



11333 N. Cedarburg Road
Mequon, WI 53092
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www.ci.mequon.wi.us

Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION

Regular Meeting

Thursday, October 27, 2022

6:30 PM

Christine Nuernberg Hall

Agenda

- 1) Call to Order, Roll Call
- 2) Approval of Meeting Minutes
Action requested: review and approve
 - a. Mequon Municipal Water Utility Commission - Regular Meeting - Aug 10, 2022 7:00 PM
- 3) Discussion and Possible Action
 - a. Approval of a Request for an Exemption from the Mequon Municipal Water Utility's Connection Policy, for the Property Located at 7625 West Mequon Road
 - b. Consideration of an Amendment to the Water Connection Policy for Water Connection Fees
 - c. Approval of a Mequon Municipal Water Utility Financial Policy: Reserve Requirements
 - d. Award of a Contract for the Mequon Municipal Water Utility Master Plan Update to City Water, LLC, Milwaukee, Wisconsin, in an Amount Not-to-Exceed \$35,000
 - e. Adoption of the Fiscal Year 2023 Mequon Water Utility Budget
 - f. Authorization of 2023 Water Meter Purchase for 250 Meters and Associated Appurtenances in an Amount Not-to-Exceed \$68,000
 - g. Status Update: Village of River Hills Request for Water Service
 - h. Status Update: Residences at Foxtown Water Service Valve Failures
- 4) Adjourn

Dated: October 27, 2022

/s/ Andrew Nerbun, Chair

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

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

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



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MEQUON MUNICIPAL WATER UTILITY COMMISSION

Regular Meeting

Wednesday, August 10, 2022

7:00 PM

Christine Nuernberg Hall

Minutes

1) Call to Order, Roll Call

Present:

Commissioner Andrew Nerbun
 Commissioner Glenn Bushee
 Commissioner Mark Gierl
 Commissioner Jeffrey Hansher
 Commissioner Dale Mayr
 Commissioner Brian Parrish
 Commissioner Kathleen Schneider
 Commissioner Robert Strzelczyk
 Vacant Seat -- **Excused**

Also present were City Administrator Jones, City Attorney Sajak, City Clerk Fochs, Finance Director Engroff, Director of Public Works/City Engineer Lundeen, Deputy Director of Utilities Driscoll, Water Utility/City Water LLC Director of Operations Voigt, Fire Chief Bialk, Police Chief Pryor, Administration Assistant Schlereth.

2) Approval of Meeting Minutes

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

MOVED BY: Commissioner Mayr

SECONDED BY: Commissioner Hansher

AYES:	Nerbun, Bushee, Gierl, Hansher, Mayr, Parrish, Schneider, Strzelczyk
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3) Final Action

- a. Motion to Approve the 5-Year Contract Extension for City Water, LLC

Minutes Acceptance: Minutes of Aug 10, 2022 7:00 PM (Approval of Meeting Minutes)

Deputy Director of Utilities Driscoll stated that staff has worked seamlessly with City Water through the budget process, operation maintenance, and various capital improvement projects. Deputy Driscoll recommends moving forward with the five-year extension city water contract.

Discussion ensued about how the expansion of the customer base affect cost regarding Mequon residents water bill and if there has been increased personal.

There have been several times that the water suppliers increased their rates, and that cost was passed along to the Mequon resident. The city has only had one rate increase since 2011. The Commission referenced page 27 in the packet that shows between 2011 and 2018 staffing only went up a half of a fulltime employee that was due to meter swapping in 2018 - 2019.

Commissioner Parrish inquired if other communities (Brown Deer And Fox Point) provide vehicles to City Water to use for the workday.

Director of Operations Voigt responded that municipalities typically provide vehicles. By providing vehicles Mequon does not pay a markup but instead a direct cost.

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

MOVED BY: Commissioner Schneider

SECONDED BY: Commissioner Mayr

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

b. Motion to Approve the Water Master Plan Update Scope of Services

Director Lundeen asked the Commission to approve an amendment under Task #5, add a rate analysis that shows the number of customers, purchase water costs and rate of return.

Discussion ensued about Commissions concerns regarding water source supply and the expansion of the water utility service area. The amendment in Task #5 will address these topics.

Director Lundeen clarified that the city is seeking action to issue the Water Master Plan to City Water, LLC.

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

MOVED BY: Commissioner Mayr

SECONDED BY: Commissioner Parrish

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

4) Adjourn

a. Motion to Adjourn

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

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

Respectfully Submitted,

Karen Schlereth
Administrative Assistant

Minutes Acceptance: Minutes of Aug 10, 2022 7:00 PM (Approval of Meeting Minutes)



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Office of Mequon Municipal Water Utility Commission

TO: Mequon Municipal Water Utility Commission
FROM: Jim Voigt, Director of Operations
DATE: October 27, 2022
SUBJECT: Approval of a Request for an Exemption from the Mequon Municipal Water Utility's Connection Policy, for the Property Located at 7625 West Mequon Road

Background

The Primus Companies is contemplating building a veterinary clinic at 7625 West Mequon Road and connecting the facility to the Mequon Public Water Utility. Service to the new building would come from a water main that was constructed through an easement at Legend Court Townhomes, 7705 - 7707 West Mequon Road. As stated in Section XI of the Utility's Water Connection Policy, applicants are required to extend a water main along the entire parcel frontage if they are requesting water service for the building.

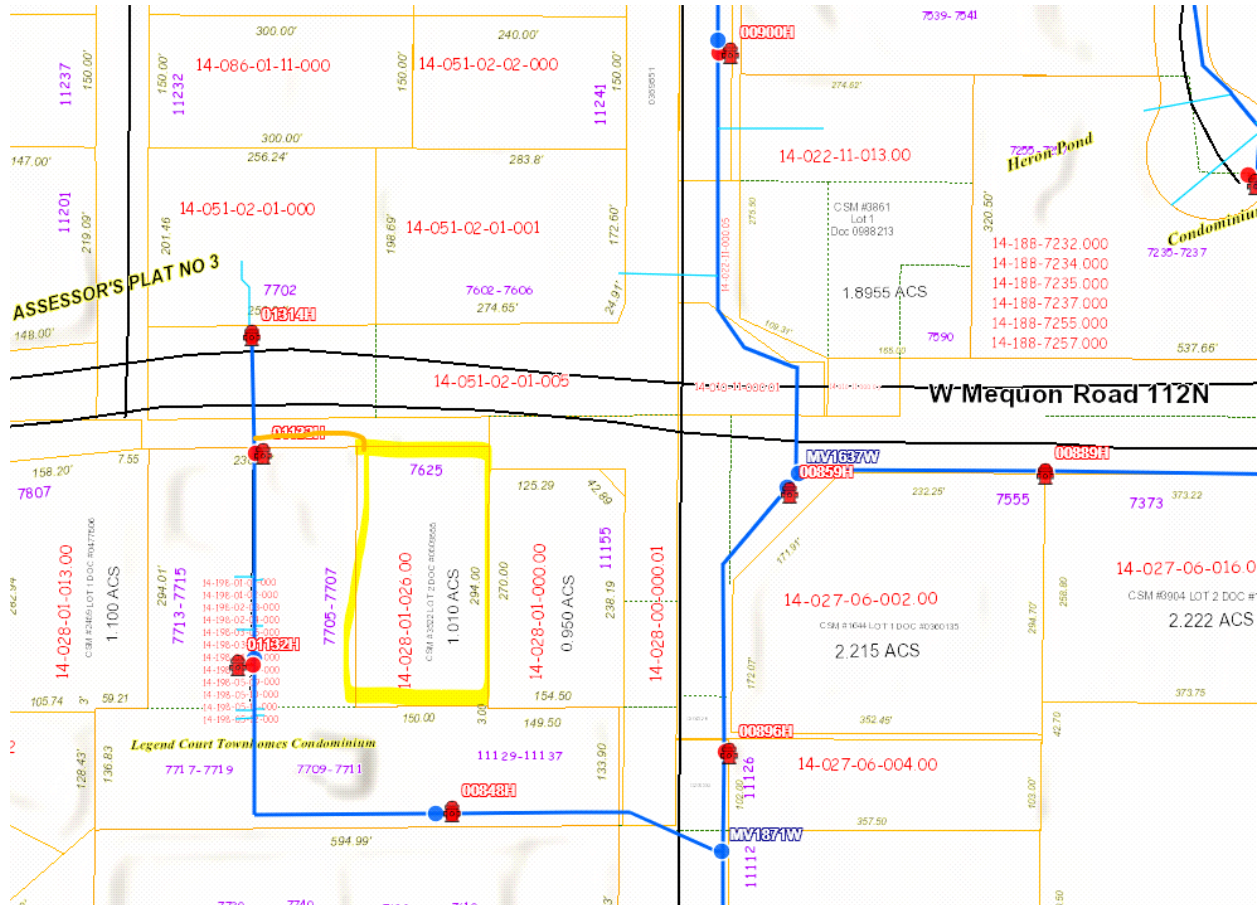
On September 27, 2022, MTSD transmitted an application to be exempt from extending water main along the entire parcel frontage. See Exhibit A, and a reference to this policy at: <https://www.ci.mequon.wi.us/utilities/page/water-connection-policy>.

Analysis

The proposed water main connection point for 7625 West Mequon Road is to the water main that was run through Legend Court Townhomes. The water main running through this easement was installed specifically so that the Water Utility did not have to construct watermain through the intersection of North Wauwatosa Road and West Mequon Road. This intersection is very crowded with buried utilities, and at the time the easement watermain was constructed, the state was discussing the possibility of reconstructing the intersection using a roundabout. As such, the Utility chose to avoid the intersection so that it would not be required in the future to move infrastructure if reconstruction by the state created conflicts with its buried infrastructure. Furthermore, all properties at this intersection, with the exception of 7625 West Mequon Road already have frontage on an existing water main and can be served via existing infrastructure. The address contemplated here is the only address that cannot be served by an existing water main.

Section XI of the Mequon Municipal Water Utility's Connection Policy requires water main extension along the entire parcel frontage. In this case on Mequon Road, that would be 266 feet of water main. That water main would extend to the east property line of 7625 West Mequon Road. The only property to the east of this extension is the Mobil Station at 11155 North Wauwatosa Road. As indicated before, this property has existing frontage on Wauwatosa Road, and would be served via that watermain.

The public service lateral to serve 7625 West Mequon Road, from the water main in Legend Court Town Homes, would only extend roughly 275 feet. This is well within the limits of a public service laterals (see property highlighted in yellow and lateral depicted in orange on the following map).



Fiscal Impact

Staff time to flush a dead-end main will be avoided. Water lost due to flushing what would be a dead-end main would also be avoided. There are no anticipated customers to the east, and therefore no anticipated loss in revenue. Adding Primus Companies as a customer will bring additional revenue to the Utility.

Recommendation

Staff recommends the approval of this exemption request to extend watermain along the entire frontage of the property at 7625 West Mequon Road.

