



City of Madison

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

Tuesday, June 24, 2008

4:30 PM

119 E. Olin Ave.

CALL TO ORDER / ROLL CALL

Present: 5 -

Dan Melton; Lauren Cnare; George E. Meyer; Gregory W. Harrington and Michael Schumacher

Excused: 2 -

Jonathan H. Standridge and Thomas Schlenker

APPROVAL OF MINUTES

Lauren made one work correction on page 13, line 5 of paragraph 2, where the word "subjected" should have been "subjective."

Lauren Cnare made a motion the minutes be approved. George Meyer seconded; unanimously passed.

PUBLIC COMMENT

Jurgen Patau of 114 Alden Drive commented on the SOP on well siting, saying he was a member of the team that drafted the public SOP. He stated the drilling site at Larkin Street looks much better. Many people with nothing else in common took part in the process for drafting the SOP. Everyone came to the table with a slightly different take, but after much discussion, came to a compromise. Jon Standridge did a good job in facilitating the meetings., and members of the draft team did an excellent job. He said Larry Nelson took them seriously and worked with them. Adam Wiederhoeft was given the task of knitting together all of the comments and did a very good job. Alder Tim Gruber encapsulated a lot of the anger into a resolution for the City Council. Alder Michael Schumacher kept us from going off track. It is now up to the Water Utility to use the document/process. Jergen said he trusts the new general manager will be able to embrace it and its intent. He thanked Lynn Williamson for starting this process.

REPORTS

1. [10987](#) Water Quality Report

Lauren asked Joe Grande about page three, where they are talking about the Larkin Street Pump Test, there is a statement at the end of the second paragraph of his report that says, "KB stated we are not running out of water. The utility is unable to pump or deliver the water fast enough to meet demand.

There is plenty of water in the ground.” Lauren said we’ve been operating a little differently. In reading this, she’d say what is the point of a conservation plan - we have plenty of water. We just don’t have the technology to get it to people when they want it. She said this seems to fly in the face of what we’ve been operating on. Joe said he thinks the statements made here are untrue statements. The other issue to be considered is how hard we pump the aquifer has the potential to impact water quality. One of the issues with conservation is that you’re not pumping your wells as hard, and you’re not as likely to be moving contaminants around, so it’s a quantity and quality issue.

Read into Minutes.

2. [10990](#)

Water Supply Report

Larry said Dan Melton had questions about the report so it was then updated. Lauren asked what was changed. Joe DeMorett said Dan asked about when a status shows out of service mode, part of the data and information is still coming in from the site; it was just that the alarms were silent. The out of service mode is designed to be placed on seasonal wells or wells out of service for repair. The data was still coming in but the alarms were silent and that was a mistake on the Operators part. The well shouldn’t have been placed in the out of service mode. Joe said there are two sites, #6 and #20, that we can’t place in out of service mode because both receive water from other wells. For instance, if Well #17 was down, we’d place that in out of service mode and it would have no effect on the site because the reservoir would also be out of service and not functioning. The new system we’re incorporating has taken that into account and we don’t have water service mode any more. We have a list of alarms and signals that we can enable and disable each site individually. So in this case, if we had the new system, we would have shut off the alarms for the deep well, #26, and left all the other information enabled to get that data.

Dan asked about the municipal code that addresses the loss of pressure in the distribution system, and if we were required to report this incident to the DNR. Joe said in speaking with the DNR and looking over Code NR811.08, we did not have to report it to the DNR because it was less than 25% of our distribution system as a whole, citywide. If it had been over 25%, we would have been required to report it to the DNR. The DNR would appreciate a courtesy call regardless, even just a voice mail to keep them informed.

George said he had a call from someone with loss of pressure who said he checked the website and there was nothing on it. His request was that this be done in the future. Note that this was on Father’s Day. Larry said there were 700 calls and the system was clogged. He called the management team, and Gail put out a press release. Gail has now been added to the list for putting items on the website. Larry said a separate phone system is needed to call in management. Michael said people don’t read press releases accurately. Dan said he’d like to discuss reverse 911, and Larry said the Fire Department has tried it and it still needs some work.

