



Commission

2026 DRAFT Budget Workshop

August 27, 2025



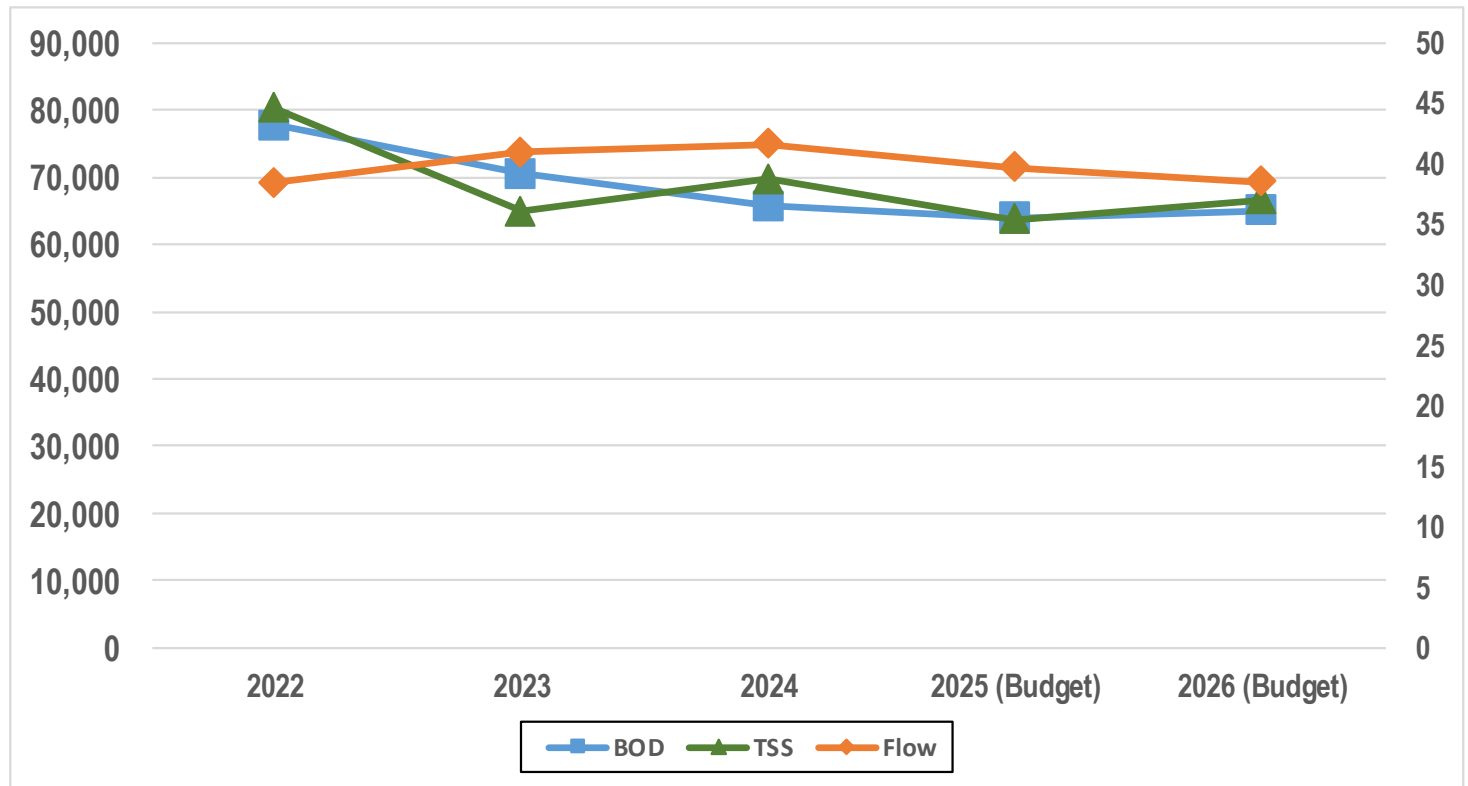
2025 Budget Update (through July)

- Overall operating revenue at 101% of budget
- Overall operating expense at 91% of budget
- Expect to finish 2025 slightly ahead of operating revenue and close to budget for operating expense
- Finished 2024 at 101% of operating revenue budget and 94% of operating expense budget

