



# City of Madison

City of Madison  
Madison, WI 53703  
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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Thursday, April 25, 2024

4:30 PM

119 E. Olin Ave.

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\*\*\*This meeting is being held 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:  
Madison Water Utility 608-266-4651

### CALL TO ORDER / ROLL CALL

### APPROVAL OF MINUTES

Meeting minutes for 3/25/2024: <https://madison.legistar.com/calendar.aspx>

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. [82849](#) Authorizing the execution of three (3) separate license agreements with Madison Gas and Electric Company for premises at the Larkin Communications Tower located at 126 Glenway Street, the Spaanem Water Tower located at 4724 Spaanem Avenue, and the Lake View Water Tower

located at 1202 Northport Drive. (District 5, District 15, District 18)

**Attachments:** [12983-5 Exhibit A.pdf](#)

[12983-5 Exhibit B.pdf](#)

3. [82884](#) Authorizing the sale and issuance of \$3,365,000 subordinate water utility revenue bonds, series 2024A; and providing for other details and covenants with respect thereto.  
**Attachments:** [Item 3 - Memo - SDWLP Subordinate Water Utility Revenue Bonds.pdf](#)  
[UPDATED Madison Water Utility 2024A SDWLP Subordinate Water Bonds - Av](#)
4. [83047](#) 2023 Water Quality Report  
**Attachments:** [Item 4 Memo - 2023 Water Quality Report.pdf](#)  
[Item 4 - Attachment A - Watch List April 2024.pdf](#)  
[Item 4 - Attachment B - Lab Results Summary April 2024.pdf](#)  
[Item 4 - Attachment C.draftCCR.pdf](#)
5. [82602](#) 2023 Madison Water Utility Annual Report (Final)  
**Attachments:** [Item 5 - Memo - 2023 Annual Report\\_FINAL.pdf](#)  
[Item 5 - Attachment - 2023 Annual Report\\_FINAL.pdf](#)
6. [83048](#) Water Production Monthly Report  
**Attachments:** [Item 6 Memo - Water Production Report April 2024.pdf](#)  
[Item 6 Attachment A - Daily and Cumulative Water Production April 2024.pdf](#)  
[Item 6 Attachment B - Unit Well Capacity Utilization April 2024.pdf](#)
7. [83050](#) Financial Conditions Monthly Report  
**Attachments:** [Item 7 - Memo - Financial Conditions Report April 2024.pdf](#)  
[Item 7 - Attachment - Financial Conditions Report as of 3.31.24.pdf](#)
8. [83049](#) Capital Projects Monthly Report  
**Attachments:** [Item 8 - Memo - Capital Projects Monthly Report 2024-04-25.pdf](#)  
[Item 8 - Attachment - Capital Projects Monthly Report 2024-04-25.pdf](#)
9. [83051](#) Operations Monthly Report  
**Attachments:** [Item 9 - Monthly Operations Report April 2024.pdf](#)
10. [80952](#) Meeting Evaluation and Discussion  
**Attachments:** [Board Self Eval Form.pdf](#)  
  
Led by President Delmore

## ADJOURNMENT





# City of Madison

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## 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:

### 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: 82849**

**File ID:** 82849

**File Type:** Resolution

**Status:** Council New Business

**Version:** 1

**Reference:**

**Controlling Body:** FINANCE COMMITTEE

**File Created Date :** 04/08/2024

**File Name:** 12983-12985 MG&E Antenna Licenses

**Final Action:**

**Title:** Authorizing the execution of three (3) separate license agreements with Madison Gas and Electric Company for premises at the Larkin Communications Tower located at 126 Glenway Street, the Spaanem Water Tower located at 4724 Spaanem Avenue, and the Lake View Water Tower located at 1202 Northport Drive. (District 5, District 15, District 18)

**Notes:**

**Sponsors:** Regina M. Vidaver

**Effective Date:**

**Attachments:** 12983-5 Exhibit A.pdf, 12983-5 Exhibit B.pdf

**Enactment Number:**

**Author:** Lance Vest, Real Estate Specialist

**Hearing Date:**

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

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Economic Development Division	04/08/2024	Referred for Introduction				
	<b>Action Text:</b> This Resolution was Referred for Introduction						
	<b>Notes:</b> Finance Committee (5/6/24), Water Utility Board (4/25/24), Common Council (5/7/24)						
1	COMMON COUNCIL	04/16/2024	Referred	FINANCE COMMITTEE			
	<b>Action Text:</b> This Resolution was Referred to the FINANCE COMMITTEE						
	<b>Notes:</b> Additional referral to Water Utility Board (4/25/24)						
1	WATER UTILITY BOARD	04/20/2024	Return to Lead with the Recommendation for Approval	FINANCE COMMITTEE	05/06/2024		Pass
	<b>Action Text:</b> A motion was made by Simon, approved by Abrahamian, authorizing the execution of three (3) separate license agreements with Madison Gas and Electric Company for premises at the Larkin Communications Tower located at 126 Glenway Street, the Spaanem Water Tower located at 4724 Spaanem Avenue, and the Lake View Water Tower located at 1202 Northport Drive as presented by Lance Vest, Real Estate Specialist 2, Economic Development Division. Motion carried by voice vote.						

### Text of Legislative File 82849

**Fiscal Note**

The proposed resolution authorizes the execution of three separate license agreements with Madison Gas & Electric (MG&E) for the company's use of City-owned property for placement of equipment. Each agreement shall have an initial term of 3 years. The initial annual License Fee for license year one will be \$4,000 for each license agreement (\$12,000 in total). The License Fee shall increase 4% annually in the initial term of the agreement (License Fee schedule is included on page 14 of Exhibit B). The revenues from the license agreements will be deposited into Madison Water Utility revenue account (86547200-43522). No additional appropriation required.

**Title**

Authorizing the execution of three (3) separate license agreements with Madison Gas and Electric Company for premises at the Larkin Communications Tower located at 126 Glenway Street, the Spaanem Water Tower located at 4724 Spaanem Avenue, and the Lake View Water Tower located at 1202 Northport Drive. (District 5, District 15, District 18)

**Body**

WHEREAS, the City is the owner of certain real property located at 126 Glenway Street, Madison, Wisconsin, and depicted on attached Exhibit A ("Larkin Tower Property"); and

WHEREAS, the City is the owner of certain real property located at 4724 Spaanem Avenue, Madison, Wisconsin, and depicted on attached Exhibit A ("Spaanem Water Tower Property"); and

WHEREAS, the City is the owner of certain real property located at 1202 Northport Drive, Madison, Wisconsin, and depicted on attached Exhibit A ("Lake View Water Tower Property"); and

WHEREAS, Madison Gas and Electric Company ("MG&E") is initiating a new project to update their metering system to replace aging equipment across their service area, and said project will implement an automated meter infrastructure ("AMI"), which uses radio-based technology to remotely collect customer electric and gas usage data in real time from smart meters and eliminates the need for manual meter reads; and

WHEREAS, MG&E has identified the three City-owned towers identified above as potential sites for the installation of AMI antennas, base stations and associated equipment ("Equipment") owned by MG&E; and

WHEREAS, staff from the City's Office of Real Estate Services and MG&E have negotiated terms and conditions for three (3) new license agreements allowing for the use, operation and maintenance of the Equipment at the Properties.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are hereby authorized to execute three (3) separate License agreements, substantially on the terms and conditions detailed in the license attached to this resolution as Exhibit B.

BE IT FURTHER RESOLVED, the Mayor and Clerk are authorized to execute any other documents as may be necessary to carry out the purposes of this resolution in a form approved by the City Attorney.



# Exhibit A

## Larkin Communications Tower Location Map 126 Glenway Street





# Exhibit A

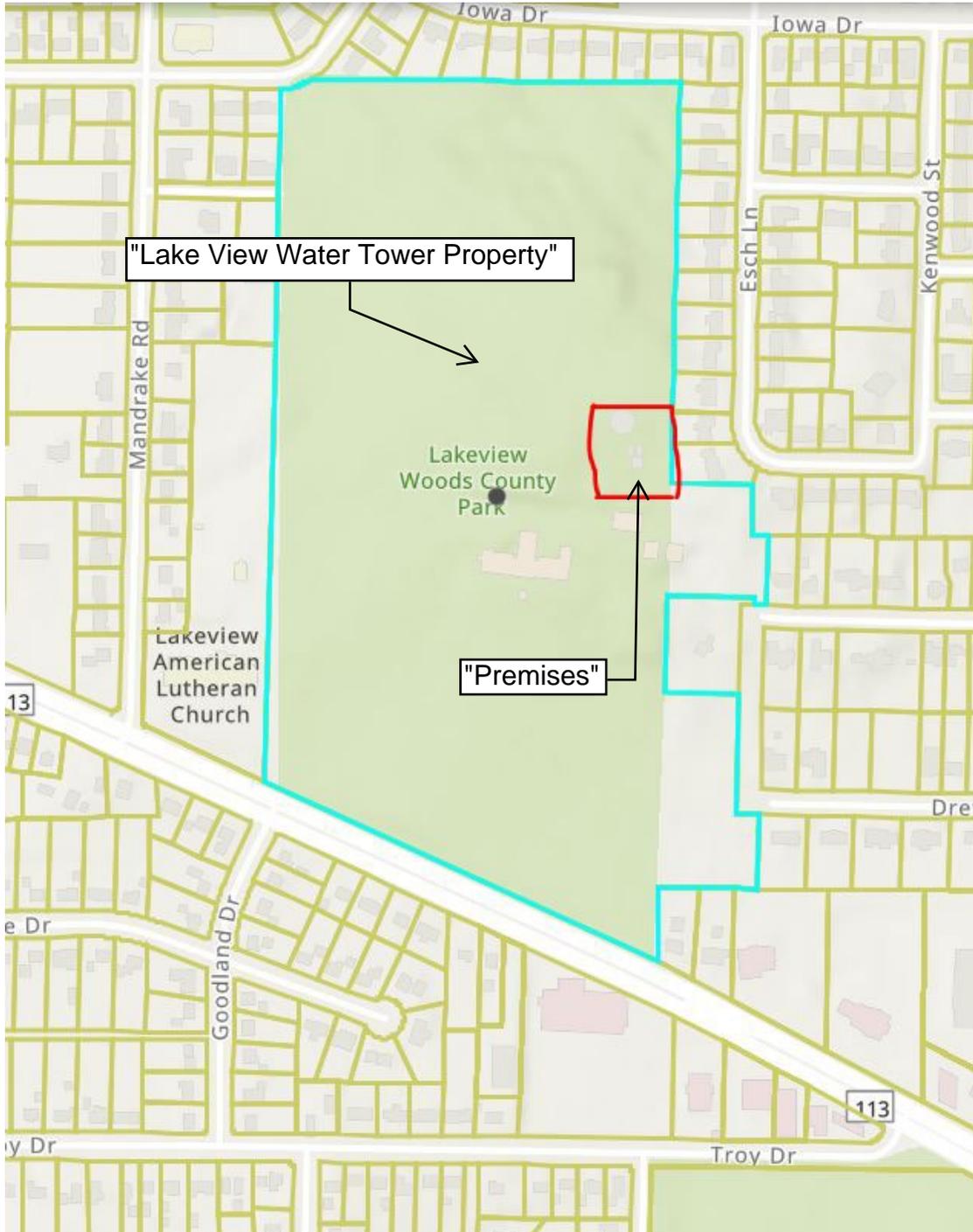
## Spannem Water Tower Location Map 4724 Spaanem Avenue





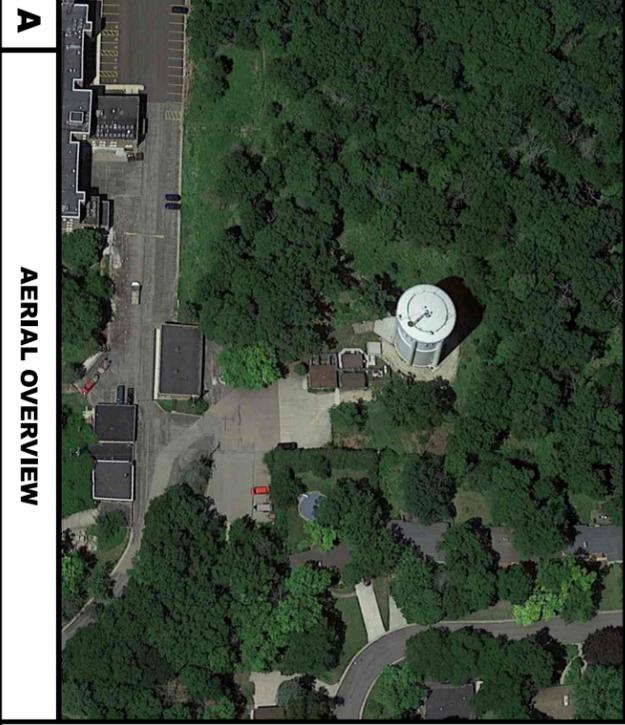
# Exhibit A

## Lake View Water Tower Location Map 1202 Northport Drive



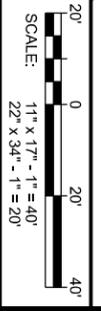
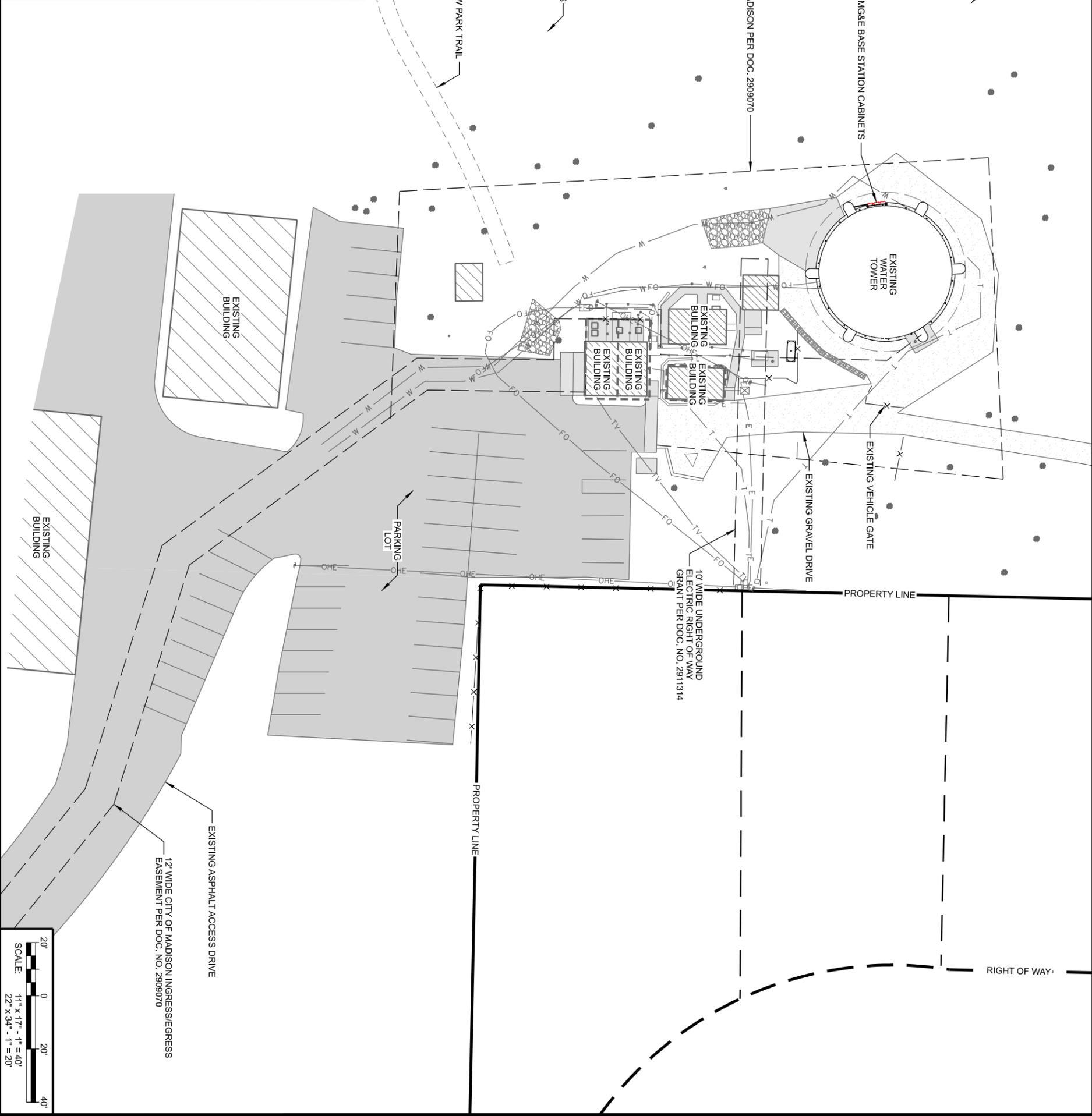
# Exhibit A

## Lake View Water Tower Site Plan



**AERIAL OVERVIEW**

- NOTES:
1. NORTH ARROW SHOWN AS APPROXIMATE.
  2. PROPERTY LINES SHOWN BASED OFF PREVIOUS SURVEY COMPLETED BY MERIDIAN SURVEYING, DATED 09/28/2019



### OVERALL SITE PLAN HHS (ESCH) WT (#32052-0001) MADISON, WISCONSIN

CONSULTANT:  
**Edge**  
Consulting Engineers, Inc.  
624 WATER STREET  
PRAIRIE DU SAC, WI 53578  
608.844.1449 VOICE  
608.844.1589 FAX  
www.edgeconsulting.com



SUBMITTAL:	
INT.	DATE: DESCRIPTION:
CV	08/29/23 REV. A
CV	08/12/23 REV. 0
CHECKED: AK	
BY: DATE	
9/12/2023	
PROJECT NUMBER: 37663	
SET TYPE	FINAL
SHEET NUMBER	<b>C-101</b>

# Exhibit B

## License

1. Premises. The City hereby grants to the Licensee the right to place telecommunications antennas and ancillary equipment on the City-owned water tower located at \_\_\_\_\_ (“**Tower**”), located in the City of Madison, Wisconsin, as well as the right to place telecommunications equipment on land near the base of the Tower (“**Land**”). The Tower and the Land are located on property (“**Property**”) described on Exhibit A and are depicted on Exhibit B, which exhibits are attached hereto and incorporated herein by reference. The Land and the space on the Tower are hereinafter collectively referred to as the “**Premises**”.
2. Term. This License shall be for an initial term of three (3) years (“**Initial Term**”), subject to early revocation or termination pursuant to the terms of this License. This License shall commence as of \_\_\_\_\_ (the “**Effective Date**”) and expire on \_\_\_\_\_.
3. Renewal. This License may be renewed for two (2) subsequent five (5) year terms (each a “**Renewal Term**”) upon agreement of the parties as to the License Fee in any such renewal. If the Licensee desires to renew this License, the Licensee must give notice in writing to the City a minimum of six (6) months prior to the expiration of the Initial Term or any Renewal Term in the manner specified in Paragraph 26. Following receipt of such notice, the City shall indicate by written notice to the Licensee, given within sixty (60) days after receipt of the Licensee’s notice, of its approval or denial of the Licensee’s request for renewal. The Parties shall negotiate in good faith as to the new License Fee in any such renewal, and aside from the License Fee, the City shall not unreasonably withhold, condition or delay its approval of the Licensee’s notice of renewal.
4. Hold Over. In the event the Licensee shall continue to occupy or use the Premises after the expiration of this License or any extension thereof, such holding over shall be deemed to constitute an occupancy from month to month, upon the same terms and conditions as herein provided except that a License Fee equal to one-twelfth (1/12) of the annual License Fee shall be paid monthly in advance, and in no event shall the occupancy be deemed to be from one (1) year to one (1) year. In the event of a hold over, the City shall have the unconditional right to terminate any right of occupancy by Licensee by giving the Licensee thirty (30) days written notice.
5. Use. The Licensee’s use of the Premises shall be limited to the placement, construction, operation, maintenance, repair, replacement and removal of up to three (3) telecommunications panel antennas (“**Antenna**” or “**Antennas**”) on the Tower. The Licensee shall also be permitted to install three (3) base station cabinets, along with associated equipment to attach and connect the Antennas to the base station cabinets (collectively “**Base Station Cabinets**”) on the Tower. The Antennas and Base Station Cabinets are hereinafter collectively referred to as the “**Equipment**”. The Licensee shall also be permitted to install wiring and conduit necessary to connect the Equipment on the Tower and to provide necessary utility service thereto. The approved construction drawings, which depict a complete and detailed inventory of all Equipment and improvements installed on the Premises, are attached hereto as Exhibit C and made part of this License by reference. The parties acknowledge that this License is non-exclusive and that the City will continue to use the Tower and shall have the right to lease or grant other licenses to one or more entities on the Tower, provided that any such subsequent use, lease, or license shall not interfere with the Licensee’s rights under this License.

6. Acceptance of Premises. The Licensee will take possession of the Premises on or after the Effective Date. The taking of possession of the Premises by the Licensee is conclusive evidence that the Licensee:
  - a. accepts the Premises as suitable for the purposes for which it is licensed; and
  - b. accepts the Premises and every part thereof in an as-is condition, with all defects, except for latent defects.
  
7. Administrative Fees.
  - a. The Licensee shall pay to the City a one-time administrative fee of Five Hundred and no/100 Dollars (\$500.00), the receipt of which is hereby acknowledged by the City, as payment of the City's costs of negotiating and processing this License.
  - b. The Licensee shall pay to the City an administrative fee of Five Hundred and no/100 Dollars (\$500.00) for each subsequent amendment to this License, if any, except for (i) an amendment requested by City or (ii) necessitated by City's actions.
  
8. License Fee.
  - a. The Licensee shall pay to the City an annual fee ("License Fee") of Four Thousand and no/100 Dollars (\$4,000.00) for use of the Tower and the Land. The License Fee shall increase annually by four percent (4%) effective as of each anniversary of the Effective Date of this License. The License Fee schedule is set forth in attached Exhibit D.
  - b. The first payment shall be due upon execution of this License. Subsequent License Fee payments shall be due on or before the anniversary of the Effective Date of this License. All payments are to be made to the City Treasurer, referenced to Real Estate Project No. \_\_\_\_\_, and sent or personally delivered to the City's Economic Development Division at the address specified in Paragraph 26.
  
