MEQUON WATER UTILITY

11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262/242-3100

www.cityofmequonwi.gov

Department of Water Utility
Taped and Televised

MEQUON MUNICIPAL WATER UTILITY COMMISSION
Regular Meeting
Wednesday, August 12, 2026 - 7:15 PM
Or Immediately Following the Sewer Utility District Commission Meeting
Christine Nuernberg Hall

Agenda

1) **Call to Order and Roll Call**

2) **Approval of Meeting Minutes**

   a) Meeting minutes of March 10, 2026

3) **Discussion and Possible Action**

   a) Authorization of an Amendment to Financial Policy Statement 1: Reserve Requirements to Modify the Calculation of the Minimum Reserve Amount

   b) Authorization to Establish Financial Policy Statement 2: Water Utility Funding

   c) Consideration of an Amendment to the Mequon Municipal Water Utility's Water Connection Policy, Related to Cost Share for Betterment of Services Projects

4) **Adjourn**

DATED: August 6, 2026 /s/ Andrew Nerbun, Mayor

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 accommodation 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 City Clerk's Office at 262-236-2914, Monday through Friday, 8:00 AM – 4:30 PM.

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Department of Water Utility
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Mequon Municipal Water Utility Commission
Regular Meeting
Tuesday, March 10, 2026 - 7:15 PM
Or Immediately Following the Committee of the Whole Meeting
Christine Nuernberg Hall

Minutes

1) Call to Order and Roll Call

The meeting was called to order by Mayor Nerbun at 8:06 p.m.

Present:
Commissioner Andrew Nerbun
Commissioner Robert Strzelczyk
Commissioner Kelly Tolocko
Commissioner Dale Mayr
Commissioner Jeffrey Hansher
Commissioner Gregg Bach
Commissioner Brian Parrish
Commissioner Peter Bratt
Commissioner William Gebhardt

Also present: City Administrator William Jones, Assistant City Administrator Jessica Wolff, City Attorney Brian Sajdak, City Clerk Caroline Fochs, City Engineer Kristen Lundeen, Director of Operations – Water Utility Voigt, and Wastewater Superintendent Weinrich.

2) Approval of Meeting Minutes

a) Meeting minutes of November 4, 2025

MOTION:	Approval of November 4, 2025 Minutes
MOVER:	Commissioner Jeffrey Hansher
SECONDER:	Commissioner Peter Bratt

AYES:	Commissioner Andrew Nerbun, Commissioner Robert Strzelczyk, Commissioner Kelly Tolocko, Commissioner Dale Mayr, Commissioner Jeffrey Hansher, Commissioner Gregg Bach, Commissioner Brian Parrish, Commissioner Peter Bratt, Commissioner William Gebhardt
NAYS:	None
RESULT:	Approved by Voice Acclamation [Unanimous]

3) Discussion and Possible Action

a) Authorizing the Contract Award to Replace Three Hydrants and One Valve to Willkomm Excavating of Union Grove, Wisconsin in the amount of $71,700

Director of Operations – Water Utility Voigt reviewed the proposal to replace three hydrants and one valve and outlined the bid results. Board members asked about projected construction timing and any anticipated service disruptions; staff noted the work would be scheduled to minimize impacts and that residents would be notified in advance. The committee approved awarding the contract to Willkomm Excavating.

MOTION:	Approval
MOVER:	Commissioner Dale Mayr
SECONDER:	Commissioner William Gebhardt
AYES:	Commissioner Andrew Nerbun, Commissioner Robert Strzelczyk, Commissioner Kelly Tolocko, Commissioner Dale Mayr, Commissioner Jeffrey Hansher, Commissioner Gregg Bach, Commissioner Brian Parrish, Commissioner Peter Bratt, Commissioner William Gebhardt
NAYS:	None
RESULT:	Approved by Voice Acclamation [Unanimous]

b) Approving Award of the Following Items: (A) A Contract for Implementation of a Replacement Supervisory Control and Data Acquisition (SCADA) System to Integrated Process Solutions, Inc. of Fosston, Minnesota in the Amount of $1,921,500; and B) Execution of Task Order No. 2 for Project Management Services Under an Existing Contract with MSA Professional Services, Inc. of Kiel, Wisconsin in the Amount of $20,000

Director of Operations – Water Utility Voigt presented the recommended awards for implementation of the replacement SCADA system and associated project management services. Board members asked about anticipated integration with existing infrastructure and the projected implementation timeline; staff confirmed compatibility and outlined a phased installation approach. Staff also reviewed Task Order No. 2 under the existing contract with

MSA Professional Services, Inc. for project management services. The board approved the contract with Integrated Process Solutions, Inc. and Task Order No. 2 with MSA Professional Services, Inc.

