

LA CROSSE UTILITIES JUNE 2026 QUARTERLY REPORT

Presented by: Tina Erickson, Utilities Finance & Compliance Manager

- Year Ending December 31, 2025 Financial Review
- Strategic Challenge Overview – Utility Workforce Needs

WATER UTILITY YE 2025 FINANCIAL & OPERATIONAL SUMMARY



2025 operating revenues totaled \$6.3M, compared to \$6.4M in 2024 (a decrease of 1.57%), primarily driven by a 5% reduction in water consumption. There was no water rate increase in 2025.

Operating expenses were \$6.4M in 2025, up from \$5.8M in 2024. This includes \$1.2M paid to the City of La Crosse for taxes, city services and rent. Total expenses increased 11% over the prior year, with the largest cost drivers being:

- A 327% increase in well maintenance expenses
- A 28% increase in Administrative & General expenses, driven by higher personnel costs, city service charges, natural gas, electricity, telephone, and outside consulting services

Water production totaled 3.1B gallons, consistent with 2024 levels.

WATER UTILITY YE 2025 INCOME STATEMENT SUMMARY



ITEM	AMOUNT
TOTAL REVENUE (OPERATING & NON-OPERATING)	\$6,598,132
OPERATING EXPENSES	\$6,448,940
NON-OPERATING EXPENSES/OTHER INCOME DEDUCTIONS	\$231,137
NET INCOME	\$ (81,945)*

CAPITAL INVESTMENT EXPENSES IN 2025			
CAPITAL IMPROVEMENTS	\$2,919,769	CAPITAL EQUIPMENT	\$141,563

*Because net income reflects non-cash expenses (e.g., depreciation), working capital and liquidity stay strong enough to cover all current obligations while the PSC rate review is underway.

WATER UTILITY YE 2025 BALANCE SHEET SUMMARY



ITEM	AMOUNT
TOTAL ASSETS	\$46,216,975
TOTAL LIABILITIES	\$4,056,694
NET POSITION (TOTAL EQUITY)	\$42,160,281

KEY METRICS YEAR END 2025			
CASH ON HAND	\$2,984,314	DAYS CASH ON HAND (Min 120)	175
OUTSTANDING DEBT	\$215,545	DEBT SERVICE RATIO (Min 1.2)	14.20

WATER UTILITY OPERATIONAL HIGHLIGHTS



1. Replaced 139 water laterals with lead goosenecks as we work toward full elimination to meet EPA requirements.

2. Collected 857 water quality samples, with 99.18% passing EPA and DNR thresholds.

3. Responded to 14 watermain breaks, twice last year's total, while keeping average repair time to 1.4 days, minimizing customer disruption.

- 1,199 Cross Connection Control inspections completed
- 38 hydrants repaired
- 29 Valves repaired

WASTEWATER UTILITY YE 2025 FINANCIAL & OPERATIONAL SUMMARY

Operating revenues reached \$16.6 million in 2025, a 7% increase from 2024's \$15.5 million. Retail sales were down roughly 5%, even with a 3% rate increase, reflecting lower sewer consumption. A significant boost in non-operating income—up 226%, resulted from a one-time \$1.4 million payment from the Inflation Reduction Act due to the improvements in clean energy processes in the WWTP upgrade.

Operating expenses rose to \$12 million in 2025, up from \$9.5 million the prior year. This total includes \$362,480 paid to the City of La Crosse for city services and rent. Although efficiencies were realized following substantial completion of the WWTP upgrades, total expenses still increased 27%. Key contributors to the increase were expanded equipment maintenance needs, higher chemical and lab costs associated with meeting stricter phosphorus limits, and an 82% rise in sewer collection expenses primarily due to contracted cleaning and televising of sewer mains.



