



# City of Madison

## Meeting Minutes - Final

### BOARD OF WATER COMMISSIONERS

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

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Tuesday, August 15, 2006

4:35 PM

119 E. Olin Avenue

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#### CALL TO ORDER

#### ROLL CALL

**Present:** Dr. Thomas Schlenker.

**Present:** Lauren Cnare, Priscilla B. Mather, Larry L. Studesville, Jonathan H. Standridge and Gregory W. Harrington

#### PUBLIC COMMENT

A neighbor to Patricia Coffey of 1202 Elizabeth Street stated, as Coffey's spokesperson, that Coffey's water had a high manganese reading and Coffey was not notified. Discussion was held on this and Al Larson said that it is our intent to mail letters to customers notifying them of the results of the test within a day or two of getting lab results. Dr. Schlenker said if the sample was sent right back for retesting, that could also explain the delay. Testing information is available on the website. Dave Denig-Chakroff said the policy is that everyone who has samples taken from their house will receive lab results in the mail. Al said he did talk to Patricia Coffey yesterday on the phone, and she said a friend saw the results on the website and told her about it. Al said there are three or four resamples at that location and they were all below 50 ppb. Percy Mather asked if there has been a change in how fast the Utility gets the results back from the lab. Al said we work with the City lab and try to get the results as soon as possible, within a week, but it put a big strain on the lab staff. They were working a lot of overtime so as time went on, they went to straight time. Dr. Schlenker said they went from 72 hours that included evenings and weekends because of the urgency to have a turn around. He said they've gone back to regular hours at the present time. Jon asked how the information got on the website. Al said Patricia Coffey is one of the ones who were over 300 and there's a table on the website that lists the samples over 300. It's basically the same memo that is sent out to staff, the Board and Alders. Dr. Schlenker wondered if, because of the 300, it immediately got kicked out for retesting and somehow got missed in terms of the routine mailing. Lauren Cnare said we should check this out, and Dave said we'll look in to it and see what happened.

#### APPROVAL OF MINUTES

1. Approval of minutes of the meeting of July 18, 2006. Approval of the minutes of the special meeting of July 25, 2006.

Minutes of both meetings were approved.

#### INFORMATIONAL REPORTS

2. July Water Quality Report.

AI stated the report is routine for the month of July.

3. August Staffing Report.

Gail Glasser reported that the Water Quality Manager and the Operation Manager positions have been posted. We have requested to fill the Public Works Maintenance Worker 1 and 3 positions. A Water Meter Reader position has been approved and is in the process of being announced. Interviews are being conducted for Hourly Laborer.

Dave said Human Resources has received four applications to date for the Water Quality Manager position, and they have other resumes without a full application. Most applications come in during the last two days before the due date so we expect more. Percy asked what the next major step will be. Dave said there will be a screening at the Human Resources level to make sure the candidates meet the minimum qualifications, then a history achievement questionnaire is mailed to the candidates. Lauren asked what that means and Dave said it contains essay questions. They have a week or two to prepare them and mail them back. We will have a committee to review the applications and then they go into the final selection process. Gail said the panel of reviewers scores them anonymously. The highest rankings are selected for interview.

4. Operations Report.

AI reported lead replacements continue at a constant rate of 20 to 25 per month. He showed a spreadsheet of pumping records saying we're 3.5% behind last year's pumpage. We passed our peak in July and demands are on a downward curve.

5. Engineering Report.

AI stated Unit Well 30 work is winding down, and we're trying to get Well 5 demolished. The Felland Road Reservoir on the far east side of Madison is under construction. We are working on the Glenway test well, which is in Reservoir Park on Larkin Street. The well is drilled, 960 feet deep, down to bedrock through the sandstone. When the well is developed, they will do a 24-hour pump test and then take samples. Regarding unidirectional flushing, in July 52.5 miles of pipe were flushed bringing our total to 195 miles of unique mains. We have actually flushed 253 miles total because we reflushed a little over 60 miles of pipe. AI said last month he reported that we had 25% of the city done but that was an error. At the end of July, 25% of the city is completed. AI said in July 197 different flushing runs were completed. He said residential sampling for manganese is starting to wind down, that we took over 500 samples during July. AI displayed a map showing the areas of the city that have been flushed. Lauren said if we would finish before the end of 2006 and AI said we would not. He said in October we'd probably shut down the unidirectional flushing and do the normal flushing as we've done in the past, to make sure every pipe is flushed at least once this year.

