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www.ci.mequon.wi.us

Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION

Regular Meeting

Tuesday, April 12, 2022

7:15 PM or Immediately Following the Sewer Utility District Commission Meeting

Christine Nuernberg Hall

Agenda

- 1) Call to Order, Roll Call
- 2) Approval of Meeting Minutes
Action requested: review and approve
 - a. March 8, 2022 Minutes
- 3) Discussion Items
 - a. Authorization of a Contract with Baxter Woodman Consulting Engineers to represent the Mequon Municipal Water Utility and other Wholesale Water Users in analyzing and reviewing the 2022 Milwaukee Water Works rate case application with the Public Service Commission of Wisconsin at a Total Not to Exceed \$2,500
 - b. Approval of the Mequon Water Utility Water Connection Policy
- 4) Adjourn

Dated: April 12, 2022

/s/ John Wirth, 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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Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION

Regular Meeting

Tuesday, March 8, 2022

7:15 PM

Christine Nuernberg Hall

Minutes

1) Call to Order, Roll Call

Commissioner Wirth called the meeting to order at 7:37 PM.

Present:

Commissioner John Wirth
 Commissioner Glenn Bushee
 Commissioner Dale Mayr
 Commissioner Jeffrey Hansher
 Commissioner Mark Gierl
 Commissioner Brian Parrish
 Commissioner Kathleen Schneider
 Commissioner Andrew Nerbun
 Commissioner Robert Strzelczyk -- **Absent**

Also present were City Attorney Sajdak, City Administrator Jones, Director of Public Works/City Engineer Lundeen, Deputy Director of Utilities Driscoll, Water Utility/City Water LLC Director of Operations Voigt, and Administrative Assistant Deuster.

2) Approval of Meeting Minutes

a. January 11, 2022 Minutes

RESULT: **Approved [Unanimous]**

MOVED BY: Commissioner Nerbun

SECONDED BY: Commissioner Hansher

AYES:	Wirth, Bushee, Mayr, Hansher, Gierl, Parrish, Schneider, Nerbun
ABSENT:	Strzelczyk

3) Discussion Items

a. Draft Water Connection Policy

Commissioner Wirth made a motion to table and recommended a policy subcommittee to review the policy document ahead of the April Meeting.

b. Motion to Table to a Policy Subcommittee

RESULT: **Tabled [Unanimous]**

MOVED BY: Commissioner Mayr

SECONDED BY: Commissioner Schneider

AYES: Wirth, Bushee, Mayr, Hansher, Gierl, Parrish, Schneider, Nerbun

4) Adjourn

a. Motion to Adjourn at 7:42pm

RESULT: **Approved by Voice Acclamation [Unanimous]**

MOVED BY: Commissioner Gierl

SECONDED BY: Commissioner Schneider

AYES: Wirth, Bushee, Mayr, Hansher, Gierl, Parrish, Schneider, Nerbun

Respectfully Submitted,

Casey Deuster
Administrative Assistant

Attachment: 03-08-22 Mins_Water Utility District Commission (7234 : March 8, 2022 Minutes)



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www.ci.mequon.wi.us

Office of Mequon Municipal Water Utility Commission

TO: Mequon Municipal Water Utility Commission
FROM: Jim Voigt, Director of Operations
DATE: March 28, 2022
SUBJECT: Authorization of a Contract with Baxter Woodman Consulting Engineers to represent the Mequon Municipal Water Utility and other Wholesale Water Users in analyzing and reviewing the 2022 Milwaukee Water Works rate case application with the Public Service Commission of Wisconsin at a Total Not to Exceed \$2,500

Background

Milwaukee Water Works (MWW) is one of two wholesale providers which supplies the Mequon Water Utility users with purchased water. MWW wholesale rates are subject to regulation by the Public Service Commission of Wisconsin (PSCW). In order to increase rates, MWW must file a rate case with PSCW.

In 2021, the MWW filed for approval from the PSCW for authority to increase water rates. MWW has requested the use of a two-step cost allocation methodology that was negotiated jointly with the Milwaukee Water Works wholesale customer group (MWCG) in 2021.

Analysis

The Mequon Water Utility has a long-standing practice of working with other wholesale customers to review the impact of MWW rates on the individual utilities. Historically, the group has hired a consulting firm to represent the wholesale customers interest in any filings or official proceedings. For the past several years, the consulting firm utilized was Baxter Woodman. With MWW's recent filing, the wholesale group is again considering a contract with Baxter Woodman for representation.

Exhibit A includes Baxter Woodman's proposal for professional services. It consists of 3 tasks.

1. Analysis and Review of MWW Rate Application
2. Development of Positions for Contested Case Hearing (if needed)
3. Participate in Contested Case (if needed)

Fiscal Impact

The cost associated with Baxter Woodman's work is based on a percentage share of the overall total. This share is based the percentage each community represents as compared to the total purchased water by this group from MWW. Mequon Water Utility – based on 2020 calculations (Attached in Exhibit B) – represents 5.331% of the total group. As such we would anticipate paying \$1,332.75 of the \$25,000 Baxter Woodman has estimated for Task 1. At this time, it is unclear if Task 2 or Task 3 will be warranted.

Recommendation

Staff recommends that the Water Utility Commission authorize expenditures up to \$2,500 for Baxter Woodman's professional services in representing the Mequon Municipal Water Utility

and the Wholesale Water Group in analyzing the Milwaukee Water Works Rate Case.

Attachments:

Exhibit A - Baxter Woodman Proposal for Professional Services (PDF)

Exhibit B - Utility Cost Share Calculation (PDF)

PROPOSAL FOR PROFESSIONAL SERVICES

February 15, 2022

 RE: MWW 2022 Rate Case Assistance
 Milwaukee Water Works Wholesale
 Customer Group
 Baxter & Woodman No. 211644.10

 Mike Brofka
 City of West Allis
 7525 W Greenfield Ave
 West Allis WI 53214-4688

 Jim Hart
 City of New Berlin
 3805 S Casper Drive
 New Berlin WI 53151

 Tom Nennig
 Village of Brown Deer
 4800 W Green Brook Dr
 Brown Deer WI 53223

 David Simpson
 City of Wauwatosa
 7725 W North Ave
 Wauwatosa WI 53213

 Todd Michaels
 Village of Greendale
 6500 Northway
 Greendale WI 53129

 Jim Voigt
 City of Mequon
 11333 N Cedarburg Rd
 Mequon WI 53092

 Matt Janecke
 Village of Menomonee Falls
 W156N8480 Pilgrim Rd
 Menomonee Falls WI 53051

 Leeann Butschlick
 Village of Shorewood
 3930 N Murray Ave
 Shorewood WI 53211

 Kayla Thorpe
 Village of Butler
 12621 W Hampton Ave
 Butler WI 53007

Thank you for inviting Baxter & Woodman to propose professional services for this project. We appreciate the information that you provided related to this project, which has helped us better understand your requirements and related issues. This proposal responds to your request, including a description of our proposed Scope of Services and budget information.

PROJECT DESCRIPTION

We understand Milwaukee Water Works (MWW) recently filed for approval from the Public Service Commission of Wisconsin (PSC) for authority to increase water rates. MWW has requested the use of the Two-Step cost allocation methodology that was negotiated and jointly approved by MWW and the Milwaukee Water Works wholesale customer group (MWCG) in 2021. PSC will determine the actual level of the rate change for each retail customer class and wholesale customer after reviewing MWW's application and other submitted documents, and after holding a public hearing. The actual increase to individual customers will vary with water usage and the ultimate rates authorized by PSC.

MWCG desires to hire a team of water rate analysts to review the accuracy and appropriateness of this rate increase request. MWCG includes the water utilities for the following municipalities:

- Brown Deer
- Butler
- Greendale
- Menomonee Falls
- Mequon
- New Berlin
- Shorewood
- Wauwatosa
- West Allis

As you will see in our proposal, we have assembled a very qualified team to assist you with this project. All team members are available to work on the project to meet the anticipated rate case schedule to be proposed by PSC.

SCOPE OF SERVICES

The project team will perform the following scope of services to assist the MWCG in reviewing and responding to MWW's conventional rate case application submitted to PSC. The scope of work has been broken down into the following project tasks:

Task **Description**

- 1 Analysis and Review of MWW Rate Application
- 2 Development of Positions for Contested Case Hearing (if needed)
- 3 Participate in Contested Case (if needed)

Task 1 - Analysis and Review of the Milwaukee Water Works Rate Application

MWW has already submitted a conventional water rate application to PSC in early February 2022, and has also filed its proposed revenue requirement and cost of service study documents prepared by its rate consultants. For Task 1, the project team will perform the following:

1. Assist the MWCG members in requesting Full Party Status in MWW's rate case (Docket 3720-WR-109).
2. Review MWW's proposed test year revenue requirement documentation.
3. Confirm MWW and MWCG member water demands and usage pattern variations submitted in MWW's rate case cost of service study.
4. Review the Two-Step cost of service study submitted by MWW, and note any changes or deviations from the methodology agreed to by both parties in April 2021.
5. Submit information requests to MWW for information necessary for the review, and review responsive information.
6. Analyze MWW's submission to determine the proposed changes in MWW's revenue requirements and cost of service allocation from the last conventional MWW rate case in 2014, and how they impact the MWCG members.
7. Identify and prioritize issues that MWCG could raise in MWW's rate case proceeding with PSC.
8. Participate in a meeting/conference call with MWCG representatives to brief them regarding the findings of the analysis, offer a recommended course of action, and select issues to pursue at the contested case hearing (if needed).

TASK 2 – DEVELOPMENT OF POSITIONS FOR CONTESTED CASE HEARING (IF NEEDED)

For Task 2, the project team will perform the following:

1. Assign issues to team members. Identify witnesses to testify at the contested case hearing on each issue.
2. Develop Wholesale Customers' positions on identified issues.
3. Prepare exhibits to support Wholesale Customers' positions on identified issues.

TASK 3 - PARTICIPATE IN CONTESTED CASE (IF NEEDED)

1. Prepare written direct testimony and exhibits in support of MWCG position on identified issues.
2. Review direct testimony and exhibits submitted by MWW and other rate case interveners.
3. Prepare rebuttal and surrebuttal testimony in response to testimony offered by MWW and other interveners.
4. Attend technical hearing, present testimony and cross-examine witnesses.
5. Prepare brief to the Commission in support of the MWCG position.
6. Review briefs submitted by MWW and other interveners, and prepare and submit reply brief.
7. Prepare Decision Matrix information, with cites to the record, for the Commission.

ANTICIPATED RATE CASE SCHEDULE

PSC will be proposing a rate case schedule for Docket 3720-WR-109 in the near future. Task 1 (and Task 2 if needed) will need to be completed prior to the dates to be scheduled for the submittal of any written testimony by MWCG for this rate case.

It is strongly recommended that the services proposed for Task 1 be initiated immediately.

PROJECT TEAM

The two key project team members that were closely involved on behalf of MWCG over the past 13 years with the two previous MWW rate cases and the 2014 Rate Point negotiations will be available to assist with this rate case. These project team members include **Patrick Planton** and **Lawrie Kobza**.

MWCG RESPONSIBILITIES

MWCG, at its expense, shall do the following in a timely manner so as not to delay the Services.

1. **Information / Reports:** Furnish the Baxter & Woodman project team with relevant project-related information, all of which Baxter & Woodman may rely upon without independent verification in performing the Services.
2. **Representative:** Designate a representative for the Project who shall have the authority to transmit instructions, receive information, interpret and define MWCG's policies and make decisions with respect to the Services.
3. **Decisions:** Provide all criteria and full information as to MWCG requirements for the Project, obtain (with Baxter & Woodman's assistance, if applicable) necessary approvals, attend Project-related meetings, provide interim reviews on an agreed-upon schedule, make decisions on Project alternatives, and generally participate in the Project to the extent necessary to allow the Baxter & Woodman project team to perform the Services.
4. **Other Responsibilities:** Pay directly any required fees associated with the Project.

