

## MEMORANDUM

DATE: November 13, 2025

TO: Waukesha Water Commission

FROM: Cortney Nagel  
Administrative Services Manager

RE: 2026 CIP and Operating Budget

Attached is the Executive Summary, Capital Improvement Plan (CIP) and the Operating Plan for 2026. Overall, the 2026 CIP consists of \$32.6 million in capital expenditures and the 2026 Operating Plan expects a Managers' Margin of \$16.3 million and a net income of \$10.6 million.

There are a couple differences to note from the draft documents reviewed in September and October. In the CIP, the Operations Center costs were updated to estimated actual costs; the September budget included the original estimate that was approved by the Wisconsin Public Service Commission. Water main replacement projects, including the 2026 Resurfacing project, Davidson Road, and Hillside, Harris, and Porter were updated, based on information received from the City Engineering Department. Costs for tower safety climbing equipment and process improvement were updated based on an estimates/quotes from the vendors. In the Operating budget, 2025 actual water revenue for October replaced the budgeted figures and November and December budgeted water revenue was reduced by one percent based on actual revenue year-to-date 2025. Attorney fees for general business needs were added to the 2026 Operating budget.

Please refer to the Executive Summary for a more detailed discussion. I look forward to reviewing these documents at the Commission meeting.

**Recommended Motion:** Approve the Capital Improvement Plan and Operating Plan for 2026.



## 2026 BUDGET

- ❖ Executive Summary
  - ◆ Descriptive
  - ◆ Key Indicators
  
- ❖ Capital Improvement Plan
  - ◆ Summary
  - ◆ History
  - ◆ Significant Items
  - ◆ Cash
  - ◆ Borrowed Funds
  - ◆ GWA – Admin & PM/CM
  - ◆ GWA – Supply
  - ◆ Source, Pumping & Treatment
  - ◆ Transmission & Distribution
  - ◆ General Plant
  - ◆ GWA – Return Flow
  - ◆ Contributed Plant
  
- ❖ Operating Plan
  - ◆ Statement of Revenues and Expenses
  - ◆ Compensation
  - ◆ Other Significant Items
  - ◆ Detailed Variance Analysis



**WAUKESHA WATER UTILITY  
BUDGET  
EXECUTIVE SUMMARY**

2026

Capital expenditures are budgeted at \$32.6 million in 2026, a \$16.5 million increase over the projected 2025 capital expenditures of \$16.1 million. The capital budget costs include \$16.3 million for completion of the Operations Center. New billing software, plant abandonments related to the Great Water Alliance project, and 18,800 feet of water main replacement work contribute to the remaining capital budget for 2026.

To fund the 2026 capital plan, the Utility plans to issue the remaining \$16.9 million of federal WIFIA Loans to cover the construction costs of the new Operations Center. The Utility also was approved for a \$4 million grant from the Federal Government that will pay for the abandonments of facilities and infrastructure no longer needed with the new Milwaukee water supply, as well as additional treatment equipment for system chloramination and water quality monitoring, and SCADA upgrades. The Utility will fund the remaining \$11.7 million with cash on hand.

A summary of significant capital expenditures is attached.

“Net Income” is budgeted at \$10.6 million in 2026, staying very consistent with the \$10.6 million projected for 2025. The Utility has filed a conventional water rate increase application with the Wisconsin Public Service Commission (Docket # 6240-WR-112). The impacts of the rate increase will not be seen until 2027, but projections for consumption in 2026 include a 2% decrease due to conservation efforts.

Managers’ expenses are budgeted to increase in 2026 to \$10.2 million. This represents an increase of 13% over the 2025 projected. Some of the main increases in operating expenses include outside consulting services for a water system master plan model update and a wage study, attorney fees for the lawsuit and to amend the Milwaukee contract, recruiting costs for the General Manager position, an increase in credit card fee costs due to higher bills and more people paying by credit card, a seven percent rate increase from Milwaukee Water Works for purchased water effective in September, hydrant painting services, and maintenance costs for the new billing software, including Cloud hosting services. Wage and benefit increases relate to a 3.25% wage adjustment for employees receiving a solid performance evaluation. An additional employee is budgeted in the Operations Department in 2026. Medical and dental premiums are budgeted to increase 5% and 3%, respectively, for all full-time employees enrolled in benefits.

A detailed understanding of the expenses can be gained by examining the Significant Expenses and Variance Analysis (both attached).

The Utility’s cash position will remain strong in 2026. The Capital, Operating, and Borrowing plans combine to produce a cash balance at year-end of \$44.5 million, down from the \$46.1 million projected for 2025. Cash reserves are being managed tightly to ensure debt coverages have been met.

The Utility’s Return on Rate Base is budgeted at 3.83%. This is less than the 6.2% allowed by the Public Service Commission in the most recent rate case application, but will rebound in 2027 with the projected water rate increase. The Debt Service Revenue Ratio is budgeted at 6.62, exceeding the required 1.1 ratio. The cash balance meets the working capital requirements in the debt covenants.

**WWU  
KEY INDICATORS  
2026**

	Actual	Actual	Actual	Projected	Budgeted
	2022	2023	2024	2025	2026
Capital Budget - Additions	\$ 3,784,178	\$ 103,899,731	\$ 7,709,838	\$ 18,988,088	\$ 34,066,733
Feet Replaced	10,906	12,509	17,585	11,915	18,800
Rate Increase	0%	42%	35%	0%	0%
Managers' Margin	8,415,311	2,998,909	13,613,781	17,966,021	16,318,060
Average Annual Bill - Residential	\$ 429	\$ 474	\$ 662	\$ 822	\$ 822
Net Operating Income - PSC	3,926,575	3,604,861	7,174,847	10,775,934	8,248,668
Average Net Rate Base	\$ 73,268,865	\$ 123,525,525	\$ 175,496,346	\$ 182,096,692	\$ 215,606,891
Return on Rate Base	5.36%	2.92%	4.09%	5.92%	3.83%
Rev. Debt Coverage - 1.1 Req.	4.80	1.60	6.29	7.88	6.62
YE Cash Bal. - Actual/Projected	\$ 36,598,157	\$ 37,669,459	\$ 45,571,973	\$ 46,164,479	\$ 44,501,560



# **Waukesha Water Utility Capital Improvement Plan**

2026

Summary

History

Significant Items

Cash

Borrowing

GWA Admin & Project Management

GWA Supply

GWA Return Flow

Source Pumping & Treatment

Transmission & Distribution

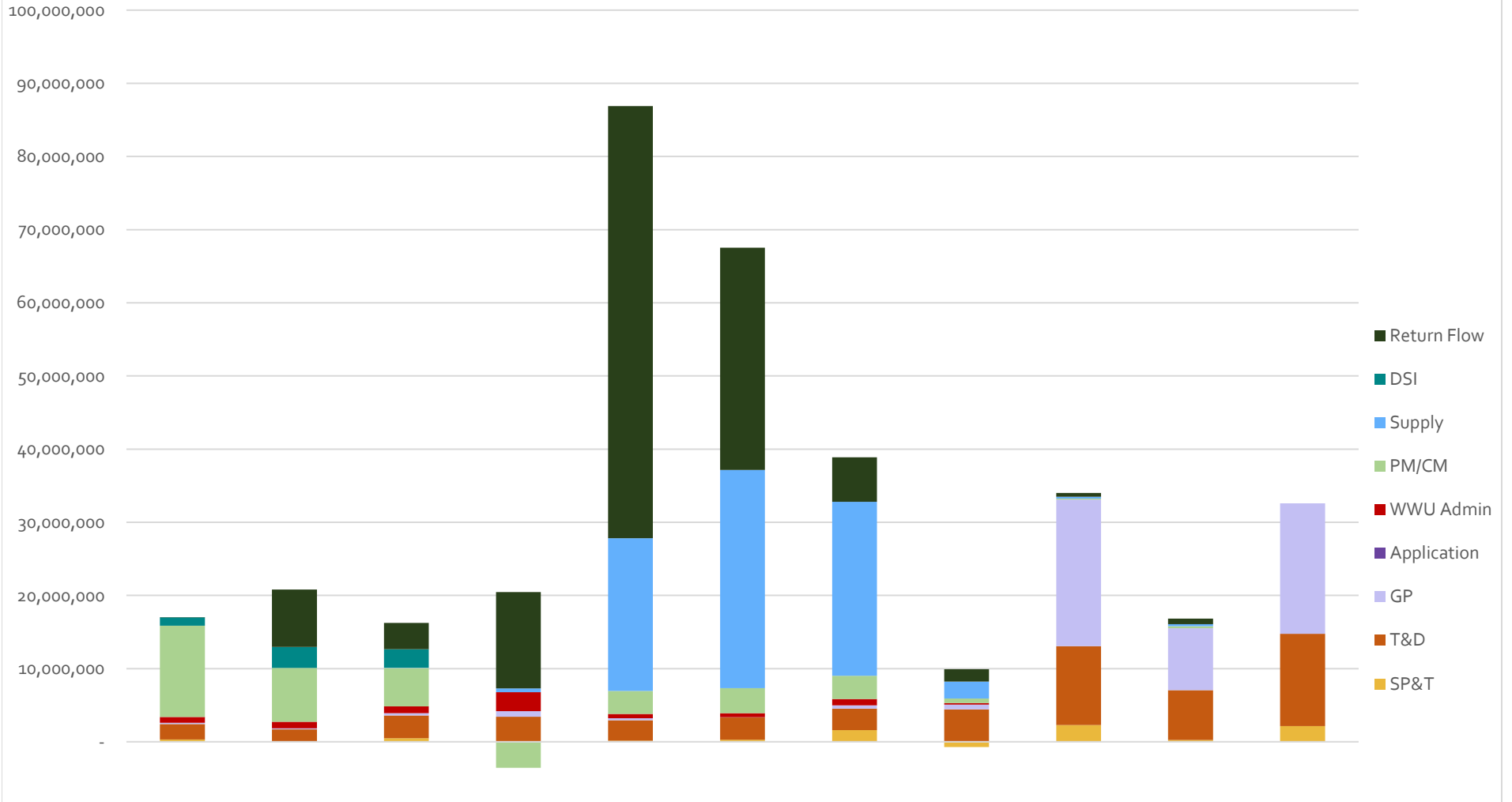
General Plant

Contributed Plant

WAUKESHA WATER UTILITY  
Capital Improvement Plan  
Summary  
2026

Year	Application (GWA)	WWU Admin & PM/CM	Supply (GWA)	Distribution System Improvements (GWA)	Source, Pumping & Treatment	Transmission & Distribution	General Plant	Total Utility	% Δ from 24 B	Return Flow (GWA)	Milwaukee (GWA)	Developer Contributed (Table 5)	Total Capital Improvement Plan
2025 B	-	123,500	-	-	2,280,259	10,806,110	20,026,014	33,235,884		492,500	-	1,226,034	34,954,418
2025 P	-	299,621	273,704	-	249,419	6,810,812	8,448,215	16,081,772	-52%	751,297	-	2,906,316	19,739,385
2026	-	-	-	-	2,139,947	12,611,740	17,857,059	32,608,746	103%	-	-	1,457,987	34,066,733
2027	-	-	-	-	80,000	16,038,477	167,009	16,285,486	-50%	-	-	2,182,151	18,467,637
2028	-	-	-	-	140,000	11,592,256	461,237	12,193,492	-25%	-	-	2,269,438	14,462,930
2029	-	-	-	-	100,000	12,805,946	164,423	13,070,369	7%	-	-	2,360,215	15,430,584
2030	-	-	-	-	78,000	12,538,184	811,294	13,427,477	3%	-	-	2,454,624	15,882,101
Total	\$ -	\$ -	\$ -	\$ -	\$ 2,537,947	\$ 65,586,602	\$ 19,461,022	\$ 87,585,571		\$ -	\$ -	\$ 10,724,415	\$ 98,309,985

