

Sewer

Agency Budget by Fund

Fund	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2026 C2C	2026 Request
Sewer Utility	61,532,079	59,056,110	58,371,688	63,020,990	63,020,990	65,757,810
Total	\$ 61,532,079	\$ 59,056,110	\$ 58,371,688	\$ 63,020,990	\$ 63,020,990	\$ 65,757,810

Agency Budget by Service

Service	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2026 C2C	2026 Request
Sewer Engineering And Admin	24,218,995	17,901,737	16,577,702	18,651,455	18,817,570	19,425,064
Sewer Operations	37,313,084	41,154,372	41,793,985	44,369,535	44,203,420	46,332,746
Total	\$ 61,532,079	\$ 59,056,110	\$ 58,371,688	\$ 63,020,990	\$ 63,020,990	\$ 65,757,810

Agency Budget by Major-Revenue

Major Revenue	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2026 C2C	2026 Request
Intergov Revenues	(11,216)	-	-	-	-	-
Charges For Services	(55,414,261)	(57,313,410)	(55,231,025)	(61,011,490)	(61,011,490)	(63,733,310)
Licenses And Permits	(21,919)	(12,700)	(43,821)	(19,500)	(19,500)	(34,500)
Fine Forfeiture Asmt	53,896	(780,000)	(1,573,217)	(790,000)	(790,000)	(790,000)
Invest Other Contrib	(1,675,252)	(900,000)	(1,493,150)	(1,150,000)	(1,150,000)	(1,150,000)
Misc Revenue	(9)	-	(79)	-	-	-
Other Finance Source	(4,428,424)	(50,000)	8,679	(50,000)	(50,000)	(50,000)
Transfer In	(34,893)	-	(39,074)	-	-	-
Total	\$ (61,532,079)	\$ (59,056,110)	\$ (58,371,688)	\$ (63,020,990)	\$ (63,020,990)	\$ (65,757,810)

Agency Budget by Major-Expense

Major Expense	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2026 C2C	2026 Request
Salaries	3,096,513	3,735,057	3,551,291	3,959,484	4,197,470	4,183,723
Benefits	1,357,231	1,661,485	1,213,707	1,766,287	1,784,867	1,797,428
Supplies	324,716	375,500	293,843	380,500	380,500	383,000
Purchased Services	35,356,761	37,757,740	40,405,760	40,765,273	40,783,705	43,130,731
Debt Othr Financing	18,605,745	11,574,298	10,038,961	12,345,939	11,904,339	12,295,419
Inter Depart Charges	3,034,553	3,409,830	3,110,909	3,298,507	3,435,109	3,433,109
Inter Depart Billing	(408,053)	(495,000)	(411,544)	(495,000)	(495,000)	(495,000)
Transfer Out	164,614	1,037,200	168,761	1,000,000	1,030,000	1,029,400
Total	\$ 61,532,079	\$ 59,056,110	\$ 58,371,688	\$ 63,020,990	\$ 63,020,990	\$ 65,757,810



Department of Public Works
Engineering Division
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Principal Engineer 2
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Mark D. Moder, P.E.
Fadi El Musa Gonzalez, P.E.
Andrew J. Zwieg, P.E.

Financial Manager
Steven B. Danner-Rivers

TO: Mayor Rhodes-Conway
FROM: Jim Wolfe, City Engineering
DATE: July 18, 2025
SUBJECT: Engineering Operating Budget Transmittal Memo
CC: Deputy Mayors; Finance Director; Budget Manager

Goals of Agency's Operating Budget

The Sewer Utility is responsible for the inspection, planning, design, evaluation, construction, and maintenance of the City's sanitary sewer collection system. The sanitary sewer collection system includes over 800 miles of sewer main, 33 lift stations, and 20,000+ sanitary sewer access structures. Every day, this system transports 25 million gallons of wastewater to the Nine Springs Wastewater Treatment Plant where it treated before being safely released back into the environment.