COMPENSATION

Hourly Basis Option

MWCG and Baxter & Woodman select the hourly basis for payment for services provided by the project team. Baxter & Woodman shall be compensated monthly. Monthly charges for services shall be based on the Baxter & Woodman project team's current billing rates for applicable employees plus charges for any expenses incurred. Current billing rates shall be the Actual Billing Rates of Personnel Method as summarized below.

Actual Billable Rates of Personnel Method - Applicable billing rates for our team members shall be based on the actual billable rates of personnel plus the cost of expenses as outlined below.

Hourly billing rates for the key project team members is as follows:

Patrick Planton, Water Rates Specialist	\$225
Lawrie Kobza, Attorney	\$340

Our estimate of the costs for services in this Proposal is summarized below.

Task 1:	\$25,000
Task 2:	To be determined if needed
Task 3:	To be determined if needed

It is agreed that after 90 percent of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10 percent of the estimated compensation, Baxter & Woodman will notify MWCG and confer with representatives of MWCG to determine the basis for completing the work.

Other Provisions Concerning Payments

1. Invoices will be prepared in accordance with Baxter & Woodman's standard invoicing practices and will be submitted monthly to MWCG by Baxter & Woodman, unless otherwise agreed.
2. Invoices are due and payable within 30 days of receipt.
3. The cost for our team's services will be apportioned as previously agreed to by the MWC Group for the 2014 MWW Rate Case project. This apportionment of project costs is summarized below.

Water Utility	2014 Cost Breakdown
West Allis	24.172%
Wauwatosa	22.022%
Menomonee Falls	14.661%
New Berlin	12.379%
Shorewood	6.995%
Brown Deer	6.808%
Greendale	6.260%
Mequon	5.185%
Butler	1.518%
Total	100.00%

Expenses

The following items involve expenditures made by Baxter & Woodman employees or professional consultants on behalf of MWCG. Their costs are not included in the hourly charges made for services and shall be paid for as described in this Proposal.

1. Transportation and travel expenses.
2. Lodging and meal expense connected with the Project.
3. Report or documentation reproduction expenses.
4. Other special expenses required in connection with the Project.

Additional services not identified in the scope, such as additional meetings or presentations, can be provided on a time and expense basis for the Baxter & Woodman project team members involved. Additional services will only be provided upon written authorization by MWCG.

SCHEDULE

The Baxter & Woodman project team is available to begin this work immediately.

SUMMARY

This letter proposal represents the entire understanding between MWCG and Baxter & Woodman in respect to providing services for this project, and may only be modified in writing signed by both parties. If it satisfactorily sets forth your understanding of our services, please sign below in the space provided. Please sign two copies keeping one for your files and returning one to us.

We appreciate this opportunity to work with MWCG. Upon review of our proposal, please do not hesitate to contact Patrick Planton at (262) 395-6406 if you have any questions or if you need additional information.

Sincerely,

BAXTER & WOODMAN, INC.
CONSULTING ENGINEERS

Derek J. Wold, P.E., BCEE
Executive Vice President

Patrick S. Planton, P.E., MBA
Water Rates Specialist

CITY OF WEST ALLIS

By: _____

Title: _____

Date: _____

VILLAGE OF SHOREWOOD

By: _____

Title: _____

Date: _____

CITY OF WAUWATOSA

By: _____

Title: _____

Date: _____

VILLAGE OF GREENDALE

By: _____

Title: _____

Date: _____

VILLAGE OF MENOMONEE FALLS

By: _____

Title: _____

Date: _____

VILLAGE OF BROWN DEER

By: _____

Title: _____

Date: _____

CITY OF NEW BERLIN

By: _____

Title: _____

Date: _____

CITY OF MEQUON

By: _____

Title: _____

Date: _____

VILLAGE OF BUTLER

By: _____

Title: _____

Date: _____

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MWW 2020 PSC Report

Community	Purchased Water (thousands of gallons)	% of total	MWW Revenues	% of total	2020 Average %
Brown Deer	437,904	6.041%	\$ 748,546	6.339%	6.190%
Butler	111,601	1.540%	\$ 176,657	1.496%	1.518%
Mequon	367,911	5.076%	\$ 659,602	5.586%	5.331%
New Berlin	948,118	13.080%	\$ 1,506,541	12.758%	12.919%
Shorewood	389,187	5.369%	\$ 663,488	5.619%	5.494%
Greendale	412,286	5.688%	\$ 790,538	6.695%	6.191%
Menomonee Falls	1,082,086	14.928%	\$ 1,734,802	14.692%	14.810%
Wauwatosa	1,678,539	23.157%	\$ 2,761,373	23.385%	23.271%
West Allis	1,820,950	25.121%	\$ 2,766,604	23.430%	24.276%
Totals	7,248,582		\$ 11,808,151		

2014 Share	Difference
6.808%	0.618%
1.518%	0.000%
5.185%	-0.146%
12.379%	-0.540%
6.995%	1.501%
6.260%	0.069%
14.661%	-0.149%
22.022%	-1.249%
24.172%	-0.104%



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Office of Public Works

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: April 12, 2022
SUBJECT: Approval of the Mequon Water Utility Water Connection Policy

Background

At the October 28, 2021 meeting, the Water Utility Commission provided staff with guidance on multiple discussion items to be included in a Water Connection Policy. At its base, it defines the properties required to connect as those within the Sanitary Sewer Service Area and the Ulao Creek Neighborhood. In addition, it addresses:

- Process for properties that are required to connect, but request an exception.
- Identification of connections which should be considered for deferral.
- Identification of connections which should be considered for exemption.
- Identification of public infrastructure requirements to extend the water main along the property line.

At its meeting on March 8, the Water Utility Commission voted to send the draft Water Connection Policy to subcommittee for review and discussion. A copy of the staff memo from that original meeting is attached. To view the original draft of the policy, you may view it here: <http://mequoncitywi.iqm2.com/Citizens/FileOpen.aspx?Type=1&ID=2822&Inline=True>. In addition, for the March 8 meeting staff generated a supplemental memo recommending modifications to the proposed draft language. A copy of that memo is also attached.

Subsequently, the Water Utility Commission Policy Subcommittee reviewed the draft language at a meeting on March 29. The memo from that meeting is also attached.

Analysis

After discussion at the Policy Subcommittee meeting, the draft policy was updated for the following:

- Incorporation of all of the proposed modifications from the March 8 supplemental memo.
- Exclusion of connection requirements for properties within the Ulao Creek Neighborhood that include habitable structures prior to the adoption of the Water Connection Policy. This is intended to further extend the rights of Section 86-10 of the City of Mequon Code of Ordinances. It was added as Section IV.C:
For properties within the Ulao Creek Neighborhood: No existing owner or tenant of property on which is located habitable building improvements and which is not a utility

user/customer as of the day prior to the day on which Water Connection Policy is adopted, shall be required to connect to the utility at any time.

- The language “at the developer’s sole expense” was added to Section V.B.

Fiscal Impact

The policy memorializes existing requirements and fees for the Mequon Water Utility. The only financial impact is the requirement for connection within the Ulao Creek Neighborhood.

Recommendation

Staff recommends that the Water Utility Commission approve the Water Utility Connection Policy, subject to any amendments for discussion. Upon approval, the “Draft” watermark will be removed and the document will be published on the City’s website and made available for applicants.

Attachments:

Water Connection Policy Memo (3.8.22) (PDF)

Memo - Water Connection Policy Amendments (3.8.22) (PDF)

WUC Policy Subcommittee Memo (3.29.22)(PDF)

Water Connection Policy (PDF)



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: March 8, 2022
SUBJECT: Draft Water Connection Policy

Background

At the October 28, 2021 meeting, the Water Utility Commission provided staff with guidance on multiple discussion items to be included in a Water Connection Policy. At its base, it defines the properties required to connect as those within the Sanitary Sewer Service Area and the Ulao Creek Neighborhood. In addition, it addresses:

- Process for properties that are required to connect, but request an exception.
- Identification of connections which should be considered for deferral.
- Identification of connections which should be considered for exemption.
- Identification of public infrastructure requirements to extend the water main along the property line.

This attached draft policy includes all of those items as directed by the Commission. In addition, staff included process guidance that is generally understood, but not written in other Mequon Water Utility documentation. The document assembles the various templates utilized by Mequon Water Utility in the administration of public infrastructure projects. The result is the one-stop-shop for Mequon Water Utility connection requirements and process. It is a document that provides transparency for properties required to or considering connection.

Analysis

The only policy change memorialized in the document is the inclusion of required public water connection for the Ulao Creek Neighborhood. The remaining language summarizes existing processes and policies that were previously communicated by Mequon Water Utility staff. The proposed connection policy also defines processes for application for connection and for exceptions. It further defines the role of staff and for the Water Utility Commission.

The draft document is shown with the list of appendices. After discussion on the policy language itself, staff will finalize the document and provide for approval with all appendices.

In consideration of Section VII, Deferrals, the Water Utility Commission requested an analysis of recent deferrals to determine if they would meet the proposed Water Connection Policy. Below is a list of deferrals and analysis as to whether they would qualify under the current policy proposal:

Attachment: Water Connection Policy Memo (3.8.22) (7231 : Water Connection Policy)

- Larson Land Division, Wauwatosa Road and Freistadt Road: Deferral granted, more than 200 feet from existing public infrastructure (4,475 feet from the existing water main), therefore consistent with the proposed policy. Potential candidate for exemption.
- 5149 West Cairdel Lane: Deferral granted, although staff recommended against the deferral. The proposed policy would have triggered Water Utility Commission action, which was requested and granted for the property, therefore consistent with the proposed policy.
- River Club Estates: Deferral granted, more than 200 feet from existing public infrastructure (1,200 feet from the existing water main), therefore consistent with the proposed policy. Potential candidate for exemption.
- 11063 North Oriole Lane: Deferral granted, more than 200 feet from existing public infrastructure (1,900 feet from the existing water main), therefore consistent with the proposed policy.
- 9805 Cedarburg Road: Deferral granted, more than 200 feet from existing public infrastructure (4,500 feet from the existing water main), therefore consistent with the proposed policy. Potential candidate for exemption.

Fiscal Impact

The policy memorializes existing requirements and fees for the Mequon Water Utility. The only financial impact is the requirement for connection within the Ulao Creek Neighborhood.

Recommendation

Staff recommends that the Water Utility Commission review the draft policy and direct staff for any changes. Staff will update the policy to incorporate the discussion and present for approval at the next Water Utility Commission meeting.

Attachments:

Water Connection Policy (PDF)



MEMORANDUM

TO: Mequon Municipal Water Utility Commission

FROM: Kristen Lundeen

DATE: March 8, 2022

SUBJECT: Water Connection Policy – Proposed Amendments

After receiving feedback regarding the proposed Water Connection Policy, Mequon Water Utility staff will recommend the following amendments be incorporated into the final language, for approval at a future meeting:

For clarity, indicating that the Water Utility Commission could approve “or deny” the request for private water trust connection:

VI.C.3.b.(1) . . . Based upon this recommendation, the Water Utility Commission may vote to approve or deny the connection and enter into a Water Service Agreement with the Water Trust.

Noting that properties requesting a deferral or an exemption may block legal access for a future extension, Sections VII. Deferral and VIII. Exemption will include the following language:

If the resulting [deferral/exemption] prevents legal access for a future extension of public water infrastructure, an easement for future construction, operation and maintenance will be required in accordance with Section XII.

