



# City of Madison

## Meeting Minutes - Final

### BOARD OF WATER COMMISSIONERS

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

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Tuesday, September 19, 2006

4:35 PM

119 E. Olin Avenue

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#### CALL TO ORDER

#### ROLL CALL

**Present:** Priscilla B. Mather, Jonathan H. Standridge and Gregory W. Harrington

**Excused:** Lauren Chare and Larry L. Studesville

#### PUBLIC COMMENT

#### APPROVAL OF MINUTES

1. Approve the minutes of August 15 meeting.

**Minutes of August 15 were approved unanimously.**

#### INFORMATIONAL REPORTS

2. August Water Quality Report.

Al Larson reported that this was a typical month with no additional water quality testing. We took 321 manganese tap samples, bringing our total to just under 1800. Jon asked if the VOC results we read about in the paper are going to be on the September report. Al said it was collected in September and will be on the September report. Al said there were no VOCs taken in August. He said in June the Carbon Tet at Well 3 was 4.7 ppb. Al said the sample reported in the paper was taken on September 5 and the well was shut down September 7. The well only ran one day for four hours between the sample and the shut down. Al said about 300,000 gallons were pumped into the system. Jon said in the information that Dave sent to them, it said that you are going to consider alternatives for dealing with Well 3. Al said one alternative is to construct an air stripper. The stripping tower would be 35 to 40 feet tall and require quite a bit of space. The site doesn't lend itself to that. It would have to be pumped somewhere else in order to build the stripping tower, so treatment doesn't make a lot economic sense. The treatment facility would probably go in the park and that would not be popular. Al said in 2001 we looked at the cost of a stripping tower and it was substantial. Because it would be remote, we'd have to build a pump station, so we're talking 100's of thousands of dollars if not over a million to strip out the carbon tet. That doesn't do anything about the manganese and iron that's in that well, so you'd only be removing the carbon tet, so you'd have to think about adding a filter to remove the iron and manganese from the water. Well 3 was built in 1928 and is the oldest well in our system. Economically it doesn't make a lot of sense to build treatment for that well. Jon asked about extending the well casing. Al said it has a small casing so it would get extremely small if another casing was

put inside the existing one to extend it. He doesn't know if you could bore out the casing to make it bigger. Well drillers have told us it wasn't a feasible economic thing to do. Al said when the DNR tested Well 3, they found a site across the street where they think the pollution is coming from. This is a highly industrial area of the isthmus so we'd have to ask if you want to invest millions of dollars in that site, knowing what exists just across the street. Al said an option is to abandon Well 3 and build a new well west of the river in the Willy Street neighborhood. It's been suggested by some that we could put a well in the east end of the proposed Central Park. We have to be careful so we don't get too close to Well 24. Al said Well 3 is currently shut down and we are relying on Wells 11, 24 and 7. Well 7 is located north of Well 3 on Sherman Avenue, and Well 11 is behind Woodman's East. Well 24 is on the Isthmus. Dave asked about Well 17 and Al replied that it could help, but it is a little further away. By using 17 and supplying the area around the capital, and pushing 24 water east, hydraulically we might be able to replace the water we lose by not using Well 3. We are going to be looking at all of these scenarios in the next months.

3. September Staffing Report.

Gail Glasser reported last month that we had requested to fill the Public Works Maintenance Worker 3 vacancy, but we put that on hold and it continues to be available to be filled. We haven't specifically requested to fill it. We have had hourly end their employment and we've hired four new hourly. We're using an applicant pool from the Parks Division for Public Works Maintenance Worker 1 to recruit hourly laborers, and we've had some response to that. Gail said the Water Quality Manager interviewing is in progress, and the Operations Manager interviewing is scheduled. Jon asked when we are going to decide on Water Quality Manager and Dave said we are conducting follow-up interviews with two candidates on Friday. We will make a decision at that time.

4. Operations Report.

Al reported pumpage continues to go down and as of yesterday, we're 5.5% below where we were last year. He said it's very reflective of the weather we've been having. He said we are significantly below previous years. Al said valve inspections are way up because of unidirectional flushing. We replaced 32 lead services. Jon said if we're down 5%, that's a revenue issue. Robin said at the last rate case, the PSC had us average out the good and the bad, but he thinks this is a little more than expected so it is affecting our revenues.

