

## Sewer

### Agency Budget by Fund

Fund	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Sewer Utility	53,236,207	54,131,240	61,532,079	59,056,110	59,056,110	63,020,990
<b>Total</b>	<b>\$ 53,236,207</b>	<b>\$ 54,131,240</b>	<b>\$ 61,532,079</b>	<b>\$ 59,056,110</b>	<b>\$ 59,056,110</b>	<b>\$ 63,020,990</b>

### Agency Budget by Service

Service	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Sewer Engineering And Admin	18,887,467	17,219,883	24,218,995	17,901,737	17,785,426	18,731,167
Sewer Operations	34,348,740	36,911,357	37,313,084	41,154,372	41,270,684	44,289,823
<b>Total</b>	<b>\$ 53,236,207</b>	<b>\$ 54,131,240</b>	<b>\$ 61,532,079</b>	<b>\$ 59,056,110</b>	<b>\$ 59,056,110</b>	<b>\$ 63,020,990</b>

### Agency Budget by Major-Revenue

Major Revenue	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Intergov Revenues	(116,509)	-	(11,216)	-	-	-
Charges For Services	(50,824,160)	(52,692,000)	(55,414,261)	(57,313,410)	(57,313,410)	(61,011,490)
Licenses And Permits	(11,517)	(15,200)	(21,919)	(12,700)	(12,700)	(19,500)
Fine Forfeiture Asmt	(1,664,047)	(920,000)	53,896	(780,000)	(780,000)	(790,000)
Invest Other Contrib	(497,478)	(188,800)	(1,675,252)	(900,000)	(900,000)	(1,150,000)
Misc Revenue	(73,199)	-	(9)	-	-	-
Other Finance Source	(49,263)	(315,240)	(4,428,424)	(50,000)	(50,000)	(50,000)
Transfer In	(35)	-	(34,893)	-	-	-
<b>Total</b>	<b>\$ (53,236,207)</b>	<b>\$ (54,131,240)</b>	<b>\$ (61,532,079)</b>	<b>\$ (59,056,110)</b>	<b>\$ (59,056,110)</b>	<b>\$ (63,020,990)</b>

### Agency Budget by Major-Expense

Major Expense	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Salaries	3,120,524	3,451,345	3,096,513	3,735,057	3,822,475	3,828,025
Benefits	1,052,370	1,596,507	1,357,231	1,661,485	1,656,635	1,672,452
Supplies	251,951	512,690	324,716	375,500	375,500	380,500
Purchased Services	33,044,864	33,537,439	35,356,761	37,757,740	37,772,251	40,765,273
Debt Othr Financing	12,775,435	11,101,624	18,605,745	11,574,298	11,445,862	12,548,803
Inter Depart Charges	3,165,433	3,321,635	3,034,553	3,409,830	3,441,187	3,320,937
Inter Depart Billing	(402,281)	(495,000)	(408,053)	(495,000)	(495,000)	(495,000)
Transfer Out	227,911	1,105,000	164,614	1,037,200	1,037,200	1,000,000
<b>Total</b>	<b>\$ 53,236,207</b>	<b>\$ 54,131,240</b>	<b>\$ 61,532,079</b>	<b>\$ 59,056,110</b>	<b>\$ 59,056,110</b>	<b>\$ 63,020,990</b>

TO: Mayor Satya Rhodes-Conway  
FROM: Jim Wolfe, City Engineer  
DATE: July 19, 2024  
SUBJECT: 2025 Operating Budget Transmittal Memo  
CC: Deputy Mayors; Finance Director, Budget & Program Evaluation Staff

### 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 22,000+ sanitary sewer access structures. Every day, this system transports 23 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 to the Nine Springs Wastewater Treatment Plant with minimum inflow, infiltration, or exfiltration.
- Prevent sanitary sewer overflows and the potential resulting public health 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 2025 work plan includes 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 1/6<sup>th</sup> 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 2025 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. New technology implemented by the Sewer Utility allows us to better inspect and rate the existing conditions of our facilities to help prioritize areas in need of investments.

