

# 2024 Proposed Budget Overview

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## Water Works

Mission: Provide a safe and reliable supply of water to customers at a competitive price.

# 2024 Budget Summary

Category	2023 Adopted Budget	2024 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	402.38	402.88	0.50	0.1%
FTEs – Other	21.54	21.54	0.00	0.0%
Total Positions Authorized	435.00	436.00	1.00	0.2%
Salaries & Wages	\$ 23,978,813	\$ 27,000,878	\$ 3,022,065	12.6%
Fringe Benefits	15,880,830	16,990,326	1,109,496	7.0%
Operating Expenditures	60,451,240	66,723,079	6,271,839	10.4%
Equipment	3,611,500	5,364,954	1,753,454	48.6%
Special Funds	8,824,300	8,024,104	(800,196)	-9.1%
<b>O+M Total</b>	<b>\$ 112,746,683</b>	<b>\$ 124,103,341</b>	<b>\$ 11,356,658</b>	<b>10.1%</b>
Capital Projects	47,000,000	50,485,000	3,485,000	7.4%
<b>Total</b>	<b>\$ 159,746,683</b>	<b>\$ 174,588,341</b>	<b>\$ 14,841,658</b>	<b>9.3%</b>

- Salaries & Wages: Increase due to job evaluations for skilled trades and field staff/labor positions \$2.7M
- Operating: \$4M incremental 1,000 LSL; \$1.7M Chemicals; \$1.3M energy
- Equipment: Cost of replacement construction vehicles for Distribution
- Special Funds: Reduction due to not adding new debt

# Salaries and Positions

Category	2023 Adopted Budget	2024 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	401.88	402.88	1.00	0.2%
FTEs – Other	21.54	21.54	0.00	0.0%
<b>FTEs – TOTAL</b>	<b>423.42</b>	<b>424.42</b>	<b>1.00</b>	<b>0.2%</b>
Total Positions Authorized	435.00	436.00	1.00	0.2%
Salaries & Wages	\$23,978,813	\$27,000,878	\$3,022,065	12.6%
<b>TOTAL Salaries and Wages</b>	<b>\$23,978,813</b>	<b>\$27,000,878</b>	<b>\$3,022,065</b>	<b>12.6%</b>

- Job evaluation for skilled trades and field staff / laboring positions: \$2.7 million
- Added one GIS Developer

# Revenues

Category	2023 Proposed Budget	2024 Proposed Budget	Amount Change	Percent Change
Operating	\$ 93,179,600	\$ 105,336,700	\$ 12,157,100	13%
Non-Operating	7,683,000	7,167,000	(516,000)	-7%
Developer Capital and Assessments	10,000	10,000	-	0%
Bond Issue	47,000,000	50,485,000	3,485,000	7%
LSL Replacement - City Share	4,000,000	7,300,000	3,300,000	83%
LSL Replacement - Special Assessments	1,750,000	350,000	(1,400,000)	-80%
Withdrawal From Retained Earnings	6,134,083	(814,189)	(6,948,272)	-113%
<b>Total Revenue</b>	<b>\$ 159,756,683</b>	<b>\$ 169,834,511</b>	<b>\$ 4,692,828</b>	<b>6%</b>

## Operating Revenue

- 2023 budget assumed a 10% increase for half the year.
- 2024 budget reflects the approved rate increase of 14%.

## Withdrawal From Retained Earnings

- No withdrawal

# Capital

Category	2023 Proposed Budget	2024 Proposed Budget	Amount Change	Percent Change
Water Main Replacement	\$ 32,560,000	\$ 28,650,000	\$ (3,910,000)	-12%
Plant Improvements	12,000,000	14,925,000	2,925,000	24%
Facility Repairs	2,150,000	3,120,000	970,000	45%
Other Utility Projects	200,000	1,800,000	1,600,000	800%
Contingency	100,000	2,000,000	1,900,000	1900%
<b>Total Capital</b>	<b>\$ 47,010,000</b>	<b>\$ 50,495,000</b>	<b>\$ 3,485,000</b>	<b>7%</b>

## Water Main Replacement

- Reduced from target of 20 miles to 14 miles; cost \$1.8M per mile

## Contingency

- Replenishing due to \$4M fund transfer for Howard Filter Bed rehabilitation project – Phase I

