

Welcome

Thank you for joining and participating

**O'ahu Storm Water Utility Study
City and County of Honolulu
Stakeholder Advisory Group Meeting
Monday, August 24, 2020, 4-6:30 pm**



Roundtable Alohas

What's been a
favorite food this
summer?



Roundtable Alohas



Today's Agenda



Today's Agenda

Time	Topic
4:00-4:10 p.m.	Welcome, Roundtable Alohas, and Agenda Overview
4:10-4:20	Public Comment
4:20-4:40	Updates <ul style="list-style-type: none">• Storm Water Master Plan/Standards and Specifications Process• Community Outreach and Engagement• Fresh Water Council Briefing (Sept 9th)• Board of Water Supply Stakeholders Meeting (Oct 15th)• Follow-ups with other Organizations
4:40-5:10	Recommendations on Credit and Hardship Policies and Summary of Public/Quasi-Public Road Discussion
5:10-5:40	Overview of Summary Report and Cost of Service Summary
5:40-6:00	Continued Discussion on Statement Regarding Revenue Neutrality
6:00-6:10	Future Advisory Group Meetings and Wrap Up

Tips for Productive Discussions



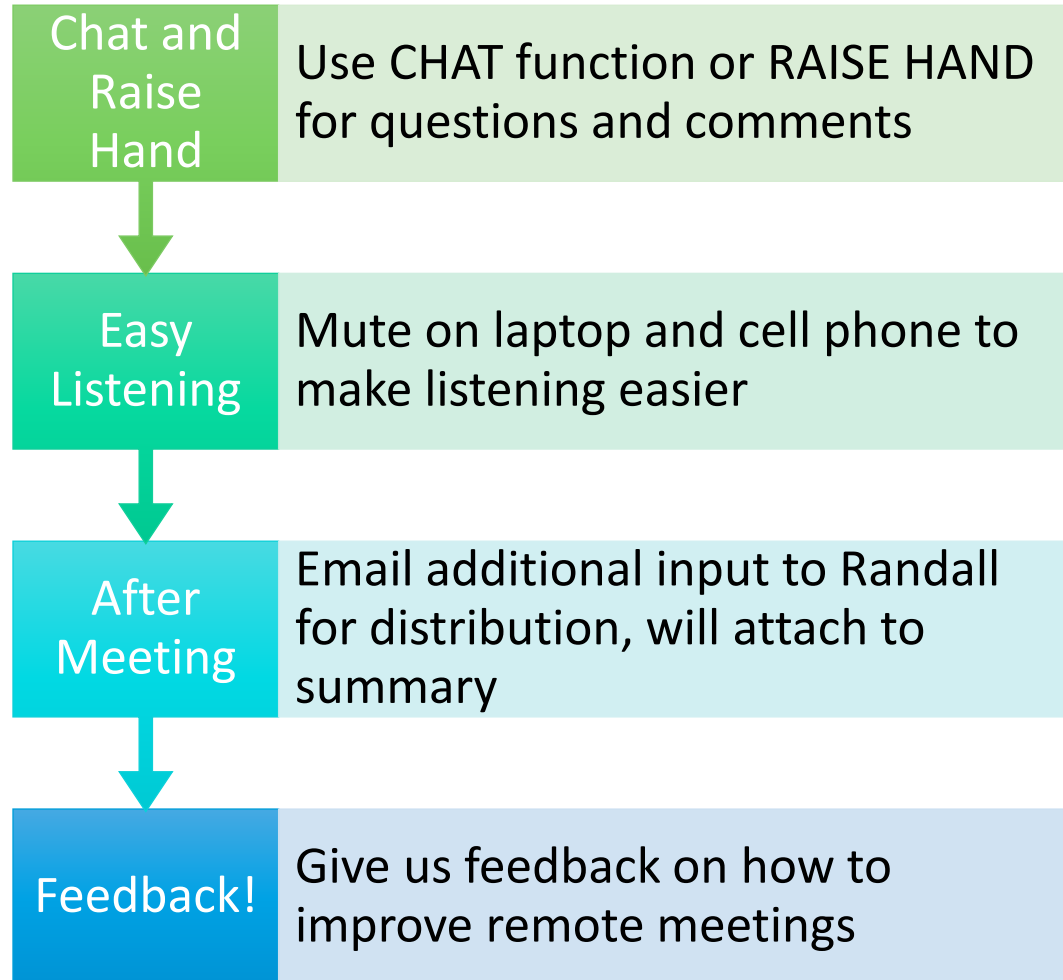
Keep input
focused and
concise

Commit to everyone
participating equally

Listen for understanding –
avoid quick opinions

Help identify
solutions

Our Virtual Meetings



Public Comment



Please Share Your Perspectives!

