



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

August 2, 2021, 4:00-6:30 pm

Conducted Virtually

ATTENDEES

AARP (Craig Gima & Jackie Boland for Kealii Lopez)
Board of Water Supply (Barry Usagawa)
Hawaii Reserves, Inc. (Jeffrey Tyau)
'Iolani School (Jaron Kawamura)
NAIOP (Darlan Chun)
Neighborhood Board #4 (Sharon Schneider)
Neighborhood Board #25 (Bernie Marcos)
Neighborhood Board #31 (Levani Lipton)
Oahu Resource Conservation and Development Council (Hannah Hubanks)
Roman Catholic Archdiocese of Hawaii (Frank Doyle)
Wai'anae Mountains Watershed Partnership (Yumi Miyata)

Public Agency Staff

Randall Wakumoto (City and County of Honolulu Department of Facility Maintenance (DFM))
Roger Babcock (City and County of Honolulu DFM)
Michael Formby, Managing Director for the Mayor's Office
Dawn Szewczyk (City and County of Honolulu DFM)
Matt Gonser (City and County of Honolulu Office of Climate Change, Sustainability and Resiliency)
Brandi Higa (City and County of Honolulu, Information Specialist, Mayor's Communication Office)

Consultant Team

Juli Beth (JB) Hinds (Birchline Planning LLC)
Joan Isaacson (Kearns & West)
Jack Hughes (Kearns & West)
Laurens van der Tak (Jacobs)
Ming Ding (AECOM)
Cami Kloster (G70)
Janice Jensen (G70)
Jessica Chiam (AECOM)
Ming Ding (AECOM)
Minghua Luo

Members of the Public

Christin Reynolds, One World Water
Lauren Roth Venu, 3Rwater
Cmaslan



1. Welcome and Agenda Overview

Joan Isaacson (Kearns & West) welcomed everyone, provided orientation of the agenda, and reviewed slides 1 to 6 of the presentation materials provided at <https://www.stormwaterutilityoahu.org/>.

2. Public Comment (see additional information at the bottom of this agenda)

There were no public comments. See slides 7 and 8 of the presentation materials.

3. Mayor's Directive

Department of Facility Maintenance Director, Roger Babcock, introduced Michael Formby, City and County of Honolulu Managing Director. See slide 9 of the presentation materials.

The Managing Director stated that the Mayor and the Managing Director are highly supportive of establishing a Storm Water Utility. They have talked a lot about this effort and know there needs to be a plan to fund the storm water program sustainably. Storm water management programs support sustainability, resiliency, and climate change – and are reinforced by the *One Water* coordination of City initiatives. The Managing Director expressed great appreciation for the Stakeholder Advisory Group's work.

In terms of fiscal status, the current administration inherited the budget and the associated deficit. The Mayor and Managing Director have reviewed the Storm Water Utility Feasibility Study Summary Report that the Stakeholder Advisory Group helped produce and know that the group carefully considered the issue of revenue neutrality, with many members explicitly advocating for a revenue-neutral approach to adoption. The Mayor and Managing Director had not taken a formal position on this. They need to look at the overall budget and figure out how to maintain a sufficient level of service for all citizens. Costs are going up across the board and revenue has been lost due to the loss of Transient Accommodations Tax (TAT) and other revenues because of COVID (down \$45 million). Some additional monies are available through American Rescue and Recovery Plan (ARRP) funds; however, these funds have not yet been allocated and may not make up for revenue lost in 2020.

The Mayor and Managing Director are working with City Council and with other programs to help fund the core service needs. For example, federal funds are essential to good storm water management. An agreement was signed recently with the US Army Corps of Engineers for the Waiale Stream project, and the City will need to provide local matching funds. The City also signed on to support the \$3M Ala Wai Canal reevaluation study, as the project budget had doubled from the original. In concert with the US Army Corps of Engineers, the City is working on a communication plan for 4th quarter of this year. The City needs to see what it can afford in terms of upfront costs and maintenance.

A key to all these efforts is working with City Council, as they will have to adopt the measures. Sam Moku, the Mayor's chief of staff, is working closely with City Council as well as with Roger Babcock and the Stakeholder Advisory Group.



