PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2025

NEW ISSUE – BOOK ENTRY ONLY **RATINGS (See "RATINGS"): Moody's: "Aaa" (stable outlook)**
S&P: "AAA" (stable outlook)

In the opinion of Kutak Rock, LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2025A Bonds (including any original issue discount properly allocable to the owner of a Series 2025A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2025A Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, the Series 2025A Bonds and the income therefrom are exempt from taxation, except inheritance, estate, and transfer taxes. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

DENVER WATER

CITY AND COUNTY OF DENVER, COLORADO ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

$194,160,000*
WATER REVENUE REFUNDING BONDS SERIES 2025A

Dated: Date of Delivery **Due: September 15, as shown herein**

The Water Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds") will be issued in fully registered book entry form in denominations of $5,000 or integral multiples thereof. The Series 2025A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository for the Series 2025A Bonds. U.S. Bank Trust Company, National Association will act as Paying Agent for the Series 2025A Bonds. Individual purchases are to be made in book entry only form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2025A Bonds. Interest is payable on March 15, 2026*, and semiannually thereafter on each March 15 and September 15 to and including the maturity dates shown on the inside cover hereof, unless the Series 2025A Bonds are redeemed earlier.

See Inside Cover Page for Maturities, Principal Amounts, Interest Rates, Prices and Yields

The Series 2025A Bonds are being issued for the purpose of: (1) refunding a portion of the Subordinate Lien Water Revenue Commercial Paper Notes, Series 2023A issued by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the "Board"), and (2) paying the costs of issuing the Series 2025A Bonds. The Series 2025A Bonds are special, limited obligations of the Board payable solely out of and secured by an irrevocable and nonexclusive pledge of and lien on the Net Revenue of the Board's water works system and plant. Such lien is on a parity with the lien thereon of certain outstanding water revenue bonds of the Board and is to be on parity with the lien thereon of any Additional Parity Bonds that may be issued by the Board, all as described herein. See "SECURITY FOR THE SERIES 2025A BONDS."

The Series 2025A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described under the caption "THE SERIES 2025A BONDS - Redemption."* The Series 2025A Bonds are not secured by a reserve fund or account.

The Series 2025A Bonds are not a debt or indebtedness or a multiple fiscal year debt or other financial obligation of the City and County of Denver, Colorado (the "City"), the State of Colorado (the "State") or any political subdivision of the State within the meaning of any constitutional charter or statutory limitation of the City or the State. The Series 2025A Bonds are not payable from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for their payment.

This cover page is not a summary of the issue. Investors should read the Official Statement in its entirety in order to make an informed investment decision.

The Series 2025A Bonds are offered when, as, and if issued by the Board, subject to the approval of validity and certain other matters by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Squire Patton Boggs (US) LLP, Denver, Colorado, has been retained as Disclosure Counsel to the Board in connection with the preparation of this Official Statement. PFM Financial Advisors LLC, Chandler, Arizona, has acted as Municipal Advisor to the Board. It is expected that the Series 2025A Bonds will be available for delivery on or about August __, 2025.*

BIDS TO BE RECEIVED ON AUGUST 5, 2025

SEE APPENDIX H – "NOTICE OF PUBLIC SALE"

The date of this Official Statement is August __, 2025

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* Preliminary, subject to change.

CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS
BOARD OF WATER COMMISSIONERS

MATURITY SCHEDULE*
CUSIP® 24916P[(1)]

$194,160,000*
WATER REVENUE REFUNDING BONDS
SERIES 2025A

Maturity (September 15)	*Principal Amount*	*Interest Rate*	*Price*	*Yield*	*CUSIP®[(1)]*	*Maturity (September 15)*	*Principal Amount*	*Interest Rate*	*Price*	*Yield*	*CUSIP®[(1)]*
2026	$	%		%		2035	$	%		%	
2027						2036					
2028						2037					
2029						2038					
2030						2039					
2031						2040					
2032						2041					
2033						2042					
2034						2043					

$_________ ___% Term Bond due September 15, 20__ – Yield ____% Price _______ CUSIP©[(1)] __________
$_________ ___% Term Bond due September 15, 20__ – Yield ____% Price _______ CUSIP©[(1)] __________

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* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2025A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2025A Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Board. The Board maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2025A Bonds.

The information set forth in this Official Statement has been obtained from the Board and from the other sources referenced throughout this Official Statement which the Board believes to be reliable. No representation is made by the Board, however, as to the accuracy or completeness of such information received from parties other than the Board. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2025A Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the System, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Series 2025A Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Series 2025A Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Series 2025A Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE SERIES 2025A BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER OR PURCHASERS OF THE SERIES 2025A BONDS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER OR PURCHASERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE SERIES 2025A BONDS, THE INITIAL PURCHASER OR PURCHASERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE SERIES 2025A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS
BOARD OF WATER COMMISSIONERS

Board of Water Commissioners

Stephanie Donner, *President*
Tyrone Gant, *First Vice President*
Dominique Gómez, *Vice President*
Craig Jones, *Vice President*
Gary M. Reiff, *Vice President*

Executive Team

Alan Salazar, *Chief Executive Officer/Manager, Secretary to the Board*
Julie A. Anderson, *Chief of Staff*
Angela C. Bricmont, *Chief Finance Officer*
Brian D. Good, *Chief Administrative Officer*
Richard B. Marsicek, *Chief Water Resource Strategy Officer*
Robert J. Mahoney, *Chief Engineering Officer*
Thomas J. Roode, *Chief Operations and Maintenance Officer*
Jessica R. Brody, *General Counsel*

Auditor

CliftonLarsonAllen LLP

Bond Counsel

Kutak Rock LLP

Disclosure Counsel

Squire Patton Boggs (US) LLP

Municipal Advisor

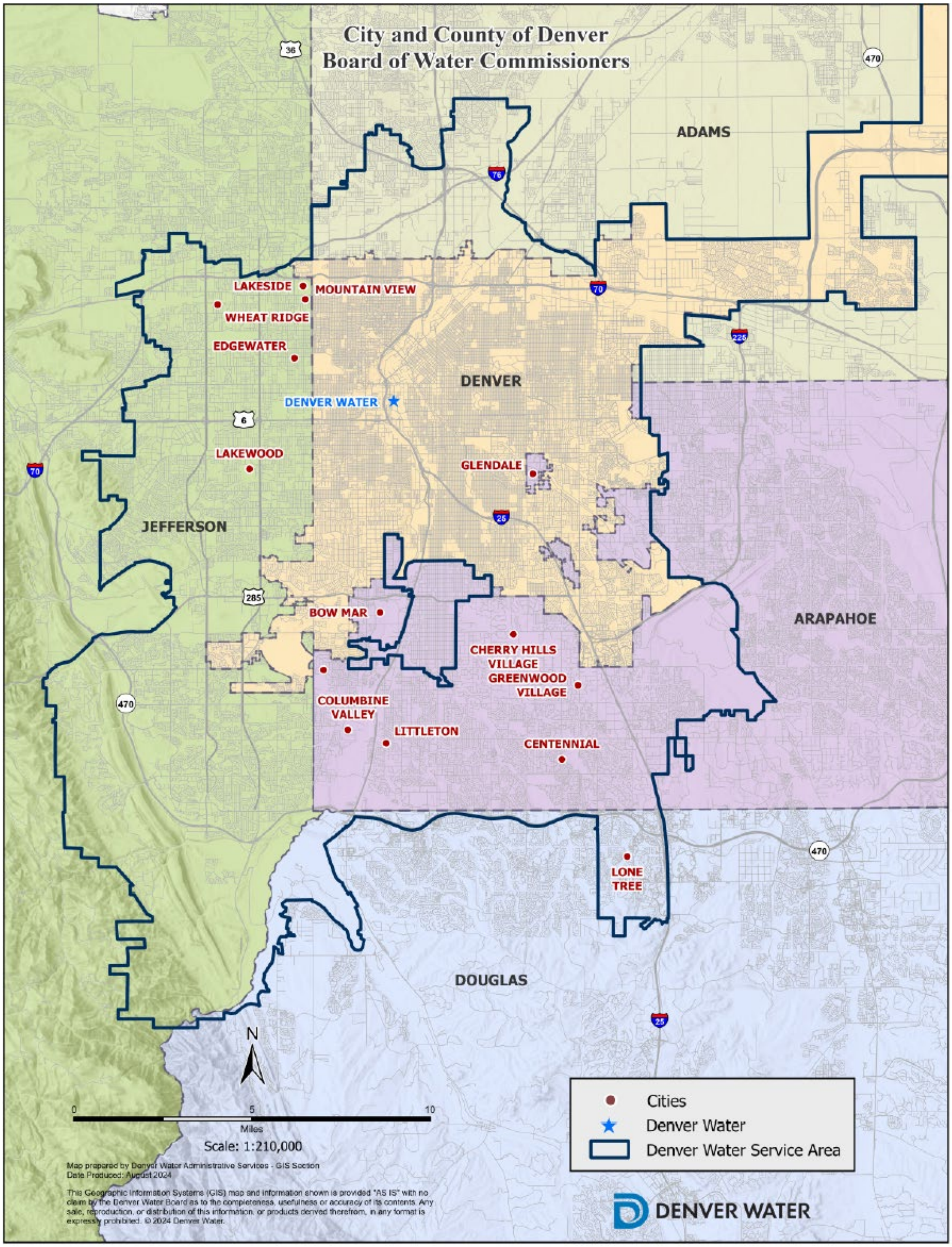
PFM Financial Advisors LLC

Registrar and Paying Agent

U.S. Bank Trust Company, National Association

Verification Agent

Causey Public Finance, LLC


City and County of Denver
Board of Water Commissioners
ADAMS
LAKESIDE
MOUNTAIN VIEW
WHEAT RIDGE
EDGEWATER
DENVER
DENVER WATER
LAKEWOOD
GLENDALE
JEFFERSON
BOW MAR
ARAPAHOE
CHERRY HILLS VILLAGE
GREENWOOD VILLAGE
COLUMBINE VALLEY
LITTLETON
CENTENNIAL
LONE TREE
DOUGLAS
N
0
5
10
Miles
Scale: 1:210,000
Map prepared by Denver Water Administrative Services - GIS Section
Date Produced: August 2024
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Cities
Denver Water
Denver Water Service Area
DENVER WATER

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OFFICIAL STATEMENT

Relating to

CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS
BOARD OF WATER COMMISSIONERS

$194,160,000*
WATER REVENUE REFUNDING BONDS
SERIES 2025A

INTRODUCTION

General

This Official Statement, including its cover page, inside cover page and appendices, is furnished in connection with the issuance and sale by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the "Board" or "Denver Water"), of its Water Revenue Refunding Bonds, Series 2025A, in the aggregate principal amount of $194,160,000* (the "Series 2025A Bonds").

The offering of the Series 2025A Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2025A Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein particularly the section entitled "Investment Considerations." Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page and appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in Appendix B hereto.

The Issuer

The Board is an independent, autonomous and non-political agency of the City and County of Denver, Colorado ("City"), organized and existing under the home rule charter of the City (the "Charter"). See "DENVER WATER."

Denver Water is the largest and oldest supplier of water in the State of Colorado (the "State" or "Colorado") and one of the largest water suppliers in the western United States. Denver Water is the third largest public landowner in the State. Denver Water was established in 1918 after City residents voted to buy the water system from a private company. Denver Water provides water in an area covering the boundaries of the City and many of its suburbs, constituting approximately 335 square miles with a treated and raw water customer base of approximately 1.5 million people (approximately ¼ of the residents of the State). See "THE SYSTEM."

Authority for Issuance

The Series 2025A Bonds are issued under authority of the Charter and the constitution and laws of the State. Denver Water is an "enterprise" of the City within the meaning of Article X, Section 20 of the Colorado Constitution and a "water activity enterprise" within the meaning of C.R.S. §37-45.1-102(4). See "DEBT STRUCTURE – Denver Water as an Enterprise." As bonds of an enterprise, the Series 2025A Bonds are authorized to be issued by the Board without prior approval by the electors of the City. See "DEBT STRUCTURE – Outstanding Bonds and Other Obligations."

The Series 2025A Bonds are also being issued by the Board pursuant to Resolution (06-28-23) Authorizing Amendment and Restatement of the Master Bond Resolution (the "Master Bond Resolution"), adopted by the Board on June 28, 2023, and the Series 2025A Supplemental Bond Resolution (the "Series 2025A Supplemental Resolution") adopted by the Board on July 23, 2025, and the Series 2025A Sale Certificate executed on behalf of the Board by the Chief Finance Officer upon the sale of the Series 2025A Bonds.

The Master Bond Resolution amended and restated the original Master (3-14-07) Bond Resolution, which was amended and restated in full by the Master (03-22-17) Bond Resolution, and encompasses such previous amendments and supplements provided in the Supplemental Resolutions as described in greater detail in Appendix C. These Supplemental Resolutions provide for the issuance of the Outstanding Parity Bonds. The Master Bond Resolution, as supplemented by the Series 2025A Supplemental Resolution, are together described in this Official Statement as the "Parity Bonds Resolution."

Purpose

The Series 2025A Bonds are being issued for the purposes of: (1) refunding a portion of the Subordinate Lien Water Revenue Commercial Paper Notes, Series 2023A (the "Series 2023A Notes") issued by the Board (the "Series 2025A Bonds Refunding Project"), and (2) paying the costs of issuing the Series 2025A Bonds (together with the Series 2025A Bonds Refunding Project, the "Series 2025A Project").

The Series 2025A Bonds; Prior Redemption

The Series 2025A Bonds are issued solely as fully registered certificates in the denomination of $5,000, or any integral multiple thereof. The Series 2025A Bonds are dated, mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the cover page and inside cover page of this Official Statement. The payment of principal of and interest on the Series 2025A Bonds is described in "THE SERIES 2025A BONDS – Registration and Payment." The Series 2025A Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the securities depository for the Series 2025A Bonds. Purchases of the Series 2025A Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 2025A Bonds. See "THE SERIES 2025A BONDS – Book Entry Only System."

The Series 2025A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in "THE SERIES 2025A BONDS – Redemption."*

Security

Limited Revenue Obligations. The Series 2025A Bonds are special limited revenue obligations of the Board payable solely from and secured by an irrevocable and nonexclusive pledge of and lien on the Net Revenue of the Board's water works system and plan (collectively, the "System"), which consists generally of all revenue derived by the Board from rates, fees, tolls and charges for use of the System after payment of all reasonable and necessary expenses of operating, maintaining and repairing the System. The Series 2025A Bonds are payable only out of the Parity Bonds Debt Service Account of the Water Works Fund, into which the Board covenants and agrees to deposit Net Revenue at the times and in the amounts sufficient to pay when due the principal of and interest on the Parity Bonds, including the Series 2025A Bonds.

The lien of the Series 2025A Bonds on the Net Revenue is on a parity with the lien of the Series 2012B Bonds, the Series 2014A Bonds, the Series 2016A-B Bonds, the Series 2017A-B Bonds, the Series 2020A-B Bonds, the Series 2021A Bonds, the Series 2022A Bonds, the Series 2024A Bonds and the Series 2022 SRF Loan (defined herein), which upon issuance of the Series 2025A Bonds will be outstanding in the aggregate

* Preliminary, subject to change.

principal amount of $1,539,536,248* (including the Series 2025A Bonds). The Parity Bonds Resolution prohibits the Board from issuing or incurring any additional obligations, including refunding obligations, with a lien on the Net Revenue that is superior to the lien of the Parity Bonds, including the Series 2025A Bonds. The Board may issue Additional Parity Bonds as described in "SECURITY FOR THE SERIES 2025A BONDS – Additional Obligations Payable from the Net Revenue."

The Series 2025A Bonds are not secured by any encumbrance, lien, or mortgage on any property of Denver Water, other than the lien on the Net Revenue and any other moneys lawfully pledged for the payment of the Series 2025A Bonds, and the Registered Owners (the "Owners") of the Series 2025A Bonds may not look to the General Fund or any other fund of the City, or compel the levying of any tax, for payment of the Series 2025A Bonds. The Series 2025A Bonds do not constitute a debt, indebtedness or multiple fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter, or statutory provision or limitation of the City or the State, do not constitute general obligations of the City and are not secured by a pledge of the full faith and credit of the City.

The creation, perfection, enforcement and priority of the pledge of the Net Revenue to secure or pay the Series 2025A Bonds are governed by the Supplemental Public Securities Act, constituting part 2 of article 57 of title 11, C.R.S. (the "Supplemental Act") and the Parity Bonds Resolution. The Supplemental Act provides that the Net Revenue, as received by or otherwise credited to the Board, will immediately be subject to the lien of each such pledge without any physical delivery, filing or further act. The lien of such pledge on the Net Revenue and the obligation to perform the contractual provisions made in the Parity Bonds Resolution will have priority over any or all other obligations and liabilities of the Board. The lien of such pledge will be valid, binding and enforceable as against all persons having claims of any kind in tort, contract or otherwise against the Board irrespective of whether such persons have notice of such liens.

Professionals

Kutak Rock LLP, Denver, Colorado, has acted as Bond Counsel to the Board. Squire Patton Boggs (US) LLP, Denver, Colorado, has acted as Disclosure Counsel to the Board in connection with preparation of this Official Statement. The Board's municipal advisor in connection with the Series 2025A Bonds is PFM Financial Advisors LLC, Chandler, Arizona. See "MUNICIPAL ADVISOR." The financial statements in Appendix A of this Official Statement have been audited by CliftonLarsonAllen LLP, certified public accountants, Denver, Colorado as stated in their report appearing herein. See "INDEPENDENT AUDITORS." U.S. Bank Trust Company, National Association will act as the registrar and paying agent for the Series 2025A Bonds (the "Registrar" and "Paying Agent"), and will also act as the Escrow Agent in connection with the Series 2025A Bonds Refunding Project. Certain mathematical computations regarding the Series 2023A Commercial Paper Escrow Account (as defined herein) established for the Series 2025A Bonds Refunding Project will be verified by Causey Public Finance, LLC, a firm of independent public accountants. See "PLAN OF FINANCE – Verification of Mathematical Computations."

Continuing Disclosure Undertaking

The Board will execute a continuing disclosure undertaking (the "Disclosure Undertaking") at the time of the closing for the Series 2025A Bonds. The Disclosure Undertaking will be executed for the benefit of the beneficial owners of the Series 2025A Bonds and the Board has agreed to comply with its terms. The Disclosure Undertaking will provide that so long as the Series 2025A Bonds remain outstanding, the Board will provide the following information to the Municipal Securities Rulemaking Board through the EMMA system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain specified events; all as more particularly described in the Disclosure Undertaking. The form of the Disclosure Undertaking is attached hereto as Appendix F. Within the last five-year period from the date of this Official Statement, the Board has complied in all material respects with previous undertakings made pursuant to Rule 15c2-12

* Preliminary, subject to change.

promulgated under the Securities Exchange Act of 1934 (the "Rule"). See "CONTINUING DISCLOSURE UNDERTAKING."

Tax Matters

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants described herein, interest on the Series 2025A Bonds (including any original issue discount properly allocable to the owner of a Series 2025A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, the Bonds and the income therefrom are exempt from taxation, except inheritance, estate, and transfer taxes. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

Additional Information

This introduction is only a brief summary of the provisions of the Series 2025A Bonds and the Parity Bonds Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the water works system and plant (the "System"), the Board, the Series 2025A Project, the Net Revenue, the Series 2025A Bonds and the Parity Bonds Resolution are included in this Official Statement. All references herein to the Series 2025A Bonds, the Parity Bonds Resolution and other documents or statutes are qualified in their entirety by reference to such documents and all capitalized terms used herein which are not defined have the meanings given such terms in the Parity Bonds Resolution. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of the Parity Bonds Resolution, the other documents and additional information may be obtained from the Board and the Municipal Advisor at the following addresses:

Denver Water, Treasurer
1600 W. 12th Avenue
Denver, Colorado 80204
Phone: (303) 628-6352
Email: investorrelations@denverwater.org

PFM Financial Advisors LLC
1820 East Ray Road
Chandler, AZ 85225
Phone: (480) 318-1284

INVESTMENT CONSIDERATIONS

The purchase of the Series 2025A Bonds involves special risks and the Series 2025A Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of the Series 2025A Bonds and could affect the market price of the Series 2025A Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive or definitive listing of risks and other considerations which may be relevant to investing in the Series 2025A Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks. There can be no assurance that other risk factors not discussed herein will not become material in the future.*

Special Limited Obligations

The Series 2025A Bonds are not a debt or indebtedness or a multiple fiscal year debt or other financial obligation of the City, the State, or any political subdivision of the State within the meaning of any constitutional Charter or statutory limitation of the City or the State. The Series 2025A Bonds are not payable from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for their payment.

No Mortgage or Lien Interests Secure the Series 2025A Bonds

The Series 2025A Bonds are not secured by any encumbrance, mortgage or other pledge of property of the System or the Board, except for the Net Revenue and any moneys pledged in the future for payment of the Series 2025A Bonds. For a discussion of existing liens on the Net Revenue, see "DEBT STRUCTURE."

Future Capital Expenditures; Additional Bonds

As discussed in "THE SYSTEM – Capital Improvements," the Board has significant capital needs in the next decade. Capital needs are currently anticipated to total approximately $1.1 billion from 2025 through 2029. Denver Water currently estimates that approximately 51% of this amount will be funded by debt and the remaining 49% of this amount will be cash-funded. However, such percentages are only estimates and are subject to change at any time.

Reliance on Colorado River Water

Denver Water's collection system is geographically diverse and extends into more than ten counties in Colorado. The amount of water Denver Water diverts from each source is governed by a variety of factors, including legally and physically available water supply. The amount of water legally available to Denver Water is determined by Denver Water's water right priority dates and related agreements. In times of water shortage, those with water rights senior to Denver Water, if applicable, are entitled to divert their water first, which may leave Denver Water without water or with a reduced supply from a particular source of water. Denver Water employs several strategies to manage storage and collection of water from its various sources, to assure stable delivery of water to customers and maintain storage reserves to mitigate the impacts of periodic drought. These strategies are based on the use of water supply and operational models that are used to maximize storage, utilize exchanges of water, comply with water rights administration, and anticipate potential impacts from climate change.

Over the last five years, more than half of Denver Water's total water supply has come from the Colorado River Basin. Accordingly, Denver Water has a large stake in the future of the Colorado River and how the challenges of population growth, long-term drought, and climate change are being addressed. Denver Water is engaged with stakeholders in the Colorado River Basin to explore alternatives and potential drought mitigation measures and to ensure that it has appropriate plans in place to provide water to its customers using alternative sources and management techniques.

The Colorado River Basin is experiencing unprecedented conditions of drought and below average runoff. In August 2024, the United States Bureau of Reclamation ("Reclamation") announced 2025 operations for the Lower Colorado River would be under Level 1 Shortage Conditions. This shortage declaration affects only Lower Basin water users and does not affect Denver Water's water storage or diversions from the Colorado River Basin.

Continued persistence of drought and resulting low runoff could result in further decline of reservoir levels and eventually affect the ability of the Upper Basin states (Colorado, New Mexico, Utah and Wyoming) to meet its obligations to the Lower Basin under the 1922 Colorado River Compact (the "Colorado River Compact"). The interpretation of Upper Basin obligations – and even whether any obligation exists – under the Colorado River Compact is the subject of significant dispute. If these conditions were to occur, it is possible that Denver Water's deliveries of Colorado River Basin supplies could be curtailed for a period of time. Given the uncertain nature of whether, when, how, or if any curtailment of Denver Water's supply may occur, it is speculative to predict the magnitude and duration of any such curtailments on Denver Water's water supply from the Colorado River Basin. See "THE SYSTEM – Water Supplies – *Colorado River*."

Climate Change

Physically available water supply is driven by weather patterns and climate change. The State's climate is exceedingly variable and projections of future conditions range significantly. Current and potential future impacts include changes in the length, intensity, and frequency of droughts and floods; changing snow accumulation and melt patterns, changes in the frequency and intensity of precipitation events; changing evaporation, evapotranspiration and sublimation patterns; changing soil moisture and ground water levels; and watershed changes from forest fires, dust-on-snow deposits, and vegetation composition. Such changes may lead to either higher or lower supply, changes in the timing and amount of runoff from snowmelt and potentially more variable supply within and between years. Higher temperatures and changing precipitation patterns could also impact demand for water which may impact other operations, as well.

Wildfires have occurred in recent years in different regions of the State. There can be no assurance that fires will not occur within Denver Water's collection system, leading to increased water treatment costs and restoration costs. Denver Water has been proactive in mitigating fire hazards in its collection system. See "THE SYSTEM – Ensuring Long-Term Water Needs Are Met – *Wildfire Mitigation and Watershed Protection*."

It is difficult to predict exactly how climate change will impact Denver Water, its operations and Net Revenue. To address this current and future climate uncertainty, Denver Water integrates climate adaptative strategies, programs, and infrastructure into its planning and operations. See "THE SYSTEM – Ensuring Long-Term Needs Are Met – *Planning for Climate Change*" for a description of strategies utilized by Denver Water to analyze and prepare for climate change.

Fluctuations in Net Revenue Due to Weather

The Net Revenue derived from the Board's water sales is subject to fluctuation due to weather, particularly wetter or drier than normal conditions and especially in conditions of significant drought requiring the imposition of water use restrictions. In general, per capita customer water use has declined approximately 36% since 2000, reflecting, in part, customer response to conservation education campaigns, increased indoor and irrigation efficiency, replacement of turf grass with more efficient landscaping, recycled water use, and tiered water rates. See "THE SYSTEM – Water Supplies."

The System is designed to meet peak day demand, reliability, and redundancy requirements and increasingly stringent regulatory requirements. To reduce annual fluctuations in water revenues, Denver Water implemented a rate structure that has both a fixed monthly fee and a volumetric charge. The fixed fee provides a stable funding base for the fixed costs of operating and maintaining the System and reduces revenue variability. The 2025 rate schedule, effective as of January 1, 2025, is set to recover an estimated 20% of total revenue from a fixed fee. See "FINANCIAL INFORMATION – Rate Structure."

It is not possible to predict what impacts, if any, changing weather and demand patterns will have on the Net Revenue in the future.

Drought Conditions in the Region

Colorado, along with most of the western United States, experiences recurring cycles of drought. As such, Denver Water's water supply system is designed and operated to withstand recurring drought cycles through its complex network of storage reservoirs, water delivery systems, and related water infrastructure. Denver Water relies more heavily on storage to meet customer demands when water system inflows are below average. Denver Water has also implemented a comprehensive Water Shortage Response Strategy that establishes a progressive response to developing water shortage conditions. See "THE SYSTEM – Water Supplies – *Water Shortage Response Strategy*." The specific water shortage response actions are aimed at increasing water supplies and reducing water use. Additionally, Denver Water maintains a strategic water reserve of 120,000 acre-feet to help reduce the impacts of water shortage, whether caused by drought, system failures, system emergencies, or other factors. There is currently no water shortage declaration for Denver Water's customers. See "THE SYSTEM – Ensuring the System is Reliable and Resilient – *Water Use Efficiency*."

Risks Relating to the Water Supply and Sufficiency of Water Supply

Denver Water's water supply and related costs are affected by many factors, including but not limited to annual snowpack and rainfall, federal and State environmental rules and regulations, water quality, climate change, and collection system issues. Sustained drought conditions could adversely affect the water supply, impact operational expenses of the System and demand for water from the System. Additionally, any natural disaster or other physical calamity, including acts of terrorism, floods, extreme weather or climate change, may have the effect of reducing water availability, quality and/or distribution, or impair Denver Water's financial stability. The impact of the above factors is unclear and therefore their future impact on Net Revenue cannot be quantified reliably at this time. See "THE SYSTEM."

Federal and State Environmental Regulation

Federal and State laws and regulations also impact operation of the System through the regulation of land use, water quality, water treatment and imposition of requirements for appropriation of water. The constraints imposed by environmental laws and regulations can potentially limit the current water yield or further expansion of existing water projects as well as prohibit new project development. The financial impact of these constraints on the System is not yet known and therefore cannot be quantified at this time.

Cyber and Data Security and Risks

Like many other large public and private entities, Denver Water relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, Denver Water faces multiple cyber threats including, but not limited to, hacking, phishing, ransomware, viruses, malware and other attacks on its computers and other sensitive digital networks and systems (collectively, "Systems Technology"). There have been cyber-attack attempts on Denver Water's Systems Technology in the past, but not any resulting in a material compromise of the system, data loss or breach that Denver Water has identified.

Cybersecurity incidents could result from unintentional events, or deliberate attacks by unauthorized entities or individuals attempting to gain access to Denver Water's Systems Technology to misappropriate assets or information or causing operational disruption and damage.

To combat these threats, Denver Water has assembled a dedicated cybersecurity team and adopted the U.S. Commerce Department's National Institute of Standards and Technology Cybersecurity Framework. This framework provides a comprehensive approach to managing cybersecurity risk. Denver Water actively partners with federal agencies like the Cybersecurity and Infrastructure Security Agency, Federal Bureau of Investigation, and the U.S. Environmental Protection Agency ("EPA"), along with State, local, and private sector partners. This collaboration allows Denver Water to leverage best practices and stay informed of the latest cyber threats.

Denver Water's commitment to cybersecurity preparedness extends beyond adopting frameworks by conducting regular assessments to evaluate the effectiveness, cost, and maturity of controls. This proactive approach allows Denver Water to identify and remediate system vulnerabilities before they can be exploited by attackers.

No assurances can be given that Denver Water's security and operational control measures will deter and protect against all cybersecurity threats and attacks. A cybersecurity incident or breach could damage Denver Water's systems technology and disrupt Denver Water and/or utility services, operations and finances. The costs of remedying such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose Denver Water to material litigation and other legal risks, which could cause Denver Water to incur material costs related to such legal claims or proceedings. Denver Water carries cyber insurance to address and mitigate any residual risk. Denver Water continues to assess cyber threats and protect its data and systems, with a conscious effort to prioritize efforts based on the potential impact of issues and the likelihood of those issues manifesting into an incident. Denver Water continues to educate its employees on applying best security practices and cybersecurity incident response handling.

Physical Security of the System

Denver Water routinely plans and prepares for situations to maintain water quality and service. Built on American Society of Civil Engineers' Standard 78-24 and American Water Works Association's ("AWWA") G430-14, Denver Water utilizes a layered security approach that emphasizes control measures designed to deter, detect, delay, and respond to security incidents. The program includes defined policy and procedures, physical barriers (gates, fences, lights and locks), human resources (dedicated Denver Water staff and contractors), and technology (cameras, detection sensors and electronic access control). These measures are supplemented with partnerships with industry, local, state, and federal agencies. The security program is regularly evaluated through audits, inspections, and exercises by both internal and external parties.

Potential for Increased Costs and Other Factors Relating to Capital Improvement Plan

Construction projects included in Denver Water's capital improvement plan are subject to ordinary construction risks and delays, including but not limited to: inclement weather or natural hazards affecting work and timeliness of completion (including any related, extended utility outages); contractor claims or nonperformance; work stoppages or slowdowns; unanticipated project site conditions encountered during construction; supply change disruptions; errors or omissions in contract documents requiring change orders; and/or higher than anticipated construction bids or costs, any of which could affect the costs and availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors, and result in increased capital improvement plan costs.

Over the last few years, Denver Water has experienced significant cost increases in its capital improvements primarily due to increased costs and delays of building materials and equipment. The recent imposition of tariffs on several nations also increases the risk of increased costs and delays of building materials and equipment. It is not clear how long these tariffs, potential cost increases and delays will last or what impact they will have long term on the costs of Denver Water's capital improvements. Denver Water is proactively managing increased costs through evaluation of the timing and scope of projects within its capital improvement plan. See "THE SYSTEM – Capital Improvements."

Pending Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Series 2025A Bonds or otherwise prevent holders of the Series 2025A Bonds from realizing the full benefit of the tax exemption of interest on the Series 2025A Bonds. Further, such proposals may impact the marketability or market value of the Series 2025A Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Series 2025A Bonds. In addition, regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2025A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025A Bonds would be impacted thereby.

Secondary Market

No assurance can be given that a secondary market for the Series 2025A Bonds will be maintained by the underwriters or by any other entity. Prospective purchasers of the Series 2025A Bonds should therefore be prepared to bear the risk of the investment represented by the Series 2025A Bonds to maturity.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) any sections discussing expected or interim financial results of the Board or amounts budgeted for future fiscal years contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of funds to pay debt service on the Series 2025A Bonds.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The Board estimates the following sources and uses of funds in connection with the sale of the Series 2025A Bonds:

Sources:	***Series 2025A Bonds***
Principal amount	$
Original Issue Premium	
Board Contribution	
Total Sources	$
Uses:	
Deposit to Series 2023A Commercia Paper Escrow Account	$
Costs of Issuance[1]	
Total Uses	$

[1] Includes underwriting discount, ratings fees, legal fees, and other costs of issuing the Series 2025A Bonds.

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PLAN OF FINANCE

The Series 2025A Bonds Refunding Project*

A portion of the net proceeds of the Series 2025A Bonds is expected to be deposited into an escrow account (the "Series 2023A Commercial Paper Escrow Account") and applied to retire all or a portion of the Series 2023A Notes (the "Refunded Commercial Paper").

Verification of Mathematical Computations

Causey Public Finance, LLC, a firm of independent public accountants, will deliver to Denver Water, on or before the settlement date of the Series 2025A Bonds, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the federal securities to pay, when due or upon early redemption, the maturing principal of and interest on the Refunded Commercial Paper.

THE SERIES 2025A BONDS

General

The 2025A Bonds will be dated their date of issuance and will bear interest from their date. Interest on the Series 2025A Bonds will be payable on March 15, 2026*, and semiannually thereafter on each March 15 and September 15, at the rates shown on the inside cover page (calculated on the basis of a 360-day year consisting of twelve 30-day months). Principal on the Series 2025A Bonds will be payable, subject to redemption as described herein, on September 15 in the years and amounts shown on the inside cover page of this Official Statement. The Series 2025A Bonds are offered in the denominations of $5,000 and integral multiples thereof.

Registration and Payment

The Series 2025A Bonds will be registered in the name of Cede & Co., as nominee of DTC, as securities depository for the Series 2025A Bonds. For so long as the Series 2025A Bonds are in book entry form, the principal of and interest on the Series 2025A Bonds will be payable at the office of U.S. Bank Trust Company, National Association, or its successors, as paying agent and registrar (the "Paying Agent"). Interest on the Series 2025A Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2025A Bonds whose names and addresses appear in the registration books of the Board on the Regular Record Date, as defined in the Series 2025A Supplemental Resolution. Under certain circumstances, a Special Record Date may be fixed by the Paying Agent to establish ownership of the Series 2025A Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

Redemption*

The Series 2025A Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. The Series 2025A Bonds maturing on or before September 15, 20__*, are not subject to optional redemption prior to their stated maturities. The Series 2025A Bonds maturing on and after September 15, 20__*, are subject to redemption prior to maturity, at the option of the Board, as a whole or in integral multiples of $5,000, in any order of maturity and in whole or partial maturities, as determined by the

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* Preliminary, subject to change.

Board, on September 15, 20__*, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium.

Mandatory Sinking Fund Redemption.

The Series 2025A Bonds maturing on September 15, 20__* are subject to mandatory redemption from sinking fund installments, at a redemption price equal to the principal amount of such Series 2025A Bonds redeemed plus accrued interest to the redemption date, on September 15 in each of the years and in the principal amounts set forth in the following table:

Year of Redemption	***Principal Amount To Be Redeemed***
	$
(1)	

(1) Maturity

Notice of Redemption. Notice of redemption of any Series 2025A Bonds is to be given by the Registrar by sending a copy of such notice by electronic means or by first class mail, postage prepaid, at least 30 days prior to the redemption date, to the registered owner of each Series 2025A Bond all or a portion of which is called for prior redemption, in the manner set forth in the Parity Bonds Resolution. The redemption of the Series 2025A Bonds may be contingent or subject to such conditions as may be specified in the notice. In addition, the Paying Agent is authorized to comply with any operational procedures and requirements of DTC relating to redemption of Series 2025A Bonds and notice thereof. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Series 2025A Bonds as to which no such failure or defect exists. All Series 2025A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time. See also Appendix E – "DTC Book Entry System."

In the event of a call for redemption, the Board's notification to DTC initiates DTC's standard call procedure. In the event of a partial call, DTC's practice is to determine by lot the amount of the interest of each Participant in the Series 2025A Bonds to be redeemed, and each such Participant then selects by lot the ownership interest in such Series 2025A Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2025A Bonds are redeemed. Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2025A Bonds called for redemption or any other action premised on that notice.

Book Entry Only System

DTC will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2025A Bond will be issued for each maturity of the Series 2025A Bonds, each in the aggregate principal amount of such

* Preliminary, subject to change.

maturity, and each of such Series 2025A Bonds will be deposited with DTC. For information regarding DTC, see Appendix E – "DTC Book Entry System."

None of the Board, the City, the underwriter, the Paying Agent, or the Registrar will have any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) any notice that is permitted or required to be given to the Owners of the Series 2025A Bonds under the Parity Bonds Resolution, (3) the selection by DTC or any DTC Participant of the recipient of payment in the event of a partial redemption of the Series 2025A Bonds, (4) the payment by DTC or any DTC Participant of any amount with respect to the principal of or interest due with respect to the Owners of the Series 2025A Bonds, or (5) any other related matter.

SECURITY FOR THE SERIES 2025A BONDS

THE SERIES 2025A BONDS ARE NOT A DEBT OR INDEBTEDNESS OR A MULTIPLE FISCAL YEAR DEBT OR OTHER FINANCIAL OBLIGATION OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL CHARTER OR STATUTORY LIMITATION OF THE CITY OR THE STATE. THE SERIES 2025A BONDS ARE NOT PAYABLE FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED FOR THEIR PAYMENT.

Net Revenue

The Net Revenue pledged to the payment of the Series 2025A Bonds consists of the Gross Revenue after deducting the Operation and Maintenance Expenses. Gross Revenue is defined in the Parity Bonds Resolution and generally consists of all income and revenues directly or indirectly derived by the Board from the operation and use of the System including, primarily, the rates, fees and system development charges for the services furnished by, or for the use of, the System. Operation and Maintenance Expenses are defined in the Parity Bonds Resolution and generally consists of all reasonable and necessary current expenses of the Board, paid or accrued, for operating, maintaining and repairing the System, including legal and other overhead expenses of the Board related to the administration of the System, insurance premiums, payments of claims under a self-insurance program, salaries and administrative expenses, labor and the cost of materials and supplies for current operation. Operation and Maintenance Expenses do not include, among other things, any allowance for depreciation or payments due in connection with any bonds or other obligations issued or entered into to provide Capital Improvements. For the complete definitions of "Gross Revenue" and "Operation and Maintenance Expenses," the flow of funds for the Gross Revenue, and the funds and accounts see Appendix B – "Glossary of Terms" and Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution."

Rate Covenants

Charter Requirements. Pursuant to the Charter, the Board is required to fix rates for which water is furnished for all purposes within the City, and rates shall be as low as good service will permit. Rates for customers within the City may be sufficient to provide for (1) operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for the City's general welfare, and (2) the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year. Rates for outside City customers must be sufficient to recover all costs enumerated in (1) above plus an additional amount to be determined by the Board. See "FINANCIAL INFORMATION – Rate Structure."

Bond Resolution Covenant. Subject to the provisions of the Charter, the Board covenants in the Master Bond Resolution that it will use its best efforts to maintain, enforce and collect rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue, together with any Other Available Funds (defined below), each "Fiscal

Year" (being the calendar year) sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 110% of the amount necessary to pay when due the Debt Service Requirements on the Outstanding Parity Bonds, including the Series 2025A Bonds, any Additional Parity Bonds, and Capital Improvements Lease Payments, if any, coming due during such Fiscal Year, and to make up any deficiencies in any Parity Bonds Reserve Accounts and any reserve accounts as required by the resolutions authorizing the Parity Bonds. In the event that the Gross Revenue at any time is not sufficient to make such payments, the Board covenants to increase such rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges to an extent which will allow the payments and accumulations required by the Parity Bonds Resolution. See also "FINANCIAL INFORMATION – Rate Structure," "DEBT STRUCTURE – Outstanding Bonds and Other Obligations" and Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution."

As used above, "Other Available Funds" means, for any Fiscal Year, the amount determined by the Chief Finance Officer to be transferred from the Water Works Fund to the debt service account for the Parity Bonds Debt Service Account, but in no event may such aggregate amount exceed 10% of the Combined Average Annual Debt Service Requirements of the Parity Bonds and the Capital Improvements Lease Payments.

No Series 2025A Bonds Reserve Fund

Pursuant to the Master Bond Resolution, the existence of a reserve fund is determined upon the issuance of any series of Parity Bonds as specified in a supplemental resolution authorizing the issuance of such Parity Bonds. A reserve fund may, but is not required to be, funded. The Series 2025A Bonds will not be secured by a reserve fund.

The Series 2025A Bonds Rebate Account

Amounts, if any, deposited to the Series 2025A Bonds Rebate Account are to be used to pay from time to time any amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Federal Tax Code and any temporary, proposed or final Treasury Regulations as may be applied to the Series 2025A Bonds from time to time. The payment of such rebate amounts supersedes all other provisions of the Parity Bonds Resolution concerning the deposit and transfer of interest earnings to or from any other Fund or Account. Moneys set aside to pay such rebate amounts, whether set aside in the Series 2025A Bonds Rebate Account or otherwise, are not subject to any lien created by the Parity Bonds Resolution for the benefit of the Owners. See Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution – Tax Covenants."

Additional Obligations Payable from the Net Revenue

Superior Obligations Prohibited. The Master Bond Resolution provides that no additional bonds, notes, interim securities or other obligations, including refunding obligations, may be issued or incurred by the Board that are payable from the Net Revenue and have a lien thereon that is superior to the lien thereon of the Parity Bonds, including the Series 2025A Bonds.

Additional Parity Bonds. Upon issuance of the Series 2025A Bonds, $1,539,536,248* in aggregate principal of Parity Bonds (including the Series 2025A Bonds) will be outstanding which have a parity lien on the Net Revenue. The Board is prohibited from issuing additional bonds with a lien on the Net Revenue which is superior to the Parity Bonds (including the Series 2025A Bonds). For a description of the requirements for issuance of additional Parity Bonds, see Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution."

Subordinate Lien Obligations. Denver Water's Commercial Paper Program described in "DEBT STRUCTURE – Outstanding Bonds and Other Obligations" is the only currently outstanding Subordinate Lien

* Preliminary, subject to change.

Obligation. The Master Bond Resolution provides that so long as no default under the Parity Bonds Resolution (an "Event of Default") has occurred and is continuing, nothing therein will prohibit the Board from issuing Subordinate Lien Obligations. See "THE SERIES 2025A BONDS" and Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution – Additional Securities."

Additional Provisions of the Parity Bonds Resolution

See Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution" for a summary of certain additional provisions of the Series 2025A Bonds and the Parity Bonds Resolution, including, without limitation, certain covenants of the Board, the rights and remedies of the Owners of the Series 2025A Bonds upon the occurrence of an Event of Default, provisions relating to amendments and supplements to the Parity Bonds Resolution and procedures for defeasance of the Series 2025A Bonds.

THE CITY

The City was originally incorporated by a special act passed at the first session of the Legislative Assembly of the Territory of Colorado, adopted and approved on November 7, 1861. The State Constitution was adopted by the people of the State on March 14, 1876, and the Territory was admitted into the Union as a state by proclamation of President Grant on August 1, 1876. Article XX was added to the State Constitution at the State's general election in November 1902. The City was reorganized thereunder as the consolidated municipal government known as the City and County of Denver and exists as a "home-rule" city under the Charter adopted by the qualified electors of the City on March 29, 1904, as amended from time to time. For general information concerning City and neighboring areas, see Appendix D – "Economic and Demographic Overview of the Denver Metropolitan Area."

DENVER WATER

Organization and Charter Mandates

The Board, commonly known as Denver Water, was established in 1918 by the people of the City as an independent, autonomous, and non-political agency with duties and responsibilities specifically set forth in the Charter. Since that time, Denver Water has supplied water to the citizens of the City and other users by contract in the Denver metropolitan area in accordance with Charter directives.

Pursuant to the Charter, Denver Water has all the powers of the City, including those granted by the constitution and laws of the State and by the Charter in regard to purchasing, condemning and purchasing, acquiring, constructing, leasing, extending and adding to, maintaining, conducting and operating the System for all uses and purposes, and everything necessary, pertaining or incidental thereto, including authority to dispose of real or personal property not useful for or required in the water works operation. Denver Water also has authority to generate and dispose of electric energy for water works purposes or any other purpose of the City. Denver Water has the power in the name of the City to make and execute contracts, take, and give instruments of conveyance and do all other things necessary or incidental to the powers granted in the Charter.

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The Board

Denver Water is governed by a five-member Board of Water Commissioners, the members of which are appointed by the Mayor of the City for overlapping six-year terms, which is charged with ensuring a continuous supply of water to the citizens of the City and Denver Water's suburban customers. Commissioners are not subject to term limits. The current Commissioners are as follows:

Board of Water Commissioners

Stephanie Donner, President CEO, Chief Legal Officer Inspire Clean Energy, LLC	Commissioner since July 2021 Term expires July 2031
Tyrone Gant, First Vice President Senior Vice President, Director of Treasury Management and Commercial Banking Fee Income Manager Vectra Bank Colorado	Commissioner since August 2021 Term expires July 2027
Dominique Gómez, Vice President Deputy Director, Colorado Energy Office	Commissioner since July 2021 Term expires July 2031
Craig Jones, Vice President Managing Director The Colony Group's Rocky Mountain Region and Co-President Colony Sports and Entertainment	Commissioner since October 2017 Term expires July 2029
Gary M. Reiff, Vice President Senior Advisor, UCHealth	Commissioner since September 2017 Term expires July 2029

Administration

The Board designates a CEO/Manager to execute its policies and directives. Reporting to the CEO/Manager are the Chiefs of five divisions: Finance; Administrative Services; Engineering; Operations and Maintenance; and Water Resource Strategy. The General Counsel and Chief of Staff also report to the CEO/Manager. Denver Water employs over 1,100 people.

The following is a description of selected Denver Water officials.

Selected Denver Water Officials

Name	Title	Year Employed at Denver Water
Alan Salazar	Chief Executive Officer/Manager, Secretary to the Board	2023
Julie A. Anderson	Chief of Staff	2008
Angela C. Bricmont	Chief Finance Officer	2010
Jessica R. Brody	General Counsel	2018
Leila Kleats	Treasurer	2023

Alan Salazar, CEO/Manager. Mr. Salazar was appointed Denver Water's CEO/Manager in 2023. Prior to joining Denver Water, Mr. Salazar served as the Chief of Staff for Mayor Michael Hancock where he managed all appointees, including cabinet and department executives across 26 City agencies, covering more than 11,000 employees with a $3 billion annual City budget. Before his time with the City, Mr. Salazar served as Chief Strategy Officer for Governor John Hickenlooper, Chief of Staff for U.S. Representative Mark Udall and Deputy Chief of Staff for Governor Roy Romer. Mr. Salazar is currently on the State Advisory Committee for the U.S. Global Leadership Coalition and a trustee for the Denver Art Museum and Denver Center for the Performing Arts. Mr. Salazar is on the Board of Governors for the Downtown Denver Partnership and serves as a trustee for the Denver Metro Chamber of Commerce, the Denver Art Museum, the Denver Botanic Gardens and Denver Center for the Performing Arts. Mr. Salazar has a bachelor's degree in political science from the University of Colorado and a law degree from the University of Colorado School of Law.

Julie A. Anderson, Chief of Staff. Ms. Anderson joined Denver Water as manager of Customer Care in 2008. She served as director of the Customer Relations division from 2011 to 2016. As Chief of Staff, Ms. Anderson leads, directs and resolves day-to-day operational and organizational issues. She oversees the successful implementation of key strategic initiatives and is responsible for monitoring and ensuring the attainment of organizational goals. Ms. Anderson also oversees the Office of People and Strategy that includes Public Affairs, Human Resources, Learning and Organization Development, and Continuous Improvement. Prior to Denver Water, Ms. Anderson was a group manager of Molson Coors Brewing Company's consumer affairs department (2001-2008), and a manager of the advisor and investor services contact center for Oppenheimer Funds (1996-2001). In September of 2023, she was appointed to serve on the Board of the Association of Metropolitan Water Agencies. Ms. Anderson holds a bachelor of science degree in business administration from the University of Colorado.

Angela C. Bricmont, Chief Finance Officer. Ms. Bricmont joined Denver Water in 2010. Prior to Denver Water, Ms. Bricmont worked for Ernst & Young, Arcadis, and Carollo Engineers, providing financial planning and rate setting services to public utilities nationwide and was a vice president of rates and regulatory matters for Comcast/AT&T Broadband from 1995-2003. She also worked for Denver Water as a senior analyst from 1993 to 1995. She was appointed by Mayors Hancock and Johnston to serve on the Denver Urban Renewal Authority Board of Directors in 2017 and is currently serving as its Chair. In July of 2023, Ms. Bricmont was appointed to serve on the University of Colorado, Leeds School of Business, Burridge Center Advisory Board. Ms. Bricmont was re-appointed in 2024 by the EPA to serve on its Environmental Financial Advisory Board. Ms. Bricmont earned a bachelor's degree in finance and a master's degree in business administration from the University of Denver, Daniels College of Business.

Jessica R. Brody, General Counsel. Ms. Brody joined Denver Water in 2018 as General Counsel. Prior to Denver Water, Ms. Brody worked as an associate at Arnold & Porter, LLP, an international law firm, where she specialized in environmental law and complex litigation. Ms. Brody served as the lead environmental lawyer for the City and County of Denver until 2016 when she became an Assistant Director within the City Attorney's Office. In January 2023, she was appointed by the mayor to serve on the Denver Board of Public Health & Environment, and she currently serves as Chair of that board. In addition, she serves as Treasurer of the Western Urban Water Coalition. Ms. Brody earned a bachelor's degree from Claremont McKenna College and a law degree from the Yale Law School.

Leila Kleats, Treasurer. Ms. Kleats joined Denver Water in 2023. Prior to Denver Water, Ms. Kleats served as Chief Economist of the New Mexico State Department of Finance and Administration, leading the quarterly economic and revenue forecasting process, and was appointed to Executive Director of the New Mexico State Board of Finance in 2015. She has also worked as Chief Economist for the Colorado Office of State Planning and Budgeting and as Capital Finance Manager for the City and County of Denver's Department of Transportation and Infrastructure. Ms. Kleats holds a bachelor's degree from the University of Colorado at Boulder and a master's degree in economics from the University of New Mexico.

THE SYSTEM

General

Denver Water is the largest and oldest municipal supplier of water in the State and one of the largest municipal water suppliers in the western United States. Denver Water is also the third largest public landowner in the State. Denver Water was established in 1918 after City residents voted to buy the water system from a private company. Denver Water has operated from its current location in the Lincoln Park neighborhood for more than 100 years. There are discussions about development plans for the Lincoln Park neighborhood including the neighboring Burnham Yards property. Denver Water has engaged in discussions with developers to better understand how any potential development would impact Denver Water, so it can ensure it can continue to satisfy all legal and financial responsibilities to its customers and investors. Denver Water has also explored acquiring additional property to meet future operational needs.

Denver Water provides water in an area covering the boundaries of the City and many of its suburbs, constituting approximately 335 square miles with a treated and raw water customer base of approximately 1.5 million people (approximately ¼ of the residents of the State). The combined service area includes the service areas of 62 treated water distributors in the Denver metropolitan area (the "Combined Service Area"). See "DENVER WATER SERVICE AREA MAP" on page (i). Denver Water also provides treated and raw water within the metropolitan area outside of the Combined Service Area under multiple contracts with fixed contract amounts.

Denver Water's primary raw water supplies are derived from the South Platte River Basin (South Platte Collection System) and Colorado River Basin (Roberts Tunnel Collection System and Moffat Collection System). The System has more than 3,225 miles of water mains (pipelines), nearly 74 miles of recycled water mains, 23 pump stations (18 potable water pump stations, 2 recycled water and 3 raw water), 17 raw water reservoirs and 33 treated water reservoirs. Four potable water treatment plants (Marston Water Treatment Plant, Moffat Water Treatment Plant, Foothills Treatment Plant, and newly-opened Northwater Treatment Plant), currently have a combined treatment capacity of 635 million gallons per day ("MGD"). The Marston Water Treatment Plant capacity is 200 MGD, the Moffat Water Treatment Plant capacity is 80 MGD, the Foothills Treatment Plant capacity is 280 MGD, and the Northwater Treatment Plant capacity is 75 MGD. Total treated water consumption was 68.1 billion gallons in 2024, with the average daily consumption of 187 million gallons and maximum daily consumption of 383 million gallons. In the past five years, the maximum daily consumption of the System has not exceeded 383 MGD. In addition, the System has a Recycled Water Treatment Plant with a capacity of 30 MGD that operates through a separate distribution system.

Denver Water develops and operates the System, facilities, and properties to sustain a healthy environment and produce clean energy. Denver Water plans for and addresses challenges such as a warming climate, population growth, periodic drought, competition for water resources, security threats, and changing regulatory and political environments.

Water Supplies

General. Denver Water derives its raw water supplies from renewable surface water sources (river and stream systems) in the South Platte River and Colorado River Basins and tributaries. South Platte River tributaries include Cherry Creek, South Boulder Creek, Ralston Creek, and Bear Creek. Colorado River tributaries include the Blue River, Williams Fork River, Fraser River, and Muddy Creek. The amount of water Denver Water diverts from each source is governed by the decree for each specific water right, agreements, customer demand, operational strategies, and the legally and physically available supply. In 2024, of the 250,423 acre-feet of first-use water diverted from all river and stream systems, 116,564 acre-feet or 46% of all water diverted came from the Colorado River Basin. Water diversion from the Colorado River Basin averaged 56% over the last 5 years, although it fluctuates significantly from year to year. As of July 1, 2025, Denver Water estimates that approximately 140,000 acre-feet of Colorado River water will be diverted by Denver Water in calendar year 2025.

River and stream systems are supplied by precipitation and snowpack runoff. Traditionally, Denver Water expects to receive a major portion of the precipitation that fills its reservoirs in late winter and early spring as snowfall. Denver Water's collection system covers about 4,000 square miles, or 2.5 million acres, and extends into more than ten counties, including Park, Grand, Jefferson, Summit, Teller, Douglas, Clear Creek, Boulder, Adams, and Gilpin counties.

As the snow melts, it is collected and stored in reservoirs in the Rocky Mountains and the Denver metropolitan area, and then transported to treatment facilities and delivered to customers. Denver Water has a network of raw water storage facilities to store water for current and future use. Currently, Denver Water has approximately 700,000 acre-feet of storage capacity that it manages to meet customer demands. The largest reservoirs owned by Denver Water include Dillon, Eleven Mile Canyon, Williams Fork, Cheesman, and Gross Reservoir. Raw water is also stored in reservoirs that Denver Water does not own, or owns in part, such as Chatfield and Wolford Mountain.

In 2025, snowpack upstream from Denver Water's Colorado River diversions peaked at 109% of the 30-year median peak on April 25. Snowpack upstream from South Platte River diversions peaked at 85% of the 30-year median peak on April 6. On July 1, 2025, the median water year runoff forecast into Denver Water's largest reservoir, Dillon Reservoir, was 75% of the 30-year average. On July 1, 2025, supply reservoir storage peaked at 95% of capacity or 567,906 acre-feet. This compares to last year's peak of 98% and historical median of 98%.

Four water treatment plants treat raw water to potable standards for use in Denver Water's Combined Service Area. Denver Water's current system of existing storage reservoirs, water rights portfolio, and treatment facilities can provide a firm annual water yield of 345,000 acre-feet per year.

Water Rights. Denver Water owns and maintains decreed water rights in the South Platte River and Colorado River Basins. Denver Water also owns and maintains a decreed water right for non-tributary groundwater underlying the City. The amount of water Denver Water diverts from each source depends on a variety of factors, including the decree for each specific water right. The administrative priority, which is based upon the appropriation date of the water right, is important because the State Constitution dictates that in times of water shortage, those water rights with senior administrative priorities are entitled to divert their water first, which may leave water rights with more junior administrative priorities without water or with a reduced supply.

Denver Water can use, reuse, and successively use to extinction some of its water supplies. Denver Water is working to maximize the beneficial use of its water rights through water exchanges. Denver Water also treats and reuses water through its recycled water facilities.

Denver Water's portfolio of water rights is sufficient to meet its current customer demands. To secure the water necessary to serve the reasonably anticipated future demands of its customers over the next 50 years, Denver Water continues to develop and expand its water rights portfolio by building the infrastructure needed to maximize its current water rights, expanding its reservoir capacity, and actively pursuing opportunities to acquire additional water in the water rights acquisition market.

Colorado River. The Colorado River is the most important source of water across the southwest United States, supplying water to 40 million people and about 5.5 million acres of irrigated land, from Wyoming to Mexico. Denver Water derives roughly half of its water supply yield from tributaries that flow into the Colorado River.

Under the Colorado River Compact, management of the Colorado River is divided between the upper division states of Colorado, New Mexico, Utah and Wyoming (the "Upper Division States"), and the lower division states of Arizona, California and Nevada (the "Lower Division States" and, collectively with the Upper Division States, the "Basin States"). The Colorado River Compact was signed in 1922, at the end of a very wet period in the Colorado River Basin, and it allocated more water than the river has produced since that time. This, combined with rapid population growth in the Lower Division States and years of drought conditions in the Colorado River Basin since 2000, have left the two major federal reservoirs – Lakes Powell and Mead – at 34% and 31% full, respectively, as of June 25, 2025. The Upper Division States use federal reservoirs, including Lake Powell, to store and release water to meet the Upper Division States' obligations under the Colorado River Compact, and the U.S. Department of the Interior allocates water by contract from Lake Mead to municipal and agricultural water users in the lower basin.

Under the Colorado River Compact, the Upper Division States must not cause the flow of the Colorado River to be depleted below specified amounts over a running 10-year period. This amount, which is subject to dispute between the Upper and Lower Division States, ranges between 75 million acre-feet ("MAF") up to 82.3 MAF. The flow at Lee's Ferry during the ten-year period ending on September 30, 2024, was 86 million acre-feet. The Colorado River water rights held by Denver Water are generally junior in priority to the Colorado River Compact. Using current and projected water use scenarios, Denver Water is planning for the use and expansion of its South Platte River supplies to mitigate the impacts of a potential future curtailment of its Colorado River water rights.

Recent operations of the federally owned reservoir system that includes Lakes Powell and Mead have been governed by the 2007 Colorado River Interim Guidelines ("Interim Guidelines") developed by the U.S. Department of the Interior, in consultation with the Basin States. Since their adoption, the Interim Guidelines have been modified by the 2019 Drought Contingency Plan and the 2024 Supplemental Environmental Impact Statement, which are intended to protect elevations at Lakes Powell and Mead through the implementation of strategies to respond to low-runoff conditions in the Basin

The Interim Guidelines are set to expire at the end of 2026. Reclamation has started the process of developing new shortage guidelines for the management and operation of the Colorado River post-2026, a process that will require compliance with NEPA. In addition, Denver Water is actively participating in the process to develop post-2026 shortage guidelines through its engagement with State representatives.

Due to changing hydrology as a result of climate change and large demands for water within the Colorado River Basin, Denver Water is coordinating with other municipal water users to conserve water under the Memorandum of Understanding by and among Colorado River Basin Municipal and Public Water Providers dated November 15, 2022 ("2022 MOU"). Under the MOU, the parties committed to introduce a program to reduce the quantity of non-functional turf grass by 30% through replacement with drought- and climate-resilient landscaping, while maintaining vital urban landscapes and tree canopies that benefit communities, wildlife, and the environment. In furtherance of this commitment, Denver Water has engaged in several projects to convert turf grass to more drought-tolerant grass and climate-resilient landscaping. Additionally, during the 2024 regular session, the Colorado General Assembly passed Senate Bill 24-005, which was signed into law by Governor Polis to prohibit local entities from allowing the installation of nonfunctional turf after January 1, 2026, and requiring local entities to adopt ordinances to regulate new development projects and redevelopment projects to prohibit the installation of non-functional turf. Although Denver Water anticipates that Senate Bill 24-005 will help to further encourage water conservation efforts, Senate Bill 24-005 is not expected to have a material impact on water sales.

Water Shortage Response Strategy. Water shortages can be caused by drought, System failures, System emergencies, water quality conditions or other factors that impact available water supply. Denver Water has a water shortage response strategy that is documented in Chapter 15 of its Operating Rules. The strategy identifies four response levels the Board can implement based on the severity of the water shortage. The response level reflects a series of progressive measures the Board can take regarding different types of water use as applied to its customers, distributors, fixed-amount contracts, and recycled water contracts. The Board can implement a particular water shortage response by declaration, but it also has the power to adopt, modify, change, expand, or otherwise take appropriate and necessary measures to address water shortages.

Ensuring the System is Reliable and Resilient

Denver Water's plan to provide long-term, reliable supplies in the face of changing climatic conditions and a growing customer base relies on the following strategies: enhancement of supplies and storage, water recycling, water use efficiency, and regional partnerships to optimize water use.

Enhancement of Supplies and Storage. Denver Water undertakes long-term (50-year) water supply planning and programs to maintain system reliability and resiliency by assessing the need for acquiring additional water supplies, securing existing supplies and enhancing or building collection infrastructure. The Moffat Collection System, which encompasses the Fraser and Williams Fork River basins, comprises approximately 10% of Denver Water's reservoir storage. To achieve a better balance between collection systems, Denver Water launched the North System Renewal Project, which included Gross Reservoir Expansion, the Northwater Treatment Plant ("NTP") and Conduit 16 improvements.

The Moffat Water Treatment Plant ("WTP") began operations in 1938. Because the plant is coming to the end of its useful life, Denver Water evaluated whether to renovate the existing facility or construct a new plant. An engineering study determined there were more risks associated with renovating the existing facilities, and the cost differential between the two options was not significant. The NTP, located next to Ralston Reservoir, north of the City of Golden, in Jefferson County, can treat up to 75 MGD with room for expansion to 150 MGD. The NTP features state-of-the-art water treatment technology, including hydropower production to be a net energy producer. Additionally, it is equipped with more flexible disinfection technology that can adapt to changes in water quality. Construction of the NTP started in 2018. In April 2024, the NTP began operating, producing potable water for customers.

In 2002 Denver Water began the permitting process to enlarge Gross Reservoir (the "Gross Reservoir Expansion Project"), the primary storage facility in the Moffat System. Construction on the five-year project began on April 1, 2022 and is scheduled to be completed in 2027. Denver Water is a party to ongoing litigation relating to the permitting for the Gross Reservoir Expansion Project. For more information see "LITIGATION – Gross Reservoir."

Adding capacity to the Gross Reservoir will help address potential supply shortages, assist in dealing with future droughts and serve as a redundant supply if the south end of the water system faces unexpected challenges such as those caused by wildfires in Denver Water's watersheds in 1996 and 2002. See "– Ensuring Long-Term Water Needs Are Met – *Wildfire Mitigation and Watershed Protection*." Raising the dam by 131 feet will provide: (1) additional storage of 72,000 acre-feet of water for Denver Water, (2) additional annual yield of 18,000 acre-feet of water, enough to supply roughly 45,000 households; and (3) 5,000 acre-feet of space for an environmental pool (total storage increase of 77,000 acre-feet). Because the reservoir was originally designed and constructed to be enlarged, ancillary facilities such as the Fraser and Williams Fork water collection systems, the Moffat Tunnel and the South Boulder Diversion Canal will not have to be modified, and no new water rights will be needed to fill the enlarged reservoir.

