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Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION
Regular Meeting
Tuesday, April 11, 2023
7:15 PM or immediately following Committee of the Whole
Christine Nuernberg Hall

Agenda

- 1) Call to Order, Roll Call
- 2) Approval of Meeting Minutes
Action requested: review and approve
 - a. March 14 2023 Minutes
- 3) Discussion Items
 - a. RESOLUTION 4045 A Resolution Authorizing a Development Agreement for Swan Ridge Farms Phase I, Consisting of 41 Lots of a Total 83 Lot Subdivision Located Immediately South and West of 10129 North Swan Road (Authorizing Section 12(a)(x) Regarding Reimbursement for Public Water Infrastructure)
- 4) Adjourn

Dated: April 11, 2023

/s/ Andrew Nerbun, Chair

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and/or gather information about a subject over which they have decision-making responsibility, although they will not take formal action thereto at this meeting.

Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

Any questions regarding this agenda may be directed to the Public Works Office at 262-236-2913, Monday through Friday, 7:00 AM - 3:30 PM.



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Regular Meeting
Tuesday, March 14, 2023
7:15 PM
Christine Nuernberg Hall

Minutes

1) Call to Order, Roll Call

Commissioner Nerbun called the meeting to order at 8:12 PM

Present:

Commissioner Andrew Nerbun
 Commissioner Robert Strzelczyk
 Commissioner Glenn Bushee
 Commissioner Dale Mayr
 Commissioner Jeffrey Hansher
 Commissioner Mark Gierl
 Commissioner Brian Parrish
 Commissioner Kathleen Schneider
 Commissioner William Gebhardt

City Administrator Jones, Assistant City Administrator Schoenemann, City Attorney Sajdak, City Clerk Fochs, Director of Public Works/City Engineer Lundeen, Deputy Director of Utilities Driscoll, Administrative Assistant Schlereth, Director of Community Development Tollefson, Assistant Director of Community Development Zader, Building Inspections Supervisor Golden, press and interested public.

2) Approval of Meeting Minutes

a. February 14, 2023 Minutes

RESULT: **Approved by Voice Acclamation [Unanimous]**
MOVED BY: Commissioner Strzelczyk
SECONDED BY: Commissioner Mayr

Attachment: 3-14-23 Water Min final (8352 : March 14 2023 Minutes)

AYES: Nerbun, Strzelczyk, Bushee, Mayr, Hansher, Gierl, Parrish, Schneider, Gebhardt

3) Discussion and Possible Action

a. Water Connection Policy Amendment - Reimbursement

The requested amendment relates to reimbursement for water system requirements. Staff clarified that projects will be designed in conformance with utility standards. Any public infrastructure eligible for reimbursement will require public bidding.

Commissioner Mayr questioned how the amount of reimbursement will be determined. Director Lundeen stated that for upsizing, the project would be bid for both pipe sizes and the difference in cost between the two would be eligible for reimbursement. Commissioner Mayr requested that be stated in the Policy.

A motion was made to approve the amendment to the Water Connection Policy conditioned upon including the modification in the language, as approved by City Attorney Sajdak.

RESULT: Approved as Amended by Voice Acclamation [Unanimous]
MOVED BY: Commissioner Strzelczyk
SECONDED BY: Commissioner Mayr

AYES: Nerbun, Strzelczyk, Bushee, Mayr, Hansher, Gierl, Parrish, Schneider, Gebhardt

4) Adjourn

a. Motion to Adjourn at 8:22 PM

RESULT: Approved by Voice Acclamation [Unanimous]
MOVED BY: Commissioner Gebhardt
SECONDED BY: Commissioner Schneider

AYES: Nerbun, Strzelczyk, Bushee, Mayr, Hansher, Gierl, Parrish, Schneider, Gebhardt

Respectfully Submitted,

Ren Schlereth
Administrative Assistant

Attachment: 3-14-23 Water Min final (8352 : March 14 2023 Minutes)



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: April 11, 2023
SUBJECT: RESOLUTION 4045 A Resolution Authorizing a Development Agreement for Swan Ridge Farms Phase I, Consisting of 41 Lots of a Total 83 Lot Subdivision Located Immediately South and West of 10129 North Swan Road (Authorizing Section 12(a)(x) Regarding Reimbursement for Public Water Infrastructure)

Background

Section 12(a)(x) of the proposed Development Agreement (DA) for the Swan Ridge Farms development refers to the agreement between the developer and the Mequon Municipal Water Utility for the reimbursement of public water infrastructure system costs that will be designed, constructed and dedicated as a part of the development project.

Last month, the Water Utility Commission (WUC) approved an amendment to the Water Connection Policy relating to reimbursement for public water infrastructure system costs. The WUC approval was contingent on adding language to clarify how reimbursement would be calculated. Staff submitted language which was reviewed and approved by the City Attorney and is attached to this item for reference.

