11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2934
Fax: 262-242-9655

www.cityofmequonwi.gov Public Works/Engineering

Taped and Televised

SEWER UTILITY DISTRICT COMMISSION
Tuesday, November 4, 2025
6:00 PM
Christine Nuernberg Hall

Agenda

1) Call to Order, Roll Call
2) Approval of Meeting Minutes
   Action requested: review and approve
   a. Sewer Minutes
3) Ordinances
   Action requested: review and recommend approval
   1. **ORDINANCE 2025-1684** An Ordinance Appropriating the Necessary Funds from the City of Mequon's Sewer Utility District for the Year 2026 for Capital Charge Payments to the Milwaukee Metropolitan Sewerage District (MMSD) and City of Mequon Capital Debt Service Requirements
4) Resolutions
   Action requested: review and recommend approval
   a. **RESOLUTION 4238** A Resolution Adopting the Fiscal Year 2026 Sanitary Sewer Utility Budget and Establishing the 2026 Sanitary Sewer User Fee Schedule
5) Discussion Items
   a. Discussion Concerning Public Sewer Lateral Reimbursement Policy
6) Adjourn

Dated: November 4, 2025 *\/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 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 City Administrator's Office at 262-236-2941, Monday through Friday, 8:00 AM – 4:30 PM

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Public Works/Engineering

SEWER UTILITY DISTRICT COMMISSION
Tuesday, August 12, 2025
7:30 PM
American Legion Post #457
6050 W Mequon Rd.
Minutes

1) Call to Order, Roll Call

The meeting was called to order at 7:38 PM.

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

2) Resolutions

Action requested: review and recommend approval

a. **RESOLUTION 4226** A Resolution Awarding a Consulting Agreement in Connection with the Selection Process for a New SCADA System to MSA Professional Services, Inc., of Mequon, Wisconsin, in the Amount of $27,500

RESULT:	**Approved by Roll Call Vote [8:1]**
MOVED BY:	Commissioner Hansher
SECONDED BY:	Commissioner Gebhardt

DRAFT

Attachment: Sewer 8.12.25 DRAFT (10780 : Sewer Minutes)

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
DEEMED NO:	Bratt

b. **RESOLUTION 4220** A Resolution Authorizing Execution of a Memorandum of Understanding with the Milwaukee Metropolitan Sewerage District for the Replacement or Repair of an Estimated 120 Sanitary Laterals Through the Private Property Infiltration and Inflow Reduction Program

Director of Public Works/City Engineer Lundeen clarified that both the existing balance and annual allocation are incorporated into the memorandum. She further clarified the areas selected are based upon a prioritization study.

RESULT:	**Approved by Roll Call Vote [8:1]**
MOVED BY:	Commissioner Mayr
SECONDED BY:	Commissioner Strzelczyk

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
DEEMED NO:	Bratt

c. **RESOLUTION 4221** A Resolution Declaring the Public Necessity and Adopting a Relocation Order for the Ranch Road Lift Station E Reconstruction Project

RESULT:	**Approved by Roll Call Vote [8:1]**
MOVED BY:	Commissioner Hansher
SECONDED BY:	Commissioner Mayr

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
DEEMED NO:	Bratt

3) Adjourn at 7:43 PM.

RESULT:	**Approved by Roll Call Vote [8:1]**
MOVED BY:	Commissioner Hansher
SECONDED BY:	Commissioner Gebhardt

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
DEEMED NO:	Bratt

Respectfully Submitted,
Beth Kong, Deputy Clerk

11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone:
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www.cityofmequonwi.gov
Office of Sewer Utility District Commission

TO: Sewer Utility District Commission
FROM: Brenda Arnett, Finance Director
DATE: November 4, 2025
SUBJECT: ORDINANCE 2025-1684 An Ordinance Appropriating the Necessary Funds from the City of Mequon's Sewer Utility District for the Year 2026 for Capital Charge Payments to the Milwaukee Metropolitan Sewerage District (MMSD) and City of Mequon Capital Debt Service Requirements

Background

An ordinance is required in order to appropriate the necessary funds for the City of Mequon Sewer Utility District to cover the 2026 capital charge payment to MMSD and the 2026 City of Mequon capital debt service requirements. As is the case every year, the MMSD annual capital charge to pay for capital infrastructure and watercourse improvements is an estimate, as the actual amount will not be available in time to set the levy and generate the tax roll and tax bills for 2025. The estimated MMSD capital charge is also adjusted for the difference between estimated and actual amounts incurred from the preceding year. It is then reduced by revenue received during the year from several tax-exempt organizations that have entered into separate sewer service agreements and payment in lieu of taxes (PILOT) agreements with the City.

Analysis

The 2026 estimated MMSD capital charge is projected to be $4,092,996 which is 20% lower than the amount that was invoiced in 2025. Projections from MMSD indicate that expected billing rates for 2027 through 2031 will increase an average of $0.03 or 2% per $1,000 of equalized value per year.

The capital debt service component of the tax rate is associated with the East Trunk Sewer project spanning 2018-2020 which was funded in 2018 by issuing $19.4M in general obligation bonds. The Utility's recent history of debt service obligations (since 2015) is as follows:

Year	Annual Debt Service
2015	$1,885,000
2016	$1,798,000
2017	$1,706,250
2018	$1,981,513
2019	$2,062,650
2020	$1,699,051

2021	$1,865,247
2022	$1,861,893
2023	$1,861,756
2024	$1,854,713
2025	$1,850,921
2026	$1,684,344

The remaining levy capacity of $2,052,823 has been allocated towards the Sewer Utility Capital Project Fund in order to reduce future borrowing costs for major projects. To summarize, the breakdown of the recommended 2026 appropriation and 2025's historical appropriation for the Sewer Utility District is as follows:

2025 Sewer Levy (Payable in 2026)	
Estimated 2025 MMSD Capital Charge (net)	$3,568,697
City of Mequon Capital Debt Service Requirements (net)	$1,641,301
Capital Improvement Projects	$2,052,823
Total	$7,262,821

2024 Sewer Levy (Payable in 2025)	
Estimated 2024 MMSD Capital Charge (net)	$4,565,461
City of Mequon Capital Debt Service Requirements (net)	$1,835,754
Capital Improvement Projects	$861,606
Total	$7,262,821

Presented below is a history of tax rates in the Sewer Utility District:

Levy Year	**Mill Rate per $1,000 of Assessed Value (TID Out)**
2025	$1.22 (proposed estimate)
2024	$1.63
2023	$1.62
2022	$1.60
2021	$1.62
2020	$1.81
2019	$1.81
2018	$1.94
2016	$1.89
2015	$1.90
2014	$1.88
2013	$1.76

Fiscal Impact

Under the proposed tax levy for 2025 that is payable in 2026, a Mequon home located in the Sewer Utility District assessed at $450,000, will pay approximately $549 in utility taxes.

Recommendation

A recommendation is forthcoming from the Sewer Utility District Commission on November 4, 2025.

COMMON COUNCIL
OF THE
CITY OF MEQUON

ORDINANCE 2025-1684

An Ordinance Appropriating the Necessary Funds from the City of Mequon's Sewer Utility District for the Year 2026 for Capital Charge Payments to the Milwaukee Metropolitan Sewerage District (MMSD) and City of Mequon Capital Debt Service Requirements

THE COMMON COUNCIL OF THE CITY OF MEQUON, OZAUKEE COUNTY, STATE OF WISCONSIN, DO ORDAIN AS FOLLOWS:

SECTION I

There is hereby appropriated out of the tax receipts of the City of Mequon's Sewer Utility District for the year 2026, the amount of:

Total Amount of Tax Levy:	$7,262,821

SECTION II

There is hereby levied a tax of $7,262,821 upon all taxable property within the City of Mequon Sewer Utility District as returned by the Assessor in 2025 for the purposes set forth in said budget.

SECTION III

The City Clerk be and hereby is authorized and directed to spread the said tax upon the current tax roll of the City of Mequon Sewer Utility District.

SECTION IV

This ordinance shall take effect and be in full force upon its passage and publication.

SECTION V

The terms and provision of this ordinance are severable. Should any term of provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

SECTION VI

All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

Approved by: Andrew Nerbun, Mayor

Date Approved: November 4, 2025

I certify that the foregoing Ordinance was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on November 4, 2025.

Caroline Fochs, City Clerk

Published: ______________________

11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2913
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www.cityofmequonwi.gov
Office of Sewer

TO: Sewer Utility District Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: November 4, 2025
SUBJECT: RESOLUTION 4238 A Resolution Adopting the Fiscal Year 2026 Sanitary Sewer Utility Budget and Establishing the 2026 Sanitary Sewer User Fee Schedule

Accomplishments/Objectives:
The City's Sewer Utility manages, maintains and operates all the City's sanitary sewer mains, 23 lift stations, manholes and siphons. Exhibit A includes details of anticipated accomplishments for 2025 and projects/objectives for 2026. Please note that with a continued vacancy in the Utility Manager position, implementation of objectives and completion of capital projects are impacted.

Sewer User Rate and Levy Policy:
In early 2024, the Sewer Utility adopted a Sewer User Rate and Levy Policy, which guides how the Sewer Utility Budget will be created, including the methods for establishing sewer user rates and levy.

Specifically, it requires that annually, the Sewer Utility budget shall be generated with the following goals:

- No adjustments to the Sewer District Tax Rate without a policy amendment.
- Self-funded capital accounts to meet the Utility's projected capital needs.
- Rate revenue adjustments to maintain a recommended debt service coverage ratio of 1.6.
- Level, sustainable user rate increases based on a 10-year outlook for the Sewer Utility.

Staff is required to report whether the policy framework is being achieved within each budget cycle. In years where not all goals are being met, staff shall provide a 10-year outlook (including the budget year) which shows the adjustments required to meet budgetary goals.

