

Neighborhood Board	Summary of Presentation from Neighborhood Board Minutes	Response to Question / Comment
<p>Waianae Coast NB #24 May 2018 Meeting</p>	<p>Water Rates Increase – BWS: BWS Program Administrator of Water Resources Barry Usagawa gave a presentation and reported the following:</p> <ul style="list-style-type: none"> ● Water System: Usagawa discussed the interconnected water system on Oahu, including its 13 tunnels, nine (9) shafts, 194 ground water wells, 13 water treatment plants, and 171 potable water reservoirs. This system is connected through 2100 miles of pipeline that carry 145 million gallons of water per day to almost 1 (one) million people on Oahu. ● Water Master Plan: Usagawa commented that The Water Master Plan was adopted in 2016, defining long term infrastructure goals. He commented that BWS is using the master plan as a guide to improve the resiliency of the water system through \$511 million in improvement projects, reduction of the number of main breaks of the island, and expansion of the water conservation program and the watershed program, requiring \$3.4 million per year per program. ● Water Main Breaks: The BWS will reduce main breaks by increasing the pipe replacement miles per year, prioritizing the highest risk lines in the process. Usagawa discussed the history of main breaks, concluding that main breaks have jumped within the last two (2) years from less than 300 per year to over 340 per year. He commented that BWS plans to increase the rate of pipe replacement from six (6) miles of pipeline a year, to 21 miles of pipeline a year over the course of 10 years. He identified BWS’s goal to reduce main breaks to below 300 a year. ● Water System Improvement Projects: BWS has identified projects in the Council District (CD) 1 area they plan to pursue over the next four (4) years. Usagawa discussed the following water system improvement projects: improvements to the water system to areas of Makakilo; a water line on McArthur Street; general Waianae water system improvements in the area of Piliilaa Park, through Plantation road, to Waianae Valley Road. Usagawa summarized that there are a total of 45 projects, \$300 million, 16.2 miles of pipe in CD1 over the next 10 years. ● Water Rates: Usagawa discussed the proposed water rate changes intended to fund these projects. The following changes were defined as follows: <ul style="list-style-type: none"> ○ Essential Needs Tier: Those customers using less than 2000 gallons of water a month will see reduced rates. Usagawa commented that this allows customers to control their water bill through conservation. ○ Water Meter Size Rates: BWS customers base rates will change based on the water meter size to reflect the high cost of replacing larger meters. ○ Water Rate Changes: The average BWS residential customer will see a rate change from \$9.22 to \$12.09 a month over five (5) years. This is subject to change based on meter size. ● Residential Rate Tiers: Usagawa defined the current three (3) tiers for residential customers: residents using up to 13,000 gallons of water per month pay \$4.42 per month; residents using up to 30,000 gallons of water per month pay \$5.33; residents using above 30,000 gallons of water per month pay \$7.94. Usagawa outlined the change in the tiers as follows: <ul style="list-style-type: none"> ○ 0 – 2000 Gallons per Month: The base rate for customers using less than 2000 gallons of water per month will rise from \$3.79 to \$4.46 per month over the next five (5) years. ○ 2000 – 6000 Gallons per Month: The base rate for customers using up to 6000 gallons of water per month will rise from \$4.46 to \$5.25 per month over the next five (5) years. ○ 6000 – 30,000 Gallons per Month: The base rate for customers using up to 2000 gallons of water per month will rise from \$5.06 to \$5.85 per month over the next five (5) years. ○ Over 30,000 Gallons per Month: The base rate for customers using more than 30,000 gallons of water per month will rise from \$8.00 to \$9.45 per month over the next five (5) years. ● Water Bill Impacts: Usagawa defined the following impact on residents from the water rate changes: <ul style="list-style-type: none"> ○ Single Family Residential: Residents of a single family residential using 2000 gallons of water or less will expect to pay \$18.10 to \$21.10 over five (5) years. The average water user of 9000 gallons per month will expect to pay \$51.00 to \$59.00 per month over five (5) years. A user using WAIANAE COAST NEIGHBORHOOD BOARD NO. 24 TUESDAY, MAY 1, 2018 DRAFT REGULAR MEETING MINUTES PAGE 7 OF 10 35,000 gallons of water per month will expect to pay \$197.00 to \$228.00 per month over five (5) years. Usagawa explained that the pay rates are progressive, whereby the first 2000 gallons of used water are paid at the first tier rates, with the following usage up to 6000 gallons, 30,000 gallons, and above 30,000 gallons paid at their respective tier rates. <ul style="list-style-type: none"> ○ Multi-Family Residential: Usagawa defined the differences between the single family residential units and the multi-family residential unit water rates. While the below 2000 gallons user rates will remain the same, the second tier will be up to 4000 gallons of use per month. Usagawa explained that this is justified through the variance in water consumption and reduced levels of irrigation for multi-family residential units. The third tier goes up 10,000 gallons of use per month, with the fourth tier paying the highest for all consumption exceeding 10,000 gallons of water per month. ○ Non-Residential: Usagawa commented that commercial, or non-residential, customers will pay a flat rate from \$4.26 to \$5.27 per month. Usagawa explained that while residential units are fairly uniform in their water consumption, commercial units vary greatly in their water consumption needs. He concluded that due to the wide variety of commercial developments, a tier structure would be too difficult to develop. He concluded that the conservation program focused on residential customers. 	

o Subsidies: The BWS decided to maintain subsidies for local agriculture, separated in three (3) tiers.