# WWU CAPITAL IMPROVEMENTS - HISTORY 2017 - 2026



	2017	2018	2019	2020	2021	2022	2023	2024	2025B	2025P	2026
Feet Replaced	7,176	10,390	13,172	11,035	8,463	10,906	12,509	17,585	17,150	11,915	18,800

(10,000,000)

WAUKESHA WATER UTILITY  
CIP  
SIGNIFICANT ITEMS > \$100,000  
2026

ROUTINE

Pumping Structure - Remote Station WIFI Cell	
Drops for Cameras	254,051
Main Replacement - 18,800 feet	9,615,894
Hydrant Replacement	242,382
Valve Replacements	366,800
Water Meter Replacements	430,143
Operations Center	16,343,403
ERP Software - Billing & Process Improvement	823,900
Fleet Replacement - (3)	230,000
SCADA - Replace PLC's	256,000
SCADA - Airmux Radio Installations - Phase II	117,611
Plant Abandonments	3,233,866

\$ 31,914,050

98%

TOTAL CAPITAL BUDGET

\$ 32,608,746

RETURN FLOW (GWA)

\$ -

CONTRIBUTED CAPITAL

\$ 1,457,987

**WAUKESHA WATER UTILITY  
STATEMENT OF PROJECTED SOURCES AND USES OF CASH  
NOVEMBER 2025 - DECEMBER 2025**

**Cash Balance - October 31, 2025**

\$47,293,989

**SOURCES 11/1 - 12/31:**

**Operations:**

Customers - water sales	\$3,496,955
Waste Water Utility - joint metering billing	182,796
Rent of utility property - cellular leases	93,110
Receipts on sewer bills	3,540,690
Receipts on return flow bills	1,243,939
Reimbursement from City for return flow expenses	95,921
Other - miscellaneous	21,926
<b>Total Cash From Operating Activities</b>	<b>\$8,675,337</b>

**Capital and Related Financing Activities:**

Grants	0
Contributions	4,019
Issuance of long-term debt	0
Issuance of long-term debt - WIFIA	4,182,759
Interest income	309,843
<b>Total Cash From Capital/ Investing Activities</b>	<b>\$4,496,621</b>

**Total Cash Receipts**

**\$13,171,958**

**USES 11/1 - 12/31:**

Salaries, wages, payroll taxes and benefits	\$540,828
Subcontracted and outside services	304,128
Disbursement to city for sewer transfer	3,684,794
Disbursement to city for return flow transfer	1,346,011
Pumping power	67,691
Purchase of materials and supplies	777,466
Tax equivalent - PILOT	0
Acquisition of capital assets	7,484,629
Acquisition of capital assets - Return Flow	95,921
Debt service - principal	0
Debt service - interest	0
<b>Total Cash Used</b>	<b>\$14,301,468</b>

**Net Change in Cash**

**(\$1,129,510)**

**Cash Balance - December 31, 2025**

**\$46,164,479**

WAUKESHA WATER UTILITY  
CIP  
BORROWED FUNDS - BUDGET  
2026

<u>Capital</u>	Budget	Less Funds Remaining <sup>(1)</sup>	Less Grants	Plus Debt Refinancing	Borrowed Funds Needed	Less: WIFIA	Cash Funding
FWS	-	-	-	-	-	-	-
Routine	32,608,746	-	4,029,621	-	28,579,125	16,900,666	11,678,459
	32,608,746	-	4,029,621	-	28,579,125	16,900,666	11,678,459

Notes:

(1) The following estimates the general obligation (GO) debt outstanding issued with the approval of the City

GO Debt Authorized by City for WWU	\$ 50,000,000
Estimated GO Debt Outstanding at 12/31/2025	<u>38,690,000</u>
GO Debt "Available" at 12/31/2025	11,310,000
Estimated GO Debt Repaid in 2026	<u>2,930,000</u>
GO Debt Available in 2026	<u><u>\$ 14,240,000</u></u>

WWU																			
GWA - Admin & PM/CM																			
Account #	Job #	Description	Thru 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		2026		Total 2014 - 2026	
			Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget per WS	Projected	Budget Macro	Budget per WS	Variance	
1830		<b>GWA</b>																	
		Utility Costs																	
GLC-W0001/GLEW0006		Internal Labor & Incidentals			192,781	162,902	184,563	209,085	48,010	401,869	181,370	472,166	132,039	-				-	1,984,784
		<i>American Litho</i>																	-
		<i>Cardmember Services</i>																	-
		<i>CityPress</i>																	-
		<i>Delzer Lithograph Company</i>																	-
		<i>Miscellaneous</i>																	-
		<i>Labor</i>																	-
		<i>MKR</i>																	-
		<i>Uni-directional Flushing</i>																	-
		<i>Transitional Flushing</i>																	-
GLC-W0002/GLEW0002		Financial Planning			38,714	61,929	26,781	14,245	(29,011)	12,831	15,065	15,077	-	-				-	155,631
		<i>Baker Tilly Virchow Krause, LLP</i>																	-
GLC-W0003/GLEW0003		Legal & Regulatory			63,869	335,562	150,691	284,403	64,697	16,072	20,157	18,345	21,719	-				-	975,516
		<i>Bruce Baker Services, LLC</i>																	-
		<i>City of Milwaukee</i>																	-
		<i>PSC of WI</i>												-					-
		<i>Stafford Rosenbaum LLP</i>																	-
		<i>Impact Fees - Diversion Monitoring</i>																	-
GLC-W0004/GLEW0004		Public Relations			-	283	894	-	(160)	-			-					-	1,017
		<i>Schreiber GR Group</i>																	-
	GLEW0001	Lobbying			63,663	92,598	84,738	80,826	108,738	110,967	112,897	95,416	55,374	-				-	805,216
		<i>BGR Government Affairs, LLC</i>																	-
		<i>Schreiber GR Group</i>																	-
		<i>Internal Labor</i>																	-
		<i>Miscellaneous</i>																	-
GLCSD001/GLESD001		Route Determination/Water Quality			35,085	147,968	28,668		(204,493)	-			-					-	7,227
GLCE0001/GLCEF001		Effluent Land	105,759	7,073	65,447	4,629	4,605			-			-					-	187,513
		<b>GWA WWU Admin</b>	<b>105,759</b>	<b>7,073</b>	<b>459,559</b>	<b>805,871</b>	<b>480,940</b>	<b>588,559</b>	<b>(12,219)</b>	<b>541,739</b>	<b>329,489</b>	<b>601,003</b>	<b>209,132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,116,904</b>
GLCW0005/GLEW0005		Project Management - Supply			1,274,926	12,482,622	7,132,966	4,749,775	(6,605,327)	1,454,221	1,848,635	1,244,761	203,985	25,000	133,136				23,919,700
	GLEW0007	Pipe Loop Testing/ Water Quality				395,113	274,530	1,623	-										671,266
	GLCSD002	Water Quality Studies - GWA Supply				15,855	67,333	109,295	69,981	227,794	277,070	21,083							788,411
		<b>GWA Project Management</b>	<b>-</b>	<b>-</b>	<b>1,274,926</b>	<b>12,482,622</b>	<b>7,543,934</b>	<b>5,091,638</b>	<b>(6,494,409)</b>	<b>1,524,202</b>	<b>2,076,428</b>	<b>1,521,831</b>	<b>225,069</b>	<b>25,000</b>	<b>133,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,379,376</b>
	GLEW0009	Construction Management - Supply				240,167	508,541	811,111	1,658,244	1,583,444	1,922,009	400,206	98,500	166,485					7,290,207
		<b>GWA Construction Management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240,167</b>	<b>508,541</b>	<b>811,111</b>	<b>1,658,244</b>	<b>1,583,444</b>	<b>1,922,009</b>	<b>400,206</b>	<b>98,500</b>	<b>166,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,290,207</b>
		<b>TOTAL WWU ADMIN &amp; PM/CM</b>	<b>105,759</b>	<b>7,073</b>	<b>1,734,484</b>	<b>13,288,493</b>	<b>8,265,041</b>	<b>6,188,738</b>	<b>(5,695,518)</b>	<b>3,724,184</b>	<b>3,989,361</b>	<b>4,044,844</b>	<b>834,406</b>	<b>123,500</b>	<b>299,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,786,487</b>

**WWU  
GWA - Supply**

Job #	Description	Thru 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		2026			Total 2014 - 2026		
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget per WS	Projected	Budget Macro	Budget per WS			Variance
	<b>SUPPLY</b>																			
GLCS0005	Supply Pump Station & Tower Land							499,104	(325,410)									-	173,694	173,694
GLCS0002	GWA Water Supply Pipeline Milwaukee City Limits to Coffee & Schwartz - Contract Package 2A Section I	-					1,152	-	17,467,223	4,530,333	6,159,310	190,839						-	28,348,857	28,158,018
GLCS0007	Water Supply Pipeline Coffee and Schwartz to BPS and Waukesha Water Connection- Contract Package #2B Booster Pumping Station, Reservoirs, Chemical Building - Contract Package #3	-							303,541	3,378,781	4,680,276							-	8,362,598	8,362,598
GLCS0003	Water Tower - Contract Package #3A						27,661	2,519	2,982,380	17,892,463	9,875,801	1,755,135		236,060				-	32,772,018	31,016,884
GLCS0006	GWA Supply Pipeline - 84th St to Milwaukee City Limits - Contract Package #2A Section 2 - WWU to Donate to Milwaukee							1,819	463,878	2,341,412	440,684	113,885		37,644				-	3,399,321	3,285,437
GLCS0009									-	1,666,074	2,613,596	267,280						-	4,546,950	4,279,670
	<b>TOTAL SUPPLY</b>	-	-	-	-	-	<b>28,813</b>	<b>503,441</b>	<b>20,891,612</b>	<b>29,809,063</b>	<b>23,769,666</b>	<b>2,327,138</b>	-	<b>273,704</b>	-	-	-	-	<b>77,603,438</b>	<b>75,276,300</b>

