



Commission 2027 Draft Budget Workshop

August 26, 2026



2026 Budget Update (through July)

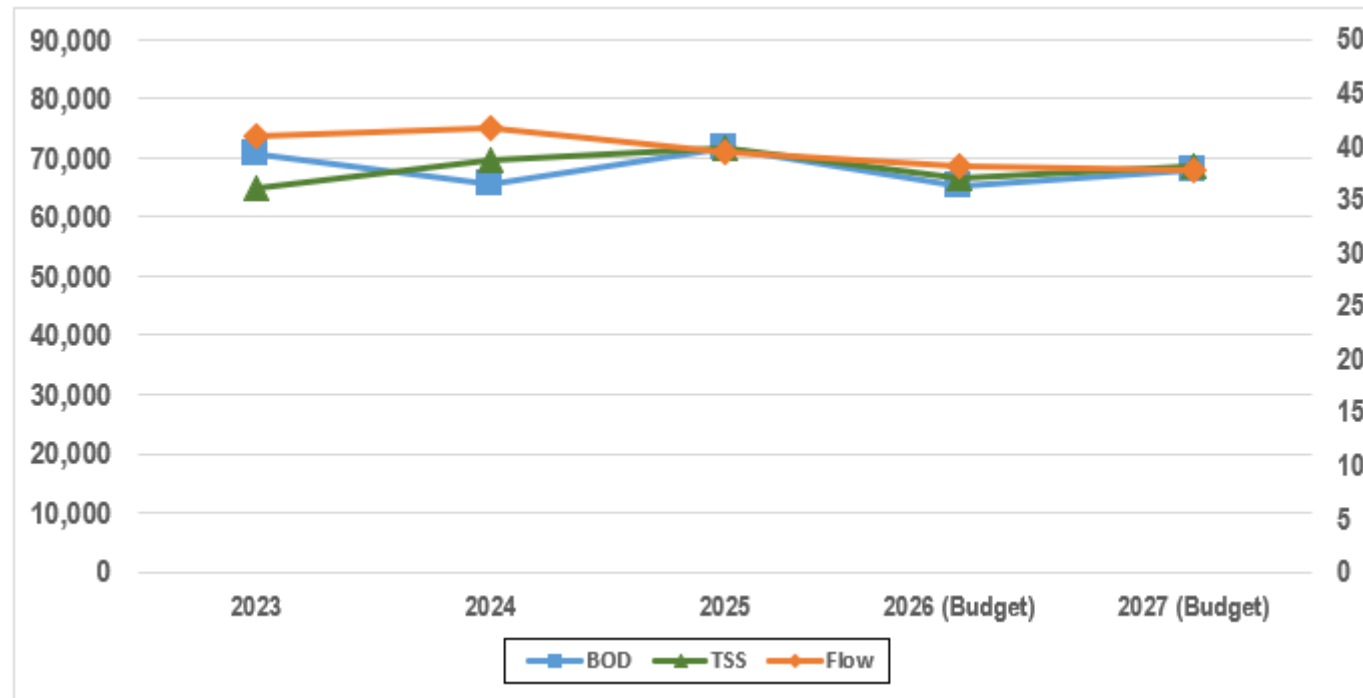
- Overall operating revenue at 105% of budget
- Overall operating expense at 94% of budget
- Expect to finish 2026 slightly ahead of operating revenue and close to budget for operating expense
- Finished 2025 at 102% of operating revenue budget and 97% of operating expense budget



Proposed 2027 Budget

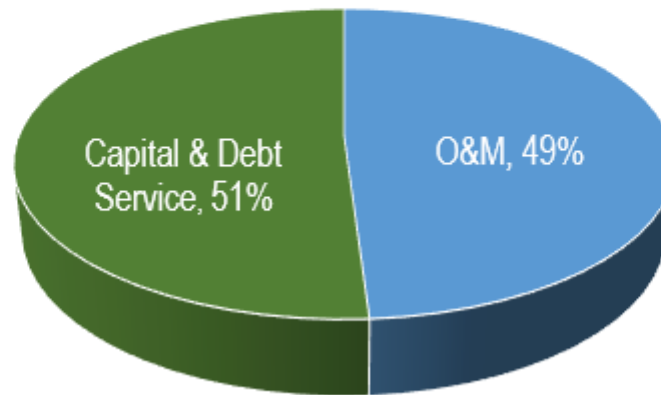


Flows and Loads



2027 Proposed Expenses

Budget Category	2026 Budget	2027 Budget	% Change
Operations & Maintenance (O&M)	\$29,622,802	\$31,033,996	4.8%
Debt Service and Annual Capital	\$27,958,990	\$32,329,536	15.6%
Total Expenses	\$57,581,792	\$63,363,532	10.0%