● Public Hearings: Usagawa promoted the Monday, May 14, 2018 public hearing on water rates at Kapolei Hale at 6:30 p.m. BWS will hold public hearing in Kaneohe on Tuesday, May 15, 2018 and Mililani on Thursday, May 24, 2018. Usagawa encouraged residents to attend hearings nearest them and/or submit comments to the BWS, accepted until Saturday, June 30, 2018. BWS plans to make a decision on the rate structure in July 2018.

Questions, comments, and concerns followed:

1. Non-potable Recycled Water/ Golf Courses: Smith commented that through the new rate structure, golf courses will pay 57 cents per month through their use of non-potable recycled water. Smith asked and Usagawa commented that they currently pay that rate, and their rates will increase at the same percentage as other customers over five (5) years. He clarified that BWS plans to promote recycled water for conservation purposes. He added that the cost to serve the golf courses can be met by that rate structure. He concluded that the BWS did not want to hike rates for any users. Smith asked and Usagawa responded that only serve potable water to three (3) golf courses, adding that many golf courses have their own wells. He commented that nine (9) golf courses in Ewa use recycled water.
2. Koike asked and Usagawa responded that Makaha golf courses use water from their wells, as well as through overtunnels under BWS. Koike asked and Usagawa responded that the cost to serve Makaha golf course is similar to the range of recycled water rates, as they use their wells first before they use water from BWS.
3. Chair Poe asked and Usagawa clarified that the golf courses utilizing potable currently pay the \$4.42 rate.
4. Koike expressed his concerns with golf courses paying less per gallon than agriculture, despite the agricultures greater benefit for residents. Usagawa responded that the variance in cost relates to the cost to serve recycled water, potable water, and drinking water. Koike asked and Usagawa responded that farmers are allowed to drill their own wells, adding that Waianae geology makes it difficult to create usable wells for agriculture.

Kuliouou-Kalani Iki NB #2
May 2018 Meeting

Board of Water Supply (BWS) – Rian Adachi, Jane Pascual, and Robert Morita, circulated a handout, provided a presentation, and reported the following:

- Main Breaks – No main break report was available for April 2018, the report will be provided at a future Board meeting.
- Water Rate Presentation – The BWS has proposed necessary adjustments to water rates to continue operations to provide water for Oahu. The following was highlighted:
 - o Water Source – All of Oahu’s drinking water is derived from underground, no surface water is used.
 - o Water Master Plan – A Water Master Plan was completed in 2016 to examine the BWS’ capacity to provide fresh water to Oahu throughout the future. Over the next 30 years, the BWS will invest in over 800 infrastructure projects across Oahu costing over 5.3 billion dollars. Over the next 10 years, the BWS will invest over 511 million dollars to address reliability and resiliency in the water system, 876 million dollars to address main breaks, 3.4 million dollars per year for conservation, and 3.4 million dollars per year for watershed protection.
 - o Essential Needs Tier – The BWS has proposed a new essential needs water tier for roughly 10 percent of customers who utilize less than 2,000 gallons of water per month.
 - o Rate Changes – Changes to water rates and bills begin in July 2019, assuming the proposed changes are adopted. Bills for the essential needs tier are expected to initially drop slightly, then gradually rise each year. Bills for all other tiers are expected to gradually rise each year.
 - o Subsidies – Current subsidies for local agriculture and recycled water are expected to be maintained.
 - o Public Hearings – Public hearings will be held throughout Oahu to discuss proposed water rate changes.
 - o Testimony – Testimony regarding proposed water rate changes can be submitted to the BWS at contactus@hbws.org.

Kahaluu NB #29
May 2018 Meeting

Board of Water Supply (BWS) Presentation on Proposed Water Rate Changes – Barry Usagawa and Dymian Racoma, BWS, circulated handouts, conducted a presentation, and reported the following:

- Public Comment Period – The proposed rate structure’s public comment period is ongoing until June 2018.
- Reduce Main Breaks – A Water Master Plan was completed in 2016 to examine the BWS’ capacity to provide fresh water to Oahu. Over the next 30 years, the BWS will invest in over 800 infrastructure projects across Oahu costing over 5.3 billion dollars. Over the next 10 years, the BWS will invest over 511 million dollars to address reliability and resiliency in the water system, 876 million dollars to address main breaks, 3.4 million dollars per year for conservation, and 3.4 million dollars per year for water shed protection.
- Council District 2 – The BWS has 49 projects, 266 million dollars, and 41 miles of pipe replacement planned for the City Council District 2 area.
- Essential Needs Tier – The BWS has proposed a new essential needs water tier for roughly 10 percent of customers who utilize less than 2,000 gallons of water per month to promote water conservation.
- Rate Changes – Changes to water rates and bills will begin in July 2019, assuming the proposed changes are adopted. Bills for the essential needs tier are expected to initially drop slightly, then gradually rise each year. Bills for all other tiers are expected to gradually rise each year. Sewage bills are not under the BWS’

jurisdiction and will not be included in the water rate changes.

- Subsidies – Current subsidies for local agriculture and recycled water are expected to be maintained.
- Public Hearings – Public hearings will be held throughout Oahu to discuss proposed water rate changes. Hearings are scheduled for Monday, May 14, 2018 at Kapolei Hale, Tuesday, May 15, 2018 at Benjamin Parker Elementary School, and Thursday, May 24, 2018 in Mililani.
- Testimony – Testimony can be submitted by June 30, 2018 to the BWS at contactus@hbws.org.

