



Milwaukee wrestles Waukesha water deal away from Oak Creek

Don Behm, Milwaukee Journal Sentinel Published 2:15 p.m. CT Oct. 30, 2017 | Updated 3:51 p.m. CT Oct. 30, 2017



(Photo: Michael Sears / Milwaukee Journal Sentinel)

Milwaukee beat out Oak Creek in the competition to sell Lake Michigan water to the City of Waukesha and will receive more than \$3 million a year in revenue to start with as the prize, officials announced Monday.

Milwaukee Mayor Tom Barrett and Waukesha Mayor Shawn Reilly met at Discovery World on Monday to describe the historic water deal as regional cooperation that will benefit both cities on opposite sides of the subcontinental divide. The two mayors then toasted the agreement with glasses of Milwaukee tap water.

"This is the most significant intergovernmental cooperation deal in the history of southeastern Wisconsin," Barrett said of the 40-year water supply agreement.

For Waukesha, the total cost of connecting to Milwaukee is nearly \$40 million less than going to Oak Creek primarily due to the shorter length of water pipeline needed for the service, Waukesha Water Utility General Manager Dan Duchniak said.

Half the cost savings, or \$20 million, was achieved through Milwaukee's offer to pay for building a portion of the new pipeline, he said.

"Those are cost savings that the Waukesha Water Utility Commission and Common Council could not overlook," Duchniak said in explaining the selection of Milwaukee over Oak Creek, its longtime partner in seeking access to Great Lakes water.

"After extensive analysis, we determined that a Milwaukee water supply costs significantly less than water from Oak Creek," Reilly said Monday. "Due diligence led us to this partnership."

Waukesha residents are expected to benefit from a Milwaukee connection even though water rates will rise, he said. "Shifting to Milwaukee will avoid approximately \$200 in annual water fees for the average Waukesha household" compared with an Oak Creek supply, Reilly said.



The Milwaukee Water Works filters Lake Michigan water at the Linnwood plant (shown here) and the Howard Ave. plant for distribution to a regional drinking water service area. (Photo: photos from Milwaukee Water Work, Milwaukee Journal Sentinel)

When lake water begins flowing west to Waukesha in 2022 or 2023, the city will stop using its 10 groundwater wells, including seven wells that draw radium-contaminated water from a deep sandstone aquifer.

Waukesha will pay Milwaukee about \$3.2 million in 2023 to deliver an average of 6.1 million gallons of lake water a day, as part of the deal, Duchniak said.

The payment will increase steadily to about \$4.5 million a year at midcentury when Waukesha's daily average demand is expected to rise to 8.2 million gallons a day, the maximum amount allowed by the eight Great Lakes states in approving the lake diversion in June 2016.



Milwaukee's Linnwood Water Treatment Plant on the Lake Michigan shoreline. (Photo: Milwaukee Water Works)

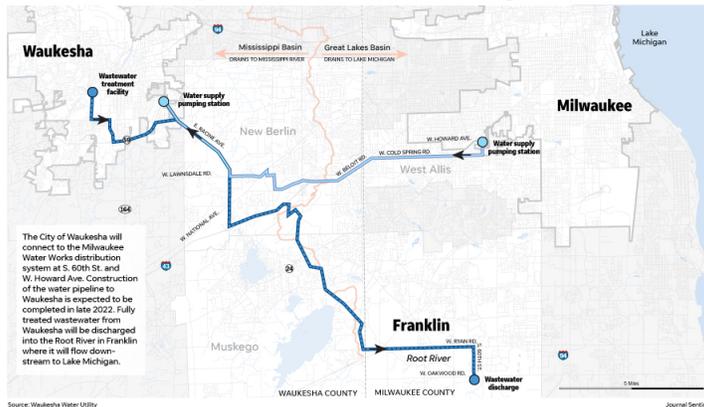
Recently revised estimates peg the cost of connecting to Oak Creek at \$325.4 million, Duchniak said.

A Milwaukee connection is estimated to cost \$286.2 million, he said.

The total project costs include construction of a pipeline to carry fully treated wastewater from Waukesha to the Root River at S. 60th St. in Franklin where it would flow downstream to Lake Michigan. That route does not change under the Milwaukee deal.

"I was surprised," Oak Creek Water & Sewer Utility General Manager Mike Sullivan said Monday. "I did not know a decision was coming now."

Waukesha will tap Milwaukee for Lake Michigan water



Up to this point, Oak Creek had not invested money in new facilities, such as a pipeline or pumping station, to serve Waukesha, Sullivan said. Oak Creek sells water to Franklin and the north half of Caledonia in Racine County.

Sullivan said he is not giving up on adding Waukesha as a customer. He will remain optimistic until the final deal is signed and approved by both the Waukesha and Milwaukee common councils, Sullivan said.

"There's always an opportunity," he said.

The Milwaukee Common Council is expected to act on the water agreement at a Nov. 28 meeting. Approval by the Waukesha Common Council is scheduled for Dec. 5.

In June 2016, delegates for the governors of the eight Great Lakes states unanimously approved Waukesha's request for a Lake Michigan water supply (<http://greatwateralliance.com/>) coupled with returning the wastewater to the Root River.

