

RACINE WASTEWATER UTILITY

2025

Proposed Budget

August 20, 2024
Proposed

RACINE WASTEWATER UTILITY
2025 Proposed Details of Revenue Budget

| ACCOUNT | 2023 | 2024 | 2024 | 2024 | 2024 | Proposed | 24 vs 25 |
|-----------------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|-----------------|
| | Actual | Budget | thru 6/30 | Projected | 2025 Budget | Budget | Budget |
| <u>Operating Revenue</u> | | | | | | | |
| Residential | \$4,112,094 | \$5,100,000 | \$1,925,860 | \$4,200,000 | \$4,200,000 | \$4,200,000 | |
| Commercial | 839,493 | 1,100,000 | 410,702 | 900,000 | 900,000 | 900,000 | |
| Industrial | 814,870 | 650,000 | 185,289 | 800,000 | 800,000 | 800,000 | |
| Public Authority | 358,870 | 500,000 | 89,207 | 400,000 | 400,000 | 400,000 | |
| Multi Family | 755,188 | 1,150,000 | 401,934 | 800,000 | 765,000 | 765,000 | |
| Other Municipalities | 7,074,208 | 5,800,000 | 2,327,136 | 8,000,000 | 6,600,000 | 6,600,000 | |
| Lab Test Fees | 88,253 | 120,000 | 10,533 | 90,000 | 90,000 | 90,000 | |
| Pretreatment Permit Fees | 80,344 | 90,000 | 77,646 | 80,000 | 80,000 | 80,000 | |
| Hauled Waste Revenue | 7,033 | 10,000 | 3,207 | 8,000 | 8,000 | 8,000 | |
| Landfill Leachate Revenue | 51,971 | 60,000 | 12,565 | 50,000 | 50,000 | 50,000 | |
| Other Sewer Revenues | 7,404 | 5,414 | 2,848 | 8,000 | 6,973 | 6,973 | |
| Late Payment Fees | 342,715 | 333,000 | 86,202 | 350,000 | 350,000 | 350,000 | |
| TOTAL | \$14,532,443 | \$14,918,414 | \$5,533,129 | \$15,686,000 | \$14,249,973 | \$14,249,973 | -4.5% |
| <u>Other Income</u> | | | | | | | |
| Interest Income | \$409,538 | \$355,000 | \$312,406 | \$500,000 | \$400,000 | \$400,000 | |
| Insurance Dividends | 9,241 | 15,000 | - | 10,000 | 10,000 | 10,000 | |
| Gain (Loss) of Disposal of Assets | 59,495 | | | | | | |
| Plant Capacity Income | 1,787,883 | \$1,754,377 | 881,977 | \$1,704,000 | \$1,694,000 | \$1,694,000 | |
| TOTAL | \$2,266,157 | \$2,124,377 | \$1,194,383 | \$2,214,000 | \$2,104,000 | \$2,104,000 | -1.0% |
| Total Revenues | \$16,798,600 | \$17,042,791 | \$6,727,512 | \$17,900,000 | \$16,353,973 | \$16,353,973 | -4.0% |

