MEQUON
WATER UTILITY

11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2913
Fax: 262-242-1580

www.cityofmequonwi.gov
Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION
Regular Meeting
Tuesday, November 4, 2025
6:00 PM or immediately following the Sewer Utility District Commission
Christine Nuernberg Hall

Agenda

1) Call to Order, Roll Call

2) Approval of Meeting Minutes
   Action requested: review and approve

   a. Water Minutes

3) Discussion and Possible Action

   a. Status Update - Mequon Water Master Plan

   b. Request to Reassign $400,000 in Undesignated Cash Reserves to One-Time Capital Projects

   c. Adoption of the Fiscal Year 2026 Mequon Water Utility Budget

   d. Authorization for the Mequon Water Utility to Exceed $25,000 for Purchases and/or Services to Complete Projects as Needed During Fiscal Year 2026 from the Following Contractors: Core and Main, Etna Supply, Grunau, DF Tomasini, Mid-City, MJ Construction, Rozga, Budiac Plumbing, Badger Meter and United Systems & Software

   e. Authorization to Purchase Four Hundred and Ten (410) Water Meters and Associated Appurtenances in an Amount Not-to-Exceed $125,000

   f. Status Update on Negotiations to Amend the City of Mequon's Water Supply Contract with the City of Milwaukee Water Works

   g. Consideration of an Amendment to the Mequon Municipal Water Utility's Water Connection Policy, Related to Meters

h. Discussion Regarding an Amendment to the Mequon Municipal Water Utility's Water Connection Policy, Related to Cost Sharing for Betterment of Service (BOS) Projects

4) Adjourn

Dated: November 4, 2025 */s/ **Andrew Nerbun, Chair***

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

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

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

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Water Utility

MEQUON MUNICIPAL WATER UTILITY COMMISSION
Regular Meeting
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 7:33 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) Discussion Items

Action requested: review and recommend approval

a. Rejection of Bids for Contract No. 3849-25: Industrial Park Abandonment

The Director of City Water explained that two bids had been submitted; one was well over their budgeted amount and one was not submitted properly. They moved to reject the bids submitted and reopen the bidding process in 2026.

Motion to reject the bids.

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

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
NOT PRESENT:	Bratt

b. Awarding the Contract to Replace Three Hydrants and Three Valves to Wilkomm Excavating of Union Grover, Wisconsin in the Amount of $95,500

Motion to approve.

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

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
NOT PRESENT:	Bratt

c. 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 $27,50

Director of Public Works/City Engineer Lundeen explained that this is a joint effort between Water and Sewer Utilities. A consultant will help during the vendor selection process to transition to the new operating system into the 2026 season.

Motion to approve the agreement (with the corrected the dollar amount of $27,500).
RESULT: **Approved by Voice Acclamation [8:1]**
MOVED BY: Commissioner Bach
SECONDED BY: Commissioner Strzelczyk

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Gebhardt
NOT PRESENT:	Bratt

3) Adjourn

Motion to adjourn at 7:38 PM.
RESULT: **Approved by Voice Acclamation [8:1]**
MOVED BY: Commissioner Parrish
SECONDED BY: Commissioner Gebhardt

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

Respectfully submitted,
Deputy Clerk Beth Kong

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WATER UTILITY

TO: Mequon Municipal Water Utility Commission
FROM: Jim Voigt and Eric Fulsaas, City Water
DATE: October 18, 2025
SUBJECT: Status Update – Mequon Water Utility Master Plan

Background

In October 2023, the Mequon Municipal Water Utility Commission (WUC) adopted the updated Mequon Water Utility Master Plan. This document is utilized to guide the budget, implementation plan, work plan and annual report. As identified in the Master Plan and previously communicated to the WUC, key tables and figures would be updated annually and presented.

Analysis

A review of the master plan identified five key figures that will be updated yearly to provide a high level overview of the Utility. The figures and tables are labeled to match the corresponding reference from the master plan.

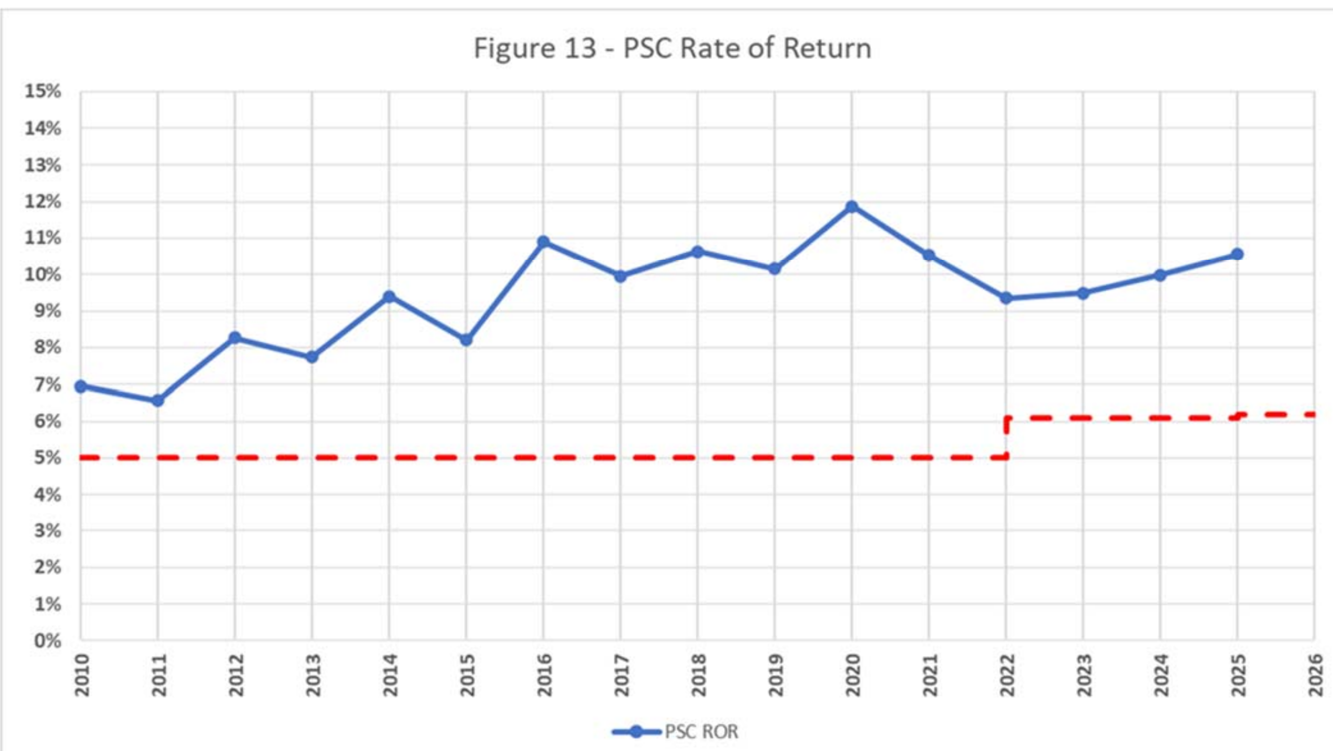
Figure 1 shows the customer growth of the utility from inception to current day and the projected growth up to 2040. Since the completion of the master plan in late 2023, the Utility has added service to portions of River Hills and completed the Swan Ridge subdivision and second MWW connection. Staff continue to anticipate steady customer growth of approximately 1% per year.

Figures 2 and 3 show the breakdown of the customer counts by customer classification. Figure 2 splits the counts by the customer service classification while Figure 3 converts the customer counts into Residential Equivalent Units (REU's). Residential customers are 91% of the meters in the system but account for only 61% of the water usage. Conversely, commercial customers make up only 6% of the meters in the system but use just over 26% of the water. These percentages are very similar to the master plan, indicating that regardless of system expansion, the customer makeup is very similar.

Figure 5 shows the system demand compared to the customer demand. As identified in the master plan, Non-Revenue Water (NRW) peaked at 24.1% in 2022. Through staff effort, the NRW has decreased to below 20% and staff continues to make reducing NRW a priority for the Utility.

Figure 13 shows the Public Service Commission (PSC) calculated rate of return (ROR) for the utility. The PSC target ROR has historically been between 5% and 6.5%. MWU has always been above the target ROR and is in a healthy position financially. The Utility only has three methods to change rates, which are listed below with the criteria.

1. Conventional Rate Case
   a. A full rate case submitted to the PSC for review and adoption. This involves utilizing a test year to estimate revenues and expenses and determine the requirement of the Utility to meet the PSC target ROR. The PSC then determines the rates through a cost of service study.
2. Simplified Rate Case
   a. Only available in the five years following a conventional rate case. Increases the rates a fixed amount set by the PSC annually to account for inflation. The Utility ROR must be below the PSC target to apply.
3. Purchased Water Adjustment
   a. MWU can apply for a purchased water adjustment if the wholesale water suppliers (MWW or NSWC) perform a conventional rate case. Because NSWC is not regulated by the PSC, staff will confirm with PSC the triggers for a purchased water adjustment in regards to NSWC. MWW is currently applying for a conventional rate case, so MWU may be able to process a purchased water adjustment in mid- to late-2026.



The table below shows the relative ranking of quarterly water bills for surrounding communities. The average quarterly residential bill is calculated assuming 12,000 gallons of water usage and a 5/8inch meter. Mequon is currently towards the upper end of the spectrum, however at one point Mequon had the highest rates in the area. Because of the relatively young age of our utility infrastructure, MWU has been able to keep rates steady while other utilities have had to absorb large rate increases for infrastructure replacement. Over time, MWU water rates should remain relatively stable due to the age of our infrastructure, where surrounding mature utilities will continue to apply for rate increases to address aging infrastructure. As an example, Port Washington, Grafton and Glendale have seen over a 40% increase in rates in the past several years. Shorewood, Whitefish Bay, Cudahy and others are in the process of rate increases or are contemplating future increases because of aging infrastructure and lead service replacement.

Table 1 – Area Water Rate Comparison

Utility	Effective Rate Date	Average Quarterly Residential Bill	Ranking	Notes
Menomonee Falls	1/1/2017	$ 63.24	1	PFP not included
Milwaukee (MWW)	8/1/2025	$ 70.81	2	
Cudahy	2/1/2022	$ 74.02	3	
Brown Deer	12/1/2024	$ 74.95	4	
New Berlin	4/1/2024	$ 86.40	5	PFP not included
West Allis	2/1/2025	$ 87.48	6	
Whitefish Bay	12/1/2020	$ 89.34	7	
Oak Creek	11/15/2017	$ 89.71	8	
West Bend	10/1/2025	$ 92.91	9	
Jackson	1/1/2025	$ 94.00	10	
Grafton	9/20/2025	$ 94.68	11	
Shorewood	1/6/2023	$ 105.15	12	
Greendale	1/1/2025	$ 106.38	13	
Cedarburg	4/1/2023	$ 115.95	14	
Wauwatosa	8/7/2023	$ 119.41	15	
Saukville	1/1/2025	$ 121.47	16	
Mequon	12/18/2023	$ 124.95	17	
Fox Point	8/1/2025	$ 133.56	18	
Glendale	6/29/2024	$ 144.99	19	
Port Washington	9/1/2023	$ 157.82	20	
Butler	5/21/2025	$ 159.84	21	
Waukesha	10/1/2024	$ 200.79	22	

