



DEPARTMENT OF THE NAVY

COMMANDER
NAVY REGION HAWAII
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JBPHH HI 96860-5101

17 February 2016

Dear Stakeholder,

This letter serves to update you on our efforts regarding the Red Hill Bulk Fuel Storage Facility. But before I discuss Red Hill, I feel honored to thank you for your heartfelt expressions of aloha and continued support to the families, friends and colleagues of the 12 Marines who recently lost their lives during night training off of Oahu.

Now on to Red Hill. I am pleased to report that on December 4, 2015, staff from the Navy, Defense Logistics Agency (DLA), State of Hawaii Department of Health (DOH), and Region IX of the United States Environmental Protection Agency (EPA) concluded a week of face-to-face, in-depth meetings in accordance with the Administrative Order on Consent (Order) signed on September 28, 2015. The Regulatory Agencies - EPA and DOH - invited additional subject matter experts to attend from the University of Hawaii, Honolulu Board of Water Supply (BWS), State Department of Land and Natural Resources (DLNR), and United States Geological Survey (USGS). USGS members did not attend due to a scheduling conflict. Others, including representatives from the BWS, did not attend these meetings based on their indication that they would not sign Non-Disclosure Agreements (NDAs). These NDAs are to ensure that information which could give a future bidder an unfair competitive advantage in the contracting process is not shared until after that contract requirement is made public. The disclosure of such information could make future contract awards open to challenge, causing lengthy delays. All Navy and DLA employees involved in the meetings signed NDAs. The NDAs do not inhibit open and transparent communication on environmental issues or on progress of the Order's deliverables. As an alternative means to receive input, the Regulatory Agencies, as well as Navy representatives, met with BWS staff and intend to continue to meet separately with subject matter experts who are not willing to sign an NDA.

These initial scoping meetings met our objectives. The participants organized into groups to address specific sections of the Statement of Work within the Order including: tank inspection, repair and maintenance procedures report; tank upgrade alternatives report; corrosion and metal fatigue practices report; and the groundwater flow model and contaminant fate and transport report. We are pleased with the outcome of these discussions.

Shortly after these meetings, the Regulatory Agencies approved outlines for reports on two topics: current fuel release monitoring systems and corrosion and metal fatigue practices. We recently concluded scoping discussions about developing the reports pursuant to Sections 6 and 7 of the Statement of Work. Those sections address Investigation and Remediation of Releases, and Groundwater Protection and Evaluation. The team expects to complete the scoping work for Tank Inspection, Repair, and Maintenance Procedures, and for Tank Upgrade Alternatives, by the end of March. Draft reports for Release Detection/Tank Tightness Testing and Corrosion and Metal Fatigue Practices are due in April.

The meetings gave considerable attention to the topic of groundwater monitoring. As you may recall, the Navy installed two additional monitoring wells in the Red Hill area in October 2014, bringing the number of active monitoring wells to nine, plus one additional sampling point for 10 total sampling locations. The December 2015 discussions about additional monitoring wells first focused on evaluating the complexity of the surrounding geology and aquifer conditions. The team identified areas where we needed additional information to improve our ability to assess and predict the potential migration of subsurface fuel constituents. The parties agreed that data from four additional locations would be sufficient to generate an informative report on the nature, fate and transport of subsurface fuel constituents that may be present in the area. Determining the precise location for the four new wells may be challenging because not all of the locations are on Federal property. However, the Navy and DLA will proceed as quickly as possible to install these four additional wells. Compiling and

analyzing the information provided from the existing wells and the four new wells is the necessary next step that will enable us to improve our ability to determine the risk, if any, to human health and/or the environment and build fact based solutions for any subsequent remediation actions.

These next two paragraphs contain very important facts about water quality. While some have cautioned me that this section may come across as defensive, my intent is to directly address the Red Hill water test results and to give some context that will make the data useful information. The Navy continues to monitor the quality of the drinking water sources closest to the Red Hill facility and share that data with EPA and DOH. As I mentioned in my November 2015 letter, over the years, we intermittently detected trace amounts of fuel constituents adjacent to the Navy's Red Hill drinking water shaft. This means we detected some of the constituents that make up fuel, not fuel, at trace amounts, meaning at barely detectable levels. The other important facts about our trace detections are that these levels are far below DOH Environmental Action Levels (EAL), and most importantly, these levels pose no risk to human health.

Most recently, in July 2015, we detected trace amounts of Total Petroleum Hydrocarbons (a fuel constituent) at an estimated value of 17 parts per billion, well below the EAL of 100 parts per billion. Our EPA-certified lab had to estimate the amount because the detection level was too low to accurately quantify. In addition to the fact that no constituent has ever approached its EAL adjacent to our drinking water shaft, it's also important to note that of the thousands of individual water tests we conducted for Red Hill since 2005, these estimated trace detections occurred in less than 3 percent of the results. This means, given the fact based test results; the water was and continues to be safe to drink. Moving from today and looking into the future, the Navy will continue to perform diligent and careful water quality analyses on our water. We will continue to submit water test results to DOH, and will promptly inform DOH, EPA and the public if there is ever any risk to the safety of the drinking water.

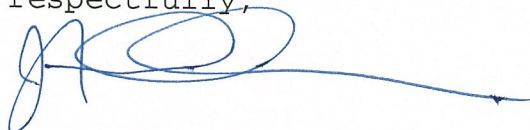
The Navy and DLA remain committed to securing the funding necessary to fulfill our obligations under the Order. Recently, DLA provided funding to cover preparation for the Risk/Vulnerability Assessment described in Section 8 of the Order, and the Tank Inspection, Repair and Maintenance Report described in Section 2.

On 4 February, Navy representatives testified on two State House bills introduced this session. HB 2743 and HB 2646 contained specific language with direct implications for Red Hill and the AOC work. We appreciate the opportunity to participate in this process and are confident we can reach a mutually agreeable outcome as the session progresses.

I remain fully committed to keeping Red Hill water safety a transparent process. We continue to invite public officials and interested parties to the facility for a familiarization tour. Our guests are usually surprised by the fuel tank size and come away with a better understanding as to why we need to conduct a thorough assessment for any action and the potential consequences before implementing them. While wishing to move forward as quickly as appropriate, we support the Regulatory Agencies' addition of subject matter experts to the discussions and will continue to collaborate on best solutions for Red Hill. We support and share the desire to have the best expertise available and to have them as well informed as possible before making decisions.

Thank you for your continued support to our military and our mission in Hawaii. Please do not hesitate to contact me should you have any concerns regarding Red Hill or our progress. I encourage you to review the Navy's website on Red Hill and suggest that you subscribe to EPA's website. You can find those sites at www.cnic.navy.mil/redhill and www.epa.gov/region9/waste/ust/redhill/index.html.

Best regards and Very
respectfully,

A handwritten signature in blue ink, appearing to be 'J. V. Fuller', with a long horizontal line extending to the right.

J. V. FULLER
Rear Admiral, U.S. Navy