

2024



NORTHWATER TREATMENT PLANT





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Denver Water
Colorado**

For the Fiscal Year Beginning

January 01, 2023

Christopher P. Morill

Executive Director

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DENVER WATER OVERVIEW



CEO LETTER

To the Board of Water Commissioners and our Customers:

We are pleased to present the Annual Budget Book for Denver Water for the fiscal year beginning Jan. 1, 2024 and ending Dec. 31, 2024.

The report

This report is presented in six sections as follows:

- I. **Denver Water Overview**, which includes this letter of transmittal plus an overview of Denver Water and the City and County of Denver.
- II. **Organizational Structure**, which includes the organization chart, as well as information on the Board of Water Commissioners and Executive Leadership.
- III. **Strategy and Process**, which includes an overview of the Denver Water Strategic Plan, and details around our annual planning/budgeting process.
- IV. **Financial Section**, which contains the financial schedules (sources and uses, division budgets, FTE, fund structure, debt), and information on relevant financial policies.
- V. **Projects**, which includes an overview of the project prioritization process, the 10-year project plan, a project summary with budget, and updates on select capital projects.
- VI. **Water Rates and Usage**, which contains information on our current water rates, usage, and drought plan.

Annual budget and planning process

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 accomplishing in the upcoming year. It describes the connection of each activity to a Strategic Plan perspective, goal and objective, the organizational metric the activity is intended to move, and the corresponding annual budget amount and estimated total cost. The Annual Business Plan includes projects, priorities and programs. The

Board reviews progress towards objectives of the Annual Business Plan on a quarterly basis. A draft of the plan is shared with the Board each July and is the basis for the annual budget.

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). The Infrastructure Master Plan 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 plan, as well as the Operations and Maintenance plan, 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 multiyear 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 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 in November at the Board Budget Workshop, and the Board's official approval occurs in December.

Approach to 2024 Financial Plan

Each year, before annual budget development, the operating and capital costs are updated in the long-range financial plan. Multiple financing scenarios are run to determine how to fund the plan with a combination of revenues, debt and cash. Multiple financial planning scenarios were

presented to the Board in the fall of 2023 to demonstrate the impacts of annual revenue increases on the financial targets over the long-range plan.

The need for revenue increases in the long-range plan is being driven by the largest capital plan in Denver Water history. The largest strategic projects are included in the Annual Business Plan that was approved by the Board in July 2022, and include Gross, the Northwater Treatment Plant, and the Lead Reduction Program. In addition to strategic projects, the project plan includes planned maintenance projects and ongoing programs, such as main replacements, conduit improvements and vault improvements.

Awards, recognition and acknowledgements — 2023

Annual Comprehensive Financial Report

The Government Finance Officer's Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Denver Water for its Annual Comprehensive Financial Report for the fiscal year ending Dec. 31, 2022. This was the 35th 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.

Annual budget

Denver Water received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning Jan. 1, 2023. This is the 32nd consecutive year Denver Water has received this prestigious award. To qualify for this award, Denver Water's budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

Utility of the Future Award from the Water Environment Federation

The award recognizes utilities that have an innovative culture and are engaged in advancing resource efficiency and recovery, developing proactive relationships with stakeholders and establishing resilient, sustainable and livable communities. Denver Water was recognized for our work with diverse stakeholders on projects like the Colorado River Cooperative Agreement, WISE Partnership, the Lead Reduction Program and the High Line Canal.

2023 Exceptional Performance in Safety Award

Awarded by the American Public Works Association to the Northwater Treatment Plant project in recognition of the project leaders' commitment to significant accomplishments in the area of safety.

Gold Standard Site for Waterton Canyon

Awarded by the Leave No Trace organization. The program aims to teach people what they can — and should — do to protect the wild places around them. Waterton Canyon is the first public utility site to receive the designation.

Quality and excellence awards for fluoridation

Awarded by CDPHE. Water Quality and Treatment received this award in 2023 for the work done at the Foothills and Marston treatment plants in 2021 when we were still impacted by COVID-19 and grappling with supply chain and equipment maintenance issues.

Jacobs Beyond Excellence Significant Milestone Award

Awarded by Jacobs Engineering Inc. to recognize the significant milestone achievement of reaching 2 million hours on the Northwater Treatment Plant project without a significant safety event occurring. The award recognizes the efforts and skills of those involved in reaching the major milestone as an example of outstanding safety performance.

Gold Recognition awarded by the State of Colorado Green Business Network

For exemplary work toward true, sustainable operations, driven by care for the well-being of Colorado's environment, economy and society.

Climate Registered™ Platinum Level

Awarded by The Climate Registry for registering and verifying all relevant greenhouse gas emission sources and activities and setting and disclosing a greenhouse gas reduction goal.

Acknowledgments

We wish to express our appreciation to all members of Denver Water who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Water Commissioners for 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

ABOUT DENVER WATER

Denver Water proudly serves high-quality water and promotes its efficient use to 1.5 million people in the city of Denver and many surrounding suburbs. Established in 1918, the utility is a public agency funded by water rates and new tap fees, not taxes. It is Colorado's oldest and largest water utility.

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 structure of the five-member Board of Water Commissioners is still in existence, governed under the Charter of the City and County of Denver Article X.

- Denver Water ensures a continuous supply of water to the City and County of Denver and nearly 50% of Denver Water customers who live in the surrounding suburbs (water service contracts).
- It is responsible for the collection, storage, quality control and distribution of drinking water to nearly one-fourth of all Coloradans.
- Its primary water sources include South Platte River, Blue River, Williams Fork River and Fraser River watersheds.
- Other water sources include South Boulder Creek, Ralston Creek and Bear Creek watersheds.
- Denver Water is a separate entity from the city of Denver.



Treatment plant capacity

- Marston: 200 million gallons per day.
- Moffat: 120 million gallons per day.
- Foothills: 280 million gallons per day

Denver Water's treatment plants use "conventional" process design consisting of coagulation/sedimentation, filtration and disinfection processes. Denver Water's treated water meets or exceeds all standards set by the state of Colorado and the federal Safe Drinking Water Act.

Water efficiency efforts

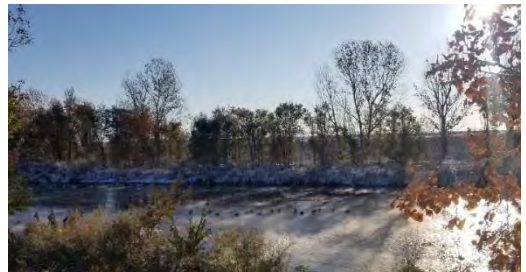
Creating a culture of conservation and water efficiency in Denver dates to 1936 when Denver Water advertised on street trolleys asking customers to help save water. The modes of communication have changed, but the message remains the same, as does our commitment to helping customers use this precious resource wisely. Denver Water offers residential rebates and personalized water use reports to customers to help them use water efficiently. Customers must adhere to summer watering rules and can access easy tips online to reduce their water use inside and out.



A Denver trolley displaying the conservation message: "Help Save Water," 1936.

Distribution system

- Miles of water mains (pipelines): More than 3,000, enough to stretch from Los Angeles to New York.
- Miles of non-potable pipes in system: 45.
- Number of pumping stations: 18 potable, three recycled and two raw water.
- Underground reservoirs in various city locations: 30.



Denver Water's collection system covers roughly 4,000 square miles, which includes the South Platte River watershed, pictured above.

Pump stations

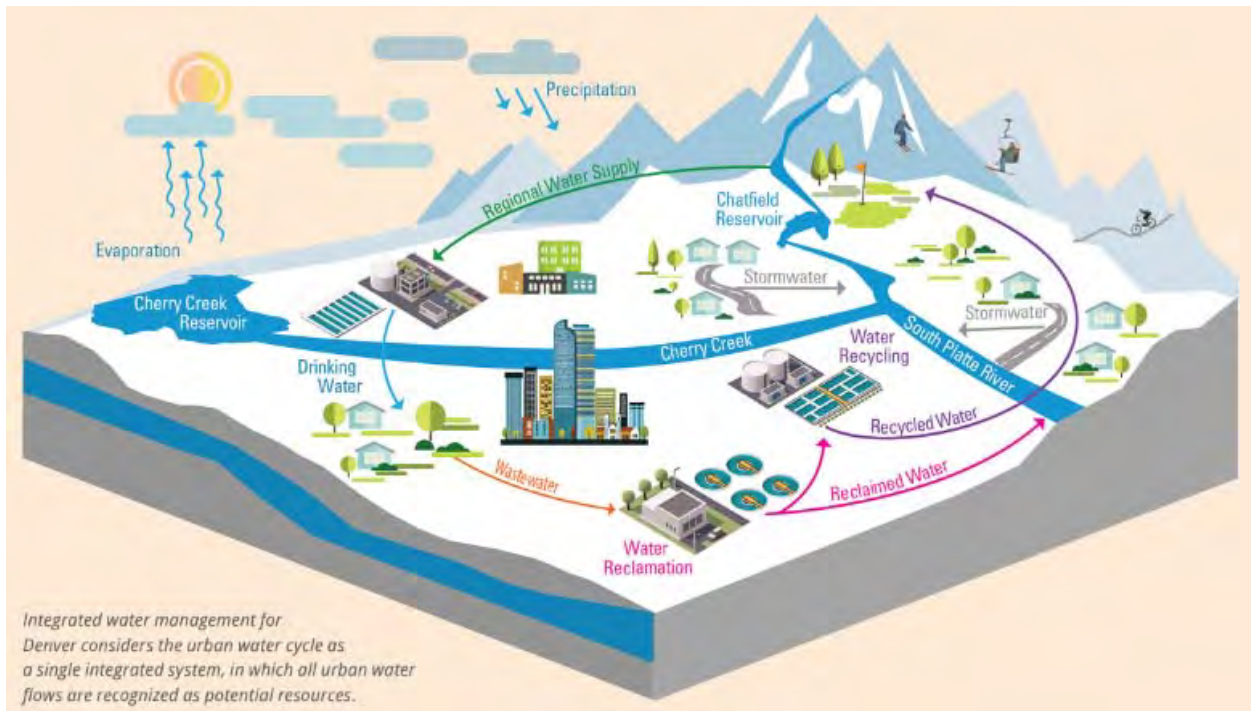
Making use of the hilly terrain and the natural topography of the South Platte River valley, Denver Water uses gravity to provide water to approximately 60% of its potable water customers. The remaining 40% rely on pump stations to deliver water. Denver Water has 18 potable, three recycled and two raw water pump stations in various locations throughout the distribution system, with a capability of pumping more than 1 billion gallons.

Denver's urban water cycle

Denver obtains its drinking water from snowmelt precipitation, originating in the mountains and foothills of the South Platte River and Colorado River watersheds. Drinking water is produced by Denver Water at four water treatment plants and delivered to homes and businesses. The city of Denver collects wastewater, which is then conveyed and treated by Metro Wastewater Reclamation District at two water reclamation facilities.

After treatment, the majority of reclaimed water is returned to the South Platte River or irrigation ditches. A portion of the reclaimed water is further treated by Denver Water at its Recycling Plant and reused for non-potable purposes, such as outdoor irrigation and industrial applications.

Stormwater and urban runoff are managed by the Mile High Flood District and the City and County of Denver, supplementing flows in the South Platte River, Cherry Creek, and many other waterways that provide green and blue spaces throughout Denver. The Greenway Foundation and The Water Connection advocate for watershed protection and revitalization of our local rivers and streams.



Local economy

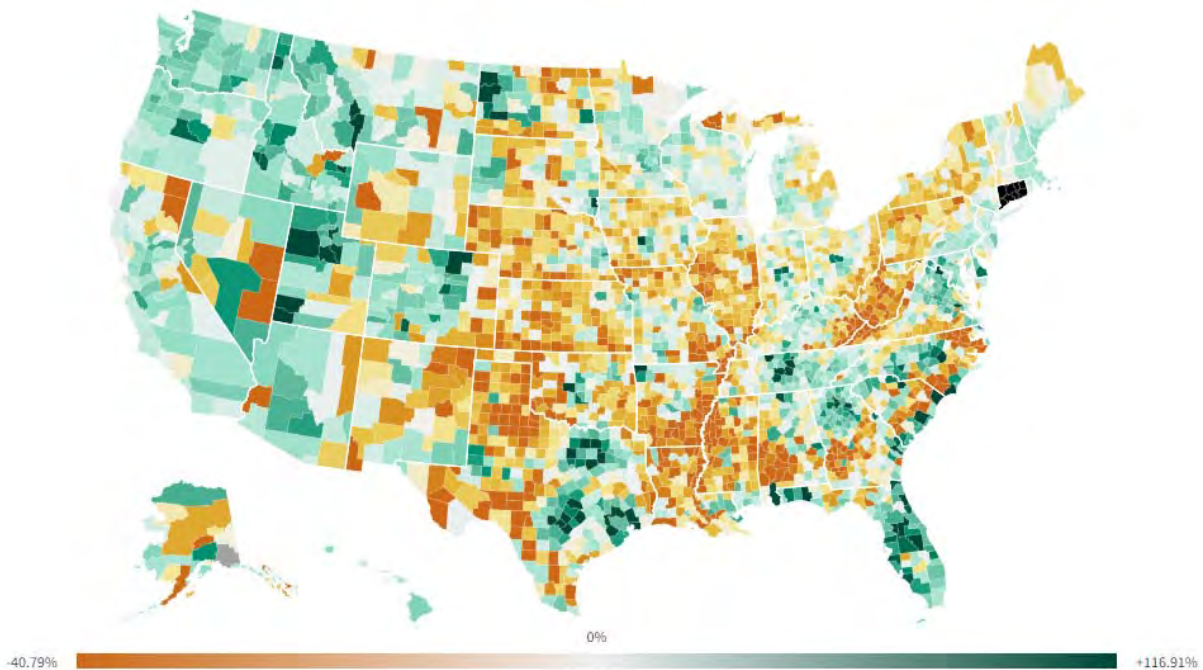
In 1858, Denver was founded during the peak of the Gold Rush. Now, Denver is a central hub of economic activity in the state of Colorado. With a population of approximately 720,000, it is also the most populous city within a 500-mile radius. Several industry clusters drive the regional economy in metro Denver representing a diverse combination of businesses, occupations and opportunities.



The statewide economy also includes agriculture and tourism. Denver Water proudly serves approximately 1.5 million people in Denver and the surrounding suburbs and is committed to serving the metro area as it grows. Water is essential in making Colorado beautiful and ensuring quality of life for communities.

Population & community

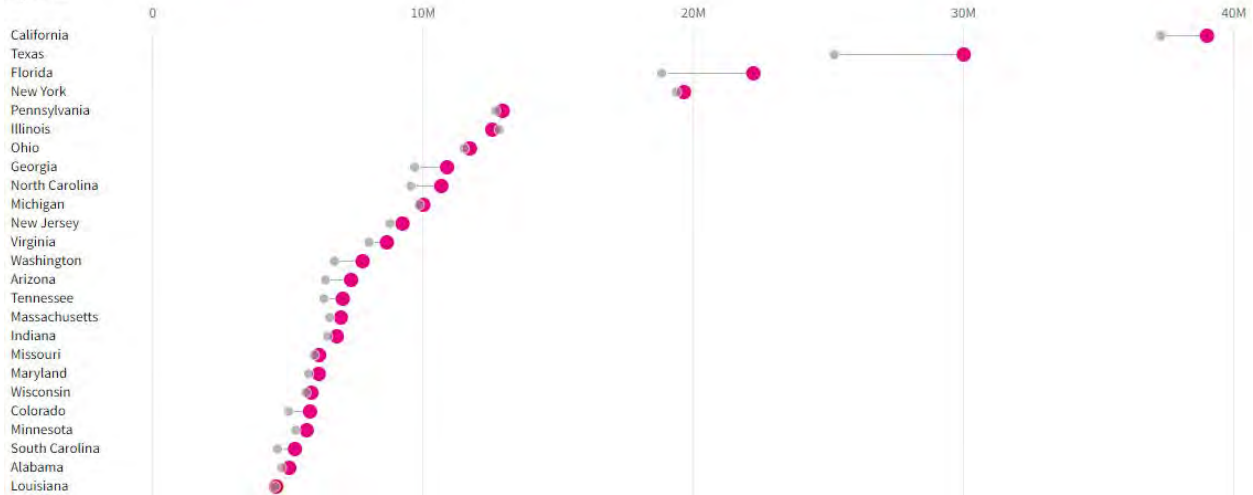
From 2010, to 2022, Colorado’s population grew 15.7% to roughly 5.8 million people. The population of Denver County, Colorado increased 18.3% during that same period. For comparison, the population in the United States grew 7.7% during that period. Between 2010 and 2022, Texas had the largest growth with 4.8 million new residents. Illinois had the largest decline with 258,513 fewer people. In terms of percentage growth, Idaho had the largest growth with a 23.4% increase. West Virginia's population declined by 1%, the most of any state.



POPULATION CHANGE BETWEEN 2010 AND 2022

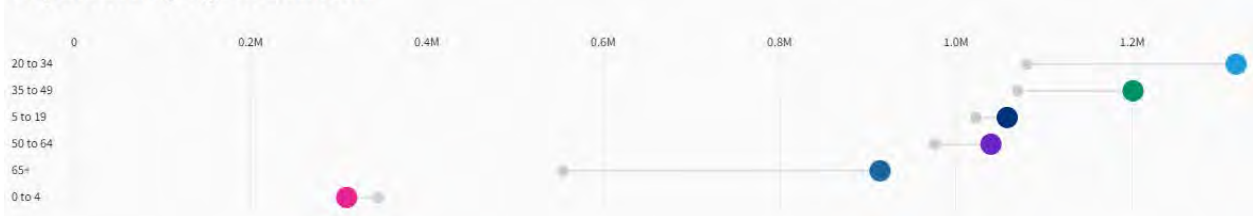
Colorado ranks 21st when comparing total population across all 50 states, with California ranking the highest at approximately 39 million.

Population 2010 vs 2022
By State



Among six age groups in Colorado, the 65 and older group grew the fastest between 2010 and 2022, with its population increasing 64.9%. The 0 to 4 age group declined the most, dropping 10.2% between 2010 and 2022.

Population by age in Colorado



(Population & Community Source: USA Facts and US Census Bureau, for more information see: [https://usafacts.org/data/topics/people-society/population-and-demographics/our-changing-population/state/colorado/.](https://usafacts.org/data/topics/people-society/population-and-demographics/our-changing-population/state/colorado/))

Labor force & employment

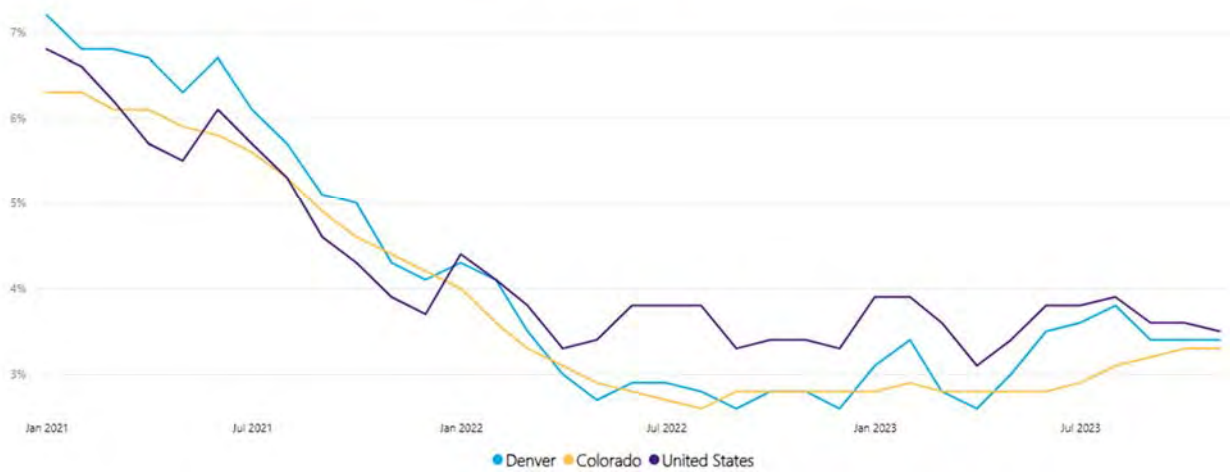
Employment figures are considered significant indicators of a region’s economic health, and individuals’ wages are usually the lead determinant of consumption levels. The graph below shows Denver’s most recent unemployment rate and describes how it has fluctuated since 2020. The labor numbers below are compiled by the U.S. Bureau of Labor Statistics at bls.gov. The labor force represents the total number of employed and unemployed people in a given region, and

the unemployment rate measures the number of individuals that are actively looking for employment divided by the labor force.

Since January 2020, Denver’s labor force has grown by about 20,000 people despite the COVID-19 pandemic. As of November 2023, the breakdown of the unemployment rate is 15,188 (a monthly increase of 266) unemployed individuals and a labor force of 444,072 (a monthly increase of 5,668). Denver’s labor market remains secure with an unemployment rate of 3.4%.

Inflation

Historical Unemployment Rate in Denver, Colorado, and the United States



As the United States experiences this inflationary period, it is worth taking a deeper dive into the inflationary figures. The dashboard shows the current and historic inflation figures in Denver and compares them to both the national average and some similarly positioned metro areas.

Considering that the expectations of inflation, provided by University of Michigan Survey of Consumer, can help predict the potential persistence of inflation, it is essential to monitor this last set of data.

The most recent release of Consumer Price Index data puts inflation in Denver at 4.5%, which is a decrease from August and September (-0.9) and brings the rate of change down to levels seen in mid to late 2021. This continues the positive trend of a declining inflation rate since it peaked of 9.15% in March of 2022. Energy (-9.5) and food (-0.6) pricing decreased from two months ago. Pricing for categories less food and energy increased (+0.3) from two months ago, mostly attributed to owners’ equivalent rent, public transportation and medical care costs.

Denver Water's new CEO/Manager: Alan Salazar

In 2023, Alan Salazar was tapped to lead Denver Water as CEO/Manager, stepping in first on an interim basis before earning the formal title in early 2024.

Salazar has more than 30 years of experience in the public sector, working in both the legislative and executive branches of federal, state and local governments.

As CEO/Manager for Denver Water, Salazar will oversee the 10-year, \$2.3 billion system investment plan, execute the policies and decisions of the board and oversee the work necessary to provide water to 1.5 million people across the Denver metro area. Salazar will represent Denver Water through many ongoing relationships with all levels of government, community organizations and stakeholders across the West – especially tied to the ongoing Colorado River Basin water crisis.



Alan Salazar

Salazar's experience has been deeply rooted in public policy, including natural resources, public infrastructure, population growth and various public sector management challenges. He has a reputation for bringing together diverse interests to resolve a wide variety of public issues. In his previous role at the city of Denver, he worked as a partner with Denver Water on many major projects, including support for the Lead Reduction Program, Gross Reservoir Expansion and the High Line Canal collaboration.

Salazar was previously chief of staff for the city of Denver, managing all appointees, including cabinet and department executives across 26 city agencies, covering more than 11,000 employees with a \$3 billion annual city budget.

Before his time with the city, Salazar served as chief strategy officer for former Gov. John Hickenlooper, chief of staff for former U.S. Rep. Mark Udall and deputy chief of staff for former Gov. Roy Romer.

Salazar is currently on the State Advisory Committee for the U.S. Global Leadership Coalition and trustee for the Denver Art Museum and Denver Center for the Performing Arts. He has a bachelor's degree in political science from the University of Colorado and a law degree from the University of Colorado School of Law.

New water quality lab opens in CSU's new Hydro building

New horizons for innovation, research and teaching.

A ribbon-cutting ceremony for the Hydro building on Jan. 6, 2023, marked the completion of the CSU Spur campus, a center for innovation and learning focused on water, land and life.

The Hydro building is the home of Denver Water's new, state-of-the-art water quality laboratory, replacing a small and outdated facility in southwest Denver that Denver Water had outgrown. It's the third of a three-building research innovation and education complex called CSU Spur built at the heart of the National Western Center, the historic site of the old stock show complex now undergoing a massive redevelopment effort.

The utility's water quality team conducts nearly 200,000 tests every year to ensure the water delivered to 1.5 million people every day is clean, safe and meets all state and federal water quality standards. The new facility provides room for Denver Water scientists to test three times that amount in the future. Denver Water's Youth Education team also will use the site to teach students about their water — where it comes from, how it's cleaned and how it's delivered to their homes.

Hydro, which is Greek for water, joined two completed buildings at the CSU Spur campus: Vida, which means "life" in Spanish, and Terra, which means "earth" or "land" in Latin.

The first building, Vida, opened in January 2022. It's home to a community veterinary hospital for the Dumb Friends League; Temple Grandin Equine Center, which offers equine assisted services; and a 9-foot model of a kitten named Esperanza, quite possibly the largest cat in the West.

The second building, Terra, opened in the summer of 2022. It features rooftop greenhouses and a teaching kitchen, along with food innovation labs for new product creation, agricultural diagnostic labs and exhibits focused on food and agricultural systems.

The intersection of those three areas — water, land and life — represent the global challenges facing our world.

The connections the three buildings will foster — between people dedicated to public health and animal care, the land and the food it provides, and the life-giving water that circulates throughout — was noted by several speakers during the ceremony. After the ribbon was cut, all three buildings were open to the public.



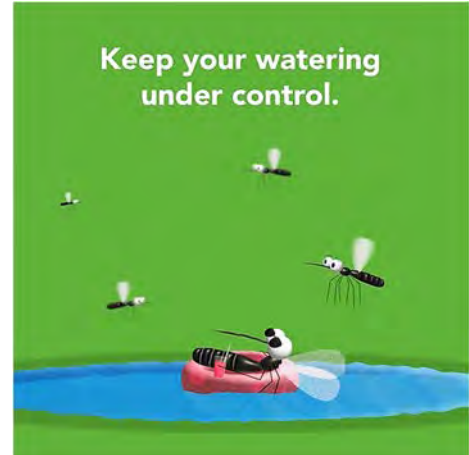
A ribbon-cutting ceremony for the Hydro building on Jan. 6, 2023, marked the completion of the CSU Spur campus.

‘A puddle in your lawn is just a mosquito party.’

Denver Water has taken a series of steps over the years to ensure it has a reliable water supply for its customers today and in the future. And it is partnering with customers, public agencies and sister utilities across the Denver area, the state and the West to prepare our communities for a warming climate that will affect us all.

Denver Water and its customers have made a lot of progress in reducing water use, especially through the 10-year conservation campaign “Use Only What You Need” that started after the 2002-04 drought. During that campaign, customers reduced their water use 22% compared to before the drought.

Recognizing the need to address the effects of the changing climate, in August 2022, Denver Water joined with water providers across the Colorado River Basin in a commitment to substantially expand efforts to conserve water, reduce demands and expand reuse and recycling of water supplies.

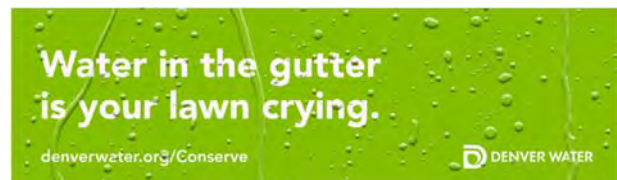


The utilities, including Denver Water, have committed to reducing “nonfunctional,” or decorative, thirsty turf by 30% across their service areas. In Denver, the transformation is starting with bigger areas, such as those grassy areas often found around municipal buildings and public spaces. Medians along roads and highways also are prime areas for planting more water-wise and drought-tolerant landscapes.

Denver Water is beginning to transform its own properties around the city and will be working with customers — large and small — as they transform their own properties. To meet the 30% target, about 75 million square feet of decorative grass will need to be transformed across Denver Water’s service area in the city and surrounding suburbs.

One big advantage is that the people who live in the Denver metro area and across the state already know how important water is in supporting Colorado’s way of life.

