



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved WATER UTILITY BOARD

Tuesday, July 22, 2008

4:30 PM

119 E. Olin Avenue, Rooms A & B

CALL TO ORDER / ROLL CALL

Michael Schumacher made a motion the minutes be approved. George Meyer seconded; unanimously passed.

Present: 6 -

Dan Melton; Lauren Cnare; George E. Meyer; Jonathan H. Standridge;
Thomas Schlenker and Michael Schumacher

Excused: 1 -

Gregory W. Harrington

Mayor Cieslewicz arrived to present Larry Nelson with a proclamation, signed by himself and Jon Standridge, thanking Larry for all of his good work at the Water Utility. The Mayor said when their attempt to hire a permanent replacement for General Manager failed, he had to go back to the drawing board. He knew it would be several more months before someone would be on board, which wasn't much of a disappointment because he felt that the longer Larry was here, the more the ship would be righted and it would be a better the situation for whoever came in as a permanent replacement. The Mayor said it is true that the Utility is much stronger than it was before Larry took over as interim director. The organization that Larry is handing off to Tom Heikkinen is much stronger than it was had Tom come in without Larry's stewardship. It was an extraordinary amount of work for Larry, but at the end of the day, this is among the greatest contributions he has made to the city. On behalf of everyone, he thanked Larry.

Jon Standridge added that there were many things in need of repair when Larry showed up, and he just started taking them sequentially and working at them and coming up with solutions, not the least of which is the public participation/Gruber amendment document that was written, the restructuring of how we get information to the Board, and financial issues. It improved the involvement of the Board at a level of openness where we were sitting down with Larry on a regular basis, setting agendas, etc. Jon said he comes into the Utility and he sees Larry walking around and talking with employees. His management style and the things he has done for the Utility have been tremendous. Jon said he doesn't know how we would have gotten through these last months without Larry, and huge improvements were made.

PUBLIC COMMENT

No speakers.

REPORTS2. [11340](#) Water Quality Report

Dan Melton asked what happened to the 700 calls regarding Unit Well 26. Joe Grande said they didn't show up because no contact was made. They did show up in the report that Joe made at the last board meeting. Jon said, so with the requirement by PSC to log complaints and calls, doesn't that have to get in the system at some point? Joe said he's talked to a lot of people about this; we have the records. We have a number of calls from that incident but we don't track every call that comes in. He understands that the database was designed to incorporate calls, when we get them. He said the narrative with the report that Joe DeMorett gave at the last meeting described the incident, a failure of the pump at Well 26. Joe said he did go back and review those calls and there were only 291 that left a number. Larry said there are about 75 calls in a typical day. We don't put all calls in the database as we really don't want to put items into the database unless we actually have the data. A fair number of the calls coming in now are cell phone anyway. We actually contacted around two-dozen people. Larry said he'd be concerned if we put in the phone number without actually having data on it. We do have the call logs and we made them part of this event. It also looks like our telephone system may have been doubling up because of the overload, not so much on the call system, but on our software system. Seven hundred calls were documented but in summary, we put the data of the people we actually contacted in the database.

Dan Melton said, putting aside that one day, on pressure calls generally, an alder says, "I'm having a lot of problems with pressure in my district." Dan asked if there is any way to go back a year or two and see how many pressure calls we received, and how many came from a certain district? Joe said yes, we can. The scenario Dan describes would be a systemic day-to-day problem impacting our system. It might be an area where they typically have low waterpressure. But in this incident, a system failure, it's not a day-to-day situation. Jon asked if what we are doing satisfies the requirements of the PSC to keep a record, and Joe replied yes.

3. [11341](#) Water Supply Report

Jon said the Water Utility should be commended for taking Well 29 from standby status to reserve status after we started getting complaints. It is a step in the right direction. Dan asked how many days we put 29 water into the distribution system. Joe said it was for a period of four hours only.

4. [11342](#) Staffing Report

Read into Minutes.

5. [11343](#) Operations Report

Read into Minutes.

6. [11344](#) Engineering Report

Dan asked how much water is run to waste with flushing. Doug DeMaster said about one million gallons per day. It varies from 300,000 to one million. This would be from the first of April to mid-November. He said last year we used 125 million gallons.

7. [11345](#) Customer Service Report

Read into Minutes.

8. [11346](#) Public Information Officer Report

Read into Minutes.

