

**LANA‘I PLANNING COMMISSION
REGULAR MEETING
JULY 20, 2022**

A. CALL TO ORDER

The regular meeting of the Lanai Planning Commission (Commission) was called to order by Mr. Reynold Gima, Chair, at approximately 5:01 p.m., Wednesday, July 20, 2022, online via BlueJeans videoconferencing platform, Meeting No. 962892830, and at the Planning Conference Room, Kalana Pakui Building, 250 South High Street, Wailuku, Hawaii, 96793, and the Maui County Council, Lanai District Office, Lanai Community Center, 8th Street, Lanai City, Hawaii 96763.

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

Mr. Reynold Gima: . . . show that we do have quorum with Commissioners de la Cruz, Kaye, Preza, Atacador, Grove and Gima present. So can Commissioners all put on your video? One, two, three, four. Okay, just waiting for Erin to come on with her video. While we're waiting for that, for those in attendance, if you choose to provide testimony this evening, please sign up with Leilani via the chat, and provide your name and which agenda item you choose to testify on. In the meantime, while you're waiting to testify, please ensure that your audio and video are muted. And we will also be asking for testimony at the County Building and at Councilmember Johnson's office. Let's see, Erin is not back on yet.

Ms. Erin Atacador: I'm here. I'm just having issues with my camera.

Mr. Gima: Okay. As soon as she comes on video, to be consistent with the deferral motion from our last meeting, I'm going to ask Commissioners if there are any objections to switch the unfinished business regarding the Koele Project District item first, and then do the public hearing for the two bills second. So once Erin comes on, then I'll see if there are any objections.

All right. Can we also go through the Commissioners and indicate whether you are alone or if you have someone else in your room? So let's start with you Zane.

Mr. Zane de la Cruz: Ah, no, there is no one else present with me.

Mr. Gima: Okay, thank you. Sally?

Ms. Sally Kaye: I'm alone.

Mr. Gima: Ah, Shelly?

Ms. Shelly Preza: I'm alone too.

Mr. Gima: Okay, Erin?

Ms. Atacador: I'm alone.

Mr. Gima: Okay, and Lisa?

Ms. Elisabeth Grove: I am too alone.

C. UNFINISHED BUSINESS

1. **LANAI RESORTS, LLC, a Hawaii Limited Liability Company doing business as PŪLAMA LĀNA'I, requesting a Community Plan Amendment, Change of Zoning, and Project District Phase I Development Amendment for the KŌ'ELE PROJECT DISTRICT located at Kō'ele, Lāna'i City, Lāna'i, Hawai'i. TMK(S) (2) 4-9-001:021, (2) 4-9-001:024, (2) 4-9-001:025 (POR.), (2) 4-9-001:027, (2) 4-9-001:030, (2) 4-9-002:001 (POR.), (2) 4-9-002:061 (POR.), (2) 4-9-018:001, (2) 4-9-018:002 (POR.), (2) 4-9-018:003 (POR.), (2) 4-9-018:004, (2) 4-9-018:005, (2) 4-9-020:020 (POR.), (2) 4-9-021:009 (CPA 2021/0001, CIZ 2021/0001, PH1 2021/0001) (K. Wollenhaupt)**

Mr. Gima: Okay. I'm also alone. As I said earlier, to be consistent with the deferral motion from our last meeting, I'd like to propose that we alter the agenda and take on the Koele Project District, unfinished business, first, and then the public hearing bill second. Any objections by the Commissioners? Hearing and seeing none, we will do that. So what we have before us is Lanai Resorts LLC, a Hawai'i Limited Liability Company, doing business as Pulama Lanai, requesting a Community Plan Amendment, Change of Zoning, and a Project District Phase One development amendment for the Koele Project District located at Koele, Lanai City, Lanai, Hawaii, with a variety of TMKs. At this time, I will turn this over to Kurt to either provide us a quick summary or update as to where we are. Kurt?

Mr. Kurt Wollenhaupt: Oh, good, good evening members of the Lanai Planning Commission. We're back this evening in order to continue our discussion on the proposal, as indicated by the Chair, looking at a Project District Phase One Amendment, Community Plan Amendment, and a Change of Zoning for the Lanai Project District Two, otherwise known as Koele. In order to help the Commissioners and the public this evening, we're going to do just a real brief workshop on Project District processing and what project districts are. So let me share the screen here, and let me know if it's working. Is the screen working?

Mr. Gima: Yes.

Mr. Wollenhaupt: Okay. So we're going to talk just very briefly, and hopefully we'll be able to do these little workshops before a project comes online so that the Commissioners will know a little bit more about the issues at hand as they deliberate on the specific application, whether it be Change in Zoning, Community Planning Amendment, Bed-And-Breakfast, County Special Use Permit. So tonight we are looking at the Project District processing for the Koele District.

We'll go down if we can. Let's see. So there are laws establishing the zoning from the State and for Maui County. So the overriding laws in Hawai'i Revised Statutes Chapter 46 . . . (inaudible) . . . rules and allows the County to do its individual zoning. Then you have the Maui County Code, of which you're all familiar, Title 19. And within Title 19 are all of the articles and the chapters for the zoning districts.

Now what's particularly important about our review tonight is the Project District processing regulations, that's in the Title 19 of the Maui County Code, and that's in 45. But then what's really important for your debate moving forward is a review of 19.71, and that's the guiding rules that will follow this Koele Project District through its life. It currently exists because the Project District was established in 19, in 1986. It was revised in 1992. And now that we're in 2022, we're revising it again. So part of the review tonight, which is really essential, is looking at the proposed ordinance in 19.71 that will really be setting the districts, the sizes, what can be built, and how tall. It essentially will be, and is in there right now, the zoning code for Koele.

So every step down in the zoning gets more comprehensive. The State Land Use designation, that's either usually Ag or Urban, Conservation or Rural. Out of that is the Lanai Community Plan in which we're going to be looking at the Project District tonight. It has to be consistent with the County of Maui Zoning for Project District Zoning. So we have the Lanai Community Plan and the County Zoning need to mesh together so that it all reflects this project district at Koele.

So here is the processing process. As I said before, 19.45 talks about how the Project District is even reviewed. So what's the Project District? Where are they? Why Project District? Well, the intent back about 30 years ago was that a Project District would be more flexible and creative rather than just designating specific land uses. And these would be for a better quality development. Normally, they're on undeveloped land, which many of the project districts, Kehalani over in Maui, Kapalua on Maui, Koele and Manele at their outset 30 years ago, they were essentially just pieces of land that were proposed for development. So the approach for a project district is really to help a continuity of land uses, and design, and to provide a network of infrastructure so that all the different things that are going on in the project district can be looked at at one time. Open space parks. Rather than looking at just as these acres are residential, these acres are hotel, these acres are open space. So that's the purpose of a project district. To be honest, the County is moving away from new project districts, and we're going into what we call the Form Based Code in which a zoning chapter is created, such as for the Waikapu Town. There's a lot more architectural design, sustainability design, that goes in the front and process. But in the rear end process, there's less involvement with different Commissions. But that's something new. It's not affecting Koele.

So what is this three phase process? Because tonight we're looking at something called a phase one, which you've been debating in the last three meetings. Well, the phase one is the public hearing that has to be held on the island or in the community plan it's affected, hence Lanai. And, it's a recommendation to the Council. Assuming that at some time the Lanai

Planning Commission comes up with a recommendation, whether that be to approve, whether that be to deny, or whether that be to approve with your changes in the phase one ordinance, that will be transmitted to the Council and to the Office of the Corporation Counsel for the development of an ordinance, in which in this case will be to modify Chapter 19.71 for the Project District Two in Lanai. That's why it's so important to get this ordinance, which is the zoning code for Koele, right the first time here.

Now, phase two, which is unique to the Project District, a public hearing is held with the Lanai Planning Commission's approval of the preliminary site plan. So let's talk about an example of this phase two where it comes in. Well, let's go down to Manele a couple of years ago, and there was a consideration of the building of the amphitheater. Now, the phase one said that there could be hotel and associated uses. That's where the amphitheater was going to be in that area. But the phase two comes into play where a specific project is being reviewed. In this case, it was the amphitheater. And in phase two, we're looking at a very detailed plan. The drainage, the streets, the parking, the utilities, the grading, the landscaping, the design, the elevations of the buildings, the construction, phasing, open spaces, land uses, and signage. So that's a very rigorous review and which the Lanai Planning Commission can give their approval or denial of a specific site plan for a project within the project district. That comes at a later point of time when they actually have some vertical construction plans that are being considered.

And then we go to phase three. Phase three, what that, what that encompasses is, is that the applicant comes in -- stay with the amphitheater -- final building plans. And we're to make sure that those final building plans are in harmony with what was approved by the Lanai Planning Commission in phase two.

So Lanai has two planning, two project districts, Manele and Koele, established by ordinance. Tonight's review is going to be 19.71. That's phase one. These ordinances are critical to the development. I hate to keep saying that, but I just want everyone to know that when these are done correctly, they're going to provide a lot more harmony moving in the future. And in addition to our Phase One Project District Amendment, we also have to get the Community Plan Amendment and the Zoning now to match these new shapes of the project districts. So we need to have harmony and consistency with the Zoning, which is Project District, with the Community Plan and with our Project District Phase One Amendment.

Now there's one distinction that Lanai needs to know about and the Commissioners, substantive revisions to phase two. Now, if someone comes in with a Phase Two plan, it's approved. Now, four months later, they come in with a considerably changing building size. That's significant. That needs to come back to you for a review and approval. Here's where it differs between Maui and Lanai for non-substantial revisions, not resulting in significant impacts. The Planning Director will notify the Commission of the proposed revisions. And on Lanai, the Commission can review, take-action with an approval, denial, or an approval with the modifications or it can waive review. Now those are for non-substantive revisions. Now it gets a little tricky between a non-substantial revision and a project modification. Where

someone simply does say move an interior wall that's probably so minor that that would be a project modification, able to be approved. But for most non-substantive revisions that would come back for your review.

So that concludes our little primer tonight. I hope it's helpful. We're going to try to do these most times. And we'll stop sharing the screen. And, and, we have Ann Cua tonight, our Planning Program Administrator who has been with us for 30 years, so she knows this project district processing extremely well, and she'll be able to help us out as we move through the process this evening. Thank you.

Mr. Gima: Okay. Thank you, Commissioners. Any questions or comments about Kurt's presentation? Okay, hearing none. So Kurt and Ann, uhm, are we moving on to the list of questions that was, that was provided to the applicant?

Mr. Wollenhaupt: That was where we ended up, that we did have the list of questions. Well, we didn't get to the questions, of course, at the last meeting. The project has been explained and reviewed. So I'm not sure if you're wishing to have additional conversation and public testimony. That oftentimes is allowed, although I believe the public hearing was officially closed. But most times members of the public who wish to . . . (inaudible) . . . comments. So whether you would wish to have that done now before our extensive review of these questions from the applicant would be up to the Commission.

Mr. Gima: Okay, Commissioners, any preference on having public testimony now or after the applicant provides their responses to our questions? Okay, if there are no preference, then I will open up public testimony now before the applicant provides their responses. So, Leilani, do we have anybody in the chat willing to, wanting to testify?

Ms. Leilani Ramoran-Quemado: Thank you, Chair. There's no one who signed up via chat and there is no one in the Planning Conference Room.

Mr. Gima: Okay, thanks, Leilani. Denise, anybody in the Lanai Office wanting to testify?

Ms. Denise Fernandez: Aloha Chair. There is no testifiers at the Lanai District Office.

Mr. Gima: Okay, thanks Denise. So at this time, I will close public testimony and then we will move on to the list of questions that were provided to the applicant. Planning Department staff, did we receive any written responses to the questions following the mailing out of our packets?

Mr. Wollenhaupt: There's been no written response from the applicant to date. They were given a letter, mailed and dated June 27th, 2022, in which we would requested that they be prepared this evening with the subject matter experts to discuss the questions. And we did invite them, should they have wished to have given us any kinds of tables, or charts, or written responses, if they felt that would be of any use. However, at this date, we did not receive any

additional written information, so we are hopeful that they are now prepared with their subject matter experts to discuss these questions this evening. Thank you.

Mr. Gima: Okay, thanks Kurt. So Pulama Lanai, uh, I, I think at the last meeting you said you had a presentation. Is that accurate?

Dr. Keiki-Pua Dancil: Aloha Chair. Yes, that is accurate. We do have a presentation. May we share the screen?

Mr. Gima: Sure. One --. Before you do that, will you go down question by question and answer it?

Dr. Dancil: That is correct. We have there were two letters that were written. The letter that Planner Wollenhaupt mentioned, which was sent to us on June 27th. As well as the letter that was sent to us on May 27th. They were the exact same letter. The additional letter in June just said that the matter was deferred till tonight. There's a little bit of a numbering issue. So, if you don't mind because the presentation was prepared in response to the May 27th letter, which is the exact same questions, we would like to go off of that letter in regards to numbering, because that's what we were prepared to do at the last meeting. We were just off by one number. If that's okay, Chair, I just want to direct Commissioners to the May 27th letter versus the June 27th letter.

Mr. Gima: Okay, Commissioners, do you all have a copy of the May 27th letter?

Dr. Dancil: If not, we can provide. I can have . . . (inaudible) . . . provide it to you in the chat, a link to the document. It's linked on the agenda. Chair, if it's easier, the discrepancy was that the one of the questions, question number one consisted of two questions in the May letter. In the June letter, it was re-numbered to be number one and number two, and that's why we're slightly off and that's all it is.

Mr. Gima: Okay. I think we can live with that as long as you state the question. It's, it was our expectation also that all of the authors of the documents that was submitted to the Planning Department are present tonight to answer these questions. Does that --

Dr. Dancil: Yeah, subject . . . (inaudible) . . .

Mr. Gima: Is that accurate?

Dr. Dancil: That's correct. We do have subject matter experts that will be responding and present this evening, and we will call them out, as well as the questions on the slide.

Mr. Gima: Okay. Thank you. Before we move on to your presentation, Commissioners, any, any comments, questions in terms of process or format on how questions will be answered this evening? Okay, hearing none, go ahead Keiki-Pua.

Dr. Dancil: Great. So we will be sharing our slides from our computer here in our conference room. We do have one of our consultant teams on Maui, and so there will be two cameras up, if you don't mind, Chair. One for our conference room where the consultants are here, and then one for our consultants on Maui. That's Chris and Karlynn from Munekiyo Hiraga, if you don't mind turning on your cameras. Thank you. Olivia, could you please share the screen?

So we put together a presentation and I'm going to have Olivia switch to the next slide so I can kind of walk you through the format. So in the top left corner, you'll see the question number. So for example, on this one here, it says question number one. So if you're ever lost during the presentation and you're wondering what question we're on, it's always going to be listed in the top left corner. In addition, we have transposed the exact questions that was in the letter on the title of the slide. So again, if you ever need a reference, you can find both the question number as well as the question in the title slide. Okay, we'll get started.

So there are several documents that were provided to the Lanai Planning Commission and Munekiyo Hiraga will be going through the following slides. Each of the slides will identify the document and its authors. The reference within the application will also be displayed on the slide. We will start first with the base document, the Final Environmental Assessment (FEA). The next document is the summary table of the potential mitigation measures. So, Chris, if you don't mind going through.

Mr. Chris Sugidono: Yes. So I'm sorry, I'm Chris Sugidono with Munekiyo Hiraga. So I believe the who are the authors for these various documents? So for the Final EA, our office, Munekiyo Hiraga, was the author of this. And for the --

Mr. Gima: Chris? Chris?

