



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

May 18, 2020, 4:00-5:30 pm

Conducted Virtually

### ATTENDEES

#### *Stakeholder Advisory Group Members*

American Association of Retired People (Kealii Lopez)  
American Council of Engineering Companies of Hawai'i (June Nakamura)  
Appleseed Policy Center (Gavin Thornton)  
Hawaii Association of Watershed Partnerships (Shelley Gustafson)  
Hawaii Reserves, Inc. (Jeff Tyau)  
Honolulu Board of Water Supply (Barry Usagawa)  
'Iolani School (Jaron Kawamura)  
NAIOP (Darlan Chun)  
Neighborhood Board #4 (Sharon Schneider)  
Neighborhood Board #25 (Bernie Marcos)  
Neighborhood Board #31 (Levani Lipton)  
Sustainable Coastlines (Rafael Bergstrom)  
University of Hawaii (Roger Babcock)  
Waikiki Business Improvement District (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)  
Tonya Ketzka (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)  
Jack Hughes (Kearns & West)

#### *Members of the Public*

Dana Okano (Hawaii Community Foundation)  
Anthony D'Angelo (PG Environmental)  
Lauren Roth (Roth Ecological Services)  
Rod Low  
Wai Lee

### 1. Welcome and Introductions

Joan Isaacson (Kearns & West) welcomed everyone and introduced Juli Beth (JB) Hinds (Birchline Planning), Randall Wakumoto (City and County of Honolulu Department of Facility Maintenance (DFM)) and Laurens van der Tak (Jacobs). Randall also welcomed and thanked participants for joining the webinar.

### 2. Agenda Overview

Joan reviewed agenda items for the evening and gave an overview of how to utilize the RingCentral platform for the meeting this evening. Please see slides 4 to 17 of the presentation materials.



### 3. Public Comment

Joan emphasized that the Stakeholder Advisory Group process is being conducted in compliance with the State of Hawaii Sunshine Law and explained the process for the public to submit comments via email or regular mail. Comments can be submitted in advance of the meeting. It was asked if there were any members of the public who would like to comment. Public comments were also welcomed after the meeting. Please see slides 18 and 19 of the presentation materials.

### 4. New Binder Contents and Resources

While no new materials were provided for this meeting, JB highlighted the many materials that were provided prior to the last meeting and are posted at [www.StormWaterUtilityOahu.org](http://www.StormWaterUtilityOahu.org) on the Learn page. The presentation slides are posted on the Stakeholder Advisory Group page. Please see slides 20 and 21 of the presentation materials.

### 5. Updates on Modified Storm Water Utility Consideration and Potential Implementation Timeline due to COVID-19 Impacts

JB shared some important modifications to DFM's path forward for study and consideration of a storm water utility, which are the result of the hardship that many are experiencing due to COVID-19. Please see slides 22 and 23 of the presentation materials.

DFM will not be proceeding with introducing bills for ordinances related to a storm water utility in 2020. There are four items that DFM will explore in 2020 in response to stakeholder and community input:

- An island-wide Storm Water Master Plan to guide future investments.
- A detailed credit program available to all property owners.
- Relief/hardship plan for kūpuna, small nonprofit land-owners & low-income families.
- A Neighborhood Investment Plan to re-invest storm water fees in all O'ahu neighborhoods.

### 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.*

- Many Stakeholder Advisory Group members expressed support for the delay in introduction of any bill to City Council.
- The Neighborhood Investment Plan exploration is great as long as we recognize that the areas of greatest need may not be areas that generate the most fee revenue.
- Perhaps there can be a way to develop a workforce for stormwater management positions for people who are currently unemployed.
  - o JB will be sharing with the Stakeholder Advisory Group information from municipalities that are using federal funding for storm water work force training.
- The many mayoral candidates should be briefed to make sure that they are aware of the Storm Water Utility Study
- Informational outreach to potential mayoral candidates on the Storm Water Utility Study is a good idea, especially if it comes from a small group of Stakeholder Advisory Group stakeholders concerned about nonpoint source pollution, perhaps supplemental to a DFM/consultant outreach. Board of Water Supply (BWS) Water Master Plan Stakeholder Advisory Group stakeholders were



instrumental in communicating their support for BWS to elected officials and the Charter Commission.