AI said Well 29 has the highest manganese levels in the city, and the Utility is looking at the cost benefit of installing a filter at that well. He said three scenarios for the cost analysis of a filter for 29 were looked at. One is putting Well 29 on full standby, operating 4 hours a day, 2 days a week so 8 hours of operation a week from May 1 to October 1. The second scenario is minimum operation or using a well 25% of the time or 6 hours a day. This operation would

require us to flush all of the pipes once a month. If we build a filter and go into full production, he used the pumpage from our best producing well, 78% of capacity, and listed the estimated annual water production in gallons. He arrived at the capital cost of construction estimating the annual operational cost and amortizing things over 20 years using a 5% interest rate. Al said the difference is that he's looked at amortizing the capital cost over the first 20 years, and after that you're looking at a reinvestment cost, which would mean that you are basically rebuilding or replenishing a facility to maintain it. He said with reinvestment he looked at an expected life span of 100 years. Al said looking at the cost per 1,000 gallons produced for the first 20 years, that would basically cover the capital costs and the construction costs. It's almost \$15 per thousand gallons if the wells on full standby versus 71 cents if it's in full production. After the first 20 years you take the capital costs out of the equation, and now you're just factoring in the annual reinvestment cost, the standby costs go down to \$5 per 1,000 gallons versus 40 cents per thousand for full production.

Al said, looking at the present worth at 100 years life, he used an inflation factor of 3% per year and then he used that same interest factor of 5%, so looking at the present worth cost of a million gallons produced, it's over \$3,000 in standby mode versus \$200 in full production mode. Lauren said she'd look at it as every gallon of water has a value, and we'll make more money because we'll have more usable water to sell, so it really isn't, to some degree, a cost because you make it back on the water that people use. Jon asked, if you were able to use this well in full production without a filter, what the cost per thousand gallons would be, saying about half of that .71, right? Al said it would be 278,000 a year versus 578,000 a year, so it's a little less than half. Jon said it appears that it costs almost twice as much per gallon putting this filter on it as it does without the filter. Dr. Schlenker asked if Al is making the assumption it cannot be operated at full production without a filter and why is that? Al replied because of the manganese it produces. Dr. Schlenker said, but an alternative to the filter is a frequent flushing, and Al said yes. Dr. Schlenker said you're not considering frequent flushing as a realistic option. Dave said for minimum operation yes, but not for full production. Al said we'd have to flush once a month for minimum operation, and Dave said for full production, you'd probably have to flush weekly. Al said it costs \$24,000 per flush. Jon asked if you get enough sediment formed in a week, you could flush it out once a week and catch it all in the mains and not at the taps, saying that is kind of risky. Al said when the well runs, we get frequent complaints. Jon said, so as an engineer, you're saying we should put the filter on and Al said yes. Percy asked about the type of filter and Al said it would be a green sand type filter. Jon asked if there are other options and Al said yes, ion exchange, but that is cost prohibitive. Jon asked about the junk we filter out and Al said it goes down the sewer. Larry asked the cost of Well 29. Al said \$2.9 million, plus a filter at \$2.2 million. Jon asked if that is a high estimate and Al said it was good three months ago. Larry asked about drilling another well. Al said you would have to invest another \$3 million with no guarantee that you won't hit more manganese. Al said Well 12, located on Whitney Way, is one of our best water quality wells. Well 10 is one of our lower quality wells, and they are very close together, so you never know when you drill what kind of water quality you are going to get. Jon asked if the Well 29 test well had manganese, and Al said it did not. The water from the test well had non-detectable levels of manganese and iron.