Denver Water is tapping into this collective sensibility by drawing attention to the importance of summer watering rules in creative and clever ways. While that campaign plays out, Denver Water also is working with partners to develop and expand water conservation programs that will help guide customers on landscape transformation.



HISTORY



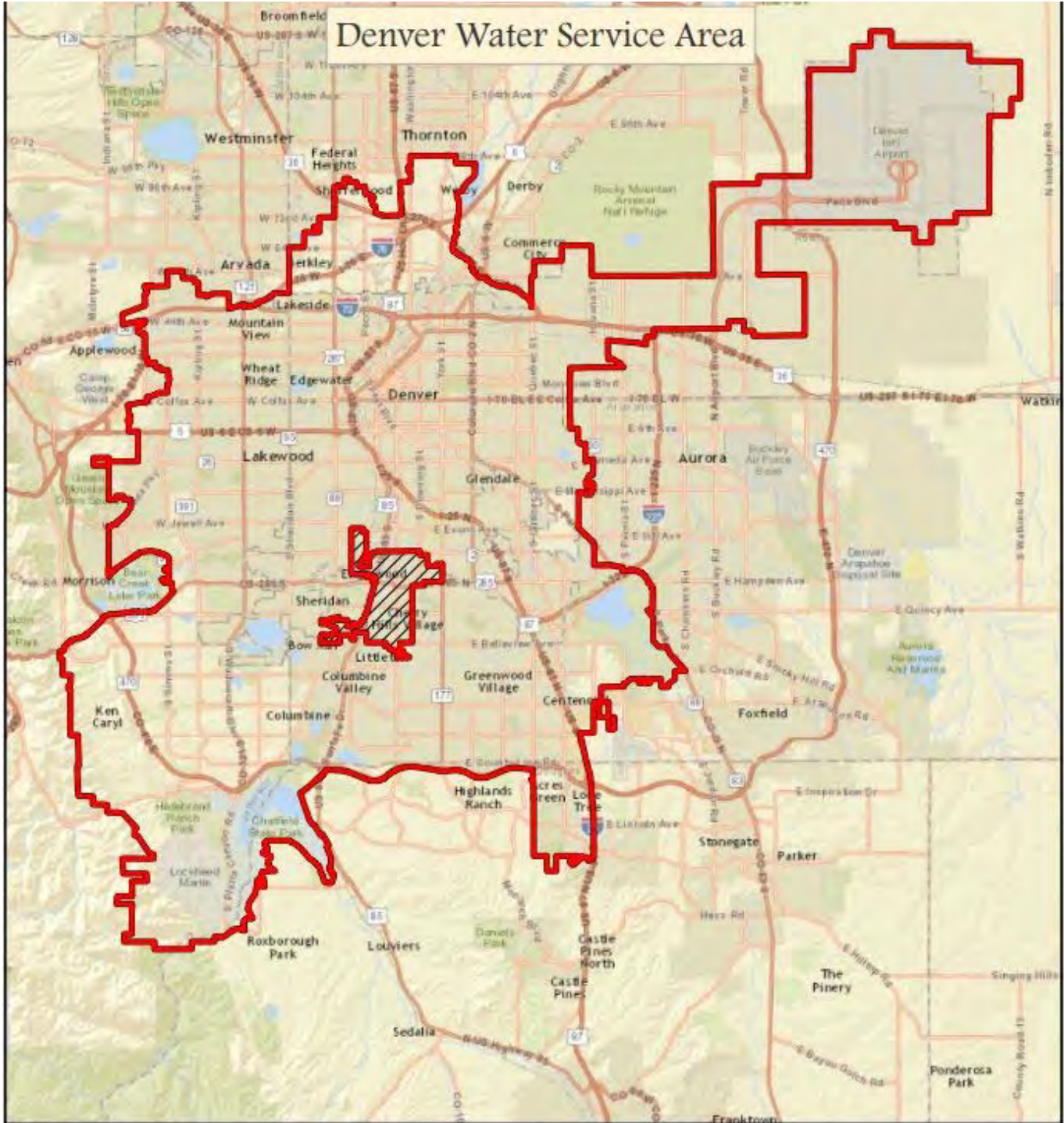
Long before the city of Denver was established, the South Platte River and Cherry Creek were oases for people who traveled the dry Great Plains. These early travelers could do without many things, but not water. That's why pioneers, and the American Indians before them, camped along the banks of Cherry Creek and the South Platte River. The first residents of the area drank water directly from the creek

and river. Surface wells and buckets of water sufficed for a while as a delivery system, but they soon proved inadequate. Irrigation ditches were the next step forward.

Soon, water companies began offering service to settlers. By the late 1800s, several water companies had fought, collapsed, or merged. In 1918, Denver residents voted to buy the Denver Union Water Company and form the municipal agency now known as Denver Water. In doing so, voters created an entity that would operate independently from city government, thereby keeping water service separate from local politics.



Today, Denver Water is the largest and oldest water utility in the state. Its service area covers more than 335 square miles, including the City and County of Denver and many suburban distributors.



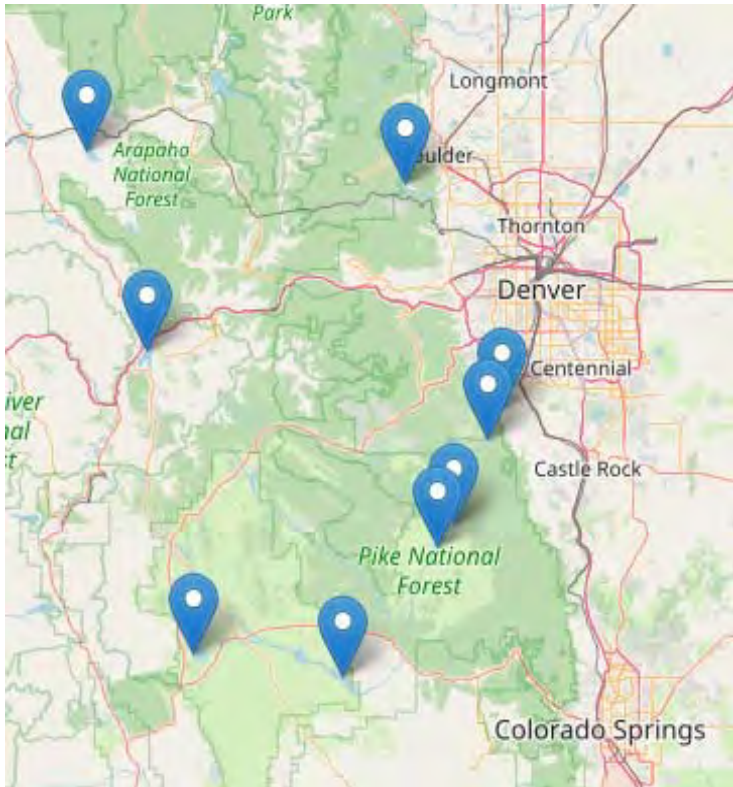
Denver Water is responsible for the collection, storage, quality control and distribution of drinking water to nearly one-fourth of all Coloradans. Almost all its water comes from mountain snowmelt, and Denver is the first major user in line for that water. Denver Water’s collection system covers about 4,000 square miles, or 2.5 million acres, and extends into more than eight counties, including Park, Grand, Jefferson, Summit, Teller, Douglas, Clear Creek and Gilpin counties.

DENVER WATER RECREATION

There's more to water than drinking it.

Denver Water's reservoirs and watershed areas offer many recreational activities. Denver Water owns nine sites that are open to public recreation.

Ultimately, this is why sustainability is incorporated into everything Denver Water does: So that future generations can enjoy and experience the great outdoors as much as we do today.



Activities allowed at each site vary, but include:

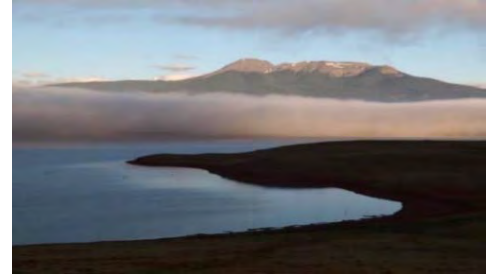


- Bicycling
- Camping
- Canoeing
- Cross country skiing
- Fishing
- Hiking
- Horseback riding
- Hunting (big game and fowl)
- Ice fishing
- Paddle boarding
- Kayaking
- Motorboating
- Nature viewing
- Picnicking
- Renting
- Rowing
- Sailboating
- Snowmobiling
- Windsurfing

Antero Reservoir

Large trout call this place home.

Antero is Denver Water’s first collection reservoir on the South Platte River. Geologists believe Antero Reservoir occupies the site of a former lakebed. While Green Lake lies submerged within the reservoir, an extinct volcano, Buffalo Peaks, looms above.



Cheesman Reservoir

A breathtaking engineering landmark.

Named for Denver water pioneer Walter S. Cheesman, the dam was once the world’s tallest at 221 feet above the streambed when completed in 1905. Denver Water purchased the reservoir and related facilities in 1918. Cheesman was the first reservoir of Denver’s mountain storage facilities and has been designated a National Historic Civil Engineering Landmark.



Dillon Reservoir

Play on and around Denver Water’s largest reservoir.

Completed in 1963, Dillon Reservoir has an earth-fill dam, 5,888 feet long by 231 feet above the Blue River streambed. The entire town of Dillon and a hydroelectric plant were relocated to build the dam, which diverts water from the Blue River basin through the Harold D. Roberts Tunnel under the Continental Divide into the South Platte River basin.



Eleven Mile Canyon Reservoir

Secluded spot with fishing, trails and camping.

Completed in 1932 after two years of construction, Eleven Mile stands 135 feet above the South Platte riverbed. The 6-mile-long reservoir is the second largest in Denver Water’s system and one of the largest bodies of water east of the Continental Divide.

Gross Reservoir

Treasure tucked away in a quiet canyon.

Named after Denver Water former Chief Engineer Dwight D. Gross, the reservoir was completed in 1954. It serves as a combination storage and regulating facility for water that flows under the Continental Divide through the Moffat Tunnel. A major construction effort – the Gross Reservoir Expansion Project – is underway, which will raise the height of the existing dam 131 feet.



South Platte River

Fishing destination and scenic mountain terrain.

A stretch of the South Platte River west of Denver has been a popular fishing spot for decades, earning it Gold Medal Waters status by the Colorado Wildlife Commission. In the 1890s, Stephen Decker built a general store and later a saloon in this area. The confluence is now a popular fishing and kayaking area.



Waterton Canyon and Strontia Springs Reservoir

From bighorns to bike trails, a great place to play.

Strontia Springs Dam is 6.2 miles upstream of the mouth of Waterton Canyon on the South Platte River. Water is diverted from the reservoir to the Foothills Water Treatment Plant and Marston Water Treatment Plant. Completed in 1983, this dam rises 243 feet above the South Platte streambed.

Waterton Canyon is home to many different types of wildlife, including the popular Rocky Mountain bighorn sheep herd. There are also mule deer, black bears, mountain lions, elk, lizards, turkeys and snakes, including the prairie rattlesnake.



Williams Fork Reservoir

A peaceful, secluded place to recreate.

Completed in 1959, Williams Fork Dam and its power plant send water and electricity to the West Slope when Denver diverts water. Standing 217 feet above the Williams Fork River streambed, the dam backs up a reservoir of nearly 97,000 acre-feet of water, and the power plant contains a 3,158-kilowatt generator.



Follow Us



ORGANIZATIONAL STRUCTURE



BOARD OF WATER COMMISSIONERS

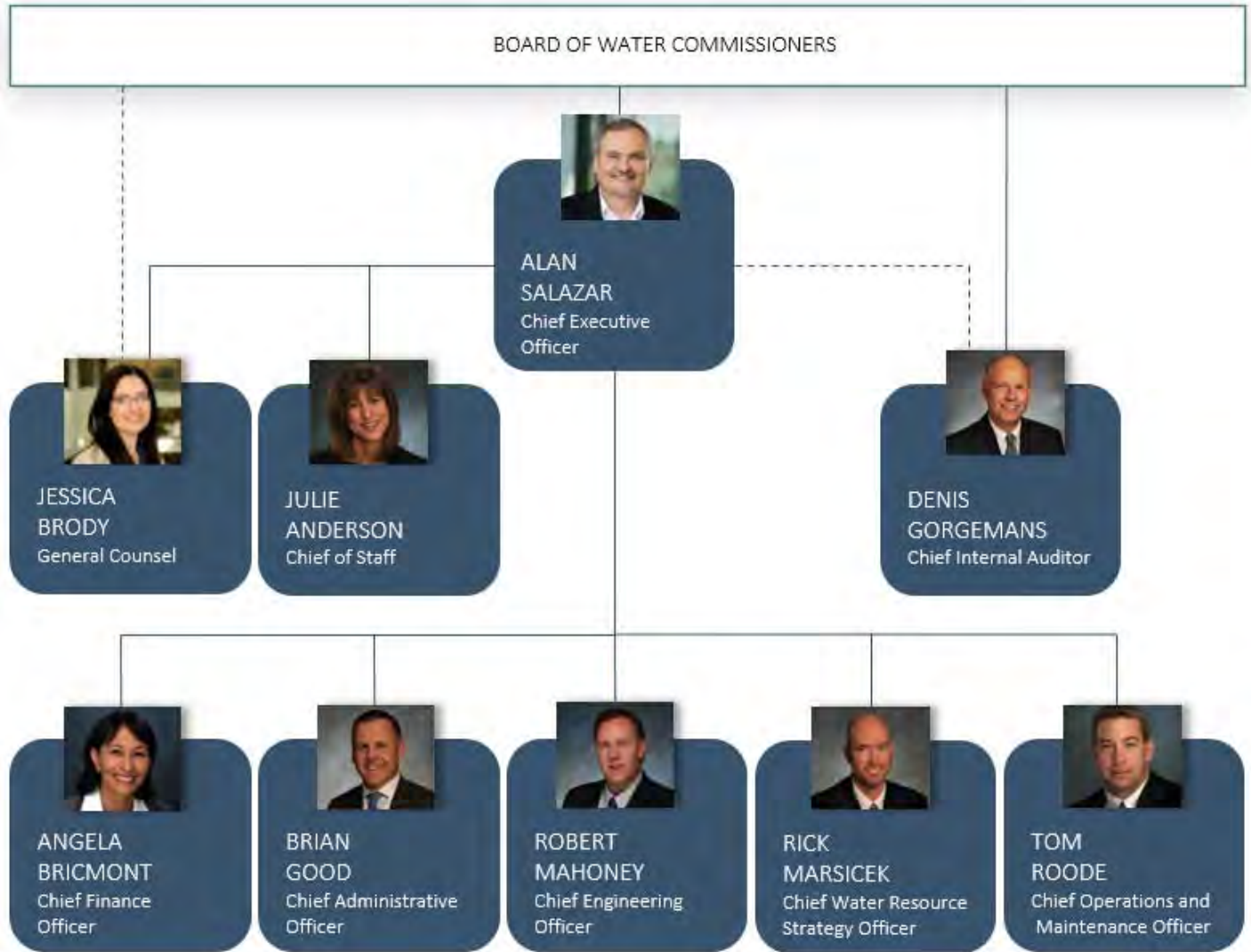
The mayor of Denver appoints Denver's five-member Board of Water Commissioners to staggered six-year terms. When a commissioner's term expires, he or she continues to serve until the mayor reappoints or replaces the commissioner. The Board's purpose is to ensure a continuous supply of water to the people of Denver and its suburban customers. Among other duties, commissioners are responsible for setting water rates and monitoring the cost and maintenance of the system. The Board holds its public meetings generally twice a month.



*From left to right (top): Dominique Gómez, Stephanie Donner
From left to right (bottom): Tyrone Gant, Craig Jones, Gary Reiff*

Dominique Gómez, President Deputy director, Colorado Energy Office	Commissioner since July 2021 Term expires 2025
Stephanie Donner, First Vice President General counsel and head of government relations, Inspire Clean Energy, LLC	Commissioner since July 2021 Term expires 2025
Tyrone Gant, Vice President Director of Treasury Management and Commercial Banking Fee Income Manager, Vectra Bank Colorado	Commissioner since August 2021 Term expires 2027
Craig Jones, Vice President Managing director, The Colony Group's Rocky Mountain Region and co-president, Colony Sports and Entertainment	Commissioner since October 2017 Term expires 2029
Gary Reiff, Vice President Senior Advisor, UC Health	Commissioner since September 2017 Term expires 2029

ORGANIZATIONAL CHART AND EXECUTIVE LEADERSHIP



*Additional full-time and limited-term employee information is included in the organizational rollup tables in the subsequent divisional sections and the Regular Employees section.

Manager & Staff



CEO

- Office of CEO

Operations
Budget:
\$3.1M

Employee Count:
FTE – 7.0
LTE – 0.0

The CEO/Manager is the chief executive officer for Denver Water, secretary to the Board of Water Commissioners and custodian of all records. The CEO/Manager also carries out all other duties and responsibilities as assigned by the board as it fulfills its charter obligations.

The CEO/Manager executes the policies and decisions of the Board and reviews and recommends to the Board changes in rules and regulations with respect to all matters appropriate for its action.

In addition, the CEO/Manager gives overall direction to employees and oversees the work necessary to provide an adequate supply of water to the residents of the City and County of Denver, and areas economically and socially integrated with the city with whom Denver Water has a water service contract.

The CEO/Manager represents the Board in ongoing relationships with all levels of government, community organizations and the public served, and recommends to the Board a rate structure and other income producing procedures that will assure adequate revenues to meet operating and maintenance costs, finance of ongoing capital improvement programs, and the principal and interest payments on long-term debts.

Five division chiefs, the general counsel, the chief internal auditor and the chief of staff report directly to the CEO/Manager.

Alan Salazar, who became Denver Water CEO/Manager in August 2023, was born in Leadville, Colorado, and is a fifth-generation Coloradoan. He grew up in the Denver metro area and is a graduate of the University of Colorado Boulder, where he earned a bachelor’s degree in history and political science. He has a law degree from the University of Colorado School of Law, where he studied water law, mining law, natural resources law and public lands issues, secured distinction as a published member of the University of Colorado Law Review and was awarded the Phillip A. Danielson Scholarship for “outstanding promise of public service.”

Salazar has a storied career involving decades of public service in Colorado. As chief strategy officer for former Colorado Gov. John Hickenlooper (currently a U.S. senator for Colorado), Salazar oversaw policy, legislative and communications staff for the governor’s office and was involved in overseeing energy and natural resources policy, including the creation of the first Colorado Water Plan, released in 2015 and updated in 2023, which serves as the state’s framework for solutions to Colorado’s water challenges.

He also served as chief of staff to former U.S. Rep. (and later U.S. Sen.) Mark Udall. Prior to that, Salazar served as deputy chief of staff and policy director for former Colorado Gov. Roy Romer. In all, Salazar participated in 15 legislative sessions through his work with Govs. Hickenlooper and Romer.



Manager & Staff

Internal Audit

- Internal Audit

Operations
Budget:
\$0.8M

Employee Count:
FTE – 3.0
LTE – 0.0

Internal Audit reports directly to the Board of Commissioners and administratively to the CEO/Manager. This structure allows Internal Audit to provide independent and objective assurance and consulting services to Denver Water, as indicated in the Internal Audit Charter. Internal Audit conducts audit engagements that review and evaluate whether appropriate risk management,

governance and internal control procedures are in place and functioning. Owing to its unique position in the organization, Internal Audit provides advice and recommendations to improve internal controls but is not permitted to make operational or policy decisions.

Each year, Internal Audit works closely with the Board of Commissioners and Denver Water’s management to develop an internal audit plan, which follows a structured audit planning process. These engagements are scheduled and executed throughout the year, following the internal audit process.



Manager & Staff

Office of General Counsel

- Office of General Counsel
- Insurance and Legal Claims

Operations
Budget:
\$4.8M

Employee Count:
FTE – 15.0
LTE – 0.0

The Office of General Counsel provides legal counsel and advice and handles all legal representation for Denver Water, acting through its Board, CEO/Manager and employees.

The office works closely and proactively with employees and managers at all levels of Denver Water and has a direct reporting responsibility to the CEO/Manager and the

Board. Several areas of legal practice are involved in providing legal counsel to Denver Water, including water rights, contracts, civil rights, tort claims, real estate, natural resources, and municipal, employment, construction, environmental and regulatory law. The office represents Denver Water in litigation, administrative and regulatory hearings, and internal appeal hearings.

Manager & Staff



Office of People and Strategy

Human Resources

- Benefits Administration
- Compensation
- Talent
- Wellness

Chief of Staff

- Continuous Improvement
- Learning and Organizational Development

Public Affairs

- Government and Community Relations
- External and Organizational Communications
- Integrated Marketing
- Youth Education
- Sponsorships

Operations
Budget:
\$15.2M

Employee Count:
FTE – 62.6
LTE – 2.0

The chief of staff reports directly to the CEO and has the full authority to lead, direct and resolve day-to-day operational and organizational issues. The chief of staff oversees the successful implementation of key strategic initiatives and is responsible for monitoring and ensuring the attainment of organizational goals.

The chief of staff also oversees the Office of People and Strategy, which aligns work and projects to organizational strategy, provides a standardized support mechanism to efficiently complete work and projects, creates a framework and practice for organizational change management, develops employees to ensure they are equipped to lead us into the future, and provides a governing mechanism to ensure sustainment of past and future organizational changes, through our people and processes.

In addition, the chief of staff recommends related policy changes for Board approval, represents Denver Water in water and community associations, and acts as a backup in the absence of the CEO/Manager when required.



Administrative Services

Administrative Services

- Clinic
- Emergency Management and Safety
- Facility Maintenance
- Geographic Information System
- Information Security Office
- Print Shop / Mailroom
- Procurement
- Records & Document Administration
- Recreation Management
- Sustainability

Information Technology

- Project Management Office
- Customer Information Systems
- Enterprise Asset Management
- Enterprise Resources Planning
- IT Client Services
- IT Data Services
- Infrastructure and Technology Services
- IT Asset Management
- Network & Industrial Control Systems

Operations
Budget:
\$51.4M

FTE – 168.8
LTE – 3.0

Administrative Services allows Denver Water to deliver services internally efficiently and effectively and to our customers. The division oversees facilities management: sustainability, environmental compliance, security and recreation. It also oversees organizational functions including purchasing and contracting, records and document administration, safety, emergency management, risk management, information technology, the employee clinic, and the print shop and mailroom.



Finance

- Accounting
- Financial Planning and Performance
- Rates
- Treasury
- Contract Control

Customer Relations

- Contact Center
- Tap Sales
- Quality Assurance and Reporting

Operations
Budget:
\$16.3M

FTE – 106.3
LTE – 0.0

Finance manages financial resources and acts as the disbursing authority for the CEO/Manager. The division is responsible for creating long-range financial plans, controlling and disbursing funds, and for planning, developing and administering water rates, among other duties. Finance functions include Accounting, Financial Planning and Performance, Rate Administration, Treasury Operations, Customer Care, Water Tap Sales, and Enterprise Project Management.



Engineering

- Hydraulics Engineering
- Technical Support Services
- Asset Recording and Drafting
- Infrastructure Engineering
- Water Treatment Engineering
- Mechanical Engineering
- Electrical Engineering
- Dam Safety
- Design Drafting
- Survey
- Construction Project Management
- Construction Inspection
- Materials Lab
- Distribution and Property Management

Engineering is responsible for the design, construction and related engineering aspects of physical additions or improvements to the water system. It provides surveying and mapping services, engineering functions, contract administration support, as-built drawings, land acquisition services and GIS database administration for system assets, among other duties.

Operations
Budget:
\$22.3M

FTE – 166.0
LTE – 6.0



Water Resource Strategy

Water Resource Strategy

- Demand Planning and Efficiency
- Environmental Planning
- Raw Water Supply
- Water Rights
- Water Resource Analysis
- Water Resource Planning
- Watershed Planning

Water Resource Strategy is responsible for ensuring a secure water future for the people we serve now and in the future. It prepares for long-range water supply planning, plans for climate change, protects watershed health, undertakes environmental permitting, forecasts for demand planning, examines water efficiency and recycling, supports our water rights, undertakes water hydrology modeling, and directs the collection and management of water in our source of supply system. The team also is critical in building partnerships with other Front Range utilities, the West Slope, and state and federal agencies.

Operations
Budget:
\$11.5M

FTE – 43.0
LTE – 0.0



Operations & Maintenance

Source of Supply

- South Boulder
- Winter Park
- Metro
- South Platte
- West Slope

Support Services

- Fleet
- Trades
- Warehouse

Water Distribution

- Construction and Maintenance
- Field Services
- Distribution Assets

Water Quality and Treatment

- North System
- South System
- Project Support

Customer Service Field

- Meter Shop
- Meter Reading and Inspections
- Central Dispatch

Operations and Maintenance is responsible for operating and maintaining the physical and natural assets used to deliver water to Denver Water customers. These assets include rivers, canals, reservoirs, dams, tunnels, pipelines, valves, hydropower, tanks, pump stations and treatment plants. Operations and Maintenance establishes and implements criteria for the proper operation of all assets to the satisfaction of outside regulating agencies and Denver Water customers.

Operational
Budget:
\$122.2M

FTE – 583.0
LTE – 20.0

STRATEGY AND PROCESS





VISION AND MISSION

Our Vision: To sustain vibrant communities that value water for future generations.

Denver Water is the nation’s premier water resource manager. Through our service, we enrich the lives of the people in the diverse communities of the Denver metropolitan area and surrounding mountains. The water we provide is a priceless resource. Everything we do – serving and engaging our customers, planning, developing and operating our system, interacting with our neighbors and the environment – fosters the value of water for future generations.

Our customers are our top priority. They rely on us to deliver a clean, reliable water supply every day, without fail. In turn, we depend on our customers to use our precious supply with the utmost efficiency. This partnership requires that we continually earn our customers’ trust by listening to them and acting in their best interest. We exist to serve them.

Our vast and complex system includes the watersheds, rivers and streams that sustain our water supply. As a result, we develop and operate our system, facilities and properties to sustain a healthy environment and produce clean energy.

We face challenges – known and unknown – such as a warming climate, pandemics, population growth, periodic drought, competition for water resources, security threats, and changing regulatory and political environments. We are prepared for any possible event. To meet these challenges, we build the trust and support of local, regional and national interests by engaging and doing the right thing. In an ever-changing world, we continuously improve, we step up, and we lead.

Financial strength is a cornerstone to our success. We employ accountable governance and control mechanisms to maintain a financial

plan that supports long-term capital investments and ensures effective and efficient operations. We prudently manage rates and ensure they are equitable across customer classes. We are fiscally responsible; we will not sacrifice long-term interests for short-term expediency.

Our people, our families and our friends live in and are part of the diverse cultures and neighborhoods throughout our water system. This sense of community, family and friendship drives our passion for service. We care about each other and the community we serve. We collaborate, we engage, and we partner.

Our Mission

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.



GUIDING PRINCIPLES

We use the following guiding principles to evaluate all of our decisions and purposefully move us toward our vision to sustain vibrant communities that value water as a legacy for future generations.

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.

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.

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.

We are inclusive.

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



EXCELLENT OPERATIONS

Advance resilient infrastructure and efficient processes to deliver clean water, reliably.

Goal	Objectives
<p>Plan, build, operate and sustain our infrastructure to meet customers' current and long-term water needs, given a warming climate and uncertain future.</p>	<p>Apply scalability to capital and long-range planning to preserve options and maintain flexibility under multiple future scenarios.</p> <p>Anticipate and proactively address infrastructure needs to ensure safety, reliability and resiliency.</p>
<p>Apply new insight and best business practices to drive customer value and continuous improvement in our day-to-day operations.</p>	<p>Use and evolve standard work plans, asset and risk management practices, metrics and operational reporting to drive efficiency.</p> <p>Listen to and incorporate insight from customers, employees and peers to anticipate future needs and drive continuous improvement.</p> <p>Invite new ideas and appropriate technologies for adapting to changing business needs.</p>
<p>Plan and operate our system and facilities to strengthen our resiliency.</p>	<p>Advance environmental stewardship within system operations and capital and long-range planning.</p> <p>Optimize operating efficiency and increase sustainability of all new and existing facilities.</p> <p>Expand our clean energy and green infrastructure portfolio.</p>



Foster a passionate and purpose-driven culture rooted in inclusion, adaptation and excellence.

