



**STATE DEPARTMENT OF TRANSPORTATION
HARBORS DIVISION**

79 South Nimitz Highway • Honolulu, HI 96813



**KALAELOA BARBERS POINT HARBOR
2040 MASTER PLAN AND FUEL PIER EIS**

Notes from Public Meeting #1
September 3, 2013

The meeting was opened by Jadine Urasaki, Department of Transportation (DOT), Deputy Director for Projects. Carter Luke, DOT Harbors Division (DOT-H), Engineering Program Manager introduced the project team. Jeff Overton of Group 70 presented the power point presentation on existing conditions and known issues. The presentation is posted on the following website: <http://kalaeloaharbor2040.com>. Meeting participants were given the opportunity after the presentation to provide input and ask questions.

Below is a summary of the various topics and the discussions. DOT-H and Group 70 responses were included are *italicized*.

EIS Process

- When you complete the EIS and submit for approval, can you renew it if a change happens?

An EIS should disclose the full range of reasonably foreseeable actions contemplated in a project. Chapter 343 environmental documents have no shelf life. However, if a long period of time passes, or major changes occur in the project, a supplemental EIS might be requested by the courts (e.g. Turtle Bay).

Harbor Dredging

- What is the basin depth are you targeting?

The U.S. Army Corps of Engineers (USACE) is conducting a feasibility study for deepening the harbor up to minus 45 feet, depending on the outcome of the feasibility study. DOT-H is sponsoring this study. The basin is currently at minus 38 feet. The 2040 Master Plan will support the USACE feasibility study by indicating the potential future ships that could call the harbor. The feasibility study is undergoing its own EIS review process. There will need to be dredging specifically associated with the fuel pier under the State's jurisdiction. A hydrographic survey has been completed.

[Channel has a design controlling depth chart datum minus 42 feet Mean Lower Low Water (MLLW) and the Harbor Inner Basin controlling depth of chart datum minus 38 feet MLLW. Maximum vessel draft permitted is minus 36' 00" with under keel clearance of 2 feet. Additional allowance for a vessel's draft can be requested to minus 36"06" on a 1-foot rising tide.]

- What will you do with the dredge spoils?

The first choice would be ocean disposal, if it is suitable and clean. This will require early consultations with US Environmental Protection Agency (EPA) and will need a USACE Section 103 permit application. Those spoils not suitable for ocean disposal will be disposed of at a landfill or stored onsite for reuse pending space availability.

- Many fuel tankers currently in use are expected to be taken out of service by 2040. The new tankers will be larger. Draft for new LNG ships is over 40 feet, and longer than 750 feet. When Panama Canal is widened, the new ships are expected to be wider (i.e., greater than 106 feet wide). Kalaehoa Barbers Point Harbor (KBPH) may not be able to accommodate these ships.

This raises an interesting question of when will the harbor improvements be ready for these larger ships? Until then, users at KBPH will continue to function with vessels that are able to access under current conditions. Some of the activities may be happening at a faster rate than the harbor will be built. The 2040 Master Plan will help the USACE to support the need for basin deepening. Until then, KBPH will continue to function with vessels that are able to function under current conditions.

- There was a concern stated that widening or deepening will likely witness some pushback from the community.

Marine Life

- This area is very shallow – when you dredge, when you dig deep, you will destroy a lot of the marine life – the limu and the fish. How much are you going to destroy? You can study the Ewa Marina / Haseko report on the damage that is being done from the sand.

The focus of this planning effort is within the harbor and not the entrance channel. USACE is conducting a separate feasibility study for widening the channel, including an EIS. The interior areas of the harbor do not contain rich marine communities like those found outside of the harbor.

Accidental Fuel Spills and Safety

- One of the concerns from the community was regarding construction of the new Fuel Pier (i.e., Piers 3 and 4) near the ocean. How are you going to be able to protect the ocean if there is a spill?

