



## City and County of Honolulu Storm Water Utility Study Stakeholder Advisory Group

August 24, 2020, 4:00-6:30 pm

Conducted Virtually

### ATTENDEES

Stakeholder Advisory Group Members

American Association of Retired People (Keali'i Lopez)

Appleseed Policy Center (Gavin Thornton)

Hawaii Auto Dealers Association (Dave Rolf)

Hawaii Association of Watershed Partnerships (Shelley Gustafson)

Hawaii Reserves, Inc. (Jeff Tyau)

Neighborhood Board #4 (Sharon Schneider)

Neighborhood Board #25 (Bernie Marcos)

Neighborhood Board #31 (Levani Lipton)

Neighborhood Board #28 (Dee Dee Letts)

Kua'āina Ulu 'Auamo (KUA) (Wally Ito)

Sustainable Coastlines (Rafael Bergstrom)

The Nature Conservancy of Hawai'i (Kim Falinski)

University of Hawaii (Roger Babcock) Roger Babcock

Waikiki Business Improvement District Association (Jennifer Nakayama)

### *Public Agency Staff*

Randall Wakumoto (City and County of Honolulu Department of Facility Maintenance)

Ross Sasamura (City and County of Honolulu Department of Facility Maintenance)

Kyle Tokuda (City and County of Honolulu Department of Facility Maintenance)

### *Consultant Team*

Juli Beth (JB) Hinds (Birchline Planning LLC)

Joan Isaacson (Kearns & West)

Laurens van der Tak (Jacobs)

Jessica Chiam (AECOM)

Ming Ding (AECOM)

Cami Kloster (G70)

Janice Jensen (G70)

Dana Butler (Hastings and Pleadwell)

Taylor York (Kearns & West)

### *Members of the Public*

Dana Okano (Hawaii Community Foundation)

Lauren Roth (Roth Ecological Design)

## 1. Welcome and Introductions

Joan Isaacson (Kearns & West) welcomed everyone and thanked participants for joining the webinar.

Meeting participants were asked to share about a favorite food of the summer. Please see slides 1 to 3 of the presentation materials.

## 2. Agenda Overview

Joan reviewed agenda items and tips for productive discussions. After the meeting, additional comments are encouraged to be emailed to Randall. Please see slides 4 to 7 of the presentation materials.



### 3. Public Comment

Joan asked if there were any comments from members of the public. There were no comments from the public. Please see slides 8 to 9 of the presentation materials.

### 4. Updates

- a. Storm Water Master Plan Process / Standard Details and Specifications
- b. Community Outreach and Engagement
- c. Fresh Water Council Briefing (September 9th)
- d. Board of Water Supply Stakeholders Meeting (October 15th)
- e. Other Organizations Follow-up

Please see slides 10 to 21 of the meeting presentation.

Randall Wakumoto (City and County of Honolulu) discussed the City's effort to revise some of Standard Details and Specifications that have not been updated since 1984. Guiding Principles for the effort include that the designs will be long lasting, meet or exceed current construction standards, are cost effective, and are updated on a regular basis. Updates are in progress for current standards, and new details are being produced for green storm water infrastructure. These will be adopted by the end of 2020. The City will be reaching out to developers (including Castle and Cooke) for input. Revisions to the street standards are being made on a parallel track.

### Q&A/Discussion

*Please note: For all Q&A / Discussion sections, the notes with dashes (-) represent comments and questions from the Stakeholder Advisory Group and the notes with open points (o) represent the project team's responses.*

- Love the green infrastructure! Are there people who will be advising on the green infrastructure?
  - o Randall replied that the City has upwards of 15 consultants working on this and is not relying on a single consultant. Some consultants are from the mainland, and some are local. There are also representatives from the landscape industry.
- Concerns were expressed about trees being installed without irrigation in Kaimuki.
  - o Randall sat in on a meeting with Outdoor Circle on this topic. The Department of Planning and Permitting (DPP) is revising ordinances related to parking lots and land uses. Outdoor Circle is recommending against permanent irrigation. Tree selection and soil amount are more important than irrigation.
- Infrastructure upgrades are long overdue. Good that the city is thinking long term. Where will the funding come from for the infrastructure upgrades? Does it fall under the new stormwater utility?
  - o Randall shared that the funding would come from Department of Facility Maintenance budget for the technical services to update and create the standards. Developers will pay for the infrastructure as the green infrastructure requirements are triggered by permits for new development and redevelopment projects.
- In the standards for retention basins or areas used to capture storm runoff, is it your design intention to make recreational use of those areas? I was thinking we could use the basins for exercise, walking trails, etc.



