



City of Madison

Meeting Minutes - Approved

WATER UTILITY BOARD

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

Tuesday, November 27, 2007

4:30 PM

119 E. Olin Avenue

CALL TO ORDER / ROLL CALL

Present: 6 -

Dan Melton; Lauren Cnare; George E. Meyer; Thomas Schlenker; Warren E. Onken and Michael Schumacher

Excused: 2 -

Jonathan H. Standridge and Gregory W. Harrington

APPROVAL OF MINUTES

Minutes were approved with changes made by Dan Melton. Word changes on pages 1, 5, 8 and 10. Addition of a paragraph on page 1.

A motion was made by Onken, seconded by Cnare, to Approve the Minutes. The motion passed by voice vote/other.

1. [08261](#) Election of Officers

PUBLIC COMMENT

Carin Clauss of 3909 Priscilla Lane suggested three ways of public input in siting wells. She requested that there be citizen participation on any committee developing that process. It would be useful for the public to have the name of someone on that committee to whom they could give suggestions for the process. When a process is formulated, she would like it provided to the public for comment before it is put into final form. In terms of site selection, the neighbors of Reservoir Park continue to be very interested in site selection and the process. She said it's never been about not in my backyard, but where in my backyard. She thinks there should also be some type of appeal process in the process being developed.

Next speaker was Jurgen Patau of 114 Alden Drive near Reservoir Park. He thinks it is out of scale and believes at some point there will be a well in the neighborhood. He asked why it couldn't be put between Glenway Golf Course and the cemetery. He wondered if other city agencies have anything like this, a process that the Water Utility could piggyback off of. He thinks someone should figure out what the number is actually going to be for new wells, and said it might be where the wells have to be sited that determines this. He understands the Mayor was going to ask for money in the budget for the Whitney Way site, and asked if anyone knows if that was done. Larry Nelson said the Mayor was going to support the installation of a test well at Mineral Point and Whitney Way.

The Water Utility has as a capital improvement budget that has broad elements in it for this type of thing. It would still require the approval of this Board and the Common Council before going ahead; this is true of any public project.

Glenn Christians of 109 Alden Drive passed out information with photos with the well building superimposed on them, showing the appearance if a well were installed in the park and how it would change the character of the park, etc. He said the way the project has been presented so far doesn't really capture what is happening in the park.

REPORTS

2. [08242](#) Water Quality Report.
3. [08270](#) Residential Tap Samples, UW 8.

Items 2 and 3: Larry said, based on Dan Melton's suggestion, he tried to include recommendations on the reports. Joe said they collected a number of manganese tap samples in late September in conjunction with the flushing in the Well 8 area. The memo in the next item shows the results. The source water at Well 8 is right around the esthetic limit for manganese. Eighty-four residential tap samples were collected and analyzed by Public Health Department. Well 8 was selected for sampling because of the highest frequency of customer complaints about discolored water. Manganese and iron levels are at or exceed the secondary standards for these minerals, and sample collection coincided with the evaluation of uni-directional flushing. Tap samples ranged from 1.6 to 135 ppb of manganese. The mean and median concentrations were 39 and 36 ppb. Levels measured at the well have varied from 46-51 ppb in 2007. The well is currently shut down for the winter. Joe said with the exception of manganese and iron levels, the water quality of Well 8 is excellent and the well has a rated capacity of 1800 gpm.

Staff doesn't recommend that the board take any action at this time. Well 8 should be considered as problematic because of the potential for colored water. This well may be a candidate for filtration.

Larry said every morning we get a print out of all calls that came in, even the dropped calls, so we can discern the problem. We're working on a message that the operator can put on the phone when a lot of calls are coming in, informing people of what is happening.

4. [08243](#) Staffing Report.

