

**PROPOSED AMENDMENTS TO THE
DEPARTMENT OF WATER, COUNTY OF KAUA'I RULES AND
REGULATIONS**

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY OF THE COUNTY OF KAUA'I,
STATE OF HAWAII:

SECTION 1. These Amendments are made pursuant to Sec. 17.03(D) of the Kaua'i
County Charter, and Chapter 91 of the Hawaii Revised Statutes.

SECTION 2. Material to be repealed, if any, is bracketed and stricken. New material is
underscored. In printing this rule amendment, the brackets and bracketed material need not be
included.

PART 4 <u>FIXING RATES FOR THE FURNISHING OF WATER SERVICE IN THE</u> <u>COUNTY OF KAUA'I</u>
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SECTION I - GENERAL USE RATES

1. **Service Charge.** For each service there shall be a charge per month imposed based on
the size of the meter, or its service capacity equivalence in the case of parallel meters, as
follows:

Meter Size	[Effective January 1 2012	Effective July 1 2012	Effective July 1 2013	Effective July 1 2014
5/8"	\$12.00	\$14.40	\$16.00	\$17.75
3/4"	16.75	20.00	22.25	24.75
1"	24.25	29.50	32.75	36.50
1-1/2"	46.00	53.00	59.00	65.50
2"	70.00	81.00	90.00	100.00
3"	132.00	146.75	163.00	181.00
4"	216.00	240.00	267.00	297.00
6"	420.00	475.00	528.00	587.00
8"	680.00	755.00	840.00	934.00]

Meter Size	<u>Effective</u> <u>1-Nov-26</u>	<u>Effective</u> <u>1-Jul-27</u>	<u>Effective</u> <u>1-Jul-28</u>	<u>Effective</u> <u>1-Jul-29</u>	<u>Effective</u> <u>1-Jul-30</u>
5/8"	<u>\$22.19</u>	<u>\$27.73</u>	<u>\$29.54</u>	<u>\$31.46</u>	<u>\$33.50</u>
3/4"	<u>30.94</u>	<u>38.67</u>	<u>41.19</u>	<u>43.86</u>	<u>46.71</u>
1"	<u>45.63</u>	<u>57.03</u>	<u>60.74</u>	<u>64.69</u>	<u>68.89</u>
1-1/2"	<u>81.88</u>	<u>102.34</u>	<u>109.00</u>	<u>116.08</u>	<u>123.63</u>
2"	<u>125.00</u>	<u>156.25</u>	<u>166.41</u>	<u>177.22</u>	<u>188.74</u>
3"	<u>226.25</u>	<u>282.81</u>	<u>301.20</u>	<u>320.77</u>	<u>341.62</u>
4"	<u>371.25</u>	<u>464.06</u>	<u>494.23</u>	<u>526.35</u>	<u>560.56</u>
6"	<u>733.75</u>	<u>917.19</u>	<u>976.80</u>	<u>1040.30</u>	<u>1107.92</u>
8"	<u>1167.50</u>	<u>1459.38</u>	<u>1554.23</u>	<u>1655.26</u>	<u>1762.85</u>

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Following the period of scheduled service charge increases:

An annual Consumer Price Index (CPI) adjustment shall be applied to each meter size starting July 1, 2031. This annual CPI adjustment percentage shall be determined based on the previous year's data and shall be taken from the U.S. Bureau of Labor Statistics (BLS), specifically the Urban Hawaii CPI all items index. The adjustment will utilize the 12-month percent changes for November of the previous year (for example, the July 1, 2031 CPI adjustment shall be based on November of 2030). The determined annual CPI adjustment percentage and the resulting revised rates shall also be published on the Department of Water's official website by June 1 of each year.

2. **Use Charge.** In addition thereto, there shall be a consumption charge imposed per 1,000 gallons as follows:

<u>[Use</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>
<u>Rate</u>	<u>January 1</u>	<u>July 1</u>	<u>July 1</u>	<u>July 1</u>
<u>Block</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
0 th Block	\$3.20	\$3.40	\$3.60	\$3.80
1 st Block	3.50	3.90	4.35	4.85
2 nd Block	4.25	4.50	5.05	5.65
3 rd Block	6.85	7.60	8.50	9.50
4 th Block	7.20	8.05	8.95	10.00]

