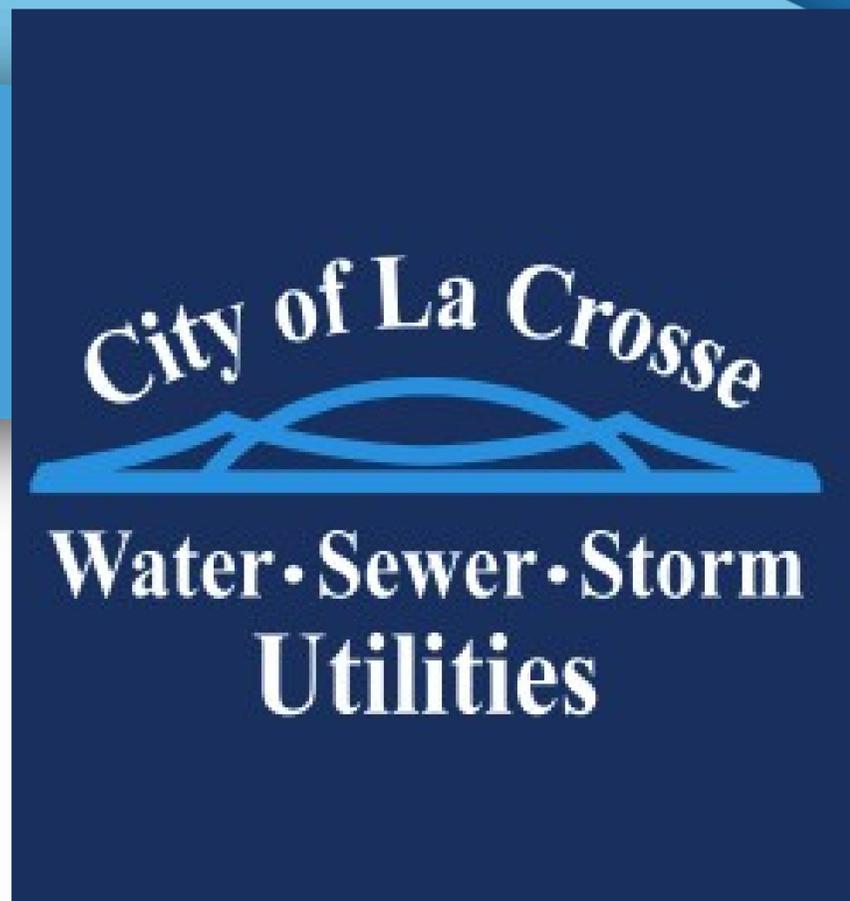


LA CROSSE UTILITIES BUSINESS OFFICE

Water, Sewer & Stormwater
Performance, Operational and
Financial Review
March 2026



Tina Erickson, Utilities Finance & Compliance Manager

WATER, SEWER, AND STORM WATER UTILITY HISTORY

**Pre-
1997**

THERE WAS ONLY A WATER UTILITY PRIOR TO 1997. ALL SEWER AND STORMWATER FUNCTIONS WERE PAID THROUGH PROPERTY TAXES.

1997

THE SEWER UTILITY WAS CREATED IN 1997 AND THE COST TO OPERATE WAS REMOVED FROM THE PROPERTY TAX ROLL. NOW ALL USERS PAID FOR SERVICE.

2012

THE STORMWATER UTILITY WAS CREATED IN 2012. INITIALLY, ALL CAPITAL EXPENDITURES WERE STILL SHARED EQUALLY BETWEEN THE CITY AND UTILITY. IN 2022, THE UTILITY BEGAN FUNDING 100% OF CAPITAL PROJECTS.

WATER UTILITY INFRASTRUCTURE

DISTRIBUTION SYSTEM

222 MILES OF WATER MAIN

- sizes 2" to 24"
- oldest main installed in 1890

3,174 DISTRIBUTION VALVES

- all turned every 3 years

2,009 FIRE HYDRANTS

- all flushed 2x per year

16,866 WATER SERVICE LATERALS

- sizes 3/4" to 10"

16,446 WATER METERS

WATER SUPPLY FACILITIES

2 RESERVOIRS

- (1) 5 mil gal built in 1913
- (1) 150,000 gal built in 2011

1 BOOSTER PUMP

10 WATER SUPPLY WELLS

- 94 feet to 162 feet deep
- maximum of 34.7 million gallons per day available pumpage

Approximate 2024 Assets Value = \$61,014,977

SEWER UTILITY INFRASTRUCTURE

COLLECTION SYSTEM

198 MILES OF SEWER MAIN

- sizes 8" to a 52" x 78" elliptical pipe
- oldest main installed in 1882

3,722 SEWER MANHOLES

27 SANITARY LIFT STATIONS

- used to move wastewater from lower to higher elevations when gravity is not available

44 SEWER ONLY METERS

- Mostly in industrial and commercial facilities

WASTEWATER TREATMENT FACILITIES

- Avg of 9.5 gallons of wastewater is treated each day
- The process takes about 24 to 36 hours to convert sewage into clean water that can be safely returned to the environment
- This process is complex, and includes steps like screening and settling out solids, biological treatments and disinfection
- All solids are processed into biosolids are disposed of via land application or other approved methods

Approximate 2024 Assets Value = \$126,200,000

STORMWATER UTILITY INFRASTRUCTURE

153 MILES OF STORM MAIN

- sizes 8" to a 10" x 12" box pipe
- oldest main installed in 1936

3,321 STORM MANHOLES

- vertical underground access points to storm mains

7 STORMWATER LIFT STATIONS

- used to move excess rain water from lower to higher elevations when gravity is not available