Sewer District Tax Rate:
Unless amended by policy, the sewer levy shall remain flat at $7,262,821. The sewer levy funds the Metropolitan Milwaukee Sewerage District's (MMSD) annual capital requirements and self-funds for the Sewer Utility's capital projects. The levy is established and adopted annually via ordinance.

Sewer User Rates:
The user rates are made up of City operation and maintenance costs, in addition to a pass-through for MMSD operation and maintenance (O&M) costs.

Per policy, the Sewer Utility will utilize cash basis accounting for determining user rates. Cash basis accounting shall determine the total revenue requirements by adding operation and maintenance expenses, taxes/transfer payments, debt service (both principal and interest) payments and capital funding from user rates (excluding capital funded from levy) and subtracting the non-rate revenue. The user rates are established annually, concurrent to the fiscal year budget approval.

The user charges are billed differently based upon whether or not the water use is metered. Residential, non-water accounts receive a flat quarterly fee and residential water, and non-residential accounts are charged based upon volumetric water uses. Non-residential non-water customers are required to have a meter installed to measure water usage for the volumetric calculation. Both fees are based upon a combination of the pass-through charges to the Sewer Utility from MMSD and Sewer Utility operation and maintenance costs.

The calculation for the Sewer User Rate is included in Exhibit B. For 2025, the flat rate is proposed at $90.00, and the volumetric rate is proposed to be $8.811/1,000 gallons. This is a 5.7% increase over FY2025 and is consistent with the projection of the analysis completed by Ehlers in early 2024. The table below summarizes the history of the various sewer fees for the past several years.

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Flat Rate User Charge (Quarterly):	$71.00	$72.00	$73.00	$73.00	$74.00	$78.00	$83.00	$85.00	$90.00
Volumetric User Rate (per 1,000 gal):	$5.887	$6.343	$6.765	$6.765	$6.844	$7.55	$8.041	$8.479	$8.811

As proposed, the debt service coverage ratio is 2.86. To meet the recommended debt coverage ratio of 1.6, sewer user rates would need to increase significantly and thus fail to meet the City's long-held policy interest in maintaining stable user rate increases. Over time, the debt service coverage ratio will be met and per policy, the 10-year outlook for the Sewer Utility is included in Exhibit C.

Capital Funding:
The policy requires that the Sewer Utility endeavor to be self-funding for capital projects when practical and when user rates will not vary significantly as a result. A full detail of capital projects are outlined in Exhibit D. Please note that due to not meeting the goal to maintain the recommended debt service coverage ratio of 1.6, the capital planning includes a 10-year plan.

Accordingly, staff recommends approval of the resolution adopting the 2026 sanitary sewer budget, capital funding allocation and establishing the 2026 sanitary sewer user fee schedule as follows (including an amendment to the fee schedule):

	2026

Flat Rate User Charge (Quarterly):	$90.00
Volumetric User Rate:	$8.811

Reserve Requirements:

In 2023, **Policy Statement 3: Reserve Requirements** was amended to include the Sewer Utility. Policy Statement 3 states that the Sewer Utility will strive to maintain an Undesignated Cash Reserve of between ten (10) and twelve (12) percent of the current year's Sewer Utility Operating Budget.

The projected cash balance as of the close of FY25 for the Sewer Utility is $13,211,779. The projected year-end Capital Project accounts balance is $11,822,213 and the Reserve Policy of 10% of the current year's Operating Budget equates to $1,010,619. This leaves an unassigned fund balance of just over $375,000.

Cash/Cash Equivalents Balance (January 1st)	**$11,548,101**
Net Income	$2,927,691
Add: Depreciation	$1,125,000
Less: Debt Principal Payments	($1,545,000)
Less: Capital Projects	($781,671)
Less: Amortization of Bond Premium	($62,342)
Net Change in Cash	$1,663,678
Cash/Cash Equivalents Balance (December 31st)	**$13,211,779**
Reserved for Capital Projects	$11,822,213
Reserve Policy (10%)	$1,010,619
Unassigned	$378,947

Per Policy Statement 3, 10-12% of the sewer operating budget, or $1,010,619 - $1,212,743 should be maintained as an Undesignated Cash Reserve. As such, $176,823 - $378,947 is available for reassignment. Given the small margin and projected values, staff is not requesting reassignment at this time. Unless the fiscal year audit closes an increased cash balance well beyond that projected, staff will roll the balance for consideration of reassignment with the FY27 budget.

Recommendation:

A recommendation is forthcoming from the Sewer Utility District Commission on November 4, 2025.

Attachments:
Ex A - FY25 Accomplishments_FY26 Objectives (PDF)
Ex B - User Rate (PDF)
Ex C - Debt Coverage Ratio/10-year Outlook (PDF)
Ex D - 10-year CIP (PDF)
Ex E - FY26 Sewer Budget (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 4238

A Resolution Adopting the Fiscal Year 2026 Sanitary Sewer Utility Budget and Establishing the 2026 Sanitary Sewer User Fee Schedule

RECITALS

A. The City's sanitary sewer operations are administered within an enterprise/utility type accounting system, separate from the City's general operating and capital budgets.

B. The establishment of an equitable schedule of sewer user charge rates for January 1 through December 31, 2026, requires that an operating budget for the sanitary sewer operations be adopted.

C. The Sewer Utility District Commission at their meeting on November 4, 2025, has reviewed a schedule of sewer user fee rates for 2026 necessary to support the sewer budget and has recommended approval of such.

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

1. The 2026 Sanitary Sewer Budget attached hereto is adopted.

2. The following schedule of sewer user charge rates is established for the year 2026 and the City's fee schedule is thereby amended accordingly:

Residential (Non-Metered):	$90.00 per quarter per unit / $360.00 per year
Residential and Commercial Metered:	$8.811 / 1,000 gallons

Approved by: Andrew Nerbun, Mayor

Date Approved: November 4, 2025

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on November 4, 2025.

Caroline Fochs, City Clerk

Exhibit A:
FY2025 Accomplishments/FY2026 Objectives

FY2025 Accomplishments
In 2025, the Sewer Utility accomplished a number of objectives including:

- Continued efforts toward compliance with the Compliance Maintenance Annual Report (CMAR) and Capacity, Management, Operation and Maintenance (CMOM) programs to reduce the number and magnitude of releases from the sanitary sewers to the environment, while protecting sewage collection and treatment facilities from high flows.
- Continued commercial sewer meter replacements and improvements.
- Of 3,922 structures, 360 manholes were inspected and 35 to be rehabilitated with grout and/or epoxy coatings; internal/external were applied seals as part of a preventive maintenance program and Inflow/Infiltration (I/I) reduction on manholes in conjunction with the roadway maintenance program.
- Of approximately 184 miles of sewer pipeline, continued the Sewer Utility's 5-year maintenance cycle (water jet cleaned over 174,000 feet, televised over 0 feet of mainline sewer to date, pending the arrival of the new televising truck).
- Responded to historic wet weather event in August, resulting in 18 bypass locations, dozens of basement backups and multiple Sewer Service Overflow (SSO) reports.
- Continued to collect and update City infrastructure data and incorporate into GIS.
- Continued efforts toward compliance with the CMAR, CMOM and MMSD Chapter 13 programs.
- Issued a Request for Proposals for new pumps, motors and valves at Lift Station U.
- Purchased a new CCTV truck with mainline, lateral and push cameras.
- Purchased a new manhole inspection camera.
- Purchased a new Superintendent truck.
- Hired a new sewer worker employee.
- Installed new radio tower Lift Station G.
- Installed new radio tower Station X.
- Initiated contract for vendor selection for new SCADA system.

The following capital projects were scheduled for 2025. The table below summarizes the current status of those capital projects:

Gravity Sanitary Sewer Fund	**Status**
2010 Ranch Road Gravity Sewer improvements, Construct	In design – bid late 2025
Lift Station Fund	**Status**
Ranch Rd Lift Station E Construction	In design – bid late 2025
Replace Pumps and Valves @ Lift Station U	RFP Issued
Install Magnetic Flow Meters	2026
Replace Generators, Transfer Switches and encloser @ Station J	2026
Decommissioning Studies - Lift Station E	Included with LS E

Exhibit A:
FY2025 Accomplishments/FY2026 Objectives

Force Main Fund	Status
Lift Station E Force Main Construct for 2010 Ranch Rd	Included with LS E
Hidden Reserve Lift Station E Force Main Extension	Included with LS E
Asset Management Fund	
Flow Meters, Rain Gauge, Flow Monitoring Quarterly Reports (East, Central, and West Trunk Gravity System)	2026
Flow Metering - Lift Stations (A,D,U,R,T)	2026
GIS Improvement - Sewer Lateral Tools	2026
Equipment Replacement Fund	**Status**
Superintendent Truck	Complete
CCTV Truck and Camera	Complete
Jet Headphones	2026
New Push Camera	Complete
Lateral camera	Complete
PPI/I Reduction – Reimbursable Account	**Status**
Lateral Replacement Project – MOU with MMSD	Complete

FY2026 Objectives:

The following detail are projects and elements that will influence the 2026 budget:

- Fill the Utility Manager position.
- Ensure that appropriate condition assessments are conducted on sewer assets.
- Confirm the existence of any sanitary system components that do not function according to established reliability standards.
- Continue collection system staff training on operations and potential hazards and provide proper equipment and safety gear.
- Continued to collect and update City's infrastructure data, easement records and incorporate into GIS.
- Bid and construct capacity improvements with relief sewers Ranch Road Lift Station E.
- Coordinate with MMSD on a private property lateral replacement project.
- Perform outreach for easements for Potential onsite wet-weather storage site in easements at Fieldwood Drive LS G and Riverdale Park LS F.
- Evaluate feasibility for sewer system capacity improvements at the Port Washington Road Fire Station in the LS E basin, as no easement is required for system storage on City owned land at the Port Washington Road Fire Station in the LS E basin.
- Design capacity improvements in the Fieldwood Drive Lift Station "G" area to Glen Oaks Lane contingent upon wet weather storage in potential easement areas.
- Advertise for Bid the Lift Station E replacement at 2010 Ranch Rd (extended). Contract for the assessment of Heritage Siphon, the River Road Lift Station D iron pipe crossing under the Milwaukee River, and Lac du Cours cast iron laterals.
- Prepare a contract for the assessment of Heritage Siphon, the River Road Lift Station D iron pipe crossing under the Milwaukee River, and Lac du Cours cast iron laterals.
- Evaluate SCADA upgrades.

