



Legislation Details (With Text)

File #:	46795	Version:	2	Name:	ALTERNATE - Authorizing the City's Acquisition of the Waunona Sanitary District #2 and Amending the 2017 Capital Budget of the Sewer Utility to add \$400,000 for the district's lift station replacement.
Type:	Resolution	Status:			Passed
File created:	4/10/2017	In control:			FINANCE COMMITTEE
On agenda:	5/16/2017	Final action:			5/16/2017
Enactment date:	5/18/2017	Enactment #:			RES-17-00430
Title:	ALTERNATE - Authorizing the City's Acquisition of the Waunona Sanitary District #2 and Amending the 2017 Capital Budget of the Sewer Utility to add \$400,000 for the district's lift station replacement.				
Sponsors:	Sheri Carter, Mark Clear, Denise DeMarb				
Indexes:					
Code sections:					
Attachments:	1. WaunonaSanitary_Exhibit1.pdf, 2. Lift Station Replacementv2.pdf, 3. Intergovernmental Agreement, 4. Version 1				

Date	Ver.	Action By	Action	Result
5/16/2017	2	COMMON COUNCIL	Adopt - 15 Votes Required	Pass
5/8/2017	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	Pass
5/3/2017	1	BOARD OF PUBLIC WORKS	Return to Lead with the Recommendation for Approval	
4/25/2017	1	WATER UTILITY BOARD	Return to Lead with the Recommendation for Approval	Pass
4/18/2017	1	FINANCE COMMITTEE	Refer	
4/18/2017	1	FINANCE COMMITTEE	Refer	
4/18/2017	1	COMMON COUNCIL	Refer	Pass
4/10/2017	1	Attorney's Office	Referred for Introduction	

Fiscal Note

The proposed resolution authorizes the City's acquisition of the Waunona Sanitary District #2. The Sewer Utility's 2017 capital budget will be amended to add \$400,000 of budget authority for the replacement of the Sanitary District's lift station. Funding for this total cost will be provided as follows:

- \$65,000 will be funded by the Town of Blooming Grove
- \$180,000 will be funded by the Waunona Sanitary District.
- \$155,000 will be funded via Sewer Utility reserves

The proposed amendment for \$400,000 of additional funding will be made to the Sewer Utilities Lift Station Rehabilitations capital program, which is established to provide for major repairs to the City's sewer lift stations (MUNIS 10268).

MUNIS:

11672-83-173 - \$400,000
11672-83-230 - (\$65,000)

11672-83-301 - (\$180,000)

11672-83-806 - (\$155,000)

Title

ALTERNATE - Authorizing the City's Acquisition of the Waunona Sanitary District #2 and Amending the 2017 Capital Budget of the Sewer Utility to add \$400,000 for the district's lift station replacement.

Body

WHEREAS, the Waunona Sanitary District #2 (WSD) was created in 1950 to provide sanitary sewer and water service within the Gallagher Plat in the Town of Blooming Grove (Blooming Grove); and,

WHEREAS, WSD is a wholesale customer of the Madison Water Utility and is reliant upon Madison for its water supply; and,

WHEREAS, over time, portions of WSD's territory have been annexed to Madison, and WSD now provides sanitary sewer and water service to some customers that reside within Madison such that WSD is comprised of approximately 20% Madison residents and 80% Blooming Grove residents; and,

WHEREAS, Madison also has some of its sewer utility customers that are reliant on portions of the WSD sewer system, including the WSD's lift station; and,

WHEREAS, the Madison Sewer and Water Utilities have found that the WSD sewer and water improvements are generally in adequate condition, an exception being the lift station which requires some interim repairs in order to brought into compliance with Madison Metropolitan Sewerage District (MMSD) standards; and,

WHEREAS, it has been determined that it is necessary to replace the WSD's lift station, the estimated cost of which is approximately \$400,000; and,

