

Feasibility of Sale of Water from Milwaukee Water Works to the City of New Berlin

Prepared by: City of Milwaukee City Clerk Office Legislative Reference Bureau Fiscal Staff

Discussions: Ruekert-Mielke Presentation (8/21/01 NB Utility Committee Minutes)

- *“The Milwaukee option is viewed as the most cost effective as: the mains are in place, there is sufficient capacity, they are willing to negotiate, the quality is excellent, there is surplus quantity, and it is a long term source.”*
- *“There are however the political obstacles to overcome and current diversion issues”*

SOURCE: <http://www.newberlin.org/min01/muc010821.htm>



1800s

Decades of Concern

Relative To

Water Sales

1900 -
1940s

1950 -
1990s

Current

*Annexation to
Discourage
Urban Sprawl*

*Urban Sprawl
Housing*

Tax Base (urban sprawl and lost industries)

Smart Growth Initiatives (Housing and Transportation)

Competition for Grants/Aids and Great Lakes Watershed

Board of Public Land Commission, 1921 Annual Report

“ efforts [to decrease engineering problems associated with annexation] were handicapped by the existence of perpetual water contracts held by property just adjacent to the city limits and to the hostility of industrial concerns located just outside those limits. ”

Source: Hard Water-Politics and Water Supply in Milwaukee 1870-1995

City of New Berlin, Wisconsin Chronology

1960s

Incorporated in 1959, New Berlin local subdivision systems are created, municipal system proposed, Milwaukee water investigated, groundwater system installed.

1970s

Additional wells drilled, private systems connected, storage facilities and distribution systems expanded. Milwaukee aldermen skepticism primarily based on issues of sprawl and affordable housing

1980s

An additional well added, storage added, distribution system expanded, and the water study begun

1990s

Water study completed, new shallow wells investigated, new wells drilled, new tower constructed, and the water study was updated. Milwaukee aldermen skepticism based on sprawl, housing, transportation, and Great Lakes environmental issues.

Present

NB Drills Well #11, petitions the Council on Great Lakes Governors and DNR to allow Lake Michigan water source to channel beyond the subcontinental divide, negotiate deal with City of Milwaukee
(Source: New Berlin Utility Committee Meeting Minutes, 9/18/01 Item 24-01)

The State of Well Water Systems

“Since the early 1900s, water levels in the sandstone beneath Waukesha County have dropped between 400 and 500 feet.

Water levels in the deep sandstone will continue to drop – as much as 100 feet by 2020 – even with moderate growth in the inland communities according to preliminary findings of the [SWRPC] study.”

Source: Milwaukee Journal Sentinel article: “Radioactivity”, 12/10/2002 by Don Behm

Booming Population Adds to Problems of Strained Well System

- *“The City of New Berlin grew rapidly from the 1950s through the 1980s as the urban population of Milwaukee gradually shifted westward”*
- *From 1950 to 1980, the NB population increased nearly 475%, from 5,334 to 30,259 as subdivision systems were created*
- *From 1980 to 1990, NB population grew 10%, from 30,529 to 33,592*

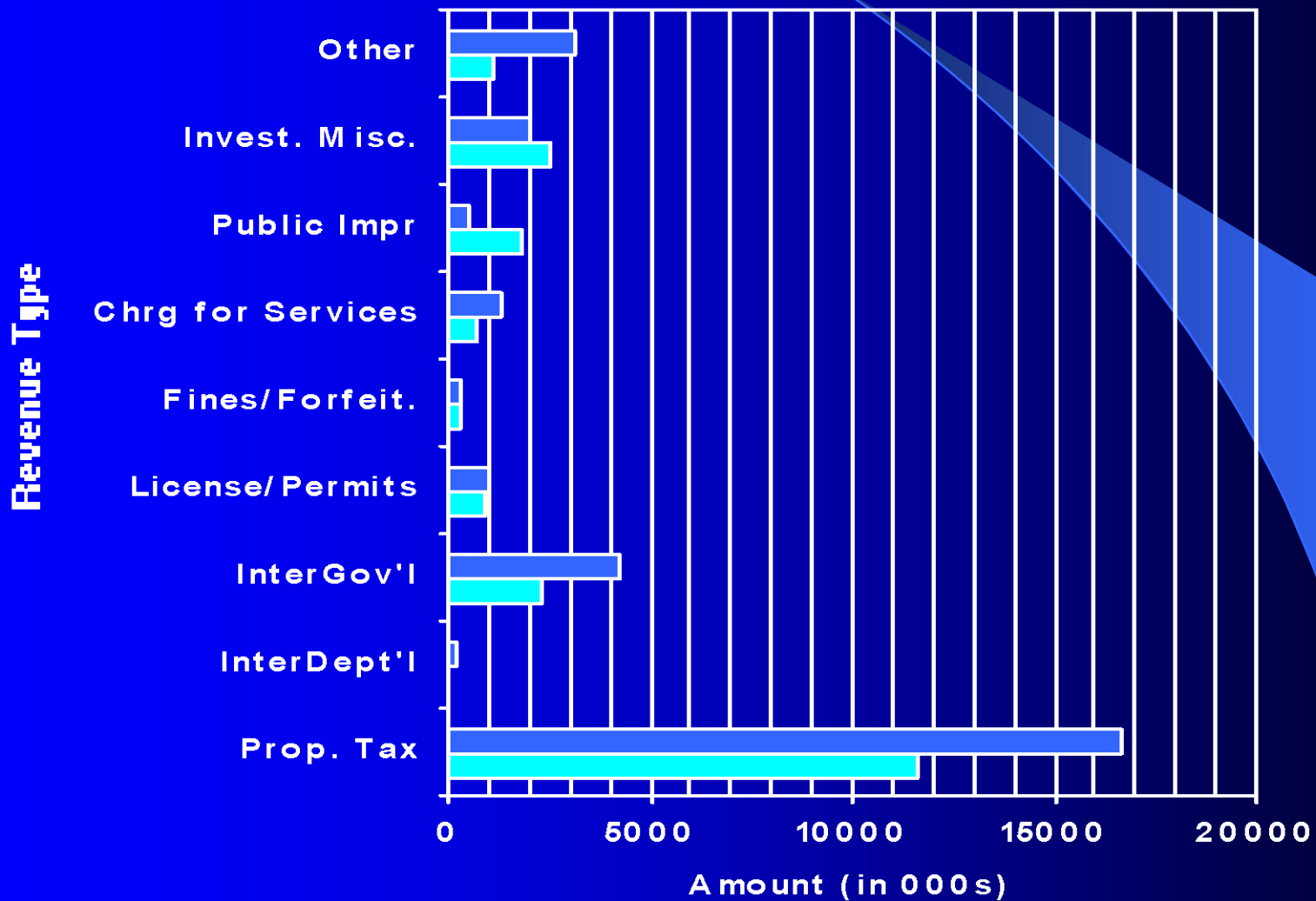
Community Characteristics, 2000 US Census

