

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**PUBLIC WORKS COMMITTEE**

**FEBRUARY 13, 2008**

**Item 15, File #071411**

File Number 071411 is a resolution authorizing the Port of Milwaukee to apply for, accept and expend a Wisconsin Department of Transportation Harbor Assistance Grant for a ship ballast water collection and onshore treatment demonstration project.

**Background**

1. A ship that is traveling empty or with a partial load normally takes on ballast water to improve its navigational stability. The ship then discharges the ballast water, and any organisms that have been transported along with it, upon arrival in port to load cargo.
2. The discharge of ballast water into the Great Lakes by oceangoing ships has resulted in the introduction of numerous harmful invasive species into the Great Lakes ecosystem. These invasive species have decimated native fish populations, increased the quantity of noxious algae and caused widespread bird die-offs.
3. In January, 2008, Governor Jim Doyle announced that the State of Wisconsin will spend \$6 million to develop and implement experimental ballast water treatment systems for the state's Great Lakes ports, including Milwaukee.

**Discussion**

1. This resolution authorizes the Port of Milwaukee to apply for, accept and expend a Wisconsin Department of Transportation Program Harbor Assistance Program grant to fund a demonstration project to collect and treat ballast water discharged by oceangoing ships visiting the Port of Milwaukee. This is a "demonstration" project because the State of Wisconsin will be using it to determine the cost and feasibility of ship ballast water collection and onshore treatment at the Port of Milwaukee; this information could be extrapolated for other Wisconsin ports.
2. The proposed ballast water collection and treatment system would use 2 tank barges to collect ballast water from ships using the Port of Milwaukee. The barges would then transport the ballast water to a discharge point somewhere in the Milwaukee Harbor, most likely on Milwaukee Metropolitan Sewerage District (MMSD) property. A new treatment line would be constructed to convey the discharged water across MMSD property to the actual treatment site.
3. The estimated cost of this grant-funded project is \$2,650,000, which is based on the following cost estimates:

Bid preparation and advertising	\$20,000
Final engineering	\$100,000
Direct supervision of contractors	\$20,000

Acquisition of 2 tank barges	\$700,000
Installation of pumping equipment on on tank barges	\$100,000
Construction of discharge connection to onshore treatment line	\$100,000
Construction of onshore treatment line on MMSD property	\$1,500,000
<u>Contingency</u>	<u>\$100,000</u>
<b>TOTAL</b>	<b>\$2,650,000</b>

- Once the State of Wisconsin awards the grant, the Wisconsin Department of Natural Resources will be conducting a project feasibility study that is expected to require approximately 75 days for completion. Assuming the results of this study are positive, acquisition and modification of the barges and design and construction of discharge facility and treatment line could begin in August or July. The Port anticipates that this work would be completed in early spring, 2009, with the collection and treatment system becoming fully operational in April. This would allow the system to be in use for most or all of the 2009 navigation season.
- This project is included in the Port's most recent "Three-Year Harbor Statement of Intentions" (see File Number 071410).

**Fiscal Impact**

- The Wisconsin Department of Transportation will pay the entire cost of this grant-funded project. Therefore, adoption of this resolution has no direct fiscal impact on the City.
- With this resolution, the City accepts all responsibilities for the operation and maintenance of the ballast water collection and treatment system upon completion of the work funded by the grant. Therefore, the Port -- and ultimately the City -- will be responsible for any future operating or maintenance costs associated with the system. However, it is likely that the Port could recover these costs through its user tariffs.

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