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Building Inspector 262-490-4141
www.villageofsummitwi.gov

Summit Village Hall • 37100 Delafield Road • Summit, WI 53066

AGENDA
SUMMIT UTILITY DISTRICT #2 COMMISSION
2027 Budget Meeting

Thursday, September 17, 2026 at 8:30 am

At the Summit Village Hall, 37100 Delafield Road

1. CALL TO ORDER
2. ROLL CALL AND CONFIRM POSTING
3. Discussion and action on Capital Improvement Plan (CIP) and Capitalization Policy
4. Discussion and action on cash flow analysis report from Ehlers
5. Discussion and action on Summit Utility District #2 2027 budget
6. Discussion and action on 2027 service agreement with the Village of Summit
7. Discussion and action to set the 2026 tax levy for Summit Utility District #2
8. ADJOURN

Respectfully submitted,

Debra Michael, WCMC
Administrator – Clerk/Treasurer

Next Regular Meeting: **October 8, 2026**

Posted: September 14, 2026

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service contact the Village Hall at (262) 567-2757.

It is possible that members of and possible a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any other governmental body except by the Utility Commission noticed above.



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MEMORANDUM

To: Summit Utility District No. 2 Commission

From: Kamron Nash, P.E., Village Public Works Director

Date: September 14, 2026

Re: Discussion and Action on SUD2 Capital Improvement Plan (CIP) & Capitalization Policy

PURPOSE:

To provide a draft CIP & Capitalization Policy for the SUD2 Commission's review and approval.

BACKGROUND:

Village staff and the District Engineer have been directed to complete a robust asset plan and a 5-year CIP for the District. To formalize the process, staff have put together a draft CIP & Capitalization Policy that will establish a routine framework for identifying, evaluating, pairing, and scheduling of capital projects and will provide direction on capitalization and depreciation of certain District assets.

RECOMMENDATION:

Village staff recommend that the attached CIP & Capitalization Policy are adopted, as proposed.

ATTACHMENTS:

Capital Improvement Plan (CIP) & Capitalization Policy (DRAFT)

FISCAL IMPACT:

Approval of this policy will provide guidance to Village staff and the District Engineering on identifying and prioritizing future capital projects in the District.

RECOMMENDED MOTION:

Motion to approve the Summit Utility District No. 2 Capital Improvement Plan (CIP) & Capitalization Policy.

	Summit Utility District No. 2 Policies & Procedures		
	Subject:	Summit Utility District No. 2 Capital Improvement Plan (CIP) & Capitalization Policy	
	Initial Date:	September 17, 2026	Revised Date:
	Approved By:	Summit Utility District No. 2 Commission	

1. PURPOSE & OBJECTIVES

1.01 PURPOSE & BACKGROUND

The purpose of this Capital Improvement Plan (CIP) Policy is to establish a routine, predictable framework for the identification, evaluation, pairing, and scheduling of capital projects. This policy ensure that Summit Utility District No. 2 maintains financial health, protects public health and the environment, and supports the community's master plan.

Real or personal property acquired by gift or purchase with an estimated useful life greater than one fiscal year shall be capitalized and depreciated according to the capitalization thresholds and estimated useful lives assigned to each category of capital assets. Property, plant, and equipment will be categorized by the asset types and depreciated using straight line depreciation in accordance with the estimated useful lives as listed in **Appendix A: Capital Asset Categories & Estimated Useful Lives**.

1.02 CORE OBJECTIVES

- **Preserve infrastructure** and protect the District's physical assets.
- **Minimize utility rate volatility** through proactive fiscal planning.
- **Prioritize projects** objectively based on emergency needs, regulatory compliance, and cost-benefit rations.
- **Ensure transparency** in how public utility funds are allocated.

2. CAPITALIZATION POLICY & THRESHOLDS

2.01 POLICY STATEMENT

The capitalization threshold that will apply to all Summit Utility District No. 2 assets, except for building and land improvements/replacements, is \$5,000.

Buildings and land improvements/replacements that extend the estimated useful life of sites or buildings will have a threshold of \$100,000.

2.02 QUALIFYING CRITERIA FOR CAPITALIZATION

For an improvement/replacement to be capitalized, it must be a part of a major repair or rehabilitation project that increases the value and/or useful life of the building and increases the service utility of the building.

An improvement/replacement may be capitalized if the new item/part is of significantly improved quality and higher value compared to the old item/art (e.g., replacement of an old

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shingle roof with a new metal roof). Replacement or restoration to original utility level would not be capitalized. Determinations may need to be made on a case-by-case basis.

Note: Routine maintenance, such as annual flushing, minor pipe repair, or standard office supplies that do not meet these criteria, shall be funded through the annual operating budget and excluded from capitalization.

2.03 FEDERAL GRANTS

Capitalization of assets with a cost above \$5,000 acquired with Federal grants will be in accordance with the regulations set forth in the education Division General Administrative Regulations (EDGAR) section 34 CFR 80.32.

2.04 CONSTRUCTION IN PROGRESS

Expenditures incurred in construction such as materials, labor, engineering, supervision, legal, insurance, and overhead will be capitalized as “construction in progress” until the project is completed and placed in service. No depreciation will be taken on construction in progress.

3. 5-YEAR CIP PLANNING CYCLE

The District shall maintain a rolling 5-Year Capital Improvement Plan, to be updated annually ahead of the operating budget process.

- **Year 1** of the approved CIP shall serve as the basis for the upcoming fiscal year’s Capital Budget.
- **Years 2 through 5** represent planning horizons subject to annual revision as priorities, financial conditions, or community needs change.

4. PROJECT SUBMISSION & EVALUATION CRITERIA

The Public Works Director (or designated engineer) will compile project requests annually. Each proposed project must be evaluated and ranked against the following criteria:

1. **Legal/Regulatory Mandate.** Projects required to comply with Wisconsin Department of Natural Resources (WDNR) regulations, EPA mandates, or court orders.
2. **Health and Public Safety.** Projects correcting immediate hazards to public health, water quality, or environmental contamination.
3. **System Operational Necessity.** Projects replacing severely deteriorated infrastructure to prevent critical system failures or service interruptions.

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4. **Financial and Operational Efficiency.** Projects that reduce annual operating/maintenance costs or generate a clear return on investment (ROI).
5. **Alignment with Village Master Plan.** Projects supporting planned, orderly economic growth or road reconstruction schedules within the Village of Summit.

5. PROJECT SUBMISSION AND EVALUATION CRITERIA

Accurate records will be maintained of the location, cost, and accumulated depreciation of capital assets. Cost includes the acquisition cost as well as any ancillary costs, such as freight, installation and setup costs, associated with preparing the asset for its intended use.

5.01 POLICY STATEMENT

Detailed capital asset ledgers will be maintained to include the following asset information:

- Asset Type
- Description
- Tag Number
- Serial Number
- Location
- Account Code
- Cost (Original/Historical)
- Useful Life
- Depreciation Expense
- Accumulated Depreciation

5.02 PHYSICAL INVENTORY & TRACKING

The physical existence of capital assets will be verified and reconciled to the fixed assets records. An inventory of assets will be performed on a periodic basis based on a random selection of assets listed on the capital asset ledgers. If an asset is moved from one location to another, management approval will be required on the “**Inventory Record Form.**” Inventory Record Forms need to be sent to the Village Clerk whenever an asset is moved in order to enter the appropriate information in the capital asset ledgers. The form should be sent within **15 days** of the transfer.

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5.03 DEPRECIATION METHODOLOGY

The cost (less salvage value) of all capitalizable assets, with the exceptions of land and construction in progress, will be allocated (depreciated) over the estimated useful lives in a rational and systematic manner.

The straight-line method will be used to allocate depreciation. The straight-line method allows for an equal amount of the cost of an asset to be allocated to each accounting period in its useful life. Depreciation will begin when an asset is placed into service.

6. FUNDING & FINANCIAL GUIDELINES

The District will pursue a balanced funding strategy to maintain a strong fiscal position and protect rate-payers:

- **Utility Rates & Revenues.** Capital reserves funded by standard utility operating surpluses will be used for routine replacements.
- **Impact Fees.** Connection and impact fees collected from new developments will be legally restricted to fund capacity-expanding projects caused by growth.
- **Debt Financing.** Long-term debt (e.g., Clean Water Fund Program loans, revenue bonds) may be utilized for large-scale, high-cost projects with long useful lives, ensuring that future users help pay for the infrastructure they utilize. Debt terms shall never exceed the useful life of the asset.
- **Grants and Intergovernmental Aid.** The District will actively monitor and apply for state (WDNR) and federal infrastructure grants.