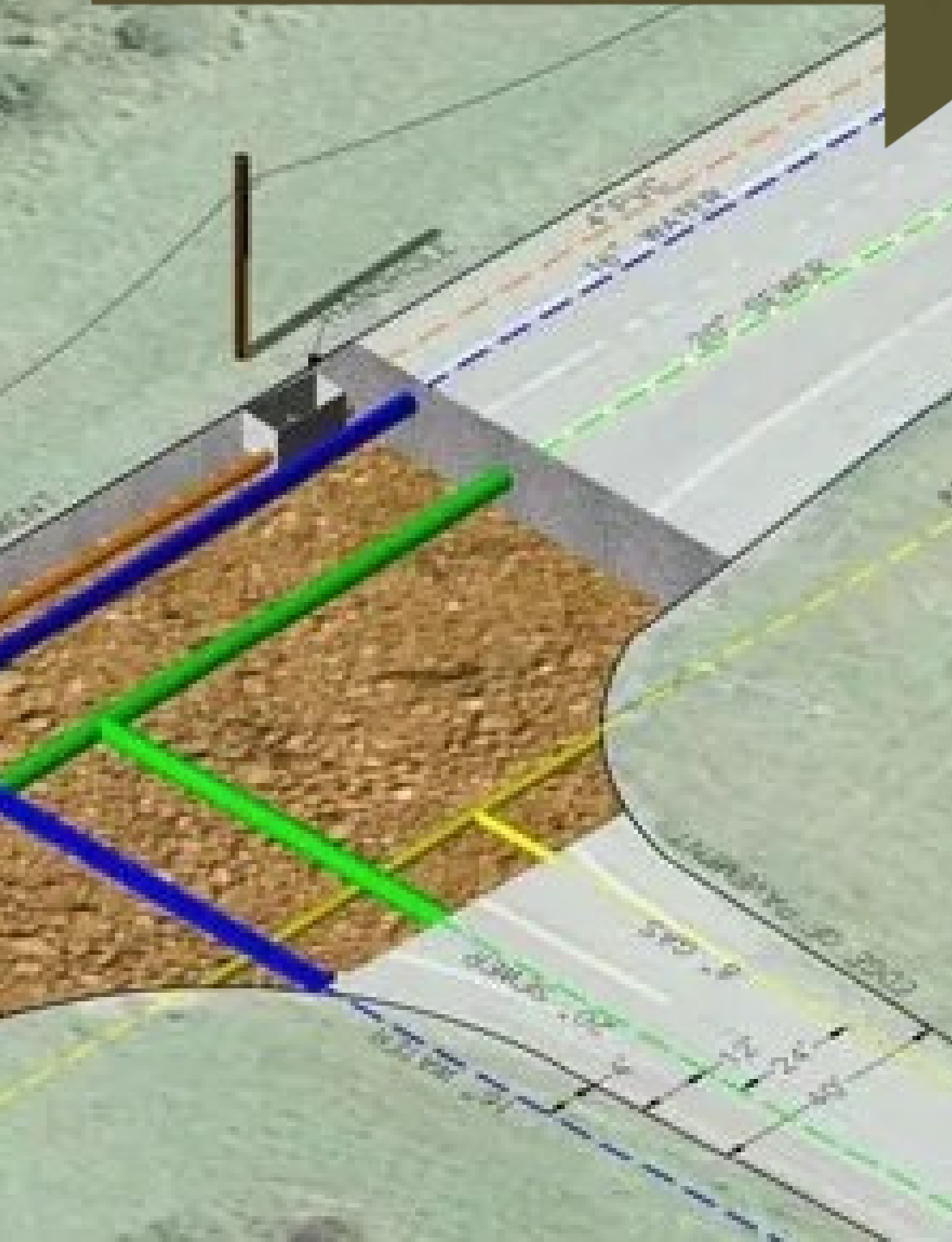
WASTEWATER UTILITY YE 2025 INCOME STATEMENT SUMMARY



ITEM	AMOUNT
TOTAL REVENUE (OPERATING & NON-OPERATING)	\$16,614,850
OPERATING EXPENSES	\$9,751,645
NON-OPERATING EXPENSES/OTHER INCOME DEDUCTIONS	\$2,345,365
NET INCOME	\$4,517,840

CAPITAL INVESTMENT EXPENSES IN 2025			
CAPITAL IMPROVEMENTS	\$7,134,966	CAPITAL EQUIPMENT	\$141,563

WASTEWATER UTILITY YE 2025 BALANCE SHEET SUMMARY



ITEM	AMOUNT
TOTAL ASSETS	\$126,446,493
TOTAL LIABILITIES	\$65,213,613
NET POSITION (TOTAL EQUITY)	\$61,232,880

KEY METRICS YEAR END 2025			
CASH ON HAND	\$3,909,970	DAYS CASH ON HAND (Min 120)	118
OUTSTANDING DEBT	\$59,070,681	DEBT SERVICE RATIO (Min 1.2)	2.26

SEWER UTILITY OPERATIONAL HIGHLIGHTS




1. Achieved effluent phosphorus compliance at .10 mg/L through disk filter treatment as part of the WWTP upgrades.

2. Operated the methane-fueled CoGen engine to generate electricity for the WWTP while producing hot water for other plant processes.

3. Introduced Electric Vehicles into the WWTP Fleet to improve efficiency on the plant campus and at 33 pump stations in the community.

- 3,191 metric tons of biosolids produced
- 1,675 manholes inspected
- 24 miles of sewer main televised



STORMWATER UTILITY YE 2025 FINANCIAL & OPERATIONAL SUMMARY

Operating revenues for 2025 totaled \$3.8 million, up from \$2.4 million in 2024—an increase of 59.4%. This growth was primarily driven by a 5% increase in billable ERUs and the implementation of a multi-step rate increase during 2025.

