



EQUIFLOW ANNUAL PLAN

2026-2027

Lead Service Line & Water Main Replacement Program

**Prepared for:
Water Commission**

**Prepared by:
Community Infrastructure Partners**

**In Partnership with:
City of Racine & EquiFlow Program**

**Date:
April 15, 2026**



Introduction

The Racine Water Utility (RWU), in partnership with Community Infrastructure Partners (CIP), is implementing the EquiFlow Lead Free Program, a Community Based Public-Private Partnership with the primary goal of replacing all lead service lines (LSL) and select watermains prioritized by RWU. The EquiFlow Program is a comprehensive initiative aimed at ensuring the public health and well-being of the Racine community through the systematic replacement of lead service lines. The program is also structured to enabling the city to (1) secure maximum available funding from the Wisconsin Department of Natural resources (WDNR), which administers the Bipartisan Infrastructure Bil (BIL) funding and other State Revolving Funds; (2) maximize the share of funding received as principal forgiveness to reduce long term debt for the City and/or utility; (3) utilize the funding as efficiently, equitably, and effectively as possible to replace the most lines and maximize all available funding; and (4) pursue local economic development by engaging local, small and minority owned businesses as the program scales over its five-year term.

The primary goal of the first two years is to identify and replace an estimated 4,097 lead or galvanized water service lines and as many as 10,899 ft of mains that are prioritized by RWU. These replacements will be carried out in a coordinated manner that will deliver economic benefits to the community. The effort is organized into four stages: **1) Verification and Public Outreach, 2) Procurement, 3) Implementation, and 4) Post-Replacement.** This 2026 and 2027 Annual Plan details the scope, steps, process, costs, and procedures that can be expected. This program is meant to address water infrastructure challenges while maximizing homeowner participation and community awareness, targeting the replacement of lead service lines and water mains while emphasizing transparency and trust.

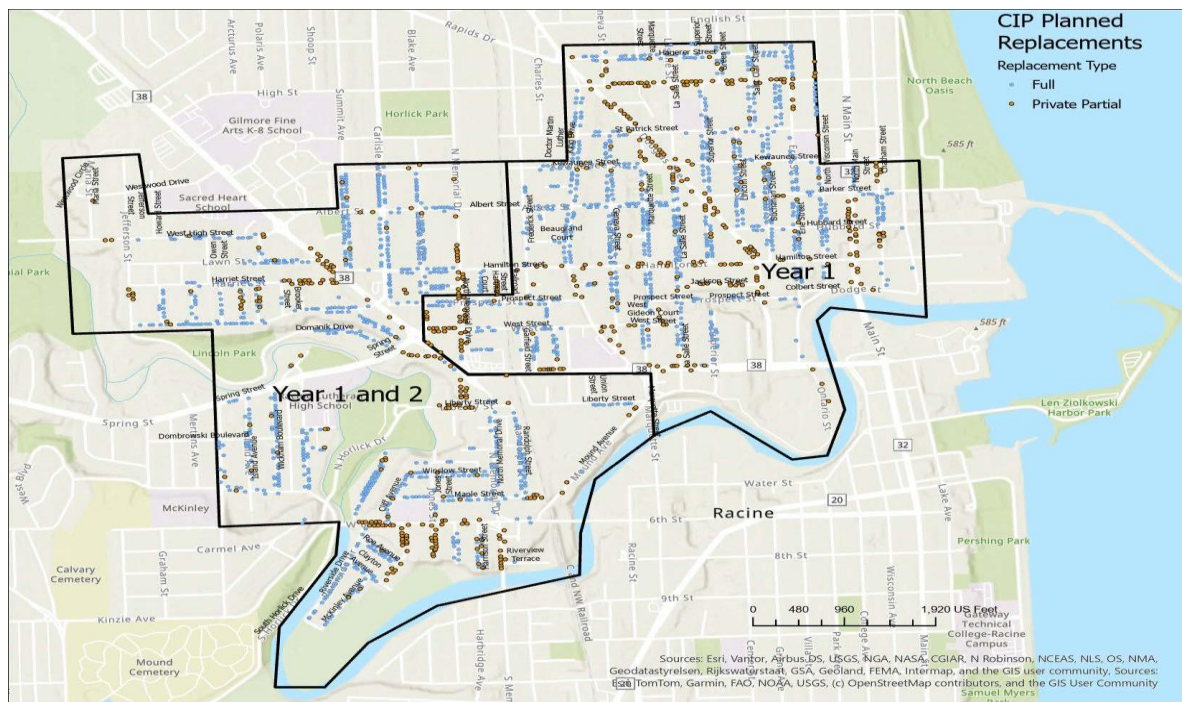


Figure 1. Lead Service Line Replacement (2026 – 2027)

