



City of Madison

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

Meeting Minutes - Approved WATER UTILITY BOARD

Tuesday, January 27, 2009

4:30 PM

119 E. Olin Ave, Rooms A & B

CALL TO ORDER / ROLL CALL

Present: 6 -
Bruce Mayer; Dan Melton; George E. Meyer; Jonathan H. Standridge;
Gregory W. Harrington and Michael Schumacher

Excused: 1 -
Lauren Cnare

Non Voting: 1 -
Thomas Schlenker

APPROVAL OF MINUTES

George Meyer made a motion to approve the minutes of the December 16, 2008 meeting. Greg Harrington seconded; unanimously passed.

A motion was made by Michael Schumacher to put agenda item No. 11, the Northeast Development Plan presentation, to this point in the meeting. Greg Harrington seconded; unanimously passed.

PUBLIC COMMENT

ADMINISTRATION REPORT

1. [13403](#) General Manager's Report

Tom Heikkinen said at the next board meeting on February 17, we plan to have the detailed briefing on the Master Plan and Infrastructure Management Plan by the engineering firm Black & Veatch who worked with us putting it together. We'll have our regular board meeting, a brief break and then a meeting on the Master Plan. We hope to have an hour for the presentation and one-half hour for questions.

Tom pointed out a new book just purchased, published by AWWA, entitled "Water Basics for Decision Makers." We gave our newest board member, Bruce Mayer, a copy of this. We have another copy so anyone can check the book out.

Tom mentioned a letter received from a customer complimenting Rene Puzach; the letter is attached. We got a nice phone call from a customer who

is a resident of the Alhambra Apartment complex complimenting the work of our field crews in the difficult water main repair job they did on January 12.

Jon said he's happy to see Tom has in his report that they're going to look at disinfection to reduce iron and manganese in Madison's Well 8. Jon mentioned that we are members of Alliance for Water Efficiency, and once you're a member, they'll send your chief executive to give a talk to Utility folks and board members. He wondered if we could pursue that. Tom said absolutely, he'll have Gail follow up on this.

Jon said we have four or five miles of replaced water main in the operations report from last year, which comes out to .6% or replacing water mains every 166 years would be the average. When we have a chance to talk about this, Jon thinks we should have pipe replacement in there in addition to the things we already have. Tom said a good time to start that conversation is February 17 when we're here to talk about the infrastructure plan.

STAFF REPORTS

2. [13405](#) Water Quality Monitoring Report

Joe Grande said this essentially a year-end report summarizing all of the samples we collected in 2008.

Jon brought up transparency, about how much people want to know and what goes on in those meetings. As board president, he thinks we should be as open and everyone who wants to know anything about the Water Utility ought to know it. The arguments that were made that this was too complex for people to understand or they'll get confused if they hear this, or be terrified by the information, Jon doesn't think those are strong reasons, that they should still be able to hear it. Joe said he doesn't think that accurately reflects why there's the primary drive here. Joe said he doesn't think that is the intent that this is from the members themselves talking about the idea of discussing ideas theoretically and ideas that haven't been clearly thought out. Jon said he's weighing in as one board member and asked if anyone else has thoughts on this.

Michael said he reiterates what he said last time—this is a staff meeting where staff reaches out to collect additional expertise. He said he's aware of the need for transparency and he works hard in making sure that occurs, but if you're going to go down the line of making staff meetings open meetings, the business of the City will come to a screeching halt. This is where two competing values clash and in this particular case, it is staff reaching out to experts getting information and it becomes public knowledge anyhow through the minutes and other things. Michael said he'd caution about making this a case about non-transparency or lack thereof. It could give the public the perception that this meeting should be open, that something is hidden, when in fact it's not. Quite frankly, any staff member could tomorrow contact anyone at the university and solicit input about certain aspects, chemical, biological aspect—there would never have to be an open meeting.

Jon said he's talking specifically about this group. He thinks we're meeting it. It was mentioned in here that we don't have to do minutes, but we're doing minutes and if we continue to do that, the transparency is there. Jon said we're under the microscope here from the public. Joe Grande said a couple of members asked if a member of the press would be allowed attend one of these meetings, and it was said that their comments might be different if the press were here. Then they are being held to every statement they're making

whether it is carefully thought out or whether is it just conjecture, and it could be misrepresented in a public venue. This is an opportunity to discuss with experts; technical experts and what they say would be less likely to be as frank if press were present. Michael said we had a committee that was made up of Alders Conway, Clausius and myself to review all the committees across the city, and we looked at this committee and this is one of only two or three groups of people that we felt fall into the staff rather than open. So out of the 80 or 90 committees, there are only two or three that fit into that category. He thinks we are very open and transparent.

