A BILL FOR AN ACT

RELATING TO WATER.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1

PART I

2 SECTION 1. The legislature finds that the United States 3 Navy's Red Hill Bulk Fuel Storage Facility consists of twenty 4 steel-lined underground storage tanks that were built from 1940 5 to 1943. Each tank can store 12.5 million gallons of fuel; in 6 total, the Red Hill Bulk Fuel Storage Facility can store up to 7 two hundred fifty million gallons. The tanks are located only about one hundred feet above the United States Environmental 8 9 Protection Agency's designated sole-source groundwater aguifer 10 that provides drinking water to approximately four hundred 11 thousand residents of the island of Oahu. Over the past eighty 12 years, numerous spills have occurred at Red Hill. Specifically, 13 on November 20, 2021, about ninety-three thousand individuals 14 served by the Navy's potable water system for Joint Base Pearl 15 Harbor-Hickam were directly affected when the Navy's Red Hill 16 shaft was contaminated by the release of up to nineteen thousand 17 gallons of fuel, including JP-5 jet fuel, older fuels stored at



1

2690

H.D. 2

S.D. 1 Proposed

the Red Hill Bulk Fuel Storage Facility, and any additives used. 1 2 Over six thousand individuals sought medical attention, and one thousand were forced to leave their homes due to the 3 4 contamination. Much of the fuel released from the Red Hill Bulk Fuel Storage Facility remains in the environment, trapped within 5 6 the complex geological formations beneath and near the tanks. 7 The legislature further finds that on May 9, 2023, 8 officials from the State and city and county of Honolulu signed a unified statement on Red Hill, recognizing the stewardship 9 10 responsibility to ensure that there is clean water on Oahu for future generations. The Red Hill Water Alliance Initiative 11 (WAI), a working group, met regularly in 2023 since the signing 12 13 of the unified statement. The Red Hill WAI posed questions, conducted research, listened to subject-matter experts, and 14 15 formulated recommended policies.

H.B. NO. ²⁶⁹⁰ H.D. 2

Proposed

16 The legislature also finds that the Red Hill WAI's approach 17 of total stewardship responsibility required a stance of 18 extending beyond statutory roles, specific responsibilities, 19 tenure in those roles, and even personal lifetimes. Its inquiry 20 included the pursuit of critical questions for which there may

currently be no answers. Thus, the pursuit of those answers is
 part of the ongoing work.

H.B. NO. ²⁶⁹⁰ H.D. 2 S.D. 1

Proposed

The legislature notes that besides its regulatory functions under federal and state environmental laws, the State also has unique public trust responsibilities set forth in the Hawaii State Constitution, which establishes an affirmative duty of the State to preserve and protect public trust resources, including water resources.

9 The legislature additionally finds that the focus of the 10 Red Hill WAI's inquiry is the remediation needs after the 11 defueling of the tanks and removal of residual fuel and 12 contaminants from the Red Hill Bulk Fuel Storage Facility. In 13 particular, the Red Hill WAI is concerned with the unknowns 14 posed by fuel contaminants already in the ground, as well as the 15 residuals of the fuel plume in the aquifer as a result of the 16 spill that occurred on November 20, 2021. In fact, there may be 17 as many as 1,940,000 gallons of fuel constituents in the ground 18 that have leaked or spilled over eight decades. Pursuant to a 19 proactive approach, the Red Hill WAI seeks to describe the 20 remediation it believes necessary for the future well-being of 21 the aquifer in which there is a negligible risk to current and



H.B. NO. ²⁶⁹⁰ H.D. 2

Proposed

"CHAPTER





H.B. NO. ²⁶⁹⁰ H.D. 2

2024-2161 HB2690 SD1 SMA-2.docx



1	Ş	-2 Policy lead and coordination. (a) The department
2	shall ser	ve as the State's policy lead on WAI initiatives
3	through t	he position of the WAI policy coordinator, to be placed
4	in the of	fice of the chairperson. The WAI policy coordinator
5	shall wor	k with respective state and county agencies and other
6	groups.	
7	(b)	The WAI policy coordinator shall:
8	(1)	Facilitate implementation and monitoring and interface
9		with federal entities on WAI initiatives outlined in
10		the WAI's November 2023 report;
11	(2)	Periodically and regularly review:
12		(A) The health status of the ecosystem; and
13		(B) The state of science and opportunities for
14		remediation and rehabilitation;
15	(3)	Develop and maintain a public-facing test results
16		dashboard describing the significance of results from
17		the State and city and county of Honolulu, as part of
18		a broader public education program; and
19	(4)	Coordinate the implementation of a thirty-six-month
20		public information and education program to describe,
21		inform, and educate the general public and