6,499 CATCH BASINS

- grated underground drainage structure designed to collect storm-water runoff from streets and parking lots while trapping debris, sediment, and pollutants

320 STORM OUTFALLS

- Where stormwater runoff is discharged to a local body of water

Bioretention cells and other Best Management Practices (BMP's) are also in place to help control runoff and improve water quality

Approximate 2024 Assets Value = \$126,200,000

WATER, SEWER AND STORMWATER UTILITY STRATEGIC CHALLENGES

AGING AND INADEQUATE INFRASTRUCTURE

Many components of the water, sewer, and stormwater systems were constructed decades ago and are nearing the end of their lifespan. It is crucial to engage in proactive replacement and rehabilitation to avoid failures, ensure reliability, and safeguard water quality. The stormwater system was built without consideration for needs.



Goal: Replace 1% of mains annually (100-year cycle)

Statistic	Water	Sewer	Storm
Miles to replace to meet 1% per year goal	2.10	1.90	1.30
Avg miles of main replaced last 5 years	1.37	1.44	1.77
% of Mains over 100 years old	30%	22%	0%
% of Mains over 80 years old	43%	32%	10%

- Average cost of 1 mile of 8" cast iron main in 1924 was \$12,000 to \$16,000
- Average cost of 1 mile of 8" cast iron main in 2024 was between \$1.3 and \$1.5 million

WATER, SEWER AND STORMWATER UTILITY STRATEGIC CHALLENGES

REGULATORY REQUIREMENTS

New regulations for PFAS, Nitrates, and other emerging contaminants require additional monitoring, treatment planning, and infrastructure investment to ensure continued delivery of safe, compliant drinking water and wastewater.



- **Regulators are continually improving drinking water and wastewater treatment standards in light of advancing scientific research.**
- **New contaminants such as PFAS and updated water quality regulations require utilities to expand their testing, evaluate treatment solutions, and, in certain cases, construct new facilities. These investments are vital to maintaining the safety and compliance of our water supply.**

WATER, SEWER AND STORMWATER UTILITY STRATEGIC CHALLENGES

WORKFORCE DEVELOPMENT & RETENTION

Recruiting, training, and retaining skilled operators and technical staff is essential for the safe operation of complex distribution, collection, and treatment systems, as well as for ensuring regulatory compliance.



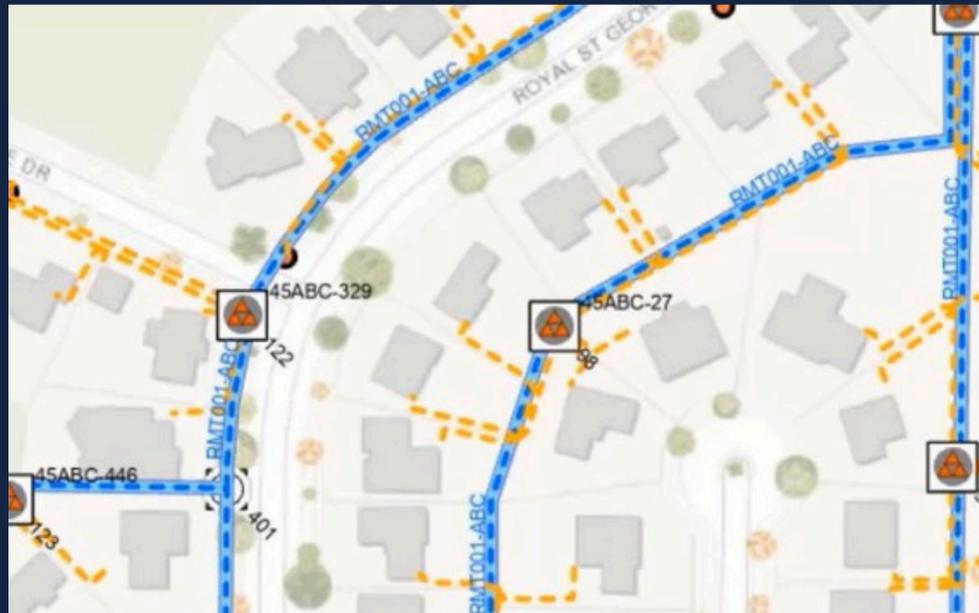
The three utilities currently employ around 64 full-time equivalents.

- **Managing water, sewer, and stormwater utilities requires licensed professionals equipped with specialized technical knowledge and skills.**
- **The certification standards are quite stringent.**
- **We are dedicated to investing in training and workforce development to ensure we maintain the expertise necessary for the safe and reliable operation of our systems.**
- **Retaining qualified staff is a key component of workforce development, which can be accomplished through competitive compensation, opportunities for career advancement, and a supportive work environment.**

WATER, SEWER AND STORM STRATEGIC CHALLENGES

TECHNOLOGY INTEGRATION

Investments in SCADA (Supervisory Control and Data Acquisition), GIS (Geographic Information Systems), and cybersecurity enhance system monitoring, asset management, operational efficiency, and the safeguarding of critical infrastructure.



- Technology is crucial for the effective management of today's water, sewer, and stormwater systems.
- SCADA upgrades enable operations to monitor wells, pumps, and treatment facilities in real-time.
- GIS systems assist us in mapping and tracking infrastructure, planning replacements, and responding to emergencies more efficiently.

