

2027 District Operating Budget & Capital Improvements Plan

ADOPTED OCTOBER 22, 2026

Table of Contents

SECTION ONE **5**

Who We Are & How We Budget 5
Governance 5
Service Area 5
How the District Budgets 9
Scheduled & Amendemtns 9
Amendment Procedures 9
Structure for District Budgets 10
Milestones for Developing the 2027 Budget 11

SECTION TWO **12**

2027 Operating Budget Summary 12
Operating Budget Summary 12
Changes from Prior Budget 12
Operating Budget and Fund Summary 12
2027 Operating Budget Summary 13

SECTION THREE **14**

2027 Capital Improvements Plan & Budget 14
Project Cost Estimates 15
Conformance with Adopted Plans and Programs 15
2027 Capital Projects Budget Overview & Summary 15
Six-Year Capital Projects Summary 16

SECTION FOUR **17**

2027 Capital Finance 17
Policy Controls 17
Financing Tools 17
Capital Financing Plan 18
Borrowing 19
Service Charges 19

Table of Contents continues on next page

On the cover: The lobby of the District's Maintenance Facility highlights the important work of the District and its mission, vision, and values along with awards, and staff achievements.

This document serves as the District's annual report for Wisconsin statutory reporting requirements State Statute Chapter 200.11(1)(e).

Table of Contents (continued)

APPENDIX A **20**

Budget Summaries 20

2027 Operating Budget Summary *20*

2027 Capital Projects Budget Summary *21*

2027 Debt Service Budget Summary *21*

2025-2027 Expenditures by Project *22*

2027 All-Funds Budget Summary, Omitting Interfund Transfers *24*

Schedule of Principal Amount of Indebtedness *24*

APPENDIX B **25**

Operating Budget Supporting Information 25

Change in Service Charges Compared to 2025 Budget *25*

Household Charge Comparison Tables *26*

Five-Year Vehicle Replacement Schedule, 2027-2031 ..... *27*

Full-time Equivalent Positions, 2025-2027 ..... *29*

2027 District Organizational Chart *30*

APPENDIX C **31**

Capital Improvement Project Summaries 31

APPENDIX D **60**

Completed Capital Improvement Projects 60

2025 Project Completions 60

2026 Final/Substanial Project Completions 61

APPENDIX E **65**

Capital Projects & Capital Finance Information 65

Table CIP-1A: *Total Project Cost Authorizations* *65*

Table CIP-1B: *Total Estimated Subproject Costs for Bundled Projects* *67*

Table CIP-2: *2025-2027 Expenditures by Project* *67*

Table CIP-3: *2025-2027 Annual Budgets & Expenditures* *69*

Table CIP-4: *Loan Proceeds* *69*

Table CIP-5: *Six-Year Spending Forecast* *70*

Table CIP-6: *Six-Year Capital Projects Phases* *72*

Table CIP-7: *Capital Project Spending by Driver* *73*

Table CIP-8: *Capital Projects Fund Cash Flow Summary* *74*

Table CIP-9: *Debt Service Fund Cash Flow Summary* *74*

Table CIP-10: *Use of Debt in Capital Program* *75*

Table CIP-11: *Debt Service Budget* *75*

Table CIP-12: *Forecasted Debt Service Expenditures* *75*

Table CIP-13: *Service Charges Support for the Capital Program* *76*

Table CIP-14: *Forecast Growth in Service Charge Revenues* *76*

Budget Message



Eric Dundee
Executive Director

I am pleased to present Madison Metropolitan Sewerage District's 2027 Operating Budget and Capital Improvements Plan.

You'll notice that parts of this budget feel familiar. That's intentional. We've been saying for several years that three generational capital projects were coming, and this is the budget where they arrive. This budget deserves the seriousness its decades-long impact warrants — for the District and for the growing region we serve.

This budget includes a one-year Operating Budget, our six-year Capital Improvements Plan (CIP), and the debt service requirements to finance it all. The operating budget moves in modest, predictable steps and should be straightforward to follow and support. The CIP is where the real work — and cost — sits this year. It includes the $90.9 million Liquid Processing Improvements – Phase 2 project, already underway, along with the Heat and Power Improvements and Biosolids Improvements projects, now inside the six-year CIP window. We plan to combine these projects for cost savings and construction efficiency, with a total cost of more than $200 million.

Our CIP projects will replace equipment reaching the end of its service life, on a timeline that doesn't move for budget cycles, and ensure we remain compliant with the regulations we're held to. Delays won't lower the cost of this work; they'll raise it, along with the risk of the failure we're obligated to prevent.

This budget positions us to advance some of the largest projects in District history — a chance to choose a different path than the one behind Wisconsin's D+ wastewater infrastructure rating from the American Society of Civil Engineers, and to stop paying later for failures, emergency repairs and disruptions we can prevent now. Our service area keeps growing, and delaying this work only tightens the regulatory and capacity limits that growth is already pushing against. We do not want to be a barrier to local growth and economic development.

Since January, I've met directly with public works and utility commissions and boards, and talked early with community leaders about these improvements and rates, even before anything was final. The choice before us was never whether to make these investments — only whether we make them now, on terms we can guide, adjust, and adapt, or later, on far worse ones.

We've also put real effort into our relationships with state and federal legislative leaders this year. This work takes time, but it gives us a genuine shot at securing strategic funding to offset what our customers would otherwise cover.

The result of moving forward with this budget is a proposed 12% service charge increase, or $41 more per year (or $3.42 per month) for the average household. This increase is grounded in the work plans and priorities laid out in our new Strategic Plan and Three-Year Plan. Every department built its budget against those priorities.

This is the plan we said we'd need and have been communicating all year, built the way it needs to be built. What it funds isn't optional. It serves 440,000 people across 24 communities who depend on us to collect and treat their wastewater safely, every day — without exception, without major surprises. And it will serve an estimated 600,000 in the years to come, as we invest in this year's anticipated growth.

This budget is the right one for where the District stands, and I'm ready to get to work on it.

Eric Dundee, PE, ENV-SP

SECTION ONE

Who We Are & How We Budget

Madison Metropolitan Sewerage District is a body corporate with the powers of a municipal corporation for the purpose of carrying out the provisions of Sections 200.01 to 200.15 of the State of Wisconsin statutes. It was created by judgment of the County Court for Dane County, entered on the eighth day of February 1930. Its existence was validated and confirmed by Chapter 132 of the Laws of 1969, effective Aug. 2, 1969. The constitutionality of that law was sustained by the Wisconsin Supreme Court in Madison Metropolitan Sewerage District vs. Stein, 47 Wis. 2nd 349, 177 N.W. 2nd 131 (1969).

GOVERNANCE

The District is governed by a Commission of nine Commissioners serving staggered terms. Five Commissioners are appointed by the mayor of the City of Madison. Three Commissioners who reside outside the City of Madison are appointed by an executive council made up of elected officials from District cities (except for Madison) and villages. One Commissioner is appointed by an executive council comprised of town-elected officials. Commissioners meet once or twice each month at the District. Special meetings are held as required upon the call of any member of the Commission.

SERVICE AREA

The District services approximately 15.9% of the entire county by area and approximately 71.2% of the county population. Areas served include the cities of Madison, Fitchburg, Middleton, Monona and Verona; the villages of Cottage Grove, Dane, DeForest, Maple Bluff, McFarland, Shorewood Hills, Waunakee, and Windsor; and portions of the towns of Dunn, Pleasant Springs, Verona, Vienna and Westport.

DISTRICT FAST FACTS

440,000
DISTRICT SERVICE POPULATION

190 SQUARE MILES SERVED
MARCH 2026

38M AVERAGE DAILY INFLUENT FLOW (MILLIONS OF GALLONS)

Population Growth Change, 2020-'26

District Customer Communities + Large Dane County Municipalities Outside District Service Area

	2020 Census	2026 Estimate	% Change
Cottage Grove, Village	7,303	9,763	33.68%
Dane, Village	1,117	1,162	4.03%
DeForest, Village	10,811	15,040	39.12%
Fitchburg, City	30,999	37,220	20.07%
Madison, City	274,686	300,153	9.27%
Maple Bluff, Village	1,368	1,408	2.92%
McFarland, Village	8,991	9,776	8.73%
Middleton, City	21,827	25,215	15.52%
Monona, City	8,624	9,361	8.55%
Oregon, Village*	11,179	12,718	13.77%
Shorewood Hills, Village	2,169	2,129	-1.84%
Stoughton, City*	13,173	13,581	3.10%
Sun Prairie, City*	35,967	40,238	11.87%
Verona, City	13,926	17,173	23.32%
Waunakee, Village	14,879	17,248	15.92%
Windsor, Village	8,754	10,727	22.54%
Dane County	**561,504**	**621,365**	**10.66%**

**Denotes communities not served by the District*

Table Source: State of Wisconsin Department of Administration Population and Housing Unit Estimates, January 1, 2026 Preliminary Population Estimates
doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx

Madison Metropolitan Sewerage District Commission

The District is governed by nine Commissioners serving staggered terms.



President
Thomas Hovel



Vice President
Ezra Meyer



Secretary
Brad Murphy



Commissioner
Beth Bookland



Commissioner
Kenneth Clark



Commissioner
Greg Fries



Commissioner
Badri Lankella

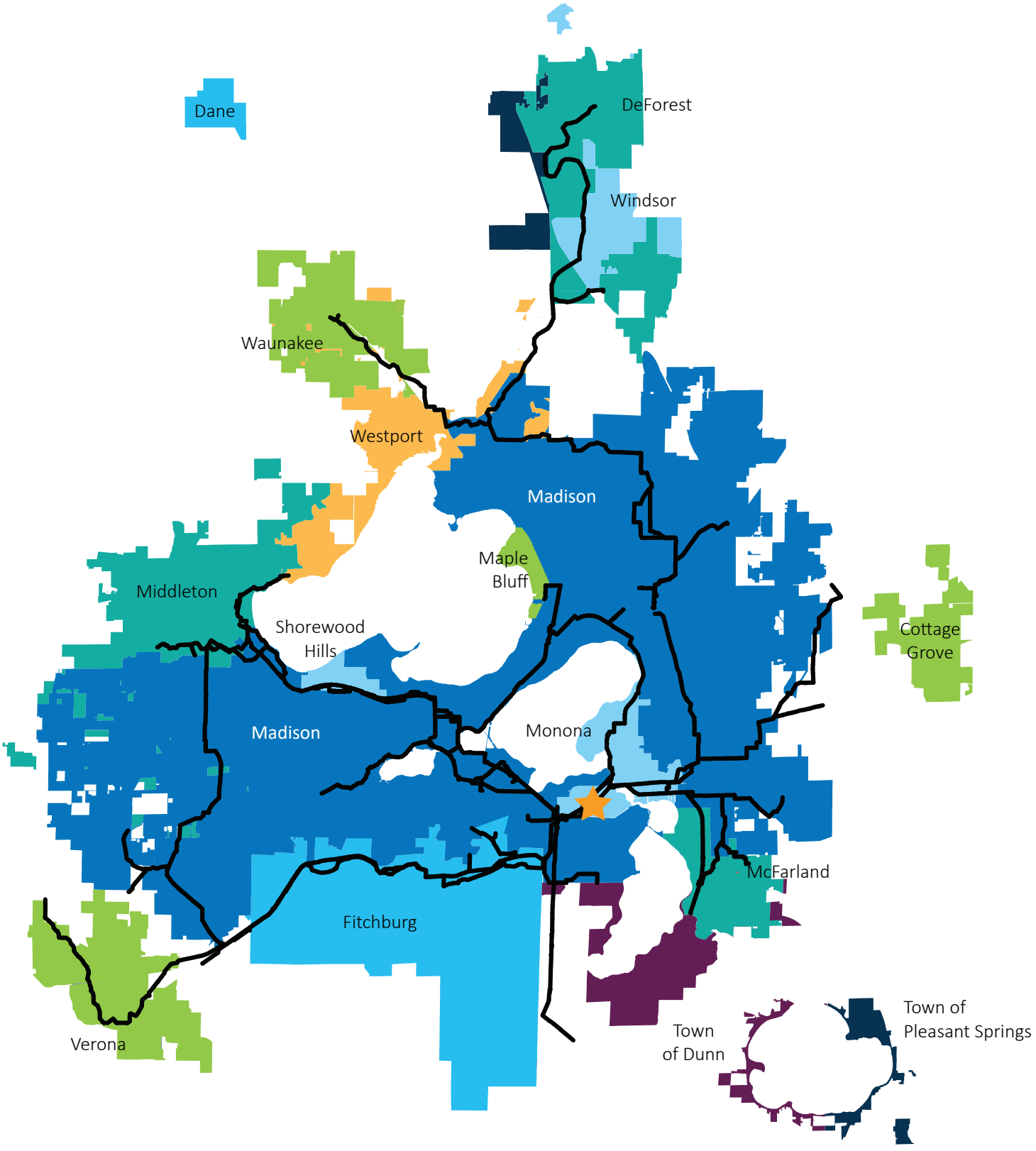


Commissioner
Patrick Lytle



Commissioner
Daniel Paltz

District Service Area Map



View our interactive collection system map at madsewer.org/interactive-map

GRAVITY & FORCE MAINS

NINE SPRINGS TREATMENT PLANT

Estimated Wastewater Contributions by Customer Community, 2026

	Community	Volume (gpd)	CBOD (lbs/day)	Suspended Solids (lbs/day)	Nitrogen (lbs/day)	Phosphorus (lbs/day)	Equivalent Meters	Actual Customers
CITIES	City of Madison	25,644,562	62,806	59,085	11,299	1,318	95,500	71,880
	City of Fitchburg	2,256,275	4,939	3,922	916	108	10,321	7,172
	City of Middleton	2,168,118	3,921	3,279	829	93	9,152	6,008
	City of Monona	867,779	1,230	954	245	28	4,212	3,037
	City of Verona	1,169,353	2,869	2,205	557	64	6,549	4,832
VILLAGES	Village of Cottage Grove	765,896	1,436	1,509	272	31	2,943	2,430
	Village of Dane	57,575	118	107	29	3.3	466	420
	Village of DeForest	1,057,196	4,854	2,996	541	72	5,220	4,179
	Village of Maple Bluff	167,308	163	128	41	4.5	773	605
	Village of McFarland	674,937	1,281	1,237	284	31	4,059	3,519
	Village of Shorewood Hills	139,516	266	272	57	6.2	1,348	718
	Village of Waunakee	1,809,183	7,792	2,902	704	97	6,403	5,291
	Village of Windsor	560,456	5,104	947	920	71	2,549	2,199
TOWN SANITARY AND UTILITY DISTRICTS	Town of Dunn-Kegonsa	130,119	210	217	52	5.6	694	580
	Town of Dunn #1	147,754	58	88	17	1.9	196	195
	Town of Dunn #3	72,600	102	104	26	2.7	503	501
	Town of Dunn #4	15,642	14	16	4.3	0.5	70	69
	Town of Pleasant Springs #1	71,543	93	110	25	2.8	534	523
	Town of Verona-Marty Farms	540	0.8	0.9	0.2	0.02	3	3
	Town of Verona #1	26,350	58	63	12	1.4	131	117
	Town of Vienna-Wyst59 LLC	100	0.2	0.2	0.03	0.004	1	1
	Town of Vienna #1	76,147	126	127	18	2.1	101	45
	Town of Vienna #2	37,492	51	53	13	1.5	210	209
	Town of Westport Sewer Utility District	519,146	618	547	139	15	2,055	1,771
	Interceptor Infiltration	2,235,000						
	Totals	**40,670,584**	**98,108**	**80,869**	**17,000**	**1,962**	**153,993**	**116,307**

HOW THE DISTRICT BUDGETS

The District budgets on a one-year basis, from January through December. The Executive Director works with staff to make a proposed budget. The Commission evaluates the proposal and adopts a final budget in late October each year.

The adopted budget sets spending limits for the year. Operating expenses are capped with a total dollar limit. Capital projects expenses are capped by both a total dollar limit and a limit on the lifetime cost of each project. The budget also includes estimates of debt service expenses.

The District plans for future capital project spending in a six-year Capital Improvements Plan (CIP). This advanced planning helps the District anticipate and prepare for significant future infrastructure costs.

The District finances capital project costs with a mix of cash, proceeds from the State of Wisconsin's Clean Water Fund Loan program, and as needed, general obligation bonds. The District does not incur debt for operational costs. The District has the authority to collect a property tax, but has no plans to do so.

The District maintains cash reserves to ensure the organization has adequate cash on hand to absorb unplanned expenses and avoid large annual swings in revenue needs. Reserves are controlled by Commission policy and are informed by regulatory and financial market requirements.

The District receives revenue from several sources. These include fees paid by septage haulers; sales of struvite fertilizer produced at the plant; charges for areas connected to the District; fees for monitoring industrial dischargers; and interest earnings. These sources constitute roughly 10% to 15% of total revenues. The primary source of revenue is service charges, which are paid by customer communities quarterly. Service charges allocate the cost of the District's regional wastewater collection system and treatment plant to the communities that benefit.

The District is a wholesaler of wastewater treatment; service charges are paid by municipal governments, not by individual households or businesses. Customer communities pay to access and use the system. Communities use various billing methods to allocate District costs, but ultimately charge households and businesses directly, typically through the municipal utility bill. Communities also add their own sewer utility costs.

Service charges for individual communities are calculated from measurements of seven billing parameters. Five are measurements of wastewater and what is in it: volume of wastewater, carbonaceous biochemical oxygen demand (CBOD), suspended solids, nitrogen, and phosphorus. The other two parameters measure the number of customers served by the District; one is based on the number of water meters, and the other on the number of utility customers.

SCHEDULE & AMENDMENTS

The District's annual budget process spans many months, with Commission and community touchpoints built into the timeline. The full budget is proposed in early September, with Commission approval in late October. Page 11, Milestones for Developing the 2027 Budget, shows the District's budget calendar by month and activity.

The District may amend the budget after adoption if needed; see Amendment Procedures, below.

Amendment Procedures

Budget	Requirements for Budget Amendments
Operating	• Any increase in the total authorized expenditures.
Capital Projects	• Any increase in the budget total for the year. • The addition of a new project not previously included in the adopted budget. • Any increase to a previously approved total project cost limit for an individual project
Debt Service	• Any change to the approved amount to be transferred from the operating fund to the debt service fund.

Structure for District Budgets

OPERATING BUDGET

Operating Revenue
- Service charges
- Servicing pumping stations
- Septage disposal
- Struvite fertilizer sales
- Interest income
- Other income

Operating Expenditures
- Operating and maintenance expenses

Cash Transfer

CAPITAL PROJECTS BUDGET

Capital Revenue
- Connection charges
- Interest income

Borrowing Proceeds
- Wisconsin Clean Water Fund loans
- General obligation bonds

Capital Expenditures
- Capital projects

Cash Transfer

DEBT SERVICE BUDGET

Debt Revenue
- Interest income

Debt Expenditures
- Principal and interest payments

Milestones for Developing the 2027 Budget

THROUGH JUNE 2026

STAFF - *Winter/Spring*
Update capital projects' scope, schedule and project budget; directors and staff identify operating budget needs

COMMISSION - *May 29*
Budget process and priorities overview

JULY 2026

STAFF - *Throughout month*
Prepare 2027-2032 financing forecast and plan

COMMISSION - *July 16*
2027 Operating Budget Process update

COMMISSION - *July 30*
2027-2032 Capital Improvements Plan preview

AUGUST 2026

STAFF - *Through mid-August*
Finalize 2027-2032 Capital Improvements Plan & 2027 budget proposal; Budget team begins production of budget document

CUSTOMER COMMUNITIES - *August 20*
District staff provide an early preview of 2027-2032 Capital Improvements Plan and budget to customer communities

SEPTEMBER 2026

DISTRICT - *Early September*
Notification of District's proposed budget and budget hearing mailed to customer communities

COMMISSION - *September 10*
Staff introduce proposed budget to Commission

COMMISSION - *September 24*
Public hearing and Commission discussion on proposed budget

OCTOBER 2026

STAFF + CUSTOMER COMMUNITIES - *October 2*
Deadline to receive written public comments on the proposed budget

COMMISSION - *October 8*
Commission deliberates on budget

COMMISSION - *October 22*
Commission adopts budget and service charge and septage disposal rates

NOVEMBER 2026

STAFF - *No later than November 1*
Last day to provide final rate information to customer communities and haulers* per state statute

**In statutue, this deadline is specifically for haulers, not communities. A specific date is not provided for in statute for communities, but the District sets the same date as its deadline for communities.*

SECTION TWO

2027 Operating Budget Summary

The operating budget is an annual financing plan that accounts for revenues and expenses to support daily operations and maintenance of all District facilities, as well as cash transfers to support the capital projects fund and debt service fund. This section summarizes revenue and spending. See details in Appendix A, Budget Summaries, page 20, and Appendix B, Operating Budget Supporting Information, page 25.

OPERATING BUDGET & FUND SUMMARY

The operating budget is developed by estimating the costs required to operate the District during the budget year. Staff estimate the amounts needed to be transferred to the capital program for capital expenses and debt service costs, as well as cost-to-continue items, general wage adjustments, and position costs.

A full operating budget summary is given in Appendix A, Budget Summaries, page 20. The table reports actual values for the preceding budget year, estimated values for the current budget year, and budgeted values for the current year and subsequent year. This information is also visualized on page 13, 2027 Operating Budget Summary.

Service charges are the primary source of revenue for the operating budget.

The largest expense category is the Operations and Maintenance (O&M) Department, with transfer to the capital and debt funds together being the second largest. Other departments have a smaller impact on the operating budget.

The reserve requirements for the current year and the budget year include the required 180-day expenditure equivalent amount. The reserve includes money to meet the Wisconsin Department of Natural Resources (WDNR) reserve requirement for equipment replacement.

