



NEW Water Update: 2026 Budget Focus

Municipal & Industrial Partner Meeting

September 17, 2025



Today's Agenda

- Welcome / Updates – Nathan Qualls, Executive Director
- Budget 101 – Beth Clausen, Director of Business Services
- 2026 Budget – Nathan Qualls, Executive Director



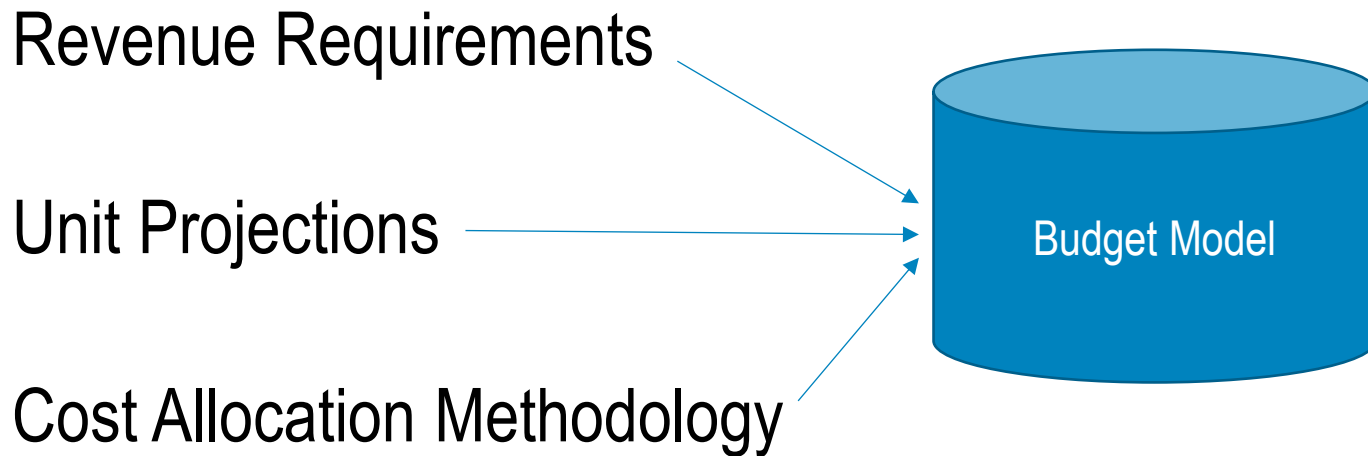
Executive Director Updates

- CWF Update
 - *Thank you for your partnership on advocacy efforts*
 - *Critical funding to offset costs for our community*
- PFAS Advisory
 - *You may have seen the recent WDNR consumption advisory*
 - *This underscores the importance of our partnership with you, for a more cost-effective approach to pollution prevention*
 - *We will continue to monitor and prepare, during the on-ramp to upcoming regulations*
- Inflow & Infiltration – 2nd Annual Workshop happening in December!
 - *PDHs will be offered*
 - *Please RSVP to Lisa*



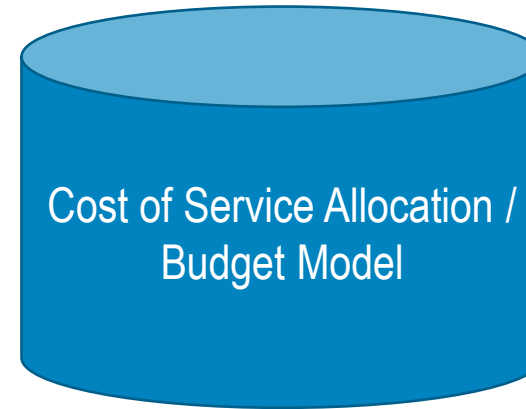
Budget 101

Significant Budget Factors



Revenue Requirements*

- O&M Expenses
- Debt Service
- Annual Capital



** It is important to note that today's presentation covers **revenue requirements**. Please note that **rates** are calculated on an annual basis.*

Unit Projections

- Unit projections account for residential growth and economic development (for example: changes within an industry or a new industry)
- Used to calculate parameter rates and distribute capital fixed charges

