

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**

Tuesday July 10, 2018

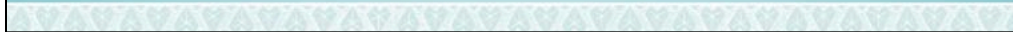


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Board of Water Supply
City and County of Denver

Dave Ebersold
Facilitator

WELCOME



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Board of Water Supply
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Public Comments on Agenda Items

Meeting Objectives

- ◆ Receive updates regarding the BWS
- ◆ Discuss the input from the public hearings and outreach on proposed water rate increases
- ◆ Share the BWS operating budget for 2019
- ◆ Celebrate the BWS Stakeholder Advisory Group and discussion of continuation

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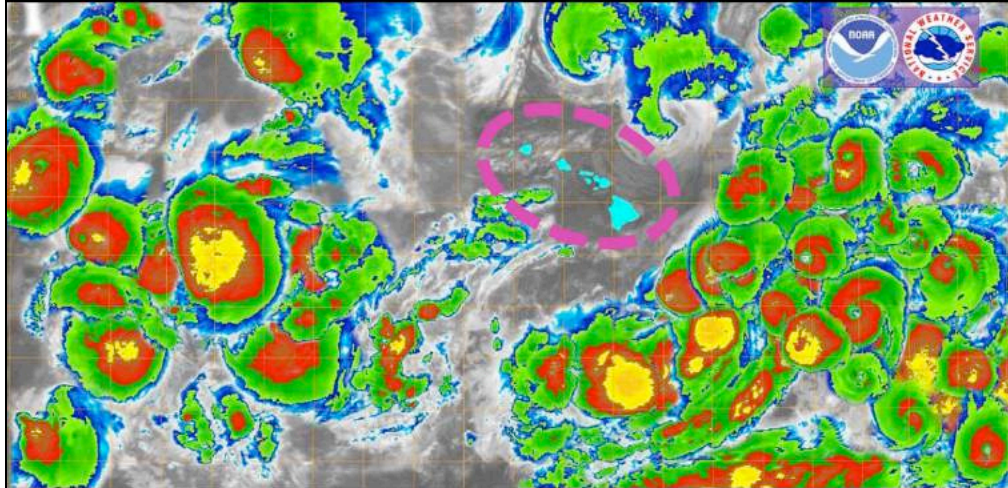


Board of Water Supply
City and County of Denver

Ernest Lau P.E.
BWS Manager and Chief Engineer

BWS UPDATES

Hurricanes and emergency preparedness

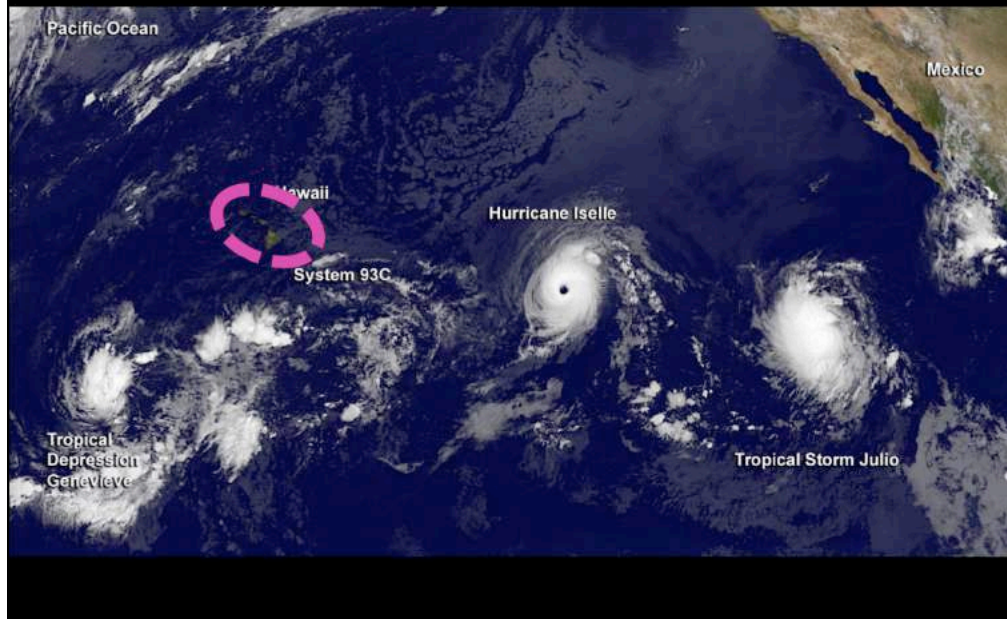


2015 Hurricane Season (Composite)

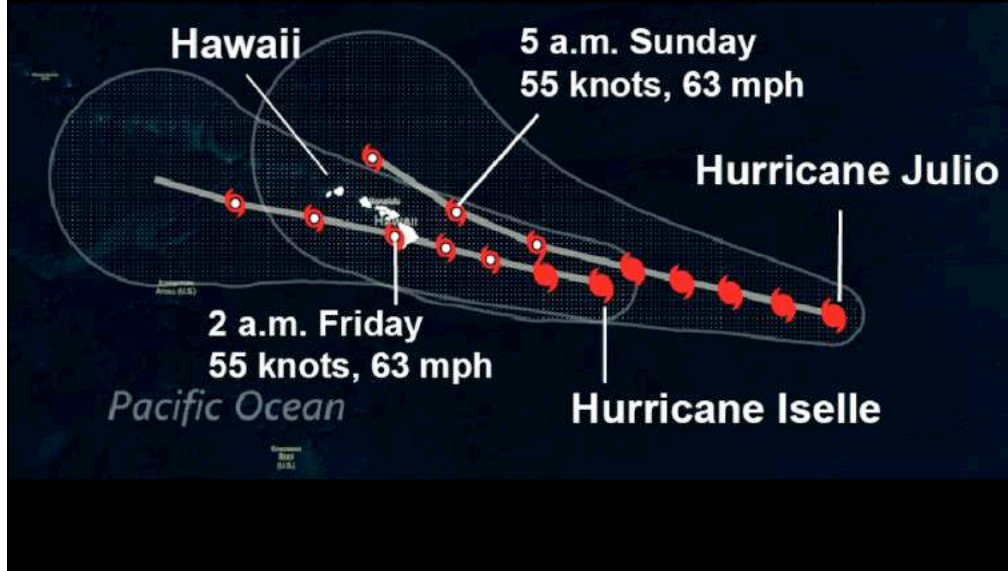
**August 29, 2015 (Non-Composite)
Three simultaneous category 4 hurricanes**



August 4, 2014 (non-composite)



Projected track of Iselle and Julio (2014)



Projected track of Iselle and Julio



Incident Command System (ICS 201) Health Safety Briefing

All BWS personnel should make final preparation to protect their families and themselves.

