

**LANA'I PLANNING COMMISSION
REGULAR MEETING
JULY 19, 2017**

APPROVED 10-04-2017

A. CALL TO ORDER

The regular meeting of the Lana'i Planning Commission (Commission) was called to order by Chair Kelli Gima at approximately 5:01 p.m., Wednesday, July 19, 2017, in the Lana'i Senior Center, Lana'i City, Hawaii.

A quorum of the Commission was present (See Record of Attendance).

Ms. Kelli Gima: Good evening everyone. Welcome to the July 19th, 2017 Lanai Planning Commission meeting. We're going to go ahead and get started. First off we're going to invite those who signed up to come up for public testimony. I'll call your name. Just to let you know we will be calling or opening public testimony after each agenda item. So if --. If I call your name, you don't want to provide testimony at this time, just let me know, and then you can come up after the agenda item. So we're going to start off first with Pat Reilly. So please come up to the microphone, address the Commission. Yes, you may.

B. PUBLIC TESTIMONY - At the discretion of the Chair, public testimony may also be taken when each agenda item is discussed, except for contested cases under Chapter 91, HRS. Individuals who cannot be present when the agenda item is discussed may testify at the beginning of the meeting instead and will not be allowed to testify again when the agenda item is discussed unless new or additional information will be offered.

Mr. Fairfax "Pat" Reilly: Thank you. My name is Pat Reilly, 468 Ahakea Street, 38-year resident of Lanai. First, I'd like to thank the Commissioners for volunteering your time to do this work, to help us plan for the community. And thank the corporation and the residents for coming.

My recommendation is to approve the project with specific conditions. I noticed that we're almost -- we're probably a little over 30-years since the Koele Project District was approved by ordinance in 1986. Actually it's interesting to me is that 30-years later we still have some of the same issues, although we have progressed since pineapple. In 1986, Mr. Murdock had just taken over Castle & Cooke, pineapple was still operational, and the Koele Project District was approved thinking that there was going to be hotel and pineapple at the same time. By 1992 that was not the case. Today, I believe that we still have the same conditions that are in the ordinance 1580, in 1986, with the requirements for housing and training for the employees.

The reason I support this project is that it's very important, as you know, for us to have local employment here. Without this investment of 75 million or so that hotel would just sit there and would not benefit our community, it would not benefit our residents, and would not benefit our economic status at the point. We'd go backwards I believe. But I still believe we still have a housing issue, and because --. But the housing issue is different. I mean, in 1986, we had Iwiole built, Lalakoa III, I guess, may have been part of that, Olopuu may have been a part of that. That was a different time, but I think we all recognize we still have a housing issue for local

residents. Now people call it affordable housing and that's what the language says. I took the language directly out of the ordinance, so it's the same language they had in 1986, from the County. Now we're out priced. The stock of, not affordable housing, I call housing that people can afford. There are two different issues. Affordable housing is a legal issue. Housing that people can afford is a different issue for us. So we need more housing even though I know they said they have met their conditions from 1986, I agree. But we still need housing. It's a different time.

Lastly, I believe the employees need training. If you look at the global wellness institute model which is quoted in the application, the skills needed to work in this world class facility probably our employees do not have those skills. And I want our employees, our residents to qualify for the best jobs, at the best pay, and to learn how to provide service for this world class global standard facility. I support it, but I am adamant that we need training if our workers are going to fulfill those jobs.

Lastly, let me just say, I think our whole community is a wellness community. We have the, the elements in place in this community. We have health center, we have fresh air, we have the ocean, we can be a total wellness community. We already have those components in place. This will help us, so let's work together to even make our community a better wellness community. Thank you very much.

Ms. Gima: Thank you Mr. Reilly. Next, we have Ron McOmber.

Mr. Ron McOmber: My name is Ron McOmber. I am a resident of about 46-years on this island. I am also a member of Lanaians for Sensible Growth (LSG), but I'm not representing Lanaians for Sensible Growth. I'm representing me and my thoughts. You know, I wish we can get a turn out like this for the Park Council meeting. It would really help us with the problems that we have with outside people taking over our beach. But, obviously we can't do that because we don't have Pulama's help to do that, so we have to do it by word of mouth and hope that people show up and understand the fight that we have there.

This project, whether it goes or it doesn't go, the one thing we need is affordable --. You heard Pat say it, and I'm going to say it again. We need affordable housing. If the County won't come up with the infrastructure money, and obviously our Mayor won't do that, won't even put it on the budget. This last budget we understand that he put \$2 million to a study of affordable housing on Lanai. We have, we have beat that to death folks. We've been doing affordable housing projects for 30-years. We have 70-some acres just below the Hawaiian Homestead Land. We can't even get infrastructure, but yet Pulama can put out multi-millions of dollars for their customers and we can't get affordable housing. You got to keep that in mind.

About six or seven months ago, or maybe a little bit longer, an item came before this body to put a heliport at Koele, and it was turned down. Thank God it was turned down because I can't imagine what it would look like teleporting all those people up to Koele for their massage parlors. This is, fortunately for us we didn't know it at that time, but I'm sure Pulama knew that they were going to do this project. That's why they wanted a heliport up there. And they didn't

do it and I'm pleased that we didn't do it as a community. Community came out and said no. Lynn McCrory withdrew it and that's the way it should be. So, however you folks have to put up with all the stuff tonight, good luck. But we desperately need something in return for giving up our precious land and we don't have affordable housing. So just remember, I'm not speaking for LSG folks. I'm speaking for Ron McOmber and those that don't, that don't speak and don't come out and say anything. Thank you very much.

Ms. Gima: Thank you. Commissioners, any questions for Ron or Pat as well?

Ms. Caron Green: Thank you Ron and Pat. Actually Pat I had read your submission and that lead me to do a little bit of research. I called the Budget Director for the Mayor's Office and the \$2 million that has been set aside for affordable housing is for engineering and planning, etcetera, etcetera, not a feasibility study as they explained it to me.

Mr. McOmber: Caron, you know how many times we've had \$2 million put up there for them to do a study on that? This, this is probably the fifth time in all my recollection that they're putting up \$2 million to do a study. Study, we've beat that to death, Caron. We don't need a study. We know what we need.

Ms. Green: I didn't take it as a study. I took it as plans, making plans, and engineering. You think it's a study.

Mr. McOmber: Yeah, we've heard that before. That's the same song and dance we've heard for a long time. So, no, it's --. We've heard it. But \$2 million, add two and a half million dollars to it and we can do the first phase of infrastructure. Okay, get the Mayor to do that. It's really frustrating from our side to look at that. Okay, this is not the first time we've heard this.

Ms. Green: Okay. Thank you.

Mr. McOmber: Thank you Caron.

Ms. Gima: Any other questions, comments, Commissioners? Okay.

Mr. John Delacruz: Ron, Pat, and maybe even Caron. There was a meeting in August of 2016. I think we were all there. And as I recall the -- somebody from Housing and Human Concerns was there and says we don't have any money for workforce housing on Lanai. And then later on, I think, the Mayor said more or less Lanai does not need affordable housing, and I remember you commented on that. But the thing is, it seems like the County is really not going to take the lead on this. I think we're going to have to count on Pulama taking the lead for housing on Lanai. And it all goes back to that August meeting, August of 2016. There was a plan to build between 150 and 250 homes with a long list of prices. I think you remember that. But after that I think they had one more meeting while I was on vacation and I don't know what happened in that meeting, but I really haven't heard anything more about that housing project. All I remember is people did not like the location because it was close to the sewage treatment plant.

Mr. McOmber: No, but that's not where this -- that's not where this project is located. It's below the Hawaiian Homestead Land. It has nothing to do with the sewage treatment plant. This, this location, this location has nothing to do with that or the one that Pulama was talking about doing right below the old MECo area. We don't want it over there. We want it where we have the 70-something acres.

Ms. Gima: Okay, we're going to move along because we do have a lot of people signed up to provide public testimony, so thank you Uncle Ron. Next, we have a Patrice Moynihan. I hope I said that correctly. If you can come on up.

Ms. Patrice Moynihan: Thank you. Yes, I am speaking in favor of the Pulama Koele development. I did attend the presentation. I was very impressed particularly with the fact that they will be hiring local people so families in our community will benefit from that. And also there was some discussion with the yoga lady and the wellness center that they would consider a senior day with discounted prices for local people, particularly seniors that live on fixed incomes. And possibly even some coupons for families that will not be able to afford the services provided there. But overall it was a very good presentation. We enjoyed ourselves. It was very informative. I noticed we didn't bring up the hydroponics thing tonight, but that's one of the things that I'm particularly in favor of, you know, the hydroponic vegetables. No Monsanto, and no GMO right here on our island. So thank you for listening. Good night.

Ms. Gima: Thank you Patrice. Comments, questions, Commissioners? Okay, moving along, Roger Alconcel.

Mr. Roger Alconcel: Thank you. Roger Alconcel, resident of Lanai. I am in favor of Pulama's Lanai plan for the proposed improvement project for Koele. I personally feel that the proposed project will help our island economically by providing jobs. From what I've seen I think the proposed ideas and the vision for Koele during our Lanai community information session held on June 19th will help keep this property financially viable. The opening of Koele and the performance of the property is important to Lanai alumni such as I am because it allows family or alumni the opportunity to return back home. In addition to job creation this improvement project is designed to make guests have a more memorable experience so that they return to stay on our island. This will benefit all of us here on Lanai. The project will also improve Koele's infrastructure so that we can be more efficient and operate more sustainably. Thank you.

Ms. Gima: Thank you Roger. Commissioners, questions, comments? Thank you. Next, we have Stan Ruidas. You're going to come on after? Okay. Kathy Carroll.

Ms. Kathy Carroll: Thank you. I'm representing my husband, Mike and I. Thank you Chairman Gima and the Lanai Planning Commission. We have lived on Lanai for 16 years and we've owned and operated the Mike Carroll gallery since 2002. We are --. We come at this, from the perspective of small business owners and we do encourage the Lanai Planning Commission to approve the requested permits for the Koele Wellness Center. We believe the proposed

changes are good for jobs and our local economy. The proximity of the resort to Lanai City will bring additional visitors to town which will help sustain a vibrant small business community. Like many other small, family owned businesses on Lanai, we have weathered many changes over the years, and we're very excited and optimistic for the future, and we look forward to the revitalization of Koele. We enthusiastically support the proposed resort enhancements to bring visitors to this beautiful island. Thank you for your time and consideration.

Ms. Gima: Thank you. Commissioners, questions or comments? Thanks Kathy. Next we have Myles Saruwatari.

Mr. Myles Saruwatari: . . . (Inaudible. Did not speak into a microphone.) . . .

Ms. Gima: You're going to go --? Okay, you're going to go after the --? Okay. Gerald Rabaino.

Mr. Gerald Rabaino: Commissioners, thank you for holding this meeting. I'm a resident of Lanai, more than 35 years. My concern is regarding a letter from Riki Hokama, July 11th, regarding the Koele Project District including housing report, No. 86-79. During the Castle & Cooke period Murdock has created five subdivisions for the local residents of Lanai when he was here. Now that Ellison has took over there's nothing has been made. You probably have the knowledge of knowing that the union, ILWU Local 142 lost 365 homes because the housing committee was dismantled.

Also, a letter from Pat Reilly on July 19, 2017 also specifies the condition and a bi-lateral agreement to have local residents for Lanai affordable housing. Why can't...you up here designate a condition to include housing for Lanai for the local island residents? Newcomers have come here and it seems like they get everything for them, sort of speak, and the residents are still hanging out in the limb. How much of this community is being supported by people sitting on different committees?

Also, on July 11th, 2017, again, regarding the original condition of Koele Project including housing referring to April 1986, page 6. You also have it in distribution that has been circulated back there for those who picked it up.

Okay, another thing, it seems like the water, the water is an issue because I see that you have a lake. Okay, even though one is going be shallow versus the old. Are you going to be using potable water to fill that new lake, which is only 3.5 feet or is that going be water, recycled water? Because all this time it's been sitting up there you don't know if you have mosquitoes up there with this Zika virus. You guys need to take that into consideration, okay?

I'm just pointing out what's going down in history because there's a lot of newcomers coming to the island and everything is going in one direction, but not in favor. And every time you have new players come in on the Pulama side and all these new people that's sitting in management don't know the history that we have gone through from Castle & Cooke moving forward. So we're either for the community to see that the community beneficial to all these projects.

There's a lot of union employees that are working part-time. So we need to relook and revamp. I don't care how many times you get people sitting on a Planning Commission and other committees. But you guys need to be aware our community survival is what you guys decide on. I not anti-development. I'm a resident here, no longer working for Pulama, but I want to see what ever benefits this community moves forward. I am for the development, but you need to take care the local residents. And when I say local residents, born, raised, educated, coming back home from college that they get the jobs. We have too much influx coming off from Florida, or California, Canada, taking away jobs that should be recognized for local residents. It's heartbroken to hear some of the workers are not happy, distorted because nobody supporting the local residents. Okay, all these off-island people come here, listen to all of this little technical stuff, but they don't live here. Where's the mana'o? Where's the pilikia for all this problem? You got to resolve this. I'm for the development to move forward. I support it.

Ms. Gima: Can I, can I ask you a question? You stated earlier on in your testimony something about how many union housed. Can you repeat that statement please?

Mr. Rabaino: I believe it's 300-plus, okay?

Ms. Gima: 300-plus what?

Mr. Rabaino: Yes, under -- when we were in the -- using housing, two-bedroom, three-bedroom, it was all from the Dole time. I still have a list that's pending in my files when I was still part of the union capacity. Okay, apparently nothing was negotiated when Ellison came in.

Ms. Gima: So you're saying the 300-plus homes that were designated to workforce were lost because what again?

Mr. Rabaino: Because it wasn't renegotiated with when Ellison took over.

Ms. Gima: Okay.

Mr. Rabaino: Okay, that's the reason why the housing has become an issue.

Ms. Green: So then --

Mr. Rabaino: So going back to Castle & Cooke, Murdock made five divisions, subdivisions for local residents.

Ms. Green: So, Gerry, what happened to those houses?

Mr. Rabaino: Well, it's all empty if you ride around the city, street by street. And a lot of them have been renovated with the new plantation style which is fine.

Ms. Gima: Okay, thank you Gerry. Oh, questions?

Ms. Mililani Martin: So you mentioned that there's new people that come on island to work, yeah?

Mr. Rabaino: Yeah.

Ms. Martin: And you said --

Mr. Rabaino: Well, lately, let me tell -- let me give you one -- two sentence. I come to Lanai to get employed. Come to find out they don't have housing for me and I'm still waiting to get a job.

Ms. Martin: So where do you think most of the people that come on Lanai that are new are working?

Mr. Rabaino: Basically the hotel is the living space, the only living space.

Ms. Martin: Okay, so you're saying that Four Seasons is the place where they have most of the new people on island?

Mr. Rabaino: Correct. Yes. Well, you can see the many faces, the many changes. I even work down Young Brothers, we see a lot of new faces.

Ms. Martin: Thank you Gerry.

Mr. Rabaino: That's excluding the construction workers, of course.

Ms. Gima: Alright. Thanks Gerry for your testimony.

Mr. Rabaino: Okay.

Ms. Gima: Moving along, we have Peter Franklin.

Mr. Peter Franklin: . . . (Inaudible. Did not speak into a microphone.) . . .

Ms. Gima: You signed up for public testimony? Okay, alright, not a problem. Eunice De Renne. I hope I said that correctly.

Ms. Eunice De Renne: . . . (Inaudible. Did not speak into a microphone.) . . .

Ms. Gima: So you don't want to provide at this time? Okay. Winifred Basques. Is she here? No? Are you wanting to provide public testimony at this time? Okay, come on up.

Ms. Winifred Basques: Good afternoon. How's everybody today? Mai'ka'i . . . (inaudible) . . . whatever, okay. I got three items I going speak about, and I don't need the microphone thank you very much.

Ms. Gima: You need to stay on the microphone so we can record it for the minutes please.

Ms. Basques: Okay.

Ms. Gima: Okay, so is it on?

Ms. Basques: I presume so.

Ms. Gima: There we go. Thank you.

Ms. Basques: Okay, the first item is the homestead land . . . (inaudible) . . . homestead land on the island of Lanai. I did the project. Okay? It was between DHHL and Castle & Cooke. It was a 10-year frame for building those houses on that land down -- below Fifth Street, okay. The sum was \$2.3 million. It wasn't \$2.3, it was \$7.1 million. Okay, they had Goodfellows came from Honolulu, contractors. I was on the site, going around checking all the sites. Then Billy Domingo came inside because why, Mr. Fred Ko when took the money and run to China. The contractor from Big Island. It had 17 homes for build. Big Island, Lanai, and Kauai. Billy Domingo came inside, he did three houses, okay. The next one, contractor came in from Kauai, . . . (inaudible) . . . They completing the homes. And I was there because I did the ground breaking. I called my friend, Cheryl . . . (inaudible) . . . from Channel 2 News to come and record the project. Okay.

The second issue is the ranch up at Koele. What happened to the ranch? Now you going build this spa. Who in -- excuse the word -- going over there and sit down, lie down, lomi lomi, whatever? How much is the dues going to be for doing that? You know, local people they ain't got the bucks for doing this. I tell you why. They work for survival on this island. And excuse the word, the owner he doesn't care. He cannot give a -- okay. I hate to say, if he was here, I would tell him straight, to his face. Do I have to go back to lobby at the Capital with the Senators and the Legislature again, next year? I going to do again. I've been going from 2004 until now. I can name you some of them. Okay.

And the affordable homes. Where are you going build it? Down by the . . . (inaudible) . . . ? By the sewer? It's unethical, and it's not right because it's hazardous to the Department of Health. When they have to come inside and look at this situation, they going make the road go all the way down behind the Police Station all the way down to the sewer. Okay. How much people going take care of this kind stuff. Who is the contractor? The contractors come here. You know when I --. I clean the laundry mat night time. They come, aunty, so what going on over here? Ah, beats me, I going tell you straight, I don't like it one bit. You know what, he can go and go look the whatever. But the thing is that when I come I talk because the man above telling me to tell you folks what it's all about. You folks have to make sure what it's all about because why? Lanai people are grumbling. They cannot come because they have to work for him. I do not work for him. I'm retired from the State of Hawaii, Department of Health.

Ms. Gima: Aunty I going stop you for a little bit. Anybody have --? Because we got to move on our public, our other public testifiers. Commissioners, any comments or questions? Thank you

for providing testimony.

