Madison Metropolitan
Sewerage District

2026 District Operating Budget & Capital Improvements Plan

INTRODUCED SEPTEMBER 11, 2025

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

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Budget Message

Eric Dundee
Executive Director

I am pleased to present Madison Metropolitan Sewerage District's 2026 Operating Budget and Capital Improvements Plan, my first organizational budget since taking on the role of Executive Director in January 2025.

As I interviewed for the position last year, I shared that one of my top priorities as Executive Director would be open communication and active listening, particularly with customer communities and key stakeholders. From the early days of my career as a project engineer, I understand the importance of relationships and for partners and customer communities to be seen and heard. I also recognize that we must tell our own story to ensure the District's critical work and needs are well understood.

Since taking on the role, I have prioritized these community and partner connections and have spent hours traversing our service area to meet one-on-one with key individuals. In these conversations, I've sought to understand how the District can better serve and partner with our customers. I've also asked staff to connect with customers to gather direct feedback on how we can improve our communications and our budget process, and we have hosted several events aimed at building a shared understanding of roles, expectations and the work we do together.

To that end, what customer community leaders and District Commissioners will see in the following pages should not come as a surprise. Over the last few months, we've been sharing information on critical upcoming capital projects, our necessary costs to provide service, and the staff resources we need to continue providing a high level of service.

Another priority of mine as Executive Director is to emphasize the need to "get back to basics" and focus on the fundamental work we must do to collect, treat and return wastewater. As staff prepared this budget, I asked them to bear this in mind. This helped direct our project programming and budget needs. And importantly, it has allowed us to develop a budget that holds the District's annual service charge increase for households to just $7 more than last year.

I believe this budget reflects the value of these conversations and our commitment to focusing on our core purpose.

I also believe this budget reflects our values of service, reliability and sustainability, which enable us to support our customer communities and uphold our mission. The work we do is non-negotiable. We take pride and ownership in these values to deliver on our commitment to ensure public health, the health of the environment, and a quality of life that the 435,000 individuals and businesses and 24 customer communities we serve have come to expect.

As the District's Executive Director, I fully endorse the 2026 Operating Budget and Capital Improvements Plan and appreciate the opportunity present and execute the work it supports in the years ahead.

Eric Dundee, PE, ENV-SP
Executive Director
Madison Metropolitan Sewerage District

SECTION ONE

Who We Are & How We Budget

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

GOVERNANCE

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

SERVICE AREA

The District services approximately 15.9% of the entire county by area and approximately 72% of the county population. Areas served include the cities of Madison, Fitchburg, Middleton, Monona and Verona; the villages of Cottage Grove, Dane, DeForest, Maple Bluff, McFarland, Shorewood Hills, Waunakee, and Windsor; and portions of the towns of Dunn, Pleasant Springs, Verona, Vienna and Westport.

DISTRICT FAST FACTS

435,000
DISTRICT SERVICE POPULATION

190 SQUARE MILES SERVED
AUGUST 2024

37M AVERAGE DAILY INFLUENT FLOW
(MILLIONS OF GALLONS)

Population Growth Change, 2020-'25

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

	2020 Census	2025 Estimate	% Change
Cottage Grove, Village	7,303	9,470	29.7%
Dane, Village	1,117	1,146	2.6%
DeForest, Village	10,811	13,101	21.2%
Fitchburg, City	30,999	36,197	16.8%
Madison, City	274,686	296,147	7.8%
Maple Bluff, Village	1,368	1,413	3.3%
McFarland, Village	8,991	9,737	8.3%
Middleton, City	21,827	24,595	12.7%
Monona, City	8,624	9,084	5.3%
Oregon, Village*	11,179	12,441	11.3%
Shorewood Hills, Village	2,169	2,139	-1.4%
Stoughton, City*	13,173	13,461	2.2%
Sun Prairie, City*	35,967	40,079	11.4%
Verona, City	13,926	16,796	20.6%
Waunakee, Village	14,879	16,860	13.3%
Windsor, Village	8,754	10,472	19.6%
Dane County	**561,504**	**611,149**	**8.8%**

**Denotes communities not served by the District*

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

Madison Metropolitan Sewerage District Commission

The District is governed by nine Commissioners serving staggered terms.

President
Thomas Hovel

Vice President
Ezra Meyer

Secretary
Brad Murphy

Commissioner
Beth Bookland

Commissioner
Kenneth Clark

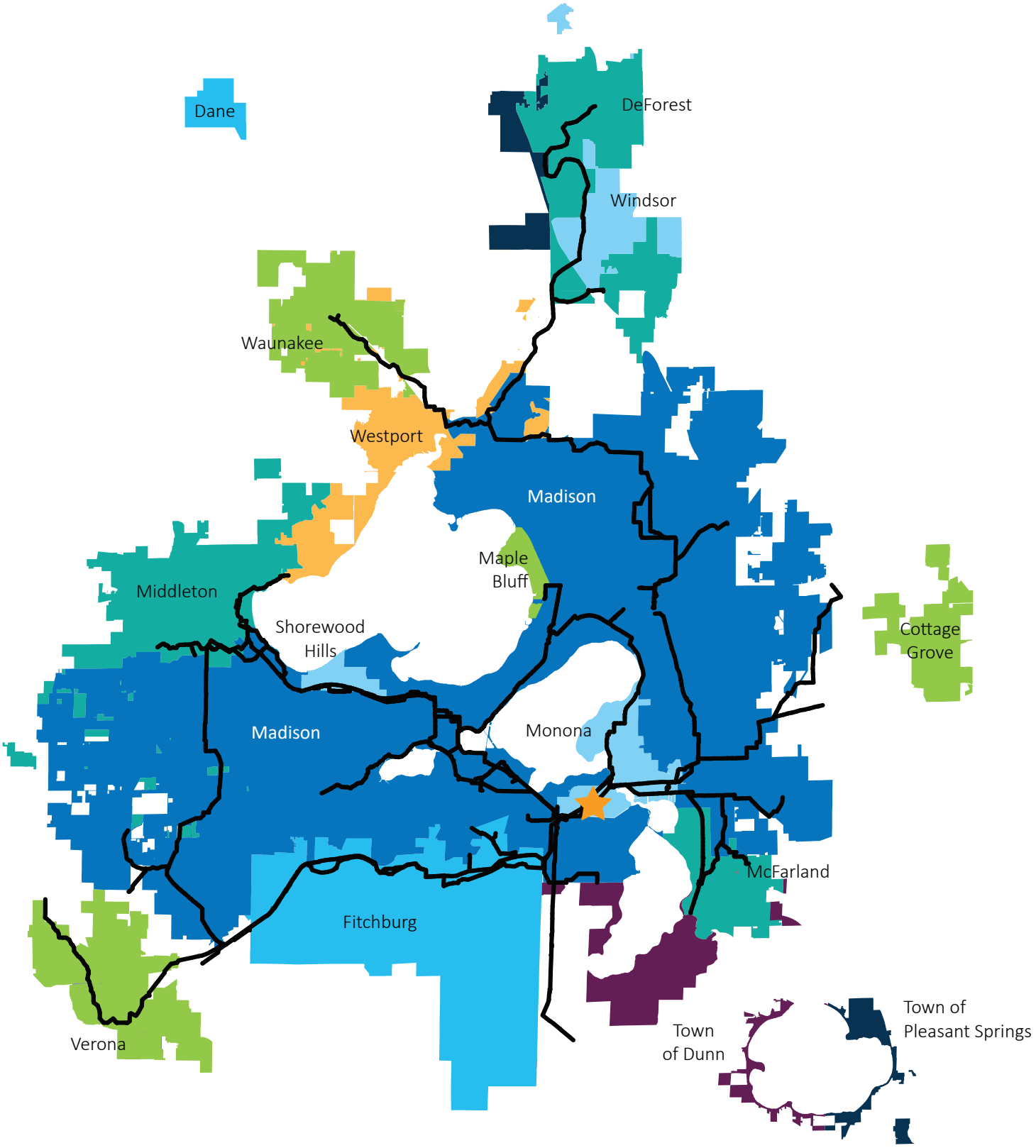
Commissioner
Greg Fries

Commissioner
Badri Lankella

Commissioner
Patrick Lytle

Commissioner
Daniel Paltz

District Service Area Map



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

GRAVITY & FORCE MAINS

NINE SPRINGS TREATMENT PLANT

Estimated Wastewater Contributions by Customer Community, 2025

	Community	Volume (gpd)	CBOD (lbs/day)	Suspended Solids (lbs/day)	Nitrogen (lbs/day)	Phosphorus (lbs/day)	Equivalent Meters	Actual Customers
CITIES	City of Madison	25,309,349	57,959	59,894	10,653	1,312	94,358	71,141
	City of Fitchburg	2,325,194	4,773	4,120	906	115	10,618	7,344
	City of Middleton	2,128,271	3,555	3,111	803	91	9,122	5,963
	City of Monona	842,810	1,147	921	236	28	4,147	2,986
	City of Verona	1,150,716	3,155	2,404	570	71	6,669	4,895
VILLAGES	Village of Cottage Grove	790,156	1,326	1,344	265	31	3,065	2,452
	Village of Dane	57,923	107	98	26	3	460	417
	Village of DeForest	1,034,944	4,956	3,395	521	76	5,391	4,309
	Village of Maple Bluff	158,166	157	133	40	5	756	595
	Village of McFarland	703,137	1,205	1,274	268	31	4,125	3,572
	Village of Shorewood Hills	145,480	261	272	57	7	1,315	704
	Village of Waunakee	1,810,286	7,350	2,849	608	97	6,550	5,420
	Village of Windsor	558,364	4,587	1,049	837	81	2,674	2,317
TOWN SANITARY AND UTILITY DISTRICTS	Town of Dunn-Kegonsa	131,742	188	212	49	6	681	572
	Town of Dunn #1	137,826	54	79	16	2	192	192
	Town of Dunn #3	70,403	82	86	23	3	493	493
	Town of Dunn #4	17,757	13	17	4	0.5	68	68
	Town of Pleasant Springs #1	69,409	80	99	21	3	528	520
	Town of Verona-Marty Farms	545	0.8	0.8	0.2	0.03	3	3
	Town of Verona #1	23,399	68	83	12	2	128	115
	Town of Vienna-Wyst59 LLC	109	0.1	0.2	0.03	0.004	1	1
	Town of Vienna #1	69,158	104	85	12	1	100	45
	Town of Vienna #2	39,533	46	46	12	1	206	206
	Town of Westport Sewer Utility District	517,896	569	513	128	15	2,069	1,797
	Interceptor Infiltration	1,980,836						
Totals		**40,073,410**	**91,743**	**82,085**	**16,071**	**1,979**	**153,717**	**116,126**

HOW THE DISTRICT BUDGETS

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

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

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

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

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

The District receives revenue from several sources. These include fees paid by septage haulers; sales of struvite fertilizer retrieved from the plant; charges for areas connecting to the District; fees for monitoring industrial dischargers; and interest earnings. These sources cover roughly 10% to 15% of spending.

The bottom line of each budget is the total amount of service charges needed to balance spending after other revenues are accounted for. Service charges are paid by customer communities quarterly. Service charges allocate the cost of the District's regional wastewater collection system and treatment plant to the communities that benefit.

The District is a wholesaler of wastewater treatment; service charges are paid by municipal governments, not by individual households or businesses.

Customer communities pay to access and use the system. Communities use various billing methods to allocate District costs, but ultimately charge households and businesses directly, typically through the water utility bill. Communities also add their own sewer utility costs.

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

SCHEDULE & AMENDMENTS

The District's annual budget process spans many months, with Commission and community touchpoints built into the timeline. The full budget is proposed in early September, with Commission approval in late October. Page 11, Milestones for Developing the 2026 Budget, shows the District's budget calendar by month and activity.

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

Amendment Procedures

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

Structure for District Budgets

OPERATING BUDGET

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

Operating Expenditures
- Operating and maintenance expenses

Cash Transfer

CAPITAL PROJECTS BUDGET

Capital Revenue
- Connection charges
- Interest income

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

Capital Expenditures
- Capital projects

Cash Transfer

DEBT SERVICE BUDGET

Debt Revenue
- Interest income

Debt Expenditures
- Principal and interest payments

Milestones for Developing the 2026 Budget

THROUGH JUNE 2025

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

COMMISSION - *May 29*
Budget process & priorities overview

COMMISSION + CUSTOMER COMMUNITIES - *June 11*
Commission + Community Budget Listening Session

JULY 2025

STAFF - *Throughout month*
Prepare 2026-2031 financing forecast and plan

COMMISSION - *July 17*
2026 Operating Budget Process update

COMMISSION - *July 31*
2026-2031 Capital Improvements Plan preview

AUGUST 2025

STAFF - *Through mid-August*
Finalize 2026-2031 Capital Improvements Plan & 2026 budget proposal; Budget team begins production of budget document

CUSTOMER COMMUNITIES - *August 13*
District staff provide an early preview of 2026 Capital Improvements Plan and budget to customer communities

SEPTEMBER 2025

DISTRICT - *September 10*
Notification of District's proposed budget and budget hearing mailed to customer communities

COMMISSION - *September 11*
Staff introduce proposed budget to Commission

COMMISSION - *September 25*
Public hearing and Commission discussion on proposed budget

OCTOBER 2025

STAFF + CUSTOMER COMMUNITIES - *October 10*
Deadline to receive written public comments on the proposed budget

COMMISSION - *October 16*
Commission deliberates on budget

COMMISSION - *October 30*
Commission adopts budget and service charge and septage disposal rates

NOVEMBER 2025

STAFF - *By November 1*
Last day by which to notify customer communities and septage haulers of new rates and estimated charges

SECTION TWO

2026 Operating Budget Summary

The operating budget is an annual financing plan that accounts for revenues and expenses to support daily operations and maintenance of all District facilities, as well as cash transfers to support the capital projects fund and debt service fund. This section summarizes revenue and spending. See details in Appendix A, Budget Summaries, page 22, and Appendix B, Operating Budget Supporting Information, page 27.

OPERATING BUDGET SUMMARY

The operating budget is developed by starting with the prior year's budget and making the needed adjustments. Major adjustments include changes in cash transfers to support the capital projects and debt service budgets, capital project costs, debt service costs, cost-to-continue items, market wage adjustments, and position costs.

A full operating budget summary is given in Appendix A, Budget Summaries, page 22. The table reports actual values for the preceding budget year, estimated values for the current budget year, and budgeted values for the current year and subsequent year.

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

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

CHANGES FROM PRIOR BUDGET

Notable changes from the prior budget are:

- Lower net transfers to the capital projects and debt service funds due to a relatively low capital spending year,
- Cost-to-continue items,
- Market wage adjustment,
- Maintenance equipment, parts and repairs,
- Additional positions, and
- Offsetting use of reserves.

Appendix B, Operating Budget Supporting Information, page 27, includes a table showing these budget changes and their service charges impacts, five-year vehicle replacement schedule, and information on new positions.

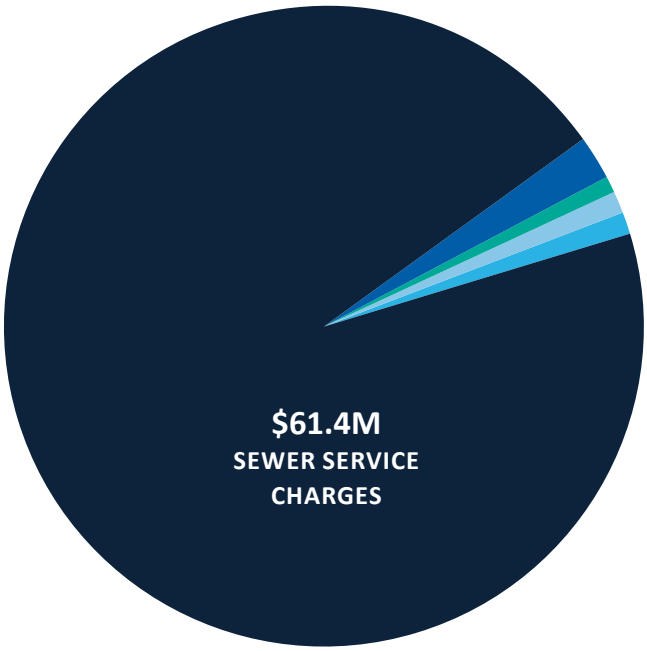
OPERATING BUDGET AND FUND SUMMARY

A full operating budget summary is given in Appendix A, Budget Summaries, page 23. The table reports actual values for the preceding budget year, estimated values for the current budget year, and budgeted values for the current year and subsequent year. This information is also visualized in on page 13, 2026 Operating Budget Summary.

