2010 ANNUAL REPORT

GREATER CINCINNATI WATER WORKS

A Service of The City of Cincinnati

WE ARE WATER WORKS

We are one community, made of smaller communities, brought together by great water.

THIS ANNUAL REPORT IS YOURS.

GCWW only exists because of you — the members of our community. We are here to serve your most fundamental need and to make your life easier, more pleasant, and more fun.

We worked hard in 2010 to provide you the highest quality water possible. Each year we strive to enhance our already ambitious standards. From the way we protect our source water, our efficiency in treatment and delivery, to the details of how we communicate with you. Many of the advances we've made just for you go on behind the scenes. And you can trust that we're always thinking ahead, so that you never need to worry about a plentiful supply of high-quality water.

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Water brings us together.

SMART WAYS WE'RE IMPROVING EFFICIENCY AND PLANNING FOR THE FUTURE

COMMITTED TO EXCELLENCE

GCWW Receives Upgraded Credit Rating from Moody's

In April of 2010, the credit rating agency Moody's recalibrated GCWW's long-term credit rating from Aa1 to Aaa, the highest rating possible for a municipal water utility. Only 19 of the 54,000 water utilities have achieved an Aaa rating from Moody's. The way Moody's now calculates long-term municipal ratings allows investors to more easily compare municipalities to private sector companies when looking for growth opportunities. GCWW continues to receive a Aaa grade from Standard & Poors.

CELEBRATING INNOVATION.

TAKING YOU FORWARD

Current and Future Compliance Issues

WQT staff members continue to be involved with the EPA, American Water Works Association, and other organizations interested in achieving scientifically sound, cost-effective regulations. In 2010, the Groundwater Rule became effective, the Lead and Copper Rule revised, and the Stage 2 Disinfectant/ Byproducts Rule, the Total Coliform Rule/Distribution System Rule, and the Unregulated Contaminated Rule Monitoring 2 schedule were implemented.

On March 22, the EPA announced key principles to improve the protection of public health and drinking water and to meet the needs of water-stressed communities:

- Address contaminants as a group rather than individually.
- Develop new drinking water treatment technologies to address health risks from a broad array of contaminants.
- Use the authority of multiple statutes to help protect drinking water.
- Partner with states to share more complete data from monitoring at public water systems.

Leading the Way: Water Research Foundation Project

GCWW began assisting the firm Camp Dresser & McKee (CDM) in the Water Research Foundation Project, "Assessing and Enhancing Biological Filtration in North America." The objective of the project is to produce a new system for biological filtration as well as the effective monitoring of biological activity in drinking water. GCWW is one of only several utilities participating in the project and delivers the unique benefits of in-depth understanding of biological processes. GCWW provides information for case studies, sampling and analyses services, and full-scale operational data. The data collection phase is set to conclude in May 2011 and the Toolbox and Guidance Manual will be published early in 2012.

UV Facility Construction

In November of 2010 GCWW broke ground on a new ultraviolet (UV) disinfection facility at the Richard Miller Treatment Plant (RMTP). When it opens in 2013, GCWW will be the largest water utility in North America to use UV following sand filtration and GAC. GCWW took the initiative to adopt UV disinfection technology in an effort to continue to provide the highest quality water and protect customers from contaminants in the Ohio River. It is the largest water treatment investment made by GCWW since the granular-activated carbon (GAC) filtering project in the early 1990s.

All-pipes Model/Master Plan Completed

We're always future-focused, developing detailed plans to ensure that we are able to distribute high quality water for years to come. Development of an all-pipes distribution system model was completed in 2010 as part of a capital improvement project. As part of the Distribution Master Plan, the model will identify areas for distribution system improvement through 2030.

Filtered Water Pump Upgrades

Installation of larger filtered water pumps at the RMTP Granular Activated Carbon (GAC) facility was completed at the end of 2010. These larger pumps have increased the capacity of the GAC facility, and RMTP as a whole, from 220 to 240 million gallons of drinking water per day.

Upgraded Ground Water Model

The Ohio EPA endorsed GCWW's new Source Water Protection Area based on an upgraded ground water model developed by the Hamilton to New Baltimore Groundwater Consortium. The purpose of the Consortium, of which GCWW is a member, is to protect the ground water resources in the Hamilton/Fairfield area. This upgrade provides for greater protection of the area's wells and the ability to more easily identify potential sources of contamination. Through an on-going grant from the Miami Conservancy District, the Consortium has permanently sealed several unused residential wells that posed a risk to ground water quality.

Turbine Generator Upgrades at the RMTP

GCWW operates two turbine generators, which were built in the 1930's, at RMTP. They capture electrical energy as water flows downhill into the treatment process. Together they produce about 5,000 kWh of electricity per day and help reduce our carbon footprint. Over the course of one year, this is equivalent to the energy used by 200 homes. It has been challenging to keep the generators fully operational in recent years. In 2010, we installed new controls and both generators have been running smoothly ever since.

DOING MORE WITH LESS

REDUCING FOR OUR FUTURE

Installation of Our Second Solar Array

Through a grant from the State of Ohio via the American Recovery and Reinvestment Act, GCWW's second solar array was installed on top of the garage at the Chester Park Complex (CPC). The photovaultaic system is capable of generating approximately 318,000 KwH of electricity per year. That offsets an equal amount of electricity that otherwise would have had to be purchased from Duke Energy. This new system, in combination with the existing 40 Kw solar array, will be able to offset about 12% of the energy consumed at CPC.

Less Fossil Fuel Consumed Due to Energy Credits

A contract with Duke Energy was developed in 2010 for the sale of Solar Renewable Energy Credits (SRECs) from GCWW. This sale involves not only solar energy credits related to the CPC arrays, but also hydro credits generated at the RMTP facilities. This effort will off-set hundreds of thousands of dollars in energy expenses. In addition to the cost savings, we're proud to be using less energy and reducing our carbon footprint.

Less Paper Through E-Billing

In an effort to improve our environmentally conscious business practices and use less paper, GCWW teamed with MyCheckFree to offer e-billing in August of 2010. Now, in addition to viewing your e-bill online, you can simply click to make a one-time, scheduled, or recurring payment. These options are free and can be easily activated from the GCWW website.