3. Water Supply Report

There was no verbal report as Joe DeMorett was not present.

4. [13407](#) Operations Report

5. [13408](#) Staffing Report

Ken Key mentioned that Karin Daane will start in the Meter Shop office February 22, not January 22 as the report states. Jon asked if we had technicians who lost their jobs due to bumps from the Overture Center. Tom said no, we don't have anyone who lost a job here. We have one person who changed jobs. Ken said we lost the skill in the department but that person did not lose their job with the Water Utility.

6. [13409](#) Engineering Report

7. [13410](#) Customer Service Report

George asked Ken to tell him more about the paragraph in his report talking about the newly formed Midwest Users Group for Advanced CIS Billing Systems. Ken said over the last couple of years, Advanced Utility Systems, our software provider from Toronto, has added new clients in Wisconsin, Illinois and Minnesota. So this is North American software and we decided it would be good if we met from time to time to discuss problems and concerns, and find better ways of doing things.

8. [13411](#) Public Information Report

Jon asked Gail Gawenda to include in her report how many rebates per month have been given out. Gail said to date we have processed just under 70. We are very busy with that and we're hoping it will quiet down a little as it's taking up a lot of time. Gail said there is no rush because we have 2,500 of these to give out. Home Depot and Menards carry only one or two models and many

people buy from those businesses. She said the receipt has to show exactly what was purchased. Tom said we take possession of the original receipt. Tom said one toilet rebate per address and the customer must be in our system.

Tom said if there is any suspicion, we do reserve the right to inspect the premises and we will do that if necessary.

9. [13412](#)

Fund Balance Report

Robin Piper said this reflects everything as of the end of the year, although there are some year-end adjustments we will be making. January 1 principal and interest payment has not been made and won't be made until January 1 so that is fully funded. Tom asked Robin if, in the future, we'd add a toilet rebate fund line on here. Robin said yes, we would track that. We're required by the PSC to report on April 1, 2010, what the results were for the preceding year, so those amounts will be included.

Jon said in today's paper they are doing a series on tax exempt entities, particularly the hospitals, and they had a chart that listed all of the payment in lieu of taxes folks and the order of who pays the most and the least, and the one at the top was the Madison Water Utility at \$3.2 million. He asked if that number is right. Robin said it was right at the end of 2007, and at the end of 2008 we're probably at \$3.5 million. He hasn't finished that calculation yet. Jon asked how that number gets determined originally, if it's based on the real estate we own. Robin said it's based on the value of the plant when we put it into service, so all the mains and services, our buildings, our wells, the pumps, the vehicles we drive, all of our tools and backhoes, etc., all of that value is what we consider our Utility plant and service. That's the basis of that number. We don't get reassessed every year like residences do, but we do reduce our utility plant and service dollar by the assessment ratio. Houses are assessed at 97.56% of their value, so we reduce ours by that. Then we calculate what the tax rate is and the state tax credit. Jon asked if all water utilities around the state do this, if it's required that you do it. Robin said the municipality decides that. The municipality can waive that charge. There is a floor that the charge can't go below if you're going to be making a payment and it was set in the state statutes as whatever you were paying in 1994, you can't pay less than that to the municipality. You can pay whatever the going rate is. Ours just keeps going up as we add new plant. Tom said so the PILOT payment is to pay what a private entity would be paying for through their property tax. He asked why it's based on our varied assets, our plant and service versus our property and buildings. Robin said because our rates are based on all of our plant. Tom said it's a large number, probably the largest other than salaries.

