

CAC minutes for the meeting of August 17, 2023

CAC MEMBERS IN ATTENDANCE

Alyssa Quinn, Chair, Distributor Representative
Andrew Ross, Vice Chair, Denver Citizen Representative
Nona Shipman, Secretary, Public Interest Group Representative
Alan Hassler, West Slope Representative
Charley Garcia, Environmental Representative
Lisa Mathai, Denver Citizen Representative
Mike Eytel, West Slope Representative
Jim Fitzmorris, Homebuilders Representative

CAC MEMBERS ABSENT

Emily Meek, Suburban Customer Representative

DENVER WATER STAFF

Ashley Denault
Fletcher Davis
John Potts

MEMBERS OF THE PUBLIC

Tim Flynn

Opening Remarks

5:00 p.m. – 5:10 p.m.

- Approval of August minutes – Charley moved, Lisa seconded, all in favor.
- Approval of October agenda – Lisa moved, Nona seconded, all in favor.
- Public comment – no comments.

CAC Business

5:10 p.m. – 5:15 p.m.

- Charley noted the Colorado Sun article on the Uinta Basin Railway
- Mike shared that he attended Colorado Water Congress and that the focus of the meeting was the Colorado River. He also highlighted that Becky Mitchell was appointed as full-time commissioner.
- The CAC welcomed the newest member, Zach Parker.

Denver Water Presentation

5:15 p.m. – 5:50 p.m.

- Fletcher Davis and John Potts provided an overview of 2024 rates, cost drivers and customer impacts. They noted the first reading of the rates was Aug. 23. The second reading will be Oct. 11.
- The inside city average monthly, single-family average increase is expected to be \$2.29.
- They noted the goal of our rates is to balance revenue stability with encouraging conservation and keeping essential water use affordable, the latter two goals are why Denver Water has a tiered rate structure.
 - Charley shared that he believes conservation should outweigh affordability and that high prices will lead people to conserve more. He also noted that our water is less expensive than in places such as Minnesota and that we have programs for people who struggle with affordability.
 - Fletcher and John noted that rates are a delicate balance in terms of these

competing interests. They shared that being gravity-fed requires less maintenance for some of our systems and that Denver Water has other advantages in terms of infrastructure.

- In addition, Denver Water is required as a utility to cover the cost of service and there must be a rational basis between the rates we charge and the costs we incur.
- The tiered rate structure is also how Denver Water encourages conservation.
- Lisa asked how much of the fees collected include things like accommodating environmental needs/treatment costs.
 - Denver Water does not collect separate fees for these things, they are part of operating costs.
- Lisa also asked about watering rule violations, including violations by city parks, etc.
 - Fletcher noted that Denver Parks and Recreation are very aware of the cost of water and that Denver Water is their biggest line item, so they have a goal of increasing efficiency and they have cut back more than almost any other customer class than we've seen.
- Zach asked about the validity of rate increases being tied to conservation.
 - Fletcher shared that it is difficult to identify how much pricing impacts demand because there are a lot of variables. The biggest impact we see on consumption is the weather, as well as lasting decreases in demand after droughts. However, on an individual level, the best way to promote conservation is through billing.
- Jim asked for an update on tap fees.
 - System development charges haven't been modified in about 10 years although Denver Water periodically reviews them. There are no proposed changes at this time.

Next Meeting

5:50 p.m. – 6:00 p.m.

- The CAC elected to cancel in September meeting in lieu of a tour. Ashley will work to identify dates and a location and will send out an update.

Adjourn

6:00 p.m.