7. ROLES & RESPONSIBILITIES

- **Public Works Director/District Engineer.** Identify capital needs, estimate costs, draft project timelines, and submit proposals annually.
- **Village Administrator-Clerk/Treasurer.** Review financial impacts, evaluate debt capacity, and integrate the CIP with the overall Village of Summit financial plan. Maintain the permanent capital asset ledgers and process Inventory Record Forms within the established compliance timelines.
- **Summit Utility District No. 2 Commission.** Review, modify, and formally adopt the 5-Year CIP and the immediate Year 1 Capital Budget annually.

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8. ASSET DISPOSITION & CONTROL

Control over the disposition of property will be maintained not only to preserve the accuracy of the capital assets records, but also to ensure that assets are safeguarded, improper disposal is avoided, and the best possible terms are received for disposal.

- **State Compliance.** All disposals must comply with the approval requirements detailed in the State of Wisconsin Statutes.
- **Federal Compliance.** Assets acquired with Federal grants will be disposed of in accordance with the regulations set forth in the Education Division General Administrative Regulations (EDGAR) Section 34 CFR 80.32.
- **Procedure.** If a department wants to dispose of a capital asset, they must prepare an “**Inventory Record Form**” prior to the disposal and submit it to the Village Clerk in order that the capital asset records may be updated to reflect the retirement and disposition of the specified capital assets.

9. POLICY REVIEW

This policy shall be reviewed by the Summit Utility District No. 2 Commission at least once every three (3) years to ensure it aligns with current accounting standards, state regulations, and local economic conditions.

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APPENDIX A: CAPITAL ASSET CATEGORIES & ESTIMATED USEFUL LIVES

Asset Category	ASSET Sub-Type/Description	Capitalization Threshold	Estimated Useful Life (Years)
Land & Improvements	Land / Rights-of-Way	N/A (Non-Depreciable)	Permanent
	Site Improvements (Fencing, Paving, Retaining Walls)	\$100,000	15 – 20
Buildings & Structures	Treatment Plant Buildings & Administrative Offices	\$100,000	40 – 50
	Lift Station Structures & Wetwells	\$100,000	30 – 40
	Major Building Improvements (e.g., Roof, HVAC Upgrades)	\$100,000	15 – 25
Wastewater Infrastructure	Gravity Sewer Mains, Interceptors & Outfall Structures	\$5,000	50 – 75
	Force Mains	\$5,000	40 – 50
	Manholes, Inspection Chambers & Cleanouts	\$5,000	50
	Valves (Plug, Gate, Check, Ball)	\$5,000	20 – 30
Machinery & Equipment	Treatment Process Pumps & Motors	\$5,000	15 – 20
	Lift Station Pumps & Grinders	\$5,000	10 – 15
	Blower/Aeration Equipment	\$5,000	15 – 25
	Backup Generators / Auxiliary Power Units	\$5,000	20 – 25
	Electrical Control Panel, Switchgear	\$5,000	15 – 20
	SCADA / Telemetry Controls & Systems	\$5,000	5 – 10
	Lab Testing Equipment	\$5,000	5 – 7
	Chemical Treatment System	\$5,000	5 – 15

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Vehicles & Heavy Tools	Light Trucks & Utility Vans	\$5,000	5 – 7
	Heavy Utility Vehicles (Vactor/Jetter Truck, Dump Truck)	\$5,000	10 – 12
	Large Portable Equipment (Generators, Pumps, Trailers)	\$5,000	10 – 15
Office & IT Assets	Enterprise Utility Billing & GIS Software Systems	\$5,000	5 – 7
	Office Furniture & Equipment	\$5,000	7 - 10
	IT Hardware (Servers, Network Infrastructure)	\$5,000	3 – 5
Construction in Progress	All Active Uncompleted Construction Projects	N/A	N/A (Depreciation begins when placed in service)

REVISION HISTORY

09/17/2026 Initial publication.

						Revenue	Expense	
						source	account	Notes
CAPITAL EQUIPMENT (Summit Utility District No. 2)	2027	2028	2029	2030	2031			
Manhole Restoration	\$30,000	\$0	\$0	\$0	\$34,000	GO Bonds		Typically review condition and complete every 4-5 years.
Wet Well Pump Repairs	\$10,000	\$10,500	\$11,000	\$11,500	\$12,000	GO Bonds		Wet well pump repairs based on annual PM visit findings.
Control Panel Repairs & Upgrades	\$305,000	\$330,000	\$345,000	\$0	\$0	GO Bonds		2027: LS 5 and 6 panel upgrades; 2028: LS2 and 3 panel upgrades; 2029: LS 1 and 4 panel upgrades; includes ASI, materials and installation
Replace LS5 Generator	\$100,000	\$0	\$0	\$0	\$0	GO Bonds		Aged components with replacements hard to find; includes ASI, materials and installation
Repair LS5 Louvers	\$35,000	\$0	\$0	\$0	\$0	GO Bonds		Aged components; includes ASI, materials and installation
Replace LS Check Valves	\$15,000	\$10,500	\$11,000	\$11,500	\$12,000	GO Bonds		Review isolation valves in conjunction with road work
Replace LS hatch lifting strauts	\$17,000	\$0	\$0	\$0	\$0	GO Bonds		Broken components
Replace LS transducers	\$12,000	\$0	\$0	\$0	\$0	GO Bonds		Aged components (LS2 & LS3)
Replace LS RTU's	\$42,000	\$0	\$0	\$0	\$0	GO Bonds		Starnet components will be inoperational end of 2027; includes ASI, materials and installation.
Replace LS Automatic Transfer Switch Repairs	\$0	\$10,500	\$11,000	\$11,500	\$0	GO Bonds		LS 1, 2, and 4 original
Replace LS Pump Starters	\$0	\$0	\$0	\$0	\$0	GO Bonds		Included with control panel upgrades
Replace LS6 Generator	\$0	\$93,000	\$0	\$0	\$0	GO Bonds		Aged components; includes ASI, materials and installation
Replace LS2 Generator	\$0	\$0	\$95,500	\$0	\$0	GO Bonds		Aged components; includes ASI, materials and installation
Replace LS4 Generator	\$0	\$0	\$0	\$49,000	\$0	GO Bonds		Aged components; includes ASI, materials and installation
Replace LS3 Generator	\$0	\$0	\$0	\$42,500	\$0	GO Bonds		Aged components; includes ASI, materials and installation
Replace LS1 Generator	\$0	\$0	\$0	\$0	\$50,500	GO Bonds		Aged components; includes ASI, materials and installation
TOTAL CAPITAL EQUIPMENT (SUD2)	\$566,000	\$454,500	\$473,500	\$126,000	\$108,500			

