

Slide 1




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

Stakeholder Advisory Group

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

Thursday December 07, 2017

Slide 2



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

The slide features a teal background with a decorative border at the bottom. The top banner includes the 'WATER FOR LIFE' logo and the Board of Water Supply logo.

Slide 3



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

The slide features a teal gradient background with a decorative border at the bottom. The top header includes the 'WATER FOR LIFE' logo with a water drop icon and the 'Board of Water Supply' logo with the text 'City and County of Honolulu'.

Meeting Objectives

- ◆ Receive updates regarding the BWS
- ◆ Provide additional information related to fixed charges and get your feedback
- ◆ Discuss the 10-year revenue requirement to implement the Water Master Plan

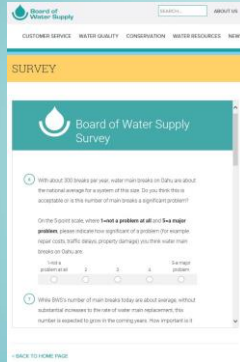
WATER FOR LIFE
Safe, dependable, and affordable water now and into the future

Board of Water Supply
City and County of Honolulu

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



BWS Launched Web Survey to Seek Public Input on Financial Plan and Water Rates



Take the survey


Share this information

<http://www.boardofwatersupply.com>


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**



ENTRUSTED TO US TO
PRESERVE
FOR FUTURE GENERATIONS

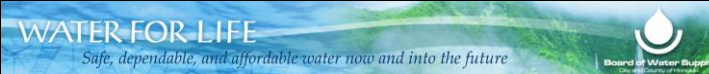


WATER FOR LIFE
Safe, dependable, and affordable water now and into the future

Board of Water Supply
City of Denver

Action

Review and accept notes from
Stakeholder Advisory Group Meeting #21
held on Tuesday, November 14, 2017



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

Dave Ebersold
Facilitator

Brian Thomas
Public Financial Management

**ADDITIONAL INFORMATION
RELATED TO FIXED CHARGES**

BWS's Current Billing Charge



- ◆ The charge is a flat fee of \$9.26 per bill for all customers, whatever their meter size or level of use
- ◆ The billing charge covers:
 - Customer service and billing staff
 - Meter maintenance and repair
 - Meter reading
 - Processing and mailing bills
- ◆ Noted in 2014 Audit for not being able to clearly justify billing charge, recommended to follow industry best practice (AWWA)

Monthly Fixed Charge Comparison

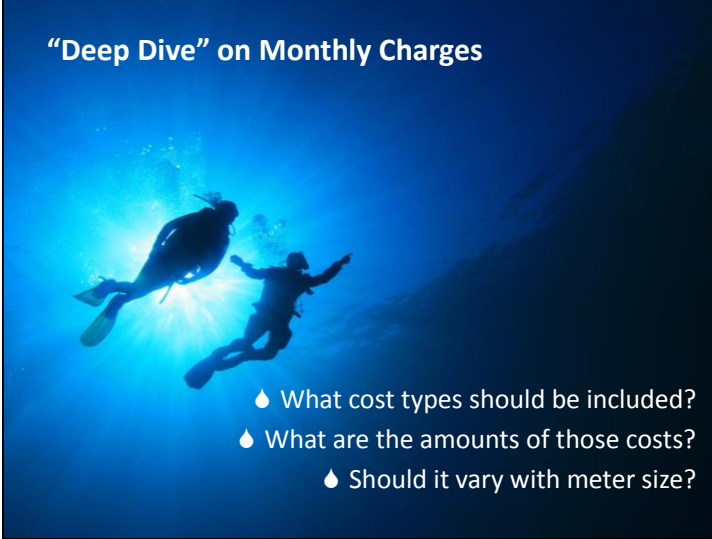
Meter Size	Maui	Kauai	Hawaii	BWS (Example)
5/8	\$19.25	\$17.75	\$18.30	\$7.75
3/4	\$31.00	\$24.75	--	\$7.75
1	\$46.00	\$36.50	\$39.00	\$13.15
1.5	\$88.00	\$65.50	\$73.00	\$26.30
2	\$137.00	\$100.00	\$113.00	\$42.05
3	\$242.00	\$181.00	\$207.00	\$84.10
4	\$420.00	\$297.00	\$342.00	\$131.40
6	\$770.00	\$587.00	\$678.00	\$262.80
8	\$1,215.00	\$934.00	\$1,081.00	\$420.45
10	--	--	\$1,560.00	--
12	--	--	\$2,720.00	--

