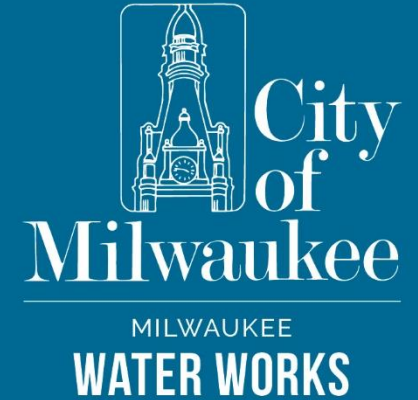


Milwaukee Water Works 2026 Proposed Executive Budget

Mission: Protect and maintain the water system for present and future generations and invest in our people to ensure efficient, equitable, and reliable water service.



2026 Budget Summary

	2025 Adopted Budget	2026 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	417.08	418.04	0.96	0%
FTEs - Other	13.20	13.20	0.00	0%
FTEs - Total	430.28	431.24	0.96	0%
Total Positions Authorized	444	443	-1	0%
Salaries & Wages	\$30,060,883	\$30,416,478	\$355,595	1%
Fringe Benefits	15,122,526	16,314,200	1,191,674	8%
Operating Expenditures	86,564,254	104,723,830	18,159,576	21%
Equipment	5,843,425	4,438,100	-1,405,325	-24%
Special Funds	8,136,131	11,728,380	3,592,249	44%
O&M TOTAL	\$145,727,219	\$167,620,988	\$21,893,769	15%
Capital Projects	50,310,000	49,280,000	-1,030,000	-2%
TOTAL	\$196,037,219	\$216,900,988	\$20,863,769	11%

Salaries and Positions

	2025 Adopted Budget	2026 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	417.08	418.04	0.96	0%
FTEs - Other	13.20	13.20	0.00	0%
FTEs - Total	430.28	431.24	0.96	0%
Total Positions Authorized	444	443	-1	0%
Salaries & Wages	\$30,060,883	\$30,416,478	\$355,595	1%
TOTAL	\$30,060,883	\$30,416,478	\$355,595	1%

Position Changes

- 1 position eliminated in mid- 2025: Program Assistant I

Salary Changes

- PCA adjustments

Operating, Equipment, & Special Funds

	2025 Adopted Budget	2026 Proposed Budget	Amount Change	Percent Change
Operating Expenditures	\$86,564,254	\$104,723,830	\$18,159,576	21.0%
Equipment	\$5,843,425	\$4,438,100	-\$1,405,325	-24.0%
Special Funds	\$8,136,131	\$11,728,380	\$3,592,249	44.2%

Operating & Equipment Changes: 2026 budget reflects LSLR increase from 3,500 to 5,000

- Professional Services +\$5.8m
- Infrastructure Services +\$11m
- Increasing chemical cost +\$300k
- Replace heavy construction vehicles (Investigator trucks (2), backhoes (2), step vans (2))
- Replacing equipment at plants (turbidimeters, SCADA system computer servers and PLC's, backup battery systems)

Special Funds

- Increased debt service and interest +\$3.5M

Revenues

Category	2025 Adopted Budget	2026 Proposed Budget	Amount Change	Percent Change
Operating	\$103,481,400	\$106,896,216	\$3,414,816	3%
Non-Operating	7,167,000	6,765,000	-402,000	-6%
Developer Capital and Assessments	10,000	10,000	0	0%
Bond Issue	50,300,000	49,280,000	-1,020,000	-2%
LSL Replacement - City Share	13,200,000	16,740,000	3,540,000	27%
LSL Replacement- Utility Share	16,250,000	26,470,000	10,220,000	100%
LSL Replacement - Special Assessments	800,000	840,000	40,000	5%
Withdrawal From Retained Earnings	4,828,819	9,909,772	5,080,953	105%
TOTAL	\$196,037,219	\$216,910,988	\$20,873,769	11%

Operating Revenue

- 2025 budget does not reflect any rate increases & assume consumption decline
- 2026 budget reflects the approved rate increase (effective 8/1/2025) of 3%.

