

## 2010 WATER QUALITY REPORT

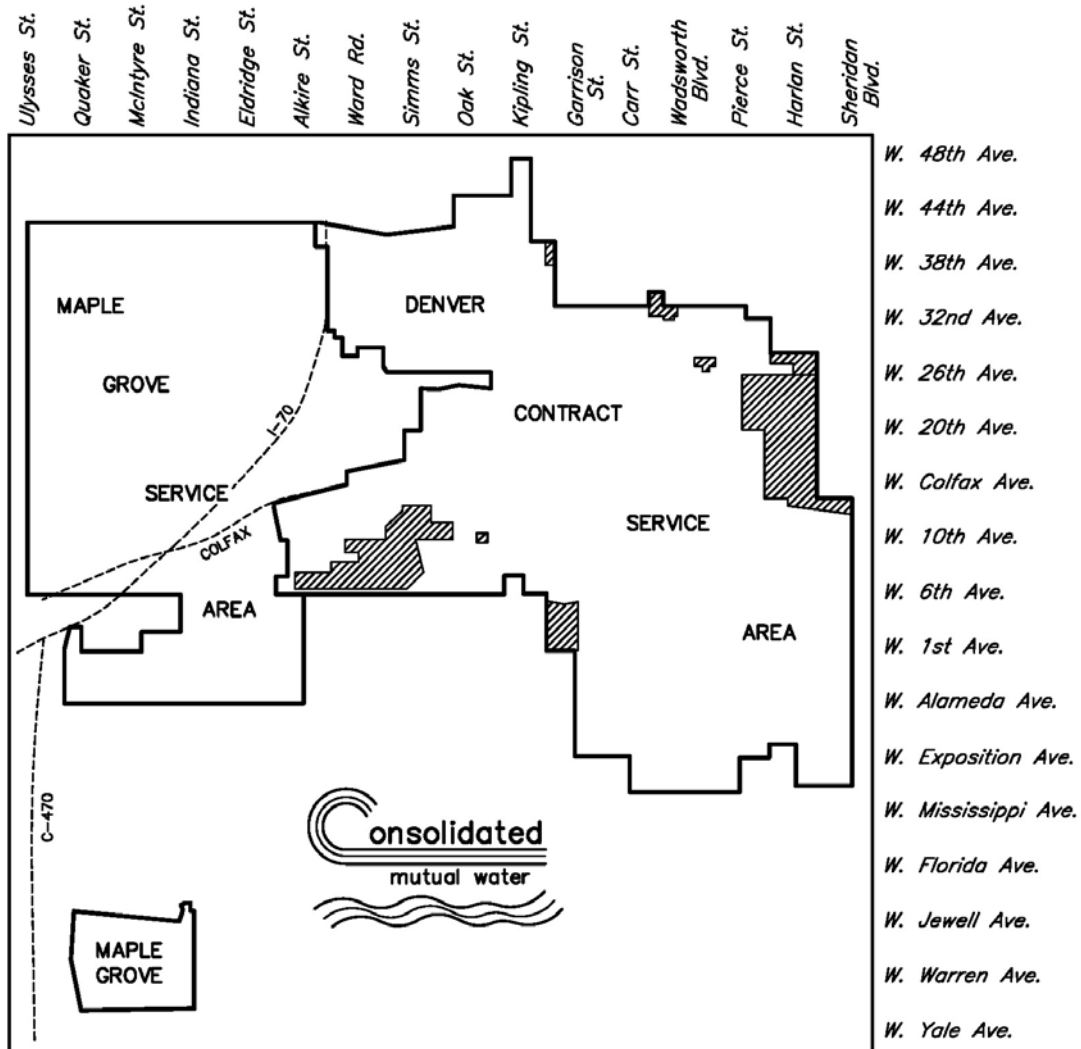
We are pleased to present a summary of the quality of the water provided to you during the past year. The service area is provided water from two independent and separate water treatment systems. The largest section is the Denver Contract area, which is supplied from the Denver Water Department treatment facilities. The second area is supplied from the Company owned and operated Maple Grove Water Treatment Plant. Both systems provide high quality drinking water in accordance with **The Safe Drinking Water Act**. All treatment plants are operated with certified class "A" operators as required by EPA regulations.