Compile Emergency Kits to include:

- Minimum of 1 gallon of water per person per day and food for ~~7~~ **14** days
- Prescription medicine & glasses
- Infant formula & diapers
- Pet food & water
- Family documents, e.g. copies of insurance policies, identification & financial records in a portable waterproof container
- Cash or travelers checks

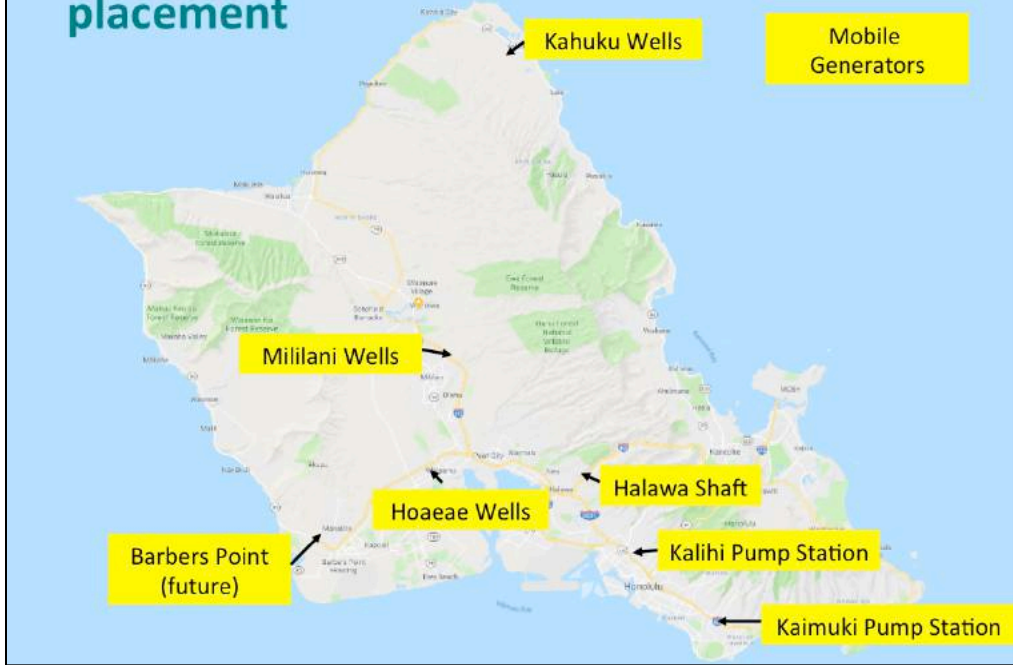
Planning for power loss



BWS generators

- ◆ 7 Portable Generators
 - 6 - 900 kW
 - 1 - 500 kW
 - ***New*** 500 kW requested via HI-EMA and FEMA's Hazard Mitigation Grant Program
 - 1 Additional 500 kW generator budgeted for FY 2019
- ◆ Two tractors to transport 7 generators

Generator placement



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Mahalo!

Questions & Answers




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Action

Review and accept notes from

- ◆ Stakeholder Advisory Group Meeting #26
held on Wednesday, April 11, 2018

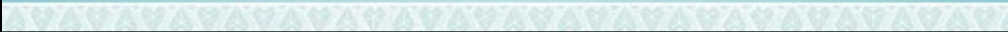


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Board of Water Supply
City and County of Honolulu

Kathleen Elliott-Pahinui
BWS Information Officer

**WATER RATES PUBLIC INPUT
UPDATE**



4 Public Hearings 65 attendees

All hearings: 6:30 – 8:30 PM

| | |
|-----------------|---|
| Honolulu | Thursday, April 26 <i>Mission Memorial Auditorium</i> 550 South King St., Honolulu 96813 |
| Kapolei | Monday, May 14 <i>Kapolei Hale, ground floor conference room</i> 1000 Uluhia Street, Kapolei 96707 |
| Kaneohe | Tuesday, May 15 <i>Benjamin Parker Elementary School Cafeteria</i> 45-259 Waikalua Road, Kaneohe 96744 |
| Mililani | Thursday, May 24 <i>Mililani Recreation Center #5</i> 95-1101 Ainamakua Drive, Mililani 96789 |

5 gave public testimony



5 gave public testimony

- Opposed to higher SFR increases and tier changes
- Opposed to BWS's Red Hill advocacy
- Employee
- Concerned that any increases are big for retirees on fixed income

Non-Residential

These types of customers include: hotels, restaurants, government housing centers, hospitals, and retail businesses. Proposed non-residential customer rates, shown here, have **not** increased.

Non-Residential Water Rates - 2018-2022

| Current | Proposed Rates, Effective Dates | | | | | |
|------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 | July 2022 |
| Per Gallon | \$2.46 | \$2.46 | \$2.46 | \$2.46 | \$2.46 | \$2.46 |

Incorporated into residential customer bills. Includes the government housing benefit. Includes local rates on a \$ per thousand gallons.

Agricultural Water Rates - 2018-2022

| Tier | Proposed Rates, Effective Dates | | | | | | | |
|------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 | July 2022 | July 2022 | July 2022 |
| Per Gallon | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 |

Incorporated into residential customer bills. Includes the government housing benefit. Includes local rates on a \$ per thousand gallons.

Agricultural

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.

New Fee Walkers



Vol. 5 - Issue 2 Special Water Rates Issue Spring 2018

BWS Seeks Comment On Proposed Water Rate Hikes

The Honolulu Board of Water Supply (BWS) is proposing rate adjustments so we can continue to provide safe, dependable, and affordable water to the one million people we serve on Oahu, now and into the future. Over the next 30 years, the BWS will invest in \$1.2 billion in "boom" pipeline replacement from 6 miles to 21 miles a year to reduce main breaks; renew or replace high risk pumps and motors; and sustain our water supply by expanding water recycling facilities, establishing new wells, building a seawater desalination

plant, and increasing conservation and watershed protection. As a non-unionized City agency, the BWS is financially self-sufficient, so our revenues are used to finance BWS operations, infrastructure improvements and operations are funded mostly by rate increases. Over the next five years, BWS's revenues will need to increase by a total of 12.5 percent to meet anticipated operating and infrastructure improvement expenses. These proposed draft rate adjustments are needed to accomplish the following objectives:

- Increase investments in Oahu's water infrastructure
 - Reduce main breaks
 - Encourage conservation
 - Provide funding for disaster recovery and
 - Ensure that everyone pays more of their fair share of water service costs.
- These proposed draft rate adjustments would be implemented starting July 2018, however, actual impacts to the water bills are not anticipated until July 2019. Please note: OCM is proposed WATER rates, NOT sewer rates.