Goal	Objectives
Encourage all staff to pursue meaningful opportunities to deliver on our mission.	Foster a people-first, safety-always environment, where employees discuss hazards and concerns with candor and make sound, risk-based decisions to accomplish work safely.
	Ensure a comprehensive approach to training and skill development that enables employee growth.
	Build employee leadership competencies at all levels to drive a culture of servant leadership in both spirit and execution.
Model inclusion and willingness to try new approaches in our pursuit of excellence.	Develop and grow practices that value and draw strength from the diversity of our people.
	Promote diversity in leadership by addressing systemic, cultural and organizational barriers to hiring and career advancement at all levels of the organization.
	Facilitate a culture of continuous improvement with an emphasis on creating efficiencies, removing barriers and taking calculated risks.



STRONG FINANCIALS

Balance near-term investment with sound long-range planning to ensure good value for our customers.

Goal	Objectives
<p>Manage our financial plan in a manner that supports our strategic objectives.</p>	<p>Manage debt and cash reserves to ensure successful execution of our long-range plans, meet short-term needs and prepare us for an uncertain future.</p> <hr/> <p>Proactively manage rates and fees to optimize revenue stability from year to year, ensure good value, equity and affordability across customer classes, and promote water-use efficiency.</p>
<p>Make financial decisions keeping in mind the best long-term interests of our customers.</p>	<p>Maintain a strong control environment by effectively tracking, managing and transparently reporting our financial resources, transactions and performance.</p> <hr/> <p>Develop and execute our budget to ensure alignment with our strategic priorities.</p>



TRUSTED LEADER

Lead the water industry in serving our communities and protecting the water resources of the West.

Goal	Objectives
Advance local, statewide and Western region efforts to protect Colorado's water.	<p>Align and activate key government, business, nonprofit and academic influencers to advance our strategic positions.</p> <hr/> <p>Leverage our successes and influence as a force for change toward a sustainable future.</p>
Collaborate and partner to sustain vibrant, healthy and water-smart communities.	<p>Develop and share best practices across the water industry and in the communities we serve.</p> <hr/> <p>Partner with customers and community leaders to advance public health and water conservation.</p> <hr/> <p>Build strategic partnerships to inform and influence water-smart growth.</p>
Build trust within our communities by engaging customers and doing the right thing.	<p>Act with integrity, transparency and accountability, always.</p> <hr/> <p>Build and nurture relationships with the diverse communities we serve.</p> <hr/> <p>Engage our customers, employees and partners in sharing our stories.</p>

ANNUAL PROCESS

Each year, Denver Water undergoes a detailed process to develop the Annual Business Plan and corresponding annual budget — including the ongoing governance cycle. The Business Plan's foundation is Denver Water's Strategic Plan, which is evaluated and refreshed every three to five years, with the most recent refresh occurring in 2022. The Strategic Plan is the overarching document that defines the vision, perspectives, goals and objectives of the organization.

To help identify progress, the Executive Team developed a Balanced Scorecard and Organizational Dashboard, which contains metrics that correlate to each objective in the Strategic Plan. The Executive Team reviews these metrics during the monthly organizational performance review and discusses opportunities and implements countermeasures. The dashboard is reviewed with the Board quarterly to share successes and discuss opportunities and countermeasures we are taking to improve.

The Annual Business Plan is a high-level summary of the work the organization has committed to accomplishing in the upcoming year. It connects each activity to a Strategic Plan perspective, goal and objective, the corresponding organizational metric and its estimated total cost. The Annual Business Plan is composed of projects, priorities and programs. The plan is developed in conjunction with a review of key organizational risks and potential risk-mitigation strategies, which are tracked in the organization's risk matrix. Progress toward plan implementation is reviewed with the Board quarterly. The plan is developed annually by the end of the second quarter. A draft of the plan is shared with the Board in July and forms the basis for the annual budget that is presented to the Board at the budget workshop in November.

- **Organizational priorities:** In April, within each division, the Executive Team sources strategic ideas and builds business cases for organizational priorities for the upcoming year. Team members share these ideas during a series of meetings in May to vet the business cases and prioritize highly strategic goals that will move us closer to our vision. The organizational priorities are finalized by the end of May.
- **Divisional programs:** In June, divisions develop strategies and corresponding budgets around ongoing programs for budget consideration.
- **Capital and operating projects:** Projects are selected annually based on Denver Water's Strategic Plan, Integrated Resource Plan, long-term capital plan, capital budgeting philosophy, and a business-driven process directed by the Enterprise Project Management Office. The long-term project plan is updated quarterly. Potential projects are requested using a business case form, which includes details about the evaluation process for a business need or problem, comparison

of alternative solutions, risk and asset management data, and strategic alignment. Projects are categorized and prioritized by the end of August.

After the Annual Business Plan is developed, the organization begins the annual budget development process. This process is the formal method through which Denver Water aligns fiscal resources with organizational priorities for the upcoming year. It results in an approved budget, which is the defined plan of revenue and expenses for the upcoming year. Updates to the multi-year financial plan determine the level of revenue adjustments needed to meet annual revenue requirements and financial performance measures. From this, operating and capital budget targets are developed. Based on the Annual Business Plan, the organization uses these targets to plan the budget for the upcoming year. The budget is presented to the Board in November at the Annual Budget Workshop; Board approval occurs in December.

The Approved Budget is the main internal control document used to monitor and manage revenues and expenditures for Denver Water. The organization takes an active role managing the budget to ensure proper fiscal governance and controls via the monthly budget management process, comprehensive quarterly performance reviews, and the Annual Comprehensive Financial Report, described below.

- **Monthly budget management:** Each division reviews its budget for accuracy and potential variances, and forecasts future expenditures every month. The Financial Planning and Performance section works with the divisions to review forecasts, identify exceptions to the forecast, and provide reporting on the forecast. Once this review is complete, the forecast is reviewed with the Executive Team. Variances are discussed and addressed in the context of the organizational strategy. After Executive Team review, a monthly reporting package is provided to the Board.
- **Comprehensive quarterly performance reviews:** The Financial Planning and Performance section, with assistance from the Executive Team, creates a comprehensive report of the organization's performance every quarter. The report includes a detailed review of financial performance, the Balanced Scorecard, Organizational Dashboard and Annual Business Plan. The report also details information about procurement and contracting, including performance toward supplier diversity goals. The Quarterly Performance Report communicates progress toward organizational metrics (both financial and organizational) to the Board.
- **Annual Comprehensive Financial Report:** The Accounting section, with assistance from various areas of the business, compiles the Annual Comprehensive Financial Report. The report is a set of government financial statements that complies with the Governmental Accounting Standards Board's accounting requirements. External auditors audit the financial information and review supporting data in March through April. Management reviews the annual financial report and management letter from the external auditors in April through May. The external auditor presents the report to the Board by the end of second quarter for acceptance.

Workflow for Strategic Plan and Annual 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 using feedback from the Board and 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 revised version, and many of the concepts from the previous plan were incorporated. However, there are some noteworthy differences:


- The vision changed from “Becoming the best water utility in the nation.” This was to acknowledge broader support of and engagement with the communities served. The new vision is “To sustain vibrant communities that value water for future generations.”
- This mission was designed to speak to all employees about the incredible importance of their role in sustaining communities for the long term. More broadly, the mission also addresses Denver Water’s role in western water policy.
- Denver Water’s guiding principles have increased from three to four and now reference an “inclusive culture” as integral to the ability to make informed decisions that benefit our workforce and community.
- While maintaining its emphasis on efficiency, delivery of capital projects, strong financials and continuous improvement, the framework places a greater emphasis on sustainability, Denver Water’s role in engaging as a leader in developing water-smart communities and protecting Colorado’s water. The framework also highlights the value of a diverse and inclusive culture to decision-making, adaptation and the pursuit of excellence.

The plan was shared with all employees and a gap analysis was conducted that informed the three-year implementation strategy and the 2023 Annual Business Plan. This analysis confirmed the need to be proactive beyond Denver Water’s core business by continuing large strategic projects and identifying key organizational priorities and programs starting in 2023. Project charters were created for each priority and program, and the charters were prioritized and sequenced for the upcoming year, while taking organizational capacity into consideration. The organizational scorecard and dashboard metrics also were updated to align with the plan’s goals and objectives to help navigate Denver Water’s progress.

Organizational Business Plan

Denver Water 2024 Business Plan					
TYPE	STRATEGIC PERSPECTIVE	DURATION	ANNUAL PRIORITY	ORGANIZATIONAL METRIC	DIVISION(S)
Top Priority	Trusted Leader	1918 - Current	Provide high-quality water and outstanding service to our customers	Balanced Scorecard Performance	Executive Team
Strategic Projects	Trusted Leader	2020-2034	Lead Reduction Program	Project Execution	Operations & Maintenance, Manager & Staff
	Excellent Operations	2017-2027	Gross Reservoir Expansion	Project Execution	Engineering
	Excellent Operations	2017-2024	Northwater Treatment Plant	Project Execution	Engineering, Operations & Maintenance
	Trusted Leader	2017-2030	High Line Canal Transformation	Project Execution	Operations & Maintenance
Organizational Priorities (value streams)	Inspired People	2017-2026	Safety	Safety Maturity Index	Administrative Services
	Trusted Leader	2017-2026	Customer Experience	Brand Engagement	Finance
	Strong Financials	2020-2024	Enterprise Project Management Office	Financial Plan Performance	Finance, Manager & Staff
	Excellent Operations	2023-2026	One Water Strategy	Water Efficiency	Water Resources, Manager & Staff
	Excellent Operations	2022-2026	Asset Management	Asset Availability	Operations & Maintenance, Engineering
	Excellent Operations	2023-2025	Sustainability	Resource Use	Administrative Services
	Strong Financials	2024-2026	Innovation and Technology	Operating Cost Per Account	Operations & Maintenance

Organizational performance measures



Denver Water 2024 Balanced Scorecard

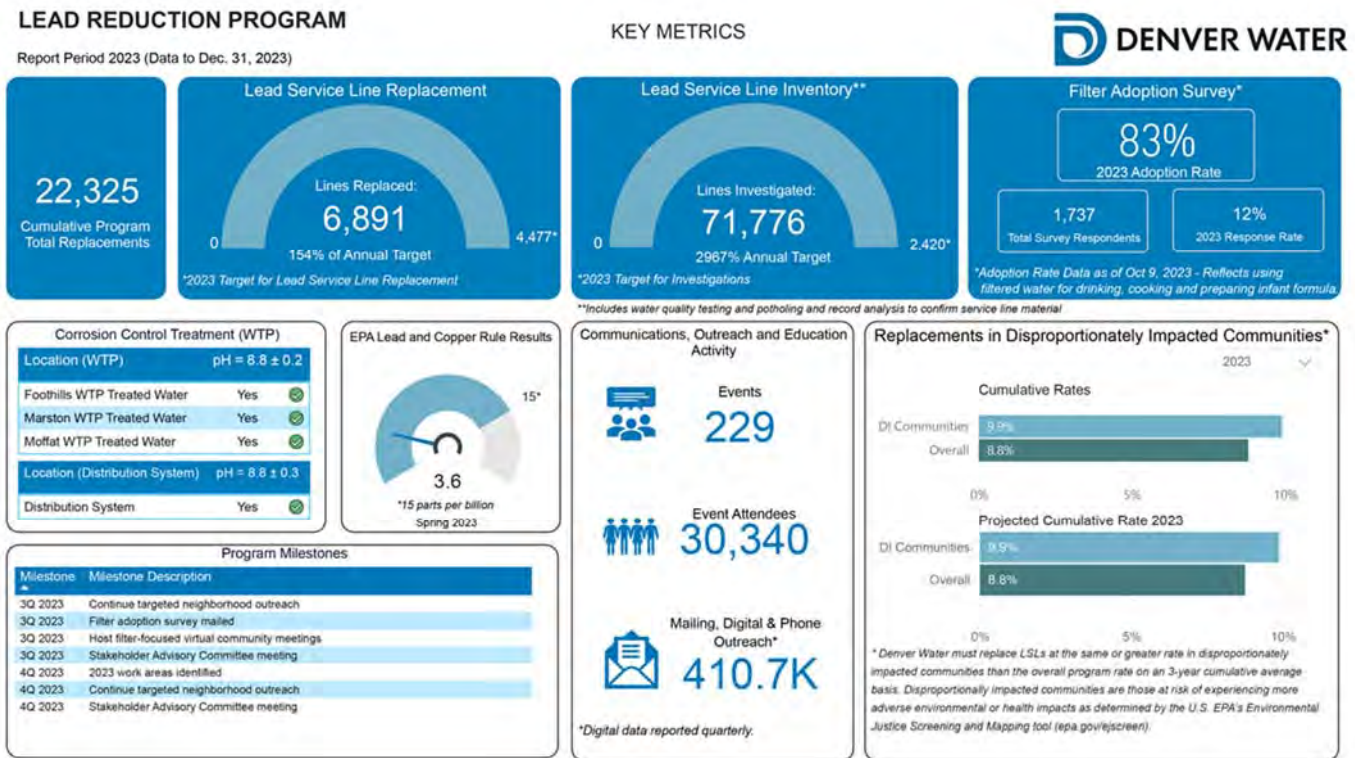
MEASUREMENT	
EXCELLENT OPERATIONS	Asset Availability
Advance resilient infrastructure and efficient processes to deliver clean water, reliably	Operating Cost per Account
	Resource Use
INSPIRED PEOPLE	Safety Maturity Index
Foster a passionate and purpose-driven culture rooted in inclusion, adaptation and excellence	Employee Net Promoter Score
STRONG FINANCIALS	Debt Service Ratio
Balance near-term investment with sound long-range planning to ensure good value for our customers	Financial Plan Performance
TRUSTED LEADER	Legislative, Regulatory and Policy Outcomes
Lead the water industry in serving our communities and protecting the water resources of the West	Water Efficiency
	Brand Engagement

Denver Water measures performance at an organizational level; individual divisional performance measures are not utilized. The organizational dashboard assesses performance against Denver Water’s Strategic Plan. This dashboard employs metrics that align to each objective, goal and perspective under the plan. The Executive Team reviews this dashboard monthly to find opportunities for improvement and to take corrective action.

The team also has chosen two to three metrics under each Strategic Plan perspective that best represent achievement toward the perspective’s goals. These metrics make up the balanced scorecard and represent Denver Water’s performance at the highest level. Although the organizational dashboard is intended to remain static over the life of the Strategic Plan, at times the metrics are adjusted to reflect a better measurement or assessment.

Lead Reduction Program performance measures

Additionally, Denver Water tracks the Lead Reduction Program’s key metrics. Customers are provided updates on the Lead Reduction Program’s progress and milestones. Updated dashboards have been posted monthly since June 2020.



The dashboard reflects activity around the five main components of the Lead Reduction Program:

1. **pH adjustment:** Increase the pH level of the water to reduce the risk of lead and other metals from getting into drinking water from lead service lines or household plumbing.
2. **Inventory:** Develop and maintain a publicly accessible inventory of all customer-owned lead service lines in Denver Water's service area. The service line is the pipe that brings water into the home from the main in the street.
3. **Lead service line replacement:** Replacing all lead service lines with copper lines at no direct charge to the customer.
4. **Filter program:** Provide a free water pitcher, filter and replacement filters, certified to remove lead, to all customers suspected of having lead services lines until six months after their line is replaced.
5. **Ongoing:** Communication, outreach and education programs.



FINANCIAL

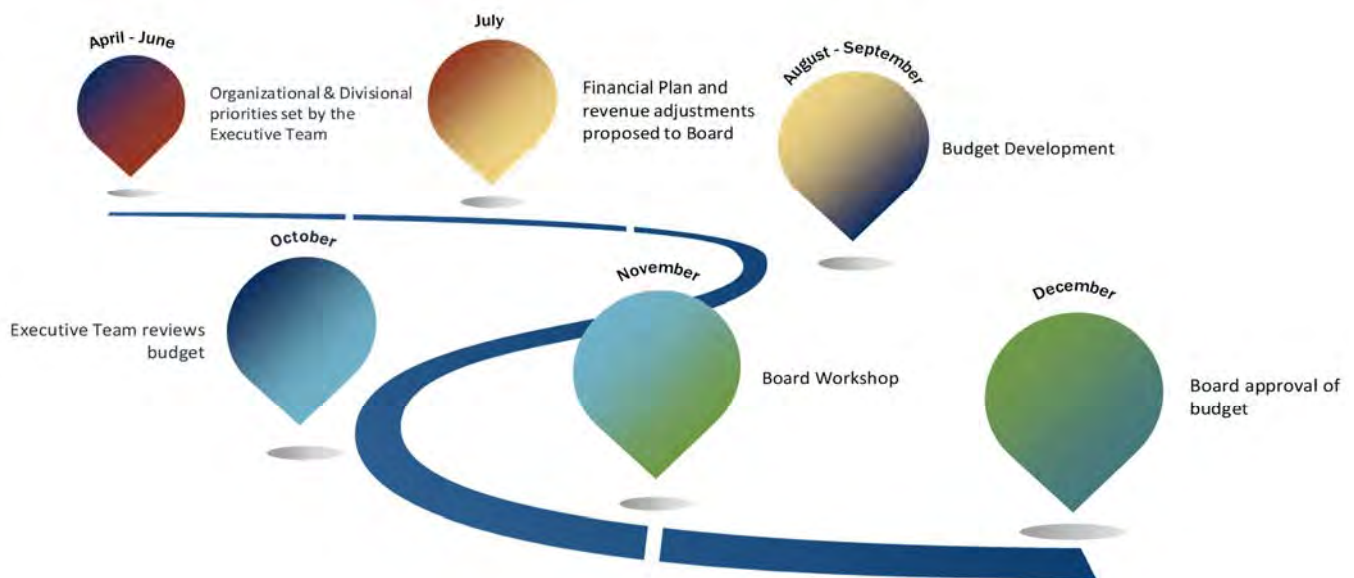


BUDGET SUMMARY

Budget development

The budget development process is the formal method through which Denver Water aligns fiscal resources with organizational priorities for the upcoming year. It results in an approved budget, which is the defined plan of revenue and expenses for the year. It is not legally required for Denver Water to formally adopt a budget; therefore, the Approved Budget serves as the final budgetary document for the organization.

The general timeline for budget development is as follows:



When the division and project budgets are complete, the Financial Planning and Performance team compiles the budgets into a draft and analyzes all revenue and expenditure projections to ensure that they meet organizational goals and objectives, adhere to budget guidelines, and that no expense category is overlooked. The Financial Planning and Performance team then presents the completed draft budget, called the proposed budget, to the Executive Team, along with a list of new projects, programs and/or expenditures, as well as any items removed from the budget. During the Executive Team’s review, each division is given the opportunity to discuss its proposed budget and provide justifications for new expenditures. The Executive Team review ensures that the proposed budget aligns with the organizational strategies and priorities for the next year. After the Executive Team approves the proposed budget any adjustments or changes are shared with division leaders and budget coordinators for their information and acknowledgement.

Each November, the Financial Planning and Performance Team, along with the Executive Team, present the proposed budget to the Board in the annual Budget Workshop. The workshop is used to gather feedback and input from the Board on the proposed budget. Based on the Board’s comments, the Financial Planning and Performance Team may subsequently revise the proposed budget. The final version of the proposed budget is formally presented to the Board in December for approval. After it is approved, the budget becomes the official plan for the next fiscal year.

Multiyear Financial Plan

Denver Water utilizes a multiyear financial plan to determine the level of revenue adjustments needed to meet annual revenue requirements for each year of the plan.

Operating expense budgets capture the day-to-day, ongoing expenses incurred to run the business. Budget targets for operating expenses are developed annually by reviewing prior year expenditures, determining which expenditures are no longer needed and adding new expenditures for the upcoming year. For this review, expenditures are classified into expense categories and are evaluated to ensure alignment with organizational goals.

Project budgets, which are generally capital expenditures but can also include operating costs, are funded by debt, system development charges or reserves. They are incurred with the intent of improving future operations. Budget targets for capital projects are based on the prioritized list of projects found within the long-term capital forecast.

Strategic projects

Below are Denver Water’s strategic projects for 2024. Project dashboards track each priority’s performance and are updated for the Board each quarter for oversight.

Lead Reduction Program

Denver Water is entering the fifth year of the Lead Reduction Program, having successfully met every regulatory metric established for the program. In 2024, we will move to year-round construction to maintain a high level of productivity and program momentum. We aim to use most of the federal funds in 2024 with service line replacements occurring in more than 35 neighborhoods, with an additional 10 neighborhoods solely for investigation activities. We anticipate reaching over 25,000 service line replacements by midyear. This requires significant ongoing coordination and support from Public Affairs and other Denver Water and consultant teams. Preparation for federal Lead and Copper Rule revisions to take effect in fall 2024 will take considerable time the first half of the year. The program team will continue to focus on coordinating with City and County of Denver departments and engaging with customers and community members to address, resolve and minimize impacts.



Lead service pipelines removed as part of Denver Water’s Lead Reduction Program, 2021.

Gross Reservoir Expansion

Crews will begin placing roller-compacted concrete on the face of the dam in spring 2024. The placement in mid-2024 will be driven by weather and will begin the second program phase focused on raising the dam in 2024 and 2025. Additional key work areas include completing dam foundation preparation, finishing the quarry development, determining on-site material balances and importation, refining batch plant operations, and finalizing the on-site materials testing laboratory.



Gross Dam Expansion, April 2022.

Northwater Treatment Plant

The project team expects to reach construction substantial completion in 2024, which will allow the plant to begin treating water. Facility commissioning and startup activities began in April 2023 and will continue through 2024, with an anticipated facility-potable-water-production test in April 2024. Crews are working diligently to ensure the plant is ready to come online prior to the start of the 2024 summer load season. In addition, the project team is mitigating major risks realized in 2023, including supply chain issues impacting large HVAC and electrical switchgear delivery dates, as well as subcontractor performance, to complete the necessary equipment installation for a successful plant startup. The construction schedule accounts for delays in equipment deliveries, targeting the April 2024 test date.



Northwater Treatment Plant being built between Ralston Reservoir and Highway 93.

After substantial completion of NTP, we will focus on project closeout, including retainage release, warranty services contract and the transfer of the contractor's project files to Denver Water. In October 2024, NTP is expected to go offline for two months to address any warranty work and make corrections or fixes within the one-year correction period.

High Line Canal Transformation

Denver Water plans to transfer a portion of the High Line Canal to Arapahoe County along with a conservation easement to be managed by the High Line Canal Conservancy. The High Line Canal Conservancy continues to maintain the planned pace of fundraising to build up the stewardship fund. Upon ownership transfer, we will begin the transitional work on the canal that will last through 2026. This will include significant tree work and channel cleanup with support from the stewardship fund. We also will support Arapahoe County in negotiating stormwater use and recreation agreements with the underlying entities within Arapahoe County. Throughout the transitional period, Arapahoe County will be supported managing Denver Water's processes for the canal, so the county can take over responsibility in 2026.

Organizational priorities (value streams)

Below are Denver Water’s organizational priorities for 2024. It is important to note that these value streams are designed to implement the Strategic Plan objectives over a period of several years. Although we started many of these value streams in 2023, they continue to be prioritized and sequenced based on capacity, budget and other competing priorities.

Asset management

In 2023, we started the Asset Management Value Stream and built a best-practice operation and maintenance plan for our vertical turbine pumps in our collections, treatment and distribution systems. This includes more predictive and preventive maintenance, uniformly performed on each asset, which should extend the life of these assets. We collaborated across the organization to build and implement this plan. We will continue to improve this process as we gain feedback from the work. The next group of assets planned for 2024 will be all our main electrical assets that feed equipment across the system. This is a large scope, but it will have significant returns in improving our system reliability and overall operating costs long term. This process also will allow us to integrate new safety-code requirements into our systems.

Customer experience

Our continuous improvement efforts will focus on refining our internal escalation process to minimize delays and disruptions and improve our staff’s ability to provide customers with clear communication about construction projects in their neighborhoods.

We also have started improvements to Denver Water’s payment channels to ensure a more consistent customer experience and to align with industry best practices. We are making it easier for our customers to update, schedule and save their information for future payments. And we are revising messaging on Denver Water’s website, while educating customers on ways to pay their bill using self-service options. We believe all these actions will give customers a better understanding of our payment options, make it easier to pay a bill and ultimately improve customer satisfaction. The core team will review feedback from the quarterly customer survey for fluctuations in customer satisfaction based on these improvements. We plan to use survey feedback for future continuous improvement activities.



Customers stop by worksite to meet Denver Water equipment operators, 2020.

Enterprise Project Management Office (EPMO)

In 2024, the EPMO team will complete the remaining process improvements identified in the value stream refresh in 2023 — optimizing resources and demonstrating value by measuring the impact of projects on key service levels and organizational metrics.

The Capacity Planning Rapid Improvement Event (RIE) will work to better identify resources needed to deliver projects so we can inform stakeholders early and build capacity in teams to support prioritized projects. We will incorporate the process developed in the RIE into annual project prioritization activities to ensure the timing of projects aligns with organizational capacity. In addition, we will boost our efforts to communicate and plan effectively with teams that support projects.

The value verification RIE will define the process for identifying and measuring value on completed projects to demonstrate Denver Water is allocating resources to projects that provide the highest value. The RIE will define what “value” means to Denver Water and how it can be measured at various points in the project lifecycle.

Innovation and technology

This value stream will kick off in early 2025 and is intended to expand our ability to innovate across the organization about the way we identify, evaluate and implement new technologies. It will build on our existing continuous improvement efforts and will not be limited to traditional information technology. This will include enhancing the culture to empower employees at every level to make small but significant daily improvements and more focused groups to achieve breakthrough improvements. We will align the effort to support the other major organizational strategic priorities.

One Water

This value stream will develop an adaptable strategy for achieving the most efficient use of our water resources, while protecting the urban watershed. We will continue to refine our One Water strategy related to efficiency, the right water for the right use and the urban ecosystem. We will continue collaborating with the Denver One Water Leaders group and continuous improvement work with the City and County of Denver. We also will initiate a joint feasibility study with Metro Water Recovery and Aurora Water to explore the potential for future regional reuse options. In 2023, we developed a decision matrix on how we participate in on-site reuse systems and will continue to advance our understanding of the long-term impacts of distributed One Water solutions. Through interaction with the Board, we will solidify our One Water Strategy and integrate this strategy with other plans and processes in Denver Water, the City and County of Denver and the region.



ONE WATER PLAN GOALS

- 
GOAL #1
PROMOTE INSTITUTIONAL COLLABORATION
- 
GOAL #2
IMPLEMENT MULTI-BENEFIT PROJECTS AND PROGRAMS
- 
GOAL #3
FOSTER COMMUNITY SUPPORT
- 
GOAL #4
INCREASE RESILIENCE AND CLIMATE CHANGE PREPAREDNESS
- 
GOAL #5
IMPLEMENT INTEGRATED WATER MANAGEMENT SOLUTIONS

Safety

In 2024, the foundation of safety at Denver Water will continue to be I AM Safety. This initiative was started in 2023 and stresses sound, risk-based choices related to employee safety. The Safety team will emphasize integration with existing value streams and cooperate with GIS to create visibility on operational safety metrics.