The General Manager position closed December 10. The new position for the PIO/Water Conservation Specialist cleared the Board of Estimates last night and will go to the next Common Council meeting. The Administrative Services Manager position will be eliminated. Larry said we're working on reclassification for the Water Quality Manager. Regarding the Leadworker position in the distribution operations, we're recommending that one vacant position be eliminated because we are nearing the completion of the Lead Service Replacement Program. He said we are also recommending that Public Works Maintenance Worker 1 positions be reduced to one, to recognize the end of the

lead replacement program. We're filling the rest of the positions with the exception of the Water Hydrant Inspector—we're going to evaluate that position. Water Supply Engineer has a revised job description and it has been submitted to Human Resources for review. We have a new Electronics Maintenance Technician, Robert Jenkins. He has done a considerable amount of work in the manufacturing business using the latest technology for electronic computer work. A position to create a supervisor from the existing staff for Engineer 2 (Construction Engineer) is being proposed and has been submitted to HR. It is proposed to create this position through a promotional process within the Utility without an increase in staffing.

5. [08244](#) Operations Report.

Winter main breaks have begun.

6. [08245](#) Engineering Report.

Al said things are winding down for the year. The Felland Road reservoir and control building are complete. The new 6.0 million gallon reservoir is on line. Video surveillance cameras are being installed at the wells at this time.

Today was the last day of unidirectional flushing after doing over 700 miles of pipe.

On the East Isthmus well study, Montgomery and RMT are working on groundwater hydrology and making preparations for further analysis. A citizen working group met October 30, reviewed maps and discussed the public participation plan.

The Well 29 iron and manganese filter bid package is out for bids, due January 3, to be opened January 10. A review has begun of potential facility layout and location of the backwash basin. Al said we should be able to get water from that well in the summer of 2009.

Pumping continues at the Larkin Street test well; water quality and well drawdown information is being collected. The Mayor and Larry Nelson met on site with neighborhood leaders to review the project.

A process for public participation has begun for the Whitney Way well site, and a letter was sent to residents of the area. Al said they have started to prepare a DNR Well Siting Report to get authorization to drill the test well.

A public participation program is being developed to locate a reservoir site in the Raymond Road/McKenna Blvd area.

A workshop with EMA and the SCADA design team was conducted to go over the pre-design report and control strategies. An RFP is being developed for the selection of a consultant to provide SCADA system design and configuration services.

Wellhead Protection plans are being finalized for Wells 6, 12, 18 and 24. Plans are being started for Wells 7, 11, 16 and 17.

George said a letter was sent to the residents on Whitney Way. The letter said that the Water Board hadn't made a decision on it and invited them to come to the meeting. He said there has been no response from the alders, and the alders have not gotten a response from citizens. Before anything is done, there will be communication with the residents. Warren said so we won't do the test well until we have this process in place. Larry said that test well would be an excellent pilot program for the process. Warren asked if the two tie together, Reservoir

Park and Whitney Way.

He asked if we wait to make the decision until we get the result of the two test wells. Larry said yes, that won't occur much before the third quarter of 2008.

Dan Melton said he thinks the neighbors of Well 29 should be told of what is coming and shown what a backwash basin is. He'd be interested to hear from Nancy Zolidis from Montgomery as soon as she knows some results from the pump test as that is one of the most important things going on.

Al said when we negotiated the scope of work with Earth Tech for the filter and put in public participation so at this point, we aren't there yet. We'll have a public meeting further into next year. Al said he had a conversation with Nancy today and the pump will be turned off tomorrow, but he can't promise when they'd have a report done.

7. [08268](#) Customer Service Report.

Ken Key said they introduced E-Care with the November billings, the software purchased from Advanced Utility Systems, our billing software provider. We're calling it "My Water" and it is being introduced to the public. A demo was planned for this meeting but we're not making electronic contact with the website. You'll be able to check your account balance, a history of water use, electronic bills if you desire, etc. Ken thinks there have been around 500 hits on the site so far.

Lauren asked if bills will still come twice a year. Ken said yes. The primary cost to the Utility is the reading of the meters. Regarding what portion of the bill is water, Robin said 45% is water, 45% is sewer and 10% is storm water.

FINANCIAL REPORTS

8. [08247](#) Fund Balance Report.

Robin said things are as they should be. The columns were mislabeled on the paper report as to the month.

9. [08248](#) Capital Project Statement.

This statement shows our spending for September.