With respect to the concern of the approval process and order of applications. For example, if public water connection is approved, but the use is not supported. The original request was to require Planning Commission or Common Council approval prior to the Water Utility Commission approval of the connection. However, staff is concerned regarding the timing of applications and potentially requiring an applicant to add too much time and process to a request. Understanding that staff will use some discretion in guiding the order of approvals, or making clear conditions of approval, the following language is proposed to clarify approval authority:

IX. CONSIDERATION OF REQUEST TO CONNECT OUTSIDE OF USER SERVICE AREA

The Water Utility Commission established both the Water Utility Service Area and the Connection requirements based upon utility master planning and land use. Water Utility Commission approval of connection outside of the user service area is approval of the proposed public water utility connection only. Applications related to land use, zoning and building and site plan are required of other legislative bodies. Approval of a public water utility connection does not imply approval for anything other than the right to connect to the public utility. If an applicant does not meet the connection requirements and seeks to request connection:

While the only direct expense of the Transfer of Title is the recording, to clarify that the applicant shall be responsible for all costs associated with the process, the following language will be added to Section XIII.B.:

Under the build and contribute model, upon completion and acceptance of the public infrastructure, the property owner, at its own expense, shall transfer ownership of the public water infrastructure to the Mequon Water Utility.



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Office of Public Works

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: March 29, 2022
SUBJECT: DRAFT Water Connection Policy

Background

At its meeting on March 8, the Water Utility Commission voted to send the draft Water Connection Policy to subcommittee for review and discussion. Prior to that meeting, staff generated a supplemental memo recommending modifications to the proposed draft language. A copy of that memo is attached, but the policy language was not updated to incorporate those changes pending the consensus of the subcommittee.

While the draft Water Connection Policy remains primarily the same as originally proposed, staff has made minor grammar and format modifications. Additionally, the appendices were populated for review. Please note that with the exception of Appendix C: Mequon Water Utility Application for Deferral/Exemption and Appendix F: Water Service Exemption Agreement, all other appendices are standard documents currently utilized by the Mequon Water Utility. This policy is not proposing any modifications to those standard documents currently in circulation.

Staff continues to review the draft Mequon Water Utility Application for Deferral/Exemption and will update the form for any modifications to the policy language prior to submitting the final draft for approval. The draft Water Service Exemption Agreement was sent to the City Attorney for review and approval, and any recommended modifications will be included in the final version for Water Utility Commission approval.

Recommendation

Staff recommends that the subcommittee review, discuss and provide feedback to staff on the draft Water Connection Policy. Proposed modifications to the document will be included in a final version to be presented to the Water Utility Commission, upon approval of the subcommittee.

Attachments:

Memo - Water Connection Policy Amendments (3.8.22) (PDF)
 Memo - Water Connection Policy (3.8.22) (PDF)
 Water Connection Policy (PDF)

Attachment: WUC Policy Subcommittee Memo (3.29.22) (7231 : Water Connection Policy)

WATER CONNECTION POLICY

* * * * *

MEQUON WATER UTILITY

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I. GENERAL

The Mequon Water Utility distributes water from wholesale suppliers to utility rate payers. By ordinance (City of Mequon Code of Ordinances Section 86-10c), no owner or tenant of property on which is located habitable building improvements and which is not a utility user/customer as of the day prior to the day on which title to the Mequon Water Utility assets vest in the City of Mequon, shall be required to connect to the utility at any time. Customer Connection Rules (CCR) were prepared by the Water Policy Advisory Committee in July 2010, as referenced in the Public Service Commission tariff 3959-WR-101 regarding water main extensions and installations in platted subdivisions.

Further, connection to the Mequon Water Utility is required for those City of Mequon properties located within the City of Mequon's Sanitary Sewer Service Area and those properties located within the Ulao Creek Neighborhood, not excluded by Section 86-10c and in accordance with Section III.

A Water Trust may request connection to the Mequon Water Utility in accordance with Customer Connection Rule (CCR) Section B.4(a).

This policy is not intended to overwrite any previous rules, policies or legislation, except that it incorporates and therefore replaces, the stand-alone Private Water Trust Connection Policy. To the extent that this policy creates any conflicts, the original rule, policy or legislation shall be the defining document, and this policy will be amended accordingly.

Exceptions to this policy, whether requested by a property owner/applicant or recommended by Mequon Water Utility Staff shall require Water Utility Commission approval.

Additional governing documents include:

- Mequon Municipal Water Utility Tariff (which includes the Mequon Water Utility Customer Connection Rules)
- City of Mequon Code of Ordinances, Chapter 86 – Utilities, Article II Water Utility
- Standard Specifications for Land Development, current edition
- Wisconsin Administrative Code NR 809, [NR 810](#), [NR 811](#)
- Wisconsin [Administrative](#) Code PSC 185

II. **MEQUON WATER UTILITY USER SERVICE AREA**

The Mequon Water Utility is approved by the Public Service Commission to serve all properties within the City of Mequon corporate limits, the Village of Thiensville and portions of the Village of Bayside. The Water Utility Commission designated a Mequon Water Utility Service Area inside of which all properties meeting the requirements of Section III are required to connect. The Mequon Water Utility Service Area includes the properties within the Sanitary Sewer Service Area and/or the Ulao Creek Neighborhood. A map of the Mequon Water Utility Service Area is included in Appendix A: Mequon Water Utility User Service Area.

III. **WATER UTILITY CONNECTION REQUIRED**

Connection to the Mequon Water Utility is required for new construction of habitable building improvements within the City of Mequon Sanitary Sewer Service Area and/or the Ulao Creek Neighborhood.

IV. **WATER UTILITY CONNECTION NOT REQUIRED**

Connection to the Mequon Water Utility is not required for the following:

- A. Owner or tenant of property on which is located habitable building improvements and which is not a utility user/customer as of the day prior to the day on which title to the Mequon Water Utility assets vest in the City of Mequon.
- B. Properties outside of City of Mequon's Sanitary Sewer Service Area and outside of the Ulao Creek Neighborhood.
- C. For properties within the Ulao Creek Neighborhood: No existing owner or tenant of property on which is located habitable building improvements and which is not a utility user/customer as of the day prior to the day on which Water Connection Policy is adopted, shall be required to connect to the utility at any time.

V. APPLICATION PROCEDURES

A. For on-main, not using properties

1. Properties are considered on-main, not using properties when the parcel is located along the public water infrastructure but is not currently a Water Utility customer.
2. The Mequon Water Utility is responsible for the public portion of the lateral, from the water main to the property line, including the curb stop valve and box.
3. The property owner is responsible for the private portion of the lateral, from the curb stop to the structure, including all internal plumbing except the meter.
4. Property owners shall submit a Mequon Water Utility Application for New Service. A copy of the application is included in Appendix A: Please allow 5 business days to process the application.

B. For properties which require an extension of the public water infrastructure

The Mequon Water Utility operates on a build and contribute basis. When additional public water infrastructure is required to serve a property, the property owner or developer is required to install the infrastructure per the Standard Specifications for Land Development, current edition. Upon completion, the title of ownership of the infrastructure is transferred to the Mequon Water Utility, at the developer's sole expense.

These terms to build and contribute public water infrastructure are negotiated through a Development Agreement and/or a Water Services Agreement.

1. If the proposed service requires the extension of public water infrastructure and requires Planning Commission approval, the application process is included in the Planning Commission application process. Please see Section X.
2. If the proposed service requires the extension of public water infrastructure but does not require Planning Commission approval the applicant shall contact the Water Utility Manager to discuss the terms of service for inclusion in the Water Services Agreement. Please see Section X. When contacting the Water Utility Manager, the applicant shall be prepared to disclose anticipated water demand and general infrastructure needs.

C. Deferral

The property owner shall submit an Application for Deferral/Exemption, as included in Appendix C: Mequon Water Utility Application for Deferral/Exemption.

D. Exemption

The property owner shall submit an Application for Deferral/Exemption, as included in Appendix C: Mequon Water Utility Application for Deferral/Exemption.

E. City of Mequon properties outside of the City of Mequon Sewer Service Area or Ulao Creek Neighborhood

For properties outside of the Sewer Service Area or Ulao Creek Neighborhood who do not qualify for connection, but are seeking to apply:

1. Submit a letter of request to the Director of Public Works/City Engineer identifying the property location, the proposed use and an analysis of the water demand.
2. Identify the impacts on the request if public water connection is denied.

F. Water Trusts

1. The Mequon Water Utility connection procedures for the Water Trust is based on the CCR, where the Connection Charge for Water Trusts vary due to the condition of the Water Trust system.

The focus of this policy section is to address the Water Trust System Costs and establish of a standardized method to value the depreciated capital cost of the Water Trust system facilities. Expenditures by the Mequon Water Utility are for the betterment of services that benefit the entire Mequon Water Utility, where the cost to perform an evaluation on the condition of a Water Trust system is to be paid by the Water Trust, in advance of connection to the Mequon Water Utility.

Following the Water Trust depreciation valuation and condition assessment, the Mequon Water Utility will conduct a review of the Water Trust facilities to be contributed to the Mequon Water Utility and determine what replacements, repairs and upgrades are necessary to make the Water Trust facilities meet Mequon Water Utility standards.

a. Condition Assessment

Upon request of the Water Trust, copies of the Condition Assessment forms and Depreciation Tables will be made available for review. A meeting with the Mequon Water Utility may be requested by the Mequon Water Utility prior to completing the Condition Assessment and Depreciation Valuation. For review and recommendation to the Water Utility Commission, the condition assessment is to be completed by a certified operator on behalf of the Water Trust.

Certified Operators: A condition assessment is to be performed by a Certified Operator on behalf of a Water Trust, where the certifying agency is the Wisconsin Department of Natural Resources. The Certified Operator may transmit the Water Trust condition assessment report and depreciation valuation to the Utility, or a representative on behalf of the Water Trust may submit the Condition Assessment and Depreciation application, in accordance with the respective Water Trust by-laws.

Standard Checklists: Standard Checklists to perform a condition assessment are prepared by the Mequon Water Utility and available for the voluntary condition assessment report to be prepared by the Certified Operator, on behalf of the Water Trust.

Based on findings of the condition assessments, the Water Trust may submit the condition assessment report, or may make repairs prior to submitting a revised condition assessment report that reflects the current repairs. Or prior to the connection, the Water Trust may pay the Mequon Water Utility an agreed upon amount to fund the repair work required, as identified in the condition assessment and to offset the depreciated value. A copy of the depreciation and condition assessment report and correspondence will be filed in the respective subdivision file.

b. Depreciation Valuation

The Water Trust may request and apply for connection to the Mequon Water Utility, and voluntarily complete a depreciation evaluation and a condition assessment report of their Water Trust system. This valuation is based on the Public Service Commission depreciation rates for Wisconsin Municipal Water Utilities that apply service life as the basis to determine replacement value and current system value of water system facilities. The cost of the work to perform the depreciation valuation and condition assessment of the Water Trust system is not a reimbursable amount from the Mequon Water Utility, a Public Service Commission (PSC) requirement.

The range of depreciation rates varies depending on age and facility conditions, where a standard depreciation rate range recommended by the PSC can be applied, based on the condition assessment completed by the Water Trust, to establish the value and benchmarks from the depreciation tables.

Based on the findings of the depreciation valuation provided by the Water Trust to the Mequon Water Utility, the Mequon Water Utility may conduct a review of the depreciation valuation to confirm consistency with the PSC standard methods. In addition, the Mequon Water Utility may review the condition assessment reports, and develop a recommendation of concurrence or request revisions to the valuation.