**WWU  
GWA - Return Flow**

Job #	Description	Thru 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		2026			Total 2014 - 2026	
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget per WS	Projected	Budget Macro	Budget per WS		Variance
	<b>RETURN FLOW</b>																		
	Return Flow																		
GLEW0008	Return Flow Pipeline - Contract Package #5	-							21,140,733	8,180,182	672,997							-	29,993,912
GLEW0008	Return Flow Pipeline Combined Corridor - Contract Package #2B	-							5,134,637	381,171	209,126							-	5,724,934
GLEW0008	Return Flow Outfall & Pipeline - Contract Package #6								28,100,049	16,389,147	1,917,946		125,000					-	46,407,142
	<b>Return Flow Contract Package Total</b>	-	-	-	-	-	-	-	<b>54,375,419</b>	<b>24,950,500</b>	<b>2,800,069</b>		<b>125,000</b>					-	<b>82,125,987</b>
	<b>Project &amp; Construction Management</b>																		
GLEW0008	Return Flow Land						11,041	678,863	7,695										697,599
GLEW0008	Easements						55,058	102,708											157,766
GLEW0008	Route Determination/Water Quality																		
GLEW0008	Program Management					7,134,392	2,714,506	2,486,652	1,322,416	1,203,692	1,141,675	178,725	125,000	42,809				-	16,224,868
GLEW0008	Construction Management					249,970	464,543	1,246,654	3,111,802	2,669,534	1,310,821	298,851	222,500	106,970					9,459,146
GLEW0008	Administration					397,677	298,730	320,061	179,851	1,167,002	677,813	1,208,869	20,000	559,528					4,809,532
	Ayres												1,000						1,000
	Baker Tilly					17,796	17,090	23,174	17,989	17,166	11,971	7,513							112,698
	Bruce Baker					16,800	14,700	6,638	1,575										39,713
	Cable Com											88,972							88,972
	Capital Project Strategies											12,500							12,500
	Cardmember Services					1,577	161	153	212	1,648	196	205							4,152
	Carroll University					710													710
	Certified Products											86							86
	CH2MHill						4,992	1,417				154,539	183,564					-	344,512
	Chapman & Cutler					20,000													20,000
	City of Franklin							98	140										381
	City of Muskego							15,520		5,958	148,438								169,916
	City of New Berlin																		-
	City of Waukesha								50										50
	CityPress								1,715	176									1,891
	Dan Duchniak								101										101
	Delzer Lithograph					1,788	1,221	3,470	4,852	2,935	4,941								19,208
	DF Tomasini										31,611	4,410							36,021
	Everlaw													94,667					94,667
	FedEx					29													29
	Godfrey & Kahn								23,360										23,360
	Laffey, Leitner, & Goode LLC								945										945
	LRE Water											21,630		4,956					26,586
	Macemon & Sons, Inc.										22,458								22,458
	Meissner, Tierney, Fischer, & Nichols, S.C.								2,793	4,902									7,695
	Midwest Fiber Networks, LLC							124,000											124,000
	Milwaukee County Clerk of Courts										1,455								1,455
	Milwaukee County DOT/Register of Deeds						648					30							678
	Milwaukee County Treasurer										51,500								51,500
	Multimedia Communications & Engineering											577							577
	Miscellaneous							288	3,223	15									3,525
	N. Harris Computer Corp.					35,000													35,000
	Payne & Dolan											159							159
	Pinky Electric											2,870							2,870
	Potawatomi Review																		-
	Brian Ploch							700											700
	Jeffrey Ploch							1,897											1,897
	Premier Global Services					61													61
	Quarles and Brady					15,325													15,325
	Shawn Reilly					463													463
	Reconn											21,980							21,980
	Rhino Marketing											5,951							5,951
	Roto-Rooter										595								595
	Schreiber GR Group										30,000	6,000							36,000
	Source One Technology										4,821								4,821
	Springsled Inc.					25,112													25,112
	Stanford Rosenbaum					33,370	32,994	25,710	1,814	35,386	9,116	441,155	394,106					973,652	
	Stanley Walter Septic Tank Cleaning									205									205
	Super Excavators									840,928									840,928
	Sweeney Well Drilling									2,506									2,506
	Tony Schefner										2,000								2,000
	TRC											5,946		5,946					11,892
	Treasurer Town/Village of Waukesha						21	634											655
	Underground Specialists									8,792									8,792
	US Geological Survey					21,265	39,750	29,500	33,480	28,275	37,515	74,780	20,000					264,565	
	USIC																		-
	UW-Parkside					101,790	112,098	87,772	89,292	93,844	96,010	74,920						655,726	
	Vertex Companies											219,442		59,853					279,295
	Waukesha County Treasurer										163,228								163,228
	WE Energies									159	647								1,155
	WI Dept of Agriculture						1,110												1,110
	WI Dept of Natural Resources (DNR)												18,503						18,503
	WI PSC					41,683	57,715	12,745		17,258	8,997	20,981						-	159,380
	Transfer Return Flow Costs Originally Booked to Supply								8,305,949										8,305,949
GLEW0008	Internal Labor & Incidentals					65,618	58,636		55,255	71,465	75,540	69,165		41,990					437,670
CHILOW	High/Low Points										201,003	10,648							211,651
CEROSC	Erosion Control										34,558								34,558
LSNK2	Ryan Rd & Root River - MMSD Sewer Hit by GWA Contractor										127,417	59,338							186,755
	<b>Return Flow Admin Cost Total</b>	-	-	-	-	<b>7,847,657</b>	<b>3,602,514</b>	<b>13,196,143</b>	<b>4,693,229</b>	<b>5,444,189</b>	<b>3,304,018</b>	<b>1,686,445</b>	<b>367,500</b>	<b>751,297</b>					<b>40,525,493</b>
	<b>TOTAL RETURN FLOW</b>	-	-	-	-	<b>7,847,657</b>	<b>3,602,514</b>	<b>13,196,143</b>	<b>59,068,647</b>	<b>30,394,689</b>	<b>6,104,086</b>	<b>1,686,445</b>	<b>492,500</b>	<b>751,297</b>					<b>122,651,481</b>

WWU  
CIP  
Source, Pumping Treatment

Account #	Job #	Description	2025		2026			2027	2028	2029	2030	Total 2025 - 2030
			Budget per WS	Projected	Budget Macro	Budget per WS	Variance	Budget Macro	Budget Macro	Budget Macro	Budget Macro	
3250-300		Capital Pumping Equipment	35,000	-	35,000	35,000	-	40,000	40,000	40,000	40,000	195,000
		Keys and Cores	80,080		83,283	82,951	(332)					82,951
		Well #3 &#8 - Treatment Modification	19,104		19,868	19,770	(98)					19,770
		Pumping Equip Abandonment @ Well 5	286,425		49,471	49,435	(36)					49,435
		Pumping Equip Abandonment @ Well 6			49,471	49,435	(36)					49,435
		Pumping Equip Abandonment @ Well 10			122,972	122,696	(276)					122,696
		Pumping Equip Abandonment @ Well 11&12			24,029	23,885	(144)					23,885
		Pumping Equip Abandonment @ Well 13			40,482	40,385	(97)					40,385
		Generator Plug Transfer Switch @ Stardust	35,000	-			-					-
		Woodridge Pump & Motor			28,000	27,810	(190)					27,810
		Stardust Pump & Motor			28,000	27,810	(190)					27,810
												-
3210-300		Capital Pumping Structure Improvement										-
		Station Roof Replacement - Stardust			26,000	25,970	(30)	25,000	80,000	35,000	35,000	200,970
		Station Roof Replacement - Woodridge			26,000	25,970	(30)					25,970
		Access Control System Upgrade	94,988	-	98,788	98,391	(396)					98,391
		Remote WIFI (Remote Station Cell Drops for Cameras)	255,000	-	254,380	254,051	(329)					254,051
		Structure Abandonment @ Well 5	431,139	-	48,297	48,297	0					48,297
		Structure Abandonment @ Well 6			58,423	58,423	(0)					58,423
		Structure Abandonment @ Well 10			209,403	209,403	0					209,403
		Structure Abandonment @ Well 11&12			-	-	-					-
		Structure Abandonment @ Well 13			115,016	115,016	-					115,016
	W01326	Stardust Generator	101,000	101,000			-					101,000
	W01327	Woodridge Generator	90,500	90,500			-					90,500
		HVAC Alarm Notification System		5,925			-					5,925
		BPS Generator Exhaust System Flap		5,691			-					5,691
												-
3310-300		Treatment Structure										-
		Structure Abandonment West Ave		31,500								31,500
												-
3320-300		Tmnt Equipment Update					-	15,000	20,000	25,000	3,000	63,000
	W01318	Stardust Chloramination Project	25,000	-			-					-
	W01314	Well 3 Chloramination Addition (Moreland)	25,000	-			-					-
	W01315	Well 7 Chloramination Addition (Merrill)	25,000	-			-					-
	W01316	Wells 8 Chloramination Addition (Saylesville)	25,000	-			-					-
	W01317	Well 9 Chloramination Addition (Crestwood)	25,000	-			-					-
		Chemical Tanks for BPS		14,803			-					14,803
		In-Line Water Quality Monitoring - New Ops Center			52,500	52,500	-					52,500
												-
3341-300		Radium Treatment										-
	W01306	Well #3 - Radium Treatment Abandonment	92,800		46,440	46,440	-					46,440
	W01307	Well #8 - Radium Treatment Abandonment			46,440	46,440	-					46,440
		Well #10 - Radium Treatment Abandonment	47,000	-	92,880	92,880	-					92,880
												-
3140-300		Wells										-
		Abandon Lathers Wells	18,576		18,576	18,576	-					18,576
	W01305	Well Abandonment @ Well 6	138,296		138,296	138,296	(0)					138,296
	W01310	Well Abandonment @ Well 5	130,414		130,415	130,415	1					130,415
	W01309	Well Abandonment @ Well 11&12	55,632		55,632	55,632	(0)					55,632
		Well Abandonment @ Well 10	207,780		207,780	207,780	0					207,780
		Well Abandonment @ Well 13	33,503		33,503	33,503	0					33,503
												-
3160-300		Well #11 & 12 Transmission Line Capping	3,022	0	2,786	2,786						2,786
												-
		<b>TOTAL SOURCE, PUMPING, &amp; TREATMENT</b>	<b>2,280,259</b>	<b>249,419</b>	<b>2,142,131</b>	<b>2,139,947</b>	<b>(2,184)</b>	<b>80,000</b>	<b>140,000</b>	<b>100,000</b>	<b>78,000</b>	<b>2,787,366</b>