IMPROVEMENTS AND REFINEMENTS

As GCWW considered the opportunity of becoming a public regional water district, our research identified many ideas to streamline processes and gain efficiencies. While the decision has been made not to pursue the district status, we plan to implement these improvements and refinements within our current structure as a City department.

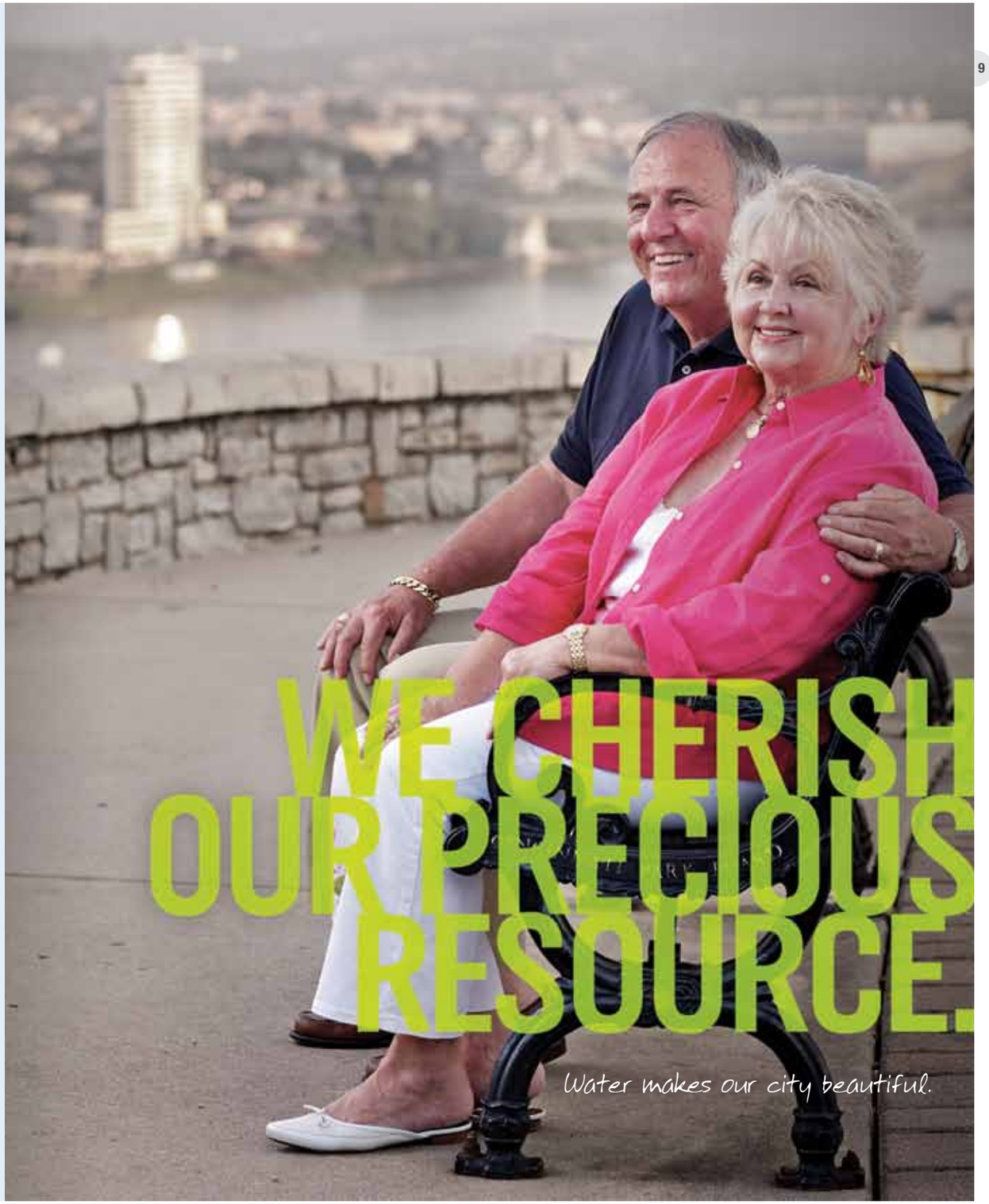
EXTENDING TO SUPPORT OUR NEIGHBORS

Flowing into South Lebanon

A 40-year water service agreement was signed in 2010 between GCWW and the Village of South Lebanon. We began a water system extension, featuring 40,000 feet of 16 and 24-inch water mains along with other facilities required to provide water service to the City of Lebanon and the Village of South Lebanon. Two of the four phases of this project were bid and completed in 2010. GCWW will be flowing into South Lebanon in 2012 and into the City of Lebanon by 2013.

Big Mains

In our continued efforts to reach our entire community as efficiently as possible, we completed the design of over $40 million worth of water mains, including several transmission mains to help convey large volumes of water. Major water main projects completed in 2010 included three phases of main along the Madison Road corridor. In addition, nearly 17,000 feet of main were installed through the communities of Blue Ash and Montgomery to convey water from Kenwood Road to Montgomery Road.



CELEBRATING YOU

This past year, we communicated in the ways that are most convenient for you. And went to the places you go. From cooling you down, to cleaning up our city, to just playing around, GCWW had a presence at many of the area festivals, races, and events that our customers love.

Spring Launch of Social Networking

GCWW started using Twitter (@CincinnatiWater) in 2010 to share key messages, water industry articles, and newsworthy information about important projects. We also began sharing photos from community outreach events on Facebook and produced several YouTube videos that tell the GCWW story.

