

Milwaukee Water Works

January 31, 2020

To the Honorable, The Common Council
City of Milwaukee
200 East Wells Street, Room 205
Milwaukee, WI 53202

Re: Semi-annual reports on the financial impacts of lead service line replacements

Dear Council Members:

Milwaukee Water Works (MWW) has opened Common Council file number (CCFN) 191606 to report on the following semi-annual reports at the February 20, 2020 Public Works Committee meeting, as required by Milwaukee Code of Ordinance (MSO) sec. 225-22.5-11.

Attached please find the report on the financial impacts of lead service line replacement on property owners who have had their water service lines replaced for the period January 1, 2017 through December 31, 2019. The status of service line replacements, testing results of lead in water, emerging technologies for remediating lead in water, and ongoing plans for addressing the lead-in-water issue for the period January 1, 2019 through December 31, 2019 will be communicated under CCFN 191606.

Please feel free to contact me if you have questions.

Sincerely,



Karen Dettmer, P.E.
Water Superintendent
Milwaukee Water Works

KD:mmp



January 31, 2020

Members of Common Council
Council City of Milwaukee
200 East Wells Street, Room 205
Milwaukee, WI 53202

SUBJECT: Update on Lead Service Line Replacements conducted per Milwaukee Code of Ordinances sec. 225-22.5

To the Honorable Members of the Common Council:

Milwaukee Code of Ordinances (MCO) sec. 225-22.5, Lead Line Service Replacement, effective January 1, 2017, mandates the replacement of certain lead water service lines on private property, and established a special assessment for replacement of lead water service lines on private property.

Pursuant to MCO sec. 225-22.5-11, semi-annual reporting is required on the financial impacts of this ordinance on property owners who have had their service lines replaced. As of December 31, 2019, the Milwaukee Water Works has performed a total of 2,551 full-lead replacements on service line projects with confirmed leaks, due to a planned infrastructure project, child care and schools, or as an owner-initiated project, since January 1, 2017.

Of these 2,551 projects:

- 1,652 were a result of a leak on the service line
- 471 were full-lead replacements at child care centers
- 344 were a result of a planned infrastructure project
- 74 were a result of an owner initiating the project
- 10 were full-lead replacements at schools

Additional information related to these projects:


- 1,843 of the leaks and planned infrastructure replacements occurred on service lines to buildings with one to four units, and therefore, the property owners who chose to have a city contractor perform the work qualified for the cost of the private side work to be the lesser of one-third the average current cost to replace the privately-owned portion of the lead service line or \$1,600 per property. The total property owner share of the cost for these 1,843 projects was \$2,948,800.

- As of December 31, 2019, the average cost of replacing a public-side lead service line was \$5,329, and the average cost of replacing the private-side lead service line was \$5,454. The public side costs include pavement restoration.
- 117 of the leaks and planned infrastructure replacements occurred on service lines to buildings with more than four units, and therefore, did not qualify for a portion of the cost of the private-side replacement to be covered. Property owners who are having a city contractor perform the work are eligible for the full cost of the replacement to be paid through the special assessment process.
- In addition to the 2,551 completed lead service line replacements, 311 services were either currently being investigated or were scheduled for replacement, as of December 31, 2019.

The process wherein any replacement cost falls to the property owner on their tax bill is as follows:

1. The Milwaukee Water Works will collect, verify, and recommend payment of the contractor's invoice for private-side and public-side costs. For one to four family units, the lesser of one-third of the average cost to replace the privately-owned portion of the lead service line, or \$1,600, will be the property owner's share.
2. The Milwaukee Water Works will submit this information to the Department of Public Works Special Assessment Section. The Special Assessment Section will keep track of the invoice and averages throughout the year and will verify their lists to be sure they have accounted for each payment.
3. All invoices received by August 15th/September 1st of any given year will be included in the Special Assessment Section's October billing to the affected property owners. Property owners have 45 days to pay in full (for example November 15th), or the amount will be equally distributed over the next 10 tax bills. Per MCO, interest will be charged on the balance of the Prime Rate + 1% at the end of June of the previous calendar year. For 2018 and 2019, interest rates were 5.25% and 6.00% respectively. The City of Milwaukee Treasurer's Office is responsible for adding the lead service line assessments to the property tax bill. Invoices for 224 lead service line projects were received in time for the October 2017 billing, 448 were received for the October 2018 billing, and 726 were received for the October 2019 billing.

Sincerely,



Karen Dettmer, P.E.
Water Superintendent
Milwaukee Water Works

KD:mmp