9. Interference.
  - a. The Licensee's installation, operation, and maintenance of the Equipment shall not damage or interfere in any way the City's Tower operations or related repair and maintenance activities, or with such activities of any other licensee who was on the Premises prior to the Effective Date. The Licensee agrees to cease all such actions which materially interfere with the City's use of the Tower, and immediately cease such material interference upon actual notice of such interference, provided however, in such case, the Licensee shall have the right to terminate the License. The City, at all times during this License, reserves the right to take any action it deems necessary, in its sole discretion to repair, maintain, alter or improve the Premises in connection with Tower operations as may be necessary, including licensing part of the Tower and/or the Land to others. Except in cases of emergency, the City will endeavor to provide the Licensee with written notice in advance of any scheduled repair, maintenance, alteration or improvement of the Premises. The Licensee agrees to reimburse the City for any reasonable costs relating to additional repair, maintenance, alteration or improvement which the City incurs as a result of the Licensee's Equipment being located on the Tower, provided that the City provides Licensee reasonable prior notice and an opportunity to adjust the location of any of its Antenna or Equipment so as to avoid the need for the City to incur such additional costs. The City shall

attempt to minimize, at no additional expense to the City, any disturbance to the Licensee's operations during such repairs, maintenance, alterations or improvements. Should the City's activities interfere with the Licensee's operation, the City shall, if feasible, allow the Licensee to install temporary facilities, at its sole cost, on the Property until such activities are completed.

- b. Before making any modifications to the existing Equipment, the Licensee shall provide to the City, at the Licensee's expense, an interference study indicating whether the Licensee's modifications will interfere with any existing communications facilities on the Tower and an engineering study indicating whether the Tower is able to structurally support the modifications to the Licensee's Equipment without prejudice to the City's primary use of the Tower.
- c. The City does not guarantee to the Licensee subsequent noninterference with the Licensee's communications operations, provided, however, that in the event any other party except a governmental unit, office or agency requests a license and/or permission to place any type of additional antenna or transmission facility on the Premises, the following procedures shall govern to determine whether such antenna or transmission facility will interfere with the Licensee's transmission operations:

If the City receives any such request, the City will notify Licensee and the City shall submit a proposal complete with all technical specifications reasonably requested by the Licensee to the Licensee for review for noninterference; however, the City shall not be required to provide the Licensee with any specifications or information claimed to be of a proprietary nature by the third party. The third party shall be responsible for the reasonable cost of preparing the technical specifications for its proposed transmission facility. The Licensee shall have thirty (30) days following receipt of said proposal to make any objections thereto to the City, and failure to make any objection within said thirty (30) day period shall be deemed consent by the Licensee to the installation of antennas or transmission facilities pursuant to said proposal. If the Licensee gives notice of objection due to interference during such thirty (30) day period and the Licensee's objections are verified by the City to be valid, then the City shall not proceed with such proposal unless the City modifies the proposal in a manner determined, in the City's reasonable judgment, to adequately mitigate the interference. In that case, the City may proceed with the proposal.

- d. The Licensee's use and operation of its Equipment shall not interfere with the use and operation of other communication facilities on the Tower which pre-existed the Licensee's Equipment. If the Licensee's Equipment causes interference, the Licensee shall take measures reasonably necessary to correct and eliminate the interference. If the interference cannot be eliminated within five (5) days after the Licensee has actual notice of this interference, the Licensee shall immediately cease operating its Equipment until the interference has been eliminated (except for periodic testing pursuant to FCC regulations and generally accepted industry standards). If the interference cannot be eliminated within thirty (30) days, the Licensee shall have the right to terminate this License. If the interference cannot be eliminated within one hundred twenty (120) days, the City may revoke this License. In the event of termination or revocation of the License under this Paragraph, any License Fee that has been prepaid for the period following the termination or revocation shall be prorated on a per diem basis and refunded to the Licensee.

10. RF Emissions.

- a. The Licensee shall be responsible for ensuring that the Equipment does not cause radio frequency ("RF") emissions that are in excess of the safe limits established by the FCC ("RF Standards"). Before installing or making any modifications to the Equipment, the Licensee shall survey the existing RF environment at the Property. By installing the Equipment, the Licensee shall be deemed to have represented to the City that the Equipment shall not itself violate, or, in conjunction with other RF sources located at the Property as of the Effective Date cause to be violated, the RF Standards. The Licensee shall provide the City with safety recommendations that address the protection of those who must be on the Property due to maintenance, repair, or other activities related to the operations carried out at the Property.
- b. The Licensee shall cooperate with the City in reducing RF exposure to maintenance personnel by powering down the Equipment, as necessary, during periods of maintenance at the Property. The City shall provide the Licensee with as much advance notice of any such maintenance as is reasonably available.

11. Construction or Mechanics Liens.

- a. The Licensee shall not suffer or permit any construction or mechanics' liens to be filed, or if filed, to remain uncontested, against the fee of the Premises, nor against the Licensee's interest in the Premises, by reason of work, labor services or materials supplied or claimed to have been supplied to the Licensee or anyone holding the Premises or any part thereof through or under the Licensee; and nothing contained herein shall be deemed or construed in any way as constituting the consent or request of the City, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Premises or any part thereof, nor as giving the Licensee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanics' or construction liens against the fee of the Premises. If any such lien is filed, the Licensee shall immediately cause the same to be discharged or released or shall upon request provide adequate and acceptable security or bond to protect the City's interest.
- b. If any such construction or mechanics' lien shall at any time be filed against the Premises, the Licensee covenants that it will promptly take and diligently prosecute appropriate action to have the same discharged by payment, bonding or otherwise, and that it will hold the City free and harmless of and from any and all liability to any contractor, subcontractor, materialman, laborer or any other person relating to or arising because of any improvements or alterations on or to the Premises, and that it will also defend on behalf of the City, at the Licensee's sole cost and expense, any action, suit or proceeding which may be brought for the enforcement of any such lien, and that it will pay any damages and discharge any judgments entered therein. Upon the Licensee's failure to do any of the foregoing things, the City may take such action as may be reasonably necessary to protect the City's interest, in addition to any other right or remedy which it may have; and any amount paid by the City in connection with such action shall be repaid by the Licensee to the City upon demand, together with interest thereon at the rate of twelve percent (12%) per annum.

12. Special Conditions.

- a. The Licensee shall work to minimize the impact of any and all cable routes on the overall operation of and clearance spaces within the Tower. If the City finds the future cables to be

intruding into the City's work or access space, the Licensee shall reroute, resize or eliminate the interfering cable to the satisfaction of the City.

- b. The Licensee shall limit the number of structural penetrations into the Tower to what is reasonably required for Licensee's use of the Premises. Licensee agrees not to make any unnecessary structural penetrations into the Tower. The City may review Licensee's proposed structural penetrations and provide feedback to Licensee. Licensee shall use good faith efforts to attempt to address the City's feedback regarding Licensee's proposed structural penetrations. The City may limit the use of existing structural penetrations and may limit the size and location of any proposed structural penetrations, as long as such limitations do not unreasonably interfere with Licensee's use of the Premises or Licensee's rights under this License. This penetration limit may require the Licensee to reroute or resize some cables to the extent reasonable and practicable for Licensee's use, in order to meet the needs of the City.
- c. No exterior storage of material, equipment or vehicles is permitted on the Property, except the temporary and orderly placement of items in conjunction with maintenance, repair, replacement or removal activities.
- d. The Licensee shall be responsible for maintaining the Equipment.
- e. Access to the Premises shall be provided to the Licensee at all times upon notice to the City. The Licensee shall arrange for access to the Tower by contacting the City's Water Works Operator at (608) 266-4665 a minimum of two (2) business days in advance of the Licensee's desired access date. In the event of an emergency, shorter advance notice to the Water Works Operator shall be permissible. At no time shall the Licensee attempt to override any electronic security system or add its own lock to any entrance to the Tower or Premises. At all times during which the Licensee has access to the Tower or Premises, the Licensee will take all reasonable steps to ensure that all enclosures, gates, ladders and any other access ways to the Tower or Premises are properly secured in order to prevent unauthorized access to the Tower or Premises. The Licensee shall be assessed a penalty of Two Thousand and no/100 Dollars (\$2,000.00) for each instance of non-compliance with the requirements of this Subparagraph, payable within forty-five (45) days after Licensee's receipt of notice and invoice from the City; provided, however, that the City must provide the Licensee with written evidence that such violation is due to the acts of the Licensee, its employees, contractors, subcontractors, or agents; and, in the event that curing such violation requires the Licensee to access the Premises, the City shall grant the Licensee such access as soon as reasonably possible after providing notice of such violation.
- f. The City shall not be liable for any damage to the Equipment, or other site improvements.
- g. Any modifications to the Equipment shall be subject to the written approval of the City and any other required governmental approvals before the Licensee may begin the modification of the Equipment. When requesting modifications, the Licensee shall complete and submit to the City the Equipment Modification Form attached as Exhibit E, together with all requisite studies and reports. The City shall have a minimum of thirty (30) days to review and comment on the Licensee's submission of the Equipment Modification Form. In the event a modification should result in a change to the License Fee calculation set forth in Exhibit D, the parties agree to enter into an amendment to this License for the purpose of updating Exhibit D. The adjustment to the License Fee shall be effective upon the date the City issues a consent letter allowing for the Equipment Modification, regardless of the actual date of installation on any Tower(s), and shall

be prorated for any partial year. Notwithstanding any provision of this Subparagraph to the contrary, without obtaining the City's prior consent, the Licensee shall have the right to replace any or all of its Equipment installed on or about the Tower with replacement equipment of the same kind, which is reinstalled in the same place and position and is of the same size and weight as the replaced Equipment.

- h. In the event the City requires the expertise of a third party engineer/consultant to review the installation of the Licensee's Equipment, or any future modifications to the Licensee's Equipment, the Licensee shall be required to reimburse the City of Madison Water Utility ("MWU") for costs incurred by the MWU as a result of hiring said engineer/consultant. Such third party review shall include, but not be limited to, the following: the review of plans and specifications; review of structural, interference, and other reports; and on-site inspections and meetings. All fees and invoices must be paid within forty-five (45) days after the MWU sends the Licensee an invoice for the same together with reasonable supporting documentation evidencing such fees. City agrees to provide Licensee reasonable prior notice before incurring the expertise of a third-party engineer/consultant so that Licensee has an opportunity to address any technical questions and/or mitigate any such costs.
  - i. The Equipment shall remain the exclusive property of the Licensee.
  - j. The Licensee shall in no way encumber, or allow to be encumbered, the City's title to the Premises.
  - k. Within sixty (60) days following any modification to the Equipment the Licensee shall provide the City with an as-built construction drawings showing the actual location of the Equipment installed on the Premises.
  - l. The Licensee shall, at its own expense, keep and maintain the Premises in a presentable condition consistent with good business practice and in a manner consistent with the preservation and protection of the general appearance and value of other premises in the immediate vicinity. Maintenance responsibilities include, but shall not be limited to, any required paving, general repairs, removal of garbage and debris, snow removal, landscape and upkeep. No exterior storage of materials, equipment or vehicles is permitted on the Premises, except the temporary and orderly placement of items in conjunction with maintenance, repair or construction activities.
13. Destruction of Premises. If any Tower is damaged or destroyed by fire, winds, flood, lightning or other natural or manmade cause, the City shall have the option to repair or replace the Tower at its sole expense or to revoke the License effective on the date of such damage or destruction. In the event the City revokes the License, the Licensee may install at its sole expense, and subject to approval by the City, temporary facilities to allow the continuation of its telecommunications operations for a period not to exceed one (1) year, unless otherwise agreed to by the City and the Licensee. If the City elects to repair or replace the Tower, the annual License Fee shall be abated until such repair or replacement is completed and any prepaid License Fee for such abatement period shall be a credit against the License Fee for the following year. During the abatement period the Licensee may install at its sole expense, and subject to approval by the City, temporary facilities to allow the continuation of its telecommunication operations. Said temporary facilities shall not interfere with the City's repair or replacement activities. If the City undertakes such repair or replacement but cannot complete the same within a reasonable period of time, which shall not be less than sixty (60) days and not greater than two hundred seventy (270) days, after the damage or destruction occurred, the

Licensee may terminate the License upon written notice to the City, effective as of the date that the damage or destruction occurred. In such event, the Licensee shall have no further obligations under this License (except any obligations that by their nature or by their language survive termination). In the event of revocation or termination of the License under this Paragraph, any License Fee that has been prepaid for the period following the revocation or termination shall be prorated on a per diem basis and refunded to the Licensee. The restoration of City services shall be given the highest priority in the event that any of the City's services and the Licensee's telecommunication services are interrupted at the same time, unless otherwise agreed to by the City and the Licensee at the time of restoration.

14. Taxes.

- a. Real Estate Taxes. The City is a tax-exempt entity. Should any City of Madison Ordinance or State of Wisconsin Statute require that the Property be subject to real estate taxes or assessments, the Licensee shall be liable for the Licensee's proportionate share of all such real estate taxes and assessments on a pro rata square foot basis as the area of the Premises bears in relation to the Property with respect to the Land and for all taxes imposed on the full value of the Licensee's improvements, if any, constructed on the Land.
- b. Personal Property Taxes. The Licensee shall pay, before delinquency, all municipal, county and state or federal taxes assessed against any interest of the Licensee in the Premises or assessed against the Equipment.

15. Utilities. The Licensee shall be responsible for arranging for the installation of all utility services to the Premises for the Licensee's use and shall be responsible for payment of such utility services.

16. Indemnification. The Licensee shall be liable to and agrees to indemnify, defend and hold harmless the City, and its officers, officials, agents, and employees, against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officers, officials, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Licensee and/or its officers, officials, agents, employees, assigns, guests, invitees, or subcontractors, in the performance of this License, whether caused by or contributed to by the negligent acts of the City, its officers, officials, agents, or employees. This Paragraph shall survive termination and assignment or transfer of this License.

17. Insurance. The Licensee shall carry liability insurance covering as insured the Licensee and naming the City, its officers, officials, agents and employees as additional insureds, with a minimum limit of \$1,000,000 per occurrence. This policy shall also be endorsed for contractual liability in the same amount, apply on a primary and noncontributory basis, and provide the City thirty (30) days advance written notice of cancellation, non-renewal or material changes to the policy during the term of this License. As evidence of this coverage, Licensee shall furnish the City with a certificate of insurance reasonably approved by the City, and if requested by the City Risk Manager, the Licensee shall also provide copies of additional insured endorsements or policy. If the coverage required above expires while this License is in effect, Licensee shall provide a renewal certificate to the City for approval. The City Risk Manager will not request a copy of the policy or policies unless a claim is made or a suit is filed against the City arising from actions covered by this License.

18. Assignment and Sublicensing. The Licensee shall not assign, lease, sublease, or in any way transfer this License or sublicense the Premises, or any portion thereof, or otherwise allow a third party to use the Premises, without the prior written consent of the City. Said consent may be withheld at the sole discretion of the City. Notwithstanding the foregoing, the Licensee shall be permitted to assign this License to any entity which controls, is controlled by, or is under the common control of the Licensee, or to any entity resulting from any merger or consolidation with the Licensee, or to any partner of the Licensee, or to any partnership in which the Licensee is a general partner, or to any person or entity which acquires all of the assets of the Licensee as a going concern. Before an assignment shall be effective, any assignee of this License shall assume in writing all of the obligations of the Licensee under the terms and conditions of this License. The Licensee shall promptly provide to the City documentation of any assignment of this License.

19. Revocation and Termination.

a. The City shall have the right, at its sole option, to declare this License void, revoke the same, reenter and take possession of the Premises under the following conditions:

(1) By giving the Licensee thirty (30) days written notice, upon or after any one of the following events:

- i. The failure of the Licensee to make any payment due under this License at any time following the filing by the Licensee of a voluntary petition in bankruptcy.
- ii. The institution of proceedings in bankruptcy against the Licensee and the adjudication of the Licensee as bankrupt pursuant to such proceedings.
- iii. The taking by a court of competent jurisdiction of the Licensee's assets pursuant to proceedings brought under the provisions of any federal or state reorganization act.
- iv. The appointment of a receiver of the Licensee's assets.
- v. The divestiture of the Licensee's interest herein by other operation of law, except as permitted in Paragraph 18.
- vi. The abandonment by the Licensee of the Premises.
- vii. The use of the Premises for an illegal purpose.
- viii. In the event the Licensee fails to eliminate interference or to cease its operations as required by Paragraph 9.

In the event of revocation under this Subparagraph, any License Fee that has been prepaid shall be retained by the City as liquidated damages.

(2) In the event that the Licensee shall fail to maintain insurance as required by this License, and subject to ten (10) days written notice specifying the nature of the failure, the City may elect to: (a) immediately revoke this License and cause the removal of all Equipment installed upon the Premises at the sole expense of the Licensee; or (b) purchase or pay for any insurance coverage required by this License and charge the Licensee the cost of same

as an Additional Fee. In the event of revocation under this Subparagraph, any License Fee that has been prepaid shall be retained by the City as liquidated damages.

(3) By giving the Licensee thirty (30) days written notice specifying the nature of the default in the event the Licensee defaults in the performance of any term or condition of this License other than those as set forth in Subparagraphs 19.a.(1) and 19.a.(2). Notwithstanding the foregoing, if such default is not a health or safety violation and cannot, because of the nature of the default, be cured within said thirty (30) days, then the Licensee shall be deemed to be complying with such notice if, promptly upon receipt of such notice, the Licensee immediately takes steps to cure the default as soon as reasonably possible and proceeds thereafter continuously with due diligence to cure the default within a period of time which, under all prevailing circumstances, shall be reasonable. In the event of revocation under this Subparagraph, any prepaid License Fee shall be prorated on a per diem basis and refunded to the Licensee.

(4) Effective at any time prior to the expiration of the Initial Term or any Renewal Term, if applicable, by giving the Licensee a minimum of one (1) year's prior written notice of revocation in the event the Premises, in the sole discretion of the governing body of the City, are desired for any public purpose or use, which use shall exclude the Licensee's permitted use under this License and any similar private use by any additional telecommunications provider. Any License Fee that has been prepaid for the period following the date the Equipment is relocated shall be prorated on a per diem basis and refunded to the Licensee. In the event of revocation under this Subparagraph, the City shall use its best efforts to provide the Licensee with a satisfactory alternate location on City-owned property which would allow for comparable telecommunications coverage.

b. Failure of the City to declare this License revoked upon the breach or default of the Licensee for any reason set forth in Subparagraphs 19.a.(1), 19.a.(2) or 19.a.(3) shall not operate to bar or destroy any right of the City to revoke this License for any subsequent breach or default of any term or condition of this License.

c. The Licensee shall have the right to terminate this License at any time during the Initial Term of this License or any Renewal Term by giving the City a minimum of one (1) year's written notice of termination. In the event of termination under this Subparagraph, the date of termination must coincide with the anniversary of the Effective Date.

20. Rights Upon Expiration, Revocation or Termination. Upon the expiration, revocation or termination of this License for any cause, the Licensee's rights in the Premises and its obligations hereunder (except any obligations that by their nature or by their language survive termination) shall cease, and the Licensee shall immediately surrender the Premises, subject to the provisions of Paragraph 23.

21. Compliance. The Licensee shall observe and promptly and effectively comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the City, the County of Dane, the State of Wisconsin, the Wisconsin Public Service Commission, the federal government and any other governmental authority having jurisdiction over the Premises or the Licensee. The Licensee may, in good faith and on reasonable grounds, dispute the validity of any charge, complaint or action taken pursuant to or under color of any statute, rule, order, ordinance, requirement or regulation, defend against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. The Licensee agrees that any such contest shall be prosecuted

to a final conclusion as soon as possible and that it will hold the City harmless with respect to any actions taken by any lawful governmental authority with respect thereto.

22. Hazardous Substance Indemnification. The Licensee represents and warrants that its use of the Premises herein will not generate any hazardous substance, and it will not store or dispose on the Premises nor transport to or over the Premises any hazardous substance in violation of any applicable federal, state or local law, regulation or rule. The Licensee further agrees to hold the City harmless from and indemnify the City against any release of such hazardous substance and any damage, loss, or expense or liability resulting from such release including all attorneys' fees, costs and penalties incurred as a result thereof, which was caused by the Licensee or any of its employees or agents. "**Hazardous Substance**" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease or damage to or loss of use of real or personal property. This paragraph shall survive termination and assignment or transfer of this License. The City represents and warrants that it has no knowledge of any Hazardous Substances existing on the Property in violation of any federal, state or local law, regulation or rule.
23. Removal and Disposal of Personal Property. Upon the expiration, revocation or termination of this License, the Licensee, at the Licensee's sole cost, shall remove from the Premises all Equipment installed by the Licensee. The Licensee shall also repair any damages it causes to the Land and Tower to a condition equivalent to that which existed prior to the date that the Licensee first occupied the Land and Tower, reasonable wear and tear, and any loss incurred under Paragraph 13 excepted. Removal of Equipment and repair of the Land and Tower shall be accomplished within sixty (60) days of expiration, revocation or termination of this License, except as may be adjusted by the City to allow for winter conditions. The expiration or termination of this License shall not become effective until removal and repair have been accomplished to the satisfaction of the City, however, during such removal and repair period the Licensee's right to use the Premises shall be limited to removal and repair activities. In the event the Licensee fails to accomplish said removal and repair, the City may cause the removal and repair to be accomplished at the Licensee's expense and with no liability or cost to the City. The City may waive or alter this removal and repair requirement if, at its sole discretion, it so chooses. Any such waiver or alteration shall not reduce the time allowed for the removal or repair activities or place conditions on the Licensee which are greater than those provided in this Paragraph.
24. Premises Required by Eminent Domain. In the event the Premises or any part thereof shall be needed either permanently or temporarily for any public or quasi-public use or purpose by any authority in appropriation proceedings or by any right of eminent domain, the entire compensation award therefor, including, but not limited to, all damages and compensation for diminution of value of this License, and the reversion and fee interests, shall belong to the City without any deduction therefrom for any present or future estate of the Licensee, and the Licensee hereby assigns to the City all of its right, title and interest to any such award. However, the Licensee shall have the right to recover from the condemning authority such compensation as may be separately awarded to the Licensee on account of interruption of the Licensee's business and for moving and relocation expenses.

In the event the whole of the Premises or any part thereof shall be taken or condemned so that the balance cannot be used for the same purpose and with substantially the same utility to the Licensee as

immediately prior to such taking, this License shall terminate upon delivery of possession to the condemning authority and any License Fee that has been prepaid for the period following the termination shall be prorated on a per diem basis and refunded to the Licensee unless the Licensee will receive compensation for any prepaid License Fee from the condemning authority.

