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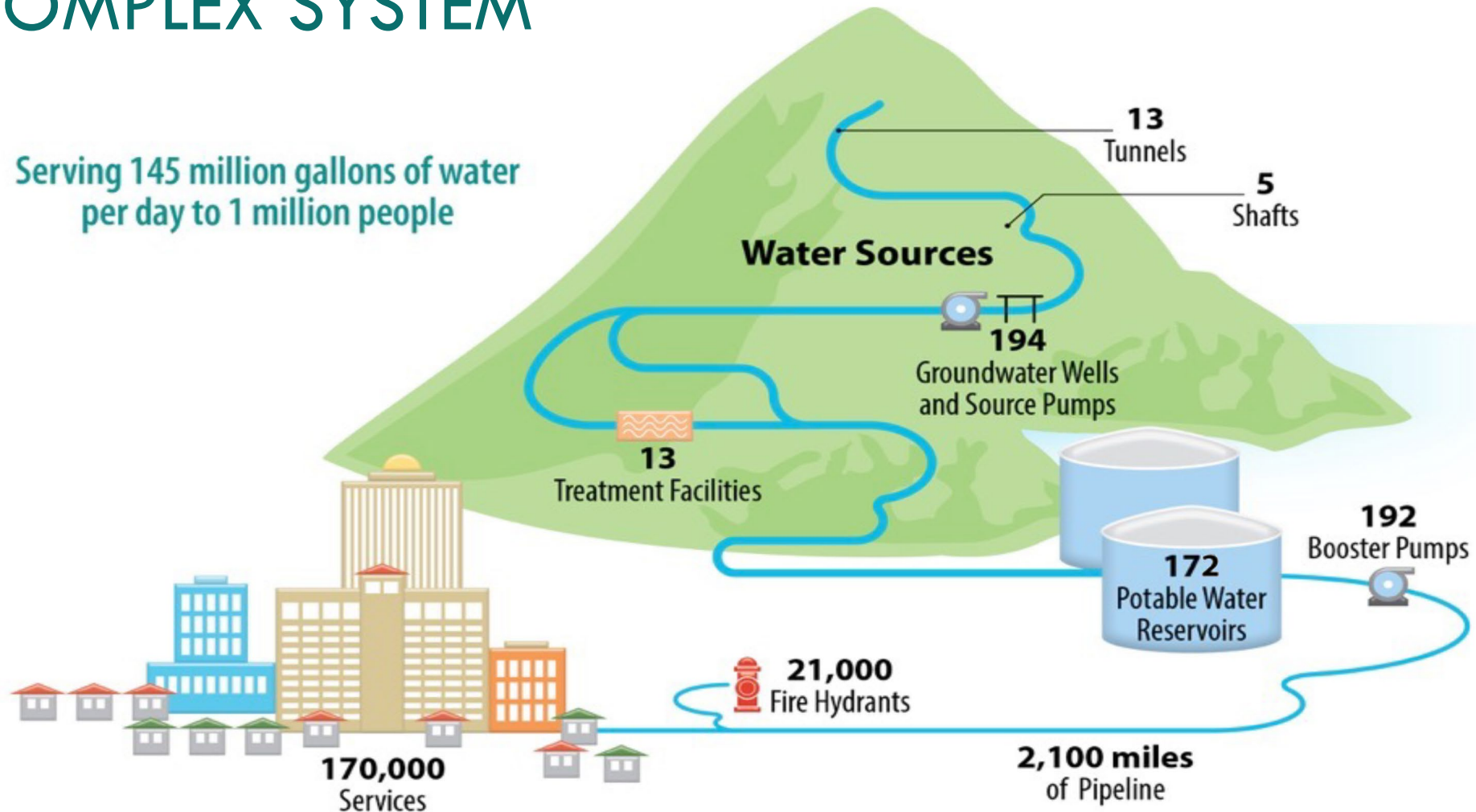
**ALL LIFE
DEPENDS
ON WATER**