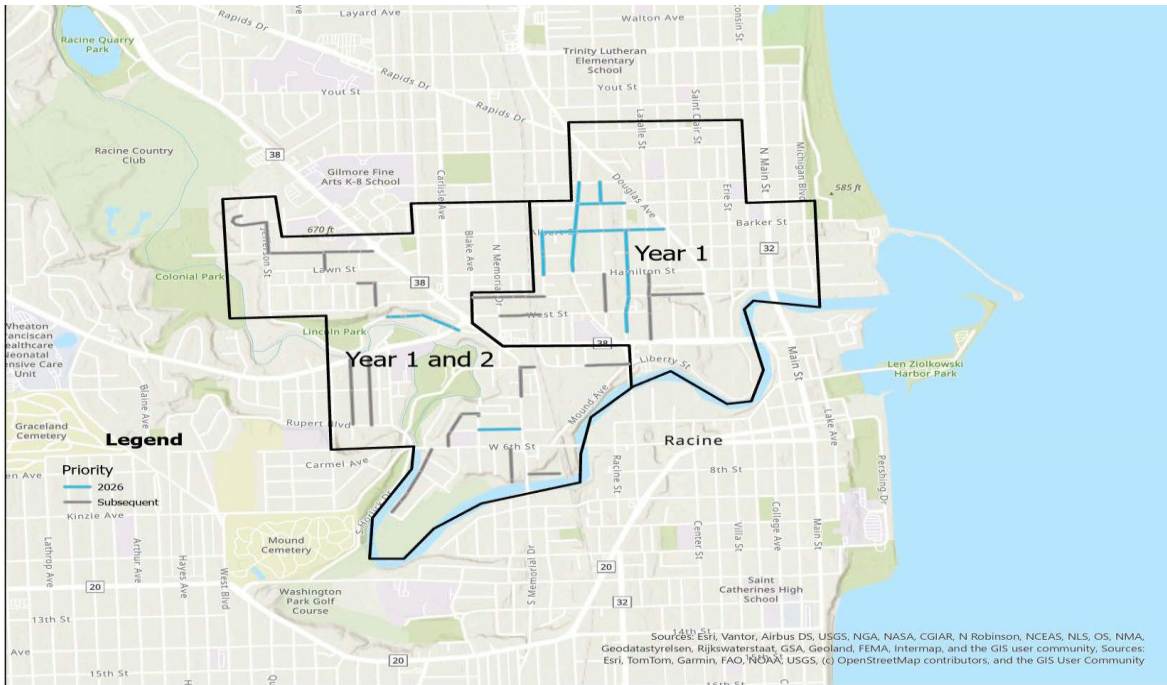


Figure 2. Water Main Replacement (2026 – 2027)

EquiFlow Goals for 2026 & 2027

- Complete a total of 4,097 LSL Replacements:
 - 1,817 Full Water Service Replacements
 - 2,280 Partial Private Water Service Replacements
- Complete 10,899 ft water main replacement
- Construction Start Date: May 2026
- Construction End Date: November 2027
- Recruit a minimum of 20% Racine residents to Racine Works Program

Stage 1 – Verification and Public Outreach

RWU maintains an inventory of water service lines that identifies the material on both the private and public sides. This GIS database is crucial for determining where lead and galvanized pipes exist on the private side. However, RWU has identified discrepancies between this database and its service records. To address this, a desktop reconciliation of the GIS inventory with available service records will be conducted as an initial verification step. For properties with “unknown” materials in RWU’s inventory, or where service records do not exist, a mixed strategy that includes mailings, canvassing, a program website, and a public awareness campaign will be used to build public support and identify service line materials.

For 2026, homes along Lathrop Street between highway 20 and Republic Avenue will be prioritized for material verification and replacement based on discussions with RWU, in addition to the geographic area identified as year 1 on the LSLR map. Canvassing began in March. The residents for year 1 & 2 have received two direct mailings.



While verifying line material is a crucial goal, it is not the only one. This is also an opportunity to gain the support and trust of the community while developing relationships with residents and building rapport with local firms and stakeholders. In accordance with our goals of utilizing local workforce, CIP encourages collaboration with trusted local partners capable of helping EquiFlow achieve its outreach goals of creating community awareness, improving understanding of impacts of lead exposure, and reaching Racine residents. CIP remains open to opportunities for partnership.

