
TO: MEUW Members

FROM: Scott Meske, Associate Director

DATE: July 6, 2010

RE: Neighboring Jurisdictions Served by Your Municipal Electric Utilities Must Place Delinquent Municipal Utility Bills on their Property Tax Rolls – One More Tool to Maintain Low Utility Rates.

In October, 2002, the MEUW Accounting and Customer Service Seminar identified a very important issue regarding neighboring jurisdictions (e.g., townships) served by municipal electric utilities and the requirement to place unpaid utility bills on their property tax rolls. Here is the issue reiterated for your information, along with supporting documentation and statutory citations. If your utility provides service to neighboring jurisdictions, please think of this as an additional tool you can use to maintain low utility rates.

According to the Public Service Commission of Wisconsin, with support from the Wisconsin Department of Revenue, townships and other neighboring jurisdictions served by municipal utilities *must* cooperate with the utility and place unpaid utility bills on the property tax rolls. In an August 19, 2002, opinion letter to the Town of Menasha (Attachment A), the PSC answered the Town's question as to whether the Town had a 'statutory obligation...to place delinquent water bills on [the] tax roll if the City of Neenah has requested it.' Dave Sheard, Ass't. Administrator, Div. of Water, Compliance and Consumer Affairs, replied:

“Yes. If Neenah Water Utility properly certifies at the appropriate time of the year the arrears of its customers that are located in the Town, then the Town Clerk must include these arrears and any associated penalty just as it would for a similar certification by the Town of Menasha Utility District's water system. This provision for placing arrears on the tax roll is set forth in Wis. Stats. §66.0809(3) [Attachment B] and does not preclude certification by a neighboring municipal utility serving in a town...[the Wisconsin Department of Revenue] likewise interprets the cooperation as mandatory...”

In an email dated October 17, 2002 from Bruce Manthey of the PSC to Bill Daley at Columbus Water & Light, Manthey said that the same provision would apply to municipal electric utilities, as long as the same conditions of §66.0809(4) and §66.0809(5) are met. This means the governing body of your utility (city council, village board) would have passed an ordinance that authorized the collection of municipal electric utility arrearages using the property tax roll; or that in 1996 your municipality collected arrearages for municipal electric service using the statutory procedures that were in place at that time.

Assuming the governing body of the township or other neighboring jurisdiction agrees that they have such a statutory obligation to cooperate with your utility to assist in the collection of delinquent utility bills, they should adopt a resolution stating such (Attachment F)

Attached are several helpful supporting documents:

- (A) August 19, 2002 memorandum from PSC (David Sheard) to Town of Menasha;
- (B) Excerpt from Wisconsin Statutes §66.0809;
- (C) Excerpt from Wisconsin Statutes §66.0707;
- (D) Sample letter to explain the issue to your utility commission/committee;
- (E) Sample letter from your utility commission/committee to your governing board (city council/mayor or village board); and
- (F) Sample resolution for other jurisdictional use.

cc: MEUW Accounting & Customer Service Committee

Attach.



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
Robert M. Garvin, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

August 19, 2002

Ms. Myra R. Piergrossi, Director of Finance
Town of Menasha
2000 Municipal Drive
Neenah, WI 54956-5665

Re: Water Supply to Facilities formerly owned by American
Tissue Mills

File 3550

Dear Ms. Piergrossi:

This is in reply to your inquiry regarding the above-referenced subject. I have consulted with Assistant General Counsel Jeff Patzke and will address your questions in the order that you have raised them.

1. *"Can the City of Neenah require annexation prior to resuming water service to the American Tissue Mill property?"*

Answer- No. Since the City of Neenah Water Utility has provided service to this parcel outside of the Neenah corporate limits for many years, it has acquired an ongoing obligation to serve. The City, as a water public utility, may impose reasonable conditions in fulfilling this obligation. Requiring annexation, however, has never been accepted by the Public Service Commission (Commission) as being reasonably related to the service obligation. The City has an ongoing responsibility to serve this area and cannot now make annexation a prerequisite for future water service. In the case of a municipal utility that jurisdiction is not limited to the boundaries of the municipality but extends to all areas where the utility has undertaken to serve. *Town of Beloit v. Public Serv. Comm'n*, 34 Wis. 2d 145, 149, 148 N.W. 2d 661, 663 (1967)

