



STATE OF HAWAII
DEPARTMENT OF HEALTH
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WRITTEN
TESTIMONY ONLY

**Testimony in SUPPORT of SB3124 SD1
MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF
HEALTH FOR COSTS RESULTING FROM THE RELEASE OF PETROLEUM
FROM THE RED HILL BULK FUEL STORAGE FACILITY**

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS
SENATOR KARL RHOADS, CHAIR
SENATE COMMITTEE ON JUDICIARY

Hearing Date: 3/2/2022

Room Number: 211/Videoconference

1 **Fiscal Implications:** This measure would provide funding for the Department of Health's
2 (department's) ongoing emergency response to the current water contamination crisis,
3 enforcement, and other activities related to releases from the Red Hill Bulk Fuel Storage Facility.

4 **Department Testimony:** The department supports this measure, which would provide
5 appropriations for fiscal year 2021-2022 for the department's ongoing emergency response,
6 enforcement, and other activities related to historic releases and the November 28, 2021 release
7 from the Red Hill Bulk Fuel Storage Facility.

8 The department request this additional funding to ensure cash flow and operational
9 continuity for the ongoing emergency response, regulatory oversight, and enforcement. This
10 ongoing crisis is fluid and the lack of an appropriation may hamper the scope and speed of the
11 department's response. The department of health will seek cost recovery from the United States
12 Navy, but receiving reimbursement will take time. Receiving payment from responsible parties
13 typically takes six months to one year. Funds are needed on a faster timeline to help carry the
14 department's critical work through to next fiscal year. Expenses include water sampling and
15 testing, supplies, staff overtime, and expert consulting fees. Expense categories are listed in more
16 detail in section 2 of the bill, from page 2 line 4 to page 3 line 8.

1 In addition, it is important not to deplete department funding sources while waiting for
2 cost recovery because the Hazard Evaluation and Emergency Response (HEER) Office and/or
3 Environmental Management Division may be called upon to respond to other emergencies that
4 require funding from the same sources.

5 **Offered Amendments:** None.

6 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON WAYS AND MEANS AND JUDICIARY
ON
SENATE BILL NO. 3124, S.D. 1

March 2, 2022
9:30 a.m.
Room 211 and Videoconference

**MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH
FOR COSTS RESULTING FROM THE RELEASE OF PETROLEUM FROM THE RED
HILL BULK FUEL STORAGE FACILITY**

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 3124, S.D. 1, appropriates an unspecified amount in general funds in FY 22 to the Department of Health for response and enforcement activities relating to the petroleum leaks at the Red Hill Bulk Fuel Storage Facility.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



March 2, 2022

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ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer

The Honorable Donovan M. Dela Cruz, Chair
and Members
Senate Committee on Ways and Means
Hawaii State Capitol, Room 211
Honolulu, Hawaii 96813

The Honorable Karl Rhoads, Chair
and Members
Senate Committee on Judiciary
Hawaii State Capitol, Room 211
Honolulu, Hawaii 96813

Dear Chair Dela Cruz, Chair Rhoads and Members:

Subject: Senate Bill 3124, SD1: Relating to Making an Emergency Appropriation to the Department of Health for Costs Resulting from the Release of Petroleum from the Red Hill Bulk Fuel Storage Facility

The Honolulu Board of Water Supply (BWS) strongly supports Senate Bill (SB) 3124, Senate Draft (SD) 1.

This bill would make an emergency appropriation to the Department of Health (DOH) for response activities and enforcement relating to the petroleum leaks at the Red Hill Bulk Fuel Storage Facility.

The Joint Base Pearl Harbor Hickam (JBPHH) water crisis and the fuel contamination of the Navy's Red Hill Shaft water source is causing the DOH to incur tremendous costs to take responsive actions to address the public health impacts of the fuel releases and imposing unprecedented strain on the DOH existing resources. Ensuring funding is available to the DOH for emergency response action is critical for ensuring the safety and health of the people of Hawaii.

