

Slide 1



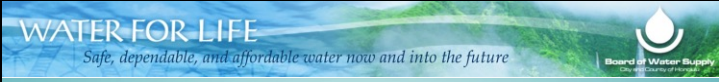
WATER FOR LIFE
Safe, dependable, and affordable water now and into the future

Board of Water Supply
City & County of Honolulu

Stakeholder Advisory Group

Board of Water Supply
City & County of Honolulu

Tuesday, July 11, 2017



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

Board of Water Supply
City of Orange, CA

Dave Ebersold
Facilitator

WELCOME

The slide features a teal gradient background. At the top, there is a banner with a landscape image of a river and hills. The banner contains the text 'WATER FOR LIFE' in a bold, white, sans-serif font, followed by the tagline 'Safe, dependable, and affordable water now and into the future' in a smaller, italicized white font. To the right of the banner is the logo for the Board of Water Supply, City of Orange, CA, which consists of a white water drop icon above the text 'Board of Water Supply' and 'City of Orange, CA'. In the lower-left quadrant of the slide, the name 'Dave Ebersold' is written in a bold, black, sans-serif font, with 'Facilitator' written below it in a smaller, regular black font. The word 'WELCOME' is written in a large, bold, teal, sans-serif font below the name. At the bottom of the slide, there is a decorative border with a repeating geometric pattern.

Slide 3




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Board of Water Supply
City of Orange, CA


Public Comments on Agenda Items

The slide features a teal gradient background with a decorative border at the bottom. The top banner includes the 'WATER FOR LIFE' logo and the slogan 'Safe, dependable, and affordable water now and into the future', along with the 'Board of Water Supply' logo and 'City of Orange, CA' text.



Meeting Objectives

- ◆ Receive updates regarding the BWS
- ◆ Small group discussions and report out:
 - Cost of Service and subsidies among customer classes
 - Affordability program ideas and issues
 - Water System Facilities Charge and potential waiver for affordable housing




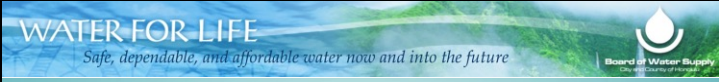
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Action

Review and accept notes from
Stakeholder Advisory Group Meeting #16
held on Wednesday, June 21, 2017





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Ellen Kitamura P.E.
BWS Deputy Manager and Chief Engineer

BWS UPDATES



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Mahalo! **Questions & Answers**



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Dave Ebersold, Chris Harris, Arlene Post, Audrey Harris
Facilitators

SMALL GROUP DISCUSSIONS

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BWS's residential customer classes

	
Single-family	Multi-family
Single-family residence Duplex	Triplex Apartments Townhomes Condominiums
Common area meters are classified the same as the type of residence in the development	



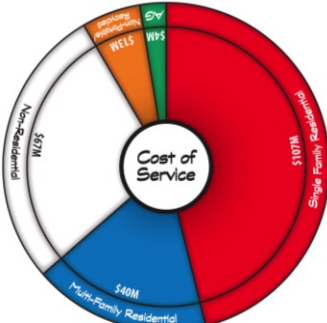
Prop. 218 changed California's landscape

- ◆ Water rates must be based solely on cost of service
- ◆ No subsidies between customer classes, e.g. for agriculture
- ◆ No subsidies among tiers
 - No tiers for the purpose of encouraging conservation
 - No “lifeline” rates unless based on cost of service

Would you recommend this type of rate structure for O'ahu?
Why or why not?

Zero Sum Game

- ◆ Goal: Reach consensus within your group about the distribution of poker chips (revenues) in each “pie slice” representing customer classes.



Rules of the Game

- ◆ All CHIPS (revenues) are distributed on the PIE SLICES (customer classes) showing current coverage of the COST OF SERVICE for each class
- ◆ The cost of service cannot be changed
- ◆ The total value of chips on each slice must equal the cost of service for that class
- ◆ Any chip removed from a slice must be substituted by a chip from off the board

Impacts on Rates

Add or Subtract	Customer Class	Percentage Rate Change
1 RED chip	Single Family Residential	1%
1 BLUE chip	Multi-Family Residential	2.2%
1 WHITE chip	Non-residential	1.2%
1 GREEN chip	Agricultural	25%
1 ORANGE chip	Non-potable / recycle	20%



Types of affordability programs

1. Bill discounts and credits
2. Flexible terms for repayment 
3. Block rate structure and lifeline rates 
4. Temporary or crisis assistance
5. Water efficiency and leak repairs
6. Community and local government assistance programs
7. Income-based discounts

(Abell Foundation Report, Nov 2016)