Present fuel transfers at Piers 5 and 6 cannot occur without all of the spill protection protocols set in place. One of the steps is to have a floating boom deployed before the fuel transfer can take place. Due to harbor configuration, prevailing trade winds help to contain spills against Piers 3 and 4. The oil response boats are also at a location to trap any accidental spills before it would leak out into the ocean.

- As far as a catastrophic spill, we encourage the State to work with the hui of oil response teams. Realistically, if you had the facilities in place and the people, you would reduce the spills. But no one wants to spend the money. If the State and US Coast Guard were to force this cost on all users, it would reduce the cost for all overall. KBPH, and nowhere else in the state, mandates the use for tugs. A discussion of tug use and safety is needed. It is important to look at incorporating the best and safest technology with as big of ships that we are bringing in today, and what you are considering for the future. You need to build in these safety costs today. You don't want to have the discussion/conversation with representatives bringing in their cargo safely. If you want all business to conduct operations safely, need to plan to spend that money today, before the catastrophic event happens.

The 2040 Master Plan will include a safety assessment reviewing tug operations, docking procedures, spill containment, and other operational safety concerns.

Surge Conditions

- Concern was expressed about surge conditions inside the harbor.

At this point, there are no plans for reducing the surge / current conditions. There is 4,700 linear feet of wave absorbing material within KBPH. Some of the channel plans have considered construction of a groin to mitigate cross currents; however, USACE has since removed this alternative from the feasibility study. Surge mitigation is not currently part of the 2040 Master Plan.

Fuel Pier

- Is Pier 1 going to be part of the Master Plan?

Yes, the 2040 Master Plan may consider cross connection of the Fuel Pier with Pier 1.

- HawaiiGAS currently has liquefied petroleum gas (LPG, i.e., propane) operations at Pier 1, and is requesting access to the Fuel Pier in order to continue these operations.
- There was some discussion of potential for incorporating a liquefied natural gas (LNG) terminal into the Fuel Pier. Could use Piers 3 and 4 and not use Pier 1. There is a big concern for harbor traffic, having to compete at Piers 5 and 6 with large tankers. Anytime that happens, cargo vessels are forced to hold offshore doing donuts in the ocean, waiting for the Pier. Use of Pier 1 would help with traffic until USACE comes in to widen and deepen the channel. Until then, we can't bring in certain ships, and have to go to the offshore moorings. The Fuel Pier is really important for keeping the harbor open and moving traffic.

The anticipated volumes of dry-bulk cargo, particularly with the construction demands for cement and aggregate, will increase harbor traffic between 30 to 40% within the next 5 years. Other materials include grain and ash exports. Construction of the Fuel Pier will help in alleviating the congested berthing conditions that will arise from these dry bulk increases.

Phasing

- Do you have an idea of sequence of modifications to the Harbor?

Implementation scenarios will be studied as part of the 2040 Master Plan. We know we can't do everything at once, and there will be a need to prioritize projects due to constrained financial resources. We will need to look at cost-benefits of each project.

Layberth

- *The project team recently performed a berthing analysis to determine how to accommodate all the different uses. The analysis found that between 18 and 20% of the activity is not cargo – it is tugs, support vessels, and idle vessels. One of the components of the 2040 Master Plan will likely recommend a layberth area be provided.*

Storage

- The harbor lacks storage for bulk cargo. We bring the products in and it goes on the shelf. All of the companies do not have enough storage capacity. The EIS should look at facilities for storage and fuel lines to their terminals. So unless we increase the storage, the harbor will only function as a transfer facility.

Additional storage will be considered as one of the components of the 2040 Master Plan. Another component to the Plan is the land availability. If there becomes a need to store large amounts of equipment (i.e., for hurricane recovery), a large available laydown area is strongly needed, and KBPH is the only place in the State where this can happen. [The only two harbor facilities that are built to handle their receiving cargo capacity are bulk cement and liquid asphalt.]