Water Recycling. Recycling existing water supplies also increases the amount of water available for use by Denver Water's customers by treating and reusing water that otherwise would have been diverted from Denver Water's primary water supplies. Denver Water receives and treats wastewater effluent from Metro Water Recovery's Robert W. Hite Treatment Facility to augment supplies and reduce demand for potable water. Denver Water's recycling plant has capacity to serve up to 17,500 acre-feet per year at a rate of up to 30 MGD, expandable to 45 MGD. The System currently treats and distributes approximately 7,500 acre-feet of recycled water per year for irrigation and certain industrial purposes to parks, golf courses, schools, City facilities and an Xcel Energy power plant. Approximately 2.7% of all water sold in 2024 was recycled water, accounting for 0.7% of total water sale revenue.

Water Use Efficiency. Denver Water promotes conservation. From May 1 through October 1 each year, Denver Water's customers are required to follow Denver Water's Outdoor Watering Rules, which are described in the Operating Rules and seek to increase water use efficiency by prohibiting water waste. The rules limit irrigation of turf to three days a week and prohibit spray irrigation between the hours of 10:00 am and 6:00 pm. While customer demand fluctuates from year to year due to changing weather patterns, Denver Water estimates that customers permanently reduced daily per capita use by 36% since 2000. Denver Water continues to work toward more efficient use through targeted, customer-centric outreach based on use per person or irrigated area. Denver Water has programs to educate and assist customers in using water more efficiently, including communications to customers on best practices, efficient water use, plumbing fixture rebates, performing audits to identify opportunities for increased efficiencies, incentivizing water efficiency in new construction, promoting water-efficient landscaping throughout the Combined Service Area and partnering with municipalities on land use planning and water efficient codes. The 2022 MOU sets forth additional water conservation commitments agreed to by Denver Water and other water providers within the Colorado River Basin. See "– Water Supplies – *Colorado River*."

Additionally, Denver Water uses the AWWA's Free Water Audit Software to complete an annual assessment of system water loss and non-revenue water. Non-revenue water includes treated water used for a non-revenue purpose (e.g. flushing, water drained from storage tanks, fire hydrants) and unaccounted for water. Between 2021 and 2023, Denver Water's calculated non-revenue water averaged 3.7% of total treated water production. One component of minimizing non-revenue water is to ensure that meters are operating properly. To that end, Denver Water tests, calibrates and replaces water meters with a measuring element of 1.5" or larger on a regular schedule. Smaller meters are replaced as needed. Denver Water continues to test and study the performance of smaller water meters to determine the optimal replacement cycle, balancing the cost of replacement with potential revenue loss.

Regional Partnerships. Denver Water has participated in a variety of regional efforts to optimize the use of water to meet the demands of an increasing population, some of which are discussed below.

Water, Infrastructure, and Supply Efficiency Partnership. The Water, Infrastructure, and Supply Efficiency Partnership ("WISE") is a cooperative regional water supply project between Denver Water, Aurora Water ("Aurora"), and the South Metro Water Supply Authority ("South Metro"). WISE combines unused infrastructure capacity with unused water supplies to create a new permanent water supply. For example, as-available water supplies from Denver Water and Aurora are diverted into as-available capacity in Aurora's Prairie Waters System. This water supply is then treated at Aurora's Binney Treatment Plant and delivered to South Metro and Denver Water. WISE creates a dependable supply for 10 water providers that serve the South Metro region. That more dependable supply, in turn, reduces pressure to pull more water from the Colorado River, conserves dwindling groundwater supplies south of the city and diminishes the need for metro-area utilities to buy agricultural water in the South Platte River Basin, which can lead to drying up farmland if the water is diverted.

Colorado River Cooperative Agreement. In an effort to work together to address competing interests for water, Denver Water and others entered into the Colorado River Cooperative Agreement (the "CRCA") in 2013. The CRCA addressed concerns of Western Slope participants with the Gross Reservoir Expansion Project. The CRCA also resolved legal disputes over Denver Water's use of water from the Blue River. The CRCA became effective on September 26, 2013, after several years of mediated negotiations. Denver Water and 17 Western Slope water providers and local governments signed the CRCA, and another 25 entities in the headwaters counties (Summit and Grand) have or will receive water or funding from Denver Water under the CRCA. Denver Water agreed to fund approximately $25 million of capital projects for Western Slope entities and improvements to the environment, some of which is contingent upon issuance and acceptance by Denver Water of permits necessary for the Gross Reservoir Expansion Project. See "LITIGATION – Gross Reservoir." A portion of the $25 million is subject to escalation based on the changes in Consumer Price Index. Denver Water has paid $20.6 million in CRCA payments as of July 1, 2025.

One Water. In September 2021, the City culminated a two-year effort by publishing its Denver One Water Plan ("One Water"). The One Water plan is a collaborative effort with the major water entities in the Denver metro area. Through interagency collaboration, multi-benefit projects, and strong policies the goal is to promote healthy watersheds in an equitable, economically, and environmentally beneficial manner, among other goals. Its overall goal is to create a common framework for reliably managing water systems to meet public and environmental needs while reducing costs, improving resilience, and enhancing community livability. Since most One Water projects aim to address water supply and demand challenges in a localized setting, they include a variety of site-specific components, such as water recycling, graywater reuse, and rainwater harvesting, which can be incorporated into land use planning. One of the most visible applications of One Water to date has been Denver Water's recycled water system in its own administration building called ReUseForUs ("RUFUS"). RUFUS treats up to 7,000 gallons per day of wastewater from the Administration Building through a multi-stage treatment system to meet the highest state standards for recycled water. That treated water is reused for toilet flushing and landscape irrigation at the Administration Building.

Ensuring Long-Term Water Needs Are Met

Planning for Climate Change. Denver Water's Climate Adaptation Program was started in 2008. This was inspired by a combination of factors, including: (i) increasing regional, national, and global recognition of global warming trends and their impacts on the water industry, (ii) the intensity of Colorado's 2002 drought, (iii) the 2002 Hayman Fire in the Upper South Platte watershed, and (iv) a recognition by Denver Water that climate change challenges will only increase and therefore adaptation measures must be adopted to ensure Denver Water continues to deliver clean water in accordance with its mission. Denver Water's long-range water resource planning process (see "– Long-Range Planning – *Capital and Financial Planning*") integrates a range of plausible climate change futures which guide future system planning decisions. Additionally, Denver Water focuses on working with sections and divisions across Denver Water (including finance, engineering, safety, water distribution, and water treatment) to integrate climate change adaptation processes into their work.

Denver Water's Climate Adaptation Program utilizes the following strategies and associated implemented efforts to advance organizational climate change adaptation:

- Advocacy messaging to foster a climate-informed organization. The following three messages have proven useful in advancing climate change adaptation internally at Denver Water: (i) climate change is here and now, (ii) climate change is water change, and (iii) climate change impacts all Denver Water business functions.

- Mainstreaming climate adaptation at Denver Water. Examples of successful mainstreaming include the following programs:

    - Climate change tabletop exercise. In 2020, Denver Water conducted a three-day climate change adaptation tabletop exercise that included staff members from water quality and treatment, water distribution, finance, and watershed planning. The tabletop identified over 60 climate adaptation solutions for Denver Water.

    - Integration into existing programs. Denver Water has existing programs and coordination groups across the organization that help Denver Water prepare for climate change and respond to acute climate events. See "– Water Supplies – *Water Shortage Response Strategy,*" "– Ensuring Long-Term Water Needs are Met – *Wildfire Mitigation and Watershed Protection*," and "– Risk Management – *Emergency Management*."

    - Water treatment drought and wildfire plan. Denver Water analyzed impacts to water quality from drought and wildfire, providing a framework for treatment system operations under extreme drought and wildfire events.

- Infrastructure management. Denver Water's Infrastructure Master Plan includes climate change considerations and strategies for each major infrastructure category.

- Water shortage committee. In recognition of the increasing threat of drought and other potential water shortage mechanisms, Denver Water has established a cross-divisional water shortage committee to proactively plan for and react to water shortages. This committee helps guide the Board in making decisions on when to enact water use restrictions and how to operate the water system during times of water shortage. See "INVESTMENT CONSIDERATIONS – Drought Conditions in the Region" and "– Water Supplies – *Water Shortage Response Strategy*."

- Planning for uncertainty. While it is expected that Colorado will continue to warm in the decades to come, there is uncertainty regarding how much it will warm, at what rate it will warm, how seasons will warm differently, how precipitation may change at seasonal and annual timescales, etc. Denver Water prepares for uncertainty by incorporating scenario planning into its long-range planning. See "– Long Range Planning – *Capital and Financial Planning*."

- Water supply diversification. Denver Water has worked to diversify its water supply for over 100 years and continues to seek new opportunities for water supply diversification.

  - Most recently, Denver Water has begun construction on expanding a reservoir in the northern region of the collection system (Gross Reservoir Expansion Project), which will add both increased supply yield as well as increased geographic diversity to the water supply portfolio. See "– Ensuring the System is Reliable and Resilient" and "LITIGATION – Gross Reservoir."

  - Denver Water recently acquired additional water storage shares in Chatfield Reservoir, which reallocated flood storage space for water supply storage.

  - Denver Water initiated a pilot project in 2022 for an aquifer storage and recovery system and is currently monitoring water quality at the site.

  - Since 2009, Denver Water has reclaimed a series of gravel pits north of Denver to store reusable water for upstream water exchange purposes. To date, this effort has added approximately 7,125 acre-feet of gravel pit storage to Denver Water's system and is expected to total approximately 31,025 acre-feet of water storage by 2039.

- Development and deployment of effective decision support tools. A major aspect of climate adaptation is providing tools and data for making good water management decisions, including the following:

  - Real-time monitoring and early warning systems. Throughout the summer of 2024, Denver Water reviewed the real-time monitoring data sources (streamflow data, weather data, water quality data, etc.) and early warning systems (weather alerts, wildfire alerts, drought alerts, etc.) utilized by staff in different sections and divisions to identify gaps in data sources and communication within the organization.

  - Advanced snow-measurement techniques. Since 2019, Denver Water has been utilizing the Airborne Snow Observatories ("ASO") to measure snowpack in certain watersheds in its collection system. ASO conducts its measurements by flying a plane over a snow-covered watershed to measure snow depth, snow water equivalent, and snow albedo through a combination of tools that include LiDAR, a spectrometer, ground-based density measurements, and advanced computer modeling and data processing.

- Algae bloom monitoring. Denver Water is currently piloting two tools that monitor algae blooms in reservoirs using near real-time satellite information. Additionally, Denver Water has increased in-situ water quality monitoring efforts at two reservoirs that have demonstrated higher potential for algae blooms.

- Advanced water supply forecasting. Denver Water is currently implementing an advanced water supply forecasting tool that combines physically based hydrology modeling with machine learning techniques. Denver Water uses this tool to inform reservoir operations.

- Climate dashboard. Denver Water maintains an internal climate dashboard to track and analyze trends in temperature, precipitation, snowpack accumulation, and soil moisture in Denver Water's collection system and service area.

- Maintaining extensive water sector and scientific partnerships and collaborations. The Climate Adaptation Program collaborates with experts and other water sector partners on research and tools that advance the field of climate adaptation. Collaborators include: Colorado Climate Center, Colorado Water Center, Aspen Global Change Institute, U.S. Water Alliance, Water Research Foundation, Association of Metropolitan Water Agencies, AWWA, American Water Resources Association, EPA, Reclamation, U.S. Geological Survey, NSF ASCENT Engine in Colorado and Wyoming, and others.

Environmental Stewardship. Denver Water is committed to improving its operations while remaining responsible stewards of the natural environment and contributing to a vibrant community. Such improvements include transitioning its fleet towards hybrid and electric options, piloting in-channel hydropower, reducing and diverting waste with centralized waste systems and recycling/compost programs, and continuing to update facility electrical and HVAC systems to drive down energy use. Denver Water also has an Environmental Management System to ensure compliance with regulations and best practices.

In November 2024, the Board adopted a resolution establishing a goal for Denver Water to achieve net-zero carbon emissions by 2030. Denver Water has reduced emissions steadily since 2008, and is on track to cut 50% of scope 1 and 2 emissions from 2015 levels by the end of 2025. In addition to reducing carbon emissions, initial analyses by Denver Water staff show the potential for significant cost savings if Denver Water accelerates its investments in renewable energy through the reduction of day-to-day energy use for operations.

Denver Water currently owns and operates hydropower units at eight locations and one solar array, with a combined capacity over 27 megawatts. In 2020, Denver Water achieved net zero energy (electricity and equivalents for natural gas) across all facilities and operations. Completion of the NTP increased Denver Water's hydropower production with the addition of a 427kW unit and provisions to add a second future unit. NTP's hydro power unit is sized to offset the plant load on an annualized basis. Completion of the Gross Reservoir expansion will allow additional generation capacity at that location by 675 kW due to increased reservoir elevation (head) and upgraded turbine equipment. An upgrade of Strontia Springs hydro will increase capacity at that location by another 373kW. Denver Water recently issued RFPs for installation of solar arrays at three pump stations, which will help reduce energy demand behind the electric meters at those locations. These additions, along with other energy efficiency, electrification, and renewable projects under consideration, are intended to help Denver Water reach its 2030 net-zero carbon emission goal.

Wildfire Mitigation and Watershed Protection. Wildfires and post-fire storms remain among the biggest threats to Denver Water's raw water supply. Two of the State's largest wildfires, the Buffalo Creek fire in 1996 and the Hayman fire in 2002, burned over a combined 230 square miles (150,000 acres) in the South Platte River watershed. Rainfall after the Buffalo Creek fire brought 160,000 cubic yards of sediment into Strontia Springs Reservoir, critically threatening Denver Water infrastructure. These two fires cost Denver Water approximately $27.7 million in water quality treatment, sediment and debris removal, and operational challenges. A combination of targeted forest and post-wildfire management practices, including fuels reductions, prescribed fire, biomass removal, revegetation efforts, and watershed sediment management projects, serve to mitigate the potential of high-intensity wildfires and consequential adverse sediment and water quality impacts. The goal of forest management is not to eliminate the presence of fire. Instead, mitigation efforts seek to reduce the severity of wildfires and destructive insect and disease outbreaks that critically impact water supplies.

In 1985, Denver Water entered into an agreement with the Colorado State Forest Service (the “CSFS”) to conduct forest management on Denver Water property and address forest management concerns. CSFS has been Denver Water’s forester since this first agreement. The Forest and Land Management Services Agreement with CSFS seeks to manage over 50,000 acres of forested land on Denver Water property across eight counties and five CSFS field offices.

In 2010, Denver Water formed and entered into the From Forests to Faucets Partnership with the Rocky Mountain Region of the U.S. Forest Service (the “USFS”) as a response to the costly impacts from a series of wildfires, including the 1996 Buffalo Creek and 2002 Hayman wildfires. A second From Forests to Faucets agreement, signed in 2017, expanded the program to include the CSFS and the Natural Resources Conservation Service (the “NRCS”) (the two From Forests to Faucets agreements discussed above are collectively referred to herein as the “Partnership”). The inclusion of the CSFS and NRCS allows Denver Water to achieve forest treatments on private and State lands within its watersheds. A third From Forests to Faucets agreement was signed in 2022 to continue the Partnership through 2027 and added the Colorado Forest Restoration Institute as an additional signatory. The Partnership has completed over 120,000 acres of forest restoration projects and planted over 1.4 million trees in wildfire burn scars. Since the Partnership began, the partners have committed over $96 million in forest management projects in critical water supply watersheds for Denver Water. Treatment of the entire watershed is not cost-effective or desirable. Rather, Denver Water invests in forests treatments within targeted zones of concern to achieve the greatest risk reduction in priority areas.

Investments in proactive forest management have proven to be successful at protecting Denver Water’s watersheds. In June of 2018, a wildfire broke out in Silverthorne, Colorado adjacent to a previously implemented hazardous fuel reduction and fuel break treatment area funded through the Partnership. Firefighters were able to quickly contain the fire utilizing these treated areas. The proactive treatments, which cost approximately $1 million, saved an estimated $1 billion in private and public infrastructure and protected the watershed from a catastrophic fire. In 2024, a Partnership funded project was tested when a wildfire ignited inside a treatment area and directly adjacent to a community in Breckenridge, Colorado. The fire was contained at less than a quarter-acre in size and officials attributed this rapid containment to the 91-acre fuel reduction treatment completed through the Partnership 18-months prior.

Recent fires in the wildland and urban interface have highlighted a need for enhanced coordination among the first responders, local emergency management and water utilities. Denver Water has led this coordination effort by facilitating workshops and exercises with key stakeholders focused on managing the water resource use in fighting fast moving urban fires. Denver Water has entered into “dip agreements” that authorize the use of reservoirs to fight the spread of fire. Additionally, Denver Water has done preliminary modeling of the high-risk areas for urban fires within its distribution system and is working with responders in those areas to further understand and enhance firefighting strategies.

Denver Water is assessing wildfire risk to its facilities and infrastructure and developing facility-specific recommendations to minimize potential impacts. Some of the actions considered for each facility include establishing a non-combustible 0-5 foot zone around structures and assets, vegetation management around powerlines, and the installation of ember guards. All assessments are expected to be completed by 2027 with recommended actions implemented in order of priority.

Denver Water is also working to integrate fire-wise design principles into landscape transformation projects on Denver Water-owned properties to take a holistic approach to landscape management. Key considerations, such as seed selection, maintenance protocols, defensible space, and ladder fuel mitigation, are integrated into the design to mitigate wildfire risk to the facility and surrounding land while reducing water use.

Denver Water also assesses water quality risks to its watersheds, including increased development, wastewater discharges, agriculture, active and abandoned mines, recreation, transportation, and climate change impacts. From these assessments, projects are identified and prioritized to mitigate these risks.

Risk Management

General. Denver Water is exposed to various risks of loss and uses a multi-prong approach in managing risks. The objective of Denver Water's Enterprise Risk Management program is to support the mission, vision, and strategic objectives of the organization by integrating risk management into Denver Water's management structure and implementing processes to facilitate risk-informed decision making. It accomplishes this objective by using a systematic, structured and timely process for assessing risks across the entire organization. The risk assessment process consists of risk identification, analysis, evaluation, and treatment. Facilitated by Denver Water's Risk Advisory Committee with input from Internal Audit, identified risks are assessed and prioritized through different lenses such as velocity, likelihood, and impact to the organization. Once prioritized, management takes one of the five strategic directions - Accept, Avoid, Mitigate/Reduce, Transfer, or Exploit. Denver Water has established a Risk Management Policy and a Procedure that govern the risk management philosophy and process. Risk management strategies identified by this process are monitored and discussed by the Risk Management Executive Council (executive team) quarterly and the Board semi-annually. If the decision is to accept a risk, management will evaluate options on whether to fully retain the risk or transfer risk to a third party over a certain limit.

Denver Water manages risk through a combination of self-insurance and purchased insurance. Denver Water's general liability, automobile, workers' compensation, and employee medical, dental, and vision benefits are covered by self-insurance. The medical, dental, vision and workers' compensation claims are administered by commercial claims servicers and the exposure is limited to $500,000 per claim for medical and worker's compensation. Claims exceeding $500,000 are covered by stop-loss coverage for medical and excess liability coverage for workers' compensation claims. Denver Water also carries commercial insurance for employee life, disability and accidental death and dismemberment. As a governmental entity, Denver Water's liability for actions that could lie in tort is limited under the Colorado Governmental Immunity Act.

Denver Water has purchased insurance to transfer risk including property, terrorism, excess liability, fiduciary, cyber, employment practice liability, public officials' liability, malicious attacks, and crime. Commercial property insurance covers catastrophic losses, such as floods and earthquakes to Denver Water's major facilities and pump stations and provides limited coverage for other miscellaneous locations. Terrorism insurance covers a broader range of risks that expand to non-certified acts of terrorism, and the insurance includes coverage for first and third-party losses. The excess liability policy includes coverage for general liability, auto, and is also layered over the public officials' liability policy. Employment practice liability insurance provides coverage for employment claims. Fiduciary liability insurance is used to protect the assets of Denver Water's employee retirement plans. The plans insured are the defined benefit plan and the two defined contribution plans. Cyber insurance covers losses due to cyber-attacks to Denver Water's networks. Some of the included cyber coverages are a dedicated cyber incident response team, digital data recovery, business interruption loss, and third-party liability coverage for payment card losses. Denver Water's malicious attack insurance covers losses for scenarios such as an active shooter or unpeaceful protests. Malicious attack insurance coverage provides crisis management and limits property and business interruption losses. Finally, crime insurance includes coverage for employee dishonesty, forgery of credit, debit, or charge card, monies and securities on premise or in transit, computer fraud, and fund transfer fraud. See also "INVESTMENT CONSIDERATIONS – Cyber and Data Security."

Denver Water has utilized traditional contractual risk transfer, contractor-controlled insurance programs, and other alternative insurance programs to manage risks associated with capital projects and other general contracts. It obtains indemnification and hold-harmless agreements which require that contractors name Denver Water as an additional insured under the indemnitor's insurance coverage. All contractors and vendors are required to provide performance bonds as required by law and proof of insurance coverage appropriate for the contract which may include builder's risk insurance, commercial general liability, professional liability, and workers' compensation insurance.

Denver Water has an ownership interest in water stored in Wolford Mountain Reservoir ("Wolford Reservoir"), a reservoir located on Muddy Creek, north of Kremmling, Colorado. In 1992, Denver Water entered into a capital lease agreement with the Colorado River Water Conservation District (the "CRWCD") whereby the CRWCD was required to construct Ritschard Dam, which impounds Wolford Reservoir. In early 2019, the CRWCD observed a small crack on the surface of the road crossing the top of the Ritschard Dam. In 2020, the CRWCD, along with the Colorado State Engineer and Denver Water, undertook a comprehensive dam safety evaluation. The analysis resulted in a Comprehensive Dam Safety Evaluation Report (the "CDSE Report"), which concluded that the ongoing movement of the Ritschard Dam is likely to lead to embankment core cracking and initiation of internal erosion, and that the core is likely to crack in the near term, if it has not already done so. In 2021, pursuant to the capital lease agreement, the CRWCD conveyed ownership of 40% of the capacity and 40% of the water right (but not of the land or structures) of Wolford Reservoir to Denver Water, at which point Denver Water assumed responsibility for a 45.33% share of the operation, maintenance and rehabilitation costs of Wolford Reservoir. In February 2025, an updated CDSE Report was issued, which concluded that there was a lower probability of the potential failure of the Ritschard Dam, but that there continues to be a need to further reduce or better understand the risks, including by exploring alternatives to mitigate the potential for major cracking through the core of Ritschard Dam. Denver Water and the CRWD will continue to monitor and evaluate the risks associated with Ritschard Dam and Wolford Reservoir.

After many attempts to resolve the situation, Denver Water sued the CRWCD in 2021 claiming that the CRWCD failed to properly oversee the construction of the Ritschard Dam and failed to operate, maintain, and rehabilitate the dam to correct its defective condition. On June 19, 2025, the Court ruled that Denver Water's claims were time barred. Denver Water is in the process of evaluating that order.

Emergency Management. Denver Water's Emergency Management, Health, Safety and Security team plans and exercises response strategies for different types of potential emergencies using an all-hazards approach. This team manages the consequences associated with many potential business disruptions including wildfire, flood, asset failure, water quality, pandemic, and communicable disease. Denver Water has developed Continuity of Operations Plans ("COOP") to ensure critical operations continue, even during emergencies. Additionally, Denver Water maintains and exercises Emergency Action Plans that describe response roles and responsibilities in the event of an incident at a particular facility. Denver Water also coordinates with local governments and first responder agencies to plan and practice how emergency response would be conducted for an incident that extends beyond its facilities. As part of this regional cooperation, Denver Water has agreements in place for employees to receive medical treatment if necessary as well as mutual aid agreements with other utilities should a situation dictate supplemental resources or staffing.

Ensuring Compliance with Emerging Standards and Regulations

The water industry is navigating a complex landscape of emerging regulations, particularly concerning drinking water quality and environmental stewardship. Of particular interest are the reduction of lead and per- and polyfluoroalkyl substances ("PFAS") in drinking water, driven by heightened public awareness and stricter governmental mandates. These regulations necessitate enhanced monitoring, treatment, and disclosure practices across water utilities and municipalities. By prioritizing transparency and proactive measures, the industry aims to ensure safe and sustainable water supplies, safeguarding public health and the environment for current and future generations.

On April 10, 2024, EPA announced the final National Primary Drinking Water Regulation, including standards for PFOA and PFOS. At that time, EPA established legally enforceable levels for these PFAS in drinking water and gave public water systems until 2029 to comply with the Maximum Contaminant Levels (MCLs). On May 14, 2025, EPA announced that it plans to develop a rulemaking to provide additional time for compliance, including a proposal to extend the compliance date to 2031.

Since 2017, Denver Water has undertaken proactive testing of its source water and finished water. Based on this testing, Denver Water does not anticipate exceeding any PFAS MCL, nor needing to implement additional treatment to reduce PFAS at this time. Denver Water makes testing data available to the public. In addition, Denver Water continues to monitor regulatory developments regarding PFAS and other emerging contaminants.

In 2012, Denver Water sampling results showed lead levels at 17 parts per billion ("ppb"), an exceedance of the 15 ppb lead action level set by the EPA's Lead and Copper Rule. Under the Safe Drinking Water Act ("SDWA"), 42 U.S.C. § 300f–300j-9, this triggered a study of Denver Water's corrosion control treatment used to minimize lead levels at customers' taps. As a result of Denver Water's evaluation, in March 2018, the Colorado Department of Public Health and the Environment (the "CDPHE") designated orthophosphate as optimal corrosion control treatment ("OCCT") for the System. Because of concerns with the impact of orthophosphate treatment on the System and of increased phosphorus loading on the South Platte watershed and regional wastewater treatment plants, in 2019 Denver Water applied for a variance from the SDWA to implement its Lead Reduction Program ("LRP") in lieu of orthophosphate as OCCT. Denver Water's request for a variance from the SDWA was initially granted in 2019 and was eventually extended until November 1, 2027, the compliance date of the Lead and Copper Rule Improvements.

Prior to the EPA's approval of Denver Water's LRP, about 1,200 customer-owned lead service lines were being replaced every year in Denver Water's Combined Service Area, which included replacing customer-owned lead service lines whenever they were encountered during routine water main replacement or major road construction work. Under the LRP, Denver Water is required to replace a minimum of 4,477 lines annually. In practice, Denver Water is replacing 5,000-6,000 lines annually at no direct cost to those customers.

Consistent with the EPA order, more than 100,000 pitchers and water filters certified to remove lead were distributed to customers enrolled in the LRP to use for drinking, cooking, and preparing infant formula. Customers will continue to receive replacement filters until their lead service line can be replaced. The LRP also controls corrosion through pH/alkalinity adjustments. Additionally, under the LRP, Denver Water developed a comprehensive lead service line inventory and conducts an extensive community outreach campaign. See "– Capital Improvements – *Largest Projects – Lead Reduction Program.*"

Long-Range Planning

Denver Water has an adaptable long-range planning approach that considers the challenges of a warming climate and ensures a diversity in supply and delivery, along with efficiency in use. Denver Water seeks to weigh the consequences of decisions against multiple scenarios to preserve future options. This planning effort includes the use of several different tools as described below.

Denver Water Strategic Plan and Annual Business Plan. Denver Water's current Strategic Plan (the "Strategic Plan"), approved in April 2022, sets the direction of the organization for the next five to seven years. The Strategic Plan provides guiding principles to ensure Denver Water's decisions are weighed against customer centricity, industry leadership, taking the long-term view and inclusivity. Denver Water's four strategic perspectives – Excellent Operations, Strong Financials, Inspired People and Trusted Leader – provide Denver Water with a balanced and holistic approach to the Strategic Plan's goals and corresponding objectives and direct Denver Water's annual priorities.

Each year, Denver Water analyzes progress toward its Strategic Plan goals and objectives and identifies key strategic priorities to help achieve these objectives. Through the Enterprise Project Management Office, key stakeholders from across the organization analyze and select specific projects to address identified gaps and needs. This exercise culminates in the creation of the Annual Business Plan. The Annual Business Plan is a high-level summary of the work that Denver Water is committed to accomplishing in the upcoming year. It describes the connection of each activity to a Strategic Plan perspective, goal and objective, the organizational metric the activity is intended to move, and the corresponding annual budget amount and estimated total cost. The Annual

Business Plan includes organizational priorities and strategic projects. The Board reviews progress towards Annual Business Plan objectives on a quarterly basis. The Annual Business Plan is developed for the following year and forms the basis for the annual budget.

Capital and Financial Planning. Denver Water uses an Integrated Resource Planning Process (the "IRP Process") to prepare for future supply and demand uncertainties by planning for a range of plausible alternative future conditions rather than taking the more traditional approach of extrapolating current trends to inform a single future. The IRP Process investigates future water collection, treatment, distribution, and recycling system needs along with levels of service to customers, water-demand projections, and demand-management alternatives to guide decisions regarding quality and treatment, conservation and water efficiency opportunities, and new supply and facility needs. In addition, the IRP Process examines potential challenges to the System such as climate change effects, more severe and frequent droughts, changes in demographics, social values, water use patterns, watershed alterations such as those caused by beetle kill and forest fires, Colorado River water shortages, and economic, regulatory, and technological changes. Finally, the IRP Process informs the Board's goals regarding System reliability, strategic water reserves and Denver Water's role in regional and statewide water activities.

Denver Water utilizes a multiyear financial plan to determine the level of revenue adjustments needed to meet annual revenue requirements for each year of the plan. Project budgets, which are generally capital expenditures but can also include operating costs, are funded by debt, system development charges or reserves. Budget targets for capital projects are based on the prioritized list of projects found within the long-term capital forecast. Projects are selected annually based on Denver Water's Strategic Plan, IRP, Long-Term Forecast for Capital Projects, capital budgeting philosophy, and a business-driven process directed by the Enterprise Project Management Office. The Long-Term Forecast for Capital Projects is updated quarterly.

Capital Improvements

General. For planning and budgeting purposes, Denver Water classifies capital expenditures by the operational category that they support, e.g., "Collection," "Distribution," "Expansion," "Operations Support/Other," "Treatment," and "Lead Reduction Program." Each category is comprised of programs that specify unique activities and work that can be measured against key operational metrics, such as asset management and risk, for that category. The categories are described below:

- Collection. Comprised of dams, reservoirs, canals, and pipeline programs;
- Distribution. Comprised of mains, vaults, pump stations, and conduit programs;
- Expansion. Comprised of supply development and downstream reservoir programs;
- Operations Support/Other. Comprised of services such as fleet, trades work, warehousing, and technology infrastructure, software and systems that support the organization, carbon reduction projects, as well as allowance for unexpected capital expenditures;
- Treatment. Comprised of water treatment plants; and
- Lead Reduction Program. Comprised of Lead Reduction Program expenditures.

A summary of the Long-Term Forecast for Capital Projects for the next five years is set forth in the following table. Total capital expenditures are expected to be approximately $1.1 billion over the next five years. Of this amount, approximately 51% is expected to be debt-financed and the remaining 49% is to be cash funded.

Denver Water 2025-2029 Long-Term Forecast for Capital Projects
(amounts expressed in thousands)[(1)]

	2025	*2026*	*2027*	*2028*	*2029*	*Total*
Capital Projects by Category						
Collection	$ 185,700	$ 120,734	$ 89,607	$ 8,946	$ 17,938	$ 422,924
Distribution	60,906	51,230	54,252	55,744	63,507	285,639
Expansion	12,228	4,575	4,247	100	-	21,151
Operations Support/Other	14,635	17,965	18,228	13,945	14,678	79,451
Treatment	3,821	21,900	37,549	16,294	22,980	102,544
Lead Reduction Program	73,572	51,523	43,792	37,753	23,132	229,772
Total Capital Program	**$ 350,862**	**$ 267,927**	**$ 247,674**	**$ 132,783**	**$ 142,235**	**$ 1,141,481**
Less						
Participation Receipts[(2)]	(34,382)	(18,930)	(16,711)	(4,047)	(4,047)	(78,117)
Total Capital Program Less Participation Receipts	**$ 316,480**	**$ 248,997**	**$ 230,963**	**$ 128,736**	**$ 138,188**	**$ 1,063,364**

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(1) Figures may not total due to rounding. Capital Project amounts are based on the Long-Term Forecast for Capital Projects as of April 30, 2025, and are based on Denver Water's 2025 Financial Plan.

(2) Payments for capacity in specific facilities owned by Denver Water to serve specific groups of customers less CRCA Participation Costs.

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Largest Projects. The largest projects for the years 2025 through 2029 in the schedule above include Gross Reservoir Expansion Project, Main Replacements and Improvements, Marston Disinfection Improvements, Highlands Pump Station Renovation, Carbon Reduction Projects, and the Lead Reduction Program.

Gross Reservoir Expansion. The Gross Reservoir Expansion Project will raise the elevation of the Gross dam by 131 feet, increase the storage capacity of the dam by 77,000 acre-feet and increase the annual yield by 18,000 acre-feet. The additional capacity will mitigate possible supply shortages to the north end of the system and provide increased operational redundancy. Construction activities began in April 2022 with a target completion of 2027. Total estimated cost over the next five years is $356.2 million. See "– Ensuring the System is Reliable and Resilient – *Enhancement of Supplies and Storage*" and "LITIGATION – Gross Reservoir."

Main Replacements and Improvements. Denver Water anticipates that it will accelerate the work to achieve its annual goal of replacing 1% of its water main pipe in 2026, which is approximately 140,000 feet of pipe per year. This requires an investment of at least $49 million per year to maintain the distribution system. With the acceleration, the total estimated cost over the next five years is $185.0 million.

Marston Disinfection Improvements. The Marston Disinfection Improvements Project targets essential upgrades to the disinfection system. The project encompasses the design and construction of a modern system that includes a new disinfection contact basin and a sodium hypochlorite system to replace chlorine gas. The total estimated cost over the next five years is $63.3 million.

Carbon Reduction Projects. In November 2024, the Board adopted a resolution setting a net zero carbon emissions by 2030. Toward this goal, Denver Waters will identify and implement internal sustainability projects to support reaching net-zero carbon and avoid adding new sources of carbon emissions to the extent feasible. This will include energy reduction and electrification projects, fleet electrification, and implementation of renewable energy projects to reduce the use of grid power and increase resiliency of operations to disruptions of the electric grid. The total estimated cost over the next five years is $59.7 million.

Highlands Pump Station Renovation. The Highlands Low Side Pump Station Renovation Project will replace seven large, horizontal split-case centrifugal pumps in kind, providing 36 MGD capacity in the Southern Delivery System. In addition, the project will replace and add variable speed controllers for the pumps to increase efficiency. The project will also add a surge relief vault and replace antiquated electrical infrastructure. Project completion is expected in 2027. Total estimated cost over the next five years is $17.2 million.

Lead Reduction Program. The LRP is a holistic lead management strategy that requires an accelerated lead service line replacement schedule so that all customer-owned lead service lines within Denver Water's Combined Service Area are replaced by December 31, 2034. Upon commencement of the project, Denver Water estimated that there were between 64,000 to 84,000 lead service lines out of the 312,000 service lines in its Combined Service Area. Denver Water started replacing these lines in 2020 and has replaced over 32,000 lead service lines since the project's inception.

On August 10, 2021, the Internal Revenue Service ("IRS") issued Private Letter Ruling 103012-21, which analyzed Denver Water's use of proceeds from the issuance of Denver Water's Series 2021A Bonds (the "2021A Bonds") to finance the LRP. The IRS concluded that the 2021A Bonds would not meet the private security or payment test because the payments that are both received from customers that are private business users of pipes replacing the lead service lines and attributable to the costs of replacing the lead service lines do not exceed 10 percent of the debt service on the 2021A Bonds.

In 2022, the Colorado Water Resources and Power Development Authority agreed to loan Denver Water $76.2 million from the Drinking Water State Revolving Fund ("SRF") of which $40.0 million is subject to up-front principal forgiveness. The additional funds will be expended in 2025 and are expected to help pay for the replacement of up to 7,000 lead services lines, shortening the Lead Reduction Program by approximately a year-and-a-half. Denver Water began drawing on the Series 2022 SRF Loan in 2023 and plans to continue drawing on the Series 2022 SRF Loan through fiscal year 2025 to complete additional lead service line replacements, nearly doubling the amount of lead service lines replaced annually. Total estimated capital expenditures for the Lead Reduction Program over the next five years is $243.5 million. See "THE SYSTEM – Ensuring Compliance with Emerging Standards and Regulations" and "Denver Water 2025-2029 Long-Term Forecast for Capital Projects" table under "– Capital Improvements – *General*."

The cost incurred in accelerating the LRP are accounted for as regulatory assets under Governmental Accounting Standards Board ("GASB") Statement No. 62 and amortized over thirty years. The original program budget for the LRP was $680.1 million over fifteen years. The current forecast totals $687.6 million, which includes funding received from the SRF.

FINANCIAL INFORMATION

Financial Policies

Denver Water has financial policies and procedures that provide a framework for the financial management of Denver Water. These policies and procedures serve as a foundation for long-term financial planning and annual budgeting and support one of the Board's strategic objectives of financial strength and stability.

Sources of Revenue

Denver Water derives revenue from the following sources: water sales (76.8% of all revenues in 2024), proceeds from System Development Charges ("SDC") and prepaid SDC (6.0%), investment and other income (8.4%), proceeds from contributions in aid of construction ("CIAC") and prepaid CIAC (5.4%), power generation and other receipts (2.2%), and proceeds from sales of capital assets (1.1%).

Water Sales. Water sales to customers generate the majority of Denver Water's revenues, which are used to pay for normal operation and maintenance, replacement of facilities, plant additions and debt service. Approximately 53.2% of 2024 billed treated water sales revenue was derived from outside the City, although only approximately 46.5% of customers are located outside the City. Water provided to outside City customers is billed at a higher rate than inside City customers. See also "FINANCIAL INFORMATION – Rate Structure."

Power Generation and Other Receipts. Power generation receipts are receipts from the sale of surplus power provided by eight power generating facilities in the System (Dillon, Foothills, Gross, Hillcrest, Roberts Tunnel, Strontia Springs, Northwater Treatment Plant, and Williams Fork). The electricity generated is used to power the facility before selling the surplus energy to a contract utility. Denver Water has contracts with local energy companies (Xcel Energy, United Power and Tri-State Generation and Transmission Association) to purchase energy for the System and sell surplus energy generated back to these companies. The surplus energy delivered to the contracted utility substantially offsets the energy purchased, limiting Denver Water's exposure to future increases in energy purchases. In addition, this category of revenue includes special assessments, such as delinquent charges, hydrant and other meter related revenue, and title transfer fees, as well as other operating revenue sources, including reimbursements for operating expenses and other water delivery charges.

Proceeds from System Development Charges. SDCs represent fees charged for new connections to the System. Instituted in 1973, SDCs assist in funding expansion-related capital expenditures and water rights costs. SDCs apply to any applicant for a license to take water through the System or through a system deriving its supply from Denver Water. This charge is assessed upon application for a new tap and is based on one or more of the following, depending on customer type: (a) the gross square footage of a single-family residential lot; (b) the number of units in a multi-family residential building; (c) the size of the connection (meter size) required for a non-residential building; and (d) the estimated acre-feet of water demand.

Investment Income. Denver Water's investment portfolio is designed to meet daily and annual needs for cash, as well as longer-term needs such as exposure reserves and future capital projects. The majority of the portfolio is invested in highly rated short-term instruments but may also include investment grade corporate bonds and government securities. The maximum maturity of any investment is five years. The portfolio is accounted for in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*.

Other Income. Other receipts consist of reimbursements for various nonoperating expenses, rental revenue, water delivery charges related to Denver Water intergovernmental agreements and revenue received from managing customer billing for other organizations.

Proceeds from CIAC and Prepaid CIAC. This category represents facilities, or cash payments for facilities, conveyed to the distribution system from property owners, governmental agencies, and customers who receive benefit from such facilities.

Proceeds from Sales of Capital Assets. Receipts from disposal of properties, vehicles, equipment, mains, hydrants, and other assets.

Customer Diversification. Denver Water does not depend on any one individual customer or any group of customers for a major portion of its revenue. Denver Water's treated water use is divided among: single-family and small multi-family homes (40.5%), business and industry (28.8%), irrigation (5.0%), the City (1.9%), and water for resale (23.8%).

In 2024, the 10 largest retail customers received 2,866 million gallons of treated water and accounted for $13.9 million or approximately 3.7% of total water sales revenue. In addition to the 10 largest retail accounts above, the City received 2,115 million gallons of treated water, for sales revenue totaling $7.2 million.

Rate Structure

Under the Charter, the Board is empowered to set rates for all of its customers. For customers within the City, these rates are to be as low as good service will permit, although sufficient to pay for operation, maintenance, reserves, debt service, additions, extension and improvements, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for the City's general welfare. The rates also may be sufficient to provide for the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year. Since its inception, the Board has set rates at a level sufficient to service its debt and to meet its expenses of operation and maintenance. See also "SECURITY FOR THE SERIES 2025A BONDS – Rate Covenants."

The Board reviews and updates the financial plan at least annually to ensure revenue from rates is sufficient to meet expenditures, to ensure funding for critical infrastructure projects, and to avoid rate volatility from infrequent and larger rate increases. The Board can modify rates at any time, without oversight by the Public Utilities Commission or any other State agency. The rate adoption process includes a 30-day public comment period prior to a vote by the Board on proposed rates. Rates are effective no sooner than 60 days after adoption of the rates. Rate increases are generally adopted in October and implemented in January of the following year. In October 2024, Denver Water adopted a new rate schedule, which went into effect January 1, 2025. The first reading of the 2026 proposed rates is anticipated to occur at the September 10, 2025 Board meeting. The Board has raised rates annually for the last 33 years. The 2025 overall rate revenue increase was 5%.

All Denver Water customers are grouped into customer classes (residential, non-residential, irrigation only, etc.), and by location of residence or facility, either inside City boundaries or outside City boundaries, and inside or outside the Combined Service Area. The Board sets the rates based on the results of an annual cost of service rate study. The Charter specifies that rates for outside City customers are to be based on the cost to provide service plus an additional amount.

There are two components to Denver Water's service rates: a monthly fixed fee and a volume rate charged per 1,000 gallons consumed. The fixed fee, based on the meter size, was implemented in 2015, and provides a stable funding base for the fixed costs of operating and maintaining the System, and reduces revenue variability. The volume charge structure varies based on the customer class. Customers are billed on a monthly basis. The fixed fee recovers the cost of meter reading and billing, as well as a portion of general administrative expenses and a portion of capacity-related costs. It is designed to account for approximately 20% of total revenue. The volume charge recovers the remainder of operation and maintenance costs, annual payments on existing and proposed debt service and cash-funded capital expenditures.

Treated Water Rates. The following tables set forth Denver Water's treated water monthly fixed charges, volume rates, and private fireline rates, effective January 1, 2025.

Treated Water Monthly Fixed Charges, $ per Bill

Meter Size inches	*Inside City of Denver*	*Outside City*		
		Read & Bill	*Total Service*	*Wholesale*
5/8" & 3/4"	$ 19.06	$ 19.06	$ 19.06	$ 19.06
1"	27.77	27.77	27.77	27.77
1 1/2"	54.79	54.79	54.79	54.79
2"	92.28	92.28	92.28	92.28
3"	198.62	198.62	198.62	198.62
4"	347.67	347.67	347.67	347.67
6"	774.79	774.79	774.79	774.79
8"	1,371.88	1,371.88	1,371.88	1,371.88
10"	2,139.81	2,139.81	2,139.81	2,139.81
12"	3,079.52	3,079.52	3,079.52	3,079.52

Treated Water Volume Rates, $ per 1,000 Gallons

Customer Class	*Tier Threshold 1,000 gallons*	*Inside City of Denver*	*Outside City*		
			Read & Bill	*Total Service*	*Wholesale*
Single Family Residential					
Tier 1	0 to AWC[(1)]	$2.90	$2.98	$4.30	
Tier 2	AWC + 15	5.22	5.36	7.74	N/A
Tier 3	Greater than AWC + 15	6.96	7.14	10.32	
Nonresidential					
Tier 1	0 to AWC	$3.36	$3.63	$5.00	
Tier 2	AWC to 4 x AWC	4.70	5.08	7.00	N/A
Tier 3	Greater than 4 x AWC	5.38	5.81	8.00	
Irrigation					
Winter (Nov. 1 through April 30)		$1.73	$1.63	$2.40	N/A
Summer (May 1 through October 31)		6.92	6.52	9.60	
Wholesale					
Master Meter					$5.08
Outside the Combined Service Area					5.67

(1) "AWC" is defined as a customer's average winter consumption, which is used to determine the Tier 1 Threshold.

Private Fireline

Fireline Size inches	*Inside City of Denver*	*Outside City*		
		Read & Bill	*Total Service*	*Wholesale*
1"	$3.78	$2.57	$4.28	N/A
2"	6.31	4.29	7.15	
4"	9.74	6.64	11.05	
6"	13.92	9.48	15.78	
8"	24.36	16.59	27.62	
10"	34.80	23.70	39.45	
12"	55.68	37.92	63.13	
16"	139.20	94.80	157.81	
Fire Hydrants	$13.92	$9.52	$15.78	

Nonpotable Water Rates. The following tables set forth Denver Water's nonpotable monthly fixed charges, and volume rates, effective January 1, 2025.

Nonpotable Water Monthly Fixed Charges, $ per Bill

Meter Size inches	*Inside City of Denver*	*Outside City*		
		Read & Bill	*Total Service*	*Wholesale*
5/8" & 3/4"	$ 19.06	$ 19.06	$ 19.06	$ 19.06
1"	27.77	27.77	27.77	27.77
1 1/2"	54.79	54.79	54.79	54.79
2"	92.28	92.28	92.28	92.28
3"	198.62	198.62	198.62	198.62
4"	347.67	347.67	347.67	347.67
6"	774.79	774.79	774.79	774.79
8"	1,371.88	1,371.88	1,371.88	1,371.88
10"	2,139.81	2,139.81	2,139.81	2,139.81
12"	3,079.52	3,079.52	3,079.52	3,079.52

Nonpotable Water Volume Rates, $ per 1,000 Gallons

Customer Class	*Inside City of Denver*	*Outside City*	*Outside Combined Service Area*
Recycled			
$ per 1,000 gallons	$ 1.20	N/A	$ 1.62
$ per Acre-Foot	391.02		527.88
Raw Water (Monthly Fixed Charges Not Applicable)			
$ per 1,000 gallons	$ 1.12	$ 1.54	$ 1.65
$ per Acre-Foot	364.95	501.81	537.65

City and County of Denver Governmental Water Rates. The following tables set forth Denver Water's monthly fixed charges, treated water volume rates, nonpotable water volume rates, and private fireline rates, effective January 1, 2025, for City and County of Denver Governmental customers.

City and County of Denver Governmental Monthly Fixed Charges, $ per Bill

Meter Size inches	***Fixed Charge***
5/8" & ¾"	$ 19.06
1"	27.77
1 ½"	54.79
2"	92.28
3"	198.62
4"	347.67
6"	774.79
8"	1,371.88
10"	2,139.81
12"	3,079.52

City and County of Denver Governmental Treated Water Volume Rates, $ per 1,000 Gallons

Domestic	
Year-Round	$2.66
Irrigation	
Winter (Nov. 1 through April 30)	$1.10
Summer (May 1 through October 31)	$2.75

City and County of Denver Governmental Nonpotable Water Volume Rates, $ per 1,000 Gallons

Raw	$0.50
Recycled	$0.24

City and County of Denver Governmental Private Fireline

Fireline Size inches	***Fixed Charge***
1"	$3.78
2"	6.31
4"	9.74
6"	13.92
8"	24.36
10"	34.80
12"	55.68
16"	139.20
Fire Hydrants	$ 13.92

The table below compares typical monthly winter and summer water bills for single family residential customers within the City and County of Denver and outside the City and County of Denver.

Comparison of Typical Residential Monthly Winter and Summer Water Bills[(1)]

	Based on Calendar Year 2024 Rates	
Type of Service	***Winter***	***Summer***
Inside City	$29.52	$ 88.97
Outside City (Read and Bill)	29.77	90.64
Outside City (Total Service)	34.80	122.54

(1) Estimated water bills are based on 2025 rates and service charges effective January 2025. Winter is defined as the six- month period November through April, and summer is defined as the six-month period May through October.

Rate Collections

Denver Water bills over 275,000 treated water accounts monthly. Over the last five years, the total amount in delinquent accounts, which are defined as customer accounts with balances past due more than 60 days, has not exceeded 2.2% of annual water sales as measured on a budget basis.

Denver Water maintains a variety of programs to assist customers in managing and paying their bills on time and works with customers that become delinquent. This includes but is not limited to monthly statements with a six-day late-fee grace period, multiple payment methods, a water efficiency rebate program, delinquent notifications via both phone and mail, leak adjustments, courtesy credits, fee waivers, partial payments, payment extensions payment arrangements, and a one-time emergency assistance program that provides a bill adjustment up to $300 for qualified customers. Denver Water also provides leak detection assistance for customers, including consumption trend analysis to identify deviations from normal usage, constant flow checks, equipment checks, advanced metering infrastructure devices to allow customers to self-monitor usage, and targeted water efficiency notices.

Denver Water's Operating Rules allow service to be suspended for several reasons, including non-payment. Service suspensions due to delinquency decreased significantly in 2020 through 2022 due to Denver Water's decision to cease service suspension during the COVID-19 pandemic. Service suspensions resumed in June 2022. In 2024, 11,666 customers had service suspended due to non-payment, which compares to a 10-year average of approximately 5,500 customers and a pre-COVID five-year average of approximately 6,500 suspensions per year. The increase in 2024 relative to prior years was due to a lag in customer response to a change in the delinquent payment threshold from $300 to the pre-COVID standard of $100. Shut offs in 2025 through April 30 totaled 3,095.

System Development Charges

In March 2025, the Board approved an increase in System Development Charges that will be phased in over a 6-month period beginning January 1, 2026. The change is intended to achieve full cost recovery of system expansion and is expected to generate an additional $4 million in the first year, increasing to $6 million in subsequent years. These estimates assume average economic and population growth.

Historical Financial Operations

Set forth in the following table are comparative operating statements of the System for the past five years presented in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to governmental entities. The information is based on audited financial statements included in the Board's Annual Comprehensive Financial Report for the years ended December 31, 2020, through December 31, 2024. See Appendix A – "Financial Statements of the Board for the Period Ended December 31, 2024." Preceding years' annual financial statements may be obtained upon request directed to Denver Water or the Municipal Advisor. See also "– Sources of Revenue" above, "DEBT STRUCTURE – Historical and Budgeted Net Revenue and Debt Service Coverage" and "THE SYSTEM – Capital Improvements."

Statements of Revenues, Expenses and Changes in Net Position
(amounts expressed in thousands)

Operating Revenues:	***2020***	***2021***	***2022***	***2023***	***2024***
Water	$ 343,027	$ 323,711	$349,863	$ 320,689	$ 384,374
Power Generation and Other	14,174	12,283	12,556	11,085	11,227
Total Operating Revenues	357,201	335,994	362,419	331,774	395,601
Operating Expenses:					
Source of Supply, Pumping, Treatment and Distribution	93,901	100,878	115,150	121,450	139,531
General and Administration	100,059	93,081	99,421	113,595	113,828
Customer Service	13,669	13,440	14,080	16,355	16,798
Depreciation and Amortization	55,691	60,919	64,036	69,306	73,607
Total Operating Expenses	263,320	268,318	292,687	320,706	343,764
Operating income:	93,881	67,676	69,732	11,068	51,837
Nonoperating Revenues (expenses)					
Investment Income	2,890	(1,334)	(4,649)	12,558	12,060
Interest Expense	(21,293)	(25,022)	(28,586)	(37,100)	(42,411)
Loss on Disposition of Cap Assets	(5,754)	(4,587)	(1,945)	(2,931)	(525)
Other Income	7,284	4,989	7,671	19,889	29,885
Other Expense	(1,515)	(4,985)	(6,936)	(16,461)	(37,203)
Total nonoperating expenses, net	(18,388)	(30,939)	(34,445)	(24,045)	(38,194)
Income (loss) before capital contributions	75,493	36,737	35,287	(12,977)	13,643
Capital Contributions					
Contributions in Aid of Construction	21,167	22,310	26,853	33,755	54,637
System Development Charges	22,456	38,236	75,694	26,031	23,505
Total Capital Contributions	43,623	60,546	102,547	59,786	78,142
Increase in Net Position	119,116	97,283	137,834	46,809	91,785
Net Position, Beginning of Year	2,275,672	2,394,788	2,492,071	2,629,905	2,676,714
Restated beginning net position[1]	--	--	--	--	2,676,686
Net Position, End of Year	$ 2,394,788	$ 2,492,071	$2,629,905	$ 2,676,714	$ 2,768,471

[1] The restated beginning net position for fiscal year 2024 resulted from implementation of GASB No. 101, *Compensated Absences.*

Management's Discussion and Analysis

A narrative overview and analysis by management of the financial activities of the Board for 2024 is included as part of the 2024 Audited Financial Statements of the Board appended to this Official Statement.

Budgets

Following the development of the Annual Business Plan and updates to the multi-year Financial Plan, Denver Water begins the annual budget development process. The budget development process aligns fiscal resources and organizational priorities for the upcoming year. From this, operating and capital budget targets are developed. The budget is presented to the Board in November at the annual budget workshop and approved by the Board in December. The approved budget is the main internal control document used to monitor and manage revenues and expenditures for Denver Water. The organization takes an active role in regular management of the budget to ensure proper fiscal governance and controls. This is done through the monthly budget management process, comprehensive quarterly performance reviews, and the Annual Comprehensive Financial Report.

2024-25 Budget Summary and Comparison. Set forth below is a summary of Denver Water's 2024 budget and actual 2024 financial results, as well as the 2025 approved budget and forecast as of April 30, 2025.

Receipts and Expenditures 2024-2025
(amounts expressed in thousands)[1]

	2024 Budget	***2024 Actual[2]***	***2025 Budget***	***2025 Forecast[4]***
Sources of Funds				
Water Sales	$ 371,423	$ 383,075	$ 385,422	$ 388,752
Hydropower	4,035	4,561	4,086	4,125
Other Operating Revenues	7,139	4,989	6,158	6,192
Proceeds from Sales of Assets	350	5,731	350	350
Series 2022 SRF Loan Forgiveness[3]	22,080	21,142	5,509	6,751
Other Income	6,042	10,528	10,449	9,499
Interest Income	6,456	10,341	6,234	7,758
System Development Charges	31,679	30,247	34,679	31,241
Participation Receipts	27,583	27,253	38,980	39,053
Subtotal	$ 476,787	$ 497,867	$ 491,867	$ 500,617
Debt Proceeds	286,378	269,867	219,938	221,896
Total Sources of Funds	**$ 763,165**	**$ 767,734**	**$ 711,805**	**$ 715,617**
Uses of Funds				
Operating Expenditures:	$ 282,092	$ 292,081	$ 275,455	$ 282,814
Capital Project Expenditures:	369,035	346,188	342,066	350,861
Debt Service:	75,170	72,282	85,079	85,068
Total Uses of Funds	**$ 726,297**	**$ 710,552**	**$ 702,600**	**$ 718,743**

(1) Figures may not total due to rounding.
(2) Actuals in this table are based on the basis of accounting used for budgetary purposes and may differ from numbers reported in accordance with the accrual basis of accounting in GAAP financial statements due to differences in timing of recognition of certain transactions or events.
(3) The Series 2022 SRF Loan forgiveness is included as "Other Income" in the Annual Comprehensive Financial Report.
(4) 2025 Forecast is based on the estimate of sources and uses of funds as of April 30, 2025.

DEBT STRUCTURE

Denver Water as an Enterprise

Denver Water is an "enterprise" of the City within the meaning of Article X, Section 20 of the State Constitution, referred to therein as the "Taxpayer's Bill of Rights" and commonly known as "TABOR," the effect of which is to exempt Denver Water from the restrictions and limitations otherwise applicable to the City under such constitutional provision. "Enterprises" are defined in TABOR as government-owned businesses authorized to issue their own revenue bonds and receiving less than 10% of their annual revenues in grants from all State and local governments combined. The constitutional provision contemplates that qualification as an "enterprise" is to be determined on an annual basis. Denver Water regards the possibility that it might be disqualified as an "enterprise" to be remote.

Outstanding Bonds and Other Obligations

Authority. The Charter authorizes Denver Water to only issue revenue bonds, which may be issued without prior voter approval. Denver Water has no legal debt limits, however, the Board has adopted a debt policy to direct the timing and use of debt.

Outstanding Bonds. The following table sets forth the Parity Bonds as of August 31, 2025 (excluding the Series 2025A Bonds, and including the Series 2022 SRF Loan which is on parity with the Parity Bonds).

Outstanding Parity Bonds

Issue	***Principal Balance***
Series 2012B	$ 755,000
Series 2014A	29,445,000
Series 2016A	64,040,000
Series 2016B	40,620,000
Series 2017A	130,105,000
Series 2017B	41,765,000
Series 2020A	141,030,000
Series 2020B	105,815,000
Series 2021A	311,750,000
Series 2022A	185,020,000
Series 2024A	260,670,000
Series 2022 SRF Loan	34,361,248
Total Bonds	$1,345,376,248

Colorado Drinking Water State Revolving Fund Loan. In October 2022, Denver Water was approved for a loan in the amount of $76,123,628 (previously defined herein as the "Series 2022 SRF Loan") from the Colorado Drinking Water State Revolving Fund for the Lead Reduction Program. The Series 2022 SRF Loan was funded by the Infrastructure Investment and Jobs Act signed into law by the President in November 2021. Upon closing of the Series 2022 SRF Loan on December 15, 2022, approximately $40 million of principal was forgiven immediately as allowed by the legislation. The Series 2022 SRF Loan is on parity with the Parity Bonds. There was a $34,361,248 balance on the Series 2022 SRF Loan as of August 31, 2025, with a $472,467 principal repayment scheduled for September 15, 2025. The Series 2022 SRF Loan amortizes over 30 years at a fixed interest rate of 2.75%.

Commercial Paper Program. In September 2023, Denver Water established a five-year commercial paper program to provide financing for various capital projects. The program allows Denver Water to sell up to

$300.0 million of subordinate lien capital improvement notes with a maximum maturity date not to exceed 270 days. The commercial paper is sold at par as interest-bearing obligations, with interest payable at maturity.

Denver Water entered into dealer agreements with BofA Securities, Inc. and Goldman Sachs & Co, LLC to act as non-exclusive dealers for the offer and sale of the commercial paper notes issued by Denver Water. Denver Water also entered into a Revolving Credit Agreement with Bank of America, N.A., under which the bank provides a liquidity facility of up to $300.0 million to provide funds for the payment of the principal of the commercial paper notes at maturity. The program expires and the Revolving Credit Agreement terminates on September 20, 2028. As of August 31, 2025, Denver Water had $200 million in commercial paper notes outstanding, with interest rates ranging from 2.97% to 2.98% and varying maturities. It is expected that a portion of the proceeds of the Series 2025A Bonds will be used to pay all or a portion of the outstanding Series 2023A Notes and restore a like amount of programmatic issuance capacity. See "SOURCES AND USES OF FUNDS."

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Debt Service Requirements

Set forth in the following table are the future Debt Service Requirements (as defined in Appendix B – "Glossary of Terms") with respect to the Series 2025A Bonds and other obligations of the Board that are payable from Net Revenue or other revenues of the System. See also "SECURITY FOR THE SERIES 2025A BONDS – Additional Obligations Payable from the Net Revenue," "– Rate Covenants" and "DEBT STRUCTURE – Outstanding Bonds and Other Obligations." The Debt Service Requirements presented in the table are as of the date the Series 2025A Bonds are issued (the "Issue Date") and are presented with respect to the principal amount of such obligations that will be outstanding as of the Issue Date.

Debt Service Requirements for the Series 2025A Bonds and Outstanding Parity Bonds[(1)]*

	Series 2025A Bonds			
Year	*Principal*	*Interest*	*Outstanding Parity Bonds*	*Total Debt Service*
2025	$	$	$	$
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
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2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
2053				
2054				
2055				
Total	$	$	$	$

(1) Upon issuance of the Series 2025A Bonds. Totals may not add due to rounding.

* Preliminary, subject to change.

Historical and Budgeted Net Revenue and Debt Service Coverage

The following table sets forth the Net Revenue collected, the debt service coverage for the fiscal years 2020 through 2024, and the budgeted and forecasted Net Revenue and debt service coverage for 2025. These amounts have been determined in accordance with the Parity Bonds Resolution and are not intended to be a presentation in accordance with generally accepted accounting principles. Historical coverage levels are not intended to be a projection of future levels of debt service coverage on the Board's outstanding financial obligations. See also "FINANCIAL INFORMATION – Budgets – *2024-2025 Budget Summary and Comparison*" for additional historical and budgeted information with respect to the Water Works Fund.

Historical, Budgeted and Forecasted Net Revenue and Historical and Pro Forma Debt Service Coverage(1)
(amounts expressed in thousands, except coverage ratios)

	Actual(2)					*Budget*	*Forecast**
	2020	*2021*	*2022*	*2023*	*2024*	*2025(5)*	*2025*
Gross Revenues							
Total Operating Revenues	$ 357,201	$ 335,994	$ 362,419	$ 331,774	$ 395,601	$395,666	$ 399,069
Proceeds from Sales of Capital Assets	742	657	796	771	5,731	350	350
Other Income	7,284	4,989	7,671	8,667	8,743	10,449	9,499
Interest Income/(Loss)	2,890	(1,334)	(4,649)	12,558	12,060	6,234	7,758
System Development Charges	22,553	37,897	47,203	32,844	30,247	34,679	31,241
Participation Receipts	3,655	4,141	22,865	21,631	27,253	38,980	39,053
Total Gross Revenue(6)	$ 394,325	$ 382,344	$ 436,305	$ 408,245	$ 479,635	$ 486,358	$ 486,970
Operation and Maintenance Expenses							
Total Operating Expenses	$ 263,320	$ 268,318	$ 292,687	$ 320,706	$ 343,764	$ 275,455	$ 282,814
Other Expense	1,515	4,985	6,936	16,461	37,203	0	0
Less Depreciation and Amortization(4)	(55,691)	(60,919)	(64,036)	(69,306)	(73,607)	0	0
Total Operation and Maintenance Expenses	$ 209,144	$ 212,384	$ 235,587	$267,861	$307,360	$ 275,475	$ 282,814
Net Revenue	$ 185,181	$ 169,960	$ 200,718	$140,384	$ 172,275	$ 210,903	$ 204,156
Historical and 2025 Coverage Ratios							
Required Debt Service(1)(3)	$46,373	$50,519	$53,231	$66,585	$66,478	$80,895	$80,895
Coverage Ratios	3.99x	3.36x	3.77x	2.11x	2.59x	2.61x	2.52x
Pro Forma Coverage Ratios – After Issuance of Series 2025A Bonds							
Combined Average Annual Debt Service*	$83,234	$83,234	$83,234	$83,234	$83,234	$83,234	$83,234
Coverage Ratios*	2.22x	2.04x	2.41x	1.69x	2.07x	2.53x	2.45x
Pro Forma Coverage Ratios – After Issuance of Series 2025A Bonds							
Combined Maximum Annual Debt Service*	$94,718	$94,718	$94,718	$94,718	$94,718	$94,718	$94,718
Coverage Ratios*	1.96x	1.79x	2.12x	1.48x	1.82x	2.23x	2.16x

(1) This schedule reflects certain reclassifications to revenues and expenses made to prior years financial statements to conform to the current year financial statement. Totals may not add due to rounding.
(2) Actuals for 2020 through 2024 reflect a combination of information from Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows.
(3) For purposes of this table, "Required Debt Service" includes Parity Bonds.
(4) Depreciation expense was restated for all years shown to reflect amounts on the Statements of Revenue, Expenses, and Changes in Net Position. Prior to this change depreciation expense from Note 4 of the annual comprehensive financial reports was used.
(5) The 2025 Budget numbers in this table are based on the basis of accounting used for budgetary purposes and may differ from numbers reported in accordance with the accrual basis of accounting in GAAP financial statements in years 2020-2024 due to differences in timing of recognition of certain transactions or events.
(6) Gross Revenues do not include amounts received related to the forgivable portion of the Series 2022 SRF Loan.
* Preliminary, subject to change.

