



# IWA PIPELINE



SPRING 1998

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VOLUME 21 ISSUE 1

## HIGH TECH=LOW(ER) COST WATER



At IWA, we are very proud of the fact that we closely control our operating costs and don't have to increase our water rates every year or two like many other utilities. Our rates aren't cheap, but they are stable, and taking inflation into account, they are becoming cheaper every year we don't increase them! In fact, our last rate change, which occurred in 1994, was a 7.5% **DECREASE**. There are many reasons we are able to control our rates so well. To a large extent, it's due to our employees, who are always looking for ways to do their jobs smarter (and cheaper). We even have a program which lets employees share in the savings that their ideas generate. Over the years, two of these ideas have been so innovative that we have patented them in order to prevent others from stealing our ideas (and then charging us to use them!).

New technology is also a large factor in our efforts to control costs, and hence our rates. We are always looking for new technology that will help us to become more productive and save us money. Unfortunately, as the old saying goes, "It takes money to make money." We have to invest money to purchase the new technology, and we have to be sure that the return on our investment is greater

than that which we could have made by just leaving the cash in the bank. Unfortunately, that analysis is easier to describe than to actually carry-out in some cases.

There are a number of areas at IWA where new technology has had a significant effect on our ability to control our costs. Examples include: reverse osmosis (RO) membranes, water meters, innovative treatment processes, and computers.

IWA has a special relationship with the manufacturer of our reverse osmosis membranes. For many years, we have tested new membrane technology in our plant. The membrane manufacturer (Dow Chemical/FilmTec) benefits by testing their new products in a real world application, and IWA gets the latest technology at a good price. For example, we recently replaced membranes in two of our treatment trains. The new membranes, which cost us around \$160,000, have lowered our electricity costs by around 10%, saving us around \$36,000 per year. This is an annual return on our investment of over 20%, which is **FAR** more than we were making on the money in the bank!

In a previous edition of the *Pipeline*, we reported that we were installing a new type of water meter in our higher consumption locations. The new meters are supposed to measure low flow rates more accurately than our other meters. This will result in a more accurate measurement of the water actually being consumed, and it will ensure that those who consume the water pay for it, rather than spreading the cost across all members in the form of higher rates. It is too early to determine whether this technology improvement has been entirely successful, but early indications are that it has helped. For example, our overall system water loss (the water for which we are not paid) has been halved. In any case, the meter manufacturer has guaranteed that we will pay for the meters with

increased revenues over a three year period, or they will make up the difference, giving us a guaranteed annual rate of return of 33%, again FAR better than bank rates.

IWA has also developed an innovative treatment process which has been patented and which is saving us a considerable sum of money each year. Engineering/Distribution Manager, Dick Derowitsch, developed a process for cleaning our wells, using very environmentally benign chemicals, and saving us around \$15,000 per well. Since we clean around 5 wells per year, this amounts to a savings of \$75,000 per year. Installation of the well cleaning system cost us around \$30,000, giving us an annual return of 250%. Be sure to thank Dick for saving us all that money the next time you see him!!

Last, but by no means least, computers have saved IWA a lot of money in many ways, most of which defy quantification as easily as the above examples. We use computers both in our office work and to control many of our operations.

In the office, computers have enabled us to do more, with less people. For example, we have added the option of letting our members pay their water bills by direct drafting of their bank accounts. Over 17% of our 4,400 members have chosen to do so (would you like to join the group? ... just give us a call!!) That has eliminated the need to manually enter nearly 9,000 payments per year! We have discontinued the use of outside contractors to write and layout our newsletters (like this one), and now we use an employee author (Ozzie), a laser printer, and desktop publishing software. Through the use of our personal computer network, we have streamlined many Company activities such as the preparation of our annual budget, which is now produced and compiled with amazing ease from many separate computers. We now have both internal and external Internet sites. The internal site (our Intranet) makes distribution of information to all employees very simple and efficient. The external site ([www.islandwater.com](http://www.islandwater.com)) has allowed us to reduce the time required to provide the public with information about our operations, by just suggesting that they visit our web site. Perhaps most amazing to many of us is that we can also work on our IWA duties from our home computers and transfer the work to the office network over the phone lines. Talk about efficiency ... and low hourly wage rates!

In the case of RO plant controls, we continue to automate our systems. We can now start and stop our remote pumps on Sanibel and Captiva from a computer screen without ever leaving the RO Plant.

We are also working on collecting more data from remote locations via computer links and miles of new fiber optic cable, eliminating the need to drive around the Islands, wasting time and gasoline... and contributing to our afternoon road gridlock.

All our computer hardware and software development is being handled in-house, by employee experts such as Rusty Isler, Jacque Owens and John Leiter.

So although our water is not cheap, it would be a lot more expensive if we weren't always on the lookout for new technology to help us do our jobs better and more productively (that means cheaper!). The next time you are near our offices, stop in and we will be happy to show you some of these "high tech rate reducers." Better yet, attend our 1998 Annual meeting (see the article elsewhere in this newsletter), and we'll show you then.

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## "ONE CALL" FIRST ... THEN DIG!!

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Broken water lines can result from many different causes, and they always seem to happen at the worst possible times, after our normal work hours and/or in inclement weather. One thing all breaks have in common is that they are messy and expensive to repair, often costing thousands of dollars. One of the most common and most preventable causes of breaks is the failure to determine what is already in the ground before beginning any excavation. Common reasons IWA members may be involved in such excavation activities include installing, removing or repairing vegetation, fences, signs or sprinkler systems. Broken water lines are expensive and messy to repair, but hitting underground power lines can be deadly.