Operating expenses were \$2.8 million in 2025, compared to \$1.9 million in 2024. This includes \$139,000 paid to the City of La Crosse for city services and rent. Total expenses increased 45% year-over-year, with the largest cost drivers being the transfer of street sweeping costs previously funded by the general fund; higher diesel and gas prices; increased city service charges; greater use of outside consulting services; contracted cleaning and televising of storm mains; and a 54% increase in concrete work due to additional corner replacements required to meet ADA standards.

STORMWATER UTILITY YE 2025 INCOME STATEMENT SUMMARY

ITEM	AMOUNT
TOTAL REVENUE (OPERATING & NON-OPERATING)	\$3,815,942
OPERATING EXPENSES	\$2,253,541
NON-OPERATING EXPENSES/OTHER INCOME DEDUCTIONS	\$513,532
NET INCOME	\$1,048,869

CAPITAL INVESTMENT EXPENSES IN 2025			
CAPITAL IMPROVEMENTS	\$1,030,679	CAPITAL EQUIPMENT	\$522,224

STORMWATER UTILITY YE 2025 BALANCE SHEET SUMMARY



ITEM	AMOUNT
TOTAL ASSETS	\$26,221,458
TOTAL LIABILITIES	\$512,163
NET POSITION (TOTAL EQUITY)	\$25,709,295

KEY METRICS YEAR END 2025			
CASH ON HAND	\$(717,520)*	DAYS CASH ON HAND (Min 45)	-95
OUTSTANDING DEBT	\$0.00	DEBT SERVICE RATIO (Min 1.2)	N/A

*The utility's cash balance is negative at year-end due to cash-flow timing. The rate increase implemented mid-years is performing as expected and adequate liquidity and operational reserves will be restored in the upcoming fiscal year.

STORMWATER OPERATIONAL HIGHLIGHTS



1. Completed 8 illicit discharge investigations, followed by direct education and outreach, which can lead to Notices of Violation or corrective actions.

2. Began funding all street-sweeping activities and equipment; collected 5,382 tons of material resulting in reduced pollutant runoff, protecting local waterways.

3. Collaborated with La Crosse Area Waters and Park & Rec Department to enhance stormwater education & outreach efforts.

- 391 BMP's inspected
- 173 Storm outfalls inspected
- 458 catch basins cleaned

WORKFORCE NEEDS

"Workforce development and retention have become strategic priorities."

A strong, skilled workforce is essential to delivering safe, reliable utility services. Yet utilities nationwide face mounting challenges:

RETIREMENTS

Increasing wave of experienced staff leaving the field

TALENT GAP

Competition for technical talent from private sector

PIPELINE

Limited new workers entering utility careers

What We Must Do: Invest in competitive compensation, build training pipelines with local trade programs, develop succession plans for critical roles, and advocate for the recognition utilities deserve as essential public safety infrastructure.

The following pages illustrate why our workforce – often unseen – is indispensable to this community.



THE HIDDEN BACKBONE OF PUBLIC SAFETY

Workforce Development: The Foundation of Reliable Utility Service

"Treating workforce development as strategic infrastructure – not as a discretionary expense – will pay dividends in reliability, fiscal stewardship, and public safety."

Cavalli, Peter. AWWA Opflow, May 2026, p. 6.

Public Utilities are the operating backbone of modern communities. Clean water, reliable wastewater treatment, functioning stormwater systems, and the crews who maintain this infrastructure need to be developed, maintained, and managed. These services are essential to public safety, public health, and economic development.

"The modern municipal utility doesn't have an "off" switch. This means being available 24 hours a day, 365 days a year – whether it is a blizzard or thunderstorm, the commitment remains the same: the water must flow."

Czarnecki, Curt, P.E. The Municipality, April 2026, p. 9.

The water and wastewater professionals of our state are environmental guardians, public health officers, and emergency responders rolled into one. Beneath the pavement and behind the gates of treatment plants, dedicated employees work in near-total anonymity.



