



2027 Sheboygan Water Utility Budget

(Board of Commissioners approved 09/21/2026)

Sheboygan Board of Water Commissioners

WI PSC Utility No. 5370

72 Park Avenue

Sheboygan, WI 53081



Sheboygan Board of Water Commissioners 2027 Budget

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

Budget provides for annual investment of **\$18,020,627** in all phases of Water Utility operations.

Revenues

Budgeted annual revenue total for 2027	\$17,977,375
Estimated annual revenue total as of December 31, 2026	\$16,093,145 (3)
Projected revenues for 2027 expected to increase (decrease)	\$1,884,230 (1)

Expenditures

	Estimated 2026	Budget 2026	Budget 2027	Budget Increase (Decrease)	Percent Change
<u>Expenditure by Classification</u>					
Labor	\$2,469,479	\$2,485,989	\$2,607,812	\$ 121,823	4.9%
Source of supply	\$10,000	\$18,000	\$6,000	(12,000)	-66.7%
Pumping	\$717,935	\$819,086	\$799,073 (5)	(20,013)	-2.4%
Water treatment	\$908,240	\$1,026,932	\$1,157,000	130,068	12.7%
Transmission & distribution	\$525,517	\$678,812	\$1,025,220	346,408 (6)	51.0%
Customer accounts	\$127,108	\$141,390	\$140,378	(1,013)	-0.7%
Administrative & general (includes WDNR LSL grants)	\$4,307,271	\$4,281,936	\$4,723,082	441,146	10.3%
Taxes	\$1,348,889	\$1,373,971	\$1,383,215	9,243	0.7%
Capital outlay	\$2,089,634 (2)	\$6,602,200	\$5,284,943 (4)	(1,317,257)	-20.0%
Interest on Safe Drinking Water Loans/ water revenue bonds	\$868,077	\$979,663	\$893,904	(85,759) (7)	-8.8%
Totals	\$13,372,151	\$18,407,980	\$18,020,627	\$ (387,353)	-2.1%

1) increase due to anticipated rate increase during Q1 and variations in WDNR LSL grants

2) decrease due to delay in filter 7/8/9 project later into 2026/2027

3) includes \$2.9M in non-operating WDNR LSL grants and \$866k in PFAS settlement funds

4) includes filter 7/8/9 project (funded by WDNR safe drinking water loan)

5) reduction in anticipated large pump maintenance

6) includes major roof maintenance on 1932 Taylor Hill reservoir

7) reduction in interest is due to lower than expected filter project cost and borrowing

Note: WDNR LSL grants are accounted for as revenues as per WI PSC.

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 historic 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 2027