Ms. Basques: Mahalo.

Ms. Gima: Thank you.

Ms. Basques: I hope something goes through, and I hope, you know, people can get something out of it.

Ms. Gima: Thank you.

Ms. Basques: Mahalo.

Ms. Gima: Up next we have Denise Fernandez please.

Ms. Denise Fernandez: Good evening Chair and members. My name is Denise Fernandez. I have a written testimony from Councilmember Riki Hokama that he wants me to share.

Ms. Gima: Try put your thing, just so we can hear you better. Or you can take it out. There we go. Thank you.

Ms. Fernandez: To Chair Gima and Members of Lanai Planning Commission. While I generally support the proposed redevelopment of the Koele Resort, I urge the Lanai Planning Commission to hold a full briefing prior to any decision making. This briefing should involve a review of all the original conditions of approval for the Koele Project District, including housing. These conditions are addressed in the Maui County Council's April 18, 1986 Planning Land Use and Economic Development Committee Report, report No. 86-79. Conditions discussed in this report include the critical need for appropriate low cost housing found on page 6. The applicant's representative indicated that housing development will take priority in the Koele Project District, page 6. Regarding this issue, the representative testified that employee housing will be made available for sale or rent estimated in the \$40,000 to \$60,000 range per single-family house and lot package, page 6. Those cost would translate to \$88,400 to \$132,600 in 2017 when factoring inflation. I encourage the Lanai Planning Commission to thoroughly consider these original conditions as you review the pending application for redevelopment of the Koele Resort, prior to any decision. It is also my hope that the Koele Golf Course be reopened in the future. The course is a tremendous amenity for the island and a cornerstone of the Koele area. Sincerely Riki Hokama, Council member.

Ms. Gima: Thank you Denise for representing him. Is there a reason why he couldn't be here tonight to address the Commission directly?

Ms. Fernandez: He has a meeting he's attending with NACO in the mainland.

Ms. Gima: I think -- I mean, I can only speak to myself but I mean this was a very interesting written testimony and it would have been nice to have him here, if you could share with him, to

answer directly any of our questions that -- I'm sure --

Ms. Fernandez: I actually asked him so I didn't have to testify but he had a prior commitment. Thank you.

Ms. Gima: So if you could pass that along. Thank you. Any, any questions, comments, Commissioners? Thanks Denise. Okay next we have Butch Gima.

Mr. Reynold "Butch" Gima: Good evening. LWAC, Lanai Water Advisory Committee, had hoped to make a formal statement this evening before you. But we're not able to reach consensus due to the submission of late data from the Lanai Water Company, slash, Pulama Lanai. So there's several of the LWAC members feel that the Lanai Planning Commission cannot make an informed decision on this application tonight as it relates specifically to water use. So we would hope that you would defer this item to another meeting so that the Lanai Water Advisory Committee can work with Joy Gannon and the Lanai Water Committee -- I mean, Water Company and Pulama to get a better grasp of how this proposal fits into the overall island water use plan, the overall project, Koele Project District water plan, and the Lodge at Koele Hotel Resort water allocation plan. I have some more information if you need after Pulama and the County makes their presentation, on more information about how LWAC arises to their decision and the considerations in making our decisions. And like I said, we had hope to present a formal statement tonight but we're unable to do so.

Ms. Gima: Thank you. Commissioners, questions, comments?

Mr. Delacruz: Yeah, Butch, you know, when I was appointed to the Lanai Planning Commission, John Ornellas called me up and said, hey, John you're on the LWAC too, so I said, okay. That meeting that we had Friday, I'm not familiar with the tables that you and Joy were talking about. Yeah, I'm not familiar -- I don't understand if those tables refer to specific time periods because Joy sent out an e-mail Sunday, Monday or something like that, referring table-something on page 21 or something. Did you get that e-mail?

Mr. Gima: Yes.

Mr. Delacruz: Do you understand what it says?

Mr. Gima: Most of it I do. Most of it.

Mr. Delacruz: The way I saw it is LWUP, UDP.

Mr. Gima: The Water Use and Development Plan.

Mr. Delacruz: The tables that they come up with have different water amounts for different years.

Mr. Gima: Yes. The way, the way the allocations were developed was in five-year increments;

2010, 15, 20, 25, and 2030 which were at time the projected build out date. And in each of those five year columns, the Lanai Water Advisory Committee set allocations for the Manele Project District, Koele Project District, irrigation, Lanai City proper, and there were a few other categories. And the intent was that whenever an application comes before the County Planning Department, the County Planning Department has a responsibility to say whether or not the application, in its water use, meets the Water Use Development Plan, and whether it meets the allocation for the, the specific area, in this case the hotel resort. Number two, whether it meets the allocation for the actual project district. And three, whether it meets the allocation for the whole island. So that was the intent of why that, that allocation table was developed.

Mr. Delacruz: Well thank you. After that meeting I sent an e-mail to the County asking basically can you bring a copy of that table to tonight's meeting, and I haven't had an opportunity to talk to them yet. But the County has made a recommendation to approve the project based on the rationale that the project will use less water than the allocation provided for, I think, 2020. You have a comment on that?

Mr. Gima: Yes, I saw that in the report and one of the questions I think -- one of the questions that came to mind was did the County Planning Department do a research in developing their recommendation or did they just cut and paste what the applicant provided? Because what the applicant provided and what the County put in their report looked very similar. For those of us on the LWAC there's some other things that were not covered and so when the Koele Project District was developed, they had 100 multi-family homes they got approved for and 250 single-family homes approved for. Now when you approve those residential units water has to be allocated for those units, and so water was allocated. And what is not in your packet is the amount of water that is allocated for those residential units. So what we, what LWAC wanted the company to provide was how much water is allocated for those residential units, number one. Number two --

Ms. Gima: Can I stop you really quickly? I think when we get, instead of doing it now --

Mr. Gima: Okay.

Ms. Gima: -- when we get to the point where I think many of us have questions about water, are you going to be here?

Mr. Gima: Yeah.

Ms. Gima: Then we'll call you up if there are specific questions.

Mr. Gima: Okay.

Ms. Gima: Okay. Thank you.

Mr. Delacruz: Thank you Butch.

Ms. Gima: Pau? Chris Richardson?

Mr. Christopher Richardson: Good evening Commission, and thank you Chairperson for allowing me to testify today. My name is Christopher Richardson and in brief I just want to say, you know, all the details are important. I know all the reports need to happen, the due diligence will happen, but just approve, approve, approve. This is nearly a 30-year old idea. It's been whipped from this side and that side. Yes, it is the heart of this island. It quite literally catches most of the water. It has the great amazing history; we can get into that. We appreciate that, but we have to stay topical and in this very room the wellness center was proposed with drawings in 2006. And juggling millions of dollars those balls can easily drop. That project didn't happen and we went through a four year drought of economic depression. Let's not talk about that too much. Approve, approve, approve. Okay, so I didn't mean to get too excited, but please just write a letter to all the Maui people please and say with whole debate and approve, approve, approve. Thank you. Any questions?

Ms. Gima: No, thank you.

Mr. Richardson: Okay.

Ms. Gima: Next, Alberta de Jetley.

Ms. Alberta de Jetley: Good evening Commissioners, my name is Alberta de Jetley. I had the privilege of being able to live at Koele when my family moved here in 1951. We were able to move up to Koele in 1952 when it was just after the Lanai Ranch closed. I look at what's happening now with Koele and the dissension that it's created in this community because you have to remember Koele is a state of mind, it's a state of your heart. Koele has always been considered the center of this island, not just from this last decade or the previous decade, but from 1875 when Walter Murray Gibson moved his ranch from Pulawai up to Koele. So it's really been the whole heart of our town.

I understand that the Lodge at Koele as much as we loved it never made any money. That's a fact; it's never made any money. And I blame Alice Bowman from Four Seasons for part of what we're feeling now because when Alice was the resident manager there she opened up Koele's doors to all of the residents on Lanai and we had -- she put on so many special events and so many special occasions where Lanai residences could go up and it was their place, it was their home. And now the Lodge is closed. I fully respect Pulama's right and Mr. Ellison's right to remodel it anyway that he likes because he is the property's owner. But when Koele originally open, when Mr. Matsumoto was the general manager there, it was so special because it looked as if it has always been there. It didn't matter if it was your first visit to Lanai or your 10th or your 15th visit to Lanai, Koele struck you right in your heart. I, I would like to see the spa project go by, go forward. I don't know whether or not it will be successful or not successful, but what I am hoping is that at some time in future Pulama will see its way to build a hotel that's not for the superrich and the super wealthy and for all of the jet setters, but a place where our families can come to, our families and our friends from other islands can come back to Lanai and enjoy our community and add to our economy.

My nephew and his wife were married at Koele and they came back every year for their anniversary until the prices became so high that they could no longer afford to come back. So, Mr. Matsumoto, please, I hope that you will find your way to convince Mr. Ellison to build a hotel for us that we can all enjoy, and to let Koele now remain forever in our heart. Never forgotten, but forever in our heart. And if you can see your way to keeping the reflecting lake, I would forever appreciate it. Thank you.

Ms. Gima: Thanks Auntie Alberta. Questions, comments, Commissioners? Thank you. That's done with the sign up list, but I know there's been a few that have come in late. Is there anyone else wishing to provide public testimony at this time? As a reminder, after every agenda item we will open up public testimony. So is there anyone? Okay, with no objections I'm going to go ahead and close public testimony and we're going to move on to our next agenda item which is Item C, resolutions thanking former Commissioners Beverly Zigmond and Medigale Badillo.

**C. RESOLUTIONS THANKING FORMER COMMISSIONERS – BEVERLY ZIGMOND
and MEDIGALE BADILLO**

Mr. Clayton Yoshida: Good afternoon Madame Chair and members of the Lanai Planning Commission. Clayton Yoshida with the Planning Department. We wish to note in the past 30-days two of your members, Beverly Zigmond and Medigale Badillo, have submitted letters of resignation to the Mayor's Office. But we have developed resolutions on behalf of the Commission. Ms. Zigmond has served on the Commission since April 2013, and Ms. Badillo has served on the Commission since April 2016. Thanking them for their serving distinction and performing their duties in the highest professional manner. And on behalf of the Commission, commending them for their dedication and untiring public service to the people of Lanai, and expressing the Commission's sincere appreciation for their services and extending their best wishes in their future endeavors. And after we get the signature of Commissioners Oshiro and Baltero we will transmit copies of the resolution to the Mayor, the Honorable Alan Arakawa, and the Council Chair Mike White, as well as to Ms. Zigmond and Ms. Badillo. Thank you.

Ms. Gima: Thank you Clayton. Just a quick question since we're talking about this right now. Now we have two vacancies. Obviously you can see tonight we have bare quorum. We just made it with five. What is the timeline to get these two vacancies filled?

Mr. Yoshida: I believe by Charter, the Mayor has 60-days to submit a name.

Ms. Gima: And so when is that 60-days up?

Mr. Yoshida: I think they submitted --. It will be, I think, from the time that the Council was notified of their resignations.

Ms. Gima: Okay. Okay, so when was that? I'm just trying to get a ball park idea of when are we going to get these vacancies filled because I think it's really important, especially two vacancies.

Mr. Yoshida: Yeah. That would probably be sometime in late August.

Ms. Gima: Late August, okay.

Mr. Yoshida: And then the Council has 60-days to act on the nomination or the nomination becomes automatically approved.

Ms. Gima: So we're looking at possibly then ending of October, beginning of November.

Mr. Yoshida: If it goes to the full extent of the time limits, yes. But I would think that the Mayor would probably try to fill the positions or submit the nominations as soon as they find the candidates.

Ms. Gima: Okay. And they're actively doing that right now?

Mr. Yoshida: I guess the Mayor's Office would be kind of in charge of that.

D. PUBLIC HEARING (Action to be taken after public hearing.)

- 1. MR. KURT MATSUMOTO, Chief Operating Officer of LANAI RESORTS, LLC, a Hawaii Limited Company doing business as PULAMA LANAI requesting a Project District Phase II Approval for the Four Seasons Resort Lanai, Koele Proposed Improvements at TMK: 4-9-018: 001, Koele, Island of Lanai. (PH2 2017/0001) (K. Wollenhaupt) *(Application booklet was mailed with the June 21, 2017 LPC meeting packet. Commissioners, please bring your copy to the meeting.)***

The proposed project involves improvements to the site and the existing hotel. Improvements include demolition of existing buildings, construction of replacement structures, new structures including spa treatment hale, conservatory restaurant, and yoga pavilion. Other related improvements include additional parking, landscaping improvements, and utility improvements.

Ms. Gima: Okay. Thank you. Any questions, comments, Commissioners, for Clayton? Thank you. Okay, moving along, we're going to go on to Item D which is public hearing, Item No. 1 . . . *(Chair Kelli Gima read the above project description into the record.)* . . . So am I turning it over to the planner?

Mr. Yoshida: Yes, Clayton Yoshida with the Planning Department. With me tonight from the County are Richelle Thomson, your Deputy Corporation Counsel, Kurt Wollenhaupt, Staff Planner, and Leilani Ramoran-Quemado. Presenting the Department's report is Kurt Wollenhaupt, Staff Planner.

Mr. Kurt Wollenhaupt: Good evening Chairwoman Gima and the members of the Lanai Planning Commission. It's a pleasure to be with you here tonight. My comments will be brief as we do have very comfortable seating here. And tonight there will be a presentation from the consultant firm. Karlynn Fukuda, Munekiyo and Hiraga, and Mr. Matsumoto will be presenting the project in more detail. I'm really just here to answer questions, also to tell, more for the benefit of the audience rather than the Commission who knows why we're here tonight, but the reason, and if I go on a bit too long feel free to stop me.

This, Koele is in a project district. It's a three phase process to get things approved there. The whole concept behind the project district is flexibility. That's why the original developer as indeed was mentioned back to 1986 developed the Koele Project District. That process is detailed. It goes all the way through the Council and that is actually a Change in Zoning. The conditions that have been referred by Council Member Hokama are those conditions that are embedded within the Maui County Code. And for the benefit, if you have questions, we do have our Corporation Counsel here this evening on code questions. So that was the - that is the overarching kind of guidelines from which then developments pulled.

So the next phase, and that's what we're here tonight, is the phase two project review. It's not so much as a permit, as it is really just a phase two project approval. And if you look in the Code, the phase two process really is looking at the project site. It's looking at the aesthetics, the environmental impacts. It looks at elevation sections, construction phasing, land uses and signage. So in developing conditions there, of course, needs to be a nexus with regards to what's actually happening at the hotel. A hotel which obviously has existed in the past and is going to actually be reduced to the number of rooms. Depending upon the outcome of the meeting this evening where it to be where the concept that's been presented in detail to be approved, then the applicant moves on to the critical final plans, and then it's a phase three. The phase three process can be approved administratively as long as the plans that are approved at a hearing such as this evening are substantially in conformance with what will be presented at some future date. So that's the, that is essentially the Project District process.

I'm not going to speak about all of the details of the project. You had a workshop before and there will be fine presentation given momentarily. So, thank you.

Ms. Gima: Commissioners, questions, comments? I have a quick comment because I know you had mentioned about Councilmember Riki Hokama's testimony so can you --? I mean, I was pretty kind of blindsided by that testimony, and again I wish he was here tonight to

answer any of our questions. I don't think it's kind of fair because it's a very interesting statement that he made especially wanting a briefing to review the original conditions on the project district, and what are your thoughts on this? I mean, I need a little bit of clarification here if you know what he's referring to. So is he basically saying that there's housing conditions that were put on the phase one, or the, the original Koele Project District Permit. Have those been upheld to the Planning Department's knowledge?

Mr. Wollenhaupt: To the Planning Department's knowledge, the answer is yes.

Ms. Gima: Okay.

Mr. Wollenhaupt: And Clayton is going to address it in more detail.

Ms. Gima: Okay.

Mr. Wollenhaupt: But, as I had mentioned, the phase one, Change in Zoning, those are the conditions that were -- that he's referring to. That's the phase one Change in Zoning conditions which does refer to an agreement that has to do with the affordable housing.

Ms. Gima: An agreement or condition?

Mr. Wollenhaupt: That --. Well, all of the -- the phase one is embedded in the code so that, that is codified so it's by law they have to meet those.

Ms. Gima: Okay.

Mr. Wollenhaupt: In all the documents that the department has received, and Clayton can corroborate as the manager of the Current Division, they have fulfilled those conditions. The agreement, the affordable housing, everything that we have reviewed, and we did send a letter up to the Council that we had reviewed the Manele and Koele conditions, and we outlined those conditions which still would be outstanding. Conditions which have to do with build-outs and roads. But anything with regards to housing had been fulfilled. Now what may happen in the future with regards to this subject, of course, is another -- for another day, we would believe. But Mr. Yoshida, as manager, can address this officially from his capacity, many, many years in the department.

Ms. Gima: Thank you.

Mr. Yoshida: Yes, thank you Madame Chair, members of the Commission. In our review of the conditions for the Koele Project District, we found that the condition seven met that the bi-lateral agreements have been executed for the affordable housing, or the housing and the job training. I would say that, I guess, for Councilmember Hokama, this is a Council meeting week, so they do have a number of committee meetings. The Land Use

Committee had a meeting scheduled from 9:00 a.m. today, all day, on a sort of a controversial project to have special events on a lot in the ag district above Wailuku Heights. So they're kind of busy every day this week with committee meetings.

Mr. Delacruz: Did you have chance to read the e-mails I sent to Leilani which she sent out to the other people in the department? About the report from the department, the recommendation from the department, and the correspondence from the, I guess, I call it the planner or the contractor? About the different amounts of water that were projected to be used for one period in the approval document, but there was a higher amount of water claiming a higher allocation from the contractor?

Mr. Yoshida: Yeah, I guess, the applicant in their presentation could address that, but again, we depend a lot on comments from our County Department of Water Supply with respect to the issue of use of water resources.

Mr. Delacruz: That really didn't answer the question so I'll try and formulate a better question at the end of the presentation. Thank you.

Ms. Gima: Okay, we'll go ahead and start the presentation. And then Commissioner, we'll have time for more questions and discussion. You have something quick? Okay.

Ms. Green: One really quick question. Clayton, I copied off something that you sent online which was an answer to Riki Hokama's letter which was the research that the Planning Department did. There was supposed to be copies of this here tonight for the Councilors. Does anybody know if these copies have, have been brought?

