



2026 Sheboygan Water Utility Budget

(Board of Commissioners approved 09/22/2025)

Sheboygan Board of Water Commissioners

WI PSC Utility No. 5370

72 Park Avenue

Sheboygan, WI 53081



Sheboygan Board of Water Commissioners 2026 Budget

Sheboygan Water Utility
WI PSC Utility No. 5370
72 Park Avenue
Sheboygan, Wisconsin

Budget provides for annual investment of **\$18,407,979** in all phases of Water Utility operations.

Revenues

Budgeted annual revenue total for 2026	\$ 16,800,976 (3)
Estimated annual revenue total as of December 31, 2025	\$ 16,549,216 (4)
Projected revenues for 2026 expected to increase (decrease)	\$ 251,759 (1)

Expenditures

	Estimated 2025	Budget 2025	Budget 2026	Budget Increase (Decrease)	Percent Change
<u>Expenditure by Classification</u>					
Labor	\$ 2,410,932	\$ 2,392,668	\$ 2,485,989	\$ 93,321	3.9%
Source of supply	10,000	18,000	18,000	-	0.0%
Pumping	683,987	759,110	819,086 (6)	59,976	7.9%
Water treatment	1,081,151	1,196,000	1,026,932	(169,068) (8)	-14.1%
Transmission & distribution	583,209	529,948	678,812	148,864 (7)	28.1%
Customer accounts	115,711	110,950	141,390	30,440 (9)	27.4%
Administrative & general (includes WDNR LSL grants)	3,740,935	5,810,868	4,281,936	(1,528,932)	-26.3%
Taxes	1,307,639	1,552,276	1,373,971	(178,305)	-11.5%
Capital outlay	1,966,346 (2)	5,763,492	6,602,200 (5)	838,708	14.6%
Interest on Safe Drinking Water Loans/ water revenue bonds	912,368	1,006,025	979,663	(26,362)	-2.6%
<u>Totals</u>	<u>\$ 12,812,277</u>	<u>\$ 19,139,338</u>	<u>\$ 18,407,979</u>	<u>\$ (731,358)</u>	<u>-3.8%</u>

1) decrease partly due to reduction in WDNR LSL grants and variations in water consumption

2) decrease due to delay in filter 7/8/9 project from 2025 to 2026

3) includes \$2.7M in non-operating WDNR LSL grants

4) includes \$2.9M in non-operating WDNR LSL grants

5) includes \$3.9M filter 7/8/9 project (funded by WDNR safe drinking water loan)

6) includes large maintenance items that vary year to year depending on projects

7) includes dry tank inspections at Taylor Hill and Erie Ave reservoirs

8) reduction due to \$300,000 filter 1/2 rehab maintenance in 2025

9) increase due to Caselle system fees, third party billing services, and credit card fees

Note: WDNR LSL grants vary significantly year by year depending on projects and funds availability

Sheboygan's water rates remain among the lowest in the state for class AB utilities serving more than 5,000 customers.

Ongoing rate increases will be needed to pay for debt service and PILOT on the raw water improvements (RWI) project.

The Water Utility operates entirely on water revenues and does not receive any tax-based municipal funding.

