

**VILLAGE OF MARATHON CITY, MARATHON COUNTY, WISCONSIN**  
**UTILITY COMMISSION MEETING – HYBRID**  
**VILLAGE HALL – BOARD ROOM**  
**WEDNESDAY, APRIL 30, 2025 - 4:00 p.m.**

**PUBLIC VIRTUAL ACCESS**

**Join Teams Meeting: <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>**



**Meeting ID: 261 174 214 35**

**Passcode: cY2jA33d**

Notice Posted at the Municipal Center

Notice Received by Record-Review

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DATE: Wednesday, April 23, 2025  
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TIME: 1:30 pm  
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DATE: Wednesday, April 23, 2025  
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TIME: 1:30 pm  
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**1. CALL TO ORDER**

**UTILITY ROLL CALL:** A. BERENS, B. BOHR, M. TELFORD, D. SEILER, K. HANDRICK JR.

**2. PLEDGE OF ALLEGIANCE**

**3. RECOGNITION OF VISITORS**

- a. Virtual Meeting Guidelines
  - i. This meeting will be recorded and available upon request
- b. Public Participation at Government Meetings

**4. APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

- a. Discuss and Possible Action on Approval of Minutes for February 26, 2025 Utility Commission Meeting

**5. REVIEW AND APPROVAL OF BILLS**

**6. PUBLIC UTILITY OPERATIONS & FACILITIES REPORT**

**7. UNFINISHED BUSINESS**

- a. Discussion on DNR Lead Service Line Report

**8. NEW BUSINESS**

- a. Discuss and Possible Action on RFP for Municipal Well #1 Replacement
- b. Discuss and Possible Action on Utility Projects in Capital Improvement Plan
- c. Discuss and Possible Action on 1<sup>st</sup> Quarter Utility Bill for 1202 Heindl Lane

**9. SCHEDULED MEETINGS**

- a. Regular Meeting: Wednesday, May 28, 2025 – 4:00 p.m.
- b. Special Meetings as Needed

**10. ADJOURNMENT**

Cassie Lang  
Village Clerk / Deputy Treasurer

**VILLAGE OF MARATHON CITY, MARATHON COUNTY, WISCONSIN**  
**UTILITY COMMISSION MEETING – HYBRID**  
**VILLAGE HALL – BOARD ROOM**  
**WEDNESDAY, FEBRUARY 26, 2025 - 4:00 p.m.**

**MINUTES**

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**1. CALL TO ORDER at 4:02 pm**

**UTILITY ROLL CALL:** A. BERENS, B. BOHR, M. TELFORD, D. SEILER, K. HANDRICK JR.  
Absent from meeting was D. Seiler.

**2. PLEDGE OF ALLEGIANCE**

**3. RECOGNITION OF VISITORS**

- a. Virtual Meeting Guidelines
  - i. This meeting will be recorded and available upon request
- b. Public Participation at Government Meetings  
Attending in person was Casey Krautkramer from the Record Review. Attending virtually was Carrey Spencer from the WI Department of Health Services.

**4. APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

- a. Discuss and Possible Action on Approval of Minutes for December 11, 2024 Utility Commission Meeting

**Motion – Approve Minutes from December 11, 2024 Meeting**

Motion made by Handrick second by Bohr. Motion passed by voice vote.

**5. REVIEW AND APPROVAL OF BILLS**

Commission Members questioned the following Checks:

#48378 – Hydrant on Chestnut St – Insurance claim paid for, less \$1,000 deductible

#48384 – Parts City order – ball hitch

#48432 and #48438 – Kwik Trip damaged meter parts reimbursed by Kwik Trip

#48466 – PGA work to replace Chestnut St hydrant – Insurance claim paid for, less \$1,000 deductible

**Motion – Approve Payment of Bills**

Motion made by Telford second by Handrick. Motion passed by voice vote.

**6. PUBLIC UTILITY OPERATIONS REPORT**

- a. Facilities Report

Director of Public Works - Ken Bloom, presented the Facilities Report which can be found in the agenda packet.

**7. UNFINISHED BUSINESS**

- a. Discuss and Possible Action on Replacing Lead Water Service Lateral

Administrator Cherek presented the Commission with the fact that there are at least 2 known properties that have lead water service laterals from home to curb stop. He also informed them that since the Village has been lucky to have little known lead water service laterals that it would cost them more to get a grant to help out than what the grant would pay out. With the help of the Director of Public Works, they determined the standard cost to replace lead laterals to be about \$3,500. Cherek suggested paying a set dollar amount to homeowners to help pay for replacement of laterals.

The Commission members discussed different options, including paying a set amount to homeowners, and determined that since the lead levels have been testing so low that it is in the best interest of the Village to keep testing the water for lead and inform the homeowner of the test results. This would put the decision whether to replace the lines or not in the control of the homeowners.

If they are not replaced by 2026, those sites could become DNR lead testing sites.

b. Discussion on Village Board Approval of KC Industries Settlement

Administrator Cherek shared with the Commission that the Village Board accepted the settlement from KC Industries at their regular Board Meeting on January 2nd, 2025 for \$24,721. Under the terms of this settlement agreement, KC Industries has 30 days to remove their equipment since the date The Village cashed payment. Cherek informed them that he is working with VanderWaal Law on a letter reminding them that they have 2 more weeks remaining to remove their equipment.

c. Discussion and Possible Action on DNR Pilot Study for Fluoride Addition to Water Facility

Administrator Cherek pointed out that with the KC Industries settlement resolved, the water-soluble tablet fluoride Pilot Study has also come to an end. The Village is required to send a letter to the DNR informing them that we are discontinuing the fluoride pilot study and restarting the previous fluoride treatment system.

Cherek stated that with getting the old system back up and running the Village would not be required to pay back the Grant provided by the State Health Department. Director of Public Works-Bloom also mentioned that he got approval from the DNR to restart the old fluoride system without having to create a new chemical room separate from the chlorine. However, this will have to get upgraded in the future, Director Bloom stated.

Restarting the old system back up will require some additional costs. The new SCADA system does not work with the old fluoride system so that will need to be upgraded. This is projected to cost a couple thousand dollars. The Utility Department will also need to invest in a new scale to be used for fluoride as the old one is now utilized for chlorine. The cost of a new scale is estimated to be around \$1,000. The old system will still require employees to come in on the weekend.

After discussion it was agreed that the Utility Department would get the old fluoride system back up and running as soon as possible.

**Motion – Have Director of Public Works Send the DNR a Letter Removing the Fluoride Pilot Study and Begin to Implement the Previous Fluoride Treatment System**

Motion made by Handrick second by Telford. Motion passed by voice vote.

**8. NEW BUSINESS**

a. Discuss Water Main Break on 1<sup>st</sup> St

Administrator Cherek informed the Commission of a Water Main Break on 1<sup>st</sup> St, between Washington St and Hickory St, that was discovered the week of February 9<sup>th</sup>. He presented them with a breakdown of costs incurred to fix the break which totaled \$5,828.26 and included Village staff time, contractor work and parts to fix the pipe. The asphalt and curb on 1<sup>st</sup> St will need to be repaired in spring which will add to the total cost of repair. With asphalt already needing to be done, the Village is looking into replacing a hydrant near this location, that currently does not have a shutoff valve, at the same time with the \$5,000 in the hydrant budget.

b. Discussion on Total Phosphorus Credit for 2024

Administrator Cherek briefed the Commission on the phosphorus budget of \$25,100 for 2025, based on the cost of \$25,051 the previous year. He proceeded to tell them that the payment for 2025 will be \$11,489, a savings of \$13,611 in the budget. The reason for the decrease in cost this year is largely due to the new Waste Water Treatment Plant and the good management of the facility in keeping it running to the standards the Village expects.

c. Discussion on Wastewater Treatment Plant Closure Report

Cherek presented the Commission with a letter from the DNR stating that they were requesting additional information in response to the old Waste Water Treatment Plant Closure Report that got submitted by the Village in November 2024. This letter can be found in the agenda packet.