CAPITALIZATION REPLACEMENT FUND
SUMMIT UTILITY DISTRICT NO. 2

2026	Purchase (Year)	Service Life (Years)	Rem. Life (Years)	Installation (Cost)	Annual Deposit (Cost/Years)	Min. Replacement Fund Balance (Year in Serv. x Annual. Deposit)
Lift Station No. 1						
Pump No. 1 (15 HP)	2026	15	15	\$ 20,000.00	\$ 1,333.33	\$ -
Pump No. 2 (15 HP)	2026	15	15	\$ 20,000.00	\$ 1,333.33	\$ -
Starters (P1)	2010	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P2)	2018	15	7	\$ 1,500.00	\$ 100.00	\$ 800.00
Electrical Control Panel	2002	15	0	\$ 150,000.00	\$ 10,000.00	\$ 150,000.00
Transfer Switchgear	2002	15	0	\$ 10,000.00	\$ 666.67	\$ 10,000.00
SCADA / Telemetry Hardware	2022	5	1	\$ 3,000.00	\$ 600.00	\$ 2,400.00
Transducer	2026	5	5	\$ 3,000.00	\$ 600.00	\$ -
Check Valves & Isolation Valves	2002	20	0	\$ 6,000.00	\$ 300.00	\$ 6,000.00
Standby Generator (39 kW)	2002	20	0	\$ 40,000.00	\$ 2,000.00	\$ 40,000.00
				Subtotal:	\$ 17,033.33	\$ 210,700.00
Lift Station No. 2						
Pump No. 1 (30 HP)	2026	15	15	\$ 33,000.00	\$ 2,200.00	\$ -
Pump No. 2 (30 HP) - overhauled in 2026	2026	10	10	\$ 15,000.00	\$ 1,500.00	\$ -
Starters (P1)	2010	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P2)	2018	15	7	\$ 1,500.00	\$ 100.00	\$ 800.00
Soft Starter (P1)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Soft Starter (P2)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Electrical Control Panel	2002	15	0	\$ 150,000.00	\$ 10,000.00	\$ 150,000.00
Transfer Switchgear	2002	15	0	\$ 10,000.00	\$ 666.67	\$ 10,000.00
SCADA / Telemetry Hardware	2022	5	1	\$ 3,000.00	\$ 600.00	\$ 2,400.00
Transducer	2012	5	0	\$ 3,000.00	\$ 600.00	\$ 3,000.00
Check Valves & Isolation Valves	2002	20	0	\$ 12,000.00	\$ 600.00	\$ 12,000.00
Standby Generator (81 kW)	2002	20	0	\$ 85,000.00	\$ 4,250.00	\$ 85,000.00
				Subtotal:	\$ 20,816.67	\$ 265,700.00
Lift Station No. 3						
Pump No. 1 (17 HP) - overhauled in 2026	2026	10	10	\$ 7,000.00	\$ 700.00	\$ -
Pump No. 2 (15 HP)	2026	15	15	\$ 20,000.00	\$ 1,333.33	\$ -
Starters (P1)	2002	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P2)	2002	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Electrical Control Panel	2002	15	0	\$ 150,000.00	\$ 10,000.00	\$ 150,000.00
Transfer Switchgear	2023	15	12	\$ 10,000.00	\$ 666.67	\$ 2,000.00
SCADA / Telemetry Hardware	2022	5	1	\$ 3,000.00	\$ 600.00	\$ 2,400.00
Transducer	2017	5	0	\$ 3,000.00	\$ 600.00	\$ 3,000.00
Check Valves & Isolation Valves	2024	20	18	\$ 6,000.00	\$ 300.00	\$ 600.00
Standby Generator (34 kW)	2002	20	0	\$ 34,000.00	\$ 1,700.00	\$ 34,000.00
				Subtotal:	\$ 16,100.00	\$ 195,000.00

CAPITALIZATION REPLACEMENT FUND
SUMMIT UTILITY DISTRICT NO. 2

2026	Purchase (Year)	Service Life (Years)	Rem. Life (Years)	Installation (Cost)	Annual Deposit (Cost/Years)	Min. Replacement Fund Balance (Year in Serv. x Annual. Deposit)
Lift Station No. 4						
Pump No. 1 (15 HP)	2026	15	15	\$ 20,000.00	\$ 1,333.33	\$ -
Pump No. 2 (15 HP)	2026	15	15	\$ 20,000.00	\$ 1,333.33	\$ -
Starters (P1)	2002	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P2)	2002	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Electrical Control Panel	2002	15	0	\$ 150,000.00	\$ 10,000.00	\$ 150,000.00
Transfer Switchgear	2002	15	0	\$ 10,000.00	\$ 666.67	\$ 10,000.00
SCADA / Telemetry Hardware	2022	5	1	\$ 3,000.00	\$ 600.00	\$ 2,400.00
Transducer	2026	5	5	\$ 3,000.00	\$ 600.00	\$ -
Check Valves & Isolation Valves	2002	20	0	\$ 6,000.00	\$ 300.00	\$ 6,000.00
Standby Generator (39 kW)	2002	20	0	\$ 40,000.00	\$ 2,000.00	\$ 40,000.00
				Subtotal:	\$ 17,033.33	\$ 211,400.00
Lift Station No. 5						
Pump No. 1 (45 HP) - <i>overhauled in 2022</i>	2022	10	6	\$ 15,000.00	\$ 1,500.00	\$ 6,000.00
Pump No. 2 (45 HP)	2002	10	0	\$ 40,000.00	\$ 4,000.00	\$ 40,000.00
Pump No. 3 (45 HP) - <i>overhauled in 2024</i>	2024	10	8	\$ 15,000.00	\$ 1,500.00	\$ 3,000.00
Starters (P1)	2010	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P2)	2002	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P3)	2002	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Soft Starter (P1)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Soft Starter (P2)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Soft Starter (P3)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Electrical Control Panels	2002	15	0	\$ 150,000.00	\$ 10,000.00	\$ 150,000.00
Transfer Switchgear	2019	15	8	\$ 10,000.00	\$ 666.67	\$ 4,666.67
SCADA / Telemetry Hardware	2022	5	1	\$ 3,000.00	\$ 600.00	\$ 2,400.00
Transducer	2026	5	5	\$ 3,000.00	\$ 600.00	\$ -
Check Valves & Isolation Valves	2002	20	0	\$ 15,000.00	\$ 750.00	\$ 15,000.00
Standby Generator (145 kW)	2002	20	0	\$ 95,000.00	\$ 4,750.00	\$ 95,000.00
				Subtotal:	\$ 24,966.67	\$ 322,066.67
Lift Station No. 6						
Pump No. 1 (30 HP) - <i>overhauled in 2026</i>	2026	10	10	\$ 15,000.00	\$ 1,500.00	\$ -
Pump No. 2 (30 HP)	2026	15	15	\$ 33,000.00	\$ 2,200.00	\$ -
Starters (P1)	2010	15	0	\$ 1,500.00	\$ 100.00	\$ 1,500.00
Starters (P2)	2018	15	7	\$ 1,500.00	\$ 100.00	\$ 800.00
Soft Starter (P1)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Soft Starter (P2)	2021	15	10	\$ 1,500.00	\$ 100.00	\$ 500.00
Electrical Control Panel	2002	15	0	\$ 150,000.00	\$ 10,000.00	\$ 150,000.00
Transfer Switchgear	2025	15	14	\$ 10,000.00	\$ 666.67	\$ 666.67
SCADA / Telemetry Hardware	2022	5	1	\$ 3,000.00	\$ 600.00	\$ 2,400.00
Transducer	2026	5	5	\$ 3,000.00	\$ 600.00	\$ -
Check Valves & Isolation Valves	2002	20	0	\$ 10,000.00	\$ 500.00	\$ 10,000.00
Standby Generator (81 kW)	2002	20	0	\$ 85,000.00	\$ 4,250.00	\$ 85,000.00
				Subtotal:	\$ 20,716.67	\$ 251,366.67

CAPITALIZATION REPLACEMENT FUND
SUMMIT UTILITY DISTRICT NO. 2

2026	Purchase (Year)	Service Life (Years)	Rem. Life (Years)	Installation (Cost)	Annual Deposit (Cost/Years)	Min. Replacement Fund Balance (Year in Serv. x Annual. Deposit)
Air Release Valves						
Air Release Valves (38)	2002	15	0	\$ 76,000.00	\$ 5,066.67	\$ 76,000.00
				Subtotal:	\$ 5,066.67	\$ 76,000.00
Total Replacement Fund Required:					\$ 121,733.33	\$ 1,532,233.33

Deposit per Quarter: \$ 30,433.33

**Components not included

Gravity Sewer						
Manholes - 48" (64)	2002	75	51	\$ 1,000,000.00	\$ 13,333.33	\$ 320,000.00
8" PVC (17,900 LF)	2002	75	51	\$ 4,100,000.00	\$ 54,666.67	\$ 1,312,000.00
10" PVC (6,600 LF)	2002	75	51	\$ 1,800,000.00	\$ 24,000.00	\$ 576,000.00
12" PVC (2,500 LF)	2002	75	51	\$ 900,000.00	\$ 12,000.00	\$ 288,000.00
15" PVC (100 LF)	2002	75	51	\$ 100,000.00	\$ 1,333.33	\$ 32,000.00
18 PVC (2,100 LF)	2002	75	51	\$ 1,200,000.00	\$ 16,000.00	\$ 384,000.00
				Subtotal:	\$ 121,333.33	\$ 2,912,000.00
Pressure Sewer						
Manholes - 48" (38)	2002	75	51	\$ 600,000.00	\$ 8,000.00	\$ 192,000.00
1-1/2" HDPE (2,000 LF)	2002	75	51	\$ 150,000.00	\$ 2,000.00	\$ 48,000.00
2" HDPE (19,700 LF)	2002	75	51	\$ 1,400,000.00	\$ 18,666.67	\$ 448,000.00
3" HDPE (14,800 LF)	2002	75	51	\$ 1,400,000.00	\$ 18,666.67	\$ 448,000.00
4" HDPE (9,300 LF)	2002	75	51	\$ 1,100,000.00	\$ 14,666.67	\$ 352,000.00
6" HDPE (1,400 LF)	2002	75	51	\$ 300,000.00	\$ 4,000.00	\$ 96,000.00
12" HDPE (4,700 LF)	2002	75	51	\$ 1,400,000.00	\$ 18,666.67	\$ 448,000.00
16" HDPE (5,900 LF)	2002	75	51	\$ 2,500,000.00	\$ 33,333.33	\$ 800,000.00
				Subtotal:	\$ 118,000.00	\$ 2,832,000.00