Exhibit A:
FY2025 Accomplishments/FY2026 Objectives

- Identify pumps for replacement in 2026.
- Add onsite generators to lift stations that currently do not have any and replace older obsolete generators (Finalize easements, address any zoning requirements and award contracts for generator installations at lift stations H,Q & K).
- Evaluate storm drainage conditions in Ravine Farm outlot along sanitary sewer easement, and determine if scour protection and any stabilization measures are necessary in 2026 budget
- Acquire meters and compile data to evaluate Central Trunk sewers infill impacts near Mequon Road (STH 167) and Cedarburg Road (STH 57).
- Complete planning study of Central Trunk sewers that can allow for future development and infill, including flow equalization at Mequon Road (STH 167 & STH 57 intersection).
- Replace pumps and valves at Lift Station R, V, and I
- Replace onsite Generator and upgrade Generator Hut as Lift Station J
- New software, computers and radios for SCADA system upgrade
- New SCADA hardware (PLC, Radios, Antennas) at select Lift Stations

The FY2026 capital projects are outlined in Exhibit D.

Exhibit B:
Calculation for the Sewer User Rate

Process Overview:

Per the policy, the budget was generated through this process:

1. Identify the anticipated expenses for the fiscal year by populating the anticipated fiscal year expenditures for both operation and maintenance and capital projects, both for the Sewer Utility and MMSD.
2. Calculate the revenue generated by the sewer levy. From that, subtract the MMSD capital charges to identify the remaining revenue available and allocate such as self-funding capital.
3. Identify the additional self-funded capital required to meet the annual projection of capital expenses and populate that as the revenue requirement for user rates.
4. Establish the estimated flow volume for the Sewer Utility for both residential and commercial users on the basis of the number of customers, the MMSD residential occupancy factor and equivalent residential units.
5. Adjust residential and commercial user rates and the tax exempt capital rate as required to meet the goals of the policy within a 10-year planning outlook.
6. Validate and report to the Sewer Utility District Commission whether the budget meets this policy's goals, including the amount allocated for undesignated cash reserves. *See budget memo.*
7. Allocate the capital funding and excess undesignated cash reserves to the appropriate capital accounts. *See separate agenda item.*

2026 (DRAFT) CALCULATION OF SEWER USER CHARGE RATES

Exhibit B

Rate Components	Annual Cost	Total (1,000 gals)	2026 Rate (1,000 gals)	2025 Rate (1,000 gals)	Change	
MMSD O&M	$2,034,422	503,468	$4.041	$3.780	0.261	
Mequon O&M	$1,251,859	503,468	$2.486	$2.351	0.135	
Self Funded Capital	$1,150,000	503,468	$2.284	$2.348	(0.064)	
Capital Debt Service	$0	503,468	0.000	$0.000	0.000	
Totals:	$4,436,281		**$8.811**	$8.479	0.332	**3.9%**

Quarterly Flat Rate

Customer Type	Rate (1,000 gals)	MMSD ROF	MMSD ERU	Days	**2026**	2025	Change
Residential	$8.811	2.29	49.0	365	**$90.22**	$85.05	**5.7%**
			40,957				

Estimated Flow Volume:

Customer Type	Customers	MMSD ROF	MMSD ERU	Days	Total 2026 (1,000 gals)	2025	2026 Revenues
Residential	7,556	2.29	49.0	365	309,468	301,869	$2,726,862
Commercial	455	N/A	N/A	N/A	194,000	188,000	$1,709,419
Totals:	8,011				**503,468**	489,869	$4,436,281

MMSD O&M Charges

	2026	2025	Change	% Change
Estimated User Charge Billings Provided from MMSD	$2,034,422	$1,851,938	$182,484	9.85%

Mequon O&M Charges

Expense Type	2026	2025	Change	
Total Operating Costs	7,854,577	$8,675,264	($820,687)	
* Less - MMSD O&M	($2,034,422)	($1,851,938)	($182,484)	
** Less - MMSD Capital	($4,092,996)	($5,154,636)	$1,061,640	-20.6%
*** Less - Other Income	(475,300.00)	($516,800)	$41,500	
Totals:	**$1,251,859**	$1,151,890	$99,969	

* MMSD O&M costs are calculated as a separate component and need to be deducted in order not to be counted twice.

** MMSD sewer capital charges are paid trough the tax levy and should not be included in the amount needed to be covered through user fees.

*** Interest, Late fees, and Misc revenues reduce the amount of the Mequon O&M charges needed to be covered through user fees.

Tax Exempt Capital Rate

(CSM, MATC, Concordia)

	2026	2025	Change
Budgeted MMSD Capital Costs	$4,092,996	$5,154,636	($1,061,64
Mequon Costs	$1,638,000	$420,000	$1,218,00
Total annual estimated sewer flow	503,468	489,869	13,599
Calculated rate per 1,000 gallons	**$11.38**	**$11.38**	**0.0%**

Attachment: Ex B - User Rate (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

Table 1
Sewer Utility Cash Flow Analysis - Projected 2024-2033

City of Mequon, WI

	Estimate	Budget	Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues											
Total Revenues from User Rates[1]	$4,680,000	$4,960,000	$5,108,800	$5,262,064	$5,419,926	$5,582,524	$5,749,999	$5,922,499	$6,100,174	$6,283,180	$6,471,675
Percent Increase to User Rates	**5.50%**	**5.70%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**
Cumulative Percent Rate Increase	**12.36%**	**18.76%**	**22.32%**	**25.99%**	**29.77%**	**33.67%**	**37.68%**	**41.81%**	**46.06%**	**50.44%**	**54.96%**
Dollar Amount Increase to Revenues	**$47,762**	**$280,000**	**$148,800**	**$153,264**	**$157,862**	**$162,598**	**$167,476**	**$172,500**	**$177,675**	**$183,005**	**$188,495**
Total Other Revenues	$7,946,522	$7,761,386	$7,456,240	$7,455,557	$7,455,157	$7,455,144	$7,455,570	$7,462,165	$7,470,045	$7,477,390	$7,486,066
Total Revenues	$12,626,522	$12,721,386	$12,565,040	$12,717,621	$12,875,083	$13,037,668	$13,205,569	$13,384,664	$13,570,219	$13,760,569	$13,957,741
Less: Expenses											
Operating and Maintenance	$8,470,966	$7,854,577	$8,090,214	$8,332,921	$8,582,908	$8,840,396	$9,105,607	$9,378,776	$9,660,139	$9,949,943	$10,248,441
Net Before Debt Service and Capital Expenditures	$4,155,556	$4,866,809	$4,474,825	$4,384,700	$4,292,174	$4,197,272	$4,099,962	$4,005,889	$3,910,080	$3,810,626	$3,709,300
Debt Service											
Existing Debt P&I	$1,862,006	$1,698,750	$1,696,750	$1,697,350	$1,696,600	$1,694,500	$1,066,050	$0	$0	$0	$0
New (2024-2033) Debt Service P&I	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service	$1,862,006	$1,698,750	$1,696,750	$1,697,350	$1,696,600	$1,694,500	$1,066,050	$0	$0	$0	$0
Transfer In (Out)/Prem. Amort	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less: Capital Improvements & COI	$781,671	$8,466,600	$3,233,000	$3,031,000	$2,786,000	$2,520,000	$585,000	$1,045,000	$1,165,000	$535,000	$540,000
Debt Issued/Grants/Aid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Annual Cash Flow	**$1,511,879**	**($5,298,541)**	**($454,925)**	**($343,650)**	**($190,426)**	**($17,228)**	**$2,448,912**	**$2,960,889**	**$2,745,080**	**$3,275,626**	**$3,169,300**
Restricted and Unrestricted Cash Balance:											
Balance at first of year	$11,922,756	$13,434,635	$8,136,094	$7,681,170	$7,337,520	$7,147,094	$7,129,867	$9,578,778	$12,539,667	$15,284,747	$18,560,373
Net Annual Cash Flow Addition/(subtraction)	$1,511,879	($5,298,541)	($454,925)	($343,650)	($190,426)	($17,228)	$2,448,912	$2,960,889	$2,745,080	$3,275,626	$3,169,300
Balance at end of year	$13,434,635	$8,136,094	$7,681,170	$7,337,520	$7,147,094	$7,129,867	$9,578,778	$12,539,667	$15,284,747	$18,560,373	$21,729,673
Over/(Under) Ehlers Reserves Target	7,582,797	2,084,092	1,478,470	985,787	648,450	1,120,164	4,509,884	7,336,754	9,946,310	13,089,261	16,124,886
Over/(Under) Unrestricted Reserves Policy	12,103,929	6,854,615	6,351,171	5,971,498	5,745,124	5,692,134	8,107,564	11,038,394	13,751,310	0	0
"All-in" Debt Coverage	2.23	2.86	2.64	2.58	2.53	2.48	3.85	N/A	N/A	N/A	N/A

Notes:

1) Assumes no changes in customer count or usage beyond Test Year.
2) Assumes 3.00% annual inflation beyond budget year.

Legend:

Light green	Increase depicted to maintain with assumed O&M inflation
Dark green	Increases will depend on future CIP

Exhibit D:
Sewer Capital Project Improvement and Funding Plan

The Sewer Utility applies user fees to provide capital self-funding. The types of projects included in the Sewer Capital Project Fund are based upon an expected life-cycle of greater than 10 years, where a depreciable asset value is established. Table 1 summarizes the history of self-funding for capital projects.

