

SB 3094

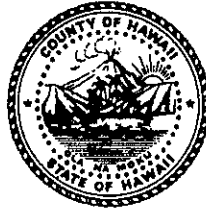
RELATING TO COUNTIES

Empowers counties to impose and enforce liens upon premises served for unpaid water or sewer charges in excess of a certain amount after an opportunity to be heard under chapter 91, HRS.

PSM, WAM

William P. Kenoi
Mayor

Walter K.M. Lau
Managing Director



BJ Leithead Todd
Director

John A. Medeiros
Deputy Director

County of Hawai'i
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
345 Kekūānāo'a Street, Suite 41 • Hilo, Hawai'i 96720
(808) 961-8083 • Fax (808) 961-8086
<http://www.hawaiicounty.gov/environmental-management/>

The Honorable Will Espero, Chair
Senate Committee on Public Safety, Intergovernmental and Military Affairs
Hawaii State Capitol, Room 231

Chair Espero and Members, Senate Committee on Public Safety, Intergovernmental Affairs

RE: S.B. No. 3094, Relating To Counties
Date: Tuesday, February 11, 2014, Conference Room 224

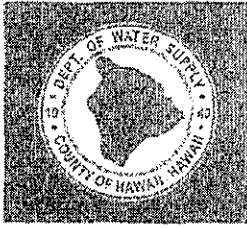
The County of Hawaii's Department of Environmental Management supports the passage of S.B. No. 3094 which would allow the department to impose and enforce liens upon the premises served for any unpaid water or sewer bills. This would only be done after reasonable notice, an opportunity to make payment and an opportunity to request a Chapter 91 hearing. The department sees this as an additional tool to help in the collection of past due accounts.

The department currently has past due accounts in the amount of \$1,026,795 that over 90 days past due. The current process includes letters, payment plans, phone calls and going to court to get a judgment. This process can be time consuming and requires a substantial commitment of resources in terms of staff time from our department as well as from the Office of the Corporation Counsel. In many cases, the time and resources required to get a court ordered judgment exceeds the amount owed. The department also feels that an administrative process for customers to contest past due bills may be better than going through the court system for customers as well.

The department appreciates your consideration and asks that you pass this measure.

Sincerely,

B.J. Leithead Todd
Director, DEM



DEPARTMENT OF WATER SUPPLY • COUNTY OF HAWAII
345 KEKŪANAŌA STREET, SUITE 20 • HILO, HAWAII 96720
TELEPHONE (808) 961-8050 • FAX (808) 961-8657

February 6, 2014

The Honorable David Y. Ige, Senator
16th Senatorial District
Hawai'i State Capitol, Room 208
Chair, Senate Committee on Ways and Means

The Honorable Will Espero, Senator
19th Senatorial District
Hawai'i State Capitol, Room 231
Chair, Senate Committee on Public Safety, Intergovernmental and Military Affairs

SB 3094, RELATING TO COUNTIES

The Water Board of the County of Hawai'i supports S.B. NO. 3094 which seeks to impose and enforce liens upon the premises served for any unpaid water or sewer charges where the premises owner fails, after reasonable notice, to make payment and after being given an opportunity for a hearing pursuant to Chapter 91; provided that the lien may be enforced against the entire unpaid amount.

The Water Board sees the need to place automatic property liens for unpaid water bills as an additional tool to assist the Department of Water Supply's current and active attempts to collect on 1.2 million dollars in delinquent charges for water service which are in arrears past 90 days.

Although a portion of this total amount is anticipated to be collected through previously arranged payment plans or pending water leak adjustments, the majority of the delinquent accounts remain in the collection process for long periods of time. This collection process includes correspondence, phone calls, and taking legal action against customers, when they can be located. This process can be time and resource consuming.

Oftentimes when a lawsuit is filed, the defendant does not respond, and a default judgment will be entered. It is assumed that defendants do not appear because there is no defense—the customer knows it used the water service and did not pay. Yet, the time and resources it takes to obtain a judgment may exceed the amount collected. Having the ability to place an automatic lien against a property after due process is given, shortens the collection time period. Additionally, customers who may be intimidated by the court process, or find the court process too costly, may be more inclined to raise legitimate defenses within the administrative hearing process. Basically, this bill is an effort to shorten collection timelines while affording customers due process and using fewer resources.

... Water, Our Most Precious Resource ... Ka Wai A Kāne ...

The Department of Water Supply is an Equal Opportunity provider and employer.

The Honorable David Y. Ige, Senator
The Honorable Will Espero, Senator
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February 6, 2014

Finally, the Water Board has a public trust responsibility, thus, it is important for all who use water to pay for and protect water as our most precious resource.

The Water Board requests your support of S.B. NO. 3094 and appreciates your attention to this matter.

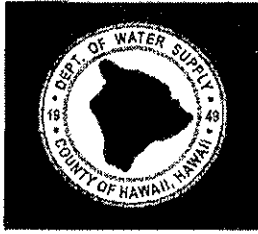
Respectfully,

A handwritten signature in black ink, appearing to read "G. Rick Robinson". The signature is fluid and cursive, with the first name "G." and last name "Robinson" clearly visible.

