



# City of Madison

City of Madison  
Madison, WI 53703  
[www.cityofmadison.com](http://www.cityofmadison.com)

## Agenda - Approved WATER UTILITY BOARD

*Consider: Who benefits? Who is burdened?  
Who does not have a voice at the table?  
How can policymakers mitigate unintended consequences?*

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Tuesday, July 22, 2025

4:30 PM

119 E. Olin Ave.

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The City of Madison is holding the Water Utility Board Meeting in person.

\*\*\*To register to speak on an item, you will do so in person at the meeting. Please arrive early if you plan to register to speak.\*\*\*

Written Comments: You can send comments on agenda items to [waterutilityboard@cityofmadison.com](mailto:waterutilityboard@cityofmadison.com)

If you need an interpreter, translator, materials in alternate formats or other accommodations to access this service, activity or program, please call the phone number below at least three business days prior to the meeting.

Si necesita un intérprete, un traductor, materiales en formatos alternativos u otros arreglos para acceder a este servicio, actividad o programa, comuníquese al número de teléfono que figura a continuación tres días hábiles como mínimo antes de la reunión.

Yog hais tias koj xav tau ib tug neeg txhais lus, ib tug neeg txhais ntawv, cov ntawv ua lwm hom ntawv los sis lwm cov kev pab kom siv tau cov kev pab, cov kev ua ub no (activity) los sis qhov kev pab cuam, thov hu rau tus xov tooj hauv qab yam tsawg peb hnuv ua hauj lwm ua ntej yuav tuaj sib tham.

For accommodations, contact: Jody Berndt, (608) 206-1718, [jberndt@madisonwater.org](mailto:jberndt@madisonwater.org).

1. Written Comments: You can send comments on agenda items to <<committee email>>

2. Register for Public Comment:

- Register to speak at the meeting.
- Register to answer questions.
- Register in support or opposition of an agenda item (without speaking).

If you want to speak at this meeting you must register. You can register at <https://www.cityofmadison.com/MeetingRegistration>. When you register to speak, you will be sent an email with the information you will need to join the virtual meeting.

3. Watch the Meeting: If you would like to join the meeting as an observer, please visit <https://www.cityofmadison.com/watchmeetings>.

4. Listen by Phone:

(877) 853-5257 (Toll Free)

Webinar ID: <<xxx xxxx xxx>>

**CALL TO ORDER / ROLL CALL**

**APPROVAL OF MINUTES**

Meeting minutes for 6/24/25: <https://madison.legistar.com/calendar.aspx>

**PUBLIC COMMENT**

1. [16738](#) General Public Comment

**DISCLOSURES AND RECUSALS**

Members of the body should make any required disclosures or recusals under the City's Ethics Code.

**NEW BUSINESS**

2. [89216](#) Madison Water Utility 2024 Financial Statement & Auditors' Report  
**Attachments:** [Item 2 - Madison Water Utility 2024 Financial Statement & Auditors' Report.pdf](#)  
[Item 2 - Madison Water Utility Board Mtg 2024 Fin Stmt Aud 2025 07 22.pdf](#)
3. [89217](#) Engineering Graduate Student Presentation -- "Evaluation of Hydraulic Infrastructure Projects for Anticipated Urban Expansion"  
**Attachments:** [Item 3 - Memo - Engineering Graduate Student Presentation.pdf](#)  
[Item 3 - Attachment - Engineering Graduate Student Presentation.pdf](#)
4. [88698](#)  
Authorizing Madison Water Utility's General Manager to certify municipal services bills, assessments, and charges to the 2025 tax rolls of other governmental units for delinquent accounts in those jurisdictions.  
**Attachments:** [Memo Authorizing General Manager to Certify Tax Roll .pdf](#)
5. [88852](#) Declaring Official Intent to Reimburse Expenditures from Proceeds of Borrowing  
**Attachments:** [Item 5 - Memo - Declaring Intent for Seeking SDWLP Reimbursements.pdf](#)
6. [89005](#) Determining a Public Purpose and Necessity and adopting a Relocation Order for the acquisition of land interests required for the construction and maintenance of public water transmission pipeline facilities to be constructed by the Pressure Zone 4 Interstate Crossing project. (District 16)  
**Attachments:** [Vicinity Map.pdf](#)  
[Pressure Zone Relocation Order Sheet 1.pdf](#)  
[Pressure Zone Relocation Order Sheet 2.pdf](#)  
[Memo - 2025 Interstate Crossing Relocation Order.pdf](#)

**REPORTS**

7.     [89218](#)     Monthly Water Production Report  
          Attachments:   [Item 7 - Memo - Water Production Report June 2025.pdf](#)  
                              [Item 7 - Attachment A - Water Production Report for June 2025.pdf](#)  
                              [Item 7 - Attachment B - Well Utilization Report for June 2025.pdf](#)  
                              [Item 7 - Attachment C - Status of Unit Wells Offline Report for June 2025.pdf](#)
8.     [89219](#)     Monthly Financial Conditions Report  
          Attachments:   [Item 8 - Memo - Financial Conditions Report July 2025.pdf](#)  
                              [Item 8 - Attachment - Financial Conditions Report as of 6.30.25.pdf](#)
9.     [89220](#)     Monthly Capital Projects Report  
          Attachments:   [Item 9 - Memo - Capital Projects Monthly Report 2025-07-22.pdf](#)  
                              [Item 9 - Attachment - Capital Projects Monthly Report 2025-07-22.pdf](#)
10.    [89221](#)     Monthly Operations Report  
          Attachments:   [Item 10 - Memo - Monthly Operations Report July 2025.pdf](#)  
                              [Item 10 - Monthly Operations Report July 2025.pdf](#)
11.    [89222](#)     Monthly Public Information Report  
          Attachments:   [Item 11 - Memo - Public Info Report.pdf](#)  
                              [Item 11 - Attachment - Public Info Report.pdf](#)
12.    [84022](#)     Meeting Evaluation and Discussion  
          Attachments:   [Board\\_Evaluation.pdf](#)  
  
          Led by President Delmore

**ADJOURNMENT**



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 16738**

**File ID:** 16738

**File Type:** Miscellaneous

**Status:** In Committee

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY  
BOARD

**File Created Date :** 11/24/2009

**File Name:** Written Public Comments

**Final Action:**

**Title:** General Public Comment

**Notes:**

**Sponsors:**

**Effective Date:**

**Attachments:**

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** arobb@cityofmadison.com

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File 16738

**Title**

General Public Comment





# City of Madison

City of Madison  
Madison, WI 53703  
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## Master

**File Number: 89216**

**File ID:** 89216

**File Type:** Report

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY  
BOARD

**File Created Date :** 07/17/2025

**File Name:** Madison Water Utility 2024 Financial Statement &  
Auditors' Report

**Final Action:**

**Title:** Madison Water Utility 2024 Financial Statement & Auditors' Report

**Notes:**

**Sponsors:**

**Effective Date:**

**Attachments:** Item 2 - Madison Water Utility 2024 Financial  
Statement & Auditors' Report.pdf, Item 2 - Madison  
Water Utility Board Mtg 2024 Fin Stmt Aud 2025 07  
22.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	07/17/2025	Refer	WATER UTILITY BOARD			
Action Text: This Report was Refer to the WATER UTILITY BOARD							

### Text of Legislative File 89216

#### TITLE

Madison Water Utility 2024 Financial Statement & Auditors' Report

#### BODY

Annual financial statements and independent auditors' report for the years ended  
December 31, 2024 and 2023.

See attached report and presentation slides.

# **MADISON WATER UTILITY**

An Enterprise Fund of the  
City of Madison, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2024 and 2023

# **MADISON WATER UTILITY**

An Enterprise Fund of the City of Madison, Wisconsin

## **TABLE OF CONTENTS**

As of and for the Years Ended December 31, 2024 and 2023

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## **Independent Auditors' Report**

To the Water Utility Board of the  
Madison Water Utility

### **Opinion**

We have audited the financial statements of the Madison Water Utility (Utility), an enterprise fund of the City of Madison, Wisconsin, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Utility as of December 31, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Utility and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matters**

As discussed in Note 1, the financial statements of the Utility are intended to present the financial position, the changes in financial position, and cash flows of only the Utility. They do not purport to, and do not, present fairly the financial position of the City of Madison as of December 31, 2024, and 2023, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole.

*Baker Tilly US, LLP*

Madison, Wisconsin  
June 24, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# MADISON WATER UTILITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

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### GENERAL INFORMATION ABOUT MADISON WATER UTILITY

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Madison recognized the need for a central water supply early in its history. The common council of the City of Madison (municipality) directed its waterworks committee to establish the Madison Waterworks on September 5, 1881. Financing was obtained and contracts let in spring of 1882. Pumping commenced on December 7, 1882. Early management was vested in the common council through its committee, and on March 2, 1884, general management was transferred to a Board of Water Commissioners. The Madison Waterworks achieved department status in the early 1960s and, at that time, became the Madison Water Utility (Utility) under a General Manager leadership with a Water Utility Board that continues today.

The Utility has always been a groundwater system despite being surrounded by lakes. The Utility currently has 22 deep wells in service with a total capacity of 67.7 million gallons per day. In common with other Wisconsin water utilities, the Public Service Commission of Wisconsin (PSCW) regulates the Utility in matters of rates, rules, and levels of service.

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### 2024 FINANCIAL HIGHLIGHTS

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- > Total operating revenues decreased \$1,153,000 or 2.0% from 2023 to 2024, and pumpage decreased 1.9% for that same period.
- > Income before capital contributions and transfers increased \$3.1 million or 12.3% from the prior year. The increase was due largely to a decrease of \$4.2 million in depreciation expense and a \$1.2 million decrease in operating revenues.
- > Capital assets increased by \$13.8 million in 2024, which were financed with the issuance of 2019 Bond Anticipation Notes (BANs), 2024 GO debt, Safe Drinking Water Loan (SDWL) and reserves.
- > Safe Drinking Water Loan approved for \$3.4 million via the DNR to partially redeem 2019 BANs.
- > Safe Drinking Water Loan approved for \$2.9 million via the DNR to fund UW 15 PFAS removal.
- > Issued \$7.3 million GO Bonds to fund UW 19 Iron and Manganese Filter.

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### 2023 FINANCIAL HIGHLIGHTS

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- > Total operating revenues increased \$9,656,000 or 20.1% from 2022 to 2023, and pumpage increased 1.7% for that same period.
- > Income before capital contributions and transfers increased \$9.4 million or 59.6% from the prior year. The increase was due largely to an increase of \$9.7 million in Operating Revenues.
- > Capital assets increased by \$9.7 million in 2023, which were financed with the issuance of 2019 Bond Anticipation Notes (BANs) and reserves. BANs in the amount of \$20 million were issued in 2019 to cover capital projects from 2019 through 2023, \$1.4 million in SDWL, and \$2.2 million due to the implementation of Expense Depreciation of replacement water mains.
- > Safe Drinking Water Loan approved for \$4.7 million via the DNR to partially redeem 2019 BANs.



## MADISON WATER UTILITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

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#### RATES

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Current rates became effective March 1, 2023. The Utility filed an application to review rates with the Public Service Commission of Wisconsin on December 16, 2024. The rate order for the most recent case was issued on December 29, 2022. The utility is currently ranked eleventh for residential rates out of eighty-two utilities classified as AB (over 4,000 customers) in Wisconsin.

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#### UTILITY FINANCIAL ANALYSIS

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The Statement of Net Position includes all the Utility's assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Utility.

A summary of the Utility's Statements of Net Position is presented in Table 1 as of December 31:

**Table 1**  
**Condensed Statements of Net Position**  
**(000's)**

	2024	2023	2022
Current and Other Assets	\$ 75,931	\$ 77,074	\$ 73,102
Capital Assets	313,878	305,075	302,935
Total Assets	389,809	382,149	376,037
Deferred Outflows of Resources	7,848	11,146	9,371
Current Liabilities	19,499	33,869	18,131
Long-term Debt Outstanding	135,282	137,515	165,595
Long-term Liabilities	14,889	18,456	16,659
Total Liabilities	169,670	189,840	200,385
Deferred Inflows of Resources	10,356	12,315	17,248
Net Investment in Capital Assets	175,187	145,480	136,416
Restricted	18,895	17,941	19,332
Unrestricted	23,549	27,719	12,027
Total Net Position	\$ 217,631	\$ 191,140	\$ 167,775

# MADISON WATER UTILITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

### UTILITY FINANCIAL ANALYSIS (cont.)

In 2024, total assets combined with deferred outflows of resources increased \$4.4 million and total liabilities with deferred inflows of resources decreased \$22.1 million, resulting in an increase in net position of \$26.5 million from 2023. The change was primarily due to a decrease of \$16.5 million in debt, a \$1.9 million decrease in net pension liability, a \$2.0 million decrease in deferred inflows of resources and a \$6.1 million decrease in cash and investments. In 2023, total assets combined with deferred outflows of resources increased \$7.9 million and total liabilities with deferred inflows of resources decreased \$15.5 million, resulting in an increase in net position of \$23.4 million from 2022. The change was primarily due to an increase of \$5 million in total cash and other assets, increase of \$1.1 million in net capital assets, increase in net pension asset and pension related deferred outflows of \$1.8 million, decrease in debt of \$10.5 million and decrease in net pension asset and pension related deferred inflows of \$4.9 million.

### Condensed Statements of Revenues, Expenses, and Changes in Net Assets (000's)

	2024	2023	2022
Operating Revenues	\$ 55,574	\$ 56,709	\$ 47,114
Non-operating Revenues	1,069	1,087	1,026
Total Revenues	<u>56,643</u>	<u>57,796</u>	<u>48,140</u>
Operation & Maintenance Expense	18,939	19,609	17,606
Depreciation Expense	6,638	10,813	8,462
Non-operating Expense	2,608	2,092	6,227
Total Expense	<u>28,185</u>	<u>32,514</u>	<u>32,295</u>
Income Before Capital Contributions and Transfers	28,458	25,282	15,845
Capital Contributions	4,435	4,390	4,117
Transfers, net	<u>(6,402)</u>	<u>(6,307)</u>	<u>(6,702)</u>
Change in Net Position	26,491	23,365	13,260
Beginning Net Position	<u>191,140</u>	<u>167,775</u>	<u>154,515</u>
Ending Net Assets	<u>\$ 217,631</u>	<u>\$ 191,140</u>	<u>\$ 167,775</u>

# MADISON WATER UTILITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

### UTILITY FINANCIAL ANALYSIS (cont.)

The Utility's total revenues decreased \$1.2 million or 2.0% from 2023 to 2024 as a result of a 1.9% decrease in pumpage. The Utility's total revenues increased \$9.7 million 20.1% from 2022 to 2023 as a result of the rate increase implemented on March 1, 2023 and an increase of 1.7% in pumpage from 2022 to 2023.

**Table 3**  
**Operating Revenues and Expenses**  
**(000's)**

	2024	2023	2022
<b>OPERATING REVENUES</b>			
Unmetered Sales	\$ 333	\$ 541	\$ 414
Metered Sales			
Residential	23,020	24,001	20,466
Duplex	886	917	819
Multi-Family	11,319	11,065	9,356
Commercial	10,768	10,836	8,401
Industrial	1,107	1,135	992
Public authorities	7,448	7,490	6,124
Sales for resale	574	600	418
Total Metered Sales	55,122	56,044	46,576
Public fire protection	119	124	124
Total Sales of Water	55,574	56,709	47,114
Customer Late Payment Penalties	294	286	201
Miscellaneous	64	68	65
Rents from Water Property	393	399	375
Other	318	334	385
Total Operating Revenues	56,643	57,796	48,140
<b>OPERATING EXPENSES</b>			
Source of Supply	181	61	170
Pumping	4,868	4,679	4,203
Water Treatment	917	936	771
Transmission and Distribution	7,203	7,135	6,987
Customer Accounts	457	659	819
Administrative and General	4,576	5,484	4,028
Total Operation and Maintenance	18,202	18,954	16,977
Depreciation	6,638	10,813	8,462
Taxes	737	655	629
Total Operating Expenses	25,577	30,422	26,068
<b>OPERATING INCOME</b>	<u>\$ 31,066</u>	<u>\$ 27,374</u>	<u>\$ 22,072</u>

# MADISON WATER UTILITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

### UTILITY FINANCIAL ANALYSIS (cont.)

#### Revenues

Total operating revenues were \$56.6 million for 2024. Pumpage decreased by 1.9% in 2024 over 2023. All classes, except multi-family, experienced a decrease in revenue in 2024.

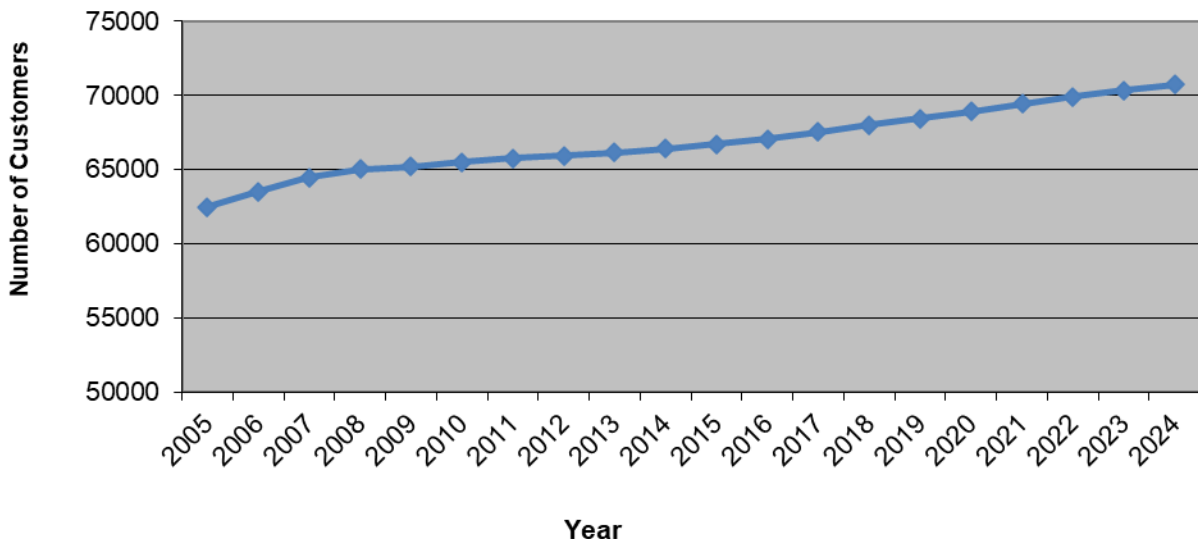
Total operating revenues were \$57.8 million for 2023. Pumpage increased by 1.7% in 2023 over 2022. New rates became effective March 1, 2023. All classes experienced an increase in revenue in 2023.

#### Expenses

Operation and maintenance expenses (including taxes) totaled \$19.0 million in 2024, compared to \$19.6 million in 2023, a decrease of \$600,000, or 3.1%. The decrease is primarily due to GASB 68 pension expense.

Operation and maintenance expenses (including taxes) totaled \$19.6 million in 2023, compared to \$17.6 million in 2022, an increase of \$2 million, or 11.4%. The increase is primarily due to an increase in total operating expenses. Depreciation Expense increased \$2.4 million from 2022 to 2023 due mostly to the implementation of Expense Depreciation for replacement water mains in our most recent rate order.

### Customer Growth 2005 - 2024



The Utility added 418 new customers in 2024 compared with 499, 522, and 496 new customers added in 2023, 2022 and 2021, respectively. The Utility added the most new customers (1,442) in 2002.

## MADISON WATER UTILITY

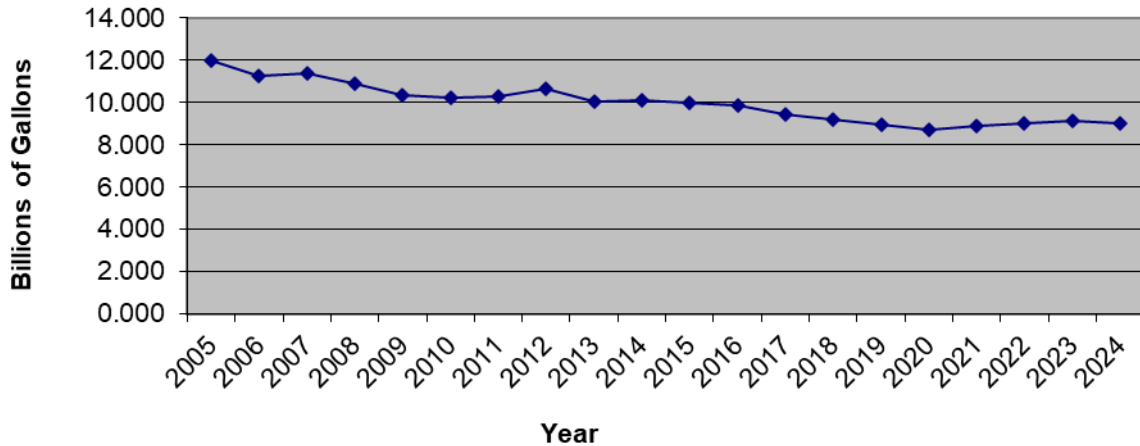
### MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

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#### UTILITY FINANCIAL ANALYSIS (cont.)

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##### Pumpage 2005 - 2024



Pumping for the year decreased 1.9% from 9.172 billion gallons in 2023 to 8.998 billion gallons in 2024.

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#### CAPITAL EXPENDITURES

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The Utility added \$14.3 million of plant in 2024. Of this amount, approximately \$3.6 million was contributed by developers and contractors or received by special assessment.

Capital projects paid for by the Utility in 2024 included: \$7.4 million for new and replacement water mains, laterals, and hydrants, \$1.8 million for pumping plant, general plant, and telemetry equipment, \$872,000 for vehicles, power equipment and tools, and \$393,000 for our meter program.

The Utility added \$11.1 million of plant in 2023. Of this amount, approximately \$4.4 million was contributed by developers and contractors or received by special assessment.

Capital projects paid for by the Utility in 2023 included: \$4.5 million for new and replacement water mains, laterals, and hydrants, \$1.1 million for pumping plant, general plant, and telemetry equipment, \$605,000 for power equipment and tools, and \$380,000 for our meter program.

Please refer to the notes to the financial statements for further details of the Utility's capital assets.

# MADISON WATER UTILITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

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### CAPITAL BORROWING

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The previous policy of the Utility had been to maintain depreciation and net revenues such that depreciation funds could be used for capital projects, and net income could be used for debt retirement. Due to the increased level of planned capital spending, the Utility has looked to fund the vast majority of its capital budget needs through the sale of revenue bonds or general obligation bonds. In 2024, the Utility borrowed \$7.3 million of general obligation bonds and received \$6.3 million of SDWL. Of the \$6.3 million SDWL, the Utility received \$4.2 million in 2024. The Utility borrowed \$4.7 million of revenue bonds in 2023, \$20.3 million in general obligation bonds in 2022, \$66.7 million of revenue bonds in 2019, \$40.2 million of revenue bonds in 2018, \$38.4 million of revenue bonds in 2016 and \$41.6 million of revenue bonds in 2015. The 2024 borrowing was utilized for UW 19 Iron and Manganese Filter, UW 15 PFAS and to partially redeem the \$20 million BAN paid in full in May 2024. The 2023 SDWL borrowing was used to partially redeem the \$20 million BAN in 2023. The 2022 borrowing was used to refund \$29.4 million of 2012 and 2013 revenue bonds. The 2019 borrowing included \$20 million of bond anticipation notes (BAN) to fund the remainder of the 2019 capital projects and all of 2020, 2021 and 2022 capital projects, \$33.7 million to refund 2009A and 2010 bonds and \$13.0 million to advance refund 2011 bonds.

Management envisions a reduction in their capital borrowing in order to improve the debt to equity ratio. With that in mind, the Utility included expense depreciation in its 2021 rate case filed with the PSC on November 30, 2021. Expense depreciation is an alternative way to fund the Utility's main replacement program by effectuating a "pay as you go" funding for the main replacement program thereby reducing the amount of capital borrowing. The PSC approved expense depreciation of \$5 million annually for the Utility in its final rate order issued December 29, 2022. These funds may only be used for main replacement. The new rates were put into effect on March 1, 2023.

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### ECONOMIC FACTORS AND FUTURE BUDGET ISSUES

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Madison has a unique status in terms of economic stability, being the state capital and home to the University of Wisconsin – Madison and its 51,000 students, versus the national economy. While customer growth has slowed, the Utility added a net 11.6 miles of water main in the last three years as its service area has grown. Growth entails the need for additional infrastructure while meeting the challenge of upkeep of current infrastructure. Management believes that future rate increases will ensure that the Utility is well prepared to handle these challenges. While rates are expected to increase over time, management works within the Water Utility Board Policy for affordability, O-2D, maintaining increases that do not exceed 9% annualized per year.

The Utility included a two-year pilot Customer Assistance Program in the 2021 rate case filed on November 30, 2021. This program was approved by the PSC of Wisconsin on December 29, 2022 and

# MADISON WATER UTILITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

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### **ECONOMIC FACTORS AND FUTURE BUDGET ISSUES (cont.)**

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became effective on March 1, 2023. The program is a city-wide program being offered to Madison Municipal Services customers making less than or equal to 50% of the area median income for the Madison area calculated by the Department of Housing and Urban Development (HUD). The Utility included the Customer Assistance Program in the rate case filed on December 16, 2024.

The Utility experienced a significant decline in consumption starting in 2015 due to loss of industry, water conservation and changes in weather patterns. In 2024, consumption was down 1.9% over 2023. In 2023, consumption was up 1.7% over 2022. Management will continue to monitor these trends and revise financial goals accordingly.

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### **UTILITY CONTACT INFORMATION**

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This financial report is designed to provide customers and creditors with a general overview of the Utility's finances and to demonstrate the Utility's accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact the Madison Water Utility at 119 East Olin Avenue, Madison, Wisconsin 53713 or by phone at (608) 266-4651 or e-mail at [water@madisonwater.org](mailto:water@madisonwater.org).