2. *"Is it a statutory obligation for the Town of Menasha to place delinquent water bills on our tax roll if the City of Neenah has requested it?"*

Answer- Yes. If Neenah Water Utility properly certifies at the appropriate time of year the arrears of its customers that are located in the Town, then the Town Clerk must include these arrears and any associated penalty just as it would for a similar certification by the Town of Menasha Utility District's water system. This provision for placing arrears on the tax roll is set forth in Wis. Stat. § 66.0809(3) and does not preclude certification by a neighboring municipal utility serving in a town. I also discussed this with the Department of Revenue (DOR). DOR likewise interprets the cooperation as mandatory under Wis. Stat. 66.0809(3). The City of Neenah Water Utility is properly serving outside its corporate limits and can reasonably rely on

Ms. Myra R. Piergrossi
File 3550
Page 2

the assistance from the Town as outlined in § 66.0809(3). If you have additional questions on this, I would refer you to Colleen Wasilewski at DOR. Her phone number is (608) 266-8618.

3. *"If the City of Neenah continues to represent to American Tissue Mills that an annexation must occur, can this property request and receive water service from the Town of Menasha instead? If so, what is the process that the Town must follow for this change in service to occur?"*

Answer- Yes. American Tissue Mills or a new operator at this site could seek water supply from the Town of Menasha. However, the Town could not extend the service unless and until Neenah voluntarily gives up its right to supply water to this property. If Neenah no longer wishes to serve the parcel and the Town of Menasha is willing to extend water supply, this would be allowable on a voluntary agreement between the parties and it would not require any formal action from the Commission. If the parties cannot reach a negotiated conclusion, a formal proceeding with hearing before the Commission may be necessary. The Commission would then address this as a contested service area issue and make the final determination of who gets to serve based on the merits of the hearing record. This latter approach could require 6-months or more to achieve resolution.

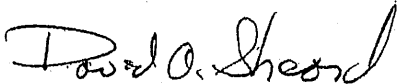
Another option would be for the party requesting service to this parcel to pursue water supply from Neenah and seek Commission assistance if Neenah continues to make annexation a requirement. Commission staff would initially attempt to informally resolve any outstanding issues. If a resolution by staff cannot be achieved, the matter would be escalated to the Commission for a decision. The Commission decision is legally enforceable through the Department of Justice. The decision could be challenged through an appeals process before the Courts.

An investigation before the Commission would commence upon receipt of a written complaint or petition from the party that is requesting water service from either the Town or the City. This could be a written complaint simply setting forth the problem and asking for a preferred outcome or it could be a more formal legal complaint (petition) pursuant to Wis. Stat. §196.26. In either case, Commission staff would try to resolve at a staff level before electing a more formal process potentially including public hearing.

Ms. Myra R. Piergrossi
File 3550
Page 3

I trust this is responsive to your inquiry. If you have additional questions, please call me at (608) 266-9640 or email me at david.sheard@psc.state.wi.us.

Sincerely,



David A. Sheard, P.E.
Assistant Administrator
Division of Water, Compliance and Consumer Affairs

DAS:bhh:W:\cmt\sheard\Town of Menasha inquiry re. water service to paper mill 2002

cc: Jeff Patzke, PSC Assistant General Counsel
Colleen Wasilewski, DOR
Larry Wattering, Director, Neenah Water Utility
Paula Pagel, Office Manager, Tn. of Menasha Utility District

(e) The provisions of pars. (b) to (d) do not apply to the acquisition of any plant, equipment or public utility for furnishing water service when the plant, equipment or utility is acquired by the municipality by dedication or without monetary or financial consideration. After a public utility is constructed, acquired or leased under this subsection, pars. (b) to (d) do not apply to any subsequent construction, acquisition or lease in connection with that public utility.

(2) (a) A city, village or town may by action of its governing body and with a referendum vote provide, acquire, own, operate or engage in a municipal bus transportation system where no existing bus, rail or other local transportation system exists in the municipality. A city, village or town in which there exists any local transportation system by similar action and referendum vote may acquire, own, operate or engage in the operation of a municipal bus transportation system upon acquiring the local transportation system by voluntary agreement with the owners of the system, or pursuant to law, or upon securing a certificate from the department of transportation under s. 194.23.

