Meeting of the Commissioners of the Madison Metropolitan Sewerage District

Thursday, Sept 26, 2019 8 a.m.
District Maintenance Facility Training Room, 1610 Moorland Road, Madison, WI 53713

Present: Commissioner Tom Hovel
Commissioner Ken Clark
Commissioner Sara Eskrich
Commissioner Ezra Meyer
Commissioner Brad Murphy
Commissioner Mary Swanson

Excused Absence: Commissioner Tom Wilson
Commissioner Grant Foster

Commission Meeting

1. Opening
   A. Call to Order at 8 a.m.
   B. Welcome Guests: Greg Fries, City of Madison; Jon Becker, community member and Forbes McIntosh, Dane County City and Villages Association.
   C. Announcements: Mr. Mucha announced the reappointment of Commissioner Clark to a 3-year term.

2. Appearances by the Public: Jon Becker spoke to the commission regarding various aspects of the NEI Truax Interceptor Relief project, including his concerns about trees in Reindahl Park, the planning process for the project and district and City of Madison responses to his concerns.

3. Consent Calendar
   A. Approval Meeting Minutes from 9-12-2019
   B. Abatement of 2020 Property Taxes (2019-09-26-R1)
   C. Review and Approval of Sewer Extension Plans
      New Construction Projects
      • Conservancy Bend, City of Middleton (2019-09-26-R2)
      • Liberty Business Park – Phase 4, City of Verona (2019-09-26-R3)

Discussion: The 9-12-2019 minutes, abatement of 2020 property taxes, and sewer extension plans (2019-09-26-R2 and 2019-09-26-R3) we reviewed and placed on file.

Action: Commissioner Meyer moved, seconded by Commissioner Murphy to approve items A-C of the consent calendar.

Motion carried.
4. **Public Hearing and Discussion of the Proposed 2020 Operating, Capital Projects and Debt Service Budgets**  
   **Presenter:** Michael Mucha, Chief Engineer and Director  
   **Description:** Public hearing and discussion on the “2020 Proposed Operating Budget and Capital Improvements Plan”.  
   **Discussion:** President Hovel opened the public hearing. Forbes McIntosh, representative for the Dane County Cities and Villages Association (DCCVA), spoke and expressed appreciation for the September 18 presentation on the proposed 2020 district budget made by Assistant Chief Engineer and Director of Finance Jeff Brochtrup. Mr. McIntosh had no formal feedback to present from the DCCVA membership on the proposed budget. He indicated that DCCVA members would be interested in receiving as early as practical notice of the anticipated service charge increases for individual communities. The public hearing was closed. Chief Engineer and Director Michael Mucha asked for any preliminary feedback from commission members in order for staff to better prepare for upcoming budget deliberation.  
   **Action:** No action at this time.

5. **Amendment to the Proposed 2020 Debt Service Budget**  
   **Presenter:** Jeff Brochtrup, Assistant Chief Engineer and Director of Finance  
   **Description:** Mr. Brochtrup requested of the commission to amend the proposed debt service budget by adopting resolution (2019-09-26-R4).  
   **Discussion:** Mr. Brochtrup described the amendment to the commission and informed them of the impacts to the proposed budget.  
   **Action:** Commissioner Clark moved, second by Commissioner Eskrich to approve resolution (2019-09-26-R4) to amend the proposed debt service 2020 budget.  
   Motion carried.

6. **Chief Engineer and Director’s Report**  
   A. CED Update:  
      • Plant Performance: Mr. Mucha gave a brief update on plant operations.  
      • One Water Summit Update: Mr. Mucha provided an update on the One Water Summit that took place in Austin, Texas in mid-September.  
   B. Regulatory Report  
      Mr. Kent provided a brief update on legal happenings.  
   C. Future Meeting Schedule

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

8. **Convene in Closed Session**  
   The commission did not meet in closed session. No action necessary.

