

Overview of the 2026 Draft Capital Improvements Plan

July 31, 2025

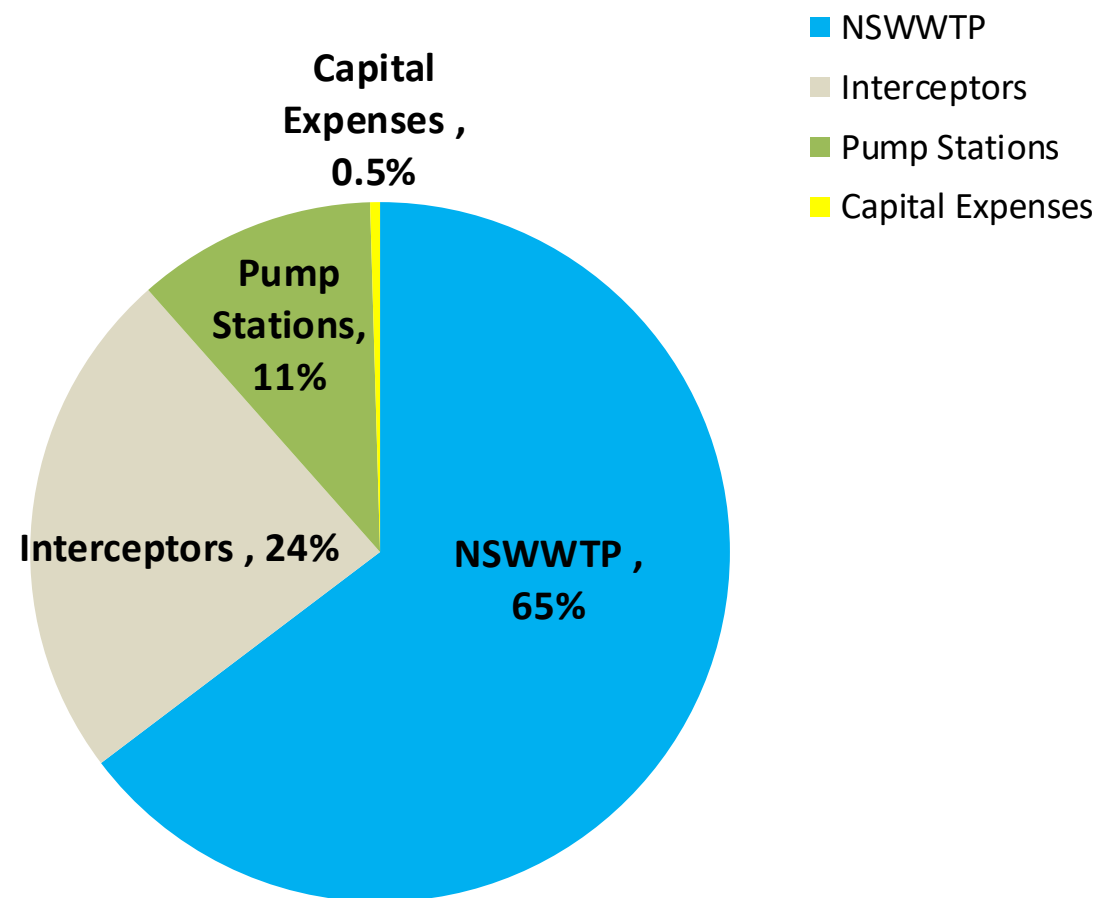
Madison Metropolitan
Sewerage District



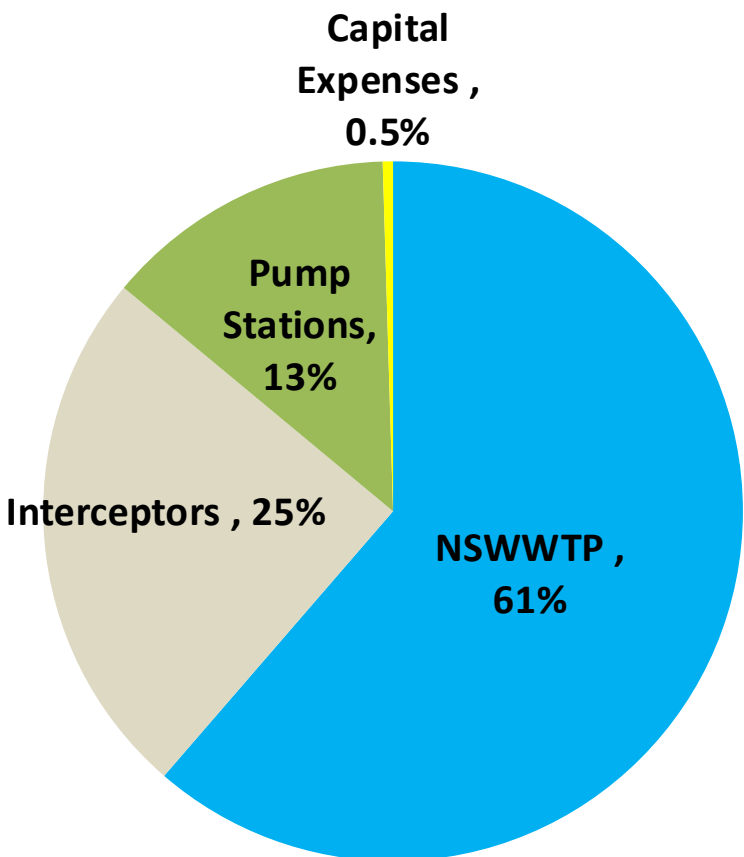
Topics

1. Overview of 2026 spending
2. Additions and removals
3. Project drivers & highlights
4. Financing

Total Six-Year Expenditures



2026 CIP (2026-2031 spending) = \$310 million



2025 CIP (2025-2030 spending) = \$290 million

New Projects in 2026 CIP

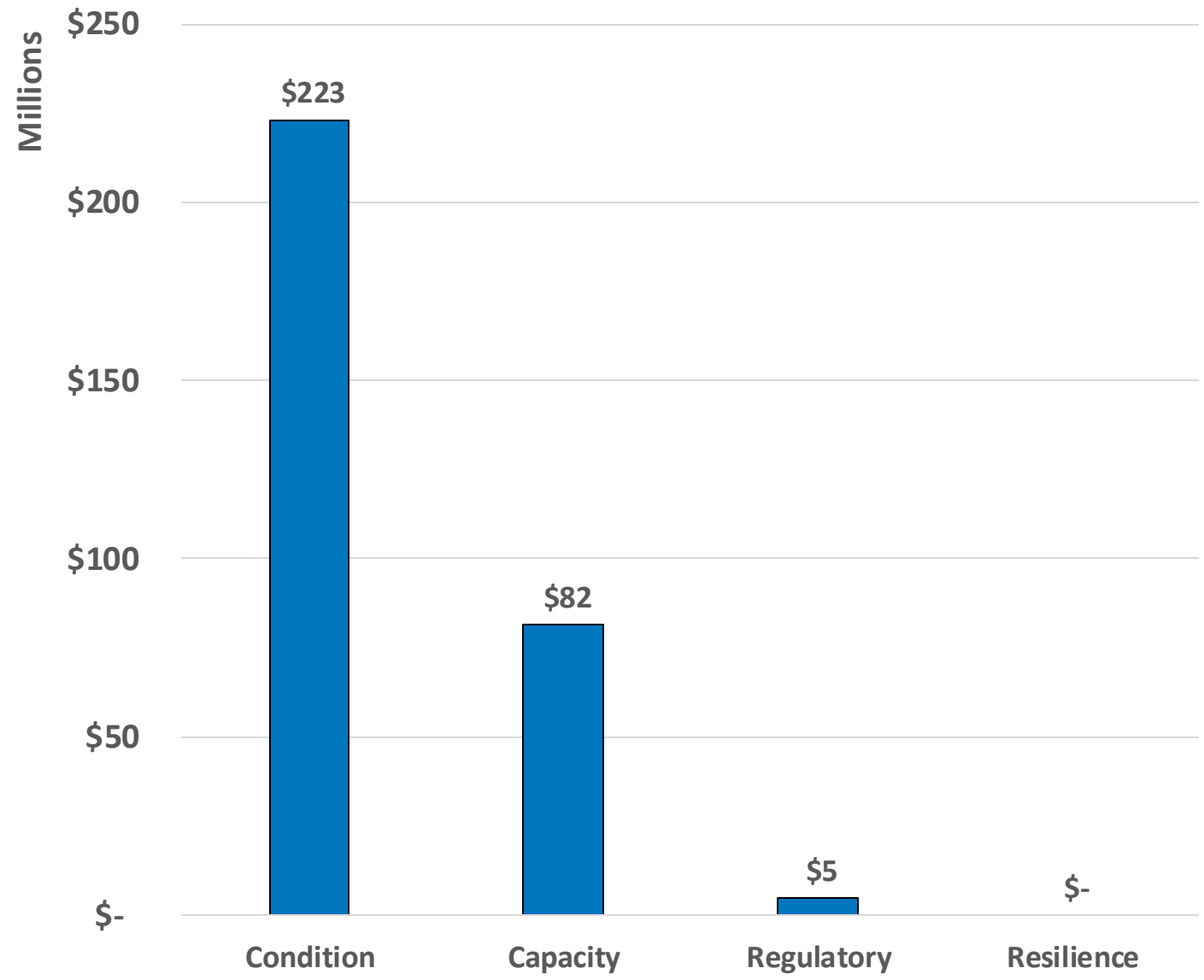