◆ Other islands appear to have increased fixed charges by including some “capacity costs”

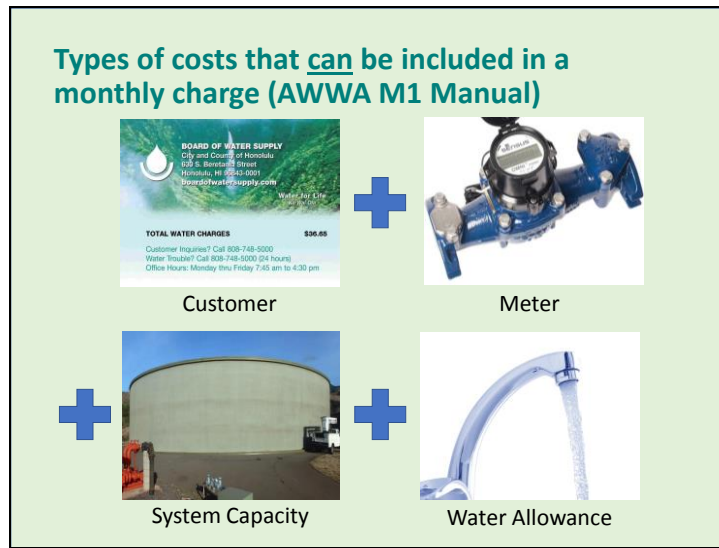
Questions About the Fixed Charges

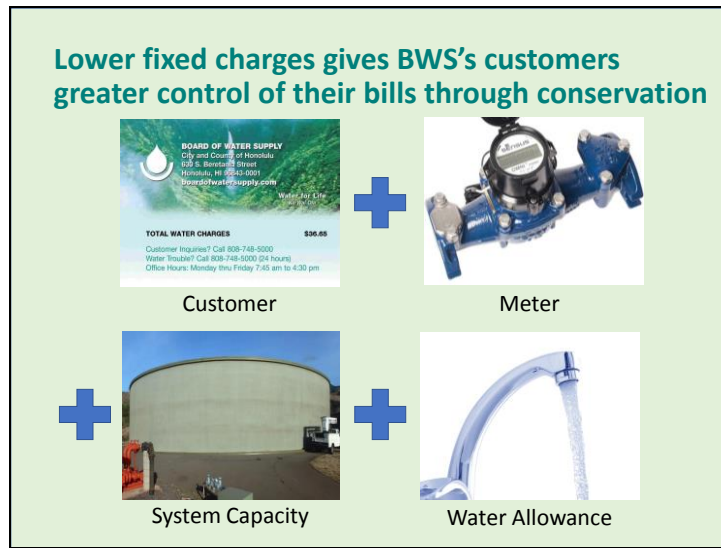
- ◆ Is BWS's current billing charge clear? Is it equitable?
- ◆ Should BWS's current fixed charge be changed to vary by meter size?
- ◆ Should it be the same for all classes of potable water customers?
- ◆ As always, the "whys" and "why nots" matter

“Deep Dive” on Monthly Charges

A photograph of two divers underwater, silhouetted against a bright light source, likely the sun, creating a lens flare effect. The water is a deep blue color.

- ◆ What cost types should be included?
- ◆ What are the amounts of those costs?
 - ◆ Should it vary with meter size?





Types of accounting cost categories included in BWS's Customer and Meter allocations



Customer

Customer care
Billing and collections
Information technology
Water resources
Finance

Meter

Backflow and Cross Connection
Meter shop/maintain/replace
Automotive
Field operations



Proportioning costs that change by meter size

Meter Size	AWWA Capacity Ratios	BWS Meter Cost Ratios	BWS Meter Cost	Meter Type
3/4	1	1	\$86	3/4" Displacement
1	1.7	1.6	\$141	1" Displacement
1.5	3.4	2.0	\$171	1-1/2" Displacement
2	5.4	6.9	\$590	2" Turbine
3	10.9	8.8	\$753	3" Turbine
4	17.0	17.9	\$1,538	4" Turbine
6	33.9	32.9	\$2,829	6" Turbine
8	54.3	50.8	\$4,372	8" Turbine

Over 25 of 77 accounting cost categories include allocations to customers or meters

