

OUR CITY OF MADISON



Water Utility Budget Overview

January Vang, Finance Manager

Water Utility's Operating Budget Overview

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Water Utility - Operating Budget

As of January 2025, our agency maintains an operating budget across **7** service areas:

Service Area
Water Communications and Outreach
Water Customer Service
Water Engineering
Water Finance and Administration
Water Operations & Maintenance
Water Quality
Water Supply

Water – Communication and Outreach



Service Description:

This service works collaboratively with Billing, Customer Service and Meter Operations to conduct the Water Utility's communication and community outreach pertaining to conservation and sustainability education, media relations, external and interdepartmental communication and promotion of the Utility's various programs and conservation initiatives. The Communications Department also develops Madison Water Utility's evolving crisis communication in addition to other strategic communication plans. Water Utility's outreach program includes Home Water Conservation, Water Wagon, Toilet Rebate and Madison Customer Assistance Program (MadCAP).

Water - Customer Service



Service Description:

This service provides customer service and meter operations for 80,000 active municipal service accounts. This service also ensures accurate water consumption billing along with sewer, stormwater, landfill, urban forestry and resource recovery.

Water - Engineering

Service Description:

This service provides technical support, mapping, long-term planning, and direction to the Water Utility capital improvement and infrastructure renewal program. The goal of this service is to use Asset Management and Master Plan technology to meet and maintain levels of service to customers.

Water - Finance and Admin

Service Description:

This service is responsible for financial services including general accounting, financial reporting, regulatory reporting / compliance, budgeting, debt management and utility-rate management. The goal of this service is to provide accurate, reliable and transparent financial information to internal and external stakeholders while managing utility rates.

Water – Operations & Maintenance

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Service Description:

This service provides the maintenance, repair, and replacement of the water distribution system, as well as the maintenance, repair, and replacement of deep wells, booster stations, and facilities/properties.

Water Quality

Service Description:

This service provides field testing, routine and specialty water sample collection, laboratory results interpretation, and long-term trend analysis for a variety of potential chemical and biological contaminants in drinking water. The goal of the service is to ensure delivery of safe, high-quality water to customers and to comply with requirements of the Safe Drinking Water Act. This service also oversees compliance monitoring, wellhead protection, private well permitting and abandonment, and cross connection control.

Water Supply

Service Description:

This service provides the operation and monitoring of wells, booster stations and reservoirs, and supplying fire protection. The goal of this service is to operate and monitor the water supply system to ensure customers are provided with an adequate quantity of high-quality water for consumption and fire protection.

Water Utility – Operating Fund Revenue Sources

Water is an enterprise fund agency. This means our operations are primarily funded by charges for water services followed by late fees, investment income and other miscellaneous funding sources.

Revenue Source	2023 Adopted Budget	2024 Adopted Budget	2025 Adopted Budget
Charges for Water Services	\$48.6 M	\$57 M	\$56.7 M
Late Fees	\$0.2 M	\$.2 M	\$.3 M
Investment Income	\$0.2 M	\$.9 M	\$1.1 M
Misc. Revenue and Other Financing Sources	\$0.5 M	\$.5 M	\$3.6 M
TOTAL	\$49.5 M	\$58.6 M	\$61.7 M

Water Utility's Capital Budget Overview

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Water Utility - Capital Budget

As of January 2025, the Water Utility maintains **13** projects and programs.

Programs	Projects
Chlorinators & Florinators Program	High Point/Raymond/Midtown
Unit Well Rehab Program	Park Street, South
Water Hydrants Program	Regent Street
Water Mains - New	Unit Well 12 Conversion to a 2 Zone Well
Water Mains Replacement	
Water Meter and Fixed Network Program	
Water Utility Facility Improvements	
Water Utility Vehicles & Equipment	
Water Valve Cut-In Program	

Water Utility – Capital Fund Revenue Sources

As an enterprise fund agency our capital expenditures are primarily funded by reserves applied, expense depreciation and borrowing.

Revenue Source	2023 Adopted Budget	2024 Adopted Budget	2025 Adopted Budget
Reserves Applied	\$4.2 M	\$0.0 M	\$6.2 M
Water Expense Depreciation	\$0.0 M	\$5.0 M	\$5.0 M
Revenue or GO Bonds	\$12.8 M	\$7.3 M	\$0.0 M
Federal or State Sources	\$0.4 M	\$5.1 M	\$0.8 M
TOTAL	\$17.4 M	\$17.4 M	\$12.0 M

Chlorinators & Florinators Program

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Program Description:

This program rebuilds and replaces chlorinator and florinator equipment on a 10-year replacement cycle. The goal of the program is to reduce failures and service interruptions for safe and reliable water. Progress will be measured by the frequency of equipment failure.

