

CAC MINUTES

FOR THE MEETING OF February 20, 2014

CAC MEMBERS IN ATTENDANCE: Bruce Hutchins, Phil Lidov, Jim Ives, Barry Hudson, Karl Hanlon (phone), Kevin Puccio, Bethany Gravell, Don Schlup

CAC Members Absent: Jeff Erb, Peter Mueller

Guests: Tim Flynn

Denver Water Staff: Melissa Elliott, Heather Stauffer, Sally Covington, Jeff Martin

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

The minutes and agenda were approved without comment.

There were no comments from the public.

Denver water update/ snow pack update- (Melissa Elliott)

There were no questions about the update. Melissa explained that the snowpack in our system looks good; Denver Water does not expect to be in any danger of drought this summer if moisture levels stay the same. Denver Water is beginning to have conversations with their contacts in Summit County about the potential for managing reservoir levels to prevent flooding as reservoirs are very full and snowpack looks like it may exceed average levels.

Customer Experience Value Stream, Opportunities for CAC involvement (Sally Covington)

Sally Covington explained to the CAC that Denver Water looks at value streams that become organizational priorities for the year. As a result of the customer service survey in 2013, Denver Water came up with a customer service value stream. Sally mentioned one of the biggest challenges Denver Water has run into during the customer service value stream is figuring out how we define who is a customer. In order to narrow down the customer base, the value stream is currently only focusing on the rate paying portion of Denver Water's customer base. As a part of that Denver Water is also looking at a branding initiative. The organization is looking at everything from how many phone numbers are on Denver Water's website to how it communicates with customers, how the call center is organized, how they get information out about main breaks, social media, etc. The goal is to make it as efficient a process as possible for our customers. Sally invited the CAC to participate in the customer service value stream as much as possible.

Water Efficiency Fixture Legislation (Chris Piper and Jeannine Shaw)

Chris Piper of Denver Water gave an update on the legislature and SB14-103 in particular, which Denver Water has led the effort on. Chris explained that this legislation is modeled after legislation in Georgia, California and Texas. SB-103 will save water by phasing out the sale of less efficient lavatory faucets, showerheads, toilets and urinals and offering WaterSense-certified fixtures in their place. WaterSense is the water equivalent to the well-known Energy

Star label. Denver Water estimates that Colorado will save 13 billion gallons of water annually by 2050 if this legislation is enacted. Chris explained that Denver Water began having a discussion with the legislature in 2011, they spent a lot of time researching this topic. Last summer Denver Water began finalizing research and started on a very aggressive stakeholder outreach process. The bill is sponsored by Senator Guzman and Representative Fischer. The bill recently passed the Senate and is awaiting committee assignment in the House. The bill has a broad range of supporters that spans the east slope and the west slope. While Chris was hoping to get bipartisan support for the bill, the current political climate made this into a partisan issue.

In other legislative updates, Chris explained that Denver Water has not taken a strong opinion of support or opposition on any other bills. Denver Water feels generally supportive of SB14-23, however they are more focused on its own effort at this point in time.

Moffat Collection System Project Update (Jeff Martin)

Jeff Martin is the project manager of the Gross Reservoir project. The project has moved from the planning phase into the engineering phase. Half of Denver Water's effort on this project is going into the permitting process while the other half is focused on design management.

The Gross Reservoir expansion project is one of many efforts by Denver Water to try and overcome future water shortages. Denver Water estimates that, if left on the current path, the utility will start seeing water shortages by 2022. These are expected to grow to nearly 34,000 AF/Yr by the year 2032. Denver Water estimates that we can save about 16,000 AF through conservation efforts, however that still leaves an 18,000 AF gap between supply and demand. The Gross reservoir project would also help Denver Water combat vulnerability in their system. Jeff explained that in 2002 Denver Water's northern system was extremely dry due to drought, which caused operational issues.

It is expected that the Army Corps of Engineers will provide the project with a Final Environmental Impact Statement on April 25. Denver Water expects issuance of additional final permits to happen in 2015.

Construction cost estimates have increased since the original 2006 cost estimate of \$140 million. The 2013 new cost estimate puts this project around \$354 million. All in costs per acre-foot yield are around \$20,000 per acre foot yield.

2014 goals for the Gross Reservoir project include: Dam type evaluations, geotechnical investigations, technical review boards, community engagement, FEIS release/ mitigation plan, FERC application submittal, 4e conditions negotiation, and stream temperature modeling.

CAC Business (Phil Lidov)

The CAC discussed the topic discussion agenda for 2014. They agreed to have a tour in place of July's meeting and a public meeting in September for rates issues if needed. The motion to adopt the 2014 work plan was passed. Melissa mentioned that Denver Water is hoping to get the CAC's participation on things like 2016 conservation planning and the new Denver Water campus redevelopment.

The CAC also discussed potential topics of discussion for their quarterly breakfast with the Board.

Meeting was adjourned at 6:45pm