WWU  
CIP  
Transmission Distribution

Account #	Job #	Description	2025		2026			2027	2028	2029	2030	Total 2025 - 2030
			Budget per WS	Projected	Budget Macro	Budget per WS	Variance	Budget Macro	Budget Macro	Budget Macro	Budget Macro	
		Total Replacement Footage Budgeted	17,150	11,915	18,800			16,800	16,500	17,600	16,500	
		Total Replacement Cost per Foot	1,548,002		9,594,658			9,978,444	10,377,582	10,792,685	11,224,392	
			90		510			594	618	642	668	
3431-600		Water Main Improvements	6,481	6,481			9,978,444	10,377,582	10,792,685	11,224,392	42,379,583	
	M00563	Waukesha County Airport										-
		Wilson & Harrison - Scott to Grand										-
	M00592	Garfield & Debbie Drive - Hoover to Debbie & Garfield to Debbie Court		311,339								311,339
		N. Hine - Madison to Summit and Moreland to Maitland										-
		Magnolia - Bel Ayr to Cornell										-
		Maitland & Irving - Irving to Hine & Pine to Magnolia										-
*	M00598	Silvermail Rd Realignment	53,878	69,566								69,566
	M00615	Fox River Parkway, School Dr, Fox Point Dr	2,856,334	1,973,837								1,973,837
	M00607	Greenmeadow - Michigan to Summit	1,093,815	1,069,455								1,069,455
	M00613	Arrowhead Watermain Extension	1,285,925	11,473	1,265,925	1,486,685	220,760					1,498,158
	M00612	Gascoigne - Peters to East of Pewaukee Rd	1,982,741	1,819,205								1,819,205
	M00608	Silvermail Road - WM Improvements	420,828	250,908								250,908
	M00614	Area 7 Offsets - North HS	3,916	32,971								32,971
	M00616	STH 59 Reconstruction - Sunset to Arcadian	106,314	128,754	60,676	61,317	641					190,071
	M00619	Williams Street Relay		2,700	318,105	344,238	26,133					346,938
	M00620	Bidwell Avenue & Prospect Avenue Relay		3,600	858,900	851,180	(7,720)					854,780
		Pebble Valley Rd		16,920	1,340,105	1,274,349	(65,756)					1,291,269
		2026 Resurfacing (Easy St, Norton, Oaklawn, West End, Pleasant View)		34,680	3,500,000	3,398,341	(101,659)					3,433,021
		Hillside, Harris, & Porter		5,000	2,237,250	2,172,749	(64,501)					2,177,749
		Cumberland, Glenn, Bel-Ayr, & Hine		-	19,000	27,034	8,034	4,892,077				4,919,111
												-
												-
		Main Inventory		149,330								149,330
3451-300		Laterals Replacement - Street Only	65,914	37,919	66,503	65,345	(1,158)	69,163	71,930	74,807	77,799	396,963
3451-300	M00622	Porter - Frederick to Broadway Service Tieovers	103,613	60,000								60,000
	M00623	Perkins Ave Services - Anoka to Arcadian		182,193								182,193
	M00618	Davidson Road Reconstruction		1,439	107,000	107,619	619					109,058
3481-300		Hydrant Replacement	251,905	122,956	247,011	242,382	(4,629)	256,891	267,167	277,854	288,968	1,456,218
3431-300		Valve Replacements	345,532	160,558	359,354	366,800	7,447	373,728	388,677	404,224	420,393	2,114,380
3431-300		Manhole to valve box conversions	47,281	7,220	11,898	15,080	3,182	12,374	12,868	13,383	13,919	74,843
3461-300		Water Meter Sets 5/8" - 6"	453,608	352,309	430,000	430,143	143	455,800	474,032	492,993	512,713	2,717,991
3461-300		Automated Meter Reading								750,000		750,000
3420-300		Reservoirs										-
		Abandonment @ Well 5	424,040		424,040	424,040	(0)					424,040
		Abandonment @ Well 6	424,040		424,040	424,040						424,040
		Abandonment @ Well 13	74,914		74,914	74,914						74,914
		Reservoir Abandonment at Hillcrest	793,033		793,033	793,033	0					793,033
		Automate Refilling @ Saylesville Reservoir	12,000	0								-
		Safety Climbing Equipment on Towers			24,000	52,450	28,450					52,450
		<b>TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>10,806,110</b>	<b>6,810,812</b>	<b>12,561,753</b>	<b>12,611,740</b>	<b>49,987</b>	<b>16,038,477</b>	<b>11,592,256</b>	<b>12,805,946</b>	<b>12,538,184</b>	<b>72,397,414</b>

WWU  
CIP  
General Plant

Account #	Job #	Description	2025		2026			2027	2028	2029	2030	Total 2025 - 2030
			Budget per WS	Projected	Budget Macro	Budget per WS	Variance	Budget Macro	Budget Macro	Budget Macro	Budget Macro	
3890	W01299	Land W01299		705,225								705,225
3900		General Struct & Improvements										-
		Building Design										-
	W01308	Operations Center	19,013,792	6,752,521	17,911,853	16,343,403	(1,568,450)					23,095,924
		Camera New Building										-
		Structure Abandonment Newhall										-
3910		Office Furniture and Equipment	5,000	0	7,500	7,500	-					7,500
		Office Improvements										-
		Copier	21,000	21,000	-							21,000
		Office Furniture										-
		Plotter		6,925								6,925
3911		Administrative Computer Equipment										-
		Computer Replacement	36,400	33,300	31,346	31,346	-	37,609	38,834	40,607	35,045	216,741
		Large Conference Room Video System Upgrade										-
		New iPads										-
	W01321	Main Break Data Management		2,895								2,895
		Billing Software	299,398	-	662,359	723,900	61,541					723,900
		Process Improvement		20,000	167,188	100,000	(67,188)					120,000
3920		Transportation Equipment						86,400	150,000	90,000	140,000	466,400
WU81	W01303	Tandem Dump Truck		162,404								162,404
WU48	W01301	Ford F450		264								264
WU82	W01323	Dump Truck	163,000	163,000								163,000
		Mobile Radios for Tks#14 & #63		8,298								8,298
WU83		Ford F450			140,000	140,000	-					140,000
WU101		Ford Escape			50,000	50,000	-					50,000
WU02		Ford Ranger			40,000	40,000	-					40,000
3940		Tools & Shop/Garage Equipment						10,000	10,400	10,816	11,249	42,465
		Equipment Upgrades										-
		Thaw Machine	5,616		5,841	5,841	0					5,841
		Lab Incubator	7,800		8,112	8,112	-					8,112
	W01325	Welder	11,900	16,281								16,281
		Meter Reading/Testing Equipment	16,000	24,500								24,500
		Concrete Saw			15,000	15,000	-					15,000
		Locator			10,000	10,000	-					10,000
		Trench Box						12,000				12,000
3960		Power Operated Equipment							210,195		600,000	810,195
3970		Communications - Teleph & Radio										-
3971		Computers - SCADA										-
		SCADA Upgrades						21,000	51,809	23,000	25,000	120,809
		Replace PLC @ Crestwood	30,111	30,111								30,111
		Replace PLC @ Lodge	30,111	30,111								30,111
		Antennas - Multiple Sites	20,000	-								-
		Replace PLC @ Well 3			32,000	32,000	-					32,000
		Replace PLC @ Well 8			32,000	32,000	-					32,000
	W01324	Airmux Radios for SCADA		113,087								113,087
		SCADA Abandonment @ Well 5	7,591		1,391	1,391	0					1,391
		SCADA Abandonment @ Well 6			1,391	1,391	0					1,391
		SCADA Abandonment @ Well 10			1,391	1,391	0					1,391
		SCADA Abandonment @ Well 11&12			1,391	1,391	0					1,391
		SCADA Abandonment @ Well 13			1,391	1,391	0					1,391
		SCADA Abandonment @ Hillcrest			1,391	1,391	-					1,391
		Replace PLC @ North Street	60,222	60,222								60,222
		Replace PLC @ Madison Booster	30,111	30,111								30,111
		Replace PLC @ SEHL Booster	30,111	30,111								30,111
		Replace PLC @ Airport Booster	30,111	30,111								30,111
		Replace PLC @ Woodridge Booster	30,111	30,111								30,111
		Replace PLC @ Oakmont Booster	30,111	30,111								30,111
		Replace PLC @ River Valley Booster	30,111	30,111								30,111
		Replace PLC @ Hillcrest Booster	30,111	30,111								30,111
		Replace PLC @ Davidson Tower			32,000	32,000	-					32,000
		Replace PLC @ Morris Tower			32,000	32,000	-					32,000
		Replace PLC @ Hunter Tower			32,000	32,000	-					32,000
		Replace PLC @ UW Tower			32,000	32,000	-					32,000
		Replace PLC @ Meadowbrook Tower			32,000	32,000	-					32,000
		Replace PLC @ Well #7			32,000	32,000	-					32,000
		Radio Tower @ Saylesville	87,296	87,296								87,296
		Airmux Radios for SCADA - Phase 2			117,611	117,611	0					117,611
<b>TOTAL GENERAL PLANT</b>			<b>20,026,014</b>	<b>8,448,215</b>	<b>19,431,154</b>	<b>17,857,059</b>	<b>(1,574,094)</b>	<b>167,009</b>	<b>461,237</b>	<b>164,423</b>	<b>811,294</b>	<b>27,909,237</b>

WWU  
CIP  
Contributed Plant

Account #	Job #	Description	2025		2026					2027	2028	2029	2030	Total 2025 - 2030
			Budget per WS	Projected	Quantity	Cost per Unit	Budget Macro	Budget per WS	Variance	Budget Macro	Budget Macro	Budget Macro	Budget Macro	
3432		Subdivision Mains - Developer	705,576	2,118,443			1,061,394	1,061,394	-	1,589,919	1,653,515	1,719,656	1,788,442	9,931,370
3452		Street Laterals - Developers	366,794	399,210			252,492	252,492	-	325,851	338,885	352,440	366,538	2,035,414
3482		Hydrants - Developers	153,664	388,663			144,101	144,101	-	266,382	277,037	288,119	299,644	1,663,946
			1,226,034	2,906,316			1,457,987	1,457,987	-	2,182,151	2,269,438	2,360,215	2,454,624	13,630,731



**Waukesha Water Utility  
Operating Plan  
2026**

Statement of Revenues and Expenses  
Compensation  
Other Significant Items  
Detailed Variance Analysis

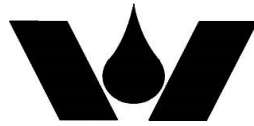
**WAUKESHA WATER UTILITY  
STATEMENT OF REVENUES AND EXPENSES  
2026 BUDGET**

	<u>2025 B</u>	<u>2025 P</u>	<u>2026 B</u>	<u>2025 P v. 2025 B</u>	<u>2026 B v. 2025 P</u>
<b>OPERATING REVENUES:</b>					
Residential	\$ 10,953,077	\$ 10,732,810	\$ 10,538,913	0.98	0.98
Commercial	3,684,088	3,747,055	3,671,219	1.02	0.98
Industrial	1,360,201	1,286,996	1,261,256	0.95	0.98
Public	622,574	616,653	605,117	0.99	0.98
Multi Family	4,007,698	3,912,934	3,817,988	0.98	0.98
Irrigation	116,012	191,856	187,958	1.65	0.98
<b>Total Metered Sales</b>	<b>20,743,649</b>	<b>20,488,304</b>	<b>20,082,451</b>	<b>0.99</b>	<b>0.98</b>
Private Fire Capacity	691,467	697,286	697,286	1.01	1.00
Public Fire Capacity	5,062,348	5,036,982	5,036,982	0.99	1.00
Other Operating Revenues	737,200	776,167	699,474	1.05	0.90
<b>TOTAL OPERATING REVENUES</b>	<b>27,234,665</b>	<b>26,998,739</b>	<b>26,516,194</b>	<b>0.99</b>	<b>0.98</b>
<b>OPERATING EXPENSES:</b>					
Source	4,038,087	4,042,414	4,203,708	1.00	1.04
Pumping	745,712	634,482	694,965	0.85	1.10
Treatment	272,528	331,522	370,444	1.22	1.12
Distribution	1,567,913	1,610,457	1,788,236	1.03	1.11
Customer Service	403,543	386,486	414,122	0.96	1.07
Administrative	2,783,737	2,027,357	2,726,660	0.73	1.34
Total Managers' Expenses	9,811,520	9,032,718	10,198,134	0.92	1.13
<b>MANAGERS' MARGIN</b>	<b>17,423,145</b>	<b>17,966,021</b>	<b>16,318,060</b>	<b>1.03</b>	<b>0.91</b>
Depreciation	5,595,911	5,613,996	6,195,188	1.00	1.10
Tax Equivalent	2,322,148	2,322,148	2,580,819	1.00	1.11
Other Taxes	185,336	122,163	188,956	0.66	1.55
<b>TOTAL OPERATING EXPENSES</b>	<b>17,914,915</b>	<b>17,091,025</b>	<b>19,163,097</b>	<b>0.95</b>	<b>1.12</b>
<b>TOTAL OPERATING INCOME(LOSS)</b>	<b>9,319,750</b>	<b>9,907,714</b>	<b>7,353,097</b>	<b>1.06</b>	<b>0.74</b>
<b>NON OPERATING INCOME&amp;(EXPENSE)</b>	<b>(1,160,411)</b>	<b>665,857</b>	<b>3,256,048</b>	<b>(0.57)</b>	<b>4.89</b>
<b>NET INCOME(LOSS)</b>	<b>\$ 8,159,339</b>	<b>\$ 10,573,571</b>	<b>\$ 10,609,145</b>	<b>1.30</b>	<b>1.00</b>