Mr. Sugidono: Oh, yes?

Mr. Gima: Who specifically from your firm authored these documents? Because we want to ask specific questions, I mean, who do we ask?

Mr. Sugidono: For the Final EA, I believe it was Bryan Esmeralda who was previously working on this project. But I have, you know, stepped in for the, the amendment process. And so Karlynn Fukuda, President of our company, is also working on the project. Hopefully, that answers your question.

For the Agricultural, for the Agricultural Impact Report, that that was Plasch Econ Pacific LLC, along with our office. For the Geotechnical Engineering Assessment and Due Diligence Study that was authored by Geolabs, Inc. For the Flora and Fauna Study that was prepared by Robert Hobdy. For the Archeological Literature Review and Field Inspection, or ALRFI, that was authored by Honua Consulting. For the Cultural and Historical Resources Survey that

was prepared by Kepa Maly. The Phase One ESA, Environmental Site Assessment, that was prepared by TRC Environmental Corp. For the Socio-economic Conditions: Economic Population and Fiscal Impacts Report that was Plasch Econ Pacific. For the Traffic Assessment Addendum that was prepared by Austin Tsutsumi & Associates, or ATA. And then the Preliminary Engineering Report was prepared by RM Towill.

So here's some of the comment letters that we received from State agencies, County agencies and others. You can see the commentary on the left and what department or affiliation they had. And we also have the references to the volumes on the right...all included in the Final EA.

Dr. Dancil: So the next document is a summary table of the potential impacts and mitigation measures that was associated with the Final EA. Chris, who is the author of that document?

Mr. Sugidono: Pulama Lanai and our office prepared that document. It's essentially Chapter 2.

Dr. Dancil: And who is the author of the applications for Project District Phase One Amendment, Change of Zoning, and Community Planning Amendment Volumes One and Two?

Mr. Sugidono: For Volume One, it would be us, and for Volume Two, it's all the same authors from the Final EA.

Dr. Dancil: And who is the author of the staff report and recommendations and documents received after posting?

Mr. Sugidono: This would be the Planning Department, or Michele McLean, as you can see. And for this, the Deputy Director Shayne Agawa, who was then, you know, the Department Environmental Management. These comments provided by Director Jordan Molina of Public Works. This is from Ed Sniffen of D.O.T. And I think this was a letter from Butch Gima.

Dr. Dancil: Thanks, Chris. That's a lot of technical studies and material that was submitted to the Lanai Planning Commission. Who was the intended audience for this application?

Mr. Sugidono: Yeah, the technical reports included in the Final EA are written in accordance with the technical guidelines and regulations for each report. So, for example, the preliminary engineering report that includes analysis regarding the drainage and meets, that meets the County's stormwater retention rules. The Draft and Final EA contents are guided by the Hawai'i Administrative Rules, Chapter 11-200.1, regarding the Hawai'i Environmental Review law. So the primary audience for the EA documents are the approving agencies and reviewing agencies. We understand that these are public disclosure documents, so they're available to the general public. The Land Use entitlement applications also have technical requirements and as such are written for the reviewing agencies. In this case, the Planning Department

because they will make a recommendation to the LPC. Their staff report and recommendations are summary of the volume, voluminous technical reports and applications provided primarily for the Lanai Planning Commission. These documents will be forwarded along to the Maui County Council with your recommendations on the subject applications.

Dr. Dancil: Who's the lead person on this application?

Mr. Gima: Hold on. Hold on now. Hold on. Chris and Keiki-Pua, the reason why this question was included in there is I understand what you just said, Chris, but for the purposes of Commissioners who are lay, lay people, some of the information in there can be very -- they're very technical and at times extremely confusing. So I don't know if you guys have the liberty of writing in a way that lay people can understand what you guys are putting in these documents. Okay, you can move on.

Dr. Dancil: So Chris, who is the lead person or the point person on the application?

Mr. Sugidono: Well, Pulama Lanai is the applicant for the subject project, and our office is serving as the planning consultant. So as the lead and point of contact all submissions and responses to inquiries regarding this subject application in the record were provided by our office.

Dr. Dancil: Now we're going on to question number three. When identifying and address associated with the TMK, which agency or website do you use to locate an address associated with the certain TMK?

Mr. Sugidono: Real property tax records.

Dr. Dancil: In the case of Lanai where there's, where we have large TMKs, some of which are over 16,000 acres, this may be an issue. Since particular location may be included in that TMK, however, not necessarily share the address on record at the Real Property Tax Assessment website. Is that correct?

Mr. Sugidono: Yeah, that's --. Yeah that's correct, and is the case on Lanai. The address on record associated with the TMK is not necessarily the same physical address as a particular house or property. We can walk through one of the examples and show you where the information is located. And I think it's on the screen. So there you can see the Maui County Tax Assessor's website, and it identifies this TMK, two, four, nine, zero, zero, one, twenty-five. It's located at Sixth Street on its website. So therefore, in the application that was the address that was used for the TMK, Sixth Street.

And on Page 44 and 46 of the staff report, Table A and B tabulates the CPA and CIZ maps with the corresponding TMKs. So in both tables, you will see that there are four different maps associated with the TMK, two, four, nine, zero, zero, 125. And so on this slide are maps three to seven that are associated with that TMK in Exhibit seven and eight are displayed. You'll

see the crosshatched area on the map, which is that area that is being amended in the application. The red circle identifies what that area is being changed to. So these maps are standardized per guidance from the Planning Department. And the application needs to provide maps in this format for all Community Plan Amendment or Change of Zoning applications. The top row is the Community Plan proposed changes and the bottom is the Change in Zoning proposed changes associated with the TMK. So for the other two TMKs referenced in the question, there are similar issues and if you follow the same methodology, we explained, you'll be able to identify the parcels affected.

Dr. Dancil: Thank you, Chris. We'll be moving on to --

Mr. Gima: Chris? Chris? Hold on, Chris, can you understand -- or Pulama -- can you understand why this question was put in there in terms of needing to explain? This was very, very confusing. I was able to figure it out. I was able to figure out after looking through a variety of the documents, but because it was confusing, it makes it very difficult to make a decision on this application when you have to spend so much time going from one map, to one matrix, to one narrative.

Dr. Dancil: Understood . . . (inaudible) . . .

Mr. Gima: It sound simple -- yeah, it sounds so simple the way you provided it, Chris, but let me tell you, I was pulling, I was pulling my hair out, trying to understand. And you had some erroneous information also on the matrix that was, that was not corrected. Okay, thank you.

Dr. Dancil: Thank you, Chair Gima. We'll be moving on to question number four. So question number four was multi-paged in the letter, and it contains many questions within the text. What we've done is we've attempted to pull out each of the comments or questions as a title for each of the slides. I will be calling up several people to assist in responding to answering question number four. We will first start with Kurt Matsumoto, President of Pulama Lanai. So, Kurt, could you please explain the proposed changes and how they will support the well-being of Lanai people?

Mr. Kurt Matsumoto: Yeah, so this Kurt Matsumoto. I'm the President of Pulama Lanai, and thank you Commissioners for allowing us to answer these questions tonight. So the original project district was envisioned as a hotel and residential resort community, and people that would be interested in purchasing a second home in Lanai, living a resort community, that's what this original project district was set up to be. For other new ownership now, and we've had opportunity to look back on the past 30 years, and we've learned some things and we've decided that we really don't want to create the same residential plan that was originally submitted. So we're focusing our housing efforts not on second homes for people, but we're, we're more focused on the, the workforce that's dedicated to living full-time on the Lanai. And as you can see on Lanai we already started the development called Hokuao.

So our focus or our intention in coming to you with this change is about reducing that need for the second homes there in the Koele Project District. So also, we are acknowledging that we're no longer have a golf course at Koele. And we've taken the opportunity to look at a lot of the land that was designated as golf, and we converted some of the residential into park, and some of the golf course into open space. So we started this process a few years ago when we created the Lanai Adventure Park. At that time, we also stated that we would be installing some sculptures in the area. We envisioned all of this as a potential addition to the Lanai as a destination for art enthusiasts and hopefully we can reach a market that attracts other types of guests to Lanai. We could install the sculptures without these amendments to the project district. However, we believe amending the land use designations is the right thing to do. We're no longer using it as a golf course. Everybody understands that. We don't want to leave any doubt in the future that it could flip back to a golf course, as we have no plans to do that at all.

So the other component, the third component is the hotel subdistrict expansion. So the area that we're expanding to be zoned is only 11.5 acres. It will have very similar use to the existing resort. We feel that there will be in the future a need to expand and build more of the spa hales. These spa hale have been very successful, very popular. And even though we're, we're not at full capacity yet, but we find that we are running out of space with those spa hales. So having a resort that continues to deliver this high end wellness experience and continue on the track that it's on right now is important for us.

So lastly, the last thing that we're looking at doing is this resort commercial zoning. So the majority of the land that is addressed will remain the exact same use that it is in today. Many of you call it the stables. We named it Lanai Ranch. The things that we may do there, we may physically upgrade the barn. We may make some improvements to the tennis courts. And the stables area, maybe a new riding arena in the future. But we will keep it within the type of use that it currently is in.

So the majority of the area is going to remain as pasture land and could we continue to do this activity there without the changes in the application? Yes, we could. However, again, it's just we felt it's the right thing to do and wrap this into all of the land changes or the designation changes that we're applying for. So collectively, all of these proposed changes, I feel, would benefit the island and would stabilize plans for the future. I think just the, the, the reduction in the potential second home use is a big change and it helps to retain the character, I think, of Lanai City. In addition, we're reducing --. Sorry. In addition, we're going to improve the economic stability for Koele. As you know, or you may not know, but Koele was not extremely successful and just supporting this change to the wellness concept is going to help to maintain its current trajectory.

Overall, these changes will benefit Lanai and the County with the potential tax revenue that's generated from the business. The GE tax, the property tax that we generate because of the improvements that we're making.

Dr. Dancil: Thank you, Kurt. So the next question and part of four is that, you know, we recognize the high demand and low housing supply on island. Housing is a top priority, as Kurt mentioned for Pulama Lanai, and we're focused on Hokuao which is our workforce housing. We hope that the County will move forward with their projects to continue the momentum of providing housing options for our residents. We do not feel it was appropriate to address housing in the application because we were not offering workforce housing in the proposed changes. The 400 plus workers referenced in the application are not necessarily new workers. It includes the already existing workforce. If you look at the slide here, you'll see that the 400 is actually 452. It's circled here in aqua. It was calculated using a multiplier based on direct expenditures, which is circled in red. All of these materials were in the FEA Social Economic Report. This is a standard multiplier that is used in economic modeling. For example, the State Department of Business Economic Development Tourism Office uses this as well as UHERO, the University of Hawaii Economic Research Office. This is a common model. It's called the input output model, or the IO model for short.

The slide here highlights the incremental jobs in the Koele Project District in dark gray. If you see here, dark gray, that's all new. Ninety-eight percent or the majority of the 452 workers already have a place to live, which is in the light-gray up above. There will be an estimated ten direct jobs generated Lanai and three indirect jobs on Lanai. On this slide here, we highlight a few other inputs that were in the IO model in particular the multiplier for population and housing supported. These are both circled here in red. What I've done here is I've on the top in the light-aqua is the equation. You can kind of see how everything is calculated. The proposed changes support 12 additional homes that would be required for this subject application. So if you just follow the math in the top chart, you can see how the number 12 was calculated.

Mr. Gima: Let me jump in here, Keiki-Pua. That's why we asked for this stuff ahead of time because I cannot calculate in five seconds what you're presenting here. So let me, let me take a break in your presentation ask the Commissioners, do you guys have any questions regarding these questions about housing and the projected jobs? I can't see everybody, so just jump in if you do. Okay, hearing none, you can continue, Keiki-Pua.

Dr. Dancil: Thank you. So we don't anticipate significant need for housing on the proposed applications for additional jobs. For those employees currently living in the hotels, they will likely be able to apply for housing at Hokuao, or move into homes Lanai City that become available, for those that vacate homes and move into Hokuao. In addition, as I mentioned, we, we hope that the County moves forward with their project and that will relieve more demand for housing.

So we're also asked to identify the language in the FEA that guarantees that residents not just guests, will have access to park and open spaces. We've circled the reference in red from the Final EA and lifted the language on the screen for convenience. Pulama Lanai will allow residents to use the parks and open space areas within the project district. Should there be any event held in the park area, access may be limited for that event to guests. We see these

as rare and intermittent occurrences. So turning back to Kurt for the next question. On the left side of the screen you'll see our response to one of Maui County's goal. Kurt, could you please explain how our answer supports this goal?

Mr. Matsumoto: Yes. So in our opinion supporting the Sensei wellness concept is very important to us. As I mentioned earlier, the previous concept was not as successful and we had to make a decision about what we would do with Koele. Because looking at the historic evidence, it wasn't going to be successful if we just renovated it and reopened it. So turning it into a wellness concept changes the dynamics for the type of visitor that is traveling to Lanai. And we see this as a significant shift. This wellness concept is already much more successful than the previous iteration of, of the Lodge at Koele, and we see this potential growth. And so I think it's in keeping with the island and the economic activity will, will definitely benefit residents and workers there.

In particular for the County, our property taxes at Koele have increased significantly since we renovated. So once we open, re-open the resort, our property taxes jumped by 95 percent. That's just property tax. The GET tax that was generated, the TAT taxes that are generated have all grown substantially from what it was before.

Dr. Dancil: Could you please explain how we came to the conclusion and the response on the screen that the project district is anticipated to be serviced by existing infrastructure systems?

Mr. Matsumoto: Sure. So we came to this conclusion by evaluating it in, in this, in this matter. Reducing the amount of resident, potential second home residential units and putting that acreage into park and open space, converting the golf course acreage into some would be converted into open space but into a park designation would, would definitely reduce the amount of traffic and thereby reduce the amount of infrastructure that would be required to support the, the down zoning of the housing and the change in the use of the golf course area. So, for example, not having as many homes will reduce the demand for water, water for human consumption and water for irrigation. It will reduce the amount of required roads because it would eliminate the potential construction that's going on and the follow on traffic for people who would own those residences. In addition, the park utilization would be much lower than the golf course utilization would be. We think that this model that we're creating is in keeping with the low density tourism model that we feel is best for Lanai.

Mr. Gima: Kurt, let me jump in right here. I, I'm not sure you answered the question or I don't know if you really explained it. Because you're basically, you're basically saying that the existing infrastructure systems, existing infrastructure systems, such that any future development would likely not require the provision of new or extension of any systems. But how could, how can you say that when you don't know what you're going to be doing in the project district and you don't know what infrastructure needs outside the project district that may have on the total infrastructure.

Mr. Matsumoto: Well, I think that we can project some of that because if you just look at the old maps compared to the maps that we're proposing, there's a significant change in that area in which would be zoned residential. So you can, you can predict or model from that that you would eliminate roads, water, sewer, electric, all of that would not be needed on top of what is already in place today.

Mr. Gima: Okay, so noted.

Dr. Dancil: Thank you, Kurt. We're going to Chris back up, and Chris, if you can turn your camera back on. Chris, could you please explain the statement on the screen?

Mr. Sugidono: Yeah. This statement is an excerpt from the socioeconomic report prepared for the Koele Project District. According to the report, agricultural use in the project district is not the highest and best use of the land due to a lack of irrigation water. It is noted there are other lands on the island that are more appropriate for agriculture. For example, the commercial Ag lots next to the airport and the Sensei Farms, a hydroponic operation.

