

2021 Operating Budget & Capital Improvements Plan

September 24, 2020

Madison Metropolitan Sewerage District



2021 District Priorities



Equity



Phosphorus Management



Collection System Reliability



Capital Investment



Energy Management



Building Organizational Capacity



2021 Budget Overview

Total Expenditures: \$45,446,000

- 2.8% increase from 2020
- 5.2% increase in service charges

Impact on Households

\$236

On average, per year

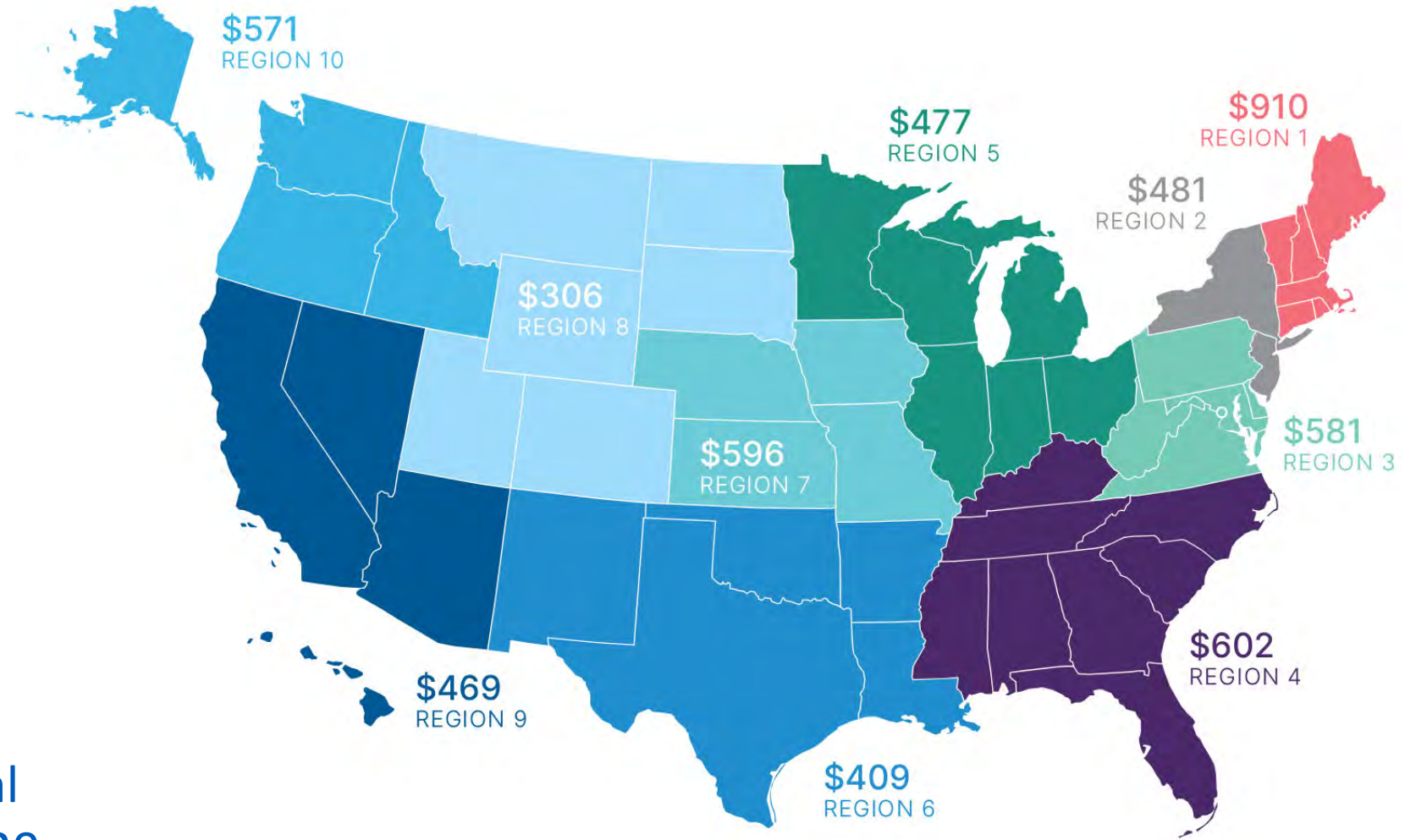
\$1.90

More per month



Madison Metropolitan Sewerage District

Average Regional Sewer Charges



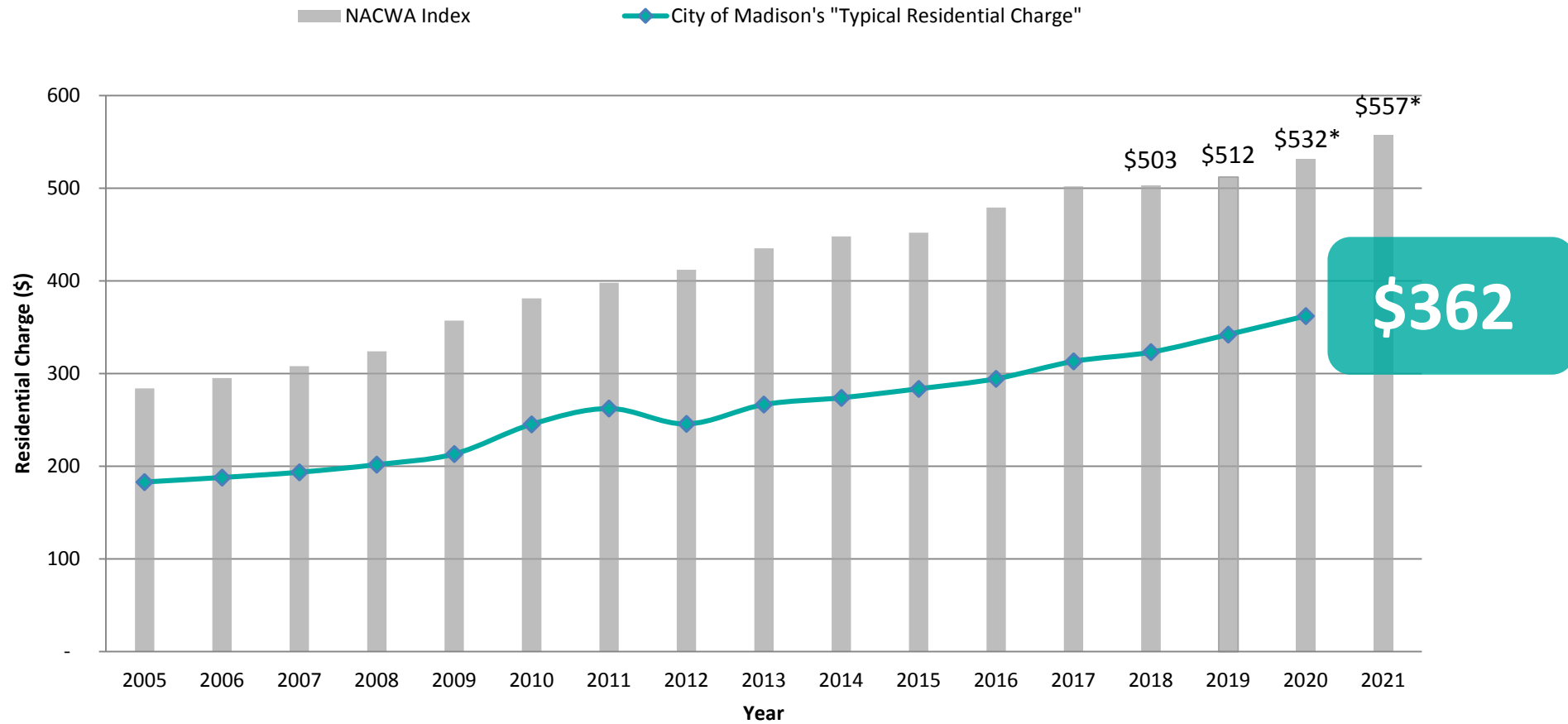