(b) A street motor bus transportation company operating pursuant to ch. 194 shall, by acceptance of authority under that chapter, be deemed to have consented to a purchase of its property actually used and useful for the convenience of the public by the municipality in which the major part of the property is situated or operated.

(c) A city, village or town providing or acquiring a motor bus transportation system under this section may finance the construction or purchase in any manner authorized for the construction or purchase of a public utility.

History: 1977 c. 29 s. 1654 (9) (g); 1981 c. 347 ss. 13, 80 (2); 1985 a. 187; 1993 a. 16, 246; 1999 a. 150 ss. 172 to 174; Stats. 1999 s. 66.0803.

This section is not a restriction upon the authority granted to the department of natural resources by s. 144.025 (2) (r) [now s. 281.19 (5)] to order the construction of a municipal water system, but constitutes merely an alternative by which a municipality may voluntarily construct or purchase a water utility. *Village of Sussex v. DNR*, 68 Wis. 2d 187, 228 N.W.2d 173 (1975).

Section 66.065 [now s. 66.0803], which requires a municipality to obtain voter approval through a referendum prior to the construction or acquisition of a waterworks, does not apply when a municipality is ordered to construct a public water supply system pursuant to s. 144.025 (2) (r) [now s. 281.19 (5)]. 60 Atty. Gen. 523.

66.0805 Management of municipal public utility by commission. (1) Except as provided in sub. (6), the governing body of a city shall, and the governing body of a village or town may, provide for the nonpartisan management of a municipal public utility by creating a commission under this section. The board of commissioners, under the general control and supervision of the governing body, shall be responsible for the entire management of and shall supervise the operation of the utility. The governing body shall exercise general control and supervision of the commission by enacting ordinances governing the commission's operation. The board shall consist of 3, 5 or 7 commissioners.

(2) The commissioners shall be elected by the governing body for a term, beginning on the first day of October of as many years as there are commissioners, except that the term of the commissioners first elected shall expire successively one each year on each succeeding first day of October.

(3) The commission shall choose a president and a secretary from its membership. The commission may appoint and establish the compensation of a manager. The commission may command the services of the city, village or town engineer and may employ and fix the compensation of subordinates as necessary. The commission may make rules for its proceedings and for the government of the department. The commission shall keep books of account, in the manner and form prescribed by the department of transportation or public service commission, which shall be open to the public.

(4) (a) The governing body of the city, village or town may provide that departmental expenditures be audited by the commission, and if approved by the president and secretary of the commission, be paid by the city, village or town clerk and treasurer as provided by s. 66.0607; that the utility receipts be paid to a bonded

cashier appointed by the commission, to be turned over to the city, village or town treasurer at least once a month; and that the commission have designated general powers in the construction, extension, improvement and operation of the utility. Actual construction work shall be under the immediate supervision of the board of public works or corresponding authority.

(b) If water mains have been installed or extended in a municipality and the cost of installation or extension has been in some instances assessed against the abutting owners and in other instances paid by the municipality or a utility, the governing body of the municipality may provide that all persons who paid the assessment against any lot or parcel of land may be reimbursed the amount of the assessment regardless of when such assessment was made or paid. Reimbursement may be made from such funds or earnings of the municipal utility or from such funds of the municipality as the governing body determines.

(5) Two or more public utilities acquired as a single enterprise may be operated under this section as a single enterprise.

(6) In a 2nd, 3rd or 4th class city, a village or a town, the council or board may provide for the operation of a public utility or utilities by the board of public works or by another officer or officers, in lieu of the commission provided for in this section.

History: 1977 c. 29 s. 1654 (9) (g); 1981 c. 347 s. 80 (2); 1983 a. 207 ss. 23, 93 (1); 1983 a. 538; 1993 a. 16, 246; 1999 a. 150 ss. 179, 181, 183, 236; Stats. 1999 s. 66.0805.

When a city council creates a board under sub. (1), the council is prohibited by sub. (3) from fixing the wages of the utility's employees. *Schroeder v. City of Clintonville*, 90 Wis. 2d 457, 280 N.W.2d 166 (1979).

66.0807 Joint operation of public utility or public transportation system. (1) In this section, "privately owned public utility" includes a cooperative association organized under ch. 185 or 193 for the purpose of producing or furnishing utility service to its members only.

