

2025 | ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2025
Denver, Colorado



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Denver, Colorado

Prepared by
Finance Division



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TABLE OF CONTENTS

I - INTRODUCTORY SECTION	
Letter of Transmittal	I-1
Board of Water Commissioners	I-8
Executive Leadership and Organizational Chart	I-9
Certificate of Achievement	I-10
II - FINANCIAL SECTION	
Section II Table of Contents	II-1
Independent Auditors' Report	II-3
Management's Discussion and Analysis (unaudited)	II-7
Basic Financial Statements:	
Statement of Net Position	II-18
Statement of Revenues, Expenses, and Changes in Net Position	II-20
Statement of Cash Flows	II-21
Statement of Fiduciary Net Position	II-23
Statement of Changes in Fiduciary Net Position	II-24
Notes to Basic Financial Statements	II-25
Required Supplementary Information:	
Exhibit I-A: Schedule of Changes in the Net Pension Liability and Related Ratios	II-59
Exhibit I-B: Schedule of Denver Water Pension Contributions	II-60
Exhibit I-C: Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratios	II-61
Other Supplementary Information:	
Exhibit II-A: Revenue Water Improvement and Refunding Bonds Outstanding	II-63
Exhibit II-B: Summary of Revenue Bond Debt Service Requirements Outstanding	II-64
III - STATISTICAL SECTION	
Section III Contents and Explanations	III-1
Statistical Summary, Last 10 Years	III-3
A - Financial Trends Information	III-5
Net Position by Component, Last 10 Years	III-7
Statement of Revenues, Expenses, and Changes in Net Position, Last 10 Years	III-8
Revenue, Expenses, and Changes in Net Position, 10 Year Graphs	III-9

(continued)

TABLE OF CONTENTS (continued)

III - STATISTICAL SECTION

B - Revenue Capacity Information	III-11
Denver Water Service Area	III-13
Customer Service Data, Last 10 Years	III-14
Water Sold in Dollars by Type of Customer, Last 10 Years	III-15
Treated Water Sold in Gallons by Type of Customer, Last 10 Years	III-16
Operating Revenue and Related Water Consumption	III-17
Sales of Treated Water between Denver and Outside City	III-19
Sales of Non-Potable Water between Denver and Outside City	III-21
Analysis of Customer Accounts for Treated Water	III-22
Water Rates Schedules	III-23
Summary of Water Rates, Last 10 Years	III-27
Sales of Treated Water for Resale	III-30
10 Largest Retail Customers - Water Consumption and Revenue	III-31
 C - Debt Capacity Information	 III-33
Ratios of Total Outstanding Debt by Type, Last 10 Years	III-35
Pledged-Revenue Coverage, Last 10 Years	III-36
Ratios of Water Revenue Bonded Debt Outstanding, Last 10 Years	III-37
 D - Demographic and Economic Information	 III-39
Demographic and Economic Overview of the Denver Metropolitan Area	III-41
 E - Operating Information	 III-49
Employees by Division, Last 10 Years	III-51
Capital Assets by Function, Last 10 Years	III-54
Budget to Actual - Receipts and Expenditures, Last 5 Years	III-55
Water Collection System	III-56
Operating Indicators by Function	III-57

IV - COMPLIANCE

Table of Contents	IV-1
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	IV-3
Independent Auditors' Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	IV-5
Schedule of Expenditures of Federal Awards	IV-8
Notes to Schedule of Expenditures of Federal Awards	IV-9
Schedule of Findings and Questioned Costs	IV-10

May 19, 2026

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, 2025.

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, 2025. 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.

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, broadcast and telecommunications, healthcare and wellness, financial services, bioscience, energy, and IT-software. 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

The Financial Plan is updated annually. Revenue adjustments identified in the 2026 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 rate revenue adjustment for 2026 is effective beginning January 1, 2026. This adjustment is expected to produce 5.5% of additional revenue over a 12-month period, assuming normal weather and consumption. System development charge adjustments are effective January 1, 2026 with another adjustment approved for July 1, 2026. System development charges are one-time fees designed to recover the proportionate share of capacity costs required to serve new development or an existing customer requiring additional capacity. Revenue from these charges are dependent on the amount of new customers that connect to the system. In a normal year, these adjustments are expected to produce 10% more revenue over a 12-month period.

The following are two of Denver Water's 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 and renewed in 2022. 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 2025, Denver Water met or exceeded all regulatory targets by replacing roughly 5,900 lead service lines, over 1,500 more than required by the variance, bringing the total lead service lines replaced to date to over 36,000. The estimated cost of the program is approximately \$687.5 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. 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. Following the hearing, the district court issued an order allowing construction of the dam to proceed. Denver Water and the federal defendants have appealed the October 2024 merits order and the April 2025 remedy order (as modified) to the Tenth Court of Appeals, where litigation is ongoing. 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) supplements the existing Moffat Water Treatment Plant (Moffat) with a state-of-the-art facility designed to improve reliability and operational flexibility. The NTP is 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.

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 2026 with an actual cash and investment balance of \$285 million, at fair value. The 2026 budget projects this balance to increase by receipts of \$863 million and decrease by expenditures of \$834 million, resulting in a projected 2026 ending balance of \$314 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 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 judgment. 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.

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, 2024. This was the 37th 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, 2025. This is the 34th 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.

Best-Tasting Water: Denver Water won the prize for the best-tasting water in the nation in the “People’s Choice” competition at ACE25. The competition pitted the local tap water against 22 other top-ranked utilities, all of which had to win regional competitions to qualify for the finals.

Gambel Oak Award: Denver Water’s commitment to watershed resilience and partnership was recognized with the 2025 Gambel Oak Award, presented by Jefferson County Open Space. The award honors pioneers in preserving open space and park lands. Denver Water received the award for our partnership on the Strontia Springs Reservoir Watershed Sediment Management Program. The program was created to reduce sediment transport to Strontia Springs Reservoir in parallel with the in-reservoir sediment management efforts through Engineering.

Green Fleet Award: The Fleet Services team received recognition at the National Association of Fleet Administrators' Green Fleet Awards. Denver Water won the "Rookie of the Year" award, since this was the first year we applied for this award. We also placed 30th on the list of best green fleets in the nation out of hundreds of applicants. Judges cited Denver Water launching a carbon net-zero fleet strategy and developing a long-range fleet electrification plan.

State of Colorado Green Business Network Awards: Denver Water repeated certification as a gold-level green business, demonstrating large-scale changes within the organization that emphasize sustainability and reduce resource use. We also won an Innovation Spotlight Award in the transportation category that recognized Denver Water's commitment to electrifying its fleet and retiring less-efficient, gas-powered heavy equipment to reduce carbon emissions.

Water Quality and Treatment Awards: For the first time, Denver Water swept four categories of water quality and treatment awards at the Rocky Mountain Section of the American Water Works Association summer conference. The Foothills Treatment Plant received the "Outstanding Water Treatment Plant" award for the team's culture, performance and innovation. Our Water Quality Lab won the "Outstanding Water Laboratory" award, recognizing the team for exceptional performance and teamwork. Two employees took home top honors: the "Ralph M. Leidholdt Water Treatment Plant Operator" award and the "Outstanding Water Treatment Plant Maintenance" award.

Project of the Year Award: The Northwater Treatment Plant won The American Public Works Association's (APWA) "Project of the Year" award in the environmental category. APWA recognized the project for environmental stewardship through its placement of buildings on the site and incorporation of innovative treatment approaches, both of which boost NTP's ability to adapt to possible changes in source water quality in the future.

Best of the Best Award: NTP also received recognition as a top-tier infrastructure project, earning the "Best of the Best" award in the Water and Environment category from Engineering News Record. Out of over 800 project entries from the U.S. and Puerto Rico, Northwater was one of only 20 to earn this honor. Each project was assessed on five criteria: teamwork, innovation, safety, overcoming challenges, and overall quality.

Newsmaker of the Year: Engineering News Record (ENR) recognized Chief Engineering Officer Bob Mahoney as a "Top 25 Newsmaker for 2024." ENR cited Bob's leadership with his team to update design and engineering standards for Denver Water, a project dating back to 2009.

Anvil Award: Denver Water's in-house boy band, the Splashstreet Boys, took home the prize for the top video of the past year at the Public Relations Society of America's Anvil Awards, held May 15, 2025, in New York City. The "I Water That Way" music video was honored with the Bronze Anvil (which signifies first place) in the "Video" category at the annual event highlighting the top public relations work in the nation. This national award has been considered the highest honor in the public relations industry for over 75 years.

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

2025 BOARD OF WATER COMMISSIONERS



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

Stephanie Donner, President
Chief Administration Officer, The Nuclear Company, LLC

*Commissioner since July 2021;
Term expires 2031.*

Tyrone Gant, CTP, 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 2027.*

Dominique Gómez, Vice President
Deputy Director, Colorado Energy Office

*Commissioner since July 2021;
Term expires 2031.*

Craig Jones, Vice President
Senior Wealth Advisor, Focus Partners Wealth;
Shareholder, Focus Financial Partners

*Commissioner since October 2017;
Term expires 2029.*

Gary Reiff, Vice President
Senior Advisor, UCHealth

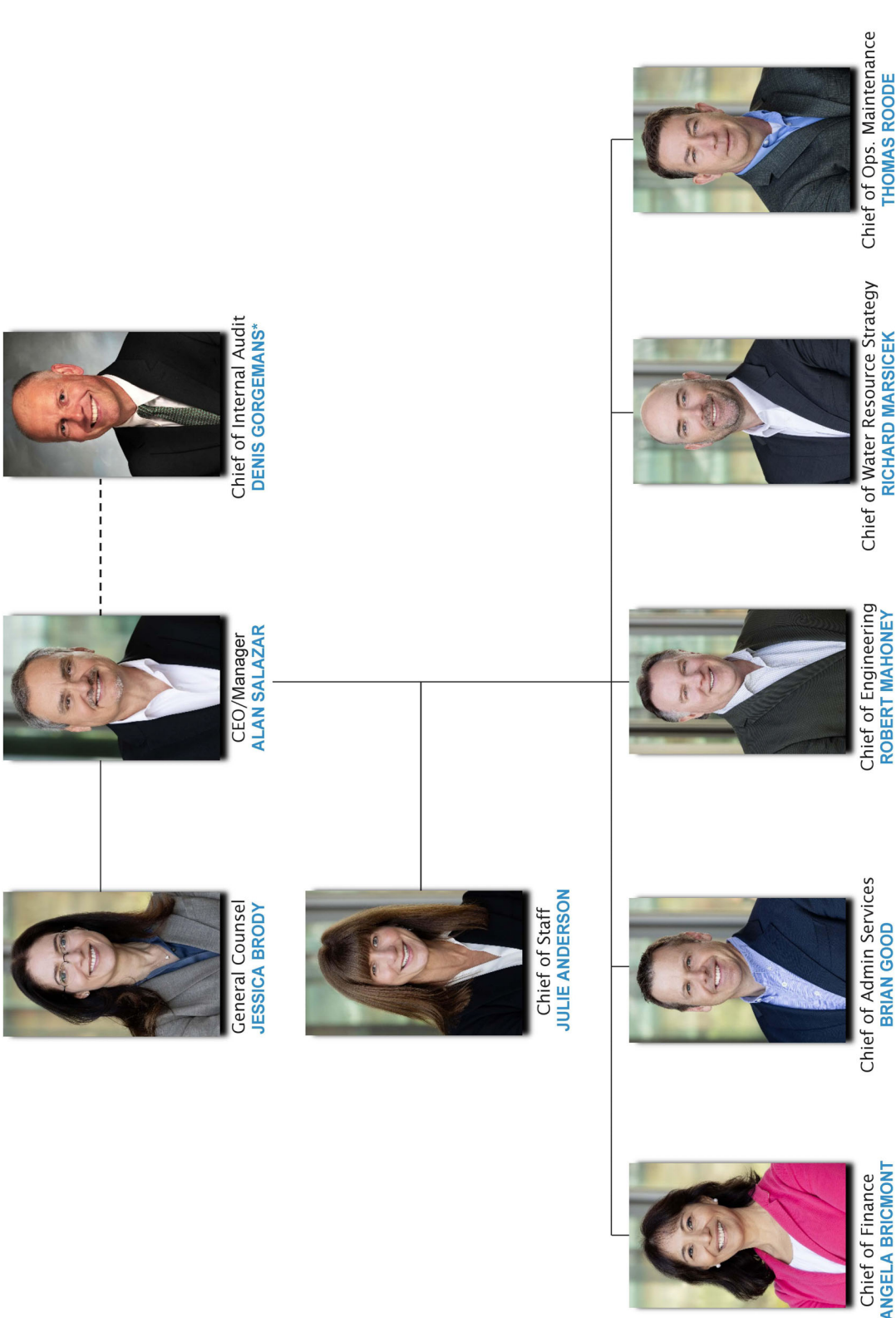
*Commissioner since September 2017;
Term expires 2029.*

LAST 20 COMMISSIONERS

Malcolm M. Murray	Aug 1987 to Jul 1993
Donald L. Kortz	Aug 1987 to Jul 1993
Monte Pascoe	Sep 1983 to Jul 1995
Romaine Pacheco	Jul 1989 to Jul 1995
Hubert A. Farbes, Jr.	Jul 1985 to Jul 1997
Ronald L. Lehr	Jul 1993 to Apr 1999
Joe Shoemaker	Jul 1995 to Jul 2001
Andrew D. Wallach	Jul 2001 to Aug 2003
Daniel E. Muse	Feb 2000 to Nov 2003
Richard A. Kirk	Jul 1993 to Oct 2005

William R. Roberts	Jul 1997 to Oct 2005
Harris D. Sherman	Dec 2005 to Feb 2007
Denise S. Maes	Jul 1995 to Jul 2007
Susan D. Daggett	Nov 2007 to Jan 2009
George B. Beardsley	Feb 2004 to Mar 2009
Thomas A. Gougeon	Aug 2004 to Jul 2017
Penfield W. Tate III	Oct 2005 to Jul 2017
John Lucero	Jul 2007 to Jul 2021
Paula Herzmark	Apr 2009 to Jul 2021
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, 2024

Christopher P. Morill

Executive Director/CEO

**DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO**

Section II Table of Contents

Table of Contents	II-1
Independent Auditors' Report	II-3
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Statement of Revenues, Expenses, and Changes in Net Position	II-20
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Statement of Fiduciary Net Position	II-23
Statement of Changes in Fiduciary Net Position	II-24
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INDEPENDENT AUDITORS' REPORT

Board of Water Commissioners
Denver Water
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Board of Water Commissioners, City and County of Denver, Colorado (Denver Water), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Denver Water's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of Denver Water, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Denver Water and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Denver Water's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Denver Water's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Denver Water's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Denver Water Pension Contributions, and Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Denver Water's basic financial statements. The Other Supplementary Information (as listed in the table of contents) and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

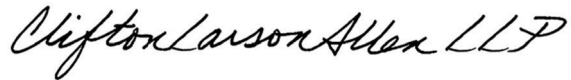
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2026 on our consideration of Denver Water's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Denver Water's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Denver Water's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Denver, Colorado
May 19, 2026

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

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, 2025. 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 6% during 2025, compared to 3% during 2024.

- ***Operating income*** was \$54.7 million in 2025 compared to \$51.8 million in 2024, an increase of 6%.
- ***Income before capital contributions*** was \$39.2 million in 2025 compared to \$13.7 million in 2024, an increase of 187%.
- ***Capital contributions*** were \$137.6 million in 2025 compared to \$78.1 million in 2024, an increase of 76%.
- ***Net position*** increased \$176.8 million in 2025 compared to \$91.8 million in 2024, an increase of \$85.1 million.
- ***Capital asset additions*** were \$401.3 million in 2025 compared to \$338.6 million in 2024, an increase of 19%.

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.

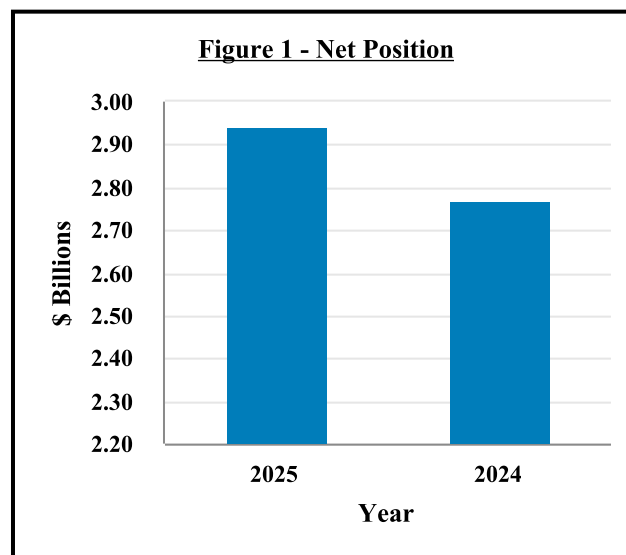
DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

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 \$2.9 billion at December 31, 2025, an increase of \$176.8 million or 6% from December 31, 2024 (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.



DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

Table 1 - Condensed Statements of Net Position

(amounts expressed in thousands)

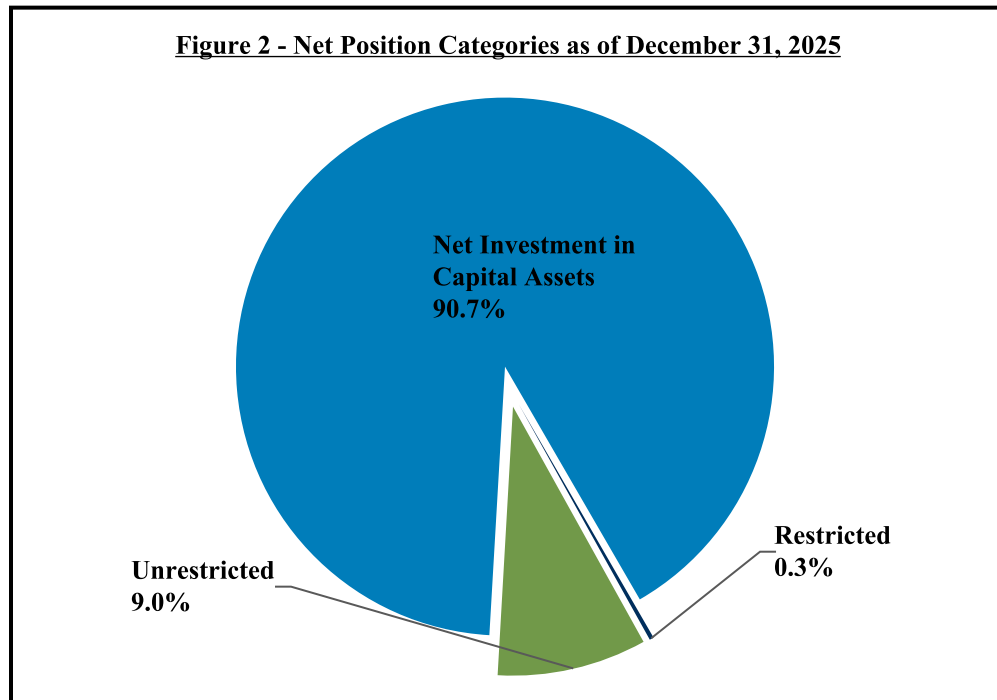
	As of December 31,		2025 - 2024	
	2025	2024	Increase (Decrease)	% Change
Current and other assets	\$ 377,378	\$ 397,631	\$ (20,253)	(5%)
Capital assets, net	4,405,075	4,087,137	317,938	8%
Total assets	4,782,453	4,484,768	297,685	7%
Deferred outflows of resources	59,086	59,512	(426)	(1%)
Total assets and deferred outflows	4,841,539	4,544,280	297,259	7%
Current liabilities	136,103	142,769	(6,666)	(5%)
Noncurrent liabilities	1,755,885	1,627,925	127,960	8%
Total liabilities	1,891,988	1,770,694	121,294	7%
Deferred inflows of resources	4,234	5,115	(881)	(17%)
Total liabilities and deferred inflows	1,896,222	1,775,809	120,413	7%
Net position				
Net investment in capital assets	2,672,605	2,517,844	154,761	6%
Restricted	8,090	6,184	1,906	31%
Unrestricted	264,622	244,443	20,179	8%
Total net position	\$ 2,945,317	\$ 2,768,471	\$ 176,846	6%

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 2025 and 2024 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.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025



Denver Water's increase in net position during 2025 of \$176.8 million indicates an improved financial position. Other changes in the Statements of Net Position were as follows:

CURRENT AND OTHER ASSETS decreased in 2025 by \$20.3 million, or 5% from 2024. The decrease was primarily a result of a net reduction in receivables due to the receipt of Federal/State funds, reimbursement of prepaid mobilization costs on the Gross Reservoir project, and a net reduction in receivables related to cost-shared capital projects. This decrease was partially offset by the timing of the receipt of customer receivables and a receivable related to a legal settlement.

NET CAPITAL ASSETS increased in 2025 by \$317.9 million, or 8% from 2024. The increase was primarily due to asset additions related to the Gross Reservoir project, main replacements, conveyed property, and an increase in lead service line replacements. The increase was offset by accumulated depreciation and amortization, and asset retirements (see Table 8 for current year additions).

DEFERRED OUTFLOWS OF RESOURCES decreased in 2025 by \$0.4 million from 2024. The decrease was primarily due to the amortization of deferred amounts on refunding into interest expense and the retirement of the 2012B revenue bonds, partially offset by net increases in pension related deferred outflows.

CURRENT LIABILITIES decreased in 2025 by \$6.7 million, or 5% from 2024. The decrease was primarily due to a reduction of liability related to the forgivable portion of the Federal/State loan and reduction of retainage related to the Northwater Treatment Plant and Lead Replacement Program projects. This decrease was partially offset by an increase in accrued interest and the current portion of revenue bonds payable due to the Series 2025A revenue bond issuance.

NONCURRENT LIABILITIES increased in 2025 by \$128.0 million, or 8% from 2024. The increase was primarily due to the issuance of Series 2025A revenue bonds and an increase in the actuarially calculated pension liability, partially offset by earned contributions in aid of construction and a decrease in outstanding commercial paper.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

DEFERRED INFLOWS OF RESOURCES decreased in 2025 by \$0.9 million from 2024. 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 \$176.8 million from 2024 activity (see Table 1 and Table 2). The explanation for this change is provided throughout the MD&A in the discussion of each component of the change in net position.

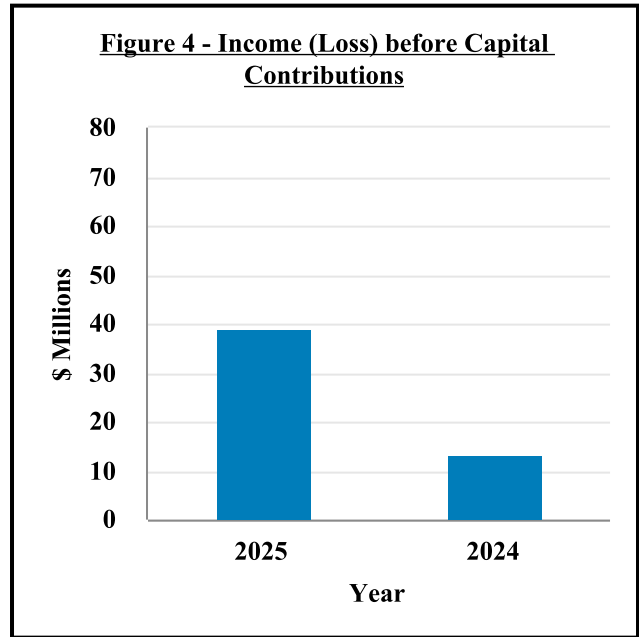
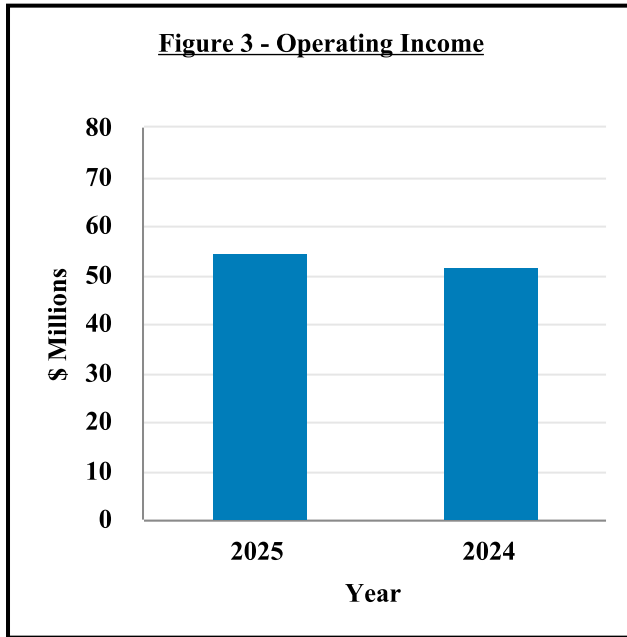
<u>Table 2 - Condensed Statements of Revenues, Expenses, and Changes in Net Position</u> (amounts expressed in thousands)				
	Years Ended December 31,		2025 - 2024	
	2025	2024	Increase (Decrease)	% Change
Operating revenues	\$ 402,712	\$ 395,601	\$ 7,111	2%
Nonoperating revenues	52,263	41,945	10,318	25%
Total revenues	454,975	437,546	17,429	4%
Operating expenses	348,013	343,764	4,249	1%
Nonoperating expenses	67,748	80,139	(12,391)	(15%)
Total expenses	415,761	423,903	(8,142)	(2%)
Income before capital contributions	39,214	13,643	25,571	187%
Capital contributions	137,632	78,142	59,490	76%
Increase in net position	176,846	91,785	85,061	93%
Beginning net position	2,768,471	2,676,714	91,757	3%
Cumulative effect of the GASB 101 implementation	-	(28)	28	
Restated beginning net position ¹	2,768,471	2,676,686	91,785	3%
Ending net position	\$ 2,945,317	\$ 2,768,471	\$ 176,846	6%

¹The 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 \$54.7 million in 2025 compared to \$51.8 million in 2024 (see Figure 3).