WATER, SEWER AND STORMWATER UTILITY STRATEGIC CHALLENGES

CUSTOMER SERVICE, PUBLIC EDUCATION AND FINANCIAL STEWARDSHIP

Utilities throughout the United States are presently navigating a “perfect storm” of challenges. They must balance the urgent need for critical infrastructure upgrades with the need to maintain affordable customer rates. This situation calls for enhanced community engagement and proactive communication with customers to foster trust through value and reliability.



- The increasing costs associated with infrastructure repairs and regulatory compliance are necessitating rate hikes that exceed the growth of household incomes.
- Escalating bills have a disproportionate effect on low-income families and senior citizens.
- It is crucial we find ways to build trust, as many of us tend to take these essential, often invisible, services for granted until an issue arises.

WATER SYSTEM INTERESTING FACTS

NO WATER TREATMENT PLANT

Right now, La Crosse draws water directly from the aquifer and adds only minimal treatment at the well. With new contaminant regulations coming, a full treatment facility is being planned.

NO WATER TOWER

La Crosse is nestled between bluffs and the river, creating a distinctive environment. This unique landscape allowed us to construct a reservoir within the bluff, eliminating the need for a water tower.

NATURAL WATER PRESSURE

Due to the height of the reservoir on the bluff, it generates sufficient pressure throughout the system, reducing the necessity for booster pumps.

WATER SYSTEM PUMPING & WATER QUALITY STATISTICS 2024

WELL PUMPING AND WATER TREATMENT OVERVIEW

- **20,651 hours of pumping**
- **3.119 billion gallons of water pumped**
- **27,300 pounds of chlorine used**
- **7,920 gallons of fluoride used**
- **\$317,626 in electricity costs for pumping**

WATER QUALITY OVERVIEW

- **837 water samples tested**
- **2,009 fire hydrants flushed**
- **1,223 cross connection control inspections completed between contractor HydroCorp and Utility Staff**

**Pumping & Water Quality Staffing Consist of
6.5 Full-time equivalent employees**

WATER SYSTEM PUMPING & WATER QUALITY STATISTICS 2024

DISTRIBUTION OVERVIEW

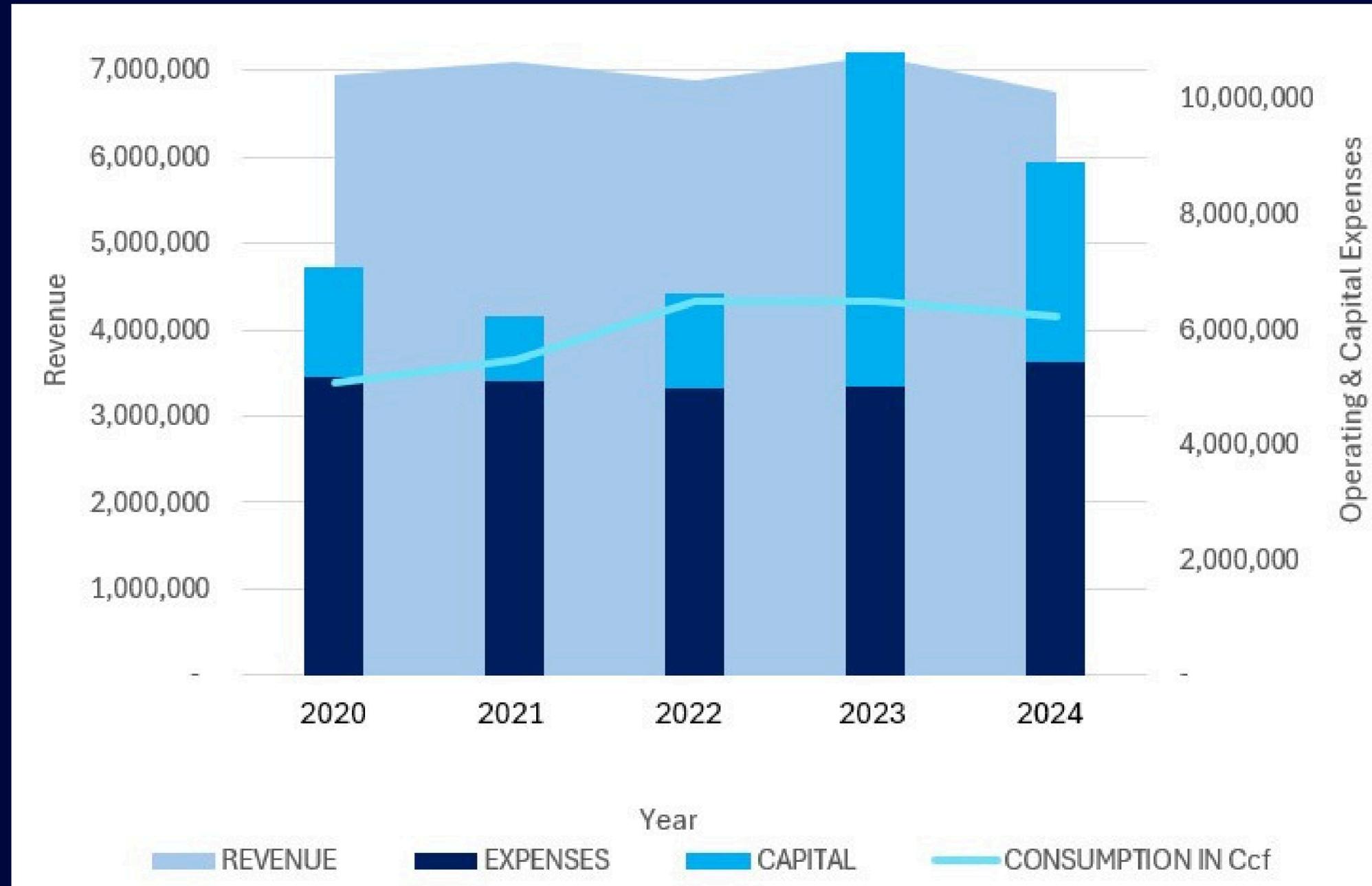
- **7 water main breaks**
- **33 water valves repaired**
- **11 water valves removed/replaced**
- **18 fire hydrants repaired**
- **1,212 water valves operated/exercised**