CHANGES FROM PRIOR BUDGET

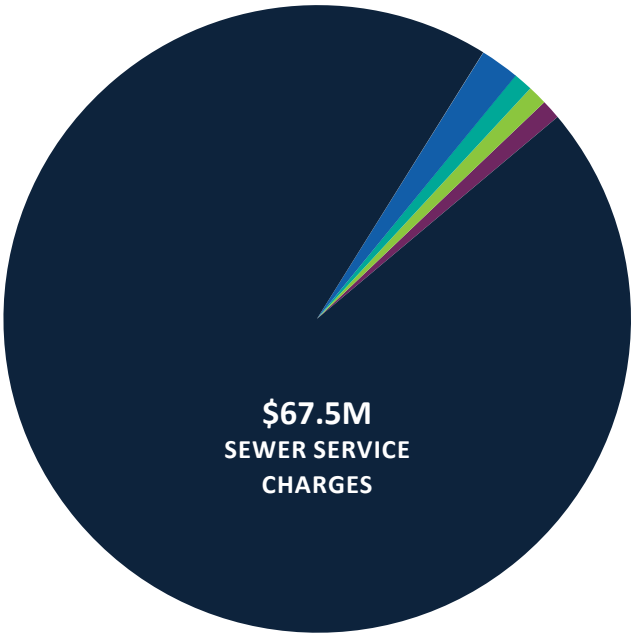
Notable changes from the prior budget are:

- Increased net transfers to the capital projects and debt service funds to support the District's Capital Improvements Plan,
- Cost-to-continue items,
- Market wage adjustment,
- Maintenance equipment, parts and repairs, and
- Additional positions.

Appendix B, Operating Budget Supporting Information, page 25, includes a table showing these budget changes and their service charges impacts, the five-year vehicle replacement schedule, and information on new positions.

2027 Operating Budget Summary

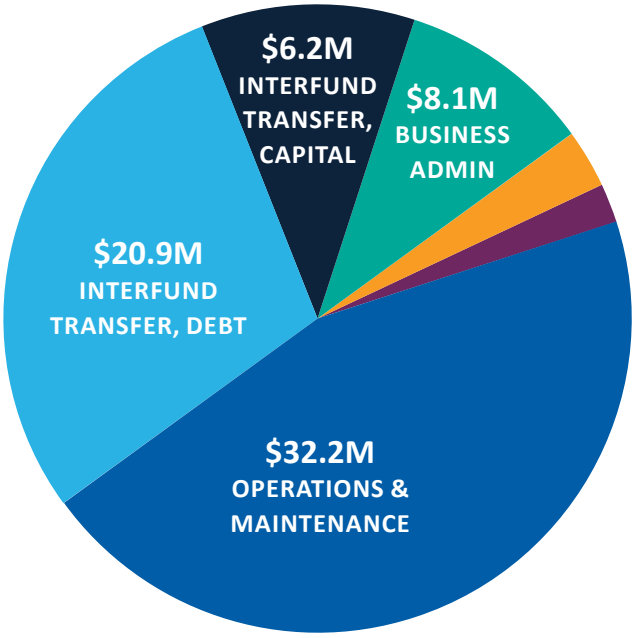
OPERATING REVENUES



SEWER SERVICE CHARGES	$67,457,200	95.5%
SEPTAGE DISPOSAL REVENUE	$1,333,700	1.9%
SERVICING PUMPING STATIONS	$619,600	0.9%
INTEREST EARNINGS	$529,600	0.7%
ALL OTHER	$681,700	1.0%

TOTAL OPERATING REVENUE:
$71,631,800

OPERATING EXPENDITURES



EXECUTIVE OFFICE	$1,779,500	2.5%
BUSINESS ADMINISTRATION	$8,109,100	11.3%
OPERATIONS & MAINTENANCE	$32,229,800	45.1%
PLANNING & ENGINEERING	$1,736,500	2.4%
INTERFUND TRANSFER, CAPITAL	$8,418,400	9.5%
INTERFUND TRANSFER, DEBT	$20,554,400	29.2%

TOTAL OPERATING EXPENDITURES:
$71,529,100

Outside of Interfund Transfers, Operating Expenditures for District departments are rolled up to the division level. The Organizational Chart in Appendix B, page 30, shows which departments are in each division.

SECTION THREE

2027 Capital Improvements Plan & Budget

District staff develop a Capital Improvements Plan (CIP) as part of the annual operating budget. The CIP is included in the proposed budget document published in September. This section provides an overview and summary of the 2027 capital projects budget and a six-year (2027-2032) capital projects summary.

The CIP contributes to District planning and budgeting in the following ways:

- Identifies capital projects needed to keep the District's assets in good working order and meet capacity needs.
- Analyzes and describes projects in detail in individual business cases, including needs, alternatives, costs, and timeframes for planning, design, and construction.
- Identifies potential large spending requirements for future years and incorporates them into financial planning as needed.
- Estimates project expenditures for six years using the best information available.
- Arranges project timelines to balance urgency, resources, and coordination requirements.
- Prepares a financing plan to balance the use of debt, financial resiliency, and impact on service charges.
- Proposes an annual capital budget for the succeeding year.

The District's CIP includes projections for projects underway and expected to continue into 2027, as well as for new projects that will begin within the six-year planning horizon. District staff have identified these projects to address a variety of needs, such as hydraulic capacity, condition, resiliency, or new regulatory requirements. Costs and schedules for these projects are continually updated as the scope become better defined and priorities and funding strategies change over time.

Costs and schedules are generally less developed for projects toward the end of the six-year timeframe. Details of projects in the first one to three years are better known. Many of the early-period projects are underway, and their costs have been committed to by contract. Annual CIP updates allow the District to develop more precise short-term spending and work plans and to prepare for potential large work and financial issues over the longer term.

Appendix C, Capital Improvement Project Summaries, page 31, provides information on specific CIP projects. These summaries describe each project's scope, need, cost, and schedule. Summaries are based on full business cases developed by District staff.

Appendix D, Completed Capital Improvements Projects, page 60, briefly discusses recently completed projects and anticipated project completions. This information also serves as the District's statutory annual reporting requirement for outlining completed projects.



Apprentice electricians Taylor Cross and Anna Wright perform preventive maintenance on electrical equipment.

PROJECT COST ESTIMATES

Annual CIP project costs are adjusted to account for inflation. For most capital projects, the 2027 plan assumes an inflation rate of 3.5% for the first half of the planning period (2027-2029), decreasing slightly to 3.0% for the second half (2030-2032). For some projects that may be especially prone to inflation, a higher inflation rate has been applied to the annual cost estimates.

Additional cost contingencies have been applied to some projects that may be subject to the Build America Buy America (BABA) Act requirements. The BABA Act requires that recipients of federal infrastructure funding use iron, steel, manufactured products, and construction materials produced in the United States. This requirement is expected to increase project costs, at least in the short term. Thus, all District projects that use funding from the State of Wisconsin's Clean Water Fund must adhere to these requirements and allowances to ensure conformance has been applied to projects where appropriate.

CONFORMANCE WITH ADOPTED PLANS AND PROGRAMS

The 2027 CIP assumes that capital projects will conform to the recommendations of the District's 2009 50-Year Master Plan regarding centralized treatment. The plan recommends that the District continue to treat all wastewater from its service area at the Nine Springs Wastewater Treatment Plant. As such, none of the projects in the CIP assume that a satellite treatment facility will be located anywhere in the District's service area in the near future.

While the 50-Year Master Plan provides long-term guidance, shorter-term planning is required to assess the condition and capacity of the District's systems and assets. The District relies on facility planning efforts, its asset management program, and other planning reports and tools to help direct annual updates to its CIP.

Find the District plans at madsewer.org/plans-reports

2027 CAPITAL PROJECTS BUDGET OVERVIEW & SUMMARY

The District's capital budget sets spending limits on a per-project and total annual basis. Spending on individual projects is limited to the authorized total project cost. Individual project spending can and does vary by year if the total cost is not exceeded over the project's life. Spending on all capital projects combined in the budget year is limited to the total amount authorized. The annual total budget limit applies only to the current year. Future year spending totals in the CIP are estimates.

Appendix E, Capital Projects and Capital Finance Information, page 65, contains all CIP and capital finance-related tables.

TOTAL PROJECT COSTS SUMMARY

Table CIP-1A, Total Project Cost Authorizations, pages 65-66, lists total project costs. Per Commission Policy ATT-2, which covers the development of the capital budget, the Executive Director is required to submit to the Commission a list of total project costs for all previously approved projects and all projects new to the proposed budget each year.

This table also includes total costs for projects included in the six-year CIP. For each project, the total project cost of the current budget year is compared to that of the preceding year, if applicable.

Table CIP-1B, Total Estimated Subprojects Costs for Bundled Projects, page 67, provides a breakdown of total project costs for projects authorized in previous CIPs that were subsequently combined or bundled into a single consolidated project for bidding and construction purposes. This table is provided for informational purposes, in accordance with Commission policy, although only the total cost of the consolidated project is used for cost control purposes.

ANNUAL BUDGETS AND EXPENDITURES SUMMARY

Table CIP-2, 2025-2027 Expenditures by Project, pages 67-68, lists annual expenditures by project, with actual and estimated spending for 2025 and 2026, respectively. Table CIP-3, 2025-2027 Annual Budgets & Expenditures, page 69, shows total annual budgets for 2025-2027, with actual and estimated spending for 2025 and 2026, respectively.

The District typically prepares its capital budget in the second quarter of the year preceding the budget year. Projections for future spending are based on the best information available at that time. Due to issues such as easement acquisition, permitting, stakeholder engagement, and equipment procurement, project schedules can change appreciably between the time the projection is made and the budget year. For 2025, actual expenditures were $40.7 million, below the budgeted $43.9 million. The deviation in actual spending in 2025 compared to the budget was due primarily to the following project:

Lower Badger Mill Creek Interceptor (Phase 6)

The budget projection was based on a construction estimate of $8.3 million, but the actual bid amount was significantly lower ($3.4 million). As a result, the multi-year project had an underspend of $1.5 million in 2025.

2027 PROJECT FUNDING

Capital projects are funded through the District's capital projects fund. This fund receives revenue from the following sources:

- Loan proceeds from the Clean Water Fund (CWF) and general obligation bonds;
- Connection charges collected from new users of the conveyance system and treatment plant;
- Cash transfers from the operating fund; and
- Interest investment.

Financing decisions are made on a per-project basis, considering loan eligibility, project size, and the overall financing strategy. Table CIP-4, Loan Proceeds, page 69, provides a summary of loan revenues by project(s). Preceding year values are actual disbursements received from the State of Wisconsin's CWF for projects under construction or recently completed. Current-year and subsequent-year values are estimates based on the District's financing needs.

The District anticipates financing a portion of its capital projects with general obligation bonds beginning in 2027. This is due to a projected capacity shortfall in the Clean Water Fund Program for fiscal years 2026 and 2027. For additional information on Clean Water Fund loans and their availability, see Section Four: Capital Finance, page 17.

SIX-YEAR CAPITAL PROJECTS SUMMARY

The District's CIP includes cost projections for projects that will begin within the six-year planning horizon. Projects are classified into the following four categories based on the location and function of the project assets:

1. Treatment plant
2. Interceptors
3. Pumping Stations and Force Mains
4. Capital Budget Expenses

Table CIP-5, Six-Year Spending Forecast, pages 70-71, shows the anticipated annual inflation-adjusted costs for each project. These tables show approximately $536 million worth of expenditure over the six years from 2027 to 2032.

Table CIP-6, Six-Year Capital Projects Phases, pages 72-73, presents the anticipated schedule for each project by phase within the six-year planning window. For each project, the projects' predominant phase is shown for a given year. Where two phases of a project are likely to occur in the same year, both phases are indicated.

Projects have also been classified by four drivers: condition, regulatory, resilience, and capacity. Condition is the primary cost driver over the six-year capital planning period. This reflects the District's aging infrastructure and the prioritization of projects to address condition issues and concerns. Table CIP-7, Capital Project Spending by Driver, page 73, outlines the cost for each of these drivers over the six-year CIP.

SECTION FOUR

2027 Capital Finance

This section addresses how capital program work will be financed.

This section addresses how capital construction projects will be financed.

The District finances its capital improvements program through a combination of cash and borrowing. Borrowing is primarily through the state's Clean Water Fund loan program, which provides subsidized, below-market interest rates to support the state's wastewater infrastructure. The District also expects to borrow for certain projects by issuing general obligation bonds. Cash is obtained through charges for connecting areas to the District's collection system and through quarterly service charges from the communities the District serves.

The financing plan is designed to cover anticipated spending needs, avoid highly variable annual increases in service charges, and meet minimum fund reserve requirements over the entire planning period.

POLICY CONTROLS

Several Commission policies control District capital financing. These include:

- Owner Expectations policies regarding cost-effectiveness, operational and business practice sustainability, regulatory compliance, anticipation of future requirements and service to communities;
- Executive Expectations Policy EE-2C, regarding financial planning/budgeting;
- EE-2D (6) regarding adequacy of available funds;
- EE-2G regarding adequacy of rates to fund capital improvements; and
- Commission policy ATT-2, specifically the sections on:
  - Capital projects budget and debt service budget;
  - Debt financing;
  - Fund reserves;
  - Fund structure; and
  - Strategic financial planning.

This capital financing plan is consistent with the above policies.

Find the District's Commission Policy Book at madsewer.org/commission-policy-book

FINANCING TOOLS

The District's capital program is financed with a combination of debt and cash:

1. Disbursements from the state's Clean Water Fund loan program;
2. General obligation bonds;
3. Revenue from District connection charges (charged for extension of service to new areas); and
4. Revenue from District service charges (paid quarterly by municipalities).

Clean Water Fund loan interest rates are lower than general obligation bonds because of a state interest rate subsidy. Clean Water Fund loans typically have a 20-year term.

Clean Water Fund loan proceeds are deposited in the capital projects fund. Loan proceeds are often received a year or more after project spending begins. This is because initial planning and design expenses are not eligible for reimbursement until a construction contract for the project has been bid and awarded. Capital projects fund reserves help with cash flow in the interim.

General obligation bond interest rates will not be known precisely until the bond issue, but they are higher than Clean Water Fund loans. General obligation bond proceeds are only used to finance capital projects.

Principal and interest payments are made from a separate debt service fund. Money for these payments comes from District service charges, transferred from the operating fund to the debt service fund. Clean Water Fund program terms require the District to maintain specified reserves in the debt service fund.



Chemists Kris Mazzuca and Jess McCammon prepare lab sample bottles for analysis.

Connection charge revenue is paid by municipalities (or directly by developers) on a one-time basis when service is made available to new areas. Connection charges are based on the cost of the conveyance facilities serving a given area and a proportion of the costs of assets at the Nine Springs Wastewater Treatment Plant. Connection charges are meant to recover the infrastructure costs of expanding the system and providing capacity. Service charges support ongoing repair and replacement of the system. Connection charges are deposited directly into the capital projects fund.

Connection charge revenue varies significantly by year, depending on the pace and location of development in the region. In preparing the capital financing plan, staff estimate future connection charges based on historical patterns, known rate changes, and best judgments about economic conditions.

CAPITAL FINANCING PLAN

Details of the capital financing plan are given in Appendix E, Capital Program & Capital Finance Information, page 65. The plan is a forecast of planned spending, borrowing, and operating fund transfers over the six-year planning period. The District updates the plan annually as part of the budget process.

FORECAST ASSUMPTIONS

The plan makes the following assumptions:

- Fund balances interest earnings of 3% from 2027–2030 and 2% thereafter.
- Clean Water Fund loan rates of 2.365% from 2027 to 2029, 2.3% from 2030 to 2031, and 2.2% by 2032.
- General obligation bonding rates of 5.25% from 2027 to 2031, declining to 5% by 2032.
- Non-service charges revenues consistent with historical trends.

FUND RESERVES

Capital projects fund reserves target the average of the four-year forecast. Reserves may range from plus or minus 10% of the target, or up to plus or minus 25% or beyond for certain periods. Debt service reserves must be at least equal to debt obligations and may be up to 10% above.

Table CIP-8, Capital Projects Fund Cash Flow Summary, page 74, and Table CIP-9, Debt Service Fund Cash Flow Summary, page 74, show revenue, spending and reserves for the plan.

BORROWING

The District uses Clean Water Fund (CWF) program loans as a borrowing tool whenever possible because of the preferred interest rate offered by the program. CWF loans are paid on a reimbursement basis. The District expends money on projects and submits reimbursements to the Wisconsin Department of Natural Resources. This requires having adequate reserves to cover payments before reimbursement.

The District anticipates using general obligation bonding in addition to CWF loans, due to limited CWF program capacity. Approximately 80% of the anticipated borrowing under the six-year plan is from CWF loans, covering about 20 projects.

The Capital Improvements Plan's use of debt is consistent with general financial resiliency principles and with overall Commission policy guidance. Total District debt continues to rise, as expected during this period of high capital spending needs, as shown in Table CIP-10, Use of Debt in Capital Program, page 75. Correspondingly, annual interest payments also rise.

The table shows the percentage of capital expenditures financed with debt, which ranges from 67% to 94% over the period. (Percentages are two-year moving averages to smooth annual variation that results from loan and spending timing differences.)

The table also shows the percentage of revenue used to pay principal and interest expenses. This indicates the overall increase in long-term costs from debt use.

Finally, the table shows total debt obligations as a percentage of the equalized property value of the District. The Wisconsin Constitution, Article XI, Section 3, limits District debt to 5% of the equalized property valuation of the District. Debt under the plan would remain well below the constitutional limit.

Tables CIP-11, Debt Service Budget, page 75, and CIP-12, Forecasted Debt Service Expenditures, page 75, report the debt service budget and forecast debt service expenditures.

SERVICE CHARGES

Supporting the financing plan will require additional transfers from the operating fund, resulting in increased service charge revenues. Table CIP-13, Services Charges Support for the Capital Program, page 76, shows the amount transferred from the operating fund to each of the other funds per year. The total amount transferred rises over the period.

Finally, Table CIP–14, Forecast Growth in Service Charge Revenues, page 76, shows total service charge collections over the planning period. This includes the transfers in Table CIP-14 and a trend-based operating budget expenditure forecast. The table consists of high and low estimates, reflecting historical variation in service charges growth.



Facilities Maintenance staffers Justin Boyd and James Dinges connect industrial hose at the Nine Springs treatment plant.

APPENDIX A
Budget Summaries

2027 Operating Budget Summary

	2025 Actual	2026 Budget	2026 Through June Actual	2026 Total Estimated	Proposed 2027 Budget
Opening Balance	**$26,099,100**	**$24,744,900**	**N/A**	**$25,751,800**	**$26,479,500**
Revenues					
Sewer Service Charges	57,227,800	61,380,000	14,508,300	59,933,700	67,457,200
Servicing Pumping Stations	573,600	620,900	168,200	596,600	619,600
Rent	77,000	-	77,900	78,200	19,500
Interest Earnings	736,800	494,900	191,200	515,000	529,600
Annexation and Plan Review Fees	69,000	76,800	32,400	69,700	70,400
Miscellaneous Income	237,800	269,900	100,000	244,800	252,000
Septage Disposal Revenue	1,183,900	1,262,900	447,000	1,258,800	1,333,700
Pretreatment Monitoring	44,200	50,200	-	47,200	50,200
Struvite Fertilizer Sales	279,400	277,200	100,900	284,500	289,600
Total Revenues	*$60,429,500*	*$64,432,800*	*$15,625,900*	*$63,028,500*	*$70,621,800*
Expenditures					
Executive Office	1,693,500	2,354,200	706,400	1,834,400	1,779,500
Business Administration	5,238,500	5,660,500	2,125,300	5,017,600	8,109,100
Operations and Maintenance	28,872,700	30,766,800	12,349,700	30,733,300	32,229,800
Planning and Engineering	1,209,100	3,978,800	900,600	2,344,700	1,736,500
Interfund Transfer, Capital	9,417,000	10,971,900	4,708,500	10,971,900	6,820,800
Interfund Transfer, Debt	14,346,000	11,399,000	7,173,000	11,399,000	20,853,400
Total Expenditures	*$60,776,800*	*$65,131,200*	*$27,963,500*	*$62,300,900*	*$71,529,100*
Closing Balance	**$25,751,800**	**$24,046,500**	**N/A**	**$26,479,500**	**$25,572,000**
Reserve Requirement	*21,418,769*	*24,046,000*	*N/A*	*25,584,500*	*25,572,200*
Closing Balance Net of Reserves	*4,333,031*	*500*	*N/A*	*895,000*	*$0*

2027 Capital Projects Budget Summary

	2025 Actual	2026 Budget	2026 Through June Actual	2026 Total Estimated	Proposed 2027 Budget
Opening Balance	**$29,733,300**	**$33,382,100**	**N/A**	**$35,800,400**	**$33,198,000**
Revenues					
Clean Water Fund Loans	28,078,000	14,192,000	6,378,000	14,398,100	42,309,000
General Obligation Bonds	-	-	-	-	10,079,000
Connection Charges	8,240,700	4,040,000	1,432,900	4,039,300	4,079,000
Interest Earnings	1,034,300	668,000	577,400	1,074,000	996,000
Transfers From Operating Fund	9,417,000	10,971,900	4,708,500	10,971,900	6,821,000
Total Revenues	*$46,770,000*	*$29,871,900*	*$13,096,800*	*$30,483,300*	*$64,284,000*
Expenditures					
Treatment Plant	17,668,200	18,751,000	4,120,800	21,388,600	37,915,000
Interceptors	16,905,400	8,330,000	5,899,600	4,646,000	22,197,000
Pumping Stations and Force Mains	5,974,400	8,934,000	2,361,200	6,930,000	5,425,000
Capital Budget Expenses	154,900	113,000	32,100	121,100	413,000
Total Expenditures	*$40,702,900*	*$36,128,000*	*$12,413,700*	*$33,085,700*	*$65,950,000*
Closing Balance	**$35,800,400**	**$27,126,000**	**N/A**	**$33,198,000**	**$31,532,000**
Reserve Requirement	*24,557,000*	*25,649,100*	*N/A*	*29,113,300*	*38,112,000*
Closing Balance Net of Reserves	*11,243,400*	*1,476,900*	*N/A*	*4,084,700*	*(6,580,000)*