(2) A city, village or town served by a privately owned public utility, motor bus or other systems of public transportation rendering local service may contract with the owner of the utility or system for the leasing, public operation, joint operation, extension and improvement of the utility or system by the municipality; or, with funds loaned by the municipality, may contract for the stabilization by municipal guaranty of the return upon or for the purchase by installments out of earnings or otherwise of that portion of the public utility or system which is operated within the municipality and any territory immediately adjacent and tributary to the municipality; or may contract for the accomplishment of any object agreed upon between the parties relating to the use, operation, management, value, earnings, purchase, extension, improvement, sale, lease or control of the utility or system property. The provisions of s. 66.0817 relating to preliminary agreement and approval by the department of transportation or public service commission apply to the contracts authorized by this section. The department of transportation or public service commission shall, when a contract under this section is approved by it and consummated, cooperate with the parties in respect to making valuations, appraisals, estimates and other determinations specified in the contract to be made by it.

History: 1977 c. 29 s. 1654 (9) (g); 1981 c. 347 s. 80 (2); 1985 a. 187; 1993 a. 16, 246; 1999 a. 150 ss. 171, 237; Stats. 1999 s. 66.0807; 2005 a. 441.

66.0809 Municipal public utility charges. (1) Except as provided in sub. (2), the governing body of a town, village or city operating a public utility may, by ordinance, fix the initial rates and shall provide for this collection monthly, bimonthly or quarterly in advance or otherwise. The rates shall be uniform for like service in all parts of the municipality and shall include the cost of fluorinating the water. The rates may include standby charges to property not connected but for which public utility facilities have been made available. The charges shall be collected by the treasurer or other officer or employee designated by the city, village or town.

(2) If, on June 21, 1996, it is the practice of a governing body of a town, village or city operating a public utility to collect utility

66.0809 MUNICIPAL LAW

service charges using a billing period other than one permitted under sub. (1), the governing body may continue to collect utility service charges using that billing period.

(3) Except as provided in subs. (4) and (5), on October 15 in each year notice shall be given to the owner or occupant of all lots or parcels of real estate to which utility service has been furnished prior to October 1 by a public utility operated by a town, city or village and payment for which is owing and in arrears at the time of giving the notice. The department in charge of the utility shall furnish the treasurer with a list of the lots or parcels of real estate for which utility service charges are in arrears, and the notice shall be given by the treasurer, unless the governing body of the city, village or town authorizes notice to be given directly by the department. The notice shall be in writing and shall state the amount of arrears, including any penalty assessed pursuant to the rules of the utility; that unless the amount is paid by November 1 a penalty of 10 percent of the amount of arrears will be added; and that unless the arrears, with any added penalty, are paid by November 15, the arrears and penalty will be levied as a tax against the lot or parcel of real estate to which utility service was furnished and for which payment is delinquent. The notice may be served by delivery to either the owner or occupant personally, or by letter addressed to the owner or occupant at the post-office address of the lot or parcel of real estate. On November 16 the officer or department issuing the notice shall certify and file with the clerk a list of all lots or parcels of real estate, giving the legal description, for which notice of arrears was given and for which arrears remain unpaid, stating the amount of arrears and penalty. Each delinquent amount, including the penalty, becomes a lien upon the lot or parcel of real estate to which the utility service was furnished and payment for which is delinquent, and the clerk shall insert the delinquent amount and penalty as a tax against the lot or parcel of real estate. All proceedings in relation to the collection of general property taxes and to the return and sale of property for delinquent taxes apply to the tax if it is not paid within the time required by law for payment of taxes upon real estate. Under this subsection, if an arrearage is for utility service furnished and metered by the utility directly to a manufactured home or mobile home unit in a licensed manufactured and mobile home community, the notice shall be given to the owner of the manufactured home or mobile home unit and the delinquent amount becomes a lien on the manufactured home or mobile home unit rather than a lien on the parcel of real estate on which the manufactured home or mobile home unit is located. A lien on a manufactured home or mobile home unit may be enforced using the procedures under s. 779.48 (2). This subsection does not apply to arrearages collected using the procedure under s. 66.0627. In this subsection, “metered” means the use of any method to ascertain the amount of service used or the use of a flat rate billing method.

(4) A municipal utility may use the procedures under sub. (3) to collect arrearages for electric service only if one of the following applies:

(a) The municipality has enacted an ordinance that authorizes the use of the procedures under sub. (3) for the collection of arrearages for electric service provided by the municipal utility.