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

Figure 3: **2026 Operating Budget Summary**

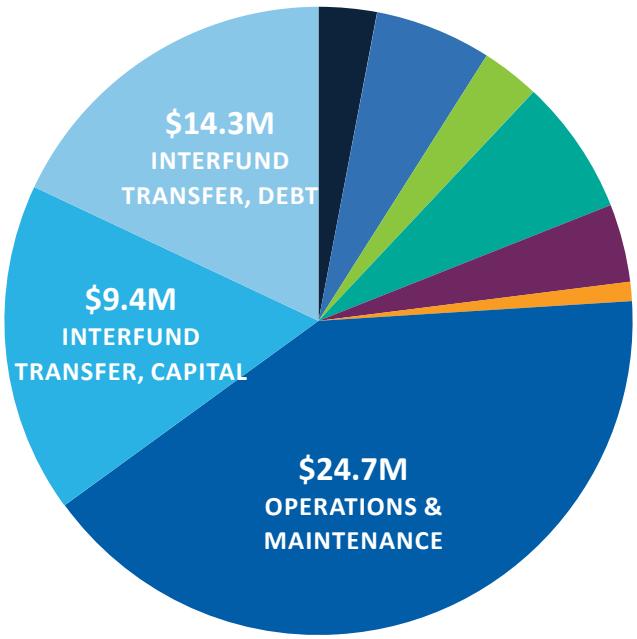
OPERATING REVENUES



SEWER SERVICE CHARGES	$61,380,000	95.3%
SEPTAGE DISPOSAL REVENUE	$1,262,900	2.0%
SERVICING PUMPING STATIONS	$620,900	1.0%
INTEREST EARNINGS	$494,900	0.8%
ALL OTHER	$674,100	1.0%

TOTAL OPERATING REVENUE:
$64,432,800

OPERATING EXPENDITURES



BUDGET & PLANNING	$1,975,300	3.0%
ECOSYSTEM SERVICES	$4,128,100	6.3%
ENGINEERING	$2,003,500	3.1%
ENTERPRISE SERVICES	$4,658,200	7.2%
EXECUTIVE DIRECTOR, COMMUNICATIONS & BUSINESS SERVICES	$2,355,000	3.6%
HUMAN RESOURCES	$1,002,300	1.5%
OPERATIONS & MAINTENANCE	$26,637,900	40.9%
INTERFUND TRANSFER, CAPITAL	$10,971,900	16.8%
INTERFUND TRANSFER, DEBT	$11,399,000	17.5%

TOTAL OPERATING EXPENDITURES:
$65,131,200

SECTION THREE

2026 Capital Improvements Plan & Budget

District staff develop a Capital Improvements Plan (CIP) as part of the annual operating budget. The CIP is included in the proposed budget document published in September. This section provides an overview and summary of the 2026 capital projects budget and a six-year (2026-2031) capital projects summary.

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

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

The District's CIP includes projections for projects that are either underway and will continue into 2026 or for new projects that will begin within the six-year planning horizon. District staff have identified these projects to address a variety of needs, such as hydraulic capacity, condition, resiliency or new regulatory requirements. Costs and schedules for these projects are continually updated as the scopes become better defined and priorities and funding strategies change over time.

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

Appendix C, Capital Improvement Project Summaries, page 35, provides information on specific projects in the CIP. These summaries describe each project's scope, need, cost and schedule. Summaries are based on full business cases developed by District staff.

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

Project engineer Eric Hjellen offers direction to a contractor for the West Interceptor-Shorewood Relief (Phase 3) project.

PROJECT COST ESTIMATES

Annual project costs in the CIP are adjusted to account for the effects of inflation. For the majority of capital projects, the 2026 plan assumes inflation rates of 3.5% for the first half of the planning period (2026-2028), with the rates decreasing slightly to 3.0% for the second half of the period (2029-2031). For some projects that may be especially prone to the effects of inflation, such as the Liquid Processing Improvements – Phase 2 project, a higher rate of inflation has been applied to the annual cost estimates.

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

CONFORMANCE WITH ADOPTED PLANS AND PROGRAMS

The 2026 CIP assumes that capital projects will conform to the recommendations of the District's 2009 50-Year Master Plan regarding centralized treatment. The plan recommends that the District continue to treat all wastewater from its service area at the Nine Springs Wastewater Treatment Plant. As such, none of the projects in the CIP assume that a satellite treatment facility will be located anywhere in the District's service area in the near future.

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

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

2026 CAPITAL PROJECTS BUDGET OVERVIEW & SUMMARY

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

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

TOTAL PROJECT COSTS SUMMARY

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

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

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

ANNUAL BUDGETS AND EXPENDITURES SUMMARY

Table CIP-2, 2024-2026 Expenditures by Project, pages 67-68, lists annual expenditures by project, with actual and estimated spending for 2024 and 2025, respectively. Table CIP-3, 2024-2026 Annual Budgets & Expenditures, page 69, shows total annual budgets for 2024-2026, with actual and estimated spending for 2024 and 2025, respectively.

The District typically prepares its capital budget in the second quarter of the year preceding the budget year. Projections for future spending are based on the best information available at that time. Due to issues such as easement acquisition, permitting, stakeholder engagement and equipment procurement, project schedules can change appreciably between the time the projection is made and the budget year. For 2024, actual expenditures were $23.6 million, which was below the budgeted amount of $45.5 million.

The deviation in actual spending in 2024 compared to the budget was due primarily to the following projects:

NEI-Waunakee Extension Capacity Improvements (Phase 1)

The budget projection assumed that approximately 75% of construction spending would take place in 2024, with the remainder occurring in 2025. Due to a slight delay in bidding the project in 2024 and a longer construction schedule than initially anticipated, most of the construction spending shifted from 2024 to 2025 ($5.1 million shift from 2024 to 2025).

West Interceptor-Shorewood Relief (Phase 3)

The majority of the construction spending for this project was budgeted to occur in 2024. After extensive engagement with affected stakeholders during the design phase, it was decided in early 2024 that the work east of University Bay Drive would be deferred from 2024 to 2025 to mitigate the impact of the project on University Hospital and other adjacent facilities ($3.0 million shift from 2024 to 2025).

Flow Splitter Improvements

The budget projection assumed that approximately one-half of the construction spending would occur in 2024, with the balance in 2025. Due to a slight delay in the production of final plans and specifications, the project was not bid until June 2024, and little construction spending occurred in 2024 ($2.7 million shift from 2024 to 2025).

Pumping Station 17 Firm Capacity Improvements

Actual spending in 2024 was $2.5 million lower than anticipated due to a combination of the following factors: 1. Actual bid was approximately $900,000 lower than estimated; 2. Construction commenced five months later than expected due to delays in producing final construction documents; and 3. Delays in procuring equipment due to supply chain issues.

Lower Badger Mill Creek Interceptor (Phase 6)

The budget projection assumed that 40% of construction spending would be completed in 2024 and the remainder in 2025. The bid opening for the project was delayed approximately eight months, which resulted in no construction occurring in 2024. The delay was caused primarily by difficulties encountered in obtaining easements for the new sewer ($1.8 million shift from 2024 to 2025).

Maintenance, Financial and HR Systems

Spending in 2024 was lower than forecast because it took longer to get the consultant team on board for the project start than initially anticipated. The project is on schedule since the consultant began work on the project ($1.6 million shift from 2024 to 2025).

NEI – Truax Extension Rehab

The budget forecast assumed approximately 20% of construction spending in 2024, with the balance of construction spending occurring in 2025. Design work occurred in the first half of 2024 as scheduled, but the project was postponed in the second half of the year to allow work to proceed on a higher-priority project. This postponement resulted in underspending of approximately $1.6 million.

Liquid Processing Improvements (Phase 2)

The budget projection assumed that the preliminary design phase of the project would be complete in the first quarter of 2024 and that spending would increase during the detailed design phase for the remainder of 2024. The preliminary design report was not completed until the fourth quarter of the year due to the additional time needed for the alternatives analysis. As a result, spending in 2024 was lower than expected ($1.4 million shift from 2024 to 2025).

The eight projects described above account for 90% of the amount underspent in 2024. The majority of the underspent funds will be expended in 2025.

Expenditures for 2025 are estimated to be $36.6 million. This is below the budgeted value of $43.9 million by $7.3 million. The underspending for 2025 is due primarily to the following projects:

Lower Badger Mill Creek Interceptor (Phase 6)

Actual spending in 2025 will be $3.2 million less than the amount included in the 2025 Capital Projects Budget. Of this amount, approximately $2.2 million of the underspending is attributed to the amount of the contractor's bid, which was less than the consultant's construction estimate.

Southeast Interceptor Rehabilitation (Phase 1)

Actual spending in 2025 is anticipated to be $560,000 less than the amount included in the 2025 Capital Projects Budget. Approximately $500,000 of this amount can be attributed to the amount of the contractor's bid, which was less than the engineer's construction estimate included in the budget projection.

2026 PROJECT FUNDING

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

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

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

It should be noted that the District anticipates the need to finance a portion of its capital projects with general obligation bonds beginning as early as 2026 or 2027. This is due to a projected lack of capacity in the Clean Water Fund Program in fiscal years 2025 and 2026. For additional information on Clean Water Fund loans and their availability, see Section Four: Capital Finance, page 20.

Below: District staff discuss the Northeast Interceptor-Waunakee Extension Capacity Improvements project on the construction site.

SIX-YEAR CAPITAL PROJECTS SUMMARY

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

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

Table CIP-5, Six-Year Spending Forecast, pages 70-71, shows the anticipated annual inflation-adjusted costs for each project. These tables show approximately $308 million worth of expenditures over the six years from 2026 to 2031.

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

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

Mechanic Rigoberto Ramon-Solis works on a primary tank drive chain in the cold of winter.

SECTION FOUR

2026 Capital Finance

This section addresses how capital program work will be financed.

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

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

POLICY CONTROLS

Several Commission policies control District capital financing. These include:

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

This capital financing plan is consistent with the above policies.

In 2025, the District's Commission established a Finance Committee, which reviewed and established a new reserve policy for the District. The 2026 budget reflects this new reserve policy. Importantly, the reserve target varies by year, depending on spending levels in any given year.

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

FINANCING TOOLS

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

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

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

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

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

Facilities maintenance technician Chris Lothe repairs rubber on a final clarifier sweep arm while positioned on the scum beach.

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

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

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

CAPITAL FINANCING PLAN

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

FORECAST ASSUMPTIONS

The plan makes the following assumptions:

- Fund balances interest earnings of 2% from 2026–2029 and 1% thereafter.
- Clean Water Fund loan rates of 2.475% in 2026, 2.5% in 2027 and 2028, declining to 2.2% by 2031.
- General obligation bonding rates of 5.25% in 2026, 5.5% in 2027 and 2028, declining to 5% by 2031.
- Non-service charges revenues consistent with historical trends.

FUND RESERVES

The Commission revised reserves policies for 2026. Capital projects fund reserves target the average of the four-year forecast spending. Reserves may range from plus or minus 10% of the target, or up to plus or minus 25% for certain periods. Debt service reserves must be at least equal to debt obligations and may be up to 10% above.

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

BORROWING

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

The District anticipates using general obligation bonding in addition to CWF loans. Although the CWF program received requested state revenue bonding authority for the 2025–2027 biennium, certain District projects affecting the collection system rank low in DNR's prioritization process. Approximately 80% of anticipated borrowing in the six-year plan is from CWF loans, representing about 20 projects.

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

The table shows the percentage of capital expenditures financed with debt, which ranges from 56% to 79% over the period. (Percentages are two-year moving averages to smooth annual variation that results from loan and spending timing differences.)

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

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

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

SERVICE CHARGES

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

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

Operator Mitch Koller prepares to raise the UV screens in the Effluent Building for manual cleaning and removal of filamentous algae.

APPENDIX A
Budget Summaries

2026 Operating Budget Summary

	2024 Actual	2025 Budget	2025 Through June Actual	2025 Total Estimated	Proposed 2026 Budget
Opening Balance	**$17,051,200**	**$24,261,200**	**N/A**	**$26,099,100**	**$24,744,900**
Revenues					
Sewer Service Charges	56,320,700	58,641,500	14,084,450	58,641,500	61,380,000
Servicing Pumping Stations	570,300	638,200	85,557	595,600	620,900
Rent	81,500	96,600	59,808	83,600	-
Interest Earnings	717,100	646,100	348,123	783,000	494,900
Annexation and Plan Review Fees	74,200	69,100	44,975	75,500	76,800
Miscellaneous Income	259,900	137,300	51,097	264,900	269,900
Septage Disposal Revenue	1,103,900	1,287,700	433,462	1,183,400	1,262,900
Pretreatment Monitoring	44,000	45,700	45,700	47,100	50,200
Struvite Fertilizer Sales	270,400	231,900	111,417	273,800	277,200
Total Revenues	*$59,442,000*	*$61,794,100*	*$15,264,590*	*$61,948,400*	*$64,432,800*
Expenditures					
Budget and Planning	1,406,700	1,964,100	539,625	1,964,100	1,975,300
Ecosystems Services	3,020,200	4,118,500	1,593,910	4,118,500	4,128,100
Engineering	811,900	1,881,300	317,234	1,881,300	2,003,500
Enterprise Services	3,872,100	4,342,900	2,617,955	4,342,900	4,658,200
Executive Director, Communications & Business Services	1,751,900	1,879,100	575,589	1,879,100	2,355,000
Human Resources	565,400	1,003,600	318,247	1,003,600	1,002,300
Operations and Maintenance	22,122,800	25,350,100	8,937,438	24,350,100	26,637,900
Interfund Transfer, Capital	15,521,000	9,417,000	-	9,417,000	10,971,900
Interfund Transfer, Debt	1,322,100	14,346,000	-	14,346,000	11,399,000
Total Expenditures	*$50,394,100*	*$63,302,600*	*$14,899,999*	*$63,302,600*	*$65,131,200*
Closing Balance	**$26,099,100**	**$22,752,700**	**N/A**	**$24,744,900**	**$24,046,500**
Reserve Requirement	*18,729,500*	*22,752,200*	*N/A*	*22,082,800*	*24,046,000*
Closing Balance Net of Reserves	*$7,369,600*	*$500*	*N/A*	*$2,661,900*	*$500*

2026 Capital Projects Budget Summary

	2024 Actual	2025 Budget	2025 Through June Actual	2025 Total Estimated	Proposed 2026 Budget
Opening Balance	**$23,385,300**	**$27,759,000**	**N/A**	**$29,116,100**	**$33,382,100**
Revenues					
Clean Water Fund Loans	8,678,000	26,689,000	15,689,587	26,557,000	14,192,000
General Obligation Bonds	-	12,559,000	-	-	-
Connection Charges	4,348,500	3,996,000	3,573,267	4,000,000	4,040,000
Interest Earnings	711,400	420,000	497,882	873,000	668,000
Transfers From Operating Fund	15,521,000	9,417,000	-	9,417,000	10,971,900
Total Revenues	*$29,348,900*	*$53,081,000*	*$19,760,736*	*$40,847,000*	*$29,871,900*
Expenditures					
Treatment Plant	6,892,200	16,346,000	3,729,100	16,467,000	18,751,000
Interceptors	7,398,300	19,109,000	5,672,600	14,229,000	8,330,000
Pumping Stations and Force Mains	8,976,300	8,109,000	2,504,500	5,775,000	8,934,000
Capital Budget Expenses	351,300	369,000	85,900	110,000	113,000
Total Expenditures	*$23,618,100*	*$43,933,000*	*$11,922,100*	*$36,581,000*	*$36,128,000*
Closing Balance	**$29,116,600**	**$36,907,000**	**N/A**	**$33,382,100**	**$27,126,000**
Reserve Requirement	*18,978,700*	*19,559,000*	*N/A*	*23,604,300*	*25,649,100*
Closing Balance Net of Reserves	*10,137,900*	*17,348,000*	*N/A*	*9,777,800*	*1,476,900*

2026 Debt Service Budget Summary

	2024 Actual	2025 Budget	2025 Through June Actual	2025 Total Estimated	Proposed 2026 Budget
Opening Balance	**$31,871,200**	**$20,662,000**	**N/A**	**$21,557,200**	**$22,936,200**
Revenues					
Transfer from Operating Fund	1,322,100	14,346,000	-	14,346,000	11,399,000
Interest Earnings	1,318,700	310,000	465,317	647,000	459,000
Total Revenues	*$2,640,800*	*$14,656,000*	*$465,317*	*$14,993,000*	*$11,858,000*
Expenditures					
Principal Payments	10,304,500	12,468,000	10,603,359	10,879,000	12,328,000
Interest Payments	2,650,300	3,930,000	1,336,361	2,735,000	3,067,000
Total Expenditures	*$12,954,800*	*$16,398,000*	*$11,939,720*	*$13,614,000*	*$15,395,000*
Closing Balance	**$21,557,200**	**$18,920,000**	**N/A**	**$22,936,200**	**$19,399,200**
Reserve Requirement	*13,614,000*	*18,626,000*	*N/A*	*15,395,000*	*17,636,000*
Closing Balance Net of Reserves	*7,943,200*	*294,000*	*N/A*	*7,541,200*	*1,763,200*