Jon said close to 15% of our annual budget goes to that. Michael asked about the Cash Flow Statement, under Other Services General, Item No. 54901, adopted \$335,000 and actual was \$938,950--why the discrepancy. Robin said that goes back to the way the budget was originally put together and how we classify some of the payments that we've made. He thinks part of that includes dollars that we've actually been reimbursed. That would be the cameras that were installed in 2008; we got \$388,000 back from the Feds on that, but we're not netting that number out here. We've got an off-setting revenue number on that. Michael asked where that money would be. Robin said it would be part of what we consider the Construction Fund Transfer up above, the \$5 million. Michael said if you're listing it up here, you wouldn't necessarily net it out below unless you take that number off the top. You are saying the

reimbursement you've added to the revenue site, but if you're saying technically under this category of general services, normally you would deduct that from the payment, so your revenue would be lower but your expense would drop down. Robin said it goes back to the way we've been trying to meld the City's accounts, as Larry had us set up the Cash Flow Statement, the City account, the 54901, doesn't easily translate into the PSC uniform system of accounts, and we've been trying to get them more in sync, but when we submitted the budget back in 2008 is not as closely related to the City's budget as the 2009 is. Robin said we've been working with the Comptroller's Office and a budget analyst to get these numbers more in sync. Michael asked if Robin could provide more information at the next meeting.

Robin said we will be doing quarterly income statements, and the next couple of months we'll be doing closing of the books. Then we'll do a quarterly report. Michael asked how we are doing financially. Bruce Mayer said we talked about that last week and Eric Knepp of the Comptroller's Office, a budget analyst, and we all agreed we are doing okay. One of the big challenges right now is that water use is on a downward slope. The PSC always takes a three-year backward average, and our backward average is higher than we are now. They allow something like a 7 or 7.5% return and the last period our actual return was under 1%. So if we got 7% rate of return, we'd have another \$1 million in the bank, but we don't. Robin said pumpage for the year ended up 4.26%, and our revenues seem to be tracking that as he's watched them. We had a rate increase in 2007 that got fully implemented in 2008, and we'll start the next one on the April bills in 2009. He feels that we are getting things straightened out—we've put some brakes on spending. We've been trying to right the ship so we're moving in the right direction. He's not sure how close we are yet to where we want to be. Michael said we have a major debt to the City, and with the conservation efforts and the saving of water, he wants to make sure that in two or three years we're not back to the City looking for more money.

Dan said regarding PILOT, if someone pays an \$80 water bill, \$7 or \$8 of that is just taxes going to pay for police and fire, it has nothing to do with water. Tom said that is correct. Robin said we are ramping up the amount going to the PSC. We were asked to cut \$1.7 million from our last operating budget so we wouldn't end up having to have our hand out to the City at the end of 2009. We are budgeting to move into that neutral zone, and hopefully we'll be able to start putting some money into our unrestricted cash fund.

Michael said the City is now hiring a professional lobbyist. We won't be the only client but it will give the City the ability to voice its concerns or change policies. Michael thinks we need to look at what we need to accomplish in the long run, how we can get our funding, this 7% you talked about, and get some of the State policies changed. Contrary to where we want to be, maybe we need a list of what we want in the long term and what we should be lobbying for. Jon said for instance changing the State Plumbing Code to require WaterSense fixtures. Michael said maybe we should have an agenda item to discuss this.

Greg made a motion to accept the staff reports. George seconded; unanimously passed.

10. [13413](#)

Cash Flow Statement-November 2008

This item was combined with the Fund Balance Report.

UNFINISHED BUSINESS

11. [12771](#) SUBSTITUTE - Establishing sustainability goals to guide the development of the plan for the Northeast Neighborhoods.

Approved with the addition of a friendly amendment made by George Meyer to include the following language: "strongly encourage the use of EPA WaterSense-labeled water fixtures, and strongly discouraging the use of outdoor lawn irrigation systems."

A motion was made by Harrington, seconded by Mr. Melton, to Return to Lead with the Recommendation for Approval with the amendment "strongly encouraging the use of EPA WaterSense-labeled water fixtures, and strongly discouraging the use of outdoor lawn irrigation systems." The motion passed by voice vote/other.

Andrew Statz of the Mayor's Office said he was here to -discuss Resolution 12771: Establishing sustainability goals to guide the development of the plan for the Northeast Neighborhoods, to help set the stage for the development areas we're talking about.

Brian Grady of City Planning displayed several maps showing the areas of development and potential development. It is a large area on the northeast side of the City with a total of 2,800 acres. It could take 20 to 30 years to develop this area. More explanation of this is in the action text of the resolution.

Andrew Statz of the Mayor's Office said he does a lot of special research projects for the Mayor and tries to identify ways of improving city services and saving tax payer dollars. One of the parts of that is the sustainability initiative. This area is a unique opportunity and it is feasible the population could be larger than the City of Sun Prairie. It's very much long-range; you're talking 30 years. There will be a variety of uses and densities, things that are good for the environment and the neighbors.