Palolo NB #6
May 2018 Meeting

Board of Water Supply (BWS) Proposed Water Rates – Chief Engineer Ernest Lau reported that the BWS is proposing rate adjustments necessary to continue to provide safe, reliable, and affordable, water on Oahu, today and into the future. BWS is reaching out across Oahu to share what is being proposed and why. The resulting benefits will include an increase in reliability and resiliency of our water systems, the number of main breaks to decline with the next decade, increased investments in conservation to preserve existing supplies and delay the need for new sources, and target funding for watershed protection to adapt to a changing climate. BWS proposes customer charge based on the size of the meter. A monthly charge based on meter size distributes costs for service more fairly, with those with larger meters paying more. This will cover the costs of servicing and replacing meter, reading meters, billing, and related customer and administrative services. BWS is also proposing rate adjustments for single family, multi-unit residential, non-residential, agricultural, non-potable, and recycled water. These rate adjustments are part of a five (5) year rate proposal. Community presentations will begin in spring 2018, plans to implement the proposal will start in July 2018, and rate changes would begin in July 2019.

Questions, comments, and concerns followed:

1. Taxes: A community member asked why tax funds are not used to help the BWS subsidize projects. Lau stated that BWS is financially self-sufficient and depends on customer's rates and fees to operate and maintain Oahu's extensive and complex water infrastructure.
2. Monster Homes: Armentrout asked how monster homes are charged for their water bill. Lau stated that they are either charged as a single family unit or a multi-unit residential, which is classified by Department of Planning and Permitting (DPP).

Diamond Head-Kapahulu-St. Louis
Hts NB#5
May 2018 Meeting

BWS Water Rates Presentation: Joe Cooper of BWS gave a presentation and reported the following:

- Cooper expressed the importance of maintaining the water infrastructure. He commented that the Water Master Plan was a study undertaken to assess the needs of the water system over the next 30 years. The project took close to four (4) years to complete, with a supplemental infrastructure and finance plan developed in tandem. The BWS planned over 800 projects over the next 30 years at an estimated five (5) billion dollars.
- Main Breaks: Cooper commented that one (1) of the goals of the Water Master Plan is to reduce main breaks. The water infrastructure has experienced 250 to 350 main breaks every year over the last five (5) to 10 years. He commented that at the current replacement rate of five (5) to seven (7) miles of pipeline a year, the BWS expects up to 500 main breaks a year in the future. He commented that the BWS plans to increase the rate of pipeline replacement to 21 miles of pipeline a year to reduce the number of main breaks to sufficient levels.
- Rates: Cooper commented that the BWS sought to be fair and equitable when planning the rate changes to encourage conservation as well as provide an "essential needs tier" for residential units. The essential needs tier will be a special discounted rate for residents for the first 2000 gallons of water used per month to encourage conservation.
- Tiered Structure: Cooper outlined the tier structure. Currently, the base charge is about \$9.26 per month for all residents. He commented that the base charge will soon be based on meter size, clarifying that most residents have a 3/4 inch meter, affording them the smallest base charge. This rate will start at \$9.26 to \$12.00 over the next five (5) years. Customers with larger meters will pay a large rate proportionate to their bill.
- Single Family Residential: The proposed tiers for single family residential customers are 1) less than 2,000 gallons of water 2) up to 6,000 gallons of water 3) up to 30,000 gallons of water, and 4) over 30,000 gallons of water.

Questions, comments, and concerns followed:

1. Tiers: Matson asked and Cooper clarified the residential tier structure changes. The current tiers are as follows: 0 to 13,000 gallons - \$4.42; 13,000 to 30,000 gallons - \$5.33; over 30,000 - \$7.94. The proposed changes create an essential needs tier up to 2,000 gallons.
2. Condominium/ Residential: Linda Wong asked and Cooper clarified that condominiums will be charged under the multi-family residential rates.

Pearl City NB #21
May 2018 Meeting

BWS Update on Future Water/Sewer Rate Increases – Barry Usagawa and Blaine Fergerstrom, BWS, and Cyndy Aylett, Department of Environmental Services (ENV), circulated handouts, provided a presentation, and reported the following:

- Public Comment Period – The proposed rate structure's public comment period is ongoing until June 2018.
- Water Master Plan – A Water Master Plan was completed in 2016 to examine the BWS' capacity to provide fresh water to Oahu. Over the next 30 years, the BWS will invest in over 800 infrastructure projects across Oahu costing over 5.3 billion dollars. Over the next 10 years, the BWS will invest over 511 million dollars to address reliability and resiliency in the water system, 876 million dollars to address main breaks, 3.4

million dollars per year for conservation including various rebate programs for rain barrels and low-usage appliances, and 3.4 million dollars per year for water shed protection.

- Council District 8 – The BWS has 36 projects, 160 million dollars, and 9.1 miles of pipe replacement planned for the City Council District 8 area.
- Essential Needs Tier – The BWS has proposed a new essential needs water tier for roughly 10 percent of customers who utilize less than 2,000 gallons of water per month.
- Rate Changes – Changes to water rates and bills will begin in July 2019, assuming the proposed changes are adopted. Bills for the essential needs tier are expected to initially drop slightly, then gradually rise each year. Bills for all other tiers are expected to gradually rise each year. Sewage bills are not under the BWS' jurisdiction and will not be included in the water rate changes.
- Subsidies – Current subsidies for local agriculture and recycled water are expected to be maintained.
- Public Hearing – A public hearing is scheduled for Thursday, May 24, 2018 in Mililani.
- Testimony – Testimony can be submitted to the BWS at contactus@hbws.org.

Questions, comments, and concerns followed:

1. Meters – Resident Lancaster voiced concerns regarding differences in proposed monthly customer charges for different customer meter brackets.
2. Revenue Increase – Resident Lancaster voiced concerns and Usagawa clarified that a 12.5 percent revenue increase is necessary to fund additional pipeline replacement. Usagawa clarified that the revenue will increase through increasing water rates. Usagawa clarified that residential rate increases reflect the increased stress on the water system created by residential water needs and usage.
3. Rebate Programs – Resident Lancaster inquired what percentage of increased revenue will be used for rebate programs. Usagawa responded that the BWS hired Honeywell to operate the rebate programs. Lancaster inquired and Usagawa clarified that rebates provided will exceed the costs to operate rebate programs. Resident Lancaster voiced concerns regarding rebates. Resident Vina recommended attending the upcoming public hearing for additional discussion.

