

City and County of Honolulu Storm Water Utility Formation Stakeholder Advisory Group Meeting

August 19, 2019 | 111 South King Street, Room 301, Honolulu, HI 96813

Meeting Summary

ATTENDEES

Advisory Group Members

Building Owners and Managers Association Hawaii (Melissa Pavlicek)
Council District #1 (Sharlette Poe)
Council District #2 (Dee Dee Letts)
Council District #3 (Lavani Lipton)
Council District #4 (Sharon Schneider)
Council District #9 (Bernie Marcos)
Fresh Water Council (Yvonne Izu)
Hawai'i Appleseed Center for Legal and Economic Justice (Gavin Thornton)
Hawai'i Association of Watershed Partnerships (Shelly Gustafson)
Hawaii Reserves, Inc. (Jeff Tyau)
'Iolani School (Jaron Kawamura)
Kamehameha Schools (Gary Evora)
KUA (Wally Ito)
O'ahu Resource Conservation and Development Council (Stephanie Mock)

Interested Citizen

Kyle Kaneshiro

Consultant Team

Juli Beth (JB) Hinds - Birchline Planning LLC
Joan Isaacson - Kearns and West
Dana Okano – Hawaii Community Foundation
Laurens van der Tak - Jacobs
Barbra Pleadwell – Hastings and Pleadwell
Cami Kloster – G70
Jessica Chiam - AECOM

Public Agency Staff

Ross Sasamura (City and County of Honolulu Department of Facility Maintenance)
Randall Wakumoto (City and County of Honolulu Department of Facility Maintenance)
Russell Leong (City and County of Honolulu Department of Facility Maintenance)
Kelli Kolona (City and County of Honolulu Department of Facility Maintenance)
Andrew Pereira (City and County of Honolulu Mayor's Office)



MEETING SUMMARY

I. Welcome and Introductions

Facilitator Joan Isaacson opened the meeting and introduced Ross Sasamura, City and County of Honolulu Department of Facility Maintenance Director. Ross thanked members for attending and their commitment to being part of the Storm Water Utility Stakeholder Advisory Group. He noted that the Stakeholder Advisory Group represent residential and commercial sectors, and various interest groups, and that all representatives have a connection to storm water.

Advisory Group members introduced themselves and their affiliation -- and were asked to share their earliest memories of water. Water memories included serving “coffee” from a mud puddle, collecting limu, swimming lessons, playing at the beach under a full moon, hauling water for drinking, the roar of a flash flood, diving in clear ocean waters, and brown drinking water from a tobacco filter.

II. Agenda Overview

Meeting agendas will be posted on *StormWaterUtilityOahu.com*. This website will be the repository for agendas, meeting summaries and other storm water utility related information. Currently the website is a single page and will be expanded to provide information on the community outreach process.

Consultant Juli Beth Hinds walked members through their binder sections which include:

- Picture directory of consultant team
- Advisory group protocols and operating principles
- Glossary of storm water and utility terms
- Meeting agenda
- Two foundational documents
 - o A Blueprint for Action water Security for an Uncertain Future (2016-2018)
 - o Looking Ahead: The Path to a Stormwater Utility for the City and County of Honolulu (2017)

Additional information and agendas will be provided throughout the process and can be added to the binder.

III. Protocols and Operating Principles for Stakeholder Advisory Group

The protocols and operating principles for the Stakeholder Advisory Group were provided prior to the meeting. Joan Isaacson highlighted the following from each section:

2. Project Overview – a good resource for answering questions that may arise.

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3. Stakeholder Advisory Group Charge and Role in Storm Water Utility Formation – the Group’s charge is to provide input and priorities for the fee structure. Stakeholder Advisory Group serves in an advisory capacity.

4. Participation and Collaboration Principles - each member will:

- contribute their expertise
- consider an island-wide perspective
- partner on projects to publicize outreach events team (to keep residents and stakeholders informed)
- represent their constituents
- consider various perspectives
- participate in all meetings (a total of 7-8 meetings) as consistency important, and
- interact respectfully and allow all members to be involved in the meetings.

Joan Isaacson clarified her role as neutral. She will advocate for the process and that can include following up and probing on people’s perspectives.

5. Stakeholder Advisory Group Composition – different stakeholder interests and geographic representation.

6. Request for Use of No Alternates - there are no alternates for members.

7. Meeting Logistics and Communications – meetings will be 4-6:30 pm, on Mondays with heavy pupus. Advisory Group members felt that were a good time for future meetings.

8. Open Meetings – Meetings will be conforming to the spirit of the Sunshine Law, with agendas posted in advance and other meeting materials posted on the website.