Andrew said we need a better name than Northeast Neighborhood. We need a guiding framework to help plan with 4 or 5 principles. The goal is to have something that is easy to understand, easy to convey and easy to remember. High level goals that give you a general idea of where we want to be and the means for getting there, the people who are responsible for getting us there; these are the types of things that are explained. Adoption of this resolution has to come first.

The four goals are to reduce neighborhood vehicle trips, reduce household use of fossil fuels, reduce residential per capita water use and increase storm water infiltration. They are looking for 25% per capita reduction in these areas.

Brian Munson, urban designer with Vandewalle & Associates, on behalf of Benchmark Development Group, was present. He said he's been working with the City for several years on neighborhood plans. They are in favor of moving the general resolution forward to help frame the neighborhood plan. The key players will be the City, the developers, the builders and the end users. All four groups have to work together to make this successful.

Using public transportation will be encouraged as will biking and walking. Reducing household consumption of natural gas and fossil fuel generated electricity through the use of energy efficient construction, alternative energy sources, on-site energy production, conservation education and outreach will be recommended. Reducing residential water use through the use of low-flow appliances and fixtures, dual-flush and low-flow toilets, rain barrels, low-impact lawn care design, conservation education and other water saving practices will be recommended. Infiltrate storm water volume on or adjacent to points of generation through the use of rain gardens, green roofs, porous

sidewalks and drives, or other on-site storm water management practices will also be recommended.

The final pages of his handout looks at goals and how to achieve those goals. The mixed use will take time. As the project matures and projects are added into the neighborhood, each one will be evaluated against the goals to make sure that they are beginning to raise the bar further and create a neighborhood that exceeds the sustainability goals and helps to push this forward.

Tom said the board needs to support the resolution, that there are more details in his report about strongly supporting WaterSense-labeled water fixtures, etc. Michael said everyone wants to achieve these goals but listing 25% arbitrarily concerns him. If this board agrees to this, how much is enforceable and how much is more a set of recommendations. Andrew said these are goals, not requirements. A project wouldn't be turned down but would be done on a case-by-case basis. State Law preempts the actual building code. Al said we work closely with Planning and use their projections. Rick said when the plan is closer to adoption, the Water Utility would have to work with Planning. Greg asked if this includes anything that would represent an urgent need to change our Master Plan. Al said several wells are planned for that area, none of which have been drilled of course. That whole northeast corner has run a little light on water as we deal with the situation on Well 29.

Andrew said this is all new, not something that we've done before, that the Mayor's Office and City Planning drafted it for Council approval. It's similar to any other resolution.

Dan Melton said the Sustainable Energy Committee referred this to their February 9 meeting. Alder Compton had a problem with how you would measure it. He said it seems fairly clear as to how it's going to be measured, and asked if that isn't very clear language at the bottom of page 11-10. Dan said he's worried that the actual market is not ready for some of the actions that would be necessary to reach that goal. Brian said what does it mean if you're using more or less water; it's just some clarity in the neighborhood plan that would define whether 25% is achievable. The goal is much less of an issue for us. From my standpoint as a developer, they really have a very small role. Sadly, whether or not a house will have the kind of fixtures that achieve this because by not being a builder, they're not involved in that transaction. So we're looking at the framework of how these things are going to be measured, who is going to measure it and what are the end results so there is clarity in the plan of how we go about implementing it. Their concern is how does this process move forward so that buyers have a process they can understand. Maybe when we get into the discussion of how to do that, that might be where to say by how much.

Dan asked Andrew if he'd say the 25% number is arbitrary. Andrew said he doesn't know, and Ken asked if he needed definition for that. Ken said at 73 gallons a day per person for residential use now based on a five-year running average, and we're taking 20% out 11 years from now, you'd want to get that down to the 58 gallons per day. You may want to start at 55 rather than 58 because if this is a 20, 25 year project, we don't want to say 25% of where we are in 2020 or you'd be up 45%. Jon said there was some arithmetic that went into the 20%; if you take a 3.5 gallon toilet and replace it with a 1.28 and everyone flushes four times a day, you can figure out if 12-16 gallons per day per person. And low-flow fixtures save more.

Michael Schumacher said we looked at the growth of the City of Madison and the usage of water, and based on that we didn't increase usage but did increase population. Andrew said with the population projections we looked at, and if our average daily production today is 30+ million gallons per day, the

growth up to 2020 would leave us at the same average daily production that we are at today. He's talked to Brad Murphy about reviewing the goals periodically.

