

# Meeting of the Commissioners of the Madison Metropolitan Sewerage District

Thursday, Oct. 25, 2018 at 8 a.m.

District Maintenance Facility Training Room, 1610 Moorland Road, Madison, WI 53713

**Present:**

- Commissioner Tom Hovel
- Commissioner Angela James
- Commissioner Ken Clark
- Commissioner Sara Eskrich (excused absence)
- Commissioner James Martin
- Commissioner Ezra Meyer
- Commissioner Brad Murphy
- Commissioner Mary Swanson
- Commissioner Tom Wilson

## Commission Meeting

### 1. Opening

- A. Call to Order 8 a.m.
- B. Welcome Guests: Greg Fries, City of Madison
- C. Announcements: None.

### 2. Appearances by the Public: None.

### 3. Consent Calendar

- A. Approval Meeting Minutes from 10-11-2018
- B. Review and Approval of Sewer Extension Plans
  - Pumping Station No. 7 Improvements (2018-10-25-R1)

**Discussion:** Approval of meeting minutes from 10-11-2018 and review and approval of a sewer extension plan (2018-10-25-R1) were reviewed and placed on file.

**Action:** Commissioner Meyer moved, seconded by Commissioner Murphy to approve items A and B of the consent calendar.

Motion carried 8-0.

### 4. Review and Adoption of 2019 Operating, Capital Projects and Debt Service Budgets

**Presenter:** Chief Engineer and Director, Michael Mucha

**Description:** 2019 budget approval.

**Discussion:** No substantive discussion.

**Action:** Commission Martin moved, seconded by Commission Wilson to adopt resolution (2018-10-25-R2), which approves the 2019 operating, capital and debt service budgets.

Motion carried 8-0.

5. **Review and Adoption of 2019 Sewer Service Charges and Septage Disposal Rates**

**Presenter:** Jeff Brochtrup, Assistant Chief Engineer and Director of Administration

**Description:** Review and approval of sewer service charge rates and septage disposal rates.

**Discussion:** Mr. Brochtrup presented information on the financial impact, background of the request, analysis and options and next steps.

**Action:** Commissioner James moved, seconded by Commissioner Meyer to adopt resolution (2018-10-25-R3), which establishes sewer service charges and septage disposal rates effective on Jan. 1, 2019.

Motion carried 8-0.

6. **Adoption of 2019 Connection Charge Rates and Plan, Direct Connection and Annexation Review Fees**

**Presenter:** Curt Sauser, Engineering Technician

**Description:** Requesting adoption of resolution (2018-10-25-R4) establishing conveyance facility and treatment plant connection charges rates, to be effective Jan. 1, 2019. Also, requesting adoption of resolution (2018-10-25-R5) establishing plan, direct connection and annexation review fees, to be effective Jan. 1, 2019.

**Discussion:** Mr. Sauser 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.

**Action:** Commission Martin moved, seconded by Commission Wilson to adoption resolutions (2018-10-25-R4 and 2018-10-25-R5), which establishes the 2019 connection rates and direct connection and annexation review fees.

Motion carried 8-0.

7. **Review and Approval of 2018 Vehicle Fleet Purchases**

**Presenter:** Michael Mucha, Chief Engineer and Director

**Description:** Requesting adoption of resolution (2018-10-25-R6) which authorizes 2018 fleet vehicle purchases.

**Discussion:** Mr. Mucha presented to the commission the 2018 fleet vehicle bid tabulation and requested approval of resolution (2018-10-25-R6) authorizing the 2018 fleet vehicle purchases.

**Action:** Commission Meyer moved, seconded by Commission Clark to approve resolution (2018-10-25-R6) authorizing the 2018 vehicle purchases.

Motion carried 8-0.

8. **Chief Engineer and Director's Report**

A. CED Update

Mr. Mucha gave an update on the district dikes, which are leaking inward due to the excessive prolonged rain in the area over the summer months. The dikes are currently leaking inward at 30 gallons per minute, and the district has contracted an engineer to evaluate the situation and make short term recommendations for immediate implementation. District staff members will continue to monitor the situation and there have been no violations. Mr. Mucha also gave an update on the fall Metrogro hauling season. Due to sustained wet

weather, hauling was delayed but due to recent warm weather and fields being available near the district, the Metrogro team and contracted haulers hit a record hauling day of 900,000 gallons of Metrogro fertilizer. Mr. Mucha reported on the district's WPDES permit reissuance. A public notice has been disseminated by WDNR for the Dec. 17, 2018 public hearing in Fitchburg. Lastly, Mr. Mucha reported that the district will be receiving a substantial check from a development in the Verona area (\$1.2 M) for connection charges and the check would be added to district reserves.