And so in addition, the lands in the existing Koele Project District are zoned for project district uses which do not include agriculture. And the subdistricts, as noted on the screen, do not include agriculture as circled. But when the original Project District was granted approval in 1986, the landowner at the time envisioned the area as a resort and residential community. Subsequently, the Koele Project District was approved for the master plan that provided for hotel and resort residences. When the project district was amended in 92, the golf course use was added.

Dr. Dancil: Thank you, Chris. We're going to switch out seats and call up our water experts since we're on to the water questions. Roy and Ken, if you don't mind coming up, please. Okay, great. Olivia, next slide, please.

Aloha Commissioners, I'd like to introduce you to our consultants from Akinaka Associates. They will be assisting us with responding to some of the questions relating to water. Aloha Ken. Could you briefly introduce yourself to the Commissioners and share your experience on water issues?

Mr. Ken Kawahara: Sure. Aloha Commissioners. My name is Ken Kawahara, and I'm the President of Akinaka & Associates, a kama'aina company that has been doing projects in Hawaii for 81 years now. I have over 29 years of civil engineering experience, and work on water and wastewater master plans, designs and systems for various public and private clients. Regarding water, my experience includes engineering related to water resources, sources, storage, transmission and distribution. Prior to joining up Akinaka, I served as a Deputy Director for the State Department of Land and Natural Resources, Commission on Water Resource Management, also known as CWRM, where I was responsible for the protection and management of the surface and groundwater in the State of Hawaii. Before working for the State, I was a Branch Chief for the City and County of Honolulu, Department

of Wastewater Management and Department of Environmental Services, where I worked on wastewater, treatment, collections systems, treatment disposal, recycled and reclaimed water, and . . . (inaudible) . . . reclamation and reuse. In addition, I volunteer as a trustee and officer on the American Water Works Association, Hawaii section and currently I'm the past Chair of the organization. I have also represented Hawai'i for eight years on the Advisory Board of the Western and Regional Pollution Prevention Network, which is sponsored by the EPA.

Dr. Dancil: Thank you, Ken. Roy, could you please introduce yourself, your background, and experience to water systems on Lanai?

Mr. Roy Hardy: Sure. Aloha Commissioners, especially Butch and Sally, aloha, long time no see. My name is W. Roy Hardy. Roy is my middle name actually, and I am a Senior Project Engineer at Akinaka & Associates. I have a BS in Civil Engineering from Santa Clara University, a Master's in Water Resources from the University of Hawaii, and I've been licensed as a professional engineer since 1992. I spent 34 years working for the State of Hawaii, the Commission on Water Resource Management. Ken used to be my boss there when he was the Deputy, and now he's my boss again. And my experience on Lanai dates back to the 1989. I worked at and started working at the Commission, and primarily with the groundwater designation proceedings back then and many other water related issues on Lanai.

Dr. Dancil: Roy, for the Commissioners that may or may have not been familiar with the Commission on Water Resources, or CWRM, could you briefly explain the agency and their role?

Mr. Hardy: Oh sure, the Commission on Water Resource Management sometimes referred to it as CWRM, or C, W, R, M, administers the State water code, which was created back in 1987. That's when I started working for the Water Commission. And the Commission's mission is to protect and manage the waters of the State of Hawaii for present and future generations. It is attached, as Ken mentioned earlier, to the State of Hawaii Department of Land and Natural Resources, and it's under the general direction of the Deputy as well as the Chair of DLNR.

Dr. Dancil: What are the staff's primary responsibility at CRWM?

Mr. Hardy: Primary responsibility to the staff are to implement and administer provisions of the State water code through planning, surveying, regulating and monitoring, and conserving the State's water resources within the established plans that have been adopted by the Water Commission.

Dr. Dancil: Thank you both for sharing your background experience regarding water issues. Collectively, you both have a deep knowledge of the water in Hawai'i. Roy, we're going to start with you. Pivoting specifically to Lanai, in your former role as staff member at CWRM,

you presented several water workshops for the Lanai Planning Commission, most recently in August of 2022. How many times have you presented to the Lanai Planning Commission?

Mr. Hardy: Ah, correction. I don't think 2022.

Dr. Dancil: Sorry, 2020.

Mr. Hardy: But I think at least two times since 2019, and I believe there were other times before that. But many of, I think, the former LPC members attended those annual commission public informational meetings, which resulted in the designation proceedings and its aftermath from 1990 to 97. So there's been a number of these public presentations.

Dr. Dancil: So some of the Commissioners here may remember the presentation from August in 2020. Thanks for that correction. However, we do have several new Commissioners. Could you briefly go through the explanation you provided regarding the Lanai aquifer system that you presented that evening in August?

Mr. Hardy: Okay, so what you see here in this, this map here is an island of Lanai, and how the Commission divvies up the pie, if you will, into separate polygons, which we call aquifer system areas. There are nine. The two most important ones are called, and they're in that brown area, in the center of that map, the center of the island, which is called the Central Leeward and the Central Windward areas. Lots of things go on in each one of these areas. They have different types of groundwater aquifers. In each area you have high level, you have basal, you have tap rock aquifer, you have confined aquifers within each of these areas. And many scientists from the Commission on Water Resource Management, the US Geological Survey, and even at the University of Hawaii have done many water projects within each of these areas, where it has been determined by the best science available at the time as to how much water is getting into the ground that we call recharge. Using recharge, the Commission uses what is called the Robust Analytical Model, or RAM for short, to identify the fraction of that recharge that should be available for pumpage on a long term basis, and that is to protect the aquifer resource and its utility. This particular issue is called sustainable yield for an area, so each one of those polygons has its own sustainable yield. And this is established by the Commission and it is identified and goes into more detail in its Water Resource Protection Plan. The latest iteration was adopted in 2019.

Dr. Dancil: When was the sustainable yield established for Lanai?

Mr. Hardy: Well, originally back in 1990, when the first Water Resource Protection Plan was established. And you can see that, this figure here, this red, this red circle entitled RAM, which is the model for sustainable yield, the term S.Y., in the year 1990. And the bottom figure is six million gallons per day.

Dr. Dancil: What is the sustainable yield for Lanai, and has it changed over time?

Mr. Hardy: Well, if you look at the, the next column that was the update to the Water Resource Protection Plan back in 2008. That was its first update, if you will, and, and that was also six. And then if you look over towards the right side, this is the latest, the 2019 sustainable yield, and it is also six. You can also see values for the other aquifers, the other nine areas. But essentially, the Commission decided to leave those as, those till these there. This insignificant, just to be conservative.

Dr. Dancil: The Water Reserve Protection Plan is where the sustainable yield is determined and various explanations on how it is calculated. However, we were hoping you would take time to go over this graphic from a fundamental basic approach of sustainable yield and recharge to sustain a six million gallons per day sustainable yield.

Mr. Hardy: Okay, sure. With, with few exceptions, with a few exceptions near the coast near Manele Bay Harbor and there's one source on the windward side of Lanai, all the wells on Lanai come from high level areas. And you can see these dike compartments on the left of -- and it's labeled as dike complex there -- and they're magmatic intrusion into the caldera and red zones of every island that cool very slowly to create these barriers to horizontal flow. And the storage components in these high level dike compartments are small, and compared to what's on the right, the basal areas. The dike area on Lanai is very broad compared to other islands. This is different than other islands, where this diagram is a little bit more typical, where the basal areas are much broader than the high level. On Lanai, it's a little bit reverse. It's, that dike areas is much broader.

So when you pump the well, the water levels will always go down. Water has to flow downhill, and that's what the wall creates a cone. But they do recover when pumpage is reduced, since recharged naturally continues to occur and refills these storage areas. How quickly those water levels recover is all dependent on the recharge rate and the geology. And the recharge mainly occurs in the mauka areas, the central portion of the islands. And you know it rains up there, fog drip occurs when it's not raining, and there's cloud cover. On Lanai, fog drip past studies was identified as extremely important. Once recharge is in the aquifer, it flows downhill and makes its way to the coast. Water is always on the move, it's always flowing, and that's the general direction, mauka makai, and it ultimately discharges into the ocean near the coast or into deeper offshore waters, as shown in that diagram on the right side.

Dr. Dancil: The CWRM had commissioned the USGS to complete a recharge study for the State, and they presented preliminary results in January to the public. Are you familiar with that study?

Mr. Hardy: Yeah. I took a look at it. I was still at the Commission when they were starting to conduct these studies and having, you know, discussions between all of the scientists. However, it should be noted that the studies have not been released to the public as final yet. They're still undergoing peer review. And it should also be noted that these upcoming projections, through the climate change, use very different methods in how they come with their calculations. There is no consensus, which is the more reasonable method on this. One

is called the statistical, the other is called dynamic. Which is the more reasonable method? Which can predict . . . (inaudible) . . . speak to. Both predict wetter and drier conditions compared to the average recharge for the period of 1978 to 2007 base time.

Dr. Dancil: Thanks, so still undergoing that release, no consensus, not final. Got it! Can you continue explaining recharge and its relationship to sustainable yield, please?

Mr. Hardy: Sure. Lots of information goes into recharge studies. But the basic idea is that whatever rain and fog drip gets past the soil, in the root zone, it gets down into the aquifer, rock zone, it's like a sponge, if you will, that that creates Lanai's groundwater resources. So in this graphic, that arrow on the top left there, 100 percent is the total recharge rate after all of that. And that rate is what makes it into the aquifer. For the central portion of central sector area of Lanai, that recharge equals nine million gallons per day. Now sustainable yield is always smaller than recharge. It's a fraction. The State water code itself defines sustainable yield as the maximum rate at which water may be withdrawn from a water source without impairing the utility, quality of the water source as determined by the Commission. And they use RAM, this situation. And to maintain that current utility of the high level aquifer in the central portion of Lanai, 67 percent of that nine million gallons per day is what is believed to be, can be part on a sustainable basis. And so that's how we arrived at the sixth MGD, million gallons per day, figure of sustainable yield. So we'll always continue through the ocean is at least a third, at least 33 percent, will always continue to discharge at the ocean.

Dr. Dancil: Thank you, Roy. Before we go on, I'd like to show you the following graphic. It is similar to an earlier slide that identifies the various aquifer sectors. The difference is, the earlier graphic from this one is that we've overlaid the locations of the wells in light blue triangles. We were asked to confirm that only one well is in the Windward Aquifer system. For convenience, I've inserted a dotted green line outlining the Windward Aquifer system, and a dotted orange line outline the Leeward Aquifer system. Roy, could you please confirm that well six is the only active well in the Windward Aquifer system?

Mr. Hardy: Yeah, I can confirm it's the only active well currently pumping groundwater from the Windward system.

Dr. Dancil: Pulama Lanai also recognizes this fact and is in the process of designing other wells in the Windward aquifer system area.

We're going to switch gears to talk about the different types of water. I put up this slide showing the graphic because some of the terms you'd mentioned before like high level, basal, cetera. Could you please briefly explain what we are looking at here and what those terms mean?

Mr. Hardy: Okay. What you see here on this graphic is a look at the island setting up for a profile or a side view. The island map on the left shows a line transecting the island from A to A-prime with that on . . . (inaudible) . . . looking to the left there in the direction of a view that one would see if you could slice a profile through the island. So that's what the graphic on the

right is, is that view. And that actually comes from an older report from 1983, John Minx original reports. That was what was used for water resource protection purposes. And this was also used during the ground water designation proceedings. It's part of the record. It shows pretty accurately the relative groundwater, land surface, and a few of the well profiles.

Conceptually, what you have here is on the vertical axis is the elevation, and on the horizontal, its distance across the island. So you can see you have this high level water in the middle of the island. It's kind of boxed area. It's hashed area, if you will. And for illustrative purposes, wells one, two, and four are, are, the titles are circled there in orange. Well one is the only high level that goes down to sea level, as you could see. And while the other high level wells do not penetrate that far down into the high level aquifer. Um, as you move down the coast, groundwater transitions into thinner basal aquifer situation where there is more direct contact with the seawater. You may notice in the high level, no one has ever drilled through the sea where the bottom is or the contact the seawater is. And that's a fact throughout the entire State which is a good thing, to keep wells in that aquifer safe from saltwater intrusion. You won't see a high level well. Typically it's saltwater intrusion. You get that at the coast where you have saltwater. Freshwater always floats on top of saltwater as it is less dense than saltwater. However, having just said what I said, it should be noted that in the Palawai Basin where well one is, and it's identified by that pink area, so it's highlighted there, there's a bunch of other wells. There's one, 14, 15, 10 and nine. And nine, I was there when they were drilling it. And if you notice the water level is a bit lower in elevation, but still considered high level. Water levels in this basin are about five, six, seven hundred feet above sea level. So it's still very high above sea level, but it's not as high as the more inland sources, like two and four. You don't see this on the other islands too much. Minx called this lower high level area, the secondary high level area. And there's something, you know, unique and special about this.

You can see what is unique about the Palawai Basin is that you have this remnant geothermal activity from the caldera, which is most likely causing an unusual elevated chloride in the high level water, which is very close to rainfall. Chlorine concentrations of tens of parts per million, rather than several hundred parts per million, which is found in these high level basin wells. What is happening is there's mixing going on. The water that's coming out of those wells were pretty warm and you can see that geothermal activity. In some of my presentations, I had that animated where the thing was sort of circling around to show that there's all this energy is moving. This geothermal energy is causing upwelling of the saltwater, like most geothermal wells because of the heat, probably got other elevated constituents in the water too. Primary, the primary concern, of course, is chlorides. When I was, I mentioned earlier, I was when they were first drilling well nine, when the well was pump tested, that water came out, it was really warm. It was, like, over 90 degrees. When you put your hand under, the water coming out of the well was like turning on the hot water faucet. It was really warm. The chlorides in this hot water from that mixing were elevated in this area above the U.S. EPA secondary guideline of 250 parts per million, up around 400 parts per million, which is very unusual for high level water. But again --

Mr. Gima: Excuse me, Roy?

Mr. Hardy: Yes?

Mr. Gima: I appreciate the information that you're providing. I feel overwhelmed with all the information that you're providing. What specific question are you answering for the applicant?

Dr. Dancil: So Chair Gima, I think we are setting up a baseline and foundational knowledge on . . . (inaudible) . . . systems and definition of terms. Next up is Ken, and he will define the portable. So Ken, if you don't mind.

Mr. Kawahara: Sure. Thank you.

Dr. Dancil: So there's a few clarifying questions that came up during the questions that we received from the Lanai Planning Commission. In our application, we use the term portable and in very simple terms, this is similar to the Merriam Webster definition on the screen. It's uniform. It's basically suitable for human water drinking, human consumption or drinking. Ken --. Kurt also mentioned that earlier. We don't use the term non-potable in our applications. However, if we did use the term we would define it as not suitable for drinking or human consumption. Upon searching for the term non-potable in our applications, we found that it was language that was directly from the Maui County Code, conditions in past applications and current applications, comment letters from the community members on the Draft EA, and in the State plan. Ken, how could you define or how would you define potable or non-potable water?