The question was asked what the time frame is for switching to a different SCADA system. Joe said software has been decided on and installed at UW 18. It is the most complex site and we like what we see. We are ready to start converting other sites over. Joe said the new system is more advanced

and user-friendlier. With this system we can pick and choose what we want to see; the old system was all or nothing. Dan asked if we have an SOP for boil water notice. Joe said not specifically for a boil water notice. We do have an SOP that looks at unidirectional flushing and discusses this. Joe said he understood that the public was most angry at the phone system, that they couldn't get through, as opposed to the actual water problem.

Read into Minutes.

3. [10991](#) Staffing Report

Lauren asked about the Absence Without Pay item on the report and what that means. Larry said it means that the employee doesn't have any leave credits left, that they have used everything up.

Read into Minutes.

4. [10993](#) Operations Report - See Attachment

Read into Minutes.

5. [11015](#) Engineering Report - See attachment

George Meyer asked what the problem is with Wellhead Protection Plans. Joe DeMorett said we were going with a company that has done the Utility's contaminant assessments in the past. We couldn't get the right formats where we could we read them easily, and we were spending hours getting things where we wanted them, etc. He said we approached another company, Environmental First, and they were willing to work with us for half the cost. We received all of the information/data we need early last week.

Dan Melton asked if anything is happening at Whitney Way. Joe said we are waiting for the environmental contamination data on it. It came in and Adam is working on it so we're back on track with that.

Read into Minutes.

6. [10994](#) Customer Service Report

Lauren asked about the 250 letters to customers who are overdue on their lead service replacements, and asked what we do about it. Larry said these letters were based on what records we had. We told property owners they have to do the replacement or we will send them to the City Attorney for compliance with the regulation. Larry said of the 250, we've received several calls from people interested in who they can hire as a plumber to take care of it. We also issued around 12 letters so far confirming the water customers' statements that they do not have a lead service line, or that they had already taken care of it. He said we are nearing the end of the program and really have to get serious about compliance.

Lauren asked, when we did the billing upgrade, was it transparent to

the customer. Ken said no, it's an internal thing. The biggest benefit we get from the upgrade is speeding up response time in the system when going through the billing process rendering bills and creating reports. He thinks it cut 4.5 hours down to about 1.5 hours.

Read into Minutes.

7. [10995](#) Public Information Officer Report

Lauren said Gail Gawenda indicated that she is working on the water conservation issue, and there is going to be a presentation to the Sustainable Design and Energy Committee. She asked if this will go to other committees or what the purpose was of going to that meeting.

Gail said they invited us to attend. Lauren said she thinks there are others who would be interested also.

Greg asked Gail how many of the press releases are being picked up. Gail said several have gone out with some distributed widely beyond the media.

Read into Minutes.

8. [11005](#) Fund Balance Report - See Attachment

Read into Minutes.

9. [11009](#) Cash Flow Statement - See Attachment

Read into Minutes.

NEW BUSINESS

10. [10884](#) Amending Sections 13.12 and 35.02(8)(d) and creating Sections 35.025(5) and 37.05(4)(h) of the Madison General Ordinances to revise the late payment penalty for water and sewer services and to create a late payment penalty for landfill remediation and stormwater services to conform to the Wisconsin Administrative Code.

Michael asked if this is driven by Public Works. Larry said we're bringing the Madison General Ordinance into compliance with the Wisconsin Public Service Commission. Larry said we have been charging 1%. Greg said so this is before us because we can make decisions about the water; we aren't in a position to make decisions about landfill remediation and storm water services. Greg asked if there is a committee looking at these things. Ken said some years ago we were allowed to charge 1.5% but they came up that we were in violation of state usury laws so he switched to 1% per month.

Dan Melton made a motion to approve the resolution. Michael Schumacher seconded; unanimously passed.

A motion was made by Mr. Melton, seconded by Schumacher, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

11. [10854](#)

Submitting the name of Tom Heikkinen for confirmation of a five-year term as Water Utility General Manager.