<u>Use Rate Tier</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>
	<u>1-Nov-26</u>	<u>1-Jul-27</u>	<u>1-Jul-28</u>	<u>1-Jul-29</u>	<u>1-Jul-30</u>
Tier 1	\$4.75	\$5.94	\$6.32	\$6.73	\$7.17
Tier 2	6.06	7.58	8.07	8.60	9.15
Tier 3	7.06	8.83	9.40	10.01	10.66
Tier 4	11.88	14.84	15.81	16.84	17.93
Tier 5	12.50	15.63	16.64	17.72	18.87

Following the period of scheduled use charge increases:

An annual Consumer Price Index (CPI) adjustment shall be applied to each use rate tier starting July 1, 2031. This annual CPI adjustment percentage shall be determined based on the previous year's data and shall be taken from the U.S. Bureau of Labor Statistics (BLS), specifically the Urban Hawaii CPI all items index. The adjustment will utilize the 12-month percent changes for November of the previous year (for example, the July 1, 2031 CPI adjustment shall be based on November of 2030). The determined annual CPI adjustment percentage and the resulting revised rates shall also be published on the Department of Water's official website by June 1 of each year.

The [0th,] 1st, 2nd, 3rd, 4th and [4th block] 5th Tier consumption thresholds vary with the size of each meter, and shall be as follows in thousands of gallons per monthly billing:

[0 th	[1 st	[2 nd	[3 rd	[4 th
Rate	Rate	Rate	Rate	Rate

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Meter	Block Tier 1	Block Tier 2	Block Tier 3	Block Tier 4	Block Tier 5
Size	Minimum	From-To	From-To	From-To	Over
5/8"	1	1-7	7-14	14-18	18
3/4"	2	2-29	29-57	57-65	65
1"	3	3-68	68-137	137-175	175
1-1/2"	10	10-169	169-337	337-387	387
2"	12	12-400	400-750	750-925	925
3"	50	50-600	600-1,200	1,200-1,750	1,750
4"	175	175-1,000	1,000-2,500	2,500-2,750	2,750
6"	225	225-4,000	4,000-7,500	7,500-10,000	10,000
8"	250	250-1,000	1,000-2,500	2,500-12,500	12,500

3. Wharfage Fee. Where applicable, the Department of Transportation's wharfage fee shall be charged in addition to the above use and service charges.

SECTION II - BULK RATES

Bulk rates for specified areas may be established by the Board providing the following conditions are met:

- The area consists of existing dwellings or business establishment with bulk rates built prior to September 11, 1992.
- The system has been offered to the Board but refused because of substandard or obsolete pipeline and fixtures.
- The lots or parcels are under diversified ownership and not under a single or limited number of owners (three (3) and less).
- There is a savings to the Board in maintenance and operating costs in contrast to accepting the system.
- All bulk rates shall be renegotiated biennially and may continue upon concurrence of both parties.

SECTION III - AGRICULTURAL RATES

1. ~~[Service Charge.]~~**Service Charge**. For each agricultural service there shall be a charge per month imposed based on the size of the meter, or its service capacity equivalence in the case of parallel meters, as follows:

	[Effective	Effective	Effective	Effective
	January 1	July 1	July 1	July 1
Meter Size	2012	2012	2013	2014
5/8"	\$15.00	\$15.00	\$16.00	\$17.75

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3/4"	20.00	20.00	22.25	24.75
1"	30.00	30.00	32.75	36.50
1 1/2"	55.00	55.00	59.00	65.50
2"	90.00	90.00	90.00	100.00
3"	160.00	160.00	163.00	181.00
4"	260.00	260.00	267.00	297.00
6"	500.00	500.00	528.00	587.00
8"	800.00	800.00	840.00	934.00]

<u>Meter Size</u>	<u>Effective</u> <u>1-Nov-26</u>	<u>Effective</u> <u>1-Jul-27</u>	<u>Effective</u> <u>1-Jul-28</u>	<u>Effective</u> <u>1-Jul-29</u>	<u>Effective</u> <u>1-Jul-30</u>
5/8"	\$22.19	\$27.73	\$29.54	\$31.46	\$33.50
3/4"	30.94	38.67	41.19	43.86	46.71
1"	45.63	57.03	60.74	64.69	68.89
1-1/2"	81.88	102.34	109.00	116.08	123.63
2"	125.00	156.25	166.41	177.22	188.74
3"	226.25	282.81	301.20	320.77	341.62
4"	371.25	464.06	494.23	526.35	560.56
6"	733.75	917.19	976.80	1040.30	1107.92
8"	1167.50	1459.38	1554.23	1655.26	1762.85

Following the period of scheduled service charge increases:

An annual Consumer Price Index (CPI) adjustment shall be applied to each meter size starting July 1, 2031. This annual CPI adjustment percentage shall be determined based on the previous year's data and shall be taken from the U.S. Bureau of Labor Statistics (BLS), specifically the Urban Hawaii CPI all items index. The adjustment will utilize the 12-month percent changes for November of the previous year (for example, the July 1, 2031 CPI adjustment shall be based on November of 2030). The determined annual CPI adjustment percentage and the resulting revised rates shall also be published on the Department of Water's official website by June 1 of each year.