	VOLUME	BOD	TSS	PHOS	TKN
	1,000 Gallons	Pounds	Pounds	Pounds	Pounds
City of Green Bay	5,151,204	8,898,228	8,226,356	222,563	1,495,015
City of De Pere	1,364,091	3,614,064	1,585,800	21,180	244,380
Sustana Fiber	255,700	1,262,300	459,341	21,907	105,266
Village of Allouez	705,000	905,000	1,080,000	22,500	166,000
Village of Ashwaubenon	1,385,000	3,008,784	2,776,992	69,119	350,892
Village of Bellevue	803,582	1,088,592	1,131,552	26,688	216,324
Village of Hobart	275,355	448,008	476,792	10,821	90,302
Village of Howard	918,822	1,415,088	3,395,304	32,827	339,312
Village of Luxemburg	114,278	30,872	33,310	2,043	16,392
Village of Pulaski	200,287	55,900	58,308	6,168	34,584
Village of Suamico	218,342	602,256	477,684	13,284	78,336
Town of Ledgeview Sanitary District #2	217,517	348,384	358,343	10,008	82,464
Town of Lawrence - Utility District	150,000	324,603	534,091	7,884	63,697
District	14,561	20,801	25,816	544	4,277
Scott Municipal Utility Dyckesville Sanitary District	137,000	173,028	216,422	4,212	32,628
	28,415	56,111	69,640	1,468	11,537
Total Municipal	11,939,154	22,252,019	20,905,751	473,216	3,331,406



Cost Allocation Methodology

- Supported by a rate consultant, following industry best practice
- The methodology maintains an equitable distribution of costs to the wastewater parameters based upon the fixed assets' intended design purpose and system users
- Updated every 3-5 years or upon a large capital project completion
- Will have an impact on the annual parameter unit rates when updates occur

Each Customer allocation is based on their usage of the system



Capital Charge

- Not a new or additional charge
- Implemented to stabilize a portion of the annual revenue requirement
- 100% of capital is collected through the Capital Fixed Charge
 - Allocated to Municipal Customers based on budgeted units, then trued up to actual units (invoiced or credited the following year)
 - Green Bay Packaging and Procter & Gamble pay for capital proportional to their allocated capacity

Parameter Unit Rates

- Municipal unit rates are the SAME for each municipal customer and are comprised of 100% of Municipal O&M
- Total Mill Unit rates are the SAME for each Total Mill customer
- Municipal Rates are:
$$\frac{\text{Parameter Revenue Requirement}}{\text{Total Parameter Unit Projection}}$$
- *Though each municipal customer is charged the SAME municipal rate, budget to budget revenue **differences will vary among customers due to the forecasted use of the system.***