10. [08249](#) Proposed Financial/Plan in Response to Moody Report.

Robin stated that he and Larry set goals for 2008 to try to retain our bond rating. Five goals were set, and the first is to have \$1 million in unrestricted assets by November 6, 2008 from our borrowing anniversary date. Second goal is to have \$2 million in unrestricted assets before the next revenue bond sale.

Included in Item 10 is a reprioritization of our proposed capital projects for 2008. We will be further reviewing the operating budget to make sure we're spending prudently. Larry has already outlined a few position cuts in the operating budget that we'll make as we reduce our lead service replacement

crew. Another goal is to try to submit a request for an increase to the Public Service Commission by the end of December. We requested the packet from the PSC and will start working on it to see where we'll go. Larry said we'd like to spend a little time looking at our wholesale status with Fitchburg, Maple Bluff and Shorewood to see if those charges are compatible with our expenses.

In response to Warren's question about timing, Robin said we're hoping to file a request in December. It will take the PSC a minimum of six months to make a decision. The idea is to try to get a rate increase in place by the middle of next year so that by the end of the year, it will be fully in place. We prorate those rate increases in over six months.

Warren asked if the capital budget comes back to the board. Larry said we have given you a prioritization document and you can go through that. Of the goals we've set, the toughest thing will be to have \$2 million of unrestricted assets by the time we borrow again. The only way we can accomplish that is by managing our operating budget and by the sale of some surplus property, which would make the task easier. George asked when the next revenue bond sale would be. Robin said we're expecting to use what we borrowed and then get the proceeds from them December 1st. To get us through 2008, we'd have to go in and borrow in 2009 again for any projects beginning in 2009. Robin said we're going to try to do a rate case on a yearly basis so they are more predictable and follow the way costs are.

Robin said the last time he ran the numbers through our model, we were looking at 8% per year for the next four or five years. The last increase was about 16% and covered two years. Larry said 8% does reflect our debt return program. Power expenses are going up 10% or so and that is another factor. Michael Schumacher said an increase now may mean later savings. Warren said a significant conservation initiative, if it were successful, could have a negative impact on revenues as well; you're damned for doing the right thing. If you do that, our sales go down as well. Larry said water sales have been flat level for 10 years. Robin said we've increased our customers, but Moody's isn't really looking at conservation and what a good thing it is for the utility.

George said before the next rate case, he'd like to see a conservation program in place. He said Waukesha just went through this and asked how they are dealing with the bond issue. Robin said he hasn't talked with Dan or Peggy at Waukesha but he'll contact them and see what conservation rates mean to them, and where they think their bond ratings are. He's not sure what kind of replacements they are looking at. Warren said he envisions with conservation rates, this new person will come on board and make a huge difference in water conservation in a very short time.

Larry said we've worked closely with Pertzborn Plumbing regarding conservation. We have some ideas and the trick will be to incorporate water conservation into the rate structure.

Larry said bond proceeds were \$22,266,000. We owe the City of Madison \$7.2 million of that. In September we spent \$1.3 million for existing projects. That gives us a balance remaining of \$13.7 million. However, we have a balance due, encumbered, for an existing water main project for \$4 million. Those projects go back to 2003 and are on the next three pages of the report. That means if we're going to stick with this financial plan, we have \$9.4 million available.

Larry said what we're proposing for prioritization, replacing water mains under streets that are being reconstructed. We don't want to build new streets over old water mains, so that's priority one. You have a running total of what that costs. The City of Madison has a pretty ambitious replacement program for streets and utility projects. Some of these projects might not proceed and some more might come up. Priority 1.22 Main Replacement--we're already spent

\$4.978 million. Our next priority is Unit Well 29 filtration. We're looking at \$2.4 million, and we think it's really important to get 29 back into service. That puts us up to \$7.4.

