



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Meeting Minutes - Approved WATER UTILITY BOARD

Tuesday, September 29, 2009

4:30 PM

110 S. Paterson St. (Lunchroom)
Enter through business office door
and follow signs to the meeting room.

CALL TO ORDER / ROLL CALL

Jon Standridge called the meeting to order at 4:33 p.m.

Present: 4 -

Lauren Cnare; Dan Melton; Jonathan H. Standridge and Gregory W. Harrington

Excused: 4 -

George E. Meyer; Thomas Schlenker; Bruce Mayer and Michael Schumacher

APPROVAL OF MINUTES

A motion was made by Melton, seconded by Harrington, to Approve the Minutes of the August 25 meeting. The motion passed by voice vote.

PUBLIC COMMENT

Three citizens were present to address the Board regarding Board President Jon Standridge's last meeting.

Cassandra Garcia, 709 N. Fair Oaks Ave., thanked Standridge for the work he has done and for keeping neighborhoods notified. She hoped this would continue.

Lynn Williamson, 4137 Mandan Crescent, presented Standridge with a letter of appreciation signed by 28 Nakoma-area residents. She thanked him for his leadership in improving drinking water quality and public communication.

Jim McCormick, 1922 Vondron Rd., introduced himself as the Union Steward for Local 60 at the Water Utility. He thanked Standridge for his hard work, for keeping management in its position, and for knowing employees were not the problem.

PUBLIC HEARING

1. [16042](#) Alternative Evaluation for Arbor Hills Supplemental Fire Flow Supply Project

Attachments: [Alternative Evaluation- Arbor Hills Supplemental Fire Flow Supply.pdf](#)
[Written Public Comments regarding Arbor Hills Alternatives.pdf](#)
[2nd Public Meeting Presentation Arbor Hills 9-2009.pdf](#)

The alternative evaluation report and written public comments were distributed. Principal Engineer Al Larson gave a fifteen-minute PowerPoint presentation to introduce the project (see attached).

Four citizens were present to address the Board at the public hearing.

Jeanne Keasper, 3117 Leyton Ln., asked if the pipeline along the beltline would continue to be used. She was concerned about the number of utilities located in the ditch along the highway and asked how the water lines would be affected and protected when transmission lines are installed. Larson said this pipeline would continue to be used and is buried underneath the street right-of-way. The water lines should not be affected by the installation of the transmission lines, which would be going along the north side of the beltline.

Ray Walker, 3305 Grandview Blvd., was concerned about inadequate fire protection at Leopold School. Ensuring that fire protection standards are met for schools and other buildings in the Arbor Hills area should be a high priority for the Board. He expressed support for the project.

Bill Pfeiffer, 3036 Churchill Dr., was concerned about the unusually high number of water main breaks in the Arbor Hills area. There were four breaks in front of his home and more in the neighborhood. He asked if increasing pressure in the area would increase the likelihood of breaks, and if the break rate in Arbor Hills was higher than average. Larson said the pump station would increase water flow, not pressure. The Utility is aware that mains need to be replaced in the Arbor Hills area, but main replacement is expensive and takes time. The Utility replaces 3-5 miles of water main a year at a cost of \$800-900,000 a mile, and the neediest areas are given highest priority. One block of main in front of the Alhambra apartments was replaced this year. Harrington said the Arbor Hills area has a lot of spin cast iron main that was installed in the 1940s; this material has a high break rate. General Manager Tom Heikkinen said the Utility has a water main rating system and could provide more detailed information about the condition and break history of area mains to Mr. Pfeiffer after the meeting.

Lori Kief, 4413 Doe Crossing Trl., asked if the cost of the Cannonball Run Pipeline was included in the cost analysis for the second alternative. Larson said it was not; the cost of the pipeline is \$2.5 million.

The public hearing was closed.

Larson was asked if the Utility had considered a variety of locations for an elevated tank. At the public meeting, someone said that locating a water tower at Selective Video would be a neighborhood improvement. Larson said that if the tank were located at the highest point in Arbor Hills, the tower would have to be at least 200 feet tall, 50 feet taller than the tallest tank in the system at

this point. If it were located at a lower elevation, the tower height would have to increase accordingly. If the Selective Video area is 50 feet lower than the highest point, the tower would be 250 feet, or 25 stories tall. An elevated tank would dwarf all surrounding buildings, and the alder for that area has made it clear that one should not be placed in the neighborhood.

