	-	-	-	-	-	-
	Outside City-Read and Bill	**370,134**	416,362	300,627	421,140	-	-	-	-	-	-
	Outside City-Total Service	**520,659**	525,479	391,178	546,971	-	-	-	-	-	-
		44,920,731	46,188,557	42,606,183	48,248,232	46,465,782	49,611,835	46,178,371	40,822,130	42,931,550	50,230,362
B. OTHER SALES TO PUBLIC AUTHORITIES											
City & County of Denver[1] -	Irrigation	**1,230,115**	1,594,390	1,036,056	1,951,435	-	-	-	-	-	-
	Non-Irrigation	**763,595**	790,149	888,372	824,476	2,415,541	2,793,826	2,234,854	2,025,120	1,930,823	2,562,216
Other County Agencies -	Inside City	**368,139**	363,214	358,456	478,945	500,176	535,080	453,343	341,248	323,413	426,231
	Outside City-Read and Bill	**213,673**	261,631	135,817	212,370	273,868	275,898	202,617	174,332	169,059	175,282
	Outside City-Total Service	**195,617**	208,405	166,629	219,046	338,161	386,017	327,077	216,835	272,066	305,034
State Agencies -	Inside City	**130,345**	140,865	147,880	200,936	224,516	251,300	223,379	216,143	232,196	234,996
	Outside City-Read and Bill	**9,724**	10,112	9,857	9,927	10,368	9,349	8,717	2,538	2,728	3,591
	Outside City-Total Service	**1,081**	1,370	1,177	1,931	1,742	1,468	1,316	1,302	1,362	1,677
Federal Agencies -	Inside City	**83,863**	38,759	55,456	84,686	133,356	129,602	128,769	127,765	169,343	177,498
	Outside City-R&B at Denver Rates	**8,244**	12,116	195,924	121,545	8,334	6,560	8,527	8,575	11,955	6,842
	Outside City-Read and Bill	**22,629**	152,973	38,949	149,333	107,201	94,067	126,584	121,151	133,556	172,075
	Total Service	**375**	384	443	488	506	475	452	489	516	517
		3,027,400	3,574,368	3,035,016	4,255,118	4,013,769	4,483,642	3,715,635	3,235,498	3,247,017	4,065,959
C. SALES OF TREATED WATER FOR RESALE											
Outside City - Master Meter		**14,109,526**	14,352,778	12,824,666	15,294,977	14,753,753	15,717,343	14,544,666	12,954,486	14,080,192	16,305,525
Outside the Combined Service Area		**2,767,464**	3,021,344	2,902,470	3,008,039	3,482,153	3,116,980	2,512,136	2,461,079	2,614,134	1,618,436
		16,876,990	17,374,122	15,727,136	18,303,016	18,235,906	18,834,323	17,056,802	15,415,565	16,694,326	17,923,961
TOTAL SALES OF TREATED WATER		**64,825,121**	67,137,047	61,368,335	70,806,366	68,715,457	72,929,800	66,950,808	59,473,193	62,872,893	72,220,282
Reconciliation of Water Treated, Delivered, Consumption, Sales and Unaccounted For Water:											
Total Water Treated (Production) - page III-21 & III-76		**68,257,000**	69,713,070	62,089,800	71,983,540	70,474,410	74,722,230	68,500,800	60,577,670	65,382,520	75,334,070
(Increase) Decrease in Clear Water Storage - page III-21 & III-76		**3,800**	(17,670)	17,100	(7,670)	5,430	2,750	(27,100)	1,100	16,950	(112,890)
Treated Water Delivered - pages III-21 & III-76		**68,260,800**	69,695,400	62,106,900	71,975,870	70,479,840	74,724,980	68,473,700	60,578,770	65,399,470	75,221,180
Water Purchased - page III-21		-	-	-	-	-	-	-	-	-	-
Treated Water Available (Consumption) - pages III-21 & III-75		**68,260,800**	69,695,400	62,106,900	71,975,870	70,479,840	74,724,980	68,473,700	60,578,770	65,399,470	75,221,180
Less Sales of Treated Water - page III-21		**(64,825,121)**	(67,137,047)	(61,368,335)	(70,806,366)	(68,715,457)	(72,929,800)	(67,175,382)	(59,473,193)	(63,008,593)	(72,220,282)
Less Load Shifted Treated Water - page III-21		-	-	-	-	-	-	-	-	(635,451)	(260,567)
Unaccounted For Treated Water - page III-21		**3,435,679**	2,558,353	738,565	1,169,504	1,764,383	1,795,180	1,298,318	1,105,577	1,755,426	2,740,331
% Unaccounted For - page III-21		**5.03%**	3.67%	1.19%	1.62%	2.50%	2.40%	1.90%	1.83%	2.68%	3.64%

[1]See footnotes on page III-16.

OPERATING REVENUE AND RELATED WATER CONSUMPTION - 2011
(NON-ACCRUAL BASIS)[1]

		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	$49,852,754	13,098,298	133,015	$ 3.8060
	Outside City-Read and Bill	17,739,231	4,399,807	33,123	4.0318
	Outside City-Total Service	23,922,555	4,794,193	32,416	4.9899
Residential Irrigation	Inside City	1,127,908	248,861	523	4.5323
	Outside City-Read and Bill	819,355	173,346	176	4.7267
	Outside City-Total Service	632,068	121,065	161	5.2209
Small multi-family	Inside City	4,734,939	1,495,266	9,356	3.1666
	Outside City-Read and Bill	436,719	125,757	548	3.4727
	Outside City-Total Service	713,763	172,393	693	4.1403
Commercial	Inside City	33,705,049	12,157,287	14,821	2.7724
	Outside City-Read and Bill	8,557,395	2,384,164	2,496	3.5893
	Outside City-Total Service	8,820,709	2,223,111	2,760	3.9677
Industrial	Inside City	2,995,030	1,185,642	267	2.5261
	Outside City-Read and Bill	2,239,055	690,755	7	3.2415
	Outside City-Total Service	167,232	40,772	9	4.1016
Other Irrigation	Inside City	3,190,405	719,221	737	4.4359
	Outside City-Read and Bill	1,735,581	370,134	243	4.6891
	Outside City-Total Service	2,688,145	520,659	416	5.1630
		164,077,893	44,920,731	231,767	3.6526
B. PRIVATE FIRE PROTECTION SERVICE					
Sprinklers	Inside City	985,027	- [2]		
	Outside City-Read and Bill	50,863	- [2]		
	Outside City-Total Service	73,374	- [2]		
		1,109,264	- [2]		
C. OTHER SALES TO PUBLIC AUTHORITIES					
City & County of Denver	Irrigation	3,147,707	1,230,115	806	2.5589
	Non-Irrigation	1,583,402	763,595	399	2.0736
Other County Agencies	Inside City	1,136,037	368,139	213	3.0859
	Outside City-Read and Bill	756,536	213,673	51	3.5406
	Outside City-Total Service	851,892	195,617	78	4.3549
State Agencies	Inside City	375,422	130,345	52	2.8802
	Outside City-Read and Bill	38,724	9,724	4	3.9823
	Outside City-Total Service	4,405	1,081	2	4.0748
Federal Agencies	Inside City	197,965	83,863	23	2.7602
	Outside City-RB at Inside Rates	67,089	8,244	0	4.0732
	Outside City-Read and Bill	61,929	22,629	5	2.7367
	Outside City-Total Service	1,561	375	2	4.1614
		8,222,669	3,027,400	1,635	2.7161

[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 a part of unaccounted-for treated water. See "Sales of Treated Water between Inside City and Outside City" for this estimate.

(Continued next page)

OPERATING REVENUE AND RELATED WATER CONSUMPTION (Continued) - 2011
(NON-ACCRUAL BASIS)

	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	$47,483,234	14,109,526	75,954	$ 3.3653
Outside the Combined Service Area	9,886,498	2,767,464	-	3.5724
	57,369,732	16,876,990	75,954	3.3993
TOTAL SALES OF TREATED WATER[4]	230,779,559	64,825,121	309,356	3.5600
II. SALES OF NONPOTABLE WATER[5]				
Inside City	602,799	1,264,754	42	0.4766
Outside City	577,865	809,974	8	0.7134
Outside the Combined Service Area	5,858,659	8,282,332	8	0.7074
	7,039,323	10,357,060	58	0.6797
TOTAL SALES OF WATER	237,818,882	75,182,181	309,414	$ 3.1632
III. OTHER NONPOTABLE WATER DELIVERIES[5]		1,944,295		
TOTAL GALLONS SOLD		77,126,476		
IV. OTHER OPERATING REVENUE				
A. POWER SALES REVENUE[6]				
Foothills Treatment Plant	458,549			
Strontia Springs	373,196			
Dillon Dam	617,859			
Roberts Tunnel	1,305,916			
Hillcrest	467,879			
Williams Fork	0			
Gross Reservior	1,632,885			
	4,856,284			
B. SPECIAL ASSESSMENTS				
Late Payment Penalties	2,039,793			
Conservation Penalties	403,696			
Field Collection Charges	712,738			
Turnoff - Turn on Charges	559,775			
Hydrant & Construction Water	1,743,987			
Drought Surcharge Credits	-			
Water Storage Rental	-			
Other Assessments	(373,571)			
	5,086,418			
TOTAL OTHER OPERATING REVENUE	9,942,702			
TOTAL OPERATING REVENUE	$247,761,584			

[3]See "Sales of Treated Water for Resale."

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

[5]See "Sales of Nonpotable Water Between Inside and Outside City."

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

SALES OF TREATED WATER BETWEEN INSIDE AND OUTSIDE CITY - 2011
(NON-ACCRUAL BASIS)[1]

	Revenue		Gallons Sold		Average
	Amount	Percent of Total	Amount (000)	Percent of Total	Number of Customers
I. INSIDE CITY					
A. METERED GENERAL CUSTOMERS					
Residential	$ 49,852,754	21.60%	13,098,298	20.23%	133,015
Residential Irrigation	1,127,908	0.49%	248,861	0.38%	523
Duplex	2,493,555	1.08%	762,175	1.18%	5,884
3-Plex	721,090	0.31%	229,738	0.35%	1,383
4-Plex	1,027,211	0.45%	338,391	0.52%	1,509
5-Plex	493,083	0.21%	164,962	0.25%	580
Commercial	33,705,049	14.60%	12,157,287	18.78%	14,821
Industrial	2,995,030	1.30%	1,185,642	1.83%	267
Other Irrigation	3,190,405	1.38%	719,221	1.11%	737
	95,606,085	41.43%	28,904,575	44.59%	158,719
B. PRIVATE FIRE PROTECTION SERVICE					
Sprinklers	985,027	0.43%	- [2]		
C. OTHER SALES TO PUBLIC AUTHORITIES					
City And County of Denver-Irrigation	3,147,707	1.36%	1,230,115	1.90%	806
City And County of Denver-Non-Irrigation	1,583,402	0.69%	763,595	1.18%	399
Other County Agencies	1,136,037	0.49%	368,139	0.57%	213
State Agencies	375,422	0.16%	130,345	0.20%	52
Federal Agencies	231,476	0.10%	83,863	0.13%	23
	6,474,044	2.81%	2,576,057	3.97%	1,493
TOTAL SALES OF TREATED WATER - INSIDE CITY	103,065,156	44.66%	31,480,632	48.56%	160,212
Revenue per 1,000 Gallons - Inside City			$3.2739		
II. OUTSIDE CITY					
A. METERED GENERAL CUSTOMERS					
Residential - Read & Bill	17,739,231	7.69%	4,399,807	6.80%	33,123
Residential Irrigation - Read & Bill	819,355	0.36%	173,346	0.27%	176
Duplex - Read & Bill	82,930	0.04%	23,097	0.04%	142
3-Plex - Read & Bill	80,931	0.04%	23,001	0.04%	120
4-Plex - Read & Bill	235,801	0.10%	68,701	0.11%	248
5-Plex - Read & Bill	37,057	0.02%	10,958	0.02%	38
Commercial - Read & Bill	8,557,395	3.71%	2,384,164	3.68%	2,496
Industrial - Read & Bill	2,239,055	0.97%	690,755	1.07%	7
Other Irrigation -Read & Bill	1,735,581	0.75%	370,134	0.57%	243
Residential - Total Service	23,922,555	10.36%	4,794,193	7.40%	32,416
Residential Irrigation - Total Service	632,068	0.27%	121,065	0.19%	161
Duplex - Total Service	194,164	0.08%	45,527	0.07%	279
3-Plex - Total Service	111,238	0.05%	26,897	0.04%	116
4-Plex - Total Service	310,443	0.13%	75,484	0.12%	218
5-Plex - Total Service	97,919	0.04%	24,485	0.04%	80
Commercial - Total Service	8,820,709	3.82%	2,223,111	3.43%	2,760
Industrial - Total Service	167,232	0.07%	40,772	0.06%	9
Other Irrigation - Total Service	2,688,145	4.15%	520,659	0.80%	416
	68,471,809	29.67%	16,016,156	24.71%	73,048

[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 a part of unaccounted-for treated water.

(Continued next page)

SALES OF TREATED WATER BETWEEN INSIDE AND OUTSIDE CITY - 2011
(NON-ACCRUAL BASIS)

	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					
Sprinklers	$ 50,863	0.02%	- [2]		
Sprinklers - Total Service	73,374	0.03%	- [2]		
	124,237	0.05%	- [2]		
C. OTHER SALES TO PUBLIC AUTHORITIES					
County Agencies - Read & Bill	756,536	0.33%	213,673	0.33%	51
State Agencies - Read & Bill	38,724	0.02%	9,724	0.02%	4
Federal Agencies - Read & Bill	61,929	0.03%	22,629	0.03%	5
Federal Agencies at Denver Rates	33,579	0.01%	8,244	0.01%	0
County Agencies - Total Service	851,892	0.37%	195,617	0.30%	78
State Agencies - Total Service	4,405	0.00%	1,081	0.00%	2
Federal Agencies - Total Service	1,561	0.00%	375	0.00%	2
	1,748,626	0.76%	451,343	0.70%	142
D. SALES OF TREATED WATER FOR RESALE[3]					
Master Meter Distributors	47,483,234	20.58%	14,109,526	21.77%	75,954
Outside CSA-Fixed Limit Contracts	9,886,498	4.28%	2,767,464	4.27%	-
	57,369,732	24.86%	16,876,990	26.03%	75,954
TOTAL SALES OF TREATED WATER - OUTSIDE CITY	127,714,404	55.34%	33,344,489	51.44%	149,144
Revenue per 1,000 Gallons - Outside City			$3.8302		
TOTAL SALES OF TREATED WATER	$ 230,779,559	100.00%	64,825,121	100.00%	309,356
Revenue per 1,000 Gallons - Total			$3.5600		

RECONCILIATION/CALCULATION OF UNACCOUNTED FOR WATER		
Total Water Treated (Production) - Page III-76	68,257,000	
(Increase) Decrease in Clear Water Storage - Page III-76	3,800	
Total Treated Water Delivered - Page III-76	68,260,800	
Water Purchased	-	
Total Treated Water Available (Consumption) - Page III-75	68,260,800	100.00%
Less Sale of Treated Water	(64,825,121)	(94.97)%
Less Load Shifted Treated Water	-	-
Unaccounted for Treated Water	3,435,679	5.03%

[2] Private fire protection consumption is unmetered and is considered a part of unaccounted-for treated water.

[3] See "Sales of Treated Water For Resale."

SALES OF NONPOTABLE WATER BETWEEN INSIDE AND OUTSIDE CITY - 2011 (NON-ACCRUAL BASIS)[1]

	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	$70,817	1.01%	295,069	2.85%	2	$ 0.2400
Xcel Energy	161,694	2.30%	344,030	3.32%	1	0.4700
All Other	44,951	0.64%	95,641	0.92%	5	0.4700
	277,462	3.94%	734,740	7.09%	8	0.3776
Effluent Sales						
City & County of Denver Agencies	1,668	0.02%	6,950	0.07%	2	0.2400
Xcel Energy	46,320	0.66%	98,553	0.95%	1	0.4700
All Other	1,658	0.02%	3,528	0.03%	-	0.4700
	49,646	0.71%	109,031	1.05%	3	0.4553
Recycle Sales						
City & County of Denver Agencies	72,928	1.04%	203,711	1.97%	23	0.3580
All Other	202,763	2.88%	217,272	2.10%	8	0.9332
	275,691	3.92%	420,983	4.06%	31	0.6549
Minimum Contract Payments[2]-All Other	-	-	-	-	-	-
Total Inside City	602,799	8.56%	1,264,754	12.21%	42	0.4766
II. OUTSIDE CITY, WITHIN COMBINED SERVICE AREA						
Raw Water Sales-All Others	571,511	8.12%	794,508	7.67%	4	0.7193
Effluent Sales-All Others	6,354	0.09%	15,466	0.15%	1	0.4108
Recycle Sales-Xcel Energy	-	0.00%	-	0.00%	-	-
Minimum Contract Payments[2]-All Other	-	0.00%	-	0.00%	3	-
Total Outside City, Within Combined Service Area	577,865	8.21%	809,974	7.82%	8	0.7134
III. OUTSIDE COMBINED SERVICE AREA						
Raw Water for Resale						
City of Arvada	3,597,958	51.11%	4,466,408	43.12%	1	0.8056
North Table Mountain	643,105	9.14%	797,095	7.70%	1	0.8068
	4,241,063	60.25%	5,263,503	50.82%	2	0.8057
Raw Water Sales						
Centennial Water & Sanitation District	453,899	6.45%	481,848	4.65%	1	0.9420
Consolidated Mutual Water	134,348	1.91%	141,419	1.37%	1	0.9500
All Other	164,255	2.33%	1,605,562	15.50%	3	0.1023
	752,502	10.69%	2,228,829	21.52%	5	0.3376
Effluent Sales-All Other	-	-	-	-	-	-
Recycle Sales-Xcel Energy	864,630	12.28%	790,000	7.63%	1	1.0945
Minimum Contract Payments[2]-All Other	464	0.01%	-	0.00%	-	-
	865,094	12.29%	790,000	7.63%	1	1.0951
Total Outside Combined Service Area	5,858,659	83.23%	8,282,332	79.97%	8	0.7074
TOTAL SALES OF NONPOTABLE WATER	$ 7,039,323	100.00%	10,357,060	100.00%	58	$ 0.6797
IV. OTHER NONPOTABLE WATER DELIVERIES						
City Ditch at Washington Park			671,200			
City of Englewood (Cabin-Meadow Exchange)			1,273,095			
Total Other Non-Potable Water Deliveries			1,944,295			
TOTAL NONPOTABLE WATER DELIVERIES			12,301,355			

[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 - 2011[1]

		Total Customer Accounts[2]			Accounts with Active Billed Consumption	
		12-31-11	12-31-10	Increase (Decrease)	12-31-11	12-31-10
METERED GENERAL CUSTOMERS						
Residential	Inside City	152,034	145,199	6,835	133,538	133,149
	Outside City	36,362	35,137	1,225	33,299	33,288
	Total Service	35,422	34,293	1,129	32,577	32,446
Small multi-family	Inside City	9,102	9,204	(102)	9,356	9,300
	Outside City	570	515	55	548	515
	Total Service	702	591	111	693	623
Commercial	Inside City	16,039	15,744	295	14,821	14,823
	Outside City	2,624	2,550	74	2,496	2,470
	Total Service	2,907	2,862	45	2,760	2,793
Industrial	Inside City	299	293	6	267	269
	Outside City	6	7	(1)	7	7
	Total Service	8	9	(1)	9	9
Other Irrigation	Inside City	780	717	63	737	708
	Outside City	214	219	(5)	243	243
	Total Service	415	421	(6)	416	410
TOTAL METERED GENERAL CUSTOMERS		257,484	247,761	9,723	231,767	231,053
PUBLIC AUTHORITIES						
City & County of Denver		1,449	1,424	25	1,205	1,395
Other County Agencies	Inside City	346	169	177	213	168
	Outside City	56	53	3	51	51
	Total Service	88	80	8	78	76
State Agencies	Inside City	52	52	0	52	53
	Outside City	5	5	-	4	4
	Total Service	3	2	1	2	2
Federal Agencies	Inside City	23	24	(1)	23	31
	Outside City	2	8	(6)	5	8
	Total Service	2	3	(1)	2	2
TOTAL PUBLIC AUTHORITIES		2,026	1,820	206	1,635	1,790
RESALE ACCOUNTS (MASTER METER)[3]		75,951	75,840	111	75,954	75,840
TOTAL TREATED WATER CUSTOMERS		335,461	325,421	10,040	309,356	308,683

[1] Represents 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."