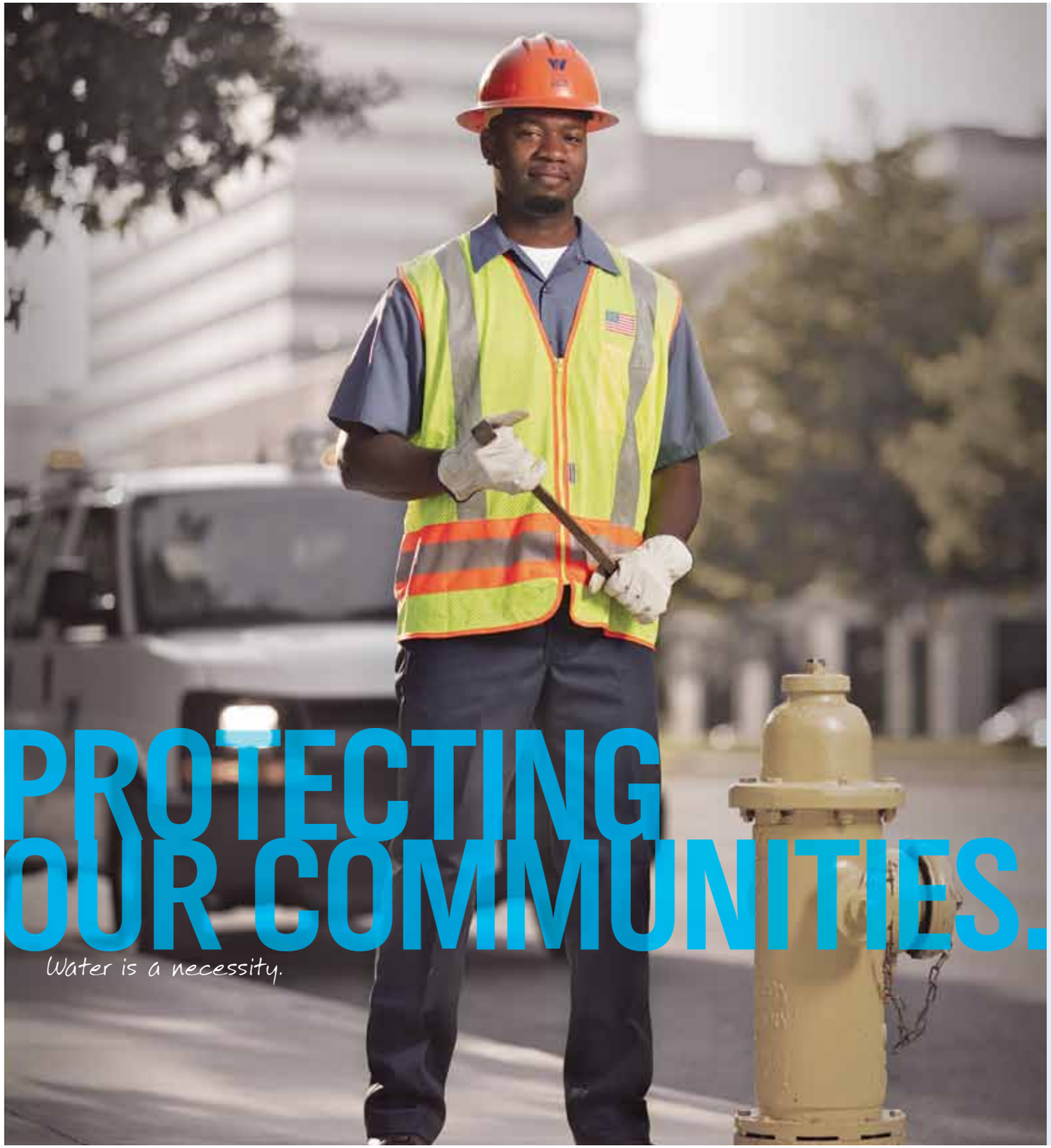
Launch of E-TapNews

In 2010 we launched E-TapNews, an e-newsletter sent every other month to more than 67,000 customers. It includes important news and information regarding programs, new projects, and community events. The e-newsletter has also been a great platform for promoting GCWW's social media involvement and has provided another new avenue to communicate with our customers.

We Go Where You Are

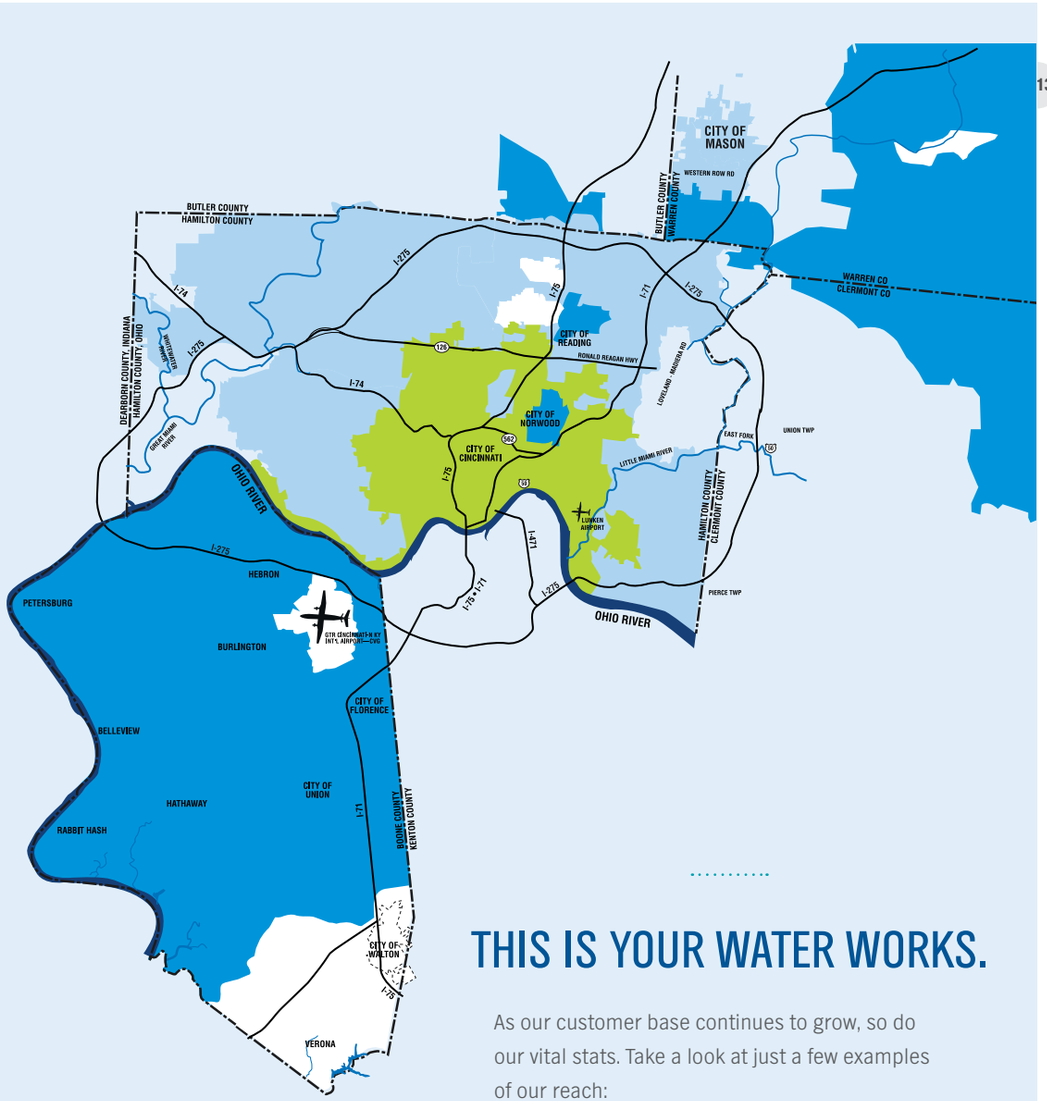
It was great seeing you at community events throughout the year! We look forward to bringing GCWW to you again next year — wherever you are in your community.