Mr. Yoshida: Yeah, I believe copies of the committee report were circulated.

Ms. Gima: Thank you. Anything else Caron? Okay. So we'll turn it over for the presentation.

Ms. Karlynn Fukuda: So good evening Chair and members of the Lanai Planning Commission. My name is Karlynn Fukuda of Munekiyo Hiraga. We are here tonight to present the Project District Phase Two application for the proposed Four Seasons Koele Improvements. Next slide please.

Joining me tonight are project team members including Kurt Matsumoto, Chief Operating Officer of Pulama Lanai, the project's applicant; John Milander from John Milander Architects, the project's architect; Kevin Mendes from T.M. Towill Corporation, the project's civil engineer; Bruce Meeks and Stephen Sampson from Jozu, the project's landscape architect; and Kristine Huffman from Huffman Hospitality Concepts, the project's wellness concept consultant.

The purpose of tonight's meeting or public hearing is for the Commission's review and action on the Project District Phase Two application that was filed for the proposed improvements to the former Lodge at Koele site. As presented last month to the Commission in our workshop, the proposed improvements will allow for the new wellness facility concept for the Four Seasons Lanai Koele. At this time I'd like to turn the presentation over to Kurt Matsumoto of Pulama Lanai to talk about the background on the Koele property and the vision for the wellness center.

Mr. Kurt Matsumoto: Thank you. Thank you Commissioners for the opportunity to speak in front of you tonight. And we went through some of this information already during the workshop, but many people weren't there, so if you indulge me I just wanted to give a little background about how we've arrived at the decision to develop Koele as a wellness center.

So little more than 25 years ago Koele opened and as you all know the concept was meant to be a combination of a mountain resort with a beach resort. It would have been unique in Hawaii and it would start off and, and put Lanai on the map as far as being competitive in the luxury resort segment in Hawaii. Over the years Koele received magnificent accolades, all kinds of great reviews in magazines, but one of the things that it never attained was success as a business. The business model had a few flaws in it and it's something that a renovation can't change. So primarily the reason after all these years that Koele never really got a lot of traction was because of its location. So while we love the location as Alberta pointed out, it's the center of the island, it has a lot of significance to us, but to travelers from the mainland it lacked a beach, it lacked a beach view, an ocean view, it lacked the warm weather. So those things were weaknesses for that property. And over the years a lot of things were tried, different brands were put on the door, but it never changed the outcome. And just to give you an idea when I first started we used to have a Kamaaina rate. It was \$199 for weekend. It was the same \$199 rate when I came back here just five years ago. So after 25 years it's, it's not possible to be successful and, and not be able to manage increases in your rates. So it was a struggle to come up with, well, what do we do? What do we do with it's a beautiful facility, we need the jobs, we need the employment. So we thought to bring it back and change the business model, but develop a model that would utilize what we see as strengths and actually appeal to other travelers as strengths. So the location, the quiet, and it doesn't matter whether you have a view or not. And that appeal developed us, lead us to move into the wellness market.

So I'm going to introduce someone who we retained to help us develop this model. The wellness market is something that is very new to Hawaii. There's no other resort that focuses on wellness. One of the things about the goal that we have is Koele needed a way for you to want to come and stay there and spend the night. In the previous iteration it was easy to experience Koele, go drive up during the day, have dinner at night, but you weren't required to sleep in the bedrooms at the hotel. And if you are a hotel, that's your primary business, you need to have heads in beds. But there wasn't that compelling reason. You could stay at Manele, and then you could go up to Koele. And Koele became more like an

amenity for Manele instead of a true business that was driving revenue on to itself. So this is the reason why we're going towards the wellness market. So, we've retained the services of Kristine Huffman, and we're fortunate to have her. Kristine is a well-respected individual. She's served on, managed some of the finest wellness resorts in the country. And these are actually resorts that we are taking a lot of our cues from, and she's worked directly at some of these. Some of you may recognize brands like Canyon Ranch and Miraval. She's run her own business and so I'm going to turn this over to Kristine and she can explain to you what the wellness is about.

Ms. Kristine Huffman: Thank you so much and thank you for listening to me tonight. As Kurt said who I am, you know, why am I here? I have been in the wellness industry for over 30 years. I feel like I'm blessed. It's been a wonderful thing for me, me personally. And, I got to say I started at Canyon Ranch that was located in Massachusetts which is a world known designation for wellness at a very early time in my career and I've personally been able to grow and develop. And that market has been growing and developing through the years so. And now I own, I have my own consulting business and I'm having to actually turn clients away because this market place is growing so fast.

So I thought to talk a little bit about what is wellness tourism in case it's a new concept. As you can see we have a bunch of different categories. Wellness tourism integrates components that help people improve wellbeing or maintain healthy habits. What we're finding these days is people want to -- they might not want to eat, eat, you know, fatty foods when they're on vacation. They want to continue doing their wellness activities when they're away from home. And so what we want to do is integrate great hospitality with some preventive health services, spa services, fitness movement, using the hydroponic, the wonderful hydroponic clean food and teaching culinary classes on how to prepare it, adventure that helps you expand your boundaries and helps you engage in ways that you don't think you can, and so you find success in adventure. And then there's personal growth, art and culture. And so all of this integrates into wellness programming.

If we contrast kind of the typical travel experience you look at, you know, when you're away on vacation you may try to escape from your life which is great. I mean, I'm not saying that regular tourism, leisure tourism is, is bad. We all need that escape every once in a while. But we also need to engage in healthy practices. And so a wellness destination becomes a place where you learn how to become healthier and engage in healthy behaviors. And so, you know, the beauty of this is not only do we have the contrast in landscapes at Koele and Manele, we, we now have a contrast in experience, so we have the best of both worlds.

So why wellness tourism? You know, why would we do this? As Kurt talked about it's a difference in market. It's a change in market appeal. What I found in wellness travel is instead of just having one big PR campaign, what I heard earlier from somebody is there was a lot of PR at the beginning, but then there's, there's lack of stories. With wellness tourism, you have incredible PR stories that happen over and over, getting a lot of attention for the island of Lanai. The trend and travel of demographics, wellness tourism is incredibly popular on the west coast, and incredibly popular with millennial travelers. And so it's on trend with the industry.

And the other thing that we find with wellness tourism is it creates incredible brand loyalty. What I found at Miraval and Canyon Ranch is that at any given time 64% of the people there had been there before, so they become a part of the family. And so -- and then one of the biggest things that I found in my community in Massachusetts is that it starts to attract this wellness culture. And as Mr. Riley commented this is a healthy place. If we can create this healthy culture for the whole island.

So the next steps in proceeding is, you know, finding --. You know, if you're --. I'm looking for a perfect wellness project, this is it. You've got the perfect location. You've got an incredible group of people that we can -- that we have a great start in the hospitality culture that's been here now for 25 years. And what we need to add is a little bit more training in the wellness area, so, and we've got plans to do that. So thank you very much and maybe questions later.

Ms. Fukuda: Thank you Kristine. This is the overall site plan for the Koele site. The existing entry here off of Keamoku Road will continue to remain. The proposed improvements include -- just, again, before I get started, this is the existing building that's there. But we're proposing a new conservatory restaurant dining facility. We have the yoga pavilion here. We have 10 spa treatment hale; a spa support building; demolition of the existing fitness facility and replacement with a new fitness center and construction of a fitness studio. Demolition of the existing pond and pool and replacement with a new free form pool and water feature. There's a new mechanical building and landscape facility building. And there's also renovations to an existing mechanical building. And as previously mentioned in the description of the project, there will be the demolition of the orchid house and the landscape green house. Again, as we just noted, there's 12 main components to the proposed improvements at the Koele property that we just went through. And we'd also like to note that the number of hotel rooms will be reduced from 102 to 94 within the lobby building because rooms will be consolidated for meeting rooms as well as larger suites. Next slide please.

I'd now like to talk about the proposed improvements relative to the Koele Project District standards. We note that the site is located within the hotel subzone for the project district. The new and replacement structures that are proposed in the project will be below the project district height limitation of 30-feet. Again, as I previously noted the site access will be provided off of Keamoku Road. And water use for the new improvements will be within the limits of the Water Use and Development Plan, and we'll talk more about that, here, in a minute.

We'd also like to note that the Lodge at Koele was an existing hotel facility. And as such we're not anticipating negative impacts to community resources, schools, police, fire, medical services. We don't anticipate any negative environmental impacts either. It's not within the Special Management Area. No scenic or historic impacts, or no long-term air noise impacts. And we are anticipating positive employment and economic impacts with the reopening of the site.

Next slide please. So at this time I'd like turn the presentation back over to Kurt Matsumoto.

Mr. Matsumoto: So Commissioners, you have this slide in your presentation packet. And I'm sorry, it's a little awkward doing the presentation this way, but -- so I'm sorry to turn my back to all of you. But up here on the slide you'll notice that the graphic is a little different than the one that we had presented during the workshop. So if can just walk you through it and explain, you know, what's different from what we presented last month.

So what this table is representing is basically it's showing you here, in the first column, this is the -- what we derived from actual numbers. So we took an average, over a two year period, we collected water consumption data and we compared to against occupancy data for two-years, and the occupancy percentage was 52% and that's based on a 102 rooms. Then we created this column here which basically now takes the new room count which is 94 rooms and projects out the full occupancy, not 52%, but 100% occupancy. And this number anticipates the additional amenity items that are on your map. So the changes on the map are reflected in this total number here, 106,209. Now in the previous chart we did not have that information. We had actually given you information on the domestic water consumption that was at a lower occupancy. I'm sorry, different -- it was a full build out but it was at a different rate of consumption. This rate of consumption is the same as what you see here...so this 507 gallons per room. Okay, any questions so far?

So then what you're seeing here is a comparison to one of the charts that is represented in the Water Use and Development Plan. And this chart in particular breaks out the elements: domestic, hotel use, landscape irrigation use, and outdoor water features. So we, we presented that information here. You can see that in the full build out projection we still have some room within the guidelines in our full build out projections.

Ms. Green: When you say full build out, are you only talking about the hotel or are you --?

Mr. Matsumoto: Yes.

Ms. Green: You're not talking about any of the residences.

Mr. Matsumoto: No. And, and the reason is because as, as the Planning Department had explained, this application is specific to the hotel. It's specific to that lot within the project district. And the application is related to the map that you've been presented with. Okay, so any questions about the water?

Ms. Gima: What prompted these corrections?

Mr. Matsumoto: We met, as Mr. Gima had mentioned, we met with the Water Advisory Committee and they pointed out some things to us that we needed to go back and reexamine, and we took their feedback and studied the information further and then we made these adjustments so that we could better reflect to you what the most maximum use outcome for water would look like and compare that to what is in the water use plan as what the maximum outcome would be for that specific part of the project district. Okay. Yes?

Ms. Green: Just a quick question. When you have pools, spas and pond, I assume that all these new onsens are going to be, what are they pools or how do you categorize those in these numbers?

Mr. Matsumoto: So if we can go back to the map. Okay so when you look at this map there's this water feature here and this water feature here, basically that's captured in that number pool, spas. So at the pool there's going to be a small outdoor spa as well. And then we have other water features up here. These all have their own outdoor hot tub feature as well.

Ms. Green: Apparently 46 have been planned for at the, at the hotel as well. The bottom rooms all have onsens off of them.

Mr. Matsumoto: Correct. So onsens actually may be a misleading term. It's a tub, and it's not filled with water. It replaces a bath tub. So in the old room layouts, at the hotel, each of the rooms had a combination shower tub basically. It wasn't a separate shower and a separate tub. In the new room configuration, it's going to be a shower. And so only 41 of the rooms will have this outdoor tub feature, so it's an option for someone to use. It's not a standard operating tub as is a, like a whirlpool.

Okay, so I'm going to invite up our consultant from T.M. Towill, Kevin Mendes, and he's going to explain to you the water capture.

Mr. Kevin Mendes: Good evening Commissioners, Kevin Mendes. So regarding storm water, yes, the project will generate an increase in runoff. Yet in being responsible we are going to incorporate low impact development and sustainability principles in the design. We intend to capture and retain this increase in runoff onsite and we do that by creating low lying areas in the landscaping and depressed planter areas, somewhere the water can collect and infiltrate down into the ground. In fact, the current design of the site has a capacity to hold over 90,000 cubic feet of additional runoff. And during the larger storms, the excess runoff will continue to flow into Iwiole Gulch and flow across the highway into the open pasture land. But the bottom line is there are no properties downstream that are going to be impacted by this project.

Now to continue with what Kurt was saying with regard to water demand, with the increase water projections there's also wastewater increase projections and we project that to be somewhere around 20,000 gallons per day a full build out. But I understand that the existing wastewater treatment plant has the capacity to handle that increase. So now I'd like to turn it over to John Milander who is the project manager and architect on this project.

Mr. John Milander: Thank you Commissioners. So most of you heard this before so I'll try to keep it fast. But what we were looking at with this project is really marrying the

architecture with the landscape and really trying to take advantage of what Koele has to offer in its site and working together with a landscape crew, landscape design. So we developed two languages of architecture that both focus on bringing the outside in, and inside views, views from the inside out. So the first building is this conservatory dining pavilion. It's a 6,000 square foot dining pavilion which will appear to float over the revised lake, the new lake. This building also has a private dining room off the side. This, this will take the place of the dining that's currently inside the lodge building. So instead of dining inside the lodge space, you'll be put out into the landscape where you can really engage with it.

The next building is a fitness pavilion. We have two fitness, two fitness buildings that work together. This fitness pavilion is just one large open building that again is the same language that tries to work with the existing lodge language. This building contains the fitness facility, the fitness equipment, the treadmills, the weights. The next building we have is the fitness studio. This is more for individual one on one training as well as small group classes, spin cycles and such. The core that's between the two buildings houses the restrooms that service the pool area.

The next building which is across the new lake is the yoga pavilion. This again is the same language of structure that while you're having yoga classes you can really feel like you're engaged with the landscape. This also has a little core building associated with which has restrooms to service the yoga pavilion as well as the landscape and the garden areas.

The second language that we developed is more of this Zen like architecture and this is the 10 treatment hale that you saw on the outside of the property, on the uphill slope. These, these buildings are where the guests will go to get their treatments. So what we looked at here was trying to provide a much more organic and peaceful experience, much more in touch with the woods. So when the second you go into this building to get your treatment you know that you're in, in a calm space. The doors open up to the outside -- were not shown on this rendering, but on the outside, you will have those water experiences as well. So I'm going to turn it back to Karlynn.

Ms. Fukuda: Thank you John.

Ms. Green: Could I ask him a question before he goes? Actually I have a couple of questions. I actually like your architecture. I lived in England and I love the conservatory look, it's beautiful. I am a little confused that you chose two such contrasting ones, but on the, the hale, the spa treatment hale, are they going to be landscaped such that they're totally private so people can't see them when you're getting treatments? Because you can't tell that on this diagram.

Mr. Milander: Yes. Yeah, each one of these -- can you flip back to the second one? Each

one of these buildings has its own kind of private garden so there's a, there's a wall around it and it will be landscaped in a way that it's very well screened so you --. Go ahead.

Ms. Green: So I'm just seeing that the part that we saw is actually facing the mountain?

Mr. Milander: Correct.

Ms. Green: Rather than away from --

Mr. Milander: Correct.

Ms. Green: Okay. That's --

Mr. Milander: So the idea and the two languages of architecture, the buildings, the white buildings that are more of the conservatory structures, the more garden pavilions are much more, kind of visible and exposed and, and working with the landscape. All of these, 10 hale buildings, will be much more private and in all likelihood when you're, when you're in the lobby looking out you won't even see them.

Ms. Green: Okay. I was speaking with a local person who grew up on Lanai today and talking about these buildings, I guess, two things, the openness, because it is often times foggy or cool up there and anything like that I don't know how many times they'll be opened, but she pointed out to me mosquitoes could be a problem.

Mr. Milander: Yeah. So, so all of the -- if you want to hop back to the hale building -- the way we've, we've already developed these quite a bit more but these, these shoji doors will be able to close and there's a second set of doors and those are actually screened. So you can open it up and allow the ventilation, allow the cool air if you want it and still have the screen closed.

Ms. Green: Terrific. Good idea. Could I also make one more suggestion?

Mr. Milander: Sure.

Ms. Green: Somebody said to me, hale is a Hawaiian word and those are very Japanese.

Mr. Milander: Karlynn?

Ms. Fukuda: Okay, thank you. So, as Kurt Wollenhaupt noted, you know, following the approval of the Project District Phase Two application, the next steps involve the preparation and filing of a Project District Phase III application with the Planning Department. And then preparation and filing of building permit application as well as other

related permits and approvals with the County of Maui and potentially State of Hawaii as well in order to proceed with construction.

So we wanted to just point out that there have been outreach meetings with the community to talk about the proposed improvements. The first one being in January of this year, and the most recent one being last month at the Lanai Planning Commission workshop. Next slide please.

The next few slides that we have are follow up from the questions and comments that we had received at the June 21st Planning Commission workshop. There was a question that was or brought up on the possible use on the R1 water for the pond feature that will be part of the project. And as we noted in the meeting, right now, the Koele golf course property is required by the County ordinance to use the R1 water for irrigation. And there isn't currently enough R1 water source to supply water beyond the golf course property so it would be a challenge to use R1 water for the, for the pond feature. Next slide please.

There were also comments on the new water features versus the existing pond feature that we have. And this plan shows the area of the new pond overlaid -- over the existing pond feature. The service area -- and I apologize to the audience you might have a hard time seeing it but the service area of the existing lake versus the new lake, the new lake will be smaller by about 10,500 square feet. And generally the new proposed lake will be approximately half the volume of water than the existing pond.

There were also questions and comments about employment for former Four Seasons Koele employees and we would like to note that Four Seasons and the ILWU have an agreement that has allowed the Four Seasons Koele staff to transfer to open positions at Manele while maintaining their seniority at Koele. And under that same agreement the Four Seasons Koele staff who are working at Manele or other locations will be able to transfer back when the facility is reopened. The Four Seasons does anticipate the staffing needs for the re-opening of Koele will be met by the pre-existing staff, and that they will continuously train at all levels of the organization to guarantee the success of the company. Therefore product specific training and department specific training is provided or will be provided to the employees through field experts and vendors on an ongoing basis. And we do also have a representative here from the Four Seasons tonight if there are additional questions.

