

## Water Systems

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To: Chairman Arnett and members of the Public Works Commission

May 7, 2025

From: Peter Hartz – Water Systems Manager

Re: May 13, 2025, Public Works Commission agenda items

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### Water Systems:

1. **Review and take possible action** Set public hearing date as May 21, 2025 for the Public Service Commission (PSC) Rate Case findings and recommendations.

#### Background:

- On July 23, 2024, this commission approved moving forward with phase 1 and having Ehlers begin the study of the water rates and provide a review of said rates that were last adjusted in April of 2017. For the water utility to continue with our private lead service replacement program, the Public Service Commission (PSC) of Wisconsin requires a review of the water rates as part of our Safe Drinking Water loan application, no funds will be awarded without the review and study of the water rates to assure adequate revenue is available for operations, capital projects, and debt service payments.
- On October 8, 2024, this commission approved having Ehlers continue with the next steps in having Ehlers complete the PSC application (phase 2).
- On November 12, 2024, this commission approved submitting and filing a PSC conventional rate case application.
- April 22, 2025, after several months of question and answer with PSC, Ehlers, and Watertown Water the PSC released their findings and draft water rate adjustment recommendation. (attached)

Budget goal: Aligns with investments and infrastructure planning.

Financial Impact: An increase in water revenue is estimated to increase by 15.28% , this is less than what was initially estimated by Ehlers (16 – 18%).

Recommendation: Set Public Hearing date to be May 21, 2025 – a virtual hearing as set and determined by the PSC.

Sincerely,  
*Peter Hartz*

Water Systems Manager