

# Milwaukee Water Works

*Safe, Abundant Drinking Water.*

December 4, 2017

Alderman Terry Witkowski  
City of Milwaukee  
City Hall, Room 205

RE: Outstanding Debt Work Group, File #170333  
Recommendations 13 and 14

Dear Alderman Witkowski:

This letter is in response to your letter dated October 18, 2017.

The two recommendations referred to in your letter both encompass a longstanding practice Milwaukee Water Works already adheres to. They are requirements for utilities under state law that pre-date the formation of the task force.

Attached is a memo clarifying the ongoing practice and state law requirements for our notifications of special charges and assessments on the property tax bill. Also attached is an example of our notification letter.

Please feel free to contact me at 286-3492 with any questions or comments.

Sincerely,



Jennifer C. Gonda  
Superintendent

JCG:sls  
Attachments



# Milwaukee Water Works

*Safe, Abundant Drinking Water.*

## MEMORANDUM

**To:** Jennifer Gonda, Superintendent  
**From:** Menbere Medhin, Water Financial Manager  
**Date:** November 30, 2017  
**Subject:** Delinquent Accounts

Milwaukee Water Works (MWW) has two types of receivables that may lead to outstanding debts. One is Sundry Receivables and relates to receivables that result from damages caused to MWW properties, such as hydrant damages, contractor related damages, emergency hose connection, miscellaneous charges for services, etc. The monthly average of Sundry Receivables for 2015 was \$71,662.49, excluding amounts related to suburban billings transferred to their respective tax rolls. The Water Claims Specialist works with the various parties to collect on these receivables. After MWW has made unsuccessful attempts to contact and collect payment from an individual or company, sundry invoices are referred to Kohn Law Firm. A total of 24 files were referred to Kohn Law Firm in 2015. Delinquency on Sundry Receivables has not been significant due to the relative amount of the total receivables. The current system of working with Kohn appears to be sufficient for this group of receivables.

The other and major type of receivables arise from the sale of water. Water bills, along with other municipal services bills, are sent weekly to about 15,000 accounts, with each account receiving a quarterly bill. The collection process is as follows:

- Payments are due 21 days after the bill date, and late fees are applied per Public Service Commission of Wisconsin (PSC) and City ordinances after the due date.
- Approximately 12 days after the due date, a past due notice is sent by U.S. mail.
- Ninety-one days after the first billing, the next billing goes out and if not received by due date (second consecutive delinquency), a “seriously past due” notice is sent by U.S. mail, promoting balance awareness.
- In August, letters are mailed to each customer account that is more than two quarters past due AND has a balance of over \$150.00 in any one of the municipal services bill components (i.e., Water, MMSD Sewer, Solid Waste/Snow & Ice, or City Sewer/Storm Water).
- Payments are due 21 days after the August letter, either to bring the account balances to under \$150.00 or pay the total amount owed. If neither of this happens, the account is subject to tax roll transfer.
- By the second Friday in November, a letter is sent to the Comptroller summarizing the final totals of each of the municipal service bill components that were transferred to tax roll.
- In spring of the subsequent year, the City Treasurer transfers tax roll payments to MWW’s accounts.

In summary, delinquency in receivables from the sale of water is handled through the tax roll process as outlined above. State Statute 66.69 requires MWW to transfer delinquent accounts to the City's property tax roll and make them collectible in the same manner as other taxes on real estate are collected in the City. Per State Statute, balances transferred to the tax roll are paid back by the City Treasurer's Office to MWW, including a 10% penalty. This eliminates any delinquent accounts, as defined per above, to remain on MWW books. The tax roll process has proven to be an effective collection venue for MWW with minimal additional collection expenses.

Milwaukee Water Works does not use disconnection of service as a collection tool. MWW may not find other collection options as cost effective as the tax roll process. Moreover, MWW cannot pay a service fee on each amount/transaction collected because, per the PSC, such costs do not benefit all ratepayers equally.



October 11, 2017

Re:  
 Account No:

Dear Property Owner:

You are receiving this annual notification letter because City Records indicate that you are the owner of the property listed above. Due to the pending impact on your tax bill, Milwaukee Water Works is required to notify you of the following: There are outstanding amounts due on the Municipal Services Bill for the above property. Under Wisconsin Statute 66.0809, these charges may be transferred to the 2017 City of Milwaukee property tax bill for collection with a 10% penalty upon transfer if not paid by 11/01/17. Balances transferred to the tax bill, including the 10% penalty, that are not paid or are not on a property tax installment plan by January 31, 2018 may accrue interest charges at 18% APR. Unpaid balances remaining on the tax bill may put your property at risk of tax foreclosure. Charges on the tax bill cannot be reduced or deferred under Wisconsin law.

To avoid the transfer of all or a portion of the amounts due listed below to the property tax bill, payment must be received in the Milwaukee Water Works office **no later than 12:00p.m. on 11/01/17.**

**Total Due** (which may not include payments that cross this letter in the mail) is **\$4,145.38.**

- Payments received after this date will be credited to the water account and applied to future Milwaukee Water Works bills. The postmark date will not be considered meeting the payment deadline. Also note that the property will continue to receive a quarterly Municipal Services Bill even though the outstanding balances have been transferred to property tax bill. You should review your account to ensure timely payment of your next quarterly bill. If you are on a signed and active payment plan, please disregard this notice.
- If this is a rental property and your lease commits the tenant to pay the bill, you as owner are still liable for past due balances under Wisconsin law.

We offer the following payment options:

- **In person** at our office located at 841 North Broadway, Room 406, using cash, check or money order
- **Online** with a checking account, MasterCard, Visa, or Discover Card at:  
<https://paywater.mpw.net/webclient/>
- **By phone** with Customer Service at (414) 286-2830

Both phone and online payments are charged a convenience fee at the time of the payment. Milwaukee Water Works offers the option of a payment plan (DPA) to assist with delinquent balances, if you meet the application requirements.

Please detach the bottom portion of this letter and mail it with your payment in the enclosed envelope. Make check payable to: Milwaukee Water Works. Include the account number on your check or money order and **allow adequate time for mailing.**

Thank you.

Milwaukee Water Works

PLEASE DETACH AND RETURN BOTTOM PORTION WITH YOUR PAYMENT: MAKE PAYABLE TO MILWAUKEE WATER WORKS  
 To ensure your account is properly credited, please return this stub with your payment and include your account number on your check or money order. Thank you.



Acct No.	Date Due	Balance Due

AMOUNT ENCLOSED

\$

MILWAUKEE WI

City of Milwaukee  
 PO Box 3268  
 Milwaukee, WI 53201-3268

01180011300 110117 000000414538 4