The additional information needed was submitted with the help of Strand Associates the week of February 17<sup>th</sup>. Administrator Cherek, Director of Public Works - Bloom, and Strand Associates all believe this submittal will finalize the closure of the old WWTP. In having Strand help with this closure, the Village has spent \$6,393 of the 2025 budget to date on the closeout process.

d. Discussion and Possible Action on Strand Associates Amendment No. 1 to Task Order No. 24-02, Pursuant to Agreement for Technical Services

Administrator Cherek informed the Commission that the 2025 outside services budget for Waste Water was at \$12,000 and included the expected \$10,000 cost from Strand for the Phosphorus credits needed. Since having to utilize Strand more than expected on the old WWTP Closure Report and expending \$6,393 of the \$10,000 original Strand Task Order, Cherek proposed to the Commission to approve an Amended Task Order for an additional \$10,000.

If the full amount of Task Order (\$20,000) is used, Cherek noted that would put the Waste Water Department's outside services budget over by about \$8,000. But since the Phosphorus

Credit is projected to be under budget by \$13,611, Cherek feels the overall budget should still end in good financial standing for the year.

**Motion – Approve Strand Associates Amendment No. 1 to Task Order No. 24-02, Pursuant to Agreement for Technical Services**

Motion made by Berens second by Handrick. Motion passed by voice vote.

e. Discussion and Possible Action on Water Tower Maintenance Repair Work Needed

Administrator Cherek shared that Lang Tank was in earlier in the week to give a quote on the welding repair work needed on the water tower. We had budgeted \$20,000 in total repairs with the water tower reservoir identified on the DNR non-compliance report to be completed by this year.

In his review, the representative from Lang Tank stated the water tower also needs to be painted, as it is showing signs of issues. He said it would be on the DNR list to be completed within the next 2 to 5 years. The last time the tower was painted was 2004 and the life expectancy of the paint is around 20 to 25 years. He pulled up past records indicating that the inside epoxy paint is more than likely needing to be done as well. Overall, the cost to weld, prime and paint the tower would be around \$129,000.

In reviewing the Village's existing projects, Cherek, along with Bloom, feel this could be grouped together with the bonding the Village is planning to be doing in late spring/early summer. This project could be grouped together with the water main replacement on Washington St (around \$117,000) and the chemical room upgrade needed to continue with the old fluoride treatment system (around \$70,000). The amount needed for bonding for those 3 projects would be \$316,000.

The Water Department is currently paying \$71,394.12 in loan payments for the 3<sup>rd</sup> St water main and is scheduled to be making this amount in payments for 4 more years. In looking at the bond markets, we could bond the remaining amount along with the 3 above projects and amortize it out 20 years.

Cherek figures, if done around July, the Bond market would be \$200,000 for 3<sup>rd</sup> St remainder and \$316,000 in the new projects, making \$516,000 in total bonding for the Water Department. The payment would be around \$40,864.44 a year, freeing up around \$30,000 in yearly operating budget space and saving us from having to do water rate increases.

Cherek believes he will have more information in the next few months, as the Village Board takes up the future Capital Improvement Projects along with the review of the 2024 Audit.

**9. SCHEDULED MEETINGS**

- a. Regular Meeting: Wednesday, March 26, 2025 – 4:00 p.m.
- b. Special Meetings as Needed

**10. ADJOURNMENT at 5:58 pm**

Motion to adjourn made by Handrick second by Bohr. Motion passed by voice vote.

Cassie Lang  
Village Clerk / Deputy Treasurer

## **Marathon City Utilities Report for March/April 2025**

### **Water Treatment Facility Report**

The water facility is operating well and meeting all the testing requirements.

During the large water meter testing and calibration event last fall, the 1½" water meter, located in the car wash at the Shell gas station failed. A new water meter has been ordered and will be replaced in the next few weeks. This was the only large water meter that failed during the testing period.

**UPDATE** – A new 1½" water meter was installed at this location in March 2025.

The backwash flow meter at the water plant failed in late 2024. This meter records the daily flow of backwash water used to clean the iron & manganese removal filter. This volume of water is required by the DNR, to be reported on our monthly operating report for the water treatment plant. Currently we are estimating the volume of backwash water used. We have requested a quote for a new meter and will work to fit this expense into our previously approved 2025 annual operations budget, coded under a water treatment plant maintenance expense. The cost of the new meter is approximately \$5,200.00.

**UPDATE** – The backwash flow meter has been ordered. We are still waiting on delivery, but have an ETA the week of April 28<sup>th</sup>. Until this meter is replaced, the daily volume of backwash water used is estimated.

The 2024 Cross-Connection Inspection Report has been completed. It will be submitted to the DNR basin engineer the last week of February. I would like to thank Cassie Lang for all her help in gathering the data and reorganizing the report, which will make it much easier to update in coming years.

**UPDATE** – The 2024 Cross-Connection Inspection Report was submitted to the DNR on February 27<sup>th</sup>, 2025.

The DNR was notified on February 28<sup>th</sup>, 2025, of the intention of the Utility to discontinue the Tablet Fluoridation Pilot Study, and reinstate our previously used liquid fluorosilicic acid chemical feed system. Please see the DNR response letter dated March 7<sup>th</sup>, 2025, included in the meeting packet.

LW Allen will be onsite on May 13<sup>th</sup>, 2025, to integrate the previously used liquid fluoridation chemical feed system. After LW Allen has completed the integration, Strand will configure our SCADA system to incorporate operational controls. Once the chemical feed system is back online (operational), Jessica Minich, WDNR, will be notified prior to placing the equipment back in service. If she deems an inspection is necessary, this could further delay the start-up of fluoridation.

A new chemical scale was purchased for the chlorine chemical feed system. This was necessary to complete the recommissioning of the previously used fluoride chemical feed system.

## **Water Treatment Facility Report (Continued)**

In February 2025, Marathon City Waterworks received a warning letter from the EPA/DNR, regarding our recent submittal of the Federally required Lead Service Line Inventory Report. Since then, Aaron Martin, Waterworks Operator, has revised the report to only include service line inventory (service laterals). Many unknowns regarding service line materials, were left blank on the original report that was submitted. This was not acceptable and needed to be revised, with notifications to customers of unknown service line material. The Utility has partnered with Jacobs Engineering, a DNR funded engineering firm, to assist with the review, completion, and submittal of the revised Lead Service Line Inventory Report. The report will be resubmitted once the revisions are complete. This will be an ongoing, workable report, that can be updated as new information becomes available.

## **Wastewater Treatment Facility Report**

The wastewater treatment plant met all WPDES permit limits for the month of February 2025 and March 2025.

A drawdown test was conducted by Vierbicher Associates on the Trailer Court Lift Station. This was done to determine GPM@TDH. William Reid will use the design characteristics to match motor and pump size, to meet those requirements.

