

CAC MINUTES

FOR THE MEETING OF MAY 19, 2011

CAC MEMBERS IN ATTENDANCE: Jim Ives, Carol Pace, David Spector, Don Schlup, Phil Lidov, Barry Hudson, Jeff Willis

ABSENT: Mel Rettig, Becky Long, Bruce Hutchins

GUESTS: Tim Flynn

DENVER WATER STAFF: Melissa Elliott, Abigail Holmquist, Patti Wells, Joe Sloan, Ellen Cinchock

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

The April minutes and May agenda were approved without comment. The CAC received emails from the representatives opposed to the fluoridation of drinking water and recognized the recent activity regarding it.

DENVER WATER UPDATE (Melissa Elliott) –

David Spector requested a monthly update on the rates model for the Distributors. Ms. Elliott said an update can be provided to the committee after the next Distributors meeting in June.

The feedback on the West Slope Mediation proposal has been mostly positive except for some negative responses regarding the Moffat expansion.

LEGISLATIVE UPDATE (Chris Piper) –

Chris Piper was unable to attend the CAC meeting but did provide copies of the update for the committee. Ms. Elliott noted there will be an interim water committee that can provide legislation on mediation.

LEGAL DIVISION (Patti Wells) –

Mr. Spector welcomed Patti Wells, the Legal Division Director and Legal Counsel to Denver Water, to the meeting. Ms. Wells thanked the CAC for the invitation and gave an overview of the Legal Division at Denver Water. The Legal Division consists of ten attorneys that are involved in various legal matters, including: Water Law, Environmental Law, Property, Employee Issues, and contracts.

Carol Pace asked if a record of all water rights in Colorado is available to the public. Ms. Wells said the State Engineer would have the documents but the Supreme Court cases would better explain the water rights. Ms. Wells said when applying for water rights the burden of proof is on the applicant, and Colorado is the only state that does this.

Ms. Wells explained that Denver Water is a government entity because it was created by the city's charter. The City and County of Denver was created in 1902, and in 1918 the citizens created the Denver Water Board. In 1959, the city Charter was amended to make Denver Water more independent. The only relationship with the city is that the mayor elects the Denver Water Board commissioners and the City Auditor reviews Denver Water's funds. Denver Water does not enterprise funds to the city. All revenue received by Denver Water goes into the Water Works funds,

and they cannot be transferred to the city's general fund. The City Auditor's role is to review our finances. Denver Water's contracts are legally binding without the City Auditor's signature. Jeff Willis asked if the City of Denver pays for its water use. The city pays a special rate to Denver Water, and Washington and City Parks receive free water except for their potable water use. The city receives a 45% discount on their water and is Denver Water's largest single customer.

RECYCLED WATER PRESENTATION (Abigail Holmquist) –

Abigail Holmquist, Recycled Water Program Manager for Denver Water, thanked the CAC for their invitation to the meeting. Ms. Holmquist explained the source of Denver Water's recycled water is from Metro Wastewater. Having recycled water available for outdoor use lessens the potable water use and delays the requirement for developing new drinking water supplies. Barry Hudson asked how Denver Water acquired the rights to use recycled water. Ms. Wells said imported water is fully reusable unless it is contracted away. Denver Water is legally entitled to use Blue River water.

Recycled water is used for park irrigation and cooling towers. The quality of the recycled water is higher than state regulations in order to prepare for future EPA water quality requirements. Abigail said the main goal is to have demand levels for recycled water at 17,500 acre feet per year by 2020. Customers currently use 235,000 acre feet of potable water each year. Recycled water is safe for incidental contact, it's quality is better than water at an open swim beach.

Xcel Energy is the largest Denver Water recycled water customer. Other customers included the Denver Zoo, Washington Park, City Park, Lowry, and Stapleton. Recycled Water will also be used at Denver International Airport, Denver University, and Ruby Hill. Mr. Hudson asked if recycled water will be required for irrigation at new housing developments. Ms. Holmquist said new language has been added to the Operating Rules to have recycled water lines installed during construction of new home developments. Don Schlup asked if Denver Water had adequate recycled water supplies. The current plans have Metro Wastewater and gravel pits supplying recycle needs to customers. Mr. Schlup questioned if Denver Water would have access to tributary wells. The Integrated Resource Plan (IRP) is questioning whether or not more groundwater supplies should be used, but Ms. Holmquist noted doing this would be expensive. Four hundred recycled water customers are projected by 2022.

The capital costs for recycled water – 175 million dollars for the treatment plant, distribution, and gravel pits. Every recycled water customer pays a fee for recycled water, but the rate is on average 70% less than potable water (recycled water rates can be found here: <http://www.denverwater.org/BillingRates/RatesCharges/2011Rates/NonPotable/>). Ms. Holmquist explained landscape management techniques that ensure the customers' landscapes will thrive using recycled water.

In 2010, the Master Plan Update was completed, seven customers were added, and construction began on a major recycled water pipeline. In 2011, the Rocky Mountain Arsenal will start using recycled water, recycled water policies will be clarified and research will be done on non-irrigation recycled water possibilities. Montbello will be provided with recycled water in 2012, and Capital Hill will start service in 2013. To qualify for recycled water, customers must use five acre feet or more of water each year.

CAC BUSINESS –

Summer Tour –

The committee will visit the Denver Water Recycle Plant in July. The tour will be held on Thursday, July 21, and the regular CAC meeting for that evening will be cancelled.

CAC Involvement -

Phil Lidov and David Spector met with Public Affairs Interim Director Melissa Elliott to discuss the CAC's assistance with the IRP and customer involvement. Ms. Elliott asked if the CAC would like to be involved in discussions regarding the IRP and the Customer Affordability project. Mr. Schlup said having a voice early in the development stages will allow the committee to have a better relationship with Denver Water staff and the Board. Ms. Elliott suggested creating a regular calendar to review regular processes (the annual budget, rates, the ad campaign, etc.). The Strategic Plan for Denver Water includes a goal of improving community outreach. The CAC can assist with this goal by providing ideas on how to represent their constituents. Mr. Hudson was pleased with the idea of integrating outreach with the Distributors. David Spector will work with Ms. Elliott to add these discussions to the CAC calendar.

The meeting was adjourned at 7:08 P.M.