MOTION:	Approval
MOVER:	Commissioner William Gebhardt
SECONDER:	Commissioner Brian Parrish
AYES:	Commissioner Andrew Nerbun, Commissioner Robert Strzelczyk, Commissioner Kelly Tolocko, Commissioner Dale Mayr, Commissioner Jeffrey Hansher, Commissioner Gregg Bach, Commissioner Brian Parrish, Commissioner Peter Bratt, Commissioner William Gebhardt
NAYS:	None
RESULT:	Approved by Voice Acclamation [Unanimous]

c) Authorization of Two Exemption Requests from the Village of Thiensville for the Requirement to Extend the Water Main Along the Property Lines at 240 Crescent Lane and 609 - 610 Oakwood Drive (Alberta Subdivision)

Director of Operations – Water Utility Voigt presented two exemption requests from the Village of Thiensville. Staff reviewed the circumstances prompting the requests and noted that the Village sought exemptions due to site conditions and the limited benefit of extending the mains at this time. Board members asked about long-term service implications and potential future infrastructure needs; staff confirmed that granting the exemptions would not affect system reliability. The board approved the two exemption requests.

MOTION:	Approval
MOVER:	Commissioner Jeffrey Hansher
SECONDER:	Commissioner Brian Parrish
AYES:	Commissioner Andrew Nerbun, Commissioner Robert Strzelczyk, Commissioner Kelly Tolocko, Commissioner Dale Mayr, Commissioner Jeffrey Hansher, Commissioner Gregg Bach, Commissioner Brian Parrish, Commissioner Peter Bratt, Commissioner William Gebhardt
NAYS:	None
RESULT:	Approved by Voice Acclamation [Unanimous]

4) Adjourn

Motion to adjourn at 8:27 p.m.

MOTION:	Adjourn
MOVER:	Commissioner Gregg Bach
SECONDER:	Commissioner Peter Bratt
AYES:	Commissioner Andrew Nerbun, Commissioner Robert Strzelczyk, Commissioner Kelly Tolocko, Commissioner Dale Mayr, Commissioner Jeffrey Hansher, Commissioner Gregg Bach, Commissioner Brian Parrish, Commissioner Peter Bratt, Commissioner William Gebhardt
NAYS:	None
RESULT:	Approved by Voice Acclamation [Unanimous]

Respectfully Submitted,
Kaitlynn Honeck
DPW Administrative Assistant

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www.cityofmequonwi.gov **Water**

TO:	**Mequon Municipal Water Utility Commission**
FROM:	**Kristen Lundeen, Director Public Works/City Engineer**
DATE:	**August 12, 2026**
SUBJECT:	**Authorization of an Amendment to Financial Policy Statement 1: Reserve Requirements to Modify the Calculation of the Minimum Reserve Amount**

Background

At the July Committee of the Whole meeting, Ehlers presented a review of the long-term financial planning for the Water Utility. At the conclusion, Ehlers recommended that the Water Utility update the reserve policy to follow rate-based financial practices rather than levy-based financial practices. Staff presented draft policy language following those recommendations.

Analysis

Currently, the City and Sewer Utility have a combined Financial Policy document, whereas the Water Utility has a stand-alone Financial Policy document. Upon conclusion of the long-range financial planning initiatives, staff intends to streamline the financial policies into one document, with separate sections for the City, Sewer Utility and Water Utility.

The amended language within Policy Statement 1 is largely the same as presented at the July meeting, with the following amendments for clarification (highlighted in yellow within the document):

- Listing of accounts that are utilized to determine the value of the operating budget
- Clarification that the reserve amount is calculated exclusively from the bond covenant
- Clarification that the reserve will be calculated and reallocation considered upon conclusion of the fiscal year's audit
- Typographical and administrative adjustments

Fiscal Impact

The proposed policy modifies the minimum undesignated cash reserve calculation from 80% of the current year's operating budget within a minimum required balance of $2M to six (6) months' worth of operating expenditures (calculated as fifty percent (50%) of total annual expenditures within the operating budget), plus the next fiscal year's debt payment (principal and interest).

Note this is calcuated separately from the bond covenant.