Monthly Customer Meter Charge

The proposed draft rates can be viewed at www.honoluluwatersupply.com/wateruser, and include the following changes. The monthly customer charge will be based on meter size, instead of a flat rate (currently the "billing charge"). Customers with larger meters will pay more. Most single-family homes have meters that are 3/8" or 1/2" and will have the lowest monthly customer charge.

Now: Essential Needs Tier



- Lowest cost rate for the first 2,000 gallons per month
- All residential customers get this rate

Proposed Monthly Customer Charge (per meter)

| Meter Size | Current Rate | Proposed Rate | Current Rate | Proposed Rate |
|--------------------------|--------------|---------------|--------------|---------------|
| 3/8" (1.5-1.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1/2" (2.0-2.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3/4" (3.0-3.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1" (4.0-4.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1 1/4" (5.0-5.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1 1/2" (6.0-6.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2" (7.0-7.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2 1/2" (8.0-8.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3" (9.0-9.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3 1/2" (10.0-10.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 4" (11.0-11.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 4 1/2" (12.0-12.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 5" (13.0-13.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 6" (14.0-14.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 8" (15.0-15.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 10" (16.0-16.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 12" (17.0-17.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 15" (18.0-18.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 20" (19.0-19.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 24" (20.0-20.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 30" (21.0-21.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 36" (22.0-22.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 42" (23.0-23.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 48" (24.0-24.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 60" (25.0-25.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 72" (26.0-26.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 84" (27.0-27.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 96" (28.0-28.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 108" (29.0-29.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 120" (30.0-30.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 144" (31.0-31.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 168" (32.0-32.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 192" (33.0-33.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 216" (34.0-34.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 240" (35.0-35.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 264" (36.0-36.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 288" (37.0-37.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 312" (38.0-38.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 336" (39.0-39.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 360" (40.0-40.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 408" (41.0-41.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 456" (42.0-42.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 504" (43.0-43.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 552" (44.0-44.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 600" (45.0-45.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 648" (46.0-46.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 696" (47.0-47.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 744" (48.0-48.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 792" (49.0-49.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 840" (50.0-50.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 888" (51.0-51.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 936" (52.0-52.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 984" (53.0-53.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1032" (54.0-54.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1080" (55.0-55.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1128" (56.0-56.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1176" (57.0-57.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1224" (58.0-58.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1272" (59.0-59.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1320" (60.0-60.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1368" (61.0-61.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1416" (62.0-62.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1464" (63.0-63.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1512" (64.0-64.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1560" (65.0-65.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1608" (66.0-66.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1656" (67.0-67.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1704" (68.0-68.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1752" (69.0-69.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1800" (70.0-70.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1848" (71.0-71.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1896" (72.0-72.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1944" (73.0-73.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 1992" (74.0-74.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2040" (75.0-75.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2088" (76.0-76.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2136" (77.0-77.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2184" (78.0-78.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2232" (79.0-79.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2280" (80.0-80.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2328" (81.0-81.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2376" (82.0-82.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2424" (83.0-83.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2472" (84.0-84.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2520" (85.0-85.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2568" (86.0-86.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2616" (87.0-87.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2664" (88.0-88.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2712" (89.0-89.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2760" (90.0-90.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2808" (91.0-91.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2856" (92.0-92.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2904" (93.0-93.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 2952" (94.0-94.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3000" (95.0-95.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3048" (96.0-96.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3096" (97.0-97.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3144" (98.0-98.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3192" (99.0-99.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |
| 3240" (100.0-100.99 gal) | \$5.25 | \$5.25 | \$5.25 | \$5.25 |

Single-Family Residential Water Rates, 2018-2022

| Tier | Current Rate | Proposed Rate | Current Rate | Proposed Rate |
|------|--------------|---------------|--------------|---------------|
| Now | \$14.00 | \$14.00 | \$14.00 | \$14.00 |
| 1 | \$14.00 | \$14.00 | \$14.00 | \$14.00 |
| 2 | \$14.00 | \$14.00 | \$14.00 | \$14.00 |
| 3 | \$14.00 | \$14.00 | \$14.00 | \$14.00 |

Multifamily Residential Water Rates, 2018-2022

| Tier | Current Rate | Proposed Rate | Current Rate | Proposed Rate |
|------|--------------|---------------|--------------|---------------|
| Now | \$14.00 | \$14.00 | \$14.00 | \$14.00 |
| 1 | \$14.00 | \$14.00 | \$14.00 | \$14.00 |
| 2 | \$14.00 | \$14.00 | \$14.00 | \$14.00 |
| 3 | \$14.00 | \$14.00 | \$14.00 | \$14.00 |

Comparing Bills: Single-Family Residential Essential Rates Tier

| Current | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 |
|---------|-----------|-----------|-----------|-----------|-----------|
| \$18.30 | \$18.30 | \$18.30 | \$18.30 | \$18.30 | \$18.30 |

Comparing Bills: Single-Family Residential The Median Water User (6,000 gallons per month)

| Current | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 |
|---------|-----------|-----------|-----------|-----------|-----------|
| \$25.78 | \$25.78 | \$25.78 | \$25.78 | \$25.78 | \$25.78 |

Comparing Bills: Single-Family Residential The Average Water User (9,000 gallons per month)

| Current | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 |
|---------|-----------|-----------|-----------|-----------|-----------|
| \$48.04 | \$48.04 | \$48.04 | \$48.04 | \$48.04 | \$48.04 |

Comparing Bills: Single-Family Residential The High Water User (35,000 gallons per month)

| Current | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 |
|----------|-----------|-----------|-----------|-----------|-----------|
| \$107.01 | \$107.01 | \$107.01 | \$107.01 | \$107.01 | \$107.01 |

Fire Meter Standby Charge

| Current | July 2018 | July 2019 | July 2020 | July 2021 | July 2022 |
|---------|-----------|-----------|-----------|-----------|-----------|
| \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 |

Public Hearings

Here are some photos from our first public hearing, held on April 26 at the Mission Memorial Auditorium, downtown. There are several more opportunities for public involvement. See the schedule of upcoming hearings on the back page.



