committed to
customer service

GREATER CINCINNATI
WATER WORKS

A Service of The City of Cincinnati

2006 ANNUAL REPORT

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mayor

Mark Mallory

members of city council

Jeff Berding

Chris Bortz

Y. Laketa Cole

John Cranley

David Crowley

Leslie Ghiz

Chris Monzel

James R. Tarbell

Cecil Thomas

**left office in 2006*

city manager

David E. Rager*

Milton R. Dohoney, Jr.

senior management

David E. Rager
director

Paul E. Tomes, P.E.*
acting director

Steven C. Hellman, CPA, CGFM
business services division

Connie Roesch
commercial services division

Frederick G. Merz, P.E.
distribution division

Carel Vandermeyden, P.E.
engineering division

Albin J. Brune, P.E.
supply division

Jack DeMarco
water quality & treatment division

GREATER CINCINNATI WATER WORKS

A Service of The City of Cincinnati

City of Cincinnati is an Equal Opportunity/Affirmative Action Employer

greater cincinnati water works
committed to customer service

Welcome. Any time our customers enter a Greater Cincinnati Water Works (GCWW) facility, meet or talk to one of our employees, or turn on the faucet, we at GCWW want them to feel at ease... comfortable... appreciated.

To foster this feeling of welcome, GCWW worked hard during 2006 to take our customer service efforts to the next level. As outlined in this, the 2006 GCWW Annual Report, our efforts can be categorized in several areas:

- First, we know that great customer service starts with our people and our technologies. This report outlines the actions we took during the past year to increase our ability to serve our customers' needs, including enhancing our business processes and continuing the implementation of H_2O Radio, our automatic meter reading system.
- Second, our customers expect us to maintain an infrastructure which delivers high-quality water when they need it. During 2006 we investigated new water treatment technologies in partnership with several national and international organizations and updated our state-of-the-art treatment plants to better serve our customers.
- Third, we believe that delivering outstanding customer service includes being good members of our community. In 2006, GCWW personnel once again gave of their time, money and talent. In addition, our organization partnered with other communities to answer their needs for obtaining the highest quality water possible.

At GCWW, we maintained 235,000 active residential and commercial accounts and managed nearly 575,000 customer service requests over the phone during 2006. Our goal is to focus on each individual concern because each and every customer is important.

All of us at GCWW are proud to serve the Greater Cincinnati area and look forward to providing our customers with the best quality water and the best service for years to come.

letters
from our customers

"I am never worried about calling into your customer service department; they treat you with respect and work with you whenever you need it."
- Tara K.

"I have never, in all my experience, worked with anyone as helpful as Jane (a customer service representative) — that includes all public utilities, banks, brokerages, attorneys, title companies, etc."
- Michael S.

great customer service is
being there when and where we're needed

At GCWW, our commitment to customer service begins with knowing that our customers need to reach us at a time and location that is convenient for them. This is why we offer convenient office hours for personal service as well as self service by phone and over the web 24 hours a day, 7 days a week. We know that when customers do contact us, they not only want their issue solved, but they also want it done as courteously and quickly as possible. In 2006, we continued to upgrade our technology and train our staff to serve customers' needs in the fastest, most efficient manner possible.

UC survey results

COURTEOUS EMPLOYEES

In 2006, GCWW once again partnered with the University of Cincinnati Institute for Policy Research (IPR) to gather data regarding our service and service delivery. Approximately 95% of both Hamilton County and City of Mason respondents rated Water Works employees as being very courteous or somewhat courteous. Satisfaction with how problems were resolved was at 90%, a gain of 10% for Hamilton County respondents from similar surveys conducted in the late 1990s.

warm water redistribution

CUTTING DOWN ON COLD WEATHER MAIN BREAKS

Frigid weather is the most common time for water main breaks. GCWW gets most of its raw water from the Ohio River. During the winter, even after it is treated, water from the river can still be cold enough to increase stress on mains and cause breaks. During 2006, GCWW developed detailed plans to move warmer well water from the Charles M. Bolton Treatment Plant into parts of the Western Hills Service Area during the winter months. This is just one of many ways GCWW is working to reduce the number of main breaks and leaks, and minimize disruption of service to customers.

a behind-the-scenes look at support services

When we look outside any window, odds are that a fire hydrant is somewhere nearby. In the City of Cincinnati, Arlington Heights, Mason and Lincoln Heights, these fire hydrants are maintained and repaired by the GCWW Support Services Section. In addition to the approximately 12,000 fire hydrants under the section's responsibility, other duties of this section include maintaining and repairing service connections and valves, and replacing and restoring topsoil, seed, streets and sidewalks that have been disturbed during repair work.

reaching out to younger customers

Many children believe tap water magically appears when they turn on the faucet. GCWW puts a high priority on helping young customers understand what goes on behind the scenes through tours, presentations, and a teachers page at www.cincinnati-oh.gov/gcww. At the 2006 GCWW Take Your Child to Work Day, children of employees toured the treatment plant, read meters, used a metal detector, and found their homes on a computer map.

Another GCWW outreach to families is GCWW's H_2O to Go Booth, where employees and their families volunteer to give out free cups of water at special events. In 2006, employees gave out more than 78,000 cups of water, along with water quality information, at Taste of Cincinnati and Tall Stacks.

SCADA upgrade

KEEPING THINGS FLOWING FOR CUSTOMERS

Supervisory Control and Data Acquisition (SCADA) is a computer system used by a centrally located team of GCWW operators to operate and monitor all water facilities which gather, treat and distribute water to customers. In late 2006, GCWW started an upgrade of this system, which is expected to be in operation by mid-2007. Once operational, the new SCADA system will help maintain low water rates by facilitating management of energy and materials needed to treat and pump the water and provide improved security measures to safeguard the water supply.

continued H_2O radio implementation and award

INCREASING CONVENIENCE FOR CUSTOMERS, WHILE REDUCING OPERATIONAL COSTS

H_2O Radio, GCWW's new automatic meter reading system, continues to be on target and on budget for completion during 2007. In 2006, GCWW installed more than 60,000 units in homes and businesses. By the end of the year, the technology enabled GCWW to obtain actual meter readings 95% of the time — up from an average of 87% in 2002, before the technology was installed. In addition, H_2O Radio has enabled GCWW to reduce the workforce required for meter reading through natural attrition or job reassignments. The continued success of the project rollout was noted nationally when GCWW received the 2006 American Meter Reading Association award for Best Automatic Meter Reading Project for a North American Municipal Utility.