- Green infrastructure can be used for multiple purposes. However, Randall noted that decisions about the specific purpose would be up to the developer / designer, and all designs would need to address City concerns.
- The standards will help developers in meeting the City requirements.
- If these areas become multi-use, would your standards cover the design of the areas?
  - The standards that the City is developing would provide the typical conditions that account for most installations but would not be able to address all situations. Unique site-specific conditions would likely require a special design or approval from the City. However, that does not prevent developers from coming up with innovative and creative ideas.
- Is there consideration of what the Ala Wai Watershed plans for detention basins?
  - Randall replied that the City does have a detail that is focused on detention basins. However, the City effort is separate from the Ala Wai Watershed project led by the U.S. Army Corps of Engineers.

Cami Kloster (G70) provided a brief update on future community engagement. The outreach for 2020 will focus on sharing Storm Water Utility reports and information as they are available, including the Round 2 Outreach Summary and the Cost of Service Study. In 2021, outreach may focus on the Storm Water Master Plan topics to engage citizens in the Strategic Plan component.

JB Hinds (Birchline Planning) shared that there would be a briefing to the Fresh Water Council on September 9<sup>th</sup>, and Randall noted the team would be providing an update to the Honolulu Board of Water Supply Stakeholder Group on October 15<sup>th</sup>. Input from the storm water Stakeholder Advisory Group members on the focus of presentations is welcome.

JB will be setting up a meeting with the Roman Catholic Diocese this week to discuss potential fees, and another meeting in the next couple weeks with Hui o Ko'olaupoko.

#### Q&A/Discussion

- Keali'i asked if there could be presentations to Stakeholder Advisory Group member organizations.
  - Yes! Please send in requests to Randall, and the team will work to set up the presentation.
- It was noted that the problem with the Neighborhood Board meetings is that many currently have no venue. During COVID-19 lockdowns, the public-school cafeterias are not available.

#### 5. Summary of Private/Quasi-Public Road Discussion and Recommendations on Credit and Hardship Policies

First, JB provided an overview of exemptions vs. credits vs. hardship relief as the basis for policy recommendations. Please see slides 22 to 25 of the meeting presentation.

#### Q&A/Discussion

- How will this income verification be implemented?
  - JB responded that residential customers will first go to the Low-Income Home Energy Assistance Program (LIHEAP), and then the Storm Water Utility would need to confirm



their eligibility under that program. Staffing positions have been put into the Storm Water Utility budget for this function. This function would fall under the entity that would be managing the Storm Water Utility billing.

- What is administrative cost to implement the non-profit graduated fee reduction at 0.5% of demonstrated annual revenue. How do you verify income of nonprofit?
  - o Laurens van der Tak reported that in Montgomery County Maryland, their storm water utility has only had about 70 applications related to this type of exemption.
  - o JB replied that verification could be in the form of an annual financial statement. She also clarified that if a non-profit owns several different properties, e.g. a local camp owned by a national organization, only the revenue associated with that property would be looked at, not the national organization's revenue.
- Regarding exemptions, can you clarify why post-pier construction receives an exemption if it has an impervious roof? The runoff would still need to be redirected to have infiltration potential.
  - o Laurens noted that this still needs to be worked out.
  - o JB clarified that the idea is not to have an exemption but rather some (small) credit if the roof area drains onto pervious surface. This is roughly equivalent to a credit for discharge from a roof to pervious surfaces. In Montgomery County there is a technical limitation on the impervious surface/pervious surface ratio. This would need to be specified in the credit manual including the need for adequate infiltration area. Most construction results in some compaction of soils, even under a house built with pier/post construction, and this reduces infiltration rates.

Then, regarding the discussion on roads exemptions, JB presented the recommendation to exempt publicly owned roads, privately-owned roads maintained by DFM, privately-owned roads providing continuous public access, and privately-owned roads in the process of transfer to the City. The consideration includes the offset of administrative time versus the loss of revenue. Please see slides 26 and 27 of the meeting presentation.

#### Q&A/Discussion

- The governance structure of the Storm Water Utility needs to be a matter of discussion and input for the Stakeholder Advisory Group, rather than the project team presuming one approach.
  - o JB noted advisory groups/councils can take many forms to ensure there is continuity of members, engagement, and conduit to Council or others. This is well worth a discussion.
  - o The project team will be providing examples and recommendations at the next Stakeholder Advisory Group meeting.



## 6. Overview of Summary Report and Cost of Service Summary

JB explained that the team is preparing a Summary Report for the Hawaii Community Foundation, who provided a grant that funds the consultants supporting the Stakeholder Advisory Group process. She then reviewed the proposed format, audience, and outline for the Summary Report. The Cost of Service study is also being developed, said JB, and she described the intended audience and outline. She requested input and comments during the meeting and/or via an email to Randall. Please see slides 28 to 32 of the presentation materials.

