

2026 Budget Introduction

September 11, 2025

Madison Metropolitan Sewerage District





Agenda

1. Process recap
2. Changes from 2025
3. Household Impact
4. Past and Future
5. Commission Approval Policies
6. Next Steps



Process Recap

- May 29 Eric's priorities
- June 11 Commission & Community Listening Session
- July 17 Frontline Positions
- July 31 Capital Improvements Plan
- **Aug. 13 Budget Preview for Communities**
- Aug. 14 Organizational Alignment



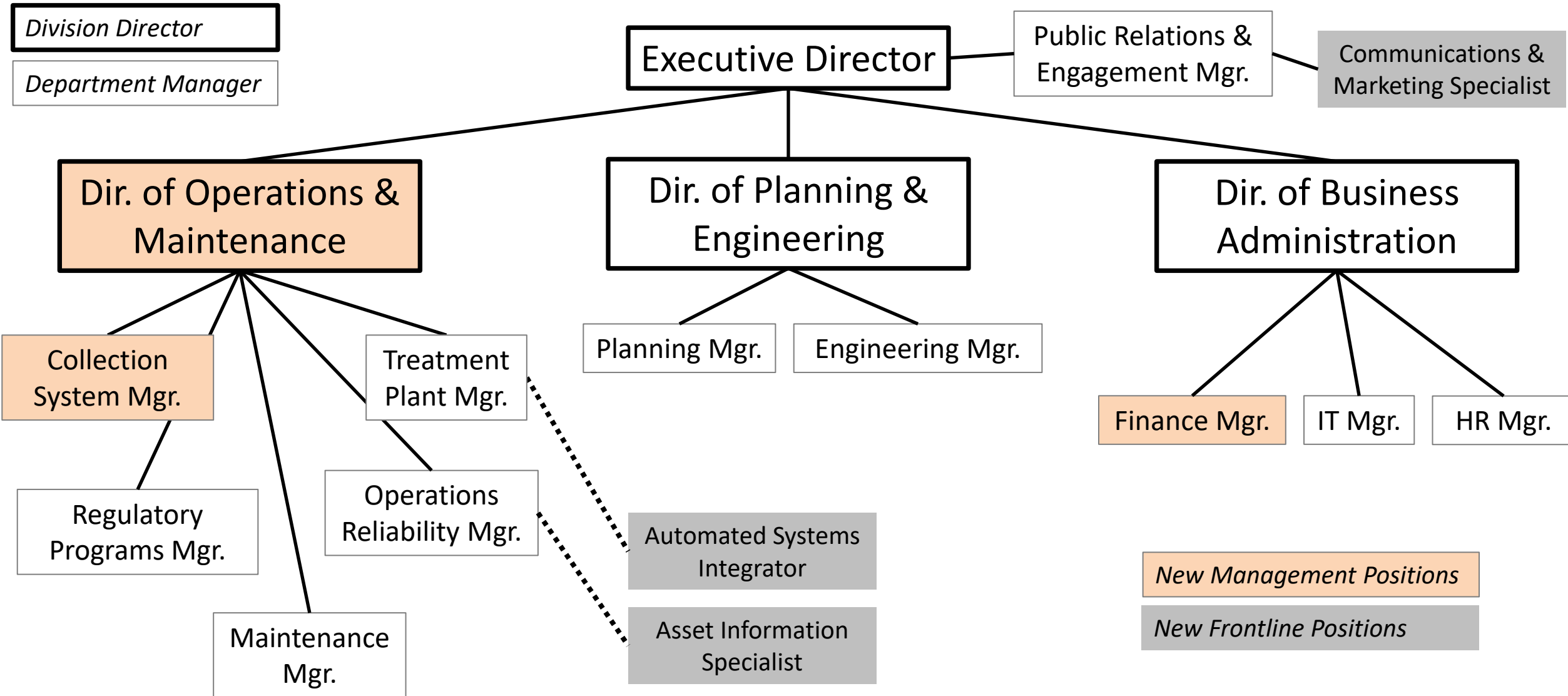
Changes from 2025 Budget

	millions \$	%
Transfer to capital & debt funds	– \$ 1.4	– 2.4 %
Cost to continue	0.4	0.7
3% market wage adjustment	0.6	1.1
Equipment, parts, repairs, fleet, legal	0.8	1.3
One-time costs	0.4	0.7
Frontline positions	0.4	0.7
Organizational alignment positions	0.6	1.0
Change in non-service charges revenue	– 0.4	–0.6
Fund net reserve requirement	\$ 1.3	2.2 %
	\$ 2.7	4.7 %