In 2000, prior to the implementation of H_2O Radio, GCWW stored 35,000 customer keys to facilitate the meter reading process. By the end of 2006, less than 3,000 were still required.

enhanced business processes

STRENGTHENING SERVICE DELIVERY AND EFFICIENCY

Each year, GCWW reviews business processes to streamline operations and make connecting with us easier and faster. During 2006, these initiatives included creating an application process for customers with chronic medical conditions who require an uninterrupted water supply. Other changes, while more subtle, also offered big impact, such as creating and sending work reports via e-mail instead of fax to improve communication between GCWW and our contractors.

water softening work

PROVIDING THE RIGHT MIX

Our Bolton Plant provides about 12% of GCWW water. Bolton water comes from the Great Miami Aquifer, which provides a plentiful source of high quality water. Groundwater from the aquifer is very hard. Although hard water is not a health concern, it can cause scale to form on plumbing fixtures and coffee pots and may require using more soap. GCWW has softened this water for many years, reducing the hardness by about 50% during treatment. Softening water from the aquifer is just one of the many important customer services provided by GCWW.

one stop shop

MAKING OUR SERVICES MORE ACCESSIBLE

In 2006, GCWW continued to improve our customers' ability to get what they need from us through daily support provided at two City of Cincinnati Business Development and Permit Centers, which provide residents, developers and others access to their permitting needs in centralized locations.

great customer service is

ensuring the delivery of a high-quality, safe product to customers today *and* tomorrow

Using the latest methods and thorough research, GCWW is constantly working on ways to keep drinking water at the highest levels of quality. Although it may seem to be an easy process — after all, getting water is as simple as turning on a faucet — the process of delivering high-quality, safe water is very complex. Before reaching our customers, GCWW water is treated in one of our state-of-the-art treatment plants, sent to pumping stations and on to a hidden, vast network of pipes and valves. Keeping this infrastructure in tip-top shape is a key way in which GCWW continues to demonstrate our commitment to great customer service.

international ultraviolet study and improvements

FINDING NEW WAYS TO IMPROVE WATER QUALITY

GCWW has always been in the forefront of water treatment technology. One of our most recent research projects is an international collaborative that involves ultraviolet (UV) treatment, which has been recognized as an effective treatment tool for disinfecting chlorine-resistant microorganisms. In 2006, GCWW participated in an exciting research initiative which includes designing and testing a UV lamp that is not only effective against chemical contaminants, it is more energy efficient.

For this study, GCWW partnered with DZH, the utility of The Hague, Netherlands; Phillips Lighting, a Dutch company, and two research organizations — KIWA, the Dutch national drinking water research institute and the American Water Works Association Research Foundation (AwwaRF). In addition, the U.S. Environmental Protection Agency (USEPA) is providing input and support for the project, with the Dutch Ministry of Economic Development and AwwaRF providing primary funding.

water security efforts

INCREASING THE PROTECTION OF THE WATER SUPPLY

GCWW continues to focus on security because of the events of September 11th and beyond. To protect our facilities, GCWW security guards are strategically located, monitor the electronic security system and conduct visual and electronic inspection tours of all facilities and surrounding grounds. During 2006, the security team enhanced the perimeter security of water plants to better protect the facilities, their occupants, and our water supply. In addition, GCWW continued to partner with the U.S. Environmental Protection Agency (USEPA) on a number of security initiatives to assess and reduce the vulnerability of our system.

letters
from our customers

"Thank you and your crew for the prompt response to our water outage yesterday. One never realizes just how important water service is until you don't have it. Carbonated soda water just doesn't do it."
- Michael W.

"The water company has always been the most consumer friendly and (delivers) excellent customer service. Your reps are quite a rarity... I appreciate your professional demeanor!"
- Dolly M.

innovative tools
USING TECHNOLOGY TO KEEP RATES LOW

Predictive tools continued to be deployed to proactively find leaks within GCWW pipes and mains. One such technology used in 2006 was a Remote Operated Vehicle (ROV), which is an unoccupied maneuverable vehicle equipped with lights and a video camera, used to detect leaks and vulnerable areas of the system. The ROV was used to inspect nearly 150 feet of tunnels for potential problems.

miller plant updates
IMPROVING PLANT INFRASTRUCTURE

Several improvement projects were undertaken at the Richard Miller Water Treatment Plant (RMTP) during 2006, including rehabilitation of the coagulation basins (in which particles are removed through sedimentation). Additionally, a large project scheduled to be completed by mid-2007 is rebuilding the filters at the plant.

water main upgrades
INVESTING IN OUR FUTURE

The goal of the GCWW water main replacement program is to replace and rehabilitate mains at an annual rate of 1%, or 31 miles per year. During 2006, over 376 water mains were analyzed for replacement using criteria such as main breaks and leaks within the past 20 years, pressure and fire flow, liability and damage claims, water quality turnover and more.

computational fluid dynamics modeling

IMPROVING WATER QUALITY AND COSTS

Ideally, water that is stored in tanks is completely mixed with incoming water. Practically, however, this is not always possible. Many factors, including temperature, geometry and reduced in- and out-flows contribute to poor mixing. Through Computational Fluid Dynamics, GCWW is analyzing the impact of changes in operational practices on the quality of the water in its tanks. In 2006, this modeling enabled GCWW to predict the effect of changes that would, under normal circumstances, take months or years to observe.

bolton source water protection and new wells

PROTECTING OUR WATER SUPPLY

GCWW's Bolton Plant is one of several water suppliers who get water from the Great Miami Aquifer. GCWW is a member of the Hamilton to New Baltimore Groundwater Consortium, which administers one of the most comprehensive groundwater monitoring programs in the state. It has grown from 15 wells in 1999 to 35 wells and three river locations in 2006. In addition, the Consortium is working with Miami University of Oxford, the U.S. Geological Survey and the Miami Conservancy District to investigate methodologies for determining the amount and variability of surface water infiltrating into the aquifer near the well fields. This will allow the source water protection area to be more accurately determined and managed.

refinancing bonds at lower interest rates

HELPING TO KEEP RATES LOW

Like everyone else, GCWW experienced rising costs for energy and materials in 2006. Despite these increases, our water rates remain among the lowest in the region. In late 2006, GCWW refinanced portions of two earlier bond issues at lower interest rates. These efforts resulted in a savings of $5.7 million, or $470,000 annually over the life of the bonds. These savings will help to keep our water rates low.

great customer service is being a good neighbor

Even when hard at work, GCWW personnel are, first and foremost, members of our community. Therefore, it is only natural that we want to make our community better! We volunteer, undertake community-oriented projects and are happy to partner with neighboring communities to provide water and water-related services. GCWW encourages employees to get involved in issues that matter to them and to others... to be active — and proactive — members of our communities.

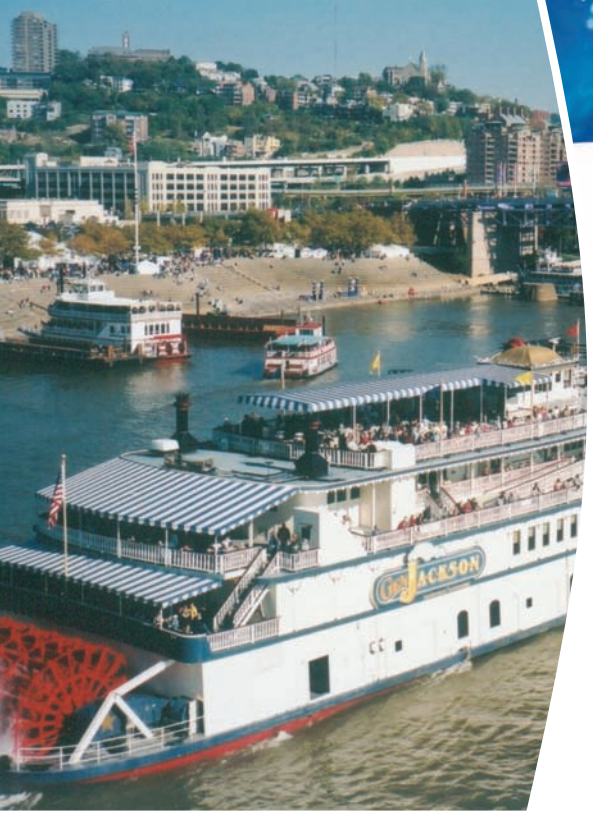
support for community events

Many of our customers may have attended Tall Stacks and enjoyed water from our H_20 to Go Booth, or perhaps they attended a gravity-defying performance by the Cirque du Soleil. At each of these events, they may or may not have realized the incredible unseen efforts by GCWW employees to provide water service.

