

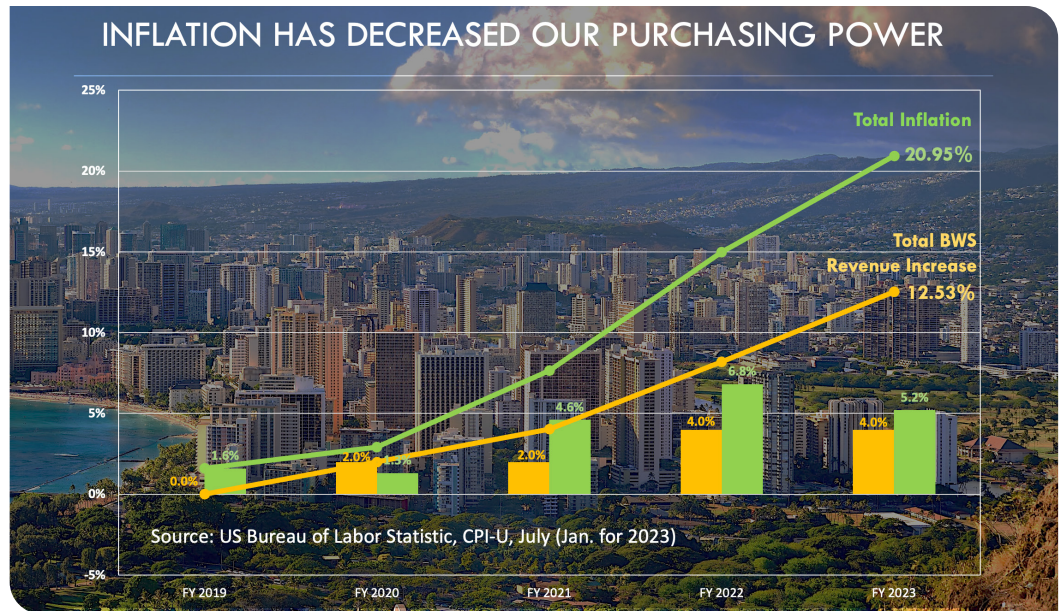


## BWS Seeks Comments on Proposed Water Rate Hikes

The Honolulu Board of Water Supply (BWS) is proposing rate adjustments so we can continue to provide safe and dependable water to the one million people we serve on Oahu, now and in the future.

As a semi-autonomous City agency, the BWS is financially self-sufficient; no tax revenues are used to finance BWS operations. Infrastructure improvements and operations are funded mostly by rate revenues.

Since 2020, we have all been impacted by the global pandemic and the many associated stressors, financial and otherwise, that have come from it. During this time, the BWS has gone to great lengths to minimize the impacts to our customers. In addition to our extensive customer assistance programs, we will have a “flat” Operations and Maintenance budget for 2024, and are deferring purchases of replacement vehicles and other equipment, deferring less-critical capital projects, and not passing on energy cost increases to our customers. Unfortunately, our water supply is under unprecedented threat from the Red Hill fuel crisis. The as-yet undetermined risk of Per- and Polyfluoroalkyl Substances (PFAS), also known as “forever chemicals,” in widespread use in common household products since the 1940s and 1950s, poses uncertainty about what will be our highest project priorities in the future. What we do know with certainty is that over the next few years the BWS will continue to invest in infrastructure projects to replace pipelines, pumps, and reservoirs; sustain our water supply by establishing new wells to replace those impacted by Red Hill and building our first desalination plant in Kalealoa; and expand our water conservation programs while continuing to invest in watershed protection.



**BWS’s revenues will need to increase to meet anticipated operating and infrastructure improvement expenses.**

The proposed draft rate adjustments shown on the follow pages are needed to accomplish the following objectives:

- Focus on water quality, source protection, and replacement and/or treatment of impacted sources
- Focus on maintaining and replacing our most critical infrastructure
- Begin update of the Water Master Plan in 2024
- Adjust the number of days of working capital to address trends and risks

Proposed draft rate adjustments may be implemented starting January 1, 2024. Please note: these are proposed WATER rates, NOT sewer rates.



## Monthly Customer Meter Charge

The monthly customer charge is based on meter size. Customers with larger meters pay more. Most single-family homes have meters that are 5/8" or 3/4" and will have the lowest monthly customer charge.



### Proposed Monthly Customer Charge (per meter)

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

\* Typical for Single Family Residential

## Single-Family Rates

Our analysis of monthly water usage data for our single-family residential customers confirmed that about 10 percent of these customers use 2,000 gallons or less; half of our customers use 6,000 gallons or less; the average BWS customer uses about 9,000 gallons; and only three percent use more than 30,000 gallons per month. We use this data to define our monthly rate tiers.

The Essential Needs tier for basic indoor water needs – such as drinking, cooking, and personal hygiene – is available for all residential customers. One of the key elements in maintaining affordability is to limit the increase of the Essential Needs Tier to 2.5% per year and shift that cost to higher water users to encourage conservation.

### 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 du: Dwelling unit  
Rates are in \$ per thousand gallons

### Essential Needs Tier

- Below-cost rate for the first 2,000 gallons per month
- All residential customers get this rate
- 10% of all BWS residential customers use 2,000 gallons or less per month



## Multi-Unit Water Rates

Multi-unit customers include triplexes to high-rises. Duplexes are included with single family residential customers.