The public was invited and encouraged to submit comments before this meeting and to observe the meeting. The public is also invited to submit written comments by email or US Mail, preferably by Friday, August 28, 2020. All comments from the public will be distributed to the Stakeholder Advisory Group members and project team.

Email

stormwater@honolulu.gov

US Mail

City and County of Honolulu
Department of Facility Maintenance
Storm Water Quality Branch
1000 Uluohia Street, Suite 212
Kapolei, HI 96707

Mahalo

Updates

Storm Water Master Plan and Standards Process

Community Outreach and Engagement

Fresh Water Council Briefing (*Sept 9th*)

Board of Water Supply Stakeholders Meeting (*Oct 15th*)

Other Organizations Follow-Up



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City Standard Details and Specifications

August 24, 2020



Purpose

- ❑ To revise and replace existing City and County of Honolulu's Department of Public Works Standard Details (Sept. 1984) and Specifications (Sept. 1986) particularly as it relates to the following:
 - Right of Way Infrastructure and/or the Department of Facility Maintenance's primary interests;
 - Incorporate new Green Infrastructure/Low Impact Development Standards;
 - Coordinate with various City Departments on current and previous efforts to revise other existing or new standards; and
 - Facilitate outreach with various interested and affected parties including engineering and architectural, land development, contractor and property maintenance audiences.

Guiding Principles and Expectations

To develop Details and Specifications that will:

- Provide the City and County of Honolulu with designs that will last for future generations to come, that the design community can be proud of and the public and all neighborhoods will benefit
- Provides clear guidance that meets or exceeds current construction standards that are designed to withstand the harsh impacts and environment that the majority of the infrastructure will be subjected to
- Provides cost effective and sustainable solutions that are unique to the local conditions and challenges
- Provides designs that are maintainable and helps the City with meeting its current and future obligations and expectations
- Provides flexibility and opportunities to allow for newer technologies and ever changing design approaches

Expected New or Revised Standards

- ☐ Pavement Structure (Curb and Gutter, Roadway, etc.)
- ☐ Drainage Structures (i.e. Pipes, Catch Basins, Manholes, Culverts, Outfalls, etc.)
- ☐ Transportation Related (i.e. Curb Ramps, Driveway Ramps, Sidewalks, Street Lights and Utility Poles, Guardrails, Traffic Signs, etc.)
- ☐ **NEW – Green Infrastructure (Bioretention, Infiltration, Detention Systems, Pervious Pavement Systems, Tree Box Filters, Planter Strips, Rain Water Harvesting, etc.)**
- ☐ **REVISED – Street Standards (DPP-TOD)**

Schedule

(Note: Monthly Working and Full Team Meetings to be scheduled from July – Dec. 2020)

☐ July 2020

- July 31, 2020: Finalize Assignments, Detail and Specifications Format

☐ September 2020

- September 25, 2020: 1st Draft of Technical Details and Specifications due.

☐ October 2020

- October 19, 2020: Revise and resubmit Pre-Final (2nd Draft) provided to Agencies and Ad-Hoc Technical Design Review Committee for concurrent review.

☐ November 2020

- November 12, 2020: Deadline for posting Pre-Final Technical Details and Specifications for public review and comment

☐ December 2020

- December 11, 2020: Deadline for Public Comment and Review Period
- December 21, 2020: Deadline to revise and submit to DFM Director and Chief Engineer for final approval and signature

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Other Organizations Follow-Up



OUTREACH: ROUND 3

TRACK 1

Storm Water Utility Study

Goal: Provide updates on study progress and collect feedback.

Messages: The study is ongoing; here's what you need to know.

Topics:

- Cost of Service study
- Impervious cover updates
- Credit/rebate updates

TRACK 2

Storm Water Master Plan: Overall Strategy

Goal: To present the Master Plan idea to the public and gather input.

Messages: What is a Storm Water Master Plan?

