



City of Madison Proceedings - Final BOARD OF WATER COMMISSIONERS

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

Tuesday, February 22, 2005

4:35 PM

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CALL TO ORDER

The meeting was called to order at 4:35 p.m. by President Priscilla Mather.

ROLL CALL

Present: Ald. Jean M. MacCubbin, Priscilla B. Mather, Jonathan H. Standridge and Gregory W. Harrington

Absent: Larry L. Studesville

APPROVAL OF MINUTES

1. Approval of the minutes of the meeting of January 18, 2005.

Approve the Minutes Jean MacCubbin made a motion to approve the minutes of January 18, 2005. Jon Standridge seconded; unanimously passed.

President Mather said that, at this time, Mr. Williamson would like to make a statement.

Mr. Williamson provided each board member with a petition reflecting the signatures of almost 40 people in the Nakoma neighborhood. He would like this petition to be part of the record. He said he and Al Larson have discussed logistical issues, one being his getting a tape from the January 18 meeting, which he will pay for. Secondly is the question of testing some samples that he has from the fall, and he and Al will work through that. After reviewing the December 2004 and January 2005 minutes, Mr. Williamson said they will probably submit some additions for the Board's consideration. He said the December minutes in particular have some statements that are incomplete and inadvertently misleading. He said they will submit written comments regarding those minutes.

Mr. Williamson said they have completed some research since the last meeting and hope to share that with the Board at the March meeting. Jon Standridge said he hopes they continue to see the Board as allies in this. Mr. Williamson said they feel very strongly about the use of Well 10, and they want to be crystal clear in saying they don't think that well should be used, period. Priscilla Mather said there are a number of matters to be worked through and they hope to reach a solution that will be satisfactory to everyone.

INFORMATIONAL REPORTING

2. December 2004 and January 2005 Water Quality Data.

Al Larson said everything for year-end looked good. All of the required sampling was completed, and sampling is underway for 2005. Al said, in years past, we had been doing just a single TTHM sample. As of last year, our requirement has increased to seven. This is also the year for testing synthetic organics, and they are doing some unregulated contaminates sampling that is not typically part of our requirement.

3. January and February Staffing Report.

Gail Glasser reported six vacancies in January, and because of three retirements, we are now at 8.8 vacancies. She said hourly positions are announced right now for seasonal workers. The Public Works Leadworker is about to be announced, and the Water Supply Supervisor position is ready to be announced. Gail said Marilyn Dukes-Winters' position has been incorporated into the Water Quality/Supply Supervisor position, so it is a combination of the supervisory duties that go along with monitoring, the SCADA system, staffing for making the rounds, and checking the wells, along with the water quality responsibilities Marilyn had. Jon asked if they are looking for an engineer and Gail said the Utility had recruited for an engineer, but we were not happy with the pool of applicants we had so we started over. She said we aren't opposed to having an engineer in the position. Jon asked if this person, in the future, would deal with things like the Nakoma situation, and Gail replied yes. Al said this position would be Earl Cheek and Marilyn's positions combined. This person would be in charge of cross-connection control, the sampling program and water quality issues.

4. Operations Report.

Doug Grueneberg, Operations Manager, said the correct number for lead service replacements for December should have been 65, with a total of 550 for the year. This is close to 2003 when we did 569. He said main leaks are about normal for this time of year. Doug said we are still working on the lead replacements, having done 52 in January.

5. Engineering Report.

Al Larson, Principal Engineer, said they are trying develop an in-house leak survey program using their FCS equipment. Unit Well 30 predesign continues and we hope to start construction this summer, and be online in the spring of 2006. Al said design of the second segment of E. Washington Avenue has begun at 1st Street and at the Yahara River. This will be under construction in 2006.

Al said there was a setback in UW 29 construction caused by poor masonry work in the walls. The block work had to be taken down and replaced. He said the contractor is still required to have the facility operational by July 1. The Unit Well 29 reservoir is complete.

At Unit Well 3 they have been drilling out the acquastream and cleaning the well. The deep well pump at UW 11 failed and we are having the pump rebuilt with modifications. Work continues on the Master Plan and the Infrastructure Management Plan.

Al stated that Strand submitted a draft of a DNR well siting study for the proposed west campus well. We're looking at a site at Glenway, which is our west side high service reservoir site, and the other site is in Eagle Heights. The preferred site from a system hydraulic standpoint is the Glenway site because there are more connections to it, whereas in Eagle Heights there is a single line going in.

The process has begun for replacing the 4" pipe on Mandan Crescent. Al said Doug DeMaster is looking at the hydraulics of leaving Unit Well 10 off-line. Preliminary indications are that we will have to run UW 10 to meet system demands for a part of every day from mid-April to mid-October. This requirement is due to low pressures in the system that occur when demand is high. Al said City Engineering looked at this area and said they want to replace the sewer at the same time, so it makes the project bigger and it takes longer.

