



FREQUENTLY ASKED QUESTIONS STORM WATER UTILITY – OAHU

General Questions

What is a “storm water utility”?

A storm water utility is a dedicated, fee-based method of funding storm water services and investments. The City and County of Honolulu (City) completed a study in 2020 on the potential formation of a storm water utility for Oahu to fund enhanced storm water programs and infrastructure maintenance to protect streams and nearshore waters.

Why, and by whom, is the storm water utility study being carried out?

In 2015, the Hawaii State Legislature passed [Senate Bill 1310 SD1](#), which was signed into law by the Governor, allowing the counties to establish storm water utilities. The City is considering options for a storm water utility and fee structure. The City Department of Facility Maintenance Storm Water Utility Feasibility Study looked at storm water management operations, options for a balanced and equitable fee structure and ways to enhance services.

Why is this an urgent issue?

Oahu is experiencing a range of water quality, flooding, aging infrastructure, and fresh water supply issues related to storm water management, climate change and sea level rise. At the same time, federal requirements under the U.S. Environmental Protection Agency’s (EPA) Clean Water Act are imposing increasingly stringent permit standards for storm water runoff management that the City must meet, or face very costly fines and penalties. The City also recognizes the need to take steps to strengthen and expand its storm water management services, and to work with property owners and developers to improve storm water management on private lands.

Why would the City establish a storm water utility?

The primary goal is to secure sufficient, predictable, long-term funding to enhance storm water management, both on land and within the storm drainage system and streams. Enhanced management will ensure compliance with federal and state storm water permit requirements and reduce the amount of pollution entering storm drains, streams, and the ocean. At present, the City lacks stable, year-to-year funding to address issues and to implement solutions that will lead to significant improvements.

What, specifically, must the City do to meet Federal EPA Clean Water Act standards?

Regulations under the Clean Water Act will require the City to ramp up its storm water operations significantly over the next three to ten years. Trained personnel are needed for outreach, inspection, and enforcement activities around Oahu, to address storm water compliance for auto repair shops, restaurants, and construction sites from large subdivisions to single-family home renovations. City personnel advise business owners, property owners, and contractors about pollution prevention permit requirements and follow up to ensure implementation. Storm drain system inspections and maintenance including street sweeping, catch basin cleaning, stream and drainage ditch clearing, and outfall (pipe)

inspections also must be expanded, and tracked comprehensively. This will require substantial investments but will benefit the community by providing more services to property owners and enabling more proactive maintenance of the storm drainage system.

Who would pay a storm water fee?

If adopted by the City Council, the storm water utility would charge a fee to all property owners to support the effective management of the City's storm water system. Property owners subject to the fee include federal and state agencies, as well as institutional property owners like hospitals, who do not pay real property taxes. Charging a storm water fee would ensure that everyone contributes to operating and maintaining the storm water system.

Don't we already pay for storm water services through our taxes?

Currently, the City's storm water management services are funded primarily by property taxpayers – the owners and renters who live in or own taxable properties such as apartment buildings, houses, condos, and commercial buildings. Non-taxable properties, including many federal and state facilities, and some non-profit organizations, do not pay real property taxes to the City. These entities do pay water and sewer charges based on how much water they use; however, under the current system they do not pay for City-provided storm water services. Changing to a storm water utility with a fee would ensure that everyone pays a fair share of the cost to maintain the system and keep our island's waters clean. In addition, storm water budgets would be predictable and reliable, allowing multi-year planning, because storm water programs would not have to compete with other demands on the General Fund.

Will a utility offer transparency into how funds are spent?

Yes. A dedicated special fund would be created through City Ordinance. All monies in the special fund would be restricted solely for storm water-related purposes and expenditures. Many storm water utilities provide an annual report on how funds were spent. Some utilities also have third-party audits of their special funds conducted on a regular basis. Furthermore, a citizens' advisory board could be created for providing further input and oversight on how these funds are allocated and spent.