5. Engineering Report.

Al reported that Unit Well 5 has been demolished. He said pipeline projects are winding down, which is a little early for us. A major construction project underway is the Felland Road reservoir. Test pumping on the Glenway test well, on Larkin Street, is complete. The results for manganese were less than 10 ppb, and the iron was less than 0.1 ppm, so we had very good results. At our next meeting, Al will ask the Board if they want to proceed with a well. Jon said you were going to do something different with this test well, and he asked Al to explain what that is. Al said he's going by what he's been told because 29 was drilled before he was here. They drilled a shallow well in the upper aquifer and he wasn't sure how deep it was. The logic was that the upper aquifer is more likely to be contaminated than the lower aquifer. If no contaminants were found in the upper aquifer, it would appear that there wouldn't be any in the lower aquifer. Al said this is our second test well we've built in this manner. We drilled the well all

the way down to granite, as far as the final production well will be. He said we then put a packer in the hole to seal off the upper aquifer and we just pumped from the lower portion. Al said Ken Bradbury of the Geological Survey has offered to take our samples and analyze the rock for manganese. He doesn't know how long that would take. Jon asked if there is any concern that when we start sucking that sandstone hard with a high production pump that things will change significantly. Al said that is a concern. The test well is pumping at 300 gallons a minute and the production well will be over 2,000 gallons a minute. Dr. Schlenker asked if you go down the same hole. Al said no, the production well is usually sited within 20 feet of this well but depends on the site. Al said, until we develop a production well and pump it, we won't know. Jon said on 29 we had production problems and asked if that is when the blasting was done. Al said yes. Jon asked if we are suspicious that that contributed to the initial manganese. Al said we don't know of course, but we looked at the videos of the well and we opened up some pretty big caverns down there, and we've produced quite a bit of sand as part of that process because we broke up the sandstone. So, by making these caverns, we could have set up a situation where the majority of the water is coming from a certain zone, but he doesn't know a way of testing that. Jon said Al mentioned that the production of the well was lower than he'd thought. He asked what the smallest amount he'd settle for before considering air bursting it. Al said on Well 29, we had a 1500-gallon per minute well and the goal is to get a 2200-gallon per minute well. We then decided to aggressively develop the well. Al said the specific capacity of the test well was 11 gpm/ft and we like to see it around 14 to 15 gpm/ft. We could end up with another 1500 or 1600 gallon per minute well. Jon asked if they've figured out what to do on that. Al said we'd probably do air bursting with chemical treatment first. The problem with air bursting is that with compressed air, it loses too much energy before it gets to the rock in our large diameter wells.

Al said that during 2006, we have taken a total of 1,790 customer manganese samples. In August we took 321 customers tap samples. The majority of the tap samples were below the USEPA 50 ppb aesthetic level for manganese.

Regarding unidirectional flushing, Al said thanks to Doug DeMaster, we had 63 miles flushed during August for a total of 244 miles, 27% of our lines. We are going to start conventional night flushing on Sunday. We plan to get around 40% of the system with unidirectional flushing, and plan to do conventional flushing at night on the balance of the system. He said the University, Shorewood and Maple Bluff flush their own lines, but they buy their water from us.

Al said Black & Veatch plans to be here in October to present the updated Master Plan.

Percy asked Al about alternatives to adding a filter to Well 29. Al said he, Dave and Robin went to the Board of Estimates to discuss the filter. The cost of the filter is roughly estimated at \$2.4 million and that's what was put in the budget. Alder Zach Brandon asked about the operational costs for a filter. Al said he estimates around \$120,000 per year, which would cover power costs and wastewater costs to send the backwash water to the sewer. Alder Brandon asked if we considered drilling another well, pumping it back to the reservoir and using the existing reservoir and pump station that exist. Al hadn't considered that but in the time he had, he came up with an estimate of cost for doing this. Well 29 is on the corner of Mesta Lane and N. Thompson Drive. DNR has requirements for siting a well and it has to be 1200 feet away from a landfill, and there is a big landfill nearby. If we built a well, we'd have to construct a pipe back to Well 29 reservoir and pump out into the system using the existing booster pumps. Al said he came up with a rough estimate of \$60,000 for the test well, production