In the event of a taking of any portion of the Premises not resulting in a termination of this License, the City shall use so much of the proceeds of the City's award for the Premises as is required therefor to restore the Premises to a complete architectural unit, and this License shall continue in effect with respect to the balance of the Premises, with a reduction of the License Fee in proportion to the portion of the Premises taken.

25. Right of Entry. The City or its representatives shall have the right to enter upon the Premises (but shall not have access to the Equipment without prior notice to the Licensee or without allowing the Licensee to have its representative accompany the City) at any reasonable time for the following purposes:
- a. To make any inspection it may deem expedient to the proper enforcement of any term or condition of this License or in the exercise of its police powers.
  - b. For the purpose of performing work related to any public improvement, provided that the City restore the Premises to a condition equivalent to that which existed on the date the City initiated the installation of the public improvement. The Licensee agrees to hold the City harmless for any loss of access to the Premises by the Licensee which may occur during the period of installation of the public improvement.
26. Notices. All notices to be given under the terms of this Lease shall be signed by the person sending the same, and shall be sent by certified mail, return receipt requested and postage prepaid, or by a nationally recognized overnight courier, to be effective when properly sent and received, refused or returned undeliverable, to the address of the parties specified below. If electing to use electronic mail, said emails shall be sent to the email addresses provided below with an active read receipt and shall include a statement that the electronic mail constitutes notice under the terms of this Lease.

For the City: City of Madison  
Economic Development Division  
Office of Real Estate Services  
215 Martin Luther King Jr. Boulevard  
P.O. Box 2983  
Madison, WI 53701-2983  
ores@cityofmadison.com  
lvest@cityofmadison.com

For the Licensee: Madison Gas and Electric Company  
P. O. Box 1231  
Madison, WI 53701-1231  
gmurray@mge.com

Any party hereto may, by giving ten (10) business days written notice to the other party in the manner herein stated, designate any other address in substitution of the address shown above to which notices shall be given.

27. Definition of City and Licensee. The terms “City” and “Licensee” when used herein shall mean either singular or plural, as the case may be, and the provisions of this License shall bind the parties mutually, their heirs, personal representatives, successors and assigns.
28. Signs. Any signs on the Premises shall be in conformity with the provisions of Chapter 31, Street Graphics Control, Madison General Ordinances. Signage for advertising purposes shall not be permitted.
29. Severability. If any term or provision of this License or the application thereof to the City or the Licensee or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this License, or the application of such terms or provisions to the City or the Licensee or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of the License shall be valid and be enforceable to the fullest extent permitted by law.
30. Non-Discrimination. In the performance of the services under this License, the Licensee agrees not to discriminate because of race, religion, marital status, age, color, sex, disability, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, gender identity, political beliefs or student status. The Licensee further agrees not to discriminate against any contractor, subcontractor or person who offers to contract or subcontract for services under this License because of race, religion, color, age, disability, sex, sexual orientation, gender identity or national origin.
31. Accessibility. The Premises shall conform where applicable to the accessibility provisions of the Wisconsin Administrative Code, Madison General Ordinance 39.05, the Federal Fair Housing Act as amended, and the Americans with Disabilities Act, regarding accessibility for the use of the Premises by the Licensee’s employees, with all costs of compliance to be paid by the Licensee.
32. Subordination.
  - a. This License is subordinate to rights and privileges granted by the City to public and private utilities across, over or under the Premises.
  - b. The Licensee shall subordinate its rights in this License, without compensation, at the request of the City to provide easements and rights-of-way for all public and private utilities across or along the Premises, provided that neither such subordination nor such easements shall interfere, except temporarily during construction or temporarily pursuant to rights which accrue to such easements or rights-of-way, with the use of the Premises by the Licensee under the terms of this License.
33. No Waiver. No failure to exercise, and no delay in exercising, any right, power or remedy hereunder on the part of the City or the Licensee shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No express waiver shall affect any event or default other than the event or default specified in such waiver, and any such waiver, to be effective, must be in writing and shall be operative only for the time and to the extent expressly provided by the City or the Licensee therein. A waiver of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition.

34. Authorized Agent. The Director of the City's Economic Development Division or the Director's designee is hereby designated as the official representative of the City for the enforcement of all provisions of this License, with authority to administer this License lawfully on behalf of the City.
35. Entire Agreement. All terms and conditions with respect to this License are expressly contained herein, and this License supersedes any and all oral contracts and negotiations between the parties.
36. Amendment. No alteration, amendment, change, or addition to this License shall be binding upon the parties unless in writing and signed by them.
37. Conflict of Interest. The Licensee shall not employ or contract with any person currently employed by the City for any services included under the provisions of this License.
38. Law Applied. This License shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Wisconsin and Wisconsin Courts.
39. Third Party Rights. This License is intended to be solely between the parties hereto. No part of this License shall be construed to add, supplement, amend, abridge or repeal existing rights, benefits or privileges of any third party or parties, including but not limited to employees of either of the parties.
40. Goodwill. Any and all goodwill arising out of this License inures solely to the benefit of the City; the Licensee waives all claims to benefit of such goodwill.
41. Quiet Enjoyment. Pursuant to this License and subject to the rights and privileges retained by the City and granted to other licensees, the City hereby covenants and agrees that if the Licensee shall perform all of the covenants and agreements herein to be performed on the Licensee's part, the Licensee shall, at all times during the continuance hereof, have the peaceable and quiet enjoyment and possession of the Premises without any manner of hindrance from the City or any person lawfully claiming the Premises.
42. Public Record. This License will be recorded by the City at the office of the Dane County Register of Deeds after it is executed by the parties.
43. Counterparts, Electronic Signature and Delivery. This Contract may be signed in counterparts, each of which shall be taken together as a whole to comprise a single document. Signatures on this License may be exchanged between the parties by facsimile, electronic scanned copy (.pdf) or similar technology and shall be as valid as original; and this License may be converted into electronic format and signed or given effect with one or more electronic signature(s) if the electronic signature(s) meets all requirements of Wis. Stat. ch. 137 or other applicable Wisconsin or Federal law. Executed copies or counterparts of this License may be delivered by facsimile or email and upon receipt will be deemed original and binding upon the parties hereto, whether or not a hard copy is also delivered. Copies of this License, fully executed, shall be as valid as an original.

**EXHIBIT D**

**License Fee Schedule**

	<b>License Year</b>	<b>License Period</b>	<b>License Fee</b>
Initial Term	1	06/01/2024 - 05/31/2025	\$4,000.00
	2	06/01/2025 - 05/31/2026	\$4,160.00
	3	06/01/2026 - 05/31/2027	\$4,326.40
First Renewal Term	4	06/01/2027 - 05/31/2028	\$4,499.46
	5	06/01/2028 - 05/31/2029	\$4,679.43
	6	06/01/2029 - 05/31/2030	\$4,866.61
	7	06/01/2030 - 05/31/2031	\$5,061.28
	8	06/01/2031 - 05/31/2032	\$5,263.73
Second Renewal Term	9	06/01/2032 - 05/31/2033	\$5,474.28
	10	06/01/2033 - 05/31/2034	\$5,693.25
	11	06/01/2034 - 05/31/2035	\$5,920.98
	12	06/01/2035 - 05/31/2036	\$6,157.82
	13	06/01/2036 - 05/31/2037	\$6,404.13

# EXHIBIT E

(page 1 of 2)

## EQUIPMENT MODIFICATION REQUEST FORM

### A. GENERAL INFORMATION

1. Date of Request: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. City Real Estate Project No.: \_\_\_\_\_
4. Licensee's Site Reference Name & Number: \_\_\_\_\_
5. Full corporate name of Licensee: \_\_\_\_\_
  - a. Licensee's Corporate Designation: \_\_\_\_\_
  - b. Licensee Address: \_\_\_\_\_
  - c. Licensee Contact: \_\_\_\_\_
    - i. Office Phone: \_\_\_\_\_
    - ii. Mobile: \_\_\_\_\_
    - iii. Email: \_\_\_\_\_

### B. SCOPE OF WORK

1. Description of proposed work (Example: Install 3 new radio units, relocate 3 antennas, add 3 tower mounted amplifiers): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Proposed timeframe for installation activities
  - a. Start date: \_\_\_\_\_
  - b. Completion date: \_\_\_\_\_
3. Specific equipment to be used (e.g., man-lift, crane, etc.): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Specify any potential disturbance or damage to City property and indicate proposed restoration plan and timeline (e.g., landscape disturbance, fence disturbance, etc.): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. (If needed, include additional information as attachment)

### C. REQUIRED REPORTS AND STUDIES

The following documents must be submitted to the City along with this Equipment Modification Form:

1. Completed Equipment Inventory Form (attached)
2. Updated Structural Analysis
3. Updated Site Safety/RF Emissions Report
4. Updated Interference Study (if applicable)
5. Construction drawings/plans and specifications of the proposed work, stamped by a professional engineer licensed in the State of Wisconsin
6. Any other information relevant to the proposed equipment modification activities.

Forward completed form and required reports, etc. via e-mail to:

City of Madison – Office of Real Estate Services  
Attention: Lance Vest, Real Estate Specialist 2  
lvest@cityofmadison.com  
Phone: 608-245-5794





# City of Madison

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

## Master

**File Number: 82884**

<b>File ID:</b> 82884	<b>File Type:</b> Resolution	<b>Status:</b> Items Referred
<b>Version:</b> 1	<b>Reference:</b>	<b>Controlling Body:</b> FINANCE COMMITTEE
		<b>File Created Date :</b> 04/09/2024
<b>File Name:</b> Authorizing the Sale and Issuance of \$3,365,000 Subordinate Water Utility Revenue Bonds, Series 2024A; And Providing for Other Details and Covenants with Respect Thereto		<b>Final Action:</b>
<p><b>Title:</b> Authorizing the sale and issuance of \$3,365,000 subordinate water utility revenue bonds, series 2024A; and providing for other details and covenants with respect thereto.</p>		
<b>Notes:</b>		
<b>Sponsors:</b> Charles Myadze	<b>Effective Date:</b>	
<b>Attachments:</b> Item 3 - Memo - SDWLP Subordinate Water Utility Revenue Bonds.pdf, UPDATED Madison Water Utility 2024A SDWLP Subordinate Water Bonds - Award Resolution.pdf	<b>Enactment Number:</b>	
<b>Author:</b>	<b>Hearing Date:</b>	
<b>Entered by:</b> jberndt@madisonwater.org	<b>Published Date:</b>	

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	04/09/2024	Referred for Introduction		04/16/2024		
	<b>Action Text:</b>	This Resolution was Referred for Introduction					
	<b>Notes:</b>	Finance Committee (5/6/24), Water Utility Board (4/25/24), Common Council (5/7/24)					
1	COMMON COUNCIL	04/16/2024	Referred	FINANCE COMMITTEE			
	<b>Action Text:</b>	This Resolution was Referred to the FINANCE COMMITTEE					
	<b>Notes:</b>	Additional referral to Water Utility Board (4/25/24)					
1	FINANCE COMMITTEE	04/16/2024	Referred	WATER UTILITY BOARD		04/20/2024	
	<b>Action Text:</b>	This Resolution was Referred to the WATER UTILITY BOARD					
1	WATER UTILITY BOARD	04/20/2024	Return to Lead with the Recommendation for Approval	FINANCE COMMITTEE	05/06/2024		Pass

**Action Text:** Motion by Abrahamian, seconded by Simon, authorizing the Sale and Issuance of \$3,365,000 Subordinate Water Utility Revenue Bonds, Series 2024A; And Providing Other Details and Covenants with Respect Thereto. Motion carried by voice vote.

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## Text of Legislative File 82884

### Fiscal Note

This resolution authorizes the sale and issuance of \$3,365,000 subordinate water utility revenue bonds, series 2024A at an annual interest rate of 2.145%. The 2024A bond issuance will be awarded to the State of Wisconsin Department of Natural Resources (DNR), who administers the Safe Drinking Water Loan Program (SDWLP).

In December 2019 via RES-19-00824 (Legistar #58198), the Water Utility issued \$20,000,000 in bond anticipation notes (BANs) to be repaid over a five-year amortization period from Water Utility revenues. The 2019 BAN matures November 1, 2024. In 2023, RES-23-00600 (Legistar #79781) approved the sale and issuance of \$4,675,000 Subordinate Water Utility Revenue Bonds, Series 2023. RES-23-00600 authorized a loan from the SDWLP of \$4,675,000 to be repaid from Water Utility Revenues at an annual interest rate of 2.145% over the next twenty years. Proceeds of the SDWL were used to partially repay the \$20,000,000 BAN issued in 2019. After partial redemption, the remaining balance on the 2019 BAN was \$15,325,000.

The DNR plans to close the Water Utility's loan for \$3,365,000 on May 22, 2024, and the Water Utility plans to redeem the outstanding balance of \$15,325,000 on the 2019 BAN on May 24, 2024 through the 2024A bond proceeds (\$3,365,000) and Water Utility cash reserved for this purpose (\$11,960,000). The Water Utility is currently projecting a 2024 year-end cash balance of \$8,200,000, which reflects repayment of the BAN.

### Title

Authorizing the sale and issuance of \$3,365,000 subordinate water utility revenue bonds, series 2024A; and providing for other details and covenants with respect thereto.

### Body

See attached staff memo and resolution authorizing the following:

1. Execution of a Financial Assistance Agreement with the State of Wisconsin
2. Receipt of \$3,365,000 from the SDWLP
3. Issuing \$3,365,000 in bonds and awarding the sale of the bonds to the SDWLP as security for the loan
4. Redeeming and paying in full the outstanding \$15,325,000 principal amount of the 2019 BAN in advance of its stated maturity date using the proceeds of the bonds to be received from the SDWLP in the amount of \$3,365,000 and Utility cash on hand of \$11,960, 000 plus accrued interest to the redemption date



**MEMORANDUM**

Date: April 16, 2024

To: Mayor Satya Rhodes-Conway  
Common Council  
Finance Committee  
Water Utility Board

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

Subject: Issuing SDWLP Subordinate Water Utility Revenue Bonds, Series 2024A, to be purchased by the Safe Drinking Water Loan Program (“SDWLP”) and proceeds applied to the redemption of the outstanding 2019 BAN

**BACKGROUND**

The Water Utility (Utility) has previously issued \$20,000,000 Revenue Bond Anticipation Notes, Series 2019, dated December 19, 2019 (**2019 BAN**), pursuant to a resolution adopted by the Common Council on December 3, 2019. The 5-Year 2019 BAN was issued to finance the Utility’s capital projects included in the 2019, 2020, and 2021 Capital Improvement Plans. The 2019 BAN matures on November 1, 2024.

The proposed repayment plan for the outstanding 2019 BAN is shown below:

Year	Transaction	Principal Amount	Balance Outstanding
2019	2019 BAN Proceeds	\$20,000,000	\$20,000,000
2023	<b>Less:</b> 2023 bond proceeds received from the SDWLP as bond purchaser	(\$4,675,000 redeemed in 2023)	\$15,325,000
2024	<b>Less:</b> 2024A bond proceeds to be received from the SDWLP as bond purchaser	(\$3,365,000)	\$11,960,000



2024	<b>Less:</b> Payment from Utility Cash on Hand	(\$11,960,000)	\$0
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The SDWLP funding obtained both in 2023 and 2024 carry an attractive annual interest rate of 2.145% and are repayable over a 20-year period.

The Award Resolution (Attachment – 2) authorizes the following:

1. Execution of a Financial Assistance Agreement with the State of Wisconsin
2. Receipt of \$3,365,000 from the SDWLP
3. Issuing \$3,365,000 in bonds and awarding the sale of the bonds to the SDWLP as security for the loan
4. Redeeming and paying in full the outstanding \$15,325,000 principal amount of the 2019 BAN in advance of its stated maturity date using the proceeds of the bonds to be received from the SDWLP in the amount of \$3,365,000 and Utility cash on hand of \$11,960,000 plus accrued interest to the redemption date

The State Department of Natural Resources, who administers the SDWLP, plans to close the Utility’s loan for \$3,365,000 on May 22, 2024, and the Utility plans to redeem the outstanding 2019 BAN on May 24, 2004.

The legislative path for this item is shown below:

4/16/24 – Common Council (Introduction)

4/25/24 – Water Utility Board

5/06/24 – Finance Committee

5/07/24 – Common Council (Final Action)

**ATTACHMENTS:**

1. Common Council Resolution # 82884
2. Award Resolution authorizing the Sale and Issuance of up to \$3,365,000 Subordinate Water Utility Revenue Bonds, Series 2024A; and Providing for Other Details and Covenants with Respect Thereto.

RESOLUTION No.: RES-24-\_\_\_\_\_

RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF  
**\$3,365,000 SUBORDINATE WATER UTILITY REVENUE BONDS, SERIES 2024A;**  
AND PROVIDING FOR OTHER DETAILS  
AND COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Madison, Wisconsin (the “**Municipality**”) owns and operates a water system (the “**System**”) which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, certain improvements to the System were necessary to meet the needs of the Municipality and the residents thereof, consisting of certain additions, extensions, improvements, renewals, or replacements to the System identified in the Municipality’s 2019, 2020, and 2021 Water Utility Projected Annual Capital Spending Plans (collectively, the “**2019 BAN Project**”), which included the replacement or rehabilitation of water mains along certain streets (the “**Project**”) specified in Exhibit F to the Financial Assistance Agreement (as defined herein), which Project has been assigned Safe Drinking Water Loan Program Project No. 4837-12 by the State of Wisconsin Department of Natural Resources (the “**Department of Natural Resources**”), and as defined in Department of Natural Resources approval letters for the plans and specifications, or portions thereof, issued under Wisconsin Statutes Section 281.41, (i) approved February 1, 2022 and assigned number W-2021-1032, (ii) approved February 1, 2022 and assigned number W-2021-1033, (iii) approved March 23, 2022 and assigned number W-2021-1021, (iv) approved May 5, 2022 and assigned number W-2022-0386, (v) approved June 1, 2022 and assigned number W-2022-0533, (vi) approved June 29, 2022 and assigned number W-2022-0518, (vii) approved July 6, 2022 and assigned number W-2022-0541, and (viii) approved August 2, 2022 and assigned number W-2022-0578; and

WHEREAS, under the provisions of Section 66.0621 of the Wisconsin Statutes, as amended (the “**Act**”), any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating or managing a public utility from the proceeds of municipal obligations, including revenue bonds, which bonds shall be secured by a pledge of the revenues of the public utility to the owners of the bonds; and

WHEREAS, pursuant to resolutions adopted by the Common Council of the Municipality (the “**Governing Body**”) on November 6, 2007 (the “**2007 Resolution**”), November 17, 2009, November 27, 2012, December 3, 2013, December 1, 2015, December 18, 2016, December 4, 2018, and December 3, 2019 (collectively, including the 2007 Resolution, the “**Senior Resolutions**”), the Municipality has issued multiple series of its water utility revenue bonds (the “**Senior Bonds**”) to finance and refinance capital expenditures related to the System; and

WHEREAS, in addition to the Senior Bonds issued under Senior Resolutions, the Municipality has previously authorized, sold, and issued its \$20,000,000 City of Madison, Wisconsin Water Utility Revenue Bond Anticipation Notes, Series 2019, dated December 19, 2019 (the “**2019 BAN**”), pursuant to a resolution adopted by the Governing Body on

December 3, 2019 (the “**2019 BAN Resolution**”), which is currently outstanding in the aggregate principal amount of \$15,325,000; and

WHEREAS, the 2019 BAN was issued junior and subordinate to the Senior Bonds to finance the 2019 BAN Project on an interim basis and is payable solely out of the funds and revenues pledged in the 2019 BAN Resolution;

WHEREAS, the 2019 BAN is further secured by a statutory lien on the funds derived from the issuance and sale of revenue bonds of the System issued pursuant to Section 66.0621 of the Wisconsin Statutes to provide permanent financing for the 2019 BAN Project subsequent to the issuance of the 2019 BAN; and

WHEREAS, On October 3, 2023, the Governing Body adopted a resolution (the “**2023 Resolution**”), authorizing the issuance of the Municipality’s \$4,675,000 Subordinate Water Utility Revenue Bonds, Series 2023, dated October 11, 2023 (the “**2023 Bonds**”), which bonds were purchased by the State of Wisconsin Safe Drinking Water Loan Program (“**SDWLP**”) and are currently outstanding in the aggregate principal amount of \$4,485,354.82.

WHEREAS, no outstanding obligations other than the Senior Bonds, the 2019 BAN, and the 2023 Bonds are payable from the income and revenues derived from the operation of the System; and

WHEREAS, the Municipality deems it to be necessary, desirable, and in its best interest (i) to provide permanent financing for a portion of the Project initially financed by the 2019 BAN, (ii) to sell and issue \$3,365,000 Subordinate Water Utility Revenue Bonds, Series 2024A (the “**Bonds**”), and (iii) to fund an equal portion of the 2019 BAN (the “**Funding**”) and provide, together with cash on hand of the Municipality, for the early redemption of the outstanding principal amount of the 2019 BAN; and

WHEREAS, the Bonds will be payable, on a junior and subordinate basis *first* to the Senior Bonds and *second* to the 2019 BAN for as long as the 2019 BAN remains outstanding and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, and on a parity with the 2023 Bonds, solely from the revenues of the System pursuant to the provisions of the Act; and

WHEREAS, the 2023 Resolution authorizes the issuance of additional bonds on a parity and equality of rank with the 2023 Bonds upon compliance with the conditions set forth under Section 11 thereof (the “**Additional Bonds Test**”); all conditions set forth in the Additional Bonds Test have been satisfied prior to the issuance of the Bonds; and

WHEREAS, the Bonds constitute “Project Bonds” as described in the 2019 BAN Resolution; and

WHEREAS, in accordance with Section 66.0621(4)(a)2 of the Wisconsin Statutes and this resolution, (i) interest on the Bonds will be payable at least annually, and (ii) payment of principal on the Bonds will commence not later than three years after the date of issuance of the Bonds;

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

**Section 1. Definitions.**

In addition to the capitalized terms defined in the recitals above, capitalized terms not otherwise defined in this resolution shall have the meanings set forth below unless the context requires another meaning.