## **FINANCIAL STATEMENTS**



# MADISON WATER UTILITY

## STATEMENTS OF NET POSITION As of December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 23,344,072	\$ 29,457,401
Restricted Assets		
Principal and interest account	13,217,358	13,191,166
Customer accounts receivable	3,870,874	3,628,368
Prepays	280,543	231,152
Materials and supplies	2,038,848	1,482,163
Due from municipality	670,609	854,545
Current portion of special assessments	140,691	149,512
Current portion of lease receivable	204,799	187,105
Other current assets, net	322,748	521,632
Total Current Assets	<u>44,090,542</u>	<u>49,703,044</u>
<b>NONCURRENT ASSETS</b>		
Restricted Assets		
Reserve account	11,707,128	12,190,068
Depreciation account	750,000	750,000
Assessment account	2,055,530	1,858,134
Construction account	7,492,361	2,548,254
Expense depreciation account	2,413,110	1,966,423
Other Assets		
Special assessments receivable (net of current portion)	2,184,239	2,720,347
Preliminary survey and investigation	477,248	477,248
Property held for future use	112,429	112,429
Nonutility property (net of accumulated depreciation)	558,861	558,105
Lease receivable (net of current portion)	4,089,336	4,189,638
Capital Assets		
Plant in service	446,827,525	433,050,076
Accumulated depreciation	(138,783,419)	(131,932,271)
Construction work in progress	5,833,807	3,956,980
Total Noncurrent Assets	<u>345,718,155</u>	<u>332,445,431</u>
Total Assets	<u>389,808,697</u>	<u>382,148,475</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunding	342,770	420,889
Deferred outflows related to pension	7,131,202	10,205,400
Deferred outflows related to OPEB	374,089	519,906
Total Deferred Outflows of Resources	<u>7,848,061</u>	<u>11,146,195</u>

See notes to financial statements

	2024	2023
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,359,091	\$ 1,284,005
Other current liabilities	1,997,611	1,852,959
Current portion of GO debt	2,398,727	1,730,000
Current portion of advance from municipality	-	161,533
Current portion of other liability	54,439	50,244
Current portion of SBITA liability	110,866	65,743
Current liabilities payable from restricted assets		
Current portion of revenue bonds	11,380,217	26,349,645
Accrued interest	2,198,506	2,374,736
Total Current Liabilities	19,499,457	33,868,865
<b>NONCURRENT LIABILITIES</b>		
Revenue bonds	111,737,860	118,900,355
Unamortized debt premium	8,587,247	9,690,362
Accrued sick leave	1,809,372	2,178,540
Total OPEB liability	2,662,733	2,875,795
GO debt	23,544,273	18,615,000
Other liability (net of current portion)	900,160	928,475
SBITA liability (net of current portion)	118,874	26,046
Customer advances for construction	90,894	113,749
Net pension liability	718,417	2,642,509
Total Noncurrent Liabilities	150,169,830	155,970,831
Total Liabilities	169,669,287	189,839,696
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unamortized gain on refunding	1,252,729	1,398,290
Deferred inflows related to OPEB's	615,257	754,592
Deferred inflows related to pension	4,437,038	5,923,835
Deferred inflows related to leases	4,051,019	4,238,548
Total Deferred Inflows of Resources	10,356,043	12,315,265
<b>NET POSITION</b>		
Net investment in capital assets	175,187,222	145,480,387
Restricted for:		
Debt service	13,676,410	13,365,880
Capital repairs and replacement	5,218,640	4,574,557
Unrestricted	23,549,156	27,718,885
<b>TOTAL NET POSITION</b>	<b>\$ 217,631,428</b>	<b>\$ 191,139,709</b>

See notes to financial statements

## MADISON WATER UTILITY

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended December 31, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES</b>		
Sales of water	\$ 55,574,220	\$ 56,708,747
Other	1,068,854	1,087,670
Total Operating Revenues	<u>56,643,074</u>	<u>57,796,417</u>
<b>OPERATING EXPENSES</b>		
Operation and maintenance	18,938,981	19,609,119
Depreciation	6,638,329	10,813,385
Total Operating Expenses	<u>25,577,310</u>	<u>30,422,504</u>
Operating Income	<u>31,065,764</u>	<u>27,373,913</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Merchandising and jobbing	(69,552)	(81,292)
Bond issuance costs	(29,500)	(18,000)
Investment income (loss)	2,192,829	2,432,543
Interest and amortization expense	(4,701,368)	(5,033,446)
Gain on sale of property	-	758,696
Other	-	(150,691)
Total Nonoperating Revenues (Expenses)	<u>(2,607,591)</u>	<u>(2,092,190)</u>
Income before Capital Contributions and Transfers	28,458,173	25,281,723
<b>CAPITAL CONTRIBUTIONS</b>	4,435,429	4,390,162
<b>TRANSFERS IN / (OUT)</b>	155,503	298,247
<b>TRANSFERS - TAX EQUIVALENT</b>	(6,626,591)	(6,639,371)
<b>CAPITALIZED TAX EQUIVALENT</b>	69,205	34,418
Change in Net Position	26,491,719	23,365,179
NET POSITION - Beginning of Year	<u>191,139,709</u>	<u>167,774,530</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 217,631,428</u>	<u>\$ 191,139,709</u>

See notes to financial statements

# MADISON WATER UTILITY

## STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 57,173,847	\$ 57,821,916
Received from other cash receipts	82,608	\$ -
Paid to suppliers for goods and services	(10,519,183)	(9,790,764)
Paid to employees for services	(8,373,278)	(8,219,162)
Net Cash Flows from Operating Activities	<u>38,363,994</u>	<u>39,811,990</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers - paid to municipality for tax equivalent	(6,557,386)	(6,604,953)
Principal paid on operating loan	(1,040,000)	(1,005,000)
Interest paid on operating loan	(171,833)	(204,301)
Repayment of advances from other funds	(161,533)	(153,138)
Interest paid on advances and loans from other funds	(760)	(1,189)
Transfers from (to) other funds	155,503	298,247
Net Cash Flows from Noncapital Financing Activities	<u>(7,776,009)</u>	<u>(7,670,334)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(12,603,757)	(7,458,001)
Special assessments received	213,221	362,420
Contributions in aid of construction (advances refunded)	(3,342)	(34,844)
Debt issued	11,545,722	4,675,000
Debt issuance costs	(29,500)	(18,000)
Principal and interest on other liability	(70,202)	(9,218)
Principal and interest on SBITA	(67,446)	(65,980)
Debt retired	(27,039,645)	(15,935,000)
Interest paid	(5,626,722)	(6,071,777)
Net Cash Flows from Capital and Related Financing Activities	<u>(33,681,671)</u>	<u>(24,555,400)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Marketable securities purchased	(3,055,420)	-
Marketable securities sold	2,732,232	2,618,541
Investment income	2,111,799	2,366,191
Net Cash Flows from Investing Activities	<u>1,788,611</u>	<u>4,984,732</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>(1,305,075)</u>	<u>12,570,988</u>
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>51,651,391</u>	<u>39,080,403</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<u>\$ 50,346,316</u>	<u>\$ 51,651,391</u>

See notes to financial statements

	2024	2023
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 31,065,764	\$ 27,373,913
Nonoperating income	(69,552)	(231,982)
Noncash items included in operating income		
Depreciation	6,638,329	10,813,385
Depreciation charged to other accounts	1,110,008	1,095,073
Changes in Assets and Liabilities		
Customer accounts receivable	(242,506)	107,809
Receivable from other funds	183,936	84,778
Materials and supplies	(556,685)	(252)
Other current assets	245,237	(308,637)
Accounts payable and other current liabilities	901,902	5,254
Other postemployment benefit deferrals and liabilities	(206,580)	(39,601)
Pension related deferrals and liabilities	(336,691)	777,715
Accrued compensated absences	(369,168)	134,535
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 38,363,994</b>	<b>\$ 39,811,990</b>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS**

Cash and investments	\$ 23,344,072	\$ 29,457,401
Redemption account	13,217,358	13,191,166
Reserve account	11,707,128	12,190,068
Depreciation account	750,000	750,000
Assessment account	2,055,530	1,858,134
Construction account	7,492,361	2,548,254
Expense Depreciation account	2,413,110	1,966,423
Total Cash and Investments	60,979,559	61,961,446
Less: Noncash equivalents	(10,633,243)	(10,310,055)
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 50,346,316</b>	<b>\$ 51,651,391</b>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

Municipality, customer and developer financed additions to utility plant	\$ 4,435,429	\$ 4,390,162
Gain on sale of property	\$ -	\$ 758,696
Capital additions assessed to customers	\$ 182,196	\$ (149,855)
Adjustments to special assessments	\$ 149,512	\$ 211,624

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The financial statements of the Madison Water Utility (Utility) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the Utility are described below.

#### ***REPORTING ENTITY***

The Utility is a separate enterprise fund of the City of Madison (municipality). The Utility provides retail water service to customers in the municipality, portions of the Town of Burke, wholesale water service to the Villages of Maple Bluff and Shorewood Hills, and portions of Fitchburg Utility District No. 1.

The Utility charges rates and operates under rules authorized by the Public Service Commission of Wisconsin (PSCW). Accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the PSCW.

The Utility is managed by an eight member Water Utility Board comprised of two Madison Common Council members (each serving a two year term), five citizen members, and the Director, Public Health Madison and Dane County (ex-officio), each serving a five year term.

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION***

The Utility is presented as an enterprise fund of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In June 2022, the GASB issued statement No. 100 Accounting Changes and Error Corrections. This statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024. This statement had no impact on the current year statements.

In June 2022, the GASB issued statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of this statement was not material, therefore the prior year information was not restated.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (cont.)***

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates.

#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION***

##### ***Deposits and Investments***

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

Investment of Utility funds is restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The Utility, as part of the municipality, has adopted an investment policy. The policy follows the state statute for allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year-end.

##### ***Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)***

##### ***Receivables/Payables***

Transactions between the Utility and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year-end are referred to as advances to/from other funds. All other outstanding balances between the Utility and other funds of the municipality are reported as due to/from other funds.

The Utility has the right under Wisconsin statutes to place delinquent water bills on the tax roll for collection. As such, no allowance for uncollectible customer Utility service billings is considered necessary.

##### ***Prepaid Expenses***

Prepaid expenses include the cost of insurance and other expenses paid in the current year and attributable to future periods.

##### ***Materials and Supplies***

Materials and supplies inventories are generally used for construction, operation and maintenance work, not for resale. They are valued at average cost and charged to construction and expense when used.

##### ***Other Current Assets***

The balance represents amounts due from other municipalities and miscellaneous receivables.

The Utility adopted the city's collection policy in 2019. All receivables greater than 90 days are evaluated and written off if deemed uncollectable. The allowance balance was \$-0- in 2024 and 2023.

##### ***Pensions***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

##### ***Special Assessments Receivable***

The municipality and Utility assess the cost of system improvements and extensions to benefited properties. This account represents the long-term portion of special assessments to be collected over various periods of time. Interest is charged on the unpaid balance at various rates.



# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)***

##### ***Preliminary Survey and Investigation***

The balance represents initial project engineering costs related to Utility plant construction or costs incurred for the assessment of future capital facilities. The balance will be transferred as a capital asset or expense upon commencement of the project.

##### ***Property Held for Future Use***

These amounts represent land, tower and well sites which are owned by the Utility but not currently used during the course of operation.

##### ***Nonutility Property***

This balance includes sewer meters which are being amortized over an average period of 20 years as well as certain parcels of land related to abandoned facilities or held for future sale.

##### ***Capital Assets***

Capital assets are defined by the Utility as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets of the Utility are recorded at cost or estimated acquisition cost at the time of contribution to the Utility. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Plant in Service	
Source of supply	22–58
Pumping	23–31
Water treatment	17–31
Transmission and distribution	18–77
General	4–34

Lease and Subscription-Based Information Technology Arrangement assets are typically amortized over the lease term.

##### ***Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

##### ***Other Current Liabilities***

The balance represents amounts payable relating to accrued wages, comp time, vacation time, sick time, payroll taxes and other benefits payable and accrued interest not payable from restricted assets.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)***

##### ***Accrued Sick Leave and Vacation Leave***

Utility employees with a sick leave value greater than \$2,000 are allowed to convert, at retirement, their accumulated days to a sick leave escrow account maintained in the municipality's trust and agency fund. Utility employees that have a sick leave value equal to or less than \$2,000, at retirement, will receive the value of their sick leave on their last paycheck. No payment is made if the employee resigns or is terminated. The balance on the financial statements is based on the probability employees will be employed by the Utility at the time of retirement. The liability is liquidated from general operating revenues of the Utility.

After the satisfactory employee completion of a probationary period, vacation leave is accrued on the basis of continuous service, including periods of paid absent time. The vacation leave is granted at a rate dependent on the employee's length of service.

##### ***Customer Advances for Construction***

The balance represents customer advances for construction and meters which may be refundable in part or in whole pursuant to rules prescribed and on file with the PSCW.

##### ***Long-Term Obligations***

Long-term debt and other obligations are reported as Utility liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Gains or losses on refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year-end for premiums and discounts is shown as an increase or decrease in the liability section of the statements of net position. The balance at year-end for the loss on refunding is shown as a deferred outflow in the statements of net position and gains on refunding are presented as a deferred inflow of resources.

##### ***Leases***

Leases are defined as a contract that conveys control of the right to use another entity's underlying asset for a specified period. The Utility is a lessee and lessor for various noncancellable leases.

The Utility is a lessor because it leases the right-to-use our water towers to cell companies. As a lessor, the Utility reports a lease receivable and a corresponding deferred inflow of resources in the financial statements. The Utility continues to report and depreciate the capital assets being leased as capital assets.

The Utility is a lessee because it leases an easement to use land. As a lessee, the Utility reports a lease liability and an intangible right-to-use leased asset.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)***

##### ***Measurement of Lease Amounts (Lessee)***

The Utility's lease liability is recorded at the present value of future minimum lease payments as of the date of inception. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation and amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the Utility is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

##### ***Measurement of Lease Amounts (Lessor)***

The Utility's lease receivable is measured at the present value of payments expected to be received during the lease term, reduced by any provision of estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments collected. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, plus lease payments received from the lease at or before the commencement of the lease term that related to future periods. Subsequently, the deferred inflow of resources is recognized as lease revenue on a straight-line basis over the lease term.

##### ***Key Estimates and Judgments***

Key estimates and judgments include how the Utility determines (a) the discount rate it used to calculate the present value of the expected lease payments, (b) lease terms, and (c) lease payments

- The Utility uses the interest rate in the lease, if one is included, otherwise it uses the City's incremental borrowing rate for general obligation bonds for the current year for the discount rate.
- The lease term includes any noncancellable period of the lease.
- Lease payments are evaluated by the Utility to determine if they should be included in the measurement of the lease receivable or lease liabilities.

##### ***Remeasurement of Lease***

The Utility monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease receivable or lease liability, the receivable or liability is remeasured and a corresponding adjustment is made to the deferred inflow of resources or lease asset, respectively.

##### ***Subscription-Based Information Technology Arrangements***

SBITA arrangements are defined as a contract that conveys control of the right to use another entity's underlying information technology software alone or in combination with tangible capital assets for a specified period.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)***

##### ***Measurement of SBITAs***

The Utility's subscription liability is measured at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The Utility's subscription asset is initially measured at the initial amount of the subscription liability, adjusted for subscriptions payments made at or before the subscription commencement date, plus capitalizable initial implementation costs. Subsequently, the Utility's subscription asset is amortized on a straight-line basis over its useful life which matches the term of the subscription. Key estimates and judgements related to SBITAs are the same as those for leases.

##### ***Key Estimates and Judgments***

The Utility recognizes subscription-based information technology arrangements (SBITAs) greater than one year, and with a present value of the minimum payments greater than \$10,000. SBITAs are recorded as a liability and an intangible right-to-use asset in the statement of net position.

##### ***Remeasurement of SBITAs***

The Utility monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with current and long-term liabilities on the statement of net position.

##### ***Total OPEB Liability***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined on the same basis as they are reported by the municipality's OPEB Plan. For this purpose, the municipality OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

##### ***Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

#### ***REVENUES AND EXPENSES***

The Utility distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Utility's principal ongoing operations. The principal operating revenues of the Utility are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***Charges for Services***

Utility billings are rendered and recorded based on actual service provided. The Utility does not accrue revenues beyond billing dates.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### REVENUES AND EXPENSES (cont.)

##### Capital Contributions

Cash and capital assets are contributed to the Utility from customers, the municipality, or external parties. The value of property contributed to the Utility is reported as revenue on the statements of revenues, expenses, and changes in net position.

##### Transfers – Tax Equivalent

The Utility records an annual payment in lieu of taxes (PILOT) expense based on the value of its capital assets times the current assessment ratio and local and school portions of the mill rate.

#### EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has issued GASB Statement No. 102, *Certain Risk Disclosures*, Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. Application of these recently issued accounting pronouncements, when effective, may restate portions of these financial statements.

#### COMPARATIVE DATA

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### NOTE 2 – DEPOSITS AND INVESTMENTS

	Carrying Value as of December 31,		
	2024	2023	Associated Risks
Other Investment Pool	\$ 45,667,266	\$ 47,271,189	(A)
Money Market Mutual Funds	4,657,950	4,359,102	Custodial credit, interest rate
U.S. Agencies – implicitly guaranteed	9,523,550	10,215,930	Custodial credit, credit, concentration and interest rate risks
Corporate Notes, State and Local Bonds	1,109,693	94,125	Custodial credit, credit, concentration and interest rate risks
Working Funds – Petty Cash	21,100	21,100	None
Totals	<u>\$ 60,979,559</u>	<u>\$ 61,961,446</u>	

(A) – The other investment pool is commingled with the municipality; therefore, the risk pertaining specifically to the Utility cannot be determined individually. Please refer to the municipality's financial statements.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of \$1,000,000. Of the utilities' investments, \$500,000 have coverage from the Securities Investor Protection Corporation (SIPC).

The Utility may also maintain separate cash and investment accounts at the same financial institutions utilized by the municipality. Federal depository insurance and the SDGF apply to all municipal accounts, and accordingly, the amount of insured funds is not determinable for the Utility alone. Therefore, coverage for the Utility may be reduced. Investment income on commingled investments of the entire municipality is allocated based on average investment balances.

#### ***FAIR VALUE***

The Utility categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2024 and 2023, the Utility had investments in US Agency and Corporate Note, State and Local Bond Securities of \$10,633,243 and \$10,310,055, respectively. These investments were valued using Level 2 input. These inputs are derived from or corroborated by observable market data through correlation or by other means, e.g., "market-corroborated" inputs. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Market-corroborated inputs

In addition to US Agency, Corporate Note, State and Local Bond Securities and Money Market Mutual Funds, the Utility maintains certain investments commingled with the municipality. The fair value hierarchy pertaining specifically to the Utility's resources cannot be determined for those accounts. Please refer to the municipality's financial statements for information on the fair value measurements.

#### ***CUSTODIAL CREDIT RISK***

##### ***Deposits***

Custodial credit risk is the risk that in an event of a financial institution failure, the Utility's deposits may not be returned to the Utility.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

#### *CUSTODIAL CREDIT RISK* (cont.)

The Utility maintains certain deposits at the same institutions as the municipality. The custodial credit risk pertaining specifically to the Utility's resources at these institutions cannot be determined individually for those accounts. The following is a summary of the Utility's total deposit balances at these institutions on December 31:

	2024		2023	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
US Bank	\$ 4,657,950	\$ 4,657,950	\$ 4,359,102	\$ 4,359,102

The municipality's investment policy addresses this risk by requiring security for all cash and investments maintained in any financial institution designated as a depository. The municipality exercises this authority under Sec. 34.07 of the Wisconsin Statutes which states that security may be required of any public depository for any public deposits that exceed the amount of deposit insurance provided by an agency of the United States or by the Wisconsin public deposit guarantee program. The Utility is covered under the municipality's collateral agreements.

#### *Investments*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Utility will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Utility's investments included \$10,633,243 and \$10,310,055 of U.S. Agencies and Corporate Note, State and Local Bond securities which were exposed to custodial credit risk as of December 31, 2024 and 2023, respectively, because the investments were neither insured nor registered and are held by counterparty.

The municipality's investment policy addresses this risk by requiring funds in excess of insured or guaranteed limits to be secured by some form of collateral. The municipality will accept for collateral any of the following assets: obligations of the United States government or an agency or instrumentality of the United States government; obligations of the State of Wisconsin; investment grade obligations of Wisconsin local jurisdictions; obligations of the City of Madison. The fair market value of all collateral pledged will be not less than 110% of the amount of public funds to be secured at each institution. The ratio of fair market value of collateral to the amount of funds secured will be reviewed regularly and additional collateral will be requested when this ratio declines below the level required. Pledged collateral will be held in safekeeping by a third party. All collateral agreements will be written so as to preclude release of the assets without an authorized signature from the municipality. The municipality will allow for even exchange of collateral.

#### *INTEREST RATE RISK, CREDIT RISK AND CONCENTRATION RISK*

Interest rate risk is the risk changes in interest rates will adversely affect the fair market value of an investment. All U.S. Agency, State and Local Bond securities and Money Market Mutual Funds mature within six years.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

#### INTEREST RATE RISK, CREDIT RISK AND CONCENTRATION RISK (cont.)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2024 and 2023, all of the U.S. Agency investments were rated Aaa by Moody's Investors Service. All of the State and Local Bond investments were rated Aaa or Aa1 by Moody's Investors Service or AA+ by S&P.

Concentration risk is the risk of loss attributable to the magnitude of a government's investments in a single issuer. As of December 31, 2024, the Utility had 16% of its portfolio in Federal Home Loan Bank system securities, 8% in Federal National Mortgage Association ("Fannie Mae") system securities and 5% in Federal Farm Credit Bank system securities. As of December 31, 2023, the Utility had 12% of its portfolio in Federal Farm Credit Bank system securities, 11% of its portfolio in Federal Home Loan Bank system securities and 9% of its portfolio in Federal National Mortgage Association ("Fannie Mae") system securities.

The investment policy addresses these risks by permitting investments which mature to meet cash requirements, following state statutes as to allowable investments and limiting certificates with any one institution to 25% of the overall portfolio.

### NOTE 3 – INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund balances as of December 31, 2024 and 2023:

Due To	Due From	2024		2023	
		Amount	Principal Purpose	Amount	Principal Purpose
Water	Municipality	\$ 670,609	Delinquent water bills and special assessments on tax roll	\$ 854,545	Delinquent water bills and special assessments on tax roll

The following is a schedule of transfer balances as of December 31, 2024 and 2023:

To	From	2024		2023	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Water	\$ 6,626,591	Tax equivalent	\$ 6,639,371	Tax equivalent
Water	Sewer	155,503	Operating expenses	298,247	Operating expenses



# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 4 – RESTRICTED ASSETS

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#### *RESTRICTED ACCOUNTS*

Certain proceeds of the Utility's revenue bonds, as well as certain resources set aside for their repayment along with certain proceeds of the Utility's revenue from sale of water are classified as restricted assets on the statements of net position because their use is limited by applicable bond covenants or set aside for the replacement of water main pipe. The following accounts are reported as restricted assets:

Principal and interest	– Used solely for the purpose of paying principal and interest on the bonds or parity bonds.
Reserve	– Used solely for the purpose of paying principal and interest on the bonds or parity bonds whenever the balance in the principal and interest account is insufficient for that purpose.
Assessment fund	– Used for the purpose of paying construction costs for projects special assessed to customers.
Depreciation	– Used for the payment of principal and interest on the bonds and parity bonds whenever the balance in the principal and interest account is insufficient for that purpose, to remedy any deficiency in the principal and interest account, or to make extraordinary repairs or improvements to the Utility.
Construction	– Used to report bond proceeds restricted for use in construction.
Expense depreciation	– Used to fund water main replacement in construction.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 4 – RESTRICTED ASSETS (cont.)

The following calculation supports the amount of restricted net position:

	December 31,	
	2024	2023
Restricted Assets		
Current restricted assets		
Principal and interest	\$ 13,217,358	\$ 13,191,166
Noncurrent Restricted Assets		
Reserve – See Note (A)	11,707,128	12,190,068
Construction	7,492,361	2,548,254
Assessment fund	2,055,530	1,858,134
Depreciation	750,000	750,000
Expense depreciation	2,413,110	1,966,423
Total Noncurrent Restricted Assets	24,418,129	19,312,879
Total Restricted Assets	37,635,487	32,504,045
Less: Restricted Assets not Funded by Revenues		
Reserve – See Note (A)	(9,049,570)	(9,640,618)
Construction	(7,492,361)	(2,548,254)
Current Liabilities Payable from Restricted Assets	(2,198,506)	(2,374,736)
Total Restricted Net Position	\$ 18,895,050	\$ 17,940,437
The purpose of the restricted net position is as follows:		
Debt service	\$ 13,676,410	\$ 13,365,880
Capital repairs and replacement	5,218,640	4,574,557
Total	\$ 18,895,050	\$ 17,940,437

Note (A) – The Reserve Fund consists of both proceeds received from prior bond issuances earmarked for the Reserve Fund and funds contributed by the Utility. Only those proceeds contributed specifically from bond proceeds are classified as restricted assets in the Reserve Fund.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 5 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2024 follows:

	1/1/24 Balance	Increases	Decreases	12/31/24 Balance
Capital assets, not being depreciated				
Land and land rights	\$ 3,129,640	\$ 4,073	\$ -	\$ 3,133,713
Capital assets being depreciated				
Source of supply	14,530,229	328,696	-	14,858,925
Pumping	26,087,258	1,433,193	258,373	27,262,078
Water treatment	5,817,023	108,249	18,867	5,906,405
Transmission and distribution	343,145,583	11,951,572	561,691	354,535,464
General	40,340,343	1,088,027	297,430	41,130,940
Total Capital Assets				
Being Depreciated	429,920,436	14,909,737	1,136,361	443,693,812
Total Capital Assets	433,050,076	14,913,810	1,136,361	446,827,525
Less: Accumulated Depreciation				
Source of supply	(7,778,374)	(542,567)	-	(8,320,941)
Pumping	(12,525,697)	(1,009,672)	268,612	(13,266,757)
Water treatment	(1,957,420)	(214,246)	20,385	(2,151,281)
Transmission and distribution	(90,922,083)	(6,722,059)	2,778,857	(94,865,285)
General	(18,748,697)	(1,728,416)	297,958	(20,179,155)
Total Accumulated Depreciation	(131,932,271)	(10,216,960)	3,365,812	(138,783,419)
Construction in progress	3,956,980	12,585,597	10,708,770	5,833,807
Net Capital Assets	\$ 305,074,785			\$ 313,877,913

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 5 – CHANGES IN CAPITAL ASSETS (cont.)

A summary of changes in capital assets for 2023 follows:

	1/1/23 Balance	Increases	Decreases	12/31/23 Balance
Capital assets, not being depreciated				
Land and land rights	\$ 3,144,738	\$ 936	\$ 16,034	\$ 3,129,640
Capital assets being depreciated				
Source of supply	14,386,109	284,214	140,094	14,530,229
Pumping	25,351,084	849,913	113,739	26,087,258
Water treatment	5,792,110	58,688	33,775	5,817,023
Transmission and distribution	334,387,098	9,477,758	719,273	343,145,583
General	40,039,553	724,030	423,240	40,340,343
Total Capital Assets				
Being Depreciated	419,955,954	11,394,603	1,430,121	429,920,436
Total Capital Assets	423,100,692	11,395,539	1,446,155	433,050,076
Less: Accumulated Depreciation				
Source of supply	(7,314,142)	(470,326)	6,094	(7,778,374)
Pumping	(11,680,855)	(968,532)	123,690	(12,525,697)
Water treatment	(1,782,584)	(210,817)	35,981	(1,957,420)
Transmission and distribution	(82,979,208)	(8,702,271)	759,396	(90,922,083)
General	(17,371,260)	(1,800,919)	423,482	(18,748,697)
Total Accumulated Depreciation	(121,128,049)	(12,152,865)	1,348,643	(131,932,271)
Construction in progress	1,953,288	8,624,694	6,621,002	3,956,980
Net Capital Assets	\$ 303,925,931			\$ 305,074,785

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 6 – LONG-TERM OBLIGATIONS

#### REVENUE BONDS

Date	Purpose	Final Maturity	Interest Rates	Original Amount	12/31/2024 Amount Outstanding
12/17/15	System improvements	1/1/36	2.85 – 5.00%	\$ 41,610,000	\$ 28,265,000
12/28/16	Refunding debt and system improvements	1/1/37	1.24 – 3.82	38,420,000	23,820,000
12/20/18	Series A – System Improvements	1/1/39	4.00	30,765,000	25,195,000
12/20/18	Series B - Operations	1/1/28	3.00 – 3.55	9,390,000	4,510,000
12/19/19	Series A - Refunding 2009A and 2010 bonds	1/1/31	2.00 – 5.00	33,680,000	23,500,000
12/19/19	Series B – Refunding 2011 bonds	1/1/32	1.70 – 2.65	13,055,000	9,125,000
12/19/19	Bond anticipation notes – system improvements	11/1/24	1.50	20,000,000	-
10/11/23	SDWL 4837-06 – Pipeline and repayment of BAN*	5/1/43	2.15	4,675,000	4,485,355
5/22/24	SDWL 4837-12 – Pipeline and repayment of BAN*	5/1/44	2.15	3,365,000	3,365,000
7/24/24	SDWL 4837-09 – UW 15 PFAS Mitigation*	5/1/44	2.15	852,722	852,722
Totals				<u>\$ 195,812,722</u>	<u>\$ 123,118,077</u>

\*The debt noted is directly placed with a third party.