A summary of water quality for each system is provided along with details about where your water comes from, what it contains, and how it compares to standards set by regulatory agencies. Certified laboratories in accordance with current regulations completed all reportable water analysis.

### Protection of the Water Supply

The Company is aware of potential security risks at U.S. water utilities and the possibility of future threats. We have completed and submitted a Federal vulnerability assessment, increased security at all Company facilities and enhanced our sampling schedules. The Company's highest priority is to maintain a quality water supply for our customers. The Colorado Department of Public Health and Environment Source Water Assessment and Protection (SWAP) program has completed a source water assessment summary for all large Colorado public water supplies. This information is available on their web site at ([www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)), or by contacting Chris Jones, Water Treatment Manager, at (303) 238-0451. Please see page 19 of this report for potential sources of contamination in our source water area.

For additional information on this report contact *Denver Water at 303-628-5973, or attend the Annual Stockholders Meeting on May 12, 2011, 6:30 p.m. at 12700 West 27<sup>th</sup> Avenue. For information on contaminants and potential health effects, call the U.S. Environmental Protection Agency's Safe Drinking Water Hotline at 1 (800) 426-4791.*



### **SPECIAL INFORMATION AVAILABLE**

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly persons and infants can be particularly at risk from infections. These people should seek advice about drinking water from their healthcare providers. Environmental Protection Agency (EPA) and Centers for Disease Control guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the EPA's Safe Drinking Water Hotline at 1 (800) 426-4791.

In order to ensure that tap water is safe to drink, the EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

**Cryptosporidium and Giardia** are microscopic organisms that, when ingested, can result in diarrhea, fever and other gastrointestinal symptoms. They are found in Colorado's rivers and streams. These organisms are eliminated from drinking water by an effective treatment combination including filtration, sedimentation and disinfection. The Maple Grove and Denver treatment plants have monitored for these organisms for a number of years.

#### **Disinfection By-Products**

Total Trihalomethanes (TTHM) are by-products of the disinfection process. Regulations require that they be reported to the Colorado Department of Health by running annual averages.

#### **Source Water**

As water travels over the land surface or through the ground, it dissolves naturally occurring minerals and radioactive material and may be polluted by animals or human activity. Contaminants that might be expected in untreated water include biological contaminants, such as viruses and bacteria; inorganic contaminants, such as salts and metals; pesticides and herbicides; organic chemicals from industrial or petroleum use and radioactive materials.

**Potential sources of contamination** in our source water area as defined by the Colorado Department of Public Health and Environment (CDPHE) can come from these discrete sites; EPA Hazardous Waste Generators, EPA Toxic Release Inventory Site, aboveground, underground and leaking Storage Tank Sites and Existing/Abandoned Mine Sites. Contamination can also derive from these dispersed sources of land use and cover types; Commercial/ Industrial/ Transportation, High Intensity Residential, Urban Recreational Grasses, Row Crops, Fallow, Pasture/Hay, Deciduous Forest and other types such as Septic Systems and Road Miles. The Source Water Assessment Report provides a screening-level evaluation of potential contamination that could occur. It does not mean that the contamination has or will occur. We can use this information to evaluate the need to improve our current water treatment capabilities and prepare for possible future contamination threats which will help us ensure that quality finished water is delivered to your home. In addition, the source water assessment results provide a starting point for developing a source water protection plan.

**Drinking water**, including bottled water, may be reasonably expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U. S. EPA's Safe Drinking Water Hotline at 1(800) 426-4791.

**Lead** if present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The Company is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

El presente informe contiene información muy importante relacionada con el agua potable. Si quiere esta información en español, llame al 303-628-5986.

