DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809 SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA

M. KALEO MANUEL DEPUTY DIRECTOR - WATE

BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of SUZANNE D. CASE Chairperson

Before the House Committee on FINANCE

Tuesday, March 1, 2022 12:30 PM State Capitol, Conference Room 308, Via Videoconference

In consideration of HOUSE BILL 1954, HOUSE DRAFT 2 MAKING AN EMERGENCY APPROPRIATION TO FUND A GRANT TO THE BOARD OF WATER SUPPLY FOR EMERGENCY OPERATIONS, FUTURE PLANNING, AND GROUND WATER REMEDIATION

House Bill 1954, House Draft 2, proposes to: 1) Make an emergency appropriation from the general revenues of the State of Hawaii to fund a grant-in-aid to the Honolulu Board of Water Supply for emergency operations, future planning, and remediation resulting from the contamination of the southern Oahu basal aquifer; and 2) Require the Honolulu Board of Water Supply to make reports to the Legislature on all expenditures, remediation efforts, and testing quality prior to the regular sessions of 2023, 2024, and 2025. The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers the following amendments.

The November 2021 Navy Red Hill fuel release and resulting contamination caused an unprecedented threat to the Moanalua and possibly Waimalu aquifer systems. The Honolulu Board of Water Supply has implemented immediate risk management activities to prevent the contamination of its nearby water sources by shutting off the Hālawa Shaft, Hālawa Wells, and 'Aiea Wells for an indefinite time period. The Honolulu Board of Water Supply will be challenged to meet its customers' increased water demand during the upcoming dry season with nearly 14 million gallons per day of sources suddenly becoming unavailable. The Department believes that along with emergency operations, planning and remediation, the Honolulu Board of Water Supply must also increase its public outreach and education water conservation campaigns to aggressively curtail customer demands. The Department believes that there is opportunity for reducing

Honolulu Board of Water Supply's per capita demand in the Honolulu service area, which is estimated to be approximately 150 gallons per person per day.

While the current bill language may allow for the Honolulu Board of Water Supply to use grant funding for outreach, education and conservation activities, the Department respectfully offers amendments clarifying this by modifying SECTION 3 of the bill as follows, new text is underlined:

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2021-2022 as a grant-in-aid to the city and county of Honolulu board of water supply for emergency operations, future planning $[\tau]$ including outreach, education, and water conservation activities, and remediation resulting from the contamination of the southern Oahu basal aquifer.

Thank you for the opportunity to comment on this measure.

Submitted on: 2/28/2022 9:10:36 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Neal Fujii	DLNR-CWRM	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

EMPLOYEES' RETIREMENT SYSTEM
HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



STATE OF HAWAI'I
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150 HONOLULU. HAWAI'I 96810-0150 CRAIG K. HIRAI

GLORIA CHANG DEPUTY DIRECTOR

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 HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1954, H.D. 2

March 1, 2022 12:30 p.m. Room 308 and Videoconference

MAKING AN EMERGENCY APPROPRIATION TO FUND A GRANT TO THE BOARD OF WATER SUPPLY FOR EMERGENCY OPERATIONS, FUTURE PLANNING, AND GROUND WATER REMEDIATION

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

House Bill (H.B.) No. 1954, H.D. 2, makes an unspecified general fund appropriation in FY 22 to fund a grant to the Honolulu Board of Water Supply (BWS) to be used for emergency operations, future planning, and remediation and requires BWS to submit reports to the Legislature on the expenditure of the funds, remediation efforts, and testing quality.

B&F notes that pursuant to Section 9 of Article VII of the Constitution of the State of Hawai'i, no appropriation bill, except bills recommended by the Governor for immediate passage, or to cover the expenses of the Legislature, shall be passed on final reading until the supplemental appropriations bill has been transmitted to the Governor. It is unclear if H.B. No. 1954, H.D. 2, is recommended by the Governor for immediate passage because the bill is not included in the Governor's Package or is designated by the Governor for immediate passage.

