

City and County of Honolulu
Storm Water - Wastewater Advisory Group Meeting #1

May 13, 2024, 4:15-6:30 pm

In-Person | Mayor's Conference Room, Honolulu Hale

ATTENDEES

SW-WW Advisory Group Members

Appleseed Policy Center (Arjuna Heim)
Building Owners & Managers Association (Melissa Pavlicek*)
Chamber of Commerce Hawai'i (Gwen Yamamoto Lau)
City Council District 1 – NB 24 (Philip Ganban)
City Council District 1 – NB 24 (Tiana Wilbur)
City Council District 6 – NB 16 (Simeon B. Rojas)
City Council District 6 – NB 16 (Leialoha Tumbaga)
City Council District 7 – NB 18 (Chandra Kanemaru)
Department of Hawaiian Home Lands (DHHL) (Cherie-Noelle Kaanana)
Hawaiiana (Jon McKenna)
Hawai'i Auto Dealers Association (Melissa Pavlicek*)
Hawai'i Community Foundation (Dana Okano)
Hawai'i Sea Grant College Program (Melanie Lander)
Honolulu Board of Water Supply (Barry Usagawa)
Kyo-Ya Hotels & Resorts (Harzali Hashim)
Roman Catholic Church Diocese of Honolulu (Frank Doyle)
University of Hawai'i (Sheri Ching)
Wastewater Alternatives and Innovations (WAI) (Stuart Coleman)
Waikiki Improvement Association (Rick Egged)
Waipahu High School (Dalen Calistro, Student Representative)

(*Melissa Pavlicek participates in the Storm Water-Wastewater Advisory Group as a concurrent representative of Building Owners & Managers Association and Hawai'i Auto Dealers Association).

City & County of Honolulu Staff

Gene Albano (Director and Chief Engineer, Department of Facility Maintenance (DFM))
Randall Wakumoto (Program Administrator, DFM, Storm Water Quality Division (SWQ))
Roger Babcock (Director and Chief Engineer, Department of Environmental Services (ENV))
Mike O'Keefe (Deputy Director, ENV)

Consultant Team

Joan Isaacson (Kearns & West)
David Ebersold (CDM Smith)
Cami Kloster (G70)
Evelyn Navas-Aron (G70)
Juli Beth (JB) Hinds (Birchline Planning, LLC)
Lauren Roth Venu (3Rwater, Inc.)
Ming Ding (AECOM)

Members of the Public:

Christin Reynolds (One World One Water)
Sherry Tenn (Waipahu High School Academy of Natural Resources)

1. Welcome and Agenda Overview

Mayor Rick Blangiardi and Managing Director Michael Formby welcomed Advisory Group members, thanked them for their service, and expressed their important role in the rate setting processes.

Joan Isaacson (Kearns & West), as meeting facilitator, welcomed attendees and reviewed the meeting agenda and guides for productive meetings.

See *slides 1 to 5* of the presentation materials provided at StormWaterUtilityOahu.org.

2. Public Comment

There were no public comments.

See *slides 6 and 7* of the presentation materials.

3. Roundtable Aloha

Attendees were asked to introduce themselves and share the name of the organization they are representing.

See *slide 7* of the presentation materials.

4. Purpose & Objective

Randall Wakumoto (DFM) asked attendees to review the updated Stakeholder Advisory Group Protocols document, which establishes the charge of the Storm Water-Wastewater (SW-WW) Advisory Group and provides an overview of logistics, meeting locations, collaborative principles and information as to how the Advisory Group was developed. The document was distributed via email.

Joan and David Ebersold (CDM Smith) reviewed the protocol document.

Role – The SW-WW Advisory Group’s role is to provide input and feedback on both the storm water and utility / fee discussion and the wastewater and sewer rates. The project team is counting on attendees to share the perspective of the organizations they represent and provide their individual knowledge and / or resources.

Purpose – The scope was expanded from its role advising on storm water management and a storm water utility, to now include discussion of wastewater rates. The purpose is to engage in collaborative discussion and receive input on matters such as the need for sewer rate increases and options regarding the increases. The advisory group process aims to develop a shared understanding of why rate increases are needed and where there is flexibility in those adjustments.

