

LRB – FISCAL REVIEW SECTION ANALYSIS

**JUNE 22, 2004 AGENDA
UTILITIES & LICENSES COMMITTEE**

**ITEM 1, FILE 040262
Emma J. Stamps**

File 040262 is a resolution authorizing the Milwaukee Water Works to enter into an agreement under the terms of which it would provide water service to a property in Wauwatosa. (Water Works)

Background

1. The Public Service Commission of Wisconsin sets wholesale rates that later are implemented by Common Council resolution.
2. Since 1958, the City of Milwaukee Water Works has provided wholesale water service to the City of Wauwatosa.
3. A wholesale customer, the City of Wauwatosa was authorized to enter into a renewal water service agreement via Common Council Resolution 030547 in November 2003.
4. The Common Council must approve any out-of-area water sales agreements to City of Wauwatosa properties that are not covered by the aforementioned wholesale agreement.

Discussion

1. The Milwaukee Water Works received from the Milwaukee County a request that the City of Milwaukee provide water service to the property located at 3236 North Menomonee River Parkway in the City of Wauwatosa.
2. The Milwaukee Water Works indicated an ability and willingness to provide the service at a suburban retail rate. The Public Service Commission approved the following retail rates in June 2002:

Water Consumption	Milwaukee	Suburbs	West Milwaukee
First 100 CCF (hundred cubic feet)	\$1.180	\$1.475	\$.671
Next 4,900 CCF	1.090	1.363	.637
Next 15,000 CCF	.680	.850	.501
Next 20,000 CCF	.630	.788	.490

Fiscal Impact

Adopting File 040262 could generate approximately \$2,000 in annual water revenue, factored using suburban retail rates.

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