



**B. Individual Approval Items**

- |  |            |            |
|--|------------|------------|
| 1. Waterton Canyon<br>Rockfall Mitigation Project<br>– IGA Contract 504342             | Brad Piede | 5 minutes  |
| 2. Resolution for the<br>Acquisition of High Line<br>Canal – H and Antero<br>Contracts | Russ Slade | 10 minutes |
| 3. Update to Chapter 15 of<br>the Denver Water<br>Operating Rules                      | Mike King  | 5 minutes  |

**III. POLICY MATTERS**

A.

**IV. EXECUTIVE UPDATE**

**A. CEO Update**

**B. CFO Update**

**C. Operations Update**

**V. BRIEFING PAPERS & REPORTS**

**A. Briefing Paper**

1. Legislative Update

**B. Report**

**VI. ADJOURNMENT**

**VII. TRUSTEE MATTERS**

**VIII. EXECUTIVE SESSION**

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

A. Confidential Report

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: II-A-3

## Downtown Main Replacements Contract 504091

Action by Consent

Individual Action

### **Purpose and Background:**

As part of the continued effort to replace aging mains in the distribution system, Contract 504091 includes work to replace 4,725 linear feet of 15-inch diameter cast iron main in downtown Denver that was installed in the early 1880s. Replacement fittings and pipes are no longer in production in the 15-inch size, making repairs impossible. Recently, there have been numerous leaks indicating that the mains are reaching the end of their useful service life. The mains being replaced are in 15<sup>th</sup> Street, from Delgany Street to Wazee Street, and in Welton Street, from Colfax Avenue to 19<sup>th</sup> Street, and serve numerous vital customers including the Convention Center and the Grand Hyatt.

### **Budget and Schedule:**

The total amount of this contract is \$4,000,000 and the term of the contract is February 12, 2020 to October 1, 2020. Funds for this contract including construction and internal labor will come from the 2020 budget for Downtown Main Replacements project business unit which does not include sufficient funds for the project. A project budget adjustment in the amount of \$1,218,040 was recommended by the System Managers on February 3, 2020. Bids came in higher than estimated due to a number of reasons including: current volume of work in the market, limited work hours due to being downtown, traffic control, restoration, and confined workspace in the streets.

### **Selection of Business Partner:**

Denver Water solicited bids from four general contractors on the prequalified contractor list under the Civil Pipelines discipline. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On January 23, 2020 bids were received from three general contractors. T. Lowell Construction, Inc. was selected based on the lowest cost bid.

### **S/MWBE Information:**

The Minority and Women-owned Business Enterprise goal established for this project is 5% participation. T. Lowell Construction, Inc. has proposed 5% participation.

### **Recommendation:**

It is recommended that the Board approve Contract 504091 with T. Lowell Construction, Inc. for the Downtown Main Replacements project for the contract period February 12, 2020 to October 1, 2020 for a total contract amount not to exceed \$4,000,000.

### **Approvals:**

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Financial Officer

- Brian D. Good, Chief Administrative Officer
- Mike King, Chief External Affairs Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: II-A-4

## Lab Services for Lead Reduction Program Contract 504256

Action by Consent

Individual Action

### **Purpose and Background:**

On December 16, 2019, the U.S. Environmental Protection Agency (EPA) granted Denver Water a variance from the Safe Drinking Water Act's corrosion control treatment requirements under the Lead and Copper Rule. Under the variance, Denver Water will implement its Lead Reduction Program (LRP). The LRP includes several critical elements, including development of a lead service line (LSL) inventory; the replacement of 7% of LSLs per year; adjustment of pH/alkalinity to achieve enhanced corrosion control treatment; and the distribution of pitcher filters to customers with suspected LSLs.

Denver Water experience shows that LSLs can be verified through the collection of water quality samples. Denver Water plans to identify LSLs and develop its inventory through the distribution of lead sampling kits to customers in advance of LSL replacement. Under the variance, Denver Water will also be providing free lead testing for customers post LSL replacement. In addition, Denver Water plans to continue its practice of providing free water quality lead tests to customers upon request, which also helps to further perfect its service line inventory.

To meet these needs, under the Laboratory Services Agreement, 120WaterAudit will provide logistical services, including ordering of lead test kits, direct shipment of lead test kits to Denver Water customers, doorstep pickup and return for laboratory analysis, inventory management, and generation and distribution of sample result letters to Denver Water customers. Under the same agreement, Colorado Analytical Laboratories, Inc. will provide laboratory services, including receiving and processing lead test kits, storage of samples, and coordination with 120WaterAudit to allow for implementation of the scope of work.