LSL Replacement

- 2026 budget reflects LSLR increase from 3,500 to 5,000

Withdrawal From Retained Earnings

- Increased due to LSLR program

Capital

Project	2025 Adopted Budget	2026 Proposed Budget	Amount Change	Percent Change
Water Main Replacement	\$30,000,000	\$29,570,000	\$(430,000)	-1%
Plant Improvements	13,990,000	17,050,000	\$3,060,000	22%
Facility Repairs	4,310,000	1,660,000	\$(2,650,000)	-61%
Other Utility Projects	10,000	10,000	\$0	0%
Contingency	2,000,000	1,000,000	\$(1,000,000)	-50%
TOTAL	\$50,310,000	\$49,290,000	-\$1,020,000	-2.0%

Water Main Replacement

- Reflect decreased costs for distribution water main replacements from \$1.9m per mile to \$1.8m per mile
- Transmission main rehabilitation/valve replacement

Plant Improvements

- Linnwood filter bed rehabilitation – Year 2 of 6 (\$55M total)
- Linnwood electrical load center upgrade and water quality lab upgrades
- Howard electrical switchgear and substation upgrades

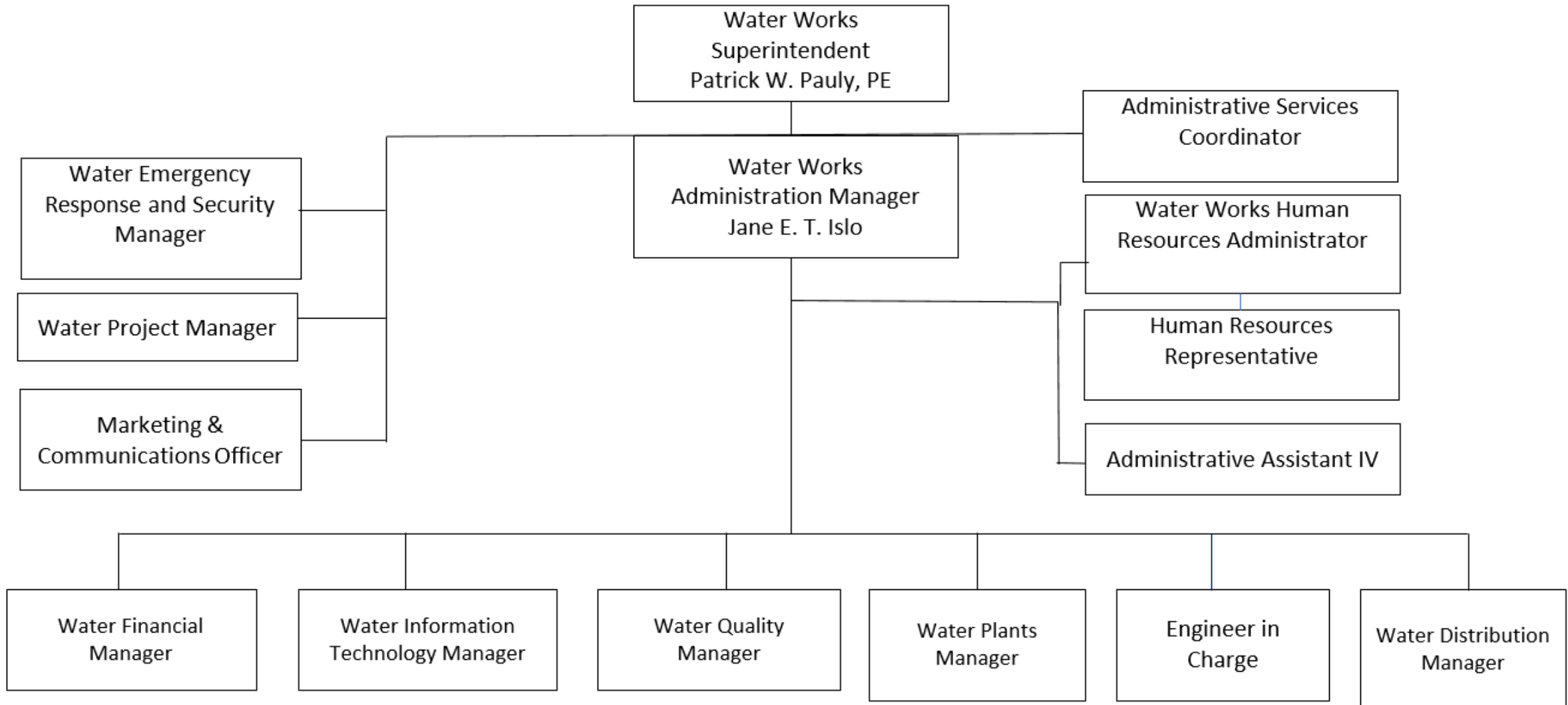
Pumping Facility Projects

- Florist pumping station roof replacement and pump improvements
- Northpoint pumping station valve rehabilitation

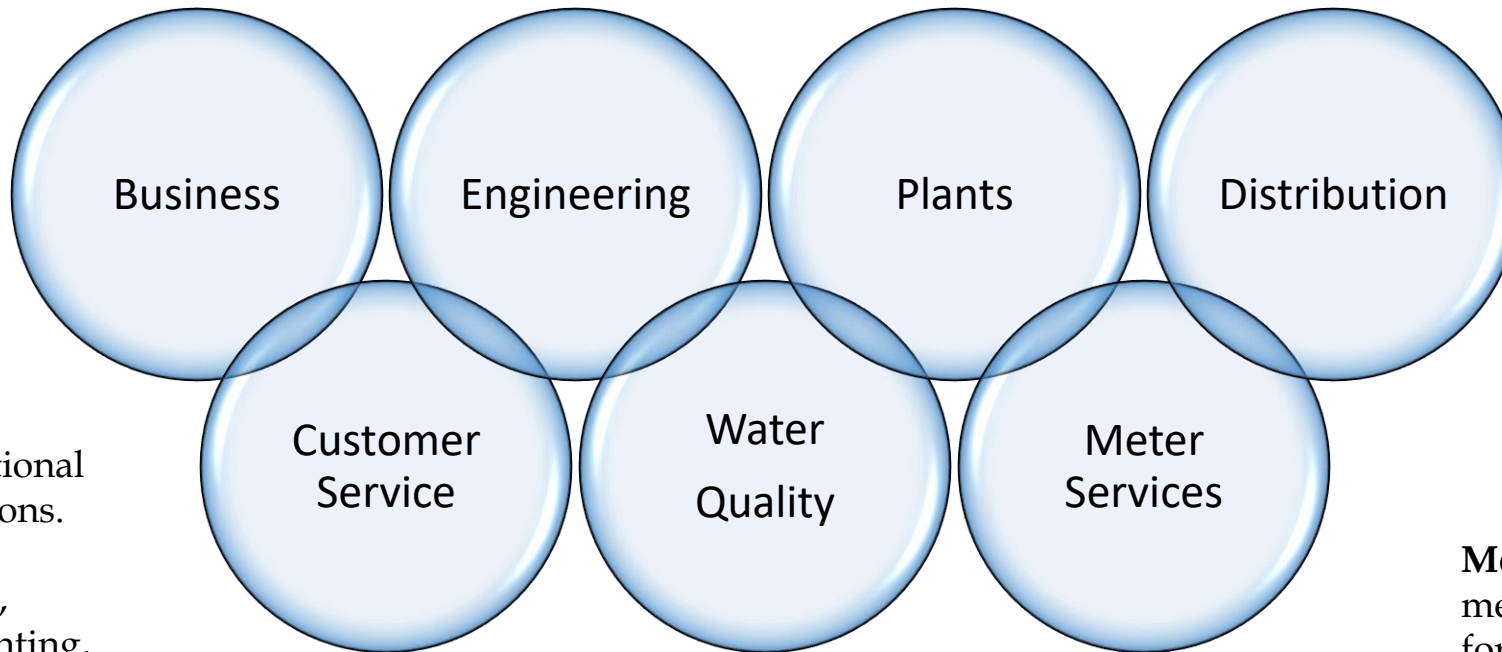
2025 Budget by Service

Core Service Area	Budget	% Budget	FTE's	% FTE's
Water Distribution	72.6M	43.0%	137.99	32%
Water Plants - Linnwood and Howard	30.6M	18.0%	97.25	23%
Engineering	4.6M	3.0%	51.5	12%
Water Quality	3.4M	2.0%	26.00	6%
Water Meter Services	8.0M	5.0%	60.5	14%
Customer Service - Billing & Collections	2.9M	2.0%	24.00	5%
Administration - Business Admin., Accounting, & Information Technology	45.5M	27.0%	34.00	8%
Total	\$167.6M	100%	431.24	100%

Organizational Chart



Milwaukee Water Works



Engineering - provide internal engineering services for plant facility and distribution system capital improvement projects, and support for maintenance/repair projects.

