

**WATER FOR LIFE**

*Safe, dependable, and affordable water now and into the future*



**Board of Water Supply**  
City & County of Honolulu

## **Stakeholder Advisory Group**

**Board of Water Supply  
City & County of Honolulu**

**Wednesday February 21, 2018**

# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Dave Ebersold**  
Facilitator

## WELCOME

**WATER FOR LIFE**  
*Safe, dependable, and affordable water now and into the future*

Board of Water Supply  
City and County of Honolulu

## Public Comments on Agenda Items

## Meeting Objectives

- ◆ Receive updates regarding the BWS
- ◆ Hear the results of BWS's online rates-related survey
- ◆ Get your feedback on the iterative results of rate modeling, including how much customers' water bills could change



# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Mahalo!**

**Questions & Answers**



**WATER FOR LIFE**  
*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and Country of Hong Kong

**Ernest Lau P.E.**  
BWS Manager and Chief Engineer

**BWS UPDATES**

**Tour of Honouliuli  
Water Recycling  
Facility  
January 20, 2018**





Some  
people  
didn't get  
the memo  
to wear  
long pants  
...

## **BWS recognized in Journal AWWA**

Honolulu has risen to these challenges [of water sustainability] by preparing a comprehensive Water Master Plan, a strategic plan, as well as eight regional watershed management plans providing greater detail for each land use district on the island. The Water Master Plan provides a comprehensive understanding of Oahu's water supplies and needs as well as the water storage and distribution system, giving BWS a road map to meet future needs, establish priorities, and adopt sustainable financing strategies.

— February 2018, *Journal AWWA*

*Assessing the Sustainability of Urban Water Supply Systems,  
Richter et al.*

The Ellen and Joe show – Hawaii Matters





# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Mahalo!**

**Questions & Answers**



**WATER FOR LIFE**

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Kathleen Elliott-Pahinui**

Board of Water Supply, Information Officer

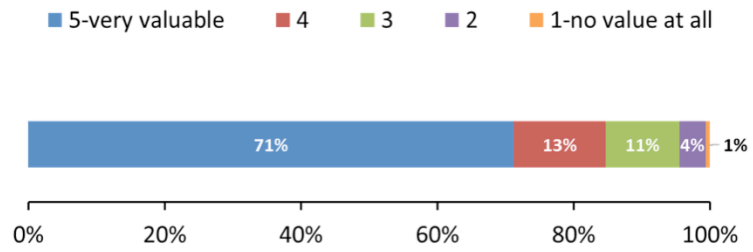
## **ON-LINE SURVEY RESULTS**



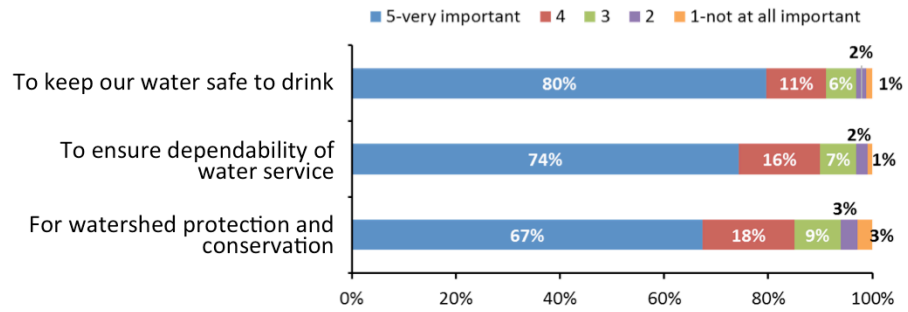
## **BWS conducted web-based survey of water rate issues**

- ◆ BWS web survey, hosted on BWS website
  - Word of mouth
  - Social media
  - Over 1,000 respondents
- ◆ Web-based Hawaii Panel via Ward Research
  - Screening criteria for participation
  - Representative of O ‘ahu’ s demographics
  - Balanced for rate payer/non rate payer
  - Statistically rigorous
- ◆ Results shown are from BWS web survey

