

New Prague, Minnesota

A Tradition of Progress



NEW PRAGUE UTILITIES COMMISSION 2025 PROPOSED WATER BUDGET REPORT

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MANAGEMENT STATEMENT

The overall management goal for the New Prague Utilities Water Department is our commitment to the Community in providing a safe and reliable water supply to the City of New Prague. During the past couple of years, we had to change the focus of our budget to include major CIP reconstruction projects that affect the water distribution system. That focus is forecasted to continue through 2026 with large CIP projects. It is estimated that total bonding will exceed \$3.5 million for all projects through 2026.

FORECAST

The 2025 water department budget is projected to forecast the financial operation of the New Prague Utilities Commission. The New Prague Utilities Commission has been able to keep rates relatively flat with an average increase of only 1.9% per year over the past several years but due to large CIP projects and higher bonding cost rates will need to be increased. The 2025 budget reflects a change in rates to include both the usage and customer service charges.

REVENUE

The 2025 Revenue budget reflects an increase of \$.50 / 1000 gallons and \$2.00 / month customer charge for all customer classes. Residential customers with an average usage of 5000 gallons a month will see approximately a \$4.52 per month increase. Seasonal rates will continue in 2025 with higher usage rates during the summer months of June through September to meet the water conservation pricing requirement set forth by the state.

EXPENSES

Personnel Costs:

- Wages Full-Time and Part-Time – Reflects a 2.8% COLA wage adjustment and step increases.
- Health Insurance – There will be a 4.7% increase in health insurance premiums for 2025. HSA contributions will increase from \$1,000 (family) to \$2,250 and \$500 (single) to \$1,125.
 - Note: Insurance providers will change effective Jan. 1, 2025 from HealthPartners to BlueCross Blue Shield. This change is effective for the entire Sourcewell insurance pool.
- Dental Insurance – There is an 12.6% decrease in dental insurance premiums for 2025.
 - Note: Insurance providers will change effective Jan. 1, 2025 from Delta Dental to HealthPartners. This change is due to bid results completed in 2024
- Life, Long-Term Disability and Short-Term Disability – 0% change in 2025 as part of the 36-month rate guarantee established in 2023.

Operating Expenses:

- Projected increase of 15% in water hook-up fees due to projected homes being built in 2025.
- Debt service interest increased by 38.39% due to the cost of CIP projects.
- Distribution decreased by 8.51% due to the cost of planned projects.

2025 KEY WATER BUDGET AND OPERATIONAL CHALLENGES

- Replaced 4,000' of water main and 60 service lines in the NE sector or town.
- Continue to make updates to the GIS mapping system.
- Continue CIP Planning for reconstruction of 1st Ave SE
- Start the process of working with customers to replace lead service lines.