Jon asked if we should put filters on Wells 3, 8 and 10. With the demolition of Well 5, Well 3 now becomes our oldest facility. Well 8 is nearby and they serve a similar area. Al said you wouldn't filter both wells and Well 3 is the oldest so

you probably would not filter it. Well 8 was drilled in 1945 so if you consider that it has a 100-year life expectancy; it would have a 40-year life expectancy left. Al said in his opinion, you wouldn't be able to put \$2.2 million in there and get a good filter. You'd have to update the pumps and facility, all of which would drive up costs. Well 10 was built in 1951 and has some construction challenges. You'd have to build into the hillside so there would be higher construction costs. Dave said one important factor is that with Well 29, we don't feel we can get away with putting it on standby because of the growth in that area, whereas Wells 10 and 3 we probably can get by with leaving them on standby mode. Al said anyone that's been to the east side of the isthmus knows that finding a suitable well site to replace Well 3 would be a challenge from a property standpoint and to meet DNR regulations. There is a lot of landfill and industrial areas we have to stay away from.

Lauren asked if the filters are less expensive if they are installed when the well is constructed, and Al didn't know. Jon said it seems to him that the issue is, what level of manganese is okay. Jon said that's a criteria for new wells, if it's above a certain level we put a filter on, and if it's below it, we do unidirectional flushing. Jon said it's a community discussion, that we need the Public Health people to weigh in, the engineers and the consumers to weigh in, and the accountants. Based on all of the information we have, we'd decide where we want to go. Percy said we need to study the issue and Dave said we still don't know the full effect of unidirectional flushing. Jon said we need to set a goal as to where we want to be with either flushing or treatment. Dr. Schlenker said he thinks we're in a good position because we have generated a lot of really relevant data over the last few months, and well treatment is the best place to look because we have a few hundred samples there that show the distribution of manganese. They are randomly selected, so it's a good assumption that it does represent the entire service area and we can look at that. Dr. Schlenker said health impact, aesthetic standards are important, and looking at the data and try to make some intelligent decisions. Jon asked how we'd get the process going. Dr. Schlenker said his people could prepare a report, laying out the facts as we know them, and present it to the Board for consideration. Dave said what we don't have in that data is the impact of reflushing, that we are still reflushing some areas. Al said we're not planning any more sampling other than the citywide sampling. Larry said we also have to look at the economics of all of this. Dave said another operation they are looking at right now are pigging operations, running a pig through the pipes to clean them, so if the unidirectional flushing doesn't clean the pipes to the point where we think they should be, we could try pigging some mains and cleaning them out that way. Al said replacing pipes with larger ductile iron pipes would also help. Lauren asked if the filter for Well 29 is in the 2007 capital budget and Dave said yes, it is. Jon said once we get the filter on and start operating the well, then we have another big data collection set and we can find out whether that solved our problem and compare it to unidirectional flushing, or minimal use of wells. We're saying 170 is too high but when we build the Glenway Well, if it's 50 or 100, do we treat? We know it's going to be treated if it's 170, but it would be nice to have a basis for the decision. Al said he would say, if the test well comes back at 60 or 70 ppb manganese, then it's up to the Board to say this site is no good, and we've only invested \$50,000 in the test well.

Al said Black & Veatch will present the Master Plan to the Board at the October meeting.

6. Customer Service/Billing Report.

Ken Key reported yesterday and today have been the two busiest days of the year

with students moving in and out. We had 398 orders for that type of service. Regarding customer view that would enable our customers to go online and look at their consumption and their bill, that was thwarted due to a patent infringement by our software provider. A parent company, Harris Computer Systems, has taken over our software provider. They have an alternative system that doesn't infringe on this patent. Ken said we had a demo of it and it looks like it would serve our needs very well. In the meantime, we need to get everything coordinated between our third party printer of our bill, what we print in-house, and what the customer might see online. Ken said he's talked with all of the involved parties and mocked up a new bill and how we can conform it. For the most part, it looks pretty good so we will be continuing with that effort and hope to see something within the next couple of months.

7. Report on Flushing Operations.

This was covered in Al's report.

### FINANCIAL REPORTS

8. Fund Balance Report.

Robin said that we are showing a negative balance in the Cash Flow Fund because the City billed us in July instead of September for our Workers Comp Insurance and Property Insurance. The City does this randomly so we never know when it will be done. The Interest and Principle Account is down a little which reflects the \$700,000+ interest payment on July 1 on our outstanding bonds .

