

The background of the slide is a photograph of a meeting. Several people are seated around a table, looking at documents. A hand in the foreground is holding a dark mug with the words "Metropolitan District" printed on it. The entire image is covered with a semi-transparent blue overlay.

Welcome

Commission Meeting
July 16, 2026

Madison Metropolitan
Sewerage District



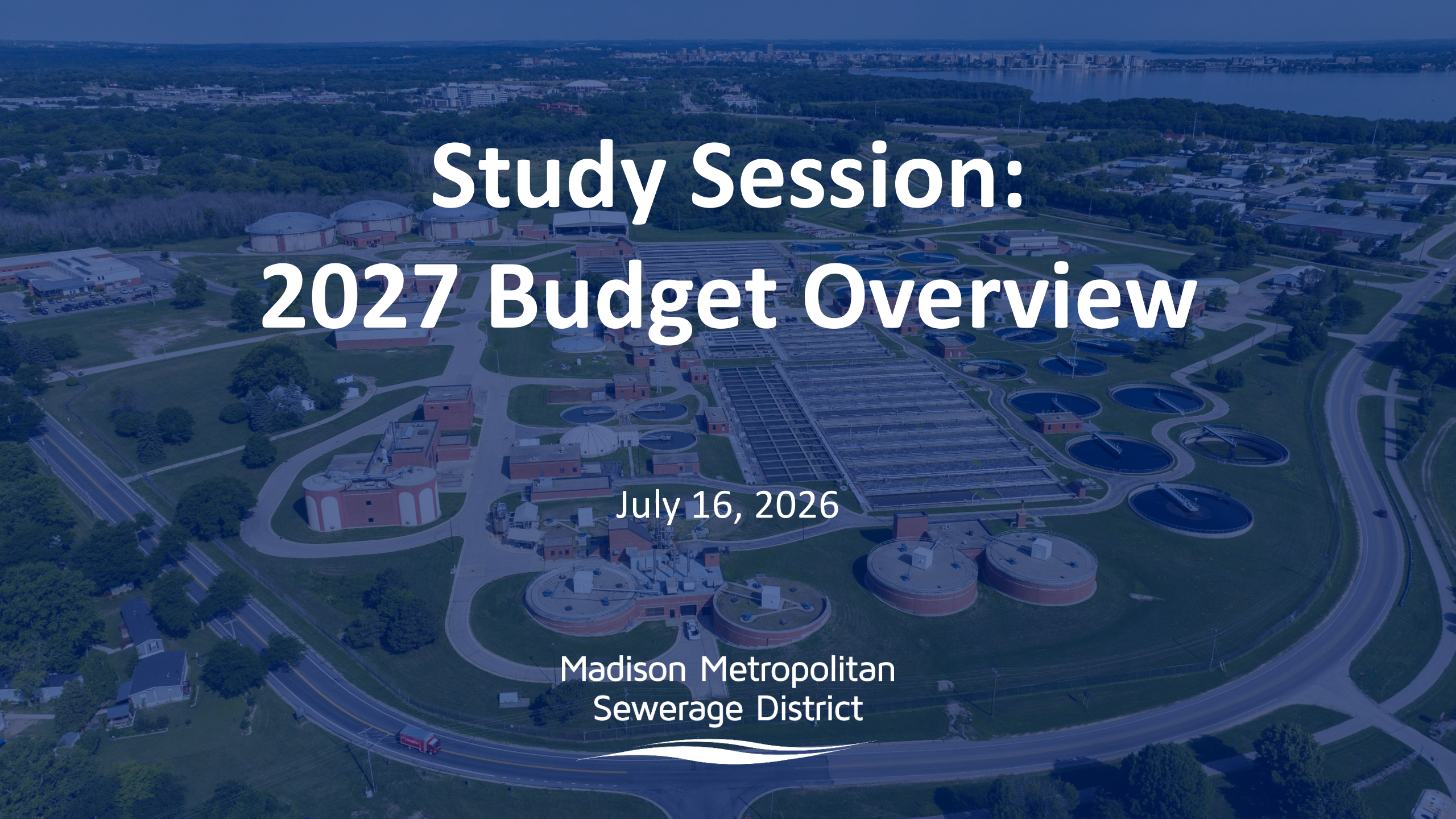
Welcome

Adam Cairo

Industrial Electrician Apprentice

Madison Metropolitan
Sewerage District



An aerial photograph of the Madison Metropolitan Sewerage District facility, featuring several large circular aeration tanks, rectangular clarifiers, and various industrial buildings. The facility is surrounded by greenery and a road. In the background, a city skyline and a large body of water are visible under a clear sky. The entire image is covered with a semi-transparent blue filter.

Study Session: 2027 Budget Overview

July 16, 2026

Madison Metropolitan
Sewerage District

A stylized white wave graphic consisting of three curved lines, positioned at the bottom center of the slide.

Setting the scene



- Clear operating budget instructions to true up spending
- Honoring customer communities' request
- Failure is not an option
- Investing in our communities' futures
- Grounded in what we have agreed is important:
 - District's Strategic Plan
 - Three-Year Plan
 - District values: Service, Reliability and Sustainability