### **Budget and Schedule:**

The total amount of this contract is \$3,646,000 and the term of the contract is February 12, 2020 to February 28, 2023. Funds for this contract will come from the 2020 Lead Reduction Program business unit to pay the \$1,365,000 estimated to be needed in 2020. It is anticipated that a variance will be required to the 2020 budget that will include the entire LRP program and funds for this contract. The remaining \$2,281,000 will be budgeted in years 2021 and 2022.

### **Selection of Business Partner:**

Denver Water conducted a competitive selection process through a formal request for proposals (RFP). Denver Water received proposals from four vendors, which were evaluated based upon criteria established in the RFP. Evaluation criteria included proper certification, analysis and reporting standards and the ability to meet the sample analysis demands. The results of the evaluation reveal that 120WaterAudit and Colorado Analytical Laboratories, Inc. met different schedule items and can provide best value for the program.

### **S/MWBE Information:**

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

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**Recommendation:**

It is recommended that the Board approve Contract 504256 with 120WaterAudit and Colorado Analytical Laboratories, Inc. for laboratory services for the contract period February 12, 2020 to February 28, 2023 for a total contract amount not to exceed \$3,646,000.

**Approvals:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager              | <input checked="" type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff                         | <input type="checkbox"/> Mike King, Chief External Affairs Officer              |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                      | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer           |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer   |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: II-A-5

## Recommendation for Settlement: Case No. 2017CV30894 to Acquire Property Interests at the Lupton Lakes South Cell

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water filed a Petition in Condemnation (Case No. 2017CV30894) on October 31, 2017 to acquire Anadarko's 2003 pipeline right-of-way ("2003 ROW") and 2003 Surface Use Agreement (collectively "Property Interests") at the Lupton Lakes South Cell. The Property Interests prevent the development of approximately 1,344 acre feet of storage planned as part of Denver Water's Downstream Reservoir Program. Additionally, the pipeline within the 2003 ROW completely bisects the South Cell, thereby increasing infrastructure costs to construct the South Cell and operational complexity. Denver Water settled Phase 1 of the case on April 15, 2019. As a result of that settlement, Anadarko agreed to plug and abandon the Ted Adams Well to more robust standards than presently required. Anadarko has agreed to settle the valuation phase of the case for \$2,700,000, which will be the full and final compensation to be paid by Denver Water for the taking of any and all of Kerr-McGee's interests in the Property Interests, including any damages to the remainder, interest, expert witness fees, all costs and attorney fees and constitutes a full and final settlement of all claims of any type associated with the taking of the Property Interests. This settlement is based on a reasonable estimate of the Property Interests' value, potential damages to Anadarko's remaining interests, and avoided litigation costs. The settlement increases the Lupton Lakes reservoir capacity, provides project development certainty, allows continued construction of Lupton Lakes in a timely and cost-efficient manner, and removes operational conflicts with oil and gas infrastructure.

### **Budget and Schedule:**

The total amount of this Settlement Agreement is \$2,700,000. This amount is scheduled to be paid after the Court's entry of a final Rule and Order conveying the Property Interests to Denver Water. It is anticipated that payment will be made early in 2020 during the first fiscal quarter. The funds for the Settlement Agreement will require a budget variance. It is standard practice for property acquisitions to be funded through variance until agreements have been reached due to the variability in fund transfer timing and necessity for impartial negotiations.

### **Recommendation:**

It is recommended that the Board approve the settlement for \$2,700,000.

### **Approvals:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager              | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer             |
| <input type="checkbox"/> Julie Anderson, Chief of Staff                         | <input type="checkbox"/> Mike King, Chief External Affairs Officer               |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel           | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer               |

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: II-B-1

## Waterton Canyon Rockfall Mitigation Project – Intergovernmental Agreement (IGA) Contract 504342

Action by Consent

Individual Action

### **Purpose and Background:**

Waterton Canyon is a 6-mile long canyon that provides Denver Water and the City of Aurora access to Strontia Springs Dam, Conduit 20 Diversion, the High Line Diversion and Canal, and all ancillary structures. The canyon is also used for public recreation and for access to the Colorado Trail. Denver Water either owns the property within the canyon or maintains a 50-foot to 100-foot easement along the canyon road. Property outside of Denver Water's property or easement is owned by the U.S. Forest Service (USFS). Rockfall hazards within the canyon require on-going work to maintain a safe environment for the public, City of Aurora, and Denver Water. In accordance with Agreement 07804A revised on April 12, 2017, Denver Water and the City of Aurora share the costs of Denver Water's work in the canyon on an approximate 84%-16% allocation. Separate Intergovernmental Agreements (IGAs) must be established to allocate costs for work exceeding \$250,000. The Board approved Denver Water's Contract 504028 on July 31, 2019 for the rockfall mitigation work. This IGA implements the reimbursement from the City of Aurora.