Thank you for your consideration of our testimony concerning SB3124, SD1.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer



Environmental Caucus of The Democratic Party of Hawai'i

To: The Honorable Donovan Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Committee on Ways and Means

The Honorable Karl Rhoads, Chair
The Honorable Jarrett Keohokalole, Vice Chair
Members of the Committee on Judiciary

Re: **SB 3124 SD 1 MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR COSTS RESULTING FROM THE RELEASE OF PETROLEUM FROM THE RED HILL BULK FUEL STORAGE FACILITY**
Hearing: Wednesday, March 2, 2022, 9:30 a.m., Conference Room 211 and
Via videoconference
Position: Strong support

Aloha, Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Committee on Ways and Means and Judiciary:

The Environmental Caucus of the Democratic Party of Hawai'i stands in support of SB 3124 SD1. This measure would make an emergency appropriation to the Department of Health for response activities and enforcement relating to the petroleum leaks at the Red Hill Bulk Fuel Storage Facility.

In 2018, nearly four years ago, the O'ahu County Democrats, out of dire concern over the risk to the Moanalua-Waimalu Aquifer, our major drinking water source for Moanalua to Hawai'i Kai, affecting hundreds of thousands of residents, businesses and visitors of the Honolulu District, adopted a resolution, OC 2018-11, urging the Navy to retrofit its tanks or move them away from the aquifer. The Navy has taken no such action, and the situation has now become, in the words of your former colleague, U.S. Rep. Kai Kahele, "a crisis of astronomical proportions."

The DOH response activities needed, the costs of which the DOH will be seek reimbursement from the U.S. Navy, include coordination, planning, operation, logistics, and finance tasks that involve collecting, testing, and analyzing water samples; media relations and public messaging; responding to public inquiries and complaints; data management; geographic information systems (GIS) mapping; procurement; cost accounting; and coordination with government entities, including the U.S. Navy, Hawaii Emergency Management Agency, U.S. EPA, U.S. CDC, Hawaii's Congressional delegation, DOE, DHS, DLNR, and others.

The passage of this measure would provide the necessary funds for the DOH to continue with its emergency response to the drinking water contamination at the Navy's Red Hill and Aiea Wells.

Mahalo for the opportunity to testify,

Melodie Aulija

Alan Burdick

Co-Chairs,

Environmental Caucus of the

Democratic Party of Hawai`i

Email: legislativepriorities@gmail.com

SB-3124-SD-1

Submitted on: 2/25/2022 6:06:55 PM

Testimony for WAM on 3/2/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Victoria Anderson	Individual	Support	No

Comments:

Please pass this bill.

SB-3124-SD-1

Submitted on: 2/26/2022 2:12:05 AM

Testimony for WAM on 3/2/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Susan Pcola_Davis	Individual	Support	No

Comments:

I continue to support all appropriations to all government agencies involved in mitigation strategies to protect Oahu's aquifer by any means possible.

SB-3124-SD-1

Submitted on: 2/28/2022 10:18:44 PM

Testimony for WAM on 3/2/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sharlene Chun Lum	Individual	Support	No

Comments:

Aloha kākou,

I urge you to vote yes for SB3124, SD1 which will provide emergency funds to the Department of Health for costs related to emergency response for threats to public health and enforcement activities resulting from release of petroleum from the Red Hill Bulk Fuel Storage Facility. Funds are needed for expenses incurred, including:

- (1) Additional staff to enable thorough sampling and confirmation collection according to State and federal drinking water regulations and procedures;
- (2) Laboratory testing;
- (3) Retention of additional subject matter experts to supplement department staff;
- (4) Additional staff for data management;
- (5) Maintenance and repair for laboratory instruments used for testing of drinking water samples;
- (6) Crisis communications assistance; and
- (7) Overtime costs for the many state employees needed to work on the emergency response.

The Navy or Federal Government must be held accountable for the costs but pursuing such funds will take time that we cannot afford. Consequently, passing SB3124, SD1 is essential to helping the DOH better address the continuing crisis to protect the residents and economy.

Please take this proactive action now.

SB-3124-SD-1

Submitted on: 3/1/2022 12:08:37 AM

Testimony for WAM on 3/2/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Bruce Lu	Individual	Support	No

Comments:

Aloha kākou,

My name is Bruce Lum, resident of Halawa, a native Hawaiian and great-grandfather to 7 great-grand children.

I am in in full agreement and support of **SB3124 SD1**. Mahalo for allowing testimony on this Bill **SB3124 SD1** and to all the legislators who have worked diligently, and stood in coalition to protect our great 50th State’s, collective aquifers, and in doing such, protecting the health and livelihoods of all Hawaii’s people, and guests from now and into perpetuity.