See *slides 8-11* of the presentation materials.

5. Storm Water Utility Updates

Joan shared there will be storm water updates but much less of an emphasis on the storm water program and finance during the upcoming monthly meetings. Much analysis was previously conducted, and the May 7 and May 10, 2024 orientation sessions were held to walk new members through the storm water rate information, technical information pertaining to cost of service and potential rates information that is already available.

Randall shared that an ordinance forming a storm water enterprise fund and establishing a storm water fee in the future is expected to be introduced in early 2025. An update will be shared prior to ordinance introduction with the community, including the Advisory Group, elected officials, and neighborhood boards. Update topics addressed during the 2024 meetings may involve the following, among other points:

- Development (which is in process) of a credit / rebate manual that would outline fee reduction options as well as the type of green infrastructure that would qualify and fit required parameters. The credit manual will address matters of equity, and guidelines for residents who may qualify for hardship-related credits or other fee reductions.
- Presenting various options for combining the sewer and storm water fees. This option will be discussed at a future SW-WW Advisory Group meeting.
- Work with other partners, such as Hawai'i Community Foundation, to address the high number of vacancies in the City's workforce, particularly for positions that are difficult to fill.
- Exploration of new grant opportunities. Because there is no dedicated funding for storm water today, when the City applies for funding, it is challenging to show the often-required matching funds. The City will continue to work with Congressional staff to secure federal funds for efforts such as green infrastructure demonstration projects, as well as continuing discussions around project implementation.

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.

- What are examples of green infrastructure?
 - o Randall responded that green infrastructure largely focuses on having rainwater absorbed into the ground instead of being treated in ponds or simply discharging to storm sewers or waterways. Green storm water infrastructure includes rain garden bioretention, biofiltration systems, replacing hard surfaces with more permeable materials, or redirecting storm water towards natural landscaping. As an example, a current pilot project in Kakaako along South Street will replace existing materials in bike lanes with permeable surfaces. The goal of the pilot project is then to receive feedback from the biking community on how well this works for their needs.
- Will the storm water rate be tied to wastewater discharge in the future? Additionally, will there be opportunities following Board of Water Supply's (BWS) system that permits installation of two meters to offset the costs?
 - o Randall responded that the storm water fee would be directly tied to the amount of impermeable surfaces and not the amount of water being used. When it rains, runoff is generated. The premise behind the storm water fee is that the more impervious surface there is, the larger the fee will be. Shopping centers, for example, will pay more than a property that has less impervious cover. This is also where credits and rebates will play a role in assisting with conversions of impervious surfaces to permeable surfaces or installation of green infrastructure.

- Is there an option for renters to take advantage of such credits and /or rebates to mitigate fees?
 - o Randall responded that a fee is typically charged to the property and the owner receives the bill. A renter could have an agreement with the property owner to qualify for credits.
 - o Juli Beth (JB) Hinds (Birchline Planning, LLC) responded that providing incentives to renters is one of the hardest challenges across the nation. Mālama Maunaloa is studying this issue and further information will be provided regarding this project in future SW-WW Advisory Group meetings.
 - Attendees expressed worry regarding condominiums and larger hotels that have substantial areas of impervious surface, which could affect future fees.
 - Joan acknowledged the concern and responded that further information on this topic will be provided in future SW-WW Advisory Group meetings.

See *slides 12-13* of the presentation materials.

6. ENV Overview

David launched a poll asking attendees “When you think of ENV, what words come to mind?” The poll’s resulting word cloud included: environment, wastewater, and environmental protection.

Dr. Roger Babcock, ENV Director, gave a comprehensive presentation about ENV, the history of the wastewater and sewer system, and required upgrades and improvement projects. He explained that ENV is responsible for sewage and solid waste management.

