

If the membership of the Coop votes to authorize the transition from the Coop to water from the Madison Water Utility (MWU) the resulting costs and schedule will be those outlined here.

## **Cost of construction and connection**

The total cost of the project is estimated by MWU at \$4.3 million. This includes installation of the main water lines, valves, laterals and curb boxes (points for connection of individual properties to the system). Fire hydrants, which the neighborhood currently lacks, will also be installed and they may affect your insurance rates.

To cover the cost of construction the City will form an assessment district comprising the properties which receive water from the Coop. The cost will be shared across all the properties as required by State law and Public Utility Commission rules.

- The share of the cost from each property is determined by a formula based on the property frontage at 1/2 and the property area at 1/2. This method was thought to be the fairest way to spread the cost across the properties. Basically, each property pays a percentage of the total cost based on its frontage/area as a percentage of the frontage/area of all properties in the district.
- The cost per property is relatively large in our neighborhood because it is only one block wide and there are relatively few assessable properties. If there were houses on both sides of Martin and Carver Streets the individual assessments might be 1/3 less. But that is a price we pay for living in a neighborhood surrounded by nature.
- To fund construction the City will take out a 30 year loan at an expected rate of possibly 2.31%. To repay the loan the City will collect an annual payment from each property by including it as a line item on the property tax bill. The full share of the loan for a property can also be paid off directly and any remaining amount can be fully paid at any time, including any interest due.
- If the project is completed in 2026 then the City will finalize the assessment in October 2027 and add the first installment of the loan to the 2027 property tax bill. The first payment for that bill will be in January 2028.

## **Immediate cost for connection**

To connect your property you will need to hire a plumber to install a private lateral from the curb box placed by MWU. The cost of the lateral is expected to range from \$3000 to \$9000. The Coop and MWU expect to help coordinate contacting plumbers as the project proceeds.

- For the cost of the private lateral the City will be providing a 50% rebate of up to \$3000 per property. The Coop may also be able to offer a rebate of \$1000 to members which will be taken as an advance on the member's share of the money expected to remain after the Coop winds up its affairs.
- There will also be a onetime charge for the water meter which is currently \$184.

## **Monthly cost**

Once a property begins receiving water from MWU, the metered usage charge will be added to the municipal services bill. The City sewer charge will be based on your water usage. The average monthly water charge for a residence in Madison is \$35 compared to \$10 for Coop water. The City of Madison offers a customer assistance program, MadCAP, for low income residents.

# Construction schedule

The infrastructure construction for this project will begin in the second quarter of 2026 and is expected to be completed in the fourth quarter. A more detailed schedule will be made available as the final design is completed and construction begins.

## Private lateral

MWU can try to coordinate with you in an attempt to place the curb box in a position on your property line that will be most convenient for the connection of the private lateral.

Once a curb box is installed on your property you will have the option to arrange installation of the private lateral. The timing of the installation can remain quite flexible. It will be necessary to stagger the installations because plumbers are limited in availability. The Coop and MWU will work with members to organize a schedule for installations that connects everyone and is as convenient as possible for each member. MWU has previous experience in scheduling connections with property owners.

## Switching to MWU water

When its project is complete MWU can begin to supply water to all connected properties. The Coop's service to a property will be disconnected when MWU's starts.

## Dissolving the Coop

As the MWU project proceeds the membership can hold a meeting to consider dissolving the Coop. If at least 75% of members present at the meeting vote in favor of a proposal for dissolution the Coop can begin to wind up its affairs. The pump house parcel will be sold and the pumps sold or decommissioned. Any remaining obligations will be settled. Until this process is completed all membership properties will remain within the Coop.

Once all financial proceedings have been carried out we will have a tally of the remaining dollar assets of the Coop. These funds will then be paid out to members in proportion to each member's interest in the Coop. Following standard coop practice, a member's interest in the assets of a coop are proportionate to the member's financial contribution to the coop. For us that means that the interest of a member is determined by taking the ratio of the water charge for the member's property against the total water charges for all properties. Any advance a member may have received for the cost of the private lateral will be deducted from the pay out. Any overdue water charges will also be deducted.

After distributing remaining funds the Coop can report its dissolution to the State of Wisconsin and its 83 year long existence will cease.