- Consider our work at Tall Stacks: Months before, GCWW crews began planning how to best support the water needs for the multitude of boats and patrons of the event through temporary service connections. During the event itself, hoses and connections for water supply for the boats had to be moved several times due to a rapidly rising Ohio River. GCWW crews worked around the clock to keep the water service in operation.
- For Cirque du Soleil, the preparation was less intense, but no less essential. GCWW employees installed a water meter and hoses to pump water for use in the staff kitchen, restrooms and concession stands, helping approximately 67,000 patrons enjoy the show.

facility tours

From the children of our employees as part of "Take Your Child to Work Day" to local, national and international groups, GCWW continued to provide tours of our facilities during 2006, providing all participants with an enlightening look at our operations. GCWW provided tours to participants in the United States Department of Agriculture (USDA) Conference in Cincinnati and officials from Korea and the Netherlands. Other group tours included the Indianapolis Public Works, ORSANCO, and the United States Environmental Protection Agency (USEPA).



community donations

In addition to raising more than $40,000 to support the United Way, Community Shares, Fine Arts Fund, and United Negro College Fund, GCWW personnel donated 278 pounds of food to the Greater Cincinnati Freestore/Foodbank during a 2006 Holiday Food Drive. GCWW employees also realized that many utility workers in Katrina-ravaged areas were still deeply affected by the aftermath of the storm. They organized "Donate-a-Dollar Day," a one-day collection held in February 2006 to raise funds. Through these efforts, GCWW raised $1,200 that was sent directly to a fund established to help the affected utility workers.

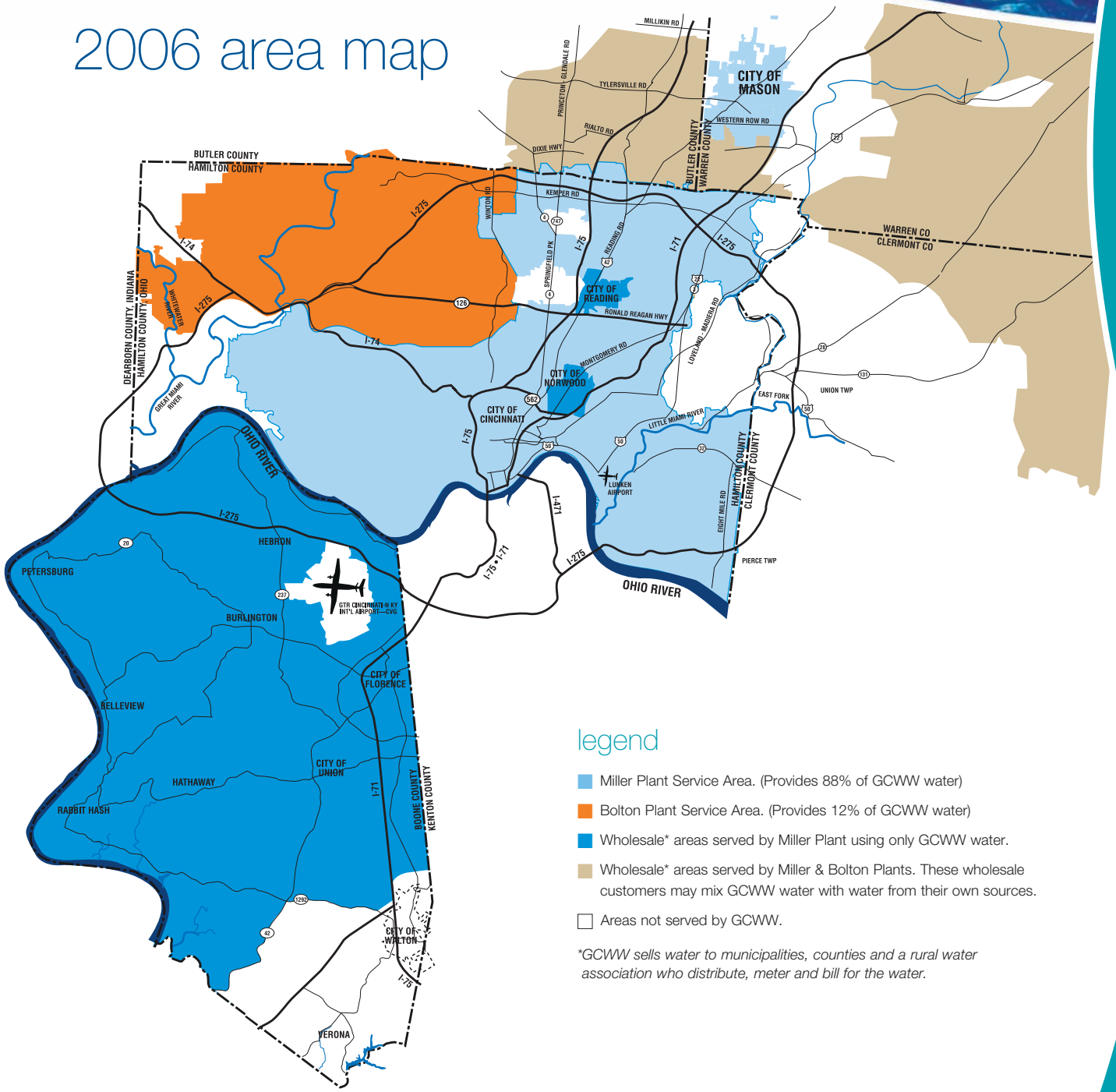
energy conservation

Conserving the environment is highly important to us at GCWW. In 2006, two efforts were notable in this area. First, GCWW participated in the Duke Energy PowerShare program, which is designed to reduce power usage during periods of high energy demand. Second, nearly 12% of our metered fleet is now powered by alternative fuels (a mix of ethanol and gasoline). These efforts help keep our rates low and protect the environment.

partnerships with northern kentucky and butler county

Communities surrounding the GCWW service area continue to seek our assistance in meeting long-term needs for water. Within the last several years, GCWW has partnered with neighbors to our south in Boone County, Kentucky, and to the north in Butler County to deliver GCWW water to those locales. In 2006, in addition to supporting customer care calls and answering service requests, more than 11,000 feet of 36-inch water mains were installed to increase GCWW's capacity to supply water to Butler County and a new 42-inch water main was added to increase the ability to deliver water to Northern Kentucky.

2006 area map



legend

- Miller Plant Service Area. (Provides 88% of GCWW water)
- Bolton Plant Service Area. (Provides 12% of GCWW water)
- Wholesale* areas served by Miller Plant using only GCWW water.
- Wholesale* areas served by Miller & Bolton Plants. These wholesale customers may mix GCWW water with water from their own sources.
- Areas not served by GCWW.

