

CAC MINUTES

FOR THE MEETING OF October 16, 2014

CAC MEMBERS IN ATTENDANCE: Don Schlup, Phil Lidov, Peter Mueller, Jim Ives, Bruce Hutchins, Bethany Gravell, Kevin Puccio

CAC Members Absent: Karl Hanlon, Barry Hudson

Guests: Ryan Padilla, Tim Flynn

Denver Water Staff: Katie Knoll, Heather Stauffer, Todd Cristiano

OPENING REMARKS, PUBLIC COMMENTS, AGENDA AND MINUTES

Minutes and agenda were approved

There were no comments from the public.

Denver Water Update – (Katie Knoll)

Earlier in 2014 Denver Water partnered with the Denver Zoo to launch a joint youth education pilot project. The project includes a series of presentations from Denver Water and the Denver Zoo about sustainability. The program also includes a service based learning project that students are responsible for organizing in their community. The Colorado Water Conservation Board has released an update to the Climate Change in Colorado report. Denver Water Environmental Scientist Lurna Kaatz was a key reviewer of the report, helping to represent water provider needs. As of Monday, Sept. 29, and through Jan. 31, 2015, the upper portion of the Waterton Canyon trail will be closed Monday through Friday at mile marker 3.1, for a project to improve the reliability of electricity at Denver Water's canyon facilities. Denver Water General Counsel Patti Wells was recently asked by Rep. Cory Gardner's office to stand in for the Congressman's chief of staff on a panel discussing the "Waters of the United States" proposed rule. Denver Water has started a partnership with Rocky Mountain PBS to further our community outreach and educational opportunities. Part of the partnership included a scholarship contest, in which area students submitted entries to present innovative ideas about water conservation. The winning submission was a video on high-efficiency fixtures by Denver Public Schools eighth-grader Angelica Diaz. The video became a public service announcement that started running statewide on Rocky Mountain PBS.

Rate Structure Study Research Update- (Todd Cristiano)

Todd Cristiano presented on Denver Water's affordability and rate structure study. Todd explained that the objectives of the affordability study center around assessing the affordability of water service within Denver Water's service area and providing a mechanism for discussing affordability with key stakeholders. Objectives of the rate perception survey focus around establishing a profile of perceptions about rates and other rate-related policy matters among

Denver Water residential customers. Todd noted that these surveys don't provide any definitive "answers" but simply give Denver Water a profile and things to consider.

Todd explained that Denver's income distribution is consistent with similar sized cities in the US. Median household income (MHI) for different household types and is also on par with national medians. Poverty rates are lower than average for US cities which makes Denver somewhat unique, and the percentage of households receiving public assistance is lower than average US cities. The survey found that on average, households in the lowest quintile pay less for utilities than the national average and housing seems to be their biggest cost. Households making less than \$25,000 per year pay on average \$284 annually and 58% of inside city households do not pay their bill directly. Similarly, in elderly households 41% do not pay their bill directly. There is a lower MHI in elderly households as compared to other households however the percentage of poverty among the elderly in Denver is lower than the national average. The population in the five-county Metro Denver region is expected to double the national rate which is something Denver Water needs to consider moving forward. Todd explained that we will see an increase of 65 and older moving into the city, they may be considered "at risk", but no one knows yet.

Denver Water also wanted to survey their customers regarding their monthly bill. Todd explained the survey results to the CAC. In terms of the monthly water bill, the survey found high levels of satisfaction with the bill overall. Most customers view their bill thoroughly and some customers expressed interest in having more details on the bill (i.e. – what the bill pays for). The majority of customers reported at least some understanding of how the price paid for water is determined. 7 in 10 of those surveyed were satisfied with the bill's fairness of price and bottom line water amount. 8 in 10 were satisfied with what they are paying for. Customers with higher bills are found to be more unhappy/ skeptical with the fairness of price, total amount and value. 77% of customers prefer regular, small but more frequent rate increases to large, less frequent, one-time increases. Todd explained that a majority of customers believe that water should be priced the same. There should be no difference in pricing for indoor vs. outdoor use and no price difference for summer vs. winter use. The majority of customers believe that you should pay more as you use more. There is limited interest in making changes to the service charge with a skew towards slight skepticism. The survey found that there is no insistence and some resistance for a monthly personalized water budget, although 55% would participate if incentivized to do so. The survey also found that customer usage is influenced by messaging and price. A majority of customers agree that conservation messages make them think about how to use water more efficiently. About 82% of customers think about how their bill would change if they used more or less water and about 50% of customers would use less if their bill went up. On the other side about 83% of customers said they would not increase their usage if their bill went down.

CAC Business-(Phil Lidov)

The CAC reviewed applications for the 3 open positions and chose candidates to interview during November's meeting.