

RACINE WASTEWATER UTILITY

2025

Proposed Budget

August 20, 2024
Proposed

RACINE WASTEWATER UTILITY
2025 Proposed Details of Revenue Budget

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