

February 24, 2015

RE: Voluntary Municipal Water Project Payment Options

Dear Voluntary Water Participant:

As we have moved through the process of this voluntary water project, there have been many public meetings, informational documents, and communication pieces. The main question that has been asked is, "What is the final cost for the project?" This letter details your payment options for the public portion of the voluntary water project that will be taking place this year.

Six payment options have been adopted, giving property owners the opportunity to choose which type of payment plan best suits their individual needs. The breakdown of the payment options are below. Due to Wisconsin Statute requirements for the type of financing being utilized, the construction cost estimates are used to provide an initial assessment amount. Your cost cannot exceed the initial assessment amount. You will notice that the pre-pay amount for the project has already come down 14% from initial estimates.

#### Payment Options:

*Properties that connect immediately to the City of Mequon water system will receive a revenue credit of \$1,080 from the City of Mequon Water Utility that is applied to and reduces the public main cost. The three options below already include the revenue credit. Based on the option you select, the amount of the assessment will be either:*

- *\$11,984 if the property owner pays the assessment in full on or before April 1, 2015;*
- *\$12,734 if the property owner pays the assessment in full on or before November 1, 2015; or*
- *\$14,100 if the property owner elects to pay in installments (20 year B Bond financing, does not include interest charges).*

*Properties that DO NOT connect immediately to the City of Mequon water system will NOT receive a credit from the City of Mequon, and the amount of the assessment will be either:*

- *\$13,064 if the property owner pays the assessment in full on or before April 1, 2015;*
- *\$13,814 if the property owner pays the assessment in full on or before November 1, 2015; or*
- *\$15,255 if the property owner elects to pay in installments (20 year B Bond financing, does not include interest charges).*

#### Action Items:

1. **Review** the six payment options.
2. **Complete** the enclosed postcard specifying your chosen payment option.
3. **Return** the postcard to Village Hall by April 1, 2015. If you are paying by April 1, you will also need to include a Cashier's Check or Money Order for your specific payment amount made payable to the Village of Bayside

Homeowners that pay by April 1, 2015, will not pay interest, borrowing and issuance costs. Homeowners that pay by November 1, 2015 will save on some costs, but would incur some short-term financing costs. The decision to use either of the pre-payment options needs to be made and the enclosed postcard returned by April 1, 2015.

For properties that utilize the twenty-year financing, this amount is added to each participating property's tax bill with first payment due in January 2017. This option includes borrowing and issuance costs but does not include interest costs. The interest rate will be determined on April 9, 2015 when bonds are sold and will be based on the current market rate at that time but will not exceed 4.75%.

To be eligible for the \$1,080 credit from the Mequon Water Utility, homeowners must connect as part of this project to the Mequon Water Utility system and have a running water meter in 2015. Based on current rules and agreements, homes that connect to the system in the next ten years will not be eligible for the credit.

Please indicate your choice for payment on the enclosed post card and return it to Village Hall by mail, in person, or in the night drop box by April 1, 2015. Properties that are pre-paying will also need to include a Cashier's Check or Money Order made out to the Village of Bayside for the payment amount and have it submitted to the Village by April 1 at 4:30pm. **If you do not return the postcard by April 1, 2015, the default payment option will be installments without the credit from the Mequon Water Utility.**

Regardless of the method of payment selected, if actual construction costs for the project are lower than the current estimate, the Village Board will lower all assessments proportionately. A person electing to prepay would receive a future refund after all work has been completed.

As a reminder, the payment options above are only detailing the costs of the public portion of the water main. Each individual homeowner that chooses to connect will also have the cost of private lateral installation and interior plumbing work. The private costs for a lateral and interior plumbing cannot be financed through the B Bond financing. The Bayside Municipal Water Project Association has selected Corevac, LLC to install private laterals based on the group discount rate price provided. Corevac has already begun drilling laterals in some areas and is continuing with their initial inspection appointments in other areas. You can view their anticipated schedule on the Bayside website, [www.bayside-wi.gov](http://www.bayside-wi.gov). As a reminder, any resident is welcome to choose their own lateral installation company or interior plumber.

We understand the complexity in this voluntary process, and are happy to help answer any questions that you may have. For questions regarding the project please contact Rebecca VanRegenmorter, Assistant Village Manager/Director of Community and Utility Services, at [rvanreg@bayside-wi.gov](mailto:rvanreg@bayside-wi.gov) or 414-351-8812.

Respectfully,



Andrew K. Pederson  
Village Manager