



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

June 15, 2020, 4:00-6:30 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 Commercial Real Estate Development Association (Darian Chun)  
Neighborhood Board #4 (Sharon Schneider)  
Neighborhood Board #8 (Tim Streitz)  
Neighborhood Board #31 (Levani Lipton)  
Kamehameha Schools (Gary Evora)  
Kua'āina Ulu 'Auamo (KUA) (Kevin Chang)  
O'ahu Resource Conservation and Development Council (Hannah Hubanks)  
Sustainable Coastlines (Rafael Bergstrom)  
The Nature Conservancy of Hawai'i (Kim Falinski)  
University of Hawaii (Roger Babcock)

#### *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 Ketza (City and County of Honolulu Department of Facility Maintenance)

#### *Consultant Team*

Juli Beth (JB) Hinds (Birchline Planning LLC)      *Members of the Public*  
Joan Isaacson (Kearns & West)                          Dana Okano (Hawaii Community Foundation)  
Laurens van der Tak (Jacobs)                            agasg  
Jessica Chiam (AECOM)  
Ming Ding (AECOM)  
Cami Kloster (G70)  
Janice Jensen (G70)  
Dana Butler (Hastings and Pleadwell)  
Taylor York (Kearns & West)

### 1. Welcome and Introductions

Joan Isaacson (Kearns & West) welcomed everyone 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 6 of the presentation materials. Joan also reviewed helpful tips for a productive discussion. Please see slides 3 to 5 of the presentation materials.

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### 3. Public Comment

Joan read a comment from a community member that was provided via Sharon Schneider. 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 7 and 8 of the presentation materials.

### 4. Update on Binder Contents and Resources

No new materials were provided for this meeting. New materials will be provided electronically.

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

JB Hinds (Birchline Planning) reviewed the plans to delay the introduction of the Storm Water Utility due to COVID-19, along with the four items the Department of Facility Maintenance (DFM) will explore in 2020 and 2021 in response to stakeholder and community input. Please see slides 9 and 10 of the presentation.

At the July Stakeholder Advisory Group meeting Randall will present the high-level overview of a Storm Water Island-wide Master Plan. The Stakeholder Advisory Group can provide its input on approaches and content to the Master Plan, which is likely to be done in phases. .

### 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.*

- Is the bill mentioned at the last meeting still a bill before the City Council?
  - o No; it was withdrawn. Ross responded that DFM is committed to not submitting any bills this year. The bills will move forward at a more appropriate time.

### 6. Community Engagement Updates

Cami Kloster (G70) provided an update on the Round 2 of community engagement. Round 2 meeting publicity included various print ads, social media, newsletters, and traditional media channels. Metrics were provided on the social media campaigns, website visits and meeting attendance. The topics most frequently raised during the virtual meetings aligned with the themes from the Round 1 community engagement, with emphasis on credits, overall storm water management, and fee calculations. Those who attended the virtual meetings participated in a short poll which revealed (1) good representation of participants across the island, (2) most people were participating in these meetings for the first time, and (3) the most common way people learned about the meetings was word of mouth – including through Stakeholder Advisory Group members, which is greatly appreciated. The community meeting presentation slide deck and a recorded version of the presentation given at virtual community meetings is available on the Storm Water Utility website. Please see slides 11 to 15 of the presentation materials for this meeting for more information.

Randall Wakumoto (City and County of Honolulu) followed up on his email message that the City's reissued National Pollution Discharge Elimination System (NPDES) permit is in the process of being issued by the State Department of Health (DOH). The permit is currently being posted for a 30-day public review and comment period that is scheduled to end on June 20, 2020. Any public comments would need to be sent to DOH's offices. Once issued, the permit is valid for five years.