Sources: Denver Water Annual Comprehensive Financial Reports for 2020-2024; 2025 Denver Water Budget; April 30, 2025, Forecast of Sources and Uses of Funds, Denver Water Financial Planning & Performance Section; and the Municipal Advisor.

Denver Water Projected Cash Flows

Denver Water collects revenues from customers as well as other sources that include SDC's, bond proceeds, grants, and interest earnings on available funds. The following table shows Denver Water's projected cash flows for fiscal years 2026 through 2028.

Denver Water Projected Cash Flows(1)*
(amounts expressed in millions)

	2026	*2027*	*2028*
Sources of Funds			
Rate Revenue(2)	$404	$422	$439
SDCs and Participation(3)	55	53	38
Bond Proceeds	105	152	49
Grants/Loan Forgiveness	1	1	2
Other Revenue(4)	28	28	28
Total Sources of Funds(5)	$593	$656	$555
Uses of Funds			
Operating Costs(6)	$292	$291	$295
Capital Costs(7)	264	249	135
Debt Service(8)(9)	92	104	112
Total Uses of Funds(5)	$648	$643	$541
Debt Service Coverage(10)	2.1x	2.0x	1.9x
Parity Lien Debt Service Coverage	2.2x	2.1x	2.0x

(1) Amounts are based on Denver Water's projected cash flow as of June 2025 and are based on Denver Water's preliminary 2026 Financial Plan. The information presented constitutes "forward looking statements" which must be read with an abundance of caution and may not be realized or may not occur in the future.
(2) Assumes 5.0% increase in rates in 2026 and 2027, and 4.5% increase in 2028. These assumptions are preliminary and are used for planning purposes only. Any rate increase is subject to Board approval. Also assumes 0.25% increase in customers and 0.75% decrease in demand each year due to conservation.
(3) Assumes decrease in SDCs as a result of the completion of the raw water system development and the expiration of a participation agreement.
(4) Other Revenue includes hydroelectric power generation, late fees, interest income, ditch water revenues, and administrative fees for sewer billing and collections from the City.
(5) Totals may not add due to rounding.
(6) Projected operating costs assume an inflation estimate of 2.75% each year.
(7) For more information regarding Denver Water's future capital costs, see "THE SYSTEM – Long-Range Planning."
(8) Assumes a fixed interest rate of 4.85% for assumed debt issuances in fiscal year 2026, a fixed interest rate of 4.85% for assumed debt issuances in fiscal year 2027, and a fixed interest rate of 4.85% for assumed debt issuances in fiscal year 2028. Debt service includes the Series 2025A Bonds.
(9) Assumes Commercial Paper interest payments of $5.0mm, $5.0mm, and $6.6mm in fiscal years 2026, 2027, and 2028, respectively.
(10) Includes projected Parity Lien and Subordinate Lien debt service.

* Preliminary, subject to change.

RETIREMENT AND PENSION MATTERS

Employees' Retirement Plan

The Employees' Retirement Plan of the Denver Board of Water Commissioners (the "Plan") is a single-employer defined benefit pension plan, sponsored and administered by the Board. Members of the Plan include substantially all regular and discretionary full-time and part-time employees of Denver Water. It also provides retirement service in the event of disability, and a $5,000 death benefit to retirees receiving annuity payments from the Plan. The Plan contains provisions regarding amendments, including a provision for employees hired prior to January 1, 2018, voting on amendments in specifically described situations. The Plan, originally started in 1944, has been amended from time to time by the Board. Changes made in 2016 introduced a separate tier of benefits for employees hired on or after January 1, 2018, with a slightly different benefit structure. Starting in 2018, all employees have been required to contribute to the Plan. These changes are expected to lower long-term liability and help keep Denver Water's annual contribution stable. The Plan issues a publicly available audited financial report that includes financial statements and required supplementary information. The report may be obtained by writing to: Treasurer, Denver Water, 1600 West 12th Avenue, Denver, CO 80204-3412.

Net Pension Liability

Denver Water's financial statements show the Net Pension Liability, (i.e., the difference between the Total Pension Liability and the Pension Plan's Net Position) in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Denver Water has elected a measurement date for the current year-end as of the prior year-end. Therefore, the Net Pension Liability reported as of December 31, 2024, was measured as of December 31, 2023. The Total Pension Liability used to calculate the net pension liability for 2024 was determined by an actuarial valuation performed as of January 1, 2023.

Conversely, the 2024 Total Pension Liability presented in the Plan's financial statements was determined based on the actuarial valuation as of January 1, 2024, rolled forward to the reporting date of December 31, 2024. The schedule of Net Pension Liability for Denver Water for the last five fiscal years is shown in the table below:

Schedule of the Net Pension Liability
(amounts expressed in thousands)

FY Ending December 31,	*Total Pension Liability*	*Plan Fiduciary Net Position*	*Net Pension Liability/(Asset)*	*Plan Fiduciary Net Position as a % of Total Pension Liability*
2024	$570,790	$505,109	$65,681	88.5%
2023	540,587	479,831	60,756	88.8
2022	519,677	445,625	74,052	85.8
2021	500,197	503,706	(3,509)	100.7
2020	470,578	428,930	41,648	91.2

Actuarial Assumptions and Funding Policy

Denver Water's actuary performs a valuation of the Plan on an annual basis, using actuarial assumptions and methods, and recommends the annual contribution. The primary purposes of the valuation reports are to measure the Plan's liabilities, to determine the required contribution rate and to analyze changes in the Plan's actuarial position. The Board, acting under the advice of the actuary of the Plan, intends to make contributions to the Plan in such amounts and at such times as are required to maintain the Plan on a sound actuarial basis. The Board expects to continue such contributions to the Plan but assumes no responsibility to do so and reserves the right to suspend, reduce, or permanently discontinue all contributions at any time, subject to the provisions in the Plan.

The Board adopted a pension funding policy (the "Funding Policy") that outlines the strategy the Board will use to determine the contributions to the pension. Pension funding is based upon the Annual Determined Contribution ("ADC") calculated annually, which separates funding decisions from accounting methods. The ADC is determined using the actuarial cost method, the actuarial asset valuation method, and the amortization of unfunded liability.

The actuarial cost method allocates pension costs and contributions over an employee's working career, with the goal of fully funding pension benefits by the expected retirement date and keeping contributions relatively stable. Denver Water uses the entry age normal actuarial cost method to meet these objectives.

The actuarial asset valuation method is used to smooth the market value of the assets over a 3-year period. It allows the Plan to recognize gains and losses in assets over time to help reduce the effects of market volatility and provide stability to contributions. In June 2024, the Funding Policy was updated to reflect a one-time reset of the actuarial asset value to the market value of assets effective January 1, 2024. Asset smoothing will resume in subsequent valuations.

The goal of amortization of the unfunded liability is to achieve full funding over time that matches the employee demographics while minimizing contribution volatility. The Plan has an Unfunded Actuarial Accrued Liability ("UAAL") which means the accrued employee benefits are not fully covered by the actuarial value of Plan assets. Since January 1, 2024, the UAAL has been amortized in level dollar amounts over 15 years on a layered basis, which more closely reflects the average period of active service of Plan members. In June 2024, the Funding Policy was updated to reflect a one-time change to the amortization of Unfunded Accrued Actuarial Liability for layers created prior to January 1, 2024. Effective January 1, 2024, the layers created prior to January 1, 2024 were collapsed and re-amortized over a closed 10-year period as a level dollar amount on a one-time basis. Layers established on and after January 1, 2024 will continue to be amortized over a 15-year period.

The actuarial methods and assumptions used to determine the ADC are evaluated for reasonableness by the Denver Water's actuary during the annual valuation of the Plan. Changes to such methods and assumptions, if deemed necessary, are presented to the Board for their approval.

In June 2024, the Board approved changes in actuarial assumptions and methods for the Plan to better reflect adjustments to economic expectations and changing patterns of retirements, terminations, and mortality. Some of the changes included an increase in inflation assumption from 2.25% to 2.40%, a decrease in real investment return from 4.50% to 4.10%, and a change in the mortality tables used to Pub-10. The discount rate used to measure the total pension liability remained at 6.50%. These changes were effective for the Plan's valuation as of January 1, 2024.

Funding Progress

Denver Water has contributed an amount close to the ADC each year and amended the Plan to require employee contributions, beginning in 2018, to ensure actuarial soundness of the Plan. Provided below is the history of contributions for the last five fiscal years:

History of Contributions
(amounts expressed in thousands)

Fiscal Year Ended December 31,	*Total Actuarially Determined Contribution (ADC)*[(1)]	*Actual Employer Contribution*	*Interest to middle of the year*	*Actual Employee Contribution*	*Percentage of ADC Contributed*
2024	$21,107	$18,000	$(23.0)	$3,362	101.1%
2023	19,193	17,500	(8.8)	3,195	107.8
2022	17,970	17,500	116	2,995	114.7
2021	20,719	17,500	137	2,802	98.6
2020	18,532	17,500	151	2,579	109.2

(1) Total amount of ADC including both employer and employee contribution amounts. Conversely, Denver Water's financial statements included in Appendix A are based on the ADC excluding actual employee contribution amounts.

The actuarial accrued liability represents the value of future pension benefits participants have accumulated to date. UAAL and the Funded Ratio (ratio of the actuarial value of assets to the actuarial accrued liability) illustrate the progress toward the realization of the Plan's funding objectives.

As of January 1, 2024, the date of the actuarial valuation used in preparation of the Plan's most recent financial statements, the Plan was 85.7% funded. The actuarial accrued liability for benefits was $560.1 million, and the actuarial value of assets was $479.8 million, resulting in a UAAL of $80.3 million.

As of January 1, 2025, the most recent actuarial valuation date, the plan was 85.6% funded. The actuarial accrued liability was $582.2 million, and the actuarial value of assets was $498.6 million, resulting in a UAAL of $83.6 million. Provided below is a schedule of funding progress for the last five fiscal years, as well as the results of the most recent actuarial valuation, which will be reflected in the Plan's 2025 financial statements:

Schedule of Funding Progress
(amounts expressed in thousands)

Actuarial Valuation Date January 1	*Actuarial Valuation of Assets*	*Actuarial Accrued Liability (AAL)*	*Unfunded AAL (UAAL)*	*Funded Ratio*	*Covered Payroll*	*UAAL as a Percentage of Covered Payroll*
2025	$498,567	$582,204	$83,637	85.6%	$112,073	74.6%
2024	479,831	560,085	80,254	85.7	106,512	75.3
2023	483,434	525,605	42,171	92.0	99,848	42.2
2022	464,520	504,995	40,475	92.0	93,384	43.3
2021	409,576	485,334	75,758	84.4	91,734	82.6

Other Postemployment Benefits

Denver Water provides other postemployment benefits ("OPEB") as follows:

Postemployment Healthcare Benefits. For employees hired before January 16, 2012, Denver Water provides a postemployment healthcare subsidy through a single-employer plan. The benefit is in the form of partially subsidized health care costs, until the retiree attains age 65. The benefit is provided through Denver Water's self-insured health plan to employees and dependents meeting the eligibility requirements and retiring under the Special Early Retirement (the "Rule of 75") provision of the defined benefit pension plan. Benefits are available only to those taking an immediate distribution of pension benefits and who are covered as an employee or dependent under the employee healthcare plan at the time of retirement. The subsidy is separate from the defined benefit retirement plan and is not paid out of retirement plan funds.

Funded Status and Funding Progress. The Board is not required to establish an irrevocable trust fund to accumulate assets for payment of future OPEB benefits and has elected not to do so. Payments of OPEB benefits are made on a "pay-as-you-go" basis in amounts necessary to provide current benefits to recipients. The Board approved changes in the eligibility requirements for Postemployment Healthcare Benefits in 2013. The minimum eligible age changed from 55 to 60 years while the Rule of 75 remained intact, converting it to a maximum five-year benefit. Certain employees, who had completed 25 years of service as of the end of 2013, retained the right to receive subsidy, available at the time of their retirement, if retired under the Rule of 75, but before reaching age 65. This change significantly lowered the total long-term liability related to Postemployment Healthcare Benefits.

Denver Water has elected a measurement date for the current year end as of the prior year end. Therefore, the OPEB reported as of December 31, 2024 was measured as of December 31, 2023. The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2023, and rolled forward to the December 31, 2023 measurement date. The OPEB liability reflected on the 2024 financial statements is $10.7 million. The annual expense for this benefit is calculated based on the annual actuarially determined contribution. The expense recorded in 2024 was $0.5 million and $0.8 million was paid as benefits under the plan.

LITIGATION

There is no litigation now pending or threatened to the knowledge of Board officials responsible for the issuance of the Series 2025A Bonds that questions the validity of the Series 2025A Bonds, the powers of the Board to authorize the issuance of the Series 2025A Bonds and to take other actions in connection therewith, or of any proceedings of the Board taken with respect to the issuance or sale thereof.

There are suits and claims pending against Denver Water, which may include employment and other claims for which Denver Water may self-insure. The aggregate amount of the self-insured liabilities of Denver Water which may result from such suits and claims will not, in the opinion of the General Counsel, materially impair the ability of Denver Water to pay principal or interest on the Series 2025A Bonds as they become due. There is no litigation pending, with service of process having been accomplished against Denver Water, which if determined adversely to Denver Water, would, in the opinion of General Counsel, materially impair the ability of Denver Water to pay principal and interest on the Series 2025A Bonds as they become due.

Gross Reservoir

In 2014, the U.S. Army Corps of Engineers released a Final Environmental Impact Statement related to Denver Water's application for a Clean Water Act ("CWA") section 404 permit for the Gross Reservoir Expansion Project. A section 404 permit and Record of Decision ("ROD") were issued in 2017. In December 2018, six environmental groups sued the US Army Corps of Engineers and the U.S. Fish and Wildlife Service arguing that the federal agencies had violated NEPA, the Clean Water Act, and the Endangered Species Act in permitting the Gross Reservoir Expansion Project. Denver Water intervened in the case and, alongside the federal agencies, has vigorously defended the federal agencies' actions and decisions.

In an Order dated October 16, 2024, the District Court found that the Corps violated the CWA, the § 404(b)(1) guidelines, 33 C.F.R. § 323.6, NEPA, and § 706(2) of the Administrative Procedure Act by issuing the 404 permit for the Gross Reservoir Expansion Project. The District Court subsequently vacated the section 404 permit and ROD, and enjoined further tree removal and filling of the enlarged reservoir beyond the prior elevation. The District Court has allowed Denver Water to continue construction of the dam enlargement during the appeals process, and Denver Water is continuing with this work as planned. Denver Water appealed the District Court's orders, and that appeal is ongoing.

Denver Water was granted all required local, state and federal permits to move ahead with the project after a regulatory oversight process stretching nearly two decades, dating to 2002. Further, Denver Water has committed more than $30 million to over 60 environmental mitigation and enhancement projects on the Front Range and West Slope. Denver Water proceeded with construction on the expansion in 2022, under an order from the Federal Energy Regulatory Commission to complete the project by 2027. Denver Water plans to work with the agencies and the courts to move this critical project toward completion.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025A Bonds (including any original issue discount properly allocable to the owner of a Series 2025A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions described in the preceding sentence assume the accuracy of certain representations and compliance by Denver Water with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2025A Bonds. Failure to comply with such requirements could cause interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025A Bonds. Denver Water has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2025A Bonds. Interest on the Series 2025A Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Series 2025A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025A Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Series 2025A Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2025A Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, the Series 2025A Bonds and the income therefrom are exempt from State of Colorado taxation, except inheritance, estate and transfer taxes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2025A Bonds under the laws of the State of Colorado or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as APPENDIX G.

Original Issue Discount

The Series 2025A Bonds that have an original yield above their respective interest rates, as shown on the inside cover page of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Treasury Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Series 2025A Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Series 2025A Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2025A Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2025A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2025A BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025A BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025A BONDS.

CONTINUING DISCLOSURE UNDERTAKING

In connection with its issuance of the Series 2025A Bonds, the Board will execute the Disclosure Undertaking, a form of which is attached as Appendix F hereto, under which it will agree for the benefit of the owners of Series 2025A Bonds to provide (i) within 9 months of completion of the Board's fiscal year certain financial information and operating data, and (ii) notice of the occurrence of certain specified events. See "INTRODUCTION – Continuing Disclosure Undertaking" and Appendix F – "Form of Continuing Disclosure Undertaking."

The Board has been subject to continuing disclosure undertakings previously entered into with respect to certain Parity Bonds (the "Prior Continuing Disclosure Undertaking"). Pursuant to the Prior Continuing Disclosure Undertaking, the Board agreed to file its audited financial reports, certain operating data, notices of certain enumerated events and notices of the occurrence of certain other enumerated events, if material. On April 26, 2021, the Board filed an Amended and Restated 2019 Supplemental Disclosure for the year ended December 31, 2019 (the "Amended Disclosure") in order to indicate the precise location of where certain of the financial information and operating data could be found and to consolidate the 2019 annual financial information disclosure into one document. The filing of the Amended Disclosure does not constitute or imply that the Board failed to comply, in any material respects, with the Prior Continuing Disclosure Undertaking.

RATINGS

The Series 2025A Bonds have been assigned the ratings specified on the cover page hereof by Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), respectively. Such ratings reflect only the views of the respective rating agencies, and do not constitute a recommendation to buy, sell or hold securities. Explanations of the significance of such ratings may be obtained from the rating agencies. The ratings are subject to revision or withdrawal at any time by the respective rating agency and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Series 2025A Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Chandler, Arizona, is serving as Municipal Advisor to the Board with respect to the Series 2025A Bonds, and in such capacity has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and execution and delivery of the Series 2025A Bonds. However, the Municipal Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement, nor is the Municipal Advisor permitted to underwrite the Series 2025A Bonds.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2025A Bonds are subject to approval by Kutak Rock LLP, Denver, Colorado, Bond Counsel for the Series 2025A Bonds, whose opinion is expected to be delivered in substantially the form included in this Official Statement as Appendix G.

INDEPENDENT AUDITORS

CliftonLarsonAllen LLP, Denver Water's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Official Statement shall not be construed as a contract between the Board or the City and any person.

CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS BOARD OF WATER
COMMISSIONERS

By: ____________________________________
Chief Finance Officer

APPENDIX A

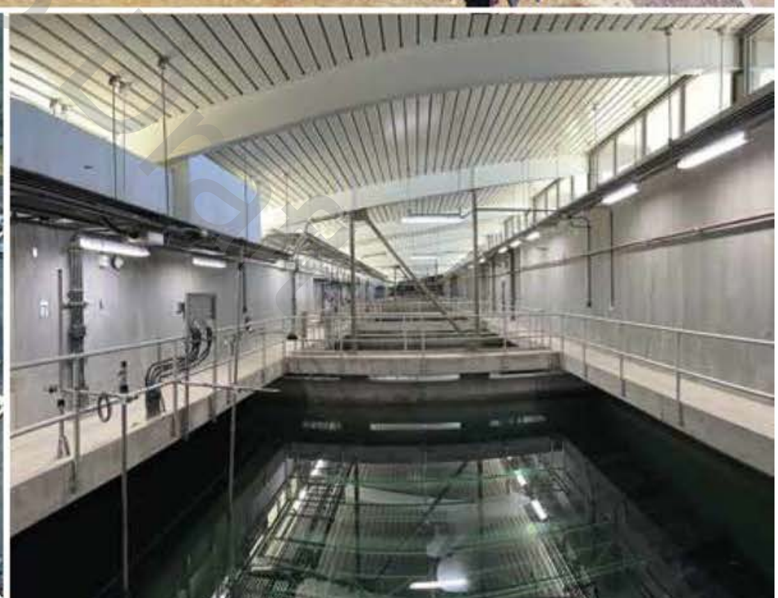
FINANCIAL STATEMENTS OF THE BOARD

FOR THE PERIOD ENDED DECEMBER 31, 2024

2024 | ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2024
Denver, Colorado


Northwater Treatment Plant



DENVER WATER

2024 | ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2024
Denver, Colorado

Prepared by
Finance Division

DENVER WATER

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IV - COMPLIANCE

DENVER WATER

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Denver, CO 80204-3412
303.628.6000
denverwater.org

May 20, 2025

To the Board of Water Commissioners and Our Customers:

We are pleased to transmit the Annual Comprehensive Financial Report (ACFR) of Denver Water for the year ended December 31, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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.

CliftonLarsonAllen LLP, Certified Public Accountants, has issued an unmodified opinion on Denver Water's financial statements for the year ended December 31, 2024. The Independent Auditors' Report is located at the front of the Financial Section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Report

This report is presented in four sections as follows:

I. **Introductory Section**, which includes this letter of transmittal, principal officials, organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting for the previous year's report.

II. **Financial Section**, which includes the Independent Auditors' Report on the financial statements, MD&A, the basic financial statements, and supplemental schedules.

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

IV. **Compliance Section,** which includes information about Denver Water's Federal funds and single audit activity.

Profile of Denver Water

In 1918, Denver residents voted to create a five-member Board of Water Commissioners and to purchase the Denver Union Water Company's water system for approximately $14 million, creating Denver Water. The five-member Board of Water Commissioners (the Board) structure is still in existence, governed under the Charter of the City and County of Denver Article X.

Denver Water is a public entity funded by water rates, hydropower revenues, and new tap fees, rather than taxes. Today, Denver Water is Colorado's oldest and largest water utility. Its service area covers more than 335 square miles, including the City of Denver and several suburban distributors. The majority of Denver's water comes from rivers and streams fed by mountain snowmelt. The South Platte River, Blue River, Williams Fork River, and Fraser River watersheds are Denver Water's primary water sources, but it also uses water from the South Boulder Creek, Ralston Creek, and Bear Creek watersheds. A system of reservoirs, networked by tunnels and canals, provides water to approximately 1.5 million people. Four major treatment plants, Marston, Moffat, Foothills, and Northwater maintain water quality under the watchful eye of the Denver Water Quality Control Laboratory.

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The mission of Denver Water is as follows:

To serve our customers by being a national leader in delivering clean water, operating and maintaining a reliable and resilient system, and protecting the water resources of the West.

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

Annual Business Plan and Strategic Plan Alignment

Annually, Denver Water analyzes progress toward its Strategic Plan goals and objectives and identifies key strategic priorities to help achieve these objectives. This exercise culminates in the creation of the Annual Business Plan. The Annual Business Plan is a high-level summary of the work the organization is committed to accomplish in the upcoming year. It describes the connection of each activity to a Strategic Plan perspective, goal and objective, the organizational metric the activity is intended to move, and the corresponding annual budget amount and estimated total cost. The Annual Business Plan includes strategic projects, organizational priorities and organizational programs. Progress toward objectives of the Annual Business Plan is tracked on the Balanced Scorecard and reviewed with the Board on a quarterly basis. A draft of the plan is shared with the Board each July.

Capital and Financial Planning

Denver Water maintains multi-year operating, capital and financial plans that are aligned with the Strategic Plan and informed by the Integrated Resource Plan (IRP) and the Infrastructure Master Plan, which takes a multidisciplinary look at Denver Water operations and facilities to identify projects in the Capital Plan. The Capital Plan forecasts additions, improvements, and replacements to system facilities based on projected demands for water, federal and state laws and regulations, and ongoing system requirements. Proposed projects in the Capital Plan follow the standard work of the Enterprise Project Management Office (EPMO) for evaluation, selection and prioritization of projects. The Operations and Maintenance Plan includes the ongoing costs of operating and maintaining the system and the impact of the Capital Plan on operations.

The Financial Plan combines the Capital and Operations and Maintenance plans and determines the level of revenue adjustments needed to meet annual revenue requirements and funding sources for capital improvements for the next several years. The annual revenue requirements include operating expenses, debt service on existing and proposed bonds and loans, and capital expenditures. These expenditures are offset through miscellaneous revenues such as hydropower, customer-related fees, system development charges, bond proceeds, participation, and interest income. The net requirement is the amount recovered through the user rates. The multi-year Financial Plan helps keep year-over-year volatility in annual water rates to a minimum. Alternative financial plans that address potential revenue shortfalls are also analyzed as a part of the long-range planning effort. These long-range plans are used as the starting point for the annual budget.

Annual Budget Preparation

The budget development process is the formal method through which Denver Water ensures alignment between fiscal resources and organizational priorities for the upcoming year. It results in an Approved Budget, which is the defined plan of revenue and expense activities for the year. The Approved Budget is the main internal control document used to monitor and manage revenues and expenditures for Denver Water. The budget is presented to the Board in November at the annual Budget Workshop, and the official approval by the Board occurs in December.

Factors Affecting Economic Condition

The information displayed in the financial statements presents Denver Water's current ***financial position***, i.e., its *existing* resources and claims on those resources. The following information is provided to help assess Denver

Water's economic condition, i.e., both existing and future resources and claims on those resources. Stated differently, economic condition reflects not only today's financial position, but also the prospect that today's financial position will improve or decline.

Local Economy

Denver is the center of economic activity in the state of Colorado. Major industries include aerospace, healthcare and wellness, financial services, agriculture, transportation, energy, IT-software, and construction. An overview of the Denver metropolitan area can be found in Section D, *Demographic and Economic Information*, in the Statistical Section.

Long-Term Financial Planning – Major Initiatives

Lead Reduction Program

Denver Water is continuing to implement its Lead Reduction Program (LRP). In 2012, Denver Water's sampling showed an exceedance of 2 parts per billion over the lead action level under the Safe Drinking Water Act (SDWA), which triggered a study of Denver Water's corrosion control treatment. As a result, in March 2018, the Colorado Department of Public Health and Environment designated orthophosphate as the optimal corrosion control treatment for Denver Water's system. Because of concerns with the impact of orthophosphate treatment on its system and the impact of increased phosphorus loading on the South Platte watershed and regional wastewater treatment plants, Denver Water applied for a variance from the SDWA to implement the LRP, which overall is more protective of public health than orthophosphate. In December 2019, this variance was approved by state and federal agencies. This program involves: adjusting the pH level in the water to reduce the risk of lead getting into the drinking water, replacing lead service lines that bring water from the mains to customer houses at no direct charge to the customer, and providing water filters that are certified to remove lead to all customers with known or suspected lead service lines until six months after their line is replaced. The program was implemented in 2020 with replacement of all lead service lines to be completed within 15 years. In 2024, Denver Water met or exceeded all regulatory targets by replacing roughly 7,900 lead service lines, over 3,400 more than required by the variance, bringing the total lead service lines replaced to date to over 30,000. The estimated cost of the program is approximately $687.6 million.

The North System Renewal

Denver Water is investing over $1.4 billion in renewing and expanding the North System to address supply vulnerability.

The Gross Reservoir Expansion project will raise the existing Gross Dam by 131 feet, creating an additional 77,000 acre-feet of storage in Gross Reservoir and providing an estimated 18,000 acre-feet of annual water to the North System. The City of Arvada is a key stakeholder in the project and will provide funding for one-sixth of the project costs and receive one-sixth of the project's expected annual water supply. All federal and state approvals were obtained, and Denver Water began with the construction of the dam per the Federal Energy Regulatory Commission's (FERC) order to start construction by July 16, 2022, and finish by July 16, 2027. A lawsuit filed at the end of 2018 by environmental groups against the U.S. Army Corps of Engineers (Corps) and the U.S. Fish and Wildlife Service (USFWS), regarding the Corps' National Environmental Protection Act (NEPA) process and the USFWS' Endangered Species Act (ESA) process, was dismissed by the U.S. District Court. Petitioners appealed to the 10th Circuit Court of Appeals, and the case was referred back to the lower court. In October 2024, the District Court ruled that the Corps violated the Clean Water Act, the § 404(b)(1) guidelines, 33 C.F.R. § 323.6, NEPA, and § 706(2) of the Administrative Procedure Act by issuing the 404 permit for the Gross Reservoir Expansion Project. The Court deferred a ruling on remedies. On April 3, 2025, the U.S. District Court issued an order vacating the section 404 permit and Record of Decision, permanently enjoining the enlargement of Gross Reservoir and issuing a temporary injunction on further construction on Gross Reservoir pending a hearing on what is reasonable and necessary to make the existing structure safe. Denver Water appealed the U.S. District Court's April 3, 2025 Order

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Denver, CO 80204-3412
303.628.6000
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and plans to appeal the October 16, 2024 Order. On April 10, 2025, Denver Water filed an emergency motion for a stay pending appeal of the injunction barring further construction of the dam. The Tenth Circuit granted Denver Water's request for an administrative stay of this injunction on construction "until further order of the court," allowing construction to proceed while the Court considers the motion. The Gross Reservoir Expansion Project is an integral part of Denver Water's plan to ensure a reliable water supply to customers given increasingly variable weather and water supply patterns. Denver Water plans to work with the agencies and the courts to move this critical project toward completion.

The Northwater Treatment Plant (NTP) will supplement the existing Moffat Water Treatment Plant (Moffat) with a state-of-the-art facility designed to improve reliability and operational flexibility. The NTP will be capable of treating 75 million gallons per day (MGD) with room to expand. A portion of the existing Moffat Treatment Plant is projected to remain in service through 2040, and the project includes improvements at the Moffat site to convey treated water from both NTP and Moffat Treatment Plant to the distribution system. The project reached substantial completion on time, under budget and has been operational since Spring of 2024.

Revenue adjustments identified in the 2025 Financial Plan are set at levels to meet annual revenue requirements, debt service coverage, and target reserves. Revenue requirements include annual operation and maintenance expenses, payments on existing and proposed debt service, the Lead Reduction Program, and rate-funded capital projects. Denver Water uses a combination of debt and cash reserves to maintain leveled annual revenue adjustments to meet these requirements. The use of debt to fund specific capital projects distributes the annual cost of facilities over time rather than requiring the full amount in any one year. The adopted revenue adjustment for 2025 was effective beginning January 1, 2025. This adjustment is expected to produce 5.0% of additional revenue over a 12-month period, assuming normal weather and consumption. The Financial Plan is updated annually.

Relevant Financial Policies and Practices – Investment Balance

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

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

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

Denver Water began 2025 with an actual cash and investment balance of $287 million, at fair value. The 2025 budget projects this balance to increase by receipts of $712 million and decrease by expenditures of $702 million, resulting in a projected 2025 ending balance of $297 million (see schedule of *Budget to Actual - Receipts and Expenditures, Last 5 Years* in the Statistical Section for details). Note 2, *Deposits and Investments*, in the Financial Section provides more information on Denver Water's investments.

Strategic Plan

Denver Water's Strategic Plan establishes direction, informs decisions and guides actions by providing common goals and objectives for all employees so they may effectively and efficiently align resources and operations toward achieving Denver Water's vision. In response to an ever-changing environment, the Strategic Plan was refreshed in 2022. Feedback was gathered from the Board and from an advisory committee made up of the executive team and a diverse group of employees representing various functions across the organization. From this input, Denver Water

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refreshed its vision, mission, guiding principles, goals, and objectives that comprise the revised Strategic Plan. Denver Water's customers remain at the center of the refresh, and many of the concepts from the previous plan were incorporated.

There are four guiding principles in the Strategic Plan which are used to evaluate all decisions and purposefully move the organization toward its vision to sustain vibrant communities that value water as a legacy for future generations:

1. **We are customer-centric.** We strive to earn the support and trust of our customers – everyone who pays for our service or uses our water. They are our top priority, and we are motivated to serve them.

2. **We are industry leaders.** We understand, help develop, implement and share best industry practices. We are forward-thinking – we anticipate future trends and look for and responsibly implement progressive solutions. We are adaptable, resilient and experts in our work.

3. **We take the long-term view.** We weigh the consequences of our decisions and actions against multiple scenarios to preserve future options and the sustainability of our community and the environment. We provide the best possible outcome for our customers and future generations.

4. **We are inclusive.** We embrace and promote an inclusive and diverse culture where all employees play a role in speaking openly, listening to understand and suspending judgement. Because we are better together through our unique backgrounds and perspectives, we intentionally seek multiple points of view to ensure the best possible outcomes.

Additionally, the Strategic Plan is built on four foundational elements called Strategic Perspectives. Aligning business goals to the Strategic Perspectives gives the organization a balanced and holistic approach to creating goals and objectives. All goals, objectives, strategies and initiatives should align to one of the Strategic Perspectives. To achieve the organization's vision, each perspective needs to have equal focus. The Strategic Perspectives are listed below:

- **Excellent Operations.** Advance resilient infrastructure and efficient processes to deliver clean water, reliably.
  - Plan, build, operate and sustain our infrastructure to meet customers' current and long-term water needs, given a warming climate and uncertain future.
  - Apply new insight and best practices to drive customer value and continuous improvement in our day-to-day operations.
  - Plan and operate our system and facilities to strengthen our resiliency.

- **Inspired People.** Foster a passionate and purpose-driven culture rooted in inclusion, adaptation and excellence.
  - Encourage all staff to pursue meaningful opportunities to deliver on our mission.
  - Model inclusion and willingness to try new approaches in our pursuit of excellence.

- **Strong Financials.** Balance near-term investment with sound long-range planning to ensure good value for our customers.
  - Manage our financial plan in a manner that supports our strategic objectives.
  - Make financial decisions keeping in mind the best long-term interests of our customers.

- **Trusted Leader.** Lead the water industry in serving our communities and protecting the water resources of the West.
  - Advance local, statewide and Western region efforts to protect Colorado's water.
  - Collaborate and partner to sustain vibrant, healthy and water-smart communities.
  - Build trust within our communities by engaging customers and doing the right thing.

1600 West 12th Ave.
Denver, CO 80204-3412
303.628.6000
denverwater.org

SEC Periodic Disclosure Requirements

Rule 15c2-12 requires Participating Underwriters to determine that the issuer of municipal securities has undertaken in a written agreement for the benefit of holders of such securities to provide annual financial information in a timely manner to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system. The Government Finance Officers' Association of the United States and Canada (GFOA) recommends that the disclosure be contained in the ACFR. Denver Water has entered into various Continuing Disclosure Undertakings per the requirements and requests of Participating Underwriters.
The disclosure that Denver Water has undertaken pursuant to such Continuing Disclosure Undertakings can be found throughout its ACFR and its Supplemental Disclosure as filed and available on the Municipal Securities Rulemaking Board's EMMA website at https://www.emma.msrb.org (the "EMMA Website").

Information for prior years and information related to the City and County of Denver is also available on the EMMA website.

Awards, Recognition, and Acknowledgments

Annual Comprehensive Financial Report: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Denver Water for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. This was the 36th consecutive year that Denver Water has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Annual Budget: Denver Water received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2024. This is the 33rd consecutive year Denver Water has received this award. To qualify for this award, Denver Water's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Jeffco Schools Career and Technical Education Champion Award: This award was given for Denver Water's partnership with Jeffco Public Schools for modeling how to mold future talent with a local school district, serve students and execute high-quality work-based learning programs. The award also highlights how Denver Water exemplifies how entities with very different roles in the community can share a common vision that prepares high school students for the world of work and builds a talent pipeline.

Partnership for Safe Water and Clean Water Director's Award: This award was given to Foothills Treatment Plant based on a peer-reviewed self-assessment of plant operations and water quality data. The recognition establishes award winners as high-performing providers of safe drinking water.

Rocky Mountain Section of the American Water Works Association (RMSAWWA) taste test: Denver Water won first place in a water taste test in August hosted by the RMSAWWA. Denver Water competed against water utilities from Wyoming, New Mexico and Colorado. Water samples were judged on taste, appearance, smell and overall impression by a diverse panel of judges. Denver Water will now represent RMSAWWA at the AWWA Annual Conference and Exposition in 2025 in the "Best of the Best Taste Test."

Colorado Department of Public Health and Environment (CDPHE) Gold Level Member: The CDPHE confirmed Denver Water's continued status as a Gold Level Member of the Colorado Green Business Network. This recognizes Denver Water's outstanding work in reducing resource use and implementing operational best practices in sustainability and environmental management.

DENVER WATER

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Engineering News Record (ENR) Owner of the Year Award: Denver Water received the ENR Mountain States' award for Colorado/Wyoming/Dakotas Owner of the Year Award. The award recognized Denver Water's highly successful projects, including the Gross Reservoir expansion, the Hydro Building at Colorado State University's Spur Campus and the Northwater Treatment Plant. The award also recognized Denver Water's low change order rate and use of multiple, alternative delivery methods.

2024 Northwater Treatment Plant project awards:

- Engineering News Record's Best in Class in the Water/Environment category and an Award of Merit in Sustainability.
- Engineering News Record's Best of the Best project and an Award of Merit in Sustainability.
- American Public Works Association Exceptional Performance Award for Sustainability.
- United States Green Building Council LEED Gold Award for the Operations Building.
- Jacobs Engineering Beyond Zero Safety Culture Significant Milestone Award.

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

Sincerely,

Alan Salazar
CEO/Manager

Angela C. Bricmont
Chief Finance Officer

2024 BOARD OF WATER COMMISSIONERS

Top from left, Dominique Gómez, Stephanie Donner;
Bottom from left, Tyrone Gant, Craig Jones, Gary Reiff

Dominique Gómez, President Deputy Director, Colorado Energy Office	*Commissioner since July 2021;* *Term expires 2031.*
Stephanie Donner, First Vice President CEO, Chief Legal, Inspire Clean Energy, LLC	*Commissioner since July 2021;* *Term expires 2031.*
Tyrone Gant, CTP, Vice President Senior Vice President, Director of Treasury Management and Commercial Banking Fee Income Manager, Vectra Bank Colorado	*Commissioner since August 2021;* *Term expires 2027.*
Craig Jones, Vice President Managing Director, The Colony Group's Rocky Mountain Region; Co-President, Colony Sports and Entertainment at The Colony Group	*Commissioner since October 2017;* *Term expires 2029.*
Gary Reiff, Vice President Senior Advisor, UCHealth	*Commissioner since September 2017;* *Term expires 2029.*

LAST 20 COMMISSIONERS

Malcolm M. Murray	Aug 1987 to Jul 1993	William R. Roberts	Jul 1997 to Oct 2005
Donald L. Kortz	Aug 1987 to Jul 1993	Harris D. Sherman	Dec 2005 to Feb 2007
Monte Pascoe	Sep 1983 to Jul 1995	Denise S. Maes	Jul 1995 to Jul 2007
Romaine Pacheco	Jul 1989 to Jul 1995	Susan D. Daggett	Nov 2007 to Jan 2009
Hubert A. Farbes, Jr.	Jul 1985 to Jul 1997	George B. Beardsley	Feb 2004 to Mar 2009
Ronald L. Lehr	Jul 1993 to Apr 1999	Thomas A. Gougeon	Aug 2004 to Jul 2017
Joe Shoemaker	Jul 1995 to Jul 2001	Penfield W. Tate III	Oct 2005 to Jul 2017
Andrew D. Wallach	Jul 2001 to Aug 2003	John Lucero	Jul 2007 to Jul 2021
Daniel E. Muse	Feb 2000 to Nov 2003	Paula Herzmark	Apr 2009 to Jul 2021
Richard A. Kirk	Jul 1993 to Oct 2005	Greg Austin	Jul 2009 to Jul 2021

EXECUTIVE LEADERSHIP AND ORGANIZATIONAL CHART

*The Chief of Internal Audit reports directly to the Board.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Denver Water
Colorado

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO

Section II Table of Contents

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INDEPENDENT AUDITORS' REPORT

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DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2024

The following is Management’s Discussion and Analysis (MD&A) of the financial activities of the Board of Water Commissioners (DBA Denver Water) for the year ended December 31, 2024. This information should be read in conjunction with the basic financial statements which follow.

FINANCIAL HIGHLIGHTS

Denver Water’s financial position is reflected by the change in net position which was 3% during 2024, compared to 2% during 2023.

- ***Operating income*** was $51.8 million in 2024 compared to $11.1 million in 2023, an increase of 368%.
- ***Income before capital contributions*** was $13.7 million in 2024 compared to a loss of $13.0 million in 2023, an increase of 205%.
- ***Capital contributions*** were $78.1 million in 2024 compared to $59.8 million in 2023, an increase of 31%.
- ***Net position*** increased $91.8 million in 2024 compared to $46.8 million in 2023, an increase of $45.0 million.
- ***Capital asset additions*** were $338.6 million in 2024 compared to $361.5 million in 2023, a decrease of 6%.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to Denver Water’s basic financial statements, which are comprised of five components: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, 4) Notes to the Basic Financial Statements, and 5) Required Supplementary Information. Denver Water also provides certain supplementary information which is presented for additional analysis and is not a required part of the basic financial statements.

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

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

The **Statement of Cash Flows** reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities for the year presented.

The **Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the basic financial statements, such as Denver Water’s accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and any subsequent events.

Required Supplementary Information provides the detail in support of the changes in the net pension liability, information pertaining to Denver Water's actuarially determined contributions to the pension plan, and changes in the other postemployment benefits (OPEB) liability.

Other Supplementary Information provides details of Denver Water's bonded debt.

NET POSITION

As discussed above, net position may serve over time as a useful indicator of Denver Water's financial position. Denver Water's net position was $2.8 billion at December 31, 2024, an increase of $91.8 million or 3% from December 31, 2023 (see Figure 1, Figure 2, and Table 1). The explanation for this change is provided throughout the MD&A in the discussion of each component of the change in net position.

Figure 1 - Net Position

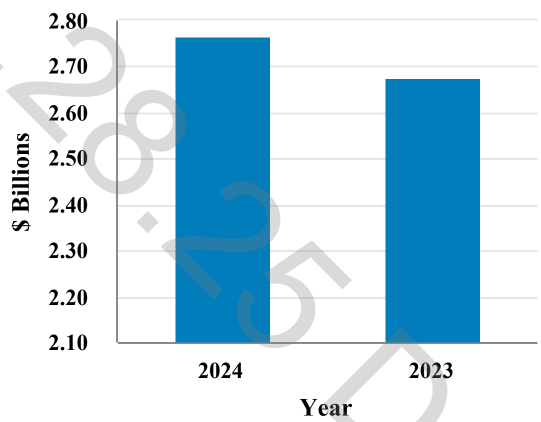


Table 1 - Condensed Statements of Net Position

(amounts expressed in thousands)

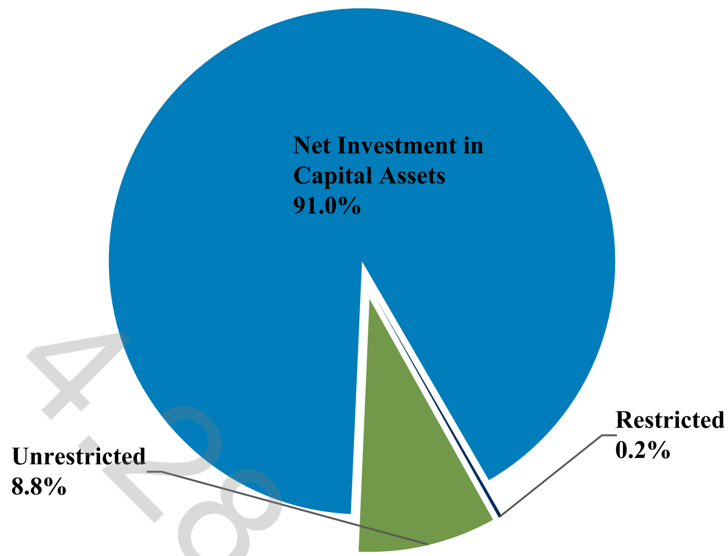
	As of December 31,		2024 - 2023	
	2024	2023	Increase (Decrease)	% Change
Current and other assets	**$ 397,631**	$ 380,430	$ 17,201	5%
Capital assets, net	**4,087,137**	3,828,355	258,782	7%
Total assets	**4,484,768**	4,208,785	275,983	7%
Deferred outflows of resources	**59,512**	71,388	(11,876)	(17%)
Total assets and deferred outflows	**4,544,280**	4,280,173	264,107	6%
Current liabilities	**142,769**	151,715	(8,946)	(6%)
Noncurrent liabilities	**1,627,925**	1,445,803	182,122	13%
Total liabilities	**1,770,694**	1,597,518	173,176	11%
Deferred inflows of resources	**5,115**	5,941	(826)	(14%)
Total liabilities and deferred inflows	**1,775,809**	1,603,459	172,350	11%
Net position				
Net investment in capital assets	**2,517,844**	2,466,644	51,200	2%
Restricted	**6,184**	5,111	1,073	21%
Unrestricted	**244,443**	204,959	39,484	19%
Total net position	**$ 2,768,471**	$ 2,676,714	$ 91,757	3%

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

A small portion of Denver Water's net position represents resources that are subject to external restrictions on how they may be used. Denver Water's 2024 and 2023 restricted net positions consisted of debt service reserve.

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

Figure 2 - Net Position Categories as of December 31, 2024



Denver Water's increase in net position during 2024 of $91.8 million indicates an improved financial position. Other changes in the Statements of Net Position were as follows:

CURRENT AND OTHER ASSETS increased in 2024 by $17.2 million, or 5% from 2023. The increase was primarily a result of an increase in total cash and investments resulting from the issuance of commercial paper and receivables related to cost-shared capital projects. These increases were offset by a reduction in receivables due to the receipt of federal funds and reimbursement of prepaid mobilization costs on the Gross Reservoir project.

NET CAPITAL ASSETS increased in 2024 by $258.8 million, or 7% from 2023. The increase was due to asset additions partially offset by accumulated depreciation and amortization, and asset retirements (see Table 8 for current year additions).

DEFERRED OUTFLOWS OF RESOURCES decreased in 2024 by $11.9 million from 2023. The decrease was primarily due to differences in projected and actual pension investment earnings as of a December 31, 2023 measurement date and the amortization of pension related outflows into pension expense offset by differences in economic and demographic experience. Additionally, there was a decrease in deferred amounts on refunding due to the defeasement of a portion of the underlying revenue bonds.

CURRENT LIABILITIES decreased in 2024 by $8.9 million, or 6% from 2023. The decrease was primarily due to a reduction in unearned revenue due to receipts related to the forgivable portion of the Federal loan, offset by an increase in accrued interest and the current portion of revenue bonds payable due to the Series 2024A revenue bond issuance.

NONCURRENT LIABILITIES increased in 2024 by $182.1 million, or 13% from 2023. The increase was primarily due to the issuance of Series 2024A revenue bond, offset by contributions in aid of construction earned based on the percentage completion of projects and a decrease in the actuarially calculated pension liability.

DEFERRED INFLOWS OF RESOURCES decreased in 2024 by $0.8 million from 2023. The decrease was primarily due to the amortization of pension related deferred inflows into pension expense.

CHANGE IN NET POSITION

While the Statements of Net Position display Denver Water's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at year-end, the Statements of Revenues, Expenses, and Changes in Net Position provide information on the sources of change in net position during the year. Net position increased $91.8 million from 2024 activity consisting of income before capital contributions of $13.7 million and capital contributions of $78.1 million. The cumulative effect of the implementation of GASB Statement No. 101 *Compensated Absences* restatement of 2024 beginning net position was $28.0 thousand. This had an immaterial impact on the total change in net position. The total change in net position after the restatement was $91.8 million (see Table 1, Table 2 and Note 1.O).

Table 2 - Condensed Statements of Revenues, Expenses, and Changes in Net Position

(amounts expressed in thousands)

	Years Ended December 31, 2024	2023	2024 - 2023 Increase (Decrease)	% Change
Operating revenues	**$ 395,601**	$ 331,774	$ 63,827	19%
Nonoperating revenues	**41,945**	32,447	9,498	29%
Total revenues	**437,546**	364,221	73,325	20%
Operating expenses	**343,764**	320,706	23,058	7%
Nonoperating expenses	**80,139**	56,492	23,647	42%
Total expenses	**423,903**	377,198	46,705	12%
Income (loss) before capital contributions	**13,643**	(12,977)	26,620	205%
Capital contributions	**78,142**	59,786	18,356	31%
Increase in net position	**91,785**	46,809	44,976	96%
Beginning net position	**2,676,714**	2,629,905	46,809	2%
Cumulative effect of the GASB 101 implementation	**(28)**		(28)	
Restated beginning net position[1]	**2,676,686**		46,781	2%
Ending net position	**$ 2,768,471**	$ 2,676,714	$ 91,757	3%

[1]The 2024 beginning net position was restated as part of the implementation of GASB No. 101 *Compensated Absences.*

There was ***operating income*** (operating revenues less operating expenses, see *Statement of Revenues, Expenses, and Changes in Net Position*) of $51.8 million in 2024 compared to $11.1 million in 2023 (see Figure 3).

There was ***income before capital contributions*** of $13.7 million in 2024 compared to a loss of $13.0 million in 2023 (see Figure 4).

Figure 3 - Operating Income

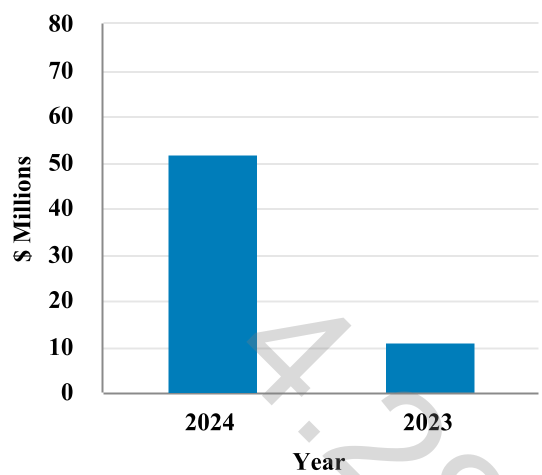
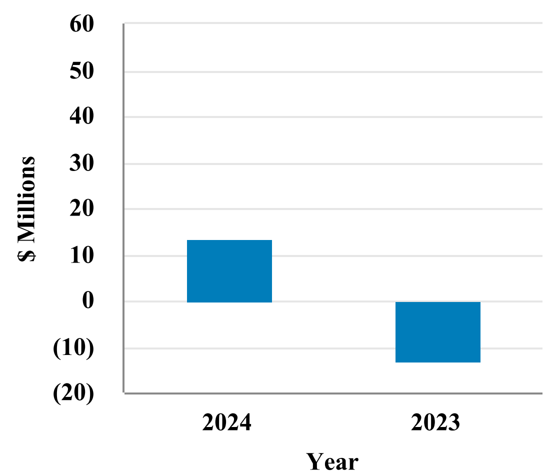


Figure 4 - Income (Loss) before Capital Contributions



Specifically, major changes in the Statements of Revenues, Expenses, and Changes in Net Position were as follows:

OPERATING REVENUES increased in 2024 by $63.8 million, or 19% from 2023 (see Figure 5 and Table 3).

Figure 5 - Operating Revenues

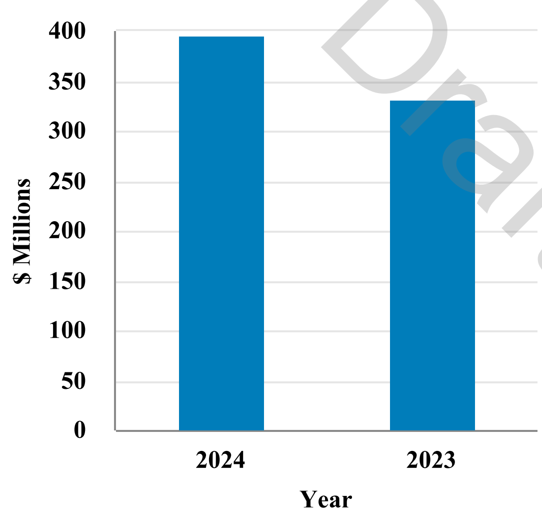


Table 3 - Operating Revenues
(amounts expressed in thousands)

	Years Ended December 31,		2024 - 2023	
	2024	2023	Increase (Decrease)	% Change
Water				
Water sales	**$ 384,374**	$ 320,689	$ 63,685	20%
Power generation and other				
Power sales	**4,561**	4,170	391	9%
Special assessments	**4,989**	5,346	(357)	(7%)
Other	**1,677**	1,569	108	7%
Total power generation and other	**11,227**	11,085	142	1%
Total operating revenues	**$ 395,601**	$ 331,774	$ 63,827	19%

Water sales increased in 2024 due to an increase in water sold (74.4 billion gallons sold in 2024 compared to 65.5 billion gallons sold in 2023) and a rate increase effective January 1, 2024, designed to increase overall system water rate revenue by 5.0%.

Annual changes in water consumption are primarily due to weather, the hotter and drier the weather, the higher the consumption. Long term changes in water use are driven by several factors including, efficiency programs, land use patterns, technological advancements in water fixtures, and customer behavior. There has been a consistent downward trend in water use per person since the 1990s.

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

Special assessments consist primarily of delinquent charges, tab stub in fees, distribution inspection fees, leak adjustments, and hydrant and meter related revenue. Differences from year to year are caused by increases or decreases in one or more of these components.

Other consists primarily of reimbursements for operating expenses. Other operating revenue increased in 2024 by \$0.1 million, or 7%. This increase was primarily due to increased expense reimbursements.

NONOPERATING REVENUES increased in 2024 by $9.5 million, or 29% from 2023 (see Table 4).

Table 4 - Nonoperating Revenues

(amounts expressed in thousands)

	Years Ended December 31,		2024 - 2023	
	2024	2023	Increase (Decrease)	% Change
Investment income	**$ 12,060**	$ 12,558	$ (498)	(4%)
Other nonoperating income	**29,885**	19,889	9,996	50%
Total nonoperating revenues	**$ 41,945**	$ 32,447	$ 9,498	29%

Investment income decreased by $0.5 million in 2024 primarily due to the change in fair value of investments offset by higher investment yields.

Other nonoperating income consists primarily of Federal funds, rental and lease revenue, miscellaneous interest, right-of-way licenses, and reimbursement for work performed on behalf of other entities. Other nonoperating income increased in 2024 by approximately $10.0 million from 2023. This increase was primarily due to reimbursements from the forgivable portion of the Federal loan for the Lead Reduction program.

OPERATING EXPENSES increased in 2024 by $23.1 million, or 7% from 2023 (see Figure 6 and Table 5).

Figure 6 - Operating Expenses

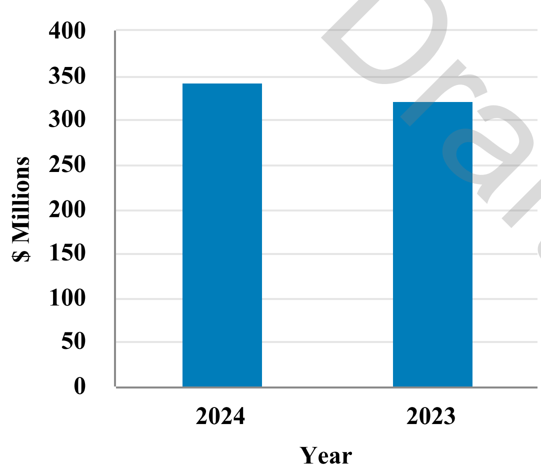


Table 5 - Operating Expenses by Category
(amounts expressed in thousands)

	Years Ended December 31,		2024 - 2023	
	2024	2023	Increase (Decrease)	% Change
SOS, pumping, treatment, T&D	**$ 139,531**	$ 121,450	$ 18,081	15%
General and administrative	**113,828**	113,595	233	-%
Customer service	**16,798**	16,355	443	3%
Depreciation and amortization	**73,607**	69,306	4,301	6%
Total operating expenses	**$ 343,764**	$ 320,706	$ 23,058	7%

Major changes to operating expenses were as follows:

Operating expenses increased primarily as a result of an increase in environmental mitigation and contractual milestone payments related to the Gross Reservoir Expansion project, yearly merit increases, increased depreciation and amortization related to an increase in capital projects and regulated assets, and increased work under the Forest to Faucets program. The increases were partially offset by a decrease in the actuarially calculated pension expense due to market conditions at the December 31, 2023 measurement date.

NONOPERATING EXPENSES increased in 2024 by $23.6 million, or 42% from 2023 (see Table 6).

Table 6 - Nonoperating Expenses
(amounts expressed in thousands)

	Years Ended December 31,		2024 - 2023	
	2024	2023	Increase (Decrease)	% Change
Interest expense	**$ 42,411**	$ 37,100	$ 5,311	14%
Loss on disposition of capital assets	**525**	2,931	(2,406)	(82%)
Other nonoperating expenses	**37,203**	16,461	20,742	126%
Total nonoperating expenses	**$ 80,139**	$ 56,492	$ 23,647	42%

Interest expense increased in 2024 primarily due to interest obligations for commercial paper.

Loss on disposition of capital assets decreased in 2024 primarily as a result of higher net proceeds on sales of assets, a reduction in abandoned mains and hydrants, and the 2023 retirements associated with the Hillcrest Pump Station, Gross Reservoir, and heavy equipment, offset by the 2024 disposal of property at the Moffat Treatment Plant.

Other nonoperating expense consists primarily of property expenses, legal claims, debt issuance costs, and nonoperating projects. Other nonoperating expenses increased in 2024 by $20.7 million, or 126%. The increase is due to costs related to the Lead Reduction Program under the forgivable portion of the Federal loan and other noncapitalizable project expenses.

CAPITAL CONTRIBUTIONS increased in 2024 by $18.4 million, or 31% from 2023 (see Table 7).

Table 7 - Capital Contributions
(amounts expressed in thousands)

	Years Ended December 31,		2024 - 2023	
	2024	2023	Increase (Decrease)	% Change
Contributions in aid of construction	**$ 54,637**	$ 33,755	$ 20,882	62%
System development charges	**23,505**	26,031	(2,526)	(10%)
Total capital contributions	**$ 78,142**	$ 59,786	$ 18,356	31%

Contributions in aid of construction (CIAC) represent facilities, or cash payments for facilities, conveyed to the distribution system from property owners, governmental agencies, and customers who receive benefit from such facilities. Normally, differences from year to year are attributed to the general level of construction activity in the Denver metropolitan area and are considered earned by the percentage of completion of the projects. The increase in 2024 is primarily a result of an increase in the percentage of completion of projects partially offset by a decrease in property conveyances.

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

CAPITAL ASSET ACTIVITY

Denver Water's capital assets at December 31, 2024 and 2023 totaled $4.1 billion and $3.8 billion, respectively, net of accumulated depreciation and amortization. Capital asset additions in 2024 and 2023 were $338.6 million and $361.5 million, respectively, a decrease of $22.9 million or 6%. The values below represent capital costs incurred in 2024, including costs associated with both completed and ongoing projects. Major projects were as follows (see Table 8):

Table 8 - Capital Additions
Year Ended December 31, 2024
(amounts expressed in thousands)

Gross Reservoir Expansion	$ 136,075
Regulated Assets (Lead Service Lines)	92,197
Distribution Mains and Hydrants	61,375
North System Renewal Water Treatment Plant	23,876
Downstream Reservoirs	5,751
Vehicles and Heavy Equipment	3,292
HVAC Improvements	2,921
Treated Water Conduits	2,493
Strontia Reservoir Access Improvement	2,241
Eleven Mile Outlet Works Valve	2,127
Information Technology Hardware	1,361
Strontia Electrical and Control Upgrade	1,128
Right-to-use Land	695
Improvements at Treatment Plants	666
Highline Canal Dam Sluice Gate	526
Other	1,922
Total	$ 338,646

Information on Denver Water's capital assets can be found in Note 4 to the basic financial statements.

LONG-TERM DEBT ACTIVITY

In 2024, Denver Water issued Series 2024A Revenue Bonds in the par amount of $260.7 million. The bonds were used to refund $250.0 million of outstanding commercial paper as well as refund a portion of outstanding revenue bonds. The Series 2024A bonds have a 30-year term with final maturity in 2054, 5% coupon, and call options starting in 2035. With the additional capacity in the Commercial Paper Program following the issuance of the Series 2024A bonds, Denver Water issued an additional $100.0 million in commercial paper in 2024.

