DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU
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IN REPLY REFER TO:
WAS 13-88

July 3, 2013

Dear Wastewater Customer:

Subject: New Non-residential Sewer Service Charge

In May 2012 the City Council approved Bill 3 (2012), CD2, which amended the sewer service charge ordinance effective July 1, 2012, as Ordinance 12-7. Specific to non-residential properties, the Ordinance changed the configuration of the non-residential billing to match the configuration of residential billing to ensure equity across all customers.

The Ordinance change to non-residential Equivalent Single Family Dwelling Unit (ESDU) base charges was not implemented until January 2013 because of the need to update supporting billing software. As such, the previous structure remained in place with only the 4% rate increase being changed. The full structural change was implemented in January 2013.

Previously, non-residential customers paid a monthly base charge only if water use was 9,000 gallons or less. Those non-residential customers who used more than 9,000 gallons a month paid a volume only charge which was designed to recover the same amount a residential customer would pay for each 9,000 gallons of water use. However, this configuration resulted in a disparity with residential customers who do not receive a reduction in their base charge as they reduce water use. Non-residential customers received a reduction in their entire charge when they reduced water use.

In order to resolve this disparity and ensure that all customers pay their fair share of fixed and variable costs of operating the wastewater system, the revised Ordinance has residential customers and non-residential customers paying the same rates. Each connected property has an established (ESDU) count that fixes their base charges unless there is a reconfiguration to the property based on a building permit. The established ESDU count for all non-residential customers was determined by taking water use for the two year period, July 2010 through June 2012, dividing it by 24 to determine average monthly water use and then by 9,000 gallons to create the ESDU count.

Vacancies in the property and/or change in the occupants subsequent to the base calculation period do not change the ESDU count. The intent of the ESDU count is to reflect required system capacity for a connection and to do so on an equal basis for all residential and non-residential customers. Base charges are not intended to float with occupancy, but to reflect the capacity needed for the particular account on a continuing basis.

If you have any questions, please call our Wastewater Customer Service and Investigation Unit at 768-3330.

Sincerely,

Timothy A. Houghton
Deputy Director