2024-2026 Expenditures by Project

		2024 Actual	2025 Through June	2025 Estimated	2026 Anticipated
Treatment Plant		**$6,892,000**	**$3,729,148**	**$16,467,000**	**$18,751,000**
A01	Liquid Processing Improvements- Phase 2	641,000	404,788	3,175,000	3,045,000
A02	Laboratory Remodel				5,000
A03	W4 System Improvements	102,000	90,385	360,000	1,009,000
A04	Heat and Power Improvements	308,000	224,145	575,000	
A05	Lagoon Dikes Improvements	78,000	80,829	280,000	552,000
A06	Maintenance, Financial and HR Systems	119,000	106,427	865,000	2,010,000
A07	Metrogro Applicators & Equipment	927,000	861,548	1,056,000	562,000
A08.1	Annual Solids Processing Tank Cleaning 2026				1,250,000
A08.2	Annual Solids Processing Tank Cleaning- Future				
A09	Treatment Plant HVAC Improvements- Group 1 Projects				
A10.1	Headworks Screening				
A10.2	Grit Processing Improvements				
A11.1	Dryer & Seeding Modifications		8,354	56,000	509,000
A11.2	DAF Rehabilitation				
A12	Miscellaneous Treatment Plant Projects- Future				
A13.1	Minor Capital Improvements 2026				134,000
A13.2	Minor Capital Improvements- Future				
A14	Annual Pavement Improvements- Future				
A15.1	Biosolids Facilities Plan	5,000	31,434	285,000	343,000
A15.2	Biosolids Infrastructure				
A16	Septage Receiving Modifications				
A17	East Plant Primary Tank Rehabilitation				
A18	West Plant Primary Tank Rehabilitation				
A19	Norsman Properties (1701 and 1705 Moorland Road)			1,700,000	100,000
N/A	2021 Treatment Plant HVAC Improvement Project	2,013,000	31,251	143,000	
N/A	Annual Pavement Improvements 2025		1,853	75,000	
N/A	Annual Solids Processing Tank Cleaning 2024	657,000			
N/A	Annual Solids Processing Tank Cleaning 2025		22,448	900,000	
N/A	Flow Splitter Improvements	340,000	1,484,529	4,954,000	2,047,000
N/A	Maintenance Facility Rooftop Solar Panels	2,000			
N/A	Minor Capital Improvements 2024	187,000			
N/A	Minor Capital Improvements 2025		708	150,000	300,000
N/A	Miscellaneous Treatment Plant Projects 2024	115,000	7,714	8,000	
N/A	Miscellaneous Treatment Plant Projects 2025			167,000	
N/A	NSWWTP Electrical Service Equipment Replacement	861,000	284,431	1,625,000	5,960,000
N/A	Primary Tank 6 Rehabilitation	532,000			
N/A	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	4,000	88,306	93,000	926,000
Interceptors		**$7,398,000**	**$5,672,571**	**$14,229,000**	**$8,330,000**
B01	Manhole Rehabilitation on West Interceptor			185,000	476,000
B02	East Interceptor Rehabilitation- PS07 to MH07-103			5,000	62,000
B03	SEI McFarland Relief Rehabilitation				10,000
B04	Southeast Interceptor Relocation at Yahara River	40,000	17,493	52,000	230,000
B05	NEI- Truax Extension Rehab	16,000	641	5,000	119,000
B06	NEI- FEI to SEI Rehab				
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)				
B08.1	NSVI Capacity Improvements (Phase 1)	51,000	107,653	270,000	621,000
B08.2	NSVI Capacity Improvements (Phase 2)	315,000	57,077	1,085,000	994,000
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street			5,000	31,000
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court			5,000	16,000
B10	NEI- Rehab West of Airport (Phases 2 & 3)				
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)				
N/A	Lower Badger Mill Creek Interceptor- Phase 5	486,000			
N/A	Lower Badger Mill Creek Interceptor- Phase 6	199,000	606,974	1,465,000	2,995,000
N/A	NEI- Waunakee Extension Capacity Improvements (Phase 1)	3,449,000	3,656,379	5,928,000	813,000

(continued)

2024-2026 Expenditures by Project (continued)

		2024 Actual	2025 Through June	2025 Estimated	2026 Anticipated
N/A	Northeast Interceptor Joint Grouting MH10-101 to MH10-106	10,000			
N/A	NSVI Improvements-McKee Road to Dunn's Marsh	28,000			
N/A	NSVI-Morse Pond Extension				
N/A	Repair to West Interceptor Extension on Allen Boulevard	10,000			
N/A	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	72,000	120,022	344,000	110,000
N/A	West Interceptor- Shorewood Relief (Phase 1)	3,000	46		
N/A	West Interceptor- Shorewood Relief (Phase 2)	2,000	344	75,000	
N/A	West Interceptor- Shorewood Relief (Phase 3)	2,567,000	1,057,129	3,850,000	1,745,000
N/A	West Interceptor on Regent Street (Park Street to East Campus Mall)	1,000			
N/A	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	149,000	48,811	955,000	109,000
Pumping Stations and Force Mains		**$8,976,000**	**$2,504,477**	**$5,775,000**	**$8,934,000**
C01	Pumping Station 10 Force Main Repairs	27,000	36,860	302,000	1,920,000
C02	Pumping Station Bar Screens		48,787	185,000	2,215,000
C03.1	Pumping Station 16 Rehabilitation				
C03.2	Pumping Station 16 Force Main Rehabilitation	1,000			
C04	Crosstown Force Main Air Release Valve Saddle Tap Replacements			50,000	569,000
C05.1	Force Main Condition Assessment- PS 15 Force Main				
C05.2	Force Main Condition Assessment- Future				
C06	PS 11 & PS 12 Surge Valve Access Platforms				220,000
C07	PS 5 & PS 15 Force Main Isolation Valve Replacements				
C08.1	Miscellaneous Collection System Projects 2026				114,000
C08.2	Miscellaneous Collection System Projects- Future				
C09	Pumping Station 2 Variable Frequency Drive Replacements				500,000
N/A	Emergency Power Generation at District Pumping Stations	5,000			
N/A	Force Main Condition Assessment- PS 10 Force Main	6,000	1,139	10,000	515,000
N/A	Grass Lake Dike Stabilization	10,000			
N/A	Miscellaneous Collection System Projects 2024	166,000			
N/A	Miscellaneous Collection System Projects 2025		175	105,000	
N/A	PS 13 & PS 14 Rehabilitation	2,000			
N/A	PS 7 Improvements	5,000			
N/A	Pumping Station 17 Firm Capacity Improvements	398,000	706,933	2,296,000	2,438,000
N/A	Pumping Station 17 Force Main Relief- Phase 1				
N/A	Pumping Station 17 Force Main Relief- Phase 2	6,075,000	1,288,284	1,671,000	300,000
N/A	Pumping Station 4 Rehabilitation	2,279,000	422,300	1,156,000	143,000
Capital Budget Expenses		**$351,000**	**$85,900**	**$ 110,000**	**$113,000**
D01	Collection System Facilities Plan Update	103,000	23,374	35,000	63,000
D02	Badger Mill Creek Phosphorus Compliance	240,000	59,424	75,000	50,000
N/A	Miscellaneous Capital Expenses	8,000	3,102		
Grand Total		**$23,618,000**	**$11,992,096**	**$36,581,000**	**$36,128,000**

2026 All-Funds Budget Summary, Omitting Interfund Transfers

	2024 Actual	2025 Budget	2025 Through June Actual	2025 Total Estimated	Proposed 2026 Budget
Opening Balance	**$72,307,700**	**$72,682,200**	**N/A**	**$76,772,400**	**$82,062,700**
Total Revenues Omitting Transfers	74,588,600	105,768,100	35,490,643	94,025,400	83,791,800
Total Expenditures Omitting Transfers	70,123,900	99,870,600	41,777,019	89,734,600	94,283,300
Closing Balance	**$76,772,400**	**$78,579,700**	**N/A**	**$81,063,200**	**$70,571,200**
Reserve Requirement	*51,322,200*	*60,937,200*	*N/A*	*61,082,100*	*67,331,100*
Closing Balance Net of Reserves	*25,540,200*	*17,642,500*	*N/A*	*19,981,100*	*3,240,100*

Schedule of Principal Amount of Indebtedness

Sewerage System Improvement Bonds	**January 2026**
Series 2006 Effluent Equalization Projects and AT's 1-6	107,000
Series 2007 West In Ext and PS 13-14 Projects	339,000
Series 2008 PS's 6-8 Rehabilitation and NEI Truax Ext Liner	1,658,000
Series 2010A NEI-PS 10 to Lien Rd	2,627,000
Series 2012A Nine Springs Eleventh Addition	19,115,000
Series 2012B Operations Building HVAC Rehab	1,243,000
Series 2013A NEI-SEI to FEI-Replacement Project	3,746,000
Series 2013B Pumping Station No. 18	6,963,000
Series 2013C Process Control System Upgrade	2,148,000
Series 2014A Pumping Station No. 18 Force Main	5,602,000
Series 2015A PS 11 & 12 Rehabilitation	5,372,000
Series 2015B Maintenance Facility Expansion	6,549,000
Series 2016A PS 15 Rehabilitation, PS 12 FM Relocation, Rimrock Int. Lining	4,315,000
Series 2017A West Interceptor-Randall St. to Near PS2	879,000
Series 2019A PS10 FM/WI- PS5 to Gammon Ext.	1,334,000
Series 2020A NEI Truax Ext Relief/SWI-Haywood Ext. Replacement	7,678,000
Series 2020B NLSPI - Phase 1A/PS7 Improvements/Headwords Flow Metering	18,625,000
Series 2021A Pump Station 13 & 14 Rehabilitation/Operations Bldg. 1st Floor Remodel/9 Springs Hot Water & W1 Piping Improvements/WI Spring Street Relief Lining	11,811,000
Series 2022A WI Shorewood Relief Sewer PH1/ NSVI McKee Rd to Dunns Marsh	6,987,000
Series 2024A PS4 Rehabilitation/Plant HVAC Improvements	6,267,000
Series 2024B PS17 FM Relief Phase 2/PS 17 Firm Capacity Improvements	11,366,000
Series 2025A NSWWTP Electrical Service/NEI-Waunakee Ext Capacity Improvements	9,156,000
Series 2025B Flow Splitter Improvements	2,040,000
Total Indebtedness	**$135,927,000**

**Indebtedness as of August 29, 2025*

APPENDIX B
Operating Budget Supporting Information

Change in Service Charges Compared to 2025 Budget

Factor	Amount	%
2025 Budgeted Service Charges	$58,641,500	
Support For Capital Program		
Needed Transfer to Capital Projects Fund	$1,554,900	2.7%
Needed Transfer to Debt Service Fund	$(2,947,000)	-5.0%
	$(1,392,100)	*-2.4%*
Operating Budget Changes		
Cost-to-Continue		
Full Funding of Existing Positions	$167,200	0.3%
Utilities and Chemicals	$200,000	0.3%
Inflationary Increases	$42,100	0.1%
	$409,300	0.7%
3% Market Wage Adjustment	$634,300	1.1%
Other Needs		
Legal Services	$190,000	0.3%
Equipment, Parts and Repairs	$496,300	0.8%
Fleet Additions	$90,000	0.2%
	$776,300	1.3%
One-Time Costs	$397,000	0.7%
Positions		
Increase Two Positions to Full Time	$54,600	0.1%
Frontline Positions	$378,100	0.6%
Organizational Alignment Positions	$570,600	1.0%
	$1,003,300	1.7%
Total Operating Budget Changes	$3,220,200	5.5%
Non-Service Charges Revenue	$(354,200)	-0.6%
Offsetting Use of Reserves	$(698,400)	-1.2%
Reserve Requirement	$1,963,000	3.3%
Net Change In Service Charges	$2,738,500	4.7%
2026 Budgeted Service Charges	**$61,380,000**	

Calculating Change in Needed Transfer to Capital Projects Fund from 2025

	2026 Budget Total
Capital Expenditures	
Treatment Plant	$18,751,000
Interceptors	$8,330,000
Pumping Stations and Force Mains	$8,934,000
Capital Budget Expenses	$113,000
	$36,128,000
Capital Project Fund Revenues	
Clean Water Fund Loans	$14,192,000
General Obligation Bonds	$0
Connection Charges	$4,040,000
Interest Earnings	$668,000
	$18,900,000
Use of (Contribution to) Reserves	*$6,256,100*
2026 Needed Transfer from Operating Fund *(Expenditures less revenues, less use of reserves)*	*$10,971,900*
2025 Budgeted Transfer from Operating Fund	*$9,417,000*
Change in needed transfer from 2025	**$1,554,900**

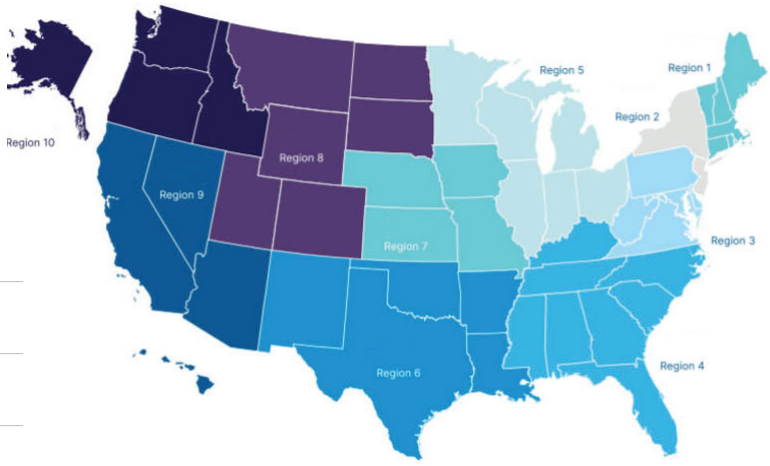
Calculating Change in Needed Transfer to Debt Service Fund from 2025

	2026 Budget Total
Debt Service Expenditures	
Principal Payments	$12,328,000
Interest Payments	$3,067,000
	$15,395,000
Debt Service Fund Revenues	
Interest Earnings	*$459,000*
Use of (Contribution to) Reserves	*$3,537,000*
2026 Needed Transfer from Operating Fund *(Expenditures less revenues less use of reserves)*	*$11,399,000*
2025 Budgeted Transfer from Operating Fund	*$14,346,000*
Change in needed transfer from 2025	**$(2,947,000)**

Household Charge Comparison Tables

Comparison of District Household Charge to Regional & National Averages

Year	Average Household Charge, City of Madison + District	NACWA Region 5 Average	NACWA National Average
2021	$385	$518	$551
2022	$409	$535	$569
2023	$417	$547	$588
2024	$428	$545	$612



Source: Annual National Association of Clean Water Agencies' (NACWA) Clean Water Index

Annual District Charges for Average Household

	2026	2025	2024
Total Annual Household Cost, District Charges Only	$287	$281	$267
Increase in Total Annual Household Cost over Prior Year	$7	$14	$23

REVENUE & EXPENDITURE CATEGORIES DEFINED

REVENUE CATEGORIES

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

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

Rent: Rental revenue from District-owned properties.

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

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

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

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

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

EXPENDITURE CATEGORIES

Department expenditures: Expenditures for each District department individually.

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

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

Five-Year Vehicle Replacement Schedule, 2026-2030

The District fleet management plan details the procedure to evaluate existing vehicles for replacement. A fleet replacement fund using a five-year vehicle replacement schedule is used to smooth funding requirements.

Year	Vehicle	Estimated Cost
2026	HVAC Cargo Van	$55,000
	Admin Pool Van	$55,000
	Electrical Cargo Van or Truck	$60,000
	Electrical Cargo Van or Truck	$60,000
	Facilities Maintenance Flat Bed Truck	$70,000
	2026 Anticipated Fleet Fund Contribution	**$300,000***
2027	Locator Truck	$50,000
	Mechanical Service Truck	$125,000
	Metrogro Service Truck	$125,000
	2027 Anticipated Fleet Fund Contribution	**$300,000***
2028	Mechanical Route Truck	$60,000
	HVAC Cargo Van	$55,000
	Operations Pool Vehicle	$45,000
	Facilities Maintenance Pickup - Four Wheel Drive	$60,000
	Facilities Maintenance Small Dump Truck	$90,000
	2028 Anticipated Fleet Fund Contribution	**$310,000***
2029	Electrical Cargo Van or Truck	$60,000
	CSS Pickup Truck	$50,000
	Mechanical Service Truck	$125,000
	Metrogro Service Truck	$125,000
	2029 Anticipated Fleet Fund Contribution	**$360,000***
2030	Operations Pool Vehicle	$50,000
	Electrical Cargo Van or Truck	$60,000
	Facilities Maintenance Small Dump Truck	$90,000
	Metrogro Pickup - Four Wheel Drive	$60,000
	2030 Anticipated Fleet Fund Contribution	**$260,000***

**Budget balancing of fund contribution.*

2026 REQUESTED POSITIONS

This budget includes six new positions: Three are additional front-line positions in key areas, and three are to support organizational alignment at the leadership level.