Information on Denver Water's long-term debt can be found in Notes 6, 7, and 9 to the basic financial statements and Exhibits II-A through II-B of the other supplementary financial information.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Denver Water's finances for all those with an interest in Denver Water's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Chief Finance Officer
Denver Water
1600 W. 12th Ave.
Denver, CO 80204-3412

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Net Position
December 31, 2024
(Amounts expressed in thousands)

ASSETS	2024
CURRENT ASSETS:	
Cash	$ 13,042
Short-term investments including accrued interest	232,159
Restricted investments - debt service, capital projects, and other	42,263
Receivables	73,940
Materials and supplies inventory, at weighted average cost	11,730
Prepaid expenses	10,309
Total current assets	383,443
NONCURRENT ASSETS:	
Capital assets:	
Capital depreciable	3,651,497
Capital non-depreciable	270,143
Regulated assets	383,552
Right-to-use assets	27,992
	4,333,184
Less accumulated depreciation and amortization	(1,254,882)
	3,078,302
Construction in progress	1,008,835
Net capital assets	4,087,137
Other noncurrent assets:	
Prepaid expenses and other assets	5,593
Long-term receivables	8,595
Total other noncurrent assets	14,188
Total noncurrent assets	4,101,325
Total assets	4,484,768
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	5,229
Pension-related items	51,231
OPEB-related items	3,052
Total deferred outflows of resources	59,512
Total assets and deferred outflows of resources	4,544,280

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Net Position
December 31, 2024
(Amounts expressed in thousands)

LIABILITIES	2024
CURRENT LIABILITIES:	
Accounts payable	$ 21,499
Payroll and other employee benefits	14,587
Capital contracts (includes retainages of $23,870)	58,535
Accrued interest on long-term debt	10,735
Current portion of unearned revenue	7,636
Current portion of revenue bonds payable	27,355
Current portion of Federal loan payable	839
Current portion of right-to-use assets payable	1,177
Current portion of other postemployment benefits	406
Total current liabilities	142,769
NONCURRENT LIABILITIES:	
Notes payable	100,000
Revenue bonds payable, net	1,383,020
Federal loan payable	33,939
Right-to-use assets payable	1,804
Customer advances for construction	22,415
Compensated absences	4,472
Net pension liability	60,756
Other postemployment benefits liability	10,263
Waste disposal closure and postclosure care	11,256
Total noncurrent liabilities	1,627,925
Total liabilities	1,770,694
DEFERRED INFLOWS OF RESOURCES	
Pension-related items	1,392
OPEB-related items	3,643
Lease-related items	80
Total deferred inflows of resources	5,115
Total liabilities and deferred inflows of resources	1,775,809
NET POSITION	
Net investment in capital assets	2,517,844
Restricted for debt service	6,184
Unrestricted	244,443
Total net position	$ 2,768,471

See accompanying notes to basic financial statements.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2024
(Amounts expressed in thousands)

	2024
OPERATING REVENUES:	
Water	$ 384,374
Power generation and other	11,227
Total operating revenues	395,601
OPERATING EXPENSES:	
Source of supply, pumping, treatment, and distribution	139,531
General and administrative	113,828
Customer service	16,798
Depreciation and amortization	73,607
Total operating expenses	343,764
OPERATING INCOME	51,837
NONOPERATING REVENUES (EXPENSES):	
Investment income	12,060
Interest expense	(42,411)
Loss on disposition of capital assets	(525)
Other income	29,885
Other expense	(37,203)
Total nonoperating expenses, net	(38,194)
INCOME BEFORE CAPITAL CONTRIBUTIONS	13,643
CAPITAL CONTRIBUTIONS:	
Contributions in aid of construction	54,637
System development charges	23,505
Total capital contributions	78,142
INCREASE IN NET POSITION	91,785
NET POSITION:	
Beginning of year	2,676,714
Cumulative effect of GASB Statement No. 101 implementation	(28)
Restated beginning net position	2,676,686
End of year	$ 2,768,471

See accompanying notes to basic financial statements.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Cash Flows
Year Ended December 31, 2024
(Amounts expressed in thousands)

	2024
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	$ 395,615
Payments for employees and benefits	(153,511)
Payments to suppliers	(114,438)
Other receipts	27,800
Other payments	(36,415)
Net cash provided by operating activities	119,051
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from contributions in aid of construction (CIAC) and prepaid CIAC	27,253
Proceeds from system development charges (SDC) and prepaid SDC	30,247
Proceeds from sales of capital assets	5,731
Proceeds from notes payable	250,000
Proceeds from long-term revenue bonds plus premium	250,774
Proceeds from Federal loan	17,210
Acquisition of capital assets	(328,720)
Principal payments for long-term bonds	(22,555)
Principal payments for notes payable	(250,000)
Principal payments for Federal loan	(816)
Principal payments for right-to-use assets	(2,387)
Debt issuance costs	(787)
Interest paid	(49,056)
Net cash used for capital and related financing activities	(73,106)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	991,792
Interest received from investments	8,194
Purchases of investments	(1,058,499)
Net cash used for investing activities	(58,513)
NET DECREASE IN CASH	(12,568)
CASH, AT BEGINNING OF YEAR	25,610
CASH, AT END OF YEAR	$ 13,042

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Cash Flows
Year Ended December 31, 2024
(Amounts expressed in thousands)

	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$ 51,837
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other revenues	29,885
Other expenses	(36,415)
Depreciation and amortization of capital assets	73,607
Change in assets and liabilities:	
Receivables	19,175
Materials and supplies inventory	(455)
Prepaid expenses - current	3,496
Prepaid expenses and other assets - noncurrent	3
Deferred outflows of resources - pension-related	10,171
Deferred outflows of resources - OPEB-related	102
Accounts payable	277
Payroll and other employee benefits	1,032
Unearned revenue	(21,142)
Net pension liability	(13,296)
Other postemployment benefits liability	(513)
Waste disposal closure and postclosure care	2,113
Deferred inflows of resources - pension-related	(1,252)
Deferred inflows of resources - OPEB-related	530
Deferred inflows of resources - lease-related	(104)
Net cash provided by operating activities	$ 119,051
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Assets acquired through contributions in aid of construction	$ 43,294
Assets acquired through contracts payable	58,535
Assets acquired through right-to-use obligations	978
Loss on disposition of capital assets	(6,256)
Amortization of deferred loss on refunding	(1,603)
Increase in fair value of investments	1,719
Amortization of bond premium	9,534

See accompanying notes to basic financial statements.

DENVER WATER FIDUCIARY PENSION TRUST FUND
CITY AND COUNTY OF DENVER, COLORADO
Statement of Fiduciary Net Position
December 31, 2024
(Amounts expressed in thousands)

		Employees' Retirement Plan
Assets:		
Cash and cash equivalents	$	5,157
Receivables:		
Dividends, interest, and other receivables		355
Employee contributions		90
Total receivables		445
Investments, at fair value:		
Common stock funds		241,627
Other fixed income funds		110,953
Real estate		66,183
Private equity funds		57,276
Private credit funds		23,745
Total investments		499,784
Total assets		505,386
Liabilities:		
Accrued administrative expense		46
Accrued investment expense		127
Securities payable		104
Total liabilities		277
Fiduciary net position restricted for pension	$	505,109

See accompanying notes to basic financial statements.

DENVER WATER FIDUCIARY PENSION TRUST FUND
CITY AND COUNTY OF DENVER, COLORADO
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2024
(Amounts expressed in thousands)

	Employees' Retirement Plan
Additions:	
Employer contributions	$ 18,000
Employee contributions	3,362
Total contributions	21,362
Investment income:	
Net appreciation in fair value	35,677
Interest	6,309
Dividends	1,453
Real estate income, net of operating expenses	96
	43,535
Less investment expense	(3,020)
Net investment income	40,515
Total additions	61,877
Deductions:	
Retirement benefits paid	36,208
Death benefits	139
Refunds of employee contributions	46
Administrative expenses	206
Total deductions	36,599
Net increase in fiduciary net position	25,278
Fiduciary net position restricted for pension:	
Beginning of year	479,831
End of year	$ 505,109

See accompanying notes to basic financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Denver Water has a five-member governing body, which is appointed by the Mayor of the City for overlapping six-year terms. In accordance with Governmental Accounting Standards Board Statements (GASB) No. 14, *The Financial Reporting Entity*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB No. 61, *The Financial Reporting Entity: Omnibus*, Denver Water 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.

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

Denver Water sponsors a trusteed, single-employer defined benefit pension plan (the Plan). Denver Water contributes to the Plan based upon actuarial analysis and has fiduciary responsibility for the Plan. The Plan financial statements and investment note are included in the accompanying financial statements as a fiduciary fund of Denver Water. Complete financial statements of the Plan can be obtained from the Denver Water website.

B. Measurement Focus and Basis of Accounting

Denver Water, as a business-type activity, is accounted for in an enterprise fund, which is used to report any activity for which a fee is charged to external users for goods or services. Both Denver Water’s basic financial statements and the financial statements of the fiduciary fund are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the *Statement of Net Position*, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Under the terms of grant agreements, Denver Water may fund certain programs using a combination of cost-reimbursement grants and general revenues. It is Denver Water’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

C. Accounting Standards

Denver Water applies all applicable pronouncements of the GASB.

D. Use of Estimates

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

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

Restricted assets consists of the revenue bonds debt service account, Federal loan debt service account, funds restricted for commercial paper interest, funds restricted for capital projects, and amounts restricted for motor vehicle claims. The revenue bonds, Federal loan debt, and commercial paper service accounts are used to pay principal and interest on the revenue bonds and Federal loans, and interest on commercial paper as they become due. The restricted funds for capital projects are used to finance certain capital improvements to the water works system and plant. Restricted net position consists of restricted assets less any associated liabilities. These restricted funds are used for their intended purpose before unrestricted funds.

F. Cash

The definition of cash, for purposes of the *Statement of Cash Flows*, is cash on deposit in the Water Works Fund, cash in lockbox, and cash on hand.

G. Investments

As of December 31, 2024, Denver Water's investments consisted of money market investments, local government investment pools, and U.S. Treasury securities. The money market investments and local government investment pools are reported at net asset value which is generally equivalent to fair value. U.S. Treasury securities are reported at fair value based on quoted market prices (see Note 2, *Deposits and Investments*).

H. Materials and Supplies Inventory

Materials and supplies inventory is valued at weighted average cost, which approximates cost.

I. Capital Assets

Purchased and constructed capital assets are recorded at cost. Regulated assets, which are comprised of capitalizable costs associated with the Lead Reduction Program, are also recorded at cost. Right-to-use assets are recorded at the present value of future payments. Donated capital assets are recorded at their estimated acquisition value on the date received. Assets are capitalized if they have a cost of $50,000 or more and have a useful life of five years or more. The exceptions to this rule are as follows: all fleet vehicles will be capitalized even if the purchase price is less than $50,000, all right-to-use leased assets are recorded if the present value of future payments is $100,000 or more and the term of the lease is greater than 12 months, and all right-to-use subscription-based information technology arrangements (SBITAs) are recorded if the net present value of future payments is $200,000 or more and the term of the arrangement is greater than 12 months.

Land and water rights are also recorded at cost. Land is not depreciated, and water rights are granted in perpetuity and not amortized. In addition, other non-depreciable assets, including Operations Complex public art and water capacity are recorded at cost, have unlimited useful lives, and therefore are not depreciated or amortized.

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

Capital Asset Useful Lives

Asset Category	Years
Buildings and improvements	15-75
Fleet	7-15
Improvements other than buildings	25-80
Infrastructure	25-80
Machinery and equipment	5-75
Regulated assets	30
Right-to-use buildings and improvements	50
Right-to-use improvements other than buildings	15
Right-to-use land	25
Right-to-use SBITAs	2-5

Maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized and depreciated or amortized. At the time of retirement or disposition of depreciable property, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected in nonoperating revenues (expenses).

J. Capital Contributions

Capital contributions consist of contributions in aid of construction (CIAC) and system development charges (SDC). CIAC represent facilities, or cash payments for facilities, received from developers, property owners, governmental agencies, or customers who receive benefit from such facilities. SDC represent fees charged to customers to connect to the water system. Contributions are recognized in the *Statement of Revenues, Expenses, and Changes in Net Position*, after nonoperating revenues (expenses), when earned. Assets acquired through CIAC are included in capital assets.

K. Employee Compensated Absences

Denver Water’s personnel policy provides that employees receive payment for unused paid time off (PTO) up to the maximum accrued hours allowed at termination. Accumulated unpaid PTO leave is recorded as a liability split between current and long-term based on the average of the prior three years usage. Employees may elect to convert a portion of their PTO hours into a cash payout which is recorded as a short-term liability. In addition, regular employees may receive time off under Denver Water's Colorado family and medical leave, deferred holiday, and military leave policies, while temporary employees are given sick leave. Applicable unused hours at the end of the reporting period are also recorded as a short-term liability.

L. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, pension expense, information about the fiduciary net position of the Employees’ Retirement Plan of the Denver Board of Water Commissioners (the Plan) and additions to and/or deductions from the Plan’s fiduciary net position have been determined on the accrual basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. As allowed by GASB No. 68, *Accounting and Financial Reporting for Pensions*, Denver Water elected to report pension liability information based on a one-year lag. The total pension liability reported as of December 31, 2024 is based on an actuarial measurement date of December 31, 2023.

M. Operating Revenues and Expenses

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

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

N. Rates and Fees

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

Consumption and Service Charges

On October 11, 2023, Denver Water approved a water rate increase, effective January 1, 2024. The rate increase is designed to increase overall total system water rate revenue by 5.0%.

System Development Charges (SDC)

System Development Charges were not adjusted for 2024.

O. Recently Issued Accounting Standards

In 2024, Denver Water implemented GASB Statement No. 101, *Compensated Absences.* The primary effect was to record additional compensated absences accruals as required under this new statement. The cumulative effect of applying this GASB statement was reported as a restatement to beginning 2024 net position in the amount of $28 thousand. Below is a reconciliation of the restated net position for the implementation of GASB Statement No. 101.

Restatement of Net Position for GASB 101 Implementation

(amounts expressed in thousands)

Beginning 2024 net position as published	$	2,676,714
Cumulative effect of GASB Statement No. 101 implementation		(28)
2024 beginning net position as restated	$	2,676,686

(2) DEPOSITS AND INVESTMENTS

Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, Denver Water's deposits may not be returned to it. As of December 31, 2024, all of Denver Water's cash deposits were either insured by FDIC or covered by the Colorado Public Deposit Protection Act (PDPA) (C.R.S., 11-10.5-101). Under the PDPA, all deposits exceeding the amount insured by the FDIC are required to be fully collateralized at 102% of the deposits with specific approved securities identified in the act. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institutions' trust department or agent in Denver Water's name.

Investments

A reconciliation of cash and investments reported on the *Statement of Net Position* as of December 31, 2024 is as follows:

Cash and Investments

December 31, 2024

(amounts expressed in thousands)

Cash	$	13,042
Short-term investments including accrued interest		232,159
Restricted investments - debt service		16,919
Restricted investments - capital projects		25,251
Restricted investments - other		93
Total short-term investments		274,422
Long-term investments		-
Total investments		274,422
Total cash and investments	$	287,464

Colorado statutes and the City Charter authorize Denver Water to expend funds for the operation of Denver Water, including the purchase of investments. In accordance with Denver Water's Investment Policy for the Water Works Fund, which was last updated on April 28, 2023, the funds shall be invested in priority order to preserve principal, provide liquidity, and to obtain a market rate of return within the constraints of the policy. Operational needs and prevailing market conditions affect the investment portfolio allocations at year-end. The following table identifies the investment instruments that are authorized by Denver Water's investment policy, as well as certain provisions of the investment policy that address interest rate risk, credit quality risk, and concentration of credit risk.

Investments Authorized by Denver Water's Investment Policy

December 31, 2024

Authorized Investment Type	Maximum Maturity	Minimum Issuer Credit Quality [1]	Maximum in Portfolio [2]	Maximum Investment One Issuer [2]
U.S. Treasury securities	5 years	Not applicable	No limit[6]	No limit
U.S. agency / instrumentality securities	4 years	AA- / Aa3	50%	15%
Commercial paper	270 days	A-1 / P-1	25% [3]	5% [4]
Corporate fixed income securities	3 years	AA- / Aa3	25% [3]	5% [4]
Money market mutual funds	Not applicable	AAAm / AAAf	50% / 25% [5]	10% / 5% [5]
Local government investment pools	Not applicable	AAAm / AAAf	15%	5%
Certificates of deposit	180 days	AA- / Aa3	15%	10%
Bankers' acceptances	180 days	A-1 / P-1	25% [3]	5% [4]
Repurchase agreements	Overnight	AA- / Aa3	25%	25%
Municipal bonds	5 years	AA- / Aa3	15%	5%

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

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

[3] Maximum concentration in aggregate for commercial paper, corporate fixed income securities, and bankers' acceptances.

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

[5] Maximum concentration in stable NAV money market funds is 50% and 10% per single issuer; maximum concentration in floating NAV money market funds is 25% and 5% per single issuer.

[6] Minimum concentration of 30% of the total portfolio.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Denver Water manages interest rate risk by purchasing investments with varying maturities, continuously investing a portion of the portfolio in readily available funds, limiting total investments maturing in more than three years to 25% of the portfolio, limiting the maximum maturity of investments by type of investment and limiting maximum allocation of callable securities to 15% of the portfolio.

At December 31, 2024, Denver Water's cash and investments, including accrued interest, and their maturities were as follows:

Cash, Current and Long-Term Investments

December 31, 2024

(amounts expressed in thousands)

Investment Type	Percent of Portfolio	Fair Value	Investment Maturities (in years) 1 or less	1-3	3-5
U.S. Treasury securities	52.5%	$ 144,195	$ 144,195	$ -	$ -
Money market funds	37.3%	102,315	102,315	-	-
Local government investment pools	10.2%	27,912	27,912	-	-
Total investments	100.0%	274,422	$ 274,422	$ -	$ -
Cash		13,042			
Total cash and investments		$ 287,464			

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

Credit Risk

Credit risk is the risk that the issuer of a debt security will not fulfill its obligations to the holder of the obligation. National rating agencies assess this risk and assign a credit quality rating for most investments. Presented below are the lowest credit ratings for each investment type at December 31, 2024:

Investment Ratings

December 31, 2024

(amounts expressed in thousands)

Rating Agencies [1]	U.S. Treasury Securities	Money Market Funds	Local Government Investment Pools	Total
AAAm / AAAf	$ -	$ 102,315	$ 27,912	$ 130,227
AA / Aa	144,195	-	-	144,195
	$ 144,195	$ 102,315	$ 27,912	$ 274,422

[1] The rating agencies are S&P, Moody's, and Fitch. Actual credit ratings as of the year-end for each investment type are shown. For securities with split ratings, the lowest rating is shown. Securities that fall below the minimum credit quality may be sold or held at the discretion of Denver Water.

Concentration of Credit Risk

Denver Water's investments comply with the requirements of the investment policy regarding maximum concentrations of securities at the time of purchase. Specific parameters within the investment policy are displayed in the table titled *Investments Authorized by Denver Water's Investment Policy*. Generally accepted accounting principles require disclosure of certain investments in any one issuer that exceed five percent of total investments. There were no investments in any one issuer, excluding certain pooled investments and U.S. Treasury securities, that represented five percent or more of Denver Water's total investments at December 31, 2024.

Fair Value

Denver Water categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing involves using a selection of data points, such as quoted prices, or yield curves to calculate prices for separate financial instruments that can share characteristics similar to the data points. Level 3 inputs are significant unobservable inputs.

Denver Water has the following recurring fair value measurements as of December 31, 2024:

Investments Measured at Fair Value

December 31, 2024

(amounts expressed in thousands)

		Fair Value Measurements Using		
	12/31/2024	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury securities	$ 144,195	$ 144,195	$ -	$ -
Total investments by fair value level	144,195	$ 144,195	$ -	$ -
Investments measured at net asset value (NAV)				
Local government investment pools	27,912			
Money market funds	102,315			
Total investments by NAV	130,227			
Total investments	$ 274,422			

The valuation method for investments measured at the net asset value (NAV) per share, or its equivalent, is presented in the following table:

Investments Measured at NAV

December 31, 2024

(amounts expressed in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local government investment pools	$ 27,912	$ -	daily	same day
Money market funds	102,315	-	daily	same day
	$ 130,227	$ -		

Local government investment pools (LGIP) typically combine the cash of participating jurisdictions and invest the cash in securities allowed under the state's laws regarding government investments. By pooling funds, participating governments benefit from economies of scale, full-time portfolio management, diversification, and liquidity. Interest is normally allocated to the participants daily, proportionate to the size of the investment. Denver Water currently utilizes three LGIPs, the Colorado Local Government Liquid Asset Trust (COLOTRUST), the Colorado Statewide Investment Program Liquid Portfolio (CSIP), and the Colorado Core Fund operated through the Colorado Surplus Asset Fund Trust (CSAFE). COLOTRUST and CSIP are valued at $1.00 per share, and CSAFE is valued at $2.00 per share. CSAFE Core fund redemptions are limited to three per month. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. Investments in the pools are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The money market funds include money market funds that invest in U.S. Treasury securities, federal instrumentality securities, and agency securities. Unitized money market mutual funds are reported at fair value based upon the net asset value of shares/units held at year end, provided by fund administrators. All investments within the money market funds are valued in compliance with the authoritative guidance on fair value measurements and disclosures. The funds provide daily liquidity.

See Note 17, *Fiduciary Pension Trust Funds Investments*, for information regarding the cash and investments held by the Fiduciary Pension Trust Fund.

(3) RECEIVABLES

Receivables
December 31, 2024
(amounts expressed in thousands)

	Amount	Percent
Current		
Water sales	$ 24,792	33%
Federal loan	14,531	20%
Leases	22	-%
Other accounts receivable	34,595	47%
Total current	$ 73,940	100%
Long-term		
Other accounts receivable	8,595	100%
Total long-term	$ 8,595	100%
From the City and County of Denver (included above)		
Current		
Water sales	$ 637	
Total current	637	
Long-term	-	
Total from City and County of Denver	$ 637	

Accounts Receivable

Current and long-term accounts receivable at December 31, 2024, were as described above. Other accounts receivable includes receivables for CIACs, SDCs, non-potable and hydrant water sales, power sales, and financing arrangements with suburban water districts for the sale of water. Denver Water has no allowance for uncollectible accounts as it relates to water sales since non-payment of receivables may result in discontinuation of service that attaches to the property location. The amounts above include an allowance for uncollectible accounts relating to non-water sales receivables of approximately $27,000.

Leases Receivable

Denver Water leases land and grants easements to other governmental agencies and private companies for various uses. The lease terms are between 2 and 30 years and vary with each agreement. One lease has variable payments based on the revenue collected during specific months. This lease cannot be measured, and therefore, the revenue is recognized in the current reporting period. Denver Water recorded approximately $124,000 in lease revenue and

$700 in lease interest revenue as of December 31, 2024. The total lease receivables for the year ended December 31, 2024, was $22,000.

(4) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

Capital Assets

Year Ended December 31, 2024

(amounts expressed in thousands)

	December 31, 2023	Additions	Transfers	Retirements & Sales	December 31, 2024
Capital assets not being depreciated					
Land and land rights	$ 133,450	$ -	$ -	$ (3,279)	$ 130,171
Water rights	116,460	-	-	-	116,460
Other non-depreciable[1]	23,512	-	-	-	23,512
Construction in progress	848,275	233,425	(71,303)	(1,562)	1,008,835
Construction in progress regulated assets	-	92,197	(92,197)	-	-
Total capital assets not being depreciated	1,121,697	325,622	(163,500)	(4,841)	1,278,978
Capital assets being depreciated or amortized					
Buildings and improvements	511,659	-	1,852	(261)	513,250
Improvements other than buildings	2,555,125	11,865	52,344	(2,178)	2,617,156
Machinery and equipment	504,993	181	17,079	(1,162)	521,091
Regulated assets	291,355	-	92,197	-	383,552
Right-to-use buildings and improvements	20,233	-	-	-	20,233
Right-to-use improvements other than buildings	821	-	-	-	821
Right-to-use land	-	695	28	-	723
Right-to-use SBITAs	5,932	283	-	-	6,215
Total capital assets being depreciated or amortized	3,890,118	13,024	163,500	(3,601)	4,063,041
Less accumulated depreciation and amortization					
Buildings and improvements	(157,556)	(8,879)	-	232	(166,203)
Improvements other than buildings	(712,885)	(33,961)	-	864	(745,982)
Machinery and equipment	(296,224)	(18,327)	-	1,089	(313,462)
Regulated assets	(14,689)	(9,732)	-	-	(24,421)
Right-to-use buildings and improvements	(370)	(405)	-	-	(775)
Right-to-use improvements other than buildings	(115)	(57)	-	-	(172)
Right-to-use land	-	(12)	-	-	(12)
Right-to-use SBITAs	(1,621)	(2,234)	-	-	(3,855)
Total accumulated depreciation and amortization	(1,183,460)	(73,607)	-	2,185	(1,254,882)
Total capital assets being depreciated or amortized, net	2,706,658	(60,583)	163,500	(1,416)	2,808,159
Total capital assets, net	$ 3,828,355	$ 265,039	$ -	$ (6,257)	$ 4,087,137

[1] *Other non-depreciable* includes Operations Complex public art and water capacity.

Depreciation and amortization for the year ended December 31, 2024 was $73.6 million.

Major retirements during 2024 resulted primarily from retirements associated with infrastructure projects and the abandonment of mains and hydrants.

(5) RISK MANAGEMENT

Denver Water is exposed to various risks of loss including torts, general liability, property damage (all limited under the Colorado Governmental Immunity Act (CGIA) to $424,000 per person, per occurrence and $1,195,000 aggregate per occurrence as of January 2022), and employee life, medical, dental, and accident benefits. The CGIA limits are adjusted every four years for inflation. Denver Water has a risk management program that includes self-insurance for general and automobile liability, employee medical (including stop-loss coverage in excess of $500,000), dental, and vision. Denver Water carries commercial property insurance for catastrophic losses, including floods, fires, earthquakes, for scheduled major facilities including the Denver Water Operations Complex, Marston Treatment Plant and Lab, Moffat Treatment Plant, Foothills Treatment Plant, Northwater Treatment Plant, the Recycling Plant, and water turbines. It carries limited insurance for other nonscheduled miscellaneous locations. Denver Water also carries commercial insurance for life, accident, short-term and long-term disability, employee dishonesty, cyber-attacks, terrorism, malicious attacks, excess general liability, public officials' liability, employment practice liability, and fiduciary exposure.

Denver Water is self-insured for workers’ compensation and carries an excess liability (stop-loss) policy for individual claims exceeding $500,000. Prior to February 1, 2016, Denver Water was insured for workers’ compensation insurance by a large deductible policy whereby Denver Water was responsible for the first $250,000 per claim with a maximum aggregate cost of $2.7 million. There was one claim still open under this policy as of December 31, 2024. In addition, Denver Water is at times party to pending or threatened lawsuits under which it may be required to pay certain amounts upon their final disposition. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). IBNR is an estimate based on actuarial analysis and historical experience. At December 31, 2024, outstanding losses including IBNR claims were $3.3 million and consisted of workers’ compensation, motor vehicle, and medical and dental benefits. Changes in the balances of these liabilities during 2024 and 2023 were as follows:

Claims Liabilities

(amounts expressed in thousands)

	Beginning Balance	Current-year Claims and Changes in Estimates	Claim Payments	Ending Balance
2024	$ 2,990	$ 20,821	$ (20,483)	$ 3,328
2023	3,038	20,664	(20,712)	2,990

Medical, dental, and workers’ compensation claims liabilities are reported in *Payroll and Other Employee Benefits*; motor vehicle and any legal claims are reported in *Accounts Payable* on the *Statement of Net Position*. It is expected the claims will be paid within the next 12 months.

(6) DEBT

Notes Payable

In September 2023, Denver Water established a 5-year commercial paper program to provide financing for various capital projects. The program allows Denver Water to sell up to $300.0 million of subordinate lien capital improvement notes with a maximum maturity date not to exceed 270 days. The commercial paper is sold at par as interest-bearing obligations, with interest payable at maturity. Denver Water entered into dealer agreements with BofA Securities, Inc. and Goldman Sachs & Co, LLC to act as non-exclusive dealers for the offer and sale of the commercial paper notes issued by Denver Water. Denver Water also entered into a Revolving Credit Agreement with Bank of America, N.A., under which the bank provides a liquidity facility of up to $300.0 million to provide funds for the payment of the principal of the commercial paper notes at maturity. The program expires and the Revolving Credit Agreement terminates on September 20, 2028. As of December 31, 2024, Denver Water had $100.0 million in commercial paper notes outstanding, with interest rates ranging from 3.12% to 3.20% and varying maturities.

Commercial paper payable under this program is classified as long-term liabilities because provisions in the Commercial Paper Resolution permit refinancing the paper on a long-term basis.

A summary of debt maturity for the commercial paper as of December 31, 2024, is as follows:

Notes Payable
December 31, 2024
(amounts expressed in thousands)

Year of Maturity	Principal	Interest	Total
Current	$ 100,000	$ 945	$ 100,945

Revenue Bonds Payable

Revenue bonds payable consists of capital improvement and refunding bonds of Denver Water. Denver Water has pledged to repay the bonds and related interest from net revenues and to maintain adequate rates to ensure its ability to do so. Annual coupon rates for the revenue bonds outstanding at December 31, 2024 ranged from 2.00% to 5.25%. The weighted average yield to maturity for bonds outstanding at December 31, 2024 was 2.85%. In accordance with the issuing bond resolutions, Denver Water has established a debt service fund for the revenue bonds totaling $15.8 million at December 31, 2024.

In 2024, Denver Water issued the Series 2024A Master Resolution Water Revenue Refunding Bonds. The proceeds from the sale of the Series 2024A were used to refund $250.0 million of outstanding commercial paper notes and refund a portion of the Series 2012A, 2012B and 2014A Bonds. With this refunding, Denver Water obtained a net present value savings of $2.7 million.

The refunding Series 2012B, 2014A, 2016B and 2020B resulted in a difference between the reacquisition price and the net carrying amount of the old debt (deferred amount on refunding). This difference, reported in the accompanying basic financial statements as *Deferred Outflows of Resources*, is being amortized using the straight-line method as a component of interest expense through 2040. The remaining unamortized amount of refunding of all bonds considered defeased is $5.2 million at December 31, 2024.

Revenue bonds are payable solely out of and secured by an irrevocable pledge of and first lien upon the net income and revenue derived from the operation of its municipal water system after payment of all necessary and proper cost of efficient operation and maintenance of the system. The total principal and interest for 2024 of $65.0 million was secured by total pledged revenue less operating expenses of $172.3 million.

A summary of debt maturity for the revenue bonds as of December 31, 2024, is as follows:

Revenue Bonds
December 31, 2024
(amounts expressed in thousands)

Year of Maturity	Principal	Interest	Total
Current	$ 27,355	$ 51,841	$ 79,196
Long-term			
2026	27,850	51,343	79,193
2027	29,220	49,973	79,193
2028	30,510	48,688	79,198
2029	31,950	47,362	79,312
2030-2034	183,295	212,959	396,254
2035-2039	224,780	169,997	394,777
2040-2044	273,835	125,657	399,492
2045-2049	334,265	66,986	401,251
2050-2054	147,955	14,120	162,075
	1,283,660	787,085	2,070,745
Plus premium	99,360	-	99,360
Total long-term	1,383,020	787,085	2,170,105
	$ 1,410,375	$ 838,926	$ 2,249,301

Federal Loan Payable

The Bipartisan Infrastructure Law established federal funding administered through the Drinking Water State Revolving Fund which can be used for the replacement of lead service lines. On December 15, 2022, the Board executed a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of $76.1 million.

The loan is a direct borrowing loan and includes both loan and principal forgiveness components. The loan amount of $36.1 million is being amortized over 30 years at a fixed interest rate of 2.75%, and the remaining $40.0 million was principal forgiveness.

The loan contains a provision that in the event of default, the authority may take any or all of the following actions: (1) withhold disbursement of remaining loan funds or (2) pursue any other remedies to which it is entitled under the loan agreement, at law or in equity. The loan is payable solely out of and secured by an irrevocable and nonexclusive pledge of and lien on the net revenue of the system, which consists generally of all revenue derived by the Board from rates, fees, and charges for use of the system after payment of all reasonable and necessary expenses of operating, maintaining, and repairing the system. The total principal and interest for 2024 of $1.8 million was secured by total pledged revenue less operating expenses of $172.3 million. The principal amount outstanding was $34.8 million on December 31, 2024.

Funds are disbursed on a reimbursement basis as expenses are incurred. Requests for reimbursement of $40.1 million were made for 2024.

Denver Water's records regarding these funds are subject to an annual audit in accordance with the Federal Single Audit Act, 31 U.S.C. 7501 et seq.

A summary of debt maturity for the federal loan payable as of December 31, 2024, is as follows:

Federal Loan
December 31, 2024
(amounts expressed in thousands)

Year of Maturity	Principal	Interest	Total
Current	$ 839	$ 951	$ 1,790
Long-term			
2026	862	927	1,789
2027	886	903	1,789
2028	910	879	1,789
2029	935	854	1,789
2030-2034	5,079	3,866	8,945
2035-2039	5,823	3,123	8,946
2040-2044	6,675	2,271	8,946
2045-2049	7,651	1,295	8,946
2050-2054	5,118	249	5,367
Total long-term	33,939	14,367	48,306
	$ 34,778	$ 15,318	$ 50,096

(7) RIGHT-TO-USE ASSETS PAYABLE

Leases Payable

Denver Water leases electronic communication sites and equipment from other governmental agencies and private companies for various uses. Denver Water also leases building space from Colorado State University for its new water quality lab at the Water Resources Center. Additionally, Denver Water has an easement related to a construction project and infrastructure maintenance. The lease terms vary with each agreement ranging between 4 and 50 years. During 2024 Denver Water capitalized approximately $28,000 in prepayments related to a construction and maintenance easement. At December 31, 2024, Denver Water has recorded three leases as a liability. The terms of these three leases were between 15 and 50 years. Numerous lease agreements have variable payments based solely on usage, which cannot be measured, and are therefore excluded from the right-to-use assets payable. In addition, several leases include non-measurable variable costs, such as utilities, operating expenses, and future changes in the Consumer Price Index. Lease agreements under the capitalization threshold of $100,000 and those with a lease term less than 12 months are also excluded from right-to-use assets payable. Leases excluded from the right-to-use assets payable were either recognized as operating expenses or included in capital projects in the current reporting period.

A summary of leases payable as of December 31, 2024, is as follows:

Leases Payable

December 31, 2024

(amounts expressed in thousands)

Year of Maturity	Principal	Interest	Total
Current	$ 47	$ 22	$ 69
Long-term			
2026	50	21	71
2027	53	20	73
2028	56	19	75
2029	59	17	76
2030-2034	432	199	631
2035-2039	260	149	409
2040-2044	232	111	343
2045-2049	260	58	318
2050-2054	20	30	50
2055-2059	25	25	50
2060-2064	31	19	50
2065-2069	39	11	50
2070-2074	28	2	30
Total long-term	1,545	681	2,226
	$ 1,592	$ 703	$ 2,295

Subscription-Based Information Technology Arrangements Payable

Denver Water contracts various subscription-based information technology arrangements (SBITAs) from multiple software vendors. The contract terms vary with each agreement ranging between one and five years. At December 31, 2024, Denver Water recorded four agreements as a liability with varying terms ranging between two and five years. Numerous agreements have variable payments based solely on usage, which cannot be measured, and are excluded from the right-to-use assets payable. SBITAs under the capitalization threshold of $200,000 and those with a lease term less than 12 months are also excluded from the right-to-use assets payable. Agreements excluded from the right-to-use assets payable were recognized as operating expenses or included in capital projects in the current reporting period.

A summary of subscription-based information technology arrangements payable as of December 31, 2024, is as follows:

Subscription-Based Information Technology Arrangements Payable

December 31, 2024

(amounts expressed in thousands)

Year of Maturity	Principal	Interest	Total
Current	$ 1,130	$ 51	$ 1,181
Long-term			
2026	259	10	269
Total long-term	259	10	269
	$ 1,389	$ 61	$ 1,450

(8) WASTE DISPOSAL CLOSURE AND POSTCLOSURE CARE

Denver Water operates a landfill and residuals drying beds at the Foothills Water Treatment Plant for disposal of aluminum sulfate solids/residuals generated as a by-product of the potable water treatment process at the Foothills and Marston Water Treatment Plants. It also operates residuals drying beds near the Ralston Reservoir and at West 41st Avenue and Independence Court for dewatering of aluminum sulfate solids/residuals generated as a by-product of the potable water treatment process at the Moffat Water Treatment Plant. These sites have been in operation since 1995. State and federal laws and regulations require Denver Water to perform certain closing functions on these disposal sites when they stop accepting residuals, including placing a final cover on the Foothills landfill and performing certain maintenance and monitoring functions at the Foothills landfill for 30 years after closure.

These sites are considered landfills under Colorado solid waste site regulations and therefore are specifically excluded under GASB No. 83, *Certain Asset Retirement Obligations*. Although these sites are not “municipal” solid waste landfills and are also outside the scope of GASB No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, Denver Water voluntarily implemented the provisions of that statement in 2000 to meet the State of Colorado and federal financial assurance requirements discussed below.

As required by GASB No. 18, although closure and postclosure care costs will be paid only near or after the date that the disposal sites stop accepting waste, Denver Water reports a portion of the Foothills closure and postclosure care costs as an operating expense and liability in each year based on landfill capacity used as of each *Statement of Net Position* date. In 2016, all active disposal cells at the Foothills landfill were permanently capped. At this time, Denver Water is not disposing of solids at this site. The entire liability for closure costs for the Foothills, Ralston, and 41st and Independence residual drying beds is accrued since they are not “filled” like a landfill but are reusable. The regulations no longer require recording a liability for postclosure care costs for drying beds if they are “clean closed,” which means that all residuals are removed upon closure. Despite this, the postclosure care liability for Ralston drying beds of $0.9 million has been included in the 2024 financial statements pending revision of the Certificate of Designation from Jefferson County.

Approximately $11.3 million was reported as *Waste Disposal Closure and Postclosure Care* liability on the S*tatement of Net Position*, at December 31, 2024, for the sites as follows:

Waste Disposal Closure and Postclosure Care Liability

December 31, 2024

(amounts expressed in thousands)

	Foothills	Ralston	41st & Independence	Total
Closure costs	$ 6,214	$ 2,753	$ 803	$ 9,770
Postclosure care costs	553	933	-	1,486
	$ 6,767	$ 3,686	$ 803	$ 11,256

These costs are based on the use of 100% of the Foothills, Ralston, and 41st and Independence drying beds and 24.8% of the active portion of the Foothills landfill at December 31, 2024. Denver Water will recognize the remaining estimated cost of the Foothills postclosure care of $1.7 million as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The remaining life of the Foothills landfill is estimated to be indefinite for the active disposal area of 61.7 acres because Denver Water is not using it for solid waste disposal at this time. The Foothills, Ralston, and 41st and Independence drying beds have an indefinite life.

Denver Water is required by state and federal laws and regulations to establish financial assurance sufficient to ensure full payment of closure and postclosure care of its disposal sites by selecting one of a variety of financial assurance mechanisms. Denver Water chose the “Local Government Financial Test” which includes filing the Annual Comprehensive Financial Report with the State, an unmodified audit opinion, and the implementation of GASB No. 18.

(9) CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2024, was as follows:

Long-Term Liabilities
Year Ended December 31, 2024
(amounts expressed in thousands)

	December 31, 2023 (Current and Long-Term)	2024 Additions	2024 Reductions	December 31, 2024 (Current and Long-Term)	Due Within One Year
Revenue bonds payable, net	$ 1,193,365	$ 294,996	$ (77,986)	$ 1,410,375	$ 27,355
Notes payable	100,000	250,000	(250,000)	100,000	-
Unearned revenue[2]	28,778	-	(21,142)	7,636	7,636
Federal loan payable	35,594	-	(816)	34,778	839
Right-to-use assets payable	4,390	978	(2,387)	2,981	1,177
Customer advances for construction	32,836	34,704	(45,125)	22,415	-
Compensated absences	12,335	440	(478)	12,297	7,825 [1]
Waste disposal closure	9,143	3,114	(1,001)	11,256	-
	1,416,441	$ 584,232	$ (398,935)	1,601,738	$ 44,832
Less current portion	(55,872)			(44,832)	
Total long-term liabilities	$ 1,360,569			$ 1,556,906	

[1] Included in *Payroll and Other Employee Benefits* on the *Statement of Net Position*.
[2] Unearned revenue represents amounts remaining to be reimbursed under the forgivable portion of the Federal loan.

(10) PENSION PLAN

General Information about the Pension Plan

Plan Description

Denver Water sponsors and administers a trusteed, single employer defined benefit pension plan (the Plan). Members of the Plan include substantially all regular and discretionary full-time and part-time employees of Denver Water. The Board, acting as trustee of the Plan, has the authority to establish and amend benefit provisions to the Plan. The Plan contains provisions regarding amendments, including a provision for Tier I employees voting on amendments in specifically described situations.

In December 2016, Denver Water approved changes to the Plan with an effective date of January 1, 2018. Employees hired prior to January 1, 2018, qualify for pension benefits under Tier I of the Plan. Employees hired after January 1, 2018, qualify for pension benefits under Tier II of the Plan. Employees under both Tier I and Tier II of the Plan contribute 3.0% of their compensation. There were no other substantive changes to the Tier I portion of the Plan. The Tier II Plan differs from the Tier I Plan in that the benefit multiplier is 1.75%, special early retirement benefits are under the rule of 85 with a minimum age of 60, and there is no cost-of-living adjustment. Unvested employees under either Tier who leave employment are refunded their contributions with an established interest rate.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained from the Denver Water website.

Benefits Provided

Plan benefits are determined by a formula defined in the Plan document. The minimum normal benefit amount for Tier I members is calculated by multiplying the Plan participant's number of years of credited service, times the amount of the participant's average final compensation, times 1.5%. Employees with final income exceeding covered compensation (under Section 230 of the Social Security Act as delineated in the Plan document) receive an additional 0.45% times years of credited service times average final compensation in excess of covered compensation. Plan benefits for Tier II members are calculated by multiplying the Plan participant's number of years of credited service, times the amount of the participant's average final compensation, times 1.75%. For members hired prior to January 1, 2018, who terminate employment and are rehired on or after January 1, 2018, the benefit calculation is determined by using a combination of both Tier I and Tier II formulas. There are also early retirement options beginning at age 55 for Tier I employees and age 60 for Tier II employees. The Plan also provides a benefit provision in the event a participant dies prior to the member terminating service.

The Plan provides annual cost-of-living adjustments to Tier I retired members and, if elected by the member, to their surviving spouse. Monthly pension benefits for Tier I employees are adjusted at the beginning of each year to reflect the annual rate of change in the Consumer Price Index from the previous year. The increase is limited to 5.0% for members whose severance date occurred before September 1, 1995, and 4.4% for members whose severance date occurred on or after September 1, 1995. Any increase above the 5.0% or 4.4% limit is "banked" for future years. There is no cost-of-living adjustment for Tier II employees.

Employees Covered by Benefit Terms

At January 1, 2023, the valuation date, the following employees were covered by the benefit terms:

Employees Covered by Pension Plan Benefit Terms

	2023
Inactive employees or beneficiaries currently receiving benefits	740
Inactive employees entitled to but not yet receiving benefits	380
Active employees	1,106
Total	2,226

Contributions

The Board has the authority to establish and amend the contribution requirements to the Plan. Denver Water's funding policy is established and may be amended by the Board. The Board reserves the right to suspend, reduce, or permanently discontinue all contributions at any time, pursuant to the termination provisions of the Plan.

Denver Water adopted the Employees' Retirement Plan Funding Policy on August 28, 2013. The policy was last amended on June 12, 2024. The policy defines the objectives of Denver Water in funding the Plan and sets out principles governing employee and employer contributions to the Plan. The primary funding objectives specified in the policy are to maintain a stable or increasing funded ratio and to minimize volatility of employer contributions. In accordance with the policy, Denver Water will base its contributions to the Plan on Actuarially Determined Contributions (ADC) calculated annually by an independent actuary using agreed upon methods and assumptions developed by the Actuarial Standards Board, while considering any other facts and circumstances relevant to the funding decision. Effective January 1, 2018, the Plan also receives contributions from the participants as described in the Plan document. The Board has discretion to change the contribution rates in the future.

Denver Water contributed $18.0 million to the Plan for the year ended December 31, 2024. Denver Water employees contributed $3.4 million in 2024.

Net Pension Liability

Denver Water has elected a measurement date for the current year-end as of the prior year-end. Therefore, the net pension liability reported as of December 31, 2024, was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability for 2024 was determined by an actuarial valuation performed as of January 1, 2023 and rolled forward to the December 31, 2023 measurement date.

Actuarial Assumptions

The Entry Age Normal actuarial cost method was used to measure the total pension liability. The actuarial assumptions included a 6.50% investment rate of return, age-based salary increases ranging from 6.75% to 2.85% per year for funding, and a 2.25% inflation factor. The actuarial value of the Plan assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a three-year period. Effective January 1, 2014, the Plan's unfunded actuarial accrued liability is amortized in level dollar amounts over 15 years on a layered basis, which more closely reflects the average period of active service of the Plan members.

Mortality rates used were based on the Combined RP-2014 Healthy Employee Mortality Tables projected with the Ultimate MP Scale for pre-retirement, Combined RP-2014 Healthy Annuitant Mortality Tables projected with the Ultimate MP Scale for post-retirement, and Combined RP-2014 Disabled Annuitant Mortality Tables projected with the Ultimate MP Scale for post-disablement.

The actuarial assumptions that determined the total pension liability as of January 1, 2023, were based on the results of an actuarial experience study that covered the five-year period ending December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Denver Water contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of the arithmetic real return for each major asset class are summarized in the following table:

Target Asset Allocation and Long-Term Expected Return

As of January 1, 2024

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Fixed Income	20%	1.72%
Bank Loans	5%	3.05%
Domestic Equity	30%	6.29%
International Equity	15%	6.39%
Private Equity	10%	9.43%
Real Estate	15%	3.24%
Private Credit	5%	5.91%
	100%	

Sensitivity of the Net Pension Liability to Changes in Discount Rate

The following table presents the net pension liability of Denver Water, calculated using the discount rate of 6.50%, as well as what Denver Water's net pension liability would be if it were calculated using the discount rate that is one percentage point lower or one percentage point higher than the current rate:

Sensitivity of the Net Pension Liability to Changes in Discount Rate

As of December 31, 2024

(amounts expressed in thousands)

	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
Net pension liability	$ 129,135	$ 60,756	$ 5,051

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report discussed above.

Changes in the Net Pension Liability

Changes in Net Pension Liability

As of December 31, 2024

(amounts expressed in thousands)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/23	$ 519,677	$ 445,625	$ 74,052
Changes for the year			
Service cost	10,605	-	10,605
Interest on total pension liability	33,570	-	33,570
Effect of economic/demographic gains or losses	5,928	-	5,928
Benefit payments	(29,193)	(29,193)	-
Employer contributions	-	17,500	(17,500)
Member contributions	-	3,195	(3,195)
Net investment income	-	42,906	(42,906)
Administrative expenses	-	(202)	202
Net changes	20,910	34,206	(13,296)
Balances at 12/31/24	$ 540,587	$ 479,831	$ 60,756

For the year ended December 31, 2024, Denver Water recognized pension expense of $13.6 million. At December 31, 2024, Denver Water reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows of Resources Related to Pensions

As of December 31, 2024

(amounts expressed in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Economic/demographic gains or losses	$ 10,368	$ 865
Net difference between projected and actual earnings	15,035	-
Assumption changes	7,828	527
Contributions made subsequent to measurement date	18,000	-
Total	$ 51,231	$ 1,392

The $18.0 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, as of December 31, 2024, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization of Deferred Outflows and Inflows of Resources Related to Pensions

As of December 31, 2024

(amounts expressed in thousands)

Year ended December 31,	
2025	$ 6,304
2026	8,431
2027	17,554
2028	(1,188)
2029	738
Thereafter	-
Total	$ 31,839

(11) OTHER RETIREMENT PLANS

Denver Water sponsors and administers the Denver Water Supplemental Retirement Savings Plan (SRSP). The SRSP is a 401(k) defined contribution plan. The Board, acting as trustee of the SRSP, has the authority to establish and amend benefit provisions to the SRSP. All regular and discretionary employees are eligible to participate in the SRSP. Under the terms of the SRSP, Denver Water makes a matching contribution to the SRSP's trust fund each year in an amount equal to 100% of each participant's elective contributions, limited to 3.0% of the participant's compensation for the applicable payroll period. During 2024, Denver Water made contributions totaling approximately $2.7 million and members contributed approximately $6.1 million to the SRSP. Employee rollovers from other plans to the SRSP were $0.4 million in 2024.

Denver Water sponsors and administers a deferred compensation plan that is available for its employees, created in accordance with Internal Revenue Code Section 457. The plan is available to all regular and discretionary employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or qualifying unforeseeable emergency. Participation in the plan is voluntary. Denver Water may make discretionary employer contributions to qualified participants. Discretionary employer contributions are limited by Treasury Regulations under Internal Revenue Code §415, 401(a)(17).

(12) OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plans

Healthcare

Plan Description

Denver Water's other postemployment benefits (OPEB) plan provides healthcare at a subsidized cost, for employees hired before January 16, 2012. Employees hired after January 16, 2012 can access Denver Water's group healthcare benefit at full cost, without any subsidy at the minimum age of 60. The postemployment healthcare benefit is provided through a single-employer plan. Denver Water has the authority to establish and amend benefit and funding provisions to the OPEB plan. Payments of OPEB benefits are made on a pay as you go basis in amounts necessary to provide current benefits to recipients. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This OPEB plan does not issue a separate report.

Benefits Provided

The OPEB plan provides benefits in the form of partially subsidized healthcare costs, until the retiree attains age 65. The benefit is provided through Denver Water'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 provision of Denver Water's defined benefit pension plan 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 Denver Water's defined benefit retirement plan and is not paid out of retirement plan funds. In January 2012, Denver Water discontinued its subsidy for this benefit for employees hired on or after January 16, 2012. However, employees can still access this program upon reaching age 60 and meeting the other eligibility requirements, at full cost. In January 2014, Denver Water changed the minimum eligible age from 55 to 60 years converting it to a maximum five-year benefit, with some transition options.

Employees Covered by Benefit Terms

At January 1, 2024, the valuation date, the following employees were covered by the benefit terms:

Employees Covered by OPEB Plan Benefit Terms

	2024
Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	-
Active employees	1,111
Total	1,167

Total OPEB Liability

Denver Water has elected a measurement date for the current year-end as of the prior year-end. Therefore, the OPEB reported as of December 31, 2024 was measured as of December 31, 2023. The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2024 with a December 31, 2023 measurement date.

Actuarial Assumptions and Other Inputs

The Individual Entry-Age Normal actuarial cost method was used to calculate the total OPEB liability. The actuarial assumptions included: (a) 3.77% discount rate, (b) healthcare cost trend rates, based on the Getzen Model, starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.25%, and (c) 45% retiree and long-term disability recipient's share of benefit-related costs.

Since the plan does not have formal assets, the discount rate equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The discount rate was based on the daily rate closest to, but not later than, the measurement date of the Fidelity “20-Year Municipal GO AA Index”.

Mortality rates were based on the Combined RP-2014 Healthy Employee Mortality Tables projected with the Ultimate MP Scale for pre-retirement, Combined RP-2014 Healthy Annuitant Mortality Tables projected with the Ultimate MP Scale for post-retirement, and Combined RP-2014 Disabled Annuitant Mortality Tables projected with the Ultimate MP Scale for post-disablement.

The actuarial assumptions that determined the total OPEB liability as of January 1, 2024, were based on the results of an actuarial experience study that covered the five-year period ending December 31, 2018.

Changes in the Total OPEB Liability

Changes in Total OPEB Liability

As of December 31, 2024

(amounts expressed in thousands)

	Total OPEB Liability
Balances at 12/31/23	$ 11,182
Changes for the year	
Service cost	305
Interest on total OPEB liability	443
Difference between expected and actual experience	(1,188)
Changes in assumptions or other inputs	717
Benefit payments	(790)
Net changes	(513)
Balances at 12/31/24	$ 10,669

Changes in assumptions and other inputs reflect a change in the municipal bond rate from 4.05% to 3.77%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability of Denver Water, calculated using the discount rate of 3.77%, as well as what Denver Water’s total OPEB liability would be if it were calculated using the discount rate that is one percentage point lower or one percentage point higher than the current rate:

Sensitivity of the Total OPEB Liability to Changes in Discount Rate

As of December 31, 2024

(amounts expressed in thousands)

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	$ 11,326	$ 10,669	$ 10,054

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the total OPEB liability of Denver Water, calculated using the healthcare cost trend rate starting at 7.00% and gradually decreasing to 4.25%, as well as what Denver Water's total OPEB liability would be if it were calculated using the healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates
As of December 31, 2024
(amounts expressed in thousands)

	1% Decrease (6.00% decreasing to 3.25%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.25%)	1% Increase (8.00% decreasing to to 5.25%)
Total OPEB liability	$ 9,898	$ 10,669	$ 11,547

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, Denver Water recognized OPEB expense of $0.5 million. At December 31, 2024, Denver Water reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows and Inflows of Resources Related to OPEB
As of December 31, 2024
(amounts expressed in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,039	$ 2,324
Assumption changes	1,607	1,319
Contributions after measurement date	406	-
Total	$ 3,052	$ 3,643

The $0.4 million reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, as of December 31, 2024, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization of Deferred Outflows and Inflows of Resources Related to OPEB
As of December 31, 2024
(amounts expressed in thousands)

Year ended December 31,		
2025	$	(223)
2026		(223)
2027		(203)
2028		(85)
2029		128
Thereafter		(391)
Total	$	(997)

Long-term Disability

Denver Water also provides a long-term disability (LTD) insured plan for each employee who attains regular status. Denver Water has the authority to establish and amend benefit provisions to the LTD insured plan. The insured plan provides for an 84-day elimination period for LTD benefits with a benefit of 66.67% of pay to a maximum of $10,000 per month. Benefits are payable during the first two years if the disabled employee is incapable of employment at their own occupation with a 20% or more loss in indexed monthly earnings. Thereafter, benefits are payable provided the disabled employee continues to experience 20% or more reduction in indexed monthly earnings while working in any occupation or is incapable of employment at any occupation. Benefit duration depends on age at disability. Benefits are payable to age 65 for disabilities that occur before age 60. If the disability occurs after age 60, benefit duration depends on a benefit payment schedule. Because under the insured plan the obligation for the payment of benefits has been transferred to the insurance company, it is not included in the calculation of the OPEB liability. In 2024, Denver Water paid approximately $0.5 million in LTD premiums, respectively. This OPEB plan does not issue a separate report.

(13) POLLUTION REMEDIATION LIABILITY

There were no pollution remediation liabilities requiring accrual at the end of 2024.

(14) CAPITAL CONTRIBUTIONS

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

Capital Contributions
December 31, 2024
(amounts expressed in thousands)

	CIAC	SDC
Inception through December 31, 2023	$ 697,961	$ 1,068,217
2024 additions	54,637	23,505
Inception through December 31, 2024	$ 752,598	$ 1,091,722

(15) CONTINGENCIES

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

(16) CONTRACT COMMITMENTS

Contractual commitments as of December 31, 2024, for construction and other purposes are estimated at $811.9 million.

The North System Renewal

Denver Water's North System was constructed in the 1930s. Now, over 80 years later, the North System requires significant renovations or replacement of pipelines and valves, as well as updating water treatment technology. Denver Water evaluated whether to renovate the existing plant or construct a new plant. An engineering study determined there are more risks associated with renovating existing facilities, and the cost differential between the two options was not significant. The North System Renewal Project is one of the largest construction programs in Denver Water history. It includes the Northwater Treatment Plant, the replacement of Conduit 16, and the expansion of Gross Reservoir. Denver Water intends to invest over $1.4 billion in renewing and expanding the North System.

The Northwater Treatment Plant and Conduit 16 replacement includes building an 8.5-mile water pipeline, making modifications to the Moffat Treatment Plant, and building the new Northwater Treatment Plant. The centerpiece of the project will be a state-of-the-art treatment plant and pipeline in Jefferson County, north of Golden. The plant will be capable of treating up to 75 million gallons of water a day with room for expansion, and will incorporate sustainability practices throughout its operations, including making use of alternative energy sources like hydropower. The Conduit 16 replacement was completed in 2021. The Northwater Treatment Plant has been operational since Spring 2024.

The Gross Reservoir Expansion Project began construction 2022, and will raise the dam height by 131 feet from the current 340 feet to 471 feet. The storage capacity of the Reservoir will be increased from its current capacity of 41,811 acre-feet to approximately 118,811 acre-feet. This is an increase of approximately 77,000 acre-feet, which includes 5,000 acre-feet for an environmental pool. Most of the additional capacity will be used for future challenges such as drought, fires, and growth on the north side of the collection system. The environmental pool will be operated in cooperation with the Cities of Boulder and Louisville to provide additional water for South Boulder Creek during low flow periods. The target completion date for the expansion is mid-2027.

The City of Arvada will participate in the project by paying a percentage of the total costs of the enlargement based on its portion of yield created by the expansion. Assuming the enlargement will produce a yield of 18,000 acre-feet of water and Arvada contracts for its maximum allowable amount of 3,000 acre-feet of the new supply, Arvada's share of the capital costs will be 16.67%.

Lead Reduction Program

In 2020, Denver Water implemented its Lead Reduction Program which was approved by state and federal agencies in December 2019. The main component of the program is the replacement of all lead service lines in the Denver Water service area by the end of 2034 at no direct cost to customers. The lead line replacement is completed under two scenarios: 1) Denver Water proactively identifies lead service lines in the Denver Water service area and specifically targets them for replacement, and 2) Denver Water replaces lead service lines when encountered during other routine water main replacement or major road construction work. Out of the approximately 312,000 service lines Denver Water has in its system, an estimated 60,000 to 64,000 of these are lead. In addition to replacing the lead service lines, Denver Water provides all affected customers with water filters until six months after their line is replaced and increased the pH levels of the water to minimize corrosion of the lead lines. The total program budget is $687.6 million. Metro Wastewater Reclamation District will participate in the program by paying up to $22.5 million to Denver Water in annual installments based on Denver Water meeting its yearly line replacement requirement. In December 2022, Denver Water executed a loan agreement with the Colorado Water Resources

Power and Development Authority to receive Federal funds under the Bipartisan Infrastructure Law to accelerate the pace of lead line replacement. The total loan amount is $76.1 million, of which $40.0 million of principal was forgiven at loan execution.

(17) FIDUCIARY PENSION TRUST FUNDS INVESTMENTS

Denver Water's Employees' Retirement Plan (the Plan) is reported as a Fiduciary Pension Trust Fund. The investment information for this plan is included below. The Plan issues a publicly available financial report that includes the basic financial statements. This can be found on the Denver Water website.

Employees' Retirement Plan

Investment Policy

The Plan's investment policy and any changes to the policy are adopted by the Board acting in its capacity as Trustee of the Plan. The investment policy in place as of December 31, 2024 was approved on February 22, 2023.

A general investment objective of the Plan is to preserve its actuarial soundness by achieving a long-term return of at least the actuarial-assumed rate of return and to prudently manage the inherent investment risks that are related to the achievement of this goal. The Board recognizes that this 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. Progress toward the long-term investment objective is measured by tracking achievement of the secondary investment return targets, including exceeding a passive benchmark index and fulfillment of manager-specific return objectives.

Long-term asset allocation ranges are developed 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 requirements.

As of December 31, 2024, the Plan's long-term asset allocation ranges were as follows:

Employees' Retirement Plan
Long-Term Asset Allocation Ranges
Year Ended December 31, 2024

Asset segment	Allowable range
Public Equities	35-60%
Fixed Income	15-35%
Real Estate	10-20%
Alternatives	10-25%

Money-Weighted Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on Plan investments, net of investment expense, was 8.7%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Custody and Management of Assets

During 2024, the Northern Trust Company served as the Plan's asset custodian. 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 periodically against the appropriate benchmark for their 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.

During 2024, the Plan assets were managed by the following investment managers:

Alliance Bernstein	Since May 2018
Barings Corporate Investors	Since August 2013
BlackRock Institutional Trust Company, N.A	Since May 2016
CenterBridge Partners, L.P.	Since October 2022
Dimensional Fund Advisors L.P.	Since February 2008
Harbert Management Corporation	Since July 2014
Harding Loevner Funds, Inc.	Since August 2011
Harrison Street Core Property Fund	Since June 2023
HighVista Strategies LLC (formerly Aberdeen Asset Management Inc.)	Since August 2015
Horsley Bridge Partners	Since July 2015
Northern Trust Investments, N.A.	Since July 2006
Oaktree Capital Management, L.P.	Since March 2023
Pantheon (US) Ventures Inc	Since January 2019
Principal Global Investors, LLC	Since March 2016
Riverbridge Partners, LLC	Since February 2021
RREEF America LLC	Since August 2014
UBS Realty Investors, LLC	Since May 1998

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 assets of the Plan are invested in mutual funds, collective investment trusts and limited partnerships, which by their nature, have an independent custodian for the fund assets. Investments in a short-term investment fund and in a domestic equity index fund are held in a SEC-registered pooled fund managed by the fund's custodian bank. Cash for benefit payments transferred to the benefit payment service provider prior to the payment date is held in an omnibus account held in a commercial bank and not in the Plan's name and therefore, is exposed to custodial risk. As of December 31, 2024, this amount was $2.3 million.

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:

Employees' Retirement Plan

Schedule of Interest Rate Risk - Segmented Time Distribution of Investment Maturities

December 31, 2024

(amounts expressed in thousands)

Investment type	Fair value / NAV	< 1 year	1-6 years	6-10 years	10+ years	Maturity not determined [1]
Other fixed income funds	$ 110,953	$ -	$ -	$ -	$ -	$ 110,953

[1]Amounts represent investments in commingled funds. Maturities of individual securities held by the funds are not reported by the fund.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. 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. As of December 31, 2024, the Plan had no single issuer that exceeded 5.0% of total investments. All of the Plan’s fixed income investments were invested through external investment pools and therefore not considered subject to concentration of credit risk.

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, 2024, are listed below. For securities with split ratings, the lowest rating is shown.

Employees' Retirement Plan

Schedule of Credit Risk

December 31, 2024

(amounts expressed in thousands)

Investment type	Quality rating	Fair value	Percentage of asset class
Other fixed income funds	NR/NA[1]	$ 110,953	100%

[1]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.

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 Plan holds investments in mutual funds, private credit funds, and private equity funds whose underlying securities are invested in multiple foreign currencies that are denominated in US dollars and therefore not subject to foreign currency risk.

Derivative Instruments

Derivative instruments 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. Derivative instruments may be used both for hedging and to enhance returns. They may be traded on organized exchanges, or individually negotiated transactions with other parties, known as over the counter derivative instruments. Derivative instruments involve special risks and costs and may result in losses to the Plan. The successful use of derivative instruments requires sophisticated management, and to the extent that derivative instruments are used, the Plan will depend on the investment managers and their advisors to analyze and manage derivative instrument transactions.

Certain commingled funds held by the Plan at year-end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative instrument holdings of the commingled fund managers can be found in their respective audited financial statements. The Plan did not directly own any derivative instruments as of December 31, 2024.

Fair Value of Investments

The Plan has the following recurring fair value measurements as of December 31, 2024:

Employees' Retirement Plan

Investments and Derivative Instruments Measured at Fair Value

December 31, 2024

(amounts expressed in thousands)

	December 31, 2024	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
Debt securities				
Other fixed income funds	$ 110,953	$ -	$ 110,953	$ -
Total debt securities	110,953	-	110,953	-
Equity securities				
Common stock funds	241,627	241,627	-	-
Total equity securities	241,627	241,627	-	-
Total investments by fair value level	352,580	$ 241,627	$ 110,953	$ -
Investments measured by the net asset value (NAV):				
Real estate funds	66,183			
Private equity funds	57,276			
Private credit funds	23,745			
Total investments measured at the NAV	147,204			
Total investments	499,784			
Total investments measured at amortized cost	2,904			
Total investments measured at fair value[1]	$ 502,688			

[1]Total investments measured at fair value include $2.9 million of cash and cash equivalents.

Equity securities, fixed income funds and common stock funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued based on evaluated prices using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. The Plan did not hold any investments categorized within Level 3. Pricing for all securities was provided by a third-party pricing vendor and developed in accordance with the provisions of GASB No. 72, *Fair Value Measurement and Application*.

The valuation for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2024, are presented on the following table:

Employees' Retirement Plan
Investments Measured at the NAV
December 31, 2024
(amounts expressed in thousands)

	NAV	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Real estate funds	$ 66,183	$ 6,739	Quarterly/None	45-90 days
Private equity funds	57,276	7,137	None	N/A
Private credit funds	23,745	3,581	None	N/A
Total investments measured at the NAV	$ 147,204	$ 17,457		

Real Estate Funds

This fund category includes four open-end and three closed-end real estate funds. The open-end funds, UBS Trumbull Property Fund, RREEF America REIT II, Principal Real Estate INV U.S. Property and Harrison Street Core Property Fund are reported at fair value based upon the NAV of shares/units held at year end, provided by fund managers. The closed-end funds, Harbert United States Real Estate Fund V, Harbert United States Real Estate Fund VII and Harbert United States Real Estate Fund VIII are reported at fair value based upon the net value of the Plan's ownership interest in partners' capital, as provided by the investment manager.