There was a question about the energy use for the project, and attached here is a letter from Maui Electric Company confirming that they have the electrical capacity to serve the Koele Project, and I believe the Commissioners have a copy of that letter or received a copy of that letter in their packets.

And at this time I would like to call upon Kristine Huffman again to address the comments that were raised at the meeting regarding wellness travel and the market and research that Pulama Lanai has done to guarantee or to ensure the success of the project.

Ms. Huffman: Thank you. Yes, this was a question about have we done any research? And so this just addresses that there are two significant bodies that study tourism in the spa industry, and they, as part of their associations, they hire professional research companies. This data that's listed here is from SRI, Stanford Research Group. And the other supporting data would be provided by Price Waterhouse Cooper. So they're official studies. These aren't made up numbers. And what they find is that wellness tourism is a \$438.6 billion global market, and it's a rapidly growing. It's experiencing the larger growth curve than regular tourism. And the other thing that we've shown with this research is that wellness tourists spend 65% more per trip than the average regular traveler. So they spend more and this a growing segment so we do feel like we have some supporting trend data to support the project. Do you have any questions?

Ms. Green: Thank you Kristine. I think these are very impressive statistics, but as we all know there are wellness centers on the mainland in a number of different places. I don't know about internationally, but why would somebody come to Hawaii, if you're here on the mainland, why would you come to Hawaii, to Lanai, which we all know is not an easy place to get to versus going someplace closer to the United States?

Ms. Huffman: I think that's an excellent question and I think that, you know, as some of the branding and marketing begins to roll out, we will have some international cache with some of our kind of top healing people, so I think that's going to put us on the map. I also know that despite the fact that I said 64% of guests return over and over to the same property, I think there's also curiosity about new properties. And I do think that there's a cache to travel to Hawaii, and, and part of the journey within starts with the journey to get there. And so, again, to Kurt's point of turning that negative perception that, oh gosh, it's so hard to get there, starting the journey at home, and part of our programing will actually start the journey before they get here. So we feel like we have a really compelling new product that's going to get some great attention on the market.

Ms. Gima: And who is the target population for a wellness resorts?

Ms. Huffman: The target population right now will be quite similar to the current demographic that's coming to the resort. What we're finding is that southern California is -- those travelers spend a lot on wellness already and they have the easiest trip here, I guess. Also millennials, we're finding that again in the research, in the industry is showing the first time by the way last year that the number of men receiving massage equals the number of women receiving massages which I thought was fantastic. And, and the other thing is millennials are looking for meaningful experiences and authentic experiences. And boy, can we create an amazing authentic experience here.

Ms. Fukuda: I'd lastly like to note that there was a question regarding the acreage of the Koele parcel at the workshop meeting, and it was noted in the meeting that the Project

District Phase II application mentioned that the site is approximately 24.8 acres in size while the Maui County Code Section 19.71.080 notes that the hotel zoned area within the Koele Project District is approximately 21.1 acres in size. I reviewed the County's real property tax website -- and I believe I mentioned that in the meeting -- which indicates that the approximate area for parcel one is 1,081,551 square feet in size. I'm not sure why they have it in square feet, but that translates into approximately the 24.8 acres. We also note that there is a portion of parcel one, near the existing driveway off of Keamoku Road which appears to not have been included in the project district zoning, and was determined by the County to be zoned Interim. We are unsure as to why this area wasn't included in the project district zoning as the original Change in Zoning was done by the previous ownership. But the community plan does note that the entire parcel one is within the project district. I also have copies of the maps that were used in the Lanai Community Plan update discussions that indicate the area that's zoned interim for the parcel.

In conclusion we respectfully request the Planning Commission's review and approval of the Project District Phase II application for the proposed improvements at the Four Seasons Resort, Lanai, Koele.

This concludes our presentation and the team is here to answer questions that you may have. Thank you.

Ms. Gima: Karlynn, really quickly. First of all, thank you, for coming back and addressing the various concerns or questions that were asked at the workshop last month. Other than the sections that you had towards the end with the additional details, and then obviously the water table, were there any other changes to this presentation?

Ms. Fukuda: No. I don't believe so.

Ms. Gima: Okay.

Ms. Fukuda: We, we had, as Kurt mentioned earlier, we had thought that there may be new people who were not at the June 21st and that's why we presented --

Ms. Gima: Absolutely --

Ms. Fukuda: -- some of the same information.

Ms. Gima: No I definitely appreciate that. I'm going to propose we take a 15 minute break. And again, the bathrooms are open, I think, the second building. We'll come back in 15 minutes to take public testimony.

(The Lanai Planning Commission recessed at 6:40 p.m. and reconvened at 6:56 p.m.)

Ms. Gima: Although many of us Commissioners probably have a lot of questions, we're going to -- I'm going to go ahead and open up public testimony again. During this public testimony time, you know, I know there may be those of you testifying and have direct questions to the applicant which is fine. Ask the questions, get the answers, and we're going to move on because we don't want this continuous dialogue going on which then will hold us up. So I'm going to go back to the list of who decided to hold off on testifying, so I think there was Myles Saruwatari and who was the other? Was there another one? Yeah, Stan. So, okay, Stan you were up first so come on.

Mr. Stanley Ruidas: Stan Ruidas, Lanai resident. I fully support this project with conditions that we usually put on it, like one was using the local workforce to do construction. Maybe using R1 water to do dust control. I think and the third one was, you know, maybe you guys should think about asking them to put the Koele basement back on the evacuation site plan because like right now we're in a hurricane season for the last -- I think it runs for five months from June to November. But, you know, if something happens you can see how 3,000 people can fit in the gym. So you know hopefully nothing happens but, you know, if the hurricane comes the whole city going be wiped out. So you gotta figure out who going go inside and who's going to stay outside. And that's all I have. Thank you.

Ms. Gima: Quick question, you said put it back on the evacuation plan? When was it taken off and why do you know?

Mr. Ruidas: When and why, I don't know.

Ms. Gima: Okay.

Mr. Ruidas: As for you guys for figure it out.

Ms. Gima: Thanks. I guess I'll ask maybe you Kurt if you have answer for that.

Mr. Matsumoto: Unfortunately, no, I don't, I don't know the answer about why it was taken off and how those details get put together. But we certainly can speak to the Lieutenant and Civil Defense and find out.

Ms. Gima: Thank you. Okay, Commissioners, anything else for Stan? Thank you Stan. Myles?

Mr. Myles Saruwatari: Okay, Myles Saruwatari speaking as a resident of Lanai. Thank the Commission for allowing me to speak. First of all I just want to congratulate Pulama for their great plans and I wish them success. But I do have a few concerns. During the last workshop meeting the point was brought up by Brad Oshiro, you know, are you guys going to be using drinking water. And the engineer without hesitation said drinking water, yes. Okay, so I just want that clarified; are they going to be using drinking water for the pond and

all those projects? You know, I mean, because throughout Hawaii we do have a shortage of drinking water. I don't care what island you live on. Every island has a shortage to some degree. Okay, so if that would be clarified I think I feel better about it. You know, I don't know about anybody else.

Second of all, I'm not big on legal use language, okay. Now when they were doing the presentation, they were talking about they're anticipating this, anticipating that, okay. I'd like to know what they mean by anticipate. Are they guessing? Have they done studies to figure out exactly what they expect, or is it just hope, you know? Because I don't want to see Lanai people -- okay they say they're going to create jobs. But I've been in a hotel and restaurant business for over 40 years. I know what the business is like. It's very fickle. Very fickle. I've seen great restaurants open, great menus, great chefs, fold in six months because nobody goes there for some reason. And I don't want that to happen to them, and I don't want that to happen to Lanai. So I want to know what they mean by anticipate. Have they studied it, actually figured out how many people are going to come here regularly or are they hoping that people come or are they guessing that people come? And to build a company on hope and guessing it's not good management practice. And I don't want to see Lanai people hurt because all of sudden, you know, hey, I'm sorry, we don't have business, we have to lay you off, or you know, you're going to get cut to 10 hours a week, you know, that's, that's not good. Okay, thank you.

Ms. Gima: Thanks Myles. Just a quick question. When you talked the use of the word anticipate you're, you're referencing the amount of people that are going to be utilizing this resort?

Mr. Saruwatari: No, no. I want to know what they mean by anticipate.

Ms. Gima: In regards to what specifically.

Mr. Saruwatari: Like they say they anticipate, you know, people come, and anticipate this and that, you know. And they used that word several times in the presentation. I just want to know what they mean by anticipate.

Ms. Gima: Okay.

Mr. Saruwatari: If it's a calculated guess, or just a guess or a hope or, you know.

Ms. Gima: Okay. Got it. Thank you. Kurt?

Mr. Matsumoto: So what we know is there's . . . (Inaudible) . . . of demand for this type of product in a tropical destination and especially here in Hawaii because there is none, and there is no comparable product when you look at the United States. So you heard in the presentation that one of the primary markets for this kind travel is Southern California and

that happens to be Lanai's number one feeder market today. So we have a lot of confidence that what we're presenting will come to reality.

Ms. Gima: So basically the anticipation of who will be coming is based on what you're seeing currently out there in the mainland, and the fact that there is a high demand, and that this is the only, would be the only wellness resort in Hawaii.

Mr. Matsumoto: Right.

Ms. Gima: Okay. Did you want to address Myles concern about the use of drinking water for, I'm assuming he's talking about the lakes?

Mr. Matsumoto: Sure, if you want to pull that graphic up again. Yes, so just to confirm, we are using potable water to fill the water feature and that is what the source is for the water feature that exists today, so we're not changing anything. And in this graphic what you'll see is that we're actually reducing the amount of water that we're using by half.

Ms. Gima: Thank you. Questions?

Mr. Delacruz: I got a question on following up on this anticipation on the market for Kurt and maybe Ms. Huffman. Is there a potential competition from Mexico? Because I think during the 90's, maybe starting in the 90's, I think we lost a lot of business to Mexico because of their lower cost.

Ms. Huffman: I can't really address that. I know that there are a few existing older wellness properties in Mexico. Again, when we start unveiling the branding concept and some of the programming, I think you're going to see that what we're doing is so unique and so leading edge that it's going to get a lot of attention and draw, and so we're going to be miles ahead of any, any existing properties that might be in Mexico. And I don't see, you know, I always have my ear to the ground and I have not heard of any new wellness developments in Mexico. That, that doesn't mean there aren't any. It's just I haven't heard and I'm assuming I would have. They probably would call me to work on it. Okay.

Mr. Matsumoto: So, the other thing I would add as far as what Kristine mentioned and what I was talking about earlier, we mentioned that this is the first one in Hawaii. This is the first Four Seasons wellness resort. And so you have all these Four Seasons customers that are going to get this marketing information that he is a brand new Four Seasons product. It's not just a new Four Seasons resort, it's the first of its kind wellness, destination wellness resort. So you have very loyal customers to Four Seasons. They follow the brand around the world, so these people are going to be excited about the idea that finally Four Seasons has a product. I don't have to go to Canyon Ranch, I don't have to go to Miraval, I can come to Lanai, I can go stay at a Four Seasons and I can get that wellness experience, the only one in the world, right here on Lanai.

Mr. Delacruz: I just want to commend Pulama for...improving the, I guess, the business models on Lanai so that the island can make a profit. But I think what we do -- at least I have some concerns about will we be able, the island, to support the needs of the business models? To support the hotels you will need supporting businesses. For example, the art gallery...shuttles. You want to create a place for artists to gather, to improve the whole experience for everyone. And part of that is, is the housing and the water. So I think, at least I want to take a look at that. But I do thank you, commend you for your attempts to improve the business on Lanai. Thank you.

Ms. Gima: I didn't have anybody else signed up. Is there anyone else wishing to provide public testimony now that they've heard --? Come on up.

Mr. David Green: Dave Green. I just want to say that I...I think it's kind of a no brainer in way the community really needs Koele to come back. It's a fantastic place. I remember the first time I came here we had a split week between -- in 2001 -- we had a split week at Manele and the rest at Koele. My first thought when went to Koele is if I wanted to go England I would have gone to England. I was trying to sit out by the pool. I was in one of those shade lounges that has the hood around it, I had every towel I could find covering my body, so I just think you need to think about the outdoor pool.

The other concern I have -- I'm very supportive of the project -- my major concern is I know some people lately who have not been able to get off the island due to the air lift capacity to go to the hospitals, etc. If you're successful which I hope you are, air lift capacity is a major issue. The prices have gone up for tickets. It's a major issue and that's not -- well, it could be under your control. Have you done anything or anticipated trying to deal with it? I know you're doing a lot of things to make sure we have five flights a day with Hawaiian, but I'm just concerned about the ability of, the continued ability of people to get here and get off.

Mr. Matsumoto: So regarding the question about the flights. So we currently subsidize the, the flights that come into Lanai, and we have a deal with Ohana. And that's the reason why we have the level of service that we do. If you were to speak to Ohana and find out what they think the market service would require without the subsidy they would probably tell you between two, maybe three flights a day. That's all that the market can support. If you look at how they service Molokai that's an example. They have double the population that Lanai does. So there's, there's a couple of influencing factors. One is the subsidy and the other is the hotel travelers. If you look at the statistics that once in a while comes out in the newspaper, you'll see that often times Lanai's visitor count exceeds that of Molokai's so they're flying to get here. So, you know, we're -- we need to do the subsidy in order to maintain the frequency and that's supporting the, the travel and the occupancy in the hotel.

Ms. Gima: Thank you. Anyone else wishing to provide public testimony? Come on up.

Mr. Gima: Butch Gima. For those who are new on the Planning Commission, I want to talk a little about the significance about LWAC. For many years water issues have been very complicated. It's even complicated for us on LWAC and we felt that it's best for the LWAC to go over the application, we have a lot more time to focus on that, and then come to the Commission and provide a recommendation. As I said earlier we wanted to provide a formal recommendation or statement tonight. To Pulama's credit they met with LWAC two weeks ago. They came back and asked for a second meeting last Friday, and there were still some things missing. And so the agreement was that Joy and Kurt were going to get the updated data to me over the weekend with the intent of me e-mailing the rest of the LWAC members and hopefully come up with a consensus on a statement to the Planning Commission. We suggested to, to the Lanai Water Company and Pulama just to make it simple. They provided a lot of data, and it was very confusing. I said make it simple. Does it meet the overall island allocation? I believe it does but they needed to show that, and I think the County needed to show that too. That's their responsibility in the packet they give to you; show that it meets the allocation for the Koele Project District. I think Kurt was not correct when he said just focus on the hotel. No, you cannot just focus on the hotel because there's an allocation for the entire project district which includes the hotel, the residences, and the water features and landscaping.

Now it's important, it's important to take that into consideration because you cannot make a proper decision when you look at only one small aspect of the island using the water. We've been, we've been meeting for over 25 years, and it's important for our island to have the LWAC because our water situation is very different from the other islands and let me give you some examples. The sustainable yield, the amount of water that kind of is our aquifer has been determined to be about 6 million gallons a day. Now on Molokai it's 84,000 million gallons a day and the island of Maui is 400,000 million gallons a day. So it's a huge difference in terms of the capacity of water we have for our island versus the other islands. In addition, we have only one aquifer. Other islands have more than one aquifer. And of our one aquifer we have what we call two sub-aquifers. We have a windward aquifer and a leeward aquifer. Almost 95% of all the water pumped on this island comes from the leeward aquifer. All the hydrologists have said spread around the, the wells so it's balanced. We have no surface water, no streams, no rivers to tap into like the other islands. We have no regulatory agencies on the island. That's another reason of the importance of, of LWAC. I don't think most people know that of all the water that's pumped on the island, anywhere from 50% to 75% of the water goes down to the Manele Project District, depending on the time of the year and what their needs are.

Ms. Gima: Can you briefly tell us who sits on LWAC?

Mr. Gima: Sure. We have two members from Pulama, Mike Donahue and Joy Gannon; two from Lanaians for Sensible Growth, Ron McOmber and myself; John Delacruz is representing the Planning Commission; Riki Hokama represents the County Council. And then we have several at large members, Ed Oyama, Sally Kaye, John Ornellas, and then

we have two ex-official members who don't vote, Charley Ice from the Commission on Water Resource Management (CWRM) and then we used to also have a representative from the Department of Water Supply.

So unlike most islands we have a private water company and it's very unique. And that's why the Department of Water Supply and the County of Maui really basically have no jurisdiction over the management of, of the water on Lanai. So another important reason to have LWAC. Like I said, you know, we're thankful that Pulama brought this application before the LWAC so we could vet it and then hopefully, you know, make a presentation...to the Planning Commission. So, I'll leave it at that in terms of the significance of LWAC. And you know we'd like to, like we said to Kurt, we wanted to make it simple because I think if it didn't go before the LWAC and you guys had to go through all the data it would have gone right over your heads because you guys don't have institutional knowledge of, of the water, the water system and the relationship between the Lanai Water Company, the community and the different County and State agencies. Thank you.

Ms. Gima: Thank you. I know, I'm pretty sure a few of us have questions regarding water. Let's finish up public testimony and then we can bring you back as well as Pulama and the Water Company if we have any more specific questions. Any other -- anyone else would like to provide public testimony at this time specifically on this agenda item? Alright, I'm going to go ahead and close public testimony. Commissioners now is your time to ask questions, provide comments to the applicant and also the Planning Department.

Ms. Mililani Martin: Kristine Huffman, I'd like to ask you a few questions please. I know that you're helping with the wellness and wellness center and putting it together, correct?

Ms. Huffman: Yes, ma'am.

Ms. Martin: And I know that part of the wellness center is to train up people --

Ms. Huffman: Correct.

Ms. Martin: -- to do what they're going to do.

Ms. Huffman: Absolutely.

Ms. Martin: My background is working in spas so I know what it's like. I know at spas there are massage therapists, there's estheticians, there are nail people that do nails, and there are hair people that do hair. Will those services also be offered there?

Ms. Huffman: Yes, ma'am.

Ms. Martin: Okay. So now we're talking about Kurt mentioned 18 employees that's going to

be brought that's new, and the rest of the crew -- right, correct, yeah? -- and the rest of the crew up from Manele to join at their jobs.

Ms. Huffman: Correct.

Ms. Martin: Now these jobs that are going to be created, are you going to be using people from Lanai? Because that's my main concern is that.