- (a) “**Act**” means Section 66.0621 of the Wisconsin Statutes;
- (b) “**Bond Registrar**” means the Municipal Treasurer, who shall act as registrar and paying agent for the Bonds;
- (c) “**Bonds**” means the Municipality’s \$3,365,000 Subordinate Water Utility Revenue Bonds, Series 2024A, dated their date of issuance, authorized to be issued by this Resolution;
- (d) “**Bond Year**” means the twelve-month period ending on each May 1;
- (e) “**Current Expenses**” means the reasonable and necessary cost of operating, maintaining, administering, insuring, and repairing the System. Current Expenses shall be determined in accordance with generally accepted accounting principles and shall include, but not be limited to, salaries and wages, premiums for insurance, and the cost of materials, supplies, and audits. Current Expenses shall exclude allowances for depreciation, debt service on obligations of the System, tax equivalents, and capital expenditures;
- (f) “**Debt Service Fund**” means the Water Utility Subordinate Special Redemption Fund of the Municipality created and established under Section 6 of the 2023 Resolution and continued in this Resolution for payment of the Bonds and any Parity Bonds, which fund shall be the “special redemption fund”, as such term is defined in the Act, with respect to the Bonds;
- (g) “**Financial Assistance Agreement**” means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the SDWLP, substantially in the form presented to the Governing Body and incorporated herein by reference;
- (h) “**Fiscal Year**” means the twelve-month period ending on each December 31;
- (i) “**Funded BAN**” has the meaning set forth in Section 20.
- (j) “**Funding**” has the meaning set forth in the recitals to this resolution.
- (k) “**Governing Body**” means the Municipality’s Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(l) “**Gross Earnings**” means the gross revenues of the System from all sources, excluding (i) customer deposits, (ii) collected taxes imposed by other governmental entities, and (iii) earnings on amounts held in the Special Redemption Fund, the Depreciation Fund, and any construction fund funded with proceeds of the Bonds or any issue of Parity Bonds;

(m) “**Municipal Treasurer**” means the Treasurer of the Municipality;

(n) “**Municipality**” means the City of Madison, Wisconsin;

(o) “**Net Revenues**” means Gross Revenues after deduction of Current Expenses, plus earnings on amounts held in the Special Redemption Fund;

(p) “**Parity Bonds**” means bonds payable from the revenues of the System other than the Bonds and the 2023 Bonds, issued on a parity and equality with the Bonds and the 2023 Bonds pursuant to the restrictive provisions of Section 11(b) of the 2023 Resolution and continued in this Resolution, and subordinate to the Senior Bonds and the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution.

(q) “**Project**” means the Project defined in the recitals to this Resolution, all elements of which are owned and operated by the Municipality as part of the System;

(r) “**Record Date**” means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

(s) “**Redemption Date**” means May 24, 2024.

(t) “**SDWLP**” means the State of Wisconsin Safe Drinking Water Loan Program, which is the purchaser of the Bonds;

(u) “**Senior Bonds**” has the meaning set forth in the recitals to this Resolution;

(v) “**Senior Resolutions**” has the meaning set forth in the recitals to this Resolution;

(w) “**System**” means the water utility of the Municipality, which shall include all property of every nature now or hereafter owned by the Municipality for the extraction, collection, storage, treatment, transmission, distribution, metering, and discharge of domestic, industrial, and potable public water, or constituting part of, or used or useful in connection with, the water utility of the Municipality, including all appurtenances, contracts, leases, franchises, and other intangibles relating thereto; and

(x) “**2019 BAN**” has the meaning set forth in the recitals to this Resolution.

(y) “**2023 Bonds**” has the meaning set forth in the recitals to this Resolution.

(z) “2023 Resolution” has the meaning set forth in the recitals to this Resolution.

**Section 2. Authorization of the Bonds and the Financial Assistance Agreement.**

For the purpose of paying the costs of the Funding, thereby providing permanent financing for a portion of the 2019 BAN Project initially financed by the 2019 BAN (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenues of the System \$3,365,000 and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the SDWLP in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference. The Mayor and the Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

**Section 3. Terms of the Bonds.**

The Bonds shall be designated “Subordinate Water Utility Revenue Bonds, Series 2024A”; shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.145% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months; shall be issued in denominations of \$0.01 or any multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the form of Bond attached hereto as Exhibit A. Interest on the Bonds shall be payable semiannually on May 1 and November 1 of each year, commencing November 1, 2024. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments, taking in to account the debt service payments on the Senior Bonds and the 2023 Bonds, is reasonable in accordance with prudent municipal utility practices.

**Section 4. Form, Execution, Registration, and Payment of the Bonds.**

The Bonds shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Bonds shall be executed in the name of the Municipality by the manual signatures of the Mayor and the Clerk of the Municipality and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on, the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the Bond Registrar.

Both the principal of, and interest on, the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bonds will be payable upon presentation and surrender of the Bonds to the Bond Registrar. Payment of principal on the Bonds (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration

books of the Municipality (the “**Register**”), maintained by the Bond Registrar, on the Record Date and shall be paid by electronic money transfer or by check of the Municipality, sent by overnight delivery service, to such registered owner at the address shown on the Register or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Each Bond is transferable only upon the Register at the office of the Bond Registrar, by the registered owner in person or its duly authorized attorney, upon surrender of the Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Bond Registrar, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name each Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes.

#### **Section 5. Security for the Bonds.**

The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund affirmed and continued hereunder, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund, junior and subordinate to *first* the pledge of Net Revenues in the Special Redemption Fund (as defined in the Senior Resolutions) granted to the owners of the Senior Bonds and *second* the pledge of amounts in the Surplus Fund granted to the owners of the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, and on a parity and equality of rank with the 2023 Bonds. Sufficient revenues of the System are hereby pledged to the Debt Service Fund and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, the 2023 Bonds, and any Parity Bonds as the same become due.

#### **Section 6. Funds and Accounts.**

In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of, premium, if any, and interest on, the Bonds, the 2023 Bonds, and any Parity Bonds, the Municipality affirms, continues, and creates, as applicable, the following funds and accounts of the System, some of which were originally created, continued, or renamed, as applicable, under Section 34 of the 2007 Resolution and continued under the remaining Senior Resolutions, and some of which were originally created under Section 6 of the 2023 Resolution (collectively, the “**Funds and Accounts**”), to provide for the collection, distribution, and use of the Gross Revenues and proceeds of the Bonds, which shall be used solely for the following respective purposes:

- (a) Water Utility Revenue Fund (the “**Revenue Fund**”), into which shall be deposited as received the entire Gross Revenues of the System after deduction of amounts required by the Senior Resolutions to be deposited in the funds and accounts for the Senior Bonds, which money shall then be divided among the Operation and Maintenance Fund, the Special Redemption Fund, the Depreciation Fund, and the Surplus

Fund, and from the Surplus Fund to the Debt Service Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.

(b) Water Utility Operation and Maintenance Fund (the “**Operation and Maintenance Fund**”), which will be used to hold amounts expected to be used for the payment of the reasonable and necessary expenses of operating and maintaining the System, including salaries, wages, materials, supplies, and insurance, unless the balance in the Operation and Maintenance Fund exceeds the estimated operating and maintenance expenses of the System for the next succeeding 90 days, in which case the excess amount, (i) after deduction of amounts required by the Senior Resolutions to be deposited in the funds and accounts for the Senior Bonds and the Surplus Fund for the payment of the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, must be transferred to the Debt Service Fund to remedy any deficiency in the Debt Service Fund, and (ii) if or to the extent that no such deficiency exists, then the remaining excess amount may be transferred to the Surplus Fund.

(c) Water Utility Special Redemption Fund (the “**Special Redemption Fund**”), which is divided into the following three accounts: (i) the “Interest and Principal Account”, (ii) the “Earnings Account”, and (iii) the “Reserve Account.” Amounts held in the Interest and Principal Account and the Earnings Account will be used only to pay principal of, and premium, if any, and interest on, the Senior Bonds and any bonds issued on a parity to the Senior Bonds as provided in the Senior Resolutions (the “**Senior Parity Bonds**”). Amounts held in the Reserve Account will be used to pay principal of, or interest on, the Senior Bonds or any Senior Parity Bonds on any date when amounts in the Interest and Principal Account and the Earnings Account are insufficient to make such payments as provided in the Senior Resolutions.

(d) Water Utility Depreciation Fund (the “**Depreciation Fund**”), which will be used to hold amounts expected to be used to pay for repairs, replacements, extensions, or additions to the System, *provided*, that amounts in the Depreciation Fund can be used only if such amounts are not needed to make up any deficiency in the Interest and Principal Account or the Reserve Account described in (c) above, or in the Surplus Fund for the payment of the 2019 BAN, and the deposit to the Debt Service Fund for the payment of the Bonds, the 2023 Bonds, and Parity Bonds.

(e) Water Utility Surplus Fund (the “**Surplus Fund**”), which shall be applied *first*, as required by the Senior Resolutions, to pay principal of, or interest on, the Senior Bonds when the Special Redemption Fund for the Senior Bonds is insufficient for that purpose, and to remedy any deficiency in any of the Funds and Accounts as described in the Senior Resolutions, *second*, to pay the principal of and interest on the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution until they have been paid in full, and *third*, as required by this Resolution, to make deposits to the Debt Service Fund described in (f) below to provide for the payment of the principal of, and interest on, the Bonds, the 2023 Bonds, and any Parity Bonds as the same becomes due, and to remedy any deficiency in any of the Funds and Accounts. Notwithstanding the provisions of the Senior Resolutions and the 2019 BAN Resolution, amounts in the Surplus Fund shall not be used for any other purpose except to the extent

such amounts are in excess of the amounts required to pay the principal of, and interest coming due on, the Senior Bonds, the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, the Bonds, the 2023 Bonds, and any Parity Bonds on their next respective interest payment dates. If at the close of any Fiscal Year there is no such deficiency, then such amounts may be disbursed as follows:

- (i) to retire the Bonds, the 2023 Bonds, or any Parity Bonds in advance of maturity by redemption; or
- (ii) to rebate payments made by customers of the System pursuant to any plan adopted by the Governing Body of the Municipality; or
- (iii) to the general fund of the Municipality.
- (f) Water Utility Subordinate Special Redemption Fund (the “**Debt Service Fund**”), which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds, the 2023 Bonds, and Parity Bonds as the same become due.
- (g) 2024A Water Utility SDWLP Project Fund, which shall be used to provide, together with cash of the Municipality, for the redemption of the outstanding 2019 BAN on the Redemption Date.
- (h) 2024A Rebate Fund, which shall be used for the purpose of paying any rebate liability with respect to the Bonds as described in Section 16 hereof.

The Special Redemption Fund created under the Senior Resolutions for the Senior Bonds, including the Earnings Account and the Reserve Account therein, is not pledged to the payment of principal of or interest on the 2019 BAN or any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, the Bonds, the 2023 Bonds, or any Parity Bonds, and amounts on deposit in the Special Redemption Fund shall not be used for the payment of principal of or interest on the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, the Bonds, the 2023 Bonds, or any Parity Bonds as the same becomes due.

#### **Section 7. Application of Revenues.**

Until all Bonds, 2023 Bonds, and any Parity Bonds have been retired, or until there is on deposit in the Debt Service Fund an amount sufficient to provide for the payment of the Bonds, the 2023 Bonds, and any Parity Bonds, together with interest thereon to maturity, the Gross Revenues of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said fund from prior deposits);

(b) to the Special Redemption Fund, amounts sufficient to fund the accounts therein as required under the Senior Resolutions.

(c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System;

(d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required in (a) through (c) above have been completed, to be further applied as described in Section 6(e) above, which includes payment of the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution until they have been paid in full, and the deposit to the Debt Service Fund described below; and.

(e) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Bonds, the 2023 Bonds, and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Bonds, the 2023 Bonds, and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said fund from accrued interest, any premium or any other source);

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Special Redemption Fund, the Depreciation Fund, and the Surplus Fund, and from the Surplus Fund to the Debt Service Fund, shall be made monthly in the order indicated above, on such dates as are necessary to carry out the purposes of the respective funds, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the preceding month. Any other transfers and deposits to any fund required or permitted by subsection (a) through (e) of this Section 7, except transfers or deposits which are required to be made immediately or annually, shall be made on such dates as are necessary to carry out the purposes of the respective funds. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within 60 days after the close of such Fiscal Year.

It is the express intent and determination of the Governing Body that the amounts transferred from the Surplus Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Bonds, the 2023 Bonds, and any Parity Bonds and the principal thereof as the same becomes due.

### **Section 8. Deposits and Investments.**

The Debt Service Fund shall be kept apart from monies in the other funds and accounts and the same shall be used for no purpose other than the prompt payment of principal of, premium if any, and interest on, the Bonds, the 2023 Bonds, and any Parity Bonds as the same become due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes. The other funds herein created or continued, as applicable (except the 2024A Water Utility SDWLP Project Fund created in Section 6 hereof), may be combined in a single account in a public depository selected in the manner set forth

above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes.

**Section 9. Service to the Municipality.**

The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes shall be charged against the Municipality and shall, to the extent permitted by law, be paid in monthly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Bonds, the 2023 Bonds, and any Parity Bonds, and any other debt obligations payable from the revenues of the System then outstanding times the greater of (i) 110%, or (ii) the highest debt service coverage ratio required with respect to any debt obligations payable from the revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Wisconsin Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; but neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

**Section 10. Operation of System; Municipality Covenants.**

It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the Municipality will perform all of its obligations as set forth in the Financial Assistance Agreement.

**Section 11. Additional Bonds.**

Additional obligations payable out of the revenues of the System that have a priority over the Bonds, the 2023 Bonds, and any Parity Bonds may be issued as provided in the Senior Resolutions and in the 2019 BAN Resolution. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds, the 2023 Bonds, the Senior Bonds, the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution. Additional Parity Bonds may be issued only if all the following conditions are met:

- (i) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional Parity Bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System (other than obligations subordinate to the Bonds and the 2023 Bonds), and on the bonds then to be issued, times the greater of

(a) 1.10 or (b) the highest debt service coverage ratio to be required with respect to any Senior Bonds, 2019 BAN, 2023 Bonds, and Parity Bonds then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional Parity Bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(ii) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(iii) Additional Parity Bonds must have principal maturing on May 1 of each year and interest due on May 1 and November 1 of each year.

(iv) The proceeds of additional Parity Bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

(v) Additional Parity Bonds may, at the discretion of the Municipality, be issued with the additional security of a reserve fund but any such reserve fund shall not be available as additional security for the Bonds.

## **Section 12. Sale of Bonds.**

The sale of the Bonds to the SDWLP Program for the purchase price of \$3,365,000, and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as herein above provided, necessary to conclude delivery of the Bonds to the SDWLP, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement. The officers of the Municipality are authorized to prepare and submit to the SDWLP any requisitions or disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

## **Section 13. Application of Bond Proceeds.**

The proceeds of the sale of the Bonds shall be deposited by the Municipality into the “**2024A Water Utility SDWLP Project Fund**” created and established under Section 6 hereof. The 2024A Water Utility SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Funding as more fully described in the recitals of this Resolution and in the Financial Assistance Agreement. Moneys in the 2024A Water Utility SDWLP Project Fund

shall be disbursed within three business days after their receipt from the SDWLP and shall not be invested in any interest-bearing account.

**Section 14. Amendment to Resolution.**

After the issuance of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; *provided, however*, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

**Section 15. Defeasance.**

When all Bonds have been discharged, all pledges, covenants, and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest by the United States, or by a commission, board, or other instrumentality of the United States, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of the Bonds to maturity or, at the Municipality's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Municipality's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

**Section 16. Rebate Fund.**

Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Municipality shall establish and maintain, so long as the Bonds are outstanding, a separate account to be known as the "**2024A Rebate Fund**." The sole purpose of the 2024A Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "**Regulations**"). The 2024A Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The Municipality hereby covenants and agrees that it shall pay to the United States Treasury from the 2024A Rebate Fund, on the dates and in the amounts and manner required by the Code and the Regulations, the portion of the “rebate amount” (as defined in Section 1.148-3(b) of the Regulations) that is due as of each “computation date” (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the 2024A Rebate Fund and the investment income therefrom are not pledged as security for the Bonds, the 2023 Bonds, or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality may engage the services of a qualified rebate determination provider to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability made with respect to the Bonds for each computation date until three (3) years after the April 15th of the calendar year immediately preceding the retirement of the last Bond. The Municipality shall make such records available to the SDWLP upon reasonable request therefor.

**Section 17. Resolution a Contract.**

The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all the Bonds have been paid in full as to both principal and interest. The owner or owners of any the Bonds shall have the right, in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner’s or owners’ rights against the Municipality, the Governing Body, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

**Section 18. Continuing Disclosure.**

The officers of the Municipality are hereby authorized and directed, if requested by the SDWLP, to provide to the SDWLP and to such other persons or entities as directed by the SDWLP, such ongoing disclosure regarding the Municipality’s financial condition and other matters, at such times and in such manner as the SDWLP may require, in order that securities issued by the Municipality and the SDWLP satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or may be amended from time to time imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

**Section 19. Application of Surplus Fund.**

From and after the date of issuance of the Bonds, and while any of the Bonds, the 2023 Bonds, and Parity Bonds shall be outstanding, amounts in the Surplus Fund shall be applied

(i) *first*, as required by the Senior Resolutions, to pay principal of, or interest on, the Senior Bonds when the Special Redemption Fund is insufficient for that purpose, and to remedy any deficiency in any of the Funds or Accounts, (ii) *second*, as required by the 2019 BAN Resolution, to pay principal of, and interest on, the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution until they have been paid in full, and (iii) *third*, as required by this Resolution, to make deposits to the Debt Service Fund to provide for the payment of the principal of, and interest on, the Bonds, the 2023 Bonds, and any Parity Bonds as the same becomes due, and to remedy any deficiency in any of the Funds and Accounts. Notwithstanding the provisions of the Senior Resolutions and the 2019 BAN Resolution, amounts in the Surplus Fund shall not be used for any other purpose except to the extent such amounts are in excess of the amounts required to pay the principal of, and interest coming due on, the Senior Bonds, the 2019 BAN and any obligations issued on a parity with the 2019 BAN as provided in the 2019 BAN Resolution, the Bonds, the 2023 Bonds, and any Parity Bonds on their next respective interest payment dates, as described in Section 6(e) of this Resolution.

**Section 20. Funding of a portion of the 2019 BAN.**

To effect the Funding of a portion of the 2019 BAN in the amount of \$3,365,000 and to provide for the redemption of the entire outstanding principal amount of the 2019 BAN (the “**Outstanding BAN**”) on the Redemption Date, the appropriate officer of the Municipality is directed to transfer to the fiscal agent for the 2019 BAN appointed under the 2019 BAN Resolution (i) proceeds of the Bonds in the amount of \$3,365,000 and (ii) funds of the Municipality sufficient to pay the remaining outstanding principal of the 2019 BAN and the interest thereon to the Redemption Date. The transfer shall be made prior to 10:00 a.m. on the Redemption Date. The amount transferred shall be sufficient, together with the other funds appropriated by the Governing Body for such purpose, to pay the redemption price of the Funded BAN on the Redemption Date.

**Section 21. Redemption of the 2019 BAN.**

The Municipality irrevocably directs that the Outstanding BAN be redeemed and paid in full in advance of its stated maturity date on the Redemption Date; *provided, however*, that the appropriate officers of the Municipality may revoke the redemption of the Outstanding BAN as permitted by the 2019 BAN Resolution by sending a notice by first class mail, not less than 15 days before the proposed redemption date, to the registered owners of the Outstanding BAN which has been called for redemption. The appropriate officers of the Municipality are directed to instruct the fiscal agent for the 2019 BAN to take all actions required to call the Outstanding BAN for redemption on the Redemption Date, including giving notice in the manner required by the 2019 BAN Resolution. The Municipality ratifies and approves any action that has been taken prior to the date of this resolution in connection with the Funding and the redemption of the Outstanding BAN.

**Section 22. Publication of Notice.**

The Clerk of the Municipality shall publish notice that the Municipality has agreed to sell the Bonds. The notice shall be published promptly after the execution of the

Financial Assistance Agreement in the Municipality’s official newspaper as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The notice shall be in substantially the form attached hereto as in Exhibit B. The Clerk shall obtain proof, in affidavit form, of the publication, and shall compare the published notice with the attached form to confirm that no mistake was made in publication.

**Section 23. Conflicting Resolutions.**

In case any part of a prior action of the Governing Body conflicts with this Resolution, that part of the prior action is hereby rescinded; except that this Section shall not be interpreted as rescinding any part of the Senior Resolutions. In the case of any conflict between this Resolution and the Senior Resolutions or the 2019 BAN Resolution, the Senior Resolutions or the 2019 BAN Resolution, as the case may be, shall control as long as any Senior Bonds or the 2019 BAN are outstanding.

Passed: May 7, 2024

Approved: May \_\_\_\_, 2024

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Satya Rhodes-Conway, Mayor

Attest:

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Maribeth Witzel-Behl, Clerk

**EXHIBIT A**

(Form of Bond)

REGISTERED	UNITED STATES OF AMERICA	REGISTERED
	STATE OF WISCONSIN	
No. R-1	CITY OF MADISON	\$3,365,000

SUBORDINATE WATER SYSTEM REVENUE BOND, SERIES 2024A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
2.145%	May 1, 2044	May 22, 2024	None

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

PRINCIPAL AMOUNT: THREE MILLION THREE HUNDRED SIXTH-FIVE THOUSAND DOLLARS

THE CITY OF MADISON, WISCONSIN (the “**Municipality**”) hereby acknowledges itself to owe and for value received promises to pay the Principal Amount to the Registered Owner on the Maturity Date or earlier installment payment date (as hereinafter described), and interest on the Principal Amount from the Original Issue Date at the annual rate of the Interest Rate. The actual interest amount due is based on the amount of principal drawn, from the dates so drawn (as hereinafter described), or from the most recent interest payment date to which interest has been paid. Interest is due and payable on each May 1 and November 1 until the Principal Amount has been paid, beginning on November 1, 2024. Interest is computed on the basis of a 360-day year of twelve 30-day months.

The Principal Amount evidenced by this Bond (the “**Bonds**”) may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement (as defined in the Resolution). The Principal Amount so drawn shall be repaid in annual installments on each May 1, beginning on May 1, 2025, in the amounts set forth in the repayment schedule attached as Exhibit B to the Financial Assistance Agreement and in the attached Schedule 2. The repayment schedule has been calculated by the State of Wisconsin Department of Administration (the “**State**”) assuming the full Principal Amount of the Bonds has been drawn by the Municipality on the Original Issue Date. The repayment schedule will be adjusted by the State from time to time based on the actual Principal Amounts drawn by the Municipality. The Principal Amounts so drawn shall be repaid in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at the Interest Rate shall result in equal annual payments of the total of principal and interest on the Bonds. The State shall record draws of principal and principal repayments in the format shown on the attached Schedule 1.

