

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 13, 2012

Board Item: V-E-2

## 2012 Subscriber Fees for the Water Research Foundation

Action by Consent

Action

Information

The Water Research Foundation provides service to the water industry by conducting research on behalf of its member utilities, consultants and equipment manufacturers. This research has proven to be effective in advancing technology and in providing a science base for water-quality regulations. Since 1987, a key component of the Foundation's research funding has come through subscription contributions from member utilities. Contributions are based on a formula that includes the amount of water produced by a utility minus the water purchased and sold. Denver Water is one of the original, founding subscribers of the Water Research Foundation.

Based on the formula for subscription contributions, Denver Water's 2012 computed dues are \$130,666.95 for water treated and sold during 2011. Denver Water's contribution in each of the past three years has been only \$75,000, significantly less than the calculated amount. In 2006, Denver Water asked the Water Research Foundation to conduct a cost-benefit analysis to determine how research knowledge gained has been applied at Denver Water and better quantify the benefits received. The cost-benefit report indicated that Denver Water receives tangible, monetized benefits in the range of \$313,000 to \$607,000 (annualized), well in excess of the dues assessment.

The report also identified specific areas in which both the Water Research Foundation and Denver Water can improve effectiveness and foster a stronger relationship. Although improvement has been made to this relationship, Denver Water would like to play a more active role in guiding the research agenda and be considered for a leadership role in the Water Research Foundation. However, these opportunities are only available to fully-paying subscribers. Denver Water will include a letter with its 2012 subscriber fee indicating the desire to get more engaged with the Water Research Foundation, and progress will be revisited over the next several years to ensure that Denver Water continues to receive the desired benefits.

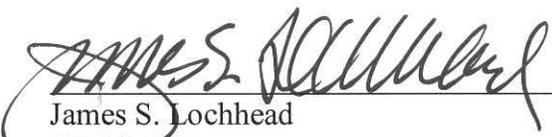
### Recommendation:

It is recommended that the Board approve payment of 2012 subscriber fees to the Water Research Foundation in the amount of \$130,666.95. The budgeted amount for this expenditure is \$75,000 so a budget variance will be required.

### **Approvals:**

Respectfully submitted,

  
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Thomas J. Roode  
Director of Operations & Maintenance

  
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James S. Lochhead  
CEO/Manager

  
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Brian D. Good  
Deputy Manager of Organizational Improvement

June 4, 2012  
Revised by CEO's Office 8/19/2011