9. Capital Project Report.

Robin stated that we spent \$347,000 in June, and there is nothing is out of the ordinary there.

10. Approval of Operating Budget Request.

Robin included a copy of the Income Statement. He said he requested from the Public Service Commission a packet to start a rate increase case again that we hope to file later this year. The model appears to be working, and shows that we can expect an 8.5% increase. Robin said he estimated 9% because it was easier to work with in doing this report. He said the budget shows a summary of our capital assets, and the projected and requested actual budget amounts. Toward the end of the report is the requested budget highlights. Included in this is funding for continuation of existing services, increased funding to complete four Wellhead Protection Plans, increasing funding for the unidirectional flushing program, increasing funding for water samples, requesting funding for implementing the action plan resulting from the completion of the Strategic Business Planning Initiative begun in 2006 with EMA. Also included is a net increase of 2.7 budgeted positions. The Utility will be filing a formal rate case with the PSC in 2006. A revenue bond issue of approximately \$17,000,000 is anticipated in the summer of 2007. Our last revenue bond issue was in June of 2006.

Lauren asked if the \$300,000 covers the full implementation of the Strategic Business Planning Initiative with EMA. Dave said it's not clear, that they have a range of estimates on what it might cost but it will totally depend on what they find during this year of self-assessment as to what kind of improvements they will

recommend and what the cost of those improvements will be. Dave said he put this number in there as it was in the range they had suggested, and when we get the 2006 work done, we'll have a much better idea. There is also the option of how fast do we want to implement the plan. We can do it all in one year or we can spread it out over three years or whatever. Lauren said it was indicated that this was an investment. Dave said hopefully we'll be able to show that anything that we budget for implementation, we'll get more than that as a payback within a fairly short period of time.

Robin said it's a proposed budget. If we find we can't complete the second phase in one year, we don't have to spend the whole \$300,000. It's just giving us the option of doing that.

Percy asked about the line item for pensions. Robin said it's for retirees. It's included in the City's budget as fringe benefits, and it's 37.6% on salaries, so that is how it shows up. Robin said we actually calculate that ourselves, and an estimated \$580,000 for the retirement pension part of 2007. Robin said he figures it for PSC purposes. Robin noted, regarding the Capital Budget, they looked at what it would cost to renovate the Operations Center. He said he sent an email to the Capital Improvements Review Committee saying it's going to cost \$550,000 more according to the latest estimate from our architect to complete that. Robin said today we got an email from City Engineer Rob Phillips regarding the E. Washington Avenue Segment 3 project, scheduled for 2007, is now being estimated at \$2.3 to \$2.5 million. Robin is not sure what happened there. We had budgeted \$1.2 million for reconstruction of that segment. Larry asked the reason for this. Robin said he's hoping for further explanation. Dave said the increase in the Operation Center building is because of rising construction costs in materials. Al said our estimate on E. Washington is probably three to four years old. Robin said in June we spent \$34,415 on unidirectional flushing, which brings us to a total of just under \$139,000. The manganese investigation cost \$27,700 in June with a total of \$86,100.

Larry Studesville made a motion to accept the informational and financial reports. Lauren Cnare seconded; unanimously passed.

Jon Standridge made a motion to approve the Operating Budget Request. Lauren Cnare seconded; unanimously passed.

## ADMINISTRATION

### 11. Status of Mayor's Initiative and Benchmarks.

Dave reported on the status of the Mayor's Initiative. He highlighted some items in the benchmarks and standards. Dave said there will be five Wellhead Protection Plans completed in 2007. Regarding strengthening the connection between water issues and public health, an example of that is that Dr. Schlenker of the Health Department is now a member of the Board of Water Commissioners. Regarding technical water quality peer review task force, Dave said he has talked to several people about this and is expected to be done in the fall, so we'll be working on it pretty hard over the next month or so. He said maybe next month he'll have a list of people he's proposing for the task force. We are still on track with the lead service replacement program, and a committee is working on an update to the Emergency Response Plan. Dave said we've made a lot of progress on the enhanced Water Utility website, that Gail is heading this up with assistance from Sara Edgerton of IS. Dave said they are going to have to get going on the customer survey issue, and the customer satisfaction card. He said

the Water Quality Manager position is posted.