See budget document p. 27 for additional detail



Changes from 2025 — Positions



2026 Service Charges

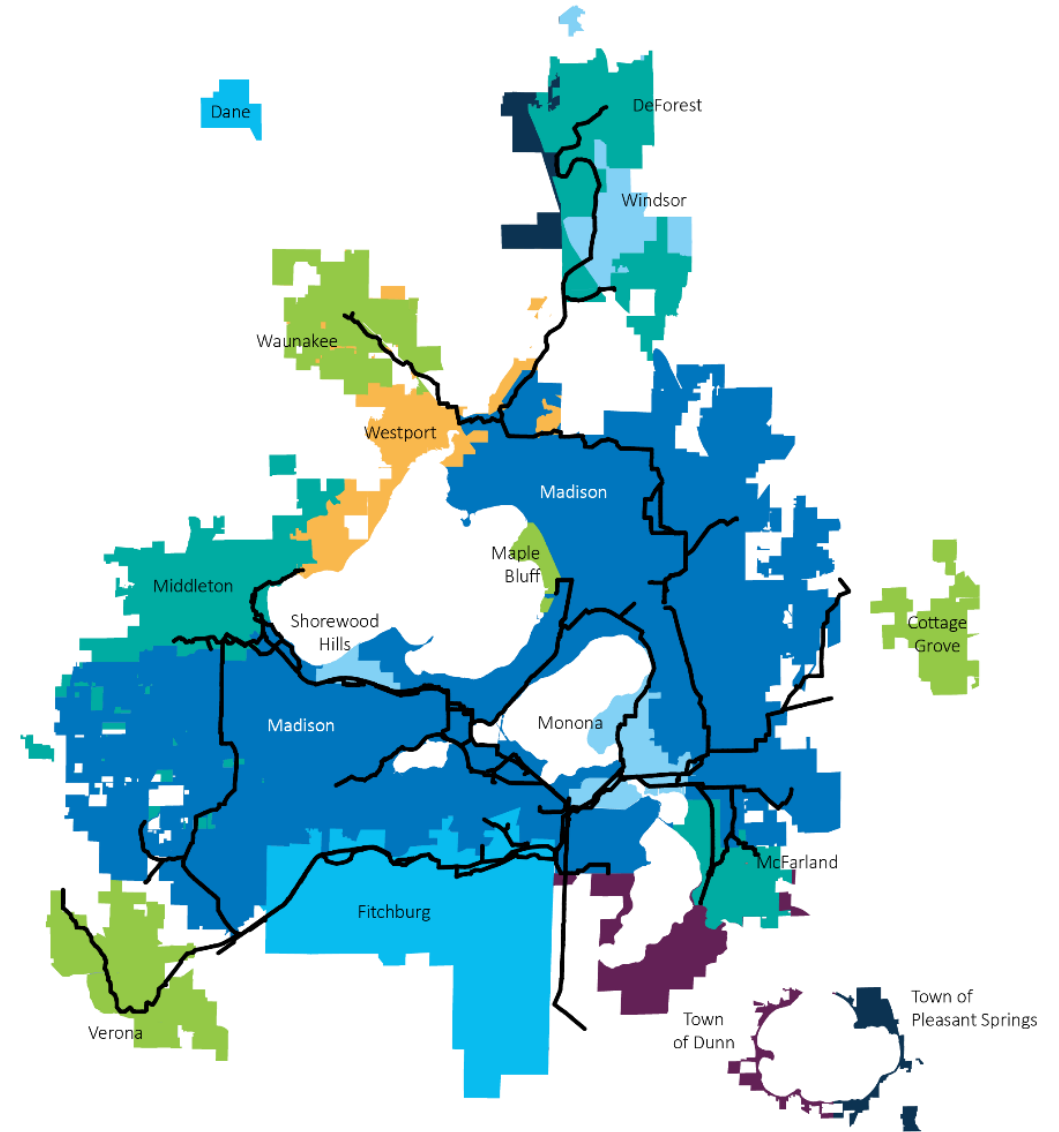
\$61.38 million

4.7% above 2025

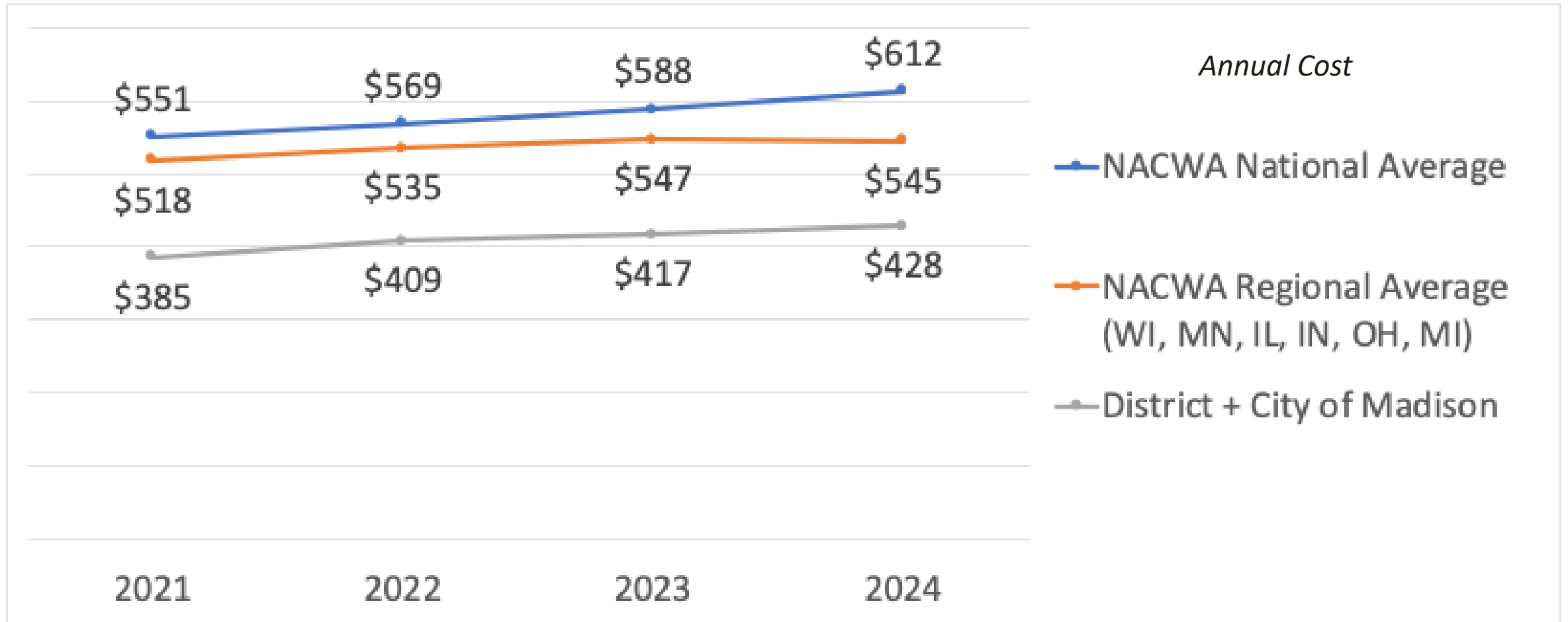
for average household

\$287/year

\$7/year above 2025



Cost of Wastewater Services for the Ave. Household



Past & Future — Amounts Under Budget

	Under Budget — Millions	
Budget	2024	2025 Forecast
Operating	\$ 2.3	\$ 0 *
Capital Projects	\$ 21.9	\$ 7.3
Debt Service	\$ 2.4	\$ 2.8

