



City of Madison

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

Meeting Minutes - Approved WATER UTILITY BOARD

Tuesday, May 26, 2009

4:30 PM

119 E. Olin Ave.

CALL TO ORDER / ROLL CALL

George Meyer called the meeting to order at 4:30 p.m.

Late: Lauren Cnare at 4:35, Thomas Schlenker at 4:45.

Present: 6 -

Lauren Cnare; Dan Melton; George E. Meyer; Thomas Schlenker; Bruce Mayer and Michael Schumacher

Excused: 2 -

Jonathan H. Standridge and Gregory W. Harrington

A motion was made by Schumacher, seconded by Mayer, to amend the agenda by moving item 9, the Steering Committee Report, to the first item of business and moving item 15, the Capital Improvement Plan, to the next item of business after the Financial Reports. The motion passed by voice vote.

APPROVAL OF MINUTES

A motion was made by Schumacher, seconded by Mayer, to Approve the Minutes of the April 28 Meeting. The motion passed by voice vote.

PUBLIC COMMENT

There were no citizens registered to speak.

ADMINISTRATION REPORTS

9. [14827](#) Steering Committee Report

Attachments: [Steering Team Report May 2009.pdf](#)

The attached report was distributed. Steering Committee member Adam Wiederhoeft presented the information on the report, including the new mission statement that was developed. He invited the Board to the employee potluck June 18. He was asked if the Board would see the results of the employee engagement survey. Tom Heikkinen said the results would be presented to the Board after staff review. Both the employee engagement and the internal communications surveys will be administered annually.

1. [14080](#) General Manager's Report

Attachments: [General Manager Report May 2009.pdf](#)

The attached report was distributed. General Manager Tom Heikkinen highlighted several items on the report, including the Open House and the news that the Utility will not be receiving stimulus funds. He has included the Project Priority List as a separate item on the agenda. He also spoke to the Madison Area Plumber's Association and received positive feedback about the customer service and responsiveness of the Water Utility.

He would like to present a draft at the next Board meeting for the adoption of a policy for secondary water quality standards. He suggests the AWWA and ASCE standards of 20ppb for manganese and 100 ppb for iron as trigger points for filtering at new wells. There was a question about whether the standards could change. Mr. Heikkinen said the filtered water at Well 29 is far below the trigger points so this is not a concern.

2. [14086](#) Water Supply Report

Attachments: [Water Supply Report May 2009.pdf](#)

The attached report was distributed. There was a question about whether Well 15 was still scheduled to be online by June 15, and if the replacement would be within the budget. Al Larson said the project is on track, as far as he knows, and Mr. Heikkinen said it should be within budget.

There was a question about the Nakoosa trail update and potential health threat. Mr. Heikkinen said that Polycyclic Aromatic Hydrocarbons (PAHs) are fairly common, and the test result and capping requirement were not unexpected.

There was a question about whether chlorine detection units were substitutes for having a separate room. Mr. Heikkinen said they are not.

3. [14085](#) Water Quality Monitoring Report

Attachments: [Water Quality Report May 2009.pdf](#)

The attached report was distributed. Water Quality Manager Joe Grande highlighted the Water Quality Technical Advisory Committee (WQTAC) discussion of testing for pharmaceuticals and endocrine disrupting compounds. He will present a memo to the Board next month regarding the decision not to test.

The radionuclide testing results demonstrate that all the wells are below regulatory limits. Wells 15 and 27 were closer to the limits. Based on these results, testing may be completed on a three-year cycle for some wells and a six or nine-year cycle for others. He was asked what causes the variations in levels. He said it is determined by geology. Thirty to forty water utilities in Wisconsin treat for radium because they exceed the drinking water regulations, including Waukesha. He was asked if any water utilities have learned from the Waukesha experience. Mr. Grande said Waukesha exceeds the Maximum Contaminant Level and is required by law to treat the water for radium.

