



NEWS RELEASE

FOR IMMEDIATE RELEASE

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SUBJECT: **Proposed sewerage district budget focuses on reliability, maintains affordability**

MADISON, WIS. – Madison Metropolitan Sewerage District’s proposed 2019 budget supports the district’s vision of enriching life through clean water and resource recovery with investments in infrastructure, information technology and strategic initiatives.

A public hearing on the proposed budget will be held as part of the Madison Metropolitan Sewerage District Commission meeting Thursday, Sept. 27, 2018 at 8 a.m. at the district’s Maintenance Facility, 1610 Moorland Road. The district’s proposed 2019 Budget and Capital Improvements Plan is available online and can be viewed at: <http://www.madsewer.org/Planning/Budget-Finance>.

“We’re pleased to present a budget that addresses challenges with our aging infrastructure while supporting forward-thinking initiatives to avoid future costs,” said Michael Mucha, the district’s chief engineer and director. “For example, by encouraging wise use of water softener and road salt, we hope to achieve the best possible outcome for the environment while avoiding hundreds of millions of dollars in spending on technical solutions that would otherwise be needed. These innovative approaches allow us more financial flexibility to invest in infrastructure reliability and resilience.”

The district manages three major categories of revenues and expenditures through an operating budget; a capital projects budget; and a debt service budget. For 2019, total operating revenue is projected at \$39.5 million, up from a budgeted \$37 million in 2018. Total operating expenditures are also budgeted at \$39.5 million, up from a budgeted \$37 million in 2018.

The district does not charge or receive revenue directly from end users; instead its costs are passed through the 26 customer communities it serves. In turn, these customer communities bill households directly using locally established cost recovery methods. The impact of expenditures on households receives careful scrutiny and the district works in partnership with customer communities to provide for equitable allocation of costs while maintaining affordability.

For 2019, the district’s planned revenues and expenditures are projected to result in average annual household service charges of \$195.50, up 6.3 percent from \$184 in 2018. The increase amounts to 96 cents per month for an average customer in the City of Madison. The projected impact on households matches the total budgeted increase in service charges of 6.3 percent.

When city sewerage charges are added in, the typical 2018 annual wastewater charge for City of Madison residents totals \$323, 37 percent below the estimated national average of \$517 identified in the most recent survey by the National Association of Clean Water Agencies.

Over the next eight years, upward pressure on general service charges will be reduced by a commission decision to more fully recover the costs of providing service to new developments through a change in the connection charges rate structure.

Among the strategic actions supported by the 2019 operating budget:

- Development of an energy policy and management plan.
- The launch of several initiatives related to information systems and technology including initial steps to replace the district's computerized maintenance management system.
- Initiatives to improve water quality by reducing phosphorus and chloride loading while finding new markets for nutrients reclaimed from the wastewater treatment process.

Among the infrastructure priorities addressed through the 2019 capital budget:

- Treatment plant improvements related to the 2016 liquid processing facilities plan including the addition of hydraulic capacity to the plant, rehabilitation of a 54 inch influent line and construction of a new substation building;
- Replacement of potable and hot water piping in the solids handling tunnels at the treatment plant;
- Replacing a portion of the Southwest Interceptor on Haywood Drive in the City of Madison between Wingra Drive and West Shore Drive.
- Installation of a new relief sewer for the Northeast Interceptor between Pumping Station 13 and Lien Road in the City of Madison.

Following the Sept. 27 commission meeting and public hearing, a public comment period on the budget proposal runs through Oct. 3. Send comments to: Comments@madsewer.org. Commission members will continue budget deliberations and provide direction to staff at the Oct. 11 meeting with final review and adoption expected at the Oct. 25 meeting.

ABOUT THE DISTRICT

Established in 1930 to protect the lakes and streams of the upper Yahara watershed, Madison Metropolitan Sewerage District today serves 26 Madison area customer communities covering some 184 square miles and 380,000 people. The district owns and operates 141 miles of pipe and 18 regional pumping stations that convey approximately 41 million gallons of wastewater to the Nine Springs Wastewater Treatment Plant each day. Organized as a municipal corporation, the district is a leader in sustainability and resource reclamation; its rates are established by the Madison Metropolitan Sewerage District Commission.