Mililani-Waipio NB#25
May 2018 Meeting

Proposed Changes to Board of Water Supply Water Rates: Barry Usagawa, Program Administrator of Water Resources with the BWS, gave a presentation and reported the following:

- Background: Usagawa reported that the BWS has 2100 miles of pipeline throughout the island. He reported that the BWS has been working on the Water Master Plan for three (3) years. He commented that over the next 30 years, the BWS will be investing in over 800 infrastructure projects for a total cost of 500 billion dollars. Over the next 10 years, they will be spending 500 million dollars on improving the reliability and resiliency of the water system. He added that the largest cost is in trying to reduce the number of main breaks. The Water Master Plan also intends to increase and incentivize water conservation and watershed protection.
- Main Breaks: The BWS experienced over 346 main breaks in 2017, while the average number of main breaks over the last 10 years has been under 200 a year. He added that the trend is continuing towards the end of the fiscal year. He commented that the BWS replaces only 6 miles of pipeline a year, which will lead to a rise of main breaks every year. He reported that the BWS has set the goal of manually replacing 21 miles of pipeline a year over the course of 10 years. He added that main breaks ought to go down below 300 a year.
- Water Rates: The BWS created an essential needs tier for the first 2000 gallons of used water per month, adding that this applies to all residential customers. He commented that the tiers have been adjusted to motivate water conservation, as the water tiers are structured for higher use customers to pay more. The BWS created a monthly customer charge based on meter size. He commented that most residential customers lie within a 5/8 inch to 3/4 inch meter size. The monthly fee for the average residents will rise to \$12.00 a month by 2022. 4 inch to 6 inch meters will see their rates rise as well. Usagawa reported that the rate for Single Family Residential homes for the first 2000 gallons will start at \$3.79 in 2018 and will rise to \$4.46 by 2022. He added the rates for the use of 2001 gallons to 6000 gallons, 6001 gallons to 30,000, and above 30,000 gallons of used water will be in the range of eight (8) to nine (9) dollars per thousand gallons. He reported that 50% of residential customers use 6000 gallons or less of water per month. Usagawa concluded that owners of single family residential homes that use less than 2000 gallons a month will see their bill rise from \$18.00 per month to \$21.00 per month over the next five (5) years. The average water MILILANI/WAIPIO/MELEMANU NEIGHBORHOOD BOARD NO. 25 WEDNESDAY, MAY 23, 2018 DRAFT- REGULAR MEETING MINUTES PAGE 4 OF 8 Oahu's Neighborhood Board system – Established 1973 user (around 9000 gallons a month) will see their bill rise from \$49.00 per month to \$59.00 per month by 2022. A higher water user will pay \$228.00 by 2022.
- Multi-Unit Residential: Usagawa outlined the tiers for multi-unit residential: 0 – 9000 gallons, 9000 – 22,000 gallons, and above 22,000 gallons. He commented that the multi-unit residential rates are lower than the single unit residential rates because single unit residential tends to use more water, and put more of an impact on the system.
- Non-Residential: Usagawa reported that non-residential customers have a flat rate due to the inconsistencies of water use between customers. The flat rate will rise from \$4.96 to \$5.47 by 2022.
- Agricultural Subsidies: Usagawa reported that the BWS plans to continue subsidies for agriculture.
- Other Subsidies: Usagawa reported that they plan to continue subsidizing recyclable and non-potable

water, as they promote use of lower-quality water for irrigation to save high-quality water.

Questions, comments, and concerns followed:

1. Desalination Plants: Arellano asked and Usagawa responded that the BWS is moving forward with desalination plants.
2. Non-Residential Rates: Aki asked and Usagawa responded that the non-residential customers include the visitor industry, hotels, shopping centers, etc. Aki asked and Usagawa responded that non-residential rates are uniform across the board due to the differences in water use. Aki commented that residential customers could be paying significantly more money for water use than the hotel industry. Usagawa agreed, commenting that residential customers use over 50% of the water and put a higher demand on the system.
3. Climate Change: Aki asked and Usagawa responded that in anticipation of lower rainfall due to climate change, the BWS will need to create an adaptation strategy through water conservation and watershed protection. He added that in regards to sea-level rise, BWS infrastructure is vulnerable particularly around bridges. The BWS has identified 21 bridges which will be directly undermined due to sea-level rise. He commented that main breaks would also be affected by sea-level rise, and storm water pumps may be necessary in the future. He commented that they are exploring areas that are the highest priority for sealevel rise risk, and assessing how to raise the streets/infrastructure to avoid damage.
4. Natural Disaster Response: Freed asked if there are plans to provide water to the population in the case of a particular damaging natural disaster. Usagawa responded that there are State and City emergency response plans that the BWS is a part of. He commented that there are seven (7) mobile generators with four (4) permanent generators planned to ensure pumps can function.
5. Pipe Replacement: Svcina asked what currently keeps BWS from replacing 21 miles of pipe per year. Usagawa responded that the BWS first needs extensive planning of what pipes ought to be replaced first. He added that the Water Master Plan did an extensive evaluation of the water system, followed by additional assessments of pipe risks. He added that funding is needed to replace that mileage of pipe per year. He reported that they need to improve their capabilities of implementing those projects. Svcina asked and Usagawa responded that the BWS will be hiring more people, including engineers. He added that construction costs are rising due to the Rail and Transit-Oriented-Development (TOD).
6. Conservation Program: Usagawa reported that BWS started a rebate program for conservation measures, including rebates for rain barrels and specific water efficient clothes washers. Vice Chair Lee urged the community to conserve water not just for conservation, but for emergency preparedness purposes as well.