Jon said putting a number on this is one way to do it, but the way people have had successes is they changed ordinances and zoning, and have WaterSense labeled fixtures required, not just suggested. And rain barrels and infiltration of 50% of storm water is required, not just a suggestion. Jon said that is sort of what Tom is saying, there are definitions of what makes a good appliance for saving water and it's a federal program. There are other support agencies, like the Alliance for Water Efficiency, that give advice on this. Jon thinks we need to go with zoning and ordinance changes that say all new construction will use this. If we do that, we'll get 25, maybe even 30%.

Michael said if he were a developer, he would not be required to have to do that because code in the State of Wisconsin does not yet require it, and he doesn't think there is any City Ordinance that can force him to do that. He said we're really approving outreach, education, etc. He does not think what is being recommended is permitted under law and he'd like clarification on that. Jon said he would also. He said other municipalities require WaterSense but that's in other states, so we need to have Attorney May weigh in on why he thinks we can't require WaterSense fixtures. Andrew said at this point we're not advocating for any additional legislation, any additional requirements, ordinance changes, and things of that sort. They think they have a market that is moving more and more in this direction. He thinks there will be a strong market tendency to have these things in place. Jon said this is more guidance and goals and where the city wants to go which is good. Brian said he understands it's a minimum-maximum code, that we can't require EnergySense but it's a marketable expense. Many builders are recognizing that. There could be incentives out there to encourage the use of these.

George Meyer said he'd like to move the Water Utility's support of the Legislative File 12771, with an addition of the phrase, "strongly encouraging the use of WaterSense-labeled water fixtures, and strongly discouraging the use of outdoor lawn irrigation systems." Dan Melton seconded.

Michael said we have to figure out some incentives to work hand-in-hand with water conservation. Right now, we're going back to the folks out there and saying your water is going to be more expensive because you're conserving more. We have to figure this out. He's nervous about the 25% that is arbitrary. He doesn't like the performance benchmarks because for anyone who doesn't like this, it becomes an easy package to say, where did they get this 25%. How can we reward people who are conserving?

Dan said to Brian, as he understands it, you are comfortable with this except you'd like to take the 25% out. Brian said we don't have enough information to understand all the pieces that are going to be necessary. These are goals that are going to happen over time.

Michael asked if they'd feel comfortable removing the 25% and using some other language. Jon said to him, the 25% doesn't matter; he sees it as some sort of statement. We want to make a significant reduction; it's a goal that doesn't have to be measurable. It's a way of saying a significant reduction. George said you have a measurable goal, it's best to have a numerical target. Michael said sometime these goals also become ceilings. Greg said he's uncomfortable with the 25% also.

George said he would like to make a motion to approve with language added from Item 3 on Tom's report, and is silent on items 1 and 2 for lack of expertise. Jon said he'd like to see 100% on storm water, that 25% is a very modest goal compared to the water goal of 25%. He said it's interesting to him that the

Commission on the Environment hasn't seen this yet and he's sure they'd like to weigh in on it. Andrew said the Commission on the Environment may yet be added as a referral.

George Meyer moved that this Board indicate support of the text of Resolution 12771, and specifically the portion we have responsibility for, which is Item 3, of the Now Therefore be it Resolved clause, with the friendly amendment of the words from the General Manager's report that states "strongly encourage the use of EPA WaterSense-labeled water fixtures, and strongly discouraging the use of outdoor lawn irrigation systems." More discussion was held on this.

Greg Harrington made a motion to approve the resolution with the addition of the friendly amendment made by George Meyer to include the following language: "strongly encouraging the use of EPA WaterSense-labeled water fixtures, and strongly discouraging the use of outdoor lawn irrigation systems." Dan Melton seconded the motion; unanimously passed.

12. [12838](#) Introduction and Referral of Pressure Zone 4 Water Supply Augmentation Project

Reconsider at February 17, 2009 Water Utility Board Meeting.

Reconsider at February 17, 2009, Water Utility Board Meeting.

Tom said Items 12 and 13 came on the agenda through Legistar because previous action was to refer them to this month. Tom's recommendation is to refer them again as we're not ready to suggest board action.

Michael Schumacher made a motion to refer Item 12, Res No. 12838, to the February meeting, and Item 13, Res No. 13837 to the March meeting. Greg Harrington seconded; unanimously passed.