9. **Approval of 2020 District Goals**  
   **Presenter:** Michael Mucha, Chief Engineer and Director  
   **Description:** Request to adopt resolution (2019-09-26-R5) establishing the 2020 district goals and CED leadership priorities.
**Action:** Commissioner Meyer moved, second by Commissioner Eskrich to approve the resolution (2019-09-26-R5) that approves updated 2020 goals and priorities with all proposed edits. The document will be incorporated into the final 2020 budget.

10. **Other Business Allowed by Law**  
**Action:** Staff were asked to evaluate how we are reaching our customer and community stakeholders.

11. **Adjournment**  
**Action:** Moved by Commissioner Meyer, second by Commissioner Murphy to adjourn the meeting.

Motion carried.

Adjourned 9:13am

Regular Meeting of the Commissioners  
Thursday, September 26, 2019

________________________________
Mary Swanson, Secretary

**Future Meetings:**  
Thursday, September 26, 2019  
Thursday, October 17, 2019  
Thursday, October 31, 2019
RESOLUTION ABATING LEVY OF 2020 TAXES
FOR PAYMENT OF MMSD'S GENERAL OBLIGATION SEWERAGE SYSTEM PROMISSORY NOTES
AND GENERAL OBLIGATION SEWERAGE SYSTEM BONDS (THE "DEBT")
2019-09-26-R1

WHEREAS, the Madison Metropolitan Sewerage District (the "district"), a metropolitan sewerage district created under Wis. Stat. ch. 200, has general obligation debt described as the general obligation sewerage system promissory notes and general obligation sewerage system bonds (the "debt"), which obligations require payment of principal and interest in the coming calendar year, and

WHEREAS, metropolitan sewerage districts created under Wis. Stat. ch. 200 are included in the definition of "municipalities" subject to Wis. Stat. ch. 67, which chapter governs municipal borrowing and municipal bonds, and

WHEREAS, Wis. Stat. §67.05(10) and the borrowing documents for the debt require that the governing body of the district levy upon property in the district a direct, annual, irrevocable tax sufficient in amount to pay, and for the express purpose of paying, the principal and interest on the debt as it becomes due, and

WHEREAS, pursuant to Wis. Stat. §67.05(10) and the borrowing documents, the amount of tax carried into the tax roll may be reduced in any year by the amount of revenues of the district’s wastewater sewer service charge system which are appropriated and irrevocably deposited in the debt service fund created under Wis. Stat. §67.11 as the debt service fund for the debt, and

WHEREAS, as part of its annual budget review and approval, the district’s chief engineer and director and the finance director have advised the district commission that sufficient revenues have been appropriated and irrevocably deposited in the debt service fund for the debt to make the payment for the debt as it becomes due in the upcoming year, and

WHEREAS, the district commission wishes to ratify the appropriation and irrevocable deposit in the debt service fund for the debt of an amount sufficient to pay the amount due on the debt in the upcoming year, and further wishes to confirm that the district is not required to levy a tax in the amount of that appropriation and may therefore abate any such levy.

NOW, THEREFORE, THE DISTRICT COMMISSION HEREBY RESOLVES AS FOLLOWS:

1. The 2020 tax levy otherwise required for the debt is hereby reduced and abated in full.
2. The proper officers of the district are authorized and directed to pay the principal and interest due on the debt in 2020 as and when it becomes due using those funds appropriated and irrevocably deposited in the debt service fund for the debt.
The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 26, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

Thomas Hovel, President

Mary Swanson, Secretary
CONSERVANCY BEND
2019-09-26-R2

WHEREAS, plans for sanitary sewer extensions were submitted to the Madison Metropolitan Sewerage District (the “district”) for Conservancy Bend, in the City of Middleton, on Sept. 12, 2019, by Nicholas Bower of Vierbicher Associates, Inc., and

