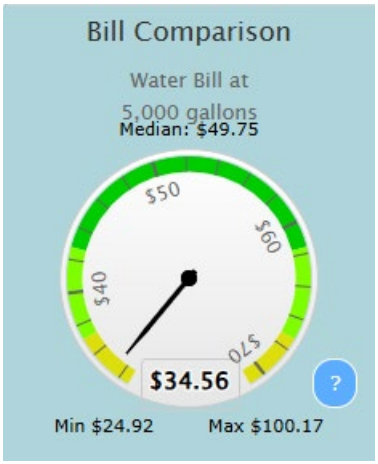
Utility Rate Adjustments

The Village of Germantown Village Administrator and Finance Director, in collaboration with the Dept of Public Works, seeks approval for a 3% increase in water fees, using the Public Service Commission simplified approach. In addition, we will implement a 3% increase in sewer fees beginning January 1, 2027.

Water Utility

We are aware of the recent increase in water fees, and unfortunately, the Village is still operating at a loss. The current rate of return is (4. 2%). The operating loss in 2024 was $400,000 and the operating loss in 2025 was $870,000. Within a 25 mile radius, the Village of Germantown is still well below the median cost of water bill.



In addition, the guidance for Days Cash on Hand should exceed the billing period, 90 days for the Village of Germantown. Our Days Cash on Hand is currently 30.

Operating revenue should at least be enough to cover the cost of operations and depreciation, a ratio of 1.0. Our current Operating Ratio is .90.



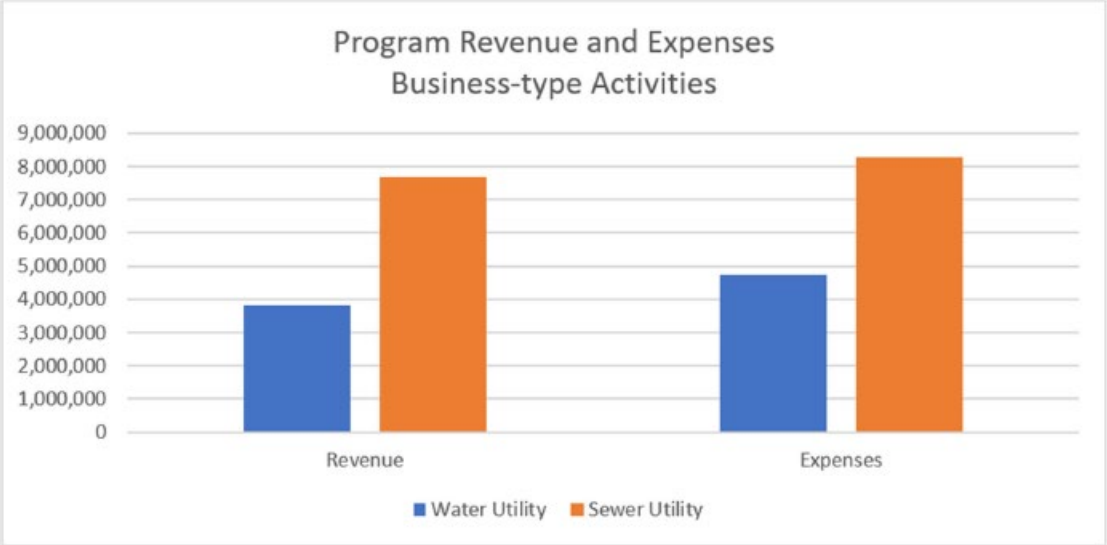
It is not in the best interest of the Village to wait until a Conventional Rate Case is again necessary before increasing rates. The rate case takes about 6-10 months to complete and is very expensive, with those costs calculated into the new rate for recovery. Using the 3% Simplified Rate increase approach is our best course of action to begin moving toward a position of financial stability and increasing our cash on hand.

The average increase will be $8.76 per household per year.

Sanitary Sewer Utility

The Village maintains 110 miles of sewer main, with 5,943 customers. The village contracts with MMSD for treatment and their annual charge is the largest expense, accounting for 67.8% of the operating expenses. The 2025 operating loss was $770,000, compared to $540,000 in 2024. Total net position decreased by $170,000, and the rate of return is (1.24%). The last rate increase was in 2024 and was insufficient in covering the rising costs.

A 3% increase to both fixed and usage fees will be an average of $12.06 per household per year.



We appreciate your consideration of this request as we look to improve the financial health of the Village, with minimal impact to its residents.

Matt Trebatoski

Lisa Davis

Tim Zimmerman