



SUBMISSION FORM

All submission forms must include the following information. Separate submission forms must be turned in for each eligible program. **Deadline: July 1, 2023.** Please include this submission form with the electronic entry. If you do not receive an email confirming receipt of your entry within 3 days of submission, please contact [Gage Harter](#).

PROGRAM INFORMATION

County: Chesterfield County, VA

Program Title: Establishing A Payment Plan Program for Our Customers

Program Category: Customer Service

CONTACT INFORMATION

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SIGNATURE OF COUNTY ADMINISTRATOR OR DEPUTY/ASSISTANT COUNTY ADMINISTRATOR

Name: Joseph P. Casey, Ph.D.

Title: County Administrator

Signature: Joseph P. Casey, Ph.D.

Digitally signed by Joseph P. Casey, Ph.D.
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email=caseyjoe@chesterfield.gov, c=US
Date: 2023.06.27 12:19:51 -04'00'

Establishing A Payment Plan Program for Our Customers

The Overview:

Beginning March 2020, the Customer Operations group used strategic planning methods to tackle changes to our normal business practices during the COVID-19 pandemic that are still in place today. Many pre-pandemic business practices needed to be revamped to accommodate the new needs of our employees and customers. Drastic changes were made to existing business practices related to collections on past due accounts. During the pandemic, customer past due balances grew due to a state enacted disconnection moratorium. When the moratorium ended, funds from Utility Assistance Program and ARPA federal programs were applied to past due accounts, according to program guidelines. Once federal assistance ended, customers were made aware collections would resume on past due balances. With our customers in mind and the high past due balances, we proposed the concept of payment plans for customers unable to pay their bills during the pandemic.

Strategic planning means having a strategic perspective for one's business, a vision for the future, which will give the organization a competitive advantage and the right tools to take necessary actions to always keep the organization successful with the customers in mind. Our strategic plan for proposing the payment plan for our customers was to ensure our customers' services were not interrupted.

The Challenge:

Prior to the COVID-19 pandemic, Chesterfield County Utilities actively collected accounts with a past due balance over \$200 with no payment received in the last four months. We hung a Courtesy Notification (CN) tag on the customer's door, requesting payment the next day. If

payment was not received, service was disconnected until payment received. During COVID-19, the state enacted a disconnection moratorium from April 2020 to September 2021 for water and/or wastewater customers. Customers facing financial hardship during the pandemic did not pay their water and wastewater bills, causing the amount of past due balances carried by Chesterfield County Utilities to increase to \$2,968,647.07, or 33.16%. In summer 2021, we encouraged our customers to apply for the federal Utility Assistance Program for past due utility bills. We applied \$1,245,548 of Utility Assistance Program funds to past due balances. When the disconnection moratorium ended in September 2021, we were aware of additional impending additional federal assistance and deferred collection efforts. In January 2022, Chesterfield County Utilities received and applied \$1,446,279.35 of federal ARPA funds to customer past due balances. However, because we were not actively collecting past due accounts during the two years of the pandemic, our customers past due balances grew. Prior to reimplementing collections, we noted historic high customer past due balances. We understood it would take time for customers to bring their balance current and needed a solution to help our past due customers.

The Program Description:

We developed a payment plan program to allow our customers to repay high past due balances over time. To avoid disconnection, our program required the customer to make a down payment and agree to make monthly payments for the remainder of the past due balance. The customer was also required to pay the entire current bi-monthly bill. We mailed a letter to the customer outlining the agreed upon terms of the payment arrangement.

Execution of Program:

Chesterfield County Department of Utilities customers are billed bimonthly in eight billing cycles. The number of accounts per cycle are as follows:

Cycle	Number of Accounts
1	16,467
2	17,955
3	15,952
4	16,568
5	17,560
6	13,184
7	11,371
8	11,545

In March 2022, approximately 30.36% of our 120,000 accounts were past due. In April 2022 we began hanging CN tags on the door of customers with past due balances over \$1,000. After the pandemic, we updated the CN to a request the customer pay the past due balance within 10 business days to avoid disconnection. Over an eight-week period, we hung CN tags in each billing cycle for customers with past due balances over \$1,000 until we completed all eight cycles.

Hanging the CN tags caused many customers to contact our call center. Our Customer Service Representatives (CSRs) helped customers in crisis find a solution to pay their utility bill by making the payment arrangement process painless, free, and workable in accordance with their ability to pay. The CSRs were given guidelines to help customers develop workable payment arrangements. If customers could not pay the entire past due balance, a deposit, and a minimum payment of \$100.00 per month was required to participate in a payment plan. In addition, customers were required to pay their regular bimonthly bill in full. The CSRs kept thorough records of their conversations and documentation related to customer payment arrangements and entered the information in our billing system. If another CSR talked to the customer, they could

help the customer by reading the account notes. If the customer did not pay the full past due balance or contact us within ten business days after receiving a CN, we disconnected the customer's service. The disconnections also caused customers to contact our call center. We used the same criteria of a down payment and payment arrangement from the customer before reconnecting service.

To balance the workload of staff hanging CN tags, disconnecting customer services, and answering customer calls, we hung CN tags for one cycle each week. To maintain equity for our customers, we collected the same past due balance in all eight cycles before reducing the balance collected. We attempted to keep the workload below 125 CN tags each week/cycle. We are currently collecting accounts with a past due balance over \$400 and plan to continue to decrease the past due balances each time we go through the cycles until we return to the pre-pandemic level of \$200.

