

DEPARTMENT OF THE NAVY

COMMANDER NAVY REGION HAWAII 850 TICONDEROGA ST STE 110 JBPHH, HAWAII 96860-5101

10 June 2016

Dear Stakeholder,

This letter is my third Red Hill Bulk Fuel Storage Facility update and I want to begin by assuring you that testing clearly indicates that all drinking water near Red Hill continues to be safe. Additionally, independent testing indicates that neighboring drinking water used by the Honolulu Board of Water Supply (BWS) also remains safe to drink and continues to meet all Federal and State Safe Drinking Water standards.

The Navy and DLA continue our Red Hill Facility inspections and modernization upgrades to further protect drinking water and minimize the risk of experiencing future releases. We prepared documents that Environmental Protection Agency (EPA) recently posted to their website: https://www.epa.gov/red-hill. This website contains a summary of meeting discussions, outlines, and reports the Navy and Defense Logistics Agency (DLA) prepared for the Environmental Protection Agency (EPA) and the State of Hawaii Department of Health (DOH).

We continued upgrading the facility's fire suppression, ventilation, and oil-tight door systems during the last few months. We also completed inspections and conducted maintenance and upgrades to main pipelines to prevent potential leaks. We continue warranty repairs on Tank 5 and plan to put that tank back into service only after it is ready; we are targeting year's end.

As part the AOC agreement, we participated with DLA, DOH and EPA in three days of meetings May 10-12, 2016 at the DOH offices. Subject matter experts (SMEs) from the University of Hawaii, BWS with their consultants, State Department of Land and Natural Resources (DLNR), and United States Geological Survey also attended. During this same week the EPA also invited their consultants who will help with future Red Hill Facility inspections. EPA's consultants reported that the facility meets or exceeds all current industry standards for the storage and management of bulk fuel, and these experts found no immediate deficiencies requiring correction.

We continue to meet our commitments outlined in the AOC, including tank inspection, repair and maintenance procedures, and the tank upgrade alternative reports. In early April, the Navy and DLA submitted the first reports on the current release detection and tank tightness testing section, as well as the current corrosion and metal fatigue practices section to EPA and

DOH. We're looking forward to the regulatory agencies approving the reports, which also received comments and input from BWS.

During the May meetings, all attendees 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 10 total sampling locations. We will install four additional monitoring wells 2016-2017 for a new total of 14 monitoring points around the Facility. The regulatory agencies are now reviewing the work plan for the January 2014 fuel release investigation and associated potential remediation and separately, the groundwater flow evaluation. The agencies are also evaluating comments by the BWS and their consultants.

The Navy and DLA remain committed to securing the funding necessary to fulfill our obligations under the AOC as dictated by the Regulatory Agencies. 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 our drinking water safety.

This July, we will host the Rim of the Pacific (RIMPAC) exercise here in Hawaii. Twenty-seven nations will participate, and RIMPAC 2016 will bring tens of millions of dollars into our State. Most importantly, this cooperation-building exercise, designed to strengthen peace, stability and understanding here in the Pacific, further underscores the strategic importance the Red Hill Facility continues to play in meeting our national and international defense obligations.

The Red Hill Facility remains a strategic national asset. Its operations are vital to maintaining our security in the Pacific, safeguarding our national interests, and ensuring the free flow of commerce so vital to us in Hawaii. Of equal importance to Red Hill's strategic mission, I am firmly committed to protecting the drinking water in and around the facility. We will work collaboratively with the regulators under the AOC and continue keeping you informed along the way. My goal is for you, the stakeholder, to characterize your Navy's efforts as earnest, professional, and motivated by a common desire to develop the best and most practicable solutions that will endure the test of time.

Best regards and Very respectfully,

J. V. FULLER

Rear Admiral, U.S. Navy