Due to the mixed number of partial and full replacements and the number of unknown materials, we will utilize our outreach team for verification appointments to identify private lateral material types. We will also utilize hydro excavation to help identify unknown lateral material types at 1,657 homes. These locations will be reported to RWU, and coordination will be required to minimize disruption in public services (mail, trash, transportation) for those impacted by replacement work.

Verification and Public Outreach – Goals and Strategy

- Outreach in the 2026 season will utilize direct mailings and targeted canvassing, with support from the EquiFlow website providing the public with program information, access to Right of Entry forms, and other resources for lead safety.
- Targeted Canvassing and Outreach began in late February 2026 and will continue throughout the summer.
- For canvassing CIP has utilized Water Department staff and will hire residents to support door-to-door community engagement.
- All residents in year 1 and 2 areas have received two rounds of direct mailings. The first round of letters was mailed in February and March of 2026. The second round, consisting of postcards, was mailed in March of 2026.
- After the two rounds of direct mailing, and additional attempts to contract homeowners, a door hanger stating water shut off notice will be delivered to residents who have not responded to the request to submit Right of Entry (ROE).
- CIP has contract with DAAR Engineering to provide Construction Management support. DAAR will support data validation, canvassing, and post-replacement outreach to residents.
- *Work Force Development* – A critical part of the Community Based program is to create opportunities for local residents. CIP is working closely with Racine Works Program (RWP) and Laborer’s International Union of North America (LIUNA) and Wisconsin Workforce development, to develop an apprenticeship program that will allow untrained individuals to learn valuable skills and gain work experience. See Appendix B for more detailed information.

Stage 2 – Procurement

RWU received approximately \$40M from the Safe Drinking Water Loan Program (SDWLP) under the BIL. Miller Pipeline was the lowest bidder for LSLR across Bid Packages 1 and 2, with bids of approximately \$18.6M and \$17.7M, respectively, for the projected 2026 and 2027 scope. The winning contractors for the water main replacement were Reesmans Excavating & Grading, Inc. for the central area, with a bid of approximately \$4.7M, and A.W. Oakes & Sons, Inc. for the west area, with a bid of approximately \$5.8M, for the projected 2026 and 2027 scope.



Contractor Selection

LSL Replacement

CIP prepared two bid packages for the LSLR with input from RWU. Bid invitations were sent to all interested contractors registered with the City of Racine, and all bid information was posted on the Quest. To ensure all contractors have a good understanding of the work requirements and that management staff are familiar with the existing contractor pool, EquiFlow conducted several overview calls with potential contractors prior to the release of the bid. The LSLR bid was posted on February 16, and a mandatory bid meeting took place on March 3, where 5 interested contractors attended. Miller Pipeline submitted the lowest bid and will be awarded the contract.

Bid Schedule for Packages 1 & 2

- 2/16: Bid Release
- 3/3: Bid Meeting
- 3/5: Questions due
- 3/5 – 3/6: Addendums posted
- 3/10: Bid Due
- 3/18: Award announced

Water Main Replacement

CIP has secured the services of Ruekert & Mielke, Inc. for the duration of the project who helped assemble the contractor bid package for the water main replacement. Bid invitations were sent to all interested contractors registered with the City of Racine, and all bid information was posted on the Quest. To ensure all contractors have a good understanding of the work requirements and that management staff are familiar with the existing contractor pool, EquiFlow conducted several overview calls with potential contractors prior to the release of the bid. The main bids were posted on March 24, and a mandatory bid meeting took place on March 31, where three interested contractors attended. Reesmans Excavating & Grading, Inc. and A.W. Oakes & Son, Inc., who submitted the low bid for Packages 1 & 2, respectively, will be awarded the contract.

Bid Schedule for Packages 1 & 2

- 3/24: Bid Release
- 3/31: Pre-Bid Meeting
- 4/1: Questions due
- 4/3 – 4/7: Addendums posted
- 4/7: Package 1 Bid Due
- 4/8 Package 2 Bid Due
- 4/15: Award to be announced

Third-Party Certifier

DAAR Engineering will be responsible for confirming all LSLRs and ensuring the workmanship of EquiFlow contractors to meet city standards and specifications. Ruekert & Mielke, Inc. will be responsible for confirming all water main replacements and ensuring the workmanship of EquiFlow contractors to meet city standards and specifications.