For reference, the calculation based on Fiscal Year 2025 (the most recent fiscal year with a completed audit) would result in the following minimum reserve amounts:

CURRENT POLICY	PROPOSED POLICY
$2,552,496	$2,679,740

Recommendation

Staff recommends that the Water Utility Commission consider and approve the proposed amendment to Financial Policy Statement 1: Reserve Requirements to modify the calculation of the minimum reserve amount.

Attachments:
Water Utilty Commission Cash Reserves Financial Policy 1 (Amendment 8.12.26)

FINANCIAL POLICY STATEMENT 1
RESERVE REQUIREMENTS

To respond to unforeseen situations, the Mequon Municipal Water Utility will strive to maintain an undesignated cash reserve balance equivalent to ~~eighty (80) percent of the current operating expenditure budget (excluding capital), with a minimum required balance of $2,000,000~~ six (6) months' worth of operating expenditures (calculated as fifty percent (50%) of the total annual operating budget), plus the next fiscal year's debt payment (Principal and Interest).

For purposes of calculating the reserve amount, the operating budget is defined to include:

- Source of Supply Expense accounts (65)
- Pumping Expenses accounts (66)
- Transmission & Distribution accounts (67)
- Customer Accounts Expense accounts (68)
- Fringe Benefits accounts (73)
- Administrative & General Expense accounts (76)
- Depreciation Expense (696121)

Excess Water reserves may be reallocated upon completion of the fiscal year audit. Funds eligible for reallocation shall be restricted to the excess Water reserves calculated at the conclusion of the fiscal year audit. Projected reserves from the current/future fiscal years shall be held until the conclusion of that fiscal year's audit.

Funds in excess of these limits upon completion of the fiscal year audit 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.

Process Overview:

Changes in cash reserves occur primarily in one of two ways, either through net income or losses in the annual operating budgets, or through planned capital expenditure uses.

The undesignated cash reserve balance shall be held exclusively from the bond covenant, and the Mequon Municipal Water Utility shall hold reserves to meet both requirements exclusively from each other.

To provide the Mequon Municipal Water Utility Commission with the information necessary to determine if the cash reserve balance will be at the targeted level, City staff will present information to the Commission on the current cash reserve as a part of the annual budgeting process. Included in this informational material will also be staff's projections on any budget surpluses or deficits, including a multi-year cash reserve balance history.

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www.cityofmequonwi.gov **Water**

TO:	**Mequon Municipal Water Utility Commission**
FROM:	**Kristen Lundeen, Director Public Works/City Engineer**
DATE:	**August 12, 2026**
SUBJECT:	**Authorization to Establish Financial Policy Statement 2: Water Utility Funding**

Background

At the July Committee of the Whole meeting, Ehlers presented a review of the long-term financial planning for the Water Utility. Staff followed by presenting a draft policy to memorialize all of the best management practices recommended for proper utility accounting.

Analysis

Currently, the City and Sewer Utility have a combined Financial Policy document, whereas the Water Utility has a stand-alone Financial Policy document. Upon conclusion of the long-range financial planning initiatives, staff intends to streamline the financial policies into one document, with separate sections for the City, Sewer Utility and Water Utility.

The proposed language for Policy Statement 2 is largely the same as presented at the July meeting, with the following amendments for clarification (highlighted in yellow within the document):

- Inclusion of the PSC definitions for Simplified Rate Case, Conventional Rate Case and Purchased Water Adjustment
- Guiding language to consider a rate adjustment when the PSC Rate of Return (ROR) nears 15%
- The "most important slide" presented by Ehlers with the projected ROR compared with the PSC benchmark will be included with the annual budget materials
- Typographical and administrative edits

Fiscal Impact

There is no direct fiscal impact with adoption of the policy. Utility staff follows PSC regulations for annual budget generation and presentation to the Water Utility Commission. The policy document provides an interface between PSC regulations and the annual budget generation in an easy to follow guideline, with some goals and parameters to memorialize best practices.

Recommendation

Staff recommends that the Water Utility Commission review and authorize the creation of Policy Statement 2: Water Utility Funding.

Attachments:
Water Utilty Commission Financial Policy 2 Water Utility Funding

FINANCIAL POLICY STATEMENT 2
WATER UTILITY FUNDING

The Mequon Water Utility funds capital, operation and maintenance expenses through user rates as an enterprise fund. No City property tax revenues shall be used to purchase, operate or improve the utility. User rates consist of:

- **Water Service Charge**: Fixed charge based on capacity of service and maintenance of the water system; determined by meter size.
- **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.
- **Water Volume Charge**: Variable charge based on the number of gallons of water used during the quarterly billing period.