Proposed 2026 Budget

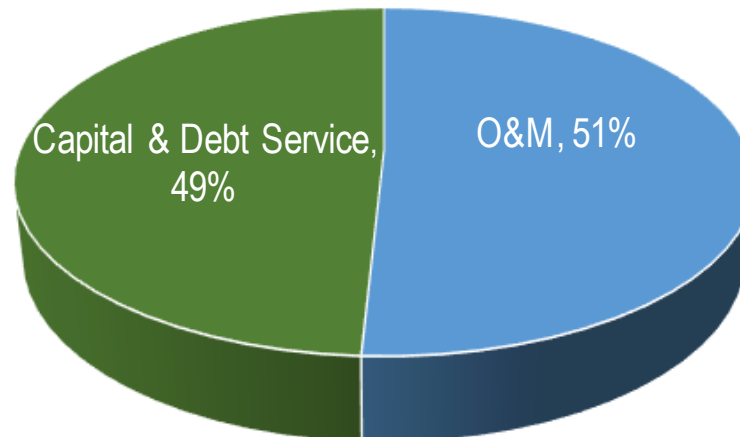


Flows and Loads



2026 Proposed Expenses

Budget Category	2025 Budget	2026 Budget	% Change
Operations & Maintenance (O&M)	\$ 28,811,808	\$ 29,797,490	3.4%
Debt Service and Annual Capital	\$ 24,777,184	\$ 28,843,084	16.4%
Total Expenses	\$ 53,588,992	\$ 58,640,574	9.4%