B&F also 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.



PHONE: (808) 323-4267 FAX: (808) 323-4786 EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

February 28, 2022
TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB1954 HD2, RELATING TO MAKING AN EMERGENCY APPROPRIATION TO
FUND A GRANT TO THE BOARD OF WATER SUPPLY FOR EMERGENCY
OPERATIONS, FUTURE PLANNING, AND GROUND WATER REMEDIATION.

Committee on Finance Tuesday, March 1, 2022 at 12:30pm

Aloha Chair Luke, and Members of the Committee:

My testimony is submitted in my individual capacity as a member of the County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

I support HB1954 HD2 which makes an emergency appropriation to fund a grant to the Board of Water Supply for emergency operations, future planning, and ground water remediation. The purpose of this Act is to appropriate funds and require the Honolulu board of water supply to submit reports to the legislature on the expenditure of the funds, remediation efforts, and testing quality prior to the convening of the regular sessions of 2023, 2024, and 2025.

The 2021 fuel leak at the U.S. Navy's Red Hill fuel storage facility and subsequent groundwater contamination is an ongoing environmental and health crisis. Despite the Navy's agreement to drain the fuel storage tanks, the immediate threat of groundwater and aquifer contamination remains. Public health and the quality of Hawai'i's drinking water, our 'āina, our streams, ground waters, nearshore marine areas, and the ocean are being harmed by water pollution from leaking underground storage tanks.

For the reasons stated above I urge the Committee on Finance to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

Rebecca Villegas

Council Member, Hawai'i County Council

BOARD OF WATER SUPPLY

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



RICK BLANGIARDI, MAYOR

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JADE T. BUTAY, Ex-Officio DAWN B. SZEWCZYK, P.E., Ex-Officio

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

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

The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
and Members
Committee on Finance
House of Representatives
Hawaii State Capitol, Room 308
Honolulu, Hawaii 96813

Dear Chair Luke, Vice Chair Yamashita, and Members:

SUBJECT: House Bill 1954, HD2: Making an Emergency Appropriation to Fund a

Grant to the Board of Water Supply for Emergency Operations, Future

Planning, and Ground Water Remediation

The Honolulu Board of Water Supply (BWS) strongly supports House Bill (HB) 1954, House Draft (HD) 2.

This bill would make an emergency appropriation from the general revenues of the State of Hawaii to fund a grant to the BWS for emergency operations, future planning, and remediation resulting from the contamination of Oahu's sole-source groundwater aquifer.

The release of fuel from the Red Hill facility has already caused the BWS to incur costs and take responsive actions to address the potential impacts to Oahu's drinking water. It has also forced the BWS to shut off its Halawa Shaft, Halawa and Aiea wells reducing its capacity to provide water service to metropolitan Honolulu, and the Aiea-Halawa areas. This measure will help offset some of the costs already incurred and to support future water resource protection measures.

The BWS appreciates the legislature's leadership expressed in HB1954, HD2 and thanks you for the opportunity to testify.

Very truly yours,

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

Submitted on: 2/27/2022 10:45:08 AM Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Christopher Dean	Recycle Hawaii and Clean the Pacific	Support	No

Comments:

This seems self explanatory, if Oahu's aquifer is contaminated with petroleum, Oahu will be uninhabitable forever. Given that, I would assume everyone would want to take every measure possible to protect the aquifer. Thank you.



To: The House Committee on Finance

From: Sherry Pollack, Co-Founder, 350Hawaii.org

Date: Tuesday, March 1, 2022, 12:30pm

In strong support of HB1954 HD2

Aloha Chair Luke, Vice Chair Yamashita, and members of the Finance committee,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of HB1954 HD2** which makes an emergency appropriation from the general revenues of the State of Hawaii to fund a grant-in-aid to the Honolulu board of water supply (BWS) for emergency operations, future planning, and remediation resulting from the contamination of the southern Oahu basal aquifer.