WHEREAS, the project consists of installing 303 feet of 8-inch diameter sanitary sewer within a public sanitary sewer easement shown on the unrecorded plat of Conservancy Bend, and will provide service to lots 1-20 and outlot 1 of the unrecorded plat of Conservancy Bend, and

WHEREAS, the proposed sanitary sewer extension will connect to City of Middleton’s sanitary sewerage facilities and is within the district’s Nine Springs Valley Interceptor/Mendota Extension basin, and

WHEREAS, conveyance facility connection charges for the lands to be served have been previously paid, and

WHEREAS, treatment plant connection charges for the lands to be served have not been paid. The redevelopment will result in an increase of building square footage of greater than 20 percent, and a total occupied square footage of greater than 10,000 square feet, meeting the district criteria where redevelopment charges are due, and

WHEREAS, plan review fees are due, and

WHEREAS, the district has received a sewer extension review letter #6-19-42 from the Capital Area Regional Planning Commission (CARPC) dated Sept. 3, 2019 stating the CARPC staff has reviewed the proposed extension and determined that it is consistent with the urban service area provisions of the “Dane County Water Quality Plan” and the “Dane County Land Use and Transportation Plan”, and

WHEREAS, the chief engineer and director of the district has recommended the approval of said plans,

THEREFORE, BE IT RESOLVED, that the plans for sanitary sewer extensions for Conservancy Bend, in the City of Middleton, submitted on Sept. 12, 2019, by Nicholas Bower of Vierbicher Associates, Inc., be approved subject to the following conditions:

1. That the City of Middleton shall pay the plan review fee of $1,475 to the district within 30 days of receiving an invoice for the fee.
2. That prior to installation of the proposed sewers, the City of Middleton shall have paid to the district the amount of $3,578.83 for payment of treatment plant connection charges for the lands to be served; said lands being lots 1-20 and outlot 1 of the unrecorded plat of Conservancy Bend.

3. That payment of the aforementioned conveyance facility and treatment plant connection charges shall be made to the district within six months of the date of approval of this resolution. If payment in full is not received by the district within six months of the date of this resolution, the approval shall become void and new plans shall be submitted.

4. That conveyance facility and treatment plant connection charges are adjusted from time to time and said connection charges will be due based on the rate in place at the time at which the payment is made.

5. That if said connection charges remain unpaid after construction of said sewer extensions, a late fee of 0.5 percent of the amount due shall be charged to the City of Middleton for each month or partial month thereafter following connection. A one-time $500 administrative fee shall also be charged.

6. That if lot areas shown on the final, recorded plat of Conservancy Bend differ from the unrecorded plat submitted to the district for approval, additional district treatment plant connection charges may be due from the City of Middleton.

7. That the City of Middleton shall require the presence of an engineer or an inspector on the construction of said sewer extensions who shall make a record showing in detail the construction as built and shall furnish the district with as-built plans in the case of any significant deviations from the original design.

8. That the construction, operation, maintenance and use of said sewer extensions shall be in accordance with the lawful rules and regulations of the district and with the applicable State of Wisconsin plumbing and sewerage codes.

9. That if construction of the sewer extensions covered by said plans has not commenced within four years following the approval date of this resolution, this approval shall become void and new plans shall be submitted. If construction has commenced but has not been completed within the four-year approval period, the unbuilt portion must be submitted for reapproval if it is a significant portion of the project and would require DNR approval.
The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 26, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

[Signatures]

Thomas Hovel, President

Mary Swanson, Secretary
LIBERTY BUSINESS PARK - PHASE 4
2019-09-26-R3

WHEREAS, plans for sanitary sewer extensions were submitted to the Madison Metropolitan Sewerage District (the “district”) for Liberty Business Park - Phase 4, in the City of Verona, on Sept. 12, 2019, by Aaron Falkosky of Quam Engineering, and

WHEREAS, the project consists of installing 1,107 feet of 8-inch diameter sanitary sewer on Liberty Drive and Ambition Street, and will provide service to lots 18-20 of the plat of Liberty Business Park, and are hereinafter referred to as the “phase 4 lots”, and

