



**Honolulu Board of Water Supply  
Stakeholder Advisory Group**

Meeting 34 Thursday, May 28, 2020 4:00 – 5:00 pm  
Virtual Meeting

**Meeting Notes**

**PURPOSE AND ORGANIZATION OF MEETING NOTES**

The purpose of these notes is to provide an overview of the Board of Water Supply (BWS) Stakeholder Advisory Group meeting. They are not intended as a transcript or as minutes. Major points of the presentations are summarized herein, primarily for context. Copies of presentation materials were provided to all participants and are available on the BWS website. Participants made many comments and asked many questions during the meeting. These are paraphrased to be more concise.

**ATTENDEES**

This was a virtual meeting in which 15 stakeholders participated on-line and/or by phone, in addition to BWS and CDM Smith staff and members of the public. The stakeholders represent diverse interests and communities island-wide.

The following Stakeholders Advisory Group members participated:

- |                   |                                |
|-------------------|--------------------------------|
| Bill Clark        | Resident of Council District 6 |
| Kelly Hoen        | Outrigger Reef Waikiki         |
| Shari Ishikawa    | Hawaiian Electric Co.          |
| Will Kane         | Mililani Town Association      |
| Dan Kouchi        | Chamber of Commerce, Hawaii    |
| Bob Leinau        | Resident of Council District 2 |
| Helen Nakano      | Resident of Council District 5 |
| Robbie Nicholas   | Resident of Council District 3 |
| Christine Olah    | AARP Hawaii                    |
| Dick Poirier      | Resident of Council District 9 |
| Alison Richardson | Coca-Cola Bottling Co.         |
| Cynthia Rezentes  | Resident of Council District 1 |
| Walter Thoemmes   | Kamehameha Schools             |
| Guy Yamamoto      | YHB Hawaii                     |
| Suzanne Young     | Honolulu Board of Realtors     |

## WELCOME

Dave Ebersold, meeting facilitator and Vice President of CDM Smith, welcomed the group and outlined the meeting objectives:

- Receive updates regarding the BWS
- Accept notes from Stakeholder Advisory Group meetings #33
- Hear about BWS's response to COVID-19
- Discuss progress on BWS's Risk Assessment and Emergency Response Plans

As this was a virtual meeting with most people logging on through their computers, Dave walked the group through basic steps and procedures.

**PUBLIC COMMENT:** None

## BWS UPDATES

Ernest Lau, BWS Manager and Chief Engineer described BWS Board meetings as live-streamed and attended in-person by only a very few people who maintain physical distancing practices.

He told the group that the Board recently voted unanimously to adopt the following recommendations related to the Haiku Stairs. These include:

- Transfer stairs and land to City and County for managed access
- Transfer must occur within 18 months
- If transfer is unsuccessful, stairs will be removed

Ernest also told stakeholders about a recent article by Civil Beat that reported that the U.S. Navy removed and replaced aging fuel storage tanks in the states of California and Washington with above-ground storage tanks. These are similar to the Navy's fuel tanks at Red Hill. Stakeholders were encouraged to read the well-written article, which includes interviews with Navy personnel at other bases like at Point Loma in San Diego.

Hurricane season begins on June 1 and Ernest reminded the group to prepare their homes with emergency supplies. The National Weather Service and NOAA are predicting a 75% chance of near- or below-normal tropical cyclone and hurricane activity this year in the central Pacific. Ernest emphasized that it only takes one major hurricane to cause major destruction, so community preparedness is crucial. He said that the UH Sea Grant program was offering a Natural Hazards Preparedness Webinar via Zoom on June 4, and that stakeholders could download a free Hawaii Homeowner's Handbook to Prepare for Natural Hazards (<http://bit.ly/HawaiiHomeownersHandbook>)

The BWS Board adopted the FY 2021 operating budget and the capital improvement program budget on May 25. The Operating budget will increase by 1.7%, which is less than ½ of the annual projected increase that was used in developing BWS's Long Range Financial Plan which assumed an increase of 3.5%/year. The operating budget has decreased in each of the previous two fiscal years due to belt tightening as planned, however, this downward trend will not be sustainable over time.

The FY 2021 CIP budget is \$170 million, an increase of 2.3%. The increase is expected because the CIP program is growing to construct necessary water infrastructure projects and services. In 2017, the

CIP budget was about \$81 million a year. BWS has come a long way to support the Water Master Plan goal to reach 21 miles per year of replacement pipeline within 10 years.

