

IMMEDIATE ADOPTION

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151555
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SUBSTITUTE 1
..Reference

..Sponsor
ALD. HAMILTON

..Title
Resolution directing the Department of Administration – Intergovernmental Relations Division to oppose Wisconsin Assembly Bill 554/Senate Bill 432, relating to the sale of municipal water or sewer utilities to out-of-state, investor-owned entities.

..Analysis
Under current state law, a Wisconsin municipality may sell or lease a water or sewer utility to an in-state investor-owned entity, another municipality or a regional government entity only after the municipality passes an ordinance or resolution authorizing the sale, submits a proposal to the Wisconsin Public Service Commission, and holds a referendum.

Wisconsin Assembly Bill 554/Senate Bill 432 would curtail the referendum requirement if the sale or lease of a municipal water or sewer utility is to an investor-owned entity and would allow the sale or lease of a water or sewer utility to an out-of-state company.

This resolution directs the Intergovernmental Relations Division of the Department of Administration to actively oppose passage of this legislation.

..Body
Whereas, Under current state law, a Wisconsin municipality may sell or lease their water or sewer utility to an in-state investor-owned company, another municipality or a regional government entity only after the municipality passes an ordinance or resolution authorizing the sale and submits a proposal to the Wisconsin Public Service Commission (PSC); and

Whereas, Currently, regardless of the purchaser, a referendum is required to be held on the proposed sale or lease of a municipal water utility; and

Whereas, Currently, a referendum may only occur after the PSC has determined that the interests of the municipality and its residents would be best served by the sale or lease, and has fixed the price and other terms of the transaction; and

Whereas, Under Wisconsin Assembly Bill 554/Senate Bill 432, the sale or lease of a municipal water or sewer service to an investor-owned entity would be exempt from the mandatory referendum process unless, within 30 days after the municipality adopts the ordinance or resolution authorizing the sale, 25 percent of the number of people who

voted for governor in the last general election have signed a petition against the sale;
and

Whereas, Under Wisconsin AB 554/SB 432, even if a referendum moves forward, consumers would vote prior to the setting of prices and terms by the PCS; and

Whereas, Wisconsin AB 554/SB 532 would also allow municipalities to sell or lease their water or sewer utilities to out-of-state companies; and

Whereas, The sale of a municipal-owned utility should only occur after thoughtful deliberation by elected officials, local taxpayers and the customers of the utility, with careful consideration of facts and information provided by a neutral body; and

Whereas, In a December 9, 2015 letter, the Wisconsin Rural Water Association, a non-profit organization representing over 670 community water and wastewater systems in Wisconsin providing services to over 4 million Wisconsin residents, voiced its opposition to Wisconsin AB 554/SB 432; and

Whereas, According to a January 29, 2016 article in the Journal-Sentinel, Wisconsin AB 554/SB 432 is “being pushed by a Pennsylvania company”; and

Whereas, Wisconsin AB 554/SB 432 would establish a preferential process for investor-owned utilities to purchase or lease municipal water or sewer utilities, limit public input and eliminate the delivery of un-biased information to consumers prior to a referendum; and

Whereas, The current procedure for sale of municipal water or sewer utilities is a uniform, fair and transparent process; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Administration – Intergovernmental Relations Division is directed to actively oppose passage of Wisconsin AB 554/SB 432; and, be it

Further Resolved, That the City Clerk shall send copies of this resolution to the City’s delegation in the State Legislature.

..Requestor

..Drafter
LRB162938-1-IA
Andrew R. VanNatta
02/05/2016