We will collect data related to leading and lagging safety indicators by using an online incident reporting form and targeted surveys sent to key internal stakeholders. Operational safety metrics will help pinpoint adjustments we can make to improve day-to-day safety performance by reviewing the safety maturity index in coordination with a newly developed safety metrics dashboard. Our focus on operational safety will increase attention on Denver Water’s underlying safety values of resilience, ownership, vigilance, accountability and trust. Safety also will emphasize data-driven safety innovation by partnering with the Construction Safety Research Alliance and piloting lightweight exoskeleton wearable technology designed to reduce the frequency of musculoskeletal injuries.

We will also create a Safety Leadership team to address common safety issues across Denver Water. All work identified for 2024 can be accomplished while keeping the safety budget flat.

Sustainability

Our goal is to support the continual integration improvements, efficiency efforts, and sustainability goals across the organization to protect the water supply, reduce Denver Water’s environmental impact and lower costs. We have a Sustainability Guide with clear goals, commitments and standards. The Sustainability team has made progress within its area of influence and in conjunction with watershed health, climate adaptation/mitigation, fleet and treatment operations.

Team members from across the organization participated in the Sustainability Value Stream in August 2023. Using continuous improvement tools and processes to evaluate the current state and capacity, the team was able to navigate through all operations and prioritize 12 rapid improvement and just-do-it events with an estimated savings of 2.2 million kilowatt hours of electricity (and electricity equivalent) in the next six to 12 months. The event also produced dozens of additional ideas that were captured for a future phase. Those include:

- Fleet anti-idling Rapid Improvement Event and vehicle idling reduction of 500,000 kWh equivalent.
- Marston strategic energy management project to reduce site electric usage by 400,000 kWh annually.
- Water Park boiler replacement that will increase efficiency and reduce energy use by 200,000 kWh equivalent annually.



As technology advances and best practices evolve, Denver Water continues to revisit and update our operations to make them as sustainable as possible.

Organizational Business Plan

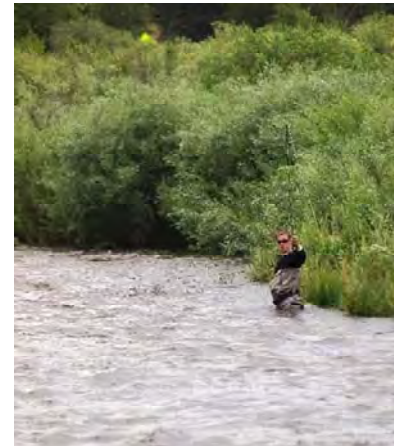
Denver Water is the nation’s premier, forward-thinking water resource manager. Each year, we lead the way in putting customers first, delivering high-quality water and planning for an uncertain future. And 2024 will be no different.

As part of our Annual Business Plan, we assess our Strategic Plan to refine organizational priorities, programs and divisional initiatives. Below, each division within Denver Water summarizes its planned contributions to the Strategic Plan in 2024.

Administrative Services

In 2024, we have several primary focus areas in IT. Infrastructure work will focus on modernizing our enterprise telecom system, supporting the Northwater Treatment Plant startup and Gross Reservoir Expansion, and replacing industrial control components at various pump stations, treatment plants and control valve vaults. We are planning several projects to enhance our customer and community outreach efforts, as well as the customer experience. We also will deliver enhancements to our financial system to extend the use of that software for several more years. Operationally, IT will continue work started last year to strengthen relationships among other departments, seeking to better understand and support current and future technology needs.

In 2023, the recreation department implemented a fishing-guide permit system and capacity limits along the South Platte River. That program has been well received and has reduced the number of person-fishing-days on our properties from about 15,000 to about 6,000 per year. While the South Platte River is still crowded, this program will improve the fishing experience over time. We are expanding the permit duration from one to three years to give guides greater certainty in booking clients and to reduce the workload for staff to process permits. In 2024, we will expand on-site campground management to include a reservation and fee system for camp sites at Antero and Williams Fork reservoirs. This will help offset the cost of campground management, reduce the likelihood of unauthorized or long-term visitors, and improve the camping experience.



Fishing along the South Platte River, 2022.

We began implementing the information governance roadmap in 2023, but we were delayed by the Microsoft transition that occurred in September. The roadmap helps categorize, label and apply retention policies to remove any redundant, obsolete or trivial data from electronic files. We expect the project to help employees protect and manage Denver Water records and information more consistently, making content easier to search, find and classify correctly to keep it secure. In 2024, we will expand that work to the rest of the organization using a substantial change-management strategy.

In addition to work being done through the Sustainability Value Stream, we plan to utilize a consultant to evaluate Denver Water’s current and potential renewable energy portfolio and provide recommendations for how to optimize and market that portfolio ahead of our two major power-purchase agreements expiring in 2026 and 2027.

Engineering

We will continue to deliver Denver Water’s largest capital plan in history, budgeted at \$1.9 billion over the next 10 years. In addition to the Northwater Treatment Plant and Gross Reservoir Expansion Project, we will work on several other projects to ensure our water storage, delivery and treatment systems will continue to serve our customers for decades into the future. Our work will include the following:

- Complete facility commissioning and startup on the Northwater Treatment Plant to bring the facility online for the summer 2024 load season.
- Move to the second phase of Gross Reservoir Expansion, including the placement of roller-compacted concrete to raise the height of the dam in 2024 and 2025.
- Continue work at the North Downstream Reservoir Complex Hazeltine Pump Station, including installing electrical and constructing the pump station’s concrete sump.
- Continue regional collaboration with the installation of the WISE treated-water connection at Denver International Airport.

Our ongoing maintenance programs include upgrades to corrosion control systems, rehabilitation of distribution system valves and vaults, modifications to pipelines, and assessment and rehabilitation of gates at several dams. With a large portion of work complete on our North System, we will complete a holistic study of Denver Water’s South System in the first quarter of 2024. Findings from this study will inform the Integrated Resource Plan and identify South System projects for the Enterprise Project Management Office’s future project prioritization process.



Denver Water Construction Project Inspector checks new pipes and valves for proper alignment, 2022.

Finance

Finance will continue leading two value streams in 2024. The Customer Experience Value Stream seeks to earn the support and trust of our customers, and the Enterprise Project Management Office Value Stream works to deliver the right project at the right time at the right cost.

In 2023, we conducted a biennial customer survey that provided a comprehensive understanding of which services have the greatest impact on customers. The survey informs the Customer Experience Value Stream and customer metrics. Finance also will lead system and software improvements to enhance the customer experience. In 2024, we will deploy a new plan-review portal to allow external builders and engineers to upload their construction project plans directly to Denver Water for approval. The portal will allow developers to view the status of project plans and response times.

We also will improve financial system functionality to better support purchasing and warehouse operations. This work builds on the warehouse inventory completed in 2023, which helped identify additional systematic controls available with a financial software update.

We will continue delivering enhanced reporting and analysis on projects and programs in our long-term plan. Performance reporting on all projects is supported by Enterprise Project Management Office and the Enterprise Reporting Tool (ERT). The EPMO uses data and reporting from the reporting tool to provide updates and analysis on project performance to project managers and leaders. Phase II of the

ERT project is planned for the third quarter of 2024 and will focus on more robust trend analysis and value verification on completed projects.

This is the second year receiving federal funding for the Lead Reduction Program from the Bipartisan Infrastructure Law, and we will conduct the first audit of the program. We also will look at other funding opportunities, including from the state. To help finance the capital plan, we implemented a variable debt program in 2023, and we will study how to optimize this new tool.

Finally, more time will be spent reviewing the financial plan, revenue sources and rate structure to connect them to the larger organizational strategy.

Office of People and Strategy

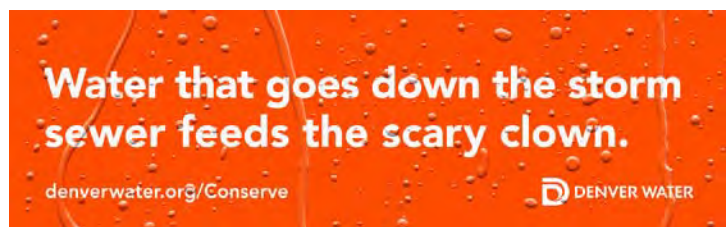
In alignment with Denver Water’s Strategic Plan, we will continue to leverage our continuous improvement culture and processes to include the organizational priorities and programs in our Annual Business Plan. The Executive Team will track progress, remove barriers and drive productive outcomes. We also will develop a model that connects the key elements of each priority and program to Denver Water’s business model. The model will help develop proper timing and sequencing of key policy topics for Board review in 2024.

We also will use continuous improvement to facilitate cross-functional teams outside of Denver Water. Two significant efforts include partnering with the City and County of Denver on multiple issues and partnering with Aurora Water on important source of supply challenges. We also will continue our efforts to improve both the depth and breadth of problem solvers within Denver Water by leading multiple “CI Basics” workshops throughout 2024.

We will continue to work on building a culture that consistently and proactively practices diversity, equity and inclusion. To accomplish this, all Denver Water work groups will attend skill-focused workshops and will develop team commitments for ensuring implementation of these principles. Additionally, the 16 diversity, equity and inclusion employee listening sessions held in 2023 identified organization-wide DEI challenges and systemic concerns that will be addressed in 2024 by multidisciplinary employee work groups. Those work groups will have clearly defined problem statements with specific objectives and measurements for resolution.

Building leadership strength will continue to be a major emphasis with the continuation of the H2O Leadership Academy and the addition of a 20-hour training orientation program for new leader, as well as continuing education with quarterly all-leader learning programs.

We will map new and existing career pathways to support our employees’ professional development, and we will expand efforts to promote diversity at all levels of our organization. We will ensure all employees have information about existing avenues for advancement. In addition, we will evaluate how to create less conventional career paths, including more formalized apprenticeship and internship programs. These could be growth opportunities for our employees that also could allow Denver Water to leverage the knowledge and skills of employees in new ways.



We will continue to lead communications and outreach for the Gross Reservoir Expansion Project, Northwater Treatment Plant commissioning and opening, the Lead Reduction Program, programming at CSU Spur, and conservation efforts, including the landscape transformation program. We will endeavor to pass statewide legislation to prevent nonfunctional turf from being installed in areas where it doesn't serve a beneficial purpose. We will enhance our coordination and outreach with stakeholders, agencies and elected officials in Denver, our service area and the counties in which we operate, and we will work with federal government stakeholders on key issues.

We will work with internal teams to ensure our website is compliant with the new accessibility law that takes effect in 2024. We also will expand external accessible outreach, youth education and engagement opportunities, placing a priority on engagement and inclusion of disproportionately impacted communities. We will implement two new software programs aimed at customer relationship and digital asset management, allowing us to better communicate with customers.

Office of General Counsel

The Office of General Counsel will continue to advance and defend Denver Water's interests in litigation in 2024. In addition, we will represent Denver Water in regulatory matters and hearings before various agencies and commissions, such as the Water Quality Control Commission and Mined Land Reclamation Board, in support of matters affecting Denver Water's interests. We will pursue our regular docket of water rights litigation, including the City Ditch and downstream reservoir water rights applications. We also will maintain our support of various business operations with policies and procedures, contracting, real estate transactions, human resource matters and other routine legal questions.

The team will aid in the advancement of local, statewide and Western-region efforts to protect Colorado's water by assisting the Government and Community Relations teams with development and analysis of, and advocacy for, relevant bills and regulations. We will continue to support Finance in implementing the commercial paper and bond program to fund key capital projects, as well as the federal funding strategy, and ensure that we have appropriate controls and oversight in place to meet all federal requirements for the Lead Reduction Program and other funding opportunities. We will continue to support the LRP team on compliance with the EPA variance and contracting, as well as anticipated changes to the federal Lead and Copper Rule. Finally, we will contribute to further refining Denver Water's One Water strategy.

Operations & Maintenance

O&M will be involved in advancing our maintenance programs to support asset management. Our focus will be to change the culture to standardize the way we manage assets. This will ensure that we record valuable institutional knowledge within our systems so that it can be used to make better decisions. The goal is to better predict expensive failures and invest that capacity into preventive maintenance to extend the life of our assets.

Within Water Quality and Treatment, we will start operations at the Northwater Treatment Plant to deliver water to the distribution system to support the summer load season. At the same time, we will begin preparing for



CSU opens final building at Spur campus providing a hands-on experience in food, health and water.

decreasing use of the Moffat Treatment Plant and cross-training staff to work across all three plants in the North System. And we will look to gain efficiencies at the new water quality lab at the CSU Spur campus by performing more analysis in-house.

We will continue our main replacement program with the goal to eventually reach 1% annually. In 2023, we replaced 0.62% of water mains. We don't anticipate increasing staffing in 2024 to reach that 1% target. Instead, we believe we can gain some efficiencies using continuous improvement tools to increase our rate.

We will work to reduce inventory levels in the warehouse. Those levels increased during the pandemic, but now supply chains seem to be improving. As we do this, we will continue to improve the processes for purchasing, receiving and issuing items through the warehouse.

Water Resource Strategy

Water Resource Strategy will continue to operate, maintain, and develop water resources and options that ensure a sufficient and dependable water supply to meet the needs of our current and future customers. In 2024, we will ramp up work on updates to the Integrated Resource Plan, including engaging with the Board to determine service-level and reliability standards. We will closely coordinate with other strategic initiatives across the organization. And we will continue to implement new tools and programs, such as evaluating the impacts of warming weather patterns on drying watersheds, algal blooms in reservoirs and changes to precipitation.

We will continue to protect and develop water rights, including improving the Platte and Colorado Simulation Model, our long-range planning model. We will support the water court applications for City Ditch and the North Reservoir Complex. We will continue our multiyear review and revision of our water accounting. And we will refine water supply forecasting efforts, including participating in enhanced snowpack measurement activities.

We will advance regulatory compliance efforts with the Gross Reservoir Expansion Project and other construction projects. We will continue working with Grand County's Learning By Doing and other cooperative efforts that benefit river and stream systems in our source-water watersheds. In 2023, we marked a major milestone in the holistic watershed management program with completion of the plan and publication of the watershed planning hub interactive tool. In 2024, we will continue tracking, assessing and prioritizing implementation measures in the collection system. We will continue to work to mitigate catastrophic wildfire risk through participation in the From Forests to Faucets Partnership.

We will continue to develop a new efficiency program, including the Colorado River memorandum of understanding goal of replacing 30% of the service area's nonfunctional turf with water-wise plants. We will conduct customer research and pilot projects to find the most effective ways to achieve landscaping and overall efficiency goals. We also will expand engagement with key stakeholders, such as the Denver Botanic Gardens, the City and County of Denver, other municipal agencies and partners in the landscaping industry.

Budget highlights

As seen over the past 3 years, Denver Water has continued to experience increases to operating costs in several key areas (i.e., paving, trucking/hauling, fuel, utilities, pipe). These impacts are reflected in the 2024 Budget. The operating expense categories of Materials and Supplies, Construction and Field Services, and Utilities have had the largest year-over-year increases.

Below are summaries of the major changes to each expenditure category for the 2024 budget.

Sources of Funds – \$763.2M (increase of \$101.2M, 15.3% from 2023)

The change to the amount needed from commercial paper, a planned bond issuance and use of the Drinking Water Revolving Fund Loan for the Lead Reduction Program represents much of the change from 2023 (\$80.1M). The Water Sales budget reflects the updated five-year demand projections and the 5.0% rate revenue increase that was approved by the Board (\$15.0M).

Other notable changes to the revenue budget include an increase of \$4.2M to Contributions for participation from Arvada for Gross Reservoir Expansion (equal to 16.7% of construction costs), and a reduction of \$3.0M to the System Development Charge (SDC) due to the expected slowing of development in the Denver area.

Operating Expense without projects – \$247.2M (increase of \$13.2M, 5.6% from 2023)

Salaries and Benefits – \$148.7M (increase of \$3.6M, 2.5% from 2023)

The budget includes \$4.8M for a 5.0% overall merit increase and 0.5% pay adjustments. Additionally, a net of 5.8 positions were removed from the 2024 budget. This resulted in a salary savings of \$596K.

Other notable changes include: an increase to the budgeted vacancy rate from 5.5% to 6.0%, which is consistent with the 2023 forecast (-\$813K) and an increase to the amount of labor budgeted on projects (-\$1.1M).

The change to benefits in 2024 is \$358K. This includes an increase to the pension contribution based on actuarial analysis (\$500K) and a reduction to the expected medical and dental claims cost in 2024 (-\$243K).

FTE – 1,154.6 FTE and 31.0 LTE (decrease of 5.8 FTE/LTE from 2023)

As in prior years, we performed a thorough review of FTE/LTE for each division. Our goal for 2024 was to reduce the number of budgeted positions to help offset rising costs seen elsewhere in the budget. A net of 5.8 FTE/LTE were removed from the budget as a result of this effort.

Professional and Purchased Services – \$63.9M (increase of \$7.6M, 13.6% from 2023)

During budget development, divisions spent a significant amount of time reviewing their Professional and Purchased Services contracts and expenditures. This resulted in several changes to the budget for 2024. Many of the changes are due to continued inflation, scheduled contract cost increases and maintenance items at our various locations.

The most significant change for 2024 is an increase of \$2.6M to the Water Distribution budget for items such as paving, boring, barricades/signage and hauling/trucking. We have continued to see

significant inflation in these areas and have adjusted the 2024 budget to reflect the level of spending in 2022 and 2023 for these essential operations expenditures.

Materials, Supplies, and Chemicals – \$32.0M (increase of \$2.2M, 7.3% from 2023)

The 2024 budget has been increased to reflect the cost increases that we are experiencing in materials and supplies in our Operations and Maintenance division (\$2.3M). A large portion of this increase (\$1.3M) is in Water Distribution. The unit prices for key materials have increased significantly over the past two years, impacting the cost to maintain our system.

Chemical prices have leveled out some over the past several months and we are not seeing the steep increases that we experienced in 2021 and 2022. As a result, the chemical budget has been reduced by a total of \$316K for 2024.

This total includes the addition of chemicals for the Northwater Treatment Plant, which is expected to come online in the second half of 2024 (\$3.0M). Moffat will continue to run after NTP is online but will operate in a reduced capacity. The chemical budget for Moffat has been reduced by \$875K to reflect this change in production. Additionally, we have reduced the budget by \$2.4M to incorporate the current unit pricing and the updated quantities based on the 2024 demand projections.

Travel, Training, and Conferences – \$1.3M (increase of \$0.02M, 1.8% from 2023)

There are no significant variances for 2024.

Other Expenses – \$1.3M (decrease of \$0.2M, -15.5% from 2023)

The majority of this variance is due to a reduction in cost for the lease of fleet vehicles (-\$397K) and an increase to the lease costs for the water quality lab at CSU Spur (\$183K).

Capital and Operating Projects/Programs

All projects/programs on the long-term forecast were thoroughly evaluated using the updated project submission, prioritization and selection process put in place by the EPMO. The process includes an analysis of alternatives, evaluation of capacity needs and dependencies, completion of a risk assessment, review of the proposed timeline, and an estimation of the expected costs.

Operating Projects/Programs – \$34.9M (increase of \$5.3M, 17.8% from 2023)

The most significant change to operating projects is an increase to the amount of planned expense for the Lead Reduction Program using the principal forgiveness funds (\$7.1M).

Capital Projects/Programs – \$369.0M (increase of \$4.2M, 1.2% from 2023)

We are in the midst of our largest capital plan in history. The largest projects and programs in the 2024 capital budget are the Gross Reservoir Expansion, Northwater Treatment Plant, Lead Reduction Program and Main Replacements/Improvements.

SOURCES AND USES

COMPARISON OF SOURCES AND USES OF FUNDS							
	2021		2022		2023		2024
	Budget	Actuals	Budget	Actuals	Budget	Unaudited Actuals	Budget
BEGINNING CASH & INVESTMENTS	258,734	258,734	403,589	403,589	361,825	361,825	228,400
SOURCES OF FUNDS							
Water Sales	311,270	323,079	326,191	349,174	356,513	320,568	371,423
Hydropower	3,801	3,835	3,787	3,921	3,962	4,171	4,035
Special Assessments and Fees	7,057	7,066	7,137	6,443	7,139	5,346	7,139
Interest Income	1,480	1,112	1,169	2,315	5,375	7,020	6,456
Other Revenue ³	8,766	8,436	8,606	10,561	23,785	22,391	28,472
System Development Charges	22,000	37,897	34,988	47,221	34,679	32,825	31,679
Contributions	5,485	4,142	32,239	22,865	24,247	21,631	27,583
TOTAL REVENUE	\$ 359,860	\$ 385,567	\$ 414,116	\$ 442,500	\$ 455,700	\$ 413,951	\$ 476,787
Proceeds from debt	350,000	351,185	120,000	200,773	206,271	170,135	286,378
TOTAL SOURCES OF FUNDS	\$ 709,860	\$ 736,752	\$ 534,116	\$ 643,273	\$ 661,971	\$ 584,085	\$ 763,165
USES OF FUNDS							
Regular Wages and Other Pay	95,275	95,104	101,517	104,681	107,628	108,619	111,943
Applied Labor ¹	(11,094)	(8,104)	(10,746)	(9,255)	(10,724)	(10,068)	(11,816)
Benefits	44,568	44,755	46,782	45,381	48,243	47,006	48,601
Salaries and Benefits	128,748	131,756	137,553	140,806	145,147	145,558	148,728
Materials and Supplies ³	20,445	22,260	23,185	28,784	29,876	30,659	32,031
Utilities	8,339	9,451	8,911	11,354	9,228	9,902	10,794
Professional and Other Services ³	36,672	38,165	41,467	43,512	47,054	50,999	53,131
Other Expense ³	1,637	1,928	4,821	4,991	2,747	3,159	2,538
Subtotal Operating w/o Projects	\$ 195,842	\$ 203,560	\$ 215,936	\$ 229,447	\$ 234,052	\$ 240,277	\$ 247,222
Collection	898	1,108	2,112	1,983	2,587	1,761	2,433
Distribution	985	1,459	802	994	918	858	685
Expansion	5,095	5,692	4,335	4,061	3,526	3,345	3,500
Operations Support/Other	5,444	5,660	8,338	8,830	21,893	17,863	28,051
Treatment	325	386	566	543	670	447	202
Operating Projects	12,748	14,304	16,153	16,411	29,594	24,274	34,870
TOTAL OPERATING COSTS	\$ 208,590	\$ 217,864	\$ 232,090	\$ 245,858	\$ 263,646	\$ 264,551	\$ 282,092
Collection	41,840	38,152	185,992	123,542	144,449	122,018	158,176
Distribution	72,535	67,883	50,068	50,504	57,539	58,219	75,280
Expansion	29,362	20,691	4,542	2,986	5,772	2,535	5,353
Operations Support/Other	84,689	70,787	84,454	67,192	95,364	83,979	101,081
Treatment	128,287	125,404	107,757	119,144	61,692	62,154	29,145
Applied Labor	-	-	-	-	-	-	-
TOTAL CAPITAL (incl. applied labor)	\$ 356,713	\$ 322,916	\$ 432,813	\$ 363,366	\$ 364,816	\$ 328,905	\$ 369,035
Debt Service	50,351	50,519	55,786	53,166	71,843	127,638	75,170
TOTAL USES OF FUNDS	\$ 615,654	\$ 591,299	\$ 720,688	\$ 662,390	\$ 700,305	\$ 721,093	\$ 726,297
Cash balance adjustment ²		(598)		(22,646)		3,583	
ENDING CASH & INVESTMENTS	\$ 352,940	\$ 403,589	\$ 217,017	\$ 361,825	\$ 323,491	\$ 228,400	\$ 265,268

Notes:

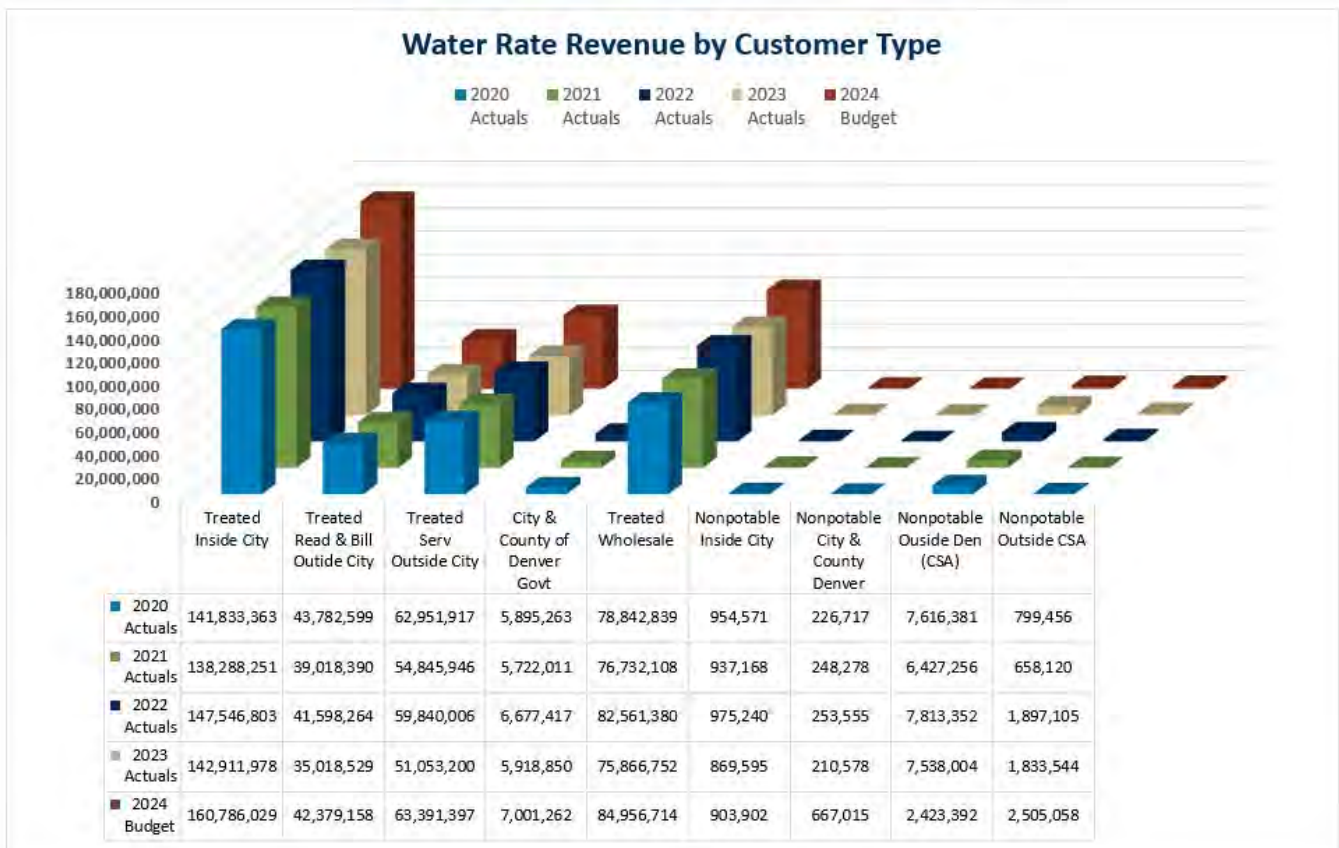
1) Actuals in the above chart are being reported on a budgetary basis

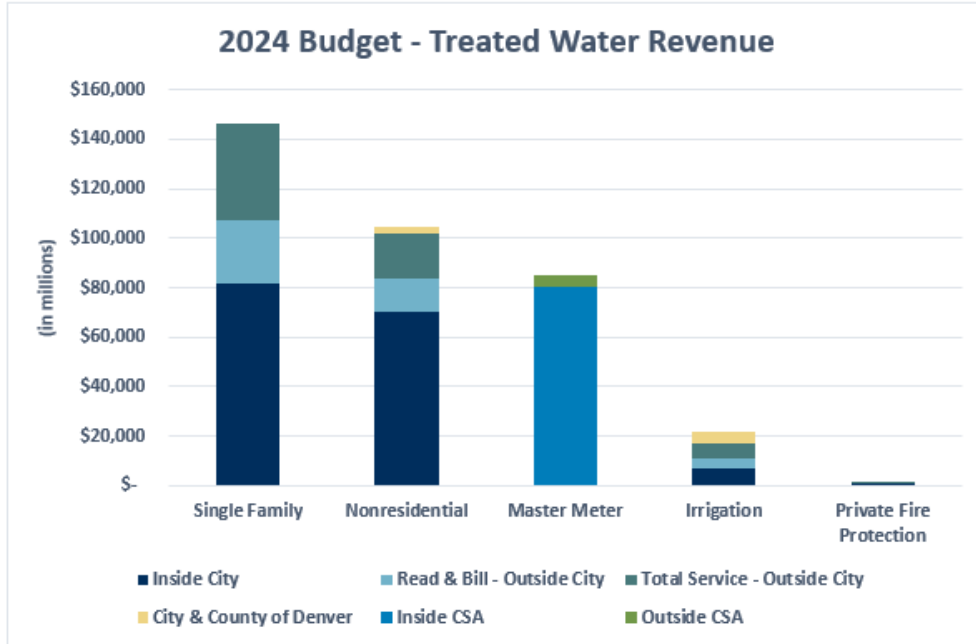
2) The cash balance adjustment represents timing differences between the receipt of revenues and payment of expenditures at year-end (these items are included in the year-end accruals, but the cash is not impacted until the following year).