**GCWW sells water to municipalities, counties and a rural water association who distribute, meter and bill for the water.*

2006 facts of interest

Here are some facts about Greater Cincinnati Water Works our customers may not know!

- GCWW has 3,097 miles of water mains to distribute water to customers.
- There are 32 water storage facilities and 24 unmanned pumping stations in the GCWW area.
- GCWW personnel performed 7000 maintenance tasks.
- GCWW experienced the second lowest total of preventable vehicular accidents in nearly 20 years... even as more employees logged more miles than ever before.
- GCWW performs an average of 600 water quality tests per day.
- There are 33,000 main line valves used in GCWW pipes.
- GCWW pumped more than 47 billion gallons of water.
- GCWW's rate was the fourth lowest of the 23 nearby utilities surveyed, based on an average single family household usage of 25 CCF (18,700 gallons) per quarter.

general operational data

	Miller Plant	Bolton Plant
Raw Water Pumped	43,025,690,000 Gallons	5,888,619,000 Gallons
Finished Water Delivered for Consumption*	42,361,244,462 Gallons	5,519,995,000 Gallons
Filtered Water Used in Washing Filters	918,674,000 Gallons	33,369,000 Gallons
% Used – Average	2.2%	0.6%
% Used – Maximum Month	(August) 3.5%	(March) 0.7%
% Used – Minimum Month	(October) 1.2%	(February) 0.5%
Total Number of Filter Washes	5,951	211
Maximum Month	(August) 1195	(August) 24
Minimum Month	(October) 313	(February) 14
Period of Filter Service, Average Hours	32.1 Hours	182.7 Hours
Maximum Month	(April) 51.9 Hours	—
Minimum Month	(August) 18.3 Hours	—
Finished Water Delivered for Consumption*	42,361,244,462 Gallons	5,519,995,000 Gallons
Maximum – Gallons per Day	(August 6) 184,128,000 Gallons per Day	(August 26) 27,112,000 Gallons per Day
Minimum – Gallons per Day	(December 27) 82,450,000 Gallons per Day	(December 7) 11,098,981 Gallons per Day
Average/Day/Year	116,058,204 Gallons	15,123,274 Gallons
Maximum Month	(August) 4,536,670,000 Gallons	(August) 613,473,000 Gallons
Average/Day/Maximum Month	146,344,194 Gallons	19,789,452 Gallons
Minimum Month	(February) 2,992,909,000 Gallons	(February) 395,234,000 Gallons
Average/Day/Minimum Month	106,889,607 Gallons	14,115,500 Gallons

*Values based on flows reported to OEPA.

microbiological data

	Total Coliform Bacteria			Giardia Cysts per 100 Liters	Cryptosporidium Oocysts per 100 Liters
Finished Water	**% Positive samples**	**Maximum Monthly %**	**Minimum Monthly %**		
Miller Finished Water	0%	0%	0%	none detected	none detected
Bolton Finished Water	0%	0%	0%	—	—
GCWW Distribution System	< MCL*	< MCL*	< MCL*	—	—
Miller Raw Water – Detections	Coliform Bacteria per 100 Milliliters				
% Positive Samples	100%			0%	0%
Average of Detections	1,225			none detected	none detected
Maximum Monthly Average	4,220			none detected	none detected
Maximum Day	9,365			none detected	none detected
Minimum Monthly Average	40			none detected	none detected
Minimum Day	11			none detected	none detected
Bolton Raw Water – Detections					
% Positive Samples	0%			—	—
Average	none detected			—	—
Maximum Monthly Average	none detected			—	—
Maximum Day	none detected			—	—
Minimum Monthly Average	none detected			—	—
Minimum Day	none detected			—	—
	A total of 3,577 microbiological samples were analyzed			**A total of 20 samples were analyzed**	**A total of 20 samples were analyzed**

*OEPA MCL for total coliforms requires that no more than 5.0 percent of the total number of samples during a month are total coliform-positive.

Maximum Contaminant Level or MCL: The highest level of a contaminant that is allowed in drinking water.

water quality comparisons

raw water (comparison of selected parameters)

	Miller Plant		Bolton Plant	
	Average	Range	Average	Range
Turbidity (NTU)	45	2.0 - 300	0.06	0.04 - 0.13
Total Alkalinity (as $CaCO_3$)	65	50 - 82	221	212 - 232
Total Hardness (as $CaCO_3$)	119	98 - 142	288	272 - 310
Calcium (as Ca)	37	29 - 68	77	71 - 90
Magnesium (as Mg)	9	6 - 18	23	16 - 27
pH (Units)	7.7	7.4 - 8.3	7.5	7.3 - 7.6
Chloride	28	18 - 57	57	51 - 64
Fluoride	0.16	0.09 - 0.30	0.28	0.24 - 0.33
Sulfate	62	52 - 82	58	49 - 73
Nitrate (as NO_3-N)	1.10	0.52 - 2.24	1.76	0.75 - 2.70
Iron (as total Fe)	4.90	4.90 - 4.90	< 0.20	< 0.20 - < 0.20
Manganese (as total Mn)	0.43	0.43 - 0.43	< 0.13	< 0.13 - < 0.13
Sodium	20	14 - 26	160	160 - 160
Total Solids	306	144 - 1358	403*	403 - 403*
Total Dissolved Solids	247	143 - 434	403*	403 - 403*
Total Organic Carbon	2.84	1.88 - 4.66	0.97	0.88 - 1.10

In mg/l except where noted

*Analysis not performed in 2006. Most recent data shown.

finished water (comparison of selected parameters)

	Miller Plant		Bolton Plant	
	Average	Range	Average	Range
Turbidity (NTU)	0.06	0.04 - 0.10	0.05	0.04 - 0.09
Total Alkalinity (as $CaCO_3$)	70	50 - 91	75	62 - 90
Total Hardness (as $CaCO_3$)	125	100 - 155	146	129 - 158
Calcium (as Ca)	36	31 - 40	23	19 - 27
Magnesium (as Mg)	8	4 - 11	22	18 - 24
pH (Units)	8.6	8.1 - 8.9	9.1	8.8 - 9.5
Chloride	27	18 - 34	55	50 - 60
Fluoride	0.98	0.87 - 1.15	0.97	0.87 - 1.09
Sulfate	66	40 - 77	55	49 - 70
Nitrate (as NO_3-N)	1.09	0.55 - 1.68	2.04	1.17 - 2.69
Iron (as total Fe)	< 0.05*	< 0.05 - < 0.05*	< 0.20	< 0.20 - < 0.20
Manganese (as total Mn)	< 0.01	< 0.01 - < 0.01	< 0.13	< 0.13 - < 0.13
Sodium	25	18 - 32	31	29 - 34
Total Solids	223	148 - 291	271	218 - 320
Total Dissolved Solids	223	148 - 291	271	218 - 320
Total Organic Carbon	0.9	0.4 - 1.3	0.79	0.46 - 0.98
Phosphate (as PO_4-P)	0.18	0.18 - 0.18	0.14	0.12 - 0.16
Chlorine Residual, Free	1.12	0.91 - 1.43	1.09	0.90 - 1.70
Chlorine Residual, Total	1.17	0.95 - 1.48	1.16	0.96 - 1.78