\$362

Service charge for typical
Madison household, 2020

Map based on 2019 NACWA
Cost of Clean Water Index

District Service Charge Trends

Rate Comparison between the District and the National Average

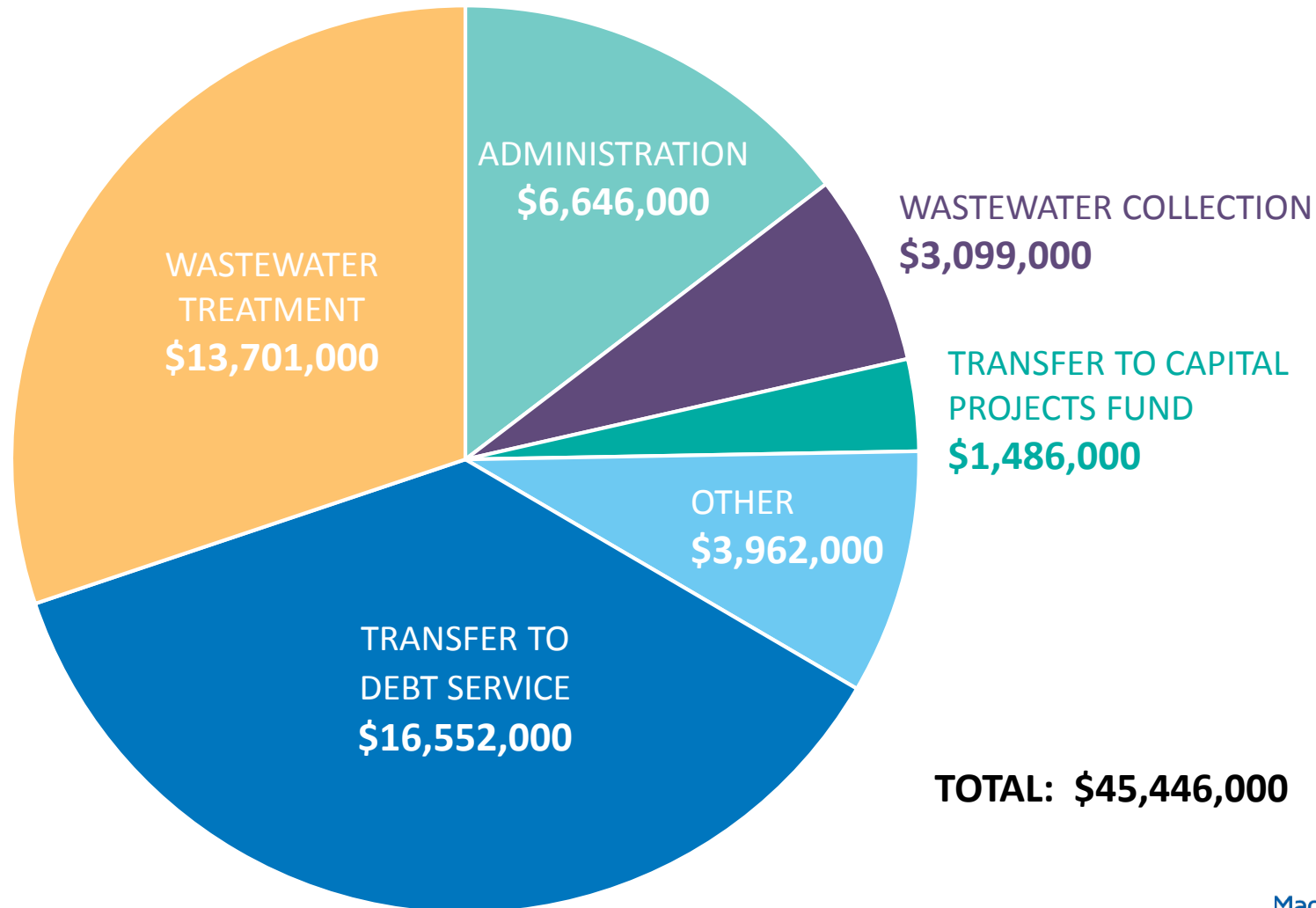


*The 2020 and 2021 national average are projected values.