- Earth Day
- Hoxworth Blood Drive
- Educators Expo
- Butler County Children's Water Festival
- Neighborhood Summit
- Great Miami River Cleanup
- Taste of Cincinnati
- Paddlefest
- Race for Global Water
- DROP (Dispose Responsibly of Pharmaceuticals) Take Back Event



PROTECTING OUR COMMUNITIES.

Water is a necessity.



Map Legend

- City of Cincinnati (Retail Service Area)
- GCWW Retail Service Areas
- Wholesale Areas
- County Boundaries

THIS IS YOUR WATER WORKS.

As our customer base continues to grow, so do our vital stats. Take a look at just a few examples of our reach:

- The City of Cincinnati is 78 square miles. **GCWW serves 811 square miles.**
- We provide the 811 square mile region with **2 water treatment plants, 24 pumping stations, 33 storage facilities.**

GENERAL OPERATIONAL DATA

	MILLER PLANT	BOLTON PLANT
Raw Water Pumped	42,017,715,600 Gallons	6,413,389,400 Gallons
Finished Water Delivered for Consumption	41,407,913,400 Gallons	5,921,058,400 Gallons
Filtered Water Used in Washing Filters	705,757,900 Gallons	58,561,000 Gallons
% Used — Average	1.7%	0.99%
% Used — Maximum Month	(November) 2.0%	(July) 0.67%
% Used — Minimum Month	(December) 1.2%	(December) 0.56%
Total Number of Filter Washes	5,241	246
Maximum Month	(August) 639	(July & September) 27
Minimum Month	(January) 292	(December) 15
Period of Filter Service, Average Hours	35.7 Hours	176 Hours
Maximum Month	(January) 45.8 Hours	(August) 187 Hours
Minimum Month	(December) 27.4 Hours	(April) 159 hours
Finished Water Delivered for Consumption	41,407,913,400 Gallons	5,921,058,400 Gallons
Maximum — Gallons per Day	(August 28) 171,900,000 Gallons	(August 29) 28,845,800 Gallons
Minimum — Gallons per Day	(November 27) 81,885,700 Gallons	(November 4) 4,601,700 Gallons
Average/Day/Year	113,446,338 Gallons	16,222,078 Gallons
Maximum Month	(August) 4,536,000,200 Gallons	(August) 718,931,600
Average Day/Maximum Month	146,323,000 Gallons	23,191,342 Gallons
Minimum Month	(February) 2,764,271,700 Gallons	(February) 388,961,700 Gallons
Average Day/Minimum Month	98,723,989 Gallons	13,891,489 Gallons

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	4,083			none detected	none detected
Maximum Monthly Average	15,920			none detected	none detected
Maximum Day	52,080			none detected	none detected
Minimum Monthly Average	147			none detected	none detected
Minimum Day	43			none detected	none detected
BOLTON RAW WATER — Detections					
% Positive Samples	0%			—	—
Average of Detections	none detected			—	—
Maximum Monthly Average	none detected			—	—
Maximum Day	none detected			—	—
Minimum Monthly Average	none detected			—	—
Minimum Day	none detected			—	—
	A total of 3,543 samples were analyzed			A total of 24 samples were analyzed	A total of 24 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)	41	3.2 - 380	0.05	0.04 - 0.08
Total Alkalinity (as $CaCO_3$)	73	47 - 98	214	197 - 226
Total Hardness (as $CaCO_3$)	134	92 - 185	284	260 - 312
Calcium (as Ca)	38	27 - 50	190	176 - 231
Magnesium (as Mg)	9	5 - 14	93	74 - 110
pH (Units)	7.8	7.4 - 8.3	7.6	7.4 - 9.6
Chloride	35	23 - 65	66	50 - 87
Fluoride	0.16	0.08 - 0.34	0.29	0.23 - 0.33
Sulfate	67	40 - 119	54	46 - 66
Nitrate (as NO_3-N)	0.85	0.48 - 1.25	1.41	0.70 - 2.08
Iron (as total Fe)	3.04	3.04 - 3.04	<0.02	<0.02 - <0.02
Manganese (as total Mn)	0.54	0.54 - 0.54	0.004	0.004 - 0.004
Sodium	21	12 - 49	na	na
Total Solids	295	180 - 504	na	na
Total Dissolved Solids	227	156 - 335	na	na
Total Organic Carbon	2.84	1.89 - 4.59	1.00	0.82 - 1.24

In mg/l except where noted.