In mg/l except where noted

THE FOLLOWING WERE NOT DETECTED IN OUR FINISHED WATER:* **Inorganics:** Antimony, Arsenic, Asbestos, Barium, Beryllium, Cadmium, Chromium, Cyanide, Mercury, Nickel, Nitrite, Selenium, Thallium, Silver, Zinc. **Pesticides and Other Synthetic Organic Compounds:** Alachlor, Atrazine, Benzo[a]pyrene, Carbofuran, Chlordane(total), Dalapon, Dibromochloropropane, Di(2-ethylhexyl) adipate, Di(2-ethylhexyl) phthalate, 2,4-D, Dinoseb, Diquat, Endothall, Endrin, Ethylene dibromide, Glyphosate, Heptachlor, Heptachlor epoxide, Hexachlorobenzene, Hexachlorocyclopentadiene, Lindane, Methoxychlor, Oxamyl (Vydate), Pentachlorophenol, Picloram, PCB's (total), Simazine, 2,3,7,8-TCDD (Dioxin), Toxaphene, 2,4,5-TP (Silvex), Aldicarb, Aldrin, Butachlor, Bromacil, Carbaryl, Dicamba, Dieldrin, 3-Hydroxycarbofuran, Methomyl, Metolachlor, Metribuzin, Propachlor. **Volatile Organic Chemicals:** Trichloroethene, Benzene, Carbon tetrachloride, 1,2-Dichloroethane, Vinyl Chloride, 1,1-Dichloroethene, 1,1,1-Trichloroethane, 1,4-Dichlorobenzene, cis-1,2-Dichloroethene, Tetrachloroethene, 1,2-Dichlorobenzene, trans-1,2-Dichloroethene, Chlorobenzene, Styrene, Toluene, Xylenes (total), 1,2-Dichloropropane, 1,1,2-Trichloroethane, Dichloromethane, Ethylbenzene, 1,2,4-Trichlorobenzene, 2,2-Dichloropropane, Dichlorodifluoromethane, Dibromomethane, 1,3-Dichloropropane, Chloromethane, Bromomethane, Bromochloromethane, 1,2,3-Trichloropropane, 1,1,1,2-Tetrachloroethane, 1,1,2,2-Tetrachloroethane, 1,1-Dichloropropene, Chloroethane, 1,3-Dichloropropene, Hexachlorobutadiene, Naphthalene, tert-Butylbenzene, 4-Isopropyltoluene, Trichlorofluoromethane, sec-Butylbenzene, 1,1-Dichloroethane, Bromobenzene, Isopropylbenzene, n-Propylbenzene, 2-Chlorotoluene, 4-Chlorotoluene, 1,3-Dichlorobenzene, 1,2,3-Trichlorobenzene, 1,2,4-Trimethylbenzene, n-Butylbenzene, 1,3,5-Trimethylbenzene. **Radiological:** Combined Radium (pCi/L), Alpha-Gross (pCi/L), Strontium-90 (pCi/L).

*Analysis not performed in 2006. Most recent data shown.

water quality data

The tables below show the substances report in the GCWW 2006 Safe Drinking Water Report, which was prepared to meet the EPA's National Primary Drinking Water Regulation for Consumer Confidence Reports. In 2006, GCWW met or exceeded all state and federal health standards, as it always has.

Consumers may request printed copies of the Safe Drinking Water Report or view the entire GCWW 2006 Safe Drinking Water Report at www.cincinnati-oh.gov/gcww.

REGULATED CONTAMINANTS

Substances subject to a Maximum Contaminant Level (MCL), Action Level (AL) or Treatment Technique (TT)*. These standards protect drinking water by limiting the amount of certain substances that can adversely affect public health and are known or anticipated to occur in public water systems.

2006 Report			Miller Water (from the Ohio River)				Bolton Water (from the Great Miami Aquifer)				Typical Source of Contamination (for more details, visit www.epa.gov/safewater/hfacts.html)
Substance (Unit)	Maximum Allowed (MCL*)	MCLG*	Highest Compliance Level Detected	Range of Detections	Violation	Year Sampled	Highest Compliance Level Detected	Range of Detections	Violation	Year Sampled	
Fluoride (ppm)	4	4	1.02	0.87 - 1.15	No	2006	1.02	0.87 - 1.09	No	2006	Additive which promotes strong teeth. May come from erosion of natural deposits.
Nitrate (ppm)	10	10	1.68	0.55 - 1.68	No	2006	2.69	1.17 - 2.69	No	2006	Runoff from fertilizer use, leaching from septic tanks, sewage, erosion of natural deposits.
Total Trihalomethanes (ppb)	80	na	40.0	12.3 - 68.7	No	2006	33.1	17.5 - 57.4	No	2006	Byproduct of drinking water disinfection, measured in the distribution system.
Haloacetic Acids (ppb)	60	na	11.2	2.09 - 21.2	No	2006	8.89	2.22 - 13.9	No	2006	Byproduct of drinking water disinfection, measured in the distribution system.
Gross Beta (pCi/L)	50	0	nd	nd	No	2003	4.8	na	No	2001	Decay of natural and man-made deposits. (EPA considers 50 pCi/L to be the level of concern.)
Turbidity (NTU)	TT1 < 1 NTU Max and TT2 < 0.3 NTU 95% of the time	na na	0.10 100% < 0.3 NTU	0.04 - 0.10	No	2006	nr	nr	na	na	Soil runoff.
Lead[2] (ppb)	AL = 15	0	90th percentile 8.1	na	No	2006	90th percentile 8.1	na	No	2006	May come from erosion of natural deposits. There is no detectable lead in our water as it leaves the treatment plants. However, corrosion of household plumbing is a source of lead and copper contamination. GCWW tests water samples collected at customer taps, as required by the Safe Drinking Water Act to ensure safe water.
			(3 out of 107 samples tested were > the AL)				(3 out of 107 samples tested were > the AL)				
Copper[2] (ppm)	AL = 1.3	1.3	90th percentile 0.0328	na	No	2006	90th percentile 0.0328	na	No	2006	
			(0 out of 107 samples tested were > the AL)				(0 out of 107 samples tested were > the AL)				
Total Organic Carbon	TT[1]	na	2.07	1.44 - 3.56	No	2006	nr	nr	na	na	Naturally present in the environment.
Total Chlorine[2] (ppm)	MRDL=4	MRDLG=4	0.94	0.85 - 1.00	No	2006	0.94	0.85 - 1.00	No	2006	Water additive used to control microbes.
Total Coliform Bacteria[2] (% positive)	5%	0	0.3%[3]	0 - 0.3%	No	2006	0.3%[3]	0 - 0.3%	No	2006	Naturally present in the environment.
Barium (ppm)	2	2	0.0351	na	No	2006	0.0106	na	No	20.2806	Erosion of natural deposits; Discharge of drilling wastes; Discharge from metal refineries.

UNREGULATED CONTAMINANTS

Substances for which EPA requires monitoring to determine where certain substances occur and whether it needs to regulate those substances.