Goal for 2027

10%-12%

Service charge increase



Grounding our work: Values



Service



Reliability

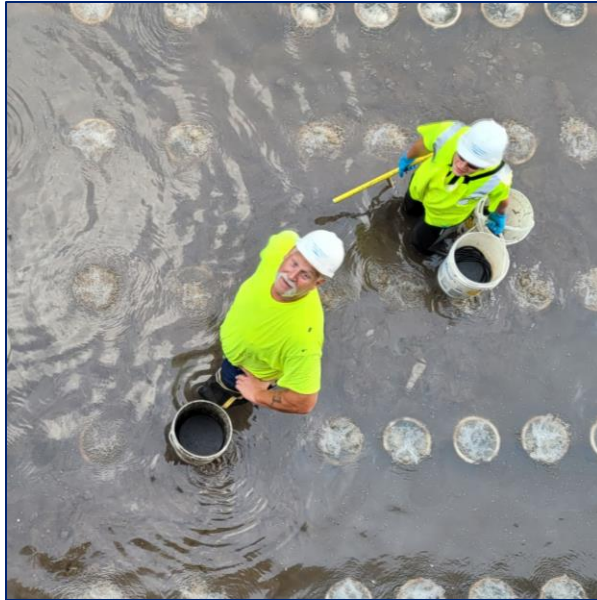


Sustainability

Grounding our work: Performance Areas



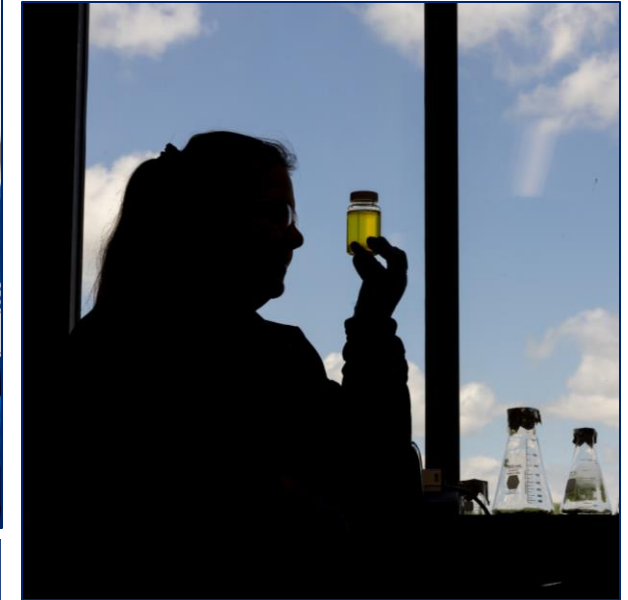
Financial Capacity &
Resilience



Infrastructure
Reliability



Public Trust



Regulatory
Compliance

...plus KPIs and Three-Year Plan

Breaking down the 2027 budget drivers



Big bucket: CIP investments & support



Our largest projects are here: Liquid Processing Improvements – Phase 2 and Biosolids and Heat & Power Improvements

- Requires investment of more than \$300M
- Top projects in Three-Year Plan
- Necessary to accommodate community growth, regulatory compliance and infrastructure reliability
- For Biosolids and Heat & Power, using planning estimates to start building reserves to soften increases

Big bucket: CIP investments & support



These investments require 2 new positions in the Engineering department

- Project engineer & electrical engineer positions proposed in 2027 budget
- Hiring each one of these positions will save approx. \$1M for every 3-year timeframe versus consulting services
- These positions will create long-term support for the CIP and maintenance projects

Medium bucket: Three-Year Plan items



- **Enterprise Asset Management (EAM) implementation and support**
 - With ERP moving into phase 2, preparing to begin EAM
 - Part of CIP and Three-Year Plan; critical for work planning, parts ordering, and improving maintenance practices to support infrastructure reliability
 - Requires new position for service of the new system

Medium bucket: Non-discretionary increases



- **Increased Yahara WINS contribution**
 - Necessary with the consolidation of outfalls
 - District increase of \$260,000 per intergovernmental agreement
 - Supports regulatory compliance
- **Inflationary increases**
 - O&M costs up 7%-10% alone
 - *Extreme example:* Replacement of headworks screen press, went from \$12,000 to over \$30,000 in last 12 months
 - Market wage adjustment: 2.5%

Little bucket: Long-term vision



- **PFAS sampling compliance and program**
- **KPI development**
 - Infrastructure Reliability: Nessie curve, condition assessments
 - Public Trust: Public Sentiment Analysis & Stakeholder Satisfaction
- **Artificial Intelligence (AI) policy**
- **Strategic funding services**
 - Support to identify & pursue grants, earmarks, supplemental funding
- **Research**

In summary



- **Goal is 10%-12% service charge increase**
 - Driven by major regulatory compliance and infrastructure reliability projects
- **Three positions of need related to Three-Year Plan**
 - Cost-saving investment vs. contracting services
- **Upholds District Values of Service, Reliability and Sustainability**
- **Grounded in Strategic Plan and invests in what needs to be done**



Next steps

- **Thursday, July 30:** Capital Improvements Plan (CIP) overview
- **Wednesday, Aug. 20:** Budget preview meeting (customer communities)
- **Thursday, Sept. 10:** Budget introduction
- **Thursday, Sept. 24:** Public hearing
- **Friday, Oct. 2 at 4p:** Budget comments due
- **Thursday, Oct. 8:** Budget deliberation
- **Thursday, Oct. 22:** Budget adoption



Discussion

- Do you want more information on anything in this presentation before the budget process begins?
- What would be most helpful for us to bring back in September?





