

August 28, 2025

Proposal to Provide a Water Rate Study to the:

Village of Cameron, WI



Prepared by:

Ehlers
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BUILDING COMMUNITIES. IT'S WHAT WE DO.



Transmittal Letter

Re: Proposal to Provide a Water Rate Study to the Village of Cameron, WI

Dear Ardith,

We are pleased to present this proposal to the Village. We believe our expertise and reputation, our dedication to proactive client service, and our unique project approach provide a compelling relationship option for the Village to consider. For more than 60 years, Ehlers has helped its municipal clients build strong and vibrant communities through its municipal advisory services. The following qualitative factors separates us from competing firms:

Expertise. Ehlers has staff dedicated to the specialized work of completing utility rate studies. We serve clients across Wisconsin and throughout the upper Midwest. **In the last five years (8/1/2020-7/31/25), our firm has completed over 100 utility rate studies and 72 conventional rate case applications to the Wisconsin Public Service Commission (PSC).**

Process. Our process is designed to facilitate effective decision-making. Our rate studies are completed in phases with the first phase being a Long-Range Cash Flow Analysis. The analysis will provide decision makers with the framework for options on how to fund ongoing and future financial obligations. In addition, we evaluate and educate the ways of how utilities can navigate Conventional Rate Cases to their individual utility needs and not simply following the PSC math. Our process is flexible and designed to avoid delays and facilitate decision-making.

Accessible Team Players. We ensure responsiveness to our clients by assigning more than one Municipal Advisor to each client to ensure we meet their needs. Our team will be led by Brian Roemer and supported by Josh Low and KateLynn Harrigan.

Client-First Values. Ehlers prides itself on transparent communication, proactive service, and an unwavering dedication to deploying client resources most efficiently and effectively. At the core, we will provide the Village with ongoing dialogue and idea-sharing, independent analysis, customized utility rate options, and a competitive, value-oriented fee structure.

Thank you for including us in this process. We appreciate your consideration and look forward to discussing how Ehlers can best serve the Village.

Respectfully submitted,

Brian Roemer
Senior Municipal Advisor



Qualifications & Experience

Professional biographies for the team follow below. Biographies and credentials for remaining team members can be found under the **Our Team** tab on **Ehlers' public website**.



Brian Roemer

Senior Municipal Advisor

Brian helps clients with fiscal studies, debt planning and issuance, and financial management planning. Since he joined the firm as an intern in 2016, Brian has quickly risen through the ranks due to his commitment to accuracy, dedication to customer service, and ability to break down complex financial concepts in a way that all client constituents can understand. Brian holds a Master of Business Administration degree from the University of Wisconsin Milwaukee.



Josh Low

Municipal Advisor

Josh is a Municipal Advisor who assists western Wisconsin municipalities with project financing and economic development needs. Prior to joining Ehlers in 2019, Josh served as an analyst for the City of San Francisco, where he specialized in capital improvement planning, implementation of special tax Villages and legislative and policy analysis for the Board of Supervisors.

KateLynn Harrigan

Senior Fiscal Consultant

KateLynn is a Senior Fiscal Consultant for Ehlers' Wisconsin team. She brings over a decade of experience working in local government, including preparing GFOA-certified Annual Comprehensive Financial Reports, Distinguished Budget Presentations, and Capital Improvement Plans, as well as completing Wisconsin state reporting requirements. This experience supports her current role preparing Utility Rate Studies and Financial Management Plans within the Fiscal Consulting Group. Before joining Ehlers in 2025, KateLynn served as the Finance Director for the North Shore Fire Department in Milwaukee County for 8½ years. Prior to that, she worked for the Village of Richfield, WI, as the Deputy Treasurer/Administrative Services Coordinator.



Scope of Service - Water Utility Rate Study

The project team proposes to undertake the following steps for the Water utility. Our approach is flexible and has proven to deliver the information, recommendations, and facilitated discussions essential to setting utility rates with confidence and accuracy. Ehlers proposes and agrees to provide the following scope of services for the water utility rate study ("Study"):

Phase I: Information Request, Review, And Long-Range Cash Flow Analysis

- Under this phase we will assess the need for a Simplified and/or Conventional Rate Case with the PSC using a long-range cash flow analysis. This analysis will make projections on future operation expenses, future capital funding, and identify future rate increases.
- Prepare a cash flow analysis for the next 10 years including the test year and beyond. The analysis will include:
 - ✓ Calculation of the return on net investment rate base (ROR) adequate to finance the appropriate share of debt service, equipment replacement and capital outlay expenses.
 - ✓ Benchmarking of key financial metrics that the PSC, rating agencies, and prospective lenders analyze.
 - ✓ Capital planning and debt schedules with corresponding coverage requirements.
 - ✓ Annual impacts to an average residential user based on the recommended revenue adjustments.
 - ✓ Comparison of existing and proposed rates to other utilities within a geographical area or based on PSC Utility class.
- This phase includes a meeting at the Board or other designated meeting to present the outcome of the Long-Range Cash Flow Analysis before starting the Application.
- In order to complete this phase Ehlers will need to request and review the following:
 - ✓ Capital planning documents identifying estimated costs for future water projects through 2035
 - ✓ Annual audits for the past four years (we currently have this information).
 - ✓ 2025 Year to date Water Fund actual expenses and revenues.
 - ✓ 2026 Water Fund line-item budget.