Ms. Huffman: Absolutely, and it's a big concern of ours as well. You know no matter how beautiful the property is it's the people that make it, and, and part of the program is the celebrating the local culture. And so it is our intention to create training program similar to the one that was created when the properties shut down renovation. We had great success with that and we're looking at that model to recreate that to create opportunities that would be opened up for people to apply to, for the training slots. And so it, it's still in the works right now, but we have an intention of getting that created and, and launching that. You know, depending on timing, when the property is going to open, we'll begin to offer those training opportunities.

Ms. Martin: Thank you very much. That really answered the question for me.

Ms. Huffman: Thank you. Thanks.

Mr. Delacruz: Well thank you Butch especially what you said about all the data because I attended that meeting last Friday and I followed the e-mail trail from Joy to you guys, and Sally to Joy, and Joy back to us, and there was a lot of data exchanged. And all that went over my head. So I asked for guidance from, from the Planning people and I think what the answer is going to be they got to refer the or consult with the Water Department. Because there was a reference made to the page number and the table number it was supposed to show all the allocations. So I asked, you know, how accurate are all these projections for allocations and what years do they apply to? Because reference was made to 2020 allocations but from the last meeting I think the construction is projected to be completed by December of 2018, which means potentially you can open up the Koele property in January of 2019. So what's the authorized allocation really for January 2019? Anyway, that was a comment slash question to the, our Planning people.

Mr. Matsumoto: So thank you Commissioner. So...let me attempt to tackle the question and maybe if you indulge me I have some handouts to share with you. I have enough copies for the entire Commission. So the first thing that I'm going to hand out to you is the page that comes out of the Water Use and Development Plan and you heard Commissioner Delacruz refer to an e-mail that talks about page 21. This is page 21. This is the chart that is referenced inside the Water Use and Development Plan. And on this chart you will notice at the top is Koele, Koele fresh, Koele brackish, and Koele PD reclaimed water. And then to what John was referring to, 2010, 2015, 2020, 2025, 2030, and then Phase II plus any

other known projects so at full build out. So on the screen and I have a handout for you. So one of the recommendations from Mr. Gima was don't look at the hotel specific, look at the Project District in total. Now as I explained to you the reason why we presented the hotel specific is because as the Planning Department explained to you earlier we're supposed to be looking at specifically the impacts to that portion of the Project District, so that's the reason why we presented that. But if you need additional information I have on the screen you can, this is the water use guidelines for 2020. On the chart that you were given, and if you take the number at the top, 2020, you'll see 185,909. That is the guideline that's set for 2020. And what we did was we inserted the number that we developed for the project with the additional amenities and then we added it to all the consumption that's, that's available, the information available to us about the project itself. So the residences, the Cavendish golf course. When you total all of that up our projection is 181,000 gallons per day. So you follow so far? Okay so under this chart, in 2020 which is just around the corner, we have...we'll be consuming under the amount that is set as a guide and in the meeting, John, you heard the word used as guide. It's a guide. It's not a schedule or a limit, it's a guidelines. So that's the information that's right here in front of you.

Ms. Gima: I have a question. So if you're going to be using that amount of water, the 181,002 gallons per day before 2020, are you then supposed to be following the 2015 allocation?

Mr. Matsumoto: Well, this is something that like Mr. Gima pointed out if we had more time, if we were sitting down with the LWAC we could understand. We don't understand why, if you look at the chart, there's a dip. It goes from 185,000 in 2010, down to 157,000 in 2015, and then it goes up again in 2020 to 185,909. Now I don't, I don't understand what would have driven the decline when this is anticipating increasing demand. And there's supporting charts in the Water Use and Development Plan that show these increases in the demand. But then why this number shows up like this in the chart, I don't know if it's an intentional number, I don't know if it's a mistake. I'm not sure. I can't answer that question.

Mr. Gima: The 157,000 --

Mr. Matsumoto: But part of what, part of what you need to consider though is that you need to look at projected use because we're not only going to open up for one year.

Ms. Gima: Right. Right.

Ms. Green: Just out of curiosity do you know what is attributed to a single-family home? How many gallons a day normally?

Mr. Matsumoto: So one of the numbers that I've seen in, in one of the charts would indicate 600 gallons per lot.

Ms. Green: Because I know several of the Koele residents up there have been part-time residents who will now be full-time residents so I just wondered if that would have any significant impact on your numbers, but I assume not given that.

Mr. Matsumoto: Right.

Ms. Gima: I'm going to be very honest, I am extremely confused. But I mean we just got handed two other sheets. I think in total I've counted like we've already had like five charts, one new one that was presented during the presentation. We had the updated water numbers that were not reflected in the County's recommendation. I'm beyond confused. My head is tapped out with numbers. And if I'm so confused looking at 10 different charts and different verbiage from different reports, I can't comprehend a lot, a lot of this.

Mr. Matsumoto: Okay. But so you heard from Mr. Gima. He said that the water use -- the Water Advisory Committee wanted us to look at the project, okay. So if you put aside the chart that was in the presentation and you look at the number that's up there on the screen now that represents the project district. Project district represents the Koele residences, the hotel, and the Cavendish golf course. It doesn't include the golf course, what we used to be called the Experience, because that part of the Project District can only use R1 water. Okay? So that is the Project District guideline, the 185,000. Our projected use with the additional amenities that we have placed on the map that's in front of you is we're projecting 181,000 gallons per day. Okay? So we're presenting to you that we can fit within the guideline that's been set in the Water Use and Development Plan for the year 2020. And I've said you have to look at projections because we're not going to just be open for that one year in 2019.

Ms. Gima: So just to clarify, the second row, the projected, which you said with the additional amenities that includes Cavendish and residents as well?

Mr. Matsumoto: Correct.

Ms. Gima: Okay.

Mr. Matsumoto: And, and now remember the hotel projections are at full occupancy, okay. That assumes 100% occupancy, 365-days a year. So basically what we're saying to you is there is a guideline and we can meet that guideline.

Ms. Gima: Okay, so I'm going to put all these tables aside because that was explained a lot more clearer. While we're on the topic of water, and you know, I would invite the other LWAC members and Lanai Water Company to come up as well, Commissioners, are there other questions, concerns that you would like to bring up while we have the people here who have the most knowledge about water?

Mr. Delacruz: Well I do have a concern. Pulama's doing their job in the permitting process. They're gathering all this data, submitting it with their permits...and I'm counting on the County Planning Department to verify this data. And my question to them over the weekend, the original application data -- so x-number of gallons, and their recommendation to approve was based on this x-number of gallons, but it did not reflect the updated data with the increase, increase, increased gallons. And I asked about the tables they referred, the time periods, the gallons for this year and all that. So I'm depending on the County. Whether or not they got to go to the Water Department, you know, to verify these differences of gallons presented. So I think we need this data to even come close to making a decision. So what can the Planning Department do in this situation? Refer us back to the Water Department or consultant with the Water Department, to have somebody from the Water Department come over here?

Ms. Gima: And I guess a follow up, to piggy back on that, Planning Department can you describe what your process is when an applicant turns in these numbers, and then obviously corrected number? Are you -- what do you guys do to, I guess check on that in order to make your recommendation? I think someone had said are you checking it or are you just copying and pasting from the applicant's application? Not you, Kurt, as a planner? Oh, Clayton, okay.

Mr. Yoshida: Thank you Madame Chair. Yeah, in the agency review I guess we're looking at the comments from relevant agencies such as the Water Department, Commission on Water Resources Management and so forth.

Ms. Green: When the Water Department commented, did they have the latest version? Have they seen the latest version?

Mr. Yoshida: I guess the Water Department commented on the...the application as presented. They were one of the commenting agencies. It's Exhibit 8.

Ms. Gima: So you can find it in the County's recommendation report to us. It's at the bottom, Exhibit 8, which is a Department of Water Supply's comment. So take a look at that Commissioners. So they clearly state in here that they have no jurisdiction. Oh yeah they are looking at the old, the original numbers that were presented to us. So what is the Planning Department's process when an applicant makes revisions because I'm sure that happens all the time having to make corrections or revisions? Do then once you get whatever it may be, revisions, do you have to send that out for comments again to all the agencies, or do you send it out for comment just to those that would have, that would be related to those revisions? Or do you not just do anything?

Mr. Yoshida: I guess if we feel that the changes are substantive we may send it out to other agencies with having that purview. If it's a water issue or...a grading issue or --

Ms. Gima: So my question is was that, was this sent out because in here, in the Department of Water, it says noted in the document is an estimated of 89,407 gallons per day water demand. They noted a variety of numbers which I'm assuming is the original application which is pretty significant. I don't know. I mean, were they notified again?

Mr. Wollenhaupt: . . . (Inaudible. Did not speak into a microphone.) . . .

Ms. Gima: No. Okay. Can you come up to the mic, Kurt, please? Thank you.

Mr. Wollenhaupt: Hello. No, they wouldn't have been resent to the Department of Water Supply and they probably would have commented similarly that they'd have no jurisdiction. They would most likely without . . . (inaudible) . . . would probably be referring to the detailed letter that was sent from the consulting firm with comments from, of course, the applicant. So they would be relying upon much of the data that was coming on that. So I think in this case, due to the complexity of how Lanai runs its water system probably the applicant is better able to explain this situation. But in reference to did we resend it? No, we didn't send it back to the Maui County Water Supply.

Ms. Gima: And while you're up here -- okay, thank you -- you put together the recommendation report to us correct?

Mr. Wollenhaupt: That's -- well...the recommendation is always signed by the director, so officially the director's signature, it's coming from the director. But yes the staff puts together the draft which then goes to Mr. Yoshida which then goes to Mr. Spence.

Ms. Gima: To sign off on.

Mr. Wollenhaupt: That's correct.

Ms. Gima: And so back to John's question about, I guess, checking what is submitted. What is the process there for the staff?

Mr. Wollenhaupt: Checking what --?

Ms. Gima: Well, I mean, in this case there were figures and numbers submitted, right?

Mr. Wollenhaupt: Well, that, that --

Ms. Gima: And luckily, you know, Pulama was able to have that discussion with LWAC and come to the corrections, but do you guys just take their word for it or, I mean, what is the process in order for the Planning Department to make their recommendation? Is it just

taking the application and saying, okay, yeah it looks good. We're going to make a recommendation. Like, what's the process?

Mr. Wollenhaupt: Well, the director, as I said would have, would have the final say as to whether he's going to recommend approval or denial. That's why we go through the different parts of the application, looking at it's, you know, the community plan, the State Island Plan, and determining how it fits in with all of these, you know, levels of plans and community plan, zoning. Has it met the past criteria of zoning? And so that's why the report is what I have in my hand. And we send it out for the different agency reviews, and then that's all reported also in there. So it becomes a balance of what are the effects. Is it, is it meeting what a Phase II is actually going, is actually looking at? You know, this is very different than an SMA and so with Project District Phase II, we're looking at, as I explained, project's aesthetics. Is it meeting the intent and folks of a Phase I, which is this a hotel piece of property. And then we're looking at the drainage. The applicant did address the issues as they're required, building square footages, all of that, in their application which are then are put into the staff report. Indeed the water, the revised water letter did arrive after the report would have been sent up for signature and copy, so there was a revision which --. As I would agree with you there's some complexity to this situation on your island and to be honest we do have to rely upon the integrity and, and from the letters that we receive from consulting firms and from the applicant with regards to some of these complex issues. It probably would not be normal that we would then send issues out to a third party or a fourth party for independent review. So, we have to do the most thorough job we can at the time and data that was given. So perhaps you'd want to have a member of Planning Department attend your LWAC meetings. It might be something for them to fully understand the process.

Ms. Gima: Okay, thank you for clarification. Commissioners, questions for Kurt. This Kurt.

Mr. Delacruz: Well thank you Kurt, but my concern was the, the report was made with...data using so many gallons, and the recommendation was made using that same data. And in the same package we got in the mail last Wednesday or Thursday was the correspondence from the, the applicant or the contractor showing data that they would be using more water than presented for the first report, and there was no follow up by the department to show that there was or was not an impact based on the new data and looking at the allocation table. So basically that was what my question was. You know you got this data, you made a report, you send out a recommendation, in the same packet as the recommendation you have a report from the contractor saying by the way we're going to be using more water and there's no follow up by the Planning Department on that. No comments to the recommendation saying we received these report from the contractor, reviewed it and either, (a), there's no impact same recommendation, or (b), there's an impact but it's negligible or (c), there's an impact and we have to do some reconsideration. And I for one am depending on the Planning Department to verify all of this information because the Planning Department reviews all these information, they make their recommendation and,

you know --. For example if I had not gone to the LWAC meeting, I would not have this information. If I had not followed the e-mail trail, I would not have been able to follow the information leading up to all of this. And then the meeting's on Wednesday so I depend on the Planning Department to fill me in on this. You know, luckily I'm retired. I can take the time to read all of this stuff.

Ms. Martin: . . . (Inaudible. Did not speak into a microphone.) . . .

Mr. Delacruz: Good. But anyway that's my comment.

Mr. Wollenhaupt: I would never one to not want to respond. Couple of things, points all well taken. The report would have been already copied and was in the mail going to you by the time that the water letter, the revisions, would have come in. So the way that it worked, now perhaps this might be changing the future after your comments, but we would have had the report, it would have been signed by the director, and that was in the mail ready to go based upon the original numbers, based upon that their proposed water use is going to be below the allocations. And then there was --. So that was already copied, done, stapled, and put into the envelopes. The amended letter that has to do with the higher water use, in addition to the higher allocations, that came in and it came in directly from the consultant which went to the recording secretary which then was put into the envelope. So I can see your point that we have a recommendation with a report that's using one set of numbers. We also then have a letter which came in at the very last minute -- well, with regards to sending to you in the mail -- with considerably different numbers. That being the case we did look at the letter and we did see that within the allocation that was now presented that the project still is in the allocation although the numbers have now been raised.

So from changing the recommendation assuming that veracity of those numbers, the recommendation to move ahead would not have changed. Now there could be a debate as to how much independent and further review outside of say the Planning Department's expertise that would have gone in to then doing more analysis on how did these numbers change within a short period of time. But if we were to take the veracity of those numbers as correct, then the recommendation wouldn't change because the use is within the allocation. So that's probably -- I may not be able to answer your question to your full satisfaction, but that is how we looked at it in this case. Now perhaps we should have written another letter saying we've now done even more research and or we would have said the recommendation didn't change based upon the letter but the package was sent out so...that's all I have to answer on the process.

Ms. Green: Thank you. I kind of like to try --. No, well you can answer a question in a second, but I want to ask Butch a question, kind of. There's two questions here because I'd like to kind of move this whole thing forward and one is Butch do you anticipate that there's going to be any significant change that would make you against this project?

Mr. Gima: On the LWAC would comment only on the water use portion of this application.

Ms. Green: Yes.

Mr. Gima: Whether or not we feel this project is a good one or is it feasible --

Ms. Green: No, no, no. I just meant from an LWAC standpoint. Would you come to a conclusion that would say we are against this project?

Mr. Gima: If there would be anything negative, if, if the numbers show that the projected water use is over the allocation then what LWAC would say is we would point that out to the Planning Commission and we would say we would recommend to the applicant that they either scale down their project so they're within the allocation or amend the Water Use and Development Plan allocation so that the project fits.

Okay, now let me back track here. I don't think you guys can make an informed decision tonight. I think to save time defer it and let the LWAC go over it and come up with a formal statement. Now in a perfect world the County, the Planning Department, could have chosen to have LWAC comment just like all the other County, State and Federal agencies. They chose not to do that. The Planning Department and the Department of Water Supply have no skin in the game here, okay? LWAC does. LWAC members are all Lanai residents. They're passionate about what's going to happen and they're involved. Planning Department and Department of Water Supply are not, and that's why it would have been good when they handed out all the packets, if it came before the LWAC, and we would have ample time to come up with a formal statement for tonight. As it was we had to do in, in two weeks which is not enough time because especially because it was erroneous information.

Ms. Green: I want you to understand I appreciate everything that LWAC does and I think our water is very important. I guess I would like to ask the County if there's any way we can move forward today with some kind of a conditional statement that has to do with the resolution of the water issues. In other words, instead of deferring this whole thing for another month or two months or something like that, is there any way that this process can go forward on a conditional basis?

Ms. Gima: So, not resolve the issue, but make a condition on the permit is kind of --

Ms. Green: . . . (Inaudible. Did not speak into the microphone.) . . .

Ms. Gima: Wouldn't we rather have the issue get resolved, vote and then see is there a need for a condition or not? I mean, why not resolve it now and then hope the condition will be followed to get this resolved?

Ms. Green: I'm not sure I follow that.

Ms. Gima: Well, I mean, I think you see it one way, I see it another way. You'd want to work out whatever needs to be worked out, then we vote. And there might not even be a need for a condition or maybe there would. I don't know.

Mr. Gima: I think it would be irresponsible for you guys to make a decision on this because you don't have accurate numbers. Now if you want to take it, fine. LWAC says -- LWAC would prefer to vet it. The relationship within LWAC is good between all of the members so we can spend time on it, and I think we can make a better decision and come up with a formal statement. But if you guys want to take it then it's your kuleana, and I don't think you guys are going to make a responsible decision.

Ms. Gima: Okay, Commissioners, any other questions, comments regarding water because I know there, we have other questions and comments regarding other parts of this application.

Mr. Delacruz: Well, thank you Butch for making me feel guilty. But this is not the only issue. I want to ask the Commissioners if I can make a motion to have a discussion instead of having a motion to make a decision because there is another issue on, on housing. And what I would like to know is do the other Commissioners feel a need to discuss housing? So what do we do at this point? Can we talk about housing or do we have to talk about water first?

Ms. Gima: Yeah, I mean, no, that's why I said if there is any other questions that we want to ask the applicant, department, LWAC about water let's do it now and move on. And then if we want to talk about housing because that was definitely a hot topic discussed in public testimony tonight, also written testimony, then we can go on to housing. So if you want to start that off go right ahead.

Mr. Delacruz: Okay, Council Member Hokama and Pat Reilly issued letters to the County talking about housing, and they went back to the 1986 thing and the County Department of Housing and Human Concern sent a letter say basically the Company has met their requirements of the 1986 bilateral agreements by providing housing including 36 credit units. And legally it's correct. I've watched housing go up after 1989; lots of housing. But in one of the letters they also predict that the population is going to go up by so many thousands by 20-something. And what are we going to do about it? We live here, we hope to attract more visitors, we had hoped to have the businesses expand to service the tourists, other visitors and the supporting businesses, and where are they going to live? People come to Lanai looking for jobs, expecting jobs, although really they should really write to the personnel department first saying, you got a job for me, before they come over. But it happens. So housing is an issue and I think we should at least consider should we talk about housing, and I guess I'm talking about. Anybody else?