Waimanalo NB #32
June 2018 Meeting

Wahiawa NB #26
June 2018 Meeting

Board of Water Supply (BWS) Proposed Water Rates – Kathleen Pahinui reported the following:

- Community Input: BWS is seeking public input regarding proposed changes to its water rates, as presented to its Board of Directors. The changes are driven by the need to increase investments in Oahu's water infrastructure, reduce water main breaks, encourage conservation, provide sufficient funding for disaster recovery, and more equitably distribute rates and charges among types of customers.
- Rate Changes:
 - o Single family residential customers (stand-alone households and duplexes) will see the largest increase. As a group, these customers currently pay only 88% of the costs to serve them, leaving 12% to be subsidized by other rate-payer classes.
 - o Multi-unit residential customers (triplexes up to high-rise complexes) will see smaller increases as rates are adjusted over time to eliminate their subsidy to single family customers.
 - o The billing charge currently assessed to all customers at a flat rate is proposed to become a monthly customer charge that varies by meter size, to more fairly distribute costs so that customers with larger meters pay more. Most residences have smaller meters.
 - o Customers with private fire protection systems will no longer pay for incidental water use, but instead will pay a nominal monthly fire meter standby charge.
 - o A new affordability water-use tier will be added to cover "Essential Needs" for basic water uses such as drinking, cooking, and personal hygiene. The tiers are being adjusted to encourage conservation.

All of these changes are intended to more equitably recover BWS's costs, to provide water service, from each type of customer – so everyone pays his/her fair share. The proposed changes are based on four (4) years of studies, intensive analysis, and public input, including BWS's preparation of a Water Master Plan, a 30-year Infrastructure Investment Plan, and a Long Range Financial Plan. The rate proposal reflects input from a community advisory group with representation throughout Oahu, meetings with diverse island interests, as well as multiple customer surveys and focus groups. Prior to adopting the proposed rates, BWS is reaching out again for broad public ideas and input. The draft water rate proposal includes schedules of monthly charges, consumption charges, fire meter standby charges, and fee subsidies to support affordable, homeless housing incentives, and fire sprinklers retrofit of existing highrise residential buildings. The BWS also proposes to continue subsidized agricultural rates for qualified farmers. For more information the public may visit <http://www.boardofwatersupply.com/>.

Nanakuli-Mailii NB #36
June 2018 Meeting

Board of Water Supply Rate increase presentation: Barry Usegawa and Keoni Mattos gave a power point presentation explaining the proposed water rate increases. For more information you can visit www.boardofwatersupply.com to view this presentation.

Questions, comments, concerns: Sewer rates and billing:

1. Board member Awana asked if there is any conversation regarding sewer rates and the possible separation of the bills. Usegawa explained that they have no control of the sewer rates and they are mandated by the city to collect for environmental services.
2. Resident Germaine Toguchi also expressed frustration at how environmental services determines the sewer rates and request that the Department of Environmental Services should come to the boards.
3. Board member Teruya also spoke of her frustration of the high sewer rates.

Kaimuki NB #4
June 2018 Meeting

BWS Closed Rates Presentation

- Water Sources
 - 145 million gallons of water delivered per one (1) million people
 - 194 groundwater wells & source pumps
 - 171 potable water reserves
 - 21,000 fire hydrants
 - 2,100 miles of pipeline
- 10 Year Investments:
 - 511 million dollars towards the increase in reliability and resiliency of water systems
 - 876 million dollars towards the improvement of water mains
 - 3.4 million dollars annually towards the conservation of existing infrastructure
 - 3.4 million dollars annually towards watershed protection and the adaptation to climate change
- Infrastructure Investment Plan:
 - Palolo Water System Improvements
 - Pensacola eight (8) inch main, Kinau Street to Young Street.
 - Waiomao Homestead Road eight (8) inch main replacement.
 - 10 Year Infrastructure Investments:
- 35 projects
- 190 million dollars invested
- 7.4 miles of pipe replaced
- Essential Needs Tier:
 - Below cost rate for the first 2,000 gallons per month.
 - All residential customers receive this rate
 - 10% of BWS residential customers use 2,000 gallons or less.
- Subsidies
 - Lowered rates for local agriculture and recycled water
- Please Contact BWS at with any questions or comments:
 - Mail: 630 South Beretania, Honolulu 96843
 - Email: contactus@hbws.org
 - Call: (808) 748-5041
 - BWS Website: www.boardofwatersupply.com
 - Twitter: @BWSHonolulu
 - Facebook: <http://www.facebook.com/BWSHonolulu>

Questions, comments, and concerns followed:

1. Billing: Resident questioned why water bills are not divided by individuals instead of by household and BWS responded that there would be difficulties in finding out the exact amount of people living within a household. BWS stated that they will report back in the future.
2. Recycled / Grey Water: A resident asked about the use of recycled or grey water to subsidies bills and BWS replied that grey water is largely used within Kapolei and is not available within other locations. BWS stated that water conservation is key for keeping water bills low. BWS noted that Environmental Services may install sub-meters for irrigation systems and stated a 20 percent write-off for the sub-meter.
3. Appliance Consumption: A resident asked which home appliances use more water than others and BWS noted that the washing machine, shower, and a watering system use more water than other appliances. Chair Schneider stated that the use of low flow systems will reduce water consumption.
4. Ownership: A resident asked whom owns BWS and BWS responded that they are semiautonomous and run by a seven (7) member board which consists of two (2) City and County of Honolulu appointed representatives from the Department of Transportation Services and Department of Facilities Maintenance.
5. Wells: A resident asked whom owns the land on which BWS wells reside and BWS noted that the land is owned by the City and County of Honolulu but the wells are owned by BWS.
6. Water Quality: Hagadone asked whether water quality is linked to water rates and BWS noted that the water quality is governed by the Environmental Protection Agency (EPA) and monitored by the Water Quality Division.
7. Meters: Hagadone asked about the possibility of buying a meter for subsidizing costs instead of paying a

monthly (rental) fee for the meter and BWS noted that meter fees are related to other fees (maintenance of the meters themselves).