2024-2161 HB2690 SD1 SMA-2.docx

institutions on the post-defueling remediation phases 1 2 for Red Hill to restore public trust, secure public 3 support, and address health and environmental 4 concerns. (c) No later than December 1, 2024, the WAI policy 5 coordinator shall submit a report to the legislature regarding 6 7 the potential organizational structure, responsibilities, 8 duties, and powers of a proposed Red Hill remediation authority, 9 based on the provisions of House Bill No. 2691, introduced 10 during the regular session of 2024, as the starting point. 11 -3 Red Hill remediation special fund. (a) S There is 12 established in the state treasury the Red Hill remediation 13 special fund into which shall be deposited the following moneys: 14 (1)Appropriations by the legislature to the special fund; 15 Gifts, donations, and grants from public agencies, (2) 16 including the United States government, and private 17 persons; and 18 (3) All interest earned on or accrued to moneys deposited 19 in the special fund. 20 (b) The special fund shall be administered by the WAI

21 policy coordinator.

2024-2161 HB2690 SD1 SMA-2.docx

7

2690 H.D. 2 S.D. 1

Proposed

(c) The moneys in the special fund shall be used to
 address contamination resulting from the Red Hill Bulk Fuel
 Storage Facility, including monitoring, applied research, public
 outreach and education, and evaluation; provided that the cost
 of remediation of the aquifer shall be borne by the federal
 government.

H.B. NO. ²⁶⁹⁰ H.D. 2

Proposed

7 § -4 Cooperation by state and county agencies. All
8 state and county agencies shall provide all information and data
9 requested by the WAI policy coordinator within thirty calendar
10 days; provided that the WAI policy coordinator may, in the
11 coordinator's discretion, set a longer deadline.

12 § -5 Report. The WAI policy coordinator shall submit a 13 report of the coordinator's activities and expenditures to the 14 legislature, governor, and mayor and city council of the city 15 and county of Honolulu no later than December 1 of each year, 16 beginning in 2024."

SECTION 3. The following positions, which shall be exempt from chapter 76, Hawaii Revised Statutes, are established in the office of the chairperson of the board of land and natural resources for the purposes of Red Hill WAI policy coordination:

2024-2161 HB2690 SD1 SMA-2.docx

1 (1)full-time equivalent (FTE) policy 2 coordinator; 3 full-time equivalent (FTE) outreach (2)4 coordinator; and 5 (3) full-time equivalent (FTE) administrative 6 assistant. 7 SECTION 4. In accordance with section 9 of article VII of the Hawaii State Constitution and sections 37-91 and 37-93, 8 9 Hawaii Revised Statutes, the legislature has determined that the 10 appropriations contained in H.B. No. , will cause the state 11 general fund expenditure ceiling for fiscal year 2024-2025 to be 12 exceeded by \$ or per cent. In addition, the 13 appropriations contained in this Act will cause the general fund 14 expenditure ceiling for fiscal year 2024-2025 to be further 15 exceeded by \$ or per cent. The combined total 16 amount of general fund appropriations contained in only these 17 two Acts will cause the state general fund expenditure ceiling 18 for fiscal year 2024-2025 to be exceeded by 19 \$ per cent. The reasons for exceeding the or 20 general fund expenditure ceiling are that:

H.B. NO. ²⁶⁹⁰ H.D. ²

Proposed

2024-2161 HB2690 SD1 SMA-2.docx

1 (1)The appropriations made in this Act are necessary to 2 serve the public interest; and 3 (2) The appropriations made in this Act meet the needs 4 addressed by this Act. SECTION 5. There is appropriated out of the general 5 revenues of the State of Hawaii the sum of \$ 6 or so 7 much thereof as may be necessary for fiscal year 2024-2025 for 8 the positions identified in section 3 of this Act for Red Hill 9 WAI policy coordination. 10 The sum appropriated shall be expended by the department of 11 land and natural resources for the purposes of this Act. 12 SECTION 6. There is appropriated out of the general 13 revenues of the State of Hawaii the sum of \$ or so 14 much thereof as may be necessary for fiscal year 2024-2025 for 15 ecosystem monitoring of the area surrounding the Red Hill Bulk 16 Fuel Storage Facility by the department of land and natural 17 resources. 18 The sum appropriated shall be expended by the department of 19 land and natural resources for the purposes of this Act. 20 PART II

2024-2161 HB2690 SD1 SMA-2.docx

10

2690 H.D. 2

Proposed

HR	NO.	2690 H.D. 2
	\mathbf{N}	S.D. 1
		Proposed

1 SECTION 7. The legislature finds that effective and 2 efficient water resource management requires continuous and 3 experienced leadership, especially given the climate crisis and 4 urgent need to properly steward water resources to meet the 5 affordable housing needs of local residents. On December 28, 6 1994, the review commission on the state water code submitted 7 its final report to the legislature pursuant to Act 45, Session 8 Laws of Hawaii 1987. The review commission determined that 9 amendments to the state water code were necessary to enable the 10 commission on water resource management to more effectively 11 carry out its mandate pursuant to article XI, section 7, of the 12 Hawaii State Constitution to "set overall water conservation, 13 quality and use policies; define beneficial and reasonable uses; 14 protect ground and surface water resources, watersheds and 15 natural stream environments; establish criteria for water use 16 priorities while assuring appurtenant rights and existing 17 correlative and riparian uses and establish procedures for 18 regulating all uses of Hawaii's water resources". Therefore, 19 further clarification of the commission on water resource 20 management's purpose, including its leadership structure and the

2024-2161 HB2690 SD1 SMA-2.docx

1	composition of the commission, will provide greater
2	accountability and protection of the State's waters.
3	The purpose of this part is to:
4	(1) Repeal the position of deputy to the chairperson of
5	the commission and establish the position of executive
6	director of the commission;
7	(2) Amend the composition of the commission and
8	administratively attach it to the department of land
9	and natural resources; and
10	(3) Establish fines for certain water use offenses.
11	SECTION 8. Section 84-18, Hawaii Revised Statutes, is
12	amended by amending subsection (e) to read as follows:
13	"(e) Subject to the restrictions imposed in subsections
14	(a) through (d), the following individuals shall not represent
15	any person or business for a fee or other consideration
16	regarding any legislative action or administrative action, as
17	defined in section 97-1, for twelve months after termination
18	from their respective positions:
19	(1) The governor;
20	(2) The lieutenant governor;
21	(3) The administrative director of the State;

2024-2161 HB2690 SD1 SMA-2.docx

H.D. 2 S.D. 1 Proposed



1	(4)	The attorney general;
2	(5)	The comptroller;
3	(6)	The chairperson of the board of agriculture;
4	(7)	The director of corrections and rehabilitation;
5	(8)	The director of finance;
6	(9)	The director of business, economic development, and
7		tourism;
8	(10)	The director of commerce and consumer affairs;
9	(11)	The adjutant general;
10	(12)	The superintendent of education;
11	(13)	The chairperson of the Hawaiian homes commission;
12	(14)	The director of health;
13	(15)	The director of human resources development;
14	(16)	The director of human services;
15	(17)	The director of labor and industrial relations;
16	(18)	The chairperson of the board of land and natural
17		resources;
18	(19)	The director of law enforcement;
19	(20)	The director of taxation;
20	(21)	The director of transportation;
21	(22)	The president of the University of Hawaii;

.