4. Update on City Council Consideration of Storm Water Utility Adoption

a. Anticipated timeline

Randall Wakumoto (City Department of Facility Maintenance Storm Water Quality Division Program Administrator) shared that there has been a change in the timeline for introducing the two bills for an ordinance to the City Council. See slides 11-12 of the presentation materials.

The Department of Facility Maintenance was planning to introduce two bills in two separate phases. The first bill, for the creation of a storm water special fund, was drafted and scheduled for a hearing earlier this year; however, Council was hesitant to address the first bill without more information on the credits, hardship policies, and rates for the storm water utility that were planned for inclusion in the second bill that would establish the utility. Those policies are still being drafted and vetted. The Department of Facility Maintenance has decided to wait on the first bill and introduce it at the same time as the second bill, in the first half of 2022. In doing so, City Council and the public can see the entire package, and the Department of Facility Maintenance will be better prepared to answer questions.

The project team will be going back out to the communities to present this information on the Storm Water Strategic Plan, which is projected to be finalized towards the end of this year. The Storm Water Utility bills are expected to pass around the middle of 2022, to be followed by the implementation phase with impervious cover determinations and subsequently storm water utility billing statements in 2023. This is still in line with the original timeframe for introducing the final bill for an ordinance to City Council in 2022, with assessment notifications going out as early as beginning of 2023 and bills roughly mid to late 2023.

b. Upcoming community outreach

Cami Kloster (G70) explained that community outreach for the Storm Water Utility will take place in the fall of 2021 beginning with another round of outreach to Neighborhood Boards. The Neighborhood Boards expressed appreciation for the information provided in the last round of outreach. Outreach plans also include drafting and sending out press releases to continue obtaining media coverage. Social media will also continue to be utilized. Presentations to organizations will continue to be given and information will be provided to partner organizations to send out to their constituents. See slides 13-14 of the presentation.

Joan stated the importance of providing information to Stakeholder Advisory Group members ahead of time to get their feedback before presenting it to the public. The Storm Water Utility project team will continue to make sure that happens.

c. Stakeholder Advisory Group discussion

Mayor & Council Chair Positions

This update was covered under the Mayor's Directive at the beginning of the meeting.



Billing Approach

Laurens van der Tak (Jacobs) provided updates on the potential billing approaches under discussion and noted that no decisions have been made. See slides 16-20 of the presentation.

Storm water fees are typically included either on a property tax bill or a water bill, or less frequently, are sent out as a “stand-alone” bill. An essential part of the utility implementation process is deciding whether to send the bill to property owners, or to current occupants. This decision would affect which software program and database is utilized. If the bill is sent to property owners, there is a greater incentive to use the available credit opportunities since typically, only owners would be authorized to modify a property to implement storm water management. Regardless of which approach is used, some properties do not currently receive any City bills and will need to be added to the database. This is the case for both use of property tax bills (since many properties are tax-exempt) and water/sewer bills (i.e., those without public water, sewer, or both).

Few storm water utilities in the US use standalone bills as their billing mechanism (~4%). An informal survey showed that utilities using this method collect ~60-90% of the total amount billed, with most utilities that use water or property tax bills collecting between 75-80% of the total amount billed at startup. Thus, standalone bills may produce collection rate issues. The Storm Water Utility study assumed that collection rates would be about 95%, and this is a potential concern as the collection rates would likely be much lower with a stand-alone bill. The survey also provided several lessons learned about enforcement, electronic payments (which are encouraged as these greatly increase collection), the use and processing of checks for payments (discouraged due to the cost to the City), and the annual costs for billing after startup.

Q&A/Discussion

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- Sending the bills to owners seems like a great choice. I agree it will likely provide greater incentive to any infrastructure changes than if given to tenants.

Hardship Provisions and Credits

Juli Beth (JB) Hinds (Birchline Planning) reviewed the Feasibility Study recommendations for exemptions, credits, and hardship relief provisions. See slides 21-24 of the presentation materials.