Attachments:

Exhibit A: Application for Deferral (PDF)

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

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

Name: Primus Companies Telephone: 319.393.4831

Property Address: 7625 West Mequon Road
Mequon, WI 53092

Email Address: kc@primus-companies.com chris.hitch@rasmith.com

Subdivision / Development: N/A Lot # N/A

Tax Key #: 14-028-01-026.00

Mailing Address: (if different than property address)

401 8th Ave SE

Cedar Rapids, IA 52401

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



Date 9/26/2022

Applicant Signature

Water main not available at property limits. New water connection to serve new veterinary clinic requires 120' extension of offsite public main serve property. Additional extension along property line is a financial burden to the proposed redevelopment.

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
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Mequon, WI 53092
mequonwater@ci.mequon.wi.us



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: October 27, 2022
SUBJECT: Consideration of an Amendment to the Water Connection Policy for Water Connection Fees

Background

The Water Connection Policy refers to the connection fees that are established by the connection rules within the tariff. For non-residential customers, the connection fee is based upon the size of the service and the projected volumetric use converted to residential equivalent units (REUs).

In its existing form, the Water Connection Policy does not clarify how the REUs will be calculated. To ensure that the calculation does not appear to be arbitrary and to clarify to applicants how the number of equivalent REUs are determined, staff is recommending the attached amendment to the Water Connection Policy.

Please note that the proposed amendment does not represent a change in how the connection fee is calculated, but rather memorializes the methodology to be clear to future customers.

Analysis

For non-resident applicants opening a new location in Mequon, who have a comparable use in another water utility, the connection fee would be calculated based upon actual volumetric readings from the existing location. For example, if a car wash is opening a location in Mequon, but has other local car washes in adjacent municipalities, Water Utility Staff is requesting a minimum of one year and preferable three years' worth of billing. While one year is sufficient to have volumetric data, an average over three years reduces variabilities due to attendance, closures, weather, etc.

If the applicant does not have another location, Mequon Water Utility staff determines the volumetric estimate by finding a similar customer within the utility and using that volumetric data. In the car wash example, Mequon Water Utility staff would review the other car wash locations, compare the number of car wash bays, and other building characteristics and prorate the volumetric data accordingly.

If the applicant does not have another location and the Water Utility does not have a similar customer, Water Utility Staff will utilize industry standards to project the volumetric rate. There is data available based upon national averages that would allow for the establishment of residential equivalent units.

The proposed amendment also allows the applicant to appeal to the Water Utility Commission for the basis of the calculation. As previously indicated, the fee itself is not able to be appealed, only the methodology used to determine REUs.

Fiscal Impact

There is no fiscal impact. The proposed amendment does not impact the connection fee. It simply memorializes the methodology used by Water Utility Staff to determine the projected volumetric use and equivalent residential units.

Recommendation

Staff recommends that the Water Utility Commission approve the amendment to the Water Connection Policy clarifying the methodology for establishing the projected volumetric use for the proposed application. If approved by the Commission, staff will update the Water Connection Policy document and republish to the website and other locations, with the amendment date.

Attachments:

Water Connection Policy - Amendment for Cost to Connect(PDF)

IV. **COST TO CONNECT**

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

B. The Connection Fee associated with the Mequon Municipal Water System depends on the size of the service and the projected water use (converted to Residential Equivalent Units). For non-residential applications, the projected water use shall be determined by:

1. If the applicant owns or operates a similar use in another location, the applicant shall submit of a minimum of one year, but preferably three year's of municipal water billing showing volumetric meter reads. The average use for the other location will be utilized for the projected water use.
2. If the applicant does not own a similar use in another location, Mequon Water Utility staff will identify between one to three existing Mequon Water Utility customers with a similar use to determine the projected water use. The similar use may be prorated based upon the comparable size of the non-residential use.
3. If no equivalent Mequon Water Utility customer can be identified, Mequon Water Utility staff will use industry standards to determine the projected water use.
4. Appeals to the Cost to Connect will be placed on a Water Utility Commission meeting agenda within 90 days of receipt.

~~B.C.~~ 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.
- 1.2. 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.D.~~ 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.



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: October 27, 2022
SUBJECT: Approval of a Mequon Municipal Water Utility Financial Policy: Reserve Requirements

Background

When the Mequon Water Utility was established via referendum, the City of Mequon required that the Water Utility be completely self-funding, whereby no tax levy or other revenue generated by the City of Mequon would be utilized to supplement the Water Utility. Also, with the initial financing for the purchase of the Water Utility from We Energies, the Water Utility was required to meet a minimum bond covenant ratio of 1.25, which is based upon revenue.

In addition to these self-governance restrictions, the Mequon Water Utility is also regulated by the Public Service Commission (PSC). The PSC has a set of rules and regulations that the Mequon Water Utility must follow, which includes restrictions on the Utility's annual rate of return. If the Mequon Water Utility consistently exceeds the rate of return, a reduction in water rates could be required. Likewise, any change to increase water rates for the Water Utility must also be approved by the PSC, which includes a review of the Utility's proposed rate of return.

Through a stable financial customer account base and fiscal due diligence, the Mequon Water Utility has accumulated a balance of unassigned funds. While Mequon Water Utility accounting is administered on an enterprise fund basis, these unassigned funds most closely relate to a fund balance within the City's general operating budget. Currently, the City of Mequon has a financial policy that restricts the amount of funds that can accumulate as an unassigned fund balance, and any excess funds are recommended for reallocation through the budget process. With that in mind, staff is proposing the adoption of a similar policy for the Mequon Water Utility.

Analysis

With the goal of maintaining fiscal stability, ensuring that the Mequon Water Utility can maintain the funding required to be self-sustaining and not require supplemental funding through the City of Mequon, staff is recommending consideration of unassigned funds equivalent to eighty (80) percent of the current operating expenditure budget (excluding capital), with a minimum required balance of \$2,000,000.

The policy further indicates that funds in excess of these limits may, at the discretion of the Mequon Municipal Water Utility Commission, be appropriated as follows:

- One-time capital improvements/projects;

- Debt abatement;
- Other investments/programs that enhance efficiencies or reduce operating costs.

As indicated, consideration of this policy is consistent with the financial policy related to fund balance for the City's general fund operating budget.

Fiscal Impact

The "Cash Flow Analysis" included in the memo for the Water Utility Budget projects an "Unassigned" balance in FY2022 and for FY2023, which is almost 1.75 times the proposed 80% threshold, and meets the minimum balance requirement of \$2 million. Pending adoption of the proposed financial policy, a copy of which is attached, the Utility could reallocate an amount equivalent to approximately \$1.8 million for other eligible expenses, as indicated in the following table.

Unassigned - FY2022	\$4,148,881
Unassigned - FY2023	\$4,212,147
FY2023 Budgeted Expenses	\$2,932,784
FY2023 Budgeted Expenses - 80%	\$2,346,227
Potential Reallocation - FY2022	\$1,802,653
Potential Reallocation - FY2023	\$1,865,920

Recommendation

Staff recommends that the Water Utility Commission consider and approve the attached policy. If approved, staff will follow in the first quarter of FY2023 with a discussion item to consider whether and how to appropriate the funds in excess of the adopted policy's threshold limits.



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: October 27, 2022
SUBJECT: Award of a Contract for the Mequon Municipal Water Utility Master Plan Update to City Water, LLC, Milwaukee, Wisconsin, in an Amount Not-to-Exceed \$35,000

Background

At the August 10, 2022, meeting, the Water Utility Commission authorized staff to issue the Request for Proposals (RFP) scope of services directly to City Water, LLC.

City Water, LLC responded with the attached proposal.

Analysis

The proposal complies with the scope of services issued via the RFP. The Commission may recall the scope included the following seven tasks:

- Task 1. Customer Assessment
- Task 1a. Customer Assessment: Village of River Hills (if authorized)
- Task 2. Water Demand
- Task 3. Water Supply
- Task 4. Distribution System Assessment
- Task 5. Utility Financial Performance
- Task 6. Key Principles
- Task 7. Implementation Plan

City Water, LLC is uniquely positioned to provide a high-quality effort for the update to the master plan. As the long-standing, contracted operators of the Water Utility, they have insight into the infrastructure, finances, strengths and weaknesses of both the system and its policies. The master plan is intended to evaluate the sustainability of the existing customer base, project both the use and any capital needs related to future growth within the Water User Service Area and identify considerations that the Water Utility should build into decision-making over the next several years.

Fiscal Impact

The proposal completes Tasks 1-7 as a lump sum of \$32,000, with an additional \$1,205 if expenses are authorized for Task 1a. Reimbursable expenses such as mileage, printing, and reproduction would be charged at actual costs and are estimated at \$500. Staff recommends that a nominal contingency amount be authorized for a total of \$35,000.

If approved, this contract is programmed into the proposed FY2023 budget through account 620679-930001. If the contract award is not approved, staff will recommend reallocation of the funds to the capital fund for Betterment of Service.

Recommendation

Staff recommends that the Water Utility Commission award the contract for the Mequon Water Utility Master Plan Update to City Water, LLC in the amount of \$35,000 and authorize contract execution for the same.

Attachments:

City Water Master Plan Update Proposal (PDF)

October 10, 2022



Kristen Lundeen
 Director of Public Works/City Engineer
 City of Mequon
 10800 N. Industrial Drive
 Mequon, WI 53092

Re: Water System Master Plan

Dear Kristen:

Thank you for the opportunity to help the City of Mequon in updating the Water Utility Master Plan. The Master Plan is meant to offer the city with a historical look at the growth of the Utility, evaluate the performance of the existing Utility, and provide a roadmap to meet the future growth of the Utility. The Utility Master Plan is a working document designed to help the city with key decisions to help grow the Utility, maintain a high level of water quality and reliability, and keep the Utility financially stable into the future.

We will work with City staff in development of the Master Plan to ensure we are meeting the goals and objects for the project. We have staff time available starting in December of 2022 to start the project and anticipate completion in April of 2023, with a presentation to the Water Commission in May. Outlined below is our proposed scope of service for the Master Plan update.

Scope of Services

Task 1 – Customer Assessment

Phase 1 – Customer History:

Using information gathered from the billing system and Public Service Commission (PSC) annual reports, historical mapping data, we will conduct an evaluation of the existing customer base to show the history of growth for the Mequon Water Utility from the date of purchase of the Utility by WI Gas to present. Evaluation will illustrate the customer types (Residential, Commercial, Public Authority, Multi-family, etc.), the customer municipality (Mequon, Bayside, or Thiensville) and the year the customer was added to the Utility (sample table shown below).

Water Utility Customers

Year	Mequon			Bayside			Thiensville			Total Customers
	Res	Comm	Public	Res	Comm	Public	Res	Comm	Public	
Pre-1999	510	3								513
1999										
↓										
↓										
2021										4,668

The intent of the evaluation is to illustrate how the Utility has grown over the past 23 years from 513 customers in 1998 to over 4,668 customers and develop a total number of Residential Equivalent User (REU's) for the Utility.