WATER RATE SCHEDULES - 2011

(Effective for bills dated on or after March 3, 2011)
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	$ 2.41	$ 2.36	$ 2.70
12,000 - 30,000 Gallons	4.82	4.72	5.40
31,000 - 40,000 Gallons	7.23	7.08	8.10
Over 40,000 Gallons	9.64	9.44	10.80
Small Multi-Family (Duplex through 5-Plex with a Single Meter)			
First 15,000 Gallons[1]	2.67	3.04	3.64
Over 15,000 Gallons	3.20	3.65	4.37
All Other (Non-Residential)			
Winter - All Consumption	$ 1.69	$ 2.09	$ 2.31
Summer - All Consumption	3.38	4.18	4.62
Irrigation Only			
Winter - All Consumption	1.14	1.22	1.32
Summer - All Consumption	4.56	4.88	5.28

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

SERVICE CHARGES	Monthly
	$ 6.00

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	$ 17.25	$ 5.63	$ 7.51
Sprinkler Systems and Standpipes:			
1"	$ 4.68	$ 1.53	$ 2.04
2"	7.81	2.55	3.40
4"	12.08	3.94	5.26
6"	17.25	5.63	7.51
8"	30.19	9.85	13.15
10"	43.13	14.07	18.79
12"	69.00	22.50	30.06
16"	172.50	56.26	75.14

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	Schedule 5 Master Meter Maintenance
TREATED WATER CONSUMPTION CHARGE (Monthly) (Rate per 1,000 Gallons)	$ 3.45	$ 4.70
	Monthly	
SERVICE CHARGES FOR ALL METER SIZES	$ 6.00	

Schedule 4 Applicability: Charges for treated water service under this schedule are applicable to municipalities, quasi-municipal districts and water companies outside the limits of the City and County of Denver served under agreements whereby the municipality, quasi-municipal district or water company 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 Applicability: This is a variation of a standard master meter contract in which Denver Water bills distributors for water delivered through "master meters" and the distributor charges its individual licensees for water service. The charges for treated water service under this schedule are applicable to master meter distributors who elect to continue performing customer billing and collection functions within their service area while contracting with Denver Water to operate, maintain and replace their water system.

Schedule 6
Raw and Recycled

RAW WATER CONSUMPTION (Monthly)	Per 1,000 Gallons	Per Acre Foot
Inside City	$ 0.47	$ 153.15
Outside City	0.81	263.94
Outside the Combined Service Area (See Rate Schedule No. 7)	0.95	309.56
CITY OF ARVADA RAW WATER CONSUMPTION	$ 0.81	$ 263.94
	Monthly	
SERVICE CHARGES FOR RAW WATER	n/a	

RECYCLED WATER CONSUMPTION	Per 1,000 Gallons	Per Acre Foot
Inside City	$ 0.93	$ 303.04
Outside City	n/a	n/a
Outside the Combined Service Area (See Rate Schedule No. 7)	1.05	342.14
	Monthly	
SERVICE CHARGES FOR RECYCLED WATER	$ 6.00	

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 raw or recycled water service at inside city or outside city rates. See Rate Schedule No. 7 for applicability outside the combined service area.

Schedule 7
Outside Combined Service Area

	Per 1,000 Gallons	Per Acre Foot
TREATED WATER CONSUMPTION (Monthly)	$ 3.83	$ 1,248.01
	Monthly	
SERVICE CHARGE FOR TREATED WATER	$ 6.00	
	Per 1,000 Gallons	Per Acre Foot
RAW WATER CONSUMPTION	$ 0.95	$ 309.56
	Monthly	
SERVICE CHARGE FOR RAW WATER	n/a	
	Per 1,000 Gallons	Per Acre Foot
RECYCLED WATER CONSUMPTION	$ 1.05	$ 342.14
	Monthly	
SERVICE CHARGE FOR RECYCLED WATER	$ 6.00	

Schedule 7 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 8
System Development Charges

SINGLE FAMILY RESIDENTIAL	Inside City	Outside City
Base Charge per Residence	$ 2,830	$ 3,960
Additional Charge per Square Foot of Gross Lot Size	0.59	0.82

MULTI-FAMILY RESIDENTIAL (Two or More Dwelling Units Served Through Single Tap)		
Base charge or first two dwelling units served through a single tap	$ 8,860	$ 12,400
Charge for each additional dwelling unit served through a single tap	1,730	2,420

Single Family & Multi-Family Applicability: Licenses for single family and multi-family residential treated water taps inside the City and County of Denver, and in Read and Bill and Total Service districts outside the City and County of Denver, including special contracts (see Schedule 8 note below). System development charges are due and payable prior to issuance of a license to the customer.

IRRIGATION-ONLY

Irrigation-Only Applicability: An SDC for any license supplying potable or nonpotable irrigation-only service will be based on one of the follo methods, **but will not be less than the SDC for the size of the tap to be installed.**

1) the size of the entire liecnsed property, or
2) the volume of water to be taken on an annual basis

ALL OTHER (NON-RESIDENTIAL)

	Treated Water		Recycled Water	
Tap Size	Inside City	Outside City	Inside City	Outside City
3/4"	$ 7,180	$ 10,050	$ 5,050	$ 7,070
1"	18,720	26,200	13,490	18,880
1 1/2"	39,540	55,350	29,310	41,030
2"	73,030	102,250	53,870	75,420
3"	137,370	192,320	103,740	145,240
4"	195,200	273,280	144,780	202,690
6"	300,310	420,430	233,030	326,240
8"	408,290	571,600	321,280	449,790
10"	564,070	789,690	409,520	573,330
12"	607,280	850,190	497,770	696,880

Non-Residential Applicability: Non-residential licenses for treated or non-potable (raw and recycled) water taps inside the City and County of Denver, and in Read and Bill and Total Service districts outside the City and County of Denver, including special contracts (see Schedule 8 note below). System development charges are due and payable prior to issuance of a license to the customer.

SPECIAL CONTRACTS, FIXED VOLUME CONTRACTS, & LARGE VOLUME CUSTOMERS

	Treated Water		Raw Water	
Description	Inside City	Outside City	Inside City	Outside City
Inside the Combined Service Area				
Acre Foot Conversion ($/AF)	$ 13,160	$ 18,430	$ 9,260	$ 12,970
1,000 Gallons Conversion ($/1,000 gallons)	$ 40.40	$ 56.55	$ 28.43	$ 39.80
Outside the Combined Service Area				
Acre Foot Conversion ($/AF)	n/a	23,370	n/a	16,450
1,000 Gallons Conversion ($/1,000 gallons)		$ 71.72		$ 50.48

Special Contracts, Fixed Contracts, & Large Volume Customers Applicability: Special contracts, fixed volume contracts, and customers using large volumes of water within inside the City and County of Denver, in Read and Bill and Total Service districts outside the City and County of Denver, and outside Denver Water's combined service area. System Development Charges are due and payable prior to issuance of a license to the customer.

Note: There are several distributor contracts and water service agreements that contain negotiated per acre foot tap ratio conversions and some agreements that contain negotiated, and in some cases, 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 these contracts. Tap credit pools shall continue to be administered in a manner consistent with the applicable water service agreement and Denver Water Operating Rules.

	2011	2010	2009[1]	2008	2007	2006	2005	2004	2003	2002
City of Denver - Schedule 1										
Residential - Consumption Charge per 1,000 Gallons										
First 11,000 Gallons	**$ 2.41**	$ 2.11	$ 1.91	-	-	-	-	-	-	-
12,000 - 30,000 Gallons	**4.82**	4.22	3.82	-	-	-	-	-	-	-
31,000 - 40,000 Gallons	**7.23**	6.33	5.73	-	-	-	-	-	-	-
Over 40,000 Gallons	**9.64**	8.44	7.64	-	-	-	-	-	-	-
Prior to July 6, 2009										
First 22,000 Gallons	-	-	-	$ 1.81	$ 1.72	$ 1.84	$ 1.71	$ 1.63	$ 1.58	$ 1.53
22,000 - 60,000 Gallons	-	-	-	3.62	3.44	2.21	2.05	1.96	1.90	1.84
Over 60,000 Gallons	-	-	-	-	-	-	2.57	2.45	2.37	2.30
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]	**2.67**	2.33	2.17	-	-	-	-	-	-	-
Over 15,000 Gallons	**3.20**	2.80	2.60	-	-	-	-	-	-	-
Prior to July 6, 2009										
First 30,000 Gallons[3]	-	-	-	2.10	1.95	1.59	1.52	1.44	1.39	1.34
Over 30,000 Gallons	-	-	-	2.52	2.34	1.91	1.82	1.73	1.67	1.61
All Other Retail - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	**1.69**	1.54	1.48	2.06	1.89	1.64	1.53	1.41	1.36	1.32
Summer - All Consumption	**3.38**	3.08	2.96	2.47	2.27	1.97	1.84	1.69	1.63	1.58
Irrigation Only- Consumption Charge per 1,000 Gallons										
Winter - All Consumption	**1.14**	1.00	1.49	2.02	-	-	-	-	-	-
Summer - All Consumption	**4.56**	4.00	3.17	2.50	-	-	-	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.00**	5.58	4.41	3.82	3.87	-	-	3.41	3.09	3.09
Bimonthly Service Charge	-	-	-	6.07	5.98	-	-	4.91	4.43	4.43
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	**$ 2.36**	$ 2.00	$ 2.00	-	-	-	-	-	-	-
12,000 - 30,000 Gallons	**4.72**	4.00	4.00	-	-	-	-	-	-	-
31,000 - 40,000 Gallons	**7.08**	6.00	6.00	-	-	-	-	-	-	-
Over 40,000 Gallons	**9.44**	8.00	8.00	-	-	-	-	-	-	-
Prior to July 6, 2009										
First 22,000 Gallons	-	-	-	$ 1.90	$ 2.11	$ 2.48	$ 2.28	$ 2.08	$ 1.97	$ 1.90
22,000 - 60,000 Gallons	-	-	-	3.80	4.22	2.98	2.74	2.50	2.36	2.28
Over 60,000 Gallons	-	-	-	-	-	-	3.42	3.12	2.96	2.85
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	-	1.08	1.08	0.98	0.92	-	-	-	-	-
Summer - All Consumption	-	4.32	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]	**3.04**	2.57	2.57	-	-	-	-	-	-	-
Over 15,000 Gallons	**3.65**	3.08	3.08	-	-	-	-	-	-	-
Prior to July 6, 2009										
First 30,000 Gallons[3]	-	-	-	2.27	2.13	2.10	1.98	1.89	1.83	1.77
Over 30,000 Gallons	-	-	-	2.72	2.56	2.52	2.38	2.27	2.20	2.12

[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.

(Continued next page)

	2011	2010	2009[1]	2008	2007	2006	2005	2004	2003	2002
Outside City Read and Bill - Schedule 2 (Continued)										
All Other Retail - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**$ 2.09**	$ 1.99	$ 1.99	$ 2.50	$ 2.42	$ 2.23	$ 2.00	$ 1.84	$ 1.70	$ 1.65
Summer - All Consumption	**4.18**	3.98	3.98	3.00	2.90	2.68	2.40	2.21	2.04	1.98
Irrigation Only - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**1.22**	1.09	1.78	2.35	-	-	-	-	-	-
Summer - All Consumption	**4.88**	4.36	3.94	3.08	-	-	-	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.00**	5.58	4.41	3.82	3.87	-	-	3.41	3.09	3.09
Bimonthly Service Charge	**-**	-	-	6.07	5.98	-	-	4.91	4.43	4.43
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	**$ 2.70**	$ 2.59	$ 2.43	-	-	-	-	-	-	-
12,000 - 30,000 Gallons	**5.40**	5.18	4.86	-	-	-	-	-	-	-
31,000 - 40,000 Gallons	**8.10**	7.77	7.29	-	-	-	-	-	-	-
Over 40,000 Gallons	**10.80**	10.36	9.72	-	-	-	-	-	-	-
Prior to July 6, 2009										
First 22,000 Gallons	**-**	-	-	$ 2.27	$ 2.22	$ 2.92	$ 2.76	$ 2.54	$ 2.41	$ 2.33
22,000 - 60,000 Gallons	**-**	-	-	4.54	4.44	3.50	3.31	3.05	2.89	2.80
Over 60,000 Gallons	**-**	-	-	-	-	-	4.14	3.81	3.62	3.50
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]	**3.64**	3.39	3.31	-	-	-	-	-	-	-
Over 15,000 Gallons	**4.37**	4.07	3.97	-	-	-	-	-	-	-
Prior to July 6, 2009										
First 30,000 Gallons[3]	**-**	-	-	2.97	2.77	2.58	2.25	2.14	2.14	2.06
Over 30,000 Gallons	**-**	-	-	3.56	3.32	3.10	2.70	2.57	2.57	2.47
All Other Retail - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**2.31**	2.16	2.16	2.98	2.89	2.41	2.14	1.98	1.96	1.89
Summer - All Consumption	**4.62**	4.32	4.32	3.58	3.47	2.89	2.57	2.38	2.35	2.27
Irrigation Only - Consumption Charge per 1000 Gallons										
Winter - All Consumption	**1.32**	1.26	2.02	2.78	-	-	-	-	-	-
Summer - All Consumption	**5.28**	5.04	4.33	3.61	-	-	-	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**6.00**	5.58	4.41	3.82	3.87	-	-	3.41	3.09	3.09
Bimonthly Service Charge	**-**	-	-	6.07	5.98	-	-	4.91	4.43	4.43
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	**$ 3.45**	$ 3.01	$ 3.01	$ 2.67	$ 2.55	$ 2.36	$ 2.20	$ 2.00	$ 1.89	$ 1.83
Service Charge/Meter Charge										
Monthly Service Charge	**6.00**	5.58	4.41	3.82	3.87	-	-	3.41	3.09	3.09
Bimonthly Service Charge	**-**	-	-	6.07	5.98	-	-	4.91	4.43	4.43
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.

(Continued next page)

	2011	2010	2009[1]	2008	2007	2006	2005	2004	2003	2002
Outside City Master Meter Maintenance - Schedule 5										
Consumption Charge per 1000 Gallons - All Consumption	**$ 4.70**	$ 4.45	$ 4.31	$ 3.93	$ 3.72	$ 3.43	$ 3.15	$ 2.77	$ 2.56	$ 2.47
Service Charge/Meter Charge										
Monthly Service Charge	**6.00**	5.58	4.41	3.82	3.87	-	-	3.41	3.09	3.09
Bimonthly Service Charge	**-**	-	-	6.07	5.98	-	-	4.91	4.43	4.43
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	**$ 0.47**	$ 0.47	$ 0.47	$ 0.47	$ 0.47	$ 0.47	$ 0.47	$ 0.47	$ 0.47	$ 0.47
Outside City - All Consumption	**0.81**	0.77	0.73	0.67	0.67	0.62	0.58	0.53	0.49	0.49
Outside Combined Service Area - All Consumption	**0.95**	0.90	0.85	0.76	0.76	0.71	-	-	-	-
Recycled - Consumption Charge per 1000 Gallons										
Inside City Recycled - All Consumption	**0.93**	0.89	0.89	0.88	0.86	0.69	0.69	0.63	-	-
Outside City Recycled - All Consumption	**-**	-	-	-	-	-	-	-	-	-
Outside Combined Service Area - All Consumption	**1.05**	0.91	0.90	0.76	0.77	0.71	0.83	0.76	-	-
Recycled Service Meter Charge										
Monthly Service Charge	**6.00**	5.58	4.41	3.82	3.87	-	-	3.41	-	-
Bimonthly Service Charge	**-**	-	-	6.07	5.98	-	-	4.91	-	-
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	**$ 3.83**	$ 3.36	$ 3.19	$ 3.13	$ 2.68	$ 2.54	-	-	-	-
Service Charge/Meter Charge										
Monthly Service Charge	**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 - 2011
(NON-ACCRUAL BASIS)[1]

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

	Revenue	Gallons Sold (000)	Number of Taps[3]
OUTSIDE CITY - MASTER METER DISTRIBUTORS			
Alameda Water & Sanitation District	$ 283,062	82,779	336
Bancroft-Clover Water & Sanitation District	5,353,479	1,580,795	8,739
Bonvue Water & Sanitation District	44,838	13,364	169
Bow-Mar Water & Sanitation District	343,828	100,298	290
Cherry Creek Valley Water & Sanitation District	2,806,305	829,094	1,938
Cherry Creek Village Water & Sanitation District	498,308	145,846	473
Consolidated Mutual Water Company	8,928,637	2,639,424	15,671
Crestview Water & Sanitation District	1,856,381	550,351	4,535
City of Edgewater	617,084	183,106	1,484
City of Glendale	910,611	270,497	240
Green Mountain Water & Sanitation District	5,660,953	1,668,089	10,102
GSA	272,703	78,994	2 [4]
High View Water District	498,557	147,532	893
Ken-Caryl Water & Sanitation District	2,500,261	824,681	3,702
Lakehurst Water & Sanitation District	3,061,406	904,975	5,509
City of Lakewood	721,471	214,686	738
Meadowbrook Water & Sanitation District	593,370	174,826	1,289
North Pecos Water & Sanitation District	433,123	127,726	408
North Washington Street Water & Sanitation District	2,677,159	793,277	3,625
Northgate Water District	23,665	6,977	4
Rocky Mountain Arsenal	8,286	2,154	1 [4]
South Adams County Water & Sanitation District	337,544	99,590	167
Valley Water District	1,862,223	550,509	1,763
Wheat Ridge Water District	2,822,463	834,083	5,849
Willowbrook Water & Sanitation District	1,589,967	468,283	3,294
Willows Water District	2,777,550	817,590	4,733
Total Sales for Master Meter Distributors	47,483,234	14,109,526	75,954
OUTSIDE THE COMBINED SERVICE AREA			
City and County of Broomfield	5,226,322	1,526,185	
Chatfield South Water District	22,623	6,051	
East Cherry Creek Valley Water District	1,979,450	525,622	
Inverness Water District	293,915	80,382	
South Adams County Special Contract Area	2,364,188	629,224	
Total Sales for Other Contracts at Wholesale Rates	9,886,498	2,767,464	
Total Sales of Treated Water for Resale	$ 57,369,732	16,876,990	75,954

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

[3]Estimated number of taps served behind Master Meters is based on survey analysis.

[4]Special non-district agreements at master meter rate (not distributors).

10 LARGEST RETAIL CUSTOMERS - WATER CONSUMPTION AND REVENUE - 2011
(NON-ACCRUAL BASIS)

	Consumption		Revenue	
Account Type	Gallons Sold (000)	Percent of Total Gallons Sold	Water Revenue[1]	Percent of Total Water Revenue
Petroleum Company	550,933	0.85%	$ 1,776,516	0.77%
Public School System	456,866	0.70%	1,550,333	0.67%
Housing Authority	370,612	0.57%	1,149,421	0.50%
Parks System	205,549	0.32%	1,012,828	0.44%
Beverage Company	156,114	0.24%	405,151	0.18%
Retail Grocer	128,258	0.20%	357,679	0.15%
Private University	121,021	0.19%	356,580	0.15%
Special Utility District	112,818	0.17%	352,795	0.15%
Medical Center	112,287	0.17%	346,606	0.15%
Public School System	108,551	0.17%	452,744	0.20%
Total of the 10 largest customers	2,323,009	3.58%	$ 7,760,654	3.36%
Total sales of treated water	64,825,121		$ 230,779,559	

[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 1,994 million gallons of treated water to the City and County of Denver. Revenues from these sales were $4.73 million.

