

SUBJECT: MMSD – Senate Bill 697

DATE: February 1, 2018 – 9:30am

Good morning. My name is Dave Ament, Mayor of the City of New Berlin. I'm here this morning to speak in support of Senate Bill 697 dealing with amendments to the Statutes governing the operation of the Milwaukee Metropolitan Sewage District.

The City of New Berlin is a contract customer of MMSD and the District serves approximately two-thirds of the geographical area of our City. As the City establishes its budget for its sewer utility customers, we find that our local rates are primarily driven by the charges which we receive from MMSD. Because New Berlin is a contract community, outside of the district's boundaries, but is within the service area of the district, we do not have voting rights.

Because of this limitation under the current law, the only mechanism the City has to challenge the rates imposed by MMSD, is through an appeal process to the PSC. However, again, under the current law, any user of MMSD services, may register a complaint with the PSC that MMSD's charges, rules or practices are unreasonable - but the PSC is required to give deference to MMSD with respect to the rates it establishes. Thus existing state statute provides that charges established by MMSD must be presumed reasonable in any PSC review of MMSD charges. This unique presumption of reasonableness greatly tilts the scale in favor of MMSD when attempting to resolve complaints.

This Bill would provide that a determination of a user's appeal of the Districts service charges, would be reviewed by the PSC, without deference to the rates established by MMSD.

SB-697 simply balances the playing field and creates a more fair complaint process for MMSD contract communities, who are limited in voicing their concerns to the MMSD Commission.

The City believes that having an effective means of reviewing the charges which are being made by MMSD on a fair and equitable basis is essential to the financial health of the Utility and our Utility customers.

In addition, this legislation provides that if MMSD were to make a decision to end a relationship with a contract community, it may only do so with the approval of the PSC.

Were MMSD to ever make a determination to end the contractual relationship with a contract customer, such as the City of New Berlin, our utility would be placed in a very difficult position, as we would need to provide for alternate sewerage treatment for the sewage generated in our City. This Bill would require PSC approval of the termination of a contract by MMSD with a contract community.

We believe that allowing for an independent review of any decision to terminate the contractual relationship with a contract community such as New Berlin, will provide fundamental protection for utility customers of the contract communities working with MMSD.

I'd like to thank all you for your time and consideration of these comments.



DAVID CRAIG

STATE SENATOR

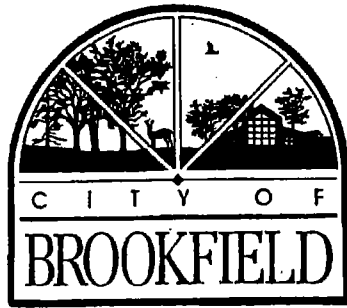
Senate Committee on Elections and Utilities
Public Hearing, February 1, 2018
Senate Bill 697
Senator David Craig, 28th Senate District

Chairman LeMahieu and Committee Members,

Thank you for taking testimony on Senate Bill 697 relating to the charges, rules, and practices of the Milwaukee Metropolitan Sewerage District (MMSD).

The legislation before the committee today seeks to strike a balance for area communities affiliated with MMSD, the Public Service Commission (PSC), and MMSD itself. The bill removes statutory deference as to the reasonableness of the rates imposed by MMSD and enacts a fairer process to contest rates. Finally, the bill ensures that MMSD will not be allowed to disconnect service from any community without the express and written consent of the PSC.

I have spoken with several representatives and officials from various communities that are part of MMSD, as well as staff and management at MMSD and I am appreciate their feedback and the ability of everyone to reach consensus with the bill before us today. Thank you for allowing me to testify on this important piece of legislation. I am happy to take any questions from committee members.