Ernest said that because of COVID-19, BWS expects an impact to revenues. People paying their water bills provide the revenue necessary to continue to operate, maintain, and improve the water system. Potable water sales are anticipated to decrease by \$1.1 million. BWS took that anticipated decrease into account when we developed the FY 2021 budget. The 1.4% increase in the Operating budget was based on rate increases effective July 2020.

Working capital will fall below our target of 60 days to about 41 days – about \$10 million less than where we want to be. We project about \$23.6 million in working capital in the coming fiscal year and are working towards about \$34 million to get back to our target of 60 days.

**Q:** Is there a way that we can find out the positions of all the candidates running for office in November, or do we have to do our own research?

**A:** BWS is a semi-autonomous government agency and we cannot interact with political candidates to learn their positions. Whoever is elected to these positions, BWS will work with them and do our best to carry out our mission.

**Q:** BWS has talked about reusing stormwater and other water. With all those options out there as we move forward, what does BWS feel would be a best-case scenario? I assume you don't want to do the billing for a new stormwater utility.

**A:** BWS would definitely prefer not to add stormwater billing to the water bill. A new stormwater utility should address how to manage stormwater within the City and County of Honolulu including fee structure. Managing it as a resource that is kept and used on-property would help recharge the aquifer in that area. It is a challenge to create a new utility, which involves long-term planning and implementation of improvements and developing a capital improvement program.

**Q:** How would BWS be impacted if the stormwater utility fee is applied to the square footage of impervious surface?

**A:** Ernest said that Barry Usagawa is a stakeholder member of the stormwater utility group. They took the great example from our BWS Stakeholder Advisory Group and created one for the proposed stormwater utility to help guide them in their decision making. Ernest asked Barry to address the question.

Barry said the group has been making progress and that information is available at <https://www.stormwaterutilityoahu.org>. All of the presentations can be found there. The objective is to create a stormwater utility and an enterprise fund that would be used only for stormwater. The related ordinance has been held back because of the economic recession created by COVID-19.

The fees, as they are currently conceived, will apply to everybody including the government. The stormwater utility stakeholder advisory group has discussed a wide range of issues like charging a stormwater fee on top of property taxes; ways to reduce charges through installing rain barrels, rain gardens and green infrastructure; an equitable development credit program that would distribute

sufficient stormwater projects in every community; and community outreach and involvement. Reducing property taxes in relation to a new stormwater utility is unlikely.

**Q:** Could the stormwater stakeholder advisory group work with Transportation Department to encourage permeable road surfaces?

**A:** I will ask your question to the stormwater SAG. DFM is installing permeable pavements in parking lots, such as at the Ala Wai golf course.

**Q:** When the comments were submitted for Haiku Stairs, were they required to state where they're from and did BWS track how many of the 3,700 comments were from out-of-state? Did BWS directly contact the homeowners of the abutting neighborhood area to come testify or be a part of those comments?

**A:** Unless the testifier said where they came from, BWS didn't know where they lived. Some of the testifiers called from the mainland. Some said that they live in the neighborhood close to the stairs and suffer from trespassing through their properties. In preparing the EIS, BWS reached out to those neighborhoods and we went out and met with them. BWS estimates that probably about 40% of the testimony was from off-island.

**ACCEPT MEETING 33 NOTES:** Accepted.

### **BWS RESPONSE to COVID-19**

Ernest said everyone is living through uncertainty about many different impacts of COVID-19 and that it is a challenging time for many. He said that BWS water is very safe to drink. The World Health Organization and the US EPA assure that “Presence of the COVID-19 virus has not been detected in drinking-water supplies and based on current evidence the risk to water supplies is low.” He said chlorine is a good disinfectant that can deactivate the virus if it ever was detected.

BWS staff provide essential services to the community and the water system is critical infrastructure, as it needs to be maintained and everyone needs water to survive. So BWS developed safety measures with additional communication and workplace policies to protect staff who are needed at work and in the community during this time of uncertainty. Staff receive daily updates about changes to regulations and policies in response to COVID-19. The Communications Department created consistent messaging of work safety policies. We implemented new workplace policies to assist with social distancing to include flex schedules, telework options, workplace controls and PPE to protect our 600 employees. There have been no positive cases of COVID-19 within the workforce to date.