Thank you

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Sewerage District





Blending Valves as a Chloride Reduction Strategy

Presented by Emily Jones, Pollution Prevention Specialist



The District needs to
meet its chloride
discharge limit



Compliance through treatment



Source softening

- With decentralized wells, administratively and politically complex
- Requires removal of point-of-use softeners

Chloride removal at wastewater plant

- Essentially desalination of a small portion of flow
- Generates concentrated waste brine that needs special disposal
- Extremely expensive and energy intensive

Compliance through source reduction



Less expensive

Reduces costs to the plant and ratepayers compared to chloride removal technology

More energy-efficient

Avoids massive environmental footprint associated with treatment

Comprehensive and long-term

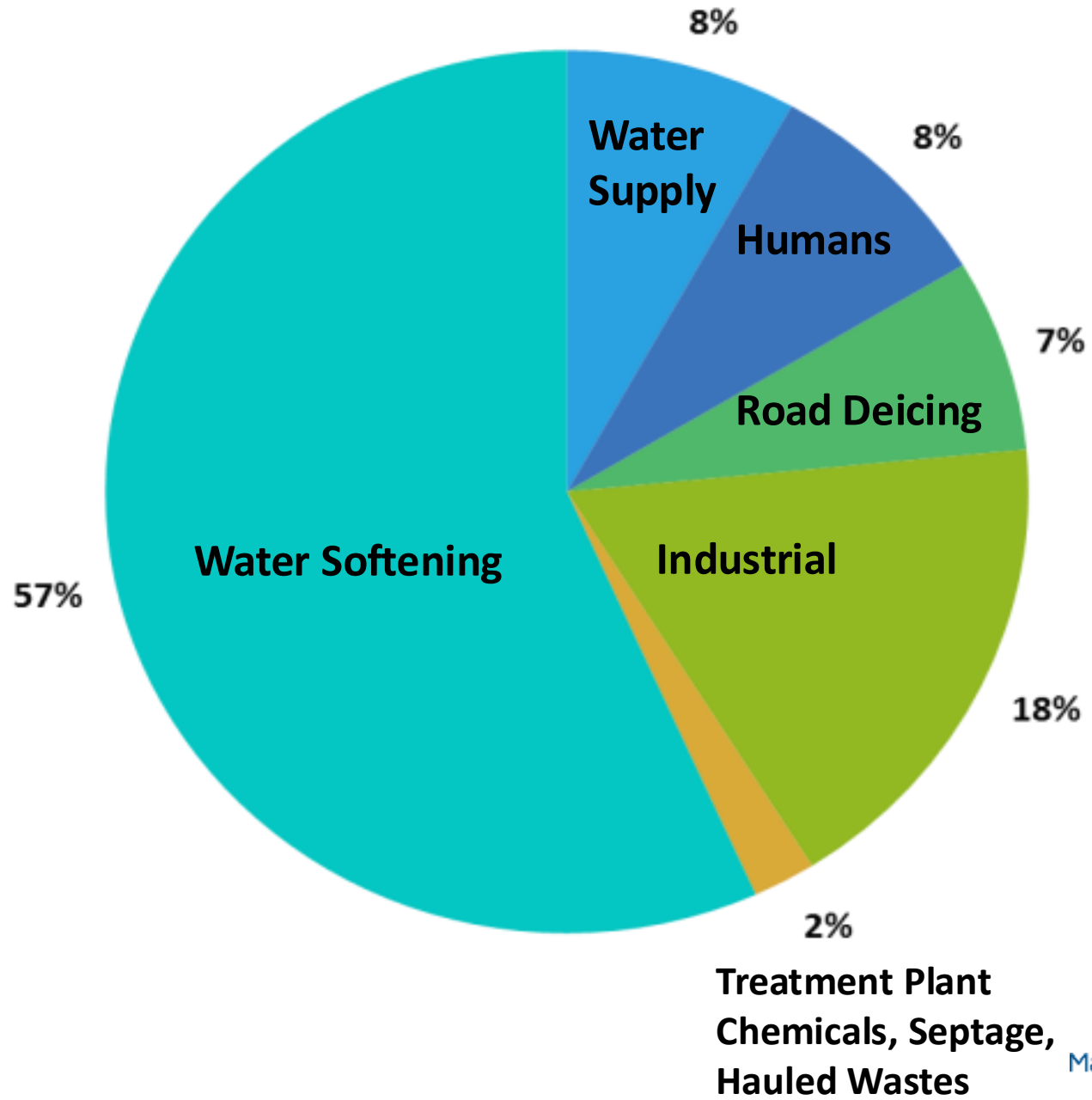
Changing norms sets up sustained chloride reductions into the future

