



# Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

115 DELAFIELD STREET  
WAUKESHA, WI 53188-3615

Telephone: (262) 521-5272 • Fax: (262) 521-5265 • E-mail: [contactus@waukesha-water.com](mailto:contactus@waukesha-water.com)

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## Water rate changes on target

### *Lake Michigan water supply is on time, on budget*

Proposed increases in Waukesha water supply rates for the fall of 2023 and 2024 reflect the costs of building the infrastructure needed for the upcoming switch to Lake Michigan water, along with the ongoing costs of maintaining and operating the water utility, according to officials.

“Waukesha is switching in late summer this year to a water supply that is safe and sustainable for the long term,” according to Dan Duchniak, general manager of the Waukesha Water Utility. “The program continues to be on time and on budget, despite a number of major challenges along the way, including shortages of supplies and labor. Water rate projections are on target with the estimates we gave when we were starting the project back in 2016.”

Water supply rates are actually set by the Wisconsin Public Service Commission (PSC). Water customers are receiving notices in their bills about proposed increases for this fall and next year. The notice also provides details about a public hearing that the PSC is holding on July 19 about the rate case.

“It is important for customers to understand that this required notice is only about the water supply rates being determined by the PSC,” Duchniak said. “Those rates will likely take effect in October of 2023 and 2024, as the costs of the new water supply construction is accounted for. The wastewater and return flow charges on your bill are not expected to increase at those times. That means the percentage increase shown on the bill insert only applies to the water supply portion of your bill; the total bill will not increase by that large of a percentage.”

Typical residential customers use an average of about 4,000 gallons of water per month. Total bills for those customers – including water supply, return flow and wastewater charges – are estimated to increase on the following projected schedule:

- Current rate, \$102 per month.
- October 2023, to \$117 per month (+14.7%).
- October 2024, to \$135 per month (+15.4%).
- January 2026, to \$147 per month (+8.9%).
- January 2027, to \$154 per month (+4.8%).

Duchniak noted that some of the increasing costs of water can be offset by reducing water softening costs. “Lake Michigan water is at least 60% softer than our current groundwater. Families will be able to save substantial amounts optimizing or eliminating their water softeners,” he said. For more information on water softeners, including city requirements, see [waukesha-wi.gov/watersoftener](http://waukesha-wi.gov/watersoftener).

Information for customers about the transition to Lake Michigan water, including the timing, will be provided through bill stuffers, social media, news media and other means. Customers can also find detailed information at [www.greatwateralliance.com/transition](http://www.greatwateralliance.com/transition).

Long-term use of Waukesha's current groundwater supply is environmentally unsustainable. In addition, the water supply is contaminated with naturally occurring radium. Waukesha must be in full compliance with federal drinking water standards for radium this fall.

Waukesha will switch to Lake Michigan water from the Milwaukee Water Works in late summer. The new infrastructure required for the change includes booster pumping stations in Waukesha and Milwaukee, water storage facilities, an elevated storage tank, a return flow pump station and 36 miles of pipeline to bring Lake Michigan water from Milwaukee and then return it after use and treatment. The project began in 2020 and is known as the Great Water Alliance. The estimated cost was \$286 million, but Duchniak said final costs should be slightly less.

Waukesha Mayor Shawn Reilly said, "Every community needs a healthy water supply. It has been the goal of city leaders for 20+ years to ensure that we have safe water to count on for the long-term. We're proud to make that a reality for our families and businesses in 2023.

"There was no do-nothing option. Our alternatives were thoroughly explored and the switch to Lake Michigan water was the most affordable alternative," the mayor added. "Even the Great Lakes states that were required to review and unanimously approve our project all agreed that it is our only reasonable water supply alternative."

Reilly said the city has been doing all it can to keep the costs in line. "For example, we worked with the federal government, including our congressmen and senators, to receive low-cost financing that will reduce interest costs by about \$1 million per year. A federal grant also is helping to pay for the cost of the elevated storage tank. And the agreement we negotiated in 2017 to purchase water from the City of Milwaukee will save the average residential ratepayer over \$200 per year, compared to other suppliers. That will keep more than \$4 million per year in the Waukesha economy," he said.

"We are continuing to work with our state and federal governments for grant opportunities related to our emergency water supply system and the monitoring requirements related to our approval. Every dollar saved is important to our residents," he added.

The mayor also noted that the pipelines for the project go through neighboring communities. "We called the project the Great Water Alliance because it has depended on the cooperation of our neighbors. We appreciate the patience that residents and neighboring officials have shown during our construction project."

**For more information, contact:**

Dan Duchniak, General Manager

Waukesha Water Utility

(262) 352-5142

[dduchniak@waukesha-water.com](mailto:dduchniak@waukesha-water.com)