Project	Total Project Cost (million \$)	Project Duration
Laboratory Remodel	\$4.8	2026-30
East Interceptor Rehabilitation	\$0.8	2026-28
SEI McFarland Relief Rehabilitation	\$3.0	2026-29
Pumping Station 2 Variable Frequency Drive Replacements	\$0.6	2026-27
TOTAL	\$9.2	

Projects Removed from 2026 CIP

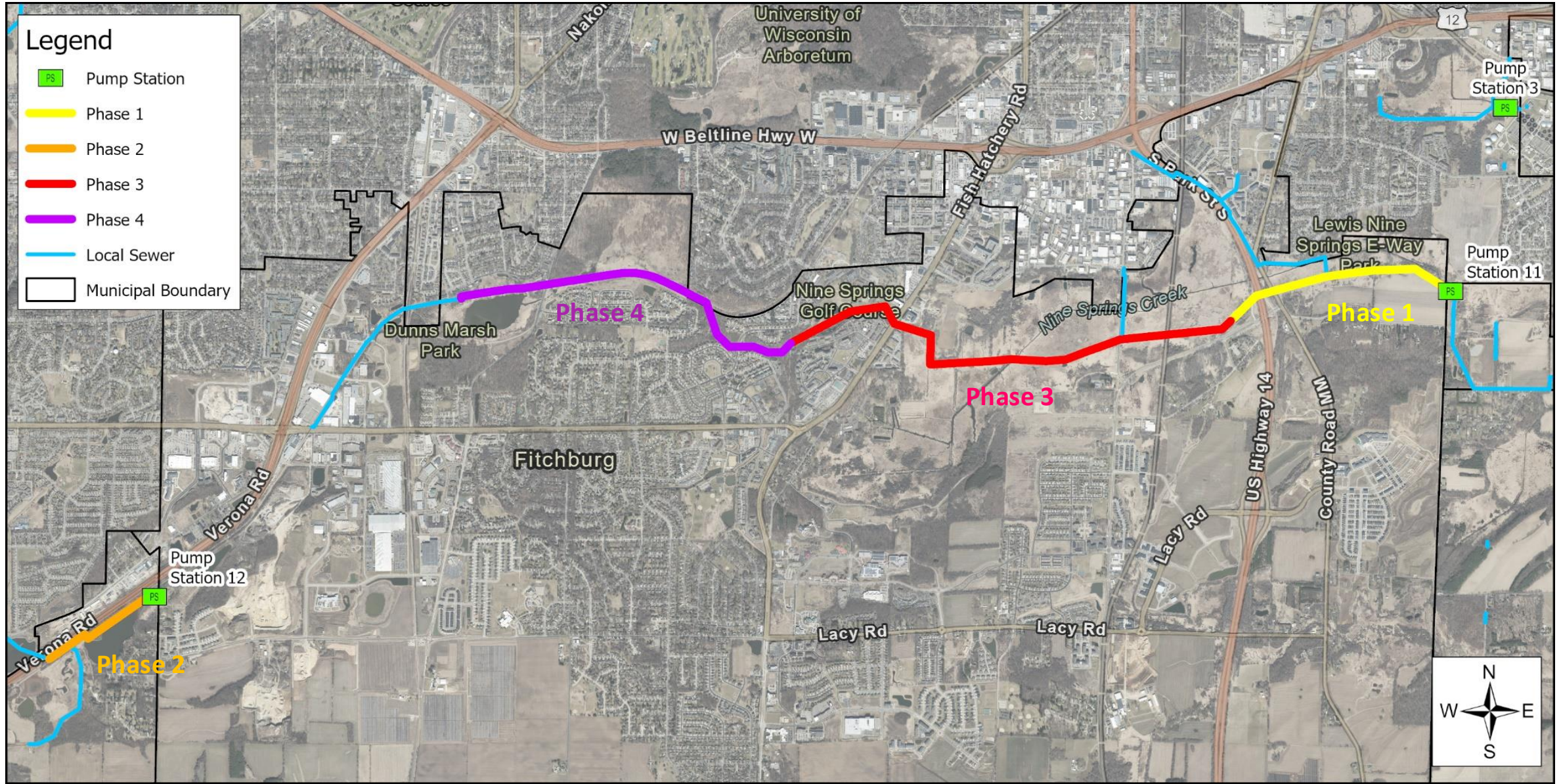
Project	Total Project Cost (million \$)
District Flow Monitoring Stations	\$1.3
Access to Interceptors	\$3.9
Emergency Power Generators at District Pumping Stations	\$6.0
TOTAL	\$11.2