Phase 2- Customer development - Using historical mapping information we will detail the existing customer base by number of connections installed to developed properties pre and post November of 1998. The goal is to determine the % of REU's that have been established on undeveloped properties and compare it to the contract requirements set forth in the original water supply agreement.

Phase 3- Ultimate Growth of the Utility in the Water Service Area

The ultimate number of potential customers in the water service area will be based on the Utility's Water Connection Policy, Water User Service Area, each municipalities' zone map, SEWRPC and MMSD's land use and population data to project the total number of potential customers within the Water Service Area. The ultimate number of potentials customers will be detailed by customer type and REU's. The goal of this phase is to determine the ultimate number of customers, based upon residential equivalent units within the existing Water User Service Area. The total number of potential customers shall be categorized based on outside of existing infrastructure (requiring a water main extension), or *On Main Not Using* (OMNU) customers that are defined as potential customers along existing water main infrastructure who can readily connect to the Utility. The Ultimate growth of the Utility will be presented in table format and illustrated in service area map for visual interpretation.

Phase 4- Potential River Hills Development

Based on the decision of the Water Commission we will include the proposed Village of River Hills expansion project to the Customer Assessment task.

Task 2 – Water Demands

Using information from the past five years, we will update the annual average day, and maximum day water usage for the Utility and the REU's, along with the ratio of average day to maximum day.

Using information from Task 1 we will use historical information to develop quarterly and annual water customer demands, per customer type, to be used to forecast annual budget amounts for purchased water and billed water.

Using the customer projections developed in Task 1 and the average customer water demand in Task 2 we will forecast future water demands in five-year increments to 2040 for the Utility.

The goal is to develop future water demands for the Utility that will be used to evaluate the Utility's water supply, distribution system, and capital improvement projects.

Task 3 – Water Supply

Update the water supply evaluation by review existing water supply connection contracts with Milwaukee Water Works and North Shore Water Commission to determine existing water supply capacity and limitations. Evaluate the existing operational strategy for purchasing water from each supplier and develop a cost benefit analysis for water purchased from each supplier. Compare water supply capacity to the future water system demands identified in Task 2 and identify supply limitations.

Update the cost benefit analysis presented in the 2012 regional water supply study conducted in conjunction with the City of Cedarburg and the Village of Grafton for a new regional Lake Michigan water treatment plant.

Task 4 – Distribution System Assessment

Phase 1 - Inventory water distribution system

We will develop an inventory table of the existing infrastructure, and provide recommended preventative maintenance for the following assets:

- Water mains
- Valves
- Hydrants
- Storage facilities
- Master meter facilities
- Booster pumps
- Meters

We will identify if current Utility operations are accomplishing the recommended maintenance and report on any deficiencies and what will be required to meet the recommended maintenance plan.

Phase 2- Hydraulic Water Model Analysis

We will update the current hydraulic water model to reflect recent additions to the distribution system and potential expansions. We will adjust water demands in the model based on the updated REU demands from Task 1. The project team will identify critical areas of the distribution system to conduct fire flow tests to verify the calibration of the hydraulic model meets AWWA standards. The model can then be used to evaluate the existing and future distribution system under various scenarios to identify system deficiencies and answer future design and operational questions.

Phase 3- Water Quality Analysis

Using the standards recommended in the Partnership for Safe Water we will conduct a water quality analysis of the distribution system. Over the past three years, staff has been collecting chlorine residuals at various locations around the distribution system on a weekly basis. The chlorine residuals are used to help determine when and where routine flushing need to occur in the distribution system to maintain quality water. We will combine the historical residuals with the results from a water age analysis conducted with the hydraulic water model to further analyze the system's water quality and identify other potential locations that may require flushing. Maintaining a high level of water quality and reliability is a key principle of the Utility.

Phase 4 – Recommended Updates for 2017 Master Plan

We will review the recommendations from the 2017 Master Plan to verify which improvements have been completed to date, which ones are outstanding, and identify recommended improvements from the analysis of the updated hydraulic water model.

Task 5 – Utility Financial Performance

City Water will use our 10-year rate analysis to help evaluate the financial performance of the Utility. The analysis is based on the accounting and reporting requirements of the PSC. The 10-year analysis uses the financial history of the Utility (annual reports) to help project future income (water sales, rents, etc.) and expenses (O&M costs, debt service costs). The Utility's proposed Capital Improvement Plan (CIP) will be used to help forecast asset additions and retirements over the next 10 years. The financial model will report the anticipated Rate of Return on the net rate base for the Utility for each future year. The model can be used to run different scenarios to provide a look at how projected projects will have an effect on the financial performance of the Utility. Our model will also evaluate other critical factors that help determine the health of a Utility including the debt to equity ratio and the amount of cash on hand to help cover expenses in an emergency. The 10-year analysis is meant to be used as a

management tool for staff and decision makers to ensure the health and sustainability of the Utility in the future.

Task 6 – Key Principals

We will review the Key Principles established after the Utility was purchased by WI Gas Company and updated by the Water Advisory Commission. We will assess whether the current state of the Utility meets those founding principles, and identify how the key principles are incorporated into City ordinances and/or guiding documents such as the tariff or Water Connection Policy. We will ascertain if any deficiencies or opportunities exist to incorporate the key principles into Utility or City regulatory documents.

Task 7 – Implementation Plan

The intention of the Master Plan is to provide an assessment of the current state of the Utility and analyze the demands on the system to prepare for potential growth and maintenance of the system. Development of an implementation plan will include recommendations of how to address critical future needs identified in the Master Plan. The implementation plan will include recommendations based upon the analysis from Tasks 1- 4 and could range from a prioritized list of capital projects to financial and policy tasks that should be addressed. We will work with City staff to develop a long-range implementation schedule to help staff and decision makers ensure the health and sustainability of the Utility in the future.

Meetings and Presentation

Throughout the project we are anticipating working with City staff on key project items and have budgeted three update meetings to ensure the project is meeting the goals and objectives of staff. We also have budget time to present the Master Plan report to the Water Commission for review and comment.

Compensation

City Water will complete the tasks outlined in the scope of services for a lump sum fee of \$32,000. Listed below is our level of effort that shows our hourly estimate to complete the project.

Task \ Staff	Principal Engineer	Operations Manager	Project Engineer	Graduate Engineer	Total Cost
Task 1 - Customer Assessment	4	2	20	24	\$ 5,310.00
Task 2 - Water Demands	2	4	12	20	\$ 3,970.00
Task 3 - Water Supply	6	4	9	14	\$ 3,800.00
Task 4 - Distribution System Assessment	4	4	24	22	\$ 5,820.00
Task 5 - Financial Preformance	8	4	24	6	\$ 5,080.00
Task 6 - Key Principals	4	6	4	4	\$ 2,250.00
Task 7 - Implementation Plan	4	2	8	8	\$ 2,550.00
Meetings and Report Presentation	6	6	8	6	\$ 3,220.00
Total	34	30	89	80	\$ 32,000.00
Additional Service: River Hills Expansion	1	2	3	5	\$ 1,205.00
Hourly Rate	\$ 175.00	\$ 125.00	\$ 110.00	\$ 90.00	

Reimbursable expenses such as mileage printing, and reproduction would be charged at actual costs and are estimated at \$500.

We look forward to collaborating with you on this project and continuing the history of excellence in Mequon Water Utility.

Kindest Regards,

Thomas Nennig

Thomas Nennig, P.E.
President
City Water, LLC

Jim Voigt

Jim Voigt
Operations Manager
City Water, LLC

The proposal for Water Utility Master Plan work is accepted by the City of Mequon, WI

on this _____ day of _____, 2022

By: _____

Date: _____

Work will be completed as part of the Management and Maintenance contact with the City of Mequon. Work identified as Additional Services in the proposal will not be done without prior written authorization by the City of Mequon.



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Office of Mequon Municipal Water Utility Commission

TO: Mequon Municipal Water Utility Commission
FROM: Jim Voigt, Director of Operations
DATE: October 27, 2022
SUBJECT: Adoption of the Fiscal Year 2023 Mequon Water Utility Budget

Background

The Mequon Water Utility budget is administered separately from the City's general operating and capital budgets in accordance with the referendum and ordinance establishing the Mequon Water Utility. The following materials include a proposed 2023 budget for consideration and adoption by the Water Utility Commission (WUC).

Attached to this staff report are two exhibits:

- Exhibit A details the capital funds as proposed for the Water Utility.
- Exhibit B provides the budgeting and financial data based on the Public Service Commission of Wisconsin's (PSCW) chart of accounts.

Analysis

The Water Utility Budget is funded exclusively through user charges. The user charge funds annual operation and maintenance expenses and ongoing capital project needs. A breakdown of the 2023 Mequon Water Utility Budget is attached.

FY2022 Accomplishments:

The water utility manages, maintains and operates the City's water mains, pressure reducing valves, booster stations, valves and hydrants. In 2022, the Water Utility accomplished a number of objectives including:

- As of October 14th, 2022, the Water Utility has added 33 new customers in 2022, for a total of 4,704 utility customers.
- The Water Utility flushed 1,641 fire hydrants and started valve turning (144 to date) and will continue turning until the end of the year.
- The Utility had several construction projects this year, including:
 - 1) Highland Rd Reconstruction project for the I-43 Project
 - 2) N. Port Washington Rd Reconstruction Project for the I-43 Project
 - 3) 200 Green Development in the Village of Thiensville
 - 4) Phase 2 of The Woods and Highland Park
 - 5) Fox Town Townhomes on Buntrock Ave

FY2023 Projects and Objectives:

Following are projects or elements that will influence the 2023 budget:

- Complete the standard meter replacement program in 2023.
- Continue installing water meters when new customers are added.
- Continue flushing hydrants and valve turning for system maintenance.
- Replace hydrants and valves based on annual system maintenance.
- There are several water main extension projects that are proposed for FY2023, including:
 - 1) Swan Ridge Subdivision - 91st & Swan
 - 2) The Green at Mequon Subdivision - Freistadt and Villa Grove
 - 3) Homestead High School Extension
 - 4) Enclave Phase VI
- Purchased water costs should rise in FY2023. Milwaukee Water Works should complete their full rate case this year. Mequon Water Utility staff have been working with the Wholesale Water Group to mitigate the extent of this anticipated adjustment. The North Shore Water Commission typically raises rates by a nominal percentage every year. The Water Utility is no longer permitted to complete a purchased water adjustment and would instead need to complete a simplified rate case to pass the cost through to its customers. Once the new rates are established, staff will update the Water Utility Commission.
- Complete updates to the Water Utility Master Plan to provide the utility with a guidance document for the next 5 years.