- *Why Waste Water and Storm Water?* Both systems are regulated under the Clean Water Act (CWA) and each has a National Pollutant Discharge Elimination System (NPDES) permit that governs its operations. Among the many efforts the City is currently engaging in, two (2) are particularly relevant to both:
 1. One Water: One Water involves the Honolulu Board of Water Supply and City departments that are involved in the City’s water management. A One Water Plan is being developed that looks at storm water, wastewater, rainfall, ocean, potable water and how these elements fit together.
 2. Integrated Planning: The US Environmental Protection Agency (US EPA) recognizes that storm water and wastewater are connected but that the responsible departments or agencies may not communicate or plan in a coordinated way. Integrated Planning examines efforts holistically and prioritizes projects that would be the most cost effective in terms of public and environmental health. Integrated Planning prioritizes projects that will make the most difference.
- *Honolulu’s Water Systems*. BWS is a semi-autonomous entity with its own enterprise fund, which has its own board (appointed by the Mayor). It operates independently from other City agencies. BWS bills for both drinking water, and for ENV-provided sewer services. Fees paid for sewer services are put into a separate enterprise fund which ENV then uses to provide sewer services. The sewer enterprise funds cannot be used for other services, and ENV does not use general funds for sewer services. Currently, storm water services are provided using a portion of the City’s highway fund, but primarily monies from the City’s general fund, which is comprised of funds collected from real property taxes. The goal for storm water is to create an enterprise fund specifically for storm water services, thus reducing the program’s dependence on the real property tax.

ENV Mission and Vision – ENV sustainably and equitably collects, treats, and recovers resources in society’s wastes. The agency’s mission is to protect public and environmental health by providing effective and efficient management of wastewater and refuse.

Responsibility for storm water management was moved from ENV to DFM in 2015. The main reason behind this reassignment was that DFM provides many storm water related services, such as stream cleaning and street sweeping, through its Division of Roadway Maintenance.

ENV Overview – Roger presented a map of ENV’s sewer services (see *slide 16* of the presentation materials). ENV manages nine (9) wastewater treatment plants, 71 pumping stations, and 2,100 miles of pipeline (gravity system), which serve 780,000 residents across the island of O’ahu. 96 million gallons per day (MGD) of wastewater are treated, which continues to decline largely due to progress on water conservation, and O’ahu’s relatively stable or declining population.

- A question was raised as to the total population served by ENV in comparison to the population of the island of O’ahu, which is larger. Further clarification was requested.
 - o Roger responded that the U.S. Military has different and separate treatment plants, which contributes to this discrepancy. Additionally, East Honolulu has a private treatment plant that serves part of Hawaii Kai. There are also approximately 10,000 on-site wastewater systems (including many cesspools) present on the island.
- Will there be a plan to extend sewer service into older developments?
 - o Roger responded that this is an important topic to be discussed in future SW-WW Advisory Group meetings. There are plans being made for “Sewer Improvement Districts” (SIDs). Certain SIDs led by ENV are being considered, while other areas will have to perform upgrades on their own.
- When most people think of cesspools, they associate them with the country. Will cesspools in the urban core be removed?
 - o Roger responded that this topic is being addressed in improvement districts across the island; more information will be shared in future SW-WW Advisory Group meetings. Less than half of the population that is currently without sewer service will have a sewer system added to their area.

Wastewater Treatment Plants and Outfalls – Roger shared a map showing the locations of the nine (9) wastewater treatment plants on O’ahu (see *slide 17* of the presentation materials). Through a collaboration with BWS, half of the wastewater from the Honouliuli Wastewater Treatment Plant is recycled for reuse and half is released through an ocean outfall.

Roger further noted that many people reside far away from treatment plants. Those areas tend to be less densely populated and are unlikely to receive sewer service.

ENV Organization – ENV’s Divisions have chiefs and assistant chiefs, who run their own budgets. The Wastewater Enterprise Fund funds five (5) wastewater-related divisions under ENV. The ENV Refuse Division is funded through the City’s general fund. City departments pay for their own refuse and sewer services; for example, the Refuse Division pays a sewer bill and ENV wastewater pays a refuse bill.

Wastewater Customer Accounts – The wastewater accounts are both residential and non-residential. Residential includes single-family, multi-family and mixed residential. Non-residential includes commercial and industrial properties.