On each principal payment date (whether at maturity or earlier installment payment or redemption date) and on each interest payment date, the Treasurer of the Municipality (who will act as authentication agent, paying agent, and registrar for the Bonds), or any successor fiscal agent appointed by the Municipality to act as authentication agent, paying agent, and registrar for the Obligations under Section 67.10(2) of the Wisconsin Statutes (hereinafter called the “**Fiscal Agent**”), will pay the principal of, and interest on, this Bond by electronic funds transfer or by check sent by overnight delivery service to the person or entity in whose name this Bond is registered on the register (hereinafter called the “**Bond Register**”) maintained by the Fiscal Agent at the end of the 15<sup>th</sup> day (whether or not a business day) of the calendar month just before a regularly scheduled interest payment date for the Obligations (the “**Record Date**”).

The Bonds are subject to optional redemption prior to maturity only as provided in the Financial Assistance Agreement and upon the written consent of the Registered Owner.

This Bond is transferable only upon the Bond Register in the office of the Fiscal Agent, by the Registered Owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Bond Registrar, duly executed by the Registered Owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Fiscal Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any multiple thereof.

This Bond is issued for the purpose of funding a portion of outstanding bond anticipation notes issued to provide for the payment, on an interim basis, of the cost of constructing improvements to the water system of the Municipality (the “**System**”), pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621 of the Wisconsin Statutes, and a resolution adopted on May 7, 2024, and entitled: “Resolution Authorizing the Sale and Issuance of \$3,365,000 Subordinate Water System Revenue Bonds, Series 2024A and Providing for Other Details and Covenants with Respect Thereto” (the “**Resolution**”), and is payable only from the Debt Service Fund (as defined in the Resolution) continued by the Municipality under the Resolution and the revenues of the System pledged to such fund. The Bonds are issued expressly subordinate to Senior Bonds and the 2019 BAN (each as defined in the Resolution) previously issued by the Municipality payable from revenues of the System and, subject to certain conditions described in the Resolution, subordinate to future Senior Bonds and any obligations issued on a parity with the 2019 BAN, in each case to be issued by the Municipality payable from revenues of the System, and on a parity and equality of rank with the Municipality’s 2023 Bonds (as defined in the Resolution). Under circumstances and subject to conditions stated in the resolution authorizing the issuance of the 2023 Bonds and continued under the Resolution, additional bonds and notes may later be issued on a parity with the Bonds and the 2023 Bonds (collectively, “**Parity Bonds**”). This Bond does not constitute an indebtedness of the Municipality within the meaning of any constitutional or statutory debt limitation or provision.

This Bond is a valid claim of the Registered Owner hereof only against the Debt Service Fund and the revenues of the System pledged to the Debt Service Fund. Sufficient revenues of the System have been pledged to the Debt Service Fund to be used for no other purpose than to pay the principal of, and interest on, the Bonds, the 2023 Bonds, and any Parity Bonds as the same becomes due.

It is hereby certified, recited, and declared that all acts, conditions, and procedures required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by law; and that sufficient of the income and revenue to be received by the Municipality from the operation of the System has been pledged to and will be set aside into a special fund for the payment of the principal of, and interest on, this Bond.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal (or a true facsimile thereof) to be impressed (or imprinted) hereon, all as of the Original Issue Date specified above.

CITY OF MADISON, WISCONSIN

[SEAL]

By: \_\_\_\_\_  
Satya Rhodes-Conway, Mayor

By: \_\_\_\_\_  
Maribeth Witzel-Behl, Clerk

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

---

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(Please Print or Type Name and Address of Assignee)

the within-mentioned Bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney-in-fact, to transfer the same on the books of the registry in the office of the Bond Registrar, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed

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NOTICE: Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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Note: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or change whatsoever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of such person’s authority to act must accompany this Bond.

**SCHEDULE 1 TO BOND FORM**

\$3,365,000  
CITY OF MADISON, WISCONSIN  
SUBORDINATE WATER SYSTEM REVENUE BONDS, SERIES 2024A

<u>Amount of Disbursement</u>	<u>Date of Disbursement</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
\$ _____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**SCHEDULE 2 TO BOND FORM**

**PRINCIPAL REPAYMENT SCHEDULE**

<u>Date</u>	<u>Principal Amount</u>
May 1, 2025	\$136,503.96
May 1, 2026	139,431.97
May 1, 2027	142,422.79
May 1, 2028	145,477.76
May 1, 2029	148,598.25
May 1, 2030	151,785.69
May 1, 2031	155,041.49
May 1, 2032	158,367.13
May 1, 2033	161,764.11
May 1, 2034	165,233.95
May 1, 2035	168,788.21
May 1, 2036	172,398.51
May 1, 2037	176,096.45
May 1, 2038	179,873.72
May 1, 2039	183,732.01
May 1, 2040	187,673.07
May 1, 2041	191,698.65
May 1, 2042	195,810.59
May 1, 2043	200,010.73
May 1, 2044	204,300.96

**EXHIBIT B**

NOTICE TO THE ELECTORS OF THE  
CITY OF MADISON, WISCONSIN  
RELATING TO BOND SALE

On May 7, 2024, pursuant to Section 66.0621 of the Wisconsin Statutes, a resolution was offered, read, approved, and adopted whereby the City of Madison, Wisconsin (the “City”) authorized the borrowing of money through the issuance of bonds and authorized certain City officials to enter into a purchase agreement relating to said borrowing. On May 22, 2024 the City entered into a purchase agreement with the State of Wisconsin Safe Drinking Water Loan Program to whom the City agreed to sell its subordinate water utility revenue bonds in the principal amount of \$3,365,000. The closing of the bonds was held on May 22, 2024. A copy of all proceedings with respect to the authorization and sale of said bonds is on file and may be examined in the office of the City Clerk at Room 101, City-County Building, 210 Martin Luther King, Jr. Boulevard, Madison, Wisconsin between the hours of 9:00 a.m. and 4:30 p.m. on weekdays.

This notice is given pursuant to Section 893.77 of the Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this notice.

Publication Date: May \_\_, 2024

/s/ Maribeth Witzel-Behl  
City Clerk



# City of Madison

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

## Master

**File Number: 83047**

**File ID:** 83047

**File Type:** Miscellaneous

**Status:** Approved

**Version:** 1

**Reference:**

**Controlling Body:** Water Utility

**File Created Date :** 04/19/2024

**File Name:**

**Final Action:** 04/20/2024

**Title:** 2023 Water Quality Report

### Notes:

### Sponsors:

### Effective Date:

**Attachments:** Item 4 Memo - 2023 Water Quality Report.pdf, Item 4 - Attachment A - Watch List April 2024.pdf, Item 4 - Attachment B - Lab Results Summary April 2024.pdf, Item 4 - Attachment C.draftCCR.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 BOARD	04/20/2024	Approve				Pass
<b>Action Text:</b> Motion by Simon, seconded by Abrahamian, to accept the final version of the 2023 Water Quality Report as presented by Joe Grande, Water Quality Manager. Motion carried by voice vote.							

## Text of Legislative File 83047

### Title

2023 Water Quality Report

### Body

The Water Quality Report summarizes the results of the 32,765 water quality tests including coliform bacteria; treatment chemicals (chlorine and fluoride); and inorganic, organic (volatiles and synthetic) and unregulated contaminants, including PFAS, conducted in calendar year 2023.



**MEMORANDUM**

Date: April 25, 2024

To: Water Utility Board

From: Joe Grande, Water Quality Manager  
Krishna Kumar, General Manager

Subject: 2023 Madison Water Quality Report

**RECOMMENDATION**

Madison Water Utility consumers will receive high quality water that meets or is better than all primary and secondary drinking water standards, including their public notification requirements, and complies with board-adopted water quality goals, incorporated by attachment.

The Madison Water Utility recognizes that drinking water standards are subject to revision and that new compounds of concern will be determined. This dynamic is a result of health studies being conducted by health organizations and government agencies on the state, national and international level. The technology to quantify compounds at increasingly minute levels is constantly improving.

The Madison Water Utility shall maintain and promulgate a Watch List of compounds of concern by unit well of compounds that are increasing and may approach the primary and secondary drinking water standards. The Watch List shall identify which wells require action.

**BACKGROUND**

The Water Quality Report summarizes the results of the 32,765 water quality tests including coliform bacteria; treatment chemicals (chlorine and fluoride); and inorganic, organic (volatiles and synthetic) and unregulated contaminants, including PFAS, conducted in calendar year 2023.

<b>Water Quality Test Type</b>	<b>Number of Tests</b>
Bacteria:	
Total Coliform / E. coli	3,086
Chemical:	
1. Iron & Manganese	3,895
2. PFAS	959
3. Other	24,825



During this period, there were no reportable water quality violations; however, iron and manganese at Well 8, and sodium at Well 14 exceed a Water Utility Board treatment policy. Summarized results and a draft of the Annual Water Quality Report follow as attachments.

**ATTACHMENTS:**

- A. Watch List Summary – April 2024
- B. Water Quality Test Results Summary – 2023
- C. Draft Annual Water Quality Report [Consumer Confidence Report, CCR]

**Number of Contaminants Above 50% of a Drinking Water Regulation (MCL) or Guideline (SMCL)**

ACTIVE WELLS	50% - 80% MCL	80% - 100% MCL	>MCL	Contaminant: Action Plan
Well 06	1			PFAS (PFHxS): Monitor
Well 18	1			VOC (PCE): Monitor
Well 19	1			Radium: Monitor
Well 27	1			Radium: Monitor
Well 28	1			Radium: Monitor

ACTIVE WELLS	50% - 80% SMCL	80% - 100% SMCL	>SMCL	Contaminant: Action Plan
Well 06	1			Sodium: Monitor
Well 14	1		1	<b>Sodium:</b> Investigation & Well Remediation Underway; Chloride
Well 17	1			Manganese: Monitor
Well 19	1	1		<b>Manganese:</b> Treatment Addition Under Construction; Iron
Well 24	2			Iron and Manganese: Monitor
Well 27	2			Iron and Manganese: Monitor
Well 28	1			Iron: Monitor
Well 30	1			Iron: Monitor

ACTIVE WELLS	Limited or No Water Quality Impact (Contaminants Below 50% MCL or SMCL) <sup>^</sup>
Well 07, Well 09, Well 11, Well 12, Well 13, Well 16, Well 20, Well 25, Well 26, Well 29, Well 31	

INACTIVE WELLS	Temporarily Out of Service Due to Water Quality Issue			
Well 08	1		2	<b>Iron and Manganese;</b> Radium
Well 15			3	<b>PFAS [PFOA,PFOS, &amp; PFHxS]:</b> Treatment Plant Under Construction

**TOTAL**                      16                                      1                                      6

**KEY:**

MCL = Maximum Contaminant Level: enforceable, health-based standard

SMCL = Secondary MCL: non-enforceable guideline based on aesthetics (taste, odor, or appearance)

<sup>^</sup> Assessment is after any treatment and at point of entry to distribution system



# MADISON WATER UTILITY SYSTEM MAP

September 2023

## LEGEND

### Water Network

Large Diameter Water Main (≥10")

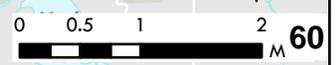
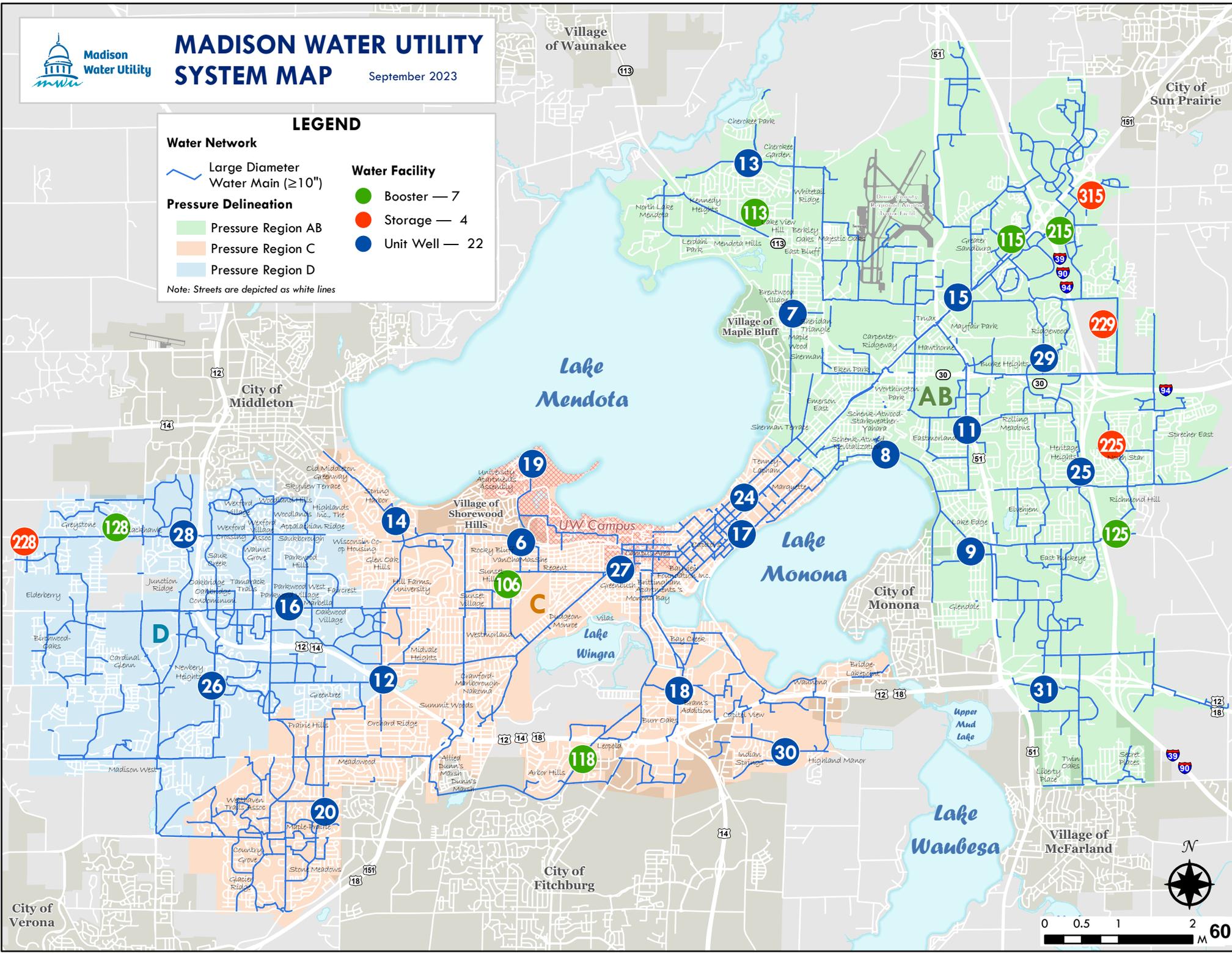
### Pressure Delineation

- Pressure Region AB
- Pressure Region C
- Pressure Region D

Note: Streets are depicted as white lines

### Water Facility

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



2023 Month	Total Coliform		Chlorine Residual		Fluoride	
	# Samples	# TC Positive	# Samples	# <0.1 mg/L	# Samples	Ave (mg/L)
January	251	0	938	0	522	0.69
February	208	0	828	0	471	0.69
March	237	0	933	0	535	0.68
April	233	0	927	0	507	0.69
May	271	0	1033	0	550	0.64
June	250	0	1029	0	545	0.65
July	264	0	1001	0	603	0.64
August	296	0	1043	3	598	0.64
September	254	1	973	0	576	0.66
October	283	0	1132	2	614	0.67
November	286	1	1100	5	589	0.68
December	253	0	1097	0	586	0.68
<b>TOTAL</b>	<b>3086</b>	<b>2</b>	<b>12034</b>	<b>10</b>	<b>6696</b>	<b>0.67</b>
		0.06%		0.08%		
					<b>Target:</b>	<b>0.7 mg/L</b>

# Water Quality Test Results Summary - 2023

## A. Inorganics - Regulated

PARAMETER	UNITS	MCL	DETECTS	MINIMUM	MEDIAN	MAXIMUM
Antimony	µg/L	6	0	<0.3	<0.3	<0.3
Arsenic	µg/L	10	0	<1.1	<1.1	<1.1
Barium	µg/L	2000	20	6.7	21	73
Beryllium	µg/L	4	0	<0.06	<0.06	<0.06
Cadmium	µg/L	5	0	<0.1	<0.1	<0.1
Chromium, Total	µg/L	100	3	<1.1	<1.1	1.7
Copper	µg/L	AL: 1300	15	<1.7	4.2	55
Fluoride	mg/L	4	20	0.6	0.8	0.8
Lead	µg/L	AL: 15	1	<0.3	<0.3	0.3
Mercury	µg/L	2	0	<0.05	<0.05	<0.05
Nickel	µg/L	100	14	<1.0	1.3	2.9
Nitrogen - Nitrate	mg/L	10	13	<0.2	1.0	4.0
Nitrogen - Nitrite	mg/L	1	0	<0.01	<0.01	<0.01
Selenium	µg/L	50	2	<1.0	<1.0	1.6
Thallium	µg/L	2	0	<0.8	<0.8	<0.8

## B. Inorganics - Unregulated

PARAMETER	UNITS	SMCL	DETECTS	MINIMUM	MEDIAN	MAXIMUM
Alkalinity (CaCO3)	mg/L	--	20	260	290	340
Aluminum	µg/L	50	0	<24	<24	<24
Calcium	mg/L	--	20	58	72	110
Chloride	mg/L	250	20	1.2	20	190
Conductivity	umhos / cm	--	20	510	660	1400
Hardness (CaCO3)	mg/L	--	20	290	345	520
Iron	mg/L	0.3	6	<0.06	<0.06	<b>0.6</b>
Magnesium	mg/L	--	20	34	43	59
Manganese	µg/L	50	14	<2.0	5.7	<b>51</b>
pH (Lab)	s.u.	--	17	7.1	7.3	7.5
Silver	µg/L	100	1	<0.3	<0.3	0.5
Sodium	mg/L	--	20	2.2	8.8	71
Strontium	µg/L	--	17	49	76	100
Sulfate	mg/L	250	20	5.7	17	36
Zinc	µg/L	5000	4	<5.7	<5.7	15

AL - Action Level

MCL - Maximum Contaminant Level

SMCL - Secondary Maximum Contaminant Level

## Water Quality Test Results Summary - 2023

### C. Iron - Wells

SMCL: Secondary Maximum Contaminant Level is 0.3 mg/L

SOURCE	UNITS	SAMPLES	MINIMUM	MEDIAN	MAXIMUM
Well 7*	mg/L	11	<0.01	<0.01	0.03
Well 8	mg/L	1	<b>0.57</b>	<b>0.57</b>	<b>0.57</b>
Well 17	mg/L	7	0.11	0.13	0.15
Well 19	mg/L	11	0.21	0.22	0.26
Well 24	mg/L	8	0.18	0.19	0.20
Well 26 <sup>#</sup>	mg/L	11	<0.01	<0.01	0.01
Well 27	mg/L	10	0.14	0.16	0.17
Well 28	mg/L	11	0.16	0.17	0.20
Well 29*	mg/L	11	<0.01	<0.01	0.02
Well 30	mg/L	9	<0.06	0.21	0.22
Well 31*	mg/L	11	<0.01	<0.01	<0.02

### D. Manganese - Wells

SMCL: Secondary Maximum Contaminant Level is 50 µg/L

SOURCE	UNITS	SAMPLES	MINIMUM	MEDIAN	MAXIMUM
Well 7*	µg/L	11	<0.5	<2.0	0.6
Well 8	µg/L	1	<b>51</b>	<b>51</b>	<b>51</b>
Well 17	µg/L	7	31	32	38
Well 19	µg/L	11	40	46	<b>50</b>
Well 24	µg/L	8	27	29	31
Well 26 <sup>#</sup>	µg/L	11	1.9	<2.0	6.1
Well 27	µg/L	10	31	32	33
Well 28	µg/L	11	20	22	23
Well 29*	µg/L	11	0.5	<2.0	2.7
Well 30	µg/L	9	8.3	14	15
Well 31*	µg/L	11	<0.5	<2.0	<2.0

\* Filtered

<sup>#</sup> Raw water

## Water Quality Test Results Summary - 2023

### E. Iron - Distribution

*SMCL: Secondary Maximum Contaminant Level is 0.3 mg/L*

	UNITS	Q1	Q2	Q3	Q4
<b>Policy Goal</b>	mg/L	0.3	0.3	0.3	0.3
<b>Median</b>	mg/L	<0.02	<0.01	<0.01	0.01
<b>Average</b>	mg/L	0.03	0.02	0.03	0.05
<b>95th Percentile</b>	mg/L	0.12	0.10	0.14	0.21
<b>Maximum</b>	mg/L	0.18	0.12	0.16	0.28
<b>Number of Samples</b>		26	35	44	42
<b>Samples &gt;0.3 mg/L</b>		0	0	0	0

### F. Manganese - Distribution

*SMCL: Secondary Maximum Contaminant Level is 50 µg/L*

	UNITS	Q1	Q2	Q3	Q4
<b>Policy Goal</b>	µg/L	50	50	50	50
<b>Median</b>	µg/L	1.1	<2.0	<2.0	<2.0
<b>Average</b>	µg/L	3.4	4.4	4.7	5.6
<b>95th Percentile</b>	µg/L	18	17	18	17
<b>Maximum</b>	µg/L	26	33	34	54
<b>Number of Samples</b>		26	35	44	42
<b>Samples &gt;50 µg/L</b>		0	0	0	1

### G. Lead & Copper - Distribution

*Action Level is 15 µg/L for Lead and 1300 µg/L for Copper*

	UNITS	Lead	Copper
<b>US EPA Action Level</b>	µg/L	15	1300
<b>Median</b>	µg/L	0.9	105
<b>Average</b>	µg/L	1.1	114
<b>90th Percentile</b>	µg/L	1.8	150
<b>Maximum</b>	µg/L	5.8	210
<b>Number of Samples</b>		50	50
<b>Samples &gt; Action Level</b>		0	0

