

# OUR CITY OF MADISON



## Water Utility Budget Overview

Kathy Schwenn, Finance Manager

# Water Utility's Operating Budget Overview

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# Water Utility - Operating Budget

As of January 2023, our agency maintains a **\$49.5** Million operating budget across **5** service areas:

Service Area	Operating Budget (In Million \$)
Customer Service & Communication	\$3.1
Engineering	\$5.5
Finance and Admin	\$26.5
Supply and Operations & Maintenance	\$13.2
Water Quality	\$1.2
<b>TOTAL</b>	<b>\$49.5</b>

# Water - Customer Service & Communication



## Service Description:

**2023 Total Operating Budget**

\$3,040,568

This service provides customer service for billing and meter operations to ensure accurate water consumption and billing data. This service also conducts the Water Utility's communication and community outreach for conservation and sustainability education, media relations, external communication, and promotion of the utility's water conservation initiatives. Communication and Community Outreach also develops Madison Water Utility's evolving crisis communication and strategic communication plans and oversees the Home Water Conservation, Water Wagon, and Got Water programs.

# Water - Engineering

## Service Description:

**2023 Total Operating Budget**

\$5,543,271

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:

2023 Total Operating Budget

\$26,481,360

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 – Supply and Operations & Maintenance

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## Service Description:

2023 Total Operating Budget

\$13,181,784

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. The goal of this service is to maintain and upgrade the water supply system to insure customers are provided with an adequate quantity of high quality water for consumption and fire protection.

# Water Quality

## Service Description:

2023 Total Operating Budget

\$1,202,517

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 - Revenue Sources

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

Revenue Source	2023 Adopted Budget (In Million \$)
Charges for Water Services	\$48.6
Late Fees	\$.2
Investment Income	\$.2
Other Financing Sources	\$.5
<b>TOTAL</b>	<b>\$49.5</b>

# Water Utility's Capital Budget Overview

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# Water Utility - Capital Budget

As of January 2023, the Water Utility maintains a 2023 Capital Budget of **\$15.9** million across **11** projects and programs.

Project / Program	2023 Capital Budget (In Millions)
Well 19 Iron & Manganese Filter	\$8.1
Water Mains Replacement Programs	\$2.8
Water Utility Facility Improvements	\$1.5
Vehicles & Equipment	\$0.8
Meter & Fixed Network Program	\$0.5
	Continued...

# Water Utility - Capital Budget - Continued

<b>Project / Program</b>	<b>2023 Capital Budget</b>
Olin Parking Lot Expansion	\$0.5
UW 15 PFAS	\$0.4
Hydrant Program	\$0.4
Unit Well Rehab Program	\$0.4
UW 14 Sodium & Chloride Mitigation	\$0.2
Other Projects/Programs	\$0.3
<b>TOTAL</b>	<b>\$15.9</b>

# Well 19 Iron and Manganese Filter

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2023 Project Capital Budget

\$8,116,000

## Project Description:

This project is for a new iron, manganese, and radium treatment system at Well 19 located on Lake Mendota Drive on the City's west side. The goal of this project is to improve water quality in the area. Progress will be measured by the change in iron, manganese, and radium concentrations, which currently do not meet Madison Water Utility Board standards. Funding in 2023 is for construction.

# Water Mains Replace Rehab Programs

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2023 Program Capital Budget

\$2,780,000

## Program Description:

The goal of these programs/projects is to update the water infrastructure and diminish the risk of pipe failure. MWU has over 900 miles of main in our system. Our goal is to replace 1% of our aging mains per year to renew and maintain the system. MWU works with City Engineering-Major Streets to ensure minimal disruption for residents.

# Water Utility Facility Improvements

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2023 Program Capital Budget

\$1,513,000

## 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 2023 is for SCADA system upgrades and expansion, fiber optic installation and upgrade, deep well variable frequency drive (VFD) installs, facility safety and security upgrades, and other miscellaneous upgrades.

# Water Utility Vehicles & Equipment

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2023 Program Capital Budget

\$754,000

## 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 2023, funds will be used to purchase four vehicle replacements, a dump truck replacement and a backhoe replacement as well as various other smaller items.



# Meter & Fixed Network Program

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2023 Program Capital Budget

\$526,000

## 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.

# Olin Parking Lot Expansion

2023 Project Capital Budget

\$500,000

## Project Description:

Water Utility fleet and employee parking lot expansion along the southern end of the Water Utility property at 119 East Olin Avenue. This work will coincide with a City Engineering-led effort to create a new public access road to the drop off site adjacent to the Water Utility parcel. Both agencies will collaborate on proper grading, contaminated soil disposal, and storm water management requirements.

# Well 15 PFAS Mitigation

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2023 Project Capital Budget

\$433,000

## Project Description:

The contaminant, PFAS, has been detected at Well 15. There is significant concern about potential health impacts of PFAS. A study that was performed on Well 15 gave guidance on proceed with improving the PFAS levels at Well 15 and that is now going to be implemented. MWU has applied for a grant from the State to fund this project, however, those funds will not be available until late 2023.

# Water Hydrants Program

2023 Program Capital Budget

\$400,000

## 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.

# Unit Well Rehab Program

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2023 Program Capital Budget

\$360,000

## Program Description:

This program is for the 10 year unit well upgrade projects as recommended by WIDNR. 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.

# Well 14 Sodium & Chloride Mitigation

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2023 Project Capital Budget

\$150,000

## Project Description:

Due to decades of road salt use on Madison city streets and in particular University avenue, Well 14 has elevated levels of sodium (Na) and Chloride (Cl). Efforts are under way to reduce the quantity of road salt used, however the levels currently in the groundwater will eventually reach the well. As the levels of Na and Cl continues to rise, mitigation is required. This project will fund a project to evaluate and develop alternatives for reducing the Na and Cl entering the drinking water system. Recommendations from this project will result in future work.

# Water Utility Additional Budget Resources

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# AGENCY Budget Resources

Links to:

- [Water Utility 2023 Adopted Capital Budget](#)
- [Water Utility 2023 Adopted Operating Budget](#)



# Upcoming Budget Challenges

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

- Reducing Outstanding debt
  - Current debt level of **\$218M** down from a high of **\$283M** in 2018
  - 10-year goal is to reduce debt level to **\$58M** in 2033
- Need for increasing investment in pipeline replacement
  - Current annual 3-year average replacement rate – **5 miles** of main per year at an average cost of **\$6M**
  - Long term annual replacement goal – approximately **10 miles** of main replaced per year at an estimated cost **\$15M**

# OUR CITY OF MADISON



## Stay Connected!

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