How do citizens know the fees would support storm water services, and not be used for other purposes or projects?

Utility fees charged for a service, like storm water management, must be deposited in a dedicated, restricted special fund account which can only be used for a specific, legally designated purpose. The storm water enterprise fund would be audited separately from other City accounts. This is a significant advantage of using a fee-based utility to fund storm water services. In addition, by law, a storm water utility must demonstrate that the fee is closely related to the actual cost of service – which also can be audited periodically to ensure that fees reflect actual service costs.

Where can I view information on the current and projected budgets for the storm water program?

A *Storm Water Utility Rate and Financial Analysis* is available in the Technical Studies category on the [LEARN](#) page of this website.

What departments or agencies, besides the Department of Facility Maintenance, have a stake in the formation of a storm water utility?

Ten different City departments are involved in storm water management. These include the Department of Planning and Permitting, the Department of Parks and Recreation, the Department of Design and Construction, and the Department of Transportation Services, among others. The Honolulu Board of Water Supply, while an independent agency, also coordinates with the Department of Facility

Maintenance (DFM) on key issues related to storm water management and would be an ongoing partner in some storm water utility programs.

How much coordination will there be between Department of Facility Maintenance and other departments such as Department of Planning and Permitting?

There is already regular coordination occurring between the Department of Facility Maintenance and other departments in order to meet the National Pollutant Discharge Elimination System (NPDES) permit requirements. The Department of Facility Maintenance is the lead department on this effort. It is anticipated that forms and procedures will be developed to ensure coordination between Department of Facility Maintenance and Departments such as Planning and Permitting, Design and Construction and Transportation Services on storm water credit projects and compliance.

How would this change benefit Oahu? What do we get that we don't have today?

Changing to a storm water utility and storm water fee would yield many benefits for our local neighborhoods and waters. Today, storm water funding is allocated each year and is not predictable. As a result, the City is mostly responding to emergencies. Staff cannot get ahead of challenges such as preventing localized flooding, cleaning stream channels on a consistent basis, or fixing collapsed pipes. The City also has not been able to leverage grants and other funding mechanisms to pay for green infrastructure, watershed restoration, and community enhancements. With predictable funding through a dedicated fee, the City can undertake proactive maintenance, leverage grant funds and partnerships, and respond far more rapidly to citizens' needs and concerns.

Does the City have a detailed plan for addressing storm water issues and managing these funds?

The City has begun to develop a Storm Water Master Plan to guide future storm water work and better address issues such as polluted runoff and stream channel clearing. The Storm Water Master Plan will also look at opportunities for geographic reinvestment around all areas of the island.

Is this separate from the Ala Wai Canal project?

Yes. Storm water fees would not fund the Ala Wai Flood project's design or construction. Engineering and capital (construction) costs for the Ala Wai Flood project are the responsibility of the U.S. Army Corps of Engineers. In the future, if any Ala Wai flood control facilities are eventually built, the storm water utility will have some maintenance responsibilities for detention ponds and/or other permanent infrastructure associated with the project. These maintenance activities would be covered in part through a storm water fee, if and when a project is constructed.

When will a Storm Water Utility bill for an ordinance be written/made publicly available? When will it go before City Council for consideration?

The Department of Facility Maintenance will introduce a bill for an ordinance to establish a Storm Water Utility to City Council in early 2022. This bill will formally establish the utility and include the basis for charging the fee, procedures for appeals and enforcement, authorization for City departments to administer the fee, and credit and hardship provisions through which fees could be reduced for eligible customers. City Council would take a separate action to set the storm water rate. These actions will be considered by Council committees, just like any other bills for ordinances. Favorable action by the City Council would be followed by a process to formally establish the utility and begin operations as an enterprise fund, including the necessary administration, staffing, and billing systems.

Storm Water Runoff

What is storm water runoff? Where does it go?