Table 1 – History of Self-Funded Capital Budgets

2019	2020	2021	2022	2023	2024	2025
$720,000	$1,420,000	$1,350,000	$1,350,000	$2,073,286	$2,431,879	$2,011,606

The Sewer Utility capital funding consists of five universal sinking fund accounts. The categorical accounts allow the Sewer Utility to meet long-term needs rather than being project specific. In addition, the funds formed by periodically setting aside money for the replacement of assets give the Sewer Utility the long-term financial ability to perform required capital projects. These sinking funds earmark or reserve funds for specific purposes and categories, rather than only for specific projects.

These self-funded capital accounts are established as sinking funds to provide for level budgeting and long-term funding. Projects generally fall into the following categories:

1. **Gravity Sanitary Sewer Fund**
   The Gravity Sewer Fund is required for relay and replacement of over 165 miles of sewer main and 3,875 manhole structures that will require renewal over anticipated life cycles. Methods of sewer installation include open-cut trenching and trenchless technologies such as directional drilling, micro-tunneling, and cured-in-place pipe (CIPP) installation. Capital grouting of sewer mains is another method implored to reduce infiltration into the collection system. Methods for manhole rehabilitation are cementitious or epoxy lining or grouting; otherwise sectional or complete replacement is required. CMOM (Capacity Management, Operations and Maintenance annual report) and CMAR (Compliance Maintenance Annual Report required by the Wisconsin Department of Natural Resources) regulatory requirements for system upgrades are planned, such as reducing inflow and infiltration during wet weather to reduce sanitary sewer overflows and bypass events in locations near the river. In 2022 the City's hydraulic model was updated, as part of the East Trunk System north of Mequon Road, and in 2023 it was used to design capacity improvements for a new Lift Station E.

2. **Sanitary Lift Station Fund**
   The Sanitary Lift Station Fund is required for various types of projects for the 23 existing lift stations including the expansion or replacement of existing lift stations and their appurtenances, as well as the construction of new stations. The funds are also utilized for projects identified as part of condition assessment studies, such as replacing pumps and transfer switches for safety. In addition, CMOM and CMAR regulatory requirements are addressed to minimize sanitary sewer overflows and optimize the system by upsizing pumps, increasing wet well capacity, and upgrading SCADA (system for controls and data acquisition) based on magnetic flow meters. In the event the replacement of a lift station requires funding that exceeds the sinking fund balance, such as potentially for replacement

Attachment: Ex D - 10-year CIP (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

Exhibit D:
Sewer Capital Project Improvement and Funding Plan

of the Ranch Road Lift Station E, borrowed funds would be necessary for major construction improvements unless the mil rate is increased to accumulate additional funds in 2026 for anticipated construction in 2026-2027.

3. **Sanitary Force Main Fund**
The Sanitary Force Main Fund is required for the design, replacement, new construction, retrofits, and large-scale cleaning of over 20 miles of sanitary force main. Prioritized projects outlined below were identified as part of the systematic replacement of cast iron force mains, the 2018 force main maintenance study, and 2021 Condition Assessments for Fieldwood Drive Lift Station G and Riverdale Park Lift Station F that are part of the East Trunk System north of Mequon Road. In 2022, the Tamerlane Drive Lift Station "O" was designed, and constructed in 2023. CMOM and CMAR require collection system upgrades and maintenance to maintain and keep the sewer system in compliance with WDNR requirements.

4. **Asset Management Fund**
The Asset Management Fund is a sinking fund utilized to upgrade, install and expand the SCADA (System Control And Data Acquisition) equipment at the utility, and improve/add supply equipment and facilities. Proposed projects include replacing commercial remote access meters, valves, SCADA upgrades, maintaining a computer server for sewer exam records, GIS (geographic information system) upgrades for CMAR and CMOM reporting, evaluation of system life costs and projections, a 20-year planning study of all three major sewersheds, and others. Additional upgrades include installation of new sewer meters.

5. **Equipment Replacement Fund**
The Equipment Replacement Fund is a sinking fund for the replacement of sewer equipment. It has been utilized previously for the purchase of the City's sewer vacuum truck and replacement camera truck.

   Other routine equipment replacement includes portable back-up generators for lift stations, portable pumps for bypass operations, and sewer main cleaning equipment such as hoses and jet nozzles. Previous years' purchases have included acquisitions to replace pick-up trucks for the sewer maintenance crew, and that sinking fund will continue. Other anticipated purchases include replacement of the hose reel camera or acquisition of a new lateral evaluation televising system (LETS) camera for lateral inspections. This equipment is required to meet CMOM and CMAR required routine cleaning, inspection and condition assessments to maintain system compliance with WDNR requirements.

REIMBURSABLE CAPITAL ACCOUNT

Private Property Infiltration and Inflow Reimbursement Fund

The PPI/I Fund is for sewer lateral work. This work can be done in stand-alone contracts or in combination with work on the public sewer main contracts. The sewer lateral work has historically been performed in the right-of-way and on private property, where per Code, the City is responsible for the lateral within the right-of-way. MMSD is changing the structure of the PPII funding, transitioning from allocating to municipalities based upon

Attachment: Ex D - 10-year CIP (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

Exhibit D:
Sewer Capital Project Improvement and Funding Plan

equalized value to a competitive process based upon set criteria. In 2025, the City of Mequon and MMSD entered into a Memorandum of Understanding for sewer lateral replacement in the Lift Station F & H areas. Once the previously allocated funding is utilized for the project, Sewer staff will evaluate project funding requests through the competitive process. Given the impact of the transition in MMSD funding, the Sewer Utility may need to consider funding this work as a separate capital account in the future.

The Sewer Utility has also identified specific projects for this funding. For some projects, the respective account requires funding over a multi-year budget cycle in order to achieve adequate financing. For example, the replacement of the City's largest lift station, Ranch Road or Lift Station E, is estimated at over $10M and accumulation of annual allocations (along with remaining bond proceeds from 2020 relief sewer project) makes self-funding the replacement of Lift Station a possibility. The scale or proportion of funding established for each account category is intended to address the priorities of the Sewer Utility. The sinking funds are required for various types of projects. The funds are to address any regulatory requirements and projects identified as a part of a study for system improvements.

Table 2 projects the self-funding capital needs over the next 10 years.

Table 2 – Self-Funded Capital Funds

Account Name	2026	2027	2028	2029	2030
1. Gravity Sanitary Sewer Fund	$1,072,823	$700,000	$700,000	$1,000,000	$900,000
2. Sanitary Lift Station Fund	$1,000,000	$1,000,000	$750,000	$600,000	$500,000
3. Sanitary Force Main Fund	$1,000,000	$ 600,000	$1,000,000	$1,000,000	$1,000,000
4. Asset Management Fund	$80,000	$50,000	$50,000	$100,000	$100,000
5. Equipment Replacement	$50,000	$50,000	$100,000	$100,000	$500,000
TOTALS	**$3,202,823**	**$2,400,000**	**$2,600,000**	**$2,800,000**	**$3,000,000**

The Utility's 10-year project plan is attached. The accumulation of capital funds allows for level funding and minimizes fluctuations in user rates. Some capital projects require large-scale funding and/or several years' worth of funding prior to the utilization of the funds.

The Capital Funding Analysis is shown in Table 3. The available budget with respect to the sinking fund accumulation of capital funds identifies potential shortfalls for capital projects requiring large scale funding.

Exhibit D:
Sewer Capital Project Improvement and Funding Plan

Table 3 - Capital Funding Analysis

	2025	2026	2027	2028	2029	2030
Budget Available (Jan.1)	$9,592,277.54	$11,802,904.41	$6,539,127.41	$5,706,127.41	$5,275,127.41	$5,289,127.41
Reallocation of Unassigned Cash	$1,000,000.00	$0.00	TBD	TBD	TBD	TBD
Capital Funding	$2,011,606.00	$3,202,823.00	$2,400,000.00	$2,600,000.00	$2,800,000.00	$3,000,000.00
Total Funds Available	$12,584,575.41	$15,005,727.41	$8,939,127.41	$8,306,127.41	$8,075,127.41	$8,289,127.41
Capital Expenses	$781,671.00	$8,466,600.00	$3,233,000.00	$3,031,000.00	$2,786,000.00	$2,520,000.00
End of Year Balance	$11,802,904.41	$6,539,127.41	$5,706,127.41	$5,275,127.41	$5,289,127.41	$5,769,127.41

Exhibit D:
Sewer Capital Project Improvement Plan - Summary

Account Name		2026	2027	2028	2029	2030	2031	2032	2033	2034
1	Gravity Sanitary Sewer Fund	$ 188,880	$ 150,000	$ 1,790,000	$ 925,000	$ 550,000	$ 75,000	$ 750,000	$ 785,000	$ 175,000
2	Sanitary Lift Station Fund	$ 7,902,000	$ 2,822,000	$ 505,000	$ 645,000	$ 210,000	$ 210,000	$ 125,000	$ 225,000	$ 200,000
3	Sanitary Force Main Fund	$ 148,120	$ 60,000	$ 595,000	$ 1,120,000	$ 1,200,000	$ 150,000	$ 75,000	$ 75,000	$ 75,000
4	Asset Management Fund	$ 141,000	$ 41,000	$ 41,000	$ 41,000	$ 60,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
5	Equipment Replacement	$ 86,600	$ 160,000	$ 100,000	$ 55,000	$ 500,000	$ 115,000	$ 60,000	$ 45,000	$ 50,000
	TOTALS	**$ 8,466,600**	**$ 3,233,000**	**$ 3,031,000**	**$ 2,786,000**	**$ 2,520,000**	**$ 585,000**	**$ 1,045,000**	**$ 1,165,000**	**$ 535,000**