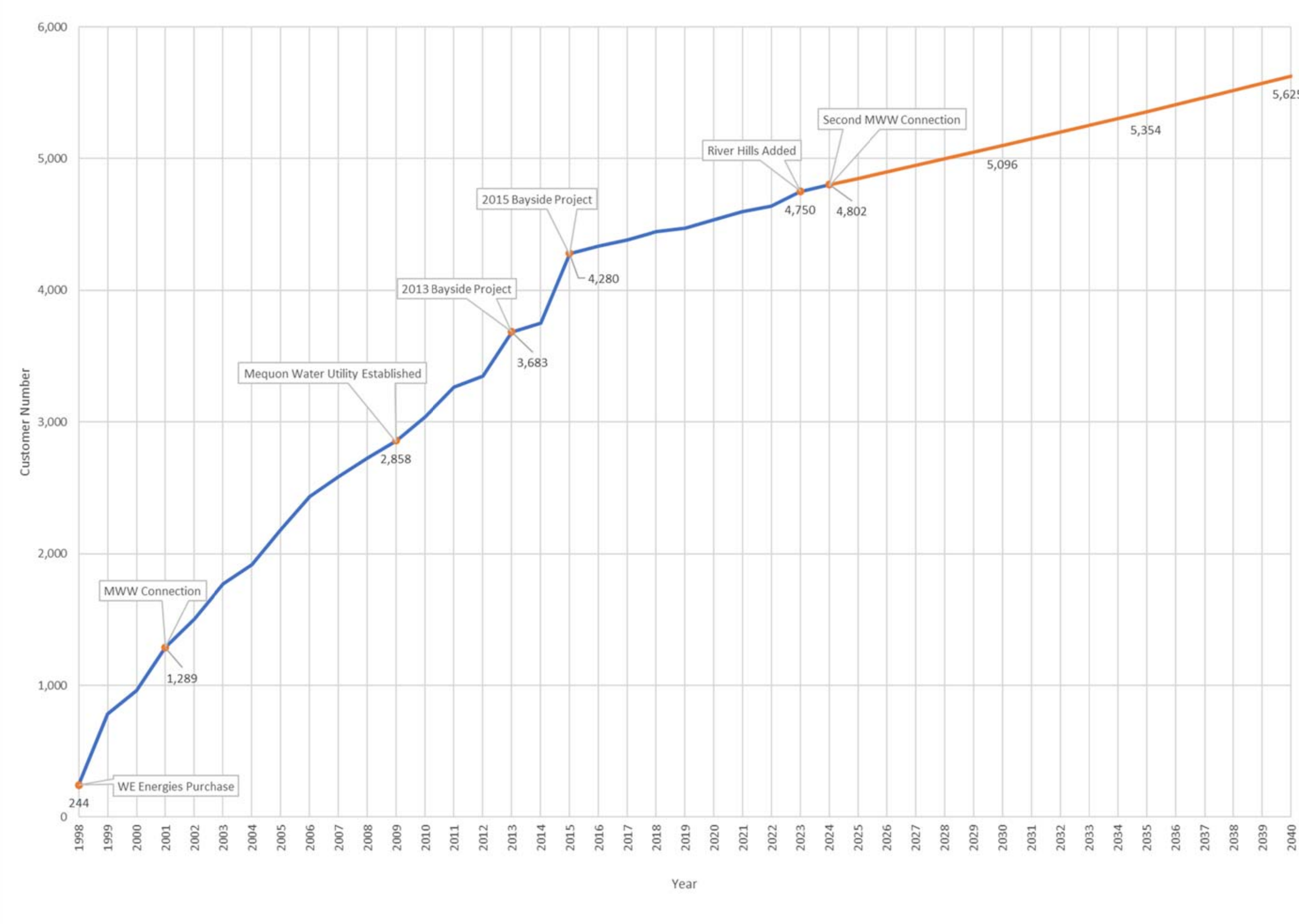
Bold communities show communities that purchase water from MWW, similar to Mequon.

Fiscal Impact

The master plan did inform the FY2026 budget, the details of which are included in the separate agenda item.

Attachment: Exhibit A: Master Plan Update (10766 : Water Utility Master Plan Update)

Figure 1 - Customer Growth



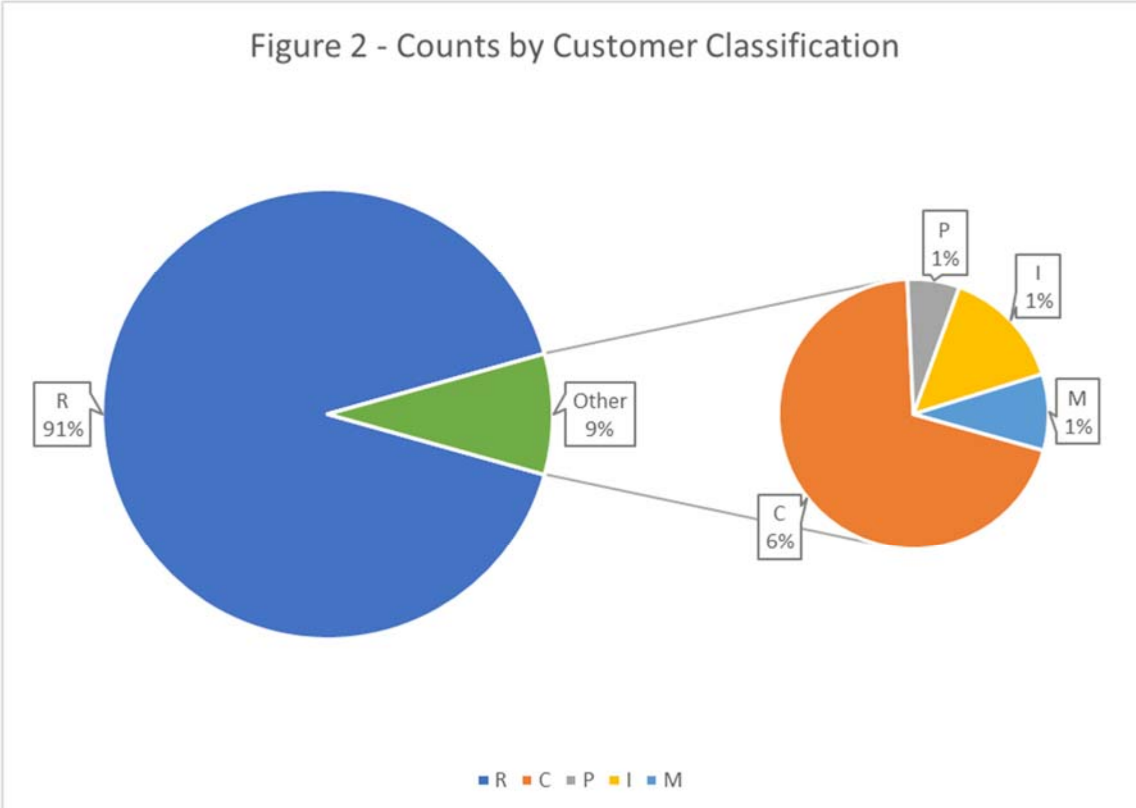


Figure 2 - Counts by Customer Classification
R
91%
Other
9%
P
1%
I
1%
M
1%
C
6%
R C P I M