Investments in the open-end real estate funds can be redeemed as of the end of a calendar quarter. Redemption requests are subject to certain restrictions and the availability of cash. Should redemption requests exceed such available cash, the funds prorate available cash among withdrawing investors according to the ratio of the requesting investor's units to the total units of all investors then requesting redemptions. Any redemption request that is not fully honored in any given quarter is deemed effective in following quarters until completed. The funds are not obligated to sell assets, borrow funds, alter investment or capital improvement plans or reduce reserves in order to honor redemption requests.

Investments in the closed-end funds, which represented approximately 21.8% of the value of all real estate funds in the Plan as of the end of the year, cannot be redeemed. Distributions from the fund are received as the underlying investments of the funds are liquidated. The expected investment horizon of each closed-end real estate fund is 10 years from the initial draw down date, subject to extensions at the discretion of the manager.

Private Equity Funds

This category includes investments in five fund-of-funds, which invest in private equity funds. Both HighVista U.S. Private Equity Fund VI and Fund VIII (formerly Aberdeen U.S. Private Equity Fund VI and Fund VIII) are multi-manager buyout fund-of-funds, focusing on small-to-medium sized companies. Horsley Bridge Venture Fund XI and Fund XIII are venture capital fund-of-funds, investing in established and emerging private equity managers providing seed and early-stage exposure to companies in the United States, Europe and Asia.

The Pantheon Global Select 2019 fund invests in growth equity, mega-buyouts, large buyout, small/mid buyout, and special situations strategies. The fund is geographically diverse, with 50%-60% of assets to be invested in the U.S., 20%-30% in Europe, and 15%-25% in Asia/other.

Private equity funds are reported at fair value, based on the net asset value of the Plan's ownership interest in partners' capital, as provided by the investment managers.

Investments in private equity funds-of-funds cannot be redeemed. Distributions from each fund are received as the underlying investments of the funds are liquidated. The expected investment horizon of each private equity funds-of-funds is 12-15 years from the initial draw down date.

Private Credit Funds

This category includes two closed-end private credit funds, Centerbridge Special Credit Partners Fund IV and Oaktree Direct Lending Fund. Centerbridge Special Credit Partners invests in a diversified portfolio of loans, securitized credits and asset-based lending, structured value-added lending opportunities, private to public origination of illiquid credit investments brought to liquid markets, and primary or secondary private or public debt purchased at deep discounts to par value. Oaktree Direct Lending invests in a diversified portfolio of 35-50 loans, comprised primarily of directly originated senior secured first lien and unitranche debt instruments, with a smaller amount to second lien, mezzanine, and equity securities.

Private credit funds are reported at fair value based on the net asset value of the Plan's ownership interest in partners' capital, as provided by the investment managers. The investments in the funds cannot be redeemed. Distributions from the funds are received as the underlying investments are liquidated. The expected investment horizon of the private credit funds is 6-7 years from the initial draw down date, subject to extensions at the discretion of the managers.

(18) SUBSEQUENT EVENTS

Denver Water has evaluated subsequent events through May 20, 2025, which is the date the basic financial statements were available to be issued. The following are subsequent events that were identified:

On March 18, 2025, Denver Water executed a draw from its Commercial Paper program of $100.0 million. These maturities range from 84 to 91 days with an average interest rate of 2.9%.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT I-A

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
2015 - 2024
(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 10,605	$ 10,108	$ 9,851	$ 8,590	$ 8,127	$ 9,070	$ 8,522	$ 7,330	$ 6,757	$ 6,071
Interest	33,570	32,262	31,021	31,320	29,982	29,285	27,728	26,237	25,820	25,044
Effect of economic/demographic (gains) or losses	5,928	4,798	(1,671)	5,779	(525)	6,700	(2,255)	(3,348)	801	-
Effect of changes of assumptions	-	-	16,427	-	(4,004)	-	22,250	-	10,152	-
Benefit payments	(29,193)	(27,688)	(26,009)	(24,927)	(24,800)	(22,055)	(19,927)	(19,932)	(20,693)	(20,365)
Net change in pension liability	20,910	19,480	29,619	20,762	8,780	23,000	36,318	10,287	22,837	10,750
Total pension liability-beginning	519,677	500,197	470,578	449,816	441,036	418,036	381,718	371,431	348,594	337,844
Total pension liability-ending (a)	540,587	519,677	500,197	470,578	449,816	441,036	418,036	381,718	371,431	348,594
Plan fiduciary net position										
Employer contributions	17,500	17,500	17,500	17,500	16,702	18,000	18,000	14,500	14,500	14,500
Member contributions	3,195	2,995	2,802	2,579	1,713	662	-	-	-	-
Net investment income (loss)	42,906	(50,696)	80,668	39,063	58,643	(14,319)	48,273	21,326	2,473	18,523
Benefit payments	(29,193)	(27,688)	(26,009)	(24,927)	(24,800)	(22,055)	(19,927)	(19,932)	(20,693)	(20,365)
Administrative expense	(202)	(192)	(185)	(183)	(183)	(180)	(48)	(52)	(44)	(144)
Net change in plan fiduciary net position	34,206	(58,081)	74,776	34,032	52,075	(17,892)	46,298	15,842	(3,764)	12,514
Plan fiduciary net position-beginning	445,625	503,706	428,930	394,898	342,823	360,715	314,417	298,575	302,339	289,825
Plan fiduciary net position-ending (b)	479,831	445,625	503,706	428,930	394,898	342,823	360,715	314,417	298,575	302,339
Net pension liability-ending (a)-(b)	$ 60,756	$ 74,052	$ (3,509)	$ 41,648	$ 54,918	$ 98,213	$ 57,321	$ 67,301	$ 72,856	$ 46,255
Plan fiduciary net position as a percentage of the total pension liability	88.76%	85.75%	100.70%	91.15%	87.79%	77.73%	86.29%	82.37%	80.39%	86.73%
Covered payroll	$ 106,512	$ 99,848	$ 93,383	$ 87,877	$ 81,654	$ 82,151	$ 77,159	$ 75,740	$ 75,990	$ 71,847
Net pension liability as a percentage of covered payroll	57.04%	74.16%	(3.76%)	47.39%	67.26%	119.55%	74.29%	88.86%	95.88%	64.38%

Notes to schedule:

Because the measurement date is December 31 of the previous year, these amounts will differ by one fiscal year when comparing to information displayed on the *Schedule of Denver Water Pension Contributions*.

Changes in assumptions and other inputs:

Member contributions began in 2018 and were phased in to 3% over three years.

Included in changes of assumptions are the effects of changes in the discount rate:

2022	6.50%
2018	7.00%
2016	7.25%
2014	7.50%

EXHIBIT I-B

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Required Supplementary Information
Schedule of Denver Water Pension Contributions
2015 - 2024
(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 17,745	$ 15,997	$ 14,975	$ 17,917	$ 15,953	$ 16,411	$ 18,489	$ 18,089	$ 14,017	$ 14,068
Contributions in relation to the actuarially determined contribution	18,000	17,500	17,500	17,500	17,500	16,702	18,000	18,000	14,500	14,500
Contribution deficiency (excess)	$ (255)	$ (1,503)	$ (2,525)	$ 417	$ (1,547)	$ (291)	$ 489	$ 89	$ (483)	$ (432)
Covered payroll	$ 112,073	$ 106,512	$ 99,848	$ 93,383	$ 87,877	$ 81,654	$ 82,151	$ 77,159	$ 75,740	$ 75,990
Contributions as a percentage of covered payroll	16.06%	16.43%	17.53%	18.74%	19.91%	20.45%	21.91%	23.33%	19.14%	19.08%

Notes to schedule:

Valuation date:
Actuarially determined contribution rates are calculated as of January 1, the beginning of each fiscal year.

Methods and assumptions used to determine current year contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	Layered, 15 years starting 01/01/2014. Prior bases collapsed to 10 years at 1/01/2024
Asset valuation method	3-year smoothed fair value
Inflation	2.40%
Salary increases	Age-based rates from 9.00% to 2.85%
Investment rate of return	6.50% net of pension plan investment expenses, including inflation.
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Pre-Retirement: Pub-10 Employee Amount Weighted Mortality Tables projected with the Ultimate MP-2020 Scale
	Post-Retirement: Pub-10 Healthy Retiree Amount Weighted Mortality Tables with a 1 year setback for females projected with the Ultimate MP-2020 Scale
	Post-Disablement: Pub-10 Disabled Retiree Amount Weighted Mortality Tables projected with the Ultimate MP -2020 Scale
Cost-of-living adjustment	2.40%

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Required Supplementary Information
Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratios
2015 - 2024
(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB liability										
Service cost	$ 305	$ 497	$ 553	$ 481	$ 424	$ 511	$ 558	$ 655	$ -	$ -
Interest	443	235	261	352	482	533	700	736	-	-
Effect of economic/demographic (gains) or losses	(1,188)	-	396	1,294	3	(1,812)	(1,813)	-	-	-
Effect of changes of assumptions	717	(1,479)	308	412	730	(327)	457	-	-	-
Benefit payments	(790)	(1,121)	(2,504)	(2,097)	(1,648)	(2,272)	(2,326)	(2,254)	-	-
Net change in total OPEB liability	(513)	(1,868)	(986)	442	(9)	(3,367)	(2,424)	(863)	-	-
Total OPEB liability-beginning	11,182	13,050	14,036	13,594	13,603	16,970	19,394	20,257	-	-
Total OPEB liability-ending (a)	$ 10,669	$ 11,182	$ 13,050	$ 14,036	$ 13,594	$ 13,603	$ 16,970	$ 19,394	$ -	$ -
Covered-employee payroll	$ 106,512	$ 99,848	$ 93,383	$ 87,877	$ 81,654	$ 82,151	$ 78,369	$ 78,510	$ -	$ -
Total OPEB liability as a percentage of covered-employee payroll	10.02%	11.20%	13.98%	15.97%	16.65%	16.56%	21.65%	24.70%	-%	-%

Notes to schedule:

Information prior to 2017 was not available.

There are no assets accumulated in trust for payment of benefits.

Included in changes of assumptions and other inputs are the effects of changes in the discount rate each period. The following are the discounts used in each period:

2024	3.77%
2023	4.05%
2022	1.84%
2021	2.00%
2020	2.75%
2019	3.71%
2018	3.31%
2017	3.78%

OTHER SUPPLEMENTARY INFORMATION

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Other Supplementary Information
Revenue Water Improvement and Refunding Bonds Outstanding
December 31, 2024
(amounts expressed in thousands)

Date of Issue	Interest Rates on Bonds Outstanding as of December 31, 2024	Amount Issued	Amount Retired	Amount Outstanding	Bonds Which Are Callable: Callable Amount	Bonds Which Are Callable: Initial Date Callable
Jun 26, 2012B	3.00%	$ 108,545	$ (107,790)	$ 755	$ 755	Dec 15, 2021
Sept 16, 2014A	3.500-4.000%	48,670	(19,225)	29,445	29,445	Dec 15, 2023
May 24, 2016A	2.500-4.000%	94,755	(30,715)	64,040	59,530	Sep 15, 2026
May 24, 2016B	2.000-5.000%	63,470	(22,850)	40,620	33,455	Sep 15, 2026
May 24, 2017A	4.000-5.000%	142,665	(12,560)	130,105	121,010	Sep 15, 2027
May 24, 2017B	3.000-5.000%	41,765	-	41,765	41,765	Sep 15, 2027
May 6, 2020A	3.000-5.250%	141,030	-	141,030	140,270	Sep 15, 2030
May 6, 2020B	2.375-5.000%	126,955	(21,140)	105,815	75,160	Sep 15, 2030
April 21, 2021A	2.000-5.000%	316,785	(5,035)	311,750	264,190	Dec 15, 2031
Sept 27, 2022A	4.125-5.000%	189,515	(4,495)	185,020	154,070	Dec 15, 2032
Sept 24, 2024A	5.00%	260,670	-	260,670	200,065	Sep 15, 2034
		$ 1,534,825	$ (223,810)	1,311,015	$ 1,119,715	
Plus premium				99,360		
Total Revenue Bonds				$ 1,410,375		

See accompanying Independent Auditors' Report.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Other Supplementary Information
Summary of Revenue Bond Debt Service Requirements Outstanding
2025 - 2054
(amounts expressed in thousands)

Year	Revenue Bond Retirements	Revenue Bond Interest	Total Debt Service
2025	$ 27,355	$ 51,841	$ 79,196
2026	27,850	51,343	79,193
2027	29,220	49,973	79,193
2028	30,510	48,688	79,198
2029	31,950	47,362	79,312
2030	33,380	45,931	79,311
2031	34,990	44,318	79,308
2032	36,685	42,622	79,307
2033	38,305	40,922	79,227
2034	39,935	39,166	79,101
2035	41,605	37,393	78,998
2036	43,210	35,682	78,892
2037	44,865	33,924	78,789
2038	46,650	32,284	78,934
2039	48,450	30,714	79,164
2040	50,335	29,042	79,377
2041	52,340	27,241	79,581
2042	54,815	25,215	80,030
2043	57,075	23,176	80,251
2044	59,270	20,983	80,253
2045	61,600	18,655	80,255
2046	64,185	16,061	80,246
2047	67,000	13,251	80,251
2048	69,560	10,688	80,248
2049	71,920	8,331	80,251
2050	74,360	5,887	80,247
2051	22,885	3,680	26,565
2052	24,030	2,536	26,566
2053	13,015	1,334	14,349
2054	13,665	683	14,348
	1,311,015	838,926	2,149,941
Plus premium	99,360	-	99,360
	$ 1,410,375	$ 838,926	$ 2,249,301

See accompanying Independent Auditors' Report.

III - STATISTICAL SECTION - CONTENTS AND EXPLANATIONS

This part of Denver Water's annual comprehensive financial report presents detailed information as context for an understanding of the information in the financial statements, excluding disclosures, and required supplementary information regarding Denver Water's overall financial health.

(continued)

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

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

STATISTICAL SUMMARY: 2015 - 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Population served[1]	**1,301,000**	1,297,000	1,295,000	1,287,000	1,277,000	1,270,000	1,261,000	1,248,000	1,238,000	1,222,000
Total treated water consumption (million gallons)[2]	**68,144**	59,138	68,358	65,238	70,039	64,788	67,149	63,809	65,004	60,116
Average daily consumption (million gallons)	**186.70**	162.02	187.28	178.73	191.89	177.50	183.97	174.82	178.09	164.70
Average daily consumption per capita (gallons)[1]	**143.50**	124.92	144.62	138.88	150.26	139.76	145.89	140.08	143.86	134.78
Maximum daily consumption (million gallons)	**382.62**	334.20	372.51	369.60	380.45	371.11	396.40	364.92	355.88	344.26
Maximum hour treated water use rate (million gallons per day)	**794.00**	604.00	658.40	648.00	670.00	572.60	637.00	628.50	592.00	499.30
Raw water storage capacity (acre-feet)[3]	**570,368**	570,368	570,368	570,166	570,196	570,196	569,648	569,648	568,642	569,534
Replacement reservoir storage capacity (acre-feet)	**129,488**	129,488	129,488	129,487	129,487	129,487	125,993	125,993	122,432	122,432
Supply from South Platte River & Effluent Exchange (acre-feet)	**133,860**	123,680	107,268	144,595	102,012	151,288	78,967	132,115	158,324	166,561
Supply from Roberts Tunnel/Blue River system (acre-feet)	**53,588**	95,968	89,529	60,425	65,995	80,424	56,101	86,124	40,795	39,801
Supply from Moffat system (acre-feet)	**62,976**	103,485	86,084	82,168	78,952	98,804	86,144	79,639	75,551	73,016
Maximum treated water pumping capacity (mgd)	**1,073.8**	1,073.8	1,073.8	1,050.8	1,050.8	1,048.4	1,048.4	1,048.4	1,048.4	1,048.4
Raw water pumping capacity (mgd)	**112.2**	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2
Treatment plant capacity (mgd)[5]	**635.0**	560.0	560.0	560.0	650.0	650.0	650.0	715.0	715.0	715.0
Treated water reservoir capacity (million gallons)	**371.8**	351.8	351.8	351.8	351.8	351.8	351.8	351.4	351.4	351.4
Raw water supply mains in miles (mountain collection system)	**91.2**	91.2	91.2	90.9	90.9	87.1	77.5	77.5	77.3	77.4
Raw water supply mains in miles (metropolitan Denver area)[7]	**53.8**	49.8	49.7	49.2	49.1	57.8	57.0	57.1	54.3	54.2
Treated water mains in system in miles[8]	**3,225.6**	3,225.4	3,217.3	3,202.9	3,191.0	3,175.7	3,158.5	3,142.6	3,109.3	3,091.7
Recycled water transmission & distribution mains in miles	**73.8**	73.7	73.8	75.5	75.5	72.4	71.7	70.4	73.5	67.2
Total active taps - end of year	**311,932**	311,939	312,026	312,057	312,220	312,283	312,675	312,746	312,876	312,653
Fire hydrants operated and maintained[6]	**22,487**	22,295	22,102	21,873	21,465	22,219	21,195	20,967	20,556	20,269
Fire hydrants tested and repaired	**20,231**	21,980	20,214	19,733	17,438	23,643	24,922	25,990	23,909	18,093
Breaks in mains - Denver	**338**	331	348	297	423	294	275	275	225	262
Service leaks	**270**	352	353	431	484	597	538	508	503	542
Total employees (actual)	**1,117.0**	1,121.7	1,105.5	1,077.5	1,046.5	1,047.7	1,000.7	1,033.3	1,058.0	1,057.3
Additions to capital assets (thousands)	**$ 338,646**	$ 361,547	$ 362,414	$ 326,829	$ 358,985	$ 221,640	$ 228,169	$ 182,880	$ 152,528	$ 131,054
Total long-term debt (thousands)[4]	**$ 1,548,134**	$ 1,333,349	$ 1,260,090	$ 1,049,713	$ 725,137	$ 590,026	$ 615,945	$ 642,877	$ 463,553	$ 416,196

[1]Population estimates are treated water customers only.

[2]In 2024, Denver Water had four potable water treatment facilities.

[3]In 2024, Denver Water had 17 raw water reservoirs. This capacity is based on the decreed amounts.

[4]Long-term debt consists of current and long-term portions of bonds payable (net of discounts and premiums), Federal loan, right-to-use assets payable and notes payable.

[5]In 2018, Moffat Treatment Plant capacity was de-rated from 185 MGD to 120 MGD due to construction on Conduit 16. In 2021, Moffat Treatment Plant capacity was further reduced to 80 MGD and Marston Treatment Plant capacity was down rated to 200 MGD due to new chemical capacity designs and solids processing systems. In 2024, Northwater Treatment Plant became operational at 75 MGD.

[6]In 2019, hydrant quantities were calculated by O&M. Previous years were calculated by the Assets Recording and Drafting Group.

[7]In 2020, Conduit 16 was abandoned. It was replaced in 2021.

[8]In 2022, the Recycled Plant was updated with recent survey data that changed the type of water from recycle to process pipe.

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A - FINANCIAL TRENDS INFORMATION

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

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NET POSITION BY COMPONENT [1,2]: 2015 - 2024

(amounts expressed in thousands)

	2024[5]	2023	2022	2021	2020	Restated 2019[4]	2018	Restated 2017[3]	2016	2015
NET POSITION:										
Net investment in capital assets	**$ 2,517,844**	$ 2,466,644	$ 2,326,336	$ 2,303,963	$ 2,210,363	$ 2,068,071	$ 1,946,849	$ 1,803,684	$ 1,788,250	$ 1,735,020
Restricted for debt service	**6,184**	5,111	4,565	4,385	4,497	12,578	14,038	12,743	14,005	12,047
Restricted - other	**-**	-	3,539	30	30	56	56	400	500	-
Unrestricted	**244,443**	204,959	295,465	183,693	179,898	194,967	233,678	263,856	202,692	170,963
Total net position	**$ 2,768,471**	$ 2,676,714	$ 2,629,905	$ 2,492,071	$ 2,394,788	$ 2,275,672	$ 2,194,621	$ 2,080,683	$ 2,005,447	$ 1,918,030

[1]Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted.

[2]This data was extracted from the audited financial statements of Denver Water.

[3]The 2017 financial statements were restated as part of the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*.

[4]The 2019 beginning net position was restated for the cumulative effect of reversing the amortization taken on the Wolford Mountain lease.

[5]The 2024 beginning net position was restated as part of the implementation of GASB No. 101, *Compensated Absences.*

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION [1,2]: 2015 - 2024

(amounts expressed in thousands)

	2024[6]	2023	2022	2021	2020	Restated 2019[5]	2018	Restated 2017[3]	2016	2015
OPERATING REVENUES:										
Water	**$ 384,374**	$ 320,689	$ 349,863	$ 323,711	$ 343,027	$ 303,728	$ 307,743	$ 286,139	$ 273,238	$ 241,836
Power generation and other	**11,227**	11,085	12,556	12,283	14,174	13,427	12,813	12,366	11,216	10,224
Total operating revenues	**395,601**	331,774	362,419	335,994	357,201	317,155	320,556	298,505	284,454	252,060
OPERATING EXPENSES:										
Source of supply, pumping, treatment and distribution	**139,531**	121,450	115,150	100,878	93,901	107,693	88,231	84,733	82,418	75,972
General and administrative	**113,828**	113,595	99,421	93,081	100,059	104,741	99,469	97,926	103,380	81,994
Customer service	**16,798**	16,355	14,080	13,440	13,669	14,198	11,660	11,001	11,370	9,962
Depreciation and amortization	**73,607**	69,306	64,036	60,919	55,691	51,345	51,667	62,348	50,352	47,897
Total operating expenses	**343,764**	320,706	292,687	268,318	263,320	277,977	251,027	256,008	247,520	215,825
OPERATING INCOME	**51,837**	11,068	69,732	67,676	93,881	39,178	69,529	42,497	36,934	36,235
NONOPERATING REVENUES (EXPENSES):										
Investment income (loss)	**12,060**	12,558	(4,649)	(1,334)	2,890	8,394	6,219	2,140	1,603	1,479
Interest expense[4]	**(42,411)**	(37,100)	(28,586)	(25,022)	(21,293)	(21,603)	(22,093)	(12,711)	(11,446)	(13,049)
Loss on disposition of capital assets	**(525)**	(2,931)	(1,945)	(4,587)	(5,754)	(18,475)	(2,823)	(11,443)	(6,348)	(4,720)
Other income	**29,885**	19,889	7,671	4,989	7,284	8,275	6,982	7,996	7,426	5,595
Other expense	**(37,203)**	(16,461)	(6,936)	(4,985)	(1,515)	(2,175)	(3,869)	(2,657)	(1,861)	(2,499)
Total nonoperating expenses, net	**(38,194)**	(24,045)	(34,445)	(30,939)	(18,388)	(25,584)	(15,584)	(16,675)	(10,626)	(13,194)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	**13,643**	(12,977)	35,287	36,737	75,493	13,594	53,945	25,822	26,308	23,041
CAPITAL CONTRIBUTIONS:										
Contributions in aid of construction	**54,637**	33,755	26,853	22,310	21,167	15,957	19,113	14,781	22,147	33,256
System development charges	**23,505**	26,031	75,694	38,236	22,456	38,561	40,880	42,486	38,962	36,109
Total capital contributions	**78,142**	59,786	102,547	60,546	43,623	54,518	59,993	57,267	61,109	69,365
INCREASE IN NET POSITION	**91,785**	46,809	137,834	97,283	119,116	68,112	113,938	83,089	87,417	92,406
NET POSITION:										
Beginning of year	**2,676,714**	2,629,905	2,492,071	2,394,788	2,275,672	2,194,621	2,080,683	2,005,447	1,918,030	1,825,624
Cumulative effect of restatements[3,5,6]	**(28)**					12,939		(7,853)		
Restated beginning net position	**2,676,686**					2,207,560		1,997,594		
End of year	**$ 2,768,471**	$ 2,676,714	$ 2,629,905	$ 2,492,071	$ 2,394,788	$ 2,275,672	$ 2,194,621	$ 2,080,683	$ 2,005,447	$ 1,918,030

[1]This data was extracted from the audited financial statements of Denver Water.

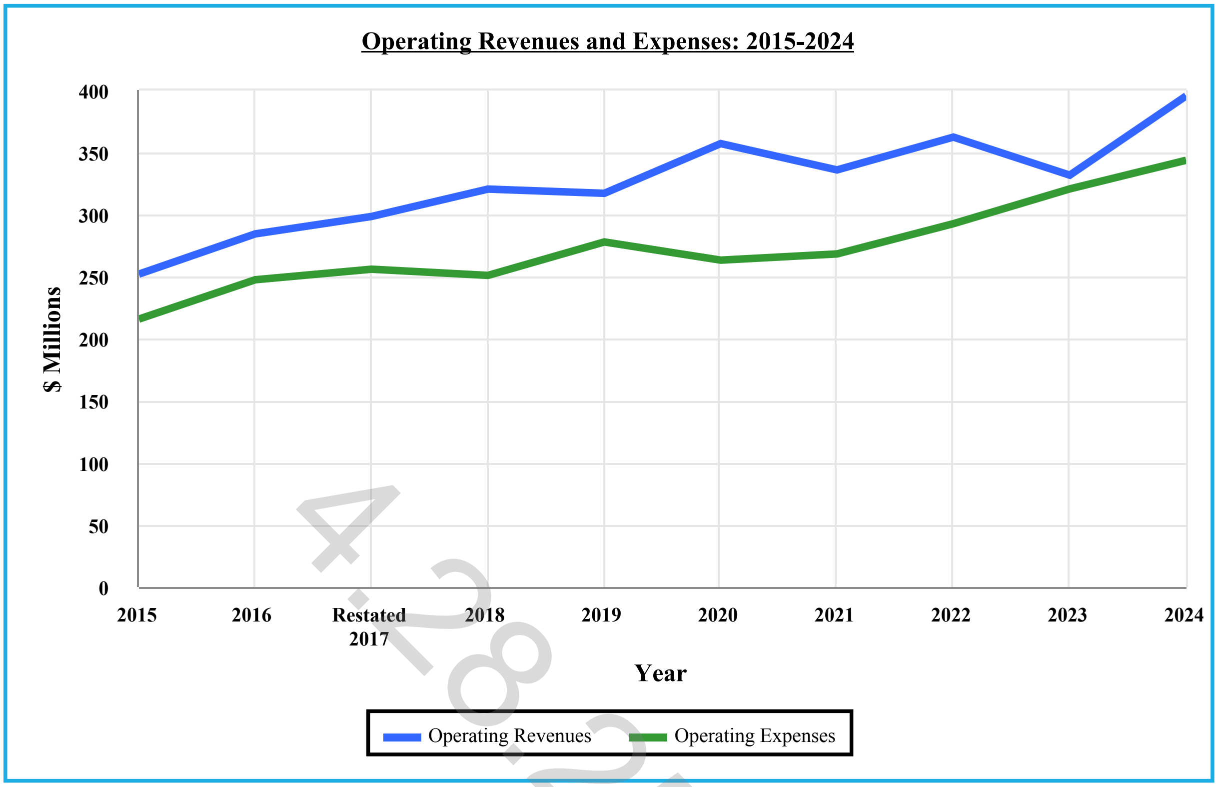
[2]Certain reclassifications have been made to prior years' information to conform to the current year presentation.

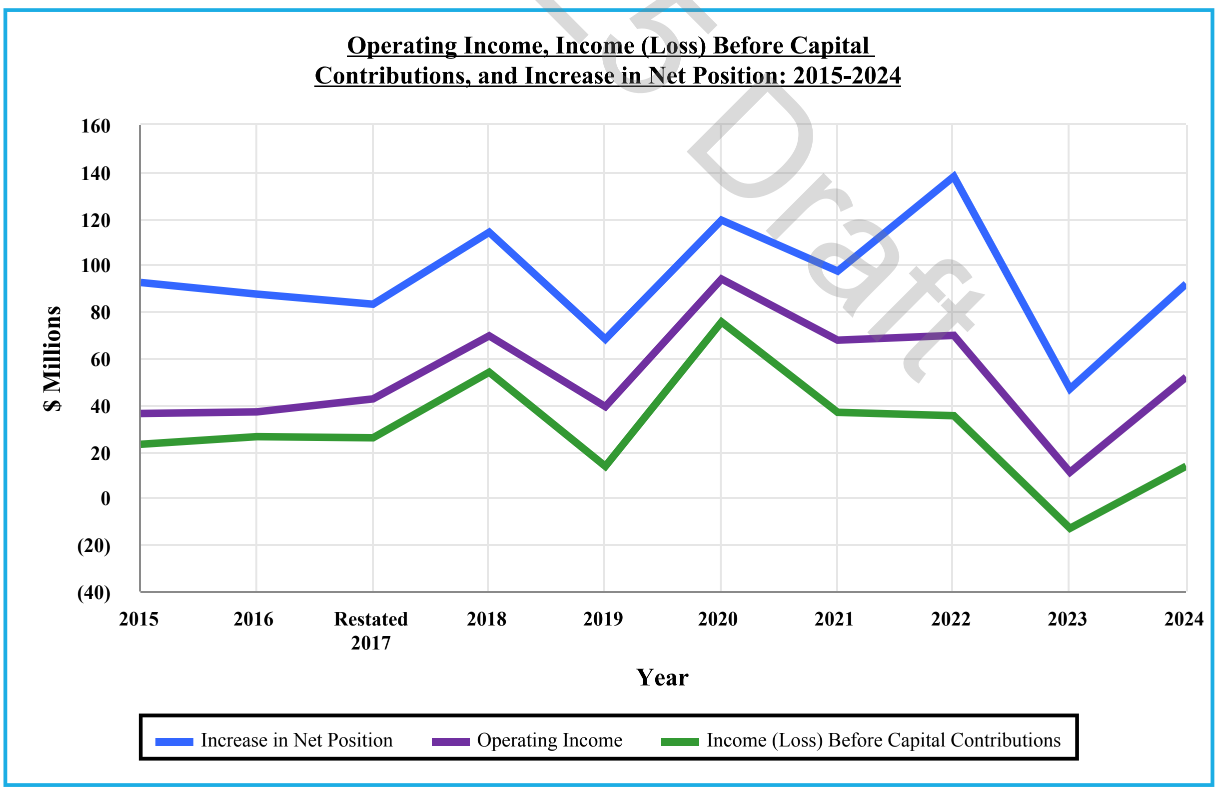
[3]The 2017 financial statements were restated as part of the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions.*

[4]In 2018, GASB No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was implemented. As a result, interest related to capital projects is no longer capitalized.

[5]The 2019 beginning net position was restated for the cumulative effect of reversing the amortization taken on the Wolford Mountain lease.

[6]The 2024 beginning net position was restated as part of the implementation of GASB No. 101, *Compensated Absences.*





[1]Operating expenses, operating income, income (loss) before contributions, and net position were restated for 2017 as part of the implementation of a new GASB Statement.

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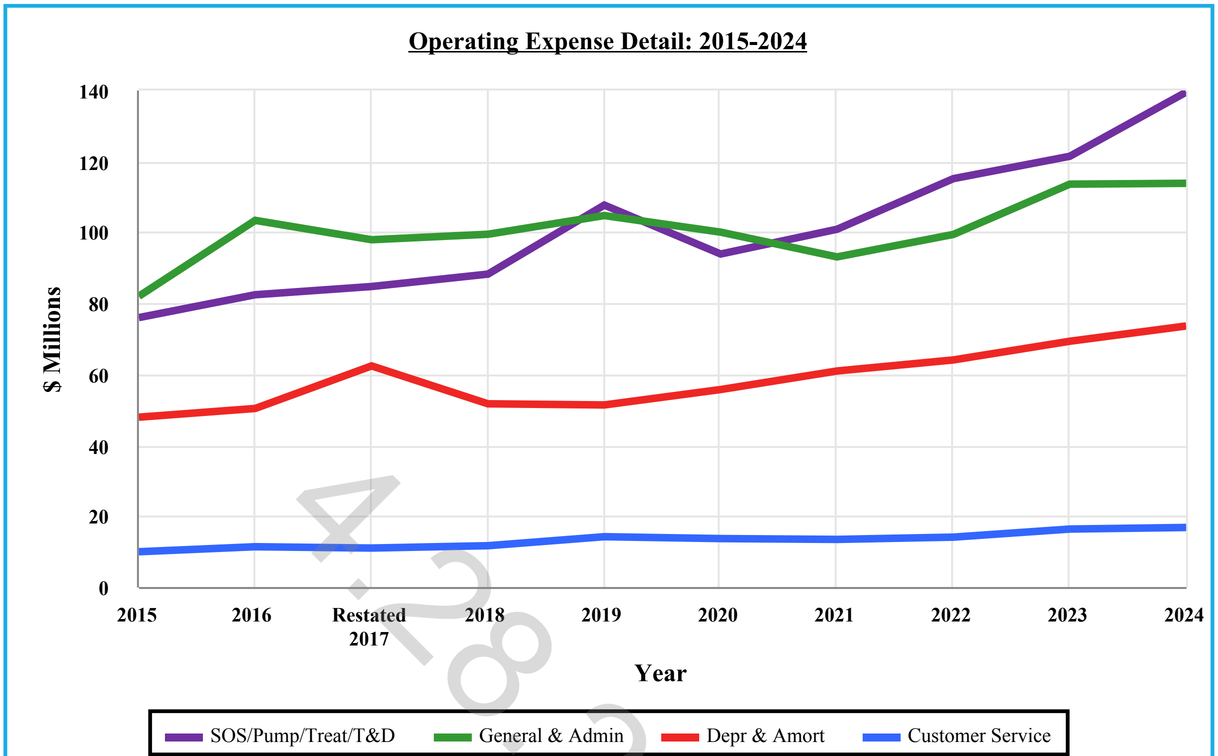

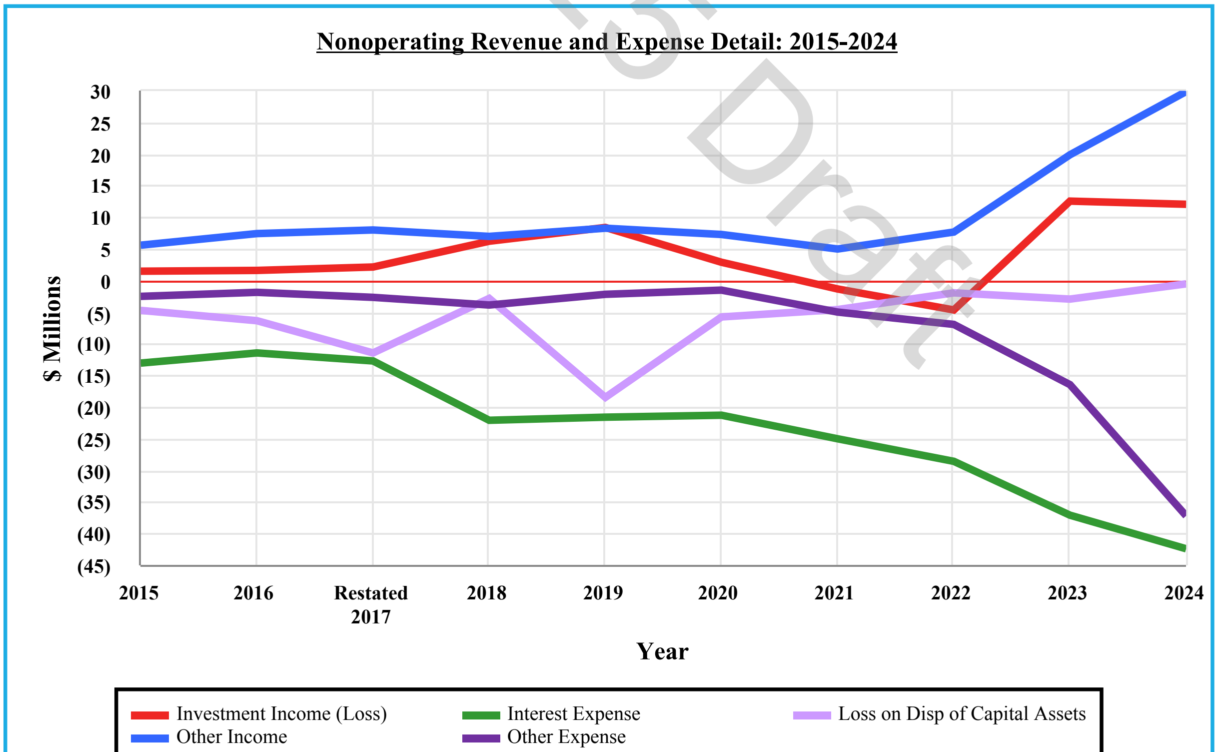

[1]Operating expenses, operating income, income (loss) before contributions, and net position were restated for 2017 as part of the implementation of a new GASB Statement.

B - REVENUE CAPACITY INFORMATION

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

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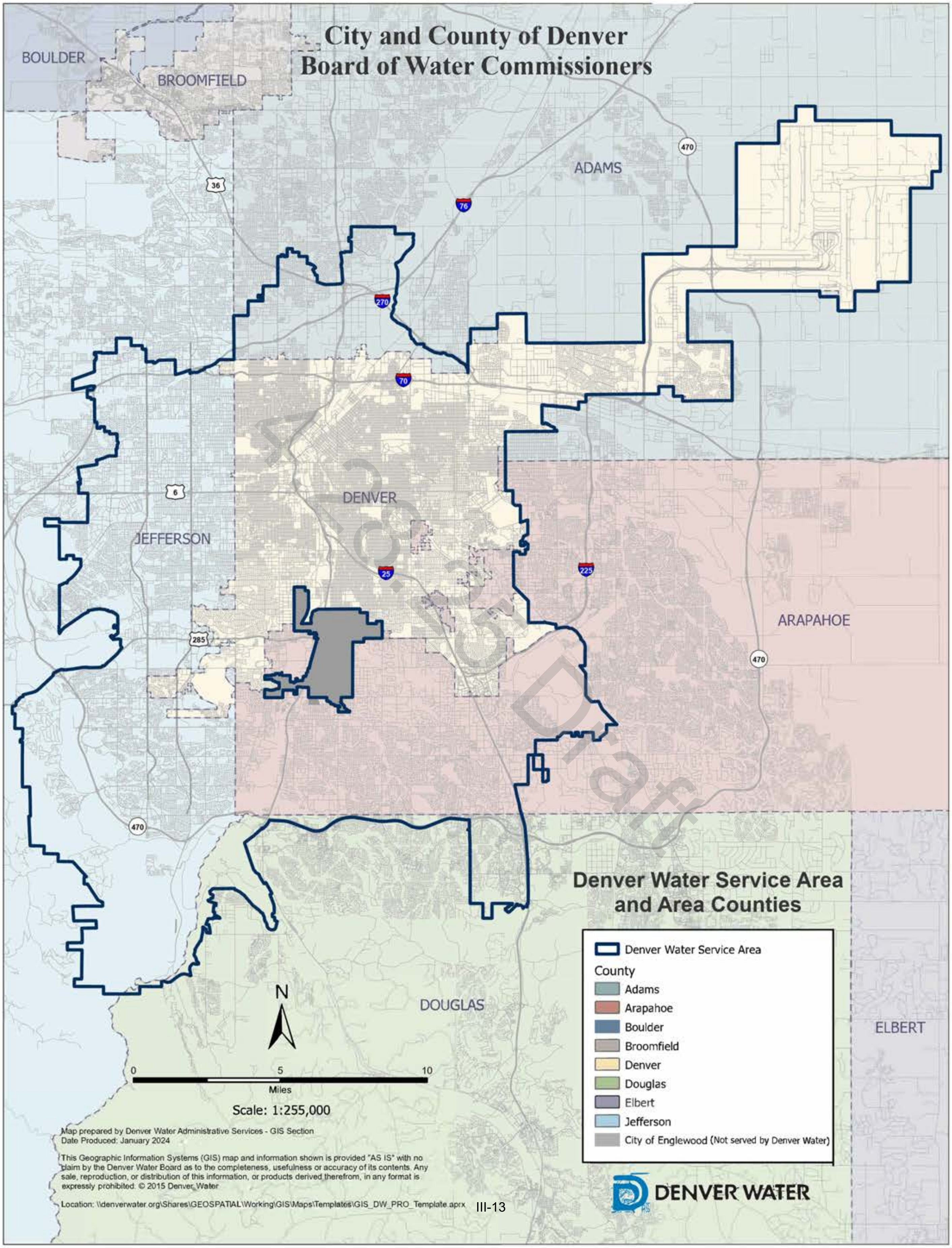
City and County of Denver
Board of Water Commissioners
BOULDER
BROOMFIELD
ADAMS
JEFFERSON
DENVER
ARAPAHOE
DOUGLAS
ELBERT
470
36
76
270
70
6
25
225
285
Denver Water Service Area
and Area Counties
Denver Water Service Area
County
Adams
Arapahoe
Boulder
Broomfield
Denver
Douglas
Elbert
Jefferson
City of Englewood (Not served by Denver Water)
N
0
5
10
Miles
Scale: 1:255,000
Map prepared by Denver Water Administrative Services - GIS Section
Date Produced: January 2024
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DENVER WATER

CUSTOMER SERVICE DATA: 2015 - 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Active Taps:[1]										
Beginning of Year	**311,939**	312,026	312,057	312,220	312,283	312,691	312,746	312,876	312,653	312,908
Activated During Year	**578**	633	702	609	789	944	887	992	1,139	1,105
Discontinued During Year	**(585)**	(720)	(733)	(772)	(852)	(1,352)	(942)	(1,122)	(916)	(1,360)
Net Increase / (Decrease) During Year	**(7)**	(87)	(31)	(163)	(63)	(408)	(55)	(130)	223	(255)
Total Active Taps - End of Year	**311,932**	311,939	312,026	312,057	312,220	312,283	312,691	312,746	312,876	312,653
Active Taps:[1]										
Inside City	**161,195**	161,183	161,234	161,218	161,321	161,346	161,670	161,746	161,816	161,611
City and County	**1,177**	1,174	1,177	1,180	1,188	1,182	1,201	1,215	1,225	1,229
Outside City - Read and Bill	**37,068**	37,065	37,056	37,063	37,054	37,043	37,048	37,050	37,051	37,020
Outside City - Total Service	**36,482**	36,473	36,479	36,478	36,471	36,475	36,504	36,466	36,462	36,452
Outside City - Master Meter	**76,010**	76,044	76,080	76,118	76,186	76,237	76,268	76,269	76,322	76,341
Total Active Taps - End of Year	**311,932**	311,939	312,026	312,057	312,220	312,283	312,691	312,746	312,876	312,653
Stub-Ins on System[2]	**888**	1,398	733	1,972	2,649	1,249	1,807	2,203	1,179	766
Fire Hydrant Use Permits	**576**	540	746	717	689	768	741	708	730	673
Turn-Offs Due to Delinquent Accounts[6,7]	**11,659**	5,640	1,968	310	1,942	7,953	8,169	7,287	6,275	4,996
In-Home Water Audits[5]	**-**	-	-	-	-	-	119	1,170	1,172	1,005
Call Center Calls[3]	**205,842**	180,753	188,548	238,113	220,791	227,166	215,766	218,411	230,002	231,620
Water Quality Calls:										
Taste and Odor	**139**	108	143	99	137	291	226	176	214	213
Dirty Water	**315**	266	264	268	278	500	382	359	296	335
Illness Concerns	**59**	61	61	42	21	65	49	57	49	56
Other[4]	**206**	273	149	61	86	3,473	2,650	1,279	654	94
New Taps Made	**1,643**	1,422	1,308	1,924	2,914	2,115	2,242	2,806	2,710	2,165

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

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

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

[4]Starting in 2016, customers were given the opportunity to request lead test kits to test lead levels in the water in their homes. These calls are tracked in the Other category.

[5]Water audits decreased significantly due to conservation program changes where the focus has shifted to efficiency and using benchmarks for water use. Going forward, water audits will occur for customers who meet efficiency improvement guidelines.

[6]Turn-offs due to delinquency decreased significantly in 2020, 2021, and 2022 due to the decision to stop turn-offs for periods during the COVID-19 pandemic. Turn offs resumed in June 2022.

[7]In 2024, Denver Water resumed standard, pre-pandemic procedures for delinquent accounts when customer account balances are greater than $100 and 60 days past due.

WATER SOLD IN DOLLARS BY TYPE OF CUSTOMER: 2015 - 2024[1]

(amounts expressed in thousands)

		2024	2023	2022	2021	2020	2019	2018	2017	2016[2]	2015
SALES OF TREATED WATER											
A. METERED GENERAL CUSTOMERS 2016-2024											
Residential	Inside City	**$ 84,023**	$ 70,795	$ 75,143	$ 71,616	$ 76,009	$ 65,567	$ 66,793	$ 61,877	$ 58,477	$ -
	Outside City-Read and Bill	**25,782**	20,088	24,331	23,257	26,564	21,369	22,205	20,948	21,461	-
	Outside City-Total Service	**40,765**	31,052	37,374	34,576	40,585	31,577	32,219	27,509	27,095	-
Irrigation	Inside City	**7,773**	5,380	6,635	5,969	6,693	5,588	5,746	4,681	4,430	-
	Outside City-Read and Bill	**4,352**	3,142	3,975	3,553	4,329	3,058	3,327	2,830	3,056	-
	Outside City-Total Service	**6,503**	4,376	5,990	5,223	6,276	4,856	5,062	3,873	4,129	-
Non-Residential	Inside City	**74,143**	65,652	64,702	59,663	58,117	56,899	56,978	53,396	47,711	-
	Outside City-Read and Bill	**13,346**	11,688	13,191	12,108	12,791	11,965	12,409	12,583	12,214	-
	Outside City-Total Service	**18,276**	15,449	16,298	14,874	15,921	14,685	14,383	12,595	11,750	-
		274,963	227,622	247,639	230,839	247,285	215,564	219,122	200,292	190,323	-
A. METERED GENERAL CUSTOMERS 2015											
Residential	Inside City	**-**	-	-	-	-	-	-	-	-	49,842
	Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	17,623
	Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	21,943
Residential Irrigation	Inside City	**-**	-	-	-	-	-	-	-	-	1,044
	Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	770
	Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	682
Small Multi-Family	Inside City	**-**	-	-	-	-	-	-	-	-	4,974
	Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	477
	Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	785
Commercial	Inside City	**-**	-	-	-	-	-	-	-	-	36,651
	Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	8,940
	Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	9,284
Industrial	Inside City	**-**	-	-	-	-	-	-	-	-	3,033
	Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	1,102
	Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	154
Other Irrigation	Inside City	**-**	-	-	-	-	-	-	-	-	2,567
	Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	1,674
	Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	2,510
		-	-	-	-	-	-	-	-	-	164,055

See accompanying footnotes on final page of report. (continued)

WATER SOLD IN DOLLARS BY TYPE OF CUSTOMER: 2015 - 2024[1] (continued)

(amounts expressed in thousands)

			2024	2023	2022	2021	2020	2019	2018	2017	2016[2]	2015
B.	PRIVATE FIRE PROTECTION SERVICE 2016-2024											
	Sprinklers	Inside City	**$ 1,108**	$ 1,085	$ 1,066	$ 1,041	$ 1,013	$ 982	$ 955	$ 928	$ 895	$ -
		Outside City-Read and Bill	**101**	101	102	101	99	97	92	93	88	-
		Outside City-Total Service	**181**	175	177	173	171	169	163	153	146	-
			1,390	1,361	1,345	1,315	1,283	1,248	1,210	1,174	1,129	-
B.	PRIVATE FIRE PROTECTION SERVICE 2015											
	Sprinklers	Inside City	**-**	-	-	-	-	-	-	-	-	868
		Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	86
		Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	142
			-	-	-	-	-	-	-	-	-	1,096
C.	OTHER SALES TO PUBLIC AUTHORITIES 2016-2024											
	City & County of Denver	Irrigation	**4,585**	3,484	4,287	3,539	3,941	3,786	3,946	3,336	3,452	-
		Non-Irrigation	**2,578**	2,435	2,391	2,183	1,954	2,367	2,402	2,349	2,298	-
			7,163	5,919	6,678	5,722	5,895	6,153	6,348	5,685	5,750	-
C.	OTHER SALES TO PUBLIC AUTHORITIES 2015											
	City & County of Denver	Irrigation	**-**	-	-	-	-	-	-	-	-	2,626
		Non-Irrigation	**-**	-	-	-	-	-	-	-	-	2,078
	Other County Agencies	Inside City	**-**	-	-	-	-	-	-	-	-	1,016
		Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	608
		Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	750
	State Agencies	Inside City	**-**	-	-	-	-	-	-	-	-	361
		Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	51
		Outside City-Total Service	**-**	-	-	-	-	-	-	-	-	5
	Federal Agencies	Inside City	**-**	-	-	-	-	-	-	-	-	54
		Outside City-R&B at Denver Rates	**-**	-	-	-	-	-	-	-	-	31
		Outside City-Read and Bill	**-**	-	-	-	-	-	-	-	-	44
		Total Service	**-**	-	-	-	-	-	-	-	-	1
			-	-	-	-	-	-	-	-	-	7,625

See accompanying footnotes on final page of report.

(continued)

WATER SOLD IN DOLLARS BY TYPE OF CUSTOMER: 2015 - 2024[1] (continued)

(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016[2]	2015
D. SALES OF TREATED WATER FOR RESALE 2016-2024										
Outside City - Master Meter	**$ 84,128**	$ 70,852	$ 78,008	$ 74,189	$ 74,732	$ 67,653	$ 66,910	$ 64,604	$ 65,479	$ -
Outside the Combined Service Area	**4,467**	4,361	4,554	2,543	4,111	5,038	4,283	4,545	3,704	-
	88,595	75,213	82,562	76,732	78,843	72,691	71,193	69,149	69,183	-
D. SALES OF TREATED WATER FOR RESALE 2015										
Outside City - Master Meter	**-**	-	-	-	-	-	-	-	-	48,906
Outside the Combined Service Area	**-**	-	-	-	-	-	-	-	-	13,034
	-	-	-	-	-	-	-	-	-	61,940
TOTAL SALES OF TREATED WATER	**372,111**	310,115	338,224	314,608	333,306	295,656	297,873	276,300	266,385	234,716
SALES OF NON-POTABLE WATER	**11,770**	10,733	11,440	9,436	10,544	8,656	9,143	8,735	8,133	7,509
TOTAL SALES OF WATER	**$ 383,881**	$ 320,848	$ 349,664	$ 324,044	$ 343,850	$ 304,312	$ 307,016	$ 285,035	$ 274,518	$ 242,225

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

[2]During 2016, the Board at Denver Water approved modifications to its rate structures, changes to how Denver Water classifies selected revenues and expenses for financial statement presentation, and the presentation of certain information included in its statistical schedules.

TREATED WATER SOLD IN GALLONS BY TYPE OF CUSTOMER: 2015 - 2024[1]

(amounts expressed in thousands of gallons)

SALES OF TREATED WATER		**2024**	2023	2022	2021	2020	2019	2018	2017	2016[2]	2015
A. METERED GENERAL CUSTOMERS 2016-2024											
Residential	Inside City	**13,006,482**	11,106,173	13,051,564	12,815,473	14,174,959	12,140,925	12,874,463	12,330,988	12,435,755	-
	Outside City-Read and Bill	**4,128,358**	3,255,418	4,137,697	3,975,452	4,642,888	3,786,607	4,172,241	4,056,528	4,231,865	-
	Outside City-Total Service	**4,821,819**	3,784,725	4,880,277	4,613,040	5,451,159	4,367,239	4,798,720	4,390,838	4,533,837	-
Irrigation	Inside City	**1,114,554**	808,020	1,079,526	967,467	1,126,724	956,174	1,030,278	895,806	911,999	-
	Outside City-Read and Bill	**691,690**	494,499	634,291	565,145	715,688	496,711	573,435	509,332	554,832	-
	Outside City-Total Service	**711,026**	487,690	714,712	660,153	786,459	593,106	679,961	559,663	624,619	-
Non-Residential	Inside City	**16,114,493**	15,210,375	15,758,614	15,160,810	15,231,416	15,524,638	15,824,790	15,520,778	15,543,153	-
	Outside City-Read and Bill	**2,685,677**	2,506,724	2,818,746	2,686,913	2,879,034	2,795,512	2,944,739	3,030,397	3,073,586	-
	Outside City-Total Service	**2,700,301**	2,414,438	2,671,023	2,564,918	2,793,690	2,706,297	2,801,073	2,568,339	2,570,546	-
		45,974,400	40,068,062	45,746,450	44,009,371	47,802,017	43,367,209	45,699,700	43,862,669	44,480,192	-
A. METERED GENERAL CUSTOMERS 2015											
Residential	Inside City	-	-	-	-	-	-	-	-	-	11,359,464
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	3,714,016
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	3,957,317
Residential Irrigation	Inside City	-	-	-	-	-	-	-	-	-	215,336
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	144,812
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	105,991
Small Multi-Family	Inside City	-	-	-	-	-	-	-	-	-	1,355,336
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	120,007
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	160,073
Commercial	Inside City	-	-	-	-	-	-	-	-	-	11,877,715
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	2,232,004
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	2,032,945
Industrial	Inside City	-	-	-	-	-	-	-	-	-	1,061,877
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	300,802
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	33,596
Other Irrigation	Inside City	-	-	-	-	-	-	-	-	-	543,870
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	318,000
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	398,268
		-	-	-	-	-	-	-	-	-	39,931,429

See accompanying footnotes on final page of report.

(continued)

TREATED WATER SOLD IN GALLONS BY TYPE OF CUSTOMER: 2015 - 2024[1] (continued)

(amounts expressed in thousands of gallons)

		2024	2023	2022	2021	2020	2019	2018	2017	2016[2]	2015
B. OTHER SALES TO PUBLIC AUTHORITIES 2016-2024											
City & County of Denver	Irrigation	**1,392,885**	1,074,930	1,460,010	1,177,589	1,353,272	1,289,197	1,513,942	1,166,206	1,266,661	-
	Non-Irrigation	**721,963**	740,855	773,177	723,848	640,018	868,385	921,556	909,091	914,444	-
		2,114,848	1,815,785	2,233,187	1,901,437	1,993,290	2,157,582	2,435,498	2,075,297	2,181,105	-
B. OTHER SALES TO PUBLIC AUTHORITIES 2015											
City & County of Denver	Irrigation	-	-	-	-	-	-	-	-	-	978,144
	Non-Irrigation	-	-	-	-	-	-	-	-	-	843,730
Other County Agencies	Inside City	-	-	-	-	-	-	-	-	-	302,066
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	160,303
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	149,410
State Agencies	Inside City	-	-	-	-	-	-	-	-	-	116,022
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	11,139
	Outside City-Total Service	-	-	-	-	-	-	-	-	-	1,088
Federal Agencies	Inside City	-	-	-	-	-	-	-	-	-	20,840
	Outside City-R&B at Denver Rates	-	-	-	-	-	-	-	-	-	6,991
	Outside City-Read and Bill	-	-	-	-	-	-	-	-	-	10,166
	Total Service	-	-	-	-	-	-	-	-	-	296
		-	-	-	-	-	-	-	-	-	2,600,195
C. SALES OF TREATED WATER FOR RESALE 2016-2024											
Outside City - Master Meter		**16,720,356**	14,550,612	16,481,268	16,293,551	16,569,814	15,436,191	15,877,990	15,481,203	15,767,447	-
Outside the Combined Service Area		**835,811**	955,725	942,167	523,597	872,063	1,075,729	914,992	995,827	828,540	-
		17,556,167	15,506,337	17,423,435	16,817,148	17,441,877	16,511,920	16,792,982	16,477,030	16,595,987	-
C. SALES OF TREATED WATER FOR RESALE 2015											
Outside City - Master Meter		-	-	-	-	-	-	-	-	-	12,130,614
Outside the Combined Service Area		-	-	-	-	-	-	-	-	-	3,147,757
		-	-	-	-	-	-	-	-	-	15,278,371
TOTAL SALES OF TREATED WATER		**65,645,415**	57,390,184	65,403,072	62,727,956	67,237,184	62,036,711	64,928,180	62,414,996	63,257,284	57,809,995

[1]This schedule represents actual billings made for water during the year. No accruals were made on unbilled metered accounts.

[2]During 2016, Denver Water approved modifications to its rate structures, changes to how Denver Water classifies selected revenues and expenses for financial statement presentation, and the presentation of certain information included in its statistical schedules.

OPERATING REVENUE AND RELATED WATER CONSUMPTION: 2024

			Revenue (thousands)	Gallons Sold (thousands)	Number of Customers[1]	Revenue per 1,000 Gallons
I.	SALES OF TREATED WATER					
	A. METERED GENERAL CUSTOMERS					
	Residential	Inside City	$ 84,023	13,006,482	144,691	$ 6.4601
		Outside City-Read and Bill	25,782	4,128,358	32,288	6.2451
		Outside City-Total Service	40,765	4,821,819	34,373	8.4543
	Irrigation	Inside City	7,773	1,114,554	1,626	6.9741
		Outside City-Read and Bill	4,352	691,690	468	6.2918
		Outside City-Total Service	6,503	711,026	663	9.1459
	Non-Residential	Inside City	74,143	16,114,493	25,897	4.6010
		Outside City-Read and Bill	13,346	2,685,677	3,134	4.9693
		Outside City-Total Service	18,276	2,700,301	4,013	6.7681
			274,963	45,974,400	247,153	5.9808
	B. PRIVATE FIRE PROTECTION SERVICE[2]					
	Sprinklers	Inside City	1,108	-		
		Outside City-Read and Bill	101	-		
		Outside City-Total Service	181	-		
			1,390	-		
	C. OTHER SALES TO PUBLIC AUTHORITIES					
	City and County of Denver	Irrigation	4,585	1,392,885	761	3.2917
		Non-Irrigation	2,578	721,963	490	3.5708
			7,163	2,114,848	1,251	3.3870
	D. SALES OF TREATED WATER FOR RESALE[3]					
	Outside City - Master Meter		84,128	16,720,356	76,010	5.0315
	Outside the Combined Service Area		4,467	835,811	8	5.3445
			88,595	17,556,167	76,018	5.0464
	TOTAL SALES OF TREATED WATER[4]		372,111	65,645,415	324,422	5.6685
II.	SALES OF NON-POTABLE WATER[5]					
	Inside City		1,555	1,572,261	132	0.9890
	Outside City		8,475	6,119,981	24	1.3848
	Outside the Combined Service Area		1,740	1,071,438	11	1.6240
			11,770	8,763,680	167	1.3430
	TOTAL SALES OF WATER[6]		383,881	74,409,095	324,589	$ 5.1591
III.	OTHER NON-POTABLE WATER DELIVERIES[5]			1,987,316		
	TOTAL GALLONS DELIVERED			76,396,411		

See accompanying footnotes on final page of report.

(continued)

OPERATING REVENUE AND RELATED WATER CONSUMPTION: 2024 (continued)

	Revenue (thousands)	Gallons Sold (thousands)	Number of Customers[1]	Revenue per 1,000 Gallons
IV. OTHER OPERATING REVENUE				
A. POWER SALES REVENUE				
Foothills Treatment Plant	$ 473			
Strontia Springs	287			
Dillon Dam	650			
Roberts Tunnel	1,228			
Hillcrest	453			
Williams Fork	454			
Gross Reservoir	1,016			
	4,561			
B. FEES AND OTHER ADJUSTMENTS				
Administrative Fees	3,321			
Penalty Fees	144			
Stub-in, Taps and Meter Fees	942			
Hydrant Fees	1,319			
Plan Review, Easement, Distribution Inspection	771			
Other Assessments[6]	662			
	7,159			
TOTAL OTHER OPERATING REVENUE	11,720			
TOTAL OPERATING REVENUE	$ 395,601			

[1]Represents the number of active metered services at year-end.
[2]Private fire protection consumption is unmetered and is considered part of non-revenue water. See *Sales of Treated Water between Denver and Outside City* for this estimate.
[3]See *Sales of Treated Water for Resale*.
[4]See *Sales of Treated Water Between Denver and Outside City*.
[5]See *Sales of Non-Potable Water Between Denver and Outside City*.
[6]Other assessments includes accruals for revenue earned on unbilled treated water accounts.

SALES OF TREATED WATER BETWEEN DENVER AND OUTSIDE CITY: 2024[1]

	Revenue Amounts (thousands)	Revenue % of Total	Gallons Sold Amounts (thousands)	Gallons Sold % of Total	Number of Customers
I. INSIDE CITY					
A. METERED GENERAL CUSTOMERS					
Residential	$ 84,023	22.58%	13,006,482	19.81%	144,691
Irrigation	7,773	2.09%	1,114,554	1.70%	1,626
Non-Residential	74,143	19.92%	16,114,493	24.55%	25,897
	165,939	44.59%	30,235,529	46.06%	172,214
B. PRIVATE FIRE PROTECTION SERVICE[2]					
Sprinklers	1,108	0.30%	-		
C. OTHER SALES TO PUBLIC AUTHORITIES					
City and County of Denver-Irrigation	4,585	1.23%	1,392,885	2.12%	761
City and County of Denver-Non-Irrigation	2,578	0.69%	721,963	1.10%	490
	7,163	1.92%	2,114,848	3.22%	1,251
TOTAL SALES OF TREATED WATER DENVER	174,210	46.81%	32,350,377	49.28%	173,465
Revenue per 1,000 Gallons - Denver			$ 5.3851		
II. OUTSIDE CITY					
A. METERED GENERAL CUSTOMERS					
Residential - Read & Bill	25,782	6.93%	4,128,358	6.29%	32,288
Irrigation - Read & Bill	4,352	1.17%	691,690	1.05%	468
Non-Residential - Read & Bill	13,346	3.59%	2,685,677	4.09%	3,134
Residential - Total Service	40,765	10.96%	4,821,819	7.35%	34,373
Irrigation - Total Service	6,503	1.75%	711,026	1.08%	663
Non-Residential - Total Service	18,276	4.91%	2,700,301	4.11%	4,013
	109,024	29.31%	15,738,871	23.97%	74,939

See accompanying footnotes on final page of report.

(continued)

SALES OF TREATED WATER BETWEEN DENVER AND OUTSIDE CITY: 2024[1] (continued)

	Revenue Amounts (thousands)	Revenue % of Total	Gallons Sold Amounts (thousands)	Gallons Sold % of Total	Number of Customers
II. OUTSIDE CITY (Continued)					
B. PRIVATE FIRE PROTECTION SERVICE[2]					
Sprinklers	$ 101	0.03%	-		
Sprinklers - Total Service	181	0.05%	-		
	282	0.08%	-		
C. SALES OF TREATED WATER FOR RESALE[3]					
Master Meter Distributors	84,128	22.60%	16,720,356	25.48%	76,010
Outside CSA-Fixed Limit Contracts	4,467	1.20%	835,811	1.27%	8
	88,595	23.80%	17,556,167	26.75%	76,018
TOTAL SALES OF TREATED WATER OUTSIDE CITY	197,901	53.19%	33,295,038	50.72%	150,957
Revenue per 1,000 Gallons - Outside City			$ 5.9439		
TOTAL SALES OF TREATED WATER	$ 372,111	100.00%	65,645,415	100.00%	324,422
Revenue per 1,000 Gallons - Total			$ 5.6685		

[1]This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled accounts.
[2]Private fire protection consumption is unmetered and is considered part of non-revenue water.
[3]See *Sales of Treated Water For Resale*.

