

# *New Prague, Minnesota*

*A Tradition of Progress*



## **NEW PRAGUE UTILITIES COMMISSION 2026 PROPOSED WATER BUDGET REPORT**

# TABLE OF CONTENTS

## Contents

|                                                |    |
|------------------------------------------------|----|
| 2026 MANAGEMENT STATEMENT & FORECAST .....     | 1  |
| 2026 PROPOSED WATER BUDGET .....               | 3  |
| PROJECTED WATER REVENUE & EXPENSE CHART .....  | 4  |
| 2026 PROJECTED WATER SALES .....               | 5  |
| DEBT SERVICE CHART (Existing and Future) ..... | 6  |
| WATER RATE INFORMATION .....                   | 7  |
| WATER RATE COMPARISON .....                    | 8  |
| 10-YEAR CAPITAL PROJECTS .....                 | 9  |
| PROPOSED 2026 RATES .....                      | 10 |

## 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 projects that affect the water distribution system. That focus is forecasted to continue through 2026 with the filter #3 rehabilitation project.

## FORECAST

The 2026 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 capital improvement projects the past three years and higher bonding cost rates will need to be increased. The 2026 budget reflects a change in rates to include both the usage and customer service charges.

## REVENUE

The 2026 Revenue budget reflects an increase of \$.68 / 1000 gallons for non-summer months and \$.18 / 1000 gallons for summer months. Residential customer with an average usage of 4000 gallons a month will see approximately a \$2.72 per month increase. Seasonal rates will continue in 2026 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 implementation based on a recommendation through a compensation study completed in 2025.
- Health Insurance –17% increase in health insurance premiums for 2026. HSA contributions remain the same 2,250 family and 1,125 single.
- Dental Insurance –Premiums for 2026 remain the same as 2025.
- Life, Long-Term Disability, Short-Term Disability and Paid Family Medical Leave Act (PFMLA) is a reduction of 15.1% change in 2026. PFMLA is effective January 1, 2026. The Life and Disability rates effective January 1, 2026 have a two year rate guarantee.
  - Note: Insurance providers will change effective Jan. 1, 2026 from The Hartford to MetLife. This change is due to bid results completed in 2025.

### **Operating Expenses:**

- Projected increase of 8.7% in water hook-up fees due to projected homes being built in 2026.
- Debt service interest decreased by 6.54% based on scheduled payments.
- Distribution increased by 43.44 % due to the cost of planned projects.

## 2025 KEY WATER BUDGET AND OPERATIONAL CHALLENGES

- Rehab filter plant #3
- Continue to make updates to the GIS mapping system.
- Continue CIP Planning for reconstruction of 1<sup>st</sup> Ave SE
- In the spring of 2026, we will start the process of working with customers to replace approximately 80 lead service lines with cost primarily covered by a grant from the state.