The organizational alignment positions follow recommendations provided by Baker Tilly in a comprehensive review of the District's organizational structure, which was completed in the Summer 2025. The purpose of the evaluation was to resolve inefficiencies in the District's structure by providing clear lines of responsibility and decision-making.

In addition, the budget raises two part-time positions to full-time.

The District's 2025 organizational chart is found at the end of this appendix, as well as the proposed new organizational structure for 2026.

FRONT-LINE POSITIONS

Asset Information Specialist

The Asset Information Specialist will be responsible for capturing and maintaining critical information regarding the District's more than 14,000 assets, as well as auditing historical asset data for cleanliness and consistency. Asset information, which is captured during the asset commissioning process, includes but is not limited to serial numbers, specifications and manuals, which are necessary to streamline future parts ordering or replacement and to expedite the planning of work orders.

This position is especially crucial as the District has planned and will be completing a significant number of capital projects over the next decade. Additionally, following the completion of the Enterprise Resource Planning (ERP) project, the District will begin a project to procure and bring online a new Enterprise Asset Management (EAM) system to replace its current system (which is no longer supported) and integrate it with the new ERP.

Communications & Marketing Specialist

The Communications & Marketing Specialist, the second such role for the Communications team, plays a vital role in supporting the District's external and internal communications. Demand for Communications support and services has increased in the last year, specifically in the areas of community relations, project and program support, and internal communications. This position adds much-needed capacity to increase outreach to customer communities, District partners and the public, and it provides campaign-level communications and outreach support for increasingly complex engineering projects. This position also provides support for internal and organizational change management communications, which has helped increase employee engagement, improve morale, and inform staff of District work and priorities.

An expansion of the Communications team with this position also allows the director to shift their attention from tactical work to focus on the strategic oversight of District communications, provide leadership communications support, and ramp up public affairs efforts, which are Executive Director priorities.

Automated Systems Integrator

The Automated Systems Integrator position provides additional capacity to support the District's growing operational technology (OT) needs. The position will assist with assessing and completing critical OT security updates, leveraging asset information to incorporate into SCADA, thereby enhancing efficiency for operators and maintenance staff.

This position will also free up more senior OT staff to better support engineering project reviews, provide on-call support, and help support the wave of new instrumentation and control assets that will be coming online with near-future projects.

ORGANIZATIONAL ALIGNMENT POSITIONS

Finance Manager

The Finance Manager position is a new department manager role necessary to provide unified oversight of accounting, procurement, budget and related issues. Previously, accounting and procurement functions were in a separate department from the budget. Oversight of accounting and procurement was previously done by the Director of Enterprise Services, whose position was also responsible for overseeing information technology. The Enterprise Services role is being restructured to manage business process improvements, starting with the

projects necessary to implement a new Enterprise Resource Planning (ERP) system.

The Finance Manager will oversee all financial operations of the District. The manager will prepare financial forecasts, budgets, and financial reports to guide business decision-making. They will ensure performance by reviewing and analyzing the District's financial performance against budget and strategic plans and by implementing and maintaining financial controls. The position will manage and oversee the preparation of all financial audits and oversee cash flow management, debt planning and organizational budgeting.

Collection System Services Manager

The Collection System Services Manager will lead a new department dedicated to handling the collection system as a whole. This position will provide overall strategic direction for the collection system, a function that has been scattered throughout the District and incompletely executed on. The position will take the lead on asset management aspects of the collection system and support capital planning for the system. The position will also work closely with Reliability Process staff to identify and implement process improvements and better coordinate system repairs. The position will oversee staff who work in the collection system, as well as a future engineering position.

Director of Operations and Maintenance (O&M)

The Director of Operations and Maintenance (O&M) position addresses a previous staffing gap. Before the current Executive Director was hired, the role of Operations & Maintenance Director was duly performed by the Principal Engineer. Under the planned organizational change, the currently vacant Principal Engineer position will oversee the Planning & Engineering division, leaving no position available to manage the O&M division. The new position fills that gap.

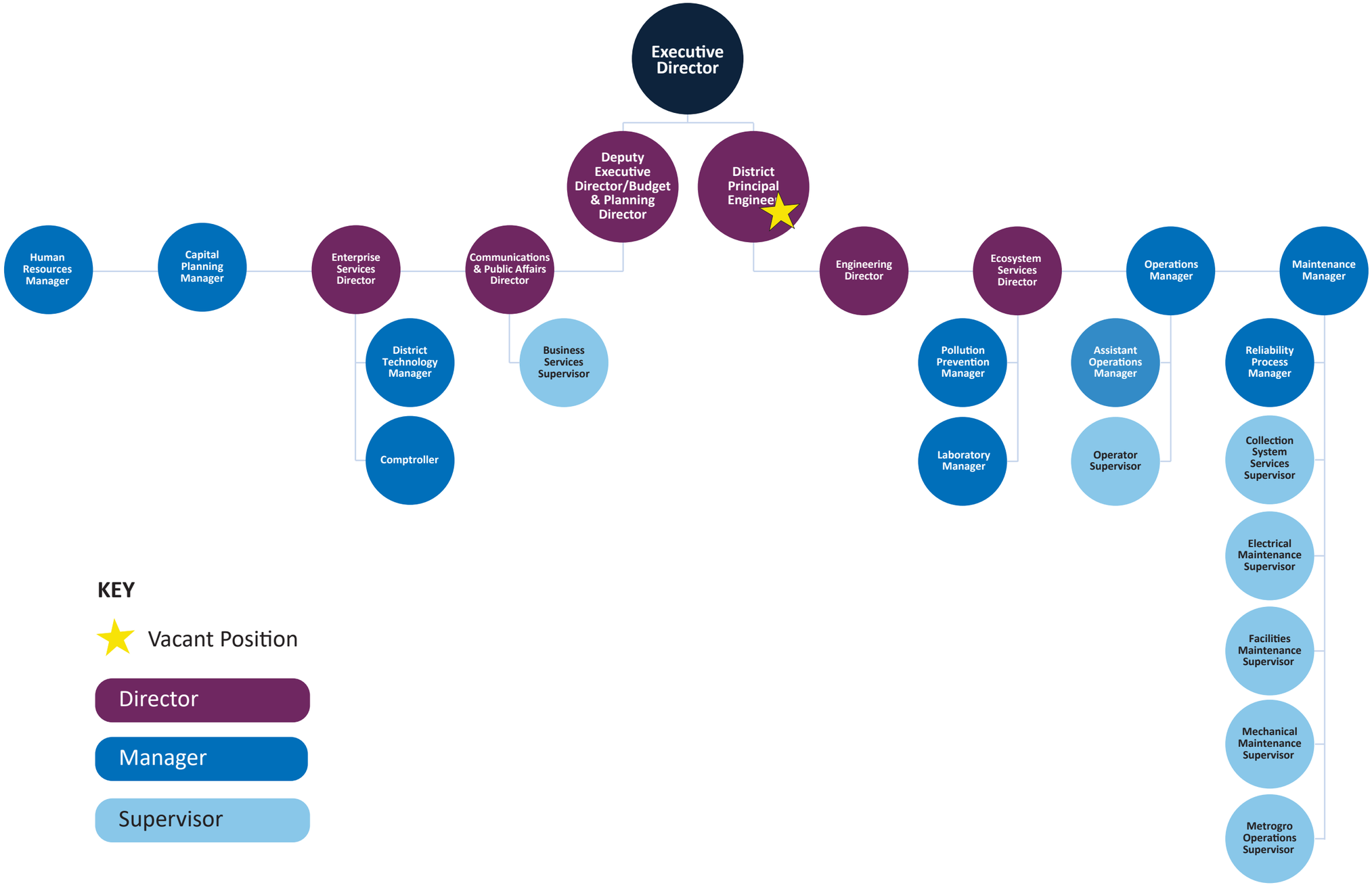
The Director of Operations and Maintenance will oversee the largest division in the District and will be responsible for developing and implementing operational and maintenance strategies for the organization. Duties include leading the management team for the department, overseeing coordination of maintenance work and projects, ensuring compliance with regulations, establishing benchmarks, and ensuring proper operation of the treatment plant and collection system.

Full-time Equivalent Positions, 2024-2026

Department	2024	2025	2026	Changes from 2025 to 2026
Budget and Planning	8.0	7.0	7.0	
Ecosystems Services	14.0	15.0	15.0	
Engineering	13.0	11.0	11.0	
Enterprise Services	11.0	14.0	15.0	• Add Finance Manager
Executive Director, Communications & Business Services	7.4	7.4	9.0	• Add Communications & Marketing Specialist • Raise two positions to full-time
Human Resources	4.0	4.0	4.0	
Operations and Maintenance	72.8	76.0	80.0	• Add Operations & Maintenance Director • Add Collection System Manager • Add Asset Management Specialist • Add Automated Systems Integrator
TOTAL	**130.2**	**134.4**	**141.0**	

District Management Structure

Through end of 2025



KEY

★ Vacant Position

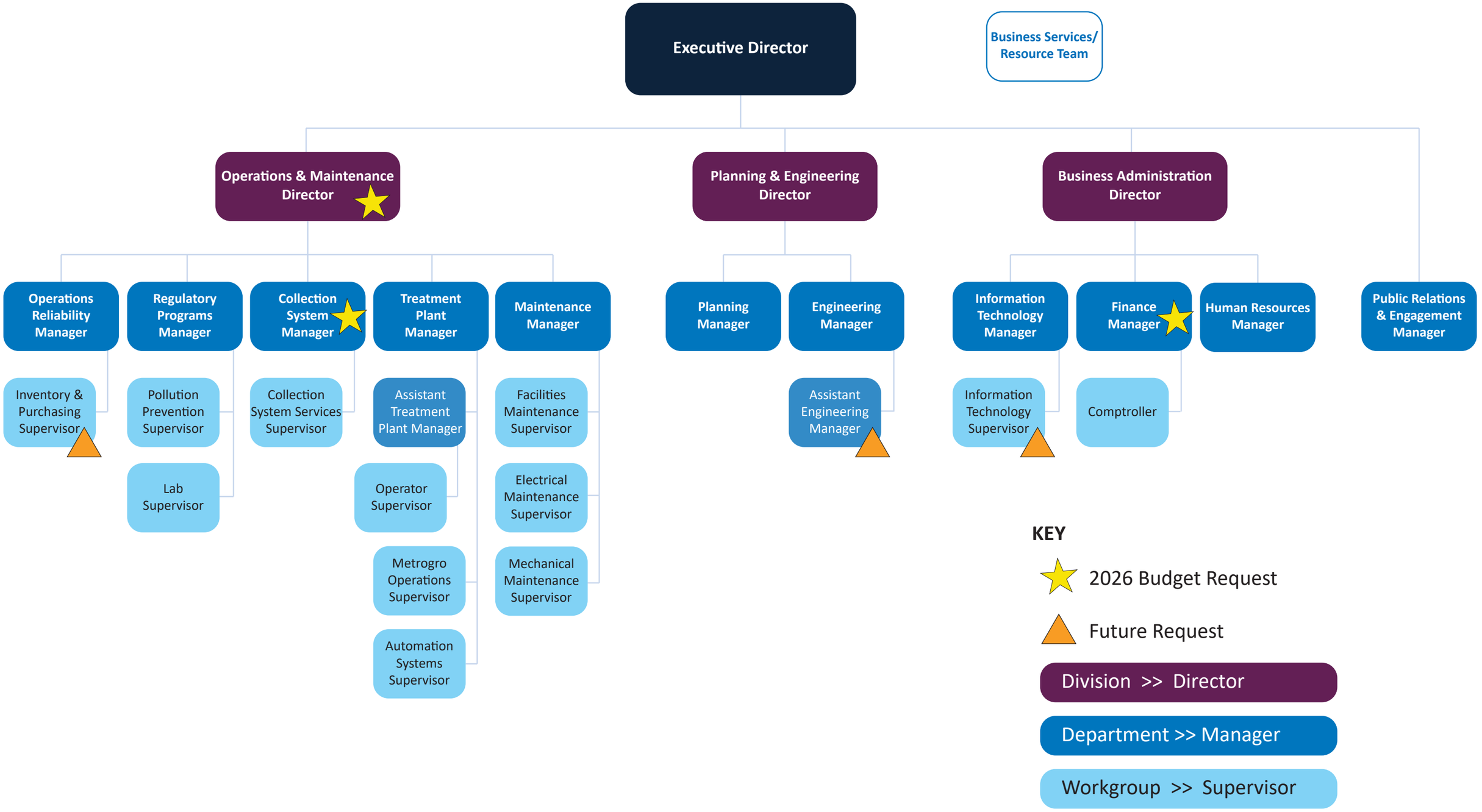
Director

Manager

Supervisor

District Management Structure with New Organizational Alignment

Effective January 1, 2026



APPENDIX C
Capital Improvement Project Summaries

These 2026 Capital Improvements Plan summaries provide a broad overview of each project. Total project costs are adjusted for inflation on an annual basis, unless otherwise noted.

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

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

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

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

As with all projects, these costs will be modified as project scopes are refined and better estimates become available. Noted projects that have entered the construction phase are not included in the project summaries and do not have an updated business case. Project summaries are provided only for those projects anticipated to occur within the planning horizon of this document (2026-2031).

Project Summary Table of Contents

CIP ID# A01 | Liquid Processing Improvements - Phase 2

WHY THIS PROJECT IS IMPORTANT

Critical equipment used to treat the liquid waste stream and support the biological nutrient removal processes at the treatment plant is outdated and vulnerable to failure. This project is necessary for the continued reliable operation of the plant, ensuring we can meet the needs of growing area communities and businesses, and maintain permit compliance.

ADDITIONAL BACKGROUND

- The region is growing, and additional capacity must be built in advance.
- This project addresses declining annual Wisconsin DNR Compliance Maintenance Annual Report (CMAR) scores.
- This project will provide capacity and operational flexibility while also bringing energy efficiency benefits.

START	COMPLETION
2022	2029

PHASE (2026)
Design/Construction

PROJECT DRIVER
Condition

PROCESS AREA
Activated Sludge System and Primary Treatment

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$3,045,000	$92,000,000

CIP ID# A02 | Laboratory Remodel

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2025	2030

PHASE (2026)
Planning/Design

PROJECT DRIVER
Condition

PROCESS AREA
Operations Buidling

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$5,000	$4,800,000

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

WHY THIS PROJECT IS IMPORTANT

This project replaces aging and deteriorated equipment critical to the District's W4 system, which allows the utility to use treated effluent for various non-potable plant processes.

ADDITIONAL BACKGROUND

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

START	COMPLETION
2024	2026

PHASE (2026)
Condition

PROJECT DRIVER
Condition

PROCESS AREA
Effluent Reuse

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$1,009,000	$1,500,000

CIP ID# A04 | **Heat and Power Improvements**

WHY THIS PROJECT IS IMPORTANT

The District's energy-producing biogas and thermal systems are outdated and require increased maintenance. This facilities plan evaluates this infrastructure and will provide alternatives for the use of District biogas for the next 20 years, given the need for equipment replacement.

ADDITIONAL BACKGROUND

- The District's treatment plant recovers approx. 295 million cubic feet of biogas per year.
- Biogas and heat from District processes help power assets, which offset purchasing energy from the grid.
- This project also seeks to improve energy generation to reduce expenses.
- This project was evaluated as a follow up to the 2020 Energy Management Master Plan.

START	COMPLETION
2024	2025

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Biogas Handling and Reuse

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$50,914,000

CIP ID# A05 | Lagoon Dikes Improvements

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2020	2028

PHASE (2026)
Construction

PROJECT DRIVER
Regulatory

PROCESS AREA
Lagoon Storage Management

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$552,000	$4,000,000

CIP ID# A06 | Maintenance, Financial and HR Systems

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- The ERP provides financial and human resources functions. The EAM supports asset management, maintenance planning and capital planning.
- The District has selected an ERP vendor and implementor.
- The District's current financial and asset system is obsolete and no longer supported by the vendor.
- This project supports financial management, infrastructure planning, reliability-centered maintenance goals, program efficiency and data security.