2027 Debt Service Budget Summary

	2025 Actual	2026 Budget	2026 Through June Actual	2026 Total Estimated	Proposed 2027 Budget
Opening Balance	**$21,603,200**	**$22,936,200**	**N/A**	**$23,575,500**	**$19,384,000**
Revenues					
Transfer from Operating Fund	14,346,000	11,399,000	7,173,000	11,399,000	20,853,000
Interest Earnings	889,400	459,000	379,972	707,300	582,000
Total Revenues	*$15,235,400*	*$11,858,000*	*$7,552,972*	*$12,106,300*	*$21,435,000*
Expenditures					
Principal Payments	10,603,400	12,328,000	11,835,200	12,738,200	14,795,000
Interest Payments	2,659,700	3,067,000	1,611,800	3,559,400	4,334,000
Total Expenditures	*$13,263,100*	*$15,395,000*	*$13,447,000*	*$16,297,600*	*$19,129,000*
Closing Balance	**$23,575,500**	**$19,399,200**	**N/A**	**$19,384,200**	**$21,690,000**
Reserve Requirement	*16,297,600*	*17,636,000*	*N/A*	*19,019,400*	*21,690,000*
Closing Balance Net of Reserves	*7,277,900*	*1,763,200*	*N/A*	*364,800*	-

2025-2027 Expenditures by Project

		2025 Actual	2026 Through June	2026 Estimated	2027 Anticipated
Treatment Plant		**$17,668,000**	**$8,545,229**	**$21,389,000**	**$37,915,000**
A01	Liquid Processing Improvements- Phase 2	2,538,000	1,641,657	7,430,000	25,475,000
A02	Laboratory Remodel	-	-	8,000	560,000
A03	W4 System Improvements	148,000	243,376	1,570,000	837,000
A04	Heat and Power Improvements	514,000	8,393	16,000	444,000
A05.1	Lagoon Dikes Improvements (Phase 1)	282,000	74,308	889,000	25,000
A05.2	Lagoon Dikes Improvements (Phase 2)	-	-	130,000	1,001,000
A06	Maintenance, Financial and HR Systems	575,000	1,201,901	2,351,000	2,816,000
A07	Metrogro Applicators & Equipment	897,000	31,961	425,000	290,000
A08.1	Annual Solids Processing Tank Cleaning 2027	-	-	-	869,000
A08.2	Annual Solids Processing Tank Cleaning- Future	-	-	-	-
A09	Treatment Plant HVAC Improvements- Group 1 Projects	-	-	-	311,000
A10.1	Headworks Screening	-	-	-	10,000
A10.2	Grit Processing Improvements	-	-	-	
A11	Dryer & Seeding Modifications	36,000	48,922	240,000	2,422,000
A12.1	Miscellaneous Treatment Plant Projects 2027	-	-	-	187,000
A12.2	Miscellaneous Treatment Plant Projects- Future	-	-	-	
A13.1	Minor Capital Improvements 2027	-	-	-	139,000
A13.2	Minor Capital Improvements- Future	-	-	-	
A14.1	Annual Pavement Improvements 2027	-	-	-	85,000
A14.2	Annual Pavement Improvements- Future	-	-	-	
A15	Biosolids Infrastructure	-	-	-	
A15.1	Solids Processing Facilities and Digestion Upgrades	-	-	-	1,502,000
A15.2	Metrogro Storage and Fleet Maintenance Facility	-	-	-	223,000
A15.3	Primary Sludge Management Improvements	-	-	-	178,000
A15.4	WAS Pre-Thickening Improvements	-	-	-	47,000
A16	Septage Receiving Modifications	-	-	-	-
A17	East Plant Primary Tank Rehabilitation	-	-	-	-
A18	West Plant Primary Tank Rehabilitation	-	-	-	-
N/A	2021 Treatment Plant HVAC Improvement Project	71,000	-	-	-
N/A	Annual Pavement Improvements 2025	43,000	-	-	-
N/A	Annual Solids Processing Tank Cleaning 2025	651,000	-	-	-
N/A	Annual Solids Processing Tank Cleaning 2026	-	4,019	600,000	-
N/A	Biosolids Facilities Plan	253,000	178,292	330,000	-
N/A	Flow Splitter Improvements	6,136,000	317,360	511,000	-
N/A	Minor Capital Improvements 2025	33,000	169,623	300,000	-
N/A	Minor Capital Improvements 2026	-	-	75,000	-
N/A	Miscellaneous Treatment Plant Projects 2024	8,000	-	-	-
N/A	Miscellaneous Treatment Plant Projects 2025	74,000	8,159	35,000	-
N/A	Norsman Properties (1701 & 1705 Moorland Road)	1,688,000	-	100,000	-
N/A	NSWWTP Electrical Service Equipment Replacement	3,154,000	4,425,175	5,980,000	495,000
N/A	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	568,000	192,084	399,000	-
Interceptors		**$16,905,000**	**$1,501,941**	**$4,646,000**	**$22,197,000**
B01	Manhole Rehabilitation on West Interceptor	-	-	60,000	678,000
B02	East Interceptor Rehabilitation- PS07 to MH07-103	6,000	27,533	70,000	605,000
B03	SEI McFarland Relief Rehabilitation	-	-	10,000	145,000
B04	Southeast Interceptor Relocation at Yahara River	82,000	6,395	559,000	301,000
B05	NEI- Truax Extension Rehab	7,000	29,281	320,000	11,261,000
B06	NEI- FEI to SEI Rehab	-	-	-	109,000
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)	-	-	-	-
B08.1	NSVI Capacity Improvements (Phase 1)	305,000	111,070	270,000	1,149,000
B08.2	NSVI Capacity Improvements (Phase 2)	1,033,000	173,493	712,000	7,711,000
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	-	446	5,000	52,000
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	-	203	5,000	31,000
B10	NEI- Rehab West of Airport (Phases 2 & 3)	-	-	-	-

(continued)

2025-2027 Expenditures by Project (continued)

		2025 Actual	2026 Through June	2026 Estimated	2027 Anticipated
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)	-	-	-	-
B12	West Interceptor on Regent Street (Park Street to East Campus Mall)	-	-	-	-
B13	South Interceptor Replacement at John Nolen Drive	-	-	-	78,000
N/A	Lower Badger Mill Creek Interceptor- Phase 5	1,000			
N/A	Lower Badger Mill Creek Interceptor- Phase 6	3,179,000	916,935	1,725,000	25,000
N/A	NEI- Waunakee Extension Capacity Improvements (Phase 1)	6,038,000	26,935	226,000	25,000
N/A	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	404,000	12,540	32,000	-
N/A	West Interceptor- Shorewood Relief (Phase 2)	12,000	-	3,000	3,000
N/A	West Interceptor- Shorewood Relief (Phase 3)	4,850,000	196,627	635,000	25,000
N/A	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	989,000	484	15,000	-
Pumping Stations and Force Mains		**$5,974,000**	**$2,333,345**	**$6,930,000**	**$5,425,000**
C01.1	Pumping Station 16 Rehabilitation	-	-	-	16,000
C01.2	Pumping Station 16 Force Main Rehabilitation	-	-	-	5,000
C02.1	Force Main Condition Assessment- PS 15 Force Main	-	-	-	16,000
C02.2	Force Main Condition Assessment- Future	-	-	-	-
C03	PS 11 & PS 12 Surge Valve Access Platforms	-	1,741	186,000	50,000
C04	PS 5 & PS 15 Force Main Isolation Valve Replacements	-	-	-	93,000
C05.1	Miscellaneous Collection System Projects 2027	-	-	-	118,000
C05.2	Miscellaneous Collection System Projects- Future	-	-	-	-
C06.1	Pumping Station 2 Force Main Condition Assessment		5,552	145,000	255,000
C06.2	Pumping Station 2 Force Main Replacement (Rehab)	-	-	-	104,000
C07	Pumping Station 2 Variable Frequency Drive Replacements		3,010	90,000	590,000
C08	Pumping Station 1 Variable Frequency Drive Replacements	-	-	-	93,000
N/A	Crosstown Force Main Air Release Valve Saddle Tap Replacements	2,000	5,009	165,000	-
N/A	Force Main Condition Assessment- PS 10 Force Main	1,000	3,146	435,000	80,000
N/A	Miscellaneous Collection System Projects 2025	12,000	51,034	59,000	-
N/A	Miscellaneous Collection System Projects 2026	-	-	114,000	-
N/A	Pumping Station 10 Force Main Repairs	116,000	845,439	1,911,000	-
N/A	Pumping Station 17 Firm Capacity Improvements	3,092,000	1,132,058	1,527,000	25,000
N/A	Pumping Station 17 Force Main Relief- Phase 2	1,526,000	232,796	255,000	26,000
N/A	Pumping Station 4 Rehabilitation	1,005,000	1,768	43,000	-
N/A	Pumping Station Bar Screens	219,000	51,791	2,000,000	3,955,000
Capital Budget Expenses		**$155,000**	**$33,193**	**$121,000**	**$413,000**
D01	Collection System Facilities Plan Update	30,000	11,361	70,000	30,000
D02	Badger Mill Creek Phosphorus Compliance	125,000	20,733	50,000	150,000
D03	Collection System Evaluation	-	-	-	233,000
N/A	Miscellaneous Capital Expenses	-	1,099	1,000	-
Grand Total		**$40,703,000**	**$12,413,707**	**$33,086,000**	**$65,949,000**

2027 All-Funds Budget Summary, Omitting Interfund Transfers

	2025 Actual	2026 Budget	2026 Through June Actual	2026 Total Estimated	Proposed 2027 Budget
Opening Balance	**$77,435,600**	**$81,063,200**	**N/A**	**$85,127,700**	**$79,061,700**
Total Revenues Omitting Transfers	98,671,900	83,791,800	24,394,200	83,247,200	128,666,300
Total Expenditures Omitting Transfers	90,979,800	94,283,300	41,942,700	89,313,300	128,931,600
Closing Balance	**$85,127,700**	**$70,571,700**	**N/A**	**$79,061,700**	**$78,796,400**
Reserve Requirement	*62,273,369*	*67,331,100*	*N/A*	*73,717,200*	*84,846,500*
Closing Balance Net of Reserves	*22,854,331*	*3,240,600*	*N/A*	*5,344,500*	*(6,050,100)*

Schedule of Principal Amount of Indebtedness

Sewerage System Improvement Bonds	
Series 2007 West In Ext and PS 13-14 Projects	$172,000
Series 2008 PS's 6-8 Rehabilitation and NEI Truax Ext Liner	$1,118,000
Series 2010A NEI-PS 10 to Lien Rd	$2,126,000
Series 2012A Nine Springs Eleventh Addition	$16,124,000
Series 2012B Operations Building HVAC Rehab	$1,081,000
Series 2013A NEI-SEI to FEI- Replacement Project	$3,322,000
Series 2013B Pumping Station No. 18	$6,170,000
Series 2013C Process Control System Upgrade	$1,903,000
Series 2014A Pumping Station No. 18 Force Main	$4,966,000
Series 2015A PS 11 & 12 Rehabilitation	$4,827,000
Series 2015B Maintenance Facility Expansion	$5,958,000
Series 2016A PS 15 Rehabilitation, PS 12 FM Relocation, Rimrock Int. Lining	$3,960,000
Series 2017A West Interceptor-Randall St. to Near PS2	$812,000
Series 2019A PS10 FM/WI- PS5 to Gammon Ext.	$1,249,000
Series 2020B NLSPI- Phase 1A/PS7 Improvements/Headwords Flow Meetering	$17,529,000
Series 2020A NEI Truax Ext Relief/SWI-Haywood Ext. Replacement	$7,230,000
Series 2021A Pump Station 13 & 14 Rehabilitation/Operations Bldg 1st Floor Remodel/9 Springs Hot Water & W1 Piping Improvements/WI Spring Street Relief Lining	$11,154,000
Series 2022A WI Shorewood Relief Sewer PH1/ NSVI McKee Rd to Dunns Marsh	$6,601,000
Series 2024A PS4 Rehabilitation/Plant HVAC Improvements	$6,606,000
Series 2024B PS17 FM Relief Phase 2/PS 17 Firm Capacity Improvements	$13,083,000
Series 2025B Flow Splitter Improvements	$6,515,000
Series 2025A NSWWTP Electrical Service Equipment Replacement	$15,237,000
Total Indebtedness	**$137,742,000**

**Indebtedness as of August 24, 2026*

APPENDIX B
Operating Budget Supporting Information

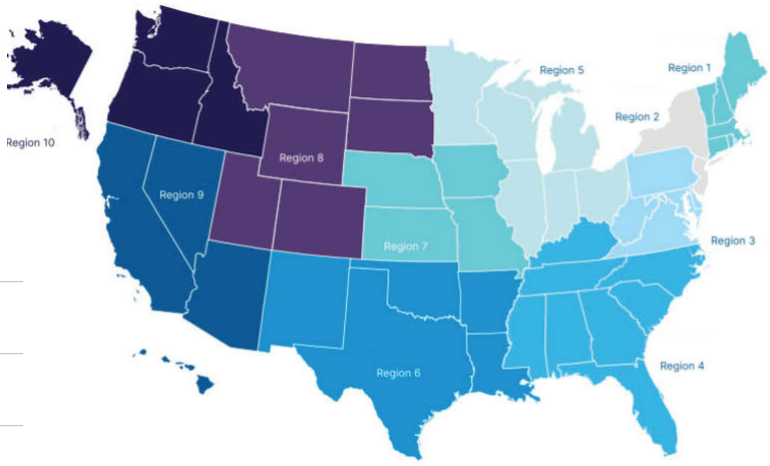
Change in Service Charges Compared to 2026 Budget

Factor	Amount	%
2026 Budgeted Service Charges	$61,380,000	
Capital Construction Projects Investments & Transfers		
	$5,303,300	8.64%
Operating Programs - Cost to Operate & Strategic Initiatives		
Utilities, Chemicals, & Fuel Re-Estimate	$(172,200)	-0.28%
Yahara WINS Commitment	$260,000	0.42%
Enterprise Project Support and Modernization	$934,000	1.52%
Pollutant Minimization & Monitoring	$259,000	0.42%
	$1,392,900	2.27%
Personnel - Wages & Positions		
2.5% Market Wage Adjustment	$560,100	0.91%
New Asset Information Specialist Position	$137,500	0.22%
Two New Engineering Positions	$288,000	0.47%
	$985,600	1.61%
Other Needs		
Liability Coverage	$95,000	0.15%
Legal Services	$120,000	0.20%
Miscellaneous	$355,600	0.58%
	$570,600	0.93%
Offsets & Reserve Adjustments		
Less: Removal of Capital Proj. Engineer Salaries from Operating Budget	$(1,854,500)	-3.02%
Less: Growth in Non-Service Charge Revenues & Reserve Adjustment	$(320,500)	-0.52%
	$(2,175,000)	-3.54%
Net Change in Service Charges	$6,077,200	9.9%
2027 Budgeted Service Charges	**$67,457,200**	

Household Charge Comparison Tables

Comparison of District Household Charge to Regional & National Averages

Year	Average Household Charge, City of Madison + District	NACWA Region 5 Average	NACWA National Average
2022	$409	$535	$569
2023	$417	$547	$588
2024	$428	$545	$612
2025	$448	$576	$648



Source: Annual National Association of Clean Water Agencies' (NACWA) Clean Water Index, 2022-2025

Annual District Charges for Average Household

	2027	2026	2025	2024
Total Annual Household Cost, District Charges Only	$341	$303	$294	$279
Increase in Total Annual Household Cost over Prior Year	$37	$9	$15	$24

REVENUE & EXPENDITURE CATEGORIES DEFINED

REVENUE CATEGORIES

Sewer service charges: Charges paid by the District's customer communities to cover each community's share of District costs. These charges are the primary revenue source for the District.

Servicing pumping stations: Charges paid by customer communities whose pumping stations are operated and maintained by the District.

Rent: Rental revenue from District-owned properties.

Interest: Interest earned on the District's cash reserves.

Annexation & plan review fees: Payments from customer communities for District services in reviewing plans for annexations of land to the District's area of service and for modifications or additions to their sewer systems.

Miscellaneous income: Smaller sources of revenue, including sale of scrap materials and providing laboratory services.

Septage disposal income: Income received for waste delivered by truck to the plant. The largest source of waste delivered is from homes and businesses on septic systems.

Pretreatment monitoring: Payments by businesses for District industrial discharge permits.

EXPENDITURE CATEGORIES

Department expenditures: Expenditures for each District department individually.

Interfund transfer, capital: Transfer to the capital projects fund to support capital project costs.

Interfund transfer, debt: Transfer to the debt service fund to support District debt service payments.

Five-Year Vehicle Replacement Schedule, 2027-2031

The District fleet management plan details the procedure to evaluate existing vehicles for replacement. The five-year replacement schedule is as follows:

Year	Vehicle	Estimated Cost
2027	Locator Truck	$50,000
	Mechanical Service Truck	$125,000
	2027 Anticipated Fleet Budget	**$175,000**
2028	Electrical Cargo Van	$55,000
	Operations Pool Vehicle	$45,000
	Facilities Maintenance 4x4 Pickup	$60,000
	Facilities Maintenance Small Dump Truck	$90,000
	2028 Anticipated Fleet Budget	**$250,000**
2029	CSS 4x4 Pickup Truck	$50,000
	Mechanical Service Truck	$125,000
	Metrogro Service Truck	$125,000
	2029 Anticipated Fleet Budget	**$305,000**
2030	Operations Pool Vehicle	$50,000
	HVAC Cargo Van	$60,000
	Facilities Maintenance Small Dump Truck	$90,000
	Metrogro 4x4 Pickup Truck	$55,000
	Mechanical Service Truck	$125,000
	2030 Anticipated Fleet Budget	**$380,000**
2031	Mechanical Route Truck	$60,000
	CSS 4x4 Pickup Truck	$55,000
	Facilities Maintenance Long Bed Truck	$60,000
	Electrical Cargo Van or Truck	$60,000
	Facilities Maintenance Flat Bed 4x4Truck	$70,000
	2031 Anticipated Fleet Budget	**$305,000**

2027 REQUESTED POSITIONS

This budget includes three new positions that support the District's Strategic Plan, Three-Year Plan, and Capital Improvements Plan.

The District's 2027 organizational chart follows.

PROJECT ENGINEER

Department: Engineering

The Project Engineer provides critical engineering capacity to support the delivery of major infrastructure projects in the District's Capital Improvements Plan, including large-scale efforts such as Liquid Processing Improvements Phase 2 and the Biosolids/Heat & Power Improvements project.

As the District manages an increasingly demanding capital portfolio, this position is essential to successfully managing projects through design and construction, preventing critical project delays, working with stakeholders, and maintaining appropriate workload distribution across engineering staff. By expanding project delivery capacity, this role ensures key collection system and treatment facility projects remain on schedule to safeguard District assets, ensure reliable service, and ensure operational excellence.

Additionally, hiring a Project Engineer will reduce the District's reliance on more expensive external contractors for major upcoming projects. By utilizing internal talent rather than paid consulting services, the District will realize savings of approximately $1 million per staff member in a three-year period.

ELECTRICAL ENGINEER

Department: Engineering

The Electrical Engineer will provide dedicated technical expertise to support the planning, design, and execution of major projects across the District's Capital Improvements Plan, including significant, multi-year initiatives such as Liquid Processing Improvements Phase 2 and Biosolids/Heat & Power.

This position directly addresses critical staffing bottlenecks by supporting both capital project delivery and ongoing Operations and Maintenance needs, including electrical troubleshooting, equipment modernization, and facility upgrades. As District infrastructure rapidly advances in technical complexity — incorporating sophisticated SCADA automation industrial control systems, variable frequency drives, and upgraded power distribution systems — increasing the District's in-house electrical engineering capacity is essential to ensure seamless system integration, optimize operational reliability, and prevent project execution delays.

Like the Project Engineer position, the Electrical Engineer position allows the District to realize savings of approximately $1 million per staff member in a three-year period by utilizing internal talent rather than paid consulting services.

ASSET INFORMATION SPECIALIST II

Department: Reliability Process

Building upon the foundational work of the Asset Information Specialist role, the Asset Information Specialist II serves as the primary owner of data integrity essential for the successful launch and long-term performance of the District's upcoming Enterprise Asset Management (EAM) system. Migrating incomplete or inaccurate records into a new system introduces significant risk and severely degrades operational efficiency. This position ensures the new EAM is built on a clean, reliable data foundation by resolving a backlog of legacy records and capturing over 1,400 combined asset additions and retirements from major capital efforts, such as Liquid Processing Improvements Phase 2.

By establishing full-time, specialized expertise rather than relying on temporary staffing, this role safeguards the EAM implementation, streamlines O&M reporting and scheduling, and provides the Planning department with accurate data to optimize long-term capital replacement decisions.

Additionally, as work on the Enterprise Resource Planning (Workday) implementation wraps up in late 2027, and work begins to scope, contract, and implement an EAM, this position will also provide critical staff capacity to support the many aspects required to successfully launch and execute the build of this critical system for the District.

Full-time Equivalent Positions, 2025-2027

Division	2025	2026	2027	Changes for 2027
Executive Office		9.0	7.0	Transfer out 2.0 FTE positions for organizational alignment
Business Administration		21.0	22.0	Transfer In 1.0 FTE position for organizational alignment
Operations and Maintenance		95.0	96.0	Add 1.0 FTE Asset Information Specialist position
Planning and Engineering		16.0	19.0	• Transfer In 1.0 FTE position for organizational alignment • Add 1.0 FTE Project Engineer position • Add 1.0 FTE Electrical Engineerposition
TOTAL	**134.4***	**141.0**	**144.0**	

**The District implemented a new organizational structure in 2026, so only total FTE count for 2026 is provided.*



District staff gathered for an All-Staff photo in May 2026, wearing either their District-provided uniforms or a T-shirt that summarizes the District's core purpose: Collect it, Treat it, Return it.

