2013 Annual Report

Denver Board of Water Commissioners

Employees' Retirement Program

Employees' Retirement Plan

Denver Water 401(k) Supplemental Retirement Savings Plan

Denver Water 457 Deferred Compensation Plan

Trust Funds of the Denver Board of Water Commissioners

For Fiscal Year Ended December 31, 2013

DENVER WATER

Treasury Department, Denver Board of Water Commissioners
1600 W. 12th Avenue, Denver, CO 80204-3412, Phone: 303-628-6410

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I. INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal

DENVER WATER

May 6, 2014

To the Board of Water Commissioners and Participants in the Plans of the Denver Water Retirement Program:

We are pleased to present the Annual Report of the Retirement Program of the Denver Board of Water Commissioners for the fiscal year ended December 31, 2013. The Retirement Program includes three trusteed funds ("Plans") and two additional, unfunded benefits. The trusteed funds are the Employees' Retirement Plan of the Denver Board of Water Commissioners ("Defined Benefit Plan" or "DB Plan"), the Denver Water Supplemental Retirement Savings Plan ("401(k) Plan" or "SRSP") and the Denver Water 457 Deferred Compensation Plan ("457 Plan"). The 401(k) Plan and the 457 Plan are collectively referred to as the "Defined Contribution Plans" or "DC Plans". This report contains audited financial statements only for the trusteed plans. The two unfunded benefits are a Retiree Medical Coverage Program and a Retirement Financial Planning Reimbursement Program. Although the two unfunded benefits are discussed briefly in this letter, financial statements were not prepared for either of the unfunded benefits nor are they discussed in the other sections of this Annual Report.

The report is divided into five sections: an *Introductory Section*, a *Financial Section*, an *Investment Section,* an *Actuarial Section,* and a *Statistical Section*.

Management assumes full responsibility for both the accuracy of the data, and the completeness and fairness of the report, including the financial statement presentation, 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. To the best of management's knowledge and belief, the data is accurate in all material respects and presents fairly the financial position and results of operations of the Plans.

KPMG LLP audited the three financial statements included in this document, and issued an unqualified ("clean") opinion on each of those financial statements for the year ended December 31, 2013. The independent accountant's report is the first page of each set of statements, all of which are included in the *Financial Section* of this report. Generally accepted accounting principles (GAAP) require that management provide a narrative overview and analysis of the financial status of each plan to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Each set of financial statements in the *Financial Section* includes the MD&A just after the auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The *Introductory Section* contains information about the administrative organization, the Trustee, or the Sponsor of each Plan included in the Retirement Program, the Denver Water Retirement

Program Committee and the Consultants and Advisors who provide advice concerning the various elements of the Retirement Program. The *Financial Section* contains the audited financial statements of the Plans and other required supplementary information. The *Investment Section* contains a report on investment activity, investment policies, investment results, and various investment schedules. The *Actuarial Section* contains the actuarial assumptions and methods used in the DB Plan, a summary of DB Plan provisions, the results of the annual actuarial valuation, and other actuarial statistics. The *Statistical Section* presents other significant data pertaining to the Plans, such as trend information on DB Plan expenses and revenues as well as information about the retired members of the DB Plan.

Background of the Retirement Program

The Denver Board of Water Commissioners ("Board") is a five-member board appointed by the Mayor of Denver, Colorado to oversee the operations of the water utility that serves Denver and a large part of the Denver metropolitan area ("Denver Water"). Denver Water was created by the people of Denver by the Charter of the City and County of Denver, Colorado ("City"). Article X, Section 10.1.6 of the City Charter grants to the Board authority to establish and amend benefit provisions for Denver Water employees.

The ***Employees' Retirement Plan of the Denver Board of Water Commissioners*** was established on June 1, 1944 as a defined benefit, single-employer plan covering substantially all regular and discretionary employees of the Board. The Board is the sponsor, administrator and trustee of the assets of the DB Plan. The assets are held in custody by The Northern Trust Company. When it was first adopted, the DB Plan benefit was set at $3 for each year of service with a maximum monthly payment of $100. Employees were required to contribute $3 per month. Part-time employees and those who were hired after the age of 50 were not permitted to participate in the plan. Payments did not begin until the age of 70 and they could have been delayed for up to three years. Over the years, the DB Plan has improved dramatically. In 1971, cost of living adjustments were added. In 1981, employee contributions were eliminated. In 1985, early retirement at age 55 with 15 years of service became available, but at a reduced amount. In 1995, the Rule of 75 was adopted, permitting an unreduced retirement at the age of 55 with 20 years of service. In 1996, part-time employees were allowed to participate in the DB Plan, and in 2001 the 35-year cap on years of service used for computing benefits was eliminated.

Currently, the DB Plan provides normal, special early (rule-of-75), early, and late retirement benefit options with limited annual cost-of-living adjustments, disability benefits and death benefits. Participants become fully vested after five (5) years of employment. DB Plan benefits are integrated with Social Security benefits and are determined by a formula defined in the DB Plan document. A more detailed explanation of benefits is outlined in the Summary of DB Plan Provisions in the *Actuarial Section* of this report.

As of December 31, 2013 there were 1,672 participants in the DB Plan, including 1,023 active members, 558 retirees and beneficiaries and 84 terminated employees entitled to benefits but not receiving them yet.

The ***Denver Water Supplemental Retirement Savings Plan*** was established pursuant to Section 401(k) of the Internal Revenue Code (IRC), effective January 1, 1999. It is a single-employer defined contribution plan. All regular and discretionary employees are eligible to participate in the 401(k) Plan upon completion of a required introductory period. Denver Water matches 100% of each Participant's contribution up to 3% of the Participant's published base compensation. The SRSP provides for immediate vesting of all contributions. Participation in the SRSP is voluntary. Great-West Retirement Service is the administrator of the SRSP. At the end of 2013 there were 934 active participants with balances and 158 terminated participants with balances. 88.5% of all eligible Denver Water employees participated in the SRSP Plan as of December 31, 2013.

Denver Water established a 457 Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code (IRC) on October 1, 1987. Assets from that plan were transferred to the ***Denver Water 457 Deferred Compensation Plan***, when it was established on January 3, 2001. All regular or discretionary employees are eligible to participate in the 457 Plan upon completion of a required introductory period. Denver Water does not contribute to the plan and employee participation is voluntary. Great-West Retirement Service is the administrator of the SRSP. At the end of 2013, there were 472 active participants with balances and 136 terminated participants with balances. 30.4% of all eligible Denver Water employees participated in the 457 Plan as of December 31, 2013.

Denver Water offers a ***Retirement Financial Planning Reimbursement Program*** designed to encourage eligible employees to consult with a Certified Financial Planner (CFP®) of their choice about their retirement planning needs. Reimbursement requires certification that the services did not include tax preparation, legal, accounting or brokerage services, as the program is designed to be a tax-free reimbursement for "qualified retirement planning services" as described in Internal Revenue Code section 132(m). Until December 2013, employees who were within three years from retirement, were eligible to receive a lifetime maximum reimbursement of $1,000. Effective December 1, 2013, Denver Water's Retirement Financial Planning Reimbursement Program was expanded to all employees with 5 years of credited service or more and the maximum lifetime benefit was increased to $2,000. 14 employees used the counseling services during 2012 and 6 of those employees have subsequently retired. The total 2013 expenditures on the Retirement Financial Planning Reimbursement Program were $7,406.

Denver Water began offering the ***Retiree Medical Coverage Program*** in 1995, which also was the first year employees were able to retire under the Rule of 75.[1] The benefit is in the form of partially subsidized health care costs, until the retiree attains age 65. After the retiree becomes Medicare-eligible at age 65, the retiree's coverage ceases. At that point, a spouse may elect to remain in the program until age 65, and other dependents may also elect to remain in the program until the dependent attains the cut-off age for active employee dependents. Full cost premiums are charged to the spouse or the dependent if there is an election to remain in the program after the retiree's coverage ends. 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. As of the end of 2013, 178 retirees were receiving this benefit.

[1] *This provision, known as the Rule of 75, applies if the sum of the retiree's age plus Credited Service equals 75 or more.*

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 full cost upon meeting the Rule of 75. In January 2013, the Board formalized its decision to change eligibility for the retiree medical benefit effective January 1, 2014. Employees with 25 or more years of service on January 1, 2014 will be eligible for full Retiree Medical Subsidy when they retire between the ages of 55 and 65. Employees whose age plus service on January 1, 2014 will be greater than or equal to 75 may still retire as early as age 55 and participate in the plan, but those retiring prior to age 60 will not be eligible for the Denver Water portion of the contribution, and will pay the full retiree premium. For all other employees, the minimum retirement age in order to be eligible for benefits has been raised to age 60.

Effective with the issuance of the December 31, 2007 financial statements, The Governmental Accounting Standards Board ("GASB") Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", requires Denver Water to accrue the cost of this benefit over the period of employment, much as a defined pension benefit is now accrued. Denver Water is in compliance with GASB Statement No. 45 and is accruing the liabilities related to health care coverage for Early Retirees as presented in its financial statements. Denver Water is not required to, and has not, established an irrevocable trust to accumulate assets for payment of future retiree health benefits. Payments of benefits are made on a pay-as-you-go basis in amounts necessary to provide current benefits to recipients. The Board of Water Commissioners will make a determination whether to fund this obligation in the near future. The annual expense for this benefit is calculated based on the annual required contribution as computed by the actuary. The expense recorded in 2013 was $1.9 million; of this amount, $1.8 million was paid as benefits under the plan (approximately 69% of estimated premium equivalent costs). Retirees receiving benefits contributed $838,000, or approximately 31% of the estimated premium equivalent costs. The Net OPEB Obligation for postemployment healthcare benefits as of the end of the year was $10.9 million.

Major Initiatives in 2013

- **Board approval of eligibility changes for the Retiree Medical Plan**. The Board formalized its decision to change eligibility for the retiree medical benefit effective January 1, 2014. Employees with 25 or more years of service on January 1, 2014 will be eligible for full Retiree Medical Subsidy when they retire between the ages of 55 and 65. For most other employees, the minimum retirement age in order to be eligible for benefits has been raised to age 60.

- **Amendment of Retirement Program Resolution.** In May 2013, the Board approved amended Retirement Program Resolution, which replaces the 2005 Resolution creating Retirement Program Committee. The 2013 resolution reserves specific powers to the Board, delegates duties regarding administration of the plan benefits and communications with plan participants to the Director of Human Resources, delegates duties regarding investments, audits and actuarial valuations and other financial matters to the Director of Finance, provides that the Directors report directly to the Board on matters that require Board involvement, and to the CEO/Manager on certain decisions delegated by the Board to the CEO/Manager, requires the Directors and the CEO/Manager to record the deliberative process used in making the fiduciary decisions delegated to each of them and clarifies that the Retirement Program Committee will make recommendations to the Directors, the CEO/Manager or the Board, as appropriate, but will not have decision-making authority. Additionally, in November 2013, the CEO/Manager signed Executive Guideline for RPC, outlining the purpose and responsibilities of the RPC members, in line with the 2013 Denver Water Delegation Resolution Regarding the Retirement Program.

- **Amendments to the Defined Contribution Plans.** In June 2013, the Board approved amendments to the Supplemental Retirement Savings 401(k) Plan to provide a mechanism for discretionary employer contributions to be made to the 401(k)/457 plans to attract and retain its CEO/Manager. The Board may decide the amount of its discretionary contributions to the CEO/Manager's accounts annually, based upon annual evaluations of the CEO/Manager's performance, subject to annual contribution limits announced by the IRS. The additional contributions have a vesting schedule that differs from regular Plan contributions. The CEO/Manager signed the new 401(K) plan document including the Board-approved amendments in October 2013. The amended 457 Plan document was signed in December 2013.

- **Review of fee reasonableness of the Plan Service Provider Fees.** During 2013, Investment Consultants for the Plans completed fee benchmarking studies for Plan service providers, the legal counsel compiled a Service Provider Compensation Summary based on ERISA 408(b) 2 disclosures and the Investment Consultants for both plans provided the Director of Finance with written opinions confirming the reasonableness of compensation that these providers receive relative to the services that they provide the Plans.

- **Approval of the changes of actuarial methods.** In June 2013, the Board approved change of the amortization methods used for DB Plan valuation from 30 year open to layered 15 year closed to better reflect the actual working life of the employees and to help the Plan's current unfunded liability to be fully funded in next 15 years. The change to a shorter, closed amortization period will result in slightly higher annual contribution from the current level, however the Board's annual contribution in last few years have been slightly higher than the actuarially determined contribution with an objective to ultimately move to a 15-year amortization. In addition, the Plan's unfunded liability will be paid within a finite period if the Board is to determine a different way to deliver retirement benefits to the future employees.

- **Approval of Funding Policy for the DB Plan**. In August 2013, the Board approved the Funding Policy for the DB Plan. The Funding Policy is a statement of the objectives of the Board of Water Commissioners in funding the benefits to be paid by the Employees' Retirement Plan and an outline of the strategy the Board will use to determine the contributions needed to achieve those objectives.

- **Conflict of Interest Policy signed by the Board.** In December 2013, the Board approved the Conflict of Interest Policy regarding Employees' Retirement Program, 401K and 457 Plans. Both Board members and Denver Water employees are governed by codes of ethics that prohibit conflicts of interest that would tend to affect the performance of official duties. However, best practice in dealing with retirement plans is to have a specific conflict of interest policy, and adoption of such a policy was recommended by the Board's outside counsel as part of a fiduciary review of the Retirement Program. Retirement Program Committee members are subject to a similar policy.

- **Approval of contract extension with DB Plan Investment Consultant.** In December 2013, the Board approved an extension of the contract with Watershed Investment Consultants, an Investment Consultant to the DB Plan through December 31, 2015. Watershed Investment Consulting Inc. was selected through a competitive selection process to provide investment consulting services to the Employees' Retirement Plan in 2012. . In order to accommodate changes to the contract that might be recommended by outside legal counsel during an ongoing fiduciary review, the initial Watershed contract approved by the Board had a term of only one year, with an understanding that it could be extended through 2015 following completion of the fiduciary review. This amendment extends the term through 2015 and incorporates the changes recommended by outside counsel.

- **Fund Changes in 401(k)/457 Plans.** Board's Investment Consultant to the DC Plans, Cook Street regularly reviews and evaluates the funds offered to participants in the 401(k) and 457 Plans. In 2013, following a regular plan investment expense review, Cook Street recommended and the Director of Finance approved a replacement of Perkins Small Cap Value L with lower cost share class of the same fund, which went into effective on February 4, 2013. Furthermore, additional target date funds were added in November 2013.

- **Manager Changes in the DB Plan.** The Director of Finance, with the assistance of the Investment Consultant for the DB Plan completed DB Plan manager searches for additional fixed income managers in June 2013. Babson Floating Rate Income fund was added with the initial allocation of 5% of Plan assets to be funded from a partial liquidation of the current Denver Investments core bond portfolio. PIMCO's Unconstrained Bond Fund was added with the initial allocation of 5% of Plan assets to be funded from a partial liquidation of the PIMCO Total Return fund. Additionally, Plan's investment in the Lazard Global Thematic portfolio was liquidated due to underperformance and the proceeds were invested in the NTGI S&P 500 index fund. All withdrawals/transfers were completed by the beginning of August 2013.

Investments

As discussed in more detail in both the *Financial Section* and the *Investment Section,* assets of all Plans are held in trust for the exclusive benefit of participants and beneficiaries. Investment activities have been delegated to professional investment managers. The investment managers engaged by the Defined Benefit Plan as of December 31, 2013 are listed on page III-83 of the report; funds included in the Defined Contribution Plans are listed on page III-100 of the report. Activities of the professional managers are reviewed and evaluated quarterly by the investment consultant for each plan, the Retirement Program Committee, and Denver Water's Finance staff.

The investments in the Defined Benefit Plan returned 15.7% during 2013, compared to the target benchmark return of 16.0% and the actuarial assumed rate of return of 7.5%. The annualized rate of return on assets of the Defined Benefit Plan was 9.1% over the last three years and 11.5% over the last five years. Returns on Defined Contribution Plans vary depending on the choices made by each participant.

A summary of the current investment objectives and guidelines for each fund, additional information concerning allocation of the DB Plan's assets, and more detailed information about investment performance is included in the *Investment Section* of this report.

Funding

As of January 1, 2014, the Funded Ratio of the DB Plan was 80.8%, compared to 78.9% the year before. Over the past ten years the Funded Ratio ranged from a low of 72.7% (01/01/09) to a high of 93.4% (01/01/07). More information about funding of the DB Plan, including a multi-year Schedule of Funding Progress, is provided in the *Actuarial Section* of this report.

Funding of the Defined Contribution Plans is primarily from employee contributions. Denver Water currently matches 100% of employee contributions to the 401(k) plan up to 3% of published base pay.

Professional Services

Professional consultants and advisors are engaged as necessary to perform professional services that are essential to the effective and efficient operation of the Plan. Opinions from the Independent Auditor for the Financial Statements of each of the Plans, an opinion from the actuary for the DB Plan, and a report from the Investment Performance Measurement Consultant to the DB Plan are included in this report. The consultants engaged to assist the Manager, various staff members, and the Board are listed on pages I-16 – I-21.

Acknowledgements

The compilation of this report reflects the combined effort of Denver Water's staff. It is intended to provide complete and reliable information about the Defined Benefit Plan and the Defined Contribution Plans. It will be made available to all members of the Denver Water Retirement Program.

We would like to express our appreciation to the Denver Water staff, specifically the members of the Retirement Program Committee and their support staff, the advisors, and to the many other people who have worked so diligently in the preparation of this report and toward the successful operation of the Denver Water Retirement Program.

Respectfully submitted,

James S. Lochhead

James S. Lochhead, CEO/Manager

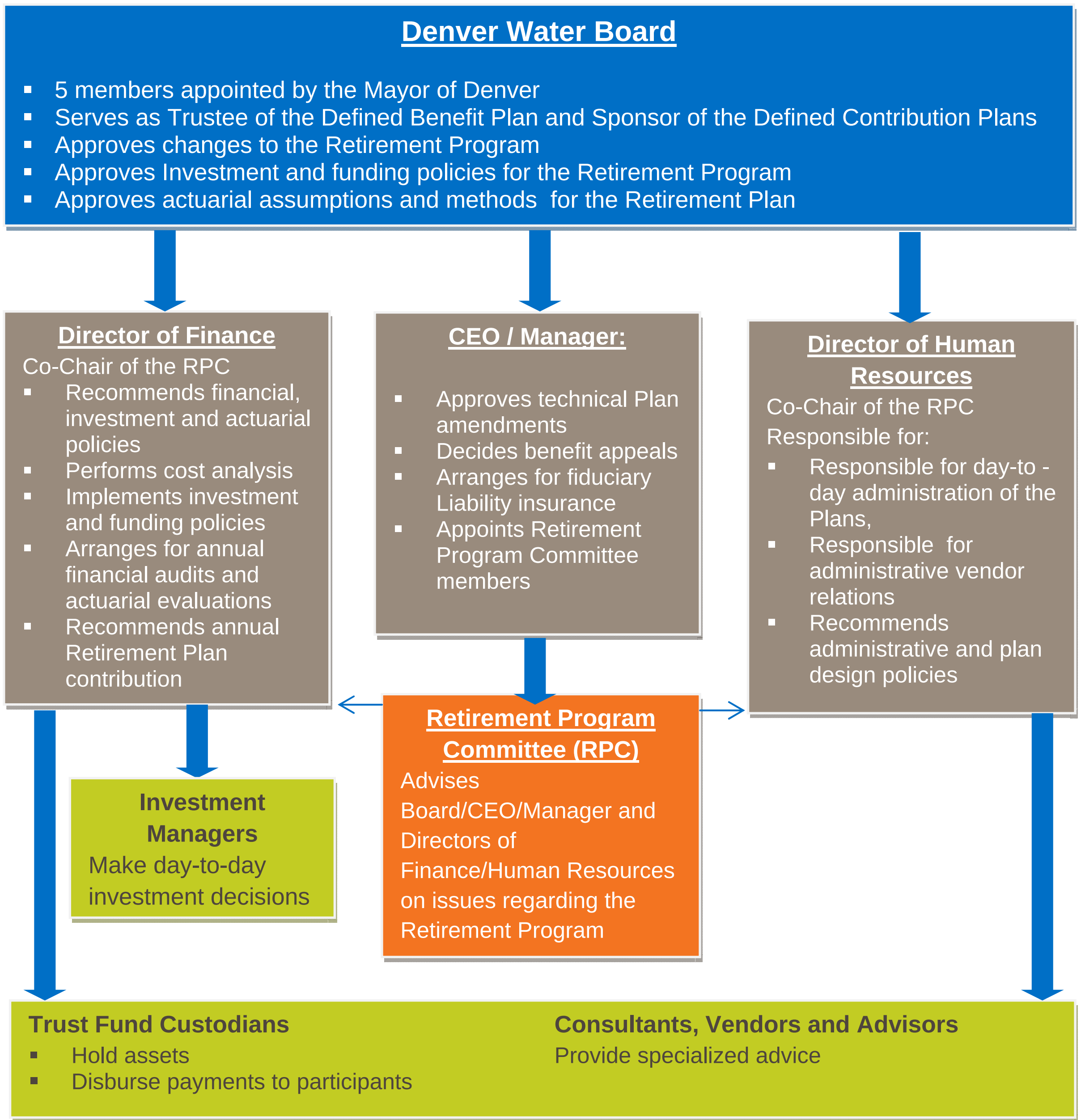
Gail Cagle

Angela Bricmont

Gail Cagle
Director of Human Resources, RPC Co-Chair

Angela Bricmont
Director of Finance, RPC Co-Chair

A. ORGANIZATIONAL CHART OF THE EMPLOYEES' RETIREMENT PROGRAM



More information about investment professionals who provide services to the Retirement Program and their fees can be found on the following pages: I-21, III-83, III-92, III-100 and III-105.

B. DENVER BOARD OF WATER COMMISSIONERS

The Denver Board of Water Commissioners is the Sponsor of the Retirement Program and acts as Trustee of the Defined Benefit Plan.





BOARD OF WATER COMMISSIONERS - As of December 31, 2013

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

H. Gregory Austin, President
Former Partner, Holland & Hart LLP.
Commissioner since July 28,2009;
Term expires July 10, 2019

John R. Lucero, First Vice President
Deputy Director, Mayor's Office of Economic Development
Commissioner since July 18, 2007;
Term expires July 10, 2015

Thomas A. Gougeon
President, Gates Family Foundation
Commissioner since August 10, 2004;
Term expires July 10, 2017.

Paula Herzmark
Executive Director, Denver Health Foundation
Commissioner since April 24, 2009;
Term expires July 10, 2019.

Penfield W. Tate III
Attorney: Greenberg Traurig
Commissioner since October 18, 2005;
Term expires July 10, 2017.

LAST 20 COMMISSIONERS

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

C. KEY MEMBERS OF THE RETIREMENT PROGRAM COMMITTEE

Retirement Program Committee ("RPC") – Responsible for advising the CEO/Manager with respect to retirement issues; The Retirement Program Committee ("RPC") was created by resolution of the Board passed in September 2005. The terms of the 2005 resolution were revised in 2013. Under the resolution, the Board retained full authority to approve substantive changes to the Retirement Program, investment and funding policies, and actuarial methods and assumptions. The 2013 resolution clarifies that the Retirement Program Committee will make recommendations to the Directors, the CEO/Manager or the Board, as appropriate, but will not have decision-making authority. The RPC is co-chaired by the Director of Human Resources and the Director of Finance and includes key representatives from Treasury, HR Benefits and the Legal Division. The CEO/manager issued an Executive Guideline that further describes the RPC's purpose, responsibilities, duties and procedures in November 2013. The primary purpose of the RPC, as outlined in the Executive Guideline, is to provide advice and recommendation to the co-chairs regarding proposed changes to the Retirement program, communication strategies, contractual obligations, legal and tax compliance and education and outreach.

James S. Lochhead - CEO/Manager since June 2010**.** Responsible for approving amendments to the Plans necessary to maintain tax qualified status, deciding benefit appeals, and arranging for fiduciary liability insurance for Plan fiduciaries . The CEO/Manager reports to the Board at least annually regarding the status of the Program and appoints members of the Retirement Program Committee.

Gail Cagle - Director of Human Resources since January 2014; co-chair of the RPC. Gail replaced Carla Elam-Floyd who retired December 31, 2013. The Director of Human Resources administers the Plans with regard to participants, including data maintenance, disclosures, calculations, payment of benefits and other similar duties. She is also responsible for communicating with participants and beneficiaries, recommending to CEO/Manager any changes to the Plans necessary to retain their tax qualified status evaluating and recommending changes in Program design and providing information related to the administration of the Program to the Board and the CEO/manager no less frequently than semi-annually.

Angela C. Bricmont - Director of Finance since July 2010, co-chair of the RPC. The Director of Finance recommends investment policy, actuarial methods and assumptions and annual contributions to the DB Plan. The Director of Finance also analyzes and advises the Board and the CEO/Manager the total cost impact of Program changes recommended by the Director of Finance, implements investment and funding policies approved by the Board, allocates cash flow for the payment of benefits and other obligations, rebalances Plan assets, selects and monitors investment managers, auditors, actuaries and other financial experts. The Director of Finance is responsible for reporting the financial activities and status of the Program to the Board and the CEO/Manager at least semi-annually.

Sandra Miller - Manager of Healthcare and Benefit Administration since September 2008; member RPC; The Director of Human Resources has delegated to Ms. Miller the responsibility for managing employee benefits.

Deb B. Engleman - Senior Benefits Administrator since June 1993; member RPC. The Director of Human Resources has assigned to Ms. Engleman responsibility for daily monitoring, administration and evaluation of various employee benefit policies and programs and recommending changes to these programs. Ms. Engleman also administers external benefit-related contracts.

Gary L. Brockett - Human Resources Specialist since April 2005; member RPC. Under the direction of the Director of Human Resources, Mr. Brockett communicates with current and retired employees, in addition to providing required disclosures, notices, and pension calculations. Mr. Brockett also analyzes financial and workforce trends that impact the Retirement Plan.

Usha Sharma – Treasurer since April 2009. The Director of Finance has delegated various responsibilities pertaining to the Plans, including the preparation of this Annual Financial Report, to the Treasurer and her subordinates.

Kris Bates - Attorney; Ms. Bates has been employed by Denver Water since 2004; member RPC. Ms. Bates works with outside subject matter legal experts to advise the Director of Finance and the Director of Human Resources.

Aneta M. Rettig – Treasury Analyst since March 2006; member RPC; supports the Treasurer in fulfilling her responsibilities pertaining to the Plans.

Jeff Bogner - Treasury Analyst since August 2012; member RPC; supports the Treasurer in fulfilling her responsibilities pertaining to the Plans.

D. CONSULTANTS AND ADVISORS

Consulting Services

Actuary	Milliman, Inc.	1099 18th Street, Suite 3100 Denver, Colorado 80202
Benefit Consultant	Gallagher Benefit Services, Inc.	6399 South Fiddler's Green Circle Suite 200 Greenwood Village, CO 80111-4949
Legal Counsel	Ms. Mary Brauer, Esq. Reinhart, Boerner, Van Deuren, Attorneys At Law	8400 E. Prentice Ave., Penthouse Englewood, CO 80111
Performance Evaluation	The Northern Trust Company	50 S. LaSalle Street, Chicago, IL 60675
Investment Advisor (DB Plan)	Mr. Dale Connors Watershed Investment Consultants	6400 S. Fiddler's Green Circle, Ste 500 Greenwood Village, CO 80111
Investment Advisor (DC Plans)	Mr. Sean Waters Cook Street Consulting	5299 DTC Blvd., Suite 1150, Greenwood Village, CO 80111

Asset Custodian

The Northern Trust Company (DB Plan)	50 S. LaSalle Street, Chicago, IL 60675
Great-West Retirement Services (DC Plans)	8515 East Orchard Road, 10T2 Greenwood Village, CO 80111

Independent Auditor

KPMG LLP	707 1 7th Street, Suite 2700 Denver, Colorado 80202

Information regarding investment managers who provide services to the Plans and information regarding fees paid to the Program's professional service providers and investment managers can be found in the *Investment Section*.

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II. Financial Section

A. EMPLOYEES' RETIREMENT PLAN

1. Independent Auditor's Report

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

Independent Auditors' Report

The Board of Water Commissioners, City and County of Denver, Colorado
Employees' Retirement Plan of the Denver Board of Water Commissioners:

We have audited the accompanying statements of net position and statements of changes in net position of the Employees' Retirement Plan of the Denver Board of Water Commissioners (Plan) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Employees' Retirement Plan of the Denver Board of Water Commissioners as of December 31, 2013 and 2012, and the changes in financial position for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 7 and the schedules of funding progress and employer contributions on pages 21 and 22 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.

KPMG LLP

Denver, Colorado
April 3, 2014

3. Management's Discussion and Analysis

This is an analysis and overview of the financial activities of the Employees' Retirement Plan of the Denver Board of Water Commissioners (Plan) as of and for the years ended December 31, 2013 and 2012. This information should be read in conjunction with the financial statements and notes which follow.

Financial Highlights

As of December 31, 2013 and 2012, $289.8 million and $253.8 million, respectively, were held in trust for the payment of Plan benefits, and to meet the Plan's future obligations to its participants.

For 2013, the net position of the Plan increased by $36.1 million or 14.2%. This compares with a $25.5 million increase or 11.2% in 2012. The increase in the Plan's net position in 2013 and the increase in the Plan's total net position in 2012 are primarily due to changes in the market value of the Plan's investments. Investments increased $34.3 million or 13.6% in 2013 and increased $26.5 million or 11.7% in 2012. Plan returns for 2013 and 2012 were 15.7% and 12.7%, respectively.

Additions to the Plan net position in 2013 included employer contributions of $15.0 million and a net investment gain of $39.0 million resulting in total additions to the Plan net position of $54.0 million. In 2012 included employer contributions of $14.3 million and a net investment gain of $28.2 million resulting in total additions to the Plan net position of $42.5 million.

Deductions from the Plan net position for 2013 were $18.0 million compared to $16.9 million in 2012, an increase of 6.2%. Retirement benefit payments were $17.6 million in 2013 and $16.6 million in 2012 resulting in an increase in benefit payments of $1.0 million or 6.3%.

The Plan's investment objective is to preserve actuarial soundness of the Plan by achieving a long term return of at least the actuarial earnings rate and to prudently manage the inherent investment risks that are related to the achievement of this goal. As of January 1, 2013 and 2012, the dates of the latest actuarial valuations, the funded ratio for the Plan was 78.9% and 76.5%, respectively.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements, which follow. The statements include the following:

1. Statements of Net Position
2. Statements of Changes in Net Position
3. Notes to Financial Statements
4. Required Supplementary Information by U.S. generally accepted accounting principles

The Statements of Net Position present the Plan assets and liabilities as of December 31, 2013 and 2012.

The Statements of Changes in Net Position show the additions to and deductions from the Plan net position during 2013 and 2012.

The above financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 34, *Basic*

Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and all other applicable GASB pronouncements including GASB Statement No. 50, *Pension Disclosures,* which amends certain provisions of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement requires the reporting of deferred inflows and deferred outflows of resources in separate sections of the Statement of Net Position, which was renamed from Statement of Net Assets. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental entities. The Plan's financial statements comply with all material requirements of these pronouncements.

These financial statements provide a snapshot of the Plan's assets and liabilities as of December 31, 2013 and 2012, and the activities that occurred during the years. Both financial statements were prepared using the accrual basis of accounting as required by GASB. All investment activities have been reported based on the trade dates and have been valued by independent outside sources.