WHEREAS, lots 4-6 and 13 of the plat of Liberty Business Park are adjacent to streets being improved with phase 4 and are adjacent to existing sanitary sewers, but they are not included in the city’s development agreement for phase 4. Said lots are not being developed and are not connecting to the public sewer system at this time, and are hereinafter referred to as the “deferred lots”, and

WHEREAS, the proposed sanitary sewer extension will connect to City of Verona’s sanitary sewerage facilities and is within the district’s Nine Springs Valley Interceptor/Pumping Station 17 Service Area, and

WHEREAS, conveyance facility connection charges and treatment plant connection charges for the phase 4 lots and the deferred lots have not been paid, and

WHEREAS, plan review fees are due, and

WHEREAS, the district has received a sewer extension review letter #23-19-2 from the Capital Area Regional Planning Commission (CARPC) dated Sept. 3, 2019 stating the CARPC staff has reviewed the proposed extension and determined that it is consistent with the urban service area provisions of the “Dane County Water Quality Plan” and the “Dane County Land Use and Transportation Plan” and the conditions of resolution DCRPC #662, which added this area to the Verona Urban Service Area, and

WHEREAS, the chief engineer and director of the district has recommended the approval of said plans,

THEREFORE, BE IT RESOLVED, that the plans for sanitary sewer extensions for Liberty Business Park - Phase 4, in the City of Verona, submitted on Sept. 12, 2019, by Aaron Falkosky of Quam Engineering, be approved subject to the following conditions:
1. That the City of Verona shall pay the plan review fee of $1,475 to the district within 30 days of receiving an invoice for the fee.

2. That the aforementioned deferred lots may not be connected to the public sewerage system at this time. Prior to installation of the proposed sewers, the City of Verona shall record a document with the Dane County Register of Deeds, indicating that district connection charges for the deferred lots have not been paid. Said deferred lots are not to be connected to the public sewerage system until appropriate conveyance facility connection charges and treatment plant connection charges have been paid. If said document is not recorded within six months of approval of this resolution, conveyance facility and treatment plant connection charges on the deferred lots shall be due by the City of Verona.

3. That prior to installation of the proposed sewers, the City of Verona shall have paid to the district the sum of $100,588.40 for payment of $75,088.06 in Nine Springs Valley Interceptor/Pumping Station 17 Service Area basin conveyance facility connection charges and $25,500.34 in treatment plant connection charges for the lands to be served; said lands being the aforementioned phase 4 lots.

4. That payment of the aforementioned conveyance facility and treatment plant connection charges shall be made to the district within six months of the date of approval of this resolution. If payment in full is not received by the district within six months of the date of this resolution, the approval shall become void and new plans shall be submitted.

5. That conveyance facility and treatment plant connection charges are adjusted from time to time and said connection charges will be due based on the rate in place at the time at which the payment is made.

6. That if said connection charges remain unpaid after construction of said sewer extensions, a late fee of 0.5 percent of the amount due shall be charged to the City of Verona for each month or partial month thereafter following connection. A one-time $500 administrative fee shall also be charged.

7. That the City of Verona shall require the presence of an engineer or an inspector on the construction of said sewer extensions who shall make a record showing in detail the construction as built and shall furnish the district with as-built plans in the case of any significant deviations from the original design.

8. That the construction, operation, maintenance and use of said sewer extensions shall be in accordance with the lawful rules and regulations of the district and with the applicable State of Wisconsin plumbing and sewerage codes.