well is over \$600,000 and building a road in. The building would be small. There would be 16-inch pipeline of 3000', and we'd have to take Well 29's well pump and reinstall it in the new well. He said it comes out to \$1.5 million with engineering at \$125,000, purchase of .25 acres at \$94,000 with a 20% contingency for a total of about \$2 million. So you could save \$300,000, assuming that when you drill a well that you are able to find water that doesn't have iron or manganese in it. This scenario would mean a project delay of one and one-half to two years.

Jon said an alderman asked you to look at this, so does that mean the Council decides whether we're going to put a filter on 29, or does the Board decide, or can the Utility do it without approval from either. Dave said the Council will have a budget in November with a filter in it. If they approve the budget, they are approving us to move forward with a filter. Jon said if they don't approve the budget, they could take that out saying they want us to drill a new well, and then they'd have to approve that. Dave said that is correct. Jon asked if the Water Board is just advisory on it, and Dave said the Board can make its recommendations but the budget is ultimately the decision of the Common Council. Jon said, as far as the Board weighing in, we say go ahead with the filter. Dave said, given the new information, the Board could make a recommendation. Janet Paraino of the Mayor's Office said the Council will adopt the Capital Budget on November 7, so there is time in October to give your recommendation as a board. Dave said if we do put the filter on hold to see if there is another site where we could get water, then when we come back in a year or so to do the filter, the price will probably have gone up. Jon asked if we can put this on our October agenda for discussion and then give an advisory motion to the Council. Jon said the filter is a sure thing against the gamble of doing it the other way, and Al agreed. Al stated, from a supply standpoint, Well 15 is supplying the northeast corner of the city without the help of Well 29. The area is rapidly growing and he said the longer we delay, the more risk we're taking of those people being out of water or slowing development. Al said he thinks the alder was just asking a question, if we considered an alternative plan. Janet said if they want to appear, September 25 would be the meeting to do so. Percy said she can appear and inform the Board of Estimates that the Water Board is very much in favor of the treatment method of installing a filter on Well 29. Jon suggested Percy also point out that this will cost customers only a few cents on the water portion of their bill.

6. Customer Service/Billing Report.

Ken Key stated that an item of concern is the web-based ability to look at your bill. We had a system that we were going to go with, but they were taken over by Harris Computer. Harris has a system that is better and we had a demo with people from IS attending. IS had technical questions and those were answered. Dave Faust said something that just came up is that California had a ruling, Section 508, on a federal law on providing services to the visually impaired. If you have something a person can access online and if the visually impaired person has the associated equipment called a reader, the software has to be able to recognize that and provide the information. The case involved Target. They were offering something online and were not in compliance with this. Ken said this has some major ramifications because that means anything, as he is interpreting right now, you put online has to have this ability to comply with Section 508. We asked our software provider about this and they hadn't heard of it, but they are from Canada. They said none of their utilities have ever asked for that. It would require a complete renovation of a rebuild of their software, so it doesn't look very hopeful that that might happen. We have to find out from other sources if this affects us, as it talked about retailers, and we're not sure if we're

considered a retailer in these circumstances. We are pretty much ready to go with this feature, but we now need to check this out. Ken said he called a utility in Georgia who uses the same system as we do, to see if they'd heard anything and they haven't returned his call yet. He said if it came to that, we'd have to cancel that portion of the program.

Ken noted that an administrative clerk in the meter shop will be leaving the end of this month, and we have an hourly whose time is up this week so these positions will need to be filled.

7. Report on Flushing Operations.

This was covered in Al's engineering report.