Revenue bond debt service requirements to maturity follows:

Year Ending December 31:	Revenue Bonds		Direct Placement		Total
	Principal	Interest	Principal	Interest	
2025	\$ 11,050,000	\$ 4,089,461	\$ 330,217	\$ 183,241	\$ 15,652,919
2026	11,485,000	3,608,004	374,127	175,586	15,642,717
2027	11,490,000	3,136,099	382,152	167,475	15,175,726
2028	11,985,000	2,655,165	390,350	159,189	15,189,704
2029	11,620,000	2,191,945	398,722	150,726	14,361,393
2030-2034	36,190,000	6,696,796	2,125,631	620,198	45,632,625
2035-2039	20,595,000	1,525,705	2,363,598	379,681	24,863,984
2040-2044	-	-	2,338,280	115,344	2,453,624
Totals	<u>\$ 114,415,000</u>	<u>\$ 23,903,175</u>	<u>\$ 8,703,077</u>	<u>\$ 1,951,440</u>	<u>\$ 148,972,692</u>

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 6 – LONG-TERM OBLIGATIONS (cont.)

#### GENERAL OBLIGATION BONDS

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	12/31/2024 Amount
					<u>Outstanding</u>
10/6/2022	Refunding - System Improvements	10/1/2033	4.00 - 5.00%	\$ 22,035,000	\$ 18,615,000
9/5/2024	Unit Well 19	10/1/2043	5.00	7,328,000	7,328,000
				<u>\$ 29,363,000</u>	<u>\$ 25,943,000</u>

General obligation bond debt service requirements to maturity follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	2,398,727	1,275,754	3,674,481
2026	2,488,727	1,129,915	3,618,642
2027	2,578,727	1,005,479	3,584,206
2028	2,673,727	876,542	3,550,269
2029	2,773,727	742,856	3,516,583
2030-2034	11,634,610	1,642,035	13,276,645
2035-2039	774,864	232,459	1,007,323
2040-2043	619,891	61,989	681,880
Totals	<u>\$ 25,943,000</u>	<u>\$ 6,967,029</u>	<u>\$ 32,910,029</u>

The bonds are secured by a pledge of the redemption fund, net Utility revenues and a mortgage lien on Utility plant. Principal and interest paid for 2024 and 2023 were \$31,139,701 and \$15,817,486, respectively. Total customer net revenues as defined for 2024 and 2023 were \$39,896,922 and \$40,619,841, respectively. Annual principal and interest payments are expected to require 19% of net revenues.

#### OTHER LIABILITY

The Utility has entered into a long-term easement for land. The terms and conditions for this obligation correlate to the water tower agreements for Northport Dr water tower, expiring May 31, 2037 and February 28, 2038.

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	12/31/24 Amount <u>Outstanding</u>
1/1/2021	Use of land	5/31/2037-2/28/2038	0.935864%	\$ 1,123,944	\$ 954,599

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 6 – LONG-TERM OBLIGATIONS (cont.)

#### OTHER LIABILITY (cont.)

Future annual contract payments for the year ended December 31, 2024 follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	54,439	8,999	63,438
2026	57,536	8,440	65,976
2027	60,766	7,849	68,615
2028	64,136	7,223	71,359
2029	67,652	6,562	74,214
2030-2034	396,496	21,547	418,043
2035-2037	253,574	2,618	256,192
	<u>\$ 954,599</u>	<u>\$ 63,238</u>	<u>\$ 1,017,837</u>

The Utility has also recorded a right to use asset to be recognized consistent with the revenues on the corresponding agreements.

#### SBITA LIABILITY

The Utility, as a lessee, has entered into multiple SBITAs. As of December 31, 2024 and 2023 the SBITA obligation was \$229,740 and \$91,789. The SBITAs have interest rates between 2.81% and 3.57% and have an estimated life of 3 to 6 years. The Utility made \$65,743 and \$60,032 of principal and \$1,703 and \$3,314 of interest payments related to these SBITAs for the fiscal year ended December 31, 2024 and 2023.

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>12/31/2024 Amount Outstanding</u>
8/1/2020 - 7/28/2023	SBITA Obligations	7/31/2025-1/6/2028	2.81 - 3.57%	\$ 514,535	\$ 229,740

The Utility's total SBITA payments are as follows:

<u>Year Ended December 31:</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2025	110,866	3,456	114,322
2026	111,924	193	112,117
2027	6,950	-	6,950
	<u>229,740</u>	<u>3,649</u>	<u>233,389</u>
Less: Current Portion	(110,866)	(3,456)	(114,322)
Long-term portion as of December 31, 2024	<u>\$ 118,874</u>	<u>\$ 193</u>	<u>\$ 119,067</u>

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 6 – LONG-TERM OBLIGATIONS (cont.)

#### LONG-TERM OBLIGATIONS SUMMARY

Long-term obligation activity for the year ended December 31, 2024, is as follows:

	1/1/24 Balance	Additions	Reductions	12/31/24 Balance	Due Within One Year
Revenue bonds	\$ 145,250,000	\$ 4,217,723	26,349,646	\$ 123,118,077	\$ 11,380,217
General obligation bonds	20,345,000	7,328,000	1,730,000	25,943,000	2,398,727
Accrued sick leave	2,178,540	322,440	691,608	1,809,372	-
Customer advances for construction	113,749	432,470	455,325	90,894	-
Advance from municipality	161,533	-	161,533	-	-
Other Liability	978,719	-	24,120	954,599	54,439
SBITA Liability	91,789	301,022	163,071	229,740	110,866
Unamortized debt premium	9,690,362	-	1,103,115	8,587,247	-
Totals	\$ 178,809,692	\$ 12,601,655	\$ 30,678,418	\$ 160,732,929	\$ 13,944,249

Long-term obligation activity for the year ended December 31, 2023, is as follows:

	1/1/23 Balance	Additions	Reductions	12/31/23 Balance	Due Within One Year
Revenue bonds	\$ 155,825,000	\$ 4,675,000	15,250,000	\$ 145,250,000	\$ 26,349,645
General obligation bonds	22,035,000	-	1,690,000	20,345,000	1,730,000
Accrued sick leave	2,044,005	310,181	175,646	2,178,540	-
Customer advances for construction	148,592	511,893	546,736	113,749	-
Advance from municipality	314,671	-	153,138	161,533	161,533
Other Liability	1,026,230	-	47,511	978,719	50,244
SBITA Liability	-	154,151	62,362	91,789	65,743
Unamortized debt premium	10,793,478	-	1,103,116	9,690,362	-
Totals	\$ 192,186,976	\$ 5,651,225	\$ 19,028,509	\$ 178,809,692	\$ 28,357,165

#### CURRENT REFUNDING

On May 1, 2024 and July 24, 2024, the Utility obtained two Safe Drinking Water Loan (SDWL) from the Wisconsin Department of Natural Resources in the amount of \$3,365,000 and \$852,723 with an average interest rate of 2.15%. The \$3,365,000 SDWL was utilized to redeem a partial bond anticipation note in the amount of \$20,000,000 maturing on November 1, 2024. The bond anticipation note was paid in full on May 24, 2024. The \$852,723 SDWL is to fund the mitigation of Unit Well 15 for Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and includes a 50% principal forgiveness.

On October 11, 2023, the Utility obtained a Safe Drinking Water Loan from the Wisconsin Department of Natural Resources in the amount of \$4,675,000 with an average interest rate of 2.15% utilized to redeem a partial bond anticipation note in the amount of \$20,000,000 due to mature on November 1, 2024. The new bond anticipation note principal amount as of December 31, 2023 is now \$15,325,000.



# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 6 – LONG-TERM OBLIGATIONS (cont.)

#### **COMPLIANCE WITH FUNDING REQUIREMENTS**

The Utility is required to comply with various debt covenants as a result of issuing revenue bonds. One such requirement states that net revenues earned must be at least 1.25 times the highest combined annual principal and interest requirements on outstanding revenue bonds. The Utility met this requirement in 2024 and 2023.

#### **NUMBER OF CUSTOMERS**

At December 31, 2024 and 2023, the Utility served the following number of customers:

	2024	2023
Residential	59,479	59,273
Multifamily	4,937	4,908
Duplex	2,166	2,173
Commercial	5,600	5,558
Industrial	92	94
Public Authority	868	857
Totals	73,142	72,863

#### **WATER PUMPED AND BILLED**

During the years ended December 31, 2024 and 2023, the following amounts of water were pumped and billed:

	(000 gallons)	
	2024	2023
Water pumped	8,997,926	9,272,248
Water billed	7,833,050	8,262,477

#### **RISK MANAGEMENT**

The Utility is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 7 – NET POSITION

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GASB No. 34 requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

**Net investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets; rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**Restricted** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** – The component of net position consisting of net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Utility's policy to use restricted resources first, then unrestricted resources as they are needed.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 7 – NET POSITION (cont.)

The following calculation supports the net investment in capital assets:

	December 31,	
	2024	2023
Plant in Service	\$ 446,827,525	\$ 433,050,076
Accumulated Deprecation	(138,783,419)	\$ (131,932,271)
Construction in Progress	5,833,807	\$ 3,956,980
Subtotals	<u>313,877,913</u>	<u>305,074,785</u>
Less: Capital Related Debt		
Current portion of capital related long-term debt - See Note (A)	12,708,944	27,039,645
Current portion of contract liability	54,439	50,244
Current portion of SBITA liability	110,866	65,743
Lease liability (net of current portion)	900,160	928,475
SBITA liability (net of current portion)	118,874	26,046
Long-term portion of capital related long-term debt - See Note (A)	131,842,133	133,005,354
Unamortized debt premium	8,587,247	9,690,362
Unamortized gain on advance refunding	1,252,729	1,398,290
Unamortized loss on advance refunding	(342,770)	(420,889)
Subtotals	<u>155,232,622</u>	<u>171,783,270</u>
Add: Borrowed Funds on Hand		
Reserve Funds	9,049,570	9,640,618
Construction fund	7,492,361	2,548,254
Subtotals	<u>16,541,931</u>	<u>12,188,872</u>
Total Net Investment In Capital Assets	<u>\$ 175,187,222</u>	<u>\$ 145,480,387</u>

Note (A) – The 2018 Series B bonds are not included in this calculation as the debt was for operating purposes and not capital

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM

#### General Information about the Pension Plan

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

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ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**Postretirement adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### General Information about the Pension Plan (cont.)

#### Postretirement adjustments (cont.)

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21.0)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including teachers, and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$734,577 and \$656,253 in contributions from the Utility during the current and prior reporting periods, respectively.

Contribution rates as of December 31, 2024 and December 31, 2023 are:

	2024		2023	
	Employee	Employer	Employee	Employer
General (including Executives and Elected Officials)	6.90%	6.90%	6.80%	6.80%
Protective with Social Security	6.90%	14.30%	6.80%	13.20%
Protective without Social Security	6.90%	19.10%	6.80%	18.10%

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### ***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2024, the Utility reported a liability (asset) of \$718,417 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the municipality's proportion was 1.87830029%, which was an increase of 0.013262% from its proportion measured as of December 31, 2022.

At December 31, 2023, the Utility reported a liability (asset) of \$2,642,509 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the municipality's proportion was 1.86503864%, which was an increase of 0.016987% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2024, and 2023, the Utility recognized pension expense of (\$336,691) and \$777,715, respectively.

At December 31, 2024, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,733,670	\$ (4,421,561)
Changes in assumptions	408,002	-
Net differences between projected and actual earnings on pension plan investments	2,247,891	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,062	(15,477)
Employer contributions subsequent to the measurement date	734,577	-
Totals	<u>\$ 7,131,202</u>	<u>\$ (4,437,038)</u>

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### ***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)***

At December 31, 2023, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,885,238	\$ (5,903,381)
Changes in assumptions	594,677	-
Net differences between projected and actual earnings on pension plan investments	4,062,171	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,061	(20,454)
Employer contributions subsequent to the measurement date	656,253	-
Totals	<u>\$ 10,205,400</u>	<u>\$ (5,923,835)</u>

Deferred outflows related to pension resulting from WRS Employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>2024</b>	
Year Ended December 31	Water Utility
2025	\$ 400,442
2026	418,921
2027	1,644,623
2028	(504,398)
2029	-
Total	<u>\$ 1,959,588</u>

**Actuarial assumptions.** The total pension liability (asset) in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### ***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** (cont.)

	2024	2023
Actuarial valuation date	December 31, 2022	December 31, 2021
Measurement date of net Pension liability (Asset)	December 31, 2023	December 31, 2022
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair value	Fair value
Long-term expected rate of return	6.8%	6.8%
Discount rate	6.8%	6.8%
Salary increases		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2020 Experience Mortality Table	Wisconsin 2020 WRS Experience Mortality Table
Post-retirement adjustments*	1.7%	1.7%

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

***Long-term expected return on plan assets.*** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2024 are summarized in the following table:



# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### *Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* (cont.)

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	48.0%	7.6%	5.0%
Fixed Income	25.0	5.3	2.7
Inflation Sensitive Assets	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
<i>Total Core Fund</i>	115.0	7.4	4.8
<u>Variable Fund Asset Class</u>			
US Equities	70.0	7.2	4.6
International Equities	30.0	8.1	5.5
<i>Total Variable Fund</i>	100.0	7.7	5.1

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### ***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** (cont.)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2022 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	40.0%	7.3%	4.5%
Fixed Income	27.0	5.8	3.0
Inflation Sensitive Assets	19.0	4.4	1.7
Real Estate	8.0	5.8	3.0
Private Equity/Debt	18.0	9.6	6.7
<i>Total Core Fund</i>	100.0	7.4	4.6
Variable Fund Asset Class			
US Equities	70.0	6.8	4.0
International Equities	30.0	7.6	4.8
<i>Total Variable Fund</i>	100.0	7.3	4.5

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.7%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%

**Single discount rate.** A single discount rate of 6.80 percent was used to measure the total pension liability (asset) as of December 31, 2024 and December 31, 2023. This single discount rate was based on the expected rate of return on pension plan investments of 6.80 and a municipal bond rate of 3.77 percent and 4.05 percent, in 2024 and 2023 respectively. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024 and 2023, respectively. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.80 percent expected rate of return implies that a dividend of approximately 1.7 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 8 – EMPLOYEES RETIREMENT SYSTEM (cont.)

#### ***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** (cont.)

***Sensitivity of the Utility's proportionate share of the net pension liability (asset) to changes in the discount rate.*** The following presents the utilities' proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the utilities' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

The sensitivity analysis as of December 31, 2024 is as follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Utility's proportionate share of the net pension liability (asset)	\$ 6,937,069	\$ 718,417	\$ (3,634,229)

The sensitivity analysis as of December 31, 2023 is as follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Utility's proportionate share of the net pension liability (asset)	\$ 8,755,677	\$ 2,642,509	\$ (1,570,315)

***Pension plan fiduciary net position.*** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

#### ***GENERAL INFORMATION ABOUT THE OPEB PLAN***

The Utility implemented GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective January 1, 2018. The cumulative effect of the change in net position due to the change in accounting standard is shown as a change in beginning net position for 2018. The prior year balances for deferred outflows of resources, deferred inflows of resources, and the total OPEB liability were not restated due to the measurement date used for the calculation of the balances and the timing of the information received by the Plan.

The municipality sponsors a single-employer defined benefit healthcare plan, (the plan) in which the Utility participates. The plan provides healthcare coverage to active and eligible retired municipal employees and their spouses. The plan is affiliated with the Wisconsin Public Employer's Group Health Insurance – Dane County service area plan, a purchasing plan administered by the State of Wisconsin. Benefit provisions are established through collective bargaining agreements. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

## MADISON WATER UTILITY

### NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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#### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

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##### **GENERAL INFORMATION ABOUT THE OPEB PLAN** (cont.)

The plan provides eligible retirees with the opportunity to stay on the municipality's health insurance plan. Contribution requirements are established by statute and employee handbooks. Eligible retirees and spouses contribute the full amount of the premiums. As the eligibility requirements for different classes of employees vary, please see the audit report of the municipality for complete details of all benefits offered as well as the funding policy and required contribution rates. See the municipality's Comprehensive Annual Financial Report for more information on the Plan.

**Employees covered by benefit terms.** At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	Water Utility	
	2024	2023
Inactive plan members or beneficiaries currently receiving benefit payments	27	27
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	105	111
	<u>132</u>	<u>138</u>

##### **TOTAL OPEB LIABILITY**

At December 31, 2024, the Utility's total OPEB liability of \$2,662,733 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date. At December 31, 2023, the Utility's total OPEB liability was \$2,875,795 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

**Actuarial assumptions.** The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

	2024	2023
Actuarial valuation date	December 31, 2024	December 31, 2023
Inflation	2.40% per year	2.50% per year
Salary increases	2.0 – 6.0%	3.00%
Investment rate of return	4.00% as of January 1, 2024 and 4.28% as of December 31, 2024	4.31% as of January 1, 2023 and 4.00% as of December 31, 2023
Healthcare cost trend rates	7.5% initially reduced by decrements to an ultimate rate of 4.5% after 7 years	8% initially reduced by decrements to an ultimate rate of 4.5% after 7 years
Retirees' share of benefit-related costs	100%	100%
Discount rate	4.28%	4.00%

The discount rate was based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) as of the measurement date.

Mortality Rates are based on SOA RPH-2020 Total Dataset Mortality Table fully generational using Scale MP-2021.

Other assumptions are based on a City-determined analysis of past trends and future expectations.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2024 and 2023

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

#### CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at January 1, 2024	\$ 2,875,795
Changes for the year:	
Allocation changes	(273,679)
Service cost	178,857
Interest	108,448
Change in benefit terms	-
Differences between expected and actual experience	(21,687)
Changes in assumptions	(64,084)
Benefit payments	(140,917)
Net changes	(213,062)
Balances at December 31, 2024	\$ 2,662,733
	Total OPEB Liability
Balances at January 1, 2023	\$ 2,532,950
Changes for the year:	
Allocation changes	(117,074)
Service cost	169,425
Interest	108,843
Change in benefit terms	-
Differences between expected and actual experience	127,168
Changes in assumptions	175,656
Benefit payments	(121,173)
Net changes	342,845
Balances at December 31, 2023	\$ 2,875,795

There was a change in the discount rate from 4.00% to 4.28% from December 31, 2023 to December 31, 2024.

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the Utility, as well as what the Utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

As of December 31, 2024:	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB liability	\$ 2,881,273	\$ 2,662,733	\$ 2,463,627

As of December 31, 2023:	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 3,108,524	\$ 2,875,795	\$ 2,663,846

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the Utility, as well as what the Utility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

As of December 31, 2024:	1% Decrease (6.50%)	Healthcare Cost Trend Rates (7.50%)	1% Increase (8.50%)
Total OPEB liability	\$ 2,406,659	\$ 2,662,733	\$ 2,962,366

As of December 31, 2023:	1% Decrease (7.00%)	Healthcare Cost Trend Rates (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 2,588,975	\$ 2,875,975	\$ 3,214,090

# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

#### ***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the year ended December 31, 2024 and 2023, the Utility recognized OPEB expense of \$228,583 and \$225,044, respectively. At December 31, 2024 and 2023, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 374,089	\$ (287,317)	\$ 519,906	\$ (312,152)
Differences between expected and actual experience	-	(327,940)	-	(442,440)
Total	\$ 374,089	\$ (615,257)	\$ 519,906	\$ (754,592)

Deferred outflows related to OPEB resulting from the employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

#### Year Ended December 31:

2025	\$	(56,956)
2026		(31,153)
2027		(39,732)
2028		(68,641)
2029		(57,494)
Thereafter		12,808
Total	\$	(241,168)



# MADISON WATER UTILITY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

### NOTE 10 – LEASES

#### *Water Utility as Lessor*

The Utility has leased the right to place cellular antennas on water towers to various cellular companies.

A summary of lease activities for December 31, 2024 follows:

<u>Lessee</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Receivable Balance 12/31/2024</u>	<u>Deferred Inflow Balance 12/31/2024</u>
Verizon Wireless (Primeco)	6/1/1997	5/31/2027	0.935864 \$	594,557 \$	557,213
New Cingular Wireless ATT Mobility	1/12/1998	1/11/2023	0.935864	631,688	576,817
Sprint Spectrum LP	3/1/1998	2/28/2028	0.935864	630,704	580,821
Sprint Spectrum LP	6/1/2004	5/31/2024	0.935864	-	-
Verizon Wireless Personal Communications LP	10/10/2016	10/9/2026	0.935864	471,419	454,667
New Cingular Wireless PCS LLC	12/5/2021	12/4/2031	2.813855	613,015	593,164
New Cingular Wireless PCS LLC	4/1/2022	5/31/2027	2.813855	615,395	576,746
New Cingular Wireless PCS LLC	7/1/2022	6/30/2027	2.813855	632,861	605,955
Madison Gas and Electric Company	5/28/2024	5/27/2027	2.930256	52,248	52,818
Madison Gas and Electric Company	5/28/2024	5/27/2027	2.930256	52,248	52,818
			\$	4,294,135 \$	4,051,019

A summary of lease activities for December 31, 2023 follows:

<u>Lessee</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Receivable Balance 12/31/2023</u>	<u>Deferred Inflow Balance 12/31/2023</u>
Verizon Wireless (Primeco)	6/1/1997	5/31/2027	0.935864 \$	629,231 \$	602,089
New Cingular Wireless ATT Mobility	1/12/1998	1/11/2023	0.935864	664,621	621,087
Sprint Spectrum LP	3/1/1998	2/28/2028	0.935864	663,585	624,934
Sprint Spectrum LP	6/1/2004	5/31/2024	0.935864	-	18,189
Verizon Wireless Personal Communications LP	10/10/2016	10/9/2026	0.935864	502,363	493,283
New Cingular Wireless PCS LLC	12/5/2021	12/4/2031	2.813855	632,819	628,205
New Cingular Wireless PCS LLC	4/1/2022	5/31/2027	2.813855	633,078	610,181
New Cingular Wireless PCS LLC	7/1/2022	6/30/2027	2.813855	651,046	640,580
			\$	4,376,743 \$	4,238,548

The Utility recognized \$298,225 and \$318,631 of lease revenue as of December 31, 2024 and 2023, respectively.

The Utility recognized \$77,242 and \$78,321 of interest revenue as of December 31, 2024 and 2023, respectively.

# **MADISON WATER UTILITY**

## **NOTES TO FINANCIAL STATEMENTS**

As of and for the Years Ended December 31, 2024 and 2023

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### **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

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#### ***CLAIMS AND JUDGMENTS***

From time to time, the Utility is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Utility's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Utility's financial position or results of operations.

#### ***OPEN CONTRACTS***

The Utility has construction contracts that continue into subsequent years. The value of service provided and the corresponding liability as of December 31, 2024 and 2023 has been accrued in these financial statements.

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### **NOTE 12 – SUBSEQUENT EVENTS**

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The Utility evaluated subsequent events through the date that the financial statements were available to be issued for events requiring recording or disclosure in the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# MADISON WATER UTILITY

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2024

The required supplementary information presented below represents the proportionate information for the enterprise fund included in this report.

Fiscal Year Ending	City's Proportion of the Net Pension Liability (Asset)	Utility's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
12/31/24	1.86022%	\$ 718,417	\$ 9,650,779	7.44%	98.85%
12/31/23	1.84596%	2,642,509	9,098,831	29.04%	95.72%
12/31/22	1.82854%	(4,074,884)	8,744,178	46.60%	106.02%
12/31/21	1.80992%	(3,317,731)	9,215,274	36.00%	105.26%
12/31/20	1.78515%	(1,803,263)	9,089,634	19.84%	102.96%
12/31/19	1.74728%	2,015,781	8,837,448	22.81%	96.45%
12/31/18	1.68891%	(1,594,540)	8,270,529	19.28%	102.93%
12/31/17	1.62005%	438,906	7,895,803	5.56%	99.12%
12/31/16	1.58205%	880,490	7,765,706	11.34%	98.20%
12/31/15	1.57042%	(1,359,015)	7,847,129	17.32%	102.74%

## SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2024

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 734,577	\$ 734,577	\$ -	\$ 10,646,043	6.90%
12/31/23	656,253	656,253	-	9,650,779	6.80%
12/31/22	591,424	591,424	-	9,098,831	6.50%
12/31/21	590,232	590,232	-	8,744,178	6.75%
12/31/20	622,031	622,031	-	9,215,274	6.75%
12/31/19	595,371	595,371	-	9,089,634	6.55%
12/31/18	592,109	592,109	-	8,837,448	6.70%
12/31/17	562,396	562,396	-	8,270,529	6.80%
12/31/16	521,123	521,123	-	7,895,803	6.60%
12/31/15	528,068	528,068	-	7,765,706	6.80%

See independent auditors' report and accompanying notes to the required supplementary information

# MADISON WATER UTILITY

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2024

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.*

	2015 - 2018	2019 - 2021	2022-2024
Long-term expected rate of return	7.00%	7.00%	6.80%
Discount rate	7.00%	7.00%	6.80%
Salary increases			
Inflation	3.00%	3.00%	3.00%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2018 Mortality Table	Wisconsin 2020 WRS Experience Morality Table
Post-retirement adjustments	1.90%	1.90%	1.70%

These schedules are presented to illustrate the requirements to show information for 10 years.

# MADISON WATER UTILITY

## SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS (LAST TEN FISCAL YEARS) \*

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Allocation changes	\$ (273,679)	\$ (117,074)	\$ 84,861	\$ (67,393)	\$ (98,467)	\$ (32,216)	
Service Cost	178,857	169,425	234,723	230,069	178,623	162,366	179,318
Interest on Total OPEB Liability	108,448	108,843	73,513	65,889	88,516	105,763	96,586
Changes in benefits terms	-	-	11,644	-	(2,792)	-	-
Difference between expected and actual experience	(21,687)	127,168	(358,458)	(68,576)	(142,947)	(87,124)	(198,756)
Changes in assumptions	(64,084)	175,656	(392,615)	(31,930)	409,586	169,237	(51,468)
Employee Contributions	(140,917)	(121,173)	-	-	-	-	-
Benefit payments, including employee refunds	-	-	(136,022)	(115,485)	(128,683)	(123,342)	(109,523)
Administrative expense	-	-	-	-	-	-	-
<b>Net Change in total OPEB Liability</b>	<b>(213,062)</b>	<b>342,845</b>	<b>(482,354)</b>	<b>12,574</b>	<b>303,836</b>	<b>194,684</b>	<b>(83,843)</b>
<b>Total OPEB Liability - Beginning</b>	<b>2,875,795</b>	<b>2,532,950</b>	<b>3,015,304</b>	<b>3,002,730</b>	<b>2,698,894</b>	<b>2,504,210</b>	<b>2,588,053</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 2,662,733</b>	<b>\$ 2,875,795</b>	<b>\$ 2,532,950</b>	<b>\$ 3,015,304</b>	<b>\$ 3,002,730</b>	<b>\$ 2,698,894</b>	<b>\$ 2,504,210</b>
 <b>Covered-employee payroll</b>	 \$ 8,378,644	 \$ 8,754,323	 \$ 8,472,381	 \$ 7,953,849	 \$ 7,573,090	 \$ 7,796,356	 \$ 7,505,306
 <b>Total OPEB liability as a percentage of covered-employee payroll</b>	 31.78%	 32.85%	 29.90%	 37.91%	 39.65%	 34.62%	 33.37%

### Notes to OPEB Schedule:

#### Changes in Assumptions

##### *Changes in assumptions:*

*Discount Rate* - The discount rate has been updated from 4.00% to 4.28% in the December 31, 2024 valuation.