Notes to Financial Statements provide additional information that is essential to have a full understanding of the basic financial statements.

Required Supplementary Information by U.S. generally accepted accounting principles, provides additional information about the Plan's progress in funding its future obligations and the history of the Denver Board of Water Commissioners (Board) contributions to the Plan.

Financial Analysis

There are several ways to measure the Plan's financial position. One way is to determine the Plan's net position available to pay benefits, defined as the difference between total assets and total liabilities. Another way is to refer to the funded ratio of the Plan. As of January 1, 2013, the date of the last actuarial valuation, the Plan had a funded ratio of 78.9%, which means that for every dollar of benefits earned to date, based on service and expected final salaries, the Plan had 78.9 cents in assets available for payment. This compares with a funded ratio of 76.5% at the beginning of 2012. The funded ratio used in the public sector, including this plan, is the actuarial value of assets divided by the actuarial accrued liability.

Various asset classes and Investment Manager styles are used to create a broadly diversified portfolio. The Board develops long term asset allocation ranges, while the Director of Finance is charged with developing and implementing a current asset allocation and rebalancing strategy which is designed to reflect, and be consistent with the Board approved long term asset allocation ranges. Please refer to the notes of the financial statements under "Investment Policy" for more information on asset allocations.

The Board has elected to hire professional investment managers to invest the assets of the Plan on a fully discretionary basis, subject to the investment policy of the Board. Each manager is evaluated quarterly against the appropriate benchmark for his/her asset class and style. Failure to achieve the desired result does not necessitate, nor does achievement of the desired result preclude, termination of investment managers.

As of December 31, the Plan's net positions were as follows:

Net Position

(amounts expressed in thousands)

	Years ended December 31,			2013-2012			2012-2011		
	2013	2012	2011	Increase (Decrease)	% Change		Increase (Decrease)	% Change	
Cash and equivalents	$3,580	$1,664	$2,374	1,916	115.1	%	(709)	(29.9)	%
Dividends, interest & other receivables	299	707	596	(408)	(57.7)	%	111	18.6	%
Investments, at fair value	286,162	251,864	225,395	34,298	13.6	%	26,469	11.7	%
Total assets	290,041	254,235	228,364	35,806	14.1	%	25,871	11.3	%
Total liabilities	215	467	145	(252)	(54.0)	%	322	222.1	%
Plan position	289,826	$253,768	$228,219	36,058	14.2	%	25,549	11.2	%

Change in Plan Net Position

The Statements of Net Position display the Plan's assets, liabilities and net position at year end. The Statements of Changes in Net Position provide information on the source of the change in net position during the year. The increase in total assets of $35.8 million or 14.1% in 2013 was the result of a combination of an increase in the fair value of investments and an increase in cash and cash equivalents, offset by a decrease in receivables. Comparatively, in 2012, total assets increased $25.9 million or 11.3%. The increase in 2012 was the result of a combination of an increase in the fair value of investments and a decrease in cash and cash equivalents offset by a slight increase in receivables.

Fiduciary Asset Management Inc. and Denver Investment Advisors reported cash and cash equivalents as of December 31, 2013. Cash and cash equivalents are also held in the custodial cash account used for disbursement of benefit payments and administrative expenses. Many of the other managers have cash holdings from time to time but do not specifically identify them in their reporting.

Liabilities of the Plan for 2013 consisted primarily of unpaid but earned investment manager fees and amounts related to unsettled investment trades. In 2012, the majority of the liability was primarily due to unpaid but earned investment manager fees. The change in net position is a function of the change in total assets offset by the change in total liabilities. The Plan recorded an increase in net position of $36.1 million in 2013 and $25.5 million in 2012.

Additions

The funds needed to pay benefits are accumulated from the contributions made by the Board and the income generated from the Plan's investments, including interest, dividends, and proceeds from the sale of individual investments. Any earnings on investments are reported net of investment management expenses. Board contributions for 2013 and 2012 totaled $15.0 million and $14.3 million, respectively. The Board has contributed more than the annual required contribution for seven of the last ten years.

Despite some market volatility in late spring, following the Federal Reserve's outline of a potential tapering of its bond purchases, U.S. equity markets reached new all time highs during 2013 on the broad economic recovery and strong corporate profit growth. The international developed index markets followed U.S. markets higher while emerging market returns were subdued as inflation and uneven growth impacted equity markets. A rising interest rate environment provided a headwind for most fixed income sectors resulting in lower returns in this sector.

Denver Water's Retirement Plan posted a 15.7% gain compared to the Plan's customized benchmark return of 16.0% for 2013. The Domestic Equity segment was the best absolute performer posting a 33.5% gain, compared to its benchmark, Russell 3000 index return of 33.6% and the S&P 500 index return of 32.4%. Pyramis Small/Mid Cap Equity fund was the Plan's best absolute performer with an annual return of 38.9%. Winslow Large Cap Growth fund was the Plan's best relative performer, outperforming its benchmark, Russell 1000 Growth index by 3.4% age points. The International Equity segment gained 15.5% versus the MSCI All Country World ex U.S. ND Index return of 15.3%. Fixed Income segment reported 1.5% loss for the year; the worst absolute performance of all asset classes, but surpassed its benchmark Barclays Aggregate Bond index by 49 basis points. The Hedge Fund segment returned 4.7%, significantly below the benchmark, HFR Hedge Fund of funds index, which gained 8.8%. The Real Estate managers gained 13.5% in aggregate, underperforming NFI ODCE Gross of Fee index by 44 basis points.

Additions to Net Position

(amounts expressed in thousands)

	Years ended December 31,			2013-2012		2012-2011	
	2013	2012	2011	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Employer contributions	$15,000	$14,300	$15,400	700	4.9 %	(1,100)	(7.1) %
Investment income	39,023	28,171	(2,095)	10,852	38.5 %	30,266	1,444.7 %
Total additions, net	$54,023	$42,471	$13,305	11,552	27.2 %	29,166	219.2 %

Deductions

Annual Plan expenditures include retirement benefits, death benefits, refunds of employee contributions with associated interest and administrative expenses. The Plan's normal benefit is a single life annuity to retired members, but members may elect to receive benefits in various other forms, including a lump sum or annuities that provide spousal benefits. Please refer to the Plan document for detailed information regarding the Plan. For the year ended December 31, 2013, annual Plan deductions totaled $18.0 million which compares with $16.9 million in 2012. This represents an increase in deductions in 2013 of 6.2% as compared to an increase in 2012 over 2011 of 8.4%. The increase in total deductions in 2013 was primarily due to an increase in benefit payments. Certain expenses previously classified in prior years as investment expense were reclassified as administrative expense in 2011 and 2012 to better reflect the nature of the underlying transactions.

Deductions to Net Position

(amounts expressed in thousands)

	Years ended December 31,			2013-2012		2012-2011	
	2013	2012	2011	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Retirement benefits	$17,644	$16,604	$15,361	1,040	6.3%	1,243	8.1 %
Death benefits	55	100	55	(45)	(45.0)%	45	81.8 %
Refunds of contributions	151	94	78	57	60.6%	16	20.5 %
Administrative expenses	116	124	123	(8)	(6.5)%	1	0.8 %
Total deductions	17,966	$16,922	$15,617	1,044	6.2%	1,305	8.4 %

Requests for Information

This discussion and analysis is designed to provide a general overview of the Plan's financial status as of December 31, 2013 and 2012, and changes in financial status for the years then ended. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Treasurer
Denver Water
1600 W. 12th Ave.
Denver, CO 80204

4. Basic Financial Statements

a) Statements of Net Position

	December 31, 2013	December 31, 2012
Assets		
Cash and cash equivalents	$3,579,800	$1,663,700
Dividends, interest and other receivables	298,600	706,900
Investments, at fair value		
U. S. government and agency securities	22,998,200	41,593,300
Municipal/provincial bonds	399,300	796,100
Corporate bonds and debentures	40,610,400	21,301,200
Equities	175,571,400	144,504,100
Real estate funds	25,132,300	23,209,100
Hedge funds	21,450,600	20,460,800
Total Investments	286,162,200	251,864,600
Total Assets	290,040,600	254,235,200
Liabilities		
Accrued administrative expense	5,000	9,000
Accrued investment expense	193,400	168,700
Securities payable	16,800	289,000
Total Liabilities	215,200	466,700
Net Position	$289,825,400	$253,768,500

See accompanying notes to financial statements.

b) Statements of Changes in Net Position

	Years Ended December 31, 2013	2012
Additions		
Employer contributions	$15,000,000	$14,300,000
Investment income		
Net appreciation in fair value of investments	35,062,100	23,783,200
Interest	1,964,800	2,671,500
Dividends	2,512,300	2,104,600
Real estate income, net of operating expenses	1,226,000	1,205,500
	40,765,200	29,764,800
Less investment expense	(1,742,200)	(1,593,400)
Net investment income	39,023,000	28,171,400
Total additions	54,023,000	42,471,400
Deductions		
Retirement benefits	17,644,200	16,604,300
Death benefits	55,000	100,000
Refunds of contributions	151,400	93,700
Administrative expense	115,500	123,800
Total deductions	17,966,100	16,921,800
Net Increase (Decrease)	36,056,900	25,549,600
Net Position		
Beginning of year	253,768,500	228,218,900
End of year	$289,825,400	$253,768,500

See accompanying notes to financial statements.

5. Notes to the Financial Statements

Note 1 - Plan Description

The Board of Water Commissioners, City and County of Denver, Colorado (the Board), adopted the Employees' Retirement Plan of the Denver Board of Water Commissioners (Plan) in 1944. It is a defined benefit, single employer plan covering substantially all regular employees of the Board. The Board owns and operates a water utility. In accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity,* No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, and No. 61, *The Financial Reporting Entity: Omnibus, the Board* is classified as a special purpose "other stand alone government." A special purpose other stand alone government is defined as a legally separate governmental organization that (a) does not have a separately elected governing body and (b) does not meet the definition of a component unit because it does not have a financial benefit or burden relationship with a primary government. The Board is a "related organization" in the City and County of Denver, Colorado's (the City) financial reporting entity. A related organization is defined as an organization for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relationship) even though the primary government appoints a voting majority of the organization's governing board. The Board has no component units as defined in GASB Statements No. 14, 39, and 61. As a result of GASB Statement No. 61, which was early adopted by the City for 2012, the City determined that the Board is no longer a component unit of the City but is a special purpose stand alone government.

The Plan is exempt from compliance with the Employee Retirement Income Security Act of 1974, as amended, as it is a governmental plan.

The following is a brief general description of the Plan. Participants and all others should refer to the Plan document for a more complete description of the Plan. All regular and discretionary employees of the Board become participants of the Plan upon completion of the required introductory period. As of January 1, 2013, there were 1,646 participants: 82 were deferred vested participants, 511 participants were retired, 1,045 participants were active and 8 were on long term disability.

Participants become fully vested after 5 years of employment. The normal retirement age is 65. An employee who reaches age 55 and has 5 years of service is eligible to receive a reduced early retirement benefit. Unreduced retirement benefits prior to age 65 are provided for employees who are a minimum of age 55, whose age and years of service totaled 75 on the last day of employment and whose employment ends at age 50 or later. The service requirement for entitlement to spousal benefits is 5 years of service with the benefit commencing when the employee would have reached age 55. The Plan also provides for retirement benefits in the event of total and permanent disability, as determined by the Board.

Terminated vested participants or surviving spouses whose severance date occurs before the attainment of age 55 shall be eligible to elect a full single lump sum payment only in lieu of a monthly pension within 90 days of his or her severance date.

Plan benefits are integrated with Social Security benefits and are determined by a formula defined in the Plan document. The Plan also includes a minimum benefit provision. Benefits paid by the Plan are adjusted annually by the change in the Consumer Price Index, subject to a minimum payment equal to the amount of the initial benefit and a maximum annual increase of 4.4% for employees retiring on or after September 1, 1995 and 5% for employees who retired before September 1, 1995. Changes in the Consumer Price Index in excess of the amount of the maximum annual adjustment are applied toward future adjustments.

The Board reserves the right to amend the Plan, including its benefit provisions; however, any amendment that substantially impairs the property rights of participants will not become effective until approved by two thirds of the participants.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined benefit plans. Employer contributions are recognized when made, because there are no required due dates for contributions. Other additions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document. Plan expenses, other than benefits and refunds are recognized on the accrual basis in accordance with generally accepted accounting principles.

b. Plan Expenses

The Board acts as trustee of the Plan's assets. Certain expenses are paid from the assets of the Plan and are recorded as administrative expenses on the financial statements. These expenses include actuarial fees, auditing expenses, benefit payment processing fees, legal fees and other miscellaneous expenses.

c. Fair Value of Investments

Plan investments in marketable securities, including mutual funds, U.S. government and agency securities, corporate bonds and debentures, and common stock are reported at net asset value (NAV). Pooled funds, such as commingled funds and hedge funds are stated at fair value based upon the NAV of shares/units held at year end as provided from fund managers. The NAV is used as a practical expedient to fair value. Cash equivalents are valued at cost, which approximates fair value. Interests in real estate funds that do not have readily ascertainable market value are also stated at NAV, which is based upon the most recent appraised value as reported by the fund manager.

d. Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service (IRS) dated May 4, 2012 for amendments enacted through September 27, 2011, the Plan is exempt from federal income taxes. Although the Plan has been subsequently amended, management of the Board is of the opinion that the Plan, as amended, meets the IRS requirements and, therefore, continues to be tax exempt.

e. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial values at the date of the financial statements. Actual results could differ from these estimates.

Note 3 - Contributions and Plan Assets

a. Employer Contributions

The Plan was established, and is sponsored and administered by the Board, under authority of Article X, Section 10.1.6 of the Charter of the City and County of Denver, Colorado. The Plan's funding policy provides for periodic Board contributions at actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due.

Actuarial calculations reflect a long term perspective and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets.

The Board made contributions totaling $15.0 million and $14.3 million during 2013 and 2012, respectively, in accordance with actuarial valuations performed as of January 1, 2013 and 2012, respectively.

Prior to January 1, 1992, employees were required to contribute to the Plan. The Board amended the Plan to disallow further employee contributions and determined that all amounts previously contributed to the Plan by employees would be refunded, with interest at 5% per annum, upon termination or retirement. Payments of $151,400 and $93,700 were made in 2013 and 2012, respectively, for employees who had retired or were terminated during the respective year. As of December 31, 2013 and 2012, total remaining employee contributions including accrued interest was $127,400 and $310,000, respectively. These amounts are not accrued as liabilities in the accompanying financial statements.

b. 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 current funding policy provides for periodic Board contributions of at least the actuarial required contribution (ARC) sufficient to accumulate the necessary assets to pay benefits when due. These contributions have varied and were not expressed in terms of fixed dollar amounts or as percentages of annual covered payroll. Plan members are not allowed to make contributions. The Board reserves the right to suspend, reduce, or permanently discontinue all contributions at any time, pursuant to the termination provisions of the Plan.

c. Funded Status and Funding Progress

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, effective in 2015, eliminates the ARC as a basis for funding and expense reporting. In anticipation of this statement, the Board adopted the Employees' Retirement Plan Funding Policy (the Policy) on August 28, 2013, effective for 2014 and future years. The Policy states the objectives of the Board in funding the Plan and outlines the guidelines to be used by an actuary in determining the contributions needed to achieve those objectives. The primary objective of the Policy is to provide sufficient assets to pay all benefits promised under the Plan and to minimize the volatility of contribution payments from year to year.

As of January 1, 2013, the most recent actuarial valuation date, the Plan was 78.9% funded. The actuarial accrued liability for benefits was $320.6 million, and the actuarial value of assets was $252.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of $67.7 million. The covered payroll (annual payroll of active employees covered by the Plan) was $71.9 million, and the ratio of the UAAL to the covered payroll was 94.1%. A schedule of funding progress for the last ten years is included as part of the Required Supplementary Information of this report.

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 and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, 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.

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2013
Actuarial cost method	Entry Age normal
Amortization method	Level dollar
Amortization period	30 years
Asset valuation method	3-year smoothing of market value gains and losses
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases	3.6%-8.2%, based on years of service
* Includes inflation at	3.0%
and productivity at	0.5%

d. Use of Plan Assets

All contributions to the Plan and all net assets of the Plan are available for the payment of benefits and plan expenses. Upon termination of the Plan, the assets (net of the costs of liquidation) would be distributed in the following order of priority: first, an amount to each employee (current and terminated if retaining vested rights) equal to unrefunded employee contributions and accrued interest (taking into account benefits paid before termination of the Plan); second, assets would be distributed to all current employees, retired employees and terminated employees with vested rights (Members) according to the respective actuarial values of their accumulated benefits as of the date of termination of the Plan; and third, all remaining assets would be allocated to Members pro rata according to the respective actuarial values of their accumulated benefits as of the date of termination of the Plan.

e. Investment Policy

The primary objective of the Board's investment policy is to preserve the actuarial soundness of the Plan by achieving a long term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal. The Board recognizes that the investment objective is long term in nature, and that actual year to year returns achieved may be above or below the actuarially assumed rate of return

The Board has determined that it is prudent to hire professional investment managers to invest the assets on a fully discretionary basis, subject to its investment policy. The Board's investment policy does not address specific levels of credit risk, interest rate risk or foreign currency risk. The Board believes that risks can be managed, but not eliminated, through the use of a broadly diversified portfolio. The Board has developed long term asset allocation ranges based on several factors including: the long term investment goals of the Plan; the Board's tolerance for short term losses; the Plan's liquidity needs; and any legal or regulatory issues. The Director of Finance is charged with developing a current asset allocation and rebalancing strategy which is designed to reflect, and be consistent with the long term investment objective and the long term asset allocation ranges adopted by the Board. The investment policy provides that the current asset allocation strategy be reviewed for adjustment periodically, but no less than annually and re balanced as necessary by the Director of Finance.

As of December 31, the Plan's Asset Allocation Strategy was as follows:

Asset Allocation Strategy

	Allowable range Years ended December 31		
Asset Segment	2013		2012
Equities	35%-70%	-	35%-70%
Fixed Income	20-50		20-50
Alternatives	5-30	-	5-30

The asset classes currently utilized in the portfolio are domestic and foreign equity securities, domestic and foreign fixed income securities and real estate. Due to its size, the Plan does not invest directly in real estate, but may hold interests in institutional funds or other securities backed by a diversified portfolio of real estate Investment managers that utilize more than one of these asset classes may also be selected. Hedge fund managers may utilize other securities than those directly utilized in the portfolio. Separate accounts or pooled funds may be used in other asset classes based upon the most favorable approach for the fund's circumstances. Each separately managed account manager has agreed to invest in a specific assigned asset class using an agreed upon strategy, and to be subject to various constraints such as limits on market capitalization, concentration, diversification, duration, credit rating, and use of leverage. Pooled funds have been selected based on the stated objectives and strategies outlined in their respective prospectuses or offering memorandums. Cash equivalents are held in the Collective Government Short Term Investment Fund (CGS) managed by the custodian, Northern Trust Company. The CGS is invested in short term marketable securities issued or guaranteed by the U.S. government, its agencies or instrumentalities and repurchase agreements thereon. The Plan investments and deposits are held separate from the Board's operating investments.

f. Custody and Management of Assets

During 2013 and 2012, the Northern Trust Company served as asset custodian for all Plan assets. The Plan assets were managed by the following investment managers:

Babson Capital, LLC	Since August 2013
Blackrock Alternative Investors	Since March 2012
Denver Investment Advisors, LLC	Hired prior to 1978
Dimensional Fund Advisors, LP	Since February 2008

Fiduciary Asset Management Company Inc.*	Since January 2012
GAM US Institutional Trading II, L.P.	Since March 2012
Harding Loevner Funds, Inc.	Since August 2011
Heitman Capital Management Corporation	Closed October 2013
JP Morgan Investment Management, Inc.	Since November 2005
Lazard Asset Management, LLC	Since November 2009
Northern Trust Investments, N.A.	Since July 2006
Pacific Investment Management Company, LLC	Since July 2006
Prudential Real Estate Investors	Since March 2006
Pyramis Global Advisors Fidelity Asset Management	Since July 2011
Pzena Investment Management, LLC	Terminated February 2012
UBS Trumbull Property Fund, LP	Since May 1998
Vanguard Group, INC.	Since February 2012
Winslow Capital Management, Inc./SEI Trust Company	Since August 2011

** Effective January 1, 2014, Fiduciary Asset Management Inc., a Division of Advisory Research team formally changed its name to Advisory Research Inc*

g. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

All securities are held in a bank trust account in the Plan's name by the Plan's custodian except for investments in mutual and commingled funds, and limited partnerships, which by their nature, may have an independent custodian for the fund assets. Investments in short term investment funds and in a domestic equity index fund are held in a SEC registered pooled fund managed by the fund's custodian bank. At December 31, 2013 and 2012, there were no deposits subject to custodial credit risk.

h. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Since the debt investment portfolio may contain holdings with prepayments and variable cash flows, an analysis of interest rate risk using the segmented time distribution method is presented in the schedule below:

Schedule of Interest Rate Risk - Segmented Time Distribution of Investment Maturities at December 31, 2013

Investment Type	Market value	Less than 1 year	1 to 6 years	6 to 10 years	10 + years	Maturity not determined**
Asset-backed securities	847,130	—	652,941	652,941	148,855	—
Corporate bonds	25,489,377	538,800	5,192,339	5,192,339	1,181,300	13,831,440
Government agencies	17,783,367	—	—	—	—	17,783,367
Government bonds	4,419,570	—	2,761,703	2,761,703	1,148,945	—
Government mortgage-backed	795,228	—	—	—	795,228	—
Municipal bonds	399,288	—	—	—	399,288	—
Nongovernment-backed C.M.O.'s	133,302	—	—	—	133,302	—
Short Term Investments	3,573,090	—	—	—	—	13,831,440
Other fixed income	14,140,576	—	—	—	—	17,783,367
Total	$67,580,928	538,800	8,606,983	5,299,754	3,806,918	49,328,473

** Amounts represent investments in commingled funds. Maturities of individual securities held by the funds are not reported by the funds..

i. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of December 31, 2013, the Plan has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded.

j. Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations to the Plan. There are no Plan wide policy limitations for credit risk exposures within the portfolio. Each portfolio is managed in accordance with an investment contract that is specific as to permissible credit quality ranges, the average credit quality of the overall portfolios, and issuer concentration.

The quality ratings of investments in fixed income securities as described by Standard and Poor's and Moody's rating organization as of December 31, 2013 are listed below. For securities with split ratings, the lowest rating is shown.

Schedule of Credit Risk as of December 31, 2013

Type of Investment	Quality Rating	Fair Value	Percentage of Portfolio
Asset backed securities	AAA	45,334	0.1%
	A	148,855	0.2
	NR/NA[2]	652,941	1.0
Corporate bonds	AAA	103,727	0.2
	AA	857,954	1.3
	A	3,853,700	5.7
	BBB	4,491,217	6.6
	BB	1,856,809	2.7
	NR/NA[2]	14,325,970	21.2
Government agencies	NR/NA[3]	17,783,367	26.3
Government bonds	NR/NA[1,2]	4,419,570	6.5
Government mortgage-backed securities	NR/NA[1]	795,228	0.1%
Municipal bonds	AAA	399,288	0.2
Nongovernment-backed C.M.O.s	AA	133,302	1.0
Short-term Investments	NR/NA[2]	3,573,090	0.2
Other fixed income	NR/NA[2]	14,140,576	1.3
Total fixed income securities		$67,580,928	100.0%

[1]These ratings are implicitly or explicitly guaranteed by the U.S. government and currently a rating is not provided by the nationally recognized statistical rating organization. The agencies invested in are FHLMC and FNMA.

[2]NR/NA indicates the securities were either not able to be categorized into any other ratings or the rating was not available to the custodian.

[3]NR/NA indicates the securities were either not able to be categorized into any other ratings or the rating was not available because the assets are held in a mutual fund.

k. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit.

The following table provides the Plan's maximum exposure to foreign currency risk in U.S. dollars as of December 31, 2013::

Schedule of assets in foreign currencies

		Dollar allocation invested in foreign securities	Percentage of fund invested in foreign securities
Blackrock Alternative Investors	$	3,306,003	29.3%
Dimensional Fund Advisors, LP		26,691,135	99.7
GAM US Institutional Trading II, L.P.		549,034	5.4
Harding Loevner Funds, Inc.		18,078,501	67.8
Vanguard Group, INC.		5,914	0.039
Total	$	48,630,587	

l. Derivatives

Derivatives are financial instruments whose values depend upon, or are derived from, the value of something else, such as one or more underlying investments, indexes or currencies. Derivatives are financial instruments whose values depend upon, or are derived from, the value of something else, such as one or more underlying investments, indexes or currencies. Derivatives may be used both for hedging and to enhance returns. Derivatives may be traded on organized exchanges, or individually negotiated transactions with other parties, known as over the counter derivatives. Derivatives involve special risks and costs and may result in losses to the Plan. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the Plan will depend on the investment managers and their advisors to analyze and manage derivatives transactions.

Certain commingled funds held by the Plan at the year end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative holdings of the commingled fund managers can be found in their respective audited financial statements. The Plan did not directly own any derivatives as of December 31, 2013 and 2012.

Note 4 - Related Party Transactions

An affiliate of the Plan's custodian, Northern Trust Investments, N.A., is an investment manager for the Plan, which managed $54.9 million and $21.7 million of the Plan's investments at December 31, 2013 and 2012, respectively. For the years ended December 31, 2013 and 2012, the Plan incurred approximately $15,100 and $11,000, respectively, in management fees with this investment manager.

Note 5 - Plan Amendments

The Plan was amended on June 27, 2012 to adopt certain technical amendments pursuant to the IRS determination letter dated May 4, 2012 and to reflect recent changes to Denver Water Personnel Policies.

6. Required Supplementary Information

a) Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2004	191,817,401	237,094,582	45,277,181	80.9%	54,902,822	82.5%
1/1/2005	205,448,203	246,022,907	40,574,704	83.5%	55,998,351	72.5%
1/1/2006	228,774,927	259,565,207	30,790,280	88.1%	57,224,980	53.8%
1/1/2007	247,159,884	264,513,872	17,353,988	93.4%	58,578,510	29.6%
1/1/2008	255,768,194	275,245,932	19,477,738	92.9%	60,346,577	32.3%
1/1/2009	209,770,560	288,664,801	78,894,241	72.7%	65,721,304	120.0%
1/1/2010	228,083,245	301,256,915	73,173,670	75.7 %	70,372,085	104.0%
1/1/2011	218,757,059	296,269,387	77,512,328	73.8%	69,926,961	110.8%
1/1/2012	238,384,139	311,443,403	73,059,264	76.5%	71,172,362	102.7%
1/1/2013	252,919,993	320,604,799	67,684,806	78.9%	71,940,163	94.1%

b) Schedule of Employer Contributions

Year Ended December 31	Actual Required Contributions	Contribution made	Percentage Contributed
2004	8,967,490	9,005,701	100.4%
2005	8,738,577	8,738,635	100.0%
2006	8,268,755	8,269,119	100.0%
2007	6,981,523	7,277,159	104.2%
2008	7,233,450	7,590,475	104.9%
2009	11,871,976	14,500,000	122.1%
2010	12,638,827	12,638,827	100.0%
2011	12,414,279	15,400,000	124.1%
2012	12,256,238	14,300,000	116.7%
2013	11,957,548	15,000,000	125.45

See accompanying independent auditors' report.

7. Additional Supplementary Information (unaudited)

a) Schedule of Administrative Expenses

	2013	2012
Actuarial Services	$20,000	$20,400
Benefit Payment Processing	89,300	81,500
Audit Services	6,250	22,000
Total Administrative Expenses	115,550	123,900
Average Assets[1]	$272,030,241	$241,299,650
Administrative Expenses as a percentage of Average Assets	0.042%	0.051%

[1]Average Assets are calculated based on total assets less securities payable.

b) Schedule of Investment Expenses

	2013	2012
Babson Capital, LLC	25,800	-
Blackrock Alternative Investors	135,300	94,700
Denver Investment Advisors, LLC	78,300	97,200
Dimensional Fund Advisors LP	147,900	124,400
Fiduciary Asset Management Company, LLC	106,800	70,000
GAM US Institutional Trading II, L.P.	122,500	93,900
Harding Loevner Funds, Inc.	205,100	202,600
JP Morgan Investment Management, Inc.	74,300	72,500
Lazard Asset Management LLC	139,800	196,300
Northern Trust Investments, N. A.	15,100	11,000
Pacific Investment Management Company, LLC	178,000	172,900
Prudential Real Estate Investors	73,900	75,200
Pyramis Global Advisors Fidelity Asset Management	96,200	81,900
Pzena Investment Management, LLC	-	7,100
UBS Trumbull Property Fund LP	106,900	100,700
Vanguard Group, INC.	42,500	31,200
Winslow Capital Management, Inc./SEI Trust Company	110,300	94,600
Total payments to investment advisors	1,658,700	1,526,200
Investment Consulting Expense	76,500	75,200
Investment Performance Reporting Expense	7,000	6,600
Total Investment Expenses	$1,742,200	$1,608,000
Average Assets[1]	$272,030,241	$241,299,650
Investment Expenses as a Percentage of Average Assets	0.640%	0.666%

[1]Average Assets are calculated based on total assets less securities payable.

B. DENVER WATER SUPPLEMENTAL RETIREMENT SAVINGS PLAN

1. Independent Auditor's Report

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

Independent Auditors' Report

The Board of Water Commissioners, City and County of Denver, Colorado
Denver Water Supplemental Retirement Savings Plan:

We have audited the accompanying statements of net position and statements of changes in net position of Denver Water Supplemental Retirement Savings Plan (Plan) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Denver Water Supplemental Retirement Savings Plan as of December 31, 2013 and 2012, and the changes in financial position for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 7 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.

KPMG LLP

Denver, Colorado
April 3, 2014

2. Management's Discussion and Analysis (unaudited)

This is an analysis and overview of the financial activities of the Denver Water Supplemental Retirement Savings Plan (SRSP) for the years ended December 31, 2013 and 2012. This information should be read in conjunction with the financial statements and notes which follow.

Financial Highlights

As of December 31, 2013, $70.3 million was held in trust for the payment of SRSP benefits to the participants as compared to $57.8 million in 2012. This represents an increase in total SRSP net position held in trust of $12.5 million or 21.5%.

Additions to SRSP net position for 2013 and 2012 included participant contributions of $4.2 million and $3.8 million, respectively and the Denver Board of Water Commissioners (Board) matching contributions of $1.8 million in 2013 and $1.7 million in 2012. The net investment income for 2013 was $10.8 million compared to $5.5 million investment income in 2012.

Total deductions from SRSP net position were $5.0 million in 2013 and $2.5 million in 2012. The deductions were comprised of retirement benefit payments of $4.9 million and administrative expense of $58,700 in 2013. In 2012, the deductions were comprised of retirement benefit payments of $2.5 million and administrative expense of $49,700. Total deductions in 2013 were 98.1% more than those in 2012. Total deductions in 2012 were 17.6% less than those in 2011.