Fiscal Impact

The proposed FY2023 Mequon Water Utility budget is attached to this memo (please note numbers preceded by a negative sign (-) represent revenues, and figures without a negative sign are presented as expenditures). With a level user rate, the majority of the expenses remain consistent with previous years. Please see the historic charges chart below:

	2017	2018	2019	2020	2021	2022	2023
Service Charge (quarterly)	\$31.29	\$31.30	\$31.30	\$31.31	\$31.31	\$31.31	\$31.31
Public Fire (quarterly)	\$30.28	\$30.29	\$30.29	\$30.29	\$30.29	\$30.29	\$30.29
Volumetric (per 1,000 gallons)	\$5.03	\$5.13	\$5.13	\$5.17	\$5.17	\$5.17	\$5.17

- **Water Service Charge:** Fixed charge based on capacity of service and maintenance of the water system; determined by meter size (cost shown for average residential meter).
- **Public Fire Protection Charge:** Fixed charge based on the additional costs and capacity that are needed to provide adequate capacity to fight a fire; determined by meter size (cost shown for average residential meter).
- **Water Volume Charge:** Variable charge based on the number of gallons of water used during the quarterly billing period.

Cash Flow Analysis	2021 Actual	2022 Budgeted	2022 Projected	2023 Proposed
Cash/Cash Equivalents Balance 1/1	\$4,791,553	\$4,775,094	\$4,110,525	\$5,980,411
Net Income	1,363,168	885,310	1,073,202	970,501
Plus: Depreciation	641,655	615,000	650,000	670,000
Less: Debt Payments	(900,000)	(935,000)	(935,000)	(970,000)
Less: Capital Projects	(1,698,616)	(318,024)	1,068,920	(867,000)
Capital Project Spending	(87,235)	(87,235)	(87,235)	(87,235)
Net Change in Cash/Cash Equivalents	(\$681,028)	\$130,051	1,869,886	\$283,734
Cash/Cash Equivalents Balance 12/31	\$4,110,525	\$4,905,145	\$5,980,411	\$5,696,677
Restricted for Bond Covenant	1,314,000	1,331,500	1,331,500	1,351,500
Reserved for Capital Projects	(1,068,889)*	151,416	500,030	133,030
Unassigned	3,865,414	3,422,229	4,148,881	4,212,147

*The (1,068,889) Reserved for Capital Projects in 2021 is due to timing issues with the WISDOT I-43 projects. In 2021 MWU hired and paid contractors to perform the re-alignment work within the project limits. Thereafter, WISDOT paid 90% of these costs back to MWU in 2022.

Recommendation

Staff recommends that Water Utility Commission review and adopt the FY2023 budget.

Attachments:

Exhibit A - 2023 Water Capital Project Budget (PDF)

Exhibit B - 2023 Water Operations Budget (PDF)

Exhibit C - 2023 Water Operations Budget Detail (PDF)

WATER CAPITAL PROJECT BUDGET

Capital projects for the Water Utility are system improvements and replacements outside of the normal operation and maintenance of the system. These projects typically are defined by their cost (>\$5,000), increased lifespan (10 years or more), and overall benefit to the system. Additionally, unlike maintenance and operation, which applies to the current utility infrastructure in place, capital projects usually involve the addition of new infrastructure to the system. Due to the singular nature of capital projects and the cost associated with them, proper planning and funding is required to reduce large increases in annual budget demands. Therefore, the Mequon Water Utility provides self-funding for capital expenditures based on a combination of user charges, developer's fees, and connection fees for new customers. This allows large capital projects to be planned and funded without drastic changes in the annual budget, large scale borrowing, or changes to water rates.

Prior to 2017, the Utility was unable to self-fund capital projects. In the early years of utility ownership, the bond covenant and the revenue bond payments severely limited the Utility's ability to properly plan and fund system improvements and replacements. However, during the first twelve years of ownership the Mequon Water Utility was steadily growing the utility through new developments in Mequon, Bayside and Thiensville. These projects increased the size of the water utility by roughly 50% (just under 3,000 customers in 2009 to approximately 4,650 customers today). In 2017, the Utility re-negotiated its revenue bonds, and based on the reduced principal payments and increased customer counts, the utility has the financial ability to self fund capital reserves.

Table 1 – History of Self-Funded Capital Budgets

	2018	2019	2020	2021	2022
Total Self-Funding Capital	\$150,000	\$150,000	\$200,000	\$300,000	\$400,000

The Mequon Water Utility was started in the late 1990's. Initially, the Utility was a composite of several earlier private subdivision well systems that interconnected and formed a public utility. As such, the age of the utility is beyond 20 years old. As the utility ages, components of the system will approach the end of their predicted life span or may have outlived their effectiveness. The utility is also continuously growing as existing subdivisions convert from private wells systems to public water, or new subdivisions are developed and connected. Due to the combination of these factors, the utility is entering an era where large scale capital projects, as identified in the master plan, will be needed in order to secure additional supply, redundancy, improved service, or meet regulations for the growing utility.

WATER CAPITAL PROJECT BUDGET

Table 2 – Self-Funded Capital Budgets

Account Name	2023	2024	2025	2026	2027
1. System Storage	\$140,000	\$100,000	\$150,000	\$150,000	\$150,000
2. System Supply & Control	\$5,000	\$30,000	\$30,000	\$30,000	\$30,000
3. Water Meter Replacement	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
4. Buried Utility Plant	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
5. Equipment Replacement	\$5,000	\$20,000	\$20,000	\$20,000	\$20,000
6. Utility Finance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
7. Betterment of Service	\$250,000	\$250,000	\$200,000	\$200,000	\$200,000
TOTALS	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

While the self-funded capital accounts are established as sinking funds to provide for level budgeting and long term funding, the water utility has identified a number of specific projects that would utilize the funding. For some projects, the account will require funding over a multi-year budget cycle in order to achieve sufficient funding. The scale or proportion of funding established for each individual account is intended to match the priority and need for the water utility.

1. System Storage

The System Storage Fund is a sinking fund utilized to maintain existing storage facilities throughout the system. Currently there are 4 storage facilities in the Utility, which require regular scheduled inspections, repairs and painting. Furthermore, this fund incorporates proactive engineering and planning to potentially include additional storage as the Utility grows.

Prioritized projects include:

- System Storage Study/Water Tower Inspection - \$20,000
- Water Tower Improvements - \$550,000
- Donges Bay PRV Pit & SCADA Modifications - \$50,000
- Existing Ground Reservoir Abandonments (1) at \$80,000 (2) - \$40,000 each

2. System Supply & Control Fund

The System Supply and Control Fund is a sinking fund utilized to upgrade, install, and expand SCADA (System Control And Data Acquisition) equipment in the utility. Also included are improvements or additions to supply sources, equipment, or facilities. Long term projects and priorities revolve around ensuring the Mequon Water Utility can supply peak day demand to customers. Per NR 811.26, “[...] If more than 2 [pumping] units are installed, the total number of units shall have sufficient capacity so that if any one pump is taken out of service, the remaining pumps are capable of supplying the peak demand.” In MWU’s situation, pumping units are considered to be sources of supply as the Utility purchases all of its water. Currently, the firm water supply is sufficient to meet maximum day demands. However, if the MWW supply was out of service due to an emergency, all water for the high- and medium-pressure districts would need to be supplied by the booster pump on Port Washington Road. The Utility contractually meets the current peak day

WATER CAPITAL PROJECT BUDGET

demand, however there are hydraulic limitations to providing water from the Port Washington Road booster station to the high-pressure zone for an extended period of time.

Prioritized projects include:

- NSWC Contract Revision - \$50,000
- 2nd Milwaukee Meter Pit - \$400,000
- 2nd Milwaukee Connection Loop - \$1,500,000
- NSWC Booster Revision - \$50,000

3. Water Meter Replacement Fund

The PSCW requires water utilities to replace residential water meters once every 20 years. Based on our utility growth – which started in 1998, we have been replacing water meters annually for several years. While the exact number of meters to replace varies yearly, a general estimation of 5% of the system per year gives a useful approximation of the scale and number of meters. For the next 5-year span, the approximate number of meters needing to be replaced every year is 250.

Prioritized projects include:

- 250 Meter Replacement per year - \$85,000 per year

4. Buried Utility Plant Fund

The buried Utility Plant Fund incorporates replacement and maintenance of all aging infrastructures that fails in the field. Examples include copper water laterals, water valves, auxiliary valves, and hydrants, along with scheduled water main replacements. It is more difficult to establish a prioritization list within this fund, due to the various types of infrastructure involved and the differing replacement/repair options for each infrastructure. Additionally, the prioritization list could fluctuate heavily from year to year as additional valves, and hydrants are identified for repair during the yearly flushing and exercising program.

Prioritized projects include:

- Hydrant Replacement (per year) - \$30,000
- Valve Replacement (per year)- \$30,000

5. Equipment Fund

The Equipment Fund is a sinking fund utilized to upgrade and replace water utility equipment. Examples include Utility Truck/Van, Dump Truck, significant tools, or analyzers. By nature of the equipment, this is a difficult fund to budget and prioritize purchases, as often equipment has no estimated lifespan and may simply quit working, requiring a fairly urgent replacement and repair.

- 2023 – Replace 801 (2006 KUV Utility Van with 135,000 Miles) with new Utility Truck - \$70,000

WATER CAPITAL PROJECT BUDGET

6. Utility Finance Fund

The Utility Finance Fund is a sinking fund utilized to upgrade, install, and expand software and equipment utilized to collect meter readings and bill the utility customers. Because of the scale of efforts needed to implement changes related to meter reading collection and billing, there are typically few major projects or changes related to this fund. Most changes are related to maintenance of the existing system and upgrading/repairing the existing functions and capabilities. However, given that the Utility is pursuing a meter replacement program for the first time in 2018, some thought should be given to changing or replacing the existing metering and billing system to better serve customers in the future (once a significant portion of the meters have been replaced).

Prioritized projects include:

- Migration to AMI Metering System - \$400,000
- Billing System Revision - \$90,000

7. Betterment of Service Fund

The Betterment of Service (BOS) Fund is a sinking fund utilized to upgrade, install, and expand the utility plant with projects that benefit ALL customers of the system, but may not have a specific “sponsor” or “development” with which it serves. This improvement can be in quantity, quality, or reliability of water service, or any other sufficient reason. The two best examples of these projects include water main system loops and water quality loops.

Prioritized projects include:

- Buntrock Avenue Loop - \$587,000 (2023 payment due to Thiensville)
- Hidden River Condos Loop - \$220,000
- Mequon Rd (River to Riverland) Loop - \$495,000
- Stonefields V Subdivision Loop - \$230,000
- Lac de Cours Loop - \$100,000
- Columbia Creek Subdivision Loop - \$420,000
- Hidden Reserve & Gebhardt Farms Loop - \$260,000

The annual budget process establishes the total capital funding allowed, as well as allocates those funds among the various accounts. The expenditure of those capital funds follows the City’s procurement policy, generally requiring Water Utility Commission authorization. While staff will work according to the prioritization of projects below, the Water Utility Commission ultimately controls which projects will be awarded on an annual basis.

