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January 29, 2013

Mayor Paul Soglin
City of Madison Alders
210 Martin Luther King, Jr. Blvd
Madison, WI 53703

Dear Mayor Soglin and Alders,

I am pleased to provide the Water Utility's 2011-2012 Annual Report. The report reflects the excellence with which the Utility meets the complex tasks before it: provide Madison's drinking water and fire flow supply, maintain our network of wells, pumps and pipes, and ensure the longevity of our naturally recharged groundwater system.

This Report highlights information on current major projects at the Utility, some of which include a public participation process as required by the Common Council since 2008. In fact, serving on the Citizen Advisory Panel convened around reconstruction plans for my neighborhood well was my introduction to volunteering at the Water Utility. I am impressed by the dedication and insights brought by neighborhood volunteers to Utility projects. I also appreciate the Utility's commitment to incorporating public participation in facilities planning and management. In 2013, the Board will continue to work with General Manager Tom Heikkinen to evaluate, and improve where needed, this public participation process.

Looking forward, I'd like to draw your attention to information on the costs of providing water to Madison residents (page 22). The Payment in Lieu of Taxes (PILOT) program is an essential source of funds to the City. The PILOT provides a mechanism to recoup the cost of municipal services used by tax-exempt, nonprofit groups that make up a highly valued part of our community and our economy. However, the structure of the PILOT (a percentage fee on total capital assets) is a conundrum for the Water Utility: much needed capital investment in infrastructure repair and replacement results in a higher and continually increasing PILOT. In 2013, I will lead extensive Board education and discussion of the PILOT and its long-term effects on Utility finances. In this, I would welcome the participation of the Mayor's office.

Finally, thank you for providing strong support of Water Utility initiatives and activities of the Water Utility Board. Assistance from Mayoral Assistant Katie Crawley and Assistant City Attorney Doran Viste, and the enthusiastic participation of Alders Cnare and Ellingson, greatly enhance the work of the Board.

Best regards,

Madeline Gotkowitz
President, Water Utility Board