



# Commission

## 2026 DRAFT Budget Workshop

September 24, 2025



# Changes to 2026 Budget from August 27, 2025 Presentation

Total Net increase \$419K

- Net decreases in O&M expenses of (\$11K)
- Net increase in Annual Capital of \$490K
  - GBF: Misc Pumping & High Strength Waste \$1,300K
  - GBF: Hot Oil Economizer Replacement (\$740K)
  - Green Infrastructure – East River Lift Station (\$70K)
- Net decrease in Debt Service of (\$60K)
- Increase Use of Plant Cost Recovery Reserve \$200K

# 2026 Revenue

| Budget Categories                      | 2025 Budget   | 2026 Budget   | % Change |
|----------------------------------------|---------------|---------------|----------|
| Municipal User Fees                    | \$ 45,970,269 | \$ 49,022,339 | 6.6%     |
| Mill User Fees and Direct Charges      | \$ 2,963,050  | \$ 3,051,323  | 3.0%     |
| Mill Capital Charges                   | \$ 2,112,463  | \$ 2,406,886  | 13.9%    |
| Other Revenues                         | \$ 1,324,346  | \$ 1,358,017  | 2.5%     |
| ICR and Debt Reserve Transfers         | \$ 1,218,864  | \$ 1,221,069  | 0.2%     |
| Contribution (TO)/FROM Capital Reserve | \$ -          | \$ 2,000,000  | 0.0%     |
| Total Revenues                         | \$ 53,588,992 | \$ 59,059,634 | 10.2%    |

Municipal User Fees are 83% of Total Revenues

# Municipal Rate Comparison

## Capital Charge included in Parameter Rate (Fully loaded rates)

| Parameter                       | 2025 Budget | 2026 Budget | % Change |
|---------------------------------|-------------|-------------|----------|
| Volume (1,000 gals)             | \$ 1.29313  | \$ 1.45530  | 12.5%    |
| Biochemical Oxygen Demand (lbs) | \$ 0.58524  | \$ 0.60923  | 4.1%     |
| Suspended Solids (lbs)          | \$ 0.60936  | \$ 0.61619  | 1.1%     |
| Phosphorus (lbs)                | \$ 2.69000  | \$ 2.92465  | 8.7%     |
| Total Kjeldahl Nitrogen (lbs)   | \$ 1.07094  | \$ 1.12848  | 5.4%     |

## Capital Charge NOT included in Parameter Rate (Billed rates)

| Parameter                       | 2025 Budget | 2026 Budget | % Change |
|---------------------------------|-------------|-------------|----------|
| Volume (1,000 gals)             | \$ 0.72877  | \$ 0.80726  | 10.8%    |
| Biochemical Oxygen Demand (lbs) | \$ 0.30578  | \$ 0.30617  | 0.1%     |
| Suspended Solids (lbs)          | \$ 0.32944  | \$ 0.32081  | -2.6%    |
| Phosphorus (lbs)                | \$ 1.34133  | \$ 1.41054  | 5.2%     |
| Total Kjeldahl Nitrogen (lbs)   | \$ 0.51682  | \$ 0.52187  | 1.0%     |

|                |               |               |        |
|----------------|---------------|---------------|--------|
| Capital Charge | \$ 21,292,745 | \$ 23,491,825 | 10.33% |
|----------------|---------------|---------------|--------|

# Capital Charge Breakdown

| Customer  | 2025 Budget   | 2026 Budget   | % Change |
|-----------|---------------|---------------|----------|
| Municipal | \$ 21,292,745 | \$ 23,491,825 | 10.3%    |
| P&G       | \$ 1,191,157  | \$ 1,357,174  | 13.9%    |
| GBP       | \$ 921,306    | \$ 1,049,712  | 13.9%    |
| Total     | \$ 23,405,208 | \$ 25,898,711 | 10.7%    |