Larson was asked if the Utility had considered drilling a well and selling the water to Fitchburg. Heikkinen said if a well was drilled, the majority of the water would be sold to Fitchburg, but this option is not being considered. He was asked if Fitchburg had plans to drill a well near the Arbor Hills area. He said Fitchburg has plans to drill a well on its north side, but the project is not in their capital improvement program yet. Larson was asked how much piping would be required, and what it would cost, if the Utility drilled a well. Larson said the well would be approximately \$3 million, and the pipeline would be \$2.5 million. The Cannonball Run Pipeline is currently under construction and the first half is \$1.4 million. If a well were drilled, the Utility would want this pipeline because it would allow the transfer of water into Zone 7, but a section north of the beltline would probably not be constructed. He was asked if the pipeline would allow a well for Zone 7 to be sited in a different zone. He said it would, but this would not be ideal because the well would be hydraulically remote.

Larson was asked if the Utility knows of any other elementary schools in Madison with inadequate fire flow protection. Larson said he did not have that information on hand; he would have to check the fire flow deficiency map.

A motion was made by Cnare, seconded by Harrington, to Approve the Recommended Alternative, the construction of an interzone booster pump station. The motion passed by voice vote.

ADMINISTRATION REPORTS

2. [14080](#) General Manager's Report

Attachments: [General Manager Report September 2009.pdf](#)

The attached report was distributed. General Manager Tom Heikkinen said he had a meeting that day with the Department of Natural Resources (DNR) and left encouraged that the DNR is open to an extension of the deadline for the lead replacement consent order by a year. This will allow the Utility to save money by doing replacements in conjunction with street reconstruction projects. Specific issues were also clarified, such as what should be done if lead is discovered after the deadline. The Utility will formally request the extension, and an amended consent order will be drafted.

On behalf of the staff, he thanked Standridge for his service on the Water Utility Board.

He was asked if the property on Main Street had already been on the market. Finance/Accounting Manager Robin Piper said it was, but it was not actively marketed, and there was no sign on the building.

3. [14085](#) Water Quality Monitoring Report

Attachments: [Water Quality Report September 2009.pdf](#)

The attached report was distributed.

4. [14086](#) Water Supply Report

Attachments: [Water Supply Report September 2009.pdf](#)

The attached report was distributed. Water Supply Manager Joe DeMorett said he, Heikkinen, and Gawenda met with the Police Department regarding problems in the Well 18 area (1900 block of S Park Street) and adjacent properties with trespassing, drinking, and illegal drug use. They are considering fencing options for the site.

DeMorett was asked if there was any new information about Well 15. He said he would need to talk to Water Quality Manager Joseph Grande; he did not know if VOC samples were taken.

He was asked if there were additional costs for the Sentinel Well 29 FLUTe. He said the additional costs were minimal and should only total about \$200.

5. [14087](#) Operations Report

Attachments: [Operations Report September 2009.pdf](#)

The attached report was distributed. Operations Manager Dan Rodefald said that Sunday night, the Village of Cottage Grove called and requested assistance locating a main break. He expressed his appreciation to Jeff Thompson and Bob Kempfer for their assistance to Cottage Grove in finding the leak.

6. [14088](#) Staffing Report

Attachments: [Staffing Report September 2009.pdf](#)

The attached report was distributed.

7. [14089](#) Customer Service Report

Attachments: [Customer Service Report September 2009.pdf](#)

The attached report was distributed.

8. [14090](#) Public Information Report

Attachments: [Public Information Report September 2009.pdf](#)

The attached report was distributed.

9. [14122](#) Engineering Report

Attachments: [Engineering Report September 2009.pdf](#)
[Draft Consultant RFP- Eastside Water Supply Project 9-2009.pdf](#)

The attached report was distributed. Larson said Reservoirs 19 and 20 were inspected and some sediment in 19 was cleaned out. The divers reported that they are in great condition.

The Utility needs to add a generator to Well 26 to protect the area's water supply in the event of a power outage. It will require construction at the facility, but it is a simple project and the Utility does not think it warrants a formalized Public Participation Plan. They will send postcards and issue a press release to notify the neighborhood of the work to be completed.