Residential Wastewater Customer Accounts The residential category has 140,584 accounts, which represent 68 percent of total annual revenue. Large difference between the percentage of accounts and percentage of total annual revenue is explained by looking at the number of Equivalent Single-Family Dwelling Units (ESDUs). An ESDU is a capacity equivalent unit corresponding to an average wastewater flow of a typical single-family home. As an example, multi-family residential is only 4% of the total residential accounts but accounts for 23% of the revenue because a single account may have many ESDUs. The number of ESDUs is also the basis for the monthly fixed charge. Non-residential uses also can be described in total ESDUs, based on sewer flows. For non-residential customers, ENV studied a two (2) year period of wastewater flows and divided the results by 9,000 gallons, which is the average residential consumption. The non-residential category represents 32 percent of total annual revenue.

There is an irrigation credit for all sewer accounts. It is based on the assumption that 20 percent of water use is for irrigation and does not go into the sewer system to be treated. If more than 20 percent of water use is for irrigation, customers can pay to have an irrigation meter installed and not receive a sewer bill for the irrigation water usage.

Roger explained that there are more users than there are accounts. Mixed residential accounts are a combination of single-family and multi-family dwellings. Mixed users represents residential and business usage. The rate is based on how much water is being used. For multi-family dwellings, the bill is typically sent to the homeowners association which then distributes those costs to residents via either rents, or maintenance/association fees.

Non-Residential Wastewater Customer Accounts – Roger noted that “non-residential” refers to commercial, hotels (of which there are 224, with 20,000 ESDUs), industrial, military, state, city (including the University of Hawai‘i, which is the second highest user on the island), agricultural, and religious sectors, among others.

- Where do private schools fall in these calculations?
 - o Roger responded that he did not have that information available but would investigate and will provide an update at the next meeting.

Fiscal Year 2022 Sewer Service Charges of the Ten Largest Non-Residential ENV Customers – The customer representing the largest usage on O‘ahu is the Department of Transportation’s Airport Division, followed by the University of Hawai‘i.

Fiscal Year 2024 Revenue – Roger provided a breakdown on how the wastewater fee works. The fixed charge is \$77.55 per EDSU per month. This cost is charged for each ESDU. Volumetric water usage is then charged at a cost of \$4.63 per 1,000 gallons, minus a 20% irrigation factor.

SEWER SERVICE CHARGES	
RESIDENTIAL	July 1, 2016 Rate
USERS SERVED BY CITY WATER SYSTEM:	
Single Family/Duplex MONTHLY Charge:	
Base Charge per unit	\$ 77.55
Volume Charge per 1,000 gallons (reduce by 20% irrigation factor)	\$ 4.63
Multiple Unit MONTHLY Charge:	
Base Charge per unit	\$ 53.32
Volume Charge per 1,000 gallons (reduce by 20% irrigation factor)	\$ 4.63
USERS NOT SERVED BY CITY WATER SYSTEM:	
Single Family/Duplex MONTHLY Charge	\$110.89
Multiple Unit MONTHLY Charge	\$ 86.65

- Will a storm water fee become part of the wastewater fee?
 - o Roger responded there are many options to be considered for the storm water fee. Storm water fees could be either a fixed “flat rate,” or variable based on impervious surface area. The average single-family dwelling pays approximately \$110.89 per month for wastewater service under the current rate. In comparison, BWS uses a mostly volumetric calculation with a lower fixed charge. Future SW-WW Advisory Group meetings will discuss how much of a future wastewater fee should be variable versus fixed.

Fiscal Year 2024 Expenses – Cost of service (e.g. equipment, fuel, wages, benefits, etc.) is included in ENV’s total calculated expenses for fiscal year 2024 (FY24). Total debt service represents 51 percent of ENV’s total expenses. ENV issues bonds and builds projects with revenue bond income; ENV then pays principal and interest over time on the amount raised through the bond. The agency currently has approximately \$2 billion of outstanding debt.

