

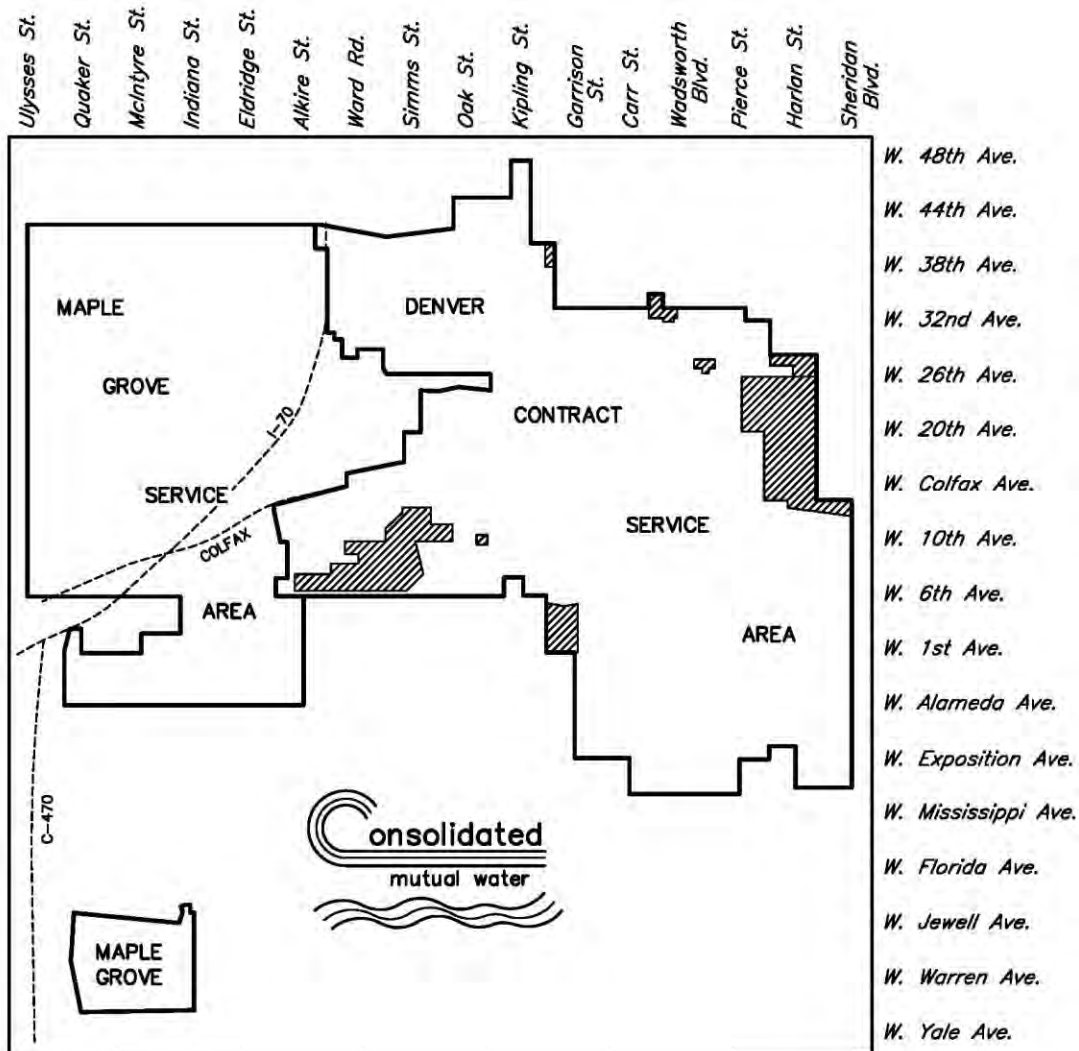
2016 WATER QUALITY REPORT

The Consolidated Mutual Water Company ("Company") is pleased to present its 2016 Annual Water Quality Report in accordance with the United States Environmental Protection Agency (USEPA) National Primary Drinking Water Regulations, which requires all drinking water suppliers to provide their customers with an annual statement describing the water supply and the quality of its water. The Company's 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 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. The Company has completed and submitted a Federal vulnerability assessment, increased security at all Company facilities and enhanced its 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 which is available on their web site at (www.cdph.state.co.us/wq/sw/swaphom.html) or by contacting Chris Jones, Water Treatment Manager, at (303) 238-0451. Please see page 15 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 11, 2017, 6:30 p.m. at 12700 West 27th Avenue. For information on contaminants and potential health effects, call the *USEPA Safe Drinking Water Hotline* at 1 (800) 426-4791.



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. Some naturally-occurring metals and radioactive materials are dissolved in the water; however, as of this date, we have experienced no violations of regulations from any of these contaminants.

Treatment technology: Maple Grove Water 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 Total Trihalomethanes (TTHMs) during disinfection. The Treatment Plant features current state-of-the-art monitoring and operating equipment and all operators are certified by the State of Colorado.