Exemptions, as noted in prior meetings, should remain as limited as possible. The City is trying to work with state agencies such as Department of Transportation-Harbors and Department of Transportation -Airports regarding their concerns and the opportunities to receive credits. Credits would, as noted in many prior meetings, be available to all property owners and are proposed to be capped at 60% of the total fee for a property.

The project team would like feedback from the Stakeholder Advisory Group on the recommendations for hardship relief, i.e., charging a fee based on the rate payer’s ability to pay.



The current budget proposal would fix the fee at the Tier 1 cost for residential accounts qualifying for Low Income Energy Assistance Program (LIHEAP). It has been proposed that the City also look at the combined water utility costs, including water and sewer fees, as this may exceed the Environmental Protection Agency (EPA) recommendation to cap the charges at 4% of income. JB provided the examples of Seattle, WA and Burlington, VT for additional, different approaches. Seattle is using the 4% of income metric to limit total costs to property owners. The Burlington, VT program, done on a case-by-case basis, addresses “property-rich, cash-poor” situations similar to those of some property owners in Hawaii. The hardship provision recommendations also include a cap for bills going to nonprofit organizations. Hardship relief programs typically require an annual review and verification.

Q&A/Discussion

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- The City has a property tax exemption for those aged 65 and over. Could we leverage that exemption? Maybe some of these things already apply.
 - o This could be a good idea. However, there is also some desire to have some means of testing so that the criteria are not quite so broad. If rate adjustments are simply based on the age of the householder, there could be equity and revenue concerns.
- AARP Hawaii would find hardship provisions to be very important.
- One might make a variety of improvements to their property—how are we going to address all the possible improvements? Will there be a way for the property owner to be paid back over time for the cost of the improvement?
 - o The desire is for any type of credits the City offers to be accessible and as easy as possible to apply for and receive, especially for residential properties. Under way is the development of an application that identifies the best type of green infrastructure for your property and determines what kind of credit(s) you would qualify. There is also the desire to create opportunities for small grants to homeowners or properties that want to install certain types of green storm water infrastructure and take advantage of these credits but have financial challenges or constraints.
- LIHEAP seems like a good criterion to base hardship decisions on, but we may want to examine the individual criteria (to determine whether it is adequate), i.e., for older homeowners and their assets.
 - o LIHEAP is an income-based program and does not consider other criteria. To qualify for the program in Burlington, Vermont, successful applicants may only own one property and all sources of household income (i.e., other family members residing with the senior property owner) are reviewed. However, the program does not consider the value of that property, as that creates more complications and does not readily translate to income.



Progress on State Exemptions

Laurens provided an overview of progress on state exemptions and recommendations from the Water Environment Federation (WEF) webinar held on July 15. See slides 25-27 of the presentation materials.

The Storm Water Feasibility Study recommends exemption only for public and quasi-public roads, and for those parcels with less than 300 square feet of impervious area. House Bill 1060 proposed exempting all State properties and was later amended to apply only to properties of the Department of Transportation Harbors and Airports Divisions. The bill was not brought to a vote last session. However, the legislation prompted the Hawaii Water and Environment Association to schedule a webinar with WEF to learn more about the effects of state exemptions.

WEF webinar participants shared that credits are the most common approach to reducing fees for airports as well as to incentivize changes. Some states do exempt taxpayer-funded runways and taxiways (but airports must be publicly owned). The webinar emphasized that negotiations between the agencies are key, and attention should be paid to the actions the entity is taking to manage their storm water. Cooperative discussions can reveal creative ways to address storm water concerns and reduce fees.

Q&A/Discussion

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- Where do we stand on HB 1060?
 - o Roger explained that the bill was originally introduced to exempt the state completely, but it did not receive a hearing. Many environmental groups and others, including Stakeholder Advisory Group members, testified against it at the hearing and the state proposed an amendment to exempt only harbors and airports, but bill was not heard again —essentially the bill died. It is likely to appear again next year in some form and if that happens, testimony from the Stakeholder Advisory Group and others will be needed again.
- If the state passes a bill exempting itself, then there's no more discussion?
 - o That is correct.
- If that happened and the state decided not to participate or to exempt itself, could they be held responsible? What about the federal government?
 - o There is federal legislation requiring the federal government to pay any duly adopted storm water utility fees, but they would also be eligible for credits. The State does have some NPDES permits and storm water obligations in place now for its facilities, but typically these permits focus on industrial pollutants and do not look at the wider range of issues pertaining to quantity and quality. The State would still be responsible for their permit requirements, but they would not be contributing to these other aspects of storm water stewardship.