Stage 3- Implementation

Miller Pipeline will work with EquiFlow management team to create and manage a replacement schedule for all identified homes eligible for LSLR in 2026 and 2027. Similarly, Reesmans Excavating & Grading, Inc. and A.W. Oakes & Son, Inc. will work with the EquiFlow management team to create and manage a replacement schedule for all water mains identified for years 26 and 27. Multiple Project Books will be executed for each bid package. Project Books will detail permits, cost, materials, and locations for replacement. These Project Books will be submitted to the RWU for approval.

All stages of replacements from verification through post-replacement activities will be documented in Asset Management Software called Utility Cloud. This software has been customized by CIP staff to meet the needs of the EquiFlow and track all replacement activities. Any program staff needing to utilize Utility Cloud will be trained on the software; and access to software dashboards will be given to management and city staff to improve the transparency of the program and status of replacements. CIP management staff will analyze public records, GIS data, outreach results, and RWU feedback to select roadways for lateral replacement. Through collaboration with the selected contractor, these options will be formed into a schedule for the 2026 season. Weekly meetings will be conducted throughout the season with RWU, CIP, Construction Management, and Contractor staff to ensure schedules are met, and standards are upheld.

Stage 4 - Post-Replacement

Post replacement and closeout will be our opportunity to gather feedback from residents and to offer post-replacement sampling. After each replacement is completed, a member of our EquiFlow team will deliver the resident a water pitcher, 6 months' worth of filters. Six months following replacement, communication will be sent by EquiFlow to residents to offer water sample testing.

After replacement is verified and approved by the Construction Management staff, the location enters a six-month Post Replacement stage. The highlights of this stage are:

- Resident Survey
- Completion packet with water pitcher and 6 months' worth of filters
- Follow-up Water sampling at 6 months



Approved and Agreed upon by Community Infrastructure Partners

By: _____
Pete Littleton, Chief Operating Officer

Agreed to by

CITY OF RACINE

By: _____
Cory Mason, Mayor

ATTEST:

By: _____
Tara McMenamin, City Clerk

RACINE WATER UTILITY

By: _____
Anjuman Islam, Executive Director

Provisions have been made to pay the liability that will accrue hereunder.

By: _____
Kathleen Fischer, Finance Director

APPROVED AS TO FORM:

By: _____
Scott R. Letteney, City Attorney



Appendix A – Outreach Plan 2026 & 2027

Introduction

The Racine EquiFlow Lead-Free Program is a comprehensive initiative to improve the health and well-being of the Racine community by systematically replacing lead service lines. The five-year program, beginning in 2026, incorporates refined strategies to address challenges and maximize engagement as the program commences. For 2026 & 2027, the focus is on achieving high homeowner participation rates and community awareness, targeting the replacement of lead service lines while emphasizing transparency and trust.

The outreach strategy leverages lessons learned in other communities around Wisconsin and the country, strengthens collaboration with local organizations, and employs innovative tools and techniques, such as digital signatures for Right of Entry (ROE) and automated communications, to expand program reach and impact. The outreach program will be continuously ongoing for the 5-year program. Construction is expected to begin in early May 2026.

Objectives

The 2026 outreach plan is structured around four key goals:

1. Build Trust and Confidence

- **Educational Outreach:** Enhance program materials to provide clear explanations of lead service line replacement and its importance while funding is available. Communicate health risks of lead exposure and the protective steps homeowners can take.
- **Transparent Communication:** Expand channels, including multilingual communication tools, to address concerns and questions promptly. Develop program materials explaining prioritization rules, funding uncertainties, and the balance between health messaging and safety assurances.
- **Community Champions:** Engage local leaders (e.g., alderpersons) and organizations to gather feedback outreach strategy and gain insights into reaching target audiences. Use their networks and social media platforms to promote the program.
- **Feedback Mechanisms:** Introduce updated surveys and testimonials to refine engagement strategies. Benchmark communication practices with other Lead Service Line Replacement (LSLR) programs and align messaging with evolving Lead and Copper Rule Improvements standards to ensure compliance.



2. Educate Community Members Who Will Be Impacted by the LSLR

- **Public Relations Campaign:** Implement targeted advertising through local radio, social media, and events.
- **Celebrate Successes:** Recognize milestones and achievements to maintain momentum and build community pride.
- **Workshops and Webinars:** Host events at multicultural community centers, co-branded as "EquiFlow: Lead Replacement and Awareness Nights." Host virtual information sessions to promote aspects of the program, like navigating the website, using the lead map, self-verification, construction bids, and job opportunities.