2027–2036 Service Life and Replacement Schedule

ANNUAL REPLACEMENT SUMMARY

Replacement Year	Components	Estimated Cost
2027	40	\$1,513,000.00
2028	0	\$0.00
2029	0	\$0.00
2030	0	\$0.00
2031	4	\$13,506.11
2032	1	\$17,389.11
2033	3	\$5,373.24
2034	2	\$30,746.85
2035	0	\$0.00
2036	10	\$61,976.73
TOTAL		\$1,641,992.03

Note: Estimated replacement costs remain at current cost for 2027 and include a 3% compounded annual inflation escalation beginning in 2028 through the scheduled replacement year.

COMPONENT REPLACEMENT DETAIL

Replacement Year	Location	Component	Purchase Year	Estimated Service Life	Current Remaining Life	Inflation-Adjusted Estimated Cost
2027	Air Release Valves	Air Release Valves (38)	2002	15	0	\$76,000.00
2027	Lift Station No. 1	Starters (P1)	2010	15	0	\$1,500.00
2027	Lift Station No. 1	Electrical Control Panel	2002	15	0	\$150,000.00
2027	Lift Station No. 1	Transfer Switchgear	2002	15	0	\$10,000.00
2027	Lift Station No. 1	Check Valves & Isolation Valves	2002	20	0	\$6,000.00
2027	Lift Station No. 1	Standby Generator (39 kW)	2002	20	0	\$40,000.00
2027	Lift Station No. 2	Starters (P1)	2010	15	0	\$1,500.00
2027	Lift Station No. 2	Electrical Control Panel	2002	15	0	\$150,000.00
2027	Lift Station No. 2	Transfer Switchgear	2002	15	0	\$10,000.00
2027	Lift Station No. 2	Transducer	2012	5	0	\$3,000.00
2027	Lift Station No. 2	Check Valves & Isolation Valves	2002	20	0	\$12,000.00
2027	Lift Station No. 2	Standby Generator (81 kW)	2002	20	0	\$85,000.00
2027	Lift Station No. 3	Starters (P1)	2002	15	0	\$1,500.00
2027	Lift Station No. 3	Starters (P2)	2002	15	0	\$1,500.00
2027	Lift Station No. 3	Electrical Control Panel	2002	15	0	\$150,000.00
2027	Lift Station No. 3	Transducer	2017	5	0	\$3,000.00
2027	Lift Station No. 3	Standby Generator (34 kW)	2002	20	0	\$34,000.00
2027	Lift Station No. 4	Starters (P1)	2002	15	0	\$1,500.00
2027	Lift Station No. 4	Starters (P2)	2002	15	0	\$1,500.00
2027	Lift Station No. 4	Electrical Control Panel	2002	15	0	\$150,000.00
2027	Lift Station No. 4	Transfer Switchgear	2002	15	0	\$10,000.00
2027	Lift Station No. 4	Check Valves & Isolation Valves	2002	20	0	\$6,000.00
2027	Lift Station No. 4	Standby Generator (39 kW)	2002	20	0	\$40,000.00
2027	Lift Station No. 5	Pump No. 2 (45 HP)	2002	10	0	\$40,000.00
2027	Lift Station No. 5	Starters (P1)	2010	15	0	\$1,500.00
2027	Lift Station No. 5	Starters (P2)	2002	15	0	\$1,500.00
2027	Lift Station No. 5	Starters (P3)	2002	15	0	\$1,500.00
2027	Lift Station No. 5	Electrical Control Panels	2002	15	0	\$150,000.00
2027	Lift Station No. 5	Check Valves & Isolation Valves	2002	20	0	\$15,000.00
2027	Lift Station No. 5	Standby Generator (145 kW)	2002	20	0	\$95,000.00
2027	Lift Station No. 6	Starters (P1)	2010	15	0	\$1,500.00

2027	Lift Station No. 6	Electrical Control Panel	2002	15	0	\$150,000.00
2027	Lift Station No. 6	Check Valves & Isolation Valves	2002	20	0	\$10,000.00
2027	Lift Station No. 6	Standby Generator (81 kW)	2002	20	0	\$85,000.00
2027	Lift Station No. 1	SCADA / Telemetry Hardware	2022	5	1	\$3,000.00
2027	Lift Station No. 2	SCADA / Telemetry Hardware	2022	5	1	\$3,000.00
2027	Lift Station No. 3	SCADA / Telemetry Hardware	2022	5	1	\$3,000.00
2027	Lift Station No. 4	SCADA / Telemetry Hardware	2022	5	1	\$3,000.00
2027	Lift Station No. 5	SCADA / Telemetry Hardware	2022	5	1	\$3,000.00
2027	Lift Station No. 6	SCADA / Telemetry Hardware	2022	5	1	\$3,000.00
2031	Lift Station No. 1	Transducer	2026	5	5	\$3,376.53
2031	Lift Station No. 4	Transducer	2026	5	5	\$3,376.53
2031	Lift Station No. 5	Transducer	2026	5	5	\$3,376.53
2031	Lift Station No. 6	Transducer	2026	5	5	\$3,376.53
2032	Lift Station No. 5	Pump No. 1 (45 HP) - overhauled in 2022	2022	10	6	\$17,389.11
2033	Lift Station No. 1	Starters (P2)	2018	15	7	\$1,791.08
2033	Lift Station No. 2	Starters (P2)	2018	15	7	\$1,791.08
2033	Lift Station No. 6	Starters (P2)	2018	15	7	\$1,791.08
2034	Lift Station No. 5	Pump No. 3 (45 HP) - overhauled in 2024	2024	10	8	\$18,448.11
2034	Lift Station No. 5	Transfer Switchgear	2019	15	8	\$12,298.74
2036	Lift Station No. 2	Pump No. 2 (30 HP) - overhauled in 2026	2026	10	10	\$19,571.60
2036	Lift Station No. 2	Soft Starter (P1)	2021	15	10	\$1,957.16
2036	Lift Station No. 2	Soft Starter (P2)	2021	15	10	\$1,957.16
2036	Lift Station No. 3	Pump No. 1 (17 HP) - overhauled in 2026	2026	10	10	\$9,133.41
2036	Lift Station No. 5	Soft Starter (P1)	2021	15	10	\$1,957.16
2036	Lift Station No. 5	Soft Starter (P2)	2021	15	10	\$1,957.16
2036	Lift Station No. 5	Soft Starter (P3)	2021	15	10	\$1,957.16
2036	Lift Station No. 6	Pump No. 1 (30 HP) - overhauled in 2026	2026	10	10	\$19,571.60
2036	Lift Station No. 6	Soft Starter (P1)	2021	15	10	\$1,957.16
2036	Lift Station No. 6	Soft Starter (P2)	2021	15	10	\$1,957.16

Village of Summit Utility District #2 - 9/15/2026
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Total Quarterly	DUE For Del-Hart & Operations	DUE For Capital	Year	Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Del-Hart Expense
			2025										
264.50	749.00	794.00	2026	\$63.50		\$200,000	\$45.10		\$136,000	\$155.90		\$496,208	(\$183,362)
270.50	759.00	805.00	2027	\$67.50	\$4.00	\$204,930	\$46.10	\$1.00	\$139,960	\$156.90	\$1.00	\$505,218	(\$198,030)
270.50	759.00	805.00	2028	\$67.50	\$0.00	\$204,930	\$46.10	\$0.00	\$139,960	\$156.90	\$0.00	\$505,218	(\$209,912)
270.50	759.00	805.00	2029	\$67.50	\$0.00	\$204,930	\$46.10	\$0.00	\$139,960	\$156.90	\$0.00	\$505,218	(\$222,507)
270.50	759.00	805.00	2030	\$67.50	\$0.00	\$204,930	\$46.10	\$0.00	\$139,960	\$156.90	\$0.00	\$505,218	(\$235,857)
270.50	759.00	805.00	2031	\$67.50	\$0.00	\$204,930	\$46.10	\$0.00	\$139,960	\$156.90	\$0.00	\$505,218	(\$250,008)
270.50	759.00	805.00	2032	\$67.50	\$0.00	\$204,930	\$46.10	\$0.00	\$139,960	\$156.90	\$0.00	\$505,218	(\$265,009)
Total						\$1,429,580			\$975,758			\$3,527,516	(\$1,564,684)

Methodology Summary

1. Del-Hart increases at 6.0% annually.
2. Operational expenses increasing 6.5% per year.
3. Capital expense based on engineer estimate.