2027 District Organizational Chart

KEY

- Division
- Department

Executive Director

Operations & Maintenance

- **Reliability Process**
- **Ecosystems** Includes Pollution Prevention, Laboratory, Pretreatment, Hauled Waste, Biosolids, and Watershed programs
- **Collection System**
- **Treatment Plant** Includes Operators, Process Control, Operational Technology and Metrogro Operations
- **Maintenance** Includes the Electrical, Mechanical, and Facilities Maintenance workgroup

Planning & Engineering

- **Planning**
- **Engineering**

Business Administration

- **Information Technology**
- **Finance** Includes Accounting, Budget, and Procurement
- **Human Resources**
- **Comms & Public Affairs**

APPENDIX C
Capital Improvement Project Summaries

These 2027 Capital Improvements Plan summaries provide a broad overview of each project. Total project costs are adjusted for inflation on an annual basis, unless otherwise noted.

Projects are categorized as follows and identified with an alphanumeric identifier:

A - Nine Springs Wastewater Treatment Plant
B - Interceptor Projects
C - Pumping Stations and Force Main Projects
D - Capital Budget Expenses

Some projects contain a numerical suffix to indicate that they are related to or dependent upon another project and may be part of a larger constructed project in the future (e.g., Project ID A01.1).

Additional project information for most projects is contained in comprehensive business cases. Since some projects are intricately connected or contingent upon other projects, more than one project may be included in a single business case. Some business cases, and hence associated costs, are more developed than others. Where costs have not been fully developed, amounts have been included as placeholders or allowances to identify the need.

As with all projects, these costs will be modified as project scopes are refined and better estimates become available. Noted projects that have entered the construction phase are not included in the project summaries and do not have an updated business case. Project summaries are provided only for those projects anticipated to occur within the planning horizon of this document (2027-2032).

Project Summary Table of Contents

Treatment Plant (A)

A01	Liquid Processing Improvements - Phase 2	32
A02	Laboratory Remodel	33
A03	W4 System Improvements	33
A04	Heat and Power Improvements	34
A05.1 & A05.2	Lagoon Dikes Improvements - Phases 1 & 2	34
A06	Maintenance, Financial and HR Systems	35
A07	Metrogro Applicators & Equipment	36
A08.1 & A08.2	Annual Solids Processing Tank Cleaning - 2027 & Future	36
A09	Treatment Plant HVAC Improvements - Group 1 Projects	37
A10.1	Headworks Screening	37
A10.2	Grit Processing Improvements	38
A11	Dryer & Seeding Modifications	38
A12.1 & A12.2	Miscellaneous Treatment Plant Projects - 2027 & Future	39
A13.1 & A13.3	Minor Capital Improvements - 2027 & Future	39
A14.1 & A14.2	Annual Pavement Improvements - 2027 & Future	40
A15	Biosolids Infrastructure; *includes these subprojects:*	
A15.1	Solids Processing Facilities and Digestion Upgrades	41
A15.2	Metrogro Storage and Fleet Maintenance Facility	42
A15.3	Primary Sludge Management Improvements	42
A15.4	WAS Pre-Thickening Improvements	43
A16	Septage Receiving Modifications	43
A17	East Plant Primary Tank Rehabilitation	44
A18	West Plant Primary Tank Rehabilitation	44

Interceptors (B)

B01	Manhole Rehabilitation on West Interceptor	45
B02	East Interceptor Rehabilitation - PS07 to MH07-103	45
B03	SEI McFarland Relief Rehabilitation	46

Interceptors continued

B04	Southeast Interceptor Relocation at Yahara River	46
B05	NEI - Truax Extension Rehab	47
B06	NEI - FEI to SEI Rehab	47
B07	NEI - Waunakee Ext. Rehab (MH14-358 to MH14-362)	48
B08.1	NSVI Capacity Improvements - Phase 1	48
B08.2	NSVI Capacity Improvements - Phase 2	49
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	49
B09.2	West Interceptor Rehab - Farley Ave. to Marshall Ct.	50
B10	NEI - Rehab West of Airport (Phases 2 & 3)	50
B11	Southeast Interceptor Rehabilitation- USH 51 (Phase 2)	51
B12	West Interceptor on Regent St. (Park St. to E. Campus Mall)	51
B13	South Interceptor Replacement at John Nolen Drive	52

Pumping Stations & Force Mains (C)

C01.1	Pumping Station 16 Rehabilitation	52
C01.2	Pumping Station 16 Force Main Rehabilitation	53
C02.1 & CO2.2	Force Main Condition Assessment - PS 15 Force Main & Future	53
C03	PS 11 & PS 12 Surge Valve Access Platforms	54
C04	PS 5 & PS 15 Force Main Isolation Valve Replacements	54
C05.1 & C05.2	Miscellaneous Collection System Projects 2027 & Future	55
C06.1 & C06.2	Pumping Station 2 Force Main Condition Assessment & Rehabilitation	56
C07	Pumping Station 2 Variable Frequency Drive Replacements	57
C08	Pumping Station 1 Variable Frequency Drive Replacements	57

Capital Budget Expenses (D)

D01	Collection System Facilities Plan Update	58
D02	Badger Mill Creek Phosphorus Compliance	58
D03	Collection System Evaluation	59

CIP ID# A01 | Liquid Processing Improvements - Phase 2

WHY THIS PROJECT IS IMPORTANT

The equipment that treats liquid waste and removes nutrients at the treatment plant is reaching the end of its useful life and is at growing risk of failure. This project replaces critical assets to keep the plant running reliably, allowing the District to keep up with residential and business growth in the region, and helping maintain compliance with state permit requirements.

ADDITIONAL BACKGROUND

- Dane County's population is projected to grow by 2050, and the plant needs more capacity and flexibility to handle that growth without service disruptions.
- The project responds to declining scores on the District's annual Wisconsin DNR Compliance Maintenance Annual Report (CMAR).
- New equipment will also improve energy efficiency, reducing electricity use while strengthening the plant's ability to remove nutrients from the water.

START	COMPLETION
2022	2030

PHASE (2027)
Construction

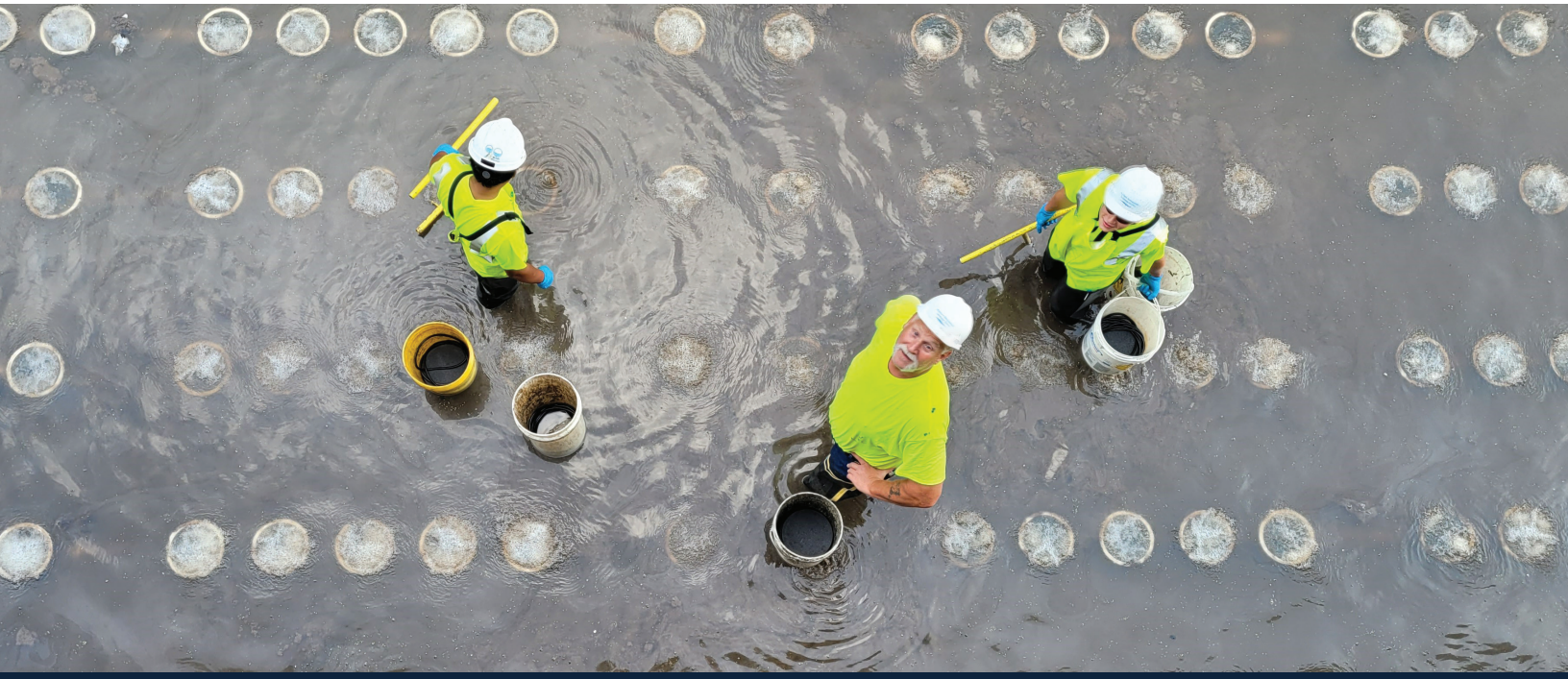
PROJECT DRIVER
Condition

PROCESS AREA
Activated Sludge System and Primary Treatment

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$25,475,000	$108,000,000



Facilities Maintenance staff clean air diffusers in the bottom of an aeration tank. These diffusers blow air to keep the microorganisms responsible for wastewater treatment happy and hungry. The diffusers currently used are maintenance-intensive and inefficient, and are among the many assets replaced in Liquid Processing Improvements - Phase 2.

CIP ID# A02 | **Laboratory Remodel**

WHY THIS PROJECT IS IMPORTANT

This project renovates and modernizes the District's onsite laboratory, addressing issues with existing systems and ensuring safety.

ADDITIONAL BACKGROUND

- The laboratory provides critical testing and analysis services to ensure permit compliance.
- Aging assets in the lab are causing frequent malfunctions and costly repairs.
- Environmental control issues and inadequate clean/dirty space separation compromise data accuracy and increase the risk of non-compliance.
- Outdated fume hoods, poor air quality, and a suboptimal layout expose staff to hazards and create ongoing safety concerns.
- Limited space and outdated systems restrict the ability to expand services, adopt new technologies, and meet evolving analytical demands.

START	COMPLETION
2026	2030

PHASE (2027)
Design

PROJECT DRIVER
Condition

PROCESS AREA
Operations Building

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$560,000	$7,800,000

CIP ID# A03 | **W4 System Improvements**

WHY THIS PROJECT IS IMPORTANT

This project replaces aging, deteriorated equipment critical to the District's W4 system, which enables the use of treated effluent (cleaned wastewater) for various non-potable plant processes at the treatment plant.

ADDITIONAL BACKGROUND

- W4 water, which is disinfected and strained effluent, is utilized in various ways across the plant, including as wash water, sludge storage tank cooling, and in some toilets.
- This system allows the District to avoid the purchase of approximately 300 million gallons of potable city water each year, which totals about $2 million annually.
- Two chlorination systems, installed in 2006 and 2014, will be consolidated into a single system.

START	COMPLETION
2024	2027

PHASE (2027)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
Effluent Reuse

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$837,000	$2,670,000

CIP ID# A04 | Heat and Power Improvements

WHY THIS PROJECT IS IMPORTANT

The District's energy-producing biogas and thermal systems are outdated and require increased maintenance. The District completed a facilities plan to evaluate this infrastructure and provide alternatives for the use of District biogas for the next 20 years, given the need for equipment replacement. The preferred option is to create and sell pipeline-ready biogas and update the thermal systems.

ADDITIONAL BACKGROUND

- The District's treatment plant recovers approx. 295 million cubic feet of biogas per year.
- Biogas will be treated to remove carbon dioxide and other impurities and then injected into a local natural gas pipeline.
- Revenue will be generated from environmental credits for renewable fuel.
- This is a priority project in the District's 2026-2029 Three-Year Plan.

START	COMPLETION
2024	2032

PHASE (2027)
Design

PROJECT DRIVER
Condition

PROCESS AREA
Biogas Handling and Reuse

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$444,000	$46,000,000

CIP ID# A05.1 & A05.2 | Lagoon Dikes Improvements - Phases 1 & 2

WHY THIS PROJECT IS IMPORTANT

This project provides resilience against flooding for the District's Lagoon 2, a closed Superfund site, to prevent overtopping by Nine Springs Creek.

ADDITIONAL BACKGROUND

- The District's lagoons hold biosolids that contain Polychlorinated Biphenyls, or PCBs, and have been capped to isolate the contamination and protect the environment.
- The District is obligated to maintain the integrity of the site.
- The south dike nearly overtopped in 2018 due to heavy storms that resulted in substantial flooding in the region.
- This work is necessary to protect the natural environment and the waterways adjacent to this area.

START	COMPLETION
2020	2028

PHASE (2027)
Construction

PROJECT DRIVER
Regulatory

PROCESS AREA
Lagoon Storage Management

FUNDING SOURCE
Borrow

COSTS

	2027 Expenditure ($2027)	Total Project Cost
A05.1	$25,000	$1,850,000
A05.2	$1,001,000	$1,350,000

CIP ID# A06 | Maintenance, Financial and HR Systems

WHY THIS PROJECT IS IMPORTANT

This two-part project implements a new Enterprise Resource Planning (ERP) system and new Enterprise Asset Management (EAM) system. These systems ensure the District can effectively and reliably manage critical organizational information.

ADDITIONAL BACKGROUND

- The ERP provides financial and human resources functions. The EAM supports asset management, maintenance planning, and capital planning.
- The District is currently implementing Workday, the selected ERP system, with final software implementation stabilization completed in August 2027.
- The District is currently evaluating options to manage the EAM software portion of the project
- The EAM will follow similar steps as the ERP: securing a consultant, identifying requirements, selecting a system and an implementation firm, and system implementation.
- This is a priority project in the District's 2026-2029 Three-Year Plan.

START	COMPLETION
2020	2029

PHASE (2027)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
District Administration and Operations

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$2,816,000	$9,950,000



Finance Manager Ben Nerad is a critical part of the team helping to implement the financial portion of the District's new Enterprise Resource Planning (ERP) software, Workday.

CIP ID# A07 | **Metrogro Applicators & Equipment**

WHY THIS PROJECT IS IMPORTANT

The project provides annual funds for the planned replacement of Metrogro equipment, which is critical for managing the District's biosolids.

ADDITIONAL BACKGROUND

- The District's Metrogro program recycles biosolids to local farm fields, providing growers with a valuable, nutrient-rich organic fertilizer.
- Land application is a beneficial, cost-efficient and environmentally responsible way to manage biosolids.
- The District transports and applies 40 million gallons of biosolids annually.
- The District utilizes fleet management principles and asset management best practices to determine when to decommission and replace equipment.

START	COMPLETION
2015	2028

PHASE (2027)
Equipment

PROJECT DRIVER
Condition

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$290,000	$5,400,000

CIP ID# A08.1 & A08.2 | **Annual Solids Processing Tank Cleaning - 2027 & Future**

WHY THIS PROJECT IS IMPORTANT

This item provides funding for the annual cleaning of the District's solids-processing tanks, specifically the digester tanks, sludge storage tanks, and wells.

ADDITIONAL BACKGROUND

- Cleaning solids processing tanks helps ensure their operation well into the future.
- Cleaning allows tanks to maintain full capacity and avoid unnecessary wear due to buildup. Cleaning also provides staff with the opportunity to inspect and repair operational equipment.
- Tanks are cleaned on a rotating basis.
- Regular cleaning is important for infrastructure reliability.
- Project A08.1 provides funds for 2027. Project A08.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
Ongoing	Ongoing

PHASE (2027)
Annual

PROJECT DRIVER
Condition

PROCESS AREA
Process Tank Cleaning

FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
A08.1	$869,000	$870,000
A08.2	$0	$5,300,000

CIP ID# A09 | Treatment Plant HVAC Improvements - Group 1 Projects

WHY THIS PROJECT IS IMPORTANT

This project upgrades and replaces aging HVAC systems in various buildings on the Nine Springs campus.

ADDITIONAL BACKGROUND

- A comprehensive HVAC study of treatment plant facilities was finalized in 2021.
- Projects identified in the 2021 HVAC study were prioritized based on need. Group 1 projects are considered the most critical for meeting code requirements, improving personnel safety, or addressing conditions detrimental to existing equipment.
- No projects are planned for 2027.
- A consultant will be retained in 2027 to design and bid the eight remaining highly critical projects, with construction in 2028 and 2029.

START	COMPLETION
2027	2029

PHASE (2027)
Design

PROJECT DRIVER
Condition

PROCESS AREA
HVAC Upgrades

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$311,000	$3,800,000

CIP ID# A10.1 | Headworks Screening

WHY THIS PROJECT IS IMPORTANT

This project upgrades or replaces the screening equipment at the treatment plant's Headworks building.

ADDITIONAL BACKGROUND

- The Headworks building is where all influent, or incoming wastewater, enters the treatment plant.
- Screening equipment removes non-organic and nonflushable items, such as wipes, from influent. Removing this waste is critical to collecting, treating and returning high-quality effluent to the environment.
- The existing screening equipment is nearing the end of its useful life and creates O&M issues.
- This project is intended to occur simultaneously with A10.2.

START	COMPLETION
2027	2031

PHASE (2027)
Planning

PROJECT DRIVER
Condition

PROCESS AREA
Headworks Facility

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$10,000	$7,500,000

CIP ID# A10.2 | **Grit Processing Improvements Projects**

WHY THIS PROJECT IS IMPORTANT

This project updates and improves the grit processing equipment in the plant's Headworks building.

ADDITIONAL BACKGROUND

- Grit is heavy, inorganic and abrasive material, such as sand and silt. Due to its density, grit can cause equipment issues.
- Grit not removed at the Headworks Building accumulates in the plant's primary influent channels, tanks and digesters.
- This equipment is also nearing its end of life. Replacing it will improve grit removal efficiency, reduce O&M costs and improve downstream assets.
- This project is intended occur simultaneously with A10.1.

START	COMPLETION
2028	2031

PHASE (2027)
--

PROJECT DRIVER
Condition

PROCESS AREA
Headworks Facility

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$3,900,000

CIP ID# A11 | **Dryer & Seeding Modifications**

WHY THIS PROJECT IS IMPORTANT

This project enhances struvite production and efficiency in the District's Ostara system by modifying its dryer units and installing new seeding equipment.

ADDITIONAL BACKGROUND

- The District harvests struvite, a form of phosphorus, from wastewater through its Ostara brand system. Struvite is a marketable fertilizer and generates revenue for the District.
- Struvite must be dried for shipping. Dryer unit modifications are necessary to reduce dust production, thereby increasing production and throughput.
- Seeding enhances the precipitation and recovery of struvite. The District's Ostara system utilizes old, overhead seeding technology. This project will install new floor-level seeding equipment that is safer to use.

START	COMPLETION
2026	2027

PHASE (2027)
Construction

PROJECT DRIVER
Capacity

PROCESS AREA
Struvite Harvesting System

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$2,422,000	$2,700,000

CIP ID# A12.1 & A12.2 | Miscellaneous Treatment Plant Projects - 2027 & Future

ABOUT THIS PROJECT

This item provides an annual allowance for smaller, planned improvement projects to capital assets at the treatment plant during the budget year.

ADDITIONAL BACKGROUND

- These projects are needed to ensure that these assets remain in good working condition and to ensure the safety of the District's workers.
- In many cases, the projects are relatively small in scope, yet they are too large and time-consuming to be addressed by the District's maintenance staff.
- Costs of the work are financed through cash in the capital projects fund.
- Project A12.1 provides funds for 2027. Project A12.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
Ongoing	Ongoing

PHASE (2027)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
Various Locations

FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
A12.1	$187,000	$190,000
A12.2	$0	$1,050,000

CIP ID# A13.1 & A13.2 | Minor Capital Improvements - 2027 & Future

ABOUT THIS PROJECT

This item provides an annual allowance to fund small, unplanned, and urgent projects necessary to repair or modify capital assets at the treatment plant during the budget year.

ADDITIONAL BACKGROUND

- The unplanned and urgent nature of these projects often makes it difficult for District crews to readily perform the work in most cases.
- This budget item provides flexibility in prioritizing and implementing small projects to ensure that assets continue to operate and function reliably.
- This work is financed through cash in the capital projects fund.
- Project A13.1 provides funds for 2027. Project A13.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
Ongoing	Ongoing

PHASE (2027)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
Various Locations

FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
A13.1	$139,000	$140,000
A13.2	$0	$770,000

CIP ID# A14.1 & 14.2 | Annual Pavement Improvements - 2027 & Future

ABOUT THIS PROJECT

The roads and lots on the grounds of the Nine Springs Wastewater Treatment Plant and our 18 pumping stations are regularly subjected to heavy traffic from trucks and equipment. To address deterioration, the District budgets funds for resurfacing and pavement improvements. Since these improvements are not necessary in every budget year and the cost can vary, it is more efficient to fund them in the capital projects budget rather than the operating budget.

START	COMPLETION
Ongoing	Ongoing

PHASE (2027)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
Various Locations

FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
A14.1	$85,000	$85,000
A14.2	$0	$270,000



The roads and lots on the grounds of the Nine Springs Wastewater Treatment Plant and our 18 pumping stations are regularly subjected to heavy traffic from trucks and equipment.

CIP ID# A15.1 | Solids Processing Facilities & Digestion Upgrades

WHY THIS PROJECT IS IMPORTANT

The District currently recycles treated wastewater solids (biosolids), which it provides to local farmers as free liquid fertilizer called Metrogro. However, available farmland is declining, and weather limits when it can be applied. This project upgrades treatment plant processes to produce a cleaner, higher-grade Class A liquid biosolids fertilizer, reducing the volume of fertilizer that must be stored. This ensures the District can comply with state regulations, safely store material year-round, and provide a higher-quality product.

ADDITIONAL BACKGROUND

- State regulations require municipal wastewater plants to have the capacity to store biosolids for at least 180 days. Without any improvements, the storage capacity of the District's current tanks will drop to just 136 days by 2050, given projected community growth and biosolids production rates.
- Producing a Class A liquid product reduces overall volume, expanding total storage to 350 to 400 days without adding new tanks.
- Moving to Class A liquid will significantly reduce the total liquid volume, reducing heavy hauling trips on local roads by roughly two-thirds.
- Class A liquid has far greater pathogen reduction and improved fertilizer characteristics, making it a higher-quality product.