9. That if construction of the sewer extensions covered by said plans has not commenced within four years following the approval date of this resolution, this approval shall become void and new plans shall be submitted. If construction has commenced but has not been completed within the four-year approval period, the unbuilt portion must be submitted for reapproval if it is a significant portion of the project and would require DNR approval.
The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 26, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

Thomas Hovel, President

Mary Swanson, Secretary
AMENDMENT TO THE PROPOSED 2020 DEBT SERVICE BUDGET
2019-09-26-R4

WHEREAS, the chief engineer and director has submitted the proposed 2020 debt service budget, and

WHEREAS, the commission policy on the “Capital Projects Budget and Debt Service Budget Development and Approval” permits staff-sponsored amendments to the proposed debt service budget, and

WHEREAS, staff desires to correct errors in the 2019 and 2020 debt service payments in the proposed debt service budget, and

WHEREAS, the corrected amounts for the estimated 2020 debt service payments, the resulting debt service fund ending balance and overall district reserves ending balance are shown in “Exhibit A” and reflect a $6,000 increase in the estimated 2019 interest payments and a $114,000 increase in the budgeted 2020 debt service payments.

NOW, THEREFORE, 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:

1. The proposed 2020 debt service budget is amended as detailed in “Exhibit A”.

Incorporated by reference: Exhibit A

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 26, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT COMMISSION

Attested by:

Thomas D. Hovel, President

Mary Swanson, Secretary
## Exhibit A: Amendment to the Proposed Debt Service Budget

### 2020 Debt Service Budget Summary

#### Revenues

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>2019 Thru June</th>
<th>Estimated 2019 Total</th>
<th>2019 Budget</th>
<th>Proposed 2020 Budget</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer From Operating Fund Interest</td>
<td>$21,000</td>
<td>$15,150,000</td>
<td>$15,150,000</td>
<td>$15,640,000</td>
<td>4.50%</td>
</tr>
<tr>
<td></td>
<td>101,000</td>
<td>426,000</td>
<td>228,000</td>
<td>437,000</td>
<td>91.67%</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$161,000</strong></td>
<td><strong>$15,584,000</strong></td>
<td><strong>$15,378,000</strong></td>
<td><strong>$16,077,000</strong></td>
<td><strong>5.79%</strong></td>
</tr>
</tbody>
</table>

#### Expenditures

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>2019 Thru June</th>
<th>Estimated 2019 Total</th>
<th>2019 Budget</th>
<th>Proposed 2020 Budget</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Half Interest</td>
<td>$1,601,000</td>
<td>$1,601,000</td>
<td>$1,042,000</td>
<td>$1,767,000</td>
<td>7.61%</td>
</tr>
<tr>
<td>Principal</td>
<td>9,794,000</td>
<td>9,794,000</td>
<td>9,556,000</td>
<td>10,213,000</td>
<td>7.00%</td>
</tr>
<tr>
<td>Second Half Interest</td>
<td>-</td>
<td>1,538,000</td>
<td>1,574,000</td>
<td>1,985,000</td>
<td>24.78%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$11,395,000</strong></td>
<td><strong>$12,231,000</strong></td>
<td><strong>$13,184,000</strong></td>
<td><strong>$13,964,000</strong></td>
<td><strong>6.57%</strong></td>
</tr>
</tbody>
</table>

#### Debt Service Reserve Balance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$21,481,000</td>
<td>$21,481,000</td>
<td>$21,411,000</td>
<td>$24,134,000</td>
<td>12.72%</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$10,187,000</td>
<td>$24,342,000</td>
<td>$23,713,000</td>
<td>$26,467,000</td>
<td>11.61%</td>
</tr>
</tbody>
</table>