Type	Total
Same for all meter sizes	\$10,906,000
Varies by meter size	\$12,473,300
	\$23,379,300

Example amounts

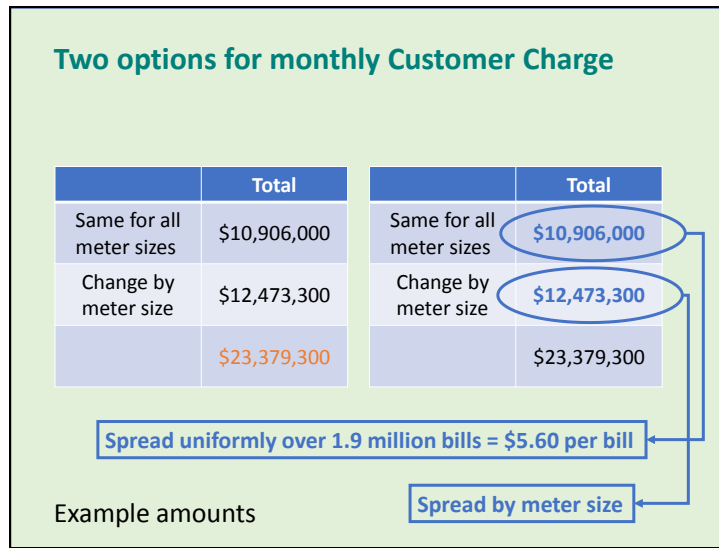
Two options for monthly Customer Charge

Type	Total
Same for all meter sizes	\$10,906,000
Varies by meter size	\$12,473,300
	\$23,379,300

↓

Spread uniformly over 1.9 million bills = \$12.05 per bill

Example amounts



Two options for monthly Customer Charge


Meter Size	# Mtrs	Uniform Customer Charge	Average Monthly Bill	% of Bill that is Fixed	Customer Charge by Meter Size	Average Monthly Bill	% of Bill that is Fixed
5/8 or ¾	162,508	\$12.05	\$52	23.2%	\$10.40	\$50	20.8%
1	8,384	\$12.05	\$235	5.1%	\$13.30	\$236	5.6%
1.5	3,097	\$12.05	\$458	2.6%	\$15.20	\$462	3.3%
2	3,851	\$12.05	\$911	1.3%	\$38.70	\$938	4.1%
3	456	\$12.05	\$2,900	0.4%	\$47.80	\$2,935	1.6%
4	294	\$12.05	\$6,036	0.2%	\$81.45	\$6,116	1.5%
6	154	\$12.05	\$10,552	0.1%	\$163.40	\$10,704	1.5%
8	325	\$12.05	\$11,681	0.1%	\$249.25	\$11,919	2.1%

Example amounts

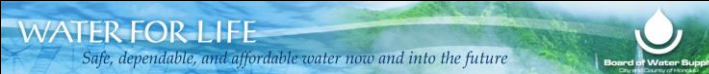
WATER FOR LIFE
Safe, dependable, and affordable water now and into the future