**Q&A/Discussion**

- I look forward to the summary from the input obtained during the second round of community meetings.
- My community needs more time to comment because our Neighborhood Board does not meet until July 2nd.
- Can Randall share more about the process toward the end of the meeting so we have a better understanding of the permitting matter?
  - o Randall responded that if the community has a specific concern or question, it can be brought to the attention of the State Department of Health. He also offered to share more on the permitting process if time allowed at the end of the meeting.
- Has a decision been made on the 4-tier vs. 8-tier fee structure for the Storm Water Utility?
  - o No decisions have been made on this yet. Currently the project team is leaning towards 8 tiers for equity reasons. However, they are still reviewing the data. This will come back to the Stakeholder Advisory Group in the future.
  - o Newly available public aerial remote-sensing data from the National Oceanic and Atmospheric Administration (NOAA) seems to be high enough quality not only to avoid DFM needing to purchase new imagery, but with sufficient detail for an 8-tier scenario provided the parcel boundary rectification is fixed. This is very good news for advancing work on fees, revenues, and credits.
- Is the presentation posted on YouTube or another platform?
  - o Yes, go to the project website to find the YouTube link.
- What about the definition of Private Roads and charges?
  - o This topic will be revisited next month.
- At a previous meeting there was a request for information regarding the tax rate reduction that would approximately equal the proposed Storm Water Utility fee. Is this information available?
  - o This was provided in a previous presentation with the equivalent tax rates.
  - o Revenue neutrality discussions will resume at the July meeting. Joan and Jeff Tyau need to coordinate on discussion questions.

**7. Draft Recommendations**

The slides will be posted so that Stakeholder Advisory Group members can review and check out the details of the draft recommendations. Stakeholder Advisory Group will be invited to provide their questions and feedback both at this meeting and the July meeting.

JB and Laurens van der Tak (Jacobs) presented draft recommendations for the credit program and hardship relief approaches.

**a. Credits Program**

Credits represent an ongoing reduction in the amount of the fee paid. Grant payments are made as part of an agreement to do specific things (e.g. host a meeting, manage a neighborhood tree planting program). Hardship assistance is an ongoing or temporary fee reduction that is approved annually based on economic status, whether income for a household or total annual revenue for a non-profit. Certain types of rebate-funded projects may be eligible for conversion to an ongoing storm water fee credit; some will not. (Please see slides 16 to 31 of the presentation materials)



The core policy recommendations for Storm Water Utility credits made by the team are:

- Eligibility: All properties are eligible for credits; everyone must apply to receive them.
- Maximum allowable credits: 60% of total fee for each property.
- Renewal: Non-residential properties will need to re-apply each year. Residential properties will need to re-apply every three years.
- Additional Credit: Consider additional credit above the 60% maximum for properties treating runoff that does not originate on their property.

About 85% (or more) of all rainstorms on O'ahu produce less than 1 inch of water in 24 hours. This 1 inch of runoff from impervious surfaces on a property is the Water Quality Volume (WQV) that would need to be treated to receive full credit. The goal of the storm water program is to encourage property owners to capture and treat the WQV.

### **Q&A/Discussion**

- Is capturing WQV required for new single-family homes?
  - It typically does not apply to individual homes, since the WQV requirement is tied to larger properties over 1 acre or smaller commercial and industrial properties that affect water quality and are regulated under the City's Water Quality Rules when obtaining any building or grading permits. These rules would not normally affect individual single-family homes because most are not on lots that large. Larger subdivisions or developments are subject to the WQV requirement
  - Rebates and credits are ways to encourage development to implement capture and treatment measures where they are not required.
- Does it apply to a residential property over 1 acre? All properties over 1 acre?
  - If a residential property is performing grading (i.e. land disturbing) work over 1 acre, the WQV requirements could be triggered, particularly if it triggers applying for a grading or building permit.
  - Certain types of non-residential properties that have the potential to generate certain pollutants may also be required to capture the WQV.
- With the requirements for new developments, will they still only receive the 60% credit maximum?
  - The 60% credit amount is proposed based on the project team's experiences with other utilities around the country. The maximum credit amounts in other utilities range from 25-75% with most typically hovering around 50%. 60% is at the high end.
  - The question is usually asked, why not 100%? The answer is that Department of Facility Maintenance still has general obligations to manage storm water across the island, so some part of the fee is the base fee to manage the entire island-wide system.
- Can the homeowner do step 2 in the slide illustration, or does an engineer need to do the calculation final?
  - Residents are encouraged to do step 2 on their own. The City is looking at an app developed to assist with the calculations. The homeowner would provide the basic dimensions and the calculations would be done by the app.
- In relation to the previous question, what happens on property with varied topography (i.e. steep slopes)?