**Proposed
Updates to Water
Rates and Charges**

boardofwatersupply.com



DELIVERING WATER FROM UNDERGROUND WATER SOURCES TO YOUR HOME REQUIRES A LARGE AND COMPLEX SYSTEM



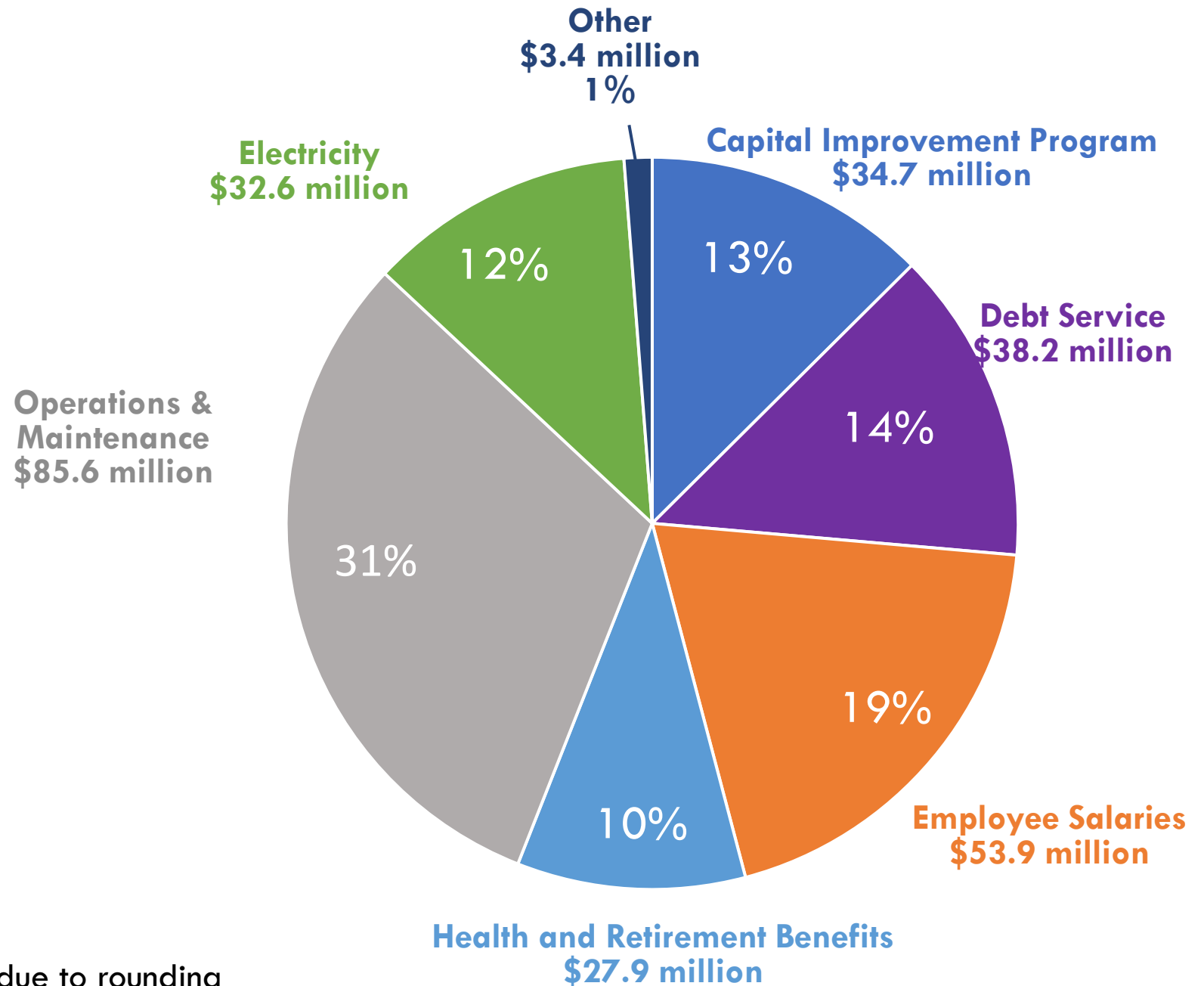
BOARD OF WATER SUPPLY RATES

- The **Board of Water Supply** is
 - **Semi-autonomous** agency of the City and County of Honolulu.
 - Solely **funded by ratepayers**
 - Receives **no funding** from property taxes.
- Rates:
 - **Only apply to water**, not sewer.
 - Are approved by our board.
- Wastewater charges are determined by the Dept of Environmental Services and approved by the City Council.



WHERE YOUR MONEY GOES

Operating Fund
Expenditures
Fiscal Year 2024
\$276.4 million*



* Individual amounts may not total due to rounding

TOTAL CAPITAL IMPROVEMENT PROJECTS (2018-2023)

Planning/Design Phase	196 PROJECTS	\$134,472,236
Construction Phase	298 PROJECTS	\$635,069,548
Total	494 PROJECTS	\$769,541,784



A black and white photograph of a tropical beach. Several tall palm trees are scattered across the foreground and middle ground. In the background, a city skyline is visible on the left, and a pier or breakwater extends into the ocean on the right. A few small figures of people are visible on the beach and near the pier. The sky is filled with clouds.

COVID-19 CAUSED CHANGES IN CUSTOMER WATER USE PATTERNS

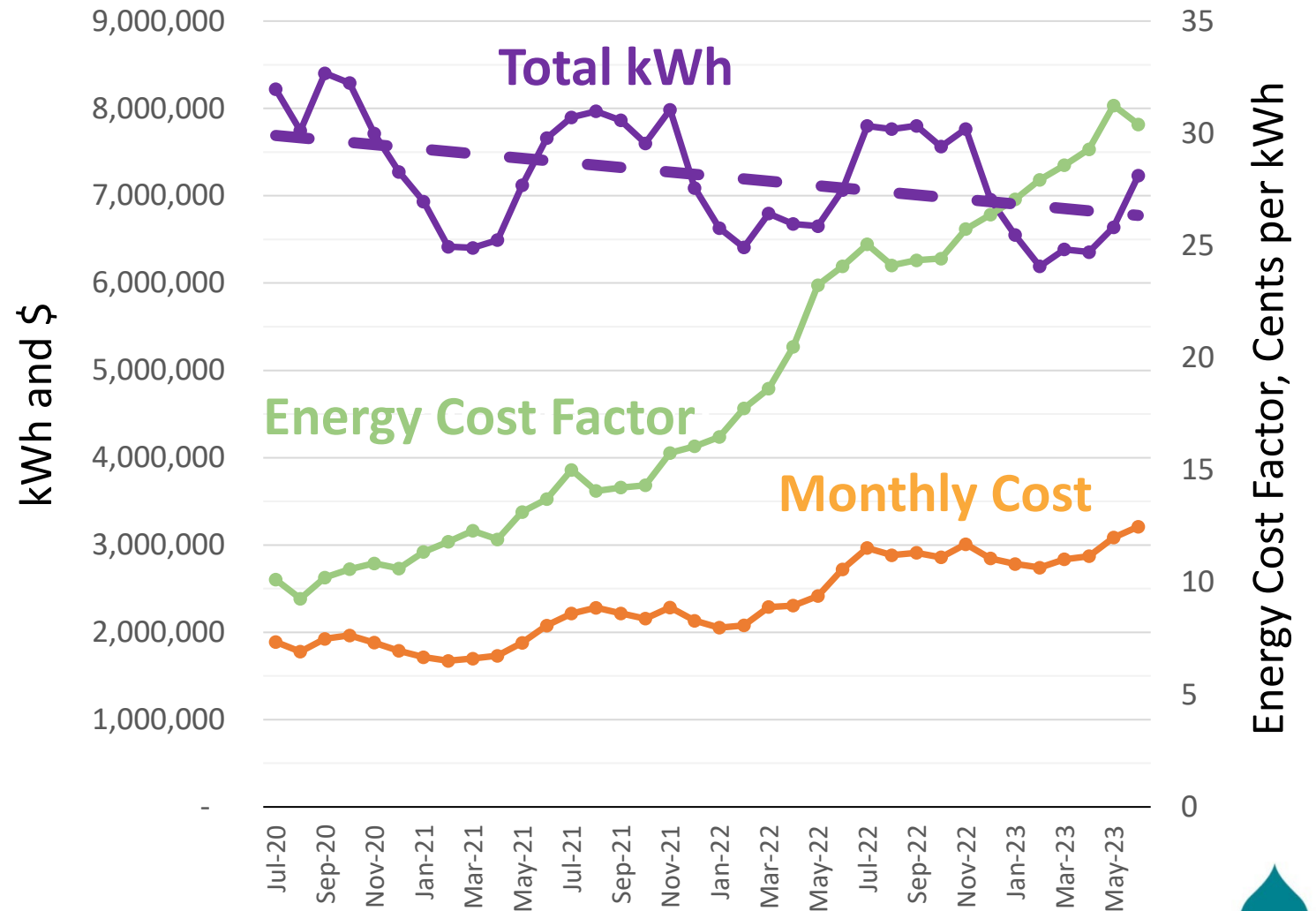
INFLATION HAS DECREASED OUR PURCHASING POWER