2. A Mequon Water Utility Application for New Service shall be completed by each member of the Water Trust.

VI. **COST TO CONNECT**

A. The cost to connect is defined in the Mequon Water Utility Customer Connection Rules.

B. For on-main, not using properties

1. The property owner is responsible for the “Contribution in Aid of Construction” (CIAC), or connection fee, associated with the public infrastructure for their home. This CIAC is paid to the Mequon Water Utility.
2. The property owner is responsible for negotiating a price with a private plumbing firm for all private plumbing necessary to connect the home to the public infrastructure.

C. For Private Water Trusts

Financial Considerations for Connection. The main financial factors considered for this Water Trust Connection Policy include the System Depreciation, a Revenue Credit and Gap Financing.

1. System Depreciation: Provided the Water Trust calculates a depreciated valuation of the Water Trust System Cost based on Public Service Commission tables and recommended depreciation rates that are tied to Certified Operator condition assessments, the Mequon Water Utility reviews these reports and the depreciated value may be accounted for upon acceptance by the Mequon Water Utility.
2. Revenue Credit: The total Mequon Water Utility revenue credit for connection depends on the number of connections. The revenue credit may be accounted for upon acceptance by the Mequon Water Utility.
3. Gap Financing: Based on the Customer Connection Rules, the cost to bring the Water Trust system facilities to Mequon Water Utility standards, if to be paid by the Mequon Water Utility, shall be included in the Connection Charge. The Water Trust By-Laws or other governing instruments determine how the Connection Charge paid by the Water Trust will be apportioned among the members of the Water Trust.
 - a. Any depreciated value will be credited to the Mequon Water Utility at the time of connection, if not repaired as a cost to the Water Trust in advance of the Mequon Water Utility accepting the connection.
 - b. The connecting main cost is based on the quote provided by a contractor and the payment to complete that work, in addition to extension or lateral work.
- (1) Utility Risk / Benefit Ratio: The Mequon Water Utility may calculate a ratio between the amount of new assets acquired and the projected future revenues generated, operating costs, and with respect to total Mequon Water Utility assets to establish metrics and/or guidelines for the Mequon Water Utility Commission and Water Services Agreement. The financial analysis of assumed liability in comparison to projected future revenues is one factor that Mequon Water Utility will determine as whether to recommend to the Water Utility Commission to accept the Water Trust or acceptance the Water Trust with conditions. Based upon this recommendation, the Water Utility Commission may vote to approve or deny the connection and enter into a Water Service Agreement with the Water Trust.

VII. DEFERRAL

The Water Utility User Service Area was established based upon the master planning for the water infrastructure system plan. However, it may be in the best interests of both the applicant and the Mequon Water Utility that the Development not be connected to the City of Mequon water utility system at the time of application. In that scenario, the Mequon Water Utility reserves the right to require a connection to the water utility system with a change in use or extension of adjacent service. This is considered a deferral.

A. Deferrals will be considered for the following:

1. Properties where connection is required by Section III. If no connection is required, there is also not a deferral required.
 2. Construction of residential or business structures on a lot located more than 200 feet from public water infrastructure, where infrastructure is anticipated in the future.
- B. Deferrals are documented with a Deferral Agreement. The template agreement is included as Appendix E.; and is subject to City Attorney review and approval.
- C. If a property or development qualifies for a deferral under this Section:
1. The applicant shall apply for a deferral in accordance with Section V.C.
 2. Staff may administer the template agreement, subject to City Attorney review and approval. No further Water Utility Commission approval is required.
- D. If a property or development does not qualify for a deferral under this Section, but the applicant seeks to request a deferral, it is subject to an application per Section V.C. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt.
- E. If the resulting deferral prevents legal access for a future extension of public water infrastructure, an easement for future construction, operation and maintenance will be required in accordance with Section XII.

VIII. **EXEMPTION**

While this policy is structured to provide guidance and terms and conditions for connection, there will be circumstances which warrant an exception to the policy requirements. Additionally, applicants should understand the process to petition for an exception when one is sought. If granted, the request for an exception will result in an exemption. Exemptions could apply either to the requirement to connect or to a requirement outlined in the Water Connection Policy.

A. Exemptions will be considered for the following:

1. Properties where connection is required by Section III. If no connection is required, there is also not an exemption required.
2. Existing residential buildings which were not required to connect by Section III but are razed and apply for a building permit for a new habitable building.
3. Construction of residential or business structures on a lot located more than 200 feet from public water infrastructure, where infrastructure is not anticipated in the future.
4. Water connection is not legally possible.
5. Water connection is not practicable.

- B. Exemptions are documented with an Exemption Agreement. The template agreement is included as Appendix F:, and is subject to City Attorney review and approval.
- C. If a property or development qualifies for an exemption under Section VIII.A.:
 - 1. The applicant shall apply for an exemption in accordance with Section V.D.
 - 2. Staff may administer the template agreement, subject to City Attorney review and approval. No further Water Utility Commission approval is required.
- D. If a property or development does not qualify for an exemption under this Section, but the applicant seeks to request an exemption, it is subject to an application per Section V.D. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt.
- E. For connections which require the extension of public infrastructure along the property line in accordance with Section XI.B., but an exception to the requirement is warranted or requested, the applicant shall apply for an exemption in accordance with Section V.D. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt. If the exception is granted, Mequon Water Utility staff will not require extension of public infrastructure beyond the service connection.
- F. For connections which cannot meet the minimum fire flow connections in accordance with Section XI.A., the applicant shall apply for an exemption in accordance with Section V.D. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt. If the exception is granted, Mequon Water Utility staff will identify the adjusted minimum fire flow required for design and construction.
- G. If the resulting exemption prevents legal access for a future extension of public water infrastructure, an easement for future construction, operation and maintenance will be required in accordance with Section XII.

IX. **CONSIDERATION OF REQUEST TO CONNECT OUTSIDE OF USER SERVICE AREA**

The Water Utility Commission established both the Water Utility Service Area and the Connection requirements based upon utility master planning and land use. Water Utility Commission approval of connection outside of the user service area is approval of the proposed public water utility connection only. Applications related to land use, zoning and building and site plan are required of other legislative bodies. Approval of a public water utility connection does not imply approval for anything other than the right to connect the public utility. If an applicant does not meet the connection requirements and seeks to request connection:

- A. Basis for approval. The Water Utility Commission shall base its determination on:
 - 1. The potential effect of a connection on the impact to existing utility rate payers.
 - 2. General welfare of the public water system.
 - 3. Best management practices.

4. Industry standards.
 5. Impact of the connection on the Water Utility and immediate area.
 6. Special consideration shall be given to the proposed connection's effect on the constraints of the existing infrastructure, economic impact on water utility rates and precedent of future development.
- B. Denial. The Water Utility Commission may deny the connection request if it concludes, based upon the information submitted, that the proposed connection and/or water demand would likely:
1. Materially endanger public health, general welfare and safety.
 2. Substantially increase costs for existing utility rate payers.
 3. Be harmful to the existing water utility infrastructure.
 4. Not be in general conformity with the Water Utility Master Plan, the City land use and/or zoning plan, or other officially adopted plan.

X. **WATER SERVICES AGREEMENT**

- A. For On-Main, Not Using Properties: No Water Services Agreement is required. Future customers must instead fill out a Water Service Application.
- B. For Properties which Require an Extension of the Public Water Infrastructure:
1. The Water Utility Manager will modify the template Water Services Agreement, as shown in Appendix G: Template Water Services Agreement. A copy of the modified agreement for applicant review will be returned to the applicant within five (5) business days.
 2. If the applicant agrees to the terms outlined by the Water Utility Manager, the Water Utility Manager will submit the agreement to the City Attorney for review and approval. Once approved, the applicant shall execute the Water Services Agreement and return to the Water Utility Manager. The Director of Public Works/City Engineer will execute the Water Services Agreement on behalf of the Mequon Water Utility and return a copy to the applicant. Upon execution of the Water Services Agreement, the applicant may proceed with design and construction in accordance with Section XI.
 3. If the applicant does not agree to the terms outlined by the Water Utility Manager, the applicant may petition the Water Utility Commission for consideration. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt.
- C. Water Trust

The Water Services Agreement will address whether the facilities installed need repairs or upgrades prior to the Utility accepting them, unless the agreement between the Mequon Water Utility and the

Water Trust provides that the Water Trust will install, repair or upgrade and pay for the facilities. The terms of the Water Services Agreement for water trusts are as follows:

1. Acknowledgement of Intent to Connect: An initial letter will be sent to the respective Water Trust acknowledging the interest to connect to the Mequon Water Utility. This letter will outline the procedures and timeframe for the depreciation and condition assessment procedures. An initial meeting may be scheduled to review the policy and procedures.
 2. Notice of Valuation: Where the Water Trust provides summary of the depreciated value based on a condition assessment, the Mequon Water Utility records this document and notifies the Water Utility Commission to add a meeting agenda item.
 3. Timeframe: The condition assessment and depreciation are valid for 90 days upon delivery to the Mequon Water Utility.
 4. Findings Letter: A findings letter will be prepared by the Utility and sent to the Water Trust once the condition assessment report is reviewed by the Utility. A second meeting may be scheduled to help Water Trust owners understand the findings and discuss any required repairs or financial transactions to offset the depreciation cost, if any.
 5. Repairs: The option for the Water Trust to make repairs is at the cost of the Water Trust owners within 90 days after receiving the findings letter from the Utility. The cost of repairs will be not reimbursed to the Water Trust and any additional cost for replacement will not be reimbursed directly. A Revenue Credit is established to account for this. If repairs are deemed necessary by the Utility prior to accepting the Water Trust connection:
 - a. The Water Trust may perform the repair or pay the Utility to cover the entire cost of repair and restoration in the public right of way; or
 - b. The Water Trust may pay the difference between replacement and depreciation costs, as approved by the Utility, as documented in the Water Services Agreement.
 - c. If replacement of the entire Water Trust system is deemed necessary, the Utility will not accept nor pay for the cost to replace the entire system and will not enter into a Water Services Agreement with the respective Water Trust.
 6. Final Letter: A final letter stating intention to accept connection or accept connection with conditions will be sent to the Water Trust. The final condition letter report will also be filed in the subdivision file.
- D. Upon approval of the Water Services Agreement by the City Attorney, the applicant shall provide an executed copy of the document to the Engineering Administrative Secretary. The City will execute the document and return a copy to the applicant.

XI. PUBLIC WATER INFRASTRUCTURE DESIGN AND CONSTRUCTION

- A. Minimum fire flows under normal operating conditions.

1. Residential: 1,000 gallons per minute
 2. Commercial/Industrial: 2,500 gallons per minute
 3. If the proposed connection is unable to provide proper fire flow, additional infrastructure may be required to meet the minimum requirements.
- B. For connections requiring an extension of the public water infrastructure, the public transmission water main shall extend the full front footage of the property line where the Mequon Water Utility User Service Area extends to the adjacent property.
1. Public water infrastructure extension along the property line is required to be consistent with the developer build and contribute model for the Mequon Water Utility. The connection is required to extend along the property line to allow the adjacent property owner to access the water main for future extension.
 2. Where the extension of the public water infrastructure requires installation of transmission main in front of properties where no connection is proposed, the Water Services Agreement may include a refund agreement. The refund agreement is defined in Mequon Water Utility Customer Connection Rules.
 3. If the water demand for the proposed connection is insufficient to provide minimum turnover of 4 days, the Mequon Water Utility may require an automatic flushing device. If future connections render the automatic flushing device obsolete, in that the minimum turnover rate is met, the automatic flushing device will be abandoned at the cost of the property owner.
 4. For corner properties:
 - a. The public transmission water main shall extend the full front footage of the primary water transmission water main.
 - b. If the connection includes public water main construction within the property/properties, connection to the public water main is required along both property lines to provide a loop in the system for redundancy.
- C. Public water infrastructure design and construction shall follow the Standard Specifications for Land Development, current edition. The Standard Specifications for Land Development is available on the City's website: [Standard Specifications for Land Development](#).
- D. Public water infrastructure plans shall be submitted to the Engineering Division at engineering@ci.mequon.wi.us or at the Engineering counter at City Hall, 11333 North Cedarburg Road, Mequon.
- E. Dependent upon workload, plans will generally be reviewed and review comments or approval issued within ten (10) business days. If the water infrastructure plans are a part of an overall civil plan submittal, review comments or approval will be issued concurrently.

