311 Walnut Street
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# JOINT VILLAGE BOARD/UTILITY COMMISSION

## OFFICIAL NOTICE & AGENDA

Monday, July 20, 2026 - 4:00 pm

Marathon Municipal Center

1. **CALL TO ORDER**
   **VILLAGE ROLL CALL:** K. HANDRICK JR., M. AHRENS, J. LAWRENCE, K. PAUL, B. PARLIER, A. CABRERA, K. SORENSON
   **UTILITY ROLL CALL:** A. BERENS, B. BOHR, M. TELFORD, D. SEILER

2. **PLEDGE OF ALLEGIANCE**

3. **RECOGNITION OF VISITORS**
   a. Virtual Meeting Guidelines
      i. This meeting will be recorded and available upon request
   b. Public Participation at Government Meetings

4. **PSC WATER RATE STUDY PRESENTATION WITH EHLERS FINANCIAL**

5. **SCHEDULED MEETINGS**
   a. Regular Utility Commission Meeting: Wednesday, July 29, 2026 – 4:00 pm
   b. Regular Village Board Meeting: Wednesday, August 5, 2026 – 6:00 pm
   c. Special Meetings as Needed

6. **ADJOURNMENT**

PUBLIC VIRTUAL ACCESS
Join Teams Meeting: https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting
Meeting ID: 228 799 277 309 664
Passcode: ic7sA6FH

*Kurt Handrick, Jr.*
Village President

*Andrew Berens.*
Utility Commission Chair

*Cassie Lang*
Village Clerk / Deputy Treasurer

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# Village of Marathon City, WI

## 2026 Water Rate Study
## Phase 2: PSC CRC Application & Updated LRCFA

July 20th, 2026 Joint Utility and Village Board Meeting

# Why are we here?

Phase 1 presented May 27th, 2026: Conventional Rate Case necessary to address catch-up increase prior to additional Well related project costs being taken into consideration. Proceeding with a rate case now with ease the burden on residents as it will allow for more incremental increases.

May 27th, 2026: Phase 2 was approved and since then Ehlers completed PSC CRC Application with assistance from Village staff. **Original increase estimated at 38.02%.**

Tonight: Ehlers to present initial results of application and seek consensus to file application as presented, or with any discussed changes.

# Water Rate Application Initial Results

| Component | Description | 2021 | 2022 | 2023 | 2024 | Est 2025 | Budget 2026 | Application 2026 |
|---|---|---|---|---|---|---|---|---|
| **Cash Basis** | | | | | | | | |
| 1 | O&M and PILOT | $436,999 | $394,113 | $379,066 | $382,541 | $564,833 | $412,904 | $455,984 |
| 2 | Debt | $0 | $13,509 | $31,098 | $71,394 | $66,417 | $40,030 | $40,030 |
| 3^ | Cash Funded Capital | $0 | $5,404 | $12,439 | $28,558 | $26,567 | $41,012 | $41,012 |
| | Less: | | | | | | | |
| | Other Revenue | $1,564 | $1,694 | $1,114 | $1,977 | $1,995 | $1,850 | $7,472 |
| | Interest Income | $2,656 | $0 | $0 | $0 | $0 | $0 | $0 |
| | Revenue Requirement (Costs less Other Income) | $432,779 | $411,332 | $421,489 | $480,516 | $655,821 | $492,096 | $529,554 |
| | User Rates Revenue | $485,863 | $580,945 | $520,920 | $525,714 | $527,912 | $523,140 | $603,179 |
| | Rate Adequacy | $53,084 | $169,613 | $99,431 | $45,198 | ($127,909) | $31,044 | $73,625 |
| | Rate Adjustment Needed | 0.00% | 0.00% | 0.00% | 0.00% | 24.23% | 0.00% | 0.00% |
| **Utility Basis (PSC)** | | | | | | | | |
| 1 | O&M and PILOT | $436,999 | $394,113 | $379,066 | $382,541 | $564,833 | $412,904 | $455,984 |
| 2 | Depreciation | $66,181 | $69,399 | $79,527 | $88,505 | $91,403 | $94,496 | $90,651 |
| | NIRB | $2,211,439 | $2,266,748 | $2,811,609 | $3,346,320 | $3,318,277 | $3,382,839 | $3,321,278 |
| | Benchmark ROI % | 4.90% | 4.90% | 6.50% | 6.50% | 6.20% | 6.40% | 6.40% |
| 3 | Calculated ROI | $108,361 | $111,071 | $182,755 | $217,511 | $205,733 | $216,502 | $212,562 |
| | Less: | | | | | | | |
| | Other Revenue | $1,564 | $1,694 | $1,114 | $1,977 | $1,995 | $1,850 | $7,472 |
| | Revenue Requirement (Costs less Other Income) | $609,977 | $572,889 | $640,234 | $686,580 | $859,974 | $722,052 | $751,725 |
| | User Rates Revenue | $485,863 | $580,945 | $520,920 | $525,714 | $527,912 | $523,140 | $595,707 |
| | Rate Adequacy | ($124,114) | $8,056 | ($119,314) | ($160,866) | ($332,062) | ($198,912) | ($156,018) |
| | Rate Adjustment Needed | 25.54% | 0.00% | 22.90% | 30.60% | 62.90% | 38.02% | 27.34% |