The 2021 fuel leak at the United States Navy's Red Hill fuel storage facility on Oahu and subsequent groundwater contamination is an ongoing environmental and health crisis. Despite the Navy's agreement to drain the fuel storage tanks, the immediate threat of groundwater and aquifer contamination remains. Hawaii's drinking water supply was 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.

The Navy has shamefully been pushing back against the draining and removal of these jet fuel tanks that sit a mere 100 feet above Oahu's sole source aquifer, as if it was acceptable to put the importance of our health and well-being up for debate. If it wasn't for the swift actions taken by the BWS and shutting down the Halawa shaft, a worse-case scenario could have occurred with contaminated water spreading throughout the entire system.

Given that the climate crisis already threatens our drinking water, we must make it a priority to protect our precious aquifer. We all have complete trust and confidence in the BWS to take on these immense responsibilities noted in HB1954 HD2, but they will need additional resources to properly address the tasks that go beyond their normal capacity.

Bottomline, it is critical that funds are provided to the BWS to ensure they have the capacity to do what is needed to perform emergency operations, future planning, and remediation resulting from the Navy's contamination of the Southern Oahu Basal Aquifer.

Mahalo for the opportunity to testify in **strong support** of this very important legislation.

Sherry Pollack Co-Founder, 350Hawaii.org









2022 **Board of Directors** February 27, 2022

Elizabeth Reilly President

Hawaii House of Representatives Committee on Finance Meeting on March 1, 2022 at 12:30 p.m. Conference Room 308 & Videoconference

Allen Tateishi Vice President

> Dianne Glei Secretary

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Dean Takebayashi Director

> Gary Weller **Director**

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Dylan Ramos Communications & **Operations**

Website

www.hawaiikaihui.org www.kaiwicoast.org

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Livable Hawaii Kai Hui is a 501(c)(3) non-profit, community organization serving East Honolulu since 2004. We strive to promote sensible growth, respect for cultural & natural resources, and upholding the integrity of the East Honolulu **Sustainable Communities** Plan.

RE: Support for and additional comments on HB1954

Aloha Chair Luke, Vice Chair Yamashita, and FIN Committee Members,

As you can glean from our name, Livable Hawaii Kai Hui is deeply concerned with the continuous threat posed by the Red Hill fuel tanks to our shared aquifer. This is why we strongly support **HB1954** and appreciate such a proactive measure.

It is of utmost importance that we pass this Bill as part of a series of measures at all levels of government to address the Red Hill water crisis and prevent others like it.

That being said, Livable Hawaii Kai Hui also believes that the cost of this bill should not be shouldered solely by Hawai'i taxpayers. If possible, whether by an amendment to HB1954 or via resolution such as HCR6, Hawai'i should demand that any funds appropriated out of general revenues for Red Hill remediation ought to be reimbursed by the Federal government. The State may also consider lobbying for such Federal funding and placing monies received into a dedicated Red Hill remediation fund that is protected from misuse and transferable to an equally secure aguifer protection fund after Red Hill is both shut down and resolved.

The events of the past few months – let alone the 74 years since the first documented leak at Red Hill - have opened our eyes to the ever-clearer threat to our precious water resources. What does it say about our situation when the poisoning of nearly 100,000 people's water isn't even close to the worst case scenario? Every second that we don't do anything brings us closer to certain catastrophic failure. This is not hyperbole, it is what the Navy's own studies have indicated.

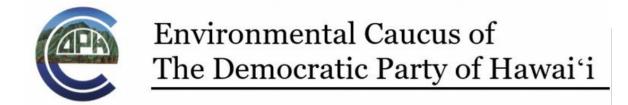
Thank you for hearing this Bill, strengthening it, and passing it on for House approval. While it may not be a cure-all, this and other efforts on the County and Federal level will be critical for ensuring a livable future for all living things on this island, and hopefully set a worldwide precedent.