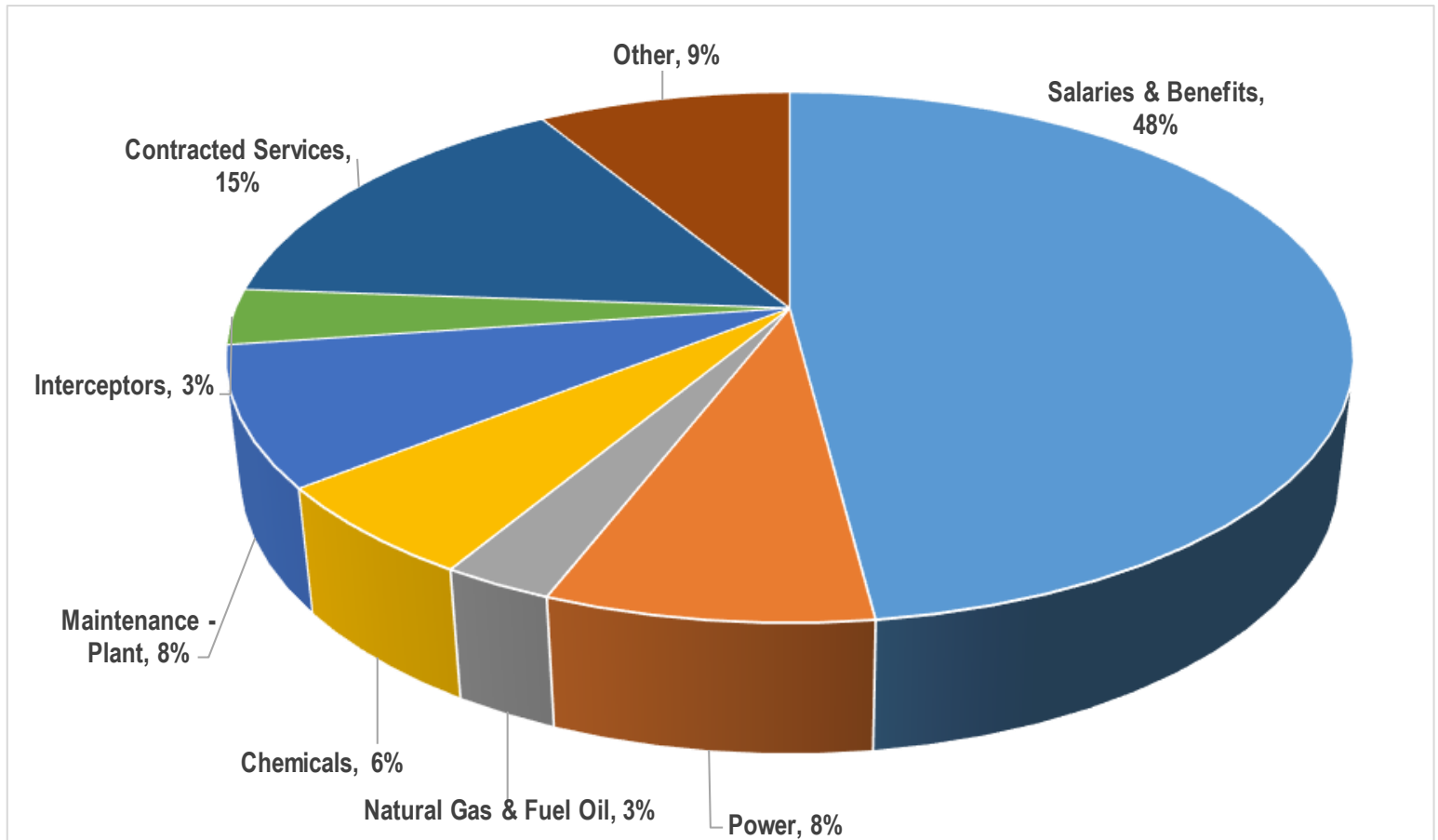


2026 O&M Expenses

Broad Categories	2025 Budget	2026 Budget	% Change
Salaries & Benefits	\$ 13,699,999	\$ 14,296,985	4.4%
Power	\$ 2,444,096	\$ 2,359,388	-3.5%
Natural Gas & Fuel Oil	\$ 719,442	\$ 803,611	11.7%
Chemicals	\$ 1,858,221	\$ 1,700,201	-8.5%
Maintenance - Plant	\$ 2,558,195	\$ 2,522,874	-1.4%
Interceptors	\$ 771,731	\$ 1,016,194	31.7%
Contracted Services *	\$ 4,225,239	\$ 4,518,556	6.9%
Solid Waste Disposal	\$ 384,893	\$ 366,899	-4.7%
Insurance	\$ 564,569	\$ 594,800	5.4%
Information Technology & Admin	\$ 1,585,424	\$ 1,617,983	2.1%
Total O&M Expenses	\$ 28,811,808	\$ 29,797,490	3.4%

* Cost offset by Grants:	\$ 229,007	\$ 207,058	-9.6%
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2026 O&M Expense Distribution



2026 Salaries & Benefits

Salary or Benefit Assumption	Percentage	Note
Health Insurance Premium Increase	10.9%	
WRS Contribution Rate Increase	0.25%	from 6.95% to 7.2%
Market Adjustment to Base Wages	2.5%	Average
Merit Increase	1.8%	Average
Annual step increase for employees in Zone 1		
Considered for employees in Zones 2 & 3		



2026 Contracted Services

Contracted Services Item	2026 Budget	Grant offset
Watershed Management Implementation	\$1,626K	\$207K
Legal Services	\$200K	
South Plant Hydrocyclone Pilot	\$240K	
NR 101 Fees	\$173K	
I/I Reduction Program Implementation	\$120K	



2026 Major Capital Projects

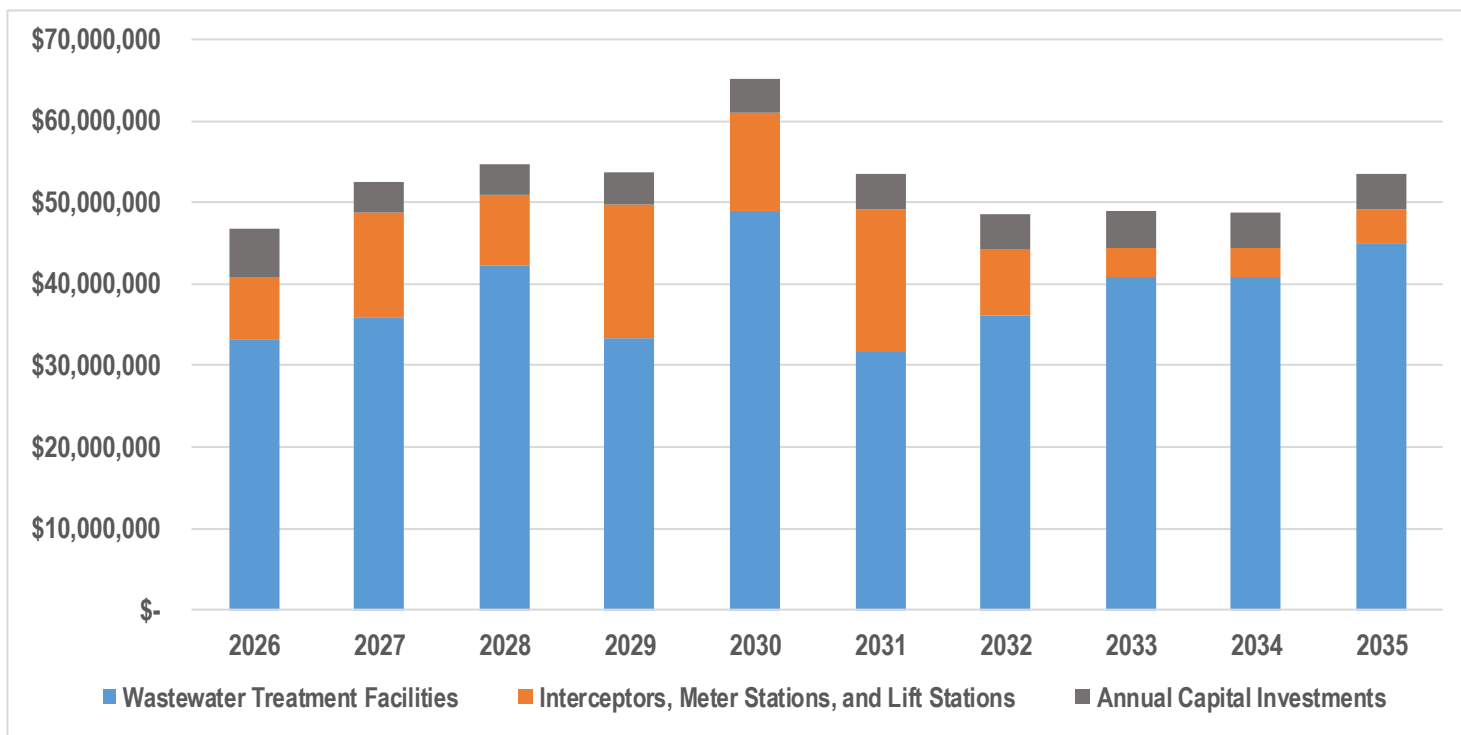
Major Capital Project Description	2026 CIP
GBF Thickening Improvements	\$9.6M
DPF Metro Pumping & Headworks Improvements	\$9.4M
GBF Metro Pumping & Headworks Improvements	\$6.9M
GBF North Plant Clarifier Rehabilitation	\$6.6M
East River Lift Station – Upsizing & Force Main	\$5.6M