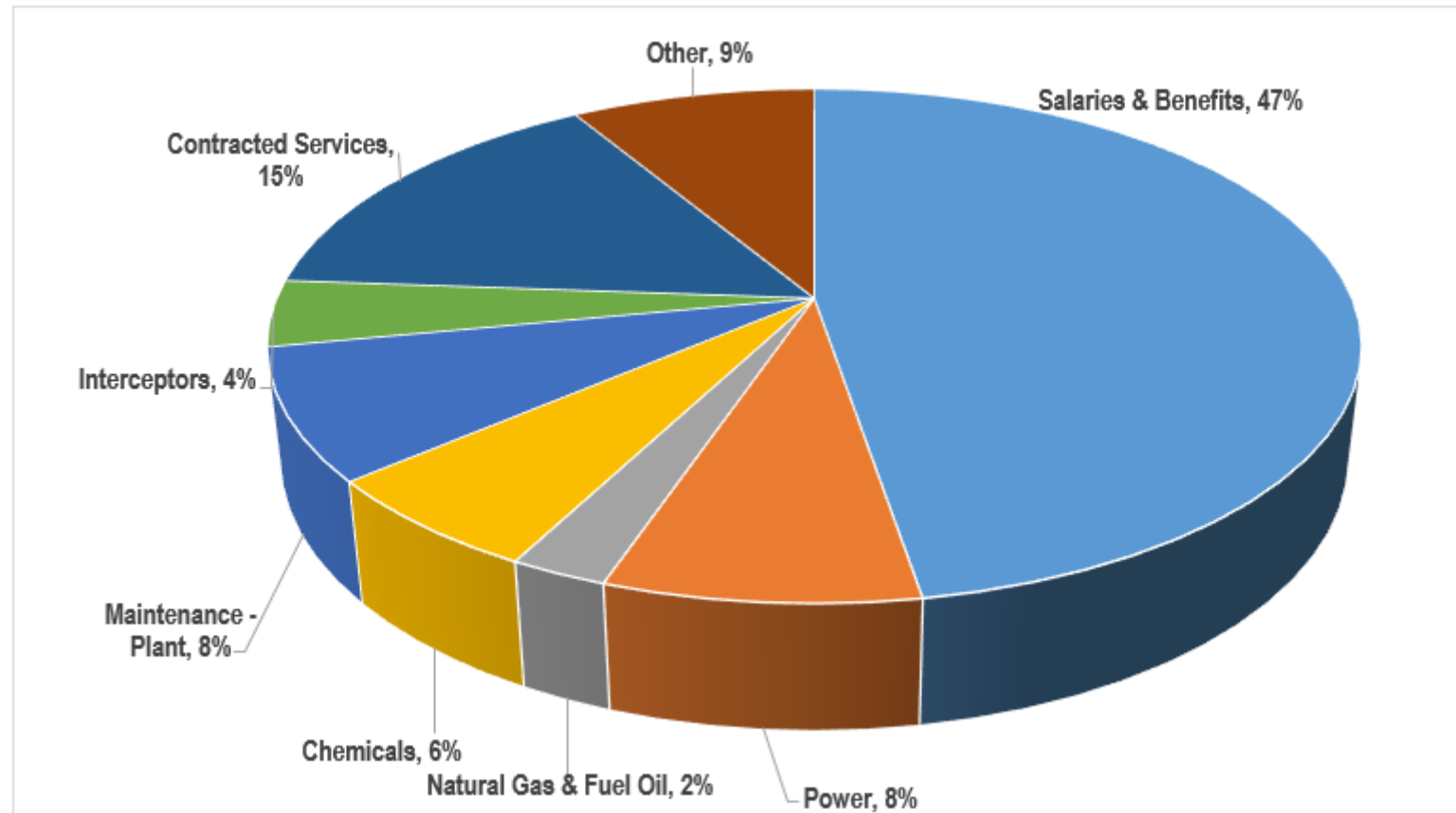


2027 O&M Expenses

Broad Categories	2026 Budget	2027 Budget	% Change
Salaries & Benefits	\$14,203,390	\$14,699,763	3.5%
Power	\$ 2,365,261	\$ 2,442,655	3.3%
Natural Gas & Fuel Oil	\$ 760,035	\$ 761,188	0.2%
Chemicals	\$ 1,712,953	\$ 1,876,831	9.6%
Maintenance - Plant	\$ 2,517,274	\$ 2,553,870	1.5%
Interceptors	\$ 893,044	\$ 1,299,275	45.5%
Contracted Services *	\$ 4,624,996	\$ 4,728,073	2.2%
Solid Waste Disposal	\$ 366,899	\$ 372,012	1.4%
Insurance	\$ 585,800	\$ 614,700	4.9%
Information Technology & Admin	\$ 1,593,151	\$ 1,685,628	5.8%
Total O&M Expenses	\$29,622,802	\$31,033,996	4.8%