SALES OF NON-POTABLE WATER BETWEEN DENVER AND OUTSIDE CITY: 2024[1]

	Revenue		Gallons Sold			
	Amount (thousands)	% of Total	Amounts (thousands)	% of Total	Number of Customers[2]	Revenue per 1,000 Gallons
I. INSIDE CITY						
Raw Water Sales						
City & County of Denver	$ 122	1.04%	297,862	3.40%	1	$ 0.4096
All Other	49	0.42%	14,087	0.16%	7	3.4784
	171	1.46%	311,949	3.56%	8	0.5482
Effluent Sales						
City & County of Denver	13	0.11%	32,285	0.37%	1	0.4027
All Other	33	0.28%	32,067	0.37%	5	1.0291
	46	0.39%	64,352	0.74%	6	0.7148
Recycle Sales[1]						
City & County of Denver	141	1.20%	630,692	7.20%	10	0.2236
All Other	1,197	10.17%	565,268	6.45%	108	2.1176
	1,338	11.37%	1,195,960	13.65%	118	1.1188
Total Denver	1,555	13.22%	1,572,261	17.95%	132	0.9890
II. OUTSIDE CITY, WITHIN COMBINED SERVICE AREA						
Raw Water Sales-All Others	8,399	71.35%	6,039,255	68.90%	14	1.3907
Effluent Sales-All Others	76	0.65%	80,726	0.92%	10	0.9415
Total Outside City, Within Combined Service Area	8,475	72.00%	6,119,981	69.82%	24	1.3848
III. OUTSIDE COMBINED SERVICE AREA						
Raw Water Sales	224	1.90%	112,025	1.28%	9	1.9996
Effluent Sales	267	2.27%	117,592	1.34%	1	2.2706
Recycle Sales	1,249	10.61%	841,821	9.61%	1	1.4837
Total Outside Combined Service Area	1,740	14.78%	1,071,438	12.23%	11	1.6240
TOTAL SALES OF NON-POTABLE WATER	$ 11,770	100.00%	8,763,680	100.00%	167	$ 1.3430
IV. OTHER NON-POTABLE WATER DELIVERIES						
City Ditch at Washington Park			942,488			
City of Englewood (Cabin-Meadow Exchange)			1,044,828			
Total Other Non-Potable Water Deliveries			1,987,316			
TOTAL NON-POTABLE WATER DELIVERIES			10,750,996			

[1]This schedule represents actual billings made for recycled water during the year. No accruals were made for revenue earned on unbilled recycled accounts.
[2]If the customer uses both raw and effluent water, it will be included in both customer counts.

ANALYSIS OF CUSTOMER ACCOUNTS FOR TREATED WATER: 2024

		Number of Customers[1]		
		12/31/2024	12/31/2023	Increase (Decrease)
METERED GENERAL CUSTOMERS				
Residential	Denver	**144,691**	144,128	563
	Outside City	**32,288**	32,264	24
	Total Service	**34,373**	34,362	11
Non-Residential	Denver	**25,897**	25,740	157
	Outside City	**3,134**	3,128	6
	Total Service	**4,013**	3,993	20
Irrigation	Denver	**1,626**	1,607	19
	Outside City	**468**	468	0
	Total Service	**663**	661	2
TOTAL METERED GENERAL CUSTOMERS		**247,153**	246,351	802
PUBLIC AUTHORITIES				
City & County of Denver	Irrigation	**761**	748	13
	Non-Irrigation	**490**	492	(2)
TOTAL PUBLIC AUTHORITIES		**1,251**	1,240	11
RESALE ACCOUNTS (MASTER METER)[2]		**76,018**	76,044	(26)
TOTAL TREATED WATER CUSTOMERS		**324,422**	323,635	787

[1]Represents the number of active metered services at year-end.
[2]See *Sales of Treated Water for Resale*.

WATER RATES SCHEDULES: 2024[1,2]

Rate Schedule - 1
Treated Water Rates
For Meters Read On or After January 1, 2024

A. Monthly Fixed Charges, $ per Bill

Meter Size inches	Inside City of Denver	Outside City		
		Read & Bill	Total Service	Wholesale
5/8" & 3/4"	$18.40	$18.40	$18.40	$18.40
1"	27.01	27.01	27.01	27.01
1 1/2"	53.70	53.70	53.70	53.70
2"	90.71	90.71	90.71	90.71
3"	195.72	195.72	195.72	195.72
4"	342.91	342.91	342.91	342.91
6"	764.69	764.69	764.69	764.69
8"	1,354.32	1,354.32	1,354.32	1,354.32
10"	2,112.66	2,112.66	2,112.66	2,112.66
12"	3,040.62	3,040.62	3,040.62	3,040.62

B. Treated Water Volume Rates, $ per 1,000 Gallons

Customer Class	Tier Threshold 1,000 Gallons	Inside City of Denver	Outside City		
			Read & Bill	Total Service	Wholesale
Single Family Residential					
Tier 1	0 to AWC[3]	$2.78	$2.84	$4.10	N/A
Tier 2	AWC + 15	5.00	5.12	7.38	
Tier 3	Greater than AWC + 15	6.67	6.82	9.84	
Nonresidential[4,5]					
Tier 1	0 to AWC	$3.22	$3.48	$4.85	N/A
Tier 2	AWC to 4 x AWC	4.51	4.87	6.79	
Tier 3	Greater than 4 x AWC	5.15	5.57	7.76	
Irrigation					
Winter (November 1 through April 30)		$1.65	$1.53	$2.28	N/A
Summer (May 1 through October 31)		6.60	6.12	9.12	
Wholesale					
Master Meter					$4.90
Outside the Combined Service Area					5.12

C. Private Fireline

Fireline Size inches	Inside City of Denver	Outside City		
		Read & Bill	Total Service	Wholesale
1"	$3.78	$2.56	$4.05	N/A
2"	6.31	4.27	6.76	
4"	9.74	6.60	10.45	
6"	13.92	9.43	14.93	
8"	24.36	16.51	26.13	
10"	34.80	23.58	37.33	
12"	55.68	37.73	59.72	
16"	139.20	94.32	149.31	
Fire Hydrants	$13.92	$9.43	$14.93	

D. Notes

[1]**Applicability:** See Chapter 2 of Denver Water's Operating Rules

[2]**Payment:** Bills are due and payable to Denver Water upon issuance. Monthly bills are delinquent 20 days after the billing date. Late charges will be assessed per Denver Water policy.

[3]**Single Family AWC:** A customer's average winter consumption (AWC) is used to determine the Tier 1 threshold. The AWC is calculated by averaging each customer's billed monthly water use from January through March, which is a way of determining essential indoor water use. Denver Water has set the Tier 1 minimum threshold at 5,000 gallons and a maximum of 15,000 gallons. For example, if the customer's AWC is less than 5,000 gallons, Tier 1 is 0 to 5,000 gallons. If the AWC is over 15,000 gallons, Tier 1 is 0 to 15,000 gallons. Volume rates are applied to billed monthly usage.

[4]**Nonresidential AWC:** The Tier 1 threshold is based on each customer's average winter consumption (AWC). This represents demands during the system off-peak period. The AWC is the average of a customer's billed water use for the months of January, February, and March. Volume rates are applied to billed monthly usage. Tier 2 is equal to four times the customer's AWC. Tier 3 is for usage in excess of four times the AWC.

[5]**Small Multifamily:** The small multifamily class (duplex through 5-plex) is now included in the nonresidential class.

(continued)

Rate Schedule - 2
Nonpotable Water Rates
For Meters Read On or After January 1, 2024

A. Monthly Fixed Charges, $ per Bill

Meter Size inches	Inside City of Denver	Outside City	Outside Combined Service Area
5/8" & 3/4"	$18.40	$18.40	$18.40
1"	27.01	27.01	27.01
1 1/2"	53.70	53.70	53.70
2"	90.71	90.71	90.71
3"	195.72	195.72	195.72
4"	342.91	342.91	342.91
6"	764.69	764.69	764.69
8"	1,354.32	1,354.32	1,354.32
10"	2,112.66	2,112.66	2,112.66
12"	3,040.62	3,040.62	3,040.62

B. Nonpotable Water Volume Rates, $ per 1,000 Gallons

Customer Class	Inside City of Denver	Outside City	Outside Combined Service Area
Recycled			
$ per 1,000 Gallons	$1.11	N/A	$1.44
$ per Acre-Foot	361.69		469.23
Raw Water (Monthly Fixed Charges Not Applicable)			
$ per 1,000 Gallons	$1.04	$1.40	$1.51
$ per Acre-Foot	338.89	456.19	492.04

C. Notes

[1]**Applicability:** See Chapter 2 of Denver Water's Operating Rules

[2]**Payment:** Bills are due and payable to Denver Water upon issuance. Monthly bills are delinquent 20 days after the billing date. Late charges will be assessed per Denver Water policy.

(continued)

Rate Schedule - 3
City and County of Denver Governmental Rates
For Meters Read On or After January 1, 2024

A. Monthly Fixed Charges, $ per Bill

Meter Size inches	Fixed Charge
5/8" & 3/4"	$18.40
1"	27.01
1 1/2"	53.70
2"	90.71
3"	195.72
4"	342.91
6"	764.69
8"	1,354.32
10"	2,112.66
12"	3,040.62

B. Treated Water Volume Rates, $ per 1,000 Gallons

Domestic	
Year-Round	$2.50
Irrigation	
Winter (November 1 through April 30)	$1.04
Summer (May 1 through October 31)	2.60

C. Nonpotable Water Volume Rates, $ per 1,000 Gallons

Raw	$0.41
Recycled	0.24

D. Private Fireline

Fireline Size inches	Fixed Charge
1"	$3.78
2"	6.31
4"	9.74
6"	13.92
8"	24.36
10"	34.80
12"	55.68
16"	139.20

Fire Hydrants	$13.92

E. Notes

[1]**Applicability:** See Chapter 2 of Denver Water's Operating Rules

[2]**Payment:** Bills are due and payable to Denver Water upon issuance. Monthly bills are delinquent 20 days after the billing date. Late charges will be assessed per Denver Water policy.

(continued)

Rate Schedule - 4
Effective for bills dated on or after April 28, 2013

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

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

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

	Treated Water – Inside City	Treated Water – Outside City
VI. MIXED USE[5] (sum of the following SDC)		
Multifamily component	As set forth in Section III of this schedule	
Nonresidential component	$2.90	$4.10
$ per sq. ft. of nonresidential gross floor area irrigation, if applicable	As set forth in Section IV of this schedule	

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

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

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

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

[1]Units such as a guest house or carriage house that are detached from the primary residence and contain provisions for sleeping, cooking, and sanitation.
[2]Includes commercial, industrial, and institutional development.
[3]SDC for nonpotable by tap size apply only to recycled water taps.
[4]Tap sizes greater than two inches are determined on an individual basis using peak demand requirements.
[5]Development containing two or more different principal or primary uses such as residential, office, manufacturing, retail, public or entertainment.

SUMMARY OF WATER RATES: 2015 - 2024

City of Denver - Schedule 1	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Residential - Consumption Charge per 1,000 Gallons										
0 to AWC[1]	$ 2.78	$ 2.63	$ 2.44	$ 2.39	$ 2.36	$ 2.29	$ 2.29	$ 2.55	$ 2.60	$ -
AWC + 15	5.00	4.73	4.39	4.30	4.25	4.12	4.12	4.59	4.68	-
Greater than AWC + 15	6.67	6.31	5.86	5.74	5.66	5.50	5.50	6.12	6.24	-
Prior to April 1, 2016										
First 11,000 Gallons	-	-	-	-	-	-	-	-	-	2.75
12,000 - 30,000 Gallons	-	-	-	-	-	-	-	-	-	5.50
31,000 - 40,000 Gallons	-	-	-	-	-	-	-	-	-	8.25
Over 40,000 Gallons	-	-	-	-	-	-	-	-	-	11.00
Small Multi-Family - Consumption Charge per 1,000 Gallons										
(Duplexes through Five-Plexes with a Single Meter)										
0 to AWC[2,3]	3.22	3.03	2.88	2.74	2.67	2.60	2.60	2.71	2.68	-
AWC to 4 x AWC	4.51	4.24	4.03	3.84	3.74	3.64	3.64	3.79	3.75	-
Greater than 4 x AWC	5.15	4.85	4.61	4.38	4.27	4.16	4.16	4.34	4.29	-
Prior to April 1, 2016										
First 15,000 Gallons[4]	-	-	-	-	-	-	-	-	-	3.02
Over 15,000 Gallons	-	-	-	-	-	-	-	-	-	3.62
All Other Retail - Consumption Charge per 1,000 Gallons										
0 to AWC[2]	3.22	3.03	2.88	2.74	2.67	2.60	2.60	2.71	2.68	-
AWC to 4 x AWC	4.51	4.24	4.03	3.84	3.74	3.64	3.64	3.79	3.75	-
Greater than 4 x AWC	5.15	4.85	4.61	4.38	4.27	4.16	4.16	4.34	4.29	-
Prior to April 1, 2016										
Winter - All Consumption	-	-	-	-	-	-	-	-	-	1.88
Summer - All Consumption	-	-	-	-	-	-	-	-	-	3.76
Irrigation Only - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	1.65	1.53	1.44	1.44	1.40	1.35	1.34	1.27	1.22	1.20
Summer - All Consumption	6.60	6.12	5.76	5.76	5.60	5.40	5.36	5.08	4.88	4.81
Service Charge/Meter Charge										
Monthly 5/8" & 3/4"	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79	-
Monthly 1"	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13	-
Monthly 1 1/2"	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27	-
Monthly 2"	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02	-
Monthly 3"	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33	-
Monthly 4"	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20	-
Monthly 6"	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71	-
Monthly 8"	1,354.32	1,227.58	1,104.86	1,058.37	1,039.95	996.59	952.97	519.87	216.30	-
Monthly 10"	2,112.66	1,914.26	1,722.28	1,649.82	1,621.12	1,553.25	1,485.18	808.25	334.09	-
Monthly 12"	3,040.62	2,754.53	2,477.80	2,373.56	2,332.29	2,234.43	2,136.45	1,161.14	478.22	-
Prior to April 1, 2016										
Monthly Service Charge	-	-	-	-	-	-	-	-	-	6.74

See accompanying footnotes on final page of report.

(continued)

SUMMARY OF WATER RATES: 2015 - 2024 (continued)

Outside City Read and Bill - Schedule 1 (continued)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Residential - Consumption Charge per 1,000 Gallons										
0 to AWC[1]	$ 2.84	$ 2.75	$ 2.72	$ 2.74	$ 2.72	$ 2.64	$ 2.52	$ 2.68	$ 2.80	$ -
AWC + 15	5.12	4.95	4.89	4.93	4.90	4.75	4.54	4.82	5.04	-
Greater than AWC + 15	6.82	6.59	6.52	6.58	6.53	6.34	6.05	6.43	6.72	-
Prior to April 1, 2016										
First 11,000 Gallons	-	-	-	-	-	-	-	-	-	2.82
12,000 - 30,000 Gallons	-	-	-	-	-	-	-	-	-	5.64
31,000 - 40,000 Gallons	-	-	-	-	-	-	-	-	-	8.46
Over 40,000 Gallons	-	-	-	-	-	-	-	-	-	11.28
Small Multi-Family - Consumption Charge per 1,000 Gallons										
0 to AWC[2,3]	3.48	3.35	3.35	3.23	3.21	3.15	3.12	3.25	3.32	-
AWC to 4 x AWC	4.87	4.69	4.69	4.52	4.49	4.41	4.37	4.55	4.65	-
Greater than 4 x AWC	5.57	5.36	5.36	5.17	5.14	5.04	4.99	5.20	5.31	-
Prior to April 1, 2016										
(Duplexes through Five-Plexes with a Single Meter)										
First 15,000 Gallons[4]	-	-	-	-	-	-	-	-	-	3.43
Over 15,000 Gallons	-	-	-	-	-	-	-	-	-	4.12
All Other Retail - Consumption Charge per 1,000 Gallons										
0 to AWC[2]	3.48	3.35	3.35	3.23	3.21	3.15	3.12	3.25	3.32	-
AWC to 4 x AWC	4.87	4.69	4.69	4.52	4.49	4.41	4.37	4.55	4.65	-
Greater than 4 x AWC	5.57	5.36	5.36	5.17	5.14	5.04	4.99	5.20	5.31	-
Prior to April 1, 2016										
Winter - All Consumption	-	-	-	-	-	-	-	-	-	2.36
Summer - All Consumption	-	-	-	-	-	-	-	-	-	4.72
Irrigation Only - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	1.53	1.52	1.52	1.52	1.52	1.47	1.42	1.38	1.40	1.35
Summer - All Consumption	6.12	6.08	6.08	6.08	6.08	5.88	5.68	5.52	5.60	5.40
Service Charge/Meter Charge										
Monthly 5/8" & 3/4"	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79	-
Monthly 1"	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13	-
Monthly 1 1/2"	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27	-
Monthly 2"	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02	-
Monthly 3"	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33	-
Monthly 4"	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20	-
Monthly 6"	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71	-
Monthly 8"	1,354.32	1,227.58	1,104.86	1,058.37	1,039.95	996.59	952.97	519.87	216.30	-
Monthly 10"	2,112.66	1,914.26	1,722.28	1,649.82	1,621.12	1,553.25	1,485.18	808.25	334.09	-
Monthly 12"	3,040.62	2,754.53	2,477.80	2,373.56	2,332.29	2,234.43	2,136.45	1,161.14	478.22	-
Prior to April 1, 2016										
Monthly Service Charge	-	-	-	-	-	-	-	-	-	6.74

See accompanying footnotes on final page of report.

(continued)

SUMMARY OF WATER RATES: 2015 - 2024 (continued)

Outside City Total Service - Schedule 1 (continued)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Residential - Consumption Charge per 1,000 Gallons										
0 to AWC[1]	$ 4.10	$ 4.00	$ 3.73	$ 3.69	$ 3.68	$ 3.58	$ 3.33	$ 3.30	$ 3.28	$ -
AWC + 15	7.38	7.20	6.71	6.64	6.62	6.44	5.99	5.94	5.90	-
Greater than AWC + 15	9.84	9.60	8.95	8.86	8.83	8.59	7.99	7.92	7.87	-
Prior to April 1, 2016										
First 11,000 Gallons	-	-	-	-	-	-	-	-	-	3.04
12,000 - 30,000 Gallons	-	-	-	-	-	-	-	-	-	6.08
31,000 - 40,000 Gallons	-	-	-	-	-	-	-	-	-	9.12
Over 40,000 Gallons	-	-	-	-	-	-	-	-	-	12.16
Small Multi-Family - Consumption Charge per 1,000 Gallons										
(Duplexes through Five-Plexes with a Single Meter)										
0 to AWC[2,3]	4.85	4.66	4.40	4.15	4.11	3.99	3.78	3.77	3.76	-
AWC to 4 x AWC	6.79	6.52	6.16	5.81	5.75	5.59	5.29	5.28	5.26	-
Greater than 4 x AWC	7.76	7.46	7.04	6.64	6.58	6.38	6.05	6.03	6.02	-
Prior to April 1, 2016										
First 15,000 Gallons[4]		-	-	-	-	-	-	-	-	4.29
Over 15,000 Gallons		-	-	-	-	-	-	-	-	5.15
All Other Retail - Consumption Charge per 1,000 Gallons										
0 to AWC[2]	4.85	4.66	4.40	4.15	4.11	3.99	3.78	3.77	3.76	-
AWC to 4 x AWC	6.79	6.52	6.16	5.81	5.75	5.59	5.29	5.28	5.26	-
Greater than 4 x AWC	7.76	7.46	7.04	6.64	6.58	6.38	6.05	6.03	6.02	-
Prior to April 1, 2016										
Winter - All Consumption		-	-	-	-	-	-	-	-	2.72
Summer - All Consumption		-	-	-	-	-	-	-	-	5.44
Irrigation Only - Consumption Charge per 1,000 Gallons										
Winter - All Consumption	2.28	2.20	2.07	2.01	2.00	1.98	1.85	1.74	1.69	1.64
Summer - All Consumption	9.12	8.80	8.28	8.04	8.00	7.92	7.40	6.96	6.76	6.56
Service Charge/Meter Charge										
Monthly 5/8" & 3/4"	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79	-
Monthly 1"	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13	-
Monthly 1 1/2"	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27	-
Monthly 2"	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02	-
Monthly 3"	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33	-
Monthly 4"	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20	-
Monthly 6"	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71	-
Monthly 8"	1,354.32	1,227.58	1,104.86	1,058.37	1,039.95	996.59	952.97	519.87	216.30	-
Monthly 10"	2,112.66	1,914.26	1,722.28	1,649.82	1,621.12	1,553.25	1,485.18	808.25	334.09	-
Monthly 12"	3,040.62	2,754.53	2,477.80	2,373.56	2,332.29	2,234.43	2,136.45	1,161.14	478.22	-
Prior to April 1, 2016										
Monthly Service Charge		-	-	-	-	-	-	-	-	6.74

See accompanying footnotes on final page of report.

(continued)

Outside City Master Meter - Schedule 1 (continued)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Consumption Charge per 1,000 Gallons - All Consumption	$ 4.90	$ 4.69	$ 4.60	$ 4.41	$ 4.37	$ 4.25	$ 4.09	$ 4.10	$ 4.15	$ 4.04
Service Charge/Meter Charge										
Monthly 5/8" & 3/4"	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79	-
Monthly 1"	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13	-
Monthly 1 1/2"	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27	-
Monthly 2"	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02	-
Monthly 3"	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33	-
Monthly 4"	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20	-
Monthly 6"	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71	-
Monthly 8"	1,354.32	1,227.58	1,104.86	1,058.37	1,039.95	996.59	952.97	519.87	216.30	-
Monthly 10"	2,112.66	1,914.26	1,722.28	1,649.82	1,621.12	1,553.25	1,485.18	808.25	334.09	-
Monthly 12"	3,040.62	2,754.53	2,477.80	2,373.56	2,332.29	2,234.43	2,136.45	1,161.14	478.22	-
Prior to April 1, 2016										
Monthly Service Charge		-	-	-	-	-	-	-	-	6.74

Outside Combined Service Area - Schedule 1 (continued)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Treated Water - Consumption Charge per 1,000 Gallons	5.12	4.71	4.66	4.59	4.55	4.55	4.55	4.48	4.44	4.44
Service Charge/Meter Charge										
Monthly 5/8" & 3/4"	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79	-
Monthly 1"	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13	-
Monthly 1 1/2"	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27	-
Monthly 2"	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02	-
Monthly 3"	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33	-
Monthly 4"	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20	-
Monthly 6"	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71	-
Monthly 8"	1,354.32	1,227.58	1,104.86	1,058.37	1,039.95	996.59	952.97	519.87	216.30	-
Monthly 10"	2,112.66	1,914.26	1,722.28	1,649.82	1,621.12	1,553.25	1,485.18	808.25	334.09	-
Monthly 12"	3,040.62	2,754.53	2,477.80	2,373.56	2,332.29	2,234.43	2,136.45	1,161.14	478.22	-
Prior to April 1, 2016										
Monthly Service Charge	-	-	-	-	-	-	-	-	-	6.74

See accompanying footnotes on final page of report.

(continued)

SUMMARY OF WATER RATES: 2015 - 2024 (continued)

Raw and Recycled - Schedule 2	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Raw - Consumption Charge per 1,000 Gallons										
Inside City - All Consumption	$ 1.04	$ 1.00	$ 0.87	$ 0.81	$ 0.81	$ 0.71	$ 0.67	$ 0.63	$ 0.50	$ 0.52
Outside City - All Consumption	1.40	1.38	1.20	1.11	1.11	1.02	0.98	0.98	1.00	0.96
Outside Combined Service Area - All Consumption	1.51	1.48	1.30	1.20	1.20	1.10	1.05	1.05	1.10	1.04
Recycled - Consumption Charge per 1,000 Gallons										
Inside City Recycled - All Consumption	1.11	1.04	1.04	0.99	0.99	0.99	0.99	0.99	0.99	0.99
Outside Combined Service Area - All Consumption	1.44	1.32	1.27	1.18	1.17	1.11	1.11	1.11	1.11	1.11
Recycled Service Meter Charge										
Monthly 5/8" & 3/4"	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79	-
Monthly 1"	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13	-
Monthly 1 1/2"	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27	-
Monthly 2"	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02	-
Monthly 3"	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33	-
Monthly 4"	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20	-
Monthly 6"	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71	-
Monthly 8"	1,354.32	1,227.58	1,104.86	1,058.37	1,039.95	996.59	952.97	519.87	216.30	-
Monthly 10"	2,112.66	1,914.26	1,722.28	1,649.82	1,621.12	1,553.25	1,485.18	808.25	334.09	-
Monthly 12"	3,040.62	2,754.53	2,477.80	2,373.56	2,332.29	2,234.43	2,136.45	1,161.14	478.22	-
Prior to April 1, 2016										
Monthly Service Charge	-	-	-	-	-	-	-	-	-	6.74

[1]**Single Family AWC**: A customer's average winter consumption (AWC) is used to determine the Tier 1 threshold. The AWC is calculated by averaging each customer's billed monthly water use from January through March, which is a way of determining essential indoor water use. Denver Water has set the Tier 1 minimum threshold at 5,000 gallons and a maximum of 15,000 gallons. For example, if the customer's AWC is less than 5,000 gallons Tier 1 is 0 to 5,000 gallons. If the AWC is over 15,000 gallons, Tier 1 is 0 to 15,000 gallons. Volume rates are applied to billed monthly usage.

[2]**Small Multifamily**: For 2016, the small multifamily class (duplex through 5-plex) is now included in the nonresidential class.

[3]**Nonresidential AWC**: The Tier 1 threshold is based on each customer's average winter consumption (AWC). This represents demands during the system off-peak period. The AWC is the average of a customer's billed water use for the months of January, February, and March. Volume rates are applied to billed monthly usage. Tier 2 is equal to four times the customer's AWC. Tier 3 is for usage in excess of four times the AWC.

[4]Monthly usage amounts were increased by 6,000 gallons per additional dwelling unit up to five dwelling units.

SALES OF TREATED WATER FOR RESALE: 2024

Treated Water Sold Outside Denver to Municipalities and Distributors through Master Meters and Fixed Limit Contracts[1,2]

	Revenue (thousands)	Gallons Sold (thousands)	Number of Customers
Alameda Water & Sanitation District	$ 390	68,999	334
Bancroft-Clover Water & Sanitation District	8,343	1,662,671	8,802
Bonvue Water & Sanitation District	69	13,314	169
Bow-Mar Water & Sanitation District	634	120,106	289
Cherry Creek Valley Water & Sanitation District	4,524	873,535	1,962
Cherry Creek Village Water & Sanitation District	698	134,133	476
City of Edgewater	1,040	196,852	1,474
City of Glendale	1,238	242,968	237
Consolidated Mutual Water Company	12,907	2,696,545	15,619
Crestview Water & Sanitation District	2,919	578,481	4,488
Green Mountain Water & Sanitation District	7,397	1,481,449	10,110
High View Water District	708	139,654	888
Ken-Caryl Water & Sanitation District	3,986	790,576	3,742
Lakehurst Water & Sanitation District	4,619	888,467	5,512
Lakewood Board of Water & Sewer	1,005	195,341	693
Meadowbrook Water & Sanitation District	859	163,784	1,321
North Pecos Water & Sanitation District	1,007	187,232	389
North Washington Street Water & Sanitation District	3,644	715,840	3,617
Northgate Water District	-	-	1
South Adams County Water & Sanitation District	5,488	1,062,986	165
Valley Water District	2,823	556,720	1,775
Wheat Ridge Water District	4,028	786,794	5,799
Willowbrook Water & Sanitation District	2,711	531,463	3,411
Willows Water District	3,842	755,390	4,737
Chatfield South Water District	65	9,966	1
City and County of Broomfield	7,655	1,541,492	1
City of Aurora	-	-	1
East Cherry Creek Valley Water District	1,345	251,777	1
Inverness Water District	1,022	203,947	1
Rocky Mountain Arsenal	66	7,583	1
Suncor Energy USA	3,413	675,933	1
The City of Brighton	150	22,169	1
Total Sales of Treated Water for Resale	$ 88,595	17,556,167	76,018

[1]This schedule represents actual billings made for treated water during the year. No accruals for treated water were made for revenue earned on unbilled accounts.

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

10 LARGEST RETAIL CUSTOMERS - WATER CONSUMPTION AND REVENUE: 2024

(non-accrual basis)
(amounts expressed in thousands)

Account Type	Consumption: Gallons Sold	Consumption: % Total Gallons Sold	Revenue: Water Revenue[1]	Revenue: % Total Water Revenue
Oil and Gas Company	675,933	1.03%	$ 3,413	0.92%
Public School System	509,191	0.78%	3,026	0.81%
Public Utility	403,828	0.62%	1,599	0.43%
Housing Authority	325,989	0.50%	1,498	0.40%
Parks System	252,128	0.38%	1,327	0.36%
Retail Grocer - 1	209,172	0.32%	827	0.22%
Beverage Company	129,932	0.20%	447	0.12%
Hospital System	126,124	0.19%	537	0.14%
Federal Government	124,032	0.19%	463	0.12%
State of Colorado	110,133	0.17%	805	0.22%
Total of the 10 largest customers	2,866,462	4.38%	$ 13,942	3.74%
Total sales of treated water	65,645,415		$ 372,111	

[1]This column represents actual billings made for treated water and private fire protection service during the year. The difference from amounts on an accrual basis is immaterial. In addition to the 10 largest retail accounts listed, Denver Water provided 2,115 million gallons of treated water to the City and County of Denver. Total revenues from these sales were $7.2 million.

C - DEBT CAPACITY INFORMATION

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

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(amounts expressed in thousands, except population and debt per capita)

	Total Principal Balance Outstanding Debt by Type[1]										
Year	Water Revenue Bonds	Revenue Bond Unamortized Premium or (Discount)	Total Water Revenue Bonds	Federal Loans[5]	Right-to-use Assets Payable[5,6]	Notes Payable[5]	Total	Gross Revenues[2,4]	Ratio of Total Debt to Gross Revenue[1]	Estimated Population Served[3]	Debt Per Capita
2015	$ 368,125	$ 6,593	$ 374,718	$ -	$ 11,478	$ 30,000	$ 416,196	$ 305,073	1.34	1,222,000	$ 341
2016	438,580	15,758	454,338	-	9,215	-	463,553	336,713	1.33	1,238,000	374
2017	603,415	32,665	636,080	-	6,797	-	642,877	365,891	1.67	1,248,000	515
2018	583,490	28,243	611,733	-	4,212	-	615,945	381,869	1.55	1,261,000	488
2019	564,100	24,475	588,575	-	1,451	-	590,026	381,248	1.48	1,270,000	465
2020	668,480	56,657	725,137	-	-	-	725,137	394,325	1.70	1,277,000	568
2021	966,985	82,728	1,049,713	-	-	-	1,049,713	382,344	2.53	1,287,000	816
2022	1,138,405	84,779	1,223,184	36,124	782	-	1,260,090	436,305	2.69	1,295,000	973
2023	1,118,030	75,335	1,193,365	35,594	4,390	100,000	1,333,349	408,245	3.08	1,297,000	1,028
2024	**$ 1,311,015**	**$ 99,360**	**$ 1,410,375**	**$ 34,778**	**$ 2,981**	**$ 100,000**	**$ 1,548,134**	**$ 479,635**	**3.02**	**1,301,000**	**$ 1,190**

[1]Details regarding outstanding debt can be found in the notes to the financial statements. For presentation purposes, right-to-use assets payable have been treated as debt. The outstanding debt is net of premiums and discounts. Outstanding debt excluding premiums and discounts is used to calculate the ratio of total debt to gross revenue. All bonded debt is secured by revenues.

[2]Gross Revenues are defined as operating revenues, plus investment income, plus proceeds from sales of capital assets, plus other income, plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC (as disclosed in *Statement of Revenues, Expenses, and Changes in Net Position* and *Statement of Cash Flows*). Gross Revenues do not include amounts received related to the forgivable portion of the Federal loan.

[3]Population estimates are treated water customers only.

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

[5]Notes and right-to-use assets payable have a subordinate lien to the lien on outstanding Federal loans and revenue bonds, as well as future loans and revenue bond issues.

[6]Amounts shown in right-to-use assets payable prior to 2019 are for the Wolford Mountain capital lease.

PLEDGED-REVENUE COVERAGE: 2015 - 2024

Water Revenue Bonds, Notes Payable, Federal Loan Payable, and Right-to-use Assets Payable[1]

(amounts expressed in thousands)

Year	Gross Revenues[2,4,5]	Less Operating Expenses[3,4,5]	Net Available Revenue	Total Debt Service[1] Principal	Interest	Total	Coverage including all Debt	Coverage not including Notes and Right-to-use Assets Payable Debt[6]
2015	$ 305,073	$ 170,427	$ 134,646	$ 29,117	$ 18,802	$ 47,919	2.81	2.81
2016	336,713	199,029	137,684	23,828	16,248	40,076	3.44	3.45
2017	365,891	196,317	169,593	22,013	21,673	43,686	3.88	3.89
2018	381,869	203,229	178,640	22,509	26,256	48,765	3.66	3.67
2019	381,248	228,807	152,441	22,151	25,135	47,286	3.22	3.23
2020	394,325	209,144	185,181	22,861	23,512	46,373	3.99	4.00
2021	382,344	212,384	169,960	18,280	32,239	50,519	3.36	3.37
2022	436,305	235,586	200,719	18,134	35,097	53,231	3.77	3.78
2023	408,245	267,861	140,384	23,296	46,778	70,074	2.00	2.11
2024	**$ 479,635**	**$ 307,360**	**$ 172,275**	**$ 25,758**	**$ 49,056**	**$ 74,814**	**2.30**	**2.59**

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

[2]Gross Revenues are defined as operating revenues, plus investment income, plus proceeds from sales of capital assets, plus other income, plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC (as disclosed in *Statement of Revenues, Expenses, and Changes in Net Position* and *Statement of Cash Flows*). Gross Revenues do not include amounts received related to the forgivable portion of the Federal loan.

[3]Operating Expenses are defined as operating expenses plus other expenses minus total depreciation and amortization (as disclosed in *Statement of Revenues, Expenses*, *and Changes in Net Position* in the financial statements).

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

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

[6]Notes and right-to-use assets payable have a subordinate lien to the lien on outstanding Federal loans and revenue bonds as well as future loans and revenue bond issues.

RATIOS OF WATER REVENUE BONDED DEBT OUTSTANDING: 2015 - 2024

(amounts expressed in thousands, except population and debt per capita)

Year	Water Revenue Bonds[1]	Gross Revenues[2,4]	Ratio of Water Revenue Debt to Gross Revenue	Estimated Population Served[3]	Water Revenue Debt per Capita
2015	$ 368,125	$ 305,073	1.21	1,222,000	$ 301
2016	438,580	336,713	1.30	1,238,000	354
2017	603,415	365,891	1.65	1,248,000	484
2018	583,490	381,869	1.53	1,261,000	463
2019	564,100	381,248	1.48	1,270,000	444
2020	668,480	394,325	1.70	1,277,000	523
2021	966,985	382,344	2.53	1,287,000	751
2022	1,138,405	436,305	2.61	1,295,000	879
2023	1,118,030	408,245	2.74	1,297,000	862
2024	**$ 1,311,015**	**$ 479,635**	**2.73**	**1,301,000**	**$ 1,008**

[1]Details regarding outstanding debt can be found in the notes to the financial statements. The numbers above are principal balances only and exclude discounts, premiums, and deferred amounts on advance refundings; therefore, they do not agree with numbers presented in the basic financial statements, exhibits, or the statistical summary.

[2]Gross Revenues are defined as operating revenues, plus investment income, plus proceeds from sales of capital assets, plus other income, plus cash proceeds from contributions in aid of construction (CIAC) and prepaid CIAC, and cash proceeds from system development charges (SDC) and prepaid SDC (as disclosed in *Statement of Revenues, Expenses*, *and Changes in Net Position* and *Statement of Cash Flows*). Gross Revenues do not include amounts received related to the forgivable portion of the Federal loan.

[3]Population estimates are treated water customers only.

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

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D - DEMOGRAPHIC AND ECONOMIC INFORMATION

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

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

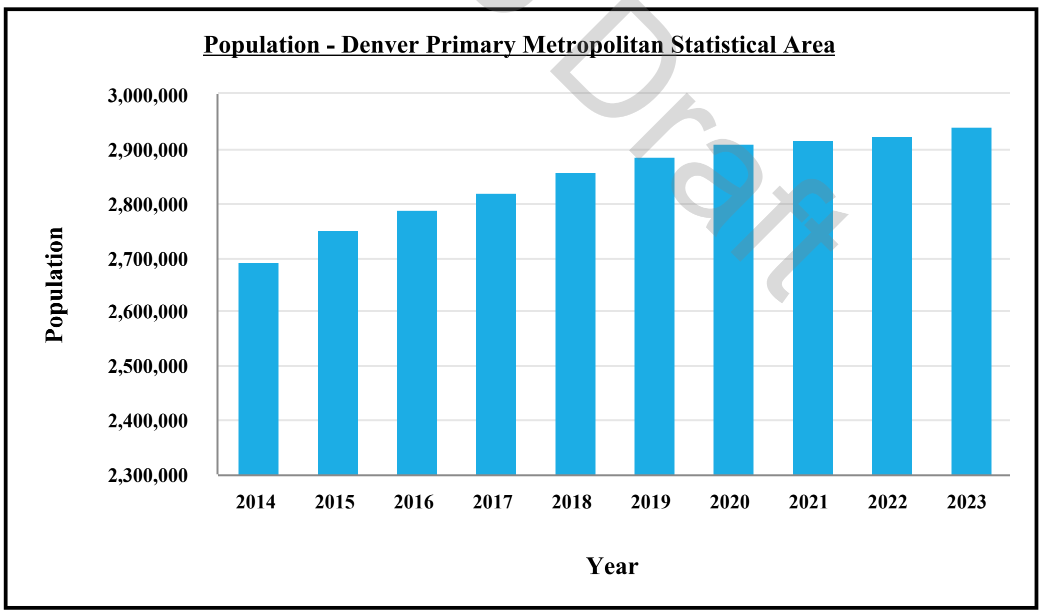
Population

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

Population Estimates

Year	Denver	Denver PMSA	State of Colorado
2014	658,632	2,692,972	5,347,654
2015	675,534	2,748,921	5,446,593
2016	686,468	2,789,730	5,529,629
2017	693,134	2,821,327	5,599,589
2018	702,679	2,858,678	5,676,913
2019	710,143	2,886,880	5,734,909
2020	717,597	2,911,232	5,784,970
2021	711,408	2,917,566	5,811,121
2022	713,255	2,924,955	5,840,234
2023	715,636	2,942,121	5,876,300
2024	n/a	n/a	n/a

(n/a = not available. Population numbers are estimates and may be revised from previous years' reporting)



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

(continued)

Population Age Distribution

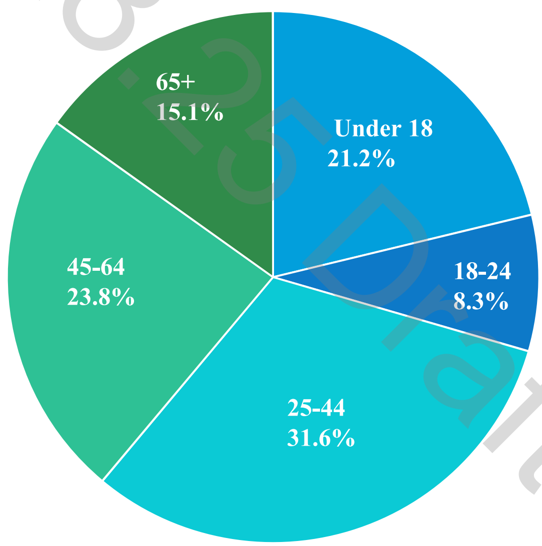
The following table sets forth a forecasted age distribution profile for Denver, the Denver PMSA, and the State of Colorado for 2024.

Forecasted Age Distribution for 2024

	Percent of Population		
Age Groups	Denver	Denver PMSA	State of Colorado
Under 18	18.0%	21.2%	20.9%
18-24	8.4%	8.3%	9.3%
25-44	40.1%	31.6%	29.4%
45-64	20.4%	23.8%	23.6%
65+	13.1%	15.1%	16.8%

(Columns may not add to 100% due to rounding.)

Population Age Distribution - Denver Primary Metropolitan Statistical Area



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

(continued)

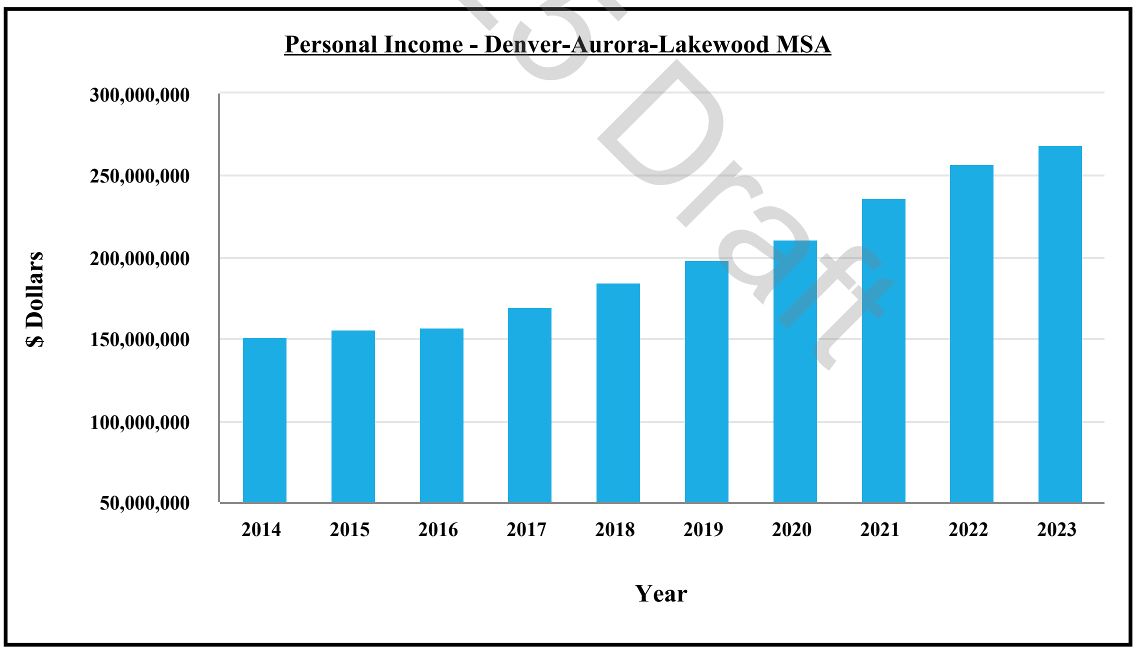
Income

The following tables set forth recent annual personal income and per capita personal income levels for Denver, the Denver-Aurora-Lakewood Metropolitan Statistical Area (MSA), the State of Colorado, and the United States from 2014 through 2023 as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The Denver-Aurora-Lakewood MSA includes the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park.

Personal Income

Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2014	$ 44,887,556	$ 151,950,098	$ 268,453,081	$ 14,778,160,000
2015	45,466,399	156,148,546	279,696,008	15,467,113,000
2016	43,032,217	156,778,699	283,678,694	15,884,741,000
2017	50,999,321	169,647,839	303,366,730	16,658,962,000
2018	55,200,348	185,257,197	328,112,736	17,514,402,000
2019	59,585,553	198,992,948	351,476,022	18,349,584,000
2020	62,216,575	211,746,977	374,262,200	19,600,945,000
2021	73,509,017	236,592,587	416,727,071	21,403,979,000
2022	81,882,151	257,232,456	447,854,445	22,077,232,000
2023	83,503,012	268,348,501	470,605,937	23,380,269,000
2024	n/a	n/a	n/a	n/a

(n/a = not available. All dollar estimates are in thousands of current dollars not adjusted for inflation. Last updated: November 14, 2024 - new statistics for 2023; revised statistics for 2019-2022.



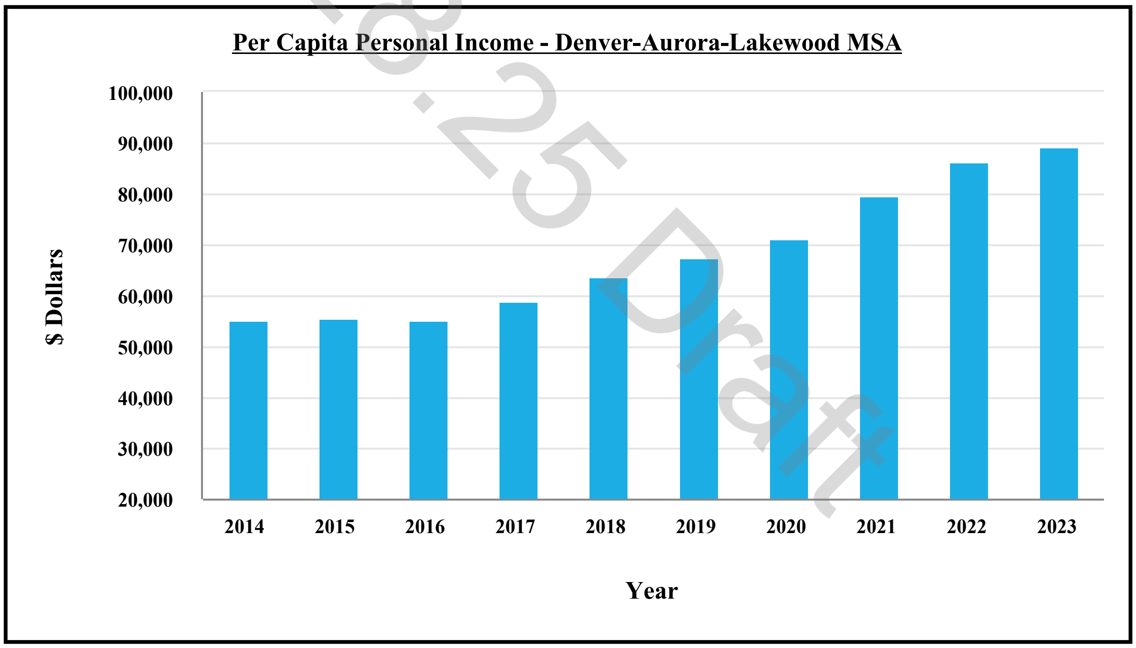
Source: United States Bureau of Economic Analysis

(continued)

Per Capita Personal Income

Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2014	$ 68,252	$ 55,328	$ 50,244	$ 46,287
2015	67,395	55,702	51,394	48,060
2016	62,754	55,105	51,306	48,971
2017	73,644	58,947	54,171	51,004
2018	78,624	63,534	57,794	53,309
2019	84,001	67,585	61,276	55,566
2020	86,700	71,292	64,693	59,123
2021	103,320	79,446	71,706	64,460
2022	114,769	86,141	76,674	66,244
2023	116,530	89,297	80,068	69,810
2024	n/a	n/a	n/a	n/a

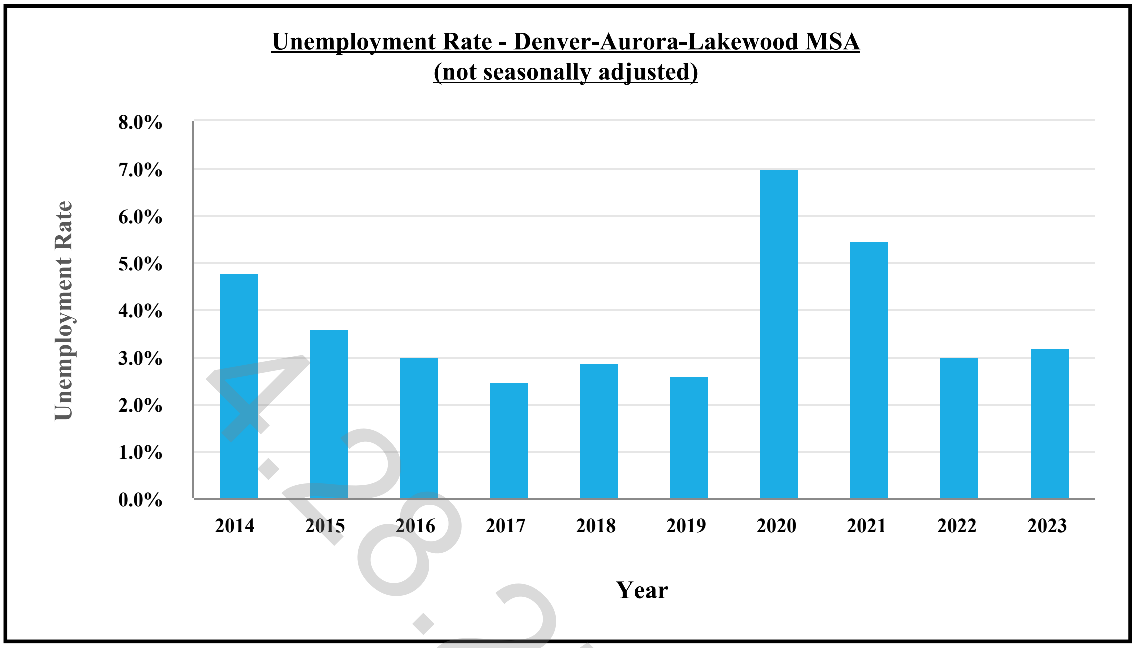
(n/a = not available. All dollar estimates are in current dollars not adjusted for inflation. Last updated: November 14, 2024 - new statistics for 2023; revised statistics for 2019-2022.



Source: United States Bureau of Economic Analysis

(continued)

Employment
The following tables sets forth recent total labor force, employment and unemployment statistics for Denver, the Denver-Aurora-Lakewood MSA and the State of Colorado. The national unemployment rate is estimated to be approximately 3.7% as of December 2023.



Source: United States Bureau of Labor and Statistics

(continued)

Local Area Employment Statistics
(not seasonally adjusted)

Denver

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2014	368.7	1.7%	17.7	4.8%
2015	375.6	1.9%	13.4	3.6%
2016	385.1	2.5%	11.5	3.0%
2017	395.6	2.7%	10.1	2.5%
2018	408.1	3.2%	12.0	2.9%
2019	416.9	2.2%	10.8	2.6%
2020	419.2	0.5%	32.0	7.6%
2021	429.8	2.5%	25.5	5.9%
2022	435.3	1.3%	13.6	3.1%
2023	441.2	1.4%	14.8	3.3%
2024	n/a	n/a	n/a	n/a

Denver-Aurora-Lakewood MSA

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2014	1,486.8	1.6%	71.3	4.8%
2015	1,506.0	1.3%	53.5	3.6%
2016	1,541.9	2.4%	45.6	3.0%
2017	1,577.5	2.3%	39.9	2.5%
2018	1,625.1	3.0%	47.5	2.9%
2019	1,654.9	1.8%	42.4	2.6%
2020	1,647.5	(0.5)%	115.4	7.0%
2021	1,693.4	2.8%	93.4	5.5%
2022	1,720.3	1.6%	51.8	3.0%
2023	1,742.2	1.3%	54.9	3.2%
2024	n/a	n/a	n/a	n/a

State of Colorado

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2014	2,800.7	1.2%	139.6	5.0%
2015	2,825.8	0.9%	105.8	3.7%
2016	2,894.2	2.4%	90.7	3.1%
2017	2,963.8	2.4%	77.8	2.6%
2018	3,054.3	3.1%	92.9	3.0%
2019	3,104.7	1.6%	82.6	2.7%
2020	3,082.2	(0.7)%	208.5	6.8%
2021	3,149.7	2.2%	172.2	5.5%
2022	3,186.9	1.2%	97.9	3.1%
2023	3,230.5	1.4%	102.4	3.2%
2024	n/a	n/a	n/a	n/a

Source: United States Bureau of Labor and Statistics

(continued)

Principal Employers

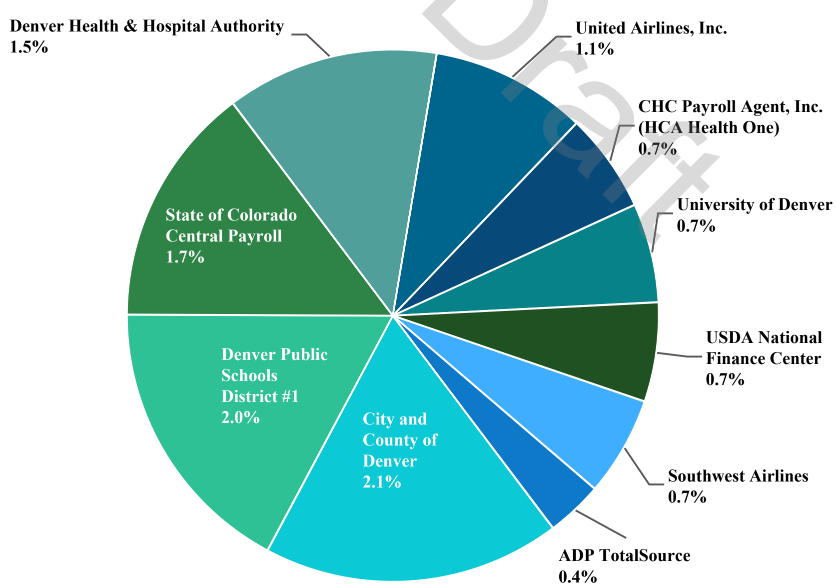
The following table sets forth the ten largest employers in Denver for the current year and the period nine years prior, the number of persons each entity employs, and the percentage of total employment that each represents.

Principal Employers in Denver
Current Year and Nine Years Ago

	2023[1]			2014		
Employer	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
City and County of Denver	13,584	1	2.1%	10,281	2	2.5%
Denver Public Schools District #1	12,693	2	2.0%	12,482	1	3.1%
State of Colorado Central Payroll	10,686	3	1.7%	9,195	3	2.2%
Denver Health & Hospital Authority	9,502	4	1.5%	5,523	5	1.4%
United Airlines, Inc.	7,230	5	1.1%	5,070	6	1.2%
CHC Payroll Agent, Inc. (HCA Health One)	4,592	6	0.7%	4,226	7	1.0%
University of Denver	4,548	7	0.7%	3,759	8	0.9%
USDA National Finance Center	4,496	8	0.7%	7,187	4	1.8%
Southwest Airlines	4,247	9	0.7%			
ADP TotalSource	2,535	10	0.4%			
Frontier Airlines				3,642	9	0.9%
University of Colorado Central				3,448	10	0.8%
Total	74,113		11.6%	64,813		15.8%

[1]2024 not available at time of publication

2023 Principal Employers - Denver



Source: City and County of Denver Annual Report. Based on 2023 and 2014 Occupational Privilege Tax Remitters

(continued)

New Residential Building Construction

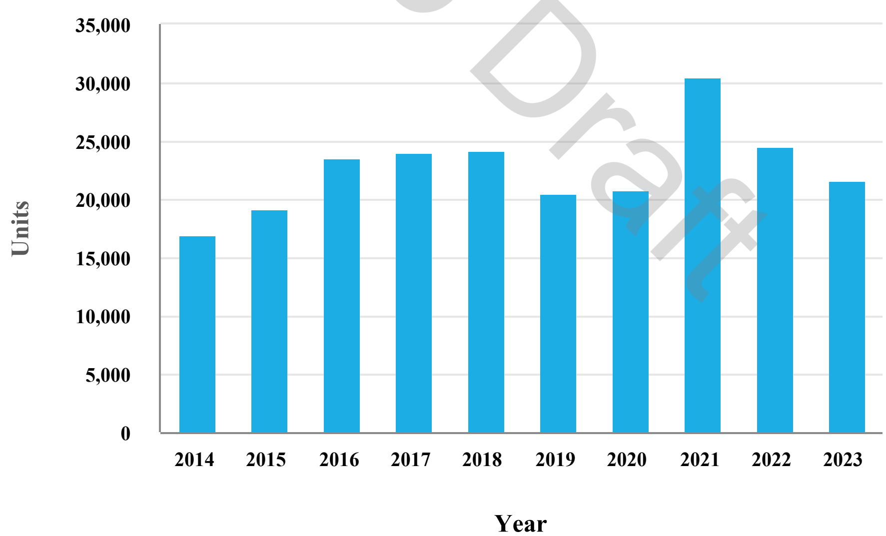
Set forth in the following table are recent historical residential building permit statistics for Denver and the Denver metropolitan area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties).

New Residential Units in Denver and the Denver Metropolitan Area

	Denver				Denver Metropolitan Area			
Year	Single-Family Detached	Single-Family Attached	Multi-Family	Total	Single-Family Detached	Single-Family Attached	Multi-Family	Total
2014	1,710	287	3,961	5,958	8,396	440	8,074	16,910
2015	1,847	134	5,920	7,901	9,786	422	9,061	19,269
2016	1,887	374	5,581	7,842	10,663	532	12,301	23,496
2017	2,370	198	7,957	10,525	11,419	384	12,218	24,021
2018	2,428	110	5,340	7,878	12,248	400	11,561	24,209
2019	2,257	7	5,066	7,330	11,401	192	8,896	20,489
2020	1,167	0	3,892	5,059	11,307	451	9,036	20,794
2021	1,550	4	8,446	10,000	12,807	987	16,724	30,518
2022	1,323	15	6,958	8,296	10,263	654	13,651	24,568
2023	1,174	2	4,549	5,725	9,189	334	12,159	21,682
2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(n/a = not available. Single-family attached permits consists of structures with 2-4 units.)

Total New Residential Units - Denver Metro Area



Source: Metro Denver Economic Development Corporation based on U.S. Census Bureau

E - OPERATING INFORMATION

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

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EMPLOYEES BY DIVISION[1]: 2015 - 2024

Division/Section[2,3]	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administrative Services										
Chief Administrative Officer	**1.0**	1.0	1.0	1.0	1.0	37.0	38.0	37.0	33.0	-
Contract Control	**-**	-	-	2.0	2.0	-	-	-	-	-
Emergency Management, Safety and Security	**16.0**	16.0	18.0	20.0	18.0	12.5	12.0	12.0	13.0	-
Facilities Management	**3.0**	3.0	-	-	-	-	-	-	-	-
GIS	**-**	8.0	9.0	9.0	6.0	-	-	-	-	-
Information Governance	**10.0**	10.0	9.0	10.0	11.0	-	-	-	-	-
Information Security Office	**5.0**	5.0	4.0	5.0	3.0	-	-	-	-	-
Information Technology	**103.0**	99.8	95.8	94.8	89.8	-	-	-	-	-
Procurement	**10.0**	10.0	9.0	7.0	9.0	-	-	-	-	-
Recreation Management	**6.0**	6.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	-
Sustainability and Env. Compliance	**8.0**	8.0	11.0	5.0	7.0	-	-	-	-	-
	162.0	166.8	161.8	159.8	152.8	55.5	56.0	55.0	52.0	-
Engineering										
Chief Engineering Officer	**8.0**	8.0	9.0	7.8	9.8	14.8	12.8	12.8	13.0	7.8
Asset Recording	**9.0**	6.0	7.0	7.0	7.0	7.0	8.0	8.0	7.0	7.0
Construction Management	**20.0**	20.0	21.0	24.0	23.0	26.0	23.0	28.0	28.0	27.0
Distribution and Property Mgmt Admin	**30.0**	31.0	31.0	32.0	32.0	31.0	30.0	29.0	31.0	38.0
Hydraulics	**7.0**	7.0	6.0	7.0	7.0	7.0	7.0	7.0	-	-
Programs and Projects	**57.0**	62.0	66.8	62.0	62.0	57.8	58.8	56.0	53.0	55.0
Survey	**22.0**	23.0	24.0	24.0	24.0	27.0	24.0	24.0	26.0	23.0
Technical Support Services	**5.0**	5.0	4.0	5.0	5.0	-	-	-	-	-
	158.0	162.0	168.8	168.8	169.8	170.6	163.6	164.8	158.0	157.8
Finance										
Chief Finance Officer	**1.0**	1.0	3.0	3.0	3.0	3.0	2.0	-	2.0	2.0
Accounting, Payroll, AP	**19.0**	19.0	19.0	17.0	17.0	19.0	16.0	18.0	17.0	20.0
Budget/Financial Planning and Performance	**7.0**	7.0	6.0	4.0	5.0	5.0	5.0	3.0	2.0	4.0
Customer Care	**49.0**	44.3	41.3	27.3	-	-	-	-	-	-
Controller	**-**	-	-	-	-	-	-	3.0	2.0	1.0
Purchasing and Contracting	**-**	-	-	-	-	-	-	-	-	12.0
Rate Administration	**2.0**	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	1.0
Records and Document Administration	**-**	-	-	-	-	-	-	-	-	8.8
Sales and Support	**17.0**	17.0	17.0	27.0	-	-	-	-	-	-
Treasury	**8.0**	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
	103.0	97.3	96.3	88.3	35.0	37.0	33.0	34.0	31.0	56.8
Manager and Staff										
Chief Executive Officer, Internal Audit	**10.0**	9.0	10.0	10.0	-	-	-	-	-	-
Chief of Staff, Cont. Improvement, L&OD	**14.0**	14.0	12.0	12.0	-	-	-	-	-	-
Human Resources	**16.0**	16.0	15.0	13.0	-	-	-	-	-	-
Manager and Staff	**-**	-	-	-	49.0	28.8	31.3	35.4	25.0	10.0
Office of General Counsel	**14.0**	15.0	14.0	14.0	-	-	-	-	-	-
Public Affairs	**35.0**	33.6	33.6	29.6	-	-	-	-	-	-
	89.0	87.6	84.6	78.6	49.0	28.8	31.3	35.4	25.0	10.0

See accompanying footnotes on final page of report.