CONTAMINANTS	MCL (1)	MCLG (2)	Unit (3)	Range of Detection (4)	Maple Grove Average	Violation	Sampling Date	Sources of Contamination
Regulated in the treatment plant effluent								
Barium	2	2	ppm	0.034	0.034	No	9/21/2016	Erosion of natural deposits, drilling wastes and metal refineries
Fluoride	4	4	ppm	0.43	0.43	No	9/21/2016	Erosion of natural deposits
Chloramine as Total Chlorine	4	N/A	ppm	2.05 - 2.94	2.43	No	6 Daily	Water additive used to control microbes
Chlorine Dioxide	800	800	ppb	0 - 240	10	No	Daily	Water additive used to control microbes
Nitrate as N	10	0	ppm	0.068	0.068	No	9/21/2016	Runoff from fertilizer use, erosion of natural deposits
Sodium	N/A	N/A	ppm	24.0	24.0	No	9/21/2016	Naturally present in the environment
Total Organic Carbon (TOC)	TT (5)	N/A	ppm	2.08 - 2.82	2.5	No	Monthly	Naturally present in the environment
Turbidity	TT (5)	N/A	NTU	0.04 (6)	(7) 100%	No	6 Daily	Soil runoff

Regulated in the distribution system

Total Trihalomethanes (TTHM)	80	0	ppb	10.4 - 36.5	22.4 LRAA (10)	No	Quarterly	Disinfection by-product
Halo Acetic Acids (HAA5)	60	0	ppb	<5 - 11.5	6.9 LRAA (10)	No	Quarterly	Disinfection by-product
Chlorite	1	0.8	ppm	0.29 - 0.76	0.49	No	Daily	Disinfection by-product
Total Coliform Bacteria	(8)	0	+ / -	(9)	0	No	Monthly	Naturally present in the environment

Regulated at customers tap

Copper	1.3 (11)	1.3	ppm	(12) 0.20	(13) 0 out of 30	No	Sept. 2014	Corrosion of household plumbing and service connection.
Lead	15 (11)	0	ppb	(12) 2.6	(13) 0 out of 30	No	Sept. 2014	

Notice of Violation:

The Company received "Violation Notices" from the Colorado Department of Public Health & Environment for the following situation: Failure to Monitor or Timely Report LT2, (Long Term 2 Enhanced Surface Water Treatment Rule), Source Water Result(s) from October 1, 2016 to December 31, 2016. The Company used an unapproved method to test for e-coli in the source or untreated water. This would not have led to any health related issues, but the Company is required to notify all customers of these violations. The Company has since begun to send these compliance samples to an outside lab capable of running the approved method of detection. If you have any questions concerning this notice please contact Chris Jones at (303) 274-7410.

Notes:

- (1) Maximum Contaminant Level (MCL) - The highest level of a contaminant allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
- (2) Maximum Contaminant Level Goal (MCLG) - 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.
- (3) Units of Measurement = pCi/L - Picocuries per liter is a measure of radioactivity in water. ppm = one part per million. ppb = one part per billion.
- (4) Range of Detection = br - below reporting level and nd - no detection.
- (5) Treatment Technique (TT) is a required process intended to reduce the level of a contaminant in drinking water.
- (6) Highest turbidity level for 2016.
- (7) Monthly % of samples less than 0.1 Nephelometric Turbidity Unit (NTU).
- (8) Presence of coliform bacteria in one monthly sample.
- (9) 0 positive out of 480 samples.
- (10) Locational Running Annual Average (LRAA).
- (11) MCL / Action Level (AL) at 90th percentile.
- (12) 90th percentile.
- (13) Number of samples exceeding AL.

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 (1)	MCLG (2)	Unit (3)	Range of Detection (4)	Denver Average	Violation	Sampling Frequency	Sources of contamination
Regulated in the treatment plant effluent								
Aluminum	50 - 200 SMCL (5)	N/A	ppb	13 - 123	35	No	Monthly	Erosion of natural deposits & treatment chemicals
Antimony	6	6	ppb	br - 0.08	0.05	No	Monthly	Discharge of petroleum refineries, fire retardants, ceramics, and electronics solder
Arsenic	10	0	ppb	br - 0.5	0.5	No	Monthly	Erosion of natural deposits, runoff from orchards, glass and electronics solder
Barium	2	2	ppm	0.02 - 0.04	0.03	No	Monthly	Erosion of natural deposits
Chromium	100	100	ppb	br - 1	0.6	No	Monthly	Discharge from steel and pulp mills, erosion of natural deposits
Chloride	250 SMCL	N/A	ppm	4 - 35	19	No	Monthly	
Copper	1.0 SMCL	N/A	ppm	br - 0.02	0.003	No	Monthly	
Fluoride	4	4	ppm	0.2 - 1.1	0.7	No	Monthly	Erosion of natural deposits and a water additive
Gross Alpha	15	0	pCi/L	br - 1	br	No	Annually	Erosion of natural deposits, mine drainage
Iron	0.3 SMCL	N/A	ppm	br - 0.14	0.02	No	Monthly	
Manganese	50 SMCL	N/A	ppb	br - 28	7	No	Monthly	Erosion of natural deposits, discharge of drilling
Nitrate as N	10	10	ppm	br - 0.2	0.1	No	Monthly	Erosion of natural deposits
Selenium	50	50	ppb	br - 0.6	0.5	No	Monthly	Discharge of petroleum and metal refineries, erosion of natural deposits, and discharge of mines.
Sodium	N/A	N/A	ppm	7.5 - 20	14.8	No	Annually	Naturally present in the environment
Sulfate	250 SMCL	N/A	ppm	16 - 67	40	No	Monthly	Naturally present in the environment
Uranium	30	0	ppb	br - 1.4	0.5	No	Monthly	Erosion of natural deposits, mine drainage
Turbidity	TT (6)	N/A	NTU	(7) - 0.18	(8) - 100%	No	12 Daily	Soil runoff
Total Organic Carbon	1.00	N/A		(9)	(9)	No	Weekly	Naturally present in the environment