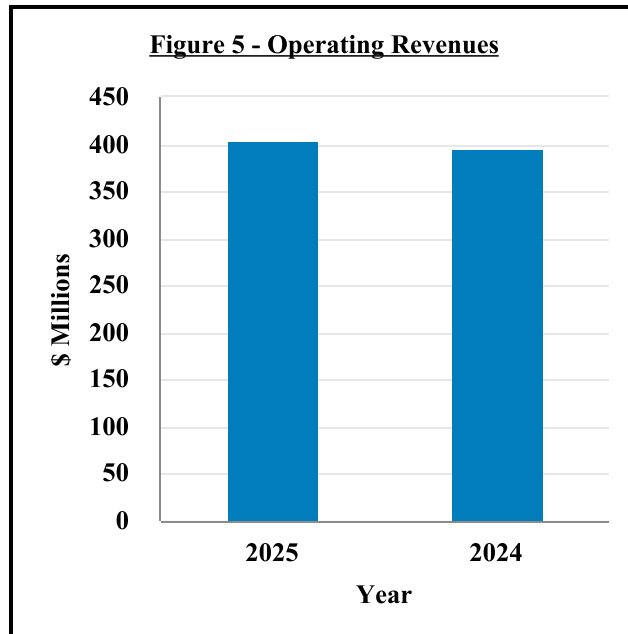
There was **income before capital contributions** of \$39.2 million in 2025 compared to \$13.7 million in 2024 (see Figure 4).

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025



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

OPERATING REVENUES increased in 2025 by \$7.1 million, or 2% from 2024 (see Figure 5 and Table 3).



DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

Table 3 - Operating Revenues				
(amounts expressed in thousands)				
	Years Ended December 31,		2025 - 2024	
	2025	2024	Increase (Decrease)	% Change
Water				
Water sales	\$ 388,252	\$ 384,374	\$ 3,878	1%
Power generation and other				
Power sales	5,142	4,561	581	13%
Special assessments	6,560	4,989	1,571	31%
Other	2,758	1,677	1,081	64%
Total power generation and other	14,460	11,227	3,233	29%
Total operating revenues	\$ 402,712	\$ 395,601	\$ 7,111	2%

Water sales increased in 2025 due to a rate increase effective January 1, 2025, designed to increase overall system water rate revenue by 5.0% offset by a reduction in gallons sold (72.6 billion gallons sold in 2025 compared to 74.4 billion gallons sold in 2024).

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 hydrant meter revenue, plan review fees, backflow compliance fines, and special services fees. 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 2025 by \$1.1 million, or 64%. This increase was primarily due to increased project expense reimbursements and medical prescription plan rebates.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

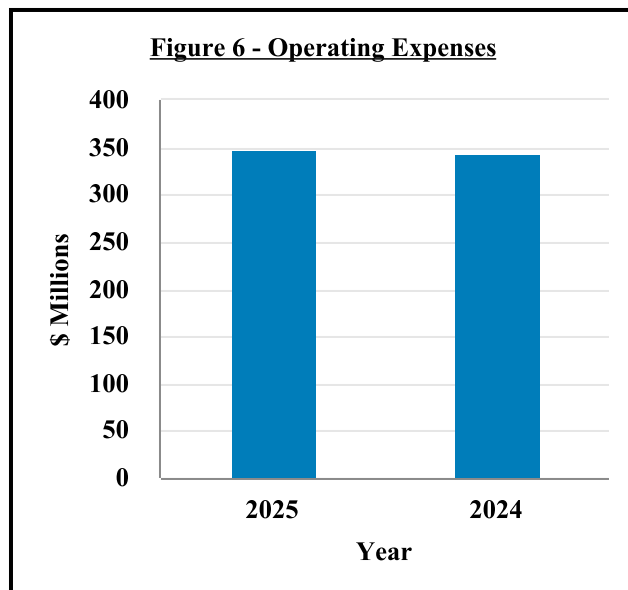
NONOPERATING REVENUES increased in 2025 by \$10.3 million, or 25% from 2024 (see Table 4).

Table 4 - Nonoperating Revenues				
(amounts expressed in thousands)				
	Years Ended December 31,		2025 - 2024	
	2025	2024	Increase (Decrease)	% Change
Investment income	\$ 10,913	\$ 12,060	\$ (1,147)	(10%)
Other nonoperating income	41,350	29,885	11,465	38%
Total nonoperating revenues	<u>\$ 52,263</u>	<u>\$ 41,945</u>	<u>\$ 10,318</u>	<u>25%</u>

Investment income decreased by \$1.1 million in 2025 primarily due to decreased interest yields.

Other nonoperating income consists primarily of Federal/State funds, legal settlements, 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 2025 by approximately \$11.5 million from 2024. This increase was primarily due to a legal settlement and an increase in project expense reimbursements. This increase was partially offset by reduced reimbursements from the forgivable portion of the Federal/State loan for the Lead Reduction Program.

OPERATING EXPENSES increased in 2025 by \$4.2 million, or 1% from 2024 (see Figure 6 and Table 5).



DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

Table 5 - Operating Expenses by Category

(amounts expressed in thousands)

	Years Ended December 31,		2025 - 2024	
			Increase (Decrease)	% Change
	2025	2024		
SOS, pumping, treatment, T&D	\$ 126,951	\$ 139,531	\$ (12,580)	(9%)
General and administrative	123,780	113,828	9,952	9%
Customer service	17,457	16,798	659	4%
Depreciation and amortization	79,825	73,607	6,218	8%
Total operating expenses	<u>\$ 348,013</u>	<u>\$ 343,764</u>	<u>\$ 4,249</u>	<u>1%</u>

Major changes to operating expenses were as follows:

Operating expenses increased primarily as a result of an increase in the actuarially calculated pension expense due to market conditions at the December 31, 2024 measurement date, depreciation and amortization related to an increase in capital projects and regulated assets, and yearly merit increases. The increase was partially offset by a decrease in environmental mitigation and contractual milestone payments related to the Gross Reservoir Expansion project and a net decrease in work under other programs. In addition, there was a reduction in chemical expenses due to planned treatment plant maintenance shutdowns, process optimizations, and higher quality spring water runoff.

NONOPERATING EXPENSES decreased in 2025 by \$12.4 million, or 15% from 2024 (see Table 6).

Table 6 - Nonoperating Expenses

(amounts expressed in thousands)

	Years Ended December 31,		2025 - 2024	
			Increase (Decrease)	% Change
	2025	2024		
Interest expense	\$ 49,633	\$ 42,411	\$ 7,222	17%
Loss on disposition of capital assets	2,085	525	1,560	297%
Other nonoperating expenses	16,030	37,203	(21,173)	(57%)
Total nonoperating expenses	<u>\$ 67,748</u>	<u>\$ 80,139</u>	<u>\$ (12,391)</u>	<u>(15%)</u>

Interest expense increased in 2025 primarily due to a full year of interest on the Series 2024A water revenue bonds and additional interest expense from the 2025A bond issuance.

Loss on disposition of capital assets increased in 2025 primarily due to an increase in abandoned mains and hydrants, retirements associated with heavy equipment, as well as lower proceeds from the sales of property.

Other nonoperating expense consists primarily of property expenses, legal claims, debt issuance costs, and nonoperating projects. Other nonoperating expenses decreased in 2025 by \$21.2 million, or 57%. The decrease is due to lower costs associated with other noncapitalizable project expenses with the largest project being the Lead Reduction Program reimbursed under the forgivable portion of the Federal/State loan.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Management's Discussion and Analysis (unaudited)
December 31, 2025

CAPITAL CONTRIBUTIONS increased in 2025 by \$59.5 million, or 76% from 2024 (see Table 7).

Table 7 - Capital Contributions				
(amounts expressed in thousands)				
	Years Ended December 31,		2025 - 2024	
	2025	2024	Increase (Decrease)	% Change
Contributions in aid of construction	\$ 105,171	\$ 54,637	\$ 50,534	92%
System development charges	32,461	23,505	8,956	38%
Total capital contributions	<u>\$ 137,632</u>	<u>\$ 78,142</u>	<u>\$ 59,490</u>	<u>76%</u>

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 2025 is primarily a result of a net increase in the percentage of completion of projects and 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. The increase in 2025 is primarily due to a large influx of fees collected in 2025 ahead of the 2026 SDC rate increase.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO

Management's Discussion and Analysis (unaudited)

December 31, 2025

CAPITAL ASSET ACTIVITY

Denver Water's capital assets at December 31, 2025 and 2024 totaled \$4.4 billion and \$4.1 billion, respectively, net of accumulated depreciation and amortization. Capital asset additions in 2025 and 2024 were \$401.3 million and \$338.6 million, respectively, an increase of \$62.7 million or 19%. The values below represent capital costs incurred in 2025, including costs associated with both completed and ongoing projects. Major projects were as follows (see Table 8):

<u>Table 8 - Capital Additions</u>	
Year Ended December 31, 2025	
(amounts expressed in thousands)	
Gross Reservoir Expansion	\$ 181,528
Regulated Assets (Lead Service Lines)	67,482
Distribution Mains and Hydrants	59,944
Conveyed Land	41,233
Downstream Reservoirs	10,534
Strontia Electrical/Control Upgrade and Improvements	5,828
Highlands Pump Station Improvements	5,714
Treated Water Conduits	4,457
Vehicles and Heavy Equipment	4,264
Right-To-Use SBITAs	3,644
Elevenmile Outlet Works Improvements	2,920
Castlewood Pump Station Improvements	2,644
Source of Supply Improvement Projects	2,295
Marston Treatment Plant Improvements	1,603
North System Renewal Water Treatment Plant	1,421
HVAC Improvements	928
Solar Array Installations	617
Information Technology Hardware	422
Other	3,787
Total	<u>\$ 401,265</u>

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

LONG-TERM DEBT ACTIVITY

In 2025, Denver Water issued Series 2025A Revenue Bonds in the par amount of \$189.5 million. The bonds and associated premium were used to refund \$200.0 million of outstanding commercial paper. The Series 2025A bonds have a 30-year term with final maturity in 2055, 5% coupon, and call options starting in 2036. Following the issuance of the Series 2025A bonds, Denver Water issued an additional \$75.0 million in commercial paper in 2025.

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: Denver Water, Attn: Chief Finance Officer

1600 W. 12th Ave.

Denver, CO 80204-3412

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Net Position
December 31, 2025
(Amounts expressed in thousands)

<u>ASSETS</u>	<u>2025</u>
CURRENT ASSETS:	
Cash	\$ 12,271
Short-term investments including accrued interest	249,953
Restricted investments - debt service and other	22,464
Receivables	64,468
Materials and supplies inventory, at weighted average cost	11,534
Prepaid expenses	3,997
Total current assets	<u>364,687</u>
NONCURRENT ASSETS:	
Capital assets:	
Capital depreciable	4,245,528
Capital non-depreciable	311,678
Regulated assets	451,034
Right-to-use assets	29,769
	<u>5,038,009</u>
Less accumulated depreciation and amortization	<u>(1,323,288)</u>
	3,714,721
Construction in progress	690,354
Net capital assets	<u>4,405,075</u>
Other noncurrent assets:	
Prepaid expenses and other assets	5,593
Long-term receivables	7,098
Total other noncurrent assets	<u>12,691</u>
Total noncurrent assets	<u>4,417,766</u>
Total assets	<u>4,782,453</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred amount on refunding	4,161
Pension-related items	52,517
OPEB-related items	2,408
Total deferred outflows of resources	<u>59,086</u>
Total assets and deferred outflows of resources	<u>4,841,539</u>

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Net Position
December 31, 2025
(Amounts expressed in thousands)

<u>LIABILITIES</u>	<u>2025</u>
CURRENT LIABILITIES:	
Accounts payable	\$ 22,913
Payroll and other employee benefits	15,139
Capital contracts (includes retainages of \$18,145)	51,470
Accrued interest on long-term debt	14,281
Current portion of revenue bonds payable	30,060
Current portion of Federal/State loan payable	862
Current portion of right-to-use assets payable	1,182
Current portion of other postemployment benefits	196
	<u>136,103</u>
Total current liabilities	
NONCURRENT LIABILITIES:	
Notes payable	75,000
Revenue bonds payable, net	1,542,050
Federal/State loan payable	33,077
Right-to-use assets payable	2,930
Customer advances for construction	11,216
Compensated absences	4,347
Net pension liability	65,681
Other postemployment benefits liability	10,055
Waste disposal closure and postclosure care	11,529
	<u>1,755,885</u>
Total noncurrent liabilities	
Total liabilities	<u>1,891,988</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension-related items	505
OPEB-related items	3,687
Lease-related items	42
Total deferred inflows of resources	<u>4,234</u>
Total liabilities and deferred inflows of resources	<u>1,896,222</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,672,605
Restricted for debt service	8,090
Unrestricted	264,622
	<u>2,945,317</u>
Total net position	<u>\$ 2,945,317</u>

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, 2025
(Amounts expressed in thousands)

	<u>2025</u>
OPERATING REVENUES:	
Water	\$ 388,252
Power generation and other	<u>14,460</u>
Total operating revenues	<u>402,712</u>
OPERATING EXPENSES:	
Source of supply, pumping, treatment, and distribution	126,951
General and administrative	123,780
Customer service	17,457
Depreciation and amortization	<u>79,825</u>
Total operating expenses	<u>348,013</u>
OPERATING INCOME	<u>54,699</u>
NONOPERATING REVENUES (EXPENSES):	
Investment income	10,913
Interest expense	(49,633)
Loss on disposition of capital assets	(2,085)
Other income	41,350
Other expense	<u>(16,030)</u>
Total nonoperating expenses, net	<u>(15,485)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>39,214</u>
CAPITAL CONTRIBUTIONS:	
Contributions in aid of construction	105,171
System development charges	<u>32,461</u>
Total capital contributions	<u>137,632</u>
INCREASE IN NET POSITION	176,846
NET POSITION:	
Beginning of year	<u>2,768,471</u>
End of year	<u><u>\$ 2,945,317</u></u>

See accompanying notes to basic financial statements.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Cash Flows
Year Ended December 31, 2025
(Amounts expressed in thousands)

	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 383,661
Payments for employees and benefits	(157,421)
Payments to suppliers	(99,193)
Other receipts	47,751
Other payments	<u>(15,330)</u>
Net cash provided by operating activities	<u>159,468</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from contributions in aid of construction (CIAC) and prepaid CIAC	34,376
Proceeds from system development charges (SDC) and prepaid SDC	39,063
Proceeds from sales of capital assets	1,417
Proceeds from notes payable	175,000
Proceeds from long-term revenue bonds plus premium	200,696
Proceeds from Federal/State loan	12,677
Acquisition of capital assets	(348,680)
Principal payments for long-term bonds	(27,355)
Principal payments for notes payable	(200,000)
Principal payments for Federal/State loan	(839)
Principal payments for right-to-use assets	(2,186)
Debt issuance costs	(700)
Interest paid	<u>(56,626)</u>
Net cash used for capital and related financing activities	<u>(173,157)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	1,037,331
Interest received from investments	7,512
Purchases of investments	<u>(1,031,925)</u>
Net cash provided by investing activities	<u>12,918</u>
NET DECREASE IN CASH	(771)
CASH, AT BEGINNING OF YEAR	<u>13,042</u>
CASH, AT END OF YEAR	<u><u>\$ 12,271</u></u>

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Statement of Cash Flows
Year Ended December 31, 2025
(Amounts expressed in thousands)

	<u>2025</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 54,699
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other revenues	41,350
Other expenses	(15,330)
Depreciation and amortization of capital assets	79,825
Change in assets and liabilities:	
Receivables	(4,976)
Materials and supplies inventory	126
Prepaid expenses - current	6,312
Deferred outflows of resources - pension-related	(1,286)
Deferred outflows of resources - OPEB-related	644
Accounts payable	1,414
Payroll and other employee benefits	427
Unearned revenue	(7,636)
Net pension liability	4,925
Other postemployment benefits liability	(418)
Waste disposal closure and postclosure care	273
Deferred inflows of resources - pension-related	(887)
Deferred inflows of resources - OPEB-related	44
Deferred inflows of resources - lease-related	(38)
Net cash provided by operating activities	<u>\$ 159,468</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Assets acquired through contributions in aid of construction	\$ 76,714
Assets acquired through contracts payable	51,470
Assets acquired through right-to-use obligations	3,317
Loss on disposition of capital assets	(3,502)
Amortization of deferred loss on refunding	(1,068)
Increase in fair value of investments	1,055
Amortization of bond premium	11,301

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, 2025
(Amounts expressed in thousands)

	Employees' Retirement Plan
Assets:	
Cash and cash equivalents	\$ 6,967
Receivables:	
Dividends, interest, and other receivables	265
Employee contributions	102
Total receivables	<u>367</u>
Investments:	
Common stock funds	238,476
Other fixed income funds	144,452
Real estate funds	69,732
Private equity funds	54,691
Private credit funds	43,476
Total investments	<u>550,827</u>
Total assets	<u>558,161</u>
Liabilities:	
Accrued administrative expense	62
Accrued investment expense	45
Securities payable	22
Total liabilities	<u>129</u>
Fiduciary net position restricted for pension	<u><u>\$ 558,032</u></u>

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, 2025
(Amounts expressed in thousands)

	Employees' Retirement Plan
Additions:	
Employer contributions	\$ 18,200
Employee contributions	3,432
Total contributions	<u>21,632</u>
Investment income:	
Net appreciation in fair value	60,590
Interest	3,919
Dividends	3,491
Real estate income, net of operating expenses	1,332
Miscellaneous	7
	<u>69,339</u>
Less investment expense	<u>(3,167)</u>
Net investment income	66,172
Total additions	<u>87,804</u>
Deductions:	
Retirement benefits paid	34,361
Death benefits	212
Refunds of employee contributions	69
Administrative expenses	239
Total deductions	<u>34,881</u>
Net increase in fiduciary net position	52,923
Fiduciary net position restricted for pension:	
Beginning of year	505,109
End of year	<u><u>\$ 558,032</u></u>

See accompanying notes to basic financial statements.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Notes to Basic Financial Statements
December 31, 2025

Note

- 1 Summary of Significant Accounting Policies:
 - A. Reporting Entity
 - B. Measurement Focus and Basis of Accounting
 - C. Accounting Standards
 - D. Use of Estimates
 - E. Restricted Net Position and Flow Assumption for Restricted Net Position
 - F. Cash
 - G. Investments
 - H. Materials and Supplies Inventory
 - I. Capital Assets
 - J. Capital Contributions
 - K. Employee Compensated Absences
 - L. Pension Plan
 - M. Operating Revenues and Expenses
 - N. Rates and Fees
 - O. Recently Issued Accounting Standards
- 2 Deposits and Investments
- 3 Receivables
- 4 Capital Assets
- 5 Risk Management
- 6 Debt
- 7 Right-to-use Assets Payable
- 8 Waste Disposal Closure and Postclosure Care
- 9 Changes in Long-Term Liabilities
- 10 Pension Plan
- 11 Other Retirement Plans
- 12 Other Postemployment Benefits
- 13 Pollution Remediation Liability
- 14 Capital Contributions
- 15 Contingencies
- 16 Contract Commitments
- 17 Fiduciary Pension Trust Fund Investments
- 18 Subsequent Events

(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 eight hydropower plants, seven of 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 trustee, 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/State loan debt service account, funds restricted for commercial paper interest, and amounts restricted for motor vehicle claims. The revenue bonds, Federal/State loan debt, and commercial paper service accounts are used to pay principal and interest on the revenue bonds and Federal/State loans, and interest on commercial paper as they become due. 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, 2025, 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 noncancelable period exceeds 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 noncancelable period exceeds 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:

<u>Capital Asset Useful Lives</u>	
<u>Asset Category</u>	<u>Years</u>
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. SDCs 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 accrues a liability that consists of leave that has not been used, is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This includes paid time off (PTO), Denver Water's Colorado Family and Medical (COFAM) leave, deferred holidays, and military leave. Additionally, temporary employees are provided with sick leave. Denver Water's personnel policy provides that employees receive payment for unused 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. Applicable unused hours of COFAM, deferred holidays, military leave, and sick leave 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 have been determined on an accrual basis. 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 also 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, 2025 is based on an actuarial measurement date of December 31, 2024.

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. Nonoperating revenue in 2025 included revenue from a legal settlement.

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 23, 2024, Denver Water approved a water rate increase, effective January 1, 2025. 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 2025.

O. Recently Issued Accounting Standards

In 2025, Denver Water implemented GASB Statement No. 102, *Certain Risk Disclosures*. Denver Water did not have any concentration or constraint risks that required disclosure.

(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, 2025, 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, 2025 is as follows:

<u>Cash and Investments</u>	
December 31, 2025	
(amounts expressed in thousands)	
Cash	\$ 12,271
Short-term investments including accrued interest	249,953
Restricted investments - debt service	22,371
Restricted investments - other	93
Total short-term investments	272,417
Long-term investments	-
Total investments	272,417
Total cash and investments	\$ 284,688

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, 2025

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 or 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, 2025, Denver Water's cash and investments, including accrued interest, and their maturities were as follows:

<u>Cash, Current and Long-Term Investments</u>					
December 31, 2025					
(amounts expressed in thousands)					
Investment Type	Percent of Portfolio ¹	Fair Value	Investment Maturities (in years)		
			1 or less	1-3	3-5
U.S. Treasury securities	51.1%	\$ 139,112	\$ 139,112	\$ -	\$ -
Money market funds	38.2%	104,156	104,156	-	-
Local government investment pools	10.7%	29,149	29,149	-	-
Total investments	100.0%	272,417	\$ 272,417	\$ -	\$ -
Cash		12,271			
Total cash and investments		\$ 284,688			

¹Denver 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, 2025:

<u>Investment Ratings</u>				
December 31, 2025				
(amounts expressed in thousands)				
Rating Agencies ¹	U.S. Treasury Securities	Money Market Funds	Local Government Investment Pools	Total
AAAm / AA Af	\$ -	\$ 104,156	\$ 29,149	\$ 133,305
AA / Aa	139,112	-	-	139,112
	<u>\$ 139,112</u>	<u>\$ 104,156</u>	<u>\$ 29,149</u>	<u>\$ 272,417</u>

¹ The rating agencies are S&P, Fitch, and Moody's. 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, 2025.

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 fair value measurements as of December 31, 2025:

<u>Investments Measured at Fair Value</u>				
December 31, 2025				
(amounts expressed in thousands)				
	12/31/2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury securities	\$ 139,112	\$ 139,112	\$ -	\$ -
Total investments by fair value level	139,112	<u>\$ 139,112</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Local government investment pools	29,149			
Money market funds	104,156			
Total investments by NAV	133,305			
Total investments	<u>\$ 272,417</u>			

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

<u>Investments Measured at NAV</u>				
December 31, 2025				
(amounts expressed in thousands)				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local government investment pools	\$ 29,149	\$ -	daily	same day
Money market funds	104,156	-	daily	same day
	<u>\$ 133,305</u>	<u>\$ -</u>		

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 multiple 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, 2025		
(amounts expressed in thousands)		
	Amount	Percent
Current		
Water sales	\$ 32,787	51%
Contributions in aid of construction	11,655	18%
Other accounts receivable	20,026	31%
Total current	<u>\$ 64,468</u>	<u>100%</u>
Long-term		
Other accounts receivable	<u>\$ 7,098</u>	<u>100%</u>
Total long-term	<u>\$ 7,098</u>	<u>100%</u>
From the City and County of Denver (included above)		
Current		
Water sales	<u>\$ 676</u>	
Total current	676	
Long-term	<u>-</u>	
Total from City and County of Denver	<u>\$ 676</u>	

Accounts Receivable

Current and long-term accounts receivable at December 31, 2025, were as described above. Other accounts receivable includes receivables for SDCs, a legal settlement, 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 \$69,000.