Mahalo,

Founder/President

Dylan Ramos

Communications & Operations



To: The Honorable Sylvia Luke, Chair

The Honorable Kyle T. Yamashita, Vice Chair

Committee on Finance

Re: HB 1954, HD 2 – MAKING AN EMERGENCY APPROPRIATION TO FUND A GRANT TO THE BOARD OF WATER SUPPLY FOR EMERGENCY OPERATIONS, FUTURE PLANNING, AND GROUND WATER REMEDIATION

Hearing: Tuesday, March 1, 2022, 12:30 p.m., Conference Room 308 and Via

Videoconference

Position: Strong Support

Aloha, Chair Luke and Vice Chair Yamashita and Members of the Committee on Finance:

The Environmental Caucus of the Democratic Party of Hawai'i strongly supports HB 1954, HD2 and requests that this measure be PASSED by your Committee. This bill would make an emergency appropriation from general revenues of the State of Hawaii to fund a grantin-aid to the Honolulu board of water supply for emergency operations, future planning, and remediation resulting from the contamination of the southern Oahu basal aquifer. It requires the Honolulu Board of Water Supply to make reports to the legislature on all expenditures, remediation efforts, and testing quality prior to the regular sessions of 2023, 2024, and 2025.

The Environmental Caucus supports this measure because the Board of Water Supply needs an emergency appropriation to drill new monitoring wells to determine the extent that the fuel plumes are migrating. The Board of water supply needs these funds so that it can develop these new wells and new monitoring wells accordingly. The Board of Water Supply needs to protect and safeguard the aquifer for its customers and to do so requires emergency funding to implement emergency measures.

Mahalo nui loa for this opportunity to testify. Please pass this bill.

Respectfully submitted,

Melodie Aduja:

Co-Chairs, Environmental Caucus of the Democratic Party of Hawai`i

Email: legislativepriorities@gmail.com

Submitted on: 3/1/2022 10:18:41 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Pete Doktor	Veterans for Peace, Hawai`i Ch. 113	Support	No

Comments:

Aloha Committee Members,

As a Moanalua `ohana deeply concerned about the fate of our sole-source aquifer resulting from the continued presence of leaky military underground fuel tanks, we support HB 1954 to authorize the emergency appropriation to fund the Board of Water Supply for emergency operations, future planning and ground water remediation given the imminent peril military bulk fuel storage presents on our foundation of life, economy and genuine security: our water.

That said, as a former Army medic and DOE teacher, I also expect the DoD for reparations for all costs borne onto Hawai`i tax-payers ultimately. The costs are one thing, but the loss of funds to other critical security needs, such as public education and health, is further damage to locals.

Māhalo nui loa for any advocacy for the life of our land and local democratic governance.

Ola i Ka Wai, Kū Kia'i Wai....water is a resource for life, let's defend it!

Pete Doktor

Veterans for Peace, Hawai'i Ch. 113 Co-founder

Submitted on: 2/26/2022 1:52:33 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

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

Comments:

I support ANY money being put forth for this catastrophe. It is a worst case scenario waiting to happen. We cannot afford to be in a reactive state. To be proactive, the State must address the immediate danger to the island's aquifer.

If there is a leak in the tunnel, it becomes a fire hazard. The facility is already having issues with the fire suppression system.

Although no one has been talking much about the pipes that run underground in close proximity to the fuel lines. These pipes are also an immediate risk.

Regardless of if the tanks are out of service, there is still fuel in the tanks. Another leak is a strong possibility. A ruptured pipe is a strong possibility. If a PVC pipe getting struck caused the pipe to rupture, then we can assume that PVC pipes are in use.

It's like a pipe leak in our home, the water doesn't have to be running to cause a pipe to leak. If the pipe is old it has lost any stuffiness when first installed. Leaks will occur due to the elements, deteriorization, or low quality material, even poor workanship. The problem is "no predictability." However there is a big difference between a water leak and a fuel leak into a water source.