3. Inform Customers of Public Health Information

- **Educational Materials:** Develop resources tailored to different demographics and learning preferences including how to protect health before and after replacement.
- **Health Partnerships:** Collaborate with local health organizations, libraries, and schools to distribute materials and amplify messaging.
- **Local Media:** Partner with outlets for feature stories, interviews, and announcements about the program's impact.

4. Reach Underserved Populations

- **Inclusive Strategies:** Translate materials into Spanish and other relevant languages.
- **Cultural Relevance:** Use culturally sensitive outreach tools like podcasts, radio programs, and visual aids.
- **Direct Engagement:** Collaborate with organizations like Racine Interfaith Coalition Multicultural Community Center: Refugee Resettlement Program, to bridge communication gaps.

Community Outreach Team Members

The following teams and individuals contribute their expertise to ensure the success of the 2026 & 2027 outreach plan:

Firm/Organization	Role & Responsibilities	Key Members
Community Infrastructure Partners	Program management leading the overall outreach and door-to-door canvassing strategy	Jaspreet Randhawa, Eric Jones
Douglas & Yates (D&Y)	Strategies, marketing, PR, and materials	Lauren Yates, Kelly Douglas



DAAR Engineering

Canvassing, ROE collection, homeowner engagement during construction

Samir Amin

TBD, a local partner

Community and neighborhood events

TBD

Approach to Community Outreach

1. Targeted Outreach

- Send official letters from the city emphasizing the urgency of acting now.
- Conduct door-to-door canvassing to secure ROEs and introduce a digital signature option via Docusign.
- Promote self-verifications to improve efficiency during inspections.
- Alert homeowners of canvassing and construction schedules through letters, door hangers, and automated messages.
- Ensure documentation is recorded and accessible for state reporting on non-engaged homeowners.

2. Community Engagement

- Participate in family-friendly community events.
- Partner with local restaurants, bowling alleys, and skating rinks for "EquiFlow: Lead Awareness Days" to promote digital engagement.
- Engage schools and community centers through presentations, booths, and materials.
- Target local grocery stores and rain barrel pickup events to set up informational tables.

3. Network Outreach

- Partner with businesses, schools, and healthcare providers.
- Collaborate with organizations (e.g., job centers) and local schools (e.g., Technical and High School) to distribute materials and promote workforce opportunities with LiUNA.
- Engage real estate agencies and property managers early to promote participation, emphasizing property value benefits.

4. Public Awareness

- Run multimedia campaigns featuring radio ads, social media content, and print materials.
- Partner with the city to enhance visibility on platforms like Facebook and Nextdoor.
- Share project updates and milestones through newsletters and press releases to celebrate the EquiFlow program's successes.



Key 2026 Outreach Activities

Activity	Objective	Target Audience	Responsible Party	Timeline
Door-to-door Canvassing	Education & increasing participation	Impacted tenants and homeowners	DAAR & CIP	Ongoing
Social Media Campaigns	Raise awareness and provide updates	General public, underserved groups	D&Y	Monthly
Workshops	Educate on lead exposure and program benefits	Families, schools	TBD & CIP	Quarterly
Neighborhood Events	Engage directly with community members	Residents in affected census tracts	DAAR, TBD & CIP	As needed
Media Engagement	Highlight program success and promote awareness	Local media and general public	D&Y	Ongoing

Communication Tools

Tool	Purpose/Benefit	Responsible Party
Flyers and Brochures	Provide clear, concise information about EquiFlow	D&Y, TBD
Newsletters	Share updates, milestones, and educational content	D&Y
Social Media Posts	Reach diverse audiences with engaging content	D&Y
Videos	Explain processes and showcase community impact	D&Y
Website Updates	Provide centralized resources and program information	D&Y
Surveys	Gather feedback to refine program strategies	D&Y & DAAR

Conclusion

The 2026 & 2027 EquiFlow Community Outreach Plan reflects a commitment to building trust, engaging the community, and achieving tangible results in making Racine lead-free. By integrating lessons learned, and deploying a diverse array of tools and strategies, the program is well-positioned for success again in the year ahead.



Appendix B – Apprenticeship Program

Lead Service Line Workforce Development: Union Partnership

Program Name: Lead Service Replacement (LSR) Apprenticeship Program

Program Executive Summary

Overview

The Lead Service Replacement (LSR) Apprenticeship Program is designed to prepare apprentices for careers in construction with specialized training in lead service line replacement, safety protocols, and workforce development. The program builds upon existing union apprenticeship models to create a sustainable and scalable pipeline of skilled workers for lead service line replacement projects across the U.S.