SYSTEM DEVELOPMENT CHARGES AND PARTICIPATION RECEIPTS: 1973 - 2011

(Cash basis - net of refunds)

	System Development Charges ("SDC")	Participation Receipts (aka Contributions in Aid of Construction)
2011	$ 14,233,334	$ 7,023,244
2010	14,441,478	1,092,934
2009	8,118,209	10,908,407
2008	18,498,195	2,424,264
2007	26,027,721	3,299,769
2006	22,305,207	2,730,141
2005	26,256,752	1,849,613
2004	24,833,961	2,228,550
2003	19,614,948	2,831,285
2002	36,590,914	5,567,014
2001	22,186,342	7,026,906
2000	25,525,391	6,392,360
1999	24,223,691	11,963,951
1998	33,155,890	8,411,534
1997	45,058,104	3,732,524
1996	15,137,300	2,913,102
1995	15,527,600	3,927,400
1994	13,535,700	2,881,800
1993	12,181,800	1,343,600
1992	10,920,300	1,198,800
1991	7,530,400	2,330,700
1990	6,615,100	1,838,700
1989	6,251,400	4,965,200
1988	6,084,600	3,067,700
1987	8,544,400	4,561,300
1973-86	149,473,600	43,647,100
	$ 612,872,337	$150,157,898

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: 2002 - 2011

(amounts expressed in thousands, except debt per capita)

	Total Principal Balance Outstanding Debt by Type[1]								
	General Obligation	Water Revenue	Capital Leases						
Year	Bonds	Bonds	Certificates of Participation	Other	Total	Gross Revenues[2,4,5,6]	Ratio of Total Debt to Gross Revenue[4,5]	Estimated Population Served[3]	Debt Per Capita
2002	205,480	-	63,590	30,536	299,606	200,378	1.50	1,049,000	286
2003	156,345	127,155	59,160	29,581	372,241	176,011	2.11	1,052,000	354
2004	117,375	164,365	54,555	28,561	364,856	198,383	1.84	1,055,000	346
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	216,094	1.81	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

[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." Population estimates for 2002 through 2010 were revised based on the 2010 census.

[4]In 2009 the interest subsidy for Build America Bonds in the amount of $463,000 was netted against debt expense. In 2010 and future years the subsidy is included as other income in conformance with GASB guidance received in 2010.

[5]Gross revenue for the years 2006-2009 has been changed to reflect corrections to cash proceeds from contributions in aid of construction.

[6]In 2011 the statement of cash flows format was changed to include proceeds from prepaid SDC and CIAC amounts. This change will be reflected in Gross Revenues in 2009 and future years.

PLEDGED-REVENUE COVERAGE: 2002 - 2011

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

Year	Gross Revenues [2,4,5,6,7]	Less Operating Expenses [3,5]	Net Available Revenue	Total Debt Service[1]			Coverage
				Principal	Interest	Total	
2002	200,378	95,900	104,478	16,763	15,760	32,523	3.21
2003	176,011	104,943	71,068	17,345	16,333	33,678	2.11
2004	198,383	105,287	93,096	19,535	18,610	38,145	2.44
2005	200,402	106,018	94,384	25,655	18,285	43,940	2.15
2006	242,085	114,236	127,849	27,765	17,777	45,542	2.81
2007	238,689	124,170	114,519	32,055	19,683	51,738	2.21
2008	248,074	138,402	109,672	30,250	19,324	49,574	2.21
2009	216,094	155,127	60,967	31,413	18,741	50,154	1.22
2010	259,730	168,501	91,229	32,164	19,065	51,229	1.78
2011	279,682	163,167	116,515	33,624	22,335	55,959	2.08

[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.

[5]In 2009 the interest subsidy for Build America Bonds in the amount of $463,000 was netted against debt expense. In 2010 and future years the subsidy is included as other income in conformance with GASB guidance received in 2010.

[6]Gross revenue for the years 2006-2009 has been changed to reflect corrections to cash proceeds from contributions in in aid of construction.

[7]In 2011 the statement of cash flows format was changed to include proceeds from prepaid SDC and CIAC amounts. This change will be reflected in Gross revenues in 2009 and future years.

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING: 2002 - 2011
(amounts expressed in thousands, except debt per capita)

Year	General Obligation Bonds[1]	Gross Revenues[2,4,5,6]	Ratio of General Obligation Debt to Gross Revenue	Estimated Population Served[3]	General Obligation Debt per Capita
2002	205,480	200,378	1.03	1,049,000	196
2003	156,345	176,011	0.89	1,052,000	149
2004	117,375	198,383	0.59	1,055,000	111
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	216,094	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

[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 2002 through 2010 were revised based on 2010 census.

[4] In 2009 the interest subsidy for Build America Bonds in the amount of $463,000 was netted against debt expense. In 2010 and future years the subsidy is included as other income in conformance with GASB guidance received in 2010.

[5] Gross revenue for the years 2006-2009 has been changed to reflect corrections to cash proceeds from contributions in aid of construction.

[6] In 2011 the statement of cash flows format was changed to include proceeds from prepaid SDC and CIAC amounts. This change will be reflected in Gross revenues in 2009 and future years.

RATIOS OF WATER REVENUE BONDED DEBT OUTSTANDING: 2002 - 2011
(amounts expressed in thousands, except debt per capita)

Year	Water Revenue Bonds[1]	Gross Revenues[2,4,5,6]	Ratio of Water Revenue Debt to Gross Revenue	Estimated Population Served[3]	Water Revenue Debt per Capita
2002	None				
2003	127,155	176,011	0.72	1,052,000	121
2004	164,365	198,383	0.83	1,055,000	156
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	216,094	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

[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 2002 through 2010 were revised based on 2010 census.

[4] In 2009 the interest subsidy for Build America Bonds in the amount of $463,000 was netted against debt expense. In 2010 the subsidy is included as other income in conformance with GASB guidance received in 2010.

[5] Gross revenue for the years 2006-2009 has been changed to reflect corrections to cash from contributions in aid of construction.

[6] In 2011 the statement of cash flows format was changed to include proceeds from prepaid SDC and CIAC amounts. This change will be reflected in Gross revenues in 2009 and future years.

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. Other economic and demographic information not presented herein may be available concerning the area in which the City is located.

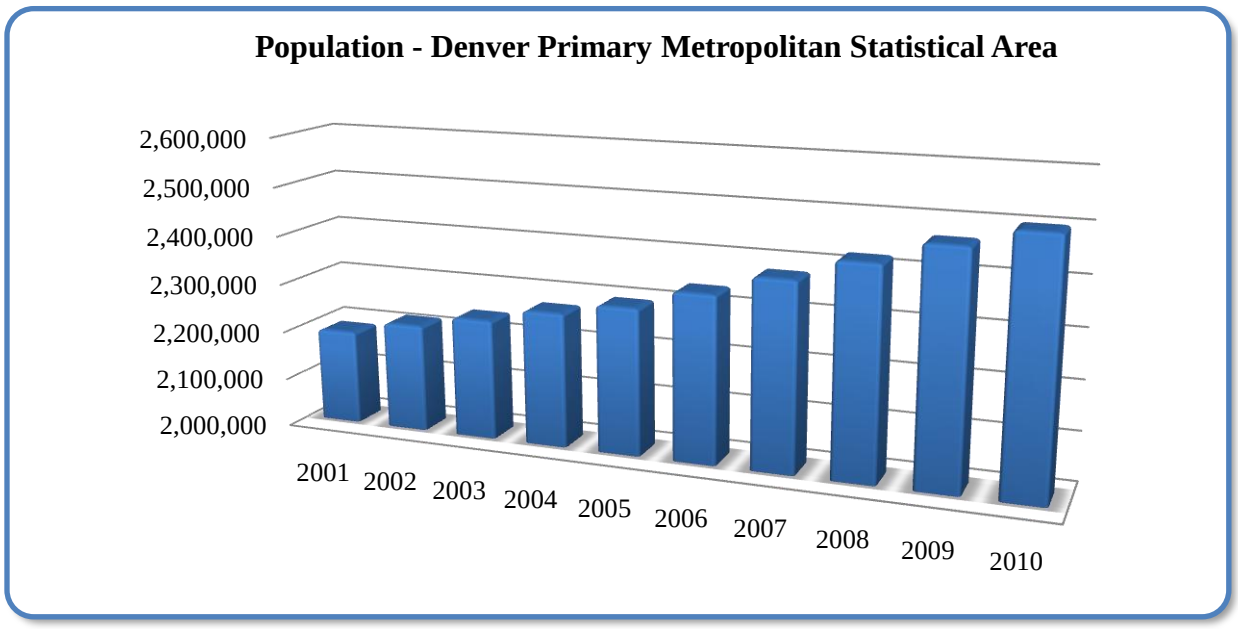
Population

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

Year	Denver	Denver PMSA	State of Colorado
2001	563,300	2,192,900	4,444,513
2002	559,090	2,220,450	4,504,709
2003	560,348	2,245,902	4,555,084
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	605,722	2,503,279	5,050,870
2011	620,843	NA	NA

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



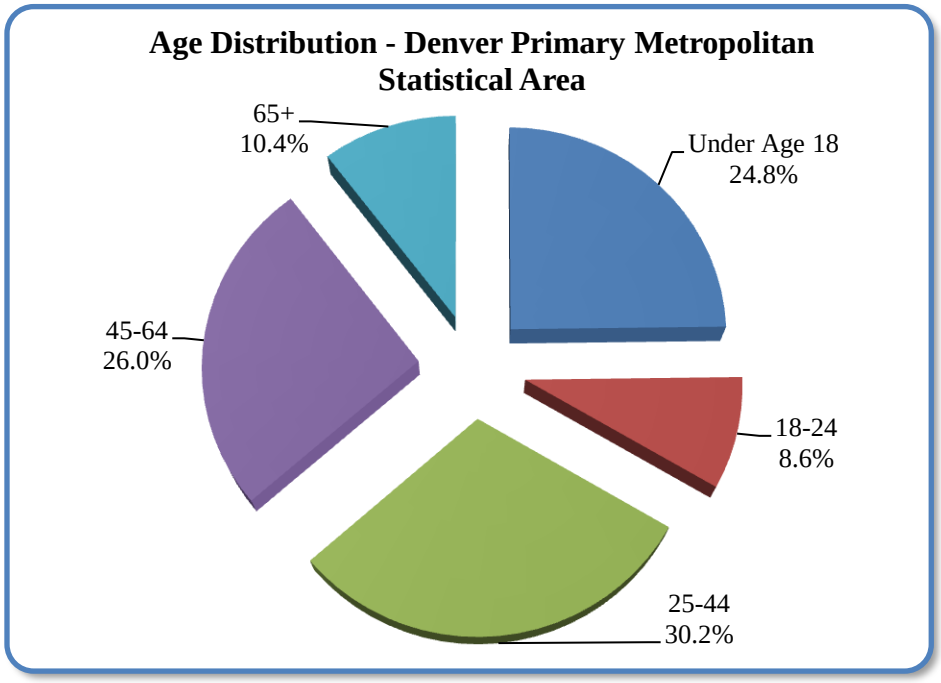
Age Distribution

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, 2011.

Age Distribution as of January 1, 2011
(Columns may not add to 100% due to rounding)

	Percent of Population			
Age Groups	Denver	Denver PMSA	State of Colorado	United States
Under 18	21.9%	24.8%	24.1%	24.0%
18-24	9.5	8.6	9.6	9.9
25-44	35.9	30.2	28.3	26.6
45-64	22.2	26.0	26.6	26.4
65+	10.5	10.4	11.3	13.0

Sources: Colorado Department of Local Affairs, Division of Local Government, State Demography Office; and U.S. Census Bureau



Income

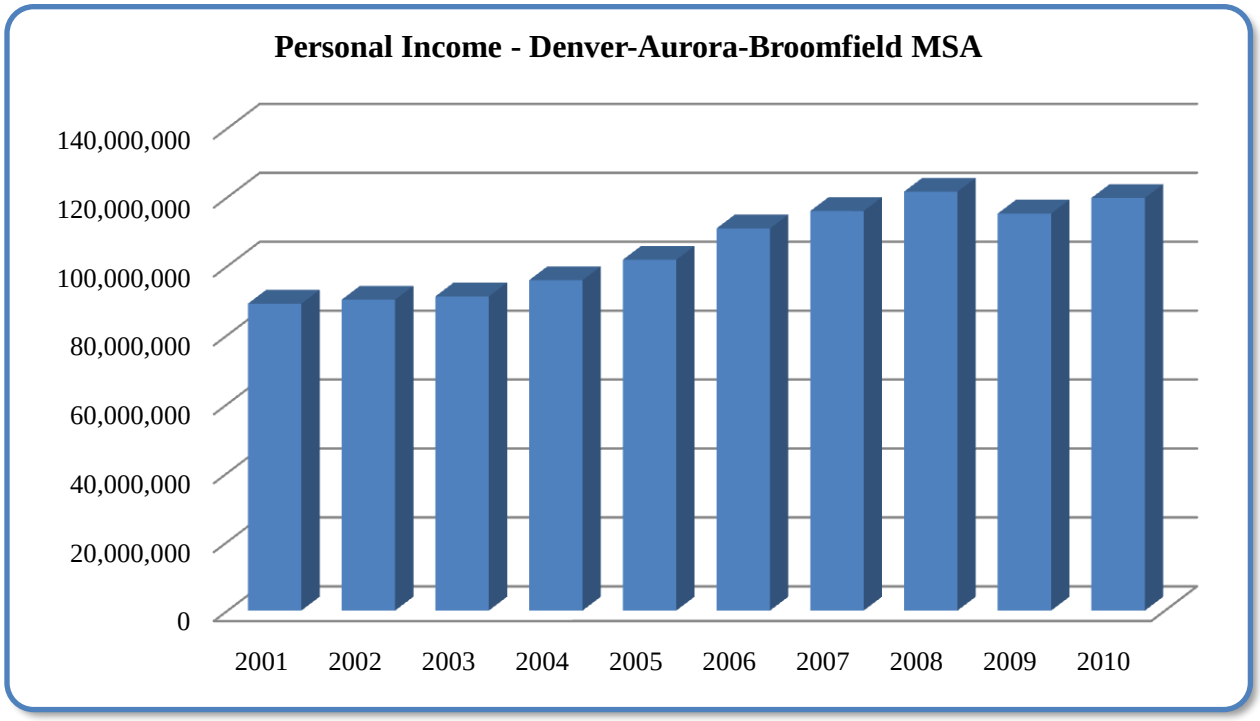
The following tables set forth recent annual personal income and per capita personal income levels for Denver, the Denver-Aurora-Broomfield Metropolitan Statistical Area ("MSA"), the State and the United States from 2000 through 2011 as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The Denver-Aurora-Broomfield 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. NA = Not Available)

Year	Denver	Denver-Aurora-Broomfield MSA	State of Colorado	United States
2001	23,468,823	89,048,163	156,468,140	8,878,830,000
2002	23,834,124	90,192,590	157,751,910	9,054,702,000
2003	23,932,608	91,152,950	159,917,882	9,369,072,000
2004	25,030,759	95,852,508	168,586,778	9,928,790,000
2005	26,593,158	101,788,325	179,695,454	10,476,669,000
2006	29,534,471	110,887,829	194,389,681	11,256,516,000
2007	30,036,481	115,940,385	205,242,380	11,900,562,000
2008	31,699,033	121,543,652	216,029,937	12,451,660,000
2009	29,002,872	115,200,958	205,786,748	11,916,773,000
2010	30,514,919	119,733,976	213,494,203	12,353,577,000
2011	NA	NA	225,591,393	12,981,740,848

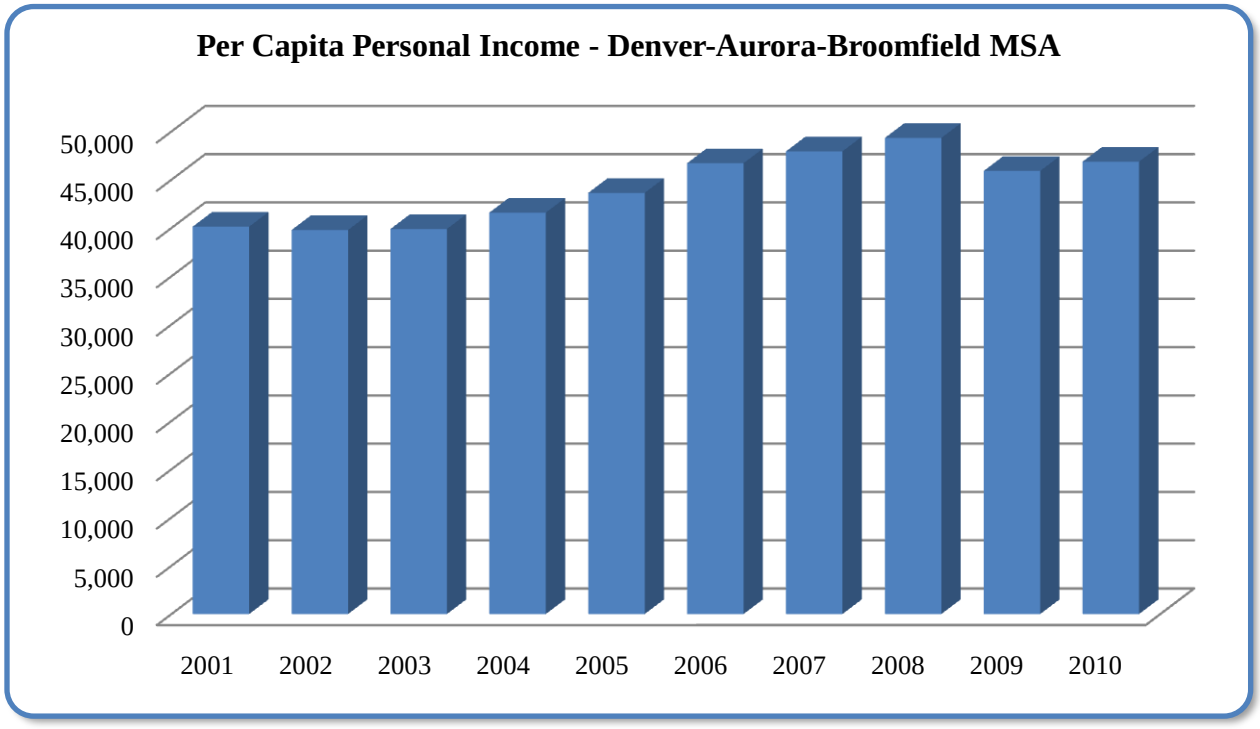
Source: U.S. Department of Commerce, Bureau of Economic Analysis. Last updated April 25, 2012.



Per Capita Personal Income
(Current dollars, not adjusted for inflation. NA = Not Available)

Year	Denver	Denver-Aurora-Broomfield MSA	State of Colorado	United States
2001	41,761	40,134	35,355	31,157
2002	42,806	39,789	35,131	31,481
2003	43,310	39,894	35,312	32,295
2004	45,448	41,588	36,849	33,909
2005	48,203	43,634	38,795	35,452
2006	53,034	46,705	41,181	37,725
2007	53,219	47,935	42,724	39,506
2008	55,060	49,328	44,180	40,947
2009	49,240	45,907	41,388	38,846
2010	50,568	46,871	42,295	39,937
2011	NA	NA	44,088	41,663

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Last updated April 25, 2012.



Employment

The following table sets forth recent total labor force, employment and unemployment statistics for Denver, the Denver-Aurora-Broomfield MSA and the State. The national unemployment rate is estimated to be approximately 8.3% as of February 2012.