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- Some of the practices do not work well with steep slopes. There is usually a maximum slope for the area of the practice to receive credit.
- For wetter areas (windward) vs. drier areas (leeward), would homeowners pay equal amounts even though the wetter side would generate more runoff?
  - They would pay the same amount. The Department of Facility Maintenance did a WQV analysis of different areas of the island and found that while there is a difference in the frequency of rain events, the percentage of storms that produce 1 inch or less of runoff is not that different from east to west. For now, the project team is proposing that the fee structure apply equally across the island (regardless of rainfall). It is also the balance of simplicity versus the difficulty of managing the program administratively. More complicated fee structures are more costly to manage.
- I love all this and agree with most things. I wanted to address the credit eligibility from day one versus the phased-in approach. I think it would be great to have it start from day one, especially since the implementation will be pushed back a couple of years. We would want to help the community start preparing. The downspout removal is a good thing to communicate to the public because it is very easy to do.
  - Yes, we should showcase what different property owners have done to mitigate runoff on their property.
- How will the school/educational outreach work? Will there be utility representatives going out and talking to schools, or will it just be in the form of grants to outside organizations who go to educational institutions to advocate for sustainable water usage? For the \$1 million allotment for "school and community partnership grants", how much of that money would go to schools versus general community grants?
  - Schools can be one of the most important credit users and are good places to do demonstration projects because of their community visibility. The details have not been worked out yet, and the project team welcomes your input as to what you think would be important here. Schools can be eligible for an ongoing reduction in their fee if they commit to an effective education program that helps Department of Facility Maintenance meet its educational requirements under the MS4 permit. The curriculum does have to be focused and regular, rather than basic education on watersheds (as an example). One opportunity is for them to committing to storm water programming, another is to implement green infrastructure on the property, and the third is to do a hybrid of the two, including community outreach.
  - Schools can be grantees. Nānākuli and Waipahu High Schools have environmental programs, and sustaining these efforts takes a commitment.
  - Waipahu High School students did a school curriculum project to assess storm water and propose solutions for their campus this past year. The City's outreach team was working with them and showed them some ideas from the storm water management plan that may be applicable to their school. The culmination of the program was to present their project to various school leaders, community members, government agencies and other stakeholders. Unfortunately, due to COVID-19, the program has not yet been able to get to the implementation part.

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- The City's outreach team also provides teacher workshops as part of a Project WET program to help teachers incorporate curriculum focused on storm water.
- The City has also worked with other groups to look at wetlands water quality and the upper watershed for conservation practices from a watershed perspective. If a school is willing and able to embrace a whole curriculum and make it into a year-round program, and then they could qualify and apply for certain types of credits (ongoing reductions based on providing education) as well as other grants and rebates.
- That's awesome! The curriculum opportunity for stormwater has huge STEM learning potential - you can teach chemistry, economics, agriculture, math, etc. just from a stormwater project.
- What was the reason for the 60% max credit?
  - The maximum credit amount is typically 25% to 75% around the US. The maximum credit usually is not 100% because even if each property manages 100% of their runoff, the Department of Facility Maintenance still has obligations to maintain the fundamental island-wide system and to meet other NPDES program obligations for operation and maintenance. There are a lot of costs incurred by Department of Facility Maintenance and other agencies in managing storm water. Thus, a cap of 60% is recommended based on these factors. Ultimately it is policy choice. Some places have decided over the years to increase the maximum credit percentage; others have kept the maximum low over a long period of time. Portland, which has had a program in place for decades, has a credit maximum of 35%.
- Is 60% is the financial break point for Department of Facility Maintenance to have enough budget for their operational costs?
  - It is not a specific financial break point, but rather a cap to ensure that all property owners are paying for the system. The project team has planned for up to a 5% reduction in total overall revenue as properties take advantage of credit opportunities. This level of overall revenue reduction from use of credits, which is again based on experience in peer cities' stormwater utility programs, is built into the projected revenues and fees for a storm water utility on Oahu.
- We have projects that are treating runoff from other projects. I agree that they should be allowed to have over the max credit.
- The amount of rainfall that is calculated for Hawaii is greater than the mainland. Designs for some of the new developments will not only treat their runoff, but that of surrounding areas. The devices to treat this larger area are larger and more expensive. The owners of these devices should get a higher credit percentage of reduction to help offset the costs that would be charged due to the higher cost of living in Hawaii.
- Some areas also do not have that native material that will allow for pervious surfaces and may have to purchase a device. Therefore, it may not be a financial option for some owners.
- For bullets 3 and 10 (slide 31), it would be helpful to understand what the advantages and disadvantages are of having things in an ordinance vs. the rules. Are some things harder to change?
  - Slide 19 shows the kinds of provisions that are included in an ordinance as compared to what is typically developed by rule. For credits, typically legislative bodies adopt a maximum percent reduction (such as the 60% proposed by the team for Honolulu), and