## FINANCIAL REPORTS

8. Fund Balance Report.

Robin said the PILOT Fund has a zero balance, that we're having a slight cash flow problem in part because of the reduced in revenues. Another part of it is the bonding we did this year, and Robin missed catching something that we don't normally let happen. We normally don't pay back principal the first of the year after borrowing the money. We borrowed the money in June. We already are going to have to repay \$825,000 on January 1. Robin said normally that doesn't happen but it slipped by him so we've had to set aside \$800,000 for payment at the end of the year for our reserve fund interest and principal account. Robin said he's had discussion with Comptroller Dean Brassler, and he wants to look at the model and find out how we stand. Jon asked who Payment in Lieu of Taxes goes to. Robin said it goes to the City, that we used to do it in April after we got our money that they collected for us through taxes. Now, because of GASB 33 or 34, transfers occur at the end of the year. Jon asked how much it would be at the end of December. Robin said it's around \$2.7 million. Currently we're setting aside just under \$600,000 a month for our principal and interest. In November and December, where we won't have to set aside principle and interest. We'll have \$600,000 each month to go to the PILOT Fund. Greg asked if this means a short-term loan from the City. Robin said he's not sure which is why he wants to discuss this with Dean Brassler. Jon asked if this will affect our bond rating, or is it an internal city issue at this time. Robin said it is internal. He said, if we go in for the rate increase, the bond people will look at it but it shouldn't affect our bond rating.

9. Capital Project Report.

Robin stated \$723,000 was spent in July with the majority of that, \$500,000, on water main replacement. He said overall we're in good shape budget-wise. Construction Fund still shows a balance of \$6.5 million. Robin said we spent \$47,700 in July, and to date we've spent \$186,650 on unidirectional flushing, and we spent \$34,200 in July and to date \$120,295.

Jon Standridge made a motion to approve the informational reports. Greg Harrington seconded; unanimously passed.

10. Financial Model Demonstration.

Robin said we'll be testing the model through a rate case where we'll see what the model gives us and what the Public Service Commission allows us to take

advantage of. Robin then proceeded to show the Board how the model works and what data it produces. It has historical data as well as data going forward and projections for 2007 and the next five years. Robin said this is a tool that will help us with budgets and rate cases in the future. Jon asked if we bought this model and Robin said we bought it from our financial advisors. Dave said this has been a vision of his for a long time, that it has taken a long time to get this going. We contracted with Springsted for this, and it's specifically developed for Madison Water Utility. Robin said this will be useful for budget purposes and for rate cases, and doing projections into the future. Dave said we can plug an operating budget in for the coming year and see what that is going to do to rates. Our bond rating is dependent on the debt coverage number. Dave said he thinks this is going to be a great tool for us. Robin said the model is set up for five years but we can expand it. We're going to show Dean Brassler and the Public Service Commission what we have here. When they come back, after we submit our rate case, and say this is what we think the numbers should be, we'll show them the model and ask why their numbers are different from ours based on the model.

Jon Standridge made a motion to accept the informational and financial reports. Greg Harrington seconded; unanimously passed.

## ADMINISTRATION

### 11. Customer complaint records system presentation.

Al said that regarding the woman who came to the last meeting about 1202 Elizabeth Street, that was an oversight and her letter did not go out in the mail as it should have. It has now gone out with apologies. Jon asked how many letters had a similar incident, and Doug said about 15 and they all got apology letters. Doug showed how the customer complaint records system works. Complaints are entered and solutions as to how the call was handled are entered. Jon asked if this system satisfies the Public Service Commission's concerns and Doug replied that it does. Jon asked if the Water Quality Manager will be in charge of this and Dave said he will be. Doug said the database could be improved in separating things out by date, because the software program doesn't do that and it is labor intensive. Jon asked if the Water Quality Manager will be in charge of this. Doug said he doesn't think we'll expect the Water Quality Manager to work with the GIS software, but we may in the future be able to develop something. He said Public Works in general is developing a new field viewing software through GIS which will have some capabilities that could maybe tie into this and make it more accessible to everyone. Jon said he thinks there would be great value in the Water Quality Manager understanding the whole system. Doug said we are developing an end user component to this, as well as improvements to the database in tracking calls.

