

CAC MINUTES

FOR THE MEETING OF September 19, 2013

CAC MEMBERS IN ATTENDANCE: Jim Ives, Bruce Hutchins, Phil Lidov, Mel Reddig (Phone), Don Schlup

CAC Members Absent: Jeff Erb, Barry Hudson, Peter Mueller, Bethany Gravel, Jeff Willis,

Guests: Tim Flynn,

Denver Water Staff: Melissa Elliott, Heather Stauffer, Sally Covington, Todd Cristiano, Katie Knoll

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

There was no quorum at this meeting and therefore no official votes were cast.

The minutes and agenda were approved without comment.

There were no comments from the public.

DENVER WATER UPDATE- (Melissa Elliott)

In addition to the update that was sent via email to the CAC, Melissa Elliott gave an update on the flooding and the effects on Denver Water's system. On the whole Denver Water got very lucky and did not sustain the massive damage that we are seeing in other areas around the State, however, Denver Water's system was significantly impacted at Gross reservoir, Ralston reservoir and the Highline canal. All of Denver Water's dams are ok, but Gross Dam Road is closed due to damage. Denver Water is working to repair it as quickly and safely as possible. At this point it has been estimated that CR 72 could be closed for a few months. The people who live in communities near Gross dam are facing a 2 hour commute into Boulder. Denver Water's hope is that we can get Gross Dam Road up and running as quick as possible so that those people can get through and minimize their commuting time to Boulder. Denver Water has an easement on Eldorado Springs Road which was also significantly damaged. A team was sent out to see what can be done to repair it. Denver Water also had damage to some of the culverts as well and lost all flow sensors in Ralston reservoir. Here more locally, the Highline Canal started to move water on September 10. By September 11 the water had reached University, and Aurora was flooding massively. The Highline canal has been damaged in several areas and Denver Water feels it is unsafe to have water running through it at this time. Denver Water estimates repairs to the Highline will be done by next spring. The Moffat Treatment Plant was idled due to turbidity in the water. One caretaker's residence at Gross reservoir had some flooding but all Denver Water employees are fine. Gross reservoir rose about 4 ½ feet during the flooding.

Due to the recent flooding Denver Water is feeling a little uncomfortable talking about drought. We have been pulling signs, and we are talking to the Board of Water Commissioners about moving out of a Stage 1 drought. The Board will decide the plan going forward at their next Board meeting.

2014 Proposed Budget and Revenue Requirements Discussion- (Todd Cristiano)

Todd Cristiano presented to the CAC the same presentation that was given to the Board of Water Commissioners. He presented information about the 2014 financial plan, 2014 revenue requirements and the 2014 cost of service and rates. The proposed budget for 2014 is \$371 million dollars. This is split into operating costs, totaling \$246 million, and capital costs, totaling \$125 million. The 2014 revenue requirements and revenue sources can be broken down into several categories. Revenue requirements include \$179 million in operating expenses, \$46 million in debt services and \$89 million in rate-funded

capital. The revenue sources consist of \$242 million in revenue from current rates, \$26 million from reserves, \$8 million coming from additional rate revenues, and \$37 million coming from miscellaneous revenue.

Rates cover the cost of treatment and delivery of water under average and peak demand conditions, capital reinvestment to maintain service, and public fire protection.

The rate increase proposed to the Board this year would increase a customer inside the city at a rate of 3.6%. The average monthly increase for that customer would be about \$1.29 per month. However the costs are different for different customers depending on if they are inside the city vs. a read & bill customer or a total service customer. The Board of Water Commissioners is expected to discuss and adopt the revenue requirements at their meeting on September 25, 2013.

Discuss public outreach opportunities in west slope communities (Katie Knoll)

Katie Knoll led a discussion with the CAC regarding public outreach to Western Slope communities which have Denver Water facilities in them. She is looking to improve relationships with communities on the Western Slope and asked the members of the CAC to provide feedback on how to address some of the issues. Ideas included having Denver Water staff give a presentation about Denver water's conservation efforts in Western Slope communities, sponsoring a football team, co-sponsor a booth with the River District at a County fair, increased messaging around reservoirs and roads informing people that the area is maintained by Denver Water, Give tours of the facilities to some of the public officials in that area. Groups to contact include youth and civilian conservation corps, local land trusts, trails alliance, skiing resorts, Club 20, and the local chamber of commerce. The CAC recommended that Denver Water talk to Denver Water employees who live in the specific communities they are trying to reach out to and ask them what the best way to improve relations and be more visible in that community.

CAC Business

Mel Reddig's position covers 4 counties and he would like to exclude Delta county from the position. Denver Water staff will reach out to the River district for help gathering applications to fill Mel's vacant position at the end of the year. The online application will go up on Monday and will be open until the start of the week of October 14.

Jeff Willis' position is also up. Heather Stauffer asked him if he was interested in serving another term. Jeff is communicating with the homebuilders association about it and will be in touch with us.

Phil Lidov will reach out to Barry Hudson to see if his position will need to be filled for next year.

Meeting Adjourned