FINISHED WATER – COMPARISON OF SELECTED PARAMETERS

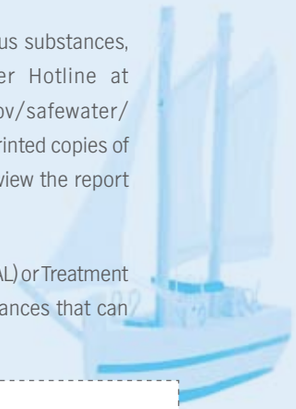
	MILLER PLANT		BOLTON PLANT	
	Average	Range	Average	Range
Turbidity (NTU)	0.07	0.04 - 0.10	0.05	0.04 - 0.08
Total Alkalinity (as $CaCO_3$)	79	48 - 108	75	64 - 92
Total Hardness (as $CaCO_3$)	138	94 - 189	151	139 - 168
Calcium (as Ca)	41	18 - 33	27	20 - 36
Magnesium (as Mg)	9	4 - 12	20	12 - 25
pH (Units)	8.6	8.3 - 8.9	9.2	8.9 - 9.5
Chloride	38	24 - 72	68	56 - 86
Fluoride	0.95	0.84 - 1.09	0.96	0.81 - 1.34
Sulfate	76	54 - 115	55	48 - 65
Nitrate (as NO_3-N)	0.82	0.59 - 1.14	0.98	0.98 - 0.98
Iron (as total Fe)	< 0.01	< 0.01 - < 0.01	< 0.02	<0.02 - <0.02
Manganese (as total Mn)	< 0.01	< 0.01 - < 0.01	< 0.001	< 0.001 - < 0.001
Sodium	28	16 - 51	31	25 - 41
Total Solids	238	158 - 342	267	216 - 318
Total Dissolved Solids	238	158 - 342	267	216 - 318
Total Organic Carbon	0.88	0.36 - 1.5	0.74	0.62 - 0.84
Phosphate (as PO_4-P)	0.23	0.18 - 0.3	0.15	0.13 - 0.18
Chlorine Residual, Free	1.26	1.03 - 1.55	1.15	0.90 - 1.54
Chlorine Residual, Total	1.33	1.09 - 1.62	1.22	0.99 - 1.63

In mg/l except where noted.

THE FOLLOWING WERE NOT DETECTED IN OUR FINISHED WATER:* Inorganics: Antimony, Arsenic, Asbestos, Beryllium, Cadmium, Cyanide, Mercury, Nickel, Nitrite, 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).

WATER QUALITY DATA

In 2010, GCWW met or exceeded all state and federal health standards, as it always has. The following tables show the substances reported in the GCWW 2010 Safe Drinking Water Report, which was prepared to meet the EPA's National Primary Drinking Water Regulation for Consumer Confidence Reports. For more information on the potential health effects of various substances, call the EPA's Safe Drinking Water Hotline at (800) 426-4791 or visit www.epa.gov/safewater/hfacts.html. Consumers may request printed copies of GCWW's 2010 Water Quality Report or view the report online 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.

2010 Report			Miller Water (from the Ohio River)				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	
Fluoride (ppm)	4	4	0.97	0.84 - 1.09	No	2010	Additive which promotes strong teeth. May come from erosion of natural deposits.
Nitrate (ppm)	10	10	1.14	0.59 - 1.14	No	2010	Runoff from fertilizer use, leaching from septic tanks, sewage, erosion of natural deposits.
TTHMs (ppb) [Trihalomethanes]	80	na	43.0	17.7 - 76.5	No	2010	Byproduct of drinking water chlorination.
HAA5 (ppb) [Haloacetic Acids]	60	na	9.84	2.66 - 20.6	No	2010	Byproduct of drinking water chlorination.
Beta/photon emitters (pCi/l)	4 mrem/yr (AL = 50 pCi/l)	0	24	nd - 24	No	2007	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	2010	Soil runoff.
Lead[2] (ppb)	AL = 15	0	*90th percentile* 5.1	na	No	2010	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.
			(5 out of 112 samples tested were > the AL)				
Copper[2] (ppm)	AL = 1.3	1.3	*90th percentile* 0.0338	na	No	2010	
			(0 out of 112 samples tested were > the AL)				
Total Organic Carbon	TT[1]	na	2.38	1.74 - 3.11	No	2010	Naturally present in the environment.
Total Chlorine[2] (ppm)	MRDL=4	MRDLG=4	1.01	0.89 - 1.06	No	2010	Water additive used to control microbes.
Barium (ppm)	2	2	0.0382	na	No	2010	Erosion of natural deposits; Discharge of drilling wastes; Discharge from metal refineries.
Chromium (ppb)	100	100	1.25	na	No	2010	Erosion of natural deposits; Discharge from steel and pulp mills.
Selenium (ppb)	50	50	1.81	na	No	2010	Erosion of natural deposits; Discharge from petroleum and metal refineries.

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 2010. Data listed for each system represents the combined distribution system.

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 **TTHMs:** Total Trihalomethane **HAA5:** Haloacetic Acids

2010 Report			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	
Fluoride (ppm)	4	4	0.98	0.81 - 1.34	No	2010	Additive which promotes strong teeth. May come from erosion of natural deposits.
Nitrate (ppm)	10	10	0.98	na	No	2010	Runoff from fertilizer use, leaching from septic tanks, sewage, erosion of natural deposits.
TTHMs (ppb) [Trihalomethanes]	80	na	28.5	16.4 - 41.0	No	2010	Byproduct of drinking water chlorination.
HAA5 (ppb) [Haloacetic Acids]	60	na	6.21	1.57 - 9.65	No	2010	Byproduct of drinking water chlorination.
Beta/photon emitters (pCi/l)	4 mrem/yr (AL = 50 pCi/l)	0	6	nd - 6	No	2007	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	nr	nr	na	na	Soil runoff.
Lead[2] (ppb)	AL = 15	0	*90th percentile* 5.1	na	No	2010	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.
			(5 out of 112 samples tested were > the AL)				
Copper[2] (ppm)	AL = 1.3	1.3	*90th percentile* 0.0338	na	No	2010	
			(0 out of 112 samples tested were > the AL)				
Total Organic Carbon	TT[1]	na	nr	nr	na	na	Naturally present in the environment.
Total Chlorine[2] (ppm)	MRDL=4	MRDLG=4	1.01	0.89 - 1.06	No	2010	Water additive used to control microbes.
Barium (ppm)	2	2	0.0180	na	No	2010	Erosion of natural deposits; Discharge of drilling wastes; Discharge from metal refineries.
Chromium (ppb)	100	100	2.76	na	No	2010	Erosion of natural deposits; Discharge from steel and pulp mills.
Selenium (ppb)	50	50	2.34	na	No	2010	Erosion of natural deposits; Discharge from petroleum and metal refineries.