The Water Utility Board adopted a motion to approve appointment of Tom Heikkinen as the Water Utility General Manager and recommend adoption of Resolution ID# 10854 all in accordance with Madison General Ordinance 13.02.

Tom Heikkinen said he spent the day with Larry and met some of the personnel. Tom thinks this will be a good fit, saying he brings some skills to the table that will be useful to the Utility. He is going to enjoy the challenge and thinks there are tremendous opportunities here and a great foundation to build on. His approach will be to do an assessment that is four dimension: people, processes, technology and finances. He will gather input all across the board on these issues and see where we are strong and not so strong, and how to plan for the future. In a Utility, you have the challenge of balancing the day-to-day with the long-term strategic planning.

Tom said his four priorities are: water quality and liability, employee safety, customer service and public communication, and sustainability in terms of infrastructure and the long-term planning and execution of programs.

George welcomed Tom and asked how he sees himself spending the first 30 to 60 days. Tom said his time will be spent listening, learning and talking to the stake holders, the staff here, getting out and understanding what they do day-to-day and what their concerns are. It's a process of absorption and there is a steep learning curve; you learn the people and the culture of the organization which is defined as the way things are done around here. Tom said he will not be doing a lot of directing in those first 30 to 60 days. His style is one of collaboration.

Lauren welcomed Tom and stated Madison is a great city overall. She said there was money left over from a consulting group, EMA, to do a leadership or executive boot camp. She said it's out there and she would encourage him to see how he wants to use that kind of legacy as you learn what the organization needs and how you are going to make that interface to make yourself a working organization. Tom said as part of his research, he did talk to some folks at EMA whom he already knew and they put him in touch with the ones who worked on the project here.

Michael asked Tom if, looking at water utilities across the country, any problems are emerging that appear to be a trend. Tom said there are new trends in the water industry all the time. One of the big ones is asset management and how utilities are understanding what they have, what condition it's in and what are the optimum strategies for repair, renewal and replacement. He'd like to apply some of those principles here and understand how we have done them so far--the rate at which we are reinvesting in infrastructure and the optimum strategy for replacement. Automatic meter reading is another interesting area where improvements are being made and the cost is coming down, so we may have some opportunities there. Tom said the next trend is interesting--the green buildings movement and the sustainability movement really stressing water reuse. He thinks it's going to

be more and more common where traditionally we have great supply and don't have to worry about that. It's being done many places in this country and that is smart. He knows in this building we have water reuse.

Dan asked Tom if he has experience with groundwater as a drinking water source. Tom said no, back home they used surface water and with that, you have to do more extensive treatment. The distribution part of his experience is applicable here, so he does have some things to learn in terms of hydrogeology. He said he has some academic experience in that area. Dan said, if you had a water main break, something unforeseen that left 200 homes without water pressure, how would you prefer to communicate to your customers? Tom said we had a recent example where a 48" water main ruptured that left 200,000 people without water for about a day. A boil water notice was issued through the media, radio, television, and what we have been working on for some time is a customer notification system where you can direct messages out to particular customers. You can do this by drawing a line on a computer screen and if the system is set up right, you can send out messages as needed. Dan asked what do we have to do to get to that point and what the obstacles were to implementing it in Washington. Tom said there was no real obstacle; he thinks a vendor was recently selected and the project was on track. Tom noted that it was a very large utility. Greg thanked Tom for coming to the board meeting.

Michael Schumacher made a motion to confirm Tom Heikkinen as General Manager and to adopt the resolution. George Meyer seconded; unanimously passed.

Michael Schumacher made a motion for adoption. George Meyer seconded; unanimously passed.

12. [11018](#)

Capital Budget Capital Improvement Program - see attachment

Larry said he'd like to go through this line-by-line. He said the 3rd page is the funding for the budget and is a standard form for the City of Madison. It doesn't show any general obligation debt because the monies are to come from revenue bonds. When we put the project together, we substantially reduced the budget because of the Water Utility's current financial situation. That will have to improve before we would be able to sell \$11.4 million of revenue bonds. We have \$1.4 million in available funds. The total budget right now is \$12.832 million. Revenue bonds are \$11.4 million. Other existing funds are \$1.4 million, which is not committed until 2008. Larry said we budgeted \$200,000 for lead replacement, which has to be completed by November of 2010 to be in compliance.

