

Delinquent Accounts Receivable

As of 2/28/09

Delinquent accounts are those accounts 60 days or more in arrears

- 69 account holders owe \$229,101 over 60 days
- 24 account holders owe >\$1,000
- These 24 account holders owe a total of \$217,885 (95.1%)
- YTD, these 24 account holders used 54,832,000 gal. of water
- 45 account holders owe <\$1,000
- These 45 account holders owe a total of \$11,216 (4.9%)
- YTD, these accounts used 914,740 gal. of water

Distribution of Delinquent Accounts

	Number of Account Holders
\$1,000-2,500	7
2,500-5,000	5
5,000-7,500	2
7,500-10,000	5
10,000-15,000	1
15,000-20,000	1
20,000-25,000	1
25,000-30,000	0
30,000-40,000	1
40,000-50,000	0
50,000+	<u>1</u>
	24

Survey Findings

- 130 surveys mailed.
- Forty-five returned (34.6%) including telephone or in-person interviews conducted with largest homesteader and non-homesteader users;
- 33 homesteaders (73.3%)
- 12 non-homesteaders (26.7%)

QUESTION NO. 5

Do you agree with the auditor that HDOA should employ more aggressive collection tactics?

Yes=30 (66.7%)

Homesteaders (19)

Non-Homesteaders(11)

No=12 (26.7%)

Homesteaders (12)

Blank=3 (6.6%)

Homesteaders (2)

Non-Homesteaders(1)

QUESTION NO. 6

What action(s) do you suggest to increase the amount of collections which will be available to improve the MIS?

- Work with the user to pay more than they used each month.
- 1. After 2 months of non-payment of bill, turn off meter unless user makes payment arrangement. 2. Delinquent user pay a 10% of old bill each month & keep current bill up to date.
- Discontinuance of water service until water bill is paid. We are all struggling to pay our water bills.
- Stick to plan and terminate service as noted.
- Replayment plan with users.
- Enforce rules. Give second chance. Problem with Coffees and Kaluakoi Molokai being forgiven in past. Some think water should be free. Would like to see DHHL open up more lands for those who want to farm.
- Focus on big delinquent users. Work out payment plan. Need to move quickly.

- Go with the interest charge up to 60 days & also w/90 days but at this time give them a specific time frame to pay up on a payment plan. Depending on the amount and within a year or 3-5 year time span. Also depending on crop sales, garnish a percent of their sales or cut use of water with monitors. Only what crops need no more or less.
- Enforce rules. Give opportunity for payment plan.
- Enforce rules. Payment plan OK but be prepared to terminate.
- Need fair process. Try and collect. Current steps are OK. Increase amount of water available.
- Get reasons for non-payment. After hearing reasons then make fair determination. Then firmly and aggressively collect.
- Forgive interest charges. Set up payment plan. Long term repayment.

- Be willing to turn off water though it will be tough. Try to collect everything.
- 1. Compromise - cut all outstanding bills in half. 2. Then agree to payment plan. 3. Then cut off the water for non-compliance/payment. 4. Make provision for 1 "free" year - all farmers can have a bad year.
- Repayment plan for user. No one's bill should get to \$50K without some plan to pay for it.
- Call individual & schedule face-to-face meetings & develop solutions for repayment & limited use or re-allocation of water usage until past due amount is paid in full.
- Invoke & implement the administrative rules - use repayment plan where applicable.
- Restricted water allocation. Everyone needs to pay. Repayment plans. Work with community. Water use should be justifiable.
- Discontinuance of service within the authority of HDOA administrative rules.

HDOA Preliminary Collections Plan Guidelines

HDOA will implement a collections plan in 2009;

HDOA will develop the plan with DHHL and OHA

Plan will draw upon authority in Hawaii Administrative Rules;

Plan will focus only on those owing more than \$1,000;

Plan will incorporate meetings with affected parties to develop a repayment plan;

Plan will provide an incentive to pay;

Plan will have consequences for non-payment.

Final plan will be based on survey results and input from this meeting. Plan implementation will begin approximately June 1, 2009