



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of SB3124
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 JARRETT KEOHOKALOOLE, CHAIR
SENATE COMMITTEE ON HEALTH
SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Hearing Date: 2/11/2022

Room Number: 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 3 to page 3 line 4.

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.

BOARD OF WATER SUPPLY

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February 11, 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 Jarrett Keohokalole, Chair
and Members
Senate Committee on Health
Hawaii State Capitol
Via Videoconference
Honolulu, Hawaii 96813

The Honorable Mike Gabbard, Chair
and Members
Senate Committee on Agriculture and Environment
Via Videoconference
Honolulu, Hawaii 96813

Dear Chair Keohokalole, Chair Gabbard, and Members:

Subject: Senate Bill 3124: Relating to a 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. This bill would make an emergency appropriation to provide funds for the Department of Health (DOH) 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 (Red Hill).

The Joint Base Pearl Harbor Hickam (JBPHH) water crisis and the fuel contamination of 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 department's 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 SB 3124.

Very truly yours,



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

SB-3124

Submitted on: 2/9/2022 11:58:30 PM

Testimony for HTH on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Susan Pcola_Davis	Individual	Support	Yes

Comments:

I support the emergency appropriation if the Leaking Underground Storage Tank Fund is not considered the appropriate use of that fund.

The purpose of this Act is to make **an emergency appropriation to provide funds** for 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 Hill Bulk Fuel Storage Facility.

Or the “leaking underground storage tank fund.” The protection of the aquifer is of utmost importance.

Funds are needed in advance of any cost recovery to pay for expenses incurred.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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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 HEALTH AND
AGRICULTURE AND ENVIRONMENT
ON
SENATE BILL NO. 3124

February 11, 2022
1:00 p.m.
Via 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 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.

SB-3124

Submitted on: 2/9/2022 6:04:48 PM

Testimony for HTH on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leimomi Khan	Individual	Support	No

Comments:

Support for all of the reasons stated in the bill.



Senate Committees on Health / Agriculture and Environment

Friday, February 11th, 2022, 1p.m.

Hawai'i Alliance for Progressive Action Supports: SB3124

Aloha Chairs Keohokalole/Gabard, Vice Chair Baker/Nishihara and Members of the Committees,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in **support of SB3124**. HAPA is a state-wide organization that engages approximately 10,000 local residents annually.

Mahalo for hearing SB3124, which makes 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.

SB3124 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. Some of our staff and many of our supporters are directly affected by this crisis. Our water is precious and we all have a duty to protect our islands' source of life for present and future generations.

The legislature must do all that it can to remove the threat of something far worse happening to our water supply, both now and for future generations to come. O'ahu's residents are facing a serious crisis which will continue for years. Board of Water Supply's Ernie Lau said that the Hālawā shaft – which was shut down as a precaution following the Navy's Red Hill well contamination – could be shut down for years, even permanently.

We cannot allow 80-year-old underground storage tanks that store up to 187 million gallons of fuel per day and that pose such an immense threat of leaking and contaminating our environment and water supply to operate 100 feet above O'ahu's sole-source drinking water aquifer.

Navy officials cannot be trusted to protect our water. They have lied time and time again. The following reasons explain why the legislature must act since the Navy has failed to:

- The Navy lied about an active leak at Pearl Harbor for months, discovering the leak in January 2021 but not informing Health Department officials until May. This was revealed in whistleblower emails and documents in October.
- A whistleblower also told the Department of Health in September that Navy officials provided false testimony and withheld information about the full extent of the Facility's infrastructure, including connected pipelines, as well as "historical records of corrosion issues, including holes in tanks" at its Red Hill fuel facility during legal proceedings.

- The Navy suspended use of its Red Hill water shaft on November 28, but the public only found out on December 1. The Navy continues to confuse and gaslight community members.
- Hundreds of community members reported chemical smells in their water on November 28 and then health issues on November 29, which the Navy refused to acknowledge as a potential health concern until the state Department of Health advised residents to not drink the clearly contaminated water.
- A day after the Navy said it had detected diesel in its 'Aiea Hālawā well at levels more than double the DOH safety limit, the military backtracked, saying the contaminated sample "did not come directly" from the well and the Navy does not believe the result proves the well is contaminated.
- They continue to not be transparent despite agreeing to the Administrative Order of Consent, which requires them to be more forthcoming about operations at the Red Hill facility.
- The BWS Hālawā shaft will be shut down until fuel is removed from the tanks and may not reopen for years to come. This shaft was a source of water for South O'ahu from Hālawā to Maunāluā. The BWS has advised that mandatory water conservation measures will now need to be in place in the summer of 2022.
- The Navy "flushed" Red Hill contaminants for days in violation of Department of Health requirements despite repeated warnings. This risked long-lasting effects on birds, plants, fish, and other aquatic life from petroleum contamination

The Department of Health has agreed that the situation is inherently dangerous. DOH said that a water sample taken from the Red Hill drinking water shaft on December 5 confirmed the water is contaminated with "high levels" of petroleum and gasoline. The sample detected total petroleum hydrocarbons diesel range organics levels 350 times above the DOH Environmental Action Level (EAL) for drinking water, and gasoline range organics more than 66 times the DOH EAL.

The Red Hill facility – the fragile, antiquated fuel tanks and supporting systems – has a long history of leaking fuel into the surrounding environment and has already contaminated O'ahu's primary drinking water aquifer. Shutting down Red Hill immediately and entirely is the only way to guarantee the safety of our water and our people.

The Facility's tanks, each with a 12.5 million-gallon capacity, had a quarter-inch thick steel liner when first constructed nearly 80 years ago. They are encased in aging concrete and the steel liners have been corroding to the point where many through-wall holes have been found and in some areas they are one-third of their original thickness.

These tanks have leaked 180,000 gallons of fuel since they were constructed and the Navy's own risk assessment from 2018 concluded that the probability of an acute leak of between 1,000 and 30,000 gallons (independent of any earthquake risk) over the next ten years is 96%. The Navy cannot prove that the tank or tank system will not leak regulated substances into the environment.

Approximately 93,000 people living in military housing have been unable to use their water for months. If the Navy water system is further compromised, our housing crisis will mushroom.

Lower levels of petroleum products were also found in samples collected from the Aliamanu Child Development Center as well as homes located on the Navy's water system.

It's absolutely critical that the State Legislature take action immediately to address this major threat to Honolulu's water supply by doing everything you can to address this and future potential threats from underground fuel storage tanks.

Please pass SB3124.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', written in a cursive style.

Anne Frederick
Executive Director