Chloride Pollutant Minimization Plan elements



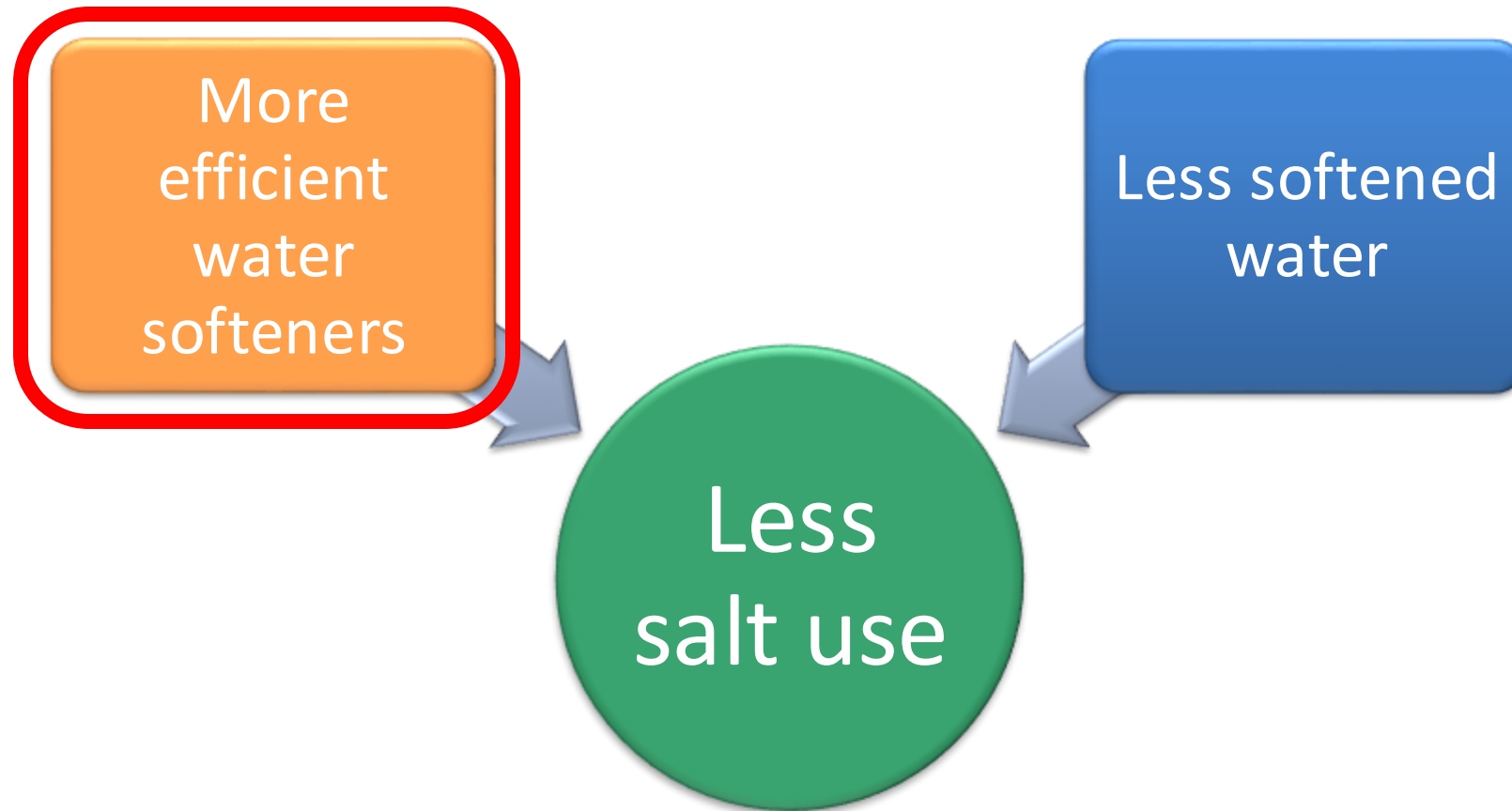
Water softeners are a major source of chloride

*Estimated sources of chloride to
the District treatment plant as of
2015 (AECOM chloride study)*



**Treatment Plant
Chemicals, Septage,
Hauled Wastes**

Different paths to reducing source chloride



Efficiency improvement initiatives

- Grants/rebates for commercial softener improvements
- Discounted home softener upgrades/optimizations
- Training plumbers and softener professionals on achieving softener efficiency



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Limitations of efficiency upgrades

Barriers to consumer action

- High cost, low ROI in many cases
- Voluntary – low percentages of target audiences have taken advantage of grants

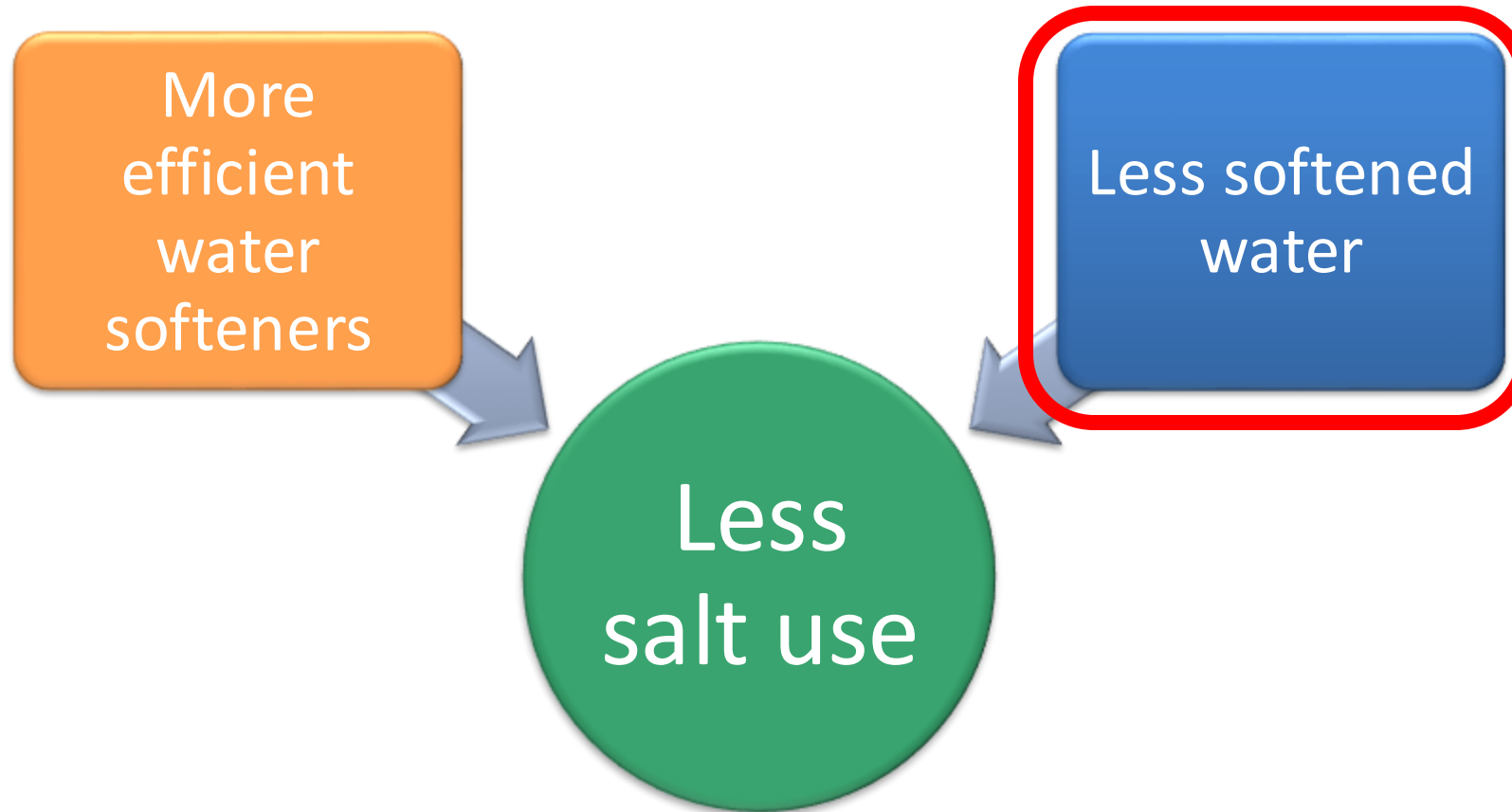
Reductions may not be enough

Chloride discharges from efficient softeners can **still** be above target levels for regulatory compliance