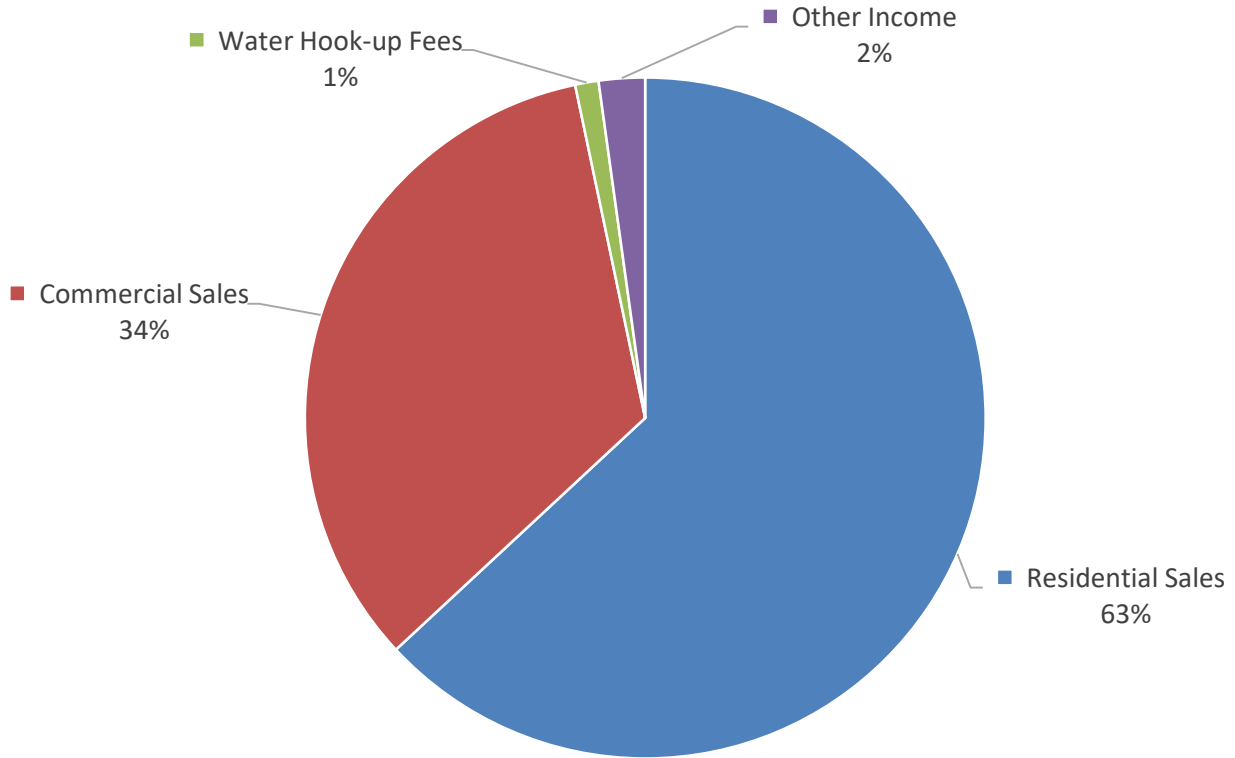
2024 KEY ACCOMPLISHMENTS

- Replaced 5000' of water main and 90 service lines on the Lyndale and Lexington Ave CIP project.
- Replaced well #2 failed pump.
- Long and short-term planning for several reconstruction projects that are planned in the NE sector of town over the next three years.
- Completed Water System Modeling Study
- Finished lead service line inventory and applied for funding from the state to start lead service line replacement in 2025