Fiscal Year 2024 Balance – The amount of carryover for FY24, which would then be available for use in future years, is approximately \$64 million. This represents a budgeted number; expenses are less. This money accrues to create a cash reserve that can mean lower rate increases in future years than otherwise would be required.

Current Challenges – Some of the current challenges ENV faces include:

- New Regulations – Both known and unknown in terms of cost implications.
- Consent Decree Implementation - A Consent Decree directly related to sewer was finalized in 2010 and has a 25-year implementation period. A Consent Decree is a judgment in federal court which is essentially a settlement that states a certain number of actions must be taken by a specific deadline. The Consent Decree has specific financial implications.
- Climate Change and Sea Level Rise - Treatment plants and wastewater plants are located by the coast and collection takes place underground. This affects the future needs and planning for ENV.
- Aging Infrastructure - With sewer systems, it is difficult to see what is happening underground and how to address any potential issues. O’ahu has a vast, aging sewer system that needs constant replacement and upgrading.
- Workforce Shortages - ENV is experiencing a 30 percent vacancy rate in its staff (380 vacant positions out of 1,200). Currently, the workforce is running with 70 percent staffing and doing 100 percent of the department’s work.

- Cesspool conversions.

Each of the above challenges affect existing and future rates, as well as the work that needs to be done in the future.

Regulatory Responsibilities – ENV Wastewater has responsibilities under: 1) the Clean Water Act, and more specifically compliance with its NPDES permits, which includes current rules as to the protection of surface water by regulating storm water and wastewater, 2) the Safe Drinking Water Act, which protects drinking water as related to treated wastewater effluent that is disposed via injection wells, and 3) the Clean Air Act, which protects and regulates air quality from treatment plants emissions, like odors and chemicals.

Under delegated authority from the US Environmental Protection Agency, the State of Hawai'i's Department of Health issues NPDES permits, which last five (5) years. Permits continue to get stricter, and there are always new requirements that must be met.

- Who regulates the City and County of Honolulu?
 - o Roger responded that the State's Department of Health is the regulatory branch with delegated authority from the US Environmental Protection Agency to issue NPDES permits in Hawai'i. The US Environmental Protection Agency also enforces on its own but for the most part, relies on the State's Department of Health to ensure regulations are being met. There are instances when the US Environmental Protection Agency and Department of Health enforce rules simultaneously.
- Will injection wells be permitted under the Clean Water Act in the future?
 - o Roger confirmed injections wells will need to be permitted under the Clean Water Act. Currently, West Maui's treatment plants have injection wells, and the Supreme Court ruled that the discharge of treated wastewater via injection wells does require an NPDES permit. The Court found that if it can be shown that an activity or infrastructure has a direct connection or impact to water sources, the activity should be regulated under the NPDES program.

System-wide PFAS Sampling Study Beginning in Fiscal Year 2024 - PFAS, or Per- and Polyfluoroalkyl substances, are also referred to as forever chemicals. All wastewater has PFAS. Unless there is source control, PFAS will be present. PFAS is found in effluent discharges, water reuse, and biosolids.

- How are biosolids used on O'ahu?
 - o Roger responded the biosolids are converted into fertilizer pellets which are used at golf courses and in agriculture. The La'ie wastewater treatment plant makes compost from their biosolids.
- What does PFAS stand for?
 - o Rogers responded that PFAS stands for Per- and Polyfluoroalkyl substances. These substances never break down and many cause cancer. There are new federal PFAS regulations for drinking water.

Consent Decree Phase I – Collection Systems – The Consent Decree was entered into in 2010, and there are three (3) phases. Phase I affects collection systems, which includes prevention programs, repair and replacement of gravity sewers, force main condition assessments, development of spill contingency plans, and force main spill contingency plans. This phase has been completed.

Consent Decree Phase II – Honouliuli WWTP – Under Phase II, the Honouliuli Wastewater Treatment Plant's (Honouliuli WWTP) revitalization was completed – in fact the ribbon cutting was in April 2024. Upgrades included secondary treatment, solids processing, energy storage, lab facilities, maintenance facility, and a refuse convenience center. The Honouliuli WWTP is located in 'Ewa.

