

Milwaukee Water Works

Safe, Abundant Drinking Water.

December 8, 2017

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

SUBJECT: Update on the financial impact the implementation of Ordinance 160742 has had on property owners who have had their lead water service lines replaced

Dear Common Council Members:

On December 13, 2016, the Common Council adopted Ordinance #160742 mandating the replacement of lead water service lines on private property and establishing a special assessment for lead water service lines on private property.

Item 11. (a) of the Ordinance states that, prior to April 1, 2017 and every three months thereafter, the Commissioner of Public Works (or his designee) shall submit a report to the Common Council on what financial impact the implementation of Ordinance 160742 has had on the property owners who have had their lead service lines replaced.

As of December 4, 2017, the Milwaukee Water Works has fully replaced 584 lead service line projects with confirmed leaks, or due to a planned infrastructure project, or as an owner-initiated project. Of these 584 projects:

- 409 were a result of a leak
- 141 were full replacements at child care centers
- 24 were a result of a planned infrastructure project
- 10 were a result of an owner initiating the project

In addition,

- 385 of the leaks occurred on service lines to buildings with one to four units, and therefore, the property owners who are having a city contractor perform the work qualify for the cost of the private side work to be the lesser of one-third of the average current cost to replace the privately-owned portion of the lead service line, or \$1,600. The total property owner share of the cost for these 385 projects is \$616,000.



- 37 of the leaks occurred on service lines to buildings with more than four units and do not qualify for the cost of the private side work to be the lesser of one-third of the average current cost to replace the privately-owned portion of the lead service line, or \$1,600. These property owners who are having a city contractor perform the work are only eligible for the full cost of the replacement to be paid for through the special assessment process.
- In addition to the 584 completed lead service line replacements, an additional 108 services are either being investigated or are scheduled for replacement. We expect more than 600 to be replaced by year end.

The process wherein any replacement cost falls to the property owners 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 for public side costs. Per Ordinance 160742, 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. That section will keep track of the invoices and averages throughout the year and will verify their lists to be sure they have each one accounted for.
3. All invoices received by August 15th/September 1st of any given year will be included on the Special Assessment's Section October billing to the affected property owners. Those property owners will have 45 days to pay in full (for example November 15th), or the amount will be spread out over the next 10 tax bills, with 4.50% interest charged on the balance. The City of Milwaukee Treasurer's system will be responsible for adding that debt to the property tax bills. Invoices for 224 lead service line projects were received in time for the October 2017 billing.

Respectfully submitted,



Jennifer Gonda
Superintendent

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