<p><i>'90-'00 Population Growth +13.8%</i> <i>33,592 to 38,220</i></p>	<p><i>'00 Demographic</i> <i>94.9% White</i> <i>4.2% Minority</i></p>	<p><i>'00 Median Household Income</i> <i>\$67,576</i></p>
<p><i>'89-'99 Median Household Income +36.8%</i></p>	<p><i>'00 Total Occupied Hsg 81.3%</i> <i>Owner-Occupied</i> <i>Median Value \$162,100</i></p>	<p><i>Median Rent Renter-Occupied Units, \$830</i></p>
<p><i>'98 -'01 Per Capita Property Value</i> <i>\$68,757 to \$82,702, or 20.29% increase*</i></p>		
<p><i>Major Industries: Education/Health/Social Svc 19.5%, Mfg 19%, Retail Trade 11.9%, Professional. 11.5%</i></p>		

* Source for 2001 data: Public Policy Forum

New Berlin Revenue Trends

■ 1997 ■ 2001



Why Wholesale vs. Retail?

- MWW retail customers receive distribution, metering and billing services from MWW
- New Berlin has an existing water utility
- New Berlin Water Utility already operates and maintains independent distribution, metering, and billing systems
- Only a portion of New Berlin is eligible to purchase water from the MWW

Synopsis of New Berlin Sale

(Based on 2000 dollars)

- \$3.306 million, infrastructure costs (*per 8/01 NB water study*)
- Current Demand of 1.44 MGD (*million gallons per day*), increasing to 1.52 MGD by 2010
- 5.53% Customer base growth (5,046 in 2000 to 5,325 in 2010)
- Agreement estimates 2003 demand at 3.97MGD, 4.78MGD in 2010
- Per MWW, City of Milwaukee Water Works incurs no capital costs
- \$608,000/yr revenue estimation on 1.7 MGD demand projection, short 2.27 MGD from the latest estimate of 3.97 MGD
- Deal imposes no adverse affect to existing MWW customers

Options for Future Water Supply to Eligible Portions of City of New Berlin

Ground Water Supply Source

Continue Present Situation: Municipal & Private Well Systems
(Well #11 in progress)

Filter or Soften Well Supply *(very expensive process)*

Lake Michigan Water Supply Source

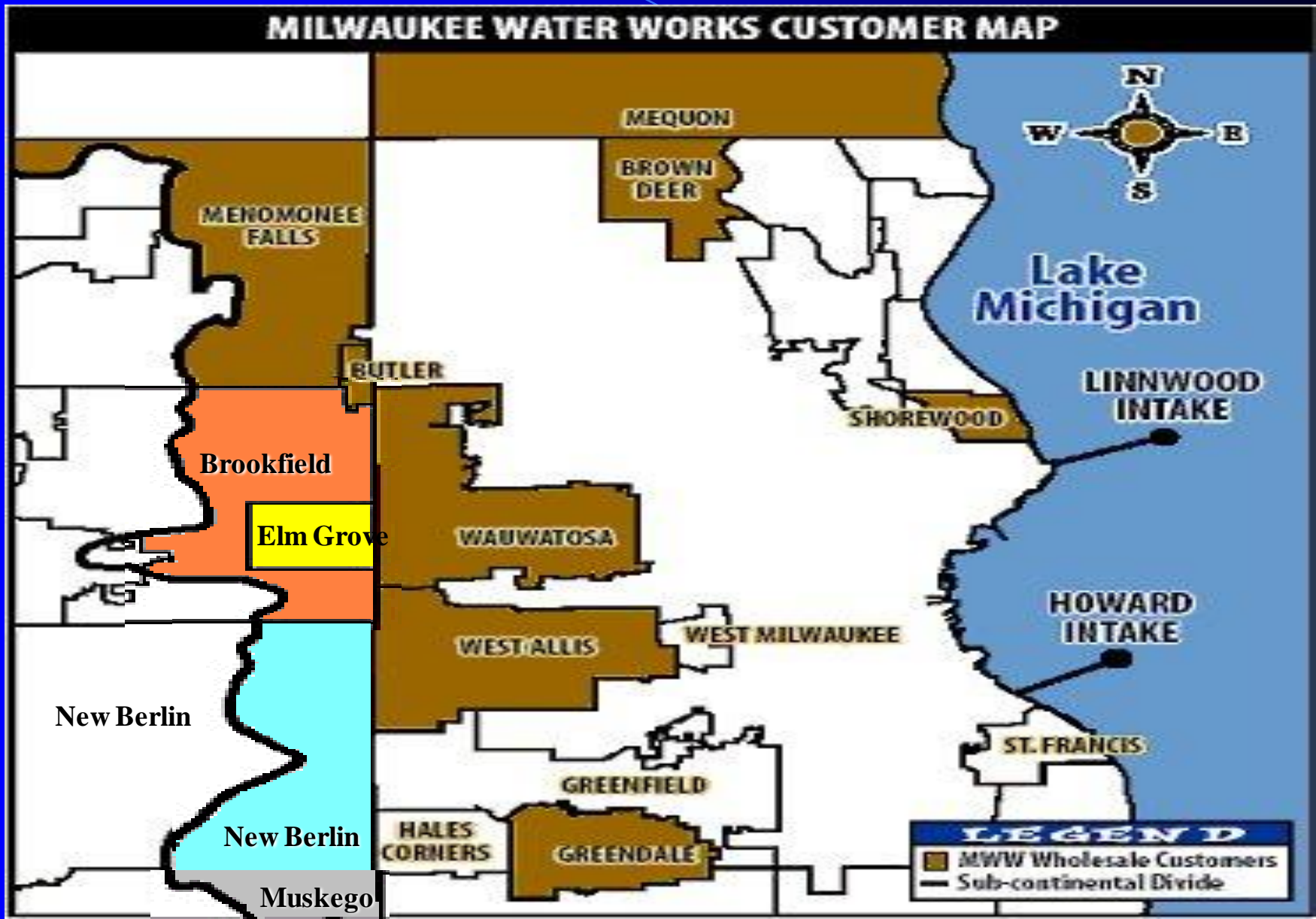
Purchase Water from City of Oak Creek
(last published NB Utility Committee discussion was 8/21/01)