## What is the value of water service to you?

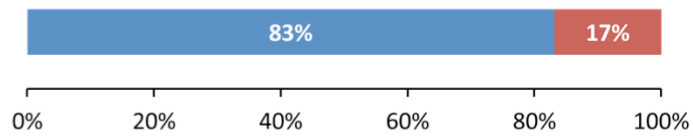


## How important is it for BWS to have enough funding:

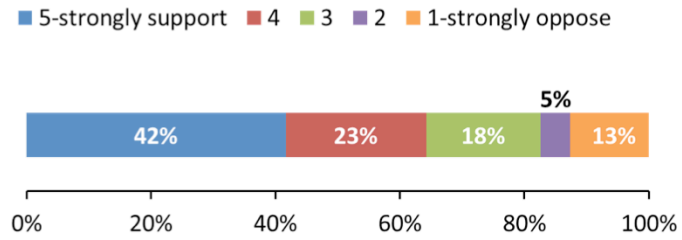


## Should the costs of BWS's necessary improvements be:

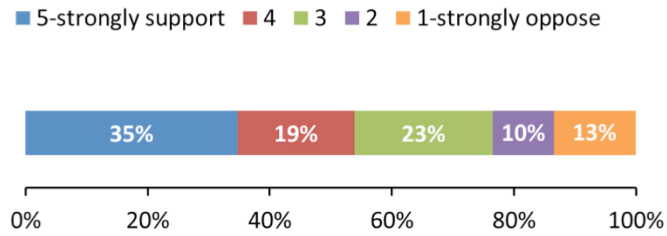
- Shared by both the current and future generations
- Paid for today by us, with our children, their children, and other future customers enjoying the benefits



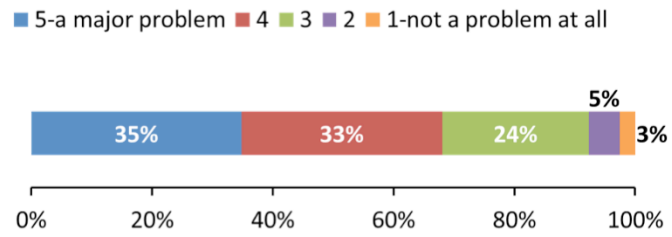
## What would you think about lowering Tier 3 to over 20,000 gallons to increase charges for our highest water users and encourage water conservation?



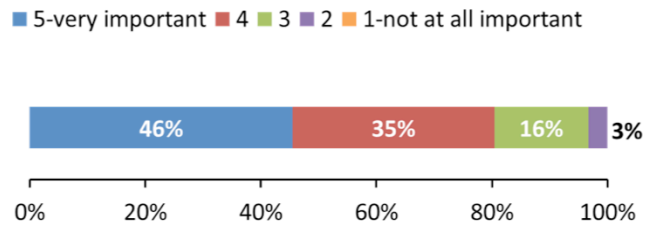
## Would you support adding a new tier with a very low rate to ensure affordability and reward conservation?



