



# Sewer Revenue Collection

Whitpain Township

# Collections for Past Due Sewer Bills

- ▶ Township is owed more than \$314,000
- ▶ Some bills unpaid for 30 years
- ▶ Property owners have received notices
- ▶ Township has placed liens on properties

# Current Lien Statistics

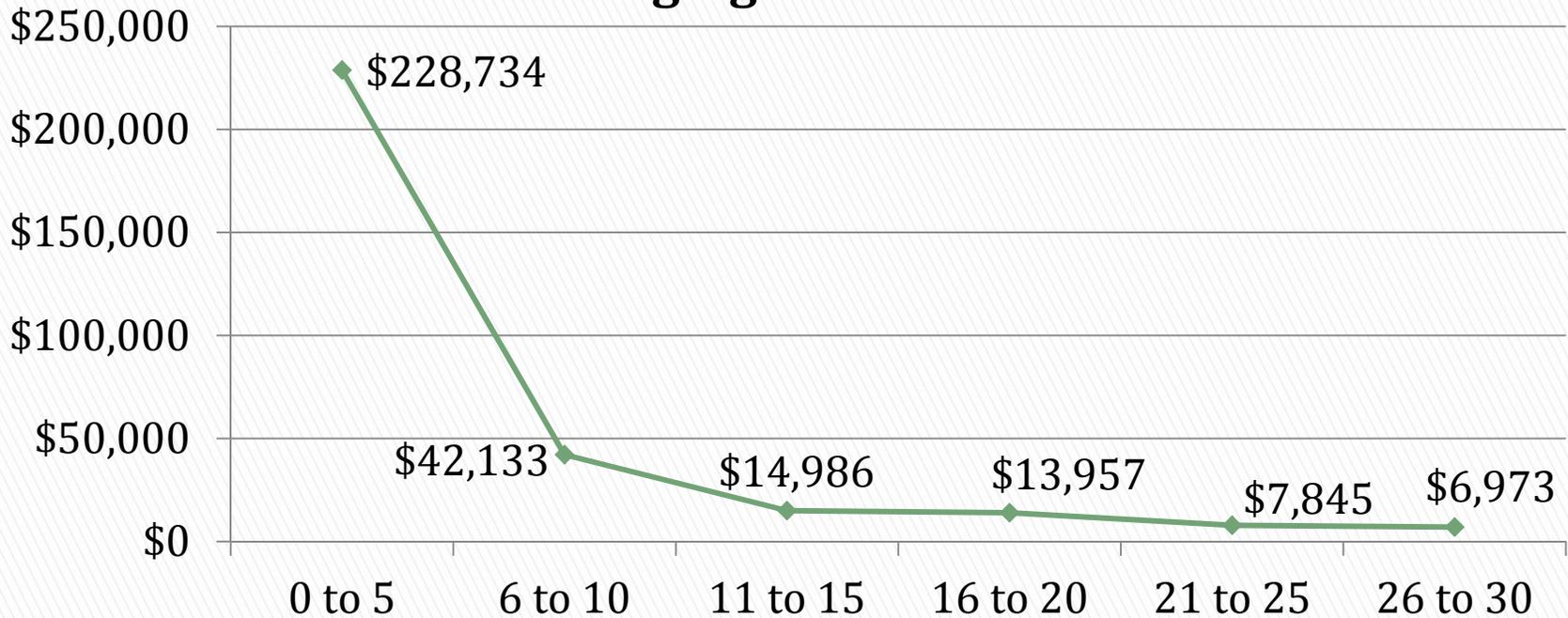
- ▶ Principal (Includes Penalty of 10%) \$186,944
- ▶ Interest (10%, Compounded Annually) \$62,520
- ▶ Legal - \$64,750

# Current Lien Statistics

- ▶ Whitpain Township
  - Total Delinquent Accounts – 185
  - Total Liens – 925
  - Average Lien - \$184 (Total Lien Dollars/Total Liens)

# Current Lien Statistics

## Aging of Liens



### Total Sewer Customers

- Commercial Accounts 271
- Residential Accounts 5,777

Whitpain Township

# Different Approach

- ▶ Township has been very patient but needs a different approach
- ▶ The township thanks residents who pay their bills on time
- ▶ It is unfair for residents who do pay on time
- ▶ Every dollar is important revenue to the Township
- ▶ The Township cannot allow this situation to continue

# Collection Process

- ▶ The Township will be sensitive but firm in the process
- ▶ Will follow guidelines in notifying residents of overdue bills and potential water shut off
- ▶ Water shut off is a last resort but is a possibility if bills are left unpaid

# Current Billing Scenario

- ▶ Sewer rent is billed quarterly and is due in 30 days
- ▶ After 30 days, a one time penalty is incurred for unpaid bills
- ▶ When an account is two quarters delinquent
  - Past Due Notice is sent advising resident to pay within 30 days
  - Face the possibility of termination of water service and filing of a lien against their property

# Billing Scenario Proposed

- ▶ Both Liens and Water Shut-off Process start at \$1,000 owed or three years whichever is sooner
- ▶ Bills modified to add total outstanding sewer liens owed and date of oldest lien
- ▶ If not fully satisfied by September 15<sup>th</sup>, 2012, lien and water shut-off process starts

# Discontinuing Water Service

- ▶ Township shall comply with all applicable federal state and local laws
- ▶ Owners provided notice and opportunity to resolve  
– Last Resort
- ▶ Residential and Commercial Property owners will be provided notice of the Township's intent to shut-off water (PA Water Services Act)

# Discontinuing Water Service

- ▶ Landlord/Tenant Residential Properties will be notified of the Township's intent to shut-off water (PA Utility Service Tenants Rights Act)
- ▶ Notice will be provided to the landlord and all affected tenants separately in accordance with the act
- ▶ All notices will be provided by mail and the property will be posted prior to shut-off

# Payment Agreements

- ▶ After September 15<sup>th</sup>, 2012 written payment agreements are required
- ▶ Principal, penalty, interest (10% annual), and legal expenses continue to accrue
- ▶ Township Manager designated by board to enter into payment agreements
- ▶ Failure to comply results in termination of water service and execution of lien



# *Comments & Questions*

Whitpain Township