START	COMPLETION
2027	2032

PHASE (2027)
Design

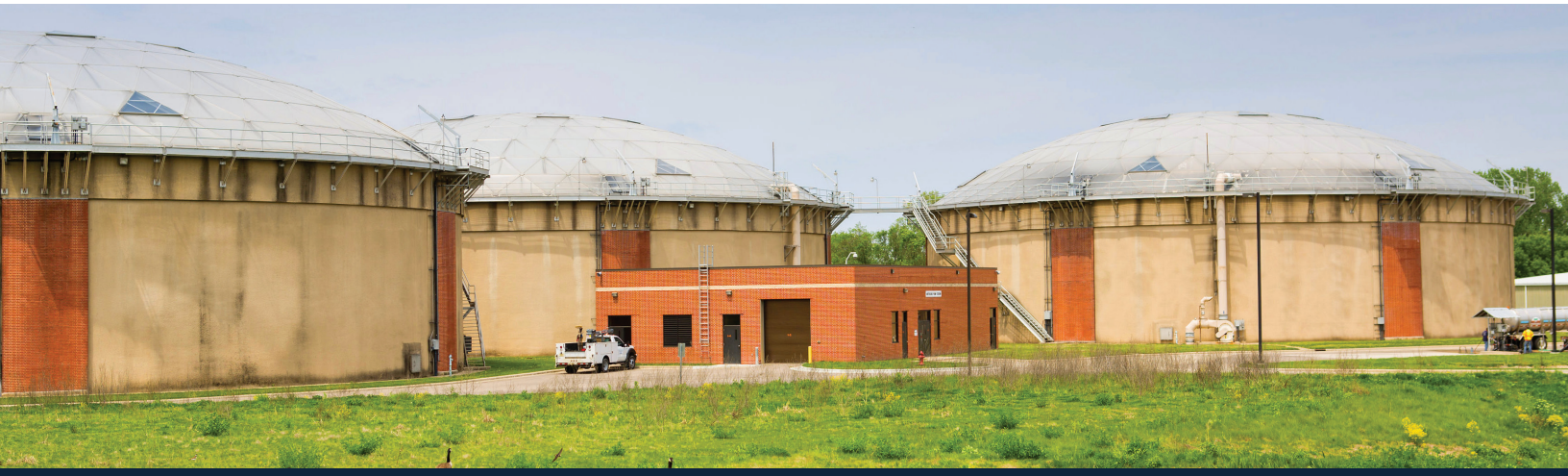
PROJECT DRIVER
Capacity

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$1,502,000	$166,500,000



Biosolids at the District are currently stored in these three large tanks before they are hauled out and applied as fertilizer across area farms. The District requires additional biosolids storage to remain in compliance with state codes.

CIP ID# A15.2 | Metrogro Storage and Fleet Maintenance Facility

WHY THIS PROJECT IS IMPORTANT

The Vehicle Loading Building (VLB), located east of South Towne Drive, is used to load Metrogro biosolids into semi-trailers for transport to agricultural fields for disposal. The facility is also used to store and maintain equipment for the biosolids program. A new facility is required due to limited loadout capacity and inadequate storage and maintenance space.

ADDITIONAL BACKGROUND

- The City of Madison plans to realign the South Towne Drive and Moorland Road intersection around 2033. The VLB needs to be relocated to accommodate the realignment.
- Realigning South Towne Drive and relocating VLB will provide additional space for the expansion of future sludge digestion facilities.
- The new storage and fleet maintenance facility will be sized to support the biosolids program and have additional storage space to consolidate other storage spaces at the plant to a central location.

START	COMPLETION
2027	2032

PHASE (2027)
Design

PROJECT DRIVER
Capacity

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$223,000	$25,000,000

CIP ID# A15.3 | Primary Sludge Management Improvements

WHY THIS PROJECT IS IMPORTANT

Early in the treatment process, large tanks remove 70% of solid waste from wastewater. The aging pumps and piping that drive this vital process are some of the oldest in the plant and need replacement to prevent system failures. This project also adds new screens to remove plastics, hair, and debris, protecting equipment and producing a cleaner biosolids product.

ADDITIONAL BACKGROUND

- This project replaces 10 primary sludge pumps and piping installed in the 1990s, vital for pulling settled solids from the initial treatment tanks.
- It also replaces six thickened sludge pumps and piping installed in 2006 that have worn down from continuous daily use.
- Updating these aging assets avoids unexpected operational breakdowns, keeps waste moving efficiently through the plant, and improves biosolids quality.

START	COMPLETION
2027	2032

PHASE (2027)
Design

PROJECT DRIVER
Condition

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$178,000	$20,000,000

CIP ID# A15.4 | WAS (Waste-Activated Sludge) Pre-Thickening Improvements

WHY THIS PROJECT IS IMPORTANT

The District recovers struvite, a form of phosphorus, from wastewater and recycles it into a commercially valuable, slow-release fertilizer. This project upgrades the pre-thickening process to capture more phosphorus efficiently while replacing an outdated system with modern, reliable equipment.

ADDITIONAL BACKGROUND

- This project replaces a single, outdated thickener that is past its useful life and lacks a backup system if it breaks down. The thickener will be replaced with gravity belt thickeners to help remove excess liquid.
- The project also provides process flexibility to handle higher flow rates as the District implements its new low-dissolved-oxygen process. This will allow for greater struvite recovery.

START	COMPLETION
2027	2032

PHASE (2027)
Design

PROJECT DRIVER
Condition

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$47,000	$5,500,000

CIP ID# A16 | Septage Receiving Modifications

WHY THIS PROJECT IS IMPORTANT

The District accepts hauled waste from permitted septage and pumping companies. The current septage receiving facilities have several operational and maintenance issues.

ADDITIONAL BACKGROUND

- The District receives about 35 million gallons of septage annually.
- Septage charges are a source of revenue for the District.
- A key modification needed is drive-through access to improve operations, safety, maintenance, and function of the facility and downstream processes.
- Other improvements identified include electronic access/sign-in; flow metering; auto sampling and refrigerated sample storage; prescreening to protect downstream equipment; and auto-ticketing to track waste loads better.

START	COMPLETION
2029	2033

PHASE (2027)
--

PROJECT DRIVER
Condition

PROCESS AREA
Hauled Waste

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$8,800,000

CIP ID# A17 | East Plant Primary Tank Rehabilitation

WHY THIS PROJECT IS IMPORTANT

This project replaces vital components of the primary clarifiers on the treatment plant's east side. These tanks are a critical step in the treatment process to ensure regulatory compliance.

ADDITIONAL BACKGROUND

- Primary clarification is the first step in removing solids, fats, oils, and grease from wastewater, and is critical to treatment plant function.
- Primary Tanks 05 through 16 were constructed between 1948 and 1978 and have not been rehabilitated. Components in these tanks are operating well beyond their useful lives, and replacement parts are not available in many cases.
- Project A17 addresses Primary Tanks 15 and 16. Primary Tanks 5 through 14, exclusive of Primary Tank 6, will be rehabilitated as part of the ongoing Liquid Processing Improvements (Phase 2) project.

START	COMPLETION
2029	2030

PHASE (2027)
--

PROJECT DRIVER
Condition

PROCESS AREA
Primary Treatment

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$1,590,000

CIP ID# A18 | West Plant Primary Tank Rehabilitation

WHY THIS PROJECT IS IMPORTANT

This project replaces the vital components of the primary clarifiers on the west side of the treatment plant. These tanks are a critical step in the treatment process to ensure regulatory compliance.

ADDITIONAL BACKGROUND

- Primary clarification is the first step in removing solids, fats, oils, and grease from wastewater, and is critical to treatment plant function.
- Project A18 addresses Primary Tanks 17 through 21. These tanks were built as part of the plant's Seventh Addition, and they have not been rehabilitated since their construction over 40 years ago.
- Components in these tanks are operating beyond their expected useful life, and replacement parts are difficult to procure.

START	COMPLETION
2030	2032

PHASE (2027)
--

PROJECT DRIVER
Condition

PROCESS AREA
Primary Treatment

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$4,135,000

CIP ID# B01 | Manhole Rehabilitation on West Interceptor

WHY THIS PROJECT IS IMPORTANT

This project rehabilitates 13 existing manholes on the Old West Interceptor to ensure they remain in good working condition.

ADDITIONAL BACKGROUND

- Portions of the West Interceptor were constructed in 1916, making it the District's oldest conveyance facility.
- In November 2024, a structural review of the 32 manholes on this interceptor to provide rehabilitation recommendations was completed.
- Due to heavy traffic, age and the absence of wall reinforcement, structural geopolymer coating and top deck replacement are recommended to cost-effectively support longevity and safety.
- Thirteen manhole rehabilitations will be completed as part of this project. Nineteen manholes will be rehabbed as part of other capital projects.

START	COMPLETION
2024	2027

PHASE (2027)
Construction

PROJECT DRIVER
Condition

LOCATION
West Interceptor along Regent Street between Randall Avenue and East Campus Mall, extending south to West Washington Avenue

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$678,000	$1,135,000

CIP ID# B02 | East Interceptor Rehabilitation - Pumping Station 07 to MH07-103

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects in the existing pipe and extends the service life of the East Interceptor from Pumping Station 7 to MH07-103.

ADDITIONAL BACKGROUND

- The East Interceptor was constructed in 1948, and 990 feet of 42-inch reinforced concrete pipe installed between MH07-103 and Pumping Station 7 has not been rehabilitated since initial installation.
- This section of the East Interceptor ranks high in priority in the District's collection system risk assessment. Video assessment completed in 2016 shows exposed rebar and surface deterioration.
- This section of the pipe will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement. Manhole work will also occur as part of this project.

START	COMPLETION
2026	2028

PHASE (2027)
Planning/Design

PROJECT DRIVER
Condition

LOCATION
East Interceptor from Pumping Station 7 to Winnequah Road

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$605,000	$800,000

CIP ID# B03 | SEI McFarland Relief Rehabilitation

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of the Southeast Interceptor (SEI) McFarland Relief.

ADDITIONAL BACKGROUND

- SEI McFarland Relief consists of about 400 feet of 20-inch ductile iron and 6,300 feet of 30-inch reinforced concrete pipe installed in 1987.
- A 2014 pipe assessment of this pipe showed visible surface damage due to corrosion and the formation of mineral deposits, which indicates infiltration, or groundwater leaking into the pipe, and joint failure.
- This interceptor ranks fifth in priority in the District's collection system risk assessment.
- This pipe will be rehabilitated with joint grouting and a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.

START	COMPLETION
2026	2029

PHASE (2027)
Design

PROJECT DRIVER
Condition

LOCATION
Southeast Interceptor - McFarland Relief from terminus of Pumping Station 9 McFarland Relief Force Main near Valor Way to Southeast Interceptor Blooming Grove Ext south of Tradewinds Parkway

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$145,000	$3,300,000

CIP ID# B04 | Southeast Interceptor Relocation at Yahara River

WHY THIS PROJECT IS IMPORTANT

This project relocates conveyance system facilities as required to accommodate a Wisconsin Department of Transportation (WisDOT) construction project on U.S. Highway 51 in the Village of McFarland.

ADDITIONAL BACKGROUND

- Several District manholes, a large junction chamber, and a portion of the Southeast Interceptor conflict with Segment 6 of WisDOT's project plan. These facilities serve Town of Dunn Sanitary District #3, Kegonsa Sanitary District, and the Village of McFarland.
- Several additional manholes near the construction site also require rehabilitation or adjustments and will be completed in conjunction with WisDOT's road construction project.
- Some District costs of this project will be compensable by WisDOT.

START	COMPLETION
2024	2027

PHASE (2027)
Construction

PROJECT DRIVER
Regulatory

LOCATION
Southeast Interceptor U.S. Highway 51 north of Yahara River Bridge, Village of McFarland

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$301,000	$1,050,000

CIP ID# B05 | **NEI - Truax Extension Rehab**

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of two segments of the Northeast Interceptor (NEI) – Truax Extension.

ADDITIONAL BACKGROUND

- The NEI system serves the City of Madison, the villages of Cottage Grove, DeForest, Waunakee, Windsor, and other municipalities.
- Video assessments of these segments showed visible surface damage due to corrosion in both. Infiltration is also an issue, with the second segment having two gushing leaks.
- Due to these condition defects, this project ranks high in priority in the District's collection system risk assessment.
- This pipe will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.

START	COMPLETION
2021	2028

PHASE (2027)
Design/Construction

PROJECT DRIVER
Condition

LOCATION
Northeast Interceptor between Lien Road and terminus of the Pumping Station 13 force main at U.S. Highway 51 and Rieder Road and running parallel to U.S. Highway 51 north of Pumping Station 13.

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$11,261,000	$12,200,000

CIP ID# B06 | **NEI - FEI to SEI Rehab**

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of the Northeast Interceptor (NEI) between the Southeast Interceptor (SEI) and Far East Interceptor (FEI).

ADDITIONAL BACKGROUND

- NEI was constructed in 1964 using reinforced concrete pipe. A portion of the NEI between U.S. Highway 12/18 and Femrite Drive was abandoned in 2013 with the construction of new sewers.
- The remaining sections of the 1964 sewers within these limits require rehabilitation due to pipe corrosion.
- These pipe segments and manholes will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.

START	COMPLETION
2027	2029

PHASE (2027)
Design

PROJECT DRIVER
Condition

LOCATION
Northeast Interceptor - Femrite Drive/Copps Avenue to Progress Road, City of Monona and City of Madison

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$109,000	$2,775,000

CIP ID# B07 | NEI Waunakee Extension Rehab (MH14-358 to MH14-362)

WHY THIS PROJECT IS IMPORTANT

This project addresses condition defects and capacity needs for the Waunakee Extension from MH14-358 to MH14-362.

ADDITIONAL BACKGROUND

- This pipe segment, installed in 1970, consists of 775 lineal feet of 10-inch vitrified clay pipe just south of Village Center Pond, Waunakee.
- Video assessment shows pipe deterioration and significant infiltration. Additionally, population assessments by the Capital Area Regional Planning Commission show this pipe segment will reach capacity by 2040.
- To address condition and capacity issues, pipe bursting will be used to replace the clay pipe with a new 12-inch pipe. All manholes will also be rehabilitated.
- Pipe bursting is more cost-effective and less disruptive than open-cut methods.

START	COMPLETION
2029	2031

PHASE (2027)
--

PROJECT DRIVER
Condition

LOCATION
Northeast Interceptor - Waunakee Extension; along southwest edge of Village Center Pond, Village of Waunakee

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$975,000

CIP ID# B08.1 | NSVI Capacity Improvements (Phase 1)

WHY THIS PROJECT IS IMPORTANT

This project addresses critical capacity needs in the Nine Springs Valley Interceptor (NSVI) system between Pumping Station 11 and just west of USH 14.

ADDITIONAL BACKGROUND

- This is the first phase of a multi-phase project to address capacity needs in the NSVI system.
- NSVI serves over 84,000 people. Additional capacity is required throughout the NSVI corridor before 2040 to accommodate fast growth in Verona, Fitchburg, Middleton and West Madison.
- The Phase 1 segment is estimated to reach capacity between 2027 and 2030. It covers about 6,000 feet of pipe along Lewis Springs E-Way.
- Replacement or relief sewers may be utilized. Staff is examining alternatives and understanding landowner interests to determine the route and best options.

START	COMPLETION
2024	2029

PHASE (2027)
Design/Construction

PROJECT DRIVER
Capacity

LOCATION
Nine Springs Valley Interceptor; Lewis Springs E-Way from Pumping Station 11 to west of USH 14, City of Fitchburg

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$1,149,000	$18,000,000

CIP ID# B08.2 | NSVI Capacity Improvements (Phase 2)

WHY THIS PROJECT IS IMPORTANT

This project addresses critical capacity and condition needs in a portion of the Nine Springs Valley Interceptor (NSVI).

ADDITIONAL BACKGROUND

- NSVI serves over 84,000 people. Additional capacity is required in the NSVI system before 2040 to accommodate fast growth in Verona, Fitchburg, Middleton and West Madison.
- Phase 2 is estimated to reach capacity by approximately 2027. It covers about 3,500 feet of pipe upstream of Pumping Station 12, a portion of which is located within Goose Lake in the Town of Verona.
- In 2023/2024, a segment of Phase 2 pipe required emergency repairs. This phase was expedited to address the poor pipe conditions in the area.
- Replacement sewers are the preferred approach given the condition and location of the pipes.

START	COMPLETION
2024	2028

PHASE (2027)
Construction

PROJECT DRIVER
Capacity

LOCATION
Nine Springs Valley Interceptor - Mineral Point Extension; from Pumping Station 12 along the south side of USH 18/151, Town of Verona

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$7,711,000	$15,585,000

CIP ID# B09.1 | West Interceptor Rehab - Babcock Hall to Dayton Street

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of the West Interceptor between Babcock Hall and Dayton Street and manholes between Dayton and Spring streets.

ADDITIONAL BACKGROUND

- Part of this interceptor was constructed in 1916, making it the District's oldest conveyance facility.
- The pipe within the project limits is constructed of cast iron. The pipe shows significant evidence of tuberculation (deposit buildup) and corrosion. The deposits reduce the pipe's carrying capacity and may compromise its integrity.
- This pipe segment will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.
- Nine manholes will be rehabilitated as part of the project.

START	COMPLETION
2025	2029

PHASE (2027)
Design

PROJECT DRIVER
Condition

LOCATION
West Interceptor Along Babcock Drive, University Avenue and North Randall Avenue, City of Madison

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$52,000	$2,000,000

CIP ID# B09.2 | West Interceptor Rehab - Farley Avenue to Marshall Court

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of the West Interceptor on University Avenue from Farley Avenue to Marshall Court and manholes between Farley Avenue and Paunack Place.

ADDITIONAL BACKGROUND

- This part of the West Interceptor was constructed in 1931.
- 1,500 feet of original, 18-inch vitrified clay pipe experiences excessive rates of inflow and infiltration (I & I) and requires rehabilitation.
- These pipe segments will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.
- Twelve manholes will also be rehabilitated. One manhole will receive a polymer coating to ensure structural integrity.

START	COMPLETION
2025	2029

PHASE (2027)
Design

PROJECT DRIVER
Condition

LOCATION
West Interceptor Along University Avenue between Marshall Court and Paunack Place, City of Madison

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$31,000	$1,175,000

CIP ID# B10 | NEI - Rehab West of Airport (Phases 2 & 3)

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of a portion of the Northeast Interceptor Waunakee/DeForest Extension (NEIWD).

ADDITIONAL BACKGROUND

- The NEI system serves the City of Madison, the villages of Cottage Grove, DeForest, Waunakee, Windsor, and other municipalities.
- This project addresses a 4,500-foot segment of NEIWD west of Dane County Regional Airport and east of Pumping Station 14. NEIWD was built of reinforced concrete pipe between 1964 and 1971.
- Video assessments of this pipe segment showed visible surface damage due to corrosion.
- This pipe will be rehabilitated in one or two phases with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.

START	COMPLETION
2028	2030

PHASE (2027)
--

PROJECT DRIVER
Condition

LOCATION
Northeast Interceptor West of the Dane County Regional Airport and east of Pumping Station 14, City of Madison

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$4,125,000

CIP ID# B11 | Southeast Interceptor Rehabilitation on USH 51 (Phase 2)

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of the Southeast Interceptor (SEI) along U.S. Highway 51 from Meinders Road to U.S. Highway 12/18

ADDITIONAL BACKGROUND

- This portion of SEI was installed in 1961 and consists of asbestos cement pipe. This project addresses the segment between MH 07-810 and MH07-218.
- Video assessments of this pipe in 2014 and 2021 showed several defects, including surface corrosion, cracks, missing pipe materials and sheets of material hanging from the pipe surface.
- This pipe will likely be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement. However, a future WisDOT project that is not yet scoped may require this segment to be relocated and replaced.

START	COMPLETION
2031	2035

PHASE (2027)
--

PROJECT DRIVER
Condition

LOCATION
Southeast Interceptor along USH 51 between Meinders Road and the USH 12/18 (Beltline) Interchange

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$3,060,000

CIP ID# B12 | West Interceptor on Regent Street (Park Street to East Campus Mall)

WHY THIS PROJECT IS IMPORTANT

This project increases the capacity of approx. 600 feet of West Interceptor sewer on Regent Street between Park Street and East Campus Mall. A new sewer will replace the aging pipeline, which is one of the oldest District facilities in the collection system.

ADDITIONAL BACKGROUND

- This portion of the West Interceptor was constructed in 1916 and consists of cast iron. The sewer was rehabilitated with a liner in 2017.
- This segment of the sewer is expected to reach capacity around 2040.
- The City of Madison has tentative plans to reconstruct Regent Street east of Park Street in 2032. Coordinating the sewer replacement with the road construction will be more cost-effective, minimize disruption to the public, and address system capacity needs.

START	COMPLETION
2030	2033

PHASE (2027)
--

PROJECT DRIVER
Condition

LOCATION
West Interceptor- Regent Street from Park Street to East Campus Mall, City of Madison

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$0	$1,300,000

CIP ID# B13 | South Interceptor Replacement at John Nolen Drive

WHY THIS PROJECT IS IMPORTANT

This project replaces portions of the South Interceptor located near the intersection of E. Olin Avenue and John Nolen Drive. The replacement sewer will be sized to convey flows from high-growth redevelopment in the area served by this sewer.

ADDITIONAL BACKGROUND

- This portion of the South Interceptor was constructed in 1967 and is comprised of asbestos cement pipe.
- The City of Madison intends to reconstruct John Nolen Drive between the Beltline Highway and E. Olin Avenue in 2029. This project allows the South Interceptor to be replaced and upsized as part of the road reconstruction.
- Replacing the sewer in conjunction with the road project should allow it to be installed with conventional open-cut methods, which are less costly than trenchless construction.