Storm water runoff is water from rainfall that is not absorbed by the surfaces it falls on. Impervious surfaces such as streets, driveways, buildings, and parking lots do not allow infiltration of rain water. Even landscapes such as lawn grass, do not fully absorb rainwater and can create storm water runoff during heavy rainfall. Storm water runoff flows into ditches, roads, streams, and in developed areas, into catch basins or storm drains and pipes. Ultimately, all of Oahu's storm water runoff ends up in our streams and the ocean.

Why does storm water runoff cause pollution?

Storm water runoff flows over the ground and becomes contaminated with dirt, trash, oil, fertilizer, pet waste, and other pollutants. Both paved surfaces and lawn areas can carry pollutants and can contribute to increased erosion of channels and streams. They can also contribute sediment that clogs our drainage pipes, streams, and beaches. Paved surfaces will typically carry more contaminants from automobiles such as toxic metals and petroleum products, while landscaped areas may carry more pesticides, herbicides, fertilizers, yard debris and pet waste.

Lawns where fertilizers and other treatments are used cautiously may not produce polluted runoff, especially if soils and grass are in a healthy condition. Keeping paved surfaces swept and free from oil or other pollution, keeping vegetated areas in a healthy and un-compacted condition, and using treatments with care are all actions that help protect Oahu's waters.

Isn't the runoff that comes from my lanai/paved surfaces cleaner than the runoff that comes from yards that get treated with pesticides, herbicides, and fertilizers?

This is not necessarily the case. While storm water runoff and pollution are variable, even a "clean" impervious surface is likely to generate more runoff in terms of volume (i.e., gallons) than runoff from a lawn. As explained in previous question, runoff from both paved surfaces and lawn areas can carry pollutants and can contribute to increased erosion of channels and streams.

Isn't storm water treated, like sewage?

Storm water is not treated in the same way as wastewater from our sinks, showers, and toilets, which goes to sewage treatment plants or septic systems prior to discharge into the environment. Most storm water is directly conveyed by the storm water system and streams to the ocean without treatment. However, there are some private and public storm water management features, such as grassy swales and bioretention areas that help remove some pollutants before flowing into the storm water system or streams. More features will need to be implemented to meet regulatory standards – and to restore the quality of Oahu's waters.

Aren't private developers required to manage storm water on their properties? Why does the City and County of Honolulu need to be involved?

To meet federal requirements, the City and County of Honolulu has established storm water management requirements on new public and private development, as well as redevelopment projects. The City provides review and enforcement to ensure these systems are properly designed, built, and maintained.

As new subdivisions and housing developments are created, nearly all major public infrastructure (i.e., streets, sidewalks, storm drains, etc.) are dedicated to the City and County of Honolulu, making the City financially responsible for long term operations and maintenance. This is one of the reasons the City's Department of Facility Maintenance is pursuing a storm water utility and fee: to ensure sufficient

resources for ongoing maintenance of new and existing public infrastructure.

In addition, the Department of Facility Maintenance is beginning to develop a Storm Water Master Plan to guide future storm water management activities and priorities. Part of that plan will address retrofitting of City properties and roads that were built before storm water quality requirements were in place. Over time, the requirements that address storm water on private and public lands will help reduce flooding and provide better water quality.

What other actions has the City taken to reduce and prevent the amount of impervious cover from expanding with further development (especially for monster houses)?

The Storm Water Utility would not impose restrictions on the amount of impervious surface on properties. The City's Rules for Water Quality (ROH 20-3) require projects disturbing over 1 acre of area, and/or with certain land uses and impacts, to implement water quality management measures when sites are developed or redeveloped. Under a storm water utility, properties with more impervious area will have greater storm water fees charged as the fee structure is based on the square feet of impervious area.

Storm Water Fees

How would storm water fees be determined?

Storm water fees are based on a property's impervious cover – the buildings, driveways, parking lots, and other hard surfaces that create storm water runoff when it rains. Put simply, the more roof area and pavement on a property, the more storm water runoff the property generates- and the higher the storm water fee for that property. This ensures that all property owners pay their fair share of the cost of managing storm water runoff.