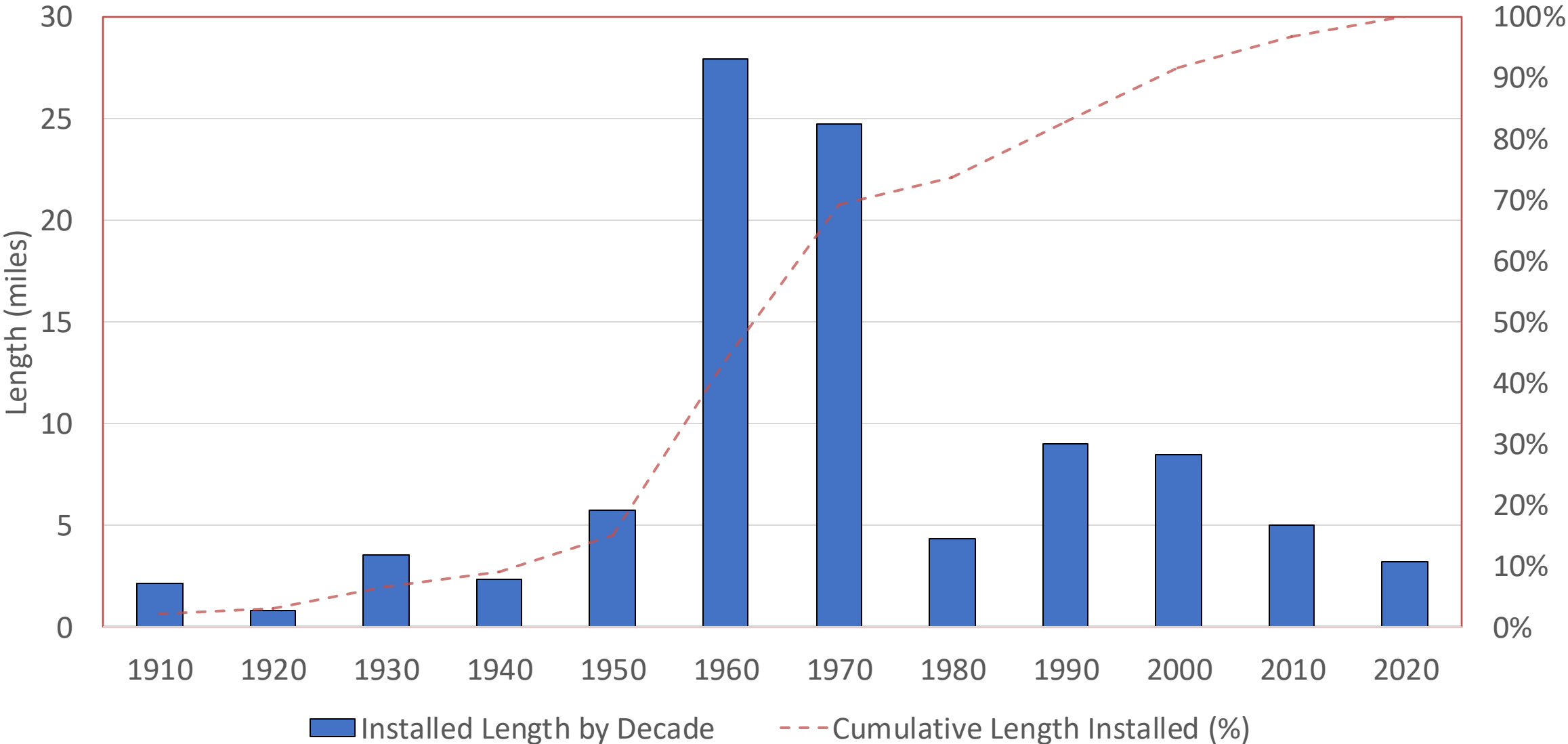
Project Drivers



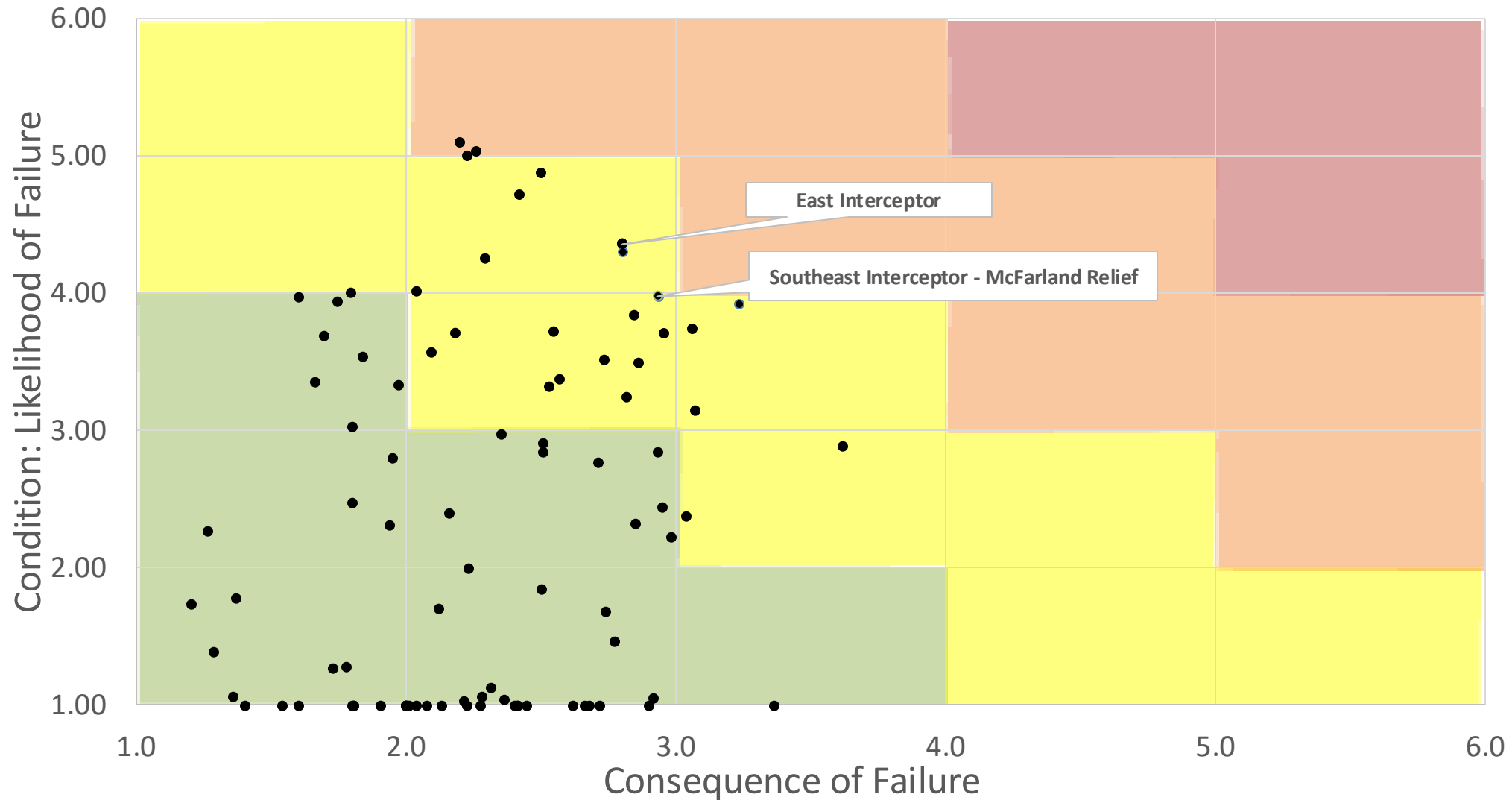
Nine Springs Valley Interceptor Capacity Improvements