# Water Quality Test Results Summary - 2023

## H. Organic Contaminants

### 1. Overview - Volatile and Synthetic Organics (VOC & SOC)

	TYPE	UNITS	MCL	MAXIMUM	WELLS
1,1-Dichloroethane	VOC	µg/L	--	0.11	#9
1,1-Dichloroethylene	VOC	µg/L	7	0.31	#18
<i>cis</i> 1,2-Dichloroethylene	VOC	µg/L	70	0.36	7 & 11
Tetrachloroethylene [PCE]	VOC	µg/L	5	5.9	6,7,9,11,18
Trichloroethylene [TCE]	VOC	µg/L	5	0.74	7,11,18
Trichlorofluoromethane	VOC	µg/L	--	0.81	6,9,11,14,18
Atrazine	SOC	µg/L	3	0.03	11,13,14,16,25,29
Metolachlor	SOC	µg/L	--	0.01	#14
PFAS: PFOA	SOC	ng/L	70	1.9	6,7,9,11,13,14,16,26,27
PFAS: PFOS	SOC	ng/L	70	1.6	6,9,11,16,26

### 2. Detail - Volatile Organics (VOC)

	Range of Test Results (µg/L)					
	MCL	Well #6	Well #7	Well #9	Well #11	Well #18
Tetrachloroethylene [PCE]	5 µg/L	0.82 - 2.6	0.57 - 1.2	0.70 - 2.0	<0.49 - 0.74	0.97 - 5.9
Number of Samples		4	4	4	4	13

# Water Quality Test Results Summary - 2023

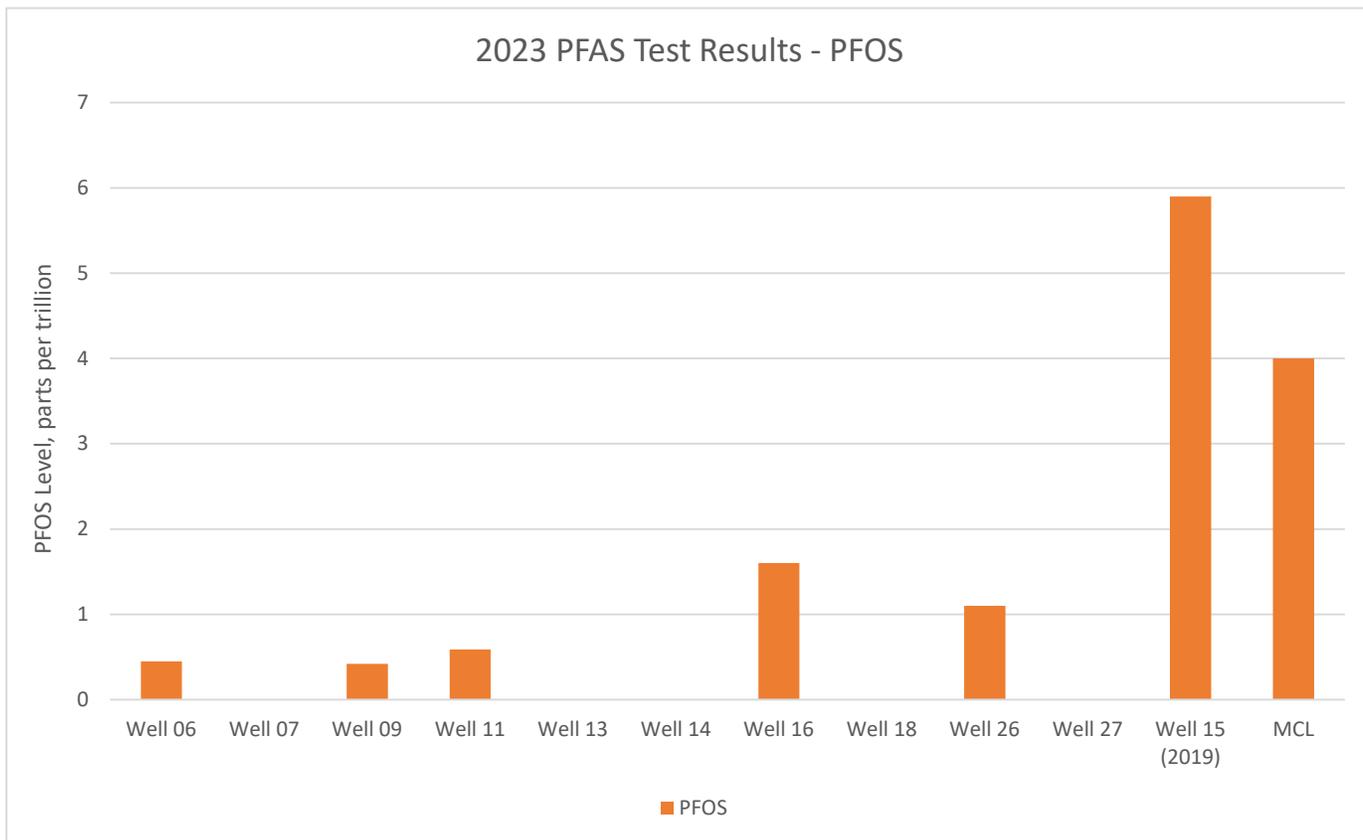
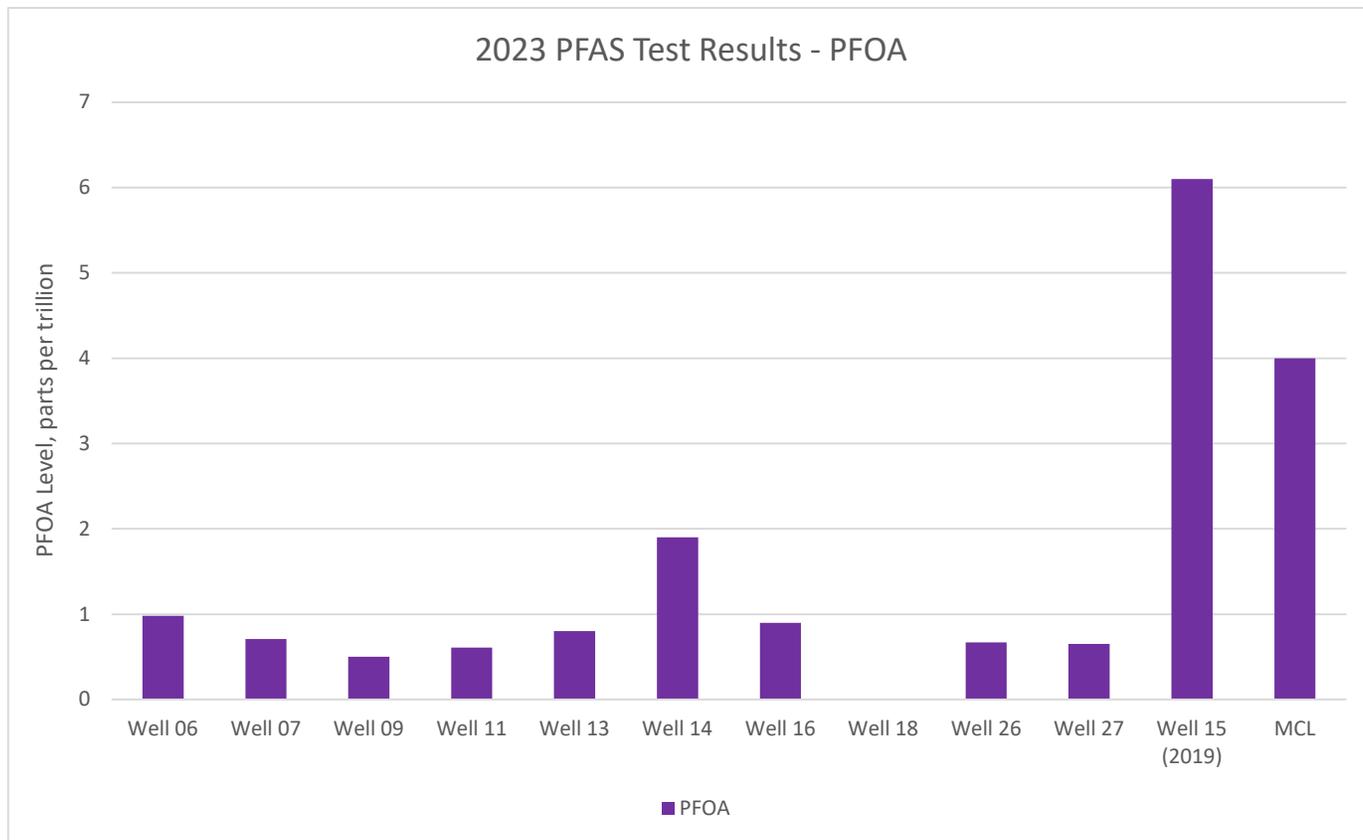
## I. Radium (226 + 228)

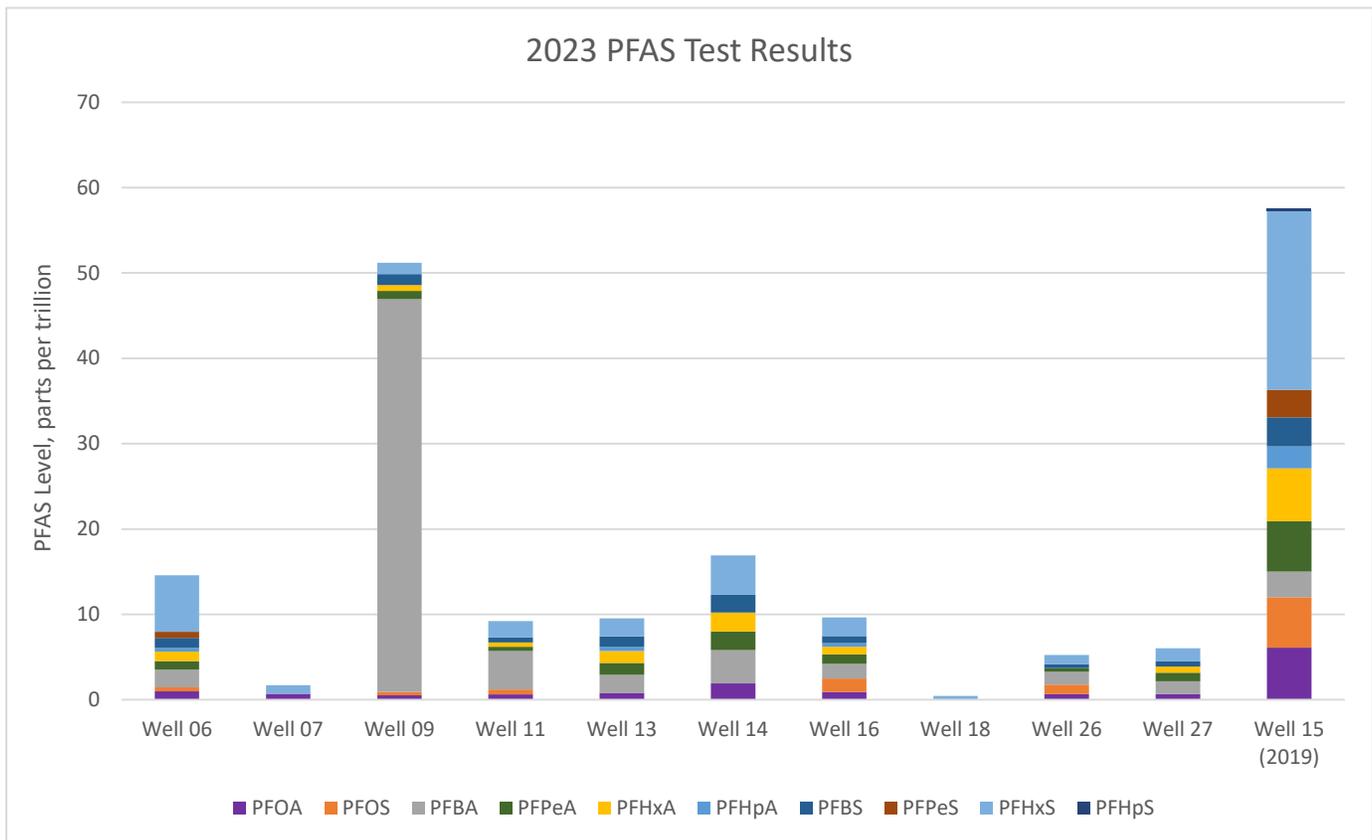
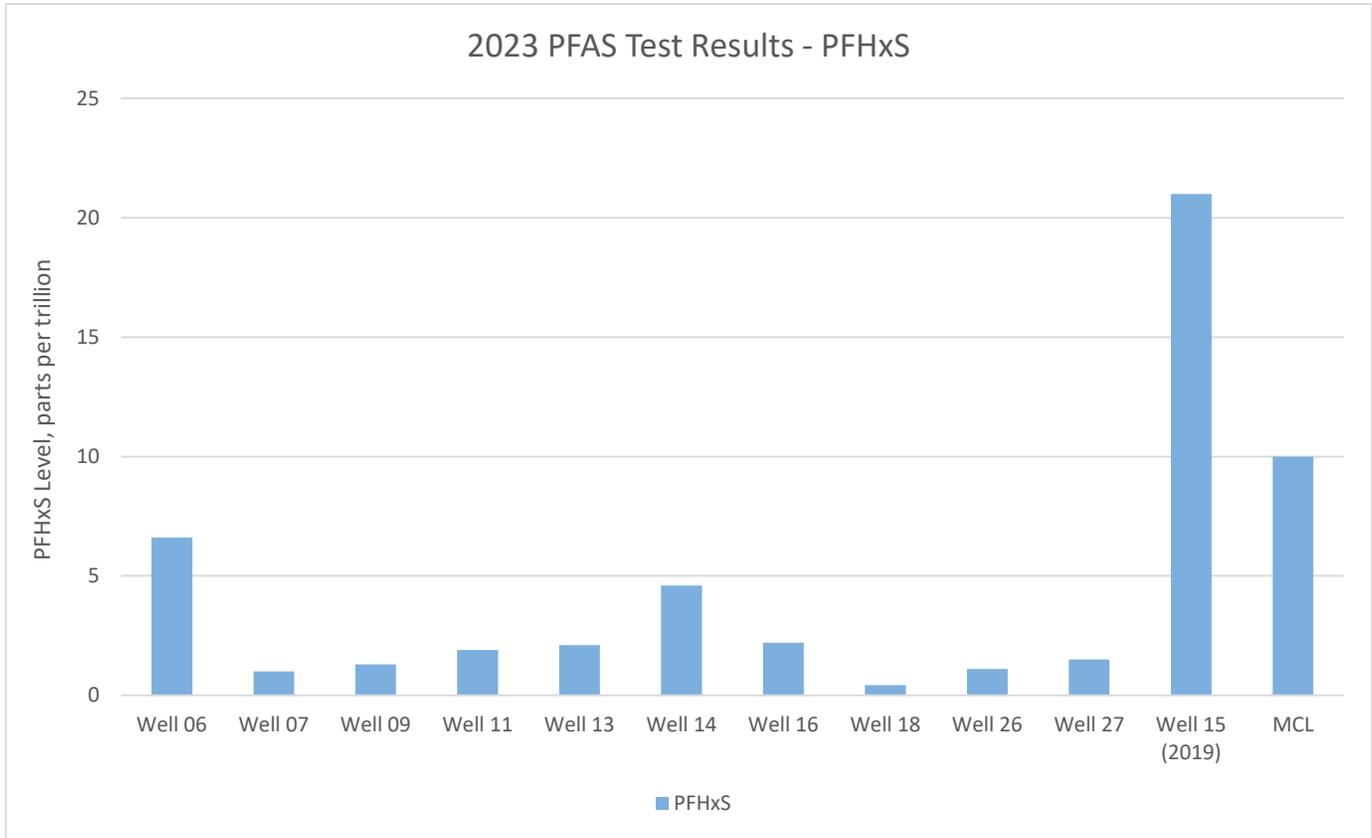
	Number of Samples	Results, pCi/L	Annual Average of Quarterly Samples	NOTE: MCL = 5 pCi/L; based on running annual average of quarterly samples
Well 07	1	1.1	Not Applicable	
Well 18	1	Non-detect	Not Applicable	
Well19	8*	0.8 - 5.0	3.0 - 3.4	
Well 24	1	2.3	Not Applicable	
Well 27	8*	1.1 - 5.5	3.1 - 3.5	
Well 28	2	1.9 - 4.4	Not Applicable	
Well 30	1	1.2	Not Applicable	

\* Includes duplicate samples

## J. Unregulated Contaminants

Parameter	Units	Detects	Results	Wells with Detections
Chromium, Hexavalent	µg/L	4 of 4	0.9 - 2.0	Wells 6, 13, 14 & 16 sampled
1,4-Dioxane	µg/L	2 of 2	0.3 - 0.4	Only Well 11 sampled
Strontium	µg/L	20 of 20	49 - 100	All Wells
PFAS: PFBA	ng/L	8	<0.5 - 41	6,9,11,13,14,16,26,27
PFAS: PFPeA	ng/L	8	<0.4 - 2.2	6,9,11,13,14,16,26,27
PFAS: PFHxA	ng/L	7	<0.4 - 2.2	6,9,11,13,14,16,27
PFAS: PFHpA	ng/L	3	<0.4 - 0.5	6,13,16
PFAS: PFBS	ng/L	8	<0.4 - 2.1	6,9,11,13,14,16,26,27
PFAS: PFPeS	ng/L	1	<0.3 - 0.7	#6
PFAS: PFHxS	ng/L	10	<0.4 - 6.3	6,7,9,11,13,14,16,18,26,27







# MADISON WATER UTILITY

## Annual Water Quality Report

A SUMMARY OF WATER TESTING CONDUCTED IN 2023

**PARA ESPAÑOL  
HAGA CLIC AQUÍ**

This annual report complies with federal and state drinking water regulations, which require us to provide water quality information to our customers each year. Unless otherwise noted, results are based on testing conducted in 2023. We are pleased to report that we continue to supply high quality water that meets or exceeds all federal and state standards for health and safety. **Test results are summarized on page 3.** Visit our website, [madisonwater.org](https://www.madisonwater.org), to learn about our programs and projects.

## Quality & Reliability Since 1882

### YOUR WATER SOURCE

Madison's drinking water comes from a deep sandstone aquifer that sits hundreds of feet below the city. The water originates as rain or snow that slowly soaks into the ground and is filtered through layers of soil and rock. This natural filtration process produces excellent water for us to enjoy.

### WHICH WELL SERVES MY ADDRESS?

The Madison water system consists of 20 active wells and over 900 miles of interconnected pipes. Most locations receive water from one to three wells. Our website has an application that can tell you which wells supply water to your home or business. There are links to detailed reports with the latest water quality test results. For more information, call the Water Utility or go to [madisonwater.org](https://www.madisonwater.org).

### WHAT KEEPS OUR WATER SAFE?

The high-quality aquifer supplying our drinking water requires little treatment. Madison Water Utility disinfects the water with chlorine to reduce the risk of microbial contamination. A small amount of chlorine kills bacteria and viruses that can be present in groundwater. Chlorine also travels with the water and is ready to kill microbes that it might encounter in the system. Our goal is to maintain a chlorine residual above 0.1 milligrams per liter (mg/L) at all points in the distribution system. Typical concentrations range from 0.2 to 0.4 mg/L.

#### Did You Know?

One 12-ounce cup of salt is enough to treat a 20-foot driveway or 10 sidewalk squares when it snows. Reducing winter salt use helps protect Madison's drinking water. Learn more at [wisaltwise.com](https://www.wisaltwise.com)

### HOW ELSE IS THE WATER TREATED?

Fluoride is added to Madison drinking water to improve dental health and reduce tooth decay. The US Centers for Disease Control and Prevention (CDC) and Wisconsin Department of Health Services recommend maintaining an average fluoride level of 0.7 mg/L. Water from each well is tested daily to achieve this target. In 2023, the system-wide average of 6,696 tests was 0.67 mg/L.

Three wells have filters that remove more than 95% of the iron and manganese before it enters the piping system. These filters reduce the occurrence of rust-colored water at the customer tap.

### DO I NEED TO TAKE SPECIAL PRECAUTIONS?

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as those with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Environmental Protection Agency's Safe Drinking Water Hotline at **800-426-4791**.

*Cryptosporidium* and *Giardia*, two organisms commonly linked to water-borne illness, are found primarily in surface waters such as lakes and rivers. Because Madison's drinking water comes from a deep groundwater aquifer, these organisms do not pose a significant health risk in Madison tap water.

# MadCAP

Madison Customer Assistance Program

MadCAP assists eligible households by providing up to a \$30 monthly credit, or discount, on their Municipal Services Bill. The MadCAP program credit spreads across all Municipal Services, not just water. The credit is automatically applied monthly to customer bills and does not need to be repaid. Call **608-266-4651** or visit [madisonwater.org](https://www.madisonwater.org) for more information.

## POTENTIAL CONTAMINANTS IN DRINKING WATER AND THEIR LIKELY SOURCES

Sources of drinking water, both tap water and bottled water, include rivers, lakes, springs, and wells. As water travels over the surface of the land and through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Types of potential contaminants and their likely sources include:

- **Microbial contaminants**, such as viruses and bacteria, may come from leaky sewer pipes, septic systems, agricultural livestock operations, and wildlife.
- **Inorganic contaminants**, including metals, minerals, nutrients, and salts, can occur naturally or they may result from urban stormwater runoff, industrial wastewater discharges, mining, or farming activities.
- **Organic contaminants**, including synthetic and volatile organic compounds, are by-products of industrial processes that can come from chemical spills, gas stations, urban stormwater runoff, and septic systems.
- **Pesticides and herbicides** may come from a variety of sources such as agriculture, urban stormwater runoff, and residential use.
- **Radioactive substances** may occur naturally in rock formations and groundwater.

In order to ensure that tap water is safe, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. Routine monitoring helps to ensure that drinking water concentrations of any substance remain at safe levels.

### MICROBIOLOGICAL TESTING

**Bacteria** – To ensure drinking water safety, routine bacteriological tests are conducted. Over 200 distribution samples are collected each month from representative locations. Samples are tested for coliform bacteria, indicators of potential contamination. In 2023, the Water Utility collected 2,876 distribution samples. None tested positive for coliform bacteria. The absence of coliform positive samples reflects good source water quality and adequate disinfection maintained in the distribution system.

### THE EPA ON DRINKING WATER CONTAMINANTS

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline, **800-426-4791**, or visiting: [www.epa.gov/ground-water-and-drinking-water](http://www.epa.gov/ground-water-and-drinking-water).

## Lead and Copper

The landmark Lead Service Replacement program helped our community remove or replace nearly 8,000 lead pipes between 1995 and 2011. Water quality tests conducted in 2023 (see table) continue to show that lead and copper corrosion has been minimized.