2006 Report		Miller Water				Bolton Water				Typical Source of Contamination
Substance (Unit)	MCLG*	Avg. Level Detected	Range of Detections	Violation	Year Sampled	Avg. Level Detected	Range of Detections	Violation	Year Sampled	
Chloroform (ppb)	na	2.20	na	na	2006	2.18	na	na	2006	Byproducts of drinking water disinfection, measured at the point of entry to distribution system
Bromodichloromethane (ppb)	0	2.76	na	na	2006	4.50	na	na	2006	
Dibromochloromethane (ppb)	60	2.73	na	na	2006	6.42	na	na	2006	
Bromoform (ppb)	0	nd	na	na	2006	3.63	na	na	2006	
Sulfate (ppm)	na	66	40 - 77	na	2006	50	48 - 52	na	2004	Erosion of natural deposits

*DEFINITIONS

Maximum Contaminant Level Goal or 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.

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

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

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

Maximum Residual Disinfection Level or MRDL: The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfection Level Goal or MRDLG: The level of drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Radon: Radon is a radioactive gas that occurs naturally in some groundwater. It may pose a health risk when the gas is released from water into air, as occurs during showering, bathing, or washing dishes or clothes. Radon gas released from drinking water is a relatively small part of the total radon in air. Major sources of radon gas are soil and cigarettes. Inhalation of radon gas has been linked to lung cancer, however, the effects of radon ingested in drinking water are not yet clear. If you are concerned about radon in your home, tests are available to determine the total exposure level. GCWW monitored for radon in Bolton finished water during 2001. One sample was collected and the radon level was 200 pCi/L. This was less than the USEPA proposed MCL of 300 pCi/L for radon. For additional information on how to have your home tested, call (800) SOS-RADON.

Turbidity: Utilities who treat surface water are required to report on turbidity as an indication of the effectiveness of the filtration system. Turbidity is a measure of the cloudiness of water. The turbidity limit set by the EPA is 0.3 NTU in 95% of the daily samples and shall not exceed 1 NTU at any time. As reported in the table, GCWW's highest recorded turbidity result for 2006 was 0.10 NTU (Miller Water) and lowest monthly percentage of samples meeting the turbidity limits was 100%.

The "<" symbol: A symbol which means less than. A result of <5 means that the lowest level that could be detected was 5 and the contaminant in that sample was not detected.

FOOT NOTES

1 The value reported under "Highest Compliance Level Detected" for Total Organic Carbon (TOC) is the lowest ratio between percentage of TOC actually removed to the percentage of TOC required to be removed. A value of greater than one (1) indicates that the water system is in compliance with TOC removal requirements. A value of less than one (1) indicates a violation of the TOC removal requirements. **2** Miller and Bolton were considered as one distribution system for regulatory purposes by Ohio EPA during 2006. Data listed for each system represents the combined distribution system. **3** In 2006 only 3 of 3,577 distribution samples were positive for coliform bacteria. The repeat samples were negative.

ABBREVIATIONS

ppb: parts per billion or micrograms per liter
ppm: parts per million or milligrams per liter
nr: not regulated
na: not applicable
NTU: Nephelometric Turbidity Unit, used to measure clarity in drinking water
nd: not detectable at testing limits
pCi/L: picoCuries per liter, a measure of radioactivity in water

greater cincinnati water works statement of net assets

DECEMBER 31, (000'S OMITTED)

ASSETS	2006 (unaudited*)	2005
Current		
Cash and Cash Equivalents	$ 2,422	$ 508
Equity in City Treasury Cash	19,946	17,314
Receivables		
Accounts, Net	16,163	15,304
Accrued Interest	532	425
Due from Other Funds	535	1,091
Due from Other Governments	13,261	14,498
Prepaid Items	740	313
Inventory	4,122	3,841
Advances to Other Funds	157	206
Restricted Assets:		
Cash and Cash Equivalents	0	38,745
Equity in City Treasury Cash	10,336	15,635
Investments at Fair Value	27,436	26,526
Noncurrent		
Equity in City Treasury Cash	16,451	15,515
Restricted Equity in City Treasury Cash	8,525	14,011
Accounts Receivable	49	108
Land	2,606	2,606
Buildings	187,545	180,810
(Accumulated Depreciation)	(63,338)	(59,266)
Improvements	488,134	454,437
(Accumulated Depreciation)	(57,956)	(56,767)
Machinery and Equipment	216,881	203,045
(Accumulated Depreciation)	(111,437)	(100,323)
Construction in Progress	96,765	88,915
Total Assets	**$ 879,875**	**$ 877,497**

LIABILITIES	2006 (unaudited*)	2005
Current		
Accounts Payable	$ 2,312	$ 2,184
Due to Other Funds	437	441
Due to Other Governmental Agencies	754	587
Accrued Payroll	1,379	1,268
Accrued Interest	180	237
Deferred Revenue	9,071	9,617
Compensated Absences Payable	3,129	2,955
Unpaid Claims Payable	128	104
Ohio Public Works Commission Loan	99	99
Ohio Water Development Authority Loan	62	0
General Obligation Bonds Payable	6,550	8,430
Revenue Bonds Payable	11,335	11,045
Payable from Restricted Assets:		
Construction Contracts	5,121	4,368
Deposits Payable	1,638	1,202
Noncurrent		
Compensated Absences Payable	3,239	3,032
Net Pension Obligation	3,710	2,562
Net Other Post Employment Obligation	1,414	505
Arbitrage Liability	0	400
Ohio Public Works Commission Loan	1,707	1,806
Ohio Water Development Authority Loan	1,246	0
Revenue Bonds Payable	273,265	284,600
General Obligation Bonds Payable	16,400	22,950
Total Liabilities	**343,176**	**358,392**

NET ASSETS		
Invested in Capital Assets, Net of Related Debt	487,940	473,048
Reserved for Restricted Assets	135	828
Unrestricted	48,624	45,229
Total Net Assets	**$ 536,699**	**$ 519,105**

The accompanying notes are an integral part of this financial statement.

***Note:** At the time of printing this Annual Report, the audit report for the City of Cincinnati, which includes Greater Cincinnati Water Works, had not yet been approved and released by the Ohio Auditor of State. The audit report for the previous year is generally available by the beginning of the fourth quarter. For current information please visit the finance department on the City's website at www.cincinnati-oh.gov/, go to Annual Financial Reports or visit the State Auditor's website at www.auditor.state.oh.us and use the Online Audit Search to select City of Cincinnati.

greater cincinnati water works
statement of revenues, expenses and changes in fund net assets
FOR THE YEAR ENDED DECEMBER 31, (000'S OMITTED)

OPERATING REVENUES	2006 (unaudited*)	2005
Metered Water Revenue	$ 92,593	$ 90,589
Service Charges	1,652	1,575
Nonmetered Water Revenue	231	207
Servicing Customers Installations	12	20
Miscellaneous Revenue	4,002	3,583
Operating Interest Revenue	463	268
Rental Income	137	127
Departments of Sewers and Stormwater Management for Billing and Collection Services	5,315	4,800
Mason Fees	577	1,078
Purchasing Agent Sales Revenue	77	25
Total Operating Revenues	**105,059**	**102,272**

OPERATING EXPENSES		
Personal Services	37,680	36,805
Contractual Services	7,328	8,963
Maintenance and Repair	3,135	3,223
Materials and Supplies	6,105	5,651
Utilities	9,752	9,270
Insurance	201	234
Taxes	48	46
Rent	1,037	931
Other	412	470
Depreciation and Amortization	21,402	19,517
Amortization Mason Agreement	69	65
Total Operating Expenses	**87,169**	**85,175**
Operating Income	**$ 17,890**	**$ 17,097**

NONOPERATING REVENUES (EXPENSES)	2006 (unaudited*)	2005
Loss on Disposal of Fixed Assets	$ (628)	$ (351)
Interest Revenue	5,799	3,525
Interest Expense	(11,113)	(12,155)
Nonoperating Revenues (Expenses)	**(5,942)**	**(8,981)**
Income Before Contributions and Transfers	**11,948**	**8,116**
Capital Contributions	5,646	14,464
Change In Net Assets	**17,594**	**22,580**
Net Assets at January 1,	519,105	496,525
Net Assets at December 31,	**$ 536,699**	**$ 519,105**

The accompanying notes are an integral part of this financial statement.