Topics:

- Vision for O'ahu
- Big ideas
- Priority issues

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Recommendations on Credit and Hardship Policies & Summary of Public/Quasi-Public Road Discussion



Exemptions vs. Credits vs. Hardship Relief

EXEMPTIONS

- “Even though this area/roadway contributes storm water runoff that add to the total system cost, **fees will not be charged**”
- **Shift costs** to other rate payers
- Have important **equity & consistency issues** – if this category does not pay, why do others?

Nationally, **64% of SWUs exempt public roads and rights of way** from storm water fees – most do so as a local policy choice

CREDITS

- **One-time or ongoing reduction** in the applicable storm water fee **for taking actions** on a property that benefit the overall storm water management system
- Can be **based on**:
 - **Activities** (i.e. permit compliance)
 - **Improvements** (i.e. storm water BMPs or impervious cover removal)
 - **Physical conditions** (i.e. pier and post construction)
- Usually **capped as max % of fee**

**Rebates, grants are slightly different from credits – one-time financial support that may lead to a permanent credit upon application*

HARDSHIP RELIEF

- **Adjustment** in the applicable fee **based on financial capacity to pay**
- May be **granted to households or organizations** who are responsible for paying storm water fees
- Typically **require annual renewal**
- May be **granted based on income or other temporary/ongoing circumstances**

Proposed Recommendations:

Exemption and Hardship Provisions

Exemption:

- Properties with <300 SF of impervious area and public/quasi-public roads

Hardship:

- **Fixed monthly base charge of Tier 1 cost** for residential accounts (households) qualifying for LIHEAP (**150% of HI poverty or below**)
- Annual LIHEAP requalification
- Available hardship consideration for **extenuating and ongoing financial hardship** (i.e. combined water utility cost >4% of income)
- Graduated fee reduction with a **maximum fee of 0.5% of demonstrated annual revenue for land-owning or leasing non-profits** responsible for utility bills
 - Non-profit status based on individual organization, not umbrella organization

Proposed Recommendations:

Credit Policy

- **Eligibility:** All properties are eligible; everyone must apply for credits
- **Renewal:** Every 3 years for residential; every year for non-residential
- **Basis for *Structural Credits*:** Managing the Water Quality Volume (1" of runoff), based on the City & County design manual
- **Basis for *Non-Structural Credits*:** 15% for NPDES permit holders; up to 15% for site modification & controls; per-activity payment for other actions.
- **Maximum cumulative credit:** 60% of the total SWU fee
 - Stakeholder Advisory Group support for potential additional credit above maximum for properties treating runoff from other sites

Specifics of design, volume capture will be in the Credit Manual – to be developed

Team Recommendation from July Meeting:

Exempt Public & Quasi-Public Roads from SWU Fees

Road types recommended to be **exempt** from SWU fees:

1. Publicly owned roads with public access (CCH, State, and Federal)
2. Privately-owned roads maintained by DFM
3. Privately-owned roads providing continuous public access
4. Privately-owned roads approved to become public, and in process of transfer to CCH

*Road types recommended to **pay** SWU fees:

- Privately-owned roads with limited public access
(e.g. roads in gated communities, shopping centers, or campuses; other internally-managed systems where owners can limit public access)
- Publicly owned roads with limited public access
(e.g. roads internal to military bases, State facilities, etc.)

*These roads would remain eligible for credits if treatment & control systems are implemented and maintained.

Discussion from July Meeting:

Exempt Public & Quasi-Public Roads from SWU Fees

Benefits

- **Reduced administrative burden** determining road ownership, bills, and per-unit allocation in condo/multi-unit properties
- **Reduced potential for error** in bill calculation (!)
- Fairness to developers of **future public roads**
- Fairness to owners whose roads are **functionally public**

Financial Impacts

- Initial estimate: Roughly **2.14% annual revenue reduction** from rate study projections
- **Reduction of \$1.6 million/year** vs. average fee-funded projected budget of \$74.7 million
- Roughly **+\$0.10/month/1,000 SF IA Impact**
 - Bill for 10,000 SF IA goes from \$47.50/month to \$48.50/month, before credits
 - Single family \$16.85ish/month instead of \$16.50ish/month
- Final impact on billing tiers not yet determined

Overview of Summary Report & Cost of Service Summary



Summary
Reports:
*From Feasibility
to SWU
Development*

Hawaii Community Foundation Summary Report

Format:

