

UTL-3.03 - Payment Arrangements Policy

Payment Arrangements Policy

Administrative Rule Adopted by Water Bureau Pursuant to Rule-Making Authority

ARB-UTL-3.03

OBJECTIVE:

Water, sewer, and stormwater rates are not designed nor intended to provide financing solutions to customers to manage accounts in arrears. The Water Bureau recognizes that at times customers face difficult financial issues regarding the water and sewer bills. The Bureau will accommodate these customers on a limited basis.

POLICY:

Budget payment plans are based on estimates of consumption. A budget plan establishes monthly amounts designed to keep the account balance current on an annual basis. These plans are pay-as-you-go with account true up occurring at the end of the 12-month cycle. These plans will be supported and offered by the Water Bureau. Eligibility for budget plans includes residential customers with no shut off actions within the previous 12 months.

Requests for payment arrangements for accounts in arrears or delinquent will be managed as follows:

In recognition of the significant impact on customers account balances due to the billing system problems, a relaxed payment arrangement policy will be followed until June 30, 2004. On July 1, 2004, the Water Bureau will return to a standard policy.

The Relaxed Payment Arrangement Policy: (expires June 30, 2004)

Terms for eligibility and establishment of a payment arrangement:

Accounts receiving the 20% sewer discount:

Accounts receiving the 20% sewer discount program are eligible for up to 24 months interest-free payment plans. For residential accounts qualifying for a 20% sewer credit, the water amounts will be bundled with the sewer and storm amounts to calculate monthly amounts for this plan.

For all non-residential accounts eligible for the 20% sewer discount program, the

water portion of the bill will be separated from the sewer and storm water amount. If a non-residential customer requests a 24-month payment arrangement, the sewer and storm amount will be offered over a 24-month period and the water amount will be requested to be paid in full. A payment arrangement for the water portion can be negotiated with the customer not to exceed 12 months. To date, over 90% of the accounts eligible for 20% have been credited and, if requested, 24-month payment plans have been put in place for these accounts. Only small amounts of activity on the 20% credit and 24-month payment plans are expected in the future.

Hardship accounts:

Accounts designated as hardship situations as defined in the Hardship Policy will be eligible for up to a 24-month payment arrangement plan.

All water and sewer accounts with outstanding balances:

All water and sewer accounts in arrears are eligible for a payment plan not to exceed a 12-month period. The payment plan will be calculated to remove the arrears amount within the agreed time (maximum of 12 months) while keeping ongoing charges current. Water Bureau representatives will be authorized to negotiate terms of payment plans for arrears amounts with terms not to exceed 12 months. The customers will be encouraged to make arrangements for the shortest time possible.

Actions taken when payment plans are not followed:

Periodic reviews will occur of all payment arrangements to verify that payments are timely and of a correct amount. If an account is found to be in noncompliance in either area, the account will be removed from a protected status and will follow policy and procedures for delinquent accounts. (Refer to the Delinquent Account Policy for the details of the policy.)

If due to delinquent account actions, a payment arrangement customer requests further consideration on the account to avoid or remedy a shut off action, the following policy will apply:

The customer will be informed that one and only one more payment arrangement will be offered. The terms of the payment arrangement will include receipt within seven (7) days a payment of 1/3 of the current balance due on the account. Locked service requires a payment of 1/3 of the current balance received in our office prior to the restoration of service.

The remaining balance due and the current estimated usage of water and sewer services will be used to recalculate a new recurring equal payment arrangement amount. The end date of the payment arrangement will remain the same as the original plan.

Periodic reviews will occur on the revised payment arrangement. If the account is again found to be in noncompliance, the account will be removed from a protected status and will again follow policy and procedures for delinquent accounts. No further payment arrangements will be offered to the customer. For these customers, the only remedy to avoid further delinquent account fees and actions, or to have water service restored is to pay, or promise to pay, the account in full within seven (7) days. Locked service resulting from multiple payment defaults requires receipt of the full balance in our office prior to the restoration of service.

Exception: For those customers on the Low Income Program (LINC) or those accounts receiving a 20% sewer discount, a third payment arrangement plan may be offered if they break their second pay plan arrangement. The customer will be informed that one and only one more payment arrangement will be offered. The terms of the payment arrangement will include receipt within seven (7) days a payment of 1/3 of the current balance due on the account. Failure to keep this third arrangement will result in the account being removed from a protected status, following policy and procedure for delinquent accounts. This exception will expire on June 30, 2004.

The Standard Payment Arrangement Policy (effective July 1, 2004)

Hardship accounts:

Accounts designated as hardship situations as defined in the Hardship Policy will be eligible for up to a 12-month payment arrangement plan.

All water and sewer accounts with outstanding balances:

All water and sewer accounts in arrears will be eligible for payment arrangements with the term of the arrangement not to exceed twice the normal billing cycle term. For example, a monthly account will qualify for a 2-month payment arrangement, a bimonthly account will qualify for a 4-month payment arrangement, and a quarterly account for a 6-month payment arrangement. All payment arrangements will expect a monthly payment on a recurring date. The payment plan will be calculated to remove the arrears amount within the agreed time while keeping ongoing charges current. Water Bureau representatives will be authorized to negotiate terms of payment plans for arrears amounts with

terms not to exceed the above time limits. The customers will be encouraged to make arrangements for the shortest time possible.

Periodic reviews will occur on the revised payment arrangement. If the account is found to be in noncompliance, the account will be removed from a protected status and will follow policy and procedures for delinquent accounts. Refer to the Delinquent Account Policy for the details of the policy.

No further payment arrangements will be offered to the customer. The only remedy for the customer to avoid delinquent account fees and actions is to pay the account in full.

APPLICABILITY:

This policy applies to all customers of the Portland Water Bureau receiving water, sewer, and/or stormwater services. All managers, supervisors, and employees in the Water Bureau Customer Service Group will consistently apply the policy to customers.

HISTORY

Filed for inclusion in PPD July 8, 2003.

Adopted by Water Bureau. Document dated April 1, 2003.

Amended document dated August 13, 2003 filed in PPD November 6, 2003.