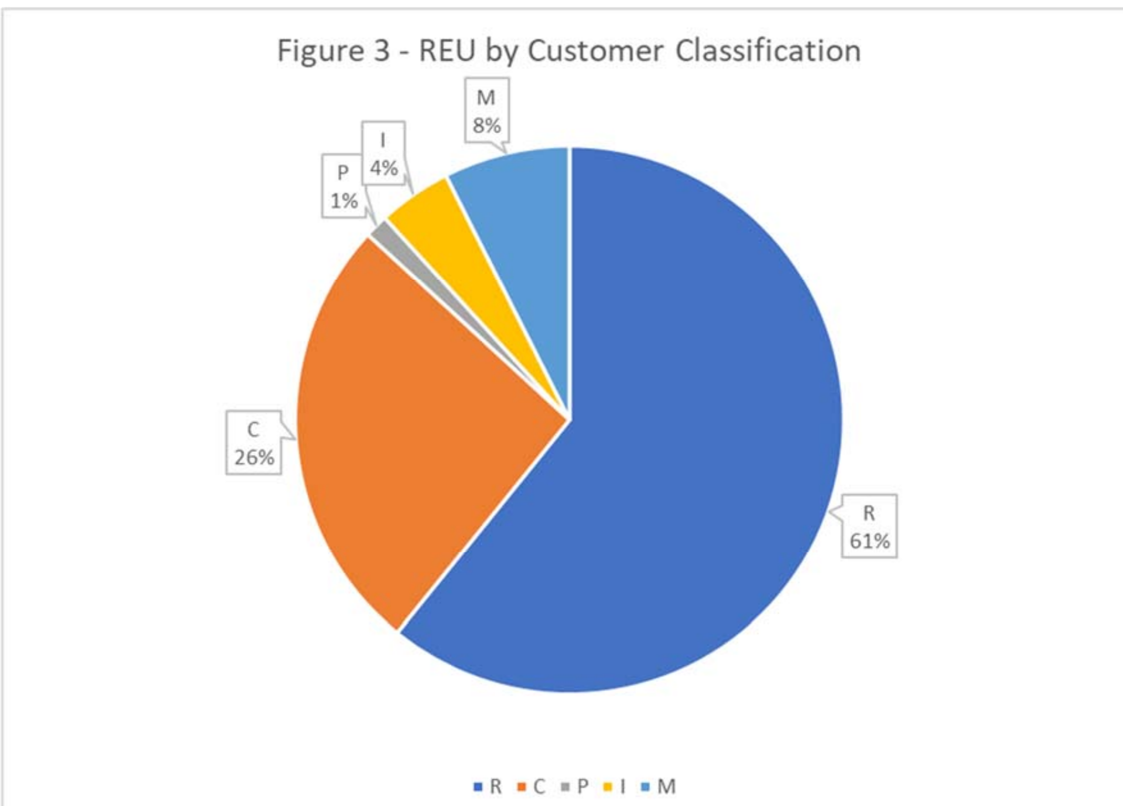


Figure 3 - REU by Customer Classification
M
8%
I
4%
P
1%
C
26%
R
61%
R C P I M

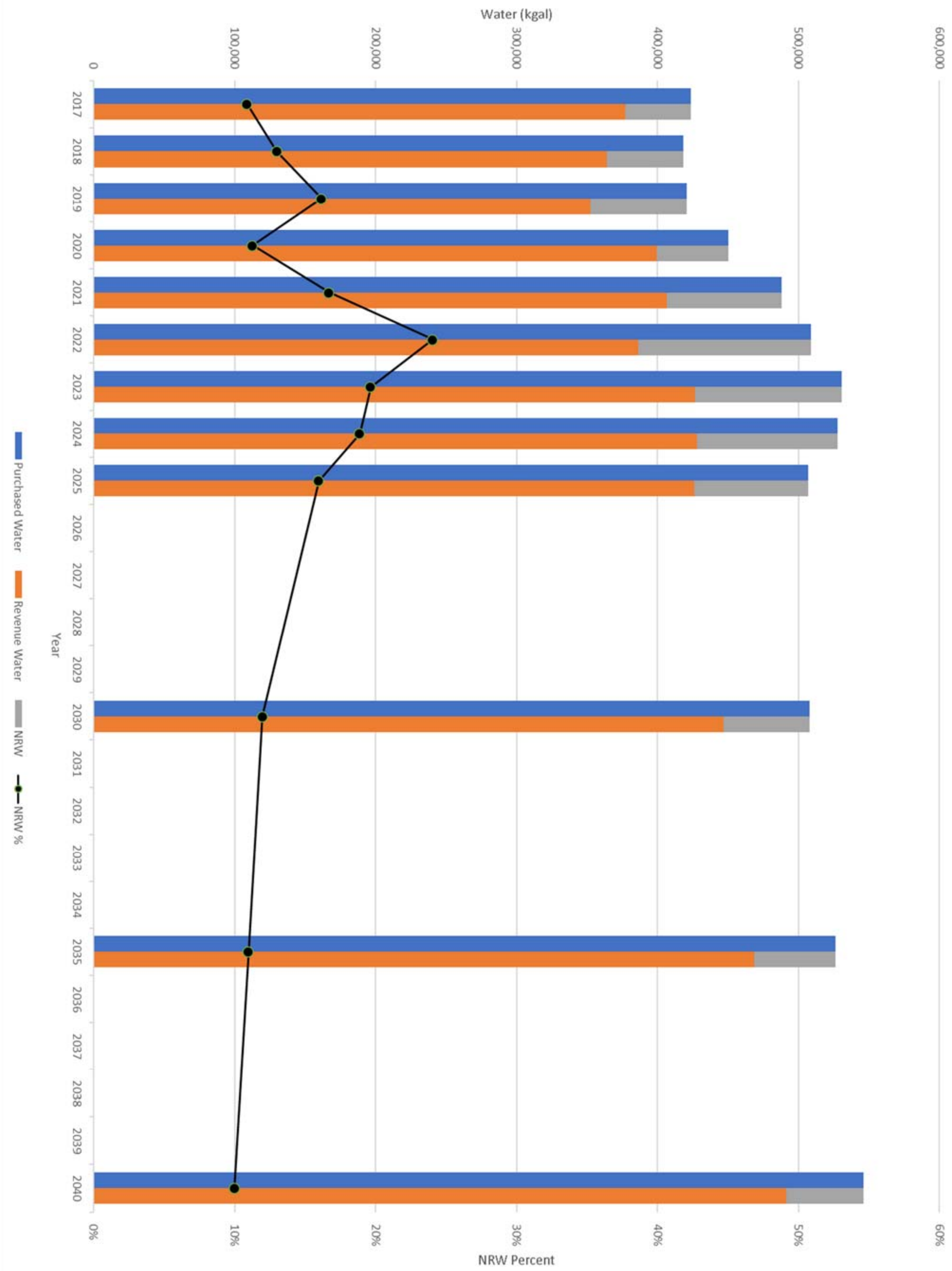


Figure 5 - System Demand vs Customer Demand

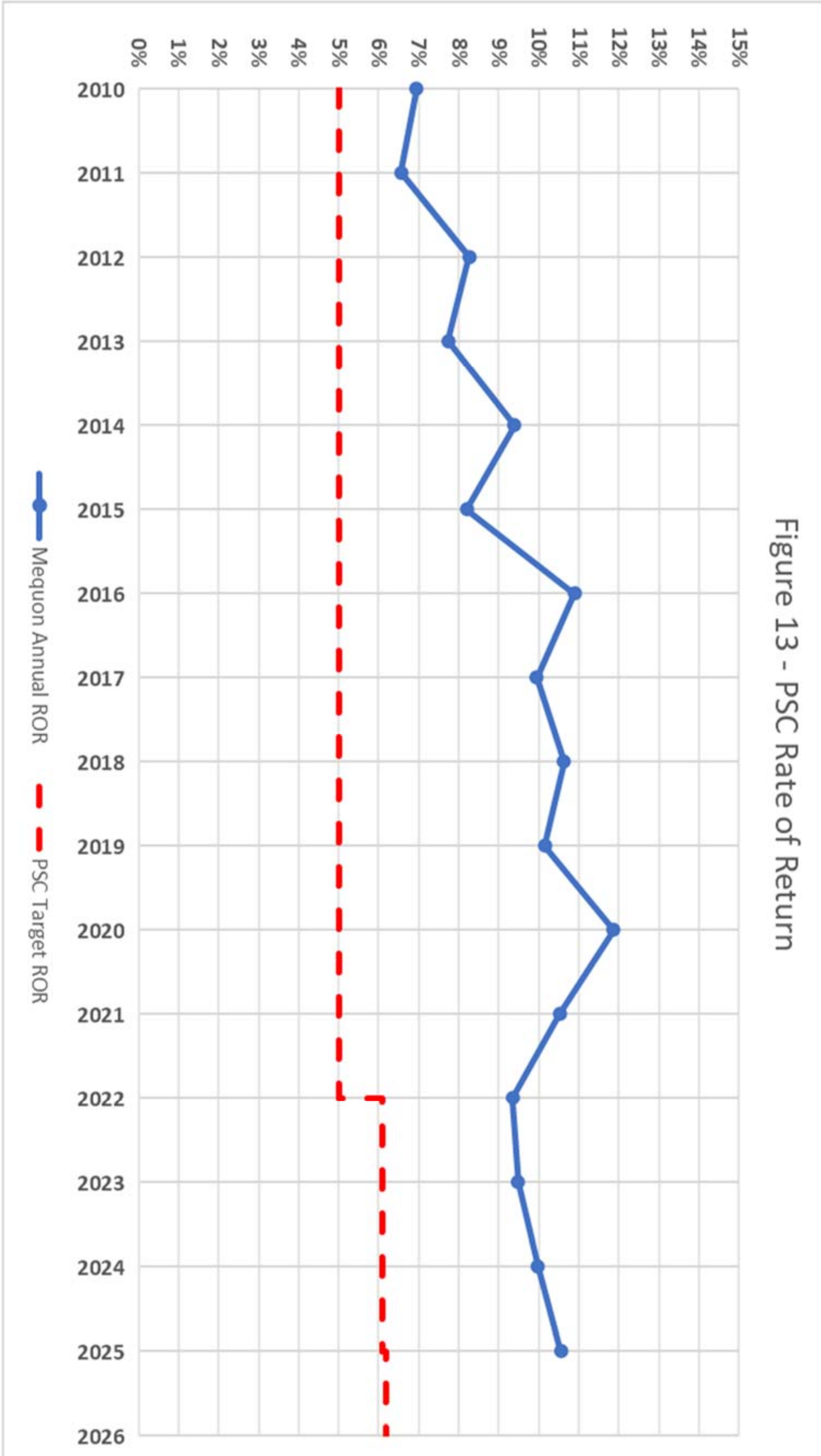


Figure 13 - PSC Rate of Return
0%
1%
2%
3%
4%
5%
6%
7%
8%
9%
10%
11%
12%
13%
14%
15%
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Mequon Annual ROR
PSC Target ROR

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Office of Mequon Municipal Water Utility Commission

TO: **Mequon Municipal Water Utility Commission**
FROM: **Jim Voigt, Director of Operations**
DATE: **November 4, 2025**
SUBJECT: **Request to Reassign $400,000 in Undesignated Cash Reserves to One-Time Capital Projects**

Background

On October 27, 2022, the Water Utility Commission approved **Mequon Water Utility Financial Policy: Reserve Requirement**. This policy requires 80 percent of the current operating expenditure budget to be held in reserve, with a minimum required balance of $2,000,000. Funds in excess of this amount can be appropriated as follows:

- One-time capital improvements/projects
- Debt abatement
- Other investments/programs that enhance efficiencies or reduce operating costs

Analysis

The proposed FY2026 Water Utility Operating Budget is included in the table below. The current Undesignated Cash Reserve is $3,387,556, or 107% of the Water Utility Operating Budget, and therefore the minimum requirements of the policy have been met.

Cash/Cash Equivalents Balance 12/31/2025	**$6,645.332**
Less: Restricted Funds 2025	($985,000)
Less: Capital Funding 12/31/2025	($2,272,776)
Less: Reserve Policy (80% O&M Expenses)	($2,522,496)
Estimated Excess Cash Available for Appropriation 1/1/2026	**$865,060**

Staff recommends reassigning $400,000 in excess funds to the Utility's capital funding accounts. This is less than the full Undesignated Cash Reserve amount, as these numbers are projected or estimated numbers for year-end. The Utility can reassign future excess funds at any time, should the need present itself.

Fiscal Impact

Per the 80% policy, $2,522,496 should be maintained as an Undesignated Cash Reserve. The $400,000 in undesignated cash reserves will be reassigned as shown in the following table:

Capital Fund	**Estimated Fund Balance**	**Excess Cash Appropriation**	**Fund Balance 1/1/2026**

	12/31/2025		
Water System Storage Capital	$358,707	$-	$358,707
Water Supply & Control Capital	$267,550	$-	$267,550
Water Meter Replacement Capital	$193,076	$-	$193,076
Water Buried Utility Capital	$145,891	$-	$145,891
Water Equipment Capital	$100,093	$-	$100,093
Water Utility Finance Fund	$20,319	$-	$20,319
Water Betterment of Service	$1,187,140	$400,000	$1,587,140
Total	**$2,272,776**	**$400,000**	**$2,672,776**

Recommendation

Staff recommends that Water Utility Commission review and adopt reassignment of undesignated cash reserves as illustrated above.

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www.cityofmequonwi.gov **Office of Mequon Municipal Water Utility Commission**

TO: **Mequon Municipal Water Utility Commission**
FROM: **Jim Voigt, Director of Operations**
DATE: **November 4, 2025**
SUBJECT: **Adoption of the Fiscal Year 2026 Mequon Water Utility Budget**

Background

The Mequon Water Utility (MWU) budget is administered separately from the City's general operating and capital budgets in accordance with the referendum and ordinance establishing the MWU. The following materials, which include proposed capital and operating budgets, constitute the Utility's proposed 2026 budget for consideration and adoption by the Water Utility Commission (WUC).

Analysis

The Water Utility budget is funded exclusively through user charges. The user charges fund annual operation and maintenance expenses, ongoing capital project needs, and debt service payments. A breakdown of the 2026 MWU budget is attached.

FY2025 Accomplishments

The MWU manages, maintains, and operates the City's water mains, pressure reducing valves, booster stations, valves, hydrants, and other Utility infrastructure. In 2025, the MWU accomplished a number of objectives including:

- Between October 10, 2024, and October 10, 2025, the MWU added twenty-six (26) new customers. The Utility currently services 4,787 customers in Mequon, Thiensville, and Bayside.
- The MWU flushed 631 fire hydrants and exercised 695 valves as of September 30.
- Completed 228 meter replacements.
- The Utility had several construction projects in 2025, including:
  - Swan Ridge Phase 2 Extension
  - ICAP Extension
  - Enclave - Phase VIII
  - Eastbrook Place Condominiums
  - Newcastle Place
- Miscellaneous hydrant and valve replacements
- In efforts to reduce non-revenue water, staff discovered a handful of meters that were not in the billing system. The quarterly volume of water now metered and billed is estimated at over 300,000 gallons.

FY2026 Projects, Objectives and Goals
The following are projects or elements that will influence the 2026 budget.

- Complete the standard meter replacement program in 2026. The 2026 goal is 300 meter replacements.
- Continue installing water meters when new customers are added. Staff has planned for 75 new customers in 2026, mainly in the Swan Ridge, Highland Meadows, Eastbrook, Enclave and The Grove developments.
- Continue the annual hydrant flushing and valve exercising program for system maintenance. Valves are exercised every three years and hydrants are flushed every two years.
- There are several water main extension projects that are proposed for FY2026:
  - Enclave - Phase IX
  - The Grove - Phase 2
  - Burr Oak Estates
  - Second Milwaukee Water Works (MWW) Connection System Loop
- Continue to investigate the elevated non-revenue water.

Fiscal Impact
The proposed FY2026 Mequon Water Utility budget is attached to this memo. Numbers preceded by a negative sign (-) represent revenues and figures without a negative sign are presented as expenditures. In general, expenses remain consistent with previous years. Revenues are projected to increase with the recently approved purchased water adjustment, and continued customer growth. Continued customer growth has allowed the Utility to maintain a healthy net revenue without large rate increases. The chart below illustrates several of the Utility’s key charges over the past eight years. Since 2017, the average residential water bill has increased by less than 3 percent.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Water Service (quarterly)	$31.29	$31.30	$31.31	$31.31	$31.31	$31.31	$31.31	$31.32	$31.32	$31.32
Public Fire Protection (quarterly)	$30.28	$30.29	$30.29	$30.29	$30.29	$30.29	$30.29	$30.15	$30.15	$30.15
Water Volumetric (per 1,000 gallons)	$5.03	$5.13	$5.13	$5.17	$5.17	$5.17	$5.17	$5.29	$5.29	$5.29

*Quarterly charges are based on a 5/8-inch meter size

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.

Cash Flow Analysis	2024 Actual	2025 Budgeted	2025 Projected	2026 Proposed
Cash/Cash Equivalents Balance 1/1	**$ 5,609,637**	**$ 6,038,017**	**$ 6,510,655**	**$ 6,645,332**
Net Income	$ 1,641,871	$ 1,003,116	$ 823,489	$ 842,156
Plus: Depreciation	$ 790,466	$ 759,000	$ 759,000	$ 852,000
Less: Debt Payments	$ (1,010,000)	$ (1,025,000)	$ (1,025,000)	$ (1,065,000)
Less: Capital Projects	$ (434,084)	$ (580,000)	$ (335,557)	$ (2,625,000)
Less: Amort on Bond Premium	$ (87,235)	$ (87,235)	$ (87,235)	$ (87,235)
Net Change in Cash/Cash Equivalents	$ 901,018	$ 69,881	$ 134,677	$ (2,083,079)
Cash/Cash Equivalents Balance 12/31	**$ 6,510,655**	**$ 6,107,898**	**$ 6,645,332**	**$ 4,562,253**
Restricted for Bond Covenant	$ 1,078,898	$ 985,000	$ 985,000	$ 898,500
Reserved for Capital Projects	$ 1,408,353	$ 1,982,396	$ 2,272,776	$ 647,776
80% Cash Reserve Requirement	$ 2,527,002	$ 2,522,496	$ 2,522,496	$ 2,697,663
Unassigned 12/31	**$ 1,496,402**	**$ 618,006**	**$ 865,060**	**$ 318,314**

Recommendation

Staff recommends that Water Utility Commission review and adopt the FY2026 budget.

