DEPARTMENT OF THE NAVY
COMMANDER
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21 December 2016

Dear Stakeholder,

Aloha, and happy holidays. This is my fifth Red Hill stakeholder letter. Most of you receiving this letter participated in, or otherwise supported, recent events that commemorated the 75th anniversary of the attack on Pearl Harbor. Commemoration events began Veterans Day and concluded on December 10th. Thank you for your tremendous support for the legacy our veterans established then, and for the efforts your current military is making to honor that legacy now. Decades ago, forward-thinking Americans designed and constructed the Red Hill facility to maintain and protect vital fuel supplies in the Pacific. At the same time, in the 1930s and 40s, our adversaries and eventual enemies were invading other countries in Asia and Europe for oil and other natural resources. After the attack on Oahu, American Sailors, Marines, Soldiers, Airmen and Coast Guardsmen achieved victory against fascism in the Pacific, thanks in no small part to the support given by the people here in Hawaii and the fuel from the Red Hill Fuel Facility. Maintaining Red Hill's capacity and logistic support to our forces is as essential to our national security today as it was 75 years ago.

Since my September update, Navy, Defense Logistics Agency (DLA), Environmental Protection Agency (EPA) and State Department of Health (DOH) continued to maintain and deliver safe drinking water on Oahu. Concurrently, your Navy safely maintained and operated the Red Hill Bulk Fuel Storage Facility. While this should no longer be news to you, your Department of Defense has invested more than $200 million in Red Hill since 2006, and we remain committed to working under the Administrative Order on Consent (AOC) with the EPA and DOH to keep improving the Red Hill facility in the future. In addition to the future improvements stakeholders will craft under the AOC, the planned and funded facility upgrades will improve fire suppression, ventilation, and oil-tight door systems and we've targeted delivering them by December 2017.

To address the fuel in the Red Hill tanks, we continually monitor it with both our Automated Fuel Handling Equipment and manual gauges to ensure we know how much we have and where it is. While we have a world class system today, the Navy will continue to improve monitoring systems under AOC section 4. To address fuel tank integrity, the Navy employs a continuing process that monitors the tanks with testing and inspections and sustains them with planned preventative as well as corrective maintenance, as needed. We take to heart and apply the lessons learned and process improvements we developed after the fuel release from Tank 5 in 2014. This month, we are performing the annual tank tightness tests on all operational tanks in Red Hill. This testing verifies and validates each tank's integrity – answering the key question, "does it leak or not?" In 2015, all tanks passed these tests, validating their fuel tight integrity. Tank 5, the tank that had the 2014 release, is not on line yet. So, the point is, all active tanks passed their integrity tests and no Red Hill tanks are leaking. I will inform you when we get the latest results.

In my last update, I also informed you that we successfully installed two new groundwater monitoring wells, bringing our total up to 12. We intend to complete two more wells in early 2017. Both new wells are on line and we have already taken our initial samples. We did not detect any petroleum constituents in these early tests, giving us increased confidence in the Red Hill aquifer's integrity. An independent EPA certified lab verifies all of our testing and we'll follow our policy and post the full test results when we have them.

We had a transformer failure last February that prevented us from using the Red Hill drinking water pumps. While we were able to continue conducting our drinking water testing program, we were not using Red Hill to distribute water as usual. This month, however, as we resumed pumping, we took advantage of this unplanned water pump outage to gather valuable groundwater data that otherwise would not have been available. This data will enhance the quality of future groundwater modeling generated by the updates under AOC Sections 6/7.

There have been multiple stories in the news lately discussing unsafe drinking water across the country and they remind us about the vital role drinking water plays in our lives. The Red Hill infrastructure and facility are modern and sound. The Navy, under regulation by the Department of Health and the Environmental Protection Agency, regularly tests the quality of drinking water. Your drinking water is safe and we will continue following federal regulations and using science to help us better understand how to keep protecting our water.

I want to take a moment to describe some differences between surface water, drinking water, and groundwater. This is important because we test drinking water and groundwater, and I want to help clear up any confusion about why we test and what the test results are telling us.

According to Merriam-Webster, "Surface water is natural water that has not penetrated much below the surface of the ground" and drainage water that carries impurities from rain runoff, fertilizer, pesticides, etc. Groundwater also originates from precipitation and is the source water for aquifers, springs, and wells. It collects or flows beneath the Earth's surface, filling the porous spaces in soil, sediment, and rocks. Thus, the majority of the water utilities distribute in Hawaii originates from groundwater – but we don't drink the Red Hill groundwater. Key point to remember is that groundwater only becomes drinking water after it enters a water distribution system.