Mr. Kawahara: Thank you. Again for the record, Ken Kawahara. The terms potable and non-potable do not exist in the State or Federal primary drinking water regulations, and therefore we typically do not use these terms. Any water source can be made drinkable, but that doesn't mean these terms legally apply. From a drinking water perspective, the water is either regulated or non-regulated under a Safe Drinking Water Act. A common way for people to remember if it's regulated under a Safe Drinking Water Act is a rule of 100. Basically, it's the water for human consumption if it has at least 15 service connections or, and serves at least 25 individuals for at least 60 days of the year. If it does, then it's a public water system regulated under a Safe Drinking Water Act. So again, 15 plus 25 plus 60 equals 100. And if it doesn't, then it's not publicly regulated.

Dr. Dancil: So moving to the next term brackish water, there is no brackish water being used in the Koele Project District. The service area for brackish water is solely in the Manele Project District area. Commissioners, some of you or all of you should have received materials that were provided in the May meeting. There was a letter included dated May 12, which was in response to Chair Gima's question about brackish water. We've included a copy of our response here on the left side of this slide. Included in our response was the item on the right, which is the service area map that we have on record at the Public Utilities Commission

because it is regulated. Unfortunately, the replica is not that clear. However, you can make out that it is the Manele Project District. That is the only area that uses brackish water.

We did go back to determine if, if and where the term brackish is located in our applications. It is used by the public in their comment letters on the Draft EA, and by the Planning Department in their conditions on the current applications. Ken, how would you define brackish water?

Mr. Kawahara: As you may recall Roy mentioned the Hawaii Water Plan. Brackish is defined in that plan as water with a chloride concentration greater than 250 milligrams per liter or parts per million.

Dr. Dancil: And lastly, R1 water. What does the R stand for?

Mr. Kawahara: Recycled water.

Dr. Dancil: And how is that defined?

Mr. Kawahara: The Hawaii State Department of Health, Wastewater Branch defines recycled water as treated wastewater that by design is intended or used for a beneficial purpose. There are three different classes of recycled water, and that is what the number one in R1 stands for. There's R1, R2, and R3. The numbers define the level of oxidation, filtration and disinfection necessary to be qualified as that type of recycled water.

Dr. Dancil: Another question we received was what was our understanding of the primary and secondary determinants of water portability? We believe that the word determinant should have been contaminants, according to the Environmental Protection Agency, or EPA, the entity that regulates drinking water contaminants. Ken, are you familiar with the terms on the slide?

Mr. Kawahara: Yes, that's from the EPA's website. It describes what the drinking water standards are and the primary and secondary categories of drinking water standards.

Dr. Dancil: Is the water that is used to serve the Koele Project District in the . . . (inaudible) . . . applications provided by a Public Water System, or P.W.S?

Mr. Kawahara: Yes. It's P, W, S, or Public Water System 237, the Lanai City water system.

Dr. Dancil: Is the following an accurate statement -- in its existing and proposed state in the applications, the Koele Project District is serviced by Public Water System 237, and as such, it complies and will comply with national primary drinking water regulations.

Mr. Kawahara; Yes, that is an accurate station, statement. The national primary drinking water regulations are legally enforceable, primary standards, and treatment techniques that apply

to public water systems. Primary standards and treatment techniques protect public health by limiting the level of contaminants in drinking water.

Dr. Dancil: Thank you, Ken. We're going to switch back to Roy. Are you familiar with this information presented on the chart?

Mr. Gima: Hold on. Keiki-Pua, hold on a second. So going back to Ken, if I heard you correctly you said potable water is not defined but --? Can you define potable water again? And the second part of the question is, can you drink brackish water?

Mr. Kawahara: Ah, it really depends on --. Maybe I'll answer the second part; can you drink brackish water? It depends on the level of chlorides. A lot of times if you look at that chart that was up with the primary and secondary, the secondary, if you read at the bottom aesthetics, aesthetic effects such as taste, odor, or color in drinking water. So many people, you know, can drink salty water, but it's a level of comfort when it comes to taste. So that's why the State Department of Health, Safe Drinking Water Branch, does not categorize things as potable and non-potable.

Mr. Gima: They don't categorize water as potable or non-potable?

Mr. Kawahara: From a legal perspective. And that's what I had mentioned previously.

Mr. Gima: Okay, from a non-legal perspective, can you explain the difference between potable and non-potable water?

Mr. Kawahara: From a --. So, so typically, it's drinking water or non-drinking water.

Mr. Gima: And it's non drinking because of those contaminants. Is that accurate?

Mr. Kawahara: The primary drinking water standards, if it doesn't meet those levels, then it's non drinking water. Again, if it's regulated.

Mr. Gima: Okay. Thank you. Okay, go ahead Keiki-Pua.

Dr. Dancil: Thank you Chair Gima. Thank you, Ken. We're going to call up Roy. Roy, are you familiar with the type of information and representations on the chart?

Mr. Hardy: Yes, very much. Actually, I compiled all the historical information up to 1994 from the beginning here, prior to 1930, when I constructed the Lanai groundwater model. All the water use reports submitted to the Commission since then to bring the graph up to current conditions. This is the Lanai monthly pumpage chart and it's published on the Commission's website. And that data is provided by the Lanai Water Company. It goes all the way back to 1926. So those red solid line, you see at the top there, that is the sustainable yield of six million gallons per day for Lanai.

Dr. Dancil: And what does the red dotted line indicate?

Mr. Hardy: Okay, the red dotted line, which is four point, represents 4.3 million gallons per day, which was a trigger set by the Water Commission back in 1990 as part of that designation.

Dr. Dancil: And how is that determined, that number, that 4.3 million gallons per day trigger number, how was that determined?

Mr. Hardy: Yeah. Well, it was a bit arbitrary in the designation proceedings and the findings of fact at the time. The estimated total future demand was calculated to be about 4.2 million gallons per day. Commissioner Lewin at the time added into the non-designated decision this, this trigger condition, that it's actual total pumpage, on a 12 month moving average basis, with the 4.3 MGD, or million gallons per day, then the designation process would be revisited.

Dr. Dancil: Earlier, you stated that the central aquifer sector was comprised of two aquifer systems, the Leeward and Windward Aquifer System, each with three million gallons per day sustainable yield. Can you separate out the two aquifer systems from each other? In other words, can you say that since the majority of the water is currently being pumped from the Leeward Aquifer, we should look at the current daily demand in comparison to three million gallons per, per day sustainable yield versus six million gallons per day sustainable yield?

Mr. Hardy: Well aquifer system areas do communicate between each other within a sector. And this is was especially investigated on Lanai. If you look at the screen in the map, you'll see the boundaries and the extent of the high level aquifer, in the central aquifer sector area of the island. And there has been two studies. The aqua in the orange outline is, represents the 1994 results of a geophysical assessment, which was a model done by Black Hawk Industries. And the area between the aqua and the orange outlines represents a marginal dike zone or what Black Hawk determined to be a barrier zone encircling that orange outlined area, which is the extent of the high level aquifer based on their geophysical methods. Now, the green outline is the high level area, which was defined by Mink that I mentioned earlier back in 1983. And that is still what is used by the Commission on Water Resource Management and its Water Resource Protection Plan to define the central aquifer sector area.

Okay, now this next slide shows the numerical model, which I worked with over at the Geological Survey. And this -- and that was from 1996. And this was based on Blackhawk, the Mink, and actually geologic map hasn't been shown here that the USGS has in house as well. And that investigated how the groundwater flowed island wide, the groundwater model, the numerical groundwater model. It's a detailed conceptual relationship between the Leeward and the Windward high level aquifer systems. Those are the bolded cell areas. It's kind of, I like to call it the guitar. And it showed that these two areas are connected. And the model is calibrating using all of the historical pumpage, all of the historical water level data, and calibrated for these cells. And the results from this study showed really that fog drip was

extremely important. And the six million gallons per day sustainable yield figure used by the Commission was a reasonable figure to use.

Dr. Dancil: Thank you, Roy. Simply put, we use the term water demand in use and estimated, forecasted, or projected use. So now we're still answering a different question. We don't use long term water allocation. The water demand is calculated using the State of Hawaii 2002 Water Systems Standards, which is on the screen here. It's table 100-18, Domestic Consumption Guidelines for Maui County. I've highlighted the column in transparent red.

The water demand for the subject applications are calculated based on the average daily demand for various zoning designations that were included in table, and it's included on the previous slide. On this slide, we basically duplicated table-eight from the staff report. This table summarizes the proposed water demand for the subject applications, and it was also the same table that was included in the preliminary engineering report in the Final EA. In our application, we were asked to break out quote other projects. In this column are the water fall chart.

Mr. Gima: Hold on. Hold on Keiki-Pua. If, if I heard you correctly, you said Pulama Lanai does not use the term water allocation?

Dr. Dancil: That is correct.

Mr. Gima: So do I understand that to mean that this project can use as much water as they want, that there is no upper limit on how much they can use?

Dr. Dancil: That is not what I'm saying. We just don't use the term water allocation. What we use is water demand or estimated water demand.

Mr. Gima: But without . . . (inaudible) . . . limit that you could arrive at a conclusion that you could use as much water you wanted. I mean, that's why they had water allocation discussions in the Water Use and Development Plan.

Dr. Dancil: Thank you, Chair Gima, for the comment. You were breaking in and out. If I understand you correctly, Olivia, if you could go back to table-eight in the staff report. So I think what you call water allocation, Chair Gima, respectfully, is what we call water demand. And I think it's just using two different terminologies. We calculate estimated water demand, which I believe the intent is the same as what you're calling the intent of a water allocation. In no way do we say that we are going to use unlimited water. We actually state multiple times in the preliminary engineering report and in this table here, which is replicated in the staff report on what we expect to be using in our subject applications.

Mr. Gima: Okay, I guess we agree to disagree on this. You can move on.

Dr. Dancil: Thank you, Chair Gima. So Olivia, if you could go back to this one? So we were asked in the last meeting if we could explain, quote unquote, what other projects were. And that's what we're doing here. The column on the far right in the varying shades of gray and black is an expanded view of quote unquote, other projects. These projects were listed in the footnote. And these are all included in all of our subject applications. All I did was just lift up the values here in this chart. It should be noted that we included projects that are entitled in the entitlement process. And these are the Hokuao housing project that we mentioned earlier, as well as a Miki Industrial park. We also included projects that have a quote unquote water reservation, which is that DHHL Future Residential Project. Pursuant to Hawaiian Homes Commission Act Section 221, Subsection C, in Hawaii Revised Statutes Section 174C-101A. The DHHL is entitled to reserve water for use on its lands. DHHL has a current groundwater reservation on Lanai of 0.067 million gallons per day with the Commission on Water Resource Management.

There have been other projects, including the current project district, that has a lot more land and associated water uses, but we do not include that in this water fall chart here because we believe they're not at a stage entitlement or we don't believe it warrants allocating for at this particular time.

There is a question on why the State Ag lease was not included in, quote unquote, other projects. Again, we chose not to include the State Ag Park lease for the reasons we mentioned earlier. It's not in the stage of entitlement, and it does not have a water reservation according to the Hawaiian Homes Commission Act or the Hawaii Revised Statutes. In addition, it has been 28 years, and the State has not indicated any development of a State Ag Park on Lanai. However, I've included the State Ag Park here for illustrative purposes in a separate column, colored orange and outline in blue, I mean, black dotted outline.

As you can see, we're still under the 4.3 trigger that Roy spoke about earlier, and we are still under the six million gallons per day sustainable yield.

Mr. Gima: So Pulama Lanai is not choosing to fill out the, the matrix?

Dr. Dancil: Thank you, Chair Gima. That is exactly where we're going next.

Mr. Gima: All right.

Dr. Dancil: On the screen here, so we're in agreement with you, Chair Gima, that the statement about of having a bird's eye view on Water Use on Lanai, is very important. Understanding the amount of water that is pumped, distributed, and forecasted are estimated in our project undergoing entitlement and permitting is very important to us. We are constantly monitoring data sets so that we know where we are and where, and whether we are getting close to that 4.3 million dollar, I mean, 4.3 million gallons per day triggers that by CWRM.

There are many ways to display these datasets that illustrates the macro or bird's eye view. We've consistently displayed our version, which is the water fall chart in our applications before the Planning Commission, as well as in our Environmental Assessments, as well as in our District Boundary Amendment.

We were asked to take the values in the paragraph on the left and insert them into the matrix provided on the right. We believe that the goal of the matrix is similar to our water fall chart, with the current pumping demand subject project and other projects, et cetera. And ultimately forecasting the demand and how it relates to the trigger and sustainable yield for Lanai set by CWRM. Over the next few, few slides, I will attempt to reconcile our water fall chart with the matrix provided since we believe they share our same goal, a macro or bird's eye view.

Before I begin to populate the matrix, there are a few important descriptors that need to be pointed out. As we discussed earlier, what we mean by, quote unquote, water demand you can see the term highlighted in blue font is used quite often. We mentioned earlier we do not use the term water allocation; we believe the intent is the same. Here in the matrix, the term water allocation is used and circled in orange. Since we don't use that term, we will not populate that column and instead I, am will explain how we will account for these numbers. The forecasted or estimated water demand is the term we will use to populate some of the values in the red font, in the paragraph on the left, into the matrix on the right. It should be noted that the numerical sustainable yield value and a numerical trigger set by CWRM are highlighted in red as well. Those will not be included in the matrix. I've inserted our waterfall chart on the left. You'll recognize the same numerical values from the paragraph from the previous slide, including the sustainable yield and trigger. The only difference is the 0.32 million gallons per day for other projects. I've broken it out for ease of convenience, so I describe what these projects were earlier. We believe the intent of both of these are the same. I want to walk through how their connected.

You'll see the values and the font in blue in the matrix that these have been lifted from the graphic on the right. I've also included new language in the matrix as blue font, and I've used the strikethrough function to show where that language is not applicable. So, for example, instead of using allocation, that's what we're calling estimated. I've changed the color of the current bar, which is the current pumpage in the graph to green. And this is to assess where they were – where this value of 1.5 to correlate with the matrix. The current value of 1.52 million gallons per day was the pumpage for Lanai at the time the graph was created when we submitted our subject, subject applications. This values from the periodic water reports that CWRM publishes on their website, and the data is provided in the PWR is from Lanai Water Company. These PWRs are also published and available on the Lanai Water Company's website. We acknowledge that the pumpage is different than the use on island or the amount of water that is distributed. There is always some amount of revenue non-revenue water. However, we looked at the pumpage versus distribution on Lanai and, from the PWR, and they are very close, within a few percent. We rather use the value of pumped versus distribution as in our macro or bird's eye view because we want to understand how much we are pumping. And this is actually the larger value than how much we are distributing.

Just to verify that I am not misleading you, here is the data from the most recent PWR. You can see the source water pumped in the army green. This is the value in our current chart on our graphic. It is slightly higher and like I said, it's only a few percentage more than the blue aqua, and that's the amount that is distributed on island. Bottom line is that values are very close.

Back to completing the matrix. The current value indicated by green filled areas include existing Manele and Koele Project Districts, Sensei Farms, and existing Miki industrial uses. The aqua . . . (inaudible) . . . have been inserted in the matrix underestimated demand. These add up to 0.95.

Regarding this question here, our intention is to take as much water from the County's facility to produce R1 quality water for irrigation in the Koele Project District that we used to irrigate the park subdistrict. During COVID, most of 2020, and the first part of 2021, we weren't taking as much water as indicated on the slide here. In addition, we also were completing some much needed maintenance on our facility, and that limit our production of R1 water. On the slide here you'll see the amount of R1 water from the PWR over the last two years, and the six periods of 2022 that was used to irrigate the golf course subdistrict in the Koele Project District. In green, I plotted the 13 period moving average. The trend is upward. Meaning we have been producing and using more water over time. Regarding the amount of raw sewage needed to produce 0.3 to 0.4 million gallons per day, we would default to the County Department of Environment, Environmental Management. And that is not our facility or the role of our facility, the auxiliary plant that polishes to R1.