Attachments:
Exhibit A: 2026 Water Capital Project Budget (PDF)
Exhibit B: 2026 Water Operations Budget (PDF)
Exhibit C: 2026 Water Operations Budget Detail (PDF)

Exhibit A

WATER CAPITAL PROJECT BUDGET

Capital projects for the Water Utility are system improvements and replacements outside of the normal operation and maintenance of the system. These projects typically are defined by their cost (>$5,000), increased lifespan (1 year or more), and overall benefit to the system. Additionally, unlike maintenance and operation, which applies to the current utility infrastructure in place, capital projects usually involve the addition of new infrastructure to the system. Due to the singular nature of capital projects and the cost associated with them, proper planning and funding is required to reduce large increases in annual budget demands. Therefore, the Mequon Water Utility provides self-funding for capital expenditures based on a combination of user charges, developer fees, and connection fees for new customers. This allows large capital projects to be planned and funded without drastic changes in the annual budget, large scale borrowing, or changes to water rates.

Prior to 2017, the Utility was unable to self-fund capital projects. In the early years of utility ownership, the bond covenant and the revenue bond payments severely limited the Utility's ability to properly plan and fund system improvements and replacements. However, during the first twelve years of ownership the Mequon Water Utility was steadily growing through new developments in Mequon, Bayside and Thiensville. These projects increased the size of the water utility by roughly 50% (just under 3,000 customers in 2009 to approximately 4,728 customers in 2022). In 2017, the Utility refinanced its revenue bonds, and based on the reduced principal payments and increased customer counts, the utility has the financial ability to self-fund capital reserves.

Table 1 – History of Self-Funded Capital Budgets

	2018	2019	2020	2021	2022	2023	2024	2025
Total Self-Funding Capital	$150,000	$150,000	$200,000	$300,000	$400,000	$500,000	$400,000	$500,000

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

Exhibit A

WATER CAPITAL PROJECT BUDGET

Table 2 shows the 2024–2028 self-funding capital breakdown.

Table 2 – Self-Funded Capital Budgets

Account Name	2026	2027	2028	2029	2030
1. System Storage	$ -	$ -	$ -	$ -	$ 500,000
2. System Supply & Control	$ -	$ 150,000	$ 50,000	$ -	$ 100,000
3. Water Meter Replacement	$ -	$ 150,000	$ 150,000	$ 110,000	$ 200,000
4. Buried Utility Plant	$ -	$ 100,000	$ 125,000	$ 190,000	$ 200,000
5. Equipment Replacement	$ -	$ -	$ 100,000	$ -	$ 100,000
6. Utility Finance	$ -	$ -	$ -	$ -	$ 100,000
7. Betterment of Service	$ 600,000	$ 100,000	$ 75,000	$ 200,000	$ 300,000
TOTALS	**$ 600,000**	**$ 500,000**	**$ 500,000**	**$ 500,000**	**$ 1,500,000**

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

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

   Prioritized projects include:
   - Existing Ground Reservoir Abandonments (three total)
     - Mequon Industrial Business Park - $250,000
     - Whitman Place - $150,000
     - Ville du Parc - $150,000
   - Water Tower Improvements - $550,000

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

WATER CAPITAL PROJECT BUDGET

pump on Port Washington Road. The Utility contractually meets the current peak day demand, however there are hydraulic limitations to providing water from the Port Washington Road booster station to the high-pressure zone for an extended period of time.

Prioritized projects include:

- SCADA System Replacement & Expansion - $600,000
  - This includes new SCADA interface, all new telemetry infrastructure and the addition of three new communication stations
  - Cost is split over 2026 ($400,000), 2027 ($100,000), and 2028 ($100,000)
- NSWC Booster Revision - $50,000

3. **Water Meter Replacement Fund**

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

Prioritized projects include:

- 200 Meter Replacement per year - $120,000 per year

4. **Buried Utility Plant Fund**

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

Prioritized projects include:

- Hydrant Replacement (per year) - $40,000
- Valve Replacement (per year) - $40,000

5. **Equipment Fund**

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

- Replace 803 (2018 Utility Truck with Crane) with new Utility Truck - $90,000

WATER CAPITAL PROJECT BUDGET

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

   Prioritized projects include:
   - Migration to AMI Metering System - $400,000

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

   Prioritized projects include:
   - Second Milwaukee Connection Loop - $2,000,000
   - Hidden River Condos Loop - $220,000
   - Mequon Road (River to Riverland) Loop - $495,000
   - Stonefields V Subdivision Loop - $230,000
   - Lac de Cours Loop - $100,000
   - Columbia Creek Subdivision Loop - $420,000
   - Hidden Reserve & Gebhardt Farms Loop - $260,000

Exhibit A

WATER CAPITAL PROJECT BUDGET

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

Table 3 – 5-Year Project Plan

	2026	2027	2028	2029	2030
System Storage Fund Subtotal	**$ -**	**$ -**	**$ -**	**$ -**	**$ 350,000**
Industrial Park Reservoir Abandonment					$ 350,000
System Supply and Control Fund	**$ 400,000**	**$ 100,000**	**$ 100,000**	**$ -**	**$ -**
SCADA Improvements	$ 400,000	$ 100,000	$ 100,000		
Water Meter Replacement Fund Subtotal	**$ 150,000**	**$ 110,000**	**$ 110,000**	**$ 110,000**	**$ 110,000**
Meter Replacements	$ 150,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000
Buried Utility Plant Fund Subtotal	**$ 75,000**	**$ 100,000**	**$ 125,000**	**$ 125,000**	**$ 150,000**
Hydrant/Valve/Service Replacements	$ 75,000	$ 100,000	$ 125,000	$ 125,000	$ 150,000
Equipment Fund Subtotal	**$ -**	**$ -**	**$ 90,000**	**$ -**	**$ 100,000**
803 Replacement			$ 90,000		
802 Replacement					$ 100,000
Utility Finance Fund Subtotal	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
No planned projects					
Betterment of Service Fund Subtotal	**$ 2,000,000**	**$ -**	**$ -**	**$ -**	**$ -**
Second MWW Connection Loop	$ 2,000,000				
Capital Expenses Total	**$ 2,625,000**	**$ 310,000**	**$ 425,000**	**$ 235,000**	**$ 710,000**

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

Exhibit A

WATER CAPITAL PROJECT BUDGET

Table 4 - Cash Flow Analysis – Approved Capital Budget

	2025	2026	2027	2028	2029	2030
Funds Available (Jan.1)	$2,108,353	$2,672,776	$ 647,776	$ 837,776	$ 912,776	$ 1,177,776
Capital Revenue	$ 500,000	$ 600,000	$ 500,000	$ 500,000	$ 500,000	$ 1,500,000
Total Construction Funds Available	$2,608,353	$3,272,776	$1,147,776	$1,337,776	$ 1,412,776	$ 2,677,776
Expenses	$ 335,577	$2,625,000	$ 310,000	$ 425,000	$ 235,000	$ 710,000
End of Year Balance	$2,272,776	$ 647,776	$ 837,776	$ 912,776	$ 1,177,776	$ 1,967,776

CITY OF MEQUON

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NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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

ACCOUNTS FOR: Water UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
620679	Water UT Operations								
58	OTHER REVENUE								
620679	458203	Amort - BP	-87,234.95	-87,235.00	-87,235.00	.00	-87,235.00	-87,235.00	________
TOTAL OTHER REVENUE			-87,234.95	-87,235.00	-87,235.00	.00	-87,235.00	-87,235.00	________
59	INVESTMENT REVENUE								
620679	459101	Interest	-366,477.78	-170,000.00	-170,000.00	-202,417.93	-270,000.00	-170,000.00	________
TOTAL INVESTMENT REVENUE			-366,477.78	-170,000.00	-170,000.00	-202,417.93	-270,000.00	-170,000.00	________
62	WATER - SALES								
620679	462401	Water Res	-1,320,323.87	-1,350,000.00	-1,350,000.00	-1,010,321.54	-1,321,318.00	-1,330,000.00	________
620679	462402	Water Com	-577,804.53	-550,000.00	-550,000.00	-472,095.33	-616,289.00	-590,000.00	________
620679	462403	Water Ind	.00	.00	.00	.00	.00	.00	________
620679	462404	Water PA	-43,682.20	-30,000.00	-30,000.00	-34,569.01	-49,676.00	-50,000.00	________
620679	462405	Water MF	-182,277.58	-170,000.00	-170,000.00	-140,097.94	-183,064.00	-190,000.00	________
620679	462406	Water IRR	-89,003.16	-85,000.00	-85,000.00	-69,234.19	-85,743.00	-85,000.00	________
620679	462411	ResSrvChg	-592,060.77	-600,000.00	-600,000.00	-448,589.59	-598,888.00	-605,000.00	________
620679	462412	ComSrvChg	-106,330.71	-107,000.00	-107,000.00	-80,460.16	-107,209.00	-108,000.00	________
620679	462413	IndSrvChrg	.00	.00	.00	.00	.00	.00	________
620679	462414	PubAuthSrv	-11,737.29	-11,000.00	-11,000.00	-9,901.16	-13,202.00	-13,500.00	________
620679	462415	MultFamCrg	-21,451.49	-21,000.00	-21,000.00	-16,692.10	-22,430.00	-23,000.00	________
620679	462416	IrrSrvChrg	-14,128.54	-14,500.00	-14,500.00	-11,010.95	-14,845.00	-15,000.00	________
620679	462462	Priv Fire	-66,350.94	-67,000.00	-67,000.00	-52,475.82	-70,276.00	-71,000.00	________
620679	462463	Pub Fire	-784,894.17	-785,000.00	-785,000.00	-596,520.01	-796,568.00	-800,000.00	________
620679	462465	OthSales	.00	.00	.00	.00	.00	.00	________
TOTAL WATER - SALES			-3,810,045.25	-3,790,500.00	-3,790,500.00	-2,941,967.80	-3,879,508.00	-3,880,500.00	________
63	WATER - OTHER OPERAT								
620679	463701	LatePnlty	-6,082.13	-10,500.00	-10,500.00	-9,249.58	-10,500.00	-10,500.00	________
620679	463702	TaxCertFee	-5,075.87	-5,000.00	-5,000.00	.00	-5,000.00	-5,000.00	________
620679	463772	WtrRents	-28,893.93	-80,000.00	-80,000.00	.00	-40,000.00	-40,000.00	________
620679	463774	WaterOCR	-22,747.95	-8,000.00	-8,000.00	-2,258.80	-16,000.00	-16,000.00	________
TOTAL WATER - OTHER OPERAT			-62,799.88	-103,500.00	-103,500.00	-11,508.38	-71,500.00	-71,500.00	________
64	WATER - NON OPERATIN								
620679	464421	Non-Op Inc	-3,546.45	-5,000.00	-5,000.00	-3,419.76	-5,000.00	-5,000.00	________
620679	465421	ContrCap	-4,521,248.75	-500,000.00	-500,000.00	-7,196.85	-2,307,250.00	-500,000.00	________

CITY OF MEQUON

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NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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