#### Schedule of Principal Amount of Indebtedness

<table>
<thead>
<tr>
<th>Sewerage System Improvement Bonds</th>
<th>January 2019</th>
<th>January 2020</th>
<th>January 2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2000 P.S. No. 2 Force Main Replacement - Phase 1</td>
<td>242,534</td>
<td>123,178</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Series 2001 P.S. No. 2 Force Main Replacement - Phase 2</td>
<td>397,081</td>
<td>268,870</td>
<td>136,553</td>
<td></td>
</tr>
<tr>
<td>Series 2003A PS's 1, 2 and 10 Rehabilitation</td>
<td>2,434,222</td>
<td>1,574,109</td>
<td>1,501,003</td>
<td></td>
</tr>
<tr>
<td>Series 2006 Effluent Equalization Projects and AT's 1-6</td>
<td>11,782,226</td>
<td>9,553,922</td>
<td>7,263,313</td>
<td></td>
</tr>
<tr>
<td>Series 2008 West Int Ext and PS 13 - 14 Projects</td>
<td>115,317</td>
<td>100,005</td>
<td>64,320</td>
<td></td>
</tr>
<tr>
<td>Series 2009 PS's 64 Rehabilitation and NEI Trux Ext Linn</td>
<td>791,547</td>
<td>700,507</td>
<td>607,314</td>
<td></td>
</tr>
<tr>
<td>Series 2010A NEI-P's 10 to Lien Rd</td>
<td>1,401,142</td>
<td>1,260,702</td>
<td>1,116,674</td>
<td></td>
</tr>
<tr>
<td>Series 2010A Nine Springs Eleven Addition</td>
<td>5,101,969</td>
<td>4,643,808</td>
<td>4,174,788</td>
<td></td>
</tr>
<tr>
<td>Series 2010B Operations Building HVAC Rehab</td>
<td>5,824,206</td>
<td>5,598,891</td>
<td>4,963,500</td>
<td></td>
</tr>
<tr>
<td>Series 2010C NEI-SEI to FEI - Replacement Project</td>
<td>38,093,539</td>
<td>35,580,329</td>
<td>33,003,836</td>
<td></td>
</tr>
<tr>
<td>Series 2013B Pumping Station No. 18</td>
<td>2,253,432</td>
<td>2,121,547</td>
<td>1,985,705</td>
<td></td>
</tr>
<tr>
<td>Series 2013C Process Control System Upgrade</td>
<td>6,410,619</td>
<td>6,060,731</td>
<td>5,701,064</td>
<td></td>
</tr>
<tr>
<td>Series 2014A Pumping Station No. 16 Force Main</td>
<td>11,970,845</td>
<td>11,310,192</td>
<td>10,632,078</td>
<td></td>
</tr>
<tr>
<td>Series 2015B Maintenance Facility Expansion</td>
<td>9,610,007</td>
<td>9,082,453</td>
<td>8,540,591</td>
<td></td>
</tr>
<tr>
<td>Series 2016A PS 15 Rehabilitation, PS 12 FM Relocation, RinRin</td>
<td>8,862,829</td>
<td>8,966,033</td>
<td>7,920,498</td>
<td></td>
</tr>
<tr>
<td>Series 2017A West Interceptor-Randall St to Near PS2</td>
<td>10,339,000</td>
<td>9,833,060</td>
<td>9,315,678</td>
<td></td>
</tr>
<tr>
<td>Anticipated Loans</td>
<td>6,518,863</td>
<td>6,308,671</td>
<td>5,992,379</td>
<td></td>
</tr>
<tr>
<td>2019 - 2021 Loans</td>
<td>1,312,554</td>
<td>1,253,780</td>
<td>1,193,971</td>
<td></td>
</tr>
<tr>
<td><strong>Total Indebtedness</strong></td>
<td>$127,257,000</td>
<td>$131,879,000</td>
<td>$159,247,000</td>
<td></td>
</tr>
</tbody>
</table>

#### Overall Budget Summary, Net of Transfers

<table>
<thead>
<tr>
<th>Summarized Budget Items</th>
<th>2019 Thru June</th>
<th>Estimated 2019 Total</th>
<th>2019 Budget</th>
<th>Proposed 2020 Budget</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$20,556,000</td>
<td>$56,415,000</td>
<td>$60,062,000</td>
<td>$59,322,000</td>
<td>4.04%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>23,237,000</td>
<td>53,345,680</td>
<td>46,226,000</td>
<td>51,238,000</td>
<td>10.8%</td>
</tr>
<tr>
<td>Beginning Reserve Balance</td>
<td>$47,738,000</td>
<td>$47,738,000</td>
<td>$46,226,000</td>
<td>$51,238,000</td>
<td>10.8%</td>
</tr>
<tr>
<td>Ending Reserve Balance</td>
<td>$45,035,000</td>
<td>$51,238,000</td>
<td>$45,964,000</td>
<td>$50,945,000</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