### Enterprise Agencies

With this proposed budget, the Sewer Utility is proposing a 6.5% increase to rates for 2025, with almost 70% of that rate increase being attributed to rate increases for treatment charges by Madison Metropolitan Sewerage District, with remainder primarily being debt service for capital projects. In total, this amounts to an estimated increase of approximately \$2.28/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 (if applicable)

Engineering has a couple of budget neutral proposed position reclassifications. Neither position is fully funded out of the Sewer Utility, but each position does have a Sewer Utility allocation. These positions also appear within the other relevant proposed Operating Budgets for Engineering.

- Recreate Public Works General Supervisor (18/10) as an Engineering Operations Manager (18/15) – position would create clearer line of communication and collaboration between Operations and Engineering management and will also provide for the ability to adequately succession plan for near future retirement of leadership with adding more complexity and responsibility to the role.
- Recreate Surveyor 2 (18/8) as GIS Specialist 2 (18/8)

## 2025 Operating Budget Service Budget Proposal Form

### Part 1. Identifying Information

Select your Agency:

Sewer

Enter your Service:

Sewer Engineering And Admin

Please provide an updated Service Description below.

If this is an existing service, please see the "Service Description" in the [2024 Adopted Budget](#). Write "No change needed," if applicable. Otherwise, please provide a complete updated description.

If this is a new service due to the agency's Results Madison restructure, please provide a 2-4 sentence description of the service and its goals.

*Updated Service Description:*

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 813 miles of sewer main, 33 lift stations, and 22,000+ 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 CMOM (Capacity, Management, Operation and Maintenance) for the WDNR (Wisconsin Department of Natural Resources).

Please provide updated Activities Performed by Service.

If this is an existing service, please see the "Activities Performed by Service" in the [2024 Adopted Budget](#). Write "No change needed," if applicable. Otherwise, please provide a complete updated list of activities.

If this is a new service due to the agency's Results Madison restructure, please provide a list of major activities using the format *Activity Name: Description*.

*Updated Activities Performed by Service:*

- Utility Management & Administration: Plan, direct, and implement sanitary sewer infrastructure design, construction, operations, and maintenance. Oversee Utility administrative and technical activities.

- Sewer Design: Planning, technical design, preparation of construction plans and specifications, and project management for new, replacement, or rehabilitation of aging sanitary sewer infrastructure.
- Construction Inspection: Ensure sanitary sewer construction complies with plans and specifications for Public Works projects.
- GIS: Create and maintain sanitary sewer infrastructure assets in GIS for asset and work order management.

## 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 **Major level**.

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

- Moving \$10,000+ from one Major to another Major

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

- Total changes of less than \$10,000 at the Major level.
- Object level changes do not need additional justification 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 the proposed changes are a technical correction to the agency's base budget, simply state that the change is a correction/adjustment in the narrative questions below.

### Summary Table of *Major* Changes of \$10,000 or More

Complete the table below to detail changes at the Major level and answer the narrative questions to describe your changes. **If there are no significant changes, skip this section**

Fund	Major	\$ Change	Description
2110 - SEWER UTILITY	56 - DEBT OTHR FINANCING	\$1,320,000	Increase to Principal and Interest for 2024 Revenue Bonds. These amounts will change once actual bond sale occurs in December.
2110 - SEWER UTILITY	57 - INTER DEPART CHARGES	-\$122,720	Reduction in Inter-D Charges from Water Utility reflective of updated MOU between the two City agencies
2110 - SEWER UTILITY	59 - TRANSFER OUT	-\$37,200	Reduction in Transfer to Capital given no Orthos or Waste Oil projects in the Engineering Other Capital Budget for 2025.
2110 - SEWER UTILITY	43 - CHARGES FOR SERVICES	-\$455,981	Increase in customer revenue primarily due to debt service

2110 - SEWER UTILITY	46 - INVEST OTHER CONTRIB	-\$250,000	Increase to Interest Income reflective of recent experience
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Select	Select	Enter \$.	Click or tap here to enter text.
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Select	Select	Enter \$.	Click or tap here to enter text.

