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FOR INFORMATION CALL

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## Milwaukee Will Defer Look at Water Privatization, Aldermen Say

*Hines, Murphy, Bauman and Kovac Say Legal Issues, Options to be Weighed*

The City of Milwaukee is shelving a look into the possible privatization of the Milwaukee Water Works to obtain legal opinions and to weigh other possible options, including whether the city should retain ownership while maximizing dividends from water operations.

The move to defer the exploratory privatization study signals the Council members' intent to do a deeply thorough review of its possible options before making any major decisions about the future of the Water Works. In a letter to Comptroller W. Martin "Wally" Morics, aldermen Willie L. Hines, Jr., Michael J. Murphy, Robert J. Bauman and Nik Kovac ask that Morics investigate two internal alternative options to privatization – both hinging on the capacity of the Water Works to pay the city dividends from operations.

In a letter to City Attorney Grant F. Langley, the aldermen have also asked for a legal opinion on the possibility of such Water Works dividends and the circumstances of their payment.

Alderman Murphy, chair of the Common Council's Finance & Personnel Committee, said the move to defer the look at privatization makes sense. "Citizens have expressed genuine and legitimate concerns about the possibility of going private, and we're listening to those voices by exploring other potential scenarios so we do our due diligence in this critical matter," he said.

**-More-**

## **Privatization Look on Hold/ADD ONE**

Common Council President Hines said the move does not rule out the possibility of future privatization. "Everything is still on the table," he said. "The status quo won't serve us well in these economic conditions. I think it's wise to defer talk of privatization at this point, but we need innovative solutions."

Comptroller Morics said the move to defer the look at privatization is wise and in line with the November 2008 Common Council resolution authorizing the analyses by his office. "The Council resolution authorizes the look into lease options for a private operator and the possible hiring of an advisor to get the city through the transaction," Morics said. "But it also authorizes looking into other options, something worth doing before the city commits to hiring an advisor for a significant sum."

Alderman Murphy said Council members have long asked questions about possible alternative options to privatization of the Water Works. "This (deferring the privatization inquiry) is evidence that the Council is taking those questions seriously and moving forward cautiously," he said.

The very fact that the Council asked the Comptroller to explore possible privatization of the Water Works and other possible sources of revenue generation is indicative of the current bleak financial situation, said Alderman Bauman, chair of the Council's Public Safety Committee.

"It's sobering to see how dire our financial situation is, with huge needs in infrastructure, pension obligations and other areas while we're coming up nearly \$90 million short on our city budget," he said.

"Hopefully the Comptroller can bring us some better news in a matter of weeks," Alderman Bauman said.