All projected values rounded to the nearest $1,000.
WHEREAS, every year the commission establishes district goals, and

WHEREAS, goals assist the commission in making governance decisions, and

WHEREAS, these governance decisions will require careful weighing of benefits, beneficiaries and cost of the benefits, and

WHEREAS, the goals are intended to establish policy making priorities, and

WHEREAS, establishment of goals will aid the commission in the development of a master agenda per CP-2C (1) of the commission policy book, and

WHEREAS, establishment of goals will aid the chief engineer and director in assigning priority to staff resources to develop policy options for the commission, and

WHEREAS, the chief engineer and director establishes leadership priorities, and

WHEREAS, these priorities outline the CED’s operational goals for the year and are carried out at his discretion, and

THEREFORE, BE IT RESOLVED, that the Madison Metropolitan Sewerage District Commission adopts the “2020 District Goals” and “CED Leadership Priorities”, which are incorporated by reference as set forth in full herein.

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held in the district office on Sept. 24, 2019.

Incorporated by reference: 2020 District Goals and CED Leadership Priorities

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

Thomas Hovel, President

Mary Swanson, Secretary
2020 DISTRICT GOALS AND CED LEADERSHIP PRIORITIES

**Commission Goals**
The goals outlined below are those that will likely have significant policy implications and will require active commission and chief engineer and director (CED) engagement.

**Collection System Reliability**
*Background:* The August 2018 storm event was a reminder as to how vulnerable the district’s infrastructure is to extreme weather. In 2019, the district’s customer communities indicated the reduction of inflow and infiltration (I & I) as a priority. This priority was confirmed by the commission during strategic planning, including an emphasis on overall collection system reliability to respond to climate change. The district funded a collection system engineer who is charged with managing the collection system and taking the lead on the I & I reduction program. A firm was retained to begin the study process, evaluate options and recommend next steps for developing an I & I reduction program.

*Goal:* The study process will continue through 2020 with the commission receiving check-n points on various policy questions, including but not limited to:

- Evaluate options for the district’s role in implementing the program.
- Identify changes that would be required to the district’s sewer use ordinance and any other legal implications with national and state laws that would need to be addressed to implement a private property infiltration and inflow program.
- Assess financial incentives and funding options for implementing the program and describe how each option specifically impacts the district and the customer communities.
- Recommend strategies for public input/education and establishing acceptance from customer communities

**Strategic Financial Planning**
*Background:* The district has a formal policy statement on strategic financial planning which calls for the district to develop “an overall strategy for continued financial viability and integrity.” In 2019, the commission advised staff on the elements desired in a strategic financial plan and on the process for keeping such a plan up to date. They also received a report from staff on macro trends that will influence the district’s financial future and received commission preferences long term directions.

*Goal:* Successfully implement the first full year of strategic financial planning which includes updating the commission on the plan in March, presenting minor capital scenarios in July, developing operating, capital and debt service budgets in October and receiving commission direction on desired changes to strategic financial guiding principles in November.
Phosphorus Management for Badger Mill Creek  
**Background:** Badger Mill Creek is an effluent dominated stream downstream of one of the district’s two discharge locations. The Nine Springs Wastewater Treatment Plant produces a high quality effluent with respect to phosphorus, but the effluent phosphorus concentration exceeds applicable water quality criterion. The staff is studying a variety of potential compliance options including adaptive management, phosphorus trading, treatment and obtaining a variance or a site-specific criterion.