Theme: Aligning Capital Projects Budget

**clearer estimate in quarter 4*

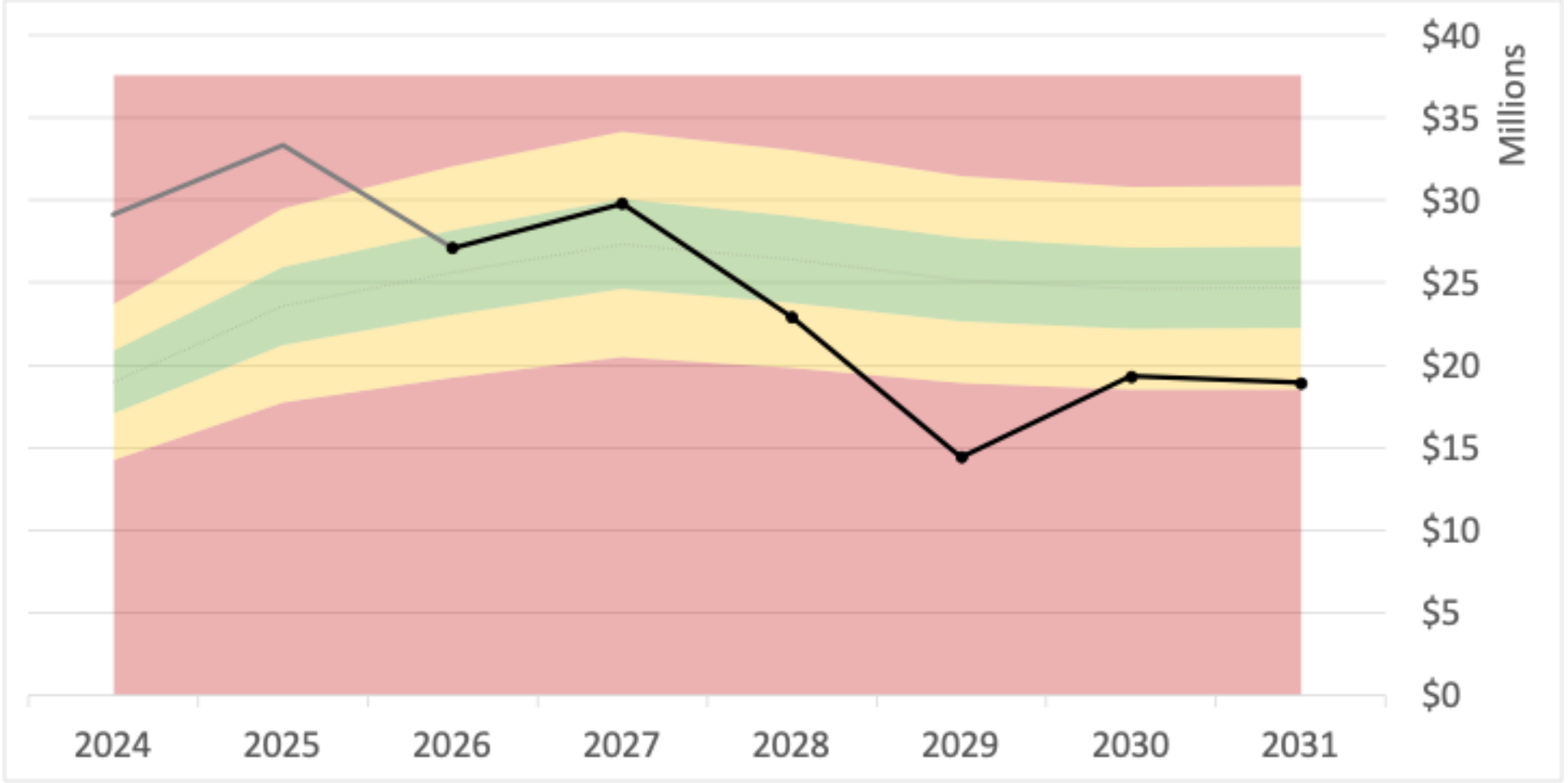
Past & Future — Excess Fund Reserves

	Excess Reserves — Millions		
Fund Reserves	2024	2025 Forecast	2026 Budget
Operating	\$ 7.4	\$ 2.7	\$ 0
Capital Projects	\$ 10.1	\$ 9.7	\$ 1.5
Debt Service	\$ 7.9	\$ 7.5	\$ 1.8