Ola I ka wai, Water is Life, and protecting our pure water source is the number one kuleana of all Hawai‘i’s people.

Simply put, Ernest Lau, Honolulu Board of Water Supply Manager and Chief Engineer says, “The DOH Hearings Officer at the evidentiary hearing held in December 2021 stated, ““the Red Hill Facility, as currently configured and operated, poses an imminent threat to human health and safety of the environment.””

The navy’s oversight and management of the Red Hill fuel facility has a long history of failures and fuel leaks and proves the navy cannot protect the water from the leaking fuel in its antiquated fuel storage system. This crisis is real and we know it. This crisis has not been resolved and we know it. The military’s negligence to adequately maintain it’s decaying fuel farm positioned 100 feet above O‘ahu’s sole-source aquifer is a calamity that has happened several times, and recorded for more than 80 years.

In November 2021 The state ordered the U.S. Navy to halt operations at the Red Hill facility after a petroleum leak on Nov. 20 contaminated the military drinking water supply that serves some 93,000 military and civilian customers. This is the disaster that happened, and this is the disaster that all of the nation should recognize and be alarmed that the Red Hill fuel facility is now the greatest current threat to the security of Hawai‘i, and all military installations drawing water from Oahu’s aquifer system. Like Ernie Lau so elegantly suggests, its the same aquifer and that means every well that supplies Oahu with drinking water is like individual straws

drawing from one glass of water. Contamination at any well should be regarded a potential threat (over time) to every other well.

I leave you with this final thought: Health is fundamental to a state's and nation's security. All people need clean water to be healthy and productive. If people are unhealthy, they can't work. If they can't work, they can't contribute to the economy. If they can't contribute to the economy, the government can't provide services and infrastructure. If the government can't provide services and infrastructure, then states and nations are persistently vulnerable to security threats.

Please adopt **SB3124 SD1** to secure the health security of Hawai'i and the United States of America.

‘A‘ohe hana nui ke alu ‘ia. No task is too big when done together by all.

Mahalo piha,

Bruce Lum

LATE

SB-3124-SD-1

Submitted on: 3/1/2022 10:06:52 AM

Testimony for WAM on 3/2/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Janet L Pappas	Individual	Support	No

Comments:

Dear WAM Chair Dela Cruz, Vice Chair Keith-Agaran and committee members,

Red Hill is a disaster. I agree with Gov. Ige that an emergency appropriation is needed to provide funds for the department of health for costs in response to threats to public health and enforcement activities resulting from release of petroleum from the Red Hill Bulk Fuel Storage Facility.

The threat of additional leaks is imminent. We must do all we can to protect Hawaii's precious water supply. Nothing is more important.

Please pass this bill immediately.

Sincerely,

Jan Pappas

Aiea, Hawaii 96701



LATE

To: The Senate Committee on Judiciary (JDC)
and
The Senate Committee on Ways and Means (WAM)
From: Sherry Pollack, Co-Founder, 350Hawaii.org
Date: Wednesday, March 2, 2022, 9:30am

In support of SB3124 SD1

Aloha Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and members of the JDC and WAM committees;

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports** this measure which makes an emergency appropriation to provide funds for the Department of Health (DOH) for response activities and enforcement relating to the petroleum leaks at the Red Hill Bulk Fuel Storage Facility.

SB3124 SD1 seeks to protect our islands' most precious resource from fuel contamination. The presence of leaky fuel tanks at Red Hill and the Navy's mismanagement of this crisis directly impacts the health and quality of life of Oahu's residents, and will continue to for generations to come. Hawaii's drinking water supply is already at risk due to the effects of climate change. All the more reason to ensure we take great care in protecting our aquifer from fuel contamination, or any other source of pollution, keeping it safe for current and future generations.

Additional funding for the DOH is needed to ensure they have the capacity for the ongoing emergency response, regulatory oversight, and enforcement of the water crisis created by the Navy's fuel contamination of the Red Hill Shaft water source. The contamination of our precious drinking water has created a major health crisis and it is essential for the DOH to take responsive actions to address the public health impacts of the fuel releases.

Thank you for the opportunity to testify on this very important bill.
Sherry Pollack
Co-Founder, 350Hawaii.org