

COUNCIL OF THE COUNTY OF MAUI
WATER RESOURCES COMMITTEE

February 21, 2014

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Water Resources Committee, having met on October 2, 2013, December 17, 2013, and January 22, 2014, makes reference to a Miscellaneous Communication dated May 29, 2013, from the County Clerk, transmitting the matter relating to multi-family water service rates.

Your Committee notes the Council's Budget and Finance Committee Report 13-59 recommended referral of the matter to the Water Resources Committee for further discussion.

Your Committee notes condominiums and other multi-family dwellings are generally serviced by one County water meter with one monthly water service fee that is equally divided among the multi-family water consumers. Because there is only one meter to read, multi-family water usage tends to reach the highest water rate tier within days, and multi-family water consumers are forced to pay a higher rate for water service.

Your Committee was concerned that multi-family water consumers may have an unequitable water usage rate when compared to single-family consumers.

The Director of Water Supply stated the American Water Works Association published a document entitled, "Principles of Water Rates, Fees, and Charges," which includes a methodology for establishing water rates. It is a standard document used by the water industry throughout the United States.

The Director noted the Department hires a consultant to provide a thorough rate study analysis to examine water rate data and methodology every few years, and the last analysis was presented to the Council just prior to the Fiscal Year 2013 Budget session. He further stated the Department uses a mathematical methodology that meets industry standards.

A policy decision to change the rate structure for multi-family water consumers would require funding for a study, according to the Director.

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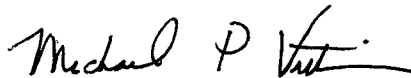
To assist your Committee with its decision, the Department compiled and transmitted a matrix that provided a comparison of approximately 30 single-family water bills and 30 multi-family water bills.

Your Committee determined because multi-family consumers pay a small monthly service fee compared to single-family users, the water rate increases that multi-family consumers are currently paying are minimal and do not warrant budgeting for a study to change the existing water rate structure.

Your Committee voted 6-0 to recommend filing of the communication. Committee Chair Victorino, Vice-Chair White, and members Baisa, Couch, Crivello, and Guzman voted "aye". Committee member Carroll was excused.

Your Water Resources Committee RECOMMENDS that the Miscellaneous Communication be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



MICHAEL P. VICTORINO, Chair