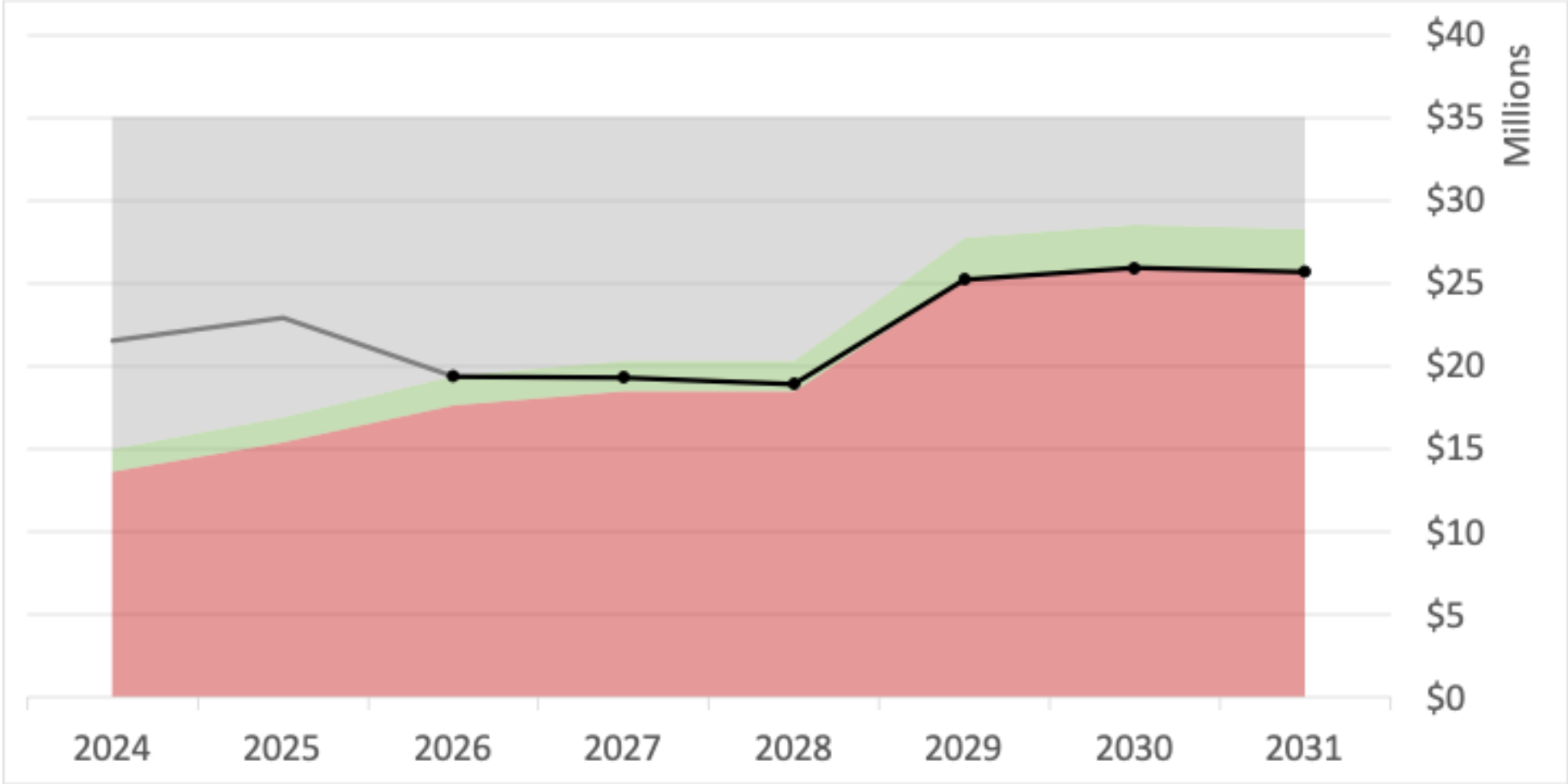
Theme: Aligning to New Reserves Policy



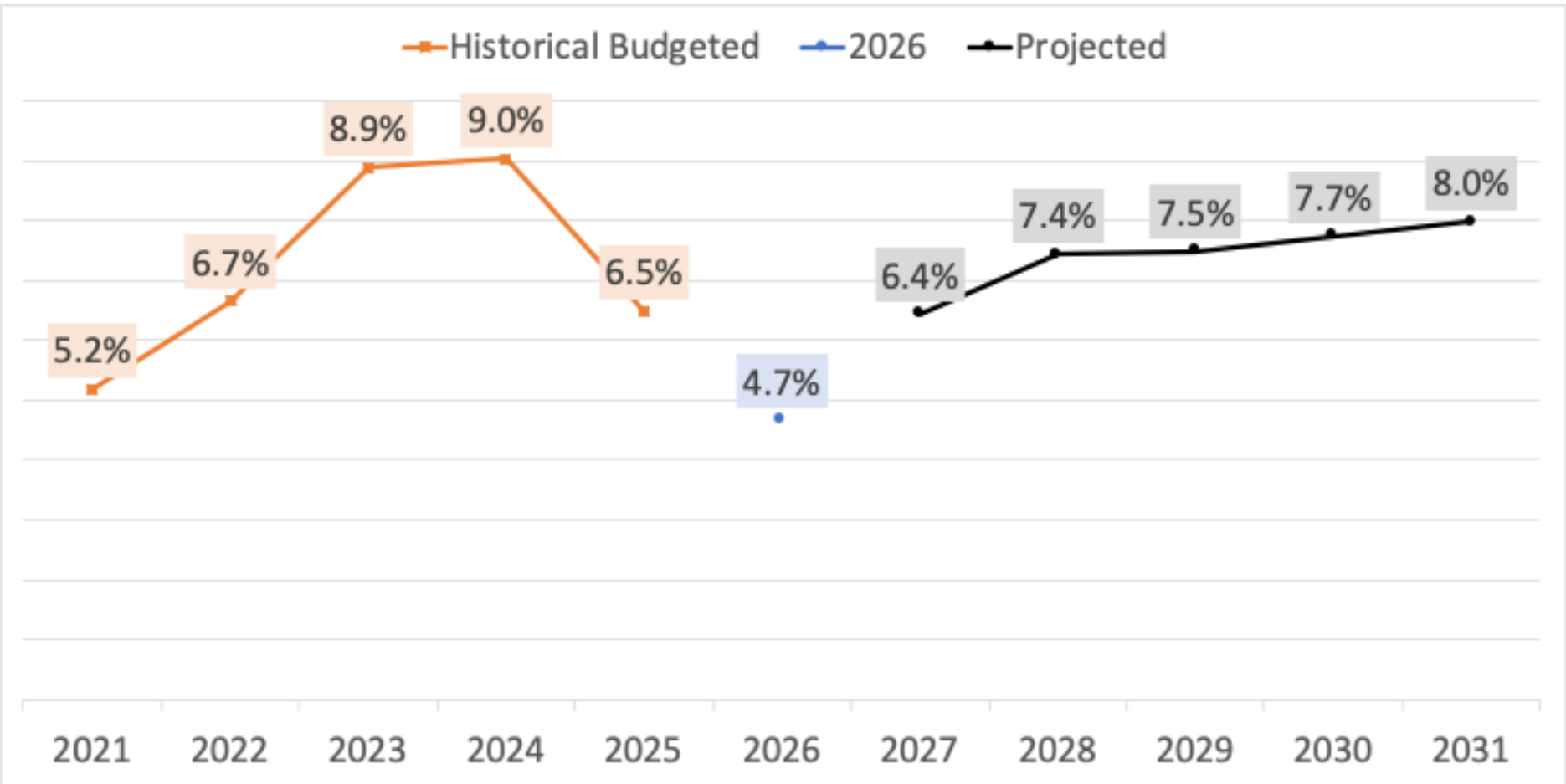
Past & Future — Capital Fund Reserves



Past & Future — Debt Fund Reserves



Past & Future Service Charges

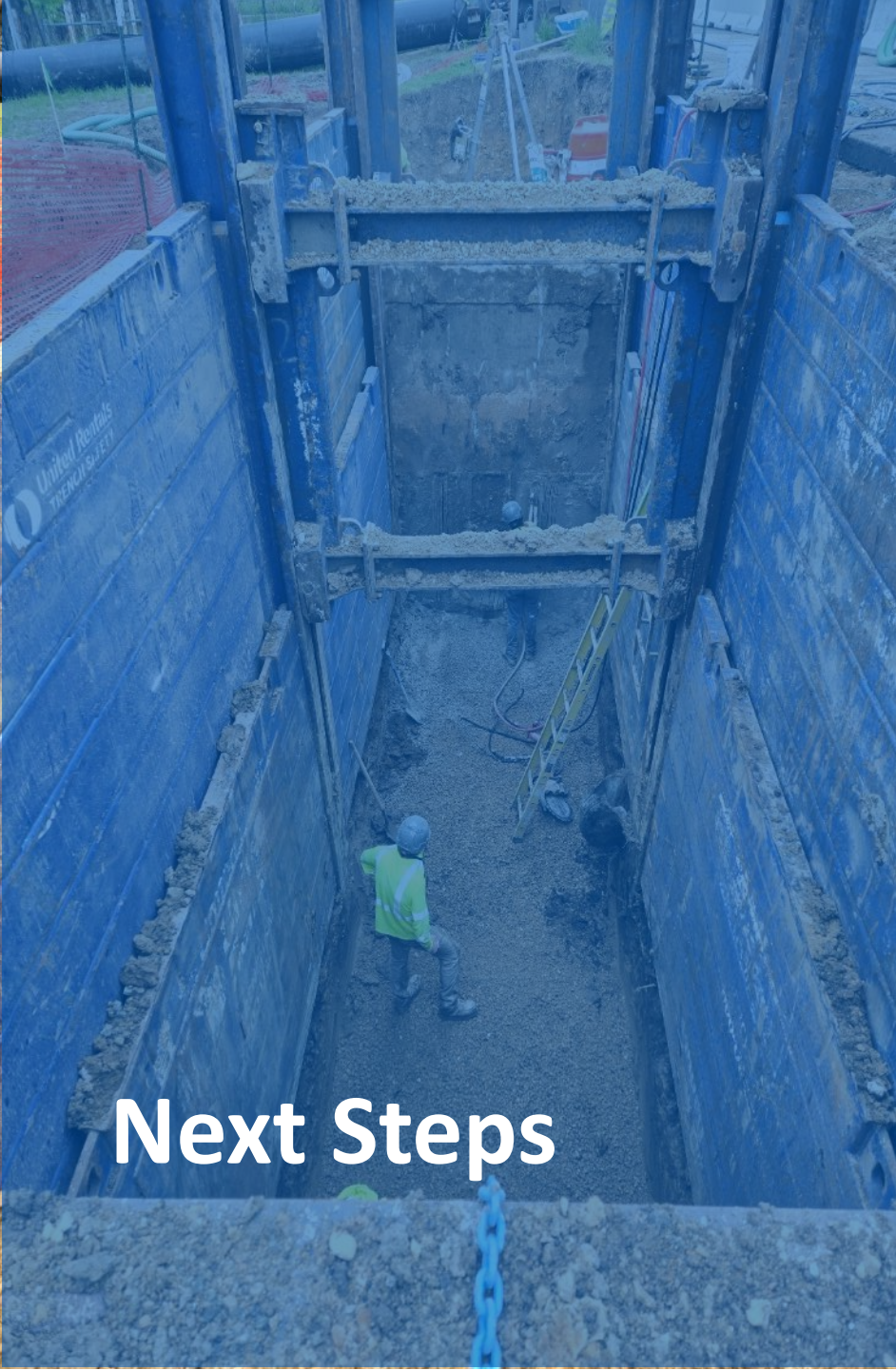




Commission Approval Policies

Budget	Approval Includes
Operating	Total Spending for 2026 Transfer to Debt Service Fund
Capital	Total Spending for 2026 List of Authorized Projects for 2026 Total Cost for Each Capital Project (lifetime of project)
Debt	2026 Debt Service Payments Transfer to Debt Service Fund

Commission Policies ATT-2A and ATT-2F



Thursday, September 11

- Budget introduction —> madsewer.org/2026-budget

Thursday, September 25

- Public hearing

Friday, October 10 at 4 pm

- Budget comments due

Thursday, October 16

- Budget deliberation

Thursday, October 30

- Budget adoption

Next Steps