Resolution 24-18
Testimony

MISC. COM. 547
BUD

DEPARTMENT OF THE NAVY
COMMANDER
NAVY REGION HAWAII
NAVY CLOSURE TASK FORCE-RED HILL
850 TICONDEROGA ST STE 110
JBPHH HI 96860-5101

5090
Ser N4/534
November 20, 2024

The Honorable Radiant Cordero, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 100
Honolulu, Hawaii 96813

Dear Chair Cordero and Councilmembers:

SUBJECT: RESOLUTION NO. 24-18; CITY COUNCIL MEETING NOVEMBER 21, 2024

The Department of the Navy is testifying in support of City Council Resolution No. 24-18 as initially proposed on January 26, 2024: approving the non-exclusive license agreement with the United States of America, Department of the Navy, for continued use of land within portions of Kuahelani Neighborhood Park, identified as TMK: 9-4-005:046 and Anania Drive, Mililani, Hawai'i, for environmental test well monitoring and a subsurface electrical line. Specifically, the Navy supports the November 15, 2024, revised draft non-exclusive license agreement approved by Managing Director Michael D. Formby and submitted to this committee by the Department of Budget and Fiscal Services.

In 2012, the Navy entered into a Non-Exclusive License Agreement with the City and County of Honolulu to use a portion of the Kuahelani Neighborhood Park and a portion of Anania Drive in order to investigate and monitor a low-volume fuel leak initially detected in 1978 from the former U.S. Air Force Hickam Petroleum, Oils, and Lubricants pipeline near the Kipapa Gulch Fuel Annex. The former Air Force pipeline was taken out of service from 1981 to 1984 and decommissioned in 1993. The agreement with the City and County of Honolulu allowed the Navy to install a monitoring well and an electric line to a biovent remediation system adjacent to Kamehameha Highway. In accordance with Hawaii Revised Statutes chapter 128D, Hawaii Administrative Rules chapter 11-451, and the Response Action Memorandum approved and signed in 2013 by the Department of Health, operation of the remediation system and annual sampling of the monitoring well allows the Navy to report whether contaminants related to the abandoned petroleum pipeline low-volume fuel leak are migrating, and the remediation system remains effective, or if additional work is needed. The former Air Force Hickam Petroleum, Oils, and Lubricants pipeline and Kipapa Gulch Fuel Annex are part of the Navy's Environmental Restoration Program.

On September 27, 2024, the Navy met with Chair Cordero and representatives from the Department of Budget and Fiscal Services, Office of the Managing Director, City Corporation Counsel, and Board of Water Supply, to discuss Resolution No. 24-18, CD1, and a draft license

agreement. The Navy supports the enclosed revised draft of the Non-Exclusive License Agreement that was submitted on November 15, 2024, by the Department of Budget and Fiscal Services, which includes amendments addressing the following:

a. The Navy shall provide final, validated laboratory reports of future groundwater samples from the monitoring well to the Licensor;

b. The Navy shall provide split samples to the Licensor for like to like testing, if requested; and

c. The Navy shall provide future reports for the site to the Licensor.

Thank you for the opportunity to provide information related to Resolution No. 24-18 and for your support allowing the Navy to continue to protect and monitor the land and groundwater near the Kipapa Gulch Fuel Storage Annex and associated pipeline.

Sincerely

J. R. SULLIVAN
Regional Engineer
By direction
of the Commander

Enclosure: 1. Draft License Agreement

Copy to: NAVFAC HI (OPS, REBL)

'24NOV15 PM 12:45 CITY CLERK

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

RICK BLANGIARDI
MAYOR
MEIA

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ANDREW T. KAWANO
DIRECTOR
PO'O

CARRIE CASTLE
DEPUTY DIRECTOR
HOPE PO'O

November 15, 2024

The Honorable Radiant Cordero, Chair
and Members
Committee on Budget
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Cordero and Members:

SUBJECT: Resolution 24-18 - Request for the Non-Exclusive License Agreement With the United State of America, Department of the Navy Within Portions of Kuahelani Neighborhood Park and Anania Drive

After further discussions with the Department of the Navy and the Honolulu Board of Water Supply (BWS), attached for your review and appropriate action is a revised draft Non-Exclusive License Agreement to be attached to Resolution 24-18.

The revisions of the proposed agreement requested by BWS include detailed testing procedures and provisions in which the BWS may be designated as the receiving party of any laboratory reports provided by the Navy. Because the proposed agreement is not a monitoring agreement and the BWS is not part of the agreement, the recommendations previously proposed by the BWS were not included. The BWS may enter into a separate agreement with the Navy should it want to access the Navy built well.