WHEREAS, on October 3, 2006 the "Town of Blooming Grove and City of Madison Cooperative Plan Under Section 66.0307, Wisconsin Statutes" (the "Plan") became effective, which Plan will cause Blooming Grove to cease to exist on November 1, 2027 (the "Transition Date"), with the Blooming Grove parcels in the WSD to be attached to Madison at that time, unless attached to Madison earlier by intermediate attachment as set forth in the Plan; and,

WHEREAS, Section 24.A. of the Plan states that "The Town and the City shall cooperate in good faith to implement this Cooperative Plan and may enter further agreements to facilitate an orderly transition of remaining Town territory to the City on the Transition Date." Blooming Grove and Madison have determined that the transaction memorialized in this Agreement will facilitate the orderly transition of Blooming Grove territory to Madison as contemplated by the Plan; and,

WHEREAS, if no action is taken by the Parties, upon final attachment of Blooming Grove to Madison in 2027, under Wis. Stat. Sec. 60.79(1) the WSD will be dissolved and cease to exist, with Madison assuming all the property of WSD, along with all of its assets and liabilities; and,

WHEREAS, WSD has found that it is in the best interests of its water and sanitary sewer customers to transfer its utility plant and water and sewer operations to Madison now rather than wait an additional 10-years so that Madison can begin handling the immediate, intermediate and long-term maintenance, repairs and improvements needed to adequately serve WSD's customers; and,

WHEREAS, Blooming Grove concurs that it is in the best interests of the Blooming Grove residents within the WSD to transfer sewer and water service to Madison at this time and that such a transfer will help facilitate an orderly transition of the remaining Town territory to the City under the Plan; and,

WHEREAS, because the Madison Sewer Utility relies upon the WSD lift station and the lift station will need to be replaced prior to 2027, and WSD will be acquired without any debt, it is appropriate and in the Sewer Utility's interest to fund the balance of the replacement costs after applying WSD's assets (estimated to be approximately \$180,000) and a \$65,000 contribution from Blooming Grove; and,

WHEREAS, in anticipation of Madison's acquisition of the WSD, Madison has already assumed maintenance responsibility for WSD's sewer and water plant pursuant to the "Intergovernmental Agreement Relating to the Interim Maintenance of Sanitary Sewer & Water Mains" entered into by WSD and Madison on January 4, 2017 (the "Interim Maintenance Agreement").; and efforts are being jointly undertaken by Madison and WSD to bring the lift station into compliance with MMSD requirements.

NOW THEREFORE BE IT RESOLVED that the City's assumption of the assets and liabilities of the WSD, including all water and sewer plant, and subsequently providing sanitary sewer and water service to the properties in the WSD is in the best interests of Madison; and,

BE IT FURTHER RESOLVED that, as it relates to connections to the sanitary sewer system, existing and future connections to the system by properties within the WSD are in the Madison's best interests as required under Madison General Ordinances Sec. 35.02(4)(b); and,

BE IT FURTHER RESOLVED the transition of WSD's water utility to Madison will not substantially impair the efficiency of the service of the Madison Water Utility, provide facilities unreasonably in excess of the probable future requirements, or add to the cost of service without proportionally increasing the value or available quantity of service when placed into operation; and,

BE IT FURTHER RESOLVED that, to effectuate the acquisition, the Mayor and the City Clerk are authorized to enter into an Intergovernmental Agreement Relating to the Acquisition of the Waunona Sewer District #2 with WSD and Blooming Grove, in a form that is acceptable to the City Engineer, the Water Utility General Manager, the Risk Manager and the City Attorney and on terms consistent with the agreement attached hereto; and,

BE IT FURTHER RESOLVED that the Madison Sewer Utility's Capital Budget will be amended to provide \$400,000 for the replacement of the WSD lift station, \$65,000 of which will be provided by Blooming Grove and approximately \$180,000 will be provided by WSD, the City's final share estimated to be approximately \$155,000; and,

BE IT FINALLY RESOLVED that the Madison Water Utility is authorized to file a petition with the Public Service Commission of Wisconsin seeking approval of the City's acquisition of WSD's water utility, consistent with the joint petition attached hereto.