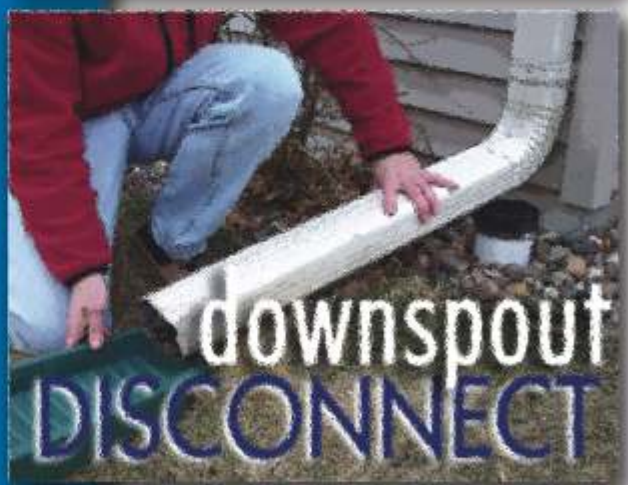


2005 comprehensive annual financial report

For The Year
Ended December 31, 2005

2005

Milwaukee Metropolitan Sewerage District
Milwaukee, Wisconsin





Rain Barrels

Rain barrels help slow down runoff so rain can drain naturally into the ground. That helps keep excess water out of sewer systems and reduces water pollution. Rain barrels are big containers outfitted with spigots near the bottom and an overflow hose near the top. Usually, they hold anywhere from 50 to 90 gallons of water. You place rain barrels under the downspouts of your home so that the barrel can collect rainwater that runs off of your roof.

Rain Gardens

Rain gardens are gardens that soak up rain from your roof, driveway, sidewalk or yard. They are slightly different from your typical flower garden. Rain gardens are planted with wild flowers and deep-rooted native vegetation, which helps the ground soak up more water. They are typically placed near downspouts on a home to capture water, so the runoff can gradually soak into the ground.

According to the Wisconsin Department of Natural Resources, rain gardens can absorb 30 percent more water than a conventional, well manicured, lawn.

Downspout Disconnect

During a heavy storm, each downspout on your home can deliver 12 gallons a minute to the sewer system, which can contribute to basement backups and sewer overflows. By simply disconnecting a downspout, you can make a difference in keeping excess water out of the sewer system.

Milwaukee Metropolitan Sewerage District
260 W. Seeboth Street
Milwaukee, Wisconsin 53204-1446
www.mmsd.com