- If the State were to exempt itself, the City would need to increase the fee for everyone else by about 7% to make up the difference.
- For the above reasons, the City is hoping to have these kinds of discussions with the State and particularly, with State Department of Transportation Harbors and Airports Division. These division see themselves as being the receiver of all the runoff because their facilities are located near the ocean, and they have industrial NPDES permits. In some cases (i.e., airports) green storm water infrastructure is not encouraged because wetland environments can encourage birds which are a danger to flight safety. The fee would still be applied to the airport parking structures, even if it did not apply to the runways, and these areas could also take advantage of opportunities to install green storm water infrastructure. The City wants them to be part of that conversation, and Harbors in particular is open to this. The WEF webinar emphasized that these discussions and negotiations are important.

Fee Impacts & Revenue Considerations

JB described several efforts are underway regarding the Storm Water Utility budget. See slides 28-29 of the presentation.

One is identifying if some prior storm water debt would be included, and how the first 3 years of capital improvements should be funded (i.e., with general obligation bonds). The capital projects for years 4-6 are still being refined. A new storm water utility program takes about 3 years of revenue to prepare for funding long-term infrastructure improvements which are necessary to avoid future failures. It is not known yet how this information will affect the fee.

5. Storm water Master Plan & Strategic Plan Updates, Including Recent Community Engagement

Cami provided an update on community outreach efforts related to the development of the Storm Water Strategic Plan. See slides 30 to 51 of the presentation materials.

a. Storm Water Planning Outreach Efforts

Announcements for Storm Water Planning community meetings were made via several channels including an e-newsletter to City contacts, a Star Advertiser email blast, a Spectrum commercial, and social media through targeted Facebook ads. During presentations given to Neighborhood Boards to update them on the progress of the Storm Water Utility, a prompt to attend the community meetings was also included. The meetings also received some media coverage from a press release.

Many people registered to attend a meeting, and the rate of actual meeting attendance was about 50% of sign-ups.

Two types of surveys were offered during the meetings to gather community input: a map survey and a more traditional survey. These surveys were also publicly available on the website for those who did not attend a meeting. To obtain more survey input, particularly from areas with low meeting attendance, another round of outreach was conducted from May-July. This round utilized social media (targeted Facebook ads), ads in Midweek and the North Shore News,



a press release to garner media coverage, and emails to City contacts and City staff. Hardcopies of the survey and supplemental materials were also offered upon request. A total of 459 responses were received.

b. Strategic Plan

Cami shared the outline for the Strategic Plan and provided context as to how each of the sections would fit together. The plan will utilize graphics and images to keep it from being overly text-heavy and to enable easy online viewing.

The Stakeholder Advisory Group was asked to provide focused feedback on the Conditions and Trends section. This section would give an overview of the community profile for O’ahu and discuss larger trends such as climate change, regulations, technology, etc. See slides 37-39 of the presentation materials.

Q&A/Discussion

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- How does drainage planning connect to the Strategic Plan and Storm Water Master Plan?
 - o The Strategic Plan is meant to set the tone for how the utility will conduct itself and the program as well as to set out clear goals and show how we will measure progress toward those goals. The Master Plan and the Functional Plan will address broader more comprehensive storm water management related issues such as drainage, flooding, asset renewal and replacement, green storm water infrastructure, etc. as it ties into the City’s long term capital improvements program.
- The pieces of the Community Profile and Trends and Opportunities sections look good. How does workforce development play into it? I agree with needing to create more work opportunities.
- Workforce development is important. There is a shortage of personnel to handle the City’s storm water infrastructure. The workforce component needs to be able to keep up with our needs.
 - o The workforce is needed to do all these projects. This is also an equity consideration.
 - o Workforce development didn’t come to the top in the surveys, and that may be a function of not having addressed the impacts of lack of adequate staffing for City positions in the public outreach. There are particular staffing challenges related to the City’s Human Resources department. By highlighting this in the Strategic Plan, it can be used to discuss the issue with other departments like Human Resources to work towards solutions.
- The Summary Report has some detailed analysis of costs to be expended. Is that going to change with whatever comes out of the Strategic Plan? How would the Strategic Plan affect the budgets in the Summary Report?
 - o The Strategic Plan would not affect the budgets very much. Over that first 6-year period of the Storm Water Utility, the budget analysis includes what is being