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

2010 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)	70	2.27	na	na	2010	1.26	na	na	2009	Byproducts of drinking water disinfection, measured at the point of entry to distribution system.
Bromodichloromethane (ppb)	0	3.15	na	na	2010	3.35	na	na	2009	
Dibromochloromethane (ppb)	60	4.09	na	na	2010	7.68	na	na	2009	
Bromoform (ppb)	0	0.99	na	na	2010	8.43	na	na	2009	
Sulfate (ppm)	na	76	54-115	na	2010	na	na	na	na	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 shall 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.

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 2010 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.

GREATER CINCINNATI WATER WORKS STATEMENT OF NET ASSETS

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

ASSETS	2010*	2009	Change 2010/2009
Current Assets			
Cash and Cash Equivalents	$ 1,882	$ 1,443	$ 439
Equity in City Treasury Cash	24,458	22,897	1,561
Receivables			
Accounts, Net	18,549	17,779	770
Accrued Interest	717	1,667	(950)
Due from Other Funds	3,083	1,630	1,453
Due from Other Governments	10,311	11,583	(1,272)
Prepaid Items	3,567	2,141	1,426
Inventory	5,937	5,118	819
Advances to Other Funds	50	50	0
Restricted Assets:			
Cash and Cash Equivalents	3,038	21,880	(18,842)
Equity in City Treasury Cash	5,610	4,745	865
Investments at Fair Value	41,103	40,582	521
Noncurrent			
Equity in City Treasury Cash	36,218	36,746	(528)
Restricted Equity in City Treasury Cash	8,266	7,615	651
Restricted Cash and Cash Equivalents	4,477	35,113	(30,636)
Accounts Receivable	0	0	0
Deferred Charges (Issuance)	1,171	1,248	(77)
Land	2,727	2,727	0
Buildings	198,180	195,431	2,749
(Accumulated Depreciation)	(75,548)	(71,045)	(4,503)
Improvements	656,590	625,695	30,895
(Accumulated Depreciation)	(76,880)	(70,511)	(6,369)
Machinery and Equipment	232,464	226,856	5,608
(Accumulated Depreciation)	(136,023)	(124,882)	(11,141)
Leased Assets	295	269	26
(Accumulated Amortization)	(116)	(59)	(57)
Construction in Progress	107,053	77,312	29,741
Total Assets	**$ 1,077,179**	**$ 1,074,030**	**$ 3,149**

LIABILITIES	2010*	2009	Change 2010/2009
Current Liabilities			
Accounts Payable	$ 3,229	$ 3,404	$ (175)
Due to Other Funds	180	168	12
Due to Fudiciary (Pensions)	280	245	35
Due to Other Governmental Agencies	1,153	788	365
Accrued Payroll	1,949	1,739	210
Accrued Interest	27	34	(7)
Compensated Absences Payable	4,063	3,746	317
Employee Reimbursements Payable	17	25	(8)
Unpaid Claims Payable	194	193	1
Short-Term Obligation — Leased Assets	59	52	7
Ohio Public Works Commission Loans	187	156	31
Ohio Water Development Authority Loans	211	224	(13)
General Obligation Bonds Payable	2,000	2,000	0
Revenue Bonds Payable	15,429	14,865	564
Payable from Restricted Assets:			
Construction Contracts	5,530	5,078	452
Deposits Payable	73	59	14
Noncurrent			
Compensated Absences Payable	3,530	3,626	(96)
Net Pension Obligation	19,536	9,986	9,550
Net Other Post Employment Obligation	13,570	7,979	5,591
Long-Term Obligation — Leased Assets	120	158	(38)
Ohio Public Works Commission Loans	3,382	2,416	966
Ohio Water Development Authority Loans	4,491	4,696	(205)
Revenue Bonds Payable	399,153	415,777	(16,624)
General Obligation Bonds Payable	5,800	7,800	(2,000)
Total Liabilities	**484,163**	**485,214**	**(1,051)**
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	488,063	471,407	16,656
Reserved for Restricted Assets	46,737	47,037	(300)
Unrestricted	58,216	73,196	(14,980)
Total Net Assets	**$ 593,016**	**$ 591,640**	**$ 1,376**

* Note: At the time of printing this Annual Report, the audit report of the City of Cincinnati, which includes the 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/, then 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	2010*	2009
Metered Water Revenue	$ 114,017	$ 105,966
Service Charges	1,895	2,020
Nonmetered Water Revenue	93	132
Servicing Customers Installations	22	62
Miscellaneous Revenue	1,479	1,865
Operating Interest Revenue	298	320
Rental Income	153	151
Billing and Collection Services	7,046	6,668
Mason Fees	199	233
Purchasing Agent Sales Revenue	85	24
Total Operating Revenues	**125,287**	**117,441**
OPERATING EXPENSES		
Personal Services	58,805	42,827
Contractual Services	8,628	9,249
Maintenance and Repair	3,980	3,704
Materials and Supplies	8,007	8,475
Utilities	11,427	10,821
Insurance	121	117
Taxes	6	1
Rent	1,302	1,256
Other	630	620
Depreciation and Amortization	24,206	24,081
Amortization Mason Agreement	84	80
TOTAL OPERATING EXPENSES	**117,196**	**101,231**
Operating Income	**$ 8,091**	**$ 16,210**

NONOPERATING REVENUES (EXPENSES)	2010*	2009
Loss On Disposal of Fixed Assets	$ (1,320)	$ (1,621)
Loss On Fixed Asset Impairment	0	0
Interest Revenue	2,560	2,403
Build America Subsidy	1,701	553
Interest Expense	(12,695)	(13,525)
Nonoperating Revenues (Expenses)	**(9,754)**	**(12,190)**
Income Before Contributions and Transfers	**(1,663)**	**4,020**
Transfers In	0	0
Transfers Out	0	0
Capital Contributions	3,039	9,704
Change In Net Assets	**1,376**	**13,724**
Net Assets at January 1,	591,640	577,916
Net Assets at December 31,	**593,016**	**591,640**