**CASH AND BUDGET SUMMARY
2026**

	Budget 2025	Estimate 2025	Budget 2026
<u>REVENUES</u>			
<u>Cash Balance January 1 (including bond reserves)</u>	\$ 9,098,151	\$ 9,004,003 (1)	\$ 10,914,207
<u>Current Revenues</u>			
Total sales of water	11,349,514	10,448,372	10,600,000
Other operating revenues (other sales including wholesale customers, late fees)	2,918,887	2,788,668	2,900,000
Non-operating revenues (rent, interest)	212,954	221,730	215,076
Non-operating revenues (WDNR LSL grants)	2,225,000	2,623,473 (3)	2,730,400
SWU LSL loan repayments (internal revolving loan program)	480,740	466,974	355,500
Contributions in aid of construction	-	-	-
Total current revenues	\$ 17,187,095	\$ 16,549,216	\$ 16,800,976
Total reserves available	\$ 26,285,246	\$ 25,553,219	\$ 27,715,183
<u>EXPENDITURES</u>			
<u>Operation & Maintenance</u>			
Source of supply	\$ 20,000	\$ 11,000	\$ 20,000
Pumping	1,029,110	943,970	1,084,370
Water treatment	1,860,000	1,773,646	1,725,932
Transmission & distribution maintenance	1,342,274	1,369,047	1,484,078
Customer accounts	325,950	327,711	383,828
Taxes	1,552,276	1,307,639	1,373,971
Administrative & general	1,760,210	1,775,600	1,928,536
Total operation & maintenance	\$ 7,889,821	\$ 7,508,612	\$ 8,000,716
<u>Other Expenditures</u>			
Capital outlay (including filter 7/8/9 project engineering and construction)	\$ 5,763,492	\$ 1,966,346 (2)	\$ 6,602,200
Safe Drinking Water Loan proceeds (non-LSL projects)(filter 7/8/9)	(3,800,000)	-	(3,900,000)
Water Revenue Bond Proceeds	-	-	-
Debt Service (including principal and interest)	3,057,266	2,739,103	2,823,747
Non-operating LSL Administrative Expense	30,000	27,270	45,000
Non-operating - SWU LSL loans to customers	2,225,000	179,100	50,000
Non-operating grant - WDNR LSL grants to customers	2,225,000	2,218,581	2,730,400
Total other expenditures	\$ 9,500,758	\$ 7,130,400	\$ 8,351,347
Total expenditures	\$ 17,390,579	\$ 14,639,012	\$ 16,352,063
<u>Cash & Receivables Balance -December 31 (total reserves - total expenditures)</u>	<u>\$ 8,894,668</u>	<u>\$ 10,914,207</u>	<u>\$ 11,363,119</u>

1) Cash reported is actual Jan 1, 2025.

2) decrease due to delay of filter 7/8/9 project

3) Includes \$2.5M in WDNR LSL monies delivered in 2025 for reimbursement of 2023/2024 LSL costs



**STATEMENT OF ESTIMATED REVENUES
2026**

REVENUE SOURCE	Actual 2024	Budget 2025	Estimate 2025	Budget 2026
<u>Metered Sales to General Customers (~4.8 billion gallons)</u>				
Residential	2,598,719	3,758,843	3,384,285	3,300,000
Multi-family	381,050	476,440	467,490	470,000
Commercial	724,804	836,091	844,144	850,000
Industrial	5,029,200	6,278,140	5,752,453 (1)	5,600,000
Totals	\$ 8,733,774	\$ 11,349,514	\$ 10,448,372	\$ 10,220,000
<u>Other Sales to Water Customers</u>				
Private fire protection	131,728	155,571	109,612	110,000
Public fire protection (% inc Falls & Kohler)	938,587	1,114,728	1,036,076	1,100,000
Sales to public authorities	145,688	161,773	152,919	150,000
Sales to Sheboygan Falls & Kohler	1,114,735	1,337,395	1,352,729	1,400,000
Totals	\$ 2,330,738	\$ 2,769,468	\$ 2,651,336	\$ 2,760,000
<u>Other Revenues</u>				
Late payment charges	143,737	125,032	124,418	120,000
Miscellaneous sales	22,410	24,388	12,914	20,000
Rental income from Georgia Ave	31,278	35,833	32,217	33,184
Billing & collecting charge to City	48,133	52,121	56,892	56,892
Non-operating revenues - SWU LSL revolving loan repayments	381,413	480,740	466,974	355,500
Non-operating grant revenues - WDNR LSL replacement (other billing & collecting costs accounted for by expense reduction)	-	2,225,000	2,623,473	2,730,400
Totals	\$ 626,971	\$ 2,943,113	\$ 3,316,888	\$ 3,315,976
Total Revenues	\$ 11,691,483	\$ 17,062,095	\$ 16,416,595	\$ 16,295,976
<u>Other Income</u>				
Interest	163,859	125,000	132,621	125,000
Contributions in aid of construction	293,487	-	-	-
Totals	\$ 457,346	\$ 125,000	\$ 132,621	\$ 125,000
REVENUES	Grand Totals	\$ 12,148,829	\$ 17,187,095	\$ 16,549,216
				\$ 16,420,976

1) Industrial revenues lower than estimated due to economic factors and reduced water usage.