**Notes:**
1) Application User Rate Revenue does not include other revenue and private fire protection.
2) ^Includes recommended debt coverage at 1.4x annual debt payment

- Current Benchmark ROR is 6.4%
- Final projected rate increase is 27.34%

# Water LRCFA w/ PSC Application

| | Budget | Projected | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
| **Revenues** | | | | | | | | | | |
| Total Revenues from User Rates[1] | $603,179 | $768,090 | $791,133 | $814,867 | $839,313 | $864,492 | $890,427 | $917,140 | $944,654 | $972,994 |
| **Percent Increase to User Rates** | **0.00%** | **27.34%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** |
| **Cumulative Percent Rate Increase** | **0.00%** | **27.34%** | **31.16%** | **35.10%** | **39.15%** | **43.32%** | **47.62%** | **52.05%** | **56.61%** | **61.31%** |
| **Dollar Amount Increase to Revenues** | | **$164,912** | **$23,043** | **$23,734** | **$24,446** | **$25,179** | **$25,935** | **$26,713** | **$27,514** | **$28,340** |
| Total Other Revenues | $7,472 | $8,758 | $10,745 | $9,847 | $9,840 | $9,960 | $9,560 | $9,459 | $10,896 | $11,174 |
| Total Revenues | $610,651 | $776,849 | $801,878 | $824,714 | $849,153 | $874,452 | $899,987 | $926,599 | $955,550 | $984,168 |
| **Less: Expenses** | | | | | | | | | | |
| Operating and Maintenance[2] | $360,022 | $371,535 | $383,392 | $395,603 | $408,178 | $421,130 | $434,468 | $448,205 | $462,352 | $476,922 |
| PILOT Payment | $96,677 | $140,824 | $133,301 | $195,624 | $183,707 | $171,761 | $246,040 | $234,015 | $221,960 | $209,876 |
| Net Before Debt Service and Capital Expenditures | $153,952 | $264,489 | $285,185 | $233,487 | $257,268 | $281,562 | $219,479 | $244,380 | $271,238 | $297,371 |
| Debt Service | | | | | | | | | | |
| Existing Debt P&I | $40,030 | $44,950 | $43,450 | $41,950 | $40,450 | $43,950 | $47,200 | $45,200 | $43,200 | $41,600 |
| New (2026-2035) Debt Service P&I | $0 | $41,894 | $170,678 | $170,652 | $170,627 | $170,600 | $170,573 | $170,545 | $170,516 | $170,487 |
| Total Debt Service | $40,030 | $86,844 | $214,128 | $212,602 | $211,077 | $214,550 | $217,773 | $215,745 | $213,716 | $212,087 |
| Transfer In (Out) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Less: Capital Improvements | $25,000 | $37,750 | $4,507,750 | $37,750 | $37,750 | $162,750 | $37,750 | $37,750 | $37,750 | $37,750 |
| Debt Proceeds | $0 | $0 | $4,242,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Net Annual Cash Flow** | **$88,922** | **$139,895** | **($194,693)** | **($16,865)** | **$8,441** | **($95,738)** | **($36,044)** | **($9,115)** | **$19,772** | **$47,534** |
| Restricted and Unrestricted Cash Balance: | | | | | | | | | | |
| Balance at first of year | $395,669 | $484,591 | $624,486 | $429,793 | $412,928 | $421,369 | $325,631 | $289,587 | $280,472 | $300,244 |
| Net Annual Cash Flow Addition/(subtraction) | $88,922 | $139,895 | -$194,693 | -$16,865 | $8,441 | -$95,738 | -$36,044 | -$9,115 | $19,772 | $47,534 |
| Balance at end of year | $484,591 | $624,486 | $429,793 | $412,928 | $421,369 | $325,631 | $289,587 | $280,472 | $300,244 | $347,778 |
| "All-in" Debt Coverage | 3.85 | 3.05 | 1.33 | 1.10 | 1.22 | 1.31 | 1.01 | 1.13 | 1.27 | 1.40 |
| PSC Days Cash on Hand | 382 | 442 | 233 | 215 | 216 | 142 | 113 | 103 | 113 | 140 |

