Meeting of the Commissioners of the
Madison Metropolitan Sewerage District
Thursday, Oct. 31, 2019 at 8 a.m.
District Maintenance Facility Training Room, 1610 Moorland Road, Madison, WI 53713

Present: Commissioner Sara Eskrich
Commissioner Grant Foster via GoToMeeting
Commissioner Tom Hovel
Commissioner Ezra Meyer
Commissioner Mary Swanson
Commissioner Tom Wilson

Excused Absences: Commissioner Ken Clark
Commissioner Brad Murphy

1. Opening
   A. Call to Order 8:04 a.m.
   B. Welcome Guests: Jon Becker, community member; Mark Moder, City of Madison; Bob Wipperfurth, Village of Windsor; Forbes McIntosh, Dane County Cities and Villages Association; and Christie Baumel, City of Madison.
   C. Announcements: None.

2. Appearances by the Public
   Mr. Becker spoke to the commission regarding the NEI Truax Interceptor Relief project.

   *Commissioner Eskrich arrives at 8:12 a.m.

3. Consent Calendar
   A. Approval Meeting Minutes from 10-17-2019
      Discussion: Approval of meeting minutes from 10-17-2019 were reviewed and placed on file.
      Action: Commissioner Wilson moved, seconded by Commissioner Eskrich to approve item A of the consent calendar.

      Motion carried.

4. Review and Adoption of the 2020 Operating Budget, Capital Project and Debt Service Budgets
   Presenter: Michael Mucha, Chief Engineer and Director
   Description: 2020 budget approval.
   Discussion: No substantive discussion.
   Action: Commissioner Wilson moved, seconded by Commissioner Eskrich to adopt resolution (2019-10-31-R1).

   Motion carried.
5. **Review and Adoption of 2020 Sewer Service Charge Rates and Septage Disposal Rates**  
*Presenter:* Jeff Brochtrup, Assistant Chief Engineer and Director of Finance  
*Description:* Review and approval of sewer service charge rates and septage disposal rates.  
*Discussion:* Mr. Brochtrup presented information on the financial impact, background, analysis and options and next steps.  
*Action:* Commissioner Meyer moved, seconded by Commissioner Eskrich to adopt resolution (2019-10-31-R2), which establishes sewer service charges and septage disposal rates effective on Jan. 1, 2020.  
Motion carried.

6. **Review and Adoption of 2020 Connection Charge Rates and Fees**  
*Presenter:* Curt Sauser, Engineering Technician and Todd Gebert, Collection Systems Engineer  
*Description:* Requesting adoption of resolution (2019-10-31-R3) establishing conveyance facility and treatment plant connection charges rates, to be effective Jan. 1, 2020.  
*Discussion:* Mr. Sauser and Mr. Gebert presented information on the financial impact of connection charge rates and annexation review fees and how these rates and fees are calculated per established commission policy.  
Motion carried.

7. **Chief Engineer and Director’s Report**  
   A. **CED Update:** Mr. Mucha gave a brief update on district happenings.  
   B. **Regulatory Report:** Paul Kent, legal representation for the district, gave a brief update on regulatory and legislative matters and on his recent activities for the district.  
   C. **Operations Report:** Eric Dundee, Director of Operations and Maintenance, gave a report on September plant performance and flow data in addition to a presentation highlighting operations and maintenance activities that have taken place thus far in 2019.  
   D. **Future Meeting Schedule**

8. **Future Agenda Topics**  
*Action:* None.

9. **Other Business Allowed by Law**  
*Action:* None.

10. **Adjournment**  
*Action:* Commissioner Wilson moved, seconded by Commissioner Eskrich to adjourn the meeting.  
Motion carried and the meeting adjourned at 9:30 a.m.
Regular Meeting of the Commissioners
Thursday, October 31, 2019

________________________________
Mary Swanson, Secretary

Future Meetings:
Thursday, November 14, 2019
Thursday, November 27, 2019
Thursday, December 19, 2019
2020 OPERATING, CAPITAL PROJECTS AND DEBT SERVICE BUDGETS APPROVAL
2019-10-31-R1

WHEREAS, the Madison Metropolitan Sewerage District ("the district"), a metropolitan sewerage district created under Wis. Stat. ch. 200, is included in the definition of "municipality" subject to Wis. Stat. §65.90 municipal budgets, which establishes the district's annual budget requirements, and

WHEREAS, the district has prepared and published the required budget summaries for its proposed 2020 operating budget, 2020 capital projects budget and 2020 debt service budget, and has properly noticed and held the public hearing thereon, all as required by law, and

WHEREAS, the district commission has reviewed each of the proposed budgets considered relevant information, public input and the best interests of the district and its ratepayers and wishes to take action on the proposed 2020 operating budget, 2020 capital projects budget and 2020 debt service budget as set forth herein.