Ms. Gima: Referencing the letter that we received from Council Member Hokama and asking us to review or have a briefing prior to any decision making regarding all original conditions of approval for the Koele Project District which includes housing. So my question to the Planning Department is do you have those original conditions or are these the ones that he attached? Because there were like two attachments.

Mr. Wollenhaupt: Hi again. I think I'm speaking more than anticipated here. I will only -- I'm only going to state that there was a request from Council Member Hokama in order for the Planning Department to look at the zoning conditions pertaining to both of the Project Districts on Lanai. There was a letter that was sent out on June 8th, 2016 that goes through each of these project districts, decisions and orders from State Land Use Commission, bills for an ordinance with regards to Manele, ordinances with regards to Koele, and it details with a map those conditions that have yet to be fulfilled. Most of those have to do with timing. There's a clock that's running. There's certain roadways that would be built after a certain number of homes were built. There are --

Ms. Gima: Do we have a copy of this in our packet to refer to?

Mr. Wollenhaupt: I don't know that there's a copy of this that was because this was -- this was not directly applicable to some of the other issues. We had already addressed the housing issue. But if you're wishing to talk about all of the conditions, all of the Project Districts --

Ms. Gima: Well, I'm just trying to kind of respond to what Council Member Hokama had requested.

Mr. Wollenhaupt: This would be, this would be another document that -- I don't believe there's a copy machine here. But, okay, this was done a year ago, and it just outlines, there's an issue regarding Condition #20 with archaeological sites at Manele. There's a condition that...that -- I guess they're coming, there are copies that are coming miraculously. And so it has to do, again, with timing and phasing issues depending on the developments of the project. So the affordable housing conditions have been met. And this goes into all of the conditions. I didn't bring the boxes of the dozens of conditions. These are the ones that still would be outstanding, so that's all I can answer to this question. Conditions which wouldn't have a bearing on this evening's deliberation.

Ms. Gima: So the letter was received by Council Member Hokama on July 11th. We're here now, July 19th. We're getting something handed to us by the applicant, not even the Planning Department. This is like -- it's kind of confusing here. We have as you can see all of this on our desk, majority, a lot which was given to us tonight. Now we're handed at what, past eight o'clock, an additional thing for us to review?

Mr. Wollenhaupt: Okay.

Ms. Gima: Do you see how kind of that could be frustrating to us Commissioners?

Mr. Wollenhaupt: Okay. To, to step back, this letter was done in June of 2016. 16. So this talks about conditions that are not applicable with this project. The issue was affordable housing, so the affordable housing conditions had been met. This was just another document that had been prepared in the past, but not for this meeting. It wasn't anticipated by the Department that we would be looking into each of the conditions.

Ms. Gima: Even after receiving the written testimony of our Councilman?

Mr. Wollenhaupt: Well, we had to address the issue on affordable housing. The affordable housing had been met. That's why we attached the Council, the Committee, the Committee minutes from that. So it just wasn't felt -- this is giving a level of detail that I guess we hadn't anticipated. So it's, it's good that it's been done and it addresses the questions specifically, that yes, that all of the conditions have been fulfilled except those in here. But these conditions don't really have much to do with the development of the Phase II Project District Planned Development. Because the hotel could never have been built in the first place unless Phase I had ever been --. So now we have a hotel that's being reduced in size, and there's just a . . . (inaudible) . . . of information that, that I -- I could air on the side of sending more and more and more.

Ms. Gima: No, I can definitely understand that there are certain things that have nothing to do with what's in front of us tonight. I get that. But when we, like I said, when we receive a written testimony especially from our Council Member basically saying, yes, to address the housing condition, but to review all the original conditions before making any decision. I mean, you know, some -- we like to take --. Anyways, when I see written testimony you want to take all of them seriously. You want to honor the time that people have put into providing testimony, right? And so especially seeing something like this come before us and then it's -- lots of supplemental documents coming after that but nothing pertaining to this. I mean, do you guys have a presentation, like --

Mr. Wollenhaupt: Well believe me, we took this seriously. This took weeks and weeks to developed, but unfortunately I guess -- no, it didn't come your way. It was just felt that this was moving into a territory that was expanding this from one thing to affordable housing which had been met. And we were taking a subject to now expanding it now outside. I mean discussion on affordable housing, I'm sure that's probably welcome. So we were...trying to rain in the scope of what was doing. We certainly have -- we certainly did lots of research into looking at the Council Member's references, getting that Planning Committee document, looking at what happened in the past, looking at the -- I think it was Ordinance 2140 which has to do, that was an amended one, with regards to the dedication of the 150 acres of land. We looked at all of those conditions and we were not getting a

sense that there was a problem. So, this would have been a helpful document to have sent along. But after doing a lot of, in regards to the Council Member's letter, in doing lots of research and being very serious about it, we did not find that there was an issue that merited a lot more review because the conditions have been satisfied. If we -- maybe we aired and not then going into all of the conditions on each of the projects which we certainly could do in the future.

Ms. Gima: And you know, I, it's -- to not put everything on you folks, like I said when Denise came up and gave his, read his written testimony, I wish he was here to make, to get some, a little bit of understanding of what is he talking about, why did, you know why was this brought up. So, you know, I don't think anybody can answer for him on why he wrote this letter. And, you know, again, I mean, saying that a briefing to review all original conditions including housing. I mean, that's -- what specifically does he want us to look at, and we don't have those answers.

Ms. Richelle Thomson: Thanks. I just wanted to add a couple of, a couple of points on the issue of affordable housing. So we have a Workforce Housing Ordinance. It's Chapter 2.96. The Project District II Approval does not trigger application of that chapter so I'll read these couple of, a couple of points. So exemptions,

"This chapter shall not apply to any development that falls into one or more of the following categories. Number one, a development subject to an affordable housing requirement, evidence by an executed affordable housing agreement with the County currently in effect and approved prior to the effective date of this chapter."

So there is an affordable housing agreement from 1986, so that's, that is an exemption from this chapter.

And also, a development subject to a change in zoning condition that requires affordable or residential workforce housing. And again the change in zoning was the change to Project District Zoning for Koele, so it's exempted from the Workforce Housing Ordinance. And from the Planning Department's review of the materials related to those conditions, within the Koele Project Districts, those requirements have been satisfied.

Mr. Delacruz: Well, thank, thank you very much. But I'd like to make a comment on, on Council Member Hokama's letter. The very fact that he sent a correspondence to I guess the Planning Department showed his interest in housing. And also correspondence from Pat Reilly was a signal that there was an interest in housing. My correspondence to the Planning Department over the weekend said I have attended meetings presented by Pulama over the past two years, and basically there has been a significant interest in housing. And although I said, you know, there's not enough of time to conduct a full review of the conditions because this is going to be a busy meeting, and it has been a busy

meeting. I kind of recommended that the Planning Department conduct a, what you call it from the last times, their workshops. Conduct the workshop on the, on the old conditions, and then we should at least consider based on discussions over the years that is there a need for housing? And I think, at least to me, the answer is yes. I also recommended to the department that while it was not a recommendation I said I would welcome input from Pulama regarding copies, progress with any plans for providing addition housing units on Lanai. And what I meant was this meeting, and I don't know if anyone made contact with Pulama. And, again, like I told Ron, who is not here anymore, there was, to me was the big deal was, was back in August when a presentation was made by, by Pulama on housing and it kind of like faded away.

Ms. Thomson: I just wanted to kind of follow up on that a little bit. The topic of affordable housing is obviously incredibly important both to this island and to Maui County as well. As far as affordable housing or workforce housing, on the matter that's before you today. So the matter before you today is Project District II Approval of renovations to the Koele resort. Workforce housing and affordable housing requirements for that project district have been met so if you were trying to look at doing a condition requiring more workforce housing or more affordable housing, you need to tie that to the law. And what I just read to you is that this project district is exempted from workforce housing. So what I'm trying to be clear about is that these are two different subjects. Project District II approval for Koele is different than the general topic of affordable housing on Lanai.

Ms. Gima: Thank you for that clarification. I appreciate it. This side of the Commissioners, any questions? No. I was wondering for the applicant I had just a few questions regarding employment and job training, and who would --? Would that be directed to a Four Seasons representative?

Mr. Matsumoto: Yeah, so probably maybe both. I know Mili had asked her questions about the spa. But if you have questions about the spa, we a representative, Kristine, and then we also have someone from the Four Seasons.

Ms. Gima: Yeah, I have questions regarding specifically Four Seasons employment.

Mr. Alastair McAlpine: Good evening. Alastair McAlpine, General Manager.

Ms. Gima: Hi.

Mr. McAlpine: Hi.

Ms. Gima: So get ready I have a few questions.

Mr. McAlpine: Sure.

Ms. Gima: It's stated that there will be 18 new jobs anticipated with this project and reopening Koele. I've heard it numerous times and I just want to again get it on record especially from a Four Seasons representative that these 18 jobs are going to be for local, already Lanai residents.

Mr. McAlpine: The job applications will be open to all Lanai applications, yes.

Ms. Gima: Is there, is there any plans to bring in employees for these specific 18 positions?

Mr. McAlpine: There's no specific plan to bring in workers outside of Lanai. However, we obviously as Four Seasons have certain conditions of employment. Each individual will go through four interviews. The final interview will be myself, general manager, and if those are met, then we will absolutely hire local staff. It's good for the island, it's good also for the experience for our guests, so we support that fully all around the world.

Ms. Gima: Okay, so no anticipations of bringing in workers at this time.

Mr. McAlpine: Not this time.

Ms. Gima: Okay. For the previous Koele employees that were then, my understanding, were moved down to Manele or put in other positions, so they all -- not all -- will those who have not taken permanent positions at Manele be transferred back to Koele?

Mr. McAlpine: I believe that was already negotiated. I'll have to refer back to that document, but I believe that is all in order, for the Koele to go back. I believe so.

Ms. Gima: Okay. So with the transferring of these, however many it is, Koele employees going -- that are down at Manele going back to Koele now, how many now vacant jobs will there be for down at Manele?

Mr. McAlpine: I cannot answer at this time. We would have to look at the . . . (inaudible) . . .

Ms. Gima: Kurt?

Mr. Matsumoto: I just want to help. As you know Alastair just arrived but --

Ms. Gima: I didn't know that. Okay.

Mr. Matsumoto: Yeah, he just arrived. Or actually, he's returned. He used to be here before.

Ms. Gima: Okay.

Mr. Matsumoto: But we, we addressed the question that you have and all the staff that was working at Koele that now are working at Manele, they have the first option to go back to Koele. So we also had put in some information, in addition to the 18 positions that we anticipate having that there will be probably about 65 positions to fill throughout the rest of the hotel. Now many of the Koele staff that are working at Manele are still really doubled up, so --

Ms. Gima: Doubled up how?

Mr. Matsumoto: So in other words we have kept them employed while the hotel is closed.

Ms. Green: I'm, I'm just a little bit confused on numbers because I had a total number of employees was 146 with an increase of 18. But your numbers just didn't add up to 146 so.

Mr. Matsumoto: So eventually we have to reach that number, but initially to open the hotel that's what we're going to be seeing, those types of numbers. But, you know, in the projections we have to put in what, you know, what is going to be the potential peak number of employees for the hotel.

Ms. Gima: Yeah, I think we've heard reference tonight as well that there will be training for, for these employees that will now be working under very different type of hotel model. Is that, and I think it referenced that it was going to be ongoing training. But with the -- it's projected to be open at the end of 2018. I mean, is this something that is, the training is going to be starting now? 2018?

Mr. McAlpine: We already actually have some additional contracted vendors who are on the island now, are already beginning to set up the training plan, working also closely with Kristine. So that between Four Seasons and our standards of expectations plus Kristine's expert with the trainer, then yes, we would.

Ms. Gima: Anybody else have questions?

Ms. Green: Okay, I have a number of questions and they aren't for you know, I don't think, Alastair.

Mr. McAlpine: Any other questions?

Ms. Gima: No, I appreciate you coming up here and answering questions. I think how this project is, you know, being shared is that it's definitely going to bring jobs to the island and work for our community and our Lanai residents that are employed or will be employed. So I appreciate you taking the time to answer the questions.

Mr. McAlpine: No problem. I also was here during the time when we had both resorts so I can see how to cross utilization of the staff.

Ms. Gima: Okay. Awesome. Thank you.

Mr. McAlpine: Thank you.

Ms. Green: Okay, my questions have more do kind of with the actual Koele resort. In January I believe it was that Lynn McCrory had a meeting for the community. And I remember at that time she said that the resort is going to be exclusive and closed to anybody who wasn't staying there. And I remember there was audible gasp in the audience because for years now people have enjoyed going up to the Lodge as Alberta referred to earlier for various social events and to eat in the restaurants. Since that meeting I understand that there's been a little bit of a change and now members of the community are going to be permitted to go have restaurant reservations on an as available basis. Am I correct there?

Mr. Matsumoto: That's correct.

Ms. Green: So then the other part of this is in the literature that we got they said there will be additional improvements including interior renovations to the existing lobby. Now the existing lobby means the great hall?

Mr. Matsumoto: Yes.

Ms. Green: Can you maybe explain about what the vision is for that, that building or that room?

Mr. Matsumoto: So I'll contrast it with what you remember and what are the changes too. So again this is a shift from a leisure hotel to a wellness destination hotel. And so the great hall as it used to be was sort of like just a real comfortable living room. But the great hall is going to become, like, the hub, the center of activity and where things, where people come to, to engage with the wellness staff and then talk about their plans for the day, the activities that they're going to be working on, the spa treatments that they're going to have. So this is going to be a very active space now, not a more passive living room type of space.

There terrace dining room is no longer going to be a dining room and it will be a much more interactive type of a lobby as opposed to be being a more relaxation and a social type of a space.

Ms. Green: I was afraid of that. It's interest -- I have not been to one of these places, but it seems to me if I'm in a hotel, I may not want to spend all my time in my room. I know I'm

going out to these hale and things. But there's then no place for people to just go and relax besides their room. There's no public meeting area or anything like that. It's all --.

Mr. Matsumoto: No, quite the opposite actually. There's lots of spaces. Even when we had the great hall most of the time people were just passing through. They weren't really spending a lot of time there other than maybe at night. So the whole, the whole ambiance and the whole scheme of the place, the way the people will use the hotel is going to change quite a bit. Now there still going to be the rooms that we used to call the library, the trophy room, the music room. Those are going to be places that can be utilized too. There's still going to be a bar and --. But truly people are going to be very involved and very engaged in many different activities and it's primarily active, not social, not as much. So it's very different.

Ms. Green: Okay, well where I was kind of going with all this was they're in the various places in the application you keep on talking about -- well I'll read a couple of them. "The purpose and intent of the Lanai Project District II at Koele, Lanai, is to provide for a flexible and creative approach to development which consists of physical, environment and social -- and that's my operative word here -- and economic factors in a comprehensive manner." And then in another place you say there are no proposals for the community facilities associated with proposed action at the resort as the resort was an existing hotel facility, and the renovation, and then there was nothing else after that. But you are justifying this by saying that it's been a hotel so, you know, it's going to be a hotel again, but it's not going to be the same kind of hotel. It's not from a social standpoint it's going to be off limits to the people in the Lanai community who came there in the evenings, okay granted not during the day, but in the evenings to gather, to, to see, you know, performances, things like that. And so I guess where I'm going with this is I might ask that you reconsider, that this becomes a more public area that would be welcoming not to just guests but to the locals once again.

Mr. Matsumoto: So, sure, Caron, you know, as you all know a facility like that takes on a life's of its own. Once the architect releases it to the operator the use changes. The people that operate it give it a life and so there's, there's ample opportunity for things to be changed along the way and adjusted and tweaked. And you know spaces that we are designating and saying, oh, people aren't going to gather there, they may well gather there. And, and that's the, that's one of the things that, you know, architects do their best to try and anticipate that. They design things to hopefully attract people in certain locations. But ultimately it's the way people, what the visitor wants and overtime things change too, right? As generations go by they see things a little differently than the previous one. So, yeah, there's ample opportunity.

Ms. Green: I appreciate that. I just have a couple more little -- well, one's a little. Not so little I guess. My understanding was these people come and they more or less -- well as somebody said there's a gate, shut and do you stay in the whole time. I think it's important for the businesses in this community to understand whether these guests are going to be

locked up. If they are going to be exclusively at this resort or if these -- there's going to be time and encouragement for these people to go out and explore the community especially the business district where they're struggling so much.

Mr. Matsumoto: Sure. So let me, let me start by contrasting something for you real quick. So in, in the previous iteration, as a leisure hotel the average length of stay was like three nights. It was very short at Koele. Now with this wellness program, the length of stay will be much longer. People will stay five nights, ten nights, maybe more. So they're going to have ample opportunities to explore. There's going to be many people who will stay long enough that they don't want to stay or have every meal at that hotel. They may not even want to have every meal at both resorts and they'll have more ample time, more time than what used to exist before.

Ms. Green: You just said something interesting, at both resorts. You anticipate that people that are staying up at the Lodge will then go down and eat at Manele sometimes?

Mr. Matsumoto: If they want to they could, but you know, the whole idea is, right, is to come there and, and learn how to improve your health, your diet, so you know they're going to want to go through the programs that are going to be set up at the hotel. But, you know, the, the thought of people walking into town, exploring what it's like, of course, they're going to be wanting to do that. I mean that's kind of part of the essence of coming to a destination like this. That's why, that why I said at the outset that the location of the hotel actually turns from a weakness into a strength. You know, the, the core of the town is in walking distance. Some of the greatest views from Lanai are within walking distance. So Koele has really a renewed sense of, of a purpose and it gets a second chance at life.

Ms. Green: Okay. I have just a couple more things, and one again has to do with the locals, the merchants in town. I see that a lot of workers are going to be coming from off island. Only a few are anticipated to be staying. So I know when they were doing Manele Bay they arranged for local restaurants to, to provide lunches for the workers, I think it was one day a week or something like that. Do you anticipate doing something like that again to, to help the local merchants?

Mr. Matsumoto: Yes. So that program worked well and the workers appreciated it so it's definitely something we would try to do again.