discussed at tonight's meeting. What will affect the ultimate expenditures is how quickly hiring can take place and positions can be filled. In terms of structure and level of effort, not much will change. The Strategic Plan will help to explain the "why" of those budgets.

c. Values & Vision

Cami highlighted the results from the values survey question. The bar graph illustrated that nearly all of the values listed scored at least a 4 out of 5 on average. The highest scoring value was Water Quality, followed by Flood Prevention and Public Safety, and thirdly Accountability and Transparency. These results showed that people really do want to see all of the values represented in the Strategic Plan.

The survey also asked what the vision for O'ahu should be. Examples of several different visions from cities across the country were provided for context. The top three visions selected in the surveys all reflected residents' flooding concerns (Flooding and Pollution Reduction, Conservation for Flood prevention and Stream Restoration, and Multi-Benefit Flood Reduction and Stormwater Capture Projects). Presentation of the results of this question showed the responses broken down by the eight districts of the island. Flooding and Pollutant Reduction received the first ranking in all districts, with the exception of the North Shore which ranked it second place. Conservation for Flood Management and Stream Restoration was ranked second in all districts except the North Shore, which ranked it in first place. Additionally, there were two tied scores: Wai'anae ranked Neighborhood Equity in first place, and Central O'ahu ranked Basic Compliance in second place. See slides 40-47 of the presentation materials.

d. Goals & Strategies

Using the survey results, eight goals were drafted for the Strategic Plan (see slides 48-49 of the presentation materials). Cami described each of the goals and shared descriptions of each. The Stakeholder Advisory Group was asked to provide input on the draft goals.

Potential strategies will be developed using input from the survey results of the prioritization question: 'If you had 10 dollars to spend on storm water management activities, how would you spend each dollar?'. The results showed that residents prioritized storm drain pipe repair and replacement above all other options presented, followed by additional stream cleaning crews, and more green storm water infrastructure in public places.

The next steps in the Strategic Plan development process were illustrated in a timeline. The Stakeholder Advisory Group will be invited to give their input on a draft of the plan in the Fall of this year and the plan will be finalized by early next year (2022). See slide 51 of the presentation materials.

Q&A/Discussion

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- It seems the public is not understanding the connection between the causes of flooding and water quality problems with asset renewal and replacement of drainage systems. There is a need to address the drainage bottle necks to alleviate some of the flooding.
- Are we only looking at City drainageways, or also at state and federal drainageways?
 - o For the utility the focus is primarily on the City portions as this is what the City is responsible for maintaining and providing. However, there would be opportunities for partnerships, such as with the upper watersheds where flooding could be addressed at the source, especially in places where there is a lack of infrastructure.
- The incorporation of technological advances should be considered. For example: the development of pervious concrete to help airport runways with flooding.
 - o Randall stated that the City would want to incorporate any technology advances, especially if it provides that type of benefit. Last year the City worked on revising and updating the City's specifications for new and redevelopment and in the process incorporated the technology advances that might help address storm water quantities and quality.
- Does communicating effectively with the public on pathways to community involvement include ensuring community buy-in and support for the utility/fees? Or perhaps [a utility/fee structure] they can live with? The community should be educated enough to understand it, even if they don't like it. 'Involving' is a means; what is the end?
 - o This has been a process of going out to the community from the very beginning. Our outreach has focused on talking about what a utility is, sharing the results of technical studies, and sharing people's questions and concerns so that the team could craft recommendations for a utility. The team, with the Stakeholder Advisory Group, has done its best to make recommendations that respond to and address the concerns brought by the community to make it as acceptable as possible. If there are still concerns at the end, at least they have been given solid, transparent information. This is very important to the City and to the project team.
 - o Outreach from the City and for the utility has whetted the public's appetite to learn more about storm water, both to understand the impacts and that they have a role. Two of the models we're looking at for the development of the Strategic Plan are the Milwaukee and Chicago strategic plans. Both plans have strong communication components because there needs to be a partnership between the utility and the community.
 - o The project team heard from so many people that they are very interested in protecting the environment and the water. There is such a strong sense of stewardship here that is above what team members who work in the Continental US have heard on any other projects they have worked on.
- Will the buy-in be there when we take the Storm Water Utility to City Council? Do they understand the connection? Are they going to be there to support the effort when you really need it?
 - o The project team is working hard on that, and the Stakeholder Advisory Group has a really important role to play in continuing to have conversations and help support when it comes time.



