

CAC MINUTES

FOR THE MEETING OF AUGUST 18, 2011

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

ABSENT: Jeff Willis

GUESTS: Tim Flynn, Christy Honnen

DENVER WATER STAFF: Melissa Elliott, Doug Raitt, Bob Steger, Grace Wilcox, Greg Fisher, Joe Sloan, Ellen Cinchock

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

The June minutes and August agenda were approved without comment.

DENVER WATER UPDATE (Melissa Elliott) –

There were no questions on the update provided by Ms. Elliott.

STATUS OF STRONTIA SPRINGS DREDGING PROJECT (Doug Raitt) –

The committee welcomed Mr. Raitt to the meeting. Mr. Raitt gave a brief history of the Strontia Springs Reservoir, explaining that it was constructed in 1983 and provides water to approximately 1.5 million customers. In 1996 a fire in Buffalo Creek and a subsequent flash flood dumped a large amount of sediment into the reservoir. In 2002 the Hayman Fire dumped sediment into the South Platte that then flowed into the reservoir.

Discussions to dredge the reservoir began in 1996. Discussions continued until 2010, when a request for bid was sent out and one bid was made by Severson Environmental Services to work on the project. Mr. Raitt showed the committee a video of the Buffalo Creek and Hayman fires, and footage of the dredging operation.

Pipelines and pumps carry sediment out of the reservoir, using 7,000 – 10,000 gallons of fuel each day. The pipeline runs along the road, which is why Denver Water was forced to close the road to the public. Filters and screens are used to remove debris. The conveyor system runs 24 hours per day, 7 days a week. This was a large investment totaling 29 million dollars. Mr. Raitt showed the committee a hydrographic survey that describes how much sediment has been removed to date. Mechanical issues have slowed progress. Engineering will meet with Severson next week to see if production can be improved.

Denver Water is dredging the reservoir so it will not fill completely and limit its storage capacity. Dredging is much better than building another dam. Mr. Spector asked who would bear the risk if production delays extend beyond the 12/31/11 deadline. Mr. Raitt said damages would be imposed onto the vendor if the project is not finished on time. Mr. Spector asked Mr. Raitt to return to discuss the issue if it is determined that the project will not be finished on time. Melissa Elliott said the CAC

could assist in sending the message about a possible delay to the public. Mr. Hudson asked if Denver Water was researching other methods of preventing forest fire runoffs. Mr. Raitt said Engineering is studying sediment traps, but noted permits are required to install these traps along the South Platte. Ms. Long added the South Platt Board is looking at forest creek drainage and reforestation as options. Mr. Spector thanked Mr. Raitt for his presentation to the committee.

RAW WATER OPERATIONS/RESERVOIR FUNCTIONS (Bob Steger) –

Mr. Spector introduced Bob Steger, Raw Water Supply Manager for the Planning Division at Denver Water and welcomed him to the meeting. Mr. Steger thanked the committee for the invitation, and showed them a map of Denver Water's collections system. He explained how water is collected from basins, and how the water is brought through Moffat Tunnel through Boulder Creek. The water is then stored in Ralston Reservoir and piped to the Moffat Treatment Plant. Denver Water does not bring water from the Western Slope that it does not need. This is a challenge when working with the runoff forecast, because Denver Water does not know how much water they can store due to water rights. Ms. Pace asked what becomes of the water when the reservoirs are full. Mr. Steger said water is released, but there are flooding concerns. This year water in the Dillon Reservoir was drawn down prior to the April and May snow melt, and the reservoir filled in early June.

Mr. Lidov asked Mr. Steger to describe the forecasting process. Six times each year, Planning projects how the system should operate using various scenarios. Forecasts are performed up to a year in advance. Onsite water storage is minimal. It takes one hour water to travel from Marston to the Moffat Treatment Plant. Caretakers at all of the reservoirs take daily water level and stream flow readings and send those numbers back to the Load Control station.

Mr. Tim Flynn asked how Green Mountain relates to the Dillon Reservoir. Green Mountain has senior water rights to Dillon – if their reservoir fails to fill Denver Water owes them water. Water is sent from Williams Fork to fulfill the obligation.

Mr. Lidov asked what changes would occur in the Raw Water section if mediation is approved later this year. Mr. Steger said planning will become more complicated. Individual diversion structures will be bypassed to compensate Grand County. Grand County will receive more water from the diversions. The Green Mountain Pumpback proposal could send water from Green Mountain to Dillon, and use the Wolcott Reservoir to help make up the water loss that taken by the East. Mr. Hudson added the pumpback does have energy and water quality concerns. The committee thanked Mr. Steger for his presentation.

CAC FEEDBACK ON BUDGET AND MESSAGING (Grace Wilcox, Greg Fisher) –

Mr. Spector requested Ms. Wilcox and Mr. Fisher meet with the committee to discuss how this year's budget process is progressing. The Board is meeting earlier to discuss rates, so the thirty day public comment period begins on August 24, 2011. Ms. Wilcox thanked the committee for the meeting invitation, and explained the first change made to the 2012 budget was that it was zeroed out. Division Directors were asked to keep their budgets at 2011 or reduce them further. A pilot was performed with Public Affairs and Human Resources to do an in-depth budget review with the Budget Planning Process Improvement (BPPI) group. This review helped Public Affairs to reduce its annual budget by 1.4 million. Section managers will now be held accountable for their budget amounts. A

two day meeting was held with the Division Directors, their budget coordinators and Budget Section staff to do a line item budget review. Directors were allowed to see each division's budget and recommend changes. The August 10, 2011 Board meeting focused on the 2012 budget. The 2012 budget is lower than the 2011 budget, which will help with 2012 water rates. Ms. Wilcox noted Denver Water employees are now paying 30% of their healthcare costs.

Mr. Hudson questioned conservation water savings. Ms. Elliott said the water savings budget for 2011 is at 75% due to rebates. The conservation goal will be able to be met with the reduced budget by the institution of caps on projects and irrigation contracts.

Ms. Pace was pleased with the changes made to the budget - it is now more realistic and not over-inflated.

Ms. Elliott asked the CAC members for their input on possible rate amounts. Ms. Pace recommended a justifiable amount, and costs need to be examined. Mr. Spector suggested a smooth amount that was less dramatic but provided an impact for Denver Water. Mr. Hudson stressed advising the public about capital infrastructure replacement projects. Ms. Long asked if customer water budgets have been discussed. Ms. Elliott said the entire water budget structure needs to be reviewed. The CAC thanked Ms. Wilcox and Mr. Fisher for their presentation.

CAC BUSINESS –

- September meeting
 - Rates
 - Resource Planning
- Member Appointments
 - Mr. Hudson and Mr. Ives require approval from their constituents before announcing a request from the Board for a second term.
- CAC Facebook page
 - Recently an anti-fluoride group posted information to the CAC Facebook page. Mr. Spector responded to the group's comments, but noted the page requires more oversight from its members. The Facebook page can be used to refer people to Denverwater.org. Mr. Spector suggested creating a sub-committee to review social media options.

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