Explain the impact of the proposed change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

No expected impact

Explain how your proposed change(s) will align with your draft 2024-2025 Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals? Is the change related to a Neighborhood Resource Team (NRT) recommendation? Be as specific as possible.

Click or tap here to enter text.

### Part 3. Personnel Changes

All proposed personnel changes must be submitted for review, even if the change is net neutral. Agencies should contact their HR Analyst to discuss proposed changes prior to submitting their request. **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, provide the position number and briefly describe the change:*

Click or tap here to enter text.

**# of FTEs:** Does your proposal change the total number of FTE positions?

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

*\*Note: If "Yes," the proposed change must be net neutral to the target budget, and salary **and** benefits must be considered when computing the cost of the change.*

*If yes, provide the position classification and briefly describe the change:*

Click or tap here to enter text.

Explain the impact of your proposed personnel change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

Click or tap here to enter text.

Explain how your proposed personnel change(s) will align with your draft Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals?

Click or tap here to enter text.

## 2025 Operating Budget Service Budget Proposal Form

### Part 1. Identifying Information

Select your Agency:	Sewer
Enter your Service:	Sewer Operations

Please provide an updated Service Description below.

If this is an existing service, please see the "Service Description" in the [2024 Adopted Budget](#). Write "No change needed," if applicable. Otherwise, please provide a complete updated description.

If this is a new service due to the agency's Results Madison restructure, please provide a 2-4 sentence description of the service and its goals.

*Updated Service Description:*

No change needed.

Please provide updated Activities Performed by Service.

If this is an existing service, please see the "Activities Performed by Service" in the [2024 Adopted Budget](#). Write "No change needed," if applicable. Otherwise, please provide a complete updated list of activities.

If this is a new service due to the agency's Results Madison restructure, please provide a list of major activities using the format *Activity Name: Description*.

*Updated Activities Performed by Service:*

No change needed.



**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 **Major level**.

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

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If the proposed changes are a technical correction to the agency’s base budget, simply state that the change is a correction/adjustment in the narrative questions below.

**Summary Table of Major Changes of \$10,000 or More**

Complete the table below to detail changes at the Major level and answer the narrative questions to describe your changes. **If there are no significant changes, skip this section**

Fund	Major	\$ Change	Description
2110 - SEWER UTILITY	54 - PURCHASED SERVICES	\$2,893,518	Increase in sewer treatment charges pending actual estimate from MMSD later in the fall
2110 - SEWER UTILITY	54 - PURCHASED SERVICES	\$79,500	Increase in Consulting Services for contract with SEWERAI to use artificial intelligence for automated defect recognition analysis of televised pipe inspections
2110 - SEWER UTILITY	43 - CHARGES FOR SERVICES	-\$3,235,599	Increase is customer revenue primarily due to increase in projected sewer treatment costs
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Explain the impact of the proposed change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

No expected impact

Explain how your proposed change(s) will align with your draft 2024-2025 Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals? Is the change related to a Neighborhood Resource Team (NRT) recommendation? Be as specific as possible.

Click or tap here to enter text.

### Part 3. Personnel Changes

All proposed personnel changes must be submitted for review, even if the change is net neutral. Agencies should contact their HR Analyst to discuss proposed changes prior to submitting their request. **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, provide the position number and briefly describe the change:*

Recreate Public Works General Supervisor (18/10) as an Engineering Operations Manager (18/15); plan to initially fill as a Trainee (18/12) in 2025.

**# of FTEs:** Does your proposal change the total number of FTE positions?

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

*\*Note: If "Yes," the proposed change must be net neutral to the target budget, and salary and benefits must be considered when computing the cost of the change.*

*If yes, provide the position classification and briefly describe the change:*

Click or tap here to enter text.

Explain the impact of your proposed personnel change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

Currently, our Operations group is co-managed by 2 general supervisors that report to the Deputy City Engineer. This slight modification would have the EOM lead our Operations group (report directly to the Deputy still), with the remaining PWGS reporting to the EOM. This would allow for more clear and efficient communication, coordination, and planning amongst our Operations group. It would allow for succession planning for projected retirement.

Explain how your proposed personnel change(s) will align with your draft Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals?

No impact on Equity Action Plan.