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

Denver

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	Unemployment Rate
2002	300.1	--	20.2	6.7
2003	303.4	1.1%	22.0	7.2
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	318.8	2.9	13.1	4.1
2008	325.8	2.2	17.4	5.4
2009	325.3	(0.2)	30.0	9.2
2010	322.1	(1.0)	31.3	9.7
2011	322.1	--	29.3	9.1

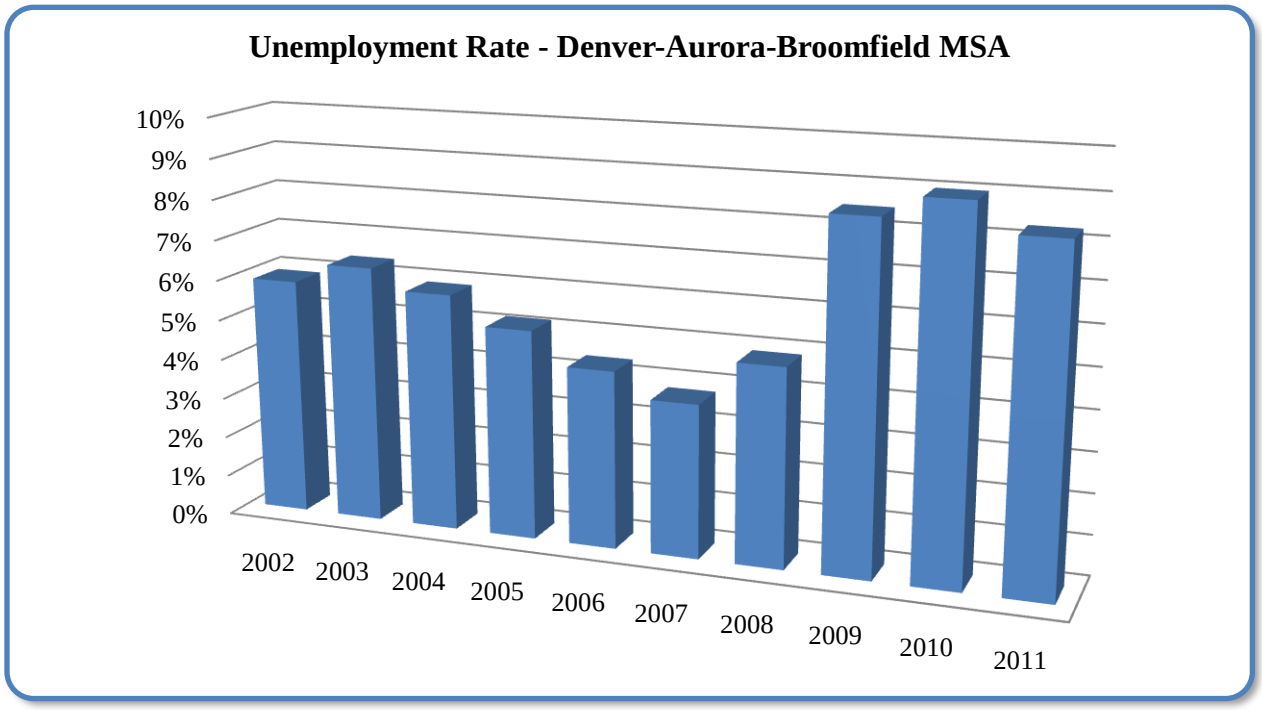
Denver-Aurora-Broomfield MSA

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	Unemployment Rate
2002	1,255.5	--	74.5	5.9%
2003	1,287.7	2.6%	83.0	6.4
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	1,376.3	1.5	52.2	3.8
2008	1,404.0	2.0	69.1	4.9
2009	1,395.4	(0.6)	118.5	8.5
2010	1,380.9	(1.0)	124.0	9.0
2011	1,399.8	1.4	116.7	8.3

State of Colorado

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	Unemployment Rate
2002	2,442.7	--	138.6	5.7%
2003	2,492.3	2.0%	152.8	6.1
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	2,698.6	1.6	100.2	3.7
2008	2,737.3	1.4	131.7	4.8
2009	2,727.6	(0.4)	225.8	8.3
2010	2,687.4	(1.5)	239.7	8.9
2011	2,723.0	1.3	225.7	8.3

Source: Colorado Department of Labor and Employment



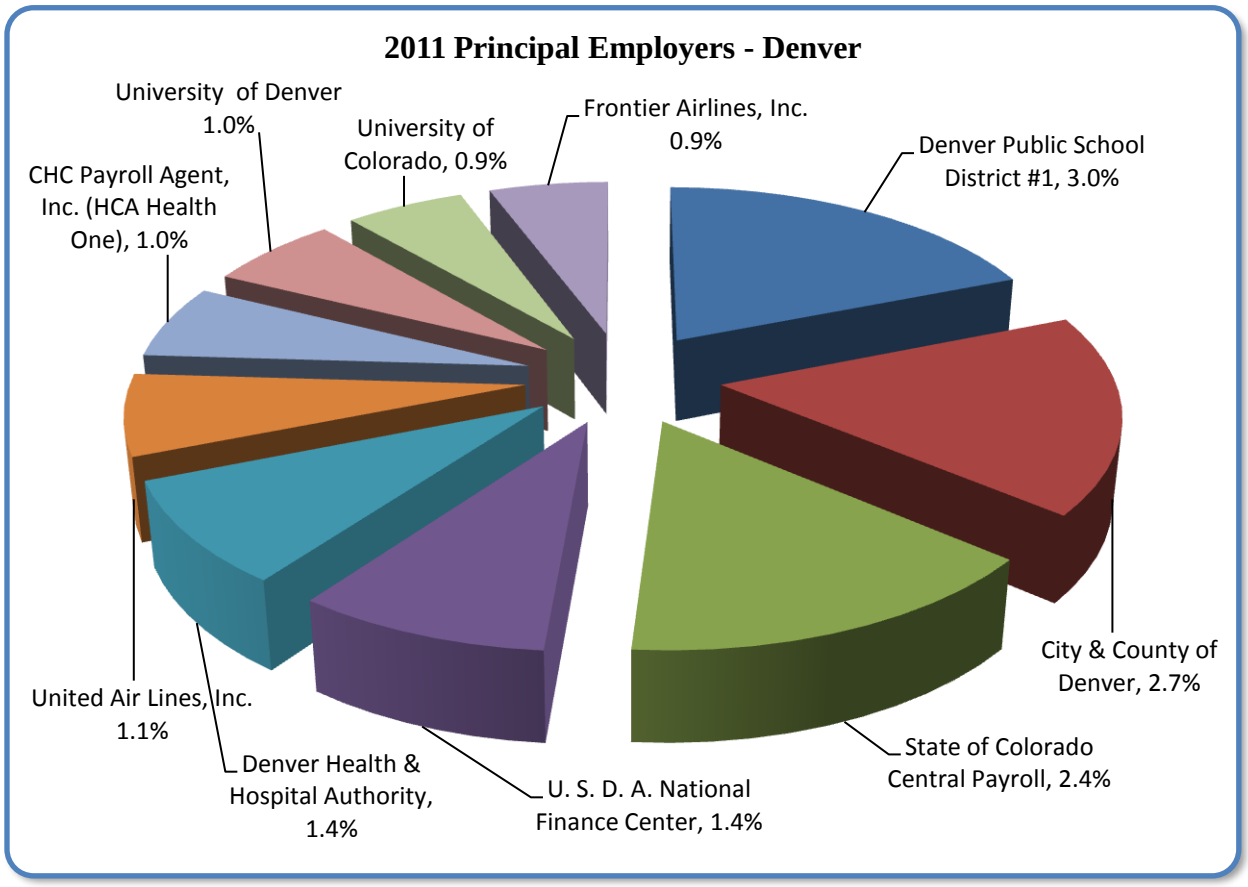
Principal Employers

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

	2011			2002		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Denver Public School District #1	11,031	1	3.0%	10,318	2	2.9%
City & County of Denver	9,640	2	2.7	12,019	1	3.4
State of Colorado Central Payroll	8,856	3	2.4	9,257	3	2.6
U. S. D. A. National Finance Center	5,207	4	1.4	4,880	6	1.4
Denver Health & Hospital Authority	5,138	5	1.4	2,931	9	0.8
United Air Lines, Inc.	4,005	6	1.1	7,330	4	2.0
CHC Payroll Agent, Inc. (HCA Health One)	3,781	7	1.0	3,375	8	0.9
University of Denver	3,678	8	1.0	2,790	10	0.8
University of Colorado	3,249	9	0.9	6,874	5	1.9
Frontier Airlines, Inc.	3,198	10	0.9	-	-	-
Accounting Service Center (U.S. Postal Svc.)	-	-	-	4,315	7	1.2
Total	57,783		15.8%	64,089		17.9%

Source: Based on 2011 and 2002 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).

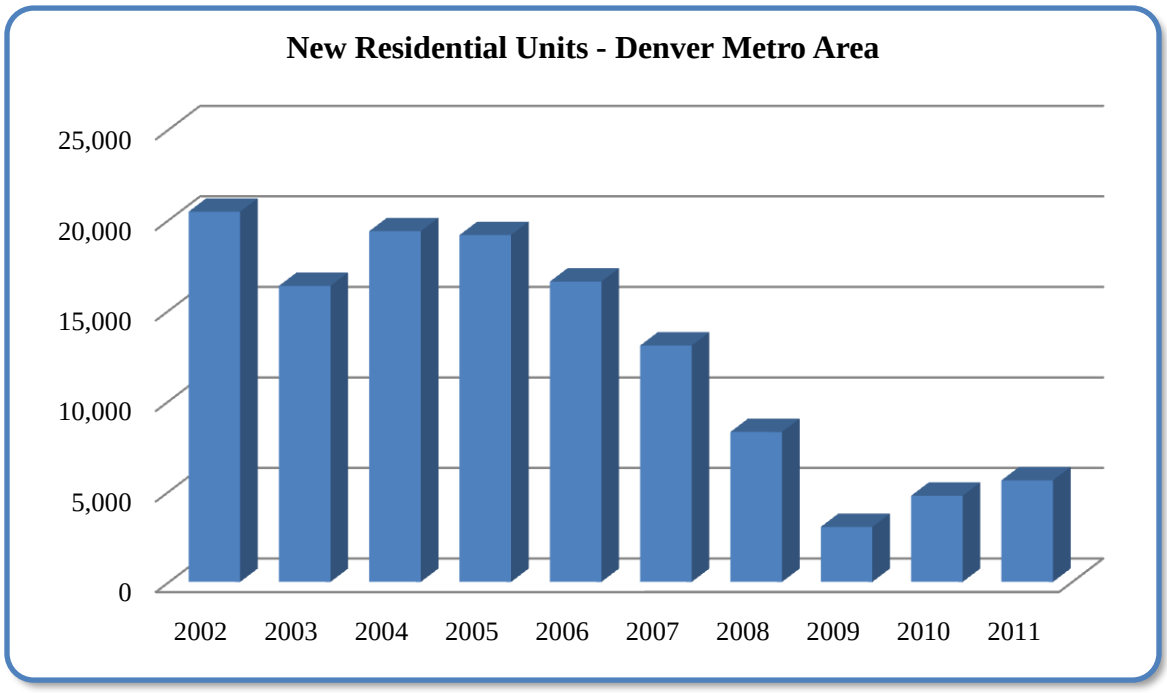
New Residential Units in Denver and the Denver Metropolitan Area

	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
2002	1,475	1,244	1,336	4,055	12,481	3,910	4,055	20,446
2003	1,482	1,035	987	3,504	11,369	3,149	1,832	16,350
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	2,185	519	334	3,037
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

[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]: 2002 - 2011

Division/Section	**2011** [2]	2010	2009 [3]	2008	2007	2006	2005	2004	2003 [4]	2002
Manager & Staff Division	**7.0**	7.0	7.0	15.0	15.0	14.0	14.0	14.0	13.0	13.0
Human Resources Division	**23.8**	23.8	22.8	20.0	19.0	24.8	27.8	27.8	27.8	27.0
Information Technology Division	**68.5**	68.5	69.0	61.0	57.8	58.8	57.8	59.8	61.8	57.8
Public Affairs Division										
Director of Public Affairs	**6.0**	4.0	4.0	8.0	7.0	6.0	7.0	7.0	7.0	7.0
Community Relations	**8.6**	9.6	9.6	6.0	5.4	4.2	4.2	4.0	5.2	4.7
Conservation	**15.0**	17.0	17.0	15.0	12.0	10.0	9.8	12.0	12.0	10.0
Print Shop	-	-	-	-	-	-	-	-	-	3.0
Central Services	-	3.0	3.0	3.0	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	36.0	35.0	28.0
CIS Business Support	-	2.0	5.0	-	-	-	-	-	-	-
Customer Services - Field	-	70.0	75.0	66.0	60.0	63.0	67.0	71.0	75.0	83.0
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	10.6	10.6	10.6
	29.6	172.6	176.6	161.0	149.2	139.8	137.6	143.6	147.8	149.3
Customer Relations										
Director of Customer Relations	**2.0**	-	-	-	-	-	-	-	-	-
Central Services	**3.0**	-	-	-	-	-	-	-	-	-
Customer Care	**42.2**	-	-	-	-	-	-	-	-	-
Customer Services - Field	**66.0**	-	-	-	-	-	-	-	-	-
Meter Inspection Shop	**7.0**	-	-	-	-	-	-	-	-	-
Sales Administration	**12.8**	-	-	-	-	-	-	-	-	-
	133.0	-	-	-	-	-	-	-	-	-
Legal Division	**13.6**	-	-	-	-	-	-	-	-	-
Finance Division										
Director of Finance	**1.0**	1.0	2.0	9.0	9.0	10.0	9.0	9.0	9.0	9.0
Finance Computer Support	**2.0**	2.0	2.0	-	-	-	-	-	-	-
Treasury Operations	**8.0**	7.0	8.0	7.0	7.0	7.0	6.0	5.0	5.0	5.0
Budget	**4.0**	4.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Purchasing	**9.0**	5.0	9.0	8.0	8.0	9.0	9.0	9.0	8.0	8.0
Accounting	**20.0**	19.0	19.0	19.0	18.0	17.0	18.0	19.0	19.0	19.0
Rate Administration	**3.0**	3.0	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Records & Document Administration	**9.0**	9.0	9.0	6.0	6.0	8.0	6.0	6.0	8.0	8.0
	56.0	50.0	58.0	56.0	54.0	57.0	54.0	54.0	55.0	55.0
Engineering Division										
Administration	**7.8**	6.0	6.0	3.0	6.0	8.0	9.0	9.0	8.6	9.0
Programs & Projects	**53.9**	57.0	57.0	49.0	39.0	36.0	35.0	37.0	37.0	37.0
Survey	**26.0**	26.0	26.0	26.0	25.0	26.0	25.0	24.0	25.0	26.0
Distribution	**40.0**	41.0	40.0	41.0	39.0	37.0	38.0	38.0	37.0	39.0
Asset Recording	**7.0**	7.0	7.0	7.0	7.0	-	-	-	-	-
Construction Management	**24.0**	24.0	23.0	21.0	23.0	19.0	20.0	22.0	22.0	23.0
	158.7	161.0	159.0	147.0	139.0	126.0	127.0	130.0	129.6	134.0
Planning Division										
Director of Planning	**3.0**	3.0	3.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Environmental Planning	**5.6**	5.6	5.6	5.0	4.6	5.6	5.6	5.6	4.6	4.6
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	**7.0**	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Water Resources Analysis	**9.0**	11.0	11.0	11.0	10.8	10.7	10.8	10.8	10.8	10.8
Water Resource Planning	**3.0**	2.0	2.0	2.0	-	-	-	-	-	-
Demand Planning	**4.0**	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Hydraulics	**8.0**	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0
	45.6	46.6	46.6	45.0	41.4	42.3	42.4	41.4	42.4	42.4
Operations and Maintenance Division										
Plant Office	**4.0**	4.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	5.0
Water Quality & Compliance	**37.0**	33.0	33.0	32.0	32.0	31.8	31.8	31.8	31.0	30.0
Safety and Loss Control	**16.0**	14.0	16.0	15.0	14.0	13.0	14.0	15.0	12.0	12.0
Source of Supply	**59.0**	61.0	60.0	60.0	53.0	56.0	59.0	56.0	59.0	60.0
Water Treatment	**88.0**	89.0	89.0	92.0	90.0	86.0	88.0	83.0	79.0	69.0
Transmission & Distribution	**144.0**	157.0	149.0	145.0	144.0	154.0	156.0	157.0	158.0	163.0
Treated Water Operations	**59.0**	59.0	57.5	57.0	54.0	55.0	57.0	57.0	59.0	58.0
Instrumentation & Ctrl Systems	**12.0**	11.0	12.0	11.0	11.0	6.0	7.0	19.0	21.0	20.0
Maintenance and Warehouse	**115.0**	118.0	121.0	123.0	120.0	124.0	123.0	131.0	129.0	127.0
	534.0	546.0	541.5	538.0	521.0	528.8	539.8	553.8	552.0	544.0
Total All Divisions	**1,069.8**	1,075.5	1,080.5	1,043.0	996.4	991.5	1,000.4	1,024.4	1,029.4	1,022.5

[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.

[4]In 2003, the Print Shop was transferred from Public Affairs to Information Technology.

ADDITIONS TO CAPITAL ASSETS - 2011 (Page 1 of 2)

(amounts expressed in thousands)

NEW FACILITIES

SOURCE OF SUPPLY		
Williams Fork Hydro	$ 6,179	
Gravel Pits	3,626	
Cheesman Reservoir	2,932	
Integrated Resource Planning (IRP) Project - Moffat Collection System	2,143	
Water Rights	1,339	
Ralston Reservoir	611	
Gross Power Plant	368	
Ranch Creek	268	
Land Acquisitions	96	
Antero Reservoir	42	
Vasquez-St Louis	35	
Gross Reservoir	33	
Marston Reservoir	30	
Conduit 16	25	
Other Miscellaneous SOS	1	
Total Source of Supply		17,728
PUMPING PLANT		
Lonetree Pump Station	3,055	
Highlands Pump Station	1,897	
Lakeridge Pump Station	1,407	
Elizabeth Street Pump Station	990	
Castlewood Pump Station	29	
Other Miscellaneous Pumping	20	
Total Pumping Plant		7,398
WATER TREATMENT		
Moffat Treatment Plant	967	
Marston Treatment Plant	240	
Recycle Treatment Plant	195	
Foothills Treatment Plant	153	
Marston Lab	86	
Total Water Treatment		1,641
TRANSMISSION AND DISTRIBUTION		
Recycled Water Conduits	9,767	
Distribution Mains & Hydrants	6,712	
Lonetree Pump Station/Clearwater Reservoir	6,106	
Treated Water Conduits	3,097	
Ashland Reservoir	841	
Total Transmission and Distribution		26,523
GENERAL PLANT		
Other Miscellaneous Westside	2	
Total General Plant		2
TOTAL NEW FACILITIES		53,292

ADDITIONS TO CAPITAL ASSETS - 2011

(amounts expressed in thousands)

FACILITY REPLACEMENTS AND IMPROVEMENTS

SOURCE OF SUPPLY		
Dillon Reservoir	$ 1,582	
South Boulder Canal	1,134	
Roberts Tunnel	880	
Antero Reservoir	380	
Ralston Reservoir	303	
Harriman Land	284	
Vasquez/ St. Louis	198	
Waterton Canyon	152	
Strontia Reservoir	110	
Grant Headquarters	64	
Burlington Raw Water Pump Station	45	
Kassler Pump Station	30	
Leyden Gulch Reservoir	26	
Williams Fork Reservoir	21	
Last Chance Ditch	15	
Other Miscellaneous Source of Supply	12	
Moffat Collection System Hdqtrs	8	
11 Mile Reservoir	7	
Total Source of Supply		5,251
PUMPING PLANT		
Belleview Pump Station	1,718	
Yale and Lamar Pump Station	684	
Broomfield Pump Station	613	
Highlands Pump Station	339	
Green Mountain Pump Station	191	
Kendrick Pump Station	124	
Lakeridge Pump Station	40	
Burlington Raw Water Pump Station	19	
56th Avenue Pump Station	7	
Total Pumping Plant		3,735
WATER TREATMENT		
Marston Treatment Plant	2,872	
Foothills Treatment Plant	1,177	
Moffat Treatment Plant	237	
Recycle Treatment Plant	8	
Other Miscellaneous Treatment	1	
Total Water Treatment		4,295
TRANSMISSION AND DISTRIBUTION		
Mains - Replace, Extend and Relocate	23,045	
Treated Water Conduits	8,730	
Fire hydrants - Replacements, Raise and Relocate	1,147	
Wynetka Decentralization	782	
Highlands Reservoir	564	
Einfeldt Decentralization	101	
Recycled Conduits	14	
Total Transmission and Distribution		34,383
GENERAL PLANT		
General Equipment	628	
Kassler Center	253	
System Wide Remote Terminal Units (RTU) Upgrades	134	
Westside Complex	75	
Total General Plant		1,090
TOTAL FACILITY REPLACEMENTS AND IMPROVEMENTS		48,754
NON-UTILITY		
Highline Canal	277	
TOTAL NON-UTILITY REPLACEMENTS AND IMPROVEMENTS		277