START	COMPLETION
2020	2029

PHASE (2026)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
District Administration and Operations

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$2,010,000	$8,950,000

CIP ID# A07 | Metrogro Applicators & Equipment

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2015	2028

PHASE (2026)
Equipment

PROJECT DRIVER
Condition

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$562,000	$5,400,000

CIP ID# A08.1 & A08.2 | Annual Solids Processing Tank Cleaning - 2026 & Future

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- Cleaning solids processing tanks helps ensure their operation well into the future.
- Cleaning allows tanks to maintain full capacity and avoid unnecessary wear and tear due to buildup. Cleaning also provides staff the opportunity to inspect and repair operational equipment.
- Tanks are cleaned on a rotating basis.
- Regular cleaning is important for infrastructure reliability.
- Project A08.1 provides funds for 2026. Project A08.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
Ongoing	Ongoing

PHASE (2026)
Annual

PROJECT DRIVER
Condition

PROCESS AREA
Process Tank Cleaning

FUNDING SOURCE
Cash

COSTS

	2026 Expenditure ($2026)	Total Project Cost
A08.1	$1,250,000	$1,250,000
A08.2	$0	$5,100,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- A comprehensive HVAC study of treatment plant facilities was finalized in 2021.
- Projects identified in the 2021 HVAC study were prioritized based on need. Group 1 projects are considered the most critical to satisfy code requirements, improve personnel safety, or address conditions detrimental to existing equipment.

START	COMPLETION
2027	2029

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
HVAC Upgrades

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$4,000,000

CIP ID# A10.1 | Headworks Screening

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2027	2031

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Headworks Facility

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$5,500,000

CIP ID# A10.2 | Grit Processing Improvements Projects

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2028	2031

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Headworks Facility

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$2,800,000

CIP ID# A11.1 | Dryer & Seeding Modifications

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2026	2027

PHASE (2026)
Design/Construction

PROJECT DRIVER
Capacity

PROCESS AREA
Struvite Harvesting System

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$509,000	$1,300,000

CIP ID# A11.2 | Dissolved Air Floatation (DAF) Rehabilitation

WHY THIS PROJECT IS IMPORTANT

This project updates assets needed to support an important step in the Distrct's phosphorus recovery proces.

ADDITIONAL BACKGROUND

- The District is required, by its permit, to reduce phosphorus in its effluent.
- The District's Ostara system harvests struvite, a form of phosphorus, from wastewater. Struvite is a marketable fertilizer.
- The DAF system improves phosphorus recovery by increasing the phosphorus concentration in the feed to the Ostara system.
- The DAF is operating beyond its planned service life. This project examines the Ostara process needs to determine the best technology to use, and whether to rehabilitate or replace.

START	COMPLETION
2028	2031

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
WAS Pretreatment

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$3,600,000

CIP ID# A12 | Miscellaneous Treatment Plant Projects - Future

ABOUT THIS PROJECT

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

ADDITIONAL BACKGROUND

- These projects are needed to ensure that these assets remain in good working condition and to ensure the safety of the District's workers.
- In many cases, the projects are relatively small in scope, yet they are too large and time-consuming to be addressed by the District's maintenance staff.
- This work is financed through cash in the capital projects fund.

START	COMPLETION
Ongoing	Ongoing

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Various locations

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$1,000,000

CIP ID# A13.1 & A13.2 | Minor Capital Improvements - 2026 & Future

ABOUT THIS PROJECT

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

ADDITIONAL BACKGROUND

- The unplanned and urgent nature of these projects often makes it difficult for District crews to readily perform the work in most cases.
- This budget item provides flexibility in prioritizing and implementing small projects to ensure that assets continue to operate and function reliably.
- This work is financed through cash in the capital projects fund.
- Project A013.1 provides funds for 2026. Project A013.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
Ongoing	Ongoing

PHASE (2026)
Construction

PROJECT DRIVER
Condition

PROCESS AREA
Various locations

FUNDING SOURCE
Cash

COSTS

	2026 Expenditure ($2026)	Total Project Cost
A13.1	$134,000	$134,000
A13.2	$0	$740,000

CIP ID# A14 | Annual Pavement Improvements - Future

ABOUT THIS PROJECT

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

START	COMPLETION
Ongoing	Ongoing

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Various locations

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$270,000

CIP ID# A15.1 | **Biosolids Facilities Plan**

WHY THIS PROJECT IS IMPORTANT

The District's biosolids program faces numerous regulatory, economic, environmental, and social challenges. This facilities plan evaluates and develops viable alternatives for treating and handling District biosolids for the next 20 to 25 years.

ADDITIONAL BACKGROUND

- The District produces approximately 50,000 dry pounds of Class B biosolids per day.
- Most biosolids are applied to area agricultural lands as a liquid fertilizer, called Metrogro.
- The Biosolids Facilities Plan is being developed concurrently with the Heat & Power Facilities Plan due to interdependencies between the two.
- Factors to be considered in the facility plan include, but are not limited to, storage capacity; availability of farmland and hauling distance; and emerging contaminants.

START	COMPLETION
2025	2026

PHASE (2026)
Planning

PROJECT DRIVER
Capacity

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$343,000	$750,000

CIP ID# A15.2 | **Biosolids Infrastructure**

WHY THIS PROJECT IS IMPORTANT

This project addresses the issues identified in the Biosolids Facilities Plan (Project A15.1) through the construction of new biosolids infrastructure.

ADDITIONAL BACKGROUND

- The District's biosolids program faces numerous regulatory, economic, environmental, and social challenges.
- Project A15.1, Biosolids Facilities Plan, will provide a recommnded alternative for treating and handling District biosolids for the next 20 to 25 years.
- This implementation project is not expected to start before 2028, and the funding allocated to this project is for later in the CIP's six-year horizon.

START	COMPLETION
2028	2031

PHASE (2026)
--

PROJECT DRIVER
Capacity

PROCESS AREA
Biosolids Management

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$50,000,000

CIP ID# A16 | Septage Receiving Modifications

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2029	2033

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Hauled Waste

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$8,650,000

CIP ID# A17 | East Plant Primary Tank Rehabilitation

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- Primary clarification is the first step in removing solids, fats, oils and grease from wastewater, and is critical to treatment plant function.
- Primary Tanks 5-16 were constructed between 1948 and 1978 and have not been rehabilitated. Components in these tanks are operating well beyond their useful life and replacement parts are not available in most cases.
- Project A17 addresses Primary Tanks 15 and 16. Project A01 addresses Primary Tank 5 and Primary Tanks 7-14. Primary Tank 6 was rehabbed in 2023 and provided evidence of the damage in these assets.

START	COMPLETION
2029	2030

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Primary Treatment

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$1,575,000

CIP ID# A18 | West Plant Primary Tank Rehabilitation

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- Primary clarification is the first step in removing solids, fats, oils and grease from wastewater, and is critical to treatment plant function.
- Project A18 addresses Primary Tanks 17 through 21. These tanks were built as part of the plant's Seventh Addition, and rehabilitation has not occurred since their construction 41 years ago.
- Components in these tanks are operating beyond their expected useful life, and replacement parts are difficult to procure.

START	COMPLETION
2030	2032

PHASE (2026)
--

PROJECT DRIVER
Condition

PROCESS AREA
Primary Treatment

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$4,100,000

CIP ID# A19 | Norsman Properties (1701 and 1705 Moorland Road)

WHY THIS PROJECT IS IMPORTANT

This project is to purchase the Norsman Property at 1701 and 1705 Moorland Road. The purchase facilitates future plant expansion needs.

ADDITIONAL BACKGROUND

- As identified in its 50-Year Master Plan, the District does not plan to build a second treatment facility, but to expand at the Nine Springs plant.
- The property is adjacent to the plant's southeast corner and directly west of the District's drying beds.
- The District completed a Capital Project Infrastructure Placement Plan (CPIPP) in 2023 to guide the placement of future capital projects at the plant. In the District's plans for future plant expansion, this property will be a valuable location for certain plant equipment and operational support functions.

START	COMPLETION
2025	2026

PHASE (2026)
Land Acquisition

PROJECT DRIVER
Capacity

PROCESS AREA
Real Estate

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$100,000	$1,800,000

CIP ID# B01 | Manhole Rehabilitation on West Interceptor

WHY THIS PROJECT IS IMPORTANT

This project rehabilitates 14 existing manholes on the Old West Interceptor to ensure they remain in good working condition.

ADDITIONAL BACKGROUND

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

START	COMPLETION
2024	2027

PHASE (2026)
Design/Construction

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$476,000	$1,050,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2026	2028

PHASE (2026)
Planning/Design

PROJECT DRIVER
Condition

LOCATION
East Interceptor from Pumping Station 7 to Winnequah Road

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$62,000	$800,000

CIP ID# B03 | SEI McFarland Relief Rehabilitation

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2026	2029

PHASE (2026)
Planning

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$10,000	$3,000,000

CIP ID# B04 | Southeast Interceptor Relocation at Yahara River

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2024	2027

PHASE (2026)
Design/Construction

PROJECT DRIVER
Regulatory

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

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$230,000	$925,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2021	2028

PHASE (2026)
Design

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$119,000	$10,200,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2027	2029

PHASE (2026)
--

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$2,650,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2029	2031

PHASE (2026)
--

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$775,000

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

WHY THIS PROJECT IS IMPORTANT

This project addresses critical capacity needs in the Nine Springs Valley Interceptor (NSVI) system between Pumping Station 11 and Syene Road.

ADDITIONAL BACKGROUND

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

START	COMPLETION
2024	2029

PHASE (2026)
Design

PROJECT DRIVER
Capacity

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

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$621,000	$14,000,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2024	2028

PHASE (2026)
Design Construction

PROJECT DRIVER
Capacity

LOCATION
Nine Springs Valley Interceptor- Mineral Point Extension; from Pumping Station 12 along the south side of USH 16/151, Town of Verona

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$994,000	$9,650,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- Part of this interceptor was constructed in 1916, making it the District's oldest conveyance facility.
- The pipe within the project limits is constructed of cast iron. The pipe shows significant evidence of tuberculation, or the buildup of deposits, and corrosion. The deposits decrease carrying capacity and may compromise the pipe's integrity.
- This pipe segment will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.
- Nine manholes also will be rehabilitated. (See CIP Project B01.)

START	COMPLETION
2025	2028

PHASE (2026)
Design

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$31,000	$1,875,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- This part of the West Interceptor was constructed in 1931.
- 1,500 feet of original, 18-inch vitrified clay pipe experiences excessive rates of inflow and infiltration and requires rehabilitation.
- These pipe segments will be rehabilitated with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.
- Seven manholes will also be rehabilitated. One manhole will receive a polymer coating to ensure structural integrity. (See CIP Project B01.)

START	COMPLETION
2025	2028

PHASE (2026)
Design

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$16,000	$1,055,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- This project addresses a 4,500-foot segment of NEIWD located west of Dane County Regional Airport and east of Pumping Station 14. NEIWD was built of reinforced concrete pipe between 1964 and 1971.
- Video assessments of this 4,500-foot pipe segment showed visible surface damage due to corrosion.
- This pipe will be rehabilitated in two phases with a cured-in-place liner, a cost-effective and less disruptive alternative to replacement.

START	COMPLETION
2028	2030

PHASE (2026)
--

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$4,125,000

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

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- This portion of the Southeast Interceptor (SEI) was installed in 1961 and consists of asbestos cement pipe. This project addresses the 15-inch pipe segment between MH 07-810 and MH07-218.
- Video assessments of this pipe in 2014 and 2021 showed several defects, including surface corrosion, cracks, missing pipe materials and sheets of material hanging from the pipe surface.
- This pipe will likely be rehabilitated with a cured-in-place liner. However, a future WisDOT project may require this segment to be relocated and replaced.

START	COMPLETION
2031	2035

PHASE (2026)
--

PROJECT DRIVER
Condition

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

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$3,050,000

CIP ID# C01| Pumping Station 10 Force Main Repairs

WHY THIS PROJECT IS IMPORTANT

This project repairs a leak of raw wastewater from the Pumping Station 10 (PS 10) force main where it exits the building.

ADDITIONAL BACKGROUND

- The leak is occurring at the point where the PS10 forcemain exits the building. There are currently no public health concerns as the wastewater is reentering the pumping station.
- The leak must be repaired for worker safety and to reduce the risk of continued forcemain degradation.
- Site excavation and bypassing of wastewater around the pumping station will be required for the repair. The bypassing operation allows the installation of a force main isolation valve in the pumping station to facilitate maintenance needs.

START	COMPLETION
2024	2026

PHASE (2026)
Construction

PROJECT DRIVER
Condition

LOCATION
Pumping Station 10

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$1,920,000	$2,250,000

CIP ID# C02| **Pumping Station Bar Screens**

WHY THIS PROJECT IS IMPORTANT

This project installs bar screens at four pumping stations to minimize larger, coarser debris from damaging station pumps and downstream equipment at the treatment plant.

ADDITIONAL BACKGROUND

- Coarse bar screens remove larger items such as rags and trash from upstream wastewater to preserve equipment by reducing premature damage to screens at the plant's Headworks facility.
- Four pumping stations (2, 7, 8 and 11) will be upgraded with new coarse bar screens.
- The bar screens are self-cleaning and dispose of the debris into a dumpster for periodic removal.
- Bar screens already installed at PS18 collect, on average, one ton of debris per week.

START	COMPLETION
2025	2028

PHASE (2026)
Construction

PROJECT DRIVER
Condition

LOCATION
Pumping Stations 2, 7, 8, and 11

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$2,215,000	$7,750,000

CIP ID# C03.1 | **Pumping Station 16 Rehabilitation**

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2027	2031

PHASE (2026)
--

PROJECT DRIVER
Condition

LOCATION
Pumping Station 16

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$8,500,000

CIP ID# C03.2 | Pumping Station 16 Force Main Rehabilitation

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- The PS 16 force main was installed in 1979-1980 on Gammon Road.
- The system consists of approximately 6,900 feet of both pressurized and non-pressurized ductile iron pipe.
- Video assessment shows that approximately 1,600 feet of the non-pressurized sewer has visible damage due to corrosion.
- The project will either rehabilitate the corroded force main sections with a cured-in-place liner or replace those sections with new pipe.
- This work will be coordinated with Project C03.1.

START	COMPLETION
2021	2031

PHASE (2026)
--

PROJECT DRIVER
Condition

LOCATION
Pumping Station 16 North Gammon Road, Colony Drive to Mineral Point Road, City of Madison

FUNDING SOURCE
Borrow

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$2,900,000

CIP ID# C04 | Crosstown Force Main Air Release Valve Saddle Tap Replacement

WHY THIS PROJECT IS IMPORTANT

This project replaces deteriorating saddle taps in a key force main to reduce the likelihood of sanitary sewer overflows in Downtown Madison.

ADDITIONAL BACKGROUND

- A saddle tap provides a connection to an existing pipe to allow the installation of additional equipment, such as air release valves. The saddle taps are deteriorating due to the damp and corrosive environment in which they are located.
- Air release valves are located at key points along the force main route to permit excess air in the pipeline to escape so it does not inhibit pumping capacity.
- The Crosstown force main conveys flow across the isthmus from Pumping Station 1 to Pumping Station 2. The flow direction can be reversed in emergency situations.

START	COMPLETION
2024	2026

PHASE (2026)
Construction

PROJECT DRIVER
Condition

LOCATION
Between Pumping Stations 1 and 2

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$569,000	$625,000

CIP ID# C05.1 & C05.2| **Force Main Condition Assessment - Pumping Station 15 Force Main & Future**

WHY THIS PROJECT IS IMPORTANT

The project conducts condition assessments on District force mains.

ADDITIONAL BACKGROUND

- Black & Veatch developed a Force Main Condition Assessment Plan for the District in 2017, which recommends when and how the condition assessments should be performed.
- Force mains are challenging to inspect as they are difficult to access, under pressure and cannot be taken out of service for long periods of time.
- New technology can address these challenges, but the inspections require careful planning and can be costly to perform.
- Project C05.1 provides funding to assess the PS 15 force main, an identified priority. Project C05.2 provides funds for the remainder of the six-year CIP period.

START	COMPLETION
2027	2033

PHASE (2026)
--

PROJECT DRIVER
Condition

LOCATION
Various

FUNDING SOURCE
Cash

COSTS

	2026 Expenditure ($2026)	Total Project Cost
C05.1	$0	$550,000
C05.2	$0	$2,500,000

CIP ID# C06| **Pumping Station 11 & 12 Surge Valve Access Platforms**

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2026	2026

PHASE (2026)
Design/Construction

PROJECT DRIVER
Condition

LOCATION
Pumping Stations 11 and 12

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$220,000	$225,000

CIP ID# C07| PS 5 & PS 15 Force Main Isolation Valve Replacements

WHY THIS PROJECT IS IMPORTANT

This project replaces the force main isolation valves that serve the Pumping Stations 5 and 15 force mains, where the two pipelines converge into one.

ADDITIONAL BACKGROUND

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

START	COMPLETION
2028	2029

PHASE (2026)
--

PROJECT DRIVER
Condition

LOCATION
Conveyance System

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$0	$850,000

CIP ID# C08.1 & C08.2| Miscellaneous Collection System Projects - 2026 & Future

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

- These projects are needed to ensure that collection system assets remain in good working condition as they age and to ensure the safety of the District's workers.
- In many cases, the projects are relatively small in scope (generally less than $100,000) yet are too large and time-consuming to be addressed by the District's maintenance staff.
- Costs of the work are financed through cash in the capital projects fund.
- Project C08.1 provides funding for 2026 projects; Project C08.2 budgets funding for the remainder of the CIP horizon.