* Cost offset by Grants:	\$ 136,058	\$ 126,732	-6.9%
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2027 O&M Expense Distribution



2027 Salaries & Benefits

Salary Assumption	Percentage	Note
Health Insurance Premium Increase	14.9%	
WRS Contribution Rate Increase	0.05%	From 7.2% to 7.25%
Market Adjustment to Base Wages	2.5%	Average
Merit	1.8%	Average
Annual step increase for employees in Zone 1		
Considered for employees in Zones 2 & 3		



2027 Contracted Services

Contracted Service Item*	2027 Budget	Grant Offset
Watershed Management Implementation	\$1,664K	\$127K
Legal Services	\$200K	
NR101 Fees	\$171K	
Generator Service Contact – Overhaul	\$530K	
PFAS/PFOA Testing	\$148K	

*Not a comprehensive listing.



2027 Major Capital Projects

Major Capital Project Description*	2027 CIP
DPF: Metro Pumping & Headworks Improvements	\$7.9M
GBF: Thickening Improvements	\$7.8M
GBF: Metro Pumping & Headworks Improvements	\$6.7M
East River Lift Station – Upsizing & Force Main	\$5.6M

*Not a comprehensive listing.



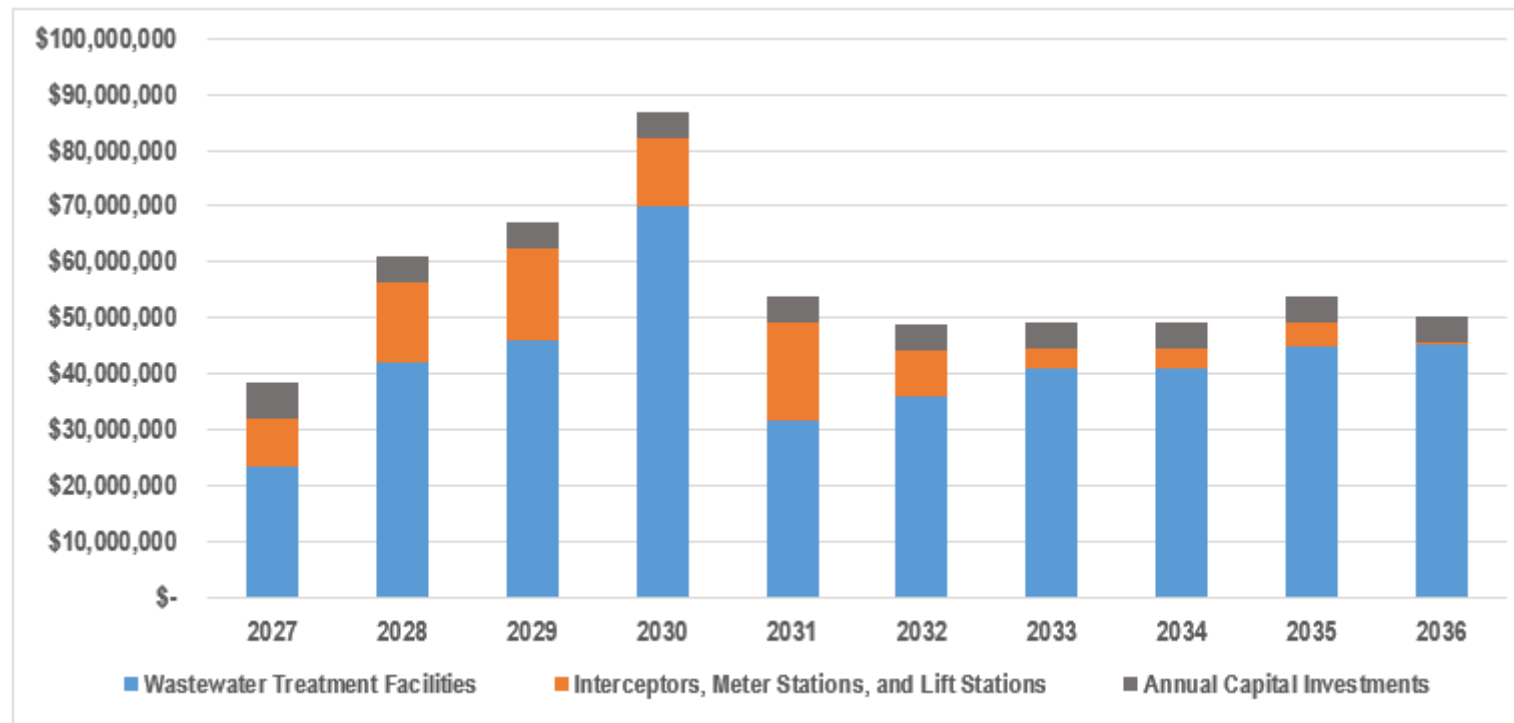
2027 Annual Capital

Annual Capital Project Description*	2027 Budget
GBF: Misc. Pumping and HSW Improvements**	\$2.0M
GBF: Hot Oil Economizer Replacement*	\$1.8M
GBF: Potable & Heating Water Loop Improvements	\$1.0M

*Not a comprehensive listing.

**\$2.7M Offset from Plant Capital Replacement Reserves (PCRR)

Proposed Long-Term Capital Projects





Capital Projects for 2028-2031

Major Capital Project Description*	2028-2031 CIP
GBF: Pumping & Headworks Improvements	\$69.2M
GBF: Disinfection	\$51.7M
Quincy Street Interceptor Improvements	\$12.0M
West Fox River Interceptor Relay and Rehabilitation	\$11.4M
GBF: Biosolids Handling and Storage Improvements	\$11.1M
DPF: Final Clarifiers & RAS Improvements	\$10.5M

*Not a comprehensive listing.

2027 Revenue

Budget Categories	2026 Budget	2027 Budget	% Change
Municipal User Fees	\$48,995,574	\$52,351,405	6.8%
Mill User Fees and Direct Charges	\$ 3,060,228	\$ 3,111,246	1.7%