(b) In 1996, the municipality collected arrearages for electric service provided by the municipal utility using the procedures under s. 66.60 (16), 1993 stats.

(5) (a) This subsection applies only if all of the following conditions are met:

1. Water or electric utility service is provided to a rental dwelling unit.

1m. The water or electric utility service is provided by a town sanitary district created under subch. IX of ch. 60 that has sewerage connections serving more than 700 service addresses, by a public inland lake protection and rehabilitation district under subch. IV of ch. 33 that has sewerage connections serving more than 700 service addresses or by a municipal public utility.

2. The owner of the rental dwelling unit notifies the utility in writing of the name and address of the owner.

3. The owner of the rental dwelling unit notifies the utility in writing of the name and address of the tenant who is responsible for payment of the utility charges.

4. If requested by the utility, the owner of the rental dwelling unit provides the utility with a copy of the rental or lease agreement in which the tenant assumes responsibility for the payment of the utility charges.

(b) If this subsection applies, a municipal public utility may use sub. (3) to collect arrearages incurred after the owner of a rental dwelling unit has provided the utility with written notice under par. (a) only if the municipality complies with at least one of the following:

1. In order to comply with this subdivision, a municipal public utility shall send bills for water or electric service to a customer who is a tenant in the tenant's own name. Each time that a municipal public utility notifies a customer who is a tenant that charges for water or electric service provided by the utility to the customer are past due for more than one billing cycle, the utility shall also serve a copy of the notice on the owner of the rental dwelling unit in the manner provided in s. 801.14 (2). If a customer who is a tenant vacates his or her rental dwelling unit, and the owner of the rental dwelling unit provides the municipal public utility, no later than 21 days after the date on which the tenant vacates the rental dwelling unit, with a written notice that contains a forwarding address for the tenant and the date that the tenant vacated the rental dwelling unit, the utility shall continue to send past-due notices to the customer at his or her forwarding address until the past-due charges are paid or until notice has been provided under sub. (3).

2. In order to comply with this subdivision, if a customer who is a tenant has charges for water or electric service provided by the utility that are past due, the municipal public utility shall serve notice of the past-due charges on the owner of the rental dwelling unit within 14 days of the date on which the tenant's charges became past due. The municipal public utility shall serve notice in the manner provided in s. 801.14 (2).

(c) A municipal public utility may demonstrate compliance with the notice requirements of par. (b) 1. or 2. by providing evidence of having sent the notice by U.S. mail.

(d) If this subsection applies and a municipal public utility is permitted to collect arrearages under sub. (3), the municipal public utility shall provide all notices under sub. (3) to the owner of the property.

History: 1999 a. 150 ss. 184, 186; 2007 a. 11.

Municipalities owning electric companies may pass ordinances allowing unpaid charges for furnished electricity to be placed on tax bills of the receiving property. 73 Atty. Gen 128.

~~66.0811 Municipal public utility revenues. (1) A city, village or town owning a public utility is entitled to the same rate of return as permitted for privately owned utilities.~~

~~(2) The income of a municipal public utility shall first be used to make payments to meet operation, maintenance, depreciation, interest, and debt service fund requirements, local and school tax equivalents, additions and improvements, and other necessary disbursements or indebtedness. Beginning with taxes levied in 1995, payable in 1996, payments for local and school tax equivalents shall at least be equal to the payment made on the property for taxes levied in 1994, payable in 1995, unless a lower payment is authorized by the governing body of the municipality. Income in excess of these requirements may be used to purchase and hold interest bearing bonds issued for the acquisition of the utility; bonds issued by the United States or any municipal corporation of this state; insurance upon the life of an officer or manager of the utility; or may be paid into the general fund.~~

~~(3) A city, town or village may use funds derived from its water plant to meet operation, maintenance, depreciation, interest and debt service funds; new construction or equipment or other~~

66.0703 MUNICIPAL LAW

Attachment C

The filing of an appeal prior to publication of the final resolution required by sub. (8) (d) was not premature under sub. (12) (a). Section 808.04 (8), which provides that a notice of appeal filed prior to the entry of the order appealed from shall be treated as filed after the entry, is applicable to appeals under this section as the result of the application of s. 801.02 (2), which makes chs. 801 to 847 applicable in all special proceedings. *Mayek v. Cloverleaf Lakes Sanitary District #1*, 2000 WI App 182, 238 Wis. 2d 261, 617 N.W.2d 235, 99–2895.