Leases Receivable

Denver Water leases land and grants easements to other governmental agencies and private companies for various uses. Although Denver Water has many leases with terms that vary between 2 and 30 years, most of these have noncancelable periods under one year and are therefore considered short-term. 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 \$113,000 in lease revenue and \$300 in lease interest revenue as of December 31, 2025. The total lease receivables for the year ended December 31, 2025, was \$0.

(4) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

<u>Capital Assets</u>					
Year Ended December 31, 2025					
(amounts expressed in thousands)					
	December 31, 2024	Additions	Transfers	Retirements & Sales	December 31, 2025
Capital assets not being depreciated					
Land and land rights	\$ 130,171	\$ 41,233	\$ 302	\$ -	\$ 171,706
Water rights	116,460	-	-	-	116,460
Other non-depreciable ¹	23,512	-	-	-	23,512
Construction in progress	1,008,835	273,307	(591,786)	(2)	690,354
Construction in progress regulated assets	-	67,482	(67,482)	-	-
Total capital assets not being depreciated	1,278,978	382,022	(658,966)	(2)	1,002,032
Capital assets being depreciated or amortized					
Buildings and improvements	513,250	-	187,276	(992)	699,534
Improvements other than buildings	2,617,156	15,078	242,108	(3,916)	2,870,426
Machinery and equipment	521,091	521	162,100	(8,144)	675,568
Regulated assets	383,552	-	67,482	-	451,034
Right-to-use buildings and improvements	20,233	-	-	-	20,233
Right-to-use improvements other than buildings	821	-	-	-	821
Right-to-use land	723	-	-	-	723
Right-to-use SBITAs	6,215	3,644	-	(1,867)	7,992
Total capital assets being depreciated or amortized	4,063,041	19,243	658,966	(14,919)	4,726,331
Less accumulated depreciation and amortization					
Buildings and improvements	(166,203)	(9,507)	-	833	(174,877)
Improvements other than buildings	(745,982)	(35,599)	-	1,690	(779,891)
Machinery and equipment	(313,462)	(19,179)	-	7,029	(325,612)
Regulated assets	(24,421)	(12,777)	-	-	(37,198)
Right-to-use buildings and improvements	(775)	(405)	-	-	(1,180)
Right-to-use improvements other than buildings	(172)	(57)	-	-	(229)
Right-to-use land	(12)	(29)	-	-	(41)
Right-to-use SBITAs	(3,855)	(2,272)	-	1,867	(4,260)
Total accumulated depreciation and amortization	(1,254,882)	(79,825)	-	11,419	(1,323,288)
Total capital assets being depreciated or amortized, net	2,808,159	(60,582)	658,966	(3,500)	3,403,043
Total capital assets, net	\$ 4,087,137	\$ 321,440	\$ -	\$ (3,502)	\$ 4,405,075

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

Depreciation and amortization for the year ended December 31, 2025 was \$79.8 million.

Major retirements during 2025 resulted primarily from retirements associated with heavy equipment, modifications at the Castlewood pump station, 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, 2025. 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, 2025, outstanding losses including IBNR claims were \$2.9 million and consisted of workers' compensation, motor vehicle, and medical and dental benefits. Changes in the balances of these liabilities during 2025 and 2024 were as follows:

<u>Claims Liabilities</u>				
(amounts expressed in thousands)				
	<u>Beginning Balance</u>	<u>Current-year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2025	\$ 3,328	\$ 17,051	\$ (17,454)	\$ 2,925
2024	2,990	20,821	(20,483)	3,328

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, 2025, Denver Water had \$75.0 million in commercial paper notes outstanding, with interest rates ranging from 2.64% to 2.65% 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, 2025, is as follows:

Notes Payable			
December 31, 2025			
(amounts expressed in thousands)			
	Principal	Interest	Total
<u>Year of Maturity</u>			
Current	\$ 75,000	\$ 502	\$ 75,502

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, 2025 ranged from 2.00% to 5.25%. The weighted average yield to maturity for bonds outstanding at December 31, 2025 was 3.04%. In accordance with the issuing bond resolutions, Denver Water has established a debt service fund for the revenue bonds totaling \$21.7 million at December 31, 2025.

In 2025, Denver Water issued the Series 2025A Master Resolution Water Revenue Refunding Bonds. The proceeds from the sale of the Series 2025A were used to refund \$200.0 million of outstanding commercial paper notes.

The refunding Series 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 \$4.2 million at December 31, 2025.

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 costs of efficient operation and maintenance of the system. The total principal and interest for 2025 of \$79.2 million was secured by total pledged revenue less operating expenses of \$234.0 million.

A summary of debt maturity for the revenue bonds as of December 31, 2025, is as follows:

Revenue Bonds December 31, 2025 (amounts expressed in thousands)			
<u>Year of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current	\$ 30,060	\$ 61,500	\$ 91,560
Long-term			
2027	32,225	59,335	91,560
2028	33,665	57,900	91,565
2029	35,260	56,416	91,676
2030	36,860	54,819	91,679
2031-2035	211,695	246,075	457,770
2036-2040	259,265	197,726	456,991
2041-2045	317,970	144,233	462,203
2046-2050	388,975	74,100	463,075
2051-2055	127,135	16,524	143,659
	<u>1,443,050</u>	<u>907,128</u>	<u>2,350,178</u>
Plus premium	99,000	-	99,000
Total long-term	<u>1,542,050</u>	<u>907,128</u>	<u>2,449,178</u>
	<u>\$ 1,572,110</u>	<u>\$ 968,628</u>	<u>\$ 2,540,738</u>

Federal/State Loan Payable

The Bipartisan Infrastructure Law established Federal/State 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 2025 of \$1.8 million was secured by total pledged revenue less operating expenses of \$234.0 million. The principal amount outstanding was \$33.9 million on December 31, 2025.

Funds are disbursed on a reimbursement basis as expenses are incurred. Requests for reimbursement of \$14.7 million were made for 2025.

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, 2025, is as follows:

Federal/State Loan			
December 31, 2025			
(amounts expressed in thousands)			
<u>Year of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current	\$ 862	\$ 927	\$ 1,789
Long-term			
2027	886	903	1,789
2028	910	879	1,789
2029	935	854	1,789
2030	961	828	1,789
2031-2035	5,220	3,726	8,946
2036-2040	5,984	2,962	8,946
2041-2045	6,859	2,086	8,945
2046-2050	7,863	1,082	8,945
2051-2055	3,459	120	3,579
Total long-term	33,077	13,440	46,517
	<u>\$ 33,939</u>	<u>\$ 14,367</u>	<u>\$ 48,306</u>

(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 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. At December 31, 2025, 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 noncancelable period not exceeding 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, 2025, is as follows:

Leases Payable December 31, 2025 (amounts expressed in thousands)			
<u>Year of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current	\$ 50	\$ 21	\$ 71
Long-term			
2027	53	20	73
2028	56	19	75
2029	59	17	76
2030	76	43	119
2031-2035	460	188	648
2036-2040	196	142	338
2041-2045	250	102	352
2046-2050	206	48	254
2051-2055	21	29	50
2056-2060	26	24	50
2061-2065	33	17	50
2066-2070	40	10	50
2071-2075	19	1	20
Total long-term	1,495	660	2,155
	<u>\$ 1,545</u>	<u>\$ 681</u>	<u>\$ 2,226</u>

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. As of December 31, 2025, Denver Water recorded nine agreements as a liability with varying terms ranging between two and five years. There are agreements that 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 noncancelable period not exceeding 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, 2025, is as follows:

<u>Subscription-Based Information Technology Arrangements</u>			
<u>Payable</u>			
December 31, 2025			
(amounts expressed in thousands)			
<u>Year of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current	\$ 1,132	\$ 102	\$ 1,234
Long-term			
2027	885	59	944
2028	269	23	292
2029	281	11	292
Total long-term	1,435	93	1,528
	<u>\$ 2,567</u>	<u>\$ 195</u>	<u>\$ 2,762</u>

(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 \$1.0 million has been included in the 2025 financial statements pending revision of the Certificate of Designation from Jefferson County.

Approximately \$11.5 million was reported as *Waste Disposal Closure and Postclosure Care* liability on the *Statement of Net Position*, at December 31, 2025, for the sites as follows:

<u>Waste Disposal Closure and Postclosure Care Liability</u>				
December 31, 2025				
(amounts expressed in thousands)				
	<u>Foothills</u>	<u>Ralston</u>	<u>41st & Independence</u>	<u>Total</u>
Closure costs	\$ 6,364	\$ 2,819	\$ 823	\$ 10,006
Postclosure care costs	<u>566</u>	<u>957</u>	<u>-</u>	<u>1,523</u>
	<u>\$ 6,930</u>	<u>\$ 3,776</u>	<u>\$ 823</u>	<u>\$ 11,529</u>

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, 2025. 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 2025. 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, 2025, was as follows:

Long-Term Liabilities					
Year Ended December 31, 2025					
(amounts expressed in thousands)					
	December 31, 2024	2025		December 31, 2025	
	(Current and Long-Term)	Additions	Reductions	(Current and Long-Term)	Due Within One Year
Revenue bonds payable, net	\$ 1,410,375	\$ 200,390	\$ (38,655)	\$ 1,572,110	\$ 30,060
Notes payable	100,000	175,000	(200,000)	75,000	-
Unearned revenue ²	7,636	-	(7,636)	-	-
Federal/State loan payable	34,778	-	(839)	33,939	862
Right-to-use assets payable	2,981	3,317	(2,186)	4,112	1,182
Customer advances for construction	22,415	46,098	(57,297)	11,216	-
Compensated absences	12,297	493	(125)	12,665	8,318 ¹
Waste disposal closure	11,256	273	-	11,529	-
	1,601,738	<u>\$ 425,571</u>	<u>\$ (306,738)</u>	1,720,571	<u>\$ 40,422</u>
Less current portion	(44,832)			(40,422)	
Total long-term liabilities	<u>\$ 1,556,906</u>			<u>\$ 1,680,149</u>	

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/State loan.

(10) PENSION PLAN

General Information about the Pension Plan

Plan Description

Denver Water sponsors and administers a trustee, 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, 2024, the valuation date, the following employees were covered by the benefit terms:

<u>Employees Covered by Pension Plan Benefit Terms</u>	
	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefits	739
Inactive employees entitled to but not yet receiving benefits	464
Active employees	<u>1,111</u>
Total	<u><u>2,314</u></u>

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 \$18.2 million to the Plan for the year ended December 31, 2025. Denver Water employees contributed \$3.4 million in 2025.

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, 2025, was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability for 2025 was determined by an actuarial valuation performed as of January 1, 2024 and rolled forward to the December 31, 2024 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 9.00% to 2.85% per year for funding, and a 2.40% 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, 2024, 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 Pub-10 Employee Amount Weighted Mortality Tables projected with the Ultimate MP-2020 Scale for pre-retirement, Pub-10 Healthy Retiree Amount Weighted Mortality Tables projected with a 1 year setback for females with the Ultimate MP-2020 Scale for post-retirement, and the Pub-10 Disabled Retiree Amount Weighted Mortality Tables projected with the Ultimate MP-2020 Scale for post-disablement.

The actuarial assumptions that determined the total pension 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, 2023.

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 target allocation and best estimate of the arithmetic real return for each major asset class are summarized in the following table:

<u>Target Asset Allocation and Long-Term Expected Return</u>		
As of January 1, 2025		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Fixed Income	20%	1.81%
Bank Loans	5%	2.96%
Domestic Equity	30%	5.82%
International Equity	15%	5.91%
Private Equity	10%	9.20%
Real Estate	15%	3.34%
Private Credit	5%	5.82%
	<u>100%</u>	

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:

<u>Sensitivity of the Net Pension Liability to Changes in Discount Rate</u>			
As of December 31, 2025			
(amounts expressed in thousands)			
	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 138,811	\$ 65,681	\$ 4,868

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

<u>Changes in Net Pension Liability</u>			
As of December 31, 2025			
(amounts expressed in thousands)			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/24	\$ 540,587	\$ 479,831	\$ 60,756
Changes for the year			
Service cost	11,489	-	11,489
Interest on total pension liability	35,609	-	35,609
Effect of economic/demographic gains or losses	11,836	-	11,836
Effect of assumption changes	7,662	-	7,662
Benefit payments	(36,393)	(36,393)	-
Employer contributions	-	18,000	(18,000)
Member contributions	-	3,362	(3,362)
Net investment income	-	40,515	(40,515)
Administrative expenses	-	(206)	206
Net changes	30,203	25,278	4,925
Balances at 12/31/25	\$ 570,790	\$ 505,109	\$ 65,681

For the year ended December 31, 2025, Denver Water recognized pension expense of \$21.0 million. At December 31, 2025, Denver Water reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows and Inflows of Resources Related to Pensions</u>		
As of December 31, 2025		
(amounts expressed in thousands)		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Economic/demographic gains or losses	\$ 16,714	\$ 505
Net difference between projected and actual earnings	6,303	-
Assumption changes	11,300	-
Contributions made subsequent to measurement date	18,200	-
Total	<u>\$ 52,517</u>	<u>\$ 505</u>

The \$18.2 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, as of December 31, 2025, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026.

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:

<u>Amortization of Deferred Outflows and Inflows of Resources Related to Pensions</u>	
As of December 31, 2025	
(amounts expressed in thousands)	
Year ended December 31,	
2026	\$ 9,838
2027	18,961
2028	220
2029	2,145
2030	2,648
Thereafter	-
Total	<u>\$ 33,812</u>

(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 100.0% of each participant's elective contributions, limited to 3.0% of the participant's compensation for the applicable payroll period. During 2025, Denver Water made contributions totaling approximately \$2.7 million and members contributed approximately \$6.2 million to the SRSP. Employee rollovers from other plans to the SRSP were \$1.1 million in 2025.

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 Consolidated Omnibus Budget Reconciliation Act (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:

<u>Employees Covered by OPEB Plan Benefit Terms</u>	
	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefits	56
Active employees	<u>1,111</u>
Total	<u><u>1,167</u></u>

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, 2025 was measured as of December 31, 2024. The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2024 rolled forward to the December 31, 2024 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) 4.08% discount rate, (b) healthcare cost trend rates, starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.25%, and (c) 58.15% 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 Pub-10 Employee Amount Weighted Mortality Tables projected with the Ultimate MP-2020 Scale for pre-retirement, Pub-10 Healthy Retiree Amount Mortality Tables with a 1 year setback for females projected with the Ultimate MP-2020 Scale for post-retirement, and Pub-10 Disabled Retiree Amount Mortality Tables projected with the Ultimate MP-2020 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, 2023.

Changes in the Total OPEB Liability

<u>Changes in Total OPEB Liability</u>	
As of December 31, 2025	
(amounts expressed in thousands)	
	<u>Total OPEB Liability</u>
Balances at 12/31/24	<u>\$ 10,669</u>
Changes for the year	
Service cost	361
Interest on total OPEB liability	401
Changes in assumptions or other inputs	(774)
Benefit payments	<u>(406)</u>
Net changes	<u>(418)</u>
Balances at 12/31/25	<u><u>\$ 10,251</u></u>

Changes in assumptions and other inputs reflect a change in the municipal bond rate from 3.77% to 4.08%.

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 4.08%, 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:

<u>Sensitivity of the Total OPEB Liability to Changes in Discount Rate</u>			
As of December 31, 2025			
(amounts expressed in thousands)			
	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB liability	<u>\$ 10,839</u>	<u>\$ 10,251</u>	<u>\$ 9,696</u>

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:

<u>Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates</u>			
As of December 31, 2025			
(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	<u>\$ 9,441</u>	<u>\$ 10,251</u>	<u>\$ 11,178</u>

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

For the year ended December 31, 2025, Denver Water recognized OPEB expense of \$0.5 million. At December 31, 2025, Denver Water reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Outflows and Inflows of Resources Related to OPEB</u>		
As of December 31, 2025		
(amounts expressed in thousands)		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 866	\$ 1,844
Assumption changes	1,346	1,843
Contributions after measurement date	196	-
Total	<u>\$ 2,408</u>	<u>\$ 3,687</u>

The \$0.2 million reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, as of December 31, 2025, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2026.

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:

<u>Amortization of Deferred Outflows and Inflows of Resources Related to OPEB</u>		
As of December 31, 2025		
(amounts expressed in thousands)		
Year ended December 31,		
2026	\$	(296)
2027		(276)
2028		(158)
2029		55
2030		(59)
Thereafter		(741)
Total	<u>\$</u>	<u>(1,475)</u>

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 2025, 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 2025.

(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, 2025		
(amounts expressed in thousands)		
	CIAC	SDC
Inception through December 31, 2024	\$ 752,598	\$ 1,091,722
2025 additions	105,171	32,461
Inception through December 31, 2025	<u>\$ 857,769</u>	<u>\$ 1,124,183</u>

(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, 2025, for construction and other purposes are estimated at \$348.5 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 Moffat Water Treatment 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 construction of the Northwater Treatment Plant, the replacement of Conduit 16, and the expansion of Gross Reservoir in addition to updates to several canals and siphons. Denver Water intends to invest over \$1.4 billion in renewing and expanding the North System.

The centerpiece of the project is the state-of-the-art treatment plant and pipeline in Jefferson County, north of Golden. The Northwater Treatment Plant and Conduit 16 replacement included building an 8.5-mile water pipeline, making modifications to the Moffat Treatment Plant, and building the new Northwater Treatment Plant. The plant is capable of treating up to 75 million gallons of water a day with room for expansion, and incorporates 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 in 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 were lead. It is now estimated that 21,000 to 25,000 lead service lines remain to be replaced. 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 estimated cost of the program is \$687.5 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/State funds under the Bipartisan Infrastructure Law to accelerate the pace of lead line replacement. The use of these funds resulted in 6,800 lead service lines being replaced faster than planned. 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, 2025 was approved on February 22, 2023.

The Plan's investments are governed by a formal investment policy adopted by the Board, which establishes guidelines for managing risk in a manner consistent with the Plan's long-term objective of achieving the actuarially assumed rate of return. The Plan manages exposure to investment risks through a diversified asset allocation strategy and the use of professional investment managers operating within defined mandates.

The Plan's investment policies are designed to address credit risk, concentration of credit risk, interest rate risk, custodial credit risk, and foreign currency risk. These risks are managed primarily through diversification across asset classes and investment managers, establishment of asset allocation ranges, use of pooled investment vehicles and custodial arrangements, and ongoing monitoring of investment managers and portfolio exposures.

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, 2025, the Plan's long-term asset allocation ranges were as follows:

<u>Employees' Retirement Plan</u> <u>Long-Term Asset Allocation Ranges</u> Year Ended December 31, 2025	
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, 2025, the annual money-weighted rate of return on Plan investments, net of investment expense, was 10.9%. 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 2025, 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.

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, 2025, this amount was \$2.4 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, 2025						
(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	\$ 144,452	\$ -	\$ -	\$ -	\$ -	\$ 144,452

¹Amounts 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, 2025, the Plan had no single issuer that exceeded 5% 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 credit quality of fixed income investments as of December 31, 2025 are listed below. Credit ratings, when available, are based on ratings from Standard & Poor's and Moody's, with split-rated securities reported at the lower rating. Investments with no available rating are reported as NR/NA.

Employees' Retirement Plan			
Schedule of Credit Risk			
December 31, 2025			
(amounts expressed in thousands)			
Investment type	Quality rating	Fair value	Percentage of asset class
Other fixed income funds	NR/NA ¹	\$ 144,452	100%

¹NR/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, private equity, and private credit funds whose underlying

securities are invested in multiple foreign currencies that are denominated in US dollars, therefore the Plan does not have 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, 2025.

Fair Value of Investments

The Plan has the following recurring fair value measurements as of December 31, 2025:

<u>Employees' Retirement Plan</u> <u>Investments and Derivative Instruments Measured at Fair Value</u> December 31, 2025 (amounts expressed in thousands)				
	December 31, 2025	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
Debt securities				
Other fixed income funds	\$ 144,452	\$ -	\$ 144,452	\$ -
Total debt securities	144,452	-	144,452	-
Equity securities				
Common stock funds	85,949	85,949	-	-
Total equity securities	85,949	85,949	-	-
Total investments by fair value level	230,401	\$ 85,949	\$ 144,452	\$ -
Investments measured by the net asset value (NAV):				
Common stock funds	152,527			
Real estate funds	69,732			
Private equity funds	54,691			
Private credit funds	43,476			
Total investments measured at the NAV	320,426			
Total investments	550,827			
Total investments measured at amortized cost	4,597			
Total investments measured at fair value ¹	\$ 555,424			
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 Statement 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, 2025, are presented on the following table:

<u>Employees' Retirement Plan</u> <u>Investments Measured at the NAV</u> December 31, 2025 (amounts expressed in thousands)				
	NAV	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Common stock funds	\$ 152,527	\$ -	Daily	None
Real estate funds	69,732	4,440	Quarterly/None	45-90 days
Private equity funds	54,691	6,808	None	N/A
Private credit funds	43,476	7,796	None	N/A
Total investments measured at the NAV	<u>\$ 320,426</u>	<u>\$ 19,044</u>		

Common Stock Funds

The Plan invests in Riverbridge SMID Cap Growth Collective Investment Trust, a collective investment trust maintained by SEI Trust Company for the benefit of participating tax-qualified retirement plans, governmental plans, and related trusts. The investment objective is to invest in high-quality growth companies within the U.S. small and mid-capitalization equity markets. The fund is valued daily at net asset value (NAV) based on the fair value of the underlying investments, less liabilities. The Plan may purchase or redeem units on each business day at the NAV per unit calculated by the fund as of the end of that day, subject to the terms and conditions of the trust agreement. There are no lock-up periods, redemption notice requirements, or redemption restrictions. The Plan has no unfunded commitments relating to this investment. The Plan also invests in the NT Collective S&P 500 Index Fund–Non-Lending, a collective trust fund managed by Northern Trust. This investment is valued at the NAV reported by the trustee of the fund. The NAV is based on the fair value of the underlying assets held by the fund, which consist primarily of publicly traded equity securities that seek to replicate the performance of the S&P 500 Index. The Plan may redeem its investment in the collective trust fund at NAV per share on a daily basis, subject to the terms and conditions of the trust agreement. There are no significant restrictions that would limit the Plan's ability to redeem this investment at year-end and the Plan has no unfunded commitments relating to this investment.

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 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 the NAV 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 24.0% 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 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 50.0%-60.0% of assets to be invested in the U.S., 20.0%-30.0% in Europe, and 15.0%-25.0% in Asia/other.

Private equity funds are reported at the NAV 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 closed-end and open-ended private credit strategies that provide diversified exposure across liquid and illiquid credit markets.

The Plan invests in two closed-end private credit funds: Centerbridge Special Credit Partners Fund IV and Oaktree Direct Lending Fund. Centerbridge invests in a diversified portfolio of loans, securitized credit, and asset-based lending opportunities, including distressed and value-oriented credit purchased at discounts to par. Oaktree Direct Lending focuses primarily on directly originated senior secured first lien and unitranche loans, with limited exposure to second lien, mezzanine, and equity securities. These closed-end investments are reported at NAVs, are not redeemable, and have an expected investment horizon of approximately 6-7 years, subject to extensions.

In addition, the Plan invests in one open-ended credit strategy. The Partners Group Private Credit Strategy (PCS) is a fully funded, evergreen private credit vehicle designed as a core allocation. PCS primarily invests in first lien, floating rate, senior secured loans to middle and upper middle market companies operating in non-cyclical, defensive industries. The strategy emphasizes conservative leverage, strong covenant protections, and active portfolio monitoring, with limited allocations to junior debt and equity co-investments. PCS offers monthly subscriptions, quarterly redemptions with notice, and monthly valuation and reporting.

(18) SUBSEQUENT EVENTS

Denver Water has evaluated subsequent events through May 19, 2026, which is the date the basic financial statements were available to be issued. The following are subsequent events that were identified:

On March 4, 2026, Denver Water executed a draw on its Commercial Paper program of \$50.0 million. The draw will mature in 111 days with an interest rate of 2.4%.