*Health Care and Subsidy Trend Rates* - The discount rate has been updated from 8.00% to 7.50% in the December 31, 2024 valuation.

*Inflation* - The inflation rate is 2.40%, in the December 31, 2023 valuation.

\* Measurement fiscal year 2018 was the first year of GASB 75 implementation, therefore only seven years are presented.

## **SUPPLEMENTAL INFORMATION**

## MADISON WATER UTILITY

REVENUE BOND AND BOND ANTICIPATION NOTE DEBT REPAYMENT SCHEDULES  
As of December 31, 2024

Year	2015 Revenue Bonds			2016A Revenue Bonds			2016B Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	1,930,000	865,454	2,795,454	1,025,000	741,775	1,766,775	1,405,000	267,625	1,672,625
2026	2,005,000	787,129	2,792,129	1,080,000	689,150	1,769,150	1,475,000	195,625	1,670,625
2027	2,090,000	725,704	2,815,704	1,135,000	633,775	1,768,775	1,550,000	120,000	1,670,000
2028	2,170,000	663,431	2,833,431	1,190,000	575,650	1,765,650	1,625,000	40,625	1,665,625
2029	2,235,000	598,983	2,833,983	1,250,000	514,650	1,764,650	-	-	-
2030	2,305,000	529,731	2,834,731	1,310,000	457,200	1,767,200	-	-	-
2031	2,380,000	455,924	2,835,924	1,365,000	403,700	1,768,700	-	-	-
2032	2,460,000	379,406	2,839,406	1,420,000	348,000	1,768,000	-	-	-
2033	2,540,000	301,281	2,841,281	1,475,000	290,100	1,765,100	-	-	-
2034	2,625,000	220,578	2,845,578	1,535,000	229,900	1,764,900	-	-	-
2035	2,715,000	135,444	2,850,444	1,595,000	167,300	1,762,300	-	-	-
2036	2,810,000	45,661	2,855,661	1,660,000	102,200	1,762,200	-	-	-
2037	-	-	-	1,725,000	34,500	1,759,500	-	-	-
Totals	\$ 28,265,000	\$ 5,708,726	\$ 33,973,726	\$ 17,765,000	\$ 5,187,900	\$ 22,952,900	\$ 6,055,000	\$ 623,875	\$ 6,678,875

Year	2018A Revenue Bonds			2018B Taxable Revenue Bonds (Operating)			2019A Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	1,260,000	982,600	2,242,600	1,070,000	137,537	1,207,537	3,320,000	892,100	4,212,100
2026	1,310,000	931,200	2,241,200	1,110,000	101,012	1,211,012	3,440,000	723,100	4,163,100
2027	1,360,000	877,800	2,237,800	1,145,000	62,105	1,207,105	3,120,000	559,100	3,679,100
2028	1,415,000	822,300	2,237,300	1,185,000	21,034	1,206,034	3,280,000	399,100	3,679,100
2029	1,470,000	764,600	2,234,600	-	-	-	5,515,000	206,800	5,721,800
2030	1,530,000	704,600	2,234,600	-	-	-	4,045,000	56,050	4,101,050
2031	1,595,000	642,100	2,237,100	-	-	-	780,000	7,800	787,800
2032	1,655,000	577,100	2,232,100	-	-	-	-	-	-
2033	1,720,000	509,600	2,229,600	-	-	-	-	-	-
2034	1,790,000	439,400	2,229,400	-	-	-	-	-	-
2035	1,865,000	366,300	2,231,300	-	-	-	-	-	-
2036	1,935,000	290,300	2,225,300	-	-	-	-	-	-
2037	2,015,000	211,300	2,226,300	-	-	-	-	-	-
2038	2,095,000	129,100	2,224,100	-	-	-	-	-	-
2039	2,180,000	43,600	2,223,600	-	-	-	-	-	-
Totals	\$ 25,195,000	\$ 8,291,900	\$ 33,486,900	\$ 4,510,000	\$ 321,688	\$ 4,831,688	\$ 23,500,000	\$ 2,844,050	\$ 26,344,050

Year	2019B Refunding Bonds			2023 Revenue Bond (SDWL 4837-06)			2024 Revenue Bond (SDWL 4837-12)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	1,040,000	202,370	1,242,370	193,713	94,133	287,846	136,504	70,715	207,219
2026	1,065,000	180,788	1,245,788	197,868	89,934	287,802	139,432	67,756	207,188
2027	1,090,000	157,615	1,247,615	202,112	85,644	287,756	142,423	64,733	207,156
2028	1,120,000	133,025	1,253,025	206,448	81,262	287,710	145,478	61,645	207,123
2029	1,150,000	106,912	1,256,912	210,876	76,786	287,662	148,598	58,491	207,089
2030	1,185,000	78,884	1,263,884	215,399	72,214	287,613	151,786	55,270	207,056
2031	1,220,000	48,813	1,268,813	220,020	67,545	287,565	155,041	51,979	207,020
2032	1,255,000	16,629	1,271,629	224,739	62,774	287,513	158,367	48,618	206,985
2033	-	-	-	229,560	57,902	287,462	161,764	45,184	206,948
2034	-	-	-	234,484	52,925	287,409	165,234	41,677	206,911
2035	-	-	-	239,514	47,842	287,356	168,778	38,095	206,873
2036	-	-	-	244,651	42,649	287,300	172,399	34,436	206,835
2037	-	-	-	249,899	37,345	287,244	176,096	30,698	206,794
2038	-	-	-	255,259	31,927	287,186	179,874	26,880	206,754
2039	-	-	-	260,735	26,393	287,128	183,732	22,981	206,713
2040	-	-	-	266,327	20,740	287,067	187,673	18,997	206,670
2041	-	-	-	272,040	14,966	287,006	191,699	14,929	206,628
2042	-	-	-	277,875	9,069	286,944	195,811	10,773	206,584
2043	-	-	-	283,836	3,044	286,880	200,011	6,527	206,538
2044	-	-	-	-	-	-	204,300	2,191	206,491
Totals	\$ 9,125,000	\$ 925,036	\$ 10,050,036	\$ 4,485,355	\$ 975,094	\$ 5,460,449	\$ 3,365,000	\$ 772,575	\$ 4,137,575

Year	2024 Revenue Bond (SDWL 4837-09)			TOTAL (All Revenue Debt)		
	Principal	Interest	Total	Principal	Interest	Total
2025	-	18,393	18,393	11,380,217	4,272,702	15,652,919
2026	36,827	17,896	54,723	11,859,127	3,783,590	15,642,717
2027	37,617	17,098	54,715	11,872,152	3,303,574	15,175,726
2028	38,424	16,282	54,706	12,375,350	2,814,354	15,189,704
2029	39,248	15,449	54,697	12,018,722	2,342,671	14,361,393
2030	40,090	14,598	54,688	10,782,275	1,968,547	12,750,822
2031	40,950	13,729	54,679	7,756,011	1,691,590	9,447,601
2032	41,829	12,841	54,670	7,214,935	1,445,368	8,660,303
2033	42,726	11,934	54,660	6,169,050	1,216,001	7,385,051
2034	43,642	11,008	54,650	6,393,360	995,488	7,388,848
2035	44,578	10,062	54,640	6,627,870	765,043	7,392,913
2036	45,535	9,095	54,630	6,867,585	524,341	7,391,926
2037	46,511	8,108	54,619	4,212,506	321,951	4,534,457
2038	47,509	7,100	54,609	2,577,642	195,007	2,772,649
2039	48,528	6,070	54,598	2,672,995	99,044	2,772,039
2040	49,569	5,018	54,587	503,569	44,755	548,324
2041	50,632	3,943	54,575	514,371	33,838	548,209
2042	51,718	2,845	54,563	525,404	22,687	548,091
2043	52,828	1,724	54,552	536,675	11,295	547,970
2044	53,961	578	54,539	258,261	2,769	261,030
Totals	\$ 852,722	\$ 203,771	\$ 1,056,493	\$ 123,118,077	\$ 25,854,615	\$ 148,972,692



## MADISON WATER UTILITY

### OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES</b>		
Unmetered Sales	\$ 332,953	\$ 540,703
Metered Sales		
Residential	23,020,149	24,001,175
Duplex	885,536	916,667
Multi-Family	11,319,276	11,065,432
Commercial	10,768,233	10,836,069
Industrial	1,106,615	1,135,101
Public authority	7,448,552	7,489,586
Sales for resale	574,195	600,320
Total Metered Sales	55,122,556	56,044,350
Public Fire Protection	118,711	123,694
Total Sales of Water	55,574,220	56,708,747
Customer Late Payment Penalties	293,720	286,079
Miscellaneous	64,335	67,921
Rents from water property	392,600	398,532
Other	318,199	335,138
Total Operating Revenues	56,643,074	57,796,417
<b>OPERATING EXPENSES</b>		
Operation and Maintenance		
Source of Supply		
Maintenance		
Supervision and engineering	18,612	17,353
Collecting and impounding reservoirs	15,164	9,934
Wells and springs	146,785	33,422
Total Source of Supply	180,561	60,709
Pumping		
Operation supervision and engineering	55,224	52,815
Power purchased for pumping	2,406,454	2,419,199
Pumping labor	544,444	506,042
Miscellaneous	554,155	539,135
Maintenance		
Supervision and engineering	218,352	199,895
Structures and improvements	464,936	550,367
Pumping equipment	624,921	411,644
Total Pumping	4,868,486	4,679,097
Water Treatment		
Operation supervision and engineering	112,127	126,300
Chemicals	195,951	202,965
Operation labor	297,272	262,958
Miscellaneous	151,264	175,637
Maintenance		
Supervision and engineering	18,612	17,353
Water treatment equipment	141,822	150,479
Total Water Treatment	917,048	935,692

## MADISON WATER UTILITY

### OPERATING REVENUES AND EXPENSES (cont.) For the Years Ended December 31, 2024 and 2023

	2024	2023
<b>OPERATING EXPENSES (cont.)</b>		
Operation and Maintenance (cont.)		
Transmission and Distribution		
Operation supervision and engineering	\$ 343,148	\$ 268,225
Storage facilities	122,331	103,399
Transmission and distribution lines	497,983	429,907
Meter	221,637	188,267
Customer installation	487,901	444,032
Miscellaneous	1,894,870	1,804,114
Maintenance		
Reservoirs	43,395	57,812
Mains	2,093,971	2,134,691
Services	1,043,514	1,261,114
Meters	152,110	119,195
Hydrants	302,598	324,154
Total Transmission and Distribution	<u>7,203,458</u>	<u>7,134,910</u>
Customer Accounts		
Supervision	12,731	12,358
Meter reading	16,187	71,869
Customer records and collection	235,592	396,056
Conservation	192,491	178,556
Total Customer Accounts	<u>457,001</u>	<u>658,839</u>
Administrative and General		
Salaries	1,160,532	1,164,154
Office, building, and supplies	475,789	403,951
Outside services employed	869,657	665,823
Property insurance	50,036	46,516
Injuries and damages	309,167	279,816
Employee pensions and benefits	1,641,649	2,850,292
Miscellaneous	63,996	69,765
Maintenance of general plant	4,809	4,567
Total Administrative and General	<u>4,575,635</u>	<u>5,484,884</u>
Total Operation and Maintenance	18,202,189	18,954,131
Depreciation	6,638,329	10,813,385
Taxes	736,792	654,988
Total Operating Expenses	<u>25,577,310</u>	<u>30,422,504</u>
 OPERATING INCOME	 <u>\$ 31,065,764</u>	 <u>\$ 27,373,913</u>



# Madison Water Utility

## Board Presentation: 2024 Financial Statement Audit

July 22, 2025



# AGENDA

- Audit results
- Required communication to governing body
- Financial statement highlights and informational points
- Discussion

# What were the audit results



**Audit performed in accordance with Generally Accepted Auditing Standards**



**Audit objective – reasonable assurance that financial statements are free from material misstatement**



**Financial statements of Madison Water Utility received Unmodified Opinion**

# **Auditor communication to those charged with governance**

**Auditor  
responsibility &  
independence**

**Board  
responsibility**

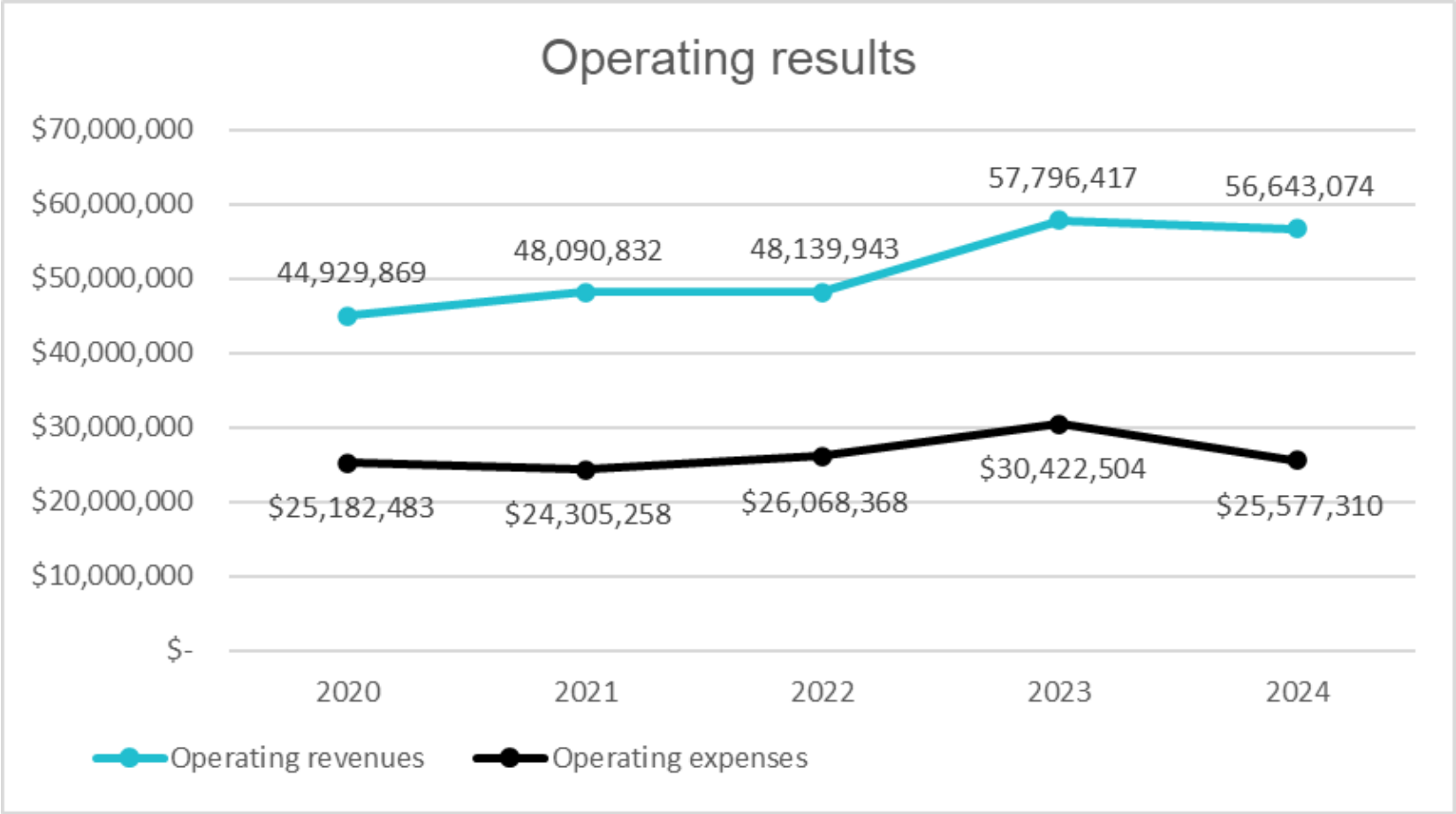
**Accounting  
policies and  
estimates**

**Baker Tilly agrees with Madison  
Water Utility's accounting policies  
and disclosures**

**There were two  
adjustments to  
the financial  
statements**

**No other audit findings or  
concerns**

# Financial Highlights



# Financial Highlights

## Unrestricted Reserves

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Year end balance	\$ 10,243,738	\$ 15,133,156	\$ 17,537,363	\$ 29,457,401	\$ 23,344,072
Months on hand	2.74	3.78	4.37	6.12	4.95

## Debt Coverage

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actual	1.50	1.69	1.95	2.61	2.64
Required	1.25	1.25	1.25	1.25	1.25

## Investment in Capital





# Informational points

- Informational Points: Upcoming GASB pronouncements
  - GASB Statement No. 102, *Certain Risk Disclosures*
  - GASB Statement No. 103, *Financial Reporting Model Improvements*
  - GASB Statement No. 104, *Disclosure of Certain Capital Assets*

Madison Water Utility  
**Thank you!**

We appreciate the support of the Madison Water Utility personnel in preparing for and assisting in the audit.



# Discussion

# Contact Information



- Jodi Dobson, CPA, Principal
- D: (608) 240 2469
- [Jodi.Dobson@bakertilly.com](mailto:Jodi.Dobson@bakertilly.com)



- Ryan Theiler, CPA, Manager
- D: (608) 240 2571
- [Ryan.Theiler@bakertilly.com](mailto:Ryan.Theiler@bakertilly.com)



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89217**

**File ID:** 89217

**File Type:** Presentation

**Status:** Presentation

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 07/17/2025

**File Name:**

**Final Action:**

**Title:** Engineering Graduate Student Presentation -- "Evaluation of Hydraulic Infrastructure Projects for Anticipated Urban Expansion"

**Notes:**

**Sponsors:**

**Effective Date:**

**Attachments:** Item 3 - Memo - Engineering Graduate Student Presentation.pdf, Item 3 - Attachment - Engineering Graduate Student Presentation.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	07/17/2025	Refer	WATER UTILITY BOARD			
<b>Action Text:</b> This Presentation was Refer to the WATER UTILITY BOARD							

### Text of Legislative File 89217

#### Title

Engineering Graduate Student Presentation -- "Evaluation of Hydraulic Infrastructure Projects for Anticipated Urban Expansion"

#### Body

The collaborative research partnership between Madison Water Utility (MWU) and UW-Madison's (UW) Department of Civil and Environmental Engineering has been in place since September 2002. The thesis work, mutually agreed upon by MWU and UW, is usually conducted over a period of 1½ to 2 years, resulting in a final deliverable of a Master of Science thesis.

The current and 13th overall graduate student for this ongoing partnership, Jaxon Hoffman, has been working with MWU since September of 2023 on analyzing both the MWU infrastructure projects required to accommodate ongoing City of Madison population growth and the energy impacts of those projects. The focus of Jaxon's work was narrowed further to the City of

Madison's west side, where MWU's current Master Plan document anticipates the greatest near-term water supply needs relative to anticipated growth.

The objectives of Jaxon's research were to:

1. Utilize MWU's hydraulic system model to evaluate future system demand conditions alongside future capital project options intended to address those demand conditions.
2. Contribute to 100% Renewable Madison by comparing greenhouse gas emissions and energy consumption anticipated for the identified capital project options.
3. Present the findings that can assist MWU in setting and prioritizing future capital projects based on their ability to meet future water demand, water quality expectations, and sustainability goals.

Four capital project alternatives were examined in detail with the above objectives in mind. These projects had been previously identified in MWU's current Master Plan document and were selected because of how they most directly addressed the expected water supply needs on the City of Madison's west side. Two of the projects are categorized as "Transfer Water (TW)" projects and two of the projects are categorized as "Supply Water (SW)" projects. The four projects were:

1. TW-08: A new booster station facility in Elver Park on the boundary of Pressure Zone (PZ) 7 and PZ 8, which moves water from PZ 7 to PZ 8 to address a future water supply deficit in PZ 8.
2. TW-11: A pipeline upgrade along Raymond Road between Verona Road and McKenna Boulevard, which would allow for increased east-to-west water transfer capacity and efficiency.
3. SW-01: A new well facility in PZ 11 at the corner of Mineral Point and South Point Roads, which would provide water to PZ 10 and PZ 11 with the ability to serve Zone 8 in an emergency.
4. SW-03: A new well facility in PZ 8 at the corner of Pleasant View and Mid Town Roads, which would provide water to PZ 8 with the ability to serve PZ 9 when necessary.

Findings from Jaxon's model analyses and energy research are summarized as follows:

- As it currently exists, the MWU system will be able to keep up with the projected increase in demand on the City of Madison's west side until approximately **2030**. Around that time, Unit Well 12 may need to serve as a dedicated PZ 8 facility.
- Projects TW-08 and TW-11 could meet the increasing west side demand until approximately **2035**. Project TW-11 would also require Unit Well 12 to serve as a dedicated PZ 8 facility to achieve this.
- Completing *either* of projects SW-01 or SW-03 would enable MWU's system to meet anticipated west side water demands through at least **2040**.
- Given the modeling estimate uncertainties (margins of error) for energy usage, there is no significant difference between the facility project alternatives in terms of energy usage or greenhouse gas intensity.

Attachments

1. Memo

2. Presentation Slides

## MEMORANDUM

Date: July 22, 2025

To: Water Utility Board

From: Pete Holmgren, P.E. – Chief Engineer  
Krishna Kumar – General Manager

Subject: Madison Water Utility Graduate Program with UW-Madison, 2023-2025  
Evaluation of Hydraulic Infrastructure Projects for Anticipated Urban Expansion

## BACKGROUND

The collaborative research partnership between Madison Water Utility (MWU) and UW-Madison's (UW) Department of Civil and Environmental Engineering has been in place since September 2002. The thesis work, mutually agreed upon by MWU and UW, is usually conducted over a period of 1½ to 2 years, resulting in a final deliverable of a Master of Science thesis.

The current and 13<sup>th</sup> overall graduate student for this ongoing partnership, Jaxon Hoffman, has been working with MWU since September of 2023 on analyzing both the MWU infrastructure projects required to accommodate ongoing City of Madison population growth and the energy impacts of those projects. The focus of Jaxon's work was narrowed further to the City of Madison's west side, where MWU's current Master Plan document anticipates the greatest near-term water supply needs relative to anticipated growth.

The objectives of Jaxon's research were to:

1. Utilize MWU's hydraulic system model to evaluate future system demand conditions alongside future capital project options intended to address those demand conditions.
2. Contribute to 100% Renewable Madison by comparing greenhouse gas emissions and energy consumption anticipated for the identified capital project options.
3. Present the findings that can assist MWU in setting and prioritizing future capital projects based on their ability to meet future water demand, water quality expectations, and sustainability goals.

Four capital project alternatives were examined in detail with the above objectives in mind. These projects had been previously identified in MWU's current Master Plan document and were selected because of how they most directly addressed the expected water supply needs



on the City of Madison's west side. Two of the projects are categorized as "Transfer Water (TW)" projects and two of the projects are categorized as "Supply Water (SW)" projects. The four projects were:

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4. SW-03: A new well facility in PZ 8 at the corner of Pleasant View and Mid Town Roads, which would provide water to PZ 8 with the ability to serve PZ 9 when necessary.

## FINDINGS

Findings from Jaxon's model analyses and energy research are summarized as follows:

- As it currently exists, the MWU system will be able to keep up with the projected increase in demand on the City of Madison's west side until approximately **2030**. Around that time, Unit Well 12 may need to serve as a dedicated PZ 8 facility.
- Projects TW-08 and TW-11 could meet the increasing west side demand until approximately **2035**. Project TW-11 would also require Unit Well 12 to serve as a dedicated PZ 8 facility to achieve this.
- Completing *either* of projects SW-01 or SW-03 would enable MWU's system to meet anticipated west side water demands through at least **2040**.
- Given the modeling estimate uncertainties (margins of error) for energy usage, there is no significant difference between the facility project alternatives in terms of energy usage or greenhouse gas intensity.

## ATTACHMENTS

1. Memo (this document)
2. Presentation Slides

# Hydraulic Analysis of Water Infrastructure Projects for Anticipated Urban Expansion

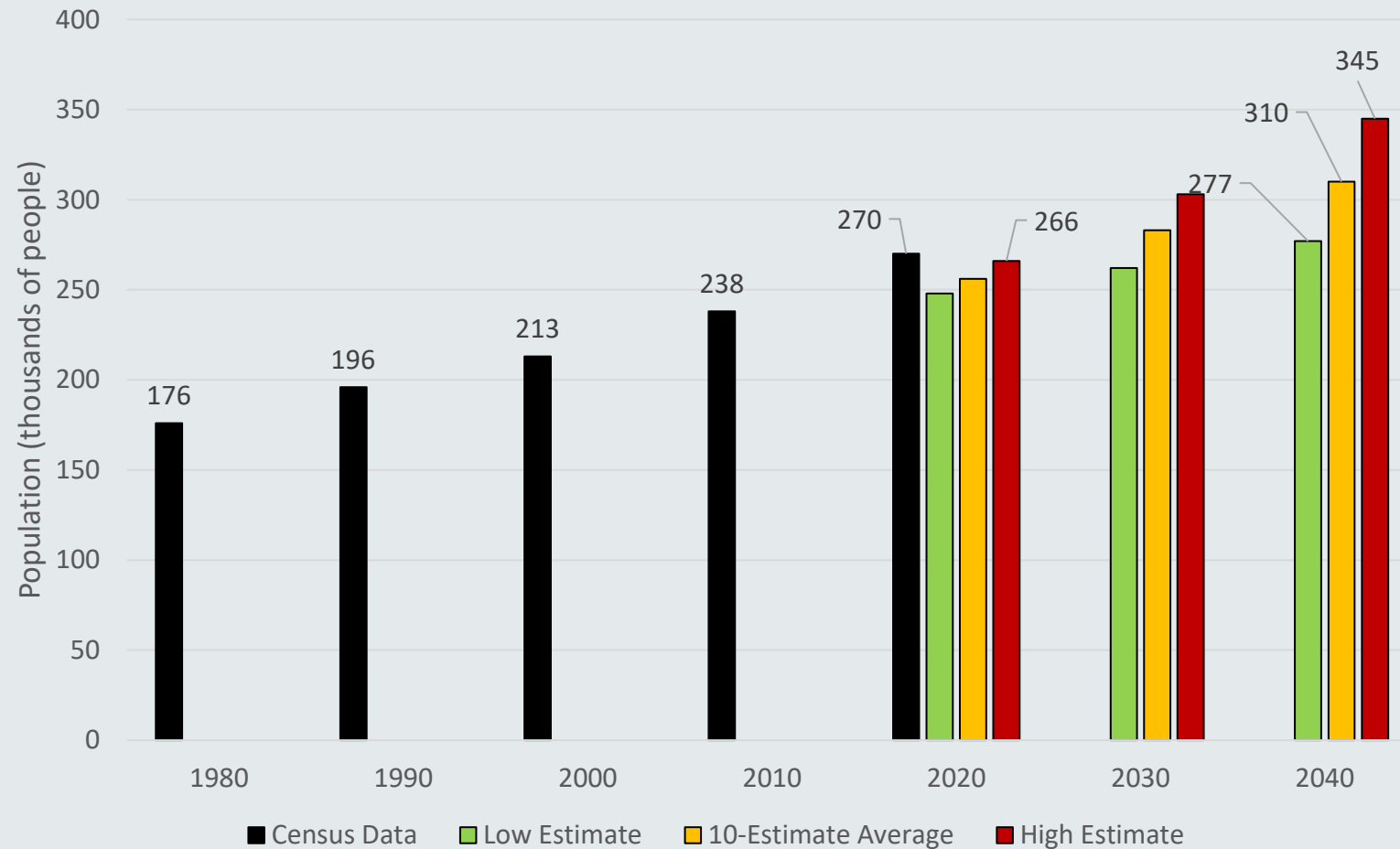
Cooperative Research between MWU and UW-Madison

Jaxon Hoffmann, E.I.T  
Harrington Group



DEPARTMENT OF  
**Civil and  
Environmental Engineering**  
UNIVERSITY OF WISCONSIN-MADISON

# Madison Population Projections

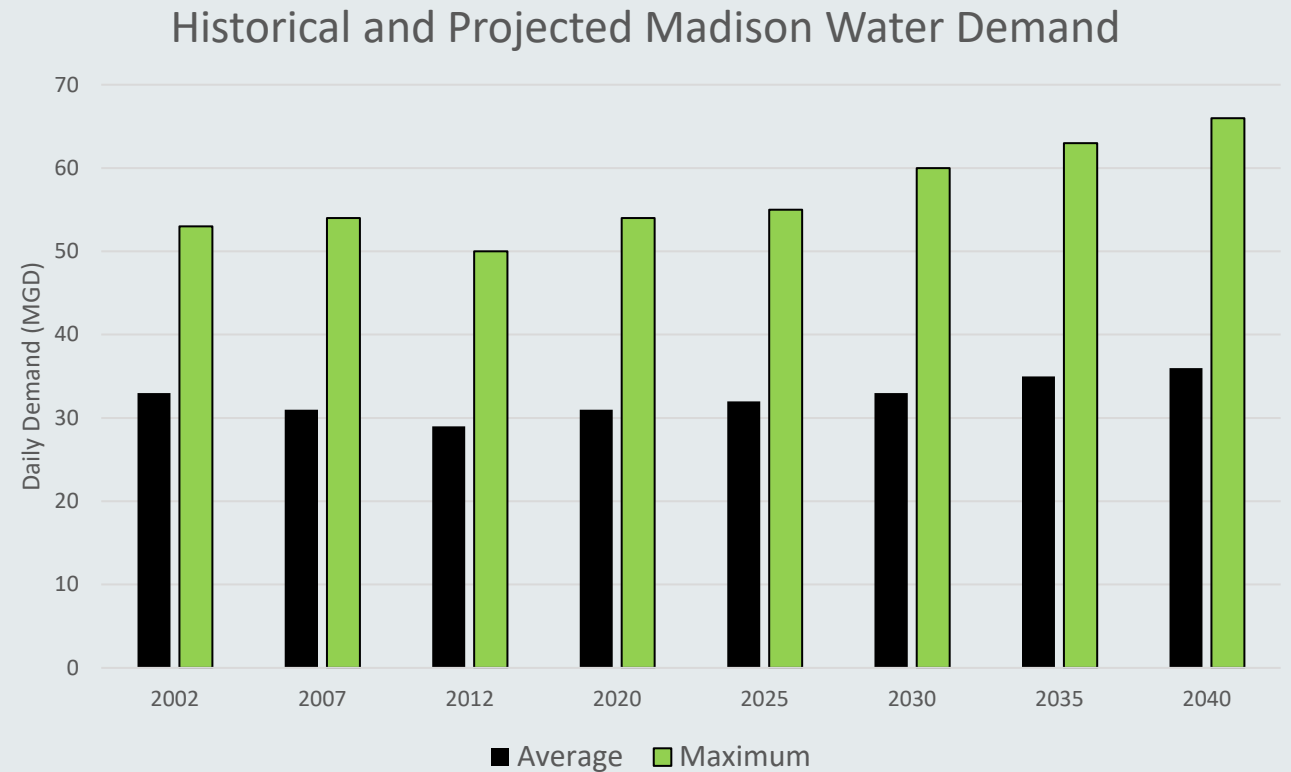


Source: 2019 Madison Water Utility Water System Master Plan



# Madison Water and Power Usage

- In 2022, MWU
  - Consumed over 19.7 million kWh of electricity (*Reams 2023*)
  - Made up 41% of the City of Madison's power consumption, per City sources
  - Emitted 13,824 Tons CO<sub>2</sub>e



Source: 2019 Madison Water Utility Water System Master Plan

# Objective Statement

- MWU has completed analyses (2020 Master Plan) that anticipate additional need for water supply on Madison's west side.
- Addressing this need would involve additional energy consumption to either source new water or move existing water.