The Sewer Utility's goals are:

- Convey wastewater from Madison customers to the Nine Springs Wastewater Treatment Plant with minimum inflow, infiltration, or exfiltration, and maintaining adequate capacity within the system to reliably serve customers.
- Prevent sanitary sewer overflows and the potential resulting public health and environmental hazards.
- Reduce inconvenience and damage by responsibly handling service interruptions.
- Eliminate claims and legal fees related to sewer back-ups by providing immediate, concerned and efficient service to all emergency calls.
- Protect municipal investment by increasing the useful life and capacities of the system and parts.
- Perform all activities safely and avoid injury.

The key goals of the 2026 work plan include replacement of aging infrastructure, such as sanitary sewer mains, structures, and lift stations. Additionally, the Sewer Utility is continuing to implement our trenchless rehab program, which allows us to extend the useful life of our infrastructure cost effectively, and with reduced emissions that come with complete reconstructions. Our preventative maintenance program has been very effective at reducing the number of sewer back-ups experienced by our customers. Over the last 5 years, we have averaged fewer than 10 sewer main back-ups; depending on the benchmark used, this is at least 1/6th of what would be expected for a system our size. We continue to leverage our new technologies to improve our asset management goals and priorities, along with improving efficiency throughout the design, construction, and maintenance processes. The 2026 operating budget will support all of these efforts towards achieving the overall goals of the agency.

The goals will be monitored by continuing to track the number of sewer back-ups, along with the linear feet (miles) of sewer mains rehabbed or reconstructed. New technology implemented by the Sewer Utility is also allowing us to better inspect and rate the existing conditions of our facilities to help prioritize areas in need of investments before a costly emergency response is needed.

Enterprise Agencies (if applicable)

With this proposed budget, the Sewer Utility is proposing a 4.5% increase to rates for 2026, with 67% of that rate increase (approximately 3%) being attributed to rate increases for treatment charges by Madison Metropolitan Sewerage District, and the remainder primarily being debt service for capital projects and for improvements in asset management. In total, this amounts to an estimated increase of approximately \$1.75/month for the average customer.

To help manage and limit rate increases, the sewer utility is consistently working to find more cost-effective ways to manage our system. For example, as the sewer system within the City continues to age, we have expanded our trenchless rehab program, allowing us to address aging infrastructure without the more costly, open-trench sewer reconstructions. Improved technologies to more accurately and efficiently identify defects in our system will allow us to better prioritize major investments. The Sewer Utility is also involved in the expanded use of Autodesk Construction Cloud in Engineering, and this platform will improve collaboration and eliminate redundant, manual tasks, improving efficiency and reducing the need to add staff as the City's population, and our sewer collection system to serve that population, continue to grow.

The Sewer Utility is also a partner in the Madison Customer Assistance Program (MadCAP), and the goal of this program is to help reduce utility rates for residents with lower incomes. As this program was new in 2023, we will continue to draw awareness to this program and hope to reach as many eligible residents as possible.

Reallocations and Other Changes

Engineering has submitted a request for a budget neutral proposed position reclassification. This position is not fully funded out of the Sewer Utility but does have a Sewer Utility allocation. This position will also appear within the other relevant proposed Operating Budgets for Engineering. As the existing position has been challenging to fill, onboard, and keep filled, and given our expanded use of technology and data to more effectively and efficiently plan our work, this position change will be a more effective use of resources and will help create efficiencies within our processes to ensure that the data being generated and used is accurate, and that data can be efficiently utilized by all platforms.

- Recreate Street & Sewer Machine Operator 1 (15/04) as CAD Specialist 2 (18/08).

One other significant change with this budget request, which is also included on the service proposal form, is the addition of funding of consultant services to prepare a city-wide model of the City's sewer system. Currently, it is difficult to monitor the capacity of the sewer mains within the system, and much of what is known about the capacity of the mains is based on assumptions in water use and areas served, or from televising sewer mains, which is done approximately once every 10 years for each main. An important factor in providing reliable sewer service to our customers and having a comprehensive asset management program is having an understanding of where there are currently capacity deficiencies or where those could be encountered in the near future. This is especially important as the City continues to grow.