MAYOR

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January 8, 2018

Assembly Committee on Energy and Utilities

Representative Kuglitsch (Chair)
Representative Steffen (Vice-Chair)
Representative Rodriguez
Representative Weatherston
Representative Petersen
Representative Tauchen
Representative Tranel
Representative Jarchow

Representative Petryk
Representative Neylon
Representative Genrich
Representative Sargent
Representative Stuck
Representative Meyers
Representative Crowley

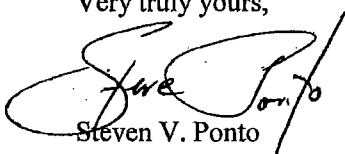
RE: In Support of 2017 Assembly Bill 774

Dear Representatives:

As Mayor of the City of Brookfield, I am writing to express my support for Assembly Bill 774. The City of Brookfield is one of the contract communities with the Milwaukee Metropolitan Sewerage District (MMSD). Our City is outside the MMSD boundaries but a portion is within the MMSD service area. AB 774 provides reasonable, basic protections for contract communities by providing that when the Public Service Commission (PSC) reviews MMSD decisions affecting a contract community, the PSC does so on an even-handed basis without a presumption in favor of the MMSD decision. The bill also prohibits MMSD from disconnecting sewerage service to a contract community without approval from the PSC. The provisions of AB 774 afford reasonable, basic protections to contract communities.

I urge your favorable consideration of this bill.

Very truly yours,


Steven V. Ponto
Mayor

cc: Senator Leah Vukmir; Representative Dale Kooyenga; Representative Rob Hutton;
Wisconsin League of Municipalities; City of Brookfield Aldermen



MIKE KUGLITSCH

STATE REPRESENTATIVE • 84TH ASSEMBLY DISTRICT

DATE: February 1, 2018
RE: **Testimony for 2017 Senate Bill 679**
TO: Senate Committee on Elections and Utilities
FROM: Representative Mike Kuglitsch
SUBJECT: Regulation of the charges, rules and practices of the Milwaukee Metropolitan Sewerage District

- Thank you Mr. Chair and Members of the Committee for your consideration of Senate Bill 679 and Assembly Bill 774—which regulate the charges, rules and practices of the Milwaukee Metropolitan Sewerage District.
- I am here to request your support and ensure MMSD’s contract communities have a voice at Wisconsin’s Public Service Commission to review rates and charges.
- MMSD serves all communities located within Milwaukee County except South Milwaukee. The district also serves several communities in Ozaukee, Racine, Washington and Waukesha Counties including the city of New Berlin.
- New Berlin is a community which is outside of the district’s boundaries and therefore, does not have voting rights, but is within the service area of the district and deemed a contract community with regard to MMSD.
- Because of this limitation, contract communities, like New Berlin, have a limited ability for meaningful input in the governance and operation of MMSD despite paying significant sums towards district operations and abiding by its rules.
- Current statutes specify charges established by MMSD must be **presumed reasonable** in any review of the charges by PSC. The PSC has held that, in order to require a change to a rate, rule or practice, the PSC must find that it is unreasonable or unjustly discriminatory. Otherwise, the rate, rule, or practice must remain in effect even though it is not one that the PSC agrees with, or would itself prescribe.
- This unique presumption of reasonableness greatly tilts the scales in favor of MMSD and against the smaller municipalities that make up the contract communities when attempting to resolve complaints or adjust rates.

- Senate Bill 679 and Assembly Bill 774 repeal the provision of the statutes requiring charges established by MMSD be **presumed reasonable**. Senate Bill 679 and Assembly Bill 774 also specify that in reviewing any complaint that charges, rules, or practices of MMSD are unreasonable, the PSC must make its determination without deference to MMSD.
- Senate Bill 679 and Assembly Bill 774 also state that MMSD may not disconnect any government entity from the MMSD sewerage system without review and approval from the PSC.
- SB 679 and AB 774 allow a fair and unbiased complaint process by the PSC and balance the playing field for MMSD contract communities who are limited in voicing their concerns on the MMSD Commission.
- According to Legislative Council, any owner or occupant of any building or lot that is located within the MMSD sewerage service area and is furnished with sewer service, is considered a user.
- AB 774 was adopted on a voice vote last week and I hope the Senate will do the same later this month.
- I ask for your support of this legislation and I am happy to take any questions.