

WAUKESHA MAYOR REILLY AND MILWAUKEE MAYOR BARRETT REACH HISTORIC AGREEMENT

WAUKESHA, WI & MILWAUKEE, WI (October 30, 2017) - Two Wisconsin mayors, fostering regional cooperation, are collaborating to establish cost efficiencies for both cities while ensuring thousands of residents and businesses receive high-quality water. Waukesha Mayor Shawn Reilly and Milwaukee Mayor Tom Barrett made a historic announcement that they have negotiated an agreement for the Milwaukee Water Works to provide a Lake Michigan water supply to the Waukesha Water Utility.

"This is a historic moment. This is an opportunity," said Mayor Reilly. "Waukesha and Milwaukee have come together to benefit both our cities and we hope this will lead to additional collaborations for the common good of our residents and businesses."

"After extensive analysis, we determined that a Milwaukee water supply costs significantly less than water from Oak Creek. Our responsibility is to ensure that Waukesha citizens receive the best choice for water at the lowest cost. We could not pass up the offer from Milwaukee to provide us with high-quality drinking water," said Mayor Reilly.

Mayor Reilly added, "I appreciate the opportunity to work with Mayor Barrett on this collaboration which will benefit thousands in the State of Wisconsin. I also want to acknowledge and thank the City of Oak Creek for its many years of cooperation and support."

"This is the most significant intergovernmental agreement in the history of Southeastern Wisconsin," Mayor Barrett said. "I am pleased we have reached this historic agreement that remains true to the Great Lakes Compact. This partnership is an excellent example of regional cooperation, and it is both fiscally and environmentally sound. In addition to the water rates paid to Milwaukee Water Works, Waukesha will make a one-time payment to the City of Milwaukee, which I'm pleased to announce will be used for the replacement of lead service lines. I welcome our new relationship with city of Waukesha and look forward to continued future collaborations."

Over the coming weeks, the agreement will go before the Waukesha and Milwaukee Common Councils for review and approval. The Mayors agree that the water sale provides cost efficiencies for both cities while ensuring that Waukesha residents and businesses receive safe, sustainable and high-quality water.

Waukesha Common Council President Aaron Perry commented, "Reaching a long-term agreement with a reliable water supplier is a major milestone on our path to secure a reliable water supply. It is great to be moving toward the end of planning and the start of construction in 2020."

Key Facts of Agreement

- The City of Waukesha and the City of Milwaukee have negotiated an agreement which will establish a long-term partnership to supply reliable, sustainable, quality water.
- The partnership is fiscally responsible, as Milwaukee's proposal provides Waukesha with a savings of nearly \$40 million in capital costs compared to an Oak Creek water supply.
- In addition, Waukesha residents will directly see a savings:
 - Although water rates will still increase, shifting to a Milwaukee supplier will avoid approximately \$200 in annual water fees for the average Waukesha household compared to other suppliers.
 - Water softeners may be reduced or will no longer be needed, which will also potentially save hundreds of dollars per year for households.
- The wholesale rate for water sold to the Waukesha Water Utility will be set by the Public Service Commission, similar to Milwaukee's 15 other retail and wholesale customers.
- Milwaukee will benefit from millions of dollars in additional revenue per year, allowing it to offset costs that would otherwise be spread among its existing customers.
- Milwaukee's treatment facilities are among the most advanced in the country. It has capacity and redundancies that will ensure Waukesha has a constant flow of water for decades to come.
- Over the coming weeks, the agreement will go before the Waukesha and Milwaukee Common Councils for review and approval.

Background on Waukesha Water Supply Project

The City of Waukesha needs a long-term, sustainable alternative to its existing water supply. The aquifer that has been the City's primary source of drinking water has become depleted. This is due in large part to a layer of shale rock that restricts rainwater and snowmelt from recharging the aquifer. In addition, Waukesha has elevated levels of radium and other naturally-occurring contaminants. Waukesha is under a court order to come into full compliance with radium standards by 2023.

The eight Great Lakes governors who reviewed the Waukesha project under the Great Lakes Compact unanimously concluded that Waukesha has no reasonable alternative to a Great Lakes water supply. Waukesha may access up to an average of 8.2 million gallons a day of drinking water from Lake Michigan and will return the same amount to the Basin.

The project will entail construction of pumping facilities and a 15.6 mile pipeline from approximately 60th Street and Howard Avenue in Milwaukee to Waukesha. After being used in Waukesha and

treated, water will return via a second pipeline from Waukesha's Clean Water Plant to an outfall point in the City of Franklin that empties into the Root River, ultimately flowing back to Lake Michigan. Construction is expected to begin in early 2020, with completion in 2023.

For More Information:

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