### **Budget and Schedule:**

The Board and the City of Aurora agree that the general cost share allocation of 84% to Denver Water and 16% to the City of Aurora established in Agreement 07804A shall be applied to the Rockfall Mitigation Project costs. The total obligation of the City of Aurora under this IGA shall not exceed \$93,566 without further amendment.

### **S/MWBE Information:**

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

### **Recommendation:**

It is recommended that the Board approve IGA Contract 504342 with the City of Aurora for rockfall mitigation work reimbursement. Since the Board has previously approved Agreement 07804A, it is further recommended that the Board authorize the CEO/ Manager to enter into subsequent IGAs with the City of Aurora to implement the cost sharing arrangement provided for by Agreement 07804A.

### **Approvals:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager    | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer             |
| <input type="checkbox"/> Julie Anderson, Chief of Staff               | <input type="checkbox"/> Mike King, Chief External Affairs Officer               |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Angela C. Bricmont, Chief Financial Officer  | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer               |

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: II-B-2

## Resolution for the Acquisition of High Line Canal – H and Antero Contracts

Action by Consent

Individual Action

### **Purpose and Background:**

Built in 1883 and purchased by Denver Water in 1924, the High Line Canal (Canal) has served as an irrigation ditch supplying water for over a century. Denver Water owns the water rights used to make deliveries of water to High Line H and Antero Contract Holders (Contract Holders). All deliveries are made to Contract Holders pursuant to the terms of their contracts.

The Canal has been an inefficient delivery facility since its construction, and depending on conditions, loses between 50% to 70% of the water diverted through seepage and evaporation. To transfer customers to more efficient sources, Denver Water has opportunistically acquired the High Line H and Antero contracts for 80% of the decreed water right over the last 50 years. With 43 remaining customers, and the desire to more fully utilize the Canal for stormwater and recreation purposes, staff has identified a need to take a more proactive approach to acquiring additional High Line H and Antero contracts. Contract Holders would be transferred to alternative water supplies and/or compensated for their contracts depending on their needs and inclusion in Denver Water's service area.

Antero contracts are perpetual contracts for delivery of water from Antero Reservoir, or other source at Denver Water's discretion through the High Line Canal. In 1974 the Board authorized the Manager "to purchase all available Antero Reservoir contracts on such terms and conditions as deemed reasonable, provided that all such purchases are subject to prior approval of the Board President and later ratification by the Board." The Antero contracts have historically been valued at half of the value of the raw water system development charge (SDC) in recognition that Antero customers are limited to deliveries from the Canal, and therefore there is a limited marketplace to transfer these rights. There are currently 21 Antero contracts for acquisition, and in most cases, each Antero customer also holds a High Line H contract as described below.

High Line H contracts are perpetual contracts for direct diversion and delivery of water under the Canal's 1879 water right. Denver Water has not historically purchased these contracts alone but has acquired them while the Antero contracts are purchased. However, in situations where alternative supply connections are not needed or necessary, it is recommended that reasonable compensation may be presented for certain smaller High Line H contract holders for the Canal to more suitably be utilized for stormwater and recreation purposes. Contracts with greater than 30 acre-rights, which account for 5 of the 43 remaining customers, will be resolved on a case-by-case basis with contracts brought to the Board individually for approval.

The alternative supply is generally defined as a domestic or irrigation tap to Denver Water's distribution system with a waiver of the SDC in recognition that the customer has an existing investment in the Denver Water system. The Resolution recognizes the benefit in acquiring these contract interests. Some Contract Holders store their High Line H or Antero water in ponds. The Resolution provides that if Denver Water determines that the provision of a substitute supply, including potable water to the customer's pond is fair consideration, Denver Water may agree to do so under Operating Rule 14.05 subject to the assessment of then applicable water rates.

### **Budget and Schedule:**

The total amount of the potential contracts purchased or converted to alternative supply by this Resolution ranges from \$200,000 to \$950,000. A portion of the funds to purchase these contracts will

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come from the 2020 Water Rights business unit which has sufficient funds to pay the \$200,000 estimated to be needed in 2020. The remaining \$750,000 will be budgeted in following years if necessary.

**Recommendation:**

It is recommended that the Board adopt the Resolution for Acquisition of High Line Canal - H and Antero Contracts.

