

Frequently Asked Questions

about the Honolulu Board of Water Supply's Water Rates

1. *Why does the BWS need to raise rates?*

- We need to gradually ramp up pipeline replacement over the next decade, increasing from 6 miles every year to 21 miles. This, over time, will work to significantly reduce main breaks from the current 300-350 per year to about 250 per year.
- Projects will be launched to renew or replace higher risk pumps and reservoirs. Pumps are the “heart” of the water system and are critical for reliable water delivery.
- Oahu’s water supply must be made more sustainable by establishing new fresh-water wells, expanding water recycling facilities, building the island’s first seawater desalination plant, and developing a sharpened focus on conservation and watershed protection. Partnerships on-island and throughout the water industry will ensure we employ the best water-management practices as well as research and development.

2. *What benefits can I expect from these rate increases?*

- Reliability and resiliency of our water system will increase.
- The number of main breaks will decrease over time.
- Increased investments in conservation will preserve existing supplies and defer the need for new ones.
- Targeted funding for watershed protection will help us adapt to a changing climate.

3. *When does the rate increase take effect?*

The rate increase takes effect on July 1, 2019. Customers will see these effects on their bill once their billing period begins on July 1, 2019, or later. The BWS is reminding customers in advance of the rate changes.


4. What changes has the BWS made to the water rate structure?

Changes to the rate structure are designed to encourage water conservation and more equitably recover the cost to provide water service for each type of customer, e.g. single-family residential, multi-unit residential, non-residential, etc. Rate changes vary by customer type, with the goal of everyone paying closer to their fair share of the cost to deliver water to them.

- **A monthly customer charge based on the size of the meter replaces the flat rate billing charge.** Most single-family residences have a 5/8-inch or 3/4-inch meter. Multi-unit residential complexes have meters that vary from 3 to 8 inches. A monthly customer charge based on meter size distributes costs for service more fairly, with those with larger meters paying more, as larger meters require more resources for maintenance and repair. The monthly charge covers the costs of servicing and replacing meters, reading meters, billing, and related customer and administrative services.
- **A NEW Essential Needs Tier** to support affordability and reward conservation. ALL residential customers will get a below-cost rate for their first 2,000 gallons of water used. 10% of all BWS single-family residential customers use less than 2,000 gallons per month. The Essential Needs Tier will benefit those on fixed and/or low incomes and reward those customers who use water very efficiently.
- **Single family residential customers will see the highest increase in their water rates** (stand-alone households and duplexes). As a group, these customers currently pay less than 90% of the cost to serve them. Other customer classes subsidize the rest of the costs by paying more than their fair share.
- **Multi-unit residential customers will see smaller increases as rates are adjusted over time** to eliminate the subsidy to single family residential customers.
- **Customers with private fire protection systems will no longer pay for incidental water use**, but instead will pay a monthly fire meter standby charge, reflecting the “readiness to serve” cost to provide water for private fire service 24/7, 365 days a year.

5. How will the new rates affect my water bill?

Effective July 1, 2019, your rates will change. Depending on the amount of water you use, your water charges may decrease slightly or increase. (See calculations for single-family residences below):

Monthly Customer Charge (per meter)						
Meter Size	Monthly Customer Charge in \$/Month - Effective dates					
	Current	July 2018	July 2019	July 2020	July 2021	July 2022
 5/8-inch or 3/4-inch*	\$9.26	\$9.26	\$10.42	\$10.80	\$11.38	\$12.09
1-inch	\$9.26	\$9.26	\$13.31	\$13.79	\$14.45	\$15.28
1-1/2-inch	\$9.26	\$9.26	\$15.23	\$15.78	\$16.50	\$17.41
2-inch	\$9.26	\$9.26	\$38.81	\$40.18	\$41.61	\$43.45
3-inch	\$9.26	\$9.26	\$47.95	\$49.64	\$51.35	\$53.55
4-inch	\$9.26	\$9.26	\$91.74	\$94.95	\$97.98	\$101.92
6-inch	\$9.26	\$9.26	\$163.91	\$169.63	\$174.84	\$181.64
8-inch	\$9.26	\$9.26	\$250.03	\$258.76	\$266.57	\$276.78
12-inch	\$9.26	\$9.26	\$541.31	\$560.18	\$576.78	\$598.53

* Typical for Single Family Residential unit

Single-Family Residential Water Rates, 2018-2022								
Tier	Existing		Approved Rates, Effective Dates					
	Gallons/du/month	Rate	July 2018	Gallons/du/month	July 2019	July 2020	July 2021	July 2022
EssN				0 to 2,000	\$3.79	\$3.91	\$4.17	\$4.46
1	0 to 13,000	\$4.42	\$4.42	2,001 to 6,000	\$4.46	\$4.60	\$4.90	\$5.25
				6,001 to 30,000	\$5.06	\$5.20	\$5.50	\$5.85
2	13,001 to 30,000	\$5.33	\$5.33	More than 30,000	\$8.46	\$8.60	\$8.90	\$9.25
3	More than 30,000	\$7.94	\$7.94					

