



**Summary
GreenPrint Committee**

Date: Tuesday, October 7, 2008 11:00 am Location: Council Conference Room 391

Committee Members Present: Nevitt, Chair; Brown, Lehmann

Committee Members Absent: Linkhart, Vice-Chair

Other Council Present: Garcia, Robb

Agenda

- 1. Denver Water Briefing: Developing Efficiency Rate Structures*
 - 2. Revisions to Denver's Air Quality Provisions*
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1. Denver Water Briefing: Developing Efficiency Rate Structures

Summary of Discussion

John Wright, Manager of Rate Administration, and Marie Bassett, Director of Public Affairs, Denver Water, outlined Denver Water's process for seeking input on options for 2010 water rates structures that encourage conservation. They sought public input on three potential options noting that any new system must be driven by the Board of Water Commissioners' focus on the need for conservation to insure a sustainable long-term water supply, and on new sources of supply and recycled water. The Board's key rate structure principles/objectives include:

- Strong conservation price signal to high consumption customers, especially during peak load periods;
- Cost-based to insure the equity between customer classes;
- Ease of customer understanding and administration;
- Revenue stability and predictability;
- Legally defensible.

Mr. Wright explained that all customers have a base load demand, which is the amount of water they use on average throughout the year. Denver Water's investment in, and operating costs for, these facilities are relatively low per thousand gallons of water delivered because the costs are spread over a larger volume of usage during the course of the entire year. Because all customers have a base load demand, they share in Denver Water's base load costs in direct proportion to their annual usage. In contrast, not all customers have the same peak demand. Peak demand is the amount of water a customer uses at a peak time, which usually is caused by outdoor summer

irrigation. Because of this summertime spike in demand, Denver Water's storage, treatment, distribution and other facilities need to be oversized which is quite costly.

He noted that the agency's new computer information system becomes operational in July 2009 and will accommodate more sophisticated rate structures. The goal of pricing structures is to cover costs and contribute to the overall Denver Water Conservation Program objective of achieving 16,000 acre-feet of conservation savings by 2016 and 29,000 acre-feet of conservation savings by 2045.

Ms. Bassett explained that Denver Water associates the word drought with the supplies in the agency's water reservoirs, not necessarily weather patterns. Mr. Wright offered the following three options as "conversation starters" to provide a framework for discussion:

1. Denver Water's existing rate structure which differs based on the costs of providing water to types of customers. Residential rates promote conservation via an inclining block rate design whereby customers pay more for water as their useage exceeds certain thresholds in four "consumption blocks"
2. A seasonal rate structure (winter and summer rates) with individualized water consumption blocks to send conservation price signals starting after the customer exceeds their baseline of average winter water consumption
3. A water budget rate structure that sets a monthly individualized budget for water consumption based on factors such as lot size, irrigable areas and estimated indoor water needs

Ms Bassett described the following stakeholder outreach process and schedule.

Initial stakeholder input October – December including:

- Online customer rate survey (by October 31, 2008) and detailed background information on www.denverwater.org
- Telephone survey of residential customers
- Focus groups with commercial, industrial and governmental customers
- Staff presentations and consultations with Denver Water's outside city distributors and other interested stakeholder groups (environmental advocates, neighborhood associations)
- Solicitation of written and verbal comments from all stakeholders

Board of Water Commissioner potentially decide their preferred 2010 rate design by December 2008 or January 2009

Comments by Councilmembers included:

- Option number three seems costly in terms of administration, but may appeal to those with large lots and small homes

- It is important to balance the need for conservation with maintaining a healthy landscape in Denver's parks; hopefully new bond-funded irrigation will improve conservation in these public spaces
- There is a danger of encouraging water consumption when establishing a household baseline
- Homeowners who must now water parkways in front of their residences would like to get the City and County water rates for this chore
- Research indicates that in terms of conservation of electricity, people respond—both positively and negatively--to signals that compare their consumption with their neighbors. The negative responses (i.e. increasing consumption appears to be controllable by something as simple as awarding a recognition, i.e. smiley face).

2. Informational briefing: Proposed Revisions to Denver's Air Quality Provisions

Committee Action

The Committee approved changes to Denver's Air Quality Provisions as discussed below.

Summary of Discussion

Janet Burgesser, Gregg Thomas, and Gary Laswell, presented the following proposed changes to the Denver's air quality ordinance:

- Add the authority to impose administrative penalties for violations, in keeping with the new administrative penalties structure previously approved by Council, but allowing penalties up to \$2,000 (instead of up to \$999) depending on the seriousness of threat to public health/environment
- Change vehicle idling limit to 5 minutes per hour —with some exceptions--to correspond with EPA policies
- Codify state regulation 8 regarding asbestos and delete outdated provisions; retain some flexibility to deal with spills
- Change the current requirement for a particulate control plan for all large construction sites to apply instead where the department has received one or more complaints at large or smaller sites and require such plans to address periods of inactivity such as nights and weekends
- Redefine nuisance odors to include sites where five or more verifiable odor complaints from separate properties are received within a 12 hour period —through retrospective meteorological analysis--or those detected using specialized equipment by certified inspectors at levels set per state regulation 2
- Delete obsolete or provisions that duplicate state law including requirements to register pollution devices et al, to permit existing and new facilities and fuel burning devices that

operate on red days, to require emissions offsets, and Sections 4-26 and 27 relating to handling certain compounds and emissions

Shelley Smith, Council Legislative Services, November 18, 2008 revised to reflect action item for number 2 agenda item.

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