9. [11347](#) Cash Flow Statement

Jon asked if this is the new format for this statement and Larry said it is. This one complies with the City's accounting system. Lauren asked about antenna revenue for \$200,000 and when can we expect payment. Robin said he discussed this with the Comptroller's Office and is still discussing it; we estimate \$200,000, based on what was used last year for lead service reimbursements, and take that out of the total that was received by the City. We don't know yet exactly how much they've received, how much is left, and that is what we're working on with them. Jon said, so the cell phone company is paying the City and the City pays the lead service reimbursements. Robin said yes. Jon asked when we are no longer doing lead service reimbursements, if we get all of the money. Robin said yes, we should. George asked about the total. Robin said in 2008, the total was around \$360,000. Dan mentioned that purchase services were slightly over budget. Other Services-General is contracts we have with other vendors and has mainly to do with the security cameras we put in. We're getting reimbursement from the county for that. We don't net that out in the expense line item; it comes out up above when we get cash back in. If he remembers right, we're going to get \$388,000 from the county total for reimbursement of 80% of the cost. Larry said it is being audited right now by the feds.

Larry said we are showing the cash on hand at minus \$1.3 million, and it actually looks pretty good, but we have debt retirement coming in the third quarter that is going to drop that back. The next thing we'll see is a more negative number. Robin said we're still seeing some salary savings because we haven't been paying for our general manager. Jon said he sees we're running at 90% of full staff.

10. [11348](#) Fund Balance Report

Read into Minutes.

11. Steering Team Report

Jon Weaver, Meter Reader, and Don Smith, Operations Lead worker at the Operations Center, gave an update on Steering Team activities. The Steering Team participated in the interview process for General Manager. Friday, May 30, a 'water main break' potluck was held at the main office and considered to be a success. To continue to promote good working relations between the two locations, we will try to have quarterly potlucks. The next one will be held at the Operations Center on September 11. Don Smith and Dave Deloff will co-chair the event. Don is the newest member of the Steering Team since Jeff Thompson had to resign. The Water Conservation Team has a goal of 20% for 2020, and five priorities were established. Workforce Flexibility—the final report and recommendation from this design team was presented to the Steering Team. They plan to host a meet and greet for the new General Manager for both locations. Larry Nelson was thanked for serving on the Steering Team.

OLD BUSINESS

12. [11349](#)

Larry said the Water Board can approve the plan, or approve it with amendments. Whatever action they take, he recommends that we do a resolution to the Common Council for their approval. Staff will prepare the resolution to be introduced to the Council at their next meeting.

George asked if it is possible to combine both actions into one motion. He said he'd like to recommend approval of the Sustainability Plan and direct staff to prepare a resolution for the Common Council and bring it back to the board. Michael Schumacher seconded it, and added that he wants to be a co-sponsor.

Jon thinks there is still more information but this is a working document. He likes that we describe things we're going to do about education. There is a nice summary at the end. He likes that we have the conservation of energy and greenhouse gas emissions in there. George thanked Dan for taking notes at the committee meeting and thanked staff for the presentation. He asked how this will be handled at the Council level. Michael said it will go to several committees, that we could do a presentation before the meeting. Jon said this is a good starting point and this is just the beginning. He thinks most people will read this as it's a hot topic. He thinks the recommendations should have a priority order.

Lauren asked the budget impact for 2008. Larry said we have initiatives that we've laid out such as \$200,000 for toilet rebates. That will depend on the support of the PSC to fund it. Robin said we did include it in the budget, that the toilet rebate would be in 2009. We doubled our conservation expense from \$30,000 to \$60,000, thinking we might start implementing some of this. Robin said money for education was included and advertising to get started on it this year. Michael said we should support Leed certification—leaders in energy and environment. Jon asked if Michael is suggesting a change for this

document or for future documents. Jon said there is a motion on the floor to approve the document, and asked if Michael is suggesting an amendment. Michael said he doesn't need change but doesn't want this to get caught up with the alders. Lauren asked if the comments from the Sustainability Committee were included in here. Larry said we'll submit a resolution to the Council, and he expects it will go to the Commission on the Environment, the sustainability folks and the Plan Commission, with the Water Board being lead. Jon asked if this is part of our rate structure. Larry said yes, it already is. Jon said so if we pass this resolution tonight, it will go to the Public Service Commission soon? Larry said we've already informed the PSC that the Water Board has already passed on this.