Board of Water Supply
City and County of Honolulu

Mahalo! **Questions & Answers**



ENTRUSTED TO US TO
PRESERVE
FOR FUTURE GENERATIONS

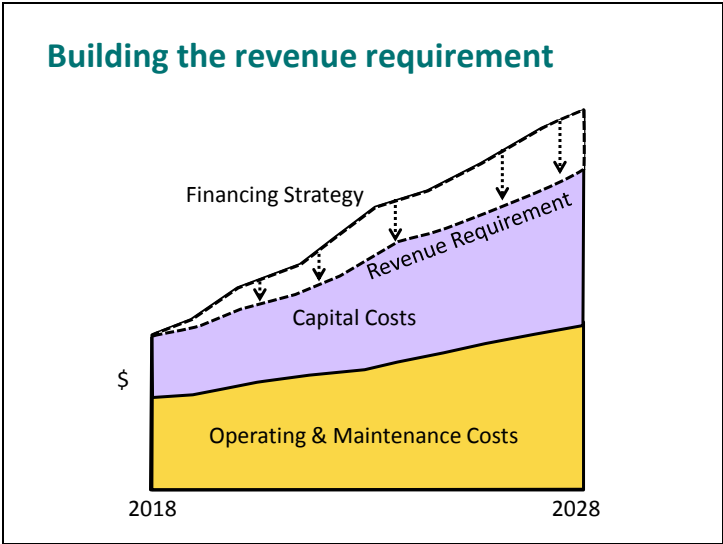


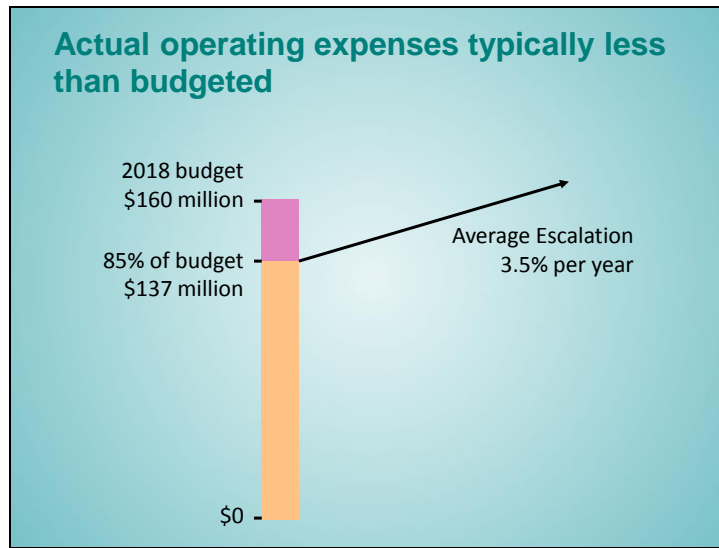
Barry Usagawa
Water Resources Program Director

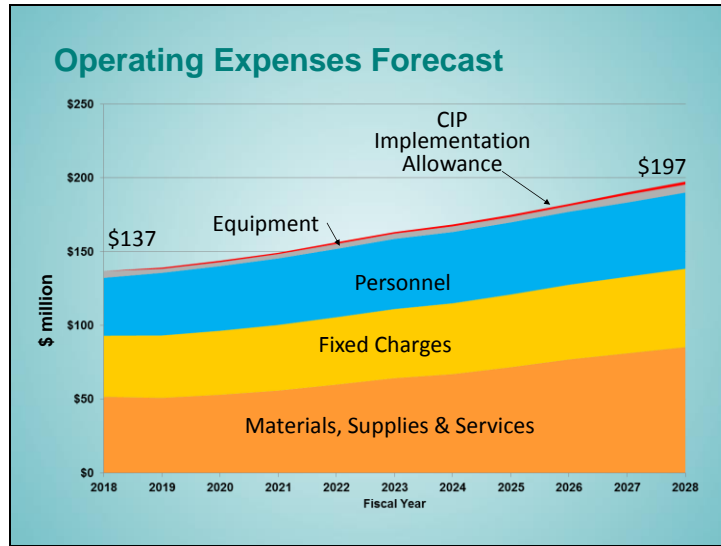
Dave Ebersold
Facilitator

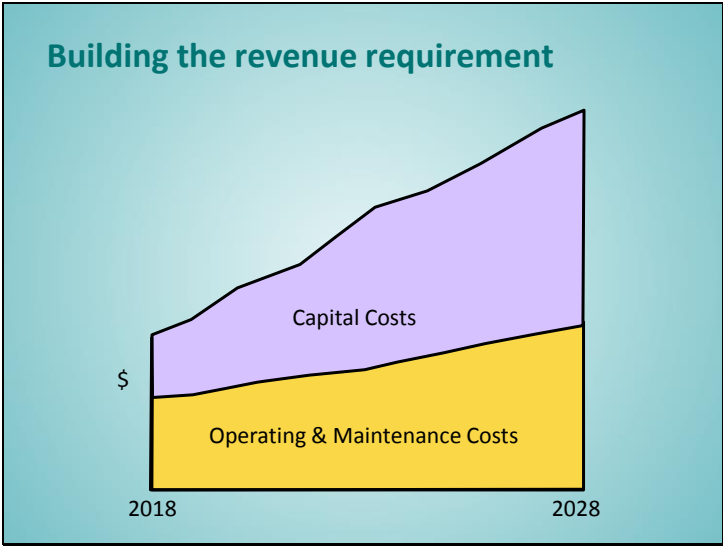
Brian Thomas
Public Financial Management