Analysis

Consistent with the Water Connection Policy and mirrored sanitary ordinance, the design costs for public infrastructure are the responsibility of the developer. The proposed DA is consistent with that policy.

Section E.1.a. of the Water Connection Policy outlines the methodology for reimbursement of upsizing the water main to meet system requirements. It is not anticipated that any other development on Swan Road to the east of the proposed subdivision would require connection to public water infrastructure. Therefore, rather than require construction of a redundant water main in Swan Road, the transmission main for the Water Utility will run internal to the subdivision. As required by the Water Connection Policy, the public water main will ultimately exit the subdivision at the northeast corner of the property and extend along the property line. In the future, this transmission main will be connected to the water main on Swan Road to the north of the development.

Section E.1.b. of the Water Connection Policy specifies that reimbursement for all other water infrastructure shall be calculated on the basis as recommended by the City Engineer and as approved by the Water Utility Commission. It is difficult to define all of the other types of

infrastructure that may trigger reimbursement and to establish a policy on how they would be reimbursed. Therefore, until the Mequon Water Utility has sufficient experience to establish further policy regulating reimbursement, it will be negotiated with the development and memorialized in the DA.

In addition to any increased sizing of the water main itself, Swan Ridge Farms water main construction will require installation of the second connection to the Milwaukee Water Works (MWW) supply system and installing of a meter pit which allows MWW to track the flow and volume of water. Reimbursement for that public water infrastructure is proposed to be prorated based upon the cost ratio of the upsizing. Section 12(a)(x)b. reads, in part:

For the meter pit construction, the Mequon Water Utility will reimburse the Developer the percent difference between the water main diameter for the development demand and for the system demand. For example, if the Development requires 10-inch water main to meet the requirements of the Mequon Water Utility Water Connection Policy, but a 16-inch water main is required for the transmission main, the Mequon Water Utility shall reimburse 37.5% of the water meter pit cost (difference in water main diameter divided by diameter of transmission main).

Staff is requesting approval of that language to be included in the final DA.

Fiscal Impact

The value of the reimbursement is uncertain at this stage of design. The Water Connection Policy requires that all public water construction projects in which the Mequon Water Utility is paying any portion of the costs shall be publicly advertised, bids received and the contract amount approved by the WUC. Therefore the final dollar value will come back to the WUC for approval.

It is anticipated that there are sufficient funds in the capital accounts to reimburse as outlined in the DA.

Recommendation

Staff notes that the construction of the second connection and meter pit, as well as construction of the transmission main up Swan Road are identified in the Water Master Plan. Therefore, while the demands of the existing customer base do not require these projects at this time, it is to the benefit of the Water Utility to leverage the development construction process to include these projects, therefore staff is in favor of the reimbursement as outlined.

Please note that the DA is on the Common Council agenda for final action tonight. Staff requests that if any modifications are made to this section of the DA, they carry through with the final DA approval.

Attachments:

Res 4045 - Swan Road DA (PDF)

Water Connection Policy - Amendment for Reimbursement (FINAL) (PDF)

Swan Ridge DA Section 12(a)(x) (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 4045

A Resolution Approving a Development Agreement for Swan Ridge Farms Phase I, Consisting of 41 Lots Within a Total 83-Lot Subdivision Located Immediately South and West of 10129 North Swan Road

- A. The Swan Ridge Farm Phase 1 residential development consists of 41 lots to be located directly south and west of 10129 North Swan Road.
- B. The Planning Commission recommended approval of the Development Agreement for the subdivision on March 20, 2023.
- C. The Development Agreement provides for the installation of improvements and the payment of fees in accordance with the City Engineer’s report.
- D. The Mequon Water Utility Commission and Sewer Utility District Commission approved relevant sections of the Development Agreement on April 11, 2023.

BASED UPON THE FOREGOING RECITALS, IT IS RESOLVED by the Common Council of the City of Mequon, Wisconsin, that:

- 1. The Development Agreement for the Swan Ridge Subdivision project is approved, subject to any technical, clerical and/or legal changes deemed necessary and appropriate by the City Attorney.
- 2. The Mayor and City Clerk are authorized and directed to execute and deliver the same.

Approved by: Andrew Nerbun, Mayor

Date Approved: April 11, 2023

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on April 11, 2023.