GENERAL EQUIPMENT ADDITIONS, REPLACEMENTS, AND IMPROVEMENTS

Capitalization Software & IT Projects	4,638	
Encoder Receiver Transmitter Device (ERT)	4,273	
Motor Vehicles & Heavy Equipment	1,837	
		10,748
TOTAL PROPERTY, PLANT & EQUIPMENT ADDITIONS		$ 113,071

CAPITAL ASSETS BY FUNCTION: 2002 - 2011
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
UTILITY PLANT IN SERVICE:										
Source of supply plant	**$ 603,059**	$ 601,640	$ 577,785	$ 524,366	$ 490,413	$ 477,999	$ 458,168	$ 448,308	$ 419,350	$ 400,248
Pumping plant	**111,259**	103,259	104,867	86,174	72,101	70,951	70,212	64,728	49,574	46,064
Water treatment plant	**459,888**	380,166	369,704	368,921	333,933	330,394	331,481	315,906	272,104	233,121
Transmission and distribution plant	**937,809**	896,618	862,572	830,307	774,953	747,966	726,563	696,718	652,700	605,581
General plant and equipment	**149,381**	135,031	131,128	116,207	111,993	113,928	103,899	100,246	99,278	91,114
Leasehold and other improvements	**81,656**	84,311	89,703	97,840	97,668	90,535	90,522	90,297	85,594	71,709
Land held for future use	**14,276**	14,249	14,257	14,249	14,321	14,050	14,050	14,050	14,062	14,063
Total utility plant in service	**2,357,328**	2,215,274	2,150,016	2,038,064	1,895,382	1,845,823	1,794,895	1,730,253	1,592,662	1,461,900
NONUTILITY PLANT IN SERVICE:										
Plant	**8,300**	8,685	8,738	8,830	8,795	8,802	8,949	9,127	8,927	7,549
General equipment	**27**	27	27	19	19	69	69	69	60	61
Idle plant	**-**	-	-	-	-	203	-	-	-	-
Total nonutility plant in service	**8,327**	8,712	8,765	8,849	8,814	9,074	9,018	9,196	8,987	7,610
UTILITY PLANT UNDER CAPITAL LEASE:										
Certificates of participation[1]	**-**	70,453	69,962	71,949	79,022	78,584	69,151	74,036	-	-
Other	**42,980**	42,981	42,981	42,981	42,981	42,981	42,981	42,981	42,981	42,981
Total utility plant under capital lease	**42,980**	113,434	112,943	114,930	122,003	121,565	112,132	117,017	42,981	42,981
CONSTRUCTION IN PROGRESS	**129,770**	110,483	77,340	109,316	155,813	119,506	89,040	75,196	226,875	199,453
Gross capital assets	**2,538,405**	2,447,903	2,349,064	2,271,159	2,182,012	2,095,968	2,005,085	1,931,662	1,871,505	1,711,944
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION	**(658,178)**	(620,991)	(589,060)	(566,158)	(534,410)	(506,095)	(475,601)	(447,132)	(421,590)	(392,303)
Net capital assets	**$ 1,880,227**	$ 1,826,912	$ 1,760,004	$ 1,705,001	$ 1,647,602	$ 1,589,873	$ 1,529,484	$ 1,484,530	$ 1,449,915	$ 1,319,641

[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 2007 - 2011 AND 2012 BUDGET (CASH BASIS)
(amounts expressed in thousands)

	2012	2011		2010		2009		2008		2007	
	Budget	Budget	Actual	Budget	Actual	Budget[1]	Actual	Budget	Actual	Budget	Actual
BEGINNING CASH & INVESTMENTS	$ 187,296	$ 225,410	$ 225,410	$ 194,012	$ 194,012	$ 198,311	$ 198,311	$ 226,160	$ 226,160	$ 149,198	$ 149,198
RECEIPTS FROM:											
Sale of water	261,978	246,079	238,085	223,305	225,493	212,028	188,293	207,219	204,232	189,814	194,225
Drought Surcharge	-	-	-	-	-	-	-	-	-	-	-
Nonoperating, interest & other	18,783	19,532	30,831	16,168	16,474	20,576	18,274	17,865	25,284	17,165	24,074
System development charges	10,714	8,000	14,649	8,000	11,283	8,000	9,013	22,981	19,138	27,843	26,214
Developer participation (new facilities) & Reimbursements & grants	5,367	4,863	6,160	4,863	10,940	11,605	10,938	3,717	5,197	7,672	3,315
	296,842	278,474	289,725	252,336	264,190	252,209	226,518	251,782	253,851	242,494	247,828
Sale of bonds	38,000			39,000	90,000	44,075	44,000	-	1,800	50,000	99,158
Total receipts	334,842	278,474	289,725	291,336	354,190	296,284	270,518	251,782	255,651	292,494	346,986
LESS EXPENDITURES FOR:											
Operations, maintenance & refunds	201,862	198,641	182,180	178,177	184,441	152,021	153,182	139,655	139,813	124,803	118,760
Debt service	39,853	46,374	55,967	50,525	51,234	51,933	50,800	49,495	49,604	54,392	53,909
	241,715	245,015	238,147	228,702	235,675	203,954	203,982	189,150	189,417	179,195	172,669
Capital improvements (new facilities)	47,343	46,344	39,211	52,818	51,105	43,235	32,568	44,932	41,813	61,012	58,793
System replacements	37,271	32,101	26,876	30,755	23,734	31,148	21,653	26,025	24,291	22,318	16,463
Equipment	7,186	8,642	4,652	10,552	7,177	20,954	14,927	16,687	16,693	15,732	7,749
	91,800	87,087	70,739	94,125	82,016	95,337	69,148	87,644	82,797	99,062	83,005
Indirects to capital	14,265	14,791	15,419	15,738	15,551	11,512	15,429	14,637	11,286	12,007	14,350
Total expenditures	347,780	346,893	324,305	338,565	333,242	310,803	288,559	291,431	283,500	290,264	270,024
Cash Balance Adjustment[2]			(3,534)		10,449		13,742				
ENDING CASH & INVESTMENTS	$ 174,358	$ 156,991	$ 187,296	$ 146,783	$ 225,409	$ 183,792	$ 194,012	$ 186,511	$ 198,311	$ 151,428	$ 226,160

GENERAL EXPLANATION OF VARIANCES:

[1]At the request of the Board of Water Commissioners, the 2009 Budget was revised to reflect reductions in operating costs and increased capital expenditures to include accelerating any projects that could have a positive economic impact.

[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.

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Supply

2011 Facts

Raw water collected	359,965	Acre Feet
Percent of average yield-last 10 years	123%	
Percent from South Platte System	33%	
Percent from Moffat System	26%	
Percent from Roberts Tunnel System	41%	
Reservoir storage, January 1	598,580	Acre Feet
Percent of capacity	88.5%	
Reservoir storage, December 31	620,603	Acre Feet
Percent of capacity	91.8%	
Power generation (excluding power purchased)	77,394,064	KWH
Value of power generation (excluding power purchased)..	$5,518,440	

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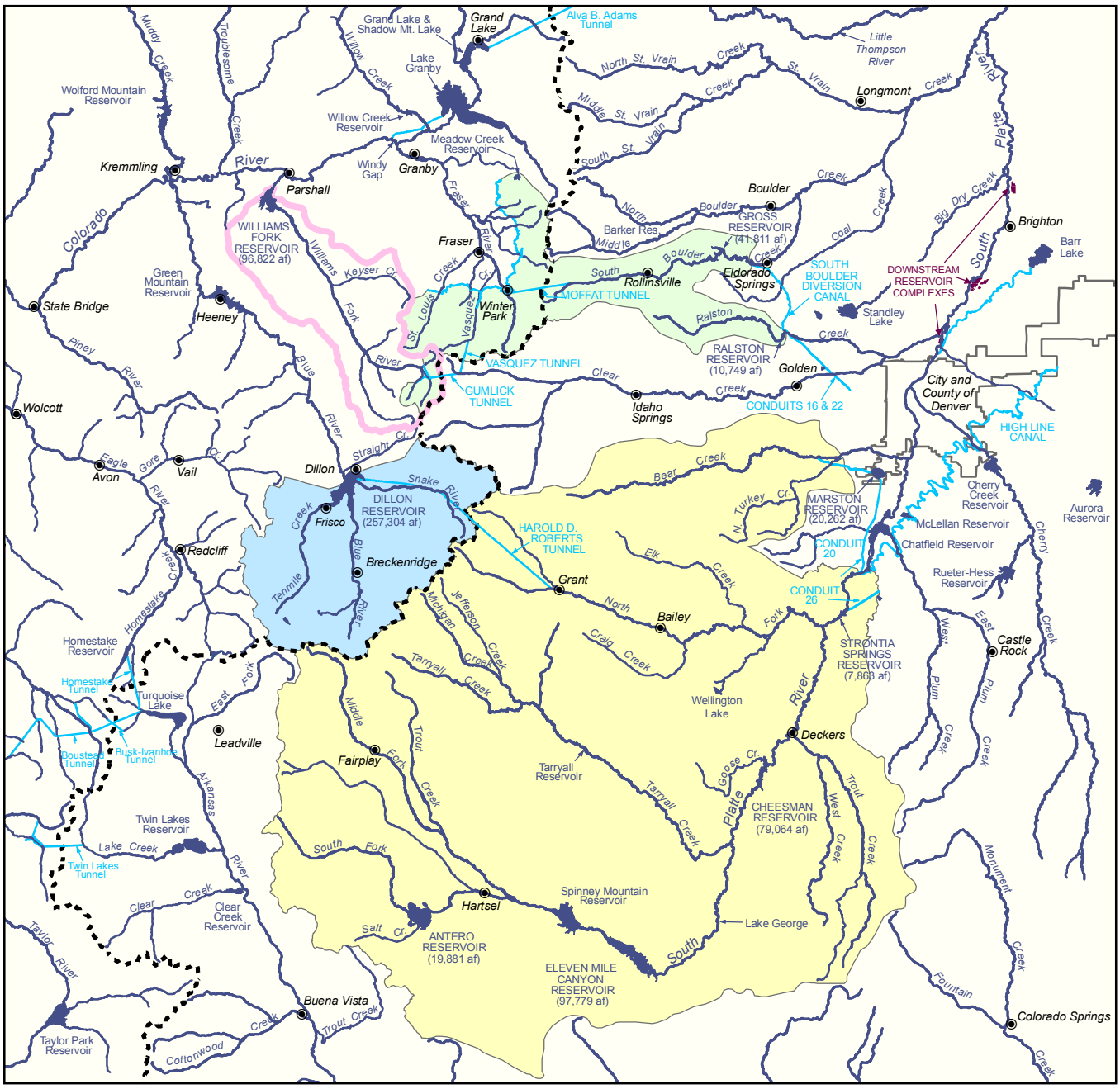
City and County of Denver
Board of Water Commissioners

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 Stream or River
- Major Canal or Tunnel

1:1,000,000
0 10 20 40
Miles
Scale number is accurate when printed at 8.5 x 11 inches in size.

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SOURCE OF SUPPLY - 2011 (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	39,894.6

MOUNTAIN COLLECTION SYSTEM	Length in Feet	Length in Miles
Moffat Collection System:		
Concrete and Steel Pipe	98,549	18.7
Moffat Water Tunnel	32,383	6.1
Open Canals	15,443	2.9
Covered Canals	21,081	4.0
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	10.3
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	10.2
TOTAL MOUNTAIN COLLECTION SYSTEM	409,192	77.5

SOURCE OF SUPPLY - 2011
Supply Mains and Wells

RAW WATER SUPPLY MAINS

	Size	Kind of Pipe	Length in Feet	Length in Miles
Conduit 5:	24"	Cast Iron	23	0.0
	24"	Ductile Iron	2,823	0.5
	30"	Cast Iron	63	0.0
	30"	Concrete	24,757	4.7
	30"	Steel	112	0.0
	36"	Concrete	1,168	0.2
	42"	Steel	212	0.0
Total Conduit 5			29,158	5.5
Conduit 8:	36"	Cast Iron	1,515	0.3
	36"	Concrete	2,424	0.5
	36"	Steel	679	0.1
	60"	Steel	523	0.1
	84"	Steel	15	0.0
	90"	Steel	14	0.0
Total Conduit 8			5,170	1.0
Conduit 14:	48"	Reinforced Concrete Cyl	3,410	0.6
Conduit 15:	60"	Reinforced Concrete Cyl	8,065	1.5
	60"	Steel	11,008	2.1
	72"	Reinforced Concrete Cyl	5,631	1.1
	72"	Steel	6,953	1.3
	84"	Concrete	637	0.1
Total Conduit 15			32,294	6.1
Conduit 16:	42"	Reinforced Concrete	3,071	0.6
	42"	Reinforced Concrete Cyl	40,980	7.8
	42"	Steel	1,386	0.3
	48"	Steel	25	0.0
Total Conduit 16			45,462	8.6
Conduit 20:	36"	Concrete	12	0.0
	60"	Concrete	119	0.0
	60"	Steel	509	0.1
	84"	Steel	548	0.1
	90"	Steel	52	0.0
	90"	Concrete	62,480	11.8
	90"	Reinforced Concrete Non-Cyl	457	0.1
Total Conduit 20			64,177	12.2
Conduit 22:	42"	Reinforced Concrete Non-Cyl	14	0.0
	48"	Steel	38	0.0
	54"	Reinforced Concrete Non-Cyl	43,519	8.2
	54"	Steel	1,318	0.2
	60"	Steel	51	0.0
Total Conduit 22			44,940	8.5
Conduit 26:	24"	Steel	400	0.1
	60"	Steel	41	0.0
	72"	Steel	57	0.0
	78"	Steel	202	0.0
	96"	Steel	197	0.0
	120"	Steel	17,918	3.4
	126"	Steel	1,827	0.3
Total Conduit 26			20,642	3.9
Conduit 155:	30"	Ductile Iron	2,552	0.5
Conduit 157:	30"	Steel	27	0.0
	42"	Concrete	3,044	0.6
	42"	Steel	462	0.1
	48"	Concrete	138	0.0
Total Conduit 157			3,671	0.7
Conduit 160:	36"	Steel	325	0.1
TOTAL RAW WATER SUPPLY MAINS			251,801	47.7

INFILTRATION GALLERIES & WELLS

	Capacity in MGD
Cherry Creek Wells:	
Well O	1.2
Farnell Lane Well Field	- [1]

[1] Alternative uses for supplies from the Farnell Lane Well Field are presently under study.

POWER GENERATION, PURCHASE, DISTRIBUTION, AND BANKING

POWER GENERATION AND PURCHASE	Kilowatt Hours	Value[2]
Net Power Generation:[1]		
Dillon	11,950,439	$ 619,594
Foothills	11,888,450	1,025,330
Gross	21,504,147	1,614,113
Hillcrest	8,431,500	581,578
Roberts Tunnel	16,710,319	1,304,906
Strontia Springs	6,909,209	372,919
Williams Fork	-	-
Total Power Generation	77,394,064	5,518,440
Power Purchased for Department of Energy (DOE) power interference	6,819,733	299,510
TOTAL POWER GENERATION AND PURCHASE	84,213,797	5,817,950
POWER DISTRIBUTION		
Internal Power Consumption:[1]		
Foothills	6,379,654	550,219
Hillcrest	1,622,633	111,924
Total Internal Power Consumption	8,002,287	662,143
Power Deliveries:		
To Xcel Energy:		
Dillon	11,950,439	619,594
Foothills	5,508,796	475,111
Gross	21,504,147	1,614,113
Hillcrest	6,808,867	469,654
Roberts Tunnel	16,710,319	1,304,906
Strontia Springs	6,909,209	372,919
	69,391,777	4,856,297
To Tri-State Generation and Transmission Association:		
Williams Fork	-	-
Total Power Deliveries to Xcel and Tri-State	69,391,777	4,856,297
Total Power Generation	77,394,064	5,518,440
To DOE for Power Interference:		
Williams Fork	-	-
Purchased Power	6,819,733	299,510
Total Power Deliveries to DOE	6,819,733	299,510
TOTAL POWER DISTRIBUTION	84,213,797	5,817,950
DOE BANKED POWER INTERFERENCE ACCOUNT[3]		
Balance, Beginning of Year	41,208,502	1,236,255
Net Interference	(16,555,350)	(496,661)
Total Allocation	6,819,733	204,592
Balance, End of Year	31,472,885	$ 944,186

[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	$619,594	$475,111	$1,614,113	$469,654	$1,304,906	$372,919	-	$4,856,297
Foothills Internal Consumption	-	550,219	-	-	-	-	-	550,219
Hillcrest Intenal Consumption	-	-	-	111,924	-	-	-	$111,924
Delivered to Tri-State	-	-	-	-	-	-	-	-
TOTAL VALUE	619,594	1,025,330	1,614,113	581,578	1,304,906	372,919	-	5,518,440
COST OF POWER GENERATION								
Transmission Wheeling	-	14,118	-	-	41,778	-	-	55,896
Operation and Maintenance	64,451	69,758	93,397	37,290	99,840	104,778	24,597	494,111
Administrative Expense	23,109	33,758	26,559	12,185	21,078	33,770	9,447	159,906
Depreciation	90,595	74,026	281,125	129,055	127,095	41,461	116,989	860,346
TOTAL COST	178,155	191,660	401,081	178,530	289,791	180,009	151,033	1,570,259
Net Return (Loss)	$441,439	$833,670	$1,213,032	$403,048	$1,015,115	$192,910	($151,033)	$3,948,181
Plant Investment (Before Depreciation)	$4,466,696	$2,936,645	$20,922,655	$6,309,868	$6,007,230	$1,733,652	$3,202,354	$45,579,100
Return on Investment - Current Year	10%	28%	6%	6%	17%	11%	(5)%	9%
Return on Investment - Cumulative	164%	254%	20%	30%	76%	208%	131%	73%

[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: 2002 - 2011

Values in acre-feet

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
SUPPLY										
South Platte System:										
South Platte Direct Rights	**75,389**	94,795	84,365	67,152	103,166	63,190	73,934	62,054	62,319	34,238
South Platte Storage Rights	**25,739**	31,347	39,402	31,786	40,192	15,812	59,502	26,738	43,562	4,686
Bear Creek Rights	**1,359**	1,222	1,178	1,862	1,930	1,234	2,302	4,100	15,062	901
Total South Platte System	**102,487**	127,364	124,945	100,800	145,288	80,236	135,738	92,892	120,943	39,825
Blue River/Roberts Tunnel System	**148,643**	74,674	58,468	80,056	65,682	127,074	94,470	75,984	164,294	56,848
Effluent Exchange[1]	**15,072**	24,527	13,846	21,455	23,266	33,632	19,012	27,086	24,039	19,031
Moffat System:										
Fraser Collection System	**45,353**	27,240	37,640	58,490	34,090	65,034	48,190	43,408	65,458	21,678
Williams Fork Collection System	**33,565**	28,362	31,138	26,268	34,608	41,970	52,478	41,154	94,912	14,906
Cabin-Meadow Creek System	**4,112**	1,452	4,668	3,794	5,866	6,574	4,424	5,074	5,020	3,582
South Boulder Creek	**9,606**	15,178	4,816	0	7,708	-	4,388	-	6,814	-
Ralston Creek	**1,127**	4,086	1,374	290	2,792	-	3,054	498	1,054	-
Total Moffat System	**93,763**	76,318	79,636	88,842	85,064	113,578	112,534	90,134	173,258	40,166
Total Water Supply	**359,965**	302,883	276,895	291,153	319,300	354,520	361,754	286,096	482,534	155,870
USE										
Foothills Filters	**137,330**	142,811	117,784	117,973	141,468	135,774	124,411	118,945	120,069	158,720
Marston Filters	**25,763**	40,489	31,853	56,498	43,303	34,633	30,008	25,097	38,434	54,829
Moffat Filters	**46,380**	30,642	40,910	46,438	31,507	58,907	55,802	41,864	42,149	17,642
Total Water Filtered	**209,473**	213,942	190,547	220,909	216,278	229,314	210,221	185,906	200,652	231,192
Change in Clear Water Storage	**12**	(55)	52	(23)	17	8	(83)	3	52	(346)
Total Treated Water Delivered[2]	**209,485**	213,887	190,599	220,886	216,295	229,323	210,138	185,909	200,704	230,845
Raw Water Deliveries	**27,535**	24,641	25,717	30,079	26,830	43,061	32,726	38,535	43,136	44,454
Other Uses[3]	**100,922**	79,819	58,632	39,620	61,234	63,356	37,638	66,181	38,680	106,982
Evaporation Losses[4]	-	-	-	-	-	-	-	-	8,804	8,242
Total Water Use	**337,942**	318,347	274,948	290,585	304,359	335,739	280,502	290,625	291,324	390,523
STORAGE[5]										
Total Reservoir Storage, December 31	**620,603**	598,580	614,044	612,097	611,529	596,588	577,807	496,555	501,084	309,874
Total Reservoir Storage, January 1	**598,580**	614,044	612,097	611,529	596,588	577,807	496,555	501,084	309,874	544,527
Storage Gain or (Loss)	**22,023**	(15,464)	1,947	568	14,941	18,781	81,252	(4,529)	191,210	(234,653)

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

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

[3]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.