ACCOUNTS FOR: Water UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
TOTAL WATER - NON OPERATIN			-4,524,795.20	-505,000.00	-505,000.00	-10,616.61	-2,312,250.00	-505,000.00	________
65	SOURCE OF SUPPLY EXP								
620679	602001	PurchWater	1,076,028.16	1,100,000.00	1,100,000.00	1,108,908.87	1,136,432.00	1,190,000.00	________
620679	614001	WellSpring	.00	.00	.00	405.90	203.00	.00	________
TOTAL SOURCE OF SUPPLY EXP			1,076,028.16	1,100,000.00	1,100,000.00	1,109,314.77	1,136,635.00	1,190,000.00	________
66	PUMPING EXPENSES								
620679	620001	PumpSupEng	3,000.00	3,000.00	3,000.00	2,000.00	3,000.00	3,000.00	________
620679	623001	PumpPower	8,550.92	12,000.00	12,000.00	7,676.61	8,308.00	14,000.00	________
620679	626003	Misc Pump	523.31	2,000.00	2,000.00	759.99	817.00	1,500.00	________
620679	631003	Maint of S	1,721.42	8,000.00	8,000.00	2,000.00	.00	4,000.00	________
620679	633001	Pump Labor	10,934.47	4,500.00	4,500.00	7,530.14	2,656.00	5,000.00	________
620679	633002	PumpMat	.00	.00	.00	.00	.00	1,000.00	________
620679	633003	PumpExp	.00	20,000.00	20,000.00	.00	.00	2,000.00	________
TOTAL PUMPING EXPENSES			24,730.12	49,500.00	49,500.00	19,966.74	14,781.00	30,500.00	________
67	TRANS & DISTRIBUTION								
620679	660001	T&DSupEng	61,333.48	55,600.00	55,600.00	18,400.00	61,333.00	77,000.00	________
620679	661001	Stor Labor	3,918.91	6,000.00	6,000.00	8,425.57	10,839.00	7,000.00	________
620679	662001	T&DLabor	90,366.33	105,000.00	105,000.00	60,010.07	94,391.00	105,000.00	________
620679	662002	T&DMat	822.22	2,500.00	2,500.00	2,500.00	1,438.00	2,500.00	________
620679	662003	T&DExp	76,092.76	75,000.00	75,000.00	128,046.60	115,000.00	125,000.00	________
620679	663001	MeterLabor	49,058.12	55,000.00	55,000.00	49,865.48	55,000.00	65,000.00	________
620679	663002	MeterMat	.00	500.00	500.00	.00	100.00	500.00	________
620679	663003	MeterExp	203.70	15,000.00	15,000.00	14,547.13	7,194.00	15,000.00	________
620679	664001	CustInsLab	8,037.75	15,000.00	15,000.00	9,444.14	13,000.00	12,000.00	________
620679	664002	CustInsMat	.00	.00	.00	.00	.00	.00	________
620679	664003	CustInsExp	3,525.64	4,000.00	4,000.00	3,498.34	1,685.00	4,000.00	________
620679	665001	Misc Labor	2,708.26	3,000.00	3,000.00	3,529.63	6,772.00	4,500.00	________
620679	665002	Misc Mat	2,583.26	3,000.00	3,000.00	3,744.10	2,357.00	3,500.00	________
620679	670001	Maint Sup	25,200.00	25,200.00	25,200.00	16,800.00	25,200.00	25,500.00	________
620679	672001	MaintRes	11,596.18	10,000.00	10,000.00	3,120.62	3,880.00	10,000.00	________
620679	672002	ResMateria	.00	.00	.00	.00	.00	.00	________
620679	672003	ResExpense	15,320.00	3,000.00	3,000.00	2,514.15	129.00	3,000.00	________
620679	673001	MaintMains	23,951.72	25,000.00	25,000.00	19,266.05	16,345.00	25,000.00	________
620679	673002	MainsMat	3,740.70	15,000.00	15,000.00	14,510.80	6,616.00	15,000.00	________
620679	673003	MainsExp	25,045.50	40,000.00	40,000.00	55,605.52	14,633.00	40,000.00	________
620679	675001	MaintServ	49,434.74	50,000.00	50,000.00	11,394.45	18,868.00	50,000.00	________
620679	675002	ServiceMat	9,899.44	15,000.00	15,000.00	11,824.12	5,726.00	5,000.00	________
620679	675003	ServiceExp	2,048.21	6,000.00	6,000.00	998.34	1,214.00	5,000.00	________

Attachment: Exhibit B: 2026 Water Operations Budget (10763 : Proposed FY 2026 Water Utility Budget)

CITY OF MEQUON

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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

ACCOUNTS FOR:

Water UT	Fund		2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
620679	676001	MaintMeter	8,118.85	8,000.00	8,000.00	2,292.37	2,438.00	7,000.00	________
620679	676002	MetersMat	23.69	1,000.00	1,000.00	135.43	200.00	1,000.00	________
620679	676003	MetersExp	146.31	1,000.00	1,000.00	1,016.47	114.00	500.00	________
620679	677001	MaintHyd	37,714.08	20,000.00	20,000.00	17,618.33	25,993.00	30,000.00	________
620679	677002	HydrantMat	3,608.61	6,000.00	6,000.00	10,298.00	5,273.00	6,000.00	________
620679	677003	HydrantExp	.00	5,000.00	5,000.00	9,262.50	8,591.00	15,000.00	________
	TOTAL TRANS & DISTRIBUTION		514,498.46	569,800.00	569,800.00	478,668.21	504,329.00	659,000.00	________
68	CUSTOMER ACCOUNTS EX								
620679	901001	CustAccSup	31,785.82	77,573.00	77,573.00	25,085.08	32,000.00	78,643.00	________
620679	902001	MetReadLab	8,033.58	10,000.00	10,000.00	4,195.60	9,487.00	10,000.00	________
620679	902002	MetReadMat	.00	.00	.00	.00	.00	.00	________
620679	902003	MetReadExp	20,773.50	27,000.00	27,000.00	23,321.61	23,322.00	24,000.00	________
620679	903001	AcctLabor	48,622.69	58,000.00	58,000.00	4,000.00	58,000.00	52,950.00	________
620679	903002	AcctMat	7,548.61	10,000.00	10,000.00	7,507.33	8,500.00	10,000.00	________
620679	903003	AcctExp	357.90	400.00	400.00	269.85	348.00	400.00	________
620679	904001	UncollAcct	.00	.00	.00	.00	.00	.00	________
620679	906001	CustomerEd	8,400.00	8,400.00	8,400.00	5,600.00	8,400.00	8,400.00	________
	TOTAL CUSTOMER ACCOUNTS EX		125,522.10	191,373.00	191,373.00	69,979.47	140,057.00	184,393.00	________
69	PROJECT FUNDING								
620679	469009	TransferIn	.00	.00	.00	.00	.00	.00	________
	TOTAL PROJECT FUNDING		.00	.00	.00	.00	.00	.00	________
73	FRINGE BENEFITS								
620679	673101	Social Sec	1,731.15	5,210.00	5,210.00	1,428.12	1,775.00	5,193.00	________
620679	673102	Retirement	1,697.11	4,890.00	4,890.00	1,409.92	1,760.00	5,054.00	________
620679	673103	WC Ins	1,116.78	1,050.00	1,050.00	859.04	859.00	1,000.00	________
620679	673201	Health Ins	13,003.17	27,896.50	27,896.50	10,918.07	13,100.00	14,280.00	________
620679	673202	Dental Ins	504.96	509.00	509.00	424.20	509.00	509.00	________
620679	673203	Life Insur	74.90	76.00	76.00	57.00	70.00	79.00	________
620679	673204	Disability	73.80	225.00	225.00	70.29	77.00	150.00	________
	TOTAL FRINGE BENEFITS		18,201.87	39,856.50	39,856.50	15,166.64	18,150.00	26,265.00	________
76	ADMIN & GENERAL EXP								
620679	676205	OPEB Pen	-11,049.00	.00	.00	.00	.00	.00	________
620679	920001	Adm/GenSal	120,218.09	132,300.00	132,300.00	21,701.25	141,446.00	129,000.00	________
620679	921001	OffSupp	132.03	1,000.00	1,000.00	2,859.01	2,900.00	5,000.00	________
620679	923001	OutService	56,007.26	16,300.00	16,300.00	27,705.00	13,044.00	48,300.00	________
620679	924001	PropIns	9,904.08	11,000.00	11,000.00	6,182.34	11,000.00	11,000.00	________

CITY OF MEQUON

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NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

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

ACCOUNTS FOR:

Water UT Fund			2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 DEPT HEAD	COMMENT
620679	925003	Inj & Dama	.00	.00	.00	5,000.00	5,000.00	.00	________
620679	926007	Train Sem	.00	1,500.00	1,500.00	.00	1,000.00	1,000.00	________
620679	928001	RegCommExp	10,004.37	10,000.00	10,000.00	8,610.46	5,000.00	12,000.00	________
620679	930001	MiscGenExp	8,757.10	10,000.00	10,000.00	3,646.00	4,547.00	4,200.00	________
620679	931001	RentalCost	18,050.00	18,050.00	18,050.00	.00	18,050.00	18,050.00	________
TOTAL ADMIN & GENERAL EXP			212,023.93	200,150.00	200,150.00	75,704.06	201,987.00	228,550.00	________
95	OPERATING EXPENSES								
620679	696601	TaxesPaid	.00	.00	.00	.00	.00	.00	________
TOTAL OPERATING EXPENSES			.00	.00	.00	.00	.00	.00	________
96	NON-OPERATING EXPENS								
620679	696121	DeprExp	790,466.05	759,000.00	759,000.00	.00	820,000.00	852,000.00	________
620679	696204	Amort Bond	.00	.00	.00	.00	.00	.00	________
620679	696401	Principal	.00	.00	.00	.00	.00	.00	________
620679	696501	Interest	283,838.91	243,040.00	243,040.00	73,796.70	243,039.00	200,971.00	________
620679	696502	WtrDebtSrv	400.00	400.00	400.00	400.00	400.00	400.00	________
620679	696701	IntMunAdv	.00	.00	.00	.00	.00	.00	________
TOTAL NON-OPERATING EXPENS			1,074,704.96	1,002,440.00	1,002,440.00	74,196.70	1,063,439.00	1,053,371.00	________
TOTAL Water UT Operations			-5,805,643.46	-1,503,115.50	-1,503,115.50	-1,323,514.13	-3,541,115.00	-1,342,156.00	________
TOTAL Water UT Fund			-5,805,643.46	-1,503,115.50	-1,503,115.50	-1,323,514.13	-3,541,115.00	-1,342,156.00	________
		TOTAL REVENUE	-8,851,353.06	-4,656,235.00	-4,656,235.00	-3,166,510.72	-6,620,493.00	-4,714,235.00	________
		TOTAL EXPENSE	3,045,709.60	3,153,119.50	3,153,119.50	1,842,996.59	3,079,378.00	3,372,079.00	________
		GRAND TOTAL	-5,805,643.46	-1,503,115.50	-1,503,115.50	-1,323,514.13	-3,541,115.00	-1,342,156.00	________

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

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
620679	458203	Amort - Bond Premium	-87,235.00	-87,235.00	-87,235.00	.00
	0620-10-679-000-458203-					
620679	459101	Interest-Investments	-170,000.00	-270,000.00	-170,000.00	.00
	0620-10-679-000-459101-					
620679	462401	Metered Residential Sales	-1,350,000.00	-1,321,318.00	-1,330,000.00	-1.48
	0620-10-679-000-462401-					
			1.00	1,330,000.00	-1,330,000.00	
620679	462402	Metered Commercial Sales	-550,000.00	-616,289.00	-590,000.00	7.27
	0620-10-679-000-462402-					
			1.00	590,000.00	-590,000.00	
620679	462403	Metered Industrial Sales	.00	.00	.00	.00
	0620-10-679-000-462403-					
620679	462404	Metered Public Authority Sales	-30,000.00	-49,676.00	-50,000.00	66.67
	0620-10-679-000-462404-					
			1.00	50,000.00	-50,000.00	
620679	462405	Metered Multi-Family sales	-170,000.00	-183,064.00	-190,000.00	11.76
	0620-10-679-000-462405-					
			1.00	190,000.00	-190,000.00	
620679	462406	Metered Irrigation Sales	-85,000.00	-85,743.00	-85,000.00	.00
	0620-10-679-000-462406-					
			1.00	85,000.00	-85,000.00	
620679	462411	Residential Service Charge	-600,000.00	-598,888.00	-605,000.00	.83
	0620-10-679-000-462411-					
			1.00	605,000.00	-605,000.00	
620679	462412	Commercial Service Charge	-107,000.00	-107,209.00	-108,000.00	.93
	0620-10-679-000-462412-					
			1.00	108,000.00	-108,000.00	
620679	462413	Industrial Service Charge	.00	.00	.00	.00
	0620-10-679-000-462413-					
620679	462414	Public Authority Service Chrg	-11,000.00	-13,202.00	-13,500.00	22.73
	0620-10-679-000-462414-					
			1.00	13,500.00	-13,500.00	
620679	462415	Multi Family Service Charge	-21,000.00	-22,430.00	-23,000.00	9.52
	0620-10-679-000-462415-					
			1.00	23,000.00	-23,000.00	