Dan said he would like to flag flushing on pages 27 and 28. He is not asking for changes in the report itself, but said members of the Sustainability Committee would like to see us look at possibly reusing some of the water we flush and think about how we can reduce the gallons of water flushed. Lauren said she doesn't think it's a matter of a number, but she thinks it's establishing the best practice and calculating what that number is. Dan said if we strongly feel and can document the current gallons we use for flushing are absolutely necessary, then tell us that. It was left hanging at the committee meeting. Dan said he knows it's going to come back again. Jon said to put it in perspective, it tells me that 125 million gallons were flushed, and we do \$12,000 million gallons a year so that is 1%. Our leak level is between 5 and 10%. Jon said if we can get a handle on leak detection and repair, that will give us 10 times the return that flushing does. He said it is a good point – when people see it going down the drain they are going to ask about it.

Joe Grande said flushing is essential in maintaining water quality, so he thinks there may be a public perception that we're wasting water, but this is an operational requirement of the Utility, if we are to maintain water quality within the City. We have to constantly be aware of that. He does think we need to be more efficient. He said he likes Jon's point of distinguishing between flushing and main breaks. Jon said he thinks we should find another use for the water being flushed. The vote was unanimous.

NEW BUSINESS

13. [11227](#) Amending Sections 13.06(2)(e) and (f) and Section 13.21(10) of the Madison General Ordinances to revise the procedure for abatement of water pit hazards and well abandonment and repealing Section 13.06(2)(e)2.h. of the Madison General Ordinances relating to severability.
- Larry Nelson said this came out of the meter shop area. They would like to see the standardization of the pits-the ones who actually have to work in them. Ken Key said there are a certain number of accounts that have large meters, and some of those are located in pits. Maple Bluff, Shorewood Hills, places like that where the water services and the meter located approximately six feet down through a street entrance, they go down in there. The meter itself is ours, the plumbing on both sides of the meter is the responsibility of the organization or community that owns that pit. They are responsible for the maintenance of that pit. We go in and test the meters once a year. We do that by coming with a truck that has equipment in it to do that test. Sometimes we run into a faulty ladder that is attached inside that might be a safety hazard, there might be valving that needs repair because it presents a safety hazard, or after heavy rains, there might be water down inside the pit

that needs to be pumped out. Sometimes we've done that gratis but it really is the responsibility of the pit owner. Jon said so you are asking the owners of the pits to take better care of the pits for the safety of our workers. Larry said yes, we recommend that this be adopted.

Michael Schumacher said he'd like to be added as a sponsor to this resolution.

Lauren Cnare made a motion to adopt the amended ordinance. George Meyer seconded; unanimously passed.

A motion was made by Cnare, seconded by Meyer, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote. Michael Schumacher asked to be added as a sponsor.

14. Demonstration of the Capabilities of the Water Utility Hydraulic Model including potential improvements. (DeMaster & Wiederhoeft)

Doug DeMaster and Adam Wiederhoeft demonstrated the capabilities of the Water Utility hydraulic model including potential improvements. A PowerPoint presentation was given. Adam said the model is built like our city's pipe layout. The layout is directly connected to our GIS system. Various configurations are possible with this model. You can use this to see what future networks could look like. The consumption data comes from our meter data and SCADA pumping records, and the projection of future consumption comes from historic trends and population projections. Residential usage is per capita, schools are per students, and institutional or industrial is by number of employees. Those projections are compared against a land-use map.

Adam said each pipe segment in the model depending on its age and material could be calibrated by the pipe's roughness factor. You also want consumption to peak at the right time. You can establish how a pump runs and demand patterns, whether its a day, a season. Adam pointed out an example of a calibration result – the reservoir volume in Unit Well 20 on Prairie Road. When the model was calibrated by Black & Veatch, they used a summer demand pattern, a representative week of August 2003. There was high water usage and one day had nearly peak demand. The model was calibrated and then compared to our actual SCADA pumping records and reservoir volumes. The model shows how the reservoir operated for a period of three days, and for the week. There are improvements we can look for in our model, demand allocation, future demand projection trends.