Background

The U.S. faces a severe shortage of qualified contractors to execute critical infrastructure projects due to unprecedented funding from the Bipartisan Infrastructure Law (BIL) and other federal and state programs. This labor gap is especially critical in lead service line replacement (LSLR), where delays pose both financial and public health risks.

Key challenges include:

- **Rising Costs:** Increased demand and limited workforce drive up project costs.
- **Declining Workmanship Quality:** Fewer skilled workers mean higher chances of substandard repairs.
- **Public Health Risk:** Lead-contaminated water lines remain in service longer, affecting vulnerable communities.

Opportunity

This program aims to develop a standardized and scalable workforce by leveraging low barriers to entry, sustained job demand, and union training resources:

- **Accessible Career Pathway:** The program requires minimal prior construction experience, allowing new workers to enter the field quickly.
- **Sustained Demand:** Lead service line replacement is expected to remain a high-priority infrastructure project for 15+ years.



- **Community-Driven Recruitment:** A large portion of lead service lines exist in disadvantaged communities, making this program an opportunity to train and employ individuals directly affected by unsafe water infrastructure.

By actively recruiting from these communities, the program maximizes the impact of federal infrastructure funding while providing sustainable career opportunities.

Program Approach: Leveraging Union Apprenticeships for Scalability

Rather than creating a separate apprenticeship program, the LSR Apprenticeship Program integrates directly into existing union-based workforce development programs, with LIUNA (Laborers' International Union of North America) serving as the primary pilot partner.

How the LSR Apprenticeship Works with LIUNA

- **Modified Training Pathway:** The LSR Apprenticeship requires apprentices to take additional "zero-credit" LSR courses in addition to the standard LIUNA Construction Craft Labor (CCL) Apprenticeship Program.
- **Union Membership:** Apprentices enroll in the CCL Apprenticeship program, gain hands-on experience, and eventually become full union members.
- **Scalability:** This model can be replicated with other trade unions (pipefitters, electricians, restoration crews) that contribute to lead service line replacement.

Union Benefits & Long-Term Growth Strategy

By partnering with the **LSR Apprenticeship Program, LIUNA and other unions** gain multiple long-term advantages:

- **Increased Membership:** Expanding the workforce brings in new union members, which increases membership dues revenue.
- **Stronger Union Training Programs:** More apprenticeship funding helps improve workforce development grant opportunities.
- **Greater Labor Force for Infrastructure Projects:** Unions become the go-to workforce for lead service line replacement projects, securing long-term contracts.
- **Sustained Growth Beyond Lead Work:** The LSR program introduces new workers to union trades, with potential career shifts into other specialized construction fields.



Appendix C – 2026 Budget

Funding & Financing

Racine Water Utility (RWU) has been awarded nearly \$50M for lead service line (LSL) and water main replacements from the Wisconsin Department of Natural Resources (WDNR). The funding for LSLs includes approximately \$21.6M in principal forgiveness loan and \$18.4M through a 0.25% interest loan for the remaining portion. Additionally, RWU has been awarded a \$150,000 grant through WDNR’s Lead Service Line Replacement (LSLR) Community Outreach Grant Program. This grant can be used to cover eligible project costs related to educating community members, promoting cooperation from customers, and informing the community about public health information all relevant to the LSLR project. Finally, RWU has been awarded \$9.5M for water main funding, with \$1.6M awarded as principal forgiveness loan. The tables below summarize the funding that has been awarded to RWU to date.

<i>Lead Service Line Replacement Funding</i>	
State Revolving Fund – Principal Forgiveness	\$21,606,708
State Revolving Fund - Loan	\$18,393,292
LSLR Community Outreach Grant	\$150,000
Total Available Funding	\$40,150,000

<i>Water Main Replacement Funding</i>	
State Revolving Fund – Principal Forgiveness	\$1,600,000
State Revolving Fund - Loan	\$7,900,000
Total Available Funding	\$9,500,000

Projected Budget

The tables on the following page outline the projected scopes for LSL and water main replacements. Construction, Equipment & Supplies represent 80% of the total budget, with professional services equaling the remaining 20% for both the LSL and water main scopes. Any savings from the projected scope will reduce the total loan amount needed for Racine.

For the 2026 & 2027 construction seasons, the EquiFlow team expects to replace 4,097 lead service lines, which include 1,817 full replacements where both the utility-owned and customer-owned service lines are lead and 2,280 private side only replacements where the utility’s side is not lead. This is the optimal ratio for Racine to maximize their principal forgiveness (PF) loan, as the PF can only be used for private side construction work. In addition to the LSLRs, the team will complete an estimated 1,657 hydro excavations which will determine the depth and location of the service line to avoid conflicts with sanitary laterals and verify the in situ backfill as service lines in poor fill or soil would tend towards the need for open-cut.

