

Public Comment

Water Utility Board Meeting 11/25/14

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Dear Water Utility Board Members,

The proposed rate hike is not a conservation rate structure. Therefore, we oppose it. The CAP process envisaged something much different; much more thoroughgoing. Indeed, it is a rate hike that only Scott Walker and his fossil fuel buddies at the coal burning corporations could love.

Even the most parsimonious water users will see their total water bill go up, thanks to the already huge fixed portion of the bill plus the additional fixed fee proposed here. This is why you will be opposed by citizens and citizen organizations, such as Clean Wisconsin, before the PSC.

We oppose this rate hike in the strongest terms because it punishes practitioners of water conservation.

We are real estate investors in Madison Wisconsin. We are horrified that there are city entities which are actually militating against the "general welfare" of the citizens we risked our lives for as a decorated veterans. We also see a direct link between water/energy gluttony and the wars we keep fighting (the water utility is the city's #1 electricity user). For that reason, we have invested heavily in water/energy conservation ever since we were discharged. Why isn't the water utility doing its part by setting up a true conservation rate structure?

Your rate proposal denies the dangers of climate change that even the Pentagon has warned is an imminent threat to national security. This proposal actually militates against citizens who strive to do the right thing by our environment by using less.

You are reducing the incentive for people to reduce their water use. This is the stuff of morons. It does not belong in Madison, Wisconsin, the home of one of the world's top-flight research institutions.

An enlightened civic leadership would institute an actuarially sound, progressive rate structure that strongly encourages wasteful users to waste less and reward those who have invested wisely in efficiency and thereby use modestly--on a year-round basis! "Actuarially sound" means that fixed costs get covered by usage rates while protecting the steady rate of return required to repay capital costs for said fixed costs (capital infrastructure). This is important because we know that it is the wasteful users who are driving the "need" for more and bigger pipes, pumps, reservoirs, wells and other infrastructure. So those who demand more water should also be paying for the extra infrastructure required to supply it. Thus the need for progressivity in the rate structure--*year round!* If the usage rates are properly structured--actuarially sound, progressively increased according to usage--that "need" would soon be obviated, as the wasteful would get wise tout de suite. Or they pay for their willful ignorance. The choice would be the customer's and entirely the customer's. Consumer free choice and free enterprise--yes, including investments in efficiency--is what built this country. Why is the Madison Water Utility undermining free enterprise?

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The Utility's rate scheme, by eliminating progressivity for most of the year (and only for a relatively few users), actually *rewards* waste. It undermines all efforts to do the right thing and create a better, more sustainable water supply system.

Progressive, actuarially sound rates that cover all costs—yes, fixed costs included—is the most responsible way of properly accounting for wasteful usage.

Fixed charges—of any amount and for any given period—only aid & abet profligate use.

Furthermore, the idea of fixed v. usage costs is fiction. Much of the fixed cost increases goes to the Utility's wasteful expansions of unnecessary new wells and megalomaniacal monuments to engineer egos. (Witness the supersized well & reservoir on the northside at **TWENTY-THREE TIMES the size of the existing reservoir.**) Unnecessary because they were/are being built on assumptions of ever-increasing water consumption. That hasn't happened. Indeed, water consumption has gone down. Why? People are making the connections between their personal use<->environment. They should be rewarded for making those connections and acting to remedy it, not punished.

It's also an incredibly cruel thing to do to people who thought ahead for their retirement and invested mightily in water efficiency in their homes. Now they are on modest fixed incomes and getting slammed by these rustbelt redneck policies. Retirees' investments in conservation are now set to be vaporized on behalf of manly engineers with no sense of limits--economic or environmental.

There isn't really a middle ground on this. Either we make the decisions to protect our water and energy resources and our existing water infrastructure—now—or else.

You have heard all of this before through the CAP process.

Yet you have done nothing to institute a true conservation rate structure. Indeed, you have doubled down on this fossilized fixed rate structure.

You have had your opportunity—over many years—to do the right thing.

Why do you continue to do nothing?

It is clear that management is in something of a panic to figure out how to pay off the ill-advised siting and overbuilding of new wells as well as the poor management of existing wells (how many wells have we lost to corporate polluters?). The data are clear: your costs for infrastructure are only marginally increasing due to replacement of aging pipes (as you falsely portray to the press); most of your cost increases are due to your new monster wells & reservoirs and pollution-destroyed infrastructure. Now you want to punish your ratepayers in the most ham-handed manner. Instead of going after the people who caused these costs--polluters and over-consumers--you are going after the modest, conscientious user. You are on the wrong of the the moral equation. You need to protect the people's capital resources and our natural hydrogeological source for water. Stop covering for the polluters and the profligate. The already huge fixed costs + the new absurdly higher fixed costs, are simply cover for the MWU's lazy, willfully ignorant accountants (and their bosses) who can't calculate out a reasonable conservation rate structure.

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The knowledge is out there. Innovative demand-managing rate structures that could respond to a changing water consumption environment are in practice all over the country. The knowledge of how to keep up with existing infrastructure costs while reducing future costs is out there. It is well documented even in water utility trade groups! This isn't just the stuff of crazy hippies, as Mr. Heikkinen would have us believe.

In the end, this is a bait & switch. For decades, the Utility has been encouraging their customers to conserve and install water-conserving fixtures. (See, for example, any number of MWU bill inserts over the last twenty-plus years.) With this rate scheme, nothing will be saved through fixture replacement.

So now they want to crush those who followed their investment advice.

As long time real estate investors who have invested significantly in conservation measures on several properties, not only do we believe that you should reject their fixed rate plot against their ratepayers, you should also report them to the Securities Exchange Commission for their pump & dump scheme.

Please reject the entirety of the Utility's rate scheme.

Sincerely,
Michael D. Barrett and Pamela S. Barrett