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greater cincinnati water works statement of cash flows, direct method

FOR THE YEAR ENDED DECEMBER 31, (000'S OMITTED)

CASH FLOW FROM OPERATING ACTIVITIES:	2006 (unaudited*)	2005
Receipts from Customers	$ 105,982	$ 102,350
Payments to Suppliers	(27,927)	(27,867)
Payments to Employees	(35,131)	(33,897)
Payments for Property Taxes	(48)	(46)
Net Cash Provided (Used) by Operating Activities	**42,876**	**40,540**
CASH FLOW FROM NON CAPITAL FINANCING ACTIVITIES:		
Repayments of Advances Made to Other Funds	49	46
Net Cash Used By Non Capital Financing Activities	**49**	**46**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributed by Other Sources	419	399
Proceeds from Sale of Fixed Assets	55	92
Additions to Construction in Progress	(50,212)	(33,579)
Acquisition of Property, Plant and Equipment	(11,636)	(25,285)
Interest Paid on Bonds	(11,715)	(8,086)
Proceeds from Ohio Public Works Bonds	0	980
Proceeds from Ohio Water Development Authority Loan	1,339	0
Proceeds from Revenue Bonds	0	110,585
Principal Paid on Bonds	(19,475)	(17,370)
Principal Paid on Ohio Public Works Bonds	(99)	(50)
Principal Paid on Ohio Water Development Authority Loan	(31)	0
Net Cash Used by Capital and Related Financing Activities	**(91,355)**	**27,686**
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	5,292	3,338
Investments Purchased	(910)	(26,562)
Net Cash Provided by Investing Activities	**4,382**	**(23,224)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(44,048)**	**45,048**
Cash and Cash Equivalents at Beginning of Year	101,728	56,680
Cash and Cash Equivalents at End of Year	**$ 57,680**	**$ 101,728**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

	2006 (unaudited*)	2005
Operating Income	$ 17,890	$ 17,097
Depreciation and Amortization	21,471	19,582
Changes In Assets and Liabilities:		
(Increase) Decrease in:		
Receivables	(800)	(417)
Due from Other Funds	556	(169)
Due from Other Governments	1,168	667
Prepaid Assets	(427)	(52)
Inventory	(281)	(118)
(Increase) Decrease in:		
Accounts Payable	127	293
Accrued Payroll	111	(261)
Deposits Payable	436	666
Due to Other Funds	(4)	(35)
Due to Other Governments	167	93
Liability for Compensated Absences	381	102
Net Pension Obligation	1,705	2,085
Net Other Post Employment Obligation	352	982
Estimated Liability for Unpaid Claims	24	25
Net Cash Provided (Used) by Operating Activities	**42,876**	**40,540**

SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Acquisition of Property, Plant and Equipment from Contributed Capital	5,227	14,065
Total Noncash Investing, Capital and Financing Activities	**$ 5,227**	**$ 14,065**

The accompanying notes are an integral part of this financial statement.

***Note:** At the time of printing this Annual Report, the audit report for the City of Cincinnati, which includes Greater Cincinnati Water Works, had not yet been approved and released by the Ohio Auditor of State. The audit report for the previous year is generally available by the beginning of the fourth quarter. For current information please visit the finance department on the City's website at www.cincinnati-oh.gov/, go to Annual Financial Reports or visit the State Auditor's website at www.auditor.state.oh.us and use the Online Audit Search to select City of Cincinnati.

greater cincinnati water works
notes to financial statements december 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Greater Cincinnati Water Works is a municipally owned and operated utility. The financial statements of the Greater Cincinnati Water Works are included in the Comprehensive Annual Financial Report of the City of Cincinnati. An annual audit of the financial statements of the City of Cincinnati is performed by or at the direction of the Auditor of State.

Deposits and Investments with Financial Institutions — Cash balances of the Greater Cincinnati Water Works are included in a pool of City Treasury Cash. The City Treasurer determines the amounts to be kept on hand to meet current obligations and amounts and timing of investments. All deposits and investments by the City are insured by the Federal Deposit Insurance Corporation or some other instrumentality of the Federal government, or are covered by securities held by the City or its agent in the City's name.

Accrued Interest Receivable — Interest receivable on Greater Cincinnati Water Works funds has been accrued and recognized as revenue for 2006 and 2005; the amounts are $532,000 and $425,000 respectively.

Inventories of Materials and Supplies — Inventories are valued at cost which is determined on the moving average basis.

Restricted Assets and Related Liabilities and Reserves — Assets, the uses of which are restricted by City Council ordinance for improvements, extensions and construction of the system, are segregated on the balance sheet.

Fixed Assets and Depreciation — Fixed Assets are stated at cost and are depreciated by the straight-line method over estimated useful lives up to 100 years. Typical lives are as follows:

Buildings — 67 Years Transmission and Distribution Mains — 100 Years Machinery and Equipment — 3 to 30 Years

Capitalization of Interest — Interest is capitalized by the Greater Cincinnati Water Works when it is determined to be material. The Water Works capitalizes interest in accordance with Statement of Financial Accounting Standard No. 62, ***Capitalization of Interest Costs in Situations Involving Certain Tax Exempt Borrowing and Certain Gifts and Grants.*** The statement requires that the interest cost capitalized during construction to be reduced by interest income earned on investments of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use. The capitalized interest for December 31, 2006 was $2,887,501 and for the year ending December 31, 2005 was $810,880.

Compensated Absences — NCGA Statement 4 requires state and local governments to recognize the liabilities associated with employees' compensated absences. Therefore, the following obligations have been included in the Greater Cincinnati Water Works Comparative Statement of Long-Term Liabilities:

Vacation — Vacation benefits are considered to be vested benefits of the employees. The obligation at December 31, 2006 for vacation benefits of Greater Cincinnati Water Works employees is approximately $2,932,053.

Sick Leave — Sick leave benefits are included in the estimated liability for the employees, based upon the portion of accumulated sick leave liability that is estimated to eventually be paid as a retirement or death benefit. At December 31, 2006 this liability is approximately $3,370,865 for Greater Cincinnati Water Works employees.

Compensatory Time — Employees are permitted to accumulate Compensatory Time for work in excess of their normal forty-hour week. The amount of the obligation at December 31, 2006 is $66,172.