Unit Well Rehab Program

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Program Description:

This program is for the 10 year unit well upgrade projects as recommended by Wisconsin Department of Natural Resources. The goal of this program is to ensure that all unit wells are functioning at an efficient level and to reduce annual maintenance costs. Progress will be measured by reduction of maintenance costs, fewer unit well failures, and compliance with the 10 year schedule.

Water Hydrants Program

Program Description:

This program is for the annual raising, replacing and moving of water hydrants. The goal of this program is to maintain reliable service for fire suppression.

Water Mains – New Program

Program Description:

This program is for installing new water mains throughout the City. The goal of the program is to strengthen and expand the existing distribution system, improve water pressure, improve fire protection, allow transfer of water between pressure zones, and to serve the growing areas of the City, working with City Engineering as needed. Newly installed mains include hydraulic improvements consistent with the Water Utility Master Plan.

Water Mains Replace Programs

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Program Description:

This program is for replacing existing water mains in conjunction with the reconstruction of roads as part of the City's Engineering – Major Street Reconstruct Streets and Pavement Management program. The goal of the program is to update the water infrastructure, diminishing the risk of pipe failure and to extend the useful life of the pipes at a lower cost than replacing the pipe. As for the pipe lining portion of this project it measures the miles of pipe rehabilitated using the lining method. The program aligns with the Water Utility's goal to replace or rehabilitate over 400 miles of aging pipe within the City over a 40-year period to renew and maintain the system.

Water Meter & Fixed Network Program

Program Description:

This program is for water meter and fixed network advanced metering infrastructure (AMI) improvements. The goal of the program is to provide accurate consumption data for billing purposes. Progress will be measured by comparing the meter accuracy testing results against the Public Service Commission of Wisconsin rules and regulations as well as monitoring the total non-revenue water volume.

Water Utility Facility Improvements Program

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Program Description:

This program is for repairing and upgrading Water Utility facilities. The goal of the program is to maintain the facilities for reliable service and reducing emergency repairs. Progress is measured by tracking the number of emergency calls, facility outages, and accidents each year. Funding in 2025 is for fiber optic system installations and upgrades, control and instrumentation replacements and upgrades, cybersecurity upgrades, upgrading GPS system, and other miscellaneous upgrades.

Water Utility Vehicles & Equipment Program

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Program Description:

This program is for the annual vehicle and equipment replacements and additions. Replacement schedules are based on age and mileage of the vehicles and equipment. The goal of this program is to provide reliable vehicles and equipment for Water Utility's operations. Progress will be measured by the frequency of vehicle breakdowns and useful life obtained. In 2025, funds will be used for two backhoes, a valve turning truck, four pickups, a dump truck, a Honda Fit, a Ford Transit, and other miscellaneous equipment.

Water Valve Cut-In Program

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Program Description:

This program is for installing new valve cut-ins to the existing water infrastructure. The goal of this program is to eliminate areas of the city where water service is negatively impacted during water system maintenance and repair. Success is measured by a reduction in complaints from customers for impacted service.

High Point/Raymond/Midtown Project

Project Description:

This project funds the construction of a realignment of Raymond and Mid Town Roads as included in the High Point Raymond Neighborhood Development Plan. The project also includes a multi-use path, stormwater improvements and an extension of High Point Road. Construction is to be completed in phases. Funding in 2025 is for real estate acquisition and 2026 is for the first phase of construction on High Point Road.

Park Street, South Project

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Project Description:

Madison Water Utility proposes to connect a system hydraulic gap located between Wingra Creek and the railroad crossing to improve system hydraulics in close proximity to Unit Well 18. Also, minor system improvements, as needed in accommodation of the roadway reconstruction project. Design is planned to continue in 2025 and construction is planned for 2027.

Regent Street Project

Project Description:

Full water main replacement between Randall and S. Park Street.
Design work will start in 2025 and construction will occur in 2026.

Unit Well 12 Conversion to a Two Zone Well Project

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Project Description:

This project is for rebuilding and expanding Well #12 located on South Whitney Way. The goal of the project is to provide water supply capacity to five existing pressure zones, which represents the majority of the City's west side. The system flexibility provided by this project will improve service reliability and maximize water supply. Funding in 2025 is for design and the start of construction.

Water Utility Additional Budget Resources

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AGENCY Budget Resources

Links to:

- <https://www.cityofmadison.com/finance/documents/budget/2025/capital/Adopt2025C-Water.pdf>
- <https://www.cityofmadison.com/finance/documents/budget/2025/operating/Adopt2025-Water.pdf>

Budget Challenges

The following budget challenges for Madison Water Utility are important for Alders to be aware of:

- Reducing Outstanding debt
 - Goal is to have a 50/50 debt to equity ratio
- Need for increasing investment in pipeline replacement
 - Goal is to be replacing 1% of Madison Water Utility pipeline each year



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Stay Connected!

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