The SRSP is a defined contribution plan and its purpose is to enable the participants to accumulate financial assets for their retirement. The Board matches 100% of employee contributions up to 3% of the participating employee's published hourly base pay and salary. As of December 31, 2013, there were 897 employees contributing to the SRSP or 88.5% of all eligible Denver Water employees. As of December 31, 2012, there were 894 employees contributing to the SRSP or 86.3% of all eligible Denver Water employees. There were 1,013 employees eligible to participate in the SRSP as of December 31, 2013 and 1,036 as of December 31, 2012.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the SRSP financial statements which follow. The statements include:

1. Statements of Net Position
2. Statements of Changes in Net Position
3. Notes to Financial Statements

The Statements of Net Position present the SRSP assets, liabilities and net position as of December 31, 2013 and 2012. *The Statements of Changes in Net Position* show the additions to and deductions from SRSP net position during 2013 and 2012.

The above financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and all other applicable GASB pronouncements including GASB Statement No. 50, *Pension Disclosures*, which amends certain provisions of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and*

Net Position. This statement requires the reporting of deferred inflows and deferred outflows of resources in separate sections of the Statement of Net Position, which was renamed from Statement of Net Assets. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental entities. The Plan's financial statements comply with all material requirements of these pronouncements.

These financial statements provide a snapshot of the SRSP assets and liabilities as of December 31 and the activities which occurred during the years presented. Both financial statements were prepared using the accrual basis of accounting as required by GASB. All investment activities have been reported based on the trade dates and have been valued based on independent outside sources.

The Notes to Financial Statements provide additional information which is essential to have a full understanding of the basic financial statements.

Financial Analysis

With the purpose of enabling the employees to accumulate savings for their retirement, the Board has identified the following objectives for the SRSP administration: to offer investment options having diverse risk and return expectations; to undertake all transactions solely in the interest of the participants and beneficiaries; to maintain flexibility in meeting the future needs of the participants; to enable participants to exercise investment control; to allow participants to maximize return within reasonable and prudent levels of risk by selecting from the investment options offered; to include investment options that have reasonable investment management costs; to monitor administration costs to ensure they remain, and to arrange for investment education to be available to the participants.

The Board has engaged Great-West Retirement Services to provide recordkeeping and communication services for the Plan. The Board engages investment experts to monitor and recommend changes in the investment options included in the Plan.

Net Position

(amounts expressed in thousands)

	as of December 31, 2013	2012	2011	2013-2012 Increase (Decrease)	2013-2012 % Change		2012-2011 Increase (Decrease)	2012-2011 % Change	
Mutual funds	$57,346	$44,448	$35,331	$12,898	29.0	%	$9,117	25.8	%
Commingled fund	12,433	12,963	13,364	(530)	(4.1)	%	(401)	(3.0)	
Money market fund	212	188	37	24	12.8		151	408.1	
Total investments	69,991	57,599	48,732	12,392	21.5	%	8,867	18.2	%
Receivables:									
Contributions	285	207	203	78	37.7	%	4	2.0	%
Other receivable	9	19	11	(10)	(52.6)		8	72.7	
Total receivables	294	226	214	68	30.1		12	5.6	
Total assets	70,285	57,825	48,946	12,460	21.5	%	8,879	18.1	%
Total liabilities	16	13	11	3	23.1	%	2	18.2	
Net assets	$70,269	57,812	$48,935	12,457	21.5	%	$8,877	18.1	%

SRSP Activities

The net position increased by $12.5 million or 21.5% in 2013 and by $8.9 million or 18.1% in 2012. Key drivers of the net position changes are discussed below.

Additions

The moneys used to pay benefits are accumulated from the contributions made by the Board and each participant and from income generated by investments, including investment valuation appreciation, interest, and dividends. Earnings on investments are reported net of investment management expenses. The Board's matching contribution for 2013 and 2012 was $1.8 million and $1.7 million, respectively. Net investment income was $10.8 million in 2013 as compared to net investment income of $5.5 million in 2012. Due to the increase in the market values of assets held during the year, net investment income was greater in 2013 versus 2012 and 2011.

Additions to Net Position

(amounts expressed in thousands)

	Years ended December 31, 2013	2012	2011	2013-2012 Increase (Decrease)	2013-2012 % Change		2012-2011 Increase (Decrease)	2012-2011 % Change	
Employer contributions	$1,835	$1,743	$1,735	92	5.3	%	8	0.5	%
Participant contributions	4,153	3,827	3,695	326	8.5	%	132	3.6	%
Participant rollovers	694	275	9	41.9	152.4	%	266	2,956.0	%
Net Investment (loss) income	10,752	5,544	(91)	5,208	93.9	%	5,658	6,150.0	%
Total additions	$17,434	$11,389	$5,348	6,045	53.1	%	6,064	112.6	%

Deductions

Benefits paid to participants during the year represent the majority of the deductions from the SRSP. In 2013 and 2012, benefits paid were $4.9 million and $2.5 million respectively, an increase of 99.6% in 2013 over 2012 and a decrease of 18.1% in 2012 over 2011. The change in the amount of benefit payments from year to year is attributed to the number of participants choosing to take lump sum distributions at retirement in any one year and to changes in the number of participants receiving benefits in the SRSP.

Administrative expenses for the SRSP were $58,700 in 2013 and $49,700 in 2012. The increase in administrative expense is due to an increase in fair market values in 2013 and 2012. In 2013 and 2012, participant investment advisory fees were $10,900 and $3,900, respectively. Please refer to note 4 of the financial statements for a detailed explanation of SRSP administrative expenses.

Deductions from Net Position

(amounts expressed in thousands)

	Years ended December 31,			2013-2012			2012-2011		
				Increase	%		Increase	%	
	2013	2012	2011	(Decrease)	Change		(Decrease)	Change	
Benefits paid to participants	$4,908	2,459	$3,004	2,449	99.6	%	(545)	(18.1)	%
Administrative expenses	58	49	44	9	18.4	%	5	11.4	%
Participant investment advisory fees	11	534	1	7	175.0	%	3	300.0	%
Total deductions	$4,977	$2,512	$3,049	2,465	98.1	%	(537)	(17.6)	%

Requests for Information

This discussion and analysis is designed to provide a general overview of the SRSP net position and changes in net position as of December 31, 2013 and 2012 and for the years then ended. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Treasurer
Denver Water
1600 W. 12th Ave.
Denver, CO 80204

3. Basic Financial Statements

a) Statements of Net Position

	December 31, 2013	December 31, 2012
Assets		
Investments, at fair value		
Mutual funds	$57,346,200	$44,447,500
Commingled fund	12,432,600	12,963,000
Money market fund	212,100	188,600
Total investments	69,990,900	57,599,100
Receivables		
Employer contributions	68,600	67,200
Employee contributions	217,100	139,800
Other receivables	8,500	19,300
Total receivables	294,200	226,300
Total assets	70,285,100	57,825,400
Liabilities		
Accrued administrative expense	15,700	13,000
Net position	$70,269,400	$57,812,400

See accompanying notes to financial statements.

b) Statements of Changes in Net Position

	Years Ended December 31, 2013	2012
Additions		
Investment income		
Net appreciation in fair value of investment	$9,381,400	4,276,500
Dividends	1,355,900	1,251,300
Miscellaneous	14,700	15,800
Net investment income	10,752,000	5,543,600
Contributions		
Employer contributions	1,834,900	1,743,300
Participant contributions	4,153,300	3,827,400
Participant rollovers	694,200	275,200
Total contributions	6,682,400	5,845,900
Total additions	17,434,400	11,389,500
Deductions		
Benefits paid to participants	4,907,800	2,458,700
Administrative expenses	58,700	49,700
Participant investment advisory fees	10,900	3,900
Total deductions	4,977,400	2,512,300
Net Increase	12,457,000	8,877,200
Net Position		
Beginning of year	57,812,400	48,935,200
End of year	$70,269,400	57,812,400

See accompanying notes to financial statements.

4. Notes to the Financial Statements

Note 1 - Plan Description

The Board of Water Commissioners, City and County of Denver, Colorado (the Board), adopted the Denver Water Supplemental Retirement Savings Plan in 1999 (SRSP). The Board operates a water utility created by the Charter of the City and County of Denver, Colorado.

The following description of the SRSP provides only general information. Participants and all others should refer to the SRSP agreement for a more complete description of the SRSP provisions.

a. General

The SRSP is a defined contribution plan covering all regular and discretionary employees of Denver Water who have completed the required introductory period and is qualified under section 401(a) paragraph (k) in accordance with the regulations of the Internal Revenue Code of 1986, as amended (IRC). The purpose of the SRSP is to provide supplemental retirement and other related benefits for eligible employees. As of December 31, 2013, there were 897 active employees out of 1,013 eligible employees participating in the SRSP. This compares with 894 active employees participating out of 1,036 eligible employees as of December 31, 2012. The SRSP and the trust established by the SRSP are maintained for the exclusive purpose of providing benefits to eligible employees and their beneficiaries, and for defraying reasonable administrative expenses. The SRSP provisions and contribution requirements are established and may be amended by the Board.

The SRSP is exempt from compliance with the Employee Retirement Income Security Act of 1974, as amended, as it is a governmental plan.

b. Contributions

Each year a participant may contribute up to 97% of pretax annual compensation but not less than $10 per pay period up to an annual maximum amount as codified by the Internal Revenue Service (IRS). Participants direct the investment of their contributions into various investment options offered by the SRSP. The SRSP offered as investment options twenty four mutual funds (including twelve target date funds), one money market fund and one commingled fund as of December 31, 2013 and 2012. The Board makes a matching contribution in an amount equal to 100% of the first 3% of base compensation that each participant contributes to the SRSP. The SRSP was amended in 2013 to authorize employer discretionary contributions to qualifying participants. In 2013, a discretionary contribution of $25,850 was made. Employer contributions must be made no later than the last day of the Plan Year for which the contribution is made. The employer may suspend, reduce or eliminate future employer contributions and may rescind such action at any time. The matching contribution is allocated to the participants' accounts and is participant directed. Although it has not expressed any intent to do so, the Board may change the amount of or discontinue the matching or discretionary contribution at any time.

c. Participant Accounts

Each participant's account reflects the cumulative amount of each participant's contribution along with the employer's matching and discretionary contribution including any income, gains, losses, or increases or decreases in market value attributable to the investment of contributions, and further reflects any distributions to the participant or his or her beneficiary and any fees or expenses charged against the participant's account. The amount of the discretionary contribution, if any, for a Plan year is determined by the employer, and subject to Treasury Regulations under IRS Code §415 and 401(a)(17).

d. Vesting

A participant's interest in his/her participant and employer matching contributions is always fully vested and nonforfeitable. The qualifying participant's interest in his/her discretionary contributions become fully vested upon completing seven years of service, the qualifying participant attaining the age of 65 while employed by the employer, by termination due to the qualifying participant's death or disability, by termination of employment due to serious health conditions of the qualifying participants spouse, and by termination, by the employer for reasons other than serious cause.

In the event of forfeitures due to termination of the qualifying participant prior to vesting the nonvested portion of the qualifying participant's discretionary employer contribution account will be used to pay Plan administrative expenses. Any excess, after paying Plan administrative expenses, will be allocated to participant accounts as employer contributions on the last day of the Plan year during the year of the forfeiture.

e. Participant Loans

The SRSP does not permit participant loans.

f. Payment of Benefits

On termination of service, a participant with a balance of $1,000 or less will have the amount automatically distributed in a lump sum as soon as feasibly possible. A participant whose account is greater than $1,000 may elect to receive either a single lump sum amount equal to the value of the participant's interest in his or her account at termination or take periodic distributions provided they meet minimum distribution requirements of IRC code section 401(a)(9). Distributions must start no later than age 70½. Participants may also specify that funds roll directly from their account to an eligible retirement plan. Upon the death of a participant, the account is paid to the participant's beneficiaries in a single lump sum.

g. Record Keeping, Custody and Management of Assets

The Board approved a five year contract with Great West Retirement Services (Great West) to provide recordkeeping and communication services related to the SRSP effective December 29, 2010. Trust services are provided by Orchard Trust Company, LLC through a separate contract with the Board. Fees for the trust services are paid by the participants. Assets allocated to the various funds are managed by investment professionals hired by the fund.

h. SRSP Termination

Though it has not expressed any intent to do so, the Board has the right under the SRSP to terminate the SRSP at any time with respect to any or all participants by resolution of the Board. Upon discontinuance of the SRSP, the account of each participant would remain fully vested and nonforfeitable.

Note 2 - Summary of Significant Accounting Policies

a. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

b. Basis of Accounting

The SRSP financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined contribution plans. Contributions are recognized when earned without regard to the date of actual collection. Expenses are recognized when due and payable. Benefit payments and refunds are recognized upon distribution. Certain prior year amounts have been re classified to conform with the current year presentation.

c. Investment Valuation

The SRSP investments in mutual funds (including a money market fund) and one commingled fund are reported at fair value, which is based on the net asset value (NAV) of shares/units held at year end. The NAV is used as a practical expedient to fair value. This computation of NAV is performed by the fund company and is reported daily to Great West.

d. Income Recognition

Purchases and sales are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex dividend date. Net realized and unrealized gains and losses are reflected as net appreciation or depreciation in fair value of investments in the accompanying statements of changes in net position. This is determined as the difference between fair value at the beginning of the year (or date purchased during the year) and selling price or year end fair value.

e. Tax Status

The IRS has determined and informed the Board by a letter dated May 24, 2012, that the SRSP and related trust are designed in accordance with applicable sections of the IRC for amendments through September 27, 2011. The SRSP has been amended since receiving the determination letter. The Board and the SRSP tax counsel believe that the SRSP with subsequent amendments is currently designed and operating in compliance with applicable requirements of the IRC.

Note 3 - Investments

The following table lists the investment options available to participants and the value of each option at December 31, 2013 and 2012 (amounts are expressed in thousands):

	2013	2012
American Funds Washington Mutual	6,643	$5,027
Baron Growth	1,941	1,268
Cohen & Streers Institutional Global Realty	264	114
Domini Social Equity	398	361
Dreyfus Cash Management	212	189
Galliard Retirement Income	12,433	12,963
Harbor International	5,149	4,054
Perkins Small Cap Value	3,331	2,594
Pimco High Yield	1,176	841
Pimco Total Return	4,258	3,954
T. Rowe Price Growth Stock	5,024	3,780
Vanguard 500 Index Signal	—	3,964
Vanguard Institutional Index Fund	1,261	—
Vanguard Inflation Protected Bond	5,476	1,829
Vanguard Mid Cap Index	6,935	5,303
Vanguard Target Retirement 2010	31	2
Vanguard Target Retirement 2015	2,604	2,238
Vanguard Target Retirement 2020	407	295
Vanguard Target Retirement 2025	5,349	4,158
Vanguard Target Retirement 2030	36	3
Vanguard Target Retirement 2035	2,973	1,831
Vanguard Target Retirement 2040	351	61
Vanguard Target Retirement 2045	2,659	2,019
Vanguard Target Retirement 2050	13	5
Vanguard Target Retirement 2055	376	190
Vanguard Target Retirement 2060	223	144
Vanguard Target Retirement Income	468	412
Total Investments	$69,991	$57,599

During 2013 and 2012, the net investment income (including gains and losses on investments bought and sold, as well as income received on investments during the year) was approximately $10.8 million and $5.5 million, respectively.

Note 4 - Administrative Expenses

The majority of investment options available to participants in the SRSP are registered mutual funds. The dollar amount of fees paid by the SRSP for investment management and administrative services on these funds is not separately disclosed. The current recordkeeper, Great West, assesses 0.0225% of the value of participant account balances as of the last day of each calendar quarter for recordkeeping and communication services to the SRSP. Effective April 2, 2012, most investment options were converted to the lowest cost share class, which nearly eliminated the revenue sharing used to offset Great West administration fees. The assessed recordkeeping and communication fee for the preceding quarter is now being deducted directly from each participant's account in January, April, July and October. Three funds which continue revenue sharing arrangements with Great West (T. Rowe Price Growth Stock Fund, Baron

Growth Institutional and Cohen & Steers Institutional Global Realty) are excluded from this new fee arrangement. Any revenue from revenue sharing is calculated quarterly and deposited in an unallocated SRSP account. The unallocated account is also used to accumulate any recordkeeping and communication fees withdrawn from Participant accounts, any fund credits received and any income received on excess balances. Excesses and shortages in the unallocated account are disbursed to the SRSP participants at year end at the discretion of the Board. In 2013 and 2012, total disbursements to participants at year end were $8,500 and $19,300, respectively.

The assessed recordkeeping and communication fee for 2013 totaled $58,700. Revenue sharing from 12(b) (1) fees reported by Great West for the same period was $9,500 and participant wrap fees totaled $52,900. The assessed recordkeeping and communication fee for 2012 totaled $49,700. Revenue sharing from 12(b) (1) fees reported by Great West for the same period was $17,800 and participant wrap fees collected totaled $26,900.

Note 5 - Participant Investment Advisory Fees

In 2011, the Plan Sponsor's authorized investment advisory services for Plan participants. The participants may use an online investment advice tool or they can choose to have their account managed as an ancillary service available through the Plan administrator. Participants who choose to use the online investment advice tool pay an annual fee assessed quarterly. Participants choosing to have their account managed pay an annual tiered fee, assessed quarterly, based on the participant's account balance. In 2013 and 2012, total participant investment advisory fees paid were $10,900 and $3,900, respectively.

Note 6 - Risks and Uncertainties

a. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the SRSP will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the SRSP, and are held by either the counterparty or the counterparty's trust department or agent but not in the SRSP name.

The SRSP investments are evidenced by mutual fund shares and commingled fund units. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, investments in mutual funds should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book entry form. The SRSP investment is the mutual fund share and commingled fund unit, not the underlying security. Additionally, investments in open end mutual funds are not subject to custodial credit risk disclosures.

b. Concentration Risk

Concentration risk is the credit risk of loss attributed to the magnitude of an investment in a single issuer. If 5% or more of the total assets of the SRSP are invested with one issuer then the investment is considered to have concentration risk. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from concentration of credit risk requirements. The SRSP investment options are all diversified mutual funds and one commingled fund and are not subject to and therefore do not have concentration risk.

c. Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The SRSP investment policy does not specifically address the quality rating of the investments. Each participant is responsible for determining the risks and commensurate returns of their portfolio. The SRSP investment options are all diversified mutual funds and one commingled fund and therefore do not have credit risk. The mutual funds and commingled fund have not been rated by any nationally recognized rating agency (Moody's, Fitch and Standard & Poor's rating agencies).

d. Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Some of the mutual funds held by the SRSP invest in debt instruments that are subject to interest rate risk. The schedule presented below provides an indication of the interest rate risk associated with the funds holding debt obligations as of the most recent information available:

Schedule of maturity, duration and credit quality

	Average effective maturity	Average effective duration	Average credit quality
Target Date Funds:			
Vanguard Target Retirement 2010	6.63	5.11	AA
Vanguard Target Retirement 2015	7.02	5.35	AA
Vanguard Target Retirement 2020	7.56	5.68	AA
Vanguard Target Retirement 2025	7.56	5.68	AA
Vanguard Target Retirement 2030	7.56	5.68	AA
Vanguard Target Retirement 2035	7.56	5.67	AA
Vanguard Target Retirement 2040	7.56	5.68	AA
Vanguard Target Retirement 2045	7.56	5.68	AA
Vanguard Target Retirement 2050	7.56	5.68	AA
Vanguard Target Retirement 2055	7.56	5.69	AA
Vanguard Target Retirement 2060	7.56	5.69	AA
Vanguard Target Retirement Income	6.49	5.03	AA
Fixed Income Mutual Funds:			
PIMCO High Yield	3.54	4.95	NR
PIMCO Total Return	5.15	4.42	NR
Vanguard Inflation Protected	8.20	7.58	AAA

NR means the credit quality was either not rated or not available

e. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The SRSP diversified selection of mutual funds encourages the participants to employ diversification, asset allocation, and quality strategies to minimize risks.

Each participant is responsible for determining the risks and commensurate returns of their portfolio.

The SRSP exposure to foreign currency risk measured by fund allocation to foreign securities as of the most recent information available is summarized in the table below (amounts are expressed in thousands):

Schedule of assets invested in foreign securities

		Dollar allocation invested in foreign securities	Percentage of fund invested in foreign securities
American Funds Washington Mutual	$	445	6.7%
Baron Growth		103	5.3
Cohen & Steers Global Realty		134	50.5
Domini Social Equity		24	6.1
Harbor International		4,994	97.0
Perkins Small Cap Value		83	2.5
PIMCO High Yield		186	15.8
PIMCO Total Return		341	8.0
T. Rowe Price Growth Stock Fund		246	4.9
Vanguard Institutional Index Fund		104	1.9
Vanguard Mid Cap Index		201	2.9
Vanguard Target Retirement 2010		9	28.6
Vanguard Target Retirement 2015		745	28.6
Vanguard Target Retirement 2020		116	28.6
Vanguard Target Retirement 2025		1,530	28.6
Vanguard Target Retirement 2030		10	28.5
Vanguard Target Retirement 2035		853	28.7
Vanguard Target Retirement 2040		100	28.5
Vanguard Target Retirement 2045		758	28.5
Vanguard Target Retirement 2050		4	28.5
Vanguard Target Retirement 2055		106	28.1
Vanguard Target Retirement 2060		63	28.1
Vanguard Target Retirement Income		134	28.6
Total	$	11,289	

Note 7 - SRSP Amendments

Effective June 12, 2013, the SRSP was amended to provide a mechanism whereby the employer may make discretionary contributions to a qualified participant's account. The Board may decide the amount of contributions to the qualified participant's account annually, based upon annual performance evaluations, subject to annual contribution limits announced by the IRS.

The SRSP was amended on June 27, 2012 effective January 1, 2012 to adopt certain technical amendments pursuant to the IRS determination letter dated May 4, 2012, to accommodate the new methods of paying plan administration fees from participant accounts and to reflect recent changes to Denver Water Personnel Policies.

C. DENVER WATER 457 DEFERRED COMPENSATION PLAN

1. Independent Auditor's Report

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

Independent Auditors' Report

The Board of Water Commissioners, City and County of Denver, Colorado
Denver Water 457 Deferred Compensation:

We have audited the accompanying statements of net position and statements of changes in net position of Denver Water 457 Deferred Compensation Plan (Plan) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Denver Water 457 Deferred Compensation Plan as of December 31, 2013 and 2012, and the changes in financial position for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 7 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.

KPMG LLP

Denver, Colorado
April 3, 2014

2. Management's Discussion and Analysis (Unaudited)

This is an analysis and overview of the financial activities of the Denver Water 457 Deferred Compensation Plan (Plan) for the years ended December 31, 2013 and 2012. This information should be read in conjunction with the Plan financial statements and notes which follow.

Financial Highlights

As of December 31, 2013 and 2012 respectively, $30.3 million and $26.8 million were held in trust for the payment of benefits to the Plan participants.

Total net position increased $3.5 million, or 13.2% in 2013. This compares with an increase in 2012 of $2.0 million or 8.1%. The increase in 2013 was due to appreciation in the fair value of investments, an increase in participant contributions and an increase in participant rollovers. The increase in net position in 2012 was due to a combination of the appreciation in the fair value of investments, a decrease in benefit payments, and an increase in participant contributions.

In 2013, the Plan had net investment income of $3.9 million compared to $2.3 million in 2012. Participant contributions were approximately $1.8 million in 2013 and $1.7 million in 2012.

Deductions from net position totaled $2.4 million in 2013 and $2.0 million for 2012 and were primarily for benefit payments to participants.

The Plan is a deferred compensation plan and its primary purpose is to attract and retain qualified personnel by permitting eligible employees to defer a portion of their current income for their retirement. At December 31, 2013 there were 310 participating employees in the Plan which constituted 30.6% of all eligible Denver Water employees. This compares to 300 participating employees in the Plan which constituted 29.0% of all eligible employees in 2012. There were 1,013 employees eligible for the Plan as of December 31, 2013 compared to 1,036 as of December 31, 2012.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements which follow. The statements include:

1. Statements of Net Position
2. Statements of Changes in Net Position
3. Notes to Financial Statements

The Statements of Net Position present the Plan's assets, liabilities and net position as of December 31, 2013 and 2012. *The Statements of Changes in Net position* show the additions to and deductions from Plan net position during 2013 and 2012.

The above financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis–for State and Local Governments*, and all other applicable GASB pronouncements including GASB Statement No. 50, *Pension Disclosures*, which amends certain provisions of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement requires the reporting of deferred inflows and deferred outflows of resources in separate sections of the Statement of Net Position, which was renamed from Statement of Net Assets. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental entities. The Plan's financial statements comply with all material requirements of these pronouncements.

These financial statements provide a snapshot of the Plan's assets and liabilities as of December 31 and the activities which occurred during the years presented. Both financial statements were prepared using the accrual basis of accounting as required by GASB. All investment activities have been reported based on trade dates and have been valued based on independent outside sources.

The Notes to Financial Statements provide additional information which is essential to have a full understanding of the basic financial statements.

Financial Analysis

With the purpose of enabling the employees to defer income for their retirement, the Board of Water Commissioners (the Board) has identified the following objectives for the Plan administration: to offer investment options having diverse risk and return expectations; to undertake all transactions solely in the interest of the participants and beneficiaries; to maintain flexibility in meeting the future needs of the participants; to enable participants to exercise investment control; to allow participants to maximize return within reasonable and prudent levels of risk by selecting from the investment options offered; to include investment options that have reasonable investment management costs; monitor administration costs to ensure they remain reasonable and to arrange for investment education to be available to the participants.

The Board has engaged Great West Retirement Services to provide recordkeeping and communication services for the Plan. The Board engages investment experts to monitor and recommend changes in the investment options included in the Plan.

As of December 31, the Plan's net assets were:

Net Position

(amounts expressed in thousands)

	as of December 31,			2013-2012		2012-2011	
				Increase	%	Increase	%
	2013	2012	2011	(Decrease)	Change	(Decrease)	Change
Mutual funds	20,397	$16,539	$13,642	3,858	23.3 %	2,897	21.2%
Commingled fund	9,686	10,039	11,099	(353)	(3.5) %	(1,060)	(9.6)%
Money market fund	122	159	15	(37)	(23.3) %	144	960.0
Total investments	30,205	26,737	24,756	3,468	13.0 %	1,981	8.0%
Receivables:							
Contributions	126	61	51	65	106.6 %	10	19.6%
Other receivable	9	11	5	(2)	(18.2) %	6	120.0%
Total receivables	135	72	56	63	87.5 %	16	28.6%
Total assets	30,340	26,809	24,812	3,531	13.2 %	1,997	8.0%
Total liabilities	7	6	6	1	16.7 %	-	-
Plan net assets	30,333	26,803	$24,806	3,530	13.2 %	1.997	8.1%

Plan Activities

Net position increased in 2013, primarily due to the increase in fair market value of investments. The total increase in Plan net position was $3.5 million or 13.2%. In 2012, Plan net position increased by $2.0 million or 8.1%, as compared to 2011. Key drivers of the net position changes are discussed below.

Additions

The moneys used to pay benefits are accumulated from the contributions made by each participant and from income generated from the participants' investments including investment appreciation, interest and dividends. Earnings on investments are reported net of investment management expenses. Investment income net of investment manager fees during 2013 was $3.9 million as compared to $2.3 million in 2012.

Additions to Net Position

(amounts expressed in thousands)

	Years ended December 31,			2013-2012		2012-2011	
				Increase	%	Increase	%
	2013	2012	2011	(Decrease)	Change	(Decrease)	Change
Participant contributions	$1,840	$1,708	$1,581	132	7.7 %	127	8.0%
Employer contributions	23	-	-	23	100.0 %	-	-
Participant rollovers	110	12	2	98	816.7 %	10	500.0%
Investment income (net)	3,937	2,268	252	1,679	74.4 %	2,006	796.0%
Total additions	$5,910	$3,978	$1,835	1,932	48.6 %	2,143	116.8%

Deductions

Benefits paid to participants of $2.3 million in 2013 and $2.0 million in 2012 represent the majority of the deductions from the Plan. Benefits paid to participants were 20.1% more in 2013 compared to 2012 and 34.5% less in 2012 compared to 2011. The change in the amount of benefits paid to participants from year to year is attributed to the number of participants choosing to take lump sum distributions at retirement in any one year and to changes in the number of participants receiving benefits in the Plan.

Administrative expenses for 2013 and 2012 were $25,900 and $23,500, respectively. Administrative fees are calculated based upon a percentage of the fair value of investments. The increase in administrative expenses is due to an overall increase in fair market values of the investments. In 2013, participant investment advisory fees were $3,200 as compared to $1,200 in 2012. Please refer to note 4 of the financial statements for information regarding administrative expenses.

Deductions from Net Position

(amounts expressed in thousands)

	Years ended December 31,			2013-2012		2012-2011	
	2013	2012	2011	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Benefits paid to participants	$2,349	$1,956	$2,988	393	20.1 %	(1,032)	(34.5)%
Administrative expenses	26,	25	23	2	8.3 %	1	4.3%
Participant investment advisory fees	3	1	-	2	200.0 %	1	-
Total deductions	$2,378	$1,981	$3,011	397	20.0 %	(1,030)	(34.2)%

Requests for Information

This discussion and analysis is designed to provide a general overview of the net position and changes in net position as of December 31, 2013 and 2012 and for the years then ended. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Treasurer
Denver Water
1600 W. 12th Ave.
Denver, CO 80204

3. Basic Financial Statements

a) Statements of Net Position

	December 31, 2013	December 31, 2012
Assets		
Investments, at fair value		
Mutual funds	$20,397,300	$16,538,700
Commingled fund	9,685,800	10,039,400
Money market fund	122,000	158,900
Total investments	30,205,100	26,737,000
Receivables		
Participant contributions	126,200	61,200
Other receivable	9,300	10,700
Total receivables	135,500	71,900
Total assets	30,340,600	26,808,900
Liabilities		
Accrued administrative expense	6,800	6,000
Net position	$30,333,8000	$26,802,900

See accompanying notes to financial statements.

b) Statements of Changes in Net Position

	Years Ended December 31, 2013	2012
Additions		
Investment income		
Net appreciation in fair value of investments	$3,463,100	$1,771,600
Dividends	461,000	478,900
Miscellaneous income	12,600	7,300
Net investment income	3,936,700	2,257,800
Contributions		
Participant contributions	1,839,600	1,707,900
Employer discretionary contributions	23,000	—
Participant rollovers	110,200	12,200
Total contributions	1,972,800	1,720,100
Total additions	5,909,500	3,977,900
Deductions		
Benefits paid to participants	2,349,500	1,956,500
Administrative expenses	25,900	23,500
Participant investment advisory fees	3,200	1,200
Total deductions	2,378,600	1,981,200
Net Increase	3,530,900	1,996,700
Net Position		
Beginning of year	26,802,900	24,806,200
End of year	$30,333,800	$26,802,900

See accompanying notes to financial statements.

4. Notes to the Financial Statements

Note 1- Plan Description

The Denver Board of Water Commissioners, City and County of Denver, Colorado (Board) operates a water utility created by the Charter of the City and County of Denver. In 1987, the Board initiated a deferred compensation plan and adopted the Conference of Mayors' 457 Plan. The termination of the administrator of the Plan in December of 2000 required the Board to adopt a new plan. In January 2001, the Board adopted the Denver Water 457 Deferred Compensation Plan (Plan). All of the investments in the old Plan were sold and the proceeds were used to purchase like kind investments in the new Plan.

The following description of the Plan provides general information. Participants and others should refer to the Plan document for a more complete description of the Plan provisions.

a. General

The Plan is a deferred compensation plan covering all regular and discretionary employees of the Board who have completed the required introductory period. The Plan's primary purpose is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death.