NOW, THEREFORE, THE COMMISSION HEREBY RESOLVES AS FOLLOWS:

1. The commission hereby approves the 2020 operating budget, which is the annual financing plan for the 2020 budget year's anticipated operating fund expenditures. Commission approval authorizes the chief engineer and director to administer the budget, all in a manner that ensures that the annual expenditures do not exceed the total funds budgeted and in accordance with district policy. If it appears that the operating budget total will be exceeded, the chief engineer and director shall so advise the commission and request a budget amendment, all prior to an overrun. Within the limits of authority delegated by this resolution or other commission policy or action, the chief engineer and director may, without further commission approval during the budget year, authorize the transfer of budgeted funds between any cost centers within the total approved operating budget. The 2020 operating budget summary is attached as Exhibit A and incorporated by reference.

2. The commission hereby approves the district's capital improvements plan ("CIP"), which is a planning document that identifies projects and anticipated sources of funds for capital expenditures in each year of the six-year plan, but which does not authorize expenditures, sources of funds, the tax levy, or the amount of the tax levy to be abated. By approving the CIP, the commission also approves the six-year debt service plan which is part of the CIP.

3. The commission hereby approves the 2020 capital projects budget, which identifies projects, expenditures and sources of funds for the capital expenditures for the 2020
budget year. Commission approval authorizes expenditures of funds subject to pertinent statutory and/or policy requirements, including commission approval of contracts and transactions and the district’s policy for procurements. The 2020 capital projects budget summary is attached as Exhibit B and incorporated by reference.

4. The commission hereby approves the 2020 debt service budget, which identifies the anticipated transfers to and disbursements from the debt service fund to meet district debt obligations for the 2020 budget year. Commission approval authorizes the amount of operating fund transfers to and debt service payments for the expenditure of funds in the 2020 budget year. The 2020 debt service budget summary is attached as Exhibit C and incorporated by reference.

5. Budget development and approval shall be consistent with State law and district policy. District policy for operating budget development and approval and capital projects budget and debt service budget development and approval, are attached as Exhibits D and E, respectively, and are incorporated by reference.

6. Commission approval is required for budget amendments that increase the specified budget’s total, that require the transfer of funds from the operating fund to the capital budget, or that change the amount budgeted for transfer to the debt service fund. Per Wis. Stat. §65.90 and district policy, approval of any such budget amendments requires approval by 2/3 of all commissioners present and voting and publication of a class one notice of the budget amendment within 10 days of approval.

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held in the district office on Oct. 31, 2019.

Exhibits Incorporated by Reference:
Exhibit A: 2019 Operating Budget Summary
Exhibit B: 2019 Capital Projects Budget Summary
Exhibit C: 2019 Debt Service Budget Summary
Exhibit D: District Policy for Operating Budget Development and Approval
Exhibit E: District Policy for Capital Projects Budget and Debt Service Budget Development and Approval

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

Thomas Hovel, President
Mary Swanson, Secretary
ADOPTION OF 2020 SEWER SERVICE CHARGE RATES AND SEPTAGE DISPOSAL RATES
2019-10-31-R2

WHEAREAS, the sewer use ordinance (SUO) of Madison Metropolitan Sewerage District ("the district") requires that the district's sewer service charge rates be reviewed at least annually by the commission for the purpose of the establishing appropriate rates so as to generate sufficient revenue to cover expenses, and

WHEAREAS, the SUO requires that the district's service charge rates be based on the quantity and quality of wastewater received at the district's wastewater treatment plant, and the total number of equivalent meters in service in the district and the total number of actual customers, and

WHEAREAS, the SUO requires that sewer service charges for each district customer shall be calculated based on number of actual customer and equivalent meters in service within the boundaries of each customer, the volume of wastewater discharged, the quantity of carbonaceous biochemical oxygen demand discharged, the quantity of suspended solids discharged, the quantity of total Kjeldahl nitrogen discharged and the quantity of phosphorus discharged, and

WHERAS, the commission has adopted an operating budget for 2020 requiring $41,333,000 in service charge revenues, and

WHERAS, district staff have estimated the flows and loads expected from each district customer community in 2020.

THEREFORE, BE IT RESOLVED, and following consideration of the above recitals which are incorporated by reference, it is hereby resolved by the Madison Metropolitan Sewerage District Commission as follows:

That the following service charge rates be adopted effective Jan. 1, 2020 and the following septage rates be adopted effective Jan. 1, 2020 or when the 60 day notice requirement of Wisconsin Statutes 281.49(12) is met, whichever is later.
2020 Service Charge Rates

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>$781.45 per MG</td>
</tr>
<tr>
<td>CBOD</td>
<td>$0.16760 per pound</td>
</tr>
<tr>
<td>Suspended Solids</td>
<td>$0.28051 per pound</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>$0.44981 per pound</td>
</tr>
<tr>
<td>Phosphorus</td>
<td>$4.89623 per pound</td>
</tr>
<tr>
<td>Equivalent Meters</td>
<td>$39.45 per year</td>
</tr>
<tr>
<td>Actual Customers</td>
<td>$36.46 per year</td>
</tr>
</tbody>
</table>