	Budget 2026	Estimate 2026	Budget 2027
REVENUES			
<u>Cash Balance January 1 (including bond reserves)</u>	<u>\$10,914,207</u>	<u>\$12,614,754 (1)</u>	<u>\$ 14,731,664</u>
<u>Current Revenues</u>			
Total sales of water	\$10,600,000	\$10,541,577	11,806,566
Other operating revenues (other sales including wholesale customers, late fees)	\$2,900,000	\$2,872,025	3,199,015
Non-operating revenues (rent, interest)	\$215,076	\$241,009	235,000
Non-operating revenues (WDNR LSL grants)	\$2,730,400	\$2,197,991 (3)	2,433,750
SWU LSL loan repayments (internal revolving loan program)	\$355,500	\$240,544	303,044
Contributions in aid of construction	\$0	\$0	-
<u>Total current revenues</u>	<u>\$16,800,976</u>	<u>\$16,093,145</u>	<u>\$ 17,977,375</u>
<u>Total reserves available</u>	<u>\$27,715,183</u>	<u>\$28,707,899</u>	<u>\$32,709,039</u>
EXPENDITURES			
<u>Operation & Maintenance</u>			
Source of supply	\$20,000	\$10,000	\$6,000
Pumping	\$1,084,371	\$1,009,132	\$1,080,391
Water treatment	\$1,725,932	\$1,603,146	\$1,904,197
Transmission & distribution maintenance	\$1,484,078	\$1,296,176	\$1,921,988
Customer accounts	\$383,828	\$339,108	\$338,229
Taxes	\$1,373,971	\$1,348,889	\$1,383,215
Administrative & general	\$1,928,536	\$1,877,334	\$1,962,760
<u>Total operation & maintenance</u>	<u>\$8,000,717</u>	<u>\$7,483,786</u>	<u>\$8,596,780</u>
<u>Other Expenditures</u>			
Capital outlay (including filter 7/8/9 project engineering and construction)	\$6,602,200	\$2,089,634 (2)	\$5,284,943
Safe Drinking Water Loan proceeds (non-LSL projects)(filter 7/8/9)	-\$3,900,000	-\$1,050,000	-\$1,971,000
Water Revenue Bond Proceeds	\$0	\$0	\$0
Debt Service (including principal and interest)	\$2,823,747	\$2,522,161	\$2,709,085
Non-operating LSL Administrative Expense	\$45,000	\$0	\$0
Non-operating - SWU LSL loans to customers	\$50,000	\$0	\$0
Non-operating grant - WDNR LSL grants to customers	\$2,730,400	\$2,930,654	\$3,245,000
<u>Total other expenditures</u>	<u>\$ 8,351,347</u>	<u>\$ 6,492,449</u>	<u>\$9,268,028</u>
<u>Total expenditures</u>	<u>\$16,352,064</u>	<u>\$13,976,235</u>	<u>\$17,864,808</u>
<u>Cash & Receivables Balance -December 31 (total reserves - total expenditures)</u>	<u>\$11,363,119</u>	<u>\$14,731,664 (4)</u>	<u>\$14,844,231</u>

1) Cash reported is actual Jan 1, 2026 and increased over budget due to DNR SDWLP reimbursements for lead laterals

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

4) 2026 estimated cash balance includes \$866k in unexpected PFAS claims settlement payout as well as lower than expected capital costs

STATEMENT OF ESTIMATED REVENUES
2027

REVENUE SOURCE	Actual 2025	Budget 2026	Estimate 2026	Budget 2027
<u>Metered Sales to General Customers (~4.8 billion gallons)</u>				
Residential	\$2,991,977	\$3,300,000	\$3,529,102	\$3,952,594
Multi-family	\$448,503	\$470,000	\$472,689	\$529,412
Commercial	\$804,870	\$850,000	\$816,724	\$914,731
Industrial	\$5,693,966	\$5,600,000	\$5,723,062	\$6,409,829
Totals	\$9,939,316	\$10,600,000	\$10,541,577	\$11,806,566 (1)
<u>Other Sales to Water Customers</u>				
Private fire protection	\$153,091	\$110,000	\$160,011	\$179,212
Public fire protection (% inc Falls & Kohler)	\$1,069,591	\$1,100,000	\$1,117,591	\$1,251,702
Sales to public authorities	\$170,390	\$150,000	\$121,719	\$136,325
Sales to Sheboygan Falls & Kohler	\$1,285,512	\$1,400,000	\$1,318,550	\$1,476,776
Totals	\$2,678,584	\$2,760,000	\$2,717,870	\$3,044,015
<u>Other Revenues</u>				
Late payment charges	\$154,783	\$120,000	\$139,813	\$140,000
Miscellaneous sales	\$19,938	\$20,000	\$14,342	\$15,000
Rental income from Georgia Ave	\$32,217	\$33,184	\$33,264	\$34,000
Billing & collecting charge to City	\$65,857	\$56,892	\$56,556	\$60,000
Non-operating revenues - SWU LSL revolving loan repayments	\$383,865	\$355,500	\$240,544	\$303,044
Non-operating grant revenues - WDNR LSL replacement (other billing & collecting costs accounted for by expense reduction)	\$3,608,136	\$2,730,400	\$2,197,991	\$2,433,750
Totals	\$4,264,796	\$3,315,976	\$2,682,509	\$2,985,794
Total Revenues	\$16,882,695	\$16,675,976	\$15,941,956	\$17,836,375
<u>Other Income</u>				
Interest	\$140,234	\$125,000	\$151,189	\$141,000
Contributions in aid of construction	\$0	\$0	\$0	\$0
Totals	\$140,234	\$125,000	\$151,189	\$141,000
REVENUES	Grand Totals	\$17,022,930	\$16,800,976	\$16,093,145
		\$17,977,375		