- F. Upon water infrastructure plan approval, the Water Utility Manager will issue an Owner's Approval Letter to the applicant. The applicant will use the letter for its application to the Wisconsin Department of Natural Resources (WDNR) Public Water System Plan Review ([WDNR Submittal Requirements](#)).
- G. Upon WDNR approval of the Public Water System Plan, the applicant shall contact the Engineering Division at engineering@ci.mequon.wi.us or 262-236-2934 to schedule a pre-construction meeting. If the water infrastructure improvements are a part of a larger development project, only one pre-construction meeting will be scheduled to address all infrastructure improvements, unless otherwise approved by the Director of Public Works/City Engineer.
- H. Any shop drawings, material submittals or other verifying documentation shall be submitted to the Water Utility Manager prior to the start of construction.

XII. **WATER DISTRIBUTION EASEMENT**

- A. Public water infrastructure requires public access for a minimum of 20 feet on center. Access must be provided within City owned right-of-way or a Water Distribution Easement.
- B. Public infrastructure outside of the City owned right-of-way requires a Water Distribution Easement.
 - 1. The minimum width for a Water Distribution Easement is 20 feet. Increased widths may be required to provide access or accommodate site conditions such as steep slope, impediments or other utilities.
 - 2. The applicant shall utilize Appendix H: Template Water Distribution Easement.
 - 3. The applicant is responsible for providing the legal description of the easement area.
- C. The applicant shall utilize the template document, populate with the terms and conditions for the public infrastructure and submit to engineering@ci.mequon.wi.us for City Attorney review.
- D. Upon City Attorney approval, the applicant shall provide an executed copy of the document to the Engineering Administrative Secretary. The City will execute the document and file with the Ozaukee County Register of Deeds for recording. An executed copy of the recorded document will be returned to the applicant.

XIII. **TRANSFER OF TITLE**

- A. If the connection does not require public water infrastructure, no transfer of title is required.
- B. Under the build and contribute model, upon completion and acceptance of the public infrastructure, the property owner, at its own expense, shall transfer ownership of the public water infrastructure to the Mequon Water Utility. The terms and conditions of the transfer of title is defined in the Water Service Agreement.
- C. For subdivisions which require a final plat, the transfer of title is accomplished through the Owner's Certificate of Dedication and is effective upon recording.

- D. For all other connections with public infrastructure, the property owner shall file a Transfer of Title document with the Mequon Water Utility. The applicant shall utilize Appendix I: Template Transfer of Title.
- E. The applicant shall utilize the template document, populate with the terms and conditions for the public infrastructure and submit to engineering@ci.mequon.wi.us for City Attorney review.
- F. Upon City Attorney approval, the applicant shall provide an executed copy of the document to the Engineering Administrative Secretary. The City will execute the document and file with the Ozaukee County Register of Deeds for recording. An executed copy of the recorded document will be returned to the applicant.

XIV. **CONTRIBUTED CAPITAL FORM**

Connections which require an extension of public water infrastructure shall be required to submit the form as provided in Appendix J: Contributed Capital Form. These forms are required for the Mequon Water Utility to accurately account for contributed capital for the utility.

XV. **FINAL ACCEPTANCE**

A. For service connections:

1. Completion of installation by the utility contractor, in accordance with the Standard Specifications for Land Development.
2. Verification of flushing, pressure testing and sampling of the private lateral as required by the City of Mequon Inspections Division.

B. Final Acceptance will be issued upon completion of construction in accordance with Section XI and the Standard Specifications for Land Development, current edition. Final acceptance includes:

1. Completion of all testing in accordance with the Standard Specifications for Land Development, and Water Service Agreement.
2. Completion of all staff punchlist items.
3. Submittal of lien waivers from all contractors and subcontractors for the public infrastructure.
4. Submittal of record drawings in accordance with the Standard Specifications for Land Development.
5. Submittal of easement documents, if applicable.
6. Submittal of a transfer of title document or final plat.

C. Water Trust

The Mequon Water Utility will conduct a review of the Water Trust facilities to be contributed to the Mequon Water Utility and determine what replacements, repairs and upgrades are necessary to make the facilities meet Mequon Water Utility standards.

A Water Trust may volunteer to connect to the public water main and system, and once the Mequon Water Utility determines that the system is acceptable the Mequon Water Utility will make a recommendation to the Water Utility Commission to accept the respective Water Trust connection.

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WATER CONNECTION POLICY APPENDICES

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MEQUON WATER UTILITY

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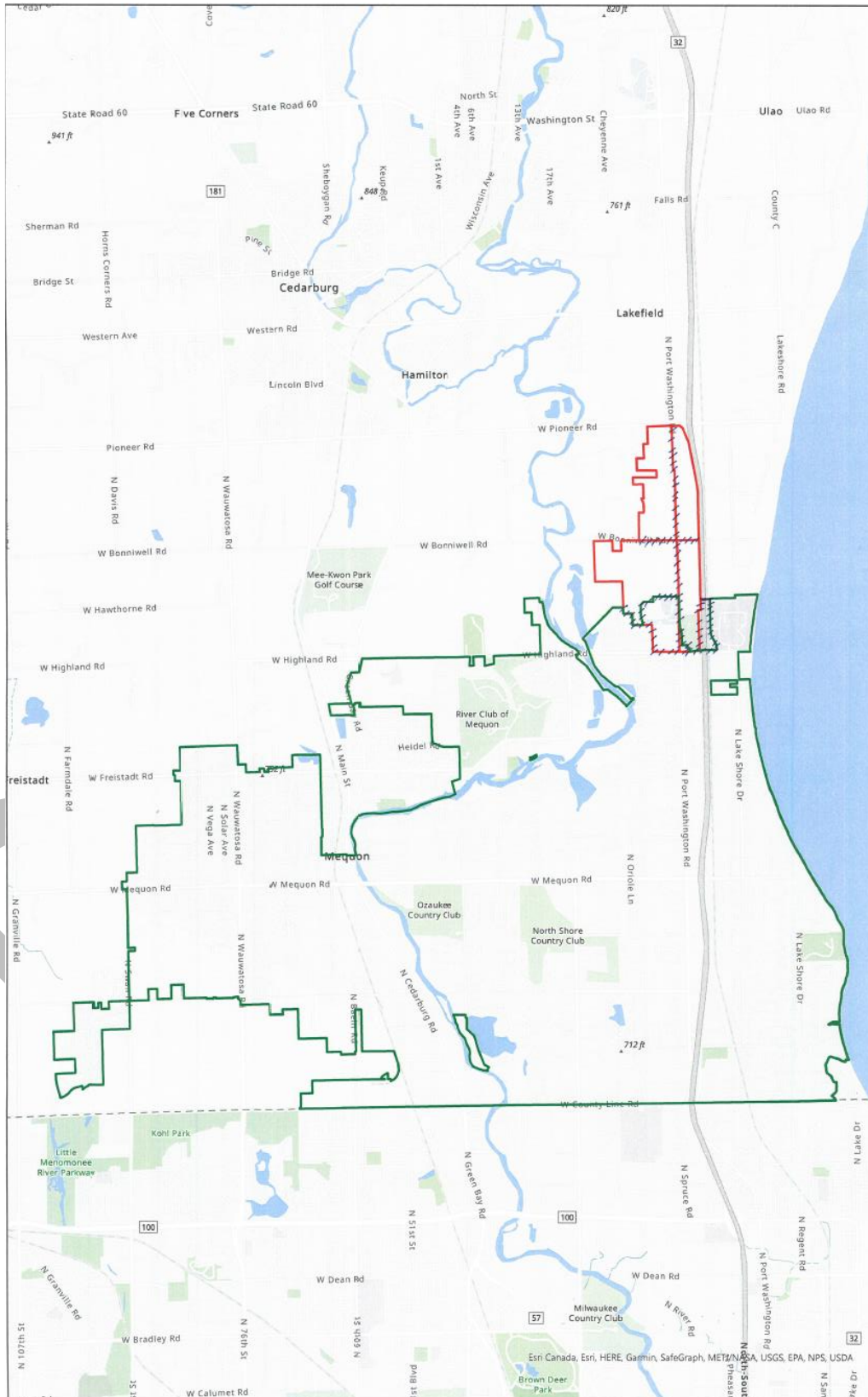
Appendix A: Mequon Water Utility User Service Area

The Mequon Water Utility User Service Area consists of the City of Mequon's Sanitary Sewer Service Area and those properties located within the Ulao Creek Neighborhood, not excluded by City of Mequon Code of Ordinances Section 86-10c.

This map is subject to change when the Sewer Service Area is amended by the Sewer Utility District Commission. Mequon Water Utility staff will update the map and the Water Connection Policy when the map is amended.

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Mequon Water Utility User Service Area



Attachment: Water Connection Policy (7231 : Water Connection Policy)

Appendix B: Mequon Water Utility Application for New Service

When required by Section V, the applicant shall submit the following form to the Finance Department. These forms are also available on the City's website, ([Application for New Service](#)) and at the Finance Department counter at City Hall, 11333 North Cedarburg Road, Mequon.

This application form is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the application form, the Water Connection Policy and the website when the form is modified.

NO EXISTING CONNECTION**APPLICATION FOR
NEW SERVICE**

Customer Account # _____



Application Type ☐ Residential ☐ Business
☐ Existing Bldg. ☐ New Construction

The applicant whose name appears below requests the City to furnish utility services to the address below and agrees to receive and pay for such service in accordance with the rates, rules, regulations of the City of Mequon Utilities.

Name: _____ Tel No. _____

Service Address: _____

Email Address: _____

Subdivision / Development: _____

Tax Key #: _____ Lot # _____

Bill to Address: (if different than service address)

Builder/Contractor Supplying Information (if applicable)

Company: _____ Contact Person: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: () _____ Phone: () _____

Fax: () _____ (work) _____ (alternate/mobile)
 E-mail: _____

Customer and/or Plumber to fill in Required Information:

(Call utility with any questions or if assistance is required to complete this table)

Meter Sizing Information (residential)

Fixture Type	Count	Fixture Type	Count	Fixture Type	Count
Clothes Washing Machine	_____	Hose Bibb-3/4" diameter	_____	Full Bath/Bathtub/Quick Flush Toilet	_____
Bar Sink	_____	Kitchen Sink	_____	Full Bath/Bathtub/Tank Toilet	_____
Bathtub (separate from Bath)	_____	Laundry Tub	_____	Full Bath/Shower/Quick Flush Toilet	_____
Bidet	_____	Bathroom Sink (separate from Bath)	_____	Full Bath/Shower/Tank Toilet	_____
Dishwashing Machine	_____	Shower Head (separate from Bath)	_____	Half Bath/Sink/Tank Toilet	_____
Water Dispenser	_____	Toilet/Quick Flush Type (separate From Bath)	_____	Other Water Devices	_____ GPM
Hose Bibb-1/2" diameter	_____	Toilet/Tank Type (separate from Bath)	_____		

Attachment: Water Connection Policy (7231 : Water Connection Policy)

If Commercial/Industrial

Fixture Type	Count	Fixture Type	Count	Fixture Type	Count
Clothes Washing Machine/ Individual	_____	Sink/Laboratory	_____	Sink/Bar and Fountain	_____
Clothes Washing Machine/ Large Capacity _____ GPM	_____	Sink/Medical Exam and Treatment	_____	Sink/Barber and Shampoo	_____
Bathtub	_____	Sink/Service	_____	Urinal Washdown	_____
Bidet	_____	Sink/Surgeon Washup	_____	Wall Hydrant/Hot and Cold-1/2" dia.	_____
Coffeemaker	_____	Urinal/Syphon Jet	_____	Wall Hydrant/Hot and Cold-3/4" dia.	_____
Dishwasher/Commercial _____ GPM	_____	Water Dispenser	_____	Wash Fountain/Semicircular	_____
Drink Dispenser	_____	Hose Bibb-1/2" diameter	_____	Wash Fountain/Circular	_____
Drinking Fountain	_____	Hose Bibb-3/4" diameter	_____	Toilet/Quick Flush Type	_____
Sink/Cup Sink/Flushing	_____	Ice Maker	_____	Toilet/Tank Type	_____
Rim	_____	Bathroom Sink	_____	Other Water Devices	_____ GPM
Sink/Kitchen and Food Prep	_____	Shower Head	_____		

Current full-time equivalent Employees served from this meter: _____

Irrigation System ☐ yes ☐ no

If yes, rated flow for the largest irrigation zone: _____ GPM

Will the irrigation system be used only during off-peak demand times and the flow is not included in the fixture count for meter sizing? ☐ yes ☐ no



If the irrigation flow is not included in the fixture count meter sizing calculation, the largest rated flow for the irrigation system must be designed for the meter selected.