Our Red Hill drinking water comes from an underground aquifer. The Navy tests that drinking water to ensure it meets the federal and state law safety standards. We also test groundwater. The Navy employs a system of groundwater monitoring wells because it's tactically prudent and just makes good sense – we are using scientific testing to determine if fuel products are moving towards the Red Hill drinking water well. We strategically placed the wells at Red Hill and between the Red Hill fuel facility and drinking water distribution system. As you may have heard, at Red Hill, some groundwater samples directly under the fuel tanks tested above the drinking water standards, specifically for petroleum products. Based on AOC Section 6/7 analysis, we have not seen the contamination below Tank 5 move toward our Red Hill drinking water pumps.

So, despite elevated levels of petroleum products in the groundwater under tank 5, testing confirms our drinking water is unaffected and remains safe. We will remain on guard and will continue to work with the AOC stakeholder to improve our predictive Red Hill groundwater movement models. The negative test results to date show the risk is low, but I can't give a 100 percent assurance that there is zero risk. The water is safe, and we're doing everything we can to make sure that it remains safe now and in the future.

I know in the past, there were concerns that the Navy was not being transparent enough. As discussed in September, we were preparing to participate in a number of AOC community events in October, to include a public meeting, the inaugural Fuel Tank Advisory Committee session, and key AOC scoping meetings. We sent senior Navy representatives to the public meeting to directly interact with the local community and AOC stakeholders, specifically to discuss updates and any other questions or concerns about Red Hill. That same morning, the State Department of Health hosted the Fuel Tank Advisory Committee to help bridge communication gaps between the public, City, State, and Federal Agencies. Lastly, we participated in the face-to-face scoping meetings between all AOC parties where the stakeholders conducted another successful exchange that evaluated the AOC's most technical aspects.

The Navy, with the EPA and DOH support, made significant progress in meeting the AOC requirements to submit products:

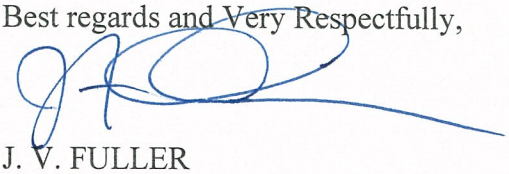
- We submitted the Section 2 (tank inspection, repair, and maintenance - TIRM) report October 11, 2016. The Navy hosted the first of three decision meetings on December 6, 2016. AOC parties will participate in the final decision meeting for Section 2 scheduled for February 2017.
- We agreed to develop a process and decision-making outline to support AOC Section 3 (tank upgrade alternatives - TUA).
- We resubmitted Section 6/7 (work plan) on November 5, 2016 and received regulatory approval on December 5, 2016. As part of the iterative process, we responded to their specific questions from our previous submission.

The Navy recently updated the Red Hill video – it's a little shorter now and focuses on the facility's legacy and strategic significance. The video also highlights how your Navy is keeping the drinking water safe through constant vigilance, monitoring and testing and by conducting maintenance and modernization projects throughout the Red Hill facility. We hope you take the time to watch it to gain some insights on the scope, importance and operations at Red Hill. (https://www.youtube.com/watch?v=0Bx81rD206A).

For more information about our ongoing progress at Red Hill, I invite you to visit our Red Hill webpage: www.cnic.navy.mil/redhill. The Navy's Energy and Environmental magazine "Currents" just published a cover story on "Navy Intensifies Modernization of Red Hill Bulk Fuel Facility: Improvements in Oversight, Technology & Operating Procedures Guard Against Future Releases." Please let me know if you'd like us to send you a copy. We expect an online version soon at http://greenfleet.dodlive.mil/currents-magazine/. The magazine also has several features from our Pacific Missile Range Facility I think you'd enjoy.

Like our installations, ships and planes it fuels, the Red Hill facility remains a strategic national asset in the Pacific. Just as in World War II, we must protect our vital fuel supplies here in Hawai'i. Today, Red Hill enables the military to protect shipping lanes, which Hawai'i depends on for over 90 percent of its goods. Red Hill ensures continued security, stability and prosperity for Indo-Asia-Pacific and the United States. Equally important, we are dedicated to being good stewards of the environment, and protecting the drinking water now and forever. These are our common goals, and I pledge we will never waver in fulfilling that duty.

Best regards and Very Respectfully,



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