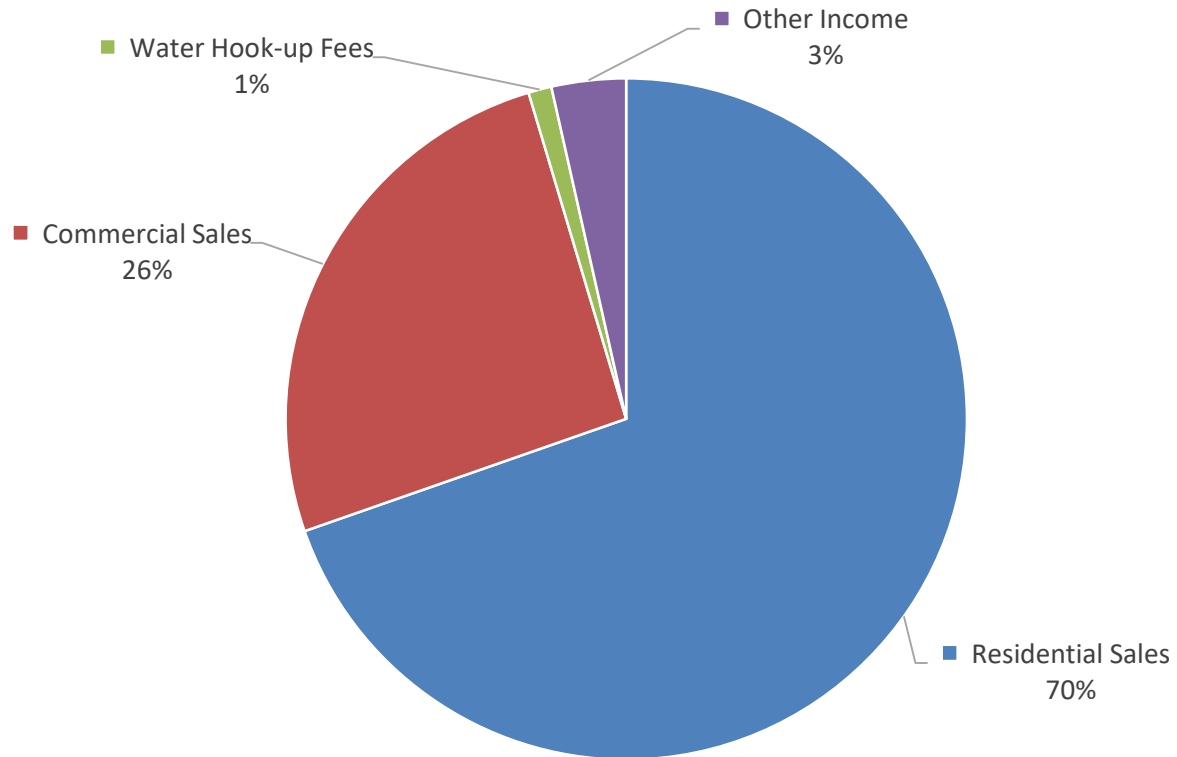
## 2025 KEY ACCOMPLISHMENTS

- Replaced 4,700 feet of water main and 100 service lines on the Lyndale and Lexington Ave CIP project.
- Replaced well #2 failed pump.
- Work with PFA to gain over a million dollars of grant money to replace lead service lines for residents.

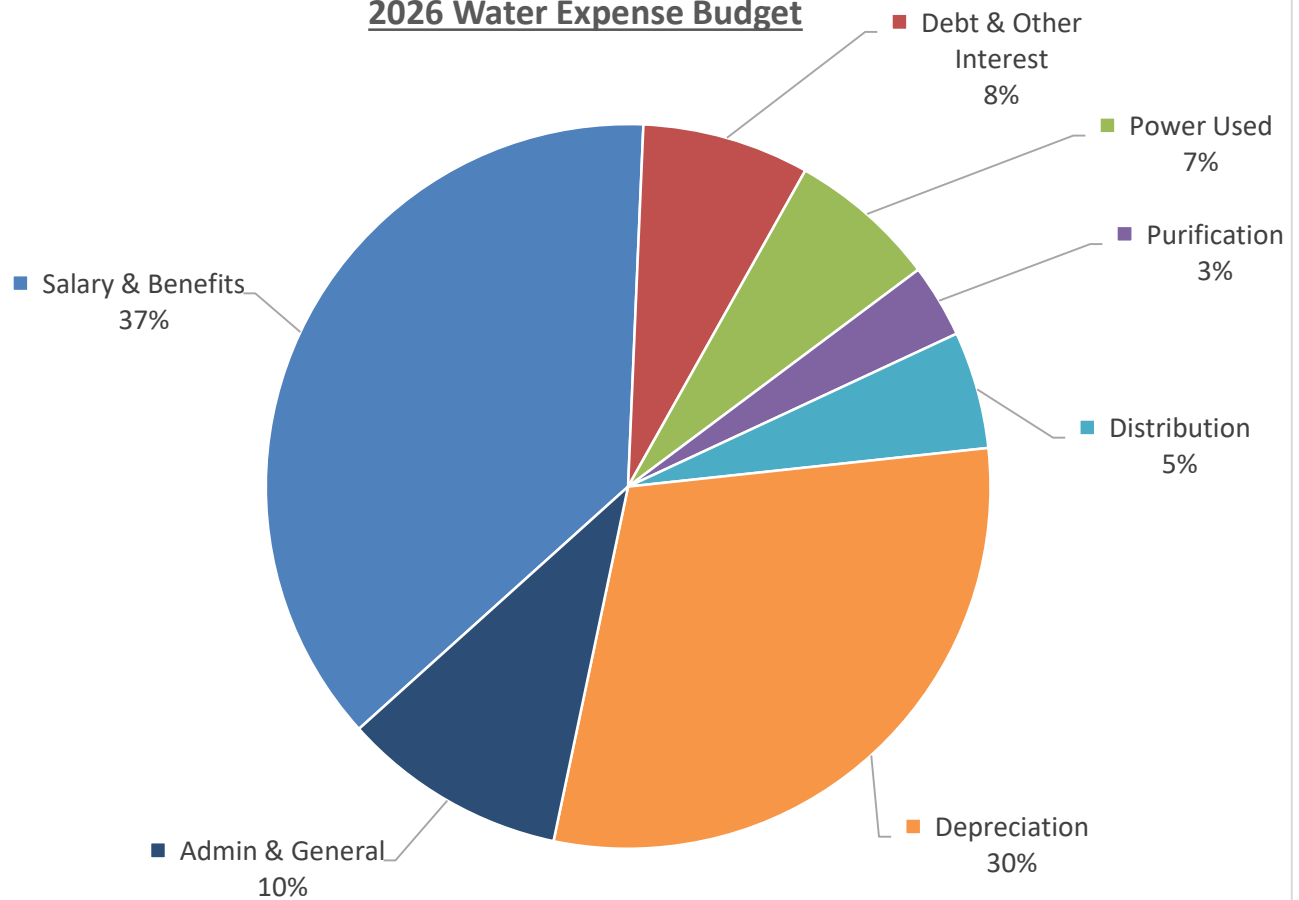
**NEW PRAGUE UTILITIES COMMISSION**  
**PROPOSED WATER BUDGET**  
**September 30, 2025**