13. [12837](#) Introduction and Referral of Arbor Hills Supplemental Fire Flow Supply Project

Reconsider at March 24, 2009 Water Utility Board Meeting.

Reconsider at March 24, 2009, Water Utility Board Meeting.

Tom said Items 12 and 13 came on the agenda through Legistar because previous action was to refer them to this month. Tom's recommendation is to refer them again as we're not ready to suggest board action.

Michael Schumacher made a motion to refer Item 12, Res No. 12838, to the February meeting, and Item 13, Res No. 13837 to the March meeting. Greg Harrington seconded; unanimously passed.

NEW BUSINESS

14. Update on Public Participation Projects

Tom said we held the first Citizens' Advisory Panel meeting for the Zone 4 project last week, and it was a good meeting overall. We have more work to do with the CAP before we bring that back to the board for a public hearing on the documents to formally establish the project. As far as the Arbor Hills project, Tom is still working with Alder Bruer on it, and we're not ready to have action on it yet, but we will be inviting the formation of a CNP for that project as well.

Al said we're meeting on the near west side well tomorrow. We're attempting to coordinate with Alders Palm and Rummel to meet on Well 8. Another one in the future is the Zone 9 storage project. All are going through the process.

Michael said we are going to have a public participation process, correct? Al said yes. Michael said we never discussed any water infrastructure in detail. Tom said there are going to be some wells that will be required; at this point, they are out years in the Master Plan. We have the opportunity right now to cross Interstate 94. The DOT is going to be working on that bridge so the Water Utility is going to take advantage of this opportunity to get across the interstate. Al said we'll go out to County Road T and up Reiner Road. All of that area is in the City and there has been interest in developing it. Oftentimes, when sewer and water come, using the phrase if you build it they will come, once you get sewer and water there, which should be by June, you'll see some development in that area. As far as the well goes, they'll be relying on Wells 25 and 29 primarily. Michael said there will be a future well out there? Al said yes, there is a well shown in the Master Plan at Reiner Road and County Road T. There are a couple further north, too. Michael said we need to mark and let people know up front where these things are going to go, so that nobody can say I built my house there and I didn't know that a well was going to go next door. Tom said the siting of the facility is part of the public participation project. Michael said but what if nobody lives out there. Tom said traditionally water utilities do look very far out into the future and purchase farmland for these wells. Al said that is exactly what we've done in the past, and we've come under some criticism for that.. We own land up north, on Hoepfker Road, and when we said we need a well up here so we went ahead and bought the land, very similar to the property we own on Femrite Drive. We also own property in the southwest corner of the city with intentions of putting a well in there. Tom asked if that was the case with Mineral Point Road and Whitney Way. Al said yes, we bought that in the 70s and for many years there was a sign there that said it was the site of a future well, so anyone moving in would know what that property would be used for. It has since grown over.

15. Update on Toilet Rebate Program

This was covered in the Public Information Report. Jon says there is still room to get the word out on the rebate. Gail said they are going to put together some flyers, but it has been advertised on the radio and plumbers are all aware of it. Gail has been talking to the managers of Home Depot and Menards. Tom said we're working on a way we could do an instant rebate at the store; it will involve creativity and a lot of cooperation from the stores because they'll have to get the money upfront and then be able to calculate it.

16. [13414](#) Annual Flushing Report

Doug DeMaster said in 2008, 56% of the system, 476 miles, were flushed unidirectionally. Conventional flushing was used in about 40% of the system. The remaining 4 to 5% consists mostly of construction areas and are flushed by construction crews, and includes dead-ends that can't be flushed due to lack of hydrants.

Doug reported they reduced water use by 4% over the 2007 flushing program. He said recorded customer complaints of discolored water increased by 40% over 2007. That could be explained by improved recordkeeping and a few specific incidents that generated many calls, but overall the reasons are unclear.

Recommendations for 2009 are using UDF for 550-600 miles, conventional

for 150-200 miles, dead-end flushing for 100 miles. Continue to minimize use of wells such as Well 8 that have higher levels of iron and manganese. Continue flushing and system turbidity research with UW-Madison. Pilot test coordination of flushing with sewer cleaning, and research recycling flushing water. Jeanne Hoffman's Sustain Energy asked about the recycling issue.