POWER COSTS TRENDING SHARPLY UPWARD

FY 2023 electricity costs \$33 million

\$5.5 million (20%)
over budget



RED HILL RESPONSE REQUIRES LARGE INVESTMENTS IN NEW BWS FACILITIES

- **Monitoring wells** for information on how the contamination is moving and **exploratory wells** to find new sources outside of its path
- Replace **17.5 million gallons per day** of potable water well pumping capacity
- **Undetermined:** Full impact to water quality and supply, impact to Operations & Maintenance costs, and cost recovery from Navy



BWS HAS TIGHTENED ITS BELT

Actions

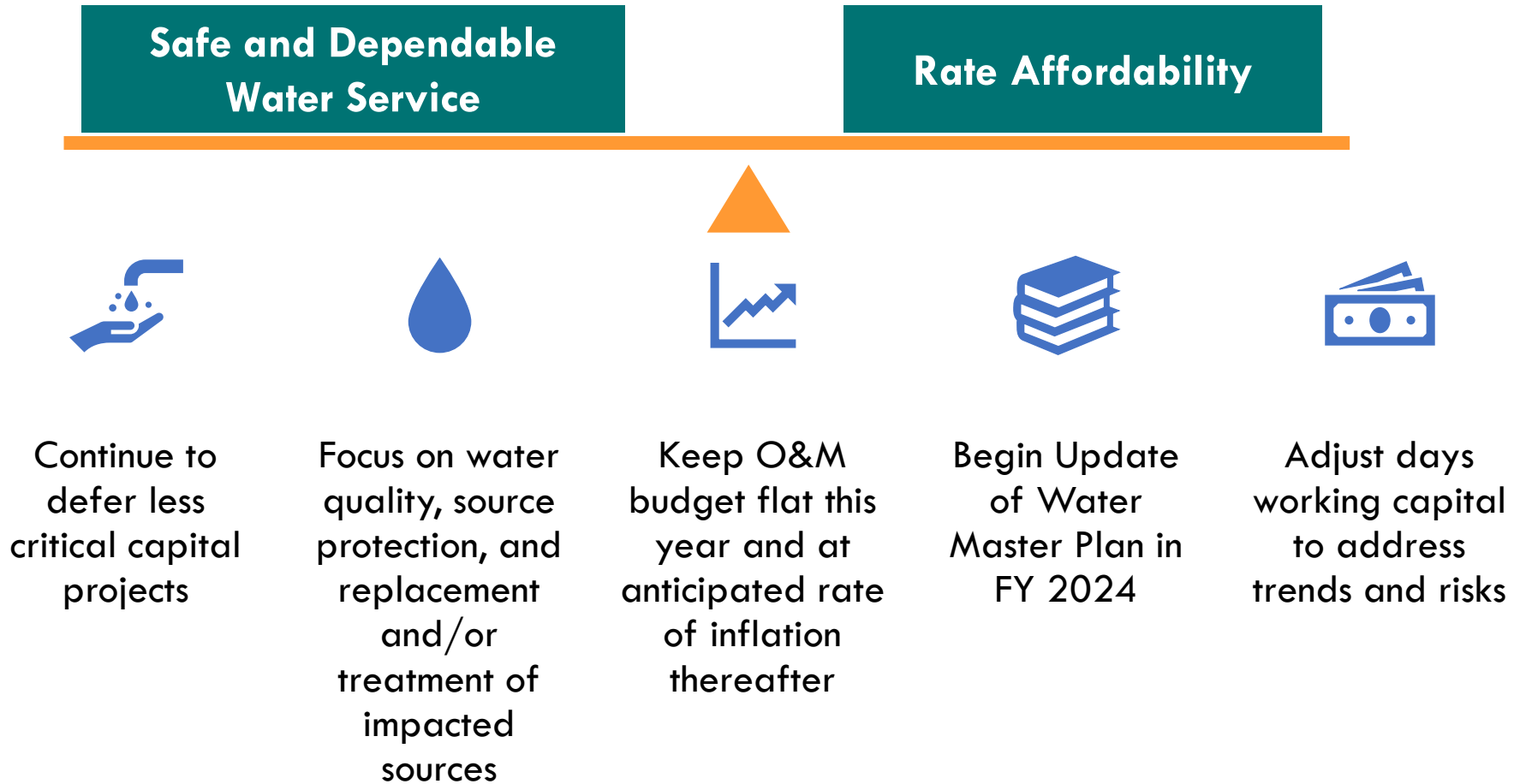
- Chose to not pass on energy cost increases to customers
- Deferred purchases of replacement vehicles and other equipment
 - Deferred less-critical capital projects

