

Engineering Division of the Public Works Department

To: Chairman Arnett and Members of the Public Works Commission

From: Andrew Beyer, P.E.

Date: July 14, 2026

Subject: Review and take possible action: Report on Preliminary Estimated Assessments for Town of Emmet Utility Extension Project #11-26

Background

The Emmet Utility Extension Project originates from the Intergovernmental Cooperative Boundary Agreement between the City of Watertown and the Town of Emmet. Under the agreement, the Highway 16 Residential Area was attached to the City in September 2024, with affected properties required to connect to municipal water and sanitary sewer within the timeframe established by the agreement.

In June 2024, the Public Works Commission reviewed options for providing municipal utilities to the area and directed staff to proceed with design of public water and sanitary sewer extensions, with the intent of utilizing the special assessment process to recover eligible project costs. In May 2025, the Commission approved a design contract with SEH, Inc. Design was completed for utility extensions along Boulder Drive, Center Street, Prospect Street, and N. Second Street, including associated roadway and drainage improvements due to existing infrastructure conditions.

The project was publicly bid in 2026, with Forest Landscaping and Construction, Inc. submitting the lowest responsible bid. The Public Works Commission recommended award of the construction contract, and the Common Council subsequently approved both the construction contract and the borrowing necessary to fund the project prior to recovery through the special assessment process.

Preliminary Assessment Report

The purpose of the Preliminary Assessment Report is to begin the statutory special assessment process under Wisconsin law. The report identifies the proposed improvements, properties proposed to be assessed, the proposed basis for assessment, and estimated assessment

amounts. Approval of the Preliminary Assessment Report does not levy assessments. Rather, it authorizes staff to proceed with the statutory notice and public hearing process prior to consideration of a final assessment roll.

Assessment Report Development

The preliminary assessment report was developed to establish estimated assessments for all properties that may receive a benefit from the proposed improvements. As an initial step, all project costs associated with the utility extension project were included in the assessment calculations. Estimated assessments were then allocated based on the linear frontage of each property along the project corridor.

Consistent with historical City practice, staff recommends refining the assessment report prior to final adoption by removing costs associated with reconstruction of existing public infrastructure. These costs include roadway reconstruction, pavement outside of utility trench limits, storm sewer, drainage facilities, curb and gutter, and other replacement improvements. Historically, these improvements have been funded through City budgets as they represent replacement of existing public infrastructure rather than new improvements benefiting individual properties.

The remaining assessable costs would include the extension of sanitary sewer and water mains, associated restoration within utility trench limits, and applicable engineering and design costs. This approach is consistent with past City practice, where new utility infrastructure is assessed to benefiting property owners while replacement of existing public infrastructure is funded through City resources.

Several properties within the project area currently have existing sanitary sewer and water service laterals. In some instances, these properties connected to the municipal system following failure of a private well or septic system, as permitted under City ordinance and the Intergovernmental Cooperative Boundary Agreement. While these properties have existing service connections, the proposed project extends public water and sanitary sewer mains and reconstructs public infrastructure along roadway frontages that currently do not contain these improvements for their full length.

In developing the preliminary assessment report, staff included all properties with frontage along the proposed utility extension project. This includes properties located within the Highway 16 Residential Area identified in the Intergovernmental Cooperative Boundary Agreement, as well as some properties outside of that boundary that front the project limits and receive a direct benefit from the proposed improvements. Inclusion in the preliminary assessment report does not establish a final assessment but allows staff and the Commission to evaluate all potentially benefiting properties as part of the statutory assessment process.

Roadmap / Next Steps

Approval of the Preliminary Assessment Report allows the City to move forward with the statutory assessment process. The anticipated schedule is as follows:

- July 2026 – Public Works Commission review and recommendation of the Preliminary Assessment Report.
- July/August 2026 – Common Council review and adoption of the Preliminary Resolution declaring intent to exercise special assessment powers and setting the public hearing.
- August 2026 – Mail notices and Preliminary Assessment Report to affected property owners.
- August/September 2026 – Conduct the required public hearing to receive comments from affected property owners.
- September/Fall 2026 – Common Council consideration of the Final Assessment Resolution following the public hearing and any revisions to the assessment roll.
- Construction – currently scheduled to begin late summer and continuing into fall.
- Project Completion – Final assessable costs will be reconciled based on actual construction quantities and costs prior to certification of the final assessments.

Financial Impact

Approximately \$410,000 in available 2026 funding has been identified to support replacement of existing infrastructure, including roadway improvements, storm sewer, drainage facilities, curb and gutter, and pavement outside of utility trench limits. Approximately \$1.1 million in borrowed funds will finance the remaining construction costs until recovered through the special assessment process.

Consistent with historical City practice, staff suggests that special assessments include sanitary sewer and water main extensions, associated restoration within utility trench limits, and applicable engineering and design costs. Reconstruction of existing public infrastructure would then remain the responsibility of the City and be funded through available budgeted and borrowed funds.

Recommendation

The Public Works Department recommends approval of the Preliminary Assessment Report for the Emmet Utility Extension Project and forwarding the report to the Common Council to initiate the statutory special assessment process.

Staff further recommends refining the preliminary assessment roll prior to final adoption to remove costs associated with replacement of existing public infrastructure, consistent with historical City assessment practices. Following the required public hearing, the Commission and Common Council will have the opportunity to review public comments, consider any recommended modifications to the assessment district or assessment methodology, and act on the Final Assessment Resolution.