Section 60.77 authorizes town sanitary districts to levy special assessments and makes the procedures under this section applicable to those districts. As such, service of a notice of appeal on the district clerk was proper under this section. *Mayek v. Cloverleaf Lakes Sanitary District #1*, 2000 WI App 182, 238 Wis. 2d 261, 617 N.W.2d 235, 99–2895.

Legal expenses associated with an appeal of a special assessment may not be added to the assessment under sub. (5). Such legal expenses are not reasonably attributed to the work or improvement as they do not aid in its creation or development. *Bender v. Town of Kronenwetter*, 2002 WI App 284, 258 Wis. 2d 321, 654 N.W.2d 57, 02–0403.

Because special assessments can only be levied for local improvements, before the propriety of the assessment can be addressed the circuit court must initially examine whether the improvement is local. The purpose for making the improvements is relevant to resolving the nature of the improvement, but not determinative because the court must also consider the benefits the property receives. The purpose for initiating improvements must be for reasons of accommodation and convenience, and the object of the purpose must be primarily for the people in a particular locality. *Genrich v. City of Rice Lake*, 2003 WI App 255, 268 Wis. 2d 233, 673 N.W.2d 361, 03–0597.

Uniformity requires the assessment to be fairly and equitably apportioned among property owners in comparable positions. The municipality must use a method of assessment that produces a uniform and equal value for all affected properties. It is unreasonable to use the same method to assess a group of property owners when it results in an entirely disproportionate result that could easily be remedied by using a different method or to assess one group of property owners by a different method from that used to assess others if the results are entirely disproportionate. There is no per se reasonable method. *Genrich v. City of Rice Lake*, 2003 WI App 255, 268 Wis. 2d 233, 673 N.W.2d 361, 03–0597.

An availability charge assessed against each condominium unit served by a sewer extension through a single connection from the condominium lot to the sewer was not levied uniformly and imposed an inequitable cost burden as compared with the benefit accruing to the petitioners and to all benefited properties. The availability charge lacked a reasonable basis because: 1) there was no nexus between the availability charge and the district's recovery of the capital cost to it to provide sanitary sewer service to individual lots; 2) other lots with multiple habitable units and were provided the same sewer service through one stub were assessed only one availability charge; and 3) there was no showing that the condominium owners received a greater benefit than was provided to other lots that were affected by the sewer extension. *Steinbach v. Green Lake Sanitary District*, 2006 WI 63, 291 Wis. 2d 11, 715 N.W.2d 195, 03–2245.

This section does not require the special assessment process be completed before any work is done. *Park Avenue Plaza v. City of Mequon*, 2008 WI App 39, 308 Wis. 2d 439, 747 N.W.2d 703, 06–2339.

State property is not subject to assessment of special charges under sub. (16). 69 Atty. Gen. 269.

Landowners who were not treated in a discriminatory manner and did not avail themselves of the statutory right to appeal the merits of an assessment against land based on a report under sub. (2) were not deprived of due process or equal protection and could not maintain an action under the civil rights act for damages. *Kasper v. Larson*, 372 F. Supp. 881.

Wisconsin special assessments. *Klitzke and Edgar*. 62 MLR 171 (1978).

66.0705 Property of public and private entities subject to special assessments. (1) (a) The property of this state, except that held for highway right-of-way purposes or acquired and held for purposes under s. 85.09, and the property of every county, city, village, town, school district, sewerage district or commission, sanitary or water district or commission, or any public board or commission within this state, and of every corporation, company or individual operating any railroad, telegraph, telecommunications, electric light or power system, or doing any of the business mentioned in ch. 76, and of every other corporation or company is in all respects subject to all special assessments for local improvements.

(b) Certificates and improvement bonds for special assessments may be issued and the lien of the special assessments enforced against property described in par. (a), except property of the state, in the same manner and to the same extent as the property of individuals. Special assessments on property described in par. (a) may not extend to the right, easement or franchise to operate or maintain railroads, telegraph, telecommunications or electric light or power systems in streets, alleys, parks or highways. The amount represented by any certificate or improvement bond issued under this paragraph is a debt due personally from the corporation, company or individual, payable in the case of a certificate when the taxes for the year of its issue are payable, and in the case of a bond according to the terms of the bond.