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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
620679	462416	Irrigation Service Charge	-14,500.00	-14,845.00	-15,000.00	3.45
	0620-10-679-000-462416-					
			1.00	15,000.00	-15,000.00	
620679	462462	Private Fire Protection	-67,000.00	-70,276.00	-71,000.00	5.97
	0620-10-679-000-462462-					
			1.00	71,000.00	-71,000.00	
620679	462463	Public Fire Protection	-785,000.00	-796,568.00	-800,000.00	1.91
	0620-10-679-000-462463-					
			1.00	800,000.00	-800,000.00	
620679	462465	Other Sales of Water	.00	.00	.00	.00
	0620-10-679-000-462465-					
620679	463701	Late Penalty Revenue	-10,500.00	-10,500.00	-10,500.00	.00
	0620-10-679-000-463701-					
620679	463702	Tax Certification Fees	-5,000.00	-5,000.00	-5,000.00	.00
	0620-10-679-000-463702-					
		10% Fee from Notice of Intent to Lien - posted 11/2	1.00	5,000.00	-5,000.00	
620679	463772	Water Rents / Cell Leases	-80,000.00	-40,000.00	-40,000.00	-50.00
	0620-10-679-000-463772-					
		US Cellular	1.00	20,000.00	-20,000.00	
		T Mobile	1.00	20,000.00	-20,000.00	
620679	463774	Water Other Customer Rev	-8,000.00	-16,000.00	-16,000.00	100.00
	0620-10-679-000-463774-					
		BULK WATER/HYDRANT METER SALES	1.00	16,000.00	-16,000.00	
620679	464421	Misc Non-Operating Income	-5,000.00	-5,000.00	-5,000.00	.00
	0620-10-679-000-464421-					
620679	465421	Capital Contributions	-500,000.00	-2,307,250.00	-500,000.00	.00
	0620-10-679-000-465421-					
		Contributed Capital Contributions	1.00	500,000.00	-500,000.00	
		Swan Ridge Farms				
		Swan Road Meter Vault				
		Enclave VII				
620679	469009	Transfers In	.00	.00	.00	.00
	0620-10-679-000-469009-					
620679	602001	Purchased Water	1,100,000.00	1,136,432.00	1,190,000.00	8.18
	0620-10-679-000-602001-					
		Milwaukee Water Works	1.00	900,000.00	900,000.00	
		North Shore Water	1.00	290,000.00	290,000.00	

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
620679	614001	Maintenance of Wells/Springs	.00	203.00	.00	.00
	0620-10-679-000-614001-					
620679	620001	Pumping Superv & Engineering	3,000.00	3,000.00	3,000.00	.00
	0620-10-679-000-620001-					
		City Water Management Contract	12.00	250.00	3,000.00	
620679	623001	Electric/Power For Pumping	12,000.00	8,308.00	14,000.00	16.67
	0620-10-679-000-623001-					
			1.00	14,000.00	14,000.00	
620679	626003	Miscellaneous Pumping Expenses	2,000.00	817.00	1,500.00	-25.00
	0620-10-679-000-626003-					
			1.00	1,500.00	1,500.00	
620679	631003	Maint of Structures	8,000.00	.00	4,000.00	-50.00
	0620-10-679-000-631003-					
			1.00	4,000.00	4,000.00	
620679	633001	Maintenance of Pump Equip	4,500.00	2,656.00	5,000.00	11.11
	0620-10-679-000-633001-					
		City Water Operations Contract	1.00	5,000.00	5,000.00	
620679	633002	Maint of Pump Equip Materials	.00	.00	1,000.00	.00
	0620-10-679-000-633002-					
620679	633003	Maint of Pump Equip Expenses	20,000.00	.00	2,000.00	-90.00
	0620-10-679-000-633003-					
			1.00	2,000.00	2,000.00	
620679	660001	T&D Supervision & Engineering	55,600.00	61,333.00	77,000.00	38.49
	0620-10-679-000-660001-					
		City Water Management Contract	1.00	37,000.00	37,000.00	
		City of Mequon Chargeback	1.00	40,000.00	40,000.00	
620679	661001	Storage Facilities Labor	6,000.00	10,839.00	7,000.00	16.67
	0620-10-679-000-661001-					
		City Water Operations Contract	1.00	7,000.00	7,000.00	
620679	662001	T&D Lines Labor	105,000.00	94,391.00	105,000.00	.00
	0620-10-679-000-662001-					
		City Water Operations Contract	1.00	105,000.00	105,000.00	
620679	662002	T&D Lines Materials	2,500.00	1,438.00	2,500.00	.00
	0620-10-679-000-662002-					
		TOOLS & EQUIPMENT	1.00	1,250.00	1,250.00	
		WATER TESTING CHEMICALS/REAGENTS	1.00	1,250.00	1,250.00	

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
620679	662003	T&D Lines Expenses	75,000.00	115,000.00	125,000.00	66.67
	0620-10-679-000-662003-					
		USIC - LOCATING SERVICES	1.00	85,000.00	85,000.00	
		WATER TESTING, SAMPLING, FLEET CHARGEBACKS	1.00	40,000.00	40,000.00	
620679	663001	Meter Labor	55,000.00	55,000.00	65,000.00	18.18
	0620-10-679-000-663001-					
		CITY WATER METER SWAP PROJECT	1.00	55,000.00	55,000.00	
		City Water Operations Contract	1.00	10,000.00	10,000.00	
620679	663002	Meter Materials	500.00	100.00	500.00	.00
	0620-10-679-000-663002-					
		Misc Meter Materials & Gaskets	1.00	500.00	500.00	
620679	663003	Meter Expenses	15,000.00	7,194.00	15,000.00	.00
	0620-10-679-000-663003-					
		L&R Meter Testing & Other Misc Expenses	1.00	15,000.00	15,000.00	
620679	664001	Customer Installations Labor	15,000.00	13,000.00	12,000.00	-20.00
	0620-10-679-000-664001-					
		City Water Operations Contract	1.00	12,000.00	12,000.00	
620679	664002	Customer Installations Materia	.00	.00	.00	.00
	0620-10-679-000-664002-					
620679	664003	Customer Installations Expense	4,000.00	1,685.00	4,000.00	.00
	0620-10-679-000-664003-					
		Construction Samples	1.00	4,000.00	4,000.00	
620679	665001	Misc Expenses Labor	3,000.00	6,772.00	4,500.00	50.00
	0620-10-679-000-665001-					
		City Water Operations Contract	1.00	4,500.00	4,500.00	
620679	665002	Misc T&D Materials	3,000.00	2,357.00	3,500.00	16.67
	0620-10-679-000-665002-					
			1.00	3,500.00	3,500.00	
620679	670001	Maintenance Supervision	25,200.00	25,200.00	25,500.00	1.19
	0620-10-679-000-670001-					
		City Water Management Contract	12.00	2,125.00	25,500.00	
620679	672001	Maintenance of Resovoirs	10,000.00	3,880.00	10,000.00	.00
	0620-10-679-000-672001-					
		City Water Operations Contract	1.00	10,000.00	10,000.00	
620679	672002	Maintenance of Res Materials	.00	.00	.00	.00
	0620-10-679-000-672002-					

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
620679	672003	Maintenance of Res Expenses	3,000.00	129.00	3,000.00	.00
	0620-10-679-000-672003-					
		Reservoir Cleaning	1.00	3,000.00	3,000.00	
620679	673001	Maintenance of Mains	25,000.00	16,345.00	25,000.00	.00
	0620-10-679-000-673001-					
		City Water Operations Contract	1.00	25,000.00	25,000.00	
620679	673002	Maintenance of Mains Materials	15,000.00	6,616.00	15,000.00	.00
	0620-10-679-000-673002-					
		Main Break Repair Parts	1.00	15,000.00	15,000.00	
620679	673003	Maintenance of Mains Expenses	40,000.00	14,633.00	40,000.00	.00
	0620-10-679-000-673003-					
		Main Break Contractors	1.00	37,000.00	37,000.00	
		Motor Fuels & Lubricant	1.00	3,000.00	3,000.00	
620679	673101	Social Security	5,210.00	1,775.00	5,193.00	-.33
	0620-10-679-000-673101-					
			.00	.00	2,741.00	
			.00	.00	641.00	
			.00	.00	1,468.00	
			.00	.00	343.00	
620679	673102	Retirement	4,890.00	1,760.00	5,054.00	3.35
	0620-10-679-000-673102-					
			.00	.00	3,183.00	
			.00	.00	1,871.00	
620679	673103	Worker's Comp Insurance	1,050.00	859.00	1,000.00	-4.76
	0620-10-679-000-673103-					
620679	673201	Health Insurance	27,896.50	13,100.00	14,280.00	-48.81
	0620-10-679-000-673201-					
			.00	.00	14,280.00	
620679	673202	Dental Insurance	509.00	509.00	509.00	.00
	0620-10-679-000-673202-					
			.00	.00	509.00	
620679	673203	Life Insurance	76.00	70.00	79.00	3.95
	0620-10-679-000-673203-					
			.00	.00	79.00	
620679	673204	Long Term Disability	225.00	77.00	150.00	-33.33
	0620-10-679-000-673204-					

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
620679	675001	Maintenance of Services	50,000.00	18,868.00	50,000.00	.00
	0620-10-679-000-675001-					
		City Water Operations Contract	1.00	50,000.00	50,000.00	
620679	675002	Maintenance of Services Mat	15,000.00	5,726.00	5,000.00	-66.67
	0620-10-679-000-675002-					
620679	675003	Maintenance of Services Exp	6,000.00	1,214.00	5,000.00	-16.67
	0620-10-679-000-675003-					
620679	676001	Maintenance of Meters	8,000.00	2,438.00	7,000.00	-12.50
	0620-10-679-000-676001-					
		City Water Operations Contract	1.00	7,000.00	7,000.00	
620679	676002	Maintenace of Meters Mat	1,000.00	200.00	1,000.00	.00
	0620-10-679-000-676002-					
		Matheson Tri Gas and Other Maint of Meter Mat	1.00	1,000.00	1,000.00	
620679	676003	Maintenance of Meters Exp	1,000.00	114.00	500.00	-50.00
	0620-10-679-000-676003-					
		Maintenance of Meters Expense	1.00	500.00	500.00	
620679	676205	OPEB & Supp Pension Expense	.00	.00	.00	.00
	0620-10-679-000-676205-					
620679	677001	Maintenance of Hydrants	20,000.00	25,993.00	30,000.00	50.00
	0620-10-679-000-677001-					
		City Water Operations Contract	1.00	30,000.00	30,000.00	
620679	677002	Maintenance of Hydrants Mat	6,000.00	5,273.00	6,000.00	.00
	0620-10-679-000-677002-					
		Maintenance of Hydrants Materials	1.00	6,000.00	6,000.00	
620679	677003	Maintenance of Hydrants Exp	5,000.00	8,591.00	15,000.00	200.00
	0620-10-679-000-677003-					
		Maintenance of Hydrants Expense	1.00	4,150.00	4,150.00	
		Motor Fuels & Lubricants	1.00	850.00	850.00	
		Hydrant Painting Contractor	1.00	10,000.00	10,000.00	
620679	696121	Depreciation Expense	759,000.00	820,000.00	852,000.00	12.25
	0620-10-679-000-696121-					
		Municipal Funded Depreciation	1.00	456,000.00	456,000.00	
		Contributed Funded Depreciation	1.00	396,000.00	396,000.00	
620679	696204	Amortization-Bond Discount	.00	.00	.00	.00
	0620-10-679-000-696204-					

