

# PROPOSED UPDATES TO THE WATER SYSTEM FACILITIES CHARGE FOR RESIDENTIAL, NON-RESIDENTIAL, AND AGRICULTURAL DEVELOPMENT

*The Honolulu Board of Water Supply (BWS) is proposing adjustments to its Water System Facilities Charge.*



When a residential, non-residential, or agricultural customer connects to the water system for the first time, or requires a larger meter, they pay a one-time fee called the Water System Facilities Charge. If there are no significant changes to your current system, you will not pay this fee.



The money collected from the WSFC pays for increasing the capacity of the backbone of the system to pump, treat, transport, and store enough water to serve our customers. Most of the money is used to build new wells, pumps, pipes, and storage tanks to accommodate new or expanding developments. The remaining fees buy into existing capacity that was previously oversized or made available through water conservation savings.



Over the next 6 years, the BWS plans to construct \$251 million in growth-related improvements to the water system. That averages out to about \$41 million per year. By comparison, over the past 5 years BWS has collected an average of \$10.3 million in WSFC fees per year. Updating these charges will result in those who require new capacity from the water system to pay the true cost for BWS to provide that capacity, so that “growth pays for growth”.

## WHO PAYS THIS ONE-TIME FEE?

*Developers or landowners building subdivisions or other structures, homeowners adding substantially to their existing homes, or farmers with new or expanding agriculture pay the WSFC.*



## WHO DOESN'T PAY THE WSFC?

*The vast majority of BWS customers will not pay the WSFC. If you are not building a new home or business or developing a new farm and connecting to the BWS system for the first time, you will not pay this charge. If you do not need to increase the size of your meter, you will not pay this charge.*



## WHY UPDATE THE WSFC NOW?

*The current charges have not been updated since 1993. Many things have changed since then, including costs, water use trends and patterns, growth, and available capacity in the existing water system. The charge needs to be updated to more accurately reflect present conditions.*



# PROPOSED WATER SYSTEM FACILITIES CHARGES (WSFC)

## Residential, non-residential, and agricultural development Water System Facilities Charges are under consideration, tentatively **effective July 1, 2022**

The Honolulu Board of Water Supply has analyzed several alternatives to update the WSFC with the goal of recovering costs as allowed by Hawaii State laws. The BWS is reaching out to the public with alternatives for phasing in updated charges for new or expanded residential, non-residential, and agricultural development. Charges shown below will be paid by developers, builders, farmers adding a meter to the BWS system and those few residential customers making major remodels and adding significantly to their water fixtures.

**We are asking for your feedback on how quickly the proposed updated WSFC should be implemented.**

### RESIDENTIAL (MINIMUM 20 FIXTURE UNITS) DEVELOPMENT OR EXPANSION

SINGLE-FAMILY RESIDENTIAL	CURRENT	PROPOSED
Resource Development	\$80.04	\$64.43
Transmission	\$37.87	\$96.02
Daily Storage	\$67.42	\$59.00
<b>Total charge per fixture unit</b>	<b>\$185.33</b>	<b>\$219.45</b>

#### Options for implementing the WSFC for Single-Family Residential

<b>OPTION 1</b>	Phase in 5% maximum increase annually
<b>OPTION 2</b>	Phase in evenly over 5 years
<b>OPTION 3</b>	Phase in over 3 years

MULTI-UNIT / LOW-RISE	CURRENT	PROPOSED
Resource Development	\$117.14	\$98.17
Transmission	\$55.46	\$118.17
Daily Storage	\$98.67	\$72.62
<b>Total charge per fixture unit</b>	<b>\$271.27</b>	<b>\$288.96</b>

MULTI-UNIT / HIGH-RISE	CURRENT	PROPOSED
Resource Development	\$88.14	\$74.73
Transmission	\$41.73	\$89.96
Daily Storage	\$74.25	\$55.28
<b>Total charge per fixture unit</b>	<b>\$204.12</b>	<b>\$219.97</b>

#### Options for implementing the WSFC for Multi-Unit Residential

<b>OPTION 1</b>	Phase in 5% maximum increase annually
<b>OPTION 2</b>	Phase in evenly over 5 years
<b>OPTION 3</b>	Implement immediately, no phase in