Benefits

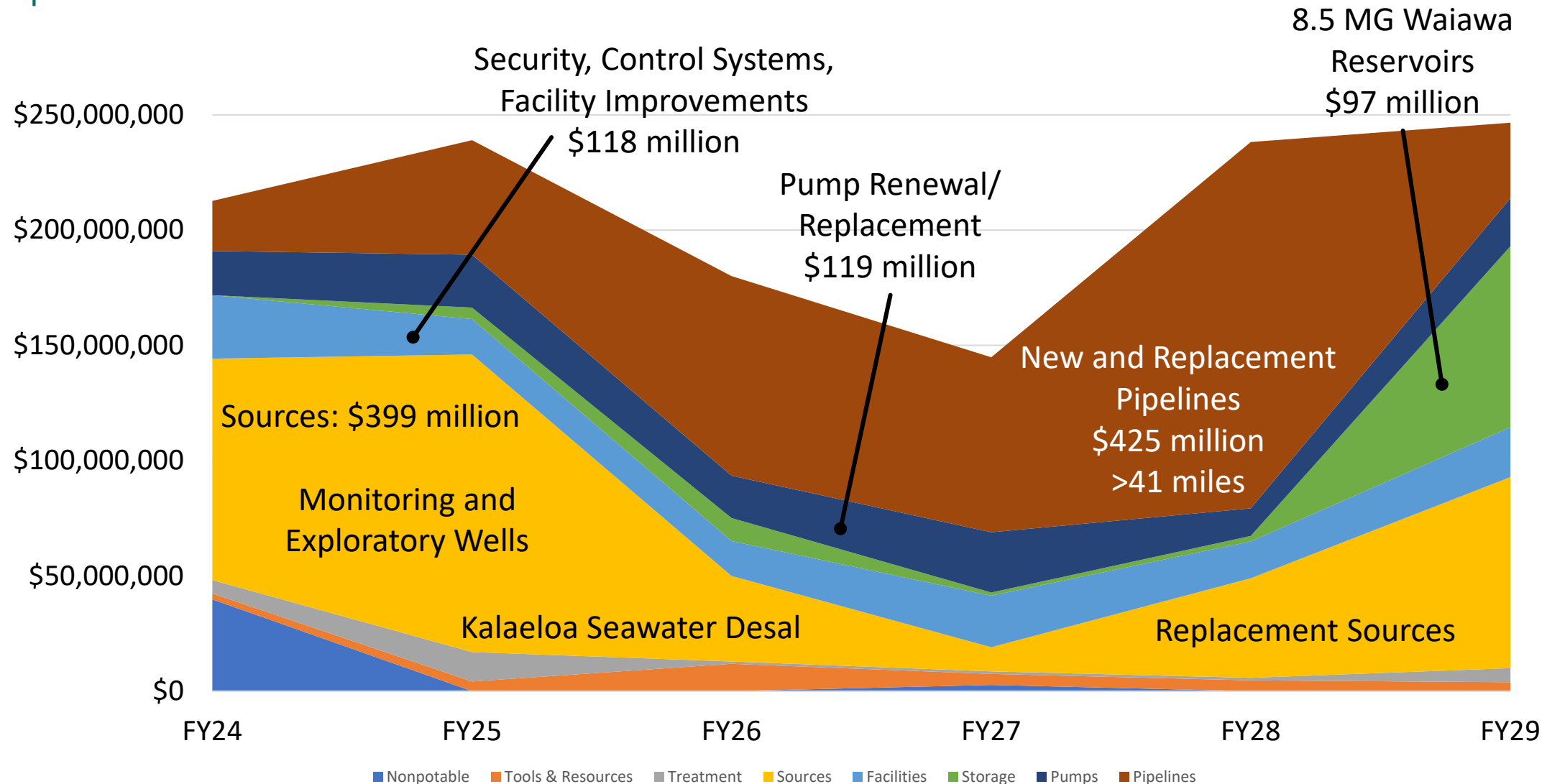
- Held to already-approved rate increases 2018-2023
 - 0.2% increase to 2024 Operations & Maintenance budget despite high inflation