### 12. Update on Strategic Planning Initiative.

Dave Denig-Chakroff said the contract was signed for strategic planning on September 8. He said he's been working with the consultant trying to get schedules for starting the meetings and they will be held on October 2 and 3. He's waiting to hear what the meetings will entail and who will be involved in those. The consultant has sent information that they want compiled for their use in the analysis of the utility. Percy asked if a meeting with all of the employees has been scheduled yet, and Dave replied no.

**NEW BUSINESS ITEMS**

13. [04449](#) Authorizing the grant of a license to TDS Metrocom, LLC for the installation of wireless digital communications equipment on the City's water tower located at 1202 Northport Drive. 18th Ald. Dist.
- Sponsors:** Paul J. Van Rooy
- A motion was made by Standridge, seconded by Harrington, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by acclamation.**
14. [04451](#) Authorizing the grant of a license to TDS Metrocom, LLC for the installation of wireless digital communications equipment on the City's water tower located at 5815 Milwaukee Street. 3rd Ald. Dist.
- Sponsors:** Lauren Cnare
- A motion was made by Standridge, seconded by Harrington, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by acclamation.**
15. [04452](#) Authorizing the grant of a license to TDS Metrocom, LLC for the installation of wireless digital communications equipment on the City's water tower located at 910 South High Point Road. 1st Ald. Dist.
- Sponsors:** Jed Sanborn
- A motion was made by Standridge, seconded by Harrington, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by acclamation.**
16. [04456](#) Authorizing the grant of a license to TDS Metrocom, LLC for the installation of wireless digital communications equipment on the City's water tower located at 4701 Bunker Hill Lane. 17th Ald. Dist.
- Sponsors:** Santiago Rosas
- A motion was made by Standridge, seconded by Harrington, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by acclamation.**
17. [04457](#) Authorizing the grant of a license to TDS Metrocom, LLC for the installation of wireless digital communications equipment on the City's water tower located at 2829 Prairie Road. 7th Ald. Dist.
- Sponsors:** Zachariah Brandon
- A motion was made by Standridge, seconded by Harrington, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by acclamation.**
18. [04458](#) Authorizing the grant of a license to TDS Metrocom, LLC for the installation of wireless digital communications equipment on the City's water tower located at

4740 Spaanem Avenue, and authorizing the related conveyance to TDS of an existing equipment shelter at the site. 15th Ald. Dist.

**Sponsors:** Larry Palm

A motion was made by Standridge, seconded by Harrington, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES

President Mather said the resolutions are authorizing licenses to use water towers. Heidi Fischer of City Real Estate said these are six locations. They are similar to the licenses we've done with other telecommunication companies. The applicant is TDS Metrocom LLC. Heidi said these are for 10-year terms, but we have the right to revoke them after five, just to protect ourselves. She said market rate was established on licenses elsewhere. Jon asked if we ever get comments from the neighbors about these little buildings going up. Al said we always work with the neighbors during the approval process. Robin said the money from the tower rental goes to the lead service replacement reimbursement program.

Jon Standridge made a motion to approve resolution numbers 04449, 04451, 04452, 04456, 04457 and 04458. Greg Harrington seconded; unanimously passed

The motion passed by acclamation.

## CORRESPONDENCE AND SPECIAL INTEREST ITEMS

### APPROVAL OF NEXT MEETING DATE

19. Discuss date for next joint meeting of the Board and Public Health Department.

Dave Denig-Chakroff said the contract was signed for strategic planning on September 8. He said he's been working with the consultant trying to get schedules for starting the meetings and they will be held on October 2 and 3. He's waiting to hear what the meetings will entail and who will be involved in those. The consultant has sent information that they want compiled for their use in the analysis of the utility. Percy asked if a meeting with all of the employees has been scheduled yet, and Dave replied no.

20. Approval of next regular meeting date of October 17, 2006.

Dave said he will be at the AMWA Annual Meeting on October 17. Jon asked if, at this time, we can suggest something we'd like to see on the next agenda, and Dave said yes, or send him an email.

### ADJOURNMENT

Jon Standridge made a motion to adjourn the meeting. Greg Harrington seconded; unanimously passed.

Meeting adjourned at 6:31 p.m.