9. Member-to-member Interactions – Please save your interactions for the meetings to allow everyone to be part of the discussion. If you have materials to share, please send to Randall Wakumoto (Department of Facility Maintenance Storm Water Quality Branch) for sharing with the larger group.

10. Media Interaction – if contacted by media, please refer them to Randall Wakumoto.

11. Point of Contact for Stakeholder Advisory Group – Randall Wakumoto

Q&A/Discussion

- What if a member feels conflicted about publicizing community meetings?
 - Sharing community meetings dates and time is not an endorsement of a perspective. The community meetings will provide a place for community members to share their thoughts about a storm water utility.
- What is the expectation of reporting back to the neighborhood boards within Council districts?
 - Residents from council districts are representing the entire council district, even if they are part of a neighborhood board. Advisory Group members can share back information and about the need for the process. Members



are encouraged to bring back questions and community concerns to the Advisory Group for discussion. Members are requested to communicate information about Advisory Group process in terms of the discussions taking place among the Group, rather than specific statements of specific members.

- What about groups that are not part of the Advisory Group? Can additional members be proposed?
 - The Advisory Group size has been set to facilitate productive discussion and intentionally has representation across sectors and geography. The project team is keeping a list of groups with aligned interests for future meetings with those groups. Please share names of recommended organizations with the project team for those meetings.

- It would be good to set the dates for future meetings as soon as possible.
 - The project team is working on securing future meeting dates and meeting locations.

For members who could not make the first meeting due to the short lead time, there will be a WebEx meeting to catch them up. It is important to make attend each meeting as the content will build on information from prior meetings. If you cannot make a meeting, catching up on the information is essential.

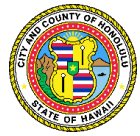
In the future if a topic or topic depth cannot be included in the regular 2.5 hours meeting, interested members may choose to have an offline session and then bring back the discussion and findings to the group.

IV. The Fresh Water Vision for Oahu: Needs and Challenges

Dana Okano shared the of the Hawai'i Community Foundation's work on this effort to date. The Hawaii Community Foundation is a philanthropic organization and can bring people together around tough topics such as our freshwater supply.

Oahu relies on groundwater, and projections show declining rainfall trends with wet areas becoming wetter and dry areas becoming drier. The anticipated future is less recharge of groundwater. The Fresh Water Council was formed to address this issue and continues to meet today. The Council identified the need for greater groundwater recharge rates through conservation, reservoirs to retain water and increased infiltration of storm water. Hawaii Community Foundation is assisting with convening of the stakeholder advisory group - including today's refreshments.

Two binder documents were produced through the Hawai'i Community Foundation efforts: *Blueprint for Action – Water Security for an uncertain future* and *Looking Ahead: The Path to a Stormwater Utility for the City and County of Honolulu*.



Q&A/Discussion

- What is reasonable conservation savings? Is it realistic that each household could save that much water?
 - The Freshwater Initiative acknowledged different contributions to each category (reuse, recharge and conservation). For example, one way the Hawai'i Community Foundation promoted water conservation was by provided a training for department/boards of water supply on conservation and system audits.

V. Funding a Storm Water Program: Utility/Enterprise Fund Overview

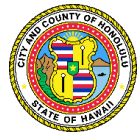
Ross provided an overview of the city's Municipal Separate Storm Sewer System (MS4). The City and County of Honolulu Department of Facility Maintenance has been engaged in storm water management since the mid 1990s, when it was the Public Works Department. Storm water management responsibilities including system maintenance, storm water emergencies, upgrades (retrofits), and compliance with the city's Municipal National Pollution Discharge Elimination System permit. State of Hawaii Department of Health who administers city's National Pollution Discharge Elimination System permit (i.e. the MS4 permit) under the Clean Water Act.

The City and County of Honolulu's role in storm water management has become more challenging over time and the need for partnerships has increased. The possibility of consent decrees (like the one for the city's wastewater system consent decree with the Federal government) can impose a certain level of spending. Consent decree terms have taxpayer implications and take away the CCH's flexibility in deciding how to prioritize activities and improvements.

Department of Facility Maintenance Storm Water Quality branch interfaces with the state Department of Health. The Storm Water Quality branch is the subject matter expert on storm water for city departments. The Storm Water Quality branch performs inspections, enforcement, street sweeping, local drainage and flooding, storm drain and pipe inspection and cleaning, stream cleaning, capital improvements, public information, education and outreach (with partnerships).

As the island has more people, the need for storm water management increases. Permits requirements are becoming more stringent, and the challenge is doing more with the same level of funding.