Ms. Green: Okay, my last thing and I think this is going over here. I've talked with these gentlemen before so they know where I'm going. I happen to have, you know, been to the Lodge and stayed there as my husband said earlier. And I also lived up at Koele for a year and so I went out at the intermission last time and asked the gentleman if they'd considered putting the pool indoors because I just don't think the climate up there is conducive for an outdoor swimming pool. And you were at the hotel all those years, and you heard what David said we looked out there, not too many in the chaises and in the pool.

Mr. Matsumoto: I did. So, yeah, so, you know, think about the concept of people coming to this destination. It's beautiful outside and we want them to experience the outside. There's plenty of indoor spaces for them to be in. But if they really want to be outside, they're going to have a very attractive space to be out there for. Now we're going to do what we can with landscaping, with great architectural design. We're going to what we can to put them in a position where, you know, the trade winds won't impact them as much. And we learn from the previous experience, we learn from what it was like before and we'll try to incorporate things that will make that experience much more enjoyable.

Ms. Green: Okay, thank you. I will just say in finishing, I love what you guys did down at Manele. I think that the landscaping is fabulous. I like what happened and I think -- was this whole team also involved in the renovations down at Manele? It's just interior and exterior? Okay, I mean, the interior renovation, I, I couldn't be happier. I think that you did an outstanding job, and I assume that what you do up at Koele is going to be outstanding as well, although I have to tell you I am not a fan of white. But, that be it as it may. And I also am appreciative of the fact that the landscaping people have, are choosing a palette of plants that will survive on the rainfall up there that you are being very sensitive to the water usage and, and the types of vegetation that goes up there.

Ms. Gima: Commissioners, any other discussion? Nothing else? Do you have something? Okay. Shall I turn it over back to the Planning Department, to go over your recommendations?

I also had a question too and maybe for Corp Counsel is, you know, I know we need to take action on this and vote, but given, literally we only have five people here which is bare quorum, what happens if a motion is made, second, and not approved? I don't think we've ever really had that problem, not that I can remember where there's been literally only five of us.

Ms. Thomson: So if no action is able to be taken one way or another it would basically automatically defer to the next meeting, you know, or if you end up going that route and move to defer, what you'd want to do though is if you could articulate exactly the information that you're missing in order to allow you to make a good decision. If you don't have it in front of you or you're not comfortable with certain numbers, but just try to be as clear as you can with what information do you need them, either Planning or the applicant, to come back with.

Mr. Matsumoto: And Chair, can I just make one statement to you about the water? So there's one thing that has not changed in the presentations that we've given to you about the water numbers. The only increase in the water demand that we are presenting to you on the map is 4,000 gallons a day. That's all that we're presenting to you.

So Koele already had a projected occupancy and demand based on the inside of the water plan, and it was based on 102 rooms, okay. So what we presented to you was we're reducing the room count from 102 to 94. And then there's all the additional structures that we're adding to the property. And, yes, it can be complicated. You know, you're counting fixtures. There's a lot of fixtures that were taken out, some were added. The net is 4,000 gallons a day. That's what you're being asked to approve. That's all.

Ms. Gima: Thank you Kurt for clarifying that. I want to kind of just point something out. I am very appreciative of Pulama for coming tonight with an updated presentation, with the report that you guys mailed to us, meeting with LWAC. I'm very appreciative. What, where -- and I'm sorry to say this where I'm disappointed is in the Planning Department. You know, just as John was saying, trying to get clarification on things, or why wasn't an updated recommendation made. I feel like you guys have done your part or I feel that there is some confusion is coming from the Planning Department. So, you know, I want to make it very clear that I am very appreciative of the work that you guys put in to, to correct whatever needed to be corrected.

Mr. Delacruz: I'd like to add to what Kelli just said. Pulama has done an excellent job in their presentations. They put a lot of time and effort into it. And we, the Lanai Planning Commission, are actually extensions of the Maui County Planning Department, and we depend on them to do our job. We depend on them to verify all the data going to the Maui County Planning Department and especially, you know, we take the time to view documents and provide feedback. And personally I felt that the feedback I provided to the Planning Department was ignored. And...I'll end there.

Mr. Matsumoto: So Commissioner, if, if -- I mean, so I think that the in this particular case because it's a private water system, the burden of proof is, is on the applicant. So we are the water company and we are the applicant so the data and, and, and clarifying the information, justifying the water use is, is on us. So to be fair, the burden is really placed on us. And in, in the presentations you've heard them say that, right? In the letter from the Board of Water Supply they're saying that they don't have a jurisdiction over the prior water system. So, you know, we've given you actual consumption numbers, we've shown you what the water use plan says, and we've given you the information about, you know, where we project things out to be in the worst case scenario. And at the end of the I would remind you that we're only asking for 4,000 gallons a day additional in that whole plan that has been presented to you.

Ms. Gima: Thank you Kurt. So, next steps? Planning Department, are there any comments from you folks?

Mr. Wollenhaupt: Well, with regards to the questions. When we receive documents they were immediately transmitted to the applicant for their review. When we received Mr. Hokama's letter, we went and did the research. Immediately upon getting your,

Mr. Delacruz, your comment letter it was sent off for people who would understand some of the details far more than I would. Now perhaps we should have sent it to CWRM, perhaps I should be more, have a greater understanding of some the technical issues, but it's customary that when we receive documents immediately I send them off to get, at a very late date in this process of developing a report, to get updates for Mr. Hokama, for your letter, for the letters from Mr. Riley, for any correspondence that came in. So I, I regret if it didn't happen fast enough. I regret then that the report or the procedure did not seem to work as you may have hoped.

That being the case if you wish to have the recommendation from the Department it was that the purpose of Project Districts is to implement for tracks of land there was projects that would be congruent with community plans. The intent is for a more flexible and creative planning approach. Based upon the detailed data that we did receive, based upon the County Wide Policy Plan, the Lanai Community Plan, the Koele Project District provisions, and the County of Maui's Zoning Ordinance, this Phase II Project Development does meet the requirements under the Maui County Code for Phase II. And the recommendation is for approval based upon the 14 conditions that are outlined in the recommendation report. Thank you.

Ms. Gima: Thank you. Anything else from the Planning Department? Okay, Commissioners, discussion.

Ms. Green: I sense there's an element here that wants to defer. What does that do to you guys?

Mr. Matsumoto: So in the workshop one of the questions was how are going to manage or are you going to manage overtime on the project. So, you know, we want to open the project back up as soon as possible. So 30-days doesn't sound like a lot, but actually in scheduled like what we have, 30-days is a big deal. So, you know, we feel like we have given you the detail that you need to make the decision about whether to go forward with the project or not. And we're hoping that you won't choose not to defer. It's one of the options that you do have as you know, but we're hoping that the information that we've given you is enough for you to move forward and vote. If there's information that is missing and that's the reason why you need to defer, you need to let us know tonight what that is. What can, what else can we tell you that's related specifically to this PD2 application that we have not clarified for you tonight?

Mr. Delacruz: My position is...to depend on Pulama for all the information we need to make a decision is letting the Maui County Planning Department off the hook. The Maui County Planning Department and the Planning Commissioners, all nine of them, have a responsibility of overseeing, verifying all the applications. You've done a wonderful job and we're not able to. We have to fulfill our responsibility of verifying all projects meet the needs

of their communities. That is our, our burden, our responsibility, that's why we're here. If we're not going to do this job, we should not be here.

Ms. Green: So John what are you asking for?

Mr. Delacruz: I will move, I make a motion to defer this decision...to the next meeting, as soon as possible. And I, I won't ask any more for housing. I think housing is off the table now. I want the County Planning Department to verify the data that comes through from the applicant. That is the County's responsibility. To depend totally, even on a private water company, who even if they take a serious sense of duty of doing their job, why is the government here if we don't do our job?

Ms. Gima: So you're making the motion to defer based on, what I'm hearing is, for the County to come back with an updated recommendation report.

It was moved by Mr. John Delacruz to defer, but due to a lack of second, the motion died on the floor.

Mr. Delacruz: That they feel that they own.

Ms. Gima: Based on the, based on the --

Mr. Delacruz: If they feel they own and not put responsibility on anyone else.

Ms. Gima: But like yeah is there a specific thing?

Mr. Delacruz: In this specific case, water.

Ms. Gima: In water. Okay.

Ms. Thomson: Just to offer a little bit of thought on, on where you might head with this. Kurt was correct that, you know, it's a private water company and they are the applicant. They are the source of the best information that we can get about the impact of the project. All the fixture counts that go into those numbers, you know, they're, they're not pulled out of thin air. They're actually calculations based on fixtures, you know, with all of the proposed development. If there's more detailed, I would suggest that you, you know, ask the applicant or the water company, you know, are those figures supportable? You know, is there a problem that you're having with relying on those number that they're presenting to you.

As far as the Planning Department, you know, they can send the application again to our Water Department, but I think you've read the letter, and I wouldn't anticipate that you would

get a different letter. I believe that probably the letter would be very similar. They can do that, but I don't know if it will be --

Ms. Gima: So we're just supposed to take the word every single time from every single applicant. And I'm not trying to say that you guys are out here lying, but I think it's the point that, you know, an application is submitted, in this, in this case the developer is actually the owner of the water company, a private water company. And again, I mean, like I said, I think they did what they needed to do. But are we always then supposed to not request for more information? Are we supposed to just take the words from everyone especially if the County had not done any updated report? And then hearing that, you know, from a group that does include Pulama Lanai, LWAC, it includes other realms of people that they couldn't even make a recommendation because they didn't have everything in place. I mean that, I think that's a pretty powerful statement. The people who actually knows the ins and outs of all the water.

Ms. Thomson: Right. Well, what I'm suggesting is do you want to --? If you don't have them in your, in all of your material already, do you want to see their breakdowns of fixture counts to justify the numbers that they get to? Because that's the level of detail I think you're asking for is they have the burden to present to you an application and to support that application with data. So I think they're going to be a source of those numbers that are going to tell you fixture counts, here's how we got to our, you know, our anticipated usage. And then you all have the Water Use Development Plan numbers, guidelines, you know, so that you can say yes we looked at these numbers, we looked at how they got the numbers, and that appears to be supportable. But, you know, I'm not trying to say that what you're asking for isn't legitimate or, or right. It's just I want to be sure when we come back here that you're given what you need to be able to make a decision.

Ms. Gima: So John going back to your motion is there something specific that you would need?

Mr. Delacruz: I would...I want to feel comfortable that our Department...is taking ownership of the data that they're making a recommendation on. I'm not saying we have to consult the Water Supply. Okay consult the Water Department before you come to a meeting. And for example, you know, when, when Kurt made his comment about, oh, there's a dip here, 257,000 gallons . . . (inaudible) . . . You know, maybe somebody from the Water Department to the Planning Department said, well, there was a dip there because during that time period we had five-years of drought so we reduced your allocation. I think that is the job of...our County government. Yeah it's easy when the private water company says, yeah, we'll take full responsibility, we're responsible for all of this. Okay. And if something goes wrong, we'll just say, okay well they took full responsible for it so all we have to do is blame them. You know, forsaken the responsibility of government. So I would like to feel comfortable that our government is fully participating in this process and not forfeiting any of our responsibilities.

Mr. Matsumoto: So Commissioner, I respect your sentiment. I understand what you're trying to express tonight. I just, I just want to again point out a couple of things. So first of all again all we're asking you for is 4,000 gallons a day additional water use up at Koele, number one, okay. The second thing I want to point out to you that we haven't mentioned at all is all those Project District numbers project a future use. That's at full built out. All the home lots all occupied and a second hotel and all those things. And, you know, what has to happen in order for those things to occur is it just doesn't get approved just because it's in the Water Use Plan. We have to come back to this body again. We have to prove to you that we have the resources. We have to prove to you that, you know, the island can manage that. So there's no guarantee that you will or your future body would approve any additional parts of the project. And that's why I keep going back to what you have in front of you tonight is the application specifically to the hotel, and that's where your, your thought process should be focused on. Because the PD2 application process is clear and it's been explained to you by the Planning Department. And so you have to refocus, look at the PD2 application which is specifically about the hotel. And in that case all we're asking you for is 4,000 additional gallons a day. That's all. And we've demonstrated to you that it fits within the water use guidelines, and that's at 100% occupancy.

Ms. Gima: So I hear about focusing on specifically on the hotel when we're looking at the projections for the Koele Project District as a whole don't we need to consider other development along the way? Because if we're only like 4,000, or about almost about, yeah, 5,000 gallons per day less, don't --? Okay wait. I'm sorry. See I'm getting confused. 181,002 gallons per day is the proposed project which includes the Cavendish, the residence, the hotel at 100% occupied 365 days of the year. And then the allocation is the 185,909 gallons per day for all of that.

Mr. Matsumoto: Right.

Ms. Gima: I totally lost my train of thought on what I was going to ask.

Mr. Matsumoto: No, but you, you captured the essence of what that number represents.

Ms. Gima: Right. I was trying to think of what I was going to follow up with that. So just, just to go back because again Kurt I said I saw like so many different charts. With this one which makes a lot more sense, compared to when you guys first presented it to us you were more so just focusing on the hotel and not capturing the entire project district, correct?

Mr. Matsumoto: Yeah. So again, you know, it's, it's a struggle for us to decide what to present because like you said you don't live in this data day to day, right?

Ms. Gima: Right.

Mr. Matsumoto: So we run the risk of overwhelming you, too much information, and then you come to this point where you don't understand so you can't make a decision, right? So we tried to crunch it down, alright, as, as best we can and try to hit the, the most important points. So we consolidated a lot of information into what is in the domestic water, what is in the landscaping, okay? So we were more focused on the hotel originally in the workshop. But we only modified the presentation tonight because we met with the water advisory group. They recommended that we look at the entire project. Now I...disagree but I'm fine presenting the information. I have nothing to hide from you. So you have the hotel specific information, you have the entire project information in front of you. Okay? Now they're not really different. The hotel number is a subset of the project district in total, so it's inside that number.

Ms. Gima: No, you can go ahead.

Mr. Delacruz: Is anyone left from LWAC here beside Joy? Are you the only here left from the LWAC? Okay, because I was really disappointed Butch is not here anymore. 4,000 gallons a day, can we measure that? Is there a meter? Are there meters where we can check that?

Ms. Joy Gannon: 4,000 gallons per day . . . (Inaudible. Did not speak into a microphone.) . . .

Mr. Delacruz: If we're only going to talk about Koele.

Ms. Gannon: Yes.

Mr. Delacruz: Okay because the Koele Project District as explained earlier includes the residences, Cavendish and the hotel.

Ms. Gannon: Okay.

Mr. Delacruz: If we're only going to talk about the hotel --

Ms. Gannon: Okay.

Mr. Delacruz: Can you measure that water? Only at the hotel?

Ms. Gannon: So we have a high low flow directly to the hotel. We have one to the irrigation; a meter to the irrigation. We have two for fire flow so sprinklers, and we actually one or two for what was the cooler room. So, yes, the hotel is measured. All the water that's going to the hotel is measured. This multi-family and the single houses, the single family residents also have meters as well as Cavendish, the stables, the tennis courts.

Mr. Delacruz: So that's a yes.

Ms. Gannon: Yes.

Mr. Delacruz: Okay. Time is money. I appreciate that every day delay it costs money, but we do have our responsibilities. Can we work something out? Can we have a condition where...exceed your 4,000 gallons a day, here's a penalty? Because once we say approve, construction starts, okay. It has to be faced. We have no influence on Phase III. The Planning Director decides if Phase III goes ahead or not. So once it gets past here we have no influence. Can there be a condition placed on the 4,000 gallons?

Mr. Matsumoto: So, so John, if you were trying to set a limit on the water use at the hotel what you would need to look at is not just the 4,000 gallons. You need to look at the 106,000 number because that's the total consumption. Now everything is individually metered, but what we represented to you that net 4,000 is coming from different meters that Joy just went through with you. But we can aggregate the information together and so therefore we can isolate the hotel inclusive of the landscape, the fire system, the ponds, everything, and we can separate that out from the entire project district. There's actual meters for that. But you have to consume, you have to consider the entire hotel not just the 4,000 gallons increase...if you want to have a measure. So if you put in a condition and you say okay we have to report to you every year. How much are you consuming at Koele compared to the 106,000 gallons? Then that's something that can be measured.

Mr. Delacruz: Well, I thought the water cycle was 28-days.

Mr. Matsumoto: So the, the fairest way to come up with the gallons per day would be to go through an entire year. You know, through the course of a year, there's going to be ebbs and flows and then you can come up with an average of the 365-days. So like to come up with the numbers that we presented for the actual, we took two-year's worth of experience. So that would be a more fair way to measure.

Ms. Green: Kurt, do you have this on a slide to put up on the -- up there? Is it, is it there? So the more we talk about this the more I'm kind of understanding what you're doing so --. And also I think bringing up the other one -- I think this confused matters. I'd, I'd stick with this.

Mr. Matsumoto: Yeah, fair enough.

Ms. Green: Because this is the area we're talking about for this permit.

Mr. Matsumoto: Yes.

Ms. Green: And this one does have the water use and development projections for 2018. It's for the hotel, yeah. So if, if you go by this chart which I think is really what's pertinent to our discussion, you are asking for something that is even below the low of your low high projections.

Mr. Matsumoto: Correct.

Ms. Green: And so you start out with the actual which was, I guess, back in 2011, 12?

Mr. Matsumoto: Yes.

Ms. Green: Okay. And then in the next column you have a chart on the other page where you've added things to this project that wasn't there before. You had the hotel, but now you have all these hale, you have --

Mr. Matsumoto: So what, what --. So, yeah, so what this shows you is Koele as it exists today taken over a two-year period and you come up with an average of 81,000 gallons per day consumed, okay?

Ms. Green: Yeah.

Mr. Matsumoto: And then we're showing you the proposed increases by, by the activity. And you get to this column here and that shows you the net.

Ms. Green: I understand it, but I want to go step by step so everybody understands it.

Mr. Matsumoto: Okay.

Ms. Green: So that is the new buildings, the new facilities that do not currently exists. That, that column.

Mr. Matsumoto: Okay, there's two, there's two critical points to understand about this and let's just take this row first, domestic. What that represents basically is the buildings, okay, or the building. So this number is low compared to this number because it's only projecting 52% occupancy. Not projecting, but it's the actual 52% occupancy, okay, and that's at 102 rooms. So we arrive at a higher number here. Why do we come up with that number? Because we're showing you what is the highest level of consumption that could be achieved at full occupancy with 94 guest rooms, okay. And that's -- there's a lot of detail underneath that. That's, you know, based on a standard measure, okay. But what we did was we projected a high because what we did was we took this number and we came up with an average per room, and that was 507. But now we didn't want to get super complicated here tonight, but the reality is by the time you get to a 100% occupancy it's not going to be 507

per room. There's efficiencies that occur. So the actual consumption will probably be less than 507 by the time you get there.