**Approvals:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager              | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer          |
| <input type="checkbox"/> Julie Anderson, Chief of Staff                         | <input checked="" type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                      | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer         |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: II-B-3

## Board Item for Update to Chapter 15 of the Denver Water Operating Rules

Action by Consent

Individual Action

### **Purpose and Background:**

Chapter 15 of Denver Water's Operating Rules historically addressed the drought restrictions available to the Board. The original Chapter 15, and past updates, were written during times of drought-induced water shortages (e.g., 2003). Since 2013, additional drivers for drought and water shortages have been identified, including evolving climate issues and potential Colorado River curtailment. These drivers have necessitated a broader view of drought and water shortage.

The proposed revisions to Chapter 15 provide greater flexibility in adopting water shortage responses. Specifically, these amendments will:

1. Clarify that these rules apply to all forms of water shortages, not just droughts;
2. Identify water shortage indicators for the Board to consider in initiating, evaluating and adopting a response to a water shortage;
3. State expressly the Board's authority to respond to anticipated water shortages;
4. Clarify and more fully describe a Drought/Water Shortage Watch response;
5. Provide greater flexibility to respond progressively to an ongoing water shortage or worsening water shortage;
6. Reorganize the descriptions of watering restrictions and exemptions in each water shortage response for clarity; and
7. Afford greater flexibility to Denver Water staff to consider various factors (e.g., water budgets, source water, public use of an irrigated area, frequency of irrigated area use) when applying restrictions or granting exemptions.

The proposed Chapter 15 revisions have been reviewed by:

- Denver Water Water Shortage Preparedness Committee
- Denver Water Distributors
- Citizens Advisory Committee (See attached letter)
- Grand County (See attached letter)
- Trout Unlimited (See attached letter)
- Learning By Doing Cooperative Effort

### **Budget and Schedule:**

There is no budgetary impact for this item.

### **Recommendation:**

It is recommended that the Board approve the revisions to Chapter 15 of the Denver Water Operating Rules. If approved, these Rules would go into effect on March 1, 2020.

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**Approvals:**

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Financial Officer

- Brian D. Good, Chief Administrative Officer
- Mike King, Chief External Affairs Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 12, 2020

Board Item: V-A-1

## Briefing Paper for Legislative Update

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### Strategic Plan Alignment

Lenses:  Customer Centric  Industry Leader  Long-Term View  
Denver Water's Strategic Plan calls for an organization with satisfied and supportive customers and strategically effective relationships to enhance our trusted reputation. Part of that effort is fostering strong relationships with community leaders as well as government officials at local, regional, state and national levels. Our work at the Colorado Legislature supports our role as a thought leader and allows us to impact policy and regulatory matters that affect the organization.

### Summary

We have seen 328 bills introduced in the first month of the legislative session. Of those, we are tracking 23 and have recommended positions on eight which are summarized below.

Attached to this paper is a summary table of all the bills we are tracking.

### Background

Recommendations on bills:

**HB20-1004 Assistance Landowner Wildfire Mitigation:** The bill provides funding for capacity building and to purchase equipment and one Full Time Equivalent. The goal is to educate, incentivize and help landowners reduce fire risks on their property. In watersheds where private landowners are incentivized to mitigate the risks of wildfire, there will be benefits to the watersheds and by extension the water supply. The bill is consistent with and complimentary to Denver Water's efforts in wildfire mitigation, including the From Forests to Faucets program in which Denver Water participates. **Recommendation: SUPPORT.**

**HB20-1057 Modify Wildfire Risk Mitigation Grant Program:** The bill extends this grant program to September 1, 2029. It will reduce the self-finance of the mitigation program from 50% to 25% in areas with "fewer economic resources." It adds "ongoing maintenance efforts" to the list of projects eligible for funding as well as fire protection districts and non-profit organizations as eligible recipients for funding. Extending this program will help reduce the risk of wildfire across the state. The bill is consistent with and complimentary to Denver Water's efforts in wildfire mitigation, including the From Forests to Faucets program in which Denver Water participates. **Recommendation: SUPPORT.**

**HB20-1119 State Government Regulation Of Perfluoroalkyl And Polyfluoroalkyl Substances (PFAS):** The bill would empower the Colorado Department of Public Health and Environment (CDPHE) to require Denver Water to sample for PFAS in raw water and finished drinking water supplies and it would provide CDPHE with the authority to regulate PFAS in surface and groundwater, which could affect Denver Water operations. The primary effect of this bill would be on recycled water supplies, as those are more subject to PFAS contamination by various end users before Denver Water recycles the water. As an example, to the extent that PFAS regulations limit other water providers' ability to serve drinking water from their sources (e.g., Adams County), this could result in requests to Denver Water for emergency interconnect agreements. Denver Water recognizes the need to protect Colorado's water system from contaminants, such as PFAS.