Other cities have created storm water utilities, typically after having National Pollution Discharge Elimination System MS4 permits for 1-2 cycles. City and County of Honolulu has had several permit cycles already, without establishing a storm water utility.



Data on storm water quality management expenditures from various city departments is in the process of being gathered and will be presented at the October Stakeholder Advisory Group Meeting. At the January meeting will be a follow-on discussion on level of service, and the implication for rates. Ultimately, there will need to be a balance between community cost and impacts and benefits.

Q&A/Discussion

- Will copies of today's presentation be provided?
 - Yes! They will be emailed and available on the website.

- Are the Federal permit requirements passed along to businesses?
 - The city has standards to meet by city various department efforts and the Storm Water Quality branch conducts inspections of commercial and industrial businesses to address water quality issues.

- What happens when there are infractions?
 - For minor infractions, education and guidance is provided to prevent future infractions. For major violations, fines can be administered.

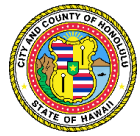
- I would like to know about storm water infractions in my district.
 - Greater engagement in storm water issues is a desired outcome of this process and storm water utility formation. The team can provide members with the city's National Pollution Discharge Elimination System MS4 permit annual report for the municipal separate storm sewer system that give details on many aspects of the program.

- Does a storm water utility have to be a different or separate department, or can "storm water utility" refer to the SWQ Branch or Division?
 - A storm water utility does not have to be a new or separate department or entity. The term refers to a program that has dedicated, restricted use of the fees collected. So, the storm water utility could be used to support a single existing department that is re-named (or not), or to support the combined functions that occur across multiple departments.

- Would a storm water utility be regulated by the Public Utility Commission?
 - No. As with the Honolulu Board of Water Supply, the city would self-regulate. This is an important distinction.

VI. Examples and Experience from Peer Cities

Juli Beth Hinds presented and discussed the benefits of storm water utilities based on experiences of communities where previously implemented. One benefit is equity. Typical property tax value distribution places a greater burden for revenue generation on



residential properties. A storm water fee would be more equitable in terms of who pays, as (1) storm water fees are based system demand which equates with impervious surfaces and (2) all properties, including those that are non-taxable, pay a fee in the same way that all users of water in a water system pay water bills. Charging fees to non-taxable properties expands the revenue base and reduces the share paid by residential property.

Another storm water utility fee benefit is stability. Currently, funding for storm water management comes from the city's general fund. A fee for service would create a dedicated enterprise fund which would have transparency and where all fees generated would be auditable to ensure expenditures are consistent with the utility's definition of service. Having an enterprise fund also creates opportunities for long-term funding and ability to plan and for capital improvements. Relying on the general fund does not allow for this. Ability to plan for capital expenditures is part of having a dedicated fund for storm water.

With the fund stability comes the benefit of greater awareness of the importance of storm water. People typically identify themselves as customers of utilities for drinking water and wastewater – water is used, and a bill is paid. Storm water utilities are often the “forgotten child”. With a shift to a fee for service, people begin to think more about the service and their role as customers. For example, people will see activities and identify those as the storm water utility, since they know they pay a fee for storm water services. By paying a fee, property owners will have an immediate incentive to not pave, since you “pay more to pave more.”

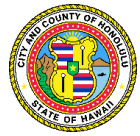
Approximately 1800 communities have storm water utilities nationally and include small towns to larger cities. Western Kentucky University conducts a Storm Water Utility Survey annually with these jurisdictions.

<https://www.wku.edu/seas/undergradprogramdescription/stormwaterutilitysurvey.php>

Q&A/Discussion

- How does the storm water utility fee formation relate to the Board of Water Supply and their efforts for water reclamation/reuse?
 - The Board of Water Supply bills for both water and wastewater services and each has a dedicated enterprise fund. The use of treated wastewater for irrigation is one form of water reuse. The capturing of storm water for irrigation use is another type of water reuse. In the case of rainwater capture, there are benefits for the Board of Water Supply (lower water demand and less water supply used) and for Department of Facility Maintenance (less storm water to manage). Ross serves on the Board of Water Supply and helps to coordinate efforts and look for additional partnering opportunities.

- How much does the city spend for storm water utility?
 - This is still being calculated as several departments and will be presented at the next Stakeholder Advisory Group meeting in October.



- Will the fees take into account the rainfall of different areas?
 - The team is aware of only one municipality that attempted to use that level of geographic detail. A lack of return on investment was found and they abandoned the approach. Fees generally are too low to make it worthwhile to have such a fine-grained level of detail by micro-climate.