Do larger properties – like monster houses – pay more?

Yes. The storm water fees would be proportional to the amount of impervious cover. A property that has, for example, 2,000 square feet of impervious surface would pay twice the fee of a property that only has 1,000 square feet of impervious surface. A property with 20,000 square feet would pay ten times the fee of a property with 2,000 square feet. In all cases, fees could be reduced by credits for on-site capture and treatment of storm water.

For the wetter (windward) areas vs. the drier (leeward) areas of the island, is charging residents the same rate equitable? It seems like the areas that receive more rain would have a greater need for storm water management services.

The fee structure will apply equally across the island, for several reasons. First, the Department of Facility Maintenance completed a water quality volume analysis for several areas around the island and found that there is no significant difference in the percentage of storms that have 1 inch or less of precipitation in 24 hours, meaning that there is less difference in runoff patterns between the wet and dry sides than might be expected.

Second, the Department of Facility Maintenance needs to maintain the system island-wide to be prepared for the strong storm events that periodically occur. Even on the drier leeward side, sufficient drainage systems must be in place to handle these storm events.

Finally, a standard, island-wide fee structure helps to keep the costs of administration down.

Will multiple-dwelling unit properties be charged for the number of dwellings (e.g., greater share of the population) they house?

This is a question of the impact of a site's total impervious area versus the amount of pollution that different land uses produce. Buildings with multiple-dwelling units do not necessarily contribute more pollutants to the storm water system than individual residences. The amount of pollution that is generated on site can be affected by actions such as parking multiple vehicles, lawn or garden conditions, and kinds of materials stored outside. By contrast, the amount of storm water runoff generated by the roof of a multi-family building could be the same amount generated by an equal-sized roof of a single-family home or an auto shop.

Much like the issue of charging properties different fees based on whether the area they are located is prone to wetter or drier conditions, adjusting the fee for site conditions other than impervious area would add tremendous cost and uncertainty to the program.

Ensuring an equitable fee is one of the most important objectives for a storm water utility. Courts across the United States have upheld programs which use of the square feet of impervious surface to determine storm water fees as equitable. In order to charge for pollutant loading, a utility would need to collect accurate data on the amount of pollutants a property discharges—which can change from day to day. Nonetheless, the Department of Facility Maintenance is aware of communities that have imposed a surcharge or greater fee on intensive, high-rise development, and will look at options for achieving greater equity once a utility is in place.

How is impervious cover measured? Can I see how much is on my property and correct it if I believe it's wrong?

The City can measure the amount of impervious cover (walkways, rooftops, driveways, etc.) using aerial imagery from the U.S. National Oceanographic and Atmospheric Administration (NOAA). This imagery is overlaid with the parcel boundary map to identify impervious area for individual parcels. Several months before bills would be initiated, the City and County would send out a notice with its determination of impervious cover and the associated fee. At that time, each property owner would be able to appeal the determination of impervious cover before fees are due. Moving forward, property owners would be able to contact the Storm Water Utility to make corrections to billing information.

Will I be eligible for credits for managing storm water from my property? How do I obtain credits?

All properties will be eligible – and encouraged – to take steps to capture water on site or produce less storm water runoff to get a credit on the storm water fee. In addition to credits, which would reduce the amount of the fee, the City is considering potential rebate programs to assist with the cost of installing new measures to capture storm water on site. The City and Stakeholder Advisory Group are exploring many different options for credits and rebates that will provide all property owners with financial incentives to capture water, replenish our ground water supply, create green spaces, and reduce runoff. Credit activities for property owners may include actions like redirecting downspouts away from paved areas, installing a rain barrel, or adding a rain garden to your yard.

