



April XX, 2015

DRAFT

Mayor Paul R. Soglin
City of Madison Mayor's Office
210 MLK Jr Blvd, Room 403
City-County Building
Madison, WI 53703

Dear Mayor Soglin,

This letter provides results of the Madison Water Utility Board's 2014 annual review of the Water Utility General Manager, Tom Heikkinen. We undertake this evaluation to assess 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 informs the Board on the Utility's progress in fulfilling this mission by providing updates on these topics:

- Water quality
- Water quantity
- Reliability of service
- Affordability
- Sustainability
- Treatment of consumers
- Treatment of staff
- Financial planning and budgeting
- Financial condition and activities
- Emergency succession
- Asset protection
- Infrastructure
- Communication and support to the board
- Quality and performance improvement

In 2014, Mr. Heikkinen fully met the Board's policies in twelve of these areas. This is consistent with last year's evaluation, and it speaks to Tom's continued success in maintaining excellence on a wide range of issues. Under Mr. Heikkinen's leadership, the Water Utility made significant progress on several major infrastructure projects: developing a new well on the southeast side, Well 31; renovating an existing well, Well 7, on the north side; reconstruction of the Lakeview Reservoir; and re-building a pumping station on the near west side. The Utility fully implemented automated meter reading and fostered lively public discussion around a proposed rate structure to foster residential water conservation.

As in previous years, two conditions of Board policies were not met in 2014. The Board recognizes that mitigation projects are in progress to address conditions in several areas of the City which lack ideal fire flow pressure and ideal pressure at customer taps. The Utility also fell short on a financial goal—to establish an unrestricted reserve fund. The Board fully supports Mr. Heikkinen's decision to prioritize repayment of a loan from the City prior to funding a reserve. We expect that this reserve may not be established until 2019, following final repayment to the City.

In summary, Mr. Heikkinen met all but two of the Board's many expectations for the General Manager in 2014. The Utility continues to make good progress in addressing both deficiencies. The Board appreciates the dedication and leadership Mr. Heikkinen brings to the Water Utility, and we look forward to his success in completing the many large projects currently underway.

Please feel free to contact me if you have any questions about this review.

Sincerely,

Madeline Gotkowitz
President
Madison Water Utility Board