### Q&A/Discussion

- The Summary Report sounds great. When do you expect to post the reports on the website? Will it be available before our meeting on Oct 5<sup>th</sup>?
  - o It is up to the City to decide when it will be publicly available. The draft report will hopefully be available by the October meeting.

## 7. Continued Discussion: Statement Regarding Revenue Neutrality

Joan provide a recap of the discussion on this topic, and then reviewed language that Jeff Tyau developed for consideration by the Stakeholder Advisory Group members. Different statements provide options for members to choose to sign depending on their organization's position. Please see slides 33 to 35 of the presentation materials.

### Q&A/Discussion

- Consider expanding the options: (1) complete; (2) partial; (3) none; (4) no position.
- Should the statement have recognition that implementation of the Storm Water Utility is going to cost more than is currently being spent?
  - o JB indicated that the Summary Report will emphasize that additional spending over today's levels is planned and needed.
- Let's seek consensus on a recommendation, based on discussion and exploring options, before jumping to parsing out the group's opinion.
- With regard to the fee being a "double tax," is there an exemption or rebate for property owners who pay property tax because part of the tax is already used for storm water management?
- If there is disagreement among Stakeholder Advisory Group members, allow for differences of opinion. It is very difficult to bring forward new fees. I would not want to have a perspective minimized because of compromise. These are tough times for businesses.
- I agree. In my Neighborhood Board, the Storm Water Utility fee was simply thought of as another tax on the people of Hawaii.
- With climate change, there is an expected increase in rainfall, and there will be increases in flood insurance. This is not a simple problem. Maybe it is time to think about our future.
- I would like to take this to my constituents and community and ask them what they think. From some of the community meetings I did note that some people would be in favor of a reduction in property taxes, many were skeptical of additional new fees.

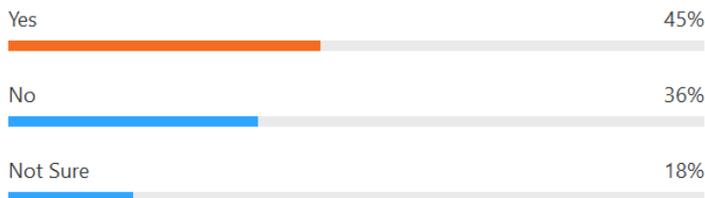


- I would like to have more time to consider, and this would be easier if we were all in one place. Maybe we need a space for people to provide their own statements. This would be more comfortable in explaining why each organization has taken a particular position
- Our organization will provide its final statement as part of our testimony and not in the report.
- I would like to provide more transparency of positions. I do not agree with the phrase 'rain tax' as the Storm Water Utility is addressing issues that have arisen over many years. My organization would not be okay with a position that does not support the Storm Water Utility. Having a chance to voice our perspectives is important.
- None of this input is disagreement with any of the technical details. It is about finding the money and living within a budget.
- The diversity of opinions show that our group is broad-based. Our board is very environmentally conscious, and having representation from some of the businesses that this might affect is good to show that we are not railroading the statement.
- This is just to start the discussion in City Council. I am not expecting them to immediately agree to revenue neutrality.

In consideration of the discussion, JB raised the idea of the Summary Report including a section addressing options to phase in fees, use revenue neutrality for first so many years, use economic triggers as conditions for imposing fees, or delaying until a certain date, then each organization can attach its own statement in an appendix.

A poll was first taken gauge general support for a statement regarding revenue neutrality.

**1. Do you support the approach for the statement that addresses Stakeholder Advisory Group opinions about a general reduction in property taxes to offset potential new utility fees?**



Given the lack of clear direction from the first polling question, it was followed by a poll with the draft language suggested by JB as follows:

*Would you support a description in the report of OPTIONS discussed by the Stakeholder Advisory Group for (1) revenue neutrality (full, partial, none, time-limited) and (2) phasing in or delaying fees based on economic recovery indicators and/or future dates; and providing each Stakeholder Advisory Group member organization with the opportunity to comment on their position?*



1. Would you support a description in the report of OPTIONS discussed by the Stakeholder Advisory Group for (1) revenue neutrality (full, partial, none, time-limited) and (2) phasing in or delaying fees based on economic recovery indicators and/or future dat



Several Stakeholder Advisory Group members commented that they liked this idea.

- One thing is to make sure the story of the utility is strong. It is about balancing a budget, but it is also about highlighting the work entailed in stormwater management. By separating it out as a fee, in some way it earns a value of its own.

**8. Anticipated October 5, 2020 Agenda**

- a. Draft Hawaii Community Foundation Summary Report review
- b. Prospective schedule for Department of Facility Maintenance, allied departments, and team
- c. Stakeholder Advisory Group prospective meeting dates and additional members

Joan asked if folks have recommendations for additional Stakeholders, and if so, to please share those with Randall. She thanked everyone for their participation.