- Laurens noted that he has seen that approach used very effectively, where Stakeholder Advisory Group participants met one-on-one with elected officials and/or candidates, in tandem with direct outreach from the project team.
- The island-wide Storm Water Master Plan may have collaboration opportunities with the BWS

## 6. Community Engagement Updates and Round 2 Schedule, Objectives, and Focus

Joan provided an overview of the Round 1 outreach and preview of the Round 2 outreach. Please see slides 24 to 32 of the presentation materials.

The Feedback Summary from Round 1 outreach has been posted on the website. The second round of outreach begins Wednesday, May 20. The Round 2 community meetings are on many different dates and times to make them convenient as possible for the public.

The slides for the upcoming Community Meetings were shared with the Stakeholder Advisory Group to gather feedback, and the updated community meeting slides will be posted on the website.

### Q&A/Discussion

- Are there materials or link to information we can send out to our members in preparation for these sessions?
  - Randall will email the two-page information flyer to all the Stakeholder Advisory Group members to share broadly to promote meeting participation.
- A different audience will likely engage with the online platform - which is good to widen the scope.
- Runoff and associated pollutants could be highlighted in the presentation. Also, it would be helpful to differentiate between sewage and storm water systems.
- It is important to allocate funding for public green infrastructure projects, provide examples of green infrastructure, show what the fee is going towards, as well as how green infrastructure can beautify and improve public spaces.
- The use of retention basins is an effective way to slow down storm runoff. But even more important is that these retention basins can be landscaped to provide community recreational areas such as sports fields, exercise trails, etc. It is important for retention basins to be maintained.
- The flooding image that shows the highway in the community meeting presentation make the problem look more like a State of Hawaii issue instead of a City and County of Honolulu one.
  - The City was involved in assisting the state with the debris and clean-up. Storm waters brought items, such as appliances and hot water heaters, that had been illegally dumped in the streams, down to makai areas.

## 7. Draft Core Recommendations Review and Discussion

This agenda item was not discussed.



## 8. Requested item regarding Revenue Neutrality Statement from Advisory Group

Joan noted that as discussed at past Stakeholder Advisory Group meetings, the role of the consultant team is to facilitate and document the study process and provide information to the Stakeholder Advisory Group and the public. Jeff Tyau asked for the agenda item on revenue neutrality to see about the possibility of the Stakeholder Advisory Group making a statement on revenue neutrality for the Storm Water Utility. While as an administrative department reporting through the Mayor DFM cannot recommend any type of modification to the property tax structure, DFM can convey a statement made by the Stakeholder Advisory Group through this process. Please see slide 33 of the presentation materials.

Jeff Tyau then provided some proposed language (see end of meeting summary) that could come from the Stakeholder Advisory Group to be directed towards the Mayor and Council. If Stakeholder Advisory Group members have additional information that they would like to share with the group, please send to Randall Wakumoto for distribution.

Information on property tax equivalent being currently paid was provided in past presentations to the Stakeholder Advisory Group and at community meetings.

Ross Sasamura provided some high-level comments on revenue neutrality. If there is a certain amount of current revenue from property taxes, and there is a new fee for storm water, there is new flexibility for funding other City functions. The only reason that there have not been increases in property tax rates is that appraised values have increased enough over time to provide sufficient revenue. The potential Storm Water Utility fees would not escalate in the same way that property taxes do as they would not be tied to appraised values. And, fees would provide guaranteed funding on a year-to-year basis.

### Q&A/Discussion

- The property tax reduction would have to show both the amount of the reduction, and that it has a nexus to the amount of the fee.
- Community members have told me that they support the principle of the Storm Water Utility, but they are concerned that the funding will be used for other City functions.
- I agree and think it is part of our duty to at least address the property tax neutrality.
- Has there been any discussion with the City Council about being able to protect the storm water fund from being used for other City functions and costs.
  - o Yes - a restricted Special Fund would be established and could be established before a utility is even charging fees. The whole purpose of the Special Fund is to ensure exactly this type of protection - and reporting. We have heard from a number of community member that they could support a utility and fee, so long as they can see exactly how funds are being spent.
- I am open to having a detailed conversation about this if I have an opportunity to be more informed and learn more. I appreciate both Jeffrey and Ross' points. However, in this current economic climate, we do need to think about how any fee impacts our families and residents who are already stretched. The public does not have a lot of faith in the City given the rail system. We need to safeguard that fees will go toward what they are intended for.
- I can support Jeff's proposal. For those that pay property taxes, there should be some kind of tax reduction since the taxpayer is already paying for this utility. And for those that do not pay taxes,



provide a statement that revenue neutrality would not apply to them and they would then pay the calculated rate based on their impervious surface.

