



# LAND USE COMMISSION

*Komikina Ho'ohana 'Āina*

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

*Ka 'Oihana Ho'omōhala Pā'oihana, 'Imi Waiwai a Ho'omāka'ika'i*

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April 1, 2026

Robert Stafford, Interim COO  
Kaiser Permanente, Hawai'i Region  
3288 Moanalua Road  
Honolulu, Hawai'i 96819

Dear Mr. Stafford,

Subject: Docket A00-730 Lanihau Properties, LLC – Delinquent Annual Reports and Compliance with Conditions

On March 3, 2026, the Land Use Commission (“LUC”) received a letter from the United States Department of the Interior, National Park Service (“NPS”) regarding non-compliance with wastewater treatment and reporting obligations under the LUC’s Decision and Order dated June 23, 2003 (“2003 D&O”) and the amended Decision and Order dated January 31, 2008 (“2008 D&O”) with respect to Condition 1(c).

*“1c. Except for the existing quarry operations and the construction of the roads and utilities as provided for below, the Petitioner and/or any future owner(s) of the Petition Area shall refrain from constructing upon or occupying any portion of the Petition Area until such time as the portion (e.g. lot) to be constructed upon or occupied is connected to WTP, unless in the interim, the portion to be constructed upon or occupied has installed a septic system or other Individual Wastewater System (IWS) designed to remove no less than 80% Total Nitrogen from the treatment system (e.g. septic tank with FAST, Biofilter, Recirculation Filters, Sequential Batch Reactor, or comparable technology) and an absorption field of import material which is constructed in a manner to achieve no less than 90% reduction in phosphorus, featuring adequate percolation rate. The existing*

*quarry operation shall have in place an IWS as described above within one year of the date of issuance of boundary reclassification. Installation is subject to conditions of approval dictated by the Director of the Hawaii State Department of Health and Hawaii Administrative Rules (HAR) Title 11 Chapter 62. When connection to the WTTP becomes available, all portion of the Petition Area, including all individual lots therein, shall connect to the WTTP, whether or not an interim wastewater treatment system has been installed.” [2008 D&O as amended]*

The NPS has indicated that Kaiser’s 2023-2024 Annual Report asserts “full compliance” but that appears to be inconsistent with prior monitoring data. Kaiser did provide a submittal to the LUC at a May 23, 2018, status report meeting showing three years of monitoring data (April 2015 – May 2018) for total Nitrogen and total Phosphorus. That data clearly showed that the effluent for both did not meet the required reductions under Condition 1(c) of the 2008 D&O. The LUC has no record of any other submittals of monitoring or compliance data which Kaiser may have been submitting to other Hawai’i County or State of Hawai’i agencies.

We would like to give you an opportunity to provide the LUC, the State Office of Planning and Sustainable Development, the County of Hawai’i Planning Department, and the intervenor – National Park Service, with copies of historical wastewater monitoring reports, including current wastewater monitoring data certified by a qualified engineer. Please provide any additional background information for Kaiser’s ongoing compliance efforts with all wastewater conditions by May 15, 2026.

In addition, an annual report is required to be filed with the Commission pursuant to Condition No. 16 of the Decision and Order issued on September 26, 2003 (“2003 D&O”). The LUC has no record of any annual reports submitted by Kaiser since its purchase of a portion of the Petition Area in 2008<sup>1</sup>. As a successor petitioner/owner of a portion of the original Petition Area, which has not been bifurcated, you are required to adhere to all conditions of the original decision and order and subsequent amendments. Annual reports in this matter are due prior to or on September 26<sup>th</sup> of each year. You

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<sup>1</sup> An annual report dated August 21, 2012, does appear to be from or on behalf of Kaiser Foundation Health Plan.

are hereby informed that unless we receive your annual report in a timely manner, the Petitioner and/or any successor owners may be required to appear before the Commission to provide testimony regarding the status of the development proposed under the subject docket.

The format of the annual report should be composed of two sections. The first section should briefly discuss the general progress of the project, including any regulatory approvals pending/obtained. The second section should state verbatim, all conditions imposed by the Commission and followed by a brief report on all efforts to comply with each stated condition.

We require that an original and one copy of the annual report be filed with the Commission. We also note that the D&O requires the annual report to be served upon the County of Hawai'i Planning Department, the State Office of Planning and Sustainable Development, and the intervenor – the National Park Service.

We recognize that some of this may be confusing, as successor owners of portions of Petition Areas are not always informed or knowledgeable regarding obligations that have come with land acquisition. LUC staff would welcome the opportunity to address any questions you or your staff may have on this matter. Please feel free to contact Scott Derrickson, AICP, at 587-3822.

Sincerely,

*Scott A.K. Derrickson*

Scott A.K. Derrickson, AICP, Chief Planner

Cc: Lanihau Properties, Riley Smith  
U.S. NPS, Paul Scolari and Jeff Zimpfer  
OPSD, Mary Alice Evans and Leo Asuncion  
Hawai'i County Planning, Jeff Darrow  
Dept. of Health, Wastewater Branch  
Hawai'i County Wastewater Division