REQUIRED SUPPLEMENTARY INFORMATION

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
 Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios
 2016 - 2025

(amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 11,489	\$ 10,605	\$ 10,108	\$ 9,851	\$ 8,590	\$ 8,127	\$ 9,070	\$ 8,522	\$ 7,330	\$ 6,757
Interest	35,609	33,570	32,262	31,021	31,320	29,982	29,285	27,728	26,237	25,820
Effect of economic/demographic (gains) or losses	11,836	5,928	4,798	(1,671)	5,779	(525)	6,700	(2,255)	(3,348)	801
Effect of changes of assumptions	7,662	-	-	16,427	-	(4,004)	-	22,250	-	10,152
Benefit payments	(36,393)	(29,193)	(27,688)	(26,009)	(24,927)	(24,800)	(22,055)	(19,927)	(19,932)	(20,693)
Net change in pension liability	30,203	20,910	19,480	29,619	20,762	8,780	23,000	36,318	10,287	22,837
Total pension liability-beginning	540,587	519,677	500,197	470,578	449,816	441,036	418,036	381,718	371,431	348,594
Total pension liability-ending (a)	570,790	540,587	519,677	500,197	470,578	449,816	441,036	418,036	381,718	371,431
Plan fiduciary net position										
Employer contributions	18,000	17,500	17,500	17,500	17,500	16,702	18,000	18,000	14,500	14,500
Member contributions	3,362	3,195	2,995	2,802	2,579	1,713	662	-	-	-
Net investment income (loss)	40,515	42,906	(50,696)	80,668	39,063	58,643	(14,319)	48,273	21,326	2,473
Benefit payments	(36,393)	(29,193)	(27,688)	(26,009)	(24,927)	(24,800)	(22,055)	(19,927)	(19,932)	(20,693)
Administrative expense	(206)	(202)	(192)	(185)	(183)	(183)	(180)	(48)	(52)	(44)
Net change in plan fiduciary net position	25,278	34,206	(58,081)	74,776	34,032	52,075	(17,892)	46,298	15,842	(3,764)
Plan fiduciary net position-beginning	479,831	445,625	503,706	428,930	394,898	342,823	360,715	314,417	298,575	302,339
Plan fiduciary net position-ending (b)	505,109	479,831	445,625	503,706	428,930	394,898	342,823	360,715	314,417	298,575
Net pension liability-ending (a)-(b)	\$ 65,681	\$ 60,756	\$ 74,052	\$ (3,509)	\$ 41,648	\$ 54,918	\$ 98,213	\$ 57,321	\$ 67,301	\$ 72,856
Plan fiduciary net position as a percentage of the total pension liability	88.49%	88.76%	85.75%	100.70%	91.15%	87.79%	77.73%	86.29%	82.37%	80.39%
Covered payroll										
Net pension liability as a percentage of covered payroll	\$ 112,073	\$ 106,512	\$ 99,848	\$ 93,383	\$ 87,877	\$ 81,654	\$ 82,151	\$ 77,159	\$ 75,740	\$ 75,990
	58.61%	57.04%	74.16%	(3.76%)	47.39%	67.26%	119.55%	74.29%	88.86%	95.88%

Notes to schedule: Included in changes of assumptions are the effects of changes in the discount rate:

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.

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

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO

Required Supplementary Information
Schedule of Denver Water Pension Contributions

2016 - 2025

(amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 18,843	\$ 17,745	\$ 15,997	\$ 14,975	\$ 17,917	\$ 15,953	\$ 16,411	\$ 18,489	\$ 18,089	\$ 14,017
Contributions in relation to the actuarially determined contribution	18,200	18,000	17,500	17,500	17,500	17,500	16,702	18,000	18,000	14,500
Contribution deficiency (excess)	\$ 643	\$ (255)	\$ (1,503)	\$ (2,525)	\$ 417	\$ (1,547)	\$ (291)	\$ 489	\$ 89	\$ (483)
Covered payroll	\$ 114,389	\$ 112,073	\$ 106,512	\$ 99,848	\$ 93,383	\$ 87,877	\$ 81,654	\$ 82,151	\$ 77,159	\$ 75,740
Contributions as a percentage of covered payroll	15.91%	16.06%	16.43%	17.53%	18.74%	19.91%	20.45%	21.91%	23.33%	19.14%

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 01/01/2024. Prior bases collapsed to 10 years at 01/01/2024
Asset valuation method	3-year smoothed fair value. Marked to market at 01/01/2024
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

2016 - 2025

(amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability										
Service cost	\$ 361	\$ 305	\$ 497	\$ 553	\$ 481	\$ 424	\$ 511	\$ 558	\$ 655	\$ -
Interest	401	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	(774)	717	(1,479)	308	412	730	(327)	457	-	-
Benefit payments	(406)	(790)	(1,121)	(2,504)	(2,097)	(1,648)	(2,272)	(2,326)	(2,254)	-
Net change in total OPEB liability	(418)	(513)	(1,868)	(986)	442	(9)	(3,367)	(2,424)	(863)	-
Total OPEB liability-beginning	10,669	11,182	13,050	14,036	13,594	13,603	16,970	19,394	20,257	-
Total OPEB liability-ending (a)	\$ 10,251	\$ 10,669	\$ 11,182	\$ 13,050	\$ 14,036	\$ 13,594	\$ 13,603	\$ 16,970	\$ 19,394	\$ -
Covered-employee payroll										
Total OPEB liability as a percentage of covered-employee payroll	\$ 112,073	\$ 106,512	\$ 99,848	\$ 93,383	\$ 87,877	\$ 81,654	\$ 82,151	\$ 78,369	\$ 78,510	\$ -
	9.15%	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:

2025	4.08%
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, 2025
 (amounts expressed in thousands)

Date of Issue	Interest Rates on Bonds Outstanding as of December 31, 2025	Amount		Bonds Which Are Callable	
		Issued	Retired	Outstanding	Initial Date Callable
Sep 30, 2014A	3.500-4.000%	48,670	(19,225)	29,445	Dec 15, 2023
May 24, 2016A	2.500-4.000%	94,755	(32,925)	61,830	Sep 15, 2026
May 24, 2016B	2.000-5.000%	63,470	(26,345)	37,125	Sep 15, 2026
May 23, 2017A	4.000-5.000%	142,665	(15,445)	127,220	Sep 15, 2027
May 23, 2017B	3.000-5.000%	41,765	-	41,765	Sep 15, 2027
May 14, 2020A	3.000-5.250%	141,030	-	141,030	Sep 15, 2030
May 14, 2020B	2.375-5.000%	126,955	(25,110)	101,845	Sep 15, 2030
May 4, 2021A	2.000-5.000%	316,785	(10,570)	306,215	Dec 15, 2031
Oct 12, 2022A	4.125-5.000%	189,515	(7,735)	181,780	Dec 15, 2032
Oct 8, 2024A	5.000%	260,670	(5,265)	255,405	Sep 15, 2034
Aug 19, 2025A	5.000%	189,450	-	189,450	Sep 15, 2035
Plus premium		<u>\$ 1,615,730</u>	<u>\$ (142,620)</u>	1,473,110	<u>\$ 1,273,075</u>
Total Revenue Bonds				<u>\$ 99,000</u>	<u>\$ 1,572,110</u>

See accompanying Independent Auditors' Report.

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO

Other Supplementary Information
Summary of Revenue Bond Debt Service Requirements Outstanding
2026 - 2055

(amounts expressed in thousands)

Year	Revenue Bond Retirements	Revenue Bond Interest	Total Debt Service
2026	\$ 30,060	\$ 61,500	\$ 91,560
2027	32,225	59,335	91,560
2028	33,665	57,900	91,565
2029	35,260	56,416	91,676
2030	36,860	54,819	91,679
2031	38,640	53,033	91,673
2032	40,520	51,154	91,674
2033	42,330	49,262	91,592
2034	44,160	47,305	91,465
2035	46,045	45,321	91,366
2036	47,870	43,388	91,258
2037	49,760	41,397	91,157
2038	51,790	39,512	91,302
2039	53,845	37,685	91,530
2040	56,000	35,744	91,744
2041	58,290	33,659	91,949
2042	61,060	31,335	92,395
2043	63,635	28,985	92,620
2044	66,155	26,463	92,618
2045	68,830	23,791	92,621
2046	71,775	20,836	92,611
2047	74,970	17,646	92,616
2048	77,930	14,684	92,614
2049	80,710	11,909	92,619
2050	83,590	9,025	92,615
2051	32,575	6,357	38,932
2052	34,205	4,728	38,933
2053	23,700	3,018	26,718
2054	24,880	1,832	26,712
2055	11,775	589	12,364
	1,473,110	968,628	2,441,738
Plus premium	99,000		99,000
	<u>\$ 1,572,110</u>	<u>\$ 968,628</u>	<u>\$ 2,540,738</u>

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.

Contents and Explanations	III-1
Statistical Summary, Last 10 Years	III-3

A - Financial Trends Information	III-5
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These schedules present trend information to help the reader understand how Denver Water's financial performance and well-being have changed over time.

Net Position by Component, Last 10 Years	III-7
Statements of Revenues, Expenses, and Changes in Net Position, Last 10 Years	III-8
Revenues, Expenses, and Changes in Net Position, 10 Year Graphs	III-9

B - Revenue Capacity Information	III-11
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These schedules present trend information to help the reader assess Denver Water's primary revenue sources.

Denver Water Service Area	III-13
Customer Service Data, Last 10 Years	III-14
Water Sold in Dollars by Type of Customer, Last 10 Years	III-15
Treated Water Sold in Gallons by Type of Customer, Last 10 Years	III-16
Operating Revenue and Related Water Consumption	III-17
Sales of Treated Water between Denver and Outside City	III-19
Sales of Non-Potable Water between Denver and Outside City	III-21
Analysis of Customer Accounts for Treated Water	III-22
Water Rates Schedules	III-23
Summary of Water Rates, Last 10 Years	III-27
Sales of Treated Water for Resale	III-30
10 Largest Retail Customers - Water Consumption and Revenue	III-31

C - Debt Capacity Information	III-33
--------------------------------------	---------------

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.

Ratios of Total Outstanding Debt by Type, Last 10 Years	III-35
Pledged-Revenue Coverage, Last 10 Years	III-36
Ratios of Water Revenue Bonded Debt Outstanding, Last 10 Years	III-37

D - Demographic and Economic Information	III-39
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These schedules present demographic and economic indicators to help the reader understand the environment within which Denver Water's financial activities take place.

Demographic and Economic Overview of the Denver Metropolitan Area	III-41
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(continued)

III- STATISTICAL SECTION - CONTENTS AND EXPLANATIONS (continued)

E - Operating Information**III-49**

These schedules present 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.

Employees by Division, Last 10 Years	III-51
Capital Assets by Function, Last 10 Years	III-54
Budget to Actual - Receipts and Expenditures, Last 5 Years	III-55
Water Collection System	III-56
Operating Indicators by Function	III-57

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: 2016 - 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Population served ¹	1,324,000	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
Total treated water consumption (million gallons) ²	67,085	68,144	59,138	68,358	65,238	70,039	64,788	67,149	63,809	65,004
Average daily consumption (million gallons)	183.79	186.70	162.02	187.28	178.73	191.89	177.50	183.97	174.82	178.09
Average daily consumption per capita (gallons) ¹	138.82	143.50	124.92	144.62	138.88	150.26	139.76	145.89	140.08	143.86
Maximum daily consumption (million gallons)	361.12	382.62	334.20	372.51	369.60	380.45	371.11	396.40	364.92	355.88
Maximum hour treated water use rate (million gallons per day)	760.50	794.00	604.00	658.40	648.00	670.00	572.60	637.00	628.50	592.00
Raw water storage capacity (acre-feet) ³	570,368	570,368	570,368	570,368	570,166	570,196	570,196	569,648	569,648	568,642
Replacement reservoir storage capacity (acre-feet)	133,774	129,488	129,488	129,488	129,487	129,487	129,487	125,993	125,993	122,432
Supply from South Platte River & Effluent Exchange (acre-feet)	107,522	133,860	123,680	107,268	144,595	102,012	151,288	78,967	132,115	158,324
Supply from Roberts Tunnel/Blue River system (acre-feet)	70,075	53,588	95,968	89,529	60,425	65,995	80,424	56,101	86,124	40,795
Supply from Moffat system (acre-feet)	78,992	62,976	103,485	86,084	82,168	78,952	98,804	86,144	79,639	75,551
Maximum treated water pumping capacity (mgd)	1,073.8	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
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	635.0	560.0	560.0	560.0	650.0	650.0	650.0	715.0	715.0
Treated water reservoir capacity (million gallons)	371.8	371.8	351.8	351.8	351.8	351.8	351.8	351.8	351.4	351.4
Raw water supply mains in miles (mountain collection system)	93.8	91.2	91.2	91.2	90.9	90.9	87.1	77.5	77.5	77.3
Raw water supply mains in miles (metropolitan Denver area) ⁷	53.8	53.8	49.8	49.7	49.2	49.1	57.8	57.0	57.1	54.3
Treated water mains in system in miles ⁸	3,238.1	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
Recycled water transmission & distribution mains in miles	73.2	73.8	73.7	73.8	75.5	75.5	72.4	71.7	70.4	73.5
Total active taps - end of year	311,807	311,932	311,939	312,026	312,057	312,220	312,283	312,675	312,746	312,876
Fire hydrants operated and maintained ⁶	22,686	22,487	22,295	22,102	21,873	21,465	22,219	21,195	20,967	20,556
Fire hydrants tested and repaired	18,627	20,231	21,980	20,214	19,733	17,438	23,643	24,922	25,990	23,909
Breaks in mains - Denver	344	338	331	348	297	423	294	275	275	225
Service leaks	190	270	352	353	431	484	597	538	508	503
Total employees (actual)	1,121.0	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
Additions to capital assets (thousands)	\$ 401,265	\$ 338,646	\$ 361,547	\$ 362,414	\$ 326,829	\$ 358,985	\$ 221,640	\$ 228,169	\$ 182,880	\$ 152,528
Total long-term debt (thousands) ⁴	\$ 1,685,161	\$ 1,548,134	\$ 1,333,349	\$ 1,260,090	\$ 1,049,713	\$ 725,137	\$ 590,026	\$ 615,945	\$ 642,877	\$ 463,553

¹Population estimates are treated water customers only.

²In 2025, Denver Water had four potable water treatment facilities.

³In 2025, Denver Water had 17 raw water reservoirs. This capacity is based on the decreed amounts.

⁴Long-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.

⁵In 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.

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

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

⁸In 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: 2016 - 2025

(amounts expressed in thousands)

	2025	Restated 2024 ⁵	2023	2022	2021	2020	Restated 2019 ⁴	2018	Restated 2017 ³	2016
NET POSITION:										
Net investment in capital assets	\$ 2,672,605	\$ 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
Restricted for debt service	8,090	6,184	5,111	4,565	4,385	4,497	12,578	14,038	12,743	14,005
Restricted - other	-	-	-	3,539	30	30	56	56	400	500
Unrestricted	264,622	244,443	204,959	295,465	183,693	179,898	194,967	233,678	263,856	202,692
Total net position	\$ 2,945,317	\$ 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

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

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

³The 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*.

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

⁵The 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: 2016 - 2025

(amounts expressed in thousands)

	2025	Restated 2024 ⁶	2023	2022	2021	2020	Restated 2019 ⁵	2018	Restated 2017 ³	2016
OPERATING REVENUES:										
Water	\$ 388,252	\$ 384,374	\$ 320,689	\$ 349,863	\$ 323,711	\$ 343,027	\$ 303,728	\$ 307,743	\$ 286,139	\$ 273,238
Power generation and other	14,460	11,227	11,085	12,556	12,283	14,174	13,427	12,813	12,366	11,216
Total operating revenues	402,712	395,601	331,774	362,419	335,994	357,201	317,155	320,556	298,505	284,454
OPERATING EXPENSES:										
Source of supply, pumping, treatment, and distribution	126,951	139,531	121,450	115,150	100,878	93,901	107,693	88,231	84,733	82,418
General and administrative	123,780	113,828	113,595	99,421	93,081	100,059	104,741	99,469	97,926	103,380
Customer service	17,457	16,798	16,355	14,080	13,440	13,669	14,198	11,660	11,001	11,370
Depreciation and amortization	79,825	73,607	69,306	64,036	60,919	55,691	51,345	51,667	62,348	50,352
Total operating expenses	348,013	343,764	320,706	292,687	268,318	263,320	277,971	251,027	256,008	247,520
OPERATING INCOME	54,699	51,837	11,068	69,732	67,676	93,881	39,178	69,529	42,497	36,934
NONOPERATING REVENUES (EXPENSES):										
Investment income (loss)	10,913	12,060	12,558	(4,649)	(1,334)	2,890	8,394	6,219	2,140	1,603
Interest expense ⁴	(49,633)	(42,411)	(37,100)	(28,586)	(25,022)	(21,293)	(21,603)	(22,093)	(12,711)	(11,446)
Loss on disposition of capital assets	(2,085)	(525)	(2,931)	(1,945)	(4,587)	(5,754)	(18,475)	(2,823)	(11,443)	(6,348)
Other income	41,350	29,885	19,889	7,671	4,989	7,284	8,275	6,982	7,996	7,426
Other expense	(16,030)	(37,203)	(16,461)	(6,936)	(4,985)	(1,515)	(2,175)	(3,869)	(2,657)	(1,861)
Total nonoperating expenses, net	(15,485)	(38,194)	(24,045)	(34,445)	(30,939)	(18,388)	(25,584)	(15,584)	(16,675)	(10,626)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	39,214	13,643	(12,977)	35,287	36,737	75,493	13,594	53,945	25,822	26,308
CAPITAL CONTRIBUTIONS:										
Contributions in aid of construction	105,171	54,637	33,755	26,853	22,310	21,167	15,957	19,113	14,781	22,147
System development charges	32,461	23,505	26,031	75,694	38,236	22,456	38,561	40,880	42,486	38,962
Total capital contributions	137,632	78,142	59,786	102,547	60,546	43,623	54,518	59,993	57,267	61,109
INCREASE IN NET POSITION	176,846	91,785	46,809	137,834	97,283	119,116	68,112	113,938	83,089	87,417
NET POSITION:										
Beginning 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
Cumulative effect of restatements ^{3,5,6}	(28)	(28)					12,939		(7,853)	
Restated beginning net position		2,676,686					2,207,560		1,997,594	
End of year	\$ 2,945,317	\$ 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

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

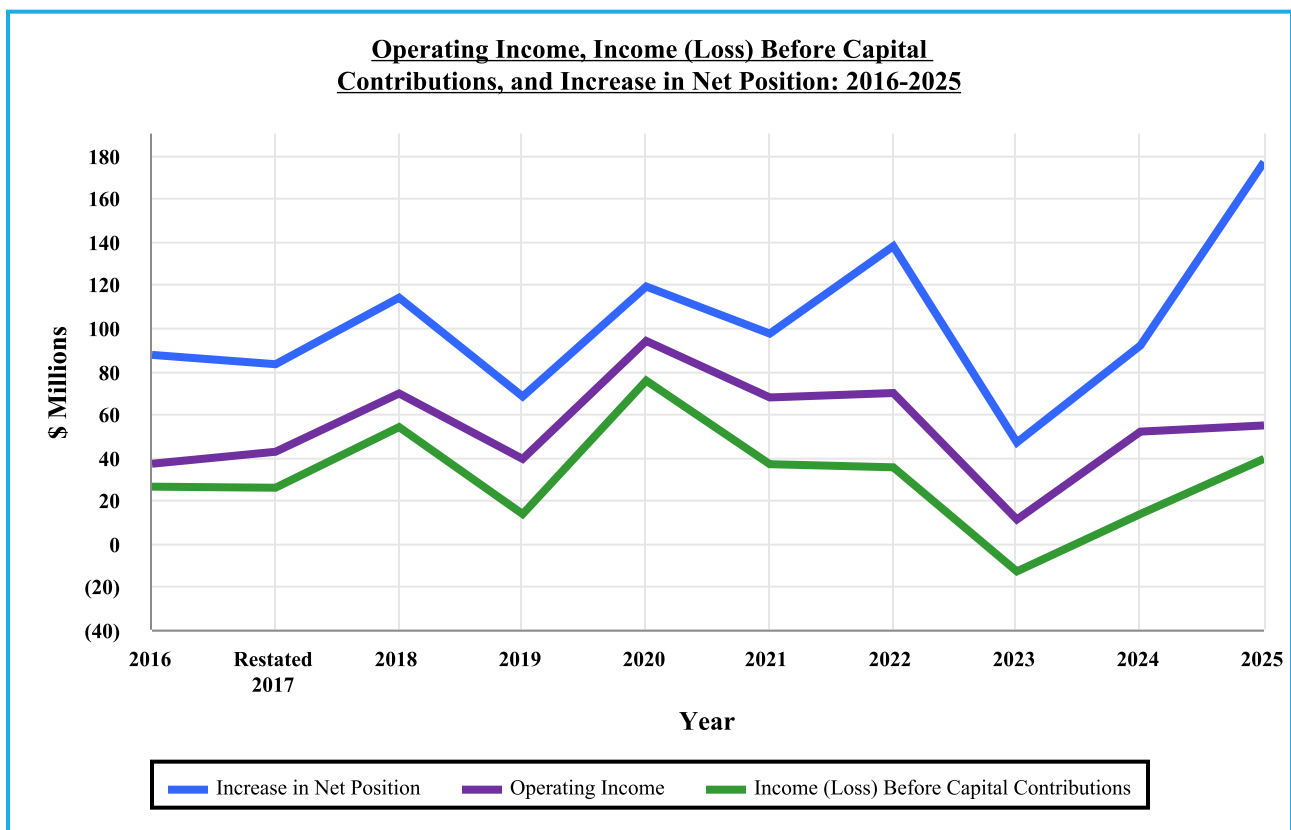
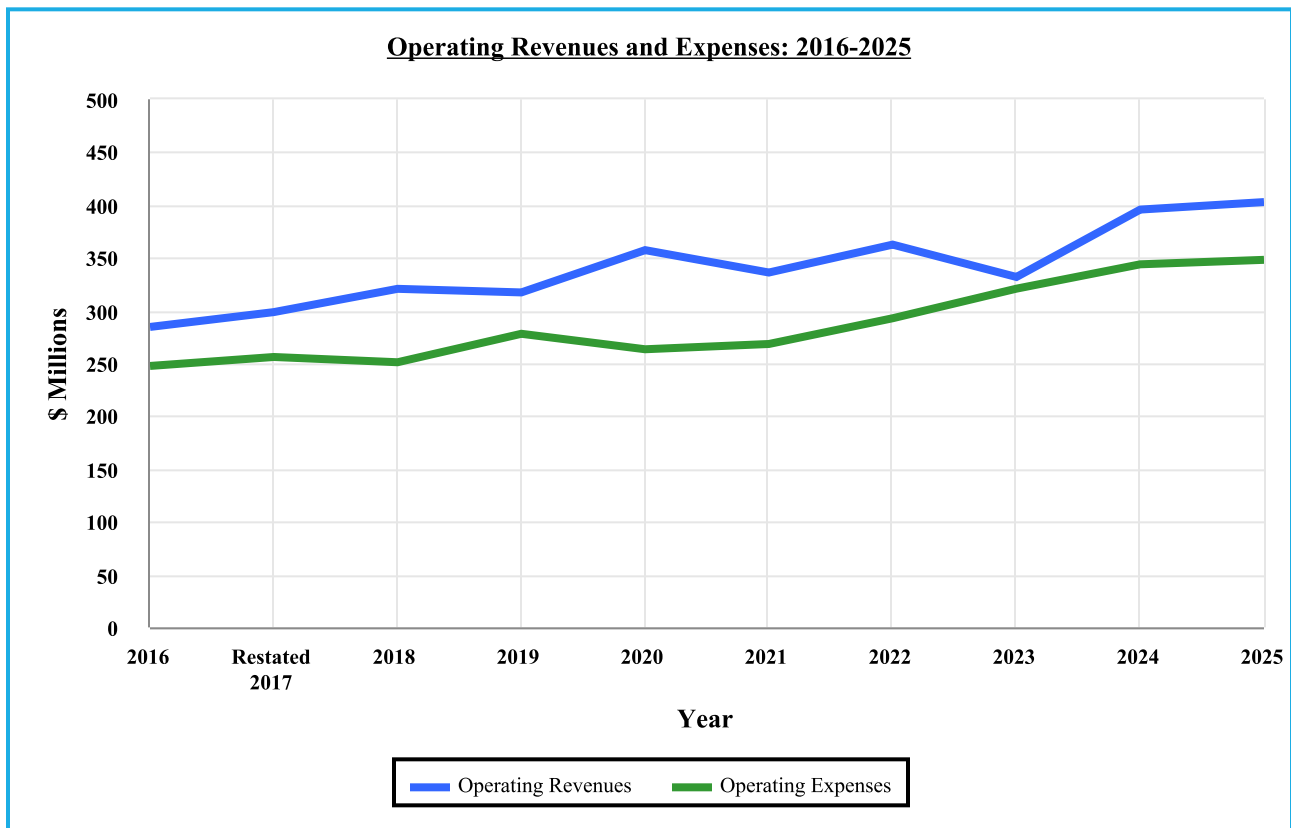
²Certain reclassifications have been made to prior years' information to conform to the current year presentation.

