

April XX, 2013

Dear Mayor Soglin,

This letter presents you with results of the Madison Water Utility Board's 2012 annual review of the Water Utility General Manager, Tom Heikkinen. We undertake this evaluation as a part of our assessment of the Utility's progress in meeting the Board's goals in fourteen aspects of utility management.

The board's mission is to ensure that Madison residents, businesses and visitors receive an adequate volume of high quality water for consumption and fire protection, at a reasonable financial and environmental cost. The general manager regularly updates the Board on the Utility's progress in fulfilling this mission by providing these annual (or more frequent, as noted below) reports:

1. Water quality (quarterly)
2. Water quantity (semi-annually)
3. Reliability of service
4. Affordability
5. Sustainability (semi-annually)
6. Treatment of consumers
7. Treatment of staff
8. Financial planning and budgeting (semi-annually)
9. Financial condition and activities (every four months)
10. Emergency succession
11. Asset protection
12. Infrastructure
13. Communication and support to the board
14. Quality and performance improvement

Mr. Heikkinen documented compliance with Board policies in twelve of these areas. In the area of water quantity, a couple of locations in Madison lack ideal pressure for maintaining fire flow. The Board recognizes that mitigation projects are either scheduled or in progress to that address this condition.

The Utility also fell short on a financial condition goal in 2012—to establish unrestricted reserve funds. The Board supports Mr. Heikkinen's decision to prioritize repayment of a loan from the City of Madison rather than fund a reserve. This condition will likely remain until 2019, upon final repayment to the City.

In summary, Mr. Heikkinen met all but two of the Board's expectations for the General Manager in 2012, and good progress is underway on both deficiencies. Please feel free to contact me if you have any questions about this review.

Sincerely,

Madeline Gotkowitz
President, Madison Water Utility Board