3) Includes State & Local Grant Funding as well as Principle Forgiveness on SRF loan.

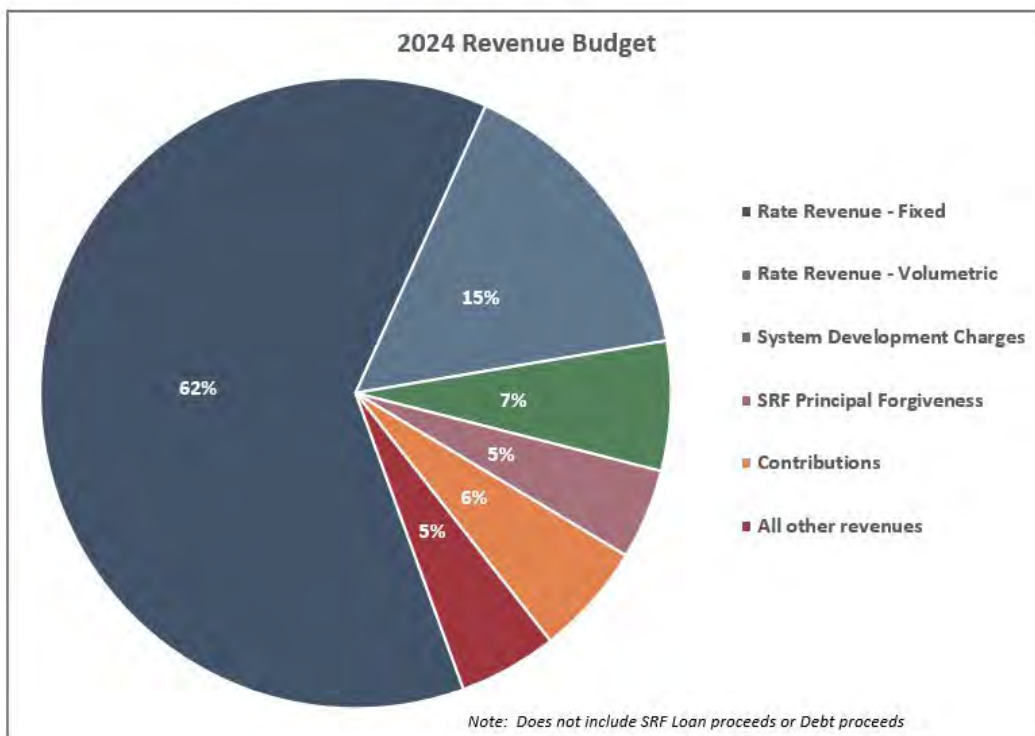
REVENUE

Revenue adjustments identified in the 2023 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 cost of facilities over time rather than requiring the full amount in any one year. The adopted revenue adjustment for 2023, effective Jan. 1, 2023, is expected to produce 5% of additional revenue over a 12-month period, assuming normal weather and consumption. The Financial Plan is updated annually.





Denver Water’s program team led a complicated effort to apply for \$76M in federal funding to accelerate the removal of customer-owned lead service lines. Gearing up to apply for the funds and tracking the expenditures according to federal guidelines required the collaboration of many employees across the organization. The Colorado Water Resources and Power Development Authority Board unanimously approved the loan in October, and Denver Water began drawing from these funds in 2023. The funding will reduce the duration of the program and address some of the more complicated lead service line removals. The total loan amount is \$76.1M, of which \$40M of principal was forgiven at loan execution.





Outside the City and County of Denver, Denver Water provides residential water service through contractual relationships with distributors. There are three main kinds of contracts for residential water service outside the City and County of Denver:

Total Service

Under Total Service contracts, Denver Water owns the water system and is responsible for its operation, maintenance and replacement. Denver Water reads each customer’s meter and bills each customer at the established “Total Service” rate. In Total Service Areas, water service is provided to customers in the same manner as it’s provided to customers inside Denver.

Master Meter

A Master Meter distributor owns and is responsible for construction, operation, maintenance and replacement of its water system. Denver Water delivers water to the distributor through one or more master meters and bills the distributor at the established “Wholesale (Master Meter)” rate. The distributor, not Denver Water, is responsible for reading the meters of its individual customers and for billing its individual customers according to rate schedules established by the distributor.

Read and Bill

Under Read and Bill contracts, the distributor owns and is responsible for construction, operation, maintenance and replacement of its water system into which Denver Water delivers water. Denver Water reads the meter of each customer and bills each customer at the established Read and Bill rate.

DIVISION BUDGETS

DENVER WATER BY DIVISION – OPERATING EXPENSE SUMMARY							
Division Name	SALARIES AND BENEFITS		OTHER OPERATING COSTS		TOTAL OPERATING COSTS (without Projects)		
	2023 Budget	2024 Budget	2023 Budget	2024 Budget	2023 Budget	2024 Budget	% Budget Change
Administrative Services	25,119	26,196	23,702	25,233	48,821	51,429	5.4%
Engineering	21,324	21,208	1,387	1,097	22,711	22,306	-1.8%
Finance	11,393	11,841	3,910	4,439	15,303	16,280	6.4%
Manager & Staff	17,442	17,743	5,509	6,161	22,951	23,904	4.2%
O&M	66,532	68,849	48,270	53,331	114,803	122,181	6.4%
Non-Divisional	(3,175)	(4,064)	2,012	3,719	(1,163)	(345)	-70.3%
Water Resource Strategy	6,512	6,954	4,091	4,513	10,603	11,468	8.2%
TOTAL DIVISION OPERATING	\$ 145,147	\$ 148,728	\$ 88,881	\$ 98,494	\$ 234,028	\$ 247,222	5.6%



REGULAR EMPLOYEES

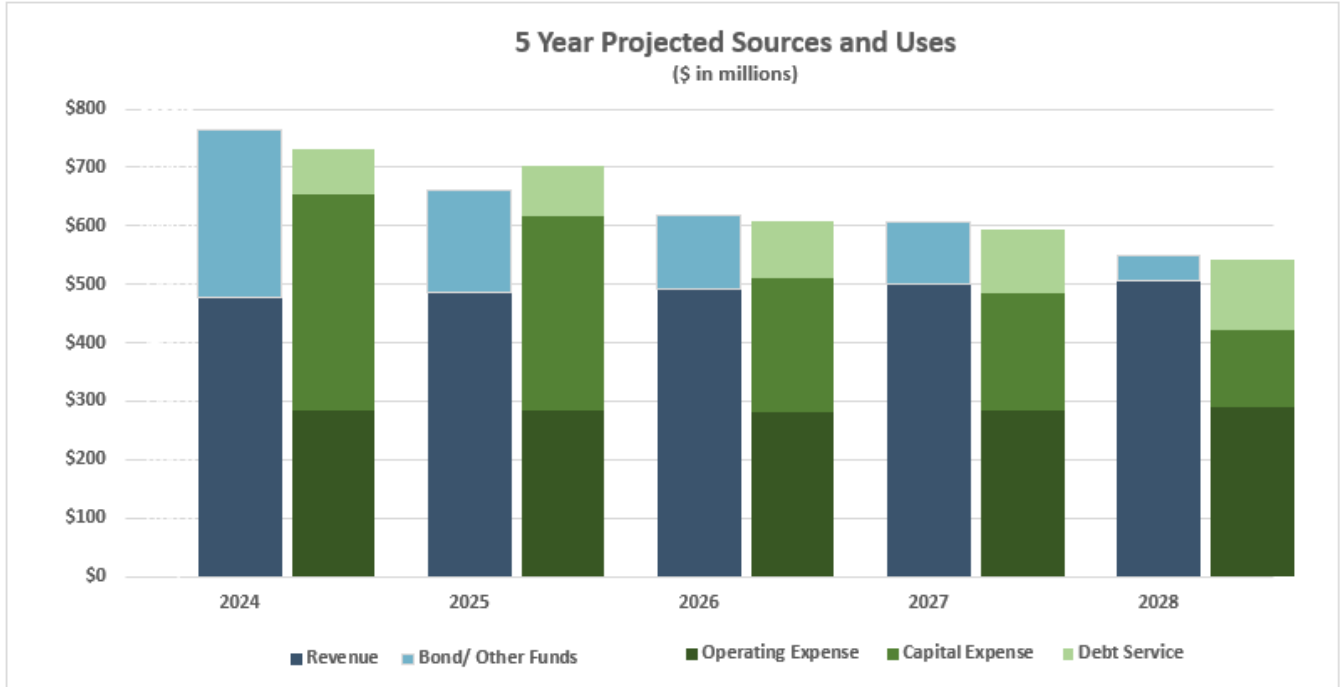
DENVER WATER – REGULAR EMPLOYEE COUNT										
Division	2020 Budget		2021 Budget		2022 Budget		2023 Budget		2024 Budget	
	FTE	LTE	FTE	LTE	FTE	LTE	FTE	LTE	FTE	LTE
Administrative Services	165.25	1.00	166.75	2.00	168.75	3.00	168.75	3.00	168.75	3.00
Engineering	173.75	2.00	173.75	2.00	173.75	5.00	172.75	5.00	166.00	6.00
External Affairs ¹	187.99	5.00	-	-	-	-	-	-	-	-
Finance	36.00	1.00	93.26	-	103.26	-	106.26	-	106.26	-
Manager & Staff	58.80	-	84.40	-	84.60	1.00	86.60	2.00	87.60	2.00
Operations & Maintenance	481.00	12.00	565.00	17.00	575.00	15.00	583.00	21.00	583.00	20.00
Water Resource Strategy	-	-	45.00	-	42.00	-	43.00	-	43.00	-
Total	1,102.79	21.00	1,128.16	21.00	1,147.36	24.00	1,160.36	31.00	1,154.61	31.00

Notes:

1) External Affairs was reorganized in 2021. The sections under External Affairs were moved to Finance, Manager & Staff, Operations & Maintenance and Water Resource Strategy (new division).



WATER WORKS FUND



Denver Water is an enterprise of the City of Denver within the meaning of Article X, Section 20 of the Colorado Constitution. The Board of Water Commissioners maintains a **single fund** as mandated by the City Charter, which states:

“There is hereby created a Water Works Fund into which shall be placed all revenues received from the operation of the Water Works system and plant together with all monies received by the Board from other sources.”

The general city government has no access to the Water Works Fund and Denver Water has no access to the city’s general fund. Although the Board approves the rates and the annual budget, no funds are appropriated. Denver Water defines fund balance for the Water Works Fund (an enterprise fund) as the balance at the beginning of the period, plus the total sources of funds, less total uses of funds for the period.

Within the Water Works Fund are legally restricted funds and Board-designated funds. As outlined, the Board targets reserves to pay for operating, capital, self-insurance and debt service in an emergency, in addition to the restricted and designated funds. Any excess funds above these target amounts are considered available for future operating and capital projects.

DEBT INFORMATION

Denver Water issues and secures debt to fund capital improvements and to refund existing debt. Denver Water has the discretion to issue and secure debt for purposes other than capital improvements if deemed necessary by the Board. Operating expenses and capital improvements of a normal recurring nature are included in the calculation of the revenue requirement from rates and are financed on a pay-as-you-go basis.

The Treasury section of the Finance division monitors the marketplace and evaluates the appropriateness of various financing sources for specific capital projects. The evaluation considers the expected life of the asset, the nature of any covenant requirements, the impact on Denver Water’s financial flexibility and the organization’s capacity to support the projected level of debt.

Denver Water uses the following guidelines in its financial planning activities:

- Debt ratio should not exceed 45% of the net capital assets.
- Water rates are established to provide net revenues sufficient to produce annual coverage of 1.8 times that of the current annual debt service.

In 2023, Denver Water diversified its existing debt portfolio by establishing a Commercial Paper Program. The program allows Denver Water to sell up to \$300 million of

subordinate lien capital improvement notes with a maximum maturity date not to exceed 270 days. As of Dec. 31, 2023, Denver Water had \$100 million commercial paper notes outstanding.

Revenue Bond and Loan Principal and Interest Obligations (in millions of dollars)			
Year	Principal	Interest	Total
2024	23.4	43.4	66.8
2025	24.5	42.4	66.9
2026	25.6	41.2	66.8
2027	26.8	40.0	66.8
2028	27.9	38.9	66.8
2029	29.2	37.8	67.0
2030	30.5	36.5	67.0
2031	31.9	35.1	67.0
2032	33.4	33.6	67.0
2033	34.8	32.1	66.9
2034	36.2	30.5	66.7
2035	37.7	29.0	66.7
2036	39.0	27.5	66.5
2037	40.4	26.0	66.4
2038	41.9	24.7	66.6
2039	43.4	23.4	66.8
2040	45.0	22.0	67.0
2041	46.7	20.6	67.3
2042	48.5	18.9	67.4
2043	50.4	17.2	67.6
2044	52.3	15.4	67.7
2045	54.2	13.5	67.7
2046	56.4	11.3	67.7
2047	58.8	8.9	67.7
2048	60.9	6.8	67.7
2049	62.8	4.9	67.7
2050	64.8	2.9	67.7
2051	12.8	1.2	14.0
2052	13.4	0.6	14.0
Total	\$ 1,153.6	\$ 686.3	\$ 1,839.9

Commercial Paper Debt Obligations (in millions of dollars)			
Debt	Original Issue Amount	Outstanding Principal Amount	Future Aggregate Interest Requirements ¹
Notes Payable Commercial Paper Series 2023A Notes	100.0	100.0	TBD
Total	\$ 100.0	\$ 100.0	\$ -

¹Subject to market factors and usage

Denver Water’s outstanding bonds were assigned Aaa/AAA ratings and commercial paper notes were assigned P-1/A-1 ratings by Moody’s Investors Service Inc. and S&P Global Ratings, respectively, in September 2023. The ratings are subject to revision or withdrawal at any time by the respective rating agency, and there is no assurance that the ratings will continue or that they will not be revised or withdrawn.

FINANCIAL POLICIES

The Board has established financial policies that constitute the basic framework for the financial management of Denver Water. These policies assist Board members and staff in evaluating current activities and proposals for future programs. They are reviewed annually and modified to accommodate changing circumstances or conditions. A summary of these policies is presented below:

Accounting standards

The Board's financial statements are prepared in accordance with principles generally accepted in the United States of America (Generally Accepted Accounting Principles). Additionally, the Board applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Balanced budget

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

Capital assets

Purchased and constructed capital assets are recorded at cost. 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 more than one year. Costs not meeting these criteria are expensed. Land and water rights are recorded at cost. Land is not depreciated, and water rights are granted in perpetuity and not amortized. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective asset classes.

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." The Board's practice is to maintain reserves that are sufficient to provide:

- 25% of the next year's operating costs.
- The greater of average annual depreciation cost and 2% of current total capital assets (before depreciation) for replacement capital and equipment purchases.
- 50% of expected annual debt service for next year.
- \$10 million in exposure reserve.

Consumption and service charges

In October 2023, the Board approved a water rate increase of 5%, effective Jan. 1, 2024. The rate increase was designed to increase overall total system water rate revenue, assuming normal weather and consumption.

Debt Management Policy

The Board adopted a debt policy updating the philosophy, objectives, and practices to issue debt. Debt primarily will be used to fund capital improvements and to refund existing debt as defined in the Master Bond Resolution. Only costs that may be capitalized under generally accepted accounting principles are eligible for debt financing.

- When appropriate, Denver Water will use debt to achieve an equitable allocation of capital costs/charges between current and future system users.
- The Board has discretion to issue debt for purposes other than capital improvements.

Denver Water is not subject to legal debt limits.

Expenditures

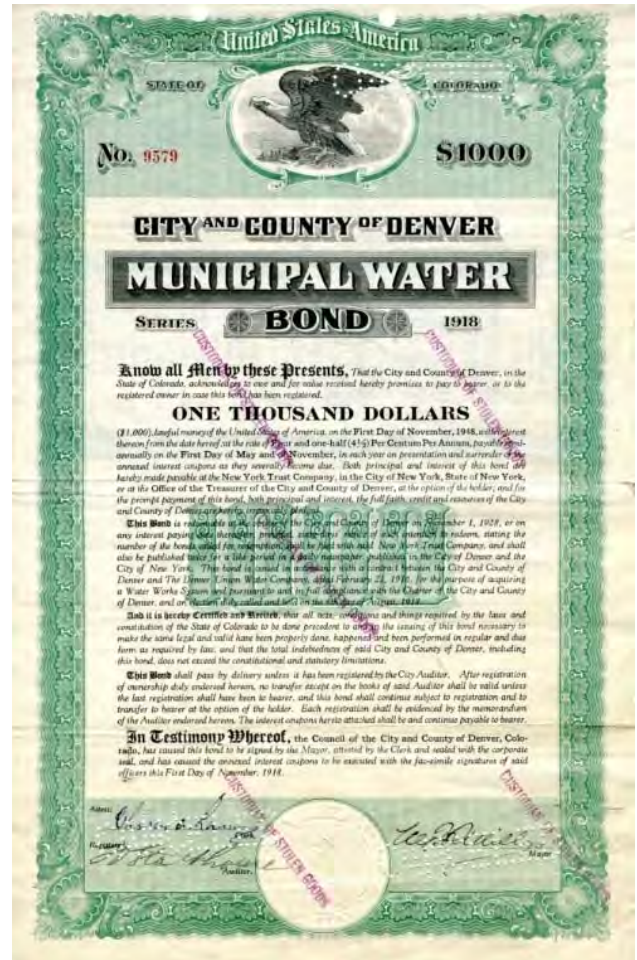
In planning expenditures, Denver Water follows the city charter's mandate to keep rates as low as good service will permit. This means Denver Water will properly maintain its facilities and continue to seek ways to operate more efficiently.

Investments

The Board established an investment policy for funds not needed for current operations and delegated its authority to invest these funds to the chief finance officer. The Investment Policy establishes investment objectives, standards of care, broker and dealer requirements, custody and safekeeping requirements, permitted investments, and investment parameters. The primary objectives, in order of priority, are safety of principal, liquidity and yield.

Measurement focus and basis of accounting

The Board, as a business-type activity, is accounted for in an enterprise fund, which is used to report any activity for which a fee is charged to external users for goods or services. The Board's basic financial statements are accounted for using the accrual basis of accounting. Under this method, all assets and



Bond issued in November 1918 between the City and County of Denver and Denver Union Water Company for the purpose of acquiring a water works system.

liabilities associated with operations are included on the statements of net position, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. This is different from the basis of budgeting.

Denver Water's budget is prepared using the budget basis in which revenues are recorded when they become available, and expenditures are recorded at the time liabilities are incurred. Under the terms of grant agreements, the Board funds certain programs using a combination of cost-reimbursement grants and general revenues. It is the Board's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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.

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

Rates and fees

Under Article X, Section 10.1.9 of the Denver City Charter, the Board is empowered to set rates for all 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..."

Revenues

Denver Water is completely funded through rates, fees, and charges for services provided by Denver Water. There are no transfers to or from the City of Denver General Fund. Water rates pay for operation and maintenance expenses, repair, capital replacements and modifications to existing facilities, debt service, a portion of the costs of new facilities, and water supply.

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 \$424K per person, per occurrence and \$1.2M 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 \$500K), dental and vision. Denver Water carries commercial property insurance for catastrophic losses, including floods, fires and earthquakes for scheduled major facilities, including Denver Water Operations Complex, Marston Treatment Plant, Moffat Treatment Plant, Foothills

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, and fiduciary exposure.

Denver Water is self-insured for workers' compensation and carries an excess liability (stop-loss) policy for individual claims exceeding \$500K. Prior to Feb. 1, 2016, Denver Water was insured for workers' compensation insurance by a large deductible policy whereby Denver Water was responsible for the first \$250K per claim with a maximum aggregate cost of \$2.7M. Several claims remain open under this policy. 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.



Shown are two different motorists who drove through Denver Water barricades. Denver Water carries insurance for its properties to protect against damage such as these.

PROJECTS

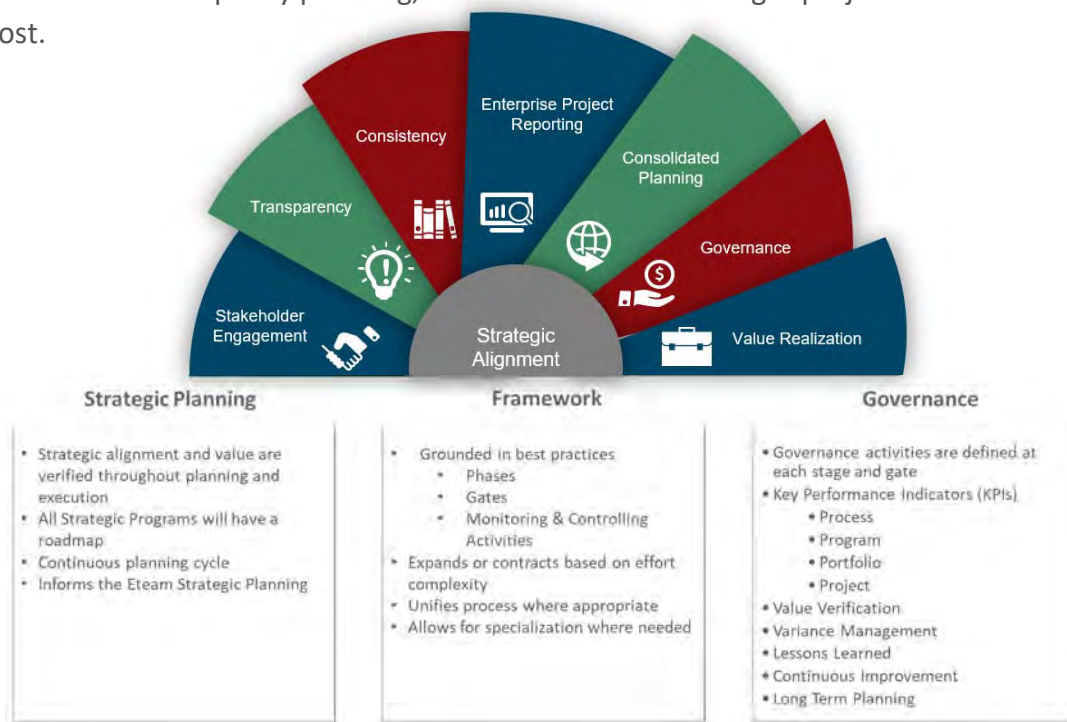


ENTERPRISE PROJECT MANAGEMENT

The Enterprise Project Management Office (EPMO) supports Denver Water’s project portfolio to ensure the right projects are selected and delivered at the right time and for the right cost. The goal of the centralized EPMO is to provide company-wide guidance, governance, standardized processes, and project portfolio management best practices, tools and techniques. The first phase of EPMO implementation, completed in 2022, established consistent governance across all projects, developed a project reporting tool, touched on value verification standards, and refreshed the prioritization process, scorecard and key project metrics. The second phase of EPMO focused on optimizing resources by strengthening the strategic alignment and systems thinking of projects in Denver Water’s portfolio.

EPMO value proposition

The goal of the EPMO is transparent planning, selection, and governance for the Board. This includes consistent enterprise reporting and performance metrics for the Executive Team; improved stakeholder engagement for Denver Water’s partners; value realization on projects; and consistent processes for Denver Water’s project managers and people engaging in the process. When brought together, Denver Water should have clear capacity planning, and assurance that the right projects are selected at the right time and cost.



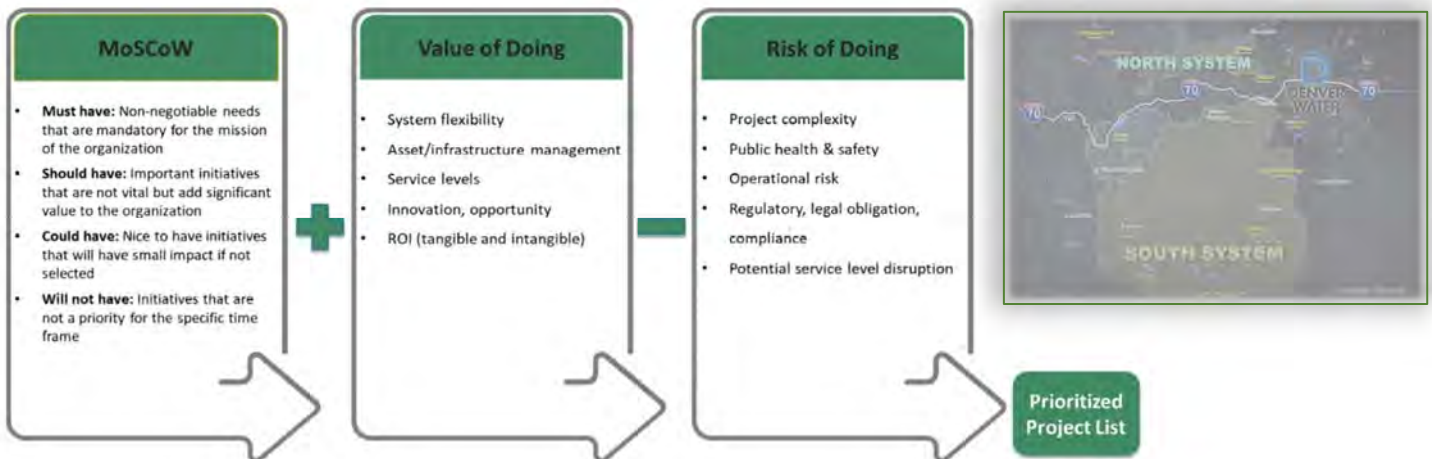
PROJECT PRIORITIZATION

Project evaluation, selection, and prioritization process

Project budgets, which consist of both capital and operating expenditures, follow the standard work of the EPMO for evaluation, selection, and prioritization of projects.

To begin the evaluation process, business stakeholders, in partnership with project managers, develop a detailed business case for all potential projects. Each business case includes detailed information on the associated scope, schedule, budget, risks, dependencies, and alternatives for the requested project. Once submitted, business cases are reviewed and approved by the appropriate portfolio manager.

