

## Electronic Payment Update July 8, 2015

Milwaukee Water Works has offered the electronic payment option using credit cards to its customers since 2008 for the payment of Municipal Services Bills. This service was provided to the utility initially by US Bank through the State of Wisconsin contract. In 2011, this service was incorporated into the utility's lock box bid under official notice 174-1-2011. This bid was awarded to US Bank as the lowest qualified bidder and they are presently providing this service to the utility's customers under contract C641120050.

The development of electronic payment options for the Municipal Services Bill has been a collaborative effort involving the Milwaukee Water Works, Department of Administration Procurement Services, Information Technology Management Division, the Treasurer's Office, and the Department of Public Works.

The arrangement conforms to the Public Service Commission of Wisconsin's requirement that the payee must cover the service charge for the payment; Milwaukee Water Works is prohibited from absorbing the service charge. The arrangement also conforms to Department of Administration guidelines to ensure that a low cost electronic option is available to customers.

When the customer uses the telephone and selects the "make a payment" option, the call is transferred to US bank customer service. When a customer uses the website and selects the "make a payment" option, the customer is transferred to US Bank's internet site. Under both scenarios the Milwaukee Water Works has no further role in the transaction after the transfer is made. This arrangement ensures that the Milwaukee Water Works system never "sees" any credit card or bank account information; this information is only "seen" by the bank's secure system.

Presently, MasterCard, Discover Card and e-check are accepted. For payment by phone, the customer is charged a fee of 3.95% per credit card transaction, and \$4.50 per e-check. For payment via internet, the customer is charged a fee of 2.35% per credit card transaction, and \$0.75 per e-check.

When VISA is added, for payment by phone, the customer will be charged a fee of 4.10% per credit card transaction, and \$4.50 per e-check. For payment via internet, the customer will be charged a fee of 2.50% per credit card transaction, and \$0.75 per e-check.

The electronic payment option has proven very successful. In 2014, Milwaukee Water Works received over 118,000 electronic payment transactions through credit cards, e-check, automated clearing house, and electronic fund transfers, totaling \$31.2 million. Of these electronic payment transactions, more than 50% were credit card and e-check and brought in nearly \$15.5 million.

Prepared by Carrie Lewis, Earl Smith 7/8/15