	Ideal Goal (MCLG)	Action Level (AL)	90th Percentile	Range	Samples Above AL
Lead (ppb)	zero	15	1.8	<0.5 – 5.8	0 of 50
Copper (ppb)	1300	1300	150	77 - 210	0 of 50

Elevated levels of lead can cause serious health problems, especially for pregnant people and young children. Lead in drinking water primarily comes from lead service pipes and household plumbing components. While Madison Water Utility has removed all known lead services, we cannot control the materials found in household plumbing components. Some faucets, fixtures, and pipes in your house could still contain lead. The longer water sits in the plumbing system, the more lead it may contain. You can minimize the potential for lead exposure by running water from a faucet for 2 to 3 minutes before using it for drinking or cooking. For more information on lead safety, go to [www.epa.gov/safewater/lead](http://www.epa.gov/safewater/lead).

Are you concerned about lead? Test your water. Contact a certified lab to get lead testing information: **Public Health Madison & Dane County, 608-266-4821; State Laboratory of Hygiene, 608-224-6202.**

## How to Read the Water Quality Data Table

The EPA and Wisconsin Department of Natural Resources (WDNR) establish the safe drinking water regulations that limit the amount of contaminants allowed in drinking water. The table shows the concentrations of detected substances in comparison to the regulatory limits. Substances not detected are not included in the table.

### Maximum Contaminant Level (MCL)

The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available technology.

### Maximum Contaminant Level Goal (MCLG)

The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

### Action Level (AL)

The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a public water system shall follow.

### Units in the Table

- One milligram per liter (mg/L) equals one part per million (ppm)
- One microgram per liter (µg/L) equals one part per billion (ppb)
- One milligram per liter equals 1,000 micrograms per liter
- One part per billion is equal to 1,000 parts per trillion (ppt)
- One ppb is analogous to one second in 32 years
- Picocurie per liter (pCi/L) is a measure of radioactivity
- nd = not detected

**IMPORTANT NOTE ABOUT THE TABLE:** The table reports the maximum and minimum concentrations for each substance found in at least one well. Several substances are found only in a few wells. Contaminant levels reported in the table may not be representative of the water quality at your home. Visit [madisonwater.org](http://madisonwater.org) or call **608-266-4654** to get more information about water quality for the well that serves your home or business.

# Water Quality Table

Substance Detected (units)	Ideal Goal (MCLG)	Highest Level Allowed (MCL)	Median Level Found	Range of Results	Violation (Yes/No)	Wells with Detections	Typical Source of Substance
<b>Regulated Substances</b>							
Atrazine (ppb)	3	3	nd	nd - 0.03	NO	11,13,14,16,25,29	Runoff from herbicide used on row crops
Barium (ppb)	2,000	2,000	21	6.7 - 73	NO	All wells	Erosion of natural deposits; Discharge from metal refineries
Chromium, Total (ppb)	100	100	nd	nd - 1.7	NO	Wells 6, 13 & 14	Erosion of natural deposits; Discharge from steel and pulp mills
1,1-Dichloroethylene (ppb)	7	7	nd	nd - 0.3	NO	Well 18	Discharge from industrial chemical factories
1,2-Dichloroethylene, cis (ppb)	70	70	nd	nd - 0.4	NO	Wells 7 & 11	Discharge from industrial chemical factories; Biodegradation of PCE and TCE
Fluoride (ppm)	4	4	0.8	0.6 - 0.8	NO	All Wells	Erosion of natural deposits; Added to promote strong teeth
Nickel (ppb)	n/a	100	1.3	nd - 2.9	NO	Fourteen wells	Erosion of natural deposits; Electroplating, stainless steel and alloy products
Nitrate (ppm)	10	10	1.0	nd - 4.0	NO	Thirteen wells	Fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
PFOA (ppt)	20*	70	nd	nd - 1.9	NO	6,7,9,11,13,14,16,26,27	Firefighting foam; Landfills, food packaging, clothing, fabrics, upholstery
PFOS (ppt)	20*	70	nd	nd - 1.6	NO	6,9,11,16,26	Firefighting foam; Landfills, food packaging, clothing, fabrics, upholstery
Selenium (ppb)	50	50	nd	nd - 1.6	NO	Wells 6 and 14	Erosion of natural deposits; Petroleum and metal refineries
Tetrachloroethylene [PCE] (ppb)	zero	5	nd	nd - 5.9	NO	6,7,9,11,18	Discharge from factories, dry cleaners, and auto shops
Trichloroethylene [TCE] (ppb)	zero	5	nd	nd - 0.7	NO	Wells 7, 11 & 18	Discharge from metal degreasing sites, other factories
Xylene, Total (ppb)	10,000	10,000	nd	nd - 0.3	NO	Well 9	Discharge from petroleum and chemical factories
<b>Radionuclides</b>							
Gross Alpha (pCi/L) - 2020 data	zero	15	2.4	0.7 - 11	NO	All Wells	Erosion of natural deposits
Radium, 226+228 (pCi/L)	zero	5	2.3	nd - 5.5	NO	7,19,24,27,28,30	Erosion of natural deposits
<b>Disinfection By-Products (Distribution)</b>							
Haloacetic Acids (ppb)	60	60	1.0	0.4 - 2.9	NO	n/a	By-product of drinking water chlorination
Total Trihalomethanes (ppb)	zero	80	1.4	0.7 - 11	NO	n/a	By-product of drinking water chlorination
<b>Unregulated Substances</b>							
Chromium, Hexavalent (ppb)	n/a	n/a	1.6	0.9 - 2.0	NO	Wells sampled: 6, 13, 14, & 16	Erosion of natural deposits; Chrome plating, leather tanning, wood preservation
1,1-Dichloroethane	n/a	n/a	nd	nd - 0.1	NO	Well 9	Discharge from industrial chemical factories
1,4-Dioxane (ppb)	n/a	n/a	0.3	0.3 - 0.4	NO	Sampled Well 11 only	Discharge from chemical factories; Cosmetics and detergents
Metolachlor (ppb)	n/a	n/a	nd	nd - 0.01	NO	Well 14	Runoff from herbicide used on row crops
Trichlorofluoromethane (ppb)	n/a	n/a	nd	nd - 0.8	NO	6,9,11,14,18	Discharge from industrial chemical factories; Degreaser, propellant, refrigerant
<b>Other Substances</b>							
<b>Aesthetic Goal</b>							
Chloride (ppm)	250		20	1.2 - 190	NO	All Wells	Erosion of natural deposits; Road salt application
Iron (ppm)	0.3		nd	nd - 0.21	NO	17,19,24,27,28	Erosion of natural deposits
Manganese (ppb)	50		4.7	nd - 42	NO	Thirteen wells	Erosion of natural deposits
Silver (ppm)	0.1		nd	nd - 0.00	NO	Well 25	Discharge from industrial chemical factories
Sodium (ppm)	n/a		8.8	2.2 - 71	NO	All Wells	Erosion of natural deposits; Road salt application
Sulfate (ppm)	250		17	5.7 - 36	NO	All Wells	Erosion of natural deposits
Zinc (ppb)	5,000		nd	nd - 15	NO	9,12,14,16,17,19,28	Erosion of natural deposits

\*Based on guidance provided by WI Dept of Health Services

Please call **608-266-4654** if you have any questions about the Water Quality Table, or email: [water@madisonwater.org](mailto:water@madisonwater.org)



## PFAS Testing

Madison wells are tested twice annually for up to 30 PFAS (per- and polyfluoroalkyl substances). The table summarizes the 2023 results. At least one PFAS was found in ten wells. All active Madison wells meet health-based groundwater standards recommended by the WI Dept. of Health Services (DHS) for 18 types of PFAS, and they meet every PFAS standard set by any other US state.

PFAS	HAL*	Range of Results	Wells with Detections
PFOA (ppt)	20	nd-1.9	6, 7, 9, 11, 13, 14, 16, 26, 27
PFBA (ppt)	10,000	nd-46	6, 9, 11, 13, 14, 16, 26, 27
PFPeA (ppt)	n/a	nd-2.2	6, 9, 11, 13, 14, 16, 26, 27
PFHxA (ppt)	150,000	nd-2.2	6, 9, 11, 13, 14, 16, 27
PFHpA (ppt)	n/a	nd-0.5	6, 13, 16
PFOS (ppt)	20	nd-1.6	6, 9, 11, 16, 26
PFBS (ppt)	450,000	nd-1.8	6, 9, 11, 13, 14, 16, 26, 27
PFPeS (ppt)	n/a	nd-0.7	Well 6
PFHxS (ppt)	40	nd-6.6	6, 7, 9, 11, 13, 14, 16, 18, 26, 27

\*Health Advisory Level (HAL): concentration of a contaminant that poses a health risk based on guidance provided by WI Dept of Health Services

PFAS are a large group of human-made chemicals widely used in industry and water-proof, non-stick, and stain-resistant consumer products. These chemicals are not currently regulated by the US EPA under the Safe Drinking Water Act. However, in 2022, Wisconsin DNR adopted drinking water standards for PFOA & PFOS – set at 70 parts per trillion.

You can find more information and sign up for our PFAS updates email list at [madisonwater.org](https://www.madisonwater.org)

## YOUR WATER SOURCE - GROUNDWATER

Madison's drinking water comes from a deep sandstone aquifer that sits hundreds of feet below the city. The water originates as rain or snow that slowly soaks into the ground and is filtered through layers of soil and rock.

### How Groundwater Occurs in Rocks

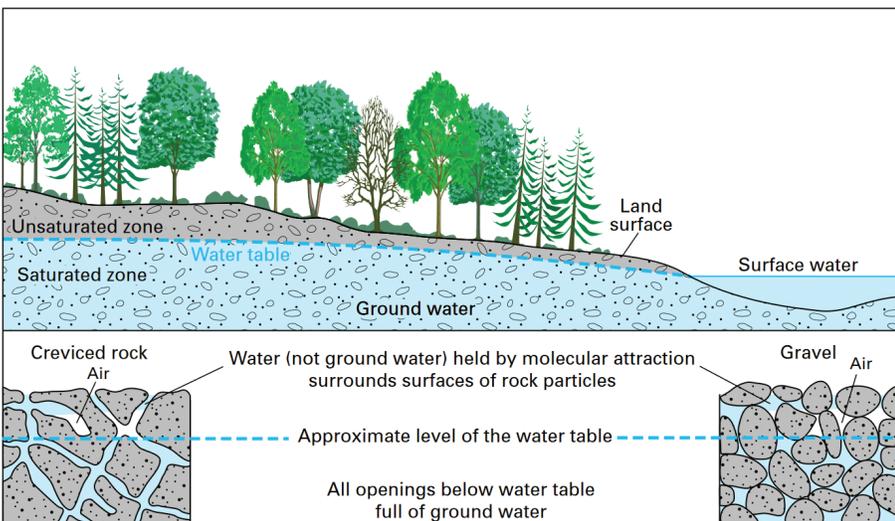


Image source: U.S. Geological Survey

## GENERAL INFORMATION

### Madison Water Utility

119 E. Olin Avenue  
Madison, WI 53713

- General Inquiries.....**608-266-4651**
- Water Quality Questions or to Request a Copy of this Report.....**608-266-4654**

### Certified Drinking Water Laboratories in Madison, WI:

- Public Health Madison & Dane County.....**608-266-4821**
- Wisconsin State Laboratory of Hygiene.....**608-224-6202**

## CONNECT WITH MADISON WATER UTILITY

- Website: [madisonwater.org](https://www.madisonwater.org)
- Facebook: [facebook.com/madisonwater](https://www.facebook.com/madisonwater)
- Twitter: [twitter.com/MadWaterUtility](https://twitter.com/MadWaterUtility)
- Instagram: [instagram.com/madison\\_water](https://www.instagram.com/madison_water)

Want to receive email updates on drinking water quality or water main flushing? Sign-up at [madisonwater.org](https://www.madisonwater.org)

## LANGUAGE SERVICES

- You have the right to free language services. Please call **608-266-4651** for more information.
- Usted tiene derecho a recibir servicio gratuito de intérprete. Por favor llame al teléfono **608-266-4651** para mayor información.
- Koj muaj tvoj cai tau kev pab txhais lus pub dawb. Thov hu rau **608-266-4651**.
- 您有權獲得免費的語言服務。請致電 **608-266-4651** 以了解更多信息。

## GET INVOLVED

Visit our [Projects](#) webpage to learn about Madison Water Utility public works projects and provide input.

Water Utility Board: Monthly meetings are held at 119 E. Olin Avenue, starting at 4:30 p.m.

### 2024 Board Meeting Dates:\*

May 28	August 27	November 27
June 25	September 25	
July 23	October 22	

\*Meeting dates are subject to change. Please find the official Board Meeting calendar at:

[cityofmadison.com/city-hall/committees/water-utility-board](https://www.cityofmadison.com/city-hall/committees/water-utility-board)



# City of Madison

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

## Master

**File Number: 82602**

**File ID:** 82602

**File Type:** Miscellaneous

**Status:** Approved

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 03/21/2024

**File Name:** 2023 Madison Water Utility Annual Report (Final)

**Final Action:** 04/20/2024

**Title:** 2023 Madison Water Utility Annual Report (Final)

**Notes:** Presentation of final report.

**Sponsors:**

**Effective Date:**

**Attachments:** Item 5 - Memo - 2023 Annual Report\_FINAL.pdf,  
Item 5 - Attachment - 2023 Annual Report\_FINAL.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 BOARD	03/26/2024	Discuss and continue				
	<b>Action Text:</b>	DRAFT 2023 Madison Water Utility Annual Report presented by Marcus Pearson, PIO. No action needed. Final report will be presented at the April 2024 Water Utility Board Meeting.					
1	WATER UTILITY BOARD	03/26/2024	Discuss and continue				
	<b>Action Text:</b>	This Miscellaneous was Discuss and continue					
1	WATER UTILITY BOARD	04/20/2024	Approve				Pass
	<b>Action Text:</b>	Motion by Abrahamian, seconded by Simon, to approve the final version of the 2023 Madison Water Utility Annual Report as presented by Marcus Pearson, PIO. Motion carried by voice vote.					

### Text of Legislative File 82602

Title  
2023 Madison Water Utility Annual Report (Final)



**MEMORANDUM**

Date: April 25, 2024  
To: Water Utility Board  
From: Marcus Pearson, Public Information Officer  
Krishna Kumar, General Manager  
Subject: 2023 Madison Water Utility Annual Report

**RECOMMENDATION**

Accept the attached 2023 Madison Water Utility Annual Report, to be delivered to the Common Council for final acceptance.

**BACKGROUND**

Section 13.01(3) of the Madison General Ordinances require the Madison Water Utility Board to “issue an annual report that shall be made available to the Common Council.”

Utility staff prepared the attached 2023 Madison Water Utility Annual Report for board review and acceptance. The report was finalized following the incorporation of Water Utility Board input and edits.

**ATTACHMENTS:**

1. 2023 Madison Water Utility Annual Report



**Madison  
Water Utility**

**2023  
ANNUAL  
REPORT**

**Madison Water Utility**

119 E Olin Ave, Madison, WI 53713  
water@madisonwater.org  
(608) 266-4651

## Report Contents:

- + **Water Utility Overview**
- + **Fiscal Year 2023 In Review**
- + **Upholding High Water Quality**
- + **Key Capital Investments**
- + **Community Outreach & Engagement**

This reporting period covers 2023 financial statements (unaudited), 2023 water quality monitoring, and 2023 projects, events, operations, and Utility accomplishments.

Section 13.01(3) of the Madison General Ordinances establishes the duty of the Madison Water Utility Board to “issue an annual report that shall be made available to the Common Council.”

## Madison Water Utility Board of Governance

The Madison Water Utility Board is described by Wisconsin state statute and the City of Madison ordinance. The Board is charged with authority for managing and operating Madison Water Utility under the general direction of the Common Council.

The board is made up of eight voting members (six in 2023) appointed by the Mayor and confirmed by the Common Council. The Director of Madison and Dane County Public Health (or their designee) is an ex officio, non-voting member. The Board has adopted policies that define the benefits Madison Water Utility provides to the residents of Madison, establish financial and ethical boundaries, and describe how the Board carries out its own tasks. Board meetings are public and generally held on the fourth Tuesday of every month.

### Madison Water Utility Board

Patrick E. Delmore, PhD. – *President*  
Debra R. Simon – *Vice President*  
Robert J. Abrahamian – *Secretary*

Alder Amani Latimer Burris  
Alder Charles Myadze  
Ronesha Strozier – *ex officio*

## History of Madison Water Utility

Founded as a public utility in 1882, Madison Water Utility is proud to bring safe, high-quality water to more than 270,000 people across the Madison area. Madison Water Utility has always been a groundwater system, despite being surrounded by lakes; a deep, high-quality aquifer beneath the city is the source of our drinking water supply.

## Madison Water Utility’s Mission

We are entrusted by the people of Madison to supply high quality water for consumption and fire protection at a reasonable cost, while conserving and protecting our ground water resource for present and future generations.

## System Overview

<b>25 Million</b> Gallons of water delivered daily	<b>270K+</b> People served in the Madison area	<b>20</b> Drinking water wells operating in our system
<b>0.5¢</b> Average cost per gallon of water delivered	<b>921</b> Miles of water pipeline maintained	<b>100%</b> of drinking water comes from underground aquifer

## Fiscal Year 2023 in Review

 <b>\$49.4 Million</b> Adopted Operating Budget	 <b>\$17.3 Million</b> Adopted Capital Budget
 <b>\$57.7 Million</b> Revenue from Water Sales	 <b>\$304.7 Million</b> Value of Capital Assets in System

REVENUE	\$
Water Sales	56,708,747
Investment Income	2,432,543
Water Tower Revenue	398,532
Other Operating Revenue	689,138
Other Non-Operating Revenue	216,955
<b>TOTAL:</b>	<b>\$60,445,915</b>

EXPENDITURES	\$
Investment in Infrastructure	7,458,001
Operations & Maintenance	19,609,119
Principal & Interest	23,388,405
PILOT (Payment in-lieu of Taxes)	6,639,371
Reserves	3,351,019
<b>TOTAL:</b>	<b>\$60,445,915</b>

## How is Each Rate Dollar Used?

<b>39¢</b> Debt Service (Principal and interest)	<b>32¢</b> Operating Expenses (Facilities, Vehicles, Security)	<b>11¢</b> PILOT (Payment to City)	<b>18¢</b> Infrastructure & Reserves
--	--	--	---

## Upholding High Water Quality

Madison's drinking water is closely regulated by both the EPA and DNR. Our testing experts conduct more than a thousand tests every month to continuously monitor water quality and safety.

**Madison's drinking water more than meets all strict Federal and State drinking water standards.**

Madison Water Utility routinely monitors drinking water quality for well-studied and emerging contaminants by conducting more than 28,000 chemical and bacterial tests combined.	<b>32,765</b> Drinking water quality tests conducted in 2023
<b>PFAS</b> → None of the up to 30 PFAS tested were found at ten of the twenty wells tested. PFAS were not found at Wells 12, 17, 19, 20, 24, 25, 28, 29, 30, or 31.	<b>29,679</b> Chemical Tests
<b>Lead</b> → Our water supply does not contain significant amounts of naturally occurring lead or copper.	<b>3,086</b> Bacterial Tests
<b>Salt</b> → Road salt application likely contributes to elevated sodium levels found at multiple wells.	<b>32,765</b> Total water quality tests

## Key Capital Investments



**Municipal Well 15  
 PFAS Treatment Project**  
 Design of PFAS treatment facility at Well 15 to remove PFAS, PCE and TCE.  
*Total project costs (estimate)\*: \$5.9M*



**Municipal Well 19  
 Well Treatment Project**  
 Treatment facility at Well 19 to remove iron, manganese, and radium.  
*Total project costs (estimate)\*: \$9.1 M*

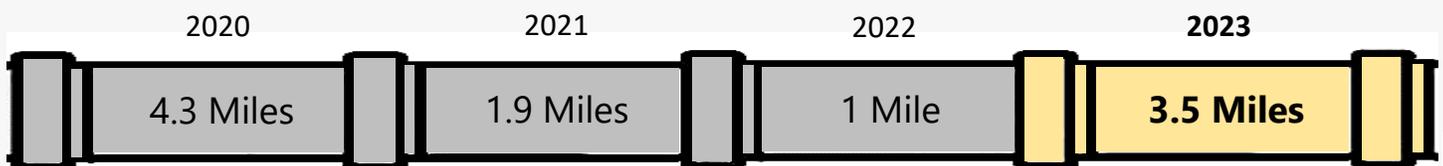


**Water Main Rehabilitation  
 Lake Mendota Dr. & Cannonball Trail**  
 Tech used to rehabilitate aging water mains back to full structural strength.  
*Total projects cost: \$1.1M*

\*Total project costs; not all allocated to 2023

## Pipeline Replacements/Rehabilitations Completed

Madison was the first city in WI to rehabilitate aging water mains using the Cured-In-Place Pipe (CIPP) relining method; this is a cost-effective technique used to rehabilitate aging water mains back to full structural strength.



## Customer Service

**43,447**

Calls fielded by  
 Customer Service  
 Representatives



**452,217**

Payments made  
 using online bill  
 pay system



**968**

Rebates availed  
 through Toilet  
 Rebate Program



**422**

Households aided  
 through Project  
 Home



## Community Outreach & Engagement

Preserving water supply for future generations is key to our mission at Madison Water Utility but can only be achieved if the community shares that same goal. MWU is committed to educating and engaging our community. Our [Community Advisory Process](#) is utilized to keep the community informed and involved.

### Outreach & Engagement

#### Water Wagon

A fun, mobile station that serves up clean, cool, refreshing water at community events across the city during the warm weather months.

#### Water Facility Tours

The Utility offers facility tours to various schools (elementary through graduate school), and other interested community groups throughout the year.



### Programs & Partnerships

#### Madison Customer Assistance Program (MadCAP)

MadCAP assists income-eligible households by providing up to a \$30 monthly credit (discount) on their Municipal Services Bill.

#### Toilet Rebate Program

MWU offers bill credits of up to \$100 to customers who replace their toilets with EPA WaterSense-rated models. The program is a key part of Madison Water Utility's sustainability initiative to protect the deep-well aquifer.

#### Home Water Conservation Program

Provides water improvements at the homes of income-eligible customers.