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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	2010*	2009
Receipts from Customers	$ 125,851	$ 118,970
Payments to Suppliers	(36,096)	(37,906)
Payments to Employees	(40,410)	(37,206)
Payments for Property Taxes	(6)	(1)
Net Cash Provided (Used) by Operating Activities	**49,339**	**43,857**
CASH FLOW FROM NON CAPITAL FINANCING ACTIVITIES		
Transfers in from Other Funds	0	0
Transfers out to Other Funds (City Note)	(1,513)	175
Repayments of Advances Made to Other Funds	0	0
Net Capital Used by Non Capital Financing Activities	**(1,513)**	**175**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributed by Other Sources	87	71
Proceeds from Sale of Fixed Assets	37	107
Additions to Construction in Progress	(66,681)	(35,272)
Acquisition of Property, Plant and Equipment	(2,012)	(14,970)
Interest Paid on Bonds	(14,316)	(13,060)
Proceeds from Ohio Public Works Loans	1,181	0
Proceeds from Ohio Water Development Authority Loans	(4)	(86)
Proceeds from Revenue Bonds	0	136,030
Payments on Long-Term Capital Lease Obligations	(31)	(39)
Principal Paid on Bonds	(16,865)	(54,700)
Principal Paid on Ohio Public Works Loans	(185)	(156)
Principal Paid on Ohio Water Development Authority Loans	(218)	(217)
Net Cash Used by Capital and Related Financing Activities	**(99,007)**	**17,708**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and Dividends on Investments	5,758	2,268
Investments Purchased	(1,067)	(8,616)
Net Cash Provided by Investing Activities	**4,691**	**(6,348)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(46,490)**	**55,392**
Cash and Cash Equivalents at Beginning of Year	130,439	75,047
Cash and Cash Equivalents at End of Year	**$ 83,949**	**$ 130,439**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2010*	2009
Operating Income	$ 8,091	$ 16,210
Depreciation and Amortization	24,290	24,161
Changes in Assets and Liabilites (Increase) Decrease in:		
Receivables	(770)	179
Due from Other Funds	60	152
Due from Other Governments	1,272	1,198
Prepaid Assets	(1,426)	(78)
Inventory	(819)	170
Deferred Charge	0	(494)
Increase (Decrease) in:		
Accounts Payable	(175)	(875)
Accrued Payroll	210	552
Due to Fiduciary Funds	35	0
Deposits Payable	15	(1,478)
Due to Other Funds	12	(229)
Due to Other Governments	365	(675)
Liability for Compensated Absences	221	764
Net Pension Obligation	9,986	3,400
Net Other Post Employment Obligation	7,979	904
Employee Reimbursements Payable	(8)	(14)
Estimated Liability for Unpaid Claims	1	10
Net Cash Provided (Used) by Operating Activities	**49,339**	**43,857**
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Change in Fair Value Investments	(272)	**
Property Plant and Equipment Acquired through Capital Lease	25	**
Acquisition of Property, Plant and Equipment from Contributed Capital	2,952	9,633
Total Noncash Investing, Capital and Financing Activites	**$ 2,705**	**$ 9,633**

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**Note: Recorded separately for the first time in 2010.

GREATER CINCINNATI WATER WORKS
NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010
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 2010 and 2009; the amounts are $717,000 and $1,667,000 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. The capitalization threshold is $5,000. 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 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, 2010 was $5,560,000 and for the year ending December 31, 2009 was $3,212,000.

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, 2010 for vacation benefits of Greater Cincinnati Water Works employees is approximately $3,262,000.

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, 2010 this liability is approximately $4,282,000 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, 2010 is $49,000.

The following is a Summary of the Changes in the Estimated Liability for Compensated Absences of GCWW for the year ended December 31, 2010 (000's omitted):

	ACCRUED VACATION	ACCRUED SICK PAY	COMPENSATORY TIME	TOTAL
Estimated Liability for Compensatory Absences January 1, 2010	$3,204	$4,121	$48	$7,373
Earned During 2010	**2,210**	**1,314**	**6**	**3,530**
Used/Forfeited During 2010	(2,152)	(1,153)	(5)	(3,310)
Estimated Liability for Compensatory Absences December 31, 2010	**$3,262**	**$4,282**	**$49**	**$7,593**

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 2010 and 2009 were $5,062,000 and $4,710,000 respectively. Contributions to PERS during 2010 and 2009 were $299,000 and $292,000 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.

Unfunded Pension and Net Other Post Employment Benefit Obligations — Beginning in 2005, the Greater Cincinnati Water Works began to report on its financials a long-term liability for the unpaid portion of the actuarial annual required contribution for pension and other post employment benefits. As part of this adjustment, Personnel Expenses is also increased for this non-cash expense. The amount for the additional 2010 liability was $9,986,000 for unfunded pension and $7,979,000 for net other post employment benefits. In 2009 the annual adjustments were $2,678,000 and $2,056,000 respectively.

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, 2010 is as follows (000's omitted):

YEAR ENDING DECEMBER 31,	TOTAL	PRINCIPAL	INTEREST
Current			
2011	$ 37,808	$ 17,430	$ 20,378
Long Term			
2012	37,816	18,175	19,641
2013	37,637	18,710	18,927
2014	37,441	19,400	18,041
2015	38,436	21,300	17,136
2016-2034	387,411	313,885	73,526
Total Long Term	$ 538,741	$ 391,470	$ 147,271
	$ 576,549	$ 408,900	$ 167,649

As of December 31, 2010 and 2009 Long Term Debt consisted of the following (000's omitted):

BOND	ORIGINAL PRINCIPAL ISSUE	INTEREST RATE (PERCENT)	MATURITY DATE	2010 PRINCIPAL OUTSTANDING	2009 PRINCIPAL OUTSTANDING
G-1210	29,800	4.2	2014	7,800	9,800
S-2001	92,685	4.912	2021	1,500	5,575
S-2003	112,360	4.377	2023	5,440	9,955
S-2005A	80,585	4.188	2022	32,765	36,925
S-2005B	30,000	3.411	2025	30,000	30,000
S-2007A	124,415	4.2	2024	126,960	127,070
S-2007B	73,885	4.43	2032	68,570	70,410
S-2009A	58,095	2.883	2034	57,930	58,095
S-2009B	77,935	4.178	2034	77,935	77,935
	$ 679,760			$ 408,900	$ 425,765
	Less Current Maturity			(17,430)	(16,865)
	Long Term Debt			$ 391,470	$ 408,900

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 Net Assets. During 2010 and 2009 the fees for these services were $5,458,000 and $5,237,000 respectively.