Recommended Compensation for 2026  
Budget Variance Analysis

	2025 Budget to Projected				2026 Budget to 2025 Projected			Variance Explanation
	2025 B	2025 P	Δ		2026 B	Δ		
			\$	%		\$	%	
Benefits								
Medical Insurance	608,710	503,994	(104,716)	-17.2%	592,883	88,889	17.6%	5% Increase to Premiums
Dental Insurance	24,190	19,385	(4,805)	-19.9%	23,072	3,687	19.0%	3% Increase to Premiums
Life Insurance	11,929	10,931	(998)	-8.4%	11,099	168	1.5%	
Disability	7,943	7,016	(927)	-11.7%	7,782	766	10.9%	
Pension	179,618	157,736	(21,882)	-12.2%	177,511	19,775	12.5%	Compensation, WRS Contrib. Rate is Increasing from 6.95-7.2%
Total Benefits	832,390	699,061	(133,329)	-16.0%	812,347	113,286	16.2%	
Wages	2,658,975	2,361,991	(296,984)	-11.2%	2,690,292	328,301	13.9%	Solid performance = 3.25% increase, 1 FTE Increase
Grand Total	\$ 3,491,365	\$ 3,061,052	\$ (430,313)	-12.3%	\$ 3,502,639	\$ 441,587	14.4%	



Salary Surveys  
2026

Released Date	Source	Market	2026	2025	2024	2023	2022
August	Society for Human Resource Management	National	3.50	3.50	4.00	4.10	3.00
August	WI Employment Relations Commission	State	2.64	3.30	6.26	7.17	2.30
September	Management Resources Association - WI	State	3.20	3.80	4.10	4.00	3.00
September	Carlson Dettman Upper Midwest Wage Increases Survey Report- SE Wisconsin	Local	3.18	3.36	3.70	2.61	1.80
		Average	3.13	3.49	4.52	4.47	2.53
		Rate Used	<b>3.25</b>	<b>3.50</b>	4.00	4.00	2.50

Proposed: Jan 1: 3.25%	Proposed: Jan 1: 3.5%	Proposed: Jan 1 / July 1 Split 3.5% / 1%	Proposed: Jan 1 / July 1 Split 3.5% / 1%
---------------------------	--------------------------	--	--

**WWU  
SIGNIFICANT ITEMS  
EXPENSES > \$250,000 OR CHANGES > \$25,000  
2026**

**ITEMS UNRELATED TO COMPENSATION**

ACCOUNT #	DESCRIPTION	2025P	2026 B	\$ Δ	% Δ	NOTE
6020	300 SOURCE - PURCHASED WATER	\$ 3,074,473	\$ 3,215,684	\$ 141,211	5%	5% Increase - This account holds the cost to purchase water from Milwaukee Water Works. A 7% increase is budgeted as Milwaukee filed for a rate increase with the Public Service Commission in September of 2025.
6030	200 SOURCE-MISC.OPERATING EXPENSES	\$ 958,332	\$ 958,332	\$ -	0%	Amount represents GWA Project costs that were deemed non-capital, which the PSC authorized to amortize over a number of years.
6230	300 PUMP OP - POWER	\$ 373,364	\$ 383,394	\$ 10,030	3%	3% Increase - We Energies is projected to have a 4.78% rate increase in 2026 for gas and electric services. We also budgeted for the elimination of the abandoned wells (will not have to perform quarterly pumping for sampling).
6330	300 PUMP EQUIP MAINTENANCE	\$ 47,797	\$ 75,063	\$ 27,266	57%	57% Increase - Generator maintenance and labor for the vacant Operations position is budgeted in 2026. Spare parts and maintenance to booster pumping equipment is budgeted in 2026, but will only be spent if needed.
6620	300 T&D OPS - LABOR, MATERIALS, & LINES EXP	\$ 46,800	\$ 19,294	\$ (27,506)	-59%	59% Decrease - A labor allocation shift due to department re-structuring is budgeted in 2026.
6640	200 T&D CUSTOMER INSTALL	\$ 106,763	\$ 136,576	\$ 29,814	28%	28% Increase - Cross connection inspection costs for Commercial, Industrial, & Multi-family customers will increase in 2026.
6700	600 T&D MAINT SUPERVISION & ENGR	\$ 54,262	\$ 21,632	\$ (32,629)	-60%	60% Decrease - There will be a labor allocation shift in 2026.
6730	300 T&D MAINT OF MAINS	\$ 690,831	\$ 15,579	\$ (675,252)	-98%	98% Decrease - Budgeting for this account has transferred to department 600 in 2026.
6730	600 T&D MAINT OF MAINS	\$ 15,326	\$ 682,029	\$ 666,703	4350%	4350% Increase - Budgeting for this account has transferred to department 600 in 2026. This account holds the costs for main breaks, maintenance to mains and valves, and cathodic protection. A contractor is budgeted in 2026 to adjust valve boxes for the City paving program. These costs will only be spent if the adjustments are needed.
6750	300 T&D MAINT STREET SERVICES	\$ 47,605	\$ -	\$ (47,605)	-100%	100% Decrease - Budgeting for this account has transferred to department 600 in 2026.
6750	600 T&D MAINT STREET SERVICES	\$ 375	\$ 53,099	\$ 52,724	14044%	14044% Increase - Budgeting for this account has transferred to department 600 in 2026.
6770	300 T&D MAINT OF HYDRANTS	\$ 62,313	\$ -	\$ (62,313)	-100%	100% Decrease - Budgeting for this account has transferred to department 600 in 2026. Hydrant painting by a Contractor began at the end of the season in 2025.
6770	600 T&D MAINT OF HYDRANTS	\$ -	\$ 202,641	\$ 202,641	100%	100% Increase - Budgeting for this account has transferred to department 600 in 2026. A third of all hydrants in the system are budgeted to be re-painted by a Contractor in 2026.
9030	200 CA RECORDS/COLLECTIONS	\$ 645,962	\$ 730,366	\$ 84,404	13%	13% Increase - This account holds all labor for customer service activities, credit card fees, printing and mailing of monthly bills, and printing services for envelopes and bills. Customer payments made via credit card and the cost of postage continue to increase each year.
9200	200 A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	\$ 244,212	\$ 286,798	\$ 42,585	17%	17% Increase - There will be a labor allocation shift in 2026. An Administrative Services position was vacant for part of the year in 2025.
9211	300 A&G VEHICLE & EQUIP SERVICE & MAINTENANCE	\$ 119,245	\$ 28,304	\$ (90,941)	-76%	76% Decrease - Budgeting for the majority of this account has transferred to department 600 in 2026. Diesel for the BPS generator remains in this account in 2026, along with some labor for vehicle maintenance and repairs.
9211	600 A&G VEHICLE & EQUIP SERVICE & MAINTENANCE	\$ 844	\$ 148,228	\$ 147,384	17466%	17466% Increase - Budgeting for this account has transferred to department 600 in 2026. Vehicle maintenance is budgeted here in 2026 and will only be spent if needed.
9216	300 A&G MINOR EQUIPMENT	\$ 31,057	\$ 6,200	\$ (24,857)	-80%	80% Decrease - Budgeting for the majority of this account has transferred to department 600 in 2026.
9216	600 A&G MINOR EQUIPMENT	\$ 43	\$ 40,362	\$ 40,320	94680%	94680% Increase - Budgeting for this account has transferred to department 600 in 2026.
9230	100 A&G OUTSIDE SERVICES	\$ 221,982	\$ 419,069	\$ 197,087	89%	89% Increase - Attorney fees for the lawsuit, to amend the Milwaukee contract, and for general business needs are budgeted in 2026. Leadership development, legal fees for personnel issues, and appraisal fees for the properties that will be sold are also budgeted in 2026.
9230	200 A&G OUTSIDE SERVICES	\$ 33,752	\$ 81,100	\$ 47,348	140%	140% Increase - Consulting fees for Accounting and Accounting software are budgeted in 2026, but will only be used, if needed. A wage study is budgeted to be completed in 2026.
9230	300 A&G OUTSIDE SERVICES	\$ -	\$ 65,000	\$ 65,000	100%	100% Increase - A water system master plan model update originally budgeted for 2025 has been moved to 2026.
9230	600 A&G OUTSIDE SERVICES	\$ 29,270	\$ -	\$ (29,270)	-100%	100% Decrease - Work order optimization with the billing and accounting software and GIS was budgeted in 2025.
9264	100 A&G HEALTH INSURANCE	\$ 458,644	\$ 546,169	\$ 87,525	19%	19% Increase - A 5% increase to health insurance is budgeted in 2026. An additional employee is budgeted for the vacancy in Operations in 2026. Administrative Services, Operations, and General Manager each had vacant positions for part of the year in 2025.
9264	150 A&G HEALTH INSURANCE	\$ 315,825	\$ 340,819	\$ 24,994	8%	8% Increase - This account holds health insurance costs for retired employees.
9300	100 A&G MISC GENERAL EXPENSE	\$ 1,248	\$ 54,800	\$ 53,552	4291%	4291% Increase - Recruiting costs for a new GM are budgeted in 2026.
9320	200 A&G MAINT OF GENERAL PLANT	\$ 106,897	\$ 226,216	\$ 119,319	112%	112% Increase - Maintenance costs for the new billing software, including Cloud hosting services and process improvement services are budgeted in 2026.
9320	300 A&G MAINT OF GENERAL PLANT	\$ 78,686	\$ 142,712	\$ 64,026	81%	81% Increase - Labor associated with the Water System Master Plan Update and the Emergency Response Plan are budgeted in 2026. Summer help and new garage door repairs are also budgeted in 2026.