Waipahu NB #22
June 2018 Meeting

Board of Water Supply (BWS) Rate Increase presentation: Kevin Ihu and Keoni Mattos did a presentation regarding the proposed water rate increase. Their mission statement is “Ka Wai Ola” (Water for Life).

- Water System: Ihu discussed the interconnected water system on Oahu, including its 13 tunnels, nine (9) shafts, 194 ground water wells, 13 water treatment plants, and 171 potable water reservoirs. This system is connected through 2100 miles of pipeline that carry 145 million gallons of water per day to almost 1 (one) million people on Oahu.

- Water Master Plan: Ihu commented that The Water Master Plan was adopted in 2016, defining long term infrastructure goals. He commented that BWS is using the master plan as a guide to improve the resiliency of the water system through \$511 million in improvement projects, reduction of the number of main breaks of the island, and expansion of the water conservation program and the watershed program, requiring \$3.4 million per year per program.

- Water Main Breaks: The BWS will reduce main breaks by increasing the pipe replacement miles per year, prioritizing the highest risk lines in the process. Ihu discussed the history of main breaks, concluding that main breaks have jumped within the last two (2) years from less than 300 per year to over 340 per year. He commented that BWS plans to increase the rate of pipe replacement from six (6) miles of pipeline a year, to 21 miles of pipeline a year over the course of 10 years. He identified BWS's goal to reduce main breaks to below 300 a year.

- Water Rates: Ihu discussed the proposed water rate changes intended to fund these projects. The following changes were defined as follows: Essential Needs Tier: Those customers using less than 2000 gallons of water a month will see reduced rates. Water Meter Size Rates: BWS customers base rates will change based on the water meter size to reflect the high cost of replacing larger meters. Water Rate Changes: The average BWS residential customer will see a rate change from \$9.22 to \$12.09 a month over five (5) years. This is subject to change based on meter size. Residential Rate Tiers: Ihu defined the current three (3) tiers for residential customers: residents using up to 13,000 gallons of water per month pay \$4.42 per month; residents using up to 30,000 gallons of water per month pay \$5.33; residents using above 30,000 gallons of water per month pay \$7.94. Ihu outlined the change in the tiers as follows: 0 – 2000 Gallons per Month: The base rate for customers using less than 2000 gallons of water per month will rise from \$3.79 to \$4.46 per month over the next five (5) years. 2000 – 6000 Gallons per Month: The base rate for customers using up to 6000 gallons of water per month will rise from \$4.46 to \$5.25 per month over the next five (5) years. 6000 – 30,000 Gallons per Month: The base rate for customers using up to 2000 gallons of water per month will rise from \$5.06 to \$5.85 per month over the next five (5) years. Over 30,000 Gallons per Month: The base rate for customers using more than 30,000 gallons of water per month will rise from \$8.00 to \$9.45 per month over the next five (5) years.

- Ensure Rates are Fair and Equitable: Our studies show that currently single family residential customers pay less than the actual cost of service to their homes. Multi-unit customers and non-residential customers pay more than their actual cost-in effect, subsidizing single-family residential customers. The proposed water rates that follow were adjusted so that everyone pays their fair share.

- Water Bill Impacts: Ihu defined the following impact on residents from the water rate changes: Single Family Residential: Residents of a single family residential using 2000 gallons of water or less will expect to pay \$18.10 to \$21.10 over five (5) years. The average water user of 9000 gallons per month will expect to pay \$51.00 to \$59.00 per month over five (5) years. A user using 35,000 gallons of water per month will expect to pay \$197.00 to \$228.00 per month over five (5) years. Ihu explained that the pay rates are progressive, whereby the first 2000 gallons of used water are paid at the first tier rates, with the following usage up to 6000 gallons, 30,000 gallons, and above 30,000 gallons paid at their respective tier rates. Multi-Family Residential: Ihu defined the differences between the single family residential units and the multi-family residential unit water rates. While the below 2000 gallons user rates will remain the same, the second tier will be up to 4000 gallons of use per month. Ihu explained that this is justified through the variance in water consumption and reduced levels of irrigation for multi-family residential units. The third tier goes up 10,000 gallons of use per month, with the fourth tier paying the highest for all consumption exceeding 10,000 gallons of water per month. Non-Residential: Non-residential, customers will pay a flat rate from \$4.26 to \$5.27 per month.

- Subsidies: The BWS subsidizes Agriculture and recycled water programs.

- For more information: Contact us at www.boardofwatersupply.com

Questions, Comments and Concerns from Board members:

1. Good Service: Burke commented on the good quality of the water on Oahu and good service when he needed assistance at his residence, the BWS trucks were there in a timely manner. He stated that he feels the price increase is needed and reasonable.
2. Reserve fund: Morita commented that years ago he knew that BWS had reserve fund to repair and maintain the pipeline and questioned where did the money go and is that why BWS needs to increase their water rates. He also asked if BWS does have a reserve now and how much is in the reserve fund. Ihu replied that he does know the BWS has a reserve fund but does not know how much is in it and will report back. Ihu also stated that there will always be more pipes to replace so they will always need money.