Age of Interceptor System



Risk Assessment for Interceptors



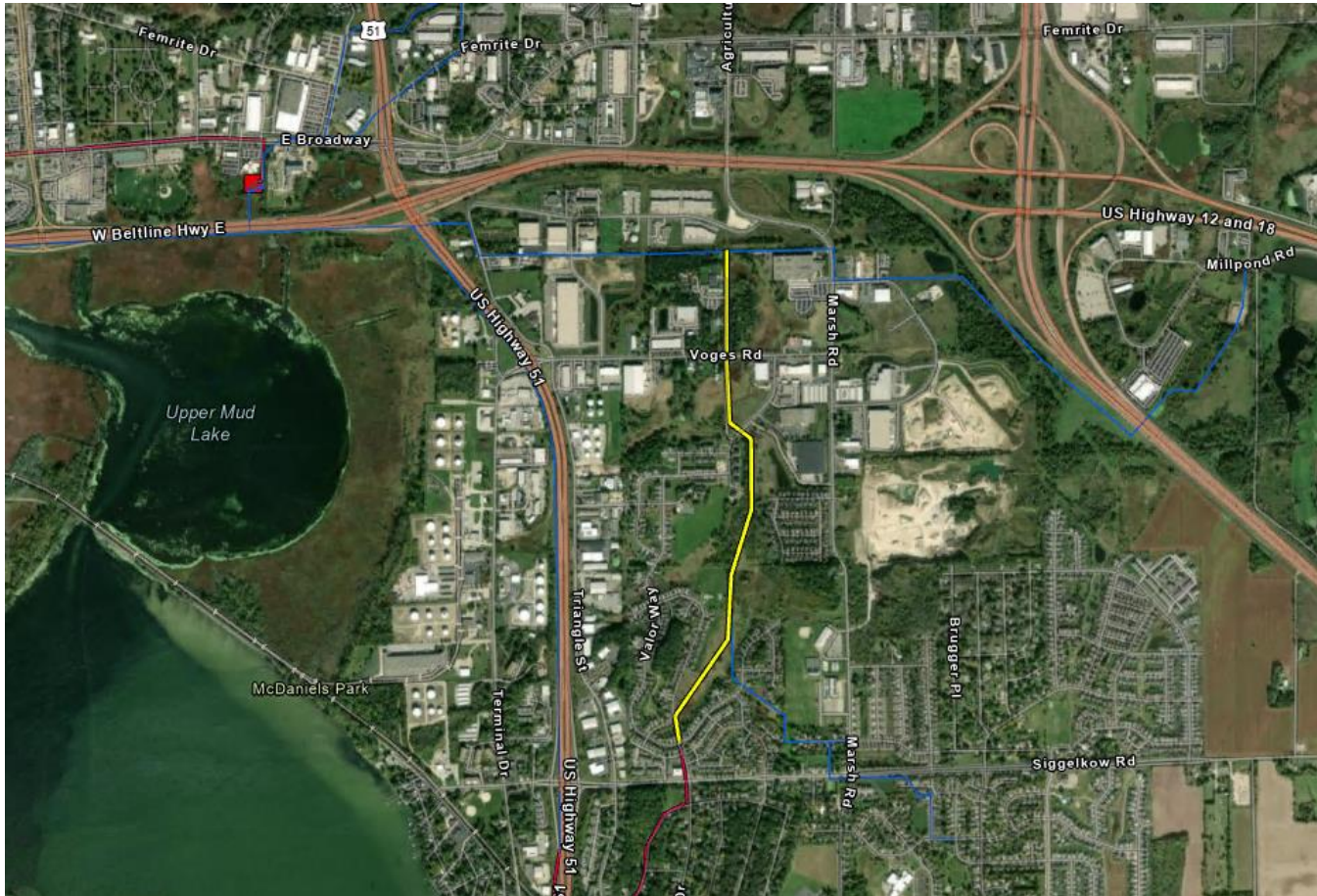
East Interceptor Rehabilitation



- 990 feet of 42" reinforced concrete pipe
- Installed in 1948 (77 years)



SEI McFarland Relief Rehabilitation



- 400 feet of 20" ductile iron pipe
- 6,300 feet of 30" reinforced concrete pipe
- Installed in 1987 (38 years)

Pumping Station Projects

- Pumping Station 16 Rehabilitation
- Bar Screens at Pumping Stations 2, 7, 8, 11
- Pumping Station 10 Force Main Leak
- Pumping Station 10 Force Main Condition Assessment
- Maintenance projects



Biosolids

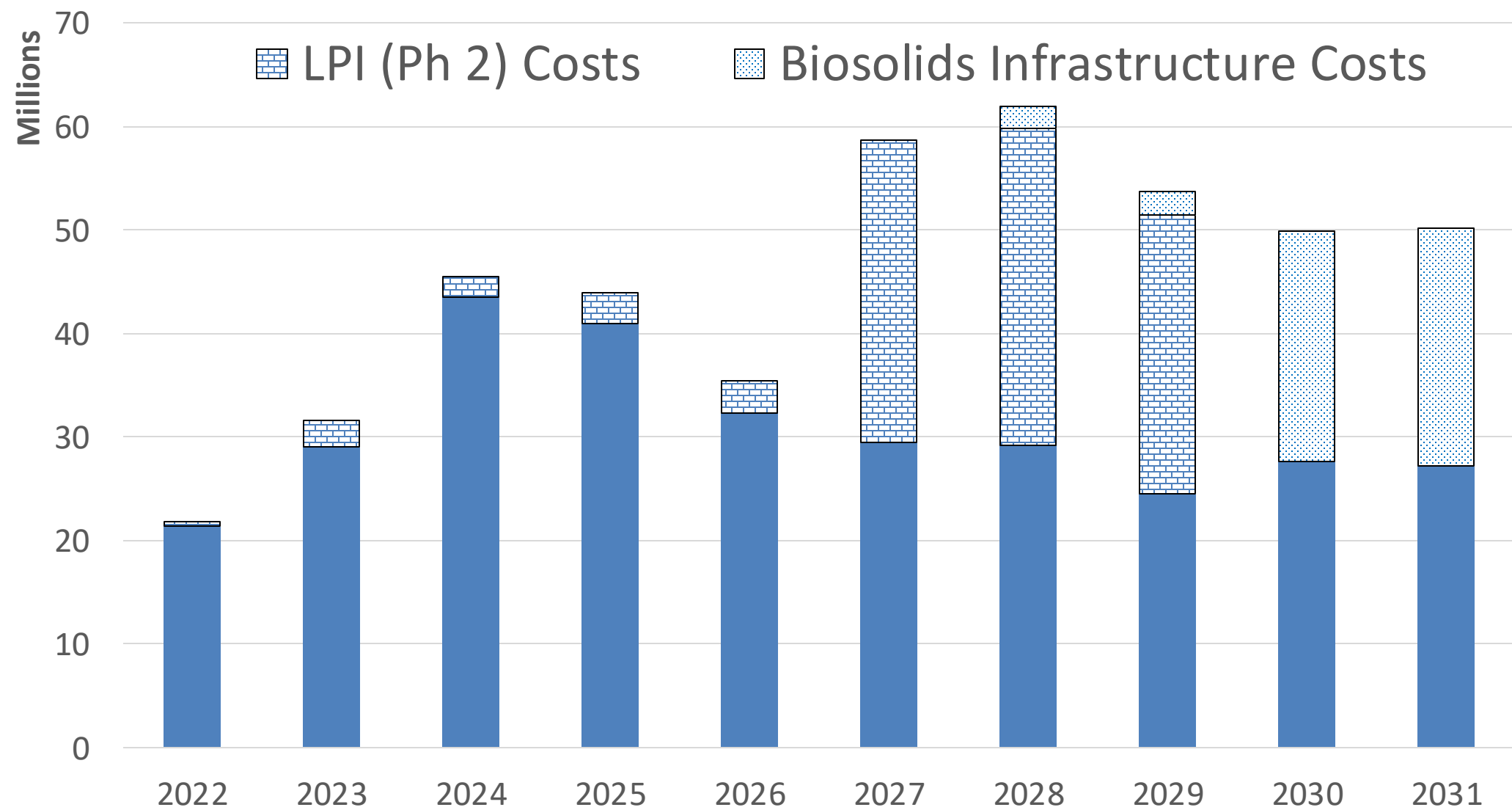


**Liquid
Processing**



Heat & Power

Annual Budgeted Expenditures



2025 Cost Update

Project	Cost "As Of" Date	2025 Actual Spending	2025 Budgeted Spending
NEI Waunakee Extension Capacity Improvements (Phase 1)	07/12/2025	\$4,427,349	\$6,328,000
Flow Splitter Improvements	07/12/2025	\$2,785,798	\$4,976,000
West Interceptor - Shorewood Relief (Phase 3)	07/12/2025	\$2,092,110	\$4,290,000
Pumping Station 17 Force Main Relief (Phase 2)	07/12/2025	\$1,290,692	\$2,366,000
Pumping Station 17 Firm Capacity Improvements	07/12/2025	\$1,235,153	\$3,144,000
NSWWTP Electrical Service Equipment Replacement	07/12/2025	\$292,435	\$2,155,000
Year to Date Totals:		\$12,123,537	\$23,259,000



Questions?