Night Operations

- KBPH could increase pier usage with the proper lighting.

The technology is available and will be considered. At night the depth perception is lacking.

Liquefied Natural Gas (LNG)

- Will this EIS look specifically at LNG for transfer?

The project team will look at LNG/LPG as part of the 2040 Master Plan. Our best information has come from HawaiiGAS. We appreciate the input they have given us. DOT cannot state if LNG will be in the 2040 Master Plan for certain because the study hasn't been completed. We have to do our job, and look at the options, because there are constraints that are associated with certain fuels. We must consider that there are not any other bulk harbors in the state, and KBPH has the most shipments of fuel to the Neighbor Islands. As part of the planning effort, we are conducting a fuels demand assessment; however, it is a challenge for the fuel consultants to define the most likely scenarios. We recognize that this project is important for the State, and part of the governor's New Day Initiative, and will do our best to accommodate a balance of uses.

- Piers 1, 2, 3, and 4 may be difficult locations to site a terminal for bulk LNG. Compressed natural gas for transfer at these locations to the neighbor islands may be a more feasible option.

Fuels Scenarios

We are finalizing a comprehensive fuels demand assessment. The most likely fuels scenarios will dictate the energy demand. The challenge will be evaluating these scenarios and remaining flexible for the range of fuel types that may need to be accommodated. Demand will also change over time, for example, this analysis would have been different 15 years ago.

- You are looking at fuels and berthing?

Yes, Amergent Techs is doing the berthing analysis, and FGE is doing the fuels demand assessment.

- I assume you are going to look at vapor control, etc.?

Requirements for vapor recovery will be addressed in the Fuel Pier Development Plan and 2040 Harbor Master Plan.

- When harbor operations are slowed, this has a ripple effect on providing jet fuel in a timely manner, which slows the economy. The money that is being spent will be better for the state of Hawai'i. We need to realize how important the harbors are to the State, not just O'ahu.

Yes, and there is a misperception that energy is the largest user of fuel, when jet fuel actually has the largest share.

- Even with the increase in wind electricity, Hawai'i will still need oil as a backup. We will still have the demand for oil. LNG may replace it, but there will still be a need for additional fuels. Wind energy does not produce consistent power.

The energy market is evolving, and until all these renewable pieces come into play, Hawaii will remain very dependent on petroleum. The fuel pier still makes sense - that is why the State has embarked on this planning process. The 2040 Master Plan will consider a wide range of options.

Those Present:

A. Arnaho, T. Arnaho
Alston Hunt – B. Kaneko
Amergent Techs – W. Anonsen
BAE Systems – J. Cummings
Chevron – A. Chee, B. Liu, H. Maxie
City Council – K. Pine, J. Schaedel
Consumer Advocate – J. Ono
Department of Business Economic Development (DBEDT) – M. Glick
DOT – J Urasaki, C. Sluyter
DOT Harbors – C. Luke, B. Toba, A. Liu, D. Vo, D. Watase, S. Dale, G. Gomes
Foss Maritime – S. Merritt
Group 70 – B. Natale, J. Overton
Hawaii Gas – J. Boivin, M. Futrell, R. Sterzenbach, J. Strickler, B. Treat, T. Young
Hawaii Public Policy Advocates – P. Kaneshige
HTB/YB – M. MacDonald
Healy Tibbitts Builders, Inc. – G. Toyama
HECO – J. Hichborn, T. Kanja, T. Koyamatsu
Honolulu Fire Department – S. Lawton
Kirby Hawaii – J. Patmont
Marisco – F. Anawati, J. Stewart, M. Stewart
Pacific Shipyards – B. Nakaoka
P&M / P&R Water Taxi – S. Morita
Sause Bros., Inc. – D. Pomaikai, P. Pomaikai
Senator Gabbard's Office – R. Riggs
State Harbor Pilot – E. Enos
State House of Representative – K. Awana