2026 Annual Capital

Annual Capital Project Description	2026 Budget
GBF: Hot Oil Economizer Replacement *	\$2.3M
GBF: Administration Building North HVAC Improvements	\$1.1M
Ash Slurry Pipe Replacement	\$1.0M
Heating Loop Improvements	\$0.4M

* \$1.8M offset from Plant Capital Replacement Reserves (PCRR)

Proposed Long-Term Capital Projects





Capital Projects for 2027-2030

Major Capital Project Description	2027-2030 CIP
GBF Metro Pumping & Headworks Improvements Note: does not include \$9M in the 2025-2026 CIP	\$48M
GBF Thickening Improvements Note: does not include \$14M in the 2025-2026 CIP	\$12M
GBF Biosolids Handling & Storage Improvements	\$17M

2026 Revenue

Budget Categories	2025 Budget	2026 Budget	% Change
Municipal User Fees	\$ 45,970,269	\$ 48,845,341	6.3%
Mill User Fees and Direct Charges	\$ 2,963,050	\$ 3,045,886	2.8%
Mill Capital Charges	\$ 2,112,463	\$ 2,370,261	12.2%
Other Revenues	\$ 1,324,346	\$ 1,358,017	2.5%
ICR and Debt Reserve Transfers	\$ 1,218,864	\$ 1,221,069	0.2%
Contribution (TO)/FROM Capital Reserve	\$ -	\$ 1,800,000	0.0%
Total Revenues	\$ 53,588,992	\$ 58,640,574	9.4%

Municipal User Fees are 83% of Total Revenues

Municipal Rate Comparison

Capital Charge included in Parameter Rate (Fully loaded rates)

Parameter	2025 Budget	2026 Budget	% Change
Volume (1,000 gals)	\$ 1.29313	\$ 1.43441	10.9%
Biochemical Oxygen Demand (lbs)	\$ 0.58524	\$ 0.60781	3.9%
Suspended Solids (lbs)	\$ 0.60936	\$ 0.61431	0.8%
Phosphorus (lbs)	\$ 2.69000	\$ 2.91743	8.5%
Total Kjeldahl Nitrogen (lbs)	\$ 1.07094	\$ 1.12288	4.8%

Capital Charge NOT included in Parameter Rate (Billed rates)

Parameter	2025 Budget	2026 Budget	% Change
Volume (1,000 gals)	\$ 0.72877	\$ 0.79888	9.6%
Biochemical Oxygen Demand (lbs)	\$ 0.30578	\$ 0.30679	0.3%
Suspended Solids (lbs)	\$ 0.32944	\$ 0.32120	-2.5%
Phosphorus (lbs)	\$ 1.34133	\$ 1.41356	5.4%
Total Kjeldahl Nitrogen (lbs)	\$ 0.51682	\$ 0.52175	1.0%

Capital Charge	\$ 19,643,411	\$ 23,298,643	18.61%
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Parameter rates billed to customers do not include capital charge; that is billed separately



2026 DRAFT Budget Summary

2026 DRAFT Budget compared to 2025 Budget	Percentage
TOTAL Expenses increased	9.4% *
Capital Expenses increased	16.4%
O&M Expenses increased	3.4%
Municipal User Fees increased	6.3%
Note: A portion of the Interceptor Debt Service was offset through the use of ICR Reserves	
*\$1.8M use of Plant Capital Replacement Reserves to stabilize rates between 5.5%-7%	

Next Steps

- Email to customers regarding draft budget
- All customer meeting on September 17
- One-on-one meetings for customers as requested
- Second budget workshop on *September 24*
- Customer meeting(s)
- Budget hearing and adoption on *December 3*
- Customer notification