Mill Capital Charges	\$ 2,417,903	\$ 2,518,926	4.2%
Other Revenues	\$ 1,287,017	\$ 1,480,130	15.0%
ICR and Debt Reserve Transfers	\$ 1,221,069	\$ 1,201,825	-1.6%
Contribution (TO)/FROM Capital Res	\$ 600,000	\$ 2,700,000	350.0%
Total Revenues	\$57,581,792	\$63,363,532	10.0%

Municipal User Fees are 83% of Total Revenues

Municipal Rate Comparison

Capital Charge included in Parameter Rate (Fully loaded rates)

Parameter	2026 Budget	2027 Budget	% Change
Volume (1,000 gals)	\$ 1.44635	\$ 1.57979	9.2%
Biochemical Oxygen Demand (lbs)	\$ 0.61064	\$ 0.61991	1.5%
Suspended Solids (lbs)	\$ 0.61737	\$ 0.63482	2.8%
Phosphorus (lbs)	\$ 2.93279	\$ 3.15053	7.4%
Total Kjeldahl Nitrogen (lbs)	\$ 1.13171	\$ 1.16919	3.3%

Capital Charge NOT included in Parameter Rate (Billed rates)

Parameter	2026 Budget	2027 Budget	% Change
Volume (1,000 gals)	\$ 0.79624	\$ 0.87112	9.4%
Biochemical Oxygen Demand (lbs)	\$ 0.30662	\$ 0.30293	-1.2%
Suspended Solids (lbs)	\$ 0.32105	\$ 0.32204	0.3%
Phosphorus (lbs)	\$ 1.41383	\$ 1.46650	3.7%
Total Kjeldahl Nitrogen (lbs)	\$ 0.52316	\$ 0.52388	0.1%

Capital Charge	\$ 21,292,745	\$ 25,623,949	20.34%
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Parameter rates billed to customers do not include capital charge; that is billed separately



2027 DRAFT Budget Summary

2027 DRAFT Budget Compared to 2026 Budget	Percentage
TOTAL Expenses Increased	10.0%*
Capital Expenses Increased	15.6%
O&M Expenses Increased	4.8%
Municipal User Fees Increased	6.8%
Note: A portion of the Interceptor Debt Service was offset through the use of ICR Reserves.	
*\$2.7M use of Plant Capital Replacement Reserves to stabilize rates between 5.5%-7%	



Next Steps

- Email to customers explaining rates
- All customer meeting on September 17
- One-on-One meetings for customers not able to attend the all customer meeting
- Second budget workshop on September 23
- Customer meeting(s)
- Budget hearing and adoption on December 2
- Customer notification