### NON-RESIDENTIAL (COMMERCIAL, INDUSTRIAL, HOTEL, PARKS AND SCHOOLS) DEVELOPMENT OR EXPANSION

COMMERCIAL / OTHER	CURRENT - FIRST 50 UNITS	CURRENT - ABOVE 50 UNITS	PROPOSED
Resource Development	\$274.74	\$95.15	\$111.88
Transmission	\$130.65	\$45.04	\$160.33
Daily Storage	\$232.46	\$80.10	\$98.53
<b>Total charge per fixture unit</b>	<b>\$620.85</b>	<b>\$220.29</b>	<b>\$370.74</b>

#### Options for implementing the WSFC for Non-Residential

<b>OPTION 1</b>	Phase in 5% maximum increase annually
<b>OPTION 2</b>	Phase in evenly over 5 years
<b>OPTION 3</b>	Implement immediately, no phase in

Going forward, the WSFC for **NON-RESIDENTIAL DEVELOPMENTS** will have one rate per fixture unit (unlike the current fee structure). This means that smaller developments, which often have small businesses as tenants, will see a significant decrease in the WSFC fees. But larger non-residential developments will see an increase as fixture units increase.

#### Number of fixture units typical for Single-Family Residential customers

20 fixture units:	House with 2 full baths and 1 half-bath
30 fixture units:	House with 4 full baths and 2 half-baths
25 fixture units:	Main house with 2 full baths, 1 half-bath, and an ADU with 1 full bath
55 fixture units:	House with 6 full baths

(Note: These houses include a kitchen sink, dishwasher, washing machine, laundry tray and hose bib. An ADU includes a kitchen sink but no dishwasher, washing machine, laundry tray or hose bib.)

#### Number of fixture units typical for low-rise multi-unit residential customers (1-3 stories)

138 fixture units:	Complex with 10 apartments/condos
414 fixture units:	Complex with 30 apartments/condos

#### Number of fixture units typical for high-rise multi-unit residential customers (4 or more stories)

516 fixture units:	Complex with 40 apartments/condos
1290 fixture units:	Complex with 100 apartments/condos

(Note: The examples assume that low-rise apartments are 1.5 baths with kitchen sink dishwasher, washing machine and hose bib. They also assume that high-rise apartments in these examples are 2 baths with kitchen sink, dishwasher, and washing machine.)

**WAIVERS** of the WSFC may be available for the following types of development:

**Affordable housing • Homeless shelters**

Contact the Honolulu Board of Water Supply for more information.

#### Number of fixture units typical for different types of Non-residential customers

20 fixture units:	Fast food restaurants
100 fixture units:	Industrial facility
250 fixture units:	Medium-sized shopping center
3,000 fixture units:	Secondary school with turf grass
3,500 fixture units:	Large resort hotel

**WHAT'S A "FIXTURE UNIT"?** A fixture unit is a unit of measure of flowrate from different kinds of water using fixtures: sinks, toilets, hose bibs, dishwashers, showers, full baths, half baths, washing machines, and so on. Fixture units are used in the design of plumbing systems and are specified in the Uniform Plumbing Code. Because a fixture unit reflects the capacity of any given fixture to use water, the BWS uses it to calculate its WSFC for both residential and non-residential customers.



## AGRICULTURE DEVELOPMENT OR EXPANSION

AGRICULTURAL (BY METER SIZE)	JANUARY 1, 2022	PROPOSED
<b>3/4" Meter</b>		
Resource Development	\$2,881.05	\$4,924.80
Transmission	\$1,363.35	\$6,774.60
Daily Storage	\$2,427.04	\$4,163.40
<b>Total charge</b>	<b>\$6,671.44</b>	<b>\$15,862.80</b>
<b>1" Meter</b>		
Resource Development	\$4,721.68	\$8,371.80
Transmission	\$2,234.38	\$11,517.00
Daily Storage	\$3,977.65	\$7,077.60
<b>Total charge</b>	<b>\$10,933.71</b>	<b>\$26,966.40</b>
<b>1-1/2" Meter</b>		
Resource Development	\$12,804.55	\$16,251.00
Transmission	\$6,059.34	\$22,356.60
Daily Storage	\$10,786.66	\$13,738.80
<b>Total charge</b>	<b>\$29,650.75</b>	<b>\$52,346.40</b>
<b>2" Meter</b>		
Resource Development	\$28,014.53	\$26,101.20
Transmission	\$13,254.81	\$35,905.20
Daily Storage	\$23,596.26	\$22,066.20
<b>Total charge</b>	<b>\$64,865.60</b>	<b>\$84,072.60</b>