WATER CAPITAL PROJECT BUDGET

Table 3 – 5-Year Project Plan

	2023	2024	2025	2026	2027
1) System Storage Fund					
System storage study - Tower Inspection		\$ 20,000			
Reservoir Abandonments		\$ 80,000	\$ 40,000	\$ 40,000	
Water Tower Improvements				\$600,000	
2) System Supply & Control Fund					
NSWC Booster Revision					
3) Water Meter Replacement Fund					
250 Meter Replacements	\$ 70,000	\$ 75,000	\$ 80,000	\$ 85,000	\$ 90,000
4) Buried Utility Plant Fund					
Hydrant/Valve Replacements	\$ 60,000	\$ 65,000	\$ 70,000	\$ 75,000	\$ 80,000
5) Equipment Fund					
Vehicle Replacment				\$ 80,000	
7) Betterment of Service Fund					
Thiensville Buntrock Loop	\$587,000				
Swan Ridge Subdivision	\$150,000				
System Looping					\$230,000
CAPITAL EXPENSES TOTAL	\$867,000	\$240,000	\$190,000	\$880,000	\$400,000

Accumulation of capital funds allows for level funding and minimizes fluctuations in user rates. Some capital projects require large scale funding and several years' worth of funding prior to utilization of the funds.

Table 4 - Cash Flow Analysis – Approved Capital Budget

	2022	2023	2024	2025	2026	2027
Funds Available (Jan.1)	(\$1,068,889)	\$500,030	\$133,030	\$393,030	\$703,030	\$323,030
Capital Revenue	\$400,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Total Construction Funds Available	(\$668,889)	\$1,000,030	\$633,030	\$893,030	\$1,203,030	\$823,030
Expenses	(\$1,168,920)	\$867,000	\$240,000	\$190,000	\$880,000	\$400,000
End of Year Balance	\$500,030	\$133,030	\$393,030	\$703,030	\$323,030	\$423,030

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PROJECTION: 623 2023 SEWER AND WATER UTILITY BUDGETS

FOR PERIOD 99

ACCOUNTS FOR:

Water UT Fund		2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2022 ACTUAL	2022 PROJECTION	2023 DEPT HEAD	COMMENT
620679	Water UT Operations							
58	OTHER REVENUE							
620679	458203 Amort - BP	-87,234.94	-87,235.00	-87,235.00	.00	-87,235.00	-87,235.00	
	TOTAL OTHER REVENUE	-87,234.94	-87,235.00	-87,235.00	.00	-87,235.00	-87,235.00	
59	INVESTMENT REVENUE							
620679	459101 Interest	4,800.30	-15,000.00	-15,000.00	48,877.26	.00	-60,000.00	
	TOTAL INVESTMENT REVENUE	4,800.30	-15,000.00	-15,000.00	48,877.26	.00	-60,000.00	
62	WATER - SALES							
620679	462401 Water Res	-1,304,901.04	-1,260,000.00	-1,260,000.00	-958,000.89	-1,206,000.00	-1,260,000.00	
620679	462402 Water Com	-481,639.46	-475,000.00	-475,000.00	-366,846.79	-476,000.00	-484,000.00	
620679	462403 Water Ind	.00	.00	.00	.00	.00	.00	
620679	462404 Water PA	-10,530.06	-8,500.00	-8,500.00	-19,333.57	-24,000.00	-20,000.00	
620679	462405 Water MF	-131,182.14	-130,000.00	-130,000.00	-110,537.39	-142,000.00	-145,000.00	
620679	462406 Water IRR	-92,668.90	83,000.00	83,000.00	-63,635.83	-67,000.00	-83,000.00	
620679	462411 ResSrvChg	-571,005.84	-570,000.00	-570,000.00	-432,144.38	-576,000.00	-580,000.00	
620679	462412 ComSrvChg	-99,098.77	-99,000.00	-99,000.00	-77,128.33	-103,000.00	-104,000.00	
620679	462413 IndSrvChrg	.00	.00	.00	.00	.00	.00	
620679	462414 PubAuthSrv	-5,585.16	-5,000.00	-5,000.00	-6,064.74	-8,000.00	-8,000.00	
620679	462415 MultFamCrg	-20,843.87	-21,000.00	-21,000.00	-15,635.88	-21,000.00	-21,000.00	
620679	462416 IrrSrvChrg	-12,375.52	-12,500.00	-12,500.00	-9,204.34	-12,500.00	-12,500.00	
620679	462462 Priv Fire	-52,603.23	-53,000.00	-53,000.00	-43,351.18	-58,000.00	-58,000.00	
620679	462463 Pub Fire	-749,248.64	-750,000.00	-750,000.00	-572,031.59	-763,000.00	-770,000.00	
620679	462465 OthSales	.00	.00	.00	.00	.00	.00	
	TOTAL WATER - SALES	-3,531,682.63	-3,301,000.00	-3,301,000.00	-2,673,914.91	-3,456,500.00	-3,545,500.00	
63	WATER - OTHER OPERAT							
620679	463701 LatePnlty	-8,204.03	-7,000.00	-7,000.00	-8,736.55	-10,000.00	-10,500.00	
620679	463702 TaxCertFee	-2,954.65	-1,400.00	-1,400.00	.00	-3,000.00	-3,250.00	
620679	463772 WtrRents	-97,719.51	-95,000.00	-95,000.00	-39,403.72	-87,000.00	-87,000.00	
620679	463774 WaterOCR	-5,046.13	-4,800.00	-4,800.00	-2,743.06	-4,800.00	-4,800.00	
	TOTAL WATER - OTHER OPERAT	-113,924.32	-108,200.00	-108,200.00	-50,883.33	-104,800.00	-105,550.00	
64	WATER - NON OPERATIN							
620679	464421 Non-Op Inc	-13,201.65	-15,000.00	-15,000.00	-3,861.75	-3,861.75	-5,000.00	
620679	465421 ContrCap	-1,441,367.95	-30,000.00	-30,000.00	-177,394.85	-180,000.00	-100,000.00	

Attachment: Exhibit B - 2023 Water Operations Budget (7746 : Proposed FY 2023 Water Utility Budget)

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PROJECTION: 623 2023 SEWER AND WATER UTILITY BUDGETS

FOR PERIOD 99

ACCOUNTS FOR:

Water UT Fund		2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2022 ACTUAL	2022 PROJECTION	2023 DEPT HEAD	COMMENT
TOTAL WATER - NON OPERATIN		-1,454,569.60	-45,000.00	-45,000.00	-181,256.60	-183,861.75	-105,000.00	
65	SOURCE OF SUPPLY EXP							
620679	602001 PurchWater	931,462.46	845,000.00	845,000.00	864,000.00	885,000.00	950,000.00	
620679	614001 WellSpring	.00	18,000.00	18,000.00	.00	.00	18,000.00	
TOTAL SOURCE OF SUPPLY EXP		931,462.46	863,000.00	863,000.00	864,000.00	885,000.00	968,000.00	
66	PUMPING EXPENSES							
620679	620001 PumpSupEng	2,400.00	2,400.00	2,400.00	1,800.00	.00	2,640.00	
620679	623001 PumpPower	8,160.63	10,500.00	10,500.00	6,149.88	10,500.00	10,500.00	
620679	626003 Misc Pump	1,096.94	2,000.00	2,000.00	783.94	2,000.00	2,000.00	
620679	631003 Maint of S	.00	3,000.00	3,000.00	3,021.00	.00	9,000.00	
620679	633001 Pump Labor	4,036.51	4,500.00	4,500.00	2,763.97	4,500.00	4,500.00	
620679	633002 PumpMat	.00	.00	.00	.00	.00	.00	
620679	633003 PumpExp	2,250.00	2,500.00	2,500.00	422.14	2,250.00	2,000.00	
TOTAL PUMPING EXPENSES		17,944.08	24,900.00	24,900.00	14,940.93	19,250.00	30,640.00	
67	TRANS & DISTRIBUTION							
620679	660001 T&DSupEng	48,826.64	56,400.00	56,400.00	19,800.00	56,400.00	62,143.00	
620679	661001 Stor Labor	5,051.29	2,500.00	2,500.00	2,389.35	2,375.00	2,500.00	
620679	662001 T&DLabor	80,617.72	78,000.00	78,000.00	77,975.36	69,000.00	90,000.00	
620679	662002 T&DMat	980.40	2,500.00	2,500.00	3,000.00	1,250.00	3,000.00	
620679	662003 T&DExp	52,027.44	60,000.00	60,000.00	46,899.81	60,000.00	80,000.00	
620679	663001 MeterLabor	71,770.86	40,000.00	40,000.00	32,559.30	55,000.00	40,000.00	
620679	663002 MeterMat	.00	500.00	500.00	.00	.00	500.00	
620679	663003 MeterExp	.00	500.00	500.00	.00	100.00	500.00	
620679	664001 CustInsLab	17,969.82	22,000.00	22,000.00	10,382.95	15,000.00	20,000.00	
620679	664002 CustInsMat	.00	.00	.00	.00	.00	.00	
620679	664003 CustInsExp	2,093.81	2,500.00	2,500.00	1,678.22	2,500.00	2,500.00	
620679	665001 Misc Labor	4,195.56	5,000.00	5,000.00	787.14	5,000.00	5,000.00	
620679	665002 Misc Mat	3,314.08	3,000.00	3,000.00	1,221.76	750.00	3,000.00	
620679	670001 Maint Sup	24,000.23	24,000.00	24,000.00	19,035.00	24,000.00	26,400.00	
620679	672001 MaintRes	10,730.32	12,000.00	12,000.00	2,793.28	9,200.00	10,000.00	
620679	672002 ResMateria	.00	.00	.00	.00	.00	.00	
620679	672003 ResExpense	81.38	500.00	500.00	.00	500.00	15,000.00	
620679	673001 MaintMains	13,454.35	21,165.00	21,165.00	19,180.11	21,165.00	21,165.00	
620679	673002 MainsMat	11,976.83	25,000.00	25,000.00	12,545.47	25,000.00	25,000.00	
620679	673003 MainsExp	34,961.60	40,000.00	40,000.00	41,205.90	40,000.00	40,000.00	
620679	675001 MaintServ	48,945.22	54,580.00	54,580.00	9,641.44	50,680.00	50,000.00	
620679	675002 ServiceMat	14,323.60	13,000.00	13,000.00	16,154.24	13,300.00	15,000.00	
620679	675003 ServiceExp	3,823.82	5,000.00	5,000.00	4,678.22	5,800.00	5,000.00	

Attachment: Exhibit B - 2023 Water Operations Budget (7746 : Proposed FY 2023 Water Utility Budget)

10/13/2022 16:03
jengroffCITY OF MEQUON
NEXT YEAR / CURRENT YEAR BUDGET ANALYSISP
bgnyrpts 3

PROJECTION: 623 2023 SEWER AND WATER UTILITY BUDGETS

FOR PERIOD 99

ACCOUNTS FOR:

Water UT Fund	2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2022 ACTUAL	2022 PROJECTION	2023 DEPT HEAD	COMMENT
620679 676001 MaintMeter	3,071.69	3,000.00	3,000.00	2,248.57	2,680.00	3,500.00	
620679 676002 MetersMat	.00	800.00	800.00	.00	800.00	800.00	
620679 676003 MetersExp	163.66	150.00	150.00	200.00	100.00	300.00	
620679 677001 MaintHyd	16,138.27	18,000.00	18,000.00	15,088.09	17,220.00	18,000.00	
620679 677002 HydrantMat	3,093.59	13,000.00	13,000.00	6,911.05	13,000.00	13,000.00	
620679 677003 HydrantExp	.00	5,000.00	5,000.00	.00	5,000.00	5,000.00	
TOTAL TRANS & DISTRIBUTION	471,612.18	508,095.00	508,095.00	346,375.26	495,820.00	557,308.00	
68 CUSTOMER ACCOUNTS EX							
620679 901001 CustAccSup	71,957.63	74,548.00	74,548.00	53,897.87	74,500.00	72,843.00	
620679 902001 MetReadLab	6,130.69	5,000.00	5,000.00	9,830.89	7,810.00	10,000.00	
620679 902002 MetReadMat	.00	.00	.00	.00	.00	.00	
620679 902003 MetReadExp	1,035.00	6,880.00	6,880.00	10,951.54	6,400.00	6,930.00	
620679 903001 AcctLabor	29,481.60	36,800.00	36,800.00	3,600.00	36,800.00	40,111.00	
620679 903002 AcctMat	7,067.09	8,000.00	8,000.00	7,515.30	8,000.00	9,000.00	
620679 903003 AcctExp	384.95	475.00	475.00	296.00	400.00	475.00	
620679 904001 UncollAcct	.00	.00	.00	.00	.00	.00	
620679 906001 CustomerEd	7,200.00	7,200.00	7,200.00	5,400.00	7,200.00	7,920.00	
TOTAL CUSTOMER ACCOUNTS EX	123,256.96	138,903.00	138,903.00	91,491.60	141,110.00	147,279.00	
69 PROJECT FUNDING							
620679 469009 TransferIn	.00	.00	.00	.00	.00	.00	
TOTAL PROJECT FUNDING	.00	.00	.00	.00	.00	.00	
73 FRINGE BENEFITS							
620679 673101 Social Sec	4,696.91	4,881.00	4,881.00	3,495.85	4,851.00	4,708.00	
620679 673102 Retirement	4,446.14	4,456.00	4,456.00	3,115.30	4,497.00	4,545.00	
620679 673103 WC Ins	1,354.18	1,420.00	1,420.00	1,215.12	1,215.12	1,075.00	
620679 673201 Health Ins	15,753.58	16,375.00	16,375.00	14,094.71	19,500.00	23,196.00	
620679 673202 Dental Ins	665.06	684.00	684.00	524.55	850.00	1,018.00	
620679 673203 Life Insur	221.87	224.00	224.00	90.00	110.00	86.00	
620679 673204 Disability	251.58	270.00	270.00	216.25	275.00	300.00	
TOTAL FRINGE BENEFITS	27,389.32	28,310.00	28,310.00	22,751.78	31,298.12	34,928.00	
76 ADMIN & GENERAL EXP							
620679 676205 OPEB Pen	-16,946.00	.00	.00	.00	.00	.00	
620679 920001 Adm/GenSal	91,450.12	95,300.00	95,300.00	17,953.57	95,300.00	102,024.00	
620679 921001 OffSupp	4,056.24	5,000.00	5,000.00	223.13	4,500.00	5,000.00	
620679 923001 OutService	12,606.76	11,700.00	11,700.00	22,695.03	27,000.00	13,900.00	
620679 924001 PropIns	4,640.25	4,000.00	4,000.00	1,093.99	4,400.00	4,200.00	

Attachment: Exhibit B - 2023 Water Operations Budget (7746 : Proposed FY 2023 Water Utility Budget)

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NEXT YEAR / CURRENT YEAR BUDGET ANALYSISP
bgnyrpts 4

PROJECTION: 623 2023 SEWER AND WATER UTILITY BUDGETS

FOR PERIOD 99

ACCOUNTS FOR:

Water UT Fund	2021 ACTUAL	2022 ORIG BUD	2022 REVISED BUD	2022 ACTUAL	2022 PROJECTION	2023 DEPT HEAD	COMMENT
620679 925003 Inj & Dama	434.39	.00	.00	.00	.00	.00	
620679 926007 Train Sem	350.00	1,500.00	1,500.00	.00	500.00	1,500.00	
620679 928001 RegCommExp	15,917.04	20,500.00	20,500.00	18,184.71	20,500.00	15,000.00	
620679 930001 MiscGenExp	3,660.01	3,600.00	3,600.00	2,700.00	3,600.00	38,960.00	
620679 931001 RentalCost	18,050.00	18,000.00	18,000.00	.00	18,000.00	19,862.00	
TOTAL ADMIN & GENERAL EXP	134,218.81	159,600.00	159,600.00	62,850.43	173,800.00	200,446.00	
95 OPERATING EXPENSES							
620679 696601 TaxesPaid	.00	.00	.00	.00	.00	.00	
TOTAL OPERATING EXPENSES	.00	.00	.00	.00	.00	.00	
96 NON-OPERATING EXPENS							
620679 696121 MF DeprEx	641,655.00	615,000.00	615,000.00	.00	650,000.00	670,000.00	
620679 696204 Amort Bond	.00	.00	.00	.00	.00	.00	
620679 696401 Principal	.00	.00	.00	.00	.00	.00	
620679 696501 Interest	400,872.47	362,442.00	362,442.00	112,956.59	362,442.00	323,708.00	
620679 696502 WtrDebtSrv	514.58	875.00	875.00	.00	475.00	475.00	
620679 696701 IntMunAdv	.00	.00	.00	.00	.00	.00	
TOTAL NON-OPERATING EXPENS	1,043,042.05	978,317.00	978,317.00	112,956.59	1,012,917.00	994,183.00	
TOTAL Water UT Operations	-2,433,685.33	-855,310.00	-855,310.00	-1,341,810.99	-1,073,201.63	-970,501.00	
TOTAL Water UT Fund	-2,433,685.33	-855,310.00	-855,310.00	-1,341,810.99	-1,073,201.63	-970,501.00	
TOTAL REVENUE	-5,182,611.19	-3,556,435.00	-3,556,435.00	-2,857,177.58	-3,832,396.75	-3,903,285.00	
TOTAL EXPENSE	2,748,925.86	2,701,125.00	2,701,125.00	1,515,366.59	2,759,195.12	2,932,784.00	
GRAND TOTAL	-2,433,685.33	-855,310.00	-855,310.00	-1,341,810.99	-1,073,201.63	-970,501.00	

** END OF REPORT - Generated by Jennifer Engroff **

Attachment: Exhibit B - 2023 Water Operations Budget (7746 : Proposed FY 2023 Water Utility Budget)

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DEPARTMENT BUDGET REQUESTSP
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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	458203 0620-10-679-000-458203-	Amort - Bond Premium	-87,235.00	-87,235.00	-87,235.00	.00
620679	459101 0620-10-679-000-459101-	Interest-Investments	-15,000.00	.00	-60,000.00	300.00
620679	462401 0620-10-679-000-462401-	Metered Residential Sales	-1,260,000.00	-1,206,000.00	-1,260,000.00	.00
			1.00	1,260,000.00	-1,260,000.00	
620679	462402 0620-10-679-000-462402-	Metered Commercial Sales	-475,000.00	-476,000.00	-484,000.00	1.89
			1.00	484,000.00	-484,000.00	
620679	462403 0620-10-679-000-462403-	Metered Industrial Sales	.00	.00	.00	.00
620679	462404 0620-10-679-000-462404-	Metered Public Authority Sales	-8,500.00	-24,000.00	-20,000.00	135.29
			1.00	20,000.00	-20,000.00	
620679	462405 0620-10-679-000-462405-	Metered Multi-Family sales	-130,000.00	-142,000.00	-145,000.00	11.54
			1.00	145,000.00	-145,000.00	
620679	462406 0620-10-679-000-462406-	Metered Irrigation Sales	83,000.00	-67,000.00	-83,000.00	-200.00
			1.00	83,000.00	-83,000.00	
620679	462411 0620-10-679-000-462411-	Residential Service Charge	-570,000.00	-576,000.00	-580,000.00	1.75
			1.00	580,000.00	-580,000.00	
620679	462412 0620-10-679-000-462412-	Commercial Service Charge	-99,000.00	-103,000.00	-104,000.00	5.05
			1.00	104,000.00	-104,000.00	
620679	462413 0620-10-679-000-462413-	Industrial Service Charge	.00	.00	.00	.00
620679	462414 0620-10-679-000-462414-	Public Authority Service Chrg	-5,000.00	-8,000.00	-8,000.00	60.00
			1.00	8,000.00	-8,000.00	
620679	462415 0620-10-679-000-462415-	Multi Family Service Charge	-21,000.00	-21,000.00	-21,000.00	.00
			1.00	21,000.00	-21,000.00	

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DEPARTMENT BUDGET REQUESTSP 2
bgdept r

BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	462416	Irrigation Service Charge	-12,500.00	-12,500.00	-12,500.00	.00
	0620-10-679-000-462416-		1.00	12,500.00	-12,500.00	
620679	462462	Private Fire Protection	-53,000.00	-58,000.00	-58,000.00	9.43
	0620-10-679-000-462462-		1.00	58,000.00	-58,000.00	
620679	462463	Public Fire Protection	-750,000.00	-763,000.00	-770,000.00	2.67
	0620-10-679-000-462463-		1.00	770,000.00	-770,000.00	
620679	462465	Other Sales of Water	.00	.00	.00	.00
	0620-10-679-000-462465-					
620679	463701	Late Penalty Revenue	-7,000.00	-10,000.00	-10,500.00	50.00
	0620-10-679-000-463701-					
620679	463702	Tax Certification Fees	-1,400.00	-3,000.00	-3,250.00	132.14
	0620-10-679-000-463702-					
620679	463772	Water Rents / Cell Leases	-95,000.00	-87,000.00	-87,000.00	-8.42
	0620-10-679-000-463772-					
	US Cellular		1.00	38,000.00	-38,000.00	
	T Mobile		1.00	38,000.00	-38,000.00	
	Misc		1.00	19,000.00	-19,000.00	
	Justin S General Fund / Water Fund Reallocation		1.00	8,000.00	8,000.00	
620679	463774	Water Other Customer Rev	-4,800.00	-4,800.00	-4,800.00	.00
	0620-10-679-000-463774-					
620679	464421	Misc Non-Operating Income	-15,000.00	-3,861.75	-5,000.00	-66.67
	0620-10-679-000-464421-					
620679	465421	Capital Contributions	-30,000.00	-180,000.00	-100,000.00	233.33
	0620-10-679-000-465421-					
	River Road Wellhouse Abandonment		1.00	100,000.00	-100,000.00	
620679	469009	Transfers In	.00	.00	.00	.00
	0620-10-679-000-469009-					
620679	602001	Purchased Water	845,000.00	885,000.00	950,000.00	12.43
	0620-10-679-000-602001-					
	Milwaukee Water Works		1.00	720,000.00	720,000.00	
	North Shore Water		1.00	230,000.00	230,000.00	