OUR STRATEGY FOR RATE INCREASES STRIVES TO STRIKE A BALANCE



WHAT THE RATE INCREASES WILL PAY FOR \$1.26 BILLION IN 132 CAPITAL PROJECTS



BWS CUSTOMER CLASSES



Single-family residential



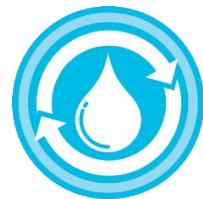
Multi-unit residential



Agricultural



Non-residential



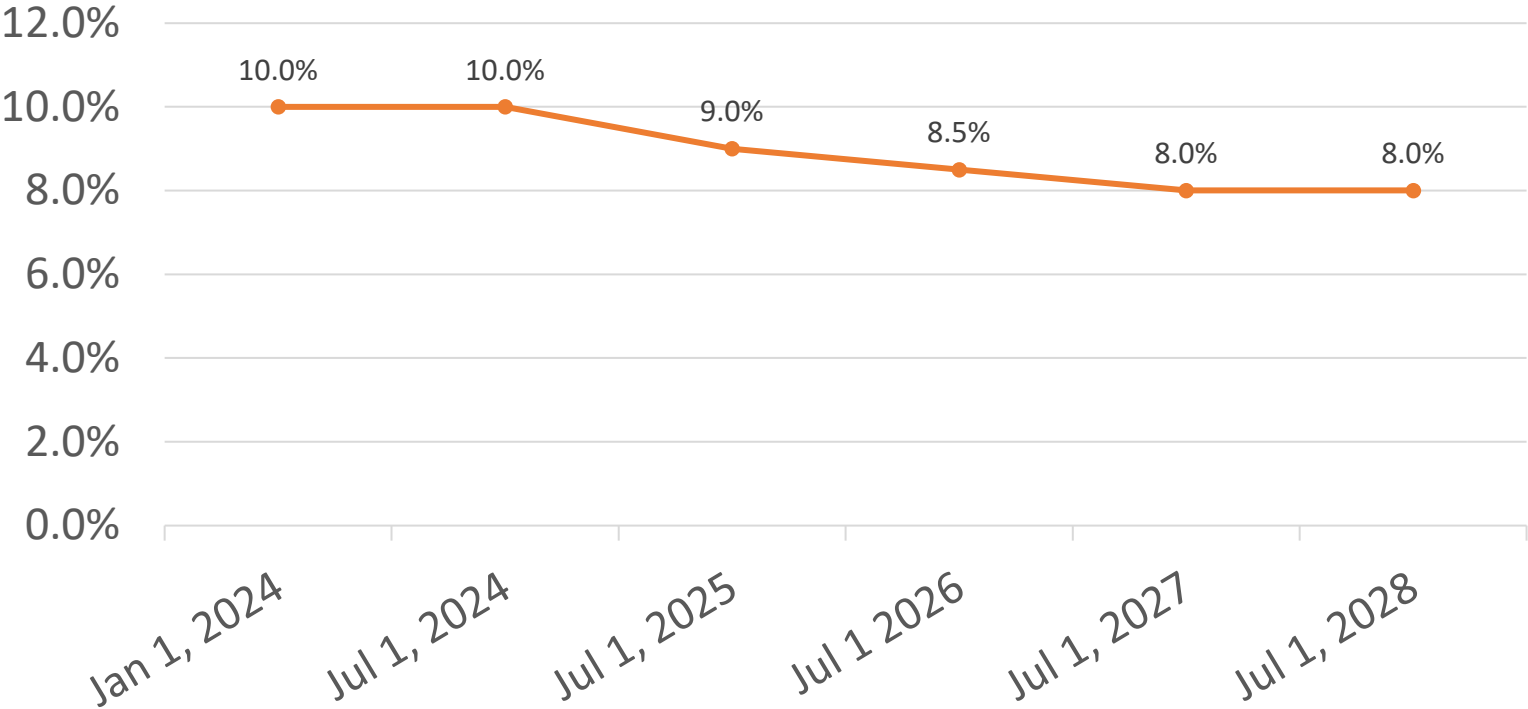
Non-potable and recycled

% of Customer Accounts*	% Usage*	Cost of Service Recovery
90%	35.4%	95%
4%	20.7%	100%
<1%	2.4%	60%
5%	33.9%	117%
<1%	6.3%	Varies from 32% to 94%

* May not equal 100% due to rounding

WATER RATES BEING PROPOSED FOR 5 ½-YEAR PERIOD BEGINNING JANUARY 2024 JANUARY 2024 – JUNE 2029

BWS planned
for rate
increases every
year



ALL CUSTOMER CLASSES WILL HAVE SAME RATE INCREASE



Single-family residential
Tiered



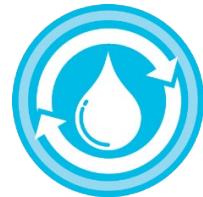
Multi-unit residential
Tiered



Agricultural
Tiered



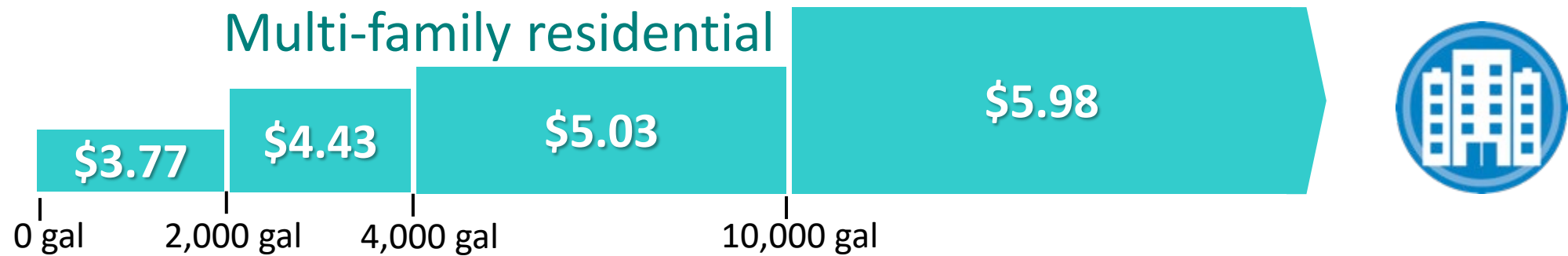
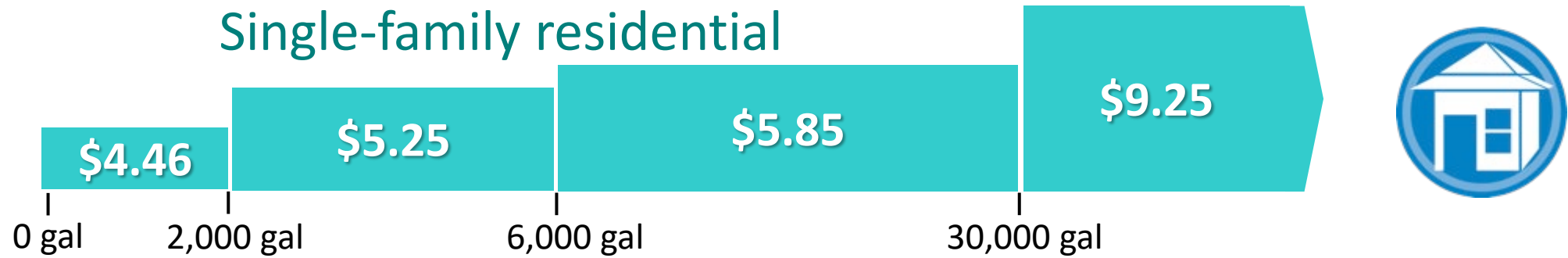
Non-residential