**THE PROPOSED** WSFC for agricultural customers is only 60% of the full cost of impact to water system capacity, providing the same percentage subsidy as their regular water rates.

### Options for implementing the WSFC for Agricultural development

<b>OPTION 1</b>	Phase in 10% maximum increase annually
<b>OPTION 2</b>	Phase in 6% maximum increase annually

**NEW AGRICULTURAL CUSTOMERS** will be required to submit a water use plan that helps determine an appropriate meter size for their planned activities.

**ALL BWS AGRICULTURAL CUSTOMERS**, including those making new connections, will be encouraged to save water.

The proposed updated WSFC for new or **EXPANDING AGRICULTURAL CUSTOMERS** will be subsidized by BWS customers, as it is currently. Compared to other customer groups, agriculture is small. Since 2015, only 3 or fewer new agricultural customers per year have added their farms to the BWS water system. It would take between 6 and 19 years to ramp up to the full agriculture WSFC, depending upon the rate of phasing in increases.

## WE WANT TO HEAR FROM YOU!

At this time, BWS is increasing WSFC so that growth pays a greater proportion of growth-related capacity infrastructure. What is your opinion about how quickly to phase them in? **Do you recommend taking more time, up to five years, to phase in the new WSFCs or do you prefer to implement them more quickly?**

### To send a letter or email, contact us at:

Address: 630 South Beretania Street, Honolulu, HI 96843  
 Attn: BWS Communications Office  
 Email: [kelliott-pahinui@hbws.org](mailto:kelliott-pahinui@hbws.org)

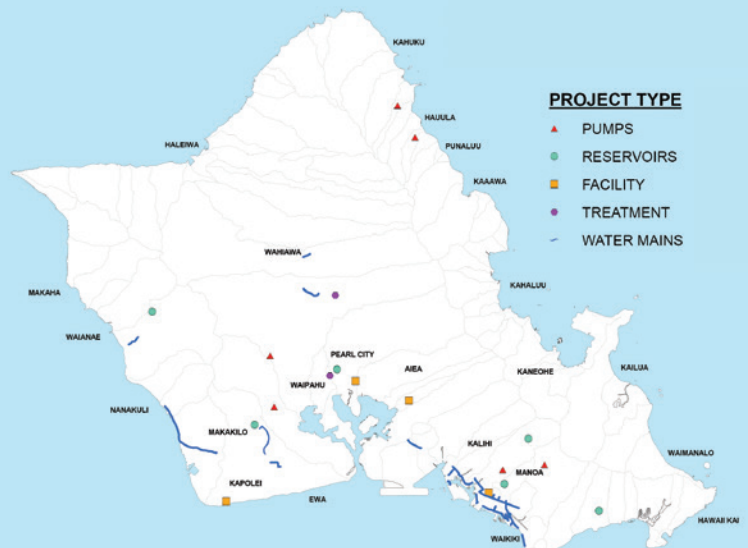
All public feedback should be submitted to the Board of Water Supply.

**PUBLIC HEARING:** The Honolulu Board of Water Supply is planning to hold a public hearing on the proposed WSFC in the fall of 2021 and take action regarding adoption by the end of 2021.

