

## Collection Procedures and Maine Water Utilities

Every utility, regardless of type or size, needs to have the ability to collect its approved rates and fees from those using the services or connected to the system. This is especially true for water departments and districts, such as the Belfast Water District, which are generally small, community non-profit entities. For these utilities, every dollar not collected from one user is money that other users ultimately pay through higher rates. The State of Maine has given these utilities various methods for collection of unpaid service charges and fees. The two most commonly used are described below, although there are others. **Please take note of #2 below.**

**1 – The Maine Public Utilities Commission (MPUC) Disconnection Rules:** Maine Water Utilities are subject to Public Utilities Commission regulation. The MPUC core mission includes regulating the rates and fees that utilities charge and regulation of many of the processes they can use to collect unpaid amounts. One of the main tools provided by the MPUC is disconnection of service for various reasons, including but not limited to customer non-payment, failure of a user to sign up as a customer, or the breaking of a payment arrangement. A full discussion of disconnection process is available in the MPUC Chapter 660 supplemented by the approved Belfast Water District Terms and Conditions. Please keep in mind that the Belfast Water District will be happy to work with any customer to make a reasonable payment arrangement for unpaid bills, pursuant to MPUC Regulations.

**2 – The Maine Water Utility Lien Laws, as padded by the State Legislature:** The Maine State Legislature has provided all Maine Water Utilities with lien laws modeled on the property tax and sanitary district laws. For water utilities, such as Belfast Water District, the predominant law is Title 35-A Section 6111-A, available on-line. The Legislature passed this law to supplement the tools available through the MPUC. For sewer systems, the law followed depends on the type of utility; Sewer department, Sanitary or Sewer District.

**Many property owners are unaware of this law and its use.** Like the property tax and sanitary district lien laws, these liens create secured mortgages on the property, and municipalities and water and sanitary utilities have the highest claims on the property – higher than any bank that holds a mortgage.

**There are two major aspects of these laws that a property owner needs to know in the event that a property is lienied as a result of unpaid bills.**

- These liens can result in **automatic foreclosure** on the property if the charges remain unpaid when the lien matures.
- **The lien follows the property, not the person who used the service.** In other words, if a new property owner does not deal with seller unpaid utility bills during a proper closing, the new owner will usually be responsible through the lien process for the unpaid charges of the prior user. In the case of landlord tenant relationships, the landlord will usually be responsible through the lien process if a tenant leaves without paying their water/wastewater charges.

As in the case of the MPUC regulations, the Belfast Water District will be happy to work with any customer to make a reasonable payment arrangement for lien charges. However, no lien, once placed, will be discharged until paid in full with all checks having cleared.

**We hope that this article has helped you to understand the tools available to the Belfast Water District to collect fees for unpaid Service Charges. If you have any questions, please call the District at 207-338-1200 or come into our office so we may assist you.**