|                                      | <b>2024</b>          | <b>2025</b>          | <b>2025</b>          | <b>2026</b>          | <b>2025-2026</b>       |                   |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|-------------------|
|                                      |                      | <b>Y-T-D</b>         | <b>CURRENT</b>       | <b>PROPOSED</b>      | <b>\$</b>              | <b>%</b>          |
| <b>REVENUES</b>                      | <b>ACTUAL</b>        | <b>ACTUAL</b>        | <b>BUDGET</b>        | <b>BUDGET</b>        | <b>DIFFERENCE</b>      | <b>DIFFERENCE</b> |
| Unbilled Accounts Receivable         | \$ 3,150.66          | \$ 25,692.41         | \$ -                 | \$ -                 | \$ -                   | 0.00%             |
| Residential                          | \$ 1,276,733.01      | \$ 934,213.13        | \$ 1,297,761.00      | \$ 1,584,718.00      | \$ 286,957.00          | 22.11%            |
| Commercial                           | \$ 465,678.57        | \$ 308,220.85        | \$ 691,090.00        | \$ 584,646.00        | \$ (106,444.00)        | -15.40%           |
| Water Hook-up Fees                   | \$ 52,386.00         | \$ 94,082.00         | \$ 23,000.00         | \$ 25,000.00         | \$ 2,000.00            | 8.70%             |
| Other Income                         | \$ 541,038.48        | \$ 76,913.52         | \$ 45,110.00         | \$ 80,500.00         | \$ 35,390.00           | 78.45%            |
| <b>TOTAL REVENUES</b>                | \$ 2,338,986.72      | \$ 1,439,121.91      | \$ 2,056,961.00      | \$ 2,274,864.00      | \$ 217,903.00          | 10.59%            |
| <b>EXPENSES</b>                      |                      |                      |                      |                      |                        |                   |
| Power Used                           | \$ 108,843.67        | \$ 76,351.35         | \$ 117,500.00        | \$ 117,500.00        | \$ -                   | 0.00%             |
| Purification                         | \$ 59,468.46         | \$ 39,967.80         | \$ 58,000.00         | \$ 58,000.00         | \$ -                   | 0.00%             |
| Distribution                         | \$ 66,840.86         | \$ 35,009.50         | \$ 64,500.00         | \$ 92,518.00         | \$ 28,018.00           | 43.44%            |
| Depreciation                         | \$ 516,951.57        | \$ 319,378.69        | \$ 525,000.00        | \$ 530,003.00        | \$ 5,003.00            | 0.95%             |
| Debt & Other Interest                | \$ 125,956.07        | \$ 139,585.10        | \$ 141,088.00        | \$ 131,863.00        | \$ (9,225.00)          | -6.54%            |
| Salary & Benefits                    | \$ 492,916.34        | \$ 485,911.46        | \$ 639,341.00        | \$ 659,741.00        | \$ 20,400.00           | 3.19%             |
| Admin & General                      | \$ 194,108.65        | \$ 89,288.54         | \$ 169,670.00        | \$ 177,290.00        | \$ 7,620.00            | 4.49%             |
| <b>TOTAL EXPENSES</b>                | \$ 1,565,085.62      | \$ 1,185,492.44      | \$ 1,715,099.00      | \$ 1,766,915         | \$ 51,816.00           | 3.02%             |
| <b>EXCESS REVENUES OVER EXPENSES</b> | <u>\$ 773,901.10</u> | <u>\$ 253,629.47</u> | <u>\$ 341,862.00</u> | <u>\$ 507,949.00</u> | <u>\$ (166,087.00)</u> | <u>48.58%</u>     |