Purchase Water from City of Milwaukee
(limited to service areas within Lake Michigan watershed)

Other New Berlin Utility Committee Discussions

1. Divert Lake Michigan water to serve entire MMSD Area that extends beyond the subcontinental divide
 - Requires Council of Great Lakes Governor's approval
 - Requires DNR approval
 - Involves negotiations with Milwaukee regarding future development
 - Does not address immediate needs
2. Serve Only to Subcontinental divide
 - Require DNR approval
 - Future development issues are fewer
 - Does not address immediate needs

Potential Service Region



Earlier Aldermanic Concerns Lost Industries Reports



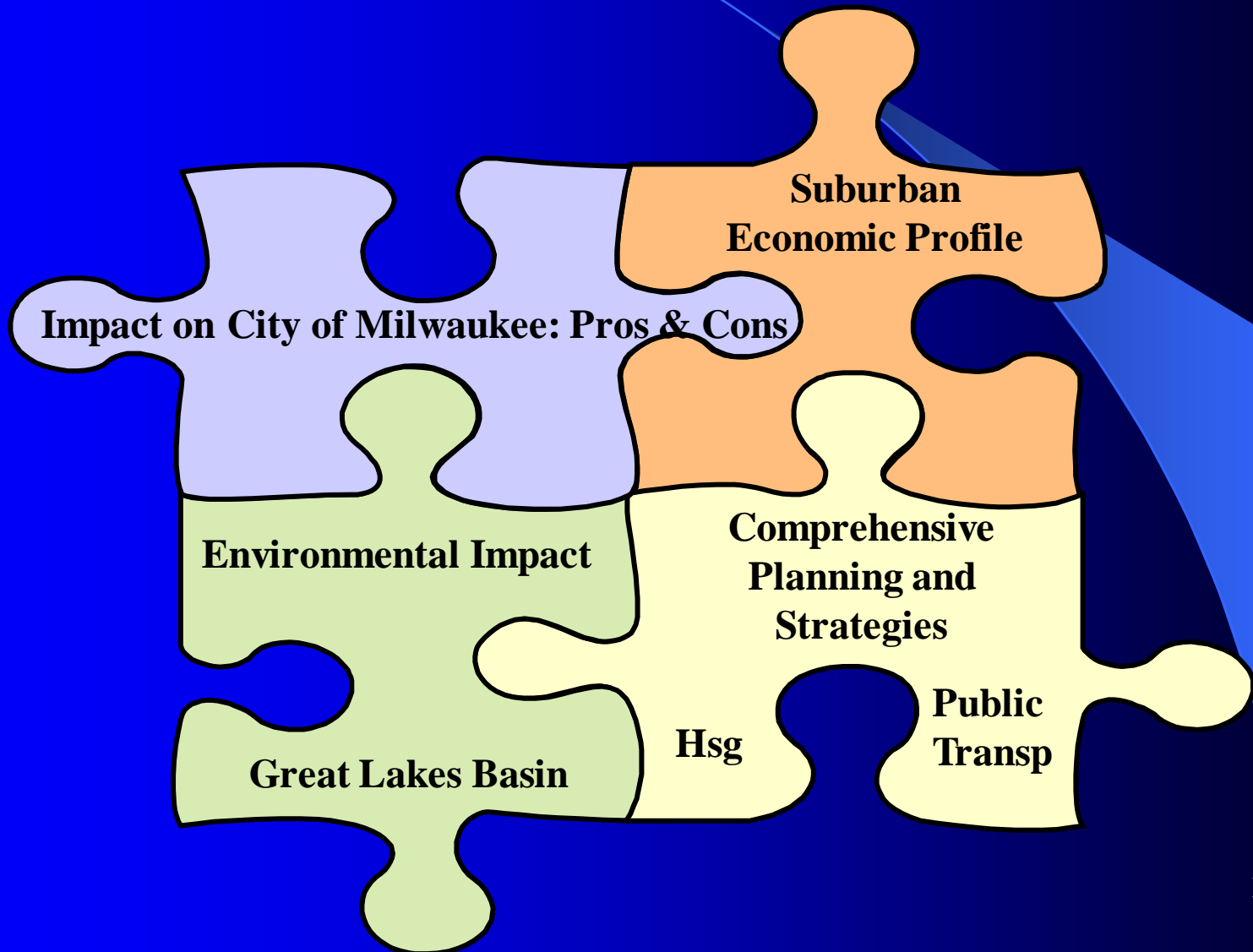
*1970's Milwaukee
Journal and Milwaukee
Sentinel reports 42
industries relocate to
the City of New Berlin
from the City of
Milwaukee*