So we're back to here, and we're going to talk about, you know, what percentage of park acres the applicants plan to irrigate. Regarding this question, we don't have an exact percentage, but we do know it will be less than the acreage at Experience at Koele, which was 221 acres. The park subdistrict is approximately 235 acres. And as you can see from the area of pink, it's significantly less. Also in the park subdistrict is Lanai Adventure Park. And we're still in the process of designing the sculpture garden, which will be in the area that was formerly the golf, and is now it's a . . . (inaudible) . . . park subdistrict. And to reiterate, the parks subdistrict will be irrigated with R1 water.

The R1 water to be used to irrigate is in bright pink, as I mentioned. At this time, unless R1 water is available and or practicable, meaning if there is enough of it produced, if it's not under maintenance or anything like that, as you saw in the PWR chart, it does fluctuate. The park area won't be irrigated if R1 water is not available.

As mentioned earlier in the discussion about brackish water, there is no brackish water being used in the Koele Project District, and we do not plan on using any brackish water in the proposed Koele Project District. The staff report, condition eight, proposed by the Planning Department lists all types of water. And this maybe the confusion as to why one may believe that we are using brackish water. I've included the condition on the slide on the screen. In

addition, we also explained that R1 water would be used to irrigate the park area, which was formerly the Experience at Koele. The source of the R1 water is that it has always been it's the auxiliary facility next to the County Wastewater Reclamation Facility. We do not intend to report brackish water in the future reports because it is not used in the Koele Project District. The R1 water will be reported in the future associated with condition eight.

If anyone is interested in the amount of R1 water used to irrigate the Koele golf course, it's already published and publicly available on the Lanai Company's website. I've included the latest copy of the PWR here. Next slide.

I believe the intent regarding this question is to ensure that what we're reporting to the Lanai Planning Commission is also the same water use values that the Lanai Water Company reports to the Commission on Water Resource Management. The water used to report to the Lanai Planning Commission is included in the periodic water report that is submitted to CWRM. The report periods do not align. The LPC reports are based off of billing data that is read every other month on the 15th. The PWR reports are based off of meter readings, which are taken every 28 days. The periods do not align to a particular calendar month or day. It's just a reoccurring 28 days.

The water use report to the Lanai Planning Commission is very project specific and tied to an application condition. The current Koele water reports are tied to Condition 15 for the Project District Phase Two application for the Four Seasons Resorts Lanai, Koele proposed improvements. The water use data in the PWR is not project specific, and it is provided in aggregate to show what is being pumped located in green to what is being used which is outlined in orange, the total.

We would respectfully request that the proposed condition-eight align with the current reporting so that the Commission is not confused with the water use in the same area for condition 15 which we're already reporting on. And condition-eight is being proposed in the new application.

When the projects related to the proposed district come online, we could add those as a separate line item for condition number eight. The PWR is more of a macro level and the LPC report water use is tied again to a specific condition on a specific application.

Ms. Kaye: Okay, can you hold it there for a second? I want to ask. You're talking about a former application and a former condition, and what is the problem with the, the proposed condition number eight for this application?

Dr. Dancil: Olivia, if you could go back a couple of slides to where we put the condition up? So this is condition number eight. And as we've discussed, it basically calls out portable, brackish, and, or R1 water use in the source water of said water. We're not using brackish water, so we wouldn't be reporting brackish water. So just wanted to call that out.

Ms. Kaye: All right.

Dr. Dancil: And that's what we were just asking is because we already report on for the Koele Project District in condition 15, because this is the same area project district just expanding, if we could align, you know, so you're not getting multiple reports and just figure out a way to align those two, conditions eight and condition 15.

Ms. Kaye: And what are you proposing?

Dr. Dancil: I'm proposing to add condition eight would be extra line items, so that it's specifically called out. So we could add an extra line item that calls for like resort commercial, and put the amount of water that's being used in resort commercial. Or an extra line item that's called hotel expansion, so that it's an extra line item there. So that it's tied to the specific application as opposed to putting everything in aggregate like it is right now in condition 15. At some point you should align the two. That's all I'm asking for consideration.

Ms. Kaye: Okay. One of the problems that I had with the original and I think the Planning Department just inadvertently put in project site as opposed to Project District. And you're saying that right now, condition number 15 -- I'm sorry, I don't have it right in front of me, so I'm trying to read the small print -- it is, that's project site, not Project District. And I think the intent of what we were trying to accomplish was, yeah, you're going to be adding new things, you know, your commercial uses or whatever. So the project district overall usage -- and I get it the brackish doesn't, doesn't apply -- but potable and R1 and where it's coming from, I guess the main concern, was the project district and not the project site. And you're saying you don't want to do that?

Dr. Dancil: No, we're just asking to align the two. So here, I'm skipping ahead, but we're flexible. So we're on question number eight and I believe Commissioner Kaye this was your question. So, you know, the applicant shall provide the Commission with quarterly water. So in blue is the current existing language for condition 15. In green is the current condition in the staff report. And we respectfully are providing some language here in orange section for consideration, and think that that will make it clearer. So specifically calling out the hotel expansion, the park, and the resort commercial subdistricts.

Ms. Kaye: So you mean that we would then have to reconcile the response to Condition 15 on a former application and, and, and this? You're not? You're not?

Dr. Dancil: No.

Ms. Kaye: You're not? No?

Dr. Dancil: No, I'm actually saying --. I mean, I think we're in agreement, and maybe I'm doing an absolutely awful job of explaining it. So we would continue with 15 and then we would have an extra line item with eight, and then it could be a total, so you could have it all together. But

we would respectfully ask that it, you know, align. Right now in condition eight, it just says quarterly water reports. It doesn't have quarterly and annual. And even though the Koele Project District, Condition 15, talks about just water usage, we don't call out specific water. You could do that, but, you know, just trying to align. We would include all water uses.

Ms. Kaye: Well, I don't see that, that eight, the way it's written, does that. But go ahead. Thank you for answering my question.

Dr. Dancil: Thank you. We're going to call up for our next question, Cal Chipchase from Cades.

Mr. Wollenhaupt: This is the planner, Kurt, since I might have to be dealing with these conditions. Um, I guess I'm a little confused on the last one. Are we going with this term potable because we have the discussion about whether that's a term that we use or drinkable? So maybe I'm not quite sure how that condition. And then I guess I was sort of similar to Commissioner Kaye, if, if this condition is talking about the entire Koele Project District could we not have an aggregate number, and then we'll break it down into the different components like you were. But essentially, it'd be a combination of old 15 incorporated into new number eight, with eight now being an aggregate, and then you break it down like in your waterfall on all of the uses. But maybe I'm not --. Anyway, that was just a thought. I'm trying to understand how the condition could be better written. That's it. Thanks.

Dr. Dancil: Thank you, Planner Wollenhaupt. Respectfully, if we could just kind of get through this and then we can come back to and revisit those very important questions. I want to get through some information. Cal, could you step up please?

Mr. Cal Chipchase: Of course.

Mr. Gima: Excuse me a second. Commissioner Preza has to leave at seven o'clock, so I wanted to give Shelly an opportunity to either comment or question the applicant before she has to leave.

Ms. Preza: Thanks. I've just been listening and observing everything, so I don't have any questions at this time. But thank you to the applicant for being so thorough because I feel like it was very -- I learned a lot about --. We've had water workshops in the past, but I feel like this is very detailed. So I'm sorry that I have to leave at seven, but I will be watching the recording for sure to learn all the rest of the what's going to be presented for the Koele Project District. Thanks.

Dr. Dancil: Thank you, Commissioner Preza.

Mr. Gima: Okay.

Dr. Dancil: So I want to introduce Cal Chipchase. He's from Cades Shutte. He was with us in May and he is going to cover the next question.

Mr. Cal Chipchase: Sure. Thank you, Keiki-Pua, and thank you, everyone. I appreciate your time and it's nice to be with you again tonight. We responded in writing to the questions that was presented by the Commission and explained what we think is the correct textual structure of condition nine. And if you break it down, you see that the reference is to a specified number. And so if you look at what the number was specified a time, as we set out in our writing, it was 634. And so that's, that's the way the ordinance would be interpreted. It can't be read out of context or in a vacuum. Otherwise, if the number were increased to a 1,000 you end up in a ridiculous situation and it would be triggered until you get 500. Or reduced to two, you end up in the ridiculous situation that it would be triggered on one.

And so you take everything in context that was passed at the time it was passed, and you look at what . . . (inaudible) . . . that's the number that we've set out. And given that that number will no longer be reached in any circumstance, the condition no longer makes sense as part of the Koele Project District. And so for that reason, we've suggested, we've asked that the Commission recommend its removal. I'm happy to answer any questions or Keiki-Pua, if there's other things you'd like me to cover and walk through before questions?

Dr. Dancil: Nope. We can move on. Thanks, Cal. We'll just move on. Kind of get through this. Thanks so much. So, Chris, if I could just call you back up and explain why the three alternatives listed here on the slide are standard.

Mr. Sugidono: Yes. These alternatives, I think --. Yeah, so this slide. These alternatives are in accordance with the Hawai'i Environmental Review Law, which as noted earlier guided the preparation of the Draft and Final EA documents for the project. And so --

Dr. Dancil: So there's further action alternative, Pulama reserves the right to, you know, significant single family resort development, a second homes in the original concept of the project district. Is that, that correct?

Mr. Sugidono: Yes. That would be possible, as it would mean that the existing entitlements for the project district would remain, including the larger area currently approved for residential use.

Dr. Dancil: So the preferred alternative, what sorts of advantages are those?

Mr. Sugidono: Yeah, I think Kurt Matsumoto previously outlined a number of potential positive outcomes for Lanai. And a larger context for the Hawai'i economy, there are a number of public, recreational, and economic benefits for the Lanai community. Additionally, it will increase the amount of lands, and parks, and open space while generating construction jobs and long term employment opportunities within the Koele Project District.

Dr. Dancil: So on this slide a question was asked and answered in the Final EA. We've pasted it here on the screen, in the bottom left of the screen. We also included the reference to permitted uses since it was referenced –

Mr. Gima: Ah, quick --. Excuse me, Keiki-Pua, this is a question to Kurt. Kurt, so what the previous screen showed was in the Final EA, but it was not included in the Planning Department's packet. Was, was that, was that intended?

Mr. Wollenhaupt: You're talking to this Kurt, right? You're talking to the Planning Department, not Mr. Matsumoto, I'm taking.

Mr. Gima: Correct. I'm sorry, Kurt. Right.

Mr. Wollenhaupt: Okay. Well, that, the documents as you said were in the Final EA, the staff report I don't believe it commented upon that, those other scenarios. So it wasn't intentionally either left out or left in as we had seen that it was covered in the Final Environmental Assessment, so there was no intention certainly to leave it out. But then there was no discussion in the staff report as again, we referenced the Final EA numerous times. So normally that discussion is done and, and might be able to illuminate. A lot of that discussion is often done in the environmental assessment and the discussion on the alternatives are frequently done there as we move towards a specific project review as then determined by which of these alternatives we're moving forward to looking in and all the impacts. So that'd be my answer to your question.

Mr. Gima: So it sounds, it sounds like it was an oversight because on page 43 of the Planning Department packet under the category of alternatives, you're basically listing the Planning Commission's options on the application. But it was confusing. I had to go, I had to go find the alternatives in the Final EA.

Mr. Wollenhaupt: Well --

Mr. Gima: So my, my question --

Mr. Wollenhaupt: Actually --

Mr. Gima: So my question is --

Mr. Wollenhaupt: The alternatives there are the alternatives with what you would do with the project as proposed in the staff report, not alternative project design. So you can deny this, the project as, as reviewed in the staff report. You can defer it as you have three times. You can recommend approval as the project is proposed with no conditions at all, just let them do it. You can, you can recommend approval to the Council with conditions as, as the conditions are written or you're adding or removing conditions. Or you can recommend denial of this to the Council. So these are alternative decisions that the Maui, or that the Lanai Planning

Commission can make with respect to this project, not with respect to a no action alternative or a different mix or something else. That discussion was done in the EA process. We're not looking at alternative proposals in this staff report. So there's two different kinds of alternatives.

Mr. Gima: Okay, thank you, Kurt. Go ahead, Keiki-Pua.

Dr. Dancil: Thank you, Kurt. Thank you, Chair Gima. Just call up Chris again to go over on slide 49. So the question was asked why was four and five eliminated? Do kind of go through that, Chris, please? You're on mute, Chris.

Mr. Sugidono: Sorry. For four and five --

Dr. Dancil: So if, uhm --. Yeah, so basically . . . (inaudible) . . .

Mr. Sugidono: . . . (inaudible) . . . included in the park and golf course zoning.

Dr. Dancil: Yeah. So, Chris, can you see the slide? We're on question number four. Part of the question was why was number four and five eliminated in the proposed park subdistricts. And it was referenced here in the Final EA. We also want to recognize that they were planned at one point to install another tower at the Lanai Adventure Park and that is no longer the case. Can explain the elimination of this language?

Mr. Sugidono: Sorry and think I lost my place. I apologize.

Dr. Dancil: We're on slide 50.

Mr. Sugidono: Okay. Sorry. Yeah. So I was in the right place. Okay, yeah, this language was included in the County Code Park and Golf Course Zoning that exists today in the existing Maui County Code for the golf course for an unanticipated event. So the language proposed to be included and amended Koele Project District Ordinance for the parks subdistrict not because R1 water will continue to be used for irrigation. This language is used in County Code where R1 water is used for golf course irrigation.

Mr. Gima: I think you're on the wrong slide.

Mr. Sugidono: I think this was the correct one.

Mr. Gima: Oh, did you already answered the one, why was four and five eliminated or did Keiki-Pua answered that?

Dr. Dancil: No, I answered that, Chair Gima. I probably went through it too quickly. So on number four and five --

Mr. Gima: Okay.

Dr. Dancil: -- we put the reference in there. I also eluded to at one point in time, we were considering adding a second tower to the Lanai Adventure Park, and we are no longer going to be adding that second tower. And that was one of the reasons why we eliminated four and five.

Ms. Kaye: You eliminated it because you were going to do something that was going to be taller than that and now you're not going to do it so you're not going to put it back in? Is that what I'm hearing?

Dr. Dancil: We can put it back in if that's your desire?

Ms. Kaye: Well, it was in there for a reason initially, and you had a specific reason for wanting to take it out, which you say no longer applies. So would you object to putting it back in?

Dr. Dancil: At this point in time, we don't object to putting it back in.

Ms. Kaye: Okay, thank you.

Dr. Dancil: You're welcome. Okay, we're onto slide 51. Chair, I just will add and respect for the Commissioners, I know we've been going for a long time. I don't know if you guys want to take a five minute break or if you want to continue.

Mr. Gima: Yes, you read my mind. Let's take a, let's take five minute break.

Dr. Dancil: Great. Thank you, Chair. Appreciate it.

(The Lanai Planning Commission recessed at 7:10 p.m., and reconvened at 7:16 p.m.)

Mr. Gima: . . . all the Commissioners' cameras come back on great.

Dr. Dancil: Great. We're going to start sharing our screen. Let me know, Chair, when you'd like to start.