RACINE WASTEWATER UTILITY
2025 Proposed Operation & Maintenance Budget

| ACCOUNT | 2023 Actual | 2024 Budget | 2024 6/30/2024 to Date | 2024 Proposed 2025 Budget | 24 vs 25 Budget |
|---|----------------|----------------|---------------------------|---------------------------------|--------------------|
| <u>A. PERSONNEL SERVICES</u> | | | | | |
| Salaries & Wages | \$3,110,222 | \$3,690,000 | \$1,570,736 | \$3,773,000 | 2.2% |
| <u>B. CONTRACTUAL</u> | | | | | |
| Professional Services | \$388,860 | \$323,000 | \$185,058 | \$537,000 | 66.3% |
| Laboratory Prof. Services | 53,707 | 52,000 | 37,815 | 52,000 | 0.0% |
| Pre-treat. Prof Services | 4,987 | 7,000 | 9,791 | 8,000 | 14.3% |
| Building & Equipment Maint. | 116,051 | 143,000 | 27,379 | 145,000 | 1.4% |
| Vehicle Maintenance | 19,204 | 30,000 | 9,123 | 30,000 | 0.0% |
| Telephone | 8,323 | 10,000 | 4,165 | 10,000 | 0.0% |
| Natural Gas | 210,427 | 205,000 | 96,946 | 215,000 | 4.9% |
| Electric Service | 1,133,583 | 1,000,000 | 574,519 | 1,170,000 | 17.0% |
| Water Service | 309,737 | 350,000 | 84,112 | 350,000 | 0.0% |
| City Sewer & L.S. Maint. | 13,511 | 14,000 | 2,777 | 14,000 | 0.0% |
| Interceptor & L.S. Maint. | 110,087 | 130,000 | 50,285 | 192,000 | 47.7% |
| Sludge & Grit Disposal | 574,197 | 596,000 | 326,774 | 820,000 | 37.6% |
| TOTAL | \$2,942,673 | \$2,860,000 | \$1,408,743 | \$3,543,000 | 23.9% |
| <u>C. MATERIALS & SUPPLIES</u> | | | | | |
| Office Supplies | \$12,187 | \$13,000 | \$5,235 | \$13,000 | 0.0% |
| Staff Engagement | | - | - | \$2,000 | |
| Gasoline & Diesel Fuel | 29,536 | 27,000 | 12,427 | 32,000 | 18.5% |
| Lubricants | 39,023 | 35,000 | 14,439 | 40,000 | 14.3% |
| Custodial Supplies | 20,483 | 20,000 | 11,217 | 25,000 | 25.0% |
| Operational Chemicals | 700,198 | 652,000 | 313,117 | 670,000 | 2.8% |
| Plant & System Supplies | 41,980 | 56,000 | 26,679 | 56,000 | 0.0% |
| Equipment Supplies | 197,203 | 220,000 | 87,199 | 220,000 | 0.0% |
| Sewer Maint. Supplies | 9,469 | 10,000 | 5,998 | 10,000 | 0.0% |
| Pre-treat. Sampling Supplies | 4,932 | 7,000 | 2,603 | 7,000 | 0.0% |
| Laboratory Supplies | 51,464 | 66,000 | 26,963 | 65,000 | -1.5% |
| Pre-treat. Lab Supplies | 15,001 | 25,000 | 11,528 | 27,000 | 8.0% |
| Computer & PLC Supplies | 55,540 | 50,000 | 23,733 | 54,000 | 8.0% |
| TOTAL | \$1,177,017 | \$1,181,000 | \$541,139 | \$1,221,000 | 3.4% |

RACINE WASTEWATER UTILITY
2025 Proposed Operation & Maintenance Budget

| ACCOUNT | 2023 Actual | 2024 Budget | 2024 6/30/2024 to Date | 2024 Proposed 2025 Budget | 24 vs 25 Budget |
|--|--------------------|---------------------|---------------------------|---------------------------------|--------------------|
| D. CUSTOMER ACCOUNT | | | | | |
| Metering, Billing & Collection | \$660,680 | \$665,000 | \$330,340 | \$665,000 | 0.0% |
| E. ADMINISTRATION & GENERAL | | | | | |
| Dues, License, and Tuition | \$33,253 | \$25,000 | \$6,436 | \$37,000 | 48.0% |
| FICA Tax | 227,961 | 282,000 | 117,892 | 289,000 | 2.5% |
| Property & Liability Insurance | 138,859 | 140,000 | 61,587 | 140,000 | 0.0% |
| Worker's Compensation Insur. | 76,309 | 68,000 | 24,683 | 70,000 | 2.9% |
| Office Rent | 35,400 | 37,000 | 18,722 | 40,000 | 8.1% |
| Wisconsin Retirement Expense | 210,105 | 284,000 | 111,040 | 285,000 | 0.4% |
| Medical Expenses | 786,058 | 950,000 | 409,595 | 1,000,000 | 5.3% |
| Life Insurance | 8,833 | 11,000 | 4,705 | 10,000 | -9.1% |
| Safety Programs & Supplies | 22,379 | 38,000 | 12,419 | 41,000 | 7.9% |
| City Departmental Charges | 94,820 | 100,000 | 48,832 | 100,000 | 0.0% |
| Training and Travel | 26,684 | 29,000 | 7,450 | 38,000 | 31.0% |
| Stormwater Fees | 50,106 | 50,000 | 15,197 | 62,000 | 24.0% |
| DNR Permit Fee | 133,675 | 136,000 | 136,418 | 136,000 | 0.0% |
| Airport Property Lease | 58,852 | 60,000 | 60,699 | 63,000 | 5.0% |
| TOTAL | \$1,903,294 | \$2,210,000 | \$1,035,674 | \$2,311,000 | 4.6% |
| SUMMARY | | | | | |
| A. Personnel Service | \$3,110,222 | \$3,690,000 | \$1,570,736 | \$3,773,000 | 2.2% |
| B. Contractual Service | 2,942,673 | 2,860,000 | 1,408,743 | 3,543,000 | 23.9% |
| C. Materials & Supplies | 1,177,017 | 1,181,000 | 541,139 | 1,221,000 | 3.4% |
| D. Customer Accounts | 660,680 | 665,000 | 330,340 | 665,000 | 0.0% |
| E. Administrative & General | 1,903,294 | 2,210,000 | 1,035,674 | 2,311,000 | 4.6% |
| TOTALS | \$9,793,885 | \$10,606,000 | \$4,886,632 | \$11,513,000 | 8.6% |