START	COMPLETION
2026	2031

PHASE (2026)
Construction

PROJECT DRIVER
Condition

LOCATION
Conveyance System

FUNDING SOURCE
Cash

COSTS

	2026 Expenditure ($2026)	Total Project Cost
C08.1	$114,000	$115,000
C08.2	$0	$630,000

CIP ID# C09 | Pumping Station 2 Variable Frequency Drive Replacements

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2026	2026

PHASE (2026)
Design/Construction

PROJECT DRIVER
Condition

LOCATION
Pumping Station 2

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$500,000	$600,000

CIP ID# D01 | Collection System Facilities Plan Update

WHY THIS PROJECT IS IMPORTANT

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

ADDITIONAL BACKGROUND

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

START	COMPLETION
2018	2026

PHASE (2026)
Planning

PROJECT DRIVER
Condition

LOCATION
Collection System

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$63,000	$415,000

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

WHY THIS PROJECT IS IMPORTANT

This project is to evaluate, plan, develop and implement a solution to address state- and federal-mandated phosphorus water quality criteria for Badger Mill Creek, one of the District's outfalls.

ADDITIONAL BACKGROUND

- The District began planning and evaluating possible solutions in 2019. In 2023, the District's Commission approved the discontinuance of effluent return to Badger Mill Creek.
- That approval also included funding for projects to support the health and resiliency of Badger Mill Creek. A portfolio of projects was developed through a robust, year-long stakeholder process in 2023 and 2024.
- As of publication, funding for those projects is on hold until a legal challenge to WDNR's conditional approval of the District's areawide water quality plan amendment request to discontinue discharge to the creek is resolved.

START	COMPLETION
2019	2028

PHASE (2026)
Planning/Design

PROJECT DRIVER
Regulatory

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

FUNDING SOURCE
Cash

COSTS

2026 Expenditure ($2026)	Total Project Cost
$50,000	$2,100,000

APPENDIX D
Completed Capital Improvement Projects

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

2024 PROJECT COMPLETIONS

PUMPING STATIONS 13 AND 14 REHABILITATIONS

The District previously determined that many of its pumping facilities required rehabilitation and improvements to meet the proper standards. The rehabilitations were prioritized in the District's Collection System Facilities Plan Update (approved by the WDNR in July 2012). At each station, the rehabilitation work included replacing all three pumping units, replacing all major electrical and control equipment and installing HVAC equipment. Construction for Pumping Stations 13 and 14 began in September 2020, and the Commission accepted the project on January 11, 2024. A Clean Water Fund loan financed the total project cost of $10.7 million.

NSWWTP MAINTENANCE FACILITY ROOFTOP SOLAR EXPANSION

The Maintenance Facility building, designed in 2013, was planned for a larger rooftop solar system than originally installed. The expansion of the rooftop solar capacity of the Maintenance Facility was identified in the 2020 Energy Management Master Plan as a project that aligned with the District's goal to pursue sustainable energy sources. District staff designed a new 101.3kW DC (80kWAC) solar system, and the construction contract was awarded to Pieper Electric in May 2023. The Commission accepted project work on April 11, 2024. The total project cost of $300,000 was paid for with cash in the capital projects fund, and the District received $93,000 from Wisconsin Focus on Energy and federal solar credits to partially offset the project cost.

Electrical project engineer Mark Brunner stands in the solar panel expansion on the roof of the Maintenance Facility.

WEST INTERCEPTOR REHAB – SEGOE ROAD TO SHOREWOOD BLVD (2023 EMERGENCY PROJECT)

On November 30, 2023, the Commission authorized this emergency project to rehabilitate three segments of the West Interceptor where fracture defects were structurally concerning. The West Interceptor was constructed in 1932 of vitrified clay pipe and developed various fracture defects through the decades. Two segments were located on Locust Drive, and the third was on Burbank Place. Hoerr Construction, Inc. installed a cured-in-place-pipe to complete the rehabilitation work in December 2023. The Commission accepted the emergency project on January 11, 2024, for a total project cost of $90,000.

LOWER BADGER MILL CREEK INTERCEPTOR (PHASE 5)

The Phase 5 project extended the Lower Badger Mill Creek Interceptor north from the expanded driving lanes of Highway PD through the new Ardent Glen neighborhood and ended at Shady Oak Lane. Integrity Grading & Excavating began work on the Phase 5 segment of the project in Fall 2023. The Commission accepted the project work on August 22, 2024. The total project cost of $1.5 million was paid for with cash in the capital projects fund.

WEST INTERCEPTOR-SHOREWOOD RELIEF (PHASES 1 & 2)

These projects included the first two phases of a three-phase project to provide additional capacity to the West Interceptor system between Whitney Way and Walnut Street in the City of Madison and Village of Shorewood Hills. Additional capacity is needed in the system to serve future development, primarily in the Pumping Station 15 service area. Approximately 5,600 feet of 30-inch and 36-inch diameter replacement sewer was installed during the first phase of this project between Whitney Way and Shorewood Boulevard. Construction of Phase 2 included approximately 1,400 feet of 30-inch diameter relief sewer that was installed in conjunction with the WisDOT's reconstruction of University Avenue between Marshall Court and University Bay Drive. The Phase 3 segment construction is occurring in 2024-2025.

Work on the Phase 1 project began in February 2021 and was substantially completed in the first half of 2022. The contract was closed out in the second half of 2024, and the Commission accepted the project work on October 17, 2024. Advance Construction, Inc. was the contractor on this project phase. The project cost of $4.7 million was financed with a Clean Water Fund loan.

The West Interceptor-Shorewood Relief project is a long-term project with multiple phases. Phase 3 construction began in 2024.

Integrity Grading & Excavating began work on Phase 2 of the project in 2022 as part of a larger contract with WisDOT. The portion of Integrity's work related to the District's facilities was completed in September 2023. The closeout of WisDOT's contract will likely take a long time due to the agency's overall process. The anticipated total project cost of $1.6 million is being paid for with cash in the capital projects fund.

PRIMARY TANK 6 REHABILITATION

Repairs to the Primary Tank 6 collector chain were set to begin in April 2023. However, a complete tank inspection conducted at that time revealed significantly worse conditions than recorded in previous assessments. A project was developed, bid and was substantially completed in August 2024. The Commission accepted the project work on October 17, 2024, for a total project cost of $538,000, which was paid for with cash in the capital projects fund.

2024 CROSS-TOWN FORCE MAIN TAPPING SLEEVE REPLACEMENT

This project replaced five tapping sleeves on the Cross-Town force main between Pumping Station 1 and Pumping Station 2. This force main has a combination of air release/vacuum valves, which increase the efficiency of the force main and reduce the risk of damage to the piping and equipment in the system. To replace these valves, the 30-inch force main required the installation of tapping sleeves and isolation valves inside manhole structures. The current condition of five of the tapping sleeves and valves required immediate replacement. This work was completed in 2024 for a total project cost of $150,000. The remaining tapping sleeves will be replaced in a future CIP project.

2025 FINAL/SUBSTANTIAL PROJECT COMPLETIONS

2021 TREATMENT PLANT IMPROVEMENT PROJECT

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

PUMPING STATION 4 REHABILITATION

Pumping Station 4, placed into service in 1967, required rehabilitation to ensure that the station has adequate firm and maximum pumping capacity for the next 50 years. The project included replacement of existing pumps; enhancement of power system resiliency, including a permanent onsite generator; replacement or major electrical and control equipment; installation of new HVAC and odor control systems; replacement of manual valves and gates; installation of new flow metering equipment, and major wet well repairs. J.F. Ahern Co. was awarded the contract on December 15, 2022. A certificate of substantial completion was issued on June 21, 2025. The anticipated total project cost of $5.0 million is financed with a Clean Water Fund loan.

PUMPING STATION 17 FORCE MAIN RELIEF (PHASE 2)

Pumping Station 17 currently only serves land within the City of Verona, and the station and its force main are nearing capacity. In addition, the Lower Badger Mill Creek Interceptor between Shady Oak Lane and Midtown Road is being constructed. When completed, the City of Madison's Midtown Pumping Station will be abandoned, and the flow to the Midtown station will be redirected to Pumping Station 17. In advance of this diversion, a relief force main for Pumping Station 17 is needed to provide the required future capacity.

The relief force main project was divided into two phases. The first phase was completed in 2022. The contract for the second phase was awarded to Minger Construction Companies, Inc. on August 31, 2023. A certificate of substantial completion was issued on May 27, 2025. The anticipated total project cost of the District's share of the work on this project is $10.5 million and it is being financed with a Clean Water Fund Loan.

2025 ANTICIPATED PROJECT COMPLETIONS

SOUTHEAST INTERCEPTOR REHABILITATION ON USH 51 (PHASE 1)

This project corrects condition defects and extends the service life of the Southeast Interceptor along U.S. Highway 51 from the end of the Pumping Station 9 force main to Meinders Road. The 12-inch asbestos cement pipe installed in 1961 will be rehabilitated with a cured-in-place pipe. All manholes will also be lined. Visu-Sewer, LLC, was awarded the project on October 17, 2024. The interceptor lining was completed in Spring 2025. Manhole lining will occur after adjustments have been made due to impacts from the WisDOT project. The anticipated total project cost of $600,00 is financed with cash in the capital projects fund.

WEST INTERCEPTOR REHABILITATION – SEGOE ROAD TO SHOREWOOD BOULEVARD

This portion of the West Interceptor was constructed in 1931 and represents the first interceptor constructed by the District after its establishment in 1930. The vitrified clay pipe will be rehabilitated with a cured-in-place pipe, and manholes will be lined. The contract was awarded on February 27, 2025, to Visu-Sewer LLC. Substantial completion is expected by the fourth quarter of 2025. Project costs include a smaller emergency project that Hoerr Construction completed in late 2023 to line segments that were structurally concerning and warranted immediate rehabilitation. The Commission accepted the emergency work on January 11, 2024. The anticipated total project cost of $1.3 million is financed with cash in the capital projects fund.

HEAT AND POWER IMPROVEMENTS

The 2020 Energy Management Master Plan evaluated the appropriate pathways for energy infrastructure replacement over a 20-year period. A facilities plan is the next step in the process, which has a narrower scope. The focus of the Heat and Power Improvements Facilities Plan is the need for improvements to aging infrastructure related to the distribution and utilization of biogas, and the generation and distribution of thermal energy at the plant. These improvements will be evaluated to determine whether the District should use its biogas to generate electricity at greater efficiency, or to process biogas to renewable natural gas to pipeline quality that can be sold to others. The project was awarded to Carollo Engineers, Inc. on April 25, 2024. Completion of the facilities plan is expected by the end of 2025, and the anticipated total project cost of $925,000 will be financed with cash in the capital projects fund.

NEI – WAUNAKEE CAPACITY IMPROVEMENTS (PHASE 1)

The project is the first of three phases of the North-east Interceptor Waunakee Capacity Improvements project. Additional capacity is needed to accommodate growth in the Village of Waunakee and Town of Westport. Route selection and preliminary design of the overall project began in July 2022. The Phase 1 project includes installing approxi-mately 3,460 linear feet of 36-inch and 42-inch sanitary sewer. The construction contract was awarded to R.G. Huston Company, Inc. on June 27, 2024. Substantial completion is expected in the Fall 2025. The anticipated total project cost of $10.7 million is financed with a Clean Water Fund loan.

Project engineer Aaron McFarlin and collection system services project specialist Adam Carlson review specs for the Northeast Interceptor

FLOW SPLITTER IMPROVEMENTS

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

The project includes removal and replacement of deteriorated concrete in the flow splitter structure, installation of a new protective coating, installation of new sluice gates, rehabilitation of stop log guide frames, and replacement of existing concrete troughs within the structure with fiberglass-reinforced plastic troughs. Additionally, a permanent bypass of the structure will be constructed to minimize bypass pumping costs during construction and allow for future maintenance of the flow splitter structure. The contract was awarded to August Winter and Sons, Inc. on July 11, 2024. Substantial completion is expected by the end of 2025. The anticipated total project cost of $7.6 million is financed with a Clean Water Fund loan.

WEST INTERCEPTOR SHOREWOOD RELIEF (PHASE 3)

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

This effort began a quarter century ago near Camp Randall with Phase 1 (of 4) of the Campus Relief Project. Design of the Shorewood Relief project started in June 2019. The construction contract for Phase 3 was awarded to Speedway Sand & Gravel, Inc. on May 30, 2024. After extensive engagement with affected stakeholders during the design phase, it was decided in early 2024 that the work east of University Bay Drive would be deferred from 2024 to 2025 to mitigate the impact of the project on University Hospital and other adjacent facilities. Substantial completion is expected by the end of 2025. The anticipated total project cost of $8.5 million is financed with cash in the capital projects fund.

NORSMAN PROPERTIES (1701 & 1705 MOORLAND ROAD)

In 2025, the District was approached by the owner of the properties located at 1701 and 1705 Moorland Road regarding the sale of those properties to the District. The properties are in close proximity to the Nine Springs Wastewater Treatment Plant and are a valuable location for future plant expansion or for the location of activities in support of plant operations. The Commission approved the purchase of 1701 and 1705 Moorland Road on July 17, 2025. The property will be purchased in 2025 at a cost of $1.688 million. Total project costs are anticipated to be $1.80 million and will be paid for with reserves in the capital projects fund.

Project engineer Kailyn Hackeloer-King captures photos on her phone to document the progress of the Flow Splitter project.

APPENDIX E
Capital Projects & Capital Finance Information

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

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

		Authorization in 2025 Plan	Proposed Authorization in 2026 Plan	Change in Authorization	
Treatment Plant		**$255,258,000**	**$286,924,000**	**$31,666,000**	**12%**
A01	Liquid Processing Improvements- Phase 2*	76,150,000	92,000,000	15,850,000	21%
A02	Laboratory Remodel	-	4,800,000	4,800,000	n/a
A03	W4 System Improvements	1,500,000	1,500,000	-	0%
A04	Heat and Power Improvements	50,914,000	50,914,000	-	0%
A05	Lagoon Dikes Improvements	4,000,000	4,000,000	-	0%
A06	Maintenance, Financial and HR Systems	6,150,000	8,950,000	2,800,000	46%
A07	Metrogro Applicators & Equipment	5,300,000	5,400,000	100,000	2%
A08.1	Annual Solids Processing Tank Cleaning 2026	-	1,250,000	1,250,000	n/a
A08.2	Annual Solids Processing Tank Cleaning- Future	4,650,000	5,100,000	450,000	10%
A09	Treatment Plant HVAC Improvements- Group 1 Projects	4,000,000	4,000,000	-	0%
A10.1	Headworks Screening	5,500,000	5,500,000	-	0%
A10.2	Grit Processing Improvements	2,800,000	2,800,000	-	0%
A11.1	Dryer & Seeding Modifications	1,100,000	1,300,000	200,000	18%
A11.2	DAF Rehabilitation	3,200,000	3,600,000	400,000	13%
A12	Miscellaneous Treatment Plant Projects- Future	960,000	1,000,000	40,000	4%
A13.1	Minor Capital Improvements 2026	-	134,000	134,000	n/a
A13.2	Minor Capital Improvements- Future	725,000	740,000	15,000	2%
A14	Annual Pavement Improvements- Future	265,000	270,000	5,000	2%
A15.1	Biosolids Facilities Plan	750,000	750,000	-	0%
A15.2	Biosolids Infrastructure	50,000,000	50,000,000	-	0%
A16	Septage Receiving Modifications	8,000,000	8,650,000	650,000	8%
A17	East Plant Primary Tank Rehabilitation- Future	1,500,000	1,575,000	75,000	5%
A18	West Plant Primary Tank Rehabilitation	-	4,100,000	4,100,000	n/a
A19	Norsman Properties (1701 and 1705 Moorland Road)	1,800,000	1,800,000		0%
N/A	Flow Splitter Improvements	7,600,000	7,600,000	-	0%
N/A	2021 Treatment Plant HVAC Improvement Project	2,450,000	2,450,000	-	0%
N/A	NSWWTP Electrical Service Equipment Replacement	12,000,000	12,000,000	-	0%
N/A	Maintenance Facility Rooftop Solar Panels	378,000	378,000	-	0%
N/A	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	550,000	1,025,000	475,000	86%
N/A	Miscellaneous Treatment Plant Projects 2024	121,000	123,000	2,000	2%
N/A	Minor Capital Improvements 2024	200,000	200,000	-	0%
N/A	Annual Solids Processing Tank Cleaning 2024	800,000	800,000	-	0%
N/A	Primary Tank 6 Rehabilitation	575,000	575,000	-	0%
N/A	Miscellaneous Treatment Plant Projects 2025	175,000	175,000	-	0%
N/A	Minor Capital Improvements 2025	130,000	450,000	320,000	246%
N/A	Annual Pavement Improvements 2025	80,000	80,000	-	0%
N/A	Annual Solids Processing Tank Cleaning 2025	935,000	935,000	-	0%
Interceptors		**92,420,000**	**99,260,000**	**6,840,000**	**7%**
B01	Manhole Rehabilitation on West Interceptor	850,000	1,050,000	200,000	24%
B02	East Interceptor Rehabilitation- PS07 to MH07-103	-	800,000	800,000	n/a
B03	SEI McFarland Relief Rehabilitation	-	3,000,000	3,000,000	n/a
B04	Southeast Interceptor Relocation at Yahara River	850,000	925,000	75,000	9%
B05	NEI- Truax Extension Rehab	8,950,000	10,200,000	1,250,000	14%
B06	NEI- FEI to SEI Rehab	2,600,000	2,650,000	50,000	2%
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)	700,000	775,000	75,000	11%