Credits cannot and will not be determined automatically by the Storm Water Utility. Credits would be granted through an application process that would entail documenting the practices being implemented on the property and demonstrating that maintenance is taking place. A property would need to reapply for a credit on a periodic basis (most likely every 3 years for residential property) to certify that facilities are maintained and in proper working order.

How will this fee apply to special circumstances on my property?

Fee reductions are under consideration to recognize special circumstances such as pier and post construction, raised decks, steeply sloped properties or properties on hills that might not have treatment

options or receive runoff from above. These will be worked out in 2022 as part of the proposed credit program.

I'm a renter or time share owner – I don't pay property taxes directly. How does this affect me?

In the other storm water utilities in the U.S., property owners usually allocate storm water fees among tenants or co-owners when the first bills are issued, or when leases are renegotiated. In the same way that the City does not dictate how water and sewer fees are charged for multi-tenant properties, the City will not dictate how storm water fees are charged or allocated to renters and lessees. There will be an opportunity to choose the preferred billing option well in advance of the first payment due date.

When would I get a storm water bill?

If the storm water utility is passed, City Department of Facility Maintenance and Department of Budget and Fiscal Services would begin to establish a billing system and notify property owners of their storm water fees. It is likely the first bills would be sent roughly 12-18 months after a City Council approval to establish a storm water utility.

I'm part of a condominium/homeowners association. How will our common areas and common property be assessed?

All developments with common-interest lands will be charged for the total amount of impervious area on the property, including all buildings and common facilities such as club houses, parking area, and private roads. Individual associations will have a choice to split up the storm water fee among property owners, or to have the association pay the fee. The City will work with associations or property managers to find the right solution for billing.

What share of runoff charges will property owners pay for the streets and highways?

The fee will not be assessed on impervious area from public roads because these roads provide public benefit and the associated drainage system is part of the storm water drainage system regulated by the federal permit. This exemption of public roads is consistent with what other utilities do across the country. Oahu drivers currently pay gas taxes to the state Highway Fund which help fund construction and maintenance of our roads and highways. A portion of the Highway Fund annually helps to support the management of storm water runoff on City and County roadways. The Storm Water Utility budget used to calculate the proposed fee assumes that Highway Fund support will continue at roughly the level that is provided today, supporting the ongoing cost of managing the storm water system specifically related to City roads.

I live in the country on a dirt road – no water runs off my property, and there are no storm drains in the street. Why should I pay this fee?

The storm water utility will support many activities that protect water quality and reduce flooding hazards in Oahu's rural neighborhoods. Storm water fees will support stream cleaning, beach mouth openings, erosion repairs, and watershed protection projects, including storm water management on streets throughout the island, which are beneficial to the Oahu community at large. The City's Department of Facility Maintenance and a Stakeholder Advisory Group (described below) are considering whether some credits will be given for rural properties that are not physically served by the separate storm water system. However, storm water fees also will support important and beneficial work in rural communities such as stream cleaning, and mauka conservation efforts that reduce "brown water" at beaches.

Will City, state, and federal agencies pay Storm Water Utility fees?

Yes, governments will pay their fair share of the fees. Both the United States Clean Water Act and federal courts have established that federal facilities must pay duly adopted local storm water utility fees. The

Cardin Amendment or Stormwater Amendment to the U.S. Clean Water Act, passed by Congress in 2010 and signed into law on January 4, 2011, was explicitly intended to ensure that federal facilities pay local storm water utility fees. The statutory reference is Section 313(a) of the Clean Water Act which you may access here: <https://www.law.cornell.edu/uscode/text/33/1323>.

State and City buildings likewise would pay applicable fees. Applying storm water utility fees to public buildings incentivizes government to make improvements to their storm water management practices and water quality in the same way that these facilities are eligible (and encouraged) to conserve water to reduce their water and sewer bills.

Won't some of these costs being charged to government entities be passed down to homeowners and businesses?