Private Fire Protection System ☐ yes ☐ no

If yes, Private Fire protection system size: _____ IN

Is the private fire protection system connected prior to the meter: ☐ yes ☐ no

Required flow for the private fire protection system: _____ GPM

Required pressure for the private fire protection system: _____ PSI

Mequon Water Utility does not guaranty any flow or pressure above regulatory minimum requirements.

Measurement Information

Low pressure in water main: _____ PSI

Service Lateral from main to curb stop: SIZE _____ TYPE _____ LENGTH _____

Service Lateral from curb stop to meter: SIZE _____ TYPE _____ LENGTH _____

Elevation difference between the water main and meter _____ FT

Plumbing after meter set: SIZE _____ TYPE _____

Length of pipe from meter to controlling fixture: _____ FT

Elevation difference between the meter and controlling fixture _____ FT

Required pressure for controlling fixture: _____ PSI

Final Meter Size

Size suggested by Mequon Water Utility: _____ IN

Final meter size: _____ IN

Determined by: ☐ Mequon Water Utility ☐ Applicant's Plumber ☐ Development Plans ☐ Other _____

In addition to the fixed fees for your water meter and public fire protection charges which begin upon meter installation, the Utility will also bill the property owner for any water usage prior to Occupancy.

Please note: All water and sewer service must remain active and is the responsibility of the property owner even during lapses in occupancy with any rental property. Charges will be billed to the owner.

Mequon Water Utility Materials Checklist

Your Mequon Water Utility representative will also provide you with the following information:

- ☐ Plumbing Specifications Requirements brochure
- ☐ Annual Customer Service Guide (with rate information)
- ☐ Developers Guide (for commercial/industrial customers or developers)

For additional information, call Mequon Water Utility at 262.236.2947

**** To complete this application, and to comply with federal regulations, individual residential accounts must attach a legible copy of your current driver's license or alternate government issued picture ID. For business accounts, I attest that I am authorized to open this account on behalf of my business and have included a duly signed W-9 form. ****

Applicant Signature

Date

____ Copy of Driver's license attached (residential) ____ W-9 form attached (business)

Return the completed application via fax, mail, or deliver in person to the Mequon Water Utility.
Application is void if incomplete or altered.

Mequon Water Utility
11333 N. Cedarburg Rd.
Mequon, WI 53092
Fax: (262) 242-9655

For Office Use Only A fee of \$ _____ is required.

Fee payment options:

- ☐ Pay now in full. ☐ Place on Tax Roll for five (5) year collection. (Mequon only)

Utility Supervisor Signature

Date

Appendix C: Mequon Water Utility Application for Deferral/Exemption

When required by Section V, the applicant shall submit the following form to the Utility Manager. These forms are also available on the City's website, ([LINK](#)) and at the Finance Department counter at City Hall, 11333 North Cedarburg Road, Mequon.

This application form is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the application form, the Water Connection Policy and the website when the form is modified.

DRAFT

NO EXISTING CONNECTION**APPLICATION FOR
DEFERRAL/EXEMPTION****Application Type:**

☐ Deferral ☐ Exemption from: ☐ Connection ☐ Minimum Fire Flow ☐ Extension along property line

Name: _____ Telephone: _____

Property Address: _____

Email Address: _____

Subdivision / Development: _____ Lot # _____

Tax Key #: _____

Mailing Address: (if different than property address)

For Deferrals:

Check all items that apply:

- ☐ Properties where connection is required by the Water Connection Policy. If no connection is required, there is also not a deferral required.
- ☐ Property is located more than 200 feet from public water infrastructure, where infrastructure is intended in the future (additional information is required).
- ☐ Property or development does not qualify for a deferral under the Water Connection Policy, but the applicant seeks to request a deferral. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt (additional information is required).

For Exemptions to Connection:

Check all items that apply:

- ☐ Properties where connection is required by Water Connection Policy. If no connection is required, there is also not an exemption required for connection.
- ☐ Construction of residential or business structures on a lot located more than 200 feet from public water infrastructure, where infrastructure is not intended in the future.
- ☐ Water connection is not legally possible (additional information is required).
- ☐ Water connection is not practicable (additional information is required).
- ☐ If a property or development does not qualify for an exemption under the Water Connection Policy, but the applicant seeks to request an exemption. Applications will be placed on a Water Utility Commission meeting agenda within 90 days of receipt (additional information is required).

For Office Use Only

- ☐ Request meets the Terms of the Water Connection Policy and staff is authorized to issue a Deferral Agreement or Exemption Agreement for execution
- ☐ Request does not meet the Terms of the Water Connection Policy and requires Water Utility Commission consideration

Utility Manager Signature

Date: _____

Applicant to fill in Additional Information:**Deferral**

- ☐ Distance from nearest public water infrastructure
- ☐ Narrative with justification for a deferred connection; where the connection is not feasible or practical at this time, but would be in the future

Exemption*TO CONNECTION*

- ☐ Distance from nearest public water infrastructure
- ☐ Legal or physical obstructions to connection

TO MINIMUM FIRE FLOW REQUIREMENTS

- ☐ Identification of limits to meeting minimum fire flow requirements
- ☐ Identification of any infrastructure improvements required to meet minimum fire flow requirements

TO EXTENSION ALONG THE PROPERTY LINE

- ☐ Narrative with justification for request for exemption to the requirement

For additional information, call Mequon Water Utility at 262.236.8150

Applicant Signature

Date _____

Return the completed application via email, mail, or deliver in person to the Mequon Water Utility.
Application is void if incomplete or altered.

Mequon Water Utility
11333 N. Cedarburg Rd.
Mequon, WI 53092
mequonwater@ci.mequon.wi.us

Appendix D: System Depreciation Valuation

Water Trusts should contact the Water Utility Manager or obtain an Excel version of the System Depreciation Valuation worksheet, or access on the City's website: [System Depreciation Valuation Worksheet](#). The valuation is based on the Public Service Commission depreciation rates for Wisconsin Municipal Water Utilities that apply service life as the basis to determine replacement value and current system value of water system facilities. As the Public Service Commission depreciation rates for Wisconsin Municipal Water Utilities change over time, the worksheet will be updated to reflect current values. Mequon Water Utility staff will update values when the Public Service Commission updates the rates.

The attached document provides guidance on how to populate that spreadsheet, and is also available on the City's website: [System Depreciation - Steps Checklist](#).

System Depreciation – Steps Check List

Detailed below are the steps to complete the System Depreciation Valuation for your water system. This process will provide your water system with a current valuation based on the age, maintenance and condition of your public infrastructure. It will also be used by the Mequon Water Utility to provide you with a system connection fee to help you and your residents determine if now is an appropriate time to convert to the municipal water supply.

Step 1: Obtain a copy of the Water Utility Plans for your system. The system operator may have a copy of these plans, they may be in the pump house, or you might be able to obtain a copy from the Engineering Department at the City of Mequon. These plans will determine the exact design of your water utility plant (mains, laterals, valves, hydrants, etc).

<i>Utility Plant Item</i>	<i># Units</i>	
6 inch Water Main		linear feet
8 inch Water Main		linear feet
12 inch Water Main		linear feet
6 inch valve and valve box		each
8 inch valve and valve box		each
12 inch valve and valve box		each
1 inch lateral		each
1-1/4 inch lateral		each
1-1/2 inch lateral		each
2 inch lateral		each
Hydrant assembly		each

Step 2: Based upon the Water Utility Plans for your system, determine the following:

Step 3: Go to the “System Valuation” tab in the “System Deprecation Valuation” spread sheet and populate the “# Units” for your system in the spread sheet based upon the table above.

Step 4: While still on the “System Valuation” tab, fill in the top **Blue** “Age of the system (yr)” cell. The “Age of the system” is determined by taking the current year and subtracting the year of construction (which should be stamped on your plans).

Step 5: With the assistance of your water system operator, or utilizing a consultant to study your system, perform an evaluation of your system and complete the “Inspection Checklist” for your system. The more details you can provide, the better. The “System Valuation” tab will require you to select one of the following categories, and we have detailed them to help you and your consultant/operator determine the appropriate category:

- **Excellent** – This infrastructure has been found in “Like new” condition. No wear is evident, the equipment operates smoothly without much resistance, and the appropriate (industry recommended) maintenance has been performed diligently and regularly. Valves perform complete shut down when exercised, almost all the curb stop boxes are locatable and keyable, curb stop valves turn easily, and hydrants do not shudder or thump when operated.
- **Good** – This infrastructure has been found to display moderate wear. The equipment operates smoothly, but may require an effort to turn. Maintenance has been performed in the past, but there are no records of maintenance performed, and it was not done as often as recommended by the industry. Valves may leak slightly when shut down. The majority of the curb stop valves are locatable and keyable, curb stop valves turn with some effort, and hydrants may be stiff when operated and a few may shudder or thump on close.
- **Fair** – This infrastructure has been found in a state of significant wear. Maintenance has not been performed in the past, and there are little to no records of any maintenance performed on the system. More than half the valve boxes are cracked or out of alignment. More than half the valves take a significant effort to close, or the valves leak significantly. The majority of the curb stop valves are not locatable and keyable, curb stop valves turn with significant effort, hydrants are very stiff to operate and a majority of them shudder or thump while closing.
- **Replace** – Either due to age of the system (50+ years old) or current condition of the infrastructure (never maintained or in a terrible state of disrepair) or combination of these two factors, the utility rate payers should not accept the liability of the existing system.

Step 6: Utilizing the results of the inspection, complete the “Depreciation Grade”(s) for the system in the “System Valuation” tab.

If you want to determine the maximum financial liability for your utility, select “Fair” for all of the “Depreciation Grades”. To determine the mid-range, select “Good” for all of the “Depreciation Grades”. To determine the minimum, select “Excellent” for all of the “Depreciation Grades”.

Step 7: You now should have a “Current System Value” for your system, and a “Depreciation” value for the system.

The “Current System Value” is the Replacement Cost of the system minus the “Depreciation” assessed to the system.

Step 8: Forward these results to the Mequon Water Utility, and we will complete the “Connection Charge Worksheet” and review your inspection and system valuation. The final product will be circulated for your review once complete. Once we have provided you with the Connection Charge Worksheet, the Mequon Water Utility would be happy to meet with you and your residents to discuss the costs/benefits of connecting to the public water utility. The documents generated can be used to help educate the residents regarding the current condition of the water system, and can be used as either a tool to determine what infrastructure to maintain/replace, or as a basis to encourage connection to the public water supply.