1	(23)	The executive administrator of the board of regents of
2		the University of Hawaii;
3	(24)	The administrator of the office of Hawaiian affairs;
4	(25)	The chief information officer;
5	(26)	The executive director of the agribusiness development
6		corporation;
7	(27)	The executive director of the campaign spending
8		commission;
9	(28)	The executive director of the Hawaii community
10		development authority;
11	(29)	The executive director of the Hawaii housing finance
12		and development corporation;
13	(30)	The president and chief executive officer of the
14		Hawaii tourism authority;
15	(31)	The executive officer of the public utilities
16		commission;
17	(32)	The state auditor;
18	(33)	The director of the legislative reference bureau;
19	(34)	The ombudsman;

1 (35) The permanent employees of the legislature, other than 2 persons employed in clerical, secretarial, or similar 3 positions; 4 (36) The administrative director of the courts; 5 The executive director of the state ethics commission; (37) 6 The executive officer of the state land use (38) 7 commission; 8 (39) The executive director of the natural energy 9 laboratory of Hawaii authority; 10 (40) The executive director of the Hawaii public housing 11 authority; and 12 (41) The [first-deputy to the chairperson] executive 13 director of the commission on water resource 14 management; 15 provided that this subsection shall not apply to any person who 16 has held one of the positions listed above only on an interim or 17 acting basis and for a period of less than one hundred eighty-18 one days." 19 SECTION 9. Section 174C-6, Hawaii Revised Statutes, is 20 amended to read as follows:

2024-2161 HB2690 SD1 SMA-2.docx

15

2690 H.D. 2 S.D. 1

Proposed

H.B.	NO.	2690 H.D. 2 S.D. 1
		Proposed

1	"§174C-6 [Deputy to the chairperson] Executive director of
2	the commission on water resource management. (a) There shall
3	be [a first deputy to the chairperson] <u>an executive director</u> of
4	the commission on water resource management [("deputy for water
5	resource management") who shall be in addition to any other
6	first deputy to the chairperson as the chairperson of the board
7	of land and natural resources. The deputy], who shall have
8	experience in the area of water resources and shall be appointed
9	by [the-chairperson with the approval of a majority of] the
10	commission[\cdot] and serve at the pleasure of the commission.
11	(b) The duties of the [deputy for] <u>executive director of</u>
12	the commission on water resource management shall be to
13	administer and implement, under the direction of the commission,
14	the state water code [and all], the rules, and other directives
15	[promulgated in accordance therewith] <u>adopted</u> by the commission.
16	Nothing in this [provision] <u>section</u> shall be construed as
17	limiting the authority of the commission as to matters regarding
18	water resources.
19	(c) The position of [deputy for] executive director of the

20 <u>commission on water resource management [is not] shall not be</u> 21 subject to chapter 76.

2024-2161 HB2690 SD1 SMA-2.docx



1	(d) The salary of the [deputy for] <u>executive director of</u>
2	the commission on water resource management shall be [as
3	provided in section 26-53 for first deputies or first assistants
4	to the head of any department.] set by the commission, and the
5	executive director shall be included in any benefit program
6	generally applicable to the officers and employees of the State.
7	(e) The commission shall develop and document annual goals
8	and performance measures for the executive director that
9	authorize the commission to annually evaluate the executive
10	director's work to ensure compliance by the commission with
11	statutory and constitutional requirements and achievement of its
12	statutory and constitutional purposes.
13	(f) The commission shall evaluate and document the
14	evaluation of the executive director's performance annually, or
15	more frequently upon the request of at least four members of the
16	commission, based on annual goals, performance measures, and
17	other relevant criteria."
18	SECTION 10. Section 174C-7, Hawaii Revised Statutes, is
19	amended to read as follows:
20	"§174C-7 Commission on water resource management. (a)
21	There is established within the department a commission on water

H.B. NO. 2690 H.D. 2 S.D. 1 Proposed

1 resource management consisting of seven members which shall have 2 exclusive jurisdiction and final authority in all matters 3 relating to implementation and administration of the state water 4 code, except as otherwise specifically provided in this chapter. 5 <u>The commission shall be attached to the department of land and</u> 6 natural resources for administrative purposes only.

7 (b) Five members shall be appointed by the governor 8 subject to confirmation by the senate in the manner prescribed 9 in subsection [(d).] (e). Each member shall have substantial 10 experience in the area of water resource management; provided 11 that at least one member shall have substantial experience or 12 expertise in traditional Hawaiian water resource management 13 techniques and in traditional Hawaiian riparian usage such as 14 those preserved by section 174C-101. Each of the members shall 15 be eligible to serve as the chairperson of the commission upon 16 election by a majority of the commission members.