2. **Use Charge.** In addition to the agricultural service charge described in this Section III, for all water drawn, where such water is used for agriculture, stock raising, or dairy farming on a commercial basis, the following consumption charge shall be imposed for each 1,000 gallons used, as of the following effective dates:

<u>Use</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>
<u>Rate</u>	<u>January 1</u>	<u>July 1</u>	<u>July 1</u>	<u>July 1</u>
<u>Block</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>

1 st Block	\$1.75	\$1.90	\$2.05	\$2.20]
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<u>Use Rate Tier</u>	<u>Effective</u> <u>1-Nov-26</u>	<u>Effective</u> <u>1-Jul-27</u>	<u>Effective</u> <u>1-Jul-28</u>	<u>Effective</u> <u>1-Jul-29</u>	<u>Effective</u> <u>1-Jul-30</u>
Tier 1	\$2.75	\$3.44	\$3.66	\$3.90	\$4.15

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Following the period of scheduled use charge increases:

An annual Consumer Price Index (CPI) adjustment shall be applied to each use rate tier starting July 1, 2031. This annual CPI adjustment percentage shall be determined based on the previous year's data and shall be taken from the U.S. Bureau of Labor Statistics (BLS), specifically the Urban Hawaii CPI all items index. The adjustment will utilize the 12-month percent changes for November of the previous year (for example, the July 1, 2031 CPI adjustment shall be based on November of 2030). The determined annual CPI adjustment percentage and the resulting revised rates shall also be published on the Department of Water's official website by June 1 of each year.

3. In order to qualify for the charges and rates described in this Section III, the applicant shall file annually with the Department of Water a written application, shall furnish annually satisfactory proof, including State of Hawaii General Excise Tax License for the engagement of business in agriculture, stock raising or dairy farming on a commercial basis and shall have a DOW approved reduced pressure backflow preventer installed on the customers side of the meter with a current inspection certificate. The applicant for agricultural rates must agree to accepting service from the Department of Water on an interruptible basis; i.e., the Department retains the right to limit or restrict water flow for agricultural uses in the event of water shortage or in the event water service to domestic users is curtailed due to agricultural uses. The agricultural rates shall not apply to processing activities, such as canneries, mills, markets or other establishments engaged in the conversion, treatment or packaging of agricultural products.

SECTION IV - SHIPPING RATES

1. For each ship or vessel served, there shall be both an opening charge and a closing charge imposed as follows:
 - A. Opening and Closing Charges:
 1. Charges applicable during regular Water Department working hours: \$53.00
 2. Charges applicable during Saturdays, Sundays, State of Hawai'i holidays, and hours other than regular Water Department working hours: \$123.00
2. Additionally, for all water drawn by ships and vessels, there shall be a consumption charge imposed for each 1,000 gallons of water drawn, as follows:

Effective January 1, 2009:	\$3.70
Effective January 1, 2010:	\$4.00
3. Additionally, for all water drawn by ships and vessels, there shall be a State of Hawai'i Department of Transportation wharfage fee which is the current approved rate as per the Hawai'i Department of Transportation Approved Rate imposed for each 1,000 gallons of water drawn.

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SECTION V - PRIVATE FIRE SERVICE CHARGES

1. Types of Fire Lines: There are two types of fire lines, not located on road rights of way, that are considered private fire lines:
 - A. “Fire lines with Detector Check Assemblies” - Fire lines with detector check assemblies which are not to be used for anything other than firefighting without written permission from DOW.
 - B. “Fire lines with Full Flow Meters” - Fire lines with full flow meters allowed for dual use in order to provide normal consumption as well as fire flow. These dual use services are oversized, compared to normal service meters, in order to allow for higher than normal consumption. The oversized meter has two meters, a Full Flow Meter and a Small Meter, both of which do not accurately read low flow; the monthly service charge for the low flow offsets the inaccuracy of the meter.
2. Charges for Fire lines with Detector Check Assemblies
 - A. No Charge for Fire Consumption:

Fire lines with Detector Check Assemblies, which are used for the sole purpose of firefighting, will not be charged a consumption charge in the case of an actual fire, provided that the use for firefighting purposes is verified in writing, by the County Fire Chief, stating the time and date the firefighting started and ended.
 - B. Total Charges: Although water is not permitted to be used through Fire lines with Detector Check Assemblies for anything other than firefighting, there remains the possibility of leakage, testing, and other impermissible uses. Therefore, charges for Fire lines with Detector Check Assemblies shall equal the sum of all of the following:
 - i. Private Fire Service Inlet Line Charge, as determined in Part 4, Section V, paragraph 4 below; and
 - ii. Meter Reading Service Charge; and
 1. Meter Reading Service Charge is equal to the service charge correlated with the detector check assembly meter size as described and laid out in Part 4, Section I of DOW Rules and Regulations;
 2. The minimum use service charge imposed in Part 4, Section I of DOW Rules and Regulations shall not apply for the detector check assembly;
 3. Removal of the security tag shall result in a fine of \$2,000.
 - iii. Use Determination Charge.
 1. All consumption, including consumption for annual line testing and line leakage, will be billed for use through the: 1) Detector Check Assembly Meter; and 2) Unmetered Fire line
 - a. Unmetered Fire line:
 - i. Total unmetered fire line consumption shall be determined by taking the area ratio from the area of the detector check assembly meter cross-sectional area divided into the cross-sectional area of the inlet line, as listed in Part 4, Section V, paragraph 5

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below, multiplied by the reading obtained from the detector check assembly meter.

b. Detector Check Assembly Meter:

- i. The portion of the consumption obtained from the reading on the detector check assembly meter will be billed, according to Part 4, Section I, based on the detector check assembly meter reading from the first one thousand gallons used.
- ii. The difference of the consumption found from the Use Determination minus the detector check assembly meter reading will be billed at the ~~[Block]~~Tier Rate in Part 4, Section I, for a meter equivalent to the size of the line serving the detector check assembly for all remaining consumption without any minimum use charge.

3. Charges for Fire lines with Full Flow Meters

A. Total Charges: Charges for Fire lines with Full Flow Meters shall equal the sum of all of the following:

- i. Private Fire Service Inlet Line Charge, as determined in Part 4, Section V, paragraph 4 below; and
- ii. Full Flow Meter Charge; and
 1. Full Flow Meter Charge shall equal the service charge imposed in Part 4, Section I and shall be based on the full flow meter size.
 2. Any consumption, including consumption for the annual line testing, line leakage, or fire use, measured on the meter, will be billed at the general use rate for water as listed in Part 4, Section 1 of these rules.
 3. Removal of the security tag shall result in a fine of \$2,000.00.
- iii. Small Meter Charge.
 1. The Small Meter Charge shall equal the ~~[block]~~tier rate charge for the respective meter size, as laid out in Part 4, Section 1 of these rules.

4. Private Fire Service Inlet Line Charge: For the two types of private fire service connection allowed for the purpose of automatic fire sprinklers or other private fire protection, there shall be a Private Fire Service Inlet Charge, per month, based on the diameter of the inlet line connection as follows:

PRIVATE FIRE SERVICE INLET CHARGE

Inlet Line Diameter	Effective January 1 2012	Effective July 1 2012	Effective July 1 2013	Effective July 1 2014
2"	\$20.50	\$22.75	\$25.25	\$28.25
3"	35.50	39.50	44.00	49.00
4"	58.00	64.50	71.75	80.00
6"	121.00	134.50	149.50	166.00
8"	206.00	229.00	255.00	283.00

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5. Area Ratio Table

Line Diameter	5/8 meter to line size dia ratio	3/4 meter to line size dia ratio	1" meter to line size dia ratio	1 1/2" meter to line size dia ratio	2" meter to line size dia ratio	3" meter to line size dia ratio	4" meter to line size dia ratio
2.000	10.24	7.1	4.0	1.8			
3.000	23.04	16.0	9.0	4.0	2.3		
4.000	40.96	28.4	16.0	7.1	4.0	1.8	
6.000	92.16	64.0	36.0	16.0	9.0	4.0	2.25
8.000	163.84	113.8	64.0	28.4	16.0	7.1	4

SECTION VI - PUBLIC FIRE SERVICE CHARGES

For each fire hydrant or standpipe connected to operating pipelines of the Department of Water, there shall be a charge imposed against the County of Kauai as follows:

Type and Size	Effective January 1 2012	Effective July 1 2012	Effective July 1 2013	Effective July 1 2014
2-1/2" Standpipe	\$7.75	\$8.75	\$9.75	\$10.75
4" Hydrant	16.50	18.50	20.50	23.00
6" Hydrant	48.50	54.00	60.00	67.00