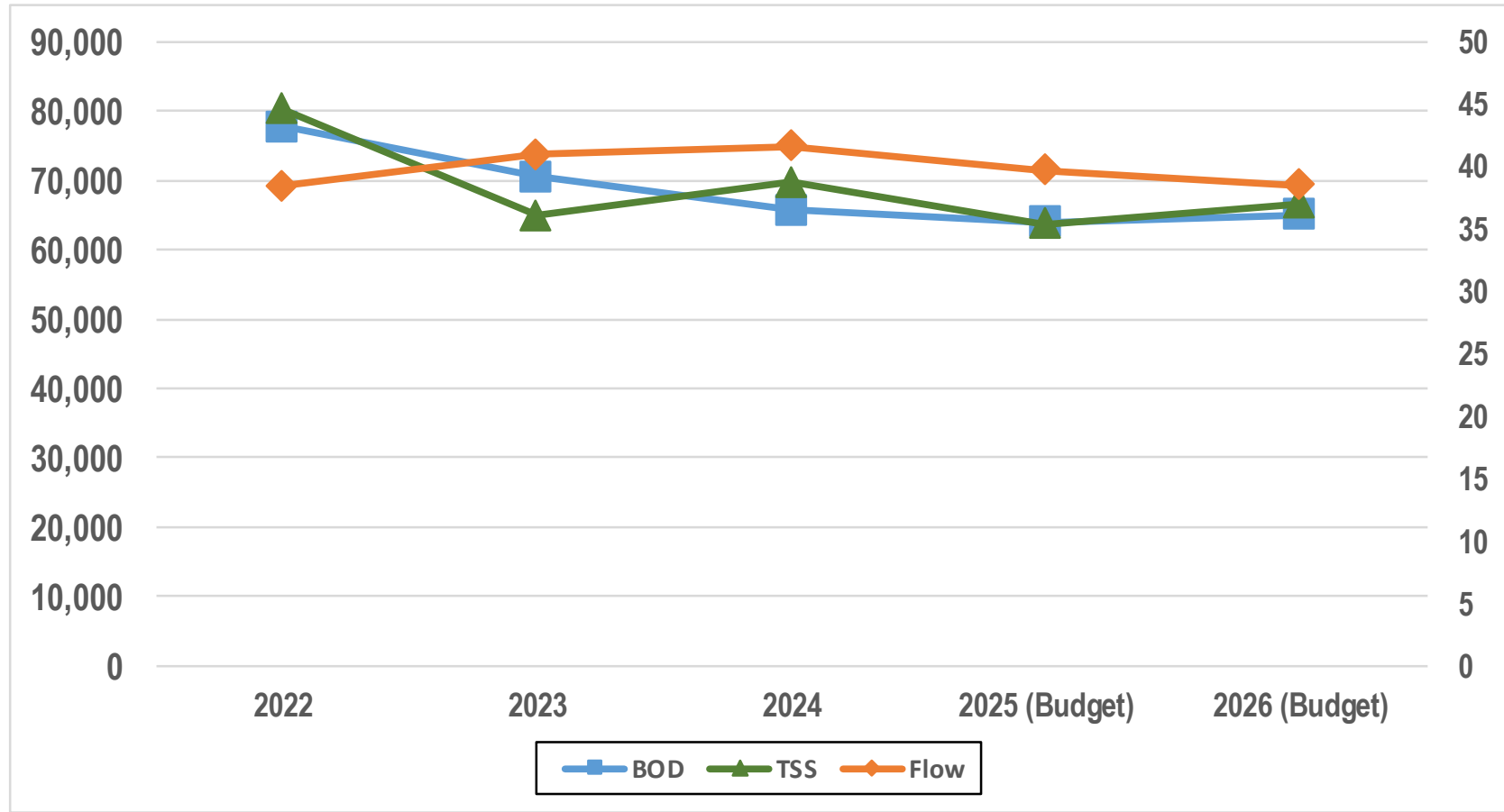
2026 Draft Budget Update



2025 Budget Update (through July)

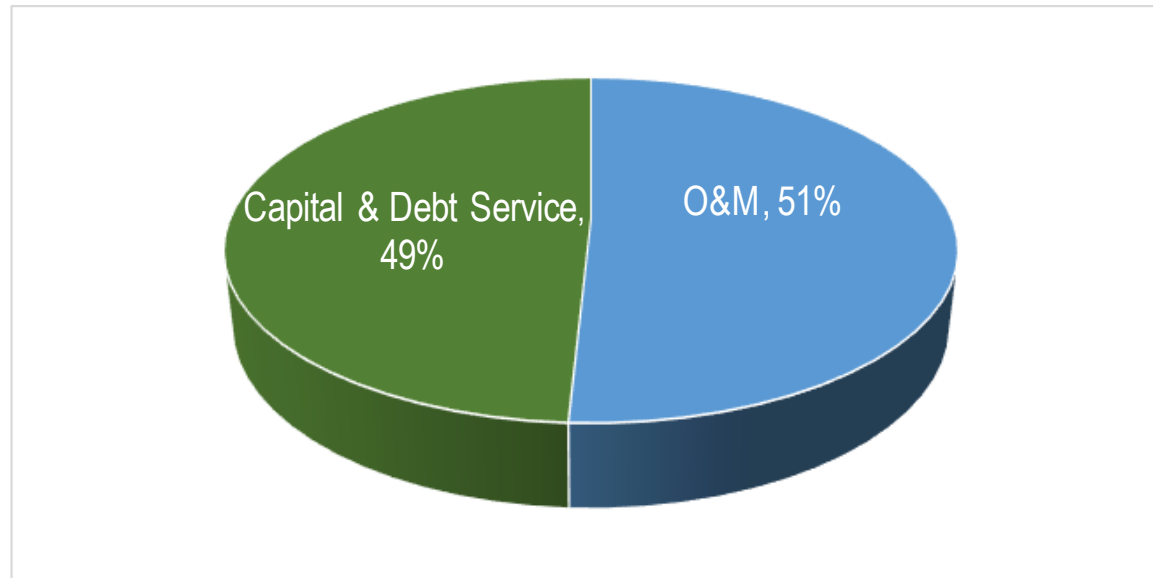
- Overall operating revenue at 101% of budget
- Overall operating expense at 91% of budget
- Expect to finish 2025 slightly ahead of operating revenue and close to budget for operating expense
- Finished 2024 at 101% of operating revenue budget and 94% of operating expense budget