WATER SERVICE LATERAL OVERVIEW

- **73 water services repaired**
- **195 water services removed**
- **248 water services installed**
- **1,402 hours of staff time responding to after hours call outs or emergencies for both distribution and water supply.**

**Distribution Staffing Consist of
15.25 Full-time equivalent employees**

WATER UTILITY 5-YEAR FINANCIAL SUMMARY



- **Capital expenditures began increasing in 2023 to meet investment goals to replace aging infrastructure.**
- **Water rates unchanged since 2019; revenues down due to 17.5% drop in consumption since 2021.**
- **Expenses stable but vary annually due to factors like testing, repairs, and maintenance.**

SEWER SYSTEM INTERESTING FACTS

ONCE A COMBINED SEWER/STORM SYSTEM

La Crosse's original sewer infrastructure was constructed as a combined system, meaning stormwater runoff and sanitary wastewater were conveyed together before later separation projects were completed.

REGIONAL TREATMENT FACILITY

The La Crosse Wastewater Treatment Plant serves as a regional treatment facility, providing wastewater treatment services for the City of La Crosse and four surrounding municipalities.

SEWER UTILITY PAYS FOR 50% OF WATER METER EXPENSES

Water utility meters measure the incoming water supply, typically directed to the sanitary sewer. The water utility covers all meter expenses, with the sewer utility reimbursing 50% at year's end.

SEWER SYSTEM STATISTICS 2024

PRE-TREATMENT & TREATMENT OVERVIEW

- **11 permitted industries**
- **11 industrial inspections**
- **41 industrial samples taken/tested**
- **9.5 million gallons per day of influent treatment**
- **4,394,470 gallons of septic, holding tank & grease trap waste received**

BIOSOLIDS REVIEW

- **2,396 metric tons of biosolids produced**
- **1,810 metric tons of biosolids land applied**
 - **On 1,123 acres of land**
- **48 metric tons of biosolids landfilled**
- **11 metric tons disposed of by other methods**