14 Neighborhood Board presentations About 500 attendees as of 7/10/18

| | |
|--|---|
| Waianae Coast #24 | Waimanalo #32 |
| Kuliouou-Kalani Iki #2 | Wahiawa #26 |
| Kahaluu #29 | Kaimuiki #4 |
| Diamond Head-Kapahulu- St. Louis Hts #5 | Liliha / Puunui / Alewa / Kamehameha Heights #14 |
| Mililani-Waipio #25 | Waipahu #22 |
| Palolo #6 | Nanakuli-Maili #36 |
| Pearl City #21 | Nuuanu / Punchbowl #12 (7/17) |
| Aiea #20 | Hawaii Kai (pending) |

10 Interest group presentations

- ◆ Honolulu Board of Realtors
- ◆ Chamber of Commerce Hawaii:
Infrastructure Committee
- ◆ AARP: 2 committees
- ◆ Hawaii Community Foundation's Fresh Water Council
- ◆ Developers: MW Group, DR Horton, Stanford Carr, BIA
- ◆ 2 meetings with farmers including the Farm Bureau
- ◆ Golf course managers
- ◆ Hawaiian Electric
- ◆ Letters to be sent to hotels by SAG member
Matt Bailey



Honolulu
City Council



6 City Council Member briefings

Briefing to City Cabinet on June 19, 2018

13 Radio interviews



3 Articles in Star Advertiser

WEDNESDAY 3/28/18 STARADVERTISER.COM

The Pulse of Pinellas

Star Advertiser

BOARD OF WATER SUPPLY RATE HIKE PROPOSED

SUGGESTED INCREASES
Here's how the monthly water bill would increase for average residents that use about an 8,000-gallon bill for single-family homes and 4,000 gallons for multi-family homes.

| Year | 2017 | 2018 |
|-----------|----------|----------|
| Current | \$96.79 | \$98.81 |
| July 2018 | \$108.79 | \$108.82 |
| July 2019 | \$116.99 | \$128.79 |
| July 2020 | \$146.86 | \$24.76 |
| July 2021 | \$141.76 | \$79.86 |
| July 2022 | \$121.65 | \$31.18 |

Source: Board of Water Supply

ALL OF OUR FEELINGS
By Robert Taylor

Larger residential water rates should favor the front of a 12.5 percent increase over four years, starting at least 70 percent of the way.

By Andrew Gomez
@andrewgomez

The Board of Water Supply is proposing to raise the price of residential water rates for next year and long-term water rates significantly. Rates should rise over the next four years, starting at least 70 percent of the way.

Board members of the independent city agency voted to raise water rates for residential public facilities to a 12.5 percent over four years — with a significant rate increase in year two. If approved, water bills will rise 12.5 percent.

The average residential water bill, based on a 12.5 percent increase over four years, would be \$141.76 in 2021 and \$121.65 in 2022.

Star Advertiser HUNDAY 4/11/18

insight

PIPE DREAMS

FILTER PIPE REPLACEMENT: WATER MAIN BREAKS
The replacement of pipes in water mains — a task that is planned over the next 10 years — could cost Pinellas County about \$1 billion, by the year 2027. Here's a look at the number of pipe breaks in water mains.

Water mains, critical to the city's water supply, are just one aspect of the supply picture.

By Matthew O'Connell
@mattowconnell

Water mains, critical to the city's water supply, are just one aspect of the supply picture. The replacement of pipes in water mains — a task that is planned over the next 10 years — could cost Pinellas County about \$1 billion, by the year 2027. Here's a look at the number of pipe breaks in water mains.

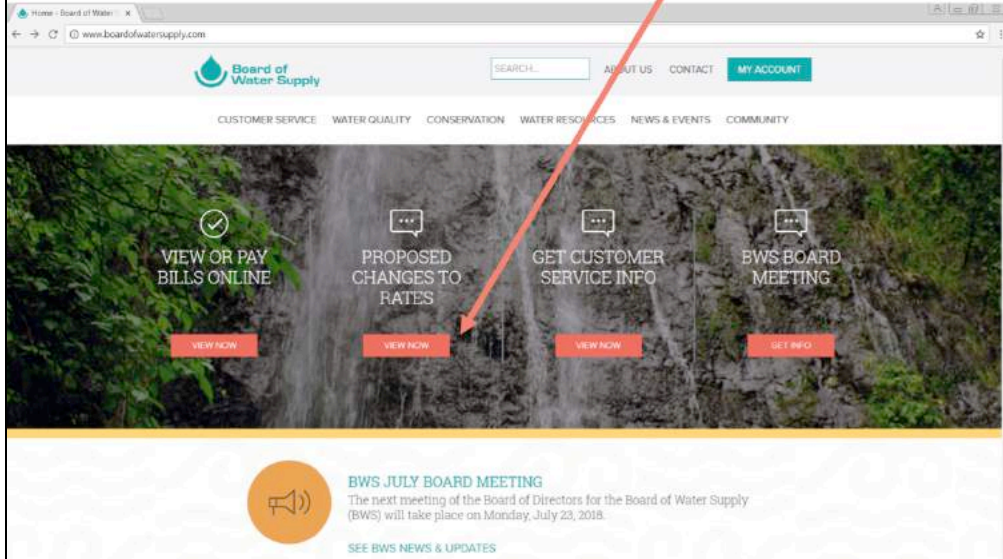
| Year | Number of Pipe Breaks |
|------|-----------------------|
| 2014 | 100 |
| 2015 | 150 |
| 2016 | 200 |
| 2017 | 250 |

Source: Board of Water Supply

Other media coverage



Website visits (as of July 9, 2018)
1,274 page views of rates
987 unique visits



27 additional commenters (letters, email, web, phone, Star Advertiser)

| Support | Oppose | Requested Clarification | Other Topic |
|---------|--------|-------------------------|-------------|
| 2 | 14 | 3 | 8 |

- ◆ Nearly all who opposed appear to be single-family residential customers
 - Impacts to customers on fixed, low incomes
 - Inefficient, monopoly
 - Conservation equity
 - Discounted rates for Ag, uniform non-residential rate, fire meter standby charge
- ◆ ENV was most common other topic