Village of Summit Utility District #2 - 9/15/2026
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Less: Operating Expense	Less: Capital Expense	Less: Lift Station maint.	Net Operating Revenues	Add: Special Charge	Add: Meter Reads	Add: Investment Income	Bonds Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash	Year
									\$2,101,632	2025
(\$353,008)		(\$242,450)	\$53,388	\$365,000	\$5,528	\$20,000	(\$790,303)	(\$346,387)	\$1,755,246	2026
(\$398,014)	(\$566,000)	(\$19,000)	(\$330,936)	\$365,000	\$5,689	\$15,000	(\$793,635)	(\$738,882)	\$1,016,363	2027
(\$423,885)	(\$454,500)	(\$20,235)	(\$258,424)	\$365,000	\$5,689	\$15,000		\$127,265	\$1,143,628	2028
(\$451,437)	(\$473,500)	(\$21,550)	(\$318,887)	\$365,000	\$5,689	\$15,000		\$66,802	\$1,210,430	2029
(\$480,781)	(\$126,000)	(\$22,951)	(\$15,481)	\$365,000	\$5,689	\$15,000		\$370,208	\$1,580,638	2030
(\$512,032)	(\$108,500)	(\$24,443)	(\$44,875)	\$365,000	\$5,689	\$15,000		\$340,814	\$1,921,452	2031
(\$545,314)	(\$125,000)	(\$26,032)	(\$111,247)	\$365,000	\$5,689	\$15,000		\$274,442	\$2,195,894	2032
(\$3,164,470)	(\$1,853,500)	(\$376,661)	(\$1,026,462)	\$2,555,000	\$39,662	\$110,000	(\$1,583,938)			

Methodology Summary

1. Del-Hart increases at 6.0% annually.
2. Operational expenses increasing 6.5% per year.
3. Capital expense based on engineer estimate.

UTILITY DISTRICT #2

SUMMARY SHEET

September 15, 2026 For the September 17, 2026 Utility District #2 Meeting

TOPIC: **2027 District Budget**

RECOMMENDED **Motion to approve the 2027 Utility District #2 Budget as presented on September 17, 2026, with expenses of \$2,215,262.75 and revenues of \$1,235,796.96 (or as adjusted at the meeting).**

XX Action Item
_____ Agenda Reference
_____ Discussion Only
_____ Information Item

PURPOSE: To review the draft 2027 District budget based on Greg Johnson's evaluation and updated Financial Management Report

BACKGROUND: The commission set up a Financial Management Plan with Ehler's Associates in 2012 after reviewing the district's finances. This plan has been updated annually to maintain the fiscal health of the district, to provide for new financing, and to keep quarterly charges as minimal as possible.

ATTACHMENTS: Draft budget, General Descriptions and background support sheets

FISCAL IMPACT: The quarterly costs include an overall \$6 increase to the costs: \$1 increase for Operations & Maintenance and \$1 Capital Contributions and a \$4 increase for Treatment and matches the projections on Ehler's report. The tax bill amount shows \$0 increase & is proposed to remain at \$365,000. This budget shows a negative \$738,882 in net cash flow but maintains a positive ending non-restricted cash amount over \$1,000,000.
2026 increase of \$4 total

PREPARED BY: Debra Michael, Administrator-Clerk/Treasurer

SUMMIT UTILITY DISTRICT #2

EXPENDITURES – FUND 620

<u>Line</u>	<u>Title</u>	<u>General Description - 2027</u>
53610-610	Principal Exp	GO Debt Loan Payments, principal *2027 Last Year 2027: \$785,000
53610-620	Interest Exp	GO Debt Loan Payments, interest *2027 Last Year 2027: \$8,635.00
53631	Pro. Ser/Engineering	Costs from SEH for district engineering services \$46,000 , meter reading reviews \$5,500 , sulfide/nitrate sampling & testing \$0 , annual projects \$7,000 & special projects \$54,000 (S.E.H. estimates)
53632	Treatment Expense	Invoice from Del-Hart for sewage treatment each month \$20.50 per DUE in 2026. (Waiting on response from Del-Hart) (759 per SL current).
53633	Capital Connect Charges	Invoiced from Del-Hart for new connection to sewer. 0 estimated 2027. (\$5,757.00 2027 Est. Del-Hart fee)
53634	Maintenance of Mains	Costs for sewer cleaning & televising \$10,000 , emergency sewer repairs \$15,000 , inflow, infiltration abatement \$4,000 (S.E.H. estimates)
53635	Maintenance of Lift Stn	Costs for wet well cleaning \$10,000 , bioxide feed system improvements \$3,000 , lift station building maintenance \$1,000 , generator maintenance \$5,000 (S.E.H. estimates)
53636	Chemical Treatment	Bioxide or other chemical cost for lift stations currently purchased from Evoqua & Veolia (S.E.H. estimate)
53637	R&M Replacement Cost	Costs charged for <u>replacement</u> of equipment, designated account for future maintenance. Commission set \$5,000 per year starting 2016
53638	USGS Gauge Nagawicka	Estimate at \$1,00.00 in 2027 per agreement with Upper Nemahbin Lake Management District (waiting on email from Dan McCormack)
53655	Office Supplies	Envelopes (need approximately 2,800 per year but may go down with electronic billing)

REVENUES – FUND 620

<u>Line</u>	<u>Title</u>	<u>General Description - 2027</u>
41110	Property Taxes	Anticipated result of district tax levy on assessed properties. Recommending rate of \$365,000 (approximately \$453.42 per DUE) *Per recommendation of Ehler's
42200	Special Assessments	The 10 th year for deferred buildable properties was levied on 2022 tax bills. Estimating 0 new DUE's. 2027 Rate = \$24,796.96
46400	Operations & Maint	Operations and Maintenance - Revenue from quarterly bills to property owners \$46.10/quarter. 2027 DUE's: 759. *\$1.00 increase per Ehler's projection.
46410	Connection Charges	Revenue from new connections 0 estimated 2027. (\$5,757 Est 2027 with Del-Hart 2% inc.)
46411	Del-Hart Sewage Service	Sewage Service Treatment Revenue from quarterly Bills \$67.50/quarter. 2027 DUE's: 759. *\$4.00 increase per Ehlers's projection.
46412	Meter Read	Charges to Roger's, Ole's Tap, Hogg Alley & Panga for quarterly reading of meters. Annual rate set by PW Director Nash and applied per DUE on quarterly bills per chart attached. (Includes \$5,500 Expense amount from SEH included in 53631)
48100	Investment Income	Income from the current balances of the district
48900	Miscellaneous Revenue	Nothing known at this time
49200	Transfer In	Due from General Fund to balance the district budget
49700	Capital Contributions	Revenue from quarterly bills to property owners this includes deferred buildable and razed properties \$156.90/quarter. 2027 DUE's: 805. *\$1.00 increase per Ehler's projection.

