

CAC MINUTES

FOR THE MEETING OF MARCH 17, 2011

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

ABSENT: Barry Hudson

GUESTS: Ken Snyder, Tim Flynn, Christy Honnen

DENVER WATER STAFF: Jim Lochhead, Chris Piper, Melissa Elliott, Prescott Coleman, Sabrina Hall, Trina McGuire-Collier, Stacy Chesney, Noel Willis, Joe Sloan, Ellen Cinchock

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

The February minutes were approved without comment.

DENVER WATER UPDATE (Jim Lochhead for Marie Bassett) -

Denver Water Manager/CEO Jim Lochhead provided the monthly update. Operations & Maintenance Director Brian Good is now the Assistant to the CEO for the Strategic Plan. Mr. Good will be implementing the plan that was recently approved by the Board.

Mr. Spector requested further detail on the land parcel removal in Antero. Mr. Lochhead explained Denver Water requested the State Land Board removed parcels of land around Antero Reservoir that were originally included in a land lease agreement with El Paso Oil. The State Land Board agreed to remove the parcels. Mr. Spector advised Mr. Lochhead that a group opposed to fracking in South Park had presented to the CAC last month. Mr. Spector asked why Denver Water is not using Denver Water staff to study the issue. Mr. Lochhead stated Denver Water will continue to monitor the issue. He believes other agencies are better suited to study fracking. Denver Water depends on agencies such as CDPHE, and EPA on various r issues. Denver Water does not have staff to cover all issues, but can use information from other agencies to monitor, evaluate and then make decisions.

Jim Ives asked the status of Denver Water's mitigation plan to the Wildlife Commission on the Moffat Supply Project. Jim Lochhead responded the plan has been submitted and the DOW had planned public meetings.

LEGISLATIVE UPDATE (Chris Piper) –

Mr. Piper provided the CAC members with an update on four legislative bills of interest to Denver Water.

Internal Audit Section (Prescott Coleman) –

Mr. Coleman thanked the CAC for the invitation to their meeting and provided them with a background on his role as Chief Internal Auditor for Denver Water. Mr. Coleman reports directly to the Denver Water Board. Mr. Coleman created an Internal Audit charter for Denver Water, as there was not one previously. As Chief Internal Auditor Mr. Coleman creates internal controls that check Denver Water's practices and keep them compliant. The Internal Audit section reviews personnel issues, occupational hazards, fraud, and environmental concerns. An anonymous Ethics Hotline has

been set up for anyone to report illegal or inappropriate actions. This hotline is operated by a third party firm and tips can be called or emailed to them. Contact information for this hotline is available on the denverwater.org website.

Mr. Lidov asked how the City of Denver Auditor's position compared to the Denver Water Chief Internal Auditor. The City Auditor is an elected official and Mr. Coleman was appointed by the Denver Water Board. The role of the City Auditor is more public as it is an elected position. The Internal Auditor at Denver Water serves at the request of the Board and reports directly to the Board. Mr. Spector said the Citizens Advisory Committee was originally created a watchdog group and can assist the Internal Audit section if necessary. Mr. Coleman asked the CAC members to send him information if a customer has contacted them with concerns that his section can address.

The audit process uses a standard risk assessment – the section reviews issues that are potentially dangerous to Denver Water. Denver Water has a Risk Management Committee that currently reviews insurance risks. Mr. Coleman would like to have the committee review all types of potential risks, not just ones for insurance purposes.

Mr. Spector thanked Mr. Coleman for his presentation and will send him copies of the CAC minutes for his review.

PUBLIC ENGAGEMENT – (Ken Snyder, PlaceMatters; Community Relations Staff)

Mr. Spector welcomed Mr. Ken Snyder from PlaceMatters and the Community Relations staff to the meeting. Mr. Spector explained that the CAC would like to improve their role as a committee and learn how to better engage their constituent base. Mr. Ken Snyder, CEO/President of PlaceMatters, was invited to the meeting to assist the CAC in looking for concrete way to engage people and improve constituent attendance at their meetings.

Mr. Snyder thanked the CAC for the invitation, and gave an overview of the PlaceMatters organization. PlaceMatters provides tools to the public to better their communities. The organization uses principles of civic engagement to promote building communities. Technology, surveys, and interactive tools collect data that can be used to promote organizations. Mr. Lidov explained that the CAC currently does not have a project that can utilize these tools, but would is looking for ways to start a discussion with their constituents on water issues. Mr. Snyders suggested finding a hook to attract their constituents.

The Community Relations staff was asked for their input. Ms. Trina McGuire-Collier said the CAC could help Community Relations with public outreach, including the Integrated Resource Plan (IRP). Ms. Melissa Elliott said the CAC can review the Strategic Plan's section on External Relations, look at possible initiatives to help improve Denver Water's contacts with its shareholders and provide their input to Community Relations. Mr. Spector said the CAC's role is not necessarily to be an advocate for Denver Water. Direction is needed on what information can be shared with the CAC's constituents without being an advocate/proponent to Denver Water. Suggestions for outreach opportunities could be the Distributor forums, Youth Education, and the IRP. Ms. Stacy Chesney said in the future social media will be something added to the Denver Water website and the CAC could create a blog or Facebook page to attract constituents.

CAC BUSINESS –

April Breakfast with the Board –

Topics for the meeting will include the 2012 budget and the Strategic Plan. Brian Good and Jim Lochhead will be invited to the meeting.

Marie Bassett's Retirement –

The CAC asked that the minutes reflect their thanks to Marie for her attendance at their meetings and appreciated all of her hard work at Denver Water. The members signed a card and asked that it be given to her.

Budget Meeting -

The 4:00 PM budget meeting with Finance Director Angela Bricmont and Budget Manager Grace Wilcox went very well. An overview of this meeting will be held at the April CAC meeting.

The meeting was adjourned at 7:10 P.M.