Mr. Gima: Okay. One, two, three. Okay, go ahead, Keiki-Pua.

Dr. Dancil: Thank you, Chair Gima for that much appreciated break. We're back on slide 51. So we proposed section, subsection J, Public Utility, because there is equipment that is currently in the golf course area that will be designated park that contains Lanai Water Company infrastructure. We proposed subsection L to provide flexibility. For example, what if the community wanted to hold an event at the Cavendish for a temporary special event, this would be an accessory use. It should be noted that these events would be temporary and that means that the event may be held no more than 30 days in a calendar year. This would allow

them not having to come to the Planning Commission for approval. It would be an accessory use if this is allowed.

Next, I'm going to call Chris back up. Chris, we are on Slide 52. If you could please walk us through why the language was added as shown on the screen.

Mr. Sugidono: Yeah. So it is our understanding that Pulama Lanai has utilized R1 for maintenance and irrigation on the golf course subdistrict for a number of years. Drinking water use on the golf course was limited to human consumption purposes in compliance with existing Koele Project District ordinance. Since the adoption of the Koele Project District Ordinance in '86 and '92, the County of Maui has amended the County Code to include provisions to require the use of recycled water for certain uses. This includes golf courses and restricting the use of drinking water on golf courses. And so County Code 20.30 was adopted in 1996, and MCC 14.08 was adopted in 2009. Both of which were after the Koele Project District Ordinance, which established a golf course subdistrict in 1992.

And while County Code 20.30 is currently applicable to areas of on Maui Island, the applicant proposed this language, here, to comply with the same provisions for Lanai as there is existing reclaimed water source available. So regarding MCC 14.08 it is noted that the current language of the chapter only applies to new golf courses constructed after the ordinance was adopted. So similar to the reason for proposing the applicability of MCC 20.30, the applicant included this proposed amendment to the Koele Project District Ordinance to comply with the provisions and purpose of MCC 14.08 for Lanai as well as it is an existing condition restriction to use reclaimed water for a golf course irrigation, for the golf course lands.

Dr. Dancil: Why were these sections eliminated?

Mr. Sugidono: Historically, we understand that the Cavendish Golf Course has not been irrigated with R1 water. Therefore, this section is not applicable. The Cavendish golf course will be the only area within the golf course subdistrict in the Project District with the proposed amendments.

Dr. Dancil: Can you explain the changes that are highlighted in yellow in the resort commercial section on the screen?

Mr. Sugidono: Yeah, this change was made because the original section in the Project District Ordinance was for Public not Resort Commercial. So Resort Commercial is a new proposed subdistrict as such -- so as such, the yard is not applicable as there will be buildings such as a bar, or support structure like a locker room, or tennis pro shops. The word yard was replaced with building simply.

Also the setbacks are consistent with other commercial areas in Maui County Code. We should note that there is, and I think, an error in the 4.A and 4.B, the yard should be replaced with building.

Dr. Dancil: Whew. That was the end of question four. We are now moving to question number five.

Ms. Kaye: I'm sorry, Keiki-Pua? I'm sorry. Could you just go back to not this last one, but the one before? One slide back again. Sorry. I mean, that was so confusing. My understanding if I remember, if I'm hearing you correctly, there's no longer a golf course. And the golf course was required to use R1 water irrigation when, when it was originally approved. And what you're saying is you intend to keep doing that, but you're also grandfathering in the fact that Cavendish is -- has always been irrigated with not R1 water and you want to continue that also. Does that summarize where we're at with this?

Dr. Dancil: Correct. So Cavendish historically has always been, and has been grandfathered in all the way. The Experience at Koele did have a condition to irrigate with R1. And since we are no longer operating The Experience at Koele, we are going to use still R1 in those areas that were The Experience at Koele. I hope that confirms your statement.

Ms. Kaye: Yes, it does. But you understand why the question was asked. It doesn't read that way. It reads as if because I know 20.30 only applies to parts of Maui Island, but it doesn't say we're agreeing to do that. You just have now said that verbally. That's all I want to clarify.

Dr. Dancil: Thank you, Commissioner Kaye.

Ms. Kaye: Thank you.

Dr. Dancil: Okay, we are on slide 58. Next slide, Olivia. Thank you. So question number five. So we are confirming that the 25 homes, which has an estimated water demand of 15,000 gallons per day, which is determined by twenty five times 600 gallons per day is not included in the proposed project district. And we highlighted the section here that was in our application. The red circle also identifies the area that is being removed from the Project District, where it is currently zoned residential in the Project District.

So these slides, so we're on to question number six, the slides were provided earlier on slide 32, and they were answered in the earlier section, very similar type of questions. So we've duplicated the answer here for convenience. But they answer, like I said, they were answered before. There will be 10 direct new jobs on Lanai, three indirect new jobs on Lanai, and one indirect new job on O'ahu. In the FEA, Volume One, reference 438, the type of direct jobs are listed here. We've pasted it for convenience. The direct jobs on Lanai include but are not limited to the following examples; hotel managers, trainers, fitness and sport experts, spa therapists, etc. Indirect jobs on Lanai and Oahu are listed here on the right side of the graphic, and the reference to where it was located in the applications. I'm going to call back up Kurt Matsumoto for the next couple of questions.

Okay. So Kurt answered some of these similar questions earlier. So the question is please discuss how the alternatives tourism ventures are supported by the current application.

Mr. Matsumoto: Sure. As mentioned in the Planning Department's staff report, the proposed amended Koele Project District boundaries and the increase in the acreage of the hotel and resort, commercial sub-designations offers us opportunities to for future resort related development, and they represent job opportunities. The golf sub- designation is proposed to be reassigned to park sub-designation, which can host multiple art installations. This would support cultural tourism, alternative tourism ventures. The resort commercial sub-designation area is currently used for Lanai Ranch activities and will continue to be used in this manner. As you know, this area highlights the rural lifestyle of Lanai, and also the area could potentially be used as event venue for both kama'aina families and visitors.

So Sensei Lanai, as you now know, now know, is the wellness retreat. The expansion of 11.5 acres would further enhance the wellness theme that we have already built there. Sensei Wellness employs more alternatives as we grow. So more wellness professionals that are not just spa treatment professionals. At Koele, at Sensei, there's a broader range of professionals that are employed now. Also, Lanai Air has been expanding service to support the Sensei Retreat, and we believe it's added to the success to date.

Also from that location, there's multiple activities that involve seeing the island. They encompass cultural tourism, eco-tourism, ag tourism, sports tourism. So, for example, the Lanai Adventure Park, Love Lanai Tours, there's sailing opportunities, the laser range, the Lanai Archery and Shooting Range, and then we would add the art and sculpture park.

Ms. Kaye: Could you just add — speak for a second about what part of what you just said impacts kama'aina tourism? Who can afford it?

Mr. Matsumoto: Actually, right now, Sally, the majority of the clientele is kama'aina. If, if, not for the kama'aina business over the last two years at Sensei, it would have been extremely quiet. While we're starting to gain more tracking from other destinations, it, the location remains very popular to kama'aina travels.

Ms. Kaye: From, from other islands in Hawaii, not tour groups? Individuals?

Mr. Matsumoto: Yeah, we — it's individuals. Yeah, this type of, this type of stay is meant to attract individuals, couples. We're not specifically trying to be in the group market at Sensei.

Ms. Kaye: Okay, that's interesting. I didn't know that. Thank you very much.

Dr. Dancil: Thanks, Kurt. So we're back to question eight. And this one wasn't necessarily a question. It was the comment that Commissioner Kaye pointed out that it should read project -- it should be changed to read Project District instead of Project Site.

Ms. Kaye: I actually thought Kurt's suggestion was a good one. It sounded like, I'm sorry, our planner Kurt suggestion was a good one to do a cascade. Kurt, can you restate that?

Mr. Wollenhaupt: Oh, hello again. I was just thinking that there could be the overall intent that's to look at the water usage in now our revised Koele Project District and then cascade down these uses, hotel, park, resort commercial, all is indicated in the subdistricts as there's also the residential subdistrict. And then that would seemingly take sort of care of incorporate 15. And what we're attempting to do is get the total and then to see how it's broken down within the subdistricts, in addition to the hotel park and resort that's listed in the orange alternative. We just have all of the subdistricts. That --

Ms. Kaye: And that would, I'm sorry, and that would satisfy your concern Keiki-Pua and that you'd report something until it's actually added as a usage in a subdistrict. Correct?

Dr. Dancil: That was --. Yes, and just to be clear, Condition 15 will continue to be reported as condition 15 because it's tied to a different application. And so this would be, you know, when, when development in these subdistricts happen we would start reporting in those.

Ms. Kaye: But, but this is, this is not going to require the Commission to go look up what you reported on condition, condition 15. Correct?

Dr. Dancil: Correct. Two thumbs up.

Ms. Kaye: Got it! Okay.

Dr. Dancil: Okay, question nine. So as we mentioned earlier, new tower was contemplated for the Lanai Adventure Park, which it would have been relocated park subdistrict. We are no longer considering the new tower at this time. We cannot identify any specific principal accessory structures that would be allowed with regard to the height restrictions. So Commissioner Kaye, if you'd like to add that back in that's fine. Okay, next --

Mr. Wollenhaupt: Oh, I had a question on that last one. This is the Planning Department, Kurt. When you're talking about the height limitations, not to exceed 20 feet. I know this is a bit of an odd question but, like, I've seen sculptures that say the sculptor . . . (inaudible) . . . or I think that maybe your owner of your, of the property over there, has a . . . (inaudible) . . . sculpture. Now those can go -- those are big things. So I just was wondering if any of the sculptures proposed in that district are going to be over 20 feet, and if that's even a problem. I just wouldn't want you not be able to --. So the sculptures I was a little bit questioning, and it's an odd question.

Dr. Dancil: It's a great question. We actually have letters from ZAED, and we've had multiple discussions with Director McLean, as well as former ZAED Administrator John Rapacz. Multiple documentation in the area and agreement that sculptors are not structures or buildings. They are art and freedom of speech used in the private property. You can put up

art as part of your constitutional right, freedom of speech. And so we have lots of documentation stating that as such. Does that answer your question, Kurt?

Mr. Wollenhaupt: Oh, that's excellent. So you can have a big . . . (inaudible) . . . sculpture there. That would make me very happy.

Dr. Dancil: Thank you, Kurt. Okay, we're up, we're almost done. Thanks, Commissioners. I know this is very long. I appreciate your patience as we work through these. We're on question number nine and I believe slide 70. Chris, this is the language circled in red, is that standard throughout Maui County Code? Stated another way, is it found in other places in the Code?

Mr. Sugidono: Yes. So there are other examples in Maui County Code where this language that's circled is utilized. It is noted that the current MCC 19.71 includes provisions where the Director has the discretion to review and approve other standards within the project district, and it exists, and is existing in other sections in the County Code. In addition, the Planning Department provides general oversight on public safety concerns as part of the planning process. The Planning Department did not raise any issues with the noted amendment, which is reflected in their staff report. However, we do recognize that the Lanai Planning Commission will it be able to review and approve all Project District Phase Two applications that may be prepared for any future development actions associated with the subject applications.

Dr. Dancil: Now to follow up, why is the Director of Planning better suited than the Lanai Planning Commission to make this determination in question ten?

Mr. Sugidono: Well, I guess this change here really is just to clean up some of the language. The existing code already states Planning Director. And the proposed changes just to reference the formal title Director of Planning. So the current County Code 19.71 Lanai Project District Two Koele zoning identifies the Planning Director as the approving authority. So the applicant is not requesting to change this distinction, just simply cleaning up the language.

Dr. Dancil: Chris, can you please walk us through the process and approval of the phase two and phase three project district applications? I know it was covered earlier, so you can kind of breeze through this and abbreviate as needed. And this question was asked of the applicant. However, Planner Wollenhaupt did go through this earlier, so just kind of hit the high notes, please.

Mr. Sugidono: Yeah, sure. This, what you see on the slide here is pulled directly from the County Code. So for phase two, which would be after -- we're in phase one -- so phase two, the applicant submitted the preliminary site plan to the Planning Director, which conforms to the project district ordinance that was set in phase one. So you have and then you have proposals for drainage, streets, parking, utilities and things like that. So the Director would submit that preliminary site plan to the Planning Commission. And then the Planning Commission would hold a public hearing and approve the preliminary site plan with or without

modifications. And then when it goes to phase three, you'd have your final site plan submitted to the Planning Director, and then the Director would approve that final site plan.

Dr. Dancil: And Chris, just again, high notes identify the responsible party for the approval of phase two and phase three. This was a specific question.

Mr. Sugidono: Yeah. So as I mentioned, phase two would be LPC. They review the preliminary site plan and provide the recommendations or review the recommendations to the Planning Department. And then phase three, the Planning Director reviews and approves the final site plan.

Dr. Dancil: We're almost done. We're second to the last question. So the vacancy rate was not intended to justify decreasing the residential acreage in the Koele Project District. It should be noted that the vacancy rate in the table is for years 2013 through 2017 for the island of Lanai. This data point is provided by the U.S. Census Bureau American Community Survey five year estimates 2013 to 2017. The vacancy rate was reported and used as a reference in the Socio Economic Impact Report that was prepared as part of the Final Environmental Assessment. It's also in Appendix H. The report analyzed a number of conditions on Lanai including population and distribution, households, housing, and income and education. The vacancy rate was noted within the report and that was included in the Planning Department's staff report along with other information from the Economic Impact Report. The data is replicated from the U.S. Census Bureau five year survey and referenced at the bottom of the table. It does not indicate whether the rate was steady. However, it should be noted that we did look up the subsequent two additional five year estimate surveys, and the vacancy rate did not change within the margin of error.

Highlighted in red circles in the table from the U.S. Census Bureau is the 315, not 312, were identified as quote for seasonal, recreational or occasional use. And that's found on reference page 458 and 459 of the application. It does not list specific owners. The language was also circled in red here on what those uses, you know, who would be residing there.

The last question. Chris, we've shown the process several times for the particular applications. Could you please go into more detail and explain the interplay of the DBA or District Boundaries Amendment, and the CIZ, CPA, and phase one amendments?

Mr. Sugidono: Yeah. So we looked that the County of Maui is representing – sorry – has represented by the Planning Department at the State Land Use Commission hearings on DBA. Additional parties that participate in the DBA hearing are the State Office of Planning and Sustainable Development, as well as the applicant. We would also note that we have had discussions with the Planning Department throughout the application process since -- or at least a year before the draft applications were submitted in May of 2021. So it is our understanding that the review process we are currently undergoing is the correct process. So the Lanai Planning Commission reviews and makes the recommendation to the County Council on the Community Plan Amendment, Project District Phase One Amendment, and

the Change of Zoning. The County Council will hold committee meetings and take action on the CPA. Then, after the Council takes action on that, the DBA petition can be filed by the applicant with the SLUC. Following SLUC action, the Council may take up review and action on the Project District Phase One Amendment, as well as the CIZ. And so based on our discussions, with the Planning Department, this is our understanding of the sequencing of reviews and actions on this Project District Amendment request.

Dr. Dancil: And so the general process now a bit more specific. If the LPC recommends approving the CIZ to County Council with conditions, would or could those conditions carry forward with the DBA or are they independent?

Mr. Sugidono: So those conditions would be specific to the CIZ, and Pulama then I would need to comply with those conditions. They would be independent of the DBA. The Planning Department may have additional thoughts as they are party at the DBA hearing.

Dr. Dancil: If the LPC recommends denying the CIZ, would the DBA move forward regardless? And what impact does or would one have on the other?