# Approach

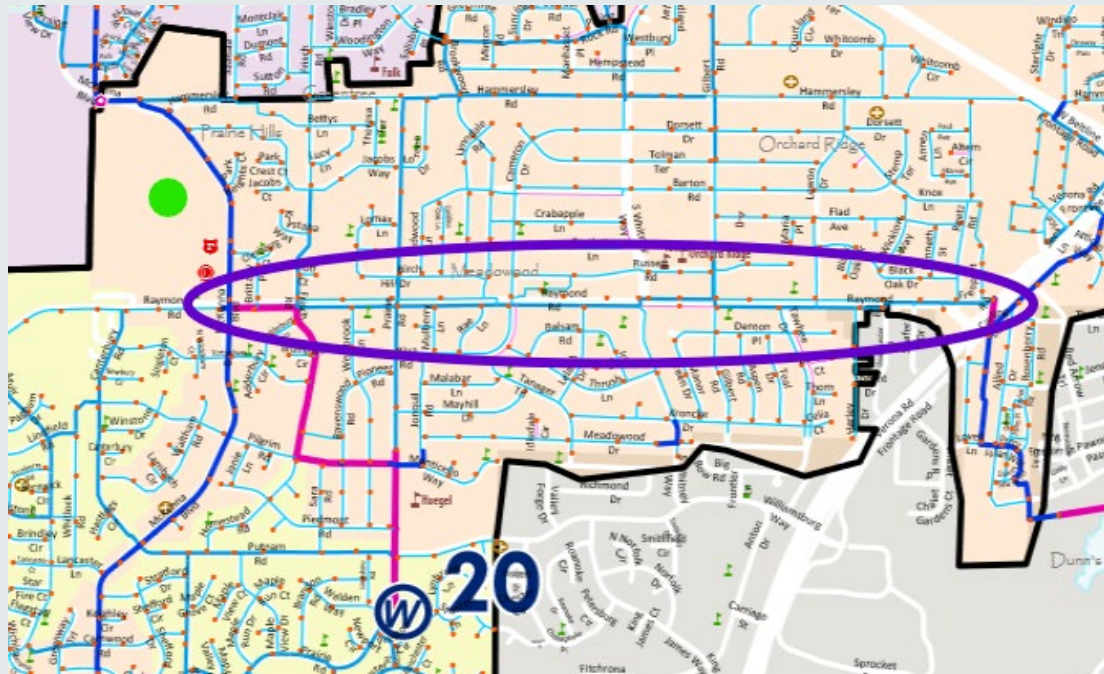
- This study examined several water system modification options from the 2020 Master Plan and assesses their system-wide implications as they relate to energy usage, hydraulics, and water quality.
- MWU's current water model was leveraged to describe the above metrics and to begin establishing business case evaluations related to this expected supply need.

# Examined Alternatives

- Selected based on...
  - Location on West Side
  - Variety in Cost
  - Variety in Performance

# Alternatives: Transmission

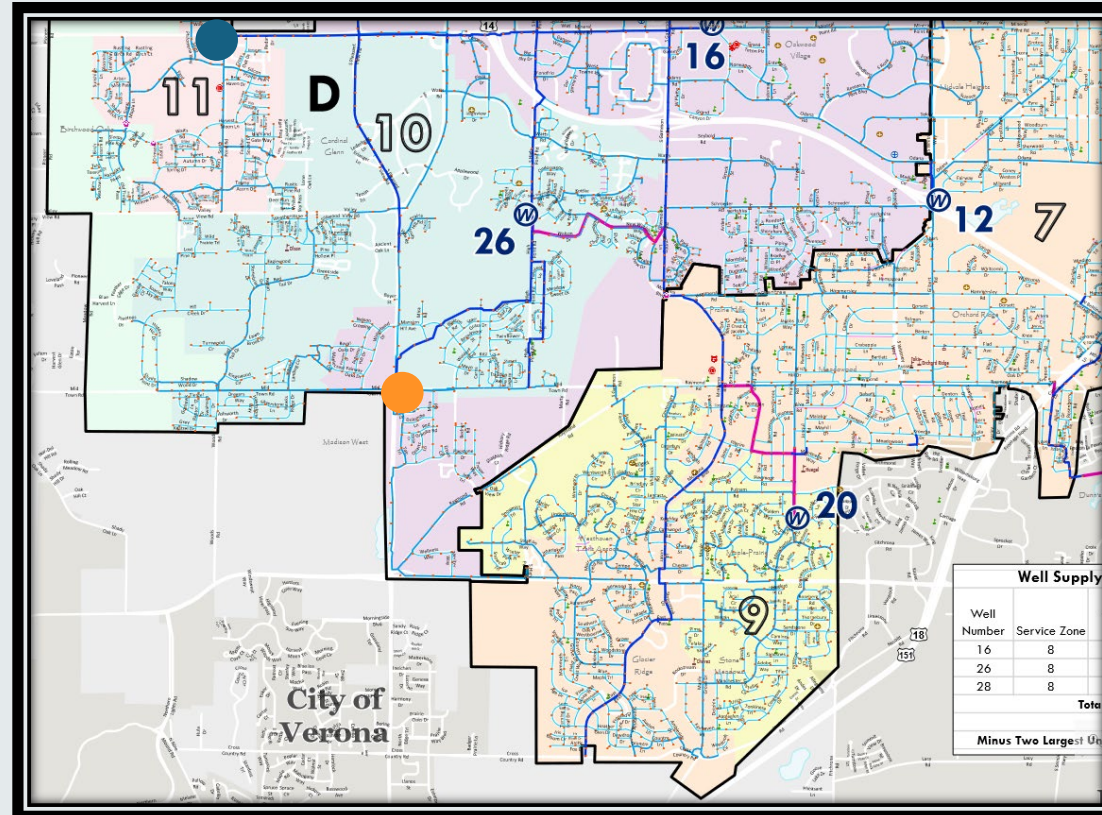
- Transmission: Change Distribution of Existing Supply
  - **TW-08**: New Booster Station near Elver Park
  - **TW-11**: Replace and Upgrade Raymond Road Piping





# Alternatives: Supply





- Supply: Introduce New Sources of Water
  - **SW-01**: New Unit Well at Mineral Point Rd. and South Point Rd.
  - **SW-03**: New Unit Well at Pleasant View Rd. and Mid Town Rd.






# PROJECT ALTERNATIVES EXHIBIT

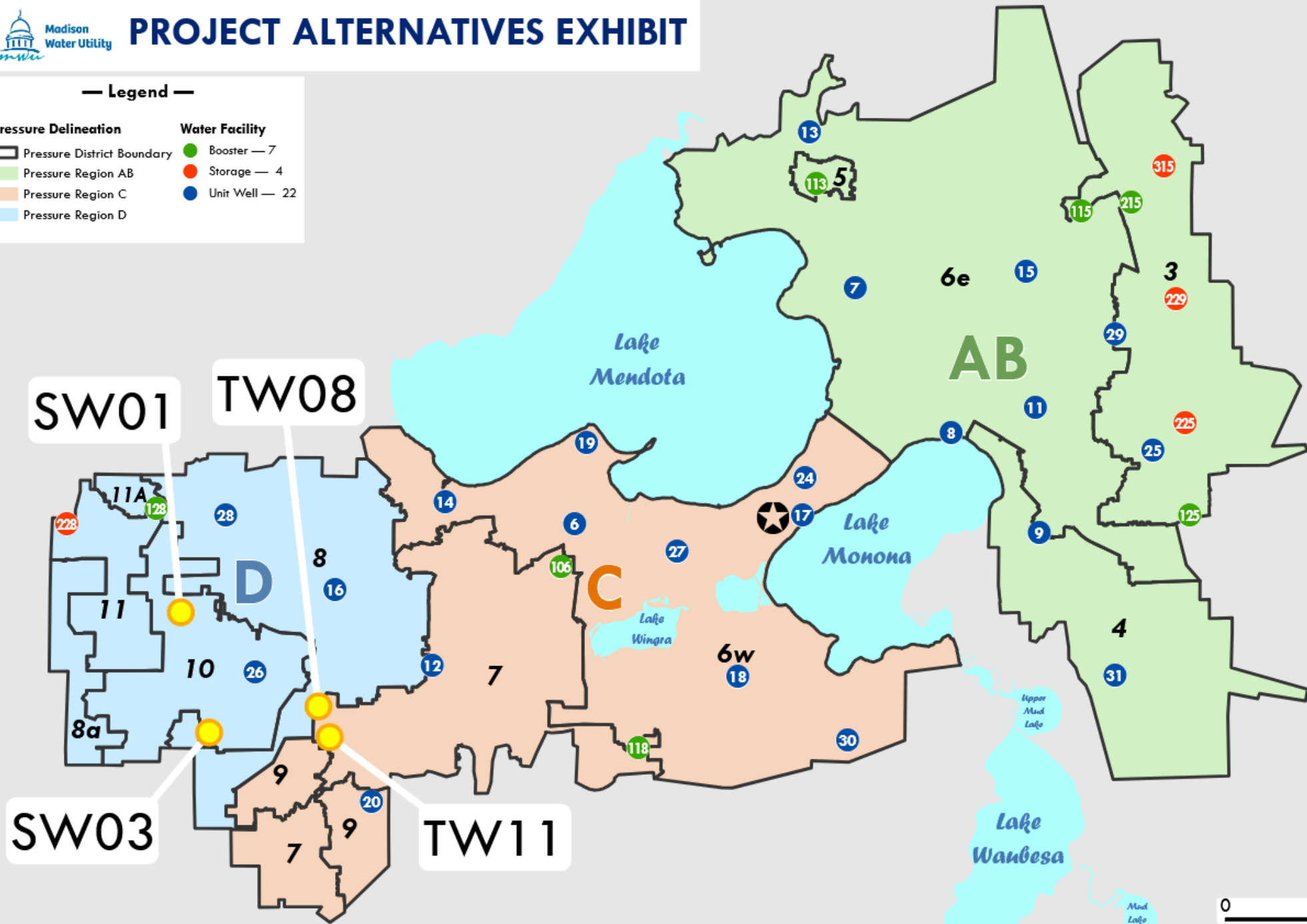
## — Legend —

### Pressure Delineation

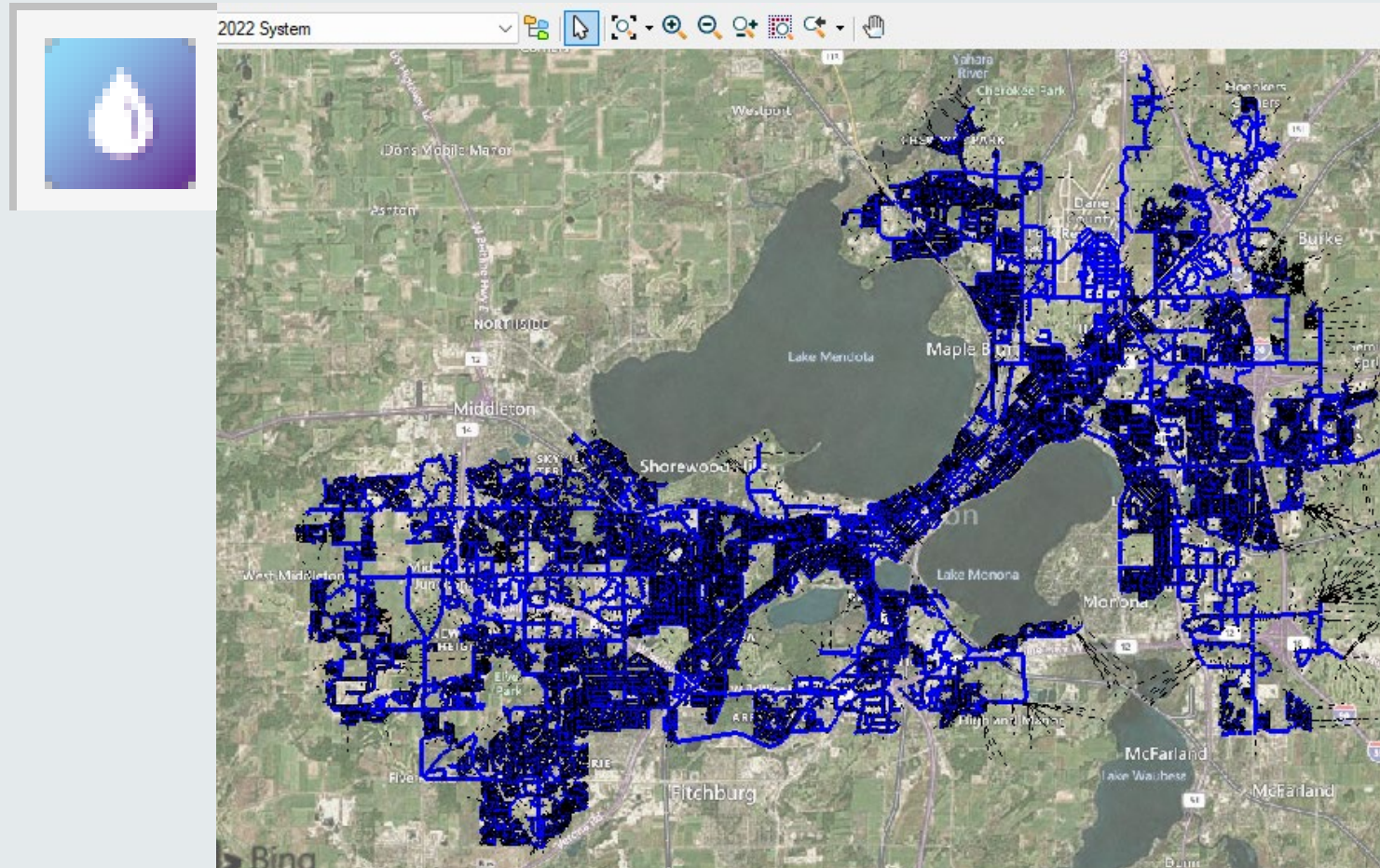
-  Pressure District Boundary
-  Pressure Region AB
-  Pressure Region C
-  Pressure Region D

### Water Facility

-  Booster — 7
-  Storage — 4
-  Unit Well — 22



# Hydraulic Model: Bentley OpenFlows WaterCAD





# Hydraulic Model: Inputs and Outputs

- Inputs:

- Pipes, Nodes, Hydrants, and Associated Metadata
- Pumps and Pump Curves
- SCADA (Supervisory Control and Data Acquisition) Demand Data
- Diurnal Demand Curves
  - One for each Pressure Zone
  - 2040 and 2035 curves projected using MWU Master Plan data

- Outputs:

- Flow and Storage Data
  - Analyzed water level stability in six head-setting reservoirs.
- Energy Data
  - Used to calculate energy intensity and greenhouse gas intensity.

**2040 Demand cannot be met by the MWU  
System as it is currently designed.**

---

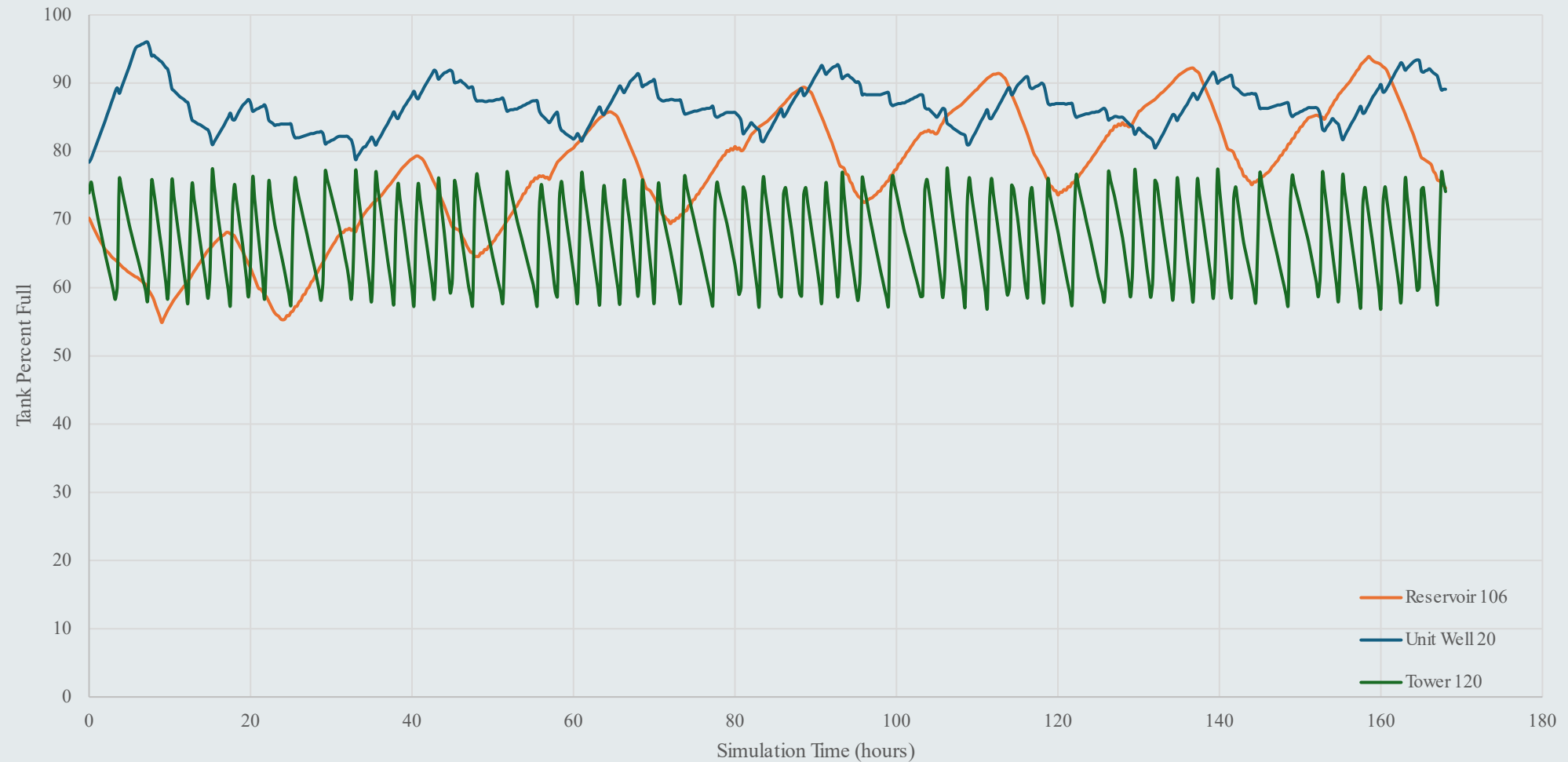
# Current System Findings

- Pressure Zones 6w, 7, and 9 have enough supply to meet demand until at least 2040.
- Pressure Zone 8 is expected to meet 2040 demand if Unit Well 12 is converted to a Zone 8 well.
- Pressure Zones 10 and 11 do not have enough supply to meet demand in 2040.

# Transmission Alternatives

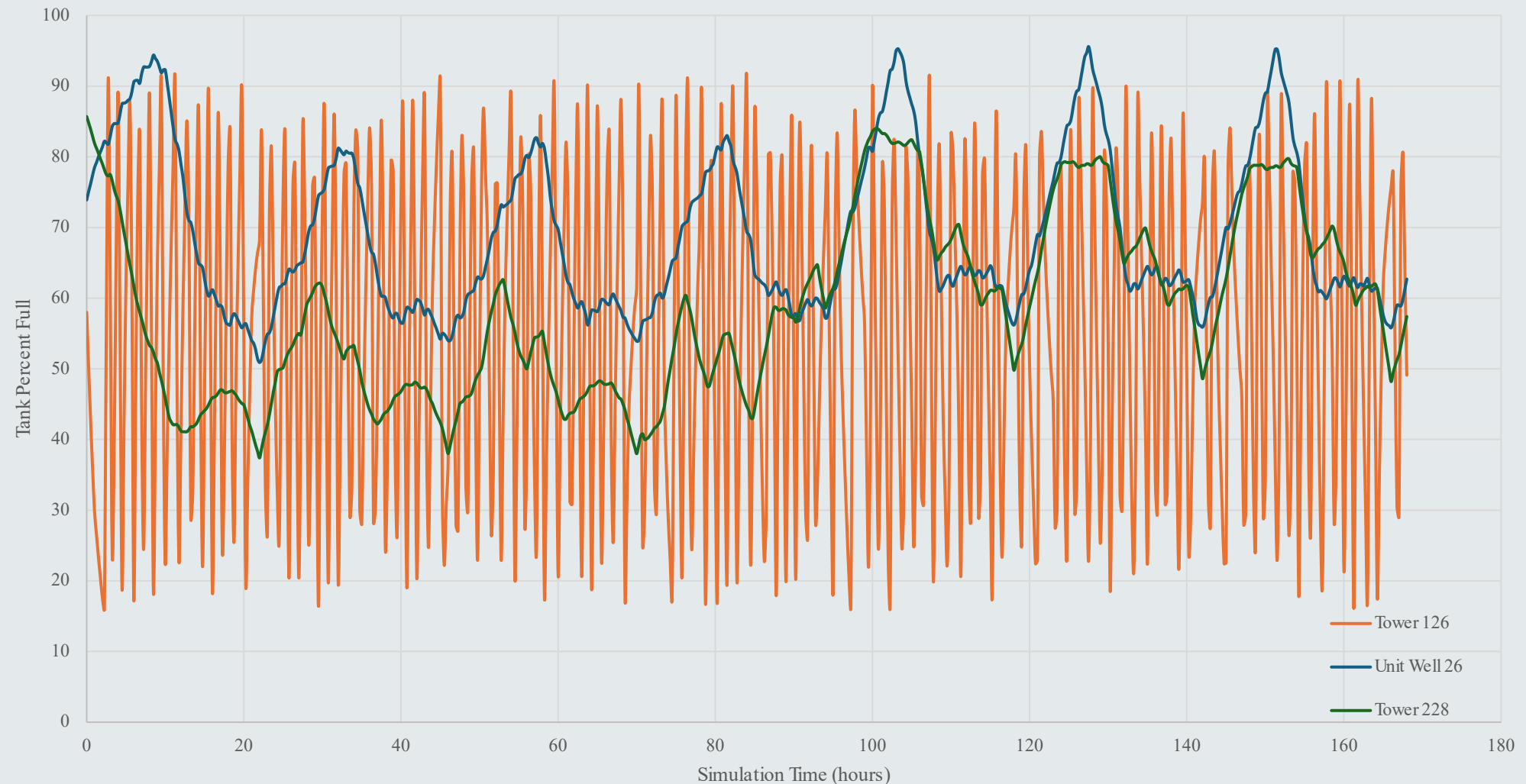
- TW-08 meets 2040 demand in Zone 8.
- TW-11 only meets 2040 Zone 8 demand if Unit Well 12 is converted to a Zone 8 well.
- Neither alternative meets 2040 demand in Zones 10 or 11.