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
620679	696401	Principal-Bonds	.00	.00	.00	.00
	0620-10-679-000-696401-					
620679	696501	Interest-Bonds	243,040.00	243,039.00	200,971.00	-17.31
	0620-10-679-000-696501-					
		Amortize Loss on Refunding	1.00	48,410.00	48,410.00	
		2026 Debt Service	1.00	152,561.00	152,561.00	
620679	696502	Water Debt Service	400.00	400.00	400.00	.00
	0620-10-679-000-696502-					
620679	696601	Taxes Paid	.00	.00	.00	.00
	0620-10-679-000-696601-					
620679	696701	Interest-Municipal Advances	.00	.00	.00	.00
	0620-10-679-000-696701-					
620679	901001	Customer Accounts Supervision	77,573.00	32,000.00	78,643.00	1.38
	0620-10-679-000-901001-					
			.50	88,408.00	44,204.00	
			.50	51,982.00	25,991.00	
		City Water Management Contract	1.00	8,000.00	8,000.00	
		Contingency	1.00	448.00	448.00	
620679	902001	Meter Reading Labor	10,000.00	9,487.00	10,000.00	.00
	0620-10-679-000-902001-					
		City Water Operations Contract	1.00	10,000.00	10,000.00	
620679	902002	Meter Reading Materials	.00	.00	.00	.00
	0620-10-679-000-902002-					
620679	902003	Meter Reading Expenses	27,000.00	23,322.00	24,000.00	-11.11
	0620-10-679-000-902003-					
		Itron Meter Reading Software	1.00	24,000.00	24,000.00	
620679	903001	Accounting/Collecting Labor	58,000.00	58,000.00	52,950.00	-8.71
	0620-10-679-000-903001-					
		City Water Management Contract	1.00	8,000.00	8,000.00	
		City of Mequon Chargeback	1.00	44,950.00	44,950.00	
620679	903002	Accounting/Collecting Material	10,000.00	8,500.00	10,000.00	.00
	0620-10-679-000-903002-					
		Postage	1.00	10,000.00	10,000.00	
620679	903003	Accounting/Collecting Expenses	400.00	348.00	400.00	.00
	0620-10-679-000-903003-					
		AR Lockbox Fees	1.00	400.00	400.00	

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
620679	904001	Uncollectible Accounts	.00	.00	.00	.00
	0620-10-679-000-904001-					
620679	906001	Customer Education Service	8,400.00	8,400.00	8,400.00	.00
	0620-10-679-000-906001-					
		City Water Management Contract	12.00	700.00	8,400.00	
620679	920001	Admin/General Salaries	132,300.00	141,446.00	129,000.00	-2.49
	0620-10-679-000-920001-					
		City Water Operations Contract	1.00	32,000.00	32,000.00	
		City of Mequon Chargeback	1.00	97,000.00	97,000.00	
620679	921001	Office Supplies	1,000.00	2,900.00	5,000.00	400.00
	0620-10-679-000-921001-					
		Office Supplies	1.00	5,000.00	5,000.00	
620679	923001	Outside Services Employed	16,300.00	13,044.00	48,300.00	196.32
	0620-10-679-000-923001-					
		Baker Tilly	1.00	9,300.00	9,300.00	
		Digger's Hotline Subscription	12.00	1,500.00	18,000.00	
		Ehlers	1.00	11,000.00	11,000.00	
		SCADA Expenses	1.00	10,000.00	10,000.00	
620679	924001	Property Insurance	11,000.00	11,000.00	11,000.00	.00
	0620-10-679-000-924001-					
		Auto Insurance	1.00	6,500.00	6,500.00	
		Liability Insurance	1.00	4,500.00	4,500.00	
620679	925003	Injuries & Damages	.00	5,000.00	.00	.00
	0620-10-679-000-925003-					
620679	926007	Training/Seminars	1,500.00	1,000.00	1,000.00	-33.33
	0620-10-679-000-926007-					
		TRAINING FOR PROFESSIONAL STAFF	1.00	1,000.00	1,000.00	
620679	928001	Regulatory Commission Expenses	10,000.00	5,000.00	12,000.00	20.00
	0620-10-679-000-928001-					
		Public Service Commission	1.00	12,000.00	12,000.00	
620679	930001	Miscellaneous General Expenses	10,000.00	4,547.00	4,200.00	-58.00
	0620-10-679-000-930001-					
		City Water Management Contract	1.00	4,200.00	4,200.00	
620679	931001	Rental Costs	18,050.00	18,050.00	18,050.00	.00
	0620-10-679-000-931001-					
		City of Mequon Chargeback for Office/Shop Space	1.00	18,050.00	18,050.00	
		BUDGET CEILING:			-1,503,115.50	
		TOTALS:	-1,503,115.50	-3,541,115.00	-1,342,156.00	-10.71

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

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11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-242-3100
Fax: 262-242-9655

www.cityofmequonwi.gov **Office of Mequon Municipal Water Utility Commission**

TO: Mequon Municipal Water Utility Commission
FROM: Jim Voigt, Director of Operations
DATE: November 4, 2025
SUBJECT: Authorization for the Mequon Water Utility to Exceed $25,000 for Purchases and/or Services to Complete Projects as Needed During Fiscal Year 2026 from the Following Contractors: Core and Main, Etna Supply, Grunau, DF Tomasini, Mid-City, MJ Construction, Rozga, Budiac Plumbing, Badger Meter and United Systems & Software

Background

The City of Mequon purchasing policy requires authorization of vendors to exceed $25,000 in total work for a fiscal year. This limit is a yearly total and applies even if individual purchases or services were less than $25,000 or spread amongst multiple departments.

Analysis

Although the Mequon Water Utility follows the City of Mequon financial policies, the Utility is also regulated by the Public Service Commission (PSC). The PSC requires that the Utility track expenditures according to the PSC Uniform System of Accounts. This system of accounts is sufficiently detailed that vendors may have invoices coded to multiple accounts. This makes it very difficult to have vendors approved under individual accounts for the $25,000 annual exceedance as part of the FY2026 budget detail.

The following is a list of vendors staff anticipates may exceed $25,000 in annual work that is not included in the FY2026 budget detail. The vendors are listed along with a general description of the work they perform for the Utility.

- **Core and Main**: Repair and replacement parts for water main, hydrants, valves, and services
- **Etna Supply**: Repair and replacement parts for water main, hydrants, valves, and services
- **Grunau**: Emergency repair work
- **DF Tomasini**: Emergency repair work
- **Mid-City**: Emergency repair work
- **MJ Construction**: Emergency repair work
- **Rozga**: Emergency repair work
- **Budiac Plumbing**: New customer connections

Fiscal Impact

There is no fiscal impact to approving the listed vendors above to exceed the $25,000 annual limit. Each individual purchase or service will follow the City of Mequon's Purchasing Policy, which can be viewed here: Mequon Purchasing Policy

Recommendation

Staff recommends the Mequon Utility Commission approve the vendors listed above for exceedance of $25,000 in total work during FY2026.

MEQUON
WATER UTILITY

11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-236-8150
Fax: 262-242-9655

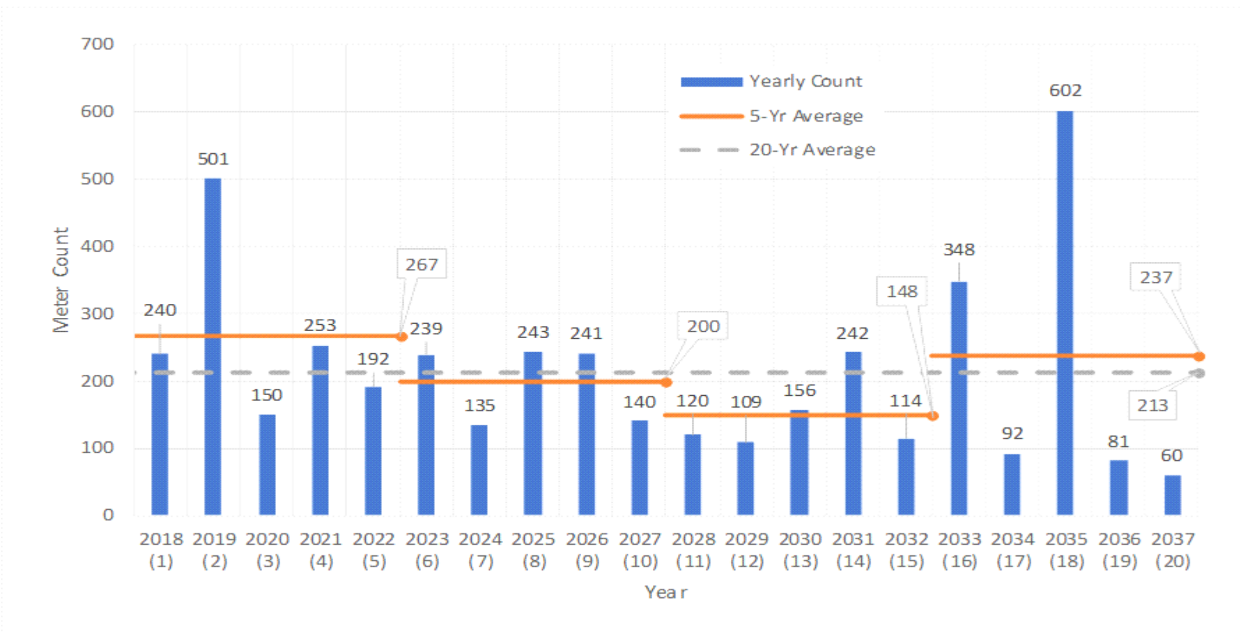
www.cityofmequonwi.gov
Office of Mequon Municipal Water Utility Commission

TO: Mequon Municipal Water Utility Commission
FROM: Jim Voigt, Director of Operations
DATE: November 4, 2025
SUBJECT: Authorization to Purchase Four Hundred and Ten (410) Water Meters and Associated Appurtenances in an Amount Not-to-Exceed $125,000

Background

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

Initially the meter study indicated that the Water Utility should be installing about 300 meters annually. That count dropped to 200 meters in years 6-10 of the replacement program. The meter replacement program is currently in Year 9 and was initially scheduled to replace about 200 meters this year per the program.



During the course of meter investigations in 2024 and 2025, operators noticed that there were a series of meters with serial numbers starting with 1500xxxx. The billing software listed these meters as installed in 2012 (only 13 years old). However, field staff noticed that they were actually 1998 to 2000 vintage meters. As such, the engineers and operators researched these meter serial numbers in the billing software and discovered that there are roughly 320 meters from 1998 - 2000 that should be replaced in 2026 as they are 6-8 years beyond their replacement schedule with the PSCW.

With the current inventory of meters and registers, the Water Utility will need to order 25 additional endpoints. This provides the utility a total of 335 meters, registers and endpoints for the replacement program and 75 meters, registers and endpoints for inventory.

Analysis

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

Fiscal Impact

The total cost of the 2026 Water Meter Purchase and Associated Appurtenances will not exceed $125,000. Material costs are split between the two vendors - Midwest Meters for the meters and registers and United Systems for the Itron radios. The not-to-exceed capital cost breakdown will be as follows:

- Midwest Meter - 385 Meters and Registers - $75,000
- United Systems - 410 Itron Riva Radios - $50,000

Recommendation

Staff recommends the Water Utility Commission approve the Authorization of 2026 Water Meter Purchase for 410 Meters and Associated Appurtenances in an amount not-to-exceed $125,000 from the two vendors listed above.

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Office of City Attorney

TO: Mequon Municipal Water Utility Commission
FROM: Brian Sajdak, City Attorney
DATE: November 4, 2025
SUBJECT: Status Update on Negotiations to Amend the City of Mequon's Water Supply Contract with the City of Milwaukee Water Works

Introduction

I have been asked to provide an update with respect to the consideration of the southwest industrial zoning, and more specifically, the status of the Milwaukee Water agreement.

Discussion

You will recall that last year, I completed an analysis of the existing agreement with the Milwaukee Water Works ("MWW") for the provision of water service to the City. That review identified three primary issues with existing contract which could be impediments to the southwest industrial zoning: (i) the total amount of water to be provided under the agreement; (ii) the limitation on two connection points between the communities; and (iii) a limit on the amount of new development within the City.

After this review, I prepared a revised version of the contract which eliminates the limit on development, adds a third connection point (with associated volume increase), and otherwise cleaned up the agreement. After some discussions with my counterpart with the Milwaukee City Attorney's Office, they eventually requested that the City submit a formal request to negotiate the agreement. On July 15, that formal request to negotiate was submitted to Patrick Pauly, Utility Superintendent of MWW.

MWW responded with an initial request to calculate and provide numbers related to the development clause in the contract. In short, this clause limited customer growth to undeveloped or unimproved properties as of November 16, 1998, to 20% of the total service connections. Staff calculated the development clause ratio and provided it to MWW. As of 2024, 24% of the total service connections in the utility were to properties that were undeveloped or unimproved as of November 16, 1998. After their review of the submission, we were informed that Milwaukee would commence its process to negotiate the agreement, which begins with the introduction of a resolution with the Common Council. Because of the time crunch experienced during municipal budget season, Superintendent Pauly indicated that the resolution would likely be introduced in late October.