**UPDATE – 2/25** – I received confirmation by Paul Ludwig of William Reid, that the new pumps have been ordered. There is no ETA established on the pumps, but WR will update the Utility, once they receive that information.

**UPDATE – 4/25** – I did not receive a response from WR on an update of the ETA for the lift station pumps/motors from Smith and Loveless.

Huber was onsite last week to make adjustments to the screenings wash press. We have not had consistent screenings discharge into the dumpster since start-up last fall. Huber cleared the discharge piping and adjusted the washing times and compaction auger set points on the SCADA system. It will take some time to find out if these changes help improve the process.

**UPDATE 2/25** – M&J was onsite to lower the wash press discharge piping from 22.5° incline to a 10°-13° incline on January 28th.

**UPDATE 4/25** – The new 45° angle end piece, is scheduled to be completed by Huber on May 20<sup>th</sup>. It will then be shipped onsite to be replaced by Market and Johnson.

Aaron Martin and I are still working with Kaeser Compressor regarding blower #3. Blower 3 is running louder than the other two blowers. Although Kaeser doesn't think there is an issue with blower 3, it's recommended that we continue to collect quarterly oil samples from the blower, and submit them to Kaeser for analysis. Kaeser will schedule (2) trips, to have a technician on-site to pull oil from the blower, and send it in for analysis.

## **Wastewater Treatment Facility Report (Continued)**

**UPDATE 4/25** – A Kaeser Service Technician was onsite on January 21<sup>st</sup>, to collect oil samples from each of our (3)-40 hp Kaeser Blowers. Blower #3, showed moisture/water in the oil. Another round of sampling occurred on April 7<sup>th</sup>. All oil samples taken on April 7<sup>th</sup>, were within the normal range. I still have concerns about blower #3 and will advocate for Kaeser to continue monitoring that blower. These blowers are under warranty for 5 years, not 2 years as originally stated.

Recent cold weather has caused ice formation on the final clarifiers. The ice has caused some Return Activated Sludge (RAS) airlines to start leaking. Aeromod has commented, that some contractors overtighten or under tighten the hose clamps on the airlines, causing the airlines to leak in cold weather. Staff will investigate the cause of the leaks on multiple RAS airlines, as the weather warms up. The airline leaks are approximately 3-4 inches beneath the surface of the water.

**UPDATE** – Aeromod has sent 48 new hose airlines with hose clamps, to replace all the RAS airlines. After some discussion with Aeromod, the decision was made to raise all the rigid piping (airlines) up approximately 4 inches, so that the connection between the rubber tubing and the rigid piping is above the water surface. This will keep that union out of the ice formation area in winter. Market & Johnson has agreed to help assist our staff with this modification. The tentative plan is to complete one clarifier at a time, since we need to keep one clarifier in service. The first clarifier is scheduled for May 8<sup>th</sup>, with an alternative date of May 22<sup>nd</sup>. The 2<sup>nd</sup> clarifier will be scheduled for a later date.

The WWTP back-up generator shuts down after about 10 minutes of run time under a full load. The shut down is caused by high coolant temperatures. We believe the issue is either a thermostat that is not opening up or the water pump is not circulating the coolant. Further investigation is needed to pinpoint the cause. We will try and get this addressed ASAP, as the back-up generator is a critical piece of equipment for reliability reasons, in the case of power outages.

**UPDATE** – Dodson's (Parts City) was contacted to fix the generator. After an initial inspection, the water pump was thought to be the cause, so it was replaced. The thermostats were checked and found to be operating correctly. A faulty temperature sensor was causing the high coolant alarm, thus shutting down the generator. The temperature sensor was replaced, which solved the generator shutdown issue. A leaking oil seal was also found during the inspection. Dodson's will be replacing the oil seal as well. Having a local business repair the generator, was economical for the Wastewater Utility.

Nick Lindstrom, DNR Wastewater Basin Engineer, will be conducting a required Compliance Inspection on Thursday, May 1<sup>st</sup>, at the Wastewater Treatment Facility. A summary of the compliance inspection report, should be available in the coming weeks.



## **Wastewater Treatment Facility Report (Continued)**

### **Wastewater Regulatory Requirements:**

- 1) Phosphorus Optimization Report #5, was submitted to the DNR on March 31<sup>st</sup>, 2025. This was our last phosphorus optimization report required by our current WPDES permit.
- 2) The WPDES Permit Application was submitted to the DNR on April 3<sup>rd</sup>, 2025. A paper copy will be available at the meeting for review. The WPDES Permit Application can also be emailed upon request.
- 3) The Utility received a letter from the DNR requesting additional information, for determination of eligibility of the Multi-Discharger Phosphorus Variance.
- 4) The 2024 Annual Watershed Report (MDV Report) will be submitted to the DNR by May 1<sup>st</sup>, as required by our WPDES permit. I am waiting on the final documents from Andy Johnson and Miltrim Farms for submittal to the DNR.

Submitted by: Ken Bloom, Director of Public Works & Utilities



March 7, 2025

CASSANDRA LANG CLERK  
VILLAGE OF MARATHON CITY  
311 WALNUT ST  
MARATHON CITY WI 54448

Project Number: W-2022-0620A  
PWSID#: 73701518  
DNR Region: WCR  
County: Marathon

SUBJECT: REMOVAL OF PILOT TABLET FLUORIDATION EQUIPMENT FROM SERVICE

Dear Ms. Lang:

The Wisconsin Department of Natural Resources (department), Division of Environmental Management, Bureau of Drinking Water and Groundwater, has reviewed the request to decommission the tablet fluoridation equipment at the water treatment plant. Information sufficient to meet the requirements of s. NR 811.09(3), Wis. Adm. Code, was submitted to the department.

**Water system name:** Marathon City Waterworks

**Date received:** 02/28/2025

**Project Submitter:** Ken Bloom – Village of Marathon City

**Regional DNR Contact:** Jessica Minich, 1300 W Clairemont, Eau Claire WI 54701, (715)797-5360,  
[jessica.minich@wisconsin.gov](mailto:jessica.minich@wisconsin.gov)

**DNR Plan Reviewer:** Benjamin Mand, 101 South Webster Street, Madison WI 53707, (608) 576-4778,  
[benjamin.mand@wisconsin.gov](mailto:benjamin.mand@wisconsin.gov)

**Project description:** The Village of Marathon City (Village) has notified the department of their intent to end the full-scale pilot study of utilizing a sodium fluorosilicate tablet fluoridation system to provide a fluoride residual for community dental health benefits. The department reviewed plans and specifications for the pilot proposal under project number W-2022-0620 and approval letter dated August 15, 2022. The Village has cited inconsistent dissolution of the fluoride tablets, inconsistent fluoride day tank concentrations, and the inability to consistently maintain a target distribution system fluoride concentration of 0.7 mg/L as their reasoning for decommissioning the pilot equipment.

Reportedly, the previously utilized liquid fluorosilicic acid (fluoride) chemical feed equipment was retained in place at the water treatment plant. The Village has proposed to re-utilize the liquid fluoride chemical feed equipment upon removal of the tablet fluoridation equipment from service.