Doug said the things we use on a routine basis are fire flow requirements, maximum day demand and managing the reservoirs. Larry said when the fire marshal has questions for a new development; you can compare static pressure in the model to results of static pressure. Doug and Dennis Cawley will tell builders, don't come off this main, come off this main—so that's one tool that we use it for. Larry said he'd like to add that this example analysis represents about three reiterations, and with the kind of capital spending the Water Utility is making, there has to be a lot more iterations going through these things, and you are looking for during fire events, because we've got one pipe coming down from the Nakoma/Marlborough High area on the frontage road, and with all the construction on the Beltline Hwy, we're pretty much a balloon on a string out there. So we're looking for some additional robustness on the system. We realize it would probably be appropriate to talk to the City of Fitchburg and see where their problems are. We're serving properties in the Town of Madison, which are going to be in Fitchburg in a number of years

by agreement, so we should look at that issue as well. Larry said whenever we get into a public participation process, this is one of the building blocks that we need even before we start, and we have full expectation that we'll have to make detailed presentations to the public.

15. Report on the Progress of the Rate Increase and PSC Correspondence. (Piper)

Robin Piper said we filed the application for a rate increase on April 14. On May 12 we received initial data request from the PSC in the form of 23 questions, which we answered and sent back to them on June 6. On June 23, Robin received nine follow-up questions that needed to be answered. We replied with answers on July 9 and 15. We received another follow-up set of nine questions to which we replied the next day, July 16. Robin has since supplied additional information, yesterday regarding one question on cost of service, the cost of removal versus maintenance costs in our replacement projects. Robin said he did try to talk with the rate analyst, leaving two messages yesterday and today, to see where they are. It is his understanding they are waiting for the additional information he provided yesterday and they will talk to staff and have the revenue requirements very shortly. The next step is to review their revenue requirements, see how they compare with what we think we need, and then we start talking rates. George asked one month, two months? Robin said we're a little over three months into it and he thinks we're still looking at October.

CORRESPONDENCE AND SPECIAL INTEREST ITEMS

16. Status Report regarding Disposal of Surplus Property at 4002 Nakoosa Trail. (Nelson)

Larry said the Water Utility has a parcel of land at 4002 Nakoosa Trail. It was purchased by the Water Utility and used to fill with material from trench excavations, particularly in the winter months. Since the Water Utility has owned it, there have been improvements to Nakoosa Trail, the Cub Food Center, and WalMart properties. In November we had a presentation before the Board with regards to surplus properties. We recommended, and the Board approved, considering this parcel to be surplus, particularly in doing so to make sure we didn't have an environmental problem that could come back at us. The City is working with some not-for-profits with respect to housing ventures for the homeless. The agency is Porchlight and they have been quite successful. They were looking in the south Park Street area and because of development issues there, there was interest in getting some other site that had access to a bus line, a grocery store and to a pharmacy. We said we think we have something for you. We don't know if it's going to go forward but it has been appraised at \$4.50 per square foot. We've got a little less than two acres. WalMart owns the wetland to the north. The possibility of Porchlight picking it up is being investigated. So far it does look promising. We are paying for an environmental review of the land. Jon said he barely remembers that this is surplus property. Why did we buy this in the first place? Larry said the Water Utility bought it as a central site where they could dispose of trench fill. In the winter when there is a main break, there are a couple trucks full of very muddy soil from the street and you have to put it somewhere. Jon said so we've been filling that land, and Larry said yes, and it is full. Jon

asked if we have another place where we can put those trench fills. Larry said not too far from here, behind the Sycamore Streets Division, we have a clean fill site that we are gradually filling up. Jon said since we've already surplused this, why are we discussing it again. Larry said this was just to keep the Board current of what we're doing. This may not happen but so far it looks promising and the Water Utility could realize a quarter of a million dollars from the sale. Lynn said so this will come back if there is a sale, and Larry replied that it would. Larry said he'd recommend that the Water Utility would want to sell it at its appraised value; it has the responsibility to do that. He says \$250,000; that's at the \$4.50 per square foot.

ADJOURNMENT

Lauren Cnare made a motion to adjourn the meeting. George Meyer seconded; unanimously passed. Meeting adjourned at 6:00 p.m.

George suggested we hold a meeting at the Operations Center at 110 S. Paterson Street in one of the upcoming months.

* Review the Accomplishments of the Major Focus Areas Identified at the Special Meeting of March 8, 2007.

* August 26, 2008. Report on follow-up from UW 26 incident of June 15, 2008 (Father's Day). (DeMorett)