Business - provide administrative and operational support to all MWW sections. Includes: Administration (Leadership, HR, Security, Communications), Accounting, Payroll, and IT Units

Customer Service - provide in-person and call center customer service and billing for all Municipal Services charges

Water Quality - provide water quality monitoring for regulatory compliance and internal standards

Water Plants - operate water treatment plants and pumping and storage facilities

Water Distribution - maintain the water distribution system (leak investigation, main break repair, repair and maintenance of hydrants, valves, and air vents)

Meter Services - maintain small, medium, and large water meters for accurate billing of water usage by residential, commercial, industrial, and public authority customers

Department Demographics

All MWW Staff

	Female	Male	Total	%
Black	48	81	129	35%
White	45	143	188	51%
Hispanic	10	26	36	10%
Asian	2	9	11	3%
American Indian	1	1	2	1%
Total	106	260	366	100%
%	29%	71%	100%	

Management Staff

	Female	Male	Total	%
Black	6	10	16	25%
White	7	37	44	67%
Hispanic	2	3	5	8%
Asian	0	0	0	0%
American Indian	0	0	0	0%
Total	15	50	65	100%
%	23%	77%	100%	

73% Residency vs. 27% Non Residency

Key Performance Indicators

Key Performance Measures	2024 Actual	2025 Projected	2026 Planned
Percentage of days in full compliance with Safe Drinking Water Act standards	100%	100%	100%
Rate of Return	1.24%	1.50%	1.50%
Rank of highest rate for 1 ccf of water residential customer among class AB utilities in the seven-county metro area	22 out of 27	22 out of 27	22 out of 27
Main Breaks	440	580	450
Miles of water main replaced	10.1	11	14
Number of lead service lines replaced	2,682	3,500	5,000
Number of hydrants maintained and flushed	10,347	10,000	10,000
Number of water meters installed / exchanged	11,251	7,000	9,000

2026 Major Updates - Department

Conventional Rate Case

- PSC order to apply no later than 24 months after commencing Waukesha water service
- Common Council authorization (file no. 250476) received on 7/31/2025
- Application submitted on September 29th
- Anticipated effective date in late 2026

Howard Filter Bed Remediation Project

- Includes all 8 beds
- Construction early 2024 through 2026
- First two beds complete in early 2026
- Linnwood filter beds to follow

2026 Major Updates Cont....

Lead Service Line Replacement

2025 Prioritization Program

- Fifteen neighborhoods – 2,422 properties. 2,115 (87%) consents received as of 9/15
- Notices mailed to first group of owners in February
- Outreach activities (canvassing, open house hours, virtual meetings) began in March

Increase the number of LSLR's by 1,500 in 2026 (5,000 total)

- Expand Prioritization program from 2,300 to 3,800
- Update data and re-prioritize census block groups in January 2026 for 2027 and 2028 programs
- Must maintain 5,000+ LSLRs per year to achieve goal of completing all replacements by the end of 2037