Department's position: The department does not object to the removal of the tablet fluoridation equipment and recommissioning of the previously used liquid fluorosilicic acid chemical feed system, subject to the following comments and requirements based on staff review:

1. Any modifications to the existing liquid fluoride chemical feed system must be submitted to the department for review and approval prior to the installation of any improvements (s. NR 811.08, Wis. Adm. Code).
2. The existing liquid fluoride chemical feed equipment at the water treatment plant is stored in a common chemical room with sodium hypochlorite, sodium hydroxide, and blended phosphate. This was identified as a non-conforming feature in previous department sanitary survey reports. The next time major work is proposed on the chemical feed systems, the liquid fluoride chemical feed equipment shall be isolated from the other chemicals in accordance with ss. NR 811.51(1)(a) and NR 811.51(2), Wis. Adm. Code.
3. The owner or owner's agent shall provide notification to Jessica Minich from the department's Eau Claire office once the existing fluoride chemical feed equipment is placed back online so that she can inspect the equipment and issue written authorization prior to placing the equipment back into service if she deems necessary. (s. NR 810.26(1), Wis. Adm. Code)

**Review constraints:** The project was reviewed in accordance with ss. 281.34 and 281.41, Wis. Stats., for compliance with Chapters NR 108, NR 810, NR 811 and NR 820, Wis. Adm. Code.

**Appeal rights:** If you believe that you have a right to challenge this decision, you should know that the Wisconsin Statutes and administrative rules establish time periods within which requests to review department decisions must be filed. To request a contested case hearing pursuant to s. 227.42, Wis. Stats., you have 30 days after the decision is mailed, or otherwise served by the department, to serve a petition for hearing on the Secretary of the Department of Natural Resources. Requests for contested case hearings must be made in accordance with ch. NR 2, Wis. Adm. Code. Filing a request for a contested case hearing does not extend the 30 day period for filing a petition for judicial review. For judicial review of a decision pursuant to ss. 227.52 and 227.53, Wis. Stats., you must file your petition with the appropriate circuit court and serve the petition on the department within 30 days after the decision is mailed. A petition for judicial review must name the Department of Natural Resources as the respondent.

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

Sincerely,



Benjamin M. Mand, P.E.  
Public Water Engineering Section  
Bureau of Drinking Water and Groundwater

cc: Ken Bloom – Village of Marathon City  
Aaron Martin – Village of Marathon City  
Michael Forslund – Strand Associates, Inc., Madison  
Theera Ratarasarn – DNR, Madison  
Jessica Minich – DNR, Eau Claire  
Emily Pedersen – DNR, Eau Claire  
Robbyn Kuester – DHS, Madison  
PSC – Madison



4/24/2025

Steven Cherek  
311 Walnut Street  
Marathon City, WI 54448

Subject: Multi-discharger phosphorus variance: request for more information  
Receiving Stream: Big Rib River in Marathon County  
Permittee: Marathon Water and Sewer Department, WPDES WI-0020273

Dear Mr. Cherek:

In accordance with s. 283.16 of the Wisconsin Statutes, you have requested coverage under Wisconsin's multi-discharger phosphorus variance for the Marathon Wastewater Treatment Facility in an application dated 4/2/2025. Wisconsin's multi-discharger phosphorus variance was approved by EPA on February 6, 2017. Coverage under the multi-discharger phosphorus variance may only be granted to an existing source that demonstrates a major facility upgrade is necessary to achieve phosphorus compliance and the upgrade will result in economic hardship as defined in the federally approved variance. The water quality criterion for which you are seeking a variance is contained in s. NR 102.06, Wis. Adm. Code.

After reviewing the application materials, the Department has determined that the certification statement and application are not complete and more information is needed. Additional information is needed to demonstrate phosphorus limits require a major facility upgrade.

A review of the prior three years' effluent phosphorus data shows that the facility has met the TMDL-based limit of 1.55 lbs/day (monthly average) since optimization activities were completed in the summer of 2023. Therefore, ongoing operation of current phosphorus treatment system is likely to result in achieving phosphorus limits. Based on this, the department's tentative determination is that a variance is not approvable. Marathon City has the opportunity to provide additional information for the Department's consideration prior to a final determination being issued.

The applicant may take adequate time to provide this additional information. If, however, the applicant does not submit the information within 60 days, the Department may choose to deny the application and proceed with permit reissuance. Denial of this application does not preclude the discharger from seeking an individual phosphorus variance, or alternative compliance option such as water quality trading or adaptive management.

The Department appreciates your attention and interest in Wisconsin's multi-discharger phosphorus variance. Should you have further questions regarding this matter, please contact me at (608) 400-5596 or by email at [matthew.claucherty@wisconsin.gov](mailto:matthew.claucherty@wisconsin.gov)

Sincerely,

Matt Claucherty, MDV Point Source Coordinator  
Bureau of Water Quality

e-cc                      Holly Heldstab, WDNR  
                                 Nicholas Lindstrom, WDNR

**DRAFT**

# VILLAGE OF MARATHON CITY 2025-2027 CAPITAL IMPROVEMENT PLAN



**DRAFT**



**April 2025**





## Memorandum

To: Utility Commission Members

From: Steven Cherek, Village Administrator

RE: 2025-2027 Capital Improvement Plan – Utility Commission Project Rating

Date: 04/27/2025

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Dear Utility Commission Members,

Attached is the 2025-2027 Utility Capital Improvement Project list, along with the Village Administration's project rankings. As we continue our efforts to strategically plan for the Village's future infrastructure needs, I am requesting your assistance in reviewing and ranking upcoming Utility projects.

Please carefully evaluate the list of proposed projects and assign a ranking based on urgency, community impact, regulatory requirements, and overall benefit to the system. Projects receiving the highest rankings will be scheduled for execution and funding **within the next three years** (2025–2027). Projects receiving lower rankings will be programmed into the **5-year Capital Improvement Plan (CIP)** (2027–2030) and funding reviewed the next 2-year cycle (2028-2030).

**Note:** Some projects have already been approved as part of the 2025 budget, adopted in December 2024. For example, the **Water - Reservoir & Inspections** project has already received budget approval for 2025 and will proceed as scheduled, regardless of new rankings.

Your thoughtful input is essential to ensure we prioritize projects that best meet the Village's operational, safety, and financial needs. Please complete your rankings by April 30<sup>th</sup> Utility Commission Meeting, so that we may finalize the updated CIP accordingly.

If you have any questions or would like to discuss specific projects further, please do not hesitate to reach out.

Thank you for your time and commitment to improving our community's vital services.

Respectfully,

Steven A. Cherek

### **Time Line for 2025-2027 CIP**

April 2, 2025: Draft CIP sent to the Village Board

April 15, 2025: Village Board takes a tour of various proposed Capital projects

April 23, 2025: Village Board returns rating sheet.

April 30, 2025: Utility Commission Returns Utility Project Rating Sheet.

May 7, 2025: Village Board reviews CIP scoring and discusses projects selection

June 4, 2025: Village Board discusses financing options for projects selection and Adopts 2025-2030 CIP.

Every two years starting in 2027 – Village Board approves funding for two-year project set

### **Criteria for Evaluation of CIP Requests**

The Management Team ranked the CIP based upon the criteria below. The Village Board is to ranked the projects (A, B, C, or D). The CIP funded projects are those Village Board rated A and B.

#### **Ratings Chart**

##### **GROUP A**

Urgent, high priority projects that should be done if possible; a special effort should be made to find sufficient funding for all of these projects.

##### **GROUP B**

High-priority projects to be done as funding becomes available.

##### **GROUP C**

Worthwhile projects if funding is available: can be deferred.

##### **GROUP D**

Low-priority: desirable, but not essential.