Efficiency upgrades aren't forever

Will residents still choose higher softening efficiency at the end of their softener's lifespan?

Different paths to reducing chloride



Softening less water

Option 1:

Disconnect systems from softener

All-or-nothing: water connected to the softener is 100% soft, disconnected water is 100% hard

Option 2:

Blend softened and hard water

Produces a mixture of soft and hard water – water is not 100% soft, but softer than the source water

How soft is soft enough?

Hardness concentration	Hardness level
0-3.5 gpg	Soft • Water leaves a water softener at 0 gpg hardness
3.5-7 gpg	Moderately hard • This level is considered ideal by the U.S. Dept. of Energy
7-10.5 gpg	Hard • Lake Michigan has a natural hardness of 7-8 gpg
10.5+ gpg	Very hard • All water in Madison area is above this level

gpg = grains of hardness per gallon of water

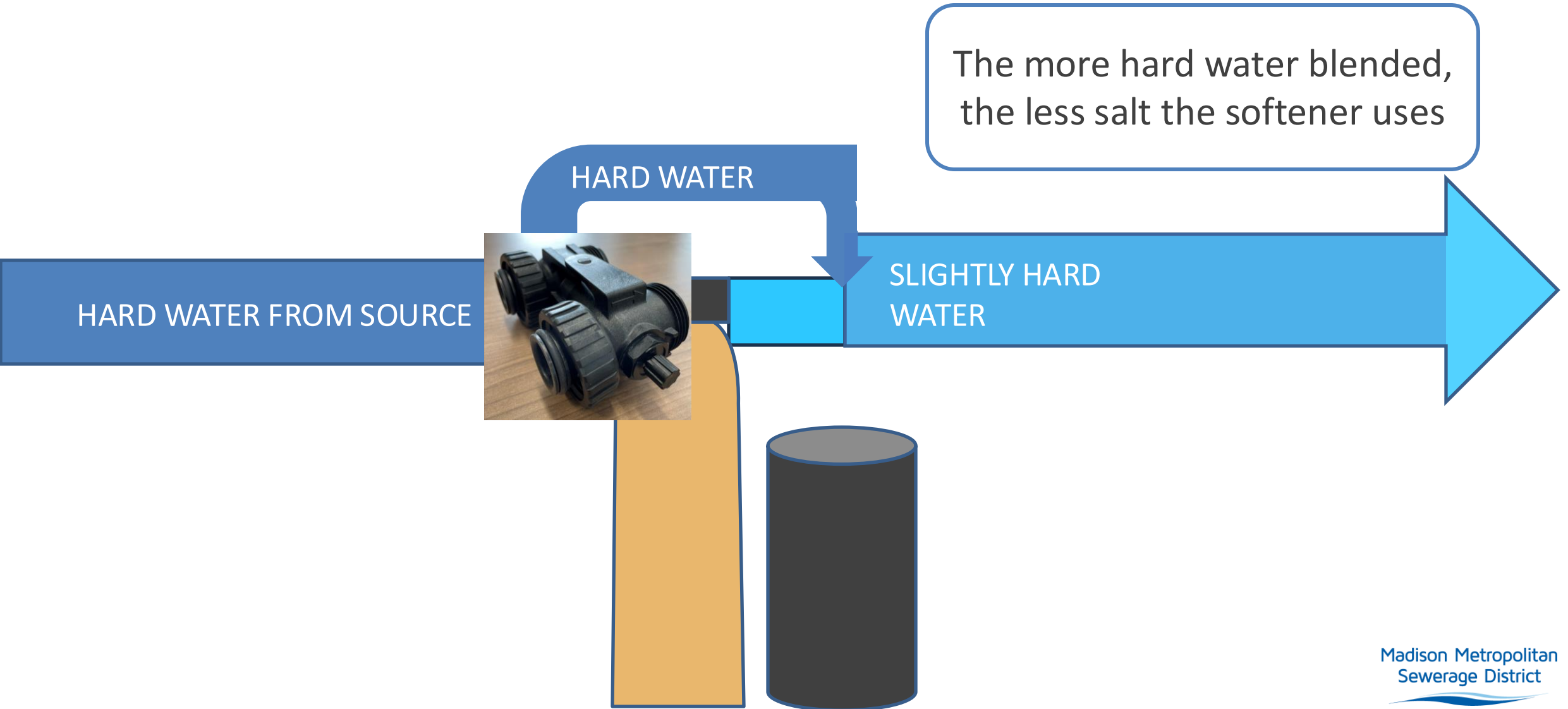
Blending valves

Advantages:

- Inexpensive
- Easy to install
- Customizable to customer preference
- Can reduce salt use by 10-50%



How blending valves work



Increasing adoption of blending valves

- Already used elsewhere, including Europe and in U.S. homes where residents prefer some hardness in water
- Built-in feature in some softeners, such as Culligan HE
- **District goal:** Increase adoption of blending valves in the service area to reduce salt contributions