SECTION VII - OTHER CHARGES

1. **Restoration of Water Service.** If a consumer's water service is turned off for failure to pay a bill, for violation of any of the provisions of these rules and regulations, or for other reasons, all outstanding accounts against said consumer plus the charge for reopening, reinstallation or reconnection must be paid before water service be restored. Said charges shall be as established by the Department.
2. **Fire Hydrant and Other Temporary Meters.** In addition to regular meter service charge and water consumption charge, there shall be installation, removal, testing and user charges for all Fire Hydrant and other temporary meters as established by the Department.
3. **Pass Through of Private Charges.**
 - a) As used in this Paragraph 3:

"Private charge" or "private charges" means charges, fees, assessments, exactions, and all other moneys a private water company may require the Department to pay to permit the Department to purchase water from the company. The terms include

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contribution-in-aid-of-construction charges that a company may assess against the Department.

“Private water company” or “company” means any department or agency of the federal government or the State of Hawaii, any private person, trust, association, corporation, partnership, or business, and any water utility regulated by the Hawaii Public Utilities Commission.

(b) Whenever the Department purchases water from a private water company for end use by any of the Department’s consumers or prospective consumers and the company imposes private charges in excess of any similar charge or fee imposed under the Department’s administrative rules, the Department shall require a consumer or prospective consumer to pay, in addition to the Department’s charge or fee, the difference between the charge or fee imposed under the Department’s rules and the similar private charge imposed by the company. If the private charge imposed is less than the similar charge or fee imposed under the Department’s administrative rules, the consumer or prospective consumer shall not be entitled to the difference between the private charge imposed and the similar charge or fee imposed under the Department’s rules.

Whenever the Department purchases water from a private water company for end use by any of the Department’s consumers or prospective consumers and the company imposes private charges that are dissimilar to any charge or fee imposed under the Department’s administrative rules, the Department shall require a consumer or prospective consumer to pay an amount equal to the dissimilar private charge imposed by the company.”

SECTION VIII - TEMPORARY GRANTS OF WATER

1. **Purpose.** The purpose of this section is to establish standards for temporary grants of water to support the initial development of county or state public beautification projects or the initial or further development of county or state public parks and public ways.
2. **Temporary Grants of Water.** The Board of Water Supply may, in its discretion, authorize temporary grants of water to support the initial development of county or state public beautification projects or the initial or further development of county or state public parks and public ways.

Any county or state department, office, or agency wishing to receive such temporary grants of water shall apply to the Board of Water Supply for such temporary grants. The application shall explain or describe in detail the contemplated project, why a temporary grant of water from the Department is necessary, what other efforts the applicant has made to obtain water from other sources, for what specific purposes the water will be used, and how the water provided will yield public benefits. The applicant shall also certify that there were no other available sources which can be used to support the project in question.

For each application, the Board shall determine and establish a maximum time limit that water may be provided to an applicant and a quantity limit on the amount of water that may be drawn.

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The Board and the Manager and Chief Engineer may prescribe conditions under which water may be drawn so that the provision of water to the applicant does not adversely affect the Department's ability to provide water to its other users.

SECTION IX - COST OF POWER ADJUSTMENT CLAUSE

All water consumption (for general use, agriculture use and ships) shall be subject to the imposition of a Cost of Power Adjustment as part of all water consumption charges.

The Department will review the actual unit costs of power for each twelve-month period ending March 31st as part of the Department's annual budget review process. The power cost adjustment for the upcoming fiscal year will be calculated as the sum of the following two components:

- 1) the difference (plus or minus) between budgeted unit power costs for the upcoming fiscal year and the projected unit power costs, and
- 2) the difference (plus or minus) between the actual unit power costs incurred during the twelve-month period ending March 31st as previously described and the projected unit power costs.

The sum of these two components, calculated on a dollar[\$] per thousand gallons basis, will be applied to all water consumption.

Any power cost adjustments will be implemented on July 1st of each year.

SECTION X – LATE CHARGES

A late payment charge may be applied to any delinquent balance payable to the Department. The late payment charge shall be assessed at the rate of half a percent (0.5%) for each month or fraction thereof against the delinquent balance, beginning 30 days after the date of the bill.

For the purposes of this section, 'delinquent balance' includes any loan, fee, charge, or other liquidated sum which is 30 days past due to the Department, regardless of whether there is an outstanding judgment for that sum, and whether the sum has accrued through contract, subrogation, tort, operation of law, or administrative order.