Appendix P

Potential Lake Michigan Water Suppliers Letters of Interest

Racine Water and Wastewater Utilities

Keith E. Haas, P.E.
General Manager

City of Racine, Wisconsin

Michael L. Gitter, P.E.
Chief of Operations

Charles A. Schweitzer, P.E.
Chief Engineer

Kenneth M. Scolaro, C.P.A.
Administrative Manager

October 28, 2009

Mayor Larry Nelson
City of Waukesha
201 Delafield Street
Waukesha, WI 53188-3615

Dear Mayor Nelson:

We understand that the City of Waukesha is considering an application for Lake Michigan water in accordance with provisions of the Great Lakes Compact. We further understand that the application to use and return the water may be filed in the near future. As part of that permitting process, s. 281.346(4)(b)4m, Wis. Stats., requires an applicant to provide letters or resolutions from potential water suppliers as evidence of their support for meeting the water supply needs of the City of Waukesha.

Please consider this communication to indicate the support of the City of Racine and its water utility for negotiations with the City of Waukesha for the potential sale of Lake Michigan water to meet your water supply needs.

The Racine Water Utility currently has sufficient capacity to meet the 20-year projections of the needs of the Waukesha Water Utility of 9.1 mgd in 2028 and a maximum day of 15.28 mgd. We do not anticipate that supplying the Waukesha Water Utility with water would cause Racine to exceed its 60 mgd baseline over the next 20 years.

The types of improvements that would be required would include a pipeline and booster station between Racine and Waukesha. It is anticipated that the costs of such improvements would be paid for by Waukesha. Operations and maintenance costs to the point of transfer of ownership would be as assigned by the Public Service Commission in accordance with laws and guidelines in the state of Wisconsin for wholesale water customers through rate-making policy.

We understand that this letter does not commit the City of Racine or its water utility to spend any of its money on studies or design alternatives to facilitate any negotiations that may occur in the future. We also understand that this letter does not commit the City of Racine to a water sale but indicates a willingness to negotiate on a potential sale.

Sincerely,

Keith E. Haas, P.E.
General Manager

c: D. Duchniak

800 Center Street, Room 227 Racine, Wisconsin 53403 262-636-9181 (Phone) 262-636-9933 (Fax)

OAK CREEK
WATER and SEWER UTILITY
170 West Drexel Avenue, Oak Creek, WI 53154
(414) 570-8210
Fax: (414) 570-8215

December 3, 2009

Mayor Larry Nelson
City of Waukesha
201 Delafield Street
Waukesha, WI 53188-3615

Dear Mayor Nelson:

We understand that the City of Waukesha is considering an application for Lake Michigan water in accordance with provisions of the Great Lakes Compact. We further understand that the application to use and return the water may be filed in the near future. As part of that permitting process, s. 281.346(4)(b)4m, Wis. Stats., requires an applicant to provide letters or resolutions from potential water suppliers as evidence of their support for meeting the water supply needs of the City of Waukesha.

Please consider this communication to indicate the support of the City of Oak Creek for negotiations with the City of Waukesha for the potential sale of Lake Michigan water to meet your water supply needs.

The available expansion capability of the Oak Creek treatment plant would have sufficient capacity to meet Waukesha Water Utility's 20-year projections of approximately 15 million gallons per day. We anticipate that supplying Waukesha Water Utility with water would cause the Oak Creek treatment plant to exceed its baseline between 2015 and 2020. Any costs for additional Great Lakes Compact compliance requirements, related to exceeding our baseline, are anticipated to be paid by Waukesha.

The types of improvements that would be required would include one additional flocculation/sedimentation basin, four filters, and a transmission main and booster station between Oak Creek and Waukesha. It is anticipated that the costs of such improvements would be paid for by Waukesha funding the initial project costs, or through wholesale rates that provide Oak Creek with adequate debt service for these improvements. Operations and maintenance costs to the point of transfer of ownership would be determined by a cost-of-service study approved by the Public Service Commission of Wisconsin.