START	COMPLETION
2027	2030

PHASE (2027)
Design

PROJECT DRIVER
Capacity

LOCATION
South Interceptor/Lakeside Extension- John Nolen Drive between Olin Avenue and Rimrock Road, City of Madison

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$78,000	$1,950,000

CIP ID# C01.1 | Pumping Station 16 Rehabilitation

WHY THIS PROJECT IS IMPORTANT

This project replaces and rehabilitates mechanical and electrical equipment at Pumping Station 16 (PS 16) to ensure reliable station operation.

ADDITIONAL BACKGROUND

- PS16 was placed into service in 1981. No rehabilitation projects have been completed since.
- Mechanical and electrical equipment in the station are nearing the end of their useful life, which is about 40 years.
- This project is expected to include replacement of cast iron fittings and valves in the drywell piping; new electrical generator, switchgear and motor control centers; variable frequency drives; and HVAC system replacement.
- Due to odor concerns, a comprehensive odor control evaluation will be completed and incorporated into the project.

START	COMPLETION
2027	2031

PHASE (2027)
Planning

PROJECT DRIVER
Condition

LOCATION
Pumping Station 16

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$16,000	$8,700,000

CIP ID# C01.2 | **Pumping Station 16 Force Main Rehabilitation**

WHY THIS PROJECT IS IMPORTANT

This project corrects condition defects to prevent overflows and extend the service life of the Pumping Station 16 (PS 16) force main on North Gammon Road between Colony Drive and Mineral Point Road.

ADDITIONAL BACKGROUND

- The PS16 force main was installed in 1979-1980 on Gammon Road.
- The system consists of approximately 6,900 feet of both pressurized and non-pressurized ductile iron pipe. Video assessment shows that approximately 1,600 feet of the non-pressurized sewer has visible corrosion damage.
- The project proposes to either rehabilitate the corroded force main sections with a cured-in-place liner or replace those sections with new pipe.
- This work will be coordinated with Project C01.1.

START	COMPLETION
2021	2031

PHASE (2027)
Planning

PROJECT DRIVER
Condition

LOCATION
North Gammon Road, Colony Drive to Mineral Point Road, City of Madison

FUNDING SOURCE
Borrow

COSTS

2027 Expenditure ($2027)	Total Project Cost
$5,000	$3,050,000

CIP ID# C02.1 & C02.2 | **Force Main Condition Assessment - Pumping Station 15 Force Main & Future**

WHY THIS PROJECT IS IMPORTANT

The project conducts condition assessments on District force mains.

ADDITIONAL BACKGROUND

- Black & Veatch developed a Force Main Condition Assessment Plan for the District in 2017, which recommends when and how the condition assessments should be performed.
- Force mains are challenging to inspect as they are difficult to access, under pressure and cannot be taken out of service for long periods of time.
- New technology can address these challenges, but the inspections require careful planning and can be costly to perform.
- Project C02.1 provides funding to assess the Pumping Station 15 force main, an identified priority. Project C02.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
2027	2032

PHASE (2027)
Planning (CO2.1)

PROJECT DRIVER
Condition

LOCATION
Various

FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
C02.1	$16,000	$550,000
C02.2	$0	$2,500,000

CIP ID# C03 | Pumping Station 11 & 12 Surge Valve Access Platforms

WHY THIS PROJECT IS IMPORTANT

This project installs access platforms at Pumping Stations 11 and 12 to safely access, operate and maintain each station's force main surge valve.

ADDITIONAL BACKGROUND

- Both pump stations were rehabilitated between 2014 and 2017. As part of these rehabilitation projects, a new surge valve was installed on the force main header piping at each station to protect the piping against pressure waves and surges.
- Surge valves require access and periodic maintenance, but no provisions were designed into the project to provide safe access to these valves.
- This project installs new, permanent access platforms for staff safety. Both platforms will be installed as part of the same project to maximize cost benefits.

START	COMPLETION
2026	2027

PHASE (2027)
Construction

PROJECT DRIVER
Condition

LOCATION
Pumping Stations 11 and 12

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$50,000	$240,000

CIP ID# C04 | Pumping Stations 5 & 15 Force Main Isolation Valve Replacements

WHY THIS PROJECT IS IMPORTANT

This project replaces the force main isolation valves serving the Pumping Station 5 (PS 5) and PS 15 force mains, where the two pipelines converge.

ADDITIONAL BACKGROUND

- These force mains converge into a single force main in Madison's Spring Harbor Park.
- Upstream of this convergence point, each force main has a gate valve that allows for the isolation of flow from either Pumping Station 5 or 15.
- These gate valves, installed in 1959 and 1972, respectively, are in poor condition, frozen and inoperable, creating a potential point of failure in each force main.
- Replacement of the valves is necessary to build in operational flexibility, allow for equipment maintenance, and serve in emergency events.

START	COMPLETION
2027	2028

PHASE (2027)
Planning/Design

PROJECT DRIVER
Condition

LOCATION
Spring Harbor Park, City of Madison

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$93,000	$850,000

CIP ID# C05.1& C05.2 | Miscellaneous Collection System Projects - 2027 & Future

WHY THIS PROJECT IS IMPORTANT

These projects provide funding to make modifications or minor improvements to collection system assets.

ADDITIONAL BACKGROUND

- These projects are needed to ensure that collection system assets remain in good working condition as they age and to ensure the safety of the District's workers.
- In many cases, the projects are relatively small in scope (generally less than $150,000) yet are too large and time-consuming to be addressed by the District's maintenance staff.
- Costs of the work are financed through cash in the capital projects fund.

START	COMPLETION
Ongoing	Ongoing

PHASE (2027)
Construction

PROJECT DRIVER
Condition

LOCATION
Conveyance System

FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
C05.1	$118,000	$120,000
C05.2	$0	$650,000



Collection System Services worker at the District, collects samples and flow data from inside a manhole.

CIP ID# C06.1 & C06.2 | **Pumping Station 2 Force Main Condition Assessment & Rehabilitation**

WHY THIS PROJECT IS IMPORTANT

The Pumping Station 2 (PS 2) force main is one of five force mains that deliver wastewater directly to the Nine Springs Wastewater Treatment Plant. In August 2025, a force main leak caused a sanitary sewer overflow on District grounds. These projects investigate the cause of the leak, assess the overall condition of the force main system, and implement any necessary repairs.

ADDITIONAL BACKGROUND

- The PS 2 force main was installed in 2001 and consists of a 36-inch-diameter ductile iron pipe. It conveys flow from PS 2, located in the City of Madison's Brittingham Park, to the treatment plant.
- The PS 2 force main also accepts flow from the Pumping Station 3 and 4 force mains. Shutdowns and repairs to the system are more complex due to this parallel pumping system.
- The PS 2 force main conveyed an average daily flow of approximately 6.3 million gallons per day in 2025.

START	COMPLETION
2026	2029

PHASE (2027)
Study (C06.1) & Planning (CO6.2)

PROJECT DRIVER
Condition

LOCATION
Pumping Station 2 Force Main between Pumping Station 2 and NSWWTP

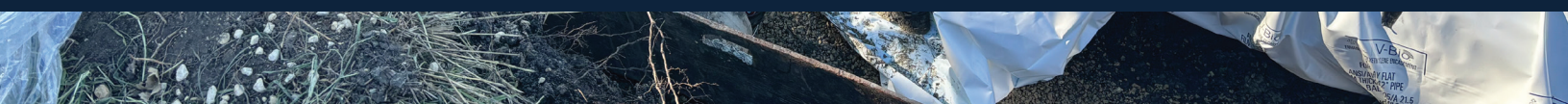
FUNDING SOURCE
Cash

COSTS

	2027 Expenditure ($2027)	Total Project Cost
C06.1	$225,000	$400,000
C06.2	$104,000	$4,350,000



Contractors work on the final repair of the Pumping Station 2 Force Main following an August 2025 sanitary sewer overflow.



CIP ID# C07 | Pumping Station 2 Variable Frequency Drive Replacements

WHY THIS PROJECT IS IMPORTANT

This project replaces the variable frequency drives that serve Pumps A and B at Pumping Station 2 (PS 2).

ADDITIONAL BACKGROUND

- Variable frequency drives (VFDs) allow pumps to operate at different speeds so the pumping rate can better match the incoming flow rate. They provide flexibility, reliability, and energy efficiency during pumping operations.
- Fifteen years is the expected lifespan of a VFD. Both VFDs were installed in 2005 when PS 2 was rehabilitated, and both are beyond their expected life.
- Pump B's VFD experienced a catastrophic failure in March 2025 and is unrepairable. Given its increased risk of failure with age, Pump A's VFD also requires replacement.

START	COMPLETION
2026	2027

PHASE (2027)
Design/Construction

PROJECT DRIVER
Condition

LOCATION
Pumping Station 2

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$590,000	$700,000

CIP ID# C08 | Pumping Station 1 Variable Frequency Drive Replacements

WHY THIS PROJECT IS IMPORTANT

This project replaces the variable frequency drives (VFDs) that serve Pumps A and B at Pumping Station 1 (PS 1). The Pump B VFD has failed and is no longer operational, and the Pump A VFD is operating beyond its expected useful life.

ADDITIONAL BACKGROUND

- VFDs allow pumps to operate at different speeds so the pumping rate can better match the incoming flow rate. They provide flexibility, reliability, and energy efficiency during pumping operations.
- Fifteen years is the expected lifespan of a VFD. Both VFDs were installed in 2004 when PS 1 was rehabilitated, and both are beyond their expected life.
- The Pump B VFD failed in mid-2025, and the pump is restricted to emergency use.

START	COMPLETION
2027	2028

PHASE (2027)
Design

PROJECT DRIVER
Condition

LOCATION
Pumping Station 1

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$93,000	$710,000

CIP ID# D01 | **Collection System Facilities Plan Update**

WHY THIS PROJECT IS IMPORTANT

This project funds engineering consulting services and District staff time to update the District's Collection System Facilities Plan.

ADDITIONAL BACKGROUND

- A facility plan is a statutory requirement and must be submitted to the Wisconsin Department of Natural Resources (WDNR) for approval.
- The District's Collection System Facilities Plan reviews and assesses the adequacy and condition of the District's collection system assets to identify and recommend future projects.
- The plan was last updated in 2011. It is periodically updated based on population and growth projections completed by Capital Area Regional Planning Commission (CARPC).

START	COMPLETION
2018	2027

PHASE (2027)
Planning

PROJECT DRIVER
Condition

LOCATION
Collection System

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$30,000	$450,000

CIP ID# D02 | **Badger Mill Creek Phosphorus Compliance**

WHY THIS PROJECT IS IMPORTANT

This project is to address state- and federally-mandated phosphorus water quality criteria for Badger Mill Creek, a former District outfall.

ADDITIONAL BACKGROUND

- The District evaluated possible solutions from 2019-2023. In 2023, the District's Commission approved the discontinuance of effluent return to Badger Mill Creek.
- The approval included funding for projects to support the health and resiliency of the creek. A portfolio of projects was developed through a year-long stakeholder process in 2023-2024.
- Funding for the projects is on hold pending legal challenges to WDNR's approval of the District's areawide water quality plan amendment.
- The Badger Mill Creek outfall is no longer in the District's WPDES permit.

START	COMPLETION
2019	2029

PHASE (2027)
Planning/Design

PROJECT DRIVER
Regulatory

LOCATION
Badger Mill Creek - Town of Verona and City of Verona

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$150,000	$2,250,000

CIP ID# D03 | **Collection System Evaluation**

WHY THIS PROJECT IS IMPORTANT

This project will develop population and flow estimates for current and future conditions in the District's service area. The results will be used to identify capacity needs for collection system assets, so that improvements can be included in future Capital Improvement Plans.

ADDITIONAL BACKGROUND

- Current population estimates will use information from the latest U.S. Census. This work will be coordinated with the Capital Area Regional Planning Commission.
- Population forecasts will consider information from the comprehensive plans of the District's customer communities.
- The District's hydraulic computer model will be used to route flows through the collection system and identify areas of concern.

START	COMPLETION
2027	2029

PHASE (2027)
Study

PROJECT DRIVER
Capacity

LOCATION
Collection System

FUNDING SOURCE
Cash

COSTS

2027 Expenditure ($2027)	Total Project Cost
$233,000	$700,000



(From left), Treatment Plant Manager Matt Seib, Process & Research Engineer Carly Amstadt, and Electrical Engineer Mark Brunner review the District's collection system map. The District evaluates the capacity of this system every 10 years to ensure it can meet growth demands.

APPENDIX D
Completed Capital Improvement Projects

This appendix reports on planned additions and major changes in District facilities and services to meet annual reporting requirements per Wisconsin State Statute Chapter 200.11(1)(e).

2025 PROJECT COMPLETIONS

2021 TREATMENT PLANT IMPROVEMENT PROJECT

This project upgraded aging HVAC equipment in four plant buildings: Metrogro Pumping Station, Headworks Building, GBT Building, and DAF facility. Illingworth-Kilgust Mechanical, Inc., was awarded the project in January 2023. The project experienced delays due to lead times for air handling units and other equipment. The Commission accepted project work on June 26, 2025. The total project cost of $2.3 million was financed with a Clean Water Fund loan.

PUMPING STATION 4 REHABILITATION

Pumping Station 4, placed into service in 1967, required rehabilitation to ensure it has adequate firm and maximum pumping capacity for the next 50 years. The project included replacement of existing pumps; enhancement of power system resiliency, including a permanent onsite generator; replacement of major electrical and control equipment; installation of new HVAC and odor control systems; replacement of manual valves and gates; installation of new flow metering equipment, and major wet well repairs. J.F. Ahern Co. was awarded the contract on December 15, 2022. The Commission accepted the project on December 18, 2025. The total project cost of $4.8 million was financed with a Clean Water Fund loan.

WEST INTERCEPTOR REHAB – SEGOE ROAD TO SHOREWOOD BLVD

This portion of the West Interceptor was constructed in 1931 and represents the first interceptor constructed by the District after its establishment in 1930. The vitrified clay pipe was rehabilitated with a cured-in-place pipe, and manholes were lined. The contract was awarded on February 27, 2025, to Visu-Sewer LLC. Project costs included a smaller emergency project that Hoerr Construction completed in late 2023 to line segments that were structurally concerning and warranted immediate rehabilitation. The Commission accepted the emergency work on January 11, 2024, and the work associated with the Visu-Sewer LLC contract was accepted on November 26, 2025. The total project cost of $1.2 million was financed with cash in the Capital Projects Fund.



A new permanent generator is installed at Pumping Station 4.

2026 FINAL/SUBSTANTIAL PROJECT COMPLETIONS

HEAT & POWER IMPROVEMENTS

The 2020 Energy Management Master Plan evaluated the appropriate pathways for energy infrastructure replacement over a 20-year period. A facilities plan was the next step in the process, which has a narrower scope. The focus of the Heat and Power Improvements Facilities Plan was to evaluate the need for improvements to aging infrastructure related to the distribution and utilization of biogas and the generation and distribution of thermal energy at the plant. These improvements were evaluated to determine whether the District should continue using its biogas to generate electricity more efficiently, or convert it to renewable natural gas and sell it to others. The project was awarded to Carollo Engineers, Inc. on April 25, 2024. The facilities plan was completed at the end of 2025, and the Commission accepted it on August 13, 2026. The total project cost of $860,000 was financed with cash in the Capital Projects Fund.

FLOW SPLITTER IMPROVEMENTS

The Nine Springs Wastewater Treatment Plant has two concurrent treatment routes — the West Complex and East Complex — and the flow splitter structure allows operators to regulate the quantity of wastewater to each complex. The existing flow splitter structure was constructed in 2005 during the 10th Addition. In 2021, a visual inspection of the flow splitter revealed severe concrete deterioration throughout the structure.

The project included removal and replacement of deteriorated concrete in the flow splitter structure, installation of a new protective coating, installation of new sluice gates, rehabilitation of stop log guide frames, and replacement of existing concrete troughs within the structure with fiberglass-reinforced plastic troughs. Additionally, a permanent bypass of the structure was constructed to minimize bypass pumping costs during construction and allow for future maintenance of the flow splitter structure. The contract was awarded to August Winter and Sons, Inc. on July 11, 2024. Substantial completion occurred in February of 2026, and the project was accepted by the Commission on June 25, 2026. The total project cost of $7.0 million is being financed with a Clean Water Fund loan.

CROSSTOWN FORCE MAIN AIR RELEASE VALVE SADDLE TAP REPLACEMENTS

The Crosstown force main was constructed in 2002 and conveys wastewater from Pumping Station 1 to Pumping Station 2. Due to the topography and numerous utility conflicts along its length, the force main profile varies significantly, and several high points exist where entrained air can collect. To mitigate air accumulation in the pipeline, air release valves were installed at these high points. This project replaced 10 tapping structures and isolation valves used to connect the air release valves to the pipeline. A contract for this work was awarded by the Commission to Parisi Construction, LLC. on January 15, 2026. The work was completed in the first half of 2026, and the Commission accepted the work at its meeting on July 16, 2026. The total project cost of $170,000 was financed with reserves in the Capital Projects Fund.



Project Engineer Kaylin Hackeloer-King inspects progress on the Flow Splitter Improvements project.

PUMPING STATION 17 FORCE MAIN RELIEF (PHASE 2)

Pumping Station 17 currently serves land within the City of Verona, and the station and its force main are nearing capacity. Additionally, the District is working in 2026 to complete construction of the Lower Badger Mill Creek Interceptor between Shady Oak Lane and Midtown Road; when completed, the City of Madison's Midtown Pumping Station will be abandoned, and the flow to the Midtown station will be redirected to Pumping Station 17. In advance of this diversion, a relief force main for Pumping Station 17 was needed to provide the required future capacity.

The relief force main project was divided into two phases. The first phase was completed in 2022. The contract for the second phase was awarded to Minger Construction Companies, Inc. on August 31, 2023. A certificate of substantial completion was issued on May 27, 2025. The Commission accepted the project on March 12, 2026. The total project cost for the District's share is $10.1 million, and it is being financed through a Clean Water Fund loan.

SOUTHEAST INTERCEPTOR REHABILITATION ON USH 51 (PHASE 1)

This project corrects condition defects and extends the service life of the Southeast Interceptor along U.S. Highway 51 from the end of the Pumping Station 9 force main to Meinders Road. The 12-inch asbestos-cement pipe installed in 1961 was rehabilitated using a cured-in-place pipe. All manholes were also lined as part of the project. Visu-Sewer, LLC, was awarded the project on October 17, 2024, and the interceptor lining was completed in the spring of 2025. The Commission accepted the work on March 12, 2026. The total project cost of $525,000 is being financed with cash in the Capital Projects Fund.



A crew installs a 24-inch sanitary sewer pipe in a 42-inch steel casing pipe on Pumping Station 17 Force Main Relief - Phase 2 project. This pipe was constructed by trenchless technologies under Old Highway PB in the Town of Verona.

2026 ANTICIPATED PROJECT COMPLETIONS

NEI – WAUNAKEE CAPACITY IMPROVEMENTS (PHASE 1)

The project is the first of three phases of the Northeast Interceptor (NEI) Waunakee Capacity Improvements project. Additional capacity is needed to accommodate growth in the Village of Waunakee and Town of Westport. Route selection and preliminary design of the overall project began in July 2022. The Phase 1 project included installing approximately 3,460 linear feet of 36-inch and 42-inch sanitary sewer. The construction contract was awarded to R.G. Huston Company, Inc. on June 27, 2024. Substantial completion of the project occurred in November 2025. The anticipated total project cost of $10.3 million is financed with a Clean Water Fund loan.

PUMPING STATION 17 FIRM CAPACITY IMPROVEMENTS

Pumping Station 17 currently only serves land within the City of Verona, and the station and its force main are nearing capacity. Additionally, the District is working in 2026 to complete construction of the Lower Badger Mill Creek Interceptor between Shady Oak Lane and Midtown Road; when completed, the City of Madison's Midtown Pumping Station will be abandoned, and the flow to the Midtown station will be redirected to Pumping Station 17. This project increases the station's pumping capacity for the next 10 to 15 years by replacing the existing pumps and associated electrical and control equipment.

The contract for the project was awarded to August Winter & Sons, Inc. on January 25, 2024. The anticipated total cost for the project is $5.5 million, and it is being financed with a Clean Water Fund loan.

WEST INTERCEPTOR SHOREWOOD RELIEF (PHASE 3)

This project is the final phase of the overall West Interceptor Shorewood Relief project. Phase 3 includes the installation of 3,460 linear feet of 30-inch, 36-inch, 42-inch, and 48-inch sanitary sewer. The Phase 3 project has been built in two sections. The Shorewood Section runs from Shorewood Boulevard to Marshall Court, connecting the downstream end of Phase 1 to the upstream end of Phase 2. The Highland Section runs from the downstream end of Phase 2, east of University Bay Drive, to the upstream end of the Walnut Street siphon on the west side of Walnut Street. Phase 3 completes the overall Shorewood Relief project from Indian Hills Park to Walnut Street and will also mark the relief or replacement of virtually the entire length (over three miles) of the West Interceptor Relief.

This effort began a quarter century ago near Camp Randall with Phase 1 (of 4) of the Campus Relief Project. Design of the Shorewood Relief project started in June 2019. The construction contract for Phase 3 was awarded to Speedway Sand & Gravel, Inc. on May 30, 2024. After extensive engagement with affected stakeholders during the design phase, it was decided in early 2024 to defer the work east of University Bay Drive from 2024 to 2025 to mitigate the project's impact on University Hospital and other adjacent facilities. The anticipated total project cost of $8.3 million is being financed with cash in the Capital Projects Fund.



Project Engineer Aaron McFarlin uses a locator pole at the NEI-Waunakee Extension construction site.