\$ 7,765,908    \$ 8,879,466    \$ 1,113,558    14%

**COMPENSATION NET CONTRA AND SEWER CREDIT  
LESS: COMPENSATION INCLUDED IN ACCOUNTS ABOVE**

1,951,970  
(1,098,245)

**TOTAL EXPENSES ANALYZED**

**\$ 9,733,191**

**MANAGERS' EXPENSES**

**\$ 10,198,134**

**% OF MANAGERS' EXPENSES ANALYZED**

**95.4%**

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
4030-200	DEPRECIATION EXP - U PLANT	4,967,605	4,967,605	5,594,690	13%	627,084	
4080-200	PILOT EXPENSE	2,322,148	2,322,148	2,580,819	11%	258,671	
4081-100	EMPLOYER SOC SEC/MEDICARE	203,412	146,772	205,652	40%	58,880	40% Increase - An additional employee is budgeted for the vacancy in Operations in 2026. Administrative Services, Operations, and General Manager each had vacant positions for part of the year in 2025.
4082-100	TAXES - UNEMPLOYMENT COMP	6,534	-	6,534	100%	6,534	
4083-200	TAXES - PSC ASSESSMENT	22,297	22,298	32,343	45%	10,046	45% Increase - Wisconsin Public Service Commission advance assessment is calculated based on the Utility's revenues. With the recent increases in revenue, the assessment has increased.
4084-300	TAXES - DNR WATER USE FEE	125	125	125	0%	-	
4150-200	REVENUE FROM JOBBING/CONTRACTS	(2,068,691)	(1,815,690)	(2,429,329)	34%	(613,639)	34% Increase - Payments from the City for Return Flow expenditures are posted to this account. Those costs are invoiced to them as the Utility incurs the expense. The charge (invoice) for those costs are booked to 4160, making the net impact in the current year 0.
4160-100	COS FROM JOBBING & CONTRACTS	1,488,638	417,469	1,636,621	292%	1,219,152	292% Increase - Payments from the City for Return Flow expenditures are posted to 4150-200. Those costs are invoiced to the City and are booked to this account, making the net impact in the current year 0.
4160-200	COS FROM JOBBING & CONTRACTS	40,996	945,403	18,361	-98%	(927,042)	98% Decrease - Payments from the City for Return Flow expenditures are posted to 4150-200. Those costs are invoiced to the City and are booked to this account, making the net impact in the current year 0.
4160-300	COS FROM JOBBING & CONTRACTS	462,904	404,599	703,768	74%	299,169	74% Increase - Payments from the City for Return Flow expenditures are posted to 4150-200. Those costs are invoiced to the City and are booked to this account, making the net impact in the current year 0.
4160-600	COS FROM JOBBING & CONTRACTS	76,152	42,018	55,481	32%	13,463	32% Increase - Payments from the City for Return Flow expenditures are posted to 4150-200. Those costs are invoiced to the City and are booked to this account, making the net impact in the current year 0.
4170-100	MISC. NON-OPERATING REVENUE	-	-	-	0%	-	
4190-200	INT INCOME - SWEEP - WSB	(185,500)	(612,160)	(74,100)	-88%	538,060	88% Decrease - Interest income has been budgeted conservatively for 2026.
4191-200	INT INCOME - LGIP - GEN FUND	(154,500)	(525,848)	(163,100)	-69%	362,748	69% Decrease - Interest income has been budgeted conservatively for 2026.
4192-200	INT INCOME - LGIP - DEBT PAYMENT FUND	(51,500)	(169,450)	(54,700)	-68%	114,750	68% Decrease - Interest income has been budgeted conservatively for 2026.
4193-200	INT INCOME - LGIP - IMPROVE FUND	-	-	-	0%	-	

2026 Budget Variance Analysis							
					26B/25P Δ		
		2025 B	2025 P	2026 B	%	\$	Variance Explanations
4195-200	INT INCOME - LGIP - EQUIP REPLACE	(232,300)	(757,141)	(197,200)	-74%	559,941	74% Decrease - Interest income has been budgeted conservatively for 2026.
4196-200	INT INCOME - LGIP - TAX EQUIV	(28,300)	(109,375)	(25,100)	-77%	84,275	77% Decrease - Interest income has been budgeted conservatively for 2026.
4197-200	FAIR MARKET VALUE	-	-	-	0%	-	
4198-200	INT INCOME - LGIP - DEBT RESERVE	-	-	-	0%	-	
4210-100	REVENUE FROM CONTRIBUTIONS - GRANTS	-	-	(4,029,621)	100%	(4,029,621)	100% Increase - An EPA grant is budgeted to be received in 2026 for abandonments and other infrastructure improvements.
4210-600	REVENUE FROM CONTRIBUTIONS	(1,162,888)	(1,460,829)	(1,453,208)	-1%	7,621	
4250-200	MISCELLANEOUS AMORTIZATION	-	-	-	0%	-	
4260-200	DEPRECIATION EXPENSE - CONTRIBUTED PLANT	868,221	868,221	895,571	3%	27,351	
4261-100	LOBBYING EXPENSE	59,300	61,670	60,873	-1%	(797)	
4269-200	MISC INTEREST EXPENSE	-	5,374	-	-100%	(5,374)	
4270	INT EXPENSE - LTD - 2020 BONDS	99,865	99,865	88,577	-11%	(11,288)	
4270-200	Int Expense-Notes	-	-	-	0%	-	
4270-600	Int Expense-LTD - 2020 SDWLP/WIFIA	1,385,016	1,349,141	1,273,736	-6%	(75,405)	
4271-200	Int Expense-LTD-2021 Bonds	179,819	179,819	173,569	-3%	(6,250)	
4272	INT EXPENSE - LTD - 2022 GORB	761,863	761,862	726,113	-5%	(35,750)	
4273-200	Int Expense-LTD-2013 Bonds	-	-	-	0%	-	
4273-600	Int Expense - LTD - 2013 SDWLP Bond	9,990	9,990	8,873	-11%	(1,117)	
4274-200	INT EXPENSE - LTD - 2014 BONDS	-	-	-	0%	-	
4275-200	INT EXPENSE - LTD - 2015 BONDS	146,900	146,900	134,350	-9%	(12,550)	
4276-200	INT EXPENSE - LTD - 2016 BONDS	190,413	190,413	178,400	-6%	(12,013)	
4278-200	Int Expense-LTD- 2018 Bonds	-	-	-	0%	-	
4278-600	INT EXPENSE - LTD - 2018 SDWLP	8,985	8,985	8,385	-7%	(600)	
4279-600	Int Expense-LTD- 2019 SDWLP	163,366	163,366	152,667	-7%	(10,699)	
4280-200	Amortization Exp - Issue Costs	35,000	65,250	35,000	-46%	(30,250)	46% Decrease - WIFIA fees were higher in 2025 because of the amendment costs related to adding the Operations Center.
4285-200	Amort of Pre-paid Int Exp/Loss on Advance Refunding	97,809	97,809	80,035	-18%	(17,774)	18% Decrease - Amortization has been completed for one of the three advance refunding accounts.
4290-200	Amortized Rev Prem on NP to City	-	-	-	0%	-	
4295-200	AMORTIZED REV - BOND PREMIUM	(103,626)	(103,626)	(103,626)	0%	-	
4318-200	OTHER INTEREST COSTS	-	-	-	0%	-	
4340	MISC CREDITS TO SURPLUS	-	-	-	0%	-	
4350	MISC DEBITS TO SURPLUS	-	-	-	0%	-	
4610-200	M SALES - IRRIGATION	(116,012)	(191,856)	(187,958)	-2%	3,898	
4611-200	M SALES - RESIDENTIAL	(10,953,077)	(10,732,810)	(10,538,913)	-2%	193,897	
4612-200	M SALES - COMMERCIAL	(3,684,088)	(3,747,055)	(3,671,219)	-2%	75,836	
4613-200	M SALES - INDUSTRIAL	(1,360,201)	(1,286,996)	(1,261,256)	-2%	25,740	
4614-200	M SALES - PUBLIC	(622,574)	(616,653)	(605,117)	-2%	11,536	
4615-200	METERED/MULTI-FAMILY	(4,007,698)	(3,912,934)	(3,817,988)	-2%	94,946	
4616-200	SALES - PRIVATE FIRE	(691,467)	(697,286)	(697,286)	0%	(0)	

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
4618-200	SALES - PUBLIC FIRE	(5,062,348)	(5,036,982)	(5,036,982)	0%	(0)	
4700-200	CUSTOMER LATE CHARGES	(180,932)	(193,745)	(188,389)	-3%	5,356	
4710-100	MISC SERVICE REVENUES		(47,500)	-	-100%	47,500	100% Decrease - An inception fee for a new cell lease on Meadowbrook Tower was received in 2025.
4710-200	MISC SERVICE REVENUES	(68,089)	(90,474)	(67,216)	-26%	23,258	26% Decrease - We have budgeted this account conservatively in 2026. There were a lot of lateral administrative charges in 2025 for customers that wanted to individually meter multi-family properties. The City will be increasing sewer connection costs for split meters in 2026, so many customers wanted to avoid the additional fees by completing the individual metering in 2025.
4710-300	MISC SERVICE REVENUES	-	(150)	-	-100%	150	
4710-600	MISC SERVICE REVENUES	-	(3,120)	-	-100%	3,120	
4720-200	RENTS FROM UTILITY PROPERTY	(434,769)	(387,270)	(388,483)	0%	(1,213)	
4740-200	OTHER WATER REVENUES	(517)	(1,014)	(676)	-33%	338	
4740-300	OTHER WATER REVENUES	-	-	-	0%	-	
4742-200	SEWER BILLING REIMBURSEMENT	(52,893)	(52,893)	(54,710)	3%	(1,816)	
6000-100	SOURCE OPR/SUPR & ENGINEERING	-	-	11,642	100%	11,642	100% Increase - There will be a labor allocation shift in 2026.
6000-300	SOURCE OPR/SUPR & ENGINEERING	-	-	-	0%	-	
6020-300	SOURCE - PURCHASED WATER	3,060,435	3,074,473	3,215,684	5%	141,211	5% Increase - This account holds the cost to purchase water from Milwaukee Water Works. A 7% increase is budgeted as Milwaukee filed for a rate increase with the Public Service Commission in September of 2025.
6030-200	SOURCE-MISC.OPERATING EXPENSES	958,332	958,332	958,332	0%	-	Amount represents GWA Project costs that were deemed non-capital, which the PSC authorized to amortize over a number of years.
6030-300	SOURCE MISC OPERATING EXPENSES	-	-	-	0%	-	
6030-600	SOURCE MISC OPERATING EXPENSES	-	-	-	0%	-	
6100-100	SOURCE MTCE/SUPR & ENGINEERING	19,320	9,609	18,050	88%	8,441	
6100-300	SOURCE MTCE/SUPR & ENGINEERING	-	-	-	0%	-	
6140-300	SOURCE MAINT - WELLS & SPRINGS	-	-	-	0%	-	
6140-600	SOURCE MAINT WELLS AND SPRINGS	-	-	-	0%	-	
6145-200	SOURCE MAINT - WELL ABANDON & CROSS CONN	-	-	-	0%	-	
6145-300	SOURCE MAINT - WELL ABANDON & CROSS CONNECT	-	-	-	0%	-	
6145-600	SOURCE MAINT - WELL ABANDON & CROSS CONNECT	-	-	-	0%	-	
6200-300	PUMP OP - SUP & ENGINEERING	20,050	28,755	28,655	0%	(100)	
6230-300	PUMP OP - POWER	448,980	373,364	383,394	3%	10,030	3% Increase - We Energies is projected to have a 4.78% rate increase in 2026 for gas and electric services. We also budgeted for the elimination of the abandoned wells (will not have to perform quarterly pumping for sampling).