(continued)

EMPLOYEES BY DIVISION[1]: 2015 - 2024 (continued)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operations and Maintenance										
Chief OM Officer	**8.0**	5.0	5.0	3.0	1.0	6.0	5.0	6.0	7.0	5.0
Customer Service - Field	**55.0**	55.0	55.0	52.0	-	-	-	-	-	-
Emergency Management	**-**	-	-	-	-	-	-	-	4.0	2.0
Instrumentation and Ctrl Systems	**-**	-	-	-	-	-	-	-	-	18.0
Maintenance and Warehouse	**-**	-	-	-	-	-	-	-	106.0	106.0
Safety and Loss Control	**-**	-	-	-	-	-	-	-	11.0	10.0
Source of Supply	**53.0**	51.0	54.0	52.0	50.0	50.0	52.0	58.0	56.0	58.0
Support Services	**60.0**	78.0	75.0	80.0	79.0	77.0	86.0	92.0	-	-
Treated Water Operations	**-**	-	-	-	-	-	-	-	53.0	55.0
Water Distribution	**249.0**	248.0	239.0	240.0	217.0	218.0	194.0	190.0	136.0	122.0
Water Quality and Treatment	**139.0**	132.0	126.0	118.0	116.0	109.0	102.0	118.0	35.0	44.0
Water Treatment	**-**	-	-	-	-	-	-	-	86.0	85.0
	564.0	569.0	554.0	545.0	463.0	460.0	439.0	464.0	494.0	505.0
Water Resource Strategy										
Chief Water Resource Strategy Officer	**2.0**	2.0	2.0	1.0	-	-	-	-	-	-
Demand Planning and Efficiency	**7.0**	4.0	4.0	5.0	-	-	-	-	-	-
Environmental and Watershed Planning	**9.0**	10.0	9.0	9.0	-	-	-	-	-	-
Raw Water Supply	**5.0**	5.0	5.0	5.0	-	-	-	-	-	-
Water Resources Analysis	**7.0**	6.0	6.0	6.0	-	-	-	-	-	-
Water Resources Planning	**6.0**	6.0	7.0	6.0	-	-	-	-	-	-
Water Rights	**5.0**	6.0	7.0	5.0	-	-	-	-	-	-
	41.0	39.0	40.0	37.0	-	-	-	-	-	-
Customer Relations										
Chief Customer Relations Officer	**-**	-	-	-	-	-	-	-	-	3.0
Central Services	**-**	-	-	-	-	-	-	-	-	-
Customer Care	**-**	-	-	-	-	-	-	-	-	29.3
Customer Service - Field	**-**	-	-	-	-	-	-	-	-	48.0
Quality Assurance and Reporting	**-**	-	-	-	-	-	-	-	-	8.0
Sales Administration	**-**	-	-	-	-	-	-	-	-	9.0
	-	-	-	-	-	-	-	-	-	97.3
External Affairs										
Chief External Affairs Officer	**-**	-	-	-	5.0	6.0	7.0	6.0	-	-
Communications and Marketing	**-**	-	-	-	11.0	13.0	13.0	13.0	-	-
Community Outreach and Youth Education	**-**	-	-	-	11.6	-	-	-	-	-
Conservation and Community Outreach	**-**	-	-	-	-	18.0	17.0	17.0	-	-
Customer Care	**-**	-	-	-	37.3	35.0	35.5	37.8	-	-
Customer, Distributor, Gov't Relations	**-**	-	-	-	5.0	4.0	1.0	1.0	-	-
Customer Service - Field	**-**	-	-	-	52.0	50.0	51.0	52.0	-	-
Environmental and Watershed Planning	**-**	-	-	-	8.0	8.0	8.0	8.0	-	-
Raw Water Supply	**-**	-	-	-	4.0	4.0	5.0	4.0	-	-
Sales and Support	**-**	-	-	-	17.0	17.0	17.0	17.0	-	-
Water Resources Analysis	**-**	-	-	-	5.0	5.0	6.0	6.0	-	-
Water Resource Efficiency	**-**	-	-	-	8.0	-	-	-	-	-
Water Resources Planning	**-**	-	-	-	7.0	8.0	7.0	8.0	-	-
Water Rights	**-**	-	-	-	6.0	7.0	7.0	7.0	-	-
	-	-	-	-	176.9	175.0	174.5	176.8	-	-

See accompanying footnotes on final page of report.

(continued)

EMPLOYEES BY DIVISION[1]: 2015 - 2024 (continued)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Human Resources	**-**	-	-	-	-	25.0	26.0	28.0	31.0	29.0
Legal	**-**	-	-	-	-	-	-	-	13.0	14.0
Information Technology	**-**	-	-	-	-	95.8	96.3	100.3	104.0	110.4
Planning										
Chief Planning Officer	**-**	-	-	-	-	-	-	-	4.0	2.0
Demand Planning	**-**	-	-	-	-	-	-	-	4.0	3.0
Environmental Planning	**-**	-	-	-	-	-	-	-	7.0	6.0
Hydraulics	**-**	-	-	-	-	-	-	-	-	10.0
Raw Water Supply	**-**	-	-	-	-	-	-	-	5.0	6.0
Treated Water Planning	**-**	-	-	-	-	-	-	-	9.0	-
Water Resources Planning	**-**	-	-	-	-	-	-	-	4.0	4.0
Water Resources Analysis	**-**	-	-	-	-	-	-	-	9.0	10.0
Water Rights	**-**	-	-	-	-	-	-	-	6.0	7.0
	-	-	-	-	-	-	-	-	48.0	48.0
Public Affairs										
Chief Public Affairs Officer	**-**	-	-	-	-	-	-	-	3.0	3.0
Communications and Marketing	**-**	-	-	-	-	-	-	-	14.0	12.0
Conservation	**-**	-	-	-	-	-	-	-	-	17.0
Conservation and Community Outreach	**-**	-	-	-	-	-	-	-	29.0	-
Customer Care	**-**	-	-	-	-	-	-	-	31.0	-
Customer Relations	**-**	-	-	-	-	-	-	-	-	9.0
Customer Service - Field	**-**	-	-	-	-	-	-	-	52.0	-
Sales and Support	**-**	-	-	-	-	-	-	-	16.0	-
	-	-	-	-	-	-	-	-	145.0	41.0
Total	**1,117.0**	1,121.7	1,105.5	1,077.5	1,046.5	1,047.7	1,019.7	1,058.3	1,101.0	1,069.3

[1]Number of employees includes regular and introductory employees, including limited-term employees (LTEs). Temporary and project employees are not included. The source of the data is Human Resources employee records.

[2]Section names may have changed due to business needs.

[3]Various divisional reorganizations occurred in order to accommodate changing business needs.

CAPITAL ASSETS BY FUNCTION: 2015 - 2024

(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CAPITAL ASSETS NOT BEING DEPRECIATED										
Land and land rights	**$ 130,171**	$ 133,450	$ 133,450	$ 133,376	$ 133,293	$ 130,438	$ 130,445	$ 129,789	$ 99,108	$ 99,098
Water rights	**116,460**	116,460	116,460	116,460	73,480	73,480	70,472	70,472	105,785	105,785
Wolford Mountain lease[1]	**-**	-	-	-	42,980	42,980	-	-	-	-
Other non-depreciable[2]	**23,512**	23,512	23,617	23,386	787	-	-	-	-	-
Construction in progress (CIP)	**1,008,835**	848,275	681,018	514,823	400,917	290,239	340,438	265,757	259,690	163,266
Total capital assets not being depreciated	**1,278,978**	1,121,697	954,545	788,045	651,457	537,137	541,355	466,018	464,583	368,149
CAPITAL ASSETS BEING DEPRECIATED										
Buildings and improvements	**513,250**	511,659	510,356	505,134	505,293	494,351	413,792	405,375	199,329	201,538
Improvements other than buildings	**2,617,156**	2,555,125	2,489,076	2,379,469	2,268,955	2,160,818	2,086,796	1,971,680	2,044,423	2,002,297
Machinery and equipment	**521,091**	504,993	498,164	486,342	476,802	449,362	430,287	412,683	392,963	393,007
Regulated assets	**383,552**	291,355	206,382	145,427	84,326	-	-	-	-	-
Right-to-use buildings and improvements	**20,233**	20,233	-	-	-	-	-	-	-	-
Right-to-use improvements other than buildings	**821**	821	821	-	-	-	-	-	-	-
Right-to-use land	**723**	-	-	-	-	-	-	-	-	-
Right-to-use SBITAs	**6,215**	5,932	-	-	-	-	-	-	-	-
Total capital assets being depreciated	**4,063,041**	3,890,118	3,704,799	3,516,372	3,335,376	3,104,531	2,930,875	2,789,738	2,636,715	2,596,842
Less accumulated depreciation										
Buildings and improvements	**(166,203)**	(157,556)	(149,314)	(140,563)	(131,873)	(123,465)	(124,083)	(117,420)	(48,453)	(47,372)
Improvements other than buildings	**(745,982)**	(712,885)	(681,303)	(651,417)	(622,672)	(596,435)	(588,296)	(563,245)	(596,587)	(570,105)
Machinery and equipment	**(313,462)**	(296,224)	(283,531)	(268,601)	(251,927)	(238,366)	(239,589)	(227,197)	(211,396)	(200,614)
Regulated assets	**(24,421)**	(14,689)	(7,815)	(2,970)	(161)	-	-	-	-	-
Right-to-use buildings and improvements	**(775)**	(370)	-	-	-	-	-	-	-	-
Right-to-use improvements other than buildings	**(172)**	(115)	(57)	-	-	-	-	-	-	-
Right-to-use land	**(12)**	-	-	-	-	-	-	-	-	-
Right-to-use SBITAs	**(3,855)**	(1,621)	-	-	-	-	-	-	-	-
Total accumulated depreciation	**(1,254,882)**	(1,183,460)	(1,122,020)	(1,063,551)	(1,006,633)	(958,266)	(951,968)	(907,862)	(856,436)	(818,091)
Total capital assets being depreciated, net	**2,808,159**	2,706,658	2,582,779	2,452,821	2,328,743	2,146,265	1,978,907	1,881,876	1,780,279	1,778,751
TOTAL CAPITAL ASSETS, NET	**$ 4,087,137**	$ 3,828,355	$ 3,537,324	$ 3,240,866	$ 2,980,200	$ 2,683,402	$ 2,520,262	$ 2,347,894	$ 2,244,862	$ 2,146,900

[1] In 2019, the $12.9 million of amortization taken on the Wolford Mountain lease was reversed, and the 2019 beginning net position was restated. Because the underlying assets were determined to be intangible, the lease was also reclassed into the *Capital Assets Not Being Depreciated* category. In previous years, this was reported in *Improvements other than buildings* in the *Capital Assets Being Depreciated* section. In 2020, the final payment was made on the lease and Denver Water took ownership of its proportional share of the water right in 2021.

[2] *Other non-depreciable* includes Operations Complex public art and water capacity.

BUDGET TO ACTUAL COMPARISON 2020 - 2024 AND 2025 BUDGET (BUDGET BASIS)

(amounts expressed in thousands)	2025 Budget	2024 Budget	2024 Actual	2023 Budget	2023 Actual[2]	2022 Budget	2022 Actual	2021 Budget	2021 Actual	2020 Budget	2020 Actual
BEGINNING CASH & INVESTMENTS	$ 287,464	$ 229,459	$ 229,459	$ 361,826	$ 361,826	$ 403,590	$ 403,590	$ 258,734	$ 258,734	$ 276,326	$ 276,326
RECEIPTS FROM:											
Sale of water	385,422	371,423	383,075	356,513	320,568	326,191	349,174	311,270	323,079	306,147	342,903
Nonoperating, interest, and other	32,773	46,102	57,261	40,237	38,889	20,698	23,232	21,080	20,438	24,265	34,849
System development charges	34,679	31,679	30,247	34,679	32,825	34,988	47,221	22,000	37,897	29,985	22,553
Developer participation, reimbursements, and grants	38,992	27,583	27,284	24,271	21,669	32,239	22,873	5,510	4,153	8,032	3,662
	491,866	476,787	497,867	455,700	413,951	414,116	442,500	359,860	385,567	368,429	403,967
Sale of bonds or issuance of notes	219,938	286,378	269,867	206,271	170,135	120,000	200,773	350,000	351,185	155,000	158,629
Total receipts	711,804	763,165	767,734	661,971	584,086	534,116	643,273	709,860	736,752	523,429	562,596
LESS EXPENDITURES FOR:											
Operations, maintenance, and refunds	275,455	282,092	292,081	263,646	264,551	232,090	245,858	208,590	217,864	221,115	208,218
Debt service	85,079	75,170	72,282	71,843	127,638	55,786	53,166	50,351	50,519	46,169	46,372
	360,534	357,262	364,363	335,489	392,189	287,876	299,024	258,941	268,383	267,284	254,590
Capital improvements (new facilities)	273,790	307,088	279,554	295,182	266,944	379,154	308,918	290,680	266,116	222,679	264,885
System replacements	65,276	57,073	63,523	63,321	56,966	48,447	51,585	60,832	51,939	70,077	73,809
Equipment	3,000	4,874	3,111	6,313	4,995	5,212	2,863	5,202	4,861	3,650	3,933
	342,066	369,035	346,188	364,816	328,905	432,813	363,366	356,714	322,916	296,405	342,627
Total expenditures	702,600	726,297	710,551	700,305	721,094	720,689	662,390	615,655	591,299	563,689	597,217
Cash balance adjustment[1]			822		4,641		(22,647)		(597)		17,029
ENDING CASH & INVESTMENTS	$ 296,668	$ 266,327	$ 287,464	$ 323,492	$ 229,459	$ 217,017	$ 361,826	$ 352,939	$ 403,590	$ 236,066	$ 258,734

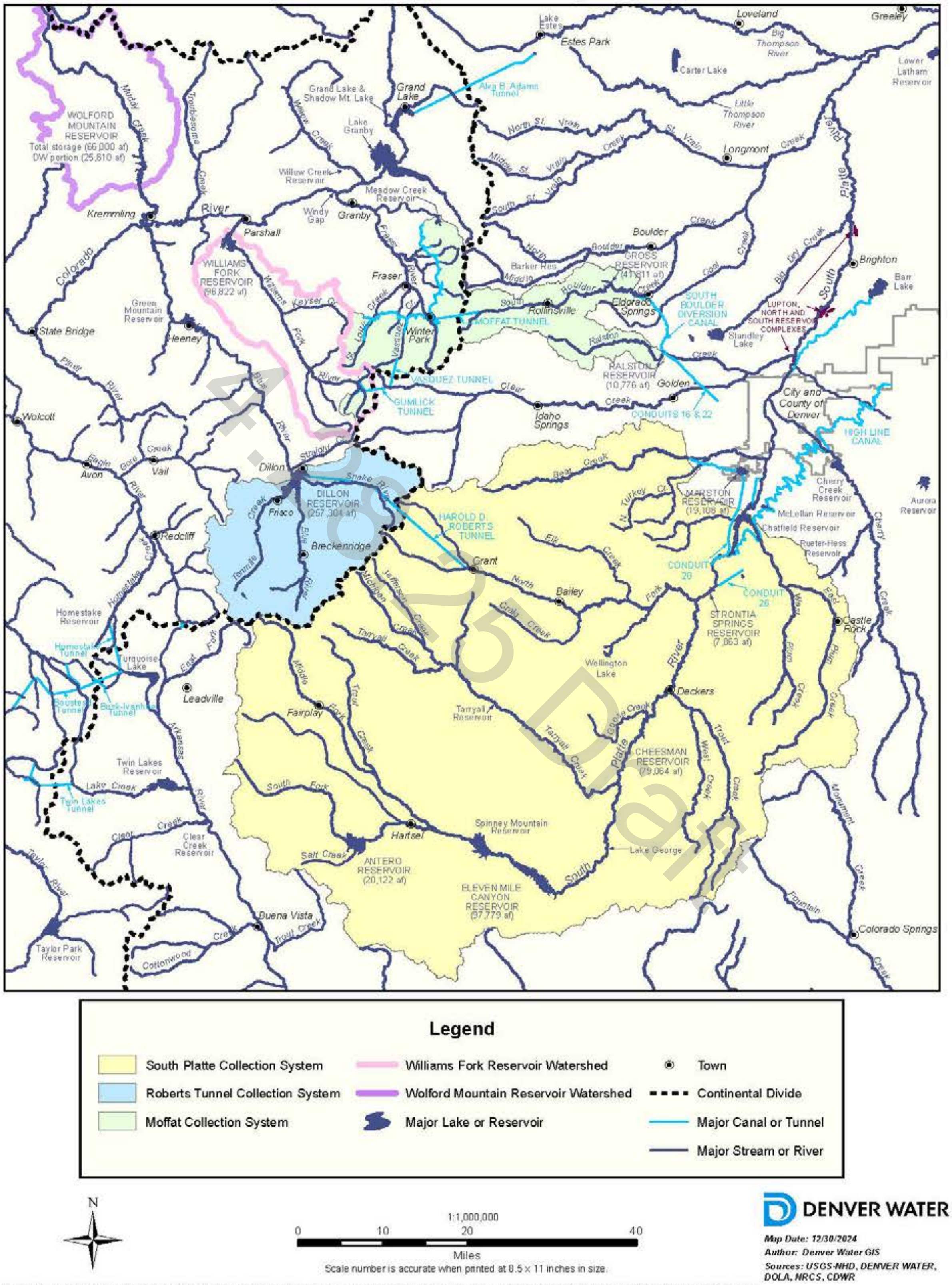
GENERAL EXPLANATION OF VARIANCES:

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

[2]Utilized $60.0 million from the line of credit in 2023. The proceeds are included in *Sale of bonds or issuance of notes*. The line of credit was repaid fully in 2023 and is included in the *Debt service* total.

City and County of Denver
Board of Water Commissioners

Water Collection System



OPERATING INDICATORS BY FUNCTION: 2015 - 2024

Supply:	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Raw water collected (acre-feet)	**250,423**	323,133	282,881	287,188	246,959	330,516	221,212	297,878	274,670	279,378
Supply from South Platte River & Effluent Exchange (acre-feet)	**133,860**	123,680	107,268	144,595	102,012	151,288	78,967	132,115	158,324	166,561
Supply from Roberts Tunnel/Blue River (acre-feet)	**53,588**	95,968	89,529	60,425	65,995	80,424	56,101	86,124	40,795	39,801
Supply from Moffat System (acre-feet)	**62,976**	103,485	86,084	82,168	78,952	98,804	86,144	79,639	75,551	73,016
Percent of total water collected (acre-feet):										
Percent from South Platte System	**54%**	38%	38%	50%	41%	46%	36%	44%	58%	60%
Percent from Roberts Tunnel/Blue River System	**21%**	30%	32%	21%	27%	24%	25%	29%	15%	14%
Percent from Moffat System	**25%**	32%	30%	29%	32%	30%	39%	27%	27%	26%
Raw water reservoir storage capacity (acre-feet)[1]	**570,368**	570,368	570,368	570,166	570,196	570,196	569,648	569,648	568,642	569,534
Replacement reservoir storage capacity (acre-feet)	**129,488**	129,488	129,488	129,487	129,487	129,487	125,993	125,993	122,432	122,432
Total reservoir storage capacity (acre-feet)[2]	**699,856**	699,856	699,856	699,074	699,683	699,683	695,641	695,641	691,074	691,966
Reservoir storage (acre-feet), January 1	**605,317**	539,216	544,777	528,197	577,192	520,813	586,617	568,124	582,015	601,493
Percent of capacity	**86.5%**	77.1%	77.9%	75.5%	82.5%	74.9%	84.3%	82.2%	84.1%	86.9%
Reservoir storage (acre-feet), December 31[2]	**588,839**	605,317	539,216	539,535	528,197	577,192	520,813	586,617	568,124	582,015
Percent of capacity	**84.1%**	86.5%	77.0%	77.2%	75.5%	82.5%	74.9%	84.3%	82.2%	84.1%
Number of hydropower plants	**7**	7	7	7	7	7	7	7	7	7
Power generation in KWH (excluding power purchased)	**57,156,812**	53,083,801	56,696,283	50,374,494	68,451,988	52,929,656	63,127,191	76,948,391	67,436,291	61,586,646
Value of power generation (excluding power purchased)	**$4,561,256**	$2,002,056	$3,907,073	$3,834,897	$3,873,932	$3,892,135	$4,420,800	$4,510,456	$4,337,858	$3,913,171

Pumping:	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of treated water pump stations	**18**	18	18	18	18	18	18	18	18	18
Maximum treated water pumping capacity (mgd)	**1,073.8**	1,073.8	1,073.8	1,050.8	1,050.8	1,048.4	1,048.4	1,048.4	1,048.4	1,048.4
Treated water pumping energy costs	**$3,115,380**	$2,930,387	$3,688,396	$2,930,451	$2,527,672	$3,335,873	$3,135,017	$2,959,900	$2,903,926	$2,816,438
Raw water pumping capacity (mgd)	**112.2**	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2

Transmission and Distribution:	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miles of pipe installed, net of reductions	**4.3**	8.1	15.2	12.0	13.5	17.2	15.9	33.3	17.6	17.5
Miles of raw water supply mains (mountain collection system)	**91.2**	91.2	91.2	90.9	90.9	87.1	77.5	77.5	77.3	77.4
Miles of raw water supply mains (metropolitan Denver area)[7]	**53.8**	49.8	49.7	49.2	49.1	57.8	57.0	57.1	54.3	54.2
Miles of treated water mains in system	**3,225.6**	3,225.4	3,217.3	3,202.9	3,191.0	3,175.7	3,158.5	3,142.6	3,109.3	3,091.7
Miles of recycled water mains in system	**73.8**	73.7	73.8	75.5	75.5	72.4	71.7	70.4	73.5	67.2
Number of treated water valves operated and maintained	**90,086**	90,187	89,414	88,375	87,507	86,624	85,565	84,674	83,171	82,250
Number of recycled water valves in system[10]	**1,605**	1,606	1,606	1,632	1,632	1,612	1,604	1,459	1,538	1,512
Number of hydrants operated and maintained[6]	**22,487**	22,295	22,102	21,873	21,465	22,219	21,195	20,967	20,556	20,269
Fire hydrants tested and repaired	**20,231**	21,980	20,214	19,733	17,438	23,643	24,922	25,990	23,909	18,093
Breaks in mains - Denver	**338**	331	348	297	423	294	275	275	225	262
Service leaks	**270**	352	353	431	484	597	538	508	503	542
Treated water main leak detection program:										
Miles of pipe surveyed	**134**	125	451	567	754	814	660	1,384	922	808
Visible leaks pinpointed	**67**	103	244	132	141	142	182	183	134	131
Non-visible leaks detected	**18**	13	55	56	68	56	58	100	68	62

See accompanying footnotes on final page of report.

(continued)

Treatment and Water Quality:	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Acre-feet	**209,126**	181,488	209,783	200,208	214,942	198,827	206,074	195,822	199,489	184,489
Population[3]	**1,301,000**	1,297,000	1,295,000	1,287,000	1,277,000	1,270,000	1,261,000	1,248,000	1,238,000	1,222,000
Treated water reservoir capacity (million gallons)[4]	**371.8**	351.8	351.8	351.8	351.8	351.8	351.8	351.4	351.4	351.4
Treated water consumption (million gallons)	**68,144**	59,138	68,358	65,238	70,039	64,788	67,149	63,809	65,004	60,116
Average daily consumption (million gallons)	**186.70**	162.02	187.28	178.73	191.89	177.50	183.97	174.82	178.09	164.70
Average daily gallons per capita	**143.50**	124.92	144.62	138.88	150.26	139.76	145.89	140.08	143.86	134.78
Maximum daily consumption (million gallons)	**382.62**	334.20	372.51	369.60	380.45	371.11	396.40	364.92	355.88	344.26
Maximum hour treated water use rate (million gallons per day)	**794.00**	604.00	658.40	648.00	670.00	572.60	637.00	628.50	592.00	499.30
Precipitation in inches - Annual	**18**	22	14	15	11	16	13	15	14	28
Precipitation in inches - 4/1 to 9/30	**9**	18	8	11	6	11	9	12	8	19
Water Quality Samples:										
Watershed	**11,869**	11,391	10,128	9,709	7,600	7,120	5,222	6,624	6,826	5,544
Treatment plant	**2,342**	2,112	2,548	2,278	2,151	1,976	2,222	3,233	3,168	4,443
Distribution system	**23,679**	23,260	21,494	21,503	20,805	20,727	13,521	15,909	16,575	18,953
Other	**4,306**	4,863	8,224	14,960	12,431	11,683	7,700	14,890	5,599	6,538
Lead and copper	**23,275**	19,294	22,191	33,061	38,511	28,560	7,697	7,570	-	-
Total Samples Collected	**65,471**	60,920	64,585	81,511	81,498	70,066	36,362	48,226	32,168	35,478
Microbiological analyses completed	**20,647**	14,084	17,031	16,530	14,425	14,471	15,346	22,568	11,407	11,208
Chemical and field analyses completed	**125,277**	95,887	123,671	208,016	280,952	404,222	160,241	147,819	49,829	56,885
Total Analyses Performed	**145,924**	109,971	140,702	224,546	295,377	418,693	175,587	170,387	61,236	68,093

Treatment Plant Capacity (million gallons per day):

Plant		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Foothills	Dual-Media	**280.0**	280.0	280.0	280.0	280.0	280.0	280.0	280.0	280.0	280.0
Marston	Dual-Media	**200.0**	200.0	200.0	200.0	250.0	250.0	250.0	250.0	250.0	250.0
Moffat	Rapid-Sand	**80.0**	80.0	80.0	80.0	120.0	120.0	120.0	185.0	185.0	185.0
Northwater[11]	Dual-Media	**75.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capacity (million gallons per day)[5,8,9,11]		**635.0**	560.0	560.0	560.0	650.0	650.0	650.0	715.0	715.0	715.0

Chemical Treatment:

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

Plant	**Total Cost**	**Pounds of Chemicals Used**
Foothills	**$ 6,365,710**	**36,600,622**
Marston	**2,756,111**	**16,478,454**
Moffat	**710,146**	**3,708,960**
Northwater	**1,068,924**	**5,494,654**
Recycling	**716,751**	**3,437,142**
	$11,617,642	**65,719,832**

See accompanying footnotes on final page of report. (continued)

TREATED WATER QUALITY SUMMARY: TREATMENT PLANT EFFLUENT AVERAGES - 2024

Analysis of Effluent Water	Foothills	Marston	Moffat	Northwater
General				
Alkalinity, Total as $CaCO_3$ (mg/L)	62.20	68.00	44.40	50.30
Chlorine, Total (mg/L)	1.54	1.60	1.75	1.65
Hardness as $CaCO_3$ (mg/L)	84.00	98.50	53.70	53.90
pH (SU)	8.83	8.84	8.87	8.82
Specific Conductance (µS/cm)	263.00	310.90	162.50	162.90
Temperature (°C)	10.90	9.90	17.00	10.70
Total Dissolved Solids (mg/L)	181.40	204.10	103.00	113.70
Turbidity (NTU)	0.04	0.03	0.03	0.03
Metals Direct Analyses				
Aluminum (µg/L)	50.48	27.43	19.80	21.93
Barium (µg/L)	33.98	39.85	21.67	23.41
Boron (µg/L)	0.00	0.00	0.00	0.00
Calcium (mg/L)	23.95	27.93	17.23	17.19
Magnesium (mg/L)	5.94	6.99	2.51	2.90
Manganese (µg/L)	8.07	3.62	0.47	2.96
Molybdenum (µg/L)	12.10	12.82	1.10	1.01
Potassium (mg/L)	1.77	1.96	0.83	0.89
Sodium (mg/L)	19.52	23.35	12.23	13.84
Uranium (µg/L)	0.10	0.24	0.00	0.00
Ions (mg/L)				
Chloride	21.39	26.09	8.92	10.14
Fluoride	0.77	0.74	0.67	0.39
Nitrate + Nitrite-Nitrogen	0.04	0.04	0.00	0.00
o-Phosphate	0.00	0.00	0.00	0.00
Sulfate	50.70	60.72	20.50	19.61
Disinfection Precursor and By-Products (µg/L)				
Total Organic Carbon (mg/L)	1.94	2.04	1.89	1.72
Haloacetic Acids (µg/L)	24.57	16.67	25.30	8.00
Total Trihalomethanes (µg/L)	31.70	26.07	29.20	11.50

[1] In 2024, Denver Water had 17 raw water reservoirs. This capacity is based on current reservoir capacity.
[2] The reservoir storage as of December 31, 2024 and historical total supply capacity was revised in 2020 to be consistent with current measurement processes.
[3] Population estimated based on treated water customers only.
[4] In 2024, Denver Water had four potable water treatment facilities.
[5] In 2018, Moffat Treatment Plant capacity was de-rated from 185 MGD to 120 MGD due to construction on Conduit 16.
[6] In 2019, hydrant quantities were calculated by O&M. Previous years were calculated by Assets Recording and Drafting Group.
[7] In 2020, Conduit 16 was abandoned and replaced in 2021.
[8] In 2021, Marston Treatment Plant capacity was downrated to 200 MGD due to new chemical capacity designs and solids processing systems.
[9] In 2021, Moffat Treatment Plant's peak capacity was reduced to 80 MGD.
[10] In 2022, the Recycled Plant was updated with recent survey data that changed the type of water from recycle to process pipe.
[11] In 2024, Northwater Treatment Plant began operations with a peak capacity of 75 MGD for the year.

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DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO

Section IV Table of Contents

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Place holder for Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Place holder for Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Place holder for Independent Auditors' Report on Compliance for the Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Place holder for Independent Auditors’ Report on Compliance for the Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Place holder for Independent Auditors' Report on Compliance for the Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Schedule of Expenditures of Federal Awards
December 31, 2024

Schedule of Expenditures for Federal Awards
December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Environmental Protection Agency:			
Passed through the Colorado Water Resources and Power Development Authority Drinking Water State Revolving Fund Cluster Capitalization Grants:			
Drinking Water State Revolving Funds: 2022 BIL Lead Grant	66.468	DL22F476	$ 40,091,444
Grand Total			$ 40,091,444

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2024

1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the Board of Water Commissioners (DBA Denver Water). All federal financial assistance received by Denver Water directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the Schedule.

2. Basis of Presentation

The Schedule includes the federal award activity of Denver Water under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Denver Water, it is not intended to and does not present the financial position, changes in net position or cash flows of Denver Water.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

4. Indirect Costs

Denver Water has elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance. Denver Water did not have federal expenditures relating to indirect costs for the year ended December 31, 2024.

5. Retainage

Retainage for work areas completed in 2024, but paid and reimbursed in 2025, has been accrued and is included in the total.

6. Subrecipients

Denver Water did not provide any federal awards to subrecipients.

Hold for Schedule of findings and questioned costs (provided by CLA)

Hold for Schedule of findings and questioned costs (provided by CLA)

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APPENDIX B

GLOSSARY OF TERMS

Set forth below are definitions of some of the terms used in this Official Statement and the Parity Bonds Resolution. Reference is hereby made to the provisions of the Parity Bonds Resolution for a complete recital of the terms defined therein, some of which are set forth below.

"Additional Parity Bonds" means Parity Bonds issued by the Board subsequent to the issuance of the Series 2025A Bonds and pursuant to the Parity Bonds Resolution.

"Beneficial Owner" means the beneficial owner of Parity Bonds registered in the name of a Depository or its nominee.

"Board" means the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by the Board and experienced in the issuance of municipal bonds and the excludability of interest thereon from gross income for federal income tax purposes.

"Bond Register" means the registration books for the Parity Bonds maintained by or on behalf of the Board by any Registrar.

"Business Day" means any "Business Day" as defined in any Supplemental Resolution, and with respect to the Series 2025A Bonds means any day, other than a Saturday or a Sunday or a day (a) on which banks located in the city in which the office of the Paying Agent is located are required or authorized by law or executive order to close, or (b) on which the Federal Reserve System is closed.

"Capital Improvements" means the acquisition of land, easements, facilities, water rights and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments and extensions, for use by or in connection with the System.

"Capital Improvements Lease Payments" means the principal and interest components of the annual lease payments due under any lease entered into by the Board, as lessee, in order to provide Capital Improvements.

"Capital Project" means the acquisition, construction and installation of Capital Improvements to the System, as may be more fully described in any Supplemental Resolution.

"Charter" means the home rule charter of the City.

"Chief Finance Officer" means the Chief Finance Officer of the Board or the designee of the Chief Finance Officer.

"City" means the City and County of Denver, Colorado.

"Combined Average Annual Debt Service Requirements" means, with regard to any two or more particular issues of Securities, the aggregate of all Debt Service Requirements to become due from the date of computation to the date of maturity of the latest maturing obligation of such Securities, divided by the number of years between such dates. If any particular issue of Securities, including Commercial Paper Notes, has a single principal payment date and is issued as interim notes or Securities in anticipation of permanent financing, such principal amount is to be excluded from this computation.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation or of the Federal Reserve System, which has capital and surplus of $10,000,000 or more and which is located within the United States of America.

"Commercial Paper Notes" means any bonds or notes payable from and having an irrevocable lien upon all or a portion of the Net Revenue (a) with a stated maturity date that is not more than 270 days after the date of issuance thereof, and (b) are designated as Commercial Paper Notes in the resolution authorizing their issuance, but does not include any Credit Facility Obligations relating to such bonds or notes.

"Continuing Disclosure Undertaking" means the Continuing Disclosure Undertaking in substantially the form set forth in Appendix F.

"Credit Facility" means any letter or line of credit, standby liquidity support or purchase agreement, revolving credit agreement, policy of bond insurance, surety bond or guarantee or similar instrument (other than a Reserve Policy) issued by a financial, insurance or other institution and which specifically provides security, liquidity or both in respect of Securities payable from all or a portion of the Net Revenue.

"Credit Facility Obligations" means repayment or other obligations incurred by the Board in respect of draws or other payments or disbursements made under a Credit Facility.

"C.R.S." means the Colorado Revised Statutes, as amended and supplemented.

"Debt Service Requirements" means for any period, the amount required to pay the principal of, any optional redemption premium then due on, and interest on any designated Outstanding Securities during such period, provided that:

(a) the determination of the Debt Service Requirements of any Securities is to assume the redemption and payment of such Securities on any applicable mandatory Redemption Dates and not take into account any mandatory or optional tender for purchase provisions of any Securities;

(b) in any computation relating to the issuance of Parity Bonds, there is to be excluded from the computation of Debt Service Requirements an amount equal to any proceeds on deposit in a bond fund for such Securities constituting capitalized interest;

(c) for Variable Rate Bonds, such amount is to be calculated assuming that the Variable Rate Bonds bear interest during the related period as follows: (i) if the Variable Rate Bonds have been Outstanding for at least 12 months, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or the average rate borne by the Variable Rate Bonds over the 12 months immediately preceding the date of calculation, and (ii) if the Variable Rate Bonds have been Outstanding for less than 12 months or are not yet Outstanding, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or (A) if interest on the Variable Rate Bonds is excludible from gross income under the applicable provisions of the Federal Tax Code, the average rate set forth on the SIFMA Index over the 12 months immediately preceding the date of calculation, or (B) if interest is not so excludible, the average rate on direct Federal Securities with maturities comparable to the rate reset period;

(d) for purposes of this calculation, if a Financial Products Agreement has been entered into by the Board with respect to any Parity Bonds, interest on such Parity Bonds is to be included in the calculation of such principal and interest by including, for the related period, an amount equal to the amount of interest payable on such Parity Bonds during such period determined as described in paragraph (c) above plus any Financial Products Payments payable in the related period minus any Financial Products Receipts receivable in such period, but, in no event may any calculation made as described in this paragraph (d) result in a number less than zero being included in the calculation of such interest;

(e) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement, which Financial Products Payments or Financial Products Receipts are based on interest rates that are not fixed in percentage for the entire term of the Financial Products Agreement, such amount is to be calculated by assuming such variable interest rate is a fixed interest rate equal to: (i) if the Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as described above in paragraph (c); or (ii) if the Financial Products Agreement relates to the Securities that bear interest at a fixed interest rate, the average of the daily interest rate for such Financial Products Payments or Financial Products Receipts under such Financial Products Agreement during the 12 months preceding the calculation or during the time the Financial Products Agreement has been in effect if less than 12 months, and if such Financial Products Agreement is not then in effect, the variable interest rate is to be deemed to be a fixed interest rate equal to the average daily interest rate for such Financial Products Payments or Financial Products Receipts that would have been applicable if such Financial Products Agreement had been in effect for the preceding 12-month period, which average daily interest rate is to be set forth in a certificate of the Chief Finance Officer;

(f) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities that are Variable Rate Bonds, such amount is to be calculated by assuming the interest rate on the related Variable Rate Bonds will be a fixed interest rate equal to the average of the daily interest rate on such Variable Rate Bonds during the 12 months preceding the calculation or during the time the Variable Rate Bonds are Outstanding if less than 12 months, and if such Variable Rate Bonds are not at the time of calculation Outstanding, the variable interest rate is to be deemed to be a fixed interest rate equal to the average daily interest rate which such Variable Rate Bonds would have borne if they had been Outstanding for the preceding 12-month period as estimated by the Chief Finance Officer, all as set forth in a certificate of the Chief Finance Officer;

(g) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities bearing interest at a fixed rate, such amount is to be the amount payable or receivable annually determined as of the date of issuance of the Securities as set forth in a certificate of the Chief Finance Officer; and

(h) for the purposes of this calculation, if Commercial Paper Notes are then Outstanding or are the Parity Bonds proposed to be issued, it is to be assumed that (i) the principal amount of any Commercial Paper Notes Outstanding is the principal amount of the Commercial Paper Notes Outstanding at the time the calculation is being made, and (ii) the Commercial Paper Notes will bear interest on the unpaid principal amount thereof at a fixed rate of interest equal to the 12-month average of the SIFMA Index.

"Denver Water" means the property and personnel under control of the Board to be generally referred to as "Denver Water" as provided in Section 10.1.6 of the Charter.

"Depository" means any qualified securities depository selected by the Board as provided in a Supplemental Resolution in respect of any series of Parity Bonds.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York.

"Event of Default" means any of the events specified as such in the Master Bond Resolution.

"Federal Securities" means direct obligations of (including obligations issued or held in book-entry form on the books of), or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Federal Tax Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

"Financial Products Agreements" means any interest rate swap, cap, collar, floor, hedging agreement, arrangement or security, however denominated, entered into by the Board with a Provider with respect to any Parity Bonds or specific Securities or as otherwise permitted by State law and providing that any payments by the Board thereunder are payable from a lien on all or a portion of the Net Revenue and for the purpose of (i) reducing or otherwise managing the Board's risk of interest rate changes or interest rate costs, or (ii) effectively converting the Board's interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, from a variable rate exposure to a variable rate exposure or from a variable rate exposure to a fixed rate exposure.

"Financial Products Payments" means payments periodically required to be paid to a Provider by the Board pursuant to a Financial Products Agreement but specifically excluding Financial Products Termination Payments.

"Financial Products Receipts" means amounts periodically required to be paid to the Board by a Provider pursuant to a Financial Products Agreement but specifically excluding any Financial Products Termination Payment.

"Financial Products Termination Payment" means any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement as a result of any event of default or termination event thereunder. No Financial Products Termination Payment required under any Parity Financial Products Agreement may be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Fiscal Year" means the 12 months commencing January 1 of any year and ending December 31 of said year.

"Gross Revenue" means all income and revenues directly or indirectly derived by the Board from the operation and use of the System, or any part thereof, including without limitation, any rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for the services furnished by, or for the use of, the System, and proceeds realized from any past or future dispositions of System property or rights or related contracts, settlements or judgments, and including investment income accruing from moneys held to the credit of the Water Works Fund, provided however, there is to be excluded from Gross Revenues any moneys borrowed and used for providing Capital Improvements; any money and securities and investment income therefrom, in any refunding account, escrow fund or similar account pledged to the payment of any bonds or other obligations; any Financial Products Receipts, any Financial Products Termination Payment, and any moneys received as grants or appropriations from the United States, the State, other local governments or enterprises or other sources, the use of which is limited or restricted to the provision of Capital Improvements (including oversizing of facilities or similar capital improvements) or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys are received as payments for the use of the System, services rendered thereby, the availability of any such service or the disposal of any commodities therefrom.

"Interest Subaccount" means the subaccount of the Parity Bonds Debt Service Account so designated and established by the Master Bond Resolution.

"Master Bond Resolution" means the Master (06-28-23) Bond Resolution adopted by the Board on June 28, 2023, relating to the issuance of Parity Bonds, constituting the amendment and restatement in full of the Prior Master Bond Resolution as defined therein, as the Master Bond Resolution may be heretofore amended and supplemented in accordance with its terms.

"Net Revenue" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"Official Statement" means the final version of the Official Statement prepared in connection with the sale of the Series 2025A Bonds to the Underwriters.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Board, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and other overhead expenses of the Board related to the administration of the System, insurance premiums, payments of claims under a self-insurance program, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor and the cost of materials, supplies for current operations, payments of rebate obligations to the United States of America as further provided in any Supplemental Resolution and any related Tax Certificate of the Board in respect of the Parity Bonds and any similar payment of rebate obligations provision of any resolution (and related tax certificate) in respect of the Capital Improvements Lease Payments, rental payments under operating leases and administrative costs and expenses related thereto, however, there is to be excluded from Operation and Maintenance Expenses any allowance for depreciation, non-cash overhead expenses of the System, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued or entered into to provide Capital Improvements, Capital Improvements Lease Payments and charges for the accumulation of reserves.

"Other Available Funds" means, for any Fiscal Year, the amount of revenues not constituting Net Revenues determined by the Chief Finance Officer to be transferred from the Water Works Fund to the Parity Bonds Debt Service Account; but in no event may such aggregate amount exceed 10% of the Combined Average Annual Debt Service Requirements of the Parity Bonds and the Capital Improvements Lease Payments.

"Outstanding" or "outstanding" means the following:

(a) When used with reference to any Parity Bonds and as of any particular date, all such Parity Bonds theretofore executed, issued and delivered by the Board except:

(i) any Parity Bonds canceled or paid by or on behalf of the Board on or before such date as surrendered to the Board, a Registrar or a Paying Agent for cancellation and any Parity Bonds owned by the Board;

(ii) any Parity Bonds deemed to have been paid as described in Appendix C – "Summary of Certain Provisions of the Parity Bonds Resolution – Defeasance";

(iii) any Parity Bonds in lieu of, or in substitution for which, other Parity Bonds have been executed, issued and delivered by the Board and authenticated by the Registrar, unless proof satisfactory to the Registrar is presented that any such other Parity Bonds are duly held by the lawful Registered Owners thereof;

(iv) any Parity Bonds (or portions thereof) for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, are held in trust and set aside for such payment or redemption (whether at or prior to the maturity or Redemption Date), provided that if such Parity Bonds are to be redeemed, notice of such redemption has been given as provided in the Supplemental Resolution authorizing the issuance of such Parity Bonds or provision satisfactory to the Registrar of such Parity Bonds has been made for the giving of such notice;

(v) any Parity Bonds deemed tendered or purchased as provided by any Supplemental Resolution; and

(vi) any Parity Bonds the principal and/or interest due on which have been paid by the Provider of a Credit Facility.

(b) When used with reference to (i) Securities other than the Parity Bonds, and (ii) the Capital Improvements Lease Payments and as of any particular date, all such obligations theretofore issued or incurred and not paid and discharged other than

(A) Capital Improvements Lease Payments for which the Board has elected to not appropriate funds in accordance with the applicable lease provisions;

(B) obligations theretofore cancelled by a trustee or paying agent for such obligations or by the owner of such obligations;

(C) obligations deemed paid and no longer Outstanding as provided in the document pursuant to which the obligations were issued;

(D) any obligations held by the Board; and

(E) obligations in lieu of which other obligations have been authenticated and delivered pursuant to the provisions of the document pursuant to which such obligations are issued regarding transfer or exchange of the obligations or regarding mutilated, destroyed, lost or stolen obligations unless proof satisfactory to the Chief Finance Officer has been received that any such obligations are held by a bona fide purchaser.

"Outstanding Parity Bonds" means all Parity Bonds Outstanding at any time or from time to time, including, as of the date of the Series 2025A Supplemental Resolution, the Series 2012B Bonds, the Series 2014A Bonds, Series 2016A-B Bonds, Series 2017A-B Bonds, the Series 2020A-B Bonds, the Series 2021A Bonds, the Series 2022A Bonds, and the Series 2024A Bonds.

"Owner" or "Registered Owner" means the registered owner of any Parity Bond as shown by the Bond Register.

"Parity Bonds" means any Securities issued pursuant to the provisions of the Parity Bonds Resolution that are payable from Net Revenue and the payment of which is secured by a pledge of and a lien on the Net Revenue. Parity Bonds do not include (a) the Capital Improvements Lease Payments, (b) Subordinate Lien Obligations, and (c) any Credit Facility Obligations or Financial Products Agreements relating to any such Securities.

"Parity Bonds Debt Service Account" or "Debt Service Account" means the book account designated the "Parity Bonds Master Resolution Debt Service Account" established in the Water Works Fund by the Master Bond Resolution.

"Parity Bonds Reserve Account" or "Reserve Account" means any account designated as a "Reserve Account" in respect of a series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing for the reserve requirements for such series of Parity Bonds, all as shall be further provided by Supplemental Resolution.

"Parity Credit Facility Obligations" means any Credit Facility Obligations payable from all or a portion of the Net Revenue on a parity with the Parity Bonds.

"Parity Financial Products Agreement" means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on all or a portion of the Net Revenue on parity with the Parity Bonds. No Financial Products Termination Payment required under any Parity Financial Products

Agreement may have a lien on the Net Revenue that is senior to or on parity with the lien thereon of the Parity Bonds.

"Paying Agent" means the commercial or trust bank or its successor designated in a Supplemental Resolution to perform the function of paying agent for the applicable series of Parity Bonds. The Paying Agent for the Series 2025A Bonds initially is U.S. Bank Trust Company, National Association.

"Permitted Investments" means investments or deposits that comply with the requirements of the applicable provisions of the State, the Charter and Board policies relating to the investment or deposit of Board moneys.

"Preliminary Official Statement" means the Preliminary Official Statement relating to the offering and sale of the Series 2025A Bonds.

"Principal Subaccount" means the subaccount of the Parity Bonds Debt Service Account so designated and established by the Master Bond Resolution.

"Project Account" means any account designated a "Project Account" in respect of a series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing any Capital Project or Refunding Project or any combination thereof, as may be provided by Supplemental Resolution. For any Refunding Project, the Project Account may be designated as a Refunding Escrow Account.

"Project Costs" means the costs properly attributable to any Capital Project, any Refunding Project, or any part thereof, including without limitation:

(a) the costs of labor and materials, of machinery, furnishings and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs;

(d) the costs of reimbursing funds advanced by the Board in anticipation of reimbursement from bond proceeds;

(e) the costs of surveys, appraisals, plans, designs, specifications and estimates;

(f) the costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors or other agents or employees;

(g) the costs of publishing, reproducing, posting, mailing or recording documents;

(h) the costs of contingencies or reserves;

(i) the costs of issuing the Parity Bonds;

(j) the costs of amending any resolution or other instrument relating to the Parity Bonds, any Capital Project or any Refunding Project;

(k) the costs of repaying any short-term financing, construction loans and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(l) the costs of acquiring any property, rights, water rights, easements, licenses, privileges, agreements and franchises;

(m) the costs of demolition, removal and relocation; and

(n) all other lawful costs as determined by the Board.

"Pro Rata Portion" means when used with respect to a required credit to the Principal Subaccount or the Interest Subaccount, the dollar amount determined by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

"Provider" means any financial institution or insurance company which is a party to a Financial Products Agreement with the Board.

"Rating Agencies" or "Rating Agency" means any nationally recognized securities rating agency then maintaining a rating with respect to the Parity Bonds.

"Rebate Account" means any book account designated as a "Rebate Account" in respect of a series of Parity Bonds established in the Water Works Fund by Supplemental Resolution in respect of such series of Parity Bonds.

"Redemption Date" means the date fixed by the Board for the mandatory or optional redemption of any Parity Bonds prior to their respective fixed maturity dates pursuant to the terms of a Supplemental Resolution.

"Redemption Price" means the principal amount of any Parity Bond plus the applicable premium, if any, thereon payable upon the Redemption Date as provided in a Supplemental Resolution.

"Refunding Project" means the refunding of any Securities issued by the Board, as may be more fully described in any Supplemental Resolution, including the refunding of any Parity Bonds.

"Registrar" means the commercial or trust bank or its successor designated in a Supplemental Resolution to perform the registration and transfer functions with respect to the applicable series of Parity Bonds. The Registrar for the Series 2025A Bonds initially will be U.S. Bank Trust Company, National Association.

"Reserve Policy" means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to any Reserve Account created in respect of any series of Parity Bonds in lieu of or in partial substitution for moneys on deposit therein, issued by a financial, insurance or other entity having a rating at the time such policy is deposited in or credited to such Reserve Account in the highest rating category of each of the Rating Agencies then providing a rating in respect of the related series of Parity Bonds.

"Securities" means bonds, notes, certificates, warrants, leases, contracts or other financial obligations or securities issued or executed by the Board and payable in whole or in part from a lien on the Net Revenue, including the Parity Bonds but not including any Credit Facility Obligations, Financial Products Agreements or any similar contractual arrangements.

"Series 2012B Bonds" means the Master Resolution Water Revenue Refunding Bonds, Series 2012B, originally issued in the aggregate principal amount of $108,545,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $755,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2012 Supplemental Resolution.

"Series 2012 Supplemental Resolution" means the Series 2012 (04-11-12) Sixth Supplemental Bond Resolution adopted by the Board on April 11, 2012, as amended by the Series 2012 (05-23-12) First Amendment of Sixth Supplemental Bond Resolution adopted by the Board on May 23, 2012, relating to the issuance of the Series 2012B Bonds. The Series 2012 Supplemental Resolution also authorized the issuance of Parity Bonds, specifically the Series 2012A Bonds and the Series 2012C Bonds, which series are no longer outstanding.

"Series 2014A Bonds" means the Master Resolution Water Revenue Bonds, Series 2014A, originally issued in the aggregate principal amount of $48,670,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $29,445,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2014A Supplemental Resolution.

"Series 2014A Supplemental Resolution" means the Series 2014A (08-13-14) Seventh Supplemental Bond Resolution adopted by the Board on August 13, 2014, relating to the issuance of the Series 2014A Bonds.

"Series 2016A Bonds" means the Master Resolution Water Revenue Bonds, Series 2016A, originally issued in the aggregate principal amount of $94,755,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $64,040,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2016A-B Supplemental Resolution.

"Series 2016B Bonds" means the Master Resolution Water Refunding Revenue Bonds, Series 2016B, originally issued in the aggregate principal amount of $63,470,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $40,620,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2016A-B Supplemental Resolution.

"Series 2016A-B Bonds" means, collectively, the Series 2016A Bonds and the Series 2016B Bonds.

"Series 2016A-B Supplemental Resolution" means the Series 2016A-B (04-13-2016) Eighth Supplemental Bond Resolution adopted by the Board on April 13, 2016, relating to the issuance of the Series 2016A-B Bonds.

"Series 2017A Bonds" means the Water Revenue Bonds, Series 2017A (Green Bonds), originally issued in the aggregate principal amount of $142,665,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $130,105,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2017A-B Supplemental Resolution.

"Series 2017B Bonds" means the Water Revenue Bonds, Series 2017B, originally issued and Outstanding as of August 31, 2025, in the aggregate principal amount of $41,765,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2017A-B Supplemental Resolution.

"Series 2017A-B Bonds" means, collectively, the Series 2017A Bonds and the Series 2017B Bonds.

"Series 2017A-B Supplemental Resolution" means the Series 2017A-B (03-22-17) Supplemental Bond Resolution adopted by the Board on March 22, 2017, relating to the issuance of the Series 2017A-B Bonds.

"Series 2020A Bonds" means the Water Revenue Bonds, Series 2020A, originally issued and Outstanding as of August 31, 2025, in the aggregate principal amount of $141,030,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2020A-B Supplemental Resolution.

"Series 2020B Bonds" means the Water Revenue Refunding Bonds, Series 2020B, originally issued in the aggregate principal amount of $126,955,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $105,815,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2020A-B Supplemental Resolution.

"Series 2020A-B Bonds" means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

"Series 2020A-B Supplemental Resolution" means the Series 2020A-B (04-08-20) Supplemental Bond Resolution adopted by the Board on April 8, 2020, relating to the issuance of the Series 2020A-B Bonds.

"Series 2021A Bonds" means the Water Revenue Bonds, Series 2021A, originally issued in the aggregate principal amount of 316,785,000 and Outstanding as of August 31, 2024, in the aggregate principal amount of $311,750,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2021A Supplemental Resolution.

"Series 2021A Supplemental Resolution" means the Series 2021A (01-27-21) Supplemental Bond Resolution adopted by the Board on January 27, 2021, relating to the issuance of the Series 2021A Bonds.

"Series 2022A Bonds" means the Water Revenue Bonds, Series 2022A, originally issued in the aggregate principal amount of $189,515,000 and Outstanding as of August 31, 2025, in the aggregate principal amount of $185,020,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2022A Supplemental Resolution.

"Series 2022A Supplemental Resolution" means the Series 2022A (04-10-22) Supplemental Bond Resolution adopted by the Board on August 10, 2022, relating to the issuance of the Series 2022A Bonds.

"Series 2022 SRF Loan" means the loan from the Colorado Water Resources and Power Development Authority originally issued in the aggregate principal amount of $36,123,628.00 and Outstanding as of August 31, 2025, in the aggregate principal amount of $34,361,248.

"Series 2022 SRF Loan Resolution" means the Series 2022 SRF Loan Resolution adopted by the Board on December 7, 2022, relating to the issuance of the Series 2022 SRF Loan.

"Series 2024A Bonds" means the Water Revenue Refunding Bonds, Series 2024A, originally issued and Outstanding as of August 31, 2025, in the aggregate principal amount of $260,670,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2024A Supplemental Resolution.

"Series 2024A Supplemental Resolution" or "this Supplemental Resolution" mean the Series 2024A Supplemental Bond Resolution adopted by the Board on September 11, 2024, relating to the issuance of the Series 2024A Bonds.

"Series 2025A Bonds" means the Series 2025A Bonds.

"Series 2025A Bonds Rebate Account" means the book account designated the "Series 2025A Bonds Rebate Account," established in the Water Works Fund by this Supplemental Resolution.

"Series 2025A Bonds Sale Certificate" means the certificate executed by either the Chief Finance Officer or the Treasurer, dated on or before the date of delivery of the Series 2025A Bonds, and subject to the parameters and restrictions contained in the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2025A Supplemental Resolution, setting forth:

(a) the aggregate principal amount of the Series 2025A Bonds being issued, and the amount of principal of the Series 2025A Bonds maturing in any particular Fiscal Year and the total repayment cost of the Series 2025A Bonds;

(b) the rates of interest on the Series 2025A Bonds;

(c) the true interest cost of the Series 2025A Bonds;

(d) the price at which the Series 2025A Bonds will be sold;

(e) the dates on which the Series 2025A Bonds may be called for optional redemption and mandatory sinking fund redemption and the terms by which the Series 2025A Bonds may be optionally redeemed;

(f) any designation of an insurer, letter of credit bank, or other provider of assurance of payment or credit enhancement in respect of the payment of the Series 2025A Bonds; and

(g) the designation of the Purchaser or Purchasers of the Series 2025A Bonds.

"Series 2025A Bonds Tax Certificate" means the Tax Certificate of the Board to be executed and delivered by the Chief Finance Officer or the Treasurer in connection with the issuance of the Series 2025A Bonds.

"Series 2025A Supplemental Resolution" means the Series 2025A Supplemental Bond Resolution adopted by the Board on July 23, 2025, relating to the issuance of the Series 2025A Bonds.

"Series 2025A Bonds" means the Water Revenue Refunding Bonds, Series 2025A, originally issued in the aggregate principal amount of $194,160,000,* as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2025A Supplemental Resolution.

"Series 2025A Bonds Refunding Project" means the application of the net proceeds of the Series 2025A Bonds to the purpose of refunding and defeasing a portion of the outstanding Commercial Paper Notes.

"SIFMA Index" means the Securities Industry and Financial Markets Association Swap Index, most recently produced and published by Municipal Market Data, or if such index is not published, then such other index selected by the Chief Finance Officer that reflects the yield of tax-exempt seven-day variable rate demand bonds.

"Special Record Date" means the date fixed by the Paying Agent for the determination of ownership of Series 2025A Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

"State" means the State of Colorado.

"Subordinate Credit Facility Obligations" means any Credit Facility Obligations payable in whole or in part from the Net Revenue and having a lien on the Net Revenue that is subordinate to the lien thereon of the Parity Bonds.

"Subordinate Financial Products Agreement" means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on the Net Revenue that is subordinate to the lien thereon of the Parity Bonds. No Financial Products Termination Payment required under any Subordinate Financial Products Agreement may be secured by a lien on the Net Revenue that is senior to or on parity with the lien thereon of the Parity Bonds.

"Subordinate Lien Obligations" means one or more series of additional bonds, notes, interim securities or other obligations payable from and having a lien on the Net Revenue that is subordinate or junior to the lien of the Parity Bonds, including Subordinate Financial Products Agreements and Subordinate Credit Facility Obligations.

"Supplemental Act" means the Supplemental Public Securities Act, constituting part 2 of article 57 of title 11, C.R.S.

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* Preliminary, subject to change.

"Supplemental Resolution(s)" means each Supplemental Resolution as defined in the Master Bond Resolution and, collectively, all such Supplemental Resolutions, including the Series 2012 Supplemental Resolution, the Series 2014A Supplemental Resolution, the Series 2016A-B Supplemental Resolution, the Series 2017A-B Supplemental Resolution, the Series 2020A-B Supplemental Resolution, the Series 2021A Supplemental Resolution, the Series 2022A Supplemental Resolution, the Series 2022 SRF Loan Resolution, the Series 2024A Supplemental Resolution, and the Series 2025A Supplemental Resolution.

"System" means the water works system and plant operated under the complete charge and control of the Board, including the property and personnel under control of the Board, referred to generally as Denver Water, all pursuant to Sections 10.1.1 through 10.1.22 of the Charter.

"Tax Certificate" means any certificate in respect of the tax-exempt status of the interest on a series of Parity Bonds executed and delivered by the Board in connection with the issuance of such Parity Bonds and as further provided in a related Supplemental Resolution.

"Treasurer" means the Treasurer of the Board or the designee of the Treasurer.

"Variable Rate Bonds" means any Securities issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue or the date of calculation, as the case may be.

"Water Activity Law" means article 45.1 of title 37, C.R.S.

"Water Works Fund" means the fund created and maintained pursuant to Section 10.1.7 of the Charter into which all revenues received from the operation of the System together with all moneys received by the Board from other sources is to be placed.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE PARITY BONDS RESOLUTION

The following statements are summaries of certain provisions of the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2025A Supplemental Resolution, and are in addition and complementary to the summary found under "THE SERIES 2025A BONDS," "SOURCES AND USES OF FUNDS" and "SECURITY FOR THE SERIES 2025A BONDS." Reference is made to the Parity Bonds Resolution for a complete recital of its terms.

Additional Securities

No Superior Obligations. No additional bonds, notes, interim securities or other obligations shall be issued payable from the Gross Revenue or Net Revenue and having a lien thereon that is superior to the lien of the Parity Bonds.

Additional Parity Bonds. Additional Parity Bonds may be issued by the Board for the purpose of paying Project Costs for any Capital Project or any Refunding Project or any combination thereof, provided that the following requirements have been complied with:

(a) At the time of issuance of any Parity Bonds, the Board is not in default in making any payments required by Section 3.04 of this Master Bond Resolution and the Supplemental Resolutions.

(b) At the time of issuance of the additional Parity Bonds, the Board is current in the accumulation of all amounts required to be then accumulated in the Debt Service Account and any Reserve Account as required by any Supplemental Resolution.

(c) The Net Revenue for the 12-month period ending with the most recently completed calendar quarter for which financial statements are available, together with any Other Available Funds, is sufficient to pay an amount representing not less than 120% of the Combined Average Annual Debt Service Requirements for the then Outstanding Parity Bonds, the additional Parity Bonds proposed to be issued and the Capital Improvements Lease Payments; provided that once the Parity Bonds Outstanding as of June 28, 2023, are no longer Outstanding hereunder, the Capital Improvement Lease Payments shall no longer be considered for purposes of this test. For purposes of this test, the Net Revenue may be increased if there has been *adopted a schedule* of increases in rates, fees, system development charges, participation fees, tap fees, availability fees, tolls and charges during or since such preceding 12-month period by adding to the actual Gross Revenue for such preceding 12-month period an estimated sum equal to 100% of the estimated increase in Gross Revenue that would have been realized during such preceding 12- month period had such increase been in effect during all of the preceding 12-month period.

(d) In the case of a Refunding Project, compliance with (c) shall not be required so long as the Debt Service Requirements on all Parity Bonds Outstanding after the issuance of such additional Parity Bonds in each Fiscal Year prior to the final maturity date of the bonds to be refunded in the Refunding Project does not exceed the Debt Service Requirements on all Parity Bonds Outstanding prior to the issuance of such additional Parity Bonds in each Fiscal Year.

A written certificate by the Chief Finance Officer or the Treasurer that the requirements of (a) through (d) above have been met shall conclusively determine the right of the Board to authorize, issue, sell and deliver additional Parity Bonds.

Parity Credit Facility Obligations and Parity Financial Products Agreement: No Senior or Parity Financial Products Termination Payments. The Board may enter into Parity Credit Facility Obligations and Parity Financial Products Agreements relating to the Parity Bonds as is determined by the Board to be in the best interest of the Board and in accordance with the provisions of the Charter and the constitution and laws of the State. Notwithstanding any other provision of this Master Bond Resolution, no Financial Products Termination Payment required under any such Parity Financial Products Agreements shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

Subordinate Lien Obligations. So long as no Event of Default shall have occurred and be continuing, nothing in the Master Bond Resolution shall prevent the Board from issuing Subordinate Lien Obligations.

Protective Covenants

In addition to the other covenants discussed in this Official Statement, the Board makes the following covenants in the Parity Bonds Resolution.

Use of Proceeds. The proceeds derived from the sale of each series of Parity Bonds will be used solely for the purposes specified in the Master Bond Resolution and the related Supplemental Resolution.

Maintenance of Rates. Pursuant to Section 10.1.9 of the Charter, the Board is to fix rates for which water shall be furnished for all purposes within the City and rates are to be as low as good service will permit provided, however, that for water furnished to customers outside the boundaries of the City, the Board is not so limited. Rates may be sufficient to provide for (a) operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for Denver's general welfare and (b) the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year.

Subject to the provisions of Section 10.1.9 of the Charter, the Board covenants that it will use its best efforts to maintain, enforce and collect rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue, together with any Other Available Funds, each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 110% of the amount necessary to pay when due the Debt Service Requirements on the Parity Bonds and the Capital Improvements Lease Payments coming due during such Fiscal Year, and to make up any deficiencies in any Reserve Account, including the payment of any unreimbursed draws under any related Reserve Policy and associated expenses and accrued interest, if any, owed to any Bond Insurer. In the event that the Gross Revenue at any time is not sufficient to make such payments, the Board shall increase such rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges to an extent which will allow the payments and accumulations required by the Parity Bonds Resolution

Operation and Maintenance of the System. The Board will continue to operate and manage the System in an efficient and economical manner, and make or cause to be made such improvements, enlargements, extensions, repairs and betterments thereto as may be necessary or advisable to ensure the economical and efficient operation of the System at all times.

Disposition of System Property. The Board will not sell or alienate any of the property constituting any part or all of the System in any manner or to any extent as might materially reduce the security provided for the payment of the Parity Bonds, but the Board may sell any portion of such property that has been replaced by other similar property of at least equal value, or that ceases to be necessary for the efficient operation of the System. The proceeds realized from any such sale of property is to be included as part of the Gross Revenue.

Sale of the System. The Board will not sell or dispose of the System, or any part thereof, other than in the ordinary course of business, unless (a) all Parity Bonds have been paid and retired, or (b) the Board receives an opinion of Bond Counsel to the effect that such sale will not adversely affect the excludability of interest on the Parity Bonds that have been issued on a tax-exempt basis from gross income for federal income tax purposes.