For these reasons, in 1993 the Florida Legislature passed the "Underground Facility Damage Prevention and Safety Act." This act established the "Sunshine State One-Call of Florida" system

and required all utilities to become members by October 1, 1997. This system provides a toll-free number (1-800-432-4770) for everyone's use, including the general public. The One-Call center can be reached from 7:00 a.m. to 5:00 p.m., Monday through Friday. The center will take information concerning the location and depth of the excavation and notify all the involved utilities, who will then locate their underground facilities in the area, free of charge. If locations are needed outside of the One-Call center's working hours, it is the responsibility of the excavating party to directly notify the involved utilities.

Failure to contact the One-Call center 48 hours prior to excavating can result in considerable liabilities for facilities damage and personal injuries. However, calling the center doesn't relieve the caller of liability in the case of negligence, depending on the circumstances involved.

So call One-Call first, then dig. It's the right and the safe thing to do. It also will save IWA and our members (including you!) money.

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## Y'ALL COME, Y'HEAR!!

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The 1998 Annual meeting will be held on April 13<sup>th</sup> at 10 a.m. in our offices at 3651 Sanibel-Captiva Road. Materials relating to this meeting are enclosed with this Newsletter. **PLEASE** vote your proxy and return it to us.

As has been the case at the last few meetings, we'll be happy to give anyone a tour of our facilities after the meeting is over. We'll show you our entire operation and/or some of the great money-saving new technology items discussed above in this newsletter. Of course we'll also have the customary coffee and doughnuts before the meeting begins. So mark your calendars and plan to attend. Attendance at the last few meetings has been less than we would like, so we'd like to see **YOU** there this year!

The Nominating Committee met on January 27<sup>th</sup> to select candidates for the two vacancies on the Board this year. Mr. Harley R. Derleth, currently Board Vice President/Treasurer, was re-nominated for his third and last two-year term. Mr. Robert J. Wigley, who has served as Board President for the last three years, has completed his third term and is ineligible for re-election. Mr. Richard Calabrese has been nominated to fill Bob's seat on the Board. The IWA Board of Directors, on behalf of all the employees and members of IWA, thank Bob for his

many contributions to IWA over the last six years. Brief resumes of the two 1998 nominees are enclosed on the back of the Annual Meeting Notice.

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## QUIZ

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1. How much will our Periwinkle Way construction project cost?  
A. \$360,000 B. \$575,000 C. \$940,000
2. Who has complained about our Periwinkle Way pipeline project?  
A. IWA members B. City Council C. Tourists  
D. All of the above
3. How many members typically attend IWA's Annual Meeting?  
A. 5 B. 10 C. 50 D. 100 E. 1,000
4. When you call IWA at 472-1502 after hours, who answers?  
A. Nobody B. An IWA employee C. An answering service
5. How is IWA involved with the Sanibel Sewer System?  
A. We own it B. Not at all C. Only a little

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## WE APOLOGIZE (AGAIN!)

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In the previous edition of the *Pipeline* (and on our internet site), we have apologized for the traffic jams our pipeline construction project on Periwinkle Way were causing. As this newsletter is being written, traffic jams are no longer the problem (at least not caused by our project!), but the unsightly mess and pot-holed driveways are!

Once the project advanced past Purdy Drive, we were able to utilize a smaller excavating machine and keep our activities between the road and the bike path, without blocking traffic. Of course at about the same time, the "monsoons" hit, requiring us to pump the water out of the trench as we move along. This makes the job much more difficult, and it takes about twice as long. Also, the tree population is increasing as we approach Meridian Drive, requiring us to stop and tunnel under them more often. This tunneling is expensive and time-consuming, but it minimizes damage to the tree's root structure.

When we get to Meridian, again there is no room to work between the road and the bike path. We are currently consulting with City staff and

Council regarding our options. We could stop work until the season is over, relocate the bike path, or work at night. None of the options is without problems and additional expense. If we stop work, we may delay subsequent City projects in the area. If we work at night, the resulting noise will likely be upsetting to nearby residents. If we move the bike path, we will have to remove native vegetation. IWA is prepared to use any of the options.

In many ways, we wish we had never heard of this project, but it needs to be done, and no timing would have been without its problems. At least IWA members will see a benefit in the form of a better water system from the inconvenience we are causing. It's not clear that the same can be said about the recent commercial filming on the Causeway!

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## MEET TOM POWERS

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Tom Powers joined us on January 5<sup>th</sup> as a Trainee Operator at the RO Plant. Prior to joining us, he worked in a local hospital as a surgical technician and laboratory assistant. Although sawing plastic pipe is about as close to surgery as he is likely to come at IWA, Tom's lab experience should

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help him to quickly learn how to test our water quality.

Tom and his wife Rosanne, and their three children, Emily, Adam and Mary reside in Cape Coral, where Tom enjoys reading, sailing, and motorcycling. We noticed that he was riding his motorcycle to work, but we always thought that was just so he could avoid all the traffic jams caused by our Periwinkle pipeline construction project. We didn't realize that he actually enjoyed it!

Tom says he is enjoying the challenges of learning the ropes at the RO Plant and meeting all the "old hands" at IWA. He says the words he lives by are "Seize the day." We're not sure what to expect when he gets assigned to the night shift!

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## ANSWERS TO QUIZ

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1. A. \$360,000, and a bargain at any price! Most of the work is being done by Cabana Construction Company ... the guys in the orange shirts.
2. D. Bet no one missed that one!
3. Either A. or B., depending on whether it is raining. We sure would like to see more of our 4,400 members this year!
4. C. Our answering service is always on duty after our normal work hours, and our "on call" employees will respond as quickly as possible after the service notifies them.
5. C. Only a little. The City owns the sewer system, and we help them with water consumption data for billing some of their customers.

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