Mr. Sugidono: If the LPC recommends denying the CIZ, the Planning Department would transmit that recommendation to the County Council. The Council is the determining body for the CIZ application. And as noted earlier, based on the discussions with the Planning Department, the CIZ request would not be taken up by the Council until after the SLUC makes the determination of the DBA. The DBA could move forward independently of the LPC's recommendation to deny the CIZ as the action would be pending with the Council. They are two different unrelated processes.

Dr. Dancil: Thank you, Chris. Thank you, Roy. Thank you, Ken. Thank you, Kurt. And thank you Cal. This concludes Pulama Lanai's formal response to the letter dated May 27th for the Lanai Planning Commission. Thank you, Commissioners. I know this is a long one. We appreciate the time.

Mr. Gima: Okay, thanks, Keiki-Pua. Will you provide your presentation slides to the Planning Department so that, for reference, we can review them in the future?

Dr. Dancil: Yes, we could do that, Chair.

Mr. Gima: Okay, thank you. Okay, Kurt from the Planning Department, where are we at now?

Mr. Wollenhaupt: Well, we're at the stage of your continuing to ask questions, deliberate on any further review that you would like from the applicant or the Department. I believe you don't have quorum on this matter to make a decision this evening if I'm correct, so any decision making would have to move to a meeting in which you have at least five members that would be in quorum to make your recommendation to the Maui County Council. After you have concluded the questions and answers that you believe now make your ability to make a

decision on this project, you would ask for the recommendation of the Department of Planning, and then you would then be in deliberation as to the alternatives as we talked about before, whether you would recommend approval with no conditions or with conditions. And if those conditions would there be any motions in order to change, add or delete conditions? I know that condition number eight, you had considerable discussion on the water and that one, of course, there would likely be a motion from one of your members to amend condition eight. And then you, or you can also, of course, deny the entire project recommending that. And then you would go for your, your member's vote on all three, which would be the Phase One, the Community Plan Amendment and the Change in Zoning. So that's where we are this evening. Thank you.

Mr. Gima: Thanks, Kurt. So, Commissioners, any last questions or comments for the applicant?

Ms. Kaye: I just have one, Butch.

Mr. Gima: Okay, go ahead.

Ms. Kaye: Yeah, I just wanted a clarification. I understand and, and I agree with Shelly per that the presentation on water was most informative. However, if memory serves when we reviewed the Miki Basin proposed expansion, it was clearly knowledge that the issue was not the water usage but the source. And that it was acknowledged that the current system could not accommodate 237, PW 237 could not accommodate all of the projects that are planned. Is that -- am I remembering that correctly?

Dr. Dancil: Commissioners Kaye, you're, you're talking about the Miki, the DBA that is before the State Land Use Commission at this point in time?

Ms. Kaye: Yes, I am. Your, your presentation tonight was great, but it mostly focused on recharge, and hitting the trigger, and CWRM, and all of that. But if I remember the question that came up with the Miki DBA was that there the water, it wasn't a question of water usage, but where it was going to come from that you would need to do a new well.

Dr. Dancil: It was 238, not 237.

Ms. Kaye: Sorry.

Dr. Dancil: So Koele Project District is serviced by 237, not 238.

Ms. Kaye: Okay, so, but was I correct, and that's what you guys acknowledged with the Miki Basin, that 237?

Dr. Dancil: Yes, subject to check. We're looking at it right now, and I believe we had upgrades to the pumpage. I don't have all that information in front of me. Commissioner Kaye, I'm sorry, I'm going to have to pull up specifically the Miki 200. My headspace is in Koele, I apologize.

Ms. Kaye: No problem. And I apologize, I got my water systems mixed up. Thank you.

Dr. Dancil: Thank you, Commissioner Kaye.

Mr. Gima: Zane, you got any questions or comments? Erin?

Mr. de la Cruz: I have a couple. Uhm --

Mr. Gima: Okay, go ahead.

Mr. de la Cruz: The first one is related, like, I understand that for that question that was asking about how much of the County water, County wastewater does it take to generate that, I think it was, point three million gallons of R1. Like, I understand you can't answer that question because like the County water system is not -- it's kind of a black box, uhm, as far as the auxiliary plant is concerned. But are you able to determine, excuse me, how much R1 can be produced per gallon of wastewater received to the auxiliary plant?

Dr. Dancil: So Commissioner de la Cruz, if I understand your question correctly, you want me to do a calculation of how much in the --

Mr. de la Cruz: Not, not you directly, but if at some point in time -- and I know this might not, like, this, this does pertain directly to this project district, but also just over all for future planning decisions. If, like, what is the efficiency of the auxiliary wastewater treatment plant? Like what --? How much R1 can you turn out per gallon of wastewater received? I know it's not going to be 100 percent efficient system.

Dr. Dancil: Yeah, so I understand your question. So what you're looking at is, you know, ten water molecules come in to the auxiliary plant. How many water molecules are distributed to Koele? So, you know, are there any water losses evaporation? So there is evaporation loss because it has to go through a . . . (inaudible) . . . before it gets to another . . . (inaudible) . . . So I don't have that calculation right now, but you know, we take as much water, all water, if necessary from the County plant and we process it through our plant, if our plant is up and running. We've been doing maintenance on our plant and, you know, some investments and capital infrastructure for our plant, but we process as much as we can. So I don't have that efficiency number, evaporation loss in front of me. But I do understand the intent of the question.

Mr. de la Cruz: Uhm, and like another, I guess, for, it's also a definition question. And from what I understand from earlier in the presentation, the State does not use portable, non-portable, drinking, non-drinking. It uses regulated versus unregulated based on that rule of

100 that was given to us earlier. Uhm, but we're continuing to use, uhm, I believe it's potable water in our discussions. Is that a definition set by the County since the State doesn't use it, or we kind of using colloquial or layman terms when we're using potable water? I think you're on mute.

Dr. Dancil: I apologize. Too many buttons. I think it's more of an historic use. Joy Gannon is on the phone as a resource right now, if Joy wouldn't mind answering that question. But we, we do use the term drinking water. However, I think just historically the word potable has transpired for . . . (inaudible) . . . But in our applications, we're careful about that. So Joy, if you don't mind being a resource. I know she, she is on the call.

Ms. Joy Gannon: Hi, Commissioners. Thank you. I am on the call. I really can't add a whole lot of information to what was already provided. You'll notice when I'm speaking in on all the reports that I provide when it comes from the Lanai Water Company, I'm very careful about using this distinction drinking water versus potable water. When you're seeing that potable, I believe it's always coming from the Planning Department in that historical usage. But it's a confusing term, which is why I'm really very careful when I say drinking water, or brackish water, or R1 water. I, I try to be really careful about that because it is confusing.

Mr. de la Cruz: And I'm not really sure how to phrase this one. Like, I guess I just would like some clarification when the -- sorry, I don't have the figures in front of me -- but it's something like the approximately 256 jobs associated with the project district, and there are ten new jobs going to be added due to the proposed changes in the zoning and boundary amendments, am I understanding that correctly?

Dr. Dancil: Chair Gima, if you would allow me to share my screen again.

Mr. Gima: Sure, go ahead.

Dr. Dancil: Thank you. Olivia is going to share our screen. Commissioner de la Cruz, is this the information in question?

Mr. de la Cruz: Yes.

Dr. Dancil: So, yeah, to confirm, it's estimated to have ten direct new jobs on Lanai. That's that dark-gray area. The existing is in light-gray. So new is ten direct jobs on Lanai. Estimate number of indirect jobs is four. Three of which are on Lanai, and one of which is on Oahu. Those are the numbers.

Mr. de la Cruz: So those 442 jobs are what are currently being supported or was being supported by the current project district, the Koele Project District.

Dr. Dancil: Correct. And it's, you know, it's not just necessarily at the resort itself. It includes the, you know, to support jobs in the project district.

Mr. de la Cruz: So like the, kind of like the indirect jobs and things like that.

Dr. Dancil: Landscaping, maintenance, all of the other island operations that Pulama Lanai does, not necessarily Sensei Retreat.

Mr. de la Cruz: Thank you. Those are the questions that I have.

Dr. Dancil: Thank you, Commissioner de la Cruz for the questions.

Mr. Gima: Thanks Zane. Erin, do you have any questions comments for the applicant?

Ms. Atacador: No additional questions from me. I think I just echo the previous comment. Appreciate you taking the time to do the follow up and provide the additional information on all the questions that were presented.

Dr. Dancil: Thank you, Commissioner Atacador.

Mr. Gima: Okay, Commissioners, since we don't have quorum, what's your preference? I mean, we can, we can put off or maybe we can end this item now and then pick it up next month. Or do you need some more clarification in terms of your options? Okay, I don't see anybody raising their hands. Kurt, Planning Department, can you go over real quick what our options are in terms of do we have to vote on each one separately or do we vote on all three together?

Mr. Wollenhaupt: Yes. Hello, this is Kurt again. It's been done both ways, but I think that it's, it's much cleaner to vote on the phase one because you do have a complicated ordinance. The change in zoning, again, because you do have conditions, at least one of which is going to have to have a motion in order to amend. And you may have additional ones or perhaps even delete them. And then of course, you have the overall community planning amendment. So I think that it makes a clearer and a way of deliberating and voting on each of them independently.

Mr. Gima: Okay, thank you. That being said, if there are no objections from the Commissioners, we will have to defer this to next month's meeting until we have a quorum so we can vote on this. Any questions or comments about that deferral?

Due to the loss of quorum, the Commission deferred the agenda item to the August meeting.

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

- 1. BILLS FOR ORDINANCE AMENDING CHAPTERS 2.28, 2.88, 19.48, 19.52, AND 20.08, MAUI COUNTY CODE, RELATING TO THE MAUI COUNTY CULTURAL RESOURCES COMMISSION AND MAUI COUNTY CULTURAL**

**OVERLAY DISTRICTS; AND CHAPTER 19.50, MAUI COUNTY CODE,
ESTABLISHING A HANA CULTURAL OVERLAY DISTRICT**

Ms. Michele Chouteau McLean, AICP, Planning Director, transmitting Resolution No. 22-79, FD1, referring to the Maui, Molokai and Lanai Planning Commissions two proposed bill to amend Maui County Code:

- a. To combine the provisions of the historic districts with new cultural overlay districts and change how such districts are established; expand the advisory capacities of the Hana, South Maui and Paia-Haiku Advisory Committees to include the Maui County Cultural Resources Commission (CRC); change how CRC members are appointed; require the planning director to appoint the principal archaeologist to serve as a resource to the CRC; and establish criteria for grading or grubbing permits in the cultural overlay district.**
- b. To establish a Hana Cultural Overlay District for all land situated within the Hana Moku. (J. Takakura)**

The entire text of the proposed bills for ordinance is available at <https://www.mauicounty.gov/DocumentCenter/View/132847/Resolution-22-79-relating-to-proposed-bills-for-cultural-overlay-districts>

Mr. Gima: Okay, so we shall move on to the next agenda item. I find my papers. And so this is a public hearing for bills for ordinance amending Chapters 2.28, 2.88, 19.48, 19.52 and 20.08, Maui County Code, relating to the Maui County Cultural Resources Committee, and Maui County Cultural Overlay Districts, and Chapter 19.50, Maui County Code establishing a Hana Cultural Overlay District. Let's see. So, Jacky, you will be presenting this item. Given that it is at eight o'clock, can you talk about what timelines were under regarding this, these two bills?

Ms. Jacky Takakura: Yes. Thank you, Chair. So this has been referred to the three planning commissions and also the Cultural Resources Commission (CRC). Unfortunately the CRC and the Molokai Planning Commission had to -- there wasn't enough quorum. There was no quorum, so we have to reschedule those to next month. This is going to be before the Maui Planning Commission next week Tuesday. You have, I believe it's one 180 days after the last public hearing to return this to the County Council. I guess we do have a little bit of time, but we want to try to get through this this summer and sometime in the near future because as you probably know, we do have a lot of other bills we have to bring before the Commissions. But like I said, Moloka'i and CRC were deferred, so those are pushed back a month.

Mr. Gima: Okay, Commissioners, any thoughts preferences about wanting to take this on tonight versus deferring to next month?

Ms. Kaye: . . . (inaudible) . . .

Ms. Grove: Do you have quorum with me? Go ahead.

Mr. Gima: Sally?

Ms. Kaye: No, go ahead. You go ahead.

Ms. Grove: Oh, just process point. Do we have a quorum now that I'm back on camera or are we still short?

Mr. Gima: We have, we have quorum now on this item.

Ms. Grove: Okay. Thank you. So we don't have . . . (inaudible) . . .

Mr. Gima: Sally?

Ms. Kaye: Yeah, Jacky, I don't think I've ever seen something submitted that says they don't want us to mess with this at all. Don't make any recommendations; they don't want it to come back. I don't think I've ever seen this. So why are we reviewing it?

Ms. Takakura: Thank you, Vice Chair. Yes, we were quite surprised by that comment ourselves. But then in conversation with Council Member Sinenci, he -- when we explained our position here, he did say that it is okay to send back a revised bill. So the handout that you have, the memorandum, there's three parts. The memorandum, which, you know, it's kind of our summary, our recommendations. And then the part from the County Council is behind the memorandum. And then after that is what we labeled the discussion draft, which is actually the first bill that we had worked on that we thought we would be carrying to the different Commissions. And that bill, the one that's labeled discussion draft, is actually our preference.

Mr. Gima: Erin, you or Zane, have any thoughts, questions about these two bills?

Ms. Atacador: No thoughts or questions, but my preference would be to defer to next month's meeting because of the time right now.

Mr. Gima: Okay, thanks Erin. Zane?

Mr. de la Cruz: I have no particular inclination for however we want to proceed.

Mr. Gima: Okay, thanks Zane. I, I prefer it goes back. I mean, that we defer because this packet is kind of messed up. I would, I would like it to be cleaned, cleaned up before we deliberate. It was somewhat confusing, and there are some conflicting documents. I don't

know which one we're going to deliberate. So, yeah, my preference would be defer and get this cleaned up so we have something clearer to make a decision on.

Ms. Grove: . . . (inaudible) . . .

Ms. Richelle Thomson: Chair, if I could?

Ms. Grove: Go ahead.

Mr. Gima: Okay, Lisa first and then Richelle.

Ms. Grove: I just had two questions that perhaps can be answered when we do have a chance to talk about it. I didn't see and I think there is, and apologizes because I'm still new at all of this, but the Maui Lanai Island Burial Council, I didn't see any references to that. I still think it's an entity that is still very much in existence. And I wasn't sure exactly what their relationship is. It also was hard for me to try to understand what problem it's trying to solve and sort of what's the point or intent of all of this?

Ms. Takakura: So if I can attempt to answer. So yes, there are two burial Councils; one for Moloka'i and then the other one for Maui and Lanai. And yes, those should be in there, and I do have notes because I noticed that too that one of them was missing in there and they really should be two because there are two that affect Maui County. So that's definitely going to be one of our comments that both of them are represented in here.

Mr. Gima: Okay, Richelle?

Ms. Thomson: What I was going to suggest is because you have the public hearing on this agenda is to go ahead and open and close so that the public formal public hearing can be completed. And then you may want to just at least a little bit of discussion. You brought up, you know, some confusion over what the documents are. So maybe, you know, before you differ, just have a little bit of discussion on, you know, the components that have been presented so that, you know, everybody can take those home and review those. But I would go ahead and open and closed public testimony. I know there's at least one person who's been waiting.