Initial trials

- Culligan Total Water – increasing use of Dial-a-Softness blending valve feature on HE units
- Tim O'Brien Homes and Dave Jones, LLC – added blending valves as a default feature on softeners in new builds

Testing consumer attitudes: Middleton pilot

- Partnered with City of Middleton and Dave Jones to install blending valves on existing softeners
- Purpose: Assess consumer acceptance of blended, slightly hard water
- Valves provided for free and set up to 25% hardness blend
- Participants received survey before and after installation



After 2 months: post-survey

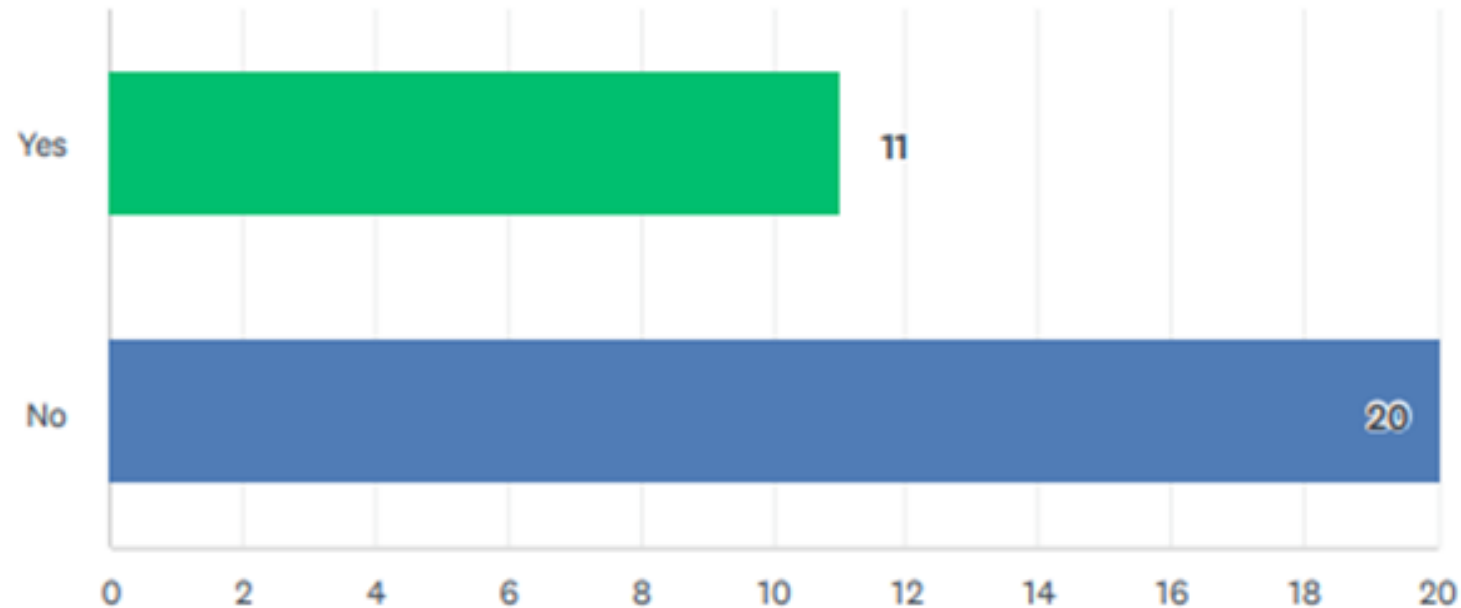
Questions:

- Have you noticed more hardness in your water since the installation of the blending valve?
- What are your future plans for using the blending valve?

Post-survey: noticing hardness

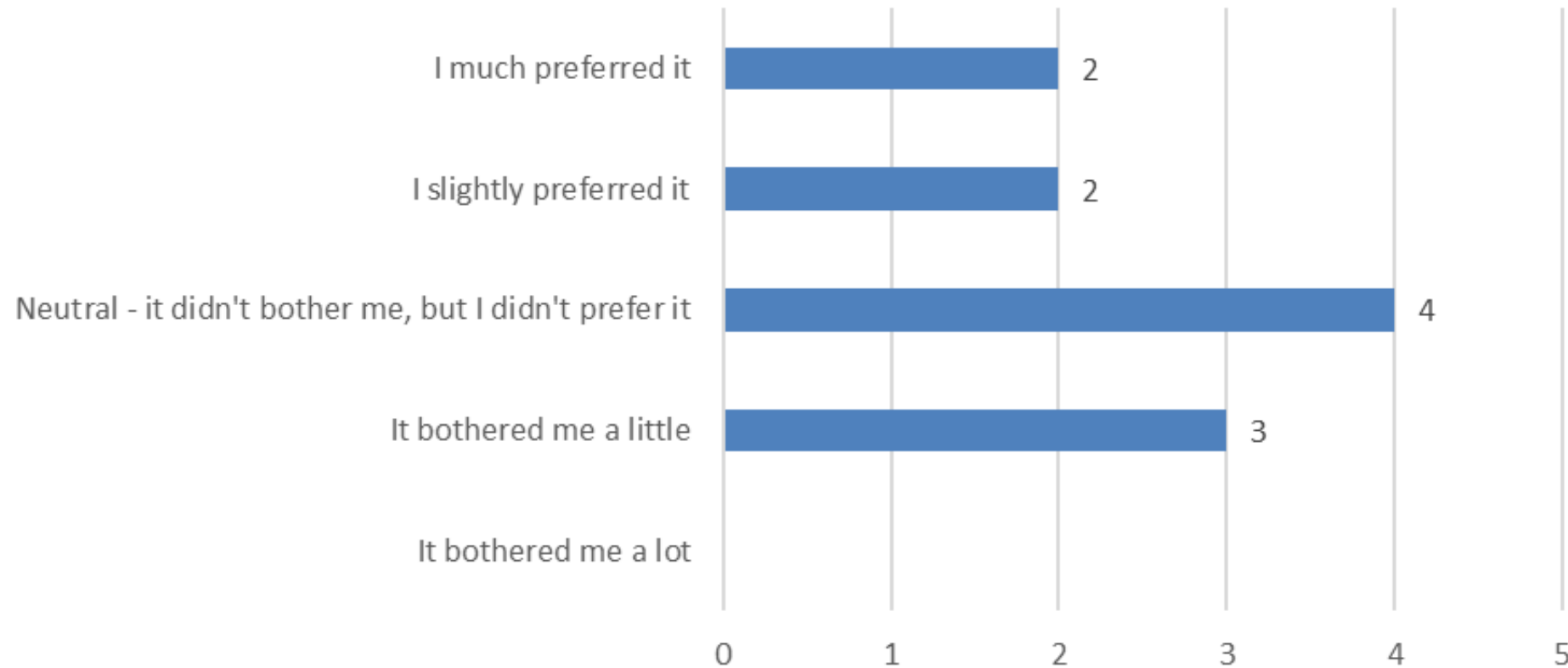
Q3 Have you noticed more hardness in your water since installation of the blending valve?