Liliha / Puunui / Alewa /
Kamehameha Hts NB #14
July 2018 Meeting

Board of Water Supply Water Rates Increase – Jason Takaki reported the following:

- ☒ Community Input: BWS is seeking public input regarding proposed changes to its water rates, as presented to its Board of Directors. The changes are driven by the need to increase investments in Oahu’s water infrastructure, reduce water main breaks, encourage conservation, provide sufficient funding for disaster recovery, and more equitably distribute rates and charges among types of customers.
- ☒ Rate Changes:
 - o Single-family residential customers (stand-alone households and duplexes) will see the largest increase. As a group, these customers currently pay only 88% of the costs to serve them, leaving 12% to be subsidized by other rate-payer classes.
 - o Multi-unit residential customers (triplexes up to high-rise complexes) will see smaller increases as rates are adjusted over time to eliminate their subsidy to single family customers.
 - o The billing charge currently assessed to all customers at a flat rate is proposed to become a monthly customer charge that varies by meter size, to more fairly distribute costs so that customers with larger meters pay more. Most residences have smaller meters.
 - o Customers with private fire protection systems will no longer pay for incidental water use, but instead will pay a nominal monthly fire meter standby charge.
 - o A new affordability water-use tier will be added to cover “Essential Needs” for basic water uses such as drinking, cooking, and personal hygiene. The tiers are being adjusted to encourage conservation

All of these changes are intended to more equitably recover BWS’s costs, to provide water service, from each type of customer – so everyone pays his/her fair share. The proposed changes are based on four (4) years of studies, intensive analysis, and public input, including BWS’s preparation of a Water Master Plan, a 30-year Infrastructure Investment Plan, and a Long Range Financial Plan. The rate proposal reflects input from a community advisory group with representation throughout Oahu, meetings with diverse island interests, as well as multiple customer surveys and focus groups. Prior to adopting the proposed rates, BWS is reaching out again for broad public ideas and input. The draft water rate proposal includes schedules of monthly charges, consumption charges, fire meter standby charges, and fee subsidies to support affordable, homeless housing incentives, and fire sprinklers retrofit of existing highrise residential buildings. The BWS also proposes to continue subsidized agricultural rates for qualified farmers. For more information the public may visit <http://www.boardofwatersupply.com/>.

Aiea NB #20
July 2018 Meeting

BWS Water Rates Presentation: Barry Usugawa gave the following report:

- Water Sources:
 - o 145 million gallons of water delivered per one (1) million people
 - o 194 groundwater wells & source pumps
 - o 171 potable water reserves
 - o 21,000 fire hydrants
 - o 2,100 miles of pipeline
- 10 Year Investments:
 - o 511 million dollars towards the increase in reliability and resiliency of water systems
 - o 876 million dollars towards the improvement of water mains
 - o 3.4 million dollars annually towards the conservation of existing infrastructure
 - o 3.4 million dollars annually towards watershed protection and the adaption to climate change
- Infrastructure Investment Plan:
 - o 10 Year Infrastructure Investments:
 - ☐ 35 projects
 - ☐ 190 million dollars invested
 - ☐ 7.4 miles of pipe replaced
 - o Grey water system expansions within the Aiea area.
- Essential Needs Tier:
 - o Below cost rate for the first 2,000 gallons per month.
 - o All residential customers receive this rate
 - o 10% of BWS residential customers use 2,000 gallons or less.
- Subsidies:
 - o Lowered rates for local agriculture and recycled water
- Please Contact BWS at with any questions or comments:
 - o Mail: 630 South Beretania, Honolulu 96843
 - o Email: contactus@hbws.org
 - o Call: (808) 748-5041
 - o BWS Website: www.boardofwatersupply.com
 - o Twitter: @BWSHonolulu
 - o Facebook: <http://www.facebook.com/BWSHonolulu>

Questions, comments and concerns followed: Special Needs Families: Wood asked and Usugawa answered that special needs families would qualify for the essential needs tier. Wood noted that special needs families do not currently receive subsidies and Usugawa said they will report back.

Nuuanu-Punchbowl NB #12
July 2018 Meeting

Board of Water Supply Water Rates Increase – Ellen Kitamua, Deputy Manager and Chief Engineer reported the following:

- Community Input: BWS is seeking public input regarding proposed changes to its water rates, as presented to its Board of Directors. The changes are driven by the need to increase investments in Oahu's water infrastructure, reduce water main breaks, encourage conservation, provide sufficient funding for disaster recovery, and more equitably distribute rates and charges among types of customers.

- Rate Changes:

- Single-family residential customers (stand-alone households and duplexes) will see the largest increase. As a group, these customers currently pay only 88% of the costs to serve them, leaving 12% to be subsidized by other rate-payer classes.

- Multi-unit residential customers (triplexes up to high-rise complexes) will see smaller increases as rates are adjusted over time to eliminate their subsidy to single family customers.

- The billing charge currently assessed to all customers at a flat rate is proposed to become a monthly customer charge that varies by meter size, to more fairly distribute costs so that customers with larger meters pay more. Most residences have smaller meters.

NU'UANU/PUNCHBOWL NEIGHBORHOOD BOARD NO. 12 TUESDAY, JULY 17, 2018

REGULAR MEETING MINUTES PAGE 5 OF 6

- Customers with private fire protection systems will no longer pay for incidental water use, but instead will pay a nominal monthly fire meter standby charge.