**OPERATION AND MAINTENANCE EXPENSES
2026**

	Actual 2024	Budget 2025	Estimate 2025	Budget 2026
<u>Source of Supply Expenses</u>				
<u>Operations</u>				
Labor	-	1,000	500	1,000
<u>Maintenance</u>				
Labor	-	1,000	500	1,000
Intakes	3,530	18,000	10,000	18,000
Totals	\$ 3,530	\$ 20,000	\$ 11,000	\$ 20,000
<u>Pumping Expenses</u>				
<u>Operations</u>				
Labor	49,910	60,000	49,330	51,303
Electricity & natural gas	527,569	553,290	521,543	563,266
Pumping equipment	-	3,120	-	3,120
Miscellaneous	27,008	26,000	29,608	125,000
Utilities	41,884	45,100	40,236	45,100
<u>Maintenance</u>				
Labor	209,903	210,000	210,653	213,981
Pumping equipment	105,794	75,000	79,000	69,000 (2)
Structures	55,833	56,600	13,600	13,600
Totals	\$ 1,017,901	\$ 1,029,110	\$ 943,970	\$ 1,084,370
<u>Water Treatment Expenses</u>				
<u>Operations</u>				
Labor	655,205	600,000	626,706	630,000
Water treatment equipment	334,272	380,000	282,433	380,500
Chemicals	460,600	400,000	424,454	441,432
Miscellaneous	89,027	3,000	2,000	3,000
Utilities	11,642	25,000	14,264	25,000
<u>Maintenance</u>				
Labor	55,280	64,000	65,789	69,000
Water treatment equipment	373,575	378,000 (1)	358,000	152,000
Structures	-	10,000	-	25,000
Totals	\$ 1,979,602	\$ 1,860,000	\$ 1,773,646	\$ 1,725,932

1) includes sodium hypochlorite tank repairs

2) includes maintenance expense for sludge pump #2 and replacement backwash actuator

OPERATION AND MAINTENANCE EXPENSES
2026

	Actual 2024	Budget 2025	Estimate 2025	Budget 2026
<u>Transmission & Distribution Expenses</u>				
<u>Operations</u>				
Labor	395,836	384,326	328,280	337,856
Reservoirs & standpipes	260	17,000	10,000	17,000
Mains & hydrants	39,869	40,000	1,849	10,000
Meters	2,682	8,000	2,666	13,000 (2)
Customer services	150,478	131,248	144,392	151,612
Miscellaneous	98,768	54,000	65,000	96,500
Utilities	24,614	25,700	21,875	25,700
<u>Maintenance</u>				
Labor	342,142	428,000	457,558	467,410
Structures & improvements	30,418	21,000	18,119	21,000
Reservoirs & standpipes	56,146	15,000	10,000	60,000
Mains	180,312	175,000	216,998	175,000
Meters	3,039	2,000	2,500	3,000
Hydrants	53,833	35,000	81,574	100,000 (1)
Customer Services	3,571	6,000	8,236	6,000
<u>Totals</u>	\$ 1,381,967	\$ 1,342,274	\$ 1,369,047	\$ 1,484,078
<u>Customer Accounts Expenses</u>				
<u>Operations</u>				
Labor	224,795	215,000	212,000	242,438
Meter reading	16,770	8,300	17,000	16,740
Billing & collecting	82,332	73,000	75,000	95,000 (3)
Uncollectible accounts	1,864	8,000	2,000	8,000
Utilities	549	650	711	650
Postage	19,050	21,000	21,000	21,000
<u>Totals</u>	\$ 345,361	\$ 325,950	\$ 327,711	\$ 383,828
<u>Taxes</u>				
Local & school (payment in lieu of taxes (PILOT) to City)	1,132,938	1,382,251	1,126,369	1,190,971
Payroll	170,881	160,025	171,270	173,000
P.S.C. remainder assessment (mandatory to state regulator)	12,262	10,000	10,000	10,000
<u>Totals</u>	\$ 1,316,081	\$ 1,552,276	\$ 1,307,639	\$ 1,373,971
<u>Interest Expense Long Term Debt</u>				
Expense (bonds, SDWL, unfunded pension)				
<u>Totals</u>	\$ 883,397	\$ 1,006,025	\$ 912,368	\$ 979,663

