

CAC MINUTES

FOR THE MEETING OF JANUARY 20, 2011

CAC MEMBERS IN ATTENDANCE: Jeff Willis, Jim Ives, Carol Pace, Bruce Hutchins, Phil Lidov, Becky Long, Mel Rettig, David Spector

GUESTS: Tim Flynn, Christy Honnen

DENVER WATER STAFF: Marie Bassett, Joe Sloan, Ellen Cinchock, Grace Wilcox, Stephanie Niemi

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

The November minutes were approved without comment.

LEGISLATIVE UPDATE (Chris Piper) -

Chris Piper, Intergovernmental Affairs Coordinator for Denver Water, thanked the committee for inviting him to the meeting. Bills of interest to Denver Water are:

- House Bill 1034 – Protect Our Rivers, a special license plate bill from Trout Unlimited. The proceeds from this plate will be used for restoration projects.
- House Bill 1020 – Subcontractor 20 Day Notice Provision – This is a highly controversial bill as it involves temporary transfers of water rights to agricultural lands.
- The JBC will not take money away from the CWCB and lobbyists. There will not be 40-50 million dollar budget cuts.
- One possible bill that may be created this year concerns retainage and construction contracting. Currently ten percent of the payment is withheld, until the project has been completed. The possible bill would withhold five percent of the payment. This could hurt Denver Water as many of their projects cannot be tested until the end of the project, and if a contractor decides to not finish the work properly it would be more difficult to recoup the loss.

Becky Long asked Mr. Piper to discuss the new position created by Governor Hickenlooper. Governor Hickenlooper asked John Stulp to work for him as a Special Water Advisor and to chair the IBCC, which could move the IBCC under the realm of the Governor's Office. Chris stated he was not certain of the responsibilities of Mr. Stulp, but in the announcement of the position this new position, it was stated he will help coordinated cooperation on water issues.

DENVER WATER UPDATE (Marie Bassett) -

Marie asked the committee if they would like to meet Denver Water's Internal Auditor. David Spector explained there was a recent news story on the website, "Face the State," that discussed Denver Water's autonomy and its Internal Audit process. The Internal Auditor has a separate charter with the Board to ensure effectiveness with his reports. Marie said she would send copies of recent audits to the committee members. These would be the same reports sent to Face the State.

David Spector is pleased to see the Board is performing a review of Professional Services contracts.

David Spector asked Marie why Platte Canyon was being used for the Waterton Canyon project. Marie said using the canyon avoids requiring a dredging permit. The water quality has not been affected by the project, which is scheduled to be completed this summer.

The information on the Strategic Plan was not available prior to the December CAC meeting. The sixty Section Heads met and created 1,600 goals that were collated into 80 goals. If the Commissioners accept the goals, they will be turned into work tasks. Grace Wilcox advised David that Rates Manager Todd Cristiano is developing a rates portion of the Strategic Plan and will be inviting the CAC and the Distributors to review it.

After the announcement by the U.S. Department of Health and Human Services (HHS) and the U.S. Environmental Protection Agency (EPA) proposing to lower the amount of fluoride from 0.7 – 1.2 mg/L of water to 0.7 mg/L, Denver Water lowered its fluoride levels from 0.9 mg/L to 0.7 mg/L. The HHS & EPA will make final recommendations on the proposed changes to the fluoride levels in May.

DENVER WATER BUDGET UPDATE (Grace Wilcox) –

Grace Wilcox, Manager of the Budget section for Denver Water, thanked the committee for inviting her to the meeting. The Board met with Finance in November, 2010 for a four-hour budget workshop. The 2010 Capital Budget was 2% less than budgeted for; and overall revenues were slightly higher. The 2011 Operating Budget, minus the Strontia Springs project, is ten million dollars lower than 2010. Ms. Wilcox welcomed any feedback from the CAC for the 2012 budget. Ms. Wilcox spoke with the Distributors on February 18 and they would like to review the 2012 budget and provide feedback before it goes to the Board.

On February 23, there will be a Budget meeting with the Commissioners. The Budget section would like to have the 2012 budget by June 30 to be able to adopt rates by the end of September. Carol Pace sent her input about the budget to Commissioner Herzmark. Ms. Wilcox said this year Denver Water is reviewing making changes to the employee compensation plan, the IRP, and the Strategic Plan. CEO/Manager Jim Lochhead would like to perform efficiency studies throughout Denver Water starting 2012.

CAC BUSINESS –

Work Plan

The committee would like to discuss the Integrated Resource Plan (IRP) with the Board at their breakfast meeting on January 26. Joe Sloan suggested adding the Strategic Plan to the agenda as the IRP is still in flux.

Phil Lidov suggested inviting a moderator to the February meeting to assist the committee with setting better connections between them and the public at large. There are limited venues for the citizen representatives, so the committee would like to learn how to push the constituents to discuss water issues. Joe Sloan said the Board receives a communications packet each month that includes customer concerns and various communications on water-related news. Community Relations Manager Trina McGuire-Collier can attend the February meeting. The CAC suggested inviting Ken Snyder from Place Matters. Becky Long requested Suburban Conservation Coordinator Liz Gardener attend the February meeting to discuss Water 2012, a statewide effort to promote the importance of water in Colorado.

David Spector suggested replacing one monthly CAC meeting and allowing committee members to attend a local meeting with their constituents. CAC members can ask neighborhood organizations to be placed on their agendas and during the meetings explain who the CAC is and how they can help with water-related issues.

Phil Lidov would like a process map of the reservoir system and link an Operations topic with the annual tour. Carol Pace requested an update on the economics of Denver Water's recycling system. Joe Sloan suggested having CAC members attend water trailer events to discuss water issues with the public. Carol Pace asked if Denverwater.org could be improved for public comment. Currently there is no marker for how to submit comments to the Board. The committee agreed to have their Work Plan finalized after the January 26 meeting with the Board. David Spector asked if a sign-up sheet could be created so the committee would have representation at Denver Water Board meetings.

The meeting was adjourned at 6:45 PM.