Answered: 31 Skipped: 0



Post-survey: feelings about changes

Attitude toward more hardness in water compared to totally soft water



Takeaways

Overall consumer satisfaction

Most participants either didn't notice the change in their water hardness or didn't mind it

Buy-in from installers

Plumbers found installations simple and worth adding to standard service offerings

Blending valves are feasible

Less expensive than softener upgrades and easy to install, blending valves are a realistic tool for salt reduction (*one of many tools, not the only tool*)

Verification

Findings are being reinforced elsewhere by other sources

Next steps: Making blending valves the norm

Increasing supply

- Work with softener companies and plumbers to encourage increased installation

Building technical knowledge

- Training for technicians on installation and setup
- Work with water treatment industry

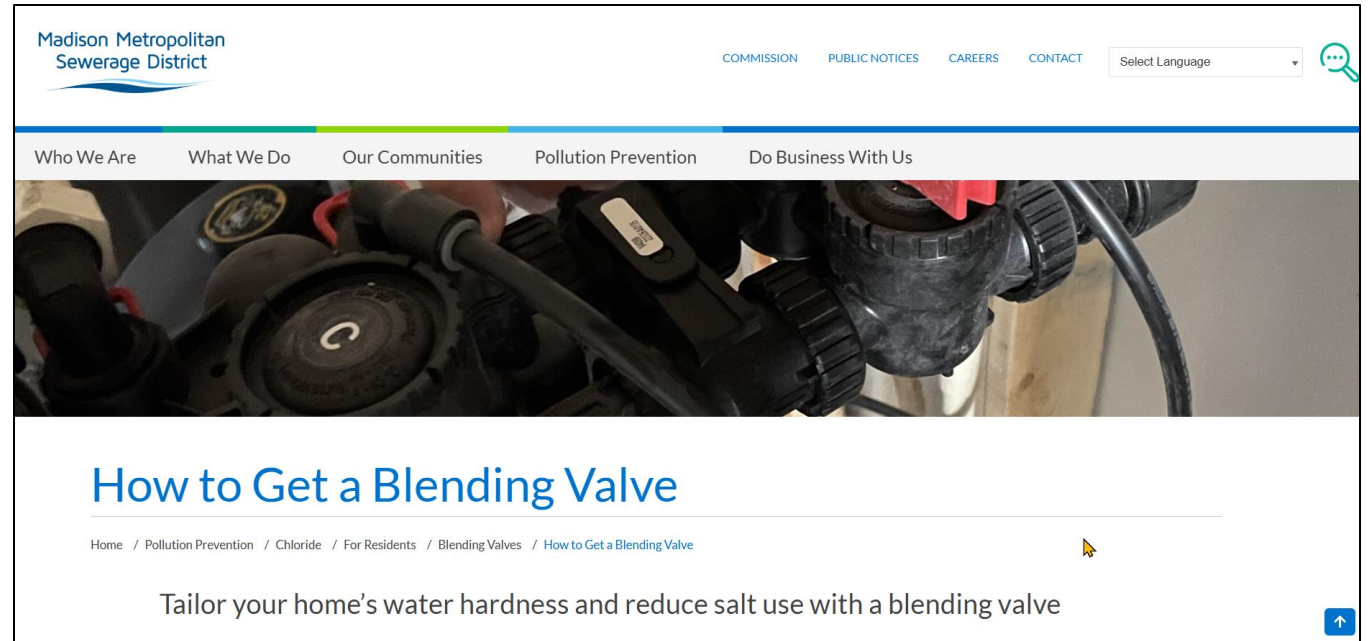
Community education

- Increase demand for blending valves through outreach to residents

Parade of Homes displays



New webpage: How to get a blending valve



www.madsewer.org/get-blending-valve



Thank you!