³The 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*.

⁴In 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.

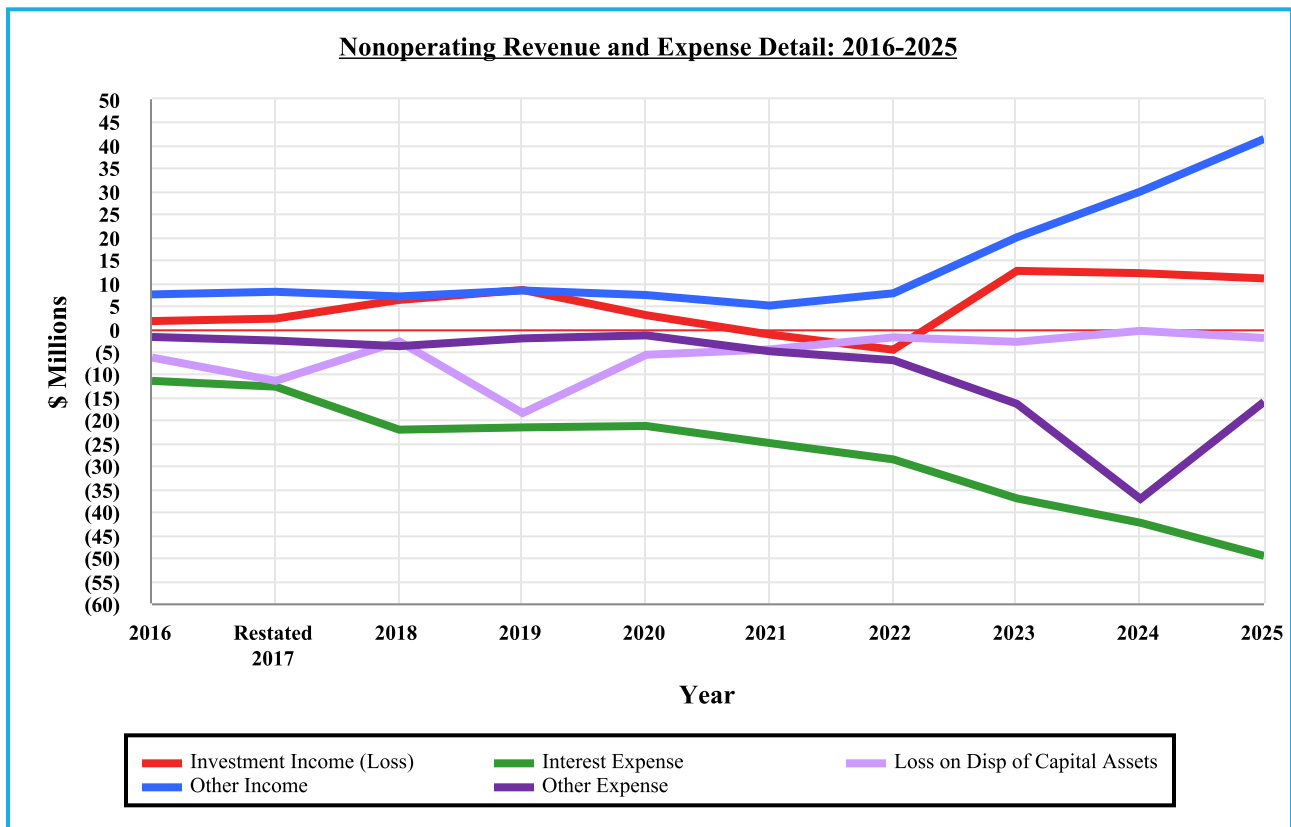
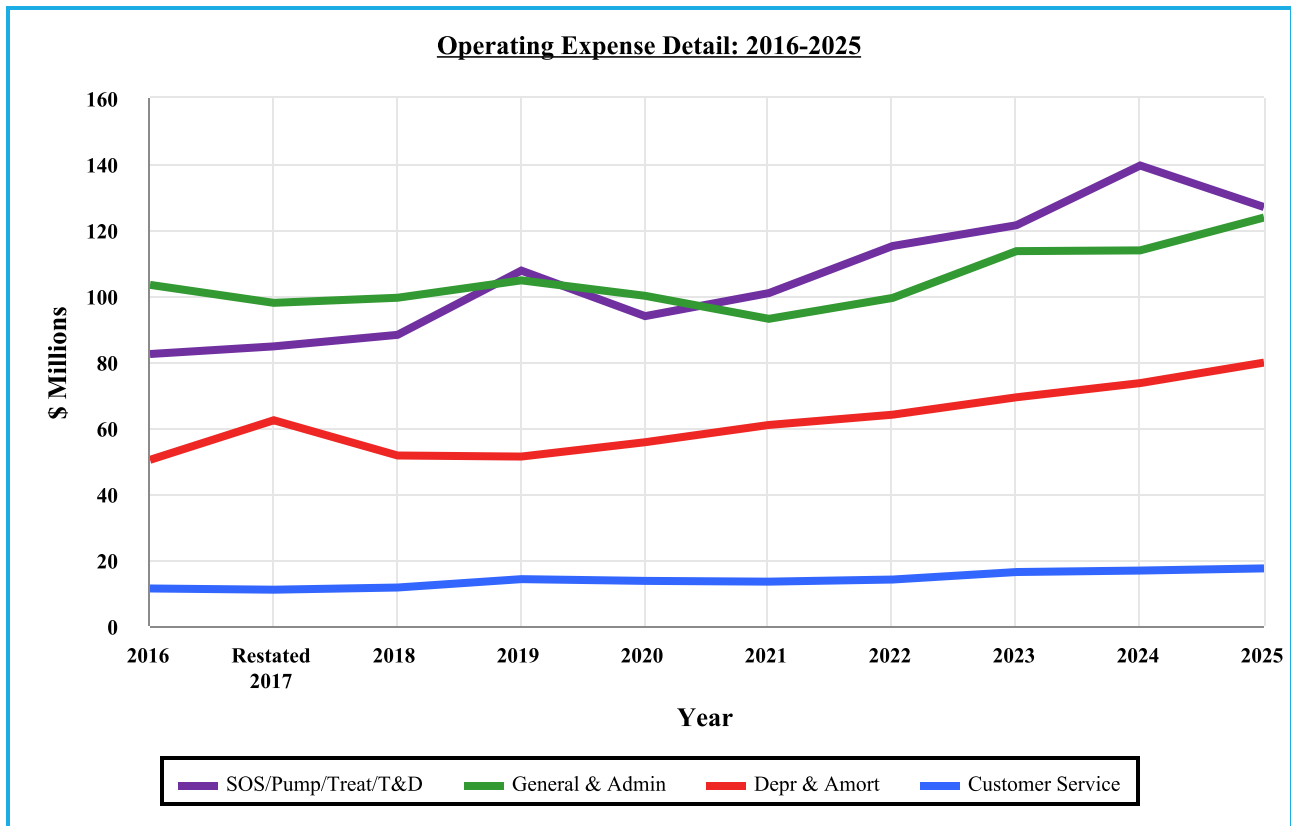
⁵The 2019 beginning net position was restated for the cumulative effect of reversing the amortization taken on the Wolford Mountain lease.

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



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

(continued)



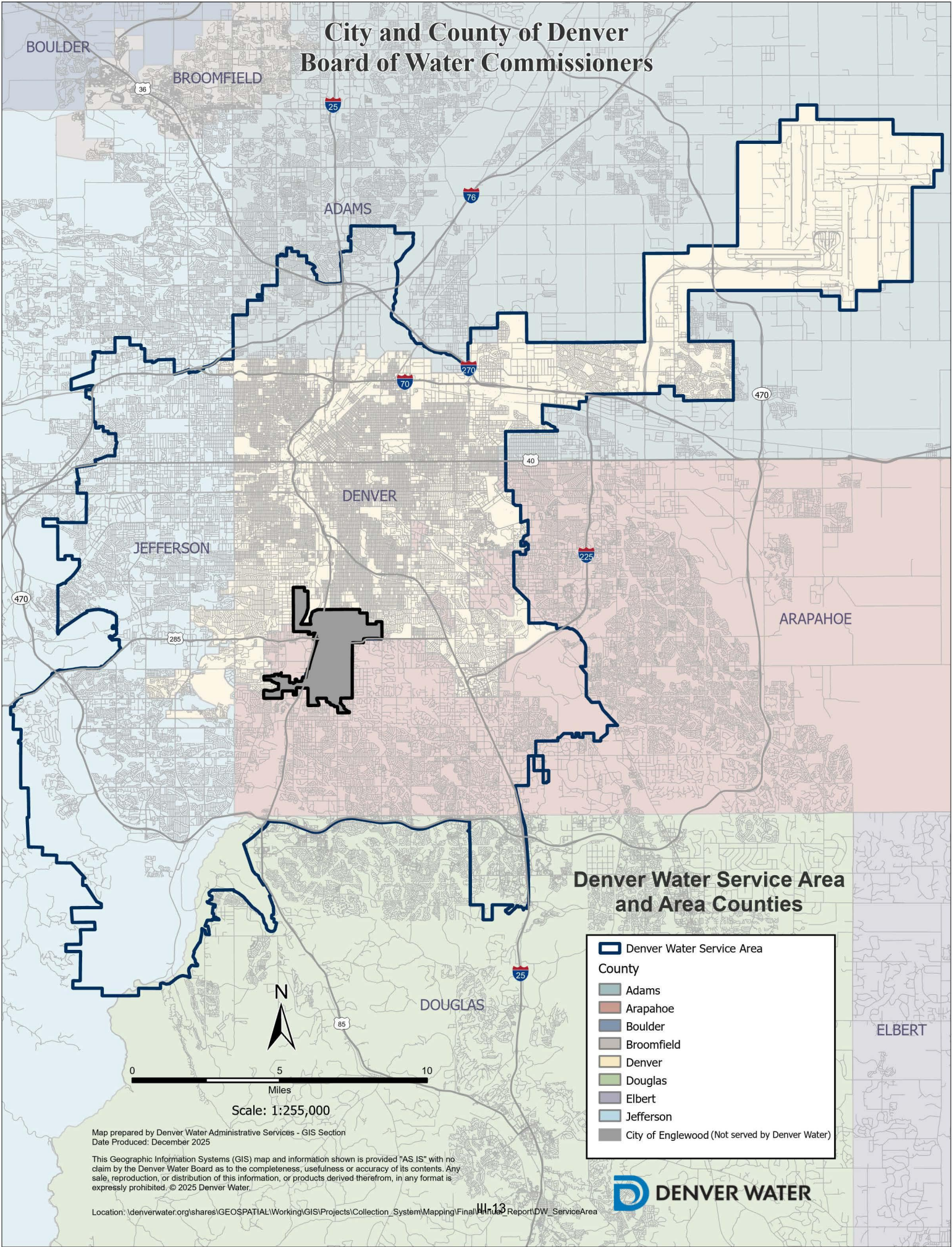
¹Operating expenses, operating income, income (loss) before contributions, and net position were restated for 2017 as part of the implementation of a new GASB Statement.

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



CUSTOMER SERVICE DATA: 2016 - 2025

	2025	2024 ⁷	2023	2022	2021	2020	2019	2018	2017	2016
<u>Active Taps:</u> ¹										
Beginning of Year	311,932	311,939	312,026	312,057	312,220	312,283	312,691	312,746	312,876	312,653
Activated During Year	420	578	633	702	609	789	944	887	992	1,139
Discontinued During Year	(545)	(585)	(720)	(733)	(772)	(852)	(1,352)	(942)	(1,122)	(916)
Net Increase / (Decrease) During Year	(125)	(7)	(87)	(31)	(163)	(63)	(408)	(55)	(130)	223
Total Active Taps - End of Year	311,807	311,932	311,939	312,026	312,057	312,220	312,283	312,691	312,746	312,876
<u>Active Taps:</u> ¹										
Inside City	161,110	161,195	161,183	161,234	161,218	161,321	161,346	161,670	161,746	161,816
City and County	1,175	1,177	1,174	1,177	1,180	1,188	1,182	1,201	1,215	1,225
Outside City - Read and Bill	37,083	37,068	37,065	37,056	37,063	37,054	37,043	37,048	37,050	37,051
Outside City - Total Service	36,461	36,482	36,473	36,479	36,478	36,471	36,475	36,504	36,466	36,462
Outside City - Master Meter	75,978	76,010	76,044	76,080	76,118	76,186	76,237	76,268	76,269	76,322
Total Active Taps - End of Year	311,807	311,932	311,939	312,026	312,057	312,220	312,283	312,691	312,746	312,876
Stub-Ins on System ²	388	888	1,398	733	1,972	2,649	1,249	1,807	2,203	1,179
Fire Hydrant Use Permits	638	576	540	746	717	689	768	741	708	730
Turn-Offs Due to Delinquent Accounts ^{6,7}	8,619	11,659	5,640	1,968	310	1,942	7,953	8,169	7,287	6,275
In-Home Water Audits ⁵	-	-	-	-	-	-	-	119	1,170	1,172
Call Center Calls ³	202,129	205,842	180,753	188,548	238,113	220,791	227,166	215,766	218,411	230,002
Water Quality Calls:										
Taste and Odor	112	139	108	143	99	137	291	226	176	214
Dirty Water	251	315	266	264	268	278	500	382	359	296
Illness Concerns	39	59	61	61	42	21	65	49	57	49
Other ⁴	117	206	273	149	61	86	3,473	2,650	1,279	654
New Taps Made	751	1,643	1,422	1,308	1,924	2,914	2,115	2,242	2,806	2,710

¹An 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.

²A 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.

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

⁴Starting 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.

⁵Water 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.

⁶Turn-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.

⁷In 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: 2016 - 2025¹

(amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
SALES OF TREATED WATER										
A. METERED GENERAL CUSTOMERS										
Residential										
Inside City	\$ 84,006	\$ 84,023	\$ 70,795	\$ 75,143	\$ 71,616	\$ 76,009	\$ 65,567	\$ 66,793	\$ 61,877	\$ 58,477
Outside City-Read and Bill	25,752	25,782	20,088	24,331	23,257	26,564	21,369	22,205	20,948	21,461
Outside City-Total Service	41,031	40,765	31,052	37,374	34,576	40,585	31,577	32,219	27,509	27,095
Irrigation										
Inside City	7,606	7,773	5,380	6,635	5,969	6,693	5,588	5,746	4,681	4,430
Outside City-Read and Bill	4,332	4,352	3,142	3,975	3,553	4,329	3,058	3,327	2,830	3,056
Outside City-Total Service	6,608	6,503	4,376	5,990	5,223	6,276	4,856	5,062	3,873	4,129
Non-Residential										
Inside City	75,973	74,143	65,652	64,702	59,663	58,117	56,899	56,978	53,396	47,711
Outside City-Read and Bill	14,059	13,346	11,688	13,191	12,108	12,791	11,965	12,409	12,583	12,214
Outside City-Total Service	18,387	18,276	15,449	16,298	14,874	15,921	14,685	14,383	12,595	11,750
	277,754	274,963	227,622	247,639	230,839	247,285	215,564	219,122	200,292	190,323
B. PRIVATE FIRE PROTECTION SERVICE										
Sprinklers										
Inside City	1,127	1,108	1,085	1,066	1,041	1,013	982	955	928	895
Outside City-Read and Bill	102	101	101	102	101	99	97	92	93	88
Outside City-Total Service	193	181	175	177	173	171	169	163	153	146
	1,422	1,390	1,361	1,345	1,315	1,283	1,248	1,210	1,174	1,129
C. OTHER SALES TO PUBLIC AUTHORITIES										
City & County of Denver										
Irrigation	4,256	4,585	3,484	4,287	3,539	3,941	3,786	3,946	3,336	3,452
Non-Irrigation	2,823	2,578	2,435	2,391	2,183	1,954	2,367	2,402	2,349	2,298
	7,079	7,163	5,919	6,678	5,722	5,895	6,153	6,348	5,685	5,750
D. SALES OF TREATED WATER FOR RESALE										
Outside City - Master Meter	83,051	84,128	70,852	78,008	74,189	74,732	67,653	66,910	64,604	65,479
Outside the Combined Service Area	4,993	4,467	4,361	4,554	2,543	4,111	5,038	4,283	4,545	3,704
	88,044	88,595	75,213	82,562	76,732	78,843	72,691	71,193	69,149	69,183
TOTAL SALES OF TREATED WATER	374,299	372,111	310,115	338,224	314,608	333,306	295,656	297,873	276,300	266,385
SALES OF NON-POTABLE WATER										
	13,387	11,770	10,733	11,440	9,436	10,544	8,656	9,143	8,735	8,133
TOTAL SALES OF WATER	\$ 387,686	\$ 383,881	\$ 320,848	\$ 349,664	\$ 324,044	\$ 343,850	\$ 304,312	\$ 307,016	\$ 285,035	\$ 274,518

¹This 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.

TREATED WATER SOLD IN GALLONS BY TYPE OF CUSTOMER: 2016 - 2025¹

(amounts expressed in thousands of gallons)

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
SALES OF TREATED WATER											
A. METERED GENERAL CUSTOMERS											
Residential	Inside City	12,397,206	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	3,944,040	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
Irrigation	Outside City-Total Service	4,650,642	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
	Inside City	1,026,871	1,114,554	808,020	1,079,526	967,467	1,126,724	956,174	1,030,278	895,806	911,999
Non-Residential	Outside City-Read and Bill	640,336	691,690	494,499	634,291	565,145	715,688	496,711	573,435	509,332	554,832
	Outside City-Total Service	680,814	711,026	487,690	714,712	660,153	786,459	593,106	679,961	559,663	624,619
	Inside City	15,909,739	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	2,748,297	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	2,645,863	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
		44,643,808	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
B. OTHER SALES TO PUBLIC AUTHORITIES											
City & County of Denver	Irrigation	1,189,002	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	763,319	721,963	740,855	773,177	723,848	640,018	868,385	921,556	909,091	914,444
		1,952,321	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
C. SALES OF TREATED WATER FOR RESALE											
Outside City - Master Meter Area		15,777,249	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
		850,547	835,811	955,725	942,167	523,597	872,063	1,075,729	914,992	995,827	828,540
		16,627,796	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
		63,223,925	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

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

OPERATING REVENUE AND RELATED WATER CONSUMPTION: 2025

		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	\$ 84,006	12,397,206	145,058	\$ 6.7762
	Outside City-Read and Bill	25,752	3,944,040	32,140	6.5293
	Outside City-Total Service	41,031	4,650,642	34,568	8.8227
	Irrigation				
	Inside City	7,606	1,026,871	1,648	7.4070
	Outside City-Read and Bill	4,332	640,336	471	6.7652
	Outside City-Total Service	6,608	680,814	670	9.7060
	Non-Residential				
	Inside City	75,973	15,909,739	25,993	4.7753
	Outside City-Read and Bill	14,059	2,748,297	3,101	5.1155
	Outside City-Total Service	18,387	2,645,863	4,060	6.9493
		<u>277,754</u>	<u>44,643,808</u>	<u>247,709</u>	<u>6.2216</u>
B.	PRIVATE FIRE PROTECTION SERVICE ²				
	Sprinklers				
	Inside City	1,127	-		
	Outside City-Read and Bill	102	-		
	Outside City-Total Service	193	-		
		<u>1,422</u>	<u>-</u>		
C.	OTHER SALES TO PUBLIC AUTHORITIES				
	City and County of Denver				
	Irrigation	4,256	1,189,002	764	3.5795
	Non-Irrigation	2,823	763,319	496	3.6983
		<u>7,079</u>	<u>1,952,321</u>	<u>1,260</u>	<u>3.6259</u>
D.	SALES OF TREATED WATER FOR RESALE ³				
	Outside City - Master Meter	83,051	15,777,249	75,978	5.2640
	Outside the Combined Service Area	4,993	850,547	8	5.8703
		<u>88,044</u>	<u>16,627,796</u>	<u>75,986</u>	<u>5.2950</u>
	TOTAL SALES OF TREATED WATER ⁴	<u>374,299</u>	<u>63,223,925</u>	<u>324,955</u>	<u>5.9202</u>
II.	SALES OF NON-POTABLE WATER ⁵				
	Inside City	1,543	1,560,312	126	0.9889
	Outside City	8,370	5,884,089	24	1.4225
	Outside the Combined Service Area	3,474	1,969,284	11	1.7641
		<u>13,387</u>	<u>9,413,685</u>	<u>161</u>	<u>1.4221</u>
	TOTAL SALES OF WATER ⁶	<u>387,686</u>	<u>72,637,610</u>	<u>325,116</u>	<u>\$ 5.3373</u>
III.	OTHER NON-POTABLE WATER DELIVERIES ⁵		<u>6,355</u>		
	TOTAL GALLONS DELIVERED		<u><u>72,643,965</u></u>		

See accompanying footnotes on final page of report.

(continued)

OPERATING REVENUE AND RELATED WATER CONSUMPTION: 2025 (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	\$ 515			
Strontia Springs	398			
Dillon Dam	527			
Roberts Tunnel	1,617			
Hillcrest	551			
Williams Fork	495			
Gross Reservoir	1,039			
	<u>5,142</u>			
B. FEES AND OTHER ADJUSTMENTS				
Administrative Fees	3,480			
Penalty Fees	190			
Stub-in, Taps and Meter Fees	975			
Hydrant Fees	1,738			
Plan Review, Easement, Distribution Inspection	1,288			
Other Assessments ⁶	2,213			
	<u>9,884</u>			
TOTAL OTHER OPERATING REVENUE	<u>15,026</u>			
TOTAL OPERATING REVENUE	<u>\$ 402,712</u>			

¹Represents the number of active metered services at year-end.

²Private 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.

³See *Sales of Treated Water for Resale*.

⁴See *Sales of Treated Water Between Denver and Outside City*.

⁵See *Sales of Non-Potable Water Between Denver and Outside City*.

⁶Other assessments includes accruals for revenue earned on unbilled treated water accounts.

SALES OF TREATED WATER BETWEEN DENVER AND OUTSIDE CITY: 2025¹

	Revenue		Gallons Sold		
	Amounts (thousands)	% of Total	Amounts (thousands)	% of Total	Number of Customers
I. <u>INSIDE CITY</u>					
A. METERED GENERAL CUSTOMERS					
Residential	\$ 84,006	22.44%	12,397,206	19.61%	145,058
Irrigation	7,606	2.03%	1,026,871	1.62%	1,648
Non-Residential	75,973	20.30%	15,909,739	25.16%	25,993
	167,585	44.77%	29,333,816	46.39%	172,699
B. PRIVATE FIRE PROTECTION SERVICE ²					
Sprinklers	1,127	0.30%	-		
C. OTHER SALES TO PUBLIC AUTHORITIES					
City and County of Denver-Irrigation	4,256	1.14%	1,189,002	1.88%	764
City and County of Denver-Non-Irrigation	2,823	0.75%	763,319	1.21%	496
	7,079	1.89%	1,952,321	3.09%	1,260
TOTAL SALES OF TREATED WATER DENVER	175,791	46.96%	31,286,137	49.48%	173,959
Revenue per 1,000 Gallons - Denver			<u>\$ 5.6188</u>		
II. <u>OUTSIDE CITY</u>					
A. METERED GENERAL CUSTOMERS					
Residential - Read & Bill	25,752	6.88%	3,944,040	6.24%	32,140
Irrigation - Read & Bill	4,332	1.16%	640,336	1.01%	471
Non-Residential - Read & Bill	14,059	3.76%	2,748,297	4.35%	3,101
Residential - Total Service	41,031	10.96%	4,650,642	7.36%	34,568
Irrigation - Total Service	6,608	1.77%	680,814	1.08%	670
Non-Residential - Total Service	18,387	4.91%	2,645,863	4.18%	4,060
	110,169	29.44%	15,309,992	24.22%	75,010

See accompanying footnotes on final page of report.