- A new affordability water-use tier will be added to cover "Essential Needs" for basic water uses such as drinking, cooking, and personal hygiene. The tiers are being adjusted to encourage conservation

All of these changes are intended to more equitably recover BWS's costs, to provide water service, from each type of customer – so everyone pays his/her fair share. The proposed changes are based on four (4) years of studies, intensive analysis, and public input, including BWS's preparation of a Water Master Plan, a 30-year Infrastructure Investment Plan, and a Long Range Financial Plan. The rate proposal reflects input from a community advisory group with representation throughout Oahu, meetings with diverse island interests, as well as multiple customer surveys and focus groups. Prior to adopting the proposed rates, BWS is reaching out again for broad public ideas and input. The draft water rate proposal includes schedules of monthly charges, consumption charges, fire meter standby charges, and fee subsidies to support affordable, homeless housing incentives, and fire sprinklers retrofit of existing high-rise residential buildings. The BWS also proposes to continue subsidized agricultural rates for qualified farmers. For more information the public may visit <http://www.boardofwatersupply.com/>.

Hawaii Kai NB #1

Water Rate Increases; Water Master Plan – Jason Takaki, BWS Program Administrator for Capital Projects Division, reported the following:

☒ Rates Approved: The BWS Board approved the proposed rates yesterday. This information is also available on the BWS website at www.boardofwatersupply.com.

☒ Master Plan: BWS collaborated over the past 5 years with stakeholders and technical and financial experts to develop a Water Master Plan (WMP). They assessed the condition of the water system, projected future water demands, and outlined projects to address wear, age, growth, reliability and sustainability. In the 30-year Capital Improvements Projects (CIP) Plan 800 projects are planned (62 in this district) including replacement of high-risk pipelines at the rate of 21 miles/year. An effort was made to keep rates low along with providing a "lifeline rate" below cost to meet essential needs, charged for the first 2,000 gallons for all residences. Rate tiers were adjusted to encourage conservation and the customer charge is to be based on meter size. Subsidies are continuing for agriculture and buying recycled water, but most rates and charges will be more equitably distributed so most are paying their fair share of the cost.

☒ Effective Date: There will be no rate increases this year; the increases do not take effect until July 2019.

☒ New Rates: Analysis of usage for single-family residences revealed that 10% use under 2,000 gallons, 50% use 6,000 gallons or less, the average customer uses 9,000 gallons, and 3% use 30,000 or more gallons. Based on this info the new rate tiers were developed. Single-family residences will see an increase in their bills to more closely match the costs of their service and reduce the subsidizing from other customer groups. Those using the most water will see the largest increases.

☒ Multi-Family Rates: New rate schedules for multi-family residential customers, triplexes to high rises, will have smaller increases as they have been paying slightly above costs to serve them and now will be at 100% of costs. These rates also include the essential needs tier for the first 2,000 gallons of monthly water consumption.

August Meeting

Questions, comments, and concerns followed:

1. Meter Size: Takaki responded to Iwasa that the currently billed standard customer charge changes to a customer charge based on meter size. Most residential customers have 5/8" or 3/4" meters, which have the lowest charge.
2. Transparency: Iwasa requested the customer charge be moved to the front of the monthly bill rather than the back. Takaki responded that the BWS is redesigning their bill and he will pass along her suggestion.
3. Clarification: Altonn asked for clarification on calculating the new water rates in July 2019. Takaki responded that for a single family residential dwelling using 14,000 gallons the first 2,000 gallons would be charged at the essential needs tier rate of \$3.79, the second tier rate would then charge \$4.46 per thousand gallons from 2,001 to 6,000 gallons, and the third tier rate would charge \$5.06 per thousand gallons from 6,001 up to the 14,000 gallons. This method of charging is a way to incentivize water conservation.
4. Fire Meter: Takaki explained for Altonn that the fire meter standby charge does not apply to residential customers.
5. Aging Pipes: Takaki replied to Reilly that most Hawaii Kai pipes are as old as the development, which is not uncommon island wide. The BWS goal is replacing 21 miles of pipe per year and as there are 2,100 miles of piping they expect to reach their goal in 10 years.
6. Tourists: Rep. Ward asked if the 30-year study includes tourism numbers in the projection and if desalinization is factored in. Takaki responded that the long-range planning branch is looking at the tourism and there is a pilot project being redone on desalinization as well as a Kalaeloa project.
7. Second Tier Jump: Garvin noted that on the new rate tiers, compared to the current one, the second tier starts at 6,000 gallons instead of 13,000 gallons and that most single-family residential dwellings use between 8,000 and 9,000 gallons of water per month. Garvin asked why such a big jump in the second tier. Takaki responded that the reason is 50 percent of single-family residential dwellings use 6,000 gallons or less per month.
8. Incentives: Salbosa stated the structure incentivizes water conservation but only if it is clear and recommended an informational sheet similar to the Hawaiian Electric Co. (HECO) monthly statement be sent to BWS customers showing water consumption.
9. Agricultural Use: Takaki explained to resident Sasha Hedona that there are no special water rates or submeters for watering lawns. However, for customers with an agricultural license, then you would need to file an application for an agricultural meter with cheaper rates.
10. Association Fee: Takaki responded to Schreiner that if the water is paid for through the homeowner association then there is no difference; one meter would be billed at the rates given.
11. Coordination of Projects: Takaki explained that efforts are made to coordinate with other agencies, including attending monthly meetings run by DFM, and every effort is made to coordinate projects across agencies but there are differing priorities for projects. He advocates for underground utilities being done before repaving, but in many cases the conditions of the roads require repaving today or the City & County is doing large areas at a time and does not want to come back later for one small area. BWS has coordinated with DDC in the past, when DDC hired a contractor to repave the roads after BWS has completed construction. Reilly encouraged BWS to continue sharing with the general community about efforts to coordinate projects.