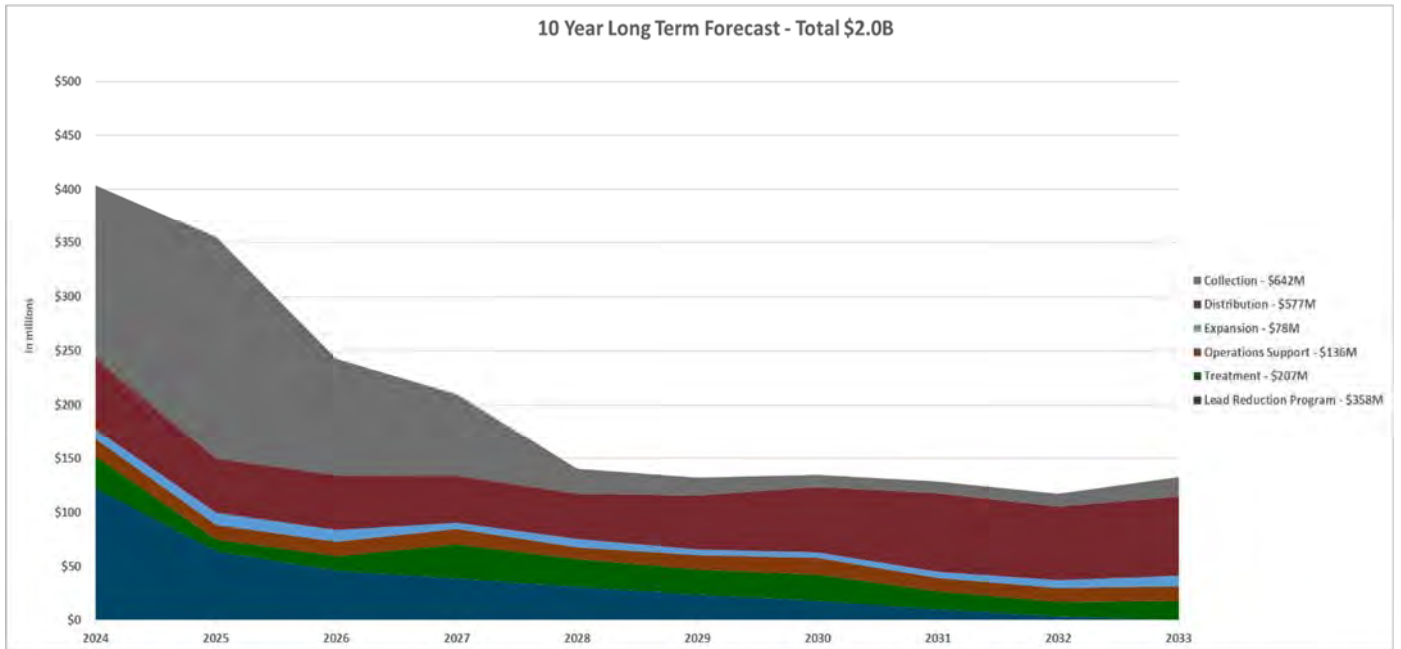
The next level of the prioritization process includes the concentrated discussion and decision making of projects by Portfolio Managers. Decisions are made based on upstream and downstream impacts to the collection, treatment, distribution, expansion, and operations support systems. This process was new to the EPMO in 2024 and is referred to as Systems Thinking Prioritization. Portfolio managers, with guidance from the EPMO team, conduct a series of in person meetings to categorize and prioritize the sequenced projects based on the goals of the organization for that year. The result of the Systems Thinking Prioritization is enhanced planning for the organization, leading stakeholders, and Portfolio Managers to ask harder questions, challenging the need and goals of each project or program, the timing and the forecasted budget.



The outcome of these activities is a prioritized long-term project plan with the strategic goals of the organization, the long-term financial plan and the recommended revenue adjustments.

10-YEAR PROJECT PLAN

The chart below illustrates the 10-year project plan for Denver Water (including both capital and operating projects). Over the next 10 years, Denver Water expects to spend \$2.0 billion improving and maintaining this system, the largest capital plan in history.



Major projects in the 10-year forecast include:

- Gross Reservoir Expansion
- Lead Reduction Program
- Main Replacements and Improvements
- Marston Disinfection Control Basin
- Northwater Treatment Plant
- Highlands Pump Station



Gross Reservoir Expansion, 2023



Lead Reduction Program, 2020



Customers connecting to new main along Federal Blvd., 2021

DENVER WATER - LONG-TERM FORECAST 2024 PROPOSED BUDGET

TOP 10 CAPITAL PROJECTS

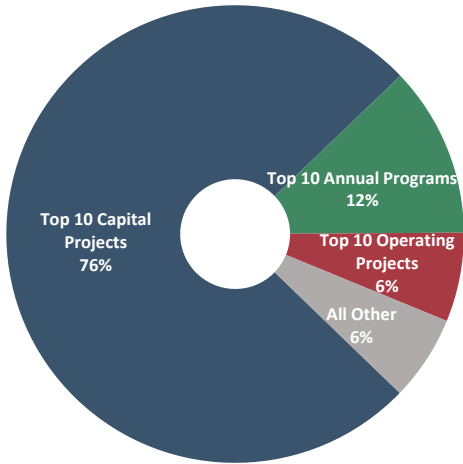
Gross Reservoir Expansion
Lead Reduction Program
Marston Disinfection Control Basin
Northwater Treatment Plant
WISE DIA Connection (DW portion = 15%)
Highlands Pump Station Rehab - low side
Strontia – Electrical Instrumentation & Controls Upgrade
North Complex Hazeltine – wet wells (beginning after 2024)
North Complex Aeration
Long Lakes Hydrology and Spillway (beginning after 2024)

TOP 10 OPERATING PROJECTS

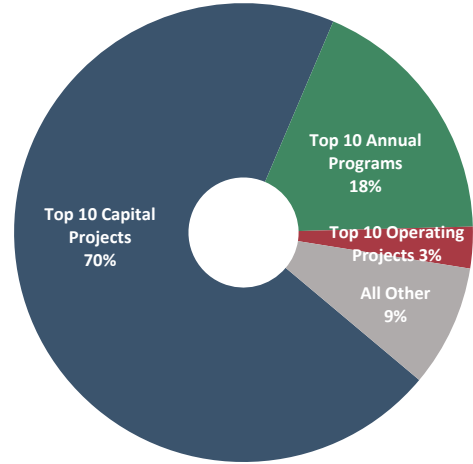
Lead Reduction Program
Water Use Efficiency/Landscape Transformation.
Windows 11
Replace EOL Network Devices (beginning after 2024)
Migrate ESRI to GIS Utility Network (beginning after 2024)
Strontia Springs Rock Fall Hazard (beginning after 2024)
Integrated Resource Plan 2075
Business Analytics Platform - Cognos Replacement
Secure Configuration Network (beginning after 2024)
Dillon Stilling Basin – Concrete

TOP 10 ANNUAL PROGRAMS	Type
Main Replacements/Improvements	Capital
Vehicle Replacements	Capital
Vault Modifications/Improvements	Capital
Conduit Improvement Program	Capital
From Forest to Faucets	Operating
HVAC Improvement Program	Capital
Strontia Sedimentation Removal	Operating
Specialized Main Program	Capital
Fire Hydrant Replacement	Capital
High Line Canal Forever Fund	Operating

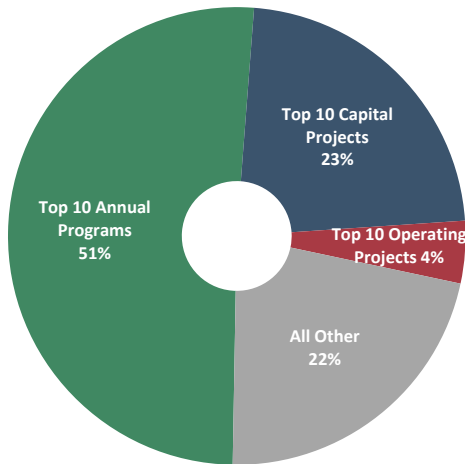
**Long-Term Forecast
2024 Only**



**Long-Term Forecast
Next 5 years - 2024-2028**



**Long-Term Forecast
Years 6 through 10 - 2029-2033**



PROJECT & PROGRAM DETAIL
2024 BUDGET

(in thousands of dollars)

Project / Program Name	Portfolio	Program	Type	Prior Year(s) Actuals	2024 Budget	2025 Projected	Future Year(s) Projected	Projected Total
GOVERNED PROJECTS & PROGRAMS DETAIL								
Gross Reservoir Expansion	Collection	Gross Reservoir Expansion	Capital	319,439	153,500	182,005	164,056	819,000
Lead Reduction Program	Other	Lead Reduction Program	Capital	243,146	69,342	49,850	143,697	506,035
Northwater Treatment Plant	Treatment	North End Solution	Capital	489,991	27,410	698	-	518,100
WISE DIA Connection	Distribution	Conduits	Capital	2,125	22,928	3,250	-	28,303
Lead Program - Federal Principal Forgiveness 2023	Other	Lead Reduction Program	Operating	13,850	22,080	4,070	-	40,000
Lead Program - Federal Loan 2023	Other	Lead Reduction Program	Capital	13,745	21,378	1,000	-	36,124
Lead Service Line Removal - Denver Water	Distribution	Lead Reduction Program	Capital	38,816	9,732	9,180	27,612	85,341
2023/24 Vault Modifications	Distribution	Vaults	Capital	1,174	3,564	-	-	4,738
North Complex Hazeltine Electrical Instrumentation & Expansion	Expansion	Downstream Reservoirs	Capital	2,074	2,847	-	-	4,921
Specialized Mains 2023	Distribution	Mains	Capital	175	2,763	-	-	2,938
Backflow Assembly Upgrade - DIA/CD/NF	Distribution	Vaults	Capital	179	2,177	-	-	2,356
Hazeltine Reservoir Spillway	Expansion	Downstream Reservoirs	Capital	326	2,039	-	2,500	4,865
Strontia Reservoir Access Improvements	Collection	Dams Reservoirs Tunnels	Capital	544	1,771	-	-	2,315
Castlewood Pump Station	Distribution	Pump Stations	Capital	204	1,479	2,993	-	4,676
Access Control System Install	Operations Support	Information Technology	Capital	16	1,450	-	-	1,466
2024 Conduit Valve Replacement	Distribution	Conduits	Capital	36	1,318	1,250	-	2,604
2023 Conduit Valve Replacement	Distribution	Conduits	Capital	741	1,266	-	-	2,007
Windows 11	Operations Support	Information Technology	Operating	-	1,192	417	10	1,619
2024/25 Vault Modifications	Distribution	Vaults	Capital	91	1,057	1,950	-	3,098
Specialized Mains 2024	Distribution	Mains	Capital	95	1,036	-	-	1,131
Dillon Hydro Overhaul	Collection	Hydropower	Capital	-	750	1,750	-	2,500
Enterprise Telecom System Phase 2	Operations Support	Information Technology	Capital	523	684	-	-	1,207
Dillon Stilling Basin-Concrete	Collection	Dams Reservoirs Tunnels	Operating	12	607	-	-	619
Foothills Filter Surf Wash & Chlorine Upgrade	Treatment	Foothills	Capital	619	601	-	-	1,220
Strontia Outlet Works Refurbishment	Collection	Dams Reservoirs Tunnels	Capital	-	590	2,360	750	3,700
Water Resources Center	Operations Support	Buildings and Facilities	Capital	21,845	550	-	-	22,395

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PROJECT & PROGRAM DETAIL								
2024 BUDGET								
(in thousands of dollars)								
Project / Program Name	Portfolio	Program	Type	Prior Year(s) Actuals	2024 Budget	2025 Projected	Future Year(s) Projected	Projected Total
GOVERNED PROJECTS & PROGRAMS DETAIL								
DIA 2024 Vault Improvements	Distribution	Vaults	Capital	63	541	-	-	604
DIA 2023 Vault Improvements	Distribution	Vaults	Capital	1,909	537	-	-	2,446
Business Analytics Platform	Operations Support	Information Technology	Operating	83	529	158	1	771
JDE tools upgrade	Operations Support	Information Technology	Operating	-	484	52	-	536
Marston Disinfection Improvements - Preliminary De	Treatment	South System Planning	Capital	-	422	3,927	57,120	61,469
High Line Canal Dam Sluice Gate	Collection	Raw Water Diversion	Capital	47	420	380	-	848
SCADA Network Design & Configuration	Operations Support	Information Technology	Operating	3,804	415	-	-	4,219
Enterprise Reporting Tool Phase II	Operations Support	Information Technology	Operating	-	389	-	-	389
C13 Cathodic Protect Retrofit	Distribution	Conduits	Capital	-	320	400	-	720
Migrate SCADA Domain to Cohesity	Operations Support	Information Technology	Operating	-	310	-	-	310
Marston Bypass Valves Solids SSP1A	Treatment	South System Planning	Capital	-	300	344	1,033	1,677
North Complex Aeration	Expansion	Downstream Reservoirs	Capital	481	267	-	5,852	6,600
Highlands Pump Station Rehabilitation - low side	Distribution	Pump Stations	Capital	571	260	9,000	10,000	19,832
Vasquez Creek Culvert Replacement	Collection	Watershed Health	Capital	22	250	-	-	272
Conduits 15 & 96 Cathodic Protection Improvement	Distribution	Conduits	Capital	-	250	400	-	650
Strontia-Electrical & Controls Upgrade	Collection	Hydropower	Capital	2,051	207	500	15,200	17,958
Strontia Conduit 26 Gate Chain Hoist	Collection	Dams Reservoirs Tunnels	Capital	22	193	22	-	237
Replace Project Tracker	Operations Support	Information Technology	Operating	-	165	107	-	272
Foothills Treatment Plant Hydro Protect Relay & Cont	Collection	Hydropower	Capital	-	150	100	4,750	5,000
Enterprise Password Manager	Operations Support	Information Technology	Operating	-	130	-	-	130
Call Center as a Service (CCaaS) Extension	Operations Support	Information Technology	Operating	48	112	-	-	160
Antero South Shoreline Erosion Remediation	Collection	Dams Reservoirs Tunnels	Operating	-	110	-	-	110
South Boulder Gate Replacement	Collection	Raw Water Diversion	Capital	87	105	3,450	(0)	3,642
Specialized Mains 2025	Distribution	Mains	Capital	25	100	-	-	125
North Complex Mounding Drain Blend	Treatment	North End Solution	Capital	7	100	4,000	(0)	4,107
City Ditch Pipeline Engineering Analysis	Collection	Raw Water Diversion	Operating	-	97	-	-	97

**PROJECT & PROGRAM DETAIL
2024 BUDGET**

(in thousands of dollars)

Project / Program Name	Portfolio	Program	Type	Prior Year(s) Actuals	2024 Budget	2025 Projected	Future Year(s) Projected	Projected Total
GOVERNED PROJECTS & PROGRAMS DETAIL								
BizView Operations Forecasting & Reporting	Operations Support	Information Technology	Operating	34	93	100	-	227
Work from Home Payment Solution	Operations Support	Information Technology	Operating	-	93	37	-	130
Recycle Treatment Plant Robicon Cabinet Evaluation	Treatment	Recycling	Operating	-	79	-	-	79
Secure Configuration Management	Operations Support	Information Technology	Operating	66	75	5	-	146
Foothills Chlorine Manifold Sanitary Survey Complan	Treatment	Foothills	Capital	-	68	39	-	107
Green Mountain Pump Station Valve Replacement	Distribution	Pump Stations	Capital	-	63	-	-	63
Intuitive Tap/Water Sales Payment	Operations Support	Information Technology	Operating	0	60	-	-	61
Dillon Howell Bunker Valve Replacement	Collection	Dams Reservoirs Tunnels	Capital	-	56	-	-	56
Dillon Control House Hydraulic Power Unit (HPU)	Collection	Dams Reservoirs Tunnels	Capital	430	55	-	-	485
Oracle Server Refresh	Operations Support	Information Technology	Operating	279	52	58	17	405
Long Lake Feeder PVC Pipe Replacement	Collection	Raw Water Diversion	Capital	-	50	642	-	692
Recycle Treatment Plant Evaluate Service Water Syst	Treatment	Recycling	Operating	-	49	-	-	49
Marston East Toe Drain Pump Station Upgrade	Collection	Dams Reservoirs Tunnels	Capital	-	47	350	-	397
Northwater Treatment Plant / Ralston Drying Beds Up	Treatment	North End Solution	Capital	-	43	142	128	313
Promise Payment Arrangement WebApp	Operations Support	Information Technology	Operating	6	35	-	-	41
eDiscovery Phase II	Operations Support	Information Technology	Operating	138	33	-	-	171
Eleven Mile Facility Electrical Upgrade	Collection	Dams Reservoirs Tunnels	Capital	562	31	4,300	0	4,893
Water Recap Comp Study SSP1C	Treatment	South System Planning	Operating	-	25	-	-	25
South Platte Corridor Pretreat Study	Treatment	Treatment	Operating	-	25	-	-	25
Foothills Treatment Plant Study CO2/NaOH Alkalinity	Treatment	Foothills	Operating	-	23	-	-	23
Meter Shop Test Bench Instrument Control	Operations Support	Information Technology	Operating	217	14	-	-	232
Contact Center Reporting Platform	Operations Support	Information Technology	Operating	37	10	-	-	47
Digital Asset Management System	Operations Support	Information Technology	Operating	70	9	-	-	79
Chips Barry Facility VFD Replacement	Distribution	Pump Stations	Capital	1,597	8	-	-	1,605
Online Plan Review Portal	Operations Support	Information Technology	Operating	74	6	-	-	80
Hazeltine Wet Wells (Civil)	Expansion	Downstream Reservoirs	Capital	-	-	7,000	7,000	14,000
TOTAL GOVERNED				\$ 1,162,495	\$ 362,381	\$ 296,287	\$ 439,727	\$ 2,260,890

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PROJECT & PROGRAM DETAIL
2024 BUDGET
(in thousands of dollars)

Project / Program Name	Portfolio	Program	Type	2023 Projected YE	2024 Budget	2025 Projected	2026 - 2028 Projected	Projected Total
NON-GOVERNED PROJECTS AND PROGRAMS DETAIL (includes minor carryover projects)								
Main Replacements / Improvements	Distribution	Mains	Capital	25,510	22,927	25,314	86,234	159,984
Vehicle Replacements	Operations Support	Fleet	Capital	6,313	4,874	4,874	14,622	30,684
Forest to Faucets	Expansion	New Supply Development	Operating	2,540	2,500	2,500	7,500	15,040
Tower Road-20" Recycle Water Main	Distribution	Mains	Capital	82	1,525	-	-	1,607
2023/24 HVAC Improvements	Operations Support	Buildings and Facilities	Capital	780	1,413	-	-	2,193
Fire Hydrant Replacement	Distribution	Mains	Capital	1,631	1,200	1,200	3,600	7,631
2024/25 HVAC Improvements	Operations Support	Buildings and Facilities	Capital	53	1,117	669	-	1,839
Highline Canal Forever Fund	Collection	Raw Water Diversion	Operating	1,015	1,010	1,000	1,000	4,025
Water Use Efficiency / Landscape Transformation	Expansion	Water Efficiency	Operating	280	800	1,100	3,700	5,880
Conduit Inspections	Distribution	Conduits	Operating	226	436	500	1,500	2,663
Unplanned Expense Work	Other	Other	Operating	451	400	400	1,200	2,451
Arc Flash Labeling Program	Operations Support	Buildings and Facilities	Operating	-	320	320	960	1,600
RDA Digital Archive Migration	Operations Support	Information Technology	Operating	-	283	21	-	304
HVAC Improvements - Foothills Treatment Plant Flood	Operations Support	Buildings and Facilities	Capital	-	272	-	-	272
Strontia Watershed Management Program Denver W	Collection	Strontia Watershed Sediment Ma	Operating	258	260	250	500	1,268
No-Fault Main Break Program	Operations Support	Safety and Security	Operating	1,279	250	250	750	2,529
Strontia Watershed Management Program US Forest	Collection	Strontia Watershed Sediment Ma	Operating	73	250	250	500	1,073
DEN Cathodic Protection Improvements	Distribution	Mains	Operating	380	249	250	750	1,629
Corrosion Control for Treatment Plants	Treatment	Treatment	Capital	187	200	200	600	1,187
Water Use Efficiency / Landscape Transformation	Expansion	Water Efficiency	Capital	497	200	200	600	1,497
Integrated Resource Plan 2075	Expansion	New Supply Development	Operating	-	200	600	-	800
DIA 2025 Vault Improvements	Distribution	Vaults	Capital	-	108	1,000	-	1,108
Roof Maintenance Repair & Replacement	Operations Support	Buildings and Facilities	Operating	460	99	250	750	1,560
Strontia Sedimentation Removal	Collection	Watershed Sediment Management	Operating	249	99	7,525	500	8,372

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PROJECT & PROGRAM DETAIL
2024 BUDGET
(in thousands of dollars)

Project / Program Name	Portfolio	Program	Type	2023 Projected YE	2024 Budget	2025 Projected	2026 - 2028 Projected	Projected Total
NON-GOVERNED PROJECTS AND PROGRAMS DETAIL (includes minor carryover projects)								
PLC Replacement-Foothills Poly	Operations Support	Information Technology	Operating	-	96	7	-	102
Replace Pressur Reducing Valves (PRV) - misc	Distribution	Mains	Capital	178	70	170	310	728
Info Governance Roadmap Deliv	Operations Support	Information Technology	Operating	163	61	-	-	224
PLC Replacement Marston CONV	Operations Support	Information Technology	Operating	7	56	-	-	63
Miscellaneous Small Pumping & Storage Projects	Distribution	Pump Stations	Capital	75	50	50	150	325
PLC Replacement Colorado & Yale Vault	Operations Support	Information Technology	Operating	15	44	-	-	59
PLC Replacement Foothills RMIX	Operations Support	Information Technology	Operating	25	37	-	-	62
PLC Replacement Marston POLY	Operations Support	Information Technology	Operating	4	36	-	-	40
PLC Replacement Willow H111 Vault	Operations Support	Information Technology	Operating	-	19	41	-	61
PLC Replacement Caley & Gallup	Operations Support	Information Technology	Operating	-	18	43	-	61
PLC Replacement Colorado & Mineral	Operations Support	Information Technology	Operating	-	18	44	-	61
Hyper V Upgrade Project	Operations Support	Information Technology	Operating	24	16	-	-	39
PLC Replacement Marston SOL1	Operations Support	Information Technology	Operating	8	12	-	-	19
TOTAL NON-GOVERNED					\$ 41,524	\$ 49,028	\$ 125,726	\$ 259,041
TOTAL PROJECTS & PROGRAMS					\$ 403,905	\$ 345,315	\$ 565,453	\$ 2,519,932

All projections are based on the current long-term forecast, are at various levels of design, and are subject to change.

Unless otherwise noted: Prior Year(s) Actuals are as of ORCA conversion and include 2016 Actuals through 2021 and 2022 Forecast. Totals are only for projects and programs with budget, actuals or forecast

Non-Governed Projects & Programs display only current year forecast plus 5 future years (2024-28). While other prior year actuals or future years forecast may exist, they are not reflected in this

SUMMARY BY TYPE					
	Prior Year(s) Actuals	2024 Budget	2025 Projected	Future Year(s) Projected	Projected Total
Capital	\$ 1,179,084	\$ 369,035	\$ 324,960	\$ 545,814	\$ 2,418,893
Operating	\$ 26,174	\$ 34,870	\$ 20,355	\$ 19,639	\$ 101,039
	\$ 1,205,259	\$ 403,905	\$ 345,315	\$ 565,453	\$ 2,519,932
Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,205,259	\$ 403,905	\$ 345,315	\$ 565,453	\$ 2,519,932

SUMMARY BY SYSTEM					
	Prior Year(s) Actuals	2024 Budget	2025 Projected	Future Year(s) Projected	Projected Total
COL	\$ 324,811	\$ 160,609	\$ 204,884	\$ 187,256	\$ 877,560
DIS	\$ 75,884	\$ 75,965	\$ 56,907	\$ 130,156	\$ 338,911
EXP	\$ 6,198	\$ 8,853	\$ 11,400	\$ 27,152	\$ 53,603
OS	\$ 36,368	\$ 15,932	\$ 7,453	\$ 17,111	\$ 76,865
OTH	\$ 271,194	\$ 113,200	\$ 55,320	\$ 144,897	\$ 584,610
TRT	\$ 490,804	\$ 29,347	\$ 9,350	\$ 58,881	\$ 588,382
Total	\$ 1,205,259	\$ 403,905	\$ 345,315	\$ 565,453	\$ 2,519,932
GRT	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,205,259	\$ 403,905	\$ 345,315	\$ 565,453	\$ 2,519,932

NEW PROJECTS & PROGRAMS

2024 BUDGET

(in thousands of dollars)

Project / Program Name	Portfolio	Program	New Project Comments
GOVERNED PROJECTS & PROGRAMS DETAIL			
City Ditch Pipeline Engineering Analysis	Collection	Raw Water Diversion	Perform an engineering analysis on the buried portion of City Ditch pipeline and associated assets. Prioritize asset replacement based on the following criteria: age of infrastructure, location, type, etc. Develop a plan to reduce reactive maintenance work and prioritize replacement of high risk sections in order to eliminate unplanned outages for key external stakeholders.
Antero South Shoreline Erosion Rmd	Collection	Dams Reservoirs Tunnels	An approximate total of 1070 LF of shoreline has been identified as a significant safety concern and impacted by the sloughing of material at the scarp. Design project so that the riprap slope is above the high-water line. This limits future erosion issues and reduces future maintenance costs.
Migrate SCADA Domain to Cohesity	Operations Support	Information Technology	Buy and implement new hardware and relicense the current product Veeam. Migrating to Cohesity will provide greater efficiency in management by aligning with our H2O data protection solution while creating a more secure data protection environment.
Long Lake Feeder PVC Pipe Replacement	Collection	Raw Water Diversion	Due to water being delivered through the Long Lake Feeder Pipeline from Ralston Creek to Upper Long Lake during runoff season the project scope would include evaluation and design to replace portions of the Pipeline. The portions to be replaced consist of 36IN ribbed PVC drain pipe.
South Platte Corridor Pretreat Study	Treatment	Treatment	Evaluate and study the possibility of adding some sort of pre-treatment to the South Platte Corridor Mountain Water Systems Treatment Plants specifically Deckers and Trumbull. Currently Trumbull experiences heavy amount of Manganese that oxidizes out during chlorination and causes turbidity issues in the online monitors and distribution system.
Work from Home Payment Solution	Operations Support	Information Technology	Find and implement a solution for Customer Service Reps to process payments from remote (home) work locations.
Enterprise Reporting Tool (ERT) Phase II	Operations Support	Information Technology	Further develop the needs of the organization through the foundational Enterprise Reporting Tool to allow for trend and gap analysis, data archiving, and other requirements laid out in the attached Phase II requirements document.
Stromtia Outlet Works Refurbishment	Collection	Dams Reservoirs Tunnels	Highly related to the Stromtia Springs Hydro Modifications project slated for 2027 construction. The project scope includes Outlet Works valve procurement and design construction plans to account for Outlet Works valves and electric actuators replacement, Outlet Works HPU, flow meter installation, and I&C replacement.
Replace Project Tracker	Operations Support	Information Technology	Move Project Tracker functionality into one of DW's existing systems or rewrite the application to support the business needs, and move off of Oracle.
Foothills Treatment Plant Study CO2/NaOH Alkalinity	Treatment	Foothills	Keep current functionality with the ability to track status, documentation, comments and work progress of System Improvement and Replacement projects
Dillon Howell Bunker Valve Replacement	Collection	Dams Reservoirs Tunnels	Perform an internal study to evaluate a sodium hydroxide (NaOH) plus carbon dioxide (CO2) alkalinity addition system at Foothills. The system would be intended for infrequent, intermittent use, specifically to assist with recovery from large rain events and/or wildfires.
Foothills Hydro Protect Relay & Control	Collection	Hydropower	Procure a new stainless steel 30 in. fixed cone valve and electric actuator to replace the existing fixed cone valve in-kind. The project scope also includes media blasting and relining the existing embedded fixed cone valve hood and replacing the E&C appurtenances that interface with the electric valve actuator.
Recycle Treatment Plant Robicon Cabinet Evaluation	Treatment	Recycling	Project is based on information gathered and developed from the 2021 Foothills Hydro Annual Maintenance Report provided by Electrical and Mechanical Engineering. The scope includes upgrading hydro control system to increase operator safety, minimize equipment downtime, outages, maximize system efficiency, improve operational capabilities, ease of maintenance, equipment protection and security.
C13 Cathodic Protect Retrofit	Distribution	Conduits	Project scope is to generate a work-plan-like report detailing the schedule, budget, and outage/sequencing for replacement of all obsolete VFDs at Recycle TP. Based on the report, future business case(s) will be made to design and construct the replacement project(s).
Enterprise Password Manager	Operations Support	Information Technology	Retrofit cathodic protection (CP) onto the existing riveted steel Conduit No. 13. In-line inspection performed in 2021 revealed pipe wall loss due to corrosion. Retrofit of CP will mitigate further corrosion and extend the serviceable life of Conduit No. 13. The project will meet Association of Materials Protection and Performance criteria for cathodic protection of steel pipelines (SP0169).
JDE tools upgrade& Database Conversion	Operations Support	Information Technology	This project includes software selection and then the implementation of the solution across the enterprise. This will drive better password hygiene across the enterprise.
Marston East Toe Drain Pump Station Upgrade	Collection	Dams Reservoirs Tunnels	This upgrade will reduce security risks and keep Denver Water current with the latest technology to allow the business run efficiently and reduce the application maintenance. JDE is full compliance by end of 2024.
Windows 11	Operations Support	Information Technology	Upgrade the existing pump system through automation, eliminate the use of gas powered pumps and the need for daily refueling, replace the structure and reduce the amount of operational man-hours it takes to maintain this system so that capacity can be deployed to higher value added work elsewhere in the system.
			Replace to current version of Windows for compatibility, security standards and support
			Replace non-compatible hardware. Ensure existing applications are compatible with Windows 11. Provide Organizational Communication and training as needed.
Project / Program Name	Portfolio	Program	New Project Comments
NON-GOVERNED PROJECTS AND PROGRAMS DETAIL (includes minor carryover projects)			
Arc Flash Labeling Program	Operations Support	Buildings and Facilities	Denver Water has adopted the NFPA 70e standard which is essential to provide a working area that minimizes risk associated with the use of electricity in the workplace. Labeling is required for any electrical asset that may need examination or maintenance while energized. Many project currently incorporate NFPA 70e labeling, but it needs to be revised every three years. Also, many older facilities have never had the NFPA 70e labeling requirements incorporated.
RDA Digital Archive Migration	Operations Support	Information Technology	Complete a migration assessment to review Denver Water's current instance in order to accurately quote the scope of work for the data migration to the newest version of the software. Migrate all metadata and digital assets held in the RDA Digital Archives from Drupal 7/Islandora 7 to Drupal 9/Islandora X
PLC Replacement Foothills Poly	Operations Support	Information Technology	PLC's are the backbone of automation for the water system. Many PLC's in our system are obsolete and the spare parts the NICS section maintains are not always viable and the quantity is quickly dwindling. Each year PLC's are assessed for criticality to determine the priority for replacing them. A master list is maintained to provided guidance for this process. The length of the plant outage is also a determining factor for which PLC's to replace.
PLC Replacement Willow H111 Vt	Operations Support	Information Technology	
PLC Replacement Caley & Gallup	Operations Support	Information Technology	
PLC Replacement Colo & Mineral	Operations Support	Information Technology	

Collection



Treatment



Distribution



Customer



System Expansion

Operations Support

Information Technology



PROJECT HIGHLIGHTS

Denver Water’s collection system covers more than 4,000 square miles, and we operate facilities in 12 counties. Denver Water also operates and maintains more than 3,000 miles of distribution pipe — enough to stretch from Los Angeles to New York — as well as 20 dams, more than 20 pump stations, four treatment plants and more.

