



City of Madison

City of Madison
Madison, WI 53703
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Master

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File Name: Authorizing the Mayor and City Clerk to enter into a Public Water System Transition Agreement with the Lake Forest Water Cooperative Association (District 13).

Final Action:

Title: Authorizing the Mayor and City Clerk to enter into a Public Water System Transition Agreement with the Lake Forest Water Cooperative Association (District 13).

Notes:

Sponsors: Satya V. Rhodes-Conway, Tag Evers And Regina M. Vidaver

Effective Date:

Attachments: Item 2 - Memo - Lake Forest Water Coop Transition Agreement.pdf, Item 2 - Attachment B - Lake Forest Water Coop Transition Agreement_.pdf

Enactment Number:

Author:

Hearing Date:

Entered by: jberndt@madisonwater.org

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History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Water Utility	01/26/2026	Referred for Introduction				
Action Text:		This Resolution was Referred for Introduction					
Notes:		Finance Committee (3/02/26), Water Utility Board (2/25/26), Common Council (3/10/26)					

Text of Legislative File 91655

Fiscal Note

The proposed resolution authorizes the City of Madison Water Utility to enter into a public water system transition agreement with the Lake Forest Water Cooperative Association (Co-Op). Under the terms of the agreement, the City will install water main, hydrants, and service laterals to extend City water service to each property currently serviced by the Lake Forest Water Cooperative Association. The estimated cost of the water infrastructure improvements is \$3.5 million. The Water Utility will apply for funding from the Safe Drinking Water Loan Program administered by the Wisconsin Department of Natural Resources, separately for one-third of the project costs in each year, from 2026 to 2029. If the Water Utility is unable to secure

funding from the Safe Drinking Water Loan Program, the costs will be funded through General Obligation Bonds. At this time, potential assessments to the property owners are unknown until assessment hearings are completed. Funding is available in the 2026 Adopted Water Utility Capital Budget (Munis #12507). If necessary, future capital budget requests will be modified through the City's budget process to adjust project years or funding source changes. Additionally, the agreement contains provisions for an emergency intertie agreement. The project is anticipated to be completed by the end of 2029. If the Co-Op's infrastructure fails before the end of the project, the Water Utility will provide the Co-Op with municipal water. Upon approval from the Public Service Commission, the Co-Op will be charged \$3.11 per 1,000 gallons for the volumetric charge, and \$111.70 a month as a general service charge based on the Water Utility's most current fee schedule. At this time, no additional appropriation is required.

Title

Authorizing the Mayor and City Clerk to enter into a Public Water System Transition Agreement with the Lake Forest Water Cooperative Association (District 13).

Body

WHEREAS, the Lake Forest Water Cooperative Association (the "Co-Op") was created in 1943 to own and operate a public water distribution system serving the Lake Forest neighborhood ("Lake Forest"), an area generally lying between Carver and Martin Streets to the west of Fish Hatchery Road and adjacent to the UW Arboretum; and,

WHEREAS, the Co-Op serves 102 parcels through an Other-Than-Municipal (OTM) Community Water System (hereinafter referred to as the "Co-Op Water System") consisting of two wells and two 3,000-gallon water tanks, service mains and service laterals, with some of the system dating back to 1919 and the original development of the neighborhood. Many of the mains and laterals are located on the backside of the properties, and some of the service laterals are known to contain lead. The Co-Op's members and customers are responsible for a proportionate share of the Co-Op's operating costs; and,

WHEREAS, Lake Forest was attached to the City of Madison in 2022 upon the dissolution of the Town of Madison. Upon attachment of Lake Forest to the City, the City began providing municipal services to the neighborhood and is responsible for maintaining the streets as well as providing sanitary sewer service to the neighborhood. While Lake Forest is within the Madison Water Utility's (the "Utility") service territory, water service continues to be provided by the Co-Op (DNR - PWS ID # 11302324); and,

WHEREAS, the Co-Op's two wells and its water distribution system need repairs and the system would benefit from relocating the current laterals from the backside of the properties to the adjoining roads, along with the replacement of lead piping within the system; and,

WHEREAS, the Co-Op's Board of Directors has evaluated the long-term viability of the Co-Op and its decades-old water infrastructure and has concluded that it cannot continue to operate sustainably for much longer. This evaluation considered the Co-Op's finances, the age and deterioration of the Co-Op's water infrastructure (pipes, pumps, wells), the presence of lead in some service laterals, the absence of fire protection capacity in the neighborhood, and the

strain of continuing the volunteer workforce that administers and maintains the Co-Op's services. The Co-Op has concluded that it is not feasible for the Co-Op to secure sufficient funds through borrowing or by imposing additional charges on its members to undertake a major upgrade of the Co-Op's lines and equipment. In the absence of such an upgrade, the Co-Op cannot guarantee to continue to provide safe water to the residents of Lake Forest; and,

WHEREAS, the users of the Co-Op's water are all City residents, and a failure of the Co-Op Water System would present an immediate public health emergency while endangering the welfare of its residents; and,

WHEREAS, the City's Engineering Division has evaluated the public infrastructure within Lake Forest and has determined that it will be necessary to reconstruct the public streets within the neighborhood, as well as make stormwater and sanitary sewer improvements to better serve the area. As part of that planning, City staff and the Co-Op have been in discussions about including municipal water main improvements as part of the future municipal improvement project, which, when installed, would allow the Co-Op's members to transition to municipal water main service and for the Co-Op to eventually wind down its operations; and,

WHEREAS, in April 2025, the Co-Op's membership voted in favor of undertaking a transition to municipal water service and the eventual dissolution of the Co-Op, and the Co-Op has requested the City to extend the Madison Water Utility's public mains into Lake Forest to supply water to the Co-Op-served properties, which the City is agreeable to doing, provided certain conditions are met; and,

WHEREAS, to protect against failure of the Co-Op Water System before a full transition to municipal water main service can occur, it is necessary and appropriate to enter into an intertie agreement with the Co-Op that would allow for the provision of City water to the Co-Op in the event of an emergency prior to the final transition of water service.

BE IT RESOLVED, that the Mayor and City Clerk are authorized to enter into a Public Water System Transition Agreement with the Lake Forest Water Cooperative Association, in a form to be approved by the City Attorney and consistent with the Agreement attached hereto.