Non-potable and recycled

Changes may vary by tier,
but are consistent across
the class

RESIDENTIAL CUSTOMERS PAY MORE AS WATER USE INCREASES – CURRENT RATES



Current Charges per 1,000 gallons



INCREASE FOR ESSENTIAL NEEDS TIER LIMITED TO 2.5% PER YEAR

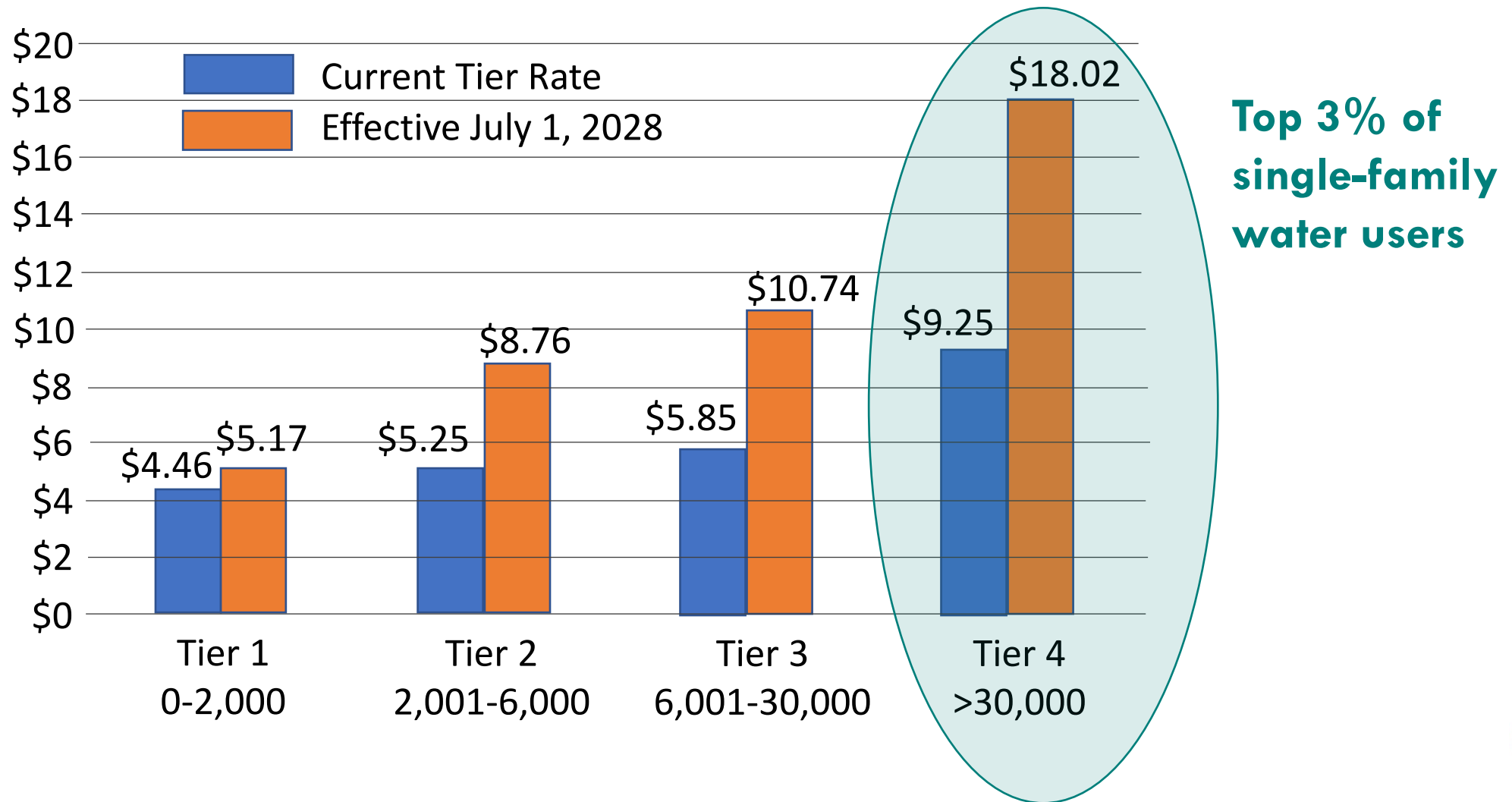
Below-cost rate for first
2,000 gallons per month

All residential customers
get this rate

10% of BWS residential
customers use 2,000
gallons or less



RATES DESIGNED TO ENCOURAGE CONSERVATION BY HIGHEST WATER USERS



SINGLE-FAMILY RESIDENTIAL WATER RATES 2024 - 2029



Tier	Gallons/ du/month	Current	Proposed Rates, Effective Dates					
			Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
EssN: 1	0 to 2,000	\$4.46	\$4.57	\$4.69	\$4.80	\$4.92	\$5.05	\$5.17
2	2,001 to 6,000	\$5.25	\$5.78	\$6.35	\$6.92	\$7.51	\$8.11	\$8.76
3	6,001 to 30,000	\$5.85	\$6.53	\$7.34	\$8.15	\$8.98	\$9.82	\$10.74
4	More than 30,000	\$9.25	\$10.95	\$12.32	\$13.67	\$15.06	\$16.48	\$18.02

EssN – Essential needs

Rates are in \$ per thousand gallons

du – dwelling unit



PROPOSED: For Discussion Only

HOW TO CALCULATE YOUR WATER BILL



Tier	Gallons/ du/month	Current Water Rate	Thousands of Gallons of Usage (k-gal)	Extended Amount \$
EssN: 1	0 to 2,000	\$4.46	X 2	= \$8.92
2	2,001 to 6,000	\$5.25	X 4	= \$21.00
3	6,001 to 30,000	\$5.85	X 2	= \$11.70
4	More than 30,000	\$9.25	X 0	= \$0
Monthly Customer Charge (5/8 and 3/4-inch Meter)		\$12.09		+ \$12.09
Total Bill Amount				\$53.71