## Do you think water main breaks on Oahu are:

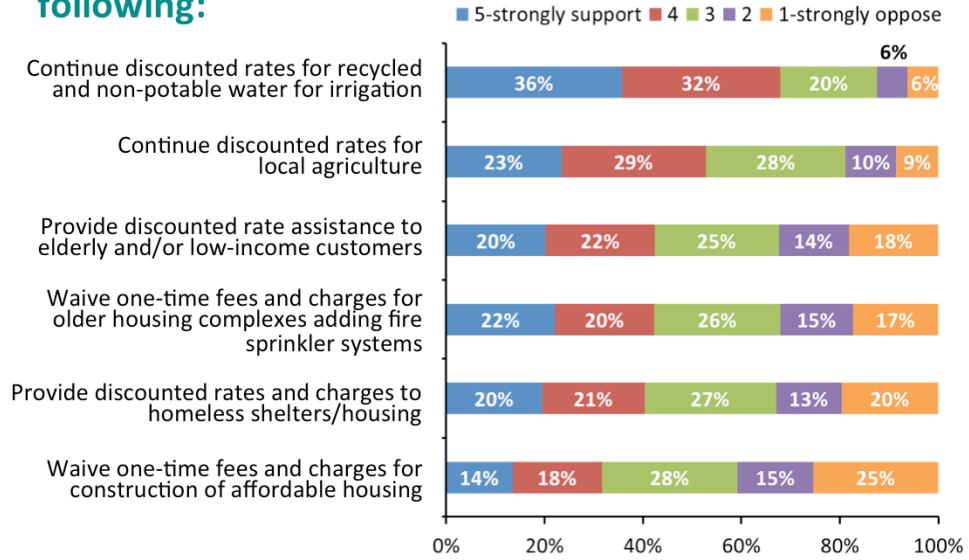


## How important is it to replace more pipeline to prevent the number of breaks from rising significantly?

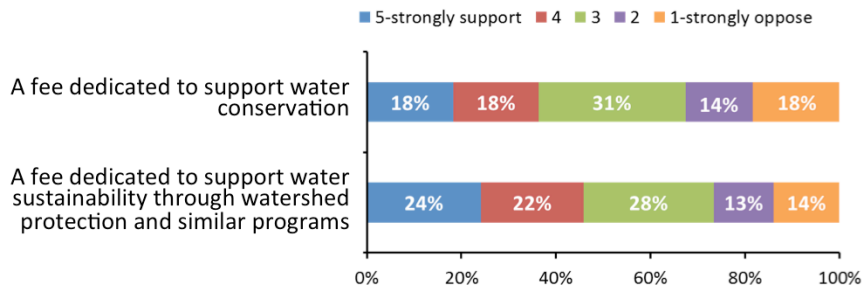




## Would you support or oppose an increase in your water rates in order to provide subsidies for the following:



## Please indicate your level of support for the BWS establishing:



## Comparison between BWS website and Hawaii Panel

- ◆ Opinions about main breaks, sharing costs with future generations, and continuing discounted rates for recycled water are nearly identical
- ◆ For the various subsidies, BWS web survey results showing strong support (4 or 5 out of 5) were 10 to 14 percentage points lower than Hawaii Panel
- ◆ Assistance for elderly/low income customers was 19 percentage points lower in the BWS results

## Comparison between BWS website and Hawaii Panel (continued)

- ◆ BWS website had more respondents from Windward (4%), East Honolulu (5%), and North Shore (2%)
- ◆ 60% of BWS survey respondents indicated they heard about the survey through social media and Neighborhood Board meetings
- ◆ BWS survey respondents likely represent more vocal voices in the community
- ◆ Hawaii Panel results likely represent a better cross-section of the population

# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Mahalo!**

**Questions & Answers**



WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Dave Ebersold**

Facilitator

**Brian Thomas**

Public Financial Management

## **ITERATIVE RESULTS OF THE RATES MODELING**

## Board Rates Workshop provided guidance on 9 key water rate policy issues



Cost of Service Alignment



Non-residential Rates



Affordability



Monthly Charge



Residential Rates



Fee Subsidies



Recycled/Non-Potable Rates

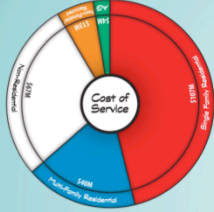


Fire Protection Charge



Agricultural Rates

# Item 1: Cost of service alignment



Option 1	Option 2	Option 3
Leave single-family and multi-family cost of service recovery as is	Adjust single-family and multi-family rates closer to cost of service recovery	Adjust single-family and multi-family rates to match cost of service over the next XX years



## Item 2: Affordability



Option 1	Option 2
Formalize the BWS' s affordability efforts in a program and pilot test additional components	Make no changes to current affordability efforts

### Item 3: Residential rates



Option 1	Option 2	Option 3
Shift tiers to encourage more conservation	Shift tiers to encourage more conservation and establish an “Essential Needs” tier	Leave tiers as is

## Item 4: Recycled/non-potable rates



Option 1	Option 2	Option 3
Make no changes to recycled/non-potable rates	Increase recycled/non-potable rates to recover more of cost of service, especially for RO customers	Adjust rates to recover full cost of service

## Item 5: Agricultural rates



Option 1	Option 2	Option 3
Retain existing subsidy levels	Reduce subsidy levels but continue to recover less than the full cost of service	Adjust rates to recover full cost of service

## Item 6: Non-residential rates



Option 1	Option 2	Option 3
Make no changes to non-residential rate structure	Direct staff to develop data for comprehensive evaluation of alternatives for next rate study	Revise non-residential rates to include at least two tiers for water delivery

## Item 7: Monthly charge



Option 1	Option 2
Change the structure of the monthly charge to vary by meter size	Make no change to current structure of the monthly charge

## Item 8: Fee subsidies



Option 1	Option 2	Option 3
Provide subsidies for: <ul style="list-style-type: none"><li>• Affordable housing</li><li>• Homeless shelters</li><li>• Fire sprinkler retrofit</li></ul>	Provide no additional fee waivers or subsidies	As determined by Board