Madison Metropolitan Sewerage District



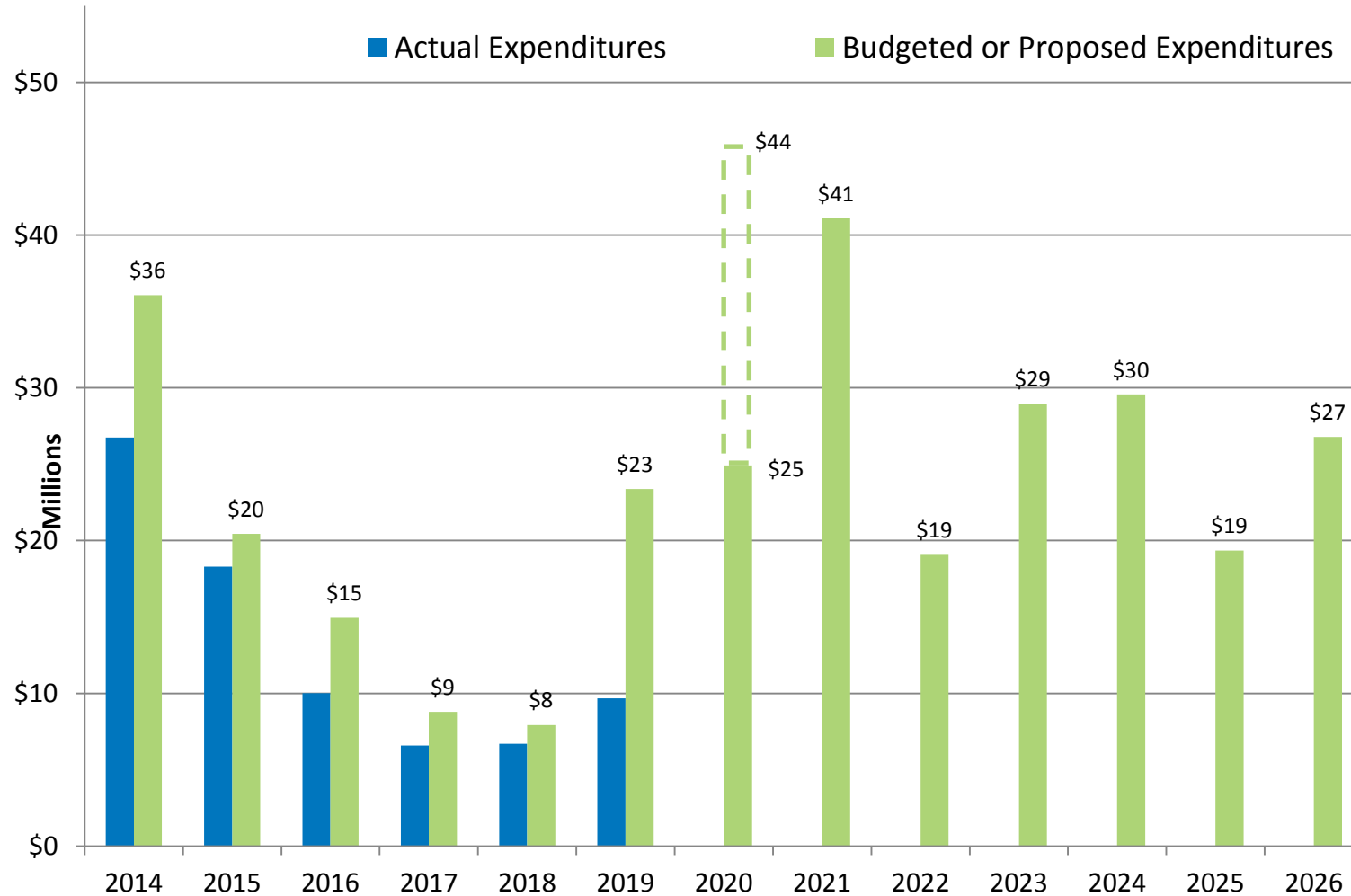
Operating Expenditures



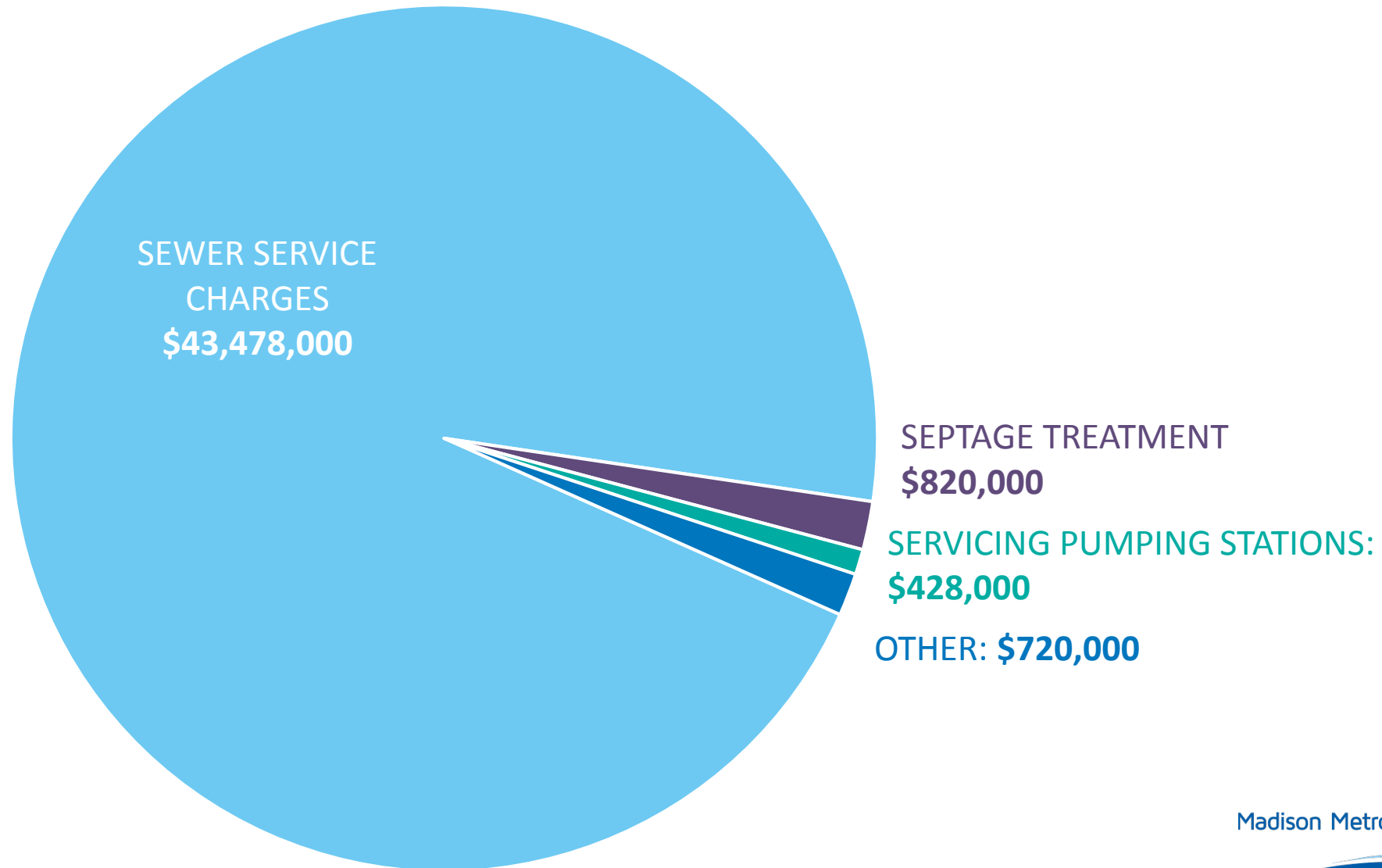
Operating Expenditure Increases

Expenditure	Amount Increase, \$	Amount Increase, %
Debt Service	\$712,000	1.61%
Contribution to Capital Projects Fund	\$571,000	1.29%
Personnel	\$261,632	0.59%
Energy	\$100,000	0.23%
Chemicals	\$100,000	0.23%
PFAS Testing	\$100,000	0.23%
Bacterial Disinfection Risk Assessment Study	\$100,000	0.23%
All other increases	\$58,368	0.13%
Total increase over 2020	\$2,003,000	4.53%

Annual Capital Expenditures



Operating Revenue





Service Charges

Service charges

- Increase overall by 5.2%
- Estimates vary depending upon each communities proportional share.
- 7 billing parameters
- Actuals will be different from estimated.