1) Revenue increase primarily due to Q1 2027 rate increase

OPERATION AND MAINTENANCE EXPENSES
2027

Source of Supply Expenses	Actual 2025	Budget 2026	Estimate 2026	Budget 2027
<u>Operations</u>				
Labor	\$0	\$1,000	\$0	\$0
<u>Maintenance</u>				
Labor	\$0	\$1,000	\$0	\$0
Intakes	\$19,196	\$18,000	\$10,000	\$6,000
Totals	\$19,196	\$20,000	\$10,000	\$6,000
 Pumping Expenses				
<u>Operations</u>				
Labor	\$51,712	\$51,304	\$47,760	\$57,700
Electricity & natural gas	\$559,802	\$563,266	\$541,531	\$574,023
Pumping equipment	\$0	\$3,120	\$0	\$0
Miscellaneous	\$23,747	\$125,000	\$41,776	\$155,000 (1)
Utilities	\$44,118	\$45,100	\$50,902	\$53,450
<u>Maintenance</u>				
Labor	\$210,983	\$213,981	\$243,436	\$223,618
Pumping equipment	\$5,623	\$69,000	\$69,000	\$8,000
Structures	\$8,417	\$13,600	\$14,725	\$8,600
Totals	\$904,404	\$1,084,371	\$1,009,132	\$1,080,391
 Water Treatment Expenses				
<u>Operations</u>				
Labor	\$671,639	\$630,000	\$631,389	\$670,730
Water treatment equipment	\$301,421	\$380,500	\$320,000	\$395,000
Chemicals	\$460,683	\$441,432	\$411,023	\$463,000
Miscellaneous	\$7,695	\$3,000	\$5,220	\$7,000
Utilities	\$15,281	\$25,000	\$21,475	\$22,000
<u>Maintenance</u>				
Labor	\$62,229	\$69,000	\$63,517	\$76,467
Water treatment equipment	\$361,979	\$152,000	\$150,000	\$170,000
Structures	\$0	\$25,000	\$522	\$100,000 (2)
Totals	\$1,880,927	\$1,725,932	\$1,603,146	\$1,904,197

1) includes high lift pump station and Georgia booster station evaluation projects