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
6240-300	PUMP OP - LAB & EXP	53,829	55,042	65,962	20%	10,921	20% Increase - Summer help is budgeted in 2026. In 2025, we were unable to fill those positions. Labor for the vacant Operations position is budgeted here in 2026.
6260-300	PUMP OP - MISC EXP	53,263	47,800	53,968	13%	6,168	
6260-600	PUMP OP - MISC EXP	-	-	-	0%	-	
6269-300	PUMP OP - TRAINING	-	-	-	0%	-	
6300-300	PUMP MAINT - SUP & ENGINEER	20,050	27,713	21,070	-24%	(6,642)	
6310-300	PUMP STRUCT MAINTENANCE	56,176	54,012	46,804	-13%	(7,207)	
6310-600	PUMP STRUCT MAINTENANCE		-	11,209	100%	11,209	100% Increase - A labor allocation shift due to department re-structuring is budgeted in 2026.
6330-300	PUMP EQUIP MAINTENANCE	93,365	47,797	75,063	57%	27,266	57% Increase - Generator maintenance and labor for the vacant Operations position is budgeted in 2026. Spare parts and maintenance to booster pumping equipment is budgeted in 2026, but will only be spent if needed.
6330-600	PUMP EQUIP MAINTENANCE		-	8,838	100%	8,838	
6400-300	TMNT OPS - SUPERV & ENGINEERING	-	-	-	0%	-	
6410-300	TMNT - CHEMICALS	80,955	105,431	110,702	5%	5,272	
6420-300	TMNT - LABOR, MATERIALS & EXPENSES	159,817	177,899	189,611	7%	11,711	
6420-600	TMNT - LABOR, MATERIALS & EXPENSES	-	-	2,673	100%	2,673	
6424-300	TMNT - RADIUM TESTING/ANALYZING	2,347	-	-	0%	-	
6429-300	TMNT - TRAINING	-	-	-	0%	-	
6430-300	TMNT - MISC EXPENSE	450	468	450	-4%	(18)	
6434-100	WATER QUALITY TEAM EXPENSES	-	-	-	0%	-	
6435-300	TMNT - MISC EXP SARA	-	-	-	0%	-	
6500-300	TMNT MAINT - SUPERV & ENGINEERING	-	-	-	0%	-	
6510-300	TMNT MAINT - BLDG & FIXTURES	-	-	-	0%	-	
6520-300	TMNT EQUIPMENT MAINT	28,959	47,724	67,008	40%	19,284	40% Increase - Labor for the vacant Operations position is budgeted here in 2026. Prominent analyzer parts and Chem Scan analyzer parts are budgeted in 2026 but will only be spent if needed.
6600-300	T&D OPS - SUPERV & ENGINEERING	20,050	35,246	21,070	-40%	(14,176)	40% Decrease - A labor allocation shift due to department re-structuring is budgeted in 2026.
6610-300	T&D OPS - STORAGE FACILITIES EXPENSE	9,627	13,724	38,590	181%	24,867	181% Increase - Dixon Engineering will be performing water tower inspections on all towers in 2026.
6620-200	T&D OPS	3,176	2,686	-	-100%	(2,686)	
6620-300	T&D OPS - LABOR, MATERIALS, & LINES EXP	28,320	46,800	19,294	-59%	(27,506)	59% Decrease - A labor allocation shift due to department re-structuring is budgeted in 2026.
6620-600	T&D OPERATOR & LINES EXP	113,231	116,602	140,730	21%	24,128	21% Increase - A labor allocation shift due to department re-structuring is budgeted in 2026.
6630-100	T&D METER EXPENSE	-	-	-	0%	-	

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
6630-200	T&D METER EXPENSE	138,879	126,612	137,839	9%	11,227	
6630-300	T & D METER EXPENSE	-	-	-	0%	-	
6630-600	T&D METER EXPENSE	550	-	3,535	100%	3,535	
6640-200	T&D CUSTOMER INSTALL	109,166	106,763	136,576	28%	29,814	28% Increase - Cross connection inspection costs for Commercial, Industrial, & Multi-family customers will increase in 2026.
6640-300	T&D CUSTOMER INSTALL	-	943	-	-100%	(943)	
6640-600	T&D CUSTOMER INSTALL	-	-	1,293	100%	1,293	
6650-100	T&D MISC EXPENSE	-	-	-	0%	-	
6650-200	T&D MISC EXPENSE	-	230	-	-100%	(230)	
6650-300	T&D MISC EXPENSE	7,250	4,997	1,456	-71%	(3,542)	
6650-600	T&D MISC EXPENSE	114,847	112,294	121,613	8%	9,319	
6659-200	T&D TRAINING	985	677	2,121	213%	1,443	
6659-300	T&D TRAINING	31,654	30,454	14,400	-53%	(16,055)	53% Decrease - A labor allocation shift due to department re-structuring is budgeted in 2026.
6659-600	T&D TRAINING	917	704	16,193	2201%	15,489	2201% Increase - A labor allocation shift due to department re-structuring is budgeted in 2026.
6700-100	T&D MAINT SUPERVISION & ENGR	19,320	9,609	25,409	164%	15,800	164% Increase - Labor costs in 2025 are less because the General Manager position was vacant for part of the year. In 2026, a part-time interim General Manager is budgeted, as well as a General Manager in training for part of the year. Together, it equals one full time employee.
6700-300	T&D MAINT SUPERVISION & ENGR	-	-	-	0%	-	
6700-600	T&D MAINT SUPERVISION & ENGR	19,872	54,262	21,632	-60%	(32,629)	60% Decrease - There will be a labor allocation shift in 2026.
6720-300	T&D MAINT RESERVOIRS & STANDPIPES	13,000	2,046	13,000	536%	10,954	536% Increase - Stucco repairs are budgeted for Crestwood Reservoir in 2026.
6730-200	T&D MAINT OF MAINS	1,191	4,788	1,270	-73%	(3,518)	
6730-300	T&D MAINT OF MAINS	690,155	690,831	15,579	-98%	(675,252)	98% Decrease - Budgeting for this account has transferred to department 600 in 2026.
6730-600	T&D MAINT OF MAINS	-	15,326	682,029	4350%	666,703	4350% Increase - Budgeting for this account has transferred to department 600 in 2026. This account holds the costs for main breaks, maintenance to mains and valves, and cathodic protection. A contractor is budgeted in 2026 to adjust valve boxes for the City paving program. These costs will only be spent if the adjustments are needed.
6750-200	T&D MAINT STREET SERVICES	-	409	-	-100%	(409)	
6750-300	T&D MAINT STREET SERVICES	53,233	47,605	-	-100%	(47,605)	100% Decrease - Budgeting for this account has transferred to department 600 in 2026.
6750-600	T&D MAINT STREET SERVICES	-	375	53,099	14044%	52,724	14044% Increase - Budgeting for this account has transferred to department 600 in 2026.
6751-300	T&D MAINT PROPERTY SERVICES	5,683	11,759	-	-100%	(11,759)	100% Decrease - Budgeting for this account has transferred to department 600 in 2026.
6751-600	T&D MAINT PROPERTY SERVICES	-	375	12,336	3188%	11,961	3188% Increase - Budgeting for this account has transferred to department 600 in 2026.

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
6760-200	T&D MAINT OF METERS	13,305	13,116	7,813	-40%	(5,303)	
6760-300	T&D MAINT OF METERS	-	-	-	0%	-	
6760-600	T&D MAINT OF METERS	-	-	-	0%	-	
6761-300	T&D MAINT OF MIU'S	-	-	-	0%	-	
6770-200	T&D MAINT OF HYDRANTS	-	25	-	-100%	(25)	
6770-300	T&D MAINT OF HYDRANTS	197,581	62,313	-	-100%	(62,313)	100% Decrease - Budgeting for this account has transferred to department 600 in 2026. Hydrant painting by a Contractor began at the end of the season in 2025.
6770-600	T&D MAINT OF HYDRANTS	-	-	202,641	100%	202,641	100% Increase - Budgeting for this account has transferred to department 600 in 2026. A third of all hydrants in the system are budgeted to be re-painted by a Contractor in 2026.
6780-300	T&D MAINT - COMPUTER PUMP CONTROLS	62,217	185,181	184,502	0%	(679)	
9010-100	CA - SUPERVISION	19,320	9,609	13,328	39%	3,719	
9010-200	CA - SUPERVISION	9,617	10,065	7,018	-30%	(3,047)	
9020-200	CA METER READING	60,994	77,819	91,416	17%	13,597	17% Increase - Meter reading software is based on customer count, so this account will increase each year as the customer count increases. Meter reading mapping software is budgeted for 2026. Certifying the large meter used for large meter testing is also budgeted in 2026.
9020-300	CA METER READING	-	100	-	-100%	(100)	
9020-600	CA METER READING	-	-	-	0%	-	
9022-200	CA AMR Telephone Charges	-	-	-	0%	-	
9023-200	CA SEWER ADMIN	11,073	15,059	11,763	-22%	(3,296)	
9023-300	CA SEWER ADMIN	-	2,967	-	-100%	(2,967)	
9023-600	CA SEWER ADMIN	-	80	-	-100%	(80)	
9030-100	CA RECORDS/COLLECTIONS	-	-	-	0%	-	
9030-200	CA RECORDS/COLLECTIONS	645,962	645,962	730,366	13%	84,404	13% Increase - This account holds all labor for customer service activities, credit card fees, printing and mailing of monthly bills, and printing services for envelopes and bills. Customer payments made via credit card and the cost of postage continue to increase each year.
9032-200	CA TAX ROLL/COLLECTIONS	3,709	4,746	5,419	14%	673	
9032-600	CA TAX ROLL/COLLECTIONS	1,100	1,100	1,035	-6%	(65)	
9040-200	CA UNCOLLECTABLE ACCOUNTS	11,000	11,007	11,000	0%	(7)	
9050	CA MISC EXPENSE - SC	-	-	-	0%	-	
9050-100	CA MISC EXPENSE	-	-	-	0%	-	
9050-200	CA MISC EXPENSE	-	81	-	-100%	(81)	
9050-300	CA MISC EXPENSE	-	-	-	0%	-	
9050-600	CA MISC EXPENSE	8,066	5,370	5,174	-4%	(196)	
9059-100	CA TRAINING	-	-	-	0%	-	
9060-100	CA CONSERVATION AND OUTREACH	22,998	16,830	17,221	2%	391	