Other Aldermanic Concerns

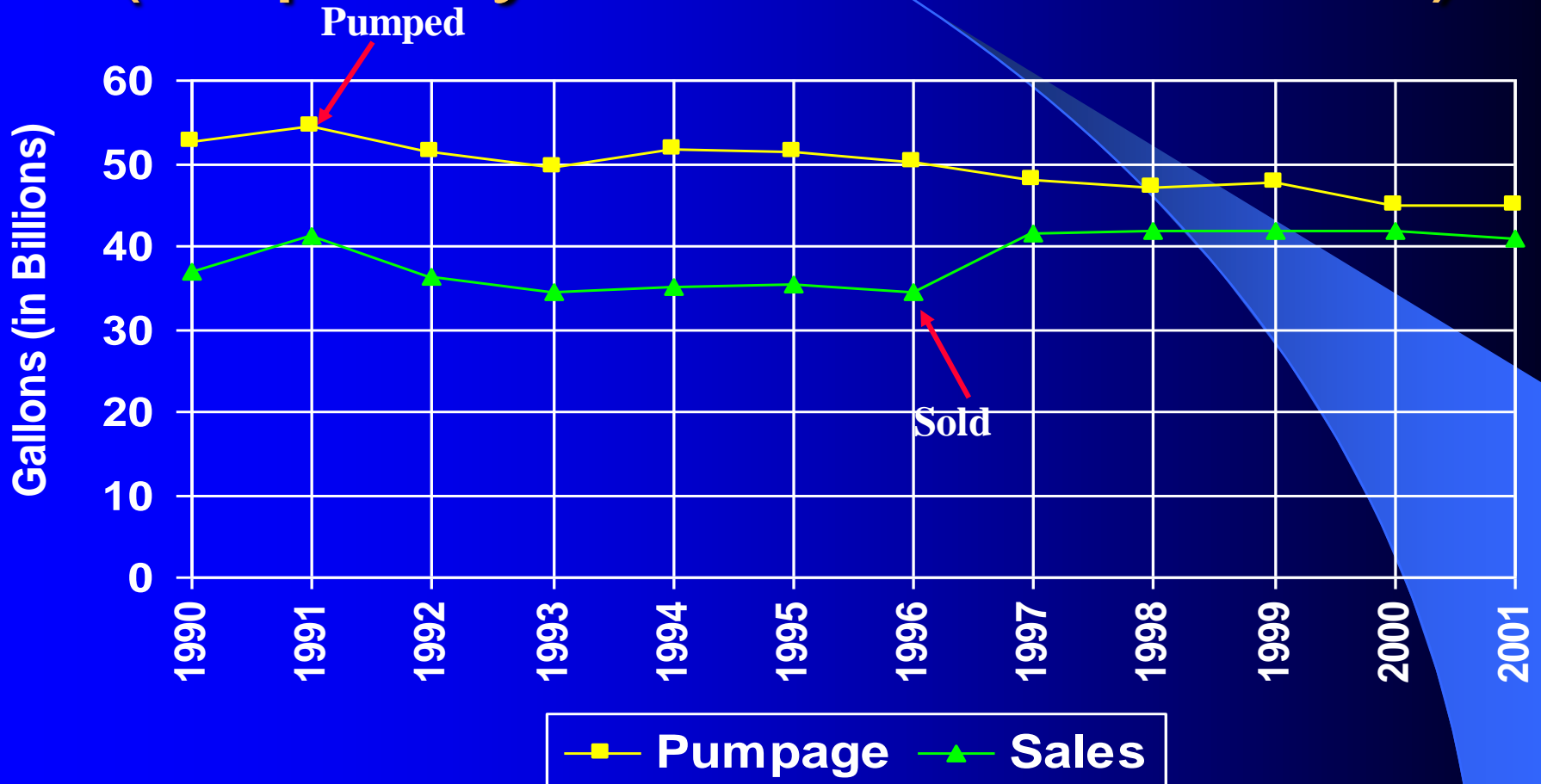
- Any systems that would be financed primarily by its tax contributions from Milwaukee that profit suburban communities
- Presence/Absence of Low or Affordable Housing
- Plans to Develop Low or Affordable Housing