Emergency disaster kits usually meant for preparedness for the hurricane season should be updated to include pandemic preparedness items and better protect community members. The list of items also includes face coverings, hand sanitizer, soap and towels to mitigate risks from the pandemic in addition to hurricane season.

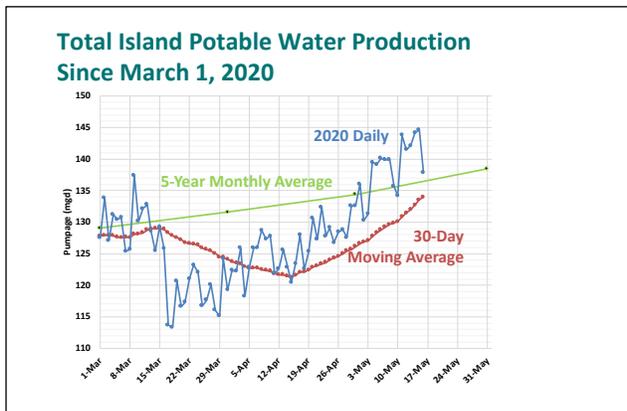
The BWS water system is fully operational and maintenance is ongoing, as are our capital improvement projects, and repairing main breaks. BWS is continuing to recruit and hire prospective employees. We have about 185 vacancies within the organization and encourage those who are interested to apply.

When BWS recently updated the Continuity of Operations Plan, staff reviewed essential functions and mitigation options. Ernest said BWS participates weekly in virtual meetings and webinars with utilities in the State of Hawaii and across the country to share experiences and best prepare for scenarios related to the pandemic.

Ernest said BWS recognizes that affordability is a concern for customers in relation to the pandemic. No water services are shut off if someone can't pay their water bill at this time. The unemployment rate is over 20% right now in Hawaii, which can make paying bills more challenging. BWS is working with customers to establish payment plans for those who are struggling to pay their water bill.

He said that BWS is updating our long-range financial plan and is monitoring impacts to revenues and costs. The Stakeholder Advisory Group gave input to the current long-range financial plan and will continue to be informed about work that looks at this pandemic and other scenarios.

Ernest asked Barry to discuss how water consumption has been impacted by the stay-at-home order that began on March 17<sup>th</sup> (see graphic below). Barry said that demand dropped immediately, but about a month after the stay at home order was in place, water demand started to track upward and converge with the 5-year monthly average. Weather often drives water use and it has been very hot, which likely drove water use increases.



Ernest said that BWS and other utilities nationwide are tracking customer accounts that are more than 30 days delinquent. He said it's hard for BWS to see a trend yet but are monitoring as our water bills go out. Some commercial accounts are becoming more delinquent because of businesses being closed. Nationwide, utilities are watching very closely for patterns and participating in discussions.

BWS is asking for clarification from the Department of Treasury about customers' using CARES funds to pay for utilities. It appears as though there is a limitation on using CARES Act funds to pay utility bills. Under the proposed HEROES Act, which is in discussion by Congress, more targeted support will enable those funds to pay for water and other utility bills.

**Q:** BWS has many jobs that are open. With the hospitality industry being deeply impacted, there are a lot of out-of-work workers. What type of jobs that we might be able to connect them to this opportunity?

**A:** Ernest asked Michelle Thomas, head of BWS's Human Resources office to provide more information. Michelle confirmed that BWS has 185 positions that are vacant right now. Not all of them are currently being recruited; however, a variety of positions are. Relevant information about current job openings is on the BWS website. Positions are also advertised on social media and through the City's Department of Human Resources website. The positions range from grounds keepers and custodial staff to civil engineers, professional staff and administrative personnel. She said we are looking at everyone who applies because BWS wants to do its part in helping the community get back on their feet. Anyone who is interested in any of the positions is more than welcome to call BWS's Human Resources office and we will give them any information that they need. Ernest said that hiring people creates a cascade effect of benefits for BWS's operations and CIP projects, as well as supporting the community.

**Q:** Was funding for any of BWS's projects included recent legislation?

**A:** Last legislative session, BWS had the fortune to get funding for one CIP project allocated for an exploratory well in Kunia to help support agriculture. Normally BWS does not go to the legislature to request CIP budget for project funding. County water departments on the neighbor islands do go every year to request some funding from the legislature.