Additionally, with an estimated 10,899 linear feet of water mains to be replaced throughout Racine’s water system in 2026, the total scope to be completed by the EquiFlow team is projected to be \$6.3M. RWU is self-performing about 1/3 of the water main scope totaling \$3.2M, which when added together with the scope below adds up to the total funding award of \$9.5M.



	2026 & 2027 Combined Planned Scope - LSLs	Count	Cost	Cost/ Unit	%
Package 1	Partial Private Water Service Replacement	1,346	\$6,423,112	\$4,772	16%
	Full Water Service Replacement	973	\$9,333,989	\$9,593	23%
	Curb Stop Replacement	100	\$68,700	\$687	0%
	Hydro Excavation	850	\$306,000	\$360	1%
Package 2	Partial Private Water Service Replacement	934	\$4,494,408	\$4,812	11%
	Full Water Service Replacement	844	\$8,239,972	\$9,763	21%
	Curb Stop Replacement	100	\$69,000	\$690	0%
	Hydro Excavation	807	\$290,520	\$360	1%
	Permitting - plumbing	4,097	\$409,700	\$100	1%
	Permitting - excavation	4,097	\$614,550	\$150	1%
	Contingency		\$1,512,498	\$369	4%
	Subtotal - Construction Costs	4,097	\$31,762,449	\$7,753	79%
	Water Filters		\$222,234	\$54	1%
	Quench Buggy Trailer USA Inc.		\$76,600	\$19	0%
	Subtotal - Equipment & Supplies		\$298,834	\$73	1%
	Professional Services Fee		\$7,937,978	\$1,937.51	20%
	Total Funded Through DNR Loan/PF	4,097	\$39,999,262	\$9,767	100%
	Community Outreach Grant		\$150,000		
	Total LSL Scope	4,097	\$40,149,262	\$9,800	100%

2026 Planned Scope – Water Mains	Count (linear feet/EA)	Cost	Cost/unit	%
Water Main Replacement	10,899	\$4,557,488	\$418	72%
Copper SL Connections - Package 1	90	\$139,950	\$1,555	2%
Copper SL Connections - Package 2	125	\$195,250	\$1,562	3%
Permitting	10	\$2,500	\$250	0%
Contingency		\$150,513	\$14	2%
Subtotal - Construction Costs	10,899	\$5,040,000	\$462	80%
Professional Services Fee		\$1,261,425	\$116	20%
Total	10,899	\$6,307,125	\$579	100%

2026 & 2027* Budget Summary

Lead Service Line Replacement Project	\$39,999,262
Watermain Replacement Project	\$9,500,000
Total \$ Amount	\$49,499,262

<i>Less portion of WM replacements Racine is self-performing</i>	\$3,192,875
Total CIP Scope	\$46,306,387

CIP Compensation

Per the Master Professional Services Agreement between CIP and the City dated February 5, 2026, CIP earns a Base Fee structured as a unit price per LSL replaced and a unit price per linear foot of water main replaced. The Base Fee is compensation for Professional Services related to the Program and is separate



from Direct Costs, Construction Work, contractor pricing, equipment, supplies, and Interim Financing Costs, which are paid separately. For clarity, the Base Fee includes eligible Professional Services, whether such Professional Services are provided directly by CIP or by third parties retained by CIP, in support of LSL replacement and water main replacement.

CIP's Base Fee is performance-based and payable only on actual completed replacement quantities certified in accordance with the Master Professional Services Agreement. CIP is not owed Base Fee compensation until LSLs or water mains are replaced and certified as substantially complete. This is a performance-based structure ensuring CIP only gets paid based on performance, compared to the traditional "time and materials model" where companies get paid for billable hours and headcount, regardless of actual results and whether any of the project goals are achieved.

CIP's Base Fee for the scope addressed in this Annual Plan is \$1,937 per LSL replaced and \$115 per linear foot of water mains replaced, with payment based on the actual amount of replacements completed and invoiced.

Only eligible Professional Services related to LSL replacement work and the water main scope included in this Annual Plan are included in the Base Fee. Costs that are not eligible for funding through the applicable LSL or water main funding sources, including workforce development activities except to the extent separately funded, are not included in the Base Fee.