- B. Operations Report: Operations Manager Alan Grooms gave a report on September plant performance and flow data and he reported on the summer high flow events.
- C. Regulatory and Legal review: Legal Counsel for the district Paul Kent gave a short update on legal business.
- D. Future Meeting Schedule  
**Action:** Commission half day retreats are scheduled for Feb. 14 and March 14 at 8 a.m. at the district.

#### 9. **Future Agenda Topics**

**Action:** No formal action taken; however, the commission requested a study session on inflow and infiltration at a future date.

#### 10. **Other Business by Law**

**Action:** None.

#### 11. **Adjournment**

**Action:** Commissioner Wilson moved and Commissioner Clark seconded to adjourn the meeting.

Motion carried 8-0 at 9:30 a.m.

Regular Meeting of the Commissioners

Oct. 25, 2018

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Angela James, Secretary

#### **Future Meetings:**

Thursday, Nov. 15, 2018

Thursday, Nov. 29, 2018

Thursday, Dec. 13, 2018



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**District Pumping Station 7 Improvements  
2018-10-25-R1**

**WHEREAS**, the Madison Metropolitan Sewerage District ("the district") has determined that certain improvements to district Pumping Station 7 are necessary, and

**WHEREAS**, plans and specifications for district Pumping Station 7 Improvements have been prepared for the district by Thomas Stetzer of Strand Associates, and

**WHEREAS**, the project was identified in the district "Collection System Facilities Plan Update, 2011". The facilities plan was approved by the Wisconsin Department of Natural Resources (DNR) in July 2012, and

**WHEREAS**, the project includes the following improvements: one new pumping unit, new valves and piping, new electrical power distribution and control equipment, HVAC improvements, new odor control system, plumbing upgrades, as well as other improvements. Construction is anticipated to begin in early 2019 and continue into 2020, and

**WHEREAS**, the district has received a sewer extension review letter #6-18-53 from the Capital Area Regional Planning Commission (CARPC) dated Oct. 9, 2018 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**, Section 200.11(b), Wisconsin Statutes states "The commission shall prepare and by resolution adopt plans and standards of planning, design and operation for all projects and facilities which will be operated by the district, or which affect the services to be provided by the district", and

**WHEREAS**, the chief engineer and director of the Madison Metropolitan Sewerage District has recommended the approval of said plans,

**THEREFORE BE IT RESOLVED**, that the plans for district Pumping Station 7 Improvements, prepared for the district by Thomas Stetzer of Strand Associates, be approved subject to the following conditions:

1. 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.
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2. 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 Oct. 25, 2018.

**MADISON METROPOLITAN SEWERAGE DISTRICT**

*Attested by:*

  
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Thomas Hovel, President

  
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Angela James, Secretary



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**2019 Operating, Capital Projects and Debt Service Budgets Approval  
2018-10-25-R2**

**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 2019 operating budget, 2019 capital projects budget and 2019 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 2019 operating budget, 2019 capital projects budget and 2019 debt service budget as set forth herein.

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

1. The commission hereby approves the 2019 operating budget, which is the annual financing plan for the 2019 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 2019 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 2019 capital projects budget, which identifies projects, expenditures and sources of funds for the capital expenditures for the 2019
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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 2019 capital projects budget summary is attached as exhibit B and incorporated by reference.

4. The commission hereby approves the 2019 debt service budget, which identifies the anticipated transfers to and disbursements from the debt service fund to meet district debt obligations for the 2019 budget year. Commission approval authorizes the amount of operating fund transfers to and debt service payments for the expenditure of funds in the 2019 budget year. The 2019 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. 25, 2018.

**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



Angela James, Secretary

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**Adoption of 2019 Sewer Service Charge Rates and Septage Disposal Rates  
2018-10-25-R3**

**WHEAREAS**, the sewer use ordinance 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 sewer use ordinance 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 sewer use ordinance 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

**WHEREAS**, the commission has adopted an operating budget for 2019 requiring \$37,674,000 in service charge revenues, and

**WHEREAS**, district staff have estimated the flows and loads expected from each district customer community in 2019.

**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, 2019 and the following septage rates be adopted effective Jan. 1, 2019 or when the 60 day notice requirement of Wisconsin Statutes 281.49(12) is met, whichever is later.

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**2019 Service Charge Rates**

Parameter	Rate
Volume	\$655.36 per MG
CBOD	\$0.15905 per pound
Suspended Solids	\$0.26775 per pound
Nitrogen	\$0.40279 per pound
Phosphorus	\$4.18724 per pound
Equivalent Meters	\$36.45 per year
Actual Customers	\$36.38 per year

**2019 Septage Rates**

Waste Type/Parameter	Rate
Septic Tank Wastes	\$25.60 per 1,000 gal
Holding Tank Wastes	\$3.58 per 1,000 gal
Grease Trap Wastes	\$107.50 per 1,000 gal
Settling Basin Wastes	\$227.00 per 1,000 gal
Portable Toilet Wastes	\$92.60 per 1,000 gal
Administrative Fee	\$33.40 per month

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 25, 2018.