Al said discussions have started with Abigail Cantor on the AWWARF lead study and further monitoring of our system.

6. New Building Report.

Al reported the contractor is nearing completion and they are pushing hard to be basically complete the first week of March, which is two weeks away. He said carpet was delivered today and much of the tile floor is installed. We are finalizing the purchase of the furniture. Al said he's pushing for a move to the new building the first weekend of May. We've talked about moving May 20 and hope that it isn't delay any longer than that.

Dave Denig-Chakroff gave the board a draft of the building plaque (22"x30") that will have the building name of John B. Heim on it as well as the mayor, Dave and Al, the architect, the general contractor and the Board of Water Commissioners. Dave said there will probably be an open house in June after we are settled in.

7. Customer Service/Billing Report.

Ken Key said that later this week Advanced Utility Software is going to be upgraded with a new release. He said meter reading has been difficult this winter with injuries and a retirement. Ken said he hopes to get started soon on the customer survey that he mentioned.

FINANCIAL REPORTS

8. Fund Balance Report.

Robin Piper said balances for January were as they should be. Jon asked why the Cash Flow Fund went from \$1,526,051 in November to \$24,536 in December. Robin said we invest our money in the City's investment pool, so all of our excess cash goes into the Cash Flow Fund. He said we had a new financial software program that went into place in March, and the new billing software in June, and we weren't getting data out of those two systems to pay the Sewer and Storm Utilities monthly reconciliations, so our fund built up. In December Robin was able to get a report to them and that's when they took their money out. Robin said the City dips into that pool whenever they pay a bill on our behalf. In the past, they sent us invoices and when we had cash, we'd make payments to them.

Robin said the PILOT Fund went down from December to January, which is the Payment in Lieu of Taxes that we make to the City.

9. Capital Project Statement.

Robin reported the November statement for the January report shows \$769,000 spent on the new office complex. Jon asked if that fund will go to zero when the building is done. Al said it should end up with a balance. Robin said we did have to take some money out of that for land, as we didn't have quite enough set aside for that. The December statement shows a balance of \$2,679,494. Robin said we've used up most of our \$19 million that we borrowed a couple of years ago, so he and Dave have had preliminary discussions with Dean Brasser on getting a short-term loan from the City to tide us through finishing up these projects and getting started on 2005 projects before we go out for our next bond issue. He said we don't anticipate doing another bond issue until August or September. Robin has talked with our bond representatives and they want to wait for our audited financials, and possibly results of our next rate case before we go to the bond market so we can show that the PSC has given us additional rates to cover any additional costs we might incur. We have to get a reimbursement resolution set up for repaying the City for their advance.

Jon Standridge made a motion to approve all of the informational reports. Jean MacCubbin seconded; unanimously passed.

10. Approval of Purchasing Policy.

Robin said Jon questioned if this would meet our auditors' management letter bullet point. He said he sent a copy of this policy to the auditors, and Aimee replied that this looked good and would satisfy the bullet point. Priscilla asked if this was basically for guidance to the staff, and Dave said yes, that it helps to have the policy in writing.

Jean MacCubbin made a motion to approve the purchasing policy. Jon Standridge seconded; unanimously passed.

ADMINISTRATION

11. General Manager's Report.

Dave said Noel Radomski is interested in taking Jean's place on the Board. Her last meeting will be the March meeting. Noel Radomski will be replacing Steve Holtzman for Aldermanic District 19.

Dave said the Arts Committee, who is selecting the artwork for the new building, met yesterday and he, Al and Jean attended. There were six proposals from artists, giving a general concept of what they would do. The committee selected a team of artists called Actual Size Artworks who are professors at the university. Al showed examples of their work. Dave said the next step will be this group will meet with the committee and us and decide on what we would like. Priscilla asked when the unveiling will be, and Jean thought in June or July.

OLD BUSINESS

NEW BUSINESS

12. 00420 SUBSTITUTE - Authorizing and providing for the sale and issuance of \$3,630,000 Water Utility Mortgage Revenue Refunding Bonds, Series 2005A, and all related details.

Sponsors: Jean M. MacCubbin

A motion was made by Standridge, seconded by Ald. MacCubbin, to Return to Lead with the Recommendation to Approve as Substituted to the BOARD OF ESTIMATES. The motion passed by acclamation.

Return to Lead with the Recommendation to Approve as Substituted to the BOARD OF ESTIMATES

Present: Ald. Jean M. MacCubbin, Priscilla B. Mather, Larry L. Studesville, Jonathan H. Standridge and Gregory W. Harrington

13. Approval of 2005 Major Material Bids for Chemicals.

Al said Liquid Chlorine went up 7.5% and the Water White Fluorosilicic Acid went up 18%. He said this is the third or fourth year Viking Chemical has done bulk delivery of fluorosilicic acid and he thinks they are still trying to figure out their costs. He thinks this is probably a price adjustment based on real costs to them. The next bidder was more than double what the low bidder was.

