

LRB – FISCAL REVIEW SECTION ANALYSIS

**JUNE 28, 2006 AGENDA
PUBLIC WORKS COMMITTEE**

**ITEM 22, FILE 060328
Emma J. Stamps**

File No. 060328 is a resolution relating to water service to the City of New Berlin.

Background

1. The procedure and policy criteria for the sale of water outside the City of Milwaukee by requiring communities, which seek to purchase water to is set forth in Common Council Resolution 980871 adopted April 20, 1999 and further amended via Resolution 020459 adopted March 25, 2003.
2. Any out-of-area water sales agreements by the wholesale customer to properties that are not covered by the aforementioned wholesale agreement are subject to Common Council approval, pending receipt of Legislative Reference Bureau and Department of City Development analytical studies and Milwaukee Water Works evaluation of the proposed water sale at least 5 days before being heard by a Common Council committee pursuant to procedure and policy criteria for such sales.
3. Since 2003, the City of Milwaukee Water Works has provided wholesale water service to the City of New Berlin.

Discussion

1. The Milwaukee Water Works continues to seek and evaluate opportunities to increase and generate new revenues.
2. One alternative is to expand the service area by entering into new or amended agreements with neighboring communities, such as the City of New Berlin.
3. File 060328 authorizes City officials to evaluate whether the New Berlin water service area can be expanded under local, state, and Annex 2001 legislation for the purpose of amending the agreement as a option for increasing revenue.
4. City officials shall request the Wisconsin Department of Natural Resources, as a contributor to drafting Annex 2001 agreements, to conduct an evaluation of the nvironmental and ecological implications of diverting Lake Michigan water west of the sub continental divide into the middle one-third area of New Berlin.
5. The resulting reports shall be submitted to the Common Council for the purposes of evaluating the amending of the current water services agreement between the City of Milwaukee and the City of New Berlin to enlarge the service area to include properties located in the middle one-third of the New Berlin municipal limits contained within the MMSD sewerage system but outside the subcontinental divide.

6. If approved, in accordance with criteria for water sales adopted by the Common Council, future resolutions must be considered to study, negotiate, and later enter into an amended contract agreement to expand the New Berlin water service area.

Fiscal Impact

This file has no fiscal impact.

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