Quality and Reliability since 1882
Madison Water Utility
www.madisonwater.org • 119 East Olin Avenue • Madison, WI 53713 -1431 • TEL 608.266.4651 • FAX 608.266.4426

MEMORANDUM

Date: September 25, 2024

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 2024 Capital Budget Monthly Report presents the total of both actual capital expenditures *and* encumbrances through August 2024; this total is ~$22,466,000.

The 2024 actual expenditures in August total ~$1,505,000 and consist of:

- ~$26,000 in facility expenses
- ~$270,000 in fleet/other expenses
- ~$1,209,000 in pipeline expenses

For expense depreciation related to water main replacement projects:

- The total targeted spend amount in 2024 is $5,000,000.
- The estimated amount spent through August 2024 is ~$4,991,000.
- The remaining amount for our 2024 spending target is ~$9,000.

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

ATTACHMENTS:

1. Capital Projects Monthly Report – September 2024