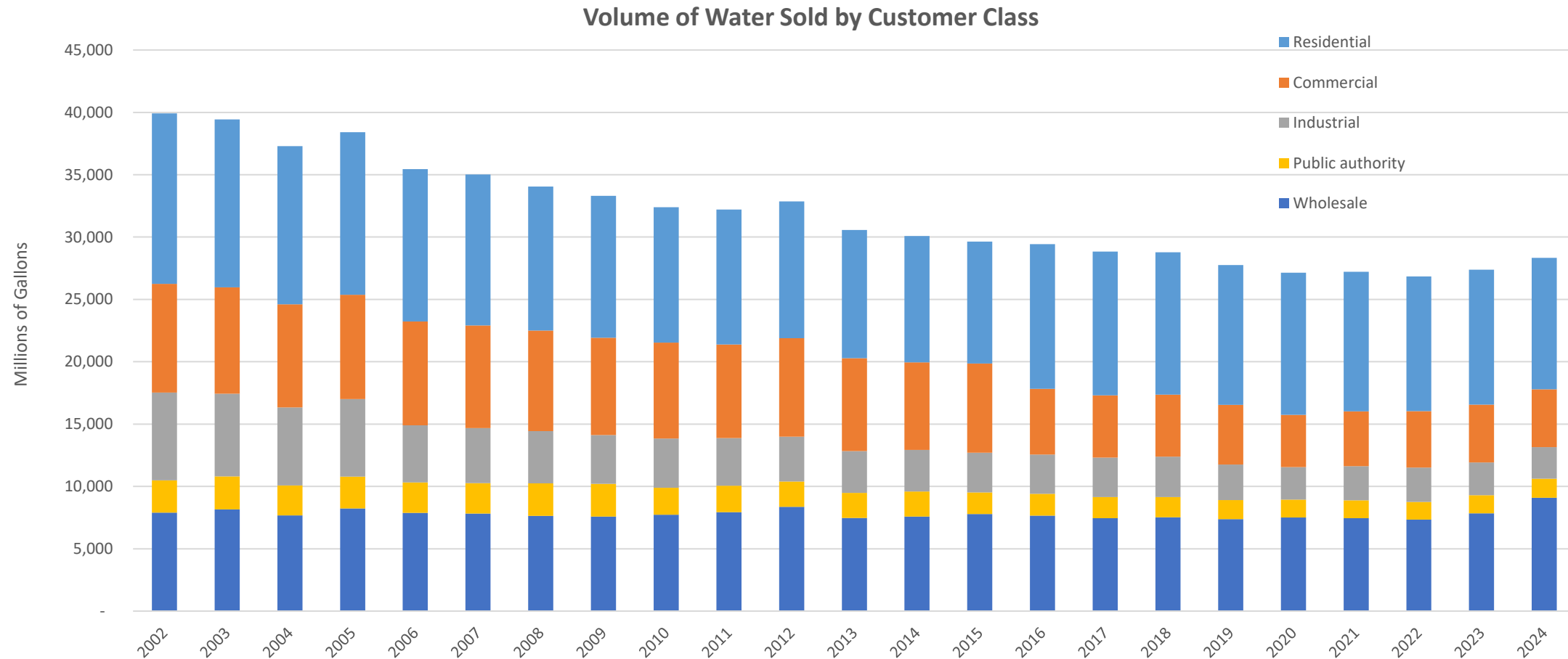
Owner Request Program

- Owner responsible for the lesser of actual or average current cost to replace the private section
- 900+ applicants
- Prioritized by presence of children – 200+ locations
- 120+ property owners were offered the opportunity to be included in the 2024 program. 80+ accepted
- 200+ notices to be sent this fall for the 2026 program
 - Remaining locations w/children & first 100 signups

Lead Service Line Replacement

# of Lead Service Line Replacements (9/15)				
Description	Goal	Completed	Difference	% Complete
2025 - Total # of LSL's Replaced	3,500	2,155	1,345	62%
2025 - # of Prioritized LSL's Replaced	2,300	1,539	761	67%