1) Includes \$20,000 for stripping and painting ~200 fire hydrants

2) includes \$8,000 for third party large meter testing

3) includes increased credit card fees

OPERATION AND MAINTENANCE EXPENSES
2026

	Actual	Budget	Estimate	Budget
	2024	2025	2025	2026
<u>Administrative & General Expenses</u>				
<u>Operations</u>				
Labor	464,825	429,342	459,616	472,000
Office supplies	23,072	25,000	23,000	25,000
Utilities and cross connection services	3,403	4,000	2,662	4,000
Outside services - safety training and temporary staffing	-	-	8,095	20,000 (3)
Outside services & lawyers (IT, cybersecurity, cross connection, health ins. review)	117,461	128,000	161,689	140,000 (2)
Auditors (including rate case applications)	28,500	32,000	32,500	33,000
<u>Property Insurance</u>				
Property and contractors' equipment	56,592	69,367	66,064	75,974
Auto	9,388	11,150	10,619	12,212
Crime / Cyber	2,861	5,060	4,819	5,542
<u>Injuries & Damage Insurance</u>				
Workmen's Comp	55,884	39,305	46,783	52,966
General liability, public officials, umbrella	32,589	35,775	34,071	38,500
<u>Other Expenses</u>				
Health insurance (including dental, vision, prescriptions)	627,348	745,000	706,105	778,920
Wisconsin Retirement System - employer contributions	270,567	147,278	140,265	147,278
Life insurance (through WI ETF)	7,731	7,934	8,079	8,645
WI PSC regulatory expense	4,622	20,000	-	30,000 (1)
Administrative expense for training, memberships, misc office expenses	27,656	45,000	38,962	53,000 (4)
Non-operating grant expense (WDNR LSL grants to customers)	1,233,213	2,225,000	2,218,581	2,730,400
Lead service line (LSL) replacement (administrative costs)	-	30,000	27,270	45,000
Lead service line (LSL) replacement (SWU loans to customers)	-	2,225,000	179,100	50,000
<u>Maintenance</u>				
Office equipment maintenance	3,581	2,000	3,500	3,500
Office facilities maintenance	49,402	14,000	28,771	28,000
Totals	\$ 3,018,696	\$ 6,240,210	\$ 4,200,551	\$ 4,753,936
EXPENDITURES (NOT INCLUDING CAPITAL OUTLAY)	Grand Totals			
	\$ 9,946,535	\$ 13,375,846	\$ 10,845,931	\$ 11,805,779

- 1) includes 2026 rate study
- 2) increase due to additional lead service line (LSL) legal reviews, IT and cybersecurity consulting costs
- 3) new expense due to elimination of CVMIC safety program
- 4) includes new fiber optic fees

CAPITAL OUTLAY AND LARGE MAINTENANCE EXPENSES (*)
2026

	Actual 2024	Budget 2025	Actual & Estimate 2025	Budget 2026
<u>New Construction and Meters</u>				
Distribution mains, hydrants, and related construction (not including LSL costs included elsewhere)				
2026 Taylor Hill Reservoir- dry inspection and overflow repairs (\$30,000)				
2026 Erie Ave north standpipe- dry inspection and ladder repairs (\$30,000)				
2026 Hydrant/ valve replacements (\$100,000)				100,000
2026 Hydraulic evaluation in the southwest boosted zone* (\$33,000)				
2026 Julson Ct- Wildwood Drive to ~600' east-\$200,000				200,000
2026 Clara Ave- S 7th to Lake- \$200,000				150,000
2026 Southside water main upsized share				150,000
2026 Ultra sonic flow meter for meter testing				8,000
2026 Master meters for mobile home park (3) 8"				54,000
2026 Meters for 20 year meter replacement program				105,200
2026 Meters and Orions all other sizes - troubleshooting, new accounts, and replacements				180,000
2025 water meters (1,900 units, including 20-year replacement program)		100,000	100,000	
2025 Orion radio transmitters (400 replacement units) and other meters		85,000	85,000	
2025 N. 25th St., Superior to Cleveland, water main replacement (0 LSL)		900,000	893,000	
2025 Clara Ave., east of S. 7th St., water main replacement (2 LSL)		70,000	-	
2025 N. 7th St., Bell to North Ave., water main replacement (28 LSL)		120,000	120,000	
2025 Taylor Drive: Union Ave to 400' north			270,000	
2025 10 valves/10 hydrants replaced		100,000	100,000	
2025 Hydraulic evaluation in the southwest boosted zone* (\$25,000)				
2024 N. 25th St., Superior to Cleveland, water main replacement (0 LSL)	3,241			
2024 Taylor Drive: Union Ave to 400' north	15,686			
2024 Sheboygan River crossing near Garton toy site	387,187	490,000	9,500	1,200,000
2024 Lincoln Ave: Barrett to N. 1st	68,821			
2024 S. 12th St: upsized if extended to proposed golf course	-			
2024 10 valves/10 hydrants replaced	34,202			
2024 excavation safety/shoring equipment upgrades	12,000			
2024 water meters (including for 20-year replacement program)	206,618			
2024 Orion radio transmitters (400 replacement units)	96,307			
Total new construction and meters	\$ 824,063	\$ 1,865,000	\$ 1,577,500	\$ 2,147,200
<u>Other</u>				
<u>Source of Supply</u>				
2024 RWI: intake pipeline, well, pump station - construction/engineering	6,016,101			
<u>Pumping</u>				
2026 High lift evaluation project* (\$85,000)				
2025 sludge pump 2 replacement* (\$35,000)				
2025 GAPS Motors/Drives/Starter diagnostic testing *(\$10,000)				
2024 High Lift Vault Piping (not budgeted)	54,510			
<u>Equipment</u>				
2025 Backwash Basin Electric Actuator Replacements*(\$25,000)				
2024 filter actuator replacements (filters 7-11)	-			
<u>Structures</u>				
2026 water treatment plant roof replacement* (\$25,000)				
2026 Removal of invasive plants from Erie pump station* (\$9,000)				
2025 critical piping integrity evaluation (including restraint and hardware installation)*(\$25,000)				
2025 High Lift Flat Roof Areas-EPDM Membrane/Gutter Replacement*(\$25,000)				
2024 security camera upgrades at Taylor Hill, Erie and Georgia stations	-			
2024 water treatment plant tuckpointing (funds used for meter garage roofing)	12,692			