Value: Affordable

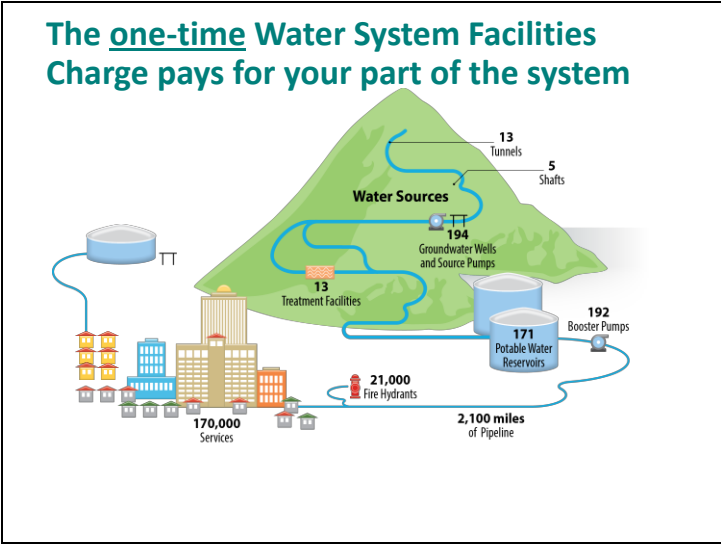
BWS has implemented three programs to support affordability:

- Switched to monthly billing
- Zero-interest repayment programs
- Tiered water rates

Affordability considerations

1. What types of additional assistance programs for low income residents, if any, should BWS consider?
2. How should those program(s) be paid for?
3. If you recommend payment assistance/subsidy for low income residents, what existing programs should be relied upon to determine if a BWS customer qualifies?

Value: Affordable



WSFC minimum charge comparisons

	BWS	Maui	Kauai (proposed)	Las Vegas
Residential	\$3,706	\$12,060	\$14,115 (1)	\$6,418
Non-residential	\$12,417	\$12,060	\$14,115	\$6,418
Agricultural	\$4,819	\$12,060	\$14,115	\$6,418
Special			\$4,940 (2)	

Notes:
 (1) Multi-family/hotel rooms \$9,880
 (2) For affordable housing, per dwelling unit

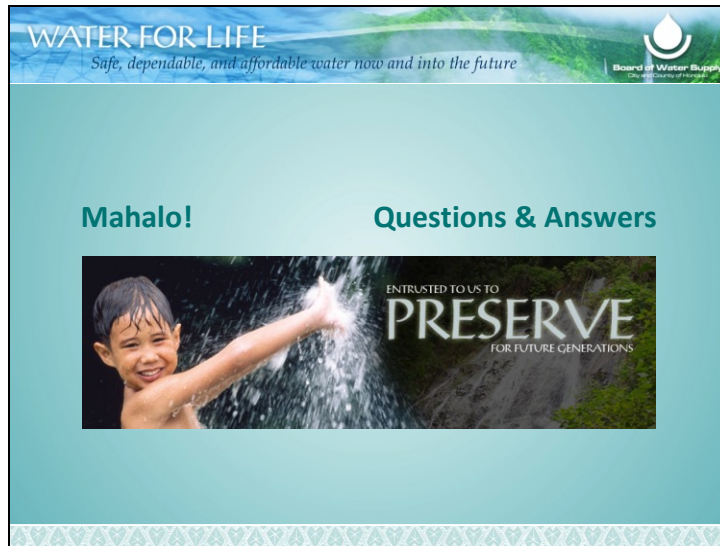
Value: Fair and Equitable, Affordable

- Residential and non-residential charges are based on number of fixture units. (Assumed 20 which is the minimum for residential. Non-residential has no minimum.)
- Agricultural customer charges are based on meter size.
- Some developers put in components of a system (rather than complete systems) and receive partial credit.
- Revenues collected are only used to fund expansion projects.
- No WSFC for non-potable.

A developer wants to build 100 new housing units, none of them are “affordable”

- ◆ Should the developer pay the full cost for water system capacity, i.e. growth pays for growth? Why or why not?
- ◆ If not, who else should pay?
- ◆ To encourage the developer to build “affordable” housing units, should BWS reduce/waive the WSFC?
- ◆ By how much, e.g. 0%, 25%, 50%, 75%, 100%?
- ◆ Who should subsidize that cost,
 - Others needing capacity, or
 - All rate payers?
- ◆ Should there be water use efficiency requirements attached to the waiver?


BWS’s WSFC is based on fixture units, with a minimum charge of 20 fixture units. Most other agencies charge based on meter size. The reasons are two-fold: 1) they charge for the capacity potential 2) administratively simpler. BWS fixture units, while more difficult to administer, more closely reflect a customer’s actual burden on the system.



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Mahalo! **Questions & Answers**



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



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Dave Ebersold
Facilitator

SUMMARY AND NEXT STEPS

Other items

- ◆ Next Meeting
Wednesday, August 9, 2017
4:00 – 6:30 pm

Neal S. Blaisdell Center
Hawaii Suites

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Mahalo!

The graphic features a central image of a young child splashing water, set against a background of a natural landscape. The text is arranged in a clean, modern layout with a teal color palette. A decorative border is visible at the bottom of the graphic.