(2) In this subsection, “assessment” means a special assessment on property of this state and “project” means any continuous improvement within overall project limits regardless of whether small exterior segments are left unimproved. If the assessment of a project is less than \$50,000, or if the assessment of a project is \$50,000 or more and the building commission approves the assessment under s. 66.0703 (6), the state agency which manages the property shall pay the assessment from the revenue source which supports the general operating costs of the agency or program against which the assessment is made.

History: 1977 c. 29; 1977 c. 418 ss. 431, 924 (48); 1983 a. 27; 1985 a. 187; 1985 a. 297 s. 76; 1987 a. 27; 1999 a. 150 s. 548; Stats. 1999 s. 66.0705.

66.0707 Assessment or special charge against property in adjacent city, village or town. (1) A city, village or town may levy special assessments for municipal work or improvement under s. 66.0703 on property in an adjacent city, village or town, if the property abuts and benefits from the work or improvement and if the governing body of the municipality where the property is located by resolution approves the levy by resolution. The owner of the property is entitled to the use of the work or improvement on which the assessment is based on the same conditions as the owner of property within the city, village or town.

(2) A city, village or town may impose a special charge under s. 66.0627 against real property in an adjacent city, village or town that is served by current services rendered by the municipality imposing the special charge if the municipality in which the property is located approves the imposition by resolution. The owner of the property is entitled to the use and enjoyment of the service for which the special charge is imposed on the same conditions as the owner of property within the city, village or town.

(3) A special assessment or special charge under this section is a lien against the benefited property and shall be collected by the treasurer in the same manner as the taxes of the municipality and paid over by the treasurer to the treasurer of the municipality levying the assessment.

History: 1991 a. 316; 1999 a. 150 ss. 192, 550, 551; Stats. 1999 s. 66.0707.

66.0709 Preliminary payment of improvements funded by special assessments. (1) In this section:

(a) “Local governmental unit” has the meaning given in s. 66.0713 (1) (c).

(b) “Public improvement” has the meaning given in s. 66.0713 (1) (d).

(2) If it is determined that the cost of a public improvement is to be paid, in whole or in part, by special assessments against the property to be benefited by the improvement, the resolution authorizing the public improvement shall provide that the whole, or any stated proportion, or no part of the estimated aggregate cost of the public improvement, which is to be levied as special assessments, shall be paid into the treasury of the local governmental unit in cash. The public improvement may not be commenced nor any contract for the improvement let until the payment required by the resolution is paid into the treasury of the local governmental unit by the owner or persons having an interest in the property to be benefited. The payment shall be credited against the amount of the special assessments levied or to be levied against benefited property designated by the payer. If a preliminary payment is required by the resolution, the refusal of one or more owners or persons having an interest in the property to be benefited to pay any preliminary payments does not prevent the making of the improvement if the entire specified sum is obtained from the remaining owners or interested parties.

History: 1999 a. 150 ss. 193, 194, 506.

66.0711 Discount on cash payments for public improvements. (1) In this section:

Better Together Workshop

1. Responsibility to Rate Payers

COLUMBUS WATER & LIGHT 2,
950 Maple Avenue
P.O. Box 228
Columbus, WI 53925
(920) 623-5912 FAX (920) 623-5923

Attachment D

TO: CWL Commissioners
FROM: Bill Daley
DATE: June 3, 2003
RE: Collection of Delinquent Utility Bills

Attached are materials relating to the placement of delinquent property taxes of customers who reside outside Columbus' municipal limits.

Wisconsin Statute 66.0809(3&4), Municipal Public Utility Charges, provides the authority and defines the process by which municipalities are able to place arrearages on the tax roll and does not preclude the municipality from placing the arrearages on the tax roll of property served in adjoining cities/towns/villages. The only requirement is that the municipality has either passed an ordinance that authorizes the collection of municipal electric utility arrearages on the property tax roll. Columbus has had this ordinance in place since 1986.

The PSC's General Council has interpreted this statute to require cooperation by the cities/towns/villages served by the utility in collecting the arrearages. Attached is a letter dated August 19, 2002 to the Town of Menasha from David Sheard, PSC Assistant Administrator, and he writes that the Wisconsin Department of Revenue likewise interprets the statute required mandatory cooperation between the governmental units.