Consent Decree Phase III – Sand Island WWTP – Phase III includes secondary treatment upgrades to the Sand Island Wastewater Treatment Plant (Sand Island WWTP), which have been split into two (2) phases. Phase I, which allows processing of 20 million gallons per day (mgd), is underway and is approximately 50 percent complete. Phase II will allow processing of an additional 70 mgd. The organic waste sustainability plan aims to reduce greenhouse gas emissions.

- Are the capacity processing increases being done in response to construction and development in Kakaako?
 - o No. Roger responded the upgrades are being done to meet a processing goal of 90 mgd.
- Who pays for new infrastructure and improvements?
 - o Roger responded there is a wastewater facility charge which partly pays for the system. The City does not generally build 'new systems.' Newer developments build their own systems, which are then turned over to the City.

Capital Improvement Program (CIP) 2025-2040 Estimated at \$11.3 billion – The capital improvement program, or CIP, covers the infrastructure ENV builds, such as treatment plants. There are three (3) different classes of CIP projects, which are:

- Replacement and Rehabilitation – serving existing development.
- System Expansion – Improvements made to accommodate new and / or future growth.
- System Upgrade – Improvements made to enhance the service level standard.

2025-2040 CIP Cost Estimates by Project Type – The cost estimate for projects presented (see slide 39 of the presentation materials) totals \$11.3 billion. The goal of realizing all the various projects in this CIP cannot be achieved without a rate increase.

2025-2040 CIP Expected Funding Sources – ENV uses cash for funding, but it also relies on a large amount of bond proceeds. State Revolving Fund (SRF) loans are also used but reflect a very small amount in the agency's budget.

- Will existing bond maturity rates be shown in a future line on the same graph presented on the slide?
 - o Roger responded that these rates will be incorporated into the funding sources slide and will be discussed during a later Stakeholder Advisory Group meeting.
- Why does the City not access more State Revolving Fund (SRF) Loans?
 - o Roger explained that the amount of SRF loans varies from year to year and a base level is shown in the slides to not overstate the amount that might be received.

Climate Change Preparation – Protecting structures from storm surge and sea level rise is a priority. This includes assessing infrastructure of the nine (9) wastewater treatment plants on O'ahu, as well as

assessing upcoming vulnerability for pump stations. Prepping through CIP projects includes investigating and rehabilitating sewer infrastructure along coastlines.

See *slides 14-42* of the presentation materials.

7. Introduction to Rate Setting Process

David Ebersold introduced the rate setting process.

3 Main Steps of Rate Setting Process – There are three (3) main steps of the rate setting process: 1) determine revenue requirements; 2) allocate costs to customer types (fixed costs, flow related costs, extra costs); and 3) consider community goals (including matters of affordability and equity).

Storm Water-Wastewater Advisory Group (SW-WAG) Roadmap – The first SW-WW Advisory Group meeting was meant to provide stakeholders with an overview of ENV and introduce them to ENV's current rates. At the next meeting in June, the SW-WAG will look at rate structure attributes (i.e., revenue to cover costs) and discuss ENV's revenue requirements. In July, the Advisory Group will discuss the rate structure itself (fixed vs. variable) and begin discussions of potential affordability programs. August's meeting will incorporate previous meetings' feedback and couple this information with rate modeling results, as well as provide sample bills as examples of what the rates might look like. During this meeting, a draft rate proposal will be introduced, and time will be allocated to address additional questions and work on refinements for further evaluation. September's meeting will present results of additional modeling, a draft rate proposal with affordability assistance, and seek stakeholder rate recommendations.

The desire is to have new rates in place by July 2025. To do so, the proposed rates need to make it through City Council's approval by the end of the 2024 calendar year.