EXPENDITURES – FUND 620

<u>Line</u>	<u>Title</u>	<u>General Description - 2027</u>
53656	Utilities	Electric & gas (6 lift stations) \$25,600 and Starnet - cost for telemetry \$20/month/lift station = \$2,000 (S.E.H. estimate)

53657 Accounting/Audit

RPB	Annual Audit/check ins	7,390.25
PSN	Annual Credit Card fee PSN	22.50
Ehlers	Annual Financial Report	1,000.00
Workhorse	Annual Support	775.00
	Total	\$9,187.75

53658	Legal Fees	Attorney fees to the district, review agendas and any notices
53659	Contractual Services	StarNet Contract \$4,000 , Maint/service contract (ASI) \$63,000 , Xylem Contract (pumps) \$3,550 , Diggers Hot Line locates \$2,000 , Excel Contract \$10,000 , village administration \$61,000 (S.E.H. estimate)
TBD	Capital Projects	2027 Proposed: Manhole Restoration \$30,000 , Wet Well Pump Repairs \$10,000 , Control Panel Repairs & Upgrades \$305,000 , Replace LS5 Generator \$100,000 , Repair LS5 Louvers \$35,000 , Replace Check Valves \$15,000 , Replace LS Hatch Lifting Strauts \$17,000 , Replace LS Transducers \$12,000 , Replace LS RTU's \$42,000 . *Need to discuss options for funding.

Summit Utility District #2
Proposed 2027 Budget

Updated: 9/15/2026

REVENUES		2023	2024	2025	2026	2026	2026	2027	
Account Number	Account Description	ACTUAL	ACTUAL	ACTUAL	BUDGET	YTD 8/31/26	Proforma	BUDGET	
620-00-41110	PROPERTY TAXES	\$338,567.65	\$349,557.78	\$364,542.11	\$365,000.00	\$355,347.61	\$365,000.00	\$365,000.00	
620-00-42200	SPECIAL ASSESSMENTS	\$0.00	\$0.00	\$214,506.63	\$0.00	\$0.00	\$0.00	\$0.00	
620-00-46400	OPERATIONS AND MAINT.	\$103,536.83	\$112,126.03	\$130,180.50	\$135,120.00	\$102,441.72	\$136,000.00	\$139,959.60	
620-00-46410	CONNECTION CHARGES	\$32,404.20	\$10,862.00	\$60,652.24	\$11,288.00	\$0.00	\$0.00	\$0.00	
620-00-46411	DEL-HART SEWAGE SERVICE	\$161,682.82	\$150,494.23	\$180,039.08	\$190,246.00	\$147,753.35	\$200,000.00	\$204,930.00	
620-00-46412	METER READ	\$0.00	\$0.00	\$2,341.19	\$5,080.84	\$3,027.83	\$5,528.00	\$5,689.36	
620-00-48100	INVESTMENT INCOME	\$1,034.02	\$44,566.76	\$87,557.77	\$20,000.00	\$14,499.89	\$20,000.00	\$15,000.00	
620-00-48900	MISCELLANEOUS REVENUE	\$4,569.11	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
620-00-49200	TRANSFER FROM GENERAL FUND	\$0.00	\$165,000.53	\$0.00	\$0.00	\$0.00	\$346,386.76	\$979,465.79	
620-00-49700	CAPITAL CONTRIBUTIONS	\$454,426.23	\$511,263.23	\$507,990.03	\$495,138.40	\$372,118.30	\$496,207.74	\$505,218.00	
		=====	=====	=====	=====	=====	=====	=====	
	TOTAL REVENUES	\$1,096,220.86	\$1,343,920.56	\$1,547,809.55	\$1,221,873.24	\$995,188.70	\$1,569,122.50	\$2,215,262.75	\$1,235,796.96

EXPENDITURES		2023	2024	2025	2026	2026	2026	2027	
Account Number	Account Description	ACTUAL	ACTUAL	ACTUAL	BUDGET	YTD 8/31/26	Proforma	BUDGET	
620-00-53610-610	PRINCIPAL EXPENSE ON LOAN	\$0.00	\$740,000.00	\$755,000.00	\$765,000.00	\$765,000.00	\$765,000.00	\$785,000.00	
620-00-53610-620	INTEREST EXPENSE ON LOAN	\$0.00	\$55,835.00	\$38,392.00	\$25,302.50	\$16,667.50	\$25,302.50	\$8,635.00	
620-00-53631	PRO.SER./ ENGINEERING	\$36,672.96	\$54,954.99	\$59,848.33	\$69,868.00	\$35,146.27	\$59,000.00	\$112,500.00	
620-00-53632	TREATMENT EXPENSE	\$145,505.37	\$167,835.35	\$174,412.84	\$193,242.00	\$106,692.30	\$183,362.00	\$198,030.00	
620-00-53633	CAPITAL CONNECT CHRG DELHART	\$39,173.00	\$41,289.00	\$82,356.00	\$60,356.00	\$11,024.00	\$49,608.00	\$0.00	
620-00-53634	MAINTENANCE OF MAINS	\$30,564.71	\$24,482.65	\$15,877.95	\$49,000.00	\$8,931.17	\$11,400.00	\$29,000.00	
620-00-53635	MAINTENANCE OF LIFT STATIONS	\$11,146.50	\$36,585.15	\$11,389.72	\$509,000.00	\$483,714.43	\$242,450.00	\$19,000.00	
620-00-53636	CHEMICAL TREATMENT	\$61,093.41	\$47,557.53	\$67,008.75	\$68,000.00	\$68,119.27	\$68,120.00	\$72,000.00	
620-00-53637	R&M REPLACEMENT COST	\$452.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
620-00-53638	USGS GAUGE ON NAGAWICKA LAKE	\$0.00	\$0.00	\$0.00	\$900.00	\$0.00	\$900.00	\$900.00	
620-00-53655	OFFICE SUPPLIES	\$455.02	\$492.30	\$432.60	\$500.00	\$373.70	\$374.00	\$776.00	
620-00-53656	UTILITIES	\$20,523.09	\$16,631.19	\$22,658.30	\$25,500.00	\$12,919.41	\$26,200.00	\$27,600.00	
620-00-53657	ACCOUNTING/AUDITING FEES	\$5,750.00	\$11,300.00	\$6,400.00	\$8,922.50	\$7,125.00	\$8,300.00	\$9,187.75	
620-00-53658	LEGAL FEES	\$1,760.00	\$1,920.40	\$1,927.25	\$2,400.00	\$1,070.50	\$2,400.00	\$2,500.00	
620-00-53659	CONTRACTUAL SERVICES	\$114,715.04	\$133,293.64	\$111,280.11	\$145,000.00	\$56,393.87	\$126,706.00	\$143,550.00	
620-00-57400	CAPITAL PROJECTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$566,000.00	
620-00-18900	DEPRECIATION	\$240,584.00	\$0.00	\$240,584.00	\$240,584.00	\$240,584.00	\$240,584.00	\$240,584.00	

620-00-58103	2013 REFINANCING	\$11,743.36	\$11,743.36	\$11,743.36	\$0.00	\$0.00	\$0.00	\$0.00
620-00-58900	MISCELLANEOUS EXPENSES	\$0.00	\$0.00	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00
	REPAYMENT OF ROAD LOAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TRANSFER TO GENERAL FUND	\$376,082.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL EXPENDITURES	\$1,096,220.86	\$1,343,920.56	\$1,599,361.21	\$2,163,575.00	\$1,813,761.42	\$1,809,706.50	\$2,215,262.75
	Due Count	784.25	794	794	794			805
	UD Tax	\$432.26	\$440.81	\$459.70	\$459.70			\$453.42
		\$338,999.91	\$350,000.00	\$365,000.00	\$365,000.00			\$365,000.00
	Cash & Equivalents		\$1,883,473.00	\$2,101,632.00	\$1,755,245.00			
	Operating Expenses					\$353,008.00	\$398,013.75	
	Net Cash Flow (excludes depreciation)					-\$346,387.00	\$240,584.00	