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any allowances to exceed that percentage. So, the legislative body sets percentages for credits, but not details. Legislative bodies also may set the duration of credits and the requirement to apply and reapply. Typically, then, the legislative body delegates the authority to adopt a credit manual to the responsible administrative department – in this case, DFM. The credit manual would then be adopted by rule (rather than as an ordinance) and administered by DFM. The table goes through additional provisions; for example, appeals procedures usually are set by administrative procedures, but hardship programs are usually established by the ordinance. DFM administration would adopt the appeals and coordination process. Grants and rebates do not usually need specific authority in law. This is where a citizen advisory board could provide input and guidance as to what they think it should look like.

- I like what was brought up about starting credits from day one; however, I do not understand the financial implications of phasing in immediately or one year in. Where I live it will be hard to prepare property without grants to be able to afford some of the retrofitting for credits that is proposed.
  - o The primary rationale for phasing in credits is that most storm water utilities need time to develop a manual and forms for the program. The initial administrative burden when establishing a utility is significant, and it is important to be accurate with determinations of initial bills. Since the introduction of a Storm Water Utility bill to the City Council will be postponed, there is more time to develop the administrative processes. There is also time to assist homeowners without resources to install mitigation measures on their properties.
  - o It is a valid critique of storm water programs that only the affluent are able to make changes and take advantage of the credits. To address this, one model for upfront grants is to have contractors available and paid by the City to do improvements (things like permeable driveways) to people's properties under contract to DFM. Property owners would then pay back that cost on their bills over a period of time. It is a policy decision on whether or at what cost level property owners would pay back all or part of the cost of a project. That can be a feature of a grant program, and there could be special programs for kūpuna.
  - o This conversation needs to be continued!
- Is the 60% maximum cap intended to mitigate challenges like those that HECO had when there was an onslaught of people with photovoltaic (PV)/solar and they weren't able to collect enough fees from customers and had to have those who installed PV help cover the costs of running the grid? If everyone were to get to 100% would DFM not have enough funds to get its work done?
- Isn't there a balance between credits and meeting minimum revenues? If credits are allowed to increase, doesn't the unit storm water fee per 1,000 square feet of impervious area have to increase to compensate or subsidize the credits? Doesn't it come down to fairness, equity, and affordability?
  - o The revenue and fee projections include an allowance for revenue reduction from credits.
  - o From experience elsewhere, credit programs have never resulted in more than 5% revenue reductions, even for programs with a long track record and aggressive credit programs.
  - o The amount of participation in credit programs also is highly dependent on the amount of the fee per 1,000 square feet of impervious area. If the fee is low, participation is usually lower than for higher bills. Honolulu's projected fee per 1,000 square feet is not, in the scheme of other utilities, anywhere near the high end of US cities.