Exhibit D:
Sewer Capital Project Improvement Plan - Gravity Sanitary Sewer Fund (Category 1)

Gravity Sanitary Sewer Fund	2026	2027	2028	2029	2030	2031	2032	2033	2034
2010 Ranch Road Gravity Sewer improvements, Construct	$ 173,880								
Glen Oaks Lane Area E Gravity Sewer Improvements, Design		$ 150,000							
Glen oaks Lane Area E Gravity Sewer Improvements, Construct			$ 1,275,000	$ 425,000					
Riverdale Park Area F Gravity Sewer Improvements, Design						$ 75,000			
Riverdale Park Area F Gravity Sewer Improvements, Construct							$ 750,000	$ 750,000	
Sewer Main Improvements in Areas A, B, C, D			$ 500,000	$ 500,000	$ 500,000				
Update System Hydraulic Modeling with Improvements					$ 50,000				
Heritage Estates Siphon Design Study	$ 15,000								
Heritage Estates Siphon Implementation									
River Road at Milwaukee River Design Study			$ 15,000						
River Road at Milwaukee River Implementation									
Mequon Rd. Flow Equilization @STH 57								$ 35,000	$ 175,000
STH167 Sewer Rehabilitiation Work									
Gravity Sanitary Sewer Fund (Category 1) TOTALS	**$ 188,880**	**$ 150,000**	**$ 1,790,000**	**$ 925,000**	**$ 550,000**	**$ 75,000**	**$ 750,000**	**$ 785,000**	**$ 175,000**

Exhibit D:
Sewer Capital Project Improvement Plan - Lift Station Fund (Category 2)

Lift Station Fund	2026	2027	2028	2029	2030	2031	2032	2033	2034
Ranch Rd. Lift Station E Construction	$ 7,311,000	$ 2,437,000							
Fieldwood Drive Lift Station G Design Study Report for Improvements			$ 35,000						
Construct Fieldwood Drive Lift Station G Capacity Upgrade				$ 275,000					
Specifications for Lift Station V, I,	$ 30,000								
Replace Pumps, Valves and Motors									
@ Lift Station R	$ 50,000								
@ Lift Station U	$ 50,000								
@ Lift Station V	$ 50,000							$ 50,000	
@ Lift Station I	$ 50,000							$ 50,000	
@ Lift Station T		$ 50,000							$ 50,000
Replace Siphon			$ 100,000						
Install Magnetic Flow Meters	$ 15,000	$ 15,000	$ 15,000	$ 15,000			$ 15,000	$ 15,000	$ 15,000
Install Lift Station Emergency Generators with Transfer Switches (K,H,Q)					$ 100,000	$ 100,000			
Replace Generator, Tranfer Switch and encloser @ Station J	$ 90,000								
Replace Generators/ Tranfer Switches									$ 60,000
@ Station G		$ 60,000							
@ Station D			$ 60,000						
@ Station S				$ 60,000					
@ Station M					$ 60,000				
@ Station O						$ 60,000			
@ Station R							$ 60,000		
@ Station C								$ 60,000	
@ Station T									
Condition Assessements (LS A, X)			$ 50,000	$ 50,000					
Decommissioning Studies - Lift Station P		$ 15,000							$ 15,000
Scada Design - MSA	$ 6,000								
Lift Station PLC/Radio/Antenna Replacements					$ 50,000	$ 50,000	$ 50,000	$ 50,000	
@ Station (A, D, F, M, N)	$ 250,000								
@ Station (B, C, G, H, I, J)		$ 245,000							
@ Station (K, L, O, Q, R, S)			$ 245,000						
@ Station (T, U, V, W, P, X)				$ 245,000					$ 60,000
Lift Station Fund (Category 2) TOTALS	**$ 7,902,000**	**$ 2,822,000**	**$ 505,000**	**$ 645,000**	**$ 210,000**	**$ 210,000**	**$ 125,000**	**$ 225,000**	**$ 200,000**

Attachment: Ex D - 10-year CIP (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

Exhibit D:
Sewer Capital Project Improvement Plan - Force Main Fund (Category 3)

Force Main Fund	2026	2027	2028	2029	2030	2031	2032	2033	2034
Lift Station E Force Main Construct for 2010 Ranch Rd	$148,120								
Hidden Reserve Lift Station E Force Main Extension		$50,000	$500,000						
Lift Station G Force Main Design Capacity Improvements			$35,000						
Lift Station G Force Main Construct 6,200 ft				$1,100,000	$1,100,000				
Concord Drive Lift Station R Force Main Replacement			$50,000						
Retrofit Force Mains with Access Ports (A,E)		$10,000	$10,000	$20,000					
Sanitary Force Main Cleaning						$150,000	$75,000	$75,000	$75,000
Siphon Force Main replacement					$100,000				
Force Main Fund (Category 3) TOTALS	**$148,120**	**$60,000**	**$595,000**	**$1,120,000**	**$1,200,000**	**$150,000**	**$75,000**	**$75,000**	**$75,000**

Attachment: Ex D - 10-year CIP (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

Exhibit D:
Sewer Capital Project Improvement Plan - Asset Management Fund (Category 4)

Asset Management Fund	2026	2027	2028	2029	2030	2031	2032	2033	2034
Flow Meters, Rain Gauges, Flow Monitoring, Quarterly Reports (East, Central, West Truck Gavity System	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Flow Metering - Lift Stations (A,D,U,R,T)	$6,000	$6,000	$6,000	$6,000					
Software Upgrade - CCTV Camera					$25,000				
GIS Improvements - Sewer Lateral Tools	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
SCADA Software, Radios, Computers	$100,000								
Asset Management Fund (Category 4) TOTALS	**$141,000**	**$41,000**	**$41,000**	**$41,000**	**$60,000**	**$35,000**	**$35,000**	**$35,000**	**$35,000**

Exhibit D:
Sewer Capital Project Improvement Plan - Equipment Replacement (Category 5)

Equipment Replacement Fund	No.	2026	2027	2028	2029	2030	2031	2032	2033	2034
Toro Lawn mower and trailer										
Superitendent truck	600						$55,000			
Empire Generator	626	$60,000								
Empire Generator	627		$60,000							
Kohler Generator	624			$60,000						
6" Thompson pump	660								$40,000	
Foreman Truck	601				$55,000					
Combination Truck	605					$500,000				
Service truck	602						$60,000			
Service truck	604							$60,000		
Easement machine	621									$50,000
Jet Headphones		$6,000								
Trash pumps 3" and 4"		$8,000								
6" Thompson pump				$40,000						
Root and calcium cutter		$12,600								
Easement mower			$100,000							
New gas monitors and dock									$5,000	
Equipment Replacement Fund (Category 5) TOTALS		**$86,600**	**$160,000**	**$100,000**	**$55,000**	**$500,000**	**$115,000**	**$60,000**	**$45,000**	**$50,000**

CITY OF MEQUON

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 626   2026 SEWER AND WATER UTILITY BUDGETS   FOR PERIOD 99

ACCOUNTS FOR: Sewer UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
610669	Sewer UT Operations								
610669	460209	Loss Dspsl	1,440,420.07	.00	.00	.00	.00	.00	________
610669	683203	Sewer PPII	737,823.59	.00	.00	.00	.00	.00	________
TOTAL UNDEFINED CHAR			2,178,243.66	.00	.00	.00	.00	.00	________
35	TAXES								
610669	435101	Prop Tax	.00	.00	.00	.00	.00	.00	________
TOTAL TAXES			.00	.00	.00	.00	.00	.00	________
45	GENERAL FEES								
610669	445106	Misc Rev	.00	.00	.00	.00	.00	.00	________
TOTAL GENERAL FEES			.00	.00	.00	.00	.00	.00	________
55	SPECIAL ASSESSMENTS								
610669	455102	Special As	.00	.00	.00	.00	.00	.00	________
610669	455103	S/A Intere	-75.90	-300.00	-300.00	-790.25	-850.00	-300.00	________
TOTAL SPECIAL ASSESSMENTS			-75.90	-300.00	-300.00	-790.25	-850.00	-300.00	________
58	OTHER REVENUE								
610669	458201	LTDebtPrcd	.00	.00	.00	.00	.00	.00	________
610669	458203	Amort - BP	-62,341.65	-62,342.00	-62,342.00	.00	-62,342.00	-62,342.00	________
610669	458301	PILOT Rev	-119,820.33	-131,000.00	-131,000.00	-128,565.11	-128,565.11	-105,000.00	________
610669	458302	Prior Year	.00	.00	.00	.00	.00	.00	________
610669	458303	RevReduct	.00	.00	.00	.00	.00	.00	________
610669	458501	OtherGrant	.00	.00	.00	.00	.00	.00	________
TOTAL OTHER REVENUE			-182,161.98	-193,342.00	-193,342.00	-128,565.11	-190,907.11	-167,342.00	________
59	INVESTMENT REVENUE								
610669	459101	Interest	-644,821.84	-312,500.00	-312,500.00	-510,136.34	-650,000.00	-325,000.00	________
610669	459102	PrcdsCapLe	.00	.00	.00	.00	.00	.00	________
TOTAL INVESTMENT REVENUE			-644,821.84	-312,500.00	-312,500.00	-510,136.34	-650,000.00	-325,000.00	________
60	SEWER - OPERATING								
610669	460201	ResMeas	-1,146,672.78	-1,100,000.00	-1,100,000.00	-877,702.04	-1,100,000.00	-1,160,000.00	________
610669	460202	PubAuth	.00	.00	.00	.00	.00	.00	________
610669	460203	ComMeas	-1,549,216.69	-1,600,000.00	-1,600,000.00	-1,194,714.21	-1,600,000.00	-1,700,000.00	________

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 626 2026 SEWER AND WATER UTILITY BUDGETS FOR PERIOD 99

ACCOUNTS FOR:

Sewer UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
610669	460204	SrvMMSDCap	.00	.00	.00	.00	.00	.00	________
610669	460205	ResFlat	-1,535,164.00	-1,600,000.00	-1,600,000.00	-1,179,263.56	-1,600,000.00	-1,700,000.00	________
610669	460206	TaxExptCap	-386,352.67	-411,000.00	-411,000.00	-283,436.94	-380,000.00	-400,000.00	________
610669	460208	Misc Opera	-75,016.87	-60,000.00	-60,000.00	-27,655.65	-30,000.00	-30,000.00	________
TOTAL SEWER - OPERATING			-4,692,423.01	-4,771,000.00	-4,771,000.00	-3,562,772.40	-4,710,000.00	-4,990,000.00	________
61	SEWER - NON OPERATIN								
610669	461101	Sewer Prop	-7,261,702.08	-7,262,821.00	-7,262,821.00	-7,262,821.00	-7,262,821.00	-7,262,821.00	________
610669	461102	Sewer Gran	.00	.00	.00	.00	.00	.00	________
610669	461302	Int S/A	.00	.00	.00	.00	.00	.00	________
TOTAL SEWER - NON OPERATIN			-7,261,702.08	-7,262,821.00	-7,262,821.00	-7,262,821.00	-7,262,821.00	-7,262,821.00	________
63	WATER - OTHER OPERAT								
610669	463701	LatePnlty	-16,015.47	-13,000.00	-13,000.00	-11,303.82	-15,000.00	-15,000.00	________
610669	463702	TaxCertFee	.00	.00	.00	.00	.00	.00	________
TOTAL WATER - OTHER OPERAT			-16,015.47	-13,000.00	-13,000.00	-11,303.82	-15,000.00	-15,000.00	________
64	WATER - NON OPERATIN								
610669	465421	ContrCap	-953,790.74	.00	.00	.00	.00	.00	________
TOTAL WATER - NON OPERATIN			-953,790.74	.00	.00	.00	.00	.00	________
69	PROJECT FUNDING								
610669	469009	TransferIn	.00	.00	.00	.00	.00	.00	________
TOTAL PROJECT FUNDING			.00	.00	.00	.00	.00	.00	________
70	SALARIES								
610669	670101	Salaries	290,158.31	542,328.00	542,328.00	318,078.09	425,000.00	565,005.00	________
610669	670104	Vacation	.00	.00	.00	.00	.00	.00	________
610669	670105	Sick Pay	.00	.00	.00	.00	.00	.00	________
610669	670106	CompTime	36,318.61	25,000.00	25,000.00	26,846.50	30,000.00	25,000.00	________
610669	670201	OverTime	3,527.62	3,000.00	3,000.00	5,265.41	6,000.00	3,000.00	________
610669	670202	Stand By	.00	4,000.00	4,000.00	.00	.00	1,000.00	________
610669	670205	FMLA	.00	.00	.00	.00	.00	.00	________
610669	670206	EmergLeave	.00	.00	.00	.00	.00	.00	________
610669	670301	Longevity	.00	.00	.00	.00	.00	.00	________
610669	670401	MuniSupSvs	222,866.01	266,500.00	266,500.00	.00	266,500.00	266,500.00	________
TOTAL SALARIES			552,870.55	840,828.00	840,828.00	350,190.00	727,500.00	860,505.00	________
73	FRINGE BENEFITS								
610669	673101	Social Sec	30,573.79	39,863.00	39,863.00	26,445.89	35,000.00	39,725.00	________

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Program ID: bgnyrpts

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 626 2026 SEWER AND WATER UTILITY BUDGETS FOR PERIOD 99

ACCOUNTS FOR: Sewer UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
610669	673102	Retirement	29,122.60	36,931.00	36,931.00	25,803.67	32,000.00	37,763.00	________
610669	673103	W/C Insure	14,361.34	13,200.00	13,200.00	10,799.30	10,800.00	6,500.00	________
610669	673104	UnempComp	.00	.00	.00	.00	.00	.00	________
610669	673201	Health Ins	132,008.70	172,017.00	172,017.00	99,411.25	120,000.00	131,658.00	________
610669	673202	Dental Ins	4,463.00	4,176.00	4,176.00	3,459.92	4,176.00	4,101.00	________
610669	673203	Life Ins	1,030.79	965.00	965.00	841.27	965.00	1,257.00	________
610669	673204	Disability	1,132.56	1,100.00	1,100.00	1,264.81	1,400.00	1,500.00	________
TOTAL FRINGE BENEFITS			212,692.78	268,252.00	268,252.00	168,026.11	204,341.00	222,504.00	________
75	OTHER STAFF COSTS								
610669	675101	Uniforms	1,924.00	2,250.00	2,250.00	.00	2,250.00	2,250.00	________
TOTAL OTHER STAFF COSTS			1,924.00	2,250.00	2,250.00	.00	2,250.00	2,250.00	________
76	ADMIN & GENERAL EXP								
610669	676205	OPEB Pen	7,182.00	.00	.00	.00	.00	.00	________
TOTAL ADMIN & GENERAL EXP			7,182.00	.00	.00	.00	.00	.00	________
80	MATERIALS & SUPPLIES								
610669	680101	Office Sup	966.95	1,000.00	1,000.00	888.27	1,000.00	1,000.00	________
610669	680301	WS-Admin	19,298.42	20,000.00	20,000.00	26,350.75	20,000.00	21,000.00	________
610669	680402	Motor Fuel	13,339.35	20,000.00	20,000.00	10,869.39	20,000.00	20,000.00	________
610669	680504	Telephone	2,246.55	3,000.00	3,000.00	6,205.49	3,000.00	6,600.00	________
610669	680505	Postage	10,669.95	14,500.00	14,500.00	10,532.39	14,500.00	14,500.00	________
TOTAL MATERIALS & SUPPLIES			46,521.22	58,500.00	58,500.00	54,846.29	58,500.00	63,100.00	________
83	PURCHASED SERVICES								
610669	683101	Cnsult-Gen	13,868.89	24,000.00	24,000.00	7,558.91	24,000.00	20,400.00	________
610669	683201	Cntrct-Gen	28,547.60	23,500.00	23,500.00	8,390.00	23,500.00	121,200.00	________
610669	683202	Cntrct-Mnt	5,749.85	5,000.00	5,000.00	4,710.14	5,000.00	5,000.00	________
610669	683401	Liab Ins	36,789.32	38,760.00	38,760.00	.00	30,000.00	31,000.00	________
610669	683402	Auto Insur	4,425.36	4,600.00	4,600.00	4,586.90	4,600.00	4,700.00	________
610669	683501	Train/Conf	5,090.00	7,500.00	7,500.00	5,235.27	8,500.00	10,000.00	________
610669	683702	Misc.Servs	.00	.00	.00	.00	.00	.00	________
610669	683901	Contingenc	.00	.00	.00	.00	.00	.00	________
TOTAL PURCHASED SERVICES			94,471.02	103,360.00	103,360.00	30,481.22	95,600.00	192,300.00	________
88	EQUIPMENT / LEASES								
610669	688120	Rentals	60,351.00	58,500.00	58,500.00	.00	58,500.00	58,500.00	________
TOTAL EQUIPMENT / LEASES			60,351.00	58,500.00	58,500.00	.00	58,500.00	58,500.00	________
95	OPERATING EXPENSES								
610669	695102	Power/Fuel	101,490.51	100,000.00	100,000.00	90,040.80	100,000.00	100,000.00	________

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 626 2026 SEWER AND WATER UTILITY BUDGETS FOR PERIOD 99

ACCOUNTS FOR:

Sewer UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
610669	695103	SystemReh	4,608.34	135,000.00	135,000.00	16,241.95	135,000.00	135,000.00	________
610669	695104	TV Equip	6,883.50	30,000.00	30,000.00	16,250.00	30,000.00	20,000.00	________
610669	695105	System Rep	39,124.68	60,000.00	60,000.00	38,415.92	60,000.00	60,000.00	________
610669	695108	SewageO&M	1,823,042.92	1,851,938.00	1,851,938.00	1,858,675.00	1,851,938.00	2,034,422.00	________
610669	695109	SewageCap	4,582,396.00	5,154,636.00	5,154,636.00	5,135,337.00	5,135,337.00	4,092,996.00	________
610669	695111	Transport	5,499.17	5,000.00	5,000.00	5,629.69	5,000.00	6,000.00	________
610669	695114	Equip Repl	10,758.72	7,000.00	7,000.00	7,853.82	7,000.00	7,000.00	________
610669	695201	TranCapRes	.00	.00	.00	.00	.00	.00	________
TOTAL OPERATING EXPENSES			6,573,803.84	7,343,574.00	7,343,574.00	7,168,444.18	7,324,275.00	6,455,418.00	________
96	NON-OPERATING EXPENS								
610669	686604	BadDebt	671.53	.00	.00	.00	.00	.00	________
610669	696101	Depreciati	1,024,410.40	1,125,000.00	1,125,000.00	.00	1,125,000.00	1,125,000.00	________
610669	696201	Amortizati	.00	.00	.00	.00	.00	.00	________
610669	696204	Amort Bond	.00	.00	.00	.00	.00	.00	________
610669	696401	Principal	.00	.00	.00	.00	.00	.00	________
610669	696501	Interest	354,609.30	305,921.00	305,921.00	237,130.80	305,921.00	259,344.00	________
TOTAL NON-OPERATING EXPENS			1,379,691.23	1,430,921.00	1,430,921.00	237,130.80	1,430,921.00	1,384,344.00	________
TOTAL Sewer UT Operations			-2,643,239.72	-2,446,778.00	-2,446,778.00	-3,467,270.32	-2,927,691.11	-3,521,542.00	________
TOTAL Sewer UT Fund			-2,643,239.72	-2,446,778.00	-2,446,778.00	-3,467,270.32	-2,927,691.11	-3,521,542.00	________
		TOTAL REVENUE	-12,310,570.95	-12,552,963.00	-12,552,963.00	-11,476,388.92	-12,829,578.11	-12,760,463.00	________
		TOTAL EXPENSE	9,667,331.23	10,106,185.00	10,106,185.00	8,009,118.60	9,901,887.00	9,238,921.00	________
		GRAND TOTAL	-2,643,239.72	-2,446,778.00	-2,446,778.00	-3,467,270.32	-2,927,691.11	-3,521,542.00	________