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
9060-200	CA CONSERVATION & OUTREACH	69,273	61,729	50,080	-19%	(11,649)	19% Decrease - Because conservation is happening much more organically, as appliances are made more water efficiently and customers are more aware of the water they are using, we will be requesting a reduction in the amount that the PSC approves for conservation spending from \$62,271 to \$37,300.
9060-300	CA - CONSERVATION AND OUTREACH	-	-	-	0%	-	
9060-600	CA - CONSERVATION AND OUTREACH	-	69	-	-100%	(69)	
9100-600	SALES EXPENSES	-	-	-	0%	-	
9200-100	A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	23,186	26,844	27,185	1%	341	
9200-200	A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	254,955	244,212	286,798	17%	42,585	17% Increase - There will be a labor allocation shift in 2026. An Administrative Services position was vacant for part of the year in 2025.
9200-300	A&G WAGES - BUDG, PURCH, PSC, A/R, A/P	7,939	7,047	12,926	83%	5,879	
9200-600	A&G WAGES - BUDG, PSC, PURCH, A/R, A/P	25,030	20,854	20,684	-1%	(170)	
9201-100	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	15,278	7,970	3,887	-51%	(4,083)	
9201-200	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	1,985	6,585	2,085	-68%	(4,500)	
9201-300	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	-	1,217	7,717	534%	6,500	
9201-600	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	23,291	33,753	18,294	-46%	(15,460)	46% Decrease - There will be a labor allocation shift in 2026.
9208-100	A&G WORKSHOPS & PROF MTGS LABOR	17,985	5,491	3,887	-29%	(1,604)	
9208-200	A&G WORKSHOPS & PROF MTGS LABOR	6,570	1,494	5,707	282%	4,213	
9208-300	A&G WORKSHOPS & PROF MTGS LABOR	-	5,236	8,621	65%	3,385	
9208-600	A&G WORKSHOPS & PROF MTGS LABOR	9,414	5,209	8,899	71%	3,689	
9211-300	A&G VEHICLE & EQUIP SERVICE & MAINTENANCE	175,871	119,245	28,304	-76%	(90,941)	76% Decrease - Budgeting for the majority of this account has transferred to department 600 in 2026. Diesel for the BPS generator remains in this account in 2026, along with some labor for vehicle maintenance and repairs.
9211-600	A&G VEHICLE & EQUIP SERVICE & MAINTENANCE	592	844	148,228	17466%	147,384	17466% Increase - Budgeting for this account has transferred to department 600 in 2026. Vehicle maintenance is budgeted here in 2026 and will only be spent if needed.
9212-100	A&G WORKSHOPS & MTG REGISTRATIONS	8,476	1,000	9,683	868%	8,683	
9212-200	A&G WORKSHOPS & MTG REGISTRATIONS	3,400	228	6,850	2911%	6,622	
9212-300	A&G WORKSHOPS & MTG REGISTRATIONS	2,630	11,261	2,510	-78%	(8,751)	
9212-600	A&G WORKSHOPS & MTG REGISTRATIONS	1,300	1,334	3,105	133%	1,772	
9213-100	A&G SUBSCRIPTIONS & PUBLICATIONS	550	300	550	83%	250	
9213-200	A&G SUBSCRIPTIONS & PUBLICATIONS	200	-	200	100%	200	
9213-300	A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9213-600	A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9214-300	A&G BUILDING SERVICES	75,407	69,370	71,758	3%	2,388	
9214-600	A&G BUILDING SERVICES	-	-	6,294	0%	6,294	
9215-200	A&G COMMUNICATIONS	31,248	27,739	31,872	15%	4,133	

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
9216-100	A&G MINOR EQUIP	4,500	1,372	5,500	301%	4,128	
9216-200	A&G MINOR EQUIP	9,800	2,787	10,450	275%	7,663	
9216-300	A&G MINOR EQUIPMENT	31,037	31,057	6,200	-80%	(24,857)	80% Decrease - Budgeting for the majority of this account has transferred to department 600 in 2026.
9216-600	A&G MINOR EQUIPMENT	550	43	40,362	94680%	40,320	94680% Increase - Budgeting for this account has transferred to department 600 in 2026.
9217-100	A&G MEMBERSHIPS/INDUSTRY	12,950	14,090	13,100	-7%	(990)	
9217-200	A&G MEMBERSHIPS/INDUSTRY	150	-	150	100%	150	
9217-300	A&G MEMBERSHIPS/INDUSTRY	3,200	527	2,000	280%	1,473	
9217-600	A&G MEMBERSHIPS/INDUSTRY	-	-	1,000	100%	1,000	
9218-100	A&G MEALS, LODGING, TRAVEL	10,800	5,557	11,810	113%	6,253	
9218-200	A&G MEALS, LODGING, TRAVEL	6,000	920	10,650	1058%	9,730	
9218-300	A&G MEALS, LODGING, TRAVEL	3,945	4,323	4,025	-7%	(298)	
9218-600	A&G MEALS, LODGING, TRAVEL	1,450	3,394	3,700	9%	306	
9219-100	A&G OFFICE SUPPLIES & PRINTING	1,250	14	1,450	10265%	1,436	
9219-200	A&G OFFICE SUPPLIES & PRINTING	25,347	17,084	25,674	50%	8,589	
9219-300	A&G OFFICE SUPPLIES & PRINTING	-	21	-	-100%	(21)	
9219-600	A&G OFFICE SUPPLIES & PRINTING	-	563	-	-100%	(563)	
9230-100	A&G OUTSIDE SERVICES	468,330	221,982	419,069	89%	197,087	89% Increase - Attorney fees for the lawsuit, to amend the Milwaukee contract, and for general business needs are budgeted in 2026. Leadership development, legal fees for personnel issues, and appraisal fees for the properties that will be sold are also budgeted in 2026.
9230-200	A&G OUTSIDE SERVICES	70,310	33,752	81,100	140%	47,348	140% Increase - Consulting fees for Accounting and Accounting software are budgeted in 2026, but will only be used, if needed. A wage study is budgeted to be completed in 2026.
9230-300	A&G OUTSIDE SERVICES	250,000	-	65,000	100%	65,000	100% Increase - A water system master plan model update originally budgeted for 2025 has been moved to 2026.
9230-600	A&G OUTSIDE SERVICES	50,000	29,270	-	-100%	(29,270)	100% Decrease - Work order optimization with the billing and accounting software and GIS was budgeted in 2025.
9240-200	A&G PROPERTY, LIABILITY, CASUALTY INSURANCE	154,135	158,947	160,374	1%	1,427	
9250-200	A&G WORKERS COMPENSATION INSURANCE	34,953	30,725	25,446	-17%	(5,279)	
9251-100	A&G LOSSES, DAMAGES & FINES - NOT COVERED BY INSURANCE	2,500	5,000	2,500	-50%	(2,500)	
9263-100	A&G RETIREMENT	179,618	157,736	177,511	13%	19,775	
9264-100	A&G HEALTH INSURANCE	563,360	458,644	546,169	19%	87,525	19% Increase - A 5% increase to health insurance is budgeted in 2026. An additional employee is budgeted for the vacancy in Operations in 2026. Administrative Services, Operations, and General Manager each had vacant positions for part of the year in 2025.

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
9264-150	A&G HEALTH INSURANCE	329,486	315,825	340,819	8%	24,994	8% Increase - This account holds health insurance costs for retired employees.
9265-100	A&G LIFE INSURANCE	11,929	10,931	11,099	2%	169	
9265-150	A&G LIFE INSURANCE	3,298	3,214	3,640	13%	426	
9266-100	A&G UNIFORMS	24,240	19,544	25,055	28%	5,511	
9266-200	A&G Uniforms	-	-	-	0%	-	
9266-300	A&G UNIFORMS	-	21	-	-100%	(21)	
9267-100	A&G OTHER BENEFITS	35,500	19,018	22,000	16%	2,982	
9267-200	A&G OTHER BENEFITS	-	-	-	0%	-	
9267-300	A&G OTHER BENEFITS	-	-	-	0%	-	
9267-600	A&G OTHER BENEFITS	-	-	-	0%	-	
9269-100	A&G NON PRODUCTIVE TIME	59,648	79,054	15,476	-80%	(63,578)	
9269-200	A&G NON PRODUCTIVE TIME	98,183	76,121	104,208	37%	28,087	
9269-300	A&G NON PRODUCTIVE TIME	183,595	108,998	131,798	21%	22,800	
9269-600	A&G NON PRODUCTIVE TIME	59,004	68,094	110,610	62%	42,516	
9271-100	A&G DENTAL INSURANCE	24,190	19,385	23,072	19%	3,687	
9271-150	A&G DENTAL INSURANCE	-	-	1,353	0%	1,353	
9272-100	A&G LONG TERM DISABILITY INSURANCE	7,943	7,016	7,782	11%	766	
9273-100	A&G SEC. 125 PLAN ADMIN - FLEX CO.	2,100	1,845	2,672	45%	827	
9275-100	A&G HRA FUND - WWU PAID	45,350	45,350	46,714	3%	1,364	
9280-100	A&G REGULATORY COMMISSION	25,000	29,495	25,000	-15%	(4,495)	
9280-200	A&G REGULATORY COMMISSION	26,308	30,845	20,498	-34%	(10,347)	34% Decrease - A water rate increase application was submitted in 2025 to the Public Service Commission. There will be a labor allocation shift in 2026.
9300-100	A&G MISC GENERAL EXPENSE	10,300	1,248	54,800	4291%	53,552	4291% Increase - Recruiting costs for a new GM are budgeted in 2026.
9300-200	A&G MISC GENERAL EXPENSE	600	-	600	100%	600	
9300-300	A&G MISC GENERAL EXPENSE	-	-	-	0%	-	
9300-600	A&G MISC GENERAL EXPENSE	-	-	-	0%	-	
9301-100	A&G COMMISSION MEETING EXPENSE	27,261	10,032	15,687	56%	5,655	
9301-200	A&G COMMISSION MEETING EXPENSE	5,037	5,507	6,033	10%	526	
9301-300	A&G COMMISSION MEETING EXPENSE	-	230	-	-100%	(230)	
9301-600	A&G COMMISSION MEETING EXPENSE	2,293	469	2,028	332%	1,559	
9308-200	A&G SALES TAX EXPENSE	1,447	3,338	3,162	-5%	(176)	
9320-100	A&G MAINT OF GENERAL PLANT	73,255	54,682	76,208	39%	21,526	39% Increase - Labor costs in 2025 are less because the General Manager position was vacant for part of the year. In 2026, a part-time interim General Manager is budgeted, as well as a General Manager in training for part of the year. Together, it equals one full time employee. Digitizing paper documents are also budgeted in 2026.

2026 Budget Variance Analysis							
		2025 B	2025 P	2026 B	26B/25P Δ		Variance Explanations
					%	\$	
9320-200	A&G MAINT OF GENERAL PLANT	97,035	106,897	226,216	112%	119,319	112% Increase - Maintenance costs for the new billing software, including Cloud hosting services and process improvement services are budgeted in 2026.
9320-300	A&G MAINT OF GENERAL PLANT	113,973	78,686	142,712	81%	64,026	81% Increase - Labor associated with the Water System Master Plan Update and the Emergency Response Plan are budgeted in 2026. Summer help and new garage door repairs are also budgeted in 2026.
9320-600	A&G MAINT OF GENERAL PLANT	-	-	17,676	100%	17,676	100% Increase - A labor allocation shift due to department re-structuring is budgeted in 2026.
	TOTAL REVENUES AND EXPENSES	(6,214,499)	(8,837,108)	(8,542,481)			
	CONTRA & SEWER CREDIT ACCOUNTS	(1,944,841)	(1,736,463)	(2,066,664)			
	NET INCOME	(8,159,339)	(10,573,571)	(10,609,145)			