DEPT. COM. 791 BUD

Please feel free to call me at (808) 768-3901 should you have any questions.

Sincerely,

Andrew T. Kawano
Director

Attachment

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

NON-EXCLUSIVE LICENSE AGREEMENT

THIS NON-EXCLUSIVE LICENSE AGREEMENT "Agreement" made this _____ day of _____, _____, by and between the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawai'i, whose business and post office address is 530 South King Street, Room 208, Honolulu, Hawai'i 96813, hereinafter called the "Licensor", and the UNITED STATES OF AMERICA acting by and through the Department of the Navy, whose address is 400 Marshall Road, Joint Base Pearl Harbor-Hickam, Hawai'i 96860-3139, hereinafter called the "Licensee";

WHEREAS, the Licensor and Licensee executed a Non-Exclusive License Agreement dated September 20, 2012 to use a portion of Kuahelani Neighborhood Park and a portion of Anania Drive, both of which are owned by the City, in conjunction with Phase 3 of the Joint Base Pearl Harbor-Hickam environmental multi-phase remedial investigation project of fuel spills along the abandoned Hickam Petroleum, Oils, and Lubricants (POL) Pipeline running through Mililani Town; and

WHEREAS, an Amendment to the Non-Exclusive License Agreement dated September 25, 2017 extending the license period for five (5) years expired on August 31, 2022; and

WHEREAS, the Licensee desires to continue the use of a portion of the Kuahelani Neighborhood Park for a temporary environmental test well and a portion of Anania Drive for a temporary subsurface electrical line to continue necessary remedial investigation and test well monitoring; and

NOW, THEREFORE, the Licensee does hereby covenant with the Licensor as follows:

1. The Licensee shall have the right to use the following properties, on non-exclusive and temporary basis, for the purposes described below:

   A. A portion of the Kuahelani Neighborhood Park, as shown highlighted in pink on the attached Exhibit "A", which is by reference hereby

incorporated into this Agreement for the continued use and maintenance of a temporary environmental test well; and

B. A portion of Anania Drive, identified as a yellow line crossing Anania Drive, as shown on the attached Exhibit "B", which is by reference hereby incorporated into this Agreement, for the continued use and maintenance of a temporary subsurface electrical conduit.

The two use areas shall be together referred to herein as the "subject properties".

2. This Agreement shall be effective on _____ and terminate on _____. This agreement may be terminated without cause by the Licensor, provided that the Licensee shall be given a minimum six months advance notice prior to the termination. The Licensee may terminate this agreement prior to the end of the term if the Licensee no longer requires use of the subject properties, provided that the subject properties have first been restored to a condition satisfactory to the Licensor.

3. The Licensee shall maintain proper safeguards upon said subject properties for the protection and welfare of the public and pedestrians.

4. Licensee's use shall not unreasonably interfere with use of the subject properties by the City or the public.

5. The Licensee shall observe and comply with all laws, ordinances, rules and regulations of the federal, state, and municipal governments affecting the subject properties.

6. The Licensee shall obtain the proper permits, licenses and approvals for any construction and repairs made in association with the improvements located within the subject properties.

7. The environmental monitoring well located within a portion of the Kuahelani Neighborhood Park and the subsurface electrical line located beneath a portion of Anania Drive, shall remain the properties of the Licensee, and the Licensee shall, upon termination of this Agreement, remove such improvements from subject properties. If any action of the Licensee's employees or agents in the exercise of this Agreement results in damage to the real property, the Licensee will, in its sole discretion, either repair such damage to the satisfaction of the Licensor or make an appropriate settlement with the City. In no event shall such repair or settlement exceed the fair market value of the fee interest of the real property at the time immediately preceding such damage. The Licensee's liability under this clause may not exceed appropriations available for such payment and nothing contained in this Agreement may be considered as implying that Congress will at a later date appropriate funds sufficient to meet deficiencies. The provisions of this clause are without prejudice to any rights the Licensor may have to make claim under applicable laws for any other damages than provided herein. No additional improvements will be constructed within the subject properties.

8. The Licensee shall not make, permit, or suffer, any waste, strip, spoil, nuisance, or unlawful, improper, or offensive use of the subject properties.

9. Any rights granted by this Agreement are not intended to be and shall not be used to assert any permanent rights, ownership rights, title or easement in the subject properties.