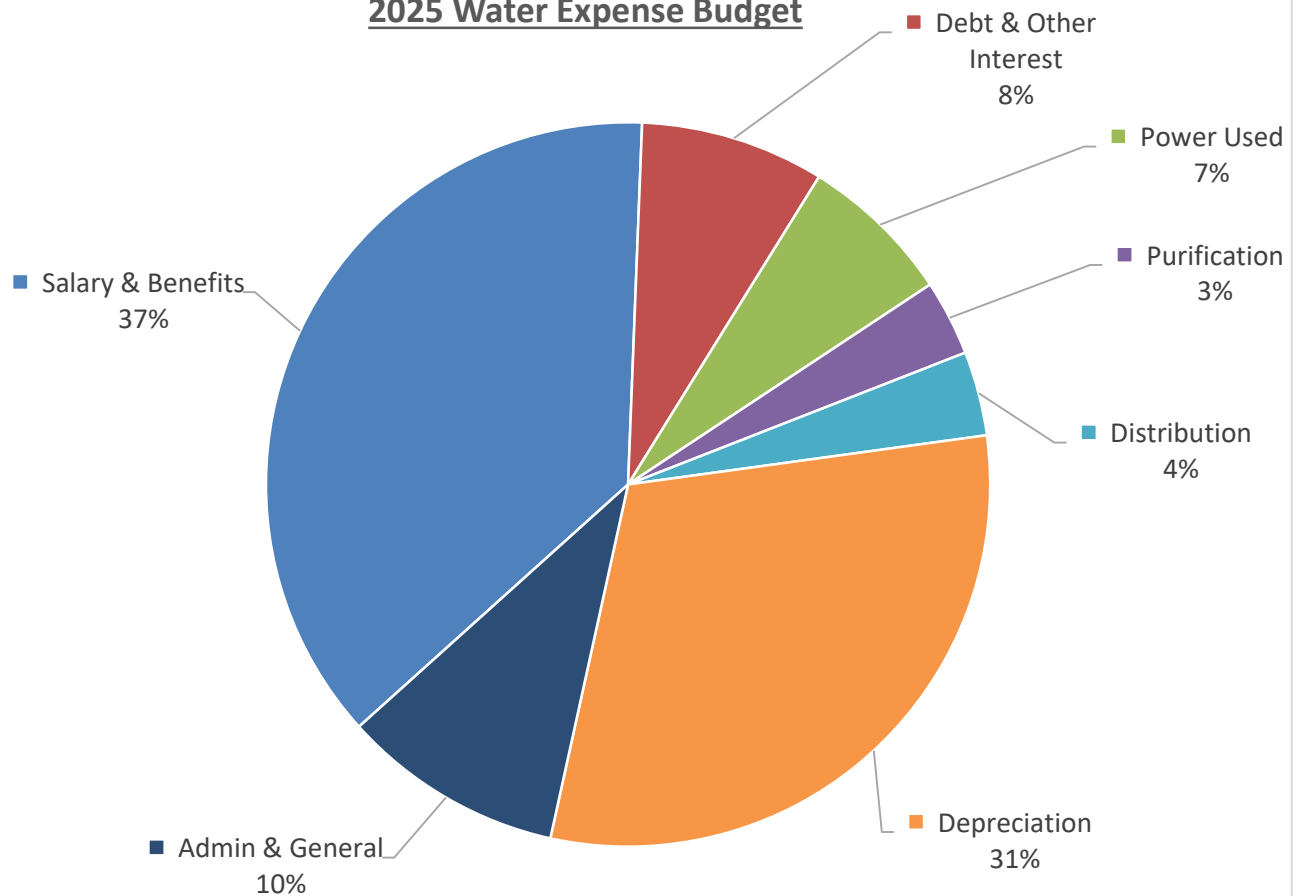
NEW PRAGUE UTILITIES COMMISSION
PROPOSED WATER BUDGET
As of 9/30/2024

	2023	2024	2024	2025	2024-2025	
	ACTUAL	Y-T-D ACTUAL	CURRENT BUDGET	PROPOSED BUDGET	\$ DIFFERENCE	% DIFFERENCE
REVENUES						
Unbilled Accounts Receivable	\$ (10,208.54)	\$ -	\$ -	\$ -	\$ -	0.00%
Residential	\$ 1,272,612.04	\$ 1,167,088.00	\$ 1,167,088.00	\$ 1,297,761.00	\$ 130,673.00	11.20%
Commercial	\$ 594,770.28	\$ 619,473.00	\$ 619,473.00	\$ 691,090.00	\$ 71,617.00	11.56%
Water Hook-up Fees	\$ 40,647.96	\$ 33,711.00	\$ 20,000.00	\$ 23,000.00	\$ 3,000.00	15.00%
Other Income	\$ 256,750.50	\$ 43,673.38	\$ 71,400.00	\$ 45,110.00	\$ (26,290.00)	-36.82%
TOTAL REVENUES	\$ 2,154,572.24	\$ 1,863,945.38	\$ 1,877,961.00	\$ 2,056,961.00	\$ 179,000.00	9.53%
EXPENSES						
Power Used	\$ 131,813.87	\$ 69,191.10	\$ 117,500.00	\$ 117,500.00	\$ -	0.00%
Purification	\$ 57,784.99	\$ 33,076.03	\$ 58,000.00	\$ 58,000.00	\$ -	0.00%
Distribution	\$ 72,888.54	\$ 23,012.31	\$ 70,500.00	\$ 64,500.00	\$ (6,000.00)	-8.51%
Depreciation	\$ 433,404.39	\$ 345,792.81	\$ 431,460.00	\$ 525,000.00	\$ 93,540.00	21.68%
Debt & Other Interest	\$ 106,812.26	\$ 107,890.67	\$ 101,948.00	\$ 141,088.00	\$ 39,140.00	38.39%
Salary & Benefits	\$ 581,332.60	\$ 400,680.67	\$ 647,468.00	\$ 639,341.00	\$ (8,127.00)	-1.26%
Loss on Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Admin & General	\$ 131,682.80	\$ 142,998.24	\$ 163,028.00	\$ 169,670.00	\$ 6,642.00	4.07%
TOTAL EXPENSES	\$ 1,515,719.45	\$ 1,122,641.83	\$ 1,589,904.00	\$ 1,715,099	\$ 125,195.00	7.87%
EXCESS REVENUES OVER EXPENSES	\$ 638,852.79	\$ 741,303.55	\$ 288,057.00	\$ 341,862.00	\$ (53,805.00)	18.68%