Wisconsin Statute 66.0707, Assessment or Special Charge Against Property in Adjacent City, Village or Town, grants a city, village or town the authority to impose a special charge against real property in an adjacent city, village or town that is served by current services rendered by the municipality imposing special charges if the municipality in which the property is located approves the imposition by resolution.

A draft of a resolution for consideration of the Columbus Town Board and Elba Town Board is attached. The draft is based on one prepared by Dave Benforado, MEUW's Executive Director, for Bangor Utilities. The wording has been changed to allow for the placement of all utility charges on the tax roll, not just electric arrearages. The Commission is being asked to request the Columbus City Council to send the resolution to the town boards of Elba and Columbus requesting their cooperation in the collection of utility arrearages from customers in their jurisdiction by placing the arrearages as liens against the property served and collected through the property taxes of the respective townships.

Thank you for your consideration of this proposal.

Attachment E

June 13, 2003

Mayor Wendt
Columbus City Council

Since 1986, Columbus Water & Light has been collecting delinquent utility (water, electric and sewer) bills incurred by City residents by placing the arrearages as liens against the property served and collecting the arrearages through the property tax, (Municipal ordinance 102.1). The State has given municipal utilities this authority (Wisconsin Statute §66.0809(3&4), Municipal Public Utility Charges). This method of collection protects CWL's paying customers from having the utility's loss of revenue reflected in hi utility rates.

The PSC's General Council [sic] has interpreted this statute to require cooperation by the cities/towns/villages served by the utility in collecting the arrearages. Attached is a letter dated August 19, 2002 to the Town of Menasha from David Sheard, PSC Assistant Administrator, and he writes that the Wisconsin Department of Revenue likewise interpret the statue to require mandatory cooperation between the governmental units.

Columbus Water & Light serves residents of the Town of Columbus and the Town of Elba. The Columbus Water & light Commission is seeking the authority to use the same collection tools with our customers who reside outside Columbus's corporate limits. Wisconsin Statute §66.0707 grants the city the authority to impose a special charge against real property in an adjacent township that is served by current services rendered by the municipal utility, imposing special charges if the municipality in which the property is located approves the imposition.

The CWL Commission is requesting the City Council to send the attached resolutions to the respective towns and ask the Town Boards of Columbus and Elba to pass the resolutions authorizing the collection of utility arrearages from customers in their jurisdiction through the placement of the arrearages as liens against the property served and collected through the property taxes of the respective townships.

Please contact Bill Daley, WLS Asst. Superintendent, if you have any questions about this request.

Thank you for your cooperation in this matter.

Sincerely,

Joan K. Thomas
President, Columbus Water & Light Commission

Attachment F

A Resolution Authorizing the Town of Columbus to Impose a Special Charge under Wis. Stats. '66.0809

Whereas, Columbus Water & Light as a municipal utility provides utility services to owners of property located in the Town of Columbus; and

Whereas, Columbus Water & Light is operated on a not for profit basis, and has been instructed by the Public Service Commission of Wisconsin and the Wisconsin Department of Revenue to recover all delinquent utility bills from customers on the property tax roll according to the provisions set out in Wis. Stats. §66.0809; and

Whereas, Columbus Water & Light has agreed to properly notify on October 15 of each year its customers located in the Town of Columbus who have delinquent utility bills and to certify to the Town of Columbus Clerk on November 16 of each year the arrears and penalties of its customers that are located in the Town of Columbus; and

Whereas, Wis Stats. §66.0707 authorizes the Columbus Town Board to pass such Resolution that would permit the imposition of such a charge.

Now therefore be it resolved by the Columbus Town Board, located in Columbia County, that a special charge will be imposed, pursuant to Wis. Stats. §66.0707, against real property in the Town of Columbus that receives utility service from Columbus Water & Light if a delinquency in bill payment exists for utility services provided by Columbus Water & Light; and

Be it further resolved that the special charge imposed under this section is a lien against the benefitted property and shall be collected by the Treasurer of the Town of Columbus in the same manner as the general taxes of the Town of Columbus and paid over to Columbus Water & Light on the settlement dates specified in Wis. Stats. §74.25 and §74.25

Approved and adopted by the Columbus Town Board on this ____ day of _____, 2003.

The Town of Columbus,

By: Eugene Damn, Town Chair

ATTEST:

Eleanor Schulze, Town Clerk