- One goal is for consistent funding - will fees entirely fund storm water needs?
 - The desire is not to have to rely on the general fund. Right now, 100% of funding is from taxes. In the future there might be a split of storm water utility fees and general fund monies.

- Might there be duplication of funding with two sources?
 - While duplication might not be eliminated entirely, having an appropriately funded city department or division that coordinates city efforts would provide a more focused effort and help with meeting goals for resiliency.

- How is impervious area measured?
 - Geographic information system (GIS) mapping and aerial imagery is used to calculate the impervious area in square feet. That information combined with land use information is used to calculate some unit for charting – either a set number of square feet of impervious surface, or a calculated measure called an “equivalent residential unit” or “ERU”. These units then form the basis for calculating fee proportionality.

Two case studies were reviewed with the Stakeholder Advisory Group.

Case Study #1 Montgomery County Water Protection Charge (Lauren van der Tak)

- Montgomery County is similar in size and land use to the City and County of Honolulu.
- Their fee was branded as a “Water Quality Protection Charge.”
- Initially Montgomery County wanted to have the storm water fee linked to water quality which was too challenging. Ultimately the fee was linked to impervious surfaces.
- Montgomery County did not fund its entire program initially. Fees and funding were added on over time.
- The fee was phased in over a three-year period.
- Revenue requirements increased with permit requirements.
- Incentives are provided for reducing fees.

Case Study #2 South Burlington, Vermont (Juli Beth Hinds)

- South Burlington has complex land uses, and had multiple storm water related TMDLs, lawsuits, and problems including deteriorated systems.
- Branding can elevate the message of what you do. Visibility was important so that residents knew what they were getting for their money.



- Having a utility helps to increase visibility of services and engage people who then call to report issues. The reporting decreased as the understanding of how to prevent storm water issues increased, and multiple pollutant sources were eliminated.
- A dedicated fee helps to fund the building of retrofits for improved storm water quality and gave the city financial tools to fund its capital projects much more efficiently.

VII. Defining Values for Storm Water Utility

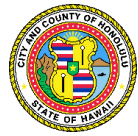
The *Why* is important to guiding the storm water utility formation process. A handout was distributed with examples of values/principles from existing storm water utilities.

Each Advisory Group member filled out three cards with values they felt should be reflected in the storm water utility formation. Members and facilitators then grouped the values into the groups, and members were given three sticky dots to place next to the group(s) of values they felt were most important.

The exercise results are shown below.

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Main Idea	Dots #	Value
Community support and involvement	10	community
		community engagement
		outreach
		encourage community support
		support
		increase awareness of water quality & quantity
		informed & engaged citizens
Environmental stewardship	9	mālama ‘aina and wai
		stewardship: what we have, make better
		interconnectedness within entire ahupua‘a (watershed)
		sustainable
		environmental stewardship
		protection of people <u>and</u> natural environment
		environmental responsibility
Fiscal efficiency, transparency and accountability	8	efficiency
		accountable for every specific service. No- "it's not my department" attitude
		data-driven & accountable
		fiscal accountability
		accountability
		trust; accountability; transparency
		pono stewardship
		transparency
		total transparency
		awareness of future benefit (future generations)
		"kuleana"; be responsible
		integrity & honesty
forward thinking		
Clean water	5	healthy
		clean ocean; clean water
		clean water for public health
		clean water our keiki can play in
		clean coastal water
Equity/fairness	4	fairness: large industries pay their share
		balance
		reasonable
		sustainable: not so ambitious it kills us
Water reuse	4	water conservation awareness
		stormwater capture- increase water supply
		reuse water; conservation

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Main Idea	Dots #	Value
Customer service / equity	2	"customer service"; take all rate payers concerns seriously
		equity; urban and rural both benefit
		social equity
Flood reduction	0	reduce flooding on streets

VIII. Overview of Study Process and Future Advisory Group meetings

The meeting road map was reviewed.

Topics for the October 21st meeting include:

- Impervious surface distribution by land use type
- Total costs: operations & maintenance and capital
- Update on outreach plan

On Saturday, October 19th will be a Rain Barrel Workshop for the Stakeholder Advisory Group to provide a firsthand example of a storm water program.

A catch-up webinar will be scheduled for September

December – meeting will be via a webinar.

Q&A/Discussion

- Could cost for services information be sent out in advance to provide time for review?
Could infographics be provided?
 - The intent is to provide digestible information. If deeper/more detailed information is to be provided, it may need to be via a smaller group.
- When are community meetings going to happen?
 - The community engagement plan is being developed and will be shared at the October meeting.

Ross closed the meeting and thanked all the members for their participation at the meeting and in the future.