[4]Evaporation losses included in Other Uses beginning in 2004.

[5]Reservoirs used to compute total storage changed in 2002. 1998-2001 data were adjusted for this change.

[6]Starting in Water Year 2011 the conversion factor from cfs to ac-ft was changed from 2 to 1.9835.

Pumping

2011 Facts

Treated Water pumped - Current year	36,443.5	MG[1]
Treated Water pumped - Last year	41,611.3	MG[1]
Percentage increase (decrease) from last year	-12%	
Number of treated water pump stations	18	
Maximum pumping capacity	1,003.3	MGD[2]
Pumping energy costs (Treated Water) - Current year	$2,848,293	
Pumping energy costs (Treated Water) - Last year	$2,515,225	
Percentage increase from last year	13%	

[1]Million Gallons

[2]Million Gallons per Day

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PUMPING STATION CAPACITIES - 2011

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	Method of Operation[1]
BELLEVIEW (5,714)	4	Goulds	Ideal Electric	900	260	15.0	M R
(High Pressure)	5	Worthington	Westinghouse	300	260	5.0	M R
	6	Goulds	US Motor	700	271	10.0	M R
	7	Worthington	General Electric	900	260	15.0	M R
				2,800		45.0	
BELLEVIEW (5,714)	1	Goulds	General Electric	250	175	6.0	M R
(Low Pressure)	2	Goulds	General Electric	400	175	10.0	M R
				650		16.0	
BROOMFIELD (5,316)	1	Patterson	Ideal Electric	400	350	5.0	M R
	2	Patterson	Ideal Electric	400	350	5.0	M R
	3	Patterson	Ideal Electric	400	350	5.0	M R
	4	Goulds	US Motor	500	300	6.5	M R
				1,700		21.5	
CASTLEWOOD (5,785)[2]	1	Peerless	US Motor	10		0.5	M L
	2	Peerless	General Electric	40		1.5	M L
	3	Peerless	General Electric	100		4.2	M L
				150		6.2	
CHATFIELD (5,717)	1	ITT	US Motor	200	150	5.0	M R
(Low Pressure)	2	ITT	US Motor	200	150	5.0	M R
	3	ITT	US Motor	200	150	5.0	M R
				600		15.0	
CHATFIELD (5,717)	5	ITT	US Motor	400	320	5.0	M R
(High Pressure)	6	ITT	US Motor	400	320	5.0	M R
				800		10.0	
CHERRY HILLS (5,380)	1	Worthington	General Electric	1,000	220	20.0	M R
	2	Worthington	General Electric	1,000	220	20.0	M R
	3	Worthington	General Electric	1,000	220	20.0	M R
	4	Worthington	General Electric	1,000	220	20.0	M R
	5	Worthington	General Electric	1,000	220	20.0	M R
	6	Worthington	General Electric	1,000	220	20.0	M R
				6,000		120.0	
CLARKSON (5,482)[2]	1	Fairbanks Morse	Fairbanks Morse	150	234	2.1	M R
	2	Fairbanks Morse	Fairbanks Morse	150	234	2.1	M R
	3	Fairbanks Morse	Fairbanks Morse	150	234	2.1	M R
	4	Fairbanks Morse	Fairbanks Morse	150	234	2.1	M R
	5	Fairbanks Morse	Fairbanks Morse	150	234	2.1	M R
	6	Fairbanks Morse	Reliance Electric	150	234	2.1	M R
				900		12.6	
EINFELDT (5,341)	2	Wheeler Economy	General Electric	800	175	20.0	M R
	3	Byron Jackson	General Electric	600	175	17.0	M R
	4	Byron Jackson	General Electric	400	175	12.0	M R
	5	Byron Jackson	Westinghouse	200	175	5.3	M R
	6	Worthington	General Electric	800	175	20.0	M R
	7	Wheeler Economy	General Electric	800	175	20.0	M R
				3,600		94.3	

[1]M=Manual, R=Remote, L=Local

[2]Vault Type Structure (underground)

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PUMPING STATION CAPACITIES - 2011

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

[1]M=Manual, R=Remote, L=Local

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PUMPING STATION CAPACITIES - 2011

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	Method of Operation[1]
KENDRICK (5,607)	7	Worthington	Electric Machinery	800	260	10.0	M R
(High Pressure)	8	Worthington	Electric Machinery	800	260	10.0	M R
	9	Goulds	Waukesha[3]	700	260	10.0	M R
	10	DeLaval	Waukesha[3]	400	260	5.0	M R
	11	Patterson	Ideal Electric	700	260	10.0	M R
				3,400		45.0	
LAKERIDGE (5,516)	1	American Marsh	General Electric	25	120	0.7	M R
	2	American Marsh	General Electric	75	120	2.9	M R
	3	American Marsh	General Electric	75	120	2.9	M R
	4	American Marsh	General Electric	60	120	1.7	M R
				235		8.2	
LAMAR (5,443)[2]	1	Peerless	US Motor	40	111	1.1	M R
	2	Peerless	US Motor	60	113	2.1	M R
	3	Peerless	US Motor	125	119	4.1	M R
				225		7.2	
LONE TREE (5,904)	3	Gould	Siemens & Allis	300	127	10.0	M R
(Low Pressure)	4	Gould	Siemens & Allis	150	127	5.0	M R
	5	Gould	Siemens & Allis	150	127	5.0	M R
				600		20.0	
LONE TREE (5,904)	6	Gould	Siemens & Allis	300	227	5.0	M R
(High Pressure)	7	Gould	Siemens & Allis	600	227	10.0	M R
	8	Gould	Siemens & Allis	600	227	10.0	M R
				1,500		25.0	
MARSTON (5,485)	1	Worthington	Waukesha[3]	700	166	20.0	M R
(Low Pressure)	2	Worthington	General Electric	700	166	20.0	M R
	3	Worthington	General Electric	700	166	20.0	M R
	4	Worthington	General Electric	700	166	20.0	M R
	5	Worthington	General Electric	700	166	20.0	M R
				3,500		100.0	
MARSTON (5,485)	8	Patterson	Waukesha[3]	400	260	6.5	M R
(High Pressure)	9	Ingersoll-Rand	Reliance Electric	500	260	8.0	M R
	10	Gould	US Motor	900	260	15.0	M R
	11	Gould	US Motor	900	260	15.0	M R
				2,700		44.5	
SIXTY-FOURTH AVENUE (5,427)	3	Fairbanks Morse	United States	100	90	5.0	M R
(Low Pressure)	6	Fairbanks Morse	United States	200	90	10.0	M R
				300		15.0	
SIXTY-FOURTH AVENUE (5,427) (High Pressure)	1	Fairbanks Morse	United States	400	170	10.0	M R
			Grand Total	51,585		1,003.3	

Note: City Datum = 5,172.91

[1]M=Manual, R=Remote, L=Local

[2]Vault Type Structure (underground)

[3]Natural Gas Engine

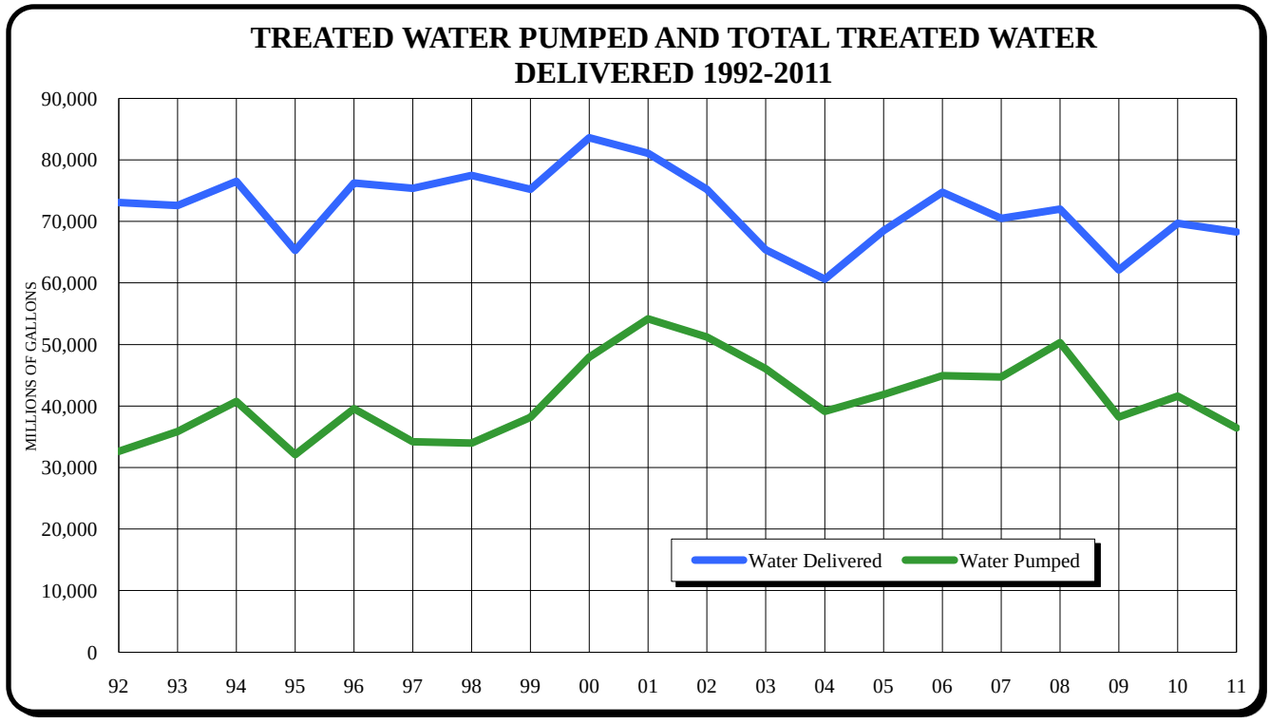
TREATED WATER PUMPED AND POWER COSTS: 1992 - 2011

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]
1992	32,613.51	73,043.27	113	1,091.8	29,349,535	-	$1,782,578
1993	35,826.13	72,562.61	113	1,091.8	31,537,298	-	$1,800,790
1994	40,720.24	76,516.08	116	1,116.8	36,619,984	-	$1,949,520
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	36,443.50	68,260.80	112	1,003.3	25,674,399	-	$3,042,871

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

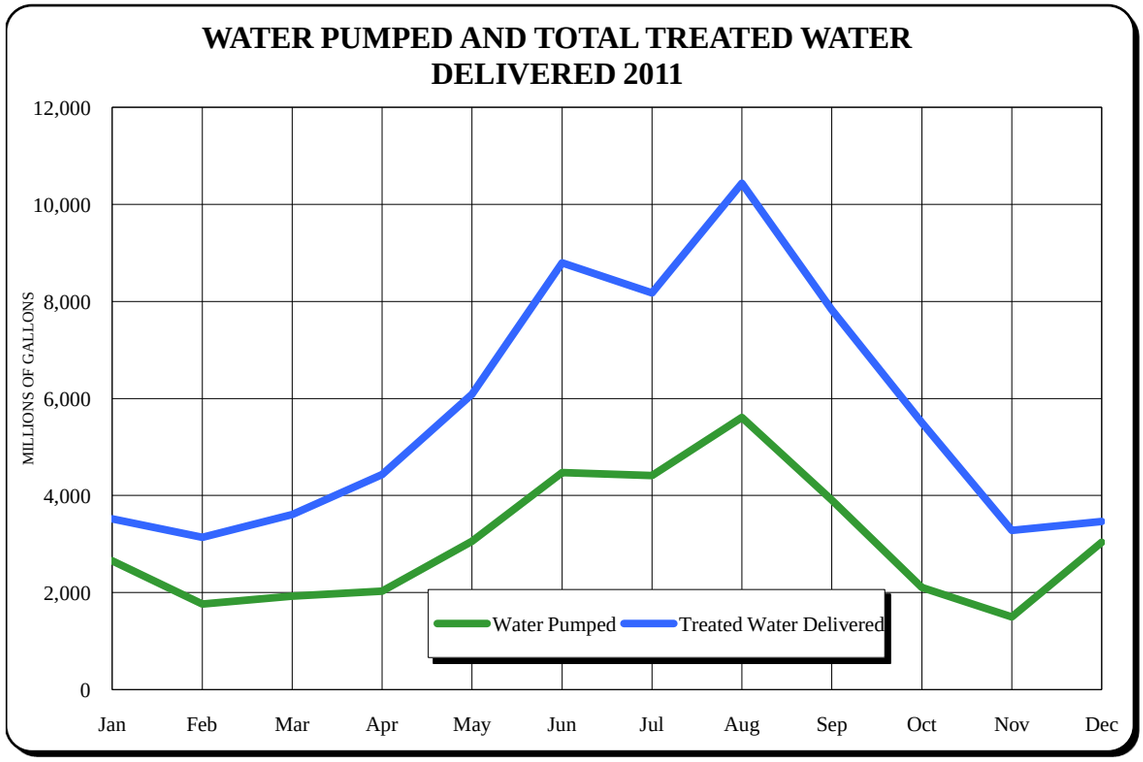
[2]Total energy costs for all Denver metropolitan area Board treated water distribution facilities.

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



WATER PUMPED MONTHLY - 2011
(millions of gallons)

	Water Pumped	Total Treated Water Delivered		Water Pumped	Total Treated Water Delivered
January	2,650.6	3,515.6	August	5,607.9	10,436.8
February	1,759.7	3,136.9	September	3,908.1	7,831.3
March	1,922.8	3,610.0	October	2,102.2	5,499.6
April	2,024.3	4,434.0	November	1,498.5	3,277.9
May	3,054.8	6,084.2	December	3,034.0	3,466.4
June	4,472.2	8,792.6			
July	4,408.5	8,175.5	Total Year	36,443.5	68,260.8



WATER PUMPED BY STATION - 2011
(millions of gallons)

Belleview (Low)	1,103.7	Hillcrest (High)	791.6
Belleview (High)	1,835.2	Kendrick (Low)	856.1
Broomfield	1,469.1	Kendrick (High)	1,852.6
Capital Hill	0.0	Lakeridge	159.0
Chatfield (Low)	830.6	Lamar	115.6
Chatfield (High)	832.7	Lone Tree (Low)	1,151.0
Cherry Hills	1,101.2	Lone Tree (High)	993.5
Clarkson Street	274.3	Marston (Low)	8,230.9
Einfeldt	432.5	Marston (High)	364.9
Fifty-Sixth Avenue	164.8	Sixty-Fourth Ave. (High)	722.2
Green Mountain	1,474.7	Sixty-Fourth Ave. (Low)	542.9
Highlands (Low)	3,399.3		
Highlands (High)	5,965.1		36,443.5
Hillcrest (Low)	1,780.0		

DISTRIBUTING RESERVOIRS AND RAW WATER PUMPING STATIONS - 2011

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	21.9
		41.0
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	3.3
	Number 2	3.2
	Number 3	13.5
		20.0

		Capacity (million gals.)
Hillcrest (5,624)		
	Number 1	14.8
	Number 2	14.8
		29.6
Hogback (6,007)		3.95
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)		10.0
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		371.65

[1]Not Owned by Denver Water.

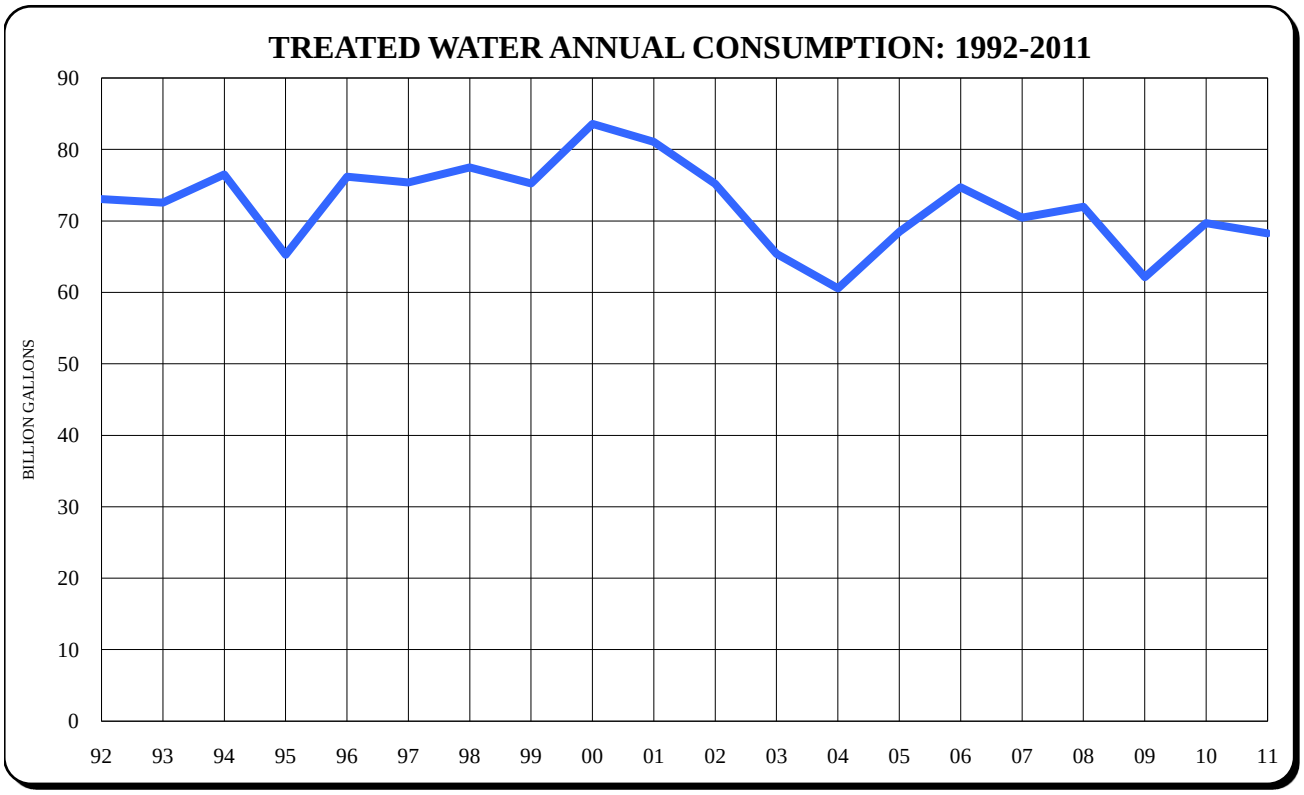
RAW WATER PUMPING STATIONS

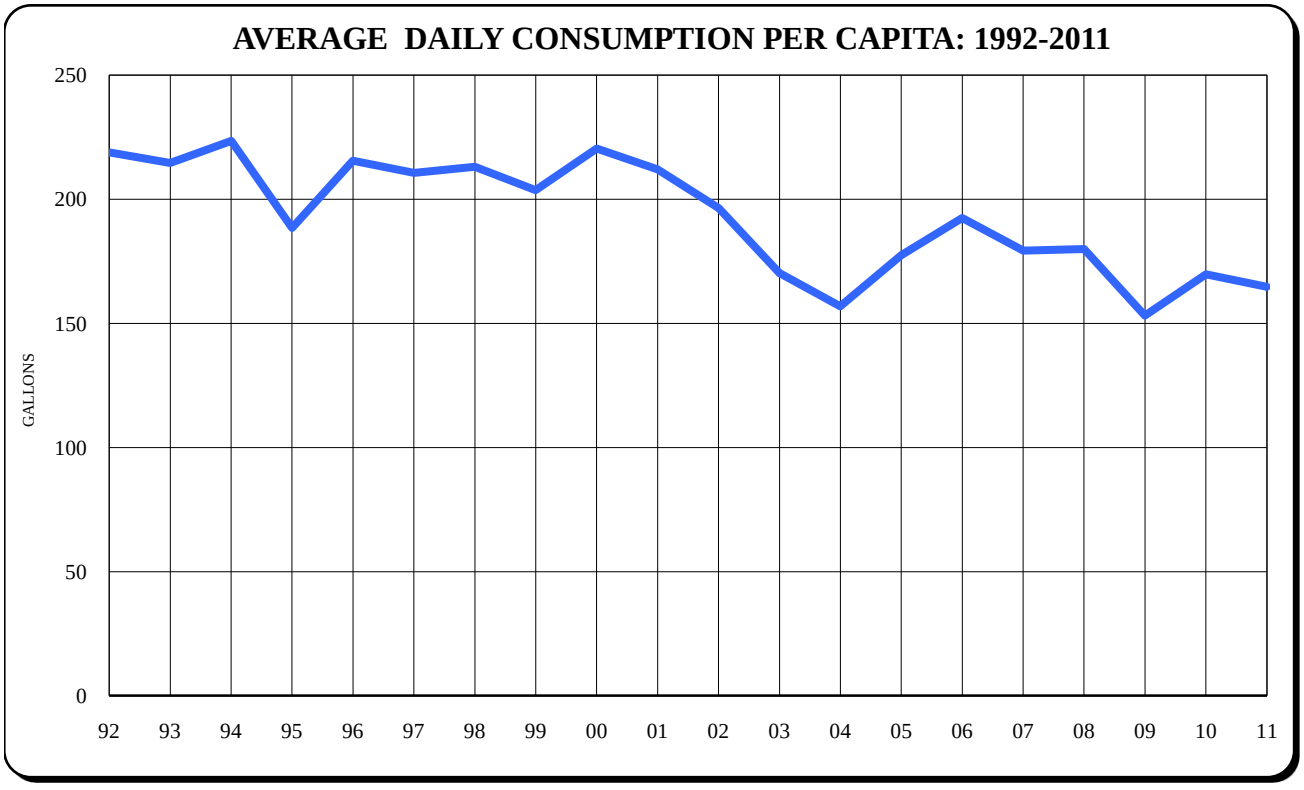
Pump Station	Pump Number	Make of Pump	Make of Motor	Horse-Power	Head in Feet	Capacity in MGD
Last Chance	1	Worthington	General Electric	30	60	2.2
Metro Sewer	1	Peerless	United States	200	30	30.0
	2	Peerless	General Electric	200	30	30.0
	3	Peerless	General Electric	200	30	30.0
				600	90	90.0
Kassler	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