### 2026 Water Revenue Budget



### 2026 Water Expense Budget



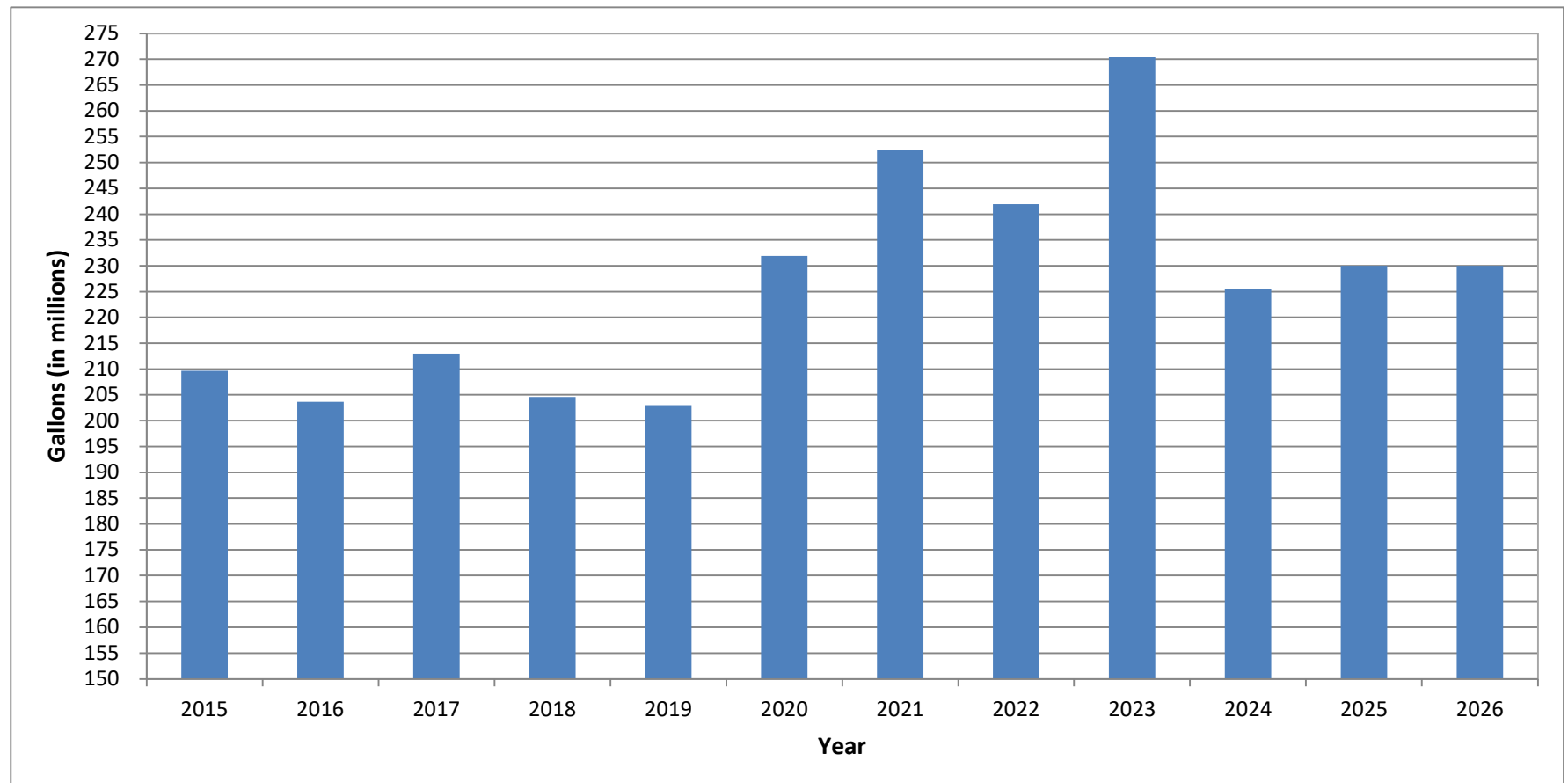
## 2026 Projected Water Sales

Water Sales are projected