The following is a Summary of the Changes in the Estimated Liability for Compensated Absences of the Greater Cincinnati Water Works for the year ended December 31, 2006 (000's omitted):

	Accrued Vacation	Accrued Sick Pay	Compensatory Time	Total
Estimated Liability for Compensatory Absences January 1, 2006	$ 2,789	$ 3,135	$ 63	$ 5,987
Earned During 2006	2,076	1,274	13	3,239
Used/Forfeited During 2006	(1,933)	(1,038)	(10)	(2,981)
Estimated Liability for Compensatory Absences December 31, 2006	**$ 2,932**	**$ 3,371**	**$ 66**	**$ 6,369**

Pension Plans — Full time employees of the Greater Cincinnati Water Works participate in one of two pension plans — either the Retirement System of the City of Cincinnati, administered by the City of Cincinnati, or the Public Employee's Retirement System (PERS), administered by the State of Ohio. The Greater Cincinnati Water Works contributions to the City administered retirement system during 2006 and 2005 were $4,390,000 and $2,837,000 respectively. Contributions to PERS during 2006 and 2005 were $248,000 and $243,000 respectively. The actuary annually determines employer contributions to the City system for the current and following years. The actuarially computed value of vested and non-vested benefits on the plan's net assets available for plan benefits for each of the respective plans is not determined separately for the Water Works.

Contributed Capital — Contributions consist of facilities, or cash payments for construction of facilities, received from property owners and governmental agencies who receive benefit from such facilities. In accordance with GASB's Codification, Section G60.116, which allows (but does not require) enterprise funds to close out depreciation expense on contributed assets to "contributed capital" rather than to "retained earnings" the Greater Cincinnati Water Works has adjusted its Contributed Capital and Retained Earnings to reflect this option.

Revenue — Unbilled revenues on metered accounts are accrued at year-end. Rates are authorized by City Council based on operating costs and anticipated capital expenditures. A contract between the City and the Hamilton County Board of Commissioners specifies a differential between the rates for City and for Hamilton County consumers, declining from 55% to 25% over the life of the contract ending December 31, 2017. Rates applicable to residents of other counties and some municipalities in Hamilton County are negotiated separately.

LONG TERM DEBT

Long Term Debt — This consists of General Obligation Bonds which are issued for the purpose of various Greater Cincinnati Water Works improvements. The bonds are self-supporting and serviced by water user charges; however, should the user charges be insufficient to cover debt service, the principal and interest are to be paid from the proceeds of the levy of ad valorem taxes on all property in the City without limitation as to the rate or the amount. The Greater Cincinnati Water Works for the first time issued Revenue Bonds during 2002. The Greater Cincinnati Water Works expects to finance future capital requirements utilizing revenue bonds. The annual requirements to amortize all debt outstanding as of December 31, 2006 is as follows (000's omitted):

	Year Ending December 31,	Total	Principal	Interest
Current	2007	$ 32,164	$ 17,885	$ 14,279
Long Term	2008	29,933	16,415	13,518
	2009	27,130	14,125	13,005
	2010	27,056	14,750	12,306
	2011	26,961	15,235	11,726
	2012-2025	303,423	229,140	74,283
Total Long Term		**$ 414,503**	**$ 289,665**	**$ 124,838**
		$ 446,667	**$ 307,550**	**$ 139,117**

As of December 31, 2006 and 2005 Long Term Debt consisted of the following (000's omitted):

Bond	Original Principal Issue	Interest Rate (Percent)	Maturity Date	2006 Principal Outstanding	2005 Principal Outstanding
G-1147	$ 10,000	6.75	2006	$ 0	$ 700
G-1240 replaces G-1162		5.375		350	700
G-1192	11,800	4.1	2006	0	1,180
G-1197	15,600	4.75	2007	1,600	3,200
G-1203	25,600	4.375	2008	5,200	7,800
G-1210	29,800	4.2	2014	15,800	17,800
S-2001	92,685	4.912	2021	77,275	80,650
S-2003	112,360	4.377	2023	100,315	104,410
S-2005A	80,585	4.188	2022	77,010	80,585
S-2005B	30,000	3.411	2025	30,000	30,000
	$ 408,430			**$ 307,550**	**$ 327,025**
	Less Current Maturity			**(17,885)**	**(19,475)**
	Long Term Debt			**$ 289,665**	**$ 307,550**

OTHER CITY AGENCY TRANSACTIONS

Metropolitan Sewer District and Storm Water Management — The Greater Cincinnati Water Works provides billing and collection services of customers' accounts for the Metropolitan Sewer District and the Storm Water Management Utility. The charges for these services are recognized as revenue and included in the Statement of Revenue, Expense and Changes in Retained Earnings. During 2006 and 2005 the fees for these services were, $5,315,000 and $4,800,000 respectively.

Free Water — The Greater Cincinnati Water Works provides free water service to the City of Cincinnati for municipal purposes. During 2006 and 2005 the values of these services were $1,073,000 and $873,000 respectively.

Other City Agency Transactions — The City provides various services to the Greater Cincinnati Water Works for which a fee is charged. These services include personnel, purchasing, legal service, etc. During 2006 and 2005 these fees were $2,018,700 and $2,564,000 respectively. Also, the City's Municipal Garage provides gasoline and maintenance service for Water Works vehicles. During 2006 and 2005 these fees were $1,185,000 and $1,043,000 respectively. In addition, the City's Regional Computer Center provides a variety of services for the Greater Cincinnati Water Works. The primary service provided to the Greater Cincinnati Water Works by the Regional Computer Center is billing and collection system support. During 2006 and 2005 the fees for these services were $1,208,000 and $1,030,000 respectively.

OTHER ISSUES

During 1993, the Water Works entered into an agreement with the Hamilton County Board of Commissioners to extend water service to previously unserved, unincorporated areas of western Hamilton County. This agreement specifies that a portion of those water collections received from current customers in unincorporated areas of Hamilton County be segregated for the purpose of financing construction of the utility necessary to serve the additional customers. This amount is reflected as Due to Other Governments in the financial statements.

USE OF UNAUDITED FINANCIAL STATEMENTS AND STATUS OF AUDIT

At the time of printing this Annual Report, the audit report for the City of Cincinnati, which includes Greater Cincinnati Water Works, had not yet been approved and released by the State of Ohio. The audit report for the previous year is generally available by the beginning of the fourth quarter. For current information please visit the finance department on the City's website at www.cincinnati-oh.gov/, go to Annual Financial Reports, or the Auditor of the State of Ohio's website at www.auditor.state.oh.us and select the Online Audit Search, then go to Search for Audits and select City of Cincinnati and the year desired.

Activity Fund	January 1 2006	Additions	Deductions	December 31 2006
Assets:				
Equity in City Treasury Cash	$ 21,482	$ 993	$ 21,198	$ 1,277
Liabilities:				
Accounts Payable	0	21,198	21,198	0
Fund Balance	21,482	993	21,198	1,277
Total Liabilities	**$ 21,482**	**$ 22,191**	**$ 42,396**	**$ 1,277**

Front Street Pumping Station in 1848

On June 25, 1839, Greater Cincinnati Water Works became the first publicly owned water system in Ohio. The Front Street Pumping Station provided one million gallons of water per day to the citizens of Cincinnati when the facilities were in operation. Today a Greater Cincinnati Water Works Historical Marker located at Sawyer Point Riverfront Park at the remains of the Front Street Pumping Station commemorates one of Greater Cincinnati Water Works' first pumping stations.

GREATER CINCINNATI
WATER WORKS

A Service of The City of Cincinnati

Chester Park Complex
4747 Spring Grove Ave.
Cincinnati, OH 45232-1986
513.591.7700
www.cincinnati-oh.gov/gcww