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

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

		Authorization in 2025 Plan	Proposed Authorization in 2026 Plan	Change in Authorization	
B08.1	NSVI Capacity Improvements (Phase 1)	10,125,000	14,000,000	3,875,000	38%
B08.2	NSVI Capacity Improvements (Phase 2)	9,650,000	9,650,000	-	0%
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	1,540,000	1,875,000	335,000	22%
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	825,000	1,055,000	230,000	28%
B10	NEI- Rehab West of Airport (Phases 2 & 3)	4,125,000	4,125,000	-	0%
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)	2,600,000	3,050,000	450,000	17%
N/A	Lower Badger Mill Creek Interceptor- Phase 5	1,900,000	1,900,000	-	0%
N/A	Lower Badger Mill Creek Interceptor- Phase 6	9,750,000	6,000,000	(3,750,000)	-38%
N/A	NEI- Waunakee Extension Capacity Improvements (Phase 1)	11,000,000	11,000,000	-	0%
N/A	Northeast Interceptor Joint Grouting MH10-101 to MH10-106	307,000	307,000	-	0%
N/A	NSVI Improvements-McKee Road to Dunn's Marsh	4,754,000	4,754,000	-	0%
N/A	NSVI-Morse Pond Extension	2,300,000	2,300,000	-	0%
N/A	West Interceptor- Shorewood Relief (Phase 1)	4,915,000	4,915,000	-	0%
N/A	West Interceptor- Shorewood Relief (Phase 2)	1,754,000	1,754,000	-	0%
N/A	West Interceptor- Shorewood Relief (Phase 3)	8,500,000	8,500,000	-	0%
N/A	Repair to West Interceptor Extension on Allen Boulevard	725,000	725,000	-	0%
N/A	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	1,100,000	1,350,000	250,000	23%
N/A	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	1,300,000	1,300,000	-	0%
N/A	West Interceptor on Regent Street (Park Street to East Campus Mall)	1,300,000	1,300,000	-	0%
Pumping Stations and Force Mains		**$85,546,000**	**$90,931,000**	**$5,385,000**	**6%**
C01	Pumping Station 10 Force Main Repairs	1,500,000	2,250,000	750,000	50%
C02	Pumping Station Bar Screens	4,000,000	7,750,000	3,750,000	94%
C03.1	Pumping Station 16 Rehabilitation	8,200,000	8,500,000	300,000	4%
C03.2	Pumping Station 16 Force Main Rehabilitation	2,700,000	2,900,000	200,000	7%
C04	Crosstown Force Main Air Release Valve Saddle Tap Replacements	625,000	625,000	-	0%
C05.1	Force Main Condition Assessment- PS 15 Force Main	-	550,000	550,000	n/a
C05.2	Force Main Condition Assessment- Future	3,000,000	2,500,000	(500,000)	-17%
C06	PS 11 & PS 12 Surge Valve Access Platforms	225,000	225,000	-	0%
C07	PS 5 & PS 15 Force Main Isolation Valve Replacements	850,000	850,000	-	0%
C08.1	Miscellaneous Collection System Projects 2026	-	115,000	115,000	n/a
C08.2	Miscellaneous Collection System Projects- Future	1,130,000	630,000	(500,000)	-44%
C09	Pumping Station 2 Variable Frequency Drive Replacements	-	600,000	600,000	n/a
N/A	Emergency Power Generation at District Pumping Stations	16,000,000	16,000,000	-	0%
N/A	Grass Lake Dike Stabilization	905,000	905,000	-	0%
N/A	PS 13 & PS 14 Rehabilitation	10,755,000	10,755,000	-	0%
N/A	PS 7 Improvements	4,247,000	4,247,000	-	0%
N/A	Miscellaneous Collection System Projects 2025	110,000	110,000	-	0%
N/A	Miscellaneous Collection System Projects 2024	105,000	200,000	95,000	90%
N/A	Pumping Station 17 Force Main Relief- Phase 1	3,490,000	3,490,000	-	0%
N/A	Pumping Station 4 Rehabilitation	7,069,000	7,069,000	-	0%
N/A	Pumping Station 17 Firm Capacity Improvements	8,100,000	8,100,000	-	0%
N/A	Pumping Station 17 Force Main Relief- Phase 2	12,010,000	12,010,000	-	0%
N/A	Force Main Condition Assessment- PS 10 Force Main	525,000	550,000	25,000	5%
Capital Budget Expenses		**$2,140,000**	**$2,515,000**	**$375,000**	**18%**
D01	Collection System Facilities Plan Update	390,000	415,000	25,000	6%
D02	Badger Mill Creek Phosphorus Compliance	1,750,000	2,100,000	350,000	20%
Grand Total		**$435,364,000**	**$479,630,000**	**$44,266,000**	**10%**

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

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

	2025	Estimated 2026	Increase	
Liquid Processing Improvements - Phase 2	**$76,150,000**	**$92,000,000**	**$15,850,000**	**21%**
East Primary Influent Channel Air Piping Replacement	4,000,000	4,035,000	35,000	1%
Low Dissolved Oxygen (Partial Plant)	150,000	0	-150,000	-100%
Low Dissolved Oxygen (Full Plant)	45,000,000	61,665,000	16,665,000	37%
West Blowers and Switchgear Replacement	10,000,000	9,700,000	-300,000	-3%
East Blowers and Switchgear Replacement	10,000,000	9,700,000	-300,000	-3%
East Plant Primary Tank Rehabilitation (LPI)	7,000,000	6,900,000	-100,000	-1%

Table CIP-2: **2024-2026 Expenditures by Project**

This table lists annual expenditures by project

		2024 Actual	2025 Through June	2025 Estimated	2026 Anticipated
Treatment Plant		**$6,892,000**	**$3,729,148**	**$16,467,000**	**$18,751,000**
A01	Liquid Processing Improvements- Phase 2	641,000	404,788	3,175,000	3,045,000
A02	Laboratory Remodel				5,000
A03	W4 System Improvements	102,000	90,385	360,000	1,009,000
A04	Heat and Power Improvements	308,000	224,145	575,000	
A05	Lagoon Dikes Improvements	78,000	80,829	280,000	552,000
A06	Maintenance, Financial and HR Systems	119,000	106,427	865,000	2,010,000
A07	Metrogro Applicators & Equipment	927,000	861,548	1,056,000	562,000
A08.1	Annual Solids Processing Tank Cleaning 2026				1,250,000
A08.2	Annual Solids Processing Tank Cleaning- Future				
A09	Treatment Plant HVAC Improvements- Group 1 Projects				
A10.1	Headworks Screening				
A10.2	Grit Processing Improvements				
A11.1	Dryer & Seeding Modifications		8,354	56,000	509,000
A11.2	DAF Rehabilitation				
A12	Miscellaneous Treatment Plant Projects				
A13.1	Minor Capital Improvements 2026				134,000
A13.2	Minor Capital Improvements- Future				
A14	Annual Pavement Improvements- Future				
A15.1	Biosolids Facilities Plan	5,000	31,434	285,000	343,000
A15.2	Biosolids Infrastructure				
A16	Septage Receiving Modifications				
A17	East Plant Primary Tank Rehabilitation				
A18	West Plant Primary Tank Rehabilitation				
A19	Norsman Properties (1701 and 1705 Moorland Road)			1,700,000	100,000
N/A	2021 Treatment Plant HVAC Improvement Project	2,013,000	31,251	143,000	
N/A	Annual Pavement Improvements 2025		1,853	75,000	
N/A	Annual Solids Processing Tank Cleaning 2024	657,000			
N/A	Annual Solids Processing Tank Cleaning 2025		22,448	900,000	
N/A	Flow Splitter Improvements	340,000	1,484,529	4,954,000	2,047,000
N/A	Maintenance Facility Rooftop Solar Panels	2,000			
N/A	Minor Capital Improvements 2024	187,000			
N/A	Minor Capital Improvements 2025		708	150,000	300,000
N/A	Miscellaneous Treatment Plant Projects 2024	115,000	7,714	8,000	
N/A	Miscellaneous Treatment Plant Projects 2025			167,000	
N/A	NSWWTP Electrical Service Equipment Replacement	861,000	284,431	1,625,000	5,960,000
N/A	Primary Tank 6 Rehabilitation	532,000			
N/A	Sludge Thickeners No. 1 & No. 2 Drive and Mechanism Replacements	4,000	88,306	93,000	926,000

Table CIP 2: **2024-2026 Expenditures by Project** continued

		2024 Actual	2025 Through June	2025 Estimated	2026 Anticipated
Interceptors		**$7,398,000**	**$5,672,571**	**$14,229,000**	**$8,330,000**
B01	Manhole Rehabilitation on West Interceptor			185,000	476,000
B02	East Interceptor Rehabilitation- PS07 to MH07-103			5,000	62,000
B03	SEI McFarland Relief Rehabilitation				10,000
B04	Southeast Interceptor Relocation at Yahara River	40,000	17,493	52,000	230,000
B05	NEI- Truax Extension Rehab	16,000	641	5,000	119,000
B06	NEI- FEI to SEI Rehab				
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)				
B08.1	NSVI Capacity Improvements (Phase 1)	51,000	107,653	270,000	621,000
B08.2	NSVI Capacity Improvements (Phase 2)	315,000	57,077	1,085,000	994,000
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street			5,000	31,000
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court			5,000	16,000
B10	NEI- Rehab West of Airport (Phases 2 & 3)				
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)				
N/A	Lower Badger Mill Creek Interceptor- Phase 5	486,000			
N/A	Lower Badger Mill Creek Interceptor- Phase 6	199,000	606,974	1,465,000	2,995,000
N/A	NEI- Waunakee Extension Capacity Improvements (Phase 1)	3,449,000	3,656,379	5,928,000	813,000
N/A	Northeast Interceptor Joint Grouting MH10-101 to MH10-106	10,000			
N/A	NSVI Improvements-McKee Road to Dunn's Marsh	28,000			
N/A	NSVI-Morse Pond Extension				
N/A	Repair to West Interceptor Extension on Allen Boulevard	10,000			
N/A	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	72,000	120,022	344,000	110,000
N/A	West Interceptor- Shorewood Relief (Phase 1)	3,000	46		
N/A	West Interceptor- Shorewood Relief (Phase 2)	2,000	344	75,000	
N/A	West Interceptor- Shorewood Relief (Phase 3)	2,567,000	1,057,129	3,850,000	1,745,000
N/A	West Interceptor on Regent Street (Park Street to East Campus Mall)	1,000			
N/A	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	149,000	48,811	955,000	109,000
Pumping Stations and Force Mains		**$8,976,000**	**$2,504,477**	**$5,775,000**	**$8,934,000**
C01	Pumping Station 10 Force Main Repairs	27,000	36,860	302,000	1,920,000
C02	Pumping Station Bar Screens		48,787	185,000	2,215,000
C03.1	Pumping Station 16 Rehabilitation				
C03.2	Pumping Station 16 Force Main Rehabilitation	1,000			
C04	Crosstown Force Main Air Release Valve Saddle Tap Replacements			50,000	569,000
C05.1	Force Main Condition Assessment- PS 15 Force Main				
C05.2	Force Main Condition Assessment- Future				
C06	PS 11 & PS 12 Surge Valve Access Platforms				220,000
C07	PS 5 & PS 15 Force Main Isolation Valve Replacements				
C08.1	Miscellaneous Collection System Projects 2026				114,000
C08.2	Miscellaneous Collection System Projects- Future				
C09	Pumping Station 2 Variable Frequency Drive Replacements				500,000
N/A	Emergency Power Generation at District Pumping Stations	5,000			
N/A	Force Main Condition Assessment- PS 10 Force Main	6,000	1,139	10,000	515,000
N/A	Grass Lake Dike Stabilization	10,000			
N/A	Miscellaneous Collection System Projects 2024	166,000			
N/A	Miscellaneous Collection System Projects 2025		175	105,000	
N/A	PS 13 & PS 14 Rehabilitation	2,000			
N/A	PS 7 Improvements	5,000			
N/A	Pumping Station 17 Firm Capacity Improvements	398,000	706,933	2,296,000	2,438,000
N/A	Pumping Station 17 Force Main Relief- Phase 1				
N/A	Pumping Station 17 Force Main Relief- Phase 2	6,075,000	1,288,284	1,671,000	300,000
N/A	Pumping Station 4 Rehabilitation	2,279,000	422,300	1,156,000	143,000
Capital Budget Expenses		**$351,000**	**$85,900**	**$110,000**	**$113,000**
D01	Collection System Facilities Plan Update	103,000	23,374	35,000	63,000
D02	Badger Mill Creek Phosphorus Compliance	240,000	59,424	75,000	50,000
N/A	Miscellaneous Capital Expenses	8,000	3,102		
Grand Total		**$23,618,000**	**$11,992,096**	**$36,581,000**	**$36,128,000**

Table CIP-3: **2024-2026 Annual Budgets & Expenditures**

This table shows total annual budgets for 2024-2026, with actual and estimated spending for 2024 and 2025, respectively.

	Capital Budget		2026 Proposed CIP	
	2024	**2025**	**2026**	**2025-2026 Change**
Budgets	$45,544,000	$43,933,000	$36,128,000	-18%
Expenditures (Actual 2024; Estimated 2025)	23,618,000	36,581,000		
Underspending	*$21,926,000*	*$7,352,000*		

Table CIP-4: **Loan Proceeds**

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

	2024 Actual	2025 Estimated	2026 Anticipated
Pump Station 4 Rehabilitation	$537,000	$4,094,000	$240,000
Flow Splitter Rehab		4,500,000	2,750,000
Pump Station 17 Force Main- Phase 2	6,816,000	2,600,000	$685,000
2021 Treatment Plant HVAC Improvement Project	168,000	2,162,000	
PS 13&14 Rehab/Ops Bldg Remodel/2019 Plant Piping/Int Rehab	285,000		
WI-Shorewood Relief (Phase 1)/NSVI-McKee Rd to Dunn's Marsh	340,000		
Pump Station 17 Firm Capacity Improvements	533,000	2,000,000	2,900,000
NSWWTP Electrical Service Equipment Replacement		2,200,000	6,000,000
NEI- Waunakee Extension Capacity Improvements (Phase 1)		9,000,000	1,617,000
Grand Total	**$8,678,000**	**$26,557,000**	**$14,192,000**