The intent of this policy is to validate the method by which the Mequon Water Utility evaluates financial performance and determines when to initiate a rate case with the Public Service Commission (PSC). The policy will be utilized for the development of the Mequon Water Utility's annual operating and capital budgets.

The PSC defines the following:

- **Simplified Rate Case (SRC):** The SRC is a simple and convenient way for municipal utilities that meet specific criteria to increase water rates. This process provides an inflationary type increase that helps utilities maintain revenue continuity. Customers may benefit from a utility using the SRC process to provide smaller, more frequent rate increases. The SRC process includes an SRC application and a notice to customers but does not require a public hearing.
- **Conventional Rate Case (CRC):** Before a public utility can change its rates and begin billing customers using those rates, the utility must receive approval from the PSC. If a utility is interested in more substantial changes to its rates, it should file an application for a CRC.
- **Purchased Water Adjustment:** Offers a utility the ability to file for a water rate adjustment based on a rate increase from its wholesale supplier.

Annually, the Water Utility budget shall be generated with the following goals:

- No rate adjustments without a PSC approved rate case.
- Self-funded capital accounts are to meet projected capital needs.
- Maintaining a recommended debt service coverage ratio of 1.6 or less.
- Utilizing a Simplified Rate Case when available and a Conventional Rate Case when required.
- Utilizing a Purchased Water Adjustment when available.
- The required user rate revenue adjustment to meet the PSC rate of return (ROR) shall not exceed 15%.

Staff is required to report whether this policy framework is being achieved with each budget cycle.

Rate Case
The Mequon Water Utility may consider a simplified ~~or conventional rate~~ case if the PSC report indicates that year's SRC rate will not result in the Utility exceeding the PSC's benchmark ROR. It should be noted that under current PSC rules the Mequon Water Utility can only complete a simplified rate case within five years of the effective date of its last conventional rate case.

The Mequon Water Utility may consider a conventional rate case based on the outcome of Item 4 listed in the annual budget process below.

Capital Funding
The Mequon Water Utility will endeavor to be self-funding for capital projects when practical and when user rates will not vary significantly as a result. Terms for any borrowing shall consider whether:

- The Utility's Undesignated Cash Reserves Policy can be met as a result of capital expenditures.
- Appropriate cash balances remain at the end of the planning period.
- Future debt is structured around existing debt until additional debt capacity ~~is~~ becomes available.

Payment in Lieu of Taxes (PILOT)
At the request of the City of Mequon via resolution, the Mequon Water Utility may be subject to a PILOT payment after PSC authorization of a rate case, where the resulting PILOT payment will not trigger an additional rate case.

Process Overview:

Annually, the Mequon Water Utility Budget shall be generated as follows:

1. Identify the anticipated expenses for the fiscal year by populating the anticipated fiscal year expenditures for operation and maintenance, for both the Mequon Water Utility and purchased water contracts.
2. Calculate the revenue generated by the user rates. From that, subtract the operating costs to identify the remaining revenue available and allocate such as self-funding capital.
3. Validate and report to the Mequon Municipal Water Utility Commission whether the budget meets this policy's goals, including the amount allocated for undesignated cash reserves.
4. Project the anticipated ROR and compare it to the PSC benchmark.
5. Allocate the capital funding and excess undesignated cash reserves to the appropriate capital accounts.

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www.cityofmequonwi.gov **Water**

TO:	**Mequon Municipal Water Utility Commission**
FROM:	**Kristen Lundeen, Director Public Works/City Engineer**
DATE:	**August 12, 2026**
SUBJECT:	**Consideration of an Amendment to the Mequon Municipal Water Utility's Water Connection Policy, Related to Cost Share for Betterment of Services Projects**

Background

At the November 2025 Water Utility Commission (WUC) meeting, the WUC discussed a potential amendment to the Mequon Municipal Water Utility's Water Connection Policy, related to cost sharing for Betterment of Service (BOS) projects. The Water Utility has previously utilized the Development Agreement approval process to incorporate Water Utility upgrade and Betterment of Service (BOS) opportunities into various projects. Coordination results in cost efficiency both for the developer and the Utility rate payers.

The WUC agreed to review draft language for a potential policy amendment, but was not in favor of mandating special assessments for distribution of costs, instead indicating a willingness to consider a connection fee as a means of distributing the cost. Staff offered to create guidelines that may help substantiate the costs related to such a project and may help define bidding requirements in relation to cost share, build-and-contribute and reimbursement agreements. In general, the Commission was in favor of considering draft policy amendment language.