## MAPLE GROVE SERVICE AREA

Source water: Maple Grove Water Treatment Plant receives water from two surface water sources. About 90% of the water is diverted from Clear Creek and the remainder comes from Lena Gulch. Both collection systems are generally very healthy due to the absence of industrial activity in the watershed area. Some naturally-occurring metals and radioactive materials are dissolved in the water, however, to date, we have experienced no violations of regulations from any of these contaminants.

Treatment technology: Maple Grove Treatment Plant is a full treatment facility with coagulation, flocculation, membrane filtration and disinfection. In addition, iron, manganese and organic material are reduced. Lower iron and manganese levels reduce staining of fixtures and lower organic material levels reduce the formation of TTHM's during disinfection. The Treatment Plant features current state-of-the-art monitoring and operational equipment and all operators are highly qualified and certified by the State of Colorado.

CONTAMINANTS	MCL *	MCLG*	CCR Unit	Range of Detection	Maple Grove Average	Violation	Sampling Date	Sources of contamination
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### Regulated in the treatment plant effluent

Antimony	6	6	ppb	0 - 1	0.4	No	3 samples **	Discharge from petroleum, fire retardants, ceramics
Barium	2	2	ppm	0 - 0.059	0.033	No	3 samples **	Erosion of natural deposits/drilling wastes
Fluoride	4	4	ppm	0.38	0.38	No	1/20/2010	Erosion of natural deposits
Chloramine as Cl <sub>2</sub>	4	N/A	ppm	0.35 - 3.48	1.72	No	6 Daily	Drinking water disinfectant
Nitrate	10	0	ppm	0.14 - 0.53	0.39	No	3 samples **	Runoff from fertilizer use/erosion of natural deposits
Total Organic Carbon (TOC)	TT	N/A	ppm	1.55 - 2.98	2.08	No	Monthly	Naturally present in the environment
Turbidity	TT	N/A	NTU	1* - 0.14	2* - 100%	No	6 Daily	Soil runoff
Uranium Total	30	N/A	ppb	0.0012	0.0012	No	4/14/2010	Erosion of natural deposits

1\* Highest turbidity level for 2010

2\* monthly % of samples less than 0.3 NTU

### Regulated in the distribution system

Total Trihalomethanes (TTHM)	80	0	ppb	10.0 - 63.0	33.4	No	Quarterly	Disinfection by-product
Haloacetic Acids (HAA5)	60	0	ppb	5.3 - 15	9.3	No	Quarterly	Disinfection by-product
Chlorite	1	0.8	ppm	0.18 - 0.87	0.58	No	Daily	Disinfection by-product
Total Coliform Bacteria	1*	0	+ / -	2*	0	No	Monthly	Naturally present in the environment

1\* presence of coliform bacteria in 1 monthly sample

2\* 0 positive out of 300 samples

### Regulated at customers tap

Lead	15	1*	0	ppb	2* 0.05	3* 0 out of 30	No	Jun-08	Corrosion of household plumbing and service connection.
Copper	1.3	1*	1.3	ppb	2* 0.3	3* 0 out of 30	No	Jun-08	

1\* MCL/Action level at 90th percentile

2\* 90th percentile value

3\* Number of samples exceeding AL

### INORGANIC CONTAMINANTS

Bromide	N/A	N/A	ppm	0.033 - 0.18	0.1	No	3 samples **	Naturally present in the environment
Chloride	250 (SMCL)	N/A	ppm	160 - 210	185	No	3 samples **	Naturally present in the environment
Manganese	0.05 (SMCL)	N/A	ppm	0 - 0.005	0.002	No	3 samples **	Naturally present in the environment
Silver	0.1 (SMCL)	N/A	ppm	0.0012	0.0012	No	1/20/2010	Naturally present in the environment
Sodium	N/A	N/A	ppm	32 - 110	58.7	No	3 samples **	Naturally present in the environment
Sulfate	250 (SMCL)	250	ppm	78 - 81	79	No	3 samples **	Naturally present in the environment
Zinc	5 (SMCL)	N/A	ppm	0 - 0.014	0.005	No	3 samples **	Naturally present in the environment

\*\* - The Company was only required by regulation to test for inorganic contaminants once in 2010; however, for reasearch purposes they sampled on 1/20/10, 4/14/10, and 10/19/10.