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- I am concerned when I look at an earlier presentation slide deck that shows the 4- vs. 8-tiers and breaks up the ranges of impervious area per parcel. I recall that Hawai'i was unusual because a large percent of our properties here are <20,000 square feet in total area. The tables show the number of billing units for government properties, etc. A lot more than half were in these billing units were made up of very large properties and landowners. Those would be the kinds of properties and owners that would have existing structures in place and would be able to spend money and get up to the 60% credit limit. It seems like they could have the funds to spend for a significant reduction. You need to look at that closely and see whether that might affect the budget for a storm water utility.
  - o Laurens observed that the property size distribution on O'ahu is substantially different from other US cities.
  - o Larger properties have potentially larger water quality benefits in terms of dollars invested per impervious area, for instance looking at shopping malls vs. a number of houses. However, for purposes of equity and fairness and for the validity of the fee structure it is very important to ensure that everyone is eligible for credits.
  - o The fee analysis does assume the use of credits for new development and redevelopment that is subject to the WQV requirements. The analysis of future land use actively included this as part of the projected future impervious area and resulting fee. The rates do assume the use of the credits by large landowners.
- How would the Storm Water Utility impact those residents on Hawaiian Home Lands? Especially since the residents lease the land. Does that mean Department of Hawaiian Home Lands is on the hook for the SWU fee?
  - o JB and Randall noted that there have been conversations with Department of Hawaiian Home Lands and virtual meetings will likely be set up to discuss the follow-up questions regarding impacts on lessees. The Department would have the option, like any other owner of property in a lease or condominium setting, either to divide the fee among its lessees or to pay the bill as a whole.
- I had asked the head of Department of Hawaiian Home Lands that exact question because of the hardship questions and the program of DFM paying for contractors would make sense. They have similar programs in place for solar and other things.
  - o Randall responded that Department of Hawaiian Home Lands had participated in some of the previous Community Group and Stakeholder Advisory Group meetings. Additional conversations are planned and expected.
- If low impact development [Storm Water Quality] rules require green infrastructure for new development, why should the City offer a credit? Why should there be an incentive for a requirement? Shouldn't incentives be focused on existing properties? New developments have to comply with the requirement anyway.
  - o This is a common question and a good one. One of the main values of a credit program is ensuring that all storm water BMPs are maintained and operational on an ongoing basis. Typically, the credit program also requires verification and thus the annual renewal requirement for credits can serve as a means of ensuring ongoing verification. This would help to incentivize the maintenance.

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- I wonder if there is a program anywhere that is anticipating climate change through either a change in rainfall or storm frequency. Is it possible to have some sort of guidance that is paced or reviewed for changes in storm frequency over time?
  - o For climate change, usually the focus is on controlling storm water quantity (i.e. flooding), vs. the storm water quality that has been the focus of the meetings.
  - o This has only recently started to show up in design guidance but not yet in a utility. Design standards are being reviewed to see if adjustments need to be made for climate change.
  - o JB responded that she will have the Madison, Wisconsin guidance that just came out posted on the website.

### b. Approaches for Hardship Relief

JB presented on the various approaches for hardship relief. Both permanent and temporary reductions are possible. Different mechanisms for providing relief were reviewed along with possible metrics for determining program eligibility. Please see slides 32 to 43 of the presentation materials.

### Q&A/Discussion

- Thank you for pulling this together. I appreciate it being tied to LIHEAP.
- Could you use housing that qualifies for 140% AMI and below as the basis for exemption on a scale?
  - o Hardship provisions are tied to the current income of the household occupying a unit and responsible for the utility bill, rather than the cost of the housing unit.
- I think a low-income and hardship program is essential to get this program through City Council.
- Here's a good, more recent household budget estimate from DBEDT:  
[http://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency\\_2018.pdf](http://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2018.pdf)
- The sewer's fixed base charge should be reduced, and a greater percentage of the sewer revenue obtained from their sewer volumetric rate, tied to how much water is flushed and drained. A high fixed charge assures revenue stability, but there is less incentive to conserve water to control their bills. A high fixed charge incentivizes a "flush all you want" mentality.
- Has there been any outreach yet to the sewer folks? Their bill is so much higher in proportion. Have they been brought into the conversation on this issue? Are they aware that you are trying to figure out a hardship option?
  - o Not yet. The dialogue has been mostly about billing, including options for consolidation. It needs further discussion.
- What is the financial, fiscal oversight regarding sewage fees? There may need to be some form of audit, if not already done regularly. It is disconcerting to hear the cost issues, but at the same time, treating sewage must be extensive. The City should look at this holistically with other charges.
  - o The project team does not necessarily have the expertise or experience to answer this question. The analysis showing the fees stacked together does help in understanding how total utility fees affect people.
- The State of Hawai'i Department of Taxation has a brochure on taxation.
- One possibility for providing relief to property owners is to add the storm water fee to the annual property tax bill and then apply Honolulu's real property tax credit to the entire bill. Those who