2026–2031 Finance Highlights

July 31, 2025

Madison Metropolitan Sewerage District



Two Factors Are Key

2026

2. Use of Excess Reserves

(target new Commission Policy)

\$13.4m Avoided GO bonding
Limit 2026 service charges

2027–2031

1. High Capital Spending

(average \$55m per year)

\$ 87m: Liquid Process

\$ 50m: Biosolids

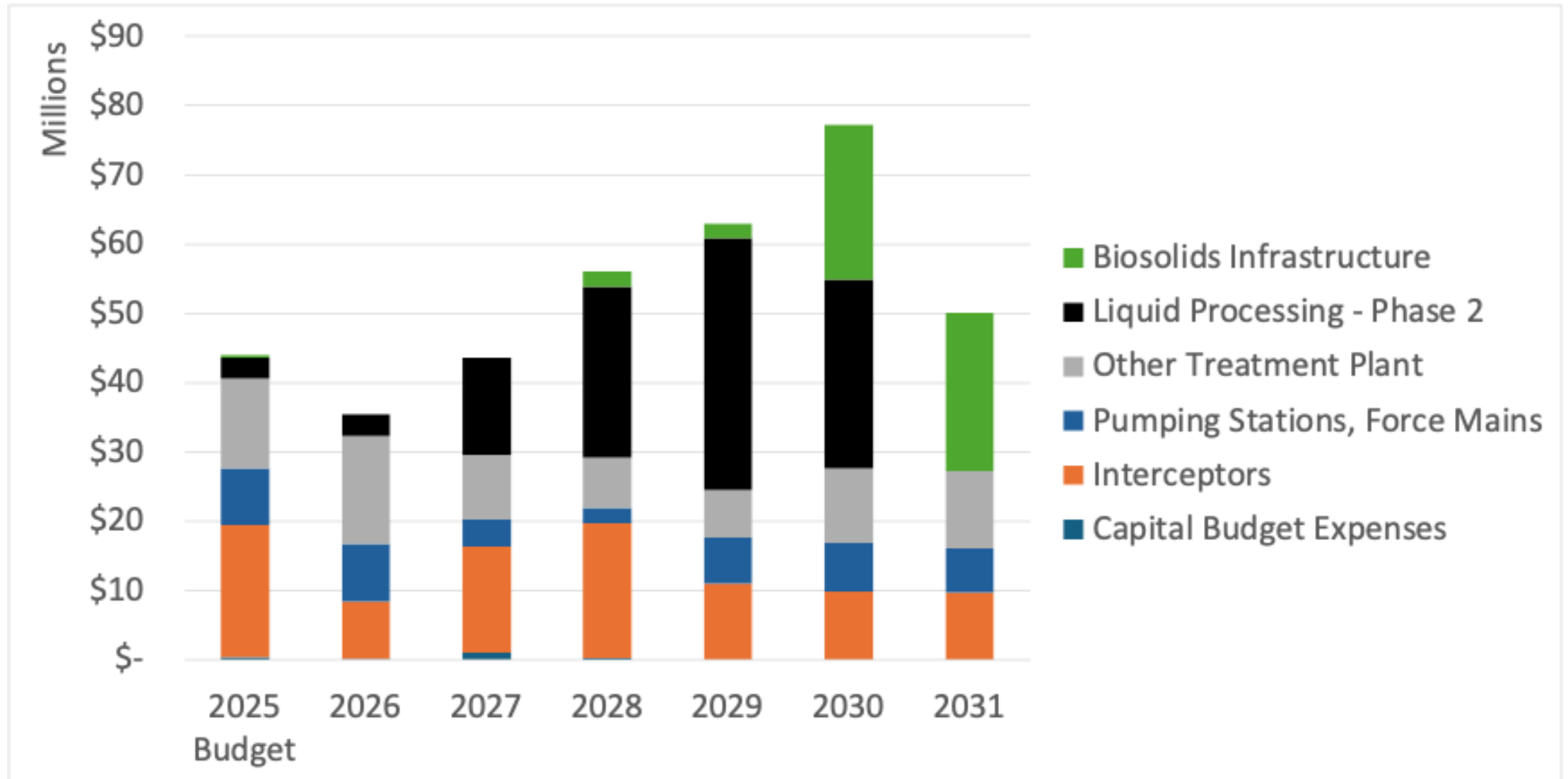
\$138m: Remaining ~50 projects

Potential Changes to the Forecast

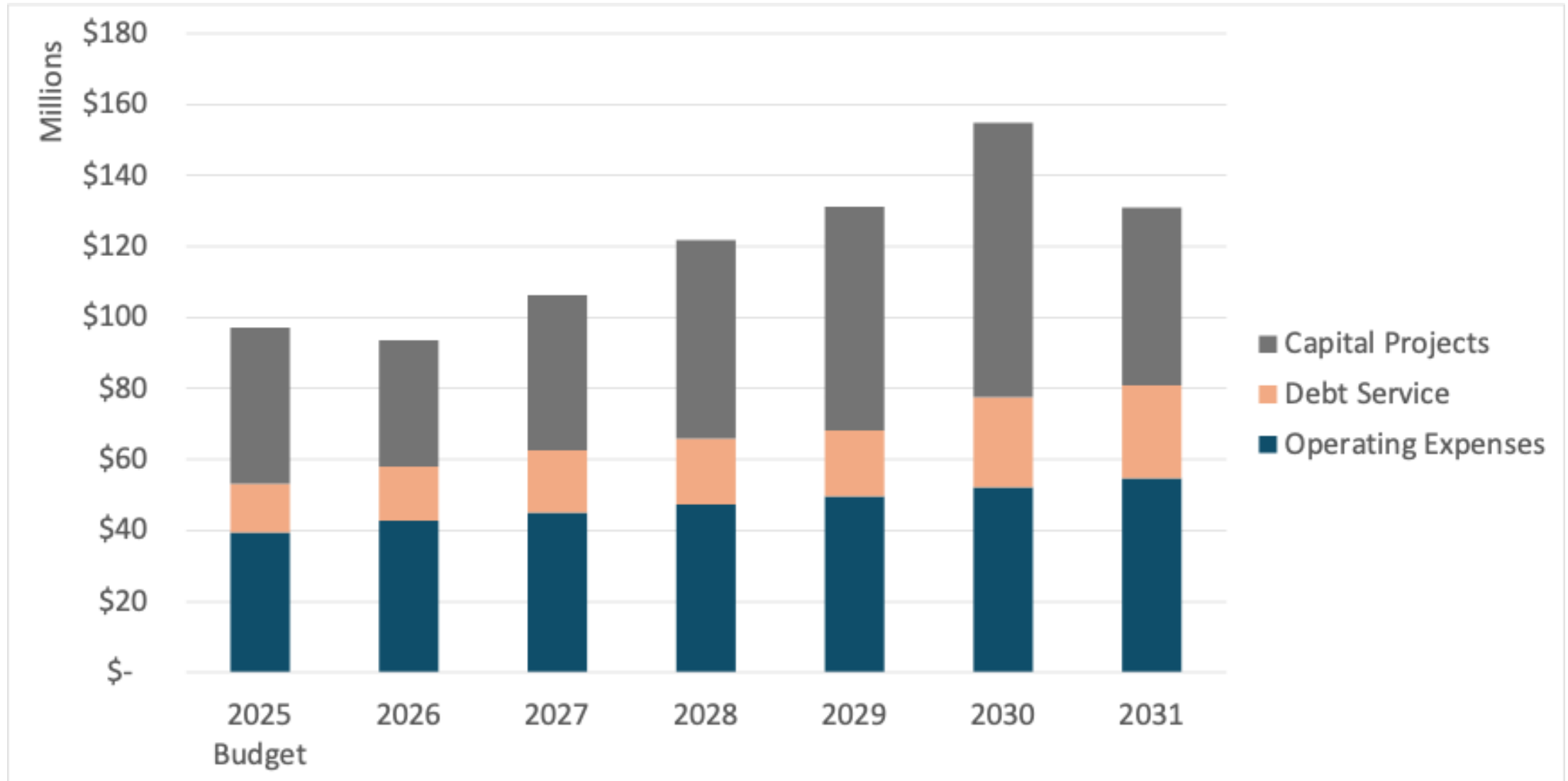
- 2026
 - Wage adjustment still to be determined
 - Possible minor adjustments to capital projects costs
- 2027–2031
 - High bid for liquid process capital project
 - Schedule changes