**Wastewater Treatment Staffing consist of
16.6 Full-time equivalent employees**

SEWER SYSTEM STATISTICS

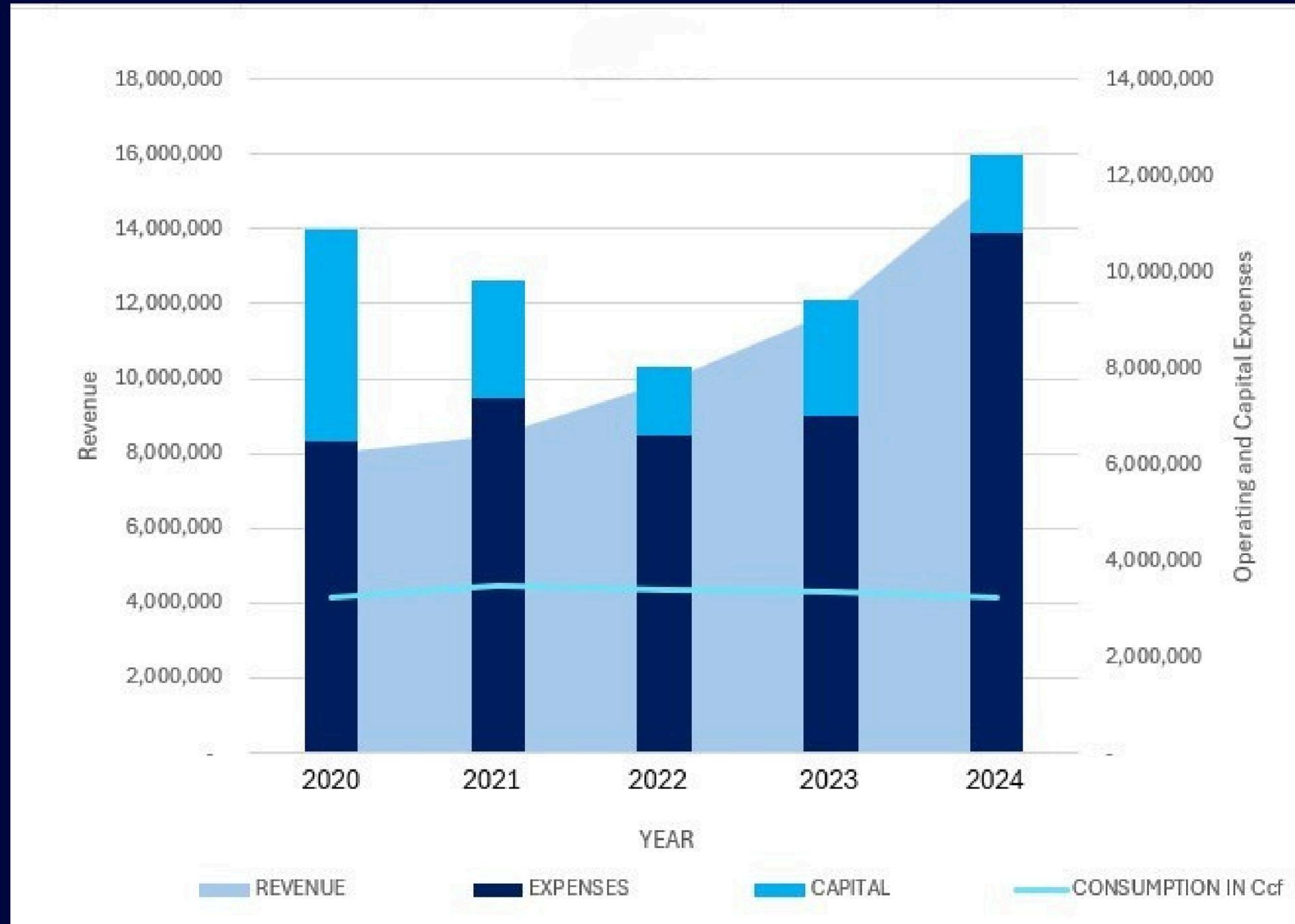
2024

SEWER COLLECTION SYSTEM

- 104 maintenance visits per lift station
- 35.82% sewer mains cleaned
- 9.97% sewer mains televised
- 1.15% root removal
- 2.23% sewer manholes rehabbed
- .04% sewer main rehabbed
- 2,387 hours of staff time responding to after hours call outs or emergencies in the collection system or at the plant
- 12 basement sewer backup responses
- 0 SSO/Overflows Reported

Sewer Collection Staffing consist of
5.8 Full-time equivalent employees

SEWER UTILITY 5-YEAR FINANCIAL SUMMARY



NOTE: THE \$68 MIL PLANT UPGRADES IS NOT INCLUDED IN THE CAPITAL TOTALS ON THIS CHART

- A \$68 million upgrade to the plant commenced in 2020 and is scheduled for completion in 2025.
- Sewer rates rose by 10.8% in 2020, followed by additional increases each year since 2022 in anticipation of the new plant processes.
- Following the implementation of new processes in 2024, expenses increased by 65.72% compared to the previous year.

STORMWATER SYSTEM INTERESTING FACTS

MS4 PERMIT REQUIREMENTS

Compliance with La Crosse's MS4 (Municipal Separate Storm Sewer System) permit is a city-wide effort. The Stormwater Utility coordinates, while key departments manage specific programs: Street Department cleans and maintains streets, Inspection Department handles erosion control, and Engineering manages infrastructure and post-construction pollutant reduction.

WHEN THE MISSISSIPPI RIVER FLOODS

At a Mississippi River stage of 10 feet, the stormwater utility starts its flood mitigation protocols, deploying pumps and managing gates to disconnect part of the stormwater system from the river. At 12 or 13 feet, the system north of the La Crosse River is fully isolated, requiring street water to be pumped out. This increases labor demands due to four-hour pump inspections and continuous monitoring to prevent flooding in homes and businesses in that area.

STORMWATER SYSTEM STATISTICS 2024

STORMWATER COLLECTION SYSTEM

- **7 full catch basins replacements**
- **21 catch basins patched**
- **76 catch basins adjusted**
- **407 catch basins cleaned**
- **1.97 miles of storm mains cleaned**
- **4.84 of storm mains televised**
- **16 hours of staff time responding to after hours call outs or emergencies in the field or at lift stations**