to be at 230,000,000 gallons sold for 2025/26. Weather has a large effect on gallons sold.

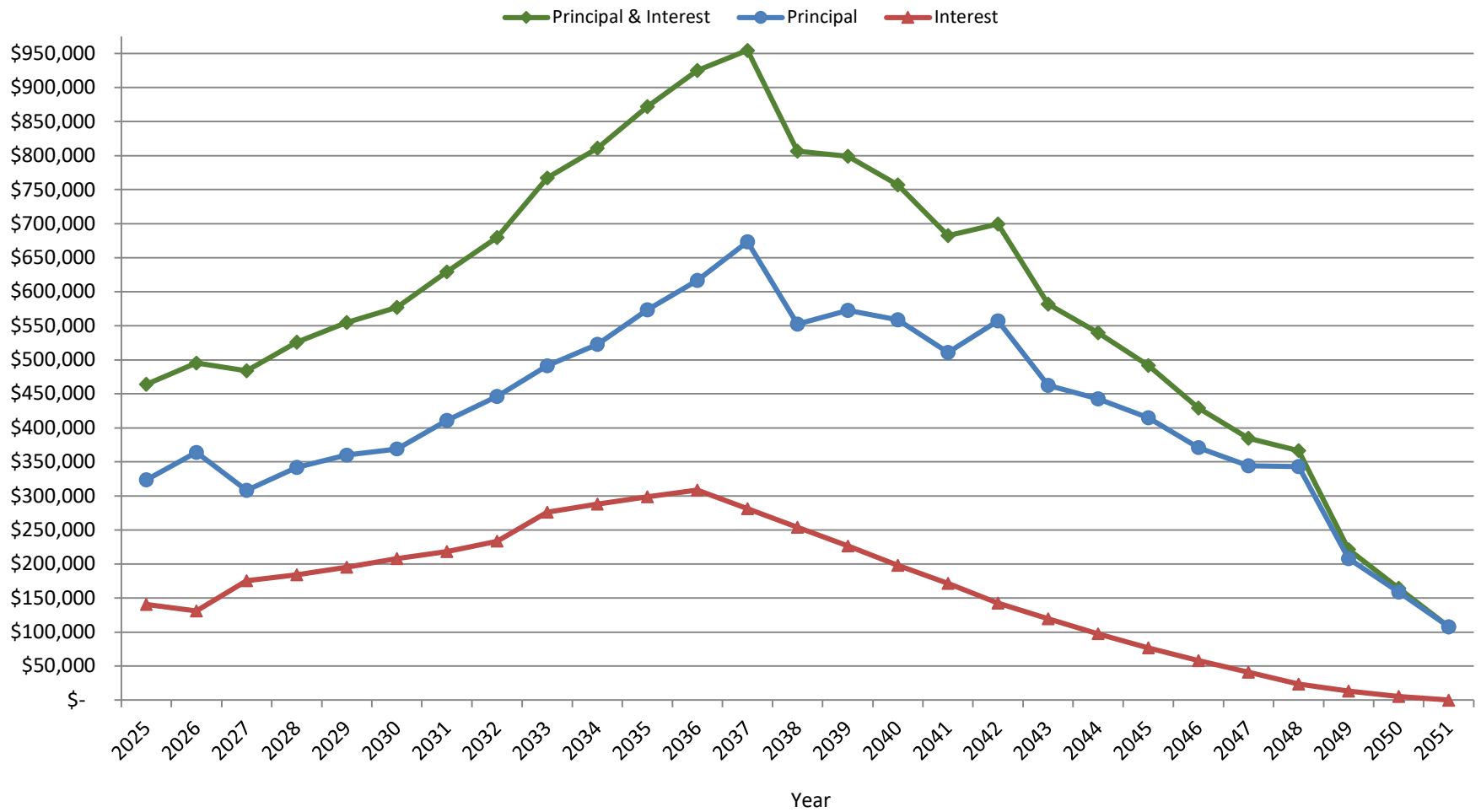
### History of Water Sales:

|      |             |          |             |
|------|-------------|----------|-------------|
| 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     | 223,618,000 |
| 2019 | 203,000,000 | * 2025   | 230,000,000 |
| 2020 | 231,931,000 | * * 2026 | 230,000,000 |

\* Anticipated \* \* Budgeted

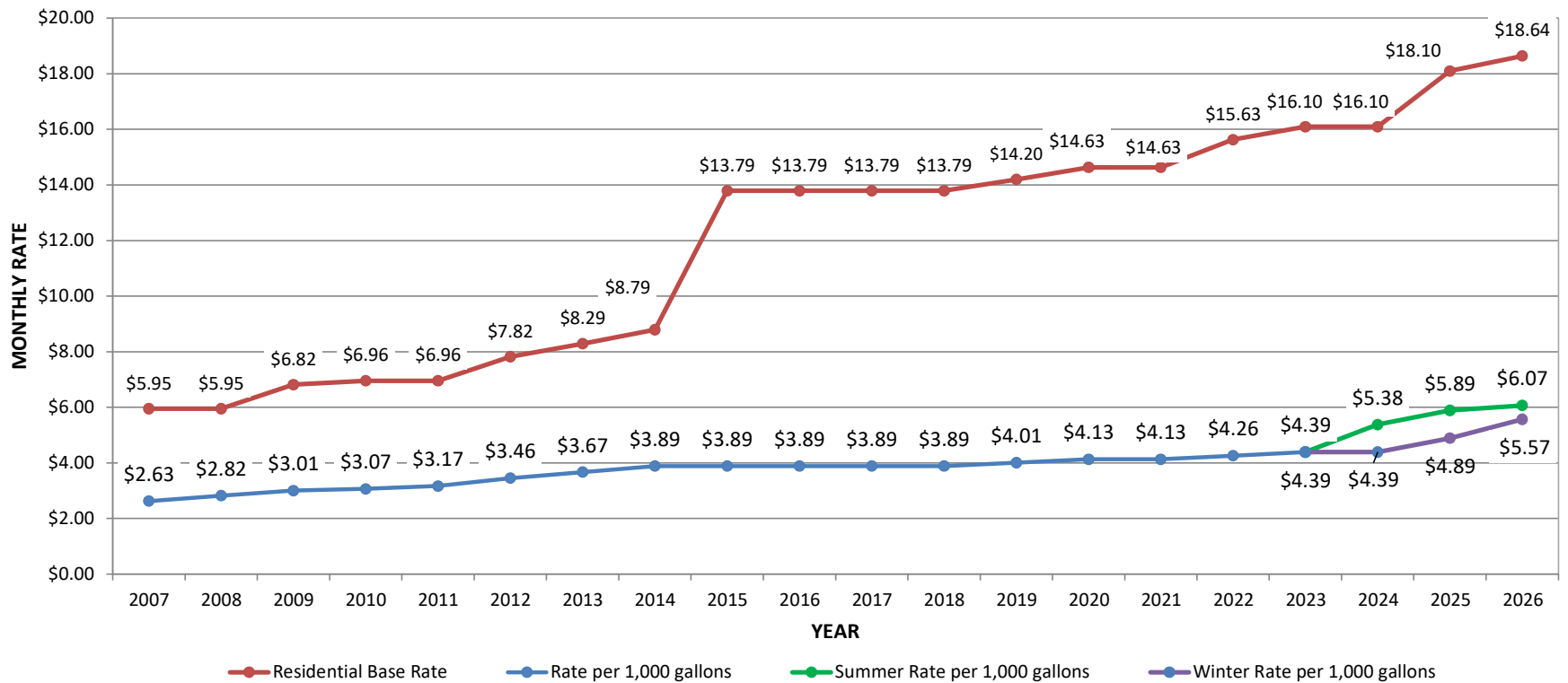


## Debt Service Chart (Existing & Future)



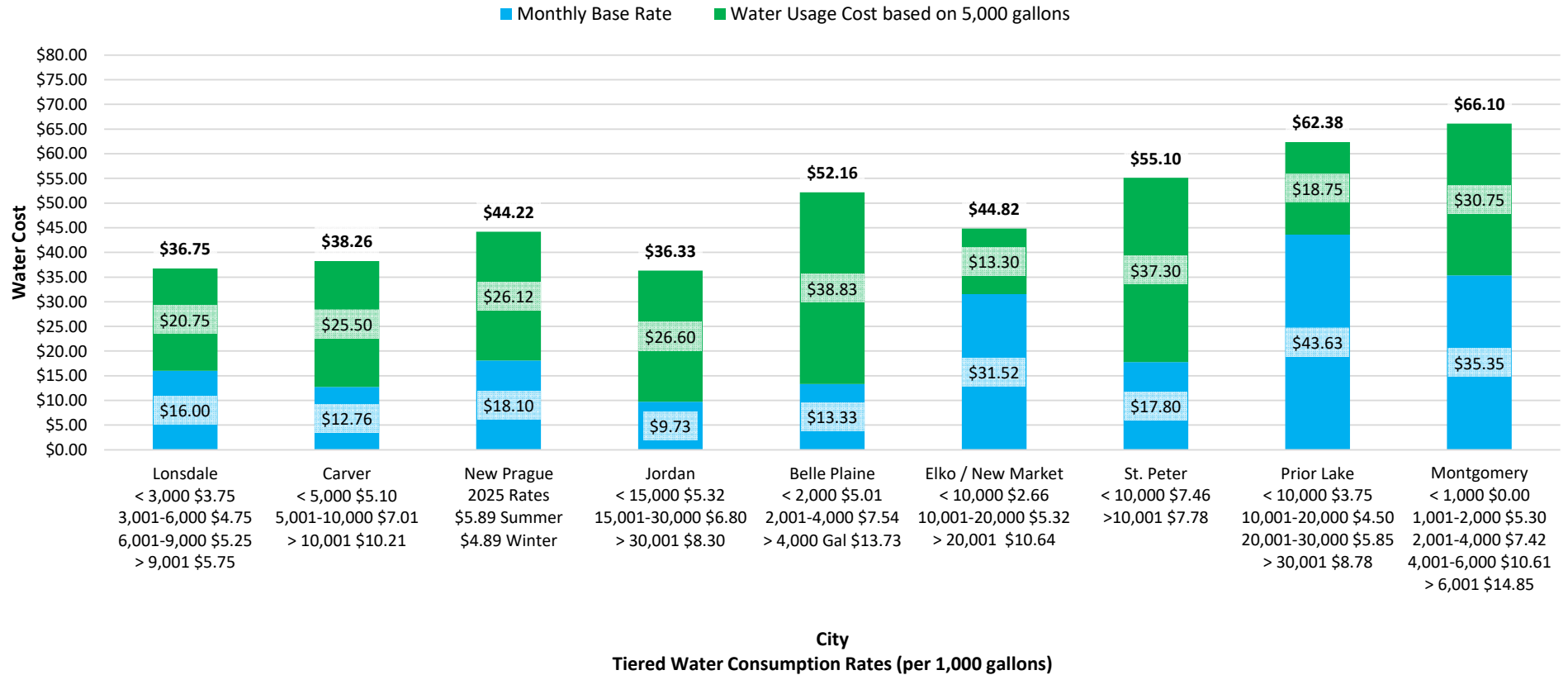


# CITY OF NEW PRAGUE WATER RATE INFORMATION HISTORY (2007 - 2026)



# New Prague Utilities Commission

## Monthly water costs compared to surrounding cities based on 5,000 gallon usage



| Sum of Amount                     | Years          |                |                |                |                |                |                |                |                |                |                  |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Funding Sources                   | 2026           | 2027           | 2028           | 2029           | 2030           | 2031           | 2032           | 2033           | 2034           | 2035           | Grand Total      |
| <b>Water</b>                      | <b>972,000</b> | <b>510,000</b> | <b>576,000</b> | <b>631,050</b> | <b>551,200</b> | <b>630,500</b> | <b>606,000</b> | <b>647,789</b> | <b>660,917</b> | <b>694,553</b> | <b>6,480,009</b> |
| Future CIP                        | 850,000        | 400,000        | 441,000        | 463,050        | 486,200        | 510,500        | 536,000        | 562,789        | 590,917        | 614,553        | 5,455,009        |
| Mini Excavator Backhoe (1/3 Cost) |                |                |                |                |                |                |                |                |                | 10,000         | 10,000           |
| Misc. Equipment                   | 20,000         | 20,000         | 20,000         | 20,000         | 20,000         | 25,000         | 25,000         | 25,000         | 25,000         | 25,000         | 225,000          |
| SCADA                             | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 15,000         | 150,000          |