Past Due Balances Over	Total Number of CNs for 8 Cycles
\$1,000	451
\$800	563
\$700	687
\$600	841
\$500	948

Below is the general guidance a customer service representative uses when a customer call indicating they would like a plan to pay off the delinquent balance on their account.

When a customer asks for assistance with the delinquent balance on their account, the CSR can provide the following information:

1. Inform the customer we can offer a repayment plan for their past due balance.
 - a. This plan can include any past due balance.

- b. The unpaid balance will accrue penalty and interest.
- c. Customers do not have to pay a fee to be on a plan, but a down payment equal to the first month payment is required.
- d. Customer is cut off without notice, if they miss one payment during the repayment period (first payment is made while establishing the repayment plan).
- e. Require the customer to make a minimum of \$100/monthly payment.
 - i. Require the customer to make the payment while on the phone equal to the first month before establishing a repayment arrangement.
 - ii. A repayment plan can run up to 24 months with a minimum of \$100.00 payment each month.
 - iii. If the customer failed with the first arrangement plan, the customer could request for a second repayment plan. The customer can be on the second repayment plan up to 12 months with a minimum \$100/month payment.
 - iv. If the customer failed with the second arrangement, the customer could request for a third repayment plan. The customer is required to pay 25% of past due balance before agreeing to the third repayment plan. The customer can be on the third repayment plan up to 12 months with a minimum \$100/month payment
 - v. Missing one payment removes the customer from a repayment plan, but the customer can request up to three repayment plans.
 - vi. If a customer wants more than 24 months to pay their past due balance inform the customer, it will have to be approved by management. The

Customer Operations Manager must approve plans over 24 months after review.

Field Services, if at the property to disconnect, should not wait for a customer to establish a payment arrangement to avoid disconnection.

Field Services will disconnect service and the customer will be charged the \$30 reconnection fee.

2. The customer needs to make the first payment over the phone or online while on the phone with the Call Center CSR before the repayment plan is established to avoid disconnection. If the customer wants to make the first payment in person, the customer can call back to set up the repayment arrangement after the agreed upon payment is made.
3. Call Center CSR will ask customer for the best way to contact them. Get email or phone numbers. Update Customer Information System (CIS) with contact information, if necessary.
4. Type all notes of the phone conversation in CIS, be very detailed.
5. Call Center CSR will complete the repayment letter for the customer and forward the letter to the assigned CSR to complete the process. Note: A CSR will be assigned to handle all repayment plans.
6. The assigned CSR for the repayment process will complete the Repayment Plan Reporting Spreadsheet on the tab with the CSR's name who initiated the repayment plan. An example account is on the first row of the spreadsheet on each tab. The assigned CSR

has access to a link to update the spreadsheet. The assigned repayment CSR will monitor repayment plan spreadsheet.

7. The assigned repayment CSR will review and complete the letter regarding the repayment plan and send to the customer and retain a copy in CIS. Note whether the letter was sent by USPS or by email.
8. The CSR assigned to monitor repayment plan accounts will ensure customers make repayment plan payments on time and pay current bills on time.
9. If a monthly repayment is not made by the due date, the assigned repayment CSR will notify the Revenue Collector to create a disconnection notice tag. The customer will be required to make a payment of their past due balance in full or make the first payment on a subsequent payment arrangement (See 1.e.iii – iv above) before water service is restored.
10. A repayment letter will be sent to the customer once the customer agrees to the plan. The letter includes the statement regarding penalties and interest being charged to the account on the past due amount and that service can be cut off without notice after two missed payments.

The Results:

The payment plan program is an important part of our daily work processes. Everyone in the customer service group understood and can explain the program to customers needing assistance. With guidance and understanding, the program becomes a success. Customers participating and following the payment plan program can rest assured their services will not be interrupted. Customers with a missed payment or payments, are still able to remain with the program if they pay all the missed payments along with the current bill.

As of today, the program is still in the advancement and overview stage where we attempt to enhance and promote the program so customers still struggling with high balances can participate. Customers not able to pay their delinquent balance on time can take advantage of the program to avoid disconnection. For the Utilities Department, the program is a success if we can prevent just one disconnection because the customer participated in this program. Over 10% of our customers are currently participating in the program. Approximately 20% of the customers dropped out of the program due to missed monthly payments or failure to pay the current bill in full. However, customers can be reinstated if they meet the payment plan requirements. There are 1,209 customers currently active in the payment arrangements program. Over 2,500 customers successfully completed the program and paid their past due balances in full. Of the 1,716 customers who broke their payment arrangement and restarted, 507 customers completed the program and paid their balances in full. In total, 5,459 customers participated in the program since its inception.

Our Commitment:

Our goal was to help customers with past due balances avoid disconnection and become a good paying customer. Our employees understood and thoroughly explained to customers the guidelines and importance of the program; reviewing due dates, payment amounts and consequences of not following the established guidelines. Employees reiterated the importance of the commitment the customer needed to make to keep the payment arrangement in good standing.

The intent of the program was to develop a good understanding of our customers' needs and to ensure services will not be interrupted. As an organization, we did not interrupt services for over two years and made no collection efforts during this time. We are embracing the roles and

Chesterfield County Department of Utilities

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responsibilities of both the customers and the CSRs to initiate and monitor the payment plan process.

It is also important to point out communication was the main emphasis for this payment plan program. Our plan was to communicate our department's vision, values, expectations, goals, objectives, and strategies to our customers to assist them during this difficult period. Our goal was to keep our employees informed of any changes to the payment plan program as well as continuous communication of our key values and successes.