

COMMISSION FILE NO: 20-158-10 **DATE INTRODUCED:** October 12, 2020

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: Approval of District Participation in Financing and Construction of the Area of Concern's Dredge Material Management Facility

SUMMARY:

The Commission is requested to direct the Executive Director to pursue State of Wisconsin legislative changes to clarify the District's statutory authority to participate in the financing and construction of the Milwaukee River Estuary Area of Concern's (AOC) Dredge Material Management Disposal Facility (DMMF).

Wisconsin State Statute Chapter 200, Metropolitan Sewerage Districts, provides the powers and duties of metropolitan sewerage districts throughout the State. Subchapter II of this statute specifically outlines the powers and duties of the Milwaukee Metropolitan Sewerage District, which includes a city of the first class (City of Milwaukee). Staff proposes that Section 200.35(14) of this chapter be amended to allow MMSD to participate in the financing and construction of the DMMF for the Milwaukee River AOC. Presently, the section of statute relates to shore protection projects, allowing the Commission to construct projects only prior to 1992. Staff recommends that this section be amended to allow specific construction of the DMMF prior to January 1, 2032, to address the Milwaukee River Estuary AOC cleanup. Proposed statute language would limit the District's financial contribution to this project to \$85,000,000 through the Capital Budget. Draft proposed statutory changes are attached to this document.

ATTACHMENTS: **BACKGROUND** ☒ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☐ **S/W/MBE** ☐ **OTHER** ☒ Draft Proposed State of Wisconsin Statute Change; DMMF Fact Sheet

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

BACKGROUND

Approval of District Participation in Financing and Construction of the Area of Concern's Dredge Material Management Facility

An AOC is a location that has experienced significant environmental degradation and a resource that the public is unable to fully use in a safe or beneficial way. The Milwaukee River Estuary was designated as an AOC in the 1980's, because historical contamination impaired public benefits, such as water quality, fish consumption, healthy fisheries, and wildlife habitat. The Milwaukee River Estuary represents the confluence of the three major rivers in Milwaukee (the Milwaukee, the Menomonee, and the Kinnickinnic Rivers) and Lake Michigan.

The impaired public benefits are identified by the Environmental Protection Agency (EPA) as beneficial use impairments (BUI). The presence of these BUI's in waterways means that the public is unable to fully use or enjoy the water resources in a safe way for eating, drinking, swimming, or fishing. The EPA has a list of 14 BUI's and has identified 11 of those 14 BUI's in the Milwaukee River Estuary AOC, including restrictions on dredging activities; fish tumors or other deformities; bird or animal deformities or reproduction problems; restrictions on fish and wildlife consumption; degradation of benthos; degradation of phytoplankton and zooplankton populations; loss of fish and wildlife habitat; degradation of fish and wildlife populations; beach closings; eutrophication or undesirable algae; and degradation of aesthetics. To reach the region's goal and delist the Milwaukee River Estuary as an AOC, the rivers and Lake Michigan must be cleaned and have some of their natural function restored by creating habitat, removing invasive species, planting vegetation, reducing pollutants, etc.

The Milwaukee River Estuary AOC has been identified as a possible priority AOC by the EPA. If successful, the region will receive hundreds of millions of dollars from the EPA to accelerate the restoration work needed to protect Lake Michigan, rebuild the fishing community, and improve economic opportunities and public access. A key component to become a priority AOC is for local partners to fund the construction of a DMMF as the federal commitment requires a local match.

The Milwaukee Estuary's AOC Project will excavate contaminated sediments from the estuary and upstream areas. These sediments will be disposed in a new DMMF as opposed to hauling them long distances to disposal sites, resulting an estimated \$130 million savings. Once the DMMF is filled, the Port of Milwaukee will operate and maintain the DMMF site.

BACKGROUND (Cont'd)

Approval of District Participation in Financing and Construction of the Area of Concern's Dredge Material Management Facility

Over the DMMF's useful life, 1.9 million cubic yards of contaminated sediment will be removed from the Milwaukee Estuary; approximately 1.2 million gallons of diesel fuel will be saved by reduced hauling; and carbon emissions will be reduced by 200,000 tons. The economic benefits of removing the contaminated sediments in the Milwaukee Estuary will affect the entire region. It is estimated that every \$1 spent on remediation and restoration results in \$2 to \$3 dollars of benefits. This translates into close to \$1 billion of benefits from tourism and increased property values by removing these contaminated sediments and restoring water resources.

RESOLUTION

Approval of District Participation in Financing and Construction of the Area of Concern's
Dredge Material Management Facility

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is directed to pursue State of Wisconsin legislative changes to clarify the District's statutory authority undertake the financing and construction of the Milwaukee River Estuary Area of Concern's Dredge Material Management Disposal Facility.