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bgdept r

BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	614001	Maintenance of Wells/Springs	18,000.00	.00	18,000.00	.00
	0620-10-679-000-614001-	Abandonment of MBP 1 Well	1.00	18,000.00	18,000.00	
620679	620001	Pumping Superv & Engineering	2,400.00	.00	2,640.00	10.00
	0620-10-679-000-620001-	City Water Management Contract	12.00	220.00	2,640.00	
620679	623001	Electric/Power For Pumping	10,500.00	10,500.00	10,500.00	.00
	0620-10-679-000-623001-		1.00	10,500.00	10,500.00	
620679	626003	Miscellaneous Pumping Expenses	2,000.00	2,000.00	2,000.00	.00
	0620-10-679-000-626003-		1.00	2,000.00	2,000.00	
620679	631003	Maint of Structures	3,000.00	.00	9,000.00	200.00
	0620-10-679-000-631003-		1.00	9,000.00	9,000.00	
620679	633001	Maintenance of Pump Equip	4,500.00	4,500.00	4,500.00	.00
	0620-10-679-000-633001-	City Water Operations Contract	1.00	4,500.00	4,500.00	
620679	633002	Maint of Pump Equip Materials	.00	.00	.00	.00
	0620-10-679-000-633002-					
620679	633003	Maint of Pump Equip Expenses	2,500.00	2,250.00	2,000.00	-20.00
	0620-10-679-000-633003-		1.00	2,000.00	2,000.00	
620679	660001	T&D Supervision & Engineering	56,400.00	56,400.00	62,143.00	10.18
	0620-10-679-000-660001-	City Water Management Contract	12.00	2,420.00	29,040.00	
		City of Mequon Chargeback	1.00	33,103.00	33,103.00	
620679	661001	Storage Facilities Labor	2,500.00	2,375.00	2,500.00	.00
	0620-10-679-000-661001-	City Water Operations Contract	1.00	2,500.00	2,500.00	
620679	662001	T&D Lines Labor	78,000.00	69,000.00	90,000.00	15.38
	0620-10-679-000-662001-	City Water Operations Contract	1.00	90,000.00	90,000.00	
620679	662002	T&D Lines Materials	2,500.00	1,250.00	3,000.00	20.00
	0620-10-679-000-662002-	TOOLS & EQUIPMENT	1.00	1,500.00	1,500.00	
		WATER TESTING CHEMICALS/REAGENTS	1.00	1,500.00	1,500.00	

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DEPARTMENT BUDGET REQUESTSP
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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	662003	T&D Lines Expenses	60,000.00	60,000.00	80,000.00	33.33
	0620-10-679-000-662003-	USIC - LOCATING SERVICES	1.00	35,000.00	35,000.00	
		WATER TESTING, SAMPLING, FLEET CHARGEBACKS	1.00	45,000.00	45,000.00	
620679	663001	Meter Labor	40,000.00	55,000.00	40,000.00	.00
	0620-10-679-000-663001-	CITY WATER METER SWAP PROJECT	1.00	30,800.00	30,800.00	
		City Water Operations Contract	1.00	9,200.00	9,200.00	
620679	663002	Meter Materials	500.00	.00	500.00	.00
	0620-10-679-000-663002-		1.00	500.00	500.00	
620679	663003	Meter Expenses	500.00	100.00	500.00	.00
	0620-10-679-000-663003-	Motor Fuels & Lubricants	1.00	500.00	500.00	
620679	664001	Customer Installations Labor	22,000.00	15,000.00	20,000.00	-9.09
	0620-10-679-000-664001-	City Water Operations Contract	1.00	20,000.00	20,000.00	
620679	664002	Customer Installations Material	.00	.00	.00	.00
	0620-10-679-000-664002-					
620679	664003	Customer Installations Expense	2,500.00	2,500.00	2,500.00	.00
	0620-10-679-000-664003-	Motor Fuels & Lubricant	1.00	2,500.00	2,500.00	
620679	665001	Misc Expenses Labor	5,000.00	5,000.00	5,000.00	.00
	0620-10-679-000-665001-	City Water Operations Contract	1.00	5,000.00	5,000.00	
620679	665002	Misc T&D Materials	3,000.00	750.00	3,000.00	.00
	0620-10-679-000-665002-		1.00	3,000.00	3,000.00	
620679	670001	Maintenance Supervision	24,000.00	24,000.00	26,400.00	10.00
	0620-10-679-000-670001-	City Water Management Contract	12.00	2,200.00	26,400.00	
620679	672001	Maintenance of Reservoirs	12,000.00	9,200.00	10,000.00	-16.67
	0620-10-679-000-672001-	City Water Operations Contract	1.00	10,000.00	10,000.00	
620679	672002	Maintenance of Res Materials	.00	.00	.00	.00
	0620-10-679-000-672002-					

Attachment: Exhibit C - 2023 Water Operations Budget Detail (7746 : Proposed FY 2023 Water Utility

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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	672003	Maintenance of Res Expenses	500.00	500.00	15,000.00	2,900.00
	0620-10-679-000-672003-		1.00	15,000.00	15,000.00	
620679	673001	Maintenance of Mains	21,165.00	21,165.00	21,165.00	.00
	0620-10-679-000-673001-	City Water Operations Contract	1.00	21,165.00	21,165.00	
620679	673002	Maintenance of Mains Materials	25,000.00	25,000.00	25,000.00	.00
	0620-10-679-000-673002-	Valve Replacement	1.00	25,000.00	25,000.00	
620679	673003	Maintenance of Mains Expenses	40,000.00	40,000.00	40,000.00	.00
	0620-10-679-000-673003-	Maintenance of Mains Expenses	1.00	37,000.00	37,000.00	
		Motor Fuels & Lubricant	1.00	3,000.00	3,000.00	
620679	673101	Social Security	4,881.00	4,851.00	4,708.00	-3.54
	0620-10-679-000-673101-		.00	.00	2,530.00	
			.00	.00	592.00	
			.00	.00	1,285.00	
			.00	.00	301.00	
620679	673102	Retirement	4,456.00	4,497.00	4,545.00	2.00
	0620-10-679-000-673102-		.00	.00	3,004.00	
			.00	.00	1,541.00	
620679	673103	Worker's Comp Insurance	1,420.00	1,215.12	1,075.00	-24.30
	0620-10-679-000-673103-					
620679	673201	Health Insurance	16,375.00	19,500.00	23,196.00	41.65
	0620-10-679-000-673201-		.00	.00	11,598.00	
			.00	.00	11,598.00	
620679	673202	Dental Insurance	684.00	850.00	1,018.00	48.83
	0620-10-679-000-673202-		.00	.00	509.00	
			.00	.00	509.00	
620679	673203	Life Insurance	224.00	110.00	86.00	-61.61
	0620-10-679-000-673203-		.00	.00	48.00	
			.00	.00	38.00	

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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	673204	Long Term Disability	270.00	275.00	300.00	11.11
	0620-10-679-000-673204-					
620679	675001	Maintenance of Services	54,580.00	50,680.00	50,000.00	-8.39
	0620-10-679-000-675001-					
		City Water Operations Contract	1.00	50,000.00	50,000.00	
620679	675002	Maintenance of Services Mat	13,000.00	13,300.00	15,000.00	15.38
	0620-10-679-000-675002-					
			1.00	15,000.00	15,000.00	
620679	675003	Maintenance of Services Exp	5,000.00	5,800.00	5,000.00	.00
	0620-10-679-000-675003-					
		Maintenance of Services Expense	1.00	2,450.00	2,450.00	
		Motor Fuels & Lubricants	1.00	2,550.00	2,550.00	
620679	676001	Maintenance of Meters	3,000.00	2,680.00	3,500.00	16.67
	0620-10-679-000-676001-					
		City Water Operations Contract	1.00	3,500.00	3,500.00	
620679	676002	Maintenace of Meters Mat	800.00	800.00	800.00	.00
	0620-10-679-000-676002-					
			1.00	800.00	800.00	
620679	676003	Maintenance of Meters Exp	150.00	100.00	300.00	100.00
	0620-10-679-000-676003-					
			1.00	300.00	300.00	
620679	676205	OPEB & Supp Pension Expense	.00	.00	.00	.00
	0620-10-679-000-676205-					
620679	677001	Maintenance of Hydrants	18,000.00	17,220.00	18,000.00	.00
	0620-10-679-000-677001-					
		City Water Operations Contract	1.00	18,000.00	18,000.00	
620679	677002	Maintenance of Hydrants Mat	13,000.00	13,000.00	13,000.00	.00
	0620-10-679-000-677002-					
			1.00	13,000.00	13,000.00	
620679	677003	Maintenance of Hydrants Exp	5,000.00	5,000.00	5,000.00	.00
	0620-10-679-000-677003-					
		Maintenance of Hydrants Expense	1.00	4,150.00	4,150.00	
		Motor Fuels & Lubricants	1.00	850.00	850.00	
620679	696121	MF Depreciation Expense	615,000.00	650,000.00	670,000.00	8.94
	0620-10-679-000-696121-					

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DEPARTMENT BUDGET REQUESTSP 7
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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	696204	Amortization-Bond Discount 0620-10-679-000-696204-	.00	.00	.00	.00
620679	696401	Principal-Bonds 0620-10-679-000-696401-	.00	.00	.00	.00
620679	696501	Interest-Bonds 0620-10-679-000-696501-	362,442.00	362,442.00	323,708.00	-10.69
		Amortize Loss on Refunding 2023 Debt Service	1.00 1.00	48,410.00 275,298.00	48,410.00 275,298.00	
620679	696502	Water Debt Service 0620-10-679-000-696502-	875.00	475.00	475.00	-45.71
620679	696601	Taxes Paid 0620-10-679-000-696601-	.00	.00	.00	.00
620679	696701	Interest-Municipal Advances 0620-10-679-000-696701-	.00	.00	.00	.00
620679	901001	Customer Accounts Supervision 0620-10-679-000-901001-	74,548.00	74,500.00	72,843.00	-2.29
			.50	88,352.00	44,176.00	
			.50	45,334.00	22,667.00	
		City Water Management Contract	12.00	500.00	6,000.00	
620679	902001	Meter Reading Labor 0620-10-679-000-902001-	5,000.00	7,810.00	10,000.00	100.00
		City Water Operations Contract	1.00	10,000.00	10,000.00	
620679	902002	Meter Reading Materials 0620-10-679-000-902002-	.00	.00	.00	.00
620679	902003	Meter Reading Expenses 0620-10-679-000-902003-	6,880.00	6,400.00	6,930.00	.73
		Itron Meter Reading Software	1.00	5,000.00	5,000.00	
		Chargeback for City Car	4.00	220.00	880.00	
		Midwest Meter - MVRs Upgrade Implementation	1.00	1,050.00	1,050.00	
620679	903001	Accounting/Collecting Labor 0620-10-679-000-903001-	36,800.00	36,800.00	40,111.00	9.00
		City Water Management Contract	12.00	400.00	4,800.00	
		City of Mequon Chargeback	1.00	35,311.00	35,311.00	
620679	903002	Accounting/Collecting Material 0620-10-679-000-903002-	8,000.00	8,000.00	9,000.00	12.50
		Postage	1.00	9,000.00	9,000.00	