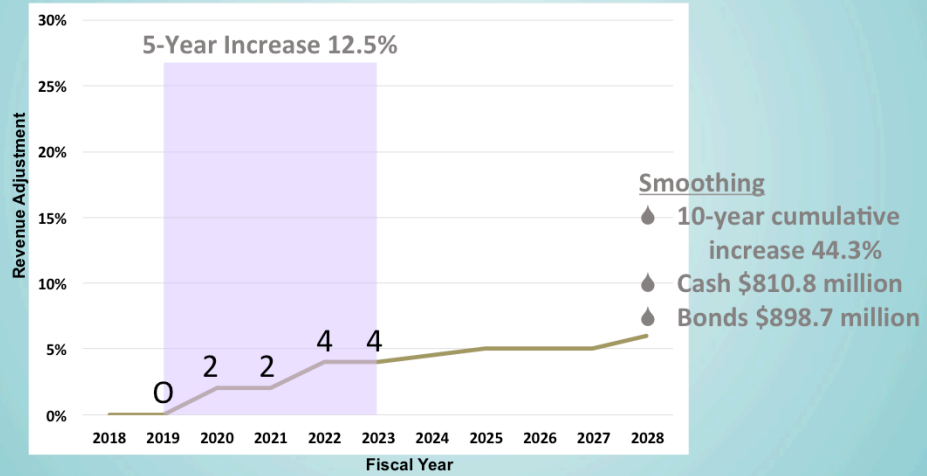
## Item 9: Fire meter standby charge



Option 1	Option 2
Establish a Fire Meter Standby Charge to recover the cost of service	Continue current practices of no Fire Meter Standby Charge