Long-term Strategic Concerns



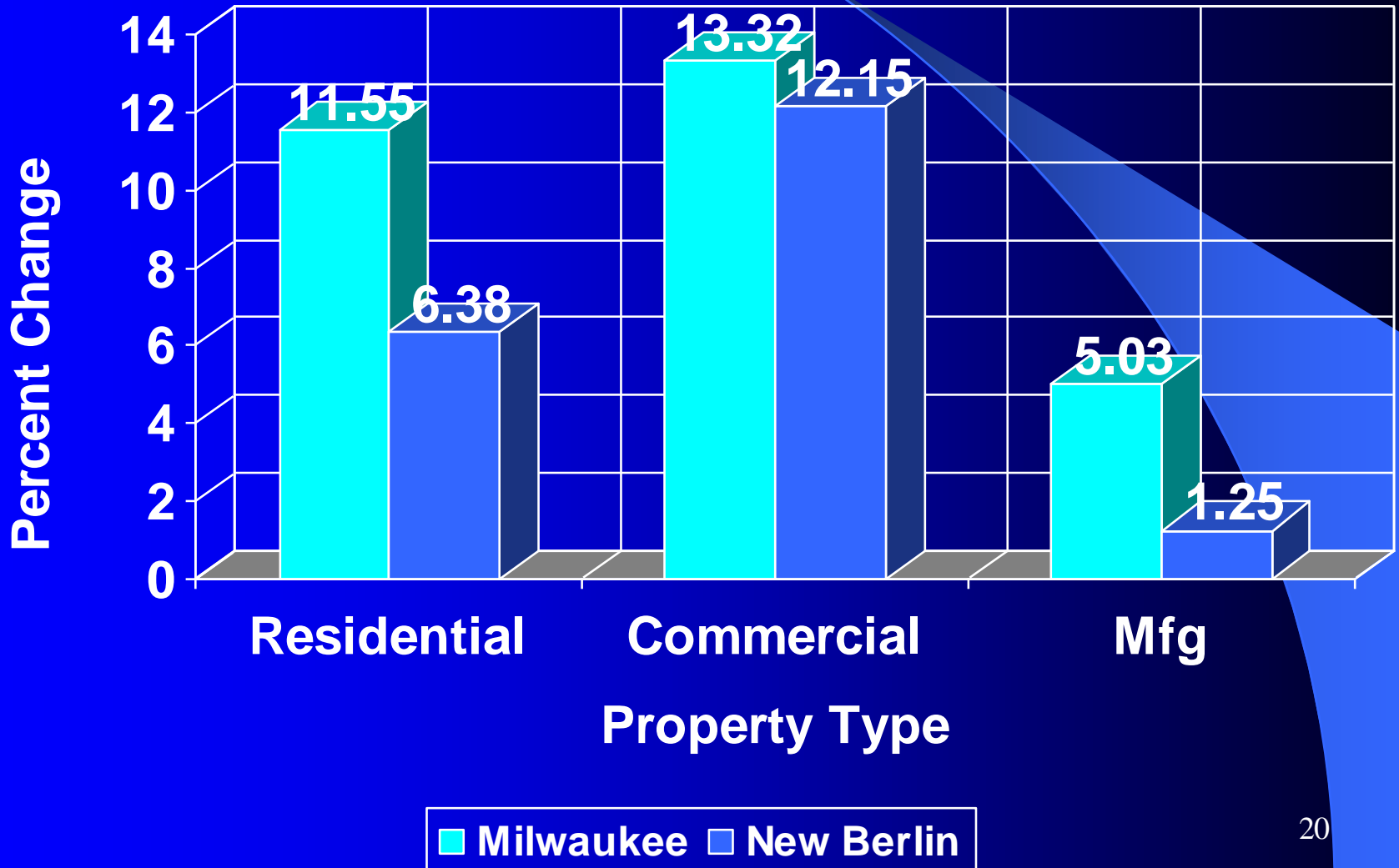
MWW Annual Pumpage (Capacity = 135 Billion Gal/Yr)