2020 Septage Rates

<table>
<thead>
<tr>
<th>Waste Type/Parameter</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Septic Tank Wastes</td>
<td>$26.90 per 1,000 gal</td>
</tr>
<tr>
<td>Holding Tank Wastes</td>
<td>$4.22 per 1,000 gal</td>
</tr>
<tr>
<td>Grease Trap Wastes</td>
<td>$108.70 per 1,000 gal</td>
</tr>
<tr>
<td>Settling Basin Wastes</td>
<td>$244.00 per 1,000 gal</td>
</tr>
<tr>
<td>Portable Toilet Wastes</td>
<td>$97.60 per 1,000 gal</td>
</tr>
<tr>
<td>Administrative Fee</td>
<td>$35.91 per month</td>
</tr>
</tbody>
</table>

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 31, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

[Signatures]

Thomas Hovel, President

Mary Swanson, Secretary
2020 CONNECTION CHARGE RATES  
2019-10-31-R3

WHEREAS, Section 4.3.4 of the Madison Metropolitan Sewerage District Sewer Use Ordinance authorizes the commission to establish district connection charge rates as part of a fee schedule adopted by resolution of the commission, and

WHEREAS, Section 4.3.4 further authorizes the commission to implement district regulations for conveyance facility connection charges and treatment plant connection charges, and on July 27, 2017 the commission adopted resolution 2017-07-27-R6 establishing such regulations (the “regulations”), and

WHEREAS, on July 27, 2017 the commission also adopted resolution 2017-07-27-R7 establishing a method for calculating treatment plant connection charge rates and setting an eight year phase-in schedule for those rates, to begin Jan. 1, 2019, and the proposed 2020 treatment plant connection charge rate represents year two of the eight year phase-in, and

WHEREAS, the regulations specify methods for adjusting conveyance facility connection charge rates periodically based on the Engineering News Record Construction Cost Index, and such adjustments have been made to escalate 2019 rates to 2020 rates, and

WHEREAS, the regulations further specify methods for adjusting conveyance facility connection charge rates for costs incurred in providing additional system capacity, and incremental adjustments have been made to the basin rates for the Nine Springs Valley Intercepting system to reflect the costs of additional capacity that was provided as part of the rehabilitation of Pump Stations 11 and 12, and

WHEREAS, in 2019, a new basin rate was established for the district’s Nine Springs Valley Interceptor/Morse Pond extension basin and is being included in the district’s 2020 connection charge rate schedule, and

WHEREAS, for 2020, the district’s Nine Springs Valley/Mendota extension basin is being split into north and south basins to allow the district to more accurately allocate future incremental rate adjustments resulting from capacity relief projects, and
WHEREAS, the district has applied the methods given above and prepared connection charges rates for 2020, which the commission has considered and determined were calculated on a reasonable and rational basis,

THEREFORE, BE IT RESOLVED, that:

1. The conveyance facility connection charges rate schedule given in the attached table entitled “MMSD Connection Charges Rates - 2020” is hereby approved. The conveyance facility rates shall take effect on Jan. 1, 2020.
2. The treatment plant connection charge rate schedule given in the attached table entitled “MMSD Connection Charges Rates - 2020” is hereby approved. The treatment plant rate shall take effect on Jan. 1, 2020.

Incorporated by Reference:
MMSD Connection Charges Rates - 2020

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 31, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

[Signatures]
Thomas Hovel, President
Mary Swanson, Secretary
2020 PLAN REVIEW FEES
2019-10-31-R4

WHEREAS, sections 3.4 and 4.3 of the Madison Metropolitan Sewerage District Sewer Use Ordinance and s. 200.11, Wis. Stats. give the district authority to establish and periodically adjust administrative fees for review of annexations, sewer extensions and direct connections, and

WHEREAS, in 2014 the commission directed district staff to use the approach of establishing a base rate for each review fee and adjusting those rates annually based on increases in district salaries and benefits, and

WHEREAS, in 2014 the commission directed district staff to re-evaluate the base rate and adjustment approach approximately every five years, and the district expects to do so as part of a broader review of fees in 2020 for 2021 rates, and

WHEREAS, the district has followed the base rate and adjustment approach annually since 2015, and

WHEREAS, the district has applied that approach and calculated review fees for 2020, which the commission has considered and determined were calculated on a reasonable and rational basis,

THEREFORE BE IT RESOLVED, that the review fees given in the following table shall be effective Jan. 1, 2020.

<table>
<thead>
<tr>
<th>Fee Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annexation fee per petitioned annexation area</td>
<td>$3,375</td>
</tr>
<tr>
<td>Annexation fee per expedited annexation area</td>
<td>$1,425</td>
</tr>
<tr>
<td>Plan review fee per sewer extension plan serving a new area</td>
<td>$1,550</td>
</tr>
<tr>
<td>Direct connection fee</td>
<td>$1,150</td>
</tr>
</tbody>
</table>
The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 31, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

Thomas Hovel, President

Mary Swanson, Secretary