Example:

Single-family residence

3/4-inch meter

Usage amount 8,510 gallons

Usage is rounded down to the
nearest 1,000 gallons (k-gal)

= 8 k-gals



MONTHLY CUSTOMER CHARGE BASED ON WATER METER SIZE



Meter Size	Current	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
5/8"	12.09	13.30	14.63	15.95	17.30	18.68	20.18
3/4"	12.09	13.30	14.63	15.95	17.30	18.68	20.18
1"	15.28	16.81	18.49	20.15	21.87	23.62	25.50
1.5"	17.41	19.15	21.07	22.96	24.91	26.91	29.06
2"	43.45	47.80	52.57	57.31	62.18	67.15	72.52
3"	53.55	58.91	64.80	70.63	76.63	82.76	89.38
4"	101.92	112.11	123.32	134.42	145.85	157.52	170.12
6"	181.64	199.80	219.78	239.56	259.93	280.72	303.18
8"	276.78	304.46	334.90	365.05	396.07	427.76	461.98
12"	598.53	658.38	724.22	789.40	856.50	925.02	999.02



COMPARING WATER BILLS – ESSENTIAL NEEDS TIER – 10% OF SINGLE-FAMILY RESIDENTIAL

The Low Water User (2,000 gallons per month)

Current Bill	Future Bill at Proposed Rates					
	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
\$21.01	\$22.44	\$24.00	\$25.55	\$27.15	\$28.78	\$30.52
\$ Change	\$1.43	\$1.56	\$1.55	\$1.60	\$1.63	\$1.75
% Change	6.8%	6.9%	6.5%	6.2%	6.0%	6.1%



COMPARING WATER BILLS – AVERAGE WATER USER SINGLE-FAMILY RESIDENTIAL

The Average Water User
(9,000 gallons per month)

Current Bill	Future Bill at Proposed Rates					
	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
\$59.56	\$65.12	\$71.44	\$77.69	\$84.13	\$90.70	\$97.80
\$ Change	\$5.56	\$6.32	\$6.25	\$6.44	\$6.57	\$7.10
% Change	9.3%	9.7%	8.8%	8.3%	7.8%	7.8%



PROPOSED: For Discussion Only

COMPARING WATER BILLS – HIGH WATER USER – TOP 3% OF SINGLE-FAMILY RESIDENTIAL

The High Water User (35,000 gallons per month)

Current Bill	Future Bill at Proposed Rates					
	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
\$228.66	\$256.94	\$287.22	\$317.15	\$347.96	\$379.42	\$413.49
\$ Change	\$28.28	\$30.28	\$29.93	\$30.81	\$31.46	\$34.07
% Change	12.4%	11.8%	10.4%	9.7%	9.0%	9.0%



MULTI-UNIT RESIDENTIAL WATER RATES 2024 - 2029



Tier	Gallons/ du/month	Current	Proposed Rates, Effective Dates					
			Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
EssN: 1	0 to 2,000	\$3.77	\$3.86	\$3.96	\$4.06	\$4.16	\$4.27	\$4.37
2	2,001 to 4,000	\$4.43	\$4.87	\$5.36	\$5.84	\$6.34	\$6.85	\$7.39
3	4,001 to 10,000	\$5.03	\$5.70	\$6.52	\$7.33	\$8.16	\$9.01	\$9.93
4	More than 10,000	\$5.98	\$7.21	\$8.25	\$9.27	\$10.33	\$11.40	\$12.57

EssN – Essential needs

Rates are in \$ per thousand gallons

du – dwelling unit



PROPOSED: For Discussion Only

MULTI-UNIT RESIDENTIAL SAMPLE WATER BILLS



Dwelling Units (du)	Meter Size	Monthly Usage k-gals/du	Current	Proposed Rates, Effective Dates					
				Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
272	3"	7	\$8,619	\$9,462	\$10,454	\$11,436	\$12,446	\$13,478	\$14,593
144	8"	9	\$6,260	\$6,924	\$7,712	\$8,492	\$9,294	\$10,113	\$11,000
277	8"	14	\$19,805	\$22,610	\$25,474	\$28,303	\$31,216	\$34,189	\$37,413

PROPOSED: For Discussion Only
 Bill amounts rounded to nearest \$1
 Excludes Fire Meter Standby Charge



NON-RESIDENTIAL CUSTOMERS DRIVE OUR ISLAND'S ECONOMY – CURRENT RATES



Non-residential customers pay 117% of their cost of service

\$5.27 per 1,000 gallons



NON-RESIDENTIAL WATER RATES

2024 - 2029



Current	Proposed Rates, Effective Dates					
	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
\$5.27	\$5.80	\$6.38	\$6.95	\$7.54	\$8.14	\$8.80
% Change	10.0%	10.0%	9.0%	8.5%	8.0%	8.0%

Rates are in \$ per thousand gallons

Examples: hotels, restaurants, government, shopping centers,
hospitals, retail



PROPOSED: For Discussion Only

NON-RESIDENTIAL SAMPLE WATER BILLS

PROPOSED: For Discussion Only
Bill amounts rounded to nearest \$1



Business Type	Meter Size	Monthly Usage k-gals	Current	Proposed Rates, Effective Dates					
				Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Restaurant	1.5"	230	\$1,230	\$1,352	\$1,488	\$1,622	\$1,759	\$1,900	\$2,052
Hotel	6"	1,526	\$8,224	\$9,046	\$9,951	\$10,846	\$11,768	\$12,710	\$13,726
Church	2"	233	\$1,271	\$1,399	\$1,538	\$1,677	\$1,819	\$1,965	\$2,122
Office Building	3"	458	\$2,467	\$2,714	\$2,985	\$3,254	\$3,531	\$3,813	\$4,118
Large Industrial User	8"	31,233	\$164,780	\$181,258	\$199,383	\$217,328	\$235,801	\$254,665	\$275,038
Large Shopping Center	3"	4,907	\$25,913	\$28,505	\$31,355	\$34,177	\$37,082	\$40,049	\$43,253