G. Rick Robinson, Vice-Chairperson
Water Board
County of Hawai'i

KA:dmj

copy – Honorable William P. Kenoi, Mayor, County of Hawai'i
Bobby-Jean Leithead-Todd, Director, Department of Environmental Management
Katherine Garson, Assistant Corporation Counsel
Kenneth Kaneshiro, Chairperson, and Members of the Water Board
Ernest Lau, Manager and Chief Engineer, Honolulu Board of Water Supply
Dave Taylor, Director, Maui Department of Water Supply
Kirk Saiki, Acting Manager and Chief Engineer, Kauai Department of Water Supply



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February 6, 2014

The Honorable David Y. Ige, Senator
16th Senatorial District
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Chair, Senate Committee on Ways and Means

The Honorable Will Espero, Senator
19th Senatorial District
Hawai'i State Capitol, Room 231
Chair, Senate Committee on Public Safety, Intergovernmental and Military Affairs

SB 3094, RELATING TO COUNTIES

The Department of Water Supply (DWS) County of Hawai'i supports S.B. NO. 3094 which seeks to impose and enforce liens upon the premises served for any unpaid water or sewer charges where the premises owner fails, after reasonable notice, to make payment and after being given an opportunity for a hearing pursuant to Chapter 91; provided that the lien may be enforced against the entire unpaid amount.

The DWS sees the need to place automatic property liens for unpaid water bills as an additional tool to assist the DWS' current and active attempts to collect on 1.2 million dollars in delinquent charges for water service which are in arrears past 90 days.

Although a portion of this total amount is anticipated to be collected through previously arranged payment plans or pending water leak adjustments, the majority of the delinquent accounts remain in the collection process for long periods of time. This collection process includes correspondence, phone calls, and taking legal action against customers, when they can be located. This process can be time and resource consuming.

Oftentimes when a lawsuit is filed, the defendant does not respond, and a default judgment will be entered. It is assumed that defendants do not appear because there is no defense—the customer knows it used the water service and did not pay. Yet, the time and resources it takes to obtain a judgment may exceed the amount collected. Having the ability to place an automatic lien against a property after due process is given, shortens the collection time period. Additionally, customers who may be intimidated by the court process, or find the court process too costly, may be more inclined to raise legitimate defenses within the administrative hearing process. Basically, this bill is an effort to shorten collection timelines while affording customers due process and using fewer resources.

...Water, Our Most Precious Resource... Ka Wai A Kāne...


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The Honorable David Y. Ige, Senator
The Honorable Will Espero, Senator
Page 2
February 6, 2014

Finally, the DWS has a public trust responsibility, thus, it is important for all who use water to pay for and protect water as our most precious resource.

The DWS requests your support of S.B. NO. 3094 and appreciates your attention to this matter.

Respectfully,



Quirino Antonio, Jr., P.E.
Manager-Chief Engineer

KA:dmj

copy – Honorable William P. Kenoi, Mayor, County of Hawai'i
Bobby-Jean Leithead-Todd, Director, Department of Environmental Management
Katherine Garson, Assistant Corporation Counsel
Kenneth Kaneshiro, Chairperson, and Members of the Water Board
Ernest Lau, Manager and Chief Engineer, Honolulu Board of Water Supply
Dave Taylor, Director, Maui Department of Water Supply
Kirk Saiki, Acting Manager and Chief Engineer, Kauai Department of Water Supply



Water has no substitute.....Conserve It

February 10, 2014

Testimony of
Kirk Saiki, P.E.
Acting Manager and Chief Engineer

Before the Senate Committee on Public Safety, Intergovernmental and Military Affairs
Tuesday, February 11, 2014
2:50 p.m.
State Capitol, Conference Room 225

The Honorable Senator Espero, Senator Baker and the Committee on Public Safety, Intergovernmental and Military Affairs,

RE: SB3094, RELATING TO COUNTIES

The County of Kaua'i, Department of Water (KDOW), respectfully submits this testimony **supporting** Senate Bill 3094 which proposes that each county may impose and enforce liens upon premises served for any unpaid water or sewer charges where the premises owner fails, after reasonable notice, to make payment and after being given an opportunity for a hearing pursuant to Chapter 91; provided that the lien may be enforced against the entire unpaid amount.

KDOW collects approximately \$1.8 million in water bills per month. Although a vast majority of the water bills are paid on time and most delinquent bills are successfully collected using conventional methods of notifications and payment plans, there are delinquent accounts that remain in the collection process for a long time. KDOW can have as much as \$400,000 delinquent bills that are in arrears past 120 days. A delinquent bill that cannot be collected becomes a burden that must be made up KDOW and KDOW customers.

The collection process, which may include taking legal action, can be labor intensive and costly. Also, the collection process costs can exceed the amount collected. The ability to place a lien against a property after due process is given should reduce the collection times and costs.

Thank you for the opportunity to testify. Should you have any questions feel free to call me at (808) 245-5408 or e-mail at kساiki@kauaiwater.org.

Respectfully,

A handwritten signature in black ink, appearing to read "Kirk Saiki".

Kirk Saiki P.E.
Acting Manager-Chief Engineer

KS/mjg

CC: Honorable Bernard P. Carvalho, Mayor, County of Kauai
Clyde Nakaya, Chairperson, Kaua'i Board of Water Supply
Ernest Lau, Manager and Chief Engineer, Honolulu Board of Water Supply
Dave Taylor, Director, Maui Department of Water Supply
Quirino Antonio Jr., Manager and Chief Engineer, County of Hawai'i, Department of Water
Supply