17. [13415](#)

Pre-Audit Letter to the Board

Vicki Hellenbrand, CPA of Virchow, Krause & Company sent this letter to Robin and asked that it be distributed the board members. They are looking for input prior to the audit. Bruce said he'd like to have a conversation with Vicki and do some brain storming; he didn't know if anyone else would like to do that. Jon said so you'd like to set up a pre-meeting to discuss this and we could public notice the meeting so that any board members could choose to come. If its more than two board members, we have to public notice it. Tom said we'd talked about having this pre-audit meeting in conjunction with the board retreat/strategic planning training session scheduled for March. Jon asked how long the meeting would take. Bruce thought one-half to one hour. Michael said he has no interest in participating, but he asked if there is anything unique about this letter, or is this just the standard, typical pre-audit letter. Bruce said this is the standard letter, basically following professional standards. Michael said one issue is the way we do our reporting and the PSC and the City, etc. and it would be nice to get some clarification on how to handle these two types of reporting. Bruce said the City's ERP project that Robin has been heavily involved with, the idea is to make life a little easier for us at the Water Utility and different ways of looking at the data to match these systems up. Robin said this is the first year we've had this letter come to the board. Bruce said she mentioned in this letter or an email that there is a new auditing standard requiring this.

Jon asked if we can do this as part of a retreat or part of a separate meeting. He said he'd leave it to them to work out. Dan said this A to F list is quite an undertaking if we take it seriously. She's opening this door and it's up to us how much we want to do. But you tell me, are we prepared to answer B or C? Are we prepared to say right now what our organizations objectives and strategies are? Dan said if we are to take it seriously, A through F would require the most time and the most work of anything on our agenda. It's up to us how much we want to do so do we want to let Tom and Robin talk to her, or do we want to try to spell out more clearly how we feel about this. Robin said that she's not looking for anything from Tom and I—they'll be talking to us during the audit. This is input from the board. Dan said right, we have to choose who going to answer these questions. Jon said he sees this could require some thinking and expertise, and Bruce has the most expertise in the group, and it requires some commitment. To him it seems appropriate to do it as a separate meeting, which could include Bruce and anyone else who has an opinion on it., or can weigh in on this. Jon's assumption is that Bruce will come back to them and say, "Here's what the board needs to do, and based on what I've heard, what do you all think?" Jon thinks we have to take this seriously, and having it done as a separate meeting is a good way to do that.

George said we did strategic planning a couple of years ago. Bruce said they should be made aware of the accomplishments of the strategic planning process. Michael addressed the time line, when do they need to have this, and having been at the other end of the audits, there is standard stuff in here that we ought to have in place already, and he doesn't think it's going to take that

much time. He said this might be a good impetuous for some of the work that we need to do in our strategic planning session. Michael said he just wants to make sure that whoever is going to go to this meeting, that it doesn't become this giant meeting. He asked about the deadline for this, and Robin said the deadline is before they start the audit which is April, so by mid-March they'd probably like a feel for what they need to be looking at. Specifically, if there's anything the board wants them to look at specifically. They have the main framework of what they are looking for and where they look for problems. They audit water utilities all the time, but they're looking for what the board has specific issues with. Michael said it might be worth highlighting to them that a year and a half ago, the City Council Attorney and the Council redrafted the role of this board. He said he doesn't know if the Council has ever received that resolution and what the authority of this board is, and he doesn't know if the accountant has ever received this resolution, because there are some changes in it.

Jon said do we need to come to a decision here as to what direction we're going, deal with this at our March meeting or deal with this as a separate meeting. Michael said his suggestion is that Bruce is the expert on this matter, that Bruce take the lead meet with Vicki and if something comes up, he can come back to us. Jon asked Bruce if he'd take the lead and see that the meeting happens and inform the board. Bruce agreed.

CORRESPONDENCE AND SPECIAL INTEREST ITEMS

18. [13417](#) Cherrie Dallmann's Retirement Resolution

Michael Schumacher made a motion to approve the board resolution. George Meyer seconded; unanimously passed.

NEXT MEETING DATE

February 17, 2009.

ADJOURNMENT

Michael Schumacher made a motion to adjourn the meeting. Greg Harrington seconded; unanimously passed.
Meeting adjourned at 6:30 p.m.

FUTURE AGENDA ITEMS

- * Annual Lead Service Replacement Report
- * Presentation on Madison Water Utility Master Plan and Infrastructure Management Plan.
- * Funding Options for Private Well Abandonment