

# Town of Mount Airy

## Memorandum

Procedure Manual

Dept/Number: Water and Sewer - 7

Water & Sewer Policy Manual -Hardship Relief and Payment Plan Procedure

### **1. Purpose**

The purpose of this procedure is to establish a uniform process for addressing water and sewer accounts that become delinquent due to temporary financial hardship. This procedure is intended to protect public health, provide reasonable flexibility to customers experiencing hardship, and ensure the continued financial stability of the Town's water and sewer systems.

### **2. Authority**

This procedure is adopted pursuant to the Town's authority to operate, bill for, collect, and enforce water and sewer charges, including the authority to establish payment arrangements and conditions for continued service.

### **3. Applicability**

This procedure applies to all water and sewer customers served by the Town of Mount Airy and to all Town staff responsible for billing, collections, and customer service related to water and sewer accounts.

### **4. Definitions**

#### **Hardship:**

A temporary reduction in household income or increase in necessary expenses that affects a customer's ability to pay water and sewer charges when due. Examples include, but are not limited to, furlough, federal or state government shutdowns, major medical expenses, emergency situations, or other verified financial disruptions.

#### **Delinquent Account:**

Any water and sewer account with charges that remain unpaid after the stated due date.

#### **Payment Plan:**

A written agreement between the Town and the customer that provides for repayment of delinquent charges over a defined period while remaining current on new charges.

### **5. Request for Hardship Consideration**

5.1 A customer with a delinquent account may request hardship consideration by submitting a Hardship Request Form to the Town.

5.2 The customer may be required to provide documentation supporting the hardship or may submit a written self-attestation for short-term hardship.

5.3 Submission of a Hardship Request Form does not guarantee approval and does not suspend enforcement unless and until a payment plan is approved.

## **6. Payment Plan Options**

6.1 Payment plans shall not exceed a total duration of six (6) months from the billing date of the payment to be deferred.

6.2 The Town may approve one of the following payment plan options:

### **A. Standard Payment Plan**

- Duration: Up to one billing quarter (three months).
- Delinquent balance shall be divided into equal monthly payments.
- Customer must pay all new and current bills when due.

### **B. Extended Payment Plan**

- Duration: Up to two billing quarters (six months).
- Delinquent balance shall be divided into equal monthly payments.
- Customer must pay all new and current bills when due.

6.3 Payment amounts may be adjusted within these timeframes to establish reasonable and workable payment terms.

## **7. Good Faith Down Payment**

7.1 A good faith down payment equal to ten percent (10%) of the total delinquent balance is generally required to initiate a payment plan.

7.2 The good faith down payment requirement may be waived on a case-by-case basis for verified hardship, subject to approval by the Town Administrator, Mayor, or designee.

7.3 Approval or waiver of the good faith down payment shall be documented in the customer's account record.

## **8. Continuation of Service**

8.1 Water and sewer service shall not be discontinued for nonpayment while a customer is actively complying with an approved payment plan.

8.2 Compliance includes timely payment of all plan installments and payment of all new water and sewer charges when due.

## **9. Default on Payment Plan**

9.1 A payment plan shall be considered in default if full payment of the delinquent balance is not received by the end of the approved payment plan term or if materially false information was provided.

9.2 Upon default, the Town shall provide written notice and courtesy outreach.

9.3 The customer shall be provided fourteen (14) calendar days to cure the default.

9.4 If the default is not cured, the account shall revert to the Town's standard Water and Sewer Collections/Shutoff Policies and Procedures.

## **10. Special Circumstances**

10.1 Cases involving severe hardship or other exceptional circumstances may be escalated to the Town Administrator, Mayor, or designee for review.

10.2 Any deviation from standard payment terms shall be approved in writing and documented in the account record.

## **11. Assistance Resources**

11.1 Customers approved for a payment plan shall be provided information on available assistance resources, which may include:

- Maryland 211 - Central referral system for utility assistance, emergency aid, and nonprofit resources.
- Mount Airy Net - Local community-based assistance, where eligibility requirements are met.
- Carroll County Health Department / Department of Social Services - Emergency assistance programs and benefit screening.
- Frederick County Health Department / Department of Social Services - Emergency assistance programs for residents on the Frederick County side of Town.
- Local nonprofit, faith-based, or charitable assistance programs commonly used within the region.

11.2 Participation in outside assistance programs does not relieve the customer of responsibility for compliance with the Town's payment plan.

## **12. Declared Emergencies**

12.1 During declared emergencies or widespread economic disruptions, the Town Administrator or Mayor may authorize temporary adjustments to this procedure, including expanded eligibility or modified payment terms.

12.2 Any such adjustments shall be documented and applied consistently.

### **13. Recordkeeping**

13.1 All hardship requests, payment plans, approvals, and related correspondence shall be maintained in the customer's account file in accordance with Town record retention requirements.

### **14. Review**

This procedure shall be reviewed periodically and updated as necessary to reflect changes in law, policy, or administrative practice.

**By:** \_\_\_\_\_

Larry Hushour, Mayor

**Accepted:** \_\_\_\_\_

Jared Schumacher, Town Administrator

**Effective Date:** \_\_\_\_\_