**Notes:**
1) Assumes no changes in customer count or usage beyond Test Year.
2) Assumes 3.00% annual inflation beyond budget year.

**Legend:**
Simplified Rate Case (projected eligibility)
Conventional (Full) Rate Case

# Water Impact on Avg. Res. Bill

| Year | Water Increase | Water Vol. Charge[1] | Water User Charge[2] | PFP Charge on Water Bill | Utility Bill (Quarterly) | Change Over Prior Year | Utility Bill (Annual) | Change Over Prior Year | % of MHI (90,000) | Year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Tiered | Serv. | | | | | | | |
| 2025 | | 5.10 | 34.50 | 16.54 | $ 112.24 | | $ **448.94** | | 0.50% | 2025 |
| 2026 | 0.00% | 5.10 | 34.50 | 29.68 | $ 125.38 | $ 13.14 | $ **501.51** | $ 52.56 | 0.56% | 2026 |
| 2027 | 27.34% | 6.49 | 43.93 | 19.33 | $ 141.19 | $ 15.82 | $ **564.77** | $ 63.26 | 0.63% | 2027 |
| 2028 | 3.00% | 6.69 | 45.25 | 19.91 | $ 145.43 | $ 4.24 | $ **581.71** | $ 16.94 | 0.65% | 2028 |
| 2029 | 3.00% | 6.89 | 46.61 | 20.50 | $ 149.79 | $ 4.36 | $ **599.16** | $ 17.45 | 0.67% | 2029 |
| 2030 | 3.00% | 7.10 | 48.01 | 21.12 | $ 154.28 | $ 4.49 | $ **617.14** | $ 17.97 | 0.69% | 2030 |
| 2031 | 3.00% | 7.31 | 49.45 | 21.75 | $ 158.91 | $ 4.63 | $ **635.65** | $ 18.51 | 0.71% | 2031 |
| 2032 | 3.00% | 7.53 | 50.93 | 22.41 | $ 163.68 | $ 4.77 | $ **654.72** | $ 19.07 | 0.73% | 2032 |
| 2033 | 3.00% | 7.75 | 52.46 | 23.08 | $ 168.59 | $ 4.91 | $ **674.36** | $ 19.64 | 0.75% | 2033 |
| 2034 | 3.00% | 7.99 | 54.03 | 23.77 | $ 173.65 | $ 5.06 | $ **694.60** | $ 20.23 | 0.77% | 2034 |
| 2035 | 3.00% | 8.23 | 55.65 | 24.48 | $ 178.86 | $ 5.21 | $ **715.43** | $ 20.84 | 0.79% | 2035 |
| **Total Change over planning period 2027-2035** | | | | | | **$ 53.48** | | **$ 266.49** | | |

**Notes:**

1. Current water volumetric rate is $5.10 per 1,000 gallons for the first 45,000 gallons, $4.20 per 1,000 gallons for the next 555,000 gallons used and $3.50 per 1,000 for gallons used over 600,000 gallons.
2. The water user charges include a quarterly service charge of $34.50.
3. The usage is assumed to be 12,000 Gallons per quarter.