2026 Operating Budget Service Budget Proposal Form

Instructions: Complete one form per Service. When saving the file, add the Agency and Service name to the file name. Submit by saving a copy of the proposal form in your Common Drive Folder.

Part 1. Identifying Information

Select your Agency:

SEWER

Enter your Service:

Sewer Engineering and Administration

Review the "Service Description" in the [2025 Adopted Budget](#). Do you have any updates?

☒ No – No change to description

☐ Yes – Description needs to be updated

If yes, enter updated Service Description here:

Click or tap here to enter text.

Review the "Activities Performed by Service" in the [2025 Adopted Budget](#). Do you have any updates?

☐ No – No change to activities

☒ Yes – Activities need to be updated

If yes, enter updated Activities Performed by Service here:

This service is responsible for the inspection, planning, design, evaluation, and construction of the City's sanitary sewer collection system. The sanitary sewer collection system includes 809 miles of sewer main, 33 lift stations, and more 20,000 sanitary sewer access structures. The Sanitary Sewer Utility reviews and inspects permits related to sanitary sewer system excavation and plugging. The Sanitary Sewer Utility also collects sewer area connection fees as well as impact fees related to municipal sewer improvements. The Sanitary Sewer Utility also administers the billing for both restaurant properties and industrial properties, which produce higher strength wastewater and are therefore customers paying higher rates. The Sanitary Sewer Utility consistently implements measures to reduce inflow and infiltration (I&I); one of these measures is lining of approximately 9 miles of sanitary sewer per year. The Sanitary Sewer Utility also completes all regulatory reporting requirements with City's Capacity, Management, Operation and Maintenance (CMOM) for the Wisconsin Department of Natural Resources (WDNR).

Part 2. Base Budget Proposal: Significant Changes (\$10,000 or more)

Agencies can propose net neutral reallocations within their budget, but must explain changes of \$10,000 or more at the **Service and/or Major level**.

Examples of changes that **do** need to be detailed:

- Moving \$10,000+ within a Service from one Major to another Major.
- Moving \$10,000+ within a Major from one Service to another Service

Examples of changes that **do not** need to be detailed:

- Total changes of less than \$10,000 at the Major and Service level.
- Object level changes if the net change to the Major is less than \$10,000. For example, if you propose moving \$15,000 from Consulting to Software within the Purchased Services Major, you do not need to detail the change if it is within the same Service.

If your proposed changes are a technical correction to your base budget, you can simply state that the change is a correction/ adjustment in the narrative questions below. **If you are not proposing changes to your base budget, skip this section.**

Summary Table of Service and/or Major Changes of \$10,000 or More

Complete the table below to detail changes at the Service and/or Major level and answer the narrative questions to describe your changes. **If you have no significant changes, skip this section**

Fund	Major	\$ Change	Description
2110 - SEWER UTILITY	51 - SALARIES	-\$306,374	Primarily due to realloc other pay types that were all put in Service 831 for CTC but really belong in both services
2110 - SEWER UTILITY	54 - PURCHASED SERVICES	+\$517,420	Primarily due to the \$500k addition for a Citywide Sewer Model; also +\$15,000 for Backwater Valve Rebates which previously were in the Capital Budget
2110 - SEWER UTILITY	56 - DEBT OTHR FINANCING	-\$850,770	Reflects current debt schedules
2110 - SEWER UTILITY	43 - CHARGES FOR SERVICES	+\$773,608	Increase to Customer Revenue primarily due to slight increase in Reserves Generated for Capital and Citywide Sewer Model
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Explain the impact of your proposed changes. Why is this needed in the 2026 budget? Will there be a change in current service levels? Will this result in operational efficiencies or savings?

The proposed changes to salaries, debt financing, and charges for services will enable us to continue current service levels.