**Goal:** The commission will review and approve a draft preliminary compliance alternatives plan that outline the combination of options the district intends to pursue to achieve compliance.

Equity  
**Background:** The district faces increasing financial pressure from a combination of aging infrastructure, increasing regulatory requirements and the end of federal funding. In addition, the cost of water utility service — including district charges — is unaffordable for some in our community. The commission received a report from staff of potential affordability programs and their feasibility and the issue was turned over to the commission for guidance. During strategic planning in 2019, the commission established an ideal that “we deliver clean and safe water in an affordable and equitable manner that benefits everyone.” In addition, the commission has adopted outcomes policy O-2C which sets the goal that “charges for services are justified, adequate, equitable and predictable.” The district’s capital asset management and investment work is responsible for the first two factors, justification and adequacy of charges. Equity and predictability are joint concerns with the district and its customer communities.

**Goals:**
- Engage customer communities and stakeholders on concerns and options for equitability and predictability of district service charges.
- Expand efforts to provide readily available information for all stakeholders on the budget process and how the district calculates service charges.

Comprehensive Energy Management Master Plan  
**Background:** The district’s commitment to sustainability extends to the efficiency, consumption and sourcing of energy needed to ensure reliable operations and meet customer expectations for service at an acceptable cost. As plant assets age and require replacement, a comprehensive energy management master plan will inform equipment purchasing and energy-related contract decisions.

**Goal:** Initiate a comprehensive energy management master planning project with expected completion in 2021. The commission will receive staff updates on the progress of the study in 2020.
CED Leadership Priorities

Below are the CED’s top leadership priorities for 2020.

Safety and Security

Background: The Nine Springs campus has limited security protocols and infrastructure in place. With workplace violence and security threats becoming more common, the district has initiated a process to take a comprehensive look at security, with a focus on employee safety and network security.

Goal: Implement recommendations for the safety and security needs assessment performed in 2019. New funds have been included to complete this first phase of the work. Future year budgets will include funds for necessary upgrades to district facilities. There will likely be some policy decisions that weigh the cost/benefit for how safe the district should be. Safety includes both physical assets and network security.

Improve Cultural Competency of the Organization

Background: Having a diverse and inclusive work environment is no longer a benefit, it is a necessity. The district’s customer communities are diverse and the district’s working environment must evolve to support diversity in order to recruit, retain and engage employees at the highest level. 2020 marks our third year of our partnership with the YWCA to evaluate 10 focus areas that support equity in the workplace.

Goal: 2020 marks our third year of our partnership with the YWCA. We plan to complete an accessibility audit and culture audit. The accessibility audit will examine our physical environment and technology to identify our ability to meet the needs of diverse employees and visitors. The culture audit will examine our communication, website, intranet, handbook and other forms of messaging to determine how it can be improved to support an equitable, inclusive and diverse work environment.

Employee Leadership Council/Executive Team Engagement

Background: The Employee Leadership Council and Executive Team conducted a joint meeting in 2019 to develop a roadmap for strengthening the quality of the working relationship and working together to effectively implement change at the district. The joint team identified five shared interests when tackling issues together. They are empowerment, leadership, joint accountability, positive employee experience and collaborative decision making.

Goal: Implement key actions identified in the roadmap. Key action areas to effectively work together include communicating with each other and employees, improving the employee experience and establishing processes for working together and developing priorities.

Comment [MM1]: I have re-written this goal based on the roadmap that the ELC/E-Team developed two weeks ago. This is something I am committing myself to in 2020, which makes it a very good CED priority. Having this as a CED priority will reinforce its importance to employees.

Background: Several major district initiatives will require close CED monitoring to assure they are progressing to achieve intended benefits, control costs and manage risks.

Goal: Budget funds are proposed to begin the first phase of CMMS selection, implementation of capital projects related to the liquid processing facilities plan and developing a proactive collection system program that complies with CMOM requirements. Budget funds exist to develop the plant asset management plan.