RACINE WASTEWATER UTILITY
Capital Improvement Program 2025 - 2029
Proposed

| | 2025 | 2026 | 2027 | 2028 | 2029 | Total | |
|--------------------------|--|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|
| GENERAL PLANT | | | | | | | |
| 1 | Laboratory Equipment | \$25,000 | \$100,000 | \$80,000 | \$100,000 | \$50,000 | \$355,000 |
| 2 | Roof Replacement | 600,000 | 375,000 | 425,000 | 250,000 | 250,000 | 1,900,000 |
| 3 | Office Furnishings Upgrade (includes carpet) | - | 27,000 | - | - | - | 27,000 |
| 4 | PLC & SCADA Equipment | 47,000 | 50,000 | 50,000 | 50,000 | 50,000 | 247,000 |
| 5 | Clarifier Equipment Rehab | 50,000 | 365,000 | 350,000 | - | - | 765,000 |
| 6 | LINKO Pretreatment Software | 17,000 | - | - | - | - | 17,000 |
| 7 | Ferric System Upgrade | 12,000 | 80,000 | 14,000 | - | - | 106,000 |
| 8 | Maintenance Upgrades (Grit, Genset tank) | 320,000 | 170,000 | 100,000 | - | - | 590,000 |
| 9 | Grit Removal Baffle System | - | 80,000 | 80,000 | - | - | 160,000 |
| 10 | Final Clarifier Scum Collection Replace | 15,000 | 15,000 | - | - | - | 30,000 |
| 11 | Final Clarifier Launder Covers | 350,000 | 350,000 | 350,000 | - | - | 1,050,000 |
| 12 | **Property Development | 4,400,000 | - | - | - | - | 4,400,000 |
| 13 | **Plant Upgrades - UV Disinfection | 7,100,000 | 2,500,000 | - | - | - | 9,600,000 |
| 14 | **Plant Upgrades - Engine/Blower | 4,200,000 | 1,000,000 | 500,000 | 7,500,000 | - | 13,200,000 |
| 15 | **Plant Upgrades - Biogas Conditioning | 1,200,000 | - | - | - | - | 1,200,000 |
| | Subtotal | \$18,336,000 | \$5,112,000 | \$1,949,000 | \$7,900,000 | \$350,000 | \$33,647,000 |
| AUTOMOTIVE | | | | | | | |
| 1 | Pickup/Van/SUVs | 44,000 | \$0 | - | 55,000 | \$0 | \$99,000 |
| 2 | Rodder Truck | - | - | - | - | 54,000 | 54,000 |
| 3 | Televising Van | - | 321,000 | - | - | - | 321,000 |
| 4 | Skid Steer | - | - | - | 49,000 | - | 49,000 |
| | Subtotal | \$44,000 | \$321,000 | \$0 | \$104,000 | \$54,000 | \$523,000 |
| COLLECTION SYSTEM | | | | | | | |
| 1 | LS Controls/Building | \$0 | \$100,000 | \$100,000 | \$0 | \$0 | \$200,000 |
| 2 | **At North Beach Dev LS (city) | - | 500,000 | - | - | - | 500,000 |
| 3 | Field Meters and Samplers | 52,000 | 8,500 | 8,500 | 46,500 | 8,500 | 124,000 |
| 4 | Lift #1 Check Valve Replacement | 210,000 | - | - | 210,000 | - | 420,000 |
| 5 | Portable Gas Meters | 9,000 | - | - | - | - | 9,000 |
| 6 | Lift Station Generator Replacement | 30,000 | - | - | 30,000 | - | 60,000 |
| 7 | Lift Station Pump Replacements | 7,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,007,000 |
| 8 | Interceptor Improvement Projects | 350,000 | 455,000 | 590,000 | 375,000 | 2,475,000 | 4,245,000 |
| 9 | **Chicory Rd Interceptor-Storage | 5,500,000 | 5,500,000 | - | - | - | 11,000,000 |
| 10 | **Goold-Main Storage-Sewer Improvements | 1,000,000 | 15,000,000 | 15,000,000 | - | - | 31,000,000 |
| | Subtotal | \$7,158,000 | \$22,063,500 | \$16,198,500 | \$1,161,500 | \$2,983,500 | \$49,565,000 |
| TOTAL COST | | | | | | | |
| | | \$25,538,000 | \$27,496,500 | \$18,147,500 | \$9,165,500 | \$3,387,500 | \$83,735,000 |
| | **Total Contributed Capital Projects | 23,400,000 | 24,500,000 | 15,500,000 | 7,500,000 | - | 70,900,000 |

