

## MEMORANDUM

Date: February 28, 2023

To: City of Madison Common Council, City of Madison Finance Committee

From: Adam Wiederhoeft, PE Design & Construction Engineer

Subject: Overview of Legislative File No. 76396

*Amending the 2023 Water Utility Capital budget to include \$2,875,000 of additional budget authority between various major water main projects and programs in accordance with Rate File Authorization: 3280-WR-116, issued by the Public Service Commission of Wisconsin (PSC REF#: 455440). (Citywide).*

### OVERVIEW:

The proposed resolution amends the adopted 2023 Water Utility Capital budget by authorizing an additional \$2,875,000 of budget authority across various major water main projects and pipeline program budgets in accordance with Madison Water Utility's 2022 Rate File Authorization: 3280-WR-116, issued by the Public Service Commission of Wisconsin ([PSC REF#: 455440](#)).

The \$2,875,000 of additional budget authority is designated as 'Expense Depreciation' funds for targeted water main replacement projects and associated hydrant & service lateral costs performed in accordance with Madison Water Utility's 2022 Rate File. The rate order requires the Utility to complete the proposed budget amendment by March 29, 2023 in support of the new Expense Depreciation water main replacement program.

### SUMMARY OF FISCAL IMPACT:

The proposed budget additions and transfers are intended to correct or adjust existing active project budgets to reflect current revisions to the original project scopes, estimates or schedule adjustments since the execution of the 2023 Water Utility Capital budget.

The \$2,875,000 of additional budget authority is designated as 'Expense Depreciation' funds for targeted water main replacement projects and associated hydrant & service lateral costs performed in accordance with Madison Water Utility's 2022 Rate File.

Project costs will be funded through the existing Utility Construction Fund balance and/or Utility cash reserves. No increase in Utility debt obligations or new Utility borrowing is anticipated as a result of these new projects and/or the proposed additional budget authority.

### ATTACHMENTS:

Leg File No. 76396 - MWU 23 Capital Budget Amendment - Expense Depreciation WMs - 02.23