<b>Utility Commission Member Name:</b>			
<b>2025 - 2027 CIP Utility Commission Rating Sheet</b>			
<b>Project</b>	<b>Cost</b>	<b>Management Rating</b>	<b>Utility Rating</b>
Replacement of Municipal Well 1	\$2,990,000.00	A	
Water - Reservoir & Inspections	\$10,000.00	A	
Water Tower – Maintenance Painting and Repairs	\$120,000.00	A	
Water Plant Chemical Room Upgrade	\$91,000.00	A	
<b>Top – Priority Projects Outside of Budget or Increase Utility Rates in addition to Well 1 Replacement timing</b>			
Washington Street Reconstruction (6th St to 7th St)	\$260,756.00	A	
Sanitary Sewer Main - Cured-in-place Pipe Lining	\$674,213.00	A	
Water Main Loop Project	\$816,874.00	B	
2012 Dodge Truck Replacement	\$49,500.00	C	
<b>TOTAL 2025 - 2027 CIP Project Cost</b>	<b>\$10,496,787.88</b>		



## Capital Improvement/Capital Equipment Request Form

Name of Project      Water - Reservoir & Inspections  
Department          Utilities - Water  
Total Project Cost    \$10,000.00  
Date Submitted       8/1/2024  
Updated                2/25/2025

Village Management Rating: <b>A</b>	Village Board Rating:	Utility Board Rating:
Net Project Rating:	Categories this Project Meets:	<b>2</b>

### Description of Project/Justification:

The 2023 WI DNR Survey Report and Notice of Noncompliance identified necessary repairs to the Village reservoir. The DNR has mandated that these repairs be completed by 2025, with a follow-up inspection required.

Due to these compliance issues and operational limitations, the Village Utility Commission has designated this project as a high priority. The repairs were approved as part of the 2025 Utility Budget, adopted in December 2024.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Reservoir / Inspections	\$10,000					
	<b>Total</b>	<b>\$10,000</b>					

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Water Department General Fund	\$10,000					
	<b>Totals</b>	<b>\$10,000</b>					
	<b>Total Cost</b>	<b>\$10,000</b>					

### Budget Impact/Other

This project was approved and made part of the 2025 budget adopted by the Village Board and Utility Commission in 2024.

## Capital Improvement/Capital Equipment Request Form

Name of Project      Water Tower – Maintenance Painting and Repairs  
Department          Utilities - Water  
Total Project Cost    \$120,000  
Date Submitted       2/26/2024  
Updated                2/26/2025

Village Management Rating: <b>A</b>	Village Board Rating:                      Utility Board Rating: <b>A</b>
Net Project Rating:	

### Description of Project:

1. Perform maintenance painting and surface repairs on the Water Tower.
2. Weld the access tube gap closed in compliance with the WI DNR Noncompliance Report.
3. Fabricate and install an OSHA-approved roof safety railing (approximately 12 feet in diameter).
4. Install new fill/drain pipe insulation in all areas where it is missing.

### Justification:

The Water Tower was constructed in 1978, with its last maintenance painting completed in 2004. A WI DNR Sanitary Survey Report and Notice of Noncompliance, issued on March 17, 2023, identified that the access tube gap on the CB&I 75,000-gallon storage tank in the high-pressure zone was not permanently fixed during the last drain-down inspection in 2020. The Village has been given until December 31, 2025, to permanently weld the access tube gap closed.

In January 2025, Lane Tank Company provided a quote for the required weld repair and identified signs of blistering, peeling, and coating failure both inside and outside the tower. This maintenance work has an expected lifespan of 20 to 25 years and is crucial for prolonging the Water Tower's service life.

The current Diamond Vogel alkyd aluminum (LB2405) paint used on the tower has been discontinued, but it remains available through 2026. If not repainted before the supply runs out, the cost of repainting will increase significantly—potentially reaching \$700,000, as the Village would need to sandblast the tower. Additionally, if the project is not completed within 2025-2026, it will likely be included in the next DNR Noncompliance list, requiring completion within the next 2-5 years. Delays would also pose environmental concerns, as the exterior primer beneath the existing paint contains lead.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Water Tower Maintenance	\$120,000					
	<b>Total</b>	<b>\$120,000</b>					

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	2025/26 Bond	\$80,000					
	2025 Water Budget amount	\$10,000					

	2025 Water Refinance budget saving to allocate towards this project	\$30,000					
	<b>Totals</b>	<b>\$120,000</b>					
	<b>Total Cost</b>	<b>\$120,000</b>					

### **Budget Impact/Other**

This project is one of three major projects identified by the Utility commission planned for 2025 to 2027, alongside the Washington Street Project and the Chemical Room Update. It would be funded through a 2025 revenue bond, 2025 budget surplus due to refinancing, and the 2025 budget amount for water tower repairs.

Currently, the Water Department is making annual loan payments of \$71,394.12 for the 3rd Street project, with four years remaining. Given current bond market conditions, the Village could refinance the remaining 3rd Street debt by amortizing payments over 10 years, better aligning debt obligations with infrastructure lifespan.

Assuming a 6.8% interest rate over 10 years, refinancing would free up approximately \$35,000 in the 2025 water debt payment budget. After factoring in bond issuance costs, an additional \$30,000 was freed in the 2025 budget due to deferred debt payments the remaining of the year and will be allocated toward the Water Tower project as Washington Street project is heavily dependent on the status of the General Fund budget.

### **Impact of Refinancing:**

- Existing 6-Year Bond (\$357,000) as of 7-28-2023:
  - Annual Payment: \$71,394.12
  - Total Paid Over 6 Years: \$428,364.72
  - Interest Rate: 6.1%
- 2025 Refinanced 10-Year Bond (\$257,019):
  - Annual Payment: \$35,493
  - Total Paid Over 10 Years: \$354,930
  - Total Cost of \$357,000 Project (Including Interest): \$491,768.73
  - Reduced Borrowing Needed from Deferred Payments in 2025: \$30,000 (to Allocate to Water Tower Project)
  - Additional Loan Cost Due to Refinancing: \$63,404.01
  - Interest Rate: 5.5% to 6.5% pending market conditions.

### **Applying Refinanced Funds to the Project:**

- 10-Year Bond (\$80,000):
  - Annual Payment: \$10,700
  - Total Paid Over 10 Years: \$106,998
  - Interest Rate on New debt: 5.5% to 6.5% pending market conditions.
  - No Rate Increase Needed

### **Budget Impact**

- Water utility rates will remain unchanged, as the combined impact of the three projects and the 3rd Street refinancing will only increase annual debt payments by approximately \$1,000 compared to current budgeted amounts.

- Refinancing plan will extend Water Utility Dept payments an additional six years.

## Capital Improvement/Capital Equipment Request Form

Name of Project Sanitary Sewer Main - Cured-in-place Pipe Lining  
Department Utilities - Water  
Total Project Cost \$674,213  
Date Submitted 11/1/2023  
Updated 2/25/2025

Village Management Rating: A	Village Board Rating:	Utility Board Rating:
Net Project Rating:		

### Description of Project/Justification:

The Village has identified 11,525 feet of aging clay sanitary sewer main, with televised inspections revealing early signs of stress cracking. Cured-in-place pipe (CIPP) lining offers a cost-effective solution, extending the sewer main's lifespan by 50 years without the need for excavation. However, this method is only viable if the pipes are addressed in time—waiting too long could necessitate full replacement, significantly increasing costs.

Another concern is inflow and infiltration (I&I), which contributes to excessive flow in the sanitary sewer system. This project aims to rehabilitate leaking mains, primarily through CIPP lining, with spot replacements where necessary.