# 2026 DRAFT Budget Summary

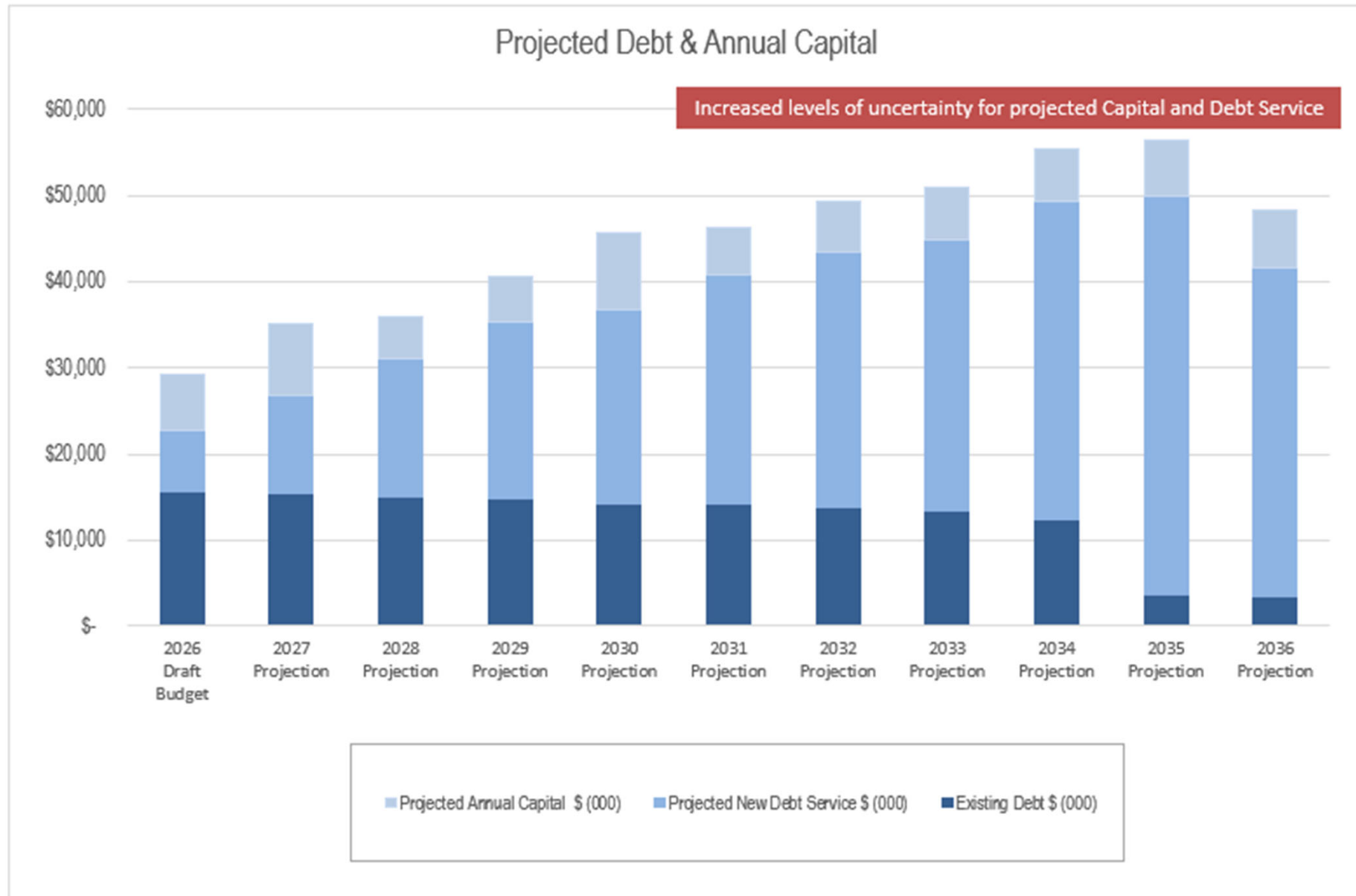
| 2026 DRAFT Budget compared to 2025 Budget                                                  | Percentage |
|--------------------------------------------------------------------------------------------|------------|
| TOTAL Expenses increased                                                                   | 10.2% *    |
| Capital Expenses increased                                                                 | 18.1%      |
| O&M Expenses increased                                                                     | 3.4%       |
| Municipal User Fees increased                                                              | 6.6%       |
| Note: A portion of the Interceptor Debt Service was offset through the use of ICR Reserves |            |
| *\$2M use of Plant Capital Replacement Reserves to stabilize rates between 5.5%-7%         |            |

# Strategic Financial Planning





# Strategic Financial Planning





# Strategic Financial Planning





# Cost Effectiveness

NEW Water ensures operational efficiencies through continuous improvement, asset management, capital improvement planning, and risk management.

As we strive to be a utility of the future, we will incorporate principles of sustainability into our approach to financial and environmental stewardship, as we continue to provide an essential service to protect public health for the community we serve.

# Next Steps

- Budget update on *October 22*
- Customer meeting(s)
- Budget hearing and adoption on *December 3*
- Customer notification