BIOSOLIDS FACILITIES PLAN

In October 2024, the District published a request for proposals for the preparation of a Biosolids Facilities Plan to address capacity and condition issues with the District's biosolids program. The identified needs included the following: 1). Additional storage capacity for thickened biosolids; 2). Greater loadout and hauling capacity of biosolids to agricultural fields; and 3). More acreage for land application of biosolids. Strand Associates, Inc. was selected to prepare the plan, and a contract was awarded in April 2025. The facilities plan conducted a comprehensive analysis of the District's solids-handling processes, including condition assessments of major assets and the identification of needed improvements. The plan recommends that the District convert its existing Class B liquid product to a Class A liquid product that will have significantly less volume and greater pathogen reduction. The final plan is expected to be delivered in October 2026. The anticipated total project cost of $600,000 is being financed with reserves in the Capital Projects Fund. It is possible that these costs will be included in a future Clean Water Fund loan when the biosolids infrastructure improvements are constructed.

SLUDGE THICKENERS NO. 1 AND NO. 2 DRIVE AND MECHANISM REPLACEMENT

The sludge thickeners are used to thicken primary sludge prior to digestion. Thickener tanks No. 1 and No. 2 were constructed in 1961 as part of the Fourth Addition to the treatment plant. The drives and mechanisms have undergone routine preventative maintenance since that time and have been rebuilt several times through the years. Due to the age and condition of this equipment, a contract to replace it was awarded to Sabel Mechanical, LLC. at the Commission meeting on October 17, 2024. The anticipated total project cost of $970,000 is being financed with reserves in the Capital Projects Fund.

LOWER BADGER MILL CREEK INTERCEPTOR (PHASE 6)

This is the final phase of a multi-year project to install a new interceptor in the Lower Badger Mill Creek corridor between Pumping Station 17 (PS 17) in the City of Verona and Midtown Road to support new development. This phase of the project involved construction between Shady Oak Lane in the Town of Verona and Midtown Road in the City of Madison. Upon completion of this phase, the City of Madison's Midtown Road Pumping Station will be abandoned, and wastewater flow north of Midtown Road will flow by gravity to PS 17. A contract for the Phase 6 construction was awarded by the Commission to Integrity Grading and Excavating, Inc. on March 13, 2025. The anticipated total project cost of $5.3 million is being financed with reserves in the Capital Projects Fund.

PUMPING STATION 10 FORCE MAIN REPAIRS

This force main is part of the Northeast Interceptor system, which serves the northerly and easterly areas of the collection system, including the City of Madison, the villages of Cottage Grove, DeForest, Waunakee, Windsor, and other municipalities. Pumping Station 10 conveys the second-highest average daily flow among the District's 18 pumping stations. Given this fact and the lack of redundancy in this part of the collection system, the Pumping Station 10 force main is considered a critical asset. In 2018, a wastewater leak was discovered entering the station through the annular space where the pipeline exits the structure. A contract to repair the force main was awarded by the Commission to Terra Engineering & Construction, Corp. on August 14, 2025. The anticipated total project cost of $2.0 million is being financed with reserves in the Capital Projects Fund.

APPENDIX E
Capital Projects & Capital Finance Information

Table CIP-1A: **Total Project Cost Authorizations**

This table shows total costs for projects included in the six-year CIP. For each project, the total project cost of the current budget year is compared to that of the preceding year.

		Authorization in 2026 Plan	Proposed Authorization in 2027 Plan	Change in Authorization	
Treatment Plant		**$281,371,000**	**$469,892,000**	**$188,521,000**	**67%**
A01	Liquid Processing Improvements- Phase 2*	92,000,000	108,000,000	16,000,000	17%
A02	Laboratory Remodel	4,800,000	7,800,000	3,000,000	63%
A03	W4 System Improvements	1,500,000	2,670,000	1,170,000	78%
A04	Heat and Power Improvements	50,914,000	46,000,000	(4,914,000)	-10%
A05.1	Lagoon Dikes Improvements (Phase 1)	4,000,000	1,850,000	(2,150,000)	-54%
A05.2	Lagoon Dikes Improvements (Phase 2)	-	1,350,000	1,350,000	n/a
A06	Maintenance, Financial and HR Systems	8,950,000	9,950,000	1,000,000	11%
A07	Metrogro Applicators & Equipment	5,400,000	5,400,000	-	0%
A08.1	Annual Solids Processing Tank Cleaning 2027	-	870,000	870,000	n/a
A08.2	Annual Solids Processing Tank Cleaning- Future	5,100,000	5,300,000	200,000	4%
A09	Treatment Plant HVAC Improvements- Group 1 Projects	4,000,000	3,800,000	(200,000)	-5%
A10.1	Headworks Screening	5,500,000	7,500,000	2,000,000	36%
A10.2	Grit Processing Improvements	2,800,000	3,900,000	1,100,000	39%
A11	Dryer & Seeding Modifications	1,300,000	2,700,000	1,400,000	108%
A12.1	Miscellaneous Treatment Plant Projects 2027	-	190,000	190,000	n/a
A12.2	Miscellaneous Treatment Plant Projects- Future	1,000,000	1,050,000	50,000	5%
A13.1	Minor Capital Improvements 2027	-	140,000	140,000	n/a
A13.2	Minor Capital Improvements- Future	740,000	770,000	30,000	4%
A14.1	Annual Pavement Improvements 2027	-	85,000	85,000	n/a
A14.2	Annual Pavement Improvements- Future	270,000	270,000	-	0%
A15	Biosolids Infrastructure**	50,000,000	-	(50,000,000)	-100%
A15.1	Solids Processing Facilities and Digestion Upgrades	-	166,500,000	166,500,000	n/a
A15.2	Metrogro Storage and Fleet Maintenance Facility	-	25,000,000	25,000,000	n/a
A15.3	Primary Sludge Management Improvements	-	20,000,000	20,000,000	n/a
A15.4	WAS Pre-Thickening Improvements	-	5,500,000	5,500,000	n/a
A16	Septage Receiving Modifications	8,650,000	8,800,000	150,000	2%
A17	East Plant Primary Tank Rehabilitation	1,575,000	1,590,000	15,000	1%
A18	West Plant Primary Tank Rehabilitation	4,100,000	4,135,000	35,000	1%
N/A	Flow Splitter Improvements	7,600,000	7,600,000	-	0%
N/A	2021 Treatment Plant HVAC Improvement Project	2,450,000	2,450,000	-	0%
N/A	NSWWTP Electrical Service Equipment Replacement	12,000,000	12,000,000	-	0%
N/A	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	1,025,000	1,025,000	-	0%
N/A	Miscellaneous Treatment Plant Projects 2024	123,000	123,000	-	0%
N/A	Biosolids Facilities Plan	750,000	750,000	-	0%
N/A	Miscellaneous Treatment Plant Projects 2025	175,000	175,000	-	0%
N/A	Minor Capital Improvements 2025	450,000	450,000	-	0%
N/A	Annual Pavement Improvements 2025	80,000	80,000	-	0%
N/A	Annual Solids Processing Tank Cleaning 2025	935,000	935,000	-	0%
N/A	Annual Solids Processing Tank Cleaning 2026	1,250,000	1,250,000	-	0%
N/A	Minor Capital Improvements 2026	134,000	134,000	-	0%
N/A	Norsman Properties (1701 & 1705 Moorland Road)	1,800,000	1,800,000	-	0%

**indicates that a project has subprojects, see Table CIP-1B.*

***Biosolids Infrastructure was listed as a project in the 2026 CIP. The 2027 CIP breaks this project into four subprojects, as shown by Project ID's A15.1 through A15.4.*

Table CIP-1A: **Total Project Cost Authorizations** continued

		Authorization in 2026 Plan	Proposed Authorization in 2027 Plan	Change in Authorization	
Interceptors		**$86,259,000**	**$100,534,000**	**$14,275,000**	**17%**
B01	Manhole Rehabilitation on West Interceptor	1,050,000	1,135,000	85,000	8%
B02	East Interceptor Rehabilitation- PS07 to MH07-103	800,000	800,000	-	0%
B03	SEI McFarland Relief Rehabilitation	3,000,000	3,300,000	300,000	10%
B04	Southeast Interceptor Relocation at Yahara River	925,000	1,050,000	125,000	14%
B05	NEI- Truax Extension Rehab	10,200,000	12,200,000	2,000,000	20%
B06	NEI- FEI to SEI Rehab	2,650,000	2,775,000	125,000	5%
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)	775,000	975,000	200,000	26%
B08.1	NSVI Capacity Improvements (Phase 1)	14,000,000	18,000,000	4,000,000	29%
B08.2	NSVI Capacity Improvements (Phase 2)	9,650,000	15,585,000	5,935,000	62%
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	1,875,000	2,000,000	125,000	7%
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	1,055,000	1,175,000	120,000	11%
B10	NEI- Rehab West of Airport (Phases 2 & 3)	4,125,000	4,125,000	-	0%
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)	3,050,000	3,060,000	10,000	0%
B12	West Interceptor on Regent Street (Park Street to East Campus Mall)	1,300,000	1,300,000	-	0%
B13	South Interceptor Replacement at John Nolen Drive	-	1,950,000	1,950,000	n/a
N/A	Lower Badger Mill Creek Interceptor- Phase 5	1,900,000	1,900,000	-	0%
N/A	Lower Badger Mill Creek Interceptor- Phase 6	6,000,000	6,000,000	-	0%
N/A	NEI- Waunakee Extension Capacity Improvements (Phase 1)	11,000,000	11,000,000	-	0%
N/A	West Interceptor- Shorewood Relief (Phase 2)	1,754,000	1,754,000	-	0%
N/A	West Interceptor- Shorewood Relief (Phase 3)	8,500,000	8,500,000	-	0%
N/A	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	1,350,000	1,350,000	-	0%
N/A	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	1,300,000	600,000	(700,000)	-54%
Pumping Stations and Force Mains		**$55,334,000**	**$59,699,000**	**$4,365,000**	**8%**
C01.1	Pumping Station 16 Rehabilitation	8,500,000	8,700,000	200,000	2%
C01.2	Pumping Station 16 Force Main Rehabilitation	2,900,000	3,050,000	150,000	5%
C02.1	Force Main Condition Assessment- PS 15 Force Main	550,000	550,000	-	0%
C02.2	Force Main Condition Assessment- Future	2,500,000	2,500,000	-	0%
C03	PS 11 & PS 12 Surge Valve Access Platforms	225,000	240,000	15,000	7%
C04	PS 5 & PS 15 Force Main Isolation Valve Replacements	850,000	850,000	-	0%
C05.1	Miscellaneous Collection System Projects 2027	-	120,000	120,000	n/a
C05.2	Miscellaneous Collection System Projects- Future	630,000	650,000	20,000	3%
C06.1	Pumping Station 2 Force Main Condition Assessment	-	400,000	400,000	n/a
C06.2	Pumping Station 2 Force Main Replacement (Rehab)	-	4,350,000	4,350,000	n/a
C07	Pumping Station 2 Variable Frequency Drive Replacements	600,000	700,000	100,000	17%
C08	Pumping Station 1 Variable Frequency Drive Replacements	-	710,000	710,000	n/a
N/A	Pumping Station 4 Rehabilitation	7,069,000	7,069,000	-	0%
N/A	Pumping Station 17 Firm Capacity Improvements	8,100,000	6,000,000	(2,100,000)	-26%
N/A	Pumping Station 17 Force Main Relief- Phase 2	12,010,000	12,010,000	-	0%
N/A	Crosstown Force Main Air Release Valve Saddle Tap Replacements	625,000	625,000	-	0%
N/A	Pumping Station Bar Screens	7,750,000	8,150,000	400,000	5%
N/A	Force Main Condition Assessment- PS 10 Force Main	550,000	550,000	-	0%
N/A	Miscellaneous Collection System Projects 2026	115,000	115,000	-	0%
N/A	Pumping Station 10 Force Main Repairs	2,250,000	2,250,000	-	0%
N/A	Miscellaneous Collection System Projects 2025	110,000	110,000	-	0%
Capital Budget Expenses		**$2,515,000**	**$3,400,000**	**$885,000**	**35%**
D01	Collection System Facilities Plan Update	415,000	450,000	35,000	8%
D02	Badger Mill Creek Phosphorus Compliance	2,100,000	2,250,000	150,000	7%
D03	Collection System Evaluation	-	700,000	700,000	n/a
Grand Total		**$425,479,000**	**$633,525,000**	**$208,046,000**	**49%**

Table CIP-1B: **Total Estimated Subproject Costs for Bundled Projects**

This table provides a breakdown of total project costs for projects authorized in previous CIPs but subsequently combined or bundled into a single consolidated project for bidding and construction purposes.

	2026	Estimated 2027	Increase	
Liquid Processing Improvements - Phase 2	**92,000,000**	**108,000,000**	**16,000,000**	**17%**
East Primary Influent Channel Air Piping Replacement	4,035,000	4,700,000	665,000	16%
Low Dissolved Oxygen (Partial Plant)	-	-	-	-
Low Dissolved Oxygen (Full Plant)	61,665,000	72,400,000	10,735,000	17%
West Blowers and Switchgear Replacement	9,700,000	11,400,000	1,700,000	18%
East Blowers and Switchgear Replacement	9,700,000	11,400,000	1,700,000	18%
East Plant Primary Tank Rehabilitation (LPI)	6,900,000	8,100,000	1,200,000	17%

Table CIP-2: **2025-2027 Expenditures by Project**

This table lists annual expenditures by project

		2025 Actual	2026 Through June	2026 Estimated	2027 Anticipated
Treatment Plant		**$17,668,000**	**$8,545,229**	**$21,389,000**	**$37,915,000**
A01	Liquid Processing Improvements- Phase 2	2,538,000	1,641,657	7,430,000	25,475,000
A02	Laboratory Remodel	-	-	8,000	560,000
A03	W4 System Improvements	148,000	243,376	1,570,000	837,000
A04	Heat and Power Improvements	514,000	8,393	16,000	444,000
A05.1	Lagoon Dikes Improvements (Phase 1)	282,000	74,308	889,000	25,000
A05.2	Lagoon Dikes Improvements (Phase 2)	-	-	130,000	1,001,000
A06	Maintenance, Financial and HR Systems	575,000	1,201,901	2,351,000	2,816,000
A07	Metrogro Applicators & Equipment	897,000	31,961	425,000	290,000
A08.1	Annual Solids Processing Tank Cleaning 2027	-	-	-	869,000
A08.2	Annual Solids Processing Tank Cleaning- Future	-	-	-	
A09	Treatment Plant HVAC Improvements- Group 1 Projects	-	-	-	311,000
A10.1	Headworks Screening	-	-	-	10,000
A10.2	Grit Processing Improvements	-	-	-	
A11	Dryer & Seeding Modifications	36,000	48,922	240,000	2,422,000
A12.1	Miscellaneous Treatment Plant Projects 2027	-	-	-	187,000
A12.2	Miscellaneous Treatment Plant Projects- Future	-	-	-	
A13.1	Minor Capital Improvements 2027	-	-	-	139,000
A13.2	Minor Capital Improvements- Future	-	-	-	
A14.1	Annual Pavement Improvements 2027	-	-	-	85,000
A14.2	Annual Pavement Improvements- Future	-	-	-	
A15	Biosolids Infrastructure	-	-	-	
A15.1	Solids Processing Facilities and Digestion Upgrades	-	-	-	1,502,000
A15.2	Metrogro Storage and Fleet Maintenance Facility	-	-	-	223,000
A15.3	Primary Sludge Management Improvements	-	-	-	178,000
A15.4	WAS Pre-Thickening Improvements	-	-	-	47,000
A16	Septage Receiving Modifications	-	-	-	-
A17	East Plant Primary Tank Rehabilitation	-	-	-	-
A18	West Plant Primary Tank Rehabilitation	-	-	-	-
N/A	2021 Treatment Plant HVAC Improvement Project	71,000	-	-	-
N/A	Annual Pavement Improvements 2025	43,000	-	-	-
N/A	Annual Solids Processing Tank Cleaning 2025	651,000	-	-	-
N/A	Annual Solids Processing Tank Cleaning 2026	-	4,019	600,000	-
N/A	Biosolids Facilities Plan	253,000	178,292	330,000	-
N/A	Flow Splitter Improvements	6,136,000	317,360	511,000	-
N/A	Minor Capital Improvements 2025	33,000	169,623	300,000	-
N/A	Minor Capital Improvements 2026	-	-	75,000	-
N/A	Miscellaneous Treatment Plant Projects 2024	8,000	-	-	-
N/A	Miscellaneous Treatment Plant Projects 2025	74,000	8,159	35,000	-

Table CIP 2: **2025-2027 Expenditures by Project** continued

		2025 Actual	2026 Through June	2026 Estimated	2027 Anticipated
N/A	Norsman Properties (1701 & 1705 Moorland Road)	1,688,000	-	100,000	-
N/A	NSWWTP Electrical Service Equipment Replacement	3,154,000	4,425,175	5,980,000	495,000
N/A	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	568,000	192,084	399,000	-
Interceptors		**$16,905,000**	**$1,501,941**	**$4,646,000**	**$22,197,000**
B01	Manhole Rehabilitation on West Interceptor	-	-	60,000	678,000
B02	East Interceptor Rehabilitation- PS07 to MH07-103	6,000	27,533	70,000	605,000
B03	SEI McFarland Relief Rehabilitation	-	-	10,000	145,000
B04	Southeast Interceptor Relocation at Yahara River	82,000	6,395	559,000	301,000
B05	NEI- Truax Extension Rehab	7,000	29,281	320,000	11,261,000
B06	NEI- FEI to SEI Rehab	-	-	-	109,000
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)	-	-	-	-
B08.1	NSVI Capacity Improvements (Phase 1)	305,000	111,070	270,000	1,149,000
B08.2	NSVI Capacity Improvements (Phase 2)	1,033,000	173,493	712,000	7,711,000
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	-	446	5,000	52,000
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	-	203	5,000	31,000
B10	NEI- Rehab West of Airport (Phases 2 & 3)	-	-	-	-
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)	-	-	-	-
B12	West Interceptor on Regent Street (Park Street to East Campus Mall)	-	-	-	-
B13	South Interceptor Replacement at John Nolen Drive	-	-	-	78,000
N/A	Lower Badger Mill Creek Interceptor- Phase 5	1,000	-	-	
N/A	Lower Badger Mill Creek Interceptor- Phase 6	3,179,000	916,935	1,725,000	25,000
N/A	NEI- Waunakee Extension Capacity Improvements (Phase 1)	6,038,000	26,935	226,000	25,000
N/A	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	404,000	12,540	32,000	-
N/A	West Interceptor- Shorewood Relief (Phase 2)	12,000	-	3,000	3,000
N/A	West Interceptor- Shorewood Relief (Phase 3)	4,850,000	196,627	635,000	25,000
N/A	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	989,000	484	15,000	-
Pumping Stations and Force Mains		**$5,974,000**	**$2,333,345**	**$6,930,000**	**$5,425,000**
C01.1	Pumping Station 16 Rehabilitation	-	-	-	16,000
C01.2	Pumping Station 16 Force Main Rehabilitation	-	-	-	5,000
C02.1	Force Main Condition Assessment- PS 15 Force Main	-	-	-	16,000
C02.2	Force Main Condition Assessment- Future	-	-	-	-
C03	PS 11 & PS 12 Surge Valve Access Platforms	-	1,741	186,000	50,000
C04	PS 5 & PS 15 Force Main Isolation Valve Replacements	-	-	-	93,000
C05.1	Miscellaneous Collection System Projects 2027	-	-	-	118,000
C05.2	Miscellaneous Collection System Projects- Future	-	-	-	
C06.1	Pumping Station 2 Force Main Condition Assessment	-	5,552	145,000	255,000
C06.2	Pumping Station 2 Force Main Replacement (Rehab)	-	-	-	104,000
C07	Pumping Station 2 Variable Frequency Drive Replacements	-	3,010	90,000	590,000
C08	Pumping Station 1 Variable Frequency Drive Replacements	-	-	-	93,000
N/A	Crosstown Force Main Air Release Valve Saddle Tap Replacements	2,000	5,009	165,000	-
N/A	Force Main Condition Assessment- PS 10 Force Main	1,000	3,146	435,000	80,000
N/A	Miscellaneous Collection System Projects 2025	12,000	51,034	59,000	-
N/A	Miscellaneous Collection System Projects 2026	-	-	114,000	-
N/A	Pumping Station 10 Force Main Repairs	116,000	845,439	1,911,000	-
N/A	Pumping Station 17 Firm Capacity Improvements	3,092,000	1,132,058	1,527,000	25,000
N/A	Pumping Station 17 Force Main Relief- Phase 2	1,526,000	232,796	255,000	26,000
N/A	Pumping Station 4 Rehabilitation	1,005,000	1,768	43,000	-
N/A	Pumping Station Bar Screens	219,000	51,791	2,000,000	3,955,000
Capital Budget Expenses		**$155,000**	**$33,193**	**$121,000**	**$413,000**
D01	Collection System Facilities Plan Update	30,000	11,361	70,000	30,000
D02	Badger Mill Creek Phosphorus Compliance	125,000	20,733	50,000	150,000
D03	Collection System Evaluation	-	-	-	233,000
N/A	Miscellaneous Capital Expenses	-	1,099	1,000	-
Grand Total		**$40,703,000**	**$12,413,707**	**$33,086,000**	**$65,949,000**

Table CIP-3: **2025-2027 Annual Budgets & Expenditures**

This table shows total annual budgets for 2025-2027, with actual and estimated spending for 2025 and 2026, respectively.

	Capital Budget		2027 Proposed CIP	
	2025	**2026**	**2027**	**2026-2027 Change**
Budgets	$43,933,000	$36,128,000	$65,949,000	83%
Expenditures (Actual 2025; Estimated 2026)	40,703,000	33,086,000		
Underspending	*$3,230,000*	*$3,042,000*		

Table CIP-4: **Loan Proceeds**

This table provides a summary of loan revenues by project(s). Preceding year values are actual disbursements received from the State of Wisconsin's Clean Water Fund (CWF) for projects under construction or recently completed. Current year and subsequent year values are estimates based on the District's financing needs.