Department of Business, Economic Development &
Tourism

Small Business Regulatory Review Board

- ◆ Prepared Small Business Impact Statement and submitted to SBRRB (required prior to public hearing)
- ◆ SBRRB Review (June 20)
- ◆ Providing at least 30-days notice of public hearing
- ◆ Public hearing with full consideration of all written and oral submissions (August 27)
- ◆ Submit post-hearing Small Business Impact Statement
- ◆ Becomes effective 10 days after filing with City Clerk, or later as specified

[HRS 91 and 201M]

Process Overview



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





Joe Cooper

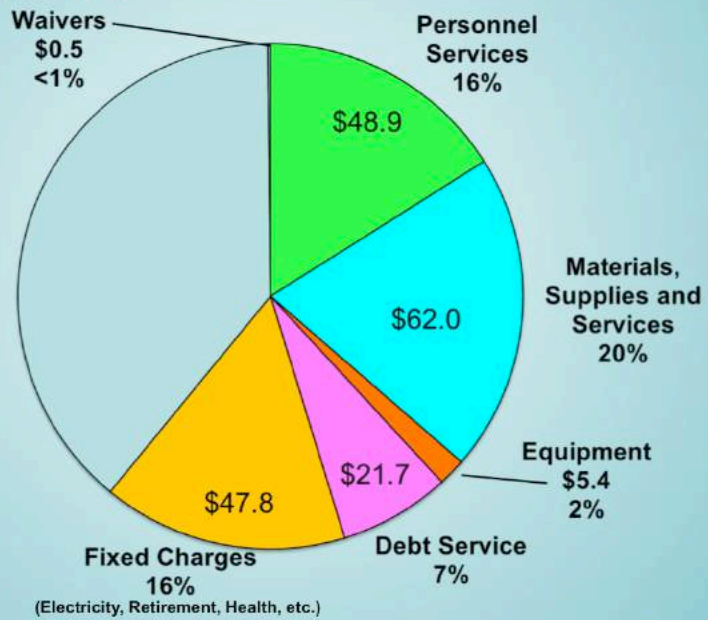
BWS Water Works Controller

Jason Takaki

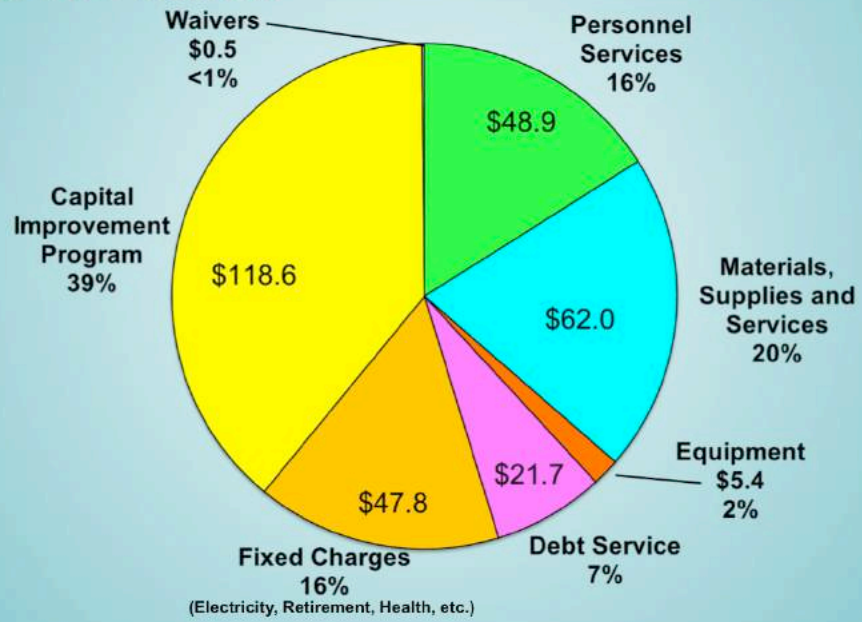
BWS Capital Projects Program Administrator

FISCAL YEAR 2019 BUDGET AND CAPITAL IMPROVEMENT PROGRAM

Operating Budget Expenditures FY 2019 \$304.9 million



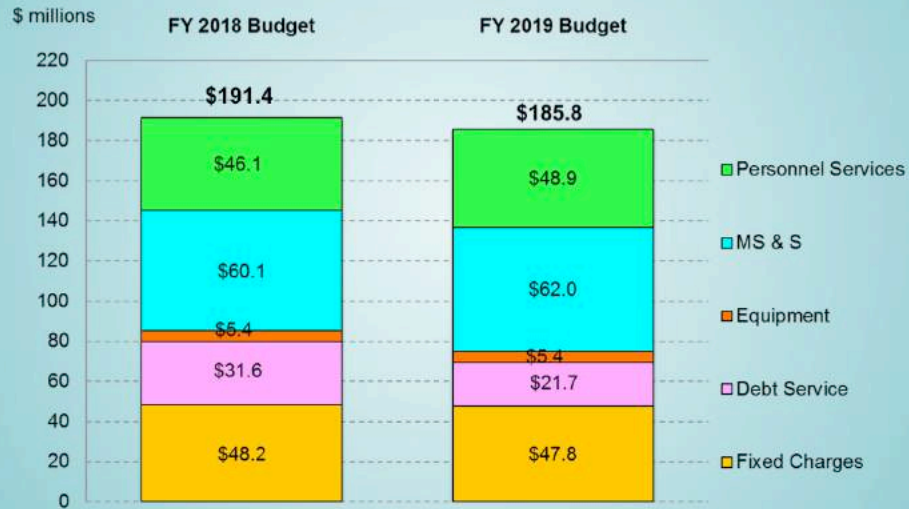
Operating Budget Expenditures FY 2019 \$304.9 million



Operating Fund Revenue and expenditure summary

| | FY 2018 | FY 2019 | Change | |
|---------------------------------|-------------------------|--------------------------|------------|-------|
| | Adopted (\$ million) | Proposed (\$ million) | \$ million | % |
| Revenues | \$236.5 | \$239.2 | \$2.7 | 1.2% |
| Total Operating Expenditures | \$191.5 | \$185.8 | - \$5.7 | -3.0% |

Comparison of Operating Budget expenditures, FY 2018 and FY 2019



FY 2019 operating expenses highlights

- ◆ \$9.9 million decrease for debt service
- ◆ \$2.8 million increase for personnel services
- ◆ \$1.8 million increase for water quality and treatment studies
- ◆ \$1 million increase for emergency road repairs
- ◆ \$1.2 million decrease for meter purchases