(continued)

SALES OF TREATED WATER BETWEEN DENVER AND OUTSIDE CITY: 2025¹ (continued)

	Revenue		Gallons Sold		Number of Customers
	Amounts (thousands)	% of Total	Amounts (thousands)	% of Total	
II. <u>OUTSIDE CITY (Continued)</u>					
B. PRIVATE FIRE PROTECTION SERVICE ²					
Sprinklers	\$ 102	0.03%	-		
Sprinklers - Total Service	193	0.05%	-		
	295	0.08%	-		
C. SALES OF TREATED WATER FOR RESALE ³					
Master Meter Distributors	83,051	22.19%	15,777,249	24.95%	75,978
Outside CSA-Fixed Limit Contracts	4,993	1.33%	850,547	1.35%	8
	88,044	23.52%	16,627,796	26.30%	75,986
 TOTAL SALES OF TREATED WATER OUTSIDE CITY	 198,508	 53.04%	 31,937,788	 50.52%	 150,996
 Revenue per 1,000 Gallons - Outside City			<u>\$ 6.2155</u>		
 TOTAL SALES OF TREATED WATER	<u>\$ 374,299</u>	<u>100.00%</u>	<u>63,223,925</u>	<u>100.00%</u>	<u>324,955</u>
 Revenue per 1,000 Gallons - Total			<u>\$ 5.9202</u>		

¹This schedule represents actual billings made for water during the year. No accruals were made for revenue earned on unbilled accounts.

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

³See *Sales of Treated Water For Resale*.

SALES OF NON-POTABLE WATER BETWEEN DENVER AND OUTSIDE CITY: 2025¹

	Revenue		Gallons Sold		Number of Customers ²	Revenue per 1,000 Gallons
	Amount (thousands)	% of Total	Amounts (thousands)	% of Total		
I. <u>INSIDE CITY</u>						
Raw Water Sales						
City & County of Denver	\$ 123	0.92%	274,389	2.91%	1	\$ 0.4483
All Other	76	0.57%	32,070	0.34%	7	2.3698
	199	1.49%	306,459	3.25%	8	0.6494
Effluent Sales						
City & County of Denver	27	0.20%	59,882	0.64%	1	0.4509
All Other	25	0.19%	22,682	0.24%	5	1.1022
	52	0.39%	82,564	0.88%	6	0.6298
Recycle Sales ¹						
City & County of Denver	447	3.34%	719,238	7.64%	2	0.6215
All Other	845	6.31%	452,051	4.80%	110	1.8693
	1,292	9.65%	1,171,289	12.44%	112	1.1031
Total Denver	1,543	11.53%	1,560,312	16.57%	126	0.9889
II. <u>OUTSIDE CITY, WITHIN COMBINED SERVICE AREA</u>						
Raw Water Sales-All Others	8,259	61.69%	5,777,911	61.38%	14	1.4294
Effluent Sales-All Others	111	0.83%	106,178	1.13%	10	1.0454
Total Outside City, Within Combined Service Area	8,370	62.52%	5,884,089	62.51%	24	1.4225
III. <u>OUTSIDE COMBINED SERVICE AREA</u>						
Raw Water Sales	1,453	10.85%	835,721	8.88%	9	1.7386
Effluent Sales	376	2.81%	151,937	1.61%	1	2.4747
Recycle Sales	1,645	12.29%	981,626	10.43%	1	1.6758
Total Outside Combined Service Area	3,474	25.95%	1,969,284	20.92%	11	1.7641
TOTAL SALES OF NON-POTABLE WATER	\$ 13,387	100.00%	9,413,685	100.00%	161	\$ 1.4221
IV. <u>OTHER NON-POTABLE WATER DELIVERIES</u>						
City Ditch at Washington Park			2,838			
City of Englewood (Cabin-Meadow Exchange)			3,517			
Total Other Non-Potable Water Deliveries			6,355			
TOTAL NON-POTABLE WATER DELIVERIES			9,420,040			

¹This schedule represents actual billings made for recycled water during the year. No accruals were made for revenue earned on unbilled recycled accounts.

²If the customer uses both raw and effluent water, it will be included in both customer counts.

ANALYSIS OF CUSTOMER ACCOUNTS FOR TREATED WATER: 2025

		Number of Customers ¹		
		12/31/2025	12/31/2024	Increase (Decrease)
METERED GENERAL CUSTOMERS				
Residential	Denver	145,058	144,691	367
	Outside City	32,140	32,288	(148)
	Total Service	34,568	34,373	195
Non-Residential	Denver	25,993	25,897	96
	Outside City	3,101	3,134	(33)
	Total Service	4,060	4,013	47
Irrigation	Denver	1,648	1,626	22
	Outside City	471	468	3
	Total Service	670	663	7
TOTAL METERED GENERAL CUSTOMERS		247,709	247,153	556
PUBLIC AUTHORITIES				
City & County of Denver	Irrigation	764	761	3
	Non-Irrigation	496	490	6
TOTAL PUBLIC AUTHORITIES		1,260	1,251	9
RESALE ACCOUNTS (MASTER METER) ²		75,986	76,018	(32)
TOTAL TREATED WATER CUSTOMERS		324,955	324,422	533

¹Represents the number of active metered services at year-end.

²See *Sales of Treated Water for Resale*.

Rate Schedule - 1
Treated Water Rates
For Meters Read On or After January 1, 2025
A. 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

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	\$2.90	\$2.98	\$4.30	N/A
Tier 2	AWC + 15	5.22	5.36	7.74	
Tier 3	Greater than AWC + 15	6.96	7.14	10.32	
Nonresidential ^{4,5}					
Tier 1	0 to AWC	\$3.36	\$3.63	\$5.00	N/A
Tier 2	AWC to 4 x AWC	4.70	5.08	7.00	
Tier 3	Greater than 4 x AWC	5.38	5.81	8.00	
Irrigation					
Winter (November 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

C. 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	

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)

WATER RATES SCHEDULES: 2025^{1,2} (continued)

Rate Schedule - 2

Nonpotable Water Rates

For Meters Read On or After January 1, 2025

A. Monthly Fixed Charges, \$ per Bill

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

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	\$1.20	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

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)

WATER RATES SCHEDULES: 2025^{1,2} (continued)

Rate Schedule - 3

City and County of Denver Governmental Rates

For Meters Read On or After January 1, 2025

A. Monthly Fixed Charges, \$ per Bill

Meter Size inches	Fixed Charge
5/8" & 3/4"	\$19.06
1"	27.77
1 1/2"	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

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

Domestic

Year-Round	\$2.66
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Irrigation

Winter (November 1 through April 30)	\$1.10
Summer (May 1 through October 31)	2.75

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

Raw	\$0.45
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)

WATER RATES SCHEDULES: 2025 (continued)

Rate Schedule - 4

Effective for bills dated on or after April 28, 2013

		System Development Charges			
		Treated Water			
		Inside City	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	Outside City
VI. MIXED USE ⁵ (sum of the following SDC)				As set forth in Section III of this schedule	
Multifamily component					
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.

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

²Includes commercial, industrial, and institutional development.

³SDC for nonpotable by tap size apply only to recycled water taps.

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

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

SUMMARY OF WATER RATES: 2016 - 2025

City of Denver - Schedule 1	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Residential - Consumption Charge per 1,000 Gallons</u>										
0 to AWC ¹	\$ 2.90	\$ 2.78	\$ 2.63	\$ 2.44	\$ 2.39	\$ 2.36	\$ 2.29	\$ 2.29	\$ 2.55	\$ 2.60
AWC + 15	5.22	5.00	4.73	4.39	4.30	4.25	4.12	4.12	4.59	4.68
Greater than AWC + 15	6.96	6.67	6.31	5.86	5.74	5.66	5.50	5.50	6.12	6.24
<u>Nonresidential - Consumption Charge per 1,000 Gallons</u>										
0 to AWC ^{2,3}	3.36	3.22	3.03	2.88	2.74	2.67	2.60	2.60	2.71	2.68
AWC to 4 x AWC	4.70	4.51	4.24	4.03	3.84	3.74	3.64	3.64	3.79	3.75
Greater than 4 x AWC	5.38	5.15	4.85	4.61	4.38	4.27	4.16	4.16	4.34	4.29
<u>Irrigation Only - Consumption Charge per 1,000 Gallons</u>										
Winter - All Consumption	1.73	1.65	1.53	1.44	1.44	1.40	1.35	1.34	1.27	1.22
Summer - All Consumption	6.92	6.60	6.12	5.76	5.76	5.60	5.40	5.36	5.08	4.88
<u>Service Charge/Meter Charge</u>										
Monthly 5/8" & 3/4"	19.06	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79
Monthly 1"	27.77	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13
Monthly 1 1/2"	54.79	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27
Monthly 2"	92.28	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02
Monthly 3"	198.62	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33
Monthly 4"	347.67	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20
Monthly 6"	774.79	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71
Monthly 8"	1,371.88	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"	2,139.81	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"	3,079.52	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
<u>Outside City Read and Bill - Schedule 1</u>										
<u>Residential - Consumption Charge per 1,000 Gallons</u>										
0 to AWC ¹	2.98	2.84	2.75	2.72	2.74	2.72	2.64	2.52	2.68	2.80
AWC + 15	5.36	5.12	4.95	4.89	4.93	4.90	4.75	4.54	4.82	5.04
Greater than AWC + 15	7.14	6.82	6.59	6.52	6.58	6.53	6.34	6.05	6.43	6.72
<u>Nonresidential - Consumption Charge per 1,000 Gallons</u>										
0 to AWC ^{2,3}	3.63	3.48	3.35	3.35	3.23	3.21	3.15	3.12	3.25	3.32
AWC to 4 x AWC	5.08	4.87	4.69	4.69	4.52	4.49	4.41	4.37	4.55	4.65
Greater than 4 x AWC	5.81	5.57	5.36	5.36	5.17	5.14	5.04	4.99	5.20	5.31
<u>Irrigation Only - Consumption Charge per 1,000 Gallons</u>										
Winter - All Consumption	1.63	1.53	1.52	1.52	1.52	1.52	1.47	1.42	1.38	1.40
Summer - All Consumption	6.52	6.12	6.08	6.08	6.08	6.08	5.88	5.68	5.52	5.60
<u>Service Charge/Meter Charge</u>										
Monthly 5/8" & 3/4"	19.06	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79
Monthly 1"	27.77	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13
Monthly 1 1/2"	54.79	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27
Monthly 2"	92.28	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02
Monthly 3"	198.62	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33
Monthly 4"	347.67	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20
Monthly 6"	774.79	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71
Monthly 8"	1,371.88	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"	2,139.81	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"	3,079.52	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

See accompanying footnotes on final page of report.

(continued)

SUMMARY OF WATER RATES: 2016 - 2025 (continued)

Outside City Total Service - Schedule 1	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Residential - Consumption Charge per 1,000 Gallons</u>										
0 to AWC ¹	\$ 4.30	\$ 4.10	\$ 4.00	\$ 3.73	\$ 3.69	\$ 3.68	\$ 3.58	\$ 3.33	\$ 3.30	\$ 3.28
AWC + 15	7.74	7.38	7.20	6.71	6.64	6.62	6.44	5.99	5.94	5.90
Greater than AWC + 15	10.32	9.84	9.60	8.95	8.86	8.83	8.59	7.99	7.92	7.87
<u>Nonresidential - Consumption Charge per 1,000 Gallons</u>										
0 to AWC ^{2,3}	5.00	4.85	4.66	4.40	4.15	4.11	3.99	3.78	3.77	3.76
AWC to 4 x AWC	7.00	6.79	6.52	6.16	5.81	5.75	5.59	5.29	5.28	5.26
Greater than 4 x AWC	8.00	7.76	7.46	7.04	6.64	6.58	6.38	6.05	6.03	6.02
<u>Irrigation Only - Consumption Charge per 1,000 Gallons</u>										
Winter - All Consumption	2.40	2.28	2.20	2.07	2.01	2.00	1.98	1.85	1.74	1.69
Summer - All Consumption	9.60	9.12	8.80	8.28	8.04	8.00	7.92	7.40	6.96	6.76
<u>Service Charge/Meter Charge</u>										
Monthly 5/8" & 3/4"	19.06	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79
Monthly 1"	27.77	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13
Monthly 1 1/2"	54.79	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27
Monthly 2"	92.28	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02
Monthly 3"	198.62	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33
Monthly 4"	347.67	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20
Monthly 6"	774.79	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71
Monthly 8"	1,371.88	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"	2,139.81	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"	3,079.52	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
<u>Outside City Master Meter - Schedule 1</u>										
Consumption Charge per 1,000 Gallons - All Consumption	5.08	4.90	4.69	4.60	4.41	4.37	4.25	4.09	4.10	4.15
<u>Service Charge/Meter Charge</u>										
Monthly 5/8" & 3/4"	19.06	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79
Monthly 1"	27.77	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13
Monthly 1 1/2"	54.79	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27
Monthly 2"	92.28	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02
Monthly 3"	198.62	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33
Monthly 4"	347.67	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20
Monthly 6"	774.79	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71
Monthly 8"	1,371.88	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"	2,139.81	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"	3,079.52	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

See accompanying footnotes on final page of report.

(continued)

SUMMARY OF WATER RATES: 2016 - 2025 (continued)

Outside Combined Area - Schedule 1	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Treated Water - Consumption Charge per 1,000 Gallons	\$ 5.67	\$ 5.12	\$ 4.71	\$ 4.66	\$ 4.59	\$ 4.55	\$ 4.55	\$ 4.55	\$ 4.48	\$ 4.44
<u>Service Charge/Meter Charge</u>										
Monthly 5/8" & 3/4"	19.06	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79
Monthly 1"	27.77	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13
Monthly 1 1/2"	54.79	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27
Monthly 2"	92.28	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02
Monthly 3"	198.62	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33
Monthly 4"	347.67	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20
Monthly 6"	774.79	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71
Monthly 8"	1,371.88	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"	2,139.81	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"	3,079.52	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
Raw and Recycled - Schedule 2										
<u>Raw - Consumption Charge per 1,000 Gallons</u>										
Inside City - All Consumption	1.12	1.04	1.00	0.87	0.81	0.81	0.71	0.67	0.63	0.50
Outside City - All Consumption	1.54	1.40	1.38	1.20	1.11	1.11	1.02	0.98	0.98	1.00
Outside Combined Service Area - All Consumption	1.65	1.51	1.48	1.30	1.20	1.20	1.10	1.05	1.05	1.10
<u>Recycled - Consumption Charge per 1,000 Gallons</u>										
Inside City Recycled - All Consumption	1.20	1.11	1.04	1.04	0.99	0.99	0.99	0.99	0.99	0.99
Outside Combined Service Area - All Consumption	1.62	1.44	1.32	1.27	1.18	1.17	1.11	1.11	1.11	1.11
<u>Recycled Service Meter Charge</u>										
Monthly 5/8" & 3/4"	19.06	18.40	17.90	17.20	16.46	16.13	15.94	15.39	11.86	8.79
Monthly 1"	27.77	27.01	25.70	24.20	23.17	22.72	22.26	21.44	15.13	10.13
Monthly 1 1/2"	54.79	53.70	49.86	45.93	43.98	43.17	41.85	40.16	25.28	14.27
Monthly 2"	92.28	90.71	83.38	76.06	72.85	71.54	69.02	66.14	39.35	20.02
Monthly 3"	198.62	195.72	178.47	161.56	154.75	152.02	146.11	139.84	79.29	36.33
Monthly 4"	347.67	342.91	311.75	281.40	269.55	264.83	254.15	243.14	135.26	59.20
Monthly 6"	774.79	764.69	693.67	624.80	598.51	588.07	563.76	539.15	295.65	124.71
Monthly 8"	1,371.88	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"	2,139.81	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"	3,079.52	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

¹Single 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.

²Small Multifamily: For 2016, the small multifamily class (duplex through 5-plex) is now included in the nonresidential class.

³Nonresidential 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.

SALES OF TREATED WATER FOR RESALE: 2025

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	\$ 380	64,250	334
Bancroft-Clover Water & Sanitation District	7,408	1,412,032	8,800
Bonvue Water & Sanitation District	71	13,181	169
Bow-Mar Water & Sanitation District	626	114,241	288
Cherry Creek Valley Water & Sanitation District	4,666	867,682	1,962
Cherry Creek Village Water & Sanitation District	637	117,255	476
City of Edgewater	1,019	185,261	1,472
City of Glendale	1,260	238,483	237
Consolidated Mutual Water Company	12,314	2,354,294	15,620
Crestview Water & Sanitation District	2,919	558,646	4,480
Green Mountain Water & Sanitation District	7,025	1,354,722	10,110
High View Water District	709	134,777	888
Ken-Caryl Water & Sanitation District	3,799	729,206	3,742
Lakehurst Water & Sanitation District	4,403	813,133	5,512
Lakewood Board of Water & Sewer	1,033	193,713	687
Meadowbrook Water & Sanitation District	867	159,373	1,321
North Pecos Water & Sanitation District	1,079	194,429	388
North Washington Street Water & Sanitation District	3,599	688,168	3,616
Northgate Water District	-	-	1
South Adams County Water & Sanitation District	6,606	1,205,135	165
Valley Water District	2,795	530,931	1,775
Wheat Ridge Water District	3,787	710,519	5,787
Willowbrook Water & Sanitation District	2,702	510,133	3,411
Willows Water District	3,996	758,322	4,737
Chatfield South Water District	69	10,290	1
City and County of Broomfield	7,842	1,524,736	1
City of Aurora	-	-	1
East Cherry Creek Valley Water District	1,551	264,889	1
Inverness Water District	991	190,115	1
Rocky Mountain Arsenal	57	5,436	1
Suncor Energy USA	3,668	701,747	1
The City of Brighton	166	22,697	1
Total Sales of Treated Water for Resale	\$ 88,044	16,627,796	75,986

¹This schedule represents actual billings made for treated water during the year. No accruals for treated water were made for revenue earned on unbilled accounts.

²Sales on Total Service or Read and Bill contracts are not included.

10 LARGEST RETAIL CUSTOMERS - WATER CONSUMPTION AND REVENUE: 2025

(non-accrual basis)
(amounts expressed in thousands)

Account Type	Consumption		Revenue	
	Gallons Sold	% Total Gallons Sold	Water Revenue ¹	% Total Water Revenue
Oil and Gas Company	701,747	1.11%	\$ 4,601	1.23%
Public School System	544,441	0.86%	3,417	0.91%
Public Utility	425,580	0.67%	1,801	0.48%
Housing Authority	325,989	0.52%	1,498	0.40%
Parks System	258,279	0.41%	1,584	0.42%
Retail Grocer	139,972	0.22%	605	0.16%
Hospital System	126,124	0.20%	537	0.14%
Beverage Company - 1	123,714	0.20%	438	0.12%
State of Colorado	106,432	0.17%	629	0.17%
Beverage Company - 2	89,958	0.14%	580	0.16%
Total of the 10 largest customers	2,842,236	4.50%	\$ 15,690	4.19%
Total sales of treated water	63,223,925		\$ 374,299	

¹This column represents actual billings made for treated water and private fire protection service during the year. The difference from amounts on an accrual basis is immaterial. In addition to the 10 largest retail accounts listed, Denver Water provided 1,952 million gallons of treated water to the City and County of Denver. Total revenues from these sales were \$7.1 million.

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C - DEBT CAPACITY INFORMATION

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

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RATIOS OF TOTAL OUTSTANDING DEBT BY TYPE: 2016 - 2025

(amounts expressed in thousands, except population and debt per capita)

Total Principal Balance Outstanding Debt by Type¹												
Year	Water Revenue Bonds	Revenue Bond Unamortized Premium or (Discount)	Total Water Revenue Bonds	Federal/State Loan⁵	Right-to-use Assets Payable⁵,⁶		Notes Payable⁵	Total	Gross Revenues²,⁴	Ratio of Total Debt to Gross Revenue¹	Estimated Population Served³	Debt Per Capita
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
2025 \$	1,473,110	\$ 99,000	\$ 1,572,110	\$ 33,939	\$ 4,112	\$ -	\$ 75,000	\$ 1,685,161	\$ 527,301	3.01	1,324,000	\$ 1,273

¹Details 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.

²Gross 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/State loan.

³Population estimates are treated water customers only. Estimates made by state demographer methodology may change and affect prior year estimates.

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

⁵Notes and right-to-use assets payable have a subordinate lien to the lien on outstanding Federal/State loan and revenue bonds, as well as future loans and revenue bond issues.

⁶Amounts shown in right-to-use assets payable prior to 2019 are for the Wolford Mountain capital lease.

PLEDGED-REVENUE COVERAGE: 2016 - 2025

Water Revenue Bonds, Notes Payable, Federal Loan Payable, and Right-to-use Assets Payable¹

(amounts expressed in thousands)

Year	Gross Revenues ^{2,4,5}		Less Operating Expenses ^{3,4,5}		Net Available Revenue	Total Debt Service ¹			Coverage including all Debt	Coverage not including Notes and Right-to-use Assets Payable Debt ⁶
						Principal	Interest	Total		
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
2025	\$	527,301	\$	284,217	\$ 243,084	\$ 30,379	\$ 56,625	\$ 87,004	2.79	3.00

¹Details 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.

²Gross 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.

³Operating 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).

⁴All 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.

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

⁶Notes 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: 2016 - 2025

(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
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
2025	\$ 1,473,110	\$ 527,301	2.79	1,324,000	\$ 1,113

¹Details 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.

²Gross 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.

³Population estimates are treated water customers only. Estimates made by state demographer methodology may change and affect prior year estimates.

⁴Certain 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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DEMOGRAPHIC AND ECONOMIC OVERVIEW OF THE DENVER METROPOLITAN AREA: 2025

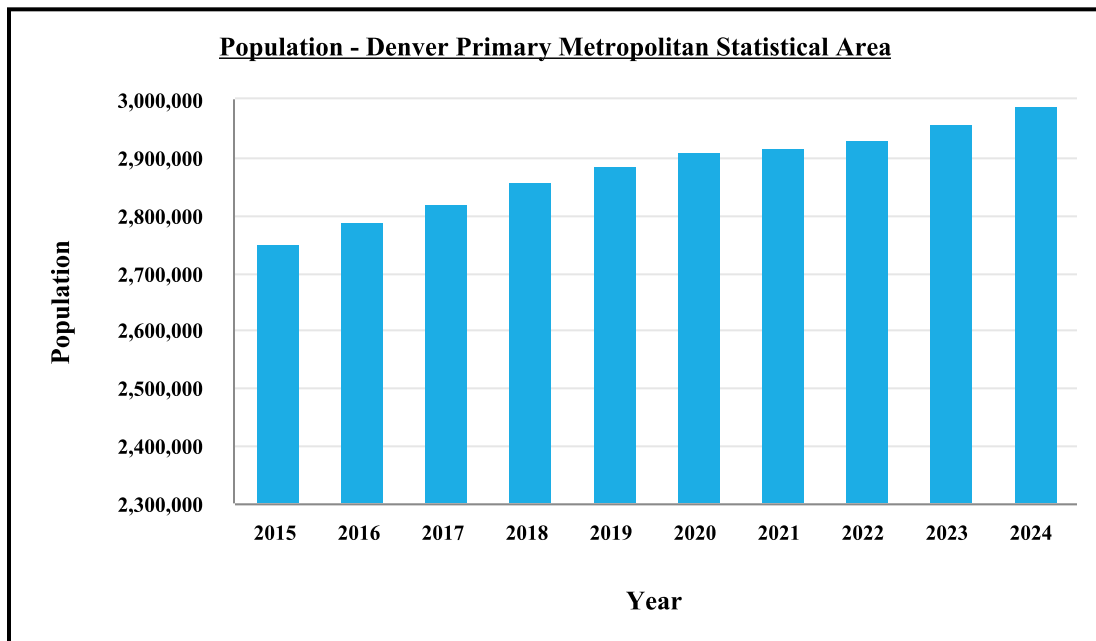
The following is general information concerning the economic and demographic conditions in the City and County of Denver (Denver or the City) and the immediate vicinity. The statistics presented below have been obtained from the sources indicated and represent the most current information available from 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. Additionally, the prior years' reported information may be revised annually as more information becomes available to the reporting agency. 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.