The Plan is exempt from compliance with the Employee Retirement Income Security Act of 1974, as amended, as it is a governmental plan.

b. Contributions

Each year a participant may defer up to an annual maximum amount as codified by the Internal Revenue Service. The Plan will accept transfers, pursuant to Section 457 of the Internal Revenue Code (Code), of amounts deferred by an individual under another eligible deferred compensation plan. Participants direct the investment of their contributions into various investment options offered by the Plan. At December 31, 2012, the Plan offered twenty three mutual fund investment options and one commingled fund. Comparatively, the Plan offered twenty mutual fund investment options and one comingled fund at December 31, 2011.

c. Participant Accounts

Each participant's account reflects the cumulative amount of each participant's deferred compensation and employer discretionary contribution (if any), including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's deferred compensation and employer discretionary contribution (if any), and further reflects any distributions to the participant or his or her beneficiary and any fees or expenses charged against the participant's account. The amount of the discretionary contribution, if any, for a Plan year is determined by the employer, and subject to Treasury Regulations under IRS Code §415 and 401(a)(17).

d. Vesting

A participant's interest in his/her participant contributions is always fully vested and nonforfeitable. The qualifying participant's interest in his/her discretionary contributions become fully vested upon completing seven years of service, the qualifying participant attaining the age of 65 while employed by the employer, by termination due to the qualifying participant's death or disability, by termination of employment due to serious health conditions of the qualifying participants spouse and by termination by the employer for reasons other than serious cause.

In the event of forfeitures due to termination of the qualifying participant prior to vesting the nonvested portion of the qualifying participant's discretionary employer contribution account will be used to pay Plan administrative expenses. Any excess, after paying Plan administrative expenses, will be allocated to participant accounts as employer contributions on the last day of the Plan year during the year of the forfeiture.

e. Participant Loans

The Plan does not permit participant loans.

f. Payment of Benefits

On termination of service, a participant with a balance of $1,000 or less will have the amount distributed in a lump sum as soon as feasibly possible. A participant whose account is greater than $1,000 may elect to receive either a lump sum amount equal to the value of the participant's interest in his or her account, or leave the balance in the Plan. Distributions from balances left in the Plan must begin no later than age 70½. When balances are paid, participants will receive payment under various payment options defined by the Plan. Upon the death of a participant, a death benefit equal to the value of the participant's account shall be payable to a designated beneficiary. The beneficiary may select from various payment options defined by the Plan.

g. Recordkeeping, Custody and Management of Assets

The Board approved a five year contract with Great West Retirement Services (Great West) to provide recordkeeping and communication services to the Plan through December 29, 2015. Trust services are provided by Orchard Trust Company, LLC through a separate contract with the Board. Fees for the trust services are paid by the participants. Assets allocated to the various funds are managed by investment professionals hired by the fund.

h. Plan Termination

Though it has not expressed any intent to do so, the Board has the right under the Plan to terminate the Plan at any time with respect to any or all participants by resolution of the Board.

Note 2 - Summary of Significant Accounting Policies

a. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

b. Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined contribution plans. Contributions are recognized when earned without regard to the date of actual collection. Expenses are recognized when due and payable. Benefit payments and refunds are recognized upon distribution. Certain prior year amounts have been re classified to conform with the current year presentation.

c. Investment Valuation

The Plan investments in mutual funds (including a money market fund) and one commingled fund are reported at fair value, which is based on the net asset value (NAV) of shares/units held at year end. The NAV is used as a practical expedient to fair value. This computation of NAV is performed by the fund company and is reported daily to Great West.

d. Income Recognition

Purchases and sales are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex dividend date. Net realized and unrealized gains and losses are reflected as net appreciation or depreciation in fair value of investments in the accompanying statements of changes in net position. This is determined as the difference between fair value at the beginning of the year (or date purchased during the year) and selling price or year end fair value.

e. Tax Status

The Plan is intended to be an eligible deferred compensation plan under Section 457(b) of the Code. The Board and the Plan's tax counsel believe that the Plan is currently designed and operating in compliance with the applicable requirements of the Code.

Note 3 - Investments

The following table lists the investment options available to participants and the value of each option at December 31, 2013 and 2012 (amounts are expressed in thousands).

	2013	2012
American Funds Washington Mutual	$1,667	$1,307
Baron Growth	546	359
Cohen & Steers Institutional Global Realty	131	97
Domini Social Equity	766	632
Dreyfus Cash Management	122	159
Galliard Retirement Income	9,685	10,039
Harbor International	1,678	1,361
Perkins Small Cap Value	1,111	953
Pimco High Yield	526	506
Pimco Total Return	2,152	2,084
Schwab Stable Value Fund	3,363	-
T. Rowe Price Growth Stock	—	2,511
Vanguard 500 Index Signal	440	1,644
Vanguard Inflation Protected Bond	2,307	806
Vanguard 500 Index Signal	1,657	-
Vanguard Mid Cap Index	50	1,338
Vanguard Target Retirement 2015	1,022	928
Vanguard Target Retirement 2020	139	142
Vanguard Target Retirement 2025	1,198	674

Vanguard Target Retirement 2030	21	1
Vanguard Target Retirement 2035	481	330
Vanguard Target Retirement 2040	22	11
Vanguard Target Retirement 2045	667	488
Vanguard Target Retirement 2055	7	8
Vanguard Target Retirement 2060	172	122
Vanguard Target Retirement Income	275	237
Total Investments	$30,205	$26,737

During 2013 and 2012, the Plan investments (including gains and losses on investments bought and sold, as well as income received on investments held during the year) generated investment income of approximately $3.9 and $2.3 million, respectively.

Note 4 - Administrative Expense

The majority of investment options available to participants in the Plan are registered mutual funds. The dollar amount of fees paid by the Plan for investment management and administrative services on these funds is not separately disclosed. The current recordkeeper, Great West, assesses 0.0225% of the value of participant account balances as of the last day of each calendar quarter for recordkeeping and communication services to the Plan. Effective April 2, 2012, most investment options were converted to the lowest cost share class, which nearly eliminated the revenue sharing used to offset Great West administration fees. The assessed recordkeeping and communication fee for the preceding quarter is now being deducted directly from each participant's account in January, April, July and October. Three funds which continue revenue sharing arrangements with Great West (T. Rowe Price Growth Stock Fund, Baron Growth Institutional and Cohen & Steers Institutional Global Realty) are excluded from this new fee arrangement. Any revenue from revenue sharing is calculated quarterly and deposited in an unallocated Plan account. The unallocated account is also used to accumulate any recordkeeping and communication fees withdrawn from Participant accounts, any fund credits received and any income received on excess balances. Excesses and shortages in the unallocated account are disbursed to the Plan participants at year end at the discretion of the Board. In 2013 and 2012, total disbursements to participants at year end were $9,300 and $10,700, respectively.

The assessed recordkeeping and communication fee for 2013 totaled $25,900. Revenue sharing from 12(b) (1) fees reported by Great West for the same period was $5,300 and participant wrap fees collected totaled $22,600. The assessed recordkeeping and communication fee for 2012 totaled $23,500. Revenue sharing from 12(b) (1) fees reported by Great West for the same period was $8,400 and participant wrap fees collected totaled $21,800.

Note 5 - Participant Investment Advisory Fees

In 2011, the Plan Sponsor's authorized investment advisory services for Plan participants. The participants may use an online investment advice tool or they can choose to have their account managed as an ancillary service available through the Plan administrator. Participants who choose to use the online investment advice tool pay an annual fee assessed quarterly. Participants choosing to have their account managed pay an annual tiered fee, assessed quarterly, based on the participant's account balance. In 2013 and 2012, total participant investment advisory fees paid were $3,200 and $1,200, respectively.

Note 6 - Risks and Uncertainties

a. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

The Plan investments are evidenced by mutual fund shares and commingled fund units. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, investments in these funds should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book entry form. The Plan's investment is the mutual fund share or the commingled fund unit, not the underlying security. Additionally, investments in open end mutual or commingled funds are not subject to custodial credit risk disclosures.

b. Concentration Risk

Concentration risk is the credit risk of loss attributed to the magnitude of an investment in a single issuer. If 5% or more of the total assets of the Plan are invested with one issuer then the investment is considered to have concentration risk. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from concentration of credit risk requirements. The Plan investment options are all diversified mutual funds and a commingled fund and therefore do not have concentration risk.

c. Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Plan investment policy does not specifically address the quality rating of the investments. Each participant is responsible for determining the risks and commensurate returns of their portfolio. The Plan investment options are all diversified mutual funds and one commingled fund and therefore do not have credit risk. The mutual funds and commingled fund have not been rated by any nationally recognized rating agency (Moody's, Fitch and Standard & Poor's rating agencies).

d. Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Some of the mutual funds held by the Plan invest in debt instruments that are subject to interest rate risk. The schedule presented below provides an indication of the interest rate risk associated with the funds holding debt obligations as of the most recent information available:

Schedule of maturity, duration and credit quality

	Average effective maturity	Average effective duration	Average credit quality
Target date funds:			
Vanguard Target Retirement 2010	6.63	5.11	AA
Vanguard Target Retirement 2015	7.02	5.35	AA
Vanguard Target Retirement 2020	7.56	5.68	AA
Vanguard Target Retirement 2025	7.56	5.68	AA
Vanguard Target Retirement 2030	7.56	5.68	AA
Vanguard Target Retirement 2035	7.56	5.67	AA
Vanguard Target Retirement 2040	7.56	5.68	AA
Vanguard Target Retirement 2045	7.56	5.68	AA
Vanguard Target Retirement 2055	7.56	5.69	AA
Vanguard Target Retirement 2060	7.56	5.69	AA
Vanguard Target Retirement Income	6.49	5.03	AA
Fixed income mutual funds:			
PIMCO High Yield I	3.54	4.95	NR
PIMCO Total Return	5.15	4.42	NR
Vanguard Inflation Protected	8.20	7.58	AAA

NR means the credit quality was either not rated or not available

e. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan's diversified selection of funds encourages the participants to employ diversification, asset allocation, and quality strategies to minimize risks. Each participant is responsible for determining the risks and commensurate returns of their portfolio.

The Plan exposure to foreign currency risk is measured by fund allocation to foreign securities as of the most recent information available is summarized in the table (amounts are expressed in thousands).

Schedule of assets invested in foreign securities

		Dollar allocation invested in foreign securities	Percentage of portfolio invested in foreign securities
American Funds Washington Mutual	$	112	6.7%
Baron Growth		29	5.3
Cohen and Steers Global Realty		66	50.5
Domini Social Equity		47	6.1
Harbor International		1,628	97.0
Perkins Small Cap Value		28	2.5
PIMCO High Yield		83	15.8
PIMCO Total Return		172	8.0
T. Rowe Price Growth Stock Fund		165	4.9
Vanguard Institutional Index Fund		44	1.9
Vanguard Mid Cap Index		48	2.9
Vanguard Target Retirement 2010		14	28.6
Vanguard Target Retirement 2015		292	28.6
Vanguard Target Retirement 2020		40	28.6
Vanguard Target Retirement 2025		343	28.6
Vanguard Target Retirement 2030		6	28.5
Vanguard Target Retirement 2035		138	28.7
Vanguard Target Retirement 2040		6	28.5
Vanguard Target Retirement 2045		190	28.5
Vanguard Target Retirement 2055		2	28.1
Vanguard Target Retirement 2060		48	28.1
Vanguard Target Retirement Income		79	28.6
Total	$	3,580	

Note 7 - Plan Amendments

Effective June 12, 2013, the Plan was amended to provide a mechanism whereby the employer may make discretionary contributions to a qualified participant's account. The Board may decide the amount of contributions to the qualified participant's account annually, based upon annual performance evaluations, subject to annual contribution limits announced by the IRS.

III. Investment Section (Unaudited)

A. EMPLOYEES' RETIREMENT PLAN

1. Report on Investment Activity

The Northern Trust Company
50 South La Salle Street Chicago, Illinois 60603
(312) 630-6000

March 31, 2014

Plan Members, the Board of Trustees & Retirement Program Committee
Denver, Colorado

Dear Employee's Retirement Plan of the Denver Board of Water Commissioners,

This letter reviews the performance for the Denver Water Employees Retirement Plan (DWERP) for the year ended December 31, 2013.

Northern Trust calculates time-weighted performance statistics based on our accounting system's data using the BAI iterative methodology (CFA Institute accepted). Northern Trust evaluates DWERP's performance in relation to market indices, appropriate manager peer groups and other public funds of similar size.

DWERP's primary investment objective is to prudently and expertly invest assets, in accordance with government law and industry practices, in a manner that will help ensure DWERP's ability to pay promised benefits to its members and their beneficiaries. A policy benchmark is constructed that mirrors DWERP's strategic asset allocation policy. This policy benchmark is a custom index comprised of equity, fixed income, and real estate market indices weighted in the same proportions as DWERP's investment policy.

Market Environment
The U.S. equity markets remained dominant in the fourth quarter as nearly all segments achieved double-digit gains. Large Cap led equities in the quarter while Small Cap led for the full year of 2013. S&P 500 returned 10.5% while the Russell 2000 gained 8.7%**.** For the year, growth stocks fared only slightly better than their value counterparts with the Russell 1000 Growth returning 33.5% and the Russell 1000 Value adding 32.5%.

The U.S. economy recently showed signs of improving economic momentum. Real U.S. gross domestic product (GDP) grew at an annual rate of 4.1% in the third quarter, the unemployment rate declined to 6.7% in December, and inflation held below the Fed's 2.0% target. These and other details suggest an optimistic forecast for 2014, with U.S. real growth expected to be around 3.2%.

Within the fixed income markets, corporate bonds out-returned government bonds and longer dated bonds out-returned shorter dated bonds. The Barclay's Capital Aggregate index lost -2.0% for the year and the Barclay's Capital Government Credit index finished the year down -2.4%. The International equity markets trailed the U.S. equity markets during 2013. The MSCI EAFE ND index gained 22.8% for the year in U.S. dollar terms.

DWERP Performance

For the calendar year, DWERP's total fund had a time-weighted rate of return of 15.74%. **DWERP's performance trailed the median return of 16.59% vs. the TUCS Universe of Public Funds valued at $500 million or less by 0.85%.** The plan trailed its strategic policy benchmark target return of 16.03% for 2013 by 0.29%.

The policy benchmark at year end was comprised of the following indices in the percentages as follows: Russell 3000 (40%), HFR Fund of Funds Composite (8%), MSCI ACWI ex USA ND (18%), BC U.S. Aggregate (25%), and NCREIF Op-End Div Core GR NonL (9%).

Over the trailing three years ending 12/31/13, DWERP earned a 9.1% annualized return. The trailing 5-year return now stands at 11.5% and is 0.56% behind the policy target return. The 10-year trailing return is 5.9% and it trailed the benchmark slightly for this timeframe.

DWERP's U.S. equity composite gained 33.5% in 2013, just below the benchmark return of 33.6%. The 3-year return of 15.3% trailed the benchmark return of 16.2%.

DWERP's international equity investment outpaced the policy benchmark for the year. DWERP's international equity investments gained 15.5% for the year compared to 15.3% for the benchmark MSCI ACWI ex U.S.

DWERP's global equity allocation was eliminated late in 2013.
DWERP's real estate investments had a solid year returning of 13.5% for the year. The real estate benchmark return was 13.9%.

DWERP's fixed income composite struggled with a loss of -1.5% for the year. This return surpassed the BC U.S. Aggregate index return of -2.0%. Longer term results are impressive as the fixed income program leads the target index for the three and five year periods.

In summary, the portfolio slightly underperformed the total fund benchmark in 2013 and its performance ranks **near the 60th percentile of the TUCS Universe of Public Funds valued at $500 million or less. Overall it was a year dominated by exceptional Equity returns and very poor Fixed Income results.**

Sincerely,

Jim Bailey
Consultant and 2nd Vice President

The Northern Trust Company is a wholly owned subsidiary of Northern Trust Corporation, Chicago. Member FDIC. Equal Housing Lender

2. Outline of Investment Policies

Excerpted from the "Statement of Investment Objectives, Policy and Guidelines for the Investment of the Retirement Trust Fund of the Employees' Retirement Plan of Denver Board of Water Commissioners", approved by the Board on June 13, 2012 ("IPS.")

The investment objective of the Fund is to preserve the actuarial soundness of the Plan by achieving a long-term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal. The Board recognizes that the investment objective is long term in nature, and that actual year-to-year returns achieved may be above or below the actuarially-assumed rate of return.

All transactions that utilize assets of the Fund will be undertaken for the sole benefit of the Fund. The assets will be invested in a manner consistent with the Plan Document and any Federal, State, or Internal Revenue Service laws or regulations. The Fund's assets will be managed with that degree of care, prudence and diligence that a prudent person, acting in a like capacity and familiar with such matters, would use in a similar situation. Investment decisions with respect to individual assets should be evaluated not in isolation but in the context of the entire portfolio and as part of an overall investment strategy having risk and return objectives reasonably suited to the Fund.

The Board, in its capacity as Trustee to the Plan, is a fiduciary of the Fund. The Board may, from time to time, delegate some of its Trustee duties. All persons or entities to which duties are delegated will have the same fiduciary duty to the Trust and will follow the Prudent Conduct requirements of the Plan Document.

The asset allocation strategy is designed to reflect, and be consistent with, the long-term investment objective expressed in this Statement. In order to achieve this objective, various asset classes and investment manager styles are selected to create a broadly diversified portfolio. Both the actuarial return assumption and the asset allocation strategy will change through time to reflect current investment objectives and market conditions. The asset allocation strategy is outlined in the appendix to the IPS. The long-term allocation ranges are as follows: equities: 35-70%, fixed income: 20-50%, alternatives: 5-30%. Although there is no specific allocation to cash, the Board recognizes that it is necessary to hold a portion of the Fund as immediately available funds to pay scheduled and unscheduled benefits and administrative expenses. The appropriate level of cash reserves will depend upon anticipated liquidity needs as determined by the Director of Finance on an ongoing basis.

Investment managers are given full discretionary authority over the management of their assigned investment portfolio, subject to the Fiduciary Standard stated above and any other policies and guidelines within this Policy and within other agreed upon guidelines. This full discretion is designed to allow each retained investment manager to fully implement their investment philosophy, as long as it is consistent with their stated investment strategy and management style. Active investment managers are expected to outperform the designated passive index, and rank above median within a peer universe of active investment managers over rolling three-to-five year periods. Passive products are expected to produce returns that have minimal tracking error to their target index returns.

The Board has delegated implementation of this Statement to the full time staff member occupying the position of the Director of Finance under the general supervision of the Manager.

The Director of Finance is directed to review this Statement, at a minimum, annually with the investment consultant and the Retirement Program Committee for continued appropriateness, and to recommend changes to the Manager and the Board when appropriate.

As a supplement to the IPS, the Operating Procedure document created and maintained by the Treasury section since October 2009, is intended to provide the operating instructions to the investment professionals at Denver Water responsible for oversight and day-to-day management of the Fund. The Procedure defines the risk and returns objectives of the Fund, expands on the underlying principles of the Board in the management of the Fund, describes the approved categories of investments and asset mix guidelines, provides guidance for the prudent and effective management of the Fund including constraints, and establishes the process for hiring and monitoring investment managers.

3. Schedule of Investment Managers

Manager	Strategy/Product	Vehicle	Date funded
Domestic Equity Managers			
Winslow Capital Management, Inc	Winslow Large Cap Growth Fund	Commingled fund	since 08/2011
Pyramis Global Advisors	Small/Mid Cap Core	Commingled fund	since 07/2011
Northern Trust Investments, N.A.	NTGI-QM Collective Daily S&P 500 Equity Index Fund	Commingled fund	since 07/2006
Vanguard Group, Inc	Vanguard Dividend Growth Fund (VDIGX)	Mutual fund	since 02/2012
Advisory Research, Inc.[1]	Master Limited Partnership	Separately managed account	since 01/2012
International Equity Managers			
Harding Loevner Funds, Inc.	International Equity Portfolio (HLMIX)	Institutional mutual fund	since 08/2011
Dimensional Fund Advisors LP	World ex U.S. Value Portfolio (DFWVX)	Institutional mutual fund	since 02/2008
Fixed Income Managers			
Denver Investment Advisors, LLC	U.S. Fixed income - Core	Separately managed account	hired before 1978
Pacific Investment Management Company LLC	PIMCO Total Return Institutional Fund (PTTRX)	Institutional mutual fund	since 06/2009
Pacific Investment Management Company LLC	PIMCO Unconstrained Bond Fund	Institutional mutual fund	Since 07/2013
Babson Capital Management LLC	Senior Secured Loans	Commingled Fund	Since 08/2013
Hedge Fund-of-Funds			
BlackRock Alternative Advisors	BlackRock Appreciation IV	Commingled fund	since 03/2012
GAM Limited	GAM US Institutional Trading II	Commingled fund	since 03/2012
Real Estate Managers			
JP Morgan Investment Management, Inc.	Strategic Property Fund	Commingled fund	since 11/2005
Prudential Real Estate Investors	PRISA	Commingled fund	since 03/2006
UBS Realty Investors, LLC	Trumbull Property Fund	Commingled fund	since 05/1998
Cash and Equivalent			
Northern Trust Investments, N.A.	The Northern Trust Collective Government STIF	Commingled fund	since 1988
Managers terminated during 2013			
Lazard Asset Management LLC	Lazard Global Thematic Equity Fund	Commingled fund	Terminated 07/2013

[1]Formerly Fiduciary Asset Management Company, LLC

Fees paid to investment managers are included in the Investment Section on page III-92.

4. Schedule of Investment Results

The investment returns for the Employees' Retirement Plan are calculated by the Plan's custodian, The Northern Trust Company. Northern Trust calculates time-weighted performance statistics based on the company's accounting system's data using the BAI iterative methodology (CFA Institute accepted). Northern Trust evaluates the Plan's performance in relation to market indices, appropriate manager peer groups and other public funds of similar size. Returns are reported gross of fees, except for institutional mutual funds.

	Rates of return (%)		
		Annualized	
	1-year	3-year	5-year
Denver Board of Water	**15.74**	**9.07**	**11.51**
Denver Target Index[1]	*16.02*	*9.38*	*11.57*
Median TUCS Public Funds (<$500 Million)	*16.59*	*9.85*	*12.44*
Domestic Equity	33.48	15.31	18.41
Domestic Equity Benchmark[2]	*33.55*	*16.24*	*18.71*
International Equity	15.52	5.36	12.06
International Equity Benchmark[3]	*15.29*	*5.14*	*12.81*
Total Fixed Income	-1.53	4.33	6.50
Fixed Income Benchmark[4]	*-2.02*	*3.26*	*4.44*
Real Estate	13.50	13.20	4.09
Real Estate Benchmark[5]	*13.94*	*13.60*	*3.68*
Hedge Fund-of-Funds	4.68	-	-
HFR Fund of Funds Composite	*8.72*	-	-
Cash	0.01	0.02	0.10
90 Day T-Bill	*0.06*	*0.07*	*0.10*

Source: Northern Trust

	Rates of return (%)				
	2013	2012	2011	2010	2009
Denver Board of Water	***15.74***	***12.68***	***-0.52***	***12.23***	***18.42***
Denver Target Index[1]	*16.02*	*12.05*	*0.67*	*12.52*	*17.42*
Median TUCS Public Funds (<$500 Million)	*16.59*	*12.35*	*1.09*	*12.66*	*20.15*
Domestic Equity	33.47	15.33	-1.83	17.90	28.81
Domestic Equity Benchmark[2]	*33.55*	*16.42*	*1.03*	*16.93*	*28.34*
Global Equity	-	13.86	-7.08	9.55	-
MSCI ACWI ND	-	*16.13*	*-7.35*	*12.67*	*34.63*
International Equity	15.52	19.06	-14.95	11.17	35.87
International Equity Benchmark[3]	*15.29*	*16.83*	*-13.71*	*11.15*	*33.77*
Total Fixed Income	-1.53	7.91	6.86	8.41	11.28
Fixed Income Benchmark[4]	*-2.02*	*4.21*	*7.84*	*6.54*	*4.68*
Real Estate	13.50	11.76	14.36	16.18	-27.49
Real Estate Benchmark[5]	*13.94*	*10.94*	*15.98*	*16.36*	*-29.76*
Hedge Fund-of-Funds	4.68	-	-	-	-
HFR Fund of Funds Composite	*8.79*	-	-	-	-
Cash	0.01	0.03	0.02	0.11	0.34
90 Day T-Bill	*0.06*	*0.09*	*0.07*	*0.14*	*0.15*

Source: Northern Trust

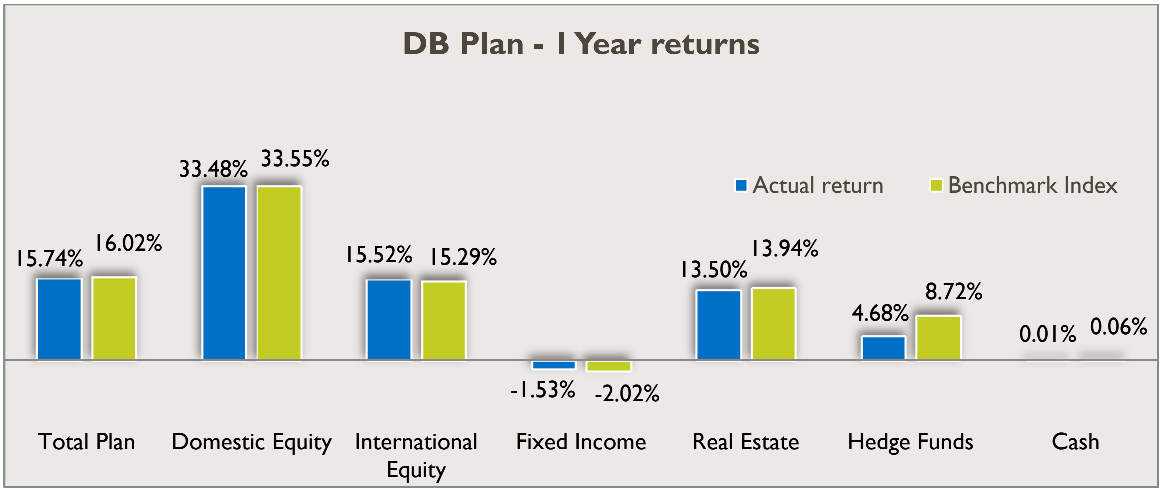
[1] Denver Target Index is a combination of current segment benchmark indices, weighted at the target asset allocations.

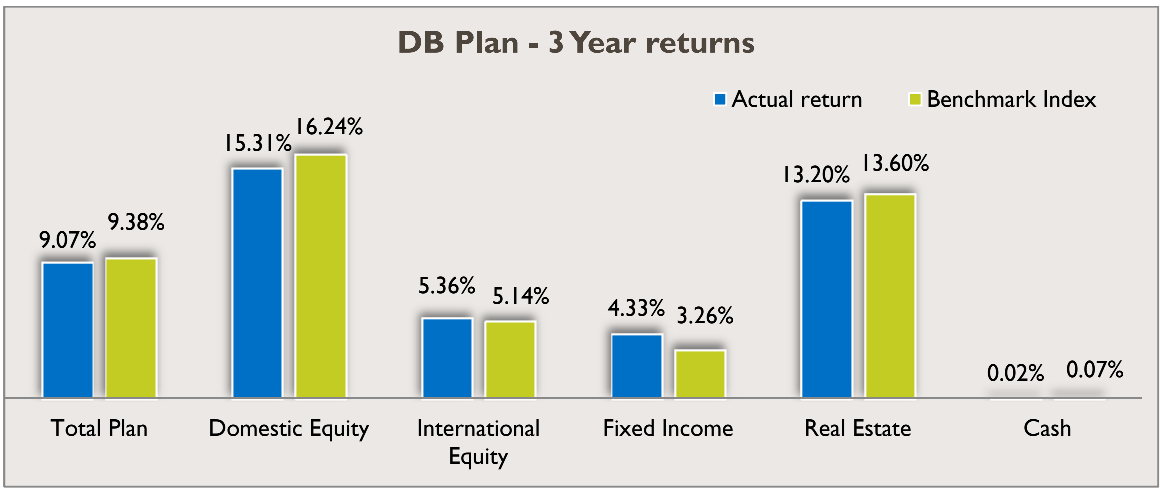
[2] Domestic Equity Benchmark is a custom blend of S&P 500 index performance from inception until 06/30/2006. From 06/30/2006 forward, the Russell 3000 index is used.

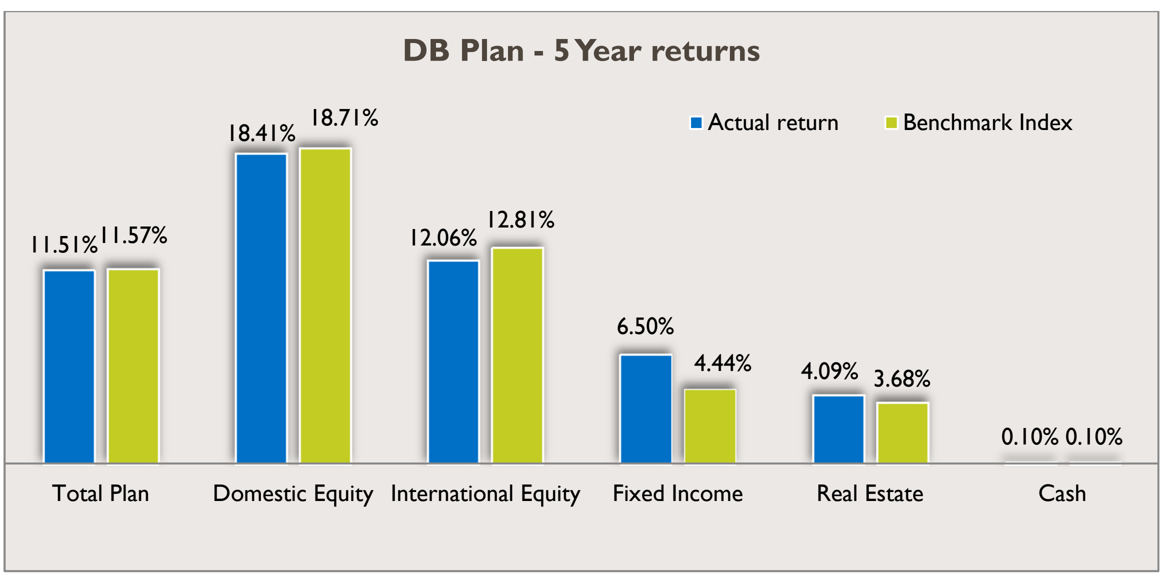
[3] International Equity Benchmark is a custom blend of MSCI EAFE ND index performance from inception until 10/30/2009. From 10/30/2009 forward, MSCI All Country World ex-US ND index is used.

[4] Fixed Income Benchmark is a custom blend BC US Agg Govt/Credit index performance from inception until 10/30/2009. From 10/30/2009 forward, BC Aggregate Bond Index is used.
[5] Real Estate Benchmark is a custom blend of NCREIF NPI Index performance from inception until 06/30/2008. From 10/30/2009 forward, NFI ODCE Gross of Fee Index is used.

Current benchmark indices for all asset classes and individual managers are outlined in the Operating Procedure for the DB Plan.