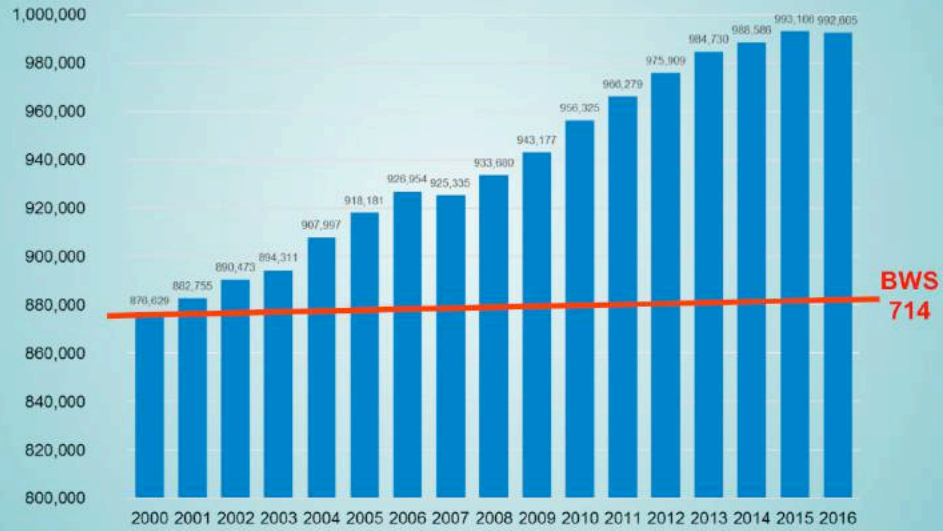
FY 2019 revenue highlights

- ◆ Water sales are projected to be relatively flat over FY 2018 Budget-Estimated
 - No water rate increases
 - Expect stable potable water consumption
- ◆ University of Hawaii Economic Research Organization (UHERO) remains positive in its forecast that Hawaii's economy will continue to grow (May 4, 2018)

Personnel Services positions and vacancies

- ◆ During the recession of 2007 to 2009, BWS implemented a hiring freeze that reduced the number of employees
- ◆ Hiring freeze was in place until early 2012
- ◆ 714 authorized positions since 1992
- ◆ Many positions were left vacant in order to generate budget savings

Honolulu population and BWS employees 2000-2016



Source: Department of Business, Economic Development and Tourism

Total miles of pipeline and BWS employees



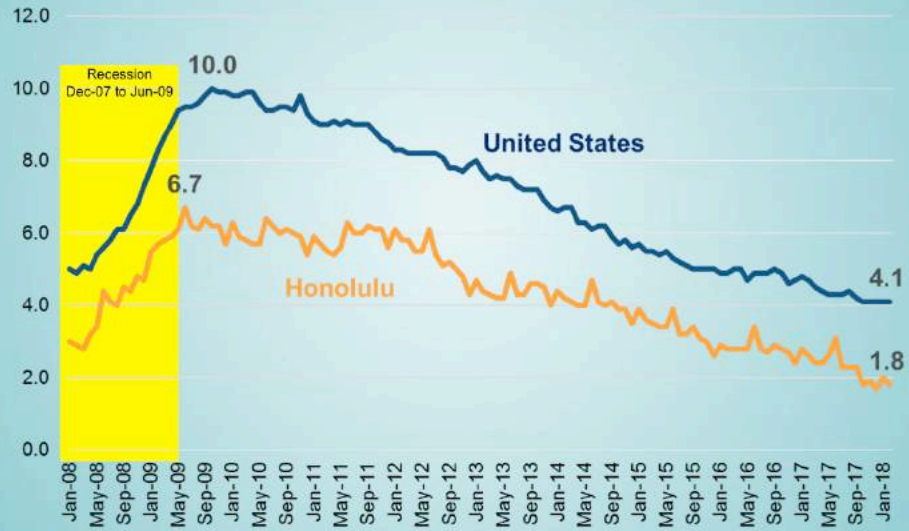
Number of services and BWS employees



Positions changes in FY 2019

- ◆ First increase in authorized positions since 1992
- ◆ +18 permanent positions, 714 to 732
- ◆ +9 limited term positions
- ◆ Reduction of 22 personal services contracts
- ◆ 6% (\$2.8 million) budgeted increase in FY 2019

Unemployment Rate 2008 to 2018

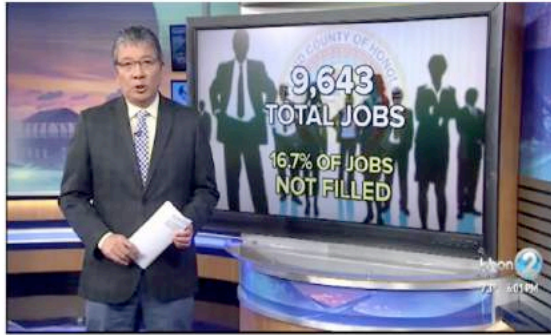


Hiring is a challenge throughout the state

City struggles to keep qualified workers on staff

By: Mancio Morales

Updated Mar 23, 2018 08:14 PM HST



HONOLULU (KHON2) - The city is struggling to find qualified workers, and Honolulu's mayor says it's enough to drive him crazy.

Near-record-low unemployment makes hiring a challenge for all businesses, and the mayor says the city needs to do a better job of recruiting.

CIVIL BEAT Hawaii News Commentary Special Proj

Business

Will There Be Enough Workers For Hawaii's Hot Economy?

Low unemployment, a stagnant population and out-of-sight living costs create major recruiting challenges.

By Mancio Morales | Updated 11:00 am ago

When Whole Foods opened its 72,000-square-foot, two-story food emporium in Kakaako last week, it brought its typical array of organic apples, artisanal cheeses and quinoa sold in bulk. There are two restaurant spaces with two dozen booths on top.

And, perhaps most important for the local economy, the new store brought 300 new jobs. And it needs help.

After the store's opening last Wednesday, the Amazon subsidiary still had more than a dozen jobs post-trip at the new store, including jobs for a maintenance worker, dishwasher and cook as well as a store support supervisor.

It's a sign of the times in Hawaii, especially in the food service and hotel industries.