2025 Water Revenue Budget



2025 Water Expense Budget



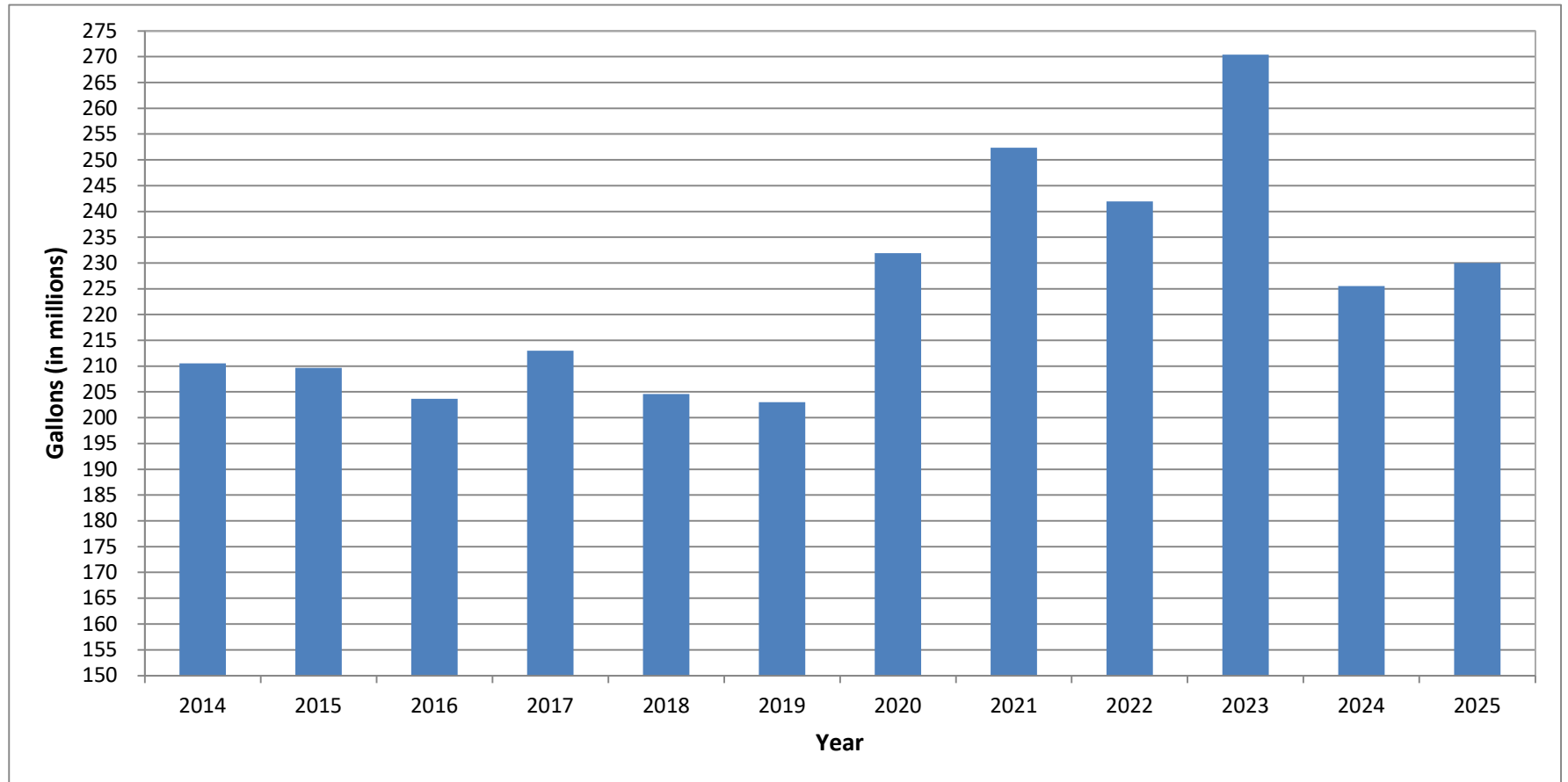
2025 Projected Water Sales

Water Sales are projected