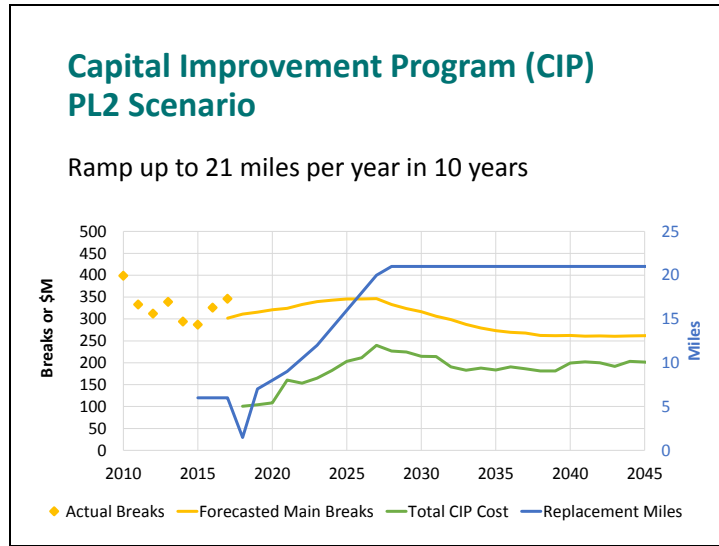
**10-YEAR REVENUE REQUIREMENT
TO IMPLEMENT THE WATER
MASTER PLAN (WMP)**












Pump stations

- The “heart” of the system
- Improve from 82% to 90% of pumps on-line
- Upgrade to higher efficiency more reliable MCCs, motors, and pumps




Source capacity

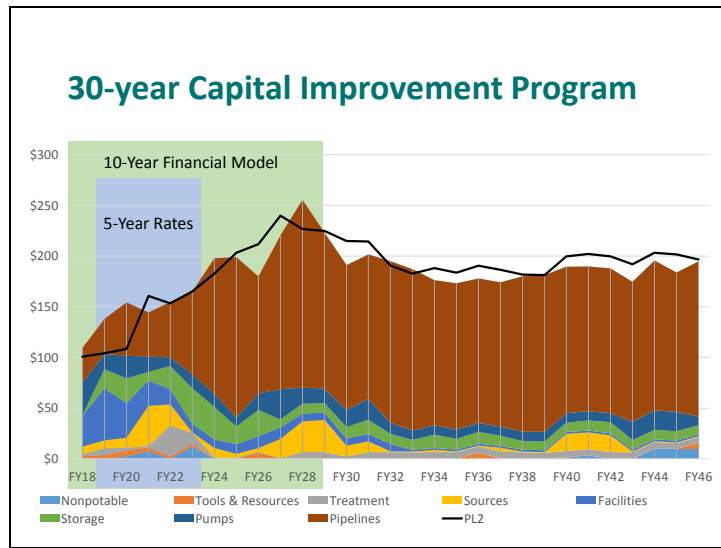
- Demands will decrease through mid-2020's but will then increase
- Climate change will effect the production of some sources
- Install additional source capacity early, so it is ready when needed
- Diversify the types of sources to protect groundwater