Dave said a neighborhood meeting about Well 29 is scheduled for August 24 at the Sycamore Street streets facility.

Dave said we're working on finding people for a citizen focus group. He said he's been talking with neighboring water utility managers and there is interest in getting together and discussing regional issues. They are particularly interested in what the Groundwater Advisory Council is doing and proposing. Another issue that has come up that some of them are interested in is forming an emergency response and assistance network that everybody is in and has signed agreements for mutual assistance. He said within the next two months he hopes to get a core group of utility managers to meet and discuss those issues. Regarding communicating regularly, Dave has been doing update emails and has had several public speaking engagements and more are scheduled. Jon asked for examples. Dave said one speaking engagement was with the Rotary Club, one at Oakwood West, one at Lions Club and one is scheduled for the Kiwanis Club. Jon asked if he did a power point presentation and Dave said he did. They have been very well received and he's gotten good feedback. The Madison Technology Club is going to meet here and tour the meter shop and the SCADA system, and AI will do a presentation on water issues. Jon asked how he gets invited, and Dave said mostly they have called and asked him to speak. He said we've gotten more requests because of the all the recent publicity. He said on internal communications, we're working on a contract to get a scope of work to the contract document for EMA. EMA is ready to start any time we have a signed contract.

Dave said he's been having regular monthly staff meeting and continues the labor management meetings. He has had frequent emails with the staff, sending them updates. On management training, there was a leadership skills training last week Dave attended, and we're looking for further opportunities for that. Dave said regarding the issue of focusing the Board on major infrastructure issues and water quality issues, he thinks we are accomplishing this. He asked the Board to let him know how they feel with respect to the level of detail our reports contain. Jon said he thinks we're moving in the right direction. He thinks in this portion of the report, he found the most interesting item being the speaking Dave has been doing. He said maybe every month Dave can highlight one of these issues.

## NEW BUSINESS ITEMS

12. [04161](#) Amending Section 13.06 of the Madison General Ordinances to clarify that the maintenance of water meter pits is the responsibility of the property owner and amending Section 13.22 of the Madison General Ordinances to increase the minimum fine for violations of Chapter 13 from \$25 to \$50.

Sponsors: Lauren Cnare

A motion was made by Harrington, seconded by Standridge, to **RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER Dave** said we've been having some problems with people maintaining their meter pits, and since we were updating that portion of the ordinance, the City Attorney's Office wanted us to change the fines to bring them up to current standards. Ken Key said many people don't understand that the meter in the pit is the Utility's, but the construction of that pit has to be maintained, such as built in ladders, etc. Some of the pits have been flooded when we've had heavy rain. We shouldn't have to put a pump in to flush them out as that is the owner's responsibility. Percy asked how many there are. Ken said we have 250 large meters with probably half being in pits. Many are in the University area, Maple Bluff has a number of them as does Wynona Sanitary District 2. He said we get this information out when there is new construction. We have a spec sheet that has the information on it. Instructions on this is also on our website.

Greg Harrington made a motion to approve the resolution. Jon Standridge seconded; unanimously passed.  
The motion passed by acclamation.

### **CORRESPONDENCE AND SPECIAL INTEREST ITEMS**

13. 2006 DNR Annual Inspection Report.

Dave pointed out is there is an issue with respect to missing three monthly pumpage reports. It seems to have been a miscommunication and we've now put in backup systems to make sure reports are sent to the DNR. All of the reports have now been filed with the DNR. Percy said some of the issues resurface and wondered why. Dave said they want us to correct some of things as we do a major improvement on the well, saying we have been doing that and are still working on it.

### **APPROVAL OF NEXT MEETING DATE**

14. Approval of next regular meeting date of September 19, 2006.

Lauren said she will be unable to attend the entire meeting.

### **ADJOURNMENT**

Lauren Cnare made a motion to adjourn the meeting. Greg Harrington seconded; unanimously passed.  
Meeting adjourned at 6:29 p.m.