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RESOURCE DECISION GUIDELINES DRAFT

November 9, 1994

These Resource Decision Guidelines are a statement of important factors to be considered by Denver Water in evaluating and choosing long-range water resource strategies. Ultimately, each resource strategy will be analyzed to determine how well it measures up to the guidelines so that the Board can select which strategies to pursue.

These guidelines are solely for the purpose of evaluating alternatives for Denver Water's Integrated Resource Planning Process (IRP). They do not address many important issues, such as governance, personnel, or administration. These guidelines also do not replace or supersede other policies adopted by the Board.

As a point of departure, it is assumed that

all planning activities: 1) will be consistent with the City Charter requirements to provide water for all purposes within the City and County of Denver at rates as low as good service will permit; and 2) will focus on meeting Denver Water's obligations within the Board's Combined Service Area, consisting of the City and County of Denver and its contract Distributors, as well as other contractual obligations.

The following guidelines are not ranked or listed in any particular order. Some of the guidelines may conflict with each other. In the IRP, the considerations expressed in the guidelines will be measured and balanced against each other to help the Board and staff arrive at the best long-term resource management strategies.

I. Service Area:

- A) Determine which assets are necessary to satisfy Denver Water's primary obligations to ensure water service for build-out of the Board's Combined Service Area within fixed boundaries agreed to in Distributor contracts, and to fulfill Denver Water's special contracts.
- B) If assets remain after meeting the primary obligations, explore options for water service to others that obtain value for Denver Water's assets, provide for mutually beneficial uses, and avoid adverse impacts on Denver Water's collection, treatment, and distribution capacity.

II. Relations With Others:

- A) Maximize the viability of water resource strategies by seeking out public and interest group involvement in the IRP process and by meeting the needs of the public-at-large and stakeholder groups.

III. Financial/Cost/Revenues:

- A) Minimize the financial impact of capital and operating costs of new water resources on customers.
- B) Minimize the uncertainty of future revenues, abrupt shifts in rates and revenues, and potential revenue losses.

IV. Environmental Considerations:

- A) Minimize the impact of resource development on the natural environment. ("Natural Environment" includes items such as fisheries, wetlands, threatened & endangered species, air quality, wildlife, and water quality.)
- B) Minimize the impact of resource development on the social environment. ("Social Environment" includes items such as cultural/historic resources, recreational effects, scenic values, land use compatibility for facility siting, and socio-economic impacts at the site.)
- C) Provide adequate water to maintain Metro Denver's urban environment consistent with values established by Denver area comprehensive plans.

V. Water Use Efficiency:

- A) Avoid wasting water resources, and encourage wise usage by water customers.

VI. Water Quality:

- A) Maximize the use of raw water sources which enhance rather than degrade raw water quality.
- B) Ensure that water delivered to customers is clear, fresh tasting, and meets or exceeds drinking water standards.

VII. Planning Flexibility:

- A) Maximize the ability to anticipate and respond to unforeseen future events or changes in forecasted trends.

VIII. Water Rights:

- A) Make the most effective use of the Board's conditional and absolute water rights in the expectation that such rights will be used to serve the Board's Combined Service Area, or the broader Metro Denver Area with which Denver is socially and economically integrated.

IX. System Reliability:

- A) Ensure high reliability in both the raw and treated water system in order to minimize the frequency, magnitude, and duration of water shortages to the customer.
- B) Minimize the impact on customers of drought-related events.
- C) Strive to ensure permanence in water supply.

X. Legal/Institutional/Regulatory:

- A) Give priority to resource options which provide the greatest likelihood of success in meeting legal and regulatory requirements.
- B) Determine whether feasible institutional arrangements exist or can be developed to implement selected resource strategies.