CAPITAL OUTLAY AND LARGE MAINTENANCE EXPENSES (*)
2026

	Actual 2024	Budget 2025	Estimate 2025	Budget 2026
<u>Water Treatment</u>				
<u>Equipment</u>				
2026 Filter 7, 8, and 9 underdrain and roof replacement (inc \$350k bidding and construction engineering)				3,950,000
2026 WiFi system installation for water treatment plant				35,000
2026 Chemical feed systems (update fluoride chem feeder, day tank and bulk tank)* (\$20,000)				
2026 Filter wash valve electric actuator replacements (Filters 1-6)* (\$50,000)				
2026 Sodium hypochlorite chemical system- bulk tank #2 re-lining and piping/fitting replacement* (\$20,000)				
2026 Lab equipment/cabinet upgrades* (\$25,000)				
2025 filter rehabilitation (IMS 200 caps and media for filters 1 and 2)*(\$300,000)				
2025 Filter 7, 8, and 9 underdrain and roof replacement (inc \$350k bidding and construction engineering)		3,721,492	12,708	
2025 Sodium Hypochlorite Chemical System- Bulk Tank Relining and Piping & Fitting Replacement*(\$20,000)				
2025 UV System Battery Backup: Redundant Power Module Replacement*(\$20,000)				
2024 filter rehabilitation (IMS 200 caps and media for filters 1 and 2)	38,703			
2024 filter rehabilitation (IMS 200 caps and media for filters 3 and 4)	471,485			
*Starting in 2025, large maintenance items are included in expense lines for pumping and treatment				
<u>Heating Equipment</u>				
2026			-	
<u>SCADA Equipment</u>				
2024 Erie Avenue PLC replacement	8,920	50,000	-	50,000
<u>Lab Equipment</u>				
2026			-	
<u>Office Furniture & Equipment</u>				
2026 Caselle integration with Unity (\$25,000 Integration, \$5,000 Subscription Costs Year 1)				30,000
2026 Hosted phone system (replacement)				40,000
2026 Computer replacements and additions (6)				18,000
2025 Computer replacements		16,000	16,000	
2024 computer replacements	6,483			
2024 employee benefits web portal	6,518			
2024 asset management software (VUEWORKS integration w Casselle)	-	25,000	25,000	
2024 SQL server replacement	-	28,000	28,000	
<u>Office Building</u>				
2026 Utility office HVAC replacement				100,000
2026 Fiber service* (\$7,332)				
2024 Office & meter shop renovations	19,259			
<u>Transportation Equipment</u>				
2026 Tractor / backhoe replacement				155,000
2026 Takeuschi TB290 excavator (purchase after lease agreement)				70,000
2025 enclosed concrete trailer		18,000	-	
2024 #1 quad axle dump truck replacement	-		226,874	
2024 water treatment plant truck replacement	35,482			
2024 service tech truck replacement	29,282			
<u>Tools</u>				
2024 Trailer	39,105			
<u>Engineering Department</u>				
2026 GPS surveying unit				7,000
2025 Asset management software, UNITY (implementation)		40,000	80,264	
2024 ESRI GIS licenses (10) and training	6,490		-	
2024 GPS surveying unit	-			
2024 asset management software: Vueworks (continued in 2025)	-			
Total other capital outlay/large maintenance expense	\$ 6,745,030	\$ 3,898,492	\$ 388,846	\$ 4,455,000
Total all capital outlay/large maintenance expense	\$ 7,569,093	\$ 5,763,492	\$ 1,966,346	\$ 6,602,200