EssN: Essential Needs - du: dwelling unit - Rates are in \$ per thousand gallons

Multi-Unit Residential Water Rates, 2018-2022								
Tier	Existing		Approved Rates, Effective Dates					
	Gallons/du/month	Rate	July 2018	Gallons/du/month	July 2019	July 2020	July 2021	July 2022
EssN				0 to 2,000	\$3.70	\$3.71	\$3.72	\$3.77
1	0 to 9,000	\$4.42	\$4.42	2,001 to 4,000	\$4.35	\$4.36	\$4.38	\$4.43
				4,001 to 10,000	\$4.95	\$4.96	\$4.98	\$5.03
2	9,001 to 22,000	\$5.33	\$5.33	More than 10,000	\$5.90	\$5.91	\$5.93	\$5.98
3	More than 22,000	\$7.94	\$7.94					

EssN: Essential Needs - du: dwelling unit - Rates are in \$ per thousand gallons

Example Single-Family Residential Water Bill Calculations

All calculations presented are approximate and non-binding. This guide is for example, only.

Low Water Use

2,000 gal. monthly water use
 Monthly customer charge \$ 10.42
 2,000 gal. @ \$3.79 per 1,000 gal. 7.58
August 2019 Water Bill \$18.00

Median Water Use

6,000 gal. monthly water use
 Monthly customer charge \$ 10.42
 2,000 gal. @ \$3.79 per 1,000 gal. 7.58
 4,000 gal. @ \$4.46 per 1,000 gal. 17.84
August 2019 Water Bill \$35.84

Average Water Use

9,000 gal. monthly water use
 Monthly customer charge \$ 10.42
 2,000 gal. @ \$3.79 per 1,000 gal. 7.58
 4,000 gal. @ \$4.46 per 1,000 gal. 17.84
 3,000 gal. @ \$5.06 per 1,000 gal. 15.18
August 2019 Water Bill \$51.02

High Water Use

35,000 gal. monthly water use
 Monthly customer charge \$ 10.42
 2,000 gal. @ \$3.79 per 1,000 gal. 7.58
 4,000 gal. @ \$4.46 per 1,000 gal. 17.84
 24,000 gal. @ \$5.06 per 1,000 gal. 121.44
 5,000 gal. @ \$8.46 per 1,000 gal. 42.30
August 2019 Water Bill \$199.58

6. *How are BWS rate increases approved?*

The BWS Board of Directors conducted an extensive analysis of proposed rate changes, including holding a rates workshop in January 2018, receiving monthly updates from the BWS staff on the rates setting process, and holding five public hearings throughout the island for public input. Public input was given full consideration during the Board's deliberations prior to their approval of the rates.

At its August 2018 meeting, the Board of Directors adopted the new 5-year schedule of rates to take effect in September 2018, with actual rate increases and tier changes starting in July 1, 2019.

7. *When did BWS last increase its rates?*

BWS's last rate increase took effect July 1, 2015, when the system-wide rate was increased by approximately 9.65 percent.

8. *Will the water rate increases go to fund sewer projects?*

No, the funds generated by water rates are dedicated to funding BWS's capital and operational costs for the drinking water system only. Sewer services are provided by Wastewater Management under the City Department of Environmental Services, ph. no. (808) 768-3330.

9. *What is BWS doing to keep our rates down?*

The BWS is committed to cost-efficient operations, and is doing many things to keep costs down.

Every year the BWS carefully reviews its operating budget, exploring opportunities to increase efficiency and reduce costs in every aspect of our operations. This includes exploring ways to optimize energy management and facility operations. It also includes controlling the size of its workforce by balancing staffing levels to provide the services needed to maintain, repair, and replace its facilities.

In the past two fiscal years, the BWS has reduced its operating expenses by 2 percent each year. An important factor for keeping rates down, the BWS will use a balance of both cash and bonds to pay for capital costs.

10. How will BWS's increased construction activities affect the community?

Oahu's water system was built along roadways and public areas throughout the island. As the BWS continues to work to renew our aging system, it recognizes that residents and businesses will be inconvenienced by construction activities.

The BWS is committed to work with residents and businesses to manage those impacts as well as we possibly can. Some of the things BWS is doing to manage the impacts of construction include:

- Coordinating timing of our construction projects with other agencies so we can schedule projects to minimize long-term disruptions in construction areas.
- Providing information to neighborhood boards and elected officials in affected areas in advance of construction, so they know what to expect and can plan accordingly.
- Sending letters to affected residents of water system improvement projects in their neighborhood.
- Stopping all construction work, except any required emergency repairs, around major holidays (Thanksgiving and Christmas).

By keeping our system in good working order through planned replacement and repairs, the BWS is helping to avoid unplanned repairs that can mean greater inconveniences and higher costs.

For more information on the BWS and water rates, please visit our website at boardofwatersupply.com/waterrates or contact the BWS Communications Office, at (808) 748-5041.