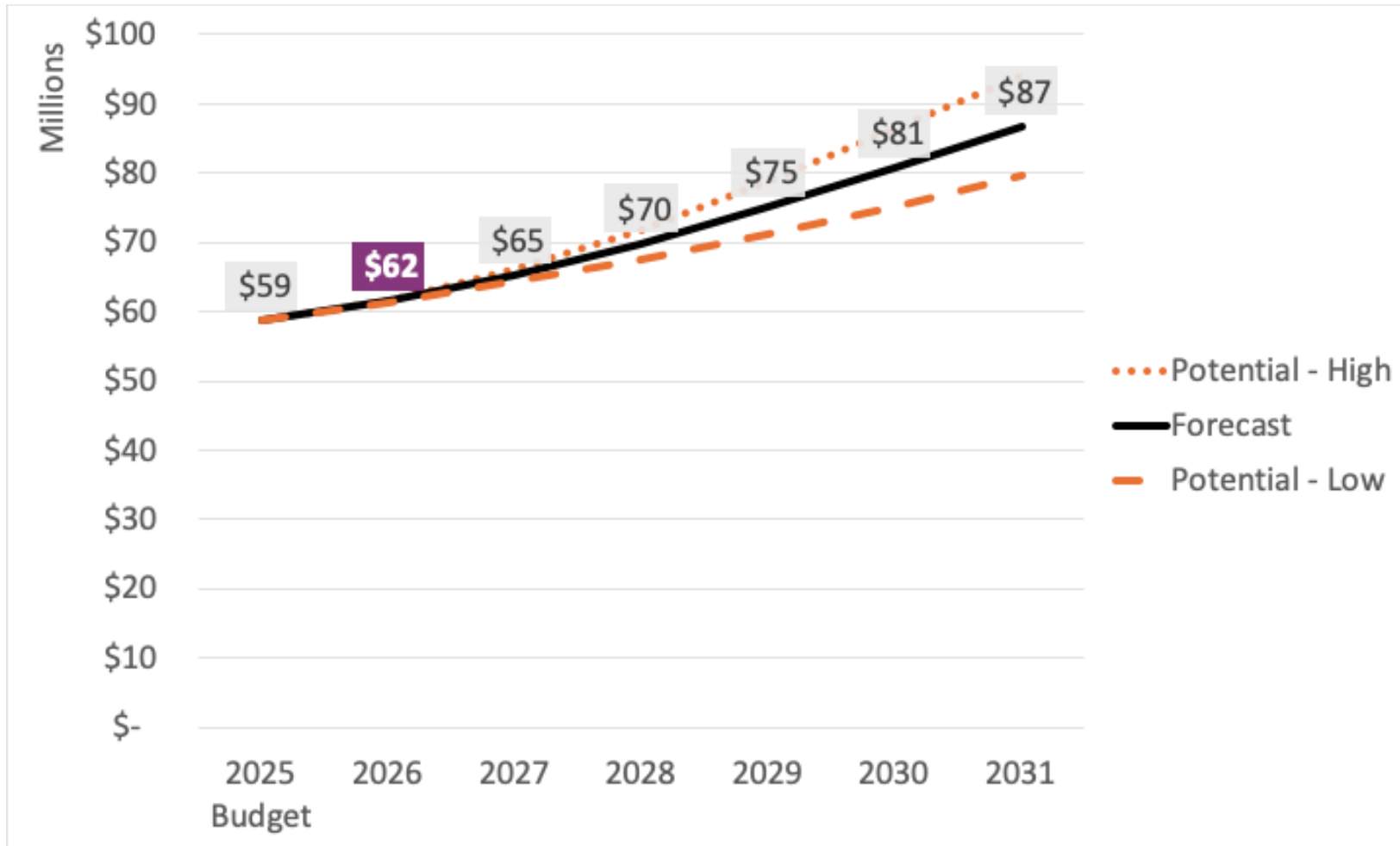
Forecast Capital Expenditures



Forecast All-Funds Expenditures



Forecast Service Charges — in Dollars



High: Additional \$20 million in capital program costs

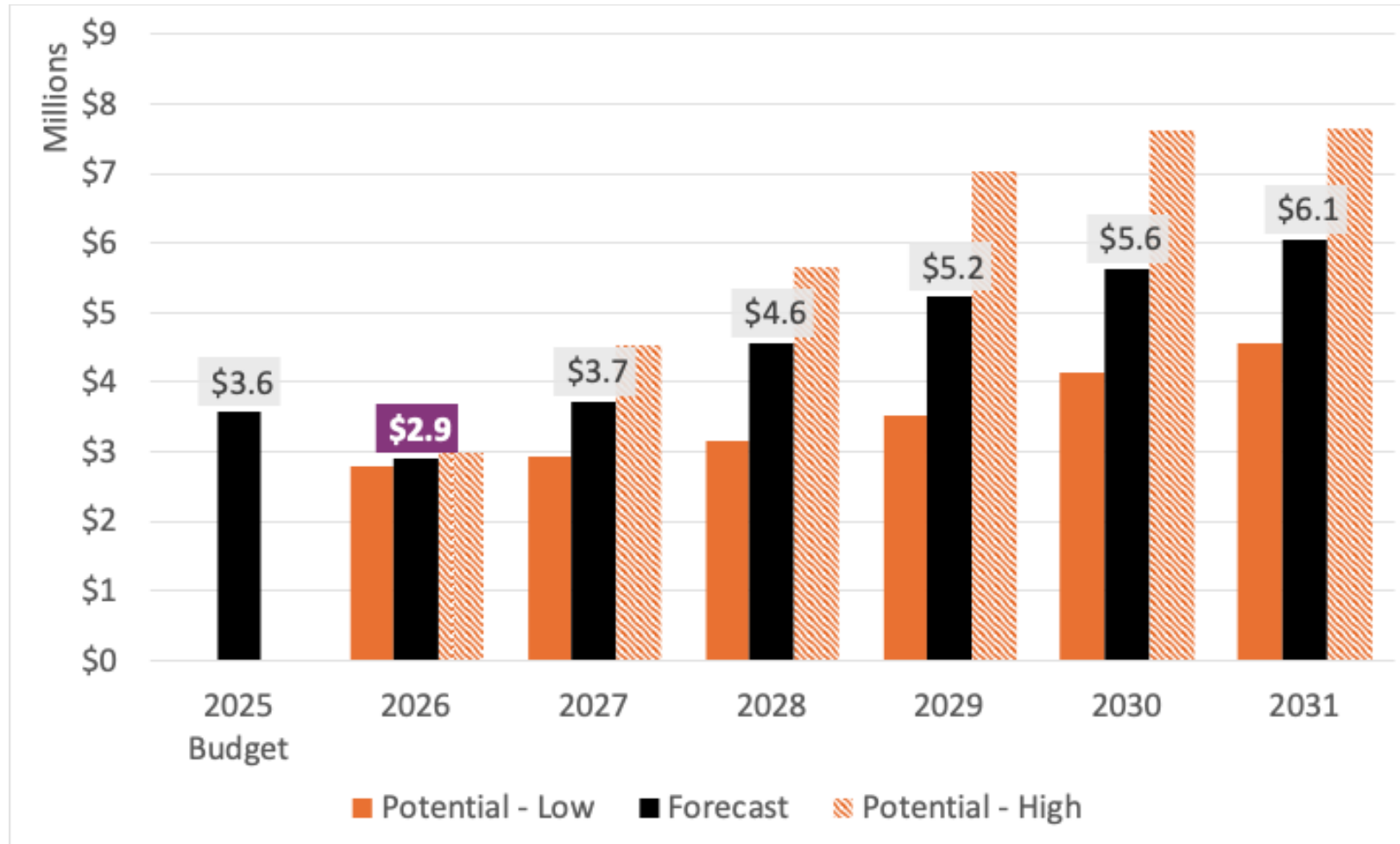
e.g., high liquid process bids

Low: \$20m lower spending over the period

e.g., schedules changes



Forecast Service Charges — Annual \$ Increase



High: Additional \$20 million in capital program costs

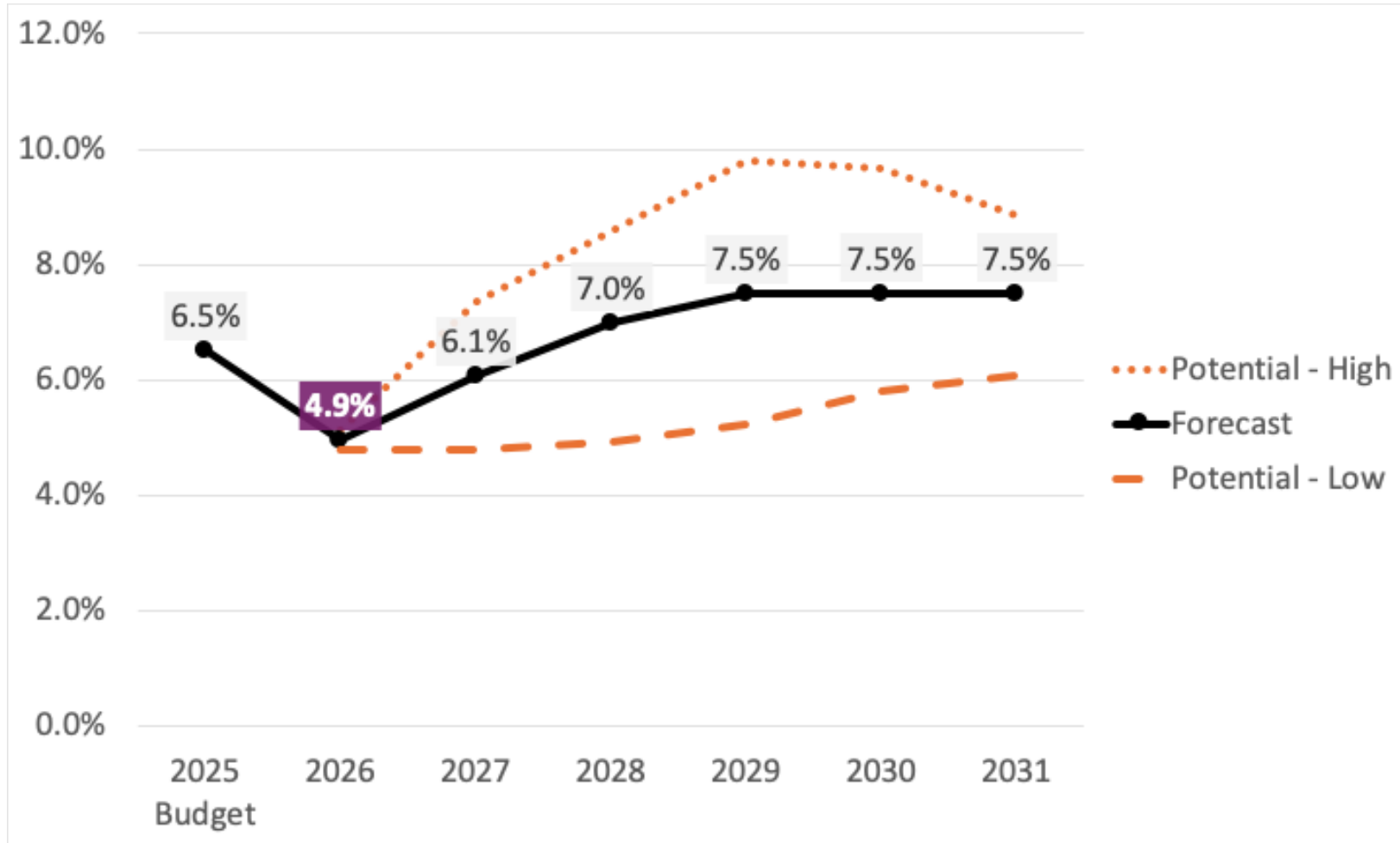
e.g., high liquid process bids

Low: \$20m lower spending over the period

e.g., schedule changes