2027 ESTIMATED DISTRICT BUDGET

Summit Utility District No. 2

SEH No.: SUMMV 189352

September 11, 2026

		Actual	Proposed	Proforma	Proposed	Comments
Item	Description	2025	2026	2026	2027	
Account No. 53631-000 - Engineering Services						
1	Engineering Fees (General)	\$ 59,848	\$ 45,008	\$ 41,500	\$ 46,000	
2	Meter Readings		\$ 4,900	\$ 3,500	\$ 5,500	Village reads meters at Roger's Memorial, Cedar Ridge, and restaurants; SEH reviews readings
3	Nitrate/Sulfide Sampling and Testing	\$ -	\$ -	\$ -	\$ -	Line item to be removed; ASI to perform.
4	Annual Projects	\$ -	\$ 5,920	\$ 10,000	\$ 7,000	RFQs for maintenance (sewer cleaning & televising, wet well cleaning, etc)
5	Special Projects	\$ -	\$ 14,040	\$ 4,000	\$ 54,000	CIP project preparation (listed below) for project design, quotes/bidding, etc.
Total:		\$ 59,848	\$ 69,868	\$ 59,000	\$ 112,500	
Account No. 53634-000 - Maintenance of Mains						
1	Sewer Cleaning and Televising	\$ 8,000	\$ 10,000	\$ 7,400	\$ 10,000	Clean system every 5 years and televise every 10 years (depending on infiltration); approximately 5,000 LF per year
2	Emergency Sewer Repair	\$ 7,889	\$ 15,000	\$ -	\$ 15,000	For an emergency repair of a gravity sewer or pressure pipe (i.e. Valley Rd)
3	Manhole Inspection and Restoration	\$ -	\$ 20,000	\$ -	\$ -	Deferred to 2027; line item to be removed and added to CIP
4	Inflow & Infiltration Abatement	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	Grouting MH leaks; determined by observed flows and sewer televising findings.
Total:		\$ 15,889	\$ 49,000	\$ 11,400	\$ 29,000	
Account No. 53635-000 - Maintenance of Lift Stations						
1	Wet Well Cleaning	\$ 8,000	\$ 8,000	\$ 8,000	\$ 10,000	Clean 2x per year
2	Bioxide Feed System Improvements	\$ -	\$ 2,000	\$ 2,000	\$ 3,000	Equipment repairs and replacement
3	Lift Station Building Maintenance	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	Building maintenance, as needed (i.e. insect/weed spraying, etc.)
4	Controls Panel Repairs & Upgrades	\$ -	\$ 200,000	\$ 12,900	\$ -	2026 - transducer replacement; line item to be removed and added to CIP
5	Wet Well Pump Repairs	\$ -	\$ 200,000	\$ 185,000	\$ -	2026 - pump replacements and repairs; line item to be removed and added to CIP
6	Generator Maintenance	\$ 3,000	\$ 3,000	\$ 5,000	\$ 5,000	Annual maintenance (fluids change, block heaters, or other necessary equipment)
7	Automatic Transfer Switch Repairs	\$ -	\$ -	\$ 7,950	\$ -	Line item to be removed and added to CIP
8	Replace LS5 Generator	\$ -	\$ 95,000	\$ -	\$ -	Line item to be removed and added to CIP
9	Replace LS Check and Isolation Valves	\$ -	\$ -	\$ 10,800	\$ -	LS 6 replacement; line item to be removed and added to CIP



2027 ESTIMATED DISTRICT BUDGET

Summit Utility District No. 2
SEH No.: SUMMV 189352
September 11, 2026

		Actual	Proposed	Proforma	Proposed	Comments
Item	Description	2025	2026	2026	2027	
10	Replace LS Transducers	\$ -	\$ -	\$ 10,800	\$ -	LS 1, 4-5 replacement; line item to be removed and added to CIP
Total:		\$ 12,000	\$ 509,000	\$ 242,450	\$ 19,000	

Account No. 53636-000 - Chemical Treatment						
1	Chemicals (Bioxide or Other)	\$ 67,009	\$ 68,000	\$ 68,120	\$ 72,000	Bioxide and ProSweet dosing
Total:		\$ 67,009	\$ 68,000	\$ 68,120	\$ 72,000	

Account No. 53637-000 - R&M Replacement Fund						
1	Replacement Fund	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
Total:		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	

Account No. 53656-000 - Utilities						
1	Energy - Gas and Electric	\$ 20,858	\$ 23,700	\$ 24,400	\$ 25,600	Assume quarterly deliveries
2	Telemetry Starnet	\$ 1,800	\$ 1,800	\$ 1,800	\$ 2,000	Currently \$20 per month for each lift station
Total:		\$ 22,658	\$ 25,500	\$ 26,200	\$ 27,600	

Account No. 53659-000 - Contractual Services						
1	Contract with Starnet Technologies, Inc.	\$ -	\$ 4,000	\$ -	\$ 4,000	Assume 3 full day service visits per year
2	Contract with Maintenance Contractor (ASI)	\$ 36,000	\$ 60,000	\$ 52,000	\$ 63,000	ASI agreement thru 2028; annual increase based on CPI - Urbran Users
3	Contract with Xylem (Flygt Pumps)	\$ 2,496	\$ 3,000	\$ 1,200	\$ 3,550	Flygt Pump Agreement - current thru 2028; 15% discount on parts
4	Diggers Hotline Locate Services	\$ 1,800	\$ 1,800	\$ 1,800	\$ 2,000	
5	Contract with Excel Underground, LLC	\$ 10,000	\$ 10,000	\$ 10,706	\$ 10,000	Excel Underground Agreement- current thru 2028
6	Village Admin	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	
Total:		\$ 111,296	\$ 139,800	\$ 126,706	\$ 143,550	



2027 ESTIMATED DISTRICT BUDGET

Summit Utility District No. 2
SEH No.: SUMMV 189352
September 11, 2026

		Actual	Proposed	Proforma	Proposed	Comments
Item	Description	2025	2026	2026	2027	
Account No. 53659-000 - Capital Improvements						
1	Manhole Restoration	\$ -	\$ -	\$ -	\$ 30,000	Typically review condition and complete every 4-5 years
2	Wet Well Pump Repairs	\$ -	\$ -	\$ -	\$ 10,000	Wet well pump repairs based on annual PM visit findings.
3	Control Panel Repairs & Upgrades	\$ -	\$ -	\$ -	\$ 305,000	2027: LS 5 and 6 panel upgrades; includes ASI, materials and installation
4	Replace LS5 Generator	\$ -	\$ -	\$ -	\$ 100,000	Aged components with replacements hard to find; includes ASI, materials and installation
5	Repair LS5 Louvers	\$ -	\$ -	\$ -	\$ 35,000	Aged components; includes ASI, materials and installation
6	Replace LS Check Valves	\$ -	\$ -	\$ -	\$ 15,000	ASI, materials and installation
7	Replace LS Hatch Lifting Strauts	\$ -	\$ -	\$ -	\$ 17,000	ASI, materials and installation
8	Replace LS Transducers	\$ -	\$ -	\$ -	\$ 12,000	ASI, materials and installation
9	Replace LS RTU's	\$ -	\$ -	\$ -	\$ 42,000	Starnet components will be inoperational end of 2027; includes ASI, materials and installation.
10	Replace LS Automatic Transfer Switch	\$ -	\$ -	\$ -	\$ -	LS 1, 2, and 4 original
11	Replace LS Pump Starters	\$ -	\$ -	\$ -	\$ -	Included with control panel upgrades
Total:		\$ -	\$ -	\$ -	\$ 566,000	
Overall Total:		\$ 293,700	\$ 866,168	\$ 538,876	\$ 974,650	

Acct. Code	Description	Total
53631-000	Engineering Services	\$ 112,500
53634-000	Maintenance of Mains	\$ 29,000
53635-000	Maintenance of Lift Stations	\$ 19,000
53636-000	Chemical Treatment	\$ 72,000
53637-000	R&M Replacement Cost	\$ 5,000
53656-000	Utilities	\$ 27,600
53659-000	Contractual Services	\$ 143,550
	Capital Improvements	\$ 566,000
Overall Total:		\$ 974,650

2026 SUD2 Meter Reading Fee

Commercial User Meters	No. of Meters	Village Staff Labor (\$63.12/hr)	SEH Labor (\$220/hr)	SEH/Del-Hart Coordination (\$220/hr)	Total 2027 Annual Charge	Quarterly Charge
Rogers Memorial Hospital – Main Campus DBA: Rogers Memorial 622977003 - Tax Key change 2026	5	\$ -	\$ 1,353.85	\$ 406.15	\$ 1,760.00	\$ 440.00
Rogers Memorial Hospital – Main Campus (Exemption) 622977002	5	\$ -	\$ 1,353.85	\$ 406.15	\$ 1,760.00	\$ 440.00
Rogers Memorial Hospital – Cedar Ridge Campus 625998	3	\$ -	\$ 812.31	\$ 243.69	\$ 1,056.00	\$ 264.00
2008 Venice Beach Rd LLC DBA: Stolley's Hogg Alley 669031001	1	\$ 63.12	\$ 220.00	\$ 88.00	\$ 371.12	\$ 92.78
Nemahbin Lake Holdings LLC DBA: Panga Bar & Grill 669017	1	\$ 63.12	\$ 220.00	\$ 88.00	\$ 371.12	\$ 92.78
Northcrest Properties LLC DBA: Ole's Tap 669053	1	\$ 63.12	\$ 220.00	\$ 88.00	\$ 371.12	\$ 92.78
Total	16	\$ 189.36	\$ 4,180.00	\$ 1,320.00	\$ 5,689.36	\$ 1,422.34

Revenue Acct: 620-00-46412

SEH Meter Reading Budget Breakdown:

Bars: 1 hr per year per location (\$220/hr)	\$ 660.00
RMH: 16 hrs per year for all facilities (\$220/hr)	\$ 3,520.00
Subtotal:	\$ 4,180.00

Delahart Coordination Breakdown (6 total hrs):

Bars: 20% of 6 hrs, or 1.2 hours (\$220/hr)	\$ 264.00
RMH: 80% of 6 hrs, or 4.8 hours (\$220/hr)	\$ 1,056.00
	\$ 1,320.00

\$ 5,500.00 Total 2027 SEH Meter Reading Budget

*For 2027, added 1 meter to Cedar Ridge Campus as part of 2026 expansion projects.