Appendix E: Water Service Deferral Agreement

When required by Section VII and in accordance with Section V.C., the applicant shall submit the following to the Water Utility Manager. Approval and execution of the document is subject to Section VII and City Attorney review and approval.

This template is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the template agreement and the Water Connection Policy when the template is modified. The template agreement is subject to review by the City Attorney.

DRAFT

Document Number	WATER SERVICE DEFERRAL AGREEMENT	
	Document Name	

This Water Services Deferral Agreement (the "Agreement") is made by and between the City of Mequon (d/b/a the "City") and _____ (the "Developer") (collectively, the "Parties," individually, a "Party").

WHEREAS, the Developer is proposing a residential development (the "Development") at _____; and

WHEREAS, the Parties agree that at this time, it is in the best interests of the Parties that the Development not be connected to the City of Mequon water utility system; and

WHEREAS, the City reserves the right to require a connection to the water utility system with a change in use or extension of adjacent service.

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

Recording Data

Name and Return Address

City Engineer
11333 N Cedarburg Road
Mequon, WI 53092

Parcel Identification Number

1. The Parties expressly agree that the Developer is obligated to connect to the City of Mequon water utility system pursuant to the existing referendum (the "Referendum"); however, the City grants the Developer and future owners of the Development a deferral on the terms set forth in this Agreement.
 - 1.1 Developer, its successors or assigns, agree not to seek a waiver from its obligation under the Referendum from the City during the term of this Agreement.
 - 1.2 Developer, its successors or assigns expressly agrees that the Development shall be constructed and used in compliance with the use and building site plan approval granted by the City Planning Commission on _____. Should the use change result in a condition such that continuous use of a private well will negatively impact adjacent properties, this Agreement shall be null and void and the Developer shall connect the Development to the City of Mequon Water Utility System as soon as is practicable, unless agreed upon by the Parties.
2. The Parties expressly agree that in the event the Developer is required to connect pursuant to Section 1.2 to the City of Mequon Water Utility, the cost to install the service lateral is the sole responsibility of the Developer or, if the Developer has sold the Development, to its successor in title.
 - 2.1 The City of Mequon shall provide notice to the title holder of the Development pursuant to Section 6 of this Agreement if a service connection is required for the development (the "Connection Notice"). Developer shall have six (6) months from the date of the Connection Notice to connect to the City of Mequon water utility system.
 - 2.1.1 The Connection Notice may be extended by mutual written agreement of the Parties.
3. The City of Mequon Water Utility shall provide the Development with one (1) water meter. Installation of said meter shall be the responsibility of the Developer, its successors or assigns.

4. The Parties expressly agree that this document shall be binding upon any successors, assigns and heirs of the Parties. It is the intention of the Parties that this document be recorded with the Ozaukee County Register of Deeds and that the obligations set forth in this document run with the specific properties within the Development.
5. This Agreement shall remain in full force and effect unless terminated by mutual agreement of the Parties in writing.
6. Any notice sent in relation to this Agreement shall not be considered to be effective unless sent by Certified United States mail to the following addresses:

6.1 To the City of Mequon:

Director of Public Works/City Engineer
City of Mequon
11333 N. Cedarburg Road 60W
Mequon, WI 53092-1930

6.2 To Developer:

Either Party may change its address for notice by providing notice of said change to the other Party

7. This Agreement shall be governed by and construed under the internal laws of the State of Wisconsin.
8. This Agreement represents the complete understanding between the Parties and any amendment to this Agreement must be agreed to in writing by the Parties.

CITY OF MEQUON

DEVELOPER

By: _____
Signature

By: _____
Signature

Name: _____
Type or Print

Name: _____
Type or Print

Date: _____

Date: _____

Approved by: _____
NAME, City Attorney

Appendix F: Water Service Exemption Agreement

When required by Section VIII and in accordance with Section V.D., the applicant shall submit the following to the Water Utility Manager. Approval and execution of the document is subject to Section VIII and City Attorney review and approval.

This template is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the template agreement and the Water Connection Policy when the template is modified. The template agreement is subject to review by the City Attorney.

DRAFT

Document Number	WATER SERVICE EXEMPTION AGREEMENT Document Name	
This Water Services Exemption Agreement (the "Agreement") is made by and between the City of Mequon Water Utility (d/b/a the "City") and _____ (the "Owner") (collectively, the "Parties," individually, a "Party"). WHEREAS, the Owner is proposing a development (the "Development") _____ at _____; and WHEREAS, the Development is required to connect to the City of Mequon water utility system per the Water Connection Policy (the "Policy"); and WHEREAS, the Development requested an exemption to the connection requirement; and WHEREAS, the City determined that an exemption is appropriate. NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:		Recording Data Name and Return Address City Engineer 11333 N Cedarburg Road Mequon, WI 53092 Parcel Identification Number

9. The Parties expressly agree that the Owner is obligated to connect to the City of Mequon water utility system pursuant to the Policy; however, the City grants the Owner and future owners of the Development an exemption for connection based on the terms set forth in this Agreement.
10. Owner, its successors or assigns expressly agrees that the Development shall be constructed and used in compliance with the use and building permits granted by the City. Should the use change result in a condition such that continuous use of a private well will negatively impact adjacent properties, this Agreement shall be null and void and the Owner shall connect the Development to the City of Mequon Water Utility System as soon as is practicable, unless an extension is agreed upon by the Parties.
11. The Parties expressly agree that in the event the Owner is required to connect pursuant to Section 2, the cost to install the extension of public infrastructure (as applicable) and the service lateral is the sole responsibility of the Owner or, if the Owner has sold the Development, to its successor in title.
12. The Parties expressly agree that this document shall be binding upon any successors, assigns and heirs of the Parties. It is the intention of the Parties that this document be recorded with the Ozaukee County Register of Deeds and that the obligations set forth in this document run with the specific properties within the Development.
13. This Agreement shall remain in full force and effect unless terminated by mutual agreement of the Parties in writing.
14. Any notice sent in relation to this Agreement shall not be considered to be effective unless sent by Certified United States mail to the following addresses:

11.1 To the City of Mequon:

Director of Public Works/City Engineer
City of Mequon
11333 N. Cedarburg Road 60W
Mequon, WI 53092-1930

11.2 To Owner:

Either Party may change its address for notice by providing notice of said change to the other Party

15. This Agreement shall be governed by and construed under the internal laws of the State of Wisconsin.

16. This Agreement represents the complete understanding between the Parties and any amendment to this Agreement must be agreed to in writing by the Parties.

CITY OF MEQUON

By: _____
Signature

Name: _____
Type or Print

Date: _____

OWNER

By: _____
Signature

Name: _____
Type or Print

Date: _____

Approved by: _____
NAME, City Attorney

Appendix G: Template Water Services Agreement

When required by Section X, the applicant shall submit the following form to the Water Utility Manager. Approval and execution of the document is subject to Section V.B. and Section X.

This template is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the template agreement and the Water Connection when the template is modified. The agreement is subject to review by the City Attorney.

DRAFT

WATER SERVICES AGREEMENT

This Agreement (the "Agreement") is made by and between Mequon Water Utility ("Water Utility") and _____ ("Developer") (collectively, the "Parties," individually, a "Party").

WHEREAS, the Developer wishes to obtain Mequon water utility service for their commercial building (_____) at _____ in the City of Mequon, Wisconsin (the "Development"); and

WHEREAS, the Developer wishes to design, construct mains, valves, fittings and any and all other facilities necessary to deliver water (the "Water Service Facilities") to the curb stop box of the new fire line to the building; and

WHEREAS, the Developer wishes to convey to the Water Utility and the Water Utility wishes to receive from the Developer, title to the Water Service Facilities at the time of the connection of the Water Service Facilities to the Water Utility system.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

1. Water Utility Obligations. The Water Utility shall have the following obligations under this Agreement with relation to the Water Service Facilities.
 - 1.1. To provide and maintain meter(s) for installation in the Development.
 - 1.2. To provide water service to the Development under rates, rules, regulations and conditions of service on file with the Public Service Commission of Wisconsin ("PSCW") or any successor regulatory agency.
 - 1.3. To maintain the Water Service Facilities in a manner consistent with any and all applicable federal, state, and local statutes, regulations and ordinances.
 - 1.4 To take title to the Water Service Facilities after a final inspection reveals that, at the sole discretion of the Water Utility, the Water Service Facilities meet the Standards as defined in Section 2.1 of this Agreement.
 - 1.4.1 Water Utility shall provide the Developer with at least five (5) days prior written notice of Water Utility's intent to take title to the Water Service Facilities. Said notice shall be provided pursuant to Section 10 of this Agreement.
2. Obligations of Developer. The obligations of Developer under this Agreement are as follows:
 - 2.1 To construct the Water Service Facilities in a manner consistent with any and all applicable federal, state and local statutes, regulations and ordinances and complying with the Mequon Water Standards - 2010 which have been provided to Developer. The Developer shall supply copies of lien waivers from all contractors and/or material suppliers performing work or supplying materials on this project before final acceptance of the Water Service Facilities.

- 2.2 To transfer title to the Water Services Facilities to the Water Utility upon written request by the Water Utility and to maintain the Water Service Facilities in a manner consistent with any and all applicable federal, state and local statutes, regulations or ordinances prior to the transfer contemplated by this Agreement.
- 2.3 The Developer will pay for all reasonable costs incurred by the Water Utility, or its consultant in the review of the engineering plans, inspection of the construction and/or installation of the Improvements, review of record drawings for City files, and any other costs that may be incurred by the City for this Project. The Developer will pay the costs above enumerated within thirty (30) days after being billed by the Water Utility. Past due amounts on invoices generated by the City are subject to a one and one-half (1.5) percent per month charge, computed from the date of the original invoice.
3. Rates. Developer expressly acknowledges that customer(s) will pay Mequon Water Utility tariff rates currently in effect. These rates are subject to change from time to time, pursuant to approval from the PSCW. A copy of the current tariff is available upon request.
4. Design of Water Service Facilities. Developer shall be responsible for any and all design work associated with the Water Service Facilities and shall obtain approval from the Water Utility and any and all necessary federal, state or local regulatory agencies or governmental authorities.
 - 4.1. Upon the Water Utility approval of the design of the Water Service Facilities, the Water Utility will provide a so-called "Owner Letter" as required by the Wisconsin Department of Natural Resources.
5. Construction of Water Service Facilities. Upon completion of construction, the Water Utility shall have the right to take title to the Water Service Facilities, pending inspection and testing to verify that the Water Service Facilities meet the Standards.
 - 5.1. Inspection during construction and upon the completion of the construction of the Water Service Facilities will be conducted by the Water Utility. The Water Utility inspectors shall notify Developer contractor of materials or workmanship which are not in compliance with the Standards and require correction prior to connection to Mequon water utility system or any transfer of title to the Water Service Facilities to the Water Utility. All other aspects of construction are the sole and complete responsibility of Developer, including but not limited to, safety, coordination, construction staking, restoration, erosion control, and pay quantities.
 - 5.1.1 The Parties expressly agree that the Water Utility's review of the design plans for the Water Service Facilities and inspection of the construction of the Water Service Facilities shall be done solely for the purpose of determining whether or not the Water Service Facilities meet, or will meet, the Standards. The Parties expressly agree the Water Utility shall not be liable for any costs whatsoever associated with or relating to errors in the design or construction of the Water Service Facilities.
 - 5.2. Any deviation from the design plans during construction of the Water Service Facilities shall be approved by the Water Utility before the facilities are constructed.
 - 5.3. Developer shall pressure test and bacteriologically sample the Water Service Facilities under the direction of the Water Utility. The Water Service Facilities must pass all testing required by the

PSCW, the WDNR, or any other applicable federal, state, or local governmental agency testing before the Water Utility accepts transfer of the title for the Water Services Facilities.