10. The Licensee shall at all times with respect to the subject properties, use due care and diligence for public safety and in such manner as to occasion as little interference as reasonably possible with the use of the subject properties by the Licensor or the public. That the Licensee shall require its contractor or its

authorized agent to procure and maintain, during the life of this Agreement and any extensions thereof, comprehensive general liability insurance covering bodily injury and property damage with limits not less than $1,000,000 combined single limit per occurrence and including the following extensions: (1) contractual liability to cover liability assumed under this Agreement; and (2) products and completed operations coverage; and all insurance that may be required under the laws, ordinances or rules or regulations of any governmental authority. All required policies of insurance shall name the Licensor, its elected and appointed officials, employees and agents as additional insured and provide that the policy will not be canceled, terminated, lapsed, or materially changed without 30 days' prior written notice to the Licensor.

11. The Licensee shall be allowed to use the subject properties subject to the condition that the subject properties are accepted by the Licensee in "as is" condition, without warranty or representation, express or implied, as to the condition or fitness for any purpose whatsoever, the Licensee hereby affirming to the Licensor that the Licensee has had the opportunity to inspect the subject properties and accepts the same "as is".

12. The Licensee will provide final, validated laboratory reports of future groundwater samples collected from Monitoring Well ST03-B65 in the monitoring reports that are provided to the City and County of Honolulu Department of Parks and Recreation (DPR) and City and County of Honolulu Department of Budget and Fiscal Services (BFS).

13. At the direction and request of the Licensor, Licensee shall provide split samples to the Licensor or their designee for like to like testing. Groundwater samples are to be collected in bottles provided by the laboratory and half of the sample inventory shall be handed over to the Licensor or their designee to be sent to an

Environmental Laboratory Approval Program (ELAP)-certified analytical laboratory. The split samples shall be tested for only the following analytes, as approved by the Department of Health and using the most current EPA Methods for the ST03 groundwater monitoring program: Total Petroleum Hydrocarbons (TPH) as gasoline, TPH as diesel, Benzene, Ethylbenzene, Toluene, m,p-Xylene, o-Xylene, 1,2-DCA, 1-Methylnaphthalene, 2-Methlnaphthalene, Naphthalene, alkalinity, nitrate/nitrite, sulfate, and methane. This monitoring well was designed and constructed for the purpose of monitoring the presence of fuel in groundwater. As such, analysis of non-fuel-related analytes from groundwater samples drawn from this monitoring well may be inaccurate or limited.

14. The Licensee shall provide copies of future reports, studies, groundwater data, geological bore logs and laboratory testing reports related to Monitoring Well ST03-B65 and Hickam Petroleum, Oils, and Lubricants (POL) Site ST03 to DPR and BFS.

15. This Agreement shall not be sold, assigned, conveyed, leased, or otherwise transferred or disposed of by the Licensee; provided, however, that the Licensee is allowed to have its contractors or its authorized agents use the subject properties for the purposes described here and in compliance with the Agreement.

16. Upon termination of this Agreement, the Licensee shall peaceably surrender and deliver up possession of the subject properties in good order and condition. The Licensee shall remove all of its improvements, tools, equipment, and other personal property upon termination or expiration hereof.

17. That the Licensor will not be responsible for any loss, liability, claim or demand for property damage, property loss, personal injury, including, but not limited to death arising out of any injury or damage caused by or resulting from any act or

omission of the Licensee or their contractors or its authorized agents in connection with the Licensee's entry onto, use and occupancy of the subject properties described herein. The Licensee's liability for claims for damage or loss of property, personal injury or death caused by the acts or omissions of Licensee its Officers, Employees, and Agents acting within the scope of their employment with the United States Government shall be governed by the Federal Tort Claims Act, 28 U.S.C. §§ 2670-2680.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officers duly authorized on the day and year first above written.

APPROVED AS TO CONTENTS:

_____
Its
Department of Facility Maintenance

APPROVED AS TO CONTENTS:

_____
Its
Department of Parks and Recreation

APPROVED AS TO FORM
AND LEGALITY:

_____
Deputy Corporation Counsel

CITY AND COUNTY OF HONOLULU

By_____
Director, Department of Budget
and Fiscal Services

LICENSOR

UNITED STATES OF AMERICA
DEPARTMENT OF THE NAVY

By_____
Its

LICENSEE

EXHIBIT A



Figure 2. Site Features
Annual 2021 Long-Term Maintenance and Monitoring Report for Site ST03
Hickam POL Pipeline at JBPHH, Oahu, Hawaii

EXHIBIT B



Figure 2. Site Features
Annual 2021 Long-Term Maintenance and Monitoring Report for Site ST03
Hickam POL Pipeline at JBPHH, Oahu, Hawaii