PSC REF#:126780

Public Service Commission of Wisconsin
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City of Milwaukee

Department of Public Works
Milwaukee Water Works

Jeffrey J. Mantes
Commissioner of Public Works

Preston D. Cole
Director of Operations

Carrie M. Lewis
Superintendent of Water Works

Milwaukee's Future: IT'S IN OUR HANDS
www.milwaukee.gov/2010census

February 4, 2010

Mr. David Sheard, Assistant Administrator
Public Service Commission of Wisconsin
Division of Water, Compliance & Consumer Affairs
P.O. Box 7854
Madison, WI 53707-7854

Dear Mr. Sheard:

By the authority of the Milwaukee Common Council Resolution 091138, I am writing to request that the Public Service Commission of Wisconsin (PSCW) establish an "economic development" rate for Milwaukee Water Works.

The rationale and criteria proposed for the rate are presented in the attached resolution and exhibit.

We would appreciate it if this "economic development" rate could be considered as part of Milwaukee Water Works' rate increase request currently under review by the PSCW.

Do not hesitate to let me know if additional information is necessary for your deliberations.

Very truly yours,

CMLewis

Carrie M. Lewis, Superintendent
Milwaukee Water Works

CML: pa
Doc: WAVE rate PSC request_100203

Attachment

Room 409, Frank P. Zeidler Municipal Building, 841 N. Broadway, Milwaukee, Wisconsin 53202
Phone (414) 286-2801 FAX (414) 286-2672 Website www.milwaukee.gov/water
Member of American Water Works Association, Association of Metropolitan Water Agencies
Water Research Foundation

City of Milwaukee

Office of the City Clerk

200 E. Wells Street
Milwaukee, Wisconsin 53202

Certified Copy of Resolution

FILE NO: 091138

Title:
Substitute resolution directing the Superintendent of the Milwaukee Water Works to request that the Public Service Commission of Wisconsin establish a reduced water rate for water-intensive businesses that relocate to or expand within the city of Milwaukee and meet specific job creation and water use criteria.

Body:
Whereas, Under Common Council File Number 090239 the Superintendent of the Milwaukee Water Works submitted an application for a water rate increase to the Public Service Commission of Wisconsin; and

Whereas, The Common Council and Mayor desire to have in place a reduced water rate that would attract water-intensive businesses bringing new jobs to the City of Milwaukee, and that would encourage existing water-intensive businesses to expand water use and add new jobs within the City of Milwaukee, provided such jobs meet the "living wage" standard as defined by Section 310-13, Milwaukee Code of Ordinances; and

Whereas, The City encourages economic development and job creation through various incentives and programs, including Tax Incremental Districts and the Development Fund, and now desires to expand potential incentives to include reduced water rates; and

Whereas, Reduced water rates have been informally referred to as a "Water Attracting Valued Employers" rates, or a "WAVE" rates; and

Whereas, A WAVE rate could result in long-term benefit to the taxpayers of the City of Milwaukee by adding tax base and creating jobs and to the ratepayers of the Milwaukee Water Works by absorbing some of the available excess capacity and mitigating costs related to that excess capacity; and

Whereas, Specific criteria which a business would need to meet to qualify for a WAVE rate would have to be proposed to the Public Service Commission of Wisconsin; now, therefore, be it

Resolved, By the Common Council of The City of Milwaukee that the Superintendent of the Milwaukee Water Works is directed to petition the Public Service Commission of Wisconsin to establish a WAVE rate for water intensive businesses - the term and other considerations of which are described in Exhibit 1 as attached to this resolution; and, be it

Further Resolved, That, if granted by the Public Service Commission, businesses relocating to the City of Milwaukee that meet all the criteria set forth in this same Exhibit 1 shall qualify for the WAVE rate; and, be it

Further Resolved, That, if granted by the Public Service Commission, existing businesses located in the City of Milwaukee that are expanding and meet all the criteria set forth in this same Exhibit 1 shall also qualify for the WAVE rate; and, be it

Further Resolved, That the Milwaukee Water Works will report to the Common Council not later than December 31, 2012, on the role WAVE rates, if granted by the Public Service Commission, have played and are playing in attracting new businesses to Milwaukee or encouraging expansion of business already located in Milwaukee.

I, Ronald D. Leonhardt, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on January 20, 2010.

Ronald D Leonhardt

Ronald D. Leonhardt

February 02, 2010

Date Certified

Resolution authorizing and directing the Superintendent of the Milwaukee Water Works to request that the Public Service Commission of Wisconsin establish a reduced water rate for water intensive businesses meeting specific job creation and water use criteria that relocate to or expand within the City of Milwaukee.

Exhibit 1

Criteria to qualify for and maintain WAVE rate

	New customer relocating to City of Milwaukee	**Existing customer expanding in City of Milwaukee**
Water use requirement	50,000 gallons or more per day as monthly average	Increase of 35,000 gallons or more per day as monthly average over existing consumption
Job creation requirement	25 or more jobs paying at least living wage immediately available	25 or more jobs paying at least living wage immediately available
Reduced rate applies to	All water used in process	Water used over and above volume used prior to the expansion, calculated as increase in monthly average consumption
Term for reduced rate	Five years after which regular rates apply	Three years after which regular rates apply
Criteria must be met for	Entire duration of five year term	Entire duration of three year term
Water use plan demonstrating best practices required?	Yes	Yes