As I said earlier, I do not care where the \$\$ comes from but it needs to get to BWS sooner rather than later!

The protection of the aquifer is of utmost importance. The purpose is to be used for emergency operations, future planning, and remediation resulting from the contamination of the southern Oahu basal aquifer.

We are all part of Oahu's water system and we are looking to the Legislature to put some urgency to the appropriation for all of Oahu!

Its obvious from the amendment that the Department of Health was taken out of the equation. That leaves us moving in the right direction.

Hopefully the City and County will not balk at the amendment. Lets move forward and give the BWS as much support as they need. Currently they are one agency the public trusts to put urgency into this mess!

<u>HB-1954-HD-2</u> Submitted on: 2/27/2022 1:13:37 PM Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Brandt	Individual	Support	No

Comments:

Support!

<u>HB-1954-HD-2</u> Submitted on: 2/27/2022 5:12:51 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Caroline Kunitake	Individual	Support	No

Comments:

I support HB1954 HD2.

Submitted on: 2/27/2022 5:36:39 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
tlaloc tokuda	Individual	Support	No

Comments:

Aloha FIN Chair and Committee,

I support HB1954 HD2 and hope you pass this important bill. We can't live without uncontaminated water. Saltwater intrusion and contaminated water and disturbing our fresh water lens are our greatest threats. With any of these treats we need to try and address and mitigate them.

Given that the climate crisis already threatens our drinking water, we must make it a priority to protect our precious aquifer. We all have complete trust and confidence in the BWS to take on these immense responsibilities noted in HB1954 HD2, but they will need additional resources to properly address the tasks that go beyond their normal capacity.

-Funds need to be provided to the BWS to ensure they have the capacity to do what is needed to perform emergency operations, future planning, and remediation resulting from the Navy's contamination of the Southern Oahu Basal Aquifer. We must ensure the protection of Oahu's sole-source aquifer from fuel contamination, or any other source of pollution, keeping it safe for current and future generations.

Please pass this bill,

Mahalo for your considerations.

Tlaloc Tokuda

Kailua Kona HI 96740

Submitted on: 2/28/2022 2:04:35 AM

Testimony for FIN on 3/1/2022 12:30:00 PM

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

Comments:

Dear FIN Chair Luke, Vice Chair Yamashita and committee members,

This is a critically important bill and we support it in its entirety.

Please appropriate the necessary funds to the Honolulu Board of Water Supply.

Pass bill HB1954. For the good of all the people on Oahu.

Mahalo,

Jan Pappas and Ronald H. Yasuda

Aiea, Hawaii 96701

Submitted on: 2/28/2022 3:31:13 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
anne zellinger	Individual	Support	No

Comments:

Why this wasn't proposed earlier in the wake of the climate emergency, is a sign of negligence. Safe food, water, and air quality planning is not just protecting the aina, but our future.

Thank you,

Anne Zellinger

Submitted on: 2/28/2022 10:40:27 PM Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Danielle Espiritu	Individual	Support	No

Comments:

Aloha kākou,

I am writing in support of HB1954 HD2 and the allocation of funds to the Board of Water supply to be used for emergency operations, future planning, and groundwater remediation. As a result of both recent and longstanding contamination caused by the Navy's Red Hill bulk fuel storage facility, the Honolulu Board of Water Supply is faced with an en enormous task of continuing to provide clean drinking water to the public amidst a water crisis. This is compounded by the fact that we are nearing the hottest, driest months of the year and the cause of the issue has not been removed, there are still millions of gallons of fuel sitting just 100 feet above the source of our drinking water.

In addition to supporting the Board of Water Supply and HB1954, I ask that you as our elected officials do everything in your power to defuel the Navy's underground bulk fuel storage facility, decomission the tanks, support initiatives to clean up and recharge our aquifer, and pass legislation to prevent similar underground facilities from being built in the future.

Mahalo nui for your time and consideration.

with hope, Danielle Espiritu Waimalu, 'Ewa, O'ahu