Analysis

Cost sharing for Betterment of Service provides a direct fiscal benefit to all utility users. Betterment of Service projects would otherwise be the sole fiscal responsibility of the Water Utility. Leveraging the build and contribute process to accomplish Betterment of Service priorities rests in efficient utility growth and will help maintain level water rates through lower capital funding impacts.

Examples of collaborations include:

- Water main extension on Industrial Drive to complete a system loop associated with the Foxtown PUD (no Water Utility cost contribution)
- Meter vault installation and transmission water main pipe diameter upsizing for Swan Ridge Farms (Water Utility reimbursement for associated BOS expenses)
- Oriole Lane water main pipe diameter upsizing for future system loop (Water Utility

reimbursement for pipe upsizing costs)
- Burr Oak transmission water main pipe diameter upsizing (future Water Utility reimbursement when development is complete)

Including language within the Water Connection Policy provides clear, transparent guidance for applicants considering a request for a cost share for Betterment of Service projects.

Attached to this staff report are documents showing a recommended amendment to the existing Water Connection Policy Section VI.E. related to the calculation of the value of municipal water costs and a proposed new Section VI.F. that outlines the terms and conditions under which cost sharing for BOS projects is warranted and should be considered.

In addition to defining the merits for consideration and process for application, the proposed amendment also requires submittal of a "development plan" conforming to the Water Connection Policy that would be required simply to serve the property. A second "Betterment of Service plan" would also be provided to evaluate the impact and value of any cost sharing items. The process is intended to be similar to the yield plan process for rezoning.

Reimbursement can either include direct utility costs, or future connection costs for adjacent properties benefiting from the BOS project, but that have not yet developed.

Fiscal Impact

The value of the fiscal impact is dependent upon the project and extent of the Betterment of Service component(s). Upsizing of the transmission main is one of the most typical distribution of BOS costs, followed by installation of loop connections. The WUC will continue to have the opportunity to consider the merits of each request, the value to the Water Utility and determine whether cost share is warranted.

Recommendation

Staff recommends that the Water Utility Commission review and approve the amendment to the Water Connection Policy to include cost sharing for betterment of service projects.

Attachments:

Cost to Connect VI.E. Amendment, Cost to Connect VI.F BOS Cost Share

VI. COST TO CONNECT

E. For Mequon Water Utility Costs

1. The developer shall be responsible for all costs of required water infrastructure sized for the demand of the development.

    a. Where the Mequon Water Utility system plan requires the installation of water main larger than 12 inches in diameter, the Mequon Water Utility shall pay the difference in cost between the installation of the pipe sized for the development demand and the system demand. Reimbursement for the increased pipe size shall be determined by bidding the water infrastructure sized for the demand of the development and bidding the water infrastructure sized for the system demand. The difference in cost between the water infrastructure sized for the demand of the development and the water infrastructure sized for the system demand shall be considered the reimbursement value.

    b. The City Engineer shall evaluate the appropriate allocation methodology, which may include consideration of development demand, system demand, capacity requirements, and proportional cost differences. For example, if the Development requires 10-inch water main to meet the requirements of this Policy, but a 16-inch water main is required for the transmission main, the Mequon Water Utility shall reimburse 37.5% of the water main cost.

    ~~b.~~c. Reimbursement for all other water infrastructure shall be calculated on the basis as recommended by the City Engineer and as approved by the Water Utility Commission.

VI. COST TO CONNECT

F. For Betterment of Service Costs

1. Cost Sharing Eligibility. The Mequon Water Utility recognizes that certain elements of a project may benefit both the direct users and all customers of the system. For such projects, there is a potential benefit in initiating a cost share for the Betterment of Service costs.

2. Eligible Betterment of Service Costs include:

    a. Infrastructure improvements including upgrading the size or capacity, installation and expansion of the utility plan which benefit ALL or a substantial number of customers of the system.

    b. Improvement can be in quantity, quality, or reliability of water service, or any other sufficient reason.

    c. The two best examples of these projects include water main system loops and water quality loops.

3. Projects potentially eligible for cost sharing include:

    a. Where the Water Utility initiates a Betterment of Service project that includes infrastructure required of a Build and Contribute Development.

    b. Where a Build and Contribute Development initiates a project that should incorporate a Betterment of Service Project.

    c. Where a mutually beneficial project would install both a Betterment of Service project and a Build and Contribute Development project.

    d. Any combination or partial installation of projects under Section IV.F.3.a-c.