17 (c) The chairperson of the board of land and natural 18 resources [shall be the chairperson of the commission. The] and 19 the director of health or the director's designee shall serve as 20 [an] ex officio[+],[+] voting [member.] members but shall be

21 ineligible to serve as chairperson of the commission.

2024-2161 HB2690 SD1 SMA-2.docx

[(c)] (d) The members of the commission shall serve
 without compensation but shall be reimbursed for expenses,
 including travel expenses, necessary for the performance of
 their duties.

H.B. NO. ²⁶⁹⁰ H.D. 2

Proposed

5 $\left[\frac{d}{d}\right]$ (e) In appointing a member to the commission, the 6 governor shall select from a list submitted by a nominating 7 committee. The nominating committee shall be composed of four 8 individuals chosen as follows: two persons appointed by the 9 governor; one person appointed by the president of the senate; 10 and one person appointed by the speaker of the house. The 11 committee shall solicit applications and send to the governor 12 the names of at least three individuals for each open position. 13 [(c)] (f) Except as otherwise provided in this chapter, 14 the commission shall be subject to sections 26-34, 26-35, and 15 26-36."

16 SECTION 11. Section 174C-9, Hawaii Revised Statutes, is 17 amended to read as follows:

18 "[+]\$174C-9[+] Proceedings before the commission
19 concerning water resources. (a) All proceedings before the
20 commission concerning the enforcement or application of any
21 provision of this chapter or any rule adopted pursuant thereto,



1	or the issuance, modification, or revocation of any permit or		
2	license under this code by the commission, shall be conducted in		
3	accordance with chapter 91. Hearings regarding particular water		
4	resources shall be conducted on the island where those water		
5	resources are located.		
6	(b) Any party to whom an emergency order is directed may		
7	challenge that order but shall immediately comply with the order		
8	pending disposition of the party's challenge. The commission		
9	shall give precedence to a hearing on the challenge over all		
10	other pending matters."		
11	SECTION 12. Section 174C-15, Hawaii Revised Statutes, is		
12	amended to read as follows:		
13	" §174C-15 Penalties and common law remedies. (a) The		
14	commission may enforce its rules and orders adopted pursuant to		
15	this chapter by suit for injunction or for damages or both.		
16	(b) Any person who [violates any] <u>:</u>		
17	(1) Violates any provision of this chapter[, or any];		
18	(2) Violates any rule adopted pursuant to this chapter[$ au$		
19	may] <u>;</u>		
20	(3) Violates any order of the commission;		

2024-2161 HB2690 SD1 SMA-2.docx

20

2690 H.D. 2 S.D. 1 Proposed

H.B.	NO.	2690 H.D. 2 S.D. 1
		S.D. 1 Proposed

1	(4) Fails to obtain a permit when a permit is required
2	pursuant to this chapter;
3	(5) Fails to comply with permit conditions; or
4	(6) Fails to comply with standardized water audit
5	requirements pursuant to Act 169, Session Laws of
6	Hawaii 2016,
7	<u>shall</u> be subject to a fine imposed by the commission. [Such]
8	The fine shall be not less than \$50 and shall not exceed
9	[\$5,000. For a continuing offense, each day during which the
10	offense is committed is a separate violation.] \$25,000 per
11	violation. Each day that a violation exists or continues to
12	exist shall constitute a separate offense. Penalties for
13	continuing violations shall be assessed from the earliest known
14	date of the violation. The earliest known date of a violation
15	shall be determined by the commission by a preponderance of the
16	evidence; provided that if the earliest known date cannot be
17	determined by a preponderance of evidence, penalties for
18	continuing violations shall be assessed from the earliest date
19	that the commission is made aware of the violation.