2011 Facts

Treated water consumption	68,260.80	MG
Increase (decrease) from last year	(1,434.60)	MG
Average daily consumption	187.02	MG
Maximum daily consumption:		
(Aug 26)	366.40	MG
Maximum hour treated water use rate:		
(Aug 29 at 6:00 a.m.)	546.80	MGD
Water Quality:		
Total samples collected	13,885	
Microbiological analyses completed	9,735	
Chemical analyses completed	40,703	


TREATED WATER ANNUAL CONSUMPTION: 1992-2011
BILLION GALLONS
90
80
70
60
50
40
30
20
10
0
92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11


AVERAGE DAILY CONSUMPTION PER CAPITA: 1992-2011
GALLONS
250
200
150
100
50
0
92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11

CONSUMPTION OF TREATED WATER: 1992 - 2011

Year	Acre-Feet	(million gallons) Annual	Daily Avg.	Daily Max.	Population July 1[1,3]	Avg. Daily Gals. Per Capita[3]	Precipitation in Inches[2] Year	4/1 to 9/30
1992	224,162	73,043.27	199.57	414.11	912,000	219	15.94	8.42
1993	222,686	72,562.61	198.80	438.20	926,000	215	15.81	9.62
1994	234,819	76,516.08	209.63	479.01	938,000	223	14.35	8.72
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

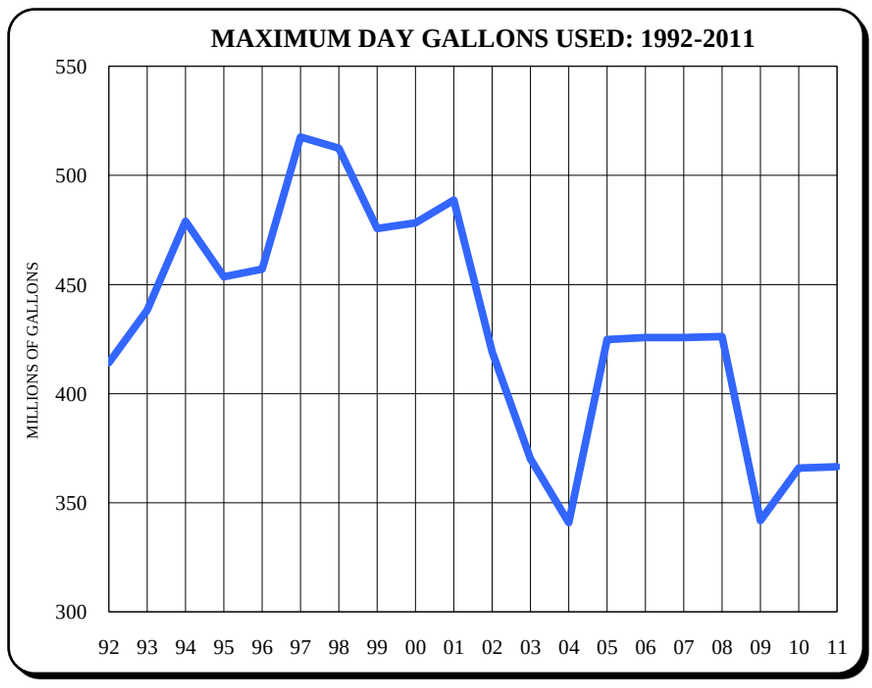
[1]Population estimates are treated water customers only.

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

[3]Revised population from 2001 to 2010 is based on 2010 Census information.

TREATMENT PLANT CAPACITY

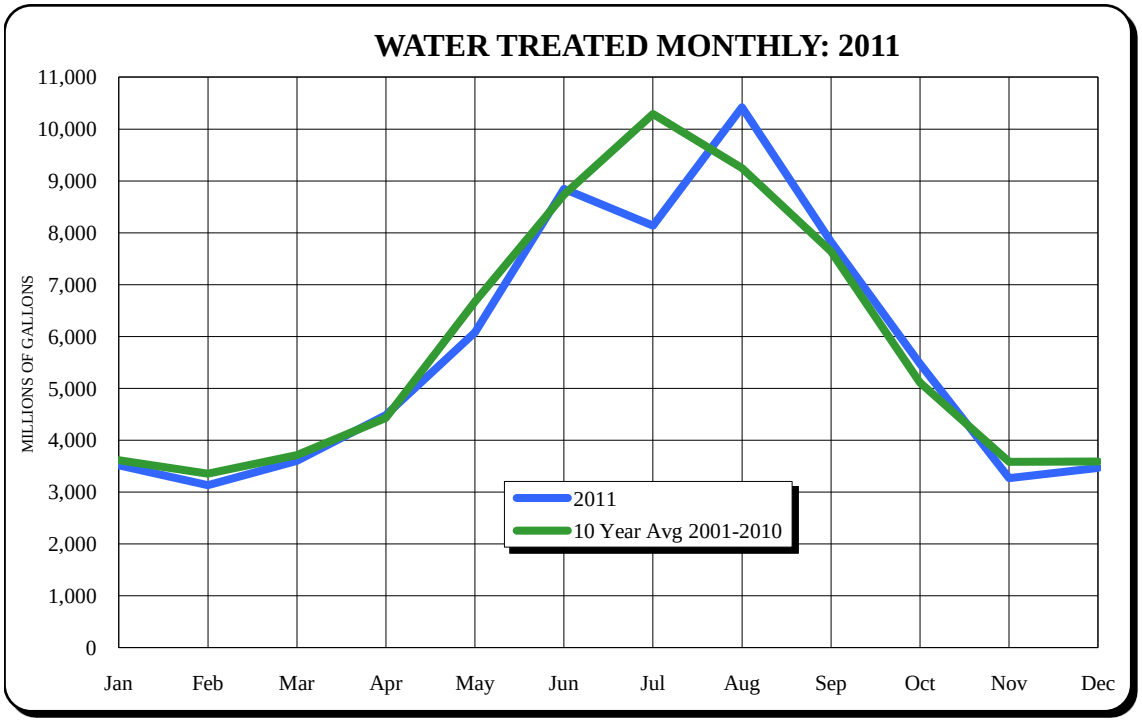
Plant	Type	Capacity in MGD
Foothills	Dual-Media	280.0
Marston	Dual-Media	250.0
Moffat	Rapid Sand	185.0
		715.0



WATER TREATED MONTHLY - 2011
(millions of gallons)

	Treatment Plant			
	Foothills	Marston	Moffat	Total
January	1,546	964	1,004	3,514.00
February	2,244	-	891	3,135.00
March	2,427	-	1,172	3,599.00
April	3,131	96	1,255	4,482.00
May	4,323	777	981	6,081.00
June	6,055	1,239	1,555	8,849.00
July	5,504	1,159	1,474	8,137.00
August	6,934	1,604	1,881	10,419.00
September	5,436	1,076	1,317	7,829.00
October	3,974	97	1,407	5,478.00
November	2,355	-	911	3,266.00
December	820	1,383	1,265	3,468.00
	44,749.00	8,395.00	15,113.00	68,257.00

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	68,257.00	MG
(Increase) Decrease In Clear Water Storage	3.80	MG
Total Treated Water Delivered/Consumed for the Year	68,260.80	MG

CHEMICAL TREATMENT AND ANALYSIS:
TREATED WATER IN DISTRIBUTION SYSTEM - 2011

CHEMICAL TREATMENT

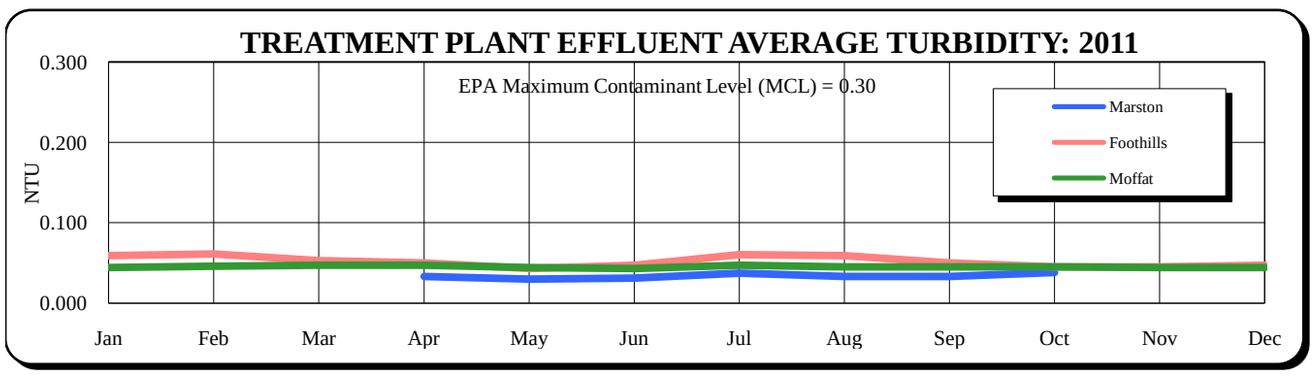
Chemicals are used at various points throughout the treatment plants to provide for appropriate water treatment including oxidation, coagulation, pH adjustment, fluoridation and disinfection. The following are total pounds and cost of chemicals used at each treatment plant.

	Pounds of Chemicals Used	Total Cost
Foothills	26,157,373	$ 3,413,724
Moffat	9,245,189	1,218,632
Marston	4,648,437	723,776
Recycling	2,245,491	442,585
	42,296,490	$ 5,798,717

DISTRIBUTION SYSTEM & TREATMENT PLANT EFFLUENT TOTAL COLIFORM RESULTS

Month	Number of Samples	Number of Positives	% Positive
January	403	0	0.00%
February	423	0	0.00%
March	489	0	0.00%
April	449	0	0.00%
May	468	0	0.00%
June	458	0	0.00%
July	434	0	0.00%
August	505	0	0.00%
September	439	0	0.00%
October	437	0	0.00%
November	420	1	0.24%
December	391	1	0.26%
	5,316	2	0.04%

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 – 2011

Analysis	Maximum Contaminant Level (MCL)	Marston	Foothills	Moffat
General (mg/L)				
Alkalinity, Total as $CaCO_3$		65	58	24
Chlorine, Total		1.53	1.59	1.45
Hardness as $CaCO_3$		110	101	38
pH (SU)		7.7	7.8	7.8
Specific Conductance (µS)		329	315	109
Temperature (°C)		16	12	11
Total Dissolved Solids		189	184	71
Turbidity (NTU)	0.30	0.03	0.05	0.04
Metals (µg/L)				
Aluminum		29	34	<20
Barium	2,000	39	35	19
Boron		14	12	5
Calcium (mg/L)		31	27	12
Magnesium (mg/L)		7.9	7.6	2.3
Manganese		2	3	2
Molybdenum		7	6	<1
Nickel		<1	<1	<1
Potassium (mg/L)		1.9	1.7	0.8
Sodium (mg/L)		21	21	6
Strontium (mg/L)		0.21	0.21	0.06
Ions (mg/L)				
Chloride		23.9	23.5	5.0
Fluoride	4.0	0.71	0.67	0.64
Nitrate +Nitrite -Nitrogen	10	0.05	0.10	0.04
Silicon		1.6	2.9	3.0
Sulfate		58	54	20
Radiological (pCi/L)				
Uranium (µg/L)	30	<0.5	<0.5	<0.5

(Continued next page)

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES - 2011 (Continued)

Analysis	Maximum Contaminant Level (MCL)	Marston	Foothills	Moffat
Disinfection By-Products (µg/L)				
1,1,1-Trichloropropanone		0.8	0.5	0.06
1,1-Dichloropropanone		<0.5	<0.5	<0.5
Bromodichloromethane		8.7	5.5	2.8
Chloral hydrate		1.3	1.1	1.0
Chloroform		11.6	11.1	13.4
Cyanogen chloride		9	6	5
Dibromochloromethane		3.6	1.7	<1.0
Dichloroacetic acid		6.1	7.0	7.4
Dichloroacetonitrile		1.3	1.0	0.8
Haloacetic Acids	60	12	16	16
Total Trihalomethanes	80	24	18	16
Trichloroacetic acid		4.2	5.9	6.4
Nonspecific Organics				
Total Organic Carbon (mg/L)		1.8	1.7	1.6
Total Organic Halogen (µg/L)		125	129	106

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.

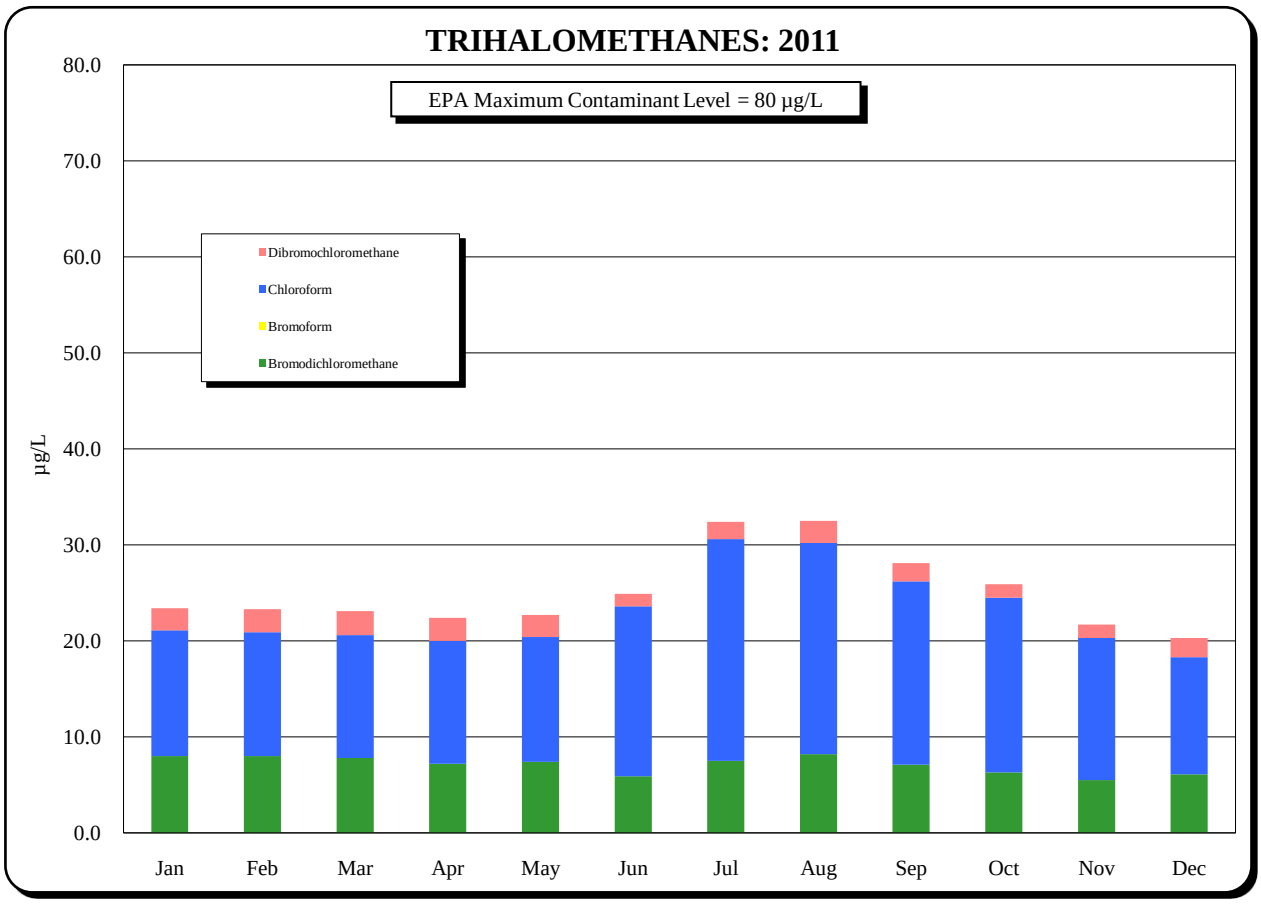
General
Alkalinity, Phenolphthalein as $CaCO_3$
Chlorine, Free
Asbestos (7 MFL)
Metals (µg/L)
Antimony (6)
Arsenic (10)
Beryllium (4)
Cadmium (5)
Chromium (100)
Cobalt
Copper (TT[1])
Iron
Lead (TT[1])
Lithium
Mercury, Total (2)
Selenium (50)
Silver
Thallium (2)
Titanium
Vanadium
Uranium
Zinc
Ions (mg/L)
Bromide
Carbonate
Hydroxide
Nitrite-Nitrogen (1)
Ortho Phosphorus, Dissolved
Radiological (pCi/L)
Alpha
Beta
Radium $^{226/228}$(5)
Microbiological
Cryptosporidium
E. coli
Giardia (TT[1])
Plankton
Total Coliform (DS)
Disinfection By-Products (µg/L)
Bromochloromethane
Bromoform
Carbon Tetrachloride
Dibromoacetic acid
Dibromoacetonitrile
Monochloroacetic Acid
n-Nitrosodiethylamine
n-Nitrosodimethylamine (NDMA)
n-Nitrosodi-n-butylamine
n-Nitrosodi-n-propylamine
n-Nitrosomethylethylamine
n-Nirtosopyrollidine
Tribromoacetic Acid
Organic Compounds (µg/L)
Pesticides (µg/L) **and**
MicroConstituents (µg/L or 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-Chlorobutane
1,2,3-Trichlorobenzene
1,2,3-Trichloropropane
1,2,3-Trimethylbenzene
1,2,4-Trichlorobenzene (70)
1,2,4-Trimethylbenzene
1,2-Dichloroethane (5)
1,2-Dichloropropane (5)
1,3-Dichloropropane
1,3-Dichloropropene
1,3,5-Trimethylbenzene
2,2-Dichloropropane
2-Butanone
2-Hexanone
2,4,5-Trichlorobiphenyl
4-Methyl-2-Pentanone
Acenaphthene
Acenaphthylene
Acrylonitrile
Aldrin
Allyl Chloride
Bendiocarb
Benzene (5)
Bromobenzene
Bromoethane
Bromomethane
Carbon disulfide
Chloroacetonitrile
Chlorobenzene (100)
Chlorodifluoromethane (CFC 22)
Chloroethane
Chloromethane
cis-1,2-Dichloroethene (70)
cis-1,3-Dichloropropene
Dibromomethane
Dichlorodifluoromethane
Dichloromethane (5)
Ethyl Benzene (700)
Hexachlorobenzene
Hexachlorobutadiene
Hexachlorocyclopentadiene
Iodomethane
Isopropyl Benzene
Isopropyl Ether
m-Dichlorobenzene
Methyl tert-butyl ether
Metsulfuron methyl
Naphthalene
n-Butyl Acrylate
n-Butyl Benzene
Nitrobenzene
n-Propyl Benzene
o-Chlorotoluene
o-Dichlorobenzene (600)
p-Chlorotoluene
p-Dichlorobenzene (78.5)
p-Isopropyl Toluene
sec-Butyl Benzene
Styrene (100)
tert-Butyl Alcohol
tert-Butyl Benzene
Tetrachloroethene (5)
Toluene (1000)
trans-1,2-Dichloroethene (100)
trans-Nonachlor
Trichloroethylene (5)
Trichlorofluoromethane
Trichlorotrifluoromethane
Vinyl Chloride (2)
Xylenes (10000)
1,2-Dibromo-3-chloropropane (0.2)
2-Methylisoborneol (MIB)
2-Nitropropane
2,4,5-T
2,4-D (70)
2,4-DB
3,5-Dichlorobenzoic acid
3-Hydroxycarbofuran
4-Nonaphenol
4,4'-DDD
4,4'-DDE
4,4'-DDT
α-BHC
α-Chlordane
Acetochlor
Acetone
Acifluourfen
Alachlor (2)
Aldicarb
Aldicarb sulfoxide
Aldicarb sulfone
Atrazine (3)
Bentazon
β-BHC
Bromacil
Butachlor
Carbaryl
Carbofuran
Chlroneb
Chlorobenzilate
Chlorothalonil
Cyanazine
Dalapon (200)
DCPA acid metabolites
δ-BHC
Diazinon
Dicamba
Dichlorprop
Dichlorvos
Dieldrin
Diethyl ether
Dimethoate
Dinoseb
Dursban
Endosulfan –A
Endosulfan – B
Endosulfan sulfate
Endrin (2)
Endrin Aldehyde
EPTC
Ethyl methacrylate
Ethyl tert-butyl ether
Ethylene dibromide
Fenuron
Fluometuron
Heptachlor (0.4)
Heptachlor Epoxide (0.2)
Hexachloroethane
Lindane
Malathion
Metalaxyl
Methacrylonitrile
Metazachlor
Methylacrylate
Methylmethacrylate
Methiocarb
Methomyl
Methoxychlor
Methyl paraben
Metolachlor
Molinate
m,p-Xylene
n-Butyl acrylate
Oryzalin
Oxadiazon
Oxamyl (200)
Oxolinic acid
o-Xylene
Parathion
Pendimethalin
Permethrin Isomers
Picloram
Propanil
Propachlor
Propargite
Propazine
Propionitrile
Propoxur
Silvex (50)
Simazine (4)
TAME
Terbacil
Terbuthiuron
Tetrahydrofuran
Thiobencarb
Triademefon
Trifluralin
Vinyl acetate
1,4-Dioxane
2,4-Dinitrotoluene
2,6-Dinitrotoluene
Anthracene
Baygon
Bensulide
Benzo(a)anthracene
Benzo(a)pyrene (0.2)
Benzo(b)fluoranthene
Benzo(g,h,i)perylene
Benzo(k)fluoranthene
Bis(2-ethylhexyl)adipate (400)
Bis(2-ethylhexyl)phthalate
Butyl benzyl phthalate
Butyl paraben
Chloroprene
Chrysene
Cyclohexanone
Dibenzo(a,h)anthracene
Diethyl phthalate
Dimethyl phthalate
Di-n-butyl phthalate
Di-n-octyl phthalate
Ethyl acrylate
Ethyl paraben
Fluoranthene
Fluorene
Indeno(1,2,3-cd)pyrene
Iopromide