- I agree, it is the place of the advisory committee to chime in on this point and make recommendation to the Administration and Council. My point is that I want to understand the operational implications of our proposal. There should be a property tax credit of sorts.
- In the community meetings I've attended, there was support for the concept of a reduction in property tax approximately equivalent to the increase from the proposed storm water fee so the economic impact is mitigated. Revenue neutrality, at least as a starting point, I agree with.
- I support a statement from the SAG, partly because we have learned a lot. Know the costs to develop a Storm Water Utility and understand those who pay and those who don't. Would like to know what the implications would be from reducing property taxes. Of those funds that are proposed, what are the impacts on the City budget.
- Paying the Storm Water Utility fee is a fee increase. It is understood that there will be additional pressures for City funding. If there is a need for additional funding for rail, it should be asked for up front.
- One option is not to tie the City's hands in perpetuity to address the concern that Ross raised. What about having a reduction to these classes by 40% for example?
- I think it needs more informed discussion given what Ross discussed. Many different ways to look at adjustments for a set number of years, etc.
- Case studies of how other utilities got through the revenue neutrality issue would be helpful.
  - o Laurens shared that Tacoma Park, Maryland and Fairfax County created a dedicated tax fund. At first it was property tax funded and later it switched to be fee-funded so there was an offset.
  - o JB pointed out that many utilities started at a time when municipalities had no storm water program at all, so there was a significant need for revenue for new activities and thus no ability to do an offset. Honolulu City and County has a solid program in place, so some kind of offset becomes possible.
  - o The consultant team will look at options from peer communities.

For next steps, Joan offered the breakout room function for the next meeting to have smaller discussions. Those groups could then report back. Joan can also work with Jeff on polling questions.

## 9. Upcoming Stakeholder Advisory Group Meetings Preview / Wrap-up

The project team wrapped up the meeting with a plea to members to continue to help get the word out about the Round 2 virtual community meetings. Joan also reviewed the requests for the Stakeholder Advisory Group members and the upcoming webinars/meetings. Please see slides 34 to 35 of the presentation materials for the Wrap Up slides.

- a. Q&A Webinar: Wednesday, May 27, 2020, 4:00- 5:30 pm
- b. June Update: Monday, June 15, 2020, 4:00 – 5:30 pm
- c. Hopefully In-Person: July 13, 2020, 4:00 – 6:30 pm



**Oahu Storm Water Utility Stakeholder Revenue Neutrality Issue**

**Recommendation for Advisory Group Statement**

**From Jeff Tyau**

**Revenue Neutrality:**

- a. Current Situation:
  - . Residential and Businesses are paying for most of the current Storm Water Operational costs as part of their current property taxes Property Taxes.
  - i. The City has a need to be able to float bonds for longer term payment options and can only do that with designated Storm Water Utility fees.
  - ii. One of the most frequent Storm Water Utility Public comments was that an additional fee would be a financial burden to property owners, and many are opposed to additional fees.
  - iii. Covid 19 is a significant financial burden for residents, City and State governments.
  
- b. Revenue Neutral Storm Water Utility Option:
  - . At the appropriate time, does the Storm Water Utility Citizens Advisory Committee want to recommend support of the Proposed Storm Water Utility Fee Plan with the condition that Residential and Commercial Property Tax Rates are reduced by a proportional or agreed upon amount, so that Residential Property Owners are approximately paying the same amount or less in fees and taxes for Storm Water Utility Services?
  - i. Information Item: What is the property tax reduction that would be needed to approximately match the needed Storm Water annual funds for residential and commercial properties.