Forecast Service Charges — Annual % Increase



High: Additional \$20 million in capital program costs

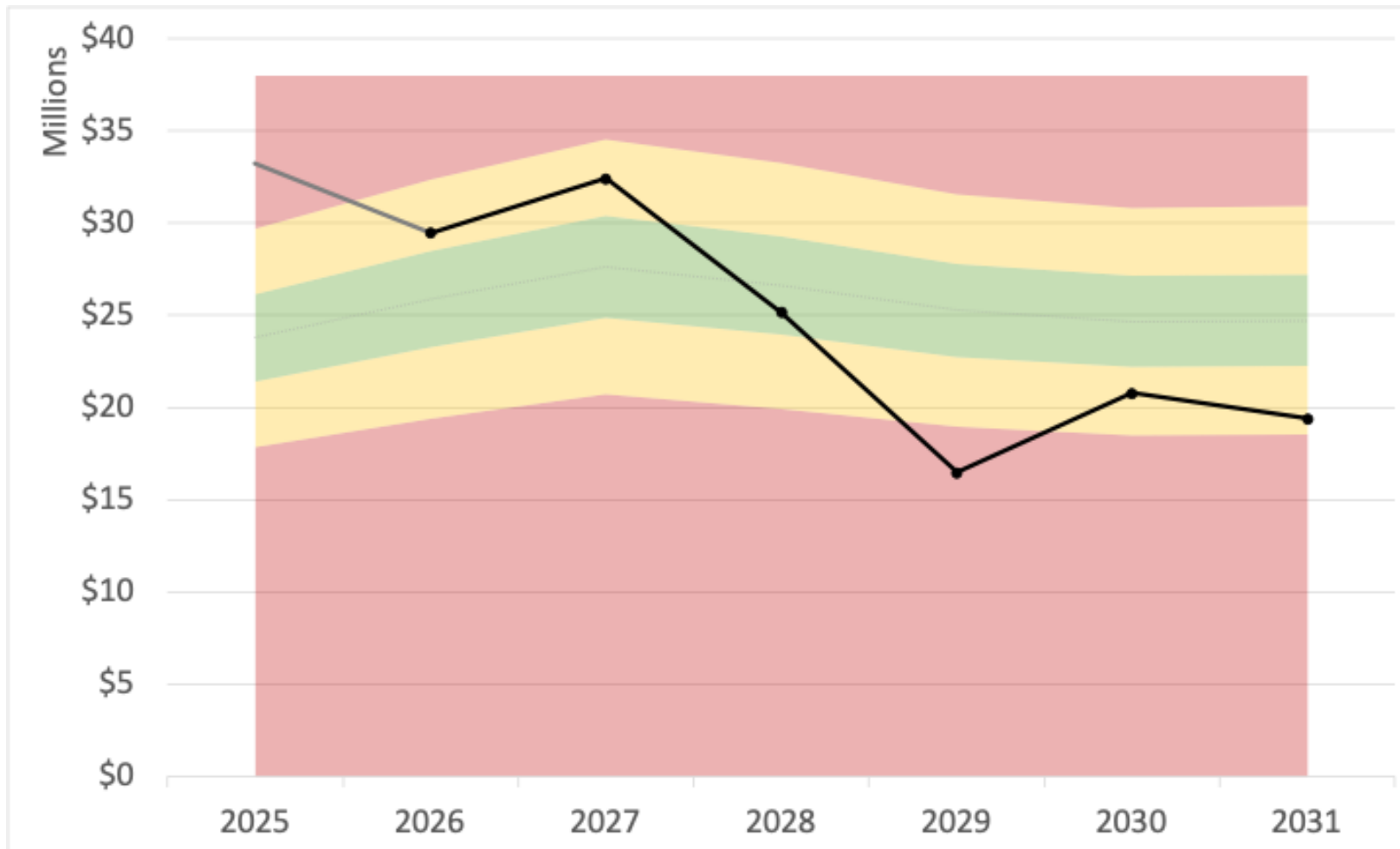
e.g., high liquid process bids

Low: \$20m lower spending over the period

e.g., schedule changes



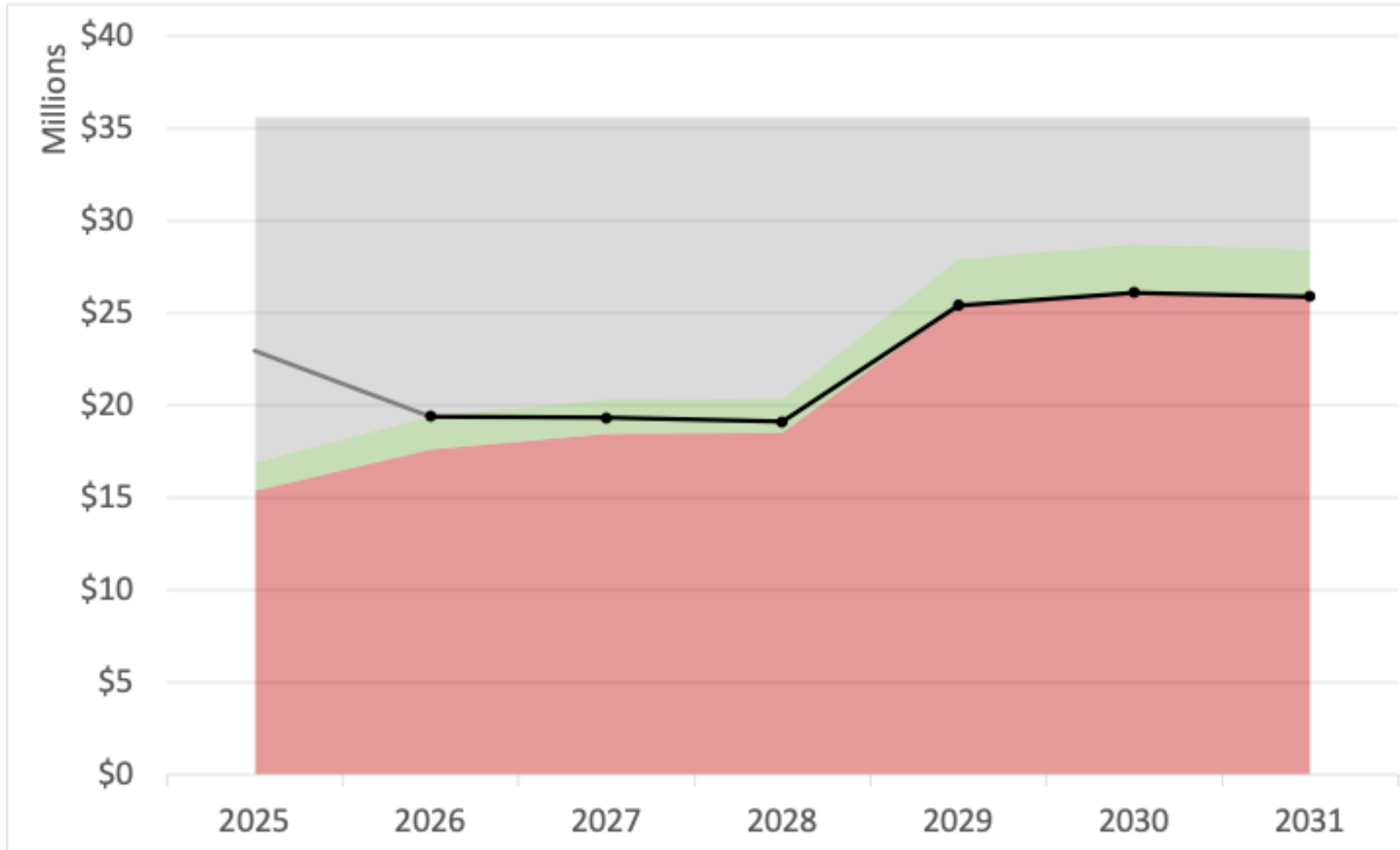
Forecast Capital Projects Fund Reserves



- \$9.5m excess in 2025
- Use 2025 excess reserves
 - Avoid general obligation bonding in 2026
 - Limit 2026 service charges
- Allow reserves to drop to absorb high capital spending period while limiting rate increases



Forecast Debt Service Fund Reserves



- \$7.5m excess in 2025
- Use 2025 excess reserves
 - Avoid general obligation bonding in 2026
 - Limit 2026 service charges
- Keep reserves within target range



Forecast Operating Fund Reserves

	2025	2026
Excess reserves	\$4,306,100	\$0
Days above 210 day target	10	0
Days above 180 day target	40	0



Bottom Line

- Use excess reserves to
 - avoid GO bonding
 - limit 2026 service charges
- Planning for high spending in 2027–2031



Questions?

Madison Metropolitan
Sewerage District

Madison Metropolitan Sewerage District

Madison Metropolitan Sewerage District