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(ITEM NO. ) A resolution to transfer seven of Milwaukee County's Water Utility customers and west water tower to the City of Wauwatosa, recommending adoption of the following:

**A RESOLUTION**

WHEREAS, as Milwaukee County government's presence on the County Grounds has diminished over the years, the County has considered the possible transfer of its water utility to the City of Wauwatosa; and

WHEREAS, the Zoo Interchange mitigation projects for Swan Boulevard and Watertown Plank Road have revived these discussions largely due to the significant costs that would be borne by the County's water utility customers for the relocation of water mains and other related infrastructure that is located within the Watertown Plank Road and Swan Boulevard rights-of-way; and

WHEREAS, in the fall of 2012, Milwaukee County (County) and the City of Wauwatosa (City) met to discuss the possibility of transferring the County's water utility to the City and agreed to engage the Public Policy Forum (PPF) in a professional services agreement for the analysis of the pros and cons of transferring the County's water utility to the City; and

WHEREAS, the County and City agreed to share equally in the \$20,000 cost of the contract and, in January of 2013, the County and City executed separate professional service agreements with PPF for the analysis; and

WHEREAS, due to the Wisconsin Department of Transportation's (WisDOT) deadlines for submission of plans and specifications related to the reconstruction of Swan Boulevard and Watertown Plank Road the PPF, with the permission of the County and City, analyzed those parts of the water system (described as Phase I and Phase II) directly impacted by the Swan Boulevard and Watertown Plank Road mitigation projects immediately with the remainder of the system (described as Phase III) to be analyzed separately in order for the County to meet WisDOT deadlines; and

WHEREAS, the final report for Phases I and II was presented to the County and City in April of 2013, and subsequently, the County and City agreed to commence negotiations for the transfer of seven customers and the west water tower (Tower) to the City; and

43 WHEREAS, transfer of the seven water utility customers, which include the  
44 UWM Real Estate Foundation's Innovation Park LLC, Milwaukee County's Camp Wil-  
45 O-Way building on Underwood Parkway, UW Milwaukee County Cooperative  
46 Extension's Urban Gardens, Milwaukee County's Fleet building, Wisconsin Lutheran  
47 College, Milwaukee County Research Park Corporation (MCRPC) and Milwaukee  
48 County's Children's Court Center, will result in a positive fiscal impact to Milwaukee  
49 County; and

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51 WHEREAS, this positive fiscal impact is achieved by County receiving a portion  
52 of net realized revenue the City would gain from the addition of the County's seven  
53 customers to its water system, for a total savings to the County of approximately  
54 \$28,102 annually; and

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56 WHEREAS, the most significant fiscal savings would result from avoiding costs  
57 related to the relocation of water utility infrastructure for the reconstruction of Swan  
58 Boulevard and Watertown Plank Road and for the future demolition and reconstruction  
59 of the Tower for a total approximate savings, to all County water utility customers, of  
60 \$3,132,250; and

61

62 WHEREAS, based on the Public Policy Forum's report on the Phase I and  
63 Phase II transfer of the seven water utility customers and Tower from the County to  
64 the City and negotiation of the following terms of a Memorandum of Agreement was  
65 negotiated as follows; and

66

- 67 1. This Agreement shall be for a term of 10 years. Ten years represents that  
68 length of time required to defease the general obligation bonds ("the  
69 Bonds") issued by the County to finance the Tower (See Attachment A).  
70 Upon the conclusion of year ten, ownership of the Tower and underlying  
71 land shall be transferred to WAUWATOSA at a cost of \$1.00.
- 72 2. During the term of the Agreement, WAUWATOSA shall pay MC an annual  
73 sum, which will be the greater of \$25,000 or forty-percent (40%) of the total  
74 net revenue realized by WAUWATOSA from the transfer of the seven  
75 water utility customers to WAUWATOSA's water utility system. The  
76 payment shall be made by April 1 for the preceding year.
- 77 3. During the term of this Agreement, MC will retain the current cell antenna  
78 revenue collected at this location. Any additional revenues from the siting  
79 of additional cell tower equipment on the Tower will accrue to  
80 WAUWATOSA.
- 81 4. WAUWATOSA will maintain the Tower and MC shall provide  
82 WAUWATOSA with technical support as necessary to effectuate  
83 transference of the Tower and seven water utility customers.
- 84 5. As part of the transfer, MC agrees to execute an easement agreement with  
85 Wauwatosa for the water mains that will become part of the WAUWATOSA  
86 Water Utility through the transfer of the seven customers (as named in the  
87 recitals) and the Tower.

- 88 6. MC and WAUWATOSA will negotiate costs for the capping, abandonment,  
89 valve adjustments and cross-connections needed to complete Phases I  
90 and II.
- 91 7. Neither MC nor the seven customers transferred to WAUWATOSA shall be  
92 responsible for any costs not directly associated with the provision of water  
93 service or other services actually provided by WAUWATOSA to MC or  
94 those customers.
- 95 8. MC and WAUWATOSA shall pursue the implementation of the  
96 recommendations of the Public Policy Forum upon receipt of the Public  
97 Policy Forum's independent analysis.
- 98 9. MC and WAUWATOSA agree to discuss the fire protection fee charged to  
99 MC government as part of the next phase of the water utility transfer.
- 100 10. WAUWATOSA will not take any action, omit to take any action, cause any  
101 action to be taken or cause the omission of any action that would adversely  
102 affect the exclusion of the interest on the Bonds from the gross income of  
103 the owners of the Bonds for federal income tax purposes, including without  
104 limitation any private use of the Tower (or the water stored therein);  
105 provided that WAUWATOSA is not responsible for the effect that the  
106 continuation or renewal of any existing contracts or use arrangements  
107 made by MC with respect to the Tower have on the tax-exempt status of  
108 the interest on the Bonds.
- 109 11. IN WITNESS WHEREOF, the Parties have caused this instrument to be  
110 executed on the stated day and year.

111

112 ; now, therefore,

113

114 BE IT RESOLVED, pursuant to Wisconsin State Statute 59.17(2)(b)3, the  
115 Milwaukee County Board of Supervisors hereby approves the Memorandum of  
116 Agreement (Agreement) between Milwaukee County and the City of Wauwatosa for  
117 the transfer of seven Milwaukee County water utility customers and the west water  
118 tower to the City of Wauwatosa.

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