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Dept. of Public Works, 262-567-2422
Police Dept., 262-567-1134
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Summit Village Hall • 37100 Delafield Road • Summit, WI 53066

MEMORANDUM

To: Utility District #2 Commissioners

From: Debbie Michael, Village Administrator-Clerk/Treasurer

Date: September 15, 2026

Re: 2027 Agreement between Summit Utility District #2 and Village

BACKGROUND: This is an on-going agreement originally approved for 2002 when the planning and design work for the system began. The district will use village staff to complete quarterly billings and collections, accounting activities, meeting activities and annual reconciliation of DUE's. The Department of Public Works provides maintenance of the lift stations, including cosmetic and grounds keeping activities, and performing meter readings at businesses within the district. The District Commission meets monthly.

This district requires substantial maintenance and monitoring of the lift stations, mains and uses various contractors to complete the required activities of the district.

Director of Public Works suggested an increase to \$65,000 to adjust for rising costs. Last increase was in 2024 from \$58,000 to \$61,000 (\$3,000/5%)

ATTACHMENTS: 2027 Agreement

FISCAL IMPACT: Annual cost of \$61,000 to be paid to the Village monthly

MOTION: To approve the 2027 Agreement between the Summit Utility District #2 & the Village of Summit with an annual payment of \$61,000 (or \$65,000), to be paid on a monthly basis.

**AGREEMENT
BETWEEN THE SUMMIT UTILITY DISTRICT #2
AND THE VILLAGE OF SUMMIT**

Agreement dated effective January 1, 2027, by and between the Summit Utility District #2, (the "District"), a Utility District created under the authority of §66.0827, Wisconsin Statutes, and the Village of Summit, a Wisconsin municipal corporation located in Waukesha County, Wisconsin (the "Village").

RECITALS

- A. The Summit Utility District #2 owns certain real property, consisting of, among other things, six (6) sanitary lift stations, located in the Village of Summit, Waukesha County, Wisconsin as more particularly described in the attached Exhibit A (the "Facilities").
- B. The District originally contracted with the Town of Summit beginning in 2002 to provide administrative services, track service connections and complete financial payments for services. Upon incorporation of the Village of Summit in 2010, the District continued this agreement annually with the Village.
- C. The District does not employ any full- or part-time employees but does engage in billings, collections, contracting for services, holds meetings, and publishes general information. The District desires to engage the staff of the Village to complete this administrative and light maintenance work on behalf of the District.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION AND INTENDING TO BE BOUND, THE VILLAGE AND DISTRICT HEREBY AGREE AS FOLLOWS:

- 1. Term. The term of this Agreement shall be for a period of one (1) year, commencing on January 1, 2027, (the "Commencement Date"), and ending on December 31, 2027. This Agreement is to be reviewed and renewed on an annual basis in September or October of each calendar year.
- 2. Payment. The District agrees to pay the Village of Summit **\$61,000.00** for the services outlined in this Agreement. This payment shall be divided into twelve and paid on a monthly basis to the Village.
- 3. Maintenance. The Village agrees to provide maintenance equipment and staff to periodically mow grass, clear brush, and clear snow at all six lift stations sites operated by the District.
- 4. Administration and Billing. The Village agrees to provide staff to the District for quarterly customer billings and collections, monthly agendas and meeting minute preparation, monthly financial statement completion, and monthly District invoicing and payment of bills. The Village staff may also prepare up to two mailings each year to all property owners in the District, at the direction of the District Commissioners. Once a year the Village will notify property owners of delinquent accounts and place the balance due on the tax bill.

5. Entry by the Village. The Village staff may enter District premises at reasonable times to inspect the Premises, or to complete the work identified in #3 above. The Village may enter without advance notice or consent of the District, when a health or safety emergency exists, or if the Village believes entry is necessary to protect the facilities or the building in which they are located from damage.
6. Modification. This Agreement may be terminated or modified by written agreement of the Village and District.
7. Limitations.
 - a. The Village shall not be liable for, and the District shall defend, indemnify and hold harmless the Village from any damage or threat of damage allegedly caused by the District for any reason other than the Village's intentional acts.
 - b. Nothing contained in this Agreement shall limit or interfere with or be construed to limit or interfere with any of the Village's rights or powers, including the Village's authority and enforcement of its municipal Ordinances, including its Zoning Code, unless specifically and explicitly granted to the District in this Agreement contrary to said rights and powers.
8. Applicable Law and Severability. This Agreement and any interpretation thereof shall be ruled by the internal laws (not merely choice of law provisions) of the State of Wisconsin. If one or more of the terms hereof are found to be void or invalid, those terms shall be deemed inoperative and null and void, and shall be deemed modified to conform to such rule of law, all without invalidating any of the remaining provisions of this Agreement or the enforceability thereof, which shall continue in full force and effect.

In Witness Whereof, the parties have hereunto caused this Agreement to be executed by their duly authorized officers on the day and year identified below.

Dated this 17th day of September, 2026

Dated this 8th day of October, 2026

SUMMIT UTILITY DISTRICT #2

VILLAGE OF SUMMIT

Jack Riley, Chairperson

Jack Riley, Village President

Debra J. Michael, Secretary

Debra J. Michael, Administrator-
Clerk/Treasurer

SUMMIT UTILITY DISTRICT #2

SUMMARY SHEET

September 15, 2026 For the September 17, 2026 Summit Utility District #2 Meeting

TOPIC: **2026 District Tax Levy**

RECOMMENDED MOTION: **Motion to approve a 2026 tax levy for Summit Utility District #2 in the amount of \$365,000 to be levied within the district based on DUE counts.**

<u>XX</u>	Action Item
_____	Agenda Reference
_____	Discussion Only
_____	Information Item

PURPOSE: To identify the annual tax levy amount for the district and notify the Village Clerk of this amount and how to be assessed.

BACKGROUND: The commission set up a Financial Management Plan with Ehler's Associates in 2012 after reviewing the district's finances. This plan has been updated annually to maintain the fiscal health of the district and to keep quarterly charges as minimal as possible.

At the conclusion of the budget review the commission includes an amount of the annual tax levy.

ATTACHMENTS: Draft letter to the Village Clerk

FISCAL IMPACT: The proposed tax has no increase from 2026 and remains at \$365,000. This computes to approximately \$453.42 charge on property tax bill. This tax levy is intended to cover some of the operational costs to the Village for servicing the utility district. (last increased in 2023 from a levy of \$350,000)

PREPARED BY: Debra Michael, Administrator-Clerk/Treasurer



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September 18, 2026

Ms. Debra J. Michael
Village Administrator/Clerk-Treasurer
Village of Summit
37100 Delafield Road
Summit, Wisconsin 53066

RE: Summit Utility District #2 2026 Tax Levy

Dear Ms. Michael:

According to Section 66.0827(2), the fund of each utility district shall be provided by taxation of the property in the district, upon an annual estimate by the department in charge of public works in cities and villages, and by the town chairperson in towns, filed by October 1.

A separate account shall be kept of each district fund.

Based on this requirement and the district commission discussions on September 17, 2026, I am hereby notifying you that the commissioners have adopted the attached budget. The Village Highway Department therefore provides the annual levy at \$365,000.00 to be divided and applied to each parcel in the district based on the number of DUE's.

Cordially,

Kamron Nash
Public Works Director

cc: Village Board and Utility District Commissioners