
Common Council President

15th District Alderman



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President Hines asks, **“What is Water Worth?”**

Last week, Mayor Barrett signed an agreement to sell Lake Michigan water to New Berlin. This binding contract will undoubtedly benefit the citizens of New Berlin, but little value was gained for the residents of Milwaukee. When it comes to our most precious natural and economic resource, we owe it to Milwaukee taxpayers to negotiate an arrangement that serves the interests of all parties involved.

What is water worth? Specifically, what is Lake Michigan worth to Milwaukee and its suburban counterparts? That is the critical question that must be addressed before another agreement is made.

Selling water to New Berlin – or any other suburb that is attempting to establish itself and gain population – is an action central to how Southeastern Wisconsin is developed. Lake Michigan water is more than sinks and swimming pools; it is subdivisions, shopping malls and industrial parks. When fresh water is pumped to an undeveloped area, businesses begin to boom. These new businesses and developments do not occur in a vacuum – they take away resources from Milwaukee.

We can no longer afford to ignore this reality. We cannot merely pretend to know the economic impact and value of Lake Michigan water. Some have touted the fact that New Berlin will pay a \$1.5 million surcharge for its 20-year contract with Milwaukee. That money, however, will serve as a one-time budget patch for this year only; for the remaining 19 years, Milwaukee will essentially give away its most powerful economic leveraging tool without any benefit to our taxpayers.

Other municipalities throughout the Midwest, like Cleveland, have secured much better deals for their residents when selling water to suburban neighbors. Cleveland secured a \$200,000-per-year, 20-year contract for its taxpayers – about \$3 million more than Milwaukee will earn in its 20-year deal with New Berlin.

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The field of water resource economics is robust and mature in other parts of the United States. In the Southwestern and the Southern states especially, fresh water is so scarce that local and state governments have dedicated millions of dollars to the academic study of its sale – and the economic impact that those sales mean for development. In Milwaukee, however, we’ve managed to largely avoid investing in this research, because we are in the fortunate position of bordering one of the largest bodies of fresh water in the world.

I am not against selling Lake Michigan water. In fact, my position has always been that New Berlin is in a good position to purchase water from Milwaukee, considering that it is a “straddling community” (as designated by the Great Lakes Compact) and that we already sell water to the eastern part of New Berlin.

But these considerations do not outweigh Milwaukee’s own requirements for water sales. According to a resolution adopted by the Common Council and signed by the Mayor, New Berlin was required to submit a housing study and a transportation study in order to be considered as a candidate for Lake Michigan water. These studies were never attempted, much less submitted.

Just as it is important for New Berlin to have clean, Milwaukee-treated water, it is important to accurately assess the economic ramifications of regional water sales. We cannot have the attitude of New Berlin’s own state representatives, when they brazenly proclaimed, “Milwaukee will survive,” in regard to our state-shared revenue cuts. If our western neighbors need water, they have to be willing to compensate Milwaukee appropriately.

Fortunately, the Common Council has taken action to set aside funds for a thorough analysis of Lake Michigan’s worth. We will finally be able to quantify its value for residents in Milwaukee and throughout the region. This new data will allow City of Milwaukee policymakers to make informed decisions.

When our suburban counterparts exhibit a true appreciation for the region’s most important economic and natural resource, they demonstrate a true commitment to regionalism.