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# Water Rate Comparison – By County

| Utility ID | Utility Name | Rate Schedule | County | Utility Class | Min. Qtrly Bill 5/8" | 6000 GAL | 12000 GAL | 15000 GAL | 18750 GAL | 75000 GAL | Effective Date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 5620 | Spencer Municipal Water Utility | Mg-1 | Marathon | D | 78 | 153.54 | 229.08 | 266.85 | 314.06 | 987.69 | 2/1/2026 |
| 2780 | Junction City Water Utility | Mg-1 | Portage | D | 61.56 | 139.98 | 218.4 | 257.61 | 282.32 | 642.21 | 4/1/2024 |
| 3298 | Maine Water Utility | Mg-1 | Marathon | D | 57.06 | 125.16 | 193.26 | 227.31 | 269.87 | 908.31 | 1/1/2022 |
| 4670 | Pittsville Municipal Water Utility | Mg-1 | Wood | D | 45 | 99.3 | 153.6 | 180.75 | 214.69 | 723.75 | 3/18/2025 |
| 1660 | Village of Dorchester Water Utility | Mg-1 | Marathon | D | 54 | 99 | 144 | 166.5 | 194.63 | 578.25 | 9/26/2013 |
| 10 | Abbotsford Municipal Water Utility | Mg-1 | Marathon | D | 30.9 | 80.94 | 130.98 | 156 | 187.28 | 656.4 | 8/27/2015 |
| 5760 | Stratford Municipal Water and Electric Utility | Mg-1R | Marathon | D | 33 | 81 | 129 | 153 | 183 | 633 | 7/19/2017 |
| 4050 | Nekoosa Municipal Water Utility | Mg-1 | Wood | C | 30.9 | 79.44 | 127.98 | 152.25 | 182.59 | 637.65 | 1/1/2017 |
| **3350** | **Village of Marathon City Water and Sewer Utility (Test Year** | **Mg-1** | **Marathon** | **D** | **43.93** | **82.90** | **121.86** | **141.35** | **165.71** | **496.63** | **TBD** |
| 510 | Biron Municipal Water Utility | Mg-1 | Wood | D | 36.78 | 79.26 | 121.74 | 142.98 | 169.53 | 523.98 | 8/13/2024 |
| 160 | Village of Amherst Water Utility | Mg-1 | Portage | D | 38.19 | 77.01 | 115.83 | 135.24 | 159.5 | 490.14 | 4/29/2022 |
| 1250 | City of Colby Municipal Water Utility | Mg-1 | Marathon | D | 41.13 | 78.21 | 115.29 | 133.83 | 157.01 | 482.13 | 11/15/2025 |
| 6300 | Wausau Water Utility | Mg-1R | Marathon | AB | 25.65 | 70.29 | 114.93 | 137.25 | 165.15 | 583.65 | 7/1/2023 |
| 3420 | Marshfield Utilities | Mg-1 | Marathon | AB | 30 | 71.92 | 113.84 | 134.8 | 161 | 554 | 5/1/2025 |
| 3890 | Mosinee Municipal Water And Sewer Utility | Mg-1 | Marathon | C | 36 | 69.36 | 102.72 | 119.4 | 140.25 | 427.8 | 4/1/2022 |
| 3675 | Village of Milladore Water Utility | Mg-1 | Wood | D | 35.1 | 68.22 | 101.34 | 117.9 | 138.6 | 439.65 | 2/1/2026 |
| 6530 | Whiting Municipal Water And Sewer Utility | Mg-1 | Portage | D | 21 | 60.36 | 99.72 | 119.4 | 144 | 495.5 | 9/17/2025 |
| **3350** | **Village of Marathon City Water and Sewer Utility (Current)** | **Mg-1** | **Marathon** | **D** | **34.5** | **65.1** | **95.7** | **111** | **130.13** | **390** | **4/1/2016** |
| 6700 | Wisconsin Rapids Water Works and Lighting Commission | Mg-1R | Wood | AB | 26.97 | 60.73 | 94.49 | 111.37 | 132.47 | 448.97 | 9/1/2024 |
| 5180 | Rothschild Municipal Water Utility | Mg-1 | Marathon | C | 31.38 | 62.4 | 93.42 | 108.93 | 128.32 | 419.13 | 10/1/2023 |
| 260 | Athens Municipal Water Utility | Mg-1 | Marathon | D | 25.56 | 58.08 | 90.6 | 106.86 | 127.19 | 415.26 | 10/1/2023 |
| 2483 | Village of Hatley Water Utility | Mg-1 | Marathon | D | 46.22 | 52.39 | 89.41 | 107.92 | 131.06 | 382.27 | 1/1/2026 |
| 5290 | Schofield Municipal Water and Sewer Utility | Mg-1 | Marathon | C | 33 | 59.28 | 85.56 | 98.7 | 115.13 | 351.6 | 9/12/2024 |
| 1750 | Edgar Municipal Water Utility | Mg-1 | Marathon | D | 26.05 | 53.65 | 81.25 | 95.05 | 112.3 | 350.7 | 1/1/2024 |
| 6420 | Weston Water Utility | Mg-1R | Marathon | AB | 27.09 | 43.77 | 62.11 | 72.94 | 86.48 | 325.54 | 10/15/2023 |
| 6110 | Vesper Municipal Water And Sewer Utility | Mg-1R | Wood | D | 25.05 | 42.27 | 59.49 | 68.1 | 78.86 | 240.3 | 11/17/2025 |
| 2901 | Kronenwetter Water Utility | Mg-1 | Marathon | C | 16.2 | 37.74 | 59.28 | 70.05 | 82.91 | 275.85 | 12/20/1999 |
| 4737 | Village of Plover Municipal Water Utility | Mg-1 | Portage | AB | 18 | 37.98 | 57.96 | 67.95 | 80.44 | 267.3 | 4/1/2022 |
| 5045 | Rib Mountain Water Utility | Mg-1 | Marathon | C | 30 | 43.62 | 57.24 | 64.05 | 72.56 | 200.25 | 12/1/2025 |
| 5690 | Stevens Point Municipal Water Utility | Mg-1R | Portage | AB | 29.66 | 41.18 | 52.7 | 58.46 | 65.66 | 173.66 | 12/1/2021 |
| 4770 | Port Edwards Water Utility | Mg-1 | Wood | D | 16.44 | 27.72 | 39 | 44.64 | 51.69 | 157.44 | 9/18/2023 |