DB Plan - 1 Year returns
Actual return
Benchmark Index
15.74%
16.02%
33.48%
33.55%
15.52%
15.29%
-1.53%
-2.02%
13.50%
13.94%
4.68%
8.72%
0.01%
0.06%
Total Plan
Domestic Equity
International Equity
Fixed Income
Real Estate
Hedge Funds
Cash


DB Plan - 3 Year returns
Actual return
Benchmark Index
9.07%
9.38%
15.31%
16.24%
5.36%
5.14%
4.33%
3.26%
13.20%
13.60%
0.02%
0.07%
Total Plan
Domestic Equity
International Equity
Fixed Income
Real Estate
Cash


DB Plan - 5 Year returns
Actual return
Benchmark Index
11.51%
11.57%
18.41%
18.71%
12.06%
12.81%
6.50%
4.44%
4.09%
3.68%
0.10%
0.10%
Total Plan
Domestic Equity
International Equity
Fixed Income
Real Estate
Cash

5. Asset Allocation

	Market Value As of 12/31/2013	% of Portfolio	Long Term Asset Allocation Ranges[4]	Target Allocation[5]
Equities	**175,532,590**	**60.5%**	**35-70%**	**58.0%**
Domestic Equity	122,099,312	42.1%		40.0%
Advisory Research MLP[1]	*14,870,575*	*5.1%*		*5.0%*
Winslow Large Cap Growth	*21,255,881*	*7.35*		*6.5%*
Pyramis SMID	*15,878,509*	*5.5%*		*5.0%*
Vanguard Dividend Growth	*15,213,182*	*5.2%*		*5.0%*
NTGI S&P 500	*54,881,164*	*18.9%*		*18.5%*
International Equity	53,433,278	18.4%		18.0%
Harding Loevner International Equity Portfolio	*26,661,828*	*9.2%*		*9.0%*
DFA World ex US Value Fund	*26,771,449*	*9.2%*		*9.0%*
Fixed Income	**64,742,492**	**22.3%**	**20-50%**	**25%**
Total Fixed Income	64,742,492	22.3%		25%
Denver Inv Advisors	18,987,109	6.5%		7.5%
PIMCO Total Return Fund	17,783,367	6.1%		7.5%
PIMCO Unconstrained Bond Fund	13,831,440	4.8%		5.0%
Babson Capital Floating Rate Income Fund	14,140,576	4.9%		5.0%
Alternatives	**46,643,617**	**16.1%**	**5-30%**	**17.0%**
Real Estate	25,193,029	8.7%		9.0%
JP Morgan SPF	*8,073,374*	*2.8%*		*3.0%*
Prudential PRISA I	*7,984,568*	*2.8%*		*3.0%*
UBS TPF	*9,135,087*	*3.1%*		*3.0%*
Hedge Funds	21,450,588	7.0%		8.0%
BlackRock Alternative Advisors	*11,283,288*	*3.9%*		*4.0%*
GAM US institutional II	*10,167,300*	*3.5%*		*4.0%*
Cash[2]	*3,086,411*	*1.1%*	*N/A*	*N/A*
Total Portfolio[3]	**290,005,110**	**100%**		**100%**

Source: Northern Trust; data as of 12/31/2014

[1]Previously Famco MLP.

[2] While the IPS does not quantify an allocation to cash, the Operating Procedure for the DB Plan sets the current target level for cash and cash equivalents at the amount equal to two months of pension payments, or approximately $3 million.

[3] The total market value of the assets in the DB Plan reported by Northern Trust is higher than the net asset value reported in the Statement of Plan Net Assets due to certain accrued administrative and investment expenses not reported by the custodian until paid.

[4]Long Term Asset Allocation ranges are approved by the Board and outlined in the IPS.

[5]The Board charged the Director of Finance with developing and implementing a current asset allocation strategy/manager structure, which is designed to reflect, and be consistent with the long-term investment objective and the long term asset allocation ranges outlined in Investment Policy. These target allocation weights are contained in the Operating Procedure.

At December 31, 2013, all asset classes were within their stipulated operational ranges.

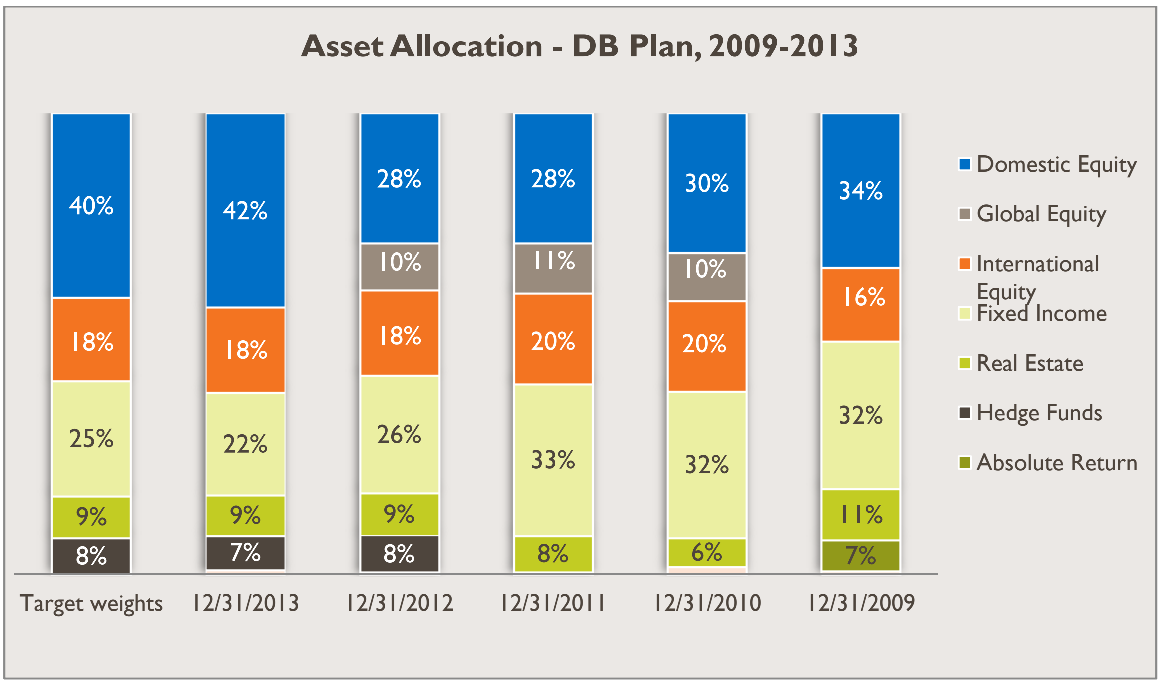
Employees' Retirement Plan – Asset Allocation by Asset Class, 2009-2013

	Market Value As of 12/31/2013	Market Value As of 12/31/2012	Market Value As of 12/31/2011	Market Value As of 12/31/2010	Market Value As of 12/31/2009
Domestic Equity	122,099,312	50,100,542	66,404,979	65,225,588	63,007,190
Global Equity	-	46,707,439	22,830,449	24,768,343	21,634,585
International Equity	53,433,278	46,707,439	39,072,043	45,410,709	41,027,177
Fixed Income	64,742,492	64,814,045	76,350,840	75,978,919	65,958,142
Real Estate	25,193,029	23,263,259	21,893,682	18,007,123	13,258,982
Hedge Funds	21,450,588	20,460,760	-	-	-
Cash[1]	3,086,411	1,057,949	1,796,973	1,420,321	3,431,223
Total Portfolio[2]	**290,005,110**	**253,910,487**	**228,348,965**	**230,811,004**	**208,317,299**

Source: Northern Trust

[1] Cash in this schedule differs from the amount reported in the financial statement due to classification differences. The amount of cash and money market mutual funds held within an individual investment portfolio (e.g. equity, fixed income) is reported in the portfolio classification in this schedule, but reported as Cash in the financial statements.

[2] The total market value of the assets in the DB Plan reported by Northern Trust is higher than the net asset value reported in the Statement of Plan Net Assets due to certain accrued administrative and investment expenses not reported by the custodian until paid.



Percentages may not add to 100% due to rounding

6. Investment Summary

Employees' Retirement Plan – Portfolio by Asset Type as of 12/31/2013

	Cost	Market Value	Accrued Income/ Expense	Market Value including accruals	% of Total
Equities	**133,188,265**	**175,571,431**	**514**	**175,571,945**	**60.5%**
Common stock	12,998,320	14,681,300	0	14,681,300	5.0%
Common stock- funds	119,934,138	160,662,376	0	160,662,375	55.4%
Preferred stock	255,807	227,755	514	228,269	0.1%
Fixed income	**63,962,124**	**64,007,838**	**237,321**	**64,245,160**	**22.1%**
Government Bonds	4,421,289	4,419,570	48,684	4,468,253	1.5%
Government Agencies-Funds	17,799,969	17,783,367	23,934	17,807,302	6.0%
Municipal/Provincial Bonds	400,000	399,288	5,379	404,668	0.1%
Corporate Bonds	11,468,731	11,657,938	143,843	11,801,781	4.1%
Corporate Bonds-Funds	14,086,896	13,831,440	11,115	13,842,555	4.8%
Government Mortgage Backed Securities	806,154	795,228	2,849	798,078	0.3%
Asset Backed Securities	839,291	847,129	1,113	848,242	0.3%
Non-Government Backed C.M.O.s	139,794	133,302	404	133,705	0.1%
Other fixed income	14,000,000	14,140,576	0	14,140,576	4.9%
Real Estate	**25,131,034**	**25,132,250**	**60,779**	**25,193,029**	**8.7%**
Hedge Funds of Funds	**20,045,385**	**21,450,588**	**0**	**21,450,588**	**7.4%**
Cash and Cash Equivalents	**3,573,090**	**3,573,090**	**(18,551)**	**3,554,538**	**1.2%**
Funds-short term investment	3,573,090	3,573,090	24	3,573,114	1.2%
Currency	0	0	(18,575)	(18,575)	0.0%
Adjustments to Cash	**(10,150)**	**(10,150)**	**0**	**(10,150)**	**0.0%**
Pending trade - purchases	(35,050)	(35,050)	0	(35,050)	0.0%
Pending trade - sales	108,614	108,614	0	108,614	0.0%
Other Payables	(83,714)	(83,714)	0	(83,714)	0.0%
Total	**245,889,748**	**289,725,047**	**280,063**	**290,005,110**	**100.0%**

Source: Northern Trust

Totals may not add up due to rounding.

The total market value of the assets in the DB Plan reported by Northern Trust is higher than the net asset value reported in the Statement of Plan Net Assets due to certain accrued administrative and investment expenses not reported by the custodian until paid.

7. List of Largest Holdings by Asset Type

The lists of largest equity and fixed income holdings do not include mutual fund holdings and commingled funds.

Employees' Retirement Plan - Top 10 Equity Holdings (by Market Value) as of 12/31/2013

Security Description	CUSIP	Country	Cost	Market Value*	% of Total equities*	% of Total portfolio value*
Energy Transfer Equity	29273V100	United States	828,990	1,561,643	0.9%	0.5%
Plains Gp Hldgs L P	72651A108	United States	1,137,848	1,353,759	0.8%	0.5%
Enterprise Prods	293792107	United States	913,137	1,216,937	0.7%	0.4%
Midstream Partners Lp	23311P100	United States	969,262	1,023,112	0.6%	0.4%
Kinder Morgan Inc	49456B101	United States	989,412	1,007,640	0.6%	0.3%
Buckeye Partners L P	118230101	United States	736,841	877,329	0.5%	0.3%
Access Midstream Partners L P	00434L109	United States	661,781	869,069	0.5%	0.3%
Genesis Energy L P	371927104	United States	485,417	868,194	0.5%	0.3%
Western Gas Equity Partners Lp	95825R103	United States	881,657	853,930	0.5%	0.3%
Wwilliams Co Inc Com	969457100	United States	707,670	778,343	0.4%	0.3%
Total top 10 Equities				**10,409,953**	**5.9%**	**3.6%**
Total value of equities*				**175,571,431**	**100.0%**	**60.6%**
Total value of portfolio*				**289,725,047**	**N/A**	**100.0%**

Source: Northern Trust

**Market value excluding accruals*

Totals may not add up due to rounding.

The complete schedule of holdings at year-end is available upon request.

Employees' Retirement Plan - Top 10 Fixed Income Holdings (by Market Value) as of 12/31/2013

Security Description	CUSIP	Country	Cost	Market Value*	% of Total Fixed income*	% of Total portfolio value*
Treasury Note 8.875% 02-15-2019	912810EC8	United States	804,528	777,328	1.2%	0.3%
Treasury Note 1.25% 10-31-2015	912828PE4	United States	706,816	701,428	1.1%	0.2%
Treasury Bond 4.5% 02-15-2036	912810FT0	United States	508,910	556,328	0.9%	0.2%
Treasury Note 3.125% 01-31-2017	912828MK3	United States	544,414	534,531	0.8%	0.2%
Treasury Note 1.755 10-31-2018	912828RP7	United States	400,219	401,750	0.6%	0.1%
Treasury Bond 6% 02-15-2026	912810EW4	United States	349,160	382,969	0.6%	0.1%
Honda Auto Receivables Asset Backed 4.91% 05-15-2018	43813EAD8	United States	324,938	326,842	0.5%	0.1%
Mercedes-Benz Auto 1.22% 12-15-2017	587728AD8	United States	324,937	326,098	0.5%	0.1%
Treasury Note 2% 11-15-2021	912828RR3	United States	294,152	286,336	0.4%	0.1%
FNMA POOL #MA1273 3.5% 12-01-2042	31418AMX3	United States	294,978	273,936	0.4%	0.1%
Total top 10 Bond holdings				4,567,546	7.1%	1.6%
Total value of fixed income*				64,007,838	100.0%	22.1 %
Total value of portfolio*				289,725,047	N/A	100.0%

Source: Northern Trust

*Market value excluding accruals

Totals may not add up due to rounding.

The complete schedule of holdings at year-end is available upon request.

8. Schedule of Fees and Commissions

Employees' Retirement Plan - Schedule of Fees, 2013

Manager/Consultant	Assets as of 12/31/2013	Assets as of 12/31/2012	Fees	Annual Management Fee
Babson Capital Management	14,140,576	-	25,800	0.475%
BlackRock Alternative Advisors	11,283,288	10,307,480	135,300	1.25%
Denver Investment Advisors, LLC	18,987,109	32,561,616	78,300	1st $25 mil – 0.30%; above – 0.25%
Dimensional Fund Advisors LP	26,771,449	23,323,919	147,900	0.60%
Advisory Research, Inc.	14,870,575	10,393,399	106,800	0.75%
GAM Limited	10,167,300	10,153,280	122,500	1.20%-This includes a 30bps annual rebate
Harding Loevner Funds, Inc.	26,661,828	23,383,521	205,100	0.87%
Heitman Capital Management Corporation	-	4,266	-	-
JP Morgan Investment Management, Inc.	8,073,374	7,346,199	74,300	1% of NAV+0.15% on cash balances above 7.5%
Lazard Asset Management LLC	-	25,787,820	139,800	0.80%
Northern Trust Investments, N. A.- S&P 500	54,881,164	21,718,672	15,100	0.05%
Pacific Investment Management Company, LLC – Total Return Fund	17,783,367	32,252,429	121,200	0.46%
Pacific Investment Management Company, LLC-Unconstrained Bond Fund	13,831,440	-	56,800	0.90%
Prudential Real Estate Investors	7,984,568	7,308,936	73,900	1st $10 mil – 0.75% of Cost Basis + performance fee of 6.00%* Operating Cash Flow +0.10%* cash holdings (max 1.20%)
Pyramis Global Advisors	15,878,509	13,184,685	96,200	0.65%
UBS Realty Investors, LLC	9,135,087	8,608,124	106,900	1st $10 mil – 0.95%*NAV + 0.20% on cash above 7.5% of NAV + incentive fee of 0.075% for each 1% of outperformance above CPI+5%
Vanguard Group, Inc	15,213,182	10,585,561	42,500	0.31%
Winslow Capital Management	21,255,881	15,936,897	110,300	0.60%
Total Assets[1]	**290,005,110**	**253,910,487**	**1,658,700**	

Manager/Consultant	Fees	Basis points (Annually)
Total payments to investment managers	**83,500**	
Investment Consulting Expense	76,500	N/A
Investment Performance Reporting Expense[2]	7,000	N/A
Total Investment Expenses	**1,742,200**	
Investment Expenses as a percentage of average assets	**0.64%**	
Actuarial Services	20,000	N/A
Benefit Payment Processing	89,300	N/A
Audit Services	6,250	N/A
Total Administrative Expenses	**115,550**	
Total Expenses as a percentage of average assets	**0.68%**	

Source: Denver Water

[1]*Includes cash account. The total market value of the assets in the DB Plan reported by Northern Trust is* higher *than the net asset value reported in the Statement of Plan Net Assets* due to certain accrued administrative and investment expenses not reported by the custodian until paid.

[2]*Includes custody fees.*

Employees' Retirement Plan - Schedule of Broker Commissions by Broker, 2013

Broker	Total Shares	Net Base Amount ($)	Commission ($)	Per Share[1]	% Cost of Trade
Unassigned Broker	20,129,844	106,827,349	0	0.00	0.000%
Barclays Capital Fixed Inc	5,175,000	5,864,734	0	0.00	0.000%
Barclays Capital Le	3,970	84,916	26	0.01	0.030%
Baypoint Trading LLC	12,713	492,950	254	0.02	0.052%
Bear Stearns 57079	1,080	24,840	0	0.00	0.000%
Bloomberg Tradebook LLC	2,166	74,418	43	0.02	0.058%
BNP Paribas Securities Bond	512,792	539,938	0	0.00	0.000%
BNY Capital Markets 443	450,000	493,596	0	0.00	0.000%
BNY ESI Securities Co.	29,955	1,156,983	599	0.02	0.052%
Bonds Com	100,000	111,556	0	0.00	0.000%
Calyon Securities USA Inc	175,000	204,490	0	0.00	0.000%
Chase Securities Inc (Csi)	572,116	620,709	0	0.00	0.000%
Citigroup Global Markets Inc/Salomon B	1,203,000	1,221,618	0	0.00	0.000%
Citigroup Global Markets Inc/Smith Barney	56,773	2,559,813	1,623	0.03	0.063%
credit Suisse First Boston Corporation	575,000	669,955	0	0.00	0.000%
DB Alex Brown	600,000	584,977	0	0.00	0.000%
Deutsche Bank Securities Inc	425,790	499,572	24	0.00	0.005%
First Tennessee Securities Corp	600,000	699,527	0	0.00	0.000%
Goldman Sachs & Company	875,000	941,057	0	0.00	0.000%
Guggenheim Capital Markets LLC	8,157	8,182	0	0.00	0.000%
Investec (Us) Incorporated	250,000	302,903	0	0.00	0.000%
Janney Montgomery Scott	25,000	26,688	0	0.00	0.000%
Jefferies & Co Bonds Direct Division	1,625,000	1,892,978	0	0.00	0.000%
Jefferies & Company	888,040	1,000,978	31	0.00	0.003%
Jonestrading Inst Serv	39,497	1,396,409	790	0.02	0.057%
KGS Alpha Capital Markets LLC	100,000	136,538	0	0.00	0.000%
knight Equity Markets LP	50,435	80,575	9	0.00	0.011%
Libertas Partners LLC	200,000	223,656	0	0.00	0.000%
Lliquidnet Inc	115,452	3,981,481	2,309	0.02	0.058%
Mcdonald And Company/Keybanc	100,000	108,481	0	0.00	0.000%
Merrill Lynch Pierce Fenner & Smith	2,020	40,400	0	0.00	0.000%
Mesirow Financial Inc.	100,000	101,801	0	0.00	0.000%
millennium Advisors LLC	925,000	1,009,388	0	0.00	0.000%
Miller Tabak Roberts Securities	125,000	133,069	0	0.00	0.000%
Mitsubishi UFJ Securities USA	300,000	307,095	0	0.00	0.000%
MLPFS Inc/Fixed Income	1,480,000	1,587,416	0	0.00	0.000%
Morgan Stanley & Co Inc. New York	1,156,137	2,493,168	934	0.00	0.037%
National Financial Services	175,000	190,750	0	0.00	0.000%
Raymond James/FI	325,000	434,860	0	0.00	0.000%

Broker	Total Shares	Net Base Amount ($)	Commission ($)	Per Share[1]	% Cost of Trade
RBC Dain Rauscher	265,460	2,889,101	1,964	0.01	0.068%
RBS Securities Inc	17,210,000	17,428,160	0	0.00	0.000%
Robert W. Baird & Company Inc Milwaukee	55,238	2,251,950	1,657	0.03	0.074%
Seaport Group Securities LLC	80,000	80,712	0	0.00	0.000%
SG Cowen And Company	275,000	325,870	0	0.00	0.000%
Southwest Securities Inc	125,000	143,125	0	0.00	0.000%
Sterne Agee And Leach Inc	275,000	310,230	0	0.00	0.000%
Stifel Nicolaus And Company	325,000	345,986	0	0.00	0.000%
Sumridge Partners LLC	175,000	193,313	0	0.00	0.000%
Suntrust Capital / BNY	100,000	119,286	0	0.00	0.000%
Timber Hill LLC/LB Corp	100,000	109,300	0	0.00	0.000%
UBS Warburg LLC	502,050	622,646	62	0.00	0.010%
US Bancorp Investments Inc	370,000	428,130	0	0.00	0.000%
Wells Fargo Securities LLC-46171	3,570,374	4,797,050	557	0.00	0.012%

Source: Northern Trust

[1] The table lists all transactions and commissions recorded by Northern Trust. It does not include commissions paid by mutual funds and commingled funds or spread on any fixed income transactions. Transactions for which a broker was not specified (including sales and purchases of shares of mutual funds and commingled funds) are grouped under "Unassigned Broker".

The Trustees of the Employees' Retirement Plan have determined that because neither they nor staff are to be involved in the day-to-day investment of the Fund assets, neither they nor staff are in a position to determine with which brokers an investment manager can obtain the best execution of a transaction. For that reason, the Trustees do not direct commissions to any firm.

B. DENVER WATER 401(K) SUPPLEMENTAL RETIREMENT SAVINGS PLAN/ DENVER WATER 457 DEFERRED COMPENSATION PLAN

1. Report on Investment Activity

This section was prepared by the Denver Water staff

On December 31, 2013, the market value of assets in the 401(k) Plan totaled $70.0 million, an 21.5% increase in the Plan asset value compared to December 31, 2012. At year-end 2012, the Plan had 1,092 participants, including 934 active participants[1]. Total employee contributions to the 401(k) Plan amounted to $4.1 million in 2013, or an average of $4,364 per year per active participant, while Denver Water's matching contributions totaled $1.8 million (an average of $1,935 per year per active participant)[2]. Nearly 89% of the eligible Denver Water employees participated in the 401(k) Plan at year-end, compared to an 86% participation rate in 2012.[3]

In 2013, employee contributions to the 401(k) Plan amounted to $4.1 million, while Denver Water's matching contributions totaled $1.8 million.

On December 31, 2013, the market value of assets in the 457 Plan totaled $30.2 million, a 13.0% increase in the Plan asset value compared to December 31, 2012. The Plan had 608 participants, including 472 active participants. During 2013, participant contributions totaled $1.8 million (or an average of $3,760 per year per active participant).[2] Over 30% of the eligible Denver Water employees participated in the 457 Plan at year-end, compared to a 29% participation rate in 2011.

Both plans were amended in 2013 to allow employer discretionary contributions to qualifying participants. In 2013, a discretionary Board contribution to 401(K) Plan totaled $25,850 and 457 Plan contribution amounted to 23,000. In general. the qualifying participant's interest in his/her

The investment of all contributions in the DC Plans is directed by each participant. Returns vary by participant based upon the timing of contributions and the funds selected by the participant.

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[1] *Total participants are defined as those participants who had cash value at the end of the reporting period. Active participants are defined as those participants who were actively employed and had a balance at the end of the reporting period.*

[2] *In 2013, an eligible employee was able to make a tax-deferred contribution of up to $17,500 to each Defined Contribution Plan in which he or she was a participant. Participants age 50 or older could contribute an additional $5,500 to each plan as catch-up contributions. For more information on limitation on effective deferrals see "401(k) Resource Guide - Plan Participants - Limitation on Elective Deferrals", "IRS Announces Pension Plan Limitations for 2013" IR-2012-77, Oct. 18, 2012, available on www.irs.gov .*

[3] *For more statistical information about Retirement Program see the Statistical Section of this Report.*

discretionary contributions become fully vested upon completing seven years of service or upon attaining the age of 65, which differs from vesting schedule for regular employee/employer contributions, which are always fully vested and nonforfeitable.

As noted in the policy statements for both the 401(k) and 457 Plans, the primary objective of the Board is to offer investment options having diverse risk and return expectations so that each participant may construct a portfolio that can be expected to meet his or her individual needs. Investment managers are selected by the Director of Finance, with the assistance of the Retirement Program Committee and the investment consultant for the DC Plans, Cook Street Consulting. As of December 31, 2013, participants in either plan had access to twenty-six (26) investment options representing all major asset classes (of which twelve were Target Retirement Funds focused on various retirement dates). The schedule of investment options available in the DC Plans can be found on page III-100. The investment of both employee contributions and the employer-matching contributions is directed by the participants. Pages III-101 and III-102 contain investment return information on each fund available to participants. Returns vary by participant based upon the timing of contributions and the funds selected by the participant. Most funds in the lineup had rates of return above the median for their peer group over 1-, 3-, and 5-year periods.

Great-West Retirement Services ("Great-West") is the custodian/trustee and the administrator for the Denver Water 401(k) and 457 Plans. By contract, the total compensation for providing the above services equals 0.0225% of the total value of assets as of the last day of each calendar quarter, or 0.09% per year. The assessed recordkeeping and communication fee for the preceding quarter is being deducted directly from each participant's account in January, April, July and October. Three funds which continue revenue sharing arrangements with Great West (T. Rowe Price Growth Stock Fund, Baron Growth Institutional and Cohen & Steers Institutional Global Realty) are excluded from this new fee arrangement. Any revenue from revenue sharing is calculated quarterly and deposited in an unallocated Plan account. The unallocated account is also used to accumulate any recordkeeping and communication fees withdrawn from Participant accounts, any fund credits received and any income received on excess balances. Excesses and shortages in the unallocated account are disbursed to the Plan participants at year end at the discretion of the Board. Total revenue sharing from 12(b) (1) fees collected by Great West in 2013 was $14,800 for both plans. Participant wrap fees withdrawn amounted to $75,500. Combined Great-West administration fees amounted to approximately $84,600 for both plans. Additionally, participants paid a total of $14,100 in investment advisory fees, which were withdrawn directly from their accounts.

Expense ratios for all funds in the lineup, as well as the revenue sharing amounts received by the Plan administrator, are disclosed to participants in the enrollment package and though the HR page on Inflow. They are disclosed to the general public in the audited financial statements. Current expense ratios, wrap fees and revenue sharing levels are presented in more detail on page III-105.

2. Outline of Investment Policies

Denver Water 401(k) Supplemental Retirement Savings Plan

Excerpted from the "Investment Policy Statement for Denver Water Supplemental Retirement Savings Plan (401(k) Plan) ["401(k) IPS"], approved by the Board on June 27, 2012

The purpose of the 401(k) Plan is to enable each Plan participant to accumulate financial assets for retirement. The Board acknowledges that participants may have diverse current and projected needs and objectives. For that reason, the primary objective of the Board is to offer investment options having diverse risk and return expectations so that each participant may construct a portfolio that can be expected to meet his or her individual needs. Within this overall objective, the Board identified the following additional objectives:

- To undertake all transactions solely in the interest of the participants and beneficiaries;
- To maintain flexibility in meeting the future needs of participants;
- To enable participants to exercise investment control;
- To allow participants to maximize return within reasonable and prudent levels of risk by selecting from the investment options offered;
- To include investment options that have reasonable investment management costs;
- To monitor administration costs to ensure they remain reasonable;
- To arrange for investment education to be available to Participants.

The Board is a sponsor and a fiduciary of the 401(k) Plan. As such, the Board is authorized to delegate certain responsibilities to professional experts in various fields. By resolution dated September 14, 2005 and updated on May 8, 2013, the Board has delegated certain duties to the Director of Finance and the Director of Human Resources. Among the responsibilities delegated to the Director of Finance is the responsibility and authority to determine which investment options will be chosen, and to monitor the continued acceptability of the investment options. It is the policy of the Board to engage experts to assist with these duties.

In the 401(k) IPS, the Board directs the Director of Finance, with the assistance of the Investment Consultant to review long-term performance characteristics of various asset classes and to select broad asset classes for inclusion in the 401(k) Plan which have a long-term return history that is reasonably useful with respect to evaluating its probable future return, its standard deviation, and its correlation with the other selected asset classes. With a focus on balancing the risk and rewards of market behavior, it is the policy of the Board that the investment options made available to participants in the 401(k) Plan be chosen from no fewer than the following asset classes: Domestic Equities, International Equities, Domestic Fixed Income, and Fixed Interest or Stable Value Products. Within each of the broad asset classes, the 401(k) IPS requires that included investment options be diversified with respect to market capitalization, fixed income maturities, and investment style. Investment options that combine various asset classes are also included.

Over a complete market cycle, each investment option's overall annualized total return should perform above the median of portfolios in their Peer Universe. The Director of Finance shall continually monitor and review investment options against this expectation. The Director of Finance has authority to take corrective action by replacing an option if deemed appropriate at any time, on a case-by-case basis.

When evaluating quarterly performance of each investment option, the Director of Finance is directed to focus on:

- Consistency with expected style mandate;
- Material changes in the manager's organization, investment philosophy, and/or personnel;
- Comparisons of the investment option's results to its benchmark;
- The risk associated with each investment option;
- The investment option's performance relative to its Peer Universe.

The Director of Finance, with the assistance of the Retirement Program Committee is directed to review the 401(k) IPS annually, to consult as necessary with expert advisors, and to suggest updates to the Manager and the Board as necessary. A copy of this statement is available to participants upon request from the Director of Human Resources.

Denver Water 457 Deferred Compensation Plan

Excerpted from the "Policy Statement, Denver Water 457 Deferred Compensation Plan (DW 457 Plan)", approved by the Board on October 10, 2007

The Board's involvement in the Denver Water 457 Plan is solely to offer employees an opportunity to make voluntary payroll deferrals to the extent permitted by Internal Revenue Code section 457. The Board's objective is to offer employees reasonable choice in the 457 Plan funding products, and to control the administrative burdens and costs of the 457 Plan to Denver Water and its employees.

For these reasons, it is the policy of the Board that:

- The investment options offered in the 457 Plan will be the same as those offered in the 401(k) Plan;
- The same Record keeper will be used for the 457 Plan as for the 401(k) Plan and recordkeeping information;
- Participants will receive a consolidated participant statement for the two Plans, so that participants can see the effect of their investment allocation decisions more comprehensively.

In order to maintain the 457 Plan as an eligible deferred compensation plan under section 457 of the Internal Revenue Code, assets of the 457 Plan will be held by an independent custodian and the Board will take such other actions as are necessary to maintain the tax deferred status of the 457 Plan.