- Will kūpuna and low-income residents' rates be incorporated into the proposal's considerations?
 - o Yes. David responded that this concern can be further analyzed during the June meeting's rate structure attributes discussion. Feedback from Advisory Group Stakeholders that would like to contribute to this topic is welcomed.
- Many streets in Waianae are not currently serviced because there is pushback on who will receive capital investments. How will the region benefit from the new storm water fees if there are no sidewalks and no storm water infrastructure on most if not all streets? Can this issue be incorporated in the planning for future rates? If the conversation focuses on benefits and services, there is a large gap when we talk about these regions.
 - o David responded that this will be an important point of discussion in future SW-WW Advisory Group meetings.
- A request was made to provide calendar invitations for upcoming advisory group meetings.
 - o Randall will send out email calendar invitations for future meetings.
- Is the City trying to raise the rate from existing infrastructure and their users and, if so, how will this affect Waianae?
 - o David responded that if there are properties in Waianae that are tied to sewer treatment facilities and /or services [and they are not part of a special improvement district] those properties will pay for the increased sewer fee.

- Where will financial policies fit into all of this?
 - o David responded that debt-service coverage ratios are established by bond covenants and there hasn't been much discussion of changing this.
- Will an affordability program be included?
 - o David responded that an affordability program is being considered and will be considered by the Advisory Group.

See *slides 43-46* of the presentation materials.

8. ENV Current Rates

ENV Current Rates - Residential – The current sewer bills are based on water usage, with that data provided by BWS. Charges are the same for single-family and duplex dwellings but are adjusted for multi-family dwellings. Multi-family dwellings tend to use less water than single-family dwellings. For customers who do not receive water service from the Board of Water Supply, and therefore for whom water usage data is not available, a flat fee is charged for sewer services.

ENV Current Rate Monthly Bill Example – The bill is based on a single-family dwelling's average 9,000-gallon per month water consumption. David presented a breakdown of the cost.

ENV Current Rates – Non-Residential – If water consumption is metered, then the fee is calculated on a base charge per ESDU (fixed rate). If wastewater is metered it would be the same calculation but based on metered sewer discharge rather than water usage.

Extra-strength wastewater charge refers to an additional charge levied on facilities such as breweries and food processing plants whose effluent has high levels of measured suspended solids.

History of ENV Rate Increases by Fiscal Year – An increase has not taken place since 2017.

- Why was there such a large rate increase in 2006?
 - o David responded that the 2006 rate increase was likely in anticipation of the Consent Decree's implementation, which took years to negotiate. The average annual increase for the 2004-2024 period has been 7 percent per year.

See *slides 47-51* of the presentation materials.

9. ENV Updates

Roger shared that there have been no rate increases for a number of years, but ENV's current expenses will require an increase in rates.

ENV has never formed an Advisory Group. While there are many different ways to obtain the revenue needed for future projects, the purpose of this Advisory Group is to provide input on topics such as: Should the rate be fixed or variable? Should ENV follow Board of Water Supply's structure? What would the Advisory Group like to see? Who should receive customer assistance programs? Credits are also options. These are the conversations that will continue in future meetings.

See *slides 52-53* of the presentation materials.

10. What Did You Learn About ENV Today?

Attendees shared a few things they learned during the meeting:

- Cost of all Consent Decrees.
- Rates, especially what they mean for renters. The information is new since it is not as clearly delineated as it is for property owners.
- Seven (7) years without a rate increase but costs have increased nonetheless. An inflation rate should be incorporated.
- Variable sewer rate is lower than the potable water rate.
- Interest in discussing how water conservation practices can fit in this conversation.
- Chart of mandated vs. unmandated expenses. If unmandated items are not funded, it is possible to be exposed to further lawsuits. Continuing to remain proactive.
- Rather than disposing of wastewater in injection wells, could aqua culture use this in a minimal amount with an easier permit? There is a potential for sustainability.
- Reusing treated wastewater. Can we have more reservoirs and other ways to use this treated water? Could it be used on golf courses? West O'ahu is already making use of treated wastewater, could East O'ahu do the same?

11. Wrap Up

The next SW-WW Advisory Group meeting will be held on Monday, June 24, 2024 at the Mayor's Conference Room, Honolulu Hale.

See *slides 54-56* of the presentation materials.

The meeting ended at 6:30 PM.