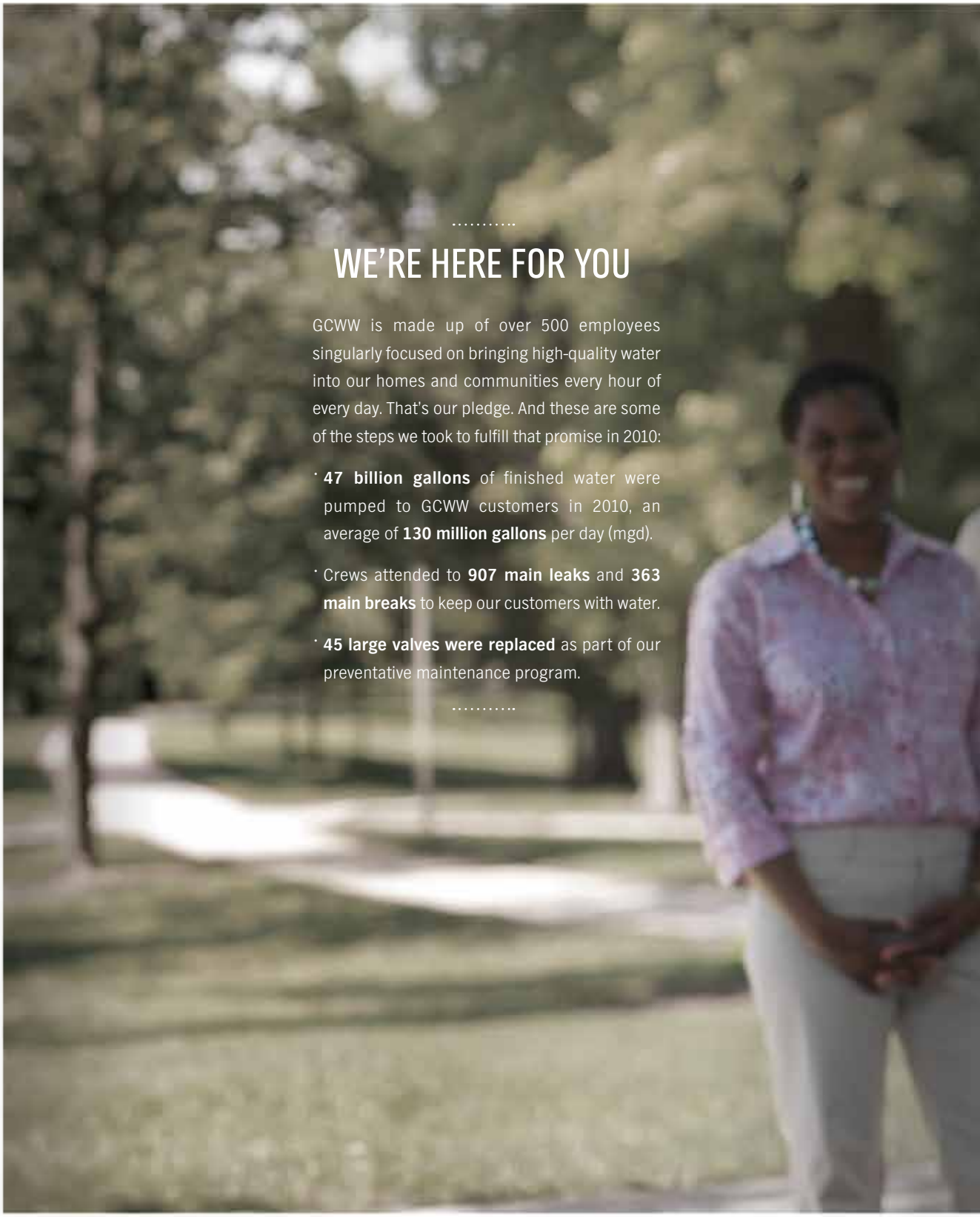
Free Water — The Greater Cincinnati Water Works provides free water service to the City of Cincinnati for municipal purposes. During 2010 and 2009 the values of these services were $1,190,000 and $1,278,000 respectively.

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 2010 and 2009 these fees were $1,977,000 and $2,057,000 respectively. Also, the City's Municipal Garage provides gasoline and maintenance service for Water Works vehicles. During 2010 and 2009 these fees were $1,126,000 and $1,003,000 respectively. In addition, the City's Enterprise Technology Systems Department (ETS) provides a variety of services for the Greater Cincinnati Water Works. The primary service provided to the Greater Cincinnati Water Works by ETS is billing and collection system support. During 2010 and 2009 the fees for these services were $448,000 and $537,000 respectively.

Other Issues

During 1993, Greater Cincinnati Water Works entered into an agreement with the Hamilton County Board of Commissioners to extend water service to previously un-served, 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.

ACTIVITY FUND	JANUARY 1, 2010	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2010
Assets:				
Equity in City Treasury Cash	$ 399	$ 610	$ 609	$ 400
Liabilities:				
Accounts Payable	$ 0	$ 610	$ 610	$ 0
Fund Balance	399	610	609	400
Total Liabilities	$ 399	$ 1,220	$ 1,219	$ 400



WE'RE HERE FOR YOU

GCWW is made up of over 500 employees singularly focused on bringing high-quality water into our homes and communities every hour of every day. That's our pledge. And these are some of the steps we took to fulfill that promise in 2010:

- **47 billion gallons** of finished water were pumped to GCWW customers in 2010, an average of **130 million gallons** per day (mgd).
- Crews attended to **907 main leaks** and **363 main breaks** to keep our customers with water.
- **45 large valves were replaced** as part of our preventative maintenance program.