Project 2 is the Meter Program. We capitalized this because of the life of the meters. They are funded through our depreciation expense.

Water Main Replacements - a big item in the budget. This is to put new water mains under streets that the City is rebuilding. The City of Madison General Fund, the Sanitary Sewer Utility, the Storm Water Utility and the Water Utility are spending a lot of money on replacements. We'd like to spend more money on replacements. We argue that we should not be putting new streets over old water mains. George said he understands the practicality of replacing mains when street construction is occurring. He asked if we'd be missing other mains that need replacing. Larry said we had a number of

projects in 2008 where streets were unimproved. The budget will allow us adequate funds to do what we need to do. As the Alders know, some of the projects were pulled off the table and we'll have other projects changed as necessary. The vast majority of the main replacement is in conjunction with street replacement. Larry said we could certainly justify several million dollars more of construction, but there is affordability issue and also the capacity of the Water Utility to manage that construction load. There is also the capacity of the citizenry to tolerate a number of streets being torn up at one time. Lauren asked if the Utility has to pay for repair of a street the Utility tears up to do a main. Larry said yes, we have to patch it. It is very expensive, about \$130 per foot for restoration. Greg asked if this is based on the estimate of Streets as to how many streets they will be repairing in the next five years.

4. New Water Mains: Larry said we have two projects on the east side in the Milwaukee-Thompson Drive area, and then east of the interstate highway, which have chronic low-pressure complaints. We have in the 2009 budget to effect the crossing of Highway 30 by Mesta Road, and in 2010, extend that east of the interstate highway, hopefully in conjunction with a major development that is going up.

5. Scada System: Joe DeMorett had a major project envisioned for the SCADA system, a one shot deal, using a consultant to select the kind of software they would use and then contracting for it. This past year, we decided to use our own staff for this work and then use a combination of our staff and private contractors to actually upgrade the SCADA system. We have Well 18 as a prototype and are continuing to budget funds for the rest of it. Larry said it is pretty economical using our own staff and when we get done with it, people have a better idea of the capabilities so Larry recommends that this be continued. Michael asked what the shelf life is of the software. Joe said he imagines there will be updates every year and major ones probably every other year. He said the software itself was about \$6,000 and that will cover all of our sites. The major costs are the hardware that goes to each site, and the development of the screens for each site we have. We've already purchased all of our computers. Joe said this stuff has been around for a long time.

6. Femrite Drive Unit Well: This is a new unit well that is proposed for the City's southwest side. It will serve the southwest and also reinforce Unit Well 9, which is operating on its own pressure district. We have to visit the water quality data and do a public participation plan. That will occupy the Water Utility in 2009.

Dan asked Larry if there is a priority on this list such as is 6 being more important than 9 on this list. Larry said yes, for the most part. Dan asked how Femrite Drive got on here. He said he'd never heard of it until last Wednesday. Michael said he heard of it this morning. Dan said he's not arguing it's not necessary because it sounds like it is, but where was it before and how did it get to this spot on the list. Larry said it was actually in the budget for 2008 and we met with management staff and prioritized the projects. The concern with respect to this area is we need redundancy for it, but we're kind of a balloon on a string right now with regards to water supply. Larry said we went through the projects and tried to balance them on the level of need. Lauren said she thought there was a TIF District established out there. Larry said that TIF District has been closed. Lauren asked if this will help this project. Larry said we don't have it in here, but if we have an opportunity to do it, we

will. This whole area was able to be dissolved because we got TIF funds to put this water main in. Lauren said she hopes we can more of them.

Greg said this well was identified in the Master Plan and his take is that it is number 33.

Michael asked if this is the first well that we'll be using the public participation plan. Larry said no, we'll be talking about several others in here as well. Dan said he wouldn't anticipate that we'd have to reduce this even further, but on the possibility that we'd have to lock things up for 2009, it would be your professional judgment that we would lop off from the bottom-roughly 6 is more important than 9, 10 or 11. Larry said somewhat, but we'd have to go through the whole thing to make that determination.