	2025 Actual	2026 Estimated	2027 Anticipated
Pump Station 4 Rehabilitation	$4,068,000	$184,000	-
Flow Splitter Rehab	$5,304,000	1,796,000	-
Pump Station 17 Force Main- Phase 2	2,515,000	700,000	-
2021 Treatment Plant HVAC Improvement Project	2,090,000	40,000	-
Pump Station 17 Firm Capacity Improvements	2,042,000	2,825,000	-
NSWWTP Electrical Service Equipment Replacement	3,175,000	6,500,000	1,100,000
NEI- Waunakee Extension Capacity Improvements (Phase 1)	8,884,000	1,366,000	-
NSVI Capacity Improvements (Phase 1)	-	-	1,774,000
NSVI Capacity Improvements (Phase 2)	-	-	8,305,000
Liquid Processing Improvement (Phase 2)	-	-	36,334,000
Lagoon Dikes Improvements (Phase 1)	-	987,000	663,000
Lagoon Dikes Improvements (Phase 2)	-	-	1,018,000
Heat & Power Improvements	-	-	1,284,000
Biosolids Infrastructure	-	-	1,910,000
Grand Total	**$28,078,000**	**$14,398,000**	**$52,389,000**

Table CIP-5: **Six-Year Spending Forecast**

This table presents the anticipated annual inflation-adjusted costs for each project.

Project No.	Project Title	2027	2028	2029	2030	2031	2032
Treatment Plant		**$37,915,000**	**$39,874,000**	**$54,352,000**	**$86,419,000**	**$103,920,000**	**$91,713,000**
A01	Liquid Processing Improvements- Phase 2	25,475,000	25,475,000	30,540,000	15,275,000	-	-
A02	Laboratory Remodel	560,000	904,000	3,440,000	2,834,000	-	-
A03	W4 System Improvements	837,000	-	-	-	-	-
A04	Heat and Power Improvements	444,000	1,379,000	2,853,000	12,894,000	14,434,000	13,007,000
A05.1	Lagoon Dikes Improvements (Phase 1)	25,000	-	-	-	-	-
A05.2	Lagoon Dikes Improvements (Phase 2)	1,001,000	43,000	-	-	-	-
A06	Maintenance, Financial and HR Systems	2,816,000	1,805,000	1,849,000	-	-	-
A07	Metrogro Applicators & Equipment	290,000	150,000		-	-	-
A08.1	Annual Solids Processing Tank Cleaning 2027	869,000	-	-	-	-	-
A08.2	Annual Solids Processing Tank Cleaning- Future	-	868,000	931,000	982,000	1,543,000	957,000
A09	Treatment Plant HVAC Improvements- Group 1 Projects	311,000	2,582,000	893,000	-	-	-
A10.1	Headworks Screening	10,000	252,000	632,000	3,249,000	3,346,000	-
A10.2	Grit Processing Improvements	-	32,000	216,000	1,427,000	2,200,000	-
A11	Dryer & Seeding Modifications	2,422,000	-	-	-	-	-
A12.1	Miscellaneous Treatment Plant Projects 2027	187,000	-	-	-	-	-
A12.2	Miscellaneous Treatment Plant Projects- Future	-	194,000	201,000	207,000	213,000	219,000
A13.1	Minor Capital Improvements 2027	139,000	-	-			
A13.2	Minor Capital Improvements- Future	-	144,000	149,000	153,000	158,000	162,000
A14.1	Annual Pavement Improvements 2027	85,000	-		-	-	-
A14.2	Annual Pavement Improvements- Future	-	-	90,000	-	95,000	
A15	Biosolids Infrastructure	-	-	-	-	-	-
A15.1	Solids Processing Facilities and Digestion Upgrades	1,502,000	4,664,000	9,656,000	36,396,000	59,980,000	54,058,000
A15.2	Metrogro Storage and Fleet Maintenance Facility	223,000	689,000	1,427,000	5,376,000	8,861,000	7,985,000
A15.3	Primary Sludge Management Improvements	178,000	551,000	1,141,000	4,298,000	7,084,000	6,384,000
A15.4	WAS Pre-Thickening Improvements	47,000	145,000	297,000	1,123,000	1,848,000	1,665,000
A16	Septage Receiving Modifications	-	-	11,000	571,000	1,753,000	5,621,000
A17	East Plant Primary Tank Rehabilitation	-	-	28,000	1,559,000	-	-
A18	West Plant Primary Tank Rehabilitation	-	-	-	74,000	2,405,000	1,654,000
N/A	NSWWTP Electrical Service Equipment Replacement	495,000	-	-	-	-	-
Interceptors		**$22,197,000**	**$18,564,000**	**$14,602,000**	**$10,402,000**	**$10,488,000**	**$10,969,000**
B01	Manhole Rehabilitation on West Interceptor	678,000	166,000	22,000	206,000	-	-
B02	East Interceptor Rehabilitation- PS07 to MH07-103	605,000	70,000	-	-	-	-
B03	SEI McFarland Relief Rehabilitation	145,000	428,000	2,689,000	-	-	-
B04	Southeast Interceptor Relocation at Yahara River	301,000	-	-	-	-	-
B05	NEI- Truax Extension Rehab	11,261,000	584,000	-	-	-	-
B06	NEI- FEI to SEI Rehab	109,000	1,210,000	1,441,000	-	-	-
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)	-	-	22,000	46,000	882,000	-
B08.1	NSVI Capacity Improvements (Phase 1)	1,149,000	9,962,000	6,020,000	-	-	-
B08.2	NSVI Capacity Improvements (Phase 2)	7,711,000	5,811,000	-	-	-	-
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	52,000	118,000	1,818,000	-	-	-
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	31,000	70,000	1,048,000	-	-	-
B10	NEI- Rehab West of Airport (Phases 2 & 3)	-	27,000	238,000	3,694,000	-	-
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)	-	-	-	-	12,000	67,000

Table CIP-5: **Six-Year Spending Forecast** continued

Project No.	Project Title	2027	2028	2029	2030	2031	2032
B12	West Interceptor on Regent Street (Park Street to East Campus Mall)	-	-	-	11,000	94,000	903,000
B13	South Interceptor Replacement at John Nolen Drive	78,000	118,000	1,303,000	445,000	-	-
N/A	Collection System Projects- Future	-	-	-	6,000,000	9,500,000	10,000,000
	Lower Badger Mill Creek Interceptor- Phase 6	25,000	-	-	-	-	-
	NEI- Waunakee Extension Capacity Improvements (Phase 1)	25,000	-	-	-	-	-
	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	-	-	-	-	-	-
	West Interceptor- Shorewood Relief (Phase 2)	3,000	-	-	-	-	-
	West Interceptor- Shorewood Relief (Phase 3)	25,000	-	-	-	-	-
Pumping Stations and Force Mains		**$5,425,000**	**$4,092,000**	**$6,637,000**	**$6,525,000**	**$6,474,000**	**$6,399,000**
C01.1	Pumping Station 16 Rehabilitation	16,000	220,000	1,020,000	3,654,000	3,764,000	-
C01.2	Pumping Station 16 Force Main Rehabilitation	5,000	129,000	399,000	1,913,000	565,000	-
C02.1	Force Main Condition Assessment- PS 15 Force Main	16,000	134,000	399,000	-	-	-
C02.2	Force Main Condition Assessment- Future	-	-	44,000	417,000	1,012,000	260,000
C03	PS 11 & PS 12 Surge Valve Access Platforms	50,000	-	-	-	-	-
C04	PS 5 & PS 15 Force Main Isolation Valve Replacements	93,000	736,000	-	-	-	-
C05.1	Miscellaneous Collection System Projects 2027	118,000	-	-	-	-	-
C05.2	Miscellaneous Collection System Projects- Future	-	122,000	126,000	130,000	134,000	138,000
C06.1	Pumping Station 2 Force Main Condition Assessment	255,000	-	-	-	-	-
C06.2	Pumping Station 2 Force Main Replacement (Rehab)	104,000	166,000	3,648,000	411,000	-	-
C07	Pumping Station 2 Variable Frequency Drive Replacements	590,000	-	-	-	-	-
C08	Pumping Station 1 Variable Frequency Drive Replacements	93,000	611,000	-	-	-	-
N/A	Force Main Condition Assessment- PS 10 Force Main	80,000	-	-	-	-	-
	Pumping Station 17 Firm Capacity Improvements	25,000	-	-	-	-	-
	Pumping Station 17 Force Main Relief- Phase 2	26,000		-	-	-	-
	Pumping Station Bar Screens	3,955,000	1,975,000	-	-	-	-
	Pumping Station Projects- Future	-	-	1,000,000	-	1,000,000	6,000,000
Capital Budget Expenses		**$413,000**	**$1,241,000**	**$472,000**	**-**	**-**	**-**
D01	Collection System Facilities Plan Update	30,000	-	-	-	-	-
D02	Badger Mill Creek Phosphorus Compliance	150,000	1,000,000	250,000	-	-	-
D03	Collection System Evaluation	233,000	241,000	222,000	-	-	-
Grand Total		**$65,949,000**	**$63,771,000**	**$76,063,000**	**$103,347,000**	**$120,882,000**	**$109,080,000**

Table CIP-6: **Six-Year Capital Projects Phases**

This table presents the anticipated schedule for each project by phase within the six-year CIP window. For each project, the predominant phase is shown for a given year. When two phases are likely to occur in the same year, both phases are indicated.

A = Annual | C = Construction | C/O = Construction and Operation | D = Design | D/C = Design and Construction | E = Equipment Purchase
O = Operation | P = Planning | P/D = Planning & Design | S = Study | S/T = Study & Testing | T = Testing

Project #	Project Title	2027	2028	2029	2030	2031	2032
Treatment Plant							
A01	Liquid Processing Improvements- Phase 2	C	C	C	C		
A02	Laboratory Remodel	D	D/C	C	C		
A03	W4 System Improvements	C					
A04	Heat and Power Improvements	D	D	D	C	C	C
A05.1	Lagoon Dikes Improvements (Phase 1)						
A05.2	Lagoon Dikes Improvements (Phase 2)	C	C				
A06	Maintenance, Financial and HR Systems	C	C	C			
A07	Metrogro Applicators & Equipment	E	E				
A08.1	Annual Solids Processing Tank Cleaning 2027	A					
A08.2	Annual Solids Processing Tank Cleaning- Future		A	A	A	A	A
A09	Treatment Plant HVAC Improvements- Group 1 Projects	D	C	C			
A10.1	Headworks Screening	P	D	D	C	C	
A10.2	Grit Processing Improvements		D	D	C	C	
A11	Dryer & Seeding Modifications	C					
A12.1	Miscellaneous Treatment Plant Projects 2027	C					
A12.2	Miscellaneous Treatment Plant Projects- Future		C	C	C	C	C
A13.1	Minor Capital Improvements 2027	C					
A13.2	Minor Capital Improvements- Future		C	C	C	C	C
A14.1	Annual Pavement Improvements 2027	C					
A14.2	Annual Pavement Improvements- Future			C		C	
A15	Biosolids Infrastructure	D	D	D	C	C	C
A15.1	Solids Processing Facilities and Digestion Upgrades	D	D	D	C	C	C
A15.2	Metrogro Storage and Fleet Maintenance Facility	D	D	D	C	C	C
A15.3	Primary Sludge Management Improvements	D	D	D	C	C	C
A15.4	WAS Pre-Thickening Improvements	D	D	D	C	C	C
A16	Septage Receiving Modifications			P	D	D/C	C
A17	East Plant Primary Tank Rehabilitation			D	C		
A18	West Plant Primary Tank Rehabilitation				D	C	C
N/A	NSWWTP Electrical Service Equipment Replacement	C					
Interceptors							
B01	Manhole Rehabilitation on West Interceptor	C	C				
B02	East Interceptor Rehabilitation- PS07 to MH07-103	D/C	C				
B03	SEI McFarland Relief Rehabilitation	D	D/C	C			
B04	Southeast Interceptor Relocation at Yahara River	C					
B05	NEI- Truax Extension Rehab	D/C	C				
B06	NEI- FEI to SEI Rehab	D	D/C	C			
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)			S	D	C	
B08.1	NSVI Capacity Improvements (Phase 1)	D/C	C	C			
B08.2	NSVI Capacity Improvements (Phase 2)	C	C				
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	D	D	C			
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	D	D	C			
B10	NEI- Rehab West of Airport (Phases 2 & 3)		P	D	C		
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)					P	D
B12	West Interceptor on Regent Street (Park Street to East Campus Mall)				D	D	C
B13	South Interceptor Replacement at John Nolen Drive	D	D	C	C		
N/A	Collection System Projects- Future			C	C	C	
	Lower Badger Mill Creek Interceptor- Phase 6	C					

Table CIP-6: **Six-Year Capital Projects Phases** continued

A = Annual	C = Construction	C/O = Construction and Operation	D = Design	D/C = Design and Construction	E = Equipment Purchase
O = Operation	P = Planning	P/D = Planning & Design	S = Study	S/T = Study & Testing	T = Testing

Project #	Project Title	2027	2028	2029	2030	2031	2032
Pumping Stations and Force Mains							
C01.1	Pumping Station 16 Rehabilitation	P	D	D/C	C	C	
C01.2	Pumping Station 16 Force Main Rehabilitation	P	D	D/C	C	C	
C02.1	Force Main Condition Assessment- PS 15 Force Main	P	D	C			
C02.2	Force Main Condition Assessment- Future			A	A	A	A
C03	PS 11 & PS 12 Surge Valve Access Platforms	C					
C04	PS 5 & PS 15 Force Main Isolation Valve Replacements	P/D	C				
C05.1	Miscellaneous Collection System Projects 2027	C					
C05.2	Miscellaneous Collection System Projects- Future		C	C	C	C	C
C06.1	Pumping Station 2 Force Main Condition Assessment	S					
C06.2	Pumping Station 2 Force Main Replacement (Rehab)	P	D	C			
C07	Pumping Station 2 Variable Frequency Drive Replacements	C					
C08	Pumping Station 1 Variable Frequency Drive Replacements	D	C				
N/A	Force Main Condition Assessment- PS 10 Force Main	C					
	Pumping Station Bar Screens	C	C				
	Pumping Station Projects- Future			C	C	C	
Capital Budget Expenses							
D01	Collection System Facilities Plan Update	P					
D02	Badger Mill Creek Phosphorus Compliance	A	A	A			
D03	Collection System Evaluation	S	S	S			

Table CIP-7: **Capital Project Spending by Driver**

This table outlines project drivers by year

	2027	2028	2029	2030	2031	2032
Condition	51,027,000	41,243,000	57,185,000	61,129,000	52,041,000	47,037,000
Regulatory	1,477,000	1,043,000	250,000	-	-	-
Capacity	13,445,000	21,485,000	18,628,000	42,218,000	68,841,000	62,043,000
Resilience	-	-	-	-	-	-
Grand Total	**$65,949,000**	**$63,771,000**	**$76,063,000**	**$103,347,000**	**$120,882,000**	**$109,080,000**

Table CIP-8: **Capital Projects Fund Cash Flow Summary**

This table presents the District's capital projects fund cash flow year to year. The closing balance from each year is carried over to the next year; revenues and expenditures are factored against this carryover, resulting in a significant portion netting out year to year. This tabole also shows the District's reserve target.

	2026	2027	2028	2029	2030	2031	2032
Opening Balance	**$35,800,000**	**$33,198,000**	**$31,532,000**	**$41,984,000**	**$31,518,000**	**$29,691,000**	**$23,236,000**
Revenues							
Clean Water Fund Loans	14,398,000	42,309,000	35,371,000	50,842,000	86,197,000	96,701,000	88,995,000
General Obligation Bonds	-	10,079,000	26,970,000	10,059,000	12,910,000	14,270,000	15,200,000
Connection Charges	4,040,000	4,079,000	4,118,000	4,157,000	4,197,000	4,236,000	4,276,000
Interest Revenues	1,074,000	996,000	946,000	1,260,000	946,000	594,000	465,000
Transfers From Operating Fund	10,972,000	6,821,000	6,818,000	(721,000)	(2,731,000)	(1,374,000)	3,600,000
Total Revenues	*30,484,000*	*64,284,000*	*74,223,000*	*65,597,000*	*101,519,000*	*114,427,000*	*112,536,000*
Expenditures							
Treatment Plant	21,389,000	37,915,000	39,874,000	54,352,000	86,419,000	103,920,000	91,713,000
Interceptors	4,646,000	22,197,000	18,564,000	14,602,000	10,402,000	10,488,000	10,969,000
Pumping Stations & Force Mains	6,930,000	5,425,000	4,092,000	6,637,000	6,525,000	6,474,000	6,399,000
Capital Budget Expenses	121,000	413,000	1,241,000	472,000	-	-	-
Total Expenditures	*33,086,000*	*65,950,000*	*63,771,000*	*76,063,000*	*103,346,000*	*120,882,000*	*109,081,000*
Closing Balance	**33,198,000**	**31,532,000**	**41,984,000**	**31,518,000**	**29,691,000**	**23,236,000**	**26,691,000**
Reserve Target	*29,450,000*	*38,112,000*	*44,884,000*	*50,471,000*	*54,791,000*	*56,703,000*	*53,793,000*
Closing Balance Net of Reserve	*$3,748,000*	*$(6,580,000)*	*$(2,900,000)*	*$(18,953,000)*	*$(25,100,000)*	*$(33,467,000)*	*$(27,102,000)*

Table CIP-9: **Debt Service Fund Cash Flow Summary**

This table presents the District's debt service cash flows, including reserve requirements.

	2026	2027	2028	2029	2030	2031	2032
OPENING BALANCE	**$23,575,000**	**$19,384,000**	**$21,690,000**	**$22,893,000**	**$34,615,000**	**$41,612,000**	**$45,230,000**
Revenues							
Transfer from Operating Fund	11,399,000	20,853,000	22,242,000	33,928,000	40,574,000	44,398,000	44,646,000
Interest Earnings	707,000	582,000	651,000	687,000	1,038,000	832,000	905,000
Total Revenues	*12,106,000*	*21,435,000*	*22,893,000*	*34,615,000*	*41,612,000*	*45,230,000*	*45,551,000*
Principal Payments	12,738,000	14,795,000	16,092,000	16,809,000	24,387,000	28,915,000	30,412,000
Interest Payments	3,559,000	4,334,000	5,598,000	6,084,000	10,228,000	12,697,000	14,818,000
Total Expenditures	*16,297,000*	*19,129,000*	*21,690,000*	*22,893,000*	*34,615,000*	*41,612,000*	*45,230,000*
CLOSING BALANCE	**19,384,000**	**21,690,000**	**22,893,000**	**34,615,000**	**41,612,000**	**45,230,000**	**45,551,000**
Reserve Requirement	*19,129,000*	*21,690,000*	*22,893,000*	*34,615,000*	*41,612,000*	*45,230,000*	*45,551,000*
Closing Balance Net of Reserve	*$255,000*	*$-*	*$-*	*$-*	*$-*	*$-*	*$-*

Table CIP-10: **Use of Debt in Capital Program**

This table forecasts the District's outstanding principal obligations for each year of the CIP. It also shows the percentage of capital spending that is projected to be financed with debt per year.

	2027	2028	2029	2030	2031	2032
End of Year Outstanding Principal Obligations	$182,452,000	$228,701,000	$272,793,000	$347,513,000	$429,569,000	$503,352,000
Percent of Capital Expenditures Financed with Debt (2 year moving average)	67%	88%	88%	89%	94%	94%
Principal Paid	14,795,000	16,092,000	16,809,000	24,387,000	28,915,000	30,412,000
Interest Paid	$4,334,000	$5,598,000	$6,084,000	$10,228,000	$12,697,000	$14,818,000
Payments as Percent of Service Charges Revenue:						
Principal	21.9%	21.7%	20.6%	27.2%	29.4%	28.3%
Interest	5.9%	6.4%	7.6%	7.5%	11.4%	12.9%
Total	27.9%	28.1%	28.2%	34.7%	40.8%	41.2%
Total Obligations as Percentage of District Property Value (5% constitutional limit)	0.2%	0.3%	0.3%	0.4%	0.4%	0.5%

Table CIP-11: **Debt Service Budget**

This table compares actual debt service expenditures to budgeted values for the two years preceding the budget year. It also shows projected debt service expenditures for the budget year.

	Budget Year		2027 Proposed CIP	
	2025	2026	2027	2026-2027 Change
Anticipated in Budget	$16,398,000	$15,395,000	$19,129,000	24%
Expenditures (Actual 2025; Estimated 2026)	13,263,000	16,297,000		
Difference	*$(3,135,000)*	*$902,000*		

Table CIP-12: **Forecasted Debt Service Expenditures**

This table summarizes future debt service expenditures for the capital program for the next 20 years.

Five-Year Intervals	Principal	Interest	Total
2027-2031	$100,998,000	$38,941,000	$139,939,000
2032-2036	150,841,000	67,347,000	218,188,000
2037-2041	155,909,000	48,240,000	204,149,000
2042-2046	$155,567,000	$27,236,000	$182,803,000

Note: Amounts for years beyond 2031 do not reflect potential future debt-funded capital projects.

Table CIP-13: **Service Charges Support for the Capital Program**

This table estimates service charges revenue that is needed to support the capital program for each year of the planning period.

	2027	2028	2029	2030	2031	2032
Transfer to Capital Projects Fund	$6,821,000	$6,818,000	$(721,000)	$(2,731,000)	$(1,374,000)	$3,600,000
Transfer to Debt Service Fund	20,853,000	22,242,000	33,928,000	40,574,000	44,398,000	44,646,000
Total Support for Capital Program	*27,674,000*	*29,060,000*	*33,207,000*	*37,843,000*	*43,024,000*	*48,246,000*
Increase from Prior Year	*5,303,000*	*1,386,000*	*4,147,000*	*4,636,000*	*5,181,000*	*5,222,000*

Table CIP-14: **Forecast Growth in Service Charge Revenues**

This table forecasts total service charge collections over the planning period.

	2027	2028	2029	2030	2031	2032
High Forecast	N/A	$79,133,000	$87,596,000	$96,608,000	$106,307,000	$117,578,000
Estimate	67,457,000	74,136,000	81,476,000	89,542,000	98,407,000	107,585,000
Low Forecast	*N/A*	*69,140,000*	*75,356,000*	*82,476,000*	*90,507,000*	*97,592,000*



An aerial view of the Nine Springs Wastewater Treatment Plant.

Madison Metropolitan Sewerage District

www.madsewer.org