Current vacancy challenges

- ◆ Difficulty attracting recruits
 - Record low unemployment
 - Salary competition
 - Reduced benefits
- ◆ Engineering and Information Technology positions particularly difficult to fill
 - Engineers III, IV, V
 - Data Processing System Analysts



FY 2019 CIP

- ◆ Supports the BWS mission

**Water For Life: Safe, dependable and affordable water
now and into the future**

- ◆ Aligned with the other plans
 - BWS Strategic Plan 2018-2022
 - Divisions' Goals & Objectives
 - Six-Year Capital Improvement Program

Three project categories

I. Research and Development

II. Renewal and Replacement

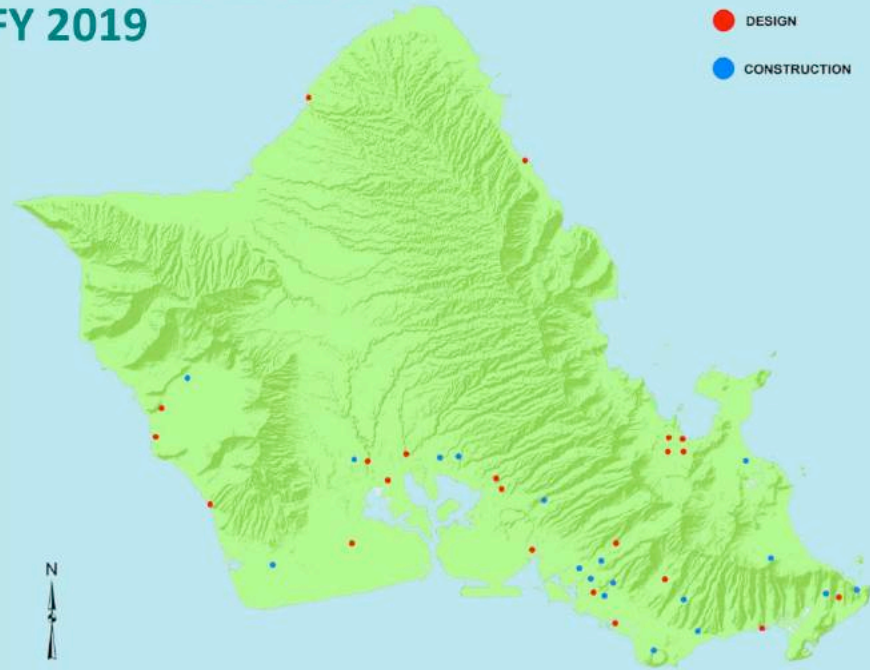
III. Capacity Expansion

Capital Improvement Program Budget FY 2019

| | Categories | Operating Fund | Operating Fund (SRF eligible) | Special Expendable Fund | Total |
|------|------------------------|-----------------------|-------------------------------|-------------------------|-----------------------|
| I. | Research & Development | \$ 4,400,000 | | | \$ 4,400,000 |
| II. | Renewal & Replacement | 84,615,000 | 7,470,000 | | 92,085,000 |
| III. | Capacity Expansion | 5,200,000 | | 18,170,000 | 23,370,000 |
| | Sub-total | 94,215,000 | 7,470,000 | 18,170,000 | 119,855,000 |
| | Adjustment | 16,142,000 | 747,000 | 1,717,000 | 18,606,000 |
| | Total | \$ 110,357,000 | \$ 8,217,000 | \$ 19,887,000 | \$ 138,461,000 |

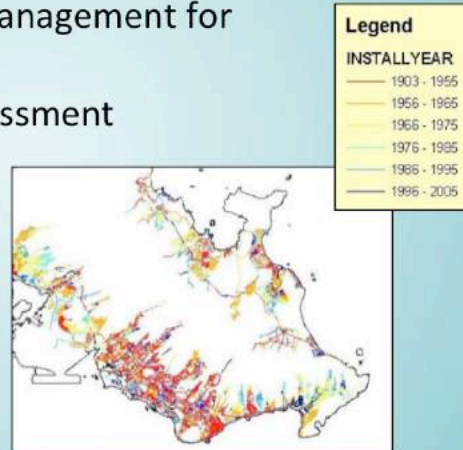
CIP Project Locations FY 2019

- DESIGN
- CONSTRUCTION



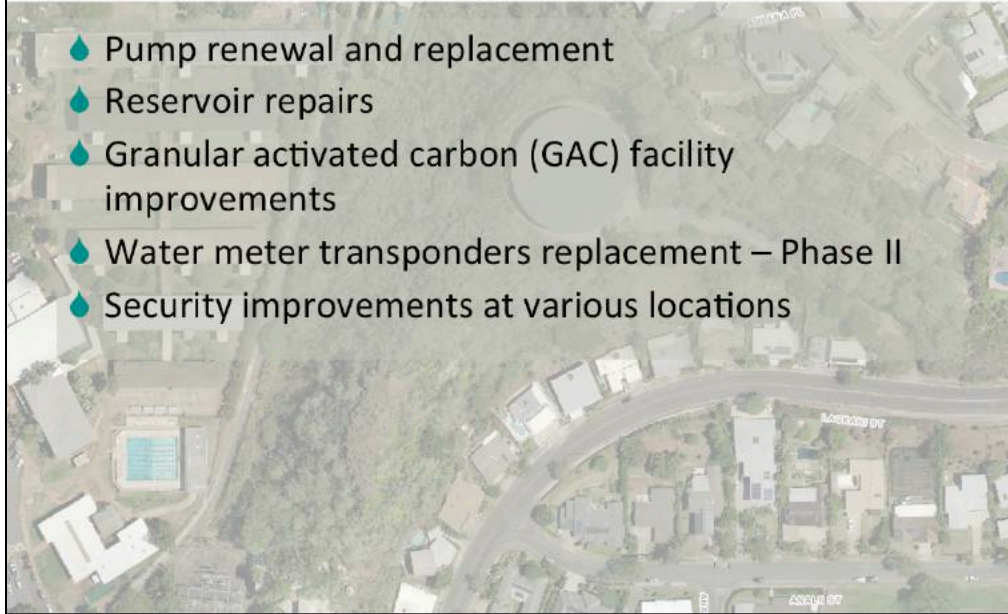
Research and Development highlights \$4.4 million

- ◆ Construction Management for various projects
- ◆ Project and Program Management for various projects
- ◆ Pipeline Condition Assessment



Renewal and Replacement highlights \$92.1 million

- ◆ Pump renewal and replacement
- ◆ Reservoir repairs
- ◆ Granular activated carbon (GAC) facility improvements
- ◆ Water meter transponders replacement – Phase II
- ◆ Security improvements at various locations



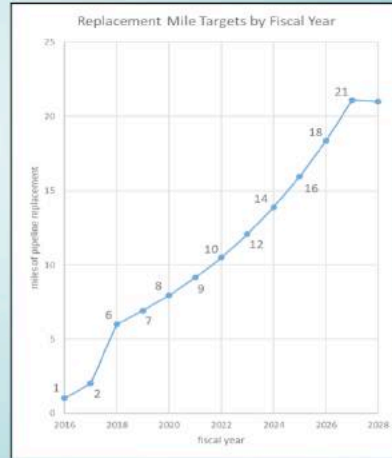
Renewal and Replacement highlights (cont.)