There was a request for clarification on the Ohmeda site discussion in the WQTAC minutes. Mr. Grande said the meetings with individuals from the Department of Natural Resources and GE Healthcare were focused on the requirements of the remediation. GE seems to acknowledge that the contamination on the Utility's site is from them; however, there is no commitment from GE and there probably will not be any requirements from the DNR that they clean up anything other than what is on their site. There are ground water flows moving contaminants from their site in a general southwest direction in the Tunnel City formation, which is where the contaminants are located. The remediation efforts will focus on a barrier so that, as the ground water moves through the area, a treatment wall of bacteria will be chewing up the contaminants. The pilot study showed that this had been successful. In the future, if this remediation continues and is successful, there will no longer be any movement of contaminants off-site. However, there will not be any treatment for contaminants that have already moved onto the Utility's site, and it will likely be many years before those levels clear. At this point, the Utility will do an exhaustive search for alternatives to siting a well there. He was asked if the property could be sold. Mr. Larson said it probably could. Mr. Grande said there are private wells near the site and GE may test the water at those wells. The Utility provided them with those locations.

4. [14087](#) Operations Report

Attachments: [Operations Report May 2009.pdf](#)

The attached report was distributed.

5. [14088](#) Staffing Report

Attachments: [Staffing report May 2009.pdf](#)

The attached report was distributed. There was a question about how the hiring freeze affects the Water Utility. Mr. Heikkinen said it does not apply to seasonal, hourly positions but the city needs to be informed. Currently the Utility is conducting interviews for the hourly construction inspector position. He was asked whether the full-time positions could be divided into part-time positions in order to offer more jobs. Mr. Larson said this would not be effective for the construction inspector position because continuity is needed.

6. [14122](#) Engineering Report

Attachments: [Engineering Report May 2009.pdf](#)

The attached report was distributed. Principal Engineer Al Larson highlighted several items on the report including the The High Point Road tank repainting. He invited the Board members to attend the Well 29 Open House on July 11. He reviewed the update on the projects currently in the Public Participation Process: Zone 4 Water Supply Augmentation, Arbor Hills Fire Flow Supply, Well 8 Iron and Manganese Mitigation, and Zone 7 and 8 Water Supply Augmentation.

He was asked if people from areas impacted by projects have joined the Citizens Advisory Panels (CAPs), and how participation is tracked. Mr. Larson said the CAPs for Well 8 and Arbor Hills have 7-10 people who are all from the service area. The Zone 4 CAP includes both individuals from the neighborhood and concerned citizens. The Well 8 public meeting was attended by about 22 people, including two board members. At the CAP meetings, roll and minutes are taken. He was asked if the Well 8 meeting had been announced to Board members. Mr. Larson said it was not announced, but the information was on the website, and the postcard he sent to the service area was e-mailed to the Board.

He was asked how full capacity is measured for Well 29. Mr. Larson said full capacity is 24 hours a day at 1100 gallons/minute. This was established on the Montgomery report.

He was asked when the CAP for Zone 4 would finish evaluating the alternatives. Mr. Larson said that a draft report would be completed at the end of the summer.

There was a request for clarification of a phrase from his report, "no indication of opposition," in regard to the Well 8 public meeting. Mr. Larson said there was no indication of opposition to establishing the project.

7. [14089](#) Customer Service Report

Attachments: [Customer Service Report May 2009.pdf](#)

The attached report was distributed. Customer Service Manager Ken Key said that he, Tom Heikkinen, and Jon Standridge had the first of several planned meetings with the Utility's largest industrial customers. He was asked how this meeting went. Mr. Heikkinen said the meeting with Meriter Hospital's Facilities Manager went well. The Utility received good feedback on flushing notifications, and Mr. Standridge discussed the city's conservation goals. Mr. Key added that the Utility interacts with these customers on a regular basis, but on a different level (meter maintenance, billing, etc.). He learned that water is only 2.5% of their utilities budget. Mr. Heikkinen said it was also interesting to learn that the hospital has a water disinfection system to further treat its water. Meriter was one of the first hospitals in Wisconsin to install such a unit.

8. [14090](#) Public Information Report

Attachments: [Public Information Officer Report May 2009.pdf](#)

The attached report was distributed. Public information Officer Gail Gawenda said that in addition to the events in the report, she and Tom Heikkinen met with Representative Spencer Black, the chair of the Natural Resources Committee. He visited and toured the Water Utility and Well 30. Mr. Heikkinen added that they hosted the visit as an outreach and to offer assistance on municipal water supply issues.