Regarding the SCADA system, we've identified \$350,000 to budget for predesign and pilot program. That would actually give us all of the servers and equipment we need for the pilot program. The third priority is the East Isthmus well siting project and property. We set aside \$200,000 if we come up with a site for that. The Larkin Street test is the 3.02 priority with no cost involved. We're now up to \$7.9 million. The Whitney Way test well at 3.04, we budgeted \$125,000 and now we're at \$8 million and we have to make some choices. We have the southeast side, one of our more vulnerable areas but also have the Arbor Hills/Todd Drive area that has some water deficiency problems, largely because of Well 10 not being dependable.

Larry said work on the Paterson Street Operations Center was delayed by the Council until 2009. Dan Melton asked about abandoning and capping Well 3, the cost for materials and labor. Robin said that is not a capital project as it comes out of the operating budget.

Warren said staff is saying go to \$9.4 million and no more without an action by the board. Larry said some of the street projects will fall off and undoubtedly we'll get some surprises during the wintertime where pipes may fail, but we'll have to try to reshuffle. Warren asked if we have any legislative backfill to cover on this? When the budget goes through to the Council, I would think an alder would be looking at it. Larry said if we go beyond the \$9.4 million, we'll need a budget amendment. Larry said this is a good time for planning. Warren said there's no monies contemplated for reservoir park even if we decided to do it and with Whitney, there is no money available. Larry said we're going to do the test well. Lauren asked about real estate for sale. Larry said we would recommend that if any of the property sells, we'd put it into cash reserves. Lauren said all of the estimates in here have some kind of a contingency, but most likely we have enough money to do these projects. Larry said every time we go for borrowing, we're going to go through scrutiny. Warren asked if staff wanted to give an opinion. Al said we have a Master Plan and an Infrastructure Management Plan. We realize we don't have enough to do that. He said if he picked one project out of here to go this next year he would say Arbor Hills. He said there is a long, single dead end pipe serving that whole neighborhood. He's heard his predecessor, Jim Blotz, had that on his list, too. Warren asked if it would be addressed in the \$150,000 for planning. Al said it's the next project. Warren asked if it would be appropriate to add a nominal amount to show this is important, such as \$50,000. Al said they plan to use staff so this would be an operating budget item. Larry said ultimately, it will come out of our cash, and we can revise this to reflect expenses we might need. We will do project 5.01. A motion was made by Warren Onken to accept staff recommendation on the priorities presented to us to take us through 5.01 and add \$100,000 to address plan issues with 5.02. Lauren Cnare seconded; unanimously passed.

Michael Schumacher said he is reluctant to add dollars to show this is important. Someone else may look at other projects and say they are important; he wanted to caution about that. Warren said he was interpreting Mr. Larson's comments that this is very important project, and it's not going to go anywhere with \$100,000. Some work is going to be done and even though we pay for it on a dollar basis rather than pretending we're borrowing, he doesn't want the planning activities to go unnoticed. He said he like to revisit the capital budget sometime during the year to make sure we're maximizing those dollars, and then we could address the very issues being talked about that deal with geography. Dan Melton asked if Raymond Road reservoir drops off, does it mean that public

participation process drops off. Larry said no, we'll proceed with it. Al has talked to tank builders and they can't build until 2009.

ADMINISTRATION REPORT

11. [08250](#) Report: Madison Water Utility Strategic Planning Implementation Monthly Progress Report.

Janet Czerwonka and Jon Weaver representing the Steering Team were present to bring the board up to date on activities. Janet displayed the 2007 Gold Award for competitiveness achievement, awarded by AMWA (American Metropolitan Water Association). Janet accepted the award for the Utility at AMWA's annual meeting in Seattle on October 23.

The Steering Team was asked to submit interview questions for candidates applying for the General Manager position and plan to have the opportunity to interview finalists.

Workplace Change Seminars for the entire workforce will be completed in November.

The Internal Communication Team conducted a communication survey that 101 employees participated in. A communication matrix is being finished.

The Water Conservation Team is working on setting goals. Scada Team's final report was delivered to Al Larson on October 10. Predesign is being finalized. Discussions are being held on using our own employees and existing equipment in the wells. It is estimated that the cost of using a consulting engineer would be over \$2 million. If we were to do it ourselves, the first phase of the upgrade would be a pilot project at UW30. Software, servers and the pilot project would cost approximately \$350,000; it would integrate MWU employees into the system.