<u>Population Estimates</u>			
Year	Denver	Denver PMSA	State of Colorado
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	717,626	2,911,358	5,786,877
2021	711,487	2,917,965	5,813,551
2022	714,747	2,930,310	5,850,121
2023	720,885	2,958,223	5,900,420
2024	728,309	2,989,546	5,956,729
2025	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

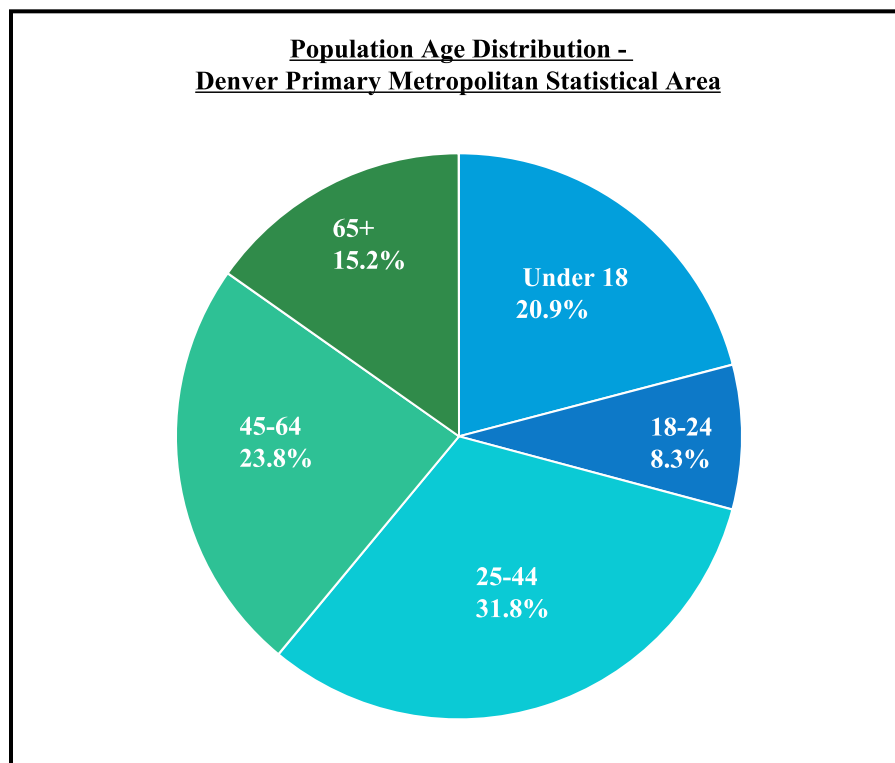
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Population Age Distribution

The following table sets forth a forecasted age distribution profile for Denver, the Denver PMSA, and the State of Colorado for 2025.

Forecasted Age Distribution for 2025			
Age Groups	Percent of Population		
	Denver	Denver PMSA	State of Colorado
Under 18	17.3%	20.9%	20.6%
18-24	9.0%	8.3%	9.4%
25-44	40.5%	31.8%	29.6%
45-64	20.5%	23.8%	23.5%
65+	12.8%	15.2%	16.9%

(Columns may not add to 100% due to rounding.)



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

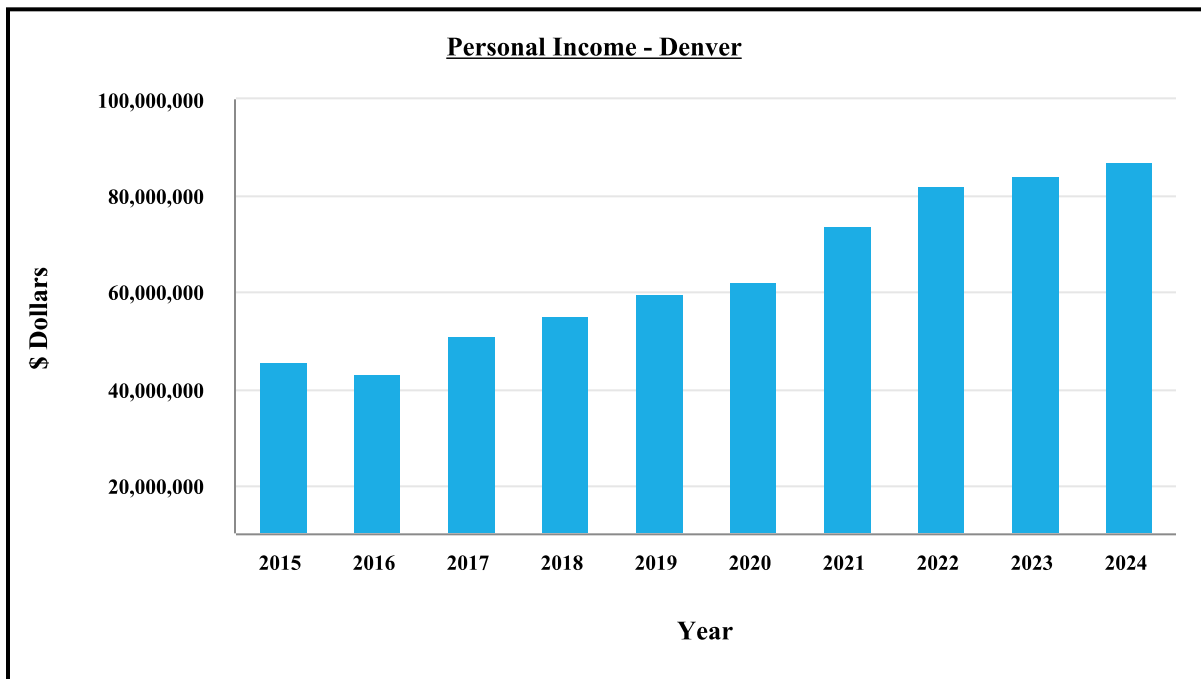
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Income

The following tables set forth recent annual personal income and per capita personal income levels for Denver, the State of Colorado, and the United States from 2015 through 2024 as reported by the U.S. Department of Commerce, Bureau of Economic Analysis.

<u>Personal Income</u>				
Year		Denver	State of Colorado	United States
2015	\$	45,466,399	\$ 279,696,000	\$ 15,467,113,000
2016		43,032,217	283,678,700	15,884,741,000
2017		50,999,321	303,366,700	16,658,962,000
2018		55,200,348	328,112,700	17,514,402,000
2019		59,585,553	351,476,000	18,349,584,000
2020		62,212,475	374,449,300	19,613,059,000
2021		73,749,443	418,190,200	21,484,168,000
2022		82,107,141	448,676,800	22,144,814,000
2023		84,239,010	473,104,600	23,577,208,000
2024		86,944,669	494,798,600	24,897,613,000
2025		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: February 5, 2026 - new statistics for 2024 for Denver. Last updated September 26, 2025 for Colorado and the United States. Revised statistics for 2020-2023)



Source: United States Bureau of Economic Analysis

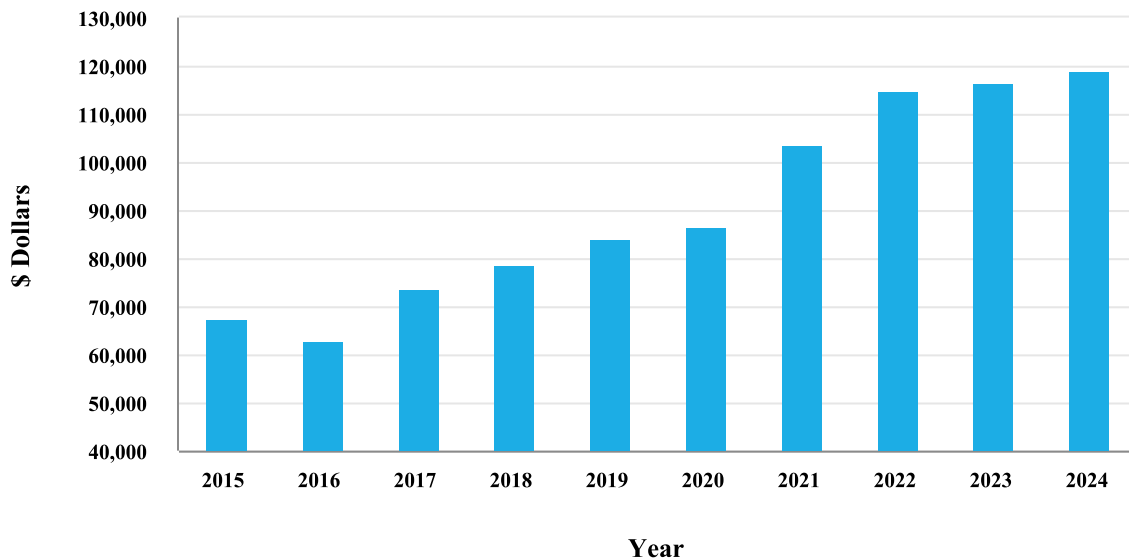
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Per Capita Personal Income

Year	Denver	State of Colorado	United States
2015	\$ 67,464	\$ 51,401	\$ 48,062
2016	62,813	51,312	48,974
2017	73,710	54,176	51,006
2018	78,681	57,798	53,311
2019	84,048	61,278	55,567
2020	86,693	64,704	59,151
2021	103,649	71,928	64,692
2022	114,859	76,685	66,298
2023	116,777	80,169	70,002
2024	119,263	83,055	73,204
2025	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: February 5, 2026 - new statistics for 2024 for Denver. Last updated September 26, 2025 for Colorado and the United States. Revised statistics for 2020-2023)

Per Capita Personal Income - Denver

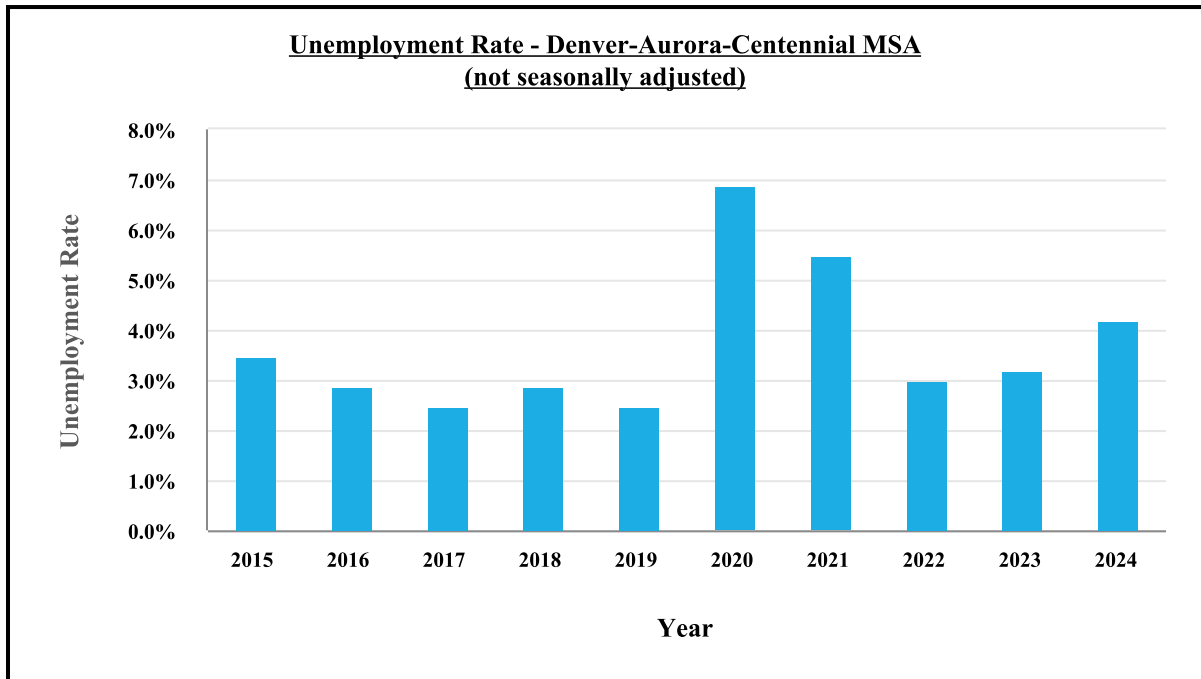


Source: United States Bureau of Economic Analysis

(continued)

Employment

The following tables sets forth recent total labor force, employment and unemployment statistics for Denver, the Centennial MSA and the State of Colorado. The national unemployment rate is estimated to be approximately 4.1% as of December 2024.



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
2015	374.7	1.8%	13.2	3.5%
2016	397.6	6.1%	11.3	2.9%
2017	408.0	2.6%	10.0	2.5%
2018	419.7	2.9%	11.9	2.8%
2019	427.6	1.9%	10.8	2.5%
2020	429.1	0.3%	32.0	7.5%
2021	435.1	1.4%	25.2	5.8%
2022	441.1	1.4%	13.4	3.0%
2023	446.7	1.3%	15.2	3.4%
2024	450.7	0.9%	19.9	4.4%
2025	n/a	n/a	n/a	n/a
Denver-Aurora-Centennial MSA				
Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2015	1,502.4	1.2%	53.0	3.5%
2016	1,556.3	3.6%	45.2	2.9%
2017	1,599.9	2.8%	39.9	2.5%
2018	1,644.9	2.8%	47.4	2.9%
2019	1,674.2	1.8%	42.3	2.5%
2020	1,665.1	(0.5%)	115.5	6.9%
2021	1,710.8	2.7%	93.5	5.5%
2022	1,738.7	1.6%	52.0	3.0%
2023	1,761.9	1.3%	57.2	3.2%
2024	1,777.0	0.9%	75.2	4.2%
2025	n/a	n/a	n/a	n/a
State of Colorado				
Year	Labor Force (Thousands)	% Change	Unemployed (Thousands)	% Unemployment Rate
2015	2,819.1	0.8%	104.7	3.7%
2016	2,884.9	2.3%	90.1	3.1%
2017	2,968.6	2.9%	77.9	2.6%
2018	3,053.2	2.8%	92.8	3.0%
2019	3,102.9	1.6%	82.7	2.7%
2020	3,079.8	(0.7%)	208.9	6.8%
2021	3,146.3	2.2%	172.9	5.5%
2022	3,185.0	1.2%	98.7	3.1%
2023	3,231.2	1.5%	107.1	3.3%
2024	3,267.8	1.1%	139.6	4.3%
2025	n/a	n/a	n/a	n/a

Source: United States Bureau of Labor and Statistics

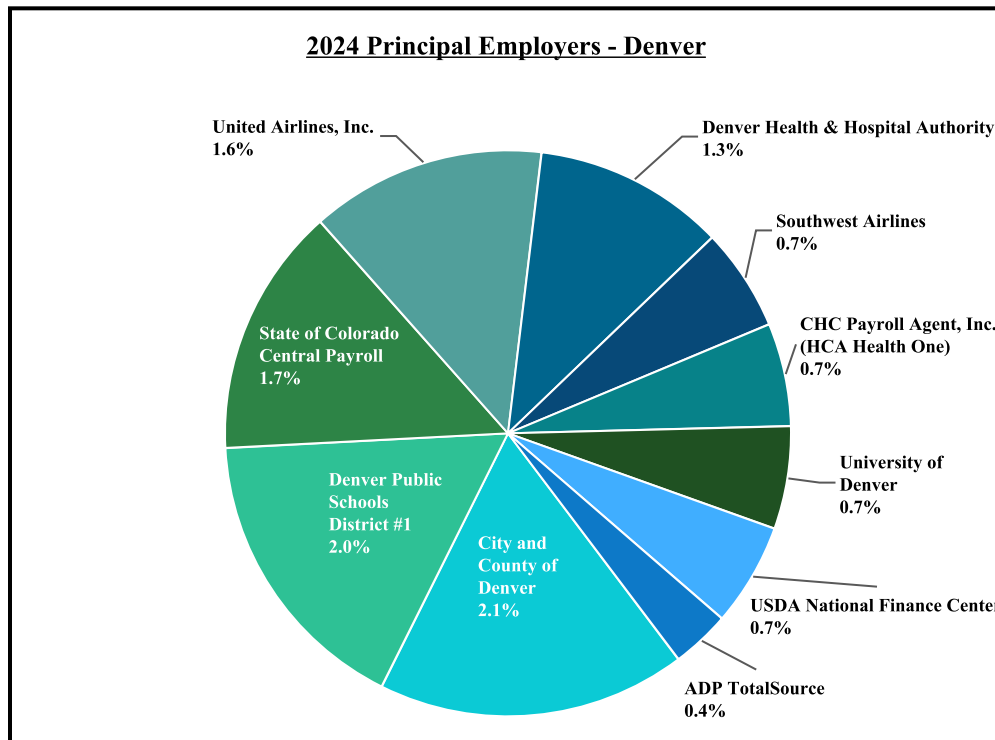
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Principal Employers

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						
Employer	2024¹			2015		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
City and County of Denver	13,995	1	2.1%	10,549	2	3.0%
Denver Public Schools District #1	13,251	2	2.0%	12,864	1	2.5%
State of Colorado Central Payroll	11,079	3	1.7%	9,401	3	2.2%
United Airlines, Inc.	10,078	4	1.6%	5,412	6	1.3%
Denver Health & Hospital Authority	8,222	5	1.3%	6,047	5	1.4%
Southwest Airlines	4,621	6	0.7%			
CHC Payroll Agent, Inc. (HCA Health One)	4,612	7	0.7%	4,264	7	1.0%
University of Denver	4,472	8	0.7%	3,795	8	0.9%
USDA National Finance Center	4,376	9	0.7%	7,264	4	1.7%
ADP TotalSource	2,484	10	0.4%			
University of Colorado Central				3,536	9	0.8%
Accounting Service Center (U.S. Postal Service)				2,943	10	0.7%
Total	77,190		11.9%	66,075		15.5%

¹2025 not available at time of publication



Source: City and County of Denver Annual Report. Based on 2024 and 2015 Occupational Privilege Tax Remitters

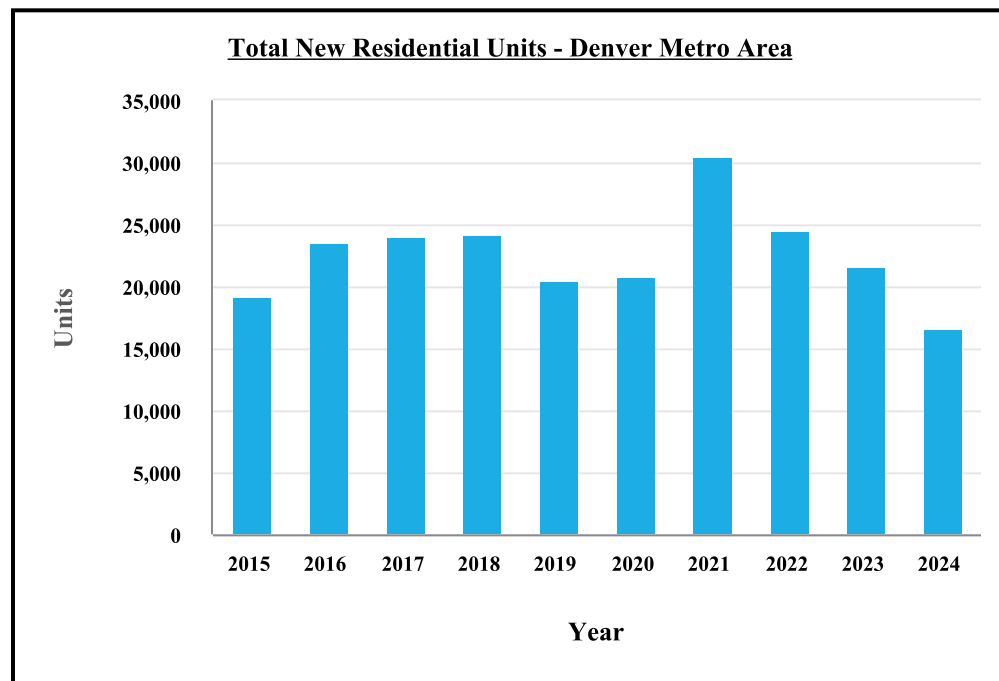
(continued)

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								
Year	Denver				Denver Metropolitan Area			
	Single-Family Detached	Single-Family Attached	Multi-Family	Total	Single-Family Detached	Single-Family Attached	Multi-Family	Total
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	872	4	3,118	3,994	8,734	240	7,641	16,615
2025	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

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 DIVISION¹: 2016 - 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Division/Section^{2,3}										
Administrative Services										
Chief Administrative Officer	1.0	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	15.0	16.0	16.0	18.0	20.0	18.0	12.5	12.0	12.0	13.0
Facilities Management	3.0	3.0	3.00	-	-	-	-	-	-	-
GIS	-	-	8.0	9.0	9.0	6.0	-	-	-	-
Information Governance	10.0	10.0	10.0	9.0	10.0	11.0	-	-	-	-
Information Security Office	7.0	5.0	5.0	4.0	5.0	3.0	-	-	-	-
Information Technology	109.0	103.0	99.8	95.8	94.8	89.8	-	-	-	-
Procurement	9.0	10.0	10.0	9.0	7.0	9.0	-	-	-	-
Recreation Management	5.0	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	8.0	11.0	5.0	7.0	-	-	-	-
	167.0	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	8.0	9.0	7.8	9.8	14.8	12.8	12.8	13.0
Asset Recording	8.0	9.0	6.0	7.0	7.0	7.0	7.0	8.0	8.0	7.0
Construction Management	19.0	20.0	20.0	21.0	24.0	23.0	26.0	23.0	28.0	28.0
Distribution and Property Mgmt Admin	30.0	30.0	31.0	31.0	32.0	32.0	31.0	30.0	29.0	31.0
Hydraulics	7.0	7.0	7.0	6.0	7.0	7.0	7.0	7.0	7.0	-
Programs and Projects	59.0	57.0	62.0	66.8	62.0	62.0	57.8	58.8	56.0	53.0
Survey	21.0	22.0	23.0	24.0	24.0	24.0	27.0	24.0	24.0	26.0
Technical Support Services	4.0	5.0	5.0	4.0	5.0	5.0	-	-	-	-
	156.0	158.0	162.0	168.8	168.8	169.8	170.6	163.6	164.8	158.0
Finance										
Chief Finance Officer	1.0	1.0	1.0	3.0	3.0	3.0	3.0	2.0	-	2.0
Accounting, Payroll, AP	19.0	19.0	19.0	19.0	17.0	17.0	19.0	16.0	18.0	17.0
Budget/Financial Planning and Performance	7.0	7.0	7.0	6.0	4.0	5.0	5.0	5.0	3.0	2.0
Customer Care	49.0	49.0	44.3	41.3	27.3	-	-	-	-	-
Controller	-	-	-	-	-	-	-	-	3.0	2.0
Rate Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
Sales and Support	16.0	17.0	17.0	17.0	27.0	-	-	-	-	-
Treasury	8.0	8.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
	102.0	103.0	97.3	96.3	88.3	35.0	37.0	33.0	34.0	31.0
Manager and Staff										
Chief Executive Officer, Internal Audit	10.0	10.0	9.0	10.0	10.0	-	-	-	-	-
Chief of Staff, Cont. Improvement, L&OD	12.0	14.0	14.0	12.0	12.0	-	-	-	-	-
Human Resources	16.0	16.0	16.0	15.0	13.0	-	-	-	-	-
Manager and Staff	-	-	-	-	-	49.0	28.8	31.3	35.4	25.0
Office of General Counsel	14.0	14.0	15.0	14.0	14.0	-	-	-	-	-
Public Affairs	35.0	35.0	33.6	33.6	29.6	-	-	-	-	-
	87.0	89.0	87.6	84.6	78.6	49.0	28.8	31.3	35.4	25.0

See accompanying footnotes on final page of report.

(continued)

EMPLOYEES BY DIVISION¹: 2016 - 2025 (continued)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operations and Maintenance										
Chief OM Officer	9.0	8.0	5.0	5.0	3.0	1.0	6.0	5.0	6.0	7.0
Customer Service - Field	54.0	55.0	55.0	55.0	52.0	-	-	-	-	-
Emergency Management	-	-	-	-	-	-	-	-	-	4.0
Maintenance and Warehouse	-	-	-	-	-	-	-	-	-	106.0
Safety and Loss Control	-	-	-	-	-	-	-	-	-	11.0
Source of Supply	50.0	53.0	51.0	54.0	52.0	50.0	50.0	52.0	58.0	56.0
Asset Management/Support Services	67.0	60.0	78.0	75.0	80.0	79.0	77.0	86.0	92.0	-
Treated Water Operations	-	-	-	-	-	-	-	-	-	53.0
Water Distribution	246.0	249.0	248.0	239.0	240.0	217.0	218.0	194.0	190.0	136.0
Water Quality and Treatment	140.0	139.0	132.0	126.0	118.0	116.0	109.0	102.0	118.0	35.0
Water Treatment	-	-	-	-	-	-	-	-	-	86.0
	566.0	564.0	569.0	554.0	545.0	463.0	460.0	439.0	464.0	494.0
Water Resource Strategy										
Chief Water Resource Strategy Officer	2.0	2.0	2.0	2.0	1.0	-	-	-	-	-
Demand Planning and Efficiency	7.0	7.0	4.0	4.0	5.0	-	-	-	-	-
Environmental and Watershed Planning	9.0	9.0	10.0	9.0	9.0	-	-	-	-	-
Raw Water Supply	5.0	5.0	5.0	5.0	5.0	-	-	-	-	-
Water Resources Analysis	7.0	7.0	6.0	6.0	6.0	-	-	-	-	-
Water Resources Planning	7.0	6.0	6.0	7.0	6.0	-	-	-	-	-
Water Rights	6.0	5.0	6.0	7.0	5.0	-	-	-	-	-
	43.0	41.0	39.0	40.0	37.0	-	-	-	-	-
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	-
Human Resources	-	-	-	-	-	-	25.0	26.0	28.0	31.0
Legal	-	-	-	-	-	-	-	-	-	13.0
Information Technology	-	-	-	-	-	-	95.8	96.3	100.3	104.0

See accompanying footnotes on final page of report.