A motion was made by Schumacher, seconded by Mayer, to approve the staffing reports. The motion passed by voice vote.

FINANCIAL REPORTS

10. [14123](#) Fund Balance Report

Attachments: [Fund Balance Report May 2009.pdf](#)

The attached report was distributed. Finance/Accounting Manager Robin Piper said he and Mr. Heikkinen are still planning to meet with the Comptroller to discuss a Bond Anticipation Loan for the construction fund.

11. [14092](#) Financial Report: Toilet Rebate Program

Attachments: [Toilet Rebate Program Report May 2009.pdf](#)

The attached report was distributed. Mr. Piper said that there are still funds available for rebates. 144 toilets were sold by Kohler at the Utility's Open House. Mr. Heikkinen added that there has also been interest from the commercial sector in expanding the program.

12. [14846](#) Comparative Income Statement

Attachments: [Comparative Income Statement 1st Quarter 2009.pdf](#)

The attached report was distributed. Mr. Piper said that for the first quarter, income is up but so are expenses. However, the net income is still \$140,000 greater than last year. As the Utility continues to implement the last rate increase the income will be positively impacted.

He was asked about the interest expense for debt service. Mr. Piper said that over the last three years, the expense has increased, and it will probably continue to increase as long as the Utility needs to borrow. The financial model is being expanded from five years to ten years, and he will hopefully have information from this model to present to the Board at the next meeting. He was asked if he had received any guidance from the Comptroller regarding the Utility's debt. Mr. Piper said no, but this will be discussed in his meeting with the Comptroller. He was asked if it could be projected that the total annual interest expense would be approximately \$200,000. Mr. Piper said it could.

A motion was made by Schumacher, seconded by Cnare, to approve the financial reports. The motion passed by voice vote.

NEW BUSINESS

15. [14852](#) 2010-2015 Capital Improvement Plan

Attachments: [2010-2015 Long Range Capital Improvement Budget Draft.pdf](#)

The draft of the Capital Improvement Plan was distributed. Mr. Heikkinen said this draft is being presented as a discussion item in order to give the Board more time with the document. It will be presented to the Board again for action after the public hearing.

There was a question about the postponement of the Lakeview Reservoir Reconstruction. Mr. Larson said that, because the budget in 2011 was close to \$30 million, some of the projects had to be moved. He was asked how one project is prioritized over another. Mr. Larson said this was a lower-priority project, and he added time for a rigorous Public Participation Process. (A hiking path and Indian mounds are nearby.) If the Board is not comfortable with the change, this plan is a draft. It was suggested that he provide additional information to the Board on the condition of the tower and the ramifications of moving the project back further. An earlier date would be preferable; otherwise, there should be data to demonstrate why other projects were higher priorities.

Mr. Piper said the prior projected budget for 2010 was \$23 million, but the Mayor's Office asked for a 20% reduction and it is now \$19 million. Mr. Heikkinen added that the expense for AMR (Automated Meter Reading) is included in the budget for 2010 and 2011 and this is the largest single item besides main replacement. The current 2009 capital budget is \$12 million.

It was suggested that the strategic plan should develop priorities and identify the few, vital changes that need to take place for the Water Utility to meet its mission. It should also include a communication strategy for the public and the council. Mr. Heikkinen said a key challenge is education, and this is one of the reasons the Utility hosted the Open House. If people understand the value of water and how their money is spent, and compare this with other goods and necessities (cable, electricity, etc.), they can see that water is a bargain. It should continue to be a good value, but the price needs to increase to reflect the true cost.

Ald. Schumacher cautioned that when projects are pushed into the future, it might work on a spreadsheet but not in reality. Mr. Meyer pointed out that if the Utility continued to budget \$12 million for the next seven years, its unmet needs would total \$57 million. That would be unsustainable; the Utility needs to obtain the revenue to meet its needs.