2) includes 1959 roofing repairs and control room upgrades

OPERATION AND MAINTENANCE EXPENSES
2027

	Actual	Budget	Estimate	Budget
	2025	2026	2026	2027
<u>Transmission & Distribution Expenses</u>				
<u>Operations</u>				
Labor	\$359,683	\$337,856	\$321,316	\$372,034
Reservoirs & standpipes	\$0	\$17,000	\$17,000	\$1,000
Mains & hydrants	\$2,089	\$10,000	\$12,132	\$12,000
Meters	\$4,490	\$13,000	\$5,793	\$5,720
Customer services	\$166,631	\$151,612	\$118,409	\$140,000
Miscellaneous	\$133,316	\$96,500	\$65,000	\$80,000
Utilities	\$25,211	\$25,700	\$28,409	\$28,000
<u>Maintenance</u>				
Labor	\$417,839	\$467,410	\$449,343	\$524,734
Structures & improvements	\$19,288	\$21,000	\$10,324	\$20,000
Reservoirs & standpipes	\$3,895	\$60,000	\$60,000	\$479,000 (2)
Mains	\$269,868	\$175,000	\$200,000	\$180,000
Meters	\$2,274	\$3,000	\$2,500	\$1,000
Hydrants	\$95,789	\$100,000	\$3,025	\$75,000 (1)
Customer Services	\$5,492	\$6,000	\$2,924	\$3,500
Totals	\$1,505,865	\$1,484,078	\$1,296,176	\$1,921,988
<u>Customer Accounts Expenses</u>				
<u>Operations</u>				
Labor	\$207,599	\$242,438	\$212,000	\$197,852
Meter reading	\$15,414	\$16,740	\$15,810	\$15,810
Billing & collecting	\$96,094	\$95,000	\$87,345	\$100,665
Uncollectible accounts	\$3,182	\$8,000	\$2,000	\$2,000
Utilities	\$730	\$650	\$953	\$903
Postage	\$25,220	\$21,000	\$21,000	\$21,000
Totals	\$348,239	\$383,828	\$339,108	\$338,229
<u>Taxes</u>				
Local & school (payment in lieu of taxes (PILOT) to City)	\$1,172,345	\$1,190,971	\$1,167,619	\$1,206,339
Payroll	\$175,155	\$173,000	\$171,270	\$166,876
P.S.C. remainder assessment (mandatory to state regulator)	\$13,649	\$10,000	\$10,000	\$10,000
Totals	\$1,361,149	\$1,373,971	\$1,348,889	\$1,383,215
<u>Interest Expense Long Term Debt</u>				
Expense (bonds, SDWL, unfunded pension)				
Totals	\$871,105	\$979,663	\$868,077	\$893,904

1) Includes \$28,000 for stripping and painting ~200 fire hydrants

2) Includes Taylor Hill roofing maintenance and design services for new water reservoir

OPERATION AND MAINTENANCE EXPENSES
2027

	Actual	Budget	Estimate	Budget
	2025	2026	2026	2027
<u>Administrative & General Expenses</u>				
<u>Operations</u>				
Labor	\$462,589	\$472,000	\$500,717	\$484,678
Office supplies	\$14,263	\$25,000	\$23,000	\$20,000
Utilities and cross connection services	\$3,031	\$4,000	\$3,870	\$4,000
Outside services - safety training and temporary staffing	\$3,343	\$20,000	\$12,000	\$10,000
Outside services & lawyers (IT, cybersecurity, cross connection, health ins. review)	\$157,770	\$140,000	\$100,000	\$121,100
Auditors (including rate case applications)	\$32,500	\$33,000	\$40,000	\$40,000
<u>Property Insurance</u>				
Property and contractors' equipment	\$69,202	\$75,974	\$66,064	\$74,367
Auto	\$11,435	\$12,212	\$10,619	\$6,800
Crime / Cyber	\$5,879	\$5,542	\$4,819	\$4,300
<u>Injuries & Damage Insurance</u>				
Workmen's Comp	\$46,881	\$52,966	\$37,182	\$40,050
General liability, public officials, umbrella	\$37,453	\$38,500	\$34,071	\$47,000
<u>Other Expenses</u>				
Health insurance (including dental, vision, prescriptions)	\$639,389	\$778,920	\$754,986	\$830,485
Wisconsin Retirement System - employer contributions	\$263,915	\$147,278	\$153,393	\$179,228
Life insurance (through WI ETF)	\$8,240	\$8,645	\$8,173	\$4,871
WI PSC regulatory expense	\$0	\$30,000 (1)	\$30,000	\$10,000
Administrative expense for training, memberships, misc office expenses	\$41,033	\$53,000	\$68,291	\$54,300
Non-operating grant expense (WDNR LSL grants to customers)	\$2,132,546	\$2,730,400	\$2,930,654	\$3,245,000
Lead service line (LSL) replacement (administrative costs)	\$150	\$45,000	\$0	\$0
Lead service line (LSL) replacement (SWU loans to customers)	\$0	\$50,000	\$0	\$0
<u>Maintenance</u>				
Office equipment maintenance	\$3,581	\$3,500	\$3,581	\$3,581
Office facilities maintenance	\$27,564	\$28,000	\$26,568	\$28,000
Totals	\$3,960,765	\$4,753,936	\$4,807,988	\$5,207,760 (2)
EXPENDITURES (NOT INCLUDING CAPITAL OUTLA'	Grand Totals	\$10,851,651	\$11,805,780	\$11,282,517
		\$12,735,684		