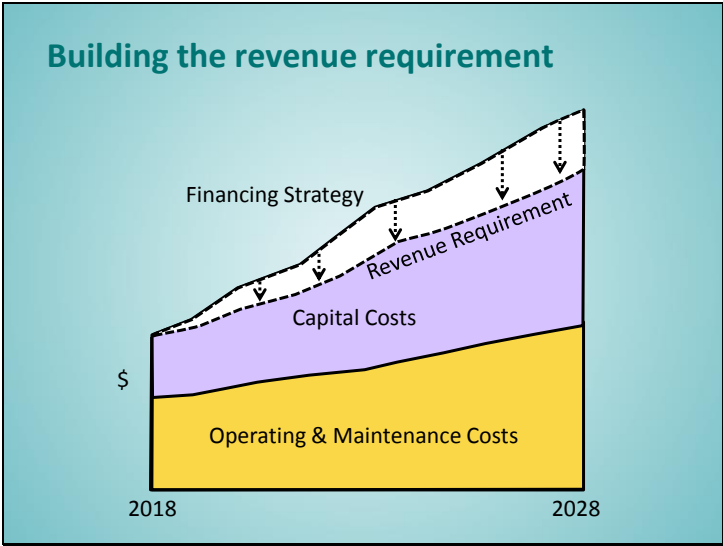


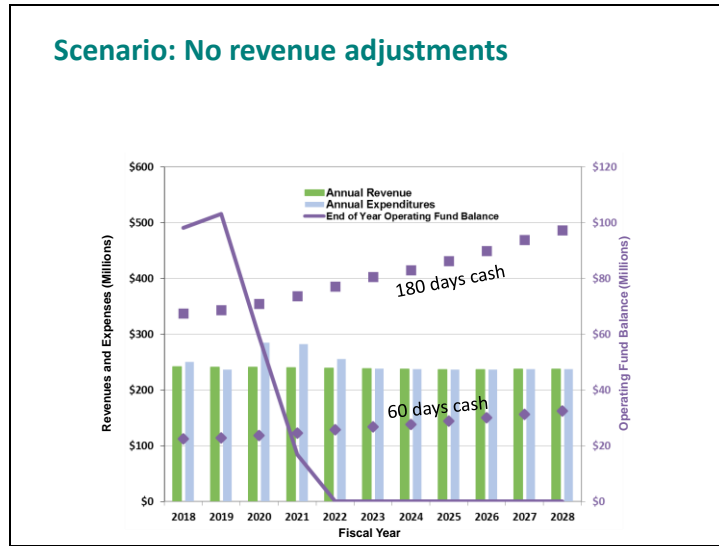
Other high priority projects

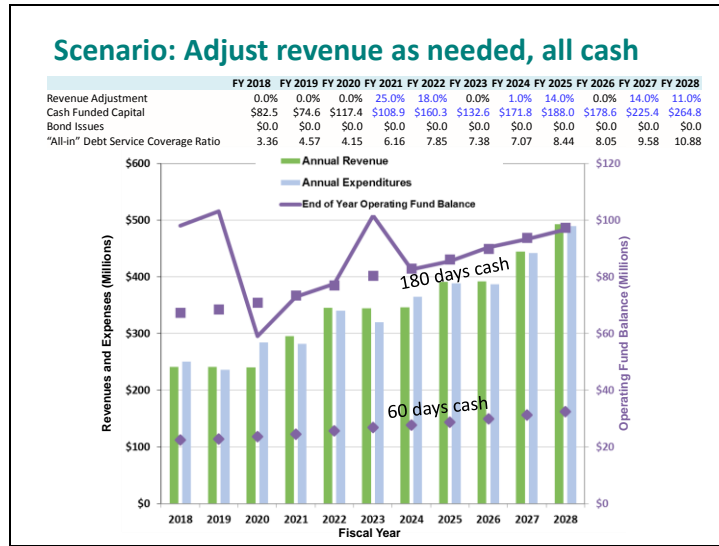
- Repair/replace high priority reservoirs
- Implement business tools and processes to facilitate implementation of an increased CIP
- Complete high priority reliability projects identified in the WMP to protect the system from disasters

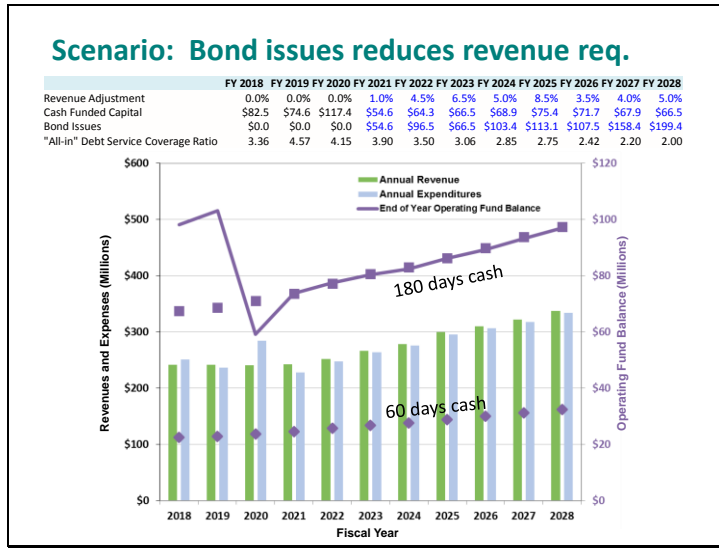
A photograph showing a worker on a white bucket truck performing maintenance on a large, green, cylindrical reservoir. The worker is positioned on the bucket, which is extended to the top edge of the reservoir. The reservoir is situated outdoors, with lush green trees and a mountain in the background. The sky is overcast.