Caroline Fochs, City Clerk

Attachment: Res 4045 - Swan Road DA (8306 : Swan Ridge DA Section 12(a)(x))

VI. COST TO CONNECT

E. For Mequon Water Utility Costs

1. The developer shall be responsible for all costs of required water infrastructure sized for the demand of the development.
 - a. Where the Mequon Water Utility system plan requires the installation of water main larger than 12 inches in diameter, the Mequon Water Utility shall pay the difference in cost between the installation of the pipe sized for the development demand and the system demand. Reimbursement for the increased pipe size shall be determined by bidding the water infrastructure sized for the demand of the development and bidding the water infrastructure sized for the system demand. The difference in cost between the water infrastructure sized for the demand of the development and the water infrastructure sized for the system demand shall be considered the reimbursement value.
 - b. Reimbursement for all other water infrastructure shall be calculated on the basis as recommended by the City Engineer and as approved by the Water Utility Commission.
2. All public water construction projects in which the Mequon Water Utility is paying any portion of the costs shall be publicly advertised, bids received and the contract amount approved by the Water Utility Commission. Preparation of plans and specifications for such public water construction may be done by the subdivider's engineer or by the Mequon Water Utility. In either case, such engineering costs shall be paid for by the developer, except for that portion attributable to the Mequon Water Utility's share of the construction costs.
3. As documented by a development agreement, projects in which the Mequon Water Utility is paying any portion of the costs may be administered through one of the following:
 - a. Build and contribute. Developer constructs the infrastructure and upon approval from the Mequon Water Utility staff, dedicates the infrastructure to the Mequon Water Utility.
 - (1) Developer will construct and pay for, or will cause any affected parcel owners to construct and pay for, all required public utility improvements, which upon completion, final inspection and acceptance by the Mequon Water Utility, shall be dedicated to the Mequon Water Utility, as applicable.

- (2) If the required public utility improvements work is subject to any public bidding requirements, the developer will comply with those requirements and cause any affected parcel owner to do so.
- (3) The city shall cooperate with and assist the developer with compliance with public bidding requirements and if requested by the developer.
- (4) Construction documents shall define the bid items and quantities associated with the public utility improvements.
- (5) Prior to construction, the Water Utility Commission shall approve the expenditure associated with the public utility improvements.
- (6) Developer will cause the required public utility improvements, to be constructed in a good and workmanlike manner and substantially in accordance with the approved plans and will promptly correct any defects, structural or otherwise, in construction, and all deviations from the approved plans.
- (7) Developer will deliver, or cause a parcel owner to deliver to the Mequon Water Utility, a 2-year warranty of all such required public utility improvements.
- (8) Construction of the required public utility improvements shall be completed free of all liens and encumbrances, with lien waivers submitted to the city as a condition precedent to its acceptance of dedication of such public utility improvements.
- (9) There shall be no independent reimbursement to developer for the costs of the required public utility improvements.
- (10) When the developer has completed the construction of the public utility improvements, and said improvements have been accepted and dedicated, the Mequon Water Utility shall approve the invoice and request for payment.
- (11) This payment for public utility improvements will be made from water capital funds.

b. Mequon Water Utility administered public bid.

- (1) Developer will pay for, or will cause any affected parcel owners to pay for, all Mequon Water Utility owned public utility improvements, subject to final inspection and acceptance by the Mequon Water Utility.
- (2) No such contract shall be awarded until the developer has deposited with the Mequon Water Utility an amount of money not to exceed 125 percent of the estimated cost to the developer.
- (3) Upon completion of the construction, final determination of the developer's cost shall be made by the Mequon Water Utility and any monies remaining in the developer's deposit after charging such costs against the deposit shall be refunded to the developer. If such costs

exceed the deposit, the developer shall, upon demand of the Mequon Water Utility, immediately pay the difference to the Mequon Water Utility.

1. Water System Plans.

(a) Supply System. The plans shall satisfy the following requirements:

(x) Developer to connect to existing watermain near the intersection of Swan Road and County Line Road and extend the water transmission main to the northeast corner of the Property in accordance with the following requirements:

- a. To contract for the design and construct a meter pit, mains, valves, fittings and any and all other facilities necessary to deliver water to serve the lots in the proposed Development, at their cost, in a manner consistent with any and all applicable federal, state and local statutes, regulations and ordinances and complying with the current version of the Mequon Standard Specifications for Land Development and the Mequon Water Utility Water Connection Policy
- b. To construct the wholesale water meter pit near the intersection of County Line Road and Swan Road, including connection to Milwaukee Water Works water mains. For the meter pit construction, the Mequon Water Utility will reimburse the Developer the percent difference between the water main diameter for the development demand and for the system demand. For example, if the Development requires 10-inch water main to meet the requirements of the Mequon Water Utility Water Connection Policy, but a 16-inch water main is required for the transmission main, the Mequon Water Utility shall reimburse 37.5% of the water meter pit cost (difference in water main diameter divided by diameter of transmission main).
- c. To construct an oversize water main from the meter pit to the northeast corner of the Development so that it can be used as a transmission main for the Water Utility.
- d. Any portion of the costs eligible for reimbursement shall be reimbursed in accordance with the Mequon Water Utility Water Connection Policy, payable at the time of final plat.