3. Schedule of Investment Managers

Fund	Ticker	Asset class
Global Real Estate		
Cohen & Steers Instl Global Realty	GRSIX	Global Real Estate
International Equity		
Harbor International Instl	HAINX	Foreign Stock
Domestic Equity		
Baron Growth Instl	BGRIX	Small Cap Growth
Perkins Small Cap Value N	JDSNX	Small Cap Value
T. Rowe Price Growth Stock	PRGFX	Large Cap Growth
American Funds Washington Mutual R6	RWMGX	Large Cap Value
Domini Social Equity R	DSFRX	Large Cap Blend w/ Social Screening
Vanguard Mid Cap Index I	VMCIX	Mid Cap Blend
Vanguard Institutional Index I	VINIX	Large Cap Blend
Fixed Income		
PIMCO High Yield Instl	PHIYX	High Yield Bond
Vanguard Inflation Protected Securities Admin	VAIPX	High Quality Bond – TIPS
PIMCO Total Return Instl	PTTRX	High Quality Bond
Target Date Retirement Funds		
Vanguard Target Retirement Income	VTINX	Multiple Asset Classes
Vanguard Target Retirement 2010	VTENX	Multiple Asset Classes
Vanguard Target Retirement 2015	VTXVX	Multiple Asset Classes
Vanguard Target Retirement 2020	VTWNX	Multiple Asset Classes
Vanguard Target Retirement 2025	VTTVX	Multiple Asset Classes
Vanguard Target Retirement 2030	VTHRX	Multiple Asset Classes
Vanguard Target Retirement 2035	VTTHX	Multiple Asset Classes
Vanguard Target Retirement 2040	VFORX	Multiple Asset Classes
Vanguard Target Retirement 2045	VTIVX	Multiple Asset Classes
Vanguard Target Retirement 2050	VFIFX	Multiple Asset Classes
Vanguard Target Retirement 2055	VFFVX	Multiple Asset Classes
Vanguard Target Retirement 2060	VTTSX	Multiple Asset Classes
Cash and Equivalent		
Dreyfus Cash Management Instl	DICXX	Money Market
Galliard Retirement Income	n/a	Stable Value

As of December 31, 2013

4. Schedule of Investment Results

The investment returns for the Denver Water 401(k) Supplemental Retirement Savings Plan/ Denver Water 457 Deferred Compensation Plan are provided by the Plans' Investment Consultant, Cook Street Consulting. Cook Street derives the information about returns from Morningstar Principia. Total return is calculated by taking the change in a fund's Net Asset Value (NAV), assuming the reinvestment of all income and capital gains distributions during the period, and then dividing by the initial NAV. Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets. Cook Street evaluates the Plans' performance in relation to market indices and appropriate manager peer groups. Returns are reported net of fees.

		Rates of Return (%)		
Fund	**Ticker**	**Current Year**	**3-year**	**5-year**
Global Real Estate				
Cohen & Steers Instl Global Realty	GRSIX	4.07	5.98	14.18
Global Real Estate Peer Group		*2.92*	*6.64*	*14.04*
International Equity				
Harbor International Instl	HAINX	16.84	7.87	14.26
Foreign Large Blend Peer Group		*19.44*	*6.73*	*1230*
MSCI ACWI EX NR USD Index		*15.29*	*5.14*	*12.81*
Domestic Equity				
Baron Growth Instl	BGRIX	38.69	18.01	22.39
Small Growth Peer Group		*40.91*	*15.38*	*22.16*
Perkins Small Cap Value N	JDSNX	29.95	11.21	17.35
Small Value Peer Group		*36.22*	*14.22*	*20.36*
T. Rowe Price Growth Stock	PRGFX	39.20	17.91	22.39
Large Growth Peer Group		*33.92*	*14.88*	*19.01*
American Funds Washington Mutual R6	RWMGX	32.34	17.04	16.80
Large Value Peer Group		*31.21*	*14.48*	*16.10*
Domini Social Equity R	DSFRX	33.30	14.57	18.55
Large Blend Peer Group		*31.50*	*14.47*	*17.09*
Vanguard Mid Cap Index I	VMCIX	35.17	15.42	22.11
Spliced Mid Cap Index		*35.21*	*15.46*	*22.13*
Mid-Cap Blend Peer Group		*34.10*	*14.23*	*20.01*
Vanguard Institutional Index I	VINIX	32.35	16.15	17.95
S&P 500 TR Index		*32.39*	*16.18*	*17.94*
Fixed Income				
PIMCO High Yield Instl	PHIYX	5.77	8.01	15.70
High Yield Bond Peer Group		*6.90*	*8.00*	*16.12*
Vanguard Inflation Protected Securities Admin	VAIPX	(8.86)	3.34	5.42
Inflation-Protected Bond Peer Group		*(7.85)*	*2.66*	*4.83*
PIMCO Total Return Instl	PTTRX	(1.92)	4.08	6.91
Intermediate-Term Bond Peer Group		*(1.42)*	*3.64*	*6.31*
Target Date Retirement Funds				
Vanguard Target Retirement Income	VTINX	5.87	6.44	8.56
Retirement Income Peer Group		*7.36*	*5.93*	*9.80*
Vanguard Target Retirement 2010	VTENX	-	-	-
Target Date 2000-2010 Peer Group		-	-	-
Vanguard Target Retirement 2015	VTXVX	13.00	8.58	11.79
Target Date 2011-2015 Peer Group		*9.65*	*6.95*	*11.12*
Vanguard Target Retirement 2020	VTWNX	-	-	-

		Rates of Return (%)		
Fund	**Ticker**	**Current Year**	**3-year**	**5-year**
Target Date 2015-2020 Peer Group	-	-	-	-
Vanguard Target Retirement 2025	VTTVX	18.14	10.07	13.63
Target Date 2021-2025 Peer Group	-	*15.30*	*8.95*	*13.52*
Vanguard Target Retirement 2030	VTHRX	-	-	-
Target Date 2026-2030 Peer Group	-	-	-	-
Vanguard Target Retirement 2035	VTTHX	22.82	11.41	15.33
Target Date 2031-2035 Peer Group	-	*20.00*	*10.81*	*15.37*
Vanguard Target Retirement 2040	VFORX	-	-	-
Target Date 2036-2040 Peer Group	-	-	-	-
Vanguard Target Retirement 2045	VTIVX	24.37	11.90	15.65
Target Date 2041-2045 Peer Group	-	22.00	10.81	15.37
Vanguard Target Retirement 2050	VFIFX	-	-	-
Target Date 2046-2050 Peer Group	-	-	-	-
Vanguard Target Retirement 2055	VFFVX	24.33	11.99	-
Target Date 2051-2055 Peer Group	-	23.14	10.89	15.14
Vanguard Target Retirement 2060	*VTTSX*	-	-	-
Target Date 2056-2060 Peer Group	-	-	-	-
Cash and Equivalent				
Dreyfus Cash Management Instl	DICXX	0.05	0.07	0.17
Money Market Taxable Peer Group	-	*0.02*	*0.02*	*0.06*
Galliard Retirement Income (gross)	n/a	2.30	2.70	3.32
Galliard Retirement Income (net)	n/a	1.95	2.34	2.96
USTREAS T-Bill Auction Ave 3 Mon Index		*0.06*	*0.07*	*0.10*

Source: Cook Street Consulting

[1]Returns are gross of fees. Stable Value Peer Group is the Hueler Stable Value Index.

[2]Vanguard Target Retirement 2010, 2020, 2030, 2040, 2050 and 2060 were added at the end of 2013, therefore historical performance data is not available.

5. Asset Allocation

Denver Water 401(k) Supplemental Retirement Savings Plan

Fund	Ticker	Total Assets as of 12/31/2012	% of the Total Assets	Total Assets as of 12/31/2013	% of the Total Assets
Globa Real Estate					
Cohen & Steers Instl Global Realty	GRSIX	114,259	0.2%	264,480	0.4%
International Equity			0.0%		0.0%
Harbor International Instl	HAINX	4,053,538	7.0%	5,148,748	7.4%
Domestic Equity			0.0%		0.0%
Baron Growth Instl	BGRIX	1,268,399	2.2%	1,941,300	2.8%
Perkins Small Cap Value N	JDSNX	2,593,906	4.5%	3,330,819	4.8%
T. Rowe Price Growth Stock	PRGFX	3,779,965	6.6%	5,024,375	7.2%
American Funds Washington Mutual R6	RWMGX	5,026,921	8.7%	6,642,988	9.5%
Domini Social Equity R	DSFRX	361,123	0.6%	398,476	0.6%
Vanguard Mid Cap Index I	VMCIX	5,303,113	9.2%	6,935,377	9.9%
Vanguard Institutional Index I	VINIX	3,964,062	6.9%	5,475,465	7.8%
Fixed Income			0.0%		0.0%
PIMCO High Yield Instl	PHIYX	841,065	1.5%	1,175,891	1.7%
Vanguard Inflation Protected Securities Admin	VAIPX	1,829,127	3.2%	1,261,270	1.8%
PIMCO Total Return Instl	PTTRX	3,954,444	6.9%	4,257,727	6.1%
Target Date Retirement Funds					0.0%
Vanguard Target Retirement Income	VTINX	412,577	0.7%	468,243	0.7%
Vanguard Target Retirement 2010	VTENX	2,090	0.0%	31,405	0.0%
Vanguard Target Retirement 2015	VTXVX	2,238,267	3.9%	2,604,103	3.7%
Vanguard Target Retirement 2020	VTWNX	294,572	0.5%	406,710	0.6%
Vanguard Target Retirement 2025	VTTVX	4,157,806	7.2%	5,348,741	7.6%
Vanguard Target Retirement 2030	VTHRX	2,542	0.0%	36,093	0.1%
Vanguard Target Retirement 2035	VTTHX	1,831,418	3.2%	2,972,418	4.2%
Vanguard Target Retirement 2040	VFORX	60,660	0.1%	350,750	0.5%
Vanguard Target Retirement 2045	VTIVX	2,018,688	3.5%	2,658,809	3.8%
Vanguard Target Retirement 2050	VFIFX	5,297	0.0%	13,155	0.0%
Vanguard Target Retirement 2055	VFFVX	190,055	0.3%	375,513	0.5%
Vanguard Target Retirement 2060	VTTSX	143,550	0.2%	223,338	0.3%
Cash and Equivalent			0.0%		0.0%
Dreyfus Cash Management Instl	DICXX	188,615	0.3%	212,127	0.3%
Galliard Retirement Income	n/a	12,963,024	22.5%	12,432,616	17.8%
Total		**57,599,084**	**100.0%**	**69,990,940**	**100.0%**

Source: Great West

Denver Water 457 Deferred Compensation Plan

Fund	Ticker	Total Assets as of 12/31/2012	% of the Total Assets	Total Assets as of 12/31/2013	% of the Total Assets
Global Real Estate					
Cohen & Steers Instl Global Realty	GRSIX	96,425	0.4%	130,874	0.4%
International Equity			0.0%		0.0%
Harbor International Instl	HAINX	1,360,535	5.1%	1,678,176	5.6%
Domestic Equity			0.0%		0.0%
Baron Growth	BGRIX	358,946	1.3%	546,478	1.8%
Perkins Small Cap Value N	JDSNX	952,559	3.6%	1,110,945	3.7%
T. Rowe Price Growth Stock	PRGFX	2,511,088	9.4%	3,362,927	11.1%
American Funds Washington Mutual R5	RWMGX	1,307,442	4.9%	1,666,703	5.5%
Domini Social Equity R	DSFRX	632,277	2.4%	765,691	2.5%
Vanguard Mid Cap Index Ins	VMCIX	1,337,573	5.0%	1,657,022	5.5%
Vanguard Institutional Index I	VINIX	1,643,487	6.1%	2,307,433	7.6%
Fixed Income			0.0%		0.0%
PIMCO High Yield Instl	PHIYX	506,291	1.9%	525,571	1.7%
Vanguard Inflation Protected Securities Admin	VAIPX	806,121	3.0%	439,698	1.5%
PIMCO Total Return Instl	PTTRX	2,083,882	7.8%	2,152,237	7.1%
Target Date Retirement Funds			0.0%		0.0%
Vanguard Target Retirement Income	VTINX	237,344	0.9%	274,693	0.9%
Vanguard Target Retirement 2010	VTEVX	-	0.0%	50,066	0.2%
Vanguard Target Retirement 2015	VTXVX	928,262	3.5%	1,022,216	3.4%
Vanguard Target Retirement 2020	VTWNX	141,853	0.5%	139,082	0.5%
Vanguard Target Retirement 2025	VTTVX	674,229	2.5%	1,197,747	4.0%
Vanguard Target Retirement 2030	VTHRX	700	0.0%	20,571	0.1%
Vanguard Target Retirement 2035	VTTHX	330,251	1.2%	481,285	1.6%
Vanguard Target Retirement 2040	VFORX	11,364	0.0%	21,876	0.1%
Vanguard Target Retirement 2045	VTIVX	488,223	1.8%	667,169	2.2%
Vanguard Target Retirement 2050	VFIFX	-	0.0%	-	0.0%
Vanguard Target Retirement 2055	VFFVX	7,807	0.0%	6,523	0.0%
Vanguard Target Retirement 2060	VTTSX	122,068	0.5%	172,367	0.6%
Cash and Equivalent			0.0%		0.0%
Dreyfus Cash Management Instl	DICXX	158,864	0.6%	121,998	0.4%
Galliard Retirement Income	n/a	10,039,367	37.5%	9,685,794	32.1%
Total		**26,736,957**	**100.0%**	**30,205,140**	**100.0%**

Source: Great West

6. Schedule of Fees and Commissions

Schedule of fees paid by Plan Participants as of 12/31/2013[1]

Fund	Ticker	Expense Ratio [2]	Wrap Fess (%)[3]	Revenue sharing – paid to Great-West by fund managers (%)[4]	Average Expense Ratio in the Peer Group
Global Real Estate					
Cohen & Steers Instl Global Realty	GRSIX	1.00	0.00	0.10	1.47
International Equity					
Harbor International Instl	HAINX	0.77	0.09	0.00	1.34
Domestic Equity					
Baron Growth	BGRIX	1.06	0.00	0.15	1.46
Perkins Small Cap Value N	JDSNX	0.60	0.09	0.00	1.41
T. Rowe Price Growth Stock	PRGFX	0.70	0.00	0.15	1.25
American Funds Washington Mutual R6	RWMGX	0.30	0.09	0.00	1.17
Domini Social Equity R	DSFRX	0.90	0.09	0.00	1.17
Vanguard Mid Cap Index Ins	VMCIX	0.08	0.09	0.00	1.27
Vanguard Institutional Index I	VINIX	0.04	0.09	0.00	N/A
Fixed Income					
PIMCO High Yield Instl	PHIYX	0.55	0.09	0.00	1.12
Vanguard Inflation Protected Securities Admin	VAIPX	0.10	0.09	0.00	0.80
PIMCO Total Return Instl	PTTRX	0.46	0.09	0.00	0.91
Target Date Retirement Funds					
Vanguard Target Retirement Income	VTINX	0.16	0.09	0.00	0.96
Vanguard Target Retirement 2010	VTEVX	0.16	0.09	0.00	-
Vanguard Target Retirement 2015	VTXVX	0.16	0.09	0.00	097
Vanguard Target Retirement 2020	VTWNX	0.16	0.09	0.00	-
Vanguard Target Retirement 2025	VTTVX	0.17	0.09	0.00	1.00
Vanguard Target Retirement 2030	VTHRX	0.17	0.09	0.00	-
Vanguard Target Retirement 2035	VTTHX	0.18	0.09	0.00	1.03
Vanguard Target Retirement 2040	VFORX	0.18	0.09	0.00	-
Vanguard Target Retirement 2045	VTIVX	0.18	0.09	0.00	1.04
Vanguard Target Retirement 2050	VFIFX	0.18	0.09	0.00	-
Vanguard Target Retirement 2055	VFFVX	0.18	0.09	0.00	1.04
Vanguard Target Retirement 2060	VTTSX	0.18	0.09	0.00	-
Cash and Equivalent					
Dreyfus Cash Management Instl	DICXX	0.21	0.09	0.00	0.58
Galliard Retirement Income	N/A	0.35	0.09	0.00	0.74
Weighted average (both plans)		**0.38**	**0.08**	**0.01**	

Source: Cook Street Consulting

[1] The dollar amount of fees paid by the Plans for investment management and administrative services on the funds is not separately disclosed. Revenue sharing arrangements with Great-West are discussed in more detail in the Report on Investment Activity for the DC Plans (pages III-96 to III-97).

[2] Expense ratios provided by Cook Street Consulting

[3]Effective April 2, 2012, most investment options were converted to the lowest cost share class, which nearly eliminated the revenue sharing used to offset Great-West administration fees. Wrap fees were added to all investment options that do not have revenue sharing. Wrap fees are recorded as administrative

expenses in the Plans' financial statements. These fees are deducted directly from each participant's account in April, July, October and January.

[4] Revenue sharing fees are recorded as administrative expenses in the Plans' financial statements. These fees are included in a fund expense ratio.

IV. Actuarial Section (Unaudited)

A. ACTUARY'S CERTIFICATION LETTER

This section is excerpted from the January 1, 2013 Actuarial Valuation Report prepared by Milliman and pertains only to the DB Plan

Milliman

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April 30, 2013

Ms. Usha Sharma
Treasurer
Denver Water
1600 West 12th Avenue
Denver, CO 80204

Dear Usha:

As requested, we have performed an actuarial valuation of the Employees' Retirement Plan of the Denver Board of Water Commissioners as of January 1, 2013, for the plan year ending December 31, 2013. Our findings are set forth in this report. This report reflects the benefit provision and contribution rates in effect as of January 1, 2013.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Plan's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the Plan. Further, in our opinion, each actuarial assumption used is reasonably related to the experience of the Plan and to reasonable expectations which, in combination, represent our best estimate of anticipated experience under the Plan.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Board of Trustees has the final decision regarding the appropriateness of the assumptions and has adopted them.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the Plan. Actuarial computations presented in this report under Statements No. 25, 27 and 50 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in

Milliman

Ms. Usha Sharma
April 30, 2013
Page 2

our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals. The calculations in this report have been made on a basis consistent with our understanding of the plan provisions described in Appendix A of this report, and of GASB Statements No. 25, 27 and 50. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. The effects of GASB Statements No. 67 and No. 68 have not been included in this valuation report.

Milliman's work is prepared solely for the internal business use of the Employees' Retirement Plan of the Denver Board of Water Commissioners ("Plan"). To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

(a) The Plan may provide a copy of Milliman's work, in its entirety, to the Plan's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Plan.

(b) The Plan may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

Joel E. Stewart, ASA, EA, MAAA
Consulting Actuary

JES:kea

B. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

The actuarial assumptions used in the valuation are intended to estimate future experience affecting projected benefit flow and investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the plan's benefits.

The tables in this section give rates of decrement, referred to in actuarial notation by the general symbol "q'." The underlying theory is described more fully in Jordan, Life Contingencies, Society of Actuaries (Second Edition, 1967), page 277. Any age referred to in a table is always the age of the person at his or her nearest birthday.

Actuarial Cost Method

The actuarial cost method we use to calculate the funding requirements of the Plan is called the entry age normal actuarial cost method.

Under this cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called the Normal Cost. The portion of the actuarial present value not provided for at the valuation date by future Normal Costs is called the actuarial accrued liability.

Actuarial Value of Assets

The actuarial value of assets is determined by calculating the expected return on the prior year's market value of assets, adjusted for cash flows of contributions and benefit payments for the year, and assuming a 7.5% interest return. The difference between this expected value and the actual return for the plan year is recognized over 3 years. The actuarial value of assets is then the actual market value minus the gains and losses for prior years that are still deferred. The resulting value is limited to between 80% and 120% of the market value of assets.

Annual Required Contribution

The Annual Required Contribution (ARC) is calculated using a 30-year amortization of the unfunded actuarial accrued liability or funding excess to determine the amortization component of the ARC. On each valuation date, the newly determined unfunded actuarial accrued liability or funding excess is amortized over a rolling 30 amortization period as a level dollar amount.

Investment Earnings

7.50% per annum, compounded annually, net of all expenses.

Inflation/Cost-of-Living Adjustments

3.00% per annum, compounded annually.

Compensation Increase

Annual salary increases are based on a table graded by service, as displayed below. Merit increases are based on the District's step increase program, and assume on average three step increases at years 3, 6 and 9.

	Percentage Increase			
Service	Inflation	Productivity	Merit	Total
1	3.0%	0.5%	2.6%	6.1%
2	3.0	0.5	2.6	6.1
3	3.0	0.5	4.7	8.2
4	3.0	0.5	2.6	6.1
5	3.0	0.5	2.6	6.1
6	3.0	0.5	3.3	6.8
7	3.0	0.5	0.1	3.6
8	3.0	0.5	0.1	3.6
9	3.0	0.5	1.9	5.4
10+	3.0	0.5	0.1	3.6

Expenses

Investment return assumption is net of all expenses.

Interest Credit for Employee Contributions

5.00% per annum, compounded annually.

Mortality

Healthy Lives – RP-2000 Combined Healthy Mortality Table, blended 50% Blue Collar adjusted and 50% White Collar adjusted, and projected to 2021 using Scale AA

Disabled Lives – RP-2000 Disabled Retiree Mortality Table projected to 2021 using Scale AA. Scale AA is used to project mortality improvements in the future.

Retirement

Graduated rates by age, based on eligibility for early or unreduced retirement, as follows:

Age	Early Retirement	Unreduced Retirement
50		2%
51		2
52		1
53		1
54		9
55	5%	25
56	2	10
57	2	10
58	2	10
59	2	15
60	2	15
61	10	10
62	0	20
63	0	20
64	0	15
65		30
66-69		25
70+		100

Vested inactive members are assumed to retire at age 65. Surviving spouses of vested inactive members are assumed to begin benefit payments at first eligibility.

Disablement

Graduated rates are used. Sample rates are as follows:

Age	Probability of Disability
25	0.027%
35	0.109
45	0.255
55	0.792
65	0.000

Withdrawal Rates

Graduated rates based on years of service are used. Sample rates are as follows:

Years of Service	Probability of Termination
1	9%
2	9
3	9
4	5
5	5
6	3
7-10	3
10-15	2
15-30	1
30+	0

Marital Assumptions

75% of active and deferred vested members not currently receiving benefits are assumed to be married. Male spouses are assumed to be three years older than their female spouses.

Form of Payment Assumption

The following form of payment elections are assumed, based on age at termination/retirement.

Age at Termination/Retirement	% Electing Lump Sum	% Electing Annuity
<40	75%	25%
40+	35%	65%

C. CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS SINCE PRIOR YEAR

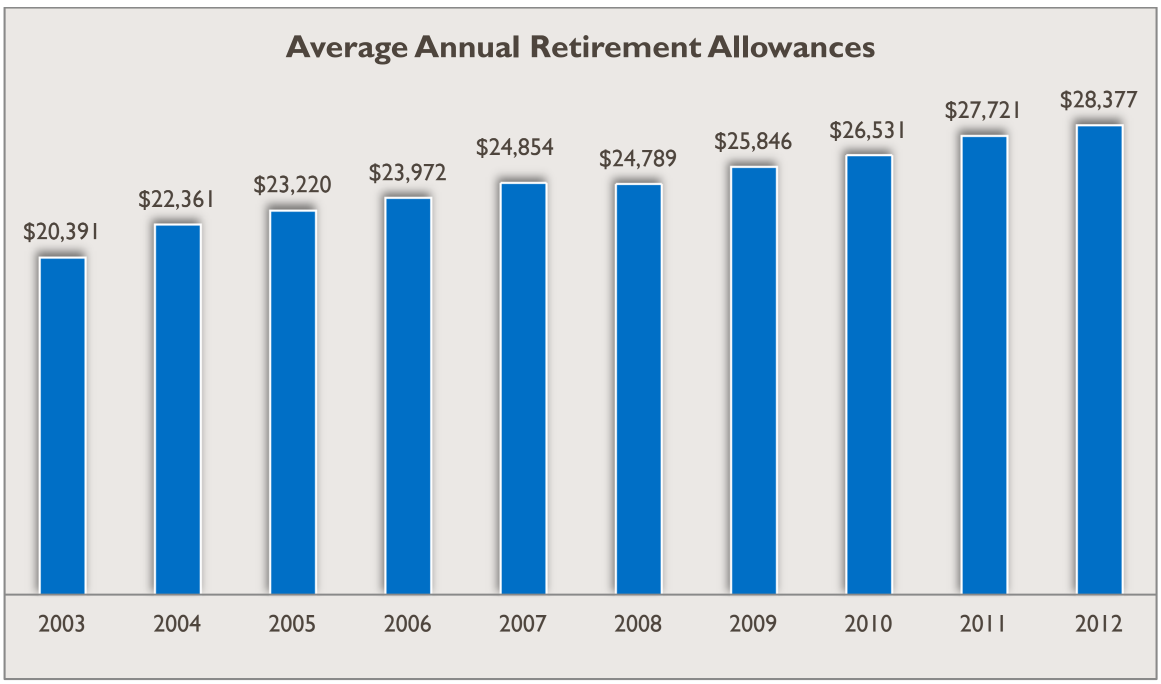
- None.

D. SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date	Number of Active Members	Annual Payroll	Annual Average Pay	% Increase in Average Pay	Number of Deferred Vesteds
1/1/2004	1,018	54,902,822	53,932	3.42	53
1/1/2005	1,016	55,998,351	55,116	2.20	54
1/1/2006	1,005	57,224,980	56,940	3.31	61
1/1/2007	978	58,578,510	59,896	5.19	62
1/1/2008	953	60,346,577	63,323	5.72	80
1/1/2009	1,017	65,721,304	64,623	2.05	77
1/1/2010	1,060	70,372,085	66,389	2.73	79
1/1/2011	1,063	69,926,961	64,237	(3.24)	82
1/1/2012	1,043	71,172,362	66,839	3.89	83
1/1/2013	1,045	71,940,163	66,868	3.30	82

E. SCHEDULE OF RETIREES AND BENEFICIARIES ADDED AND REMOVED FROM ROLLS

Plan Year Ending	Number Added to Rolls	Annual Allowances Added to Rolls	Number Removed from Rolls	Annual Allowances Removed from Rolls	Number at End of Year	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
12/31/2003	30	855,683	35	597,221	369	7,524,452	4.98	20,391
12/31/2004	36	1,071,629	10	266,227	395	8,832,415	17.38	22,361
12/31/2005	35	892,330	14	253,150	416	9,659,366	9.36	23,220
12/31/2006	35	1,068,629	24	524,884	427	10,236,256	5.97	23,972
12/31/2007	34	943,437	22	401,607	434	10,786,746	5.38	24,854
12/31/2008	21	600,765	14	334,219	441	10,931,756	1.34	24,789
12/31/2009	24	918,144	19	322,450	446	11,527,450	5.45	25,846
12/31/2010	32	1,066,810	11	204,272	467	12,389,988	7.48	26,531
12/31/2011	31	1,261,199	11	151,079	487	13,500,108	8.96	27,721
12/31/2012	45	1,511,056	13	283,394	519	14,727,770	9,.09	28,377



F. SOLVENCY TEST

	Actuarial Accrued Liabilities For				Portion of Accrued Liabilities Covered by Valuation Assets		
Valuation Date	(1) Active Member Contributions	(2) Deferred Vesteds, Retirees and Beneficiaries	(3) Active Members	Valuation Assets	(1)	(2)	(3)
1/1/2004	925,600	85,819,910	150,349,072	191,817,401	100	100	69.9
1/1/2005	814,700	93,769,001	151,439,206	205,448,203	100	100	73.2
1/1/2006	746,500	102,162,352	156,656,355	228,774,927	100	100	80.3
1/1/2007	664,800	107,425,967	156,423,105	247,159,884	100	100	88.9
1/1/2008	520,500	119,028,961	155,696,471	255,768,194	100	100	87.5
1/1/2009	495,900	124,774,259	163,394,642	209,770,560	100	100	51.7
1/1/2010	499,600	132,568,017	168,189,298	228,083,245	100	100	56.4
1/1/2011	408,200	142,084,100	153,777,087	218,757,059	100	100	49.6
1/1/2012	353,600	154,303,402	156,786,401	238,384,139	100	100	53.4
1/1/2013	274/800	168,146,325	152,183,674	252,919,993	100	100	55.5

G. ANALYSIS OF FINANCIAL EXPERIENCE

Plan Year Ending	Actuarial (Gains)/Losses			Changes in Plan Provisions	Changes in Assumptions/ Methods	Total (Gain)/Loss
	Asset Sources	Liability Sources	Total			
12/31/2003	10,905,155	338,623	11,243,778	0	0	11,243,778
12/31/2004	391,140	813,741	1,204,881	0	(5,502,072)	(4,297,191)
12/31/2005	(8,695,021)	(731,174)	(9,426,195)	0	0	(9,426,195)
12/31/2006	(4,831,200)	(5,567,912)	(10,399,112)	0	(2,740,658)	(13,139,770)
12/31/2007	(658,453)	3,245,715	2,587,262	0	0	2,587,262
12/31/2008	57,469,750	1,677,274	59,147,024	0	814,878	59,961,902
12/31/2009	(710,044)	(1,354,240)	(2,064,284)	(956,258)	0	(3,020,542)
12/31/2010	24,758,527	(6,215,755)	18,542,772	0	(13,585,635)	4,957,137
12/31/2011	(3,318,033)	2,464,819	(853,214)	0	0	(853,214)
12/31/2012	751,281	(3,476,652)	(2,725,371)	0	0	(2,725,371)

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Analysis of Financial Experience -PLAN YEAR

Expected Unfunded Actuarial Accrued Liability, January 1, 2013		$70,410,177
Changes		
Experience (Gain)/Loss		
Asset (Gain)/Loss	751,281	
Salary (Gain)/Loss	(3,566,714)	
New Member Loss	227,945	
Withdrawal (Gain)/Loss	(89,169)	
Retirement (Gain)/Loss	787,548	
Disability (Gain)/Loss	384,581	
Non-retired Mortality (Gain)/Loss	224,250	
Pensioner Mortality (Gain)/Loss	(2,648,303)	
Deferred Vested Retirement	1,368,662	
Other Demographic	(165,452)	
Total		$(2,725,371)
Assumption Change(s)		0
Plan Change		0
Total Changes		$(2,725,371)
Unfunded Actuarial Accrued Liability on January 1, 2013		$67,684,806

H. SUMMARY OF PLAN PROVISIONS

Plan Provisions as of December 31, 2012

All actuarial calculations are based upon our understanding of the provisions of Employees' Retirement Plan of the Denver Board of Water Commissioners, as amended through December 31, 2012. This summary does not attempt to cover all of the detailed provisions.

Plan Year

The Plan Year is the 12-month period beginning January 1 and ending December 31.

Accrued Benefit

The Accrued Benefit for each member is the members Normal Retirement Benefit calculated using Average Final Compensation and Credited Service as of the calculation date.

Average Final Compensation

A member's Average Monthly Salary, as of a given date, is the average of the highest 36 consecutive completed calendar months of compensation during the last 120 months of employment.

Compensation

Salary is the total compensation paid to a member for services rendered to the Employer, prior to any pre-tax contributions to any qualified cash or deferred compensation arrangement, eligible deferred compensation plan or under a cafeteria plan.

Credited Service

A member shall be credited with one year of Credited Service for each Plan Year in which the member is credited with 1,000 or more Hours of Service.

Effective Date

The original effective date of the plan is June 1, 1944. The plan was most recently restated effective July 1, 2009, and most recently amended effective November 25, 2009.

Employee

Discretionary Employee or any person employed by the Employer who has satisfactorily completed a Required Introductory Period.

Membership

An Employee shall become a member retroactive to the Employee's date of employment upon the completion of the Required Introductory Period.

Employee Contributions

No longer required on or after September 30, 1981.

Normal Retirement Date

A member's Normal Retirement Age is the later of age 65 or the date the member completes five years of Credited Service. Normal Retirement Date is the day immediately following the attainment of Normal Retirement Age.

