July 2019

Franklin Water Customers,

Franklin Water Utility's 30-year contract with the Oak Creek Water Utility ends in 2024. We are evaluating options to meet the future water needs of the community, with a focus on reliability, quality, affordability, and long-term rate stability.

Our options include continuing with Oak Creek or moving to another water utility. We've talked with Oak Creek, Racine, and Milwaukee. A thorough analysis points to the Milwaukee Water Utility as the best option as we pursue a new contract. There are a number of factors we have considered in this process:

Stabilizing Rates
- Our current wholesale rate from Oak Creek is more than double the rate anticipated when we signed the contract 25 years ago (current $3.12/thousand gal. vs. anticipated $1.65/thousand gal.) Milwaukee's wholesale rate is $1.65 per thousand gal.
- Franklin is Oak Creek's largest water customer. We're buying 40 percent of Oak Creek's treated water and pay about that same percentage for any major improvement to their facilities.
- With Milwaukee, Franklin is one of many customers and any water system improvements would have a much smaller impact on our water customers.

Ensuring Water Quality
- Milwaukee's water treatment system uses a sophisticated technology and provides a high quality water that meets all state and federal regulatory requirements.

Water Connection
- We will have to build a connection to Milwaukee and the overall cost of this line can be paid through the savings achieved from reduced wholesale costs to purchase Milwaukee water.

Our focus remains on maintaining water quality, reliability of service, and stable rates. The Franklin Water Utility will provide regular updates on our progress toward a new contract and Public Service Commission approval. If you have questions as our process continues, please contact our Engineering Department at 414-425-7510. More information is available at www.franklinwi.gov.

Sincerely,

Gary R. Grobner
Chairman, Franklin Water Commissioners