Mr. Gima: Okay, thanks Richelle. Alright, so Jacky, do you want to do a brief intro, and then we'll take a --? Sally?

Ms. Kaye: Yeah, yeah. I'm sorry. I agree with those two things. I think we should do public testimony simply because it's on the agenda, right? And then I agree with Erin. I think we should defer. I don't think we should have any more chatter about this tonight because there's nobody here and we don't get written minutes anymore. So next month, the people that aren't here tonight aren't going to have the benefit of what we discussed. So I think if you're, if you

are unhappy with the clarity in the documents itself, then that's, that should be what's in front of us next month. I think Erin's right.

Ms. Grove: I agree.

Mr. Gima: Okay. Leilani, do we have anybody wishing to testify?

Ms. Ramoran-Quemado: Thank you, Chair. Yes, there is one person who signed, Gina Young representing Council Member Sinenci.

Ms. Gina Young: Okay, are you ready?

Mr. Gima: Go ahead Gina.

Ms. Young: Okay, thank you. Aloha. Good evening, Commission members. I'm Gina Young, and tonight I'm representing Councilmember Shane Sinenci, who introduced the bill that you're about to provide comments on. I do want to briefly explain the comment on asking or stating not to make any changes, and that came from Council staff. And we were really surprised when we saw that. It's the first time I've ever seen it. So when I talked later with the Department about it, I did ask them to just disregard that. We have different staff now. I'm pretty sure you'll never see that again. We really do welcome what you have to say. And any proposed changes to the bill are always welcome.

So our staff, our office, has been working with the Planning Department, specifically Annalise Kehler, Stanley Solamillo and Director McLean, as well as the County Archaeologist Dr. Six, for the past year on this legislation. So that being said, we do agree with the Department's proposed version of the bill and many of the general comments, and I'll explain more about that in just a minute.

So the purpose of the bill is to fill in gaps of the current cultural resource protections, and to provide more local review, as well as more information for property owners and individuals looking to develop property. Now we first started our discussions with the State Historic Preservation Division (SHPD), and it was Dr. Lebo who suggested that we look at the military's approach of using mapping and sensitivity designation. SHPD has been very supportive of our efforts and they see us and this bill as supplementing their work. They recognize that there are serious gaps in their work, and they really don't have the staff or the process that really works very well to protect cultural resources.

So after we met with SHPD, we then began to work with the Planning Department staff, and we're very grateful for their expertise and the time that they spent educating us on the current process and how to make it better. We had regular meetings and it was pretty much, it was the first bill, the proposed bill that we came up with. When we went to committee, it was noted that we don't have the resources to do a cultural map, but that's changed now. During this last budget session, which happened after the bill was referred to you, the administration and

the Council both added in positions that will work on creating this cultural map. And the map now it can be island wide, depending on the timing and the cultural staff that's going to be doing the input. It will just be what, what areas are done first, and that the County Archaeologists can take a look at what areas need to be prioritized first.

So when we first went to the Agriculture and Public Trust Committee, we had that first bill, that, the proposed bill that the Department is putting forward. And we did discuss that in committee. Later, it was changed with the idea of bringing projects to the Cultural Resource Commission, and we welcome that idea as well, and not only using the mapping. So we think there can be some kind of blending of the two bills, but we really just want to hear what you folks think about that.

Ms. Ramoran-Quemado: Three minutes.

Ms. Young: Do I have a minute to conclude?

Mr. Gima: Go ahead and conclude.

Ms. Young: I won't go into the CRC appointments and all of that. But I can if anybody is curious how that came about. That would only be relevant if the CRC were to review projects in a proposed bill. And I also want to point out that the Hana designation was only submitted as an example. There's no need to provide a recommendation on that. We would need to go through a formal process where the County Archaeologist would have to submit a report. And again, that would only be if we went with designating individual districts instead of just working on an island wide map. So thanks again for your service and for your discussion. And I'm sorry that the two bills turned out confusing, but we think in the end we have what we need to create a bill that will work for everybody. Thank you.

Mr. Gima: Okay, thank you, Gina. Commissioners, any questions or comments for Gina?

Ms. Kaye: Yeah, I do. I have a question for her.

Mr. Gima: Go ahead.

Ms. Kaye: I'm sorry.

Mr. Gima: Go ahead.

Ms. Kaye: Okay. So did I hear you say that you are happy with the version of the bill that the Planning Department has submitted as part of our packet?

Ms. Young: Yes, that's the bill that we worked out with the Department, and that's the first bill that went to the Committee. And we think that, that that is a very workable bill now that we have the staff to do a cultural map. That bill wouldn't have worked if we didn't have any staff

to do a map because the whole thing is based upon the sensitivity designations provided on the map. But now that we have -- feel confident that that bill is probably the best path to go forward.

Ms. Kaye: Okay, and I'm sorry if I missed this, but how did we end up with two bills? Where did the second version of it come from?

Ms. Young: Sure. The second version came when we were in Committee and Corporation Counsel who also staffs the Cultural Resource Commission had staffed it and recommended that we bring projects to the Cultural Resource Commission. So we sat down with her and we thought about it, and we thought, you know, that's not a bad idea. So we're, we're still open to that idea, and we'd like to hear whether or not you think all projects should go before them. I guess that's really the two differences between the bills. And maybe just some of the more the higher sensitivity areas could go before them after they're designated on the map. The first bill, it sets the designation based upon certain criteria and the different layers of the map, and those designations would then determine what the project conditions or limitations are. The other bill that you've received would have the Cultural Resource Commission review it and then determine project conditions. So, that's the two basic differences.

Mr. Gima: Okay, thank you. Any other questions for Gina? Okay, Leilani, do have anyone else wishing to testify.

Ms. Ramoran-Quemado: Thank you, Chair. There is -- there are no other individuals signed up via chat, and there are no testifiers here at Kalana Pakui. Thank you.

Mr. Gima: Okay. And Denise, do we have anyone from the Lanai Council Office wishing to testify?

Ms. Denise Fernandez: Chair, we have no one waiting to testify here at Lanai Office.

Mr. Gima: Okay. Thank you, Denise. So at this time I will close public hearing. And given the sentiments of the Commissioners, if there are no objections we will defer this item to August meeting.

Without any objections, the Commission deferred the agenda item to the August meeting.

D. DIRECTOR'S REPORT

- 1. Open Lanai Applications Report as distributed by the Planning Department with the July 20, 2022 agenda.**

Mr. Gima: Okay. Moving quickly on to Director's Report. Who will be providing?

Ms. Ann Cua: I will. Ann Cua.

Mr. Gima: Okay.

Ms. Cua: So we have given you the open Lanai applications report. It's the last page of your agenda. I don't know if you have any questions on that.

Ms. Kaye: Yeah, I do. What is fleet yard repair and maintenance? That is a –

Ms. Cua: Looks like a country, country town business approval.

Ms. Kaye: Right, so what?

Ms. Cua: Yeah, I believe they're, they're just doing some, some maintenance work on the building.

Ms. Kaye: We're talking the labor yard?

Ms. Cua: I'm not, I'm not sure what you're referring to, but it's the fleet yard repair and maintenance.

Ms. Kaye: Okay.

Mr. Wollenhaupt: Kurt, the planner, again. I am passing the new planner, Alik, and it's for those --. It's pretty extensive repair. I don't know if there's someone from Pulama Lanai. I haven't looked over that particular application, but there's been discussion about the processing of it. So it's a little more than just, you know, a window repair. But to get the extent, perhaps there's some representatives still there. So she's working on it and looking at the scope of the proposed yard repair.

Ms. Kaye: Maybe we could just get an update next month.

Ms. Cua: We can do that.

Ms. Kaye: Thank you.

Ms. Cua: Chair, would you like me to move on to the next item?

Mr. Gima: Yeah, before you do that, could you also get an update on the Lanai Youth Center project for next month?

Ms. Cua: Oh, I see it. Okay, yeah, that that one is being --. It's, that's just the landscape planting plan approval. That is being done by Russ Higa from our Zoning Division. So that's all it is, landscape planting.

Mr. Gima: It just seems odd because I mean --. I don't think we have discussed much about the overall project and its status.

Ms. Cua: I can check with Russ about it and then get back to you.

Mr. Gima: Okay, thank you.

Ms. Cua: . . . (inaudible) . . . based on, you know, what it is. And it's an LPAP which means it's for the parking lot. It's landscaping within the parking lot.

Mr. Gima: Okay, thank you.

2. Alternate meeting dates and times.

Ms. Cua: Okay. It's so the next item is the alternative, alternate meeting dates and times that, you know, has been discussed for some time now. You know, the Department has mentioned it before, and we just want to mention again that, you know, number one, we can't find a place to stay. The Manele and Koele Hotels are too expensive. There is no STRH's or B&B's available, and you know it just, it just, it precludes us from, from going to the Lanai. So, you know, for now, we're preparing for --proposing and preparing to keep the same hybrid meeting format where we will have a place, that conference room that you see there. We have a place where people can come and testify if they want to. We have an office in Lanai where people that are there can come and testify. And then, you know, if any of the Commissioners, the Commissioners joined by video as, as, as does the Department. Any questions?

Ms. Atacador: I know you mentioned looking at Manele and Koele to stay. Have you tried Hotel Lanai?

Ms. Cua: I'm -- I, I did not think that was an option either. I haven't been directly involved. I don't know if Kurt knows anything about that. He may.

Mr. Wollenhaupt: Well, it's our understanding the hotel is just now essentially closed to the public and to be used to house workers on all the different projects so there's no availability. That's what we were --. That's what I understood at least a month or two ago, so that's precludes use of that.

Ms. Atacador: I'm the manager of it, and it's open.

Mr. Wollenhaupt: Oh, well, there you go.

Ms. Atacador: No, we have rooms available. It's open to book if that's the way it goes, but that is an option to stay there.

Mr. Wollenhaupt: Yeah, that's, that, that is news. I think that we've all been, to be honest with you, a little concerned about the continuation of the COVID epidemic. So, well, that's all, that's all another debate. But it's good to know that the hotel is open.

Ms. Atacador: Yeah, Hotel Lanai is available if, you know, if that's the way it goes to in the future.

Mr. Wollenhaupt: And a beautiful hotel renovation that you did. I want to congratulate whoever was on that team did a wonderful job. I think I've stayed there and Ann has stayed there, and it was really nicely done.

Ms. Cua: Yes, I agreed. Yeah, and I need to second what Kurt just mentioned. You know, we went through two years in the Department through COVID where we were, you know, partially closed, completely closed, being fully back, back open. And, you know, recently, like every place else, we're just seeing just such an increase in the positive COVID tests. I managed to be lucky all through the two years and I got it two weeks ago, two and a half weeks ago. So, and we've seen that more with the staff, the public, and so besides the places, the non-availability that we had known of the places to stay, it is definitely a concern to, to just travel right now with, with the high numbers. You know, we don't want to bring anything over there to anybody. We don't want to go there and have anybody give anything to us. So, you know, for now, you know, I think this format seems to be working until, you know, maybe things change a little bit, things get a little . . . (inaudible) . . .

Ms. Grove: . . . (inaudible) . . . exclamation points to that. I couldn't agree more. I've never seen been in closer contact with more people with COVID on Lanai right now, and we just have to stay vigilant. So I just want to say I completely echo that. I'm very comfortable on Zoom. I'm not comfortable in a public venue right now.

Mr. Wollenhaupt: Oh, oh, hi, this the planner again. And also one thing that that -- this would be more of a management issue and Commission. But assuming that it may be sometime in the future, we go back to the Senior Center, I think that there needs to be consideration by whomever does this of making it a digital format of getting a television, and getting internet connection, someplace that has --. Because I think we're going to have hybrid meetings, we're going to have witnesses or whomever might technical experts that would like to come in. So having a conference room on Lanai that would have all this. I'm not aware of one because I know the Senior Center, well, we just didn't have this digital world. You know four or five years ago we weren't Zooming and BlueJeans. So anyway, that's just a thought that I had that that process will take quite a while to finance and implement if that's where someone wants to go. So just an input. Thanks.

Mr. Gima: Sally, Sally or Zane, you have any thoughts about alternate meeting times and in-person versus Zoom?

Ms. Kaye: Zane, if you have something to say, go, and then I'll go.

Mr. de la Cruz: Yeah, I just, I just like the digital format, but I completely understand the necessity of it, so it's just like a weird Catch-22 for me.

Ms. Kaye: It's a weird what?

Mr. de la Cruz: Uh, I'm not using that reference correctly. It's, uh, I understand the necessity of this type of meeting at this point in time. I would eventually like to go to a more in-person format. It's just like for this type of meeting I'm more comfortable in that kind of discussion. But I completely understand the need and desire for this digital format at this point in time.

Mr. Gima: Okay, Sally?

Ms. Kaye: Yeah, absolutely, I think the comfort of the staff, the Planning Department staff is to be our primary concern at this point. Assuming we ever do get past hesitation to go back out in public, then I think we really ought to try and consider earlier meeting times so that the Planning Department can get it over and back on the same day. I mean, we have to think about -- I think we have to think about if we could do it over a lunch hour so that people that are working can take time to, as Kurt said and Ann said, you know, we're going to stay hybrid, people can call in and they don't have to show up, I hope, we can continue that. So that's, that's my thought. So I'm very comfortable with what Ann has suggested.

Mr. Gima: Okay. How's about you, Erin? Any preferences?

Ms. Atacador: No, uhm, still feel the same. I understand the want, the necessity of being in hybrid. So that's it.

3. Chair Gima's workshop items.

Mr. Gima: Okay, thank you, everybody. I prefer in-person. But I'll -- Ann, I'll continue to work with you on an ongoing basis about this. We're coming up on 8:30 so why don't we table the workshop items and then go straight to our agenda items for August 17th, if you have no objections.

4. Agenda Items for the August 17, 2022.

Ms. Cua: Thank you, Chair. I'd like to ask Leilani to let us know. I don't think there is much. I think there might be this one additional item to whatever's been deferred, but I'll ask Leilani to comment on that.

Ms. Ramoran-Quemado: Thank you, Ann, and thank you, Chair. Yes, there is a public hearing item, a bill for ordinance amending Maui County Code, and it's relating to transient accommodations caps. And then in addition to that, the two items that were deferred at this meeting will be placed on the next month's agenda again. Thank you.

Ms. Cua: I think that's it for the Department.

E. NEXT REGULAR MEETING DATE: August 17, 2022

F. ADJOURNMENT

Mr. Gima: Okay. Thanks Leilani. Alrighty. Thanks everybody for sticking it out for this long. And if there are no objections, meeting is adjourned. We'll see you guys next month. Thank you.

There being no further discussion brought forward to the Commission, the meeting ended at 8:27 p.m.

Respectfully submitted by,

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

RECORD OF ATTENDANCE

PRESENT:

Erin Atacador
Zane de la Cruz
Reynold Gima, Chair
Elisabeth Grove
Sally Kaye, Vice-Chair
Shelly Preza (excused at 7:00 p.m.)

EXCUSED:

Nicole Alboro
Sherry Menze
Chelsea Trevino

OTHERS:

Jacky Takakura, Deputy Director, Planning Department
Ann Cua, Planning Program Administrator
Clayton Yoshida, Planner VI
Kurt Wollenhaupt, Staff Planner
Denise Fernandez, Executive Assistant, County Council, Lanai District Office
Richelle Thomson, First Deputy, Department of Corporation Counsel