The date for the Zone 7&8 CAP meeting is October 15, not October 14.

He distributed the Draft RFP for the East Side Water Supply Project (see attached) and asked the Board to send him any comments within the next two weeks. He was asked if the Board would vote on this item. He said the Board does not typically vote on RFPs.

He was asked for, and provided, a brief update on the status of the Zone 4 Water Supply Augmentation Project and the Zones 7 and 8 Supply Augmentation Project. He was asked if the site the Utility owns at Femrite is off the table for the Zone 4 Project. He said it is unlikely that the site will be used, and the Utility is looking for alternative sites. He was asked if the site the Utility owns at Whitney Way is still on the table for the Zones 7 and 8 Project. He said it was.

FINANCIAL REPORTS

10. [14092](#) Financial Report: Toilet Rebate Program

Attachments: [Toilet Rebate Program Financial Report September 2009.pdf](#)

The attached report was distributed. Finance/Accounting Manager Robin Piper said that the Utility has estimated the administrative costs per check and added this figure to the report.

11. [14123](#) Fund Balance Report

Attachments: [Fund Balance Report September 2009.pdf](#)

The attached report was distributed. Piper said the Construction and the Assessment Revolving Funds are currently depleted. The City is paying these expenses until the Utility completes its revenue bond financing. He was asked if this is adding to the \$4.5 million debt to the city. Piper said it is, but this will be paid immediately when revenue bonds are sold. Revenue bonds can only be used for construction expenses.

12. [15697](#) Other Financial Updates

RATE CASE

Piper said the Utility filed on May 1, and he just received a draft of the revenue requirements from the Public Service Commission (PSC) auditor for his review. He has an opportunity to revise the rate of return. The Utility is currently looking at a possible 16% rate increase against a request of 18. A decision should be reached in about two more months.

The Utility will start on another rate increase application now to file in December or January, as soon as this increase is received. Heikkinen said he has had encouraging interactions with the PSC recently. They have shown renewed flexibility with rate increases and other initiatives, including Automated Meter Reading (AMR). Piper said the PSC will consider allowing additional funds for AMR with the test year of 2010.

He was asked if the Utility had a figure estimating how a 16% rate increase would impact the average water bill. Piper said it did not, but the 16% is not final and the estimate will also depend on the fixed vs. variable charges. It was suggested that when that estimate is done, it should be sent to the alders first.

CAPITAL BUDGET

Piper said he would try to get a \$250,000 amendment to the Capital budget to begin the RFP portion of AMR implementation.

OPERATING BUDGET

Piper said he answered some questions from the Comptroller's Office; they did not feel comfortable with some of the original numbers. He talked to the PSC and resubmitted the budget with an estimated 16% rate increase for the revenue portion. The purchase of the hydroexcavator was also delayed for another year.

He was asked if converting the city debt to a bank loan was still a possibility. Piper said he spoke briefly on the phone with the Utility's financial advisor, and they will look into the possibility of a large refunding of outstanding revenue bonds. This would allow the Utility to move into a more industry-wide number for revenue bond coverage. Heikkinen made the clarification that it would be a reservicing of the debt, not borrowing a large amount.

Piper presented a certificate of recognition to Jon Standridge on behalf of the Steering Team.