Yes, and it is also the case that today taxpayers are paying the full cost of managing runoff for all public facilities. For example, the real property taxpayers on Oahu are paying to maintain the storm drain systems serving our military facilities, which benefit the whole nation – so a utility fee would ensure that all U.S. taxpayers share this cost. Storm water fees have been found to be a more equitable and predictable way for all taxpayers *and* others who benefit from public services to share the costs of managing our public facilities.

Also, if government agencies are exempted from paying, the revenue will need to be made up by charging higher fees to other Oahu property owners.

Will Hawaiian Home Lands properties pay a fee?

Yes. All properties with impervious cover (buildings, driveways, etc.) will pay a storm water fee, including those on Hawaiian Home Lands.

Does the fee analysis factor in the use of credits?

Yes. The fee analysis factors in credits based on the experience and financial outcomes from storm water programs in peer cities that have had credit programs in place for many years and charge fees comparable to those that are being considered for Oahu. Based on that experience, a 5% reduction in total potential revenue is built into the program. In the project team's experience with other municipalities, the use of available credit opportunities has not resulted in more than a 5% revenue reduction.

Are storm water fees used elsewhere in the United States?

Yes! More than 2,000 storm water utilities across North America use this approach, and more and more communities are in the process of shifting to a fee-based utility. Courts across the U.S. have upheld the legality of charging fees for storm water services based on the amount of impervious cover per property.

Will there be an equal reduction in property taxes if this fee is adopted?

The project team is aware of a few local governments in other jurisdictions that have made the political decision when a fee was implemented to offset all or part of the revenue through property taxes, but this is not common. This would need to be brought to City Council when the fee is proposed. It should be known that Mayor Blangiardi, his administration, and the Department of Facility Maintenance, do not support any reduction in property taxes. In order for the Department of Facility Maintenance to run a right-sized program, the City will need to establish the utility as a new additional fee. Any reduction in property taxes would result in short-changing other important City programs and services.

Stakeholder Advisory Group

How are citizens' concerns being considered in this process?

The City Department of Facility Maintenance has convened a Stakeholder Advisory Group, which has been meeting at least quarterly since 2019, to provide input on issues and priorities to consider in the storm water utility study, and input on how to balance the diversity of needs, communities, and environments on Oahu. Stakeholder Advisory Group members represent neighborhoods throughout Oahu, and also represent many of Oahu's local organizations and interest groups focusing on environment, business, equity, and culture.

The City has conducted two rounds of outreach across Oahu to inform community members about the study and collect their input. The Department of Facility Maintenance continues to provide information and gather feedback at Neighborhood Board meetings and through presentations to business and community organizations.

What is the role of the Stakeholder Advisory Group in this process?

The City project team incorporated input from the Stakeholder Advisory Group input into the Storm Water Utility Feasibility Study, along with input from the broader community, other stakeholders, and other government agencies involved in storm water management and associated regulatory requirements. They have been instrumental in outlining the [core values](#) for the proposed storm water utility for Oahu.

The Stakeholder Advisory Group continues to meet and advise the Department of Facility Maintenance on the formation of a Storm Water Utility.

Will the Stakeholder Advisory Group decide how much the storm water fee will be?

The Stakeholder Advisory Group operates in an advisory capacity and does not have decision-making authority. However, its input has shaped proposed future storm water management program expenditures and storm water utility rate structure.

When can I participate as a private citizen?

In the spring of 2021 the City reached out to community members via presentations at Neighborhood Board meetings across the island. A second update at Neighborhood Board meetings is planned for fall 2021. Private citizens are also welcome to attend Stakeholder Advisory Group meetings and provide public comment. Agendas are posted to the website ahead of time at stormwaterutilityoahu.org/stakeholder-advisory-group/.

How are community, culture and equity being considered in the utility study process?

The Stakeholder Advisory Group has made enhancing and building up local communities, Hawaiian culture, and equity, core values of how a storm water utility will operate. Community input will be sought about the priority and distribution of activities and investments, especially green infrastructure, tree planting, watershed restoration, and stream cleaning.