

RESOLUTION NO. 177-24

A RESOLUTION OF THE WEST MIFFLIN SANITARY SEWER & STORMWATER AUTHORITY, ALLEGHENY COUNTY, PENNSYLVANIA, ADOPTING AN UNCOLLECTABLE ACCOUNTS AND BAD DEBT WRITE OFF POLICY

WHEREAS, the West Mifflin Sanitary Sewer and Stormwater Authority (“Authority”) has discussed implementing an Uncollectable Accounts and Bad Debt Write Off Policy; and

WHEREAS, the Authority has directed staff to comply with the Policy;

NOW, THEREFORE BE IT RESOLVED, that the following Uncollectable Accounts and Bad Debt Write Off Policy is hereby adopted.

Section 1. Definitions

- A. “Uncollectable accounts” refers to any account or debt owed the Authority which has become overdue by more than ninety days.
- B. “Collection” means any action taken by the Authority to attempt to collect a debt or account which is overdue.
- C. “Credit” means the extension of any services by the Authority to any person or entity for which a charge or fee is levied, and for which the charge or service is provided in advance of payment.
- D. “Debt” means any sum of money which a citizen of a borough, or customer of the Authority in some capacity, is legally obligated to pay to the Authority for any purpose.
- E. “Overdue” refers to any debt owed to the Authority which has not been paid within thirty days of the date the payment was due.
- F. “Write-off” refers to any debt for which collection action is no longer pursued.

Collections Policy

- A. The Authority shall take lawful actions to collect all debts owed to the Authority which have become overdue.
- B. The Authority shall employ progressive steps to attempt to collect debts owed to the Authority. These progressive steps may include the following:

1. Mailing of a collection dunning letter to the last known valid address of the debtor;
2. Mailing and physical posting of a utility disconnection notice for failure to resolve any debt owed the Authority;
3. Physical disconnection of utilities for failure to resolve any debt owed the Authority;
4. Forwarding of overdue accounts to a collection agency for further collection attempts;
5. Publication on the Authority website and/or in a local newspaper of the names of residents, businesses and other entities who meet all of the following criteria: (a) have a debt or debts owed to the Authority which are overdue; (b) to whom a collection letter has been written; and (c) who have not entered into a payment plan with the Authority;
6. Revocation of all credit by revoking the good standing of an individual, business or other entity and placing such an entity on a cash-only basis;
7. Filing of a civil suit in the appropriate legal jurisdiction for both a judgment of indebtedness and a writ of execution;
8. Employment of process servers to execute writs of judgment, taking all appropriate actions afforded by law to include a bank account levy and seizure of other collateral;

C. The Authority may, at its discretion, add collection costs to any overdue balance. As a matter of policy, collection costs will be added to all accounts turned over to a collection agency for further collection attempts.

D. The Authority Board shall have the authority to approve payment plans for overdue balances owed the Authority. The Board may delegate this responsibility. This authority shall include the ability to establish repayment terms. The following criteria shall be applicable to all payment plans:

1. A citizen, business, or entity may have only one active repayment plan at any time. Consolidation of multiple debts into repayment plans may occur at the discretion of the Authority Director.
2. Any payment plan shall be for past due balances only and shall contain a provision that all new balances must be paid in full in addition to required payment per the plan.

3. Unless unusual circumstances are present, no payment plan shall have a repayment term exceeding twelve months.
4. For any payment plan exceeding five thousand dollars, the Authority shall, as a matter of course, require the debtor to agree to a lien on real property owned by the debtor as a condition; agree to a confession of judgment; and agree to having reasonable legal fees added to any judgment obtained by the Authority.

Write-Off of Uncollectable Debt

- A. Unpaid debts for which more than one hundred eighty days has elapsed since the date of the bill or invoice, and which are under a cumulative amount of one thousand dollars per customer, may be written off immediately upon approval of the Authority Board, if they are deemed not to be cost efficient to attempt to collect on.
- B. Any overdue debt which is not collected within ninety days shall, as a matter of accounting policy, be recorded against the allowance for uncollectable accounts when applicable under governmental accounting guidelines. Collection actions shall not cease, however, until the debt is collected, a statute of limitations is reached, or the debt is written off. Any debt recorded against the allowance for uncollectable accounts, which is subsequently recovered, shall as a matter of accounting policy be recorded as a recovery of bad debt.
- C. Unpaid debts for which a balance externally loaded from Jordan Tax Service where there is no current activity or historical usage may be written off immediately upon approval of the Authority Director, if they are deemed not to be cost efficient to attempt collection on.
- D. Any debt accumulated that now resides on an empty parcel of land, as the home was demolished by West Mifflin Borough, may be written off immediately upon approval of the Authority Director, if they are deemed not to be cost efficient to attempt collection on.
- E. Any account that has been inactive for over one hundred and twenty days with a final invoice of less than fifty dollars per customer, may be written off immediately upon approval of the Authority Director, if they are deemed not to be cost efficient to attempt collection on.

Offset

- A. If a resident, business, vendor, developer or other entity has an overdue balance owed to any account of the Authority, the Authority shall have the authority to offset

such overdue balances against any payment to be made to such resident, business, vendor, developer or other entity unless otherwise prohibited by law.

B. No offset of an overdue balance shall occur unless the resident, business, vendor, developer or other entity is notified in writing of the overdue balance and afforded a minimum period of ten business days to remit the overdue balance. During this ten-business-day period, the Authority will withhold payments otherwise due.

Section 2. This Resolution shall take effect on the date of enactment set forth below.

Section 3. If any one or more of the provisions or terms of this Resolution shall be held invalid for any reason whatsoever, then, such provision or terms shall be deemed severable from the remaining provisions or terms of this Resolution to the maximum extent possible and shall in no way affect the validity or enforceability of any other provisions hereof.

Section 4. Any resolution of the Authority conflicting with this Resolution shall be and the same is hereby repealed in so far as the same affects this Resolution.


RESOLVED AND ENACTED THIS 5th DAY OF SEPTEMBER 2024.

ATTEST:

**WEST MIFFLIN SANITARY SEWER
& STORMWATER AUTHORITY**



Secretary



Chairman