- The testimony that was given to the legislature on HB 1060 bodes well for having support. A lot of people and groups showed up with testimony. The legislators were a little startled and overwhelmed by that. That was a good early test to see if people would come out and be in favor of the utility.

e. Functional Plan (capital improvements) update

Ming Ding (AECOM) gave an update on traditional and green storm water infrastructure approaches and factors that help to determine the needed capital improvement project costs. See slides 52-66 of the presentation materials.

Infrastructure renewal and replacement cost estimates will be based on the details of each asset (i.e., specifications, inspections, workorders, etc.) that are being captured in Cityworks software. This software is useful to help address current problems, as well as to look at inventory, condition, and determine future costs of repair/replacement. The City is still working to capture and input data on the current infrastructure into Cityworks.

Data such as the number of pipes that have been inspected and the locations around the island can be visualized using the Microsoft PowerBI software. This data can also be used to assess the Business Risk Exposure score to prioritize and leverage resources.

Ming provided examples of pipes in good, fair, and poor condition through a series of images. The cost estimate will be based on the Business Risk Exposure score to determine if the infrastructure needs repair, replacement, or a combination.

In summary, while the City meets its National Pollutant Discharge Elimination System (NPDES) permit requirements to inspect 190,000 linear feet of drain line annually, it has close to six million linear feet of drain line in total. The question is: how does the City accomplish the inspection of all this pipe? The Storm Water Utility will ultimately help in ramping up these inspections.

The current goals are to use the data captured in Cityworks for asset management to help inform prioritization for the Master Plan and the Functional Plan. There is also a need to continue gathering data such as unit prices of repair/replacement, and to explore other types of repair means and methods.

Examples of common types of green storm water infrastructure were provided. The Environmental Protection Agency (EPA) has a calculator that shows the costs for different types of green storm water infrastructure and estimates the amount of storm water runoff they mitigate. The EPA's calculator can be used to look at the City's practices at their facilities, right of way, and roadways for the entire island. The questions to be investigated with this analysis are: What is the cost and what are the benefits of using green storm water infrastructure in these locations? To give an example, if just 5% of the City's properties were able to infiltrate most of their runoff into the groundwater, there would be great benefits in pollutant reduction and removal.



Q&A/Discussion

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- The condition assessment plan approach is good and timely. What about hydraulic capacity? Should a drain be upsized when it is replaced due to poor condition? Touch it once if possible, not twice.
 - o This is where we need to see the City heading; however, the City has data gaps. Adequately filling the data gaps in the City's GIS mapping system requires quite a bit of resources and funds but would be necessary to enable more detailed hydraulic and hydrological modeling and to evaluate and assess for flooding and drainage purposes.

6. Wrap-up

Next Meeting: Monday, November 15, 2021, 4:00 - 6:30 pm (planning for virtual)

While the next scheduled meeting is in November, it was noted that the project team is hoping to provide an opportunity for a briefing prior to this date on the Strategic Plan and ongoing budget calculations for the Storm Water Utility that may affect the rate structure.

Roger thanked the stakeholders for their continued assistance with the project and shared his hope that they will continue to support the effort as this goes through City Council.