Phase II: Information Request, Review, and Test Year 2026 PSC Conventional Rate Case Application (as necessary)

- Based on the direction provided from the Board in the Phase 1 presentation under this phase we will complete a Simplified Rate Case Application and/or Test Year 2026 PSC Conventional Rate Case Application including all attachments of the application and supplementary information.
- In order to complete this phase Ehlers will need to request and review the following:
 - ✓ PSC annual reports for the last four years (available on the PSC website).
 - ✓ Current annual debt service schedules for existing utility debt (we currently have this information).
 - ✓ The detailed water billing records for the last three calendar years showing billed water consumption by customer class and rate block and number of customers by class and meter size.
 - Based on the time of filing the Application, we may request a similar report for the previous twelve months to the time of filing.
 - ✓ Water billing records which list the 4 largest users in each customer class (i.e. residential, commercial, industrial, public authority) including the name of the customer, meter size, and total billed consumption for the largest quarter over the last 12-month period.
 - ✓ A water tower repainting schedule showing when the last time the tower(s) were repainted, the cost for repainting and whether the utility is on a 15 or 20-year repainting schedule.
 - ✓ Current number of un-metered customers within the utility, if any.
 - ✓ Most current depreciation schedule for all water utility assets, showing current year depreciation expense, depreciation rates, and accumulated depreciation for all water utility financed assets.
 - ✓ The current number of private fire protections by the size of connection, if any.
 - ✓ For municipal financed utility plant in service and contributed plant in service, the estimated 2025 and 2026 asset additions, retirements and adjustments.
 - ✓ The current percentage allocated to the sewer utility's portion of meter costs and assets. (Usually the depreciation of the meters is split 50/50 between water and sewer).
 - ✓ Estimated materials and supplies inventory for 2025 and 2026, if any.
 - ✓ For 2025 and 2026 (estimated) the number of feet of main and hydrants added and retired. Please classify additions and retirements as routine or major.
 - ✓ If employees perform work for more than one function, please explain how costs are assigned to the water utility. For example, when an employee performs work for municipal parks, sewer, water, and private lead service



lines, describe how the salary and wages dollars are assigned to the regulated water utility.

- ✓ Water utility credit card billing offering information (details to follow).
- ✓ If applicable, latest Impact Fee study.
- This phase includes a meeting with the Board or other designated meeting to present the outcome of the Application before filing the Application.
- Ehlers will file the Application upon receiving desired recommendation to do so from the Client's desired governing body or staff.

Phase III: Test Year 2026 PSC Conventional Rate Case Proceedings (As Necessary)

- Assist utility with Data Request Portion of proceedings
- Review Revenue Requirement to check for PSC errors or omissions based on Application and Data Request(s) period. Provide disagreement correspondence as necessary
- Review PSC Cost of Service Study & Rate Design
- Represent the Utility at required PSC public hearing
 - ✓ Be present at the required telephonic public hearing and provide testimony in support of the proposed water rates for the test year on behalf of the utility.
- File Rate Implementation Letter

Phase IV: Final Report And Presentation (As Necessary/Optional)

- Prepare and provide (via PDF or paper copy) a report containing a written summary of the results of the PSC Rate Case and cash flow analysis along with all supporting worksheets.
- If requested, this phase includes a meeting with the Board or other designated meeting to present the PSC final water rate structure for the test year and answer questions. This should be requested on or before filing the PSC Rate Implementation Letter.

Compensation

In return for the services set forth in the "Scope of Service," Client agrees to compensate Ehlers as follows based on the following Scope of Service Events:

Phase	Scope of Service Event	Fee
I	LRCFA Delivered to Client	\$ 5,250
II	CRC Application Filed with PSC*	\$ 6,000
II	SRC Application Filed with PSC*	\$ 1,000



III	Completion of PSC Rate Implementation Letter*	\$ 4,500
IV	Final Report Delivered to Client^	\$ 500
IV	Final Report Presentation^	\$ 500
	Total (if all phases completed)	\$ 17,750

*As necessary. Phase I may indicate the remainder of the Study is not needed. In the event the Client determines not to proceed with additional Phases Ehlers will send the invoice for Phases completed. In the event Client determines not to proceed with the Study once a Phase has been authorized, but prior to that Phase's completion, the compensation due for that Phase will be prorated to reflect the percentage of the work completed.

^Optional. The Client may choose to not have a final presentation of the final report.

For any service directed by Client and not covered by this, or another applicable Appendix, Ehlers & Associates will bill Client at an hourly rate that is dependent upon the task/staff required to meet Client request at no less than \$125.00/hour and not to exceed \$350.00/hour. This may include for example, additional scenarios for the Long-Range Cash Flow Analysis.

Payment For Services

Ehlers will invoice Client after the completion of each Scope of Service Event noted above. Our fees include our normal travel, printing, computer services, and mail/delivery charges. The invoice is due and payable upon receipt by the Client.

Client Engagement

If the Village finds this proposal suitable, please take the appropriate action and/or governing body approval. Please inform us of the decision and we will provide our required disclosures for signature.