The Village has committed to reducing I&I over the coming years while extending the life of its sewer infrastructure. While the Utility Commission previously approved borrowing for this project, resources were redirected to the Wastewater Treatment Plant (WWTP) replacement. Additionally, the rate increases required for that project delayed funding for this initiative.

If this project is not completed soon, sections of the sewer main identified by the Public Works Director will begin to fail, leaving excavation and replacement as the only option—at a cost of approximately \$660 per foot, compared to just \$45 per foot for CIPP lining. Addressing the issue now will save the Village Utility Department substantial costs and prevent further deterioration of the system.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Cured-in-place pipe lining 11,525 feet identified		\$320,850	\$197,775			
	30% Contingency/spot dig repair work found with project		\$96,255	\$59,333			
	<b>Total</b>		<b>\$417,105</b>	<b>\$257,108</b>			

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	2025/26 Bond		\$417,075	\$257,108			
	Water Department General Fund						
	<b>Totals</b>		<b>\$417,105</b>	<b>\$257,108</b>			
	<b>Total Cost</b>		<b>\$674,213</b>				

### Budget Impact/Other

Funding this project through a 15-year bond will increase the Waste Water Utility Budget expenditure by \$66,305 annually in principal and interest payments. The 2025 Waste Water Budget was approved with a \$13,948.24 deficit, primarily due to loan payments for the new Waste Water Treatment Plant (WWTP). With no available operating surplus, this project cannot move forward without additional revenue from a rate increase.

To cover the loan payments, an 9% Waste Water rate increase would be required, generating an estimated \$69,218 in additional revenue.

### Alternative Funding Options

#### 1. Gradual Rate Increase Approach

Instead of implementing a full 9% increase at once, the Village could phase in the increase over two years, raising rates by 4.5% in both 2026 and 2027. This approach would ensure sufficient funds are available for bond payments by 2027. To cover the 2026 payment, a small portion of the Utility Fund Balance could be used as a temporary subsidy.

#### 2. Grant Funding or Subsidies

If a rate increase is not an option, the project would need to be funded through alternative sources such as grants or fund balance subsidies. However, utilizing the fund balance is not a sustainable option (see below).

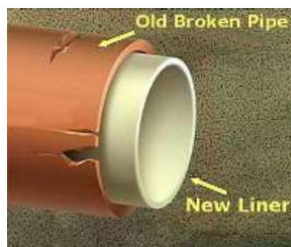
### Fund Balance Considerations

- The Utility Fund Balance is projected to be \$750,000 after the 2024 audit, significantly reduced due to WWTP (Marathon Cheese portion) and TID 2 borrowing.
- The Village is required to allocate \$38,546 annually to the Wastewater Replacement Fund until it reaches \$770,917 (current balance: \$205,286.81; shortfall: \$565,630.19).
- With annual replacement fund contributions drawing down the Utility Fund Balance over the next 15 years, tapping into this fund for the project is not a viable long-term solution.

### Conclusion

The only feasible ways to fund this project are:

- A full 9% wastewater rate increase in 2026, or
- A phased-in 4.5% increase over two years, using a small amount of fund balance in 2026 to bridge the gap, or
- Securing grant funding, though a rate increase would still be required to cover the remaining Utility portion of the project cost.



## Capital Improvement/Capital Equipment Request Form

Name of Project      Water Plant Chemical Room Upgrade  
Department          Utilities - Water  
Total Project Cost    \$91,000.00  
Date Submitted      10/1/2024  
Updated                2/25/2025

Village Management Rating:      A	Village Board Rating:	Utility Board Rating:
Net Project Rating:		

### Description of Project/Justification:

The Well Plant Chemical Room, constructed in 2000, is in need of an upgrade. While the DNR has grandfathered the current facility, no equipment upgrades can be made without a full renovation of the Chemical Room to meet modern standards.

The existing Chemical Room fails to meet regulations in key areas, including:

- Ventilation requirements
- Proper isolation of chemicals used for water treatment
- Compatibility with the Water Department's SCADA system

Due to these compliance issues and operational limitations, the Village Utility Commission has designated this project as a high priority that must be completed.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Chemical Room		\$70,000				
	DNR Study / Construction						
	30% Contingency		\$21,000				
	<b>Total</b>		<b>\$91,000</b>				

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	2025/26 Bond		\$70,000				
	Water Department General Fund		\$21,000				
	<b>Totals</b>		<b>\$91,000</b>				
	<b>Total Cost</b>	<b>\$91,000</b>					

### Budget Impact/Other

This project is one of three major projects identified by the Utility commission planned for 2025 to 2027, alongside the Water Tower Project and Washington Street. It would be funded through a 2025 revenue bond and the 2025 budget amount for water tower repairs.

Currently, the Water Department is making annual loan payments of \$71,394.12 for the 3rd Street project, with four years remaining. Given current bond market conditions, the Village could refinance the remaining 3rd Street debt by amortizing payments over 10 years, better aligning debt obligations with infrastructure lifespan.

Assuming a 6.8% interest rate over 10 years, refinancing would free up approximately \$35,000 in the 2025 water debt payment budget. After factoring in bond issuance costs, an additional \$30,000 was freed in the 2025 budget due to deferred debt payments the remaining of the year and will be allocated toward the Water Tower project as Washington Street project is heavily dependent on the status of the General Fund budget.

**Impact of Refinancing:**

- Existing 6-Year Bond (\$357,000) as of 7-28-2023:
  - Annual Payment: \$71,394.12
  - Total Paid Over 6 Years: \$428,364.72
  - Interest Rate: 6.1%
- 2025 Refinanced 10-Year Bond (\$257,019):
  - Annual Payment: \$35,493
  - Total Paid Over 10 Years: \$354,930
  - Total Cost of \$357,000 Project (Including Interest): \$491,768.73
  - Reduced Borrowing Needed from Deferred Payments in 2025: \$30,000 (to Allocate to Water Tower Project)
  - Additional Loan Cost Due to Refinancing: \$63,404.01
  - Interest Rate: 5.5% to 6.5% pending market conditions.

**Applying Refinanced Funds to the Project:**

- 10-Year Bond (\$70,000):
  - Annual Payment: \$9,362
  - Total Paid Over 10 Years: \$93,623
  - Interest Rate on New debt: 5.5% to 6.5% pending market conditions.
  - No Rate Increase Needed

**Budget Impact**

- Water utility rates will remain unchanged, as the combined impact of the three projects and the 3rd Street refinancing will only increase annual debt payments by approximately \$1,000 compared to current budgeted amounts.
- Refinancing plan will extend Water Utility Dept payments an additional six years.



**The Next projects are: Top Projects Recommended by Department Staff, Removed by Village Administrator due to Budget concern – Village Board to look at and review to see if it should replace a project from above, or increase Debt Levy / Utility Rate to fit this project within the 2025 – 2027 CIP.**

**Capital Improvement/Capital Equipment Request Form**

Name of Project Washington Street Reconstruction (6<sup>th</sup> St to 7<sup>th</sup> St)  
 Department Streets & Utilities  
 Total Project Cost \$260,755  
 Date Submitted 12/26/2021  
 Updated 3/3/2025

Village Management Rating: <b>A</b>	Village Board Rating:	Utility Board Rating: A
Net Project Rating:		

**Description of Project:**

This section of roadway was included in the WI DNR Sanitary Survey Report and Notice of Noncompliance issued on March 17, 2023. The report identified three dead ends within the water utility system, including this road. In addition to the dead-end issue, the existing water and sewer mains are undersized, necessitating their replacement.