Normal Retirement Benefits

Each member who becomes eligible for a Normal Retirement Benefit under the plan will be entitled to receive a monthly retirement pension benefit beginning at the member's Normal Retirement Date and payable in the Normal Benefit Form equal to the larger of the sum of (1) through (4), or (5):

1. $3 times Credited Service before June 1, 1951,

2. $4 times Credited Service after May 31, 1951 and before January 1, 1971,

3. The sum of $2.20 and 2% of Average Final Compensation in excess of $400, times Credited Service after December 31, 1960 and before January 1, 1971,

4. The sum of 1.25% of Average Final Compensation and 0.45% of Average Final Compensation in excess of Covered Compensation, times Credited Service after December 31, 1970.

5. The sum of 1.5% of Average Final Compensation and 0.45% of Average Final Compensation in excess of Covered Compensation, times Credited Service

Normal Benefit Form

Life Annuity

Regular Early Retirement

(a) Eligibility

Age 55 and age plus service equals 75 or more.

(b) Amount

A member's Regular Early Retirement Benefit is a monthly pension benefit equal to his Accrued Benefit determined as of his Early Retirement Date, reduced by 1/3rd of 1% for each month payments commence prior to the member's Normal Retirement Date.

Special Early Retirement – Rule of 75

(a) Eligibility

Age 55 and age plus service equals 75 or more.

(b) Amount

A member's Special Early Retirement Benefit is a monthly pension benefit equal to his Accrued Benefit determined as of his Special Early Retirement Date, unreduced for earlier commencement.

A member who terminates service after his 50th birthday and the sum of the member's age and Credited Service equals 75 or more may retire on his 55th birthday with a Special Early Retirement Benefit.

Deferred Vested Retirement

(a) Eligibility

5 or more years of Credited Service.

(b) Amount

A member's Deferred Vested Retirement shall be equal to the member's Accrued Benefit, payable at the member's Normal Retirement Date. The member may retire with an Early Retirement Benefit upon attainment of age 55.

Disability Retirement

(a) Eligibility

Termination due to Disability.

(b) Amount

A member's Disability Retirement shall be equal to the member's Normal Retirement Benefit based on Average Final Compensation and Covered Compensation at time of Disability and Credited Service member would have accrued had he continued employment through his Normal Retirement Date (or date of discontinuance of disability benefits, if earlier).

Optional Benefit Forms

Optional Benefit Forms are available and equal to the Actuarial Equivalent of the Normal Benefit Form and may be in an amount more than or less than that provided by the Normal Benefit Form depending on the option selected. Such distribution may be as a Joint & 50%, 75%, or 100% Survivor Annuity, with or without a Pop-up Feature, Level Income Option, or a Lump Sum.

Pre-Retirement Death Benefit

If a member dies prior to commencing benefits, the member's spouse will receive a monthly benefit payable as a Life Annuity in an amount equal to 50% of the member's Accrued Benefit.

Lump Sum Death Benefit

Upon the death of a Retired member receiving a monthly pension, $5,000 shall be paid in a single sum to the member's designated beneficiary.

Cost of Living Adjustment

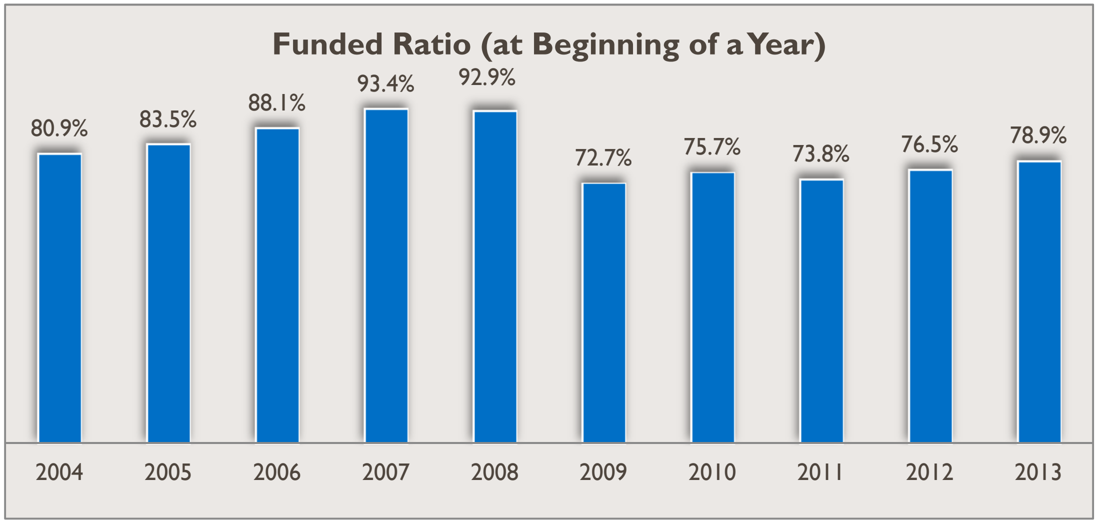
The monthly amount of any Pension provided by the Plan shall be increased or decreased annually of the first day of each January by the change in the U.S. Consumer Price Index as reported the preceding November. Annual increases may not exceed 5% for members whose severance date occurs prior to September 1, 1995 and 4.4% for members whose severance date occurs after August 31, 1995.

I. CHANGES IN PLAN PROVISIONS

None.

J. SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Accrued Liabilities (UAL) (b-a)	Funded Ratio (a/b)	Covered payroll (c)	UAL as a % of Covered Payroll1 ((b-a)/c)
1/1/2004	191,817,401	237,094,582	45,277,181	80.9	54,902,822	82.5
1/1/2005	205,448,203	246,022,907	40,574,704	83.5	55,998,351	72.5
1/1/2006	228,774,927	259,565,207	30,790,280	88.1	57,224,980	53.8
1/1/2007	247,159,884	264,513,872	17,353,988	93.4	58,578,510	29.6
1/1/2008	255,768,194	275,245,932	19,477,738	92.9	60,346,577	32.3
1/1/2009	209,770,560	288,664,801	78,894,241	72.7	65,721,304	120.0
1/1/2010	228,083,245	301,256,915	73,173,670	75.7	70,372,085	104.0
1/1/2011	218,757,059	296,269,387	77,512,328	73.8	69,926,961	110.8
1/1/2012	238,384,139	311,443,403	73,059,264	76.5	71,172,362	102.7
1/1/2013	252,919,993	320,604,799	67,684,806	78.9	71,940,163	94.1



K. SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year Ending	Annual Required Contribution	Employer Contribution	Percentage Contributed
12/31/2003	8,192,163	7,832,924	100.0
12/31/2004	8,967,490	9,005,701	100.4
12/31/2005	8,738,577	8,738,635	100.0
12/31/2006	8,268,755	8,269,119	100.0
12/31/2007	6,981,523	7,277,159	104.2
12/31/2008	7,233,450	7,590,475	104.9
12/31/2009	11,871,976	14,500,000	122.1
12/31/2010	12,638,827	12,638,827	100.0
12/31/2011	12,414,279	15,400,000	124.1
12/31/2012	12,256,238	14,300,000	116.7

L. NOTES TO TREND DATA

Summary of Actuarial Assumptions, Methods and Additional Information

Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	30 years, as a level dollar amount
Remaining amortization period	30 years
Asset valuation method	3-year smoothing of market value gains or losses
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases	3.6% - 8.2%, based on years of service
*Includes inflation at	3.0% and 0.5% productivity

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V. STATISTICAL SECTION (UNAUDITED)

This section provides detailed information about the Retirement Plans of the Denver Board of Water Commissioners as a context for understanding the Program's overall financial condition. "Schedules of Additions by Source", "Schedules of Deductions by Type", "Schedules of Benefit and Refund Deductions from Net Assets by Type" and "Schedules of Changes in Net Assets" provide detailed information about the trends of key sources of additions and deductions to assets of Denver Water Retirement Plans, as well as their overall growth. "Schedule of Retired Members by Type of Benefit" contains information regarding the number and type of benefit recipients, and benefit amount for those who retired in 2013. "Schedule of Average Benefit Payment Amounts for Retirees" contains information on the average monthly benefit, average final monthly salary, and number of retired members of the Employees' Retirement Plan of Denver Water (DB Plan) over the last 10 years. Finally, the section entitled "Other Information" contains various tables showing member data for the Plans for the years 2004-2013. All non-accounting data was derived from Denver Water's internal sources and vendor reports and has been updated as of the end of 2013, as available.

A. EMPLOYEES' RETIREMENT PLAN

1. Schedule of Additions by Source, 2004-2013

		Employer Contributions[1]			
Fiscal Year Ending	Member Contributions[2]	Dollars	Percentage of Annual Covered Payroll[3]	Net Investment and Other Income[4]	Total
2004	N/A	9,005,700	16.1%	21,453,900	30,459,600
2005	N/A	8,738,600	15.3%	14,875,000	23,613,600
2006	N/A	8,269,100	14.1%	29,511,400	37,780,500
2007	N/A	7,277,200	12.1%	19,208,700	26,485,900
2008	N/A	7,590,500	11.5%	(77,309,700)	(69,719,200)
2009	N/A	14,500,000	20.6%	31,558,700	46,058,700
2010	N/A	12,638,800	18.1%	24,118,400	36,757,200
2011	N/A	15,400,000	21.6%	(2,094,700)	13,305,300
2012	N/A	14,300,000	19.9%	28,171,400	42,471,400
2013	N/A	15,000,000	20.9%	39,023,000	54,023,000

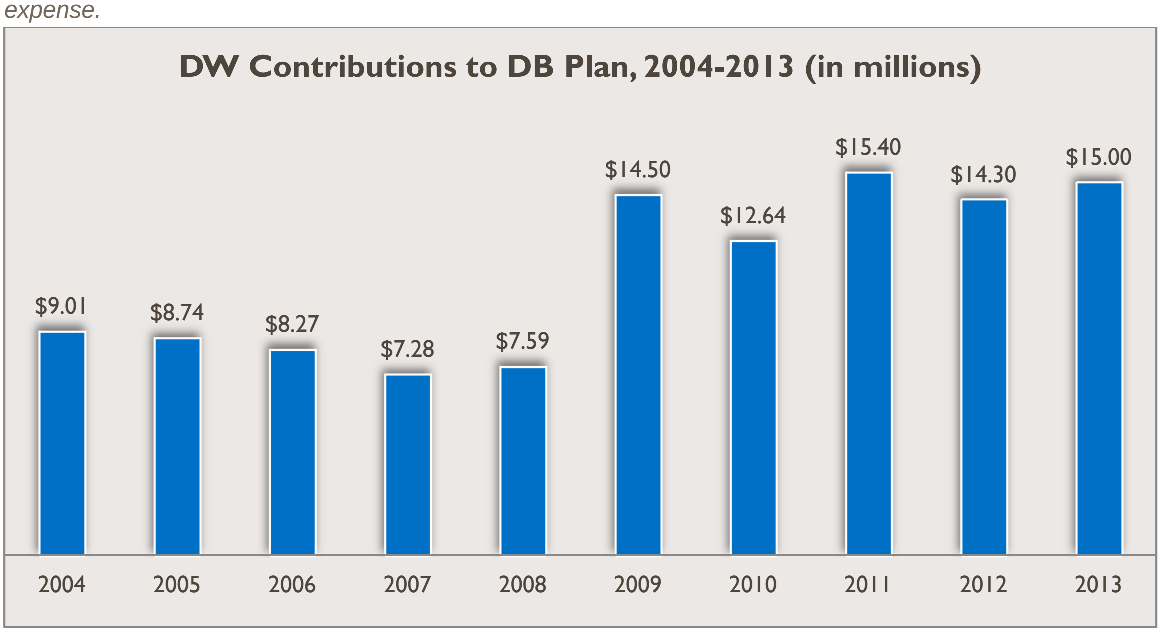
Source: Financial Statements for the Employees' Retirement Plan, 2004-2013 Actuarial Valuation Reports

[1] Employer cash contributions are made at actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due. Contribution amounts are rounded to the nearest $100 dollars and do not include interest earned for early payment of contribution.

[2]Effective September 1, 1995, members had the ability to make a voluntary after-tax contributions to the Plan to purchase an additional monthly benefit (pension purchase feature). The additional benefit was in the form of a monthly annuity with no cost-of-living adjustment. No contributions were made under this provision in 1999-2008. The pension purchase feature was eliminated effective July 1, 2009.

[3] Percentage is calculated based on contribution payment made on December 31 of each year. Actual percentage may be lower due to earlier payment of contribution.

[4.]Investment and miscellaneous income (including realized and unrealized gains/losses) net of investment expense.



statistical section

3. Schedule of Deductions by Type, 2004-2013

	Deductions by Type			
Fiscal Year Ending	Benefit Payments	Administrative Expenses	Refunds[1]	Total
2004	10,144,200	110,700	163,900	10,418,800
2005	10,371,300	43,300	131,600	10,546,200
2006	12,768,700	180,700	109,600	13,059,000
2007	20,099,700	45,500	205,500	20,350,700
2008	15,281,500	47,900	64,600	15,394,000
2009	12,640,900	52,400	88,400	12,781,700
2010	14,143,900	59,800	108,300	14,312,000
2011	15,416,200	123,200	78,000	15,617,400
2012	16,704,300	123,800	93,700	16,921,800
2013	17,699,200	115,500	151,400	17,966,100

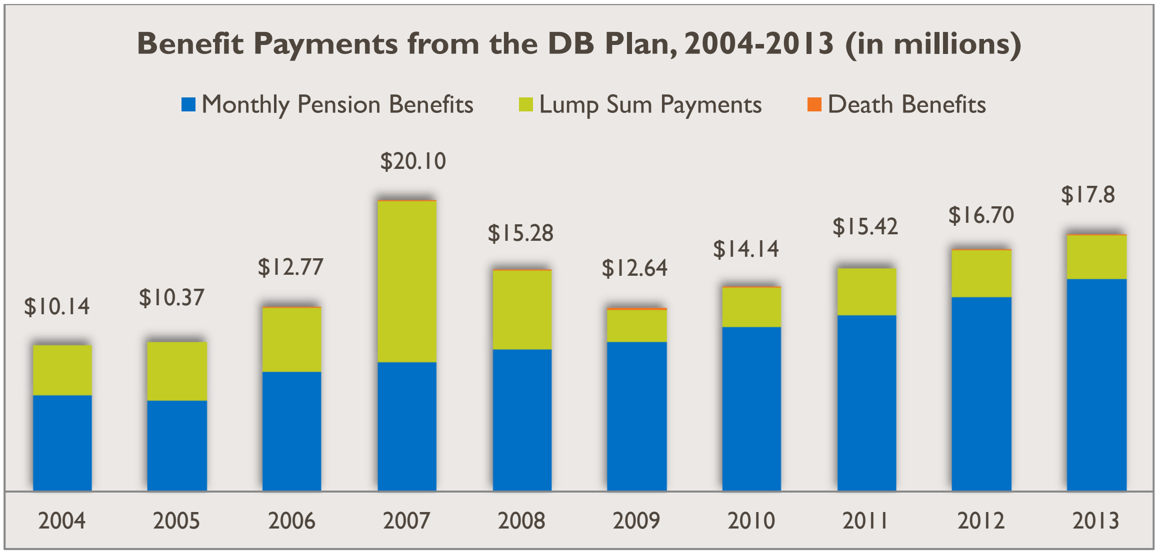
Source: Financial Statements for the Employees' Retirement Plan

[1.] Effective January 1, 1992, the Board determined that all employee contributions to the Denver Water Employees' Retirement Plan would be refunded, with interest at 5%, upon termination or retirement. An amount of $2,480,000 was paid in 1992 to refund amounts contributed by employees who had retired prior to December 1992 or were terminated during 1992. Amounts listed subsequent to 1992 were paid to employees who were terminated or retired in the year listed. Employees stopped making mandatory contributions after September 1981. As of December 31, 2013 and 2012, total remaining employee contributions including accrued interest was $127,400 and $310,000, respectively.

4. Schedule of Benefit Deductions from Net Assets by Type, 2004-2013

Fiscal Year Ending	Monthly Pension Benefits	Lump Sum Payments	Death Benefits	Total Benefits	Refunds
2004	6,667,800	3,416,400	60,000	10,144,200	163,900
2005	6,284,900	4,046,400	40,000	10,371,300	131,600
2006	8,241,800	4,451,900	75,000	12,768,700	109,600
2007	8,952,600	11,067,100	80,000	20,099,700	205,500
2008	9,837,000	5,379,500	65,000	15,281,500	64,600
2009	10,350,800	2,215,100	75,000	12,640,900	88,400
2010	11,338,400	2,740,500	65,000	14,143,900	108,300
2011	12,184,400	3,176,800	55,000	15,416,200	78,000
2012	13,442,000	3,167,300	100,000	16,704,340	93,700
2013	14,670,900	3,028,300	55,000	17,699,200	151,400

Source: Financial Statements for the Employees' Retirement Plan, Custody Reports



5. Schedule of Changes in Net Assets, 2004-2013

Fiscal Year Ending	Total Additions	Total Deductions	Change in Net Assets	Net Assets Held in Trust, Beginning of Year	Net Assets Held in Trust, End of Year
2004	30,459,600	10,418,800	20,040,800	195,957,100	215,997,900
2005	23,613,600	10,546,200	13,067,400	215,997,900	229,065,300
2006	37,780,500	13,059,000	24,721,500	229,065,300	253,786,800
2007	26,485,900	20,350,700	6,135,200	253,786,800	259,922,000
2008	(69,719,200)	15,394,000	(85,113,200)	259,922,000	174,808,800
2009	46,058,700	12,781,700	33,277,000	174,808,800	208,085,800
2010	36,757,200	14,312,000	22,445,200	208,085,800	230,531,000
2011	13,305,300	15,617,400	(2,312,100)	250,531,000	228,218,900
2012	42,471,400	16,921,800	25,549,600	228,218,900	253,768,500
2013	54,023,000	17,966,100	36,056,900	253,768,500	289,825,400

Source: Financial Statements for the Employees' Retirement Plan

6. Schedule of Retired Members by Type of Benefit

Data as of January 1, 2014

Amount of monthly benefit	Number of retirees	Type of retirement*					Option selected #				
		1	2	3	4	5	Life	Opt. 1	Opt. 2	Opt. 3	Def
Deferred	91	0	0	1	7	83	0	0	0	0	91
$1 – $249	10	0	6	4	0	0	8	0	0	2	0
$250 – $499	36	8	22	6	0	0	32	1	1	2	0
$500 – $749	34	10	17	6	1	0	29	0	1	4	0
$750 – $999	29	5	17	6	1	0	21	3	2	3	0
$1,000 – $1,249	30	5	16	8	1	0	23	0	1	6	0
$1,250 – $1,499	39	8	21	10	0	0	26	6	1	6	0
$1,500 – $1,749	26	6	15	5	0	0	19	4	1	2	0
$1,750 – $1,999	38	7	25	5	1	0	27	4	4	3	0
over $2,000	316	36	257	17	6	0	187	80	14	35	0
Totals	649	85	396	68	17	83	372	98	25	63	91

*Type of Retirement
1-Normal retirement
2-Early and special early retirement
3-Survivor
4-Disability
5-Vested terminations with deferred benefits

Option Selected
Life or leveling option
Opt. 1 – 50% J&S with and without pop up
Opt. 2 – 75% J&S with and without pop up
Opt. 3 – 100% J&S with and without pop up
Def. – Deferred benefits

Source: January 1, 2014 Actuarial Valuation Report for Employees' Retirement Plan prepared by Milliman

7. Schedule of Average Benefit Payment Amounts for Retirees, 2004-2013

	Years of Credited Service							
Retirement Effective Dates	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35+**	**Total**
January 1, 2003 to December 31, 2003:								
Average Monthly Benefit	$388.08	$735.05	$1,249.99	$1,746.66	$1,980.54	2,748.41	$3,293.17	$2,055.10
Number of Active Retirants	1	2	1	1	7	5	2	19
January 1, 2004 to December 31, 2004:								
Average Monthly Benefit	$805.73	$0.00	$543.47	$1,320.81	$2,309.82	$2,893.16	$4,956.52	$2,812.33
Number of Active Retirants	2	0	1	3	5	5	6	22
January 1, 2005 to December 31, 2005:								
Average Monthly Benefit	$0.00	$0.00	$889.51	$2,072.72	$2,071.02	$2,279.90	$3,063.27	$2,235.02
Number of Active Retirants	0	0	2	6	4	4	5	21
January 1, 2006 to December 31, 2006:								
Average Monthly Benefit	$347.80	$0.00	$0.00	$2,256.22	$2,128.89	$2,783.37	$2,425.29	$2,393.76
Number of Active Retirants	1	0	0	1	4	8	4	18
January 1, 2007 to December 31, 2007:								
Average Monthly Benefit	$144.99	$625.86	$0.00	$1,774.83	$2,102.49	$3,047.84	$3,587.81	$2,462.23
Number of Active Retirants	1	1	0	7	7	10	5	31
January 1, 2008 to December 31, 2008:								
Average Monthly Benefit	$408.19	$0	$2,277.10	$2,177.18	$3,102.16	$2,718.25	$3,274.88	$2,439.48
Number of Active Retirants	2	0	2	4	4	4	2	18
January 1, 2009 to December 31, 2009								
Average Monthly Benefit	$0	$1,379.36	$0	$0	$3,031.65	$3,711.94	$3,416.99	$3,224.64
Number of Active Retirants	0	2	0	0	4	6	8	20
January 1, 2010 to December 31, 2010								
Average Monthly Benefit	$457.36	$1,018.89	$2,257.99	$1,410.37	$2,424.95	$2,565.34	$3,901.13	$2,676.96
Number of Active Retirants	1	4	2	1	2	7	10	27
January 1, 2011 to December 31, 2011								
Average Monthly Benefit	$0.00	$892.08	$1,235.41	$1,494.81	$2,216.83	$3,747.31	$3,472.47	$2,713.81
Number of Active Retirants	0	3	4	1	1	9	5	23
January 1, 2012 to December 31, 2012								
Average Monthly Benefit	$447.58	$551.04	$1,431.77	$2,077.38	$3,022.27	$3,230.24	$4,105.24	$3,097.40
Number of Active Retirants	2	1	1		8	11	11	33
January 1, 2013 to December 31, 2013								
Average Monthly Benefit	$676.26	$770.75	$1,809.36	$2,273.52	$2,916.17	$3,144.23	$4,463.10	$3,053.70
Number of Active Retirants	1	4	7	7	3	8	18	48

8. Other Information

Employees' Retirement Plan – Member Count

			Inactive		
As of	Total	Active[1]	With Deferred Benefits	Retired Members and Beneficiaries	On Long Term Disability
01/01/2005	1,468	1,019	54	368	27
01/01/2006	1,485	1,008	61	385	31
01/01/2007	1,472	983	62	394	33
01/01/2008	1,470	956	80	410	24
01/01/2009	1,536	1,018	77	424	17
01/01/2010	1,588	1,063	79	435	11
01/01/2011	1,613	1,063	83	456	11
01/01/2012	1,613	1,043	83	477	10
01/01/2013	1,646	1,045	82	511	8
01/01/2014	1,672	1,023	84	558	7

Source: 2004-2014 Actuarial Valuation reports; extracted from "Member Data Reconciliation"

[1] Includes members on leave of absence as of January 1.

Employees' Retirement Plan – Active members

As of	Number of Members on Leave of Absence	Active Only	Average Age	Average Vesting Service	Average Earnings	Average Entry Age
01/01/2005	3	1,016	46.0	15.2	$55,116	30.8
01/01/2006	3	1,005	46.3	15.3	$56,940	31.0
01/01/2007	5	978	46.8	15.5	$59,896	31.3
01/01/2008	3	953	46.5	14.9	$63,323	N/A
01/01/2009	1	1,018	46.1	14.1	$64,623	N/A
01/01/2010	3	1,060	45.9	13.7	$66,389	N/A
01/01/2011	N/A	1,063	46.0	13.4	$64,237	N/A
01/01/2012	N/A	1,043	46.4	13.8	$66,839	N/A
01/01/2013	N/A	1,045	46.3	13.4	$66,868	N/A
01/01/2014	N/A	1,023	46.2	12.9	$68,369	N/A

Source: 2005-2014 Actuarial Valuation reports; extracted from "Active Member Averages"

Employees' Retirement Plan – Retiring Members by Type of Benefit elected, 2004-2013

Fiscal Year Ending	Lump Sum	Partial Lump/Annuity	Annuity Only	Total Retirements
2004	7	0	22	29
2005	9	2	19	30
2006	10	3	15	28
2007	26	7	24	57
2008	5	3	15	23
2009	5	4	16	25
2010	17	2	25	44
2011	7	0	23	30
2012	12	3	30	45
2013	19	5	43	67

Source: 2005-2014 Actuarial Valuation reports; extracted from "Retirements by Type""

Employees' Retirement Plan – Retiring Members by Type of Retirement, 2004-2013

Fiscal Year Ending	Normal Retirement	Early Retirement	Special Early (Rule of 75)	Special Early (Rule of 75 Grow-In)	Total Retirements
2004	4	1	22	2	29
2005	5	0	25	0	30
2006	5	1	19	3	28
2007	8	2	47	0	57
2008	1	2	20	0	23
2009	0	2	23	0	25
2010	7	11	26	0	44
2011	8	3	19	0	30
2012	9	6	30	0	45
2013	6	14	47	0	67

Source: 2005-2014 Actuarial Valuation report; extracted from "Retirements by Type"

Retired Members (Inactive Plan Members) – By Type of Retirement

As of	Normal Retirement[1]	Early and Special Early Retirement	Survivor	Disability Retirements	Vested Terminations	Total Inactive Members
01/01/2005	237	83	48	27	54	449
01/01/2006	235	99	51	31	61	477
01/01/2007	220	124	50	33	62	489
01/01/2008	73	276	53	32	80	514
01/01/2009	72	290	54	25	77	518
01/01/2010	68	307	52	19	79	525
01/01/2011	73	316	59	20	82	550
01/01/2012	75	334	60	19	82	570
01/01/2013	83	353	66	18	81	601
01/01/2014	85	396	68	17	83	649

Source: 2005-2014 Actuarial Valuation reports; extracted from "Schedules of Retired Members by Type of Benefit"."

[1] *Retirees who met the Special Early Retirement rule (Rule of 75) were classified incorrectly in the "Normal Retirement" category until 2007.*

Retired Members (Inactive Plan Members) – By Option Selected

As of	Life or leveling option	50% J&S	75% J& S	100% J&S	Total
01/01/2005	323	81	14	31	449
01/01/2006	342	79	16	40	477
01/01/2007	355	79	15	40	489
01/01/2008	374	80	15	45	514
01/01/2009	367	90	15	46	518
01/01/2010	370	88	16	51	525
01/01/2011	398	92	15	45	550
01/01/2012	413	96	15	46	570
01/01/2013	345	98	18	50	511
01/01/2014	372	98	25	63	558

Source: 2005-2014 Actuarial Valuation reports; extracted from "Schedules of Retired Members by Type of Benefit"; the 2010 data retrieved from Denver Water's internal database."

B. DENVER WATER 401(K) SUPPLEMENTAL RETIREMENT SAVINGS PLAN

Schedule of Additions by Source, 2004-2013

Fiscal Year Ending	Participant Contributions	Participant Rollovers	Employer Contributions[1]	Net Investment and Other Income[2]	Total
2004	3,000,500	-	1,431,700	1,787,600	6,219,800
2005	3,035,900	-	1,445,600	1,362,100	5,843,600
2006	3,087,300	-	1,480,300	2,420,300	6,987,900
2007	3,247,900	104,100	1,486,500	2,248,000	7,086,500
2008	3,253,500	18,200	1,554,200	(8,453,300)	(3,627,400)
2009	3,294,300	62,400	1,647,700	6,157,200	11,161,600
2010	3,562,000	89,200	1,671,100	4,952,000	10,274,300
2011	3,694,600	9,100	1,735,100	(90,900)	5,348,800
2012	3,827,400	275,200	1,743,300	5,543,600	11,389,500
2013	4,153,300	694,200	1,834,900	10,752,000	6,682,400

Source: Financial Statements for 401(k) Supplemental Retirement Savings Plan

[1] Employer's matching contribution is currently 100% of each Participant's contribution up to 3% of the Participant's published base pay for the 401(k) Plan year. Employer's contribution also includes discretionary contributions, as described in the financial statements for the DC Plans.

[2.] Investment and miscellaneous income (including realized and unrealized gains/losses) net of investment expense.

Schedule of Deductions by Type, 2004-2013

	Deductions by Type			
Fiscal Year Ending	Benefit Payments	Expenses[1]	Participant investment advisory fees	Total
2004	745,700	41,600	-	787,300
2005	922,500	71,200	-	993,700
2006	1,562,700	87,400	-	1,650,100
2007	2,986,100	71,500	-	3,057,600
2008	1,836,400	75,300	-	1,911,700
2009	2,106,300	79,600	-	2,185,900
2010	2,911,200	83,800	-	2,995,000
2011	3,004,500	44,700	-	3,049,200
2012	2,458,700	49,700	3,900	2,512,300
2013	4,907,800	58,700	10,900	4,977,400

Source: Financial Statements for 401(k) Supplemental Retirement Savings Plan

[1] Includes imputed amount of investment and recordkeeping fees.

2. Schedule of Benefit Deductions from Net Assets by Type, 2004-2013

Fiscal Year Ending	Retirement	Age 70 1/2 Minimum	Termination of Employment	Hardship Withdrawal	Other[1]	Total Benefits
2004	363,800	0	219,700	110,100	52,100	745,700
2005	539,400	300	252,000	111,400	19,400	922,500
2006	466,000	11,800	868,000	141,100	75,800	1,562,700
2007	1,820,400	1,200	885,600	137,200	53,700	2,986,100
2008	1,422,200	900	244,000	98,700	70,600	1,836,400
2009	1,655,300	0	201,700	100,900	148,400	2,106,300
2010	2,163,350	0	257,700	122,250	367,900	2,911,200
2011	2,301,600	4,200	326,600	185,300	186,800	3,004,500
2012	1,757,800	1,900	392,600	197,900	108,500	2,458,700
2013	3,603,000	0	736,700	200,700	367,400	4,907,800

Source: Great West, Plan Disbursement Summary

[1]"Other" includes beneficiary payments, Qualified Domestic Relations Order (QDRO) payments, death claims, disability payments, early distributions and taxes withheld.

