

SMITHFIELD SEWER AUTHORITY

RESOLUTION NO. 1-2008

A RESOLUTION TO AUTHORIZE RECOVERY OF ATTORNEYS' FEES INCURRED IN THE COLLECTION OF DELINQUENT ACCOUNTS IN ACCORDANCE WITH ACT 1 OF 1996.

BE IT RESOLVED by the Board of Smithfield Sewer Authority as follows:

Section 1. Intent. By Act 1 of 1996, the General Assembly amended the Municipal Claim and Tax Lien Law Act of May 16, 1923, P.L. 207, No. 153, as amended, to specifically authorize inclusion of attorneys' fees incurred in the collection of delinquent accounts as part of a municipal lien. Act 1 requires that municipalities by ordinance or municipal authorities by resolution adopt a schedule of attorneys' fees. Act 1 further requires that, prior to imposing attorneys' fees, the municipality or authority must notify the owner of the property with the delinquent account by certified mail of the municipality's or authority's intent to recover these fees and the manner by which assessment of the fees may be avoided by payment of the delinquent account. It is the intention of the Board of Smithfield Sewer Authority in adopting this Resolution to comply with the requirements of Act 1 of 1996.

Section 2. Definitions. Unless otherwise stated, the following words shall, for the purpose of this Resolution, have the meanings herein indicated:

AUTHORITY - Smithfield Sewer Authority.

AUTHORITY SOLICITOR - The person or law firm appointed by the Board to serve as legal counsel to the Authority.

BOARD - The governing body of the Authority.

DELINQUENT ACCOUNT - Any sums due and owing to the Authority which have not been paid within the time required by the Authority's rules, regulations or policies including, but not limited to, charges for sewer service, or any other charge which may lawfully be imposed by the Authority and for which a municipal claim may be filed.

HOURLY RATE - The hourly fee charged by the Authority Solicitor to the Authority

consistent with the ordinary and customary charges by the Authority Solicitor for similar services in the community, but in no event shall the hourly rate exceed the rate charged by the Authority Solicitor to the Authority when fees are not reimbursed by or otherwise imposed upon delinquent customers of the Authority.

Section 3. Imposition of Attorneys' Fees for Collection of Delinquent Accounts. The Board specifically authorizes the recovery of attorneys' fees incurred by the Authority in the collection of delinquent accounts from the person or persons who are responsible for the payment of such delinquent accounts. The Board authorizes the Authority Secretary or the Assistant Secretary to take all actions required by applicable law to enable the Authority to recover attorneys' fees incurred from the persons responsible for this cost and to include such attorneys' fees in municipal claims. This authorization includes, but is not limited to, sending notification to such persons of the intention of the Authority to impose attorneys' fees incurred in collection efforts upon such persons.

Section 4. Schedule of Attorneys' Fees for Services Related to Collection of Delinquent Accounts. The Authority shall impose attorneys' fees upon persons who have delinquent accounts in accordance with the following schedule of the minimum time required by the Authority Solicitor for the listed service times the hourly rate of the Authority Solicitor in effect at the time the Authority Solicitor performed the service on behalf of the Authority:

<u>Service</u>	<u>Minimum Time (tenth of hours)</u>
Prepare collection warning letter, including review of Authority information.	0.4
Obtain and review deed of property	0.2
Prepare certification of amount owing to Authority and transmit certification to Authority	0.3
Prepare Municipal Lien	0.5
File Municipal Lien	0.2
Forward copy of Municipal Lien to Authority	0.2
Prepare civil action complaint before Magisterial District Judge for collection of account	0.7
Prepare for and attend hearing before Magisterial District Judge concerning civil action to collect delinquent account	2.5
Prepare and file Satisfaction of Municipal Lien	0.2

Section 5. Recovery of Additional Attorneys' Fees in Specific Circumstances. The services and minimum times expended by the Authority Solicitor for the services set forth in Section 4 of this Resolution are based upon the experience of the Authority Solicitor and upon standard collection practices. Should the person or persons responsible for payment of a delinquent account take action which will require the Authority Solicitor to perform additional or more time consuming services than contemplated by Section 4, it is the intention of the Authority to recover all of its attorneys' fees so incurred. Such actions include, but are not limited to, filing of counterclaims, challenging the legal power of the Authority to impose and collect the fee, rate, charge or other cost or similar actions.

Section 6. Severability. The provisions of this Resolution are severable, and if any section, sentence, clause, part or provision hereof shall be held to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Resolution. It is hereby declared to be the intent of the Board that this Resolution would have been adopted if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

Section 7. Effective Date. This Resolution shall take effect and be in force after its adoption by the Board of the Authority as provided by law.

DULY ADOPTED the 14th day of July, 2008, by the Board of Smithfield Sewer Authority in lawful session duly assembled.

SMITHFIELD SEWER AUTHORITY

Attest: Luis J. Ferrer
(Assistant) Secretary

By: Ronald D. Scott
(Vice) Chairman

[AUTHORITY SEAL]