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

TREATED WATER QUALITY SUMMARY:
TREATMENT PLANT EFFLUENT AVERAGES - 2011 (Continued)

Isophorone
Meprobamate
Methyl paraben
Methyl parathion
Monuron
n-Nitrosopiperidine
Neburon
Pentachloroethane
Pentachlorophenol (1)
Phenanthrene
Pyrene
trans-1,3-Dichloropropene
trans-1,4-Dichloro-2-butene
1,3-Butadiene
1,7-Dimethylxanthine
17alpha-Ethynyl estradiol
4-tert-Octylphenol
Acesulfame-K
Acetaminophen
Albuterol
Amoxicillin
Andorostenedione
Atenolol
Azithromycin
Azoxystrobin
Bendroflumethiazide
Bezafibrate
Bisphenol A
BrA
Butylbital
Caffeine
Carbadox
Carbamazepine
Carisoprodol
Chloramphenicol
Chloridazon
Chlorotoluron
Cimetidine
Clofibric acid
Clomazone
Cotinine
DEA
Dehydronifedipine
DIA
Diazepam
Diclofenac
Diethylstilbestrol (DES)
Diflubenzuron
Dilantin
Diuron
Epichlorohydrin
Erythromycin
Estradiol
Estrone
Fluoxetine (Prozac)
Freon113
gamma-Chlordane
Gemfibrozil
Halofenozide
Halosulfuron methyl
Ibuprofen
Imidacloprid
Iohexal
Isobutyl paraben
Isoproturon
Ketoprofen
Ketorolac
Lidocaine
Lincomycin
Linuron
Lopressor
Meclofenamic acid
Metribuzin
Naproxen
Nifedipine
Norethisterone
Paclobutrazol
Pentoxifyline
Phenazone
Primidone
Progesterone
Propyl paraben
Quinoline
Siduron, Total
Sucralose
Sulfachloropyridazine
Sulfadiazine
Sulfadimethoxine
Sulfamerazine
Sulfamethazine
Sulfamethizole
Sulfamethoxazole
Sulfasalazine
Sulfathiazole
TCEP
TCPP
TDCPP
tert-Amyl Methyl ether
Terbuthylazine
Theobromine
Theophylline
Thidiazuron
trans-Testosterone
Triadimenol
Triclosan
Trimethoprim
Warfarin

DISTRIBUTION SYSTEM AVERAGE TRIHALOMETHANES - 2011



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 - 2011

Samples Collected:	
Watershed	817
Treatment plant	1,073
Distribution system	10,315
Other	1,680
	13,885

Analyses Performed:	
Microbiological	9,735
Chemical	40,703
	50,438

Transmission and Distribution

2011 Facts

Miles of pipe installed, net of reductions	4.6
Miles of pipe in system	3,041
Miles of recycled water mains in system	45.0
Number of valves operated and maintained	76,721
Number of recycled water valves in system	865
Number of hydrants operated and maintained	19,553
Leak Detection Program:	
Miles of pipe surveyed	802
Visible leaks pinpointed	199
Non-visible leaks detected	122

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TRANSMISSION AND DISTRIBUTION MAINS[1] - 2011

SUMMARY OF PIPE BY MATERIAL

	Length in Feet			Length in Miles
Kind of Pipe	12-31-10	Net Change	12-31-11	12-31-11
Cast iron	6,222,552	(71,681)	6,150,871	1,164.9
Cement Asbestos	1,664,778	(1,415)	1,663,363	315.0
Cement Mortar coated steel	33,580	(33,580)	-	-
Concrete	380,625	(19,323)	361,302	68.4
Copper	1,372	8	1,380	0.3
Ductile iron	3,132,756	17,895	3,150,651	596.7
Embedded Cyl Prestressed	34,075	(58)	34,017	6.4
Galvanized	4,589	(105)	4,484	0.8
Lined Cyl Prestressed	173,103	(23)	173,080	32.8
Non-Cyl Prestressed	7,605	-	7,605	1.4
Pretensioned Concrete	83,418	16,976	100,394	19.0
Polyvinyl chloride	2,661,373	85,149	2,746,522	520.2
Reinforced Concrete Cyl	103,952	(41)	103,911	19.7
Reinforced Concrete Non-Cyl	21,001	(351)	20,650	3.9
Steel[3]	1,259,936	244,645	1,504,581	285.0
Steel -tape coated	168,804	(168,804)	-	-
Steel - enamel coated	33,931	(33,931)	-	-
Unknown[2]	45,313	(11,195)	34,118	6.5
	16,032,763	24,166	16,056,929	3,041.1

SUMMARY OF PIPE BY DIAMETER

	Length in Feet			Length in Miles
Diameter of Pipe in Inches	12-31-10	Net Change	12-31-11	12-31-11
0.75	38	10	48	0.0
1	414	(18)	396	0.1
1.5	352	-	352	0.1
2	2,381	(2)	2,379	0.5
3	5,681	(380)	5,301	1.0
4	116,346	498	116,844	22.1
6	4,802,747	(28,832)	4,773,915	904.2
8	4,479,175	58,412	4,537,587	859.4
10	133,049	(5,743)	127,306	24.1
12	3,272,165	2,038	3,274,203	620.1
14	44,092	33	44,125	8.4
15	4,508	-	4,508	0.9
16	547,146	(3,815)	543,331	102.9
18	57,056	(1,039)	56,017	10.6
20	131,331	(9)	131,322	24.9
24	470,365	(820)	469,545	88.9
27	1,448	(86)	1,362	0.3
30	420,164	(523)	419,641	79.5
33	198	(2)	196	0.0
36	502,314	(2,940)	499,374	94.6
40	54	-	54	0.0
42	198,579	154	198,733	37.6
45	79	-	79	0.0
46	23,144	(1,040)	22,104	4.2
48	122,649	9	122,658	23.2
51	6,410	6	6,416	1.2
54	177,323	382	177,705	33.7
57	13,036	(6)	13,030	2.5
60	183,796	251	184,047	34.9
63	17,678	(3)	17,675	3.3
66	84,044	(2,730)	81,314	15.4
67	697	310	1,007	0.2
72	108,033	3,220	111,253	21.1
84	17,847	304	18,151	3.4
88	-	77	77	0.0
90	32,947	(96)	32,851	6.2
96	69	-	69	0.0
108	51,373	6,531	57,904	11.0
120	3,039	-	3,039	0.6
150	996	15	1,011	0.2
	16,032,763	24,166	16,056,929	3,041.1

[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.

VALVES[1] - 2011

SUMMARY OF VALVES BY TYPE

Type of Valve	12-31-10	Net Change	12-31-11
Air vacuum valve	1,530	68	1,598
Ball valve	51	(7)	44
Blowoff valve	3,047	136	3,183
Butterfly valve	1,565	46	1,611
Check valve	69	3	72
Cone valve	114	20	134
Gate valve	50,327	(747)	49,580
Hub valve	12	-	12
MacDougall blowoff valve	119	13	132
Pito (Corp stop)	628	(8)	620
Pressure regulating valve	298	(11)	287
Unknown	14	(14)	-
Vacuum valve	16	-	16
Gate valve - Resilient Seat	18,149	927	19,076
Altitude valve	3	(2)	1
Corp Stop	260	50	310
Surge valve	15	8	23
Slide gate valve	13	-	13
Plug valve	10	(7)	3
Sleeve valve	-	3	3
Knife valve	-	3	3
	76,240	481	76,721

SUMMARY OF VALVES BY DIAMETER

Diameter of Valve in Inches	12-31-10	Net Change	12-31-11
1	1,030	(36)	994
2	2,805	68	2,873
2.5	1	(1)	-
3	103	2	105
4	1,251	7	1,258
6	36,742	129	36,871
8	17,929	173	18,102
10	617	(28)	589
12	13,403	138	13,541
14	92	8	100
15	2	-	2
16	454	10	464
18	126	7	133
20	260	(7)	253
24	680	1	681
27	1	-	1
30	260	(5)	255
36	226	-	226
42	89	(5)	84
48	78	-	78
54	33	8	41
60	36	4	40
66	2	-	2
72	14	5	19
84	6	-	6
108	0	3	3
	76,240	481	76,721

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

FIRE HYDRANTS[1] - 2011

FIRE HYDRANTS

Size in Inches	Total Hydrants 12-31-10	Net Change	12-31-11
4	61	(5)	56
6	19,378	119	19,497
	19,439	114	19,553

FIRE HYDRANT BRANCH PIPE

Size in Inches	Kind of Pipe	Length in Feet 12-31-10	Net Change	12-31-11
4	Cast iron	1,237	(118)	1,119
4	Ductile iron	99	2	101
6	Cast iron	101,016	(2,324)	98,692
6	Cement asbestos	3,187	(19)	3,168
6	Ductile iron	237,643	4,285	241,928
6	Polyvinylchloride	929	-	929
6	Steel	18,485	179	18,664
6	Unknown	15,457	(725)	14,732
		378,053	1,280	379,333

SUMMARY OF FIRE HYDRANT BRANCH PIPE BY MATERIAL

Kind of Pipe	Length in Feet 12-31-10	Net Change	12-31-11
Cast iron	102,253	(2,442)	99,811
Cement asbestos	3,187	(19)	3,168
Ductile iron	237,742	4,287	242,029
Polyvinylchloride	929	-	929
Steel	18,485	179	18,664
Unknown	15,457	(725)	14,732
	378,053	1,280	379,333

SUMMARY OF FIRE HYDRANT BRANCH PIPE BY DIAMETER

Size in Inches	Length in Feet 12-31-10	Net Change	12-31-11
4	1,336	(116)	1,220
6	376,717	1,396	378,113
	378,053	1,280	379,333

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

RECYCLED WATER MAINS AND VALVES - 2011

RECYCLED WATER MAINS

SUMMARY OF PIPE BY MATERIAL

	Length in Feet		
Kind of Pipe	12-31-10	Net Change	12-31-11
Ductile Iron	4,213.0	99.0	4,312.0
PVC	126,439.0	1,457.0	127,896.0
Steel	102,955.0	2,278.0	105,233.0
	233,607.0	3,834.0	237,441.0

SUMMARY OF PIPE BY DIAMETER

		Length in Feet		
Size	Kind of Pipe	12-31-10	Net Change	12-31-11
3"	PVC	484.6	-	484.6
4"	Ductile Iron	151.5	1.5	153.0
4"	PVC	4,053.8	0.2	4,054.0
4"	Steel	10.7	12.3	23.0
6"	Ductile Iron	352.0	82.0	434.0
6"	PVC	8,695.6	(17.6)	8,678.0
6"	Steel	425.0	48.0	473.0
8"	Ductile Iron	1,999.9	0.1	2,000.0
8"	PVC	23,782.4	(30.4)	23,752.0
8"	Steel	220.6	0.4	221.0
10"	Ductile Iron	38.7	15.3	54.0
10"	PVC	357.0	-	357.0
10"	Steel	59.4	21.6	81.0
12"	Ductile Iron	100.9	-	100.9
12"	PVC	27,922.0	38.0	27,960.0
12"	Steel	9,574.7	394.3	9,969.0
14"	Steel	0.0	8.0	8.0
16"	Ductile Iron	45.4	-	45.4
16"	PVC	21,541.3	30.7	21,572.0
16"	Steel	32.7	66.3	99.0
18"	PVC	48.2	(0.2)	48.0
18"	Steel	0.0	28.0	28.0
20"	PVC	27,267.8	(0.2)	27,267.6
20"	Steel	237.6	-	237.6
24"	PVC	12,249.0	521.0	12,770.0
24"	Steel	5,618.9	(283.9)	5,335.0
30"	Ductile Iron	1,524.9	-	1,524.9
30"	PVC	37.6	30.4	68.0
30"	Steel	6,194.9	121.1	6,316.0
36"	PVC	0.0	419.0	419.0
36"	Steel	16,057.7	938.3	16,996.0
42"	PVC	0.0	302.0	302.0
42"	Steel	36,211.4	57.6	36,269.0
48"	PVC	0.0	164.0	164.0
48"	Steel	7,099.6	713.4	7,813.0
54"	Steel	21,133.2	152.8	21,286.0
84"	Steel	78.0	-	78.0
		233,607.0	3,834.0	237,441.0

RECYCLED WATER VALVES

SUMMARY OF VALVES BY TYPE

Type of Valve	12-31-10	Net Change	12-31-11
Air vacuum valves	107	8	115
Blowoff valve	113	-6	107
Butterfly valve	101	49	150
Check Valve	18	11	29
Corp Stop	76	-2	74
Gate valve	344	25	369
Pitot	14	1	15
Plug Valve	2	0	2
PRV	2	1	3
Sleeve Valve	1	0	1
	778	87	865

SUMMARY OF VALVES BY DIAMETER

Diameter of Valve	12-31-10	Net Change	12-31-11
1"	88	1	89
2"	90	3	93
2.5"	1	0	1
4"	91	8	99
6"	186	30	216
8"	93	0	93
10"	15	0	15
12"	114	7	121
16"	13	13	26
20"	32	0	32
24"	16	12	28
30"	8	2	10
36"	9	4	13
42"	11	2	13
48"	4	3	7
54"	7	2	9
	778	87	865

BREAKS IN MAINS, WATER CONTROL AND LEAK DETECTION SERVICES - 2011

DENVER MAIN BREAKS

Size	Pipe Material	Number of Breaks
4"	Cast Iron	5
4"	Ductile Iron	1
6"	Cast Iron	153
6"	Ductile Iron	19
6"	Cement Asbestos	3
6"	PVC	1
8"	Cast Iron	63
8"	Cement Asbestos	1
8"	Ductile Iron	5
8"	PVC	1
8"	Steel	1
10"	Cast Iron	4
12"	Cement Asbestos	1
12"	Cast Iron	40
12"	Ductile Iron	9
15"	Cast Iron	1
16"	Cast Iron	5
		313

TOTAL SERVICE MAIN BREAKS

Size	Pipe Material	Number of Breaks
2"	Galvanized Iron	1
4"	Cement Asbestos	1
4"	Cast Iron	2
6"	Cement Asbestos	1
6"	Ductile Iron	7
6"	Cast Iron	31
8"	Cast Iron	
8"	Cement Asbestos	1
8"	Ductile Iron	7
10"	Cast Iron	1
12"	Cast Iron	3
12"	Ductile Iron	2
12"	Coated Steel	1
		58

WATER CONTROL SERVICES

	2011	2010	2009	2008	2007
Service Calls	10,994	12,654	8,931	5,965	5,000
Service Leaks	385	287	329	318	879
Service Turn Ons	661	449	424	545	188
Service Turn Offs	1,094	799	649	264	555
Valve Leaks	64	39	27	87	68
Fire Hydrants Hit	148	107	116	151	156
Fire Hydrants Packed and Greased	25,574	20,145	17,408	24,741	26,849
Fire Hydrants Excavated for Replacement	301	358	621	300	74
Fire Hydrants, Miscellaneous Repairs	737	493	327	385	861
Total Fire Hydrants Tested and Repaired	26,760	21,103	18,472	25,577	27,940

LEAK DETECTION PROGRAM

	2011	2010	2009	2008	2007
Non-Visible Leaks Detected	122	100	145	107	17
Non-Visible Water Leaks Loss (1000's of Gallons)[1]	32,061	28,280	38,106	28,119	4,467
Visible Leaks Pinpointed	199	43	89	60	26
Miles Surveyed	802	801	606	226	183
Savings Generated from saving lost water[1]	$ 61,237	$ 59,670	$ 72,800	$ 51,739	$ 8,219
Savings Generated from pinpointing Leaks[1]	139,300	30,100	62,300	42,000	18,200
Total Savings Generated from Leak Detection Program[1]	$ 200,537	$ 89,770	$ 135,100	$ 93,739	$ 26,419

[1]Estimated.

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