| Service Truck                     | 57,000         |                |                | 60,000         |                | 50,000         |                |                |                |                | 167,000          |
| Tractor Backhoe                   |                |                | 25,000         |                |                |                |                |                |                |                | 25,000           |
| Utilities General Manager Vehicle |                |                |                |                |                |                |                | 15,000         |                |                | 15,000           |
| Well #1 Replacement               |                | 45,000         |                |                |                |                |                |                |                |                | 45,000           |
| Well #2 Replacement               |                |                |                | 43,000         |                |                |                |                |                |                | 43,000           |
| Well #3, #4, #6 Pump Replacement  | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 300,000          |
| Well #5 Replacement               |                |                | 45,000         |                |                |                |                |                |                |                | 45,000           |
| <b>Grand Total</b>                | <b>972,000</b> | <b>510,000</b> | <b>576,000</b> | <b>631,050</b> | <b>551,200</b> | <b>630,500</b> | <b>606,000</b> | <b>647,789</b> | <b>660,917</b> | <b>694,553</b> | <b>6,480,009</b> |

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

| <b><u>Class</u></b>                          | <b>2025<br/>Current<br/>Rate</b> | <b>2026<br/>Proposed<br/>Rate</b> |
|----------------------------------------------|----------------------------------|-----------------------------------|
| <b>Customer Charge</b>                       |                                  |                                   |