The following eligible Professional Services are included in CIP's Base Fee for LSLs and water mains, whether performed by CIP Personnel or third parties retained by CIP:

- Program Management
- Construction Management
- Program Administration
- Funding and Financing Support
- SDWLP Loan Administration
- Community Outreach
- Canvassing
- LCRI Compliance

Outsourced Services (Included in Professional Services Fee) – LSL:

- DAAR Engineering - Construction Management & Inspection Support
- Local Outreach for Community Engagement and Public Education Local Outreach in Support of LSLR Activities
- Douglas & Yates – Program Website, Communications and Social Media
- CFGI – Accounting Services for Financial Management Support, Cost Tracking, and Replacement Program Reimbursement
- Godfrey Kahn - Legal Services for Right of Entry Template & Construction Contract Development & Review
- UtilityCloud – Asset Management Software for LSL Replacements
- Canvassing Support

Outsourced Services (Included in Professional Services Fee) – Water Mains:

- Ruekert & Mielke - Construction Management & Inspection Support
- Douglas & Yates – Program Website, Communications and Social Media



- CFGI – Accounting Services for Financial Management Support, Cost Tracking, and Replacement Program Reimbursement
- Godfrey Kahn - Legal Services for Right of Entry Template & Construction Contract Development & Review
- UtilityCloud – Asset Management Software

The Base Fee Does Not Include:

- Construction Work and contractor compensation
- Direct Costs of construction labor and materials
- Permits and permit fees
- Water filters
- Supplies and equipment purchased for the Program (e.g., Quench Buggy and similar equipment)
- Interim Financing principal and Interim Financing Costs, including interest
- Workforce development costs
- Outreach expenses reimbursed or to be reimbursed through the WDNR Outreach Grant
- Any other non-Professional Services costs not expressly included in the Base Fee

Outreach Grant

As mentioned above, the City has been awarded \$150,000 through the LSLR Community Outreach Grant Program. Racine's 2026 and 2027 lead service line replacement program will focus on accelerating the replacement of harmful lead pipes. The goal of the outreach program for 2026 and 2027 is to educate residents throughout the City that will be impacted and ensure Racine secures Right of Entry agreements to maximize participation with tenants and homeowners who have LSLs. Additionally, the community will be informed about health hazards related to lead and how to protect themselves and their families before and after their LSL replacement occurs. Furthermore, all types of media and advertising will be used including traditional media, a monthly newsletter, mailers, social media, print advertisements, radio and other necessary outlets. To ensure the entire Racine population is reached, materials will be translated from English to Spanish. A dedicated program website, phone number and email address is available to ensure residents have access to all information related to the LSLR program. To the extent any outreach-related activities are funded through the LSLR Community Outreach Grant, those grant-funded amounts are separate from and not duplicative of CIP's Base Fee.

Of the LSLR program services listed above, the following may be covered by this Outreach Grant:

- Canvassing
- Community Outreach
- Local Outreach for Community Engagement and Public Education Local Outreach in Support of LSLR Activities
- Douglas & Yates – Program Website, Communications and Social Media

The EquiFlow team has also submitted an application to WDNR for an additional \$150,000 Outreach Grant. If awarded, that additional funding would be eligible to be used beginning in November 2026.

Interim Financing

The WDNR has provided a loan closing deadline of September 23, 2026, for both the lead service line and water main funding. To allow work to begin prior to the closing of the WDNR loans, CIP is willing



to provide Interim Financing, as that term is defined in the Master Professional Services Agreement, in an amount not to exceed \$6 million in the aggregate, unless parties otherwise agree in writing. CIP has no obligation to advance Interim Financing in excess of that amount absent a written agreement or other written approval executed by the parties.

According to Section 6.4 of the Master Professional Services Agreement, outstanding Interim Financing amounts shall accrue a flat annual interest rate of eight percent (8%). For clarity, interest on Interim Financing applies only to outstanding amounts that have been advanced by CIP and remain unpaid after the applicable payment deadline under the Agreement. With respect to invoiced Base Fee amounts, interest does not begin to accrue on the invoice date itself, but only after expiration of the contractual payment period for undisputed amounts.

All outstanding Interim Financing amounts, together with accrued Interim Financing Costs, must be paid by Racine no later than October 23, 2026, which is 30 days after WDNR's stated closing deadline. Repayment may be made from any lawful source available to Racine, including City funds, loan proceeds, grant proceeds, or other available funds, provided that payment is made in full by the required date. This repayment deadline is fixed unless otherwise agreed by the parties in writing, regardless of whether the actual WDNR closing occurs before or after September 23, 2026.