# Well SW-01: 2040 Region C Demand

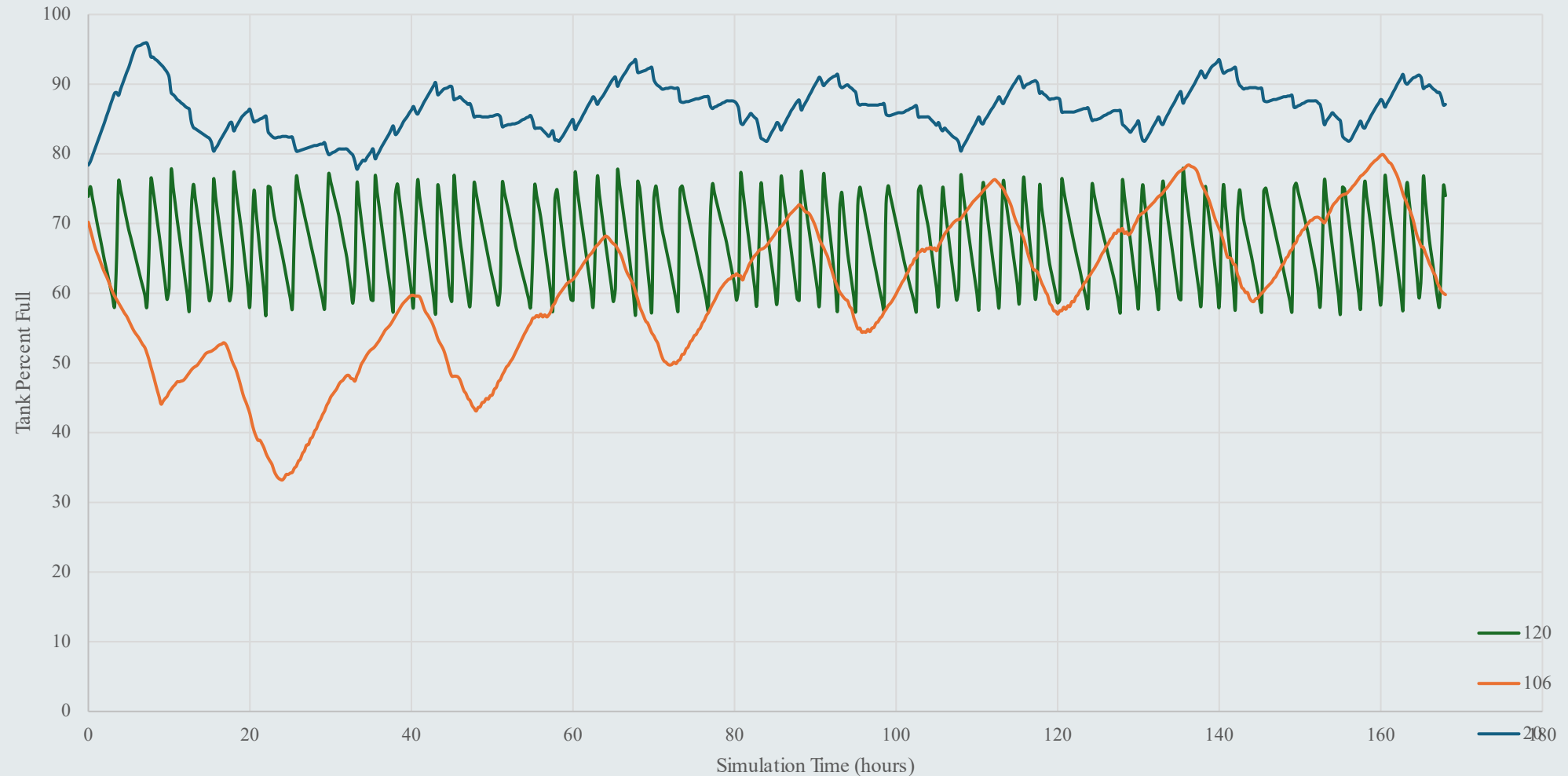




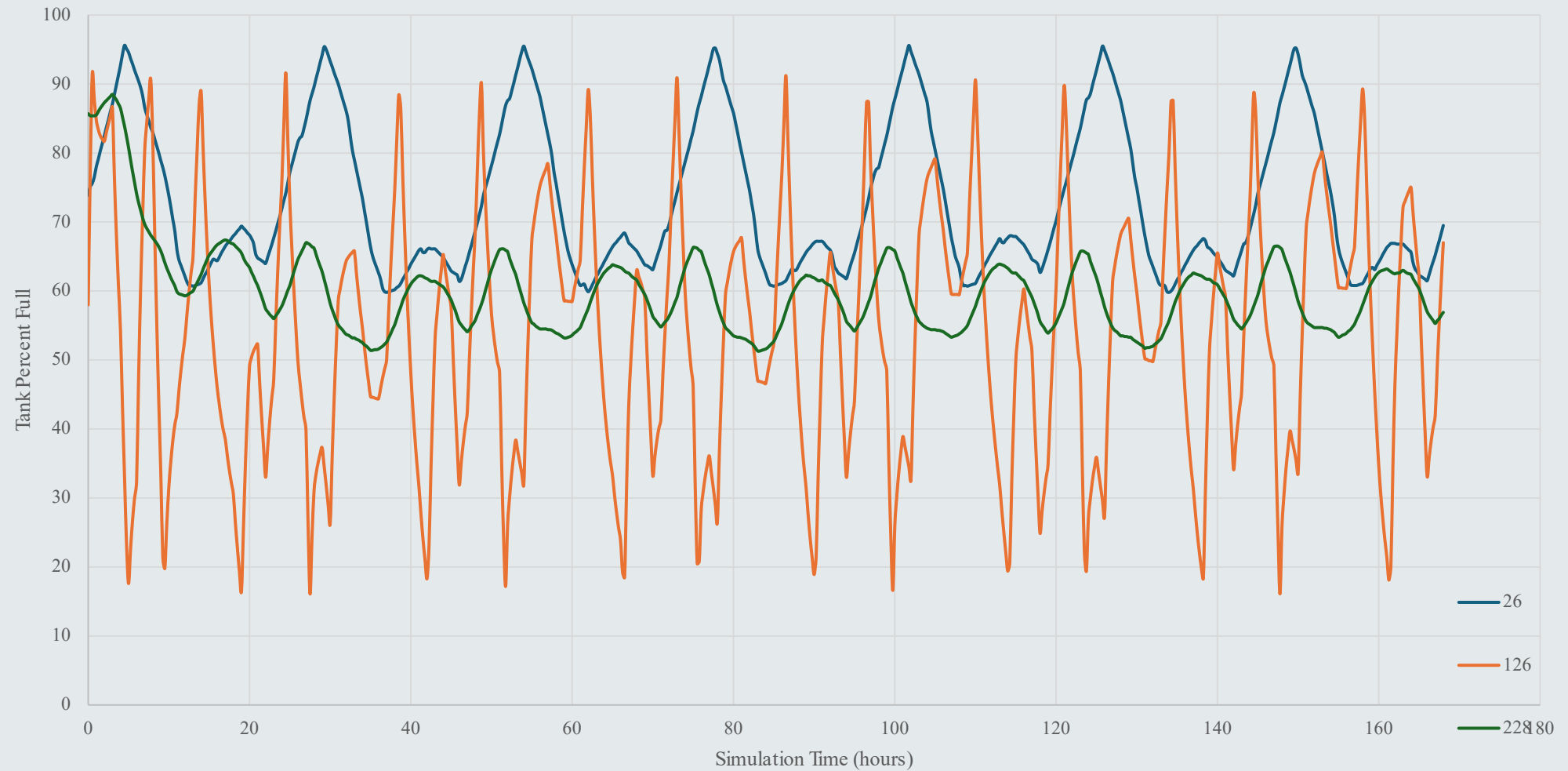
# Well SW-01: 2040 Region D Demand



# Well SW-03: 2040 Region C Demand



# Well SW-03: 2040 Region D Demand



# Economic and Energy Analysis

Alternative	Capital Cost	Year	Scaled Energy Intensity (kWh/MG)	Scaled Emissions (lb CO <sub>2</sub> e/MG)
Current	None	2022	2180 (observed value)	2990
Current	None	2040	Does Not Meet Water Demand	
TW-08	\$4.1M	1040	Does Not Meet Water Demand	
TW-08	\$4.1M	2035	2070	2830
TW-11	\$4.1M	2040	Does Not Meet Water Demand	
TW-11	\$4.1M	2035	2280	3120
SW-01	\$12.0M*	2040	2210	3040
SW-03	\$13.4M*	2040	2340	3200

\*Note: Capital Cost does not include land purchase.

# Conclusions

- As it currently exists, the MWU system will be able to keep up with the projected increase in demand on the City of Madison's west side until approximately **2030**. Around that time, Unit Well 12 may need to serve as a dedicated PZ 8 facility.
- Projects TW-08 and TW-11 could meet the increasing west side demand until approximately **2035**. Project TW-11 would also require Unit Well 12 to serve as a dedicated PZ 8 facility to achieve this.
- Completing either of projects SW-01 or SW-03 would enable MWU's system to meet anticipated west side water demands through at least **2040**.
- Given the modeling estimate uncertainties (margins of error) for energy usage, there is no significant difference between the facility project alternatives in terms of energy usage or greenhouse gas intensity.

# Questions?

## Acknowledgements

- Dr. Greg Harrington
- Madison Water Utility
  - Krishna Kumar, General Manager
- MWU Engineering Division
  - Pete Holmgren, Joe Grande, Joe Demorett, Shayne Santi
- ICLEI-Local Governments for Sustainability
  - Jadon Basilevac
- Short Elliott Hendrickson Inc. Madison Office
  - Chad Katzenberger, PE
  - Heather Schumacher, PE
- City of Madison Office of Sustainability
- WRE Group



## Sources:

- *Reams, Isabel A. Using SCADA and AMI to Identify Areas of Water Loss in Madison Water Utility, 2023.*
- *City of Madison Water Utility Water Infrastructure Management Plans*  
<https://www.cityofmadison.com/water/about/water-infrastructure-management-plans>
- *100% Renewable Madison*  
<https://www.cityofmadison.com/sustainability/energy/renewable-energy>
- *Bentley WaterCAD User Documentation*
- *Whitman, Brian E. et al. Computer Applications in Hydraulic Engineering (9<sup>th</sup> Ed.) Bentley Institute Press, 2021.*
- *Google Earth*





# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 88698**

**File ID:** 88698

**File Type:** Resolution

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 06/09/2025

**File Name:** Authorizing Madison Water Utility's General Manager to certify municipal services bills, assessments, and charges to the 2025 tax rolls of other governmental units for delinquent accounts in those jurisdictions.

**Final Action:**

**Title:**

Authorizing Madison Water Utility's General Manager to certify municipal services bills, assessments, and charges to the 2025 tax rolls of other governmental units for delinquent accounts in those jurisdictions.

**Notes:**

**Sponsors:** MGR Govindarajan And Regina M. Vidaver

**Effective Date:**

**Attachments:** Memo Authorizing General Manager to Certify Tax Roll .pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	06/09/2025	Referred for Introduction				
	<b>Action Text:</b> This Resolution was Referred for Introduction						
	<b>Notes:</b> Finance Committee (7/28/25), Water Utility Board (7/22/25), Common Council (8/5/25)						
1	COMMON COUNCIL	07/01/2025	Refer	FINANCE COMMITTEE			Pass
	<b>Action Text:</b> A motion was made by Vidaver, seconded by Govindarajan, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.						
	<b>Notes:</b> Additional referral to Water Utility Board.						
1	FINANCE COMMITTEE	07/01/2025	Referred	WATER UTILITY BOARD			
	<b>Action Text:</b> This Resolution was Referred to the WATER UTILITY BOARD						

### Text of Legislative File 88698

#### Fiscal Note

City of Madison water and sewer utilities provide service to customers outside the City of Madison to the following local jurisdictions:

Cities of Fitchburg, Middleton, and Monona

Towns of Blooming Grove, Burke, Middleton, and Verona

Villages of Maple Bluff, McFarland, and Shorewood Hills

The Madison Water Utility administers the billing service for water and sewer service to residents in these other jurisdictions. All delinquent water and sewer bills for these other local jurisdictions with due dates between September 24, 2024, thru September 22, 2025, will get transferred into the respective local jurisdiction's tax rolls for eventual collection. This resolution is one of the necessary steps to aid those jurisdictions to accomplish this. No appropriation is required.

Madison Water Utility is currently exploring options to address water affordability for all City residents subject to existing regulatory guidelines.

**Title**

Authorizing Madison Water Utility's General Manager to certify municipal services bills, assessments, and charges to the 2025 tax rolls of other governmental units for delinquent accounts in those jurisdictions.

**Body**

WHEREAS, Madison Water Utility administers the billing system for the City of Madison Municipal Services Bill, which includes water, sewer, stormwater, landfill remediation, urban forestry charges and Resource Recovery; and

WHEREAS, the City water and sewer utilities provide service to customers outside the City of Madison in accordance with Madison General Ordinances Section 13.16(2) and Section 35.02; and

WHEREAS, the City water and sewer utilities are authorized under section 66.0809(3) of Wisconsin Statutes to certify amounts owed in arrears to the utilities to the tax rolls of the appropriate town, village, or city;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council authorizes Madison Water Utility's General Manager to certify the 2025 tax rolls to the towns of Blooming Grove, Burke, Middleton, and Verona, of the villages of Maple Bluff, McFarland, and Shorewood Hills, and the cities of Fitchburg, Middleton, and Monona any delinquent municipal services bills, water or sewer main assessment installations, and water and sewer lateral charges.





## **MEMORANDUM**

Date: July 22, 2025

To: Water Utility Board

From: Krishna Kumar, General Manager  
January Vang, Finance Manager

Subject: Authorize Madison Water Utility's general manager to certify municipal services bills, assessments, and charges to the 2025 tax rolls of other governmental units for delinquent accounts in those jurisdictions

## **RECOMMENDATION**

Staff request authorization for the general manager to certify the 2025 tax rolls on behalf of the towns of Blooming Grove, Burke, Middleton, and Verona, of the villages of Maple Bluff, McFarland, and Shorewood Hills, and the cities of Fitchburg, Middleton, and Monona for any delinquent municipal services bills, water or sewer main assessment installations, and water and sewer lateral charges.

## **BACKGROUND**

City of Madison water and sewer utilities provide service to customers outside the City of Madison to the following ten local jurisdictions:

1. Cities of Fitchburg, Middleton, and Monona (3)
2. Towns of Blooming Grove, Burke, Middleton, and Verona (4)
3. Villages of Maple Bluff, McFarland, and Shorewood Hills (3)

The Madison Water Utility administers the billing service for water and sewer service to residents in these ten other local governmental jurisdictions. These other jurisdictions desire that all delinquent water and sewer related bills, assessments, and charges with due dates between September 24, 2024, thru September 22, 2025, be transferred into their respective 2025 tax rolls for eventual collection. This resolution is one of the necessary steps to aid those ten local jurisdictions to accomplish this. No appropriation is required.

#### **LEGISLATIVE PATH**

7/1/25 – Common Council (Introduction)  
7/22/25 – Water Utility Board  
7/28/25 – Finance Committee  
8/5/25 – Common Council (Final Approval)



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 88852**

**File ID:** 88852

**File Type:** Resolution

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 06/24/2025

**File Name:** Resolution Declaring Official Intent to Reimburse Expenditures from Proceeds of Borrowing

**Final Action:**

**Title:** Declaring Official Intent to Reimburse Expenditures from Proceeds of Borrowing

### Notes:

**Sponsors:** Regina M. Vidaver And MGR Govindarajan

**Effective Date:**

**Attachments:** Item 5 - Memo - Declaring Intent for Seeking SDWLP Reimbursements.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	06/24/2025	Referred for Introduction				
	<b>Action Text:</b> This Resolution was Referred for Introduction						
	<b>Notes:</b> Finance Committee (7/28/25), Water Utility Board (7/22/25), Common Council (8/5/25)						
1	COMMON COUNCIL	07/15/2025	Referred	FINANCE COMMITTEE			
	<b>Action Text:</b> This Resolution was Referred to the FINANCE COMMITTEE						
	<b>Notes:</b> Additional referral to Water Utility Board						
1	FINANCE COMMITTEE	07/15/2025	Referred	WATER UTILITY BOARD			
	<b>Action Text:</b> This Resolution was Referred to the WATER UTILITY BOARD						

### Text of Legislative File 88852

#### .Fiscal Note

The proposed resolution acknowledges that the City of Madison Water Utility will request reimbursement on eligible capital project expenses through the State of Wisconsin DNR's Safe Drinking Water Loan Programs reduced interest rate loan program. There are no direct fiscal impacts from this proposed resolution.

#### .Title

Declaring Official Intent to Reimburse Expenditures from Proceeds of Borrowing

**.Body**

WHEREAS, Madison Water Utility, on behalf of the City of Madison, Dane County, Wisconsin (the "Municipality") intends to complete several public works improvements projects, as identified within Projects: 4837-U14, 4837-15, 4837-U16 and 4837-17 in the Wisconsin DNR Safe Drinking Water Loan Program 2026 Fiscal Year Project Priority List (the "Projects"); and

WHEREAS, the Municipality expects to finance the Projects on a long-term basis by issuing tax-exempt bonds or promissory notes (the "Bonds"); and

WHEREAS, because the bonds will not be issued prior to completion of the eligible Projects, the Municipality must provide interim financing to cover costs of the Projects incurred prior to receipt of the proceeds of the Bonds; and

WHEREAS, it is necessary, desirable, and in the best interests of the Municipality to advance moneys from its funds on hand on an interim basis to pay the costs of the Projects until the Bonds are issued; and

NOW THEREFORE, BE IT RESOLVED, by the Common Council of the City of Madison, Wisconsin, that:

Section 1 - Expenditure of Funds. The Municipality shall make expenditures as needed from its funds on hand to pay the costs of the Projects until Bond proceeds become available.

Section 2 - Declaration of Official Intent. The Municipality hereby officially declares its intent under Treas. Regs. Section 1.150-2 to reimburse said expenditures with proceeds of the Bonds, the principal amount of which is not expected to exceed \$15 million under the State Fiscal Year 2026 Projects.

Section 3 - Unavailability of Long-Term Funds. No funds for payment of the Projects from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.

Section 4 - Public Availability of Official Intent Resolution. This resolution shall be made available for public inspection at the Madison Water Utility office within 30 days after its approval in compliance with applicable State law governing the availability of records of official acts including Subchapter II of Chapter 19, and shall remain available for public inspection until the Bonds are issued.

Section 5 - Effective Date. This resolution shall be effective upon its adoption and approval.



## **MEMORANDUM**

Date: July 22, 2025

To: Water Utility Board

From: Krishna Kumar, General Manager  
January Vang, Finance Manager  
Pete Holmgren, Chief Engineer

Subject: Declaring Official Intent to Reimburse Expenditures from Proceeds of Borrowing

## **BACKGROUND**

This proposed resolution acknowledges that the Madison Water Utility (MWU) will be requesting reimbursement of eligible Capital expenditures on two 2026 Capital Projects through the Wisconsin Department of Natural Resources' (WI-DNR) Safe Drinking Water Loan Program (SDWLP) with low-interest rate (estimated 2.31%) 20-year loans, as was similarly done by the MWU in State Fiscal Years 2023 and 2024 for prior SDWLP-eligible MWU projects.

The proposed State Fiscal Year 2026 projects intending to utilize SDWLP loan reimbursements are the proposed reconstruction of Unit Well 12 and Reservoir 12 (estimated value \$8,000,000), and the proposed Lake Forest water system consolidation & replacement project (estimated value \$4,300,000).

This resolution does not have any direct fiscal impact to the City or MWU, and simply acknowledges MWU's intent to apply for SDWLP utilization related to these projects.

## **LEGISLATIVE PATH**

- 7/15/2025 Common Council (Introduction)
- 7/22/2025 Water Utility Board
- 7/28/2025 Finance Committee
- 8/5/2025 Common Council (Final Action)

## **ATTACHMENTS**

1. Memo (this document)
2. Legislation Details



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89005**

**File ID:** 89005

**File Type:** Resolution

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 07/08/2025

**File Name:** Determining a Public Purpose and Necessity and adopting a Relocation Order for the acquisition of land interests required for the construction and maintenance of public water transmission pipeline facilities to be constructed by the Pressure Zone 4 Inters

**Final Action:**

**Title:** Determining a Public Purpose and Necessity and adopting a Relocation Order for the acquisition of land interests required for the construction and maintenance of public water transmission pipeline facilities to be constructed by the Pressure Zone 4 Interstate Crossing project. (District 16)

**Notes:** Adam Wiederhoeft

**Sponsors:** Sean O'Brien And Regina M. Vidaver

**Effective Date:**

**Attachments:** Vicinity Map.pdf, Pressure Zone Relocation Order Sheet 1.pdf, Pressure Zone Relocation Order Sheet 2.pdf, Memo - 2025 Interstate Crossing Relocation Order.pdf

**Enactment Number:**

**Author:** Jim Wolfe, City Engineer

**Hearing Date:**

**Entered by:** hfleegel@cityofmadison.com

**Published Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Engineering Division	07/08/2025	Referred for Introduction				
	<b>Action Text:</b> This Resolution was Referred for Introduction						
	<b>Notes:</b> Water Utility Board (7/22/25), Board of Public Works (7/16/25), Plan Commission (7/28/25), Common Council (8/5/25)						
1	COMMON COUNCIL	07/15/2025	Referred	WATER UTILITY BOARD			
	<b>Action Text:</b> This Resolution was Referred to the WATER UTILITY BOARD						
	<b>Notes:</b> Additional referrals to Board of Public Works and Plan Commission						
1	WATER UTILITY BOARD	07/15/2025	Referred	BOARD OF PUBLIC WORKS			
	<b>Action Text:</b> This Resolution was Referred to the BOARD OF PUBLIC WORKS						
1	WATER UTILITY BOARD	07/15/2025	Referred	PLAN COMMISSION			
	<b>Action Text:</b> This Resolution was Referred to the PLAN COMMISSION						

1	BOARD OF PUBLIC WORKS	07/16/2025	Return to Lead with the Recommendation for Approval	WATER UTILITY BOARD	Pass
<b>Action Text:</b> A motion was made by Ald. Guequierre, seconded by Williams, to Return to Lead with the Recommendation for Approval to the WATER UTILITY BOARD. The motion passed by voice vote/other.					

## Text of Legislative File 89005

### Fiscal Note

The proposed resolution approves the relocation order to obtain land interests required for the construction of Pressure Zone 4 Interstate Crossing at an estimated cost of \$65,000. The Water Utility has \$2,000,000 available budget authority from an adopted 2024 capital project amendment (MUNIS #15165). Funding is per a cost sharing agreement with Dane County.

MUNIS: 15165-86-179

### Title

Determining a Public Purpose and Necessity and adopting a Relocation Order for the acquisition of land interests required for the construction and maintenance of public water transmission pipeline facilities to be constructed by the Pressure Zone 4 Interstate Crossing project. (District 16)

### Body

**WHEREAS**, the City of Madison and Dane County have determined that a water transmission pipeline, from Savannah Road to Secret Garden Drive, crossing Interstate Highway 39/90, located in Madison and the Village of McFarland, is necessary to meet increased fire flow demands to serve the County's developments along CTH "AB". The transmission pipeline is also necessary to meet basic system requirements such as adequate water pressure, water supply flow rates, service redundancy and consistent high water quality for other future developments within Madison Water Utility Pressure Zone 4; and

**WHEREAS**, the City of Madison Common Council adopted Resolution RES-24-00215, File ID 82309, on March 19, 2024 intending to authorize the Mayor and City Clerk to enter into a "Cost Sharing Agreement between the City of Madison and Dane County" for the design and construction of a water transmission pipeline extending between Savannah Road and Secret Garden Drive in the City of Madison, Wisconsin and the Village of McFarland, Wisconsin; and

**WHEREAS**, the City of Madison Common Council adopted Resolution RES-24-00349, File ID 83171, on May 21, 2024 amending Resolution RES-24-00215 specifically authorizing the Mayor and City Clerk to enter into an intergovernmental agreement with Dane County for cost sharing of a water transmission pipeline across Highway I-39/90, consistent with the Agreement attached to RES-24-00215 and in a form approved by the City Attorney; and

**WHEREAS**, the City of Madison and Dane County have entered into a Cost Sharing Agreement for the Water Transmission Pipeline from Savannah Road to Secret Garden Drive formalizing arrangements for the share of the Project's final costs as of May 28, 2024; and

**WHEREAS**, the City of Madison Common Council adopted Resolution RES-24-00666, File ID 85764, on November 6, 2024, approving plans and specifications and authorizing the Board of Public Works to advertise and receive bids for Pressure Zone 4 Interstate Crossing; and

**WHEREAS**, the City of Madison Common Council adopted Resolution RES-24-00737, File ID

86200, on December 10, 2024 , being a Year End Appropriation Resolution including the increase of County funding and expenses by \$2.0 million for the Pressure Zone 4 Interstate Crossing Project to reflect funding from the cost sharing agreement with Dane County; and

**WHEREAS**, the City of Madison Engineering Division has established Engineering Project No. 15165, Pressure Zone 4 Interstate, Contract No. 9593, for the design and administration of the water transmission pipeline project; and

**WHEREAS**, the City of Madison Office of Real Estate Services has established a Master File / Project No. 12997 to facilitate and administer the acquisition of required land interests necessary for the construction and maintenance of public water transmission pipeline facilities, from Savannah Road to Secret Garden Drive, required to meet increased fire flow demands to serve new Dane County development along CTH "AB" and other future development lying within Madison Water Utility Pressure Zone 4; and

**WHEREAS**, attached hereto and made part of this resolution is the Madison Relocation Order Map titled: CITY OF MADISON RELOCATION ORDER - PLAT OF LAND INTERESTS REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF IMPROVEMENTS FOR A WATERMAIN, LOCATED IN OUTLOT 1, SECRET PLACES AT SIGGELKOW PRESERVE AND OTHER LANDS, LOCATED IN THE SOUTHWEST AND NORTHWEST QUARTERS OF THE SOUTHEAST QUARTER OF SECTION 26, AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 35, ALL IN TOWNSHIP 07 NORTH, RANGE 10 EAST, CITY OF MADISON AND VILLAGE OF MCFARLAND, DANE COUNTY, WISCONSIN ; and,

**WHEREAS**, the Relocation Order Map identifies the necessary public land interest areas and the Schedules of Land Interests and Utility Interests required for construction and maintenance of the public water transmission pipeline facilities within the Pressure Zone 4 Interstate Crossing project area; and,

**WHEREAS**, all required funding for the land interest acquisitions by the City of Madison will be available in Account Number 15165-86-179 - Pressure Zone 4 Interstate Crossing.