| Residential 5/8" & 3/4"                      | \$18.10                          | \$18.64                           |
| Residential 1"                               | \$18.81                          | \$19.37                           |
| Residential 1.5"                             | \$18.96                          | \$19.53                           |
| Commercial 5/8" & 3/4"                       | \$18.10                          | \$18.64                           |
| Commercial 1"                                | \$18.81                          | \$19.37                           |
| Commercial 1.5"                              | \$18.96                          | \$19.53                           |
| Commercial 2"                                | \$39.17                          | \$40.35                           |
| Commercial 3"                                | \$44.46                          | \$45.79                           |
| Commercial 4"                                | \$64.83                          | \$66.78                           |
| Commercial 6"                                | \$95.66                          | \$98.53                           |
| Residential Multi                            | \$13.69                          | \$18.64                           |
| Commercial Multi                             | \$13.69                          | \$18.64                           |
| <br><b>Water Charges</b>                     |                                  |                                   |
| per 1,000 gallons (June 1-Sept 30)           | \$5.88                           | \$6.07                            |
| per 1,000 gallons (non-summer)               | \$4.89                           | \$5.57                            |
| per 1,000 gallons (golf course - all months) | \$4.65                           | \$4.79                            |
| Bulk Water                                   | \$35.00/1,000 gal                | \$35.00/1,000 gal                 |
| Bulk Water - City CIP                        |                                  | \$10.00/1,000 gal                 |