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DEPARTMENT BUDGET REQUESTSP 8
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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	903003	Accounting/Collecting Expenses	475.00	400.00	475.00	.00
	0620-10-679-000-903003-	BANK FEES	1.00	475.00	475.00	
620679	904001	Uncollectible Accounts	.00	.00	.00	.00
	0620-10-679-000-904001-					
620679	906001	Customer Education Service	7,200.00	7,200.00	7,920.00	10.00
	0620-10-679-000-906001-	City Water Management Contract	12.00	660.00	7,920.00	
620679	920001	Admin/General Salaries	95,300.00	95,300.00	102,024.00	7.06
	0620-10-679-000-920001-	City Water Operations Contract	1.00	30,300.00	30,300.00	
		City of Mequon Chargeback	1.00	71,724.00	71,724.00	
620679	921001	Office Supplies	5,000.00	4,500.00	5,000.00	.00
	0620-10-679-000-921001-	Office Supplies	1.00	2,500.00	2,500.00	
		Telephone Services	1.00	2,500.00	2,500.00	
620679	923001	Outside Services Employed	11,700.00	27,000.00	13,900.00	18.80
	0620-10-679-000-923001-	Baker Tilly	1.00	5,500.00	5,500.00	
		Digger's Hotline Subscription	12.00	700.00	8,400.00	
620679	924001	Property Insurance	4,000.00	4,400.00	4,200.00	5.00
	0620-10-679-000-924001-	Auto Insurance	1.00	1,200.00	1,200.00	
		Liability Insurance	1.00	3,000.00	3,000.00	
620679	925003	Injuries & Damages	.00	.00	.00	.00
	0620-10-679-000-925003-					
620679	926007	Training/Seminars	1,500.00	500.00	1,500.00	.00
	0620-10-679-000-926007-	MUNIS TRAINING FOR PROFESSIONAL STAFF	2.00	750.00	1,500.00	
620679	928001	Regulatory Commission Expenses	20,500.00	20,500.00	15,000.00	-26.83
	0620-10-679-000-928001-	City Water - Study to implement	.00	.00	.00	
		America's Water Infrastructure Act	1.00	15,000.00	15,000.00	
		Public Service Commission/Baxter & Woodman for rate case fees				
620679	930001	Miscellaneous General Expenses	3,600.00	3,600.00	38,960.00	982.22
	0620-10-679-000-930001-	City Water Management Contract	12.00	330.00	3,960.00	
			1.00	35,000.00	35,000.00	

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**CITY OF MEQUON
 DEPARTMENT BUDGET REQUESTS**
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BUDGET PROJECTION 623 2023 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
620679	931001	Rental Costs	18,000.00	18,000.00	19,862.00	10.34
	0620-10-679-000-931001-	City of Mequon Chargeback for	1.00	19,862.00	19,862.00	
		Office/Shop Space				
		BUDGET CEILING:			-855,310.00	
		TOTALS:	-855,310.00	-1,073,201.63	-970,501.00	13.47
** END OF REPORT - Generated by Jennifer Engroff **						



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Office of Mequon Municipal Water Utility Commission

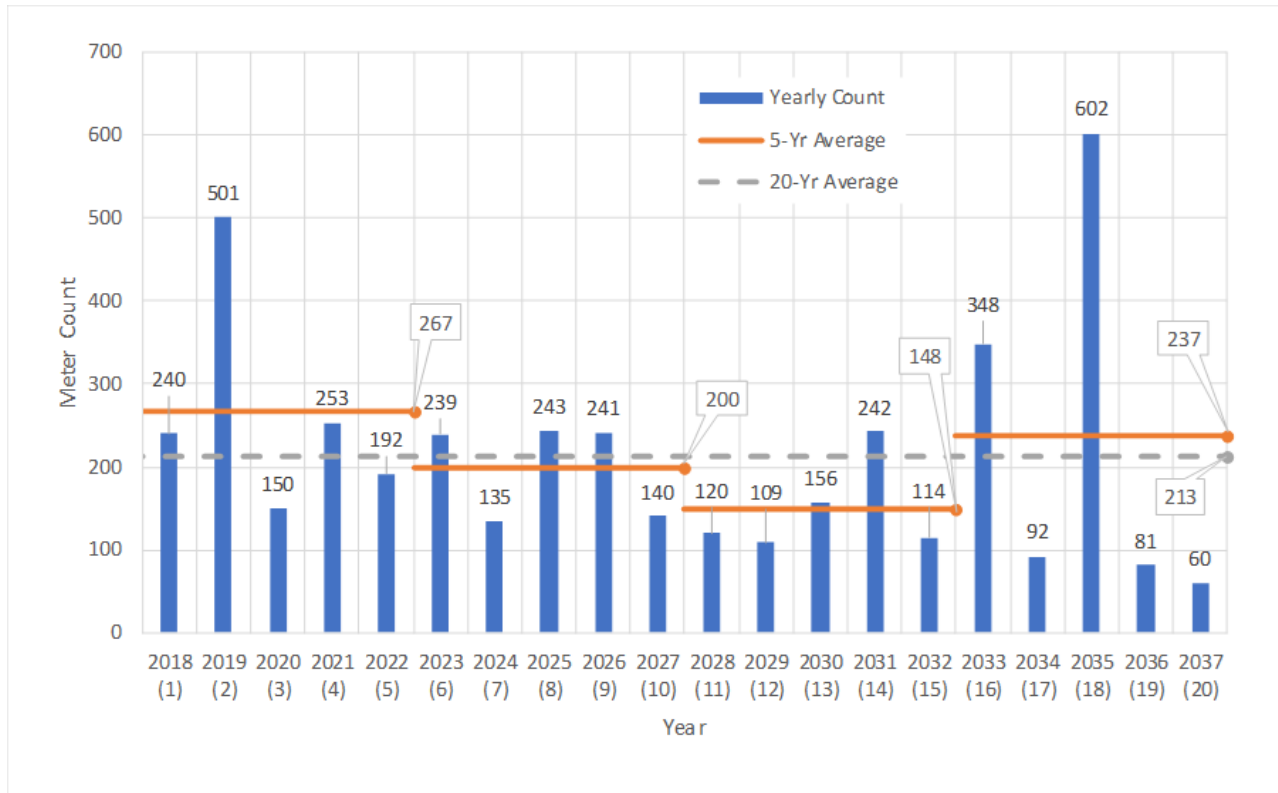
TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: October 27, 2022
SUBJECT: Authorization of 2023 Water Meter Purchase for 250 Meters and Associated Appurtenances in an Amount Not-to-Exceed \$68,000

Background

A Utility Meter Study, approved in March 2018, recommended following a proposed meter replacement schedule. The proposed schedule averages the yearly meter replacements over a 5-year period to meet the Public Service Commission's replacement regulations. Based upon the recommended replacement schedule, the Mequon Water Utility should replace 270 meters annually.

Due to ordering difficulties no meters were installed in 2018, however 521 meters were installed in 2019, and that was only 19 meters under the two-year goal of 540 meters replacements. COVID-19 impacted the installation schedule for 2020, as most homeowners did not want staff in their home. The Utility installed 540 meters in 2021, bringing the water utility back on schedule. In 2022 the utility purchased 320 meters, which provided flexibility for purchase and installation in 2022.

The Meter Study indicated in 2023 (see table below) that the Utility should reduce its replacement number by roughly 200 meters. Based on the issues staff has encountered due to COVID-19's impact on supply chains, it is recommended that the Utility purchase 250 meters in 2023 as a safety buffer.



Analysis

Existing meters will be replaced with Badger Meter nutating disc meters and 9-dial encoded registers. In addition to the new meter, new Riva endpoints will be installed in AMR mode and could be converted to an AMI mode in the future, per the recommendations of the Meter Study.



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: October 27, 2022
SUBJECT: Status Update: Village of River Hills Request for Water Service

On October 19, Water Utility staff was informed that the University School of Milwaukee's (USM) connection to the Mequon Water Utility as a part of the initial project was in question. The Village is requesting evaluation of the original request and a pro forma independent of requiring USM to connect, so that consideration and negotiations with the Water Utility can move forward. While inclusion of USM in the project was a goal, the Village will need to consider what the Mequon Water Utility requirements will be if USM does not agree to connect, or if they need to move forward before USM is willing to make a commitment.

The Mequon Water Utility has offered to meet with USM staff to outline the potential benefits, project logistics, and costs for connection.

As indicated, this is just a status update, and no action is requested at this time. The Village of River Hills has requested to meet with Mequon Water Utility staff but cannot meet until after the October 27 meeting. Staff will work with River Hills to outline any further information required from the Village before moving the item to the Water Utility Commission for consideration.

Please note that the correspondence received from the Village on October 19 did indicate that future replacement costs related to the original water main extension request would be supplemented by the Village, in order to make the pro-forma calculation work.



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Office of Engineering

TO: Mequon Municipal Water Utility Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: October 27, 2022
SUBJECT: Status Update: Residences at Foxtown Water Service Valve Failures

Mequon Water Utility staff responded to one of the units under construction at the Residences at Foxtown. While the irrigation contractor was trying to make a connection to the water lateral, the valve to shut off the service broke off. A nearby resident saw the Mequon Water Utility staff on site and identified pressure issues at his unit nearby. The Mequon Water Utility staff were unable to get the equipment onto the valve to shut off the service, which appeared to be broken similar to the first. A visual inspection of the other curb stop boxes and attempts to exercise the valves led to a concern that the issue is more widespread and not isolated to these two units.

Inspection of the parts removed from one of the damaged units show signs of material failure. Mequon Water Utility staff contacted both the contractor that installed the infrastructure and the manufacturer. The manufacturer will be examining the material and contacting the Water Utility staff with the results.

Until the cause and the extent of the issue is known, the recommendations or action items are unknown. For vacant lots, the valves can be replaced at the time of connection. For the units under construction, they can be replaced prior to occupancy. For the occupied units, the valves should be replaced proactively, before there is an emergency, and the service cannot be shut off.

At the time of final plat, the infrastructure, including the valves for the services, were dedicated to the Water Utility. The development agreement required a warranty for one-year after the final plat, which was July 2022. More than one year has passed, but the valves are failing decades before they should.

Mequon Water Utility staff will continue to investigate the issue, but there is the potential that all of the valves in the subdivision will require replacement to ensure the integrity of the system. For the vacant and not yet occupied units there may not be a significant impact, but for the occupied units, the existing landscaping and sidewalk will be impacted by the replacement.