- ❖ 5-page Executive Summary
- ❖ 25-page Report

Audience:

- ❖ HCF leadership & donors (Executive Summary)
- ❖ Fresh Water Council
- ❖ Stakeholder Advisory Group
- ❖ New administration and elected officials

I. Introduction

II. Key Outcomes

III. Public & Stakeholder Involvement Process

IV. Background Studies

- Program needs summary (overviews only, reference the related appendices)
- Parcel impervious area analysis
- Rate structure development & discussion
- Credits, hardship provisions, rebates/grants
- Public & quasi-public roads

V. Recommendations

- Fee level, duration, of initial fee (i.e. length of time for a fee to be fixed), and structure (i.e. number and assignment of tiers)
- Financial incentives and affordability provisions (credits, fee adjustments, grants/rebates, road exemption)
- Recommended reporting and accountability

III. Consideration of Revenue Neutrality

VII. Moving Ahead

- The Stakeholder Advisory Group
- Coordination with master planning
- Credit manual, parcel mapping, billing systems
- Implementation planning

Summary
Reports:
*Moving Ahead
from Feasibility to
SWU Development*

Cost of Service Study Summary Report

Audience:

- ❖ Department of Budget & Fiscal Services (BFS)
- ❖ DFM and allied departments
- ❖ Stakeholder Advisory Group and the public

Purpose:

- ❖ Ensure documentation of current costs
- ❖ Document projections & assumptions
- ❖ Provide support for BFS analysis, planning, Council adoption process, and implementation

Cost of Service Study Report Contents

- Summarize the current cost of storm water services (AECOM's study)
- Add projections/modifications for upcoming 1-2 fiscal years
- Describe SWU budget projections (basic compliance, better program, ideal program, "Plan C"), including debt service and fund balance (from Jacobs memo)
- Identify specific costs and budget items associated with SWU implementation:
 - Additional staffing needs/projections in CCH departments
 - One-time or temporary investments (e.g. parcel map update, software, equipment purchases, customer support for 1st billing cycle, etc.)

Continued Discussion: Statement Regarding Revenue Neutrality



Draft Statement of Recommendations on Revenue Neutrality from Stakeholder Advisory Group Members

Members of the public participating in the outreach program, and members of the Stakeholder Advisory Group, have noted that adoption of a storm water fee by the City and County of Honolulu would create a new revenue stream to support a storm water program.

The storm water program is funded, at its current level of service, through a combination of property taxes and the Highway Fund.

At present, the City and County of Honolulu allocates an average of \$70 million per year of property tax revenues towards storm water services; an additional \$22 million in expenses charged to the Highway Fund is directly related to storm water services.

If a storm water fee is adopted, the Cost of Service study recommends raising approximately \$74 million per year through storm water fees over the first six years of a fee-based utility program.

If a storm water fee is adopted and used to fund those services that currently are funded through property taxes, the City Council would have options that include:

- Reducing the property tax levy on some or all classes of property tax payers by the total amount raised through storm water fees;
- Reducing the property tax levy on some or all classes of property tax payers by a portion of the total amount raised through storm water fees; or
- Not reducing the property tax levy, even though storm water fees have been charged. Some members of the

Draft Statement of Revenue Neutrality from Stakeholder Advisory Group Members (cont.)

Recommendation for Partial or Commensurate Property Tax Levy

The following members of the Stakeholder Advisory Group believe that City Council should reduce the property tax levy if a fee is adopted, either partially or at a commensurate level to the amount of revenue raised through fees.

- Names and Signatures

Recommendation to Proceed without Partial or Commensurate Property Tax Levy

The following members of the Stakeholder Advisory Group believe that City Council should proceed with adoption of a storm water fee, separate from any action reducing the property tax levy

- Names and Signatures

No Position

The following members of the SA have decided to not take a position on this issue.

- Names and Signatures

Future Advisory Group Meetings



Future Advisory Group Meetings

Next Meeting (Virtual):

Monday, October 5, 2020, 4:00 – 6:30 p.m.

Anticipated Agenda

- **Draft HCF report review**
- Prospective schedule for DFM, allied departments and team moving forward
- Stakeholder Advisory Group prospective meeting dates and additional members

Mahalo

Please stay safe and well!