1) includes 2026 rate study

2) increase includes additional LSL funding

CAPITAL OUTLAY AND LARGE MAINTENANCE EXPENSES (*)
2027

	Actual 2025	Budget 2026	Actual & Estimate 2026	Budget 2027
New Construction and Meters				
Distribution mains, hydrants, and related construction (not including LSL costs included elsewhere)				
2027 Lakeshore Drive - Wilson Avenue to dead end				\$700,000
2027 S 18th St water main and hydrant relocation				\$50,000
2027 Weeden Creek extension west of I43 (probable assessment funding)				\$200,000
2027 Sauk Trail and Oakland Avenue - Union Ave to S 19th St (near HTI)				\$275,000
2027 Sheboygan River crossing engineering				\$50,000
2027 Concrete service holes* (\$60,000)				
2027 Hydrant/valve replacements				\$100,000
2027 Hydrant painting (200)* (\$28,000)				
2027 DNX meter testing device for meter testing				\$10,000
2027 Meter vaults, piping, construction costs for master meters for mobile home parks (3)				\$250,000
2027 SE normal zone hydraulic model*(\$50,000)				
2027 Master meters for mobile home park (3) 8"				\$18,000
2027 Meters (1,500) for 20 year meter replacement program				\$110,000
2027 Meters and Orion endpoints all other sizes - troubleshooting, new accounts, and replacements				\$45,000
2027 Cellular Orion endpoints for monthly industrial/commercial accounts (145)				\$40,000
2027 Orion endpoints for small meters - replacement due to age/battery EOL (800)				\$185,000
2027 Tools and Meter Shop equipment (power tools, misc, etc.)*(\$2,000)				
2027 Taylor Hill reservoir roof and other maintenance*(\$225,000)				
2027 New reservoir at N. 36th St design services*(\$250,000)				
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	\$200,000	
2026 Clara Ave- S 7th to Lake- \$200,000		\$150,000	\$150,000	
2026 Southside water main upsize share		\$150,000	\$0	
2026 Ultra sonic flow meter for meter testing		\$8,000	\$8,000	
2026 Master meters for mobile home park (3) 8"		\$54,000	\$0	
2026 Meters for 20 year meter replacement program		\$105,200	\$105,200	
2026 Meters and Orions all other sizes - troubleshooting, new accounts, and replacements		\$180,000	\$180,000	
2025 water meters (1,900 units, including 20-year replacement program)	\$224,197			
2025 Orion radio transmitters (400 replacement units) and other meters	\$33,492			
2025 N. 25th St., Superior to Cleveland, water main replacement (0 LSL)	\$970,766			
2025 Clara Ave., east of S. 7th St., water main replacement (2 LSL)	\$5,179			
2025 N. 7th St., Bell to North Ave., water main replacement (28 LSL)	\$178,657			
2025 Taylor Drive: Union Ave to 400' north	\$29,998			
2025 10 valves/10 hydrants replaced	\$42,681			
2025 Hydraulic evaluation in the southwest boosted zone* (\$25,000)				
2024 Sheboygan River crossing near Garton toy site	\$277,944	\$1,200,000		
Total new construction and meters	\$1,762,914	\$2,147,200	\$743,200	\$2,033,000