- Sorted by 12 kgal consumption column
- PFP not included

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# Are other Utilities doing this?

- Chart on the right shows all completed rate cases in the state between 12/1/25 and 3/1/26
- Ehlers is planning to file a total of 20 rate cases by July 31
- Last Village CRC was 27%

**PSC WATER RATE ORDERS**
(Conventional Rate Cases)
DECEMBER 1, 2025 – MARCH 31, 2026

| Utility Name | Order Date | Rate Change % | Docket |
|---|---|---|---|
| Readstown Municipal Water Utility | 12/2 | 83.67 | 4950-WR-103 |
| Westboro San Dist Water system | 12/2 | 34.76 | 6385-WR-103 |
| Poynette Municipal Water Utility | 12/11 | 19.43 | 4810-WR-104 |
| Kimberly Municipal Water Utility | 12/15 | 24.98 | 2870-WR-107 |
| Mukwonago Municipal Water Utility | 12/16 | 46.9 | 3980-WR-106 |
| Cedarburg Light & Water Commission | 12/19 | 17.19 | 1000-WR-112 |
| Freedom Sanitary District No 1 | 1/5 | 61.18 | 2135-WR-103 |
| Black Creek Municipal Water & Sewer Utility | 1/15 | 52.81 | 520-WR-106 |
| Chilton Municipal Water Utility | 1/20 | 31.87 | 1100-WR-103 |
| Dane Water & Sewer Utility | 1/20 | 40.13 | 1540-WR-103 |
| Jackson (V) Water Utility | 1/20 | 24.24 | 2720-WR-104 |
| Mazomanie Water Utility | 1/20 | 32.45 | 3480-WR-104 |
| Palmyra (V) Water and Sewer Utility | 1/23 | 38.29 | 4520-WR-102 |
| Minong (V) Water Utility | 1/27 | 18.63 | 3760-WR-103 |
| Eau Claire Municipal Water Utility | 1/28 | 20.04 | 1740-WR-113 |
| Genoa City (V) Municipal Water Utility | 1/30 | 16.64 | 2200-WR-102 |
| DeForest Municipal Water Utility | 2/4 | 6.29 | 1580-WR-106 |
| Stanley Municipal Waterworks | 2/5 | 103.12 | 5670-WR-104 |
| Edgerton Municipal Water Utility | 2/9 | 17.18 | 1760-WR-105 |
| Friendship (V) Water Utility | 2/9 | 28.68 | 2140-WR-105 |
| Oregon Municipal Water & Sewer Utility | 2/10 | 39.76 | 4440-WR-104 |
| Shorewood Hills (V) Water Utility | 2/11 | 17.39 | 5450-WR-106 |
| Clinton Municipal Waterworks | 2/16 | 29.99 | 1190-WR-105 |
| Maine Water Utility | 2/26 | 63.15 | 3298-WR-101 |
| Knight (T) Municipal Water Utility | 3/4 | -6.48 | 2680-WR-102 |
| Plainfield (V) Water Utility | 3/17 | 51.94 | 4690-WR-103 |
| Shorewood Municipal Water Utility | 3/17 | 8.58 | 5440-WR-113 |
| Campbellsport Municipal Water Utility | 3/18 | 6.5 | 940-WR-107 |
| Waunakee Water & Light Commission | 3/19 | 16.11 | 6260-WR-107 |