(continued)

EMPLOYEES BY DIVISION¹: 2016 - 2025 (continued)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Planning										
Chief Planning Officer	-	-	-	-	-	-	-	-	-	4.0
Demand Planning	-	-	-	-	-	-	-	-	-	4.0
Environmental Planning	-	-	-	-	-	-	-	-	-	7.0
Hydraulics	-	-	-	-	-	-	-	-	-	-
Raw Water Supply	-	-	-	-	-	-	-	-	-	5.0
Treated Water Planning	-	-	-	-	-	-	-	-	-	9.0
Water Resources Planning	-	-	-	-	-	-	-	-	-	4.0
Water Resources Analysis	-	-	-	-	-	-	-	-	-	9.0
Water Rights	-	-	-	-	-	-	-	-	-	6.0
	-	-	-	-	-	-	-	-	-	48.0
Public Affairs										
Chief Public Affairs Officer	-	-	-	-	-	-	-	-	-	3.0
Communications and Marketing	-	-	-	-	-	-	-	-	-	14.0
Conservation and Community Outreach	-	-	-	-	-	-	-	-	-	29.0
Customer Care	-	-	-	-	-	-	-	-	-	31.0
Customer Service - Field	-	-	-	-	-	-	-	-	-	52.0
Sales and Support	-	-	-	-	-	-	-	-	-	16.0
	-	-	-	-	-	-	-	-	-	145.0
Total	1,121.0	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

¹Number 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.

²Section names may have changed due to business needs.

³Various divisional reorganizations occurred in order to accommodate changing business needs.

CAPITAL ASSETS BY FUNCTION: 2016 - 2025

(amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CAPITAL ASSETS NOT BEING DEPRECIATED										
Land and land rights	\$ 171,706	\$ 130,171	\$ 133,450	\$ 133,450	\$ 133,376	\$ 133,293	\$ 130,438	\$ 130,445	\$ 129,789	\$ 99,108
Water rights	116,460	116,460	116,460	116,460	116,460	73,480	73,480	70,472	70,472	105,785
Wolfford Mountain lease ¹	-	-	-	-	-	42,980	42,980	-	-	-
Other non-depreciable ²	23,512	23,512	23,512	23,617	23,386	787	-	-	-	-
Construction in progress (CIP)	690,354	1,008,835	848,275	681,018	514,823	400,917	290,239	340,438	265,757	259,690
Total capital assets not being depreciated	1,002,032	1,278,978	1,121,697	954,545	788,045	651,457	537,137	541,355	466,018	464,583
CAPITAL ASSETS BEING DEPRECIATED										
Buildings and improvements	699,534	513,250	511,659	510,356	505,134	505,293	494,351	413,792	405,375	199,329
Improvements other than buildings	2,870,426	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
Machinery and equipment	675,568	521,091	504,993	498,164	486,342	476,802	449,362	430,287	412,683	392,963
Regulated assets	451,034	383,552	291,355	206,382	145,427	84,326	-	-	-	-
Right-to-use buildings and improvements	20,233	20,233	20,233	-	-	-	-	-	-	-
Right-to-use improvements other than buildings	821	821	821	821	-	-	-	-	-	-
Right-to-use land	723	723	-	-	-	-	-	-	-	-
Right-to-use SBITAs	7,992	6,215	5,932	-	-	-	-	-	-	-
Total capital assets being depreciated	4,726,331	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
Less accumulated depreciation										
Buildings and improvements	(174,877)	(166,203)	(157,556)	(149,314)	(140,563)	(131,873)	(123,465)	(124,083)	(117,420)	(48,453)
Improvements other than buildings	(779,891)	(745,982)	(712,885)	(681,303)	(651,417)	(622,672)	(596,435)	(588,296)	(563,245)	(596,587)
Machinery and equipment	(325,612)	(313,462)	(296,224)	(283,531)	(268,601)	(251,927)	(238,366)	(239,589)	(227,197)	(211,396)
Regulated assets	(37,198)	(24,421)	(14,689)	(7,815)	(2,970)	(161)	-	-	-	-
Right-to-use buildings and improvements	(1,180)	(775)	(370)	-	-	-	-	-	-	-
Right-to-use improvements other than buildings	(229)	(172)	(115)	(57)	-	-	-	-	-	-
Right-to-use land	(41)	(12)	-	-	-	-	-	-	-	-
Right-to-use SBITAs	(4,260)	(3,855)	(1,621)	-	-	-	-	-	-	-
Total accumulated depreciation	(1,323,288)	(1,254,882)	(1,183,460)	(1,122,020)	(1,063,551)	(1,006,633)	(958,266)	(951,968)	(907,862)	(856,436)
Total capital assets being depreciated, net	3,403,043	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
TOTAL CAPITAL ASSETS, NET	\$ 4,405,075	\$ 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

¹In 2019, the \$12.9 million of amortization taken on the Wolfford 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 reclassified 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.

²Other non-depreciable includes Operations Complex public art and water capacity.

BUDGET TO ACTUAL - RECEIPTS AND EXPENDITURES

BUDGET TO ACTUAL COMPARISON 2021 - 2025 AND 2026 BUDGET (BUDGET BASIS)

(amounts expressed in thousands)

BEGINNING CASH & INVESTMENTS

RECEIPTS FROM:

Sale of water	409,630	385,422	387,236	371,423	383,075	356,513	320,568	326,191	349,174	311,270	323,079
Nonoperating, interest, and other	24,612	32,773	56,733	46,102	57,261	40,237	38,889	20,698	23,232	21,080	20,438
System development charges	34,764	34,679	39,063	31,679	30,247	34,679	32,825	34,988	47,221	22,000	37,897
Developer participation, reimbursements, and grants	19,480	38,992	40,011	27,583	27,284	24,271	21,669	32,239	22,873	5,510	4,153
Sale of bonds or issuance of notes	488,486	491,866	523,043	476,787	497,867	455,700	413,951	414,116	442,500	359,860	385,567
Total receipts	375,000	219,938	382,286	286,378	269,867	206,271	170,135	120,000	200,773	350,000	351,185
	863,486	711,804	905,329	763,165	767,734	661,971	584,086	534,116	643,273	709,860	736,752

LESS EXPENDITURES FOR:

Operations, maintenance, and refunds	283,058	275,455	278,114	282,092	292,081	263,646	264,551	232,090	245,858	208,590	217,864
Debt service	271,599	85,079	284,728	75,170	72,282	71,843	127,638	55,786	53,166	50,351	50,519
	554,657	360,534	562,842	357,262	364,363	335,489	392,189	287,876	299,024	258,941	268,383

Capital improvements (new facilities)	180,820	273,790	269,702	307,088	279,554	295,182	266,944	379,154	308,918	290,680	266,116
System replacements	94,496	65,276	73,728	57,073	63,523	63,321	56,966	48,447	51,585	60,832	51,939
Equipment	3,750	3,000	3,526	4,874	3,111	6,313	4,995	5,212	2,863	5,202	4,861
	279,066	342,066	346,956	369,035	346,188	364,816	328,905	432,813	363,366	356,714	322,916

Total expenditures

Cash balance adjustment¹

ENDING CASH & INVESTMENTS

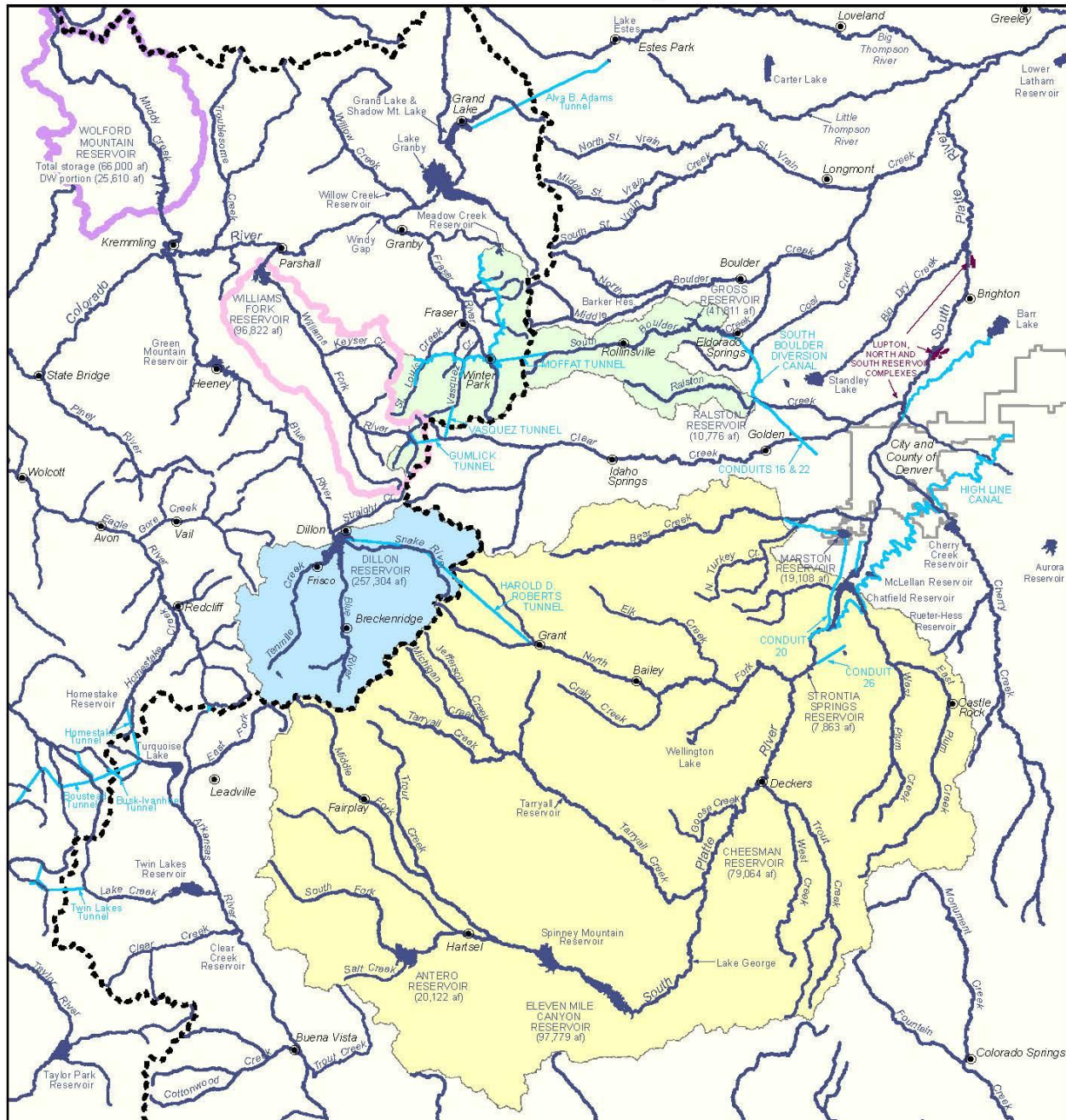
	833,723	702,600	909,798	726,297	710,551	700,305	721,094	720,689	662,390	615,655	591,299
	\$ 314,451	\$ 296,668	\$ 284,688	\$ 266,327	\$ 287,464	\$ 323,492	\$ 229,459	\$ 217,017	\$ 361,826	\$ 352,939	\$ 403,590
		1,693		822	4,641			(22,647)		(597)	

GENERAL EXPLANATION OF VARIANCES:

¹The cash balance adjustment is due to a timing difference between cash payments that were made in January but were accrued for in December.

²Utilized \$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



Legend

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



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



Map Date: 12/30/2025
Author: Denver Water GIS
Sources: USGS-NHD, DENVER WATER,
DOLA, NRCS, CDWR

This Geographic Information Systems (GIS) map and information shown is provided "AS IS" with no claim by the Denver Water Board as to the completeness, usefulness or accuracy of its contents. © 2025 Denver Water

OPERATING INDICATORS BY FUNCTION: 2016 - 2025

Supply:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Raw water collected (acre-feet)	256,589	250,423	323,133	282,881	287,188	246,959	330,516	221,212	297,878	274,670
Supply from South Platte River & Effluent Exchange (acre-feet)	107,522	133,860	123,680	107,268	144,595	102,012	151,288	78,967	132,115	158,324
Supply from Roberts Tunnel/Blue River (acre-feet)	70,075	53,588	95,968	89,529	60,425	65,995	80,424	56,101	86,124	40,795
Supply from Moffat System (acre-feet)	78,992	62,976	103,485	86,084	82,168	78,952	98,804	86,144	79,639	75,551
Percent of total water collected (acre-feet):										
Percent from South Platte System	42%	54%	38%	38%	50%	41%	46%	36%	44%	58%
Percent from Roberts Tunnel/Blue River System	27%	21%	30%	32%	21%	27%	24%	25%	29%	15%
Percent from Moffat System	31%	25%	32%	30%	29%	32%	30%	39%	27%	27%
Raw water reservoir storage capacity (acre-feet) ¹	570,368	570,368	570,368	570,368	570,166	570,196	570,196	569,648	569,648	568,642
Replacement reservoir storage capacity (acre-feet)	133,774	129,488	129,488	129,488	129,487	129,487	129,487	125,993	125,993	122,432
Total reservoir storage capacity (acre-feet) ²	704,142	699,856	699,856	699,856	699,074	699,683	699,683	695,641	695,641	691,074
Reservoir storage (acre-feet), January 1	588,839	605,317	539,216	544,777	528,197	577,192	520,813	586,617	568,124	582,015
Percent of capacity	84.1%	86.5%	77.1%	77.9%	75.5%	82.5%	74.9%	84.3%	82.2%	84.1%
Reservoir storage (acre-feet), December 31 ²	552,257	588,839	605,317	539,216	539,535	528,197	577,192	520,813	586,617	568,124
Percent of capacity	78.4%	84.1%	86.5%	77.0%	77.2%	75.5%	82.5%	74.9%	84.3%	82.2%
Number of hydropower plants ¹¹	8	8	7	7	7	7	7	7	7	7
Power generation in KWH (excluding power purchased) ¹¹	73,452,960	57,411,962	53,083,801	56,696,283	50,374,494	68,451,988	52,929,656	63,127,191	76,948,391	67,436,291
Value of power generation (excluding power purchased) ¹¹	\$5,138,012	\$4,589,323	\$2,002,056	\$3,907,073	\$3,834,897	\$3,873,932	\$3,892,135	\$4,420,800	\$4,510,456	\$4,337,858
Pumping:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	1,073.8	1,050.8	1,050.8	1,048.4	1,048.4	1,048.4	1,048.4
Treated water pumping energy costs	\$3,362,593	\$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
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:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Miles of pipe installed, net of reductions	14.5	4.3	8.1	15.2	12.0	13.5	17.2	15.9	33.3	17.6
Miles of raw water supply mains (mountain collection system)	93.8	91.2	91.2	91.2	90.9	90.9	87.1	77.5	77.5	77.3
Miles of raw water supply mains (metropolitan Denver area) ⁷	53.8	53.8	49.8	49.7	49.2	49.1	57.8	57.0	57.1	54.3
Miles of treated water mains in system	3,238.1	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
Miles of recycled water mains in system	73.2	73.8	73.7	73.8	75.5	75.5	72.4	71.7	70.4	73.5
Number of treated water valves operated and maintained	91,296	90,086	90,187	89,414	88,375	87,507	86,624	85,565	84,674	83,171
Number of recycled water valves in system ¹⁰	1,602	1,605	1,606	1,606	1,632	1,632	1,612	1,604	1,459	1,538
Number of hydrants operated and maintained ⁶	22,686	22,487	22,295	22,102	21,873	21,465	22,219	21,195	20,967	20,556
Fire hydrants tested and repaired	18,627	20,231	21,980	20,214	19,733	17,438	23,643	24,922	25,990	23,909
Breaks in mains - Denver	344	338	331	348	297	423	294	275	275	225
Service leaks	190	270	352	353	431	484	597	538	508	503
Treated water main leak detection program:										
Miles of pipe surveyed	142	134	125	451	567	754	814	660	1,384	922
Visible leaks pinpointed	126	67	103	244	132	141	142	182	183	134
Non-visible leaks detected	24	18	13	55	56	68	56	58	100	68

See accompanying footnotes on final page of report.

OPERATING INDICATORS BY FUNCTION: 2016 - 2025 (continued)

Treatment and Water Quality:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Acre-feet	205,876	209,126	181,488	209,783	200,208	214,942	198,827	206,074	195,822	199,489
Population ³	1,324,000	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
Treated water reservoir capacity (million gallons) ⁴	371.8	371.8	351.8	351.8	351.8	351.8	351.8	351.8	351.4	351.4
Treated water consumption (million gallons)	67,085	68,144	59,138	68,358	65,238	70,039	64,788	67,149	63,809	65,004
Average daily consumption (million gallons)	183.79	186.70	162.02	187.28	178.73	191.89	177.50	183.97	174.82	178.09
Average daily gallons per capita	138.82	143.50	124.92	144.62	138.88	150.26	139.76	145.89	140.08	143.86
Maximum daily consumption (million gallons)	361.12	382.62	334.20	372.51	369.60	380.45	371.11	396.40	364.92	355.88
Maximum hour treated water use rate (million gallons per day)	760.50	794.00	604.00	658.40	648.00	670.00	572.60	637.00	628.50	592.00
Precipitation in inches - Annual	13	18	22	14	15	11	16	13	15	14
Precipitation in inches - 4/1 to 9/30	10	9	18	8	11	6	11	9	12	8
Water Quality Samples:										
Watershed	9,972	11,869	11,391	10,128	9,709	7,600	7,120	5,222	6,624	6,826
Treatment plant	2,087	2,342	2,112	2,548	2,278	2,151	1,976	2,222	3,233	3,168
Distribution system	24,563	23,679	23,260	21,494	21,503	20,805	20,727	13,521	15,909	16,575
Other	8,521	4,306	4,863	8,224	14,960	12,431	11,683	7,700	14,890	5,599
Lead and copper	12,647	23,275	19,294	22,191	33,061	38,511	28,560	7,697	7,570	-
Total Samples Collected	57,790	65,471	60,920	64,585	81,511	81,498	70,066	36,362	48,226	32,168
Microbiological analyses completed	17,289	20,647	14,084	17,031	16,530	14,425	14,471	15,346	22,568	11,407
Chemical and field analyses completed	110,541	125,277	95,887	123,671	208,016	280,952	404,222	160,241	147,819	49,829
Total Analyses Performed	127,830	145,924	109,971	140,702	224,546	295,377	418,693	175,587	170,387	61,236
Treatment Plant Capacity (million gallons per day):										
Plant										
Foothills	280.0	280.0	280.0	280.0	280.0	280.0	280.0	280.0	280.0	280.0
Marston	200.0	200.0	200.0	200.0	200.0	250.0	250.0	250.0	250.0	250.0
Moffat	80.0	80.0	80.0	80.0	80.0	120.0	120.0	120.0	185.0	185.0
Northwater ¹¹	75.0	75.0	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	635.0	560.0	560.0	560.0	650.0	650.0	650.0	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	\$ 5,386,784	27,290,422
Marston	1,833,133	9,985,843
Moffat ¹²	-	-
Northwater	1,572,325	9,099,012
Recycling	567,133	2,078,890
	<u>\$ 9,359,375</u>	<u>48,454,167</u>

See accompanying footnotes on final page of report.

(continued)

TREATED WATER QUALITY SUMMARY: TREATMENT PLANT EFFLUENT AVERAGES - 2025

Analysis of Effluent Water	Foothills	Marston	Moffat ¹²	Northwater
General				
Alkalinity, Total as CaCO ₃ (mg/L)	66.30	67.40	0.00	49.20
Chlorine, Total (mg/L)	1.50	1.60	0.00	1.50
Hardness as CaCO ₃ (mg/L)	111.80	113.60	0.00	56.60
pH (SU)	8.80	8.80	0.00	8.80
Specific Conductance (µS/cm)	337.60	339.40	0.00	161.80
Temperature (°C)	11.20	13.20	0.00	9.80
Total Dissolved Solids (mg/L)	201.10	197.80	0.00	103.90
Turbidity (NTU)	0.04	0.02	0.00	0.03
Metals Direct Analyses				
Aluminum (µg/L)	31.50	27.10	0.00	19.50
Barium (µg/L)	40.00	40.10	0.00	20.20
Boron (µg/L)	0.00	0.00	0.00	0.00
Calcium (mg/L)	31.30	32.40	0.00	17.60
Magnesium (mg/L)	8.20	7.90	0.00	2.40
Manganese (µg/L)	2.00	1.10	0.00	3.80
Molybdenum (µg/L)	16.00	15.90	0.00	0.70
Potassium (mg/L)	2.20	2.30	0.00	0.80
Sodium (mg/L)	23.70	23.80	0.00	12.30
Uranium (µg/L)	0.00	0.00	0.00	0.00
Ions (mg/L)				
Chloride	25.80	24.70	0.00	6.20
Fluoride	0.70	0.70	0.00	0.50
Nitrate + Nitrite-Nitrogen	0.01	0.05	0.00	0.01
o-Phosphate	0.00	0.00	0.00	0.00
Sulfate	65.30	65.80	0.00	20.20
Disinfection Precursor and By-Products (µg/L)				
Total Organic Carbon (mg/L)	1.60	1.90	0.00	1.40
Haloacetic Acids (µg/L)	17.00	9.60	0.00	8.00
Total Trihalomethanes (µg/L)	28.60	15.70	0.00	9.37

¹In 2025, Denver Water had 17 raw water reservoirs. This capacity is based on current reservoir capacity.

²The total supply capacity prior to 2020 was revised to be consistent with current measurement processes.

³Population estimated based on treated water customers only. Estimates made by state demographer methodology may change and affect prior year estimates.

⁴In 2025, Denver Water had four potable water treatment facilities.

⁵In 2018, Moffat Treatment Plant capacity was de-rated from 185 MGD to 120 MGD due to construction on Conduit 16.

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

⁷In 2020, Conduit 16 was abandoned and replaced in 2021.

⁸In 2021, Marston Treatment Plant capacity was downrated to 200 MGD due to new chemical capacity designs and solids processing systems.

⁹In 2021, Moffat Treatment Plant's peak capacity was reduced to 80 MGD.

¹⁰In 2022, the Recycled Plant was updated with recent survey data that changed the type of water from recycle to process pipe.

¹¹In 2024, Northwater Treatment Plant began operations with a peak capacity of 75 MGD for the year.

¹²In 2025, Moffat Treatment Plant operations were offline.

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**DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO**

Section IV Table of Contents

Table of Contents	IV-1
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	IV-3
Independent Auditors' Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	IV-5
Schedule of Expenditures of Federal Awards	IV-8
Notes to Schedule of Expenditures of Federal Awards	IV-9
Schedule of Findings and Questioned Costs	IV-10

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**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***

Board of Water Commissioners
Denver Water
Denver, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of the Board of Water Commissioners, City and County of Denver (Denver Water), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Denver Water's basic financial statements, and have issued our report thereon dated May 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Denver Water's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Denver Water's internal control. Accordingly, we do not express an opinion on the effectiveness of Denver Water's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Denver Water's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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CliftonLarsonAllen LLP

Denver, Colorado
May 19, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Water Commissioners
Denver Water
Denver, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Denver Water's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Denver Water's major federal programs for the year ended December 31, 2025. Denver Water's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Denver Water complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Denver Water and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Denver Water's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Denver Water's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Denver Water's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Denver Water's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Denver Water's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Denver Water's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Denver Water's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

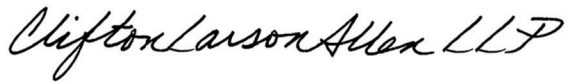
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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CliftonLarsonAllen LLP

Denver, Colorado
May 19, 2026

**DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO**

Schedule of Expenditures of Federal Awards
December 31, 2025

Schedule of Expenditures for Federal Awards

December 31, 2025

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
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	<u>\$ 8,551,977</u>
Grand Total			<u><u>\$ 8,551,977</u></u>

DENVER WATER
CITY AND COUNTY OF DENVER, COLORADO
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2025

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, 2025. 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, 2025.

5. Retainage

Retainage for work areas completed in 2025 is included in the total.

6. Subrecipients

Denver Water did not provide any federal awards to subrecipients.

**DENVER WATER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

Name of Federal Program or Cluster

66.468

Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,000,000

Auditee qualified as low-risk auditee?

 X yes _____ no

DENVER WATER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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