



## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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Matthew J. Frank, Secretary

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September 20, 2010

Mr. Paul R. Ybarra  
President  
Waukesha City Council  
Waukesha City Hall  
201 Delafield Street  
Waukesha, WI 53188

Dear Mr. Ybarra,

This is in response to your letter of July 27, 2010, and subsequent cost information provided on September 1, regarding the application for a proposed diversion of Lake Michigan water to the City of Waukesha.

The Department of Natural Resources will begin the initial process to review the city's application for completeness based upon the formal action that has been taken by the Waukesha City Council in support of the application, and your representation backed by the opinion of the City Attorney that the Council's actions are the lawful and binding policy of the City. As you have requested, we will direct future correspondence regarding this application to Dan Duchniak, General Manager of the Waukesha Water Utility and to Mayor Jeff Scrima.

As we move forward to work with Waukesha on its application, it is important that we have a common understanding of the process for review required by the Compact. Waukesha's application will set an important precedent and represents an important test of the Great Lakes Compact. The DNR takes its role as an independent, objective decision-maker seriously. This will be the first time the Compact is applied to a diversion request. We are committed to ensuring that the review process is done correctly and thoroughly, with transparency in the process and with opportunity for public input. We expect that there will be many complex and technical issues to address, including many of first impression.

We understand your view that the questions about the city's need for Great Lakes water that have been raised by Mayor Scrima do not represent the city's official position. We accept that representation and are prepared to proceed with our review. However, you must understand that the questions that have been raised by the Mayor will be among those that the Department will consider through the review process. In addition, water experts on my staff will have questions about the application, and questions will be raised by the process of public input. The environmental standards established by the Great Lakes Compact are quite high and we intend to fully discharge our responsibility to ensure that any diversion request meets those high standards. We intend to make sure we have all the facts necessary to ensure a full analysis as to whether the application meets these standards.

We appreciate the additional information that has been provided in your July 27 and September 1 correspondence. My staff has reviewed these materials and believes that more information is necessary before the application is deemed complete. Our experience with these types of complex, technical reviews has shown that it is more efficient to make sure we have a complete application before beginning a more detailed review. Once we determine that the application is complete, we will continue to work with the city as we conduct a detailed review and analysis of the application. This step of the process will likely require additional information and communication between our staffs.

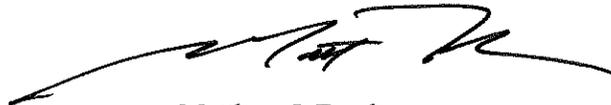
The City should also understand that the review process for such a major request will take some time to complete. In addition to our technical review the process will include an Environmental Impact Statement and opportunity for public comments and meetings as well as time to carefully consider the comments. The importance of a thorough review with the opportunity for public comments cannot be overstated.

Once the City has a complete application and the Department has completed its detailed review, the Department will make a recommendation on the application. We are not in any position at this point to say what that recommendation will be. If the recommendation is that the application meets the standards of the Compact, the Compact envisions time for review and input by the other Great Lakes states before a final decision is made in the originating state.

I have asked my staff to schedule a meeting with city representatives to further explain the issues we see that are related to having a complete application as well as next steps. They will be contacting Water Utility Manager Dan Duchniak to arrange a date for the meeting.

If you have any question please do not hesitate to contact me or Bruce Baker, Administrator of the Water Division. The Department of Natural Resources looks forward to working with the City of Waukesha on this important matter.

Sincerely,



Matthew J. Frank  
Secretary  
Wisconsin Department of Natural Resources

Cc: Mayor Jeff Scrima  
Attorney Don Gallo  
Dan Duchniak  
Deputy Secretary Al Shea  
Administrator Bruce Baker