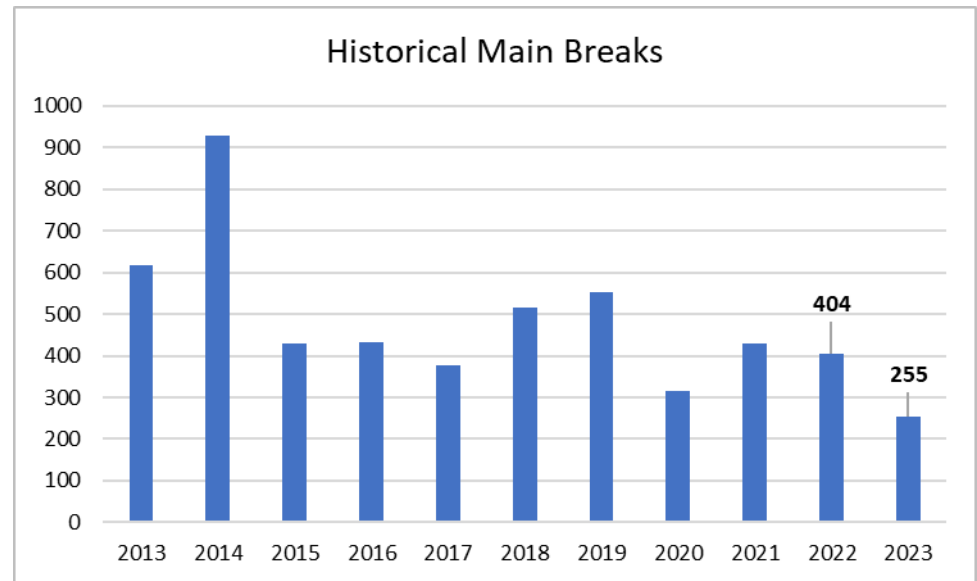
## Plant Facility Projects

- Howard Treatment Plant filter bed rehabilitation – Phase II
- \$1M – Customer Information System (enQuesta) upgrade
- \$750K - Florist tank rehabilitation and painting

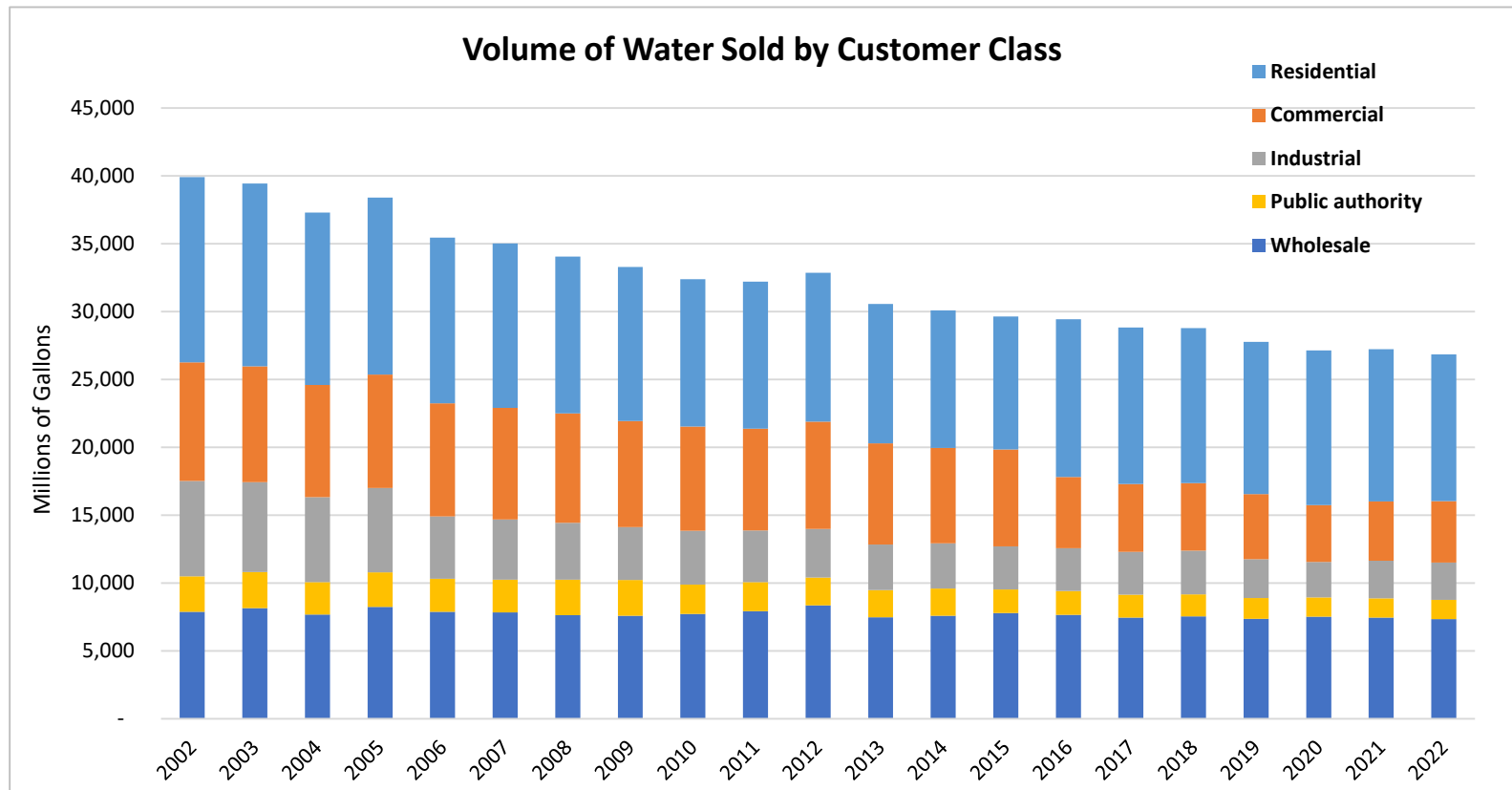
# Water Main Breaks

Historical Main Breaks											
Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Breaks	616	930	431	433	377	517	553	316	430	404	255