Municipal Tax Rate Comparison

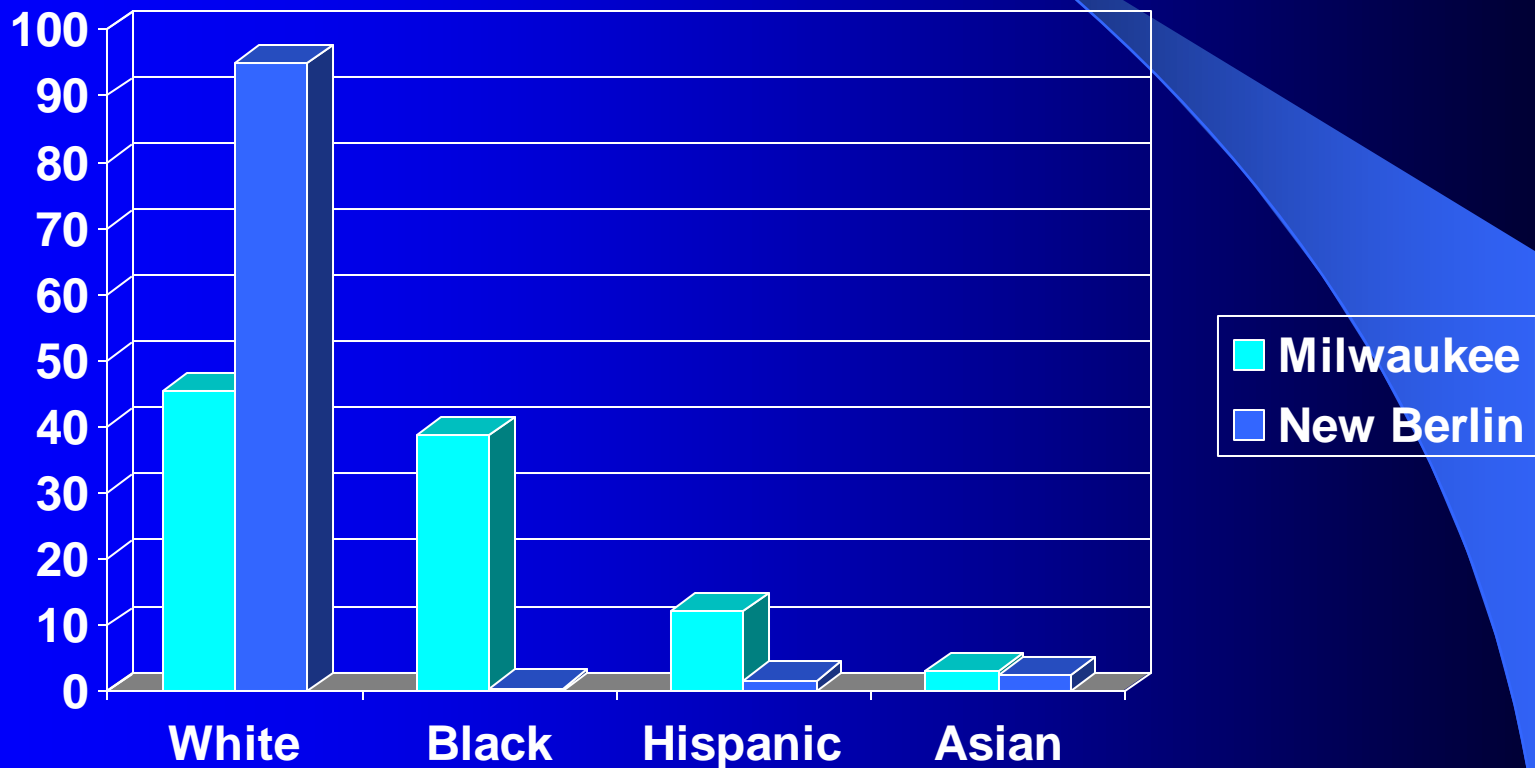


2001 Tax Base by Type of Property (Change From 2000 to 2001)

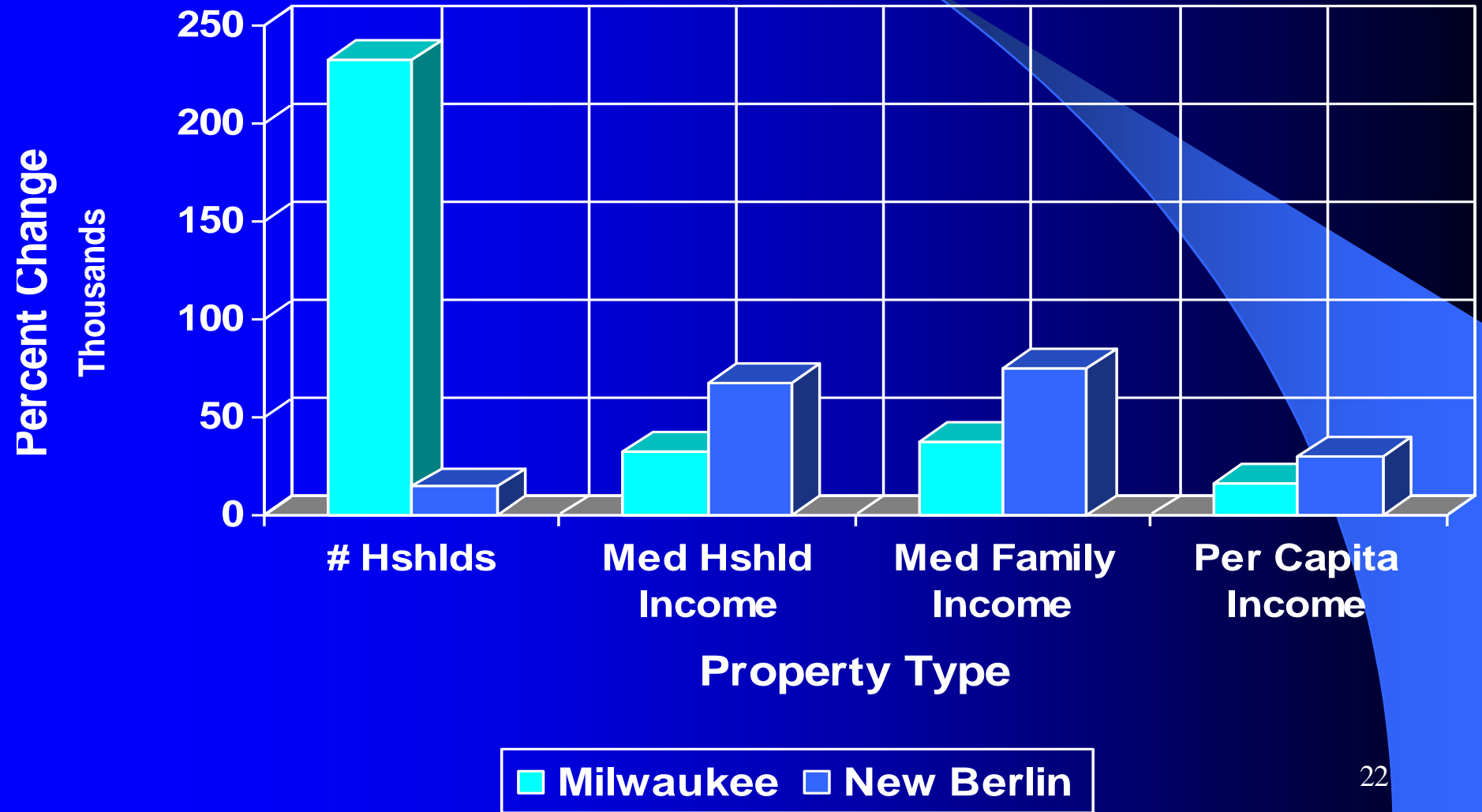


Demographic Comparison

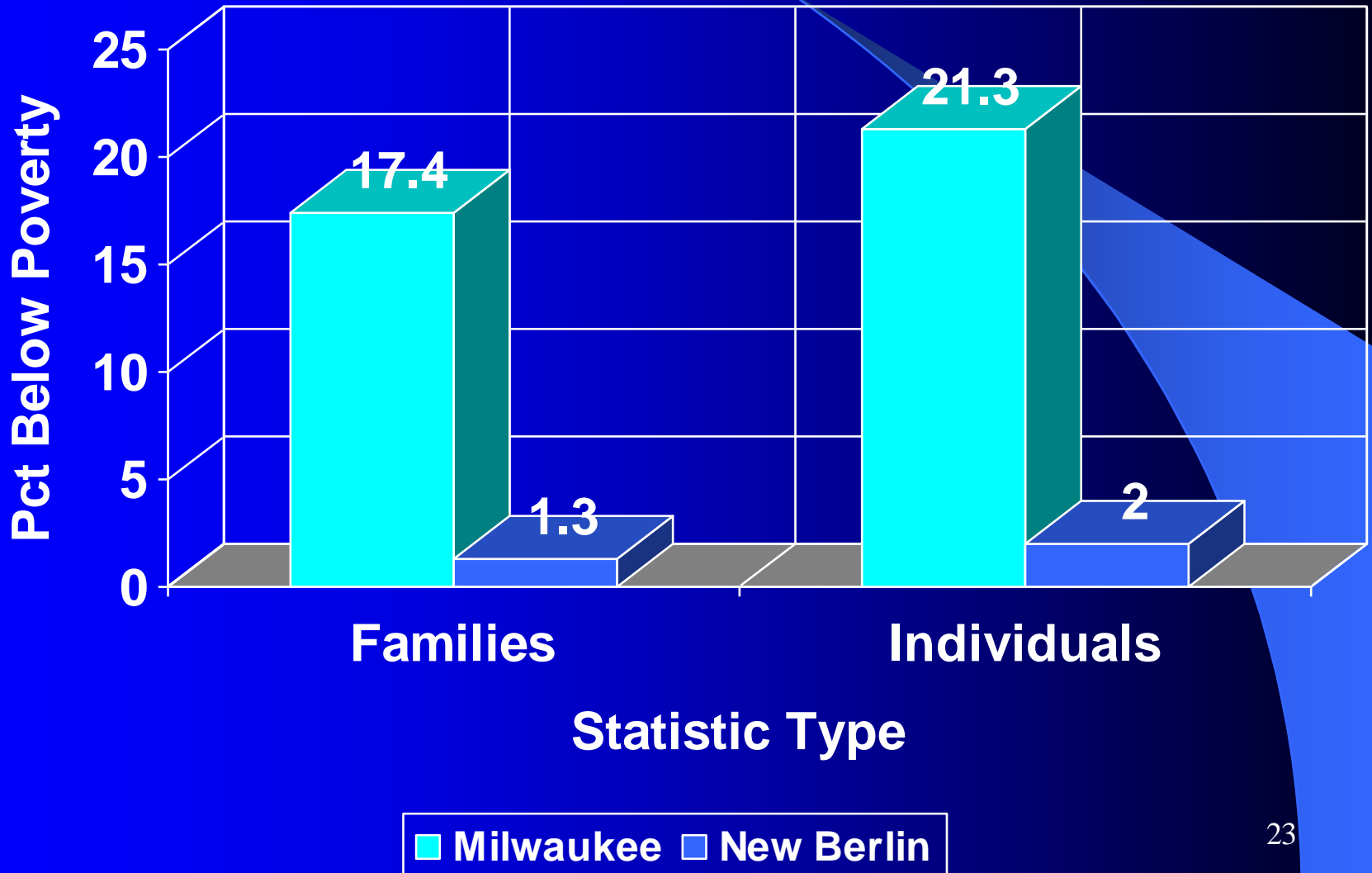
Census 2000 Percentage Profile Statistic



1999 Households and Income



1999 Poverty Statistics