1	(c) When imposing a penalty, the commission shall consider
2	the following factors, which shall include but not be limited
3	to:
4	(1) The nature, circumstances, extent, gravity, and
5	history of the violation and of any prior violations;
6	(2) The economic benefit to the violator, or anticipated
7	by the violator, resulting from the violation;
8	(3) The opportunity, difficulty, and history of corrective
9	action;
10	(4) Good faith efforts to comply;
11	(5) Degree of culpability; and
12	(6) Other matters as justice may require.
13	[(c)] <u>(d)</u> No provision of this chapter shall bar the right
14	of any injured person to seek other legal or equitable relief
15	against a violator of this chapter.
16	[(d)] <u>(e)</u> Except as otherwise provided by law, the
17	commission or its authorized representative by proper delegation
18	[may] shall set, charge, and collect administrative fines $[or]$;
19	may bring legal action to recover administrative fees and costs
20	as documented by receipts or affidavit, including [attorneys']
21	attorney's fees and costs; [or] and may bring legal action to



recover administrative fines, fees, and costs, including
 [attorneys'] attorney's fees and costs, or payment for damages
 resulting from a violation of this chapter or any rule adopted
 pursuant to this chapter."

5 SECTION 13. Section 174C-62, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[+]§174C-62[+] Declaration of water shortage. (a) The commission shall formulate a statewide plan for implementation 8 during periods of water shortage. As a part of the plan, the 9 commission shall adopt a reasonable system of permit 10 11 classification according to source of water supply, method of 12 extraction or diversion, use of water, or a combination thereof. (b) The commission, by rule, may declare that a water 13 shortage exists within all or part of an area, whether within or 14 15 outside of a water management area, when insufficient water is available to meet the requirements of the permit system or when 16 conditions [are such as to] require a temporary reduction in 17 18 total water use within the area to protect water resources from serious harm. The commission shall publish a set of criteria 19 for determining when a water shortage exists [-], including but 20

21 not limited to impacts and effects of the climate crisis.

2024-2161 HB2690 SD1 SMA-2.docx

23

2690 H.D. 2

Proposed



20 shortage.

2024-2161 HB2690 SD1 SMA-2.docx

1

(f) The commission shall cause each permittee in the area

to be notified by regular <u>and electronic</u> mail of any change in the conditions of the permittee's permit, any suspension [thereof,] of the permittee's permit, or of any other restriction on the use of water for the duration of the water shortage.

(g) If an emergency condition arises due to a water 7 8 shortage within any area, whether within or outside of a water 9 management area, and if the commission finds that the 10 restrictions imposed under subsection (c) are not sufficient to 11 protect the public health, safety, or welfare, or the health of 12 animals, fish, or aquatic life, or a public water supply, or recreational, municipal, agricultural, or other reasonable uses, 13 14 the commission may issue orders reciting the existence of such 15 an emergency and requiring that such actions as the commission 16 deems necessary to meet the emergency be taken, including but 17 not limited to apportioning, rotating, limiting, or prohibiting 18 the use of the water resources of the area. Any party to whom 19 an emergency order is directed may challenge such an order but 20 shall immediately comply with the order, pending disposition of





1	the party's challenge. The commission shall give precedence to
2	a hearing on such challenge over all other pending matters."
3	PART III
4	SECTION 14. If any provision of this Act, or the
5	application thereof to any person or circumstance, is held
6	invalid, the invalidity does not affect other provisions or
7	applications of the Act that can be given effect without the
8	invalid provision or application, and to this end the provisions
9	of this Act are severable.
10	SECTION 15. This Act does not affect rights and duties
11	that matured, penalties that were incurred, and proceedings that
12	were begun before its effective date.
13	SECTION 16. Statutory material to be repealed is bracketed
14	and stricken. New statutory material is underscored.
15	SECTION 17. This Act shall take effect on July 1, 2050;
16	provided that sections 3, 5, and 6 of this Act shall take effect
17	on July 1, 2024.





Report Title:

DLNR; CWRM; Red Hill WAI; Policy Lead and Coordination; Red Hill Remediation Special Fund; Public Trust Purpose; Responsibilities; Commission Membership; Executive Director; Independent Legal Counsel; Emergency Order; Water Emergencies; Water Shortage Declarations; Fines; Appropriation; Expenditure Ceiling

Description:

Part I: Establishes a WAI Policy Coordinator and other positions within the Department of Land and Natural Resources for coordination of Red Hill WAI initiatives. Creates the Red Hill Remediation Special Fund. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds. Part II: Repeals the position of deputy to the chairperson of the Commission and establishes the position of executive director of the Commission. Amends the composition of the Commission and administratively attaches it to DLNR. Establishes fines for certain water use offenses. Takes effect 7/1/2050. (Proposed SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