- Three Year Average: 383
- Year to Date (9/30): 255
- 9% fewer breaks in 2023
- 98% repaired within 24 hours



# Water Consumption



- 22 Year Average: -1.95%
- YTD 2022-2023 (August): - 1.6%

# Core Service Areas

Core Service Area	Budget	% Budget	FTE's	% FTE's
Water Distribution	\$37.6M	30%	133.67	31%
Water Plants - Linnwood and Howard	\$37.6M	30%	97.75	23%
Engineering	\$3.9M	3%	49.50	12%
Water Quality	\$2.9M	2%	24.00	6%
Water Meter Shop	\$6.8M	6%	62.50	15%
Customer Service - Billing & Collections	\$2.6M	2%	24.00	6%
Administration - Business Admin., Accounting, & Information Technology	\$32.7M	26%	33.00	8%
<b>Total</b>	<b>\$124.1M</b>	<b>100%</b>	<b>424.42</b>	<b>100%</b>

- Maintain the water distribution system (leak investigation, main break repair, repair and maintenance of hydrants, valves and air vents).
- Operate and maintain water treatment plants and distribution system pumping and storage facilities.
- Provide internal engineering services for plant facility and distribution system capital improvement projects, and support for maintenance / repair projects.
- Provide water quality monitoring for regulatory compliance and internal standards.
- Maintain small, medium and large water meters for accurate billing of water usage by residential, commercial, industrial and public authority customers.
- Provide in-person call center customer service and billing for all Municipal Services charges.
- Provide administrative and operational support to all MWW sections. Includes Administration (Leadership, HR, Security, Communication), Accounting, Payroll, and IT Units.



# Key Performance Indicators

Key Performance Measures	2022 Actual	2023 Projected	2024 Planned
Percentage of days in full compliance with Safe Drinking Water Act standards	100.00%	100.00%	100.00%
Rate of Return	1.58%	2.00%	2.50%
Rank of highest rate for 1 ccf of water for residential customers among class AB utilities in the seven-county metro area	26 out of 27	21 out of 27	21 out of 27
Main Breaks	404	350	410
Miles of water main replaced	5.5	14	14
Number of lead service lines replaced	928	1,200	2,200
Number of hydrants maintained and flushed	12,698	10,000	10,000
Number of water meters installed / exchanged	4,907	5,500	6,000

# Department Demographics

Demographics				
Category	Female	Male	Total	%
Black	32	66	98	32%
White	41	143	184	59%
Hispanic	9	13	22	7%
Asian	0	4	4	1%
American Indian	1	1	2	1%
Other	0	0	0	0%
<b>Total</b>	<b>83</b>	<b>227</b>	<b>310</b>	<b>100%</b>
<b>%</b>	<b>27%</b>	<b>73%</b>	<b>100%</b>	

- Resident: 70%
- Non-Resident: 30%

# Equity

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- **Workforce Development**

- Inclusion, Diversity, Equity, Access, and Solutions (IDEAS) Group
- Milwaukee Water Equity Task Force
- Workforce Development Fairs (Employ Milwaukee, DNR HQ, Parklawn, Mitchell St Arts Collective, and more)
- Employ Milwaukee Training Program

- **Equity-Driven LSL Replacement Prioritization**

- Based on Socio-economic Index (ADI), LSL Concentration, and Blood Lead Level density in a census block group

- **Water Affordability**

- Promise Pay

# Updates

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## Rate Case

- Under PSC order to return for a conventional rate case no later than 24 months after commencement of service to Waukesha

## Waukesha Water

- Transition to Milwaukee water to begin on Monday, October 9
- Revenue: \$3M in 2024 budget
- Expenses: \$2M+ (energy, chemicals, maintenance, PILOT, depreciation)

## Lead and Copper Rule Revisions

- Effective October 16, 2024
- Complete a service line inventory (public and private)
- Develop a lead service line replacement (LSLR) plan
- Expanded LCR sampling/testing requirements
- Sample all LSLRs 3-6 months after replacement
- Provide filters for 6 months after replacement
- Test 20% of all elementary schools and childcares per year (5 years)

# LSLR Prioritization and Expansion Plan

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## Increase Number of LSLR's

- From 1,000 to 2,200
- \$10 million included for Public Side
- Retain Owner's Representative to administer prioritized program: Outreach & Record Keeping
- Establish base for increases in subsequent years

## Prioritize Replacements Factors

1. Area Deprivation Index (ADI): 70% weight
  2. Incidences of Elevated Blood Lead Levels (EBLL)(5 mcg/dL): 25% weight
  3. Density of LSL's: 5% weight
- Assign a score to each census block group to create a prioritization order
  - Acknowledge the geographic disparities in the City
    - Approximately 60% of LSL's, EBLL incidences, and census blocks that have high ADI scores are on the north side
  - Projects located in prioritized areas (census tract data) are eligible for a higher percentage of Safe Drinking Water Loan Program principal forgiveness funding (100% vs 75%)