There was a question about when the Utility might be able to catch up on infrastructure maintenance due to a reduction in the city's growth. Bruce Mayer said the new Springstead model should help with those projections. Mr. Larson said that, according to a graph in the infrastructure plan, 2025 is projected to be the year that spending catches up to need, and 2050 is when spending would overtake need.

There was a question about how projects would be pushed back if the Utility only had a \$12 million capital budget every year. Mr. Heikkinen said it would be a very long spreadsheet. It was suggested that the Utility develop a worst-case scenario like this to help in communicating the need for a larger budget.

There was a question about which projects were postponed to cut the budget. Mr. Larson said the Well 7, Well 8, and East Isthmus Unit Well projects were moved back one year, Unit Well 10 and Sprecher Road were moved back two years, Zone 7 and 8 and Zone 4 were moved back three years, and Pressure Zone 9 storage was moved back four years. The one exception is Patterson St, which was moved up 2 years. It was suggested that in the next budget, the changes could be highlighted.

There was a question about how the public hearing has been publicized. Mr. Heikkinen said there have been two legal notices in the Wisconsin State Journal. Ms. Gawenda added that, in addition to the media, press releases are sent to alders and could be sent to other groups like the Water Quality listserv and neighborhood associations.

It was suggested that the public hearing presented an opportunity for the Utility to educate the community about how the system works, rates, the cost for infrastructure, etc. It was also suggested that the Utility should be able to explain, quantitatively, why one project is prioritized over another.

UNFINISHED BUSINESS

13. [14833](#) Development of the Water Utility Strategic Plan

Attachments: [Strategic Planning Notes.pdf](#)

The attached notes were distributed. Mr. Heikkinen said that, as a next step, he would like the Board to approve a mission statement.

A motion was made by Cnare, seconded by Melton, to approve the mission statement recommended by staff: "We are entrusted by the people of Madison to supply high quality water for consumption and fire protection, at a reasonable cost, while conserving and protecting our ground water resources for present and future generations." The motion passed by voice vote.

Mr. Heikkinen asked the Board to review the other pages of the document and provide him with feedback and suggestions. The next step will likely be the development of action items to accomplish the objectives. Staff will develop a draft and it will be presented to the Board for review.

It was suggested that the strategic plan should help with prioritizing. The objectives listed in the notes are what the Utility should be striving for anyway, but the critical strategic drivers should give direction. They are related to the discussion that just took place about the Capital Improvement Plan.

NEW BUSINESS

Ald. Cnare left the meeting at 6:10 p.m.

Present: 5 -

Dan Melton; George E. Meyer; Thomas Schlenker; Bruce Mayer and Michael Schumacher

Excused: 3 -

Lauren Cnare; Jonathan H. Standridge and Gregory W. Harrington

14. [14824](#) Water Utility Board Operating Rules

Attachments: [Draft Water Utility Board Operating Rules.pdf](#)

A motion was made by Schumacher, seconded by Mayer, to Postpone to a future meeting attended by more members of the Board. The motion passed by voice vote.

CORRESPONDENCE AND SPECIAL INTEREST ITEMS

16. [14835](#) Safe Drinking Water Loan Program State Fiscal Year 2010 Project Priority List
- Attachments:** [Safe Drinking Water Loan Program State Fiscal Year 2010 Project Priority Li](#)
- The attached document was distributed.
17. [14828](#) Fact Sheet for a New Regional Groundwater Flow Model for Dane County
- Attachments:** [Fact sheet for New Regional Groundwater Flow Model revised 2009.pdf](#)
- The attached document was distributed.

FUTURE AGENDA ITEMS

18. [14501](#) Introduction of Future Agenda Items
- It was suggested that, in regard to a future discussion of fluoride, the Board of Health and the Health Department are the experts. The Water Utility's role is in delivery. There may be logistical issues with scheduling a joint meeting, and in principle, this is not an issue for the Water Utility Board to take up independently or prior to the Board of Health. Perhaps the department heads should make the decision regarding the best course of action for interacting on this issue.

ADJOURNMENT

A motion was made by Schumacher, seconded by Mayer, to Adjourn at 6:15 p.m. The motion passed by voice vote.