However, we are concerned that the legislation in its current form lacks clear goals and defensible boundaries. The process thus far has not allowed for the robust stakeholder engagement needed to develop thoughtful, targeted policy changes. Many stakeholders, including Denver Water, believe further conversations are necessary to create greater consensus on workable solutions for addressing PFAS. **Recommendation: OPPOSE unless amended.**

**HB20-1138 Public Real Property Index:** The bill requires each state agency, state institution of higher education, and political subdivision of the state to submit to the Office of the State Architect a list of all usable real property owned by or under the control of the agency, institution, or political subdivision of the state, and include the property's size, zoning, current uses, plan for future uses, condition of the property, etc. The bill sponsor's goal is to make it easier for non-profit organizations to identify underutilized publicly owned land and buildings that might be available, to purchase or use. As the third largest landowner in the state, Denver Water would have to make a significant effort to characterize nearly 5,000 property entries in our database in a format compatible with the bill's requirements. The bill sponsor has been willing to work with us and it seems likely he will at least offer an amendment exempting municipal utilities which would completely remove us from the bill. **Recommendation: AMMEND then MONITOR.**

**HB20-1157 Loaned Water For Instream Flows To Improve Environment:** The bill modifies the existing instream flow loan program. The existing program allows water rights owners to loan their water right to the Colorado Water Conservation Board for use in a decreed instream flow for three years in a 10-year period. The bill extends that program by allowing for loans in five out of every 10 years but not more than three consecutive years within any period and expands the program to allow for two additional 10-year periods. Additional protections have been added to the program, including a requirement that the burden of proof is on the applicant and there is water court review of the application. With these concerns addressed, this instream flow loan program provides additional flows to some streams, which is in line with Denver Water's vision of "protecting the health of the environment." **Recommendation: SUPPORT.**

**SB20-018 Homeless Outreach Programs To Reduce Wildfire Risk:** The bill creates a working group to identify emerging, promising and best practices related to homeless outreach for the purpose of reducing wildfires. There is a growing number of people experiencing homelessness that are camping in forested public lands and officials have identified an increased risk of wildfires from these encampments. Watersheds that Denver Water relies on for water supply will benefit if this program is successful at reducing human caused wildfires. The bill is consistent with and complimentary to Denver Water's efforts in wildfire mitigation, including the From Forests to Faucets program in which Denver Water participates. **Recommendation: SUPPORT.**

**SB20-048 Study Strengthening Water Anti-Speculation Law:** The bill directs the Executive Director of the Department of Natural Resources to convene a working group during the 2020 interim to explore ways to strengthen current anti-speculation law. Work group participants include current or former employees of State Engineer's Office and the Colorado Water Conservation Board, Attorney General's Office, Judicial Department, and other stakeholders at the discretion of the Executive Director. The group must submit a written report by August 15, 2021 with any recommended changes. Denver Water's review team does not believe that anti-speculation law needs to be 'strengthened' and would prefer that the bill

state 'explore the adequacy of the current' water anti-speculation law.  
**Recommendation: AMEND then MONITOR.**

**SB20-153 Water Resource Financing Enterprise**: The bill imposes a fee of 25 cent per thousand gallons of use on municipal water customers statewide. The fee kicks in after the first 4,000 gallons of use and revenues are placed into a newly created Water Resources Financing Enterprise Fund (Fund). The Fund can provide financing for grants, loans, and in-kind technical assistance in arranging third-party financing with preference for water providers that are small, rural and lack ability to pay for projects. This bill will put a new burden on Denver Water customers and, based on the criteria for access to the Fund, it is unlikely Denver Water would see any benefits. Therefore, this is essentially a fee on our customers to pay for projects in other communities. Even if Denver Water would qualify for getting some of this money back, we set rates based on the cost to serve. We work hard to make this clear to our customers. This bill creates a fee that is not based on the cost to provide the service. In addition, while the first 4,000 gallons is exempt, a reasonable number for average winter use, this value is not great for affordability. Large households with low efficiency fixtures could be hit harder by this measure. **Recommendation: OPPOSE.**

<b>Budget</b>	N/A
<b>Alternatives</b>	N/A
<b>Approach</b>	N/A
<b>Owner(s)</b>	External Affairs
<b>Attachments</b>	Summary Table of 2020 Legislation

Respectfully submitted,

Chris Piper, State Affairs Manager

Mike King, Division Chief