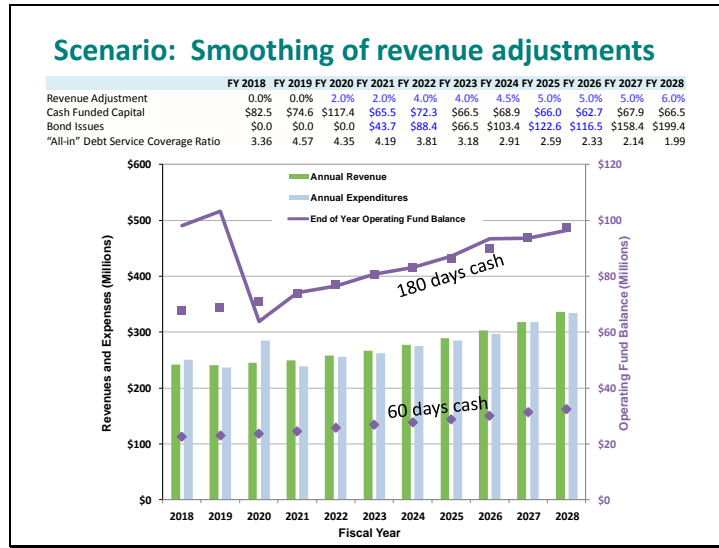


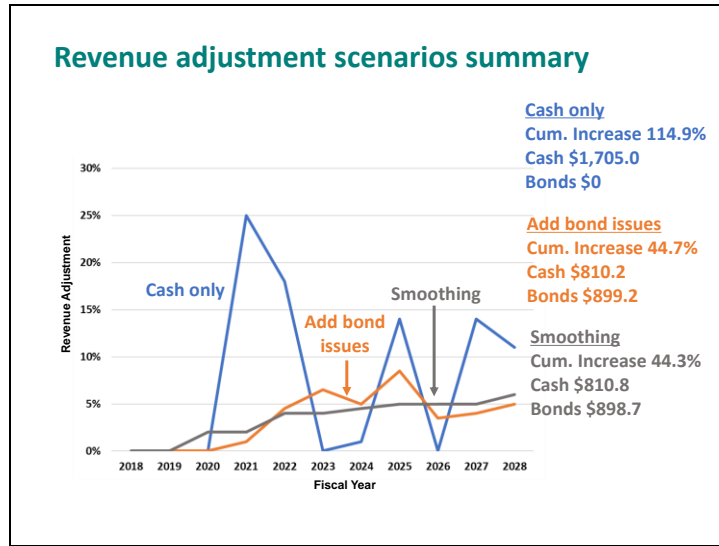














WATER FOR LIFE
Safe, dependable, and affordable water now and into the future

Board of Water Supply
City and County of Honolulu

Mahalo! **Questions & Answers**



ENTRUSTED TO US TO
PRESERVE
FOR FUTURE GENERATIONS

The slide features a teal background with a decorative border at the bottom. The top section contains the 'WATER FOR LIFE' logo and the Board of Water Supply logo. The middle section has two columns of text: 'Mahalo!' and 'Questions & Answers'. Below this is a photograph of a young boy splashing water, with the text 'ENTRUSTED TO US TO PRESERVE FOR FUTURE GENERATIONS' overlaid on the right side of the image.



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

The slide features a teal background with a decorative border at the bottom. The top banner includes the 'WATER FOR LIFE' logo and the Board of Water Supply logo. The main text is centered on the left side of the slide.



BWS Board Workshop on Water Rates

- ◆ Monday, January 8, 2018
2:00 – 4:00 pm
Board of Water Supply
630 S. Beretania Street, 3rd Floor

Next Meeting

- ◆ Wednesday, January 10, 2018
4:00 – 6:30 pm
Blaisdell Center, Hawaii Suites

2018 Stakeholder Advisory Group Meeting Schedule

- ◆ Wednesday, January 10, 2018
4:00 – 6:30 pm
Blaisdell Center, Hawaii Suites
- ◆ Wednesday, February 21, 2018
4:00 – 6:30 pm
Hawaiian Electric Training Rooms, Honolulu Club
- ◆ 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

Board of Water Supply
City and County of Honolulu

ENTRUSTED TO US TO
PRESERVE
FOR FUTURE GENERATIONS

Mahalo!

The advertisement features a central image of a young boy splashing water, with the word 'PRESERVE' in large, bold letters. The background is a light teal color with a decorative border at the bottom.