EssN: Essential needs  
du: Dwelling unit  
Rates are in \$ per thousand gallons

### 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



Comparing Bills: Single-Family Residential Essential Rates Tier\*  
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%

10% of Single Family Residential customers use 2,000 gallons per month or less

Comparing Bills: Single-Family Residential\*  
The Median Water User (6,000 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
\$42.01	\$45.54	\$49.41	\$53.25	\$57.20	\$61.23	\$65.58
\$ Change	\$3.53	\$3.87	\$3.84	\$3.95	\$4.03	\$4.34
% Change	8.4%	8.5%	7.8%	7.4%	7.1%	7.1%

50% of Single Family Residential customers use 6,000 gallons per month or less

Comparing Bills: 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%

Comparing Bills: 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%

Top 3% of Single Family Residential customers use 35,000 gallons per month or more

\* includes monthly customer charge for 5/8 or 3/4-inch meter

## Enhanced Conservation Programs and Assistance for Kupuna Living on their Own

HBWS will contact top water users and work with them on reducing water use. The initial outreach program will focus on businesses, condos and townhomes.

In another conservation program, BWS will work with Kupuna living on their own. Working with referrals from city, state and private agencies that work with seniors, we will perform water audits of the home. Fixtures will be replaced as needed. For larger plumbing replacements, BWS will make sure our Kupuna know about and receive all appropriate rebates.

## Conservation Highlights by the Numbers:

### RESIDENTIAL PROGRAMS

**772,423,940**

Estimated Lifetime Gallons Saved

**10,190** Rebates Issued

**8,465** Clothes Washers

**743** Rain Barrels

**627** Toilets

**355** WMICs

### COMMERCIAL PROGRAMS

**7,255,120**

Estimated Lifetime Gallons Saved

**57** Pre-Rinse Nozzles

**106** Faucet Aerators

**27** Rebates Issued

**January 2019:**

Food Service Incentives Started

**February 2022:**

Commercial Rebates Started

## Fire Meter Standby Charge

A nominal monthly fire meter stand-by charge is for BWS customers with private fire protection systems. The money collected will cover the BWS's costs to service these meters on an annual basis.

### Fire Meter Standby Charge, 2024-2029

Meter Size	Current	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
2" and smaller	\$7.99	\$8.79	\$9.67	\$10.54	\$11.43	\$12.35	\$13.34
3"	\$10.29	\$11.32	\$12.45	\$13.57	\$14.73	\$15.90	\$17.18
4"	\$14.23	\$15.65	\$17.22	\$18.77	\$20.36	\$21.99	\$23.75
6"	\$28.44	\$31.28	\$34.41	\$37.51	\$40.70	\$43.95	\$47.47
8"	\$52.94	\$58.23	\$64.06	\$69.82	\$75.76	\$81.82	\$88.36



## Fee Waivers

BWS will continue to offer waivers to support affordable housing, homeless housing, and to retrofit fire sprinklers in existing residential buildings. We are considering offering fee waivers to new farmers as well. These may include waiving the installation fee and Water System Facilities Charge for new ¾-inch and 1-inch meters connecting to BWS system for the first time. New farmers receiving those waivers would provide proof of commercial agricultural operation and water use plan.

## Non-Residential Rates

These types of customers include hotels, restaurants, government, shopping centers, hospitals, and retail businesses. Proposed non-residential customer rates, shown here, have gradual incremental increases over the 5-year period. Non-residential customers pay a flat rate, regardless of their business type and water usage. A business might practice good conservation measures, even though they may use large amounts of water.

### 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

## Agricultural Rates

Some water rates are subsidized. The BWS offers lower rates to local agriculture and to our customers who buy recycled water. Based on recent customer surveys, we found that our customers support this. The costs that aren't recovered by the lower rates are spread across all of our other customer classes. Supporting Oahu's farming industry promotes "buying local" and moves our community closer to sustainability, especially since we live on an island and want to encourage the availability of more locally grown produce.

### Agricultural 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	Over 6,000	\$2.12	\$2.33	\$2.57	\$2.81	\$3.05	\$3.29	\$3.56

EssN: Essential needs du: Dwelling unit - Rates are in \$ per thousand gallons

## BWS's Rebate Programs Helps Customers Save Water and Money

The Board of Water Supply's Water Sensible Program offers various rebates for the purchase and installation of qualifying water-efficient fixtures and appliances.

Rebates are available to both residential and commercial customers. More information at [www.boardofwatersupply.com/rebates](http://www.boardofwatersupply.com/rebates).

There is also a "WaterWisdom" program that provides multi-family building managers and residents a free comprehensive toolkit to help them succeed in conserving water. Learn more at: [www.boardofwatersupply.com/waterwisdom](http://www.boardofwatersupply.com/waterwisdom)

Remember, if each save a little water, then together we can save a lot!

**We welcome you to submit comments on proposed rates by Oct. 15, 2023:**

Mail: 630 S. Beretania St.  
Honolulu, HI 96843

Call: 748-5041

Email: [bwsrates@hbws.org](mailto:bwsrates@hbws.org)

Website: [boardofwatersupply.com/proposedrates](http://boardofwatersupply.com/proposedrates)



[www.boardofwatersupply.com](http://www.boardofwatersupply.com)  
630 S. Beretania St., Honolulu, HI 96843

**GET THE HNL.INFO APP**  
Alerts on your phone: <https://hnl.info>  
**TROUBLE CALL: (808) 748-5000**  
Customer Service: (808) 748-5030  
Billing & Payments: (808) 748-5020