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2005



Pelagos Educational Boat Tour



Preserving The Environment •
Improving Water Quality

Date of Incorporation

Reorganized April 26, 1982 pursuant to
Chapter 282, Laws of Wisconsin 1981

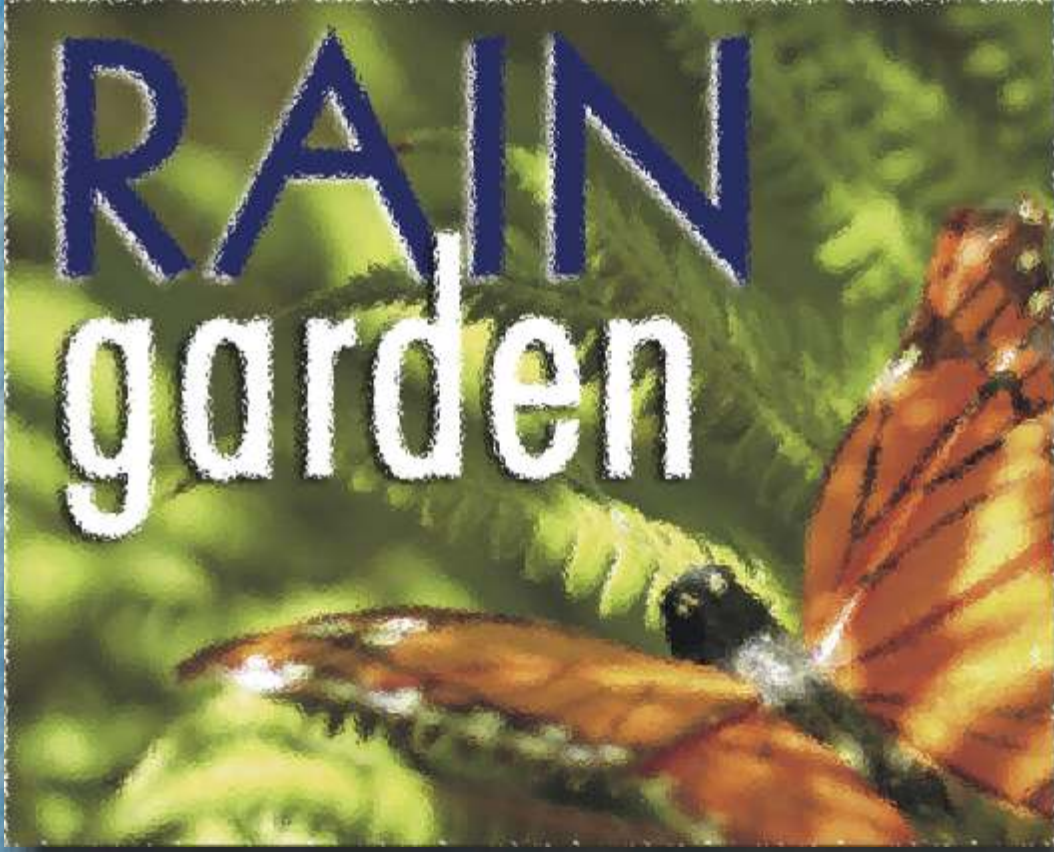
Finance and Administrative Staff

Mark T. Kaminski, CPA, Acting Controller/Treasurer



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introductory SECTION

Commission Organization Chart



Commissioners of the Milwaukee Metropolitan Sewerage District



Jeannette Bell
Commission Chair
Mayor
City of West Allis



Dennis Grzezinski
Commission Vice Chair
Law Office of
Dennis M. Grzezinski

District Staff

Kevin L. Shafer, P.E.
Executive Director

Marjorie Stahl
Commission Secretary

Michael J. McCabe
Director of Legal Services

Michael Martin
Director of Technical Services

Robert C. Brunner
Village President
Village of River Hills

Ashanti Hamilton
1st District Alderman
City of Milwaukee

Preston D. Cole
Environmental Services
Superintendent
City of Milwaukee

Candice Owley
President
Federation of Nurses
and Health Professionals,
Local 5001

Pedro Colon
State Representative

Dale J. Richards
Former Mayor
City of Oak Creek

David Cullen
State Representative

Theresa M. Estness
Mayor
City of Wauwatosa

Wallace White
Principal
W2Excel, LLC

Principal Advisors

KPMG LLP
Independent Auditors

Foley & Lardner
Bond Counsel

Letter from the Chair - 2005



Jeannette Bell
Milwaukee Metropolitan
Sewerage District
Chair

We take investing your hard earned money for clean water seriously. Protecting Lake Michigan and your wallet are equally important in our decision making at the Milwaukee Metropolitan Sewerage District (MMSD).

In 2005, we made significant strides on our \$900 million Overflow Reduction Program, flood management work, and long-range planning efforts.

Our children, neighborhoods and communities will all benefit greatly from the hard work we're pouring into the regional effort to determine what else it's going to take to protect and improve our rivers and Lake Michigan by the year 2020. We call it our blueprint for the future of water quality.

The largest construction project since the Deep Tunnel wrapped up this year with completion of the Northwest Side Relief Sewer. At 88 million gallons, this new relief sewer will help reduce the risk of sewer overflows and basement backups by increasing our wastewater storage capacity by 21%.

Protecting homes and neighborhoods from flooding is another part of MMSD's core mission. I'm proud to report that we started construction in 2005 on a \$48 million flood management project that will help provide flood relief in Wauwatosa and for downstream neighbors on the Menomonee River. The Hart Park Flood Management Project, like all MMSD flood projects, is designed to provide protection up to the 1% probability storm, commonly referred to as the 100-year flood.

Our public education programs touched the lives of many in the past year with hundreds of classroom visits, civic group presentations, and media interviews. MMSD launched its "Every Drop Counts" program in 2005, a water conservation initiative aimed at letting people know what they can do at home and at work to help reduce the risks of sewer overflows, basement backups and water pollution.

The District's treatment plants continued to operate at exceptional levels, returning water to Lake Michigan that was often two to three times cleaner than state and federal standards require.

Protecting our rivers, Lake Michigan and the future of water quality is what we're all about. We've come a long way in this region and there's more hard work ahead. MMSD cannot get the job done without the support of our many water quality partners. After all, clean water is ultimately everyone's job and we need your help, for the health of our environment and the regional economy.

Sincerely,

Jeannette Bell
Commission Chair