6. Right of Further Extension. The Water Utility reserves the right to further extend its water mains from and beyond the water main extension contemplated by this Agreement. Such extension shall be done without cost to Developer, unless such extension is constructed at the request of Developer.
7. Contingencies. This Agreement shall be contingent upon the Parties obtaining any and all approvals from appropriate federal, state, and local governments and agencies relating to this project.
8. Successors and Assigns. This Agreement shall be binding upon the respective heirs, successors and assigns of the Parties.
9. Force Majeure. Neither Party shall be liable to the other for failure, default or delay in performing any of the obligations set forth in this Agreement reasonably attributable to any cause not within the control of the Party affected in which, by the exercise of due diligence, such Party is unable to prevent or overcome. Should any of the foregoing occur, the Parties agree to proceed with diligence to enable each Party to perform its obligations under this Agreement.
10. Notice. Notice to either party under this Agreement shall not be effective unless sent via by certified United States mail to the following addresses:

10.1. To the Water Utility:

 Director of Public Works
 City of Mequon
 11333 N. Cedarburg Road 60 W
 Mequon, WI 53092-1930

10.2. To Developer:

Either party may change the address of notice by providing notice to the other party pursuant to this section of the Agreement.

11. Indemnification. Both Parties shall indemnify, defend, and hold the other Party harmless from any damages, claims or judgments reasonably related to any acts or omissions resulting from the gross negligence or willful misconduct of the Party against whom this indemnification provision is being enforced.
12. Failure to Enforce. Failure to enforce any provision of this Agreement by either Party shall not be deemed to be a waiver of any other provision of the Agreement.
13. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties. This Agreement may not be modified or altered in any way except by mutual written agreement of the Parties.

14. Governing Law. This Agreement shall be governed and construed under the laws of the State of Wisconsin. The exclusive venue for any cause of action brought in relation to this Agreement shall be Ozaukee County Circuit Court, Port Washington, Wisconsin.

Approved by: _____
NAME, City Attorney

By: _____
 (Signature)

Name: _____
 (Type or Print)

Date: _____

MEQUON WATER UTILITY

By: _____
 (Signature)

Name: _____
 (Type or Print)

Date: _____

Appendix H: Template Water Distribution Easement

When required by Section XII, the applicant shall submit the following to the Water Utility Manager. Approval and execution of the document is subject to Section XII.

This template is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the template agreement and the Water Connection Policy when the template is modified. The document is subject to review by the City Attorney.

DRAFT

Document Number	WATER DISTRIBUTION EASEMENT Document Name
-----------------	---

This Water Distribution Easement by and between _____, (the "Grantor"), and the **City of Mequon**, (the "Grantee") is entered into by and between the parties this _____ day of _____, 20____.

RECITALS

A. Grantor is the owner of certain real property located at _____, in the City of Mequon, Ozaukee County, Wisconsin, which is more fully described in the attached Exhibit A (the "Property").

B. Grantor desires to grant to Grantee a permanent easement for the provision of water service to the Property pursuant to the terms and conditions of this Easement.

BASED UPON THE FOREGOING RECITALS, the mutual agreements within this Easement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor and Grantee agree as follows:

Recording Data

Name and Return Address

City Engineer
11333 N Cedarburg Road
Mequon, WI 53092

Parcel Identification Number

1. **Grant of Easement:** Grantor (including heirs, executors, administrators, personal representatives, successors, and assigns) grants to Grantee, and its employees, agents, licenses, and contractors a perpetual easement over and across the land hereinafter specifically described, to install, operate, maintain, supplement, repair, enlarge, reconstruct, relocate, inspect and/or extend underground facilities, pipeline or pipelines with valves, hydrants, tieovers, main laterals and service laterals, together with all necessary and appurtenant underground equipment and including cathodic protection apparatus used for corrosion control, as deemed necessary by grantee, for the transmission and distribution of water. The location of the easement area with respect to the grantor's land is as shown and described on the attached Exhibit B (the "Easement Area").

2. **Use of Easement:** Grantor shall not construct, place, grant, allow, or maintain any structures or impediments of any kind within the Easement Area including, but not limited to, buildings, fences, gardens, and other landscaping that would inhibit Grantee's access, such that Grantee shall have the full enjoyment and use of the rights herein granted, including but not limited to, the rights to remove and to clear all structures and obstructions which might interfere with the rights herein contained and the free and full right of ingress and egress over and across the Easement Area and other adjacent lands of the grantor to and from said Easement Area and the use of said Easement Area and other adjacent lands of the grantor as necessary or convenient for the full enjoyment and use of the rights herein granted. Trees, bushes, branches and roots may be trimmed or removed so as not to interfere with Grantee's use of the Easement Area. Subject to the above, Grantor reserves the right to use the Easement Area for purposes that will not interfere with the Grantee's full enjoyment of the Easement rights granted in this Agreement.

3. **Elevation:** Grantor agrees that the elevation of the ground surface existing as of the date of the initial installation of Grantee's facilities, within the Easement Area will not be altered without the written consent of the Grantee.

4. **Restoration and Maintenance:** Grantee agrees to restore or cause to have restored the Grantor's land as nearly as is reasonably possible to the condition existing prior to such entry by the Grantee or its agents. This restoration however, does not apply to any trees, bushes, branches or roots which may interfere with Grantee's use

of the Easement Area. Regular maintenance of the surface of the Easement Area shall be the sole responsibility of the Grantor.

5. **Exercise of Rights:** It is agreed that the complete exercise of the rights herein conveyed may be gradual and not fully exercised until some time in the future and that none of the rights herein granted shall be lost by non-use.

6. **Waiver:** No delay or omission by any party in exercising any right or power arising out of any default under any of the terms or conditions of this Agreement shall be construed to be a waiver of the right or power. A waiver by a party of any of the obligations of the other party shall not be construed to be a waiver of any breach of any other terms or conditions of this Agreement.

7. **Enforcement:** Enforcement of this Agreement may be proceedings at law or in equity against any person or persons violating or attempting or threatening to violate any term or condition in this Agreement, either to prevent a violation or to obtain any other relief. Should a party enforcing this agreement by appropriate action prevail in litigation, that party shall be entitled to recover, as part of its costs, reasonable attorney's fees.

8. **Governing Law:** This Agreement shall be construed and enforced in accordance with the internal law of the State of Wisconsin.

9. **Covenants Run with Land:** All of the terms and conditions in this Agreement, including the benefits and burden, shall run with the land and shall be binding upon, inure to the benefit of, and be enforceable by the Grantor and the Grantee and their respective successors and assigns.

GRANTOR

COMPANY

By: NAME, TITLE

ACKNOWLEDGMENT

STATE OF WISCONSIN)

)

OZAUKEE COUNTY)

Personally, came before me this _____ day of _____, 20____, the above-named, _____, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, Ozaukee County, Wisconsin
My commission (expires) (is) _____.

Attachment: Water Connection Policy (7231 : Water Connection Policy)

Appendix I: Template Transfer of Title

When required by Section XIII, the applicant shall submit the following to the Water Utility Manager. Approval and execution of the document is subject to Section XIII.

This template is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the template agreement and the Water Connection Policy when the template is modified. The document is subject to review by the City Attorney.

DRAFT

DEDICATION OF WATER SERVICE FACILITIES

This Dedication of Water Service Facilities is made by and between Mequon Water Utility ("MWU") and _____ (collectively, the "Parties," individually, a "Party") and shall be effective as of _____, 20____.

WHEREAS, the City of Mequon and _____ entered into an agreement dated _____ (the "Agreement") relating to the development of certain property within the City, which Agreement required, among other things, the installation and subsequent transfer of ownership of certain water service facilities as defined in the Agreement by _____ to the Mequon Water Utility and the connection of the Water Service Facilities to the Mequon Water Utility; and

WHEREAS, all necessary easements for the placement, operation, maintenance, repair and access to the Water Service Facilities have already been provided to MWU; and

WHEREAS, the City of Mequon acquired a public water system in May 2009,

NOW, THEREFORE, in obedience to the provisions of the Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. _____ hereby dedicates and transfers to MWU free and clear of any and all liens and encumbrances, the Water Services Facilities. It is expressly agreed that no real property is being dedicated or transferred to MWU. A list of assets is included in Exhibit A.
2. MWU hereby accepts the dedication and transfer of the Water Services Facilities.
3. The date listed above shall be deemed to be the date of the transfer of ownership of the Water Services Facilities.
4. _____ shall, on or before _____, 20____, correct to the satisfaction of the City any and all items on the "Punch List" document to be provided to _____ by the City by _____, 20____. A preliminary list has been provided. This obligation of _____ shall survive the transfer of the transfer of the Water Service Facilities to MWU.

Approved by: _____
NAME, City Attorney

By: _____
 (Signature)

Name: _____
 (Type or Print)

Date: _____

MEQUON WATER UTILITY

By: _____
 (Signature)

Name: _____
 (Type or Print)

Date: _____

Attachment: Water Connection Policy (7231 : Water Connection Policy)

Appendix J: Contributed Capital Form

When required by Section XIV, the applicant shall submit the following form to engineering@ci.mequon.wi.us. These forms are also available on the City's website ([Contributed Capital Form](#)) or by request at the referenced email address.

This form is subject to change to address current operations and procedures of the Mequon Water Utility. Mequon Water Utility staff will update the application form, the Water Connection Policy and the website when the form is modified.

DRAFT



11333 N. Cedarburg Rd 60W
Mequon, WI 53092-1930
Phone (262) 236-2934
Fax (262) 242-9655
cmccraw@ci.mequon.wi.us

www.ci.mequon.wi.us

PUBLIC WORKS/ENGINEERING

Contributed Capital

Development Name/Address: _____

WATER

PSC 343 (Mains)

Item	Unit	Quantity	Cost
8" PVC Main	LF		
8" HDPE Main	LF		
12" PVC Main	LF		
12" HDPE Main	LF		
16" PVC Main	LF		
16" HDPE Main	LF		
8" Gate Valve	EA		
12" Gate Valve	EA		
16" Gate Valve	EA		

PSC 345 (Services)

Item	Unit	Quantity	Cost
1.25" PE Service	EA		
1.5" PE Service	EA		
2" PE Service	EA		
1.25" Copper Service	EA		
1.5" Copper Service	EA		
2" Copper Service	EA		
4" PVC Service	EA		
6" PVC Service	EA		
8" PVC Service	EA		
4" DI Service	EA		
6" DI Service	EA		
8" DI Service	EA		

PSC 348 (Hydrants)

Item	Unit	Quantity	Cost
Hydrant Assembly	EA		

SANITARY SEWER

Item	Unit	Quantity	Cost
8" Main	LF		
6" Lateral	LF		
4' Manhole	EA		

STORMWATER

Item	Unit	Quantity	Cost
Catch Basin/Inlet	EA		
3' Manhole	EA		
4' Manhole	EA		
5' Manhole	EA		
6" PVC Sump Line	LF		
8" PVC Sump Line	LF		
Sump Pump Collector Cleanout	EA		
12" RCP Main	LF		
18" RCP Main	LF		
20" RCP Main	LF		
24" RCP Main	LF		
30" RCP Main	LF		
36" RCP Main	LF		

ROADS

Item	Unit	Quantity	Cost
Street Excavation	CY		
Road Gravel	Tons		
Topsoil/Fine Grade	SY		
Asphalt – Surface	Tons		
Asphalt – Binder	Tons		
Shouldering	LS		
Street Signs	EA		

Agent Signature _____

Date _____

Agent Name (print) _____

Attachment: Water Connection Policy (7231 : Water Connection Policy)