

# CITY OF PERRIS PAYMENT PLAN POLICY FOR UTILITY CUSTOMERS

## I. PURPOSE

The purpose of this Payment Plan Policy is to establish guidelines for Perris utility customers to cure any delinquencies on their account on a deferred basis, and allow the customers to continue to receive utility services.

In order to prevent service disconnection, a minimum payment can be paid each month and is defined in Section II below. In the event a customer is unable to make that minimum payment, a request for a payment plan can be made. Qualifications, definitions of the types of payment plans, and allowable extensions of time to pay are further defined in Section III.

## II. MINIMUM PAYMENT DEFINITION

- Minimum payments are calculated based on the total account balance.
  - In the example below, the total account balance is \$325.34. There are a total of three (3) bills on the account. One (1) is current and not yet due and the other two (2) bills are past due. In order to calculate the minimum payment due for this customer, the current and one (1) past due bill is subtracted from the total amount due. The minimum payment due in this example is \$110.20.
- The minimum payment is the amount a customer must pay to prevent disconnection once there are three (3) bills on the account. Minimum payments can include previously incurred and/or required charges such as: reconnect fees, NSF Fees, illegal restoration fees, and late charges.

\$ 325.34	Total Account Balance				
\$(114.94)	Current Bill				
\$(100.20)	Most Current Past Due bill				
<b>\$ 110.20</b>	<b>Minimum Payment (oldest past due balance)</b>				

## III. PAYMENT PLAN POLICY

- **Types of Payment Plans**
  - Extend the original due date
    - A customer can request to extend the original due date 1-7 calendar days if he/she agrees to pay just the minimum payment (see table above for description).

- A customer can request to extend the original due date 8-14 calendar days if he/she agrees to pay the minimum payment + 50% most current past due amount (see table above for description).
  - A customer can request to extend the original due date 15+ calendar days if he/she agrees to pay the minimum payment + 100% most current past due amount (see table above for description).
- Set up payment installments due to financial hardship, large past due balances, and/or leaks
  - Past due balance is defined, using the table above, as the “oldest” and “most current” past due bills.
  - A customer can request to enter into a payment plan agreement that allows him/her to pay on their account over a period of time based on the total past due amount (see table below).

<u>Past Due Amount</u>	<u>Maximum Time to Pay</u>
<\$300	4 months
\$300 - \$400	6 months
\$400 - \$500	8 months
>\$500	10 months

- In the event of a leak on an account that is not past due, a customer’s maximum time to pay will be determined by the amount of water usage fees charged during the month the leak occurred and using the table above.
  - Customers may be required to make a partial payment on the account prior to establishing this type of payment plan.
  - In addition to keeping payment plan installments current, all current, new, and future charges on the account must also be paid on time, including late fees.
  - Extensions and payment plans are subject to management approval and payment frequency (weekly, monthly, etc.) is set at the time the agreement is drafted.
  - The Assistant City Manager/Finance Director has the discretion to authorize payment agreements that are outside this policy.
- **Qualifications for Entering into a Payment Plan Agreement**
  - All types of payment plan agreements shall be in written form, signed and dated by the authorized account representative (account holder, tenant, or other approved/appointed representative).
  - A request for a payment plan must be made by the account holder.
    - Valid identification must be presented by the account holder at the time a payment plan has been requested. A copy of the identification will be attached to the signed payment plan agreement and kept in the City’s files.
    - If the account holder is a landlord and the tenant wishes to enter into a payment plan agreement, authorization from the account holder must

be given. City staff will obtain proper identification from the account holder (i.e. government issued identification, verbal identification through security questions) at the time authorization is given to the tenant. The tenant will then be required to provide identification at the time the payment plan is requested. A copy of the identification will be attached to the signed payment plan agreement and kept in the City's files.

- In the event the landlord is not available to give permission to the tenant to enter into a payment plan agreement, a tenant may provide the City with a valid rental agreement as permission from the landlord.
- If a tenant is already listed on the account as a “dual notification” recipient, it has already been established that the tenant has permission to enter into the payment plan agreement (at the time the account was opened) and no additional documentation is needed to pass permission from the landlord to the tenant.
- A request for a payment plan must be made prior to disconnection of service to avoid reconnection fees.
- Customers may be required to make a partial payment on the account prior to establishing a payment plan.
- In addition to keeping payment plan installments current, all new and future charges must also be paid on time, including late fees.
  
- **Late Fees and Default of Payment Plan Agreement**
  - Entering into a payment plan agreement with the City of Perris does not prevent late charges or any other fees from being assessed due to account status.
  - Any of the following constitutes a default of the payment plan agreement:
    - Failure to pay a payment plan installment on or before the installment due date.
    - Payment amount is less than the agreed upon payment installment.
    - Failure to pay the full amount of new/future charges (not associated to the payment plan) on or before the due date.
  - If default occurs:
    - No further payment plans will be established during the next six (6) month period.
    - Collection processes will begin immediately on any past due amount. This can include disconnection of utility services and/or referral to a collection agency.
    - If service has been disconnected, reconnection will not occur until all amounts due (current + past due), plus the reconnection fee, is paid in full.

- **Contact Information for City of Perris – Water Department**
  - Phone: (951) 943-4610
  - Office Address: 101 N. D Street, Perris, CA 92570
  - Email: [Water@cityofperris.org](mailto:Water@cityofperris.org)