Gross Reservoir Expansion Project

Construction is underway.

Construction for the Gross Reservoir Expansion Project started April 1, 2022. The project will raise the height of the dam by 131 feet, tripling the reservoir’s capacity from approximately 42,000 acre-feet to 119,000 acre-feet and providing an estimated 18,000 acre-feet of annual water to the North System.

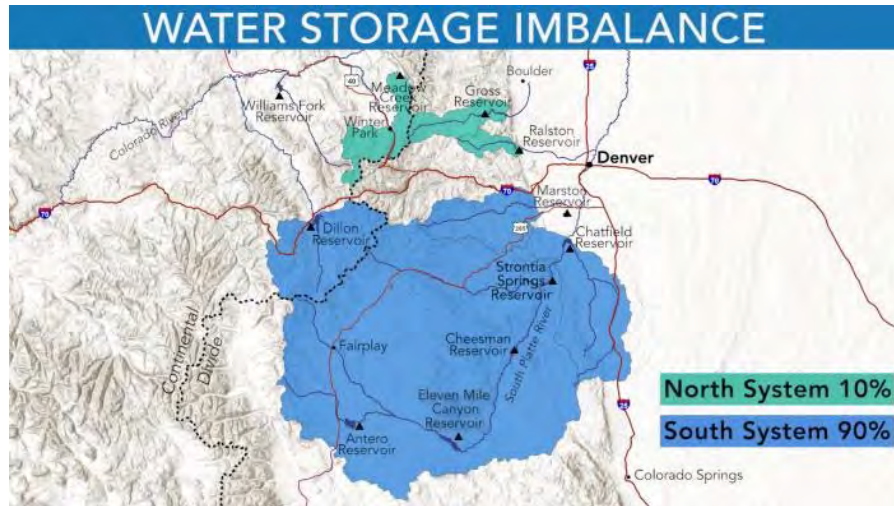


The City of Arvada is a key stakeholder in the project and will provide funding for one-sixth of the project costs and receive one-sixth of the project’s expected annual water supply. All federal and state approvals have been obtained, and Denver Water is proceeding with the construction of the dam per the Federal Energy Regulatory Commission’s (FERC) order to start construction by July 16, 2022, and finish by July 16, 2027.

When complete, the reservoir, located in western Boulder County, will be Denver Water’s second largest and will provide essential flexibility and resiliency to our customers in the face of increasing impacts from climate change.



This project goes beyond securing customer’s water future. It also helps secure the future of the natural environment for all Coloradans. In short, because of this project, these waterways are better protected now than they were yesterday. Over the course of the Gross Reservoir Expansion Project, Denver Water has developed a variety of channels to share information and receive community feedback. This information will continue to be updated information on the project [website](#), including regular updates about construction activities on site, project documentation and contact information.



Denver Water has a water storage imbalance between its two collection systems with 90% of its reservoir storage located in the utility's South System compared to 10% in its North System. This storage imbalance creates vulnerability if there is a drought, mechanical issue or emergency that affects the South System. The storage imbalance is one of the reasons Denver Water is expanding Gross Reservoir.

North System Renewal

Improving the safety and reliability of an aging system.

Denver Water’s North System brings snowmelt from the mountains through reservoirs, pipelines and a treatment plant to produce clean, great-tasting drinking water. Denver Water is upgrading and modernizing the northern portion of our water system. We are building a new water

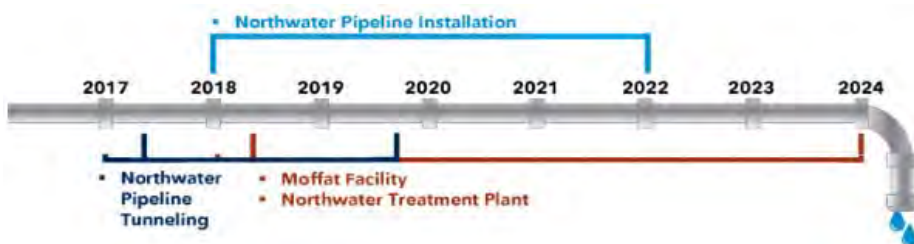


treatment plant, installing a new pipeline and redeveloping our Moffat Treatment Plant. When finished, the system will be more resilient and adaptable to changing demands for water now and into the future.

Denver Water’s North System was constructed in the 1930s, when the surrounding area was mostly farmland. Now, 80 years later, the North System is reaching the end of its lifespan. These improvements will help maintain reliable, safe drinking water and avoid service failures that could adversely impact neighbors.

Project components:

- Northwater Treatment Plant (NTP) — We are building a new, state-of-the-art water treatment plant next to Ralston Reservoir, north of Golden in Jefferson County. The Northwater Treatment Plant will be capable of treating up to 75 million gallons of water a day and will be equipped with disinfection technology that will provide more flexibility to react to changes in water quality. The NTP will supplement the existing Moffat Water Treatment Plant with a state-of-the-art facility designed to improve reliability and operational flexibility.
- Northwater Pipeline — We are installing a 66-inch diameter pipeline, replacing one of the two existing pipelines, running 8.5 miles between Ralston Reservoir and the Moffat Treatment Plant. The new pipeline will transport treated water from the new Northwater Treatment Plant to the Moffat Facility for distribution.
- Moffat Treatment Plant — After the Northwater plant opens in 2024, Moffat Treatment Plant will continue to operate at a reduced capacity until all North System Renewal projects have been completed – including the Gross Reservoir Expansion Project. Moffat also will continue to store treated drinking water, just like it does now. But much of that stored water will be treated at the Northwater plant, then piped down to Moffat.



**Construction started October 2017. As with any construction project, the schedule depends on a number of factors. It will be updated as construction progresses.*

South System Planning Program

The South System Planning Program (SSPP) is identifying the long-term capital needs of the South System, which comprises the raw water supply, the Marston and Foothills water treatment plants, and associated finished water distribution system. This program is creating an adaptable roadmap encompassing 20-year capital improvement projects (CIPs) to reduce single points of failure within critical aging assets, anticipate needs related to potential regulations, foster a diversified supply portfolio, and help mitigate climate change impacts. As part of the SSPP, a flexible, phased series of projects was developed to do just that while also avoiding near-term capital investment that could potentially be deferred. This phased approach to treatment challenges is one of many creative ways Denver Water has elected to face current challenges while being good fiscal stewards for ratepayers.

The following SSPP elements were used in that process and will provide continued organizational benefits following conclusion of the SSPP:

- Microsoft Excel-based Asset Management Dashboard for Continued Project Prioritization based on Asset Condition and risk.
- Supply analysis indicating that Bear Creek and Chatfield supplies could be used at about 10,000 acre-feet per year (AFY), or the equivalent of 9 MGD on average, and as much as 17,000-25,000 AFY (15 – 22 MGD) during periods of maximum modeled use.
- Microsoft Excel-based water quality mass-balance tool that allows for “what-if” scenario analysis as it pertains to watershed sources and water quality.
- Regulatory analysis and review including anticipated and possible timelines for anticipated water regulations.
- Analysis of the most effective way/location to treat increased Chatfield Reservoir and Bear Creek supplies, which was determined to be conveyance and treatment improvements at Marston.
- Foothills bifurcation analysis and key conclusions.
- Concept figures for key projects.
- Results from distribution system model runs, key assumptions, and results culminating in the Gore Range/Wynetka Vaults Project.
- Cost estimates and documentation for SSPP projects.
- 20-year CIP table summarizing SSPP projects by various filters and categories.

The SSPP has been identified as a key strategic initiative that provides significant contributions toward attaining Denver Water’s Strategic Plan goals and objectives, and has, therefore, been recognized as an organizational program.

The Downstream Reservoir Water Storage Program

This program has been under development since 1997, allowing Denver Water to store and release water through the use of depleted gravel mines for exchange and replacement purposes.

Approximately half of Denver Water's water supply is from the Colorado River. Because that water is not native to the Front Range, it may be used and reused multiple times, including storing it in Denver Water's downstream reservoirs. When water is needed downstream by a more senior water right holder, Denver Water can then release the water stored in the downstream reservoir and store a like amount in our mountain storage, or divert it directly at our water treatment plant intakes. This operation is known as an exchange and helps meet customer demand, maintains water storage in our mountains reservoirs, and makes the most of the water we have.

Denver Water has been reusing water by exchange since the early 1970s. However, the Downstream Reservoir Water Storage Program increases the opportunity for Denver Water to put its reusable water supplies to use by first storing the water in the reservoirs and then releasing it when additional exchanges can be made.

Once completed, there will be nine reservoirs divided into three complexes, which will have an estimated total storage volume of 32,200 acre-feet of water. The reservoirs are along the South Platte River, north of Denver, and extend from Commerce City to Fort Lupton.

South Reservoir Complex

Bambei-Walker and Welby reservoirs, near Commerce City, form the South Reservoir Complex and began operation in spring 2009.

North Reservoir Complex

Denver Water continues to develop its North Reservoir Complex, which is south of 120th Avenue and east of the South Platte River. There are five reservoirs in this complex, including Howe-Haller A, Howe-Haller B, Hazeltine, Dunes and Tanabe. Denver Water began storing water in Dunes and Tanabe by gravity in spring 2018.

Mining has been completed in Howe-Haller A and Howe-Haller B and repairs to damage caused during floods in 2013 and 2015, have been completed. Material removal at Hazeltine is ongoing but the remaining infrastructure, including the pump station and related electrical gear, are anticipated to be completed in early 2027.

Lupton Lakes Complex

Denver Water also continues to move forward on its third complex. The Lupton Lakes Complex, in Fort Lupton, is expected to be operational sometime after 2030. Lupton Lakes consists of two reservoirs, the north and south cells. Mining at the north cell has been completed and the liner has been installed; mining on the south cell continues, but the reservoir liner was completed using a groundwater cutoff wall.

Water level fluctuations

Typically, all the reservoirs in the Downstream Reservoir Water Storage Program will be filled and drained on an annual basis. In general, these reservoirs will fill in the winter and drain in the summer, when downstream users — typically farmers — need water for irrigation.

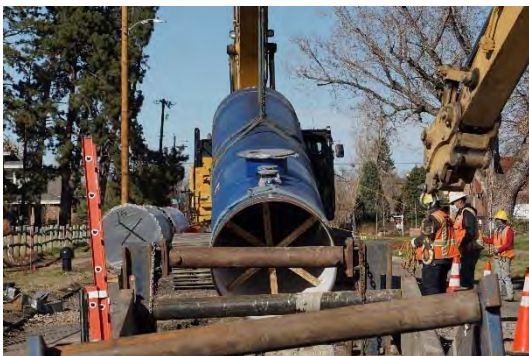
Pipe replacement and Lead Reduction Program work areas

Denver Water replaces water mains for various reasons, including repairing or avoiding main breaks, replacing corroded pipe, alleviating water quality problems, increasing available hydrant flow and improving area delivery. Denver Water cares about public health and will replace any customer-owned lead service line with a copper water line, at no direct charge to the customer, when discovered during a project. Customers who have lead service lines that are not encountered during pipe replacement work are enrolled in the Lead Reduction Program.

The water distribution system contains more than 3,000 miles of water mains, and Denver Water crews install or replace an average of 80,000 feet of pipe a year with a goal of replacing 140,000 feet of pipe a year by 2026. Replacements are done for various reasons, including repairing or avoiding main breaks, replacing corroded pipe, alleviating water quality problems, increasing available hydrant flow and improving area delivery. All of these are important to maintaining the system that delivers your water.



There are typically three pipe sizes used to deliver water to customers. Conduits carry large amounts of water over long distances. Water mains branch off the conduits and run into neighborhoods. Service lines are owned by customers and connect homes and businesses to the water mains.



Construction crews install a 50-foot section of steel pipe next to Willis Case Golf Course in northwest Denver. Large pipes are 66 inches in diameter and weigh 11,500 pounds, 2020.

WATER RATES AND USAGE

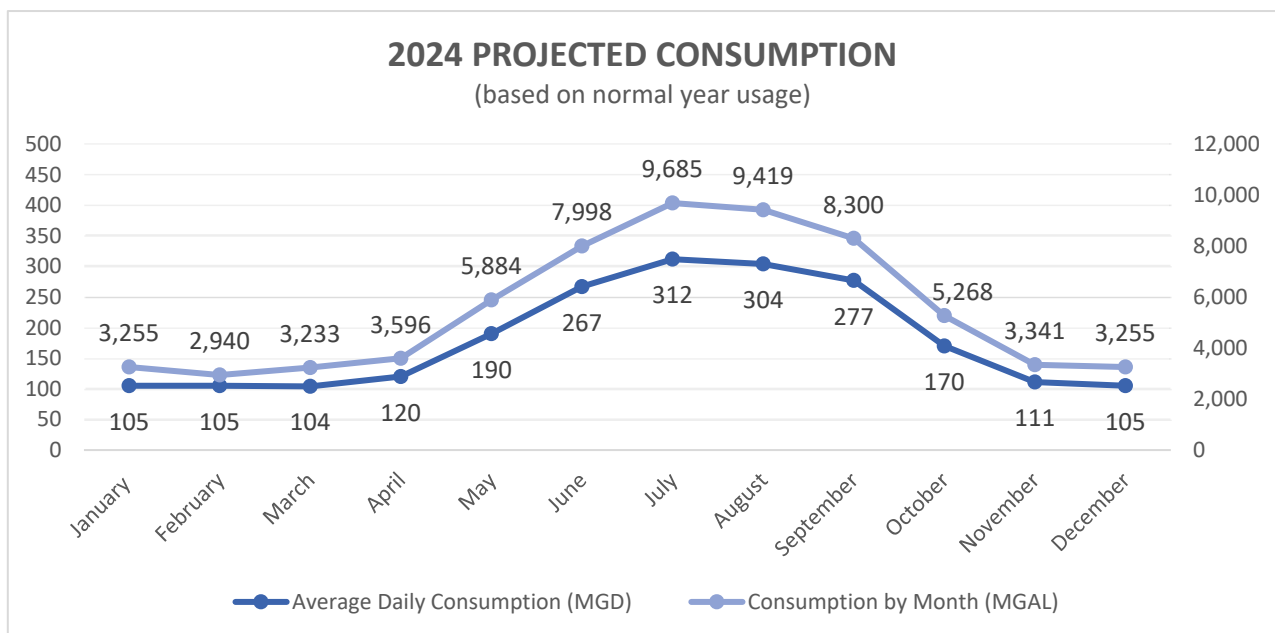


WATER RATES

In October 2023, the Denver Board of Water Commissioners adopted rate changes to help pay for critical upgrades and projects to help the system prepare for future challenges. All costs are paid for by rates, fees and other sources, such as bond and hydropower sales, not taxes.

The rate changes took effect Jan. 1, 2024, and increased bills for most single-family customers by an average of \$1.60 to \$2.30 per month, depending on if the customer lives in Denver or in suburban water districts. (This calculation is based on an annual water use of 104,000 gallons; individual customer use will vary. Monthly bills in the winter are typically lower than in the summer when water use is higher due to outdoor irrigation.) Denver Water expects to invest \$1.9 billion over the next 10 years in projects that will maintain, repair, protect and upgrade the water collection, treatment and delivery system, making it more resilient and flexible in the future and ensuring it will continue to deliver a clean, safe, affordable and reliable water supply to 1.5 million people. From more frequent droughts and wildfires to additional regulations that need to be met— Denver Water will be prepared.

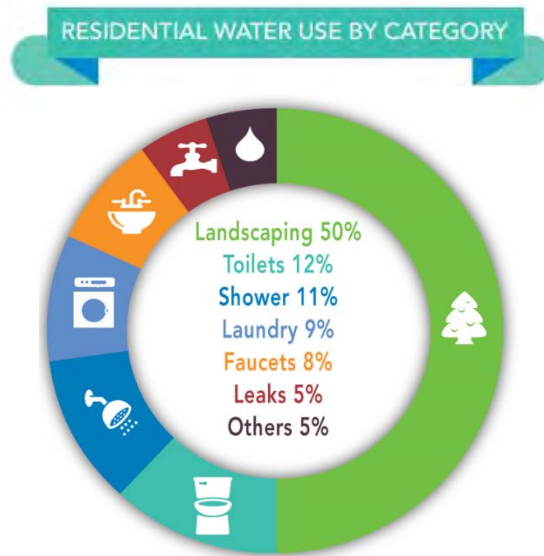
To keep water affordable and to encourage conservation, Denver Water’s single-family residential rate structure includes three tiers based on water use. Indoor water use — for bathing, cooking and flushing toilets — is essential for human life and is charged at the lowest rate. Efficient outdoor water use is charged in the second tier (middle rate), followed by additional outdoor water use in the third tier (highest rate). In addition to variable charges based on water use, the rate structure also includes a monthly fixed charge based on the water meter size.



WATER USAGE

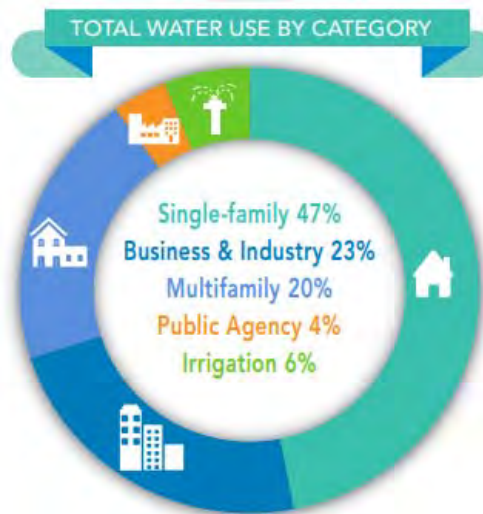
Residential usage

Denver Water analyzes how customers use water now and how that use may change in the future. By researching customer water-use patterns, Denver Water can better plan for an adequate supply of clean, reliable water well into the future.

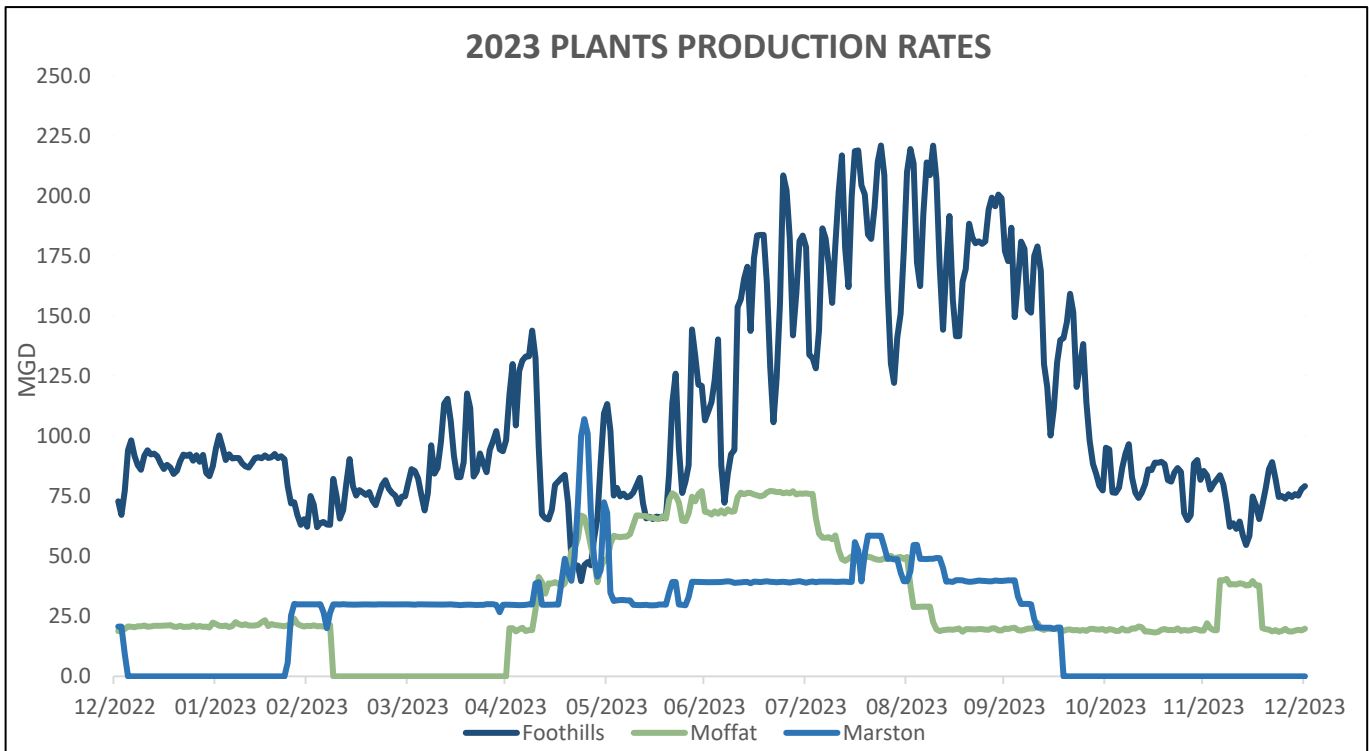
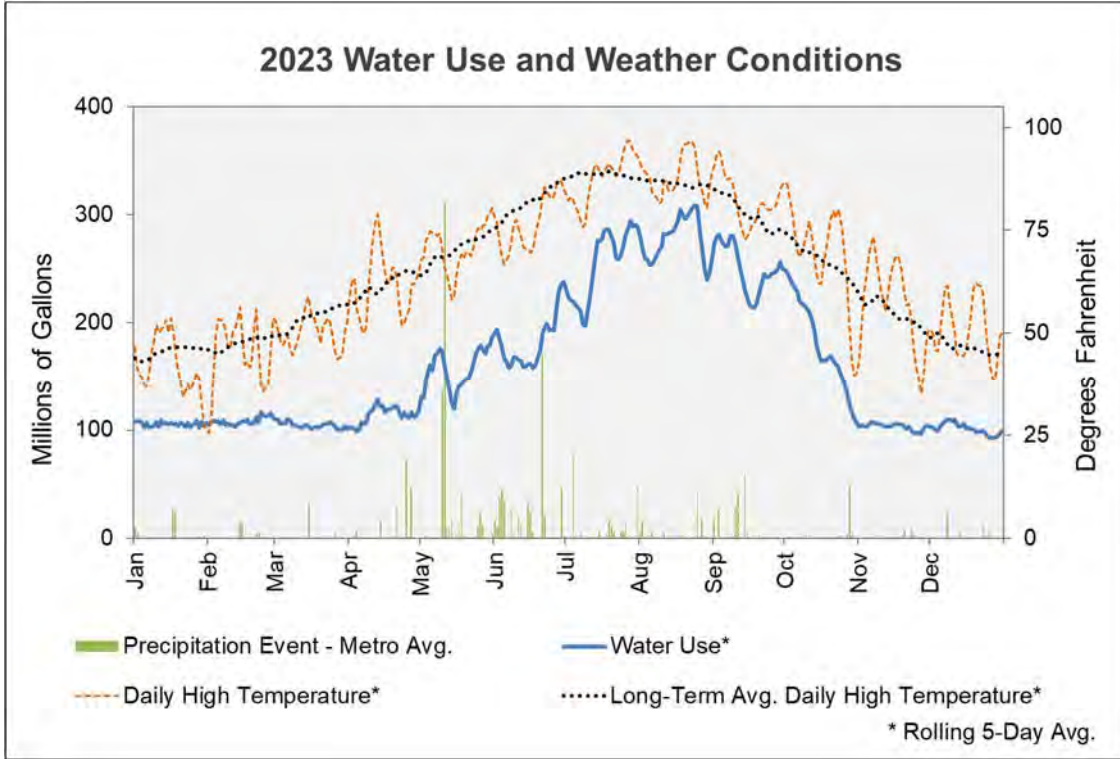


Usage by category

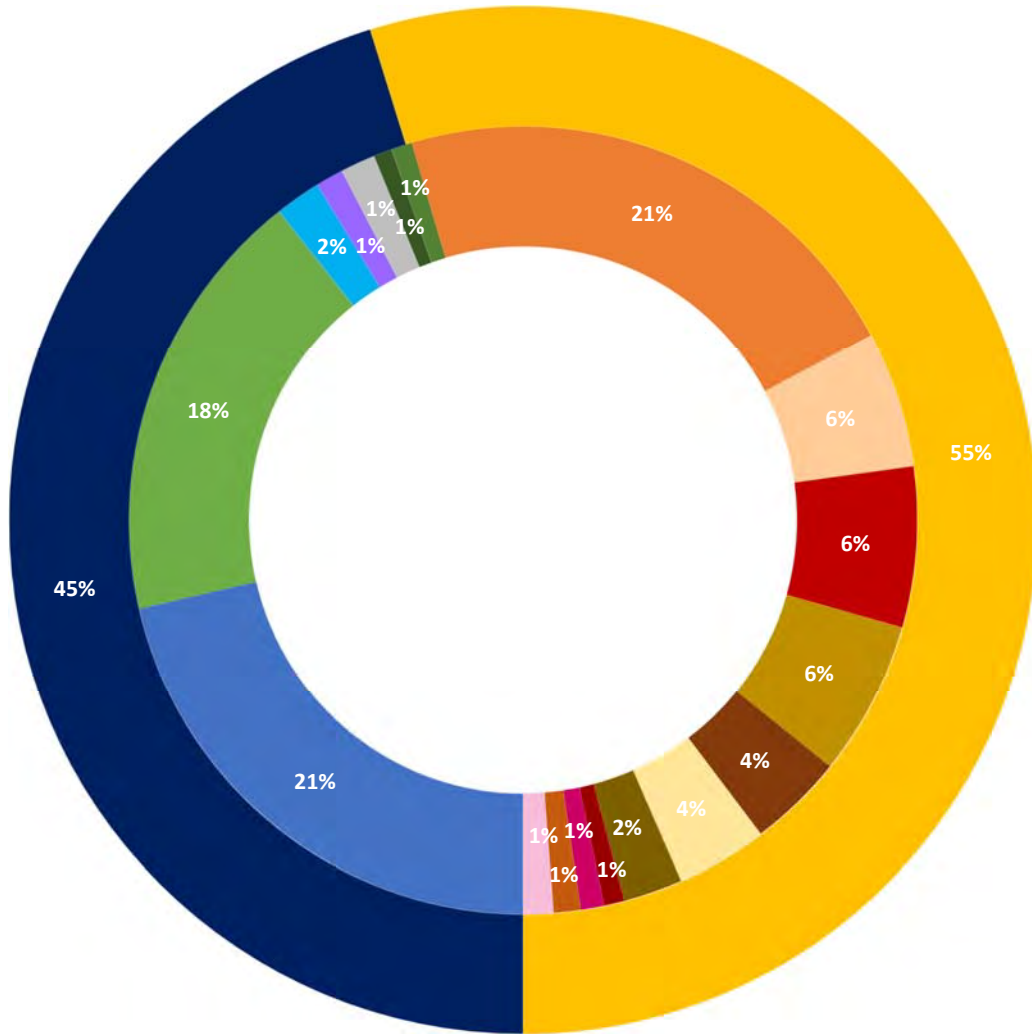
Predicting the future needs for Denver Water’s service area depends on population and employment, improvements in water fixture technology, and changes to land use, among other variables.