Upon introduction of the resolution, the MWW, the Department of City Development, and the Legislative Reference Bureau are directed to examine the request and to prepare a report on the request. This report includes an analysis by MWW of the feasibility of the sale of water, demographic information from the Legislative Reference Bureau, and an economic and land use analysis by the Department of City Development. Mequon will also be provided with an opportunity to address its comprehensive plan and its impacts on housing and transportation.

Under the current Milwaukee Resolution establishing this process, Milwaukee's negotiating team will include the Mayor, City Attorney, MWW Superintendent, Common Council President, Comptroller, Director of Budget and Management, and a Legislative Reference Bureau representative. The Resolution further directs that a component of the negotiations will be to obtain an economic development provision (a "Cleveland Agreement") to compensate for lost economic development, although the precise amount is dependent on the circumstances and negotiation.

Given that this request is not to serve a completely new municipality, we anticipate that the reporting and negotiations will be completed fairly quickly. Having a final agreement prepared and presented to the respective utilities for consideration and approval during the first quarter of 2026 remains a realistic goal.

MEQUON WATER UTILITY

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www.cityofmequonwi.gov **Office of Mequon Municipal Water Utility Commission**

TO: **Mequon Municipal Water Utility Commission**
FROM: **Jim Voigt, Director of Operations**
DATE: **November 4, 2025**
SUBJECT: **Consideration of an Amendment to the Mequon Municipal Water Utility's Water Connection Policy, Related to Meters**

Background

Over the past 18 months, Water Utility staff have encountered questions and confusion with water meter configurations. These issues have occurred with both new and existing customers and include unlocatable meters, incorrect plumbing configurations, and inaccessible meters. Upon review of the issues, staff determined that clarification of the meter configuration and irrigation meter requirements was warranted within the Utility's Water Connection Policy.

Other proposed amendments include updating e-mail addresses and phone numbers to match current contact information.

Attached is a proposed amendment to the Mequon Water Utility's Water Connection Policy. This amendment adds Section XII to the Water Connection Policy as set forth in Exhibit A (additions are underlined and deletions are stricken).

If the WUC is amenable to the proposed changes, they can be adopted at this meeting and incorporated into the larger document. Page numbering, revision date and section numeration would all be updated as well. Those administrative/formatting edits are understood to accompany the proposed modifications shown in the attached documents.

If further discussion or analysis is warranted, staff will bring the policy changes to a future meeting for action.

Analysis

The Utility Operating Rules section of the Mequon Municipal Water Utility Tariff includes the following language:

> Installation of Meters: […] All meters shall be so located that they shall be protected from obstructions and permit ready access for reading, inspection, and servicing, such location to be designated or approved by the water utility. All piping within the building must be supplied by the owner. Where additional meters are desired by the owner, the owner shall pay for all piping.
>
> Service Piping for Meter Settings: Where the original service piping is installed for a new metered customer, where existing service piping is changed for the

> customer's convenience, or where a new meter is installed for an existing unmetered customer, the owner of the premises at his/her expense shall provide a suitable location and the proper connections for the meter. The meter setting and associated plumbing shall comply with the water utility's standards. The water utility should be consulted as to the type and size of the meter setting.

Based on this language, staff proposes the following amendments to the Water Connection Policy:

- Inclusion of a Water Meter Requirements section, which includes:
    - Water meter location
    - Definition of Master vs. Sub-Meters
    - Irrigation Meters
    - Meter Testing

Adding specific language to the connection policy detailing these items guarantees consistency for all new and existing customers. The meter requirements for existing customers will be assessed and updated at major building renovations or regular meter changes.

One example of the proposed amendment impacts the Pavilions Shopping Complex. The Pavilion Shopping Complex is due for several meter changes for failing meter communications. Staff have attempted to work with Pavilions staff to locate the meters but are either unable to locate the meters or have found inaccessible meters in ceilings with no isolation valves. Because of the meter inaccessibility and inability to locate meters, the Pavilions Shopping Complex will be required to bring the meters into compliance with the proposed policy.

Fiscal Impact

The proposed amendments to the Water Connection Policy do not have any financial impact to the Water Utility. The Water Utility already provides water meters for customers, and any plumbing requirements or updates are the responsibility of the customer to supply and install. This policy simply clarifies the terms and conditions for meter settings.

Recommendation

Staff recommends that the WUC consider the amendment to the Water Connection Policy, with all applicable form and formatting edits, and either provide feedback for further policy analysis or approve the amendment and authorize the appropriate updates to the Utility's Water Connection Policy.

Attachments:
Exhibit A: Water Connection Policy Amendment - Section XII Meter Settings (PDF)

infrastructure improvements, unless otherwise approved by the Director of Public Works/City Engineer.

H. Any shop drawings, material submittals or other verifying documentation shall be submitted to the Water Utility Manager prior to the start of construction.

XII. WATER METER REQUIREMENTS

A. Water meter location:

1. All meter sets shall be located within three (3) feet of the service piping entrance to the building and within four (4) feet of the floor.

2. Meter sets shall have a minimum of three (3) feet clearance around the meter set. This does not include the wall the meter set/plumbing is installed on.

3. Meter sets shall be accessible without using any tools, ladders, other appurtenances or damaging any surrounding material.

4. Requirements related to water meter settings for various sizes can be found in the City of Mequon Standard Specifications for Land Development.

B. Master vs Sub-Meters

1. In situations where a building may be split into multiple units or tenant spaces (e.g. commercial retail), the Utility prefers a single master meter for the entire building, which meets the requirements of Section XII(A).

2. If the customer or building owner desires sub-meters for each tenant space, each sub-meter must meet the requirements of Section XII(A).

   a. All sub-meters shall be located in the same location as a master meter would be located to allow all sub-meters to be accessed at the same time.

   b. Each sub-meter must be clearly labeled as to which unit or address it serves.

3. Sub-metering does not absolve the property owner from delinquent utility charges per Wis 66.0809.

C. Irrigation Meters

1. Irrigation meters will be provided if requested by customers. Irrigation meters and irrigation water volume will be billed per the current tariff on file with PSC.

2. Irrigation meters must be installed in parallel with the domestic meter. Series or deduct meter installations will not be allowed.

3. Irrigation meters must be accessible year-round. If outdoor irrigation pits are utilized, the customer or irrigation contractor shall not remove the meter for winterization.

D. Meter Testing

1. Meters shall be tested in compliance with PSC 185. The test intervals will be as follows:

a. 1 ½ and 2 inch meters	every 4 years
b. 3 and 4 inch meters	every 2 years
c. 6 inch and larger	annually

2. If meter testing is not possible due to leaking or inoperable valves, the customer is required to replace the valves at no cost to the Utility per current tariff on file with the PSC.

~~XII.~~XIII. WATER DISTRIBUTION EASEMENT

A. Public water infrastructure requires public access for a minimum of 20 feet on center. Access must be provided within City owned right-of-way or a Water Distribution Easement.

B. Public infrastructure outside of the City owned right-of-way requires a Water Distribution Easement.

1. The minimum width for a Water Distribution Easement is 20 feet. Increased widths may be required to provide access or accommodate site conditions such as steep slope, impediments or other utilities.

2. The applicant shall utilize Appendix H: Template Water Distribution Easement.

3. The applicant is responsible for providing the legal description of the easement area.

C. The applicant shall utilize the template document, populate with the terms and conditions for the public infrastructure and submit to ~~engineering@ci.mequon.wi.us~~engineering@cityofmequonwi.gov for City Attorney review.

D. Upon City Attorney approval, the applicant shall provide an executed copy of the document to the Engineering Administrative Secretary. The City will execute the document and file with the Ozaukee County Register of Deeds for recording. An executed copy of the recorded document will be returned to the applicant.

~~XIII.~~XIV. TRANSFER OF TITLE

A. If the connection does not require public water infrastructure, no transfer of title is required.

B. Under the build and contribute model, upon completion and acceptance of the public infrastructure, the property owner, at its own expense, shall transfer ownership of the public water infrastructure to the Mequon Water Utility. The terms and conditions of the transfer of title is defined in the Water Service Agreement.

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Office of Mequon Municipal Water Utility Commission

TO: **Mequon Municipal Water Utility Commission**
FROM: **Jim Voigt, Director of Operations**
DATE: **November 4, 2025**
SUBJECT: **Discussion Regarding an Amendment to the Mequon Municipal Water Utility's Water Connection Policy, Related to Cost Sharing for Betterment of Service (BOS) Projects**

Background

As development continues in the City of Mequon, the Water Utility has 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.

Examples of recent 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)

Water Utility staff is requesting consideration of an amendment to the Water Connection Policy to outline the terms and conditions under which cost sharing for BOS projects is warranted and should be considered.

If the Water Utility Commission (WUC) agrees to the merit of reviewing potential policy language, staff will return to the WUC with language for consideration and review. Any proposed language would define both the types of projects that would qualify for a potential cost share, the process for developers to initiate a request, the process by which the Water Utility may require incorporation of a BOS project, as well as general terms for any cost sharing agreements.

Analysis

Water Utility staff will utilize the recent examples for formatting the terms and conditions. To ensure that Water Utility staff meets the expectations of the WUC while drafting the policy language, Water Utility staff is seeking direction or consensus of the following:

1. **Should the Water Utility consider defining policy terms and conditions for the cost share of BOS projects, or should it continue to negotiate on a case-by-case basis?**
   While existing Water Utility staff can make recommendations and guide consistent application of precedent for cost share parameters, both staff turnover and the equitable application of cost share parameters could be of concern. Defining terms and conditions in a policy can provide guidance to staff and transparency to developers and property owners.

2. **Should the Water Utility include special assessments/charges as one of the mechanisms to equitably distribute the private property portion of the shared cost?**
   Example: The Water Master Plan includes a BOS project to extend the water main from the Swan Ridge Farms subdivision north on Swan Road and east down Donges Bay Road to loop the water main and connect to existing infrastructure in Wauwatosa Road. Under the standard build and contribute development scenario, all the Central Growth properties would be required to extend the water main on Donges Bay Road at the time of development. If the Water Utility fully funds the project, all the undeveloped properties would have the benefit of the water main extension, but none of the cost. If the Water Utility determined the equitable cost share for benefiting properties, that cost could be distributed across those properties. Typically, the City has allowed for deferred, distributed and delayed payments, which could be incorporated into the special assessment language, if authorized.

3. **If Water Utility reimbursement for a BOS project is authorized, should the Water Utility require that public bidding requirements and City Financial Policies are met?**
   For the Swan Ridge Farms subdivision, the project was required to follow Section 58-640 of the City of Mequon Code of Ordinances, written for the Sewer Utility.

4. **Water Utility staff would suggest that the calculation for the BOS project portion of the cost share be defined as the cost for the infrastructure or upsizing required *solely* due to the BOS project. Does the WUC agree?**
   In other words, the developer or property owner would be responsible for defining the cost of meeting Water Utility requirements for the site. Only those costs above and beyond what would be upsized, added, extended, etc. as the BOS project would be attributed to the Water Utility's cost.

5. **How should reimbursement be structured?**
   Depending on available capital funding, Water Utility staff may not recommend full reimbursement at the time of completion. Is the WUC willing to consider a defined, structured payment plan where reimbursement is issued over time?

6. **What if the Water Utility does not have sufficient or prioritized capital funds for a BOS project?**
   Typically, the Water Utility funds the BOS capital fund based upon the 5-year CIP. As such, a developer or property owner may request initiation of a BOS project before it is fully funded. What parameters should be considered in either denying a proposed cost share, or structuring reimbursement that would impact future budget cycles? A good example of this is the Village of Thiensville "Buntrock Road Project". This was a BOS project where the

contract terms required the developer (Thiensville) to pay the complete capital cost of construction, and then the Water Utility reimbursed the developer for the BOS portion of the project at the end of 5 years. This allowed the Utility to avoid the costs associated with developing the bond package for bid (~$50,000) and then all the interest payments on the bond. Utilizing cash on hand that was accumulated over the 5-year period saved the Utility significant funds.

Recommendation

Staff will utilize the consensus and discussion from the meeting to draft policy language and return to the WUC for consideration. Alternatively, If the WUC does not want to consider a policy amendment for cost sharing of BOS projects, staff requests the WUC provide that conclusion at the meeting. From there, staff will continue to review the merits of any cost sharing requests with individual developments and request WUC approval on a case-by-case basis.