Forthcoming Comprehensive Plan (s.66.1001, Wisc. Stats.)

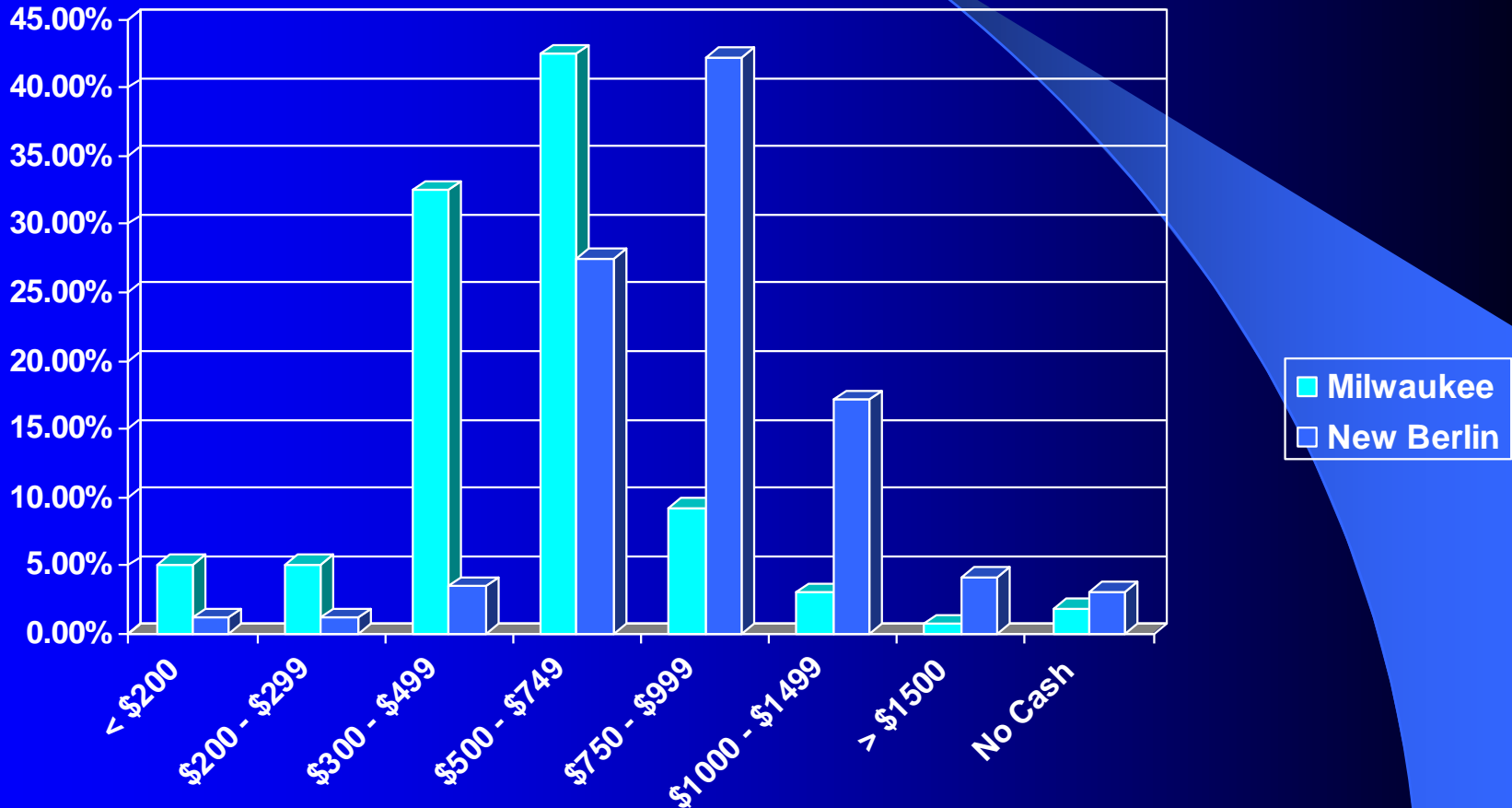
- Issues & Opportunities
- Housing
- Transportation
- Utilities and Community Facilities
- Intergovernmental Cooperation
- Economic Development
- Land Use
- Agriculture, natural, and cultural resources
- Implementation