NEW BUSINESS

13. [15956](#) Approving an Agreement with the City of Fitchburg for the Interconnection of Municipal Water Systems.
- Attachments:** [Agreement by the City of Fitchburg and the City of Madison for the Interconn](#)
- Larson was asked if it is standard for these connections to be unmetered. He said it is unlikely that this emergency connection will ever be used, so it would not be cost-effective to install and maintain a meter pit.
- A motion was made by Melton, seconded by Harrington, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed unanimously.
14. [16044](#) Granicus Proposal to the Water Utility for Webcasting and Public Information Solutions
- Attachments:** [Granicus Solutions for Government.pdf](#)
[eComment Product Sheet.pdf](#)
[Granicus Proposal to Madison Water Utility - MediaManager with eComment](#)
- The attached documents were distributed. Heikkinen said Granicus provides transparency solutions for local government by hosting web streaming of meetings. The videos would be indexed and keyword searchable. The eComment feature would allow online submission of comments on agenda items, and then a report of these public comments would be generated for presentation to the Board. The Board does not have to vote on this proposal, but a vote of support would send a message about the importance of public accessibility and transparency.
- Heikkinen was asked if this was in the budget. He said the funds were in public outreach portion of the 2010 Operating Budget. He was asked if the proposal included all expenses. He said the only additional expense would be the purchase of a camera and tripod.
- Heikkinen was asked if it would possible for the Utility to do a group purchase with other city agencies. He said he hoped the Utility could be leaders in this effort. Granicus would be able to expand services to other agencies and this would allow a discount to be shared across the agencies.
- Administrative Assistant Amy Robb was asked how this would add to her workload. She said it would add very little and would actually save some time spent preparing minutes.
- A motion was made by Cnare, seconded by Harrington, to Approve the Proposal. The motion passed by voice vote.

15. [16043](#) Report on Meetings with Large Customers

Over the last few months Standridge, Heikkinen, and Customer Service Manager Ken Key met with four of the Utility's major customers: Madison Gas & Electric, Meriter Hospital, the University of Wisconsin, and Webcrafters, Inc. Heikkinen said he hopes to continue these relationships by organizing an annual major customer forum.

Standridge said he noticed a few common themes. All of these customers did some kind of additional water treatment like softening or particulate removal. They all had communication problems in the past. For example, Webcrafters had a drop in pressure due to flushing that set off their fire alarm system. There are informal chains of communication with the Utility that should be more formalized. They all wanted more interaction and communication. When they were asked about double-digit rate increases, they said they would not object if they were necessary for infrastructure improvements and Automated Meter Reading. Key agreed that there are informal lines of communication that should be more formalized. The Utility communicates on a regular basis with contacts in the financial and maintenance departments, but there is less communication with the top levels. There is also more work to be done on emergency communications. After meeting with Webcrafters, he followed up to confirm that they are on the call list and added additional contacts to that list.

They were asked for more specifics on the additional water treatment done by these customers. Heikkinen said Meriter has an additional chlorination system for the hospital. This is not surprising because of the concern for patients with compromised immune systems. Standridge said Webcrafters has carbon filters on all drinking water fountains and taps, and also had problems with particulates plugging up the cooling system for their presses. Nine out of ten of their presses are now in Waunakee, where they have drilled their own high capacity well. Key said he followed up about this, and Webcrafters purchased their Waunakee location in 1982 because of limited space. They have similar problems with particulates in the water there, particularly with sand.

16. [14502](#) Review of the External Communication Plan

Attachments: [2007 External Communications Plan.pdf](#)

Heikkinen said the Utility is planning to develop a Standard Operating Procedure with a more particular procedure list based on this plan. He is open to feedback, so if there are any Board concerns they should let him know. There has been tremendous improvement in external communications since this plan was drafted.

He was asked if there were any significant changes that needed to be made to the plan; it has been two years since it was adopted. Public Information Officer Gail Gawenda said the plan has a lot of ideas for community relations in different situations; many of them have been implemented. It was suggested that if Gawenda needed to make additions or change the original plan to incorporate new technologies or better fit the Utility's current situation, she could do so.

17. [14501](#) Introduction of Future Agenda Items

The following future agenda items were previously suggested:

- Forecasting Future Rates to Support Capital Programs
- Collaboration with Dane County Water Utilities
- Policy Regarding Unrestricted Operating Reserve
- Discussion of Relationship with Municipalities that are Wholesale Customers
- Strategic Planning
- Report on Well 8 Disinfection Pilot Study

Standridge suggested that a budget for Board education could help the Board be better informed. Additional work is needed on external communications, financial stability, and personnel issues.

A discussion of Board leadership was suggested for the next meeting. There was also a question about the accuracy of the term end dates on the City Committee website.

Piper was asked if a bond anticipation note requires a Board vote. He said it would require a vote by the Board and the Council. The Utility will not need a Bond anticipation note this year.

Harrington thanked Standridge for his years of service on the Board.

ADJOURNMENT

A motion was made by Harrington, seconded by Cnare, to Adjourn at 6:20 p.m. The motion passed by voice vote.