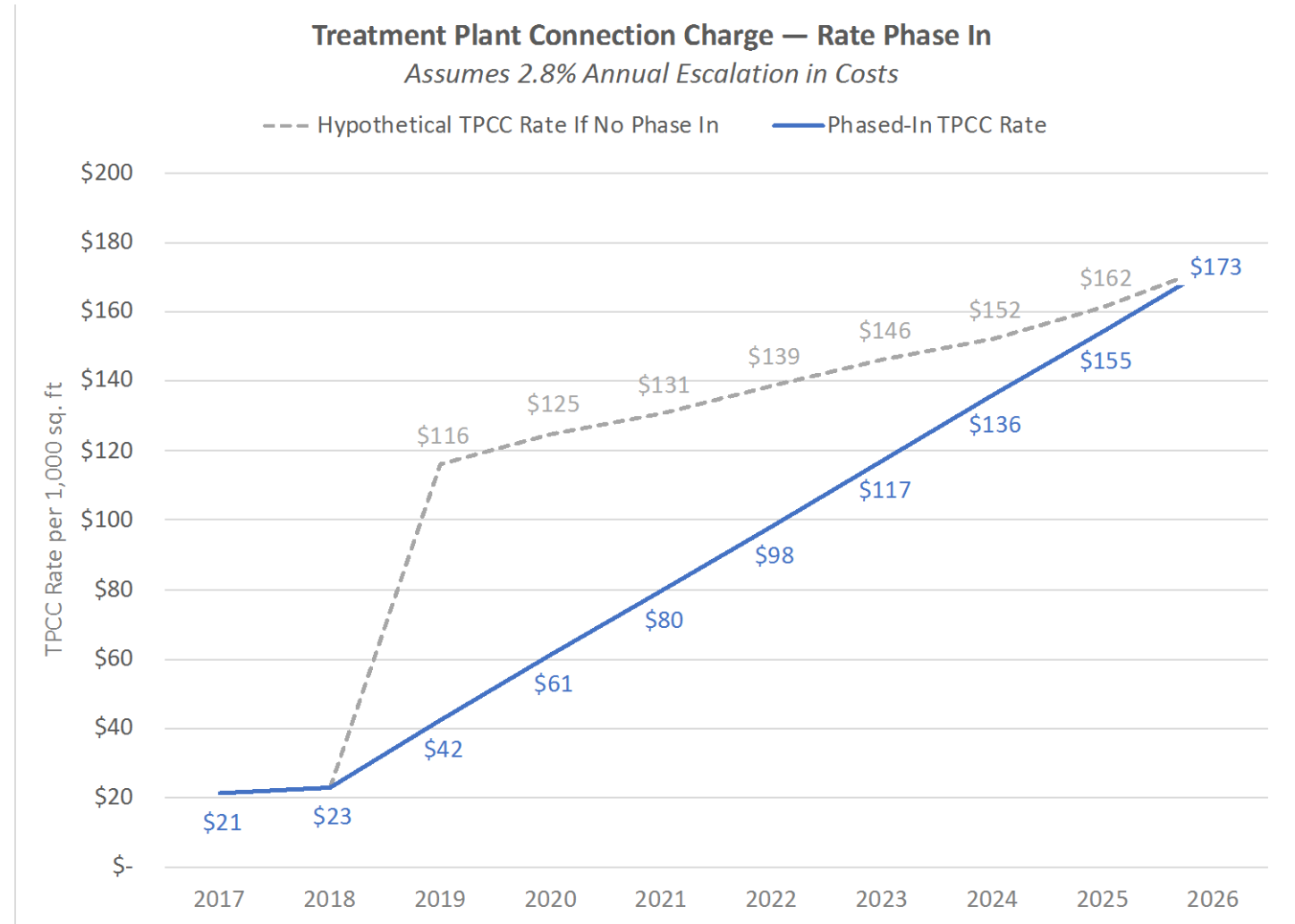
Service charge rates

The individual service charge rates will increase more than 5.2% because of reduced loadings due to COVID



Connection Charges

- Following the phase-in plan
- TPCC 30% increase
- CFCC 1.3% inflationary adjustment



TPCC rate shown
CFCC rates vary by basin

Budget Summary



- Reduced spending on critical operational needs to minimize impacts on communities.
- Increases investments in capital at 3% per year
- Cash financing capital continues to increase; 15% in 2021, 30% in 2025.
- Uncontrollable expenditures (personnel, energy, supplies) continue to increase by 1% per year.
- With innovation and efficiencies, critical operational needs can be controlled to 3% per year.
- Connection charges adjusted per commission policy, lower revenues projected.



October 15

Deliberation and final direction

October 29

Commission adopts operating capital and debt service budgets and new rates

November 1

Customers notified of new rates



PUBLIC HEARING GUIDANCE

- If you would like to speak and have video capabilities, we request that you turn on your video.
- Please state your name and the agency/organization you represent.

Commission Questions and Guidance



7 Billing Parameters, 7 Loads and 7 Rates

- Volume
- Suspended solids
- Phosphorus
- Actual customers
- CBOD
- Nitrogen
- Equivalent meters



On Review

How we set rates:

$$\text{Rate} = \frac{\text{Budgeted Service Charges, \$}}{\text{Estimated load, lbs}}$$


So that when billed:

$$\text{Actual Load} \times \text{Rate} = \text{Required Revenue}$$