We understand that this letter does not commit the City of Oak Creek or its water utility to spend any of its money on studies or design alternatives to facilitate any negotiations that may occur in the future. We also understand that this letter does not commit the City of Oak Creek to a water sale but indicates a willingness to negotiate on a potential sale.

Sincerely,

Steven N. Yttri, CPA
General Manager

cc: Daniel Duchniak

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

January 6, 2010

Honorable Larry Nelson, Mayor
City of Waukesha
City Hall - 201 Delafield Street
Waukesha, WI 53188

Dear Mayor Nelson:

We understand that the City of Waukesha is contemplating the submission of an application for Great Lakes water to the appropriate authorities. We further understand that as part of that application, you require expressions of interest from potential suppliers of that water.

Please be advised that pursuant to Common Council resolution #091017 (copy enclosed) adopted on December 22, 2009, the City of Milwaukee is willing to consider providing treated drinking water through our water utility to any community, including the City of Waukesha, that complies with all applicable local, state, national and international laws, regulations and compacts; has secured all required approvals; and which satisfies the requirements set forth in City of Milwaukee Resolution # 080457, which establishes the process by which the City of Milwaukee may provide drinking water to neighboring communities.

In addition, with respect to requests to provide Lake Michigan drinking water outside the Great Lakes Basin, the City of Milwaukee expects the City of Waukesha to present a detailed return flow plan to all affected communities prior to negotiations with the City of Milwaukee.

Very truly yours,

CLewis

Carrie Lewis, Superintendent
Milwaukee Water Works

CL: pa
Doc: Waukesha letter of intent language_100106

C: Mayor Tom Barrett
Ald. R. Bauman, W. Hines, W. Wade, M. Murphy

City of Milwaukee

Office of the City Clerk

200 E. Wells Street
Milwaukee, Wisconsin 53202

Certified Copy of Resolution

FILE NO: 091017

Title:
Substitute resolution expressing the City of Milwaukee's interest in exploring the potential sale of water to the City of Waukesha.

Body:
Whereas, The City of Waukesha is preparing its application for the Wisconsin Department of Natural Resources ("DNR") as a first, formal step in its petition for such a water diversion; and

Whereas, Section 281.346(4)(b)4m Wis., Stats., and the Wisconsin DNR indicate the City of Waukesha's DNR application must include letters or resolutions from possible water suppliers expressing the willingness of such suppliers to sell water to the City of Waukesha, under terms to be negotiated and mutually agreed upon at such time the City of Waukesha's application for a Lake Michigan water diversion is approved; and

Whereas, Resolution file #080457, adopted by the Milwaukee Common Council on July 30, 2008, establishes the process by which the City of Milwaukee may provide drinking water to neighboring communities; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Superintendent of Milwaukee Water Works is directed to issue a letter to the City of Waukesha that complies in form and substance to Exhibit A attached hereto and incorporated herein.

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 December 22, 2009.

Ronald D. Leonhardt

Ronald D. Leonhardt

January 06, 2010

Date Certified

Resolution File #091017
Revised Exhibit A

Honorable Larry Nelson
Mayor
City of Waukesha
City Hall
201 Delafield Street
Waukesha, WI 53188

Dear Mayor Nelson,

We understand that the City of Waukesha is contemplating the submission of an application for Great Lakes water to the appropriate authorities. We further understand that as part of that application, you require expressions of interest from potential suppliers of that water.

Please be advised that pursuant to Common Council resolution #091017 adopted on _____, the City of Milwaukee is willing to consider providing treated drinking water through our water utility to any community, including the City of Waukesha, that complies with all applicable local, state, national and international laws, regulations and compacts; has secured all required approvals; and which satisfies the requirements set forth in City of Milwaukee Resolution #080457, which establishes the process by which the City of Milwaukee may provide drinking water to neighboring communities.

In addition, with respect to requests to provide Lake Michigan drinking water outside the Great Lakes Basin, the City of Milwaukee expects the City of Waukesha to present a detailed return flow plan to all affected communities prior to negotiations with the City of Milwaukee.

Very truly yours,