3. Schedule of Changes in Net Assets, 2004-2013

Fiscal Year Ending	Total Additions	Total Deductions	Change in Net Assets	Net Assets Held in Trust, Beginning of Year	Net Assets Held in Trust, End of Year
2004	6,219,800	787,300	5,432,500	16,271,500	21,704,000
2005	5,843,600	993,700	4,849,900	21,704,000	26,553,900
2006	6,987,900	1,650,100	5,337,800	26,553,900	31,891,700
2007	7,086,500	3,057,600	4,028,900	31,891,700	35,920,600
2008	(3,627,400)	1,911,700	(5,539,100)	35,920,600	30,381,500
2009	11,161,600	2,185,900	8,975,700	30,381,500	39,357,200
2010	10,274,300	2,995,000	7,279,300	39,357,200	46,636,500
2011	5,347,900	3,049,200	2,298,700	46,636,500	48,935,200
2012	11,389,500	2,512,300	8,877,200	48,935,200	57,812,400
2013	17,434,400	4,977,400	12,457,000	57,812,400	70,269,400

Source: Financial Statements for 401(k) Supplemental Retirement Savings Plan

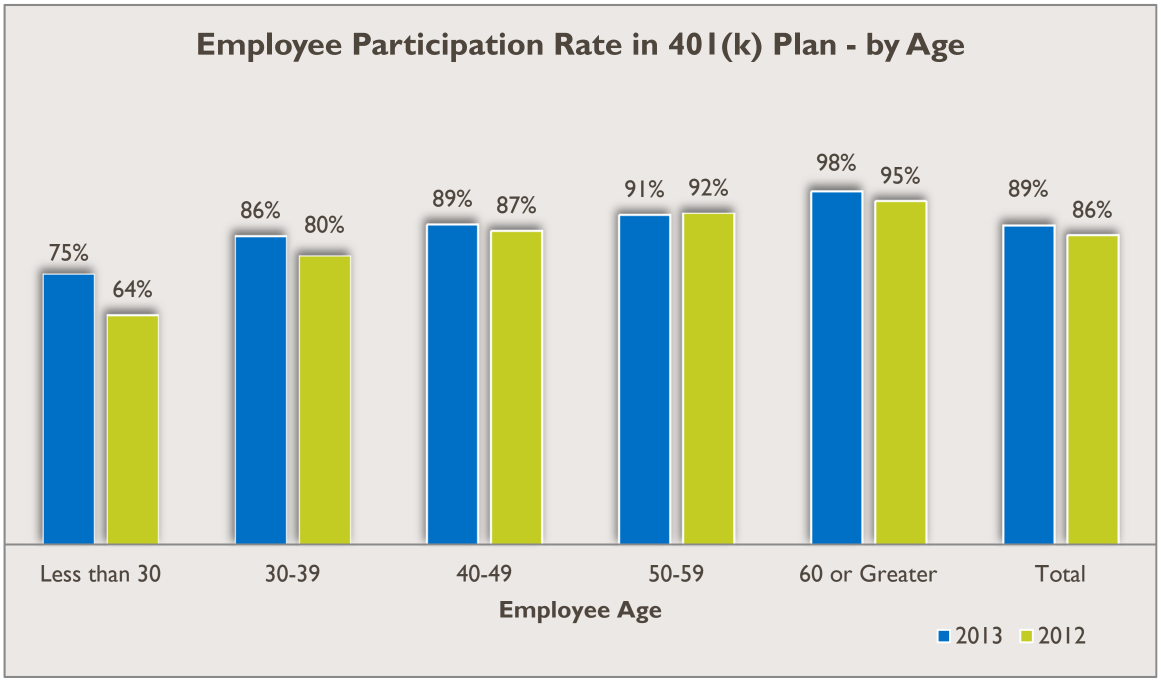
4. Other Information

Denver Water 401(k) Supplemental Retirement Savings Plan - Number of Participants

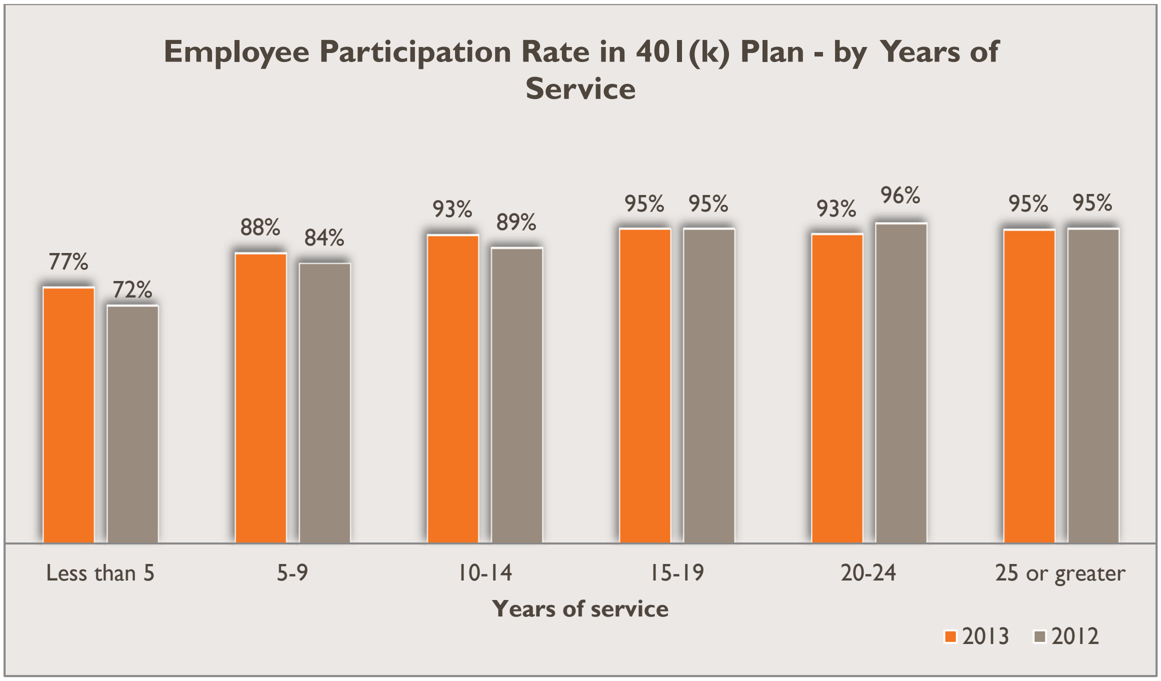
Fiscal Year Ending	Participants[1]			
	Total	Active	Inactive	New enrollments
12/31/2004	1,000	945	55	40
12/31/2005	1,015	953	62	63
12/31/2006	1,020	935	85	45
12/31/2007	1,003	918	85	39
12/31/2008	1,021	918	103	75
12/31/2009	1,011	926	85	60
12/31/2010	1,010	922	88	N/A
12/31/2011	1,027	930	97	N/A
12/31/2012	1,061	940	121	N/A
12/31/2013	1,092	934	158	N/A

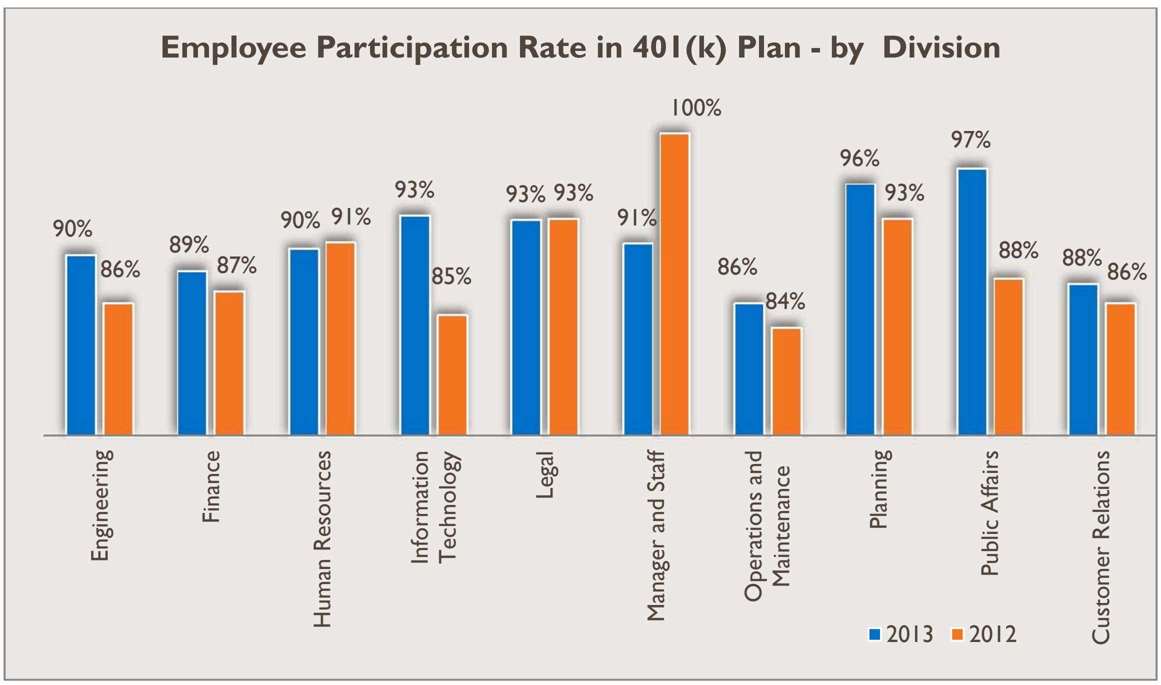
Source: VALIC/ Great-West

[1] Total participants are defined as those participants who had cash value at the end of the reporting period. Active participants are defined as those participants who were actively employed and had a balance at the end of the year. Inactive participants include plan participants who are no longer employed but have a balance.

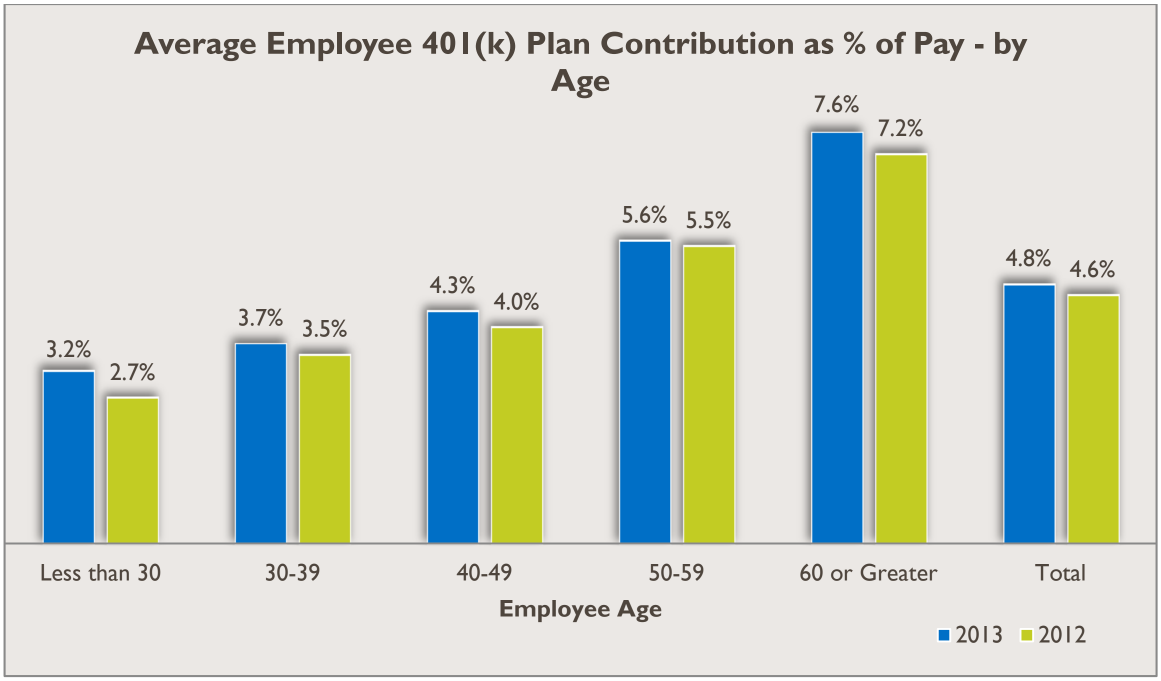


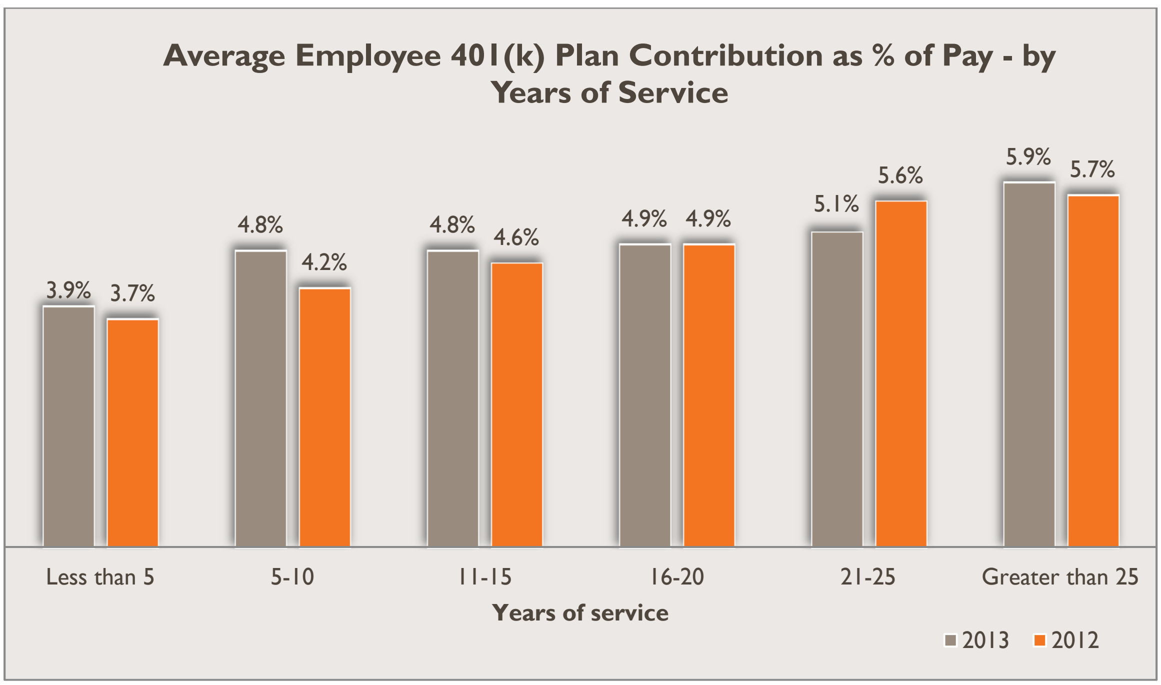
Source: Denver Water, Human Resources database; data as of year-end.





Source: Denver Water, Human Resources database; data as of year-end.





Source: Denver Water, Human Resources database; data as of year-end.

C. DENVER WATER 457 DEFERRED COMPENSATION PLAN

1. Schedule of Additions by Source, 2004-2013

Fiscal Year Ending	Participant Contributions	Participant Rollovers	Employer Contributions[1]	Net Investment and Other Income[2]	Total
2004	1,246,700	-	N/A	2,028,000	3,274,700
2005	1,238,300	-	N/A	1,128,700	2,367,000
2006	1,227,700	-	N/A	1,770,900	2,998,600
2007	1,429,700	-	N/A	1,877,300	3,307,000
2008	1,313,500	-	N/A	(4,543,700)	(3,230,200)
2009	1,302,800	-	N/A	3,334,200	4,637,000
2010	1,437,700	-	N/A	2,326,100	3,763,800
2011	1,580,600	1,900	N/A	252,400	1,834,900
2012	1,707,900	12,200	N/A	2,257,800	3,978,000
2013	1,839,600	110,200	23,000	3,936,700	5,909,500

Source: Financial Statements for Denver Water 457 Deferred Compensation Plan

[1] Employer's contribution also includes discretionary contributions, as described in the financial statements for the DC Plans.

[2] ·Investment and miscellaneous income (including realized and unrealized gains/losses) net of investment expense and participant advisory fees.

2. Schedule of Deductions by Type, 2004-2013

	Deductions by Type			
Fiscal Year Ending	Benefit Payments	Administrative Expenses[1]	Participant investment advisory fees	Total
2004	1,994,800	46,800	-	2,041,600
2005	1,823,300	50,800	-	1,874,100
2006	2,118,600	83,600	-	2,202,200
2007	3,065,400	60,400	-	3,125,800
2008	2,540,800	57,200	-	2,598,000
2009	2,500,700	54,300	-	2,555,000
2010	2,692,400	49,900	-	2,742,300
2011	2,987,700	23,000	-	3,010,700
2012	1,956,500	23500	1,200	1,981,200
2013	2,349,500	25,900	3,200	2,378,600

Source: Financial Statements for Denver Water 457 Deferred Compensation Plan

[1] Includes imputed amount of investment and recordkeeping fees.

3. Schedule of Benefit Deductions from Net Assets by Type, 2004-2013

Fiscal Year Ending	Retirement	Age 70 1/2 minimum	Termination of Employment	Hardship	Other[1]	Total Benefits
2004	1,149,000	10,800	692,700	-	142,300	1,994,800
2005	1,026,100	15,900	565,900	-	215,400	1,823,300
2006	728,300	26,800	1,156,700	-	206,800	2,118,600
2007	2,094,600	28,300	862,700	-	79,800	3,065,400
2008	2,090,100	7,100	481,000	-	(37,400)	2,540,800
2009	1,846,700	0	337,600	-	316,400	2,500,700
2010	2,085,400	0	372,700	-	234,300	2,692,400
2011	2,761,200	24,300	152,700	8,000	41,500	2,987,700
2012	1,564,900	22,300	279,200	600	88,500	1,956,500
2013	2,158,700	11,100	100,700	17,100	61,900	2,349,500

Source: Great West, Plan Disbursement Summary

[1]"Other" includes beneficiary payments, Qualified Domestic Relations Order (QDRO) payments, death claims, disability payments, early distributions and taxes withheld.

4. Schedule of Changes in Net Assets, 2004-2013

Fiscal Year Ending	Total Additions	Total Deductions	Change In Net Assets	Net Assets Held in Trust, Beginning of Year	Net Assets Held in Trust, End of Year
2004	3,274,700	2,041,600	1,233,100	26,003,100	27,236,200
2005	2,367,000	1,874,100	492,900	27,236,200	27,729,100
2006	2,998,600	2,202,200	796,400	27,729,100	28,525,500
2007	3,307,000	3,125,800	181,200	28,525,500	28,706,700
2008	(3,230,200)	2,598,000	(5,828,200)	28,706,700	22,878,500
2009	4,637,000	2,555,000	2,082,000	22,878,500	24,960,500
2010	3,763,800	2,742,300	1,021,500	24,960,500	25,982,000
2011	1,834,900	3,010,700	(1,175,800)	25,982,000	24,806,200
2012	3,977,900	1,981,200	1,996,600	24,806,200	26,802,900
2013	5,909,500	2,378,600	3,530,900	26,802,900	30,333,800

Source: Financial Statements for Denver Water 457 Deferred Compensation Plan

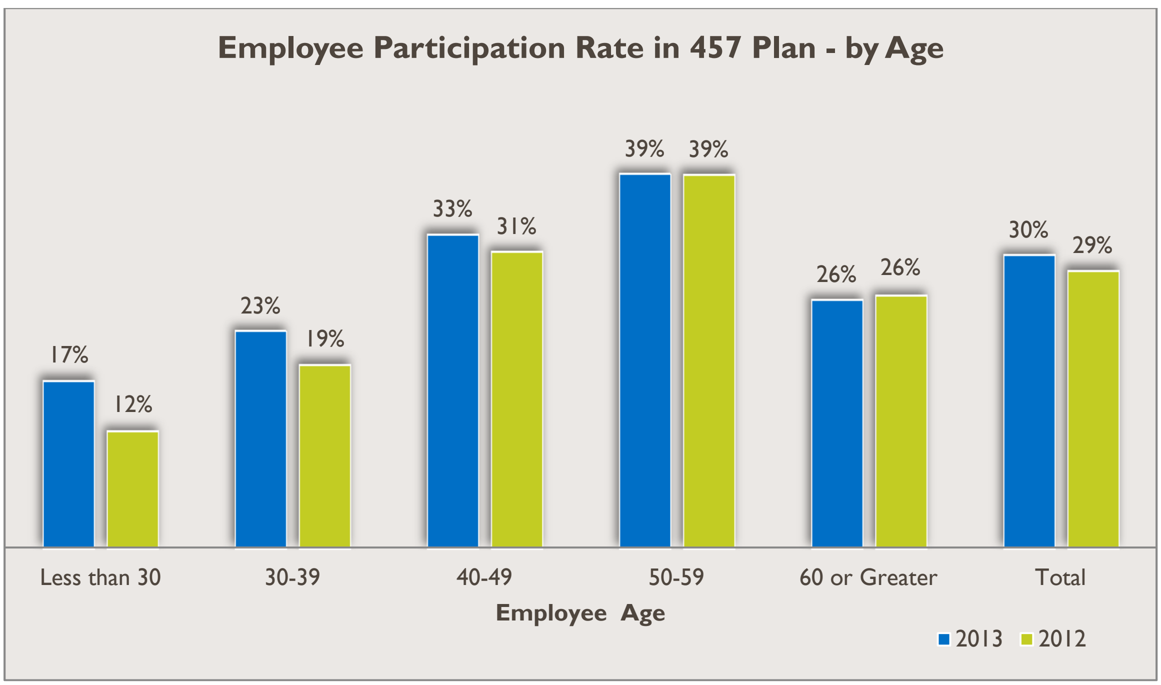
5. Other Information

Denver Water 457 Deferred Compensation Plan- Number of Participants

Fiscal Year Ending	Participants[1]			
	Total	Active	Inactive	New Enrollments
12/31/2004	847	365	482	3
12/31/2005	826	364	462	59
12/31/2006	807	351	456	13
12/31/2007	760	348	412	10
12/31/2008	730	336	394	24
12/31/2009	679	314	365	11
12/31/2010	636	278	358	N/A
12/31/2011	619	516	103	N/A
12/31/2012	607	495	112	N/A
12/31/2013	608	472	136	N/A

Source: VALIC/ Great-West

[1]Total participants are defined as those participants who had cash value at the end of the reporting period. Active participants are defined as those participants who were actively employed and had a balance at the end of the year. Inactive participants include plan participants who are no longer employed but have a balance.



Source: Denver Water, Human Resources database; data as of year-end.

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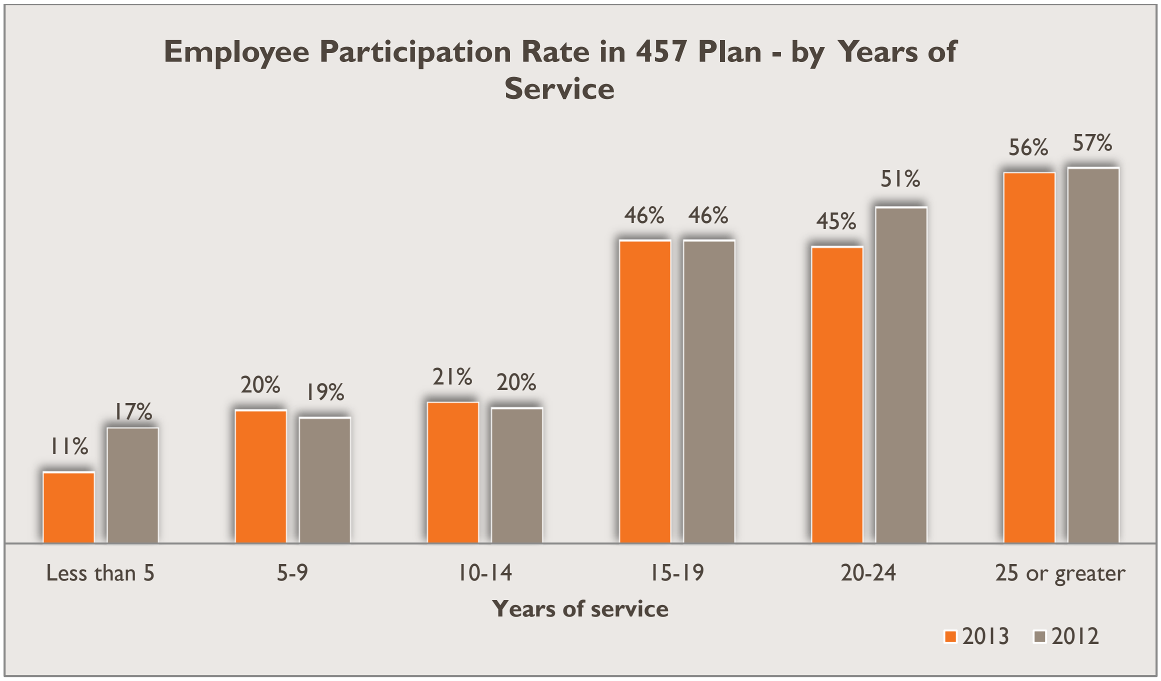

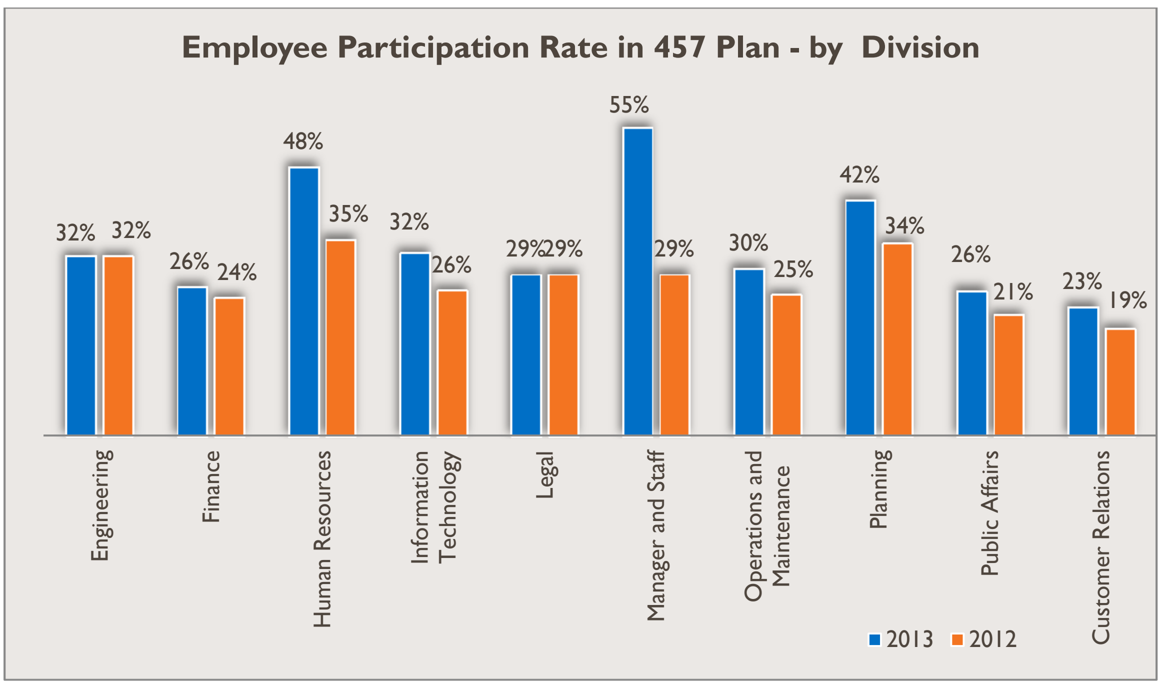

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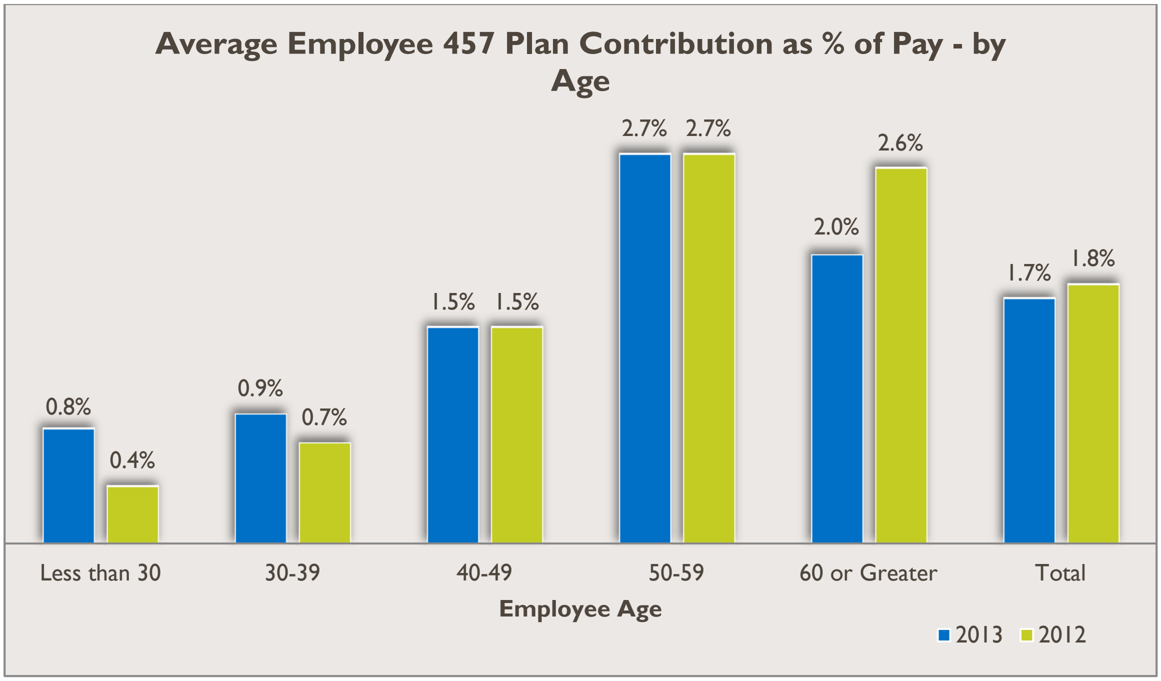

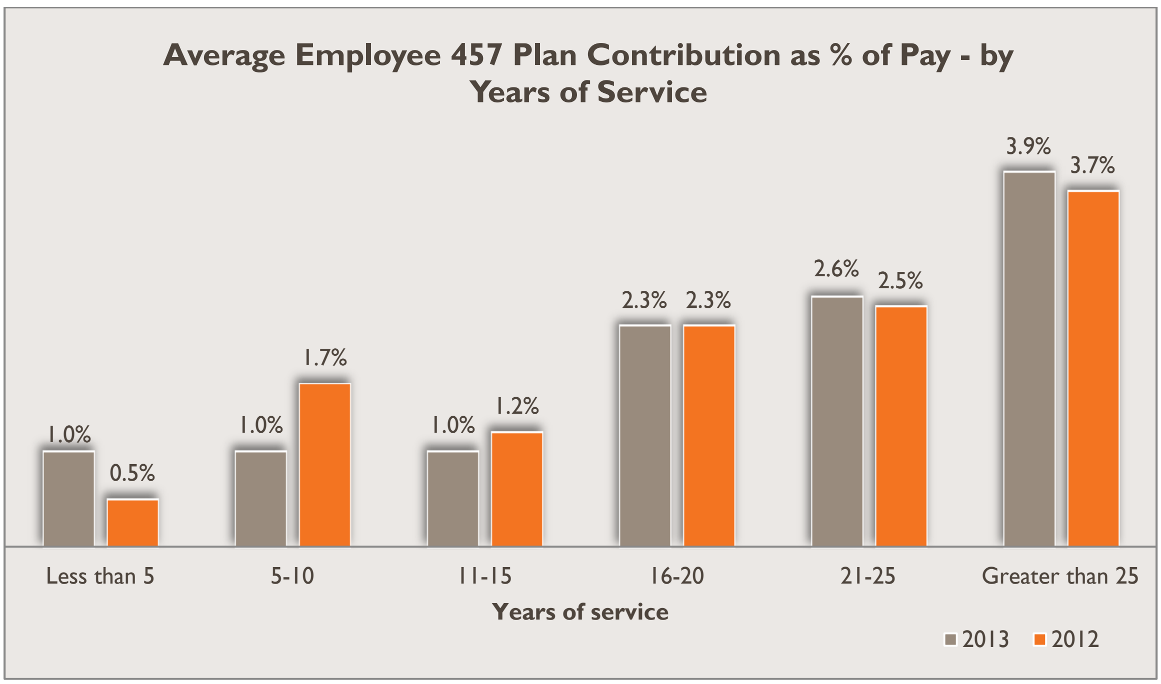

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