



## Legislation Text

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081086

ORIGINAL

ALD. BOHL

Resolution authorizing the Office of the Comptroller to draft and issue an Advisor Request for Proposal to select an Advisor to assist the Common Council in determining if privatizing the Milwaukee Water Works through a long-term lease of Water Works assets to a private sector water utility provider is the highest and best use of this City asset.

This resolution authorizes the Office of the Comptroller, in collaboration with the Milwaukee Water Works, the City Attorney and other City departments as needed, to draft and issue an Advisor Request for Proposal ("Advisor RFP") to select an Advisor to assist the Common Council in determining if privatizing the Milwaukee Water Works through a long-term lease of Water Works assets to a private sector water utility provider is the highest and best use of this City asset ("Water Privatization").

Whereas, The City of Milwaukee's funding sources are narrowly defined by statute and City's funding capacity may be stagnant or contracting over time even though the demand for City services continues to grow and the cost of such services tends to increase each year; and

Whereas, The City seeks new sources of funding in order to maintain a high quality of services for City residents; and

Whereas, The City may be able to secure a new and potentially substantial, annual funding source by privatizing the Milwaukee Water Works through a long-term lease of substantially all Milwaukee Water Works assets to a private sector water utility provider; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Office of the Comptroller, in collaboration with the Milwaukee Water Works, the City Attorney and other City departments as needed, is authorized to draft and issue an Advisor Request for Proposal ("Advisor RFP") to select an Advisor to assist the Common Council in determining if privatizing the Milwaukee Water Works through a long-term lease of Water Works assets to a private sector water utility provider is the highest and best use of this City asset ("Water Privatization"); and, be it

Further Resolved, That issuing this Advisor RFP does not commit the City to any Water Privatization and should be viewed solely as the City's first step in considering whether Water Privatization is financially feasible and identifying what policy, statutory and/or regulatory changes must or should be

made before the City proceeds to consider the possibility of Water Privatization; and, be it

Further Resolved, That services performed and provided by the Advisor as part of the Advisor RFP shall include, but not be limited to:

1. Partnering with the Office of the Comptroller, the Milwaukee Water Works and other City departments as necessary to gather and analyze all data pertinent to a Water Privatization including, but not limited to, all pertinent statutory, regulatory, financial and engineering information.
2. Identifying and presenting to the Common Council a written report outlining any policy, statutory, regulatory or other issues which may impede, block, facilitate or otherwise affect a Water Privatization, positively or negatively, and recommending actions deemed necessary to clear impediments, remove obstacles or otherwise facilitate a successful Water Privatization.
3. Presenting to the Common Council a written report outlining possible lease structures and terms including, but not limited to:
  - a. Assignment of rights between the City and lessee.
  - b. Cure provisions and rights of reversion should lessee fail to fulfill lease terms.
  - c. Lessee capital spending mandates.
  - d. Water quality and customer service standards.
  - e. Workforce rules, representation and retention.
  - f. Utilization of City maintenance, repair and other services.
4. Providing an estimate of the value to the City of a Water Privatization both in terms of an initial upfront payment to the City upon the execution of a lease, and annual payments. Such estimate shall include the operating conditions and scenarios assumed to achieve this value.

; and, be it

Further Resolved, That this Advisor RFP shall be issued without specifying a price for the requested services with the expectation prospective proposers will set prices for the services requested by the City; and, be it

Further Resolved, That the Office of the Comptroller shall review all proposals received in response to this RFP, recommend a proposal to the Common Council for selecting an Advisor and request funding (to be paid by Milwaukee Water Works) after all proposals have been submitted; and, be it

Further Resolved. That the Office of the Comptroller shall seek Common Council approval of both the recommended Advisor and funding before awarding any contracts based on this Advisor RFP; and, be it

Further Resolved, Following award of the Advisor RFP, the Office of the Comptroller shall assist the Advisor as needed as Advisor performs and provides the services stipulated in this Advisor RFP; and, be it

Further Resolved, That the Office of the Comptroller is directed to determine what operating conditions and financial performance criteria must be met before the Milwaukee Water Works can pay the City a dividend, what steps could be taken to increase the likelihood and the amount of

dividends paid the City, and calculate the amount of annual dividends that could potentially be paid to the City from 2010-2020 if the Milwaukee Water Works sought to maximize its dividends to the City. The Office of the Comptroller shall report this information in a written report to the Common Council concurrently with the Advisor's report to the Common Council.

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ANC  
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