Note: ** Denotes that the project cost is to be split on a Cost of Service share (COSS) basis among SSR parties per the Sewer Agreement

2025 Budget Highlights – Wastewater Commission

The following is a brief summary to explain major costs changes in the budget for 2025 – **Overall increase of 8.6% over 2024.**

NOTE: Some budgets experienced minor changes up or down depending on special projects and various time frequencies for maintenance of certain equipment.

A. Personnel Services (2.2% Increase)

- **Salaries and Wages: Increase \$83,000;** Cost of living up about 3.3% and slowing from previous year so proposed raises are well behind market. Employee increases are not a uniform percentage, as the higher percentage applies to employees with the lowest wages to advance toward market wage. The Utility adopted a policy in 2013 to obtain a market wage study every 3 years; this was completed in 2024 and implemented in this budget. Overall, the Utility has kept up with market wages for the industry and only minor adjustments were made in the wage structure. Retention and morale has still been a challenge, the response from the Utility is engagement and culture in addition to at market increases.

B. Contractual Services (23.9% Increase)

- **Professional Services: Increase \$213,800;** Drastically increased to cover legal fees (expansion, sewer agreement discussions), technology contracting, engineering (Blaine, LS RFP), Sewer Agreement consulting
- **Natural Gas: Increase \$10,000;** Higher plant usage as backup to biogas usage and air permit restrictions combined with increasing rates. Option of blending natural and biogas for equipment start up.
- **Electric Service: Increase \$170,000;** Rate increase expected, operational challenges in biogas blower operation results in more use of electric blowers.
- **Interceptor & LS Maintenance: Increase \$62,000** Projected increase in televising contract and percentage of pipes televised to meet regulatory expectations.
- **Sludge and Grit Disposal: Increase \$224,000;** Digester cleaning services reinstated for 2025

C. Materials and Supplies (3.4% Increase)

- **Operational Chemicals: Increase \$18,000;** Steadily increasing chemical costs and delivery charges. Operational improvements have reduced daily consumption rates
- **Staff Engagement & Outreach: Increase \$2,000;** new category aimed at retention, culture, outreach

D. Administration and General (4.5% Increase)

- **Medical Expenses: Increase \$50,000;** reduced \$50,000 last year, returned to pre-2024 level
- **Dues, License, Tuition/Training, Travel: Increase \$12,000, \$8000;** revised categories to provide more insight and clarity on spending and available funds; instituted per diem policy in 2024
- **Stormwater Fees: Increase \$12,000**

Summary – The presented O&M budget shows an overall increase of \$907,000 (8.6%) over the 2024 budget. The following items have the largest dollar increase:

- Professional services, Wages, Operational Chemicals, and Electric.

Rate increases in 2023 and 2024 forced the Utility to propose lean budgets to control costs to rate-payers. Some programs and activities were reduced or delayed. With a favorable true up, expenditures savings, and good projections, 2025 is well-positioned to fully fund wastewater programs and activities to the appropriate level