**NOW THEREFORE BE IT RESOLVED,**

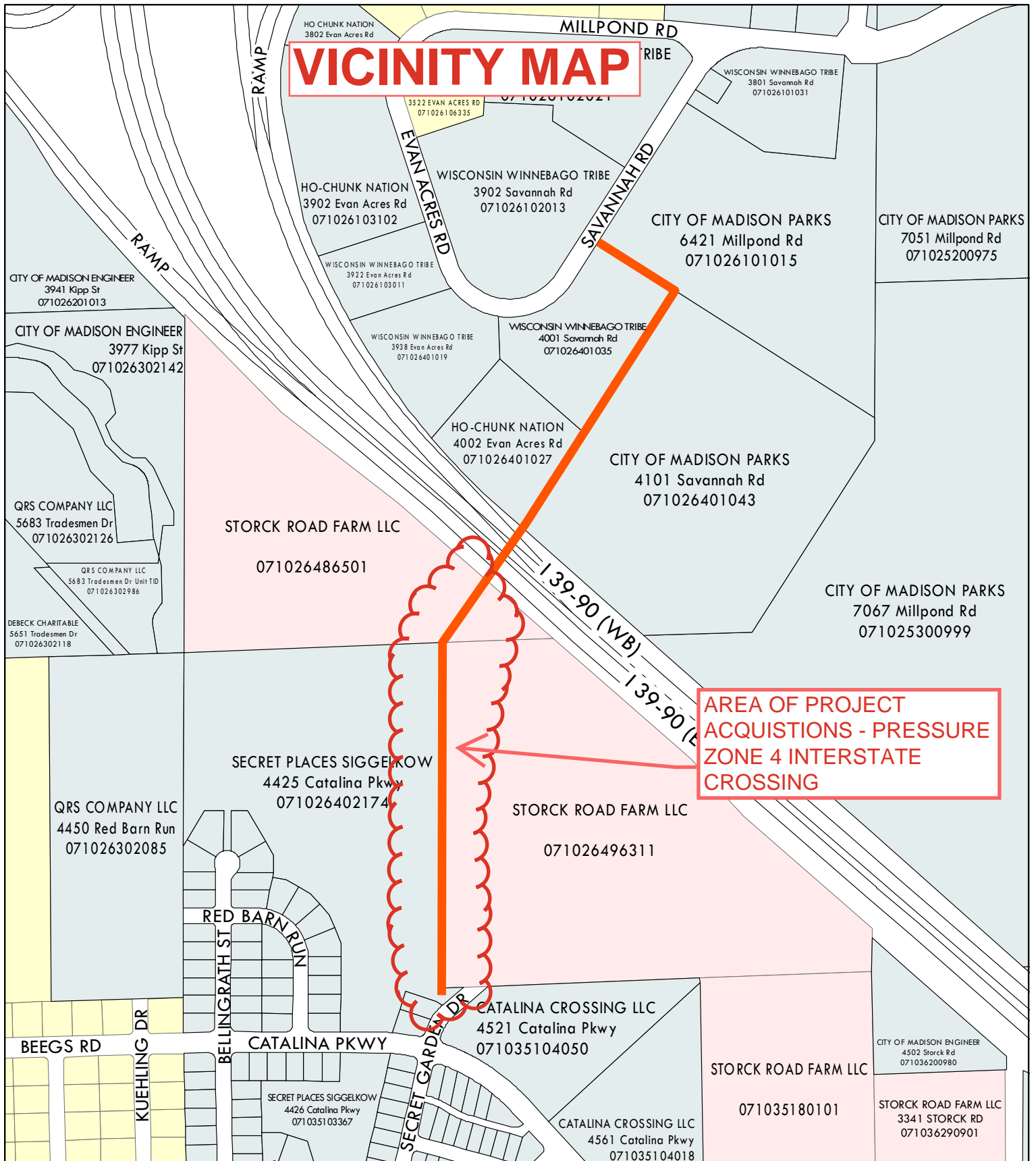
1. That this Resolution is a Relocation Order in accordance with Section 32.05(1) and 62.22, Wisconsin Statutes for the purpose of the within described public acquisition project and that these acquisitions are determined to be a necessity in accordance with Section 32.07(2), Wisconsin Statutes, and the acquisitions shall allow for the construction of planned public water transmission pipeline facilities within the Pressure Zone 4 Interstate Crossing - Engineering/Water Utility Project No. 15165.
2. That the City of Madison hereby determines that it is necessary, and a public purpose exists to acquire necessary land interests from the properties/parties as identified in the Schedule of Interests Required on the attached Relocation Order Maps and such acquisitions are required to allow for the construction of said public water transmission pipeline facilities.
3. That the Common Council of the City of Madison, does hereby adopt this relocation order to acquire the necessary land interests required for the installation of public water



transmission pipeline facilities associated with Engineering/Water Utility Project Number 15165 - Pressure Zone 4 Interstate Crossing, consisting of the attached Relocation Order Maps in accordance with Section 32.05(1) and 62.22, Wisconsin Statutes.

4. That the Office of Real Estate Services of the Economic Development Division and the City Attorney are hereby authorized to proceed by negotiation or condemnation under authority of Section 32 and 62.22 of the Wisconsin Statutes to acquire the real estate interests shown on said attached Relocation Order maps. Also, the Office Real Estate Services is further authorized to obtain title reports, appraisals, survey information, environmental site assessment reports, and any other essential material or reports as may be necessary to perform due diligence in accomplishing the acquisition.
5. That the City of Madison Office of Real Estate Services Division of the Economic Development Division staff shall administer the acquisition of all land interests by Real Estate Master Project No. 12997.
6. That the City of Madison Office of Real Estate Services of the Economic Development Division is hereby authorized to execute the jurisdictional offer, lis pendens, and award of the compensation if condemnation proceedings under Section 32 of the Wisconsin Statutes are necessary.
7. That the Mayor and City Clerk are authorized to sign all necessary documents to accomplish the acquisitions.

**AND BE IT FURTHER RESOLVED**, that the Water Utility General Manager is authorized to take any further action required to accomplish the purpose of this resolution, as necessary and in a format approved by the City Attorney, including entering into construction related agreements with existing pipeline companies within the project area.



Disclaimer: The City of Madison makes no representation about the accuracy or completeness of these records and in no event shall the City be liable for any damages whatsoever resulting from the use of these records.

Date: 1/23/2024

### Exhibit A

- Approximate Path
- City of Madison
- Village of McFarland
- Town of Blooming Grove

1 inch = 500 feet



0 250 500 1,000 Feet

THIS RELOCATION ORDER IS BASED UPON A SURVEY COMPLETED BY BURSE ENGINEERING FOR AND IN COORDINATION WITH THE CITY OF MADISON

FOUND ALUMINUM MONUMENT AT THE SOUTH QUARTER CORNER OF SECTION 26-07-10 N: 467910.82 E: 849873.94

RELOCATION ORDER APPROVED BY THE WATER UTILITY BOARD:

EXECUTIVE SECRETARY DATE

RELOCATION ORDER APPROVED BY THE PLAN COMMISSION:

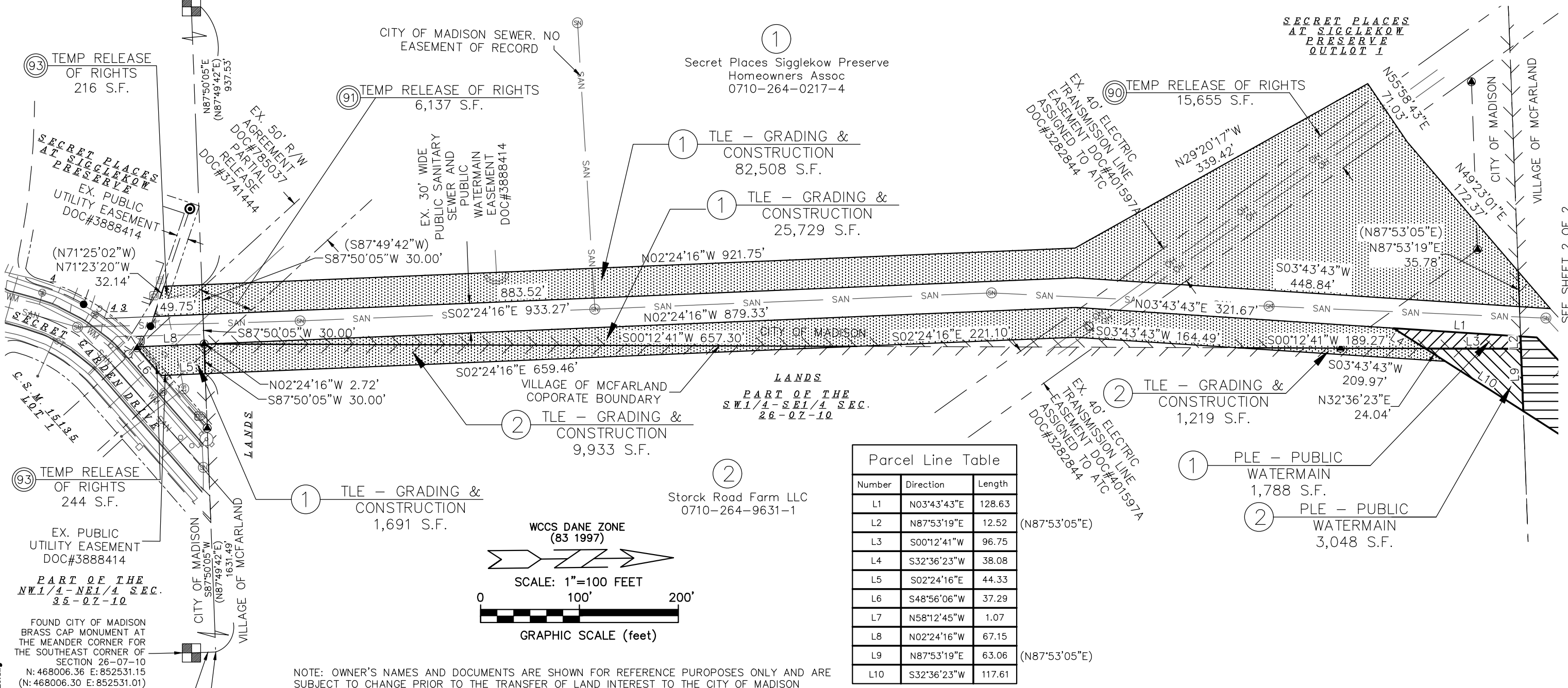
EXECUTIVE SECRETARY DATE

RELOCATION ORDER APPROVED BY THE BOARD OF PUBLIC WORKS:

EXECUTIVE SECRETARY DATE

RELOCATION ORDER APPROVED BY THE COMMON COUNCIL: RES- FILE ID NO.

CITY CLERK DATE



M:\BSE2575\dwg\Survey\BSE2575 RO v2020.dwg

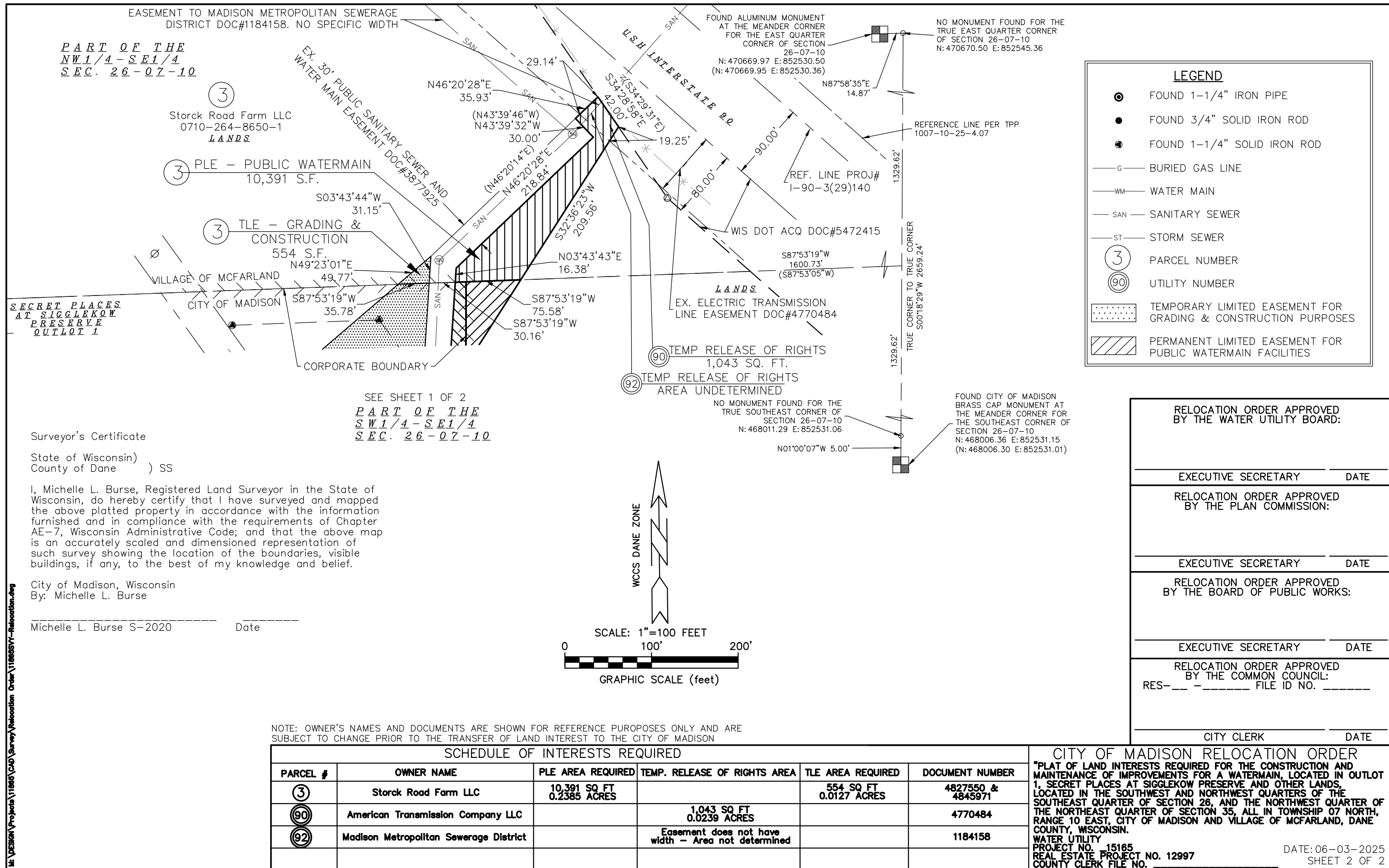
NOTE: OWNER'S NAMES AND DOCUMENTS ARE SHOWN FOR REFERENCE PUROPOSES ONLY AND ARE SUBJECT TO CHANGE PRIOR TO THE TRANSFER OF LAND INTEREST TO THE CITY OF MADISON

SCHEDULE OF INTERESTS REQUIRED

PARCEL #	OWNER NAME	PLE AREA REQUIRED	TEMP. RELEASE OF RIGHTS AREA	TLE AREA REQUIRED	DOCUMENT NUMBER
①	Secret Places Sigglekow Preserve Homeowners Assoc	1,788 SQ FT 0.0410 ACRES		109,929 SQ FT 2.5236 ACRES	5309108
②	Storck Road Farm LLC	3,048 SQ FT 0.0700 ACRES		11,152 SQ FT 0.2560 ACRES	4827551
⑨⑩	American Transmission Company LLC		15,655 SQ FT 0.3594 ACRES		4015984 & 3282844
⑨①	ANR Pipeline Company		6,137 SQ FT 0.1409 ACRES		785037 & 3741444
⑨③	Madison Gas & Electric Company		460 SQ FT 0.0106 ACRES		3888414

SEE SHEET 2 FOR LEGEND

CITY OF MADISON RELOCATION ORDER  
"PLAT OF LAND INTERESTS REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF IMPROVEMENTS FOR A WATERMAIN, LOCATED IN OUTLOT 1, SECRET PLACES AT SIGGLEKOW PRESERVE AND OTHER LANDS, LOCATED IN THE SOUTHWEST AND NORTHWEST QUARTERS OF THE SOUTHEAST QUARTER OF SECTION 26, AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 35, ALL IN TOWNSHIP 07 NORTH, RANGE 10 EAST, CITY OF MADISON AND VILLAGE OF MCFARLAND, DANE COUNTY, WISCONSIN.  
WATER UTILITY PROJECT NO. 15165  
REAL ESTATE PROJECT NO. 12997  
COUNTY CLERK FILE NO. \_\_\_\_\_  
DATE: 06-03-2025  
SHEET 1 OF 2





## MEMORANDUM

**Date:** July 15, 2025

**To:** Mayor Satya Rhodes-Conway  
Board of Public Works  
Water Utility Board  
Plan Commission  
Common Council

**From:** Adam Wiederhoeft, Design & Construction Engineer  
Pete Holmgren, Chief Engineer  
Krishna Kumar, General Manager

**Subject:** Adopt a Relocation Order for the Pressure Zone 4 Interstate Crossing Project

## RECOMMENDATION

Staff recommend that the Water Board authorize the adoption of a Relocation Order to facilitate the acquisition of land necessary for the construction and maintenance of a public water transmission pipeline crossing Interstate 39/90. Additionally, staff recommend authorizing the Water Utility General Manager to enter into construction-related agreements with existing pipeline companies within the project area, subject to approval by the City Attorney.

## BACKGROUND

The City of Madison and Dane County are working together to build a water transmission pipeline from Savannah Road to Secret Garden Drive, crossing Interstate 39/90. This pipeline is needed to support increased fire flow demand due to new development along County Highway AB. This pipeline will ensure adequate water pressure, flow rates, and quality for current and future development in Pressure Zone 4. The city passed a series of resolutions in 2024 to approve the project, share costs with Dane County, authorize bids, and secure funding.

A Relocation Order Map has been created to show which land needs to be acquired for the pipeline. The City will acquire the necessary land, either through negotiation or condemnation, as authorized under Wisconsin law. The Office of Real Estate Services and City Attorney will handle all legal and administrative aspects of acquiring the land. The Mayor and City Clerk are

authorized to sign the required documents. The Water Utility General Manager is authorized to oversee construction agreements and other final actions.

## **FISCAL NOTE**

This relocation order and process comes at an estimated cost of \$65,000. These costs and the associated funding are part of a cost sharing agreement with Dane County; MWU has available budget authority in MUNIS project number 15165.

## **LEGISLATIVE PATH**

7/15/2025	Common Council (Introduction)
7/16/2025	Board of Public Works
7/22/2025	Water Utility Board
7/28/2025	Plan Commission
8/5/2025	Common Council (Final Action)

## **ATTACHMENTS**

1. Memo (this document)
2. Pressure Zone Relocation Order Sheet 1
3. Pressure Zone Relocation Order Sheet 2
4. Vicinity Map



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89218**

**File ID:** 89218

**File Type:** Report

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 07/17/2025

**File Name:** Monthly Water Production Report

**Final Action:**

**Title:** Monthly Water Production Report

### Notes:

### Sponsors:

**Effective Date:**

**Attachments:** Item 7 - Memo - Water Production Report June 2025.pdf, Item 7 - Attachment A - Water Production Report for June 2025.pdf, Item 7 - Attachment B - Well Utilization Report for June 2025.pdf, Item 7 - Attachment C - Status of Unit Wells Offline Report for June 2025.pdf

**Enactment Number:**

### Author:

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	07/17/2025	Refer	WATER UTILITY BOARD			
<b>Action Text:</b> This Report was Refer to the WATER UTILITY BOARD							

## Text of Legislative File 89218

### Title

Monthly Water Production Report

### Body

See corresponding memo and attachments.

## **MEMORANDUM**

Date: July 22, 2025

To: Water Utility Board

From: Joseph Grande, Water Resources Manager  
Krishna Kumar, General Manager

Subject: Water Production Report

## **BACKGROUND**

Board governance policy requires that current and future customers will receive water that meets or exceeds industry-accepted levels of service for fire protection and pressure.

This includes:

1. Water delivered to hydrants at proper flow rates for fire protection.
2. Water delivered to the customer tap at a pressure that meets industry-accepted low, high, and emergency operation criteria.
3. Water used for outdoor irrigation under drought-free conditions.

The Water Resources section of the Utility strives to meet or exceed the expectations laid out above. The June Monthly Water Production, Unit Well Cumulative Capacity Utilization, and Status of Unit Wells Offline reports reflecting these efforts are attached.

## **ATTACHMENTS**

- A. Monthly Water Production as of June 30, 2025
- B. Unit Well Cumulative Capacity Utilization as of June 30, 2025
- C. Status of Unit Wells Offline for Repairs/Replacement as of June 30, 2025



**Madison Water Utility  
Daily and Cumulative Water Production**

Hydrologic Regions	Number of Wells	Daily Production (In million gallons, MGD)				Cumulative Year-to-Date Production (In billion gallons)			
		Maximum Daily Capacity	Reliable Daily Capacity	June 2025		2023 Actual	2024 Actual	Through 6/30	
				Average Daily Production	Regional Surplus / (Deficiency)			2024	2025
<b>A/B</b>	7	20.2	11.3	9.4	1.9	3.0	3.0	1.5	1.5
<b>C</b>	10	28.8	22.3	12.6	9.7	4.6	4.4	2.1	2.2
<b>D</b>	3	9.1	5.9	4.4	1.5	1.6	1.5	0.7	0.8
<b>System Total</b>	<b>20</b>	<b>58.1</b>	<b>39.5</b>	<b>26.4</b>	<b>13.1</b>	<b>9.2</b>	<b>8.9</b>	<b>4.3</b>	<b>4.5</b>

**Madison Water Utility  
Unit Well Cumulative Capacity Utilization  
6/30/2025**

Region	Unit Well	YTD Capacity (MG)	YTD Production (MG)	YTD Utilization (%)
A/B	7	573	224	39
	9	427	275	64
	11	545	290	53
	13	683	220	32
	25	521	190	36
	29	573	276	48
	31	573	54	9
	All	3897	1529	39
C	6	678	265	39
	12	592	353	60
	14	639	342	54
	17	597	111	19
	18	521	310	60
	20	534	179	33
	24	534	209	39
	27	463	112	24
	30	626	325	52
	All	5183	2206	43
D	16	599	346	58
	26	586	82	14
	28	586	321	55
	All	1772	750	42
Entire System		10852	4485	41

MG = Million Gallons

**Madison Water Utility**  
**Status of Unit Wells Offline for Repairs or Upgrades**  
**6/30/2025**

Region	Unit Well	Lost Supply (GPM)	Date Offline	Expected Online	Status of Repair/Replacement
A/B	15	1,400	03/2019	08/2025	Installation of PFAS treatment is on-going; see Capital Projects report
	31	2,200	02/2025	06/2025	Installation of pump in-progress as of 7/16
C	19	2,200	10/2024	08/2025	Installation of iron, manganese, and radium filter is on-going; station operational in mid-August, filters expected to go on-line later

GPM = gallons per minute; 1,000 gpm = 1.44 MGD (million gallons per day)



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89219**

**File ID:** 89219

**File Type:** Report

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY  
BOARD

**File Created Date :** 07/17/2025

**File Name:** Monthly Financial Conditions Report

**Final Action:**

**Title:** Monthly Financial Conditions Report

### Notes:

### Sponsors:

**Effective Date:**

**Attachments:** Item 8 - Memo - Financial Conditions Report July  
2025.pdf, Item 8 - Attachment - Financial Conditions  
Report as of 6.30.25.pdf

**Enactment Number:**

### Author:

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	07/17/2025	Refer	WATER UTILITY BOARD			
<b>Action Text:</b> This Report was Refer to the WATER UTILITY BOARD							

## Text of Legislative File 89219

### Title

Monthly Financial Conditions Report

### Body

See corresponding memo and attachment.

## MEMORANDUM

Date: July 22, 2025

To: Water Utility Board

From: January Vang, Finance and Administrative Manager

Subject: Monthly Financial Report – Operating and Capital Funds

## BACKGROUND

Board governance policy requires that the Utility shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Outcomes policies. Accordingly, the Utility shall not cause or allow conditions, procedures, or decisions that:

1. Fail to ensure long-term financial health.
2. Fail to present a balanced annual operating budget and quarterly updates on actual expenditures and income.
3. Exceed total appropriations for the fiscal year, unless directed to do so by the board.
4. Use any dedicated reserves for purposes other than those for which they are designated, unless directed to do so by the board.
5. Undertake a debt without payoff schedule and identification of revenue stream.
6. Fail to establish an unrestricted reserve equal to a typical three months' operating expenses.
7. Fail to inform the board of where the utility stands with any current rate case in progress.
8. Fail to be able to provide a concise summary of the financial condition of the utility at any time.
9. Fail to adjust spending related to revenue shortfalls in a budget deficit.

The Finance Section of the Utility strives hard to meet or exceed the expectations laid out above. The monthly financial update provided in the attached Budget to Actual comparison, as of June 30, 2025, reflecting these efforts is attached.

As of June 30, 2025:

- Water revenues are up \$461 thousand compared to prior year to date.
- Water expenditures are up \$579 thousand compared to prior year to date.
- Operating Fund balance is \$13.4 million.
- Capital Fund expenditures is \$18.2 million, of which \$6.5 million is encumbrances.
- Capital Fund balance is \$(9 thousand).

MadCAP Data Summary (as of July 9, 2025)

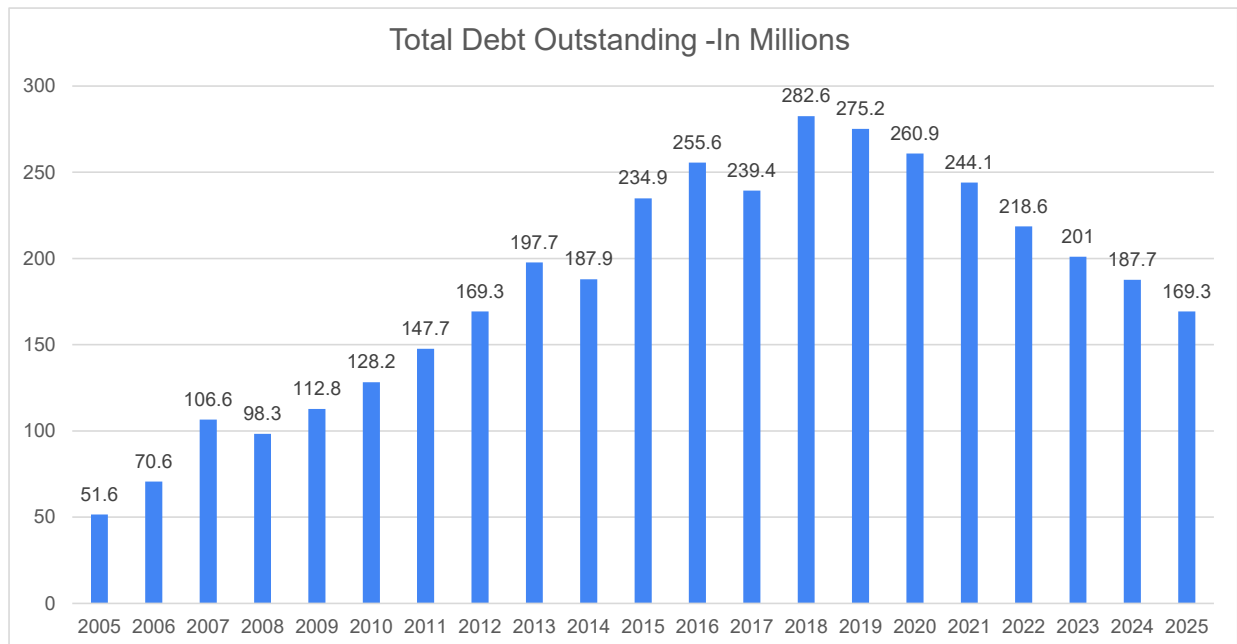
	AMI <30%	AMI >30% and <50%	Total
Total Applications Received	570	283	853
Total Applications Approved	373	149	522
<i>Homeowners</i>	200	93	293
<i>Renters</i>	173	56	229
Total Applications Not Approved	197	134	331
Households Newly Enrolled in Conservation Programs	121	52	173