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qualify are entitled to a tax credit equal to the amount of taxes owed for the 2019 - 2020 tax year that exceed 3% of the titleholders' combined gross income. Information on Honolulu's tax credit can be found here:

[http://www.honolulu.gov/rep/site/bfs/treasury\\_docs/2020\\_Tax\\_Credit\\_Information\\_Brochure.pdf](http://www.honolulu.gov/rep/site/bfs/treasury_docs/2020_Tax_Credit_Information_Brochure.pdf)

- How would the Storm Water Utility fees be assessed for public housing with people who in poverty and those who are likely SNAP beneficiaries?
  - o The bill for publicly managed housing usually goes to central property management and is absorbed by the government or billed out to the tenants. Currently, the fees are fairly minimal for multi-family housing units, but as with the discussion regarding the Department of Hawaiian Home Lands, allocation of fees will largely be at the discretion of the ultimate property owner such as a housing authority. The hardship programs become especially important for a single or two-person house, where the combined sewer/water/stormwater bill could readily go past the point of affordability. Public housing units' proportional storm water fees tend to be minimal per housing unit in multi-family dwellings. The overall amount of impervious owned by the state housing authority is significant, but we have not evaluated it on a per unit basis yet. The Housing Authority would, like any other property owner, be eligible for credits.
- These are all great recommendations. If this was a revenue neutral package, then that would relieve the cost increase issue for many groups that we are discussing.
- Why would public roads need an exemption? It seems counterintuitive that road agencies are in a hardship situation. It is because road fees would be passed back to residents in increased gas, [Transient Accommodation Tax] TAT and property taxes? Maybe this is a question for the next administration.
  - o There are places that the governments charge themselves for roads by making transfers from a general fund or highway fund into the Storm Water Utility fund. That becomes a policy choice. A continued transfer from the highway fund is proposed as part of the budget for Honolulu to help fund the storm water program.
  - o It boils down to do you want to have an intragovernmental transfer and most of the time the answer is no.
- If we are proposing to give an exemption to the State and City roads, then why should private roads that are open to the public be charged the Storm Water Fee? All open roads should be equally treated. If we are proposing to give an exemption to the State and City roads, then why should private roads that are open to the public be charged the storm water fee? All open roads should be treated equally.
  - o A discussion on road charges relative to the city's classification of public and private roads will be on the agenda for July.
- How does a subdivision that is zoned condo where the roads are designed to treat the stormwater runoff of their property, and/or the road itself, qualify for a credit? The road is a City-dedicated road.
  - o We will make sure to revisit the question about streets at our next meeting in July.

### 8. Upcoming Stakeholder Advisory Group Meetings Preview

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- a. Virtual- Monday, July 13, 2020, 4:00-6:30pm: Approach for Storm Water Master Plan and Island-wide Storm Water Investments, continued conversation on credits, rebates and grants and hardship, revenue neutrality, and streets.

- b. Virtual- Monday, August 24, 2020, 4:00-6:30pm

### 9. Wrap-Up

Ross thanked everyone for their commitment, questions, and work. Please see slides 44 and 45 of the presentation materials for the Wrap-Up slides.



**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.



**Community Comment provided via Sharon Schneider**

*This comment was submitted by email at 9:30 AM, June 15, 2020 for the purpose of being read aloud at the Stakeholders Advisory Group meeting scheduled for June 15, 2020 at 4:00 PM.*

My comment pertains to the share of the stormwater runoff costs/charges from streets and highways that will be attributable to property owners. To wit: It is my understanding that:

- every property (and its owner will bear some of the cost responsibility/rate-payment for water that accumulates on the streets and highways and ends up in the stormwater system).
- This being the case, for rate-charges to be fair, it is incumbent on the Storm Water Utility system that comes out of this study to encumber multiple-dwelling-unit properties with utility charges commensurate with, among other considerations (pavement runoff that leaves the property for instance), the number of dwelling units on each property.
- Example: compared to a single-dwelling-unit property, a property with 100 dwelling units must/should bear 100 times the cost of a single-dwelling-unit property's share of street/highway, storm-water utility charges.