**MADISON METROPOLITAN SEWERAGE DISTRICT**

*Attested by:*

  
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Thomas Hovel, President

  
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Angela James, Secretary

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**2019 Connection Charge Rates  
2018-10-25-R4**

**WHEREAS**, Section 4.3.4 of the Madison Metropolitan Sewerage District (“the 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 of the Madison Metropolitan Sewerage District Sewer Use Ordinance 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 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

**WHEREAS**, the regulations specify methods for adjusting conveyance facility connection charge rates periodically based on the Engineering News Record Construction Cost Index or similar escalation factor and for costs of additional system capacity, and

**WHEREAS**, the district has applied the methods given above and prepared connection charges rates for 2019, which the commission has considered and determined were calculated on a reasonable and rational basis.

**THEREFORE, BE IT RESOLVED**, that, following consideration of the recitals above which are incorporated in this resolution as findings of the commission, the Commission of the Madison Metropolitan Sewerage District resolves as follows:

1. The conveyance facility connection charges rate schedule given in the attached table entitled “District Connection Charges Rates,” which is incorporated by reference as if set forth in full herein, is hereby approved. The conveyance facility rates shall take effect on Jan. 1, 2019.
  2. The treatment plant connection charge rate schedule given in the attached table entitled “District Connection Charges Rates,” which is incorporated by reference as if set forth in full herein, is hereby approved. The treatment plant rate shall take effect on Jan. 1, 2019.
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**Incorporated by Reference:**

Attachment 2: Table of 2019 Connection Charges Rates

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 25, 2018.

**MADISON METROPOLITAN SEWERAGE DISTRICT**

*Attested by:*

  
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Thomas Hovel, President

  
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Angela James, Secretary





**2019 Plan Review Fees  
2018-10-25-R5**

**WHEREAS**, the Madison Metropolitan Sewerage District (“the district”) has authority to charge administrative fees for review of annexations, sewer extensions and direct connections under sections 3.4 and 4.3 of the Madison Metropolitan Sewerage District Sewer Use Ordinance and under the general powers given in s. 200.11, Wis. Stats., and

**WHEREAS**, the ordinance and statute authorize the commission to establish and adjust review fees from time to time, and

**WHEREAS**, in 2014 the commission directed district staff to establish a base rate for each review fee and to adjust 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, with the next review anticipated in 2019 when setting the 2020 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 2019, 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, 2019.

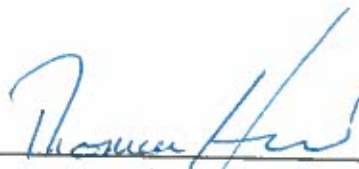
Annexation fee per petitioned annexation area	\$3,225
Annexation fee per expedited annexation area	\$1,350
Plan review fee per sewer extension plan serving a new area	\$1,475
Direct connection fee	\$1,125

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The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 25, 2018.

**MADISON METROPOLITAN SEWERAGE DISTRICT**

*Attested by:*

  
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Thomas Hovel, President

  
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Angela James, Secretary





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**Authorization of fleet vehicle purchases budgeted in 2018  
2018-10-25-R6**

**WHEREAS**, The Madison Metropolitan Sewerage District ("the district") owns, operates and maintains a vehicle fleet, and

**WHEREAS**, the vehicle fleet is a combination of vital assets that the district depends on each day to serve its customers, and

**WHEREAS**, staff members have developed and maintained a fleet management that incorporates best practices for the longer-term effective management of the vehicle fleet, and

**WHEREAS**, the commission approved the fleet management plan as an attachment to the fleet management policy, and

**WHEREAS**, staff members used the fleet management plan to identify and specify vehicle replacements in 2018, and

**WHEREAS**, the district budgeted \$230,000 for vehicle replacements in 2018, and


**WHEREAS**, the total replacement cost of vehicles to be purchased in 2018 is \$211,078 which is under the budgeted amount,

**THEREFORE, BE IT RESOLVED**, that the commission authorizes district staff to proceed with 2018 vehicle fleet purchases subject to the following conditions:

1. Existing vehicles will be decommissioned and sold once the replacement vehicle is in service.

The above resolution was adopted by the commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Oct. 25, 2018.

**MADISON METROPOLITAN SEWERAGE DISTRICT**

  
\_\_\_\_\_  
Thomas Hovel, President

Attested by:

  
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Angela James, Secretary