Ms. Green: . . . (Inaudible. Did not speak into a microphone.) . . .

Mr. Matsumoto: Correct. So 507 okay, and then you add the increases in the domestic water use, and you come up with 53,463. So that's assuming the highest. We're saying this would be the ceiling, this would be limit, okay, let's say. Okay so then the next column is the landscaping, so that's the -- all the, all of the landscaped areas and we're showing that there's going to be a net decrease in the water consumed. So you go from 47,000 to 42,000. And then for all the pools and the spas and the pond, the water features, we show here is the consumption today. We're adding to that number and that's how we come up with this net number here. Sorry. Sorry, it's been a long night. Okay, so that's each one of the major components of the hotel. And all those are meters that can be isolated, so there's no ambiguity. They can be directly measured. It's not an allocation, it's not a guess, it's a direct measure.

Mr. Delacruz: Last Friday you explained the trigger system to me. Can you do that for all of us again, please? Where, you know, the, the usage of the water reaches a point of danger . . . (inaudible. Multiple speakers.) . . . When does that happen and who takes over.

Mr. Matsumoto: So what Commissioner Delacruz is talking about is because Lanai has a -- well any water system really. So Mr. Gima mentioned what is the sustainable yield number for Lanai. So that basically is saying that there's been an agreed upon number that can be pumped from the ground. It doesn't matter how many wells that you have, collect all that pumping information and then you can pump no more than 6.1 million gallons per day, okay. So underneath that is a, is a number, 5.4 million gallons a day, and if that number is reached the Commission on Water Resources Management can automatically come in and say to the Lanai Water Company, hey, what's going on? Why is there this water consumption? Are you doing things correctly? And if they don't like what they see, they can take over the water system.

Mr. Delacruz: But when do they do their average? Once a year or what?

Mr. Matsumoto: We -- so correct me Joy but you report that quarterly? No? Annually?

Ms. Gannon: Every 28-days. Every 28-days there's a PWR that is sent to DNLR as well as other entities. But the meters that we read the --. So the water use --

Ms. Gima: Can you step up to the mic please?

Ms. Gannon: Oh pardon me. I apologize. Every 28-days. But, let me clarify that a little bit. So the water meters that we read at the pumps, at the wells, are read every 28-days. The

meters that we read, say at the hotel or every other entity, that's typically read every billing cycle which is every two months. So what we report to CWRM is what we're pumping out from the ground.

Mr. Delacruz: The 28-day cycle, the 28-day cycle period, let's say the 31st of July ended one cycle. A 28-day period, okay, just imagine.

Ms. Gannon: Okay, I'm imagining now.

Mr. Delacruz: When would LWAC get those reports?

Ms. Gannon: So there's a quality control process that we go through, so we --. Part of that report process is we take chloride samples at that same time and that's to measure the salinity of the well. So we have to get the results back for that, send that off for quality control, and so there's a delay. It just depends on when we get those results back and the quality control back. But it could be, it can be a good month.

Mr. Delacruz: I'm looking for a safety valve without having to put any kind of condition on there. Can an agreement you worked out if LWAC gets -- the whole LWAC meets, you know, you, Mike, Butch, John Ornellas, or at least five, four or five people showed up and say, hey, we've exceeded the 5.4...on the last period. Imaginary situation, hey, we exceeded the 5.4 on the period ending 31st July, okay? We have an agreement with Lanai Company, Water Company, that we hit that point, we're going to step back and review this until the satisfactory within the LWAC.

Mr. Matsumoto: Okay so Commissioner, but I may be wrong but I don't think you can, this body can add that as a condition on the permit. But what you've already heard is that the safeguard already is in place. It's in effect so there already is a condition that says if we consume up to 5.4 million automatically CWRM will come in.

Mr. Delacruz: And CWRM is State?

Mr. Matsumoto: Yeah, State.

Mr. Delacruz: Federal?

Mr. Matsumoto: Commission on Water Resource Management.

Ms. Green: So in essence what you're saying there is some government agency that oversee our water.

Mr. Matsumoto: That's correct so --

Ms. Green: Because earlier that was not clear.

Ms. Gannon: So we report, we send the PWR to CWRM, and we also do data, our well pumping data once every 28-days, and so that is entered electronically. So the PWR that has a quality control process that takes a little bit longer. But the electronic data of the pumpage goes in electronically usually that first week of the month roughly.

Mr. Matsumoto: I, I would share with you because this is on record. We went through a Land Use Commission hearing and the Commission on Water Resource Management testified in that hearing, and they made comment to the fact that our private water system is one of more reliable ones in terms of reporting that every 28-days.

Ms. Green: Could I just ask a question? We just had a bunch of projections for Manele. Now I know Manele hasn't been at 100% occupancy, but have your projections pretty much worked out for that project?

Mr. Matsumoto: Yes, they have. So, so that the numbers have been very good at Manele compared to what we presented in the application. So, so just to assure you again Commissioner, there already is a safeguard that's in place and it's not sensitive to any particular project. It's the total of water that's consumed here on the island. Once it hits that level they will come in and they will review everything. And if they don't like what they see, they take over.

Mr. Delacruz: Thank you. I do feel comfortable with that. I just would like to have the added measure of our, our own Planning Department taking ownership of some things. I, I feel it's safe to move forward with the -- say that again Kurt.

Mr. Matsumoto: It's the Commission on Water Resource Management, and they oversee all the water systems in the State. You know, I, I understand your concern about, you know, wanting to hold the Planning Department accountable, but let me just tell you, you know, look at the, the document that you have in front of you, look at all the information that's been put together, look at all of the communications that have come from all of the different departments, I mean, they've actually been doing a lot of work. And it is in support of all you, Commissioners, here.

Ms. Gima: I'm trying to look at all...the correspondence between the various agencies which includes, you know, Federal, County and State. Is there a reason why CWRM was not requested to get comment? I mean, if they're supposedly this Lanai's private water company's regulatory agency. I'm just -- because the Planning Department sends out notices, right, for comment. Is there a reason why CWRM is not listed on here? It's not a question for the applicant. It's a question for the Planning Department. Correct me if I'm wrong, you guys send out these transmittals, correct?

Mr. Wollenhaupt: . . . (Inaudible. Did not speak into a microphone.) . . .

Ms. Green: I'm understanding that they're overseeing the total picture. That they don't get into the minutia of individual components. Is that right or wrong?

Ms. Gima: But why would we request comment from the Department of Water Supply that clearly has no jurisdiction or no involvement with us, but yet we don't request comment from CWRM that could possibly get involved?

Ms. Gannon: So CWRM, Charley Ice actually works for DLNR which is part of CWRM, so they were involved with the Water Use Development Plan in putting that together. They were intimately involved with that as part of their requirements. Charley who is on CWRM was also on this e-mail chain that's been going through. And just to clarify that the trigger is 5.4. Last year, our annual average pumping was 1.9 or about 2 million so we're quite a ways away. We're, we're very far away from the trigger. And we are within those limits identified in -- well, not limits -- guidelines identified in the Water Use and Development Plan.

Ms. Gima: So I guess again my question is to the County and was there a reason that there wasn't --? I don't know. Do they normally get consulted on other projects? No?

Mr. Wollenhaupt: . . . (Inaudible. Did not speak into a microphone.) . . .

Ms. Gima: Oh, okay.

Ms. Green: I don't know how the rest of the Commissioners feel about this, but I'm going to make a statement that judging -- looking at the new proposal which I think as we've gone through it here tonight is understandable. It also shows that your demands will be less than the low level of what the projections are. Given that information and the fact that historically you have been accurate on your projections -- you're inhaling -- I would to move this forward. I think that our public testimony has been generally all favorable to wanting to get this project done. Koele's been closed for too long. And I think I would just request, I believe that there has been a good working Commission -- relationship between LWAC and the Company, that you continue to have that good relationship and work through Butch's issues here. I would like you to report back to us on the outcome of that next month. But I would like to make a motion that we accept the project.

Ms. Martin: I second the motion...to accept this project and to move forward.

Ms. Thomson: I just wanted to just clarify, you're adopting the Planning Commission's, Planning Department's report and recommendations. So it's with the conditions that are in

the report. There are -- so there are 14 conditions. So they are standard and then a couple of --

Ms. Gima: . . . (Inaudible. Multiple speakers) . . .

Ms. Thomson: Yeah.

Ms. Green: Yeah, it needs to be in the --

Ms. Gima: So you can approve with --. It says in our report from the County these are our options: deferral, approve with no conditions, approve with conditions or denial. So I'm hearing you made a motion. Caron's made a motion to approve with the recommendations of the County with the standard conditions. Mili has second that. Is there any discussion?

Mr. Delacruz: Well since we can't put any conditions that I was thinking about, I, I would agree with, although we haven't voted yet, I would agree with moving on with this project. I think we need to get our people back to work. I do feel that the LWAC has to remain vigilant...as every Lanaian has a responsibility to look after our island.

Ms. Gima: I was just thinking cause I know like we get the, Lynn, is it quarterly? What is it? Quarterly reports for the Manele Project District?

Ms. Lynn McCrory: Quarterly and annually.

Ms. Gima: Quarterly and annually. And that was a special condition put on with that permit. I think that would be something that would be appropriate to have. I know it's helpful when we get Lynn's reports quarterly that comes to us. It allows the Commission to be able to see any of the water figures. So would recommend having that as special condition if we do approve.

Ms. Green: We have these reports on a quarterly basis?

Ms. Gima: Yeah, it's the one that's on our, it's on our agenda. I mean we get the quarterly - -. Let me look for the exact wording on how, on our agenda.

Ms. Green: Okay, I agree.

Ms. Gima: Well, I'm just having a discussion and making that recommendation. Yeah, so we get an annual and quarterly reports regarding water usage at the Manele pursuant to the conditions of their Special Management Area. Can we make that condition? Because I know that's a -- the Manele is whole different permit, but I think I find it helpful.

Ms. Thomson: You could add. So you'd need to do that by way of just, you know, move to

amend, amend the main motion, right, by adding another project specific condition requiring either quarterly or annually reports on water usage at the Koele Project District.

Ms. Gima: Okay, so I make a motion to amend the motion that we receive quarterly and annual water usage reports on the Koele Project District. That the Planning, the Lanai Planning Commission receives those reports. Do I hear a second?

Ms. Green: Yeah, second. I second.

Ms. Gima: Okay. So now we have to vote on that amendment, motion to amend. So all in favor of the motion to amend raise your hand. Okay, that is, that is unanimous, that passes.

It was moved by Ms. Kelli Gima, seconded by Ms. Caron Green, then unanimously,

VOTED: to amend the main motion to include a project specific condition that the Lanai Planning Commission receive quarterly and annual water usage reports on the Koele Project District.

(Assenting: J. Delacruz, K. Gima, C. Green, M. Martin, S. Samonte)

(Excused: M. Baltero, B. Oshiro)

Ms. Gima: So now we go back to the main motion. We'll now as amended. Is there any other discussion, any other thoughts on special conditions? No? Okay. So all in favor of the motion, and as amended, raise your hand? Okay, that is unanimous, that passes. I want to say again thank you for what I'm sure is frustrating having to explain this over and over again, but it is like I said extremely frustrating especially when we get it in pieces, at different times, and it's very confusing so thank you. And we're going to wrap it up quickly so we can end this. I don't want to have to defer anything else. We're going to move along to our next agenda item which is in fact Ms. McCrory's water usage, annual, 2016 annual report dated May 8, 2017 regarding water usage at Manele pursuant to Condition #24 of the Special Management Area Use Permit and Projected District Phase II. May I ask that everybody keep quiet please because just because this part is done we still have the rest of the agenda to go through? Go ahead Lynn, I'm not going to finish that up.

It was moved by Ms. Caron Green, seconded by Ms. Mililani Martin, then unanimously

VOTED: to accept and adopt the Department of Planning Report and Recommendations with the added condition.

(Assenting: J. Delacruz, K. Gima, C. Green, M. Martin, S. Samonte)

(Excused: M. Baltero, B. Oshiro)

E. COMMUNICATIONS

1. MS. LYNN P. MCCRORY, Senior Vice-President of Government Affairs,

PULAMA LANAI, submitting the 2016 annual report dated May 8, 2017 regarding water usage at Manele pursuant to condition no. 24 of the Special Management Area Use Permit and Project District Phase 2 Approval 5-year time extension for residential and multi-family development at TMK: 4-9- 017:001, 002, 003, 004, 005 and 4-9-002: 049, Manele, Island of Lanai. (95/SM1-015) (95/PH2-001)

The Report is provided to the Lanai Planning Commission for its review.

Ms. McCrory: Okay. This is the Condition #24. It has a number of special requests on water usage. It was set up for the residential and multi-family development so you won't find the hotel in here. You're only going to find residential in this one. It has a number of answers. It does have Hulopoe Beach Park water uses which you can see varies dramatically. And then you also have attached the graphs that we do now. We started that about three years ago rather than just give you numbers and you have to remember what the numbers are. We put it forth in graphs and you see everything laid out. So, this is easy and this time we attached for you, in this report, the 2006 water quality standard report for all of Lanai. And any questions?

Ms. Gima: Thank you again for this report especially with the good graphs and colored. Commissioners, any questions for Ms. McCrory? Alright, none. Thank you very much.

Ms. McCrory: Thank you.

F. DIRECTOR'S REPORT

- 1. Possible rescheduling of the September Lanai Planning Commission date from September 20, 2017 to September 28, 2017 due to the Hawaii Congress of Planning Officials Conference (September 20-22, 2017) on Oahu.**

The Commission may act to reschedule its September meeting.

Ms. Gima: Moving along to the next item on our agenda which is Item F, Director's Report. I'll turn it over to Clayton please.

Mr. Yoshida: Thank you Madame Chair. Under Item 1 your September meeting is scheduled for September 20th. However, the, this year's Hawaii Congress of Planning Officials Conference is scheduled for September 20th to 22nd on Oahu. So I guess the information just came out last week and the department is looking at the cost and trying to determine how many people it will send to the conference. It's on Oahu, hosted by the City Department of Planning and Permitting, in Waikiki. So sometime --. Well, normally we do

send, you know, some representatives from the Planning Commissions to the conference as they are planning officials. So we're looking at -- we were suggesting September 28th, but then we found out that the, that's the day that the Mayor is having his community budget meeting on Lanai. So we're looking at -- well, suggesting maybe Wednesday, October 4th...for the September.

Ms. Gima: So we would have two in the month of October?

Mr. Yoshida: If we have enough agenda items to justify having two meetings. I think Kathleen was going to come back and talk some more about the SMA boundary study.

Ms. Gima: Commissioners, I mean, looking at everyone's calendar, is there any objections to moving it to October 4th? No? Okay. I'm --.

Mr. Delacruz: . . . (Inaudible) . . .

Ms. Gima: Okay, right now it will, you know, for sure we would have the October 4th if there's --. We might not have two that month. Okay, so there's no objections.

The Lanai Planning Commission did not have any objections to reschedule the September 20, 2017 meeting to October 4, 2017.

2. Open Lanai Applications Report as distributed by the Planning Department with the agenda.

Mr. Yoshida: Okay, thank you. Under Item F2, we did circulate the open applications report. We would note that some of the projects are actually completed like the Change in Zoning, Community Plan Amendment, Environmental Assessment for the three houses project on Lanai, and the Manele golf course Conditional Permit. We also have a legend in the back. Leilani put a legend in the back on the permit codes, so if there are any questions on that.

3. Agenda Items for the August 16, 2017 Lanai Planning Commission meeting.

Mr. Yoshida: The next meeting is scheduled for August 16th. We don't have any definite item. I mean, we had training, but now we have two vacancies so I don't know if you want to have training if we still have two vacancies on . . . (inaudible) . . .

Ms. Gima: Thank you. It would be -- make sense to wait until those vacancies are filled and then do the training at that time.

Mr. Yoshida: Yeah, we would -- I guess --.

Ms. Gima: But what's the specific training on?

Mr. Yoshida: I think I still needed to finish up on bed and breakfast and short-term rental homes from April because we didn't get to finish that. And, I guess, the Corp Counsel training, but if we get another item also. That will be the two because you already had the CZM training and the Long Range Planning Division, and Plan Implementation Division.

Ms. Gima: Yeah, we only did half of the training. I mean, on one hand it's kind of like you want to wait till the positions get filled, but then that could be as late as, what, November. Then it leaves our new members hanging without that training until then.

Mr. Yoshida: Well, it could be sooner. It depends on how quickly the nomination is submitted, and then this kind of starts the clock on the Council.

Ms. Thomson: One of the things we could do too is just if we have -- if it's delayed a little bit, we can always just move ahead of the meeting and I can give you kind of like a condensed version of the training, you know, so that -- and we can just talk through any questions. Also what we can be sure that we do is, like, if a, for example, like a bed and breakfast permit comes up in the meantime, we would obviously go into more depth on like how you analyze that permit before we would get into the meat of it. So we don't have to have a formal training to be to, you know, get where you need to go.

Ms. Martin: You use the power point slides with our training, is that correct? Can you just make copies and send it to us? Okay, thank you.

Ms. Gima: Anything else Clayton?

G. NEXT REGULAR MEETING DATE: AUGUST 16, 2017

H. ADJOURNMENT

Mr. Yoshida: That's all we have to report.

Ms. Gima: Okay. Thank you. So I'm going to go ahead if there's no objections, objections. It's now 9:23 p.m., I'm going to close this meeting.

There being no further discussion brought forward to the Commission, the meeting was adjourned at approximately 9:23 p.m.

APPROVED 10-04-2017

Respectfully submitted by,

LEILANI A. RAMORAN-QUEMADO
Secretary to Boards and Commissions II

RECORD OF ATTENDANCE

PRESENT:

John Dela Cruz
Kelli Gima, Chair
Caron Green, Vice-Chair
Mililani Martin
Shirley Samonte

EXCUSED:

Marlene Baltero
Bradford Oshiro

OTHERS:

Clayton I. Yoshida, Planning Program Administrator, Current Planning Division
Kurt Wollenhaupt, Staff Planner, Current Planning Division
Richelle Thomson, Deputy Corporation Counsel