

May 12th, 2026

SENT VIA EMAIL

Racine Wastewater Utility
c/o Mr. Nate Tillis, Executive Director
800 Center St., Room 227
Racine, WI 53403

RE: 2027 Racine Revenue Sharing Payment Calculation

Dear Mr. Tillis:

We are pleased to provide this proposal for the 2027 Revenue Sharing, Library, Zoo and Museum Payment Calculations. We understand that per the Revenue Sharing Agreement the Racine Wastewater Utility has an obligation to provide the calculated amounts for the following calendar year to communities on or before July 1 of each year. As such, Ehlers, Inc. will make every effort to obtain the information necessary to run the Revenue Sharing, Library, Zoo and Museum Payment Calculations and provide those calculations to the Utility no later than June 20th. If the necessary data is not available by this date then we will communicate that information and provide the Utility with the final calculation within two business days of all data having been made available to Ehlers, Inc.

We are prepared to begin work on this engagement immediately upon authorization. Please let us know if you have any questions on the enclosed Engagement Letter.

Very Truly Yours,

A handwritten signature in blue ink that reads 'Jonathan P. Cameron'.

Jonathan P. Cameron
Senior Municipal Advisor/Managing Director

Cc: Brian Roemer, Ehlers
KateLynn Harrigan, Ehlers

Engagement Letter

2027 Racine Wastewater Utility Revenue Sharing, Library, Zoo and Museum Payment Calculations

Scope Of Service

The Racine Wastewater Commission (Client) has requested Ehlers & Associates' (Ehlers) to calculate the 2027 Racine Wastewater Utility Revenue Sharing, Library, Zoo and Museum payments.

For this service, Ehlers is not acting as a municipal advisor as defined under Federal Regulation 15 USC § 78o-4(e)(4). This means Ehlers is not offering advice or a recommendation concerning municipal financial products or the issuance of municipal securities.

Phase I: Information Request and Review

To complete the payment calculation Ehlers will need to obtain the following data as it pertains to all community members of the Racine Revenue Sharing and the Library, Zoo and Museum Payment Parties.

Racine Revenue Sharing Agreement

- Net Population
- Racine Youthful Offenders, Racine Correctional Facility, Sturtevant Transitional Facility Population obtained from the Department of Corrections
- Racine County Jail Population obtained from the Racine County Sheriff's Office
- Total Equalized Value (TID IN)
- Total Equalized Value (TID OUT)
- Total Commercial/Industrial Tax Base
- Share of EV in Planning Area (For RSP Parties whose designated RSP territory is not completely within the Facilities Planning Area.
- Total Local Tax Levy (TID OUT)
- Land Transfer Data

Racine Library, Zoo and Museum Payment Calculation Data

- City of Racine Budget

- Total Equalized Value

Phase II: Revenue Sharing Agreement Calculations

Ehlers will begin the work upon engagement and will finalize the calculations as information is made available. There are three pieces of information that will take more time to obtain and evaluate. Those are:

- Statement of Taxes, the Department of Revenue does not generally post the Statement of Taxes until mid-June. This information contains the final reported Tax Levy information by community.
- Partial planning area data will need to be obtained from County contacts. Ehlers is working through obtaining partial planning area data from tax key/parcel information.
- Racine County Jail Average Daily Jail Population. This data will need to be obtained from the Racine County Sheriff's Office.
- Meetings and Presentations
 - ✓ Once the calculation is complete Ehlers will make one final presentation to the Racine Wastewater Utility Commission. If additional meetings are necessary as they pertain to the 2027 Revenue Sharing Payment Calculation this would be outside the original scope of work and Ehlers would bill for those meetings at \$300/hour.

Estimated Project Timeline

Ehlers will begin the work upon engagement and will finalize the calculations as information is made available. Due to the timeline of posting Statement of Tax data, Ehlers believes the soonest we would be able to make the final information available would be June 20th, 2026. Should we not be able to meet this deadline Ehlers will communicate that information with the Racine Wastewater Utility and provide new estimated timeline information.

Compensation and Payment for Services

Ehlers proposes to bill on an hourly basis for the services set forth in the "Scope of Service" above. Ehlers will bill at a rate of \$300 per hour for all services listed herein. We currently estimate that it will not take more than 33 hours, or a total cost \$9,900 to complete the services listed above. We further agree that the Scope of Service shall not exceed \$9,900 without the Client's express prior written approval.

Ehlers will invoice Client monthly for work completed in the previous month. Our fees include normal travel, printing, computer services, and mail/delivery charges. Each invoice is due and payable within 45 days of receipt by the Client.

Other Relationships – Conflict of Interest Disclosure

Ehlers serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. Ehlers has been asked by the Client to assist with completing the annual revenue sharing payment model with its member parties. This will involve competing interests of each member party who is a client of Ehlers and is receiving services from Ehlers other than those listed herein. The member parties include the following:

Recipients:

- The City of Racine (recipient)
- The Village of Somers (recipient and contributor)

Contributors

- The Village of Mount Pleasant
- The Village of Sturtevant
- The Village of Caledonia
- The Village of Wind Point

Indemnification

The Client shall indemnify, hold harmless and defend Ehlers, its officers, agents and employees from and against any damages, costs or other liabilities (including reasonable attorneys' fees) arising from or relating to any breach of this Letter by Client including, but not limited to, damages, costs and other liabilities arising out of any information received from Client or member participants by Ehlers; or other materials disseminated by Ehlers based on information received from Client or member participants by Ehlers.

Limitation of Damages

In no event shall Ehlers' total aggregate liability under this Letter be in excess of the amount of fees paid by Client to Ehlers during the Term then in effect notwithstanding anything contained herein. In addition, Client acknowledges that Ehlers shall not be responsible and/or liable for any errors, misstatements or omissions associated with any report or filing, or for the correction thereof, that was prepared or disseminated by any party other than Ehlers.

Termination Provision

This Engagement Letter shall be effective as of the date of its execution by Client. Either party may terminate this Letter at any time with or without cause upon 30 days prior written notice to the other party; provided that such termination shall not affect any rights or obligations under the "Indemnification" and the "Limitation of Damages" provisions of this Letter, and provided further that the Client shall remain liable for the payment of services incurred prior to the effective date of termination.

Work Product and Ownership

Ehlers agrees that all work product, materials, models, data, documentation, processes, and other outputs developed, prepared, or delivered by Ehlers, alone or with others, in connection with the engagement and created in connection with the performance of services described in the above Scope of Services (collectively, "Work Product") shall be the sole and exclusive property of the Client. Ehlers hereby assigns, and agrees to assign, all right, title and interest in and to such Work Product to Client. Ehlers shall retain no rights, or interest in the Work Product, and shall not use or disclose such Work Product except as expressly authorized by the Client. To the extent that any moral rights, copyright, or other rights cannot be assigned, Ehlers hereby waives and agrees not to assert any such rights.

Client Engagement

Client hereby accepts the terms set forth in this Engagement Letter and engages Ehlers to provide the services described herein. This Letter shall be effective as of the date of its acceptance by Client. The above Scope of Services is hereby accepted by the Racine Wastewater Commission, by its authorized officer this _____ day of _____, 20____.

By: _____
(Print Name)

Title: _____
(Print Title)

Signature: _____