

**MUNHALL SANITARY SEWER
MUNICIPAL AUTHORITY**

**COLLECTIONS;
TERMINATIONS;
&
PAYMENT ARRANGEMENTS POLICY**

7/2018

Introduction:

This policy is to be adopted to set a standardized set of procedures for the MSSMA Administrative Office/Board and Professional Services to adhere to. This is in addition to the collection procedures that Legal Tax Services already has in place. This Policy is to set forth guidelines and to set standards for collection of delinquent accounts, to be fair and consistent to all rate payers of the Borough. All the actions below are for accounts that are in a termination status, have already been terminated, or are in the lien or sheriff sale phases.

This policy will set forth payment arrangement guidelines for the repayment of delinquent sewage bills and will also include the penalties, interest, costs, fines, charges, expenses and fees, including reasonable attorney fees on all municipal claims and delinquent accounts.

It is in the best interest of public health, the safety and welfare of all the rate payers, and users of the Authority's sewage system to be reimbursed by the delinquent account holder for all penalties, interest, costs, fines, charges, expenses and fees including reasonable attorney fees that were incurred during the collection along with the cost of managing of all of its delinquent sewage accounts and claims.

The Board of Directors of The Authority, has a current agreement with Legal Tax Service, Inc. to collect the monthly sanitary sewage fees, along with all interest and penalty charged on delinquent sewage accounts, including attorney fees as set forth in Resolution 2018-01.

ACCOUNT TERMINATION PROCESSES AND FEES

- Any active Sewage account that is delinquent at least 30 days and has a balance in excess off \$100.00 or more will be subject to the termination process. This includes ANY sewage account that is not fully paid on or before the due date of the first delinquency notice, (sixty days from the initial bill) and is hereby declared to be a delinquent account subject to the charges as set forth in the Agreement with Legal Tax.
- Step 1 of the Termination process is the “30 Day Notice of Termination”. A five (\$5.00) dollar fee shall be assessed on each account which receives a thirty (30) day termination of service notice. The account will have 20 days to comply with this 1st notice. Payment Arrangements are accepted during this time frame.
- Step 2 of the Termination process, should the account not be brought current within a 20 day period of the first notice, is a “10 Day Notice of Termination”. This will be mailed and the account will accrue an additional ten (\$10.00) dollar fee on each account which receives a 10 Day Termination Notice. The account will have 8 days to comply with this notice. Payment arrangements are accepted during this time frame.
- Step 3 of the Termination Process is the “48 Hour of Termination” Property Posting. Should the property be Posted with a notice, a posting a “Fee” of an additional \$15.00 for will be assessed to the account .
PAYMENT ARRANGEMENTS WILL NOT BE ACCEPTED IN THE 48 HOURS OF THE TERMANTION DATE STATUS.
- Should the account not be brought current and the account is sent to the Water Company for termination of services, the aforesaid delinquent account shall be assessed a \$30.00 service charge upon submission to the (Pennsylvania American Water Company) PAWC, plus an additional \$5.00 accounting and management fee; provided, however, if the Water Company terminates water services, a fee of \$30.00 to reinstate water service plus an additional \$5.00 accounting and management fee will be assessed to the account holder for water service reinstatement. The amount charged to the Authority by the Water Company may increase for reinstatement of services.
- Municipal Authorities are not regulated by the Public Utility Commission (PUC) and the Responsible

Utility Customer Protection Act which prevents water from being terminated during the months of December through March does not apply. While the Authority may not authorize a “shut off cycle” during those months, should a payment plan or other arrangement not be adhered to as agreed, a poster notice will be applied, and the water service could be terminated.

- If payment made by any negotiable instrument that is dishonored for any reason, i.e. (NSF, Closed Account, Stop Payments, etc.), then the rate payer, or user of the sewerage collection and treatment system of the Authority shall be assessed and charged \$38.00 dollars for each dishonored negotiable instrument. In the event that the Bank’s fee charged for dishonored checks increase, then the aforesaid amount of \$38.00 will be increased an equal amount and shall be charged to the drawer of the check or to the maker of the negotiable instrument delinquent account, or to the account.
- Cost of postage and/or certified mail of delinquency in the account shall be assessed and charged at the actual postage cost to the delinquent account.

PAYMENT ARRANGEMENT POLICY

- Payment arrangements are accepted during the 30-day and 10-day notice procedures.
- Payment arrangements are NOT accepted once a property is in the 48-HOUR time frame before the due date for termination with in the 30 Days given.
- The costs and fees that are to be assessed to the delinquent accounts are to be paid directly to the designated Authority’s collector of sewage user’s fees and shall be kept by the aforesaid collector and/or the collector’s attorneys who prosecute the claims as payment for the collection, managing, and accounting fees. Any cost prepaid by the Authority to the appointed Collector for the collection of said delinquent accounts that is recovered from the delinquent account users shall be remitted to the Authority to the extent of the moneys that were recovered from and were paid by the delinquent account holder. The Authority shall advance posting payments of \$15.00 per posting to the designated Authority’s Collector prior to the Postings, or such posting cost shall be off set from the monthly amounts due the Authority. The Authority shall pay the shutoff cost directly to the Water Company upon billing by the Water Company.

- In the event that any of the delinquent accounts are rental property, then the Owner of the realty is responsible for these additional cost and fees in addition to any unpaid usage charges, penalties and interest. Landlords are required to register all rental realty and properties with the Authority's designated Collector of the Sewage accounts, and Landlords who have registered with the designated Collector that the realty is a rental property with a tenant(s) shall receive a notice of a delinquency in the tenant's account within thirty days after the account becomes delinquent.
- It is the responsibility of the Property Owner of the realty to make sure that all sewage is paid in a timely manner.
- The owner of realty of the delinquent sewage account will be responsible for any legal fees accrued for the collection of delinquent sewage.

MEDICAL WAIVERS

The Authority does not accept Medical Waivers as a form of delaying the termination process. The account will be given a payment plan for repaying sewage charges. Medical Waivers must be written by a licensed Physician ONLY. Medical Waivers are evaluated on a CASE BY CASE basis, and the account is noted accordingly. The Authority is not bound to accept medical waivers under the Authorities Act, and does so as a courtesy to the rate payers who need it.

LIEN PROCEDURES

- ANY account that has gone through a termination process and has not paid, or brought the account to a current status, and continues to carry a delinquent balance is subject to a Municipal Lien. Any fees that are accrued by placing the lien will be assessed to the delinquent account.

SHERIFF SALE PROCEDURES

- ANY account that continues to accrue delinquent fees, and does not pay or make arrangements to have the property brought current is subject to a Sheriff Sale. Each property and each account are evaluated separately and is subject to Board Approval prior to the Authority initiating the Sheriff Sale.