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# Rate Structure Changes: Public Fire Protection

- CRC allows for tariff changes, and one common change is converting PFP from levy charge to water bill
- Currently charge is a municipal charge of 73,230 and a direct charge of approximately 73,230 (collect more revenue due to rate assessment change)
- Due to levy limits GF Expenditures > GF Revenues
    - ✓ There is a solution to reduce GF Expenditures
    - ✓ By moving the remainder of PFP to water bill it eliminates GF expenditure line item and free up about 73k to GF budget
    - ✓ Must change as a part of or within five years of a Conventional Rate Case

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# PFP cost (146,460) could increase during a CRC

- During the CRC process the PSC will conduct a Cost-of-Service Study which will divide the overall increase into the different revenue categories
- The Public Fire Protection Fee will likely be increased during the COS Study and may increase by as much, more or less than the anticipated overall increase.
- Do have option to change charge methodology
  - ✓ Currently charge based on assessment
  - ✓ Could change to meter size or other

| Count by Direct Charge (in whole or in part) Type | | | |
|---|---|---|---|
| Equivalent Meter | EM | 339 | 89.4% |
| Equivalent Service | ES | 16 | 4.2% |
| Square Footage of Improvemen | SQ | 3 | 0.8% |
| Alternate Method (unique) | ALT | 4 | 1.1% |
| Valuation | PV | 16 | 4.2% |
| Uknown | UNK | 1 | 0.3% |

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# PFP Conversion Impact to Sample RES Water Bills (Assessment)

| Quarterly Cost of Water Comparison | | | |
|---|---|---|---|
| | Current with PFP on Levy | What Communication from PSC will Reflect | Total Change in Water Charges |
| Quarterly Water Bill (Current) | $95.70 | $0.00 | $0.00 |
| Quarterly Water Bill (After Increase) | 0 | $141.19 | $141.19 |
| Water Bill PFP | $29.68 | $38.66 | $38.66 |
| **Water Bill Charges** | **$125.38** | **$179.85** | **$179.85** |
| *$ over Current Water Bill* | | *$54.47* | |
| *% over Current Water Bill* | | *43%* | |
| | | | |
| Quarterly Levy PFP^ | $24.50 | | |
| **Cost of Water** | **$149.88** | **$179.85** | **$179.85** |
| *$ over Current Cost of Water* | | | *$29.97* |
| *% over Current Cost of Water* | | | *20%* |

- PFP Notice only shows water bill change and not total cost of water change
- Assumes PFP conversion to direct charge assessment method.

- 5/8” or ¾” meter PSC assumes 12,000 Gallons/quarter as average residential usage.
- ^Levy PFP based on PFP Mill Rate applied to approx. $275,000 Residential Property

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* 5/8” or ¾” meter using 12,000 gallons/quarter