## DENVER SERVICE AREA

Source water: Denver Water treatment plants receive surface waters from a watershed that covers over 3,100 square miles on both sides of the Continental Divide. Water is transported from the Colorado, Fraser and South Platte Rivers through the Denver Water collection system.

Treatment technology: Denver has three treatment plants, Foothills, Marston and Moffat. They are all full treatment plants and are maintained, evaluated and upgraded to stay abreast of advancements in technology, health science and governmental regulations.

CONTAMINANTS	MCL *	MCLG*	CCR Unit	Range of Values Detection	Denver Average	Violation	Sampling Dates	Sources of contamination
<b>Regulated in the treatment plant effluent</b>								
Barium	2	2	ppb	17 - 39	37	No	Monthly	Erosion of natural deposits
Cyanide, Total	200	200	ppm	br - 25	br	No	Quarterly	Source unknown
Fluoride	4	4	ppm	0.09 - 1.18	0.81	No	6 Daily	Erosion of natural deposits + water additive
Nitrate	10	10	ppm	br - 0.23	0.16	No	Monthly	Erosion of natural deposits & septic systems
Chloramine as Cl2	4	N/A	ppm	0.87 - 2.05	1.58	No	12 Daily	Drinking water disinfection
Alpha particles	15	0	pCi/l	br - 2	br	No	Quarterly	Erosion of natural deposits
Uranium	30	N/A	ppb	br - 1.0	br	No	Quarterly	Erosion of natural deposits
Total Organic Carbon	TT	N/A	3*	4*	4*	No	Monthly	Naturally present in the environment
Turbidity	TT	N/A	NTU	1* - 0.15	2* - 100%	No	12 Daily	Soil runoff

1\* Highest turbidity level for 2010

2\* monthly % of samples less than 0.3 NTU's

3\* Removal Ratio

4\* Denver Water used enhanced treatment to remove required amount of natural organic material and/or they demonstrated compliance with alternative criteria.

### Regulated in the distribution system

Total Trihalomethanes TTHM	80	0	ppb	14 - 48	29	No	Monthly	Disinfection by-product
Haloacetic Acids (HAA5)	60	0	ppb	10 - 37	17	No	Monthly	Disinfection by-product
Total Coliform Bacteria	1*	0	+ / -	2*	0.23% 3*	No	Daily	Naturally present in the environment

1\* No more than 5% positive per month

2\* 3 positive out of 5224 samples or 0.06%

3\* highest monthly 0.23% April 2010

### Regulated at customers tap

Lead	15 1*	0	ppb	2* - 10	3 out 52 of 3*	No	June - Sept 2010	Corrosion of household plumbing
Copper	1.3 1*	1.3	ppm	2* - 0.23	0 out 52 of 3*	No	June - Sept 2010	Corrosion of household plumbing

1\* MCL/Action level at 90th percentile 2\* 90th percentile value 3\* Number of samples exceeding AL

### INORGANIC CONTAMINANTS

Manganese	0.05 (SMCL)	N/A	ppb	br - 12	3	No	Monthly	Naturally present in the environment
Sulfate	250 (SMCL)	250	ppm	19 - 72	58	No	Monthly	Naturally present in the environment
Sodium	N/A	N/A	ppm	9 - 24	17	No	Monthly	Naturally present in the environment
Total Dissolved Solids	500 (SMCL)	N/A	ppm	77 - 210	193	No	Monthly	Erosion of natural deposits

\* Definitions:

MCL Maximum Contaminant Level - The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLG feasible using the best available treatment technology

MCLG Maximum Contaminant Level Goal - The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety

ppm One part per Million ppb One part per Billion

pCi/L - Picocuries per liter is a measure of radioactivity in water

AL - Action Level The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow

SMCL - Secondary Maximum Contaminant Level is a recommended level and is not enforceable

TT - Treatment Technique. A required process intended to reduce the level of a contaminant in drinking water

RAA - Running Annual Average

nd - No Detect

br - Below Reporting Level