# City of Madison

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

## Master

**File Number: 83048**

**File ID:** 83048

**File Type:** Miscellaneous

**Status:** Approved

**Version:** 1

**Reference:**

**Controlling Body:** Water Utility

**File Created Date :** 04/19/2024

**File Name:** Water Production Report April 2024

**Final Action:** 04/20/2024

**Title:** Water Production Monthly Report

### Notes:

### Sponsors:

### Effective Date:

**Attachments:** Item 6 Memo - Water Production Report April 2024.pdf, Item 6 Attachment A - Daily and Cumulative Water Production April 2024.pdf, Item 6 Attachment B - Unit Well Capacity Utilization April 2024.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 BOARD	04/20/2024	Approve				Pass
<b>Action Text:</b> Motion by Simon, seconded by Abrahamian, to accept the monthly Water Production report as presented by Joe Demorett, Water Production Manager. Motion carried by voice vote.							

## Text of Legislative File 83048

.Title

Water Production Monthly Report

.Body

See corresponding memo and attachments.

## MEMORANDUM

Date: April 25, 2024

To: Water Utility Board

From: Joseph DeMorett, Water Supply 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 Supply Section of the Utility strives hard to meet or exceed the expectations laid out above. The Monthly Water Production and Unit Well Cumulative Capacity Utilization Reports as of March 31, 2024, reflecting these efforts are attached.

## ATTACHMENTS

- A. Monthly Water Production as of March 31, 2024
- B. Unit Well Cumulative Capacity Utilization as of March 31, 2024

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

Hydrological Regions	No. of Wells	Daily Production (MGD)				Year-to-Date Cumulative Production (In billion gallons)			
		Max Daily Capacity	Reliable Daily Capacity	March 2024		2022 Actual	2023 Actual	31-Mar	
				Average Daily Production	Regional Surplus / (Deficiency)			2023	2024
<b>A</b>	6	14.8	8.9	6.1	2.8	2.5	2.4	0.6	0.6
<b>B</b>	2	5.4	2.4	1.7	0.7	0.6	0.6	0.1	0.1
<b>C</b>	10	28.8	22.3	11.3	11.0	4.5	4.6	1.1	1.0
<b>D</b>	3	9.1	5.9	3.7	2.2	1.5	1.6	0.3	0.3
<b>System Total</b>	<b>21</b>	<b>58.1</b>	<b>39.5</b>	<b>22.8</b>	<b>16.7</b>	<b>9.1</b>	<b>9.2</b>	<b>2.1</b>	<b>2.0</b>

Attachment B

**Madison Water Utility  
Unit Well Cumulative Capacity Utilization  
3/31/2024**

Region	Unit Well	YTD Production (MG)	YTD Utilization (%)	Remaining Drawdown to Pump (ft)
A	7	122	42.3%	98
	8	0	0.0%	Out of Service
	11	133	48.4%	30
	13	111	32.4%	127
	25	62	23.7%	42
	29	125	43.4%	165
	<b>All</b>	<b>553</b>	<b>38.0%</b>	
B	9	68	31.7%	41
	31	80	27.9%	135
	<b>All</b>	<b>149</b>	<b>29.5%</b>	
C	6	173	50.7%	32
	12	139	46.8%	50
	14	0	0.0%	Out of Service
	17	123	40.9%	60
	18	152	58.1%	121
	19	121	39.3%	25
	20	64	23.8%	42
	24	40	14.8%	81
	27	72	31.1%	37
	30	151	47.9%	101
	<b>All</b>	<b>1,034</b>	<b>35.5%</b>	
D	16	100	33.3%	99
	26	129	43.8%	63
	28	111	37.6%	33
	<b>All</b>	<b>340</b>	<b>38.2%</b>	
<b>Entire System</b>		<b>2,076</b>	<b>36.0%</b>	



# City of Madison

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

## Master

**File Number: 83050**

**File ID:** 83050

**File Type:** Miscellaneous

**Status:** Approved

**Version:** 1

**Reference:**

**Controlling Body:** Water Utility

**File Created Date :** 04/19/2024

**File Name:** Financial Conditions Report as of 3.31.24

**Final Action:** 04/20/2024

**Title:** Financial Conditions Monthly Report

### Notes:

### Sponsors:

**Effective Date:**

**Attachments:** Item 7 - Memo - Financial Conditions Report April 2024.pdf, Item 7 - Attachment - Financial Conditions Report as of 3.31.24.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 BOARD	04/20/2024	Approve				Pass
<b>Action Text:</b> Motion by Simon, seconded by Abrahamian, to accept the monthly financial report as presented by January Vang, Financial Manager. Motion carried by voice vote.							

## Text of Legislative File 83050

Title

Financial Conditions Monthly Report

Body

See corresponding memo and attachments.

## MEMORANDUM

Date: April 25, 2024

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 March 31, 2024, reflecting these efforts is attached.

As of March 31, 2024:

- Water revenues are down \$155,000 compared to budget. Pumpage was down 0.6% during this time period.
- Operating Fund balance is \$6.2 million.
- Capital Fund expenditures is \$18.2 million, of which \$16.5 million is encumbrances.
- Capital Fund balance is \$841 thousand.

MadCAP Data Summary (as of April 16, 2024)

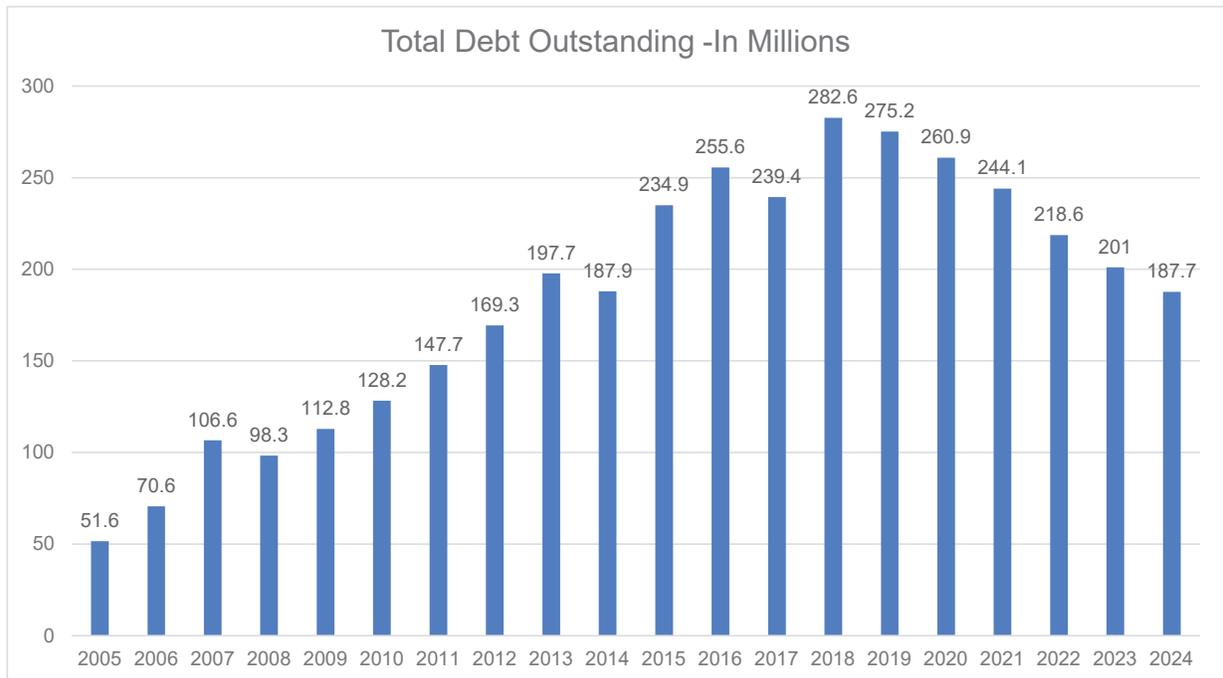
	AMI <30%	AMI >30% and <50%	Total
Total Applications Received	259	175	434
Total Applications Approved	190	120	310
<i>Homeowners</i>	119	84	203
<i>Renters</i>	71	36	107
Total Applications Not Approved	69	55	124
Households Newly Enrolled in Conservation Programs	73	44	117

**ATTACHMENTS:**

- A. Budget to Actual comparison as of March 31, 2024

<b>Madison Water Utility</b>					
<b>Budget to Actual Comparison</b>					
<b>As of March 31, 2024</b>					
	<b>FY 2022 Actual</b>	<b>FY 2023 Actual **</b>	<b>FY 2024 Budget</b>	<b>Year to Date March 31, 2024</b>	<b>Projected 2024</b>
<b>Operating Fund</b>					
<b>Revenues:</b>					
Sales of water (Operations)	\$ 46,706,428	\$ 52,008,356	\$ 51,512,500	\$ 12,898,971	\$ 51,512,500
Other Revenues	1,539,894	1,704,401	1,174,000	153,139	\$ 1,174,000
Interest Income	719,880	1,840,905	894,000	447,390	\$ 894,000
<b>Total Revenues</b>	<b>48,966,202</b>	<b>55,553,662</b>	<b>53,580,500</b>	<b>13,499,500</b>	<b>53,580,500</b>
<b>Expenditures:</b>					
Operating Expenses	17,657,979	18,885,166	21,743,529	4,653,210	21,743,529
Debt Service - Interest & Principal	24,071,874	18,651,602	18,889,317	4,662,900	18,651,602
Transfer Out to City (PILOT)	6,849,831	6,440,655	6,400,000	533,333	6,400,000
<b>Total Expenditures</b>	<b>48,579,684</b>	<b>43,977,423</b>	<b>47,032,846</b>	<b>9,849,444</b>	<b>46,795,131</b>
<b>Net Operating Fund Inc(Decr)</b>	<b>386,518</b>	<b>11,576,239</b>	<b>6,547,654</b>	<b>3,650,056</b>	<b>6,785,369</b>
<b>Operating Fund Balance</b>					
Opening Fund Balance	8,575,829	6,198,389	12,978,312	12,978,312	12,978,312
Net Operating Fund Inc(Decr)	386,518	11,576,239	6,547,654	3,650,056	6,785,369
Transfer Out to BAN* Repmt Fund	(5,000,000)	-	-	-	(1,960,000)
Transfer Out to Tank Recoat Reserve	-	-	-	-	(800,000)
Transfer In from BAN Repmt Fund	-	-	-	-	-
Transfer Out to Capital Fund	(1,543,211)	(2,481,076)	-	(13,320,571)	(8,500,000)
Transfer In from Bond Repmt Fund	2,680,625	-	-	-	-
Transfer In from Investment Acct	2,359,583	-	-	-	-
Accrual Adjustments	(1,260,954)	(2,315,240)	(1,614,000)	2,904,707	(1,614,000)
<b>Ending Fund Balance</b>	<b>\$ 6,198,389</b>	<b>\$ 12,978,312</b>	<b>\$ 17,911,966</b>	<b>\$ 6,212,504</b>	<b>\$ 6,889,681</b>
<b>Construction Fund</b>					
<b>Revenues:</b>					
Bond/Loan Proceeds	-	-	7,328,000	-	7,328,000
SDWL Proceeds	-	-	5,135,000	-	5,900,000
Sales of Water (Expense Depreciation)	-	4,166,667	5,000,000	1,250,000	5,000,000
Trans from Oper Fund / Reserves	1,543,211	2,481,076	-	13,320,571	8,500,000
<b>Total Capital Revenues</b>	<b>1,543,211</b>	<b>6,647,743</b>	<b>17,463,000</b>	<b>14,570,571</b>	<b>26,728,000</b>
<b>Actual Expenditures &amp; Encumbrances</b>					
Pipeline	1,100,392	5,122,766	6,339,000	3,747,539	6,339,000
Facility ~	1,193,819	1,825,551	8,683,000	13,137,526	17,883,000
Fleet/Other	1,172,107	1,689,181	2,441,000	1,274,930	2,441,000
<b>Total Capital Expend &amp; Encumb</b>	<b>3,466,318</b>	<b>8,637,497</b>	<b>17,463,000</b>	<b>18,159,995</b>	<b>26,663,000</b>
<b>Net Construction Fund Inc(Decr)</b>	<b>(1,923,107)</b>	<b>(1,989,754)</b>	<b>-</b>	<b>(3,589,424)</b>	<b>65,000</b>
<b>Construction Fund Balance</b>					
Opening Fund Balance	8,343,939	6,420,832	4,431,078	4,431,078	4,431,078
Net Capital Fund Inc(Decr)	(1,923,107)	(1,989,754)	-	(3,589,424)	65,000
<b>Ending Fund Balance</b>	<b>\$ 6,420,832</b>	<b>\$ 4,431,078</b>	<b>\$ 4,431,078</b>	<b>\$ 841,653</b>	<b>\$ 4,496,078</b>
<b>BAN* Repayment Reserve Fund</b>					
Opening Fund Balance	5,000,000	10,000,000	10,000,000	\$ 10,000,000	10,000,000
Transfer In from Operating Fund	5,000,000	-	-	-	1,960,000
2023 SDWL Proceeds	-	4,675,000	-	-	4,675,000
2024 SDWL Proceeds ***	-	-	-	-	3,365,000
<b>Ending BAN Repayment Reserve Balance</b>	<b>\$ 10,000,000</b>	<b>\$ 14,675,000</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 20,000,000</b>
<i>*Bond Anticipation Note for \$20 Million</i>					
<i>** 2023 Actuals subject to change until financials are issued</i>					
<i>*** Estimated 2024 SDWL of \$3.365M for pipelines</i>					
<i>~ \$4M from Reserves for Well 19 - budget authority in 2023</i>					

<b>Madison Water Utility</b>				
<b>Cash Reserves &amp; Long-Term Debt</b>				
<b>Cash Reserves</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual **</b>	<b>3/31/2024 *</b>
<b>Restricted:</b>				
Bond Redemption Fund	\$ 14,917,677	\$ 13,164,827	\$ 13,191,166	\$ 3,304,500
Bond Reserve Account FMV	17,295,374	13,970,411	12,190,068	14,711,332
BAN Repayment Fund	5,000,000	10,000,000	10,000,000	10,000,000
Tank Recoat Reserve			800,000	800,000
Depreciation Fund	750,000	750,000	750,000	750,000
PILOT Fund	-	-	-	-
Assessment Account	1,351,770	1,504,541	1,858,134	1,858,134
Construction Fund Account	8,343,939	6,420,832	2,548,254	2,178,549
Expense Depreciation			1,966,423	3,199,403
Unrestricted Cash Balance	8,575,829	6,198,389	16,178,312	18,721,461
<b>Total Cash &amp; Investments</b>	<b>\$ 56,234,588</b>	<b>\$ 52,009,000</b>	<b>\$ 59,482,356</b>	<b>\$ 55,523,380</b>
<b>No. of months expenditures covered by Operating Reserves</b>	<b>2.54</b>	<b>1.73</b>	<b>4.41</b>	<b>5.70</b>
<b>Debt Coverage Ratio</b>	<b>1.69</b>	<b>1.95</b>		



\*\* 2023 Actuals subject to change until financials are issued

\* As of 4.16.24



# City of Madison

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

## Master

**File Number: 83049**

**File ID:** 83049

**File Type:** Miscellaneous

**Status:** Approved

**Version:** 1

**Reference:**

**Controlling Body:** Water Utility

**File Created Date :** 04/19/2024

**File Name:** Capital Projects Monthly Report 2024-04-25

**Final Action:** 04/20/2024

**Title:** Capital Projects Monthly Report

### Notes:

### Sponsors:

**Effective Date:**

**Attachments:** Item 8 - Memo - Capital Projects Monthly Report 2024-04-25.pdf, Item 8 - Attachment - Capital Projects Monthly Report 2024-04-25.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 BOARD	04/20/2024	Approve				Pass
<b>Action Text:</b> Motion by Simon, seconded by Abrahamian, to accept the monthly Capital Projects report as presented by Pete Holmgren, Lead Engineer. Motion carried by voice vote.							

## Text of Legislative File 83049

Title

Capital Projects Monthly Report

Body

See corresponding memo and attachments.

## MEMORANDUM

Date: April 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 March 2024; this total is ~\$18,200,000.

The 2024 actual expenditures in March total ~\$395,000 and consist of:

- ~\$87,000 in facility expenses
- ~\$167,000 in fleet/other expenses
- ~\$141,000 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 March 2024 is ~2,722,000.
- The remaining amount for our 2024 spending target is ~\$2,278,000.

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 – April 2024

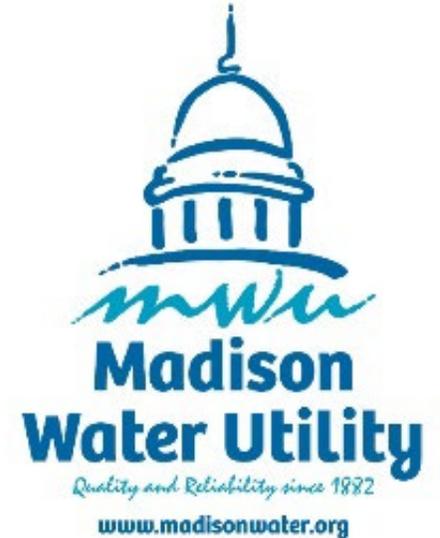
# WATER UTILITY BOARD

## CAPITAL PROJECTS MONTHLY REPORT

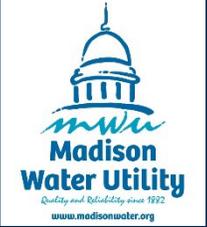


Pete Holmgren, P.E.  
Chief Engineer

April 25, 2024



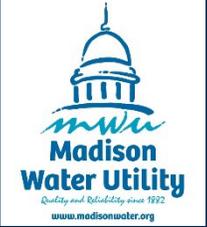
# Capital Projects Monthly Report



## ■ PRESENTATION OVERVIEW:

1. Actual Expenditures and Encumbrances Through March 2024
2. Water Main Replacement Expense Depreciation Through March 2024
3. Major Capital Project Updates:
  - Unit Well 19 Fe, Mn, Radium Treatment Facility
  - Unit Well 15 PFAS Treatment Facility

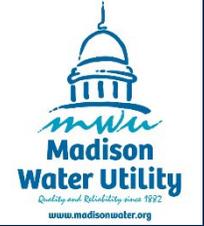
# Capital Projects Monthly Report



## 2024 Actual Expenditures and Encumbrances (Through March):

- Total of Actual Expenditures and Encumbrances: ~\$18,200,000
- March 2024 Actual Expenditures (~\$395,000):
  - 1. Facilities: ~\$87,000**
    - UW20 Rehab; UW15 Treatment Project; UW14 Mitigation
  - 2. Fleet/Other: ~\$167,000**
    - Raise/Replace Hydrants; Citywide Controls/Instrumentation; Meters
  - 3. Pipelines: ~\$141,000**
    - University Avenue

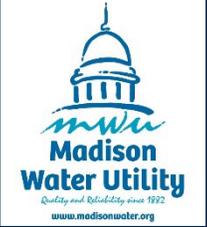
# Capital Projects Monthly Report



## 2024 Water Main Expense Depreciation (Through March):

- 2024 targeted spend amount: \$5,000,000
- Current estimated amount spent: ~\$2,722,000
- Remaining estimated amount for spend target: ~\$2,278,000

# Capital Projects Monthly Report



## Major Project Update: Well 19 Fe, Mn, Radium Treatment Facility

■ Project Budget: \$9,088,000 (2024 Budget: \$8,116,000)

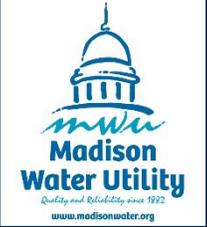
■ Current Status: Construction

- Site occupancy, clearing, preliminary excavations
- Ongoing review of product submittals
- Regular meetings with contractor and engineering consultant

■ Upcoming:

- Excavation and rock removal for building addition
- Installation of new site utilities

# Capital Projects Monthly Report



## Major Project Update: Well 15 PFAS Treatment Facility

- Project Budget: \$5,943,000
- Current Status: Pre-Construction
  - Completed meetings with contractor (1 onsite, 1 virtual)
  - Subcontractor approvals to Board of Public Works 5/8
  - Estimated start of work in mid-May
- Upcoming:
  - Break ground!
  - Review of product submittals



# Questions / Comments?

Contact Information:

Pete Holmgren

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



# City of Madison

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

## Master

**File Number: 83051**

**File ID:** 83051

**File Type:** Miscellaneous

**Status:** Approved

**Version:** 1

**Reference:**

**Controlling Body:** Water Utility

**File Created Date :** 04/19/2024

**File Name:** Monthly Operations Report April 2024

**Final Action:** 04/20/2024

**Title:** Operations Monthly Report

### Notes:

### Sponsors:

### Effective Date:

**Attachments:** Item 9 - Monthly Operations Report April 2024.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 BOARD	04/20/2024	Approve				Pass
<b>Action Text:</b> Motion by Simon, seconded by Abrahamian, to accept the monthly Operations Report as presented by Dan Rodefeld, Operations Manager. Motion carried by voice vote.							

## Text of Legislative File 83051

Title

Operations Monthly Report

Body

See details in attachment.



**Madison Water Utility**

**MONTHLY OPERATIONS REPORT  
Apr-24**

	<b>Jan-Feb-24</b>	<b>Mar-24</b>	<b>2024 YTD Total</b>
<b>Hydrants</b>			
Total in Service - <b>9,463</b>			
No. Replaced	19	9	28
No. of Inspections	694	406	1,100
No. Repaired	10	4	14
Unidirectional Flushing Runs	0	69	69
Conventional Flushing Runs	0	0	0
No. Re-painted	0	0	0
(Temp Water Connections)	13	9	22
<b>Valves</b>			
Total System valves - <b>15,964</b>			
Total Large Service valves - <b>4,215</b>			
Total Hydrant valves - <b>6,946</b>			
No. Replaced	10	9	19
No. of Inspections	3,091	1,012	4,103
No. Repaired	38	24	62
<b>System Leaks</b>			
Total Miles in Service - <b>921</b>			
Number of Main Leaks Repaired	77	13	90
Number of Service Leaks Repaired	1	3	4
<b>Operational Projects</b>			
Cast-in-place pipe lining (feet)	0	0	0
Pavement repair (open work orders)	123	50	173
Pavement repair (closed work orders)	10	7	17
Terrace repair (open work orders)	122	61	183
Terrace repair (closed work orders)	0	0	0



# City of Madison

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

## Master

**File Number: 80952**

**File ID:** 80952

**File Type:** Miscellaneous

**Status:** In Committee

**Version:** 1

**Reference:**

**Controlling Body:** WATER UTILITY BOARD

**File Created Date :** 11/21/2023

**File Name:**

**Final Action:**

**Title:** Meeting Evaluation and Discussion

**Notes:**

**Sponsors:**

**Effective Date:**

**Attachments:** Board Self Eval Form.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** shelmstetter@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 80952

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.*