# Final PFP Conversion Estimated Impact

| Meter Size | Residential | Multifamily Residential | Commercial | Industrial | Public Authority | Non-Customers | Totals | EQ meters Ratio | Equivalent Meters | PFP Costs $ 146,460.00 Annual Rate | Quarterly Rate | Annual PFP Rev |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average Number of Customers by Meter Size | | | | | | | | | | | |
| 5/8" | 481 | 22 | 53 | 12 | 5 | 60 | 633 | 1 | 633 | $ 138.21 | $ 34.55 | $ 87,486.25 |
| 3/4" | | | | | | | 0 | 1 | 0 | $ 138.21 | $ 34.55 | $ - |
| 1" | | | 15 | 9 | 2 | | 26 | 2.5 | 65 | $ 345.52 | $ 86.38 | $ 8,983.58 |
| 1 1/4" | | | 1 | | | | 1 | 3.7 | 3.7 | $ 511.37 | $ 127.84 | $ 511.37 |
| 1 1/2" | | | 4 | 5 | 2 | | 11 | 5 | 55 | $ 691.04 | $ 172.76 | $ 7,601.49 |
| 2" | | 2 | 7 | 9 | 3 | | 21 | 8 | 168 | $ 1,105.67 | $ 276.42 | $ 23,219.10 |
| 2 1/2" | | | | | | | 0 | 12.5 | 0 | $ 1,727.61 | $ 431.90 | $ - |
| 3" | | | 2 | 4 | 3 | | 9 | 15 | 135 | $ 2,073.13 | $ 518.28 | $ 18,658.21 |
| | | | | | | | | | 1059.7 | $ 138.21 | Base Rate | $ 146,460.00 |

**Notes:**

1) $146,460 is the current charge on tax bill + direct charge. Current PFP Mill Rate is $.36. On an average assessed RES property of $275,000 it would cost $97.99 annually + the 2026 direct charge of $118.72. Based on 2025 assessments and levy. Shifting the PFP amount and updating the direct charge to the equivalent meters method would cost a residential customer $34.55 quarterly or $138.21 annually.
2) This considers non-customers as well. Current tariff language states, "The municipality has elected to make the charges in this schedule applicable to non-general service customer with private wells."

- For residential customers the difference between what they were paying ($97.99+$118.72 = $216.71) and what their future estimate is ($138.21), is a $78.50 annual savings based on current values.
- Subject to changes for PFP costs reviewed during CRC

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# PFP Impact to Sample Resident Water Bills

| Quarterly Cost of Water Comparison | | | |
|---|---|---|---|
| | Current with PFP on Levy | What Communication from PSC will Reflect | Total Change in Water Charges |
| Quarterly Water Bill (Current) | $95.70 | $0.00 | $0.00 |
| Quarterly Water Bill (After Increase) | 0 | $141.19 | $141.19 |
| Water Bill PFP | $29.68 | $34.55 | $34.55 |
| **Water Bill Charges** | **$125.38** | **$175.74** | **$175.74** |
| *$ over Current Water Bill* | | *$50.37* | |
| *% over Current Water Bill* | | *40%* | |
| | | | |
| Quarterly Levy PFP^ | $24.50 | | |
| **Cost of Water** | **$149.88** | **$175.74** | **$175.74** |
| *$ over Current Cost of Water* | | | *$25.87* |
| *% over Current Cost of Water* | | | *17%* |

- PFP Notice only shows water bill change and not total cost of water change
- Assumes PFP conversion to direct charge assessment method.

- 5/8" or ¾" meter PSC assumes 12,000 Gallons/quarter as average residential usage.
- ^Levy PFP based on PFP Mill Rate applied to approx. $275,000 Residential Property

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* 5/8" or ¾" meter using 12,000 gallons/quarter

# Other Considerations (Monthly Billing)

- The CRC process is an opportunity to make other changes. One change discussed is a change from a quarterly to monthly billing frequency
  - ✓ Con: Increase to administrative burden
  - ✓ Pro: Easier for residents to budget

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# Recommendations

- File CRC Application for Test Year 2026
- PSC CRC Rate Proceedings Estimated Timeline from Application Filing
  - ✓ Audit: 2-3 months
  - ✓ Public Hearing: 4-5 months
  - ✓ Implementation: 6 months
  - ✓ *Subject to PSC timing*
- Customer Communication
  - ✓ Best practice to notify customers of requested rate increase at time of filing PSC application (only statutory requirement is once public hearing is scheduled)
  - ✓ Upon PSC's acceptance of application, Ehlers will send suggested language



*TONIGHT's ACTION: Approval to file PSC CRC application.*

# Questions?

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