



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

PREPARED BY: Art Vela, Interim City Manager

MEETING DATE: January 13, 2026

SUBJECT: Discuss the City of Banning's Current Utility Billing Payment Plan Policies

RECOMMENDATION:

That City Council consider the current utility billing payment plan structure and possible alternatives to payment plans with consideration of the City's recent utility billing challenges.

BACKGROUND:

On November 1, 2024, the City of Banning implemented a new utility billing software system intended to modernize operations and replace the City's legacy billing platform. Following implementation, the City experienced significant technical and operational challenges that affected its ability to generate utility bills.

By late December 2024, the City determined that reverting to the legacy billing system was necessary to restore billing functionality. Because several interconnected systems had been modified or replaced to support the new software, additional time was required to reconfigure those systems and fully reinstate operations under the legacy platform.

As a result of this transition, utility bills for water, wastewater, and electric services were not issued for an extended period, resulting in a billing interruption of approximately six months. Utility billing resumed in April 2025, at which time the November 2024 utility bill was mailed to customers. To address the backlog and return to a normal billing cycle, the City augmented staffing resources and accelerated billing production. During this catch-up period, customers received multiple monthly bills in a single month. For example, utility usage for September 2025 and October 2025 were billed and mailed separately in December 2025.

Barring unforeseen staffing shortages or additional technical issues, the City anticipates that the November 2025 and December 2025 utility bills will be mailed separately by the end of January 2026, at which point the City expects to be current with the issuance of utility bills.

During the catch-up period, the City temporarily suspended the processing of new Payment Plan applications until billing operations were fully up to date. The purpose of this discussion is to review existing Payment Plan practices and to receive direction from City Council regarding potential temporary modifications to the current structure (see attached), such as payment plan duration, deposits, late fees, and service shutoffs, while taking into account the impacts the utility billing delays have had on customers.

For reference, attached to this staff report is Administrative Policy B-34 Discontinuation of Water

Service.

JUSTIFICATION:

The extended utility billing delays resulted in customers receiving multiple bills within a short period as the City worked to return to a normal billing cycle. While necessary to restore operations, this catch-up process may have created financial hardship for some customers. Reviewing and considering temporary modifications to the City's Payment Plan structure will allow the City to balance revenue recovery with customer affordability.

FISCAL IMPACT:

The utility billing delays resulted in the deferral of approximately six months of electric, water, and wastewater revenue, negatively impacting cash flow within the utility funds. While these revenues are expected to be recovered, the timing of recovery will be directly influenced by the length and structure of payment plans. Longer payment terms may provide customer relief but will extend the period over which revenues are collected and prolong cash flow constraints, while shorter terms may accelerate recovery but increase the risk of delinquency.

ALTERNATIVES:

1. Proceed with current Payment Plan structure.
2. Provide direction to staff to modify Payment Plan structure on a temporary basis during the term of the payment plans.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Banning Utility Billing FAQ.docx](#)
2. [Payment Plan Structure.pdf](#)
3. [Admin Policy B-34 Discontinuation of Water Service.pdf](#)