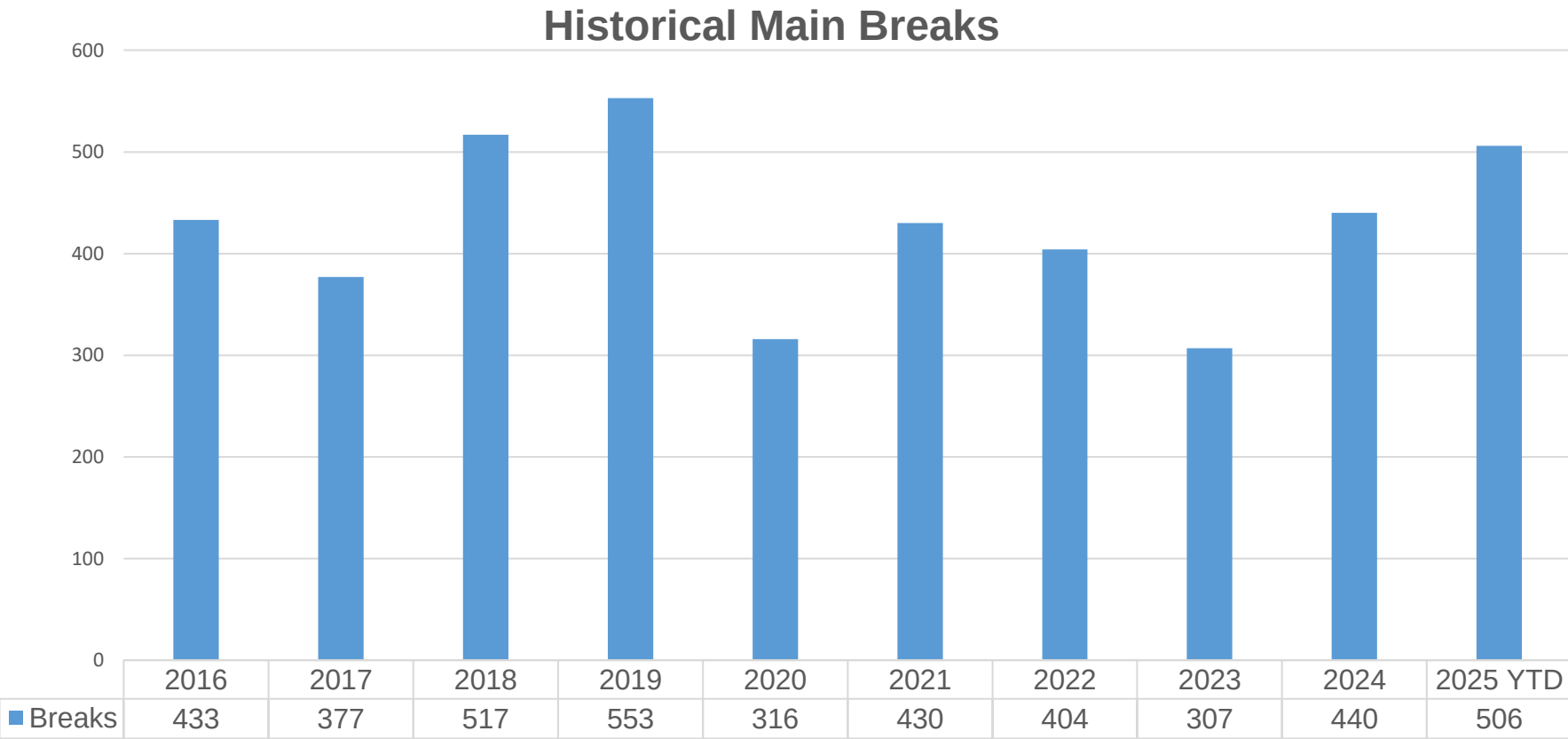
Water Consumption & Revenue Trends



- 25 Year average: -1.56%
- YTD (August) 2024 vs 2025: +1.1%

Water Main Breaks

- 3 Year Average (2022-2024): 384
- 66% more breaks YTD in 2025
- 95% back in service within 24 hours



Service Uniformity

Customer Service

- ZMB & Meter Services call centers
- 24 hr Distribution Control center
- Water Quality hotline

Water Quality Monitoring

- Treatment process
- Distribution system
- Investigation of concerns

Distribution Operations & Maintenance

- Hydrant flushing
- Valve exercising
- Leak survey & investigation
- Main break repair

Capital Improvements

- Water main replacement
- Plant facility upgrades
- Lead service line replacement programs:
 - ☐ General
 - ☐ Prioritization
 - ☐ Owner Request Programs

Environmental Impact

Plant & System Operations

- Pumping & supply strategies
 - Storage
 - Minimize electricity use during peak hours
- Reduce pumping capacity
- Install variable frequency drives
- Adjust chemical dosing levels

Distribution Operations & Maintenance

- Leak survey & investigation

Reduce non-revenue water

- Audit & water loss control plan