



Kaua'i Department of Water needs public input on the fee (WSDF) for new water hook-ups

The Kaua'i Department of Water (KDOW) is going to make a decision about the fee charged for hooking up to new water. We need your input now.

This fee affects any new development or home expansion that requires additional water service. The KDOW staff is preparing to make a recommendation to the KDOW Board on changes to the schedule and rules, and these changes will affect all developers of new projects or home expansions whether they are businesses or individuals.

Please weigh in on this important issue!

What is the WSDF?

The WSDF (formerly called the FRC) is a fee to cover the cost of adding new capacity. The fee is applied to building permit applications as well as subdivision applications. * The current fee—\$4,600 for a 5/8-inch meter—was set nearly 10 years ago and covers only about one-quarter of the actual costs.

The system expansion cost, less deductions, is \$17,160 for a standard 5/8-inch meter. For larger meters, the price goes up.

What are the options being considered?

- 1) **Charge new users** the full cost of expanding the water system (this is our current and past practice);
- 2) **Charge existing ratepayers** the cost of expanding the system for new uses and users;
- 3) **Create a blended system**, charging a portion of expansion costs to existing ratepayers and a portion to new users with new projects;

Our staff recommendation is Option #1.

Do you agree?

Let us hear from you on these options as well:

1) One-time flat fee, or charge per water-using fixture

One of our options is to base the fee on the **number of water-using fixture units**. Under this system, a small unit with one bathroom and a kitchen would pay significantly less than a unit with four bathrooms, two-kitchen sinks and an irrigation system.

However....

KDOW is leaning toward a **one-time fee** for single family meters because it is administratively challenging to monitor the actual number of water fixtures. The other problem with this method is the monitoring of those who say they are doing one thing and then do another after their construction has been approved.

Let us know your opinion on this option.

2) Time of meter installation

Some customers have paid the fee but never installed their meters so they are not paying in to assist with the financial costs to maintain and operate the system. At the same time, potential customers are being turned away since that capacity is being reserved.

Do you think those who have paid the fee should be required to install meters immediately? (This is the solution KDOW is favoring. It is administratively challenging to follow each fee payment, potentially for years, before a meter is finally installed.)

Another solution being considered is to charge the difference between the fee paid and the fee in place when the meter is installed. If a fee has been paid but no meter installed, the developer would pay the difference between the fee at request time and the fee when the meter is installed.

Do you favor this solution?

3) Future WSDF increases

To avoid the large increase in the fee in the future, the Board is considering changing the fee yearly according to a construction cost index. KDOW supports this proposal.

Do you agree with this?

Please provide your feedback to KDOW by **February 18, 2013.**

Write or email David Craddick, KDOW Manager and Chief Engineer, 4398 Pua Loke Street, Līhu'e HI 96766 or dcraddick@kauaiwater.org

To set up a meeting, call Joy Buccat, KDOW Public Relations Specialist at 245-5461.

* Current actual costs were calculated by consultant SAIC for financing, land, planning, design and construction of new capacity. A copy of the consultant's study is available on the DOW web page at www.kauaiwater.org.