**Stormwater Collection Staffing consist of
5.8 Full-time equivalent employees**

SEWER SYSTEM STATISTICS

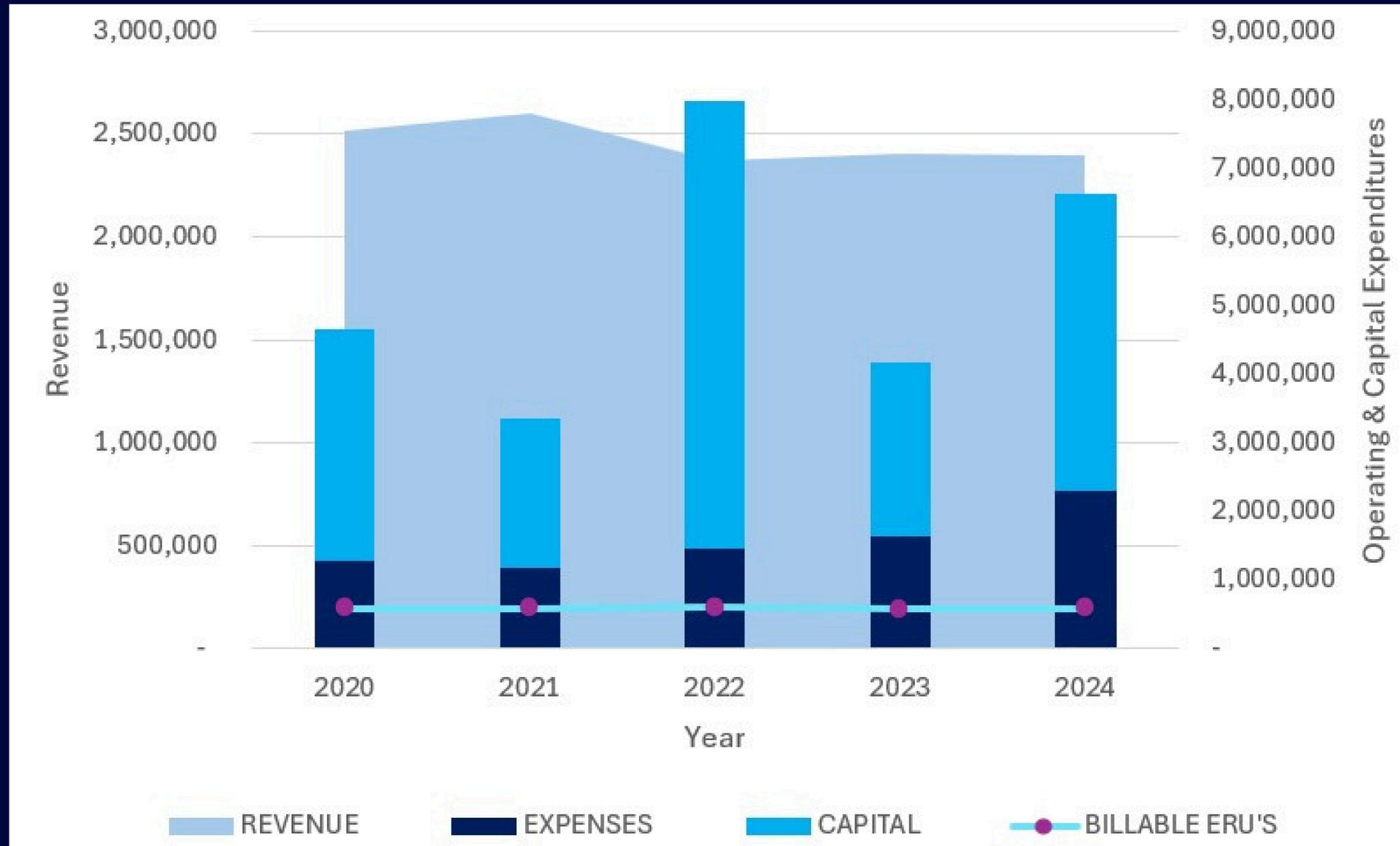
2024

MS4 PERMIT ACTIVITIES

- **368 stormwater outfalls inspected**
- **9 illicit discharges investigated**
- **20 new stormwater BMP's (Best Management Practices) inspected**
- **171 public stormwater BMP's inspected**
- **40 public stormwater BMP's maintained**
- **171 public stormwater BMP's inspected**
- **4,993 tons of material collected from street sweeping**

**Stormwater MS4 Activity Staffing consist of
2.75 Full-time equivalent employees**

STORMWATER UTILITY 5-YEAR FINANCIAL SUMMARY



- The Stormwater Utility took on full responsibility for all capital projects in 2022. Prior to that, certain projects were shared equally with the City.
- In 2024, the utility officially began to cover all costs associated with stormwater functions that were previously subsidized by sewer utility or city funds.
- Between 2024 and 2025, stormwater rates underwent a two-phase increase.

OTHER UTILITY RELATED FACTS

The Water, Sewer and Stormwater Utility are all municipally-owned entities that operate solely on revenue from services provided, receiving no direct tax dollars from the City.

TAX PAYMENT TO THE CITY

State regulations require the Water Utility to pay the City of La Crosse a “tax equivalent” based on its infrastructure value, ensuring it supports the municipality like a taxed entity. This does not affect the Sewer or Stormwater Utility.

OFFICE RENT & CITY SERVICE PAYMENTS TO THE CITY

Wisconsin law treats municipal water utilities as business entities in a proprietary role rather than just a government department. The utility covers office rent and pays for municipal services like legal, HR, payroll, and engineering. This allows the city to charge the utility for using shared city hall space and operations instead of subsidizing them. Additionally, the utilities contribute a percentage toward the City Plumbing Inspector and the Directors of Engineering and Public Works.

UTILITIES BUSINESS OFFICE

WHO WE ARE AND WHAT WE DO

The Utilities Business Office houses staff who support the water, sewer and stormwater utilities.

Utilities Office billing & customer service staff collaborate with other utility team members located at the Wastewater Treatment Plant (WWTP) and Water Distribution Offices (Myrick). This includes the administrative, regulatory compliance, financial and customer service aspects of water, sewer and stormwater services. Additional financial support is housed at the WWTP and Myrick where staff bill out for non-metered revenue such as damage claims, bulk water sales & wholesale sewer services. In addition, these staff members assist with processing payroll and manage accounts payable and work order processes and more.

UTILITIES REVENUE, COLLECTIONS AND CUSTOMER SERVICE

UTILITY BILLING & ACCOUNT MANAGEMENT

Key duties include reviewing meter read data, auditing usage, handling account setup or transfers, processing billing, calculating final bills for property sales, and auditing records for accuracy. This includes managing numerous account changes related to the significant number of rental properties in La Crosse.

CUSTOMER SERVICE & COMPLIANCE

Key duties include responding to inquiries about bills, service questions, potential leaks & water quality concerns. Staff collaborate with water utility staff to manage the DNR required cross-connection control program and the tracking of numerous data points for regulatory reporting.