City of New Berlin Resolution 34-85 Adopted 7/23/85

..... WHEREAS, it is the finding and determination of this Common Council that there is a shortage of safe dwelling accommodations in the City available to elderly persons and to persons of low income at rentals they can afford, as defined in the Housing Authority Law, and.....

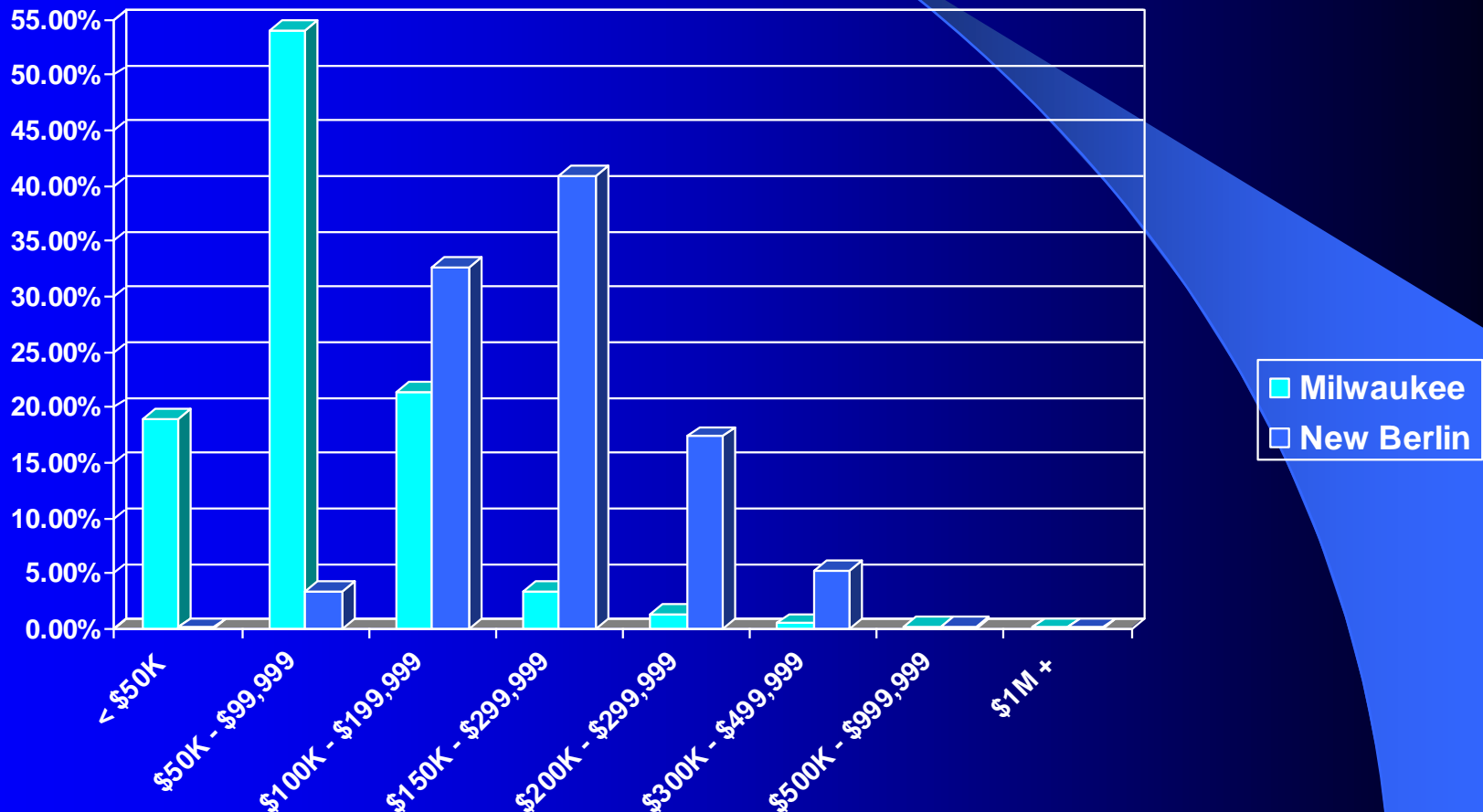
Comparison of Municipalities Specified Renter-Occupied Units

(Source: US Bureau of the Census, Census 2000)



Comparison of Municipalities Specified Owner-Occupied Unit Values

(Source: US Bureau of the Census, Census 2000)



A blurry, low-angle photograph of a boat on a body of water. Two people are visible in the boat, their forms softened by motion blur. The water's surface is dark and reflects the sky. The text "The End" is centered in the middle of the image in a bright orange, sans-serif font.

The End