Regulated in the distribution system

Total Trihalomethanes TTHM	80	N/A	ppb	14 - 42	27 (10)	No	Monthly	By-product of drinking water disinfection
Halo Acetic Acids (HAA5)	60	N/A	ppb	6 - 28	17 (10)	No	Monthly	By-product of drinking water disinfection
Total Coliform Bacteria	(11)	0	+ / -	0.24% (12)	1 out of 4,832 (13)	No	Daily	Naturally present in the environment
Chloramine as Cl ₂	TT	N/A	ppm	99.75% (14)	4 out of 4,906 (15)	No	Daily	Drinking water disinfection

Regulated at customers tap

Copper	1.3 (16)	1.3	ppm	(17) - 0.26	0 out of 167 (18)	No	April-June 2016	Corrosion of household plumbing
Lead	15 (16)	0	ppb	(17) - 10	7 out of 167 (18)	No	April-June 2016	Corrosion of household plumbing
Copper	1.3 (16)	1.3	ppm	(17) - 0.24	0 out of 356 (18)	No	July-Nov. 2016	Corrosion of household plumbing
Lead	15 (16)	0	ppb	(17) - 10	13 out of 356 (18)	No	July-Nov. 2016	Corrosion of household plumbing

Raw Source Water (2016) During 2016 Denver Water sampled their raw source waters 38 times as part of the LT2 Rule and detected cryptosporidium in 4 of the samples.

Cryptosporidium is a microbial pathogen found in surface water throughout the United States. Although filtration and conventional water treatment removes Cryptosporidium, the most commonly-used filtration methods cannot guarantee 100 percent removal. Our raw water monitoring indicates the presence of these organisms in our source water. Current test methods do not allow us to determine if the organisms are dead or if they are capable of causing disease. Ingestion of Cryptosporidium may cause cryptosporidiosis, an abdominal infection. Symptoms of infection include nausea, diarrhea, and abdominal cramps. Most healthy individuals can overcome the disease within a few weeks. However, immuno-compromised people, infants and small children, and the elderly are at greater risk of developing life-threatening illness. We encourage immuno-compromised individuals to consult their doctor regarding appropriate precautions to take to avoid infection. Cryptosporidium must be ingested to cause disease, and it may be spread through means other than drinking water. Cryptosporidium has never been detected in Denver Water's finished drinking water.

Notice of Violation

The Denver Water Department received a monitoring violation during 2016 for failing to monitor for synthetic organic chemicals (SOC). Two consecutive quarterly sample events for SOCs were required between January 1, 2013 and December 31, 2016. Since this sampling did not occur, a violation was issued and these samples will be required during the 2nd and 3rd Quarter of 2017. This violation does not pose a health risk and does not require any additional action by you, the customer. For more information concerning this violation you can contact Customer Care at (303) 893-2444.

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

(2) Maximum Contaminant Level Goal (MCLG) - 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.

(3) Units of Measurement = pCi/L - Picocuries per liter is a measure of radioactivity in water. ppm = one part per million. ppb = one part per billion.

(4) Range of Detection = br - below reporting level and nd - no detection.

(5) Secondary Maximum Contaminant Level (SMCL) is a recommended level and is not enforceable.

(6) Treatment Technique (TT) is a required process intended to reduce the level of a contaminant in drinking water.

(7) Highest turbidity level for 2016.

(8) Monthly % of samples less than 0.3 Nephelometric Turbidity Unit (NTU).

(9) Denver Water uses enhanced treatment to remove the required amount of natural organic matter and/or demonstrate compliance with alternative criteria.

(10) Locational Running Annual Average (LRAA).

(11) No more than 5% positive per month.

(12) Highest monthly percentage June 2016.

(13) Number of positive samples out of total number of samples taken in 2016.

(14) Lowest monthly percentage of samples meeting TT requirement of detectable (greater than or equal to 0.2 ppm) residual - November 2016.

(15) Samples out of total samples taken that had a non-detectable residual in 2016.

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

(17) 90th percentile.

(18) Number of samples exceeding AL.

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 are by-products of the disinfection process. Regulations require that they be reported to the Colorado Department of Public Health and Environment (CDPHE) 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 CDPHE, can come from these discrete sites: EPA Hazardous Waste Generators, EPA Toxic Release Inventory Sites, above ground, 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>.

Español

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