Greg Harrington made a motion to approve the bids. Jon Standridge seconded; unanimously passed.

14. Nakoma Service Replacements-reimbursement policy.

Dave said the sheet titled Rate File is our existing policy as recorded with the Public Service Commission. When we went through the lead service replacement with PSC, we presented something similar to this that included a reimbursement policy for lead service replacement. PSC rejected that so we ended up with what is on that sheet. Dave said now we have a situation in Nakoma where we are going to need to replace backyard mains and require people who are being served off of them to switch to a front service. This will force them, even though they have a working water service, to put in a brand new service. Under the existing PSC rule, they would be required to pay for that service themselves. We can't do what we did with the lead service and put that cost on the Sewer Utility. Dave said we have a situation where one person would be on a backyard main who has a lead service, and will get reimbursed one-half the cost under the Lead Service Replacement program, and their next door neighbor, who has copper service but will also have to replace their service and not be eligible for any reimbursement.

Dave gave Board members a sheet where he attempted to forge a policy that would be consistent with what we're doing for lead service replacements. This would provide for anyone who, for whatever reason, is forced by us to replace their service line, presumably because it has benefit for the Utility as a whole. We'd reimburse them for half of the replacement up to \$1,000. In our next rate case with PSC, we'd take this to the PSC and say that this is the policy the Board of Water Commissioners wants us to follow. All three commissioners on the PSC are new since the lead service issue was addressed. Dave said we will say we think this makes sense, that we've had four to five years experience with the lead service replacement and the reimbursement program for that is working extremely well.

Dave said there are about 110 properties in Nakoma that are impacted and might be eligible for reimbursement if we okay this policy. Al said the services are on our 4" cast iron pipe that needs to be replaced. Al said if you've ever been out there, this area has grown and developed, and if you tried to walk down the lot line you'd be crawling over yard sheds and fences and hacking your way through the brush. He said the issue is that if you had a main break back there, it would mean handwork. Jean asked if we would abandon it in place and Al replied yes. Mandan Crescent is driving this at this time. He said we are looking very seriously about abandoning the 4" backyard pipe from Seminole Hwy to Tumalo Trail. He said there are no lead services on that line that we are aware of. Jean asked where the sewer is. Al replied that the sewer on Mandan Crescent is in the street and City Engineering wants to replace that too.

Dave said we'd like to know how we are going to deal with this issue before we have any public meetings because that's what people are going to ask. Dave said he came up with another cost alternative to this, which would be having language that says "The Water Utility may reimburse the owner for the replacement or repair in an amount the Utility determines proportional to the benefit received by the individual customer when compared to the benefit obtained by the Utility."

Jon said it's not the customer's fault, it's a Utility issue. He thinks the motivations are the same and the reasons just as good, and he would strongly support what Dave has written, saying he thinks this is the best thing for the City. Priscilla asked, if the service is at the other end of the house, would \$2,000 cover it. Dave said that is a good question and we don't know for sure.

Priscilla asked if this was for their consideration to take action. Jean asked if approving the policy gives a signal that we are in agreement with this. Dave and Al said we have to start having public meetings, etc. Dave said he used the figure of \$700 for reimbursement as that is what the lead reimbursement has averaged. There are 110 services in the Nakoma area, so that is \$77,000 over a three to five year period. If we did all of those in three years, it would be \$26,000 per year, or over five years it would \$15,400 per year. Dave said the service reimbursement policy applies to when the Utility requires replacement or repair of a customer's properly functioning service lateral from the curb stop to shut off valve, for a purpose that provides a benefit beyond any benefit to the individual customer.

Jean MacCubbin made a motion to approve the Replacement and Repair of Service Laterals Policy. Jon Standridge seconded; unanimously passed.

Al said he wanted to make a brief report regarding the use of UW 10, stating our average demand for the whole system is 32 million gallons per day. We typically exceed 35 million gallons per day for around 100 days out of the year. We exceed 40 million gallons for about 42 days out of the year, and these flows occur between April 15 and October 15, or a total of 180 days. Preliminary studies on Well 10 show that when system-wide demand is somewhere between 35 and 40 million, we have to turn on Well 10 or we have low pressure in the system. If it's 40 million gallons, we would have to use Well 10 at least 40 days out of the year. Preliminary analysis indicates that Mr. Williamson's demand that we shut off Well 10 completely does not appear to be feasible given our current facilities. This could be a temporary (3 to 7 years) condition until additional facilities are completed.

15. Confirmation of next regular meeting date of March 15, 2005.

Jon Standridge said he will be unable to attend the March meeting. Dave said we should probably have his annual review at least started at the March meeting. Dave said he would get that to them within the next two weeks.

CORRESPONDENCE AND SPECIAL INTEREST ITEMS

ADJOURNMENT

At 6:13 p.m. Jon Standridge made a motion to adjourn the meeting. Jean MacCubbin seconded; unanimously passed.