MADISON WATER UTILITY RESPONSE TO THE EAST SIDE WATER SUPPLY CITIZEN ADVISORY PANEL (ESWS CAP) ADVISORY ON CONSERVATION ON THE EAST SIDE OF MADISON

Madison Water Utility
119 East Olin Ave.
Madison, WI 53713
www.madisonwater.org

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INTRODUCTION

In July 2010, Madison Water Utility (MWU) began the East Side Water Supply (ESWS) Project, a major water supply planning project that paired professional and scientific expertise with community engagement to recommend future infrastructure on Madison's East Side. In October 2010, a Citizen Advisory Panel (CAP) was formed for this project. The CAP met and advised MWU on public expectations for drinking water quality, water supply and demand, and water conservation.

On July 12, 2011, the CAP presented three advisories to the Water Utility Board: *Water Demand on the East Side of Madison*; *Unit Wells 7 and 8, Iron and Manganese Management Options*; and *Water Conservation on the East Side of Madison*. The Water Utility Board referred the advisory on water conservation to MWU staff for review and the preparation of a response. We have carefully reviewed the Conservation Advisory and value the recommendations made by the ESWS CAP.

RESPONSE

The ESWS CAP Conservation Advisory includes 17 specific recommendations, which are briefly summarized in the responses below.

1. Develop more ambitious conservation targets...

Maintaining a sustainable water supply is a primary objective of Madison Water Utility. We agree that conservation targets should be related to objective criteria based on a renewable water resource, future population projections and anticipated community development. We remain active and involved in working with other City Departments in shaping development standards and patterns that protect drinking water sustainability.

2. Continue with implementation of Advanced Metering Infrastructure...

The AMI project (ProjectH20) is progressing and contract negotiations are underway with the selected vendor. As a part of project implementation, various public information and education products will be developed by the vendor and MWU to provide the public with the means and tools to monitor and control individual water use.

3. Evaluate costs and benefits of additional… rebate programs...

We continue to evaluate additional potential appliance rebates, and with AMI implementation, we will be asking the PSC in 2013 for a conservation rate structure that could fund additional rebates. Additional appliance rebates can be implemented if and when they are approved by the PSC.

4. Develop explicit implementation plans for… audit service.

We encourage customers to monitor and evaluate their individual water use. The new AMI system will provide customers with timely water use information that will detect leaks, record their historic water use allowing a year-to-year comparison, and provide average water consumption information for similar customers and their neighborhood. This will be an excellent tool to actively gauge water use and improve overall water conservation. Informational materials, checklists, and guidelines may be developed as a part of the overall conservation program to assist customers with an individual water use self audit.

5. Ask for changes in the city's landscaping... ordinances...

We support such changes to City ordinances regarding landscaping requirements. It is our opinion that these initiatives would most effectively come from neighborhood groups, environmental groups, the Common Council, or the City's sustainability committee. MWU plans to address irrigation issues and encourage drought resistant landscaping practices through a seasonal rate structure and price signals as a part of our conservation rate design.

6. Investigate an inclining outdoor irrigation rate structure...

Outdoor irrigation will be a key consideration when developing our conservation rate structure. It is our intent to work with the PSC to develop a seasonal rate system that will work to regulate outdoor irrigation and other seasonal water use and improve water conservation.

7. Initiate a public dialog regarding irrigation.

The current MWU Conservation Plan has several recommendations with respect to outdoor irrigation practices. Our website has information on conservation-based irrigation practices and links to many more. It is our intent to continue to use public education and information materials promoting water conservation in relation to outdoor irrigation as a big part of our conservation program. MWU fully supports a public dialog on the benefits of any irrigation practice based conservation practices. The ongoing public education effort in addition to the proposed seasonal rate structure will support this position and be a motivator to the public to learn about, evaluate and implement smart irrigation practices.

8. Further evaluate inclining rate structure… equalize rates for residential and non-residential customers.

We will be requesting a conservation-based rate structure in our 2013 rate case with the PSC, after AMI is implemented. How that rate case is designed will be determined during discussions and negotiations with the PSC. The overall objective will be to treat all customers equally and fairly. We are willing to investigate ways to reward those who actively conserve water.

9. Eliminate the "residential penalty" for initial volume charges.

There is no "residential penalty." The declining block rate was eliminated two years ago. We will be asking the PSC to approve a new "multi-family" rate class to address the disparity between single family/duplex structures and apartment buildings.

10. Consider additional voluntary water conservation measures to… educational literature...

We will continue to develop and expand these conservation practices as part of our ongoing public information program.

11. Emphasize short-term conservation efforts as a bridge… to expanded filtration and new wells.

We view conservation efforts in a broader system-wide sense; it is a current board policy to "provide sufficient water under all circumstances." This recommendation is specifically crafted to minimize the use of existing wells that are scheduled for filtration projects. It has been our operational practice in recent years to run the wells in question only as needed due to water quality concerns. We agree that broad-based, system-wide conservation efforts would serve to minimize the use of these wells.

12. Expand outreach to commercial and industrial customers...

It is our intent to encourage all customers to develop conservation programs to reduce overall water demand. Large customers in the commercial and industrial category already have economic incentives to conserve and many have already made significant improvements to their systems. These improvements were at their own expense with the specific intent to lower their water use and expenses.

13. Support the City's efforts to encourage… LEED or other accepted standards...

MWU is supportive of the City's LEED standard initiative for new and rehabilitated structures. Community leaders in water conservation would naturally commit to attaining a LEED certification for new buildings and rehabilitation projects. We would publicize that success and encourage others to strive to attain LEED certification.

14. Implement outreach program to high-use business and industrial customers...

All high water demand customers will be encouraged to develop site-specific conservation programs to reduce overall water demand. These high water-use customers have an economic incentive to conserve and as a part of MWU's conservation program we would continue to support this effort.

15. Initiate public dialog on grey water.

MWU supports the idea of harvesting rain water for outdoor use (we encourage rain barrels). The Sustainable Design and Energy Committee staff has initiated a grey water discussion with various stakeholders, including MWU and state regulators. Our primary focus must remain the provision of safe water for human consumption.

16. Investigate the costs and benefits associated with grey water...

MWU would participate in any economic evaluation of the use of grey water. Widespread significant grey water use would potentially reduce water demands, reduce revenue, and allow capital projects to be delayed. All of these results would impact operations and long-term capital project planning. We will work with electoral and regulatory bodies as appropriate with regard to grey water use for water conservation.

17. Recognize and plan for the effect on MWU finances of… conservation rate structures...

MWU will monitor and evaluate impacts of water conservation efforts on water demands and ultimately revenues. Water rate structures will be designed with conservation projections included. Working closely with the Wisconsin PSC, rate increases will be implemented to sustain the current level of service. The overall infrastructure renewal goals of MWU will remain to ensure the long term health and viability of the system. Capital improvements and system expansion will be routinely reviewed based on projected growth, revised water demands, and need.