** END OF REPORT - Generated by Marie Keyser **

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626   2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	435101 0610-10-669-000-435101-	General Property Tax	.00	.00	.00	.00
610669	445106 0610-10-669-000-445106-	Miscellaneous Rev.	.00	.00	.00	.00
610669	455102 0610-10-669-000-455102-	Special Assessment Rev	.00	.00	.00	.00
610669	455103 0610-10-669-000-455103-	S/A Interest	-300.00	-850.00	-300.00	.00
610669	458201 0610-10-669-000-458201-	Long Term Debt Prcds	.00	.00	.00	.00
610669	458203 0610-10-669-000-458203-	Amort - Bond Premium	-62,342.00	-62,342.00	-62,342.00	.00
610669	458301 0610-10-669-000-458301-	PILOT Revenue	-131,000.00	-128,565.11	-105,000.00	-19.85
	PILOT Revenue		1.00	105,000.00	-105,000.00	
610669	458302 0610-10-669-000-458302-	Prior Years Expense	.00	.00	.00	.00
610669	458303 0610-10-669-000-458303-	Revenue Reduction	.00	.00	.00	.00
610669	458501 0610-10-669-000-458501-	Other Grants / Donations	.00	.00	.00	.00
610669	459101 0610-10-669-000-459101-	Interest-Investments	-312,500.00	-650,000.00	-325,000.00	4.00
610669	459102 0610-10-669-000-459102-	Proceeds - Capital Lease	.00	.00	.00	.00
610669	460201 0610-10-669-000-460201-	Residential-Measured	-1,100,000.00	-1,100,000.00	-1,160,000.00	5.45
610669	460202 0610-10-669-000-460202-	Public Authority	.00	.00	.00	.00
610669	460203 0610-10-669-000-460203-	Commercial-Measured	-1,600,000.00	-1,600,000.00	-1,700,000.00	6.25
610669	460204 0610-10-669-000-460204-	Service-MMSD Capital	.00	.00	.00	.00

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

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DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626 2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	460205 0610-10-669-000-460205-	Residential-Flat Rate	-1,600,000.00	-1,600,000.00	-1,700,000.00	6.25
610669	460206 0610-10-669-000-460206-	Tax Exempt Capital Fees	-411,000.00	-380,000.00	-400,000.00	-2.68
610669	460208 0610-10-669-000-460208-	Misc Operating Revenue	-60,000.00	-30,000.00	-30,000.00	-50.00
610669	460209 0610-10-669-000-460209-	Loss on Disposal of Assets	.00	.00	.00	.00
610669	461101 0610-10-669-000-461101-	Sewer Property Tax	-7,262,821.00	-7,262,821.00	-7,262,821.00	.00
610669	461102 0610-10-669-000-461102-	Sewer Grant Revenue	.00	.00	.00	.00
610669	461302 0610-10-669-000-461302-	Interest-S/A	.00	.00	.00	.00
610669	463701 0610-10-669-000-463701-	Late Penalty Revenue	-13,000.00	-15,000.00	-15,000.00	15.38
610669	463702 0610-10-669-000-463702-	Tax Certification Fees	.00	.00	.00	.00
610669	465421 0610-10-669-000-465421-	Capital Contributions	.00	.00	.00	.00
610669	469009 0610-10-669-000-469009-	Transfers In	.00	.00	.00	.00
610669	670101 0610-10-669-000-670101-	Salaries	542,328.00	425,000.00	565,005.00	4.18
			.50	88,408.00	44,204.00	
			1.00	77,126.00	77,126.00	
			1.00	90,411.00	90,411.00	
			1.00	73,521.00	73,521.00	
			1.00	63,990.00	63,990.00	
			.50	67,188.00	33,594.00	
			.50	51,982.00	25,991.00	
			1.00	55,820.00	55,820.00	
			1.00	55,820.00	55,820.00	
	INTERNS		1.00	30,000.00	30,000.00	
	CONTINGENCY		1.00	14,528.00	14,528.00	

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Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626   2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	670104 0610-10-669-000-670104-	Vacation	.00	.00	.00	.00
610669	670105 0610-10-669-000-670105-	Sick Pay	.00	.00	.00	.00
610669	670106 0610-10-669-000-670106-	Comp Time	25,000.00	30,000.00	25,000.00	.00
610669	670201 0610-10-669-000-670201-	OverTime	3,000.00	6,000.00	3,000.00	.00
610669	670202 0610-10-669-000-670202-	Stand By Pay	4,000.00	.00	1,000.00	-75.00
610669	670205 0610-10-669-000-670205-	Medical Leave	.00	.00	.00	.00
610669	670206 0610-10-669-000-670206-	Emergency Medical Leave	.00	.00	.00	.00
610669	670301 0610-10-669-000-670301-	Longevity	.00	.00	.00	.00
610669	670401 0610-10-669-000-670401-	Municipal Support Services	266,500.00	266,500.00	266,500.00	.00
610669	673101 0610-10-669-000-673101-	Social Security	39,863.00	35,000.00	39,725.00	-.35
			.00	.00	2,740.00	
			.00	.00	641.00	
			.00	.00	4,571.00	
			.00	.00	1,069.00	
			.00	.00	5,138.00	
			.00	.00	1,201.00	
			.00	.00	4,142.00	
			.00	.00	969.00	
			.00	.00	3,664.00	
			.00	.00	857.00	
			.00	.00	1,904.00	
			.00	.00	445.00	
			.00	.00	1,469.00	
			.00	.00	344.00	
			.00	.00	3,096.00	
			.00	.00	724.00	
			.00	.00	3,363.00	
			.00	.00	787.00	
		FICA ON OT & STANDBY PAY	1.00	306.00	306.00	
		INTERNS	1.00	2,295.00	2,295.00	

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626 2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	673102	Retirement	36,931.00	32,000.00	37,763.00	2.25
	0610-10-669-000-673102-					
			.00	.00	3,182.00	
			.00	.00	5,553.00	
			.00	.00	6,510.00	
			.00	.00	5,294.00	
			.00	.00	4,607.00	
			.00	.00	2,419.00	
			.00	.00	1,872.00	
			.00	.00	4,019.00	
			.00	.00	4,019.00	
	WRS ON STANDBY/OT		1.00	288.00	288.00	
610669	673103	Worker's Comp Insurance	13,200.00	10,800.00	6,500.00	-50.76
	0610-10-669-000-673103-					
610669	673104	Unemployment Compensation	.00	.00	.00	.00
	0610-10-669-000-673104-					
610669	673201	Health Insurance	172,017.00	120,000.00	131,658.00	-23.46
	0610-10-669-000-673201-					
			.00	.00	11,607.00	
			.00	.00	28,559.00	
			.00	.00	28,559.00	
			.00	.00	11,607.00	
			.00	.00	13,833.00	
			.00	.00	14,279.00	
			.00	.00	11,607.00	
			.00	.00	11,607.00	
610669	673202	Dental Insurance	4,176.00	4,176.00	4,101.00	-1.80
	0610-10-669-000-673202-					
			.00	.00	349.00	
			.00	.00	1,018.00	
			.00	.00	1,018.00	
			.00	.00	349.00	
			.00	.00	509.00	
			.00	.00	509.00	
			.00	.00	349.00	
610669	673203	Life Insurance	965.00	965.00	1,257.00	30.26
	0610-10-669-000-673203-					
			.00	.00	449.00	
			.00	.00	96.00	
			.00	.00	410.00	
			.00	.00	55.00	
			.00	.00	35.00	
			.00	.00	79.00	
			.00	.00	93.00	
			.00	.00	40.00	

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CITY OF MEQUON

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DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626   2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	673204	Long Term Disability	1,100.00	1,400.00	1,500.00	36.36
	0610-10-669-000-673204-					
610669	675101	Uniforms & Clothing	2,250.00	2,250.00	2,250.00	.00
	0610-10-669-000-675101-					
610669	676205	OPEB & Supp Pension Expense	.00	.00	.00	.00
	0610-10-669-000-676205-					
610669	680101	Office Supplies	1,000.00	1,000.00	1,000.00	.00
	0610-10-669-000-680101-					
610669	680301	Work Supplies-Admin	20,000.00	20,000.00	21,000.00	5.00
	0610-10-669-000-680301-					
610669	680402	Motor Fuels & Lubricant	20,000.00	20,000.00	20,000.00	.00
	0610-10-669-000-680402-					
610669	680504	Telephone services	3,000.00	3,000.00	6,600.00	120.00
	0610-10-669-000-680504-					
		Verizon One Talk	12.00	100.00	1,200.00	
		Apple Ipad replacement	1.00	1,800.00	1,800.00	
		Cell Phones	1.00	3,000.00	3,000.00	
		Dialer & Internet	12.00	50.00	600.00	
610669	680505	Postage	14,500.00	14,500.00	14,500.00	.00
	0610-10-669-000-680505-					
610669	683101	Consultants - General	24,000.00	24,000.00	20,400.00	-15.00
	0610-10-669-000-683101-					
		Lockbox Fees	1.00	400.00	400.00	
		Metering and Facility Plan Reviews	2.00	5,000.00	10,000.00	
		Condition Assessments	2.00	5,000.00	10,000.00	
610669	683201	Contracted Services - General	23,500.00	23,500.00	121,200.00	415.74
	0610-10-669-000-683201-					
		Dumpster Fees	1.00	5,000.00	5,000.00	
		USIC - Locating Services	1.00	85,000.00	85,000.00	
		Conley Media Bid Advertisement	1.00	1,000.00	1,000.00	
		Audit Services	1.00	12,500.00	12,500.00	
		Diggers Hotline	1.00	15,000.00	15,000.00	
		SCADA Software Subscription	12.00	225.00	2,700.00	
610669	683202	Contracted Services - Maint.	5,000.00	5,000.00	5,000.00	.00
	0610-10-669-000-683202-					
		Veolia Storage Tank	1.00	5,000.00	5,000.00	

Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

CITY OF MEQUON

DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626 2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	683203	Sewer PPI/I	.00	.00	.00	.00
	0610-10-669-000-683203-					
610669	683401	Liability Insurance	38,760.00	30,000.00	31,000.00	-20.02
	0610-10-669-000-683401-					
			1.00	31,000.00	31,000.00	
610669	683402	Auto Insurance	4,600.00	4,600.00	4,700.00	2.17
	0610-10-669-000-683402-					
			1.00	4,700.00	4,700.00	
610669	683501	Training/Conferences	7,500.00	8,500.00	10,000.00	33.33
	0610-10-669-000-683501-					
		Sewer Worker Training	1.00	6,000.00	6,000.00	
		MUNIS TRAINING FOR PROFESSIONAL STAFF	2.00	750.00	1,500.00	
		Field coordinator and Superintendent training	1.00	2,500.00	2,500.00	
610669	683702	Miscellaneous Services	.00	.00	.00	.00
	0610-10-669-000-683702-					
610669	683901	Contingency	.00	.00	.00	.00
	0610-10-669-000-683901-					
610669	686604	Bad Debt Expense	.00	.00	.00	.00
	0610-10-669-000-686604-					
610669	688120	Rentals	58,500.00	58,500.00	58,500.00	.00
	0610-10-669-000-688120-					
			1.00	58,500.00	58,500.00	
610669	695102	Power/Fuel - Pumping Stations	100,000.00	100,000.00	100,000.00	.00
	0610-10-669-000-695102-					
			1.00	100,000.00	100,000.00	
610669	695103	System Rehabilitation	135,000.00	135,000.00	135,000.00	.00
	0610-10-669-000-695103-					
		Electrical Repairs - Gilitzer Electric	1.00	25,000.00	25,000.00	
		Sewer Emergency Repairs - DF Tomasini, Globe	1.00	25,000.00	25,000.00	
		SCADA Repairs - Energenecs	1.00	25,000.00	25,000.00	
		Additional System Rehabilitation/Maintenance	1.00	60,000.00	60,000.00	
610669	695104	TV Equipment	30,000.00	30,000.00	20,000.00	-33.33
	0610-10-669-000-695104-					
			1.00	20,000.00	20,000.00	

CITY OF MEQUON

munis a tyler erp solution

DEPARTMENT BUDGET REQUESTS

BUDGET PROJECTION 626 2026 SEWER AND WATER UTILITY BUDGETS

ORG	OBJECT PROJ	ACCOUNT DESCRIPTION	CURRENT ADJ BUDGET	PROJECTED ACTUAL	DEPT HEAD	PERCENT CHANGE
610669	695105	System Repairs	60,000.00	60,000.00	60,000.00	.00
	0610-10-669-000-695105-					
		SYSTEM REPAIRS	1.00	60,000.00	60,000.00	
610669	695108	Sewage Treatment-O & M	1,851,938.00	1,851,938.00	2,034,422.00	9.85
	0610-10-669-000-695108-					
		Milwaukee Metro Sewerage District	1.00	2,034,422.00	2,034,422.00	
610669	695109	Sewage Treatment-Capita	5,154,636.00	5,135,337.00	4,092,996.00	-20.60
	0610-10-669-000-695109-					
		Milwaukee Metropolitan Sewerage District Capital Charge	1.00	4,092,996.00	4,092,996.00	
610669	695111	Transportation	5,000.00	5,000.00	6,000.00	20.00
	0610-10-669-000-695111-					
			1.00	6,000.00	6,000.00	
610669	695114	Equip Replacement	7,000.00	7,000.00	7,000.00	.00
	0610-10-669-000-695114-					
			1.00	7,000.00	7,000.00	
610669	695201	Transfer to Capital Reserve	.00	.00	.00	.00
	0610-10-669-000-695201-					
610669	696101	Depreciation	1,125,000.00	1,125,000.00	1,125,000.00	.00
	0610-10-669-000-696101-					
610669	696201	Amortization	.00	.00	.00	.00
	0610-10-669-000-696201-					
610669	696204	Amortization-Bond Discount	.00	.00	.00	.00
	0610-10-669-000-696204-					
610669	696401	Principal-Bonds	.00	.00	.00	.00
	0610-10-669-000-696401-					
610669	696501	Interest-Bonds	305,921.00	305,921.00	259,344.00	-15.23
	0610-10-669-000-696501-					
		BUDGET CEILING:			-2,446,778.00	
		TOTALS:	-2,446,778.00	-2,927,691.11	-3,521,542.00	43.93

** END OF REPORT - Generated by Marie Keyser **

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Attachment: Ex E - FY26 Sewer Budget (RESOLUTION 4238 : FY2026 Sewer Budget and User Rate)

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Mequon, WI 53092-1930
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Fax: 262-242-9655
www.cityofmequonwi.gov
Office of Sewer

TO: Sewer Utility District Commission
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: November 4, 2025
SUBJECT: Discussion Concerning Public Sewer Lateral Reimbursement Policy

Background

Sewer Utility staff is seeking direction from the Sewer Utility District Commission (SUDC) regarding property owner reimbursement for public sanitary lateral maintenance and repair work. If directed by the SUDC, Sewer Utility staff will follow with policy language for review and consideration.

Note that the Milwaukee Metropolitan Sewerage District (MMSD) offers a Pipe Check program to residents on the public sanitary sewer system, including those in the City of Mequon. The Pipe Check program provides financial incentives to help homeowners eliminate specific sources of clear water from the home at a reduced cost. MMSD has requested that the Sewer Utility generate a policy for the public portion of the lateral, so that MMSD can incorporate it into the Pipe Check Program.

While initiated by the MMSD request, public lateral operation and maintenance is the responsibility of the Sewer Utility. Therefore, consideration of a reimbursement policy is warranted regardless of whether the property qualifies for or desires to participate in the MMSD Pipe Check Program. Information on the Pipe Check Program is available on MMSD's website at: <https://www.mmsd.com/what-you-can-do/managing-water-on-your-property/pipe-check>.

Analysis

City of Mequon sanitary sewer customers that are connected to the public utility have a sewer lateral that connects the building on the property to the sanitary sewer system. Per definitions within the Mequon Code of Ordinances, Section 86-102, "Private service lateral means that portion of the sanitary sewer system extending from the street right-of-way or public easement line to the building cleanout, or if no cleanout exists, to a point five feet outside the building. Also referred to as a "building sewer" in the uniform plumbing code."

In other words, the Sewer Utility owns the portion of the lateral within the right-of-way to the point of connection, and the property owner owns the portion of the lateral on private property which connects to the building.

Sanitary laterals with root intrusion, inflow or infiltration, broken or damaged laterals all benefit from a lateral-based approach, rather than an ownership-based approach. In the example of root intrusion - if roots are within the lateral on both the private and public portions of the lateral, and the private property owner hires a Roto-Rooter type contractor to only remove the roots within the private portion of the sanitary lateral - they could continue to experience issues with backups due to the remaining roots. The Sewer Utility would not be interested in the liability and exposure of hiring a contractor to complete work on private property, and is often aware of the concern only after the property owner has the contractor on site. Under such a scenario, remedial work would potentially require two separate contracts, two separate contractors and the possibility that work would not be coordinated to take place concurrently.

In general, contractors only want to hold a contract with a single entity, and not hold separate contracts for the public and private portions of the work. Therefore, staff is requesting consideration of a public lateral reimbursement policy, whereby the Sewer Utility can grant permission to the property owner's contractor to complete a defined scope of work, with reimbursement upon satisfactory completion of necessary terms and conditions.

In the past, the Sewer Utility has reimbursed or coordinated for public lateral work with property owners. However, as demand increases, Sewer Utility staff believe that the reimbursement approach would benefit from establishing standard policy language.

If authorized, Sewer Utility staff will generate policy language similar to that of the MMSD Pipe Check Program. The policy language will provide terms and conditions for:

- Definition of eligible properties
- Definition of eligible projects
- Requirements for defining public lateral costs
- Applicable restrictions on funding
- Approval process for the scope of work
- Approval process for contractors
- Financial Policy conformance
- Emergency/after-the-fact considerations
- Timeline for reimbursement

Fiscal Impact

Operation, maintenance, repair and/or replacement of the public lateral is a financial obligation of the Sewer Utility. Due to system efficiencies, Sewer Utility staff typically identify laterals requiring attention, but wait for an accumulation of sufficient laterals within an area or large enough scope overall to warrant a contract. A reimbursement policy will prioritize addressing the lateral issue in a timely manner, over waiting for economies of scale.

Lateral reimbursement is potentially more cost efficient than a contract solely for the public portion of the lateral work. As noted, the policy will include terms and conditions to ensure that the cost for any public work is properly vetted.

Potential funding sources for reimbursement work could include the Gravity Sanitary Sewer Fund. At the rate that Mequon residents have utilized the Pipe Check Program (average of less than 5 per year) or Sewer Utility staff have been contacted regarding a request for reimbursement, staff is not concerned about the demand for funding. However, as noted above, restrictions on funding should be considered so that the policy does not offer reimbursement for expenses beyond what the Sewer Utility can otherwise afford.

Recommendation

Staff recommends that the SUDC provide guidance on the generation of a public lateral reimbursement policy. Alternatively, if the SUDC does not agree that policy language is warranted, it will not be included in the Utility's ongoing workplan.