Workforce Flexibility identified planning needs for on-the-job training. WU demographics were reviewed and within two years, 27% of our employees will be 55+. Lauren said that is a concern in passing down knowledge to younger employees.

A template for SOPs has been designed. The team is determining the numbers of SOPs that need to be written and putting together a timeline for completion.

An evaluation of options and needs for a VACTOR (Hydro Excavating) are being evaluated. Having used Engineering's Vactor on several jobs, it was found to minimize the chance for contaminants, lessons time needed to complete a job, and helps prevent damages to other utilities.

Lauren said regarding workforce flexibility, if 27% of our employees are 55 or older, how does that compare to the rest of the city or utilities as a whole? Ken said you find in the utility industry as a whole, not just water utility, is that it's a very stable, long-term work force. Janet said there is the concern of losing the knowledge of the older workers.

When asked about SCADA, Larry said the estimate of cost is in excess of \$2 million for the entire SCADA team/system. Given our financial situation, we're looking at easing into this. One alternative was to embark on using one of our newest wells, 30, which has quite a bit of the most recent equipment in it, and use that as a pilot to go from the old DOS software into a newer software that we have. At the same time, we're working with IT Department to come up with a

system architecture to buy the necessary servers to actually move into this thing. If we hire the right consultants, we should enjoy a full involvement of our staff. The pilot program gives our staff an opportunity to become totally involved and we'll see where it goes. The equipment is pretty much the same and the architecture will be based on what the steering team and EMA have come up with. We would immediately contract with a design engineering company to do this. Our next step is to meet with IT and review the proposed system. In the budget in our financial plan, we put in Phase 1 for SCADA for \$350,000. George asked when this would come back to the Water Board. Larry said the meeting in January.

Dan Melton said he'd like dollar figures attached to the items in the report to break it down. Michael Schumacher said he'd like to see anticipated due date and date delivered, and Lauren added to include the amount spent to date. Larry said it is broken down by task. Robin said it won't be completed by the end of the year.

Lauren Cnare made a motion that the recommendations be forwarded to the Common Council. Michael Schumacher seconded; unanimously passed.

12. [08263](#) Test Well Pumping Activities at Reservoir Park

This has already been discussed. No action of the Water Utility Board is required. This test pumping shall provide information, along with the proposed pump test of the Water Utility's site near Mineral Point Road and Whitney Way, for a staff recommendation in the third quarter of 2008.

NEW BUSINESS

13. [08023](#) Directing Madison Water Utility and Water Utility Board, with public input, to develop a process for site selection of new Water Utility facilities and a process for informing and involving neighbors of the proposed facilities.

In Body: First WHEREAS, add word potential for "identified the potential need"; delete fifteen (15) new and insert the word "future."

Lauren said some of us have been working on a process for this. She's looking at it as a subcommittee. She said we have this structure and the employees who know how to use it, and let's use what we've paid for, as it seems to be working. Larry said staff has reviewed the resolution. Warren Onken recommended adoption and to recommend to the Council to adopt it. Michael Schumacher seconded; unanimously passed. Warren said he'd like to make one word change, on the first WHEREAS, on the issue of the 15 wells, he would add the word "potential" as in identified the potential need . . . He thinks there is misunderstanding in the community. He thinks a group could be appointed and have one or two members of the public on it, having an open process. He knows the community is still in a state of unrest and there's going to be a period of time while we're gathering the facts, as Larry described it to me, perhaps we could make December a little more pleasant for them. We adopt the resolution with the understanding that chair, vice-chair and officers will take the recommendation made tonight to involve a couple of people from the public in that process. Larry said he doesn't think the 15 wells in the master plan makes or breaks the resolution, but if it confuses the issue, and maybe we should take the WHEREAS out. George thinks there is a need for part of it, so it was recommended the number be taken out and have wording "identified the potential need to site future water wells . . ." taking out "fifteen (15) new . . ."

Motion unanimously passed.

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

14. [08223](#) Supporting continued assessment of virus presence and potential virus pathways to deep municipal wells.