To coordinate with the Village's Street replacement plans, the Utilities Department scheduled its infrastructure upgrades to align with the road resurfacing. This block, located directly behind St. Mary's Church and School, is in poor condition and requires new asphalt, curbs, and gutters. The stormwater inlets also need repairs. While initially prioritized for 2024, funding constraints have delayed the project.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Water Distribution construction	\$69,636					
	Sanitary Sewer Distribution construction	\$62,545					
	Streets Department	\$128,575					
<b>Total</b>		<b>\$260,755</b>					

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	2025/26 General Levy Bond	\$128,575					
	2025/26 Utility Bond	\$132,181					
<b>Totals</b>		<b>\$260,755</b>					
<b>Total Cost</b>		<b>\$260,755</b>					

**Budget Impact / Other**

This project is one of three major utility initiatives planned for 2025–2027, alongside Water Tower Maintenance & Repairs and the Chemical Room Update. The budget impact will be distributed between the General Fund Budget and the Utility Budget, as both funds share costs for the project.

#### Utility Budget / Fund Impact Options

This project is one of three major projects identified by the Utility commission planned for 2025 to 2027, alongside the Water Tower Project and the Chemical Room Update. It would be funded through a 2025 revenue bond.

Currently, the Water Department is making annual loan payments of \$71,394.12 for the 3rd Street project, with four years remaining. Given current bond market conditions, the Village could refinance the remaining 3rd Street debt by amortizing payments over 10 years, better aligning debt obligations with infrastructure lifespan.

This refinancing would free up \$35,901 per year in Water Utility working capital/debt service payments, which could be redirected to future capital improvement projects without increasing Water Utility rates.

Assuming a 6.8% interest rate over 10 years, refinancing would free up approximately \$35,000 in the 2025 water debt payment budget. After factoring in bond issuance costs, an additional \$30,000 was freed in the 2025 budget due to deferred debt payments the remaining of the year and will be allocated toward the Water Tower project as Washington Street project is heavily dependent on the status of the General Fund budget.

#### Impact of Refinancing:

- Existing 6-Year Bond (\$357,000) as of 7-28-2023:
  - Annual Payment: \$71,394.12
  - Total Paid Over 6 Years: \$428,364.72
  - Interest Rate: 6.1%
- 2025 Refinanced 10-Year Bond (\$257,019):
  - Annual Payment: \$35,493
  - Total Paid Over 10 Years: \$354,930
  - Total Cost of \$357,000 Project (Including Interest): \$491,768.73
  - Reduced Borrowing Needed from Deferred Payments in 2025: \$30,000 (to Allocate to Water Tower Project)
  - Additional Loan Cost Due to Refinancing: \$63,404.01
  - Interest Rate: 5.5% to 6.5% pending market conditions.

#### Applying Refinanced Funds to the Project:

- 10-Year Bond (\$132,181):
  - Annual Payment: \$17,679
  - Total Paid Over 10 Years: \$176,789
  - No Rate Increase Needed

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#### General Fund Impact

The Streets Department's portion of the project (\$128,575) must be funded through the General Levy paying for new bond payments or an increase in the Village Debt Levy to pay for this project.

#### Current General Fund / Budget / Debt Status

- 2025 Village Capital Improvement Plan (CIP) Budget (Outside of Borrowing): \$95,000
  - \$60,000 allocated for street maintenance.
  - \$35,000 allocated for land assessments.
- General Fund Balance (2025 Start): ~\$700,000

- ~\$460,000 reserved for TID advances (2025–2030), leaving \$15,000 available for one-time projects.
- New Debt Without Restructuring:
  - Reduces the \$95,000 yearly projected CIP budget for future projects unless the Debt Levy is increased.
- Debt Levy Increase:
  - Increases property taxes but could free up funds within the levy budget to support other CIP projects, reducing the need for future borrowing.
- Refinancing/Restructuring Existing Debt:
  - Could free up \$50,000–\$54,000 in funds within the General Budget by 2026, which could be used to offset debt payments or self-fund CIP projects.
- Street Maintenance Funding Needs:
  - A minimum of \$120,000 is required to replace two blocks of blacktop without borrowing.
- Priority Projects:
  - The General Fund has higher-priority street projects from 2025 to 2027, making bonding, a Debt Levy increase, or a reduction of the \$50,000 by the annual bond payment amount the only viable options for funding this project.

General Fund Bonding Options:

- 15-Year Street Bond (\$128,575):
  - Annual Payment: \$12,522
  - Total Paid Over 15 Years: \$187,837
  - Debt Levy Impact:
    - \$0.11 per \$1,000 assessed value
    - \$20.85 additional tax on a \$200,000 home
- 10-Year Street Bond (\$128,575):
  - Annual Payment: \$17,755.80
  - Total Paid Over 10 Years: \$177,557.44
  - Debt Levy Impact:
    - \$0.15 per \$1,000 assessed value
    - \$29.56 additional tax on a \$200,000 home

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Cost Inflation Since 2021

- December 2021 Estimate: \$198,924
- March 2025 Estimate: \$260,755
- Increase: 31.08% (\$61,831) over four years (7.77% annually)
- 2025 Bond Interest Rate Estimate: 5.8%–6.8% (likely on the lower end due to other village bonding)

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Final Budget Considerations

- Water Utility Rates:
  - If the 3rd Street project is refinanced, the \$17,679 in new debt service can be absorbed within the existing budget, avoiding rate increases.
- General Fund:
  - Multiple options depend on the Village Board's debt bonding strategy and Debt Levy adjustments.
  - A 15-year bond with a \$0.11 per \$1,000 Debt Levy increase would have the least budget impact but would increase property taxes.
- Future Costs:

- Delaying the project may lead to higher costs due to inflation, but future General Levy capacity may allow self-funding without borrowing.



## Capital Improvement/Capital Equipment Request Form

Name of Project Water Main Loop Project  
Department Utilities - Water  
Total Project Cost \$927,725  
Date Submitted 03/19/2023  
Updated 2/25/2025

Village Management Rating: B	Village Board Rating:	Utility Board Rating:
Net Project Rating:		

### Description of Project/Justification:

The Village of Marathon City Water Main Loop Project aims to enhance the reliability, efficiency, and resilience of the water distribution system within our community. This project involves the installation of 3,500 feet of 10" ductile iron water main, and 500 feet of directionally drilled 12" HDPE pipe traverse under the Big Rib River. The water main will include 6 hydrants, 13 valves and water services to over 400 acres in the Village's Northern section including the Business Park. This area is currently serviced by one water main crossing Big Rib River and this Infrastructure initiative aims to establish the following project objectives:

1. Improved Water Distribution: Establish a looped network of water mains to ensure continuous and reliable water supply.
2. Enhanced Resilience: Create redundancies in the water distribution system to minimize the impact of disruptions, such as water main breaks or maintenance activities.
3. Expansion and Growth: Facilitate future development and growth by providing essential water infrastructure to underserved areas in the Business Park.
4. Pressure Management Systems: Implement pressure regulating valves and monitoring equipment to optimize water flow and pressure levels throughout the distribution system.
5. River Crossing Infrastructure: Construct water main traversed beneath the Rib River, ensuring minimal environmental impact and preserving the integrity of the waterway.