Funding a citywide sewer model will allow us to more efficiently and effectively plan and prioritize sewer reconstruction and extensions to assure adequate capacity for proposed and future developments. The model will result in a higher level of service to private developers needing this information for planning and design.

Explain how your proposed changes consider equity and quality of life for residents. Will the changes address specific inequities or advance other equity goals? Is this related to a Neighborhood Resource Team (NRT) recommendation? What data did you use to inform your request?

The proposed changes have no impact on our Equity Action Plan.

Part 3. Personnel Changes

Complete this section to propose changes to payroll allocations or position classifications. Standard career ladders and position studies that are already in process with HR do not need to be submitted through this form.

- If proposing a personnel change, agencies **are required** to discuss proposed changes with their HR Analyst before submitting their budget.
- If the change involves a new classification, agencies must attach a position description.

If you are not submitting personnel changes, skip this section.

Allocation Changes: Does your proposal change the position allocations of existing positions?

- ☐ No – No allocation changes
☒ Yes – Includes proposed allocation changes

If yes, complete the “Position Allocation Change Form” and submit as part of your proposal.

Reclassifications: Does your proposal reclassify existing positions?

- ☒ No – No reclassifications
☐ Yes – Includes proposed reclassifications

*If yes, you must provide the position number and briefly describe the change in the text box below.
If the request involves a new classification, attach an updated position description.*

Click or tap here to enter text.

of FTEs: Agencies may propose changes to the total number of FTEs. For General/ Library/ Fleet funds, proposed changes in FTEs must be net neutral to the target budget. For Enterprise funds, proposed changes in FTEs must be supported by agency revenues. Estimated costs must factor in salary *and* benefits. Use the [2025 Employee Compensation Calculator](#) to estimate the total costs.

Does your proposal change the total number of FTE positions for an existing classification?

- ☒ No – No change to # of FTEs
☐ Yes – Includes proposed change to # of FTEs

Provide the position classification and briefly describe the change:

Click or tap here to enter text.

Explain the impact of your proposed personnel changes. Why is this needed in the 2026 budget? Will there be a change in current service levels? Will this result in operational efficiencies or savings?

Click or tap here to enter text.

Explain how your proposed personnel changes consider equity and quality of life for residents. Will the changes address specific inequities or advance other equity goals?

Click or tap here to enter text.

2026 Operating Budget Service Budget Proposal Form

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Part 1. Identifying Information

Select your Agency:

SEWER

Enter your Service:

Sewer Operations

Review the "Service Description" in the [2025 Adopted Budget](#). Do you have any updates?

☒ No – No change to description

☐ Yes – Description needs to be updated

If yes, enter updated Service Description here:

Click or tap here to enter text.

Review the "Activities Performed by Service" in the [2025 Adopted Budget](#). Do you have any updates?

☐ No – No change to activities

☒ Yes – Activities need to be updated

If yes, enter updated Activities Performed by Service here:

This service is responsible for the operation and maintenance of the City's sanitary sewer system, which consists of 809 miles of sewer main and more than 20,000 sanitary sewer access structures. This system is supported by 33 lift stations and transports 25 million gallons of raw sewage per day from Madison homes and businesses to the Nine Springs Wastewater Treatment Plant (WWTP).

Part 2. Base Budget Proposal: Significant Changes (\$10,000 or more)

Agencies can propose net neutral reallocations within their budget, but must explain changes of \$10,000 or more at the **Service and/or Major level**.

