


**WAUKESHA WATER PROJECT**

# Return flow utility could save ratepayers \$26 million

Water Commission postpones approval, awaiting city administrator's analysis

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WAUKESHA — The Waukesha Water Utility is seeking to create a separate Return Flow Utility that would set rates and rate increases for all treated wastewater that will eventually flow into Lake Michigan via the Root River — saving an estimated \$26 million for ratepayers.

Although an ordinance that would create the new utility was written up and ready for the Waukesha Water Commission's approval at a meeting Thursday night, the move was postponed, awaiting further analysis by the city.

According to the water utility, the cost to return treated wastewater to Lake Michigan will amount to about \$177 million of the overall \$286 million project. Due to certain financing rules for the water diversion project, the water utility cannot pay back that portion of debt through increased water rates. Instead, the \$177 million must be paid back by raising rates through the wastewater utility or by creating a return flow utility, said Dan Duchniak, general manager of

the Waukesha Water Utility.

If the city's wastewater utility takes out loans to pay for returning treated wastewater to Lake Michigan, it would have to raise rates to generate revenue that's 125 percent of the original \$177 million, due to different bonding requirements from past city projects, Duchniak said.

A return flow utility would only have to generate revenue that is 110 percent of \$177 million through raised rates, saving ratepayers about \$26 million over 30 years.

## Greater impacts

While the water utility is pushing for a return flow utility, the city would stand to benefit from an additional \$26 million in revenue if the return flow debt is paid back by the city's wastewater utility. That additional revenue could go toward public works projects in the future that are unrelated to the Great Lakes water project.

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## Water

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Duchniak said the Lake Michigan water project already has a big cost impact to ratepayers in Waukesha and would like to avoid "unnecessary" revenue.

"We want to do it as cost effectively as possible for customers," Duchniak said. "It also makes it very simple for the public to hold us accountable to the fact that we've stated rates are going to double or triple. We want to be transparent with that."

Mayor Shawn Reilly and District 1 Alderman Terry Thieme sit on the Waukesha

Water Commission. Both asked that the group hold off on a vote regarding a return flow utility until the city and water utility have had a chance to discuss it further.

"I wish these talks would have happened a while back. I want a consensus between all bodies involved instead of one entity," Thieme said. "None of this is new, this should have been figured out long ago."

Reilly reminded the commission that the concept would also require approval from the Ordinance and License Committee and Common Council, which rely heavily on recommendations from the city administrator.