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

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

Anticipated Funding Key

B: Borrowing
C: Cash

Project No.	Project Title	Anticipated Funding	2026	2027	2028	2029	2030	2031
Treatment Plant			**$18,751,000**	**$37,342,000**	**$39,211,000**	**$35,523,000**	**$33,071,000**	**$34,097,000**
A01	Liquid Processing Improvements- Phase 2	B	3,045,000	28,185,000	29,805,000	26,460,000		
A02	Laboratory Remodel	B	5,000	288,000	541,000	2,156,000	1,776,000	
A03	W4 System Improvements	C	1,009,000					
A04	Heat and Power Improvements	N/A						
A05	Lagoon Dikes Improvements	B	552,000	1,294,000	826,000			
A06	Maintenance, Financial and HR Systems	C	2,010,000	2,402,000	1,646,000	1,676,000		
A07	Metrogro Applicators & Equipment	C	562,000	145,000	150,000			
A08.1	Annual Solids Processing Tank Cleaning 2026	C	1,250,000					
A08.2	Annual Solids Processing Tank Cleaning- Future	C		803,000	865,000	914,000	965,000	1,514,000
A09	Treatment Plant HVAC Improvements- Group 1 Projects	B		396,000	2,672,000	919,000		
A10.1	Headworks Screening	B		9,000	179,000	451,000	2,309,000	2,378,000
A10.2	Grit Processing Improvements	B			51,000	124,000	1,281,000	1,319,000
A11.1	Dryer & Seeding Modifications	C	509,000	656,000				
A11.2	DAF Rehabilitation	B			28,000	171,000	1,970,000	1,424,000
A12	Miscellaneous Treatment Plant Projects- Future	C		187,000	194,000	200,000	206,000	212,000
A13.1	Minor Capital Improvements 2026	C	134,000					
A13.2	Minor Capital Improvements- Future	C		138,000	143,000	147,000	152,000	156,000
A14	Annual Pavement Improvements- Future	C		84,000		89,000		94,000
A15.1	Biosolids Facilities Plan	C	343,000					
A15.2	Biosolids Infrastructure	B			2,112,000	2,175,000	22,254,000	22,922,000
A16	Septage Receiving Modifications	B				11,000	553,000	1,720,000
A17	East Plant Primary Tank Rehabilitation	C				29,000	1,529,000	
A18	West Plant Primary Tank Rehabilitation	C					76,000	2,356,000
A19	Norsman Properties (1701 & 1705 Moorland Road)	C	100,000					
N/A	2021 Treatment Plant HVAC Improvement Project	B						
	Flow Splitter Improvements	B	2,047,000					
	Maintenance Facility Rooftop Solar Panels	C						
	Minor Capital Improvements 2025	C	300,000					
	NSWWTP Electrical Service Equipment Replacement	B	5,960,000	2,755,000				
	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	C	926,000					
Interceptors			**$8,330,000**	**$15,252,000**	**$19,497,000**	**$10,995,000**	**$9,887,000**	**$9,715,000**
B01	Manhole Rehabilitation on West Interceptor	C	476,000	359,000				
B02	East Interceptor Rehabilitation- PS07 to MH07-103	C	62,000	578,000	67,000			
B03	SEI McFarland Relief Rehabilitation	C	10,000	129,000	383,000	2,392,000		
B04	Southeast Interceptor Relocation at Yahara River	C	230,000	565,000				
B05	NEI- Truax Extension Rehab	B	119,000	5,977,000	4,047,000			
B06	NEI- FEI to SEI Rehab	C		64,000	1,164,000	1,410,000		
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)	C				23,000	35,000	703,000
B08.1	NSVI Capacity Improvements (Phase 1)	C	621,000	3,160,000	7,861,000	2,021,000		
B08.2	NSVI Capacity Improvements (Phase 2)	B	994,000	3,872,000	3,204,000			

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

Project No.	Project Title	Anticipated Funding	2026	2027	2028	2029	2030	2031
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	B	31,000	70,000	1,768,000			
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	B	16,000	43,000	987,000			
B10	NEI- Rehab West of Airport (Phases 2 & 3)	C			17,000	148,000	3,852,000	
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)	C						12,000
N/A	Collection System Projects- Future	B				5,000,000	6,000,000	9,000,000
	Lower Badger Mill Creek Interceptor- Phase 6	C	2,995,000	435,000				
	NEI- Waunakee Extension Capacity Improvements (Phase 1)	B	813,000					
	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	C	110,000					
	West Interceptor- Shorewood Relief (Phase 3)	C	1,745,000					
	West Interceptor on Regent Street (Park Street to East Campus Mall)	N/A						
	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	C	109,000					
Pumping Stations and Force Mains			**$8,934,000**	**$3,967,000**	**$2,179,000**	**$6,649,000**	**$6,940,000**	**$6,325,000**
C01	Pumping Station 10 Force Main Repairs	C	1,920,000					
C02	Pumping Station Bar Screens	C	2,215,000	3,712,000	1,536,000			
C03.1	Pumping Station 16 Rehabilitation	B		16,000	211,000	988,000	3,540,000	3,647,000
C03.2	Pumping Station 16 Force Main Rehabilitation	B		5,000	83,000	348,000	1,858,000	551,000
C04	Crosstown Force Main Air Release Valve Saddle Tap Replacements	C	569,000					
C05.1	Force Main Condition Assessment- PS 15 Force Main	C		16,000	133,000	394,000		
C05.2	Force Main Condition Assessment- Future	C				46,000	412,000	993,000
C06	PS 11 & PS 12 Surge Valve Access Platforms	C	220,000					
C07	PS 5 & PS 15 Force Main Isolation Valve Replacements	C			94,000	748,000		
C08.1	Miscellaneous Collection System Projects 2026	C	114,000					
C08.2	Miscellaneous Collection System Projects- Future	C		118,000	122,000	126,000	129,000	133,000
C09	Pumping Station 2 Variable Frequency Drive Replacements	C	500,000	100,000				
N/A	Emergency Power Generation at District Pumping Stations	N/A						
	Force Main Condition Assessment- PS 10 Force Main	C	515,000					
	Pumping Station 17 Firm Capacity Improvements	B	2,438,000					
	Pumping Station 17 Force Main Relief- Phase 2	B	300,000					
	Pumping Station 4 Rehabilitation	B	143,000					
	Pumping Station Projects- Future	B				4,000,000	1,000,000	1,000,000
Capital Budget Expenses			**$113,000**	**$1,050,000**	**$250,000**	**-**	**-**	**-**
D01	Collection System Facilities Plan Update	C	63,000					
D02	Badger Mill Creek Phosphorus Compliance	C	50,000	1,050,000	250,000			
Grand Total			**$36,128,000**	**$57,611,000**	**$61,137,000**	**$53,168,000**	**$49,899,000**	**$50,137,000**

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

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

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

Project #	Project Title	2026	2027	2028	2029	2030	2031
Treatment Plant							
A01	Liquid Processing Improvements- Phase 2	D/C	C	C	C		
A02	Laboratory Remodel	P/D	D	D/C	C	C	
A03	W4 System Improvements	C					
A04	Heat and Power Improvements						
A05	Lagoon Dikes Improvements	C	C	C			
A06	Maintenance, Financial and HR Systems	C	C	C	C		
A07	Metrogro Applicators & Equipment	E	E	E			
A08.1	Annual Solids Processing Tank Cleaning 2026	A					
A08.2	Annual Solids Processing Tank Cleaning- Future		A	A	A	A	A
A09	Treatment Plant HVAC Improvements- Group 1 Projects		D	C	C		
A10.1	Headworks Screening		P	D	D	C	C
A10.2	Grit Processing Improvements			D	D	C	C
A11.1	Dryer & Seeding Modifications	D/C	C				
A11.2	DAF Rehabilitation			D	D	C	C
A12	Miscellaneous Treatment Plant Projects- Future		C	C	C	C	C
A13.1	Minor Capital Improvements 2026	C					
A13.2	Minor Capital Improvements- Future		C	C	C	C	C
A14	Annual Pavement Improvements- Future		C		C		C
A15.1	Biosolids Facilities Plan	P					
A15.2	Biosolids Infrastructure			D	D	C	C
A16	Septage Receiving Modifications				P	D	D/C
A17	East Plant Primary Tank Rehabilitation- Future				D	C	
A18	West Plant Primary Tank Rehabilitation					D	C
A19	Norsman Properties (1701 and 1705 Moorland Road)	A					
N/A	Flow Splitter Improvements	C					
	Minor Capital Improvements 2025	C					
	NSWWTP Electrical Service Equipment Replacement	C	C				
	Sludge Thickeners No. 1 and No. 2 Drive and Mechanism Replacements	C					
Interceptors							
B01	Manhole Rehabilitation on West Interceptor	D/C	C				
B02	East Interceptor Rehabilitation- PS07 to MH07-103	D	D/C	C			
B03	SEI McFarland Relief Rehabilitation	P	D	D/C	C		
B04	Southeast Interceptor Relocation at Yahara River	D/C	C				
B05	NEI- Truax Extension Rehab	D	D/C	C			
B06	NEI- FEI to SEI Rehab		D	D/C	C		
B07	NEI- Waunakee Extension Rehab (MH14-358 to MH14-362)				S	D	C
B08.1	NSVI Capacity Improvements (Phase 1)	D	C	C	C		
B08.2	NSVI Capacity Improvements (Phase 2)	D/C	C	C			
B09.1	West Interceptor Rehab- Babcock Hall to Dayton Street	D	D	C			
B09.2	West Interceptor Rehab- Farley Avenue to Marshall Court	D	D	C			
B10	NEI- Rehab West of Airport (Phases 2 & 3)			P	D	C	
B11	Southeast Interceptor Rehabilitation on USH 51 (Phase 2)						P
N/A	Collection System Projects- Future				C	C	C
	Lower Badger Mill Creek Interceptor- Phase 6	C	C				
	NEI- Waunakee Extension Capacity Improvements (Phase 1)	C					
	Southeast Interceptor Rehabilitation on USH 51 (Phase 1)	C					
	West Interceptor- Shorewood Relief (Phase 3)	C					
	West Interceptor on Regent Street (Park Street to East Campus Mall)						
	West Interceptor Rehab- Segoe Road to Shorewood Boulevard	C					

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

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

Project #	Project Title	2026	2027	2028	2029	2030	2031
Pumping Stations and Force Mains							
C01	Pumping Station 10 Force Main Repairs	C					
C02	Pumping Station Bar Screens	C	C	C			
C03.1	Pumping Station 16 Rehabilitation		P	D	D/C	C	C
C03.2	Pumping Station 16 Force Main Rehabilitation		P	D	D/C	C	C
C04	Cross-Town Force Main Air Release Valve Saddle Tap Replacements	C					
C05.1	Force Main Condition Assessment- PS 15 Force Main		P	D	C		
C05.2	Force Main Condition Assessment- Future				A	A	A
C06	PS 11 & PS 12 Surge Valve Access Platforms	D/C					
C07	PS 5 & PS 15 Force Main Isolation Valve Replacements			P/D	C		
C08.1	Miscellaneous Collection System Projects 2026	C					
C08.2	Miscellaneous Collection System Projects- Future		C	C	C	C	C
C09	Pumping Station 2 Variable Frequency Drive Replacements	D/C	C				
N/A	Emergency Power Generation at District Pumping Stations						
	Force Main Condition Assessment- PS 10 Force Main	C					
	Pumping Station 17 Firm Capacity Improvements	C					
	Pumping Station 17 Force Main Relief- Phase 2	C					
	Pumping Station 4 Rehabilitation	C					
	Pumping Station Projects- Future				C	C	C
Capital Budget Expenses							
D01	Collection System Facilities Plan Update	P					
D02	Badger Mill Creek Phosphorus Compliance	A	A	A			

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

This table outlines project drivers by year

	2026	2027	2028	2029	2030	2031
Condition	24,439,000	46,579,000	46,884,000	48,971,000	27,644,000	27,215,000
Regulatory	831,000	2,909,000	1,076,000	-	-	-
Resilience		-	-	-	-	-
Capacity	10,858,000	8,123,000	13,177,000	4,197,000	22,254,000	22,922,000
Grand Total	**$36,128,000**	**$57,611,000**	**$61,137,000**	**$53,168,000**	**$49,899,000**	**$50,137,000**

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

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

	2025	2026	2027	2028	2029	2030	2031
Opening Balance	**$29,116,000**	**$33,382,000**	**$27,126,000**	**$29,822,000**	**$22,900,000**	**$14,436,000**	**$19,310,000**
Revenues							
Clean Water Fund Loans	26,557,000	14,192,000	39,163,000	32,429,000	28,879,000	35,783,000	26,337,000
General Obligation Bonds	-	-	11,385,000	9,602,000	7,427,000	8,637,000	8,715,000
Connection Charges	4,000,000	4,040,000	4,079,000	4,118,000	4,157,000	4,197,000	4,236,000
Interest Revenues	873,000	668,000	543,000	596,000	458,000	144,000	193,000
Transfers From Operating Fund	9,417,000	10,972,000	5,137,000	7,470,000	3,782,000	6,011,000	10,277,000
Total Revenues	*40,847,000*	*29,872,000*	*60,307,000*	*54,215,000*	*44,703,000*	*54,772,000*	*49,758,000*
Expenditures							
Treatment Plant	16,467,000	18,751,000	37,342,000	39,211,000	35,523,000	33,071,000	34,097,000
Interceptors	14,229,000	8,330,000	15,252,000	19,497,000	10,995,000	9,887,000	9,715,000
Pumping Stations & Force Mains	5,775,000	8,934,000	3,967,000	2,179,000	6,649,000	6,940,000	6,325,000
Capital Budget Expenses	110,000	113,000	1,050,000	250,000	-	-	-
Total Expenditures	*36,581,000*	*36,128,000*	*57,611,000*	*61,137,000*	*53,167,000*	*49,898,000*	*50,137,000*
Closing Balance	**$33,382,000**	**$27,126,000**	**$29,822,000**	**$22,900,000**	**$14,436,000**	**$19,310,000**	**$18,931,000**
Reserve Target	*23,604,000*	*25,649,000*	*27,347,000*	*26,425,000*	*25,184,000*	*24,666,000*	*24,725,000*
Closing Balance Net of Reserve	*$9,778,000*	*$1,477,000*	*$2,475,000*	*$(3,525,000)*	*$(10,748,000)*	*$(5,356,000)*	*$(5,794,000)*

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

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

	2025	2026	2027	2028	2029	2030	2031
OPENING BALANCE	**$21,557,000**	**$22,936,000**	**$19,399,000**	**$19,332,000**	**$18,948,000**	**$25,247,000**	**$25,954,000**
Revenues							
Transfer from Operating Fund	14,346,000	11,399,000	17,181,000	17,709,000	24,433,000	25,702,000	25,462,000
Interest Earnings	647,000	459,000	388,000	387,000	379,000	252,000	260,000
Total Revenues	*14,993,000*	*11,858,000*	*17,569,000*	*18,096,000*	*24,812,000*	*25,954,000*	*25,722,000*
Principal Payments	10,879,000	12,328,000	13,684,000	14,243,000	14,233,000	18,670,000	19,206,000
Interest Payments	2,735,000	3,067,000	3,952,000	4,237,000	4,280,000	6,577,000	6,748,000
Total Expenditures	*13,614,000*	*15,395,000*	*17,636,000*	*18,480,000*	*18,513,000*	*25,247,000*	*25,954,000*
CLOSING BALANCE	**$22,936,000**	**$19,399,000**	**$19,332,000**	**$18,948,000**	**$25,247,000**	**$25,954,000**	**$25,722,000**
Reserve Requirement	*15,395,000*	*17,636,000*	*18,480,000*	*18,513,000*	*25,247,000*	*25,954,000*	*25,722,000*
Closing Balance Net of Reserve	*$7,541,000*	*$1,763,000*	*$852,000*	*$435,000*	*$-*	*$-*	*$-*

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

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

	2026	2027	2028	2029	2030	2031
End of Year Outstanding Principal Obligations	$143,266,000	$180,130,000	$207,918,000	$229,991,000	$255,741,000	$271,587,000
Percent of Capital Expenditures Financed with Debt (2 year moving average)	56%	69%	78%	69%	78%	79%
Principal Paid	12,328,000	13,684,000	14,243,000	14,233,000	18,670,000	19,206,000
Interest Paid	$3,067,000	$3,952,000	$4,237,000	$4,280,000	$6,577,000	$6,748,000
Payments as Percent of Service Charges Revenue:						
Principal	20.1%	20.9%	20.3%	18.9%	23.0%	21.9%
Interest	4.7%	5.0%	6.0%	6.0%	5.7%	8.1%
Total	24.7%	25.9%	26.3%	24.9%	28.6%	30.0%
Total Obligations as Percentage of District Property Value (5% constitutional limit)	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%

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

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

	Budget Year		2026 Proposed CIP	
	2024	2025	2026	2025-2026 Change
Anticipated in Budget	$15,340,000	$16,398,000	$15,395,000	-6%
Expenditures (Actual 2024; Estimated 2025)	12,955,000	13,614,000		
Difference	*$(2,385,000)*	*$(2,784,000)*		

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

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

Five-Year Intervals	Principal	Interest	Total
2026-2030	$73,158,000	$22,113,000	$95,271,000
2031-2035	$89,886,000	$34,421,000	$124,307,000
2036-2040	$83,696,000	$25,484,000	$109,180,000
2041-2045	$77,139,000	$14,703,000	$91,842,000

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

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

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

	2026	2027	2028	2029	2030	2031
Transfer to Capital Projects Fund	$10,972,000	$5,137,000	$7,470,000	$3,782,000	$6,011,000	$10,277,000
Transfer to Debt Service Fund	11,399,000	17,181,000	17,709,000	24,433,000	25,702,000	25,462,000
Total Support for Capital Program	*22,371,000*	*22,318,000*	*25,179,000*	*28,215,000*	*31,713,000*	*35,739,000*
Increase from Prior Year	*(1,392,000)*	*(53,000)*	*2,861,000*	*3,036,000*	*3,498,000*	*4,026,000*

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

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

	2026	2027	2028	2029	2030	2031
High Forecast	N/A	$70,230,000	$76,197,000	$82,382,000	$89,039,000	$97,586,000
Estimate	61,380,000	65,334,000	70,201,000	75,458,000	81,298,000	87,794,000
Low Forecast	*N/A*	*60,438,000*	*64,204,000*	*68,534,000*	*73,557,000*	*78,002,000*

An aerial view of the Nine Springs Wastewater Treatment Plant.

Madison Metropolitan Sewerage District

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