7. Unit Well #8 Fe and Mn Filter: Larry said this is the commencement of the public participation process coupled with the design process for the installation of iron and manganese filters on Well 8. That is in keeping with the priorities established by the board. It is an interesting project and he wishes we had a better idea on cost estimates. Based on our hydraulic model, on the Master Plan, it shows the installation of a new pump station for water from Well 18. It comes through the Badger Road area, comes down the Beltline Hwy and goes out the Beltline to Verona Road area. That was identified in the Master Plan but it was not initiated during the most recent Beltline Hwy work. It's probably a good thing because the City is also talking about major reconstruction in that area. We're looking at the possibility of getting away from the Beltline Hwy and using the railroad corridor that the City of Madison and City of Fitchburg are closing on next month. Larry doesn't want to hold out a promise on this thing, but it would include construction for 2009 for the water main, and work on the installation of a pump station in this area in 2010.

8. Booster Station #118 - Todd Drive: this would require public participation. Dan said if he remembers correctly, when Larry presented them with a 2008 Capital Budget, Todd Drive was the first item below the threshold. It was considered the highest priority of things you didn't get to. Larry said staff has been working on it. He said just putting it in the budget does not get it done; there is a lot of work.

9. Raymond Road Reservoir: Larry said we talked about this in 2008. We've done a lot of work with the Parks Division and the Mayor's Office with respect to the siting of the Raymond Road Tower, #216, in the Elver Park area. We talked to the Alders and they thought that would be acceptable. We could be on existing City property, which is where there is a Fire Station and Police Station in that area. Potential construction would be 2010.

10. East Isthmus Unit Well: (also known as the Well 3 replacement). We have funds for that replacement. Currently we're working with Dane County Regional Airport, Department of Military Affairs, looking at a potential site. This is all government property so we'd have to have their approval before we could start anything. It pushes the placement of the well out further than we'd like, but it has been tough finding a site.

11. Near West Side Unit Well: Formerly known as the Reservoir Park site. Larry said we're still on planning and public participation process, and working on the test well for the existing Water Utility property in the vicinity of Mineral Point Road and Whitney Way. George asked about costs and Larry said he doubted there was a breakdown on that. 2011 would be design, \$75,000 would be for testing.

12. Unit Well #7 - Fe and Mn Filter: Design and public participation in 2010, potential construction 2011
13. Unit Well #10 - Fe and Mn Filter: Filter in 2010. That project may be deferred pending a review of the hydraulic improvements for the proposed booster station on #18.
14. Booster Station #129: We have a temporary pump station at Well #129 so he put this as in the future-2014.
15. Blackhawk Elevated Reservoir.
16. Zone 10 Far West Elevated Reservoir: This is really far west. It's just planning out to the end of the capital improvement process.
17. Lakeview Reservoir: Replacement of a reservoir.
18. Whitney Way Unit Well: This is part of the Master Plan.
19. Hoepker Road Unit Well: In the planning process.
20. Infrastructure System Plan Improvement: Continuation of the project.
21. System-wide Miscellaneous Projects: Larry said we have funds for continuation of our security program in 2009. Included in 20 years or more are new roofs, lighting projects, and some energy conservation projects-basically system maintenance.
22. Paterson St Building Remodel and Upg: We would like very much to proceed with the Paterson Street building remodeling and upgrading. It is a good location for us, but the building itself is not in good shape. Lauren asked what the total cost would be, saying she sees that it was brought out to \$550,000 in 2014. Is that the whole cost? Larry said no. Michael asked if there are any safety issues with the building. Larry said no but it's not a very efficient building. Dan said it is not efficient for mechanic work as they can't hoist high to get under vehicles. Larry said \$2.9 million was in the 2008 budget for this. But it's not as critical as some of the other projects we have. George asked if we could move this up through financial adjustments. Can it be done in segments? Larry said yes, plans are complete for the project.
23. Automated Meter Reading System: Larry said this is a very expensive project. There will be more discussion of this, and it could go through some accommodations of automated meter reading for some of the larger facilities.
24. Reconstruction of Booster Pump Station #106, Reservoir Park: This is 80 years old. It will include public participation.
25. Miscellaneous Pump Station/PRV/Facility Project:
Larry said it is in the Capital Budget. Summarizing the first priority is the Lead Service Replacement Program. We'd like very much to have a budget substantially more than this, but we don't think it's in the cards at this time. The Capital Improvement Budget in 2008 anticipated a \$21 million capital improvement budget, and we have cut that down to \$12,800 million.
Dan Melton said he's not prepared to approve this and he wants to argue in theory. Let's say, as a board member, I want to marshal the evidence that Item 24 was for example. Let's just say, Item 24 is critically important, and I want to convince each of you to move #24 up. If we go for this motion, we're approving this ordering of priorities, right? Greg said we're approving where we project the dollars will be spend, and in what year. Larry said if this motion passes, there is nothing to preclude the board from considering something or having some other situation occur two months from now, that you can get back into the budget process, either through the Mayor or your alder representatives. This budget, frankly, no matter what the Water Board does on this, the budget will go through a very long process, hopefully, culminating