## **AMERICA'S WATER INFRASTRUCTURE ACT**

Dominic Diaz, BWS Civil Engineer, Long Range Planning, and Judy Nishimoto, Environmental Engineer with CDM Smith, presented BWS's efforts towards making the water system more resilient. The information is particularly relevant as hurricane season has begun in Hawaii. Dominic pointed out that this work aligns with BWS's mission to provide safe, dependable, affordable water now and into the future. BWS is increasing its resiliency because, if a threat were to be a realized event, then a resilient water system minimizes the resulting impacts, and recovery back to normal operations occurs much more quickly.

He said America's Water Infrastructure Act (AWIA) was a major amendment to Clean Water Act and was adopted in 2018. It has two major components that are required of all water suppliers with more than 100,000 customers like BWS:

- By March 31, 2020, conduct and certify a holistic risk and resilience assessment of all critical assets essential to the functions of the utility.
- Develop or update the emergency response plans within 6 months of the certification.

Dominic and his team assessed threats from malevolent acts and natural hazards that have the potential of occurrence and would pose a risk to BWS's water system infrastructure. Risks and threats can range from something common like small spills to more severe threats like damage of infrastructure. Major risks could result from hurricanes, droughts, or even terrorist attacks because the consequence and significance of impacts are so extreme. The team assessed the resiliency of BWS's water pipes, monitoring practices, financial infrastructure, chemical storage and handling and

operation and maintenance activities. The assessment of all eight water systems was completed and certified in March 2020.

Dominic invited Judy to discuss BWS's risk management plan and emergency response plan update. In general, the risk management plan includes resiliency strategies, system improvements, and resources needed. It lays out ways to detect malevolent acts or natural hazards and identifies emergency response action plans that may be needed. The risk management plan is intended to reduce impacts or prepare for a speedy recovery.

BWS is currently updating the emergency response plan (ERP) which will be completed by September. The updated ERP will capture critical information that came out of the risk assessments. It will also include BWS's resilience strategy, and capital improvement projects and adjustments to O&M activities identified in the risk management plan.

The updated ERP is adding responses for cyber-attacks, loss of SCADA, pandemics, and a low groundwater plan. Also being addressed are critical areas within the system that, if an event/disaster were to occur, could result in long durations of water outages and take more time to reestablish normal operations. BWS is also updating the continuity of operations plan to maintain essential functions in response to a major event.

Moving forward, BWS plans to update risk and resiliency assessments and the ERP every five years to incorporate information from new events as they occur. The next update will be done in 2025.

**Q:** The plan looks good, but I recall that BWS had some shortfalls during past emergencies because there weren't enough generators, pumps were broken, etc. So are those pieces of infrastructure going to be replaced so they work and will this come out of the CIP program? The plan needs to be integrated into a cashflow and I want to know if this part is being addressed.

**A:** The answer is "yes" but keep in mind that the entire CIP was developed to include the WMP, the long-range financial plan, and the rate study. They were geared around a risk-based prioritization of the CIP. The new risk and resilience assessment is helping to identify other projects and operational changes that need to be made and folded into both the CIP and updates to operations.

Ernest verified that BWS would fix those pieces of infrastructure. He said that BWS may need to readjust some prioritizations within the CIP (long term capital program) based on this assessment.

Judy added that they did look at those particular facilities as part of the risk and vulnerability assessment of the water system. This included where pumps were out of service including, the number of generators available, permanent generators. Discussions about mitigation, and possible improvements may result in the need to reprioritize the capital improvement program. That's all part of the risk management plan.

Ernest asked Raelynn Nakabayashi, Executive Assistance, Executive Support Office to share BWS's progress on getting more generators with FEMA funding. Raelynn said that BWS has submitted many applications and has already received one generator from FEMA and two more are pending. They will be funded 75% from FEMA and 25% from a local match. BWS also applied for planning funds

through FEMA (another 75/25 program). Those funds would be used to finish the emergency power resilience plan.

#### **NEXT STEPS**

Dave thanked everyone for participating in the meeting. He said that the next Stakeholder Advisory Group meeting would take place on July 16, 2020 at 4:00 pm. BWS is actively evaluating options for the meeting. Virtual meetings are not the new normal for the Stakeholder Advisory Group and in person meetings or hybrid meetings will resume as soon as it is safe to do so. NOTE: Meeting 35 will be a virtual meeting, out of abundant caution due to the COVID pandemic.