

CAC MINUTES

FOR THE MEETING OF MARCH 15, 2012

CAC MEMBERS IN ATTENDANCE: Mel Rettig, David Spector, Phil Lidov, Bruce Hutchins, Don Schlup, Becky Long, Barry Hudson, Jeffrey Erb

ABSENT: Jim Ives, Jeff Willis

GUESTS: Tim Flynn, Christy Honnen, Pat Fitzgerald

DENVER WATER STAFF: Melissa Elliott, Sally Covington, Patricia Wells, Teri Chavez, Tim Lowe, Todd Cristiano, Chris Piper, Ellen Cinchock

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

The minutes and agenda were approved without comment. Committee Chair David Spector welcomed Jeffrey Erb, the new CAC member representing Denver Residents to the meeting.

DENVER WATER UPDATE (Melissa Elliott) –

Ms. Elliott advised the committee Bob Steger of Planning will attend the April 19, 2012 CAC meeting to provide the committee with a water supply update. Denver Water customers are being asked not to turn their irrigation systems on just yet. Denver Water has created a task force to monitor the conditions and is keeping in contact with other local water utilities to see what they are advising their customers.

LEGISLATIVE UPDATE (Chris Piper) –

Mr. Piper provided the committee with a memo that included four bills the Board members are currently reviewing.

2012 Use Only What You Need Ad Campaign (Teri Chavez) –

Ms. Chavez provided the CAC with a PowerPoint presentation of the two ad campaign concept strategies that would be shown to Executive Staff. Ms. Chavez advised the committee the concepts are drafts and may change. Average water users are being targeted this year. Denver Water will ask customers to value water by not wasting it.

David Spector asked if last year's campaign helped reached Denver Water's conservation goal. The goal was met, but other demographics need to be addressed which is one of the reasons why most campaigns are not repeated. The campaign will run in the months of June, July, and August. The committee reviewed the concepts and provided comments to Ms. Chavez. David Spector said the strategies were great overall, especially if there is a drought this year. The committee thanked Ms. Chavez and the Communications and Marketing section for all of their work on the 2012 conservation advertising campaign.

Overview and History of the Denver Water Distributors (Patti Wells) –

David Spector thanked Ms. Wells for attending the meeting. Ms. Wells gave the committee a presentation outlining the history of Denver's water system and how the charter was created when Denver obtained public ownership in 1918. The citizens agreed on having a non-political board and monies obtained by selling water to customers would only be used for waterworks purposes (Water Works Fund).

In 1959, a revision to the Charter allowed Denver Water to provide water to customers outside Denver on a permanent basis. The rates for water are related to service and volume at this time. Water leases to outside customers require provisions that will always provide Denver residents with water. Contracts for residential service increased until 1974, when annexations were stopped.

The only source of water for many of the contracted customers (Distributors) is from Denver Water. The Board needed to quantify extending an obligation to the Distributors without extending the water supply. In 1994, the combined service area was created. Defining this area allows the Board to geographically plan the service area and treat customers equally during a drought.

Denver Water is the largest water utility in Colorado, and serves one-quarter of the Colorado population. David Spector said Ms. Wells' presentation provided a very helpful overview to the committee.

Distributor contracts are perpetual, and water rates are not set in the contract. Distributors must follow Denver Water's Operating Rules.

The methodology for rates changed in 1990, following the population changes as the suburbs were experiencing more growth than Denver was. The new methodology worked as long as the suburb populations continued to grow. But since population growth has stabilized, the rate methodology needed to change.

Denver Water is currently working with the Distributors on the creation of a new cost of service model. The committee thanked Ms. Wells for her presentation and said the background will be very helpful for the CAC's meeting with the Distributors in April.

CAC BUSINESS –

- CAC members were reminded to attend at least one Board meeting each year. David Spector will email committee members a sign-up sheet.

The meeting was adjourned at 7:00 P.M.