CURRENT REDUCED RATES WILL BE CONTINUED



Lower rates for
local agriculture

**and recycled
water**





**For affordable
housing**

**CONTINUING
EXISTING FEE
WAIVERS TOO!**



**For homeless
housing**



**And to retrofit
fire sprinklers**



BWS IS CONSIDERING WAIVERS FOR NEW FARMERS

Waive installation fee and Water System Facilities charge for new $\frac{3}{4}$ -inch and 1-inch meters connecting to BWS system for the first time

Limited to \$1 million granted by State of Hawaii for new exploratory well in Kunia (Memorandum of Understanding dated March 30, 2021)

Require proof of commercial agricultural operation and water use plan



BWS OFFERS WATER CONSERVATION DEVICE REBATES



AND CONSIDERING NEW WATER CONSERVATION PROGRAMS

Top water user outreach

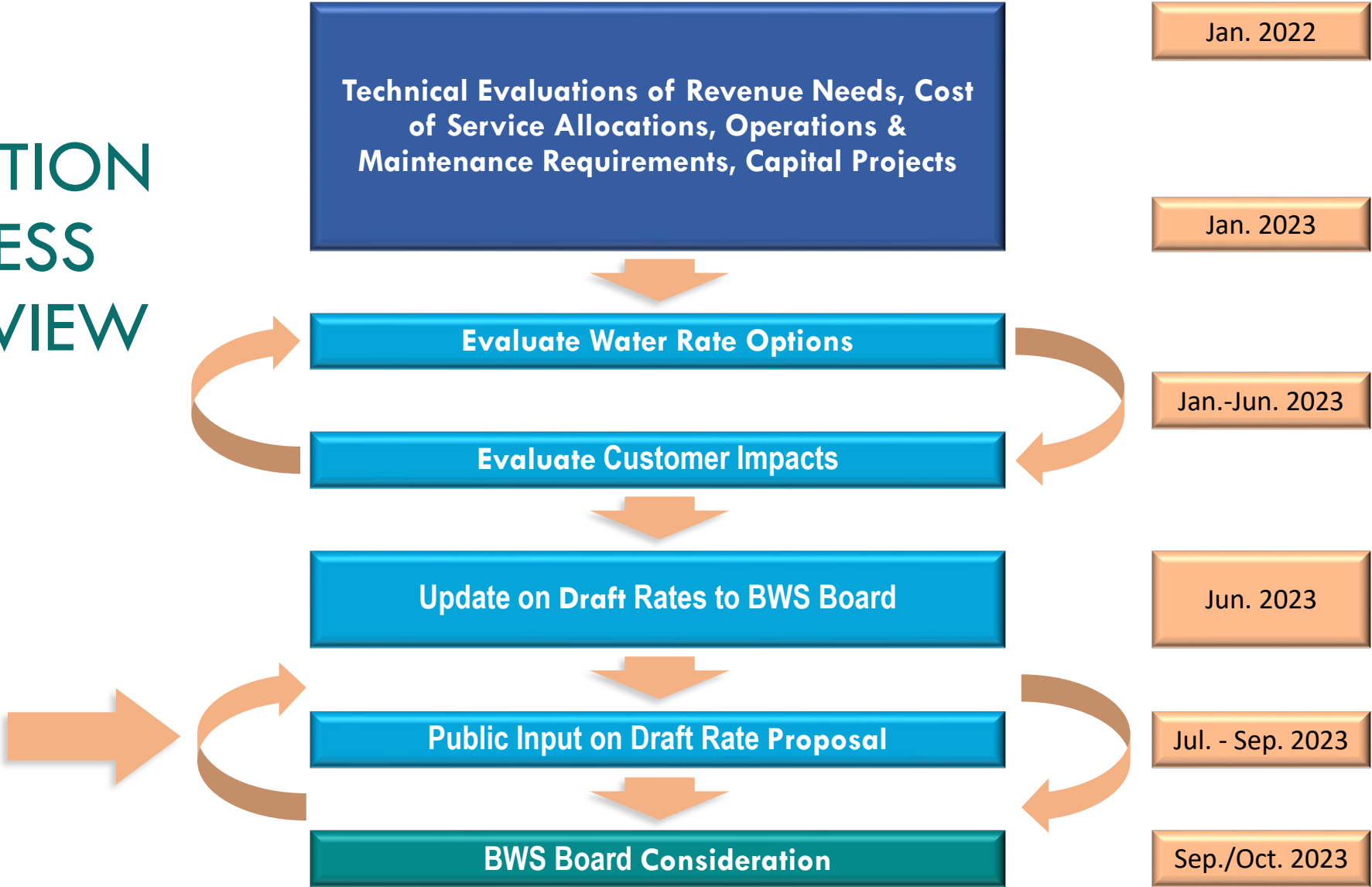
- Hotels, other businesses, condos and townhomes

Direct install for Kupuna living on their own

- Free low flow showerheads and faucet aerators
- Water audits of homes
- Ensure Kupuna are getting appropriate rebates

For more information go to the conservation menu tab at boardofwatersupply.com

RATE ADOPTION PROCESS OVERVIEW



GIVE YOUR INPUT ON PROPOSED RATES

Send a letter or an email to:

Board of Water Supply

Attn: Proposed Water Rates

630 South Beretania, Honolulu 96843

Email: bwsrates@hbws.org

Oct. 15, 2023



For more information, visit our website or scan this QR code with your mobile device.

Questions?

Call: (808) 748-5041

BWS Website: www.boardofwatersupply.com

Twitter: [@BWSHonolulu](https://twitter.com/BWSHonolulu)

Facebook: <http://www.facebook.com/BWSHonolulu>