[www.boardofwatersupply.com](http://www.boardofwatersupply.com)

You may schedule a presentation by contacting the Board of Water Supply at: [kelliott-pahinui@hbws.org](mailto:kelliott-pahinui@hbws.org) or call (808) 748-5319

## FY 2021 - 2026 SIX-YEAR CIP | CAPACITY EXPANSION PROJECTS



# COMPARING CURRENT AND PROPOSED WSFCs

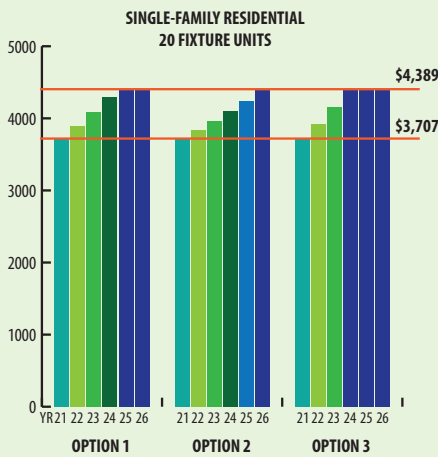
The tables below summarize the percentage increases or decreases in the Water System Facilities Charge for different types of developments by customer type. The charges will affect only a few BWS customers – those who need more capacity from our water system because they are renovating existing buildings or constructing new buildings that will use more water. The charges will also apply to those who need a new water service or a larger water meter.

**CHANGE FOR SINGLE-FAMILY RESIDENTIAL:**  
+18%\*

### Options for implementing the WSFC for Single-Family Residential

- OPTION 1** Phase in 5% maximum increase annually
- OPTION 2** Phase in evenly over 5 years
- OPTION 3** Phase in over 3 years

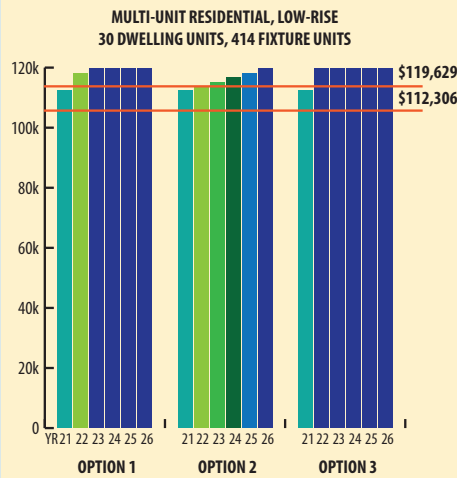
\* The updated WSFC for a 1,000-unit subdivision would cost a developer approx. \$680,000 more. This is about 0.001% of the potential sales of 1,000 homes selling for \$700,000 each.



**CHANGE FOR MULTI-UNIT RESIDENTIAL:**  
LOW-RISE +6.5% | HIGH-RISE +7.8%

### Options for implementing the WSFC for Multi-Unit Residential

- OPTION 1** Phase in 5% maximum increase annually
- OPTION 2** Phase in evenly over 5 years
- OPTION 3** Implement immediately, no phase in

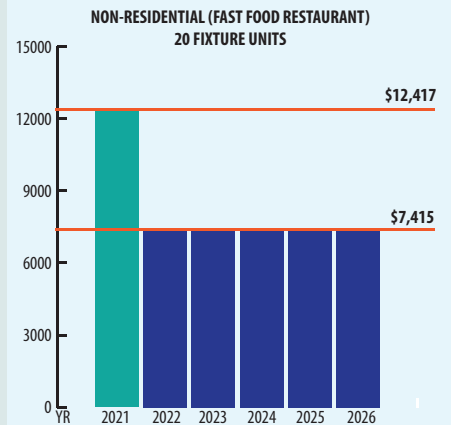


**CHANGE FOR NON-RESIDENTIAL/COMMERCIAL:**

< 50 FIXTURE UNITS: - 40%  
> 50 FIXTURE UNITS: INCREASES WITH FIXTURE UNIT NUMBERS

### Options for implementing the WSFC for Non-Residential/Commercial

- OPTION 1** Phase in 5% maximum increase annually
- OPTION 2** Phase in evenly over 5 years
- OPTION 3** Implement immediately, no phase in



**CHANGE FOR AGRICULTURAL:**  
LARGE INCREASES REFLECTING ACTUAL AGRICULTURAL USAGE

### Options for implementing the WSFC for Agricultural Development

- OPTION 1** Phase in 10% maximum increase annually
- OPTION 2** Phase in 6% maximum increase annually