about the middle of November. So there will plenty of opportunities to actually marshal your facts and get them to the board and get them to the Mayor. It is a process in the truest Madison fashion, Larry said.

Dan asked the Alders if, in their experience, they remember offering amendments to the Water Utility Capital Budget. Lauren said no. She said we do for many departmental budgets, but something like this, they don't look at this as being any priority order. By the time it gets to the alderperson, it's more about what you think is important on behalf of your constituents. If somebody came to me and said this Paterson Street thing still bothers me, I would be tempted to make some referral outside of the budget process. Most people look at these and glide through the process. The things that get kind of caught up are not capital items but other kinds of things more problematic. Lauren said you would have the opportunity to call your alder or Michael or myself and say you'd like an amendment to move those dollars over to the 2009 category.

Janet Piraino said this budget goes to the Mayor. It's helpful to have it in priority order, that it's just a system. If there is a need to cut, she can be contacted. The Mayor won't cut projects. Lauren said our budget usually just flies through. There was some arm-twisting about the Paterson Street thing. Greg said the money for this comes out of debts we incur as a utility. How does that factor in? Larry said this budget anticipates borrowing \$11.4 million, and we went through borrowing last time and had some issues. The Water Utility is going to have to be in a position to sell bonds at a reasonable rate. Larry said last year we had to go through another look at the budget. Nothing is going to change right away. Dan said as he reads the text, to him as a lay person, item 9 for example, Raymond Road Reservoir-it seems from the description of that it is just as important item 6 is. Even item 24 seems important to him when he reads the text. Dan said he just has to trust that you guys made the call that 6 is more critical than 9 so it's a combination of factors. Greg said instead of looking at it in numerical order, he just looks to see what is in it for 2009. Larry said you have to keep going through and massaging the numbers. Lauren said we're trying to hold the budget down for 2009 because of our financial satiation. Dan asked Larry if he is comfortable that the filter on Well 8 is more important than #7. Larry said yes, we've been having more complaints on Well 8, and he thinks we're operating on a complaint driven basis. Larry said he is disappointed at how long it takes to get a rate increase and get it back into the system.

Michael Schumacher made a motion to approve the capital budget. George Meyer seconded; unanimously passed.

ADJOURNMENT

Motion was made to adjourn the meeting by Michael Schumacher. Motion seconded by George Meyer; passed unanimously. Meeting adjourned at 6:35 p.m.

FUTURE AGENDA ITEMS

- > Review the accomplishments in the Major Focus Areas identified at the Special Meeting on March 8, 2007.

- > Demonstration of the Capabilities of the Water Utility Hydraulic Model including potential improvements.

- > A report regarding AMR (Automatic Meter Reading). It was staff's intent to have this report available for the April 29, 2008 Board Meeting. However, the report is still being drafted.