Examples of changes that **do** need to be detailed:

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If your proposed changes are a technical correction to your base budget, you can simply state that the change is a correction/ adjustment in the narrative questions below. **If you are not proposing changes to your base budget, skip this section.**

Summary Table of Service and/or Major Changes of \$10,000 or More

Complete the table below to detail changes at the Service and/or Major level and answer the narrative questions to describe your changes. **If you have no significant changes, skip this section**

Fund	Major	\$ Change	Description
2110 - SEWER UTILITY	51 - SALARIES	+\$292,626	Primarily due to realloc other pay types that were all put in Service 831 for CTC but really belong in both services
2110 - SEWER UTILITY	54 - PURCHASED SERVICES	+\$1,826,606	Primarily due to projected increase in treatment charges from MMSD. Projection is based on average rate increases and loadings from recent years
2110 - SEWER UTILITY	43 - CHARGES FOR SERVICES	+\$1,948,212	Increase in Customer Revenue to cover increase in treatment costs
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Explain the impact of your proposed changes. Why is this needed in the 2026 budget? Will there be a change in current service levels? Will this result in operational efficiencies or savings?

The proposed changes to salaries are to more accurately allocate costs. Rate increases are required to fund increased costs which are primarily the result of increased treatment fees assessed by MMSD. The proposed changes will enable to maintain our current level of service.

Explain how your proposed changes consider equity and quality of life for residents. Will the changes address specific inequities or advance other equity goals? Is this related to a Neighborhood Resource Team (NRT) recommendation? What data did you use to inform your request?

The proposed changes have no impact on our Equity Action Plan.

Part 3. Personnel Changes

Complete this section to propose changes to payroll allocations or position classifications. Standard career ladders and position studies that are already in process with HR do not need to be submitted through this form.

- If proposing a personnel change, agencies **are required** to discuss proposed changes with their HR Analyst before submitting their budget.
- If the change involves a new classification, agencies must attach a position description.

If you are not submitting personnel changes, skip this section.

Allocation Changes: Does your proposal change the position allocations of existing positions?

- ☐ No – No allocation changes
☒ Yes – Includes proposed allocation changes

If yes, complete the “Position Allocation Change Form” and submit as part of your proposal.

Reclassifications: Does your proposal reclassify existing positions?

- ☐ No – No reclassifications
☒ Yes – Includes proposed reclassifications

*If yes, you must provide the position number and briefly describe the change in the text box below.
If the request involves a new classification, attach an updated position description.*

Recreate position number 4592 as a CAD Specialist 2 in Comp Group 18, Range 08. Note that Engineering met with Human Resources to review this request prior to submitting budget request.

of FTEs: Agencies may propose changes to the total number of FTEs. For General/ Library/ Fleet funds, proposed changes in FTEs must be net neutral to the target budget. For Enterprise funds, proposed changes in FTEs must be supported by agency revenues. Estimated costs must factor in salary *and* benefits. Use the [2025 Employee Compensation Calculator](#) to estimate the total costs.

Does your proposal change the total number of FTE positions for an existing classification?

- ☒ No – No change to # of FTEs
☐ Yes – Includes proposed change to # of FTEs

Provide the position classification and briefly describe the change:

Click or tap here to enter text.

Explain the impact of your proposed personnel changes. Why is this needed in the 2026 budget? Will there be a change in current service levels? Will this result in operational efficiencies or savings?

Position # 4592 is currently classified as a Street & Sewer Machine Operator 1 in Comp Group 15, Range 4. Our utility operations team been operating at less than full-staff since COVID. We have maintained our service levels by reducing some discretionary work (eg billable sewer cleaning and CCTV inspection performed for external agencies, building demolitions, etc.). As such, recreating position #4592 as a CAD Specialist 2 will not adversely impact our utility operations service levels.

The new CAD Specialist 2 position will absorb some functions currently being performed by design engineers thus allowing them to focus on design and project management activities. The new CAD Specialist 2 position will also perform activities that we need to do but do not have capacity with existing staff to accomplish. Key among these activities is the ongoing development and maintenance of CAD design standards and templates to allow for ingestion of that data by our construction management platform, GIS, and computerized maintenance management system. Our goal is to eliminate redundant and manual effort, streamline work flows, and provide a higher level of service to contractors, developers, and internal users, while utilizing and generating accurate data.

Explain how your proposed personnel changes consider equity and quality of life for residents. Will the changes address specific inequities or advance other equity goals?

No impact on equity goals