Billing and Collections. The Board will promptly render bills for services furnished by or the use of the System, will use all legal means to assure prompt payment thereof and, to the extent permitted by law, will discontinue service to any user who becomes delinquent in the payment of such charges until the delinquency and all interest, costs and expenses incident thereto have been paid in full or satisfactory arrangements for payments have been made.

Books and Records. The Board will keep and maintain separate accounts of the receipts and expenses of the Board in such manner that the Gross Revenue and the Net Revenue may at all times be readily and accurately determined.

Audits and Budgets. At least once a year, the Board will cause (a) an audit to be performed of the records relating to the revenues and expenditures of the System and (b) a budget to be prepared and adopted.

Insurance; Insurance Proceeds or Condemnation Awards. The Board will provide for fire and extended coverage, worker's compensation, public liability and such other forms of insurance or self-insurance on insurable System property as would ordinarily be carried by utilities or municipal corporations having similar properties of equal value, such insurance being in such amounts as will protect the System and its operation.

In the event of any loss or damage to the System, or in the event part or all of the System is taken by the exercise of a power of eminent domain, the insurance proceeds or the condemnation award will be used for restoring, replacing or repairing the property lost, damaged or taken, and the remainder thereof, if any, will be considered as Gross Revenue, however, if the Board determines that the operation of the System and the security for the Parity Bonds will not be materially adversely affected thereby, the Board may determine not to restore, replace or repair the property lost, damaged or taken and all of the insurance proceeds or condemnation award will be considered as Gross Revenue.

Fidelity Bonds. Each Board official or other person having custody of any funds derived from operation of the System, or responsible for the handling of such funds, will be fully bonded at all times.

Charges and Liens Upon the System. From the Gross Revenue, the Board will pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied, assessed upon or in respect to the System, or any part thereof, when the same become due, and it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the System. In addition, the Board will not create nor suffer to be created any lien or charge upon the System or upon the Gross Revenue therefrom except as permitted by the Parity Bonds Resolution unless it has made adequate provisions to satisfy and discharge, within 60 days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects that, if unpaid, might by law become a lien upon the System or upon the Gross Revenue, however, the Board is not required to pay, cause to be discharged or make provision for any such tax, assessments, lien or charge before the time when payment thereof is due or so long as the validity thereof is contested in good faith by appropriate legal proceedings or in continuing, good faith negotiations.

Defeasance

When all Debt Service Requirements with respect to any series of Parity Bonds have been duly paid, the pledge and lien and all obligations under the Parity Bonds Resolution is discharged and such Parity Bonds are no longer Outstanding within the meaning of the Parity Bonds Resolution. Due payment of such Parity Bonds is deemed to have been made when the Board has placed in escrow and in trust with a Commercial Bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest as the same become due to their final maturities. The Federal Securities are to become due at or prior to the respective times on which the proceeds thereof will be needed, in accordance with a schedule established and agreed upon between the Board and such bank at the time of the creation of the escrow, or the Federal Securities are to be subject to redemption at the option of the owners thereof to assure availability as needed to meet such schedule. The sufficiency of the Federal Securities deposited to any escrow is to be verified by an Independent Accountant as defined in the Parity Bonds Resolution. The investment of the amounts deposited in the escrow is to comply with the applicable provisions of the related Supplemental Resolution and Tax Certificate.

Events of Default and Remedies

Events of Default. Each of the following events constitutes an "Event of Default" under the Master Bond Resolution:

(a) Payment of Debt Service Requirements on any of the Parity Bonds is not made when due and payable, either at maturity, by proceedings for prior redemption or otherwise; or

(b) The Board defaults in the punctual performance of the covenants contained in the Parity Bonds Resolution for 60 days after written notice thereof is given by the Owners of not less than 25% of the outstanding principal amount of the Parity Bonds then outstanding.

Remedies. Upon the occurrence of any Event of Default, any Owner of the Parity Bonds, or a trustee therefor, may proceed against the Board to protect and enforce the rights of any Owner of Parity Bonds by proper legal or equitable remedy deemed most effectual, including mandamus, specific performance of any covenants, injunctive relief, requiring the Board to act as if it were the trustee of an express trust or any combination of such remedies. The Parity Bonds are not subject to acceleration upon the occurrence of an Event of Default or for any other reason, and neither the Owners of the Parity Bonds nor any trustee therefor or representative thereof is permitted to declare the Debt Service Requirements of the Parity Bonds to be due and payable prior to their scheduled payment dates.

All proceedings are to be maintained for the equal benefit and protection of all Owners of the Parity Bonds. The failure of any Owner to proceed does not relieve the Board or any person of any liability for failure to perform any duty under the Parity Bonds Resolution. The foregoing rights are in addition to any other right, and the exercise of any right by any Owner will not be deemed a waiver of any other right.

Amendment of the Parity Bonds Resolution

(a) The Board may, without the consent of or notice to the Owners, adopt one or more Supplemental Resolutions for any one or more of the following purposes:

- to authorize the issuance of Additional Parity Bonds and, in connection therewith or otherwise, to specify and determine any matters and things that are not contrary to or inconsistent with the Master Bond Resolution, including, without limitation, provisions with respect to Credit Facilities and Financial Products Agreements, provisions creating and applying additional funds or accounts and provisions for the marketing or remarketing of Additional Parity Bonds;

- to subject to the Parity Bonds Resolution or pledge to the payment of the Parity Bonds, additional revenues, properties or collateral;

- to grant or confer upon the Owners any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Owners; and

- to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Master Bond Resolution or any Supplemental Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Master Bond Resolution or any Supplemental Resolution, or to make any provisions for any other purpose, if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Parity Bonds. For the purposes of this paragraph, if the Rating Agencies confirm in writing that any proposed amendment or supplement, in and of itself, will not result in a downgrade in the then current ratings on the Parity Bonds, such proposed amendment or supplement will be deemed to "not materially adversely affect the interests of the Owners of the Parity Bonds."

(b) Except for Supplemental Resolutions adopted for the purposes specified in paragraph (a), the Owners of not less than 51% in aggregate principal amount of the Parity Bonds then Outstanding have the right, from time to time, to consent to and approve the adoption by the Board of such Supplemental Resolutions as may be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Bond Resolution or any Supplemental Resolution.

(c) Notwithstanding the provisions of paragraphs (a) and (b) above, no Supplemental Resolution may permit, without the written consent of the Owner of any outstanding Parity Bond so affected:

- the extension of the maturity of any Parity Bond;
- the reduction of the principal amount or interest rate of any Parity Bond;
- the creation of a lien upon the Net Revenue ranking prior to the lien created by the Parity Bonds Resolution;
- the reduction of the principal amount of the Parity Bonds required for consent to any waiver or modifications; or
- the establishment of priorities between Parity Bonds.

(d) If the Board desires to adopt a Supplemental Resolution requiring consent of the Owners, the Board is to cause notice of the proposed adoption of such Supplemental Resolution, containing the information required by the Parity Bonds Resolution, to be given to each Owner of a Parity Bond by certified or registered first-class mail sent at least 30 days prior to the proposed date of adoption of any such Supplemental Resolution. If, within 60 days or such longer period prescribed by the Board following the giving of such notice, the Owners of not less than the required percentage in aggregate principal amount of the Parity Bonds then outstanding at the time of the execution of any such Supplemental Resolution have consented to and approved the execution thereof, no Owner of any Parity Bond will have any right to object to any of the terms and provisions contained in a Supplemental Resolution, or the operation thereof, in any manner to question the propriety of the adoption and effectiveness thereof or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

No Recourse against Officers, Agents and Employees

Pursuant to Section 209 of the Supplemental Act, if a member of the Board, or any officer, agent or employee of the Board acts in good faith, no civil recourse is available against such member, officer, agent or employee for payment of the principal, interest or prior redemption premiums on the Parity Bonds. Such recourse is not available either directly or indirectly through the Board or the public entity, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty or otherwise. By the acceptance of the Parity Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Parity Bond specifically waives any such recourse.

Conclusive Recital

Pursuant to Section 210 of the Supplemental Act, the Parity Bonds will contain a recital that they are issued pursuant to certain provisions of the Supplemental Act, which recital will be conclusive evidence of the validity and the regularity of the issuance of the Parity Bonds after their delivery for value.

Holidays

If the date for making any payment or performing any action under the Parity Bonds Resolution is a legal holiday or a day on which the principal office of any Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day that is not a legal holiday or a day on which the principal office of such Paying Agent or Registrar is authorized or required by law to remain closed.

Computation of Time

In computing a period of days, the first day is included and the last day is excluded. If the last day of any period is a Saturday, Sunday or legal holiday, the period is extended to include the next day that is not a Saturday, Sunday or legal holiday. If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month.

Series 2025A Supplemental Resolution

General. The Series 2025A Supplemental Resolution generally provides for the issuance and terms of the Series 2025A Bonds, the use of the proceeds thereof and the establishment of the accounts of the Water Works Fund required in connection therewith. See "SOURCES AND USES OF FUNDS," "THE SERIES 2025A BONDS," "SECURITY FOR THE SERIES 2025A BONDS" and "DEBT STRUCTURE."

Tax Covenants. In the Series 2025A Supplemental Resolution, the Board also irrevocably covenants and agrees with each and every Owner of the Series 2025A Bonds that so long as any of the Series 2025A Bonds remain outstanding:

(a) It will not make or permit to be made, any use of the original proceeds of the Series 2025A Bonds, or of any moneys treated as proceeds of such Series 2025A Bonds within the meaning of the Code and pertinent Treasury Regulations, rulings and decisions, or take, or permit to be taken, any action with respect to such proceeds, the Series 2025A Bonds Refunding Project, or the System which will cause the interest on such Series 2025A Bonds to lose its excludability from gross income for federal income tax purposes under Section 103 of the Code and pertinent Treasury Regulations, rulings and decisions.

(b) It will not directly or indirectly use or permit the use of proceeds of the Series 2025A Bonds, or any other funds of the Board from whatever source derived, to acquire any investment, and it will not take or permit to be taken any other action, which would cause the Series 2025A Bonds to be characterized as "arbitrage bonds" within the meaning of Section 103 and Section 148 of the Code or which would otherwise cause the interest on the Series 2025A Bonds to no longer be excludible from gross income for federal income tax purposes.

(c) It will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applied to the Series 2025A Bonds from time to time. The payment of such rebate amounts as required by this paragraph supersedes all other provisions of the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2025A Supplemental Resolution, concerning the deposit and transfer of interest earnings to or from any other fund or account. Moneys set aside to pay such rebate amounts pursuant to this paragraph, whether set aside in the Series 2025A Bonds Rebate Account or otherwise, are not subject to any lien created hereunder for the benefit of the Owners. This covenant is to survive the payment in full or the defeasance of the Series 2025A Bonds.

(d) The Series 2025A Bonds Refunding Project under the terms and conditions provided for in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2025A Supplemental Resolution, are necessary, convenient, in furtherance of and will at all times be used in connection with the Board's governmental purposes and functions.

(e) It will not take or permit to be taken any action that would cause the Series 2025A Bonds to be characterized as "private activity bonds" within the meaning of Section 141 of the Code, it will take all actions within its power and permitted by law that are or may be necessary to prevent the Series 2025A Bonds from being characterized as "private activity bonds," and it will establish reasonable procedures to comply with the foregoing covenants.

(f) It will take all actions within its power and permitted by law, including complying with the provisions of the Series 2025A Bonds Tax Certificate, the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2025A Supplemental Resolution, and all applicable requirements of the Code and Treasury Regulations, to assure that interest on the Series 2025A Bonds at all times remains excludible from gross income for federal income tax purposes.

See also "TAX MATTERS."

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APPENDIX D

ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA

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

Population

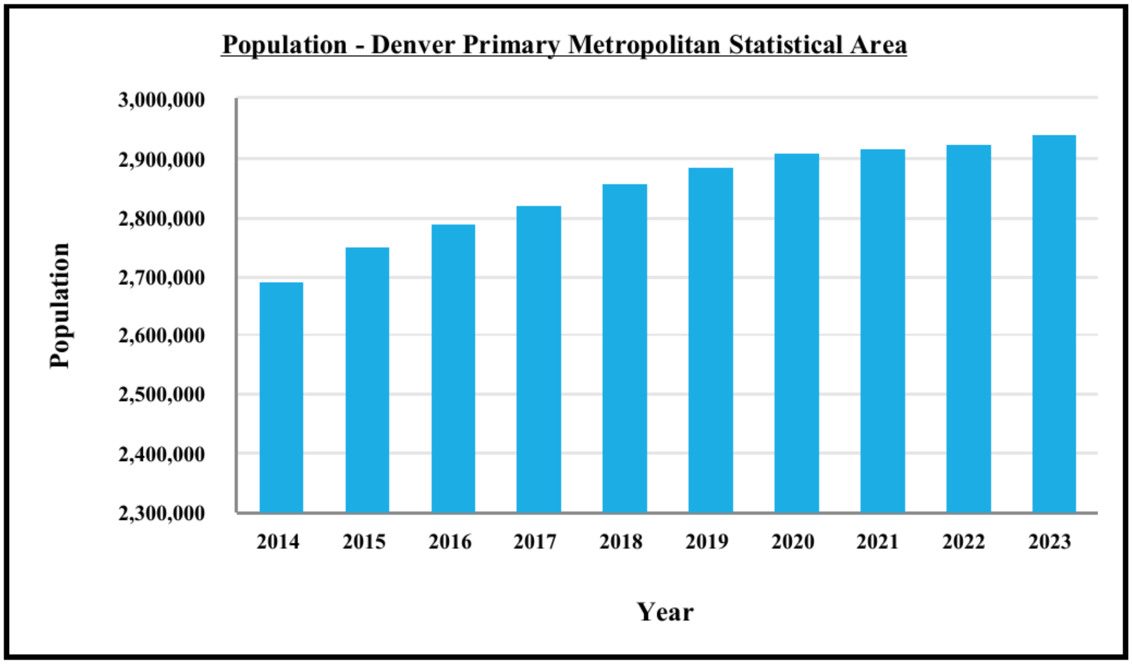
The following table and chart set forth population statistics for Denver, the Denver Primary Metropolitan Statistical Area ("Denver PMSA") and the State of Colorado. The Denver PMSA includes the counties of Adams, Arapahoe, Denver, Douglas, and Jefferson.

Population Estimates

Year	Denver	Denver PMSA	State of Colorado
2014	658,632	2,692,972	5,347,654
2015	675,534	2,748,921	5,446,593
2016	686,468	2,789,730	5,529,629
2017	693,134	2,821,327	5,599,589
2018	702,679	2,858,678	5,676,913
2019	710,143	2,886,880	5,734,909
2020	717,597	2,911,232	5,784,970
2021	711,408	2,917,566	5,811,121
2022	713,255	2,924,955	5,840,234
2023	715,636	2,942,121	5,876,300
2024	n/a	n/a	n/a

(n/a = not available. Population numbers are estimates and may be revised from previous years' reporting)

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



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

Population Age Distribution

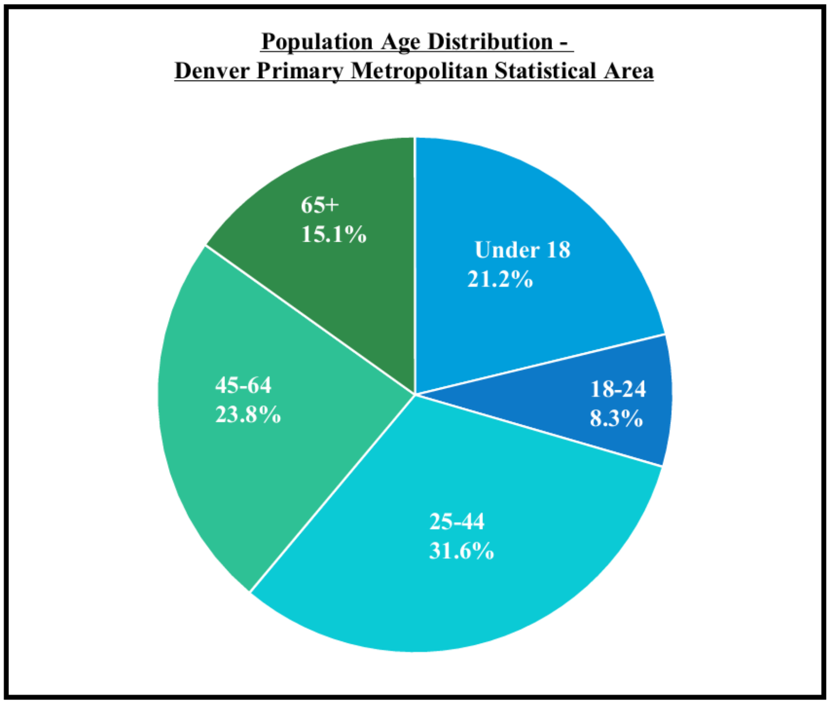
The following table and chart set forth a forecasted age distribution profile for Denver, the Denver PMSA, and the State of Colorado for 2024.

Forecasted Age Distribution for 2024

	Percent of Population		
Age Groups	Denver	Denver PMSA	State of Colorado
Under 18	18.0%	21.2%	20.9%
18-24	8.4%	8.3%	9.3%
25-44	40.1%	31.6%	29.4%
45-64	20.4%	23.8%	23.6%
65+	13.1%	15.1%	16.8%

(Columns may not add to 100% due to rounding.)

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



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

Income

The following tables set forth annual personal income and per capita personal income for Denver, the Denver-Aurora-Lakewood Metropolitan Statistical Area ("Denver-Aurora-Lakewood MSA"), the State of Colorado, and the United States from 2014 through 2023 as reported by the U.S. Bureau of Economic Analysis. The Denver-Aurora-Lakewood MSA includes the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park.

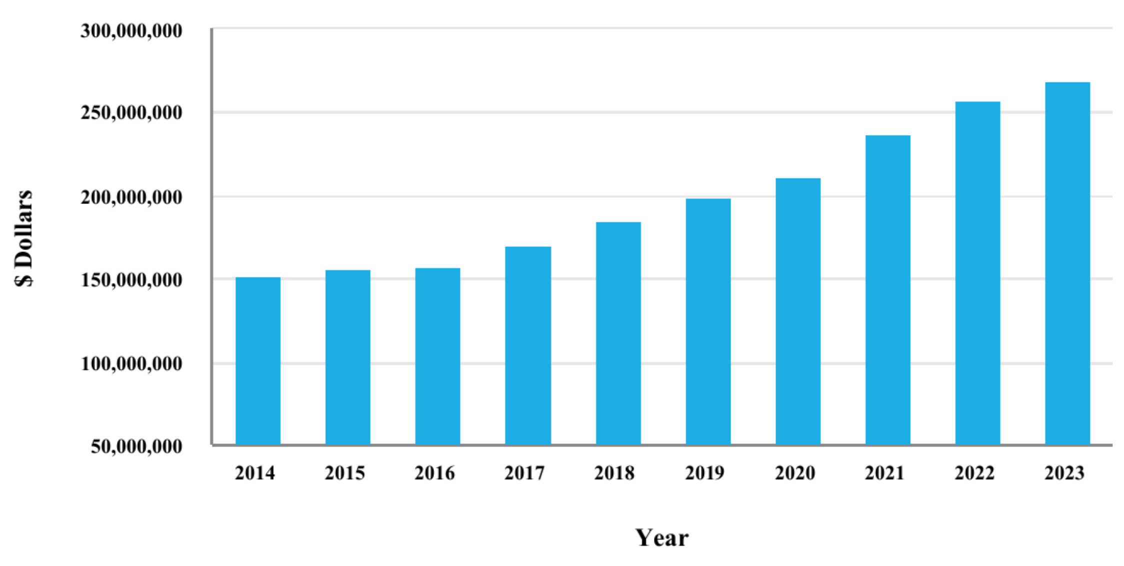
Personal Income

Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2014	$ 44,887,556	$ 151,950,098	$ 268,453,081	$ 14,778,160,000
2015	45,466,399	156,148,546	279,696,008	15,467,113,000
2016	43,032,217	156,778,699	283,678,694	15,884,741,000
2017	50,999,321	169,647,839	303,366,730	16,658,962,000
2018	55,200,348	185,257,197	328,112,736	17,514,402,000
2019	59,585,553	198,992,948	351,476,022	18,349,584,000
2020	62,216,575	211,746,977	374,262,200	19,600,945,000
2021	73,509,017	236,592,587	416,727,071	21,403,979,000
2022	81,882,151	257,232,456	447,854,445	22,077,232,000
2023	83,503,012	268,348,501	470,605,937	23,380,269,000
2024	n/a	n/a	n/a	n/a

(n/a = not available. All dollar estimates are in thousands of current dollars not adjusted for inflation.
Last updated: November 14, 2024 - new statistics for 2023; revised statistics for 2019-2022.

Source: U.S. Bureau of Economic Analysis

Personal Income - Denver-Aurora-Lakewood MSA



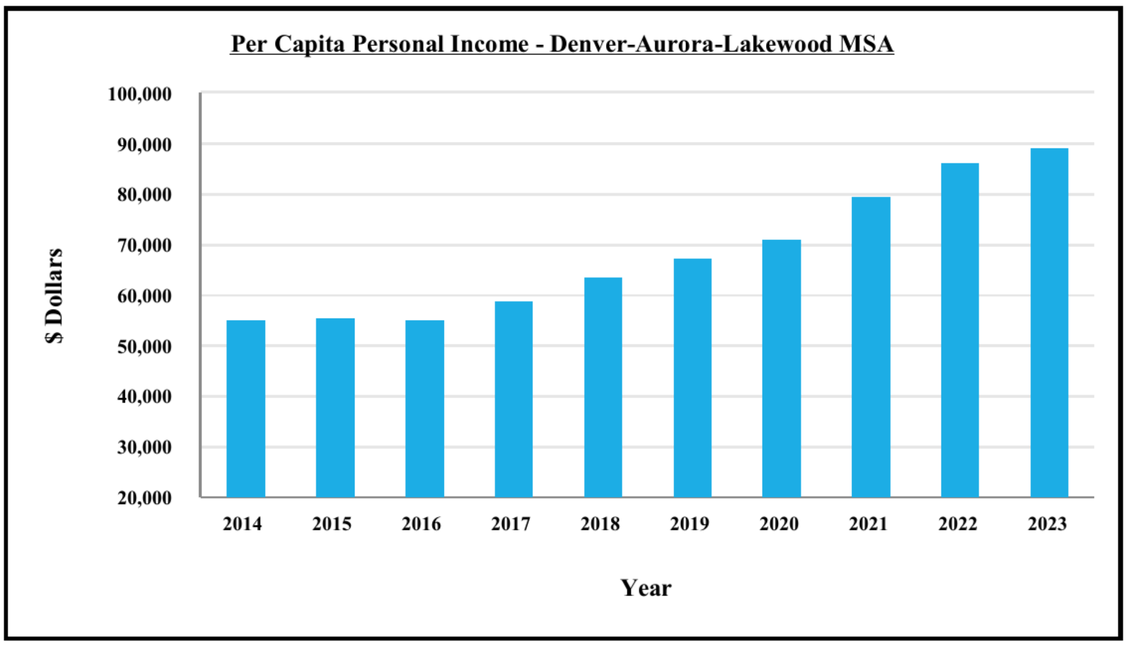
Source: U.S. Bureau of Economic Analysis

Per Capita Personal Income

Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2014	$ 68,252	$ 55,328	$ 50,244	$ 46,287
2015	67,395	55,702	51,394	48,060
2016	62,754	55,105	51,306	48,971
2017	73,644	58,947	54,171	51,004
2018	78,624	63,534	57,794	53,309
2019	84,001	67,585	61,276	55,566
2020	86,700	71,292	64,693	59,123
2021	103,320	79,446	71,706	64,460
2022	114,769	86,141	76,674	66,244
2023	116,530	89,297	80,068	69,810
2024	n/a	n/a	n/a	n/a

(n/a = not available. All dollar estimates are in current dollars not adjusted for inflation. Last updated: November 14, 2024 - new statistics for 2023; revised statistics for 2019-2022.

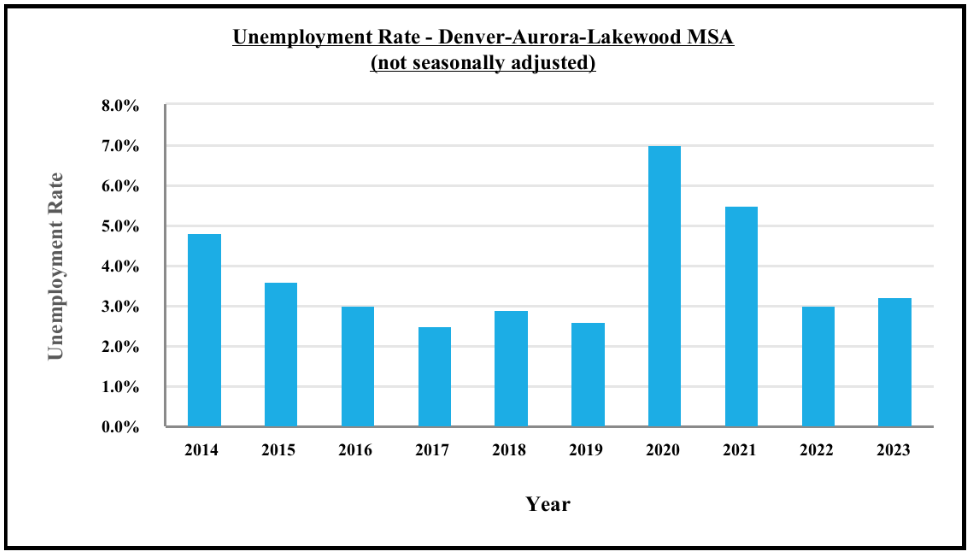
Source: U.S. Bureau of Economic Analysis



Source: U.S. Bureau of Economic Analysis

Employment

The following tables sets forth recent total labor force, employment and unemployment statistics for Denver, the Denver-Aurora-Lakewood MSA and the State of Colorado. The national unemployment rate is estimated to be approximately 3.7% as of December 2023.



Source: U.S. Bureau of Labor and Statistics

Local Area Employment Statistics
(not seasonally adjusted)

Denver

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2014	368.7	1.7%	17.7	4.8%
2015	375.6	1.9%	13.4	3.6%
2016	385.1	2.5%	11.5	3.0%
2017	395.6	2.7%	10.1	2.5%
2018	408.1	3.2%	12.0	2.9%
2019	416.9	2.2%	10.8	2.6%
2020	419.2	0.5%	32.0	7.6%
2021	429.8	2.5%	25.5	5.9%
2022	435.3	1.3%	13.6	3.1%
2023	441.2	1.4%	14.8	3.3%
2024	n/a	n/a	n/a	n/a

Denver-Aurora-Lakewood MSA

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2014	1,486.8	1.6%	71.3	4.8%
2015	1,506.0	1.3%	53.5	3.6%
2016	1,541.9	2.4%	45.6	3.0%
2017	1,577.5	2.3%	39.9	2.5%
2018	1,625.1	3.0%	47.5	2.9%
2019	1,654.9	1.8%	42.4	2.6%
2020	1,647.5	(0.5)%	115.4	7.0%
2021	1,693.4	2.8%	93.4	5.5%
2022	1,720.3	1.6%	51.8	3.0%
2023	1,742.2	1.3%	54.9	3.2%
2024	n/a	n/a	n/a	n/a

State of Colorado

Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2014	2,800.7	1.2%	139.6	5.0%
2015	2,825.8	0.9%	105.8	3.7%
2016	2,894.2	2.4%	90.7	3.1%
2017	2,963.8	2.4%	77.8	2.6%
2018	3,054.3	3.1%	92.9	3.0%
2019	3,104.7	1.6%	82.6	2.7%
2020	3,082.2	(0.7)%	208.5	6.8%
2021	3,149.7	2.2%	172.2	5.5%
2022	3,186.9	1.2%	97.9	3.1%
2023	3,230.5	1.4%	102.4	3.2%
2024	n/a	n/a	n/a	n/a

Source: U.S. Bureau of Economic Analysis

Principal Employers

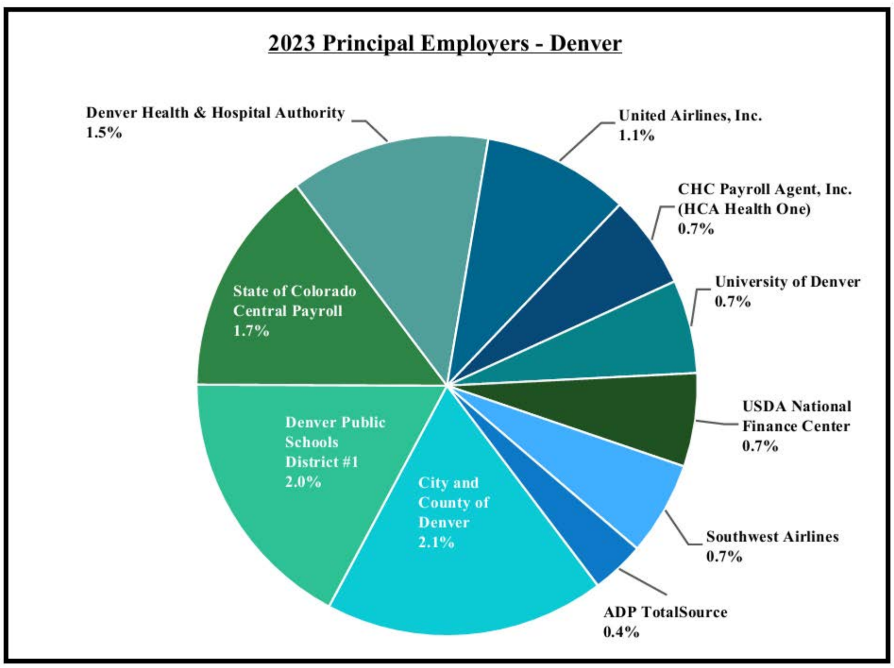
The following table sets forth the ten largest employers in Denver for the most-current year and the period nine years prior, the number of persons each entity employs, and the percentage of total employment that each represents.

Principal Employers in Denver
Current Year and Nine Years Ago

	2023[1]			2014		
Employer	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
City and County of Denver	13,584	1	2.1%	10,281	2	2.5%
Denver Public Schools District #1	12,693	2	2.0%	12,482	1	3.1%
State of Colorado Central Payroll	10,686	3	1.7%	9,195	3	2.2%
Denver Health & Hospital Authority	9,502	4	1.5%	5,523	5	1.4%
United Airlines, Inc.	7,230	5	1.1%	5,070	6	1.2%
CHC Payroll Agent, Inc. (HCA Health One)	4,592	6	0.7%	4,226	7	1.0%
University of Denver	4,548	7	0.7%	3,759	8	0.9%
USDA National Finance Center	4,496	8	0.7%	7,187	4	1.8%
Southwest Airlines	4,247	9	0.7%			
ADP TotalSource	2,535	10	0.4%			
Frontier Airlines				3,642	9	0.9%
University of Colorado Central				3,448	10	0.8%
Total	74,113		11.6%	64,813		15.8%

[1]2024 not available at time of publication

Source: City and County of Denver Annual Report. Based on 2023 and 2014 Occupational Privilege Tax Remitters



Source: City and County of Denver Annual Report. Based on 2023 and 2014 Occupational Privilege Tax Remitters

New Residential Building Construction

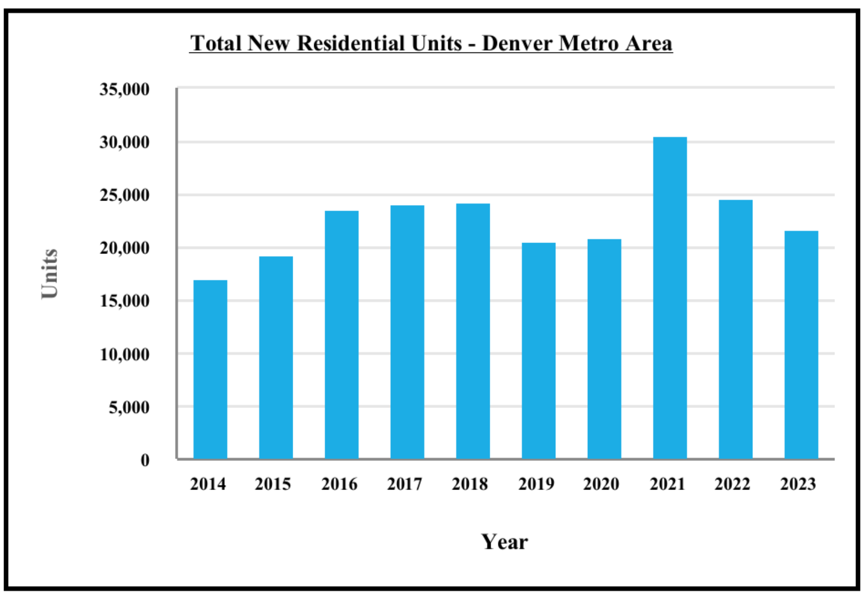
Set forth in the following table are recent historical residential building permit statistics for Denver and the Denver metropolitan area, which includes Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.

New Residential Units in Denver and the Denver Metropolitan Area

	Denver				Denver Metropolitan Area			
Year	Single-Family Detached	Single-Family Attached	Multi-Family	Total	Single-Family Detached	Single-Family Attached	Multi-Family	Total
2014	1,710	287	3,961	5,958	8,396	440	8,074	16,910
2015	1,847	134	5,920	7,901	9,786	422	9,061	19,269
2016	1,887	374	5,581	7,842	10,663	532	12,301	23,496
2017	2,370	198	7,957	10,525	11,419	384	12,218	24,021
2018	2,428	110	5,340	7,878	12,248	400	11,561	24,209
2019	2,257	7	5,066	7,330	11,401	192	8,896	20,489
2020	1,167	0	3,892	5,059	11,307	451	9,036	20,794
2021	1,550	4	8,446	10,000	12,807	987	16,724	30,518
2022	1,323	15	6,958	8,296	10,263	654	13,651	24,568
2023	1,174	2	4,549	5,725	9,189	334	12,159	21,682
2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(n/a = not available. Single-family attached permits consists of structures with 2-4 units.)

Source: Metro Denver Economic Development Corporation based on U.S. Census Bureau



Source: Metro Denver Economic Development Corporation based on U.S. Census Bureau

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APPENDIX E

DTC BOOK ENTRY SYSTEM

The information in this appendix concerning DTC and the DTC book entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities subject to the DTC book-entry system and certain related matters, but the Board takes no responsibility for the accuracy or completeness of such information. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

None of the Board, the Paying Agent or the Registrar has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2025A Bonds under the Parity Bonds Resolution, (3) the payment by DTC or any DTC Participant of any amount received under the Parity Bonds Resolution with respect to the Series 2025A Bonds, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2025A Bonds or (5) any other related matter.

DTC will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2025A Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2025A Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the

Series 2025A Bonds, except in the event that use of the book entry-system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025A Bond documents. For example, Beneficial Owners of the Series 2025A Bonds may wish to ascertain that the nominee holding the Series 2025A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2025A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Denver Water as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025A Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Denver Water or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of Denver Water or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to Denver Water or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025A Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

APPENDIX F

CONTINUING DISCLOSURE UNDERTAKING

CITY AND COUNTY OF DENVER, COLORADO ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the "Issuer") in connection with the issuance of its Water Revenue Refunding Bonds, Series 2025A, in the aggregate principal amount of $194,160,000* (the "Series 2025A Bonds"), dated as of [Closing Date]. The Series 2025A Bonds are being issued pursuant to the Master (06-28-23) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on June 28, 2023, as amended and supplemented, and the Series 2025A Supplemental Bond Resolution adopted by the Board on July 23, 2025 (together, the "Parity Bonds Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Series 2025A Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Parity Bonds Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Fiscal Year" shall mean the period beginning on January 1 and ending on December 31, or such other 12-month period as may be adopted by the Issuer in accordance with law.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at http://emma.msrb.org.

"Official Statement" means the final Official Statement prepared in connection with the Series 2025A Bonds.

"Participating Underwriter" shall mean the original underwriter of the Series 2025A Bonds required to comply with the Rule in connection with an offering of the Series 2025A Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Undertaking.

* Preliminary, subject to change.

SECTION 3. Provisions of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending December 31, 2025, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the Issuer; it is not required that the format reflected in the Official Statement be used in future years.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer in a timely manner shall file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Undertaking as Exhibit "A."

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Series 2025A Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Series 2025A Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Series 2025A Bonds.

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025A Bonds, or other material events affecting the tax status of the Series 2025A Bonds;

(7) Modifications to rights of bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the Series 2025A Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;[A]

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation[B] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Undertaking, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

[A] For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

[B] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2025A Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2025A Bonds.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Undertaking. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking and any other agreement between the Issuer and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Undertaking, the Dissemination Agent shall, in a timely manner:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof;

(3) certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Undertaking and the date it was provided; and

(4) if the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Undertaking as Exhibit "A."

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking and may waive any provision of this Disclosure Undertaking, without the consent of the holders and beneficial owners of the Series 2025A Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Undertaking, any holder or beneficial owner of the Series 2025A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure

Undertaking shall not be deemed an event of default under the Parity Bonds Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2025A Bonds, and shall create no rights in any other person or entity.

DATE: [Closing Date].

CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

By: ______________________________
President

EXHIBIT "A"

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City and County of Denver, Colorado, Acting by and through its Board of Water Commissioners
Name of Bond Issue:	Water Revenue Refunding Bonds, Series 2025A, in the aggregate principal amount of $194,160,000*, dated as of [Closing Date].
CUSIP:	24916P
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Master (06-28-23) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on June 28, 2023, as amended and supplemented, and the Series 2025A Supplemental Bond Resolution adopted by the Board on July 23, 2025, pursuant to which the Series 2025A Bonds were issued, and the Continuing Disclosure Undertaking executed on [Closing Date], by the Issuer. The Issuer anticipates that the Annual Report will be filed by ______________.

Dated: ______________, _____

CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS BOARD OF WATER
COMMISSIONERS

By: ____
Title: ____

* Preliminary, subject to change.

EXHIBIT "B"

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

Monthly Fixed Charges, $ per Bill
Treated Water Volume Rates, $ per 1,000 gallons
Statements of Revenues, Expenses and Changes in Net Position
Outstanding Parity Bonds
Historical and Budgeted Net Revenue and Historical and Pro Forma Debt Service Coverage

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APPENDIX G

FORM OF OPINION OF BOND COUNSEL

August __, 2025

Board of Water Commissioners
of the City and County of Denver, Colorado

[Underwriter]

CITY AND COUNTY OF DENVER, COLORADO
acting by and through its
BOARD OF WATER COMMISSIONERS

$194,160,000*
Water Revenue Refunding Bonds,
Series 2025A

Ladies and Gentlemen:

We have been engaged by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners ("Denver Water"), to act as bond counsel in connection with the issuance of its Water Revenue Refunding Bonds, Series 2025A, in the aggregate principal amount of $194,160,000* (the "Series 2025A Bonds").

The Series 2025A Bonds mature on the dates, are subject to redemption, bear interest at the rates, and are transferable and payable in the manner and subject to the conditions and limitations provided in the resolution authorizing the issuance of the Series 2025A Bonds adopted by the Board of Water Commissioners of Denver Water (the "Resolution"), and the Series 2025A Sale Certificate, dated as of August __, 2025* (the "Sale Certificate" and, together with the Resolution, the "Bond Resolution"), executed pursuant to such Bond Resolution for the purpose of setting forth certain terms of the Series 2025A Bonds. Capitalized terms used but not defined herein have the meanings assigned to them in the Bond Resolution.

We have examined the Constitution and laws of the State of Colorado; the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinion set forth in paragraph (3) below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of Denver Water contained in the Bond Resolution and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

* Preliminary, subject to change.

(1) The Series 2025A Bonds are valid and binding special revenue obligations of Denver Water, legally enforceable in accordance with their terms, and Denver Water has pledged irrevocably, but not necessarily exclusively, the Net Revenue to the payment of debt service on the Series 2025A Bonds.

(2) The Bond Resolution has been duly authorized, is in full force and effect, and is valid and enforceable in accordance with its terms.

(3) Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025A Bonds (including any original issue discount properly allocable to the owner of a Series 2025A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions described in the preceding sentence assume the accuracy of certain representations and compliance by Denver Water with certain covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2025A Bonds. Failure to comply with such covenants could cause the interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2025A Bonds. Denver Water has covenanted in the Bond Resolution and in the Tax Compliance Certificate executed and delivered in connection with the issuance of the Series 2025A Bonds to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Series 2025A Bonds. Interest on the Series 2025A Bonds may affect the federal alternative minimum tax imposed on certain corporations.

(4) Under existing State of Colorado statutes, the Series 2025A Bonds and the income therefrom are exempt from State of Colorado taxation, except inheritance, estate, and transfer taxes. We express no opinion regarding other tax consequences arising with respect to the Series 2025A Bonds under the laws of the State of Colorado or any other state or jurisdiction.

The rights of the holders of the Series 2025A Bonds and the enforceability of the Series 2025A Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity, by the exercise by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

We express no opinion herein as to any matter not specifically set forth above. In particular, but without limitation, we express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2025A Bonds.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion may be relied upon solely by the addressees hereto in connection with the issuance of the Series 2025A Bonds. This opinion may not be relied upon for any other purpose or by any person other than the addressees.

Respectfully submitted,

APPENDIX H

NOTICE OF PUBLIC SALE

DATED JULY 29, 2025

This Notice of Sale does not by itself constitute an invitation for bids but is rather the notice of sale of the Series 2025A Bonds described herein. The invitation for bids is being made by means of this Notice of Sale and the Preliminary Official Statement.

CITY AND COUNTY OF DENVER, COLORADO
ACTING BY AND THROUGH ITS
BOARD OF WATER COMMISSIONERS

$194,160,000*
WATER REVENUE REFUNDING BONDS
SERIES 2025A

PUBLIC NOTICE IS HEREBY GIVEN that the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the "Board"), and the Chief Finance Officer of Denver Water and the Board (the "CFO") on:

Tuesday, August 5, 2025, at the hour of 8:30 a.m. (Mountain Time),

will receive bids and will award to the best conforming bidder (as determined by the CFO and described herein under "Bid Proposal Requirements"), for the purchase of all, but not less than all, Water Revenue Refunding Bonds, Series 2025A, in the aggregate principal amount of $194,160,000* (the "Series 2025A Bonds").

Bids must be submitted electronically via the BIDCOMP/PARITY BIDDING SYSTEM ("BIDCOMP/PARITY") as described in "BID PROPOSAL REQUIREMENTS" and "BIDCOMP/PARITY" below.

RIGHT TO CHANGE THE SALE DATE AND TIME AND SUPPLEMENT THIS NOTICE OF PUBLIC SALE: The Board expects to take bids on the Series 2025A Bonds on the date and at the time specified above. Notwithstanding the foregoing, the Board reserves the right to change, from time to time, the date and/or time established for the receipt of bids and will undertake to notify prospective bidders via a supplement to this Notice of Public Sale to be posted to BIDCOMP/PARITY not later than 3:00 p.m. (Mountain Time) the day before the announced date for receipt of bids, and an alternative sale date and time will be announced via notification to be posted at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative date and time for receipt of bids, the Board will accept electronic bids for the purchase of the Series 2025A Bonds as described in "BID PROPOSAL REQUIREMENTS" and "BIDCOMP/PARITY" below, with such bids to conform in all respects to the provisions of this Notice of Public Sale. The Board may change any other information in connection with the offer and sale of the Series 2025A

* Preliminary; subject to change as described herein.

Bonds via such a supplement and any such supplemental information shall be deemed part of this Notice of Public Sale.

ISSUE DETAILS: The Series 2025A Bonds are to be issued in the aggregate principal amount of $194,160,000.* The Series 2025A Bonds will be dated as of the date of delivery, will be issued in fully registered form, and will be initially evidenced by one Series 2025A Bond for each maturity in denominations equal to the principal amount of such maturity. Any initially issued Series 2025A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for the Series 2025A Bonds ("DTC").

MATURITIES: Except as otherwise provided below in "MANDATORY SINKING FUND REDEMPTION" and "ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID" below, the Series 2025A Bonds will mature on September 15 in the years and amounts designated below:

Series 2025A Bonds*

Maturity Date:	Principal Amount:	Maturity Date:	Principal Amount:
2026	$2,265,000	2041	$6,095,000
2027	3,080,000	2042	6,400,000
2028	3,235,000	2043	6,720,000
2029	3,395,000	2044	7,055,000
2030	3,565,000	2045	7,410,000
2031	3,745,000	2046	7,780,000
2032	3,930,000	2047	8,170,000
2033	4,125,000	2048	8,580,000
2034	4,335,000	2049	9,005,000
2035	4,550,000	2050	9,460,000
2036	4,775,000	2051	9,930,000
2037	5,015,000	2052	10,425,000
2038	5,265,000	2053	10,950,000
2039	5,530,000	2054	11,495,000
2040	5,805,000	2055	12,070,000
	TOTAL:		$194,160,000

ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID: The aggregate principal amount and the principal amount of each serial maturity of the Series 2025A Bonds set forth in the Maturity Schedule above are subject to adjustment by the Board, after the determination of the best bid. Changes to be made will be communicated to the winning bidder at the time of award of the Series 2025A Bonds. The price bid (i.e., par less any discount bid or plus any premium bid) by a winning bidder may be changed as described below, but the interest rates specified by the winning bidder for all maturities will not change. A winning bidder may not withdraw its bid as a result of any changes made. The price bid will be changed so that the percentage net compensation to the winning bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2025A Bonds to the public and the price to be paid to the Board, by (ii)

* Preliminary, subject to change as described herein.

the principal amount of the Series 2025A Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Maturity Schedule.

OPTIONAL PRIOR REDEMPTION: The Series 2025A Bonds maturing on or before September 15, 2035 are not subject to redemption prior to maturity. The Series 2025A Bonds maturing on and after September 15, 2036 shall be subject to redemption prior to their respective maturities, at the option of the Board, in whole or in part, in integral multiples of $5,000, from such maturities as are selected by the Board and by lot within a maturity (giving proportionate weight to Series 2025A Bonds in denominations larger than $5,000), in such a manner as the Board may determine, on September 15, 2035 or on any date thereafter at a redemption price equal to 100% of the principal amount so redeemed plus accrued interest to the redemption date. Redemption will be made in the manner and upon the conditions described in the Final Official Statement (as described below).

MANDATORY SINKING FUND REDEMPTION: Any bidder may, at its option, specify that one or more consecutive maturities of the Series 2025A Bonds, will consist of term bonds (the "Term Bonds") which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. Amounts included as a Term Bond must consist of consecutive maturities, must bear the same rate of interest, and must include the entire principal amount for any maturity included in the Term Bond (i.e., the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such Term Bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the Series 2025A Bonds would have matured if they were not included in a Term Bond or Term Bonds. Series 2025A Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the Series 2025A Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the Resolution authorizing issuance of the Series 2025A Bonds (the "Series 2025A Supplemental Resolution"), including any certificate executed by the CFO, or her designee, in accordance with the Series 2025A Supplemental Resolution. Any election to designate the Series 2025A Bonds as being included in a Term Bond must be made in the official bid forms.

INTEREST RATES AND LIMITATIONS:

1. Interest shall be payable on March 15 and September 15 of each year, commencing March 15, 2026, and will be computed on the basis of a 360-day year of twelve 30-day months.

2. There is no limit on the number of rates specified, except that one interest rate only shall be specified for the Series 2025A Bonds of any maturity.

3. The interest rate for the Series 2025A Bonds must be stated in a multiple of 1/8th or 1/20th of 1% per annum. A zero rate of interest may not be named for the Series 2025A Bonds.

4. The interest rate for the Series 2025A Bonds maturing on and after September 15, 2036 shall not be less than 5.00%.

SERIES 2025A SUPPLEMENTAL RESOLUTION LIMITATIONS:

1. The aggregate principal amount of the Series 2025A Bonds shall not exceed $250,000,000.

2. The true interest cost on the Series 2025A Bonds shall not exceed 5.25%.

3. The Series 2025A Bonds shall mature no later than September 15, 2055.

INFORMATION AVAILABLE FROM PRELIMINARY OFFICIAL STATEMENT: Reference is made to the Preliminary Official Statement dated July 29, 2025 (the "Preliminary Official Statement") for information as to the authorization and purpose of the Series 2025A Bonds; security for the Series 2025A Bonds; the book-entry system, transfer, exchange, and place of payment of the Series 2025A Bonds; the excludability of the interest on the Series 2025A Bonds from federal and State of Colorado income taxation; and other information relating to the Series 2025A Bonds and the Board.

BIDCOMP/PARITY: Bids must be submitted electronically using BIDCOMP/PARITY no later than the time designated herein for the receipt of bids. During the electronic bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (i.e., whether their bid is a leading bid). Bidders may change or withdraw their bids at any time up to the time designated herein. Electronic bids may only be submitted through BIDCOMP/PARITY. If any provisions in this Notice of Public Sale should conflict with information or terms provided or required by BIDCOMP/PARITY, this Notice of Public Sale (and any amendments or supplements hereto) shall control. See also "RIGHT TO CHANGE THE SALE DATE AND TIME AND SUPPLEMENT THIS NOTICE OF PUBLIC SALE" above.

BID PROPOSAL REQUIREMENTS: A prospective bidder must register electronically to bid for the Series 2025A Bonds by completing the information required by BIDCOMP/PARITY. By registering to bid for the Series 2025A Bonds, a prospective electronic bidder represents and warrants to the Board that such bidder's bid for the purchase of the Series 2025A Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, and enforceable contract for the purchase of the Series 2025A Bonds. By registering via BIDCOMP/PARITY to bid for the Series 2025A Bonds, a prospective bidder is not obligated to submit a bid in connection with the sale.

Bids must be submitted electronically for the purchase of the Series 2025A Bonds by means of BIDCOMP/PARITY by 8:30 a.m. (Mountain Time), on August 5, 2025. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid on BIDCOMP/PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Series 2025A Bonds, (3) send its proposed bid, or (4) withdraw its proposed bid. Once the bids are communicated electronically via BIDCOMP/PARITY, each bid will constitute an irrevocable offer to purchase the Series 2025A Bonds on the terms therein provided.

Each prospective bidder shall be solely responsible to register to bid via BIDCOMP/PARITY as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BIDCOMP/PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Public Sale. Neither the Board nor the Board's Municipal Advisor, PFM Financial Advisors LLC (the "Municipal Advisor") shall have any duty or be obligated to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Board nor the Board's Municipal Advisor shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. The Board is using BIDCOMP/PARITY as communication mechanisms, and not as the Board's agents, to conduct the electronic bidding for the Series 2025A Bonds.

For informational purposes only, the electronic bid will show the effective interest rate for the Series 2025A Bonds represented on a TIC basis, as described under "BASIS OF AWARD" below, represented by the rate or rates of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

Further information about BIDCOMP/PARITY, including any fees charged, may be obtained from such respective entity as follows: Bidcomp/Parity, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5023; fax (212) 849-5021.

WINNING BIDDER'S REOFFERING YIELDS AND ESTABLISHING THE ISSUE PRICE: At or before 9:30 a.m. (Mountain Time) on August 5, 2025, the winning bidder (or manager of the purchasing account) for the Series 2025A Bonds must provide to the CFO and the Municipal Advisor the initial offering price and yield to the public.

The winning bidder shall assist the Board in establishing the issue price of the Series 2025A Bonds for federal income tax purposes and shall execute and deliver to the Board at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2025A Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, in a form acceptable to the Board and Kutak Rock LLP ("Bond Counsel"). All actions to be taken by the Board under this Notice of Public Sale to establish the issue price of the Series 2025A Bonds may be taken on behalf of the Board by the Municipal Advisor and any notice or report to be provided to the Board may be provided to the Municipal Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2025A Bonds) will apply to the initial sale of the Series 2025A Bonds (the "competitive sale requirements") because:

(i) the Board will disseminate this Notice of Public Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(ii) all bidders will have an equal opportunity to bid;

(iii) the Board may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the Board anticipates awarding the sale of the Series 2025A Bonds to the bidder who submits a firm offer to purchase the Series 2025A Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Public Sale.

Any bid submitted pursuant to this Notice of Public Sale shall be considered a firm offer for the purchase of the Series 2025A Bonds, as specified in the bid and in this Notice of Public Sale and shall not be subject to any conditions or qualifications except as permitted by this Notice of Public Sale. **By submitting a bid, each bidder confirms that it has an established industry reputation for underwriting new issuances of municipal obligations**.

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the winning bidder. The Board may determine to treat (i) the first price at which 10% of a maturity of the Series

2025A Bonds (the "10% test"*)* is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2025A Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Board if any maturity of the Series 2025A Bonds satisfies the 10% test as of the date and time of the award of the Series 2025A Bonds. The Board shall promptly advise the winning bidder, at or before the time of award of the Series 2025A Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Series 2025A Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Board determines to apply the hold-the-offering-price rule to any maturity of the Series 2025A Bonds. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2025A Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2025A Bonds.***

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2025A Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2025A Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(A) the close of the fifth (5th) business day after the sale date; or

(B) the date on which the underwriters have sold at least 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Board when the underwriters have sold 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are <u>not</u> satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2025A Bonds, the winning bidder agrees to promptly report to the Board the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date, as set forth in the Final Official Statement, has occurred, until the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or until all Bonds of that maturity have been sold.

The Board acknowledges that, in making the representation set forth above, winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2025A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2025A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Board further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2025A Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2025A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2025A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2025A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Public Sale. Further, for purposes of this Notice of Public Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2025A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2025A Bonds to the public),

(iii) a purchaser of any of the Series 2025A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Series 2025A Bonds are awarded by the Board to the winning bidder.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $2,000,000 will be required to be made by the apparent winning bidder after the bids have been received. The apparent winning bidder will be required to wire the good faith deposit to the Board no later than 3:00 p.m. (Mountain Time) on August 5, 2025. The Municipal Advisor will contact the apparent winning bidder and request the apparent winning bidder to wire such good faith deposit and the apparent winning bidder shall provide the Federal wire reference number of such good faith deposit to the Municipal Advisor by 3:00 p.m. (Mountain Time) on August 5, 2025. The wire shall be sent to a bank account that will be provided by the Municipal Advisor to the winning bidder.

The Series 2025A Bonds will not be officially awarded to a bidder until such time as the bidder has provided a federal wire reference number for the good faith deposit to the Municipal Advisor.

No interest on the good faith deposit will accrue to any bidder. The good faith deposit of the winning bidder for the Series 2025A Bonds will be applied to the purchase price of the Series 2025A Bonds. In the event the winning bidder for the Series 2025A Bonds fails to honor its accepted bid, the good faith deposit plus any interest accrued on the good faith deposit will be retained by the Board. Any investment income earned on the good faith deposit will not be credited to the winning bidder on the purchase price of the Series 2025A Bonds.

SALE RESERVATIONS: The Board reserves the right (1) to reject any and all bids for the Series 2025A Bonds, (2) to reoffer the Series 2025A Bonds for sale as provided by law, and (3) to waive any irregularity or informality in any bid. In addition, the Board reserves the privilege of changing the date and/or time of sale of the Series 2025A Bonds. If the Board changes the date and/or time of the sale of the Series 2025A Bonds, this Notice of Public Sale shall remain effective, except as amended by communication or other amendment communicated to potential bidders.

If bids are not taken on August 5, 2025, or if all bids are rejected on August 5, 2025, the Board may reoffer the Series 2025A Bonds for sale at any time thereafter.

BASIS OF AWARD: Subject to the sale reservations and limitations set forth herein, the Series 2025A Bonds will be sold to the responsible bidder making the best bid therefor. The best bid(s) will be determined by computing the actuarial yield on the Series 2025A Bonds (i.e., using an actuarial or true interest cost method) for each bid received. "True interest cost" on the Series 2025A Bonds as used herein means that yield which if used to compute the present worth as of the estimated delivery date of the Series 2025A Bonds of all payments of principal and interest to be made on such series of the Series 2025A Bonds from the estimated delivery date to their respective maturity dates (or mandatory sinking fund redemption dates), using the interest rates specified in the bid and the principal amounts specified in the Maturity Schedule, produces an amount equal to the principal amount of the Series 2025A Bonds, less any discount or plus any premium bid. All interest calculations and the calculation of the best bid shall be based on a 360-day year and a semiannual compounding interval. If an award is made, it will be made to the bidder whose bid results in the lowest true interest cost, i.e., to the bidder making the bid resulting in the lowest true interest cost on the Series 2025A Bonds. If two or more equal bids for the Series 2025A Bonds are received and such equal bids are the best bids received, the Board will determine which bid will be accepted.

TIME OF AWARD: The Board has authorized the CFO to accept the best responsible bid for the purchase of the Series 2025A Bonds, and to accept such bid, for and in the name of the Board, by notice to the winning bidder. The Board will award the Series 2025A Bonds or reject all bids not later than twenty-four hours after the expiration of the time herein specified for the receipt of bids unless such time of award is waived by the winning bidder.

MANNER AND TIME OF DELIVERY: The good faith deposit of the winning bidder will be credited to the winning bidder at the time of delivery of the Series 2025A Bonds (without accruing interest). If the winning bidder for the Series 2025A Bonds fails or neglects to complete the purchase of the Series 2025A Bonds when the Series 2025A Bonds are made ready and are tendered for delivery, the amount of this good faith deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the Board, except as hereinafter provided. In that event, the Board may reoffer the Series 2025A Bonds for sale as provided by law. The winning bidder will not be required to accept delivery of any of the Series 2025A Bonds if they are not tendered for delivery within sixty days from the date herein stated for opening bids. If the Series 2025A Bonds are not so tendered within said period of time, the good faith deposit, if any, will be returned to the winning bidder upon its request (without accruing interest). The Board contemplates, however, effecting delivery of the Series 2025A Bonds to the winning bidder through DTC on or about August 19, 2025.

PAYMENT: The winning bidder or bidders will be required to make payment of the balance due for the Series 2025A Bonds at a bank or trust company designated by the CFO. Payment of the balance of the purchase price due at delivery must be made in Federal Reserve Funds or other funds acceptable to the Board for immediate and unconditional credit to the Board. The Series 2025A Bonds will be delivered at the office of The Depository Trust Company, on confirmation by the Board of receipt of the balance of the purchase price.

CUSIP NUMBERS: CUSIP numbers will be ordered by the Municipal Advisor and will be paid for by the Board as a cost of issuance. CUSIP numbers will be printed on the Series 2025A Bonds. If a wrong number is imprinted on any Bond or if a number is not printed thereon, any such error or omission will not constitute cause for the winning bidder to refuse delivery of any Bond.

OFFICIAL STATEMENT: The Board has prepared the Preliminary Official Statement, which is deemed by the Board to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement, as defined below.

Electronic copies of the Preliminary Official Statement and other information concerning the Board and the Series 2025A Bonds may be obtained prior to the sale from the sources listed under "INFORMATION" below.

The Board will, as soon as practicable after the award of the Series 2025A Bonds to the winning bidder, update the information contained in the Preliminary Official Statement to the date of the award, and such updated Preliminary Official Statement will constitute the "Final Official Statement" relating to the Series 2025A Bonds. The Board authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Series 2025A Bonds. The Board will provide to the winning bidder electronic copies of the Final Official Statement on or before the seventh business day following the date of the award of the Series 2025A Bonds to the winning bidder. The winning bidder may obtain hard copies of the Final Official Statement at its expense.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date the winning bidder shall no longer hold for sale any of the Series 2025A Bonds, if any event concerning the affairs, properties or financial condition of the Board shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the Board shall notify the winning bidder of any such event of which the CFO has actual knowledge and, at the request of the winning bidder, shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the Board and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

SECONDARY MARKET DISCLOSURE UNDERTAKING: Pursuant to Securities and Exchange Commission Rule 15c2-12, the Board will undertake to provide certain annual financial information as well as notice of the occurrence of certain material events. A form of the undertaking is set forth as an appendix to the Preliminary Official Statement.

TRANSCRIPT AND LEGAL OPINION: The validity and enforceability of the Series 2025A Bonds will be approved by Kutak Rock LLP, Denver, Colorado, as Bond Counsel. The winning bidder will receive a transcript of legal proceedings, which will include, among other documents:

1. A certificate executed by officials of the Board stating that there is no litigation pending affecting the validity of the Series 2025A Bonds as of the date of their delivery;

2. A certificate executed by the CFO or other authorized official of the Board stating that, to the best of her knowledge, the Final Official Statement as of its date did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading, and that, to the best of her knowledge, since the date of the Final Official Statement no event has occurred which would cause the Final Official Statement as of the date of the delivery of the Series 2025A Bonds to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading (provided that, if between the date of the public sale of the Series 2025A Bonds and the date of delivery of the Series 2025A Bonds, any event should occur or be discovered which would cause the Final Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Board shall notify the winning bidder thereof, and if in the opinion of the Board or the winning bidder such event requires the preparation and publication of a supplement or amendment to the Final Official Statement, the Board, at its sole expense, will supplement or amend the Final Official Statement in a form and in a manner approved by the winning bidder and by Squire Patton Boggs LLP, as Disclosure Counsel to the Board); and

3. The opinion of Kutak Rock LLP, as to the validity, enforceability and tax status of interest on the Series 2025A Bonds, a form of which is set forth as Appendix G to the Preliminary Official Statement.

GOVERNING LAW AND VENUE: This Notice of Public Sale and the contract formed when the Board accepts the winning bid is governed by the laws of the State of Colorado. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Colorado located in the City and County of Denver, Colorado, or the United States District Court for the State of Colorado, for the purpose of any suit, action, or other proceeding arising under this Notice of Public Sale, and each bidder hereby irrevocably agrees that all claims in respect of any such suit, action, or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such state or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

INFORMATION: This Notice of Public Sale, the Preliminary Official Statement, and other information concerning the Board and the Series 2025A Bonds may be obtained from the Municipal Advisor, PFM Financial Advisors LLC, 1820 East Ray Road, Chandler, AZ, 85225, contact: Darren Hodge (telephone: (480) 318-1284; email: hodged@pfm.com).

Dated July 29, 2025.

CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS BOARD OF WATER
COMMISSIONERS

By: /s/ Angela Bricmont
Chief Finance Officer

<u>Exhibit A</u>

$[________]
City and County of Denver, Colorado,
Acting By and Through Its Board of Water Commissioners
Water Revenue Refunding Bonds,
Series 2025A

ISSUE PRICE CERTIFICATE

[CLOSING DATE]

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Series 2025A Bonds") by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the "Board") [*Sections 1 and 2 and schedules to be adjusted in execution version as necessary if all of the requirements of a "competitive sale" are not satisfied.*]

1. ***Reasonably Expected Initial Offering Price***.

(a) As of [THE SALE DATE], the reasonably expected initial offering prices of the Series 2025A Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Series 2025A Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2025A Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2025A Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2025A Bonds.

2. ***Defined Terms***.

(a) "*Maturity*" means Series 2025A Bonds with the same credit and payment terms. Series 2025A Bonds with different maturity dates, or Series 2025A Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2025A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2025A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Board with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Series 2025A Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Board from time to time relating to the Series 2025A Bonds.

IN WITNESS WHEREOF, the undersigned, on behalf of [SHORT NAME OF UNDERWRITER], has set his or her hand as of the date first written above.

[UNDERWRITER]

By:________________________________
Name:______________________________
Title:_______________________________

SCHEDULE A

EXPECTED OFFERING PRICES

[ATTACH]

SCHEDULE B

UNDERWRITER'S BID

[ATTACH]

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DENVER
WATER

Mixed Sources
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