to be at 230,000,000 gallons sold for 2025. Weather has a large effect on gallons sold.

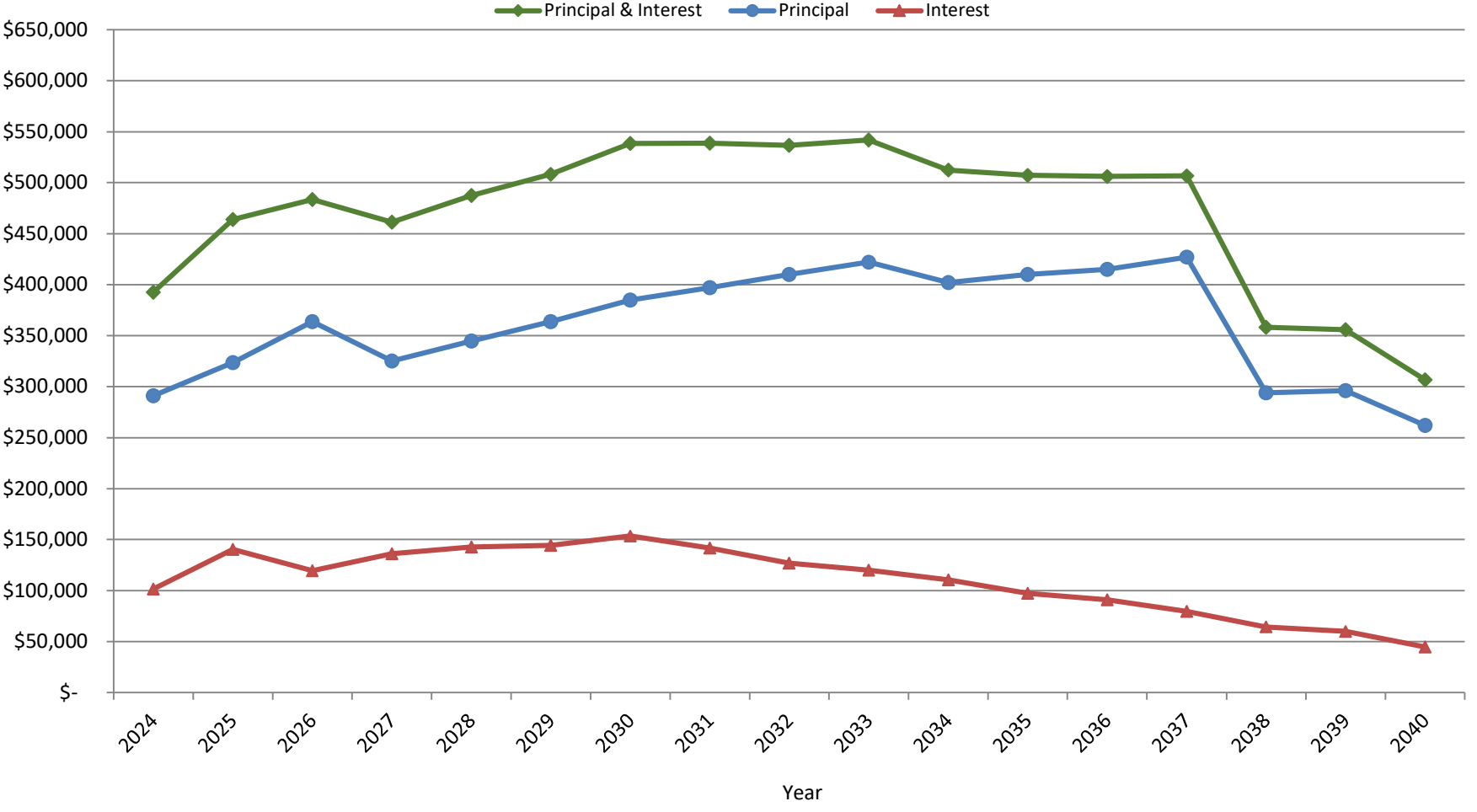
History of Water Sales:

2014	210,547,000	2020	231,931,000
2015	209,645,000	2021	252,326,000
2016	203,679,000	2022	241,960,000
2017	213,000,000	2023	270,410,000
2018	204,592,000	* 2024	225,542,000
2019	203,000,000	** 2025	230,000,000

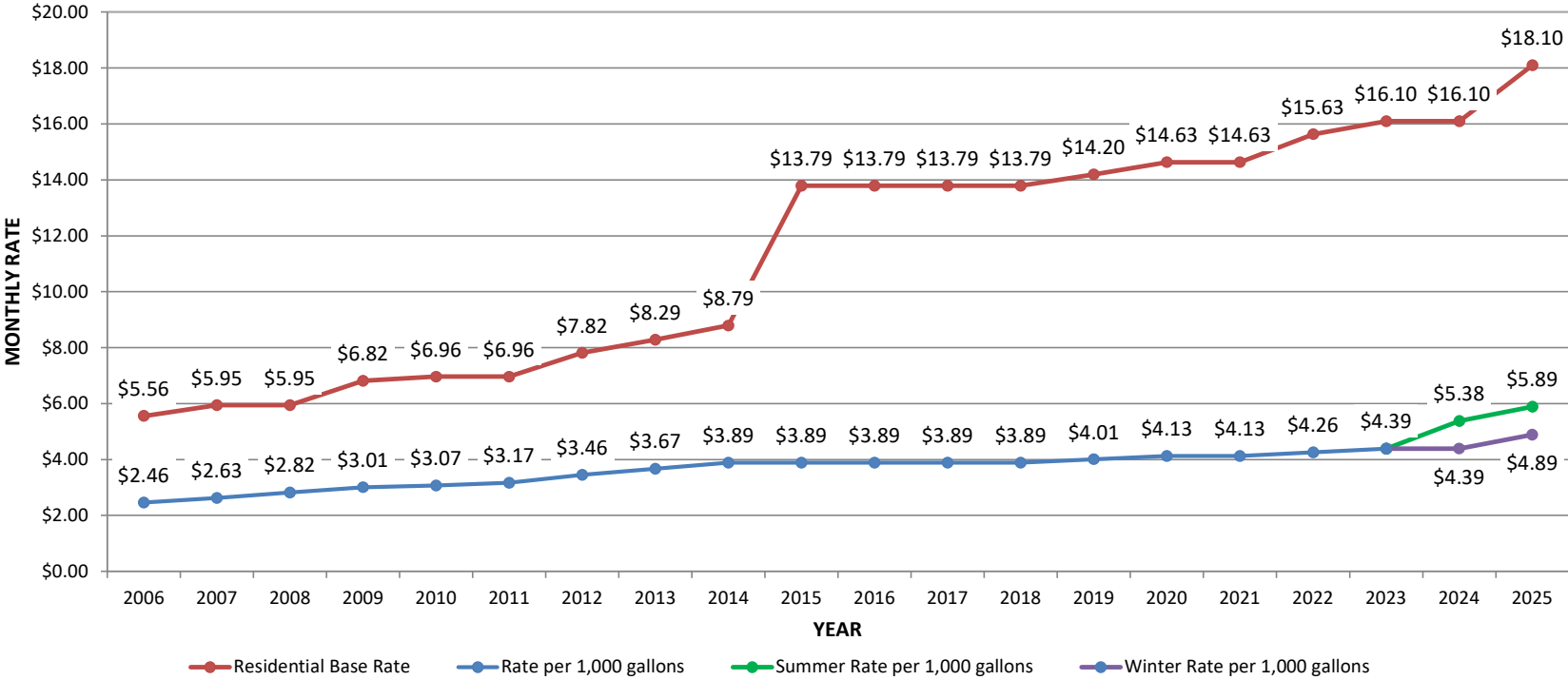
* Anticipated ** Budgeted



Debt Service Chart (Existing & Future)



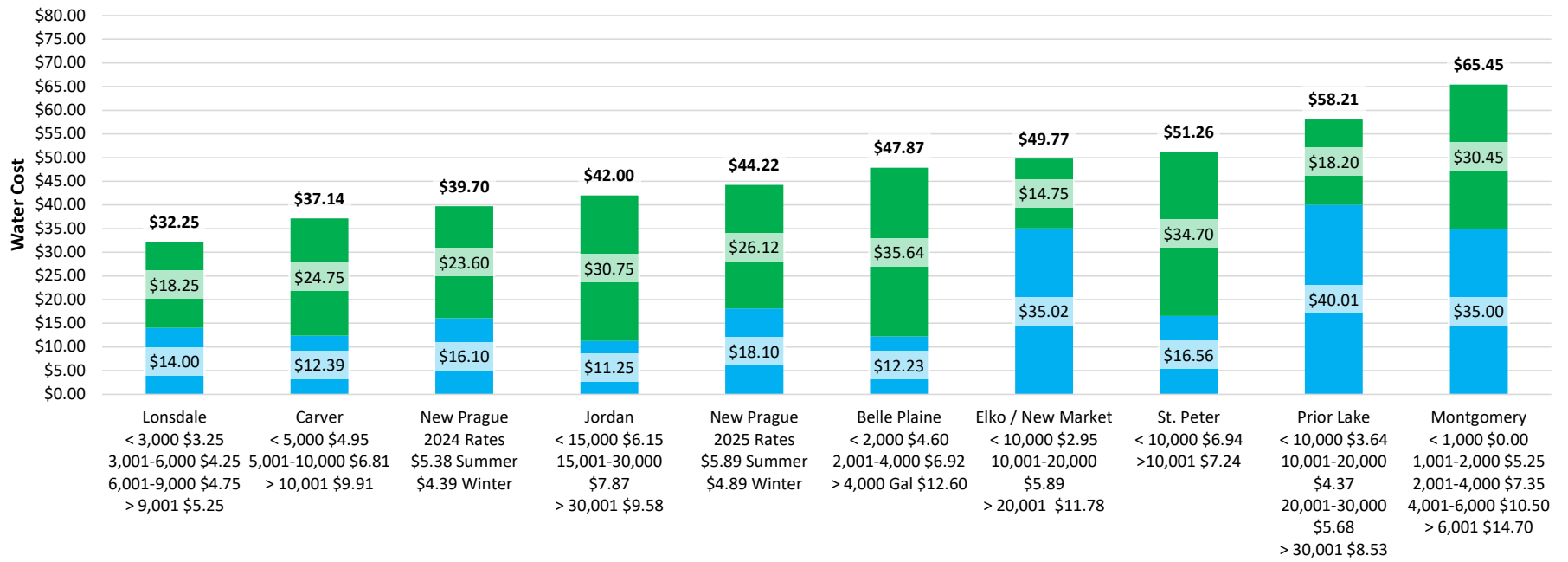
CITY OF NEW PRAGUE WATER RATE INFORMATION HISTORY (2006 - 2025)