PUBLIC WORKS: THE UNSEEN FIRST RESPONDERS

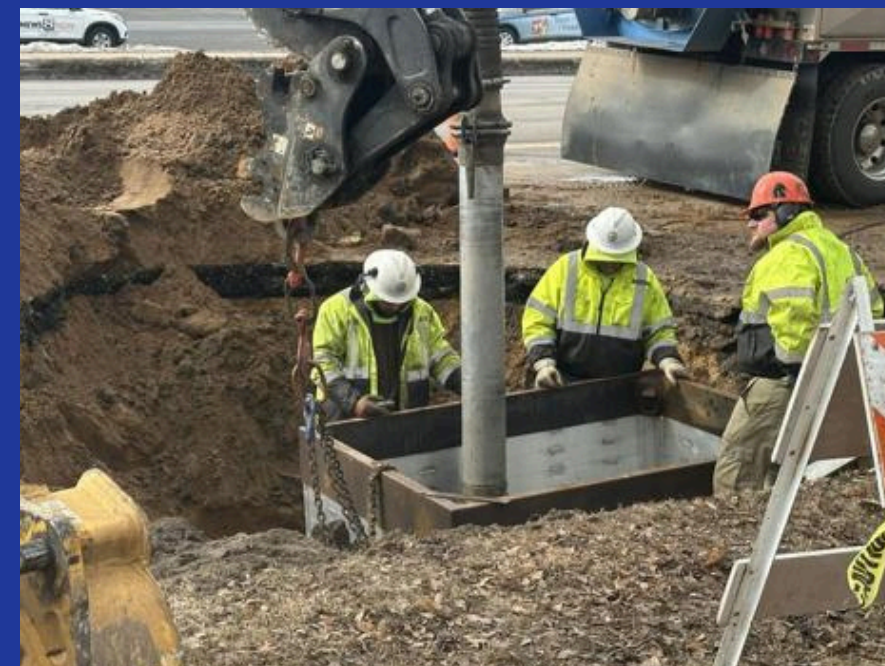
"Available 24 hours a day, 365 days a year. Whether in the evening, holiday, weekend, or the middle of a blizzard – the commitment remains the same."

While often overlooked, their role is undeniable:

Water, Wastewater, Stormwater, and Street Department crews respond to emergencies around the clock – protecting public health, restoring services, and keeping communities safe when it matters most.

Czarnecki, Curt, P.E. The Municipality, April 2026, p. 9.

Public works professionals work long hours, often behind the scenes, sacrificing personal time and comfort so others remain safe.



FROM FLOODS TO BREAKS TO STORMS: UTILITIES ARE FIRST TO RESPOND

"Emergency Management is not separate from public works; it is woven into everything we do."

Long before an incident occurs, public works professionals are planning, training, inspecting, maintaining assets, and strengthening essential systems. When an emergency happens, they shift seamlessly into response – clearing roads, restoring water and wastewater services, managing debris, and supporting partner agencies.

Long after the headlines fade, public works remains to repair infrastructure, rebuild systems, and help communities recover and adapt.

Bianes, Vic, P.E. "Public Works at the Heart of Emergency Management" APWA Reporter, June 2026, p. 2



Stormwater utility monitoring flooding at Ebner Coulee Drainage Ditch, 2017

INFRASTRUCTURE RESPONDERS: WHERE PUBLIC WORKS MEETS PUBLIC SAFETY

"Public works agencies are the backbone of community resilience... expected to stand at the center of emergency preparedness, response, and recovery."

They maintain roads, water systems, utilities, and the critical infrastructure people depend on every day. Whether coordinating under an Incident Command System activation, executing mutual aid agreements with neighboring jurisdictions, or carrying out disaster mitigation planning to reduce future risk, the scope of the mission is enormous.

Juvarre, APWA Reporter, June 2026

Our community depends on these professionals every day. Support from our local leaders and the community is imperative to ensure we can continue to provide day-to-day and emergency responses as needed.



Sinkhole near Myrick Park along Marsh, 2017



Sinkhole near Gould & Avon, 2013

A large steel truss bridge spans across a body of water at sunset. The sky is a mix of purple, orange, and blue. The bridge's lights are on, and its reflection is visible in the water. The text 'THANK YOU' is centered in the lower half of the image. There are blue decorative elements: diagonal stripes in the top-left and bottom-right corners, and concentric curved lines on the left and right sides.

THANK YOU

REFERENCES & RESOURCES

Links here or uploaded to Legistar

- “City and County Leaders Should Prioritize Utility Workforce Development.” AWWA Opflow, May 2026, p. 6
 - Uploaded to Legistar
- “The Quiet Guardians: Why Wisconsin’s Water Professionals are Unsung Heroes, The Municipality, April 2026, p. 9
 - <https://online.flippingbook.com/view/674957573/10/>
- “Operators Need to Know Water Treatment as Public Health”, AWWA Opflow, May 2026, p. 16
 - Uploaded to Legistar
- “Rooted in Service, Public Works at the Heart of Emergency Management, APWA Reporter, June 2026, p.4
 - <https://apwa.partica.online/reporter/june-2026/inside-apwa/presidents-message>
- “Preparedness, Resilience, and Workforce Readiness, APWA Reporter, June 2026, p. 11
 - <https://apwa.partica.online/reporter/june-2026/inside-apwa/technical-committee-news>
- “Very First Responders Need Very Good Data”, APWA Reporter, June 2026, p. 19
 - <https://apwa.partica.online/reporter/june-2026/regulars/asset-management>
- “Recognizing Public Works Professionals as First Responders”, APWA
 - Flyer uploaded to Legistar
 - Additional information found at <https://www.apwa.org/resources/public-works-first-responders/>