CAPITAL OUTLAY AND LARGE MAINTENANCE EXPENSES (*)
2027

	Actual	Budget	Estimate	Budget
	2025	2026	2026	2027
Other				
Source of Supply				
2025 Final capitalized costs for RWI	\$335,598			
Pumping				
2027 High lift evaluation project*(\$85,000)				
2025 sludge pump 2 replacement* (\$35,000)				
2025 GAPS motors/drives/starter diagnostic testing*(10,000)				
Equipment				
2025 Backwash basin electric actuator replacements* (\$25,000)				
Structures				
2026 water treatment plant roof replacement* (\$25,000)				
2026 Removal of invasive plants from Erie pump station* (\$9,000)				
2026 critical piping integrity evaluation (including restraint and hardware installation)*(\$25,000)				
2025 High Lift Flat Roof Areas-EPDM membrane/gutter replacement*(\$25,000)				
Water Treatment				
2027 Land acquisition for future water treatment plant including phase 1 study)				\$800,000
Equipment				
2027 Filter 7, 8, and 9 underdrain and roof replacement (including engineering)				\$1,971,943
2027 1959 Building - EPDM membrane roofing replacement*(\$50,000)				
2027 EAPS variable frequency drive replacement (pump 1)				\$50,000
2027 day tank, piping, and fitting replacement				\$35,000
2027 Remote booster station sites - FOB access security system				\$35,000
2027 GAPS pumping capacity and redundant power feasibility study*(\$50,000)				
2027 Operator control room equipment/cabinet upgrades				\$50,000
2026 Filter 7, 8, and 9 underdrain and roof replacement (including engineering)		\$3,950,000	\$1,000,000	
2026 WiFi system installation for water treatment plant		\$35,000	\$25,456	
2026 Chemical feed systems (update fluoridechem feeder, day tank & bulk tank)*(\$20,000)				
2026 Filter wash valve electric actuator replacements (Filters 1-6)*(\$50,000)				
2026 Sodium hypochlorite system bulk tank #2 re-lining & 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)	\$284,317			
2025 Filter 7,8,9 underdrain and roof replacement	\$23,077			
2025 Sodium hypochlorite chemical system	\$18,659			

CAPITAL OUTLAY AND LARGE MAINTENANCE EXPENSES (*)
2027

	Actual 2025	Budget 2026	Estimate 2026	Budget 2027
Heating Equipment				
2027 None				
SCADA Equipment				
2026 Erie Avenue PLC replacement		\$50,000	\$50,000	
Office Furniture & Equipment				
2027 Hosted phone system (replacement)		\$0	\$0	\$40,000
2027 Computer replacements and additions (6)				\$15,000
2027 Envelope mailing/stuffing machine				\$6,000
Caselle integration with Unity (\$25,000 Integration, 2026 \$5,000 Subscription Costs Year 1)		\$30,000	\$30,000	
2026 Hosted phone system (replacement)		\$40,000	\$0	
2026 Computer replacements and additions (6)		\$18,000	\$18,000	
2025 Computer replacements (including server)	\$81,863			
Office Building				
2026 Utility office HVAC replacement		\$100,000	\$0	\$100,000
2026 Fiber service*(\$7,332)				
Transportation Equipment				
2027 3/4 ton truck with tommy lift				80,000
2027 Honda CRV				45,000
2027 Steamer/pressurer washer				9,000
2027 Vacuum truck (8 cy) lease*(\$72,000)				
2026 Tractor / backhoe replacement		155,000	151,218	
2026 agreement)		70,000	64,760	
2025 #1 quad axle dump truck replacement	\$191,874			
2025 enclosed concrete trailer	\$0		0	
Tools				
2027 Trench box				15,000
Engineering Department				
2027 AutoCAD, WSRI, and Unity licensing* (\$47,000)				
2026 GPS surveying unit		\$7,000	\$7,000	
2025 Asset management software, UNITY (implementation)	\$34,000			
Total other capital outlay/large maintenance expense	\$969,388	\$4,455,000	\$1,346,434	\$3,251,943
Total all capital outlay/large maintenance expense	\$2,732,302	\$6,602,200	\$2,089,634	\$5,284,943