* An average residential customer using 4,000 gallons will see an annual increase of \$48.16 with 2025 rate increase
 * An average residential customer using 8,000 gallons will see an annual increase of \$72.32 with 2025 rate increase

New Prague Utilities Commission Monthly water costs compared to surrounding cities based on 5,000 gallon usage

■ Monthly Base Rate ■ Water Usage Cost based on 5,000 gallons



City
Tiered Water Consumption Rates (per 1,000 gallons)

Lonsdale		New Prague	Jordan	New Prague	Belle Plaine	Elko / New Market	St. Peter	Prior Lake	Montgomery
< 3,000 \$3.25	< 5,000 \$4.95	2024 Rates	< 15,000 \$6.15	2025 Rates	< 2,000 \$4.60	< 10,000 \$2.95	< 10,000 \$6.94	< 10,000 \$3.64	< 1,000 \$0.00
3,001-6,000 \$4.25	5,001-10,000 \$6.81	\$5.38 Summer	15,001-30,000 \$7.87	\$5.89 Summer	2,001-4,000 \$6.92	10,001-20,000 \$5.89	>10,001 \$7.24	10,001-20,000 \$4.37	1,001-2,000 \$5.25
6,001-9,000 \$4.75	> 10,001 \$9.91	\$4.39 Winter	> 30,001 \$9.58	\$4.89 Winter	> 4,000 Gal \$12.60	> 20,001 \$11.78		20,001-30,000 \$5.68	2,001-4,000 \$7.35
> 9,001 \$5.25								> 30,001 \$8.53	4,001-6,000 \$10.50
									> 6,001 \$14.70

Sum of Amount	Years										
Funding Sources	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Grand Total
Water	850,000	510,000	498,000	566,000	561,050	541,200	565,500	591,000	602,789	630,917	5,916,456
Filter #1 Chemical Feed System	40,000										40,000
Future CIP	750,000	400,000	400,000	441,000	463,050	486,200	510,500	536,000	562,789	590,917	5,140,456
Mini Excavator Backhoe (1/3 of Cost)	10,000										10,000
Misc. Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
SCADA	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			115,000
Service Truck		55,000									55,000
Tractor Backhoe				25,000							25,000
Well #1 Replacement			43,000								43,000
Well #2 Replacement					43,000						43,000
Well #3, #4, #6 Pump Replacement	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Well #5 Replacement				45,000							45,000
Grand Total	850,000	510,000	498,000	566,000	561,050	541,200	565,500	591,000	602,789	630,917	5,916,456

**New Prague Utilities
Existing and Proposed Water Rates**

<u>Class</u>	<u>Current Rate</u>	2025 <u>Proposed Rate</u>
Customer Charge		
Residential 5/8" & 3/4"	\$16.10	\$18.10
Residential 1"	\$16.81	\$18.81
Residential 1.5"	\$16.96	\$18.96
Commercial 5/8" & 3/4"	\$16.10	\$18.10
Commercial 1"	\$16.81	\$18.81
Commercial 1.5"	\$16.96	\$18.96
Commercial 2"	\$37.17	\$39.17
Commercial 3"	\$42.46	\$44.46
Commercial 4"	\$62.83	\$64.83
Commercial 6"	\$93.66	\$95.66
Residential Multi	\$11.27	\$13.69
Commercial Multi	\$11.27	\$13.69
 Water Charges		
per 1,000 gallons (June 1-Sept 30)	\$5.38	\$5.88
per 1,000 gallons (non-summer)	\$4.39	\$4.89
per 1,000 gallons (golf course - all months)	\$4.52	\$4.65