

COMMISSION FILE NO: 17-086-9 **DATE INTRODUCED:** September 11, 2017

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Amendment of Commission Policy 1-11.05, MMSD Infrastructure Includes Green Infrastructure, to Allow Financial Billing Credits to Non-Member Municipalities for Green Infrastructure Initiatives

SUMMARY:

The Commission is requested to approve the attached proposed amendment to Commission Policy 1-11.05, MMSD Infrastructure Includes Green Infrastructure, which provides for allowance of annual financial billing credits for green infrastructure initiatives for all non-member municipalities that formally request this credit. The purpose of the annual billing credit is to permit individual non-member municipalities the choice to opt out of District green infrastructure initiatives. Once a non-member municipality opts out of the District's green infrastructure initiatives and requests the green infrastructure credit, it will remain in effect until the non-member municipality requests to opt back in.

The Commission approved the Regional Green Infrastructure Plan on July 22, 2013, as one piece of the multitiered approach to meet MMSD's 2035 Vision for zero basement backups, zero overflows, and improved water quality. Widespread green infrastructure plays an important part of achieving the Vision by capturing stormwater and allowing it to soak into the ground or evaporate instead of entering sewers and contributing to sewer overflows or basement backups.

The District is implementing green infrastructure improvements to complement traditional grey infrastructure with the goal of managing rainfall at the point where it falls. Green infrastructure can reduce the threat of flooding, improve water quality, and reduce the amount of rainwater entering the District's Metropolitan Intercepting Sewer system. Green infrastructure can potentially offer a cost effective alternative to traditional grey infrastructure.

ATTACHMENTS: **BACKGROUND** ☐ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☐ **S/W/MBE** ☐ **OTHER** ☒ Revised Commission Policy 1-11.05

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SUMMARY (Cont'd)

Amendment of Commission Policy 1-11.05, MMSD Infrastructure Includes Green Infrastructure, to Allow Financial Billing Credits to Non-Member Municipalities for Green Infrastructure Initiatives

For its capital budget expenditures, the District levies taxes on the 18 member municipalities for green infrastructure based on a municipality's share of the District's equalized property tax value.

For non-member municipalities, the District bills/invoices each non-member municipality using the tax rate for member municipalities, net of any watercourse/flood management credit for that non-member municipality, times the equalized value of the non-member municipality's service area.

The State of Wisconsin has imposed property tax levy limits on all municipalities in the State. Since the District levies taxes on the 18 member municipalities, this tax does not count toward the State of Wisconsin tax levy limits and thus does not affect the municipality on the other expenditures for which they are levying taxes.

Since the 10 out-county municipalities are not members, the District cannot levy taxes on them for capital expenditures. Rather, the District bills or invoices the non-member municipality for its share of the District's capital expenditures. For those non-member municipalities that use property taxes (some municipalities use user charges) to bill property owners for the District's capital charges, the amount of the invoice is included in their property tax levy limits and thereby reduces the magnitude of their own expenditures.

Some of the 10 non-member communities have stated that they want to implement green infrastructure projects, but they do not want to be charged by the District for this work. In the event a non-member municipality elects not to participate in the District's green infrastructure program and, therefore, not to be charged for its share of the District's capital green infrastructure expenditures, it will receive a credit on its annual capital billing. In addition, user charge rates used to bill these municipalities for operations and maintenance expenditures shall not include green infrastructure expenditures funded through the Operations and Maintenance budget. The exercise of this option not to participate and the resulting billing credits to the non-member municipality will be in effect until the non-member municipality requests to opt back into the District's green infrastructure initiatives.

RESOLUTION

Amendment of Commission Policy 1-11.05, MMSD Infrastructure Includes Green Infrastructure, to Allow Financial Billing Credits to Non-Member Municipalities for Green Infrastructure Initiatives

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that Commission Policy 1-11.05, MMSD Infrastructure Includes Green Infrastructure, is amended as shown in the attachment to allow annual credits for green infrastructure initiatives to be provided for all non-member municipalities that formally request these credits and such credits will be in effect until the non-member municipality requests to opt back into the District's green infrastructure initiatives.