UTILITIES BUSINESS SERVICES STATISTICS 2024

UTILITIES BILLING OVERVIEW

- **Managed 19,424 metered and stormwater accounts**
- **Processed a total of 77,697 bills; with 1/3 of our customers billed each month**
- **Manages 17,353 parcels and monitors for changes to impervious surface for stormwater billing purposes**
- **Processed 1,413 final bills for account changes**

CUSTOMER SERVICE & COLLECTIONS

- **Managed scheduling and follow up processes for 3,061 customer service call**
- **Mailed and managed phone calls for 3,352 delinquent accounts as part of the tax roll process**
- **Oversee approximately 300 Landlord/Tenant Agreements**
- **Answering calls and responding to emails related to the 19,424 billed accounts**

**Utilities Business Services staffing consist of
8.2 Full-time equivalent employees paid by all three utilities**

LA CROSSE WATER UTILITY - REVENUE CHARGES ON THE BILL

CHARGE	FEE TYPE	CALULATION METHOD	EXPENSE RECOVERY
Water Fixed	Fixed	Based on meter size	Operational costs such as metering & customer service, and capital costs
Water Usage	Variable	Based on water measured by meter	Variable operational costs like electricity and labor
Public Fire	Fixed	Based on meter size	Costs of water to fight fires and to ensure the water system has capacity to fight fires

LA CROSSE SEWER UTILITY - REVENUE CHARGES ON THE BILL

CHARGE	FEE TYPE	CALULATION METHOD	EXPENSE RECOVERY
Sewer Fixed	Fixed	Based on meter size	Operational costs such as metering & customer service ,and capital costs
Sewer Usage	Variable	Based on water measured by meter	Variable operational costs like electricity and labor

DID YOU KNOW?

Residential customers receive an automatic credit on sewer charges for bills issued between July and December if their consumption exceeds either their average winter usage or 20 Ccf, whichever is greater. This explains why a customer might see a higher water consumption on their December bill compared to their March bill, yet the March bill could end up being more expensive.

LA CROSSE STORM UTILITY - REVENUE CHARGES ON THE BILL

CHARGE	FEE TYPE	CALULATION METHOD	EXPENSE RECOVERY
Storm Fixed	Fixed	Varies depending on property type	Planning, maintenance and construction of stormwater facilities to manage the quantity and quality of storm runoff

Stormwater charges are based on the Equivalent Runoff Unit (ERU) for a property. One ERU is defined as the average total impervious surface of a residential parcel as of the 2010 study, which was 2,841 square feet.

- Residential properties are assigned one (1) ERU.
- Non-Residential properties are assigned ERU's based on the actual impervious surface in square feet, divided by 2,841 (carried to the nearest .1)

Credits may be available to customers who have stormwater treatments on site pursuant to the Storm Water Credit Policy.

SAMPLE UTILITY BILLS AT JANUARY 2026 RATES

USER TYPE	METER SIZE	CCF (GALLONS)	QTRLY BILL	AVG MONTHLY COST	AVG COST PER GALLON
COMMERCIAL	2"	50 CCF OR (37,400 GALLONS)	\$392.65	\$130.88	\$0.02
INDUSTRIAL	4"	3,075 CCF OR (2,300,100 GALLONS)	\$13,480.57	\$4,493.52	\$0.01
RESIDENTIAL	3/4"	20 CCF OR (14,960 GALLONS)	\$178.94	\$59.65	\$0.01
RESIDENTIAL	3/4"	8 CCF OR (5,984 GALLONS)	\$121.54	\$40.51	\$0.02

UTILITY INFRASTRUCTURE MANAGEMENT

GIS & ASSET MANAGEMENT

The Utilities GIS Specialist collaborates with field staff and other key staff members to optimize the entire lifecycle of water, sewer and stormwater infrastructure. This position develops processes and procedures

PROJECT MANAGEMENT

The Utilities Project Specialist works closely with the Engineering Department and manages various utility projects from conception to completion, providing technical reviews, manages professional service contracts and oversees contractor work.

Utilities GIS staff and project managers (PM's) are foundational to asset management. Together, they bridge the gap between day-to-day maintenance and strategic infrastructure sustainability by transforming raw infrastructure data into actionable, costs-effective, and safe operational strategies. This data is critical in improving long-term capital planning, budgetary control, and operational improvements.

WATER METER & SERVICE TECHNICIAN STATISTICS 2024

SERVICE TECHNICIAN OVERVIEW

- Completed over 3,060 service orders and requests for utility customers
- Exchanged, installed or removed over 385 meters
- Tested 2,344 meters,
- Scrapped 1,197 meters
- Located, marked and worked over 280 curb boxes at customer or plumber request
- Completed 151 leak investigations in customers homes or businesses
- Completed 390 cross connection control inspections and miscellaneous service requests

Meter & Service Technician staffing consist of
3.0 Full-time equivalent employees

UTILITIES FINANCE MANAGEMENT

Management of Utility Finances

The responsibility for managing utility finances primarily lies with the Utilities Finance & Compliance Manager, who operates under the supervision of the Director of Engineering & Public Works. This focused financial management of utility-specific operations is crucial due to the oversight of the accounting processes for the water utility by the Public Service Commission (PSC) of Wisconsin. Additionally, the sewer and storm utilities also have unique accounting functions, as they are specifically designed to support rate development.

Distinct Accounting Functions

Many utility accounting processes differ from the conventional GAAP (Generally Accepted Accounting Principles) accounting practices followed by the City's Finance Department. While our financial statements are often converted from the PSC-based financial reports to GAAP for inclusion in the city's Comprehensive Annual Financial Report (CAFR), the Water Utility daily, operational books are kept in accordance with PSC regulations, while other specialized processes exist for sewer utility to assist with setting rates for wholesale customers.