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Sewerage District





Operational Excellence in HR

Presented by Angela Tessner, HR Manager

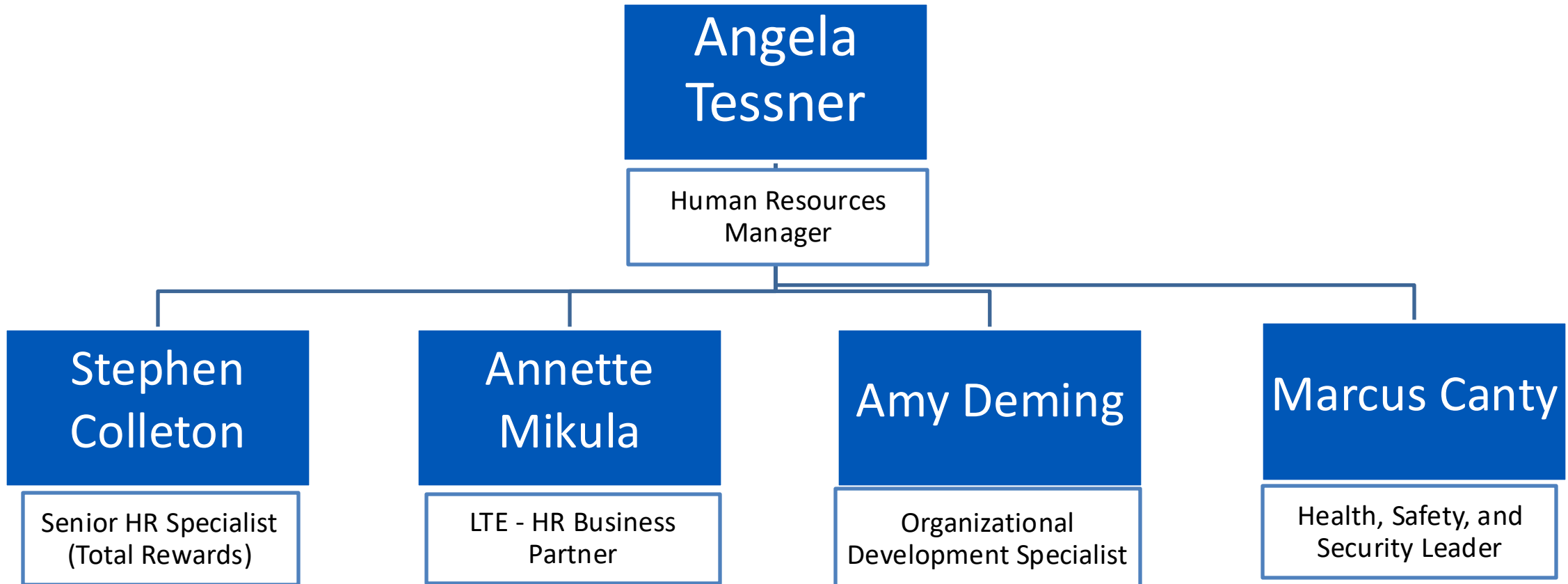




Agenda

1. Current District HR Team
2. Cultivating a Shared Purpose
3. HR Current State
4. HR Work Plan

Current District HR Team



Cultivating a shared purpose

At the District, we protect the community and environment. To deliver on this critical public service, we will continue to build a supportive work culture that champions growth, safety, and operational excellence throughout the employee lifecycle.



Current state of HR

- Very talented & agile HR team
- Recently hired HR Specialist for total rewards
- Continue to align with best practices for hiring
- Decreased time to fill for positions
- Conduct annual engagement survey
- Have a Performance Lifecycle
- Continue to build on developmental opportunities
- Continue to prepare for the ERP implementation
- Continue to scale and improve HR operations to best support the District



Work plan to achieve Operational Excellence in HR

Data-informed decisions

- Successful implementation of Workday/ERP
- Use analytics and data, and utilize trends to anticipate current and future organizational needs
- Continue to dismantle barriers and biases to build a diverse, agile, and talented workforce
- Establish and utilize KPIs and metrics for operational success, such as time to fill for positions, turnover, probation turnover, etc.
- Create and define data needs, tracking methods, and reporting schedule



Work plan to achieve Operational Excellence in HR

Build & support organizational culture

- Continue to increase engagement
- Create competencies and tie to performance standards
- Create meaningful professional development, ensuring employees can be successful in their roles and have growth opportunities
- Create leadership support and development opportunities
- Ensure every employee will have the tools required to do their work successfully and deliver on our mission
- Build a supportive work culture that champions growth, safety, engagement, and operational excellence at every step throughout the employee lifecycle



Work plan to achieve Operational Excellence in HR

HR becomes strategic partner

- Traditional, reactive HR becomes a proactive, transformational department
- HR operations and priorities that optimize value for the organization
- Maintenance and review of established processes and policies
- Strategic workforce planning & position management
- Formalize District Employee Lifecycle & Compensation Philosophy
- Build and maintain a classification and compensation structure that is centered on a Compensation Philosophy and aligns with the work we do here at the District
- Create templates, tools, and other resources allowing for more efficiency and time for staff to do their important District work



Thank you

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Executive Director Update

Presented by Eric Dundee, Executive Director



Congratulations



Theran Jacobson

Promoted to Maintenance Manager



Roy Rodriguez

*Promoted to Electrical Maintenance
Supervisor*

Madison Metropolitan
Sewerage District



Proposed Commission meeting calendar for 2027

Changes

- **September**
 - 5 Thursdays; meeting 2nd and 4th Thursdays
- **October**
 - 1st and 3rd Thursdays

JANUARY							MAY							SEPTEMBER						
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Three-Year Plan Report

THREE-YEAR PLAN: 2026-2029

The Three-Year Plan focuses on major short- and near-term projects that support the District's vision, performance areas and indicators.

Project	July-Dec 2026	Jan-Jun 2027	Jul-Dec 2027	Jan-Jun 2028	Jul-Dec 2028	Jan-Jun 2029	Jul-Dec 2029
Enterprise Resource Planning (ERP) & Enterprise Asset Management (EAM)							
Liquid Processing Improvements Phase 2							
Heat & Power and Biosolids Improvements							
Collection System Capacity Analysis							
Sewer Use Ordinance (SUO) Revisions							
Strategic Plan Development & Reporting Process							
Executive Director Performance Evaluation Review Process							



Committee Reports

Presented by Commissioner Meyer & Commissioner Fries





Regulatory and Legal Report

Presented by Paul Kent



The Commission is in Closed Session