4. Notwithstanding the requirements of Section VI.E., a developer may request a cost share for Betterment of Service costs. A request for a Betterment of Service Cost Share shall be submitted in writing to the Water Utility and it shall be accompanied by appropriate data, information, and development plans of the proposed use, in accordance with this policy. The request shall include:

a. A narrative description of the project, defining the infrastructure required for development to meet the requirements of the policy separately from the Betterment of Service infrastructure.

b. Submittal of plans. These plan layouts are intended to show conformance to the Water Connection Policy and will not be required to meet the full plan requirements of the Standard Specifications for Land Development.

   (1) Development Plan: The first layout shall show the infrastructure required for the project to meet the terms of Section XI and shall be the termed the "development" layout.
   (2) Betterment of Service Plan: The second layout shall show the ultimate or utility requested infrastructure layout and shall be termed the "Betterment of Service" layout.

c. Cost Estimate.

   (1) An itemized table, including estimated unit pricing and quantities, for the infrastructure attributed to the Development Plan. This table shall include a summary of the estimated value of the Development Plan.
   (2) An itemized table, including estimated unit pricing and quantities, for the infrastructure attributed to the Betterment of Service Plan. This table shall include a summary of the estimated value of the Betterment of Service Plan.

d. Requested amount of the Betterment of Service contribution. The value of the request Betterment of Service contribution shall not exceed the difference between the Development Plan and Betterment of Service Plan cost estimates provided in Section F.4.c.

5. Merits for Consideration. The Water Utility Commission shall consider the request for cost share within ninety (90) days of receipt. Staff will provide a recommendation based upon the project meeting the merits of this section of the Policy. The Water Utility Commission shall render a decision based upon:

   a. Minimum estimated Betterment of Service cost equal to or exceed 15% of the total estimated water utility infrastructure construction cost unless the Utility determines that exceptional circumstances justify an exception.

   b. Sufficient capital funding available for the amount of the request, or negotiation of a structured payment that allows for funding through future budget cycles.

c. Verification that the project includes Betterment of Service infrastructure meets the requirements of this section.

d. Confirmation that the Betterment of Service is more effectively and economically installed as part of the proposed project than through a future independent installation, with consideration given to factors such as construction timing, cost savings, and reduced disruption.

e. Fiscal analysis validating both a fair cost allocation and neutral impact on water rates.

6. Calculation of Cost Share Benefit. Requests for Mequon Water Utility reimbursement shall follow Section VI.E.

G. Reimbursement of Infrastructure Cost for Benefitting Properties of Betterment of Service Projects

1. This section only applies to projects that qualify for Betterment of Service reimbursement under Section VI.F. This section does not apply to any infrastructure costs required to serve a property, as defined within this policy.

2. In lieu of the Refund Agreement defined in the Mequon Water Utility Customer Connection Rules, at the time of negotiating a Development Agreement or a Water Services Agreement, the developer may request consideration of a request for reimbursement of Connection Charges for new benefitting properties. The calculation for the Connection Charge is also defined in the Mequon Water Utility Customer Connection Rules.

3. The result of the request must be fiscally neutral for the Mequon Water Utility. The concept for reimbursement shifts the initial holding costs for the project from the developer to the Mequon Water Utility. The Mequon Water Utility would subsequently collect against those holding costs through the future Connection Fees from the new benefitting properties.

4. New benefitting properties defined: a new benefitting property is defined as a property that is not a Water Utility customer nor an on-main, not using property prior to the development project, but through the completion of the project, would become a Water Utility customer or an on-main, not using property.

5. Eligible Reimbursement Cost to Benefitting Properties includes the total value of the Connection Charges resulting directly from the installation of the project. Water Utility staff will identify and the Water Utility Commission will approve the Connection Charges at the time of the request.

6. Notwithstanding the requirements of Section VI.E., a developer may request the Mequon Water Utility reimburse the Connection Fees for new benefitting properties.

7. A request for a Betterment of Service Cost Share shall be submitted in writing to the Water Utility and it shall be accompanied by appropriate data, information, and development plans of the proposed use, in accordance with this policy. The request shall include:

   a. A map identifying all benefitting properties and a table with each property listed, as well as the number of Connection Charges assumed for each property. *NOTE: Per Section VI.G.5. a benefitting property cannot require a subsequent Local Delivery Main in order to be served.*

   b. The Calculation of Connection Charge, as defined by the Mequon Water Utility Customer Connection Rules.

   c. The total request for reimbursement, not to exceed the calculation of the number of new benefitting properties times the Connection Charge.