Construction is scheduled to begin in 2020 with completion in late 2022, according to Duchniak. At that time, Waukesha will become the first U.S. community located entirely outside the Great Lakes drainage basin to receive a diversion of lake water under terms of a 2008 federal law known as the Great Lakes protection compact.

Oak Creek's key role

Waukesha could not have done it without Oak Creek.

Waukesha's application would have been stopped cold five years ago if it had not been for Oak Creek's willingness to sign a letter of intent to be the supplier of lake water.

The state Department of Natural Resources in 2012 required a written commitment from a supplier before the agency would complete its review of Waukesha's application that had started two years earlier.

The DNR at that time said it would not approve a possible Milwaukee offer to supply the water unless Milwaukee agreed to provide water to a few of Waukesha's neighbors. A revised Waukesha water service area set by the Southeastern Wisconsin Regional Planning Commission and the DNR included portions of neighboring communities.

Barrett and other Milwaukee officials refused to compete for a deal under those requirements out of concern that Waukesha would use the lake water to support suburban sprawl beyond its borders.

The DNR finished its assessment in December 2015 and recommended that each of the eight states approve the city's request.

The eight Great Lakes states in June 2016 imposed a water distribution area on Waukesha that excluded portions of neighboring communities included in SEWRPC's revised service area. The final service area is nearly identical to the one Milwaukee had insisted on in 2012.

One year after the states' decision, Milwaukee made a last-minute offer to sell lake water to Waukesha and wrestle the deal away from Oak Creek.

"As I always said, if someone was going to sell water to Waukesha, I wanted it to be Milwaukee," Barrett said Monday.

On Monday, Reilly paid tribute to the longtime suitor he left at the altar.

"I want to acknowledge and thank the City of Oak Creek for its many years of cooperation and support," he said.

RELATED: [Milwaukee competes with Oak Creek to sell Lake Michigan water to Waukesha \(/story/news/local/milwaukee/2017/07/12/milwaukee-tempts-waukesha-last-minute-deal-sell-lake-michigan-water/467455001/\)](http://www.jsonline.com/story/news/local/milwaukee/2017/07/12/milwaukee-tempts-waukesha-last-minute-deal-sell-lake-michigan-water/467455001/)

RELATED: [State extends Waukesha deadline to fully comply with radium standards for drinking water \(/story/news/local/milwaukee/2017/07/19/state-extends-waukesha-deadline-fully-comply-radium-standards-drinking-water/487539001/\)](http://www.jsonline.com/story/news/local/milwaukee/2017/07/19/state-extends-waukesha-deadline-fully-comply-radium-standards-drinking-water/487539001/)

RELATED: [Great Lakes governors approve Waukesha water request \(http://archive.jsonline.com/news/waukesha/decision-day-arrives-for-waukeshas-lake-michigan-water-request-b99747111z1-383762921.html/\)](http://archive.jsonline.com/news/waukesha/decision-day-arrives-for-waukeshas-lake-michigan-water-request-b99747111z1-383762921.html/)

In initial discussions with Milwaukee, Waukesha was offered a water connection near S. 60th St. and W. Howard Ave., according to Duchniak.

Milwaukee public works officials eventually offered to pay for the section of pipe from that connection west to S. 84th St. and W. Cold Spring Road, he said. Milwaukee also will build and operate the pumping station required to carry the water over the subcontinental divide to Waukesha.

As part of the bargain, Waukesha will contribute a one-time fee of \$2.5 million to Milwaukee to help pay for the infrastructure, Duchniak said. That contribution is included in the \$286.2 million estimate of the cost for a Milwaukee connection.

Milwaukee will spend the one-time payment on costs of replacing lead pipes, known as laterals, that convey water from city mains to private homes, Barrett said.

The Milwaukee Water Works provides drinking water to 16 communities in Milwaukee, Ozaukee and Waukesha counties.



When Waukesha begins receiving Lake Michigan water from Milwaukee in 2022 or 2023, it will discharge fully treated wastewater to the Root River at S. 60th St. in Franklin. (Photo: Don Behm, Milwaukee Journal Sentinel)

Top Headlines:

[Trump aides Manafort, Gates charged with conspiracy, money laundering \(http://www.jsonline.com/story/news/politics/2017/10/30/report-former-trump-campaign-chair-paul-manafort-charged-russia-probe-told-surrender-feds/812424001/\)](http://www.jsonline.com/story/news/politics/2017/10/30/report-former-trump-campaign-chair-paul-manafort-charged-russia-probe-told-surrender-feds/812424001/)

[Open enrollment for Obamacare marketplaces begins Nov. 1 \(http://www.jsonline.com/story/money/business/health-care/2017/10/30/affordable-care-act-open-enrollment-period/808455001/\)](http://www.jsonline.com/story/money/business/health-care/2017/10/30/affordable-care-act-open-enrollment-period/808455001/)

[Milwaukee wrestles Waukesha water deal away from Oak Creek \(http://www.jsonline.com/story/news/local/milwaukee/2017/10/30/milwaukee-wrestles-waukesha-water-deal-away-oak-creek/803230001/\)](http://www.jsonline.com/story/news/local/milwaukee/2017/10/30/milwaukee-wrestles-waukesha-water-deal-away-oak-creek/803230001/)