The Project represents a significant investment in the long-term sustainability and prosperity of our community. By extending the water distribution network, we are laying the foundation for a thriving and resilient Community for generations to come.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	2024 Construction Cost – Engineering Estimate					\$816,874	
	Inflation rate 2.58 and cumulative inflation 13.57% since 2024.					\$110,851	
	<b>Total</b>					\$927,725	

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	70% Future Grant					\$649,407	
	FY 30 – Utility Bond					\$278,318	
	<b>Totals</b>					\$927,725	

<b>Total Cost</b>	<b>\$927,725</b>
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### **Budget Impact/Other**

Funding this project through a 20-year, 6.5 % bond will increase the Water Utility Budget expenditure by \$84,980 annually in principal and interest payments. The 2025 Water Budget was approved with a \$24,174.51 surplus, but that amount should be kept for daily operations. With no available operating surplus for CIP, this project cannot move forward without additional revenue from a rate increase.

To cover the loan payments, an 19% Water rate increase would be required, generating an estimated \$86,305 in additional revenue. This would leave the Utility Budget with \$1,325 in surplus, which could be used elsewhere in operations.

### **Alternative Funding Options**

#### **3. Gradual Rate Increase Approach**

Instead of implementing a full 19% increase at once, the Village could phase in the increase over four years, raising rates by 5% in both 2026, 27 & 28 and 4% in 2029. This approach would ensure sufficient funds are available for bond payments by 2029.

#### **4. Grant Funding or Subsidies**

If a rate increase is not an option, the project would need to be funded through alternative sources such as grants or fund balance subsidies. However, utilizing the Fund Balance is not a sustainable option (see below).

### **Fund Balance Considerations**

- The Utility Fund Balance is projected to be \$750,000 after the 2024 audit, significantly reduced due to WWTP (Marathon Cheese portion) and TID 2 borrowing.
- The Village is required to allocate \$38,546 annually to the Wastewater Replacement Fund until it reaches \$770,917 (current balance: \$205,286.81; shortfall: \$565,630.19).
- With annual replacement fund contributions drawing down the Utility Fund Balance over the next 15 years, tapping into this fund for the project is not a viable long-term solution.

### **Conclusion**

The only feasible ways to fund this project are:

- A full 19% water rate increase
- A phased-in 19% increase over four years, or
- Securing grant funding, though a rate increase would still be required to cover the remaining Utility portion of the project cost.

## Capital Improvement/Capital Equipment Request Form

Name of Project 2012 Dodge Truck Replacement  
Department Utilities – Water & Waste Water  
Total Project Cost \$49,500.00  
Date Submitted 8/1/2024  
Updated 2/25/2025

Village Management Rating: C	Village Board Rating:	Utility Board Rating:
Net Project Rating:		

### Description of Project/Justification:

The 2012 Dodge ½-ton pickup truck is currently in good condition with low mileage. This project is planned for future consideration around 2028 to assess the need for a replacement.

With proper Capital Improvement Plan (CIP) planning and budgeting, sufficient utility working capital is expected to be available by 2028 to fund the replacement.

This CIP project should be re-evaluated in 2027 to determine if the vehicle's condition has changed. If the truck remains in good shape, the replacement can be deferred by another two years as needed.

Prior	Expenditures	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Truck Cost (2025)				\$45,000		
	10% for Inflation for years out since 2025				\$4,500		
	<b>Total</b>				\$49,500		

Prior	Funding	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
	Utility Department General Fund				\$30,000		
	Utility Fund Balance for CIP				\$15,500		
	Sale of Equipment				\$4,000		
	<b>Totals</b>				\$49,500		
	<b>Total Cost</b>	<b>\$49,500</b>					

### Budget Impact/Other

As of 2025, the Utility Budget is projected to have a surplus of \$10,226.27, which includes \$20,000 allocated for Water Utility Capital Projects. With the Village and Utilities planning to bond for three water projects in 2025 and refinance the 3rd Street Water Expansion Project, the existing \$30,000 in working capital within the Utility Budget will not be impacted.

Given the healthy financial status of the Utility Fund and the truck replacement planned for 2028 or later, it is recommended to assess the Fund Balance before moving forward to determine if the \$15,500 needed for this project can be covered without additional financial strain.



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Account History - Summary  
ALL Transactions

Page: 1  
UTIL

Post Date: From: 4/23/2024 Account Nbr: From: 002-0182-00 Group Cd: From:  
Thru: Thru: 002-0182-00 Thru:

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Account Nbr:	002-0182-00	Name:	TRAN, KHIEM		<u>Running Balance</u>
	4/22/2024	- Balance:			308.85
<u>Post Date</u>	<u>Trans Date</u>	<u>Type</u>	<u>Trans ID</u>	<u>Amount</u>	
5/06/2024	5/06/2024	Receipt		-308.85	0.00
7/01/2024	7/01/2024	Bill		540.85	540.85
7/26/2024	7/26/2024	Receipt		-540.85	0.00
10/09/2024	10/09/2024	Bill		572.98	572.98
10/30/2024	10/30/2024	Receipt		-572.98	0.00
1/03/2025	1/03/2025	Bill		521.82	521.82
1/24/2025	1/24/2025	Receipt		-521.82	0.00
3/27/2025	3/27/2025	Bill		1,565.81	1,565.81
					=====
	002-0182-00	- Ending Balance:			1,565.81

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Meter Information

Page: 1  
UTIL

Account Nbr: 002-0182-00 Customer Name: TRAN, KHIEM  
Service Address: 1202 HEINDL LANE  
PSC Classification: Residential

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Meter Nbr: 99350489 Rate Type: 5/8" OR 3/4" Install Date: 5/09/2009  
Route/Seq Nbr: 02-1730 Location: Pressure Zone Cd: 00  
ROM Serial Nbr: 99350489 ROM Install Date: 5/09/2009  
Register ID: 35986979 MXU/MIU ID: 17684757  
Utilities: SEWER WATER

Memos: 1st:  
2nd:  
3rd:

<u>Read Date</u>	<u>Reading</u>	<u>Consumption</u>	<u>Comment</u>
3/27/2025	692100	61300	Remote Reading
1/02/2025	630800	16800	Remote Reading
10/09/2024	614000	23900	Remote Reading
6/26/2024	590100	17600	Remote Reading
4/03/2024	572500	1300	Remote Reading
3/21/2024	571200	8500	
1/05/2024	562700	15900	Remote Reading
10/03/2023	546800	15300	Remote Reading
6/29/2023	531500	13800	Remote Reading
4/03/2023	517700	12200	Remote Reading
1/04/2023	505500	12400	Remote Reading
10/04/2022	493100	12600	Remote Reading
6/28/2022	480500	9200	Remote Reading
4/05/2022	471300	12000	Remote Reading
1/05/2022	459300	6800	Remote Reading
9/30/2021	452500	6000	Remote Reading
6/30/2021	446500	6300	Remote Reading
4/07/2021	440200	9800	Remote Reading
1/11/2021	430400	9300	Remote Reading
10/06/2020	421100	6400	Remote Reading
7/07/2020	414700	7700	Remote Reading
4/09/2020	407000	10500	Remote Reading
1/09/2020	396500	10700	Remote Reading
10/08/2019	385800	8500	Remote Reading
7/10/2019	377300	9400	Remote Reading
4/09/2019	367900	10400	Remote Reading
1/08/2019	357500	10500	Remote Reading
10/04/2018	347000	7200	Remote Reading
7/10/2018	339800	8700	Remote Reading
4/10/2018	331100	12200	Remote Reading