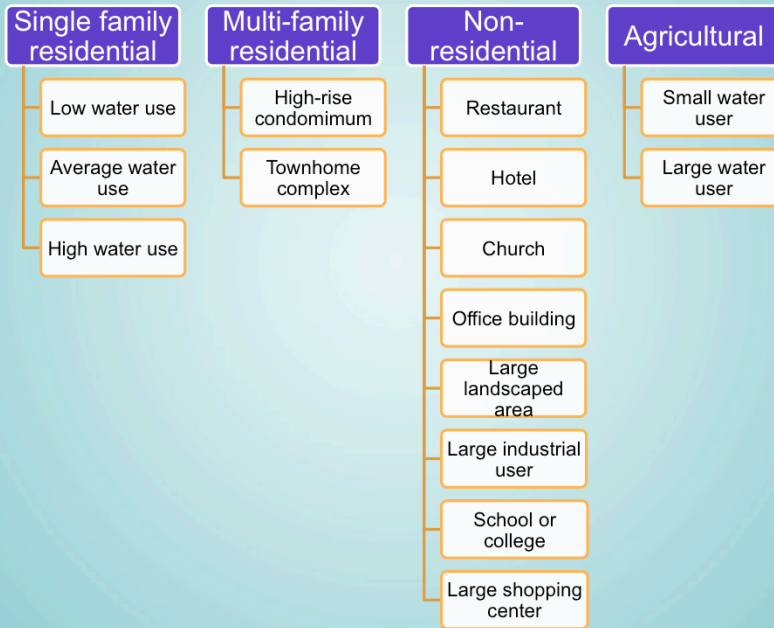
## Revenue adjustment scenarios summary



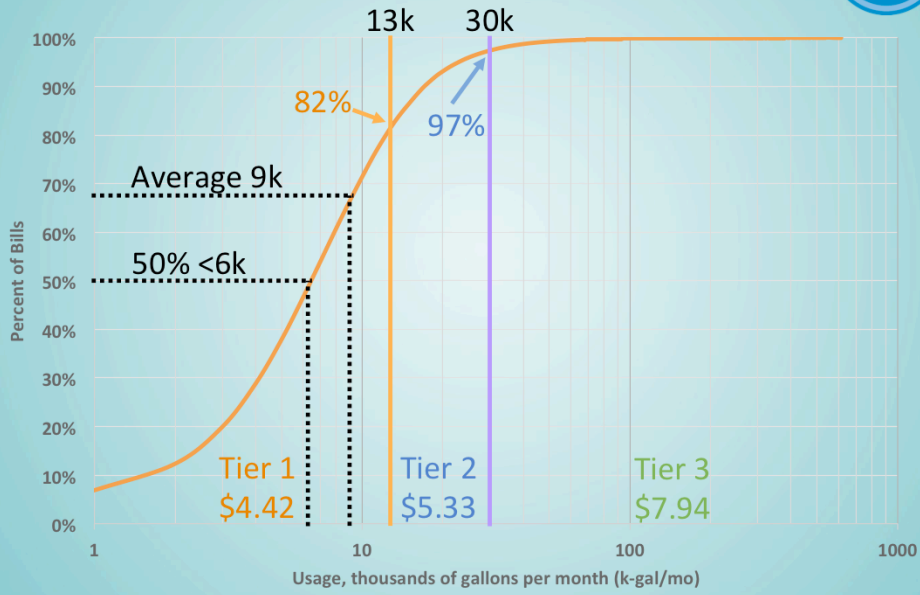
## What we're trying to do

- ◆ Provide an "Essential Needs" tier
- ◆ Encourage conservation
- ◆ Reduce subsidy to single family residential
- ◆ Bring multi-family down to cost of service
- ◆ Avoid rate shock
- ◆ No free ride - all rates go up some

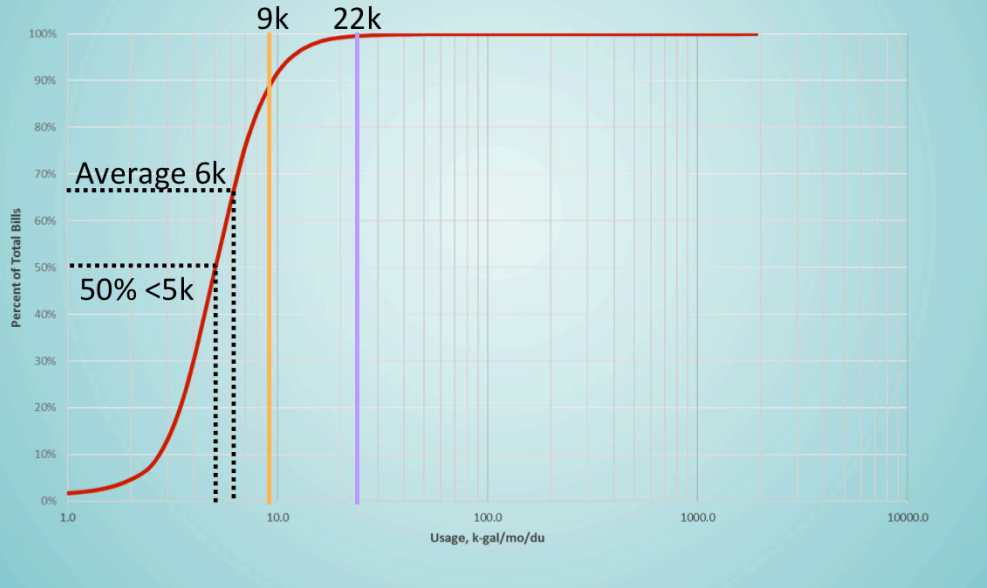
## Consider impacts to “typical” customers



# 97% of SFR customer's bills are in Tiers 1 and 2



# MFR bills by dwelling unit: current



# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Mahalo!**

**Questions & Answers**



# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



Board of Water Supply  
City and County of Honolulu

**Dave Ebersold**

Facilitator

## **SUMMARY AND NEXT STEPS**

## Give Input at a Public Hearing Near You



All Hearings: 6:30 – 8:30 PM

<b>Honolulu</b>	<b>Thursday, April 26</b> <i>Mission Memorial Auditorium</i> 550 South King St., Honolulu 9681
<b>Kapolei</b>	<b>Monday, May 14</b> <i>Kapolei Hale, ground floor conference room</i> 1000 Uluohia Street, Kapolei 96707
<b>Kaneohe</b>	<b>Tuesday, May 15</b> <i>Benjamin Parker Elementary School Cafeteria</i> 45-259 Waikalua Road, Kaneohe 96744
<b>Mililani</b>	<b>Thursday, May 24</b> <i>Mililani Recreation Center #5</i> 95-1101 Ainamakua Drive, Mililani Town 96814



## Next Stakeholder Advisory Group meetings

- ◆ Tuesday, March 13, 2018,  
4:00 – 6:30 pm  
Blaisdell Center, Hawaii Suites
- ◆ Others TBD

# WATER FOR LIFE

*Safe, dependable, and affordable water now and into the future*



**Mahalo!**