



Electronic Payment Update to Finance & Personnel Committee

Milwaukee Water Works has offered electronic payment options since 2007 for payment of Municipal Services Bills. The electronic payments are provided by US Bank through the State of Wisconsin contract. 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 electronic payment option has proven very successful. In 2009, 56,788 account payments were made using the electronic options, for a total of \$13,523,482 being collected in this manner. In addition, \$16,500 in annual costs for lockbox processing fees were avoided.

At this time, Milwaukee Water Works is requesting permission to add the Discover card to the options available to customers. Both the City of Milwaukee and Municipal Services Bill payers will benefit from having this additional payment option available. Discover Card is being offered by US Bank at the same pricing as MasterCard. There are no costs to Milwaukee Water Works to add this additional service. If approved, this will make the payment options available to customers as follows:

Payment via Internet

- MasterCard, Discover Card and e-Checks will be accepted
- The customer will pay to the bank a convenience fee of
 - 2.35% per MasterCard transaction, or
 - 2.35% per Discover Card transaction, or
 - \$0.50 per e-Check.

Payment via telephone

- MasterCard, Discover Card and e-Checks will be accepted
- The customer will pay to the bank a convenience fee of
 - 3.95% per MasterCard transaction, or
 - 3.95% per Discover Card transaction, or
 - \$4.50 per e-Check.

For both Internet and telephone payments, Milwaukee Water Works system never "sees" any credit card or other non-public record personal information. When the customer selects the "make a payment" option, they are transferred to US Bank's secure systems. Credit card or e-Check information provided by the customer is only "seen" by US Bank.

Prepared by Carrie Lewis, Milwaukee Water Works, September 16, 2010
Regarding Resolution #100551

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