UTILITIES FINANCE & COMPLIANCE MANAGER KEY RESPONSIBILITIES

UTILITY BILLING & CUSTOMER SERVICE MANAGEMENT

- **Plan, organize, direct and supervise staff across various roles, including:**
 - **Customer Service**
 - **Meter Reading**
 - **Billing**
 - **Collections**
- **Oversee the DNR-required Cross-Connection Control Program in collaboration with HydroCorp.**
- **Assist with communication and contract compliance for wholesale sewer contracted communities.**

ACCOUNTING & COMPLIANCE MANAGEMENT

- **Collaborate with utility management to create the annual operating budget and a 5-year financial forecast.**
- **Work alongside utility management and Engineering to formulate the 5-year capital improvement budget.**
- **Prepares rate application for water evaluations and support consultants during rate assessments for sewer and storm.**
- **Direct operations to meet PSC and other regulatory requirements.**

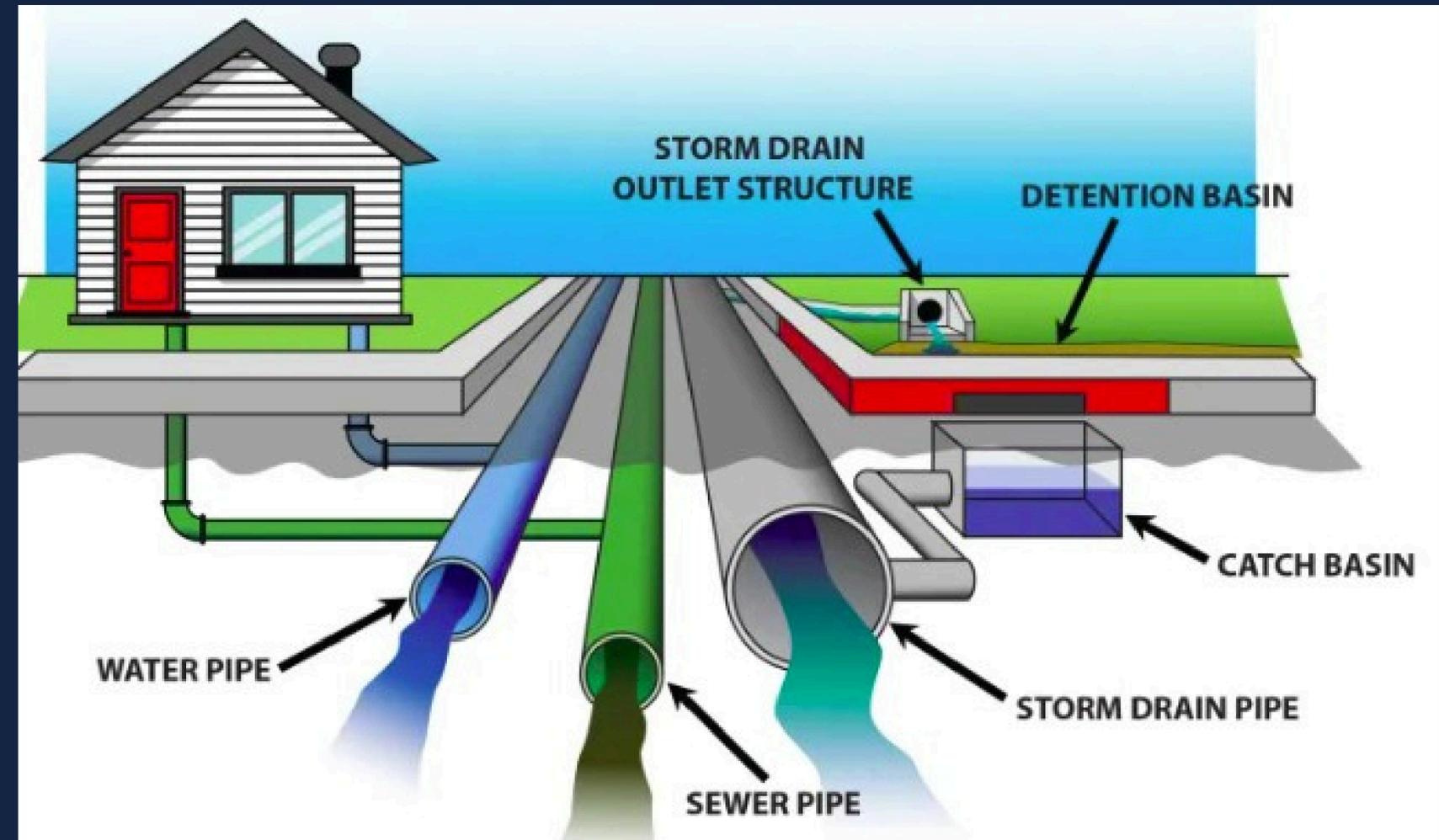
WATER, SEWER AND STORMWATER

EVOLVING UTILITIES CAPITAL IMPROVEMENT PLAN

The Utilities capital improvement plan is in a constant state of evolution as utilities navigate a swiftly changing environment. This landscape is marked by:

- Aging infrastructure
- Stricter regulations
- Climate-related risks
- Needs from other public works divisions
- Increasing costs

The transition from a traditional, reactive, age-based replacement strategy to a proactive, risk-informed investment approach requires continuous updates to planning, modeling, and prioritization.



WATER, SEWER AND STORMWATER

ADDRESSING UTILITY FUNDING CHALLENGES

When allocating funds for projects, utilities must carefully assess the balance between debt, grants, and cash-funded initiatives to minimize the effect on customer rates.



The goal is to finance small-scale or short-term capital assets with cash to avoid interest costs. For large infrastructure projects, borrowing is an essential funding tool to spread costs over time and ensure fairness for future customers. One funding source includes state-managed low-interest revolving loan funds that have the potential to offer principal forgiveness for up to 70% of a project based on a score given to each project application.

Thank You

**WE APPRECIATE
YOUR TIME**

**Tina Erickson - Utilities Finance
& Compliance Manager on behalf
of the entire Utilities Team**

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