#### ATTACHMENTS:

- A. Budget to Actual comparison as of June 30, 2025

Madison Water Utility					
Budget to Actual Comparison					
As of June 30, 2025					
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	Year to Date June 30, 2025	Projected 2025
<b>Operating Fund</b>					
<b>Revenues:</b>					
Sales of water (Operations)	\$ 52,008,356	\$ 50,247,494	\$ 51,693,144	\$ 24,383,599	\$ 50,360,000
Other Revenues	1,704,401	1,326,031	1,213,000	394,496	\$ 1,500,000
Interest Income	1,840,905	1,846,886	1,090,000	931,277	\$ 1,862,000
<b>Total Revenues</b>	<b>55,553,662</b>	<b>53,420,411</b>	<b>53,996,144</b>	<b>25,709,372</b>	<b>53,722,000</b>
<b>Expenditures:</b>					
Operating Expenses	18,885,166	18,975,109	24,687,901	9,051,042	20,000,000
Debt Service - Interest & Principal	18,709,260	18,684,694	19,371,918	9,662,240	19,324,480
Transfer Out to City (PILOT)	6,440,655	6,395,254	6,400,000	3,200,000	6,900,000
<b>Total Expenditures</b>	<b>44,035,081</b>	<b>44,055,057</b>	<b>50,459,819</b>	<b>21,913,282</b>	<b>46,224,480</b>
<b>Net Operating Fund Inc(Decr)</b>	<b>11,518,582</b>	<b>9,365,354</b>	<b>3,536,325</b>	<b>3,796,090</b>	<b>7,497,520</b>
<b>Operating Fund Balance</b>					
Opening Fund Balance	6,198,389	12,178,312	18,960,007	18,960,007	18,960,007
Net Operating Fund Inc(Decr)	11,518,582	9,365,354	3,536,325	3,796,090	7,497,520
Tank Recoat Reserve	-	(800,000)	(800,000)	-	(800,000)
Catastrophic Reserve	-	-	-	-	(5,000,000)
Transfer Out to Capital Fund	(2,564,519)	(4,082,489)	(6,230,000)	(3,115,000)	(7,940,000)
Accrual Adjustments	(2,974,140)	2,298,830	(1,780,000)	(6,266,415)	(3,000,000)
<b>Ending Fund Balance</b>	<b>\$ 12,178,312</b>	<b>\$ 18,960,007</b>	<b>\$ 13,686,333</b>	<b>\$ 13,374,683</b>	<b>\$ 9,717,527</b>
<b>Construction Fund</b>					
<b>Revenues:</b>					
Bond/Loan Proceeds		7,328,000	-	-	-
SDWL Proceeds	-	1,705,445	800,000	2,507,527	5,595,395
Sales of Water (Expense Depreciation)	4,166,667	5,000,000	5,000,000	2,500,000	5,000,000
Trans from Oper Fund / Reserves	2,564,519	4,082,489	6,230,000	3,115,000	7,940,000
<b>Total Capital Revenues</b>	<b>6,731,186</b>	<b>18,115,934</b>	<b>12,030,000</b>	<b>8,122,527</b>	<b>18,535,395</b>
<b>Actual Expenditures &amp; Encumbrances</b>					
Pipeline	5,122,766	6,052,988	6,290,000	4,808,985	8,000,000
Facility	1,825,551	4,399,747	2,995,000	11,191,986	12,195,000
Fleet/Other	1,689,181	2,132,862	2,759,000	2,175,207	2,759,000
<b>Total Capital Expend &amp; Encumb</b>	<b>8,637,497</b>	<b>12,585,597</b>	<b>12,044,000</b>	<b>18,176,178</b>	<b>22,954,000</b>
<b>Net Construction Fund Inc(Decr)</b>	<b>(1,906,311)</b>	<b>5,530,337</b>	<b>(14,000)</b>	<b>(10,053,651)</b>	<b>(4,418,605)</b>
<b>Construction Fund Balance</b>					
Opening Fund Balance	6,420,832	4,514,521	10,044,858	10,044,858	10,044,858
Net Capital Fund Inc(Decr)	(1,906,311)	5,530,337	(14,000)	(10,053,651)	(4,418,605)
<b>Ending Fund Balance</b>	<b>\$ 4,514,521</b>	<b>\$ 10,044,858</b>	<b>\$ 10,030,858</b>	<b>\$ (8,794)</b>	<b>\$ 5,626,253</b>

<b>Madison Water Utility</b> <b>Cash Reserves &amp; Long-Term Debt</b> <b>FY 2022      FY 2023      FY 2024      As of June</b> <b>Cash Reserves      Actual      Actual      Actual      30, 2025</b>				
Restricted:				
Bond Redemption Fund	\$ 13,164,827	\$ 13,191,166	\$ 13,217,358	\$ 6,703,800
Bond Redemption Reserve Fund	13,970,411	12,190,068	12,190,068	8,467,295
BAN Repayment Fund	10,000,000	10,000,000	-	-
Tank Recoat Reserve	-	800,000	800,000	1,600,000
Catastrophic Reserve	-	-	-	5,000,000
Depreciation Fund	750,000	750,000	750,000	750,000
PILOT Fund	-	-	-	3,748,200
Assessment Account	1,504,541	1,858,134	2,055,530	2,055,530
Revenue Bond Construction Fund	6,420,832	2,548,254	7,492,361	3,788,924
Expense Depreciation	-	1,966,423	2,413,110	3,212,107
Timing Adjustments	-	-	-	12,067,887
Unrestricted Cash Balance	6,198,389	16,178,312	18,960,007	14,114,447
<b>Total Cash &amp; Investments (Munis)</b>	<b>\$ 52,009,000</b>	<b>\$ 59,482,356</b>	<b>\$ 57,878,434</b>	<b>\$ 61,508,191</b>
<b>No. of months expenditures covered by Operating Reserves (Goal - 6)</b>	<b>1.73</b>	<b>4.41</b>	<b>5.16</b>	<b>3.22</b>
<b>Debt Coverage Ratio (Required 1.25)</b>	<b>1.95</b>	<b>2.61</b>	<b>2.68</b>	
<b>Debt Equity Ratio % (50/50)</b>	<b>55/45</b>	<b>52/48</b>	<b>43/57</b>	







# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89220**

**File ID:** 89220

**File Type:** Report

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY  
BOARD

**File Created Date :** 07/17/2025

**File Name:** Monthly Capital Projects Report

**Final Action:**

**Title:** Monthly Capital Projects Report

### Notes:

### Sponsors:

**Effective Date:**

**Attachments:** Item 9 - Memo - Capital Projects Monthly Report  
2025-07-22.pdf, Item 9 - Attachment - Capital  
Projects Monthly Report 2025-07-22.pdf

**Enactment Number:**

### Author:

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	07/17/2025	Refer	WATER UTILITY BOARD			
<b>Action Text:</b> This Report was Refer to the WATER UTILITY BOARD							

## Text of Legislative File 89220

### Title

Monthly Capital Projects Report

### Body

Monthly report and presentation by Engineering Intern Macie Wenning. See corresponding memo and attachments.

## MEMORANDUM

Date: July 22, 2025

To: Water Utility Board

From: Pete Holmgren, P.E. – Chief Engineer  
Krishna Kumar – General Manager

Subject: Capital Projects Report

## BACKGROUND

Board governance policy requires that the Utility shall not cause or allow conditions, procedures, or decisions that prevent the Madison Water Utility from meeting its obligation to serve current and future generations of customers within the City of Madison and its authorized service areas. Accordingly, the Utility shall not cause or allow conditions, procedures, or decisions that:

1. Fail to assure that required rates fund all expenditures for timely and prudent capital improvements to existing utility systems, and that those capital improvements are driven by reliability, operational or regulatory requirements, replacement of aging infrastructure, utility relocations for public works and road projects, extension of the life of existing systems, or customer input.
2. Fail to identify and plan for resource and infrastructure needs for the provision of water service to customers in a timely manner.
3. Fail to coordinate Madison Water Utility activities and policies with the City of Madison's Comprehensive Plan and other relevant guidelines for community development.
4. Fail to consider participation with other governmental or private entities on regional major water infrastructure or water supply planning projects.

The Engineering Section of the Utility strives to meet or exceed the expectations laid out above. The monthly Capital Budget to Actual Monthly Report reflecting these efforts is attached.

## SUMMARY

The attached Capital Budget Monthly Report presents the total of both actual capital expenditures *and* encumbrances through June 2025; this total is ~\$18,176,000.

The 2025 actual capital expenditures in June total ~\$2,560,000 and consist of:

- ~\$1,045,000 in facility expenses
- ~\$720,000 in fleet/other expenses
- ~\$795,000 in pipeline expenses

For expense depreciation related to water main replacement projects:

- The total targeted spend amount in 2025 is \$5,000,000
- The actual capital expenditures through June are ~\$1,700,000
- Encumbrances *plus* actual capital expenditures through June are ~\$4,527,000

Please refer to the attached report for additional information, which also includes project updates for:

- Major Capital Project Unit Well 19
- Major Capital Project Unit Well 15
- Major Capital Project Unit Well 12
- 2025 Engineering Internship and Project

## ATTACHMENTS:

1. Capital Projects Monthly Report – July 2025

# WATER UTILITY BOARD

## CAPITAL PROJECTS MONTHLY REPORT

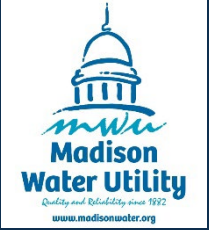


Pete Holmgren, P.E.  
Chief Engineer

July 22, 2025



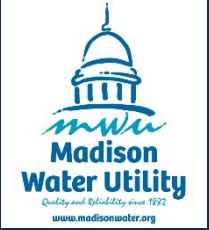
# Capital Projects Monthly Report



## ■ PRESENTATION OVERVIEW:

1. Actual Expenditures Through June 2025
2. 2025 Expense Depreciation for Water Main Replacement
3. Capital Project Updates:
  - Unit Well 19 Iron, Manganese, & Radium Treatment Facility
  - Unit Well 15 PFAS Treatment Facility
  - Unit Well 12 Reconstruction
  - 2025 Engineering Internship and Project

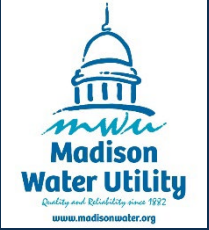
# Capital Projects Monthly Report



## 2025 Actual Expenditures and Encumbrances (Through June):

- Total of Actual Expenditures and Encumbrances: ~\$18,176,000
- June 2025 Actual Expenditures (~\$2,560,000):
  1. Facilities: ~\$1,045,000
  2. Fleet/Other: ~\$720,000
  3. Pipelines: ~\$795,000

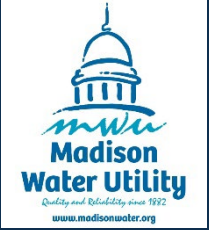
# Capital Projects Monthly Report



## 2025 Water Main Expense Depreciation:

- The total targeted spend amount in 2025 is \$5,000,000.
- Actual expenditures through June are ~\$1,700,000
- Estimated encumbrances *plus* expenditures through June are ~\$4,527,000

# Capital Projects Monthly Report

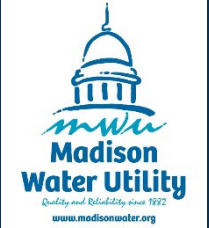


## Project Update: Unit Well 19 Iron, Manganese, & Radium Treatment

- Project Budget: \$9,183,000
  - Current Status: Construction
    - Deep well pump installation, borehole rehabilitation
    - Doors and hardware installations
  - Upcoming:
    - Chemical room completion and startup (August)
    - Facility startup and testing of deep well and booster pumps (August)
    - Filter tank startup and testing (September)



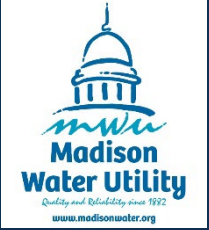
# Capital Projects Monthly Report



## Project Update: Well 15 PFAS Treatment Facility

- Project Budget: \$5,943,000
- Current Status: Construction
  - Equipment programming and testing
  - Filling, startup, training, and testing of new filter tanks
- Upcoming:
  - Equipment commissioning and training – all components
  - Floor, landscaping, driveway finishes
  - Mid-August final completion at current schedule

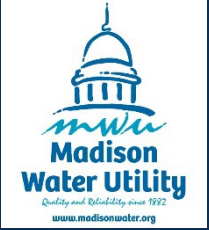
# Capital Projects Monthly Report



## Project Update: Well 12 Reconstruction

- Project Budget: \$8,00,000 (2025: \$800,000)
- Current Status: Planning and Analysis
  - Additional reservoir volume information to DNR (post-June 30<sup>th</sup> SDWLP application)
  - Awaiting DNR review and feedback of project report
- Upcoming:
  - Zoning meeting to review requirements of parcel
  - Updated estimate of probable costs
  - Preparation of PSC Construction Authorization Application

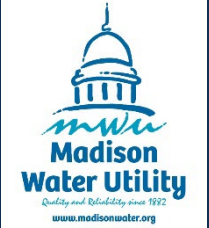
# Capital Projects Monthly Report



## 2025 Engineering Internship and Project

- Water Utility Engineering Internship program has been in place since 2011
  - 14 interns to date
  - Full semester and summer terms, generally either January 1<sup>st</sup> – August 31<sup>st</sup> OR May 20<sup>th</sup> – December 20<sup>th</sup>
- Entry-level professional engineering work and exposure
  - Primary “mentorship” rotates annually among Engineering staff but will involve work across the entire Utility
- Interns must be:
  - Currently enrolled and in good standing in a Bachelor's or Master's degree program in Civil, Environmental, or Construction Engineering, or a similar engineering program
- OR
  - Currently enrolled and in good standing in an Associate degree civil engineering technology program w/1-year of program completed

# Capital Projects Monthly Report



## 2025 Engineering Intern

### Macie Wenning

- **College:** University of Wisconsin-Madison (Class of 2027)
- **Major:** Environmental Engineering (Bachelor's)
- **Work Term:** January through August



**College of Engineering**  
UNIVERSITY OF WISCONSIN-MADISON

### ■ **Example Assignments:**

- Drafting Water Main Construction Plans
- Construction Inspection
- **Public / Board Meeting Participation**
- **Risk and Resilience Analyses**
- Main Break Repair Observation
- Quality Control
- Job Shadowing (Utility-Wide)
- Surveying / Record Drawing Creation

# WATER UTILITY BOARD

## RISK AND RESILIENCE ASSESSMENT PROCESS



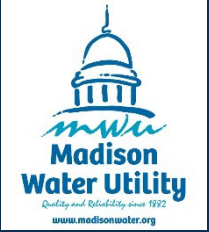
Macie Wenning

Engineering Intern  
Madison Water Utility  
[mwenning@madisonwater.org](mailto:mwenning@madisonwater.org)

July 22nd, 2025

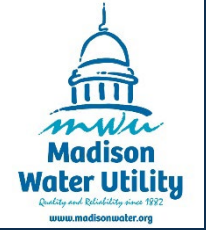


# Background Legislation



- Public Health Security and Bioterrorism Response Act of 2002
  - Required vulnerability assessments which assessed a utility's vulnerability to a terrorist attack or other form of malevolent attack
- America's Water Infrastructure Act (AWIA) of 2018
  - Mandates risk and resilience assessments and emergency response plans for utilities that serve over 3,300 people
  - Requires utilities to verify completion of the report to the EPA every 5 years by March 31<sup>st</sup>
  - Analyzes direct attacks as well as natural hazards for a more holistic threat analysis
- ANSI/AWWA J-100-21 is the national standard for risk and resilience assessments
  - Uses a strict process of probability-driven determinations that accurately reflect likelihoods, vulnerabilities and probable consequences

# PARRE Tool



- Generates a risk and resilience report via a 7-step process
  1. Asset Characterization
  2. Threat Characterization
  3. Threat-Asset Matrix
  4. Direct Threat Analysis
  5. Indirect Threat Analysis
  6. Resilience
  7. Risk Resilience Analysis
- Specifically designed to be compliant with the J-100 Standard
- Quantifies risk into a dollar amount
  - Risk = Consequences (\$) × Threat Likelihood (%) × Vulnerability (%)



# PARRE Tool

## Asset Characterization

- Assets are chosen based on how important they are to daily operations and successfully supplying quality water to our customers
- These can include physical structures, people, or information
- Assets that are not directly integral to this are not included
  - Ex. Unit wells that supply to areas that could be covered by other nearby wells

## Threat Characterization

- Threats are chosen based on scenarios that would prevent the utility from supplying quality water to our customers
- They are separated between direct threats, natural threats, and dependency & proximity threats

Not a concern for this  
system, given its  
location.

☐  
Inconsequential.  
☒

## Threat-Asset Matrix

- Assigns each threat-asset pair a rating between 1-5 and analyzes pairs ranked 3 and above
- Weeds out more unlikely and unimportant threats
- 486 pairs narrowed down to 146

		THREATS											
ASSETS	1	2	3	4	5	6	7	8	9	10	11	12	13
	2	2	2	2	2	2	3	3	3	4	2	3	
	5	2	2	3	2	2	3	4	4	4	2	3	
	2	2	2	2	2	2	3	3	3	4	3	3	
	2	2	2	2	2	2	3	3	3	4	2	2	
	2	2	2	3	2	2	3	3	3	4	2	2	
	2	2	2	3	2	2	3	3	3	4	2	2	
	2	2	2	3	2	2	3	3	3	4	2	2	



# PARRE Tool



## Direct Threat Analysis

### ■ Consequences

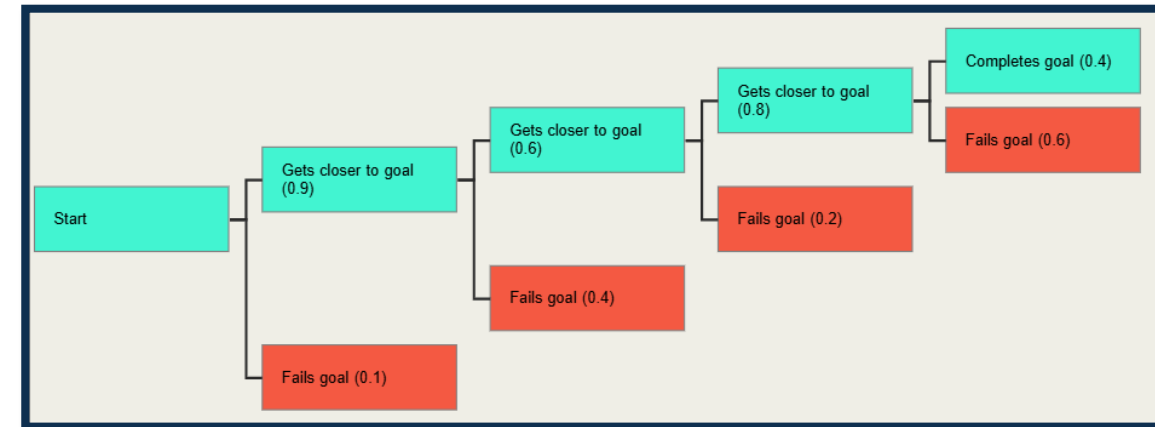
- Quantifies the worst reasonable consequences with metrics such as fatalities, serious injuries, financial loss, and economic losses to the community
- The US Department of Transportation statistical values of life are used to assign a monetary value for fatalities and serious injuries:
  - \$13.2 million for life
  - \$1.386 million for serious injury

### ■ Threat Likelihood

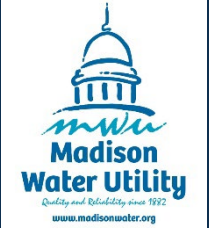
- Proxy Indicator
- Best Estimate
  - Threat likelihood of a cyber attack was best estimated as 1
  - Threat likelihood does not equate to success
  - With approximately 3.4 billion phishing emails are sent daily, a cyber attack is a not a matter of if, but when

### ■ Vulnerability

- A vulnerability tree is created to evaluate the probability of success for each threat-asset pair



# Proxy Indicators



- Estimate threat likelihood of relatively infrequent attacks, based on attractiveness of utility, size of metropolitan area, number of governmental facilities, etc.
- Based on the 2007 work of the RAND Corporation and the 2008 work of the Risk Management Solutions Corporation
  - These are publicly available summaries of recorded threats around the world
- Proxy Indicators can be overridden
  - EPA provides a baseline range for theft threat likelihood (0.01-0.1)
  - Insider/Outsider Theft proxy indicator calculated by hand
  - J-100 standard provides steps on how to calculate a proxy indicator
    - Consists of estimating the average number of threats per year, selecting a metro region, selecting a broad target type, selecting a specific utility, and adjusting for detection and interdiction
    - J-100 standard provides tables to help with most of these values, and they are multiplied together to formulate the final threat likelihood values

# PARRE Tool

## Indirect Threat Analysis

- Accounts for all non-malevolent threats the utility may face
  - Natural hazards
    - Tornadoes, ice storms, flooding, outages, etc.
  - Dependency/Proximity
    - Key Employees
    - Key Customers

## Resilience

- Evaluates the utility's ability to recover from an attack and reestablish service quickly using a Utility Resilience Index
- Determined by a Financial Resilience Index and an Operational Resilience Index
- Scores on a scale out of 100

## Risk Resilience Analysis

- Not required for AWIA
- Creates a risk baseline which can be used to test new countermeasures by measuring them against their resulting reduction in risk
- Acts as a return on investment analysis that determines the lowest cost, yet most effective countermeasures

# Importance

- Identify all possible threats, both malevolent and natural in origin
- Understand potential consequences of threats and vulnerabilities within the utility
- Return on investment analysis to determine low cost, highly effective measures to improve resiliency
- Inform and update the Emergency Response Plan to enhance effectiveness during and following an incident
  - Must be completed within 6 months of Risk and Resilience Assessment
  - Currently working on it to finish by end of September
- Reveal mitigation strategies to enhance security and resilience
- Inform resource allocation and future infrastructure planning





# Thank you!

## Questions / Comments?

### Contact Information:

Pete Holmgren

[pholmgren@madisonwater.org](mailto:pholmgren@madisonwater.org)

Macie Wenning

[mwenning@madisonwater.org](mailto:mwenning@madisonwater.org)



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89221**

**File ID:** 89221

**File Type:** Report

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY  
BOARD

**File Created Date :** 07/17/2025

**File Name:** Monthly Operations Report

**Final Action:**

**Title:** Monthly Operations Report

### Notes:

### Sponsors:

**Effective Date:**

**Attachments:** Item 10 - Memo - Monthly Operations Report July  
2025.pdf, Item 10 - Monthly Operations Report July  
2025.pdf

**Enactment Number:**

### Author:

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	07/17/2025	Refer	WATER UTILITY BOARD			
<b>Action Text:</b> This Report was Refer to the WATER UTILITY BOARD							

## Text of Legislative File 89221

### Title

Monthly Operations Report

### Body

See corresponding memo and attachment.



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## MEMORANDUM

Date: July 22, 2025

To: Water Utility Board

From: Dan Rodefeld, Operations Manager

Subject: Monthly Operations Report

## BACKGROUND


Board governance policy require that Madison residents will receive water which is consistent in its availability and quality. Accordingly, residents will:

- a. Experience minimal unplanned service interruptions
- b. Receive adequate notice of planned service interruptions
- c. Receive adequate notice of planned maintenance work that would significantly reduce water flow or pressure, and/or cause water discoloration

The Operations Section of the Utility strives hard to meet or exceed the expectations laid out above. The attached Monthly Operations Report for July 2025 reflecting these efforts is attached.

## ATTACHMENTS

- A. Monthly Operations Report – July 2025

	MONTHLY OPERATIONS REPORT Jul-25		
	Jan-May-25	Jun-25	2025 YTD Total
<b>Hydrants</b>			
Total in Service - <b>9,544</b>			
No. Replaced	23	1	24
No. of Inspections	2,116	311	2,427
No. Repaired	25	4	29
Unidirectional Flushing Runs	469	202	671
Conventional Flushing Runs	150	168	318
No. Re-painted	85	582	667
(Temp Water Connections)	183	15	198
<b>Valves</b>			
Total System valves - <b>16,140</b>			
Total Large Service valves - <b>4,299</b>			
Total Hydrant valves - <b>7,046</b>			
No. Replaced	31	5	36
No. of Inspections	5,075	427	5,502
No. Repaired	51	3	54
<b>System Leaks</b>			
Total Miles in Service - <b>926</b>			
Number of Main Leaks Repaired	175	19	194
Number of Service Leaks Repaired	13	6	19
<b>Operational Projects</b>			
Cast-in-place pipe lining (feet)	0	0	0
Pavement repair (open work orders)	276	36	312
Pavement repair (closed work orders)	17	29	46
Terrace repair (open work orders)	197	13	210
Terrace repair (closed work orders)	285	4	289





# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 89222**

**File ID:** 89222

**File Type:** Report

**Status:** In Committee

**Version:** 1

**Reference:**

**Controlling Body:** Water Utility

**File Created Date :** 07/17/2025

**File Name:** Monthly Public Information Report

**Final Action:**

**Title:** Monthly Public Information Report

**Notes:**

**Sponsors:**

**Effective Date:**

**Attachments:** Item 11 - Memo - Public Info Report.pdf, Item 11 - Attachment - Public Info Report.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File 89222

Title  
Monthly Public Information Report

Body  
See corresponding memo and attachment.



## **MEMORANDUM**

Date: July 22, 2025  
To: Water Utility Board  
From: Marcus Pearson, Public Information Officer  
Krishna Kumar, General Manager  
Subject: Public Information Report

## **BACKGROUND**

Madison Water Utility's overarching mission is to supply high quality water for consumption and fire protection, at a reasonable cost, while conserving and protecting our ground water resources for present and future generations. Community trust and awareness is built through our constant commitment to the preservation and protection our aquifer and care for Madison's vital drinking water infrastructure. This is cultivated through a wide variety of efforts performed by Utility staff daily.

The above expectations are met through:

1. Operation, maintenance, and management of our system.
2. Community outreach and engagement.
3. Customer service.

The Public Information Department of the Utility strives to exceed the expectations laid out above. The Monthly Public Information Report encompasses Utility efforts pertaining to public outreach and engagement occurring on or after July 1, 2025. The attachment(s) below reflect these efforts.

## **ATTACHMENTS**

- A. Public Information Report

## PUBLIC INFORMATION REPORT

July 2025



Public Communications	July 2025	2025 YTD Total
Social media posts	15	125
Media mentions	2	17
Customer Service calls	2,210	13,031
Meter Shop calls	344	2,764
Website views	18,505	111,497
Emails to email list subscribers	4	22
News releases	0	4

Projects & Initiatives
Wisconsin Science Festival Open House planning for Saturday, October 18, at Well 24
Website Accessibility Initiative
Lead Service Line inventory online database & new EPA reporting requirements
Madison Arts Commission sanctioned mural proposed for Well 24
Well 15, Well 19, Well 12, Water Main Rehabilitation at Todd Drive (District.76_Figueroa.Cole)

Community Outreach Events	
July 12, 13	Art Fair on the Square
July 12	Aldo Leopold Adult Summer Camp (alternate water bubbler)
July 19	Opera in the Park
July 23	Youth Student Summer Camp visit to Water Utility
July 26	Disability Pride Fest at Warner Park (alternate water bubbler)
July 26, 27	Atwood Fest
July 28, 29	All City Dive Meet at Parkcrest
July 31	All City Swim Meet at Hill Farms Pool
August 1	All City Swim Meet at Hill Farms Pool
August 2	All City Swim Meet at Hill Farms Pool
August 10	Ride the Drive at Law Park
August 16	Eken Park Fest
August 17	Magic Pride Fest at Warner Park
August 30	Taste of Madison
August 31	Taste of Madison



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 84022**

**File ID:** 84022

**File Type:** Miscellaneous

**Status:** In Committee

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY  
BOARD

**File Created Date :** 06/20/2024

**File Name:** Board Meeting Evaluation and Discussion

**Final Action:**

**Title:** Meeting Evaluation and Discussion

**Notes:**

**Sponsors:**

**Effective Date:**

**Attachments:** Board\_Evaluation.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** jberndt@madisonwater.org

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File 84022

.Title  
Meeting Evaluation and Discussion

# Water Utility Board Self-Evaluation Form

(Relates to Board Policy BP-2A and GUIDE 5)

**All members actively participate in discussions, and all members have opportunities to voice opinions/positions on agenda topics.**

Not Met 1 2 3 4 5 Fully Met

**Members come prepared to engage in discussion by reviewing materials provided prior to the meeting.**

Not Met 1 2 3 4 5 Fully Met

**Members engage in active listening and avoid interrupting other speakers.**

Not Met 1 2 3 4 5 Fully Met

**Members offer honest opinions and respect the viewpoints expressed by other members.**

Not Met 1 2 3 4 5 Fully Met

**Members honor WUB procedures and policies as outlined in the WUB Policy book.**

Not Met 1 2 3 4 5 Fully Met

**Members represent the collective interest of current and future Madison residents.**

Not Met 1 2 3 4 5 Fully Met

**Members make decisions based on equity principles considering the decision's impact on all residents. The decision-making process considers: Who benefits? Who is burdened? Who does not have a voice at the table? How can policymakers mitigate unintended consequences?**

Not Met 1 2 3 4 5 Fully Met

*Developed by Pat Delmore, January 2019. Updated July 2020.*