

# **CAC MINUTES**

## **FOR THE MEETING OF JANUARY 19, 2012**

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

**ABSENT:** Don Schlup

**GUESTS:** Tim Flynn, Joseph Martinez

**DENVER WATER STAFF:** Melissa Elliott, Sally Covington, Todd Cristiano, Ellen Cinchock

### **OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES**

The minutes were approved with one change and the agenda was approved without comment.

### **DENVER WATER UPDATE (Melissa Elliott) –**

Phil Lidov requested a status update on the dredging project at Strontia Springs. Ms. Elliott said the demobilization is not complete, but Denver Water has advised the public that Waterton Canyon will reopen in March, 2012. Approximately 228,000 cubic yards of debris was pulled from the reservoir.

David Spector requested more details on the 10% match program with Denver Parks and Recreation. The \$500,000 amount is part of a multi-year bond project that will improve Denver Parks' irrigation systems. Automated electronic systems that are geared toward efficiency are being installed and each system is inspected by Denver Water before the funds are paid. Water use has been reduced by twenty-five percent.

### **RATE MODEL UPDATE (Todd Cristiano) –**

Todd Cristiano thanked the CAC members for inviting him to the meeting. Mr. Cristiano explained that the current rate model was founded on yesterday's water environment, where the combined service area had not been defined. The combined service area has since been defined, and service growth has changed from outside of Denver to within city limits.

Finance is reviewing the existing rate model and wants to improve its transparency, predictability, and ease of understanding for our customers. The new model needs to be fair to all Denver Water customers, comply with the City Charter, and meet all contractual and legal constraints with our shareholders. Guidelines from the American Water Works Association (AWWA) are being used to help create the new model.

The new rate model implementation date is set for May 1, 2012. A Distributor task force has been created to allow each Distributor to represent their customers in the cost allocation review. Distributors can provide input and educate their customers on any changes to the model. Mr. Cristiano will meet with the Distributors in February to discuss the proposed numbers for the model.

Mr. Cristiano noted that is just the beginning of the process, and it will be difficult to make all of the affected parties happy. Barry Hudson agreed, and said that process is transparent, but the goals for Denver Water and the Distributors are different. Tim Flynn added that the Distributors are waiting to see what the cost of service model will look like. David Spector asked what the internal process will be to reach Denver Water's goals. Mr. Cristiano said Denver Water would like to be consistent with existing Distributors' contracts. David Spector thanked Mr. Cristiano for his presentation.

### **OVERVIEW OF FINANCIAL PLAN PUBLIC OUTREACH STRATEGY (Melissa Elliott) –**

Ms. Elliott explained this presentation was shown to the Commissioners at the January 11, 2012 Board meeting. The CAC mentioned to the Board that they lacked opportunities to interact with the public on rates in 2011, so this plan will give the CAC a key stakeholder audience. There were 75 negative feedback complaints from the public last year on the rate increase. The Board would like to change the outreach so it occurs throughout the year.

Ms. Elliott defined the key stakeholders: the City of Denver, the Citizens Advisory Committee, the Distributors, the business community, customers, and news media. The communication goals are to inform and answer questions of the stakeholders and maintain stakeholder neutrality on proposed potential rate increases. Key themes will be created to build on decisions for each new year and each stakeholder will be updated regularly of any changes. There will be more meaningful outreach to all local chambers and economic councils. David Spector praised Ms. Elliott for the comprehensive outreach plan and thanked her for the presentation.

### **DENVER WATER POLICY ISSUES (Melissa Elliott) –**

Ms. Elliott created a draft work plan for CAC members that included two major policy issues: Affordability and Deep Aquifer Storage. These topics could be broken out over several months and would allow the CAC to provide input from the beginning on processes that staff has not yet reviewed. David Spector said this draft was above and beyond what the committee asked for. He thanked Ms. Elliott for her efforts and asked the committee for feedback. Barry Hudson suggested having several Distributors discuss their thoughts on the water rate model. Becky Long asked if a coordinator from Water 2012 could update the CAC on their efforts. Phil Lidov suggested an update on Moffat and the Colorado River Compact Agreement (CRCA). Bruce Hutchins would like to see an update on the relaying siphon in Winter Park. David Spector asked the committee to also think about possible sites for their July tour. Several members suggested a tour of Grand County or having the committee visit our Customer Care/Customer Service Field offices and go on customer service calls in our service area. The committee will review Ms. Elliott's document, review meeting topic suggestions made during this meeting, create a new draft for review and approve the work plan at the February meeting.

### **CAC BUSINESS –**

The CAC Denver Representative that was chosen by the Board resigned. The Board has requested two candidates be them for review. Previous candidate Joseph Martinez, who was present at the meeting, advised the committee he was still interested in being considered by the Board for the position. The committee agreed to select a second name from the remaining candidates interviewed and see if they would still consider the position.

A motion was made to select a second candidate for the Denver Residents position along with the original candidate's name to be sent to Board for review and selection. The motion was seconded and approved unanimously.

The public meeting was adjourned at 6:58 P.M.