Larry said we had calls after the last article on this from people concerned about the health effects. We'd like researchers to work with the Health Department and give a statement on what the risks would be. He said when you say virus and human waste with water, it makes people nervous. The Utility would like to get the word out that by fluoridating, we're addressing the issue. Dr. Schlenker said posting information on the web is good, but if someone has special concerns, they should contact the Health Department, not the Water Utility. Larry said we're proposing supporting continuing the grant that was requested to DNR. We'd like the Board and Council to go on record, and then we'll send it to DNR and say we support this grant, and then work on the issue of how we're going to do that. Larry said this virus research is a whole new deal, and as a Storm Water Manager, he is very concerned that they are finding the same viruses 10 or 20 times higher in Lake Monona and Lake Mendota. There is very little data yet, and our job is to infiltrate storm water to the ground water. There are some broader policy issues that we want to track on, and based on the limited research done so far, it doesn't take much wastewater to get to these kinds of numbers. George said this is one of the first cities to specifically look at this issue. Lauren said we are better prepared this time and she thinks it would be helpful for the researchers to come and do a presentation so we understand their findings.

Lauren Cnare made a motion to approve the resolution. Michael Schmacher seconded; unanimously passed.

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

15. [07777](#) Authorizing the Mayor and City Clerk to Execute Amendment 2 to the Professional Services Agreement with EMA, Inc. to Defer Task 2, Leadership Development to March and April 2008.

Lauren asked if they bill us as the work is done, and Robin said yes. Lauren said if a new manager comes and says I don't want to do this, or I've already been through it at a previous utility, can we break the contract. Larry said he bets that a new manager will regard this as an opportunity to work with staff. Michael Schumacher will co-sponsor the resolution.

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

16. [08251](#) Report: Water Utility's Surplus Properties.

Larry said we recently met with the Real Estate people and reviewed a number of properties that the Water Utility has. Unfortunately there are not that many that are really valuable. 3402 Sherman Avenue was offered to the neighboring property owner who declined to purchase it. It is possible that the City will require a portion of the property for intersection improvements. No financial benefit to the Utility. Recommendation is to transfer parcel to the City of Madison for right of way.

3821 Savannah Road: Neighboring property owner, HoChunk Nation, has declined to purchase this parcel. This property became ours with the dissolution of the Town of Blooming Grove Sanitary District.

604 Bordner Road: Property is landlocked. Abutting properties have declined to purchase. Recommending it be retained for use as a monitoring well site.

523 E. Main Street: Former administrative office of the Water Utility. Appraised value is \$1,050,000. Value has not been adjusted to current market conditions. Real Estate estimates the value at less than one-half of the appraisal. Recommendation is to reschedule the sale of this property to February 2009.

Old Sauk Road and Pioneer Road: Developer has inquired about purchasing this property, which was purchased for a future elevated tank. Property has not been annexed to the City at this time. Estimated financial benefit to the Utility is \$1,500,000.

Unit Well No. 5: Site is an easement on the property of the sewerage district. The easement needs to be transferred to the MMSD as a culmination of the MMSD's construction of UW 30. Recommendation is to proceed to affect an expeditious transfer of this easement.

4002 Nakoosa Trail: Property was a fill site used for years by the Utility for storage of pipe and fittings. We also use it as a dump site for snow. Site is adjacent to the rail corridor. A portion of the property as to have been transferred for right of way purposes for construction of Nakoosa Trail. Engineering agreed to compensate the Utility \$5.75 per square foot to equal \$11,195.25 for R/W. Recommendation is to retain property until it can be used for a public purpose.

Dan Melton made a motion to accept the recommendations. Michael Schumacher seconded; unanimously passed.

NEXT MEETING DATE

17. December 11, 2007.

A decision was made to move December's meeting to the 18th. Election of officers will be held at that time.

ADJOURNMENT

At 7:00 p.m. Warren Onken made a motion to adjourn the meeting. Michael Schumacher seconded; unanimously passed.

FUTURE AGENDA ITEMS

2007 Flushing Report and Action Plan for 2008 (DeMaster in January).