Water use from year to year is heavily influenced by weather. About half of single-family residential water use is outdoors, and a hot, dry year can mean customers use more water than usual. Denver Water serves about a quarter of the state's population but uses less than 2% of all water, treated and untreated, in Colorado.



2024 PROJECTED CONSUMPTION BY CUSTOMER CLASS



Total Inside City

- Inside City Single Family Residential
- Inside City City and County of Denver
- Inside City Recycled

Inside City Commercial

- Inside City City and County of Denver IRR
- Inside City Irrigation Only
- Inside City City and County of Denver Recycled

Total Outside City

- Read and Bill Single Family Residential
- Outside City GRE Raw
- Total Service Commercial
- Read and Bill Irrigation Only
- Outside City OCSA Treated

Outside City Master Meters

- Total Service Single Family Residential
- Read and Bill Commercial
- Outside City Raw
- Total Service Irrigation Only
- Outside City OCSA Recycled

WATER SHORTAGE PREPAREDNESS



Cheesman Reservoir during the 2002 drought

Denver Water’s proactive efforts take a holistic approach that includes planning for all water shortage events. Water shortages can occur many ways, including drought, curtailment of water supplies or an emergency in the water distribution system. Regardless of the cause, Denver Water has processes in place to respond appropriately to a water shortage event.

All decisions pertaining to water shortage response are made by the Board of Water Commissioners. Board members use Chapter 15 of Denver Water’s Operating Rules to guide their decision. The goal of the Board’s response is to maintain the health, safety and economic vitality of the community to the extent possible in the face of water shortages.

Drought is the most frequent water shortage event for the 1.5 million people Denver Water serves. The weather in Denver Water’s collection system and service area constantly fluctuates, but it’s typically very dry.

Denver receives an average of 15 inches of precipitation each year, which is about a fourth of the precipitation a tropical city such as Miami receives.

Denver Water also has experienced several severe droughts in the past that have challenged the water system and depleted supply. Because of that, Denver Water has a detailed drought response plan in place.

Stages of drought response

Denver Water’s Water Shortage Response Implementation Plan details water shortage indicators, response tools and response actions. Denver Water’s primary response to water shortage is to restrict customers’ water use so supplies will last as long as possible and be available for the most essential uses.

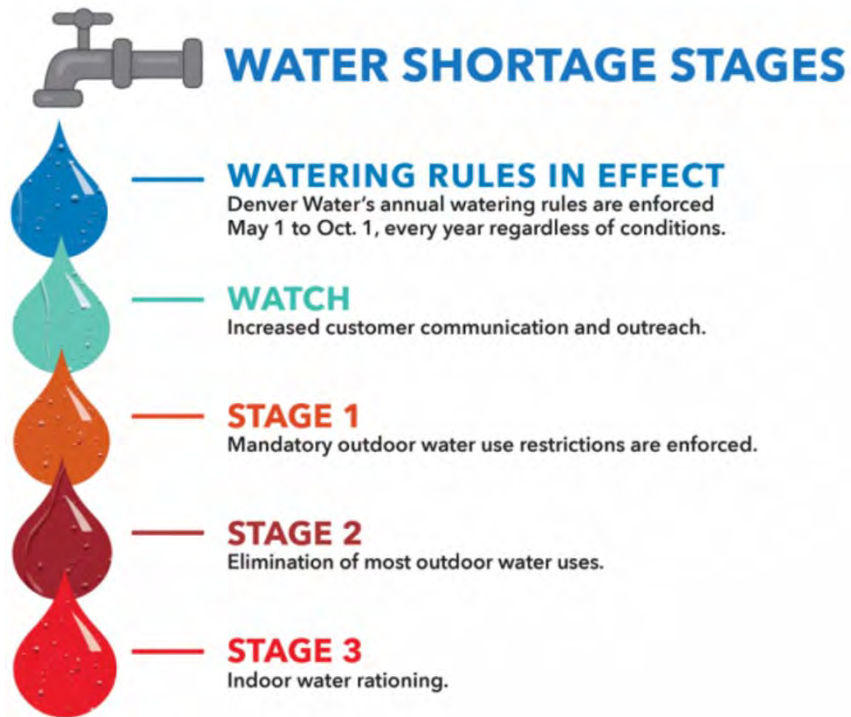


Sun seen through wildfire smoke, 2020

Denver Water’s annual watering rules are enforced May 1 to Oct. 1 every year, regardless of conditions.

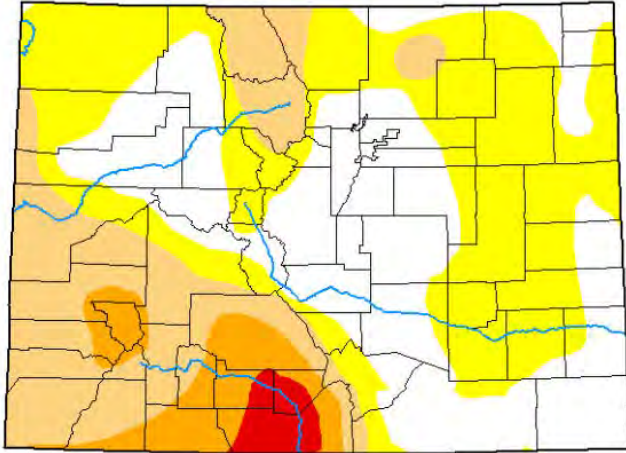
Additionally, four stages of response have been identified based on various water shortage indicators such as:

- Current and projected reservoir supply.
- Watershed characteristics in the Colorado and South Platte River basins such as temperature, precipitation, snowpack, streamflow, wind and soil moisture.
- Water use, including projected water use.
- Weather forecasts.
- Actions taken by local, regional and/or state governments or water suppliers regarding water use.
- Drought response actions taken by state water officials.
- Water availability conditions and/or drought conditions in the Colorado and South Platte River basins.
- A failure or emergency in Denver Water’s system.



The following images show the Colorado drought monitors from January 2024 compared to 2023:

U.S. Drought Monitor Colorado



January 2, 2024
(Released Thursday, Jan. 4, 2024)
Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	34.65	65.35	29.59	8.85	2.05	0.00
Last Week 12-26-2023	36.69	63.31	25.85	8.85	2.05	0.00
3 Months Ago 10-03-2023	62.37	37.63	20.14	3.54	0.00	0.00
Start of Calendar Year 01-02-2024	34.65	65.35	29.59	8.85	2.05	0.00
Start of Water Year 09-26-2023	65.71	34.29	17.43	2.77	0.00	0.00
One Year Ago 01-03-2023	39.97	60.03	33.83	12.28	1.91	0.01

Intensity:
 None (White) D2 Severe Drought (Orange)
 D0 Abnormally Dry (Yellow) D3 Extreme Drought (Red)
 D1 Moderate Drought (Light Orange) D4 Exceptional Drought (Dark Red)

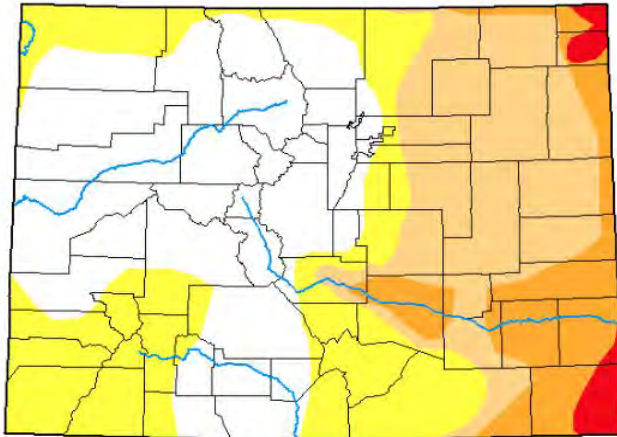
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:
Lindsay Johnson
National Drought Mitigation Center



droughtmonitor.unl.edu

U.S. Drought Monitor Colorado



January 3, 2023
(Released Thursday, Jan. 5, 2023)
Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	39.97	60.03	33.83	12.28	1.91	0.01
Last Week 12-27-2022	13.75	86.25	42.37	30.79	3.23	0.53
3 Months Ago 10-04-2022	24.95	75.05	43.62	13.41	3.16	0.57
Start of Calendar Year 01-03-2023	39.97	60.03	33.83	12.28	1.91	0.01
Start of Water Year 09-27-2022	15.46	84.54	45.65	15.47	3.73	0.57
One Year Ago 01-04-2022	0.00	100.00	95.49	67.08	22.25	0.00

Intensity:
 None (White) D2 Severe Drought (Orange)
 D0 Abnormally Dry (Yellow) D3 Extreme Drought (Red)
 D1 Moderate Drought (Light Orange) D4 Exceptional Drought (Dark Red)

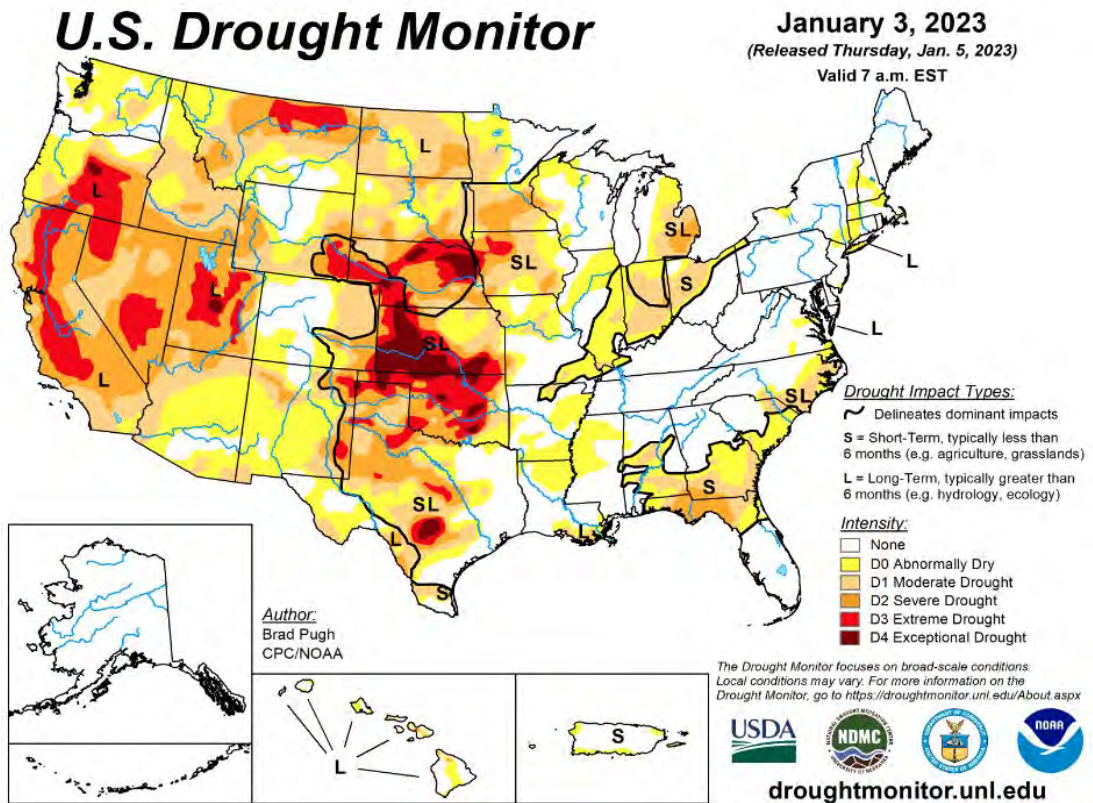
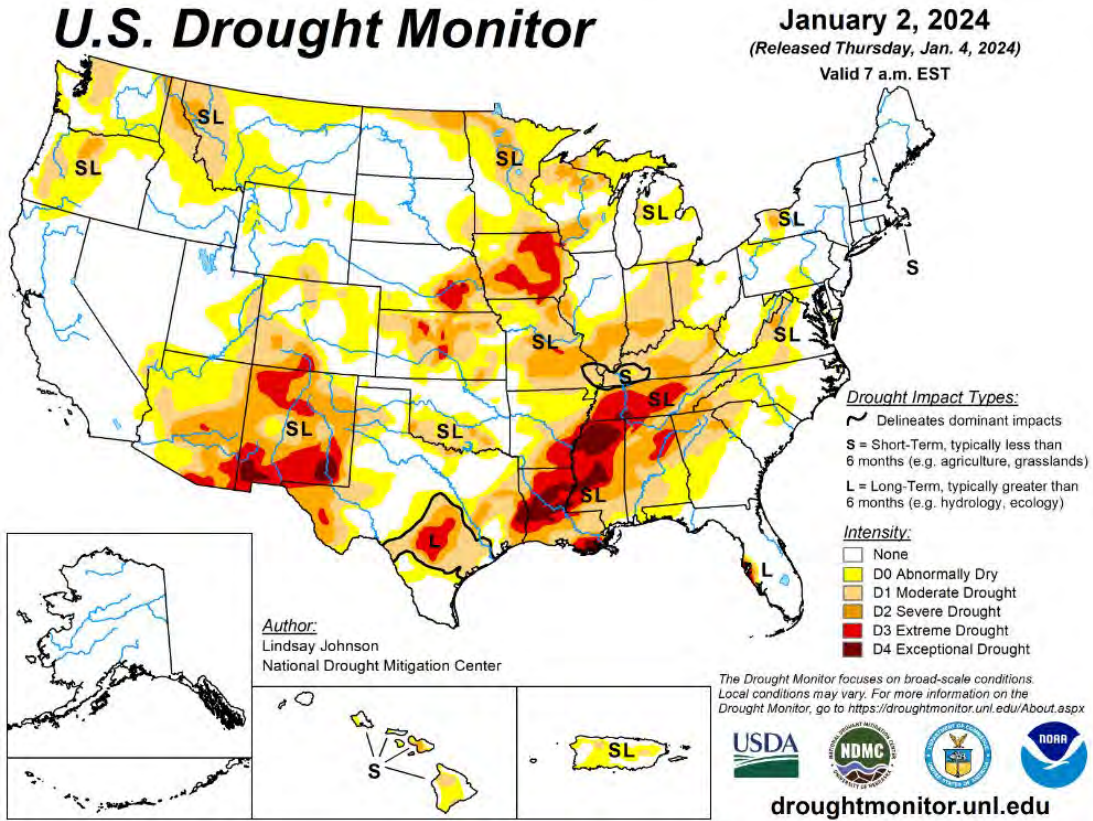
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Author:
Brad Pugh
CPC/NOAA



droughtmonitor.unl.edu

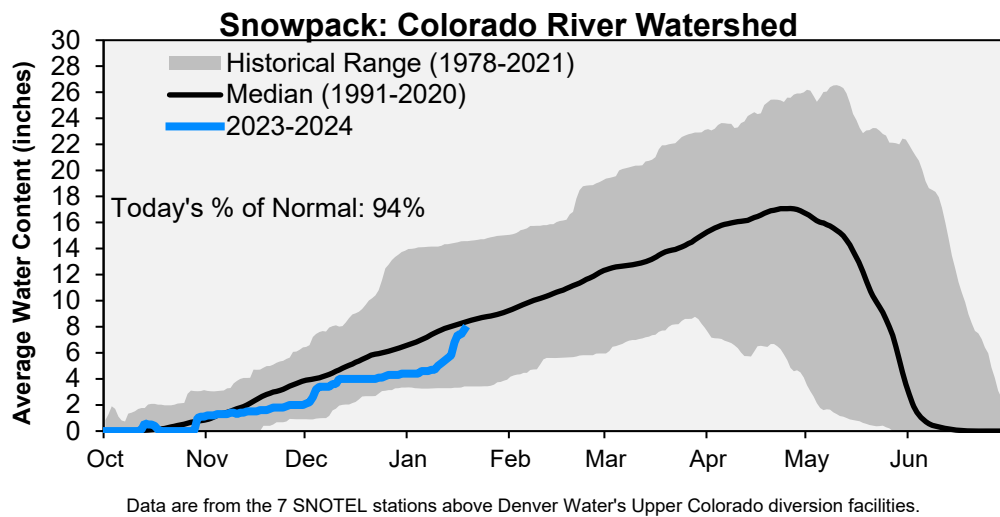
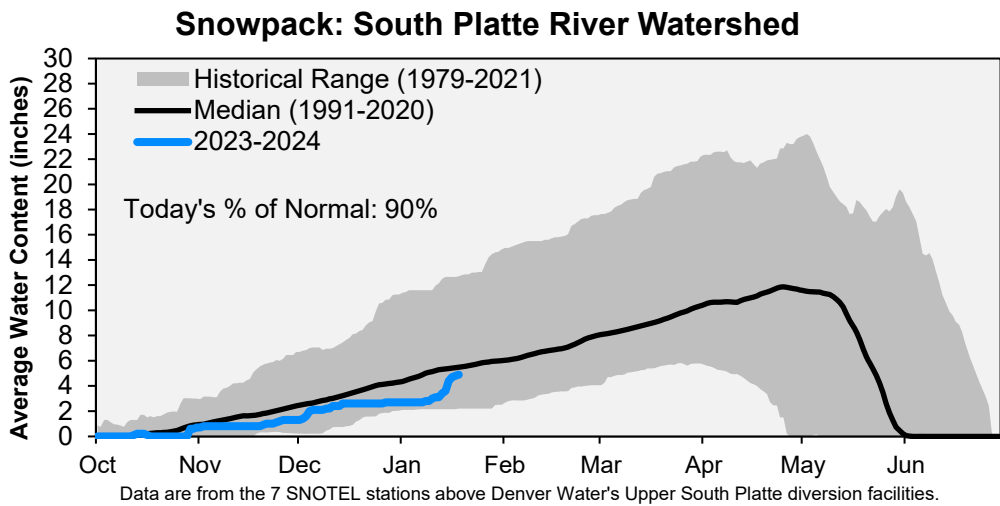
The following images show the national drought monitor from January 2024 compared to 2023:



Current conditions (as of Jan. 18, 2024)

Denver Water collects and analyzes data from throughout our system to help better understand where the water supply and demand stand. All data is preliminary and subject to change.

Denver Water’s supply reservoir storage is above average for this time of year at 86% full, with 82% full being typical for this time of year. Colorado River snowpack above Denver Water’s collection system sits at 94% of normal. South Platte River snowpack above the collection system is currently 90% of normal. The three snowiest months are ahead, and supply conditions are favorable at this point.





GLOSSARY AND DEFINITIONS

GLOSSARY AND DEFINITIONS

accounting standards

The Board's financial statements are prepared in accordance with principles generally accepted in the United States of America (GAAP). Additionally, the Board applies all applicable pronouncements of the Governmental Accounting Standards Board.

balanced budget

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

basis of accounting

The Board's financial statements are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the statement of net assets, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. This is different from the basis of budgeting. Denver Water's budget is prepared using the budget basis in which revenues are recorded when they become available, and expenditures are recorded at the time liabilities are incurred.

bonds

Debt instruments. According to Denver Water's charter, the Board may issue revenue bonds that are secured solely by net revenue.

budget

A financial plan for a specified period of time (fiscal year) that assigns resources to each activity in sufficient amounts so as to reasonably expect accomplishment of the objectives in the most cost-effective manner.

capital expenditure

Expenditure having a depreciable life of over one year and a cost over \$50,000.

capital policy

Initial acquisition costs of assets are capitalized if they have a service life of more than one year and a cost of \$50,000 or more. Costs of not meeting these criteria are expensed. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective asset classes.

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." The Board's practice is to maintain reserves that are sufficient to

provide: 25% of the next year's operating costs; the greater of average annual amortization cost or 2% of current total capital assets (before depreciation) for replacement capital and equipment purchases; 50% of expected annual debt service for next year; \$10 million in exposure reserve.

conduit

A 24-inch diameter (or larger) pipe carrying raw or potable water from or to treatment facilities, reservoirs and delivery points feeding a distribution system.

customer service area

The region in which customers are provided and delivered professional, helpful, high-quality services and assistance before, during and after the customer's requirements are met.

debt guidelines

Denver Water has no legal debt limits. However, the Board has adopted debt guidelines to guide the timing and use of debt in the future. The guidelines set forth a policy that prevents debt proceeds from being used to pay operating and maintenance expenditures. The guidelines instruct that debt proceeds will be used only for current refunding, advanced refunding, and payment for nonrecurring capital projects that expand the system or are otherwise unusual in nature or amount.

debt service

Principal and interest on debt and payments under capital leases.

depreciation

A reduction in the value of an asset with the passage of time.

division

Largest organizational unit reporting to the CEO/Manager.

enterprise fund

A type of propriety fund or a governmental unit that carries on activities in a manner similar to a private business.

fund

An accounting entity with a set of self-balancing accounts that is used to account for financial transactions for specific activities or government functions. By charter, Denver Water is reflected in the city's financial statement in a single fund known as the Water Works Fund.

fund balance

The balance in the Water Works Fund. Fund balance is calculated each year by adding total sources of funds to the balance at the beginning of the year and then subtracting total expenditures.

Governmental Accounting Standards Board (GASB)

A board that establishes the generally accepted accounting principles for state and local governmental units.

hydropower

Hydroelectric power of/or relating to production of electricity by water power.

integrated resource

A method for looking ahead using environmental, engineering, social, financial and economic considerations. Includes using the same criteria to evaluate both supply and demand options while involving customers and other stakeholders in the process.

investment balance

The total sum held in cash and investments net of uncleared warrants.

investments

The Board has protection of principal as its primary investment policy objective. The Board designates its authority to invest money deposited in the Water Works Fund to the CEO/Manager and the chief of Finance. According to the current investment policy, U.S. government obligations, government-sponsored federal agency securities, commercial paper, corporate fixed income securities, money market funds and repurchase agreements are permissible investments. The official policy outlines allowable credit risk and maximum maturities for each investment type.

long-term debt

Debt with a maturity of more than one year from date reported.

operating reserves and restricted funds

The amount of cash and invested funds available at any point in time. The balance is the Water Works Fund as defined in this glossary.

operating revenue

Revenue obtained from the sale of water.

principal and interest requirements

As used in the debt guidelines, interest requirements plus the current portion of long-term debt.

program

An organized group of activities and the resources to carry them out, aimed at achieving related goals.

program budget

A method of budgeting in which the focus is on the project and activities that are required to accomplish Denver Water's mission, goals and objectives. It provides consideration of alternative means to accomplish these criteria. It also provides a control device for higher level management and cuts across organizational lines. Resources are allocated along program lines and across organizational lines.

program element

Series of smaller categories of activities contained in the program such as raw water, water treatment, etc.

raw water

Untreated water.

recycled water

Application of appropriately treated effluent to a constructive purpose. In Colorado, the source of recycled water must be another basin. Also, to intercept, either directly or by exchange, water that would otherwise return to the stream system for subsequent beneficial use.

refunds

Includes system development charge refunds and customer refunds.

reservoir

An impoundment to collect and store water. Raw water reservoirs impound water in a watershed; terminal reservoirs collect water where it leaves a watershed to enter the treatment process; and treated-water reservoirs are tanks or cisterns used to store potable water.

revenues

Denver Water's system is completely funded through rates, fees and charges for services provided by Denver Water. There are no transfers to or from the city's general fund. Water rates pay for operation and maintenance expenses, repair, capital replacements and modifications to existing facilities, debt service, and a portion of the costs of new facilities and water supply.

risk management

The Board is exposed to various risks of losses, including general liability (limited under the Colorado Governmental Immunity Act to \$150,000 per person and \$600,000 per occurrence); property damage; and employee life, medical, dental and accident benefits. The Board has a risk-management program that includes self-insurance for liability, employee medical, dental and vision. The Board carries commercial property insurance for catastrophic losses including floods, fires, earthquakes and terrorism for scheduled major facilities.

strategic plan

Process that is a practical method used by organizations to identify goals and resources that are important to the long-term wellbeing of its future.

system development charges

A one-time connection charge that provides a means for financing a portion of the source of supply, raw water transmission facilities, treatment plants and backbone treated water transmission facilities required to provide service to a new customer. Sometimes called a tap fee.

tap

A physical connection made to a public water distribution system that provides service to an individual customer.

type of expenditure

A classification of resources or commodities that will be budgeted and charged to projects and activities by cost control centers.

value realization

The ability to measure the direct influence of projects and people to executive-level business objectives.

ACRONYM GLOSSARY

ACFR

Annual Comprehensive Financial Report

AFY

Acre-feet per year

CDPHE

Colorado Department of Public Health and Environment

CI

Continuous Improvement

CIP(s)

Capital Improvement Project(s)

CSA

Customer Service Area

DEI

Diversity Equity and Inclusion

EPMO

Enterprise Project Management Office

FERC

Federal Energy Regulatory Commission

FTE

Full-term Equivalent

GAAP

Generally Accepted Accounting Principles

GASB

Governmental Accounting Standards Board

GFOA

Government Finance Officers Association

IRP

Integrated Resource Plan

LRP

Lead Reduction Program

LTE

Limited-term Equivalent

MGD

Million Gallons per Day

M

Million

K

Thousand

MSA

Metropolitan Statistical Area

NTP

Northwater Treatment Plant

RIE

Rapid Improvement Event

SDC

System Development Charges

TBD

To Be Determined

VS

Value Stream

WTP

Water Treatment Plant