Flows and Loads



2026 Proposed Expenses

Budget Category	2025 Budget	2026 Budget	% Change
Operations & Maintenance (O&M)	\$ 28,811,808	\$ 29,797,490	3.4%
Debt Service and Annual Capital	\$ 24,777,184	\$ 28,843,084	16.4%
Total Expenses	\$ 53,588,992	\$ 58,640,574	9.4% *



* Note: \$1.8M use of Plant Capital Replacement Reserves to stabilize rates between 5.5%-7%

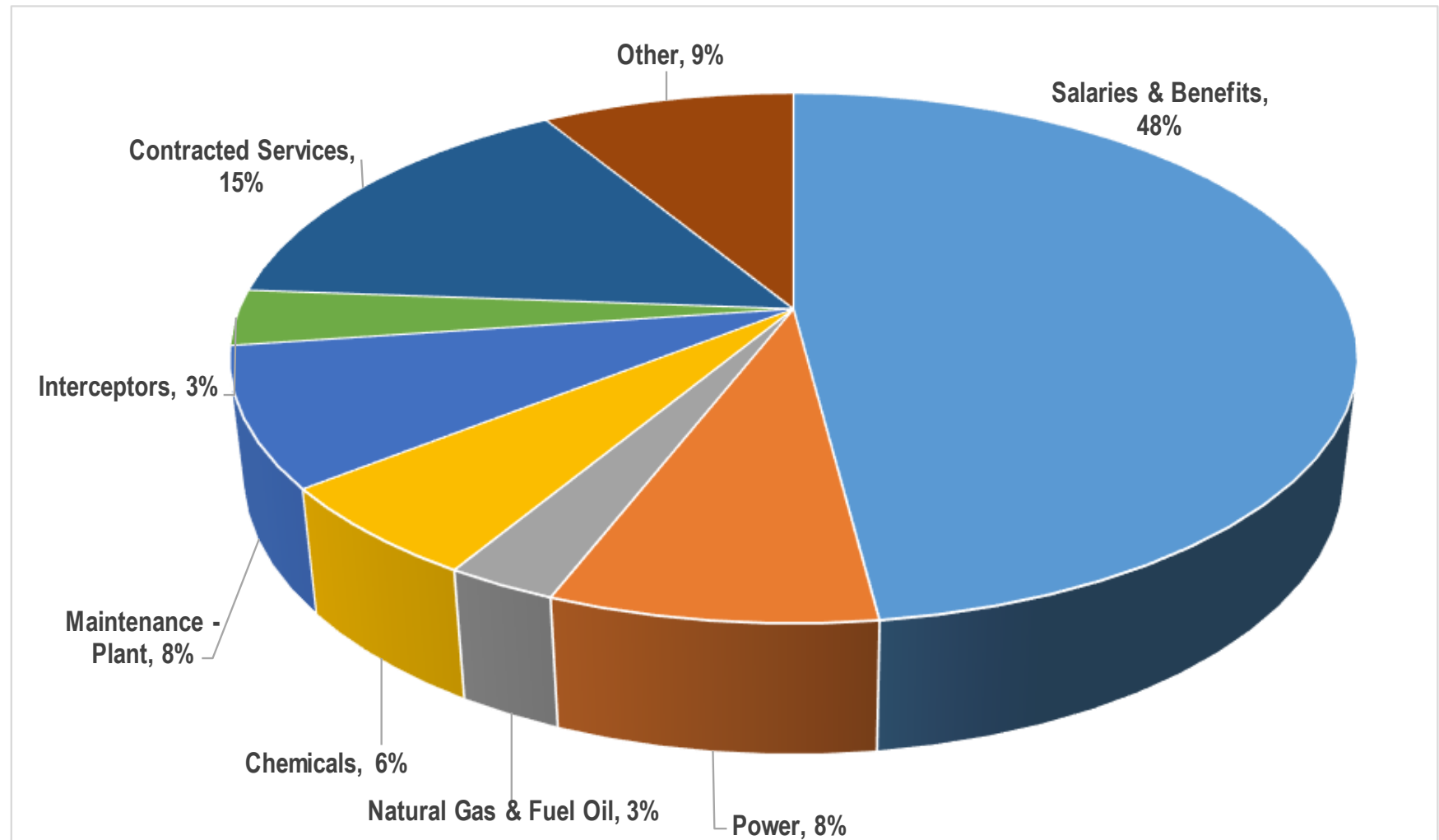


O&M Changes from 2025 Budget

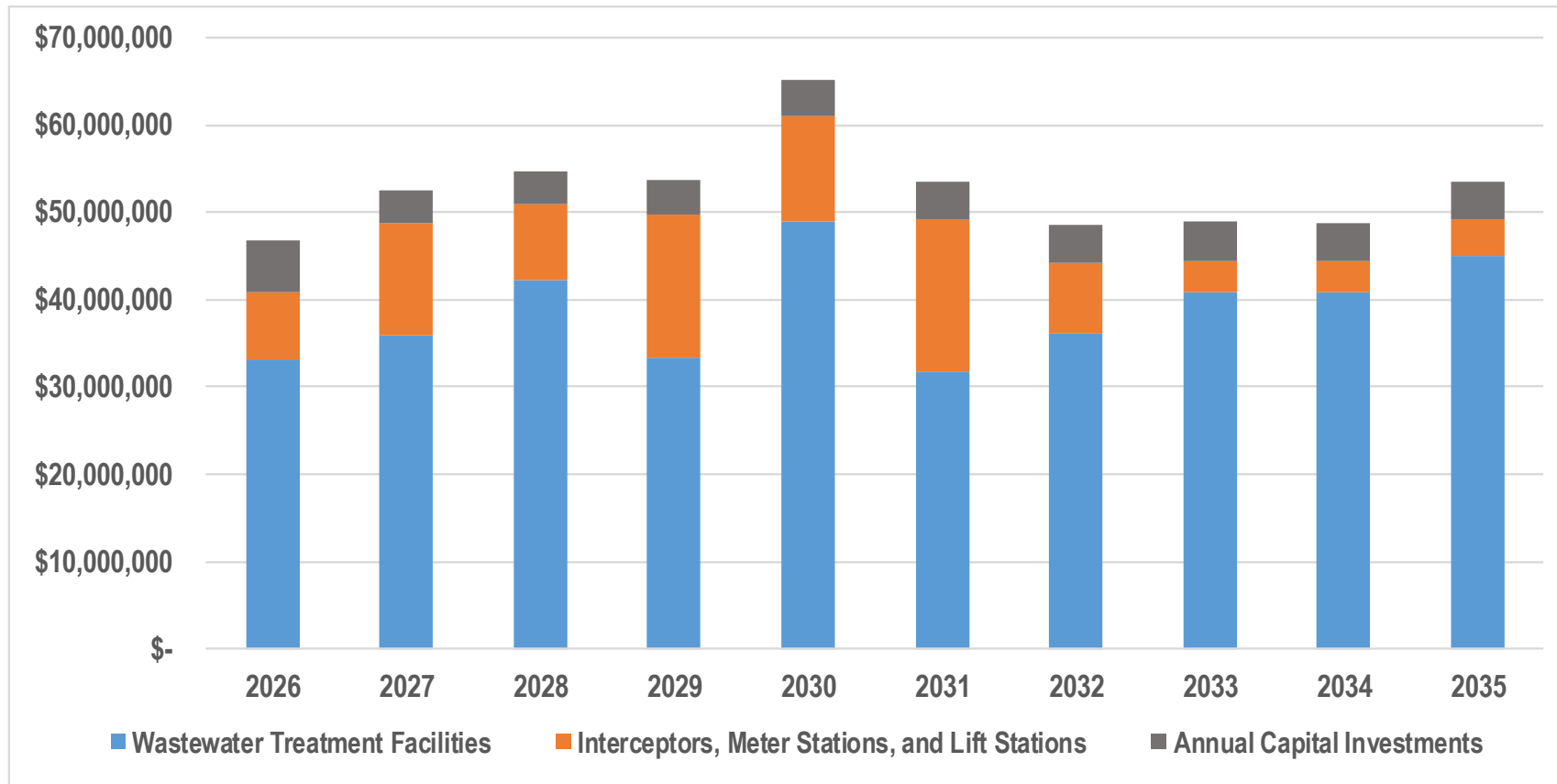
O&M Item	Budget Change
Interceptor O&M	+32%
Natural Gas & Fuel Oil	+12%
Chemicals	(9%)

Salary & Benefit item	Budget Change
Health Insurance Premium	+10.9%
Market Adjustment to Base Wages (Average)	+2.5%

2026 O&M Expense Distribution



Proposed Long-Term Capital Projects

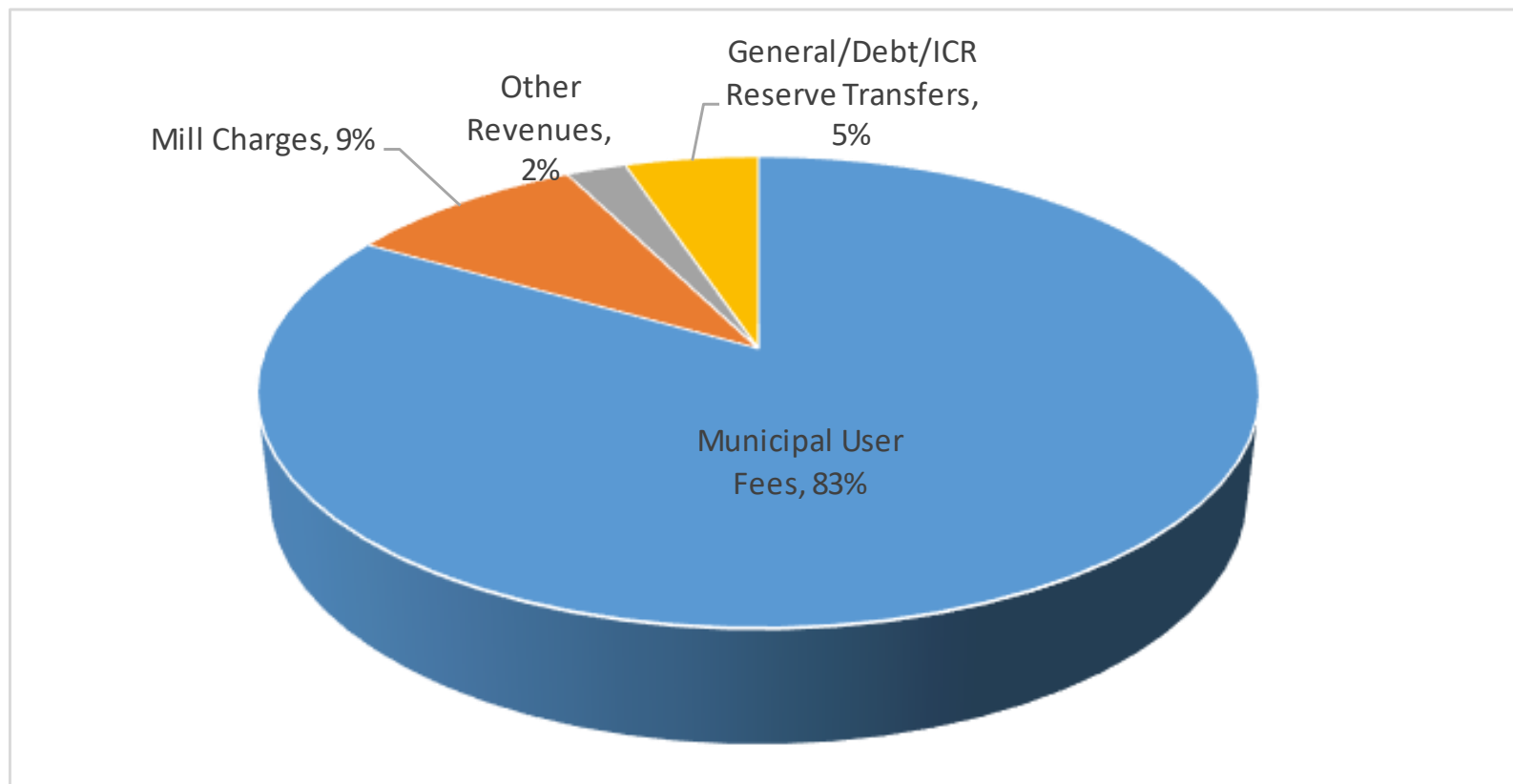


2026 Revenue

Broad Categories	2025 Budget	2026 Budget	% Change
Municipal User Fees	\$ 45,970,269	\$ 48,845,341	6.3%
Mill Charges	\$ 5,075,513	\$ 5,416,147	6.7%
Other Revenues	\$ 1,324,346	\$ 1,358,017	2.5%
Reserve Transfers	\$ 1,218,864	\$ 1,221,069	0.2%
Contribution from Capital Reserve	\$ -	\$ 1,800,000	0.0%
Total Revenues	\$ 53,588,992	\$ 58,640,574	9.4%

Municipal User Fees are 83% of Total Revenues

2026 Revenue



Municipal Rate Comparison

Capital Charge included in Parameter Rate (Fully loaded rates)			
Parameter	2025 Budget	2026 Budget	% Change
Volume (1,000 gals)	\$ 1.29313	\$ 1.43441	10.9%
Biochemical Oxygen Demand (lbs)	\$ 0.58524	\$ 0.60781	3.9%
Suspended Solids (lbs)	\$ 0.60936	\$ 0.61431	0.8%
Phosphorus (lbs)	\$ 2.69000	\$ 2.91743	8.5%
Total Kjeldahl Nitrogen (lbs)	\$ 1.07094	\$ 1.12288	4.8%

Capital Charge NOT included in Parameter Rate (Billed rates)			
Parameter	2025 Budget	2026 Budget	% Change
Volume (1,000 gals)	\$ 0.72877	\$ 0.79888	9.6%
Biochemical Oxygen Demand (lbs)	\$ 0.30578	\$ 0.30679	0.3%
Suspended Solids (lbs)	\$ 0.32944	\$ 0.32120	-2.5%
Phosphorus (lbs)	\$ 1.34133	\$ 1.41356	5.4%
Total Kjeldahl Nitrogen (lbs)	\$ 0.51682	\$ 0.52175	1.0%

Capital Charge	\$ 19,643,411	\$ 23,298,643	18.61%
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Parameter rates billed to customers do not include capital charge; that is billed separately

2026 DRAFT Budget Summary

2025 DRAFT Budget compared to 2024 Budget	Percentage
TOTAL Expenses increased	9.4% *
Capital Expenses increased	16.4%
O&M Expenses increased	3.4%
Municipal User Fees increased	6.3%
Note: A portion of the Interceptor Debt Service was offset through the use of ICR Reserves	
* \$1.8M Use of Plant Capital Replacement Reserves to stabilize Municipal user fees between 5.5%-7%	

Reserve Use History

NEW Water has utilized Reserve Funds to offset costs over the past several years and is forecasting to continue to strategically utilize reserves

Year	Approx Amount
2023	\$2.0M
2024	\$1.5M
2025	\$1.6M
2026 *	\$3.0M
* Draft	

NEW Water Cost for a Typical Household



For the DRAFT 2026 budget, a typical household will pay **about \$28 per month** for NEW Water services*

This is an increase of about \$1.50 per month over the 2025 budget.

**NEW Water provides continuous service throughout the year as a wholesale provider, servicing 15 municipal customers. Rates are the same for each municipal customer and NEW Water does not bill residents directly. Each municipality calculates their bills according to wastewater services they require of their residents, businesses, and industries. Bills from municipalities will also include other costs such as the municipalities' cost to operate and maintain their neighborhood sewer system, which then connects to the NEW Water system.*



*Thank you for partnering to
protect our most valuable
resource, water*

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www.newwater.us