- 7 miles of main replacement construction

- Waianae
- Lanakila
- Moanalua
- Hawaii Kai Valley
- Pacific Heights

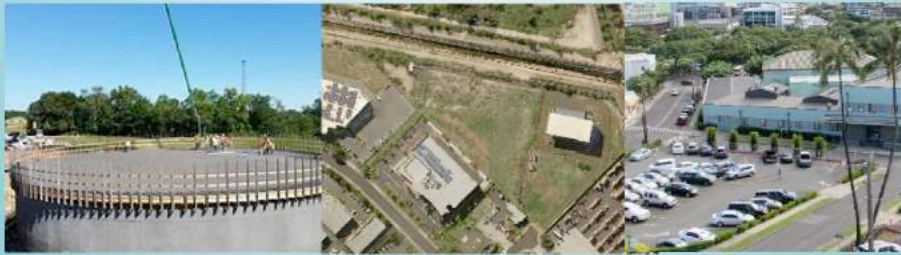
- 18.5 miles of main replacement design including

- Pupukeya
- Kaneohe
- Waipahu
- Manoa
- Waiau
- Palolo

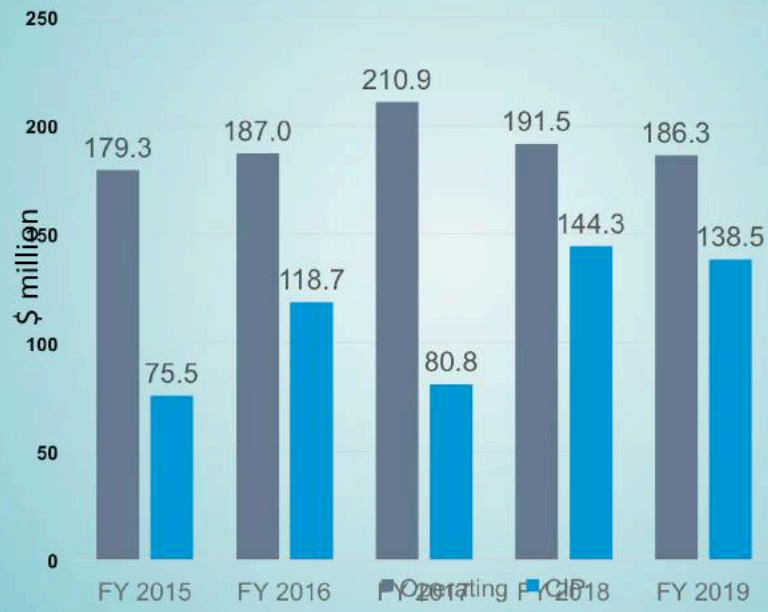


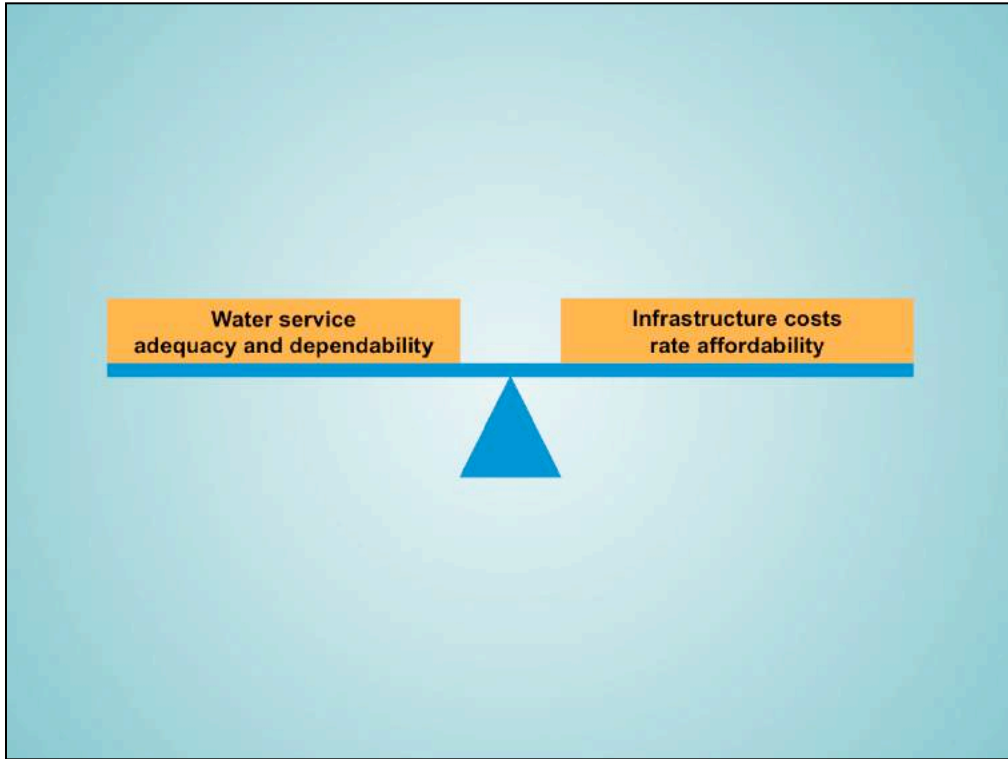
Capacity Expansion highlights \$23.4 million

- ◆ Kalawahine 180 2.0 MG Reservoir
- ◆ Ala Moana Boulevard 24-inch Main upsie
- ◆ Kapolei Base Yard
- ◆ Beretania Complex Office